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PROCEEDINGS AND DEBATES OF THE 93^d CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, March 15, 1973*

The House met at 12 o'clock noon.

Rabbi Israel Mowshowitz, Hillcrest Jewish Center, Flushing, N.Y., offered the following prayer:

Our God and Father, in whom and through whom we are brothers one to the other, we thank Thee for this good and ample land and for the vision of freedom which founded this Republic, one nation under God, indivisible, with liberty and justice for all.

Make us worthy of our goodly heritage. Guide and inspire us to remove from our midst the yoke of oppression, the finger of insolence, and the words of malice. Make Thou, O Lord, our beloved land strong with justice, mighty with love, great with compassion; crown her good with brotherhood and grant that it become Thy dedicated instrument for the establishment of world peace. Teach us to do justly, to love mercy, and to walk humbly in Thy sight. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 4278) entitled "An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. ALLEN, Mr. HUMPHREY, Mr. CURTIS, and Mr. DOLE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) entitled "An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 776. An act to authorize the striking of medals in commemoration of the one hundredth anniversary of the cable car in San Francisco.

The message also announced that the Vice President, pursuant to Public Law 84–1028, appointed Mr. GOLDWATER, Mr. MCGEE, Mr. STEVENS, and Mr. BIDEN as members, on the part of the Senate, of the Board of Visitors to the U.S. Military Academy.

The message also announced that the Vice President, pursuant to Public Law 80–816, appointed Mr. NUNN, Mr. MONTOYA, Mr. MATHIAS of California, and Mr. BARTLETT as members, on the part of the Senate, of the Board of Visitors to the U.S. Naval Academy.

The message also announced that the Vice President, pursuant to Public Law 84–1028, appointed Mr. DOMINICK, Mr. BIBLE, Mr. BELLMON, and Mr. HASKELL as members, on the part of the Senate, of the Board of Visitors to the U.S. Air Force Academy.

RABBI ISRAEL MOWSHOWITZ

(Mr. WOLFF asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, I am truly proud that Rabbi Israel Mowshowitz, who just delivered the invocation so beautifully and movingly, is the spiritual leader of the Hillcrest Jewish Center located in my congressional district.

Rabbi Mowshowitz' outstanding record of service to his community, State, and Nation certainly deserves to be honored by his invitation to lead us in prayer here today. A graduate of Duke University, he is past president of the New York Board of Rabbis, the largest body of its kind in the world. In addition he is an honoree of the National Conference of Christians and Jews, the Jewish War Veterans, and the Federation of Jewish Philanthropies.

A cofounder and cochairman of Crossroads Africa, a study and work camp project which brought 300 students annually to Africa, Rabbi Mowshowitz has been honored as a life member of the NAACP and the Knights of Pythias.

As a representative of American Jewry, Rabbi Mowshowitz served as spokesman for the first delegation of rabbis to visit the Soviet Union in 1956 at the invitation of the chief rabbi of Moscow and was the only Jewish representative to be officially invited as the guest of the Shah of Iran at the 2,500th anniversary celebration.

As well as being a great spiritual leader Rabbi Mowshowitz is a great American.

I yield to my able colleague from New York (Mr. ADDABBO).

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

MARCH 14, 1973.

Hon. CARL ALBERT,
The Speaker, House of Representatives.

DEAR SIR: At noon on this date a representative of the Attorney General of the United States delivered the attached Department of Justice letter to the Clerk of the House dated March 14, 1973 containing a Notice of Taking of Deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives. The Department of Justice letter and Notice of Taking of Deposition are in connection with Common Cause, John W. Gardner v. W. Patrick Jennings, Clerk of the U.S. House of Representatives, and Francis Valeo, Secretary of the U.S. Senate, Civil Action No. 2379–72 (U.S.D.C. D. D.C.). Later in the afternoon on this date, a representative of Common Cause served on the Clerk of the House a similar copy of the attached Notice of Taking of Deposition of W. Patrick Jennings. The Notice of Taking of Deposition states that Common Cause will take a deposition for purposes of discovery *tomorrow* at 10:00 a.m. on March 15, 1973, at the office of the attorney for Common Cause, Mr. Mitchel Rogovin, 1905 N Street NW., Washington, D.C. 20036.

This action was instituted against the Clerk of the House as Supervisory Officer under the Federal Election Campaign Act of 1971, P.L. 92–225, and was previously transmitted to the Speaker of the House on December 14, 1972. The Clerk's letter of December 14, 1972 respectfully advised that during the adjournment period under House Resolution 9 of the Ninety-Second Congress dated January 21, 1971, I made arrangements for my defense as provided for the Officers of the U.S. House of Representatives under 2 U.S.C. 118. In my December 15, 1972 letter to the Attorney General of the United States making such arrangements I reserved my right to appoint co-counsel at any time for my defense as Supervisory Officer as prescribed by House Resolution 955 of May 3, 1972, now covered by House Resolution 92 of January 6, 1973.

The Attorney General's letter of March 14, 1973 and its attached Notice of Deposition Taking, as well as the Notice served on the Clerk of the House by Common Cause are herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

Sincerely,

W. Pat Jennings,
Clerk, House of Representatives.

March 14, 1973.

Hon. W. Patrick Jennings,
Clerk of the House of Representatives,
Washington, D.C.

Dear Mr. Jennings: In accordance with the telephone conversation between Paul Wohl of your office and David Anderson and Bruce Titus of my staff, I am enclosing a copy of a notice to take your deposition in the case of *Common Cause, et al.* v. *W. Patrick Jennings, et al.*, U.S.D.C. D.C. Civil Action No. 2379–72, which was served upon us yesterday. This notice, issued pursuant to Rule 30(b)(1) of the Federal Rules of Civil Procedure, was served in accordance with Rule 5, which provides in subsection (b) that "[w]henever under these rules service is required or permitted to be made upon a party represented by an attorney the service shall be made upon the attorney unless service upon the party himself is ordered by the court." You should, therefore, consider that the Notice of Deposition was validly served upon you yesterday, and you should now take whatever steps are necessary in accordance with the procedures of the House of Representatives to bring this matter to its attention.

As discussed with Mr. Wohl, we plan to file a Motion for a Protective Order today, seeking a postponement of the deposition pending the disposition of the Motions to Dismiss which have previously been filed in this litigation. In this connection, we would appreciate being advised as promptly as possible, of any authority which requires you to obtain a special resolution or any other House action prior to producing any documents or testifying at a deposition.

We greatly appreciate your cooperation in this matter.

Sincerely yours,

Harlington Wood, Jr.,
Assistant Attorney General.

March 14, 1973.

Hon. Harlington Wood, Jr.,
Assistant Attorney General, Department of Justice, Washington, D.C.

Dear Mr. Wood: This refers to your letter of this date that contained a copy of the notice to take my deposition in the case of *Common Cause, et al.* v. *W. Patrick Jennings, et al.*, U.S.D.C., Civil Action No. 2379–72 and requested "any authority which requires you to obtain a special resolution or any other House action prior to producing documents or testifying at a deposition."

Shortly after receipt of your letter, on this date, the requested authority was furnished to Department of Justice attorney, Mr. Bruce Titus.

You are hereby advised that later in the afternoon of this date Common Cause served a copy of the Notice of Taking of Deposition of W. Patrick Jennings at 10:00 A.M. on March 15, 1973 that was duly transmitted in the attached letter to the Speaker of the House of Representatives. The Clerk of the House is now obliged to await such action as the House in its wisdom may see fit to take prior to taking any further action on said Notice of Taking of Deposition.

With kindest regards, I am

Sincerely,

W. Pat Jennings,
Clerk, House of Representatives.

[In the U.S. District Court for the District of Columbia, Civil Action No. 2379–72]

Notice of Taking of Deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives

Common Cause, *et al.* Plaintiffs *v.* W. Patrick Jennings, Clerk, U.S. House of Representatives, *et al.*, Defendants.

Notice is hereby given that Plaintiffs will at the hour of 10:00 a.m. on March 15, 1973, at the office of Mitchell Rogovin, 1905 N Street, N.W., Washington, D.C. 20036, take the deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives, Washington, D.C. 20515, as if under cross-examination, for purposes of discovery, to be read as evidence in the trial of this action, and for all other purposes allowed under the Federal Rules of Civil Procedure.

The above mentioned Mr. Jennings is hereby requested to produce the following letters, correspondence, documents, records or other writings for inspection and copying:

A. All letters, correspondence, documents, records or other writings (excluding official statements of organization and reports of receipts and expenditures filed under the Federal Election Campaign Act of 1971) which evidence communications to and from the following organizations and the officers, employees and agents thereof:

(1) The Machinists Nonpartisan Political League, an affiliate of the International Association of Machinists and Aerospace Workers;

(2) The Arkansas Committee on Political Education;

(3) The David Pryor for Senate Committee;

(4) The Communications Workers of America COPE Political Contributions Committee;

(5) The Banking Professional Political Action Committee (Bank PAC);

(6) The Builders Political Campaign Committee, an affiliate of the National Association of Home Builders;

(7) The General Telephone Employees Good Government Club;

(8) The Republican Congressional Boosters Club;

(9) The Democratic Congressional Campaign Committee;

(10) The Democratic Senatorial Campaign Committee;

(11) The National Republican Senatorial Campaign Committee;

(12) The National Republican Congressional Committee;

(13) National Committee to Reelect a Democratic Congress.

B. All letters, correspondence, documents, records or other writings, internal or otherwise, which evidence communications by and between you and your staff regarding earmarked contributions.

C. All letters, correspondence, documents, records or other writings which evidence communications to and from you, your employees and agents, and Francis Valeo, Secretary of the Senate, Phillip Hughes, Director, Office of Federal Elections, U.S. General Accounting Office, and their employees and agents.

D. All letters, correspondence, documents, records or other writings which evidence communications to and from you, your employees and agents, and any individual or organization regarding earmarked contributions.

Mitchell Rogovin, Arnold & Porter, 1905 N Street, N.W., Washington, D.C. 20036; Kenneth J. Guido, Jr., 2030 M Street, N.W., Washington, D.C. 20036; Fred Wertheimer, 2030 M Street, N.W., Washington, D.C. 20036, Attorneys for Plaintiffs.

[In the U.S. District Court for the District of Columbia, Civil Action No. 2379–72]

Certificate of Service

Common Cause, *et al.* Plaintiffs *v.* W. Patrick Jennings, Clerk, U.S. House of Representatives, *et al.*, Defendants.

I certify that I have caused to be served copies of the foregoing Notice of Taking Deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives, by hand delivering it to the attorneys for Defendants, and upon the Defendants, at the addresses listed below this 13th day of March 1973.

Mitchell Rogovin, Arnold & Porter, 1905 N Street, N.W., Washington, D.C. 20036, Attorney for Plaintiffs.

Cornelius B. Kennedy, Kennedy & Leighton, 888 17th Street, N.W., Washington, D.C. 20006; Paul E. Treusch, 2617 O Street, N.W., Washington, D.C. 20007, Attorneys for Defendant Francis Valeo.

Bruce E. Titus, Department of Justice, Room 3337, Washington, D.C. 20530; David J. Anderson, Department of Justice, Room 3618, Washington, D.C. 20530, Attorneys for Defendant W. Patrick Jennings.

STATEMENT ON THE INTRODUCTION OF A BILL PERMITTING POSTAL WORKERS THE RIGHT TO STRIKE UNDER THE POSTAL REORGANIZATION ACT

(Mr. NIX asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NIX. Mr. Speaker, the Congress of the United States has waited patiently for the Postal Service to make a success of its new status. We have all received complaints as to the slowness of mail delivery.

There is an additional issue that the Congress must face and soon. Negotiation of a labor contract has in the past taken a long time. Time is of the essence in labor negotiations because the longer negotiations take, the greater the danger of wildcat strikes.

Therefore, I think the time has come, if we are to continue with the Postal Corporation-type setup, to regularize postal collective bargaining by providing, in limited circumstances, for the right to strike.

We all saw a few years ago that legislation forbidding a postal strike did not prevent such a strike from taking place. Legislation providing for the right to strike at the same time will not guarantee that a strike will take place. It only means that if a strike occurs, it can be settled speedily because those with whom the Postal Service must negotiate will not be in jail or subject to criminal penalties.

Those who oppose such a measure have a remedy. They can press for the repeal of the Postal Reorganization Act and thus restore Congress role in the setting of the pay of Government workers. Logic compels the conclusion that if there is to be collective bargaining there must be the right to strike. If there is not to be collective bargaining in the Postal Service, we must restore the role of Congress in setting pay rates.

My bill, as well as similar bills introduced by members of the Committee on Post Office and Civil Service, fits in a necessary piece in the postal reorganization picture. I hope that the Congress will support this or a similar measure.

CONFERENCE REPORT ON H.R. 4278, TO AMEND THE NATIONAL SCHOOL LUNCH ACT

Mr. PERKINS submitted the following conference report and statement on the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973:

CONFERENCE REPORT (H. REPT. NO. 93–76)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973, having met, after full and free conference, having agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
PATSY T. MINK,
LLOYD MEEDS,
IKE F. ANDREWS,
WILLIAM LEHMAN,
ALBERT H. QUIE,
JOHN M. ASHBROOK,
ALPHONZO BELL,
EDWIN B. FORSYTHE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
CARL T. CURTIS,
ROBERT DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment would include in the determination of the shortfall of USDA commodities for which compensation is to be provided, commodities delivered under the authority of section 416 of the Agricultural Act of 1949.

The amount of commodities from all sources initially programed for donation was $313.7 million. Subsequently, the Department revised the program level to $307.6 million. Of this revised amount, $64.3 million was programed from section 6 of the National School Lunch Act, $86.5 million was programed from section 32 of the Act of August 24, 1935, and $156.8 million was programed from section 416 of the Agricultural Act of 1949. The total amount programed was designed to provide approximately 7 cents per lunch. As of February 16, 1973, only $51.5 million worth of commodities had been donated from section 6, $47.3 million from section 32, and $100.6 million from section 416. The Senate amendment would assure that the full $313.7 million initially programed for donation, and the 7-cents-a-meal average anticipated by school food service authorities, will be donated in either commodities or cash.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
PATSY T. MINK,
LLOYD MEEDS,
IKE F. ANDREWS,
WILLIAM LEHMAN,
ALBERT H. QUIE,
JOHN M. ASHBROOK,
ALPHONZO BELL,
EDWIN B. FORSYTHE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
CARL T. CURTIS,
ROBERT DOLE,
Managers on the Part of the Senate.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, will the gentleman from Kentucky tell the Members what is in the conference report?

Mr. PERKINS. I certainly will.

Mr. Speaker, the bill as passed by the House was amended by six words in the other body. These words authorized an expenditure of funds already budgeted under section 416 of the Agricultural Act of 1949. Those funds will now be made available to the local school boards because of the inability of the Department to get the commodities there.

In other words, it is for the purpose of requiring the Department to spend all the funds budgeted by it for the purchase of commodities. The local school boards will now be able to spend all these funds for the purchase of commodities.

Mr. GERALD R. FORD. May I ask the gentleman further, did the minority Members of the House agree to the conference report?

Mr. PERKINS. All of them agreed, without any dissension whatsoever.

Mr. GERALD R. FORD. Does the conference report add any expenditures as far as the House version is concerned?

Mr. PERKINS. It does not add any expenditure of funds other than the funds already appropriated or programed.

Mr. Speaker, the conference report on H.R. 4278, which is before the House, will provide during the current fiscal year, donations in cash, in lieu of U.S. Department of Agriculture commodity donations to the school food service programs, if the value of commodity donations during fiscal year 1973 is less than 90 percent of the value of commodities budgeted and programed. H.R. 4278 passed the House on March 5 by a vote of 352 to 7, and by a voice vote in the other body.

This legislation provides for no additional expenditure of funds beyond the amount initially allocated in the budget for commodity purchases by the Department of Agriculture. This figure for fiscal 1973 was $313.7 million. As of February 16, 1973, donations from three purchase programs, section 6 of the School Lunch Act, section 32 of the act of August 24, 1935, and section 416 of the Agricultural Act of 1949, totaled $205.1 million, a shortfall of $108 million. H.R. 4278 will allocate to the States on April 15, the estimated shortfall that exists on March 15, 1973.

The funds will then be distributed by the States to the schools to pay for agricultural commodities and other foods purchased for use in their food service programs.

1973 has been an unusual year in agricultural marketing, and schools have not received such commodities as beef, pork, cheese, fruits, and vegetables, in amounts sufficient to aggregate 7 cents per meal in total commodities. The shortages have endangered the stability of the school feeding programs, which have depended upon the support of 7 cents per lunch in commodities, an amount that was officially promised to the schools by the Department of Agriculture in July 1972.

This is an urgent measure. In the absence of its passage, school lunch programs will have to reduce the nutritional quality of the meals served to children, increase prices to paying children, and curtail the service of free lunches to needy children. I, therefore, urge the adoption of the conference report.

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CREATING SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 279 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 279

Resolved, That a special committee of five members be appointed by the Speaker of the House of Representatives from March 1, 1973, through June 6, 1973, to investigate and report to the House not later than June 15, 1973, with respect to the following matters:

(1) The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

(2) The amount subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio and television time, communications media, office space, moving picture films, and automobile and any other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1972 and during the period from March 1, 1973, through June 6, 1973, to which a candidate for the House of Representatives is to be nominated or elected.

(3) The use of any other means or influence (including the promise, or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidate.

(4) The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor

union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

(5) The violations, if any, of the following statutes of the United States:

(a) The Federal Election Campaign Act of 1971.

(b) The Act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, chapter 120, Public Law 101, Eightieth Congress, first session, referred to as the Labor-Management Relations Act, 1947.

(d) Any statute or legislative act of the United States or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5 of the Constitution of the United States.

(6) Such other matters relating to the election of Members of the House of Representatives in 1972 and during the period from March 1, 1973, through June 6, 1973, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which, in its opinion, will aid the House of Representatives in enacting remedial legislation, or in deciding contests that may be instituted involving the right to a seat in the House of Representatives.

(7) The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

(8) The Clerk of the House of Representatives is authorized and directed when carrying out assigned responsibilities under the Federal Election Campaign Act of 1971 that prior to taking enforcement action thereunder, to initiate a request for consultation with and advice from the committee, whenever, at his discretion, election campaign matters arise that are included within sections (1) through (6) above and may affect the interests of the House of Representatives.

(9) The committee is authorized and directed to consult with, advise, and act in a timely manner upon specific requests of the Clerk of the House of Representatives either when he is so acting on his own motion or upon a written complaint made to the Clerk of the House under oath setting forth allegations of fact under the Federal Campaign Act of 1971. The committee, or a duly authorized subcommittee thereof, when acting upon the requests of the Clerk shall consult with him, shall act jointly with him, and shall jointly investigate such charges as though it were acting on its own motion, unless, after a hearing upon such complaint, the committee, or a duly authorized subcommittee thereof, may be either in executive or in public sessions, but hearings before the committee when acting jointly shall be public and all order and decisions and advice given to the Clerk of the House of Representatives by the committee or a duly authorized subcommittee thereof shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods during the period from March 1, 1973 through June 6, 1973, of the Ninety-third Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

(10) The committee is authorized and directed, when acting on its own motion or upon a complaint made to the committee, to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper. The committee or a duly authorized subcommittee thereof is authorized and directed when acting upon the specific request of the Clerk of the House to render advice promptly in order to give the Clerk of the House of Representatives the prior benefits of its advice and in order that he may then take such official action under the Federal Election Campaign Act of 1971 as the Clerk of the House of Representatives deems to be proper.

(11) Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refused to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of the subcommittee conducting portions of said investigation, the public interest will be best served by filing of said interim reports, and in no event shall the final report of said committee be filed later than June 15, 1973, as hereinabove provided.

The SPEAKER. The gentleman from Missouri (Mr. Bolling), is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 279 provides for the standard special committee of the House to deal with certain problems that may or may not arise for determination. Its passage at this time is made very necessary by the fact that there are two special elections to fill House vacancies, one in Louisiana on the 20th of March, and one in Illinois on the 5th of June. The resolution is drawn to meet the problems that are involved in those, if any. It is entirely a routine resolution, and I know of no opposition to it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding..

Will the gentleman please refresh my memory as to whether this committee requires an appropriation and whether it has a staff?

Mr. BOLLING. It may involve a small expenditure of funds. The distinguished majority leader has been the chairman for some time. I served on it once a long time ago. This committee is brought into being in June or July of the even numbered years. It has some staff expenditure, but it is a very limited amount, and the committee goes out of existence as soon as it has complied with its mandate.

There is going to be a new chairman this time, and I believe they might need some staff, but it would be a minimal amount. Frankly, I do not know the amount involved, but I believe that my friend, the distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill) might be able to answer the question.

Mr. O'NEILL. The staff that they had when the committee went out of existence was a majority counsel and a minority counsel, and one girl in the office. That had been the staff since the committee went into existence. At any time they need an investigator, they hire him on a per diem basis. That has been the custom of the committee throughout the years.

Mr. GROSS. There is no requirement for a large staff; is that correct?

Mr. O'NEILL. And there is daily work with the committee. Under the law that we passed last year the Clerk of the House has to make reports to the committee. There are at the present time I do not know how many Members of Congress but many Members of Congress who have not closed their campaign committees yet. The law allows them to continue their filing. Of course, thy must file once a month, and as they file, it is reviewed by the Clerk and the committee so as to constantly make a record of all expenditures and things of that nature.

There are pending, I believe, at the present time many suits that are going on throughout the Nation since the last election in which this committee is involved.

Mr. GROSS. I thank the gentleman from Missouri as well as the gentleman from Massachusetts.

The SPEAKER. The gentleman from California is recognized.

Mr. DEL CLAWSON. Mr. Speaker. House Resolution 279 creates the Special Committee To Investigate Campaign Expenditures as has been done each election year since the Legislative Reorganization Act of 1946.

The language is identical to the resolution adopted in the 92d Congress, House Resolution 819, except that the dates are changed.

The special committee will consist of five members appointed by the Speaker, from March 1, 1973, through June 6, 1973. They will report back to the House not later than June 15, 1973.

The special committee is being set up at this time to deal with special elections in Alaska on March 6, Louisiana on March 20, and Illinois on April 17 and June 5.

Mr. Speaker, I urge the adoption of this resolution.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENDING PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 295 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 295

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorization for a one-year period. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. BAKER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 49]

Abzug
Anderson, Ill.
Ashbrook
Badillo
Bafalis
Bell
Bergland
Biaggi
Blatnik
Bray
Brotzman
Burke, Calif.
Chisholm
Clark
Collins
Corman
Cronin
Dellums
Dent
Dickinson
Dingell
Esch
Eshleman
Fish
Foley
Ford, William D.
Gettys
Gibbons
Gray
Griffiths
Gunter
Hanna
Harsha
Harvey
Hébert
Hinshaw
Holifield
Hosmer
Jones, Okla.
Karth
King
Koch
Kuykendall
Leggett
McEwen
Minshall, Ohio
Mitchell, N.Y.
Nichols
O'Brien
Owens
Pickle
Pike
Powell, Ohio
Price, Tex.
Rarick
Rhodes
Rooney, N.Y.
Rosenthal
Rousselot
St Germain
Teague, Calif.
Teague, Tex.
Thone
Waldie
Wyatt
Young, Fla.

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT AS MEMBERS OF SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 279, 93d Congress, the Chair appoints as members of the Special Committee To Investigate Campaign Expenditures the following Members of the House; Mr. Smith of Iowa, chairman; Mr. Leggett, of California; Mr. Long of Louisiana; Mr. Dickinson, of Alabama; and Mr. Devine, of Ohio.

PERSONAL EXPLANATION

Mr. GUNTER. Mr. Speaker, I would like the Record to show that I was unavoidably detained in my office on business and just missed the last quorum call. I came to the floor immediately following the quorum call.

EXTENDING PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

The SPEAKER. The gentleman from Louisiana is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the distinguished gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 295 provides for an open rule with 1 hour of general debate on H.R. 2246, which is a bill to extend the Public Works and Economic Development Act of 1965 through fiscal year 1974. The purpose of the act is to provide Federal assistance, in cooperation with the States and localities, to enable areas and regions suffering economic distress to help themselves to develop the planning and financial capability for long lasting economic improvement and the creation of permanent jobs.

In October 1972, Congress passed H.R. 16071, which extended the economic development programs through fiscal year 1974. The President vetoed this bill subsequent to the adjournment of Congress.

In his 1974 budget message the President has recommended that other programs such as the urban community development special revenue sharing proposal ought to carry out the work now authorized by the Public Works and Economic Development Act. However, this revenue sharing proposal has not been acted on by Congress, and even if enacted by Congress, could not take effect until July 1974.

Since authorization for existing economic development programs terminates on June 30, 1973—a full year before revenue sharing might begin—there is obviously compelling reason to continue the existing legislation for a year in order to retain the momentum of current economic development programs and to provide orderly transition to any new programs the Congress may establish.

The total funding authorized by H.R. 2246 is $1,222,500,000 for fiscal year 1974.

Mr. Speaker, I urge adoption of House Resolution 295 in order that we may discuss and debate H.R. 2246.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 295 provides an open rule with 1 hour of general debate for the consideration of H.R. 2246 to extend the Public Works and Economic Development Act of 1965.

The purpose of H.R. 2246 which is made in order by this resolution is to extend the Public Works and Economic Development Act for a 1-year period through fiscal year 1974.

The Public Works and Economic Development Act was originally enacted in 1965 to provide Federal assistance to areas that had lagged behind the growth of the rest of the Nation and were suffering from high unemployment and underemployment. Authorizations under the present law terminate on June 30, 1973.

In October 1972, Congress passed H.R. 16071, which extended the economic development programs through fiscal year 1974. The President vetoed this bill subsequent to the adjournment of Congress.

The total funding authorized by this bill is $1,222,500,000 for fiscal year 1974, the same amount currently authorized for fiscal year 1973.

By way of comparison, the actual cost of the economic development program in the current fiscal year is estimated at $367,403,000. The Department of Commerce, Council of Economic Advisers, Small Business Administration, and Office of Management and Budget recommend against enactment of this bill.

The President in his 1974 budget message has recommended that other programs such as the Rural Development Act, the Small Business Act, the Housing and Urban Development Act, and the urban community development special revenue-sharing proposal should carry out the work now authorized by the Public Works and Economc Development Act.

For example, the Rural Development Act gives the Department of Agriculture the primary responsibility for rural development activities, including water and other community facility projects which have represented over half of the past EDA funding. The President's 1974 budget provides $678,000,000 for Agriculture's new activities under the Rural Development Act, an increase of $348,000,000 over the fiscal year 1973 obligation level.

In addition, communities of all sizes will be assisted in meeting their waste disposal needs in 1973 and 1974 through the additional $5,000,000,000 already made available for grants for waste disposal facilities, as authorized by the Federal Water Pollution Control Act Amendments of 1972.

These are just two examples of situations where EDA programs overlap and duplicate other Federal community development programs.

In addition to the reasons mentioned above, the administration is opposed to this bill because achievements of the EDA programs have fallen far short of expectations and EDA programs involve the Federal Government in local activities better left to local control.

In the committee report, additional views were filed by the gentleman from Ohio (Mr. HARSHA), the gentleman from New Hampshire (Mr. CLEVELAND), and the gentleman from Arkansas (Mr. HAMMERSCHMIDT). The gentlemen presented the administration's views opposing enactment of the bill, but conclude that they support the bill themselves.

They do object to one section of the committee report as being improper. The language in question directs the Economic Development Administration to solicit views of Federal agencies, trade and labor organizations prior to approval of a loan to any firm or industry under section 202 of the Economic Develpment Act. The Members filing additional views note that this issue was not discussed by the committee, and conclude that it "is in violation of the committee's intent to take no action in regard to this legislation other than to extend for 1 year the existing Public Works and Economic Development Act."

Given this set of circumstances, the tremendous increase in authorized amount over this fiscal year's estimated costs, an increase of $855,097,000, the opposition of the Department of Commerce, Council of Economic Advisers, Small Business Administration, and the Office of Management and Budget, the President's message that other agencies can more efficiently and properly carry out the work now authorized by the Public Works and Economic Development Act, the admitted failure of EDA programs to meet expectations, and the desire of the administration, and I would hope, the desire of the Members of this body to place local projects under local control, prompt me to urge every Member to vote against H.R. 2246, the Public Works and Economic Development Act.

The rule, however, under which the legislation is to be considered is in order and I recommend its adoption.

Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period.

The SPEAKER pro tempore (Mr. MATSUNAGA). The question is on the motion offered by the gentleman from Alabama.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2248, with Mr. ADAMS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Alabama (Mr. JONES) will be recognized for 30 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama (Mr. JONES).

Mr. JONES of Alabama. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we bring to the House today H.R. 2246, which amends the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period.

This act provides Federal assistance in cooperaton with the States to communities, areas, and regions in the United States that have fallen behind our Nation's mainstream of economic growth. The purpose of the act is to assist areas in economic distress. These are areas both rural and urban suffering from high unemployment, underemployment, and outmigration. The act emphasizes long-range planning for economic growth and provides technical assistance, public facilities grants and loans, business loans and guarantees, and other assistance as tools to implement these plans.

H.R. 2246 simply extends the programs authorized by the Public Works and Economic Development Act for an additional fiscal year beginning July 1 of this year. The moratorium on the de-designation of redevelopment areas is also continued through this same period.

Current authorizations of existing funding are continued for an additional year as follows:

Section 1: $800 million is authorized for grants for public works and development facilities under title I.

Section 2: $170 million is authorized for public works and development facilities loan programs under title II.

Section 3: $50 million is authorized for technical assistance and research under title III.

Section 4: $50 million is authorized for the growth centers and for bonuses for economic development districts under title IV.

Section 5: $152.5 million is authorized for the Regional Action Planning Commissions under title V.

This brings the total funding authorized in the bill to $1,222.5 million.

Section 6 extends the moratorium on the de-designation of redevelopment areas, thus continuing eligibility for assistance to those areas.

The committee has noted the unreliability of the unemployment statistics used for de-designation of redevelopment areas. We feel investigations now underway and coming field hearings will develop better methods for determining areas eligible for assistance. Until such methods are developed, it is unfair to de-designated areas based on such statistics.

Our Subcommittee on Economic Development of the Committee on Public Works held 2 days of hearings on February 27–28 at which time a cross-section of views were obtained from a variety of witnesses. Testimony was received from the Secretary of Commerce, Members of Congress, Governors, mayors, as well as other State and local officials. The length of these hearings was shortened because of the comprehensive hearings held on this legislation last March and April when the committee held over 6 weeks of hearings and heard testimony from 125 witnesses. With the exception of the opposing views of the administration, there was overwhelming and universal support for the programs established by this legislation.

Consideration of this legislation has become necessary because of a veto by the President of H.R. 16071, passed by the Congress last year. This bill extended the life of the economic development programs through fiscal year 1974, made improvements in existing programs, authorized funding for completed regional plans, and added new provisions to assist individuals and businesses who were adversely affected by environmental orders. The President's veto came subsequent to the adjournment of the Congress.

In addition, the President, in his 1974 budget message, has requested that the programs under the Public Works and Economic Development Act be phased out. Under the heading "Economic Development Assistance," the budget message proposes:

> These lower priority programs are being curtailed in 1973 and terminated in 1974 as part of the Government-wide effort to reduce nonessential expenditures. Terminating these programs now is required to avoid unnecessary inflationary pressures during the next 2 years or more.

The budget suggests incorrectly that other programs such as the Rural Development Act, the Small Business Act, the Housing and Urban Development Act, and special revenue-sharing proposals can do the same job as programs now authorized by the Economic Development Act. Nothing thus far recommended will replace the programs under this act. None can as effectively help us to realize our goal to maintain the national economy at a high level and avoid wasting invaluable human resources.

The administration, in their statement printed in the additional views of the committee report on this bill, indicated opposition because of their belief that the economic development programs have fallen short of their expectations. They also indicated there is overlap and duplication.

There are probably no other Federal programs that have been analyzed and evaluated as extensively as the economic development programs administered by the Department of Commerce. Evaluations have been conducted over the last several years by outside consultants, the Economic Development Administration, and the Economic Development Subcommittee. None of the evaluations to my knowledge have indicated any overlap or duplication with other Federal programs. As to the program's effectiveness, in his statement before the committee just last April, Secretary Robert Podesta advised that the public facilities grant program is estimated to have made possible some 330,000 permanent jobs in over 1,460 communities across the country. He estimated that the business loan program was responsible for locating over 38,000 new direct jobs in distressed areas.

A conservative estimate taking into consideration the jobs created and others that had been retained by the technical assistance program and the regional commission program would bring the figure to over half a million jobs located by these programs since the enactment of this legislation in 1965. In the face of this strong evidence from these studies, I would disagree that this has been an ineffective program in locating permanent employment in distressed areas.

The existing development legislation must be continued until adequate improved legislation can be enacted to fill the vital job now being performed by this legislation in assisting communities in improving their economic environment. Ths legislation has the bipartisan support of the Committee on Public Works, was reported out of committee unanimously, and merits the same bipartisan endorsement of the House.

Mr. WYLIE. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The gentleman from Alabama has consumed 5 minutes.

Mr. JONES of Alabama. I yield myself 2 additional minutes.

I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

On page 2 of the report which accompanies this bill it states:

> The results of such evaluations have proven the effectiveness of these programs in stimulating the economic growth of the target areas and promoting permanent jobs for these areas.

Does the gentleman have an estimate of how many permanent jobs have been created as a result of this program?

Mr. JONES of Alabama. The best calculation we have is it has encouraged some half million new jobs.

Mr. WYLIE. That is commendable. Are those full-time jobs?

Mr. JONES of Alabama. Most of them have been full-time jobs. They have varied from area to area, but our calculations show that they have been full-time jobs.

Mr. WYLIE. Will the gentleman tell me how much money has been spent on the program since its inception?

Mr. JONES of Alabama. We have authorized approximately $7 billion. If the gentleman will turn to the report, on page 5, the gentleman will see the total amounts that were authorized since 1966 are $7,325,000,000. Of that authorization we have spent $2,433,000,000.

Mr. WYLIE. I thank the gentleman.

Mr. BLATNIK. Mr. Chairman, the bill we are considering today, H.R. 2246, would extend the Public Works and Economic Development Act of 1965 for 1 year.

The bill provides a simple 1-year extension of the existing program and makes no changes in the existing legislation.

It is imperative that the Public Works and Economic Development Act be extended for another year. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas experience 20 and even 30 percent unemployment.

The notion has been advanced that we should not extend this act because of a concern for the level of Government spending. This would be false economy indeed.

With unemployment and welfare payments running at about $24 billion per year, it is obvious that what this Nation needs is greater economic development efforts, not less. And this, creating jobs, is what the Economic Development Administration and regional commission programs do.

In fact, evidence presented before the Public Works Committee during hearings last year indicates that EDA and the regional commissions have created more than half a million jobs since they began work 7 years ago. The agencies have created these jobs in areas of high unemployment—the very toughest areas to work in—and they have done it with a relatively small amount of funds.

There can be no question but that EDA and the regional commissions have done an effective job of bringing economic growth and opportunity to people who have long been denied adequate jobs and income.

Nevertheless, the President has recommended in his budget that EDA and the regional commissions be phased out when existing authorizations expire on June 30 of this year.

The programs the President has recommended to take the place of EDA and the regional commissions are simply not adequate to do the work done by the existing programs. For example, the Rural Development Act programs are not yet operating, and urban community development revenue sharing may never even pass the Congress.

It would be folly to permit existing programs and agencies to be discontinued when it is very clear that these programs are greatly needed and that no satisfactory replacements have been proposed, and there will be no reduction in Federal spending—the issue is, on a short-term basis shall we spend to keep people on relief, or unemployment compensation—pay for not working—or give them meaningful jobs.

There may well be better ways of stimulating job development than those contained in the existing legislation, and the Public Works Committee is currently conducting field investigations in search or better ways to bring economic opportunity to the distressed areas of our Nation.

Our tentative conclusion is that what we really need is a carefully constructed set of policies at the Federal, State, and local levels which can influence the direction and extent of our Nation's growth.

But such legislation cannot be developed overnight and, until it is completed, the valuble work of EDA and the regional commissions must continue. It is the responsibility of this Congress to see that it does. We can best assure that the much needed economic development effort continues without interruption by passing H.R. 2246 immediately.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 5 minutes.

I join with our distinguished chairman in support of H.R. 2246, to extend for 1 year the Public Works and Economic Development Act of 1965, as amended. I support the extension, because this act has allowed the greatest flexibility of any Federal program in local decisionmaking for rifleshot aid to economically distressed areas of the country. EDA is a Federal-local partnership in action; this valuable planning and technical assistance vehicle has proven itself as a responsible vehicle for delivering the Federal dollar to meet the local need. It is totally coordinated with the needs of the local community.

During this 1-year extension of the Economic Development Act, the Subcommittee on Economic Development of the House Committee on Public Works has planned a series of field investigations and hearings, to bring Washington to the people, to seek out ways to improve existing development legislation. If the subcommittee determines that the Nation's communities will be better served by changes in the existing law, then these changes will be proposed and considered.

The administration has expressed opposition to H.R. 2246, stating that such an extension of the Economic Development Act is neither necessary nor desirable. The administration wishes to minimize duplication of effort in community development. While I agree with efforts to minimize duplication and pursue a policy of streamlined domestic development, it is an error to dismantle one program, and to destroy the expertise and experience of that program, only to reimplement and matriculate a new fleet of employees under another program; namely, the Rural Development Act of 1972. Surely the avoidance of duplication of personnel will apply here as well.

In testimony before our subcommittee on February 27, administration spokesmen gave no evidence to support this move from economic development to rural development. Much was said about minimizing duplication and the elimination of inefficiency; however, the question remains unanswered if, indeed, duplication exists.

On August 17, 1972, during consideration of the conference report on the Rural Development Act of 1972, H.R. 12931, Senator TALMADGE, chairman of the Senate Agriculture and Forestry Committee stated:

> We seek here not to duplicate or supersede these other programs . . . (Small Business Administration, the Economic Development

> Administration, Housing and Urban Development, and the Environmental Protection Agency) . . . but to supplement and strengthen them. The bill specifically provides for cooperative participation in joint loans and grants with those other agencies.

Each program has a purpose, each program is designed to aid in development.

Economic development is a long-term effort, requiring smooth implementation of all phases of the brick and mortar building process and the more comprehensive human development beyond the bricks. We cannot allow these stop-start gyrations of program switching and policy changing from one program to another. Such changes deflates many years of efforts to bring about economic vitality to economically lagging areas. Substituting a loan program for a grant program will simply not continue aid to distressed areas.

If I may speak provincially, my State of Arkansas is a prime example of this Federal-local partnership at work. The article appearing in the Washington Post on Sunday, March 11, 1973, entitled "End of Ozark's Out-Migration May Signal National Trend," clearly tells the success story of EDA's efforts on behalf of this region of the country.

The article notes a changing trend in the recent migration from the rural to urban areas of the country. The article goes on:

> Reasons for this changing tide vary by areas, of course, but the Arkansas experience—to examine one dramatic example—suggests that young people will indeed stay "down on the farm" if they can find a job other than farming.

The biggest jump in the 7.7-percent increase in population in Arkansas was in the age group 20 to 24, where a gain of 43.3 percent was recorded.

Experts attribute this reversal to the location of new industries as well as the developed tourism business. The location of new industries is no accident; they came because the basic facilities were available; water-sewer systems, industrial parks—the required social overhead capital necessary for stimulating further development. Much of this aid in development has come through EDA and the development districts, authorized through EDA's statutes. I am proud of the efforts of these development districts in aiding with planning and implementation of projects serving these designated areas, just as I am proud to serve these able and competent citizens of the congressional district which I represent. I will make every effort to continue this type of Federal-local partnership.

I feel that the best interests of the Nation will be served by the action of the Public Works Committee to extend this act for an additional year at the same authorization level. I, therefore, urge passage of H.R. 2246.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, I take the floor today to support a 1-year extension of the Economic Development Administration and regional commissions to assure continuity in Federal support for organized development activities in our disadvantaged communities. As a cosponsor of H.R. 2246, I believe this extension should give us in the Congress ample opportunity to review extensively the program now in operation and to evaluate any alternatives proposed. In this way, any changes can be introduced over a period of orderly transition.

I know this position differs from that of the administration and regret that fact. I fully share the administration's objective of substituting revenue sharing for categorical grants, decentralizing decisionmaking and restoring the authority of States and local governments over their own destiny. But this is not the alternative offered us here today.

A BIRD IN THE HAND

We are apparently being asked to swap a bird in the hand for nothing in the bush.

The administration argues that EDA should be phased out, because the Rural Development Act of 1972 transferred responsibility for development of nonmetropolitan areas to the Agriculture Department. Presumably economic development would be funded by the Agriculture Department and other agencies.

I have looked at the budget, examined the administration's proposals and questioned the Secretary of Commerce, Mr. Dent, when he appeared before our committee. Following this, I must conclude that they have not made their case.

The Agriculture Department's program, as proposed by the administration, is almost pure loans.

Proposed funding for fiscal 1974 under the Rural Development Act is: $200 million in business and industrial development guaranteed loans; $10 million in community facility grants; $100 million in community facility insured loans; $10 million in grants for nonagricultural pollution abatement; $5 million in grants for extension and research; and $8 million for land-use inventorying and monitoring.

Contrast this with this year's EDA appropriation of $367 million, of which $166.5 million alone goes for title I public works and development facilities grants.

It simply makes no sense to wash out EDA and its grants. These are absolutely essential to small communities, which cannot finance needed public facilities through loans alone.

This was the reason why I recently voted to restore the Agriculture Department's rural water and sewer grant program under the Farmers Home Administration, after the funds were impounded. It is worth noting that the Rural Development Act raised the sewer and water grant authorization from $100 to $300 million. That is the same program the administration wants to fund solely through loans while arguing that the Rural Development Act justifies wiping out EDA.

ECONOMY IS NOT THE ISSUE

Now, I am for economy and can appreciate the administration's problem in keeping spending under control. But within overall spending limits at the Federal level, we must fairly allocate the limited funds according to need. We must see that all our people get a fair shake. The Economic Research Service in the Agriculture Department last year documented that fact that the towns, smaller cities, and rural areas we are dealing with here get shortchanged on a variety of Federal programs.

Two years ago, the administration seemed to recognize the needs we are trying to meet when the President proposed special rural revenue sharing. He recommended ending a number of programs, including EDA, the Appalachian Regional Commission and the other regional commissions, and water and sewer grants. But their funding would have been grouped in special revenue sharing, with an added $179 million in new money for a total of $1.1 billion.

RURAL DEVELOPMENT NOT A SUBSTITUTE

The administration now proposes special revenue sharing, but not special rural revenue sharing. I submit that the Rural Development Act is totally inadequate as a substitute for either special revenue sharing or for existing programs. Appalachia, of course, continues for another year.

The Rural Development Act was never intended to. I participated in the House debate on the Rural Development Act and there was no suggestion of congressional intent to shift EDA or any other program to the Agriculture Department. The bill defined the Agriculture Department's role as:

> Leadership and coordination within the executive branch and . . . responsibility for coordinating a nationwide rural development program utilizing the services of executive branch departments and agencies and the agencies, bureaus, offices and services of the Department of Agriculture in coordination with rural development programs of state and local governments.

The intent was equally clear from the legislative history in the Senate, where Chairman TALMADGE, of the Agriculture Committee, stated in presenting the conference report:

> Mr. President . . . I wish to point out at this time that the bill before us does not duplicate . . . loans and grants available from Small Business Administration, Economic Development Administration, Department of Housing and Urban Development, and the Enivronmental Protection Administration.
>
> We seek here not to duplicate or supercede these other programs but to supplement and strengthen them. The bill specifically provides for cooperative participation in joint loans and grants with these other agencies.

So we find that there is no real substitute proposed for EDA in terms either of grant funding or of authority.

USDA HAS NO EXPERIENCE

One further point: The Agriculture Department has absolutely no track record in performing the functions now carried out by EDA. While the Agriculture Department's Farmers Home Administration has proved to be one of the most cooperative and responsive agencies I have dealt with in its areas of expertise, it has none in many EDA-related areas.

In this connection, I was disturbed by the inability of Secretary Dent to answer my questions concerning implementation of the Rural Development Act which he was supporting as a substitute before our committee. There is obviously a lack of coordination and consultation between Agriculture and Commerce. Moreover, I understand that the Agriculture Department still has not issued guidelines for its development program.

It is worth observing, too, that the Rural Development Act has not yet been funded for the current fiscal year. Secretary Dent's testimony listed $300 million under the Rural Development Act for fiscal year 1973. This apparently represents loans for water and sewer which were enacted earlier.

It was also distressing to find the entire HUD 701 program of $100 million listed among "Funds for Rural Development" in the Commerce Department testimony, since the program is not restricted to rural areas.

I supported the original Rural Development Act, and sought to strengthen it on the House floor by offering amendments based on my experience with the EDA program. There have been problems, and the regional commissions have been criticized, though often without justification based on experience in my own district.

I cosponsored this legislation to provide time for examination of alternatives, including experience under the Rural Development Act. I urge that we enact that legislation so that those alternatives can be considered with due deliberation.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, I would like to take this opportunity to offer some comments on the programs of the Economic Development Administration based upon both its activities in my congressional district and my service on the Public Works Committee which oversees the EDA.

Historically the First Congressional District of California has lived on a boom or bust economy. An economy in which the "good times" are good but always contain the possibility that they cannot last.

We have a comparatively narrow economic base. This situation has limited our ability to stabilize the economy and tax base for local and all levels of government.

Other factors, such as nearly annual flooding and natural disaster threats, have compounded the problem.

Now we are working on a wide variety of fronts to revitalize and diversify the Redwood Empire's economy to lend it strength and stability. We are trying to do this in a carefully planned and selective way in which economic development is solicited only when it is complementary to existing job-creating enterprises and to our bountiful natural environment.

To say that the Economic Development Administration has assisted us toward this goal would be a gross understatement. EDA has provided us opportunities which simply would not have existed without its support.

Let me describe two recent EDA projects in order to make this point "crystal clear."

Santa Rosa, Calif., is just on the periphery of the San Francisco Bay area. It faces growing population pressures and without foresight it could be the victim of the same urban sprawl which overtook areas to the south of San Francisco.

However, the city has carefully developed a master plan to forestall this possibility and to permit selective, stable economic growth. Last year Santa Rosa obtained a grant of $672,000—which was matched by local funds—to construct water mains and sewer lines to serve an area planned for very select industrial use.

Simultaneously, while seeking the EDA grant, local officials successfully obtained a commitment from the Hewlett-Packard Co. to locate a branch office in the community just as soon as the public facilities could be completed.

The city and the company worked together very closely on a training program for new employees, on the design of the company's buildings, and on the nature of the facilities provided by the city.

The result of this could be a model for EDA programs. The city gained 700 jobs in 1 year at a facility which was carefully planned from an esthetic and environmental standpoint in which unemployed local residents were trained by the company for full-time jobs. Further, the potential for employment is estimated to be 3,000.

It pays to remember also that these jobs are in the private sector which generates income to the community rather than in the public sector which is subject to budgetary vagaries and absorbs local income from taxes rather than creating it.

The other example of EDA's effective work is in Crescent City, Calif., which faces the same economic problems as in Santa Rosa but which is geographically and commercially in an opposite situation.

Crescent City is isolated by being over 300 miles from a major city so it does not face population pressures but it is practically dependent upon a one industry—forest products—economy.

The people of Crescent City see tourism as a means to bring economic growth to the area. Crescent City is located near the Redwood National Park, it is between the beautiful Smith and Klamath Rivers which offer unequalled recreational opportunities.

When Crescent City applied for an EDA grant for a cultural and convention center under the public works impact program it found that even the 20 percent matching requirement would have strained the local budget. Therefore, a fund-raising campaign was staged in which the local people voluntarily contributed the entire amount of the matching requirement.

Today the cultural and convention center is a reality and 84 jobs were predicted for the construction of the project but they are only the initial return from the investment. Crescent City will now have an additional resource with which to attract tourism. More tourism will mean more jobs.

Equally as important, however, is the fact that the community will also benefit greatly from this new facility for its own enrichment. Like the investment in Santa Rosa, EDA program investment in Crescent City will pay off in something more than jobs. It will help stabilize the economy and improve the quality of life in areas of chronic unemployment.

Five of the six counties in my congressional district are listed as economically depressed by EDA. Each has been effectively helped. I could describe other projects in Mendocino County such as the juvenile hall in Ukiah or a major business loan in Willits. Humboldt County has benefited greatly from a recent downtown redevelopment program partly sponsored by EDA in Eureka. Lake County is constructing an auxiliary county courthouse with EDA assistance.

During my service on the Public Works Committee, I have seen other communities benefit from these programs and it is for that reason that I am a cosponsor of the legislation we have before us today and why I urge its overwhelming support.

While I realize that the Rural Development Act of 1972 will help and that the administration is presenting the community development special revenue sharing as a possible alternative, I do not believe this combination will provide the type of "rifle approach—shot in the arm" the EDA program is designed to handle.

The result of this program experience has been the development in EDA of trained personnel who have the special community leaders in advancing their plans for strengthening their economies. Are these specialists to be dispersed to the four winds?

Another question that has not been thoroughly explored is the question of congressional jurisdiction. The House Public Works Committee is uniquely qualified to oversee the administration of economic development legislation. Our staff and our expertise has been honed over the many years we have been considering this subject. We gain additional knowledge through the fact that we have subcommittees specializing in transportation and water resources both of which are integral aspects of economic development. Additionally, the Public Works Committee is uniquely qualified to integrate EDA programs with our other committee jurisdiction responsibilities.

Then, too, there is the issue of a national growth policy. EDA did not pour its resources into already crowded urban areas and thereby create even greater crowding as many Federal agencies do. Quite properly, in my judgment, EDA consistently supported development efforts in areas which both needed and could effectively support quality economic growth. This policy has the beneficial effect of encouraging growth where it should take place rather than where inflationary pressures are so prevalent.

Mr. Chairman, much has been said about the need to phase out EDA to avoid overlap and duplication in Federal programs and to aid in directing the decision-making authority to the people at the local level. It is further stated that EDA is to be replaced by newer programs which are now being generated or which will be proposed.

The budget suggests replacing EDA's predominantly grant programs with predominantly loan programs. The grants that are eventually to surface in the economic development field are those to be offered by proposed revenue sharing plans. The communities of the Nation cannot develop their economies with proposed programs, and many are not financially able to avail themselves of Federal loans for this purpose.

It is suggested that SBA's expanded loan authority will compensate for the proposed phase out of EDA's loan program. How can this be accomplished when SBA has a loan ceiling of $350,000 to any one firm while EDA averaged $1.2 million per firm in fiscal year 1971 and $1 million in fiscal year 1972?

It has also been suggested that the increased funding authority of the EPA will take up the slack of the proposed phase out of EDA's sewer grants. This is not too promising especially when we are already getting reports that economically lagging rural communities have attempted to obtain industrial sewage treatment grants to help produce badly needed jobs only to be told by EPA that currently all sewage treatment grants are being utilized for the correction of existing pollution problems and that sewage treatment grants which will aid in the creation of jobs must have a low priority at this time.

Those who have had experience with the program advise us that one of the strongest incentives to economic development has been the efforts and expertise of the economic development districts and the title V commissions. Planning and administrative money for these districts is being funded at a level of about $5.5 million in fiscal year 1973. The Commissions have a funding level of about $44 million for this fiscal year. And yet we are advised that this $50 million in fiscal year 1973 is to be replaced by $10 million in fiscal year 1974.

Thus it is difficult to understand how an existing grant and loan program with a proven record of success can be replaced by a loan oriented program with grants proposed to be added at some future date when special revenue sharing proposals are enacted. It would be far easier to understand how this proposed transition would take place if the proposed replacement programs were geared up and implemented.

The current answer is simple. We must extend the Public Works and Economic Development Act through fiscal year 1974. The committee needs this time to complete its review of the EDA programs and to make recommendations to the Congress as to future direction. In addition, perhaps at the completion of this time, some of the programs proposed to follow in the economic development field will be enacted and implemented and can then be compared with the role being played by those programs now administered by EDA.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. GROVER).

Mr. GROVER. Mr. Chairman, I wish to stress the administration's opposition to H.R. 2246, which would extend through fiscal year 1974 authority for the Public Works and Economic Development Act of 1965.

President Nixon's budget for fiscal year 1974 provides for the termination of the Economic Development Administration's programs. The administration believes that the achievements of the EDA programs have fallen short of our expectations. It further believes that there is currently a wasteful duplication of effort with the already existing programs and with EDA.

There is, moreover, a need for direct, wherever possible, decisionmaking authority to the people in the localities, communities, and States to help make Government more responsive to their needs. There is no need for the strong Federal decisionmaking role in localized kinds of projects with which EDA has been involved.

It is the position of the administration that EDA programs duplicate other programs, and that the President's 1974 budget proposes the initiation or expansion of funding for those other programs which will provide increased assistance to States and local governments in meeting their needs. These other programs include the Rural Development Act, Water Pollution Control Act, Small Business Act, the Responsive Governments Act—which builds upon HUD's 701 program, manpower revenue sharing, and the proposed education revenue sharing, and better communities revenue sharing.

The new Rural Development Act is one program that is in many ways duplicative of EDA activities and which will provide increased assistance to rural communities. It gives the Department of Agriculture the primary responsibility for rural development activities, including water and other community facility projects. These projects in the past have represented over half of past EDA funding.

Industrial development loans authorized under the Rural Development Act may be made in communities with a population of 50,000 or less. All other programs under the act are available to communities with populations of 10,000 or less. Most of EDA's assistance has been placed in communities of similar size. For fiscal years 1966 through 1972, 81.5 percent of EDA's obligations have been made for projects located in localities of 50,000 or less people. Sixty percent of EDA's obligations went to localities of 10,000 or less.

In fiscal year 1974, under the act, $345 million will be provided for water facility loans. These loan programs will involve significant State and local control so that funds under them may be used for various industrial project purposes.

The rural development program will be implemented to provide the State and local officials greater authority in all different project decisions.

The administration contends that communities of all sizes will be assisted in meeting their waste disposal needs in 1973 and 1974 through the additional $5 billion already made available for grants for waste disposal facilities, as authorized by the Federal Water Pollution Control Act Amendments of 1972. It is estimated that $2 billion of the $5 billion will be available for interceptor sewers.

The Small Business Administration programs provide for loans and guarantees similar in many respects to EDA's business loan authority. The 1974 budget proposes a $642 million increase for SBA programs of which $632 million is for loan guarantees under the SBA 7(a) and economic opportunity programs.

In 1974, all planning and management grants currently under the HUD "701" program but to be brought under the proposed Responsive Governments Act will be made to States, allowing Governors to make suballocations to local governments and other eligible recipients in accordance with State priorities. The budget request for this program is $110 million, which is a $10 million increase over 1973. Because of the increased discretion and funding to be made available to the States under the program, the States will be able, if they wish, to continue an interstate regional commission planning program and district planning efforts previously funded by EDA. Those States which do not participate in regional commissions may decide to establish commissions. However, there will be an elimination of the Federal veto, the Federal staff, and direct Federal involvement in regional commissions. The administration has stated that if the Public Works and Economic Development Act is not extended EDA funds will be provided to district planning organizations to insure EDA support through all of fiscal year 1974. Additionally, the administration will continue to provide amounts equivalent to the Federal share of administrative expense funds to operate title V Regional Commissions. This will guarantee a smooth transition for these districts and for existing regional commissions.

The administration has also stated that legislation will soon be submitted to the Congress to enable the Bureau of Indian Affairs to provide block grants to federally recognized tribes to carry out development projects as provided for in tribally prepared plans. This proposed program will provide funds usable for projects similar to those provided under the EDA program and will represent approximately the same level of funding. The President's 1974 budget request includes $25 million for this purpose.

Under the administration's proposed special revenue-sharing programs, States and localities will have funds available for economic development projects.

The better communities bill will soon be submitted to the Congress. Such bill will authorize special revenue sharing. The proposal will involve sharing with the States $2.3 billion during the first full year beginning July 1, 1974.

Under the proposed bill all of the activities which EDA has previously funded in both rural and urban areas would be eligible for funding.

The proposed better communities bill will be a source of funds for our smaller communities. The President recognizes in this proposal the vital importance of small towns and rural communities to the future of the Nation.

In addition to the better communities bill, the administraiton will propose that the Congress adopt a program of special revenue sharing for education to begin in fiscal year 1974. Funding of $2.8 billion will be requested and will include funds for the purposes of vocation and adult education. The States will be able to draw on these resources to initiate or expand vocational education programs.

Local comprehensive manpower programs under manpower revenue sharing will be phased in beginning July 1, 1973, under existing authorities. For fiscal year 1974 an appropriation of $1,340 million is requested for such programs as vocational counseling and skill training.

In summary, it is the administration's position that the President's budget for fiscal year 1974 terminates EDA programs to simplify economic development and eliminate Federal bureaucracy where it is not needed. Moreover, the added spending and authorizations for EDA, on top of the other programs, would in the administration's opinion be fiscally unwise and improvident.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvaia (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I respectfully suggest that it would be useful in this discussion to identify clearly what we are talking about and also what we are not talking about. For example, we are not discussing here whether or not to spend. The Administration has proposed spending even more dollars through the rural development program than has been proposed for the Economic Development Administration. Rather, we are discussing who will do the spending, who will do the managing. This is a management question.

On this point, I would like to observe that at least as it has worked in my district in Pennsylvania, the EDA activity has been very much a grassroots program with the real management decisions being made in the local communities. In the past 4 years, we have had six EDA projects. All of them were conceived and proposed by the local communities. In no case did EDA turn down a proposal by the local communities. Today, we are being asked to dismantle EDA and replace it with a pig in a poke, in the name of returning decisionmaking to the people. I find that reasoning defective, since EDA already is a grassroots program.

The second item we are not discussing, Mr. Chairman, is a welfare program. EDA is an economic development program which leverages the investment into jobs and creates a substantial return to the treasury. EDA is a pump primer, an investment in the free enterprise system, which attacks the welfare problem at the roots. It is a one-time investment that produces a return to the Federal Treasury year after year so long as that job remains viable. An $8,000-a-year job created by EDA, for example, yields approximately $4,000 a year, each year, to the Treasury. We can assume tax revenue of about $1,000 and another $3,000 savings from welfare. If we spent more money on EDA-type programs and less on welfare, I think we would soon be seeing significant progress in dealing with the welfare problem.

I think the key here is that EDA money goes not into food, or rent, or services, but into capital investment. That creates economic wealth in the best sense of the word, and it creates jobs which in turn creates more wealth for working people. This, I believe, is the way we are going to lick the welfare problem, our poverty problem, our unemployment problem with perhaps some effect even on our crime problem.

Some critics have suggested that EDA should be dismantled because it has not been an effective creator of jobs. I will have to disagree. A 1970 study showed that 77 EDA water and sewer system projects were creating so-called job equivalents—that is, $6,500-a-year jobs—for an investment of $1,425 per job, or a cost benefit ratio of 1 to 4. In 36 industrial-commercial projects, the figure was $2,929 per job for a ratio of 1 to 2.3. In case anyone is suspicious of these figures, I can tell you that it agrees very closely with figures from my district where some 1,200 jobs were created for an investment of $3,404,284 by EDA. That works out to $2,837 per job. Now I know that the figures from my district are correct. Since they agree so closely with the $2,929 cost-figure from the 1970 national study, I must conclude that the study is reliable and the critics are wrong.

For these reasons, Mr. Chairman, I urge that the Congress show its faith in the ability of our people to help themselves through the free enterprise system. I urge that we pass this bill.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. Mr. Chairman, I rise in support of H.R. 2246, to provide a 1-year extension of the Economic Development Act. Let me say at the outset that I endorse the administration's intention of shifting the existing grant and loan programs of the Economic Development Administration from the Department of Commerce to the Small Business Administration and the Department of Agriculture. I believe that when this is accomplished there will be a better overall perspective for balancing the at times conflicting interests of development versus conservation and that it will result in better coordination of rural development programs with other rural programs in the Department of Agriculture.

A 1-year extension, however, would appear to be necessary to permit an orderly transition to the time when the Rural Development Act can be fully implemented. The budget proposal for fiscal year 1974 does not provide hardware grants for water and sewer systems in the Rural Development Act and the related funds provided for the Environmental Protection Administration would appear to have highest priority for metropolitan areas on the one hand and for waste water treatment plants on the other. Consequently, unless some adjustment is made, there would be a pessimistically low priority in EPA for rural water and sewer distribution systems.

The business loan assistance of the Small Business Administration serves a valuable purpose, but does not necessarily relate to the overall economic development plan developed by the local governments and leadership of the rural community.

There is not an economic development district in my congressional district, because it is essentially a metropolitan region. However, from the contacts which I have enjoyed as a former county commissioner, chairman of a regional council of governments—COG—and as former vice president of the National Association of Regional Councils, I have had some familiarity with the workings and uneven success of many economic development districts across the country. Generally speaking, they are responsive to and supportive of the municipal and county governments of their regions.

This is attested to by the support for the 1-year extension voiced by the National Governors Conference Executive Committee, the National Association of Counties, and the National Association of Regional Councils. The statement of policy adopted by the last-mentioned organization follows:

A RESOLUTION BY THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS SUPPORTING THE CONTINUATION AND FUNDING OF ECONOMIC PLANNING AND DEVELOPMENT FUNCTIONS

Whereas, the National Administration has recommended the termination of the Economic Development Administration on the grounds that its functions are being adequately replaced by increased Small Business Administration activities and the implementation of the new Rural Development Act, and

Whereas, the Administration has not provided for the funding of the planning and grant sections of the Rural Development Act, and the Small Business Administration does not further orderly economic growth through planning and interagency coordination and cooperation, and

Whereas, the Congress, recognizing the need for economic planning and incentives to guide the allocation of economic activities, have introduced bills extending the Public Works and Economic Development Act of 1965 as amended and have requested a complete evaluation to determine appropriate action in support of a national economic development effort.

Now, therefore, the National Association of Regional Councils resolves to support the continuation and funding of economic planning and development functions until adequate consideration has been given to a more comprehensive national economic planning and development program, or suf-

> ficient time has been given for the transition of present efforts.

Mr. Chairman, I conclude with the hope that in our zeal to consolidate programs and reduce duplication we not prematurely reject the established working system until the new machinery can be adequately geared up to replace it.

It would be a mistake, in my opinion, to, in effect, dropkick this program and, on second down, when with a little patience and adroit choice of plays we could reach the goal line with a full team effort and score more points for our side.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. Mr. Chairman, as a member of the Committee on Public Works and its Subcommittee on Economic Development, I feel most fortunate in having been able to participate in the hearings on H.R. 2246 and related bills for the extension of EDA of an additional year. I joined with other Members of the House in introducing this legislation early in this session.

While I am in agreement with the President's efforts to reduce Federal spending by cutting out wasteful and unproductive programs, I feel that each of the proposed program eliminations should be closely scrutinized by the Congress to properly determine if in fact the waste and nonproduction does exist. Scrutiny of EDA fails to disclose lack of productivity or waste.

At the hearings on this legislation we received testimony from a wide range of witnesses who pointed out that EDA funds have indeed assisted numerous communities across this country to develop economically. EDA's approach to aiding economically depressed areas has been one of encouraging and, in fact requiring, local initiative and local participation in decisionmaking and financing toward the worthwhile goal of providing more and better jobs for all our people.

The effect of the Economic Development Act has been the creation of a productive partnership between local and Federal efforts for economic development. The passage of this bill to extend this partnership will help maintain in the area of economic development the authority of local people to decide how funds are to be spent locally for the greatest economic benefit to all. Surely this approach is more desirable than one that might lead to further arbitrarily conceived bureaucratic formulas and regulations which sometimes appear to have been designed for the sole purpose of subordinating local incentive and participation.

I am proud that in my State of Mississippi, where the lack of economic development in the past has surely contributed to a multitude of problems both social and economic, the Economic Development Administration has made some 300 grants and loans to local communities at the specific request of local people. This has resulted in an investment of over $100 million toward increased job opportunities and the resulting benefits from increased payrolls.

Perhaps the most poignant testimony to come before the subcommittee during hearings on this bill was that of the Honorable Howard Stafford, mayor of Pontotoc, Miss. The mayor's testimony in behalf of the tremendous benefits realized in his town as a result of their partnership with EDA was that of one who knew firsthand of that which he spoke. In response to questioning, the mayor made the following comments:

> We were as poor as Job's turkey, . . . a seven course meal in my town before 1965 was a possum and a six-pack.

He added further that they were accustomed to poverty, but that they had "enjoyed about all we could stand."

Since 1965, Pontotoc has increased its industrial jobs fivefold with an annual payroll of over $17 million. The resulting increase in the tax base and improvement in the standard of living is adequate testimony in support of EDA's effectiveness in Mississippi. The case of Pontotoc, Miss., is only one of many which illuminate the need to continue this valuable program.

Mr. Chairman, I trust that today this House will act to insure the continuation of EDA for at least 1 more year to enhance the economic development of our country.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Chairman, I want to commend the Committee on Public Works for its work on this bill to extend the authority for the operation of the Economic Development Administration and add my support for this proposal.

Arkansas has demonstrated success toward finding solutions to the national problems of the countryside. During the 1950's the State, nicknamed the "Land of Opportunity," was depopulating rapidly. There was a mass exodus from the rural regions to the glitter of the cities by the educated young and unskilled poor. Both groups of people were in search of an opportunity and a better life.

During this period families were uprooted. Sons and daughters of Arkansas pulled up stakes and left their family homeplaces for work in faraway places. Ghost towns appeared in areas that once had been thriving bustling communities. Rapid social and economic changes occurred.

Most citizens recognized the need for a balanced economy and the 1960's became a decade of rapid progress. The tide of outmigration began to change. The population has begun to stablize. Arkansas has found a way to allow our people to stay home, where we want to be.

What brought about this change in the depopulation trend?

A recent editorial column in the Washington Post gave the development of the Arkansas River credit for providing opportunities for checking the flow of outmigration from Arkansas. This is partially true. But, although the Mississippi River has been navigable for more than a century, people continue to leave the delta regions.

The establishment of the system of inland waterways in this portion of the United States did give rise to a number of ports and industries along the Arkansas River. These in turn provided jobs and economic security for the people of the area. In addition, the Arkansas River project and the Corps of Engineers reclaimed a dirty, stagnant river and turned its muddy trickle into a clean, fresh-flowing stream.

However, many other Federal assistance programs were playing important roles in turning Arkansas around and heading her in the right direction. One of these was the Economic Development Administration.

Limited only by national policies and availability of funds, the EDA has enabled communities to work and plan their own future by helping them get the assistance they need in the form of public facility grants, business loans, planning grants, and technical assistance.

Expansion and improvement of water and sewer systems not only helps keep local people at home, but attracts new industry. EDA has assisted in developing such things as industrial parks, vocational and technical schools, recreation facilities and airport expansions. Members of minority groups, who in earlier years could see no desirable future for themselves in the business world, could get minority business loans. Port studies were done. Community centers were opened.

Communities began to feel and act like communities once again.

Since the establishment of EDA in 1965, 228 projects have been funded in Arkansas. They have helped generate 29,000 new or anticipated jobs.

In the 12-county East Arkansas Planning and Development District—EAPDD—located in the northeast and east central regions of the First Congressional District which I represent—23 projects have been funded or partially funded by EDA since 1968. The district has assisted counties and local communities in obtaining Federal assistance for 13 other projects.

The projects which got Federal funds from EDA only have generated, or are expected to generate 7,700 new jobs. A total of $3,736,974 has been allocated to this planning district's counties. Meaning that each new job cost less than $500 in EDA funds to create. The people who hold these jobs are taxpaying citizens. Each one has paid in more in taxes on earned income than the Federal Government invested in helping create these jobs. And, not one of them has migrated to a ghetto to become an anonymous name on a welfare role.

The case of the revival of Arkansas' economy is probably not a unique one. Many areas and States have begun to have hope for the future thanks to the operations of the Economic Development Administration's programs. Consequently the Nation as a whole is healthier.

But, the battle has not been won. Only the opening victories have been tasted.

The major impact of the EDA program has been in the countryside. Yet, in 1970, there were 71,382 families struggling to survive in rural Arkansas areas on incomes below the poverty level.

In Arkansas EDA has proven itself a worthwhile program. I urge the House to act to give EDA prolonged life.

Dispersal of economic development, such as EDA encourages and aids, helps reduce the congregation of the jobless and unskilled in the metropolitan areas. Industries can expand into new areas thus easing the problems of congestion and pollution in the heavily urbanized areas. And, our people will be happier because they will have a choice of living places since the prospects of making a living in the region they call home improves.

A feature article by George C. Wilson which appeared in the Washington Post on Sunday, describes the kind of good things the Economic Development Administration programs have been helping bring about in Arkansas. I would like to share that article with my colleagues at this time, by placing it in the RECORD:

End of Ozarks' Outmigration May Signal National Trend

(By George C. Wilson)

TIMBO, Ark.—Jimmy Driftwood, the balladeer of the Ozarks, is telling about the big decision his parents had to make one summer night when he was a boy growing up in this northwest section of Arkansas.

As he talks, cows heavy with spring calves bawl in the pasture out back. A kettle hisses on the stove inside the wood-plank kitchen of the farmhouse.

"One summer, Mr. Leander Carter came over to our place and said, 'Jimmy, I'd like to hire you for the summer to do everything there is to do on the farm—plow corn, cut sprouts with the hoe, whatever. If you bring your dinner, I'll give you 50 cents a day. If I feed you, I'll give you 40 cents a day.'

"That night," Jimmy continues in a voice tinged with reverence, "my Momma and Dad talked a long time about what would be the most economical thing to do. They finally decided for me to eat with him. They felt like what I would take to eat would be worth more than the difference."

So Jimmy Morris—his stage name of Driftwood came much later, after his country songs had won a national following—worked for Mr. Carter in the summer of 1923. He was happy to be the only boy around with a paying job.

THINGS ARE BETTER

Today, after lots more summers with few jobs, things are much better in Arkansas. So much better, in fact, that Chairman John L. McClellan (D-Ark.) of the Senate Appropriations Committee and others argue that the Arkansas experience is the way to stem the national exodus from farm to city—a migration that continues to empty out the Great Plains as people pile up in urban areas.

McClellan and—by last year's count anyway—at least 39 other senators are pushing a bill (S-10) to give more federal aid to the countryside to hold the people there, away from the cities. That concept is at the heart of the current budget battle as President Nixon moves to eliminate several programs designated to revitalize rural areas.

Beyond the political fight, and probably more important, lies the question of whether what is happening in the Ozarks is the leading edge of a new national trend—people with a choice opting for quality of life even if it means fewer material possessions.

"There was a major reversal of former population losses in a non-metropolitan area extending over northern and western Arkansas, eastern Oklahoma and southwestern Missouri," notes Calvin L. Beale, Agriculture Department specialist in population trends, in examining what happened between 1960 and 1970.

Rural areas in the lower Tennessee Valley, West Central Kentucky, Pacific Coast of Washington, western slope of the Rockies in Colorado and the northern half of Michigan's Lower Peninsula also made comebacks in the 1960s in terms of holding people in the countryside.

Reasons for this changing tide vary by area, of course, but the Arkansas experience—to examine one dramatic example—suggests that young people will indeed stay "down on the farm" if they can find a job other than farming.

Census Bureau figures for Arkansas show that:

The state's total population dropped from 1,949,387 in 1940 to 1,909,511 in 1950 to 1,786,272 in 1960 as people went looking elsewhere for work. But in 1970 the population climbed to 1,923,295—an increase of 7.7 per cent.

Also, the biggest single jump between 1960 and 1970 was in young people, as the number of people aged 20 to 24 increased from 99,852 to 143,039—a gain of 43.3 per cent. The older population increased substantially, too, as thousands retired to Arkansas—attracted by its low-cost living and pleasant environment.

On a county-by-county basis, 46 of them gained population, 28 lost and one stayed the same between 1960 and 1970. In 1960, only six of the counties gained people over the previous census and 69 lost them.

Personal income climbed sharply, even though many people in Arkansas are still in poverty.

In 1959, 14.2 per cent of the families in the state had incomes of less than $1,000 a year. This percentage was cut by two-thirds by 1969, to 4.4 per cent.

Looked at another way, the median (halfway point between the highest and lowest) income for males in Arkansas over 14 years old was $2,159 in 1959 and $4,026 in 1969. This compares to $3,837 and $5,918 for those two years for the District of Columbia.

THE MINIBOOM

The biggest single reason for this miniboom in Arkansas is the industries which have moved into the state, according to the specialists. Close behind is the income from tourists and retirement people. And state leaders see further economic uplift coming from the McClellan-Kerr Arkansas River Navigation System—providing a water highway from the Mississippi to Tulsa. Tonnage on the 448-mile waterway increased 45 per cent between 1971 and 1972.

Between 1960 and today, when the population flow reversed, an additional 142,492 jobs were created in Arkansas, according to the Arkansas Industrial Development Commission. Of that total, 75,138 jobs were created by new industry which located in the state since 1960 and the rest were from expansion of existing companies in Arkansas.

The Development Commission said that 754 companies were newcomers to Arkansas, with the largest in terms of employees including American Greeting Corp., Emerson Electric, Georgia-Pacific Corp., International Paper, Levi-Strauss, Singer Co., Teletype Corp., Timex, Ward Furniture and Warwick Electronics.

Arkansas' congressional delegation, former Republican Gov. Winthrop Rockefeller, Democratic Gov. Orval Faubus, the Development Agency, and the federal assistance through the Economic Development Administration, Farmers Home Administration and Ozarks Regional Council all are credited with the state's economic advancement.

The Ozarks themselves—and land of steep hills and clear rivers—provided an economic boost as a growing number of tourists came into the state. State leaders are making a concerted effort to draw in more tourists, with the Ozarks Folk Center in Mountain View a prime example.

Rep. Mills, when Mountain View was in his district, championed the folk center which opens next month with performances by the Rackensack Society fiddlers, banjo players and country singers. The $3.39 million center was built under an Economic Development administration grant which paid for 80 per cent of the cost.

LESSON FOR ALL

There is a lesson in all this for the rest of the United States, according to Arkansas' two most powerful Democratic politicians, Chairman McClellan of Senate Appropriations Committee and Wilbur Mills of House Ways and Means Committee—leaders President Nixon must heed if he hopes to get his legislative program through Congress.

The lesson, McClellan and Mills state, is that there is a relatively unexploited middle-ground between the jobless countryside and overcrowded cities.

"The family farms are gone," says the 77-year-old McClellan who has studied the problem for decades. "There is not going to be any more family farms.

"But," he adds, "if we get industry to locate out in these rural areas, then we can keep the people there. The man who likes the outdoors can still do a little farming for himself. He stays. He knows he's got a regular job to depend on."

"Industry, labor and government should study what has happened in Arkansas," Mills said.

"In the long run it will be better for the country if we can get industry to diversify," Mills says. He pushed for numerous small plants for Arkansas in preference to large defense industries which lay off thousands of workers once a contract runs out. Mills contends labor leaders' fears about losing their grip over workers in Arkansas' small plants have not materialized.

Both McClellan and Mills say they agree with Mr. Nixon that federal spending must be held down but that eliminating the Economic Development Administration and Farmers Home Administration is not the way to do it. They are fighting those White House recommendations. Revenue sharing cannot work as a substitute, they argue.

"These little rural communities have to put down the water lines to attract industry in the first place," McClellan says. "They just don't have the money and they can't borrow it. They can't borrow on some promise that maybe they are going to get some revenue sharing funds from the government. The communities must have these grants and loans. It's much cheaper for the government than trying to rebuild slums where there are not enough jobs for the people who live there."

While jobs are the big factor in holding native Arkansans on the land at long last, other people are coming into the state in pursuit of quality of life—of a better environment for themselves and children.

John C. Johnson is one. At age 46, he quit a well-paying white collar job and a house in the suburbs for a 290-acre farm he bought in the hills outside of Mountain Home, Ark. for about $40,000.

NO SACRIFICE

So far, he does not look upon his new life as an economic sacrifice—not when you figure it out. "I probably made a mistake by not moving here in 1965," he says during a respite from putting in fencing for the beef cattle he has ordered.

"The cost of living has been going up so much since 1965 that there was nothing left of the paychecks I used to get anyhow. You can't earn enough to keep up—at least in the business I was in."

Johnson was senior electrical engineer for the Motorola plant in Phoenix, Ariz. He made close to $20,000 a year, on that job, worked on the communications for the Apollo spaceship and lived in the suburb of Scottsdale.

As he talks of the frustrations of engineering, his wife, Dee, pours some sassafras tea she made in her new role as country wife.

"Ninety-nine per cent of my work in the last 10 years has not been intellectually stimulating," Johnson says. "You're not making big technical breakthroughs working for the electronics industry. You can easily learn all the facts you need to know."

So now Johnson plans to buy 20 pregnant cows for $400 a head, or a total of $8,000; sell the calves next year for $300 a head, or a total of $6,000, to get most of his initial investment back; then start making a profit with the next bunch of calves from the same cows.

"Back in Scottsdale," Mrs. Johnson says, "it was a big deal when my son, Danny, could fish in the little itty-bitty pond in the park. Now he fishes in our own stream out back. This is an answer to a prayer for me."

The Johnsons chose Arkansas because the land, besides being beautiful, is cheaper than in Colorado, taxes are lower and the climate is milder than that of the Great Plains where Johnson grew up.

The conversation in the Johnson living room touches on some of the drawbacks of living in the Ozarks. One of the children needs special schooling but there is none near Mountain View; ice on the roads sometimes cuts off the family from town; stores are sometimes unable to fill even such simple needs as a length of two-by-four, and social life is sparse because "when it gets dark around here, people go to bed."

But on balance, the Johnsons say they are happy they moved to Arkansas last summer. They intend to stay. As a final word on their new life, they bring out a placard presented in farewell by Johnson's fellow employees at Motorola. It concludes: "All in all, we sure envy you."

But the Ozarks certainly are not for everybody. Testifying to this is a nurse interviewed in a glistening corridor of Boone County Hospital in Harrison, Ark.—population 7,239 according to the sign on the highway.

"If I were single, I'd never come here," says Mrs. John Hangen, 25. She says she and her husband moved here from the Erie, Pa., area "because of the unpolluted lakes and country living.

NOT FOR SINGLES

"But," she adds, "this is for young marrieds and retired people—not single gals." She and her husband are looking for farm property but have found prices rising sharply. "People want the growth to stop. They want it the way it is."

Lewis W. Spencer, administrator of the 133-bed Boone County Hospital, readily admits that single nurses are not eager to come to Harrison. "She'd find darn few single men when she came to Harrison," he says. How she would meet them if she did come is another question. There are no bars in Harrison—part of a dry county—and almost no other gathering places for young singles.

In spite of, or because of, this low-key life in Harrison, Spencer has little trouble in recruiting doctors for his modern hospital in the Ozarks. They come for the quality of life, he says.

"Wherever he goes, a doctor knows he is going to make a good living. We can offer him a fine place to raise a family." The "fine place" includes nearby rivers and lakes; a new ski slope and ice skating rink at the Dogpatch tourist complex outside of town, and mountains for hunting.

Spencer's sales pitch works. He says there are 24 doctors in Harrison now and three more on the way. With 27 doctors to serve a county population of 19,073, this works out to one physician for every 706 people. The national average is one doctor for every 612 people.

The availability of medical care in Harrison and in the Little Rock Medical Center 140 miles to the south is, of course, comforting to people moving to the Ozarks, especially the retirees. The same is true of lower hospital costs—$32 a day for a semi-private and $42 a day for a private room in Boone County Hospital. For comparison Sibley Hospital in the District of Columbia charges $61 a day for a semi-private and $70 for a private room.

Floating down the Buffalo is indeed a delight—at least in March when the water is high. The river is clear with a sand and gravel bottom, and small-mouth bass dart away from the canoe's shadow. On our trip, a flock of wild turkeys flew out of a green glade along the swift water.

The sudden growth of the Ozarks and the changes it is bringing, like turning the Buffalo River into a national park, is not universally applauded, of course. Fred Dirst, who lives in a trailer along the river at Rush, does not mind saying so.

CHANGE LAMENTED

"You from the Park Service?" he asks a visitor, who replies in the negative.

"Good, then it's not open season on you." Dirst tells of how much he hated to give up his riverside farm, but he concedes tourists will soon be coming down the Buffalo in such numbers that the land will be too crowded for his comfort anyway. How about buying another farm somewhere else?

"I'm 72," Dirst says drily, "If you got any farming to do at that age, you should of done it already."

Time after time in interviews with new arrivals in the Ozarks, one hears complaints of muggings, pollution and the general raspiness in the cities they left. Beneath these complaints lies one that is seldom volunteered right away. Lots of people are settling in the lily-white Ozarks of northwest Arkansas to get away from blacks and the strife they associate with them.

"I'm being very honest with you," says a retired life insurance salesman who moved from Chicago with his wife to Mountain Home. "What was left for us back in Chicago? You couldn't go into the city at night without worrying about getting robbed. All that is left back there is a bunch of boos"—short for "jigaboos," a derogatory term for blacks.

A more polite expression is heard frequently in the Ozarks. "You know, we don't have the black-white problem around here."

Native Arkansans when asked about the lack of blackss in the hills say it's from lack of jobs rather than prejudice. "What in the world would they find to do around here?"

In the eyes of former city dwellers and suburbanites seeking a better quality of life in the Ozarks, one big fear is that growth will mean an end to the beauty they came here to find.

"We would have moved to Washington, D.C., if we could have found some place secure to live. We didn't have that kind of money," says Donald Troyer, 30, a biology major who worked at Washington's Junior Village before moving to Mountain View.

"I like the out-of-doors and the folk setting. But the more people that come here, the more diluted it all becomes."

Political leaders assert they are well aware of such fears about the Arkansas environment.

ORDERLY GROWTH

"We're trying to keep this growth orderly within the city limits of Harrison," says Mayor Hugh Ashley. "But both the counties and small towns better go on with their planning or else there will be a lapse" in controlling the growth.

"We have no county planning yet that we can enforce," says Boone County Judge James Roy Eoff, 51, whose job is really that of county manager rather than magistrate.

"Until we get our plans for the county drawn, we can't do much. We like to see this growth but we don't like to feel these growing pains. We're probably growing faster than old timers would like to see it. But there aren't many old timers.

"As a person, I got all the standing in line I wanted when I was in the service. Personally, I would like to see this growth level off.

"But many people would like to see it keep growing like it is now. . . . The money-hungry people are going to win."

Donald R. Raney, as executive director of the Northwest Arkansas Economic Development District, is charged with worrying full time about the growth problem troubling Judge Eoff and others.

The development district helps officials in nine northwest counties of Arkansas plan their future, and Republican Rep. John Paul Hammerschmidt says its operation should be a model for meshing federal assistance with local needs. The technique is to apply for all available federal and state money for the nine counties and then work up plans with local officials for spending it.

FEARS NOT SHARED

Raney, himself a native Arkansan, does not share Eoff's fears about the future. He believes planning is far enough along to preserve the woods and waters of the Ozarks even as job-providing growth continues.

Ask Raney for a one-word reason for this new prosperity in his jurisdiction and he answers, "Water." Loans and giants financed waterlines for industry, the U.S. Army Corps of Engineers built dams in his northwest district at three places on the White River—Beaver, Bull Shoals and Norfork—providing attractive recreation spots, flood control, and drinking water.

Now, says Raney, if Arkansas would just change its state constitution to allow realistic taxation to finance such improvements as roads—and if the federal government would continue to make grants for providing and cleaning up water—the new prosperity of the Ozarks will keep spreading at a rapid rate.

Mr. JONES of Alabama. Mr. Chairman, I have no further requests for time.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Chairman, I rise in opposition to H.R. 2246, which would extend authority for the continuation of the Public Works and Economic Development Act through fiscal year 1974.

While EDA's programs have done some good in helping to alleviate conditions of economic depression in certain areas of the Nation, I believe they have fallen short of their expectations—and in the fight for fiscal responsibility ineffectual programs should not be carried along by inertia, which is what this bill does.

I also believe, along with the President, that it is time to cut the umbilical cord to Washington, which is what a great many categorical grant-in-aid programs have come to represent. The new Federal response to economic development as reflected in the budgets, directs, wherever possible, decisionmaking authority to the people in the localities, communities, and States, and encourages the participation of the private sector in helping to meet economic and social needs. There is no need for the strong Federal decisionmaking role in localized kinds of projects with which EDA has been involved.

Thus, EDA's program objectives should be assumed by other Federal departments and agencies exercising less control from Washington and by State and local governments themselves with the assistance of shared revenue. Passing H.R. 2246 will not accomplish this result.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have no further requests for time.

Mr. WYDLER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

The CHAIRMAN. One hundred and one Members are present, a quorum.

Mr. WYLIE. Mr. Chairman, will the gentleman from Alabama yield for a question?

Mr. JONES of Alabama. Mr. Chairman, I yield myself such time as I may consume, and I yield to the gentleman from Ohio.

Mr. WYLIE. The gentleman from New York (Mr. GROVER) said he opposed the passage of this legislation because there is duplication in the program or programs. He referred to overlapping involvement in the Rural Development Act and the Economic Development Act. I am not sure I understand the need for both programs. I wonder if the chairman would explain this?

Mr. JONES of Alabama. We expect no duplication. EDA is basically a grant program. There would be no duplication.

The Rural Development Act, which we have just passed, was specific in its recommendation, so we would not expect duplication in that area.

Mr. WYLIE. How do the programs differ? I do not understand that.

Mr. JONES of Alabama. I am fearful that would be too complicated, trying to go through the agencies, bureaus and Federal activities, at this time.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. WRIGHT. In a nutshell, I believe it can be said that the rural development program consists of a program basically of loans, and it is dedicated primarily to the rural economy and to its revivification, which is desperately needed.

This program, on the other hand, consists primarily of grants to small communities, and not only to small communities but to economically distressed medium-sized communities which have been losing population. These public works grants are for the purpose of stimulating the basic infrastructure to attract private investors, whereby those small and medium-sized communities which have been suffering this massive outmigration can provide locally produced, privately financed, long-term jobs in the private sector.

I would say to the gentleman, that this is the basic difference.

Mr. WYLIE. In other words, the Rural Development Act is more agriculture or farm oriented, and EDA is more business oriented. Is that what the gentleman is saying?

Mr. WRIGHT. I believe that is a fair summation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 2 minutes.

Earlier in the debate I was referring to a statement by the Senator from Georgia, Mr. TALMADGE, in the other body, stating that there is no intention to overlap responsibilities of certain other agencies, including the SBA, the EDA, and others.

Mr. Chairman, I see the distinguished chairman of the Committee on Agriculture on the floor, and I wonder if he would comment on that?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the distinguished gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Chairman, I would like to say that I served both in the writing of this Rural Development Act, passing it through the committee and passing it through the House and taking it through conference, and there was no suggestion that we were in any wise supplanting this EDA program, but, rather, that we were trying to supplement it.

Mr. Chairman, in order to make sure that is correct I would like to read to the Members from the act itself. This is the Rural Development Act.

Section 118, subsection (d). It says that—

> The Secretary may participate in joint financing to facilitate development of private business enterprises in rural areas with the Economic Development Administration, the Business Administration, and the Department of Housing and Urban Development.

Mr. Chairman, obviously had we had any intention that we were going to let the Rural Development Act take the place of this program, we would never have put that provision in the bill specifically authorizing cooperation with this program. So I think it is fair to say that the Rural Development Act was passed for a different and enlarged purpose and was certainly never intended to take the place of this, any more than it was intended to take the place of the rural electrification program, as some people have tried to make it seem.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman. I think that may answer some of the questions Members of the House may have had.

Mrs. SULLIVAN. Mr. Chairman, as a cosponsor of the bills which created and subsequently expanded the Economic Development Act of 1965, I strongly support H.R. 2246 to extend the life of this program for an additional year beyond its present termination date of June 30, 1973.

President Nixon's action late last fall in vetoing the bill passed by Congress to expand the program was shocking and incomprehensible to all of us who have been concerned over the persistence of high unemployment in many areas of this country. The present bill is therefore an emergency measure to prevent the dismantling of the program before the 93d Congress can devote the necessary time to hammer out a new long-range attack on our unemployment problem.

It is ironic that President Nixon has been sending us in recent years what he calls "full employment budgets"—budgets which would, he says, be in balance if the Nation's work force were fully employed, but which are obviously and painfully far out of balance because of the fact that so many people who want to work cannot find jobs People who are unemployed not only do not pay income taxes, they draw unemployment compensation and other benefits which add to the cost of Government. Thus, the budget suffers doubly—in terms of lost revenues and higher expenditures—because of persistent high unemployment.

It seems to me that if the President were serious about his so-called full employment budget he would be willing to spend funds authorized and appropriated by Congress to help achieve high employment levels. The Economic Development Act has been a major tool available to him in combating joblessness and economic stagnation in those areas of the country still suffering from the recession which began with the first Nixon administration.

I congratulate the chairman of the Committee on Public Works (Mr. BLATNIK) and the members of his committee from both the Democratic and Republican sides who have joined in sponsoring H.R. 2246, and I applaud the dedicated hard work on this issue also by the Democratic whip (Mr. MCFALL) who has been from the beginning the moving force behind the concept of this legislation.

I have always favored the idea of public works to improve the physical facilities of our communities while also providing jobs for workers who are otherwise not able to find them, and have introduced or sponsored such legislation since my first term in Congress beginning in 1953. We were then in a recession resulting in high unemployment, and experienced two more recessions during the 8 years of the Eisenhower administration, before beginning 8 years of steadily rising employment opportunities and lowered joblessness during the Kennedy and Johnson administrations. In 1969, the indexes turned downward once again and 4 years later we still have more than 5-percent unemployment.

If the President does not consider this a serious problem for the American people, our action on H.R. 2246 should demonstrate that the Congress certainly considers it terribly serious. And I am sure the people of this country agree.

Mr. CAMP. Mr. Chairman, the Economic Development Administration has been one of the most effective and responsive Federal agencies I have worked with in my years in Congress. I rise in support of H.R. 2246, which is identical to legislation I introduced in the hope of preserving the important EDA assistance programs now going on.

In my district, EDA programs have been particularly helpful to some of our smaller towns and to many of the Indian tribes in western Oklahoma. For instance, the town of Blackwell, hard hit by the closing of its major industry, was designated an EDA redevelopment area in December and is just now beginning to feel the impact of this assistance. City officials have had nothing but the highest praise for EDA's assistance and have voiced their deep concern about the proposed termination of the agency. In the words of Blackwell's mayor:

> It boils down to this: we would not care what title the program had so long as we knew it was available. And, based on past performances, we believe that a change over the next 11 months will require an actual implementation time considerably beyond our period of need.

I thus submit that an extension of the Economic Development Administration is in order so that the continuity of ongoing programs will not be jeopardized over the next year. If, in fact, the EDA is no longer necessary, let us make sure we have an orderly phaseout.

Mr. SIKES. Mr. Chairman, I fully support the bill under consideration today to extend the Economic Development Administration for 1 year. We simply cannot afford to see this useful agency killed. In effect we would be saying that many people who want to help themselves are to be cast aside in the name of economy. I am in agrement with efforts to get the Federal Government out of areas where it does not belong, but EDA does not fall in this category. It has demonstrated that it is a good program and it has been successful. It is working and it should be allowed to continue in operation. Today we propose only stopgap legislation to continue the program for another full year while further studies can be made on its proper place in Government. This is the least we can do.

EDA has brought together previously fragmented and uncoordinated programs to help rural America. Certainly it is the most effective agency yet established to help in the solution of some of the difficult problems of our Nation. It directs itself at the problems of employment imbalance, income gaps, and standard-of-living improvements, and all of these are important. This service is needed and should be provided by our Government. This is what EDA does and I strongly urge that it be continued.

Congress has supported this agency over the years because the work it did was efficient and its programs beneficial to the people of more than 1,100 counties in the United States. As my colleagues know, I have been critical of many of the programs conceived by various administrations and put forward as hopeful experiments in social reform. But I have not been critical of EDA because it works. A prime example is in my own district in Florida where EDA functions primarily through the Northwest Florida Development Council and Economic Development District. Some of these counties are in my district; the others are represented by my colleague, the Honorable Don Fuqua. The fact that this council crosses county and congressional district lines is an example of the effective way it works. This clearly demonstrates that problems know no geographic boundary. Area problems must be solved on an area basis, and this is what is taking place in northwest Florida. If EDA is allowed to die, some of this valuable progress will cease. EDA has assisted my area over the years with almost $4 million in loans and grants in addition to the staff assistance and technical aid which has been utilized to create 5,000 new jobs for our people. This is a program which works to help people help themselves. We have built port facilities, public buildings, barge terminals and city halls. We have conducted studies on fishing—a vital industry in my State, and on hardwood, also a major factor in our economy. We have begun to develop a master plan for the entire region and work is going forward on studies to renovate port facilities.

If EDA is discontinued, work like that taking place in my area and in hundreds of other counties across the Nation will stop. This is an ill-advised move, Mr. Chairman. It should not take place.

The program has demonstrated its usefulness. There is a need for it. If there are changes which should be made in the House and Senate, in cooperation with the administration, we should have the necessary time to study all phases of the program and to evaluate the need for change. A 1-year extension of EDA will permit this evaluation.

Mrs. GRASSO. Mr. Chairman, it is essential that the House pass H.R. 2246, a bill to extend the Public Works and Economic Development Act of 1965 for 1 year.

This bill continues through fiscal 1974 legislation which has proven its worth in countless cities and towns throughout the Nation. Specifically, the bill authorizes $800 million for public works grants and supplementary grants, $170 million for public works and business development loans, $50 million for technical assistance and research, $50 million for growth centers and for bonuses for economic development districts, and $152.5 million for regional action planning commission programs. Also, the bill extends the moratorium on dedesignation of redevelopment areas.

This legislation was originally enacted in 1965 to provide Federal assistance to those regions of the country which lagged behind in economic growth or suffered from high unemployment or underemployment. Its effectiveness has been well documented, and at this time no comparable program exists to assist economically distressed areas.

I am especially concerned about the continuation of the Economic Development Administration. The level of unemployment in the sixth district has decreased over the last 2 years. EDA has been an important factor in improving economic circumstances in many towns in my district, a district in which more than half of the towns and cities have been designated for title I and title IV funds. Still, unemployment in northwest Connecticut remains well above the national average of 5.1 percent. Bristol, where unemployment reached almost 24 percent in the past, still has a rate of 9.5 percent. Torrington's situation has also improved, but retains a level of 9.2 percent. And New Britain, the largest city in the sixth district, has an unemployment rate of 7.5 percent.

Last year, towns and cities in my district received more than $4 million in EDA funds. These resources enabled our communities to create a more viable and diversified economic base which, in turn, improves the employment situation in the town and surrounding area. To help stimulate the types of economic growth needed to reverse recent trends, Bristol received more than $2 million for sewers and a pumping station. Neighboring Plymouth received $1.18 million for its industrial park and $600,000 for a town hall. Enfield received $400,000 under the public works impact program for a town garage, and is counting on up to $2.5 million in aid for their planned industrial park. Regrettably, the applications of other towns were rejected because EDA lacked sufficient funds.

Municipal leaders—and local officials—the people who know the problems and needs of their areas—value the assistance EDA has been able to provide. Mr. C. Samuel Kissinger, town manager of Enfield, Conn., summed it up well in a recent letter to me:

> The Economic Development Administration has been one of the most productive of all the Federal Agencies and the local Economic Development Administration staff headed by Mr. Charles M. Hammerlund has expended a considerable amount of dedicated time to fulfill the intent and philosophy of the existence of the agency.

In his recent message, the President noted that American cities are diverse entities with different priorities and local needs. EDA has been able to work with local officials effectively in order to help create conditions to aid business growth and create jobs on the local level. Community participation and cooperation, along with close coordination among local, State, and Federal officials have enabled EDA to develop innovative and constructive projects which will benefit these towns and their citizens for years to come.

Congress has long recognized the importance of EDA, and showed its support by voting late in the 92d Congress to extend the authorization through fiscal 1974. The bill was vetoed, partly because the administration considered the program ineffective.

To help meet the administration's objections, the committee has reduced the authorization level to the fiscal 1973 figures. The $1.2 billion would provide badly needed assistance without sacrificing either fiscal responsibility or the recovery of the needy communities.

Because of EDA's superb record of achievement, I was appalled to note that the administration's fiscal 1974 budget would transfer EDA's functions to other agencies. Despite misleading rhetoric, the proposed increases in other programs do not offer satisfactory substitutes for the expertise and success EDA has given our cities. Community development revenue sharing is not the panacea its proponents claim. It cannot be thought of as an immediate alternative for EDA. First, let us remember that community development revenue sharing must survive the legislative process and become law. Second, it offers no guarantee that the economically needy towns which utilized EDA funds would receive the necessary revenue sharing money. Third, and most important, this program is not scheduled to become effective until July 1, 1974—a full year after the proposed termination of EDA.

Mr. Chairman, EDA is not the first program the administration wants to terminate abruptly. However, in this instance we have a new twist—termination, a year of waiting by needy cities and towns, and then the beginning of a new program—if it is enacted into law.

I believe that H.R. 2246 represents the only logical solution to this problem. The bill would extend EDA for 1 year. At that time either community development revenue sharing or another program would take its place.

The administration's attempt to dismantle a productive program such as EDA penalizes those areas which need the very assistance EDA provides. The road to economic recovery and development varies with each locale, but in so many instances EDA has managed to bridge the gap between Federal assistance and local need. It has earned a well-deserved reputation as a program which accomplishes its aims with a minimum of Federal interference in local matters.

I therefore urge by colleagues to give their overwhelming support to H.R. 2246 and help save EDA.

Mr. BLACKBURN. Mr. Chairman, I wish to speak in opposition to H.R. 2246 which would extend to fiscal year 1974 the authorization for the Public Works and Economic Development Act. An authorization level of $1,222,500 has been recommended by the committee. Although it may appear at first blush that an expenditure of this scale will have no effect on President Nixon's efforts to hold down taxes and inflation, this is not true. We are committed to halt the burden of the taxpayer's share to fund the number of grant programs of which the Public Works and Economic Development Act is one.

It may be true that this program was conceived at a time when there was a need for special attention to distressed areas in our country. However, much has been done to evidence concern for that need and as years have passed, it has become clear that programs such as EDA have fallen far short of our expectations. There is currently a wasteful duplication of effort with already existing programs.

The President's 1974 budget proposes the funding of other programs presently in place and which would provide assistance to States and local governments to meet their needs more directly than has been the case with programs such as EDA. These other programs include the Rural Development Act, Water Pollution Control Act, and Small Business Act, and manpower revenue sharing which will be phased in beginning July 1973.

The new Rural Development Act is a program which in many ways duplicates EDA activities and which will provide increased assistance to rural communities in keeping with the President's concept that the States should be given discretion to decide where assistance is needed. Industrial development loans authorized under the Rural Development Act may be made in communities with populations of 50,000 or less. All other programs under the act are available to communities with populations of 10,000 or less. It is true that most of EDA's assistance has been placed in communities with a population of 50,000 or less. In fact, more than 80 percent of EDA's obligations has been made for projects located in localities of 50,000 or less people while 60 percent of EDA's obligations were for localities of 10,000 or less.

The Small Business Administration programs provide for loans and guarantees similar in many respects to EDA's business loan authority. The 1974 budget proposes a $642 million increase for SBA programs.

Furthermore, communities of all sizes will be assisted in meeting their waste disposal needs in 1973 and 1974 through the additional $5 billion already made available for grants for waste disposal facilities as authorized by the Federal Water Pollution Control Act Amendments of 1972. It is estimated that $2 billion of the $5 billion level of funding will be available for interceptor sewers.

The President's 1974 fiscal year budget is keyed both to fiscal responsibility and a meaningful responsiveness to the problems of the underemployed and the unemployed. Therefore, it behooves us to ask that we get the most for every public dollar spent. I am constrained to say that the public is well protected within the administration's concern by passage of H.R. 2246 and I must object to such an extension of EDA's programs.

Mr. WHITE. Mr. Chairman, the Economic Development Act is a people-oriented program. It has provided jobs and improvements in areas when there was little other hope for relief. The basic concept of the EDA is "helping communities help themselves." This seems to be the very philosophy that is demanded in these times, and yet the administration endangered the existence of this agency by vetoing H.R. 16071 in the waning hours of the 92d Congress and now by threatening this bill with the veto or impoundment even in the face of overwhelming support by the 93d Congress. H.R. 2246 is cosponsored by 150 Members of bipartisan interests and in addition to this broad bipartisan support enjoys the significance that this proposal has been cosponsored by every member of the House Public Works Committee, including its chairman, JOHN BLATNIK, and its ranking minority member, WILLIAM HARSHA.

We are in accord with the President's plan to abolish wasteful, useless, and nonproductive programs of Government, but we cannot agree that EDA is in this category. Undoubtedly there are necessary revisions, but we will not know unless the House and Senate are given the necessary time to study and evaluate these programs in the 1-year extension of the EDA. The studies can be completed. We can then act with responsibility to fund those programs which should be continued, to abolish those which should end, and transfer in an orderly manner those programs which rightfully should be delegated to other agencies.

But we cannot simply kill this useful agency and say, in effect, that many people who want to help themselves are to be cast aside in the name of economy. The EDA has demonstrated that it is a good program. It has been successful. It is working and it should be allowed to continue in operation, at least for another full year while further studies can be made on its proper place in Government.

We are proposing a 1-year extension because that is the time needed to complete studies now underway by the House and Senate into the operation of these programs. The additional year is needed, furthermore, to allow for an orderly transition to new programs if better ways are found to relieve economic hardship and unemployment in our depressed communities.

Therefore, Mr. Chairman, the best way to quickly reduce unemployment is to provide grants and loans for local government and business construction projects which create immediate construction jobs in areas of high unemployment, and thus, will have highly desirable side effects in creating more employment throughout such areas. This is the intent of the Economic Development Administration and the Public Works programs authorized by this bill. It is for this reason that I believe prompt and favorable action on H.R. 2246 is necessary.

Mr. KLUCZYNSKI. Mr. Chairman, I strongly support the 1-year extension of the Public Works and Economic Development Act contained in H.R. 2246. I know of no finer program than that of the Economic Development Administration. Its work in helping to revitalize the stockyards area of the city of Chicago has had tremendous beneficial impact on the daily lives of the people of that city.

The Chicago stockyards were once the busiest in the world, supplying animal products for America and overseas as well. But with changes in the structure of the meatpacking industry, the stockyards declined in importance. One after another, the major packers moved westward until, just a few years ago, the stockyards were virtually empty, abandoned relics of an earlier stage in the development of the meatpacking industry.

More important by far than the empty buildings, however, was the loss of jobs and income for people who had depended upon the stockyards for their livelihood. Literally thousands of persons who had once made their living in the packing industry were left with no job, little opportunity, and even less hope. For many people, the only solution appeared to be to move away from the old neighborhood, from family and friends, and from ties which in some cases went back for several generations.

It was at this point that the Economic Development Administration stepped in. I would not say that it has been easy or quick work, restoring the stockyards area to its former economic vitality. But I will say that EDA and the people of the area have made tremendous progress, working together to restore the life of the area.

People have developed new skills, new businesses have been attracted to the area based on the natural geographic and transportation advantages the stockyards area has always had, and, even more, based on the economic assistance EDA has been able to offer, the stockyards have come a long way on the road back to prosperity.

There is no doubt in my mind that EDA has done similarly outstanding work in the hometowns and districts of other Members of Congress as well. So I think it would be a very grave error to allow this program to end now, when it is doing so very much for the people of our Nation. I plan to vote in favor of H.R. 2246, and I urge other Members of the House to do the same.

Mr. FULTON. Mr. Chairman, I am pleased to join with more than 100 of my colleagues in this bipartisan effort to continue the Economic Development Administration for the fiscal year 1974. H.R. 2246 proposes extension of the EDA authorization for another year and was reported out of committee with unanimous support. This action speaks for itself.

The Economic Development Act has demonstrated over time to be one of this country's most successful instruments in helping localities to help themselves. I find it especially poignant that today when many sections of the Nation are plagued by excess unemployment, the President should choose to discontinue a program that has shown itself effective in reducing unemployment.

I have been a consistent and active supporter of EDA, yet I have felt somewhat uninspired by the past legislation. Because EDA is a proven combatant of unemployment and a proven stimulant to economically depressed areas, legislation is in order to expand, not reduce, the capabilities of the act. Indeed, increased appropriations upon next examination of the EDA, may again be desirable.

Tuesday of this week, I testified before the Joint Study Committee on Budget Control to endorse reassertion of legislative control over the budget process and to present proposals to accomplish this. The legislation before us today is, I believe, a reiteration of this desire to establish spending and program priorities as the Congress determines, under the power vested in it by the Constitution.

As we stand in concerted opposition to this cutback, let it serve to signal the Executive of our intention to assert ourselves in other areas of budget formulation and priority establishment.

The State of Tennessee is only one example among many of what a program well conceived and well executed by the EDA can accomplish. During fiscal year 1972, the last year for which data is complete, the Tennessee EDA programs were funded more than $62 million. These moneys went toward public works, business development, and technical and planning assistance.

These projects have helped many citizens of my State not only to find work, but to maintain gainful employment. In addition to the immediate effect of boosting area economy, EDA projects produce long-term ongoing benefits. Many projects would not be otherwise initiated if municipalities had to underwrite the full cost.

The rationality and desirability of the EDA programs speak for themselves. This Nation must take positive action to relieve the detrimental effects of widespread unemployment. Helping individuals to help themselves is the keynote of any useful social welfare legislation. In this worthy effort, EDA has been virtually a beacon in a sea of darkness.

The President is correct when he argues that wasteful, ineffectual programs must be pruned from the growing national budget. Yet he has chosen to include in his effort a program of proven worth. His is a significant oversight which I am hopeful the Congress will rectify. I urge all Members to join in this effort.

Mr. MELCHER. Mr. Chairman, I am pleased to join in urging my colleagues to support H.R. 2246 to extend the Public Works and Economic Development Act authorizations 1 year to June 30, 1974.

The Economic Development Administration has been one of the most imaginative experiments Congress has launched in recent years. Its wide latitude of operation and approach has resulted in some noteworthy successes and also some failures.

EDA has some 7 or 8 years' experience behind it to permit an evaluation and an objective look and judgment to be made by Congress. But the administration wants to kill EDA like a horse with a broken leg whose owner decides to put out of its misery. The administration's proposal for immediate dismantling or execution does not fit the case. Rather the great successes for individuals, communities, and Indian reservations should be emphasized. Congress must drastically demonstrate through overwhelming passage of this bill that extension of economic development programs are urgently needed.

I cannot emphasize enough how significant EDA's contributions have been to our rural problems in Montana. About one-half of Montana's 56 counties, which historically suffer from outmigration, high unemployment, low per capita income levels, and lack of economic diversity are EDA designated areas along with seven Indian reservations.

Since its origins, EDA has planted some $15 million in seed money in Montana in more than 100 projects covering economic planning, technical assistance, public works, and business development loans. It has supported the excellent Center for Industrial Development at Montana State University, which has tackled such tasks as tourism on Indian reservations, livestock-woodland waste, recreational development, electronics manufacturing, trout development, fiberboard manufacturing, increased tomato production, underground mushroom farming, and others. Expiration of the authorization also means the end of financial support to several regional economic development commissions and possibly their demise. Montana, Wyoming, Nebraska, and the Dakotas only recently formed the Old West Regional Commission to combat common problems. With the task barely begun, ending EDA would knock out the props. We cannot allow that.

The administration has not proved its case that the functions and thrust of EDA will be assumed by the Agriculture Department, Small Business Administration, and the Bureau of Indian Affairs.

EDA has offered some new hope, some new direction in otherwise hopelessly depressed areas. EDA has been that little extra boost when there was no other way. EDA's helping hand has been not only financial but psychological at critical turning points.

My instincts as a veterinarian tell me EDA is a horse worth curing and sending out to do more productive work.

Mr. EVINS of Tennessee. Mr. Chairman, I want to associate myself with the remarks of the distinguished gentleman from Alabama (Mr. JONES) and others in strongly endorsing and supporting H.R. 2246, a bill to extend the Economic Development Administration and its programs for one year.

As a cosponsor of this bill, I want to say that certainly this is a reasonable bill and assuredly the great work of EDA in industrial development in rural areas and small towns should be continued.

I am advised that more than 1,100 counties have been declared eligible for EDA assistance in the form of business development loans, public works grants, technical assistance, and other vital and important assistance which this Agency can provide.

I have seen the impact of this program in the Fourth Congressional District of Tennessee, and in many counties of Tennessee, where business and industrial development have been assisted and accelerated with resulting increases in employment.

The life and work of the EDA should be extended—I urge support of this bill.

Mr. WON PAT. Mr. Chairman, I rise in support of the bill now before the House, H.R. 2246, which authorizes the continuation of the Public Works and Economic Development Act for a 1-year period.

Since Congress enacted the original program in 1965, thousands of our citizens have been provided jobs through public works projects—jobs which they might not have had were it not for this act.

Although the territory of Guam is thankfully an area of low unemployment, I agree with my fellow cosponsors of identical legislation that there are many areas of this country which continue to suffer from a high unemployment rate. With unemployment continuing to run over 5 percent on a national level, it is imperative that Congress act now to continue funding this worthwhile program.

During today's debate, many of our colleagues have attested to the effectiveness of the economic development program. Should my own district of Guam ever suffer the misfortune of having large numbers of our people out of work, it is comforting to know that Congress had the foresight to enact the Public Works Act.

Last year, Congress labored long and hard to pass another extension of the Public Works Act, only to have it rejected by the administration as supporting a program which was "ineffective." I trust that this revised version will be accepted in lieu of any future special revenue-sharing package which the President might wish to present to Congress. To let this legislation die would be denying local governments the ability to provide needed public works projects.

I therefore urge each of my colleagues in the House to give their wholehearted support to H.R. 2246, a bill which will continue to show the unemployed workers of America that Congress cares about them.

Mr. MEEDS. Mr. Chairman, I urge the passage of H.R. 2246, to extend the life of the Economic Development Administration for another year.

Many of those speaking today have outlined the national impact of the Economic Development Administration since its inception in 1965. EDA has indeed created many jobs nationally and should continue in this role. But more important to me is the immediate impact EDA has had on my constituents and the economy in the Puget Sound area of Washington State.

Despite high-placed claims of rampant prosperity, the number of unemployed in the Puget Sound area remains at an unacceptable level. In the three main counties of my congressional district, Snohomish, Skagit, and Whatcom, unemployment was recently estimated at more than 8, 13, and 9 percent, respectively.

EDA has granted more than $15.5 million in job-creating grants or loans in these three counties since 1965. These Federal grants have helped start industries, improve water systems and roads, expand ports and prepare for economic development. Among the outstanding projects were an expansion at the Port of Everett, water projects to aid industrial development in Anacortes, Everett, La Conner, Mountlake Terrace, and by the Skagit County PUD; key business loans in the Everett area and pioneering work on the Lummi aquaculture project in Whatcom County.

To lop off EDA at the end of June, as President Nixon's proposed fiscal 1974 budget proposes, would be destructive folly. I find it hard to follow a logic that says economic development should be stopped at a time of high unemployment. This is one of the most discouraging examples of false economy I have ever seen. It is adding insult to injury to demand that the agency go out of business in a few months without proper transfer of functions to other departments.

There are more than $1 million in applications for EDA grants now pending from my congressional district that would likely be lost in the shuffle of a bureaucratic turnover. Included in these pending applications is the vital Norton Avenue Street project in Everett, planning grants for the Swinomish Industrial Park and loans in the discussion stage to help other job-creating projects.

EDA is needed to build a better economic future in the Nation and Second Congressional District. It is for that reason I am a cosponsor of H.R. 2246 and urge its passage by the House.

Mr. HARRINGTON. Mr. Chairman, I support the extension of the 1965 Public Works and Economic Development Act because I feel that it is essential to the economic well-being of this Nation. This is especially true when general revenue sharing is only in its trial period, when the prospects for special revenue sharing legislation are uncertain at best, and when the Rural Development Act cannot be fully implemented for a number of months.

Our economy is at a critical stage in its recovery from the 1970 recession. Inflation and unemployment have dealt severe blows to industry and labor from which both are still recovering. The recent devaluation of the dollar indicates that we still have a long way to go to restore prosperity to our economy.

Continuity in our economic policies is vital because of the delicate balance existing between demand and supply, between labor and business, and between the major production, distribution, and consumption sectors of our society. Terminating a major development program like the 1965 Public Works and Development Act could prove so disruptive that not only would we lose all the gains we have achieved but the ultimate result could be another major recession. This is not the time to again risk recession. It is a time to bolster our economy and to assure continued growth in the months and years ahead.

Two of the major industries in my congressional district, the shoe and fishing industries, are experiencing severe economic problems. As a result, they have become dependent to a large extent on the funds they receive from the Federal Government through programs established under the Public Works and Economic Development Act.

Termination of these programs would place a tremendous financial burden on the people of my district in two ways:

First, increased unemployment; and

Second, higher taxes caused by a shrinking tax base and decreasing Federal assistance.

Last year alone, my district received $650,000 from the Economic Development Administration. These are funds we cannot afford to lose at a time when unemployment in Massachusetts still exceeds 7 percent and when our recovery from the 1970 recession is lagging sadly behind the rest of the Nation.

Many areas of my district are depending heavily for economic improvement on continued assistance from the Economic Development Administration.

For example, the city of Haverhill has an unemployment rate of 9 to 11 percent versus a national rate of only 5 percent. Haverhill desperately needs a larger tax base and is working to attract new industries to the area.

Land has been set aside for an industrial park. Plans for a water supply and a pollution abatement system have been completed. Funds for the installation of the water system are being supplied by the city of Haverhill and a grant for the pollution abatement system is being provided by the Environmental Protection Agency. The city of Haverhill has completed all the necessary requirements for a vital EDA grant, including an environmental impact statement.

This industrial park cannot be built, however, without an EDA grant. The city simply does not have the resources to go it alone. It needs the partnership of the Federal Government. And without the park, Haverhill will be set back several years on its road to economic recovery.

The budget asserts that EDA programs will be picked up by the Farmers Home Administration under the new Rural Development Act and by the Small Business Administration. However, only $10 million in grant funds were requested under the rural industrialization program as contrasted to nearly $140 million in public works grants made by EDA in fiscal year 1973. RDA does not authorize technical assistance activity of the type previously funded by EDA, and EDA has not provided loans to businesses eligible for SBA services for years. Preference for community development corporation in EDA programs mandated by law last year becomes meaningless with the disappearance of EDA.

Regionalism is a necessary and practical method that must be used in our fight to solve the economic difficulties that face us now and in the future.

I previously testified on the New England Regional Commission before the Special Subcommittee of Economic Development Programs of the House Public Works Committee on February 27, 1973. The New England Regional Commission has had some problems in the past, but I feel that, with the reforms suggested in my testimony, the Commission can be an effective and vital instrument in our economic development. I would like at this time, Mr. Chairman, to submit for the RECORD excerpts from my statement.

EXCERPTS OF STATEMENT OF HON. MICHAEL J. HARRINGTON BEFORE THE SPECIAL SUBCOMMITTEE ON ECONOMIC DEVELOPMENT PROGRAMS OF THE HOUSE PUBLIC WORKS COMMITTEE ON FEBRUARY 27, 1973

Mr. Chairman, I would like to express my gratitude to the Committee for allowing me this opportunity to present my views at these hearings.

I appreciate this chance to testify because I feel that the extension of the Public Works and Economic Development Act is especially essential to economic growth since general revenue sharing is only in its test period, special revenue sharing legislation is uncertain, and the Rural Development Act cannot be fully implemented for a number of months.

The section of the Public Works and Economic Development Act that is of special importance to me is Title V, which established the New England Regional Commission.

Yet it has become clear that the New England Regional Commission has failed totally to accomplish any of its objectives.

High unemployment, aging industries and astronomical energy costs are only a few examples of the problems that have not been solved. The Commission is riddled with overpaid employees who were appointed to its staff with no thought given to their experience or competency. The Commission has become a convenient vehicle for the handing out of expensive rewards for political favors.

However, I feel that regionalism is an excellent and viable concept in eliminating the economic difficulties which face us today.

The problems of New England are not restricted to any one state. They are unique to the region as a whole. Therefore, I believe the New England Regional Commission can solve this fundamental crisis which confronts us if the following changes are made:

(1) the Executive Committee should also be required to approve all grants and programs of the Commission and all executive staff appointments ($10,000 or more in salary).

(2) monthly meetings of Executive Committee and quarterly meetings of Commission be mandated.

(3) all staff appointees must pass appropriate civil service exams and shall be paid in accordance with civil service salaries.

(4) the public, political and business communities must become aware of and accept the basic concepts on which the Commission was formed.

(5) Congressmen from New England must become more involved in the activities of the Commission.

I would now like to present the background of the Commission, why it failed, and expand on what can be done to improve the situation.

BACKGROUND

The New England Regional Commission (NERC) was established under Title V of the 1965 Public Works and Economic Development Act. The regional commissions are charged with developing long-range, comprehensive programs for the region, coordinating Federal and State economic activity, and increasing private investment. Action is required by law in two areas—legislation and planning. According to the NERC 1972 Annual Report, programs are chosen on the basis of three main concepts:

First, preference is given to programs that are regional in nature and respond to the common problems of the six states;

Second, programs are stressed which have a direct impact on employment and income of New England residents, and which make significant improvements in the services and facilities to support development; and

Finally, the Commission tries to use its resources as a catalyst for new ideas and programs.

They have failed in all three areas.

WHY THE FAILURE?

As of last November, NERC had the largest staff (38) and paid the highest salaries (the average is $19,000) of all the regional commissions. Yet the Commission is a failure. It has failed totally in two areas where action is required by law—legislation and planning.

We owe a debt of gratitude to the Boston Globe Spotlight Team for uncovering some of the glaring failures of NERC and expanding our knowledge of the problem.

According to the Globe, the commission has spent less than one percent of its Federal funds on business development and this program called the New England Industrial Resource Development (NEIRD) had failed by October of 1972 to produce one new company or job.

Most of the money has gone to ongoing programs which are initiated by other agencies and have little or no regional impact. For example, the publication of "Venture Capital" by the New England Industrial Resource Development. The publication costs $59,000 and contains information on 100 firms which are in the business of lending money to prospective entrepreneurs. There was a similar book by a Chicago firm called "Guide to Venture Capital Sources" which had listed 86 of the 100 firms in "Venture Capital."

The Commission has been run sporadically by the six governors of New England. They have not run sporadically by the six governors of New England. They have not exercised any real control over the Commission. Referring to the lack of oversight, Governor Licht of Rhode Island said, "I have a feeling that many things are being studied to death", (Providence Journal account of a meeting held July 7 at Mystic, Connecticut.) This situation has been corrected, but we must be watchful and make sure past problems do not recur.

There are only three staff members with backgrounds in economics or planning.

All technical problems and research are done by highly priced outside consultants. There is no civil service exam requirement with the result that there is no staff expertise. The Commission had to spend $100,000 to have its long overdue five-year economic plan drawn up by four outside consultants. A review of the Commission prepared for the U.S. Commerce Department by A. D. Little, Inc., found uniformly negative results stemming from token Federal funding, rapid staff turnover, blurred lines of authority and mutual indifference between Commission and federal funding agencies. The review found the Commission's programs have little or no follow up.

Of all the regional economic development plans in the country, NERC was the last one completed. This long overdue Economic Plan is filled with inaccuracies and inconsistencies. The Plan called for 127,000 new workers which must be immigrated into New England before econmoic development can begin and then later in the report said that labor force is sufficient to handle any economic expansion.

The Plan asks for $1.5 billion for the next five years. This is an increase of 5,000 percent.

WHAT CAN BE DONE?

Blame for the failure of the Commission lies in two places. One is with the Executive branches of both the Federal and state governments. NERC has never been taken seriously by either of these groups. It is just a high level political payoff, a sophisticated pork barrel. NERC, it seems to me, was never considered an important tool to use in solving the major problems of the region.

Responsibility for NERC's failure also rests with Congress, especially with the members of our New England delegation. We offered little leadership or guidance—set no priorities. By ignoring the Commission, we allowed it to deteriorate into the kind of organization it became.

It would be a mistake to simply abandon NERC. New England's problems call for the kind of regional solutions that NERC can help coordinate. In my view, one of the most important functions for the Commission is to encourage the attraction of growth industries to New England. The First National Bank of Boston has already laid the groundwork by identifying the kinds of industries that would contribute to the region's economic health. The Commission should work toward creating an economic climate that would encourage the attraction of these industries.

This effort should include programs designed to make the cost of energy in the region more competitive with other regions of the country; and a job bank with job placement and manpower training programs to coordinate and provide the kinds of skills needed by new industries. Other ideas the Commission might concern itself with would include a regional development bank, equalizing rail rates as compared to other areas of the country, strengthening the New England Energy Policy Staff, and legislation to offer tax breaks for firms which locate in severely depressed areas.

A second equally important area the Commission should devote its resources to is a regionwide land use policy, especially a coastal zone management policy. One of New England's greatest assets, both from an esthetic and economic viewpoint, is its seacoast. Any program of economic expansion must go hand-in-hand with an equally well-developed program of environmental protection and land management.

Last March, I testified before your Committee on the New England economy. At that time, I stressed the need for an agency—like NERC—one that could coordinate the activities of numerous Federal, State, local, and private groups toward the attainment of specific goals.

I still believe we need that kind of agency in New England. New England's economic problems are unique. We are at a natural economic disadvantage in such areas as climate, location and lack of resources.

For example, all States shared in the Nixon recession of 1970 and most are now recovering rapidly. New England's economic recovery, however, is proving laggardly at best. Although the national unemployment rate in December declined to around five percent, it was 5.7 percent in Connecticut, 6.4 in Maine, 4.3 in New Hampshire, 5.8 in Rhode Island, and 6.1 in Vermont. Massachusetts has the highest of the New England States at a 7.1 unemployment rate.

New England has the highest electrical costs in the country. Our area is making gains in new durable industries (i.e., electrical machinery, scientific instruments) at a rate only one-half as much as the rest of the country and most of these are on the precarious base of Federal purchases.

But New England can and must be helped. A recent study by the First National Bank of Boston pointed out that right now New England enjoys a comparative advantage in the fields of pollution control devices, biomedical technology, and the computer peripheral industry.

These industries have one thing in common—They are unlike traditional manufacturing industries which manufacture goods primarily bought by the individual consumer for their individual needs. The products they help produce are called social goods in that they benefit the whole society rather than an individual consumer.

New England is an ideal candidate for regional development. It is a microcosm of the U.S. Three states are heavily metropolitan, three states are characterized by small towns in a rural setting. The region suffers from all of the problems that affect the nation as a whole. Its air and water are polluted in many areas. Its infrastructure is growing obsolete—new roads, rapid transit systems, port facilities, electric generating units all are badly needed. There is room available for the creation of new towns to relieve urban congestion. And most important, there is a highly skilled labor force that can adapt to meet these new priorities.

Only an intergovernmental body, operating with a broad and flexible mandate, will be able to coordinate the activities of many diverse agencies, governments and industries, to achieve meaningful results.

However, I believe that it is necessary to make certain structural changes in the management and operation of the Commission for it to be truly worthwhile. The principal fault with the NERC has been a lack of supervision and direction from the New England governors and the Congressional delegation. These groups must play a more active role in the day-to-day operations of NERC.

We must devise a mechanism to permit and encourage Congressional input into Commission policy; this would have the effect of strengthening the Commission's position with the Committees of Congress responsible for its authority and appropriation.

Finally, all staff appointees must pass appropriate civil service exams and shall be paid in accordance with civil service salaries. This reform should increase the technical qualifications of the staff and make their pay more reasonable and more in line with the pay of similar professionals elsewhere in society—thus making the Commission staff a less appealing political payoff.

The reforms I have suggested will not solve the problems of the Commission in and of themselves. To reserve the downward trend of New England's economy it is necessary that public, political and business communities become aware of and accept the basic concepts on which the Commission was formed. But the reforms I offer will create the opportunity of a more productive Regional Commission which we all recognize as something that is sorely needed.

Mr. BURKE of Massachusetts. Mr. Chairman, I urge all of my colleagues to rise in favor of H.R. 2246, the extension of the Public Works and Economic Development Act of 1965. In these days of big government it is indeed refreshing to know that some programs are working and certainly the Economic Development Administration is one of these. During public hearings on this bill a cross section of America rose to testify. What legislation currently before Congress can boast of the support of the National League of Cities, the U.S. Conference of Mayors, the AFL–CIO, the National Association of County Officials, the Navajo, and Haida Indians, those from the banking, business, and consumer establishments and a Council of Governors? Very few, if any. It is significant that this bill received unanimous and bipartisan support from the subcommittee on Economic Development. Clearly H.R. 2246 has the support of almost every sector of our country but may I say that reasons for its passage do not end there.

The Economic Development Administration has a reputation for being one of the least bureaucratic agencies in America today. Current administration plans would disperse its duties and responsibilities to other Federal agencies, the result being its assignments, especially revival of depressed areas, getting lost in the shuffle to more generalized agencies and programs. The EDA has been functioning well on its limited appropriation and its long history of success seems to merit an increase of funds, not a cutback. Much of the EDA assistance is not found anywhere else in Federal or State agencies. There have been mistakes in the administration of EDA, no one will deny this, but H.R. 2246 takes this into account by extending it for 1 year and provides a time for study of alternative means of stimulating economic development. The price tag of $1.22 billion is a comparative bargain when the effects of a substantial increase of unemployment and loss of business productivity is considered. The administration already plans an end to the emergency employment program authorized by the Emergency Employment Act of 1971. This alone is estimated to add 200,000 to the unemployment rolls and will also result in an increase in our already overburdened welfare program. Couple this with planned massive cutbacks in Federal agency employment and there will be an increasing need to stimulate employment and business activity in economically depressed areas.

H.R. 2246 would also extend the life of the regional commissions. I need not remind my colleagues of the laudable concept these commissions are based on—stimulating and implementing economic development. The New England Regional Commission—NERCOM—recently released its annual report for fiscal year 1972. It detailed the sad state of the New England economy, a $50 billion enterprise annually. The NERCOM has tried to implement a comprehensive economic plan for New England but sufficient funds have never been available. If the EDA is allowed to die, the progress the regional commissions have made will be forgotten. The NERCOM report itself says:

> Metropolitan central cities, smaller metropolitan and non-metropolitan areas will all have continuing and severe problems of industry mix, unemployment and low incomes unless forceful public action is taken.

I believe H.R. 2246 is a small step in this direction. I say small because when the state of our economy, especially New England and my own 11th Congressional District of Massachusetts is detailed, it becomes apparent what an enormous job is before us.

In recent decades, New England and the 11th Congressional District have experienced the exodus and/or decline of two major industries; textiles and shoes. It has encountered fierce competition from more favorably endowed resource-intensive regions. It has felt the force of discriminatory fuel and energy policies. Its North Atlantic fishing grounds have been invaded and its fisheries harvest diminished. There is a diminishing demand for low-skill and blue-collar jobs. A financial crisis at local and State levels of government limits levels of government services for both employment and investment. Unemployment rates are high; 5.1 percent nationally, 7.1 percent for the State of Massachusetts, 6 percent for the Boston standard metropolitan statistical area—SMSA. The city of Quincy and the Brockton SMSA, both in my district, are suffering from unemployment rates of 8.9 and 8.7 percent respectively. Economic growth is lagging. A particularly alarming figure is the number of manufacturing jobs that have left Massachusetts in the last 5 years, 100,000. To bring the Massachusetts unemployment rate down to a "respectable" 4.5 percent, 98,000 jobs a year for the next 3 years would have to be created. Sadly enough, the actual number of jobs created last year was estimated at 6,000.

In the face of these depressing facts, to propose elimination of EDA would be farcical. But the administration feels our economy is vibrant enough to render EDA unnecessary. The facts are that EDA is needed now more than ever. Our economy is making noises as if it is starting to come to life. Investment is creeping up. Unemployment is high, too high, but shows signs of decreasing. Now is the vital time to give the boost our economy needs. When a child's wounds begin to heal, do you peel the bandage off and expose them? No, it could lead to infection. Are we to leave our economy open to infection when its wounds are just beginning to heal? I would hope not, Mr. Chairman. The EDA is helping to heal our economy's wounds. To discontinue its work could have disastrous implications. I am proud to be a cosponsor of H.R. 2246 and urge all of my colleagues to pass this legislation with an overwhelming vote. We must take small steps before we can run. Our economy is starting to come to life. Let us give it all the help we can. Maintenance of a national economy at a high level is vital to the best interests of the United States.

Mr. McSPADDEN. Mr. Chairman, one of the strongest boosts to eastern Oklahoma's economy in recent decades has been that of the Ozarks Regional Commission. Created in 1965, Ozarka, as it is known in Oklahoma's Second District, has had a full impact on practically every phase of economic and social life.

Where previously, outhouses were in use, now there are flush toilets.

Where previously, water was hauled in tanks, housewives have fresh potable water on tap.

Where once vocational training was nonexistent, now students toil in the classroom and on the job having learned a useful, productive skill.

Where once air traffic was a rarity, now daily commuting is commonplace from airports which have been built or expanded in Oklahoma through Economic Development Administration and Ozark Regional Commission.

EDA is not a boondoggle; EDA brings funds to broaden the economic base of the rural areas to make a better life in rural America and try to help bring a stop to outflow from rural to urban areas—a goal of the President.

I urge extension of the EDA program and that my colleagues join in breathing new life into regional commissions, such as Ozarka, which will breathe new life into rural America.

Mr. FUQUA. Mr. Chairman, here we go again. President Nixon has once again attempted to eliminate an effective and beneficial program of importance to areas which are economically depressed. Here we are at a time when the unemployment figures have just taken a jump and the President has proposed the elimination of the Economic Development Administration which has authority over programs designed to reduce the suffering associated with substantial and persistent unemployment and underemployment. I must once again assert that the President has shown an unfortunate disregard for the needs of the American people and has set forth a most unhealthy list of priorities for our citizens.

Federal financial assistance through grants for public works and development facilities to communities and industries is greatly needed to revitalize these economically depressed areas and I strongly urge support for the legislation we are considering today. I am a cosponsor of this measure and feel strongly that it should be passed. This 1-year extension of the EDA programs is essential so that studies can be completed which are now underway by the House and Senate. It is also necessary that we have an adequate transition period to transfer obligational authority if it is shown that better ways can be developed to relieve economic hardship and unemployment in our economically depressed communities.

It is important, however, to remember that the Congress must make this determination. If the President wants to recommend that the Economic Development Administration be abolished, I urge him to contact the appropriate House and Senate committees and make his views known. I am not prepared to stand by, however, while the President arbitrarily and unilaterally dismantles an agency which has been as important to the economy of my congressional district as has EDA.

The legislation we are considering today would have a most beneficial impact on those areas with a large concentration of low-income persons, substantial and continued unemployment, or actual or threatened unemployment as a result of closing or curtailment of a major source of employment. Planning assistance grants, technical assistance grants, and public works grants and loans from the Economic Development Administration have contributed some $4 million and assisted in the creation of 5,000 new and permanent jobs in an 11-county area represented by my good friend and colleague, the Honorable BOB SIKES, and myself. Of equal importance, the EDA program to authorize and establish multicounty districts under local leadership to develop and implement programs for economic progress in rural America has been highly successful in bringing together previously fragmented and uncoordinated efforts for rural development. The Northwest Florida Development Council and Economic Development District was the first designated Economic Development District in the State of Florida and has been an important catalyst in efforts to improve the quality of life for citizens within its 11-county jurisdiction.

Unemployment and underemployment is a critical problem in our rural areas. In my congressional district the figures are cause for great concern. The State of Florida Department of Commerce has recently released Basic Labor Market Information on the counties in Florida. My home county of Calhoun had unemployment of 13.3 percent in March 1971. In March 1972, the figure was still a dramatic 7.7 percent. In March 1972, Franklin County was experiencing unemployment of 9 percent. Gadsden County had an unemployment rate of 13.1 in March 1971, and 9.3 in March 1972. Liberty County showed an unemployment rate of 7.9 in March 1972. Calhoun, Franklin, Gadsden, Jefferson, Madison, Suwannee, and Wakulla Counties were all qualified and eligible for EDA assistance in some form.

As of January 8, 1973, various EDA programs have provided assistance to eligible communities in my district. A planning grant was approved for the Northwest Florida Development Council; a public works project was approved for Wakulla County; a water and sewer project application is pending for the city of Monticello; and a feasibility study under the technical assistance program is being funded by EDA for Madison County, Fla. These programs make sense. They have demonstrated an effectiveness and stability which must not be sacrificed.

One of the most rewarding of all EDA projects in my district was the approval of a $1,100,000 loan to help reopen a wood-processing plant and create 87 jobs in Calhoun County, Fla. This plant will soon be producing insulation board used as sheathing in the home-building industry. The firm will purchase wastewood chips and shavings from mills in the area. In addition to creating job opportunities for the unemployed, the insulation-board plant will provide job opportunities for area residents who are now commuting to jobs in distant places. The Calhoun County Industrial Development Corp. is lending $110,000 in the project, and Abitibi Florida Corp. will provide $990,000 to complete the $2,200,000 total cost. The EDA loan is repayable in 17 years at annual interest rate of 6⅜ percent. The funds will enable Abitibi Florida to install new machinery and equipment at the plant which has been shut down for about 3 years. This is but one example of the outstanding services EDA has provided our citizens and I am not about to stand by while this agency is destroyed. Improving the quality of life in our rural areas and eliminating the blight of our major cities should be priority items before this Congress. The need for national healthcare insurance, an equitable highway program, a reasonable minimum wage, workable consumer protection legislation are all being held hostage by the administration as the Congress must continually combat executive arrogation of congressional prerogatives. I want to be able to tell my constituents that I am working on new and innovative programs to make their lives more enjoyable and fruitful and not have to tell them that I spend every day fighting for the life of this program or that one which has traditionally provided effective and much-needed assistance. The irony of this whole thing is that the President—and I do not think that this can be said often enough—has cloaked these unfortunate cutbacks in domestic programs under a veil of fiscal responsibility.

The facts must be gotten to the American people that the President is at least as much to blame as the Congress for runaway Federal spending. I am a fiscal conservative and I challenge the President to demonstrate the same. The President has requested and signed into law appropriations bills adding over $100 billion to the national debt since he entered the White House. We are now spending something over $24 billion a year just on interest on the national debt. Yet, President Nixon has requested budgets with greater deficits than the combined deficits requested by Presidents Eisenhower, Kennedy, and Johnson. The President has not demonstrated a willingness to cut Federal spending but only a willingness to eliminate Federal spending in a few select areas which have been most effective in meeting domestic needs.

Are we going to allow the welfare rolls to grow and grow until we are completely overwhelmed? Congressman JOHN MCFALL, who has been a primary mover in economic development legislation, has pointed out that the President's proposal would add hundreds of thousands to the unemployment and welfare rolls. The administration's plan to end the PEP program authorized by the Emergency Employment Act of 1971, of which I was a cosponsor, would add approximately 200,000 employees to these rolls.

I reject the President's budget request for EDA which is just enough to cover the administrative expenses of closing down the program. Here again, the President has gone beyond the constitutionally questionable activity of impounding appropriated funds and has taken the absolutely unconstitutional action of abolishing Federal programs and agencies established by the Congress. How many times must we remind the President that he has a constitutional responsibility to see to the faithful execution of the laws? I am concerned that the President takes the word "execution" to mean "kill." I hope that we are all in agreement that the original framers of the Constitution meant that the President was to faithfully carry out the laws. And this does not mean carry them out of existence.

As a cosponsor of this legislation, I encourage you to join with me in asserting the very proper responsibilities of this body and insure that our constitutional power as designer of national priorities is not usurped by a heavy-handed executive. The concept of the EDA programs—helping communities to help themselves—is sound and must not be eliminated summarily without the consent of the Congress.

Mr. CASEY of Texas. Mr. Chairman, we are here once more to sponsor an extension of the Economic Development Administration. The speakers who have already expressed their support of the Economic Development Administration do no more than urge the Congress to continue its traditional concern for the less-privileged sections of our country and society.

This measure is no new, untried idea. In the past, this legislation has successfully aided many areas of the country, raising them out of economic depression. We are here to enable the Economic Development Administration to continue these programs of helping the people.

In an age when change is a constant feature of life, the Economic Development Administration can prevent and restore the damage left in the "backwash" of progress. Progress can take advantage of human resources or seemingly shunt them aside. The EDA programs will help us to utilize these human resources—our most important resource—to their greatest extent.

This legislation has proven its value as an aid to local areas and I urge the extension of EDA authority for another year. By doing so, the Members of Congress will maintain their stand in favor of the less-privileged and the depressed areas of our country. Once this bill is passed, however—as I am sure it will be—we must not abandon it. In the months to come the Congress must shield it against the cuts and impoundings which the administration undoubtedly contemplates for the EDA.

Mr. Chairman, I am pleased to be one of the cosponsors of H.R. 2246; I urge its speedy adoption and implementation.

Mr. STAGGERS. Mr. Chairman, I was a cosponsor of the original bill which set up the Economic Development Administration in 1965. At the present time I wish to register my strong support of H.R. 4822, which would continue this act for another year.

As you are aware, the Second Congressional District of West Virginia, which I have the privilege of representing, is a part of the Appalachian area suffering from persistent unemployment.

In the last year or so the district has made significant strides forward. A number of small industries have established themselves throughout the area. They have absorbed a part of the unemployed, but the rate of unemployment had been so high that there is still a large reservoir of unemployed, most of them competent in some useful skill. We need more jobs, quickly.

The loss of even one job has a frightening effect on the small communities which are characteristic of our area. Gloom replaces optimism. Small businesses fear to expand in a falling market. We could lose what we have gained.

On the other hand, the prospect of new jobs and of community improvement through public works may be just what is needed to nudge us across the borderline between depression and prosperity. The bill under consideration is designed to give us that push. The resources and the spirit are there. I sincerely hope we can utilize these invaluable assets.

The measures proposed by this legislation are free from the charge of being "made work." Public works projects which will be activated are improvements which must be made in any event. The sooner they can be completed, the greater the advantage to the community. No Government subsidy offered previously has ever served the public better.

My West Virginia district has a number of projects planned and ready for acceptance. Immediately after announcement of this proposed legislation was first made, I had a number of requests asking for help on water and sewer projects, pollution abatement, and so forth. I am confident numerous others will be submitted the moment the legislation becomes public law.

Among all the proposals to deal with public problems, especially unemployment, it is my opinion that this is the most practical one on the list.

Mr. WAGGONNER. Mr. Chairman, the Public Works and Economic Development Act of 1965 has created two agencies which have done outstanding work for the people of our Nation—the Economic Development Administration and the title V regional commissions.

The activities of EDA and the regional commissions are all aimed toward a single goal—creating long-term jobs for people who have no jobs now and who suffer from the problems of low and uncertain income. This is a commendable goal, and it is one which the commissions and EDA regularly attain.

I have personally seen the results of EDA and the regional commissions' work, and I have heard a great many witnesses over the years who have assured me that the excellent work done by these agencies is not found only in Louisiana. EDA and the regional commissions work in the most depressed areas of our Nation—the most difficult areas one can imagine in which to create job opportunities—and they consistently are able to bring economic opportunity and hope to the people of these regions.

Testimony presented last year made clear that EDA and the regional commissions have been responsible over the years since their inception for locating more than half a million jobs in distressed areas of our Nation. This is a tremendous contribution to the overall prosperity of our people—it represents fully 10 percent of our current unemployed population.

If EDA and the regional commissions, working on the severely limited budgets they have had, can account for enough jobs to lower the unemployment rate to such a significant degree, then I think there is no question but that their work should continue. H.R. 2246 should be passed by the Congress, and by such an overwhelming margin as to make clear both to the people of our Nation and to the administration that the Congress firmly intends that the economic development work of these programs will be continued.

Mr. JOHNSON of California. Mr. Chairman, the Economic Development Administration—EDA—created by the Public Works and Economic Development Act of 1965, has done an excellent job of bringing jobs and economic opportunity to the distressed areas of our Nation, both rural and urban.

Nevertheless, the administration has proposed that EDA be phased out when its current authorization expires on June 30, 1973. This action would be a tragic error.

EDA has proved over the years that they provide effective means of bringing jobs to people who have long suffered the effects of unemployment, low-family income, and lack of the economic opportunities enjoyed by their fellow citizens.

In my own second congressional district of California, Economic Development Administration funds in excess of $25 million have made possible a host of projects which have made possible new and improved water and sewer systems, public buildings, including hospitals, and other necessary facilities which in the final analysis has resulted in creation of many, many permanent jobs through the expansion of this facility.

In place of these tested existing programs, the administration has suggested a number of untested and even not yet existent new programs. These administration proposals are far from satisfactory.

For example, the administration's proposed Urban Community Development Revenue Sharing program—if it were passed by the Congress, which is by no means certain—could not possibly go into effect until fiscal 1974. Even the President's budget recognizes this. This would leave a gap of a full year between the termination of EDA and the beginning of a new program. This alone is certainly a compelling reason to continue the current programs for another year.

For areas such as that which I represent here in Congress, we face a further problem in that most of the water and sewer projects and many of the other public facility projects, such as libraries and hospitals, and so forth, are built, operated, and administered by special public districts, utility districts, water districts, hospital districts, and sanitary districts and the like. Neither county nor municipal government offer this type of service to the rural areas and there is certainly grave concern that any revenue sharing program would be broad enough in scope to help these local districts of which there are thousands in the State of California.

The assistance offered for public facilities under the Rural Development Act, another proposed substitute for existing programs is predominantly loan assistance. This is not a satisfactory replacement for the grants which EDA can make to communities.

Typically, under the Farmers Home Administration loan program, the size of the project, a water line, for example, is determined by the amount of monthly revenue which can be raised from users. In a small town, say 1,000 families, each paying $10 per month, the total annual revenue available for amortization and interest would be $120,000.

Obviously, this amount of money dictates a small project—for example, a 4-inch waterline. No industry will come to a town which offers this size waterline and the town is, in effect, locked into a no-growth situation. To get an employer of meaningful size to come in, the town would have to lay a new, larger, water system, something they could have done in the first place had they received a grant such as EDA can make instead of a loan.

Looking at the Farmers Home Administration statistics from the Second Congressional District of California, there are pending some 14 applications for assistance for water and sewer programs. These projects would involve around $6.5 million in Federal assistance, loans and grants, with about $2.7 million of this grant money required to make the project feasible.

In other words, if the grant program is not available none of these projects which would in the final analysis serve approximately 17,000 people, would be constructed. We have been told, of course, that on sewer projects these districts should turn to the EPA for grants. Under the restrictions which have been imposed upon that agency, contrary to the will of Congress, the fiscal limitations are such that the EPA probably will not fund through grants the construction of collection systems. It was the intent of Congress in the Clean Water Act which was passed overwhelmingly, even over the President's veto, that the project as a whole, including the collection systems, would be considered in any funding of the proposal. I ask, Mr. Speaker, what is the point of having a fine new treatment plant if there is no way to get the effluent to it?

The Small Business Administration, which the President says can take over EDA's business loan function, has a limit of $350,000 on loans to small businessmen who can operate in any part of the Nation. EDA, on the other hand, focuses on large-scale job development only in distressed areas. The average EDA loan has been in excess of $1 million, and these loans have focused only in areas of the Nation with severe unemployment problems.

In short, SBA simply does not have the legislative mandate or the tools to carry out the job development goals of EDA.

Finally, the administration has proposed that $10 million in the Housing and Urban Development Act's section 701 planning program can replace the existing $43 million regional commission program. It seems evident that $10 million of planning money spread nationwide cannot do the work of the current $43 million in planning and project funds which are focused entirely on the economically distressed areas of 29 States.

In short, the administration is asking us to accept untried—in fact, nonexistent—programs in place of methods which have proved themselves over a period of years.

To accept the administration's proposals when it is obvious that they cannot fill the great need identified in the existing legislation would be nothing short of disastrous for the people who live in the distressed areas of our Nation. These people need the Public Works and Economic Development Act programs, and the Congress should extend this act for an additional year without delay.

Mr. PATMAN. Mr. Chairman, it is a pleasure to be able to join once again in supporting constructive legislation aimed at strengthening America. I cosponsored legislation identical to H.R. 2246, the measure being considered today, and commend the chairman and Members of our House Public Works Committee for moving so quickly to bring this essential legislation to the House floor for a vote. Like so many others in this Chamber who have witnessed the remarkable progress made possible by EDA and its predecessor, ARA, I know how much this program means to our country and particularly to rural areas and to communities with high levels of unemployment. I know this bill will be approved today and only hope that the margin of victory will be so great that those who make up the wrecking crew will get the message loud and clear that the 93d Congress has the same commitment to progress and a better life for our people that has fostered the tremendous growth and prosperity which has come to pass. We must have cooperation at a regional level, as we have been achieving through local Economic Development Districts, and we must continue to strengthen local public facilities such as water distribution and sewerage treatment systems. Finally, we must continue to promote the development of new industries so that every American will have an opportunity to find a decent job.

There is surely nothing new about these goals and it is my sincere hope that this Congress will vote overwhelmingly for this highly successful program so that we can continue to move forward in the months and years ahead.

Mr. BOLAND. Mr. Chairman, I commend the Committee on Public Works for its recommendation that the Public Works and Economic Development Act of 1965 be extended for another year. Current authorization is due to expire on June 30, 1973, and this legislation is deserving of our immediate attention.

In his budget message for fiscal 1974, the President has suggested that the activities now administered by EDA in the Department of Commerce be diffused into several programs. He has proposed a $2 billion annual urban community development revenue sharing program to become effective in fiscal 1975. However, this proposal has only recently been delivered to the Congress. It has not yet been acted upon, and there is a chance that it may never be acted upon. The committee has concluded that we cannot afford a full year's lapse in these programs, and I concur with the committee.

The Economic Development Act emphasizes long-range planning for economic development in distressed areas. Its purpose is to help local officials to develop the plans and financial stability necessary for the establishment of lasting economic improvement and a steady rate of employment. Current efforts by the Federal Government to assist these areas have been successful because EDA used what was learned from the economic development programs enacted in the early sixties. These early programs fostered the Economic Development Act of 1965 and EDA. The staff of EDA is to be commended for the tremendous job it has done in maintaining and, more importantly, developing the momentum necessary for the success of these programs.

To permit EDA to expire as of June 30, 1973, to create at least a 1 year hiatus, would only serve to drive a wedge into any new economic development programs that the Congress may approve. I urge approval of this legislation.

Mr. STARK. Mr. Chairman, I speak today as one of the cosponsors of the Amendments to the Public Works and Economic Development Act of 1965. As the Representative of a district which has benefited immeasurably from many excellent projects sponsored by the Economic Development Administration, I have firsthand knowledge of its value to communities struggling with severe unemployment, and threatened by general economic decline. It is the best of the economic development programs I have seen, and I have seen a lot in my years as businessman, bank president, and commercial developer. My interest in the development of the poorer sectors of the country for the benefit of their members has been strong; once I was even awarded a commendation by President Nixon for my work with minority enterprises. I only wish Mr. Nixon's feeling for the needs of the underprivileged had persisted.

Because of its chronically depressed economic condition, Oakland was selected as one of the early targets for EDA assistance. The first major projects were designed to provide Oakland, situated on one of the best harbors in the world, with first-rate transportation facilities, in order that it might better use its natural advantages. In 1966 the board of port commissioners in Oakland received nearly $12 million for a marine terminal and industrial park, and nearly $9 million for airport facilities and hangars. This timely and well-planned assistance has helped to transform Oakland from the obscure little stepsister of internationally famed San Francisco into the bustling commercial center it is today. Both the port authority and the airport employ directly about 1,000 people each, and indirectly support many thousands of other jobs. The shipping business brought into the city by the port has stimulated and spawned innumerable independent industries. The easy accessibility provided by that port and the airport is an open invitation to national and international businesses to locate plants, offices, and operations there.

Still other EDA programs have provided the East Bay Area with health services and centers, residential centers, small business development, and some of the most effective employment programs in the country. The nationally known Opportunities Industrialization Centers, which have been so successful in reaching and retraining the hard-core unemployed, have received nearly a quarter of a million dollars in support of Oakland projects from the EDA. Projects specifically designed to assist hard-pressed minorities received critical support from EDA, including the East Bay Spanish Foundation, a Mexican-American economic development program.

TheE DA has been the most successful among the many recent attempts to eliminate unemployment and stimulate economic growth. And as the committee report points out, it is the only one of its kind.

This is not a handout program. Its function has been simply to initiate and support well-designed attempts to make communities self-supporting and prosperous, and it has had outstanding success in reaching its goals. The experiments started under its auspices have been overwhelmingly successful in providing permanent jobs and initiating dependable economic development.

There is not one shred of evidence to support Nixon's claim that EDA has been inefficient or ineffective. All the evidence in fact proves precisely the opposite. This blatant disregard for the truth is still one more example of the President's offensive and arrogant conviction that, by simply lying with a straight face, he can continue to rob our people of their birthrights, and deceive their leaders into acquiescence.

The Public Works Committee's recommendation of this program is a particularly strong one, and I request permission at this point to insert portions of it into the RECORD. I urge you all to read it. Its message is loud and clear: This is a good program, an effective one, and of vital importance to the Nation.

Background of the Act

Because this legislation was a new and experimental means of stimulating economic growth, numerous and continuing evaluations have been conducted over the last several years to determine the effectiveness of programs established under the Act in encouraging economic development in lagging areas. These evaluations have been made by the Economic Development Administration, by outside consultants, and by the Subcommittee on Economic Development of the House Committee on Public Works. The results of such evaluations have proven the effectiveness of these programs in stimulating the economic growth of the target areas and promoting permanent jobs for these areas. In addition, there is currently no other Federal program that assists economically distressed areas in overcoming their economic problems in this manner.

With the exception of the opposing views of the Administration, as stated by Secretary Dent, there was overwhelming and universal support for the programs established by this legislation.

Since nothing recommended thus far can satisfactorily replace the programs established by the Public Works and Economic Development Act, the Committee recommends prompt action by the Congress to extend this legislation for one year, to June 30, 1974.

The Committee recommends enactment of this legislation. The Committee believes that the programs under the Public Works and Economic Development Act are of vital importance to economically distressed areas and to the entire Nation and should be continued until other improved legislation is developed to fill this national need.

Mr. BOWEN. Mr. Chairman, I rise in support of this authorizing legislation for the Economic Development Administration. This will enable the program to operate at the same level as during the current year.

I am dismayed at the administration's attitude toward EDA and their apparent intention to shut it down.

The charge has been leveled by the Secretary of Commerce that the Agency which he administers is duplicative and wasteful. I believe this is more rhetoric than fact.

EDA's overall goal is a dual one, creation of jobs for the jobless and underemployed, as well as the delivery of much needed services to our society. This is an extremely important fact which is often overlooked by those trying to kill EDA. The administration, in addition, has argued that the programs of the Economic Development Administration can be handled by other Federal agencies.

It is true that a few of the services of EDA could conceivably be handled by other Federal agencies, but those agencies are not concerned with the stimulation of the economies of depressed areas in America. In most instances no alternatives are available at all, as in the EDA public works area, where some 480,000 jobs have been created by EDA investments throughout the Nation.

No other Federal agency exists, for example, to construct access roads and rail spurs to industrial parks or other job sites, and what real likelihood is there that the Environmental Protection Agency will invest its funds in sewer and water systems for industrial parks? This has not been the practice of EPA in the past. Why should it be in the future?

Even where sewer and water systems have been provided by EDA for residential communities to enhance economic development, their services certainly do not duplicate those of the Environmental Protection Agency. In fact, the EPA must review and approve of EDA sewer and water projects.

As for EDA's business loans which have done so much to stimulate business development, creating more than 38,000 jobs nationally, there is no Government alternative to the kind of loans which EDA has made. The Small Business Administration has a much more limited mandate in terms of the size of its loans. SBA loans currently cannot exceed $350,000, and the bulk of EDA's loans have been over that amount.

At the same time, 90 percent of the regular business loans of SBA have been guaranteed loans, which are not available at less than the market rate. There are even loans on the books of the Small Business Administration at almost 12 percent. EDA loans, on the other hand, are direct loans based upon the cost to the Government of the money borrowed, currently 5⅞ percent.

The administration proposal to shift planning grants for districts from EDA to HUD and other agencies could have damaging consequences for orderly planning by the development districts at the local level, where area problems and aspirations are best known and realistic goals can best be set.

The Planning and Development Districts of our State have pulled together counties, communities, and people, elected officials, minority groups, business, labor, and agricultural groups to serve on county and district boards to oversee the operations of EDA. They have developed a sense of unity, purpose and vigor. Old suspicions, doubts and differences have been put aside and our people have been encouraged to work together in raising the economic level of all our people.

There are two points in this area which need emphasis, Mr. Chairman. First, the Office of Management and Budget, through its circular A-95, requires review and comment of Federal grant programs to be conducted by planning and development districts, which are funded with EDA money in most States. Second, other Federal agencies such as HUD, HEW, and Labor, which have been identified as funding sources for these districts, have goals which are too narrowly drawn to be useful for more than the specific needs of the granting agencies.

Only EDA's planning grants provide the kind of versatile funding which these districts so badly need to enable them to do the job OMB has demanded of them; namely, to reduce waste, duplication, and overlapping in the administration of Federal grant programs.

Who will take up the slack when and if EDA is gone?

The real problem lies in the fact that these districts have been established at the insistence of the White House and the Office of Management and Budget. They have built up a significant image within the States and a significant role. Now, the only funding source to provide staffing for these districts is proposed to be eliminated by the administration.

In Mississippi alone, EDA has invested more than $90 million in economic development over the past 6 years. It has played a crucial role in helping our communities and areas develop their human and economic resources.

Translated into jobs—gainful employment for the poor, underskilled and deprived—this EDA investment in Mississippi's development has meant over 40,000 new jobs.

Following Hurricane Camille, which devastated the Mississippi gulf coast area with its terrible death and destruction, a number of Federal agencies attempted to provide assistance, but none with more success than EDA, which got the gulf coast economy moving again. EDA pumped $20 million in and is helping create over 15,000 jobs, jobs that provided essentials such as food, clothing, and shelter for hurricane-ravaged coast families.

In the Delta area of my own second district, one planning and development district serves as a regional housing authority, and with EDA help, has provided decent housing for hundreds of struggling families.

In my district, there are many examples of cities and communities who could not obtain financing for job-creating projects—could not; that is, until they turned to their planning and development districts and to EDA.

With EDA's money, industry moved in and provided jobs that previously did not exist. These are not boondoggles. They are valuable and needed public works and business developments.

Throughout the Second Congressional District, the facts are the same. EDA has been a very significant factor in providing economic uplift for thousands of citizens in dozens of communities.

I have been working closely with the programs of EDA for more than 4 years, and in my opinion EDA has been an outstanding success story among Federal programs. It deserves extension for another year, and I urge the House to give this program an overwhelming vote of confidence.

Mr. DELLUMS. Mr. Chairman, as a sponsor of the bill offered by my distinguished colleague from California and majority whip, Mr. McFALL, I see this legislation as a chance for Congress to regain support and respect of the working people of this Nation.

Unlike many public policies dealing with unemployment, it directly and immediately opens up employment opportunities and is designed to assist communities with matching grants to build direly needed public facilities. The Seventh District of California—as does the district of every Member of this body—needs these facilities and the employment they generate. For example, through this act, a crucially needed child care facility was built in the Seventh District.

As we know, President Nixon thinks very little is good about these programs. Last year—when he vetoed the Public Works and Economic Development Act, a measure I sponsored and for which superb leadership was developed by my friend, Mr. McFALL—President Nixon termed these programs "ineffective."

Yet, according to study after study, the same programs labeled "ineffective" by this administration, have shown to be very effective in creating jobs and meeting the increasing demand for public facilities.

But, of course, Mr. Chairman, this administration has not been remiss in insuring that certain powerful and rich factions in our society have been protected from current economic dislocations. We must now provide those persons affected by Nixonomics at the most basic levels—persons whose loss of employment has made it difficult, if not impossible to feed and clothe their families—with assurance they will no longer suffer from this administration's distorted views of economic priorities.

For so long the working person bore the burden of our insane, immoral, and illegal adventurism in Southeast Asia—and, now, once again, it is the working man who bears the brunt of the Nixon budget meat ax. It would be cynical if Congress remains insensitive to the needs of the working person.

Therefore, I urge passage of this important legislation.

Mrs. MINK. Mr. Chairman, I rise in support of H.R. 2246, legislation to extend the Public Works and Economic Development Act of 1965 through June 30, 1974.

Enactment of this legislation is necessary to continue to provide jobs and progress in communities of high unemployment across the country. The success of EDA has been striking, and I feel more than justifies continuation as a separate program.

This program strives to provide people with the opportunity to help themselves. It creates new employment opportunities and permits Americans to work, in the creation of vitally needed public facilities, instead of going on welfare.

I deeply regret that the President vetoed our 1972 amendments, which passed the House by a vote of 285 to 92. Nevertheless, to meet his objections as to cost of the program, the authorization contained in H.R. 2246 has been significantly reduced. This legislation now seeks only to authorize funding at the level for fiscal years 1972 and 1973.

Specific authorizations include $800 million for public works grants; $170 million for public works and business development loans; $50 million for technical assistance and research; $50 million for growth centers and economic development districts; and $152.5 million for regional action planning commission programs.

These programs extended by the bill provide Federal assistance, in cooperation with the States, to enable those areas and regions suffering economic distress to develop the planning and financial capability for economic improvement and the creation of permanent jobs. These programs have been solidly supported by Governors and other officials as well as by unanimous action of the House Committee on Public Works in approving H.R. 2246.

Among the programs extended is the "Mink amendment" which guarantees that there shall be at least one program in each State regardless of whether any area of the State meets the criteria for assistance otherwise required. The area designated is the one most closely approaching such criteria. Therefore, enactment of this legislation will have a beneficial impact on employment in every State.

Another important provision is to extend the moratorium on designation of redevelopment areas. This will prevent unilateral administrative action to terminate programs under the 1965 act.

In view of the continuing high unemployment situation in the United States, particularly in severely impacted areas, I feel that the Federal Government should make every effort to cooperate with the States in putting these citizens back to work. We can help do that through enactment of H.R. 2246, and I urge its adoption.

Mr. DORN. Mr. Chairman, I strongly support the extension of the Public Works and Economic Development Act of 1965. I urge every Member of this body to join me in this vote as a signal to distressed communities all across the Nation that they are not being abandoned by their elected Representatives in the Congress.

This is not a partisan issue, Mr. Chairman. Responsible leaders on both sides of the aisle support this legislation; so do the Governors, mayors, and county officials who have come to Washington in the past few weeks to tell us how essential it is to their home States and communities.

One of the most eloquent witnesses to appear before the Public Works Committee in support of H.R. 2246 was the distinguished Governor of my own State of South Carolina, the Honorable John C. West. Governor West has experienced at first hand, as have I, the solid worth of the EDA program and its impact on the lives of our fellow-Carolinians.

For example, Piedmont TEC, a technical education center built partly with EDA funds near my hometown, has been training people for jobs. Through these facilities, people who had only unskilled part-time or temporary jobs are learning the skills they need to find good-paying permanent employment. And, these people are not only finding good jobs, but they are finding them right there in Piedmont, S.C.

Because of the locating of this training facility we have found new employers willing and even eager to come to our area because we can now supply them with the skilled labor force they needed.

So, everybody has benefited from this EDA project, and this is not an unusual situation—it is typical. In distressed areas all around the Nation, EDA and the Regional Commissions are doing similar work, creating jobs for people who have never had good jobs before and, in a very real sense, creating hope for many of these people for the very first time.

EDA and the Regional Commissions have brought good jobs, steady income, and more security than they have ever had before to thousands of families in South Carolina. And this is an important point—the jobs have been available to people in the areas where they grew up.

People have not had to move to Chicago or New York or some other far-off big city to find employment. In fact, because of the many new jobs brought to our area by our Economic Development District, people who had left our area in search of better job opportunities have even been able to return to good jobs in their original home towns.

Mr. Chairman, we cannot abandon this program at a time when it is so badly needed to bring jobs, and payrolls, and industry into areas that have not shared in our general prosperity, areas where unemployment is far above the national average.

At a time when we are spending $2 billion a month, $24 billion a year, for public assistance and unemployment compensation—$24 billion of unproductive public spending—it is false economy to shrink from spending one-twentieth of that sum to put men and women to work in productive, permanent jobs.

I ask the House to approve H.R. 2246.

Mr. STEELE. Mr. Chairman, the purpose of the Public Works and Economic Development Act of 1965 was to offer economic assistance in areas of persistent high unemployment. In few areas of the country has this act been more needed and more successful than in Connecticut. The need was certainly there. As I am sure you know, Connecticut's unemployment has been persistently higher than the rest of the country's.

Until a few years ago, the economic conditions of my own district, the second, had remained much the same as in the 1950's when the textile industries left the area. The people of the area had to seek defense-oriented jobs in southeastern Connecticut, where defense employment is more than 10 times the national average and 4½ times the average for Connecticut. This ratio only compounded for the district the uncertainty associated with defense employment.

Other people had to commute long distances to jobs in larger cities. In 1970, some 6,000 persons from the Norwich community drove 80 miles a day to and from work in Hartford. And still others left their communities altogther for supposed opportunities in the city.

This last alternative was not only a loss of manpower and skills for the small urban areas, but also greatly contributed to the central city problems of today. Yet through EDA, and particularly EDA's public works and business loan programs, we have been able to stop this trend by offering people both jobs and faith in their own community. To show how this depressing picture has been turned around through EDA assistance, let me turn to one specific town, Norwich.

EDA's first move was to build, through a $195,000 public works grant, roads, and utilities for a 117-acre industrial park on the outskirts of Norwich. EDA, along with the Small Business Administration—SBA—followed up on this task by providing business loans to two of the businesses that later located in this park. None of these six companies were defense oriented, therefore, they helped create a diversified economy offering 750 permanent jobs.

EDA itself has often referred to Norwich as a "modern miracle." The U.S. State Department has sent visiting South American businessmen to Norwich to view the industrial park. But the park was most important to the people of Norwick. To help finance the expense of the park, the people of Norwich took out timple 5 percent, 10-year bonds. Now, they are undertaking a 4-block commercial redevelopment in the center of the city which will cost something in the vicinity of $20 million. Men who have participated in the park development view it as a "classic example of cooperation between Government and private enterprise."

The project was such a success that in May 1971, EDA approved a $909,000 grant for a 180-acre expansion to the original park. But it is with much regret that I must note that this expansion, with a potential for offering 1,165 jobs by attracting 20 businesses, may not meet with similar success. At this moment, EDA has a business loan application on file from a company wishing to locate in this proposed new section of the park. If EDA does in fact go down the drain, who will help finance this loan? The supposed $600 million planned to go to SBA for business loans will, in fact, only be for guarantees. And, more important, the higher interest this company will be forced to pay to the private sector could severely hurt the company's growth potential.

An additional badly needed form of assistance EDA has offered eastern Connecticut is planning. In 1967, EDA granted $25,000 to the Southeastern Connecticut Regional Planning Agency to review how communities have adjusted to sudden and massive cutbacks in employment, something eastern Connecticut has experienced its share of. And more recently, in 1972, EDA granted $90,000 to help form the Eastern Connecticut Development Council, which is designed to assist in the economic developemnt of the entire 60-town region.

As was the case with Norwich, most of the towns in eastern Connecticut need an updating of their zoning, a compiling of an industrial inventory, and a development of as economic direction.

In conclusion, I am sure that the case of "modern miracle" Norwich, which is only one of many towns receiving assistance in Connecticut, was not an exception in EDA's history.

Furthermore, as many have pointed out, there is no unnecessary Federal involvement with EDA operations witnessed by the fact that the processing time of grants and loans is considerably shorter with EDA than with other Federal bureaucracies.

Decentralization is not a new phenomenon to EDA. As seen in the case of Norwich, EDA only helped stage the initial recovery; citizen participation and local decisonmakng took over at this point. Most important, if other cities across the country are going to recover as did Norwich, or if Norwich itself is going to fully recover, they will need sustained economic assistance of this type.

We need good planning both economically and environmentally with sustained economic assistance so as to assure our citizen security in their jobs and faith in their country. If we truly want to develop local initiative and create new jobs, we must continue EDA.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that the House, in full recognition of the priority national interest addressed by the measure now before us, will speedily and overwhelmingly approve this legislative proposal, H.R. 2246, the extension of Public Works and Economic Development Act of 1965.

In simple summary, this legislative measure is principally designed to stimulate economic growth in our various communities and States and to promote and encourage the creation of permanent jobs for our American workers. The bill permits continued Federal assistance, in cooperation with the States, for the purpose of enabling the areas and regions across the country which are presently laboring under the heavy burden of economic distress and unacceptably high rates of unemployment, such as those in my own home State of Massachusetts, to continue developing the plans and financial capability necessary for meeting their particular problem and realizing both economic improvement and meaningful and sustaining employment opportunities. Specifically, the measure provides continued authorization of funds for public works grants, for public works and business development loans, and for technical assistance and research assistance programs.

Mr. Chairman, I very earnestly believe that by providing our communities with the necessary funds for continuing the programs under the Public Works and Economic Development Act, we are projecting a fully constructive and forward-looking program of economic action. We are also providing our communities and States with a wholly prudent and humane legislative program which offers assistance in replacing public welfare and unemployment compensation with wholesome and vitally important sustaining and productive employment. And I further believe that by reasonably continuing these programs, we demonstrate our legislative commitment to seeing that our communities and States are permitted the opportunity to revitalize their sagging economies and complete construction on the great backlog of effective and substantial public works projects which we all recognize as essential to the wholesome well-being of both the American public and their respective communities throughout this country.

As you know, Mr. Chairman, the 1972 amendments, after passing both the House and the Senate, by substantial margins were vetoed by the President. In an effort to accommodate the objections of the President, the new measure significantly reduces the authorizations of the 1972 measure and extends the basic public works programs only through fiscal year 1974. Since it is authoritatively established that the programs under the bill have proved effective in stimulating economic growth and promoting permanent jobs, and since it would certainly appear that this measure will assist in meeting the essential needs of economically distressed areas across the Nation, I urge the House to resoundingly approve the measure without further delay.

Mr. CONTE. Mr. Chairman, today I rose to vote for H.R. 2246, a bill to extend the life of the Economic Development Act for 1 year.

Unless we were willing to forfeit the futures of hundreds of economically depressed towns and cities throughout the United States, this bill had to be passed.

The Economic Development Act helps those towns and cities that are, as they say in the fight game, "on the ropes." The act is like the round bell in a boxing match. It gives the dazed and beaten fighter a chance to catch his breath, recover his strength, remap his strategy, and go back into the ring with new vigor. Without extension of this act, the fight would have been over and our municipalities would have lost a great comeback opportunity.

I am glad that the House stood up and rang the bell before the knockout punch to EDA was delivered.

I have a lot of fighters in my district that need a boost. I am talking about towns like Greenfield, North Adams, Pittsfield, Great Barrington, Holyoke, and Ware. These are all established New England towns that need an economic break.

For many years, they have watched their textile, shoe, and manufacturing industries take some bad punches from foreign competition. New adversities arise with numbing regularity: Factories closed, jobs lost, people moving away.

I was disappoined to learn that the administration opposed a proposed 1-year extension of the Economic Development Act on the grounds that the line had to be held on Federal spending and that EDA programs were ineffective, wasteful, and overlapping.

I cannot agree. I have not seen any evidence that EDA programs are duplicating other Federal projects.

The goals for which the Economic Development Act was passed are quite different from the goals of the Rural Development Act, the Federal Water Pollution Control Act or the Small Business Administration's loan guarantee program. These programs were not intended to supersede EDA but to supplement and strengthen it. Tearing apart the EDA program and parceling out the pieces among similar programs in various agencies is not necessarily an efficient method to follow in consolidating Federal programs.

Nor can I agree that revenue-sharing programs would adequately replace EDA. General revenue-sharing funds were not intended to compensate for the loss of EDA. And special revenue-sharing funds for community development probably will not be implemented before July 1, 1974, if at all.

Mr. STUDDS. Mr. Chairman, today, we are considering a simple 1-year extension of the Economic Development Act. Many of the programs included in this act are the main hope left for cities suffering from severe unemployment and a depressed economy. Much of the assistance available under the EDA is not available in other Federal or State programs, and will no longer be available at all if the administration's proposal to abolish this program is accepted.

When our committee held its hearings, the Secretary of Commerce, Mr. Dent, claimed that many of the EDA programs would be continued under the Rural Development Act. But the fact is that act is new and untried, and provides predominantly loans, not grants.

The Secretary of Commerce claimed that the administration proposes to have local governments transfer the urban programs funded by EDA to urban community development special revenue sharing. That bill has most certainly not passed the Congress yet, and the administration is proposing that it not start until July 1, 1974.

In summary, what the administration is asking us to do is to terminate the economic development programs we have, to let our decaying cities and towns and our people without jobs wait for a year or more before any replacement for these programs is effectively operational.

If the administration is serious when it says that it does not want to end economic development programs, but to transfer them to other agencies and other means of financing, then I say what we are doing today is absolutely necessary to accomplish that purpose. If we fail to pass this bill, there will be no ongoing programs left to transfer after the other machinery is functional.

I urge my colleagues to vote in favor of this bill.

Mr. BLATNIK. Mr. Chairman, the bill we are considering today, H.R. 2246, would extend the Public Works and Economic Development Act of 1965 for 1 year.

The bill provides a simple 1-year extension of the existing program and makes no changes in the existing legislation.

It is imperative that the Public Works and Economic Development Act be continued for another year. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas experience a 20-percent and even 30-percent unemployment.

The notion has been advanced that we should not extend this act because of a concern for the level of Government spending. This would be false economy indeed.

With unemployment and welfare payments running at about $24 billion per year, it is obvious, that what this Nation needs is greater job creation effort, not less. And this, creating jobs, is exactly what the Economic Development Administration and regional commission programs do.

In fact, evidence presented before the Public Works Committee during hearings last year indicates that EDA and the regional commissions have created more than half a million jobs since they began work 7 years ago. The agencies have created these jobs in areas of high unemployment—the very toughest areas to work in—and they have done it with a relatively small amount of funds.

There can be no question but that EDA and the regional commissions have done an effective job of bringing economic growth and opportunity to people who have long been denied adequate jobs and income.

Nevertheless, the President has recommended in his budget that EDA and the regional commissions be phased out when existing authorizations expire on June 30 of this year.

The programs the President has recommended to take the place of EDA and the regional commissions are simply not adequate to do the work done by the existing programs. For example, the Rural Development Act programs are not yet operating, and urban community development revenue sharing may never even pass the Congress.

It would be folly to permit existing programs and agencies to be discontinued when it is very clear that these programs are greatly needed and that no satisfactory replacements have been proposed.

There may well be better ways of stimulating job development than those contained in the existing legislation, and the Public Works Committee is currently conducting field investigations in search of better ways to bring economic opportunity to the distressed areas of our Nation.

Our tentative conclusion is that what we really need is a carefully constructed set of policies at the Federal, State, and local levels which can influence the direction and extent of our Nation's growth.

But such legislation cannot be developed overnight and, until it is completed, the valuable work of EDA and the regional commissions must continue. It is the responsibility of this Congress to see that it does. We can best assure that the much needed economic development effort continues without interruption by passing H.R. 2246 immediately.

Mr. VANIK. Mr. Chairman, the administration's efforts to gut the economic development program will exacerbate unemployment in the Cleveland area. In 1970, 748,825 workers were employed in the—SMSA—Cleveland area. Between 1970 and 1971, total employment in the area dropped by over 40,000. Unemployment for the metropolitan city of Cleveland at that time soared to 11.8 percent.

Over the past 10 years Cleveland has lost 45 manufacturing firms and at least 25,000 jobs. The economic development program has already provided funds for job development in the past—but Cleveland is now faced with industries closing plants and taking these needed jobs to other areas of the country.

The exodus of industry from Cleveland has been caused, in part, because Cleveland-based companies could not acquire sufficient, reasonably priced land to expand. This exodus of industry will continue to press Cleveland into an even greater urban crisis in the 1970's.

The passage of the Economic Development Extension Act today could provide an opportunity for Cleveland to receive Federal funds as part of a package for the development of industrial parks in Cleveland.

A land bank system would permit the city of Cleveland to develop industrial parks and seek Federal aid from EDA to provide new sewers, water lines, and other necessary services to prepare land for industrial development. There are several locations that could be considered in Cleveland for an industrial park. Recent newspaper articles examined a number of sites, including:

First. About 100 acres owned by the Penn-Central Transportation Co., east of West 130th Street. The railroad no longer uses this land.

Second. A 64-acre site on West 150th Street. The property is owned by the American Agricultural & Chemical Corp., which is one of those companies which packed up and moved in recent years.

One of the great problems in developing these industrial parks is that land is still more expensive in the city than in the suburbs—but Federal funds from EDA could make the city sites extremely attractive.

Industrial land banks have been developed in Philadelphia, Pittsburgh, and Milwaukee, and are presently being undertaken in New York, Chicago, and St. Louis. These developments have saved thousands of jobs and potentially will create thousands more in the future. It is time that Cleveland proceeded in the development of such a project.

EDA presently has the authority to provide aid and assistance to Cleveland for developing parks—it is my hope that these types of funds will be provided.

Thousands of Americans have been out of work so long that their unemployment compensation benefits and other sources of income are drying up. Opportunities for industry are also evaporating. It is time we acted. Cleveland is part of the industrial backbone of America—the economy needs Cleveland.

The Economic Development Administration is the program that can provide the needed push to revitalize this industrial heartland of the Midwest—and the passage of this bill is a step in that direction.

Mr. FLOOD. Mr. Chairman, someone much the wiser than any of us here present—and I must admit that is a great deal of wisdom—once said, "Experience is the greatest teacher of mankind." The experience which this Congress and the people of this Nation have had with the Public Works and Economic Development Act has been rich and rewarding; and the benefits will accrue for generations yet unborn. I see no other course for the House to take today other than the extension of this multi-faceted program, and I have thus joined my colleagues in sponsorship of a bill to do just that.

There are two aspects of this matter which deserve examination. On the one hand the administration has proposed the phasing out of EDA and indeed has even threatened to veto this measure before us today. Though the threat of such action by the President is not unexpected.

And secondly, and on the other hand, we have assembled here the representatives of the people urging the continuation of a program which has proven itself time and time again; and which will continue to prove itself beneficial to all Americans in the future; because this Congress is going to pass this bill and send it downtown; and if that veto is exercised, it will be overriden.

Mr. Speaker, the first aspect of this matter which I mentioned above, the adminstration's execution of the Economic Development Administration, begs the question, "If no EDA, what then?" All the Congress has been told is that the Economic Development Act is no longer needed; that money for water and sewer projects, for technical assistance, for harbor and airport projects, for construction of public buildings and recreational facilities, and so on, will be found somewhere. In fact we—the Congress which is the elected representative of the people—have been told virtually nothing as to where these desperately needed and enormously successful projects will receive money.

Perhaps all of the vague talk of special revenue sharing funds for rural development will take care of some of these programs, but who can say? Is it in any way proper procedure to cut off an ongoing and successful program; a program highly popular with this Congress; and offer as a substitute nothing. I think not.

This reads like a bad dream—the people in the cities want this program; the people in small communities want this program; the people in rural areas want this program; the mayors want this program; the Governors want this program; the Congress wants this program—but the administration says let us phase it out. When he signed the Reorganization Act of 1969, the President announced his desire to increase the degree of coordination in the "system through which the Government provides important social and economic services." when that statement was made, no one thought that the delivery of social and economic services would be encumbered by the destruction of the Public Works and Economic Development Act.

The other side of the coin is a much prettier picture; that is, the continuing and ongoing success of the Economic Development Act. EDA began its operations in 1965 which was a period of rapid economic expansion and growth; however, the growth was neither equitably distributed geographically or among the people. Disadvantaged areas and groups tend to be the first to suffer in periods of restricted economic activity and the last to benefit during periods of expansion.

Even a dramatic acceleration in the pace of the national economy will have only a minor impact on some areas unless there is a coordinated effort to stimulate local energies and to direct public and private resources into lagging areas. For these reasons, the Public Works and Economic Development Act was drafted in 1965, and for these reasons I was a sponsor of that bill and steadfastly pressed for its enactment.

Mr. Speaker, is this bill—as some would have it—an enormous amount of money down the drain? Three hundred and twenty-five million. Three hundred and twenty-five million dollars in fiscal year 1973. When even the most cursory examination is made of where this money went, the amount is far from enormous. A water supply distribution system in Nevada County, Calif.; a waste water treatment plant in Berryville, Ark.; wharf construction in Seward, Alaska; a sewage treatment plant in Waverly, Ohio; a vocational-technical school in Dallas County, Mo.; and these are only the development facilities examples. The list goes on and on, and not one project listed is in any way frivilous or unwarranted. In addition there are planning grants, technical assistance grants, loan programs; and all of them are directed to community-wide or regional improvement.

This bill is one of those rare matters where the choice before the Congress is clear. Either we maintain and sustain a highly successful, highly popular, and much needed social and economic program which has proven itself time and again; or we can ratify the administration's wish to see the end of this program and the elimination of its noble functions. I, for one, will have no trouble making that choice.

Ms. ABZUG. Mr. Chairman, I rise to express my strong support of H.R. 2246, which would extend for 1 year the Public Works and Economic Development Act of 1965. As a member of the Public Works Committee and its Subcommittee on Economic Development, I have had the opportunity over the last 2½ years to learn a great deal about the economic development program and to see how successful it has been. In addition, I have had economic development program activity in my congressional district, and have there too seen its great possibilities.

The purpose of this act, as stated in the committee report on this bill is—

> To provide federal assistance, in cooperation with the States, to the economically distressed areas and regions of our nation suffering from a high rate of unemployment and underemployment, to enable these areas and regions to help themselevs in developing long lasting economic improvement. The act emphasizes long range planning for economic growth and provides technical assistance, public facility grants and loans, business loans and guarantees and other assistance as tools to implement these plans.

The 7 years of operation of EDA have been remarkably successful ones. Even Commerce Secretary Dent, speaking for the Nixon administration, admitted before our subcommittee that EDA "has done some good," and studies undertaken by less biased individuals have indicated that it has been immensely successful and could do far better if it received its full authorized funding.

A major component of the administration's attack on categorical grant programs has been the alleged lack of coordination among them. EDA is an excellent example of a program which coordinates numerous projects being conducted within a given target area, including public works and facilities construction, loans and loan guarantees to small businesses, and the creation of employment.

The administration claims that it is transferring the rural aspects of EDA to other departments, particularly the Department of Agriculture, though grave doubts as to the veracity of this claim were raised by some of my Republican colleagues during Secretary Dent's appearance. As to the urban aspects of the EDA program, aspects which both Republican and Democratic members of the Public Works Committee have in the past agreed should be greatly expanded, not even the pretense of continuation is put forward. Mr. Dent spoke of some vague form of "urban community development revenue sharing," despite the fact that urban officials and many Members of Congress seem quite disinclined to enact any more revenue sharing after seeing how they were tricked by Mr. Nixon on general revenue sharing.

What we should be doing—and what Mr. Nixon should be doing if he really cares about our cities—is expanding the Economic Development Administration's work, especially in urban areas. My bill, H.R. 237, would increase funding for title I of EDA to $1 billion per year up to and including fiscal 1977. Only with such guaranteed funding on a fairly long-range basis can EDA make the kind of long-range planning and long-range commitment that means coordinated and well-targeted programs.

Only with enough money to do the job in enough places will EDA reach the full potential of its powers.

EDA will not have to balloon into any superagency with vast new responsibilities. Instead, my bill provides only some tools for the existing EDA framework to exercise; new muscles, if you will, for this agency to flex in the cities.

Let me now tell you what my bill does:

To allow more flexible targeting, H.R. 237 would permit a new designation: one of urban areas impacted by rural migrants and therefore suffering from substantial unemployment—described under section 111 of the bill. Rural residents who leave home for lack of a job or prospects weaken their small towns by leaving. At the same time they create problems in the cities because their lack of skills often makes it hard for them to find a job in urban areas. The new designation would simply make the central city areas where these people concentrate eligible for EDA attention.

We have heard in our hearings from many able spokesmen for urban areas that a major problems for people in these impacted areas is transportation—transportation to and from possible places of employment. My bill would set aside $150 million for grants to such areas for transportation development and other purposes. It is my position that such an investment would be more than repaid by the increased productivity of the people involved.

Further, my bill would increase the options available to EDA in another direction. At present, when the Secretary determines an applicant for aid is unable to raise the money for its share of a project fund—usually a 20-percent share—then EDA can do one of two things. It can either reduce the amount the applicant must pay or eliminate the non-Federal share altogether. In practice these things rarely happen and some worthwhile projects are stalled for very long periods while the applicants work to come up with ready cash to pay their 20 percent of the cost.

My bill would provide a third alternative.

It would allow EDA in effect to loan the applicant this 20 percent of the funding costs, the non-Federal share, at no interest, providing EDA gets in return a binding commitment that the share will be paid at a future date. This way the much-needed project can receive its initial funding and get started while the applicant is raising his share of the bill. I might point out that this provision will make it easier for rural and urban areas alike to get their projects off the ground.

Other changes I am proposing are the more technical ones. They include provision of increased interest subsidies, mortgage insurance for commercial and industrial use; and, for the first time, lease guarantees so that businesses could rent space backed by the Federal Government rather than having to buy it.

That latter provision would involve shopping center uses too—lease guarantees for multitenant facilities are included.

In determining aid needed, EDA for the first time would be able to aggregate the business loan need of all tenants of a building rather than have to deal with each one separately as is now the case. And my bill would extend the term of loan guarantees from 25 to 30 years, because that would make the effective term 40 years—with the normal 10-year extension—and 40 years is the standard property depreciation term used in most other business calculations.

These are changes in the EDA Act of the kind that make progress but rarely make news. They would provide some of the weapons EDA could use for an attack on city problems, an attack as necessary as the one EDA has already mounted in the area of rural development.

And the increased funding I have included in my bill will make it possible for EDA to address itself to development problems in rural areas as it has been doing, with increased funding there—and for the first time also to the development of city areas.

To pass the bill now before us—and to repass it over a veto, if need be—is the least we should do with respect to EDA. This is the kind of program which should be expanded, not killed, and the administration has yet to present one single worthwhile argument to support its opposition of this bill.

Mr. ROYBAL. Mr. Chairman, I rise in support of H.R. 2246 which authorizes $1.2 billion for a 1-year extension of the Economic Development Act.

EDA has proved itself to be a successful weapon in aiding economically depressed areas provide public works and other improvements to attract industry. The record of achievement of this program since its inception is impressive indeed. Since 1965, EDA has produced almost 500,000 permanent jobs in our country's worst unemployment and underemployment areas. Many of these areas have experienced 20- to 30-percent unemployment and only a commitment by the Federal Government can break the unemployment spiral.

At the same time that EDA has produced jobs, it has led to the establishment of businesses and capital assets that are sorely lacking in these communities. EDA emphasizes long-range planning for economic growth and provides technical assistance, public facilities grants and loans, business loans and guarantees, and other assistance as tools to implement these plans. These types of capital assets are necessary if the community is going to develop a commercial and industrial base necessary for continued prosperity and ultimate self-sufficiency.

Last year Congress passed H.R. 16071 which would have extended the life of EDA through fiscal year 1974. However, President Nixon vetoed the bill after Congress adjourned and thereby jeopardized the life of the entire program. This year the President's budget indicated that the program would not be funded again. The administration contends that the program is duplicative of a number of other programs and that special revenue sharing could be used by local governments to continue selective programs.

The administration contends that the Rural Development Act, the Small Business Act, and the Housing and Urban Development Act accomplish the same purposes as EDA. The committee has looked into this contention and found it lacked merit. EDA covers many programs that have never been and could never be funded under any other act.

Second, special revenue sharing is not the answer to programs presently funded by EDA. Special revenue sharing has not been passed by the Congress and even if it is it will not become effective until July 1974. EDA will expire June 30, 1973, unless we act today. This would mean programs would have to be dismantled and then restarted a year later. This is fiscal waste at its worst.

For the past 3 years unemployment has been over 5 percent. It costs this country more in terms of dollars and human dignity to put a man on the relief rolls than it does to give him a job. EDA has proved itself an effective device at curbing unemployment in the hardest hit parts of our country. I believe we need programs like EDA and hope all of my colleagues will support it.

Mr. DICKINSON. Mr. Chairman, I rise in support of H.R. 2246 to extend the life of the Economic Development Administration.

As many Members of the House of Representatives know, I am not an advocate of increased social legislation and creation of jobs paid for by the American taxpayer that end when the Federal money is cut off. The Public Works and Economic Development Act of 1965, as the successor to the Public Works Acceleration Act, changed the direction of the APW program and established a program based on what I consider to be sound principles—creation of jobs in the private sector.

A considerable number of counties in my congressional district have at one time or another been designated as eligible to participate in EDA programs. As a result, a number of jobs in the private sector—not Government handouts—have been created. The key to what I consider to be the success of EDA is the word "creation." Jobs in private industry have been created in joint efforts by Government and industry in areas where private capital is not available in sufficient amounts to totally underwrite the cost of establishing such ventures.

Recipients of such jobs are not paid by Federal money; they are an integral part of our free enterprise system paid by the profits of industry and returning a portion of their wages to their respective governments in the form of taxes.

Mr. Chairman, I have had considerable dealings with EDA personnel in recent years, and I have always found them to be very knowledgeable, efficient, and helpful. They are professionals who, as a rule, know their mission and accomplish that mission with a high degree of effectiveness.

In the Second Congressional District of Alabama, some 1,740 jobs have been created as a direct result of programs of the Economic Development Administration. EDA has funded 39 projects in my district amounting to a total of $11.3 million. $10.6 million went into the establishment or expansion of public facilities to accommodate industrial growth and for interest-bearing industrial loans for construction of new or expanded industrial plants. These projects were approved on the basis of their importance in creating immediate new jobs in private enterprise and in providing long term opportunities for employment in the area. Most of the project funds going into the public works projects were in the form of grants made to local governments for such necessities as water and sewer facilities, access roads and streets, etc., to help meet the requirements for the location of new industrial plants and the expansion of existing industry.

The following is a list of the communities in my district where EDA projects are located with an estimate of the new jobs which were expected to be created by them. Such job estimates were made by local government and industrial leaders and have generally been found to be conservative:

Community:	*Jobs*
Eufaula	366
Evergreen	180
Union Springs	63
Montgomery	357
Greenville	132
Brundidge	84
Hartford	91
Geneva	433
Midway	34
Total	1,740

EDA programs have helped to provide many jobs in private enterprise to the citizens of my district, the State of Alabama and the country as a whole. Therefore, I urge the subcommittee to act favorably on H.R. 4819 or a similar bill and renew EDA.

Mr. PICKLE. Mr. Chairman, I am glad to be a cosponsor of the economic development extension bill.

In my mind, the work of the Economic Development Administration has meant jobs. What better goal for the Federal Government is there beyond helping private enterprise bring jobs to economically depressed areas?

I say there is none, for with meaningful work, an individual is not a drag on the economy, but a productive contributor.

To hold the position that welfare spending must be reduced and to eliminate simultaneously an agency designed to help people help themselves is illogical in my mind. In a nutshell, however, this is what the administration is doing when it proposes the abolition of EDA.

My stand is with Mr. JONES of Alabama and the many members of the Public Works Committee who support a 1-year extension of EDA.

No program is perfect. EDA is not perfect. Every project funded has not been a winner.

But to strike for 100-percent success with every loan and every grant was not the purpose of EDA. EDA was not established to be a bank which refuses to take the chance with a loan in an Indian area, the small rural county, or the heart of the ghetto. EDA was established to do what private investment could not afford to do—to put money into the undeveloped areas, the financially shakey areas.

Rhetoric is cheap, but EDA can be supported by more than rhetoric. I think that I have some facts and examples to prove this point.

The major city in my district, the Tenth District of Texas, is Austin, Tex. The Southwest Regional Office of EDA has its headquarters in Austin. This office serves the five States of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

Since EDA was started in 1966, there have been 935 projects funded in the five-State region. Of these 935 projects, 168 have been planning grants, those vital tools which allow people to develop a battle plan for economic development.

The other 767 projects have been public works grants, business development loans, and technical assistance programs.

Many public works grants have been to develop industrial parks for industry to locate in the undeveloped communities.

The remote and economically depressed community often cannot support a new manufacturing plant because the community cannot afford to lay the water and sewer lines necessary for modern industry.

There is a root problem. An EDA planning grant has laid down a battle plan, but the proper tools to implement that plan are needed. The proper water and sewer facilities are those tools. Without them, no one can run the modern business of today.

Also, the public works grant is used to help the community provide the necessary training facilities. These facilities equip the local population with the labor tools needed for sustaining jobs.

There have been 503 public works grants in the five-State Southwest EDA region.

With the planning grant and public works grant the foundation is laid for job creation and economic development.

The next step is locating a suitable business in the community. This is perhaps the most delicate of all the EDA tasks.

The business loan guarantee cannot be a giveaway. By definition, though, the biggies, such as GM, United States Steel, Standard Oil of New Jersey, are not seeking these EDA loans, and quite rightly would not qualify for one if they did. Instead, EDA often assists the businesses that can create 50, 100, or 200 jobs. EDA wants a new business to succeed for sure, but the business must also be willing to take a chance in a location where the labor force may be unsure, transportation poor, and local capital nonexistent.

The EDA business loan guarantee helps the private business to take these risks. In the five-State EDA Southwest area, 50 business development loans have been made. The amount of these loans is over $33 million.

In the last quadrant of EDA work is the technical assistance program.

Technical assistance, or TA, smooths out these knotty problems that the undeveloped area faces as it struggles up the road to economic stability.

In the five-State EDA Southwest region, 214 technical assistance grants have been made.

All in all, the 935 EDA projects in the Southwest represent an investment of nearly $250 million in redeveloping areas which are some of the poorest in America.

The number of projects and the amount of money are impressive. They are not, however, the complete story.

Taking a sample number of these 935 projects, 81,400 jobs were created. Projecting these samples to all EDA projects, over 112,000 jobs could be created by EDA investments in the Southwest.

Some of these projected jobs will be down the road. In an undeveloped area, the leadtime from planning to economic stability is several years.

An example of an EDA success story can be found in Marlin, Tex.

There a $500,000 EDA public works grant enabled a carpet mill to move into the area. Today the mill hires 180 people, and paid an income tax of $400,000 last year. In this town of 6,000, 180 jobs means a great deal, and it is easy to see that the Federal Government will receive back its $500,000 investment many times over.

I could name many more examples, Mr. Chairman, but will not take the time of this body any longer.

At this time, I urge passage of H.R. 2246.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "and June 30, 1973." and inserting in lieu thereof the following: "June 30, 1973, and June 30, 1974." and the last sentence of such section 105 is amended by striking out "and June 30, 1973," and inserting in lieu thereof the following: "June 30, 1973, and June 30, 1974,".

SEC. 2. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "1973" and inserting in lieu thereof "1974".

SEC. 3. Section 302 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "and June 30, 1973.", and inserting in lieu thereof: "June 30, 1973, and June 30, 1974.".

SEC. 4. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "1973" and inserting in lieu thereof "1974".

SEC. 5. The first sentence of subsection (d) of sction 509 of the Public Works and Economic Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and for the fiscal year ending June 30, 1974, to be available until expended, $152,500,000.".

SEC. 6. (a) Section 2 of the Act of July 6, 1970, as amended (Public Law 91–304), is amended by striking out "1972" and inserting in lieu thereof "1974".

(b) The amendment made by subsection (a) of this section shall take effect May 31, 1972, and any area designated as a redevelopment area for the purposes of the Public Works and Economic Development Act of 1965, as amended, on or before that date and which has had such designation terminated or modified in accordance with section 402 of such Act of 1965 on or before the date of enactment of this Act shall, for the purposes of such Act of 1965, be held and considered as a desginated redevelopment area during such period and shall continue to be designated as a redevelopment area until otherwise terminated or modified in accordance with the provisions of section 402 of such

Act of 1965 and section 2 of the Act of July 6, 1970, as amended by this Act (Public Law 91-304).

Mr. JONES of Alabama (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the last several weeks we have had a number of bills brought from several committees in instances where there could have been an honest difference of opinion as to whether the authorization legislation should be expanded in dollars, whether there should be a duplication or an expansion of categorical grant programs. I, as well as others, have taken the position that in all of those cases the legislation should be defeated for good reasons in our judgment.

Mr. Chairman, this proposal before us today is on weaker ground than any of those what have come before us in the recent past.

Let me tell you why.

This EDA extension legislation, if funded, more or less predicated on the funding for the current fiscal year, would call for the obligation or appropriation of roughly $1,200,000,000 in different categories. Now, if the Administration were totally oblivious to the need for some programs covered by EDA in fiscal year 1974, I think the Members could argue that maybe we ought to extend EDA.

But, Mr. Chairman, the truth is that in place of EDA, the administration in other basic programs has recommended funding for fiscal year 1974 of roughly $1,400,000,000, either in loans or grants. I concede there is an emphasis on loans either direct on guaranteed.

So, Mr. Chairman, I just cannot understand the need or necessity for an additional authorization of $1,200,000,000 in EDA, in addition to $1,400,000,000 in various budgeted programs for the next fiscal year.

Now, somebody might challenge whether the budget for the next fiscal year does include $1.4 billion. I have brought the fiscal year 1974 with me so that you can see the evidence for yourself. Here is the document for fiscal year 1974. Let me refer you to the page and to the specific item.

On page 112 of the budget for the next fiscal year there is for the rural development grants and technical assistance a $20 million increase. That is under rural development program enacted in August 1972. Under rural development research, again under RDA, which we passed last year, in this instance there is a $2 million increase. Under the rural development education program on page 129 of the budget there is another $2 million increase. For rural development water and community facility loans on page 182 we find an increase of $45 million in addition to the $300 million which the administration utilized for the fiscal year we are now in. For rural development industrial development loans there is an extra $200 million. For rural development community facilities there is an extra $100 million. The total increases under the Rural Development Act in substitution of the existing EDA legislation are a total of $369 million.

Why do you have to have the existing EDA plus $369 million under the Rural Development Act? It just does not make sense.

Now, if you go to another item, the administration has asked for an additional $630 million under Small Business Administration loans to help as a substitute for the existing legislation currently before us.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GERALD R. FORD was allowed to proceed for 5 additional minutes.)

Mr. GERALD R. FORD. Let me reiterate, the administration primarily in the loan area, loan guarantees or direct loans, is making more money available in different programs than was available under EDA in the current fiscal year. Why do you want to add another $1.2 billion in round figures to the existing proposed $1.4 billion in the budget that the President submitted?

Let us talk about what happened last year. On August 16, 1972, we had the EDA legislation before us in this body. By a vote of 285 to 92 the legislation was passed. It went to conference and a conference report came back. By a vote of 155 to 64 on October 14 the legislation was approved. On August 16, 92 Members voted against it; on October 14, when we had many absentees, 64 Members voted against it. I do not think there was one political casualty among those who voted against it in 1972, if you want to look at the pure, cold, hard politics of of the proposition.

So I suggest to anyone who has any apprehension or concern about politics or about the next election that a "no" vote on this legislation will not make one iota of difference. You can always argue, and argue effectively, that there is $1.4 billion in the budget for 1974 in place of a program that was in this fiscal year funded at the rate of about $1.2 billion. The basic difference is that in 1974 it will be guaranteed loans, or direct loans, with a lesser interest rate instead of direct grants out of the taxpayer's pockets.

Mr. GROVER. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from New York.

Mr. GROVER. Mr. Chairman, I thank the gentleman for yielding. I would ask the gentleman if I am correct in the fact that any ongoing programs or fully planned programs will not be in any way interfered with under the administration's proposal?

Mr. GERALD R. FORD. That is my understanding. Any program that has been properly funded which is an ongoing program will continue to be funded by the administration. But in order to do away with duplication, to get the new programs under the loan guarantee program, rather than grants, they are moving the money into EPA in greater amounts, into the rural development program in a greater amount, and into the SBA in greater amounts. From my viewpoint that makes sense, and I recommend the defeat of this legislation, and a "no" vote on this bill.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the first thing we need to recognize is that the EDA program which this House approved last year in an almost identical bill, by some 285 to 92, or about 3 to 1, is the only ongoing program in the United States addressing itself to the severely depressed communities. It is the only one we have.

The regional commissions covered under this authorization are the only existing activities directed precisely toward relieving the economic distress in those seven hard-hit, high-unemployment regions of the country.

These are the only ongoing programs addressed to that precise problem.

The question we face today is: Do we want those programs to die?

It has been suggested by the distinguished minority leader that at some future time there might be some other type of program to take their place. Very well, let us entertain that possibility—but no such alternate program exists today. Congress may or may not authorize and fund such other programs. Until we make the determination of whether we are going to supplant this program with something equally as good or better, it seems to me it would be folly to destroy this program.

Let me make clear what this does——

Mr. GERALD R. FORD. Mr. Chairman, would the gentleman yield?

Mr. WRIGHT. Of course, I yield to my friend, the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, the gentleman I think is creating a wrong impression. The Small Business Administration does exist, has existed for a long time, and they are getting over $600 million more for the substitution of EDA in these areas which have been affected.

A year ago we passed the Rural Development Act. I can remember the distinguished chairman of the Committee on Agriculture pointing out the benefits that would flow from that legislation. The administration said it is good. They have recommended $369 million to be used under the Rural Development Act. Why continue a program where you have other programs substituted?

Mr. WRIGHT. I was happy to yield to the distinguished minority leader, for whom I have great respect, and I do hope that, as I attempt to answer the questions he has raised, the gentleman may assist me in getting some extra time if I need it.

I would simply say this with respect to the Small Business Administration: That is an entirely different program. It was instituted to replace the old Reconstruction Finance Corporation in 1953.

Unlike the EDA, the SBA has a precise dollar limitation on each loan. Some of its loans are earmarked for minority enterprises. Some of them go to businesses in thriving communities. It makes neither loans nor grants to municipalities for infrastructural water, sewer and utility services which are necessary to attract new business endeavors to dying communities. It is a different program entirely. It serves a different purpose.

The Small Business Administration addresses itself not to the question of distressed communities but to the question of distressed individual businesses wherever they may exist; and it is needed.

I would join with the gentleman in supplying more money for the Small Business Administration, but it does not come to grips with the singular question of the shriveling on the vine and dying of old communities throughout the United States. I dare say the gentleman has them in his State; I have them in my State.

Look with me, if the Members will, to the future which will surely face us if something is not done to revivify, to revive, to revitalize these small communities that have been the backbone of America. If the present trend in population is allowed to continue until 1990 unchecked, by that year it is anticipated that we will find 80 percent—80 percent—of the American people living in just four sprawling megalopolitan areas: one along the Great Lakes, one along the gulf coast, and one each on the eastern and western seaboards. The rest of the Nation, comprising some 3,000 communities and some 94 to 95 percent of the land area, will provide homes and business opportunities for less than 20 percent of the American people.

That prospect just does not make sense logistically, sociologically, environmentally, economically, criminologically, or in any other way we want to look at it. This trend of people moving away from the small towns because there no longer is a local mode by which they can employ themselves—crowding in ever greater numbers into ever more congested cities—has increased every social problem from crime to human incivility to psychosomatic illness to pollution. Every known problem that is plaguing us today is to some degree——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent the gentleman from Texas (Mr. WRIGHT) was allowed to proceed for 5 additional minutes.)

Mr. WRIGHT. Every known social problem that has our big cities by their throats today is to a large degree the product of population density, and this is fed by the dying on the vine of the small communities.

I have visited some of these communites that have experienced revitalization and a new birth of opportunity as a result of this EDA program all throughout the United States. I have seen new hope born in those communities. I have seen a community in North Carolina where one fellow told me that 53 people graduated from his high school class, and all of them left the county in search of work, and now with two new local plants stimulated by the EDA, some of them are coming back.

I have seen the flowering of opportunities in little towns like Livingston, Ala., which had lost population for the last three decades, and now because the EDA has moved in and provided the basic framework for private business to come in and give people jobs and hold local people at home, it has at last begun to regain population. I think this is important nationally. This is not just important to those particular communities.

I happen to represent a community that does not qualify for EDA, and thank God it does not. I am glad that my people are not so economically distressed that our area would legally qualify. However, that does not relieve me of the responsibility to see to it that these other communities throughout our country do have some program that will permit them to offer private jobs in the private sector—organisms of employment that will permit them to thrive and regain their lost growth. If we allow this program to die, and with it the hopes of these communities—and if as result we accelerate the crowding of our people into fewer and larger and more congested cities, I do not know what it is going to be, but it is not going to be America as we have learned to think of it.

The President has suggested, in addition to the thought that some other program which we might at some later time fashion could take over, that this authorization might be inflationary. Well, let us look at that.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. On the specific point of whether or not there are in being other programs that would be capable of filling the need in this area, the information that I have is that—and these are EDA figures—for fiscal years 1970 to 1972, 46 percent of title I project money was allocated for water and sewer projects.

Would the gentleman have us believe that there are not a number of other Federal programs?

Mr. WRIGHT. I respect the gentleman from Illinois, and he is a great man. He should recognize that these particular water projects under EDA are related directly to the capacity of each recipient community to make use of such a project to attract industry or some commercial enterprise that would provide employment in that hard-hit community. That is the test we have got to meet.

We do not just have a makework project here. The purpose of this program is not just to make the immediate jobs in public employment. The purpose of this program is to provide infrastructure which will create an attraction to private job-producing investments. We have got to prove that it will in order to qualify a project. The purpose is that private business will come into these hard-hit communities and provide opportunities in the private sector. That is the object. It has done that in several thousand communities throughout the United States. We need to continue it.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. For the purposes of clarification there has been some talk about other programs that take care of some of the problems in the EDA area. I do not think the gentleman has made it quite clear in his remarks that one of the purposes of these economic development grants is to give the poor community a little bit more of the matching funds, or supplemental grants as they are referred to, so that they can qualify for these other grant programs that people are talking about. As an example, suppose the matching formula was 60-percent Federal money and communities had to provide 40 percent to match that. We have found in our experience that some communities were so disadvantaged and their prospects were so poor they could not raise their share of matching funds in such a situation or with some of these other programs which have been mentioned.

Mr. WRIGHT. The gentleman is exactly correct. This is supplemental to other programs. It does not duplicate them. And no other existing program could take its place. What we ask is a 1-year simple extension of this act so we can see if there is some other program the administration wants to offer. I do not see how anybody can object to that.

Mr. CLEVELAND. If the gentleman will yield further. The type community I described is one which cannot even get up the matching money for one of these ongoing Federal programs and certainly that community would not be able to borrow the full sum they might need.

Mr. WRIGHT. And without this program the other programs would be useless to them.

Mr. CLEVELAND. Correct. The essence of this program we are talking about is to give the seriously disadvantaged communities a direct grant so that they can participate in some of these ongoing Federal programs to refurbish their communities and make it possible for them to support an industry and otherwise develop their economics.

Mr. WRIGHT. I think the gentleman is exactly correct.

I would ask the Members on my left to read in the committee report the comments of the minority members on our committee—Mr. HARSHA, Mr. CLEVELAND, and Mr. HAMMERSCHMIDT—wherein they very carefully and fairly printed the objections of the administration and then proceeded to point out that they did not agree with those objections and that certain of those objections were totally invalid in this instance.

Some of the President's comments undoubtedly contain some validity. The President expressed concern that the accelerated public works program as presently carried out is encumbered by too long a leadtime between inception and execution of a project. This is in my judgment a valid criticism. But we certainly do not put people to work more quickly, nor expedite the completion of these projects, by simply killing the program.

The President apparently regards spending for EDA and regional commission programs as inflationary. By reverse logic, you would have to say that the way to fight inflation is to maintain a large body of unemployed. In fact, these programs operate in areas of the Nation which have economies which are very far from overheating, and which have large resources of unused labor. Putting a man on a productive job, instead of on welfare or unemployment, is in reality just about the opposite of inflationary spending. Price inflation is directly and inversely related to productivity.

On the CBS morning news yesterday, Secretary Weinberger of HEW said that the solution to our Nation's economic and welfare problems is to find meaningful long-term employment for the unemployed welfare recipients. That is exactly the role of EDA and the regional commissions—to create permanent employment in areas of severe economic distress, where unemployment and welfare benefits are substantially higher than in other parts of the Nation.

So I urge you to join me in voting to extend this program.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. GROSS, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Iowa.

Mr. GROSS. On page 6 of the report is a map that is light with respect to some States and darkened with respect to others. There is no indication in the report as to what that means. What does it mean?

Mr. WRIGHT. That map shows the existing regional commissions. For example, Iowa is just east of the line of the Old West Commission and unfortunately Iowa is just north of the line of the Ozarks Commission. So those particular commissions do not cover Iowa, I am sorry to say to the gentleman. They do not apply to those particular States that are not darkened. But I would say to the gentleman that the EDA program applies anywhere in the United States to any community that is losing population and has underemployment. So there are many communities in the gentleman's State, as there are in my State, which are not covered here by one of the regional commissions here but which communities in the gentleman's State and in my State do qualify for and do receive meaningful help in trying to hold their own and provide jobs for their people.

Mr. GROSS. Then light means a State is out and dark means it is in?

Mr. WRIGHT. Insofar as the regional commissions are concerned, the gentleman is correct. But insofar as the EDA program is concerned, all States are in.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to expand a little bit on something the gentleman from New Hampshire (Mr. CLEVELAND) said because I think my kind of district is the kind of district he is talking about, that really will not benefit very much just from loans. My district has an unemployment rate of about 50 percent or more above the national average.

About 40 percent of the families in my district have incomes of less than $6,000 per year. That compares with about 21 percent as a statewide average.

The population in my district is less now than it was in 1910 on a county basis. Over 15 percent of the population in my district is over 65. Over 20 percent of the people derive their income from social security. In portions of my district, we have one doctor for every 2,000 plus people. That ratio is as bad as Brazil or Nicaragua.

I just do not believe that this kind of district is going to be able to get along with just loans. That is why we need this program, even though, as the distinguished minority leader, the gentleman from Michigan, said, even though it does come out of the pockets of the taxpayers, so that the areas of this country that have been left behind economically will have a little better chance than they have today to play catch-up.

I think that is what this bill does today. I would like to commend the committee, the gentleman from Texas (Mr. WRIGHT) and especially my neighbor across the bridge, the chairman of the full committee (Mr. BLATNIK) for their foresight in bringing this bill to the floor.

Mr. Chairman, I would like to register my full support for the bill before us today, H.R. 2246, and for the programs of the Economic Development Administration—EDA—and the regional action planning commissions, which this bill would extend through June 1974. The programs it authorizes are vital in helping people in economically depressed areas of the country, like northwestern Wisconsin, help themselves to a more equitable share of this Nation's abundance.

Mr. Chairman, my neighbor from Minnesota (Mr. BLATNIK) is to be commended for the leadership he is providing Congress in the fight to save EDA and the regional commissions from the President's misguided ax.

I urge all Members to stand firm behind the committee's proposal and clearly show the Executive that its callous disregard for people living in chronically depressed areas of our Nation will not be shared by Congress.

Last December, when I first learned that the administration planned to dismantle EDA, I immediately wrote to President Nixon urging him to reconsider his decision. I pointed out that EDA programs have provided permanent private sector employment in many of the poorest areas of our country and that without their continuation it is unlikely that the cycle of chronic depression will be broken.

As we all know, these and similar pleas from around the country fell on deaf ears at the White House.

Whether the White House and OMB care to face it or not, economic stagnation or decline exists in many regions of the country today. The development potential that exists in these areas has never been tapped by adequately funded development assistance programs. The northwestern part of Wisconsin is such an area. I would like to cite again a few facts which will indicate the nature of our economic problems in that area and the need for expansion, rather than termination, of the economic development programs of EDA and the regional commissions.

As I indicated before, in northwestern Wisconsin:

The unemployment rate has been about 50 percent above the U.S. average since 1966;

Forty percent of the families have total income of under $6,000 compared to 21 percent at this income level in the State as a whole;

Population declined annually by 0.2 percent during the 1960's and is now less than the 1910 population;

Over 14 percent of the population is 65 years or older;

Twenty percent of the people derive most of their income from social security;

There is one doctor for every 2,065 people, compared to a State average of 1 to 919. I might add that 1 to 2,065 is about the same as the ratios for Nicaragua and Brazil.

Since their inception in 1966, the EDA and the Upper Great Lakes Regional Commission have provided $7.7 million in economic development assistance to northwestern Wisconsin communities. Of course, this amount of money is "peanuts" compared to the needs of the region. To expect such resources to be sufficient to reverse a trend of economic decline that has been going on for decades is unrealistic. Yet, these funds have triggered substantially larger investments by local communities, the State and the private sector. As a result, these Federal funds have been high powered dollars and have had a multiplier effect throughout the region. The new jobs and business activity promoted by the infusion of this capital has reduced the rate of decline in some parts of northwest Wisconsin and actually resulted in increased growth in others.

Three cases from northwestern Wisconsin will demonstrate that these economic programs do produce a substantial "bang for the buck."

EDA provided a business loan of about $700,000 to Jeno's Inc. in late 1970 to enable them to open a new manufacturing facility in northwestern Wisconsin. This investment, which EDA participation made possible, has resulted in nearly 200 full-time direct manufacturing jobs in northwestern Wisconsin.

The Memorial Medical Center, Inc., in Ashland, Wis., has received a $900,000 public works grant from EDA for a new hospital. This grant has created 100 direct jobs and 150 related ones in northwestern Wisconsin. It has also enabled an area with severe medical service shortages to create a regional medical center with a wide service area in northern Wisconsin.

The Upper Great Lakes Regional Commission is providing $50,000 for the development of an economic development program for the Duluth/Superior area. This has enabled Douglas County and the city of Superior to hire a full-time economic planning expert. Given recent unemployment levels in this area, such a program is extremely important.

Many additional examples could be cited. I could also note an even larger number of projects that have had to be turned down by these organizations because of lack of funds. These projects could have kept existing jobs in this economically depressed area and created additional employment opportunities as well.

When one understands the needs of these areas and the effectiveness of these programs given the limited funding, it is hard to see how the President could call them "lower priority" in his budget. Can they be "lower priority" than loans to big business, grants to foreign military dictators, space technology research, more weapons purchases? I think not.

While abolishing EDA and the regional commissions, the administration provided "substitute" programs that it claimed will be more effective in meeting the same needs. These proposed programs are totally inadequate. Not only is the proposed funding miniscule when compared to the funds available from EDA and the regional commissions in the past, but the programs have no focus. The new programs proposed by the White House would be available to rich and poor communities on an equal basis. The President's budget, in effect, abandons some of the poorest areas of the United States with a lecture on "self reliance" and "equal treatment for all Americans."

The frequent White House harping on these two themes reminds me of something Will Rogers once said about "equal treatment." He said:

> It all depends upon what you mean by equality. For instance, the poor and the rich get the same amount of ice, but the poor gets theirs in the wintertime.

The bill we are considering today, H.R. 2246, is in my opinion, far less than what is required for the balanced economic growth of the most economically depressed rural areas of our Nation. A sharp rise in economic development funds and assistance to workers and businesses facing new environmental regulations is needed, in my judgment, and needed fast.

However, as a result of the President's action, it is essential that we pass legislation immediately or EDA and the regional commissions are dead. Therefore, in the interest of salvaging something, I support the simple extension of these programs as proposed by the Public Works and Economic Development Committees.

I urge all Members who share my concern for the well-being of people living in the most economically distressed rural areas of our country to vote for H.R. 2246.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is well known that I seldom take this floor unless I speak in support or in connection with the bills coming from my Committee on Appropriations; very, very rarely indeed. The Members of the House are lucky.

But, in this case, as most of the senior Members here would know or most of them have heard—and the Members will not mind my being parochial for this purpose, although I plead to that as do all of us—but if there ever was exhibit A for the continuation of this bill, unfortunately, my district is that exhibit.

To compound the difficulty, an act of God—Agnes. Remember? Oh, dear God, I hope we do not forget Agnes. To compound all of this, there is no bill; there is no law that can do for my district and for most of the Southern States what can be done by this program.

When I came here in 1945, to show you what a dynamic and strong and effective Congressman I was, I lost 100,000 people—100,000 people moved out of my district in 20 years after I was elected, to get away from me, I suppose—a hundred thousand.

This was the worst economic distress in the Nation. Remember the Flood-Douglas bill, Appalachia, all these things?

Now, not by largesse, not by handouts, but by Operation Bootstrap, up by our own boots we pulled ourselves up and up from 19.7 percent unemployed—19.7 percent—up until today just about 9 percent. But, we helped ourselves.

The Members know the people I come from; race, color, creed, religion in the hard coal fields. You name it, I have it. We do not stand there with our hats in our hands, with tin cups. We are as good as anyone. We need help, we admit that. We help ourselves, but we need you to help us.

We will make out both economically within a few years to the national level of unemployment, and even now out of the mud and the slime of this terrible disaster, we are coming back.

This bill—1 more year; 1 more year. There should not be, Mr. Chairman, there cannot be—I know there cannot be a 100 votes today against this bill. There cannot be 100 votes.

Mr. CEDERBERG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time not in any way to indicate that I do not believe there has been some progress under the Economic Development Administration or that they have not done some good things, but it just seems to me that we are showing daily in this Congress we are afraid of change, that everything we have done in the past is the best way to do it. I do not happen to believe that is true.

What we are trying to do, as I understand it, in the new budget, is to provide funds in a more orderly way, by increasing funds for rural development, economic development in rural areas, by providing additional funds to the Small Business Administration and HUD, rather than having it in EDA, with all of its administrative costs.

EDA, as Members know from working with this program, has amounted to having so much taken from EDA and so much from other departments, and then putting it in a package. As a result, it has become an administrative monstrosity and this must be corrected.

That is all we are trying to do. We all want to accomplish the same objectives.

All of our subcommittees of the Appropriations Committee are holding hearings right now on the President's 1974 budget. In that budget, as I believe it has been pointed out before, are increases to take care of the funds that were formerly in EDA. As we carry on these hearings we are probably going to have to make a decision. Should we cut the President's budget for rural development? Should we cut the request for SBA? Should we cut the increase requested for HUD? Those are funds that are supposed to take over the same job EDA is doing now.

No, some Members will not do that. They will vote for the increase, for the authorization, for the extension of EDA and then, increase the other items as well, thereby having it both ways. We cannot have any sensible fiscal management under that kind of an operation.

I also sit as a member of the Joint Committee on the Budget, between the House and the Senate. We were charged by an overwhelming vote of the House and the Senate, to come out with a proposal that would bring back to the Congress its responsibility in controlling budgetary affairs. Before we have had even an opportunity to hold our hearings or to come out with what is a recommended spending ceiling all of the committees are going ahead, increasing authorizations over and above those requested and extending programs which are not even in the budget. Yet, as I have stated, we have not had the opportunity to present our proposal at all—and, I might say, this not only applies to the Appropriations Committee, but it also applies to all of the authorizing committees.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the minority leader.

Mr. GERALD R. FORD. Let us be factual.

In August of 1972, the Congress passed the Rural Development Act, and it was praised from this body to the other body. I believe it is probably good legislation.

In the budget for the next fiscal year, page 182, under that legislation, there is listed water and waste disposal loan obligation proposed, $345 million; under industrial development loan obligation, $200 million; and under community facility loan obligation, $100 million.

We passed that legislation last year. The administration wants to fund it. Why do we have to perpetuate a program which we started a number of years ago, when we can substitute newer and better legislation, as we did under the Rural Development Act?

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. I have answers to the questions asked by the minority leader.

Point 1: The operation of the Rural Development Act is a long way off.

Point 2: Implementation of the other

programs voted upon, such as revenue sharing, will not come until July 1974.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. Yes, I yield to the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Chairman, I did not mention the better community legislation. I talked about a piece of legislation that is on the statute books now that was enacted August 30, 1972. If all the administration wants to do is fund that program as Congress recommended and discontinue the EDA, which was originally considered to be a temporary piece of legislation, that is another matter.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CEDERBERG), has expired.

Mr. CEDERBERG. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. JONES of Alabama. Mr. Chairman, reserving the right to object, in regard to the next request, I am going to resist any extension of the 5 minutes of time.

Mr. CEDERBERG. Mr. Chairman, I really do not want to prolong this.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan (Mr. CEDERBERG) is recognized for 2 additional minutes.

Mr. JONES of Alabama. Mr. Chairman, I withdraw my reservation.

Mr. CEDERBERG. Mr. Chairman, I would like to ask the gentleman from Alabama, or the gentleman from Arkansas a question.

My subcommittee handles the appropriations for EDA and there is nothing in the budget for this program. Does the gentleman intend to put an amendment onto the appropriation bill to put money in for this program?

Mr. JONES of Alabama. I have no idea, but I would expect the gentleman from Michigan to be generous when we pass this bill to see that the action is taken.

Mr. CEDERBERG. Mr. Chairman, that is not my question.

The question is: There is no money in the budget now. Can we anticipate an amendment to add the money?

Mr. JONES of Alabama. Mr. Chairman, if we pass this bill, we will certainly be solicitous enough of the gentleman to put the money in and do a better job than has been done in the past, because we have authorized $7 billion in the law, and we have been given $2 billion.

Mr. CEDERBERG. Mr. Chairman, that raises another question.

If we put the money in, will the gentleman then support reductions in the budget in the other areas such as rural development, small business, and HUD or will he be for both of them?

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. As to the billion and a quarter dollars that has been talked about here, that is the authorization figure. The Appropriations Committee has really only been funding at approximately 30 percent of the authorization level or a little over $350 million; I think this point should be made clear. Additionally, of the amount that has been appropriated for fiscal year 1973, $11.4 million has been impounded.

Mr. CEDERBERG. Well, Mr. Chairman, the gentleman has not answered my question.

My question is: Are the Members going to support both increases or cut one? What are they going to cut?

Mr. HAMMERSCHMIDT. I think, of course, we will get the chance to study the various aspects of the legislation which is requested by the administration. Review of these proposals is part of the need for this extension; to give the committee needed time to review existing economic development legislation in light of these proposals and make legislative changes, if changes are necessary.

Mr. CEDERBERG. So I would point out again, Mr. Chairman, nobody knows whether we want to go down one road or down both roads or consider cuts in rural grants or increases in EDA.

Mr. McFALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, during my years in the Congress, I have witnessed the initiation of many Federal programs designed to meet many specific needs. The test of time proved some of these programs to be worthwhile, some not-so-worthwhile, and some questionable.

Surely there has never been any question about the merits of the Economic Development Administration's track record. Sometimes, one must look back in order to tell where they have been and where they are headed. Did they stay on course? Did they accomplish their goals? Was the trip necessary? What were the strengths and weaknesses as they journeyed into the unknown?

In order to make an intelligent evaluation of the success or failure of the Economic Development Administration, I believe we must look back and examine the "Congressional Findings and Purposes" of the Public Works and Development Act of 1965. I wish to cite title 42, paragraph 3121 of the United States Code which reads as follows:

> The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families, and waste invaluable human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development; that Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such areas to enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions, provided that such assistance is preceded by and consistent with sound, long-range economic planning; and that under the provisions of this chapter new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

The administration has made it clear it wishes to dismantle many social programs designed to help people. This is true in housing, sanitation facilities, rural development, programs for the poor, the public employment program, education and others. But I cannot believe the President intended to cut off opportunities for people to help themselves. Community leaders in high unemployment areas will attest to the success of EDA.

Lest we lose sight of the meaning of the term "Economic Development" I would suggest that the Office of Management and Budget confer with Governors of Appalachia, city managers in Michigan, county administrators in California, mayors in New England, and, last but not least, the EDA regional directors. Ask these directors—appointed by the present administration—to "tell it like it is." Query these directors and their aides as to the effectiveness of EDA. They have known the sense of pride that is associated with a successful Federal program.

I believe the results of such a survey would lead to expansion of the present EDA program.

Mr. Chairman, I am glad to be one of the 150 cosponsors of H.R. 2246 which is designed to extend the life of EDA for 1 year and I urge the Members of this body to pass this legislation with an overwhelming vote.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wholeheartedly support the continuation of the economic development program under title V of the Public Works and Economic Development Act of 1965, the Regional Commission program and the Economic Development Administration.

As a Representative from northern Michigan, I have come to know firsthand just how valuable these programs are to the growth of rural areas of our Nation. My congressional district comprises over one-fourth of the land area of the Upper Great Lakes Region. Michigan's 11th District also includes five economic development districts under EDA.

To begin with, I want to reaffirm my support for the regional concept upon which the title V programs are based. The President himself has emphasized the importance of tackling the problems of economic and population imbalance between the urban and rural areas. It will be difficult enough to rebuild the cities to accommodate their present populations; it will be impossible if the population flow continues. Therefore, it is imperative—not just from the rural standpoint, but from the urban view as well—that we create the jobs and revitalize the communities of rural America as part of a balanced effort to improve the Nation's well-being.

The regional commissions and EDA are vital parts of that balanced effort. In the 11th Congressional District of Michigan, for example, the Upper Great Lakes Regional Commission in fiscal year 1972 alone provided some $1,513,476 in grant moneys that contributed to local development projects totaling over $11.4 million. Some of these projects might have been accomplished without the Commission's assistance. However, I think it is safe to say that the vast majority were completed because the Commission provided needed funds to communities so they could avail themselves of matching assistance from other Federal sources. In effect, under the able leadership of Cochairman Tom Schweigert, the Upper Great Lakes Regional Commission has acted as a catalyst for numerous projects whose financial elements would never have come together but for its efforts.

Likewise, EDA has contributed substantially to northern Michigan's economic growth. In fiscal year 1972, EDA injected into the 11th Congressional District over $5,400,000 for a wide variety of job-producing public projects, business loans and planning studies. Last week, EDA announced the approval of a $2.5 million loan for a manufacturing firm in Menominee, Mich.—a company whose new facilities will be located in the Menominee Industrial Park, also built with EDA funding. This new plant will create 385 new jobs in an area which has experienced an unemployment rate of 10 to 15 percent. It is EDA-assisted projects such as this which are giving new life to small communities across northern Michigan and the Nation.

If we are ever going to overcome the population and economic imbalance between urban and rural America, we must continue to provide this loan and grant assistance. In its proposed fiscal 1974 budget, the administration argues that the functions of EDA and the Regional Commissions can effectively be carried on by loan programs under the Rural Development Act, special revenue sharing programs, and increased business loan guarantees under the Small Business Administration.

I am skeptical about these arguments on two counts. First, the Small Business Administration and the Rural Development Act are primarily geared to provide loan guarantees—not direct grants. These loan policies alone will not be fully adequate in overcoming the peculiar problems of developing rural America. Even with the availability of loan guarantees, rural areas cannot easily obtain the full amount of private capital necessary to finance costly projects such as water delivery systems, airport construction, community facilities, and industrial parks. Therefore, the direct grant moneys provided by the Regional Commissions and EDA still will be desperately needed to compensate for the shortage of capital in small rural communities.

Second, the funding of the Rural Development Act and the special revenue sharing programs is by no means an accomplished fact. While these proposals may eventually provide the necessary Federal assistance for the development of rural America, I do not believe that we can afford to let the grant moneys and delivery systems under title V lapse while we wait for the implementation of substitute programs.

Mr. Chairman, I strongly urge that the Regional Commission and EDA be continued during Fiscal 1974. These programs have served northern Michigan and all of rural America well. They deserve the continued support of the Congress.

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman.

Mr. MAZZOLI. Mr. Chairman, I am proud to represent Kentucky which has benefited so greatly from the pioneering work in the area of concentrated economic development performed by the Appalachian Regional Commission.

Today, I am speaking in favor of H.R. 2246, however, by events which are closer to me and my home district than Applachia.

For nearly 2 years, officials and civic leaders of my home community, Louisville, Ky., have been working tirelessly to develop a proposal which was solicited and encouraged by officials of the present national administration.

The objective of this proposal was to have the Economic Development Administration designate a low-income area of Louisville as a special impact area or SIA.

As one of EDA's special target areas, this section of Louisville would then become the site for a concentrated, well-coordinated, and thoroughly comprehensive effort to bolster the economy and obtain useful, productive employment for its 127,000 residents.

If I might paraphrase the recent words of the President, the designation as a special impact area would provide a great many unemployed and underemployed Louisvillians with an opportunity to "do something for themselves."

To make a long story short, Mr. Chairman, the efforts of the Louisville officials working through the office of Maj. Frank W. Burke and through the Louisville Economic Development Council, Inc., were successful. Louisville met the criteria imposed by the Federal officials in Washington. It won the coveted designation as one of EDA's special impact areas.

But now comes the kicker.

One week before the Commerce Department announced Louisville's victory, the Presidential budget had been released announcing the intention to do away with the Economic Development Administration.

Thus, after all of the effort and the considerable expense which went into developing the Louisville proposal, after meeting all the standards set by officials of this administration, Louisville now has been told that there would not be an Economic Development Administration to carry out the special impact program.

The leaders back home in my district—and all of the others which have worked to cooperate with EDA's special impact program—are suddenly told that their effort may have been in vain, or that it may only partially prove worthwhile.

By passing this bill (H.R. 2246) today, Mr. Chairman, I think we can tell the administration that the people of this country do want to something for themselves.

In my district, the people do want to bring in new industry and commerce to a 9,728-acre inner-city area of economic stagnation.

They do want to see new vocational training centers established so that the job skills of the unemployed and underemployed can be upgraded.

In essence, I think these are the kind of priorities shared by the great majority of the people in all of the congressional districts of this great country.

I urge all of my colleagues to cast their vote today in favor of increasing the self-sufficiency of our less fortunate citizens by voting in favor of this bill. I thank you.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. Mr. Chairman, as a sponsor of H.R. 2246, the Public Works and Economic Development Extension Act, I firmly believe this measure to be one of the most important that the House will consider this year.

I say this because of what is at stake. We are talking about jobs; we are talking about human beings having the opportunity of working to support themselves and their families and functioning as productive citizens. To me there is no higher priority than strengthening the economic well-being of our people.

The administration wants to kill off a number of programs under the guise of improving governmental efficiency. I have no quarrel with this objective but let us not kid ourselves with a lot of talk about improving the utilization of Federal resources by dismembering agencies that do not happen to fit the administration's new federalism scheme. Let us face it, there is a more basic issue at hand. The administration is faced with a mounting deficit and a tax increase because of economic mismanagement.

To worm its way off this fiscal hook the administration wants to dump the blame on the Congress by criticizing us for excessive spending and pointing a finger at us for a tax increase to pay for these programs. Well, I think this approach is full of holes for the simple reason that the programs involved, including those of the Economic Development Administration, are designed to create additional tax revenues because they put people to work.

I am all for controlling excessive spending. In the past 4 years the Congress has cut unnecessary Presidential spending requests by over $20 billion. The cuts have been made in areas where they should be made.

They have not been made in programs that are beneficial to the people of this country.

The administration has attempted to justify the dismantling of EDA on the basis of improving the Federal Government and strengthening local and State government. In this instance the justification is fallacious. First of all, the purpose of the Public Works and Economic Development Act is to provide Federal assistance, in cooperation with the States and localities, to economically depressed areas to help themselves. These areas develop their own plans for economic development and the creation of jobs. At the present time, there is no other Federal program that assists economically depressed areas in this manner.

Improvement of intergovernmental relations through special revenue sharing is broached as a reason for scuttling the Public Works and Economic Development Act. Even if special revenue sharing is enacted it would not become effective until fiscal year 1975, a year after EDA is abolished. There would be no program to fill the gap and our depressed areas would be left holding the bag.

The administration has cited the Rural Development Act as a replacement for the legislation we are considering today. Unfortunately, the administration fails to point out that the Rural Development Act is basically a rural loan program. On the other hand, the public facility program under EDA is a grant program for both urban and rural areas. The loan program is no substitute for the grant program. Distressed areas need grants, not loans.

The programs of the Small Business Administration are mentioned as substitutes for EDA programs. While SBA can complement EDA, it is not an adequate substitute because it is more of a mechanism to assist small businessmen and does not have the legislative wherewithal to carry out economic development activities authorized by the Public Works and Economic Development Act. Specifically, SBA can make direct loans of up to $350,000 to assist small business; EDA through its business development program makes loans in excess of $1 million to create permanent jobs in areas of high unemployment and underemployment.

In closing, Mr. Chairman, I would like to note that the unemployment rate has gone up again. This is no time to kill off programs that are designed to create employment.

Mr. PERKINS. Mr. Chairman, I personally feel we are going to make a mistake here that we have made so often in the past if this legislation is not approved. I have no doubt about the passage of this legislation today, but if we fail to fund it we are going to see a period where nothing is going to be done in the way of economic development in the most distressed areas of America.

The Small Business Administration is no substitute for the EDA. Neither is the Rural Development Administration. The Farmers Home Administration is no substitute. That legislation operates in areas that are not in great need, but the EDA has performed exemplary work in areas like Appalachia. In eastern Kentucky and West Virginia and other sections of the country, SBA is not serving those communities with small resources, because it was not set up to cope with Appalachia's peculiar and unique problems.

The SBA, the RDA, and the Farmers Home Administration have different orientations entirely. They do their own jobs well but they are just not designed to handle massive areawide problems such as we have in Appalachia.

The only program, the only ongoing program, we have in the poorest of the poor communities are the programs of the Economic Development Administration. I would hate to see the work previously undertaken by EDA abandoned on the theory that other governmental agencies will take over. If other governmental agencies are going to take over rural development, it will require a transition period or at least 1 year, and possibly several.

I cannot see why this Congress would go along with any proposal which would leave the most economically disadvantaged sections of the entire country without hope or succor for at least another year.

Passage of this legislation is the least that we can do. If we are going to hold the people in these rural communities such as those I represent, it would take $50 million for the next year for water and sanitation facilities alone. The same thing is true in many of the West Virginia communities, and throughout the Appalachian area. It takes a long time to get a program like the Economic Development Administration into operation, and it has taken several years to bring it to its present level. If the President is determined to dismantle the Economic Development Administration, Congress should serve notice that here is where the line is to be drawn. We should say in a loud voice that the only act that we have in existence to serve the poorest of the poor communities in this country will not be destroyed. We must serve notice that we intend that this act should continue to serve these communities, and continue its task of improving the life of rural America.

I am hopeful, Mr. Chairman, that the vote will be overwhelming on this, and that the necessary funds will be appropriated to carry it out to the full intent of the American people and the Congress that represents them.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MATHIAS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate having the opportunity to express my strong support rural area—an area that has a historifor legislation which provides for a 1-year extension of Economic Development Administration at its present level of funding.

While I am in full accord with the President's goal to hold the line on taxes and inflation by eliminating those programs which have proven to be inefficient or ineffective, I cannot agree that EDA falls into this category.

By ending the EDA program now, many areas in California, particularly the 18th Congressional District, would be unable to cope with unemployment which continues to be a severe problem. The most recent Department of Labor figures for the counties I represented during my first three terms in office show that the average unemployment rate in 1971 for Kern County was 6.3 percent and for Tulare County—7.3 percent. This alarming high rate of unemployment attests to the fact that the need for programs like EDA has not diminished.

Both counties desperately need Federal assistance to stimulate employment. The EDA program, which assists communities in attracting industry and, in turn, creates jobs in the area, is a vital necessity in combating the unemployment problem.

Several of the communities in my district, particularly hard-hit by unemployment, have relied on EDA's assistance. The city of Delano can testify to the importance of the program. The city has laid dormant over an 8-year period; the tax base gained from property sales and other limited sources was so low that a reduction in staff was necessary; no capital improvement programs were possible; and an unemployment rate of 9.4 percent to as high as 23 percent made the city's future bleak.

One of the projects approved by EDA for Delano was the construction of sewer and water facilities in conjunction with the establishment of a 61-acre industrial park at the site of the Delano Airport. This project has the potential for creating more than 1,300 new jobs in Delano. As the city manager of Delano, James Peel, stated:

> The EDA program has enabled the city of Delano to help themselves and it has provided the stimulus to change the future of our community.

In Porterville, EDA assistance provided funds for the construction of capital improvement projects which resulted in new employment opportunities in this rural area—an area that has a historically high unemployment rate. Ed Valliere, the city manager told me that Porterville's participation in the EDA program during a time of stress has proven to be a catalyst for the continued industrial growth and economical stabilization of the community.

EDA assistance has been especially helpful to the minorities living in Visalia. The grants from EDA have opened up job opportunities for Mexican-Americans who, having been displaced by the mechanization of agriculture would be on the welfare rolls. Another important benefit is that there now exists suitable jobs for the young people of this community.

I think worthy of note is a statement by Lynn Dredge, the city manager of Tulare. In referring to the grants the city has received, he states that—

> The EDA funds have been the most productive grant-in-aid dollars which have been provided this community in terms of long-range development and provided employment opportunities for under-employed and unemployed people. When considering the fact that our community has a 5% to 6% unemployment rate, our new industrial park and its first industry will have an immeasurable impact for good on Tulare.

Not only has EDA been effective in aiding industrial growth of cities in my district, it has provided substantial benefit to the Tule River Indian Reservation. As a result of EDA's grant, a community services building has been constructed, providing employment for 26 residents of the reservation, as well as serving as the hub for tribal activities.

I think it is clearly understood, from the above examples, that the benefits resulting from these EDA grants have been of paramount importance. It certainly shows that economically depressed communities have legitimate needs for EDA funds.

I believe that the best way to quickly reduce unemployment is to provide grants and loans for local government and business construction projects which create immediate construction jobs in areas of high unemployment and, thus, will have highly desirable side effects in creating new employment throughout the area.

It has been my experience that EDA has been one of the most functional and expedient agencies that I and my staff have had an opportunity to deal with. EDA is the most effective mechanism yet devised to help in the solution of some of the difficult problems of our Nation. Therefore, I recommend, strongly, that legislation to extend this program be given full support by the Members of the House of Representatives.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, despite some good results from the projects accomplished under the Economic Development Act, in my judgment the time is now ripe for EDA to terminate.

EDA was essentially an emergency public works kind of program. Some even call it a make-work program. It could be justified at a time of widespread economic distress, but it is less relevant now when the economy is moving ahead well.

EDA could still be justified, and be needed if there were no alternative programs. But we have been told today that the proposed administration budget will provide $1.4 billion in loans and grants. For instance, nearly half of the funds expended under EDA are for sewer and water projects. We have lots of competitive programs through other agencies for sewer and water. Other agencies like SBA, Rural Development, HUD, and so forth, also have funds or loans for similar projects.

As the economy gets stronger, and because there are alternatives, EDA begins to look like just another, sometimes redundant, grant-giving agency. Sure it does good things. But so do other agencies. How many programs do we need? In 1970, a town in Minnesota built a sewer plant. It received funds from FWPCA, EDA, FHA, HUD, and the Upper Great Lakes Development Commission. I say it is time for a little consolidation.

The CEA has also recommended termination of EDA. I hope we concur here today. An extra $1.2 billion, as provided by H.R. 2246, will surely wreck the budget. Most of us have expressed interest in holding down expenses this year. We have a good opportunity to do so by voting down H.R. 2246.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MATSUNAGA) having resumed the chair, Mr. ADAMS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period pursuant to House Resolution 295, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GROVER

Mr. GROVER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GROVER. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. GROVER moves to recommit the bill H.R. 2246 to the Committee on Public Works.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. JONES of Alabama. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 278, nays 108, not voting 46, as follows:

[Roll No. 50]

YEAS—278

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Baker
Barrett
Beard
Bevill
Biester
Bingham
Blatnik
Boland
Bolling
Bowen
Brademas
Brasco
Breaux
Breckinridge
Brinkley
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carey, N.Y.
Carter
Casey, Tex.
Chappell
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conte
Conyers
Corman
Cotter
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Foley
Ford, William D.
Fountain
Fraser
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Holtzman
Horton
Howard
Hungate
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keating
Kemp
Kluczynski
Kyros
Landrum
Lehman
Litton
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Mallary
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Mills, Ark.
Minish
Mink
Mitchell, Md.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Poage
Podell
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Randall
Rangel
Rees
Reid
Reuss
Riegle
Roberts
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Scherle
Schroeder
Seiberling
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitten
Widnall
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—108

Anderson, Ill.
Archer
Arends
Armstrong
Bennett
Blackburn
Broomfield
Brown, Mich.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Cederberg
Chamberlain
Clancy
Clawson, Del
Collier
Collins
Conable
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dennis
Derwinski
Devine
Edwards, Ala.
Erlenborn
Esch
Findley
Flynt
Ford, Gerald R.
Forsythe
Frelinghuysen
Frenzel
Frey
Gilman
Goldwater
Goodling
Gross
Grover
Gubser
Gude
Guyer
Hansen, Idaho
Hillis
Hogan
Holt
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Ketchum
Landgrebe
Latta
Lent
McClory
McCollister
Madigan
Mahon
Mailliard
Maraziti
Martin, Nebr.
Mayne
Michel
Milford
Mills, Md.
Moorhead, Calif.
Mosher
Nelsen
Parris
Railsback
Regula
Rinaldo
Robinson, Va.
Rogers
Roncallo, N.Y.
Rousselot
Sandman
Satterfield
Saylor
Schneebeli
Sebelius
Shipley
Shoup
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Teague, Calif.
Towell, Nev.
Treen
Ware
Whitehurst
Wiggins
Williams
Wilson, Bob
Wyatt
Wydler
Wylie
Young, Ill.

NOT VOTING—46

Ashbrook
Badillo
Bafalis
Bell
Bergland
Biaggi
Bray
Brooks
Brotzman
Carney, Ohio
Chisholm
Conlan
Dickinson
Eshleman
Fish
Gettys
Gibbons
Griffiths
Harsha
Harvey
Hinshaw
Holifield
Hosmer
Jones, Okla.
King
Koch
Kuykendall

Leggett
McEwen
Minshall, Ohio
Mitchell, N.Y.
Nichols
O'Brien
Owens
Pickle
Pike
Powell, Ohio
Price, Tex.
Rarick
Rhodes
Rooney, N.Y.
Rosenthal
Teague, Tex.
Waldie
Winn
Young, Fla.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McEwen for, with Mr. Eshleman against.

Mr. Dickinson for, with Mr. Conlan against.

Mr. Mitchell of New York for, with Mr. Young of Florida, against.

Mr. Pickle for, with Mr. Rhodes against.

Mr. Holifield for, with Mr. King against.

Mr. Nichols for, with Mr. Price of Texas against.

Mr. Rooney of New York for, with Mr. Bafalis against.

Mrs. Chisholm for, with Mr. Hosmer against.

Until further notice:

Mr. Gettys with Mr. Ashbrook.
Mr. Brooks with Mr. Harsha.
Mr. Bergland with Mr. Brotzman.
Mrs. Griffiths with Mr. Bray.
Mr. Koch with Mr. Harvey.
Mr. Biaggi with Mr. Fish.
Mr. Badillo with Mr. Leggett.
Mr. Teague of Texas with Mr. Minshall of Ohio.
Mr. Waldie with Mr. Bell.
Mr. Pike with Mr. Hinshaw.
Mr. Gibbons with Mr. Kuykendall.
Mr. Owens with Mr. O'Brien.
Mr. Rosenthal with Mr. Powell of Ohio.
Mr. Rarick with Mr. Winn.
Mr. Carney of Ohio with Mr. Jones of Oklahoma.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 7. An act to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill just considered, and to include therein extraneous matter and that all Members may have 5 legislative days in which to extend their remarks on the bill, and that I may revise and extend the remarks I made in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REHABILITATION ACT OF 1973

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill—S. 7—to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

That this Act, with the following table of contents, may be cited as the "Rehabilitation Act of 1972".

TABLE OF CONTENTS

Sec. 2. Declaration of purpose.
Sec. 3. Rehabilitation Services Administration.
Sec. 4. Advance funding.
Sec. 5. Joint funding.
Sec. 6. Consolidated rehabilitation plan.
Sec. 7. Definitions.
Sec. 8. Allotment percentage.
Sec. 9. Audit.
Sec. 10. Nonduplication.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

Sec. 100. Declaration of purpose: Authorization of appropriations.
Sec. 101. State plans.
Sec. 102. Individualized written rehabilitation program.
Sec. 103. Scope of vocational rehabilitation services.
Sec. 104. Non-Federal share for construction.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

Sec. 110. State allotments.
Sec. 111. Payments to States.
Sec. 112. Client assistance.

PART C—INNOVATION AND EXPANSION GRANTS

Sec. 120. State allotments.
Sec. 121. Payments to States.

TITLE II—COMPREHENSIVE REHABILITATION SERVICES

Sec. 200. Declaration of purpose: Authorization of appropriations.
Sec. 201. State allotments.
Sec. 202. Payments to States.
Sec. 203. State programs.
Sec. 204. Special projects.
Sec. 205. Definition.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

Sec. 300. Declaration of purpose.
Sec. 301. Grants for construction of rehabilitation facilities.
Sec. 302. Vocational training services for handicapped individuals.
Sec. 303. Mortgage insurance for rehabilition facilities.
Sec. 304. Annual interest grants for mortgages for rehabilition facilities.
Sec. 305. Special projects and demonstrations.
Sec. 306. National Center for Deaf-Blind Youths and Adults.
Sec. 307. Rehabilitation Centers for Deaf Individuals.
Sec. 308. Rehabilitation Centers for Spinal Cord Injuries.
Sec. 309. Grants for services for end-stage renal disease.
Sec. 310. Rehabilitation services for older blind individuals.
Sec. 311. National Advisory Council on Rehabilitation of Handicapped Individuals.
Sec. 312. State advisory councils.
Sec. 313. General grant and contract requirements.

TITLE IV—RESEARCH AND TRAINING

Sec. 400. Declaration of purpose.
Sec. 401. Authorization of appropriations.
Sce. 402. Research.
Sec. 403. Training.
Sec. 404. Reports.

TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

Sec. 500. Administration.
Sec. 501. Program and project evaluation.
Sec. 502. Obtaining information from Federal agencies.
Sec. 503. Authorization of appropriations.
Sec. 504. Reports.
Sec. 505. Sheltered workshop study.

TITLE VI—OFFICE FOR THE HANDICAPPED

Sec. 600. Establishment of Office.
Sec. 601. Function of Office.
Sec. 602. Authorization of appropriations.

TITLE VII—MISCELLANEOUS

Sec. 700. Effect on existing laws.
Sec. 701. Federal Interagency Committee on Handicapped Employees.
Sec. 702. National Commission on Transportation and Housing for Handicapped Individuals.
Sec. 703. Architectural and Transportation Barriers Compliance Board.
Sec. 704. Employment under Federal contracts.
Sec. 705. Nondiscrimination under Federal grants.
Sec. 706. Appropriations for fiscal year 1973.

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to provide a statutory basis for the Rehabilitation Services Administration, to establish within the Department of Health, Education, and Welfare an Office for the Handicapped, and to authorize programs to—

(1) develop and implement comprehensive and continuing State plans for meeting the current and future needs for providing vocational rehabilitation services to handicapped individuals and to provide such services for the benefit of such individuals, serving first those with the most severe handicaps, so that they may prepare for and engage in gainful employment;

(2) evaluate the rehabilitation potential of handicapped individuals;

(3) develop, implement, and provide comprehensive rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency;

(4) assist in the construction and improvement of rehabilitation facilities;

(5) develop new and innovative methods of applying the most advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems and develop new and innovative methods of providing rehabilitation services to handicapped individuals through research, special projects, and demonstrations;

(6) initiate and expand services to groups of handicapped individuals (including those who are homebound and institutionalized) who have been underserved in the past;

(7) direct the conduct of various studies and experiments to focus on long neglected problem areas;

(8) promote and expand employment opportunities in the public and private sectors for handicapped individuals and to place such individuals in employment;

(9) establish client assistance pilot projects;

(10) provide assistance for the purpose of increasing the number of rehabilitation per-

sonnel and increasing their skills through training; and

(11) evaluate existing approaches to architectural and transportation barriers confronting handicapped individuals, develop new such approaches, enforce statutory and regulatory standards and requirements regarding barrier-free construction of public facilities and study and develop solutions to existing housing and transportation barriers impeding handicapped individuals.

REHABILITATION SERVICES ADMINISTRATION

SEC. 3 (a). There shall be in the Department of Health, Education, and Welfare a Rehabilitation Services Administration which shall be administered by a Commissioner (hereinafter referred to as the "Commissioner"). The Commissioner shall carry out and administer all programs and direct the performance of all services for which authority is provided under titles I through IV of this Act.

(b) There shall be within such Administration a Division of Research, Training, and Evaluation, which shall be responsible for carrying out programs and projects under title IV of this Act. There shall be within such Division a Center for Technology Assessment and Application, which shall be responsible for developing and supporting, and stimulating the development and utilization (including production and distribution of new and existing devices) of, innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems, and for administration of the activities described in section 402(b)(2). Such Division shall be directed by an Assistant Commissioner, who shall be responsible to the Commissioner and shall be a person of outstanding scientific and technological achievement and learning and shall carry out his responsibilities in consultation with the National Science Foundation and the National Academy of Sciences, and shall be assigned at least ten full-time positions, five of which shall be filled by professionals of qualifications similar to the Assistant Commissioner.

(c) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

(d) In order to carry out the purposes of this Act, the authorized level of full-time personnel, or the equivalent, assigned to the Rehabilitation Services Administration to carry out duties related to the administration of this Act, is increased by sixty.

ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action. the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Services Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101(a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Services and Facilities Construction Amendments of 1970: *Provided*, That the agency administering such State's program under such Act concurs in the submission of such a consolidated rahabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, he may approve the plan to serve in all respects as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or he may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsections (c) and (d) of section 101 of this Act.

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "'comprehensive rehabilitation services" means vocational rehabilitation services and any other goods (including aids and devices) or services provided with funds under titles II, III, or IV of this Act that will make a substantial contribution in helping a handicapped individual to improve his ability to live independently or function normally with his family and community.

(2) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(3) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reasons of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

(4) The term "establishment of a rehabilitation facility" means, the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Commissioner may determine, in accordance with regulations he shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of such facilities), and the initial equipment for such buildings, and may include the initial staffing thereof.

(5) The term "evaluation of rehabilitation potential" means, as appropriate in each case—

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational or comprehensive services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social and behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purpose of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services or comprehensive rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G) (i) the provision of vocational rehabilitation services or the provision of comprehensive rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individual is a handicapped individual, a handicapped individual for whom a vocational goal is not possible or with section 102(c)), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(6) The term "Federal share" means 80 per centum, except that that term means 90 per centum for the purposes of part C of title I and title II of this Act and as specifically set forth in section 301: *Provided*, That with respect to payments pursuant to part B of title I of this Act to any State which are not used to meet the costs of construction of those rehabilitation facilities identified in section 103(b)(2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to that State and that, for the purpose of determining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall, subject to such limitations and conditions as the Commissioner shall by regulation prescribe, be regarded as expenditures by such State.

(7) The term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substan-

tial handicap to employment and (B) can reasonably be expected to benefit from vocational rehabilitation services, or comprehensive rehabilitation services provided pursuant to title II, III, or IV of this Act.

(8) The term "local agency" means an agency of a unit of general local government or of an Indian tribal organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101 (a)(1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational or comprehensive rehabilitation services: *Provided*, That such an arrangement is made part of the agreement specified in this paragraph.

(9) The term "nonprofit", when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c) (3) of the Internal Revenue Code of 1954.

(10) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(11) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation or comprehensive rehabilitation services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals: (A) vocational and comprehensive rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

(12) The term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(13) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure, and any other disability specified by the Commissioner in regulations he shall prescribe.

(14) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be the Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(15) The term "vocational rehabilitation services" means services identified in section 103 which are provided to handicapped individuals under this Act.

ALLOTMENT PERCENTAGE

SEC. 8. (a)(1) The allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Commissioner between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the July 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

AUDIT

SEC. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

NONDUPLICATION

SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approval in accordance with section 101 or for the purposes of providing comprehensive rehabilitation services pursuant to title II of this Act, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a conditin of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any cost with respect to which any payment is made under any other provision of this Act.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 100. (a) The purpose of this title is to authorize grants to assist States to meet the current and future needs of handicapped individuals, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

(b)(1) For the purpose of making grants to States under part B of this title to assist them in meeting costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $700,000,000 for the fiscal year ending June 30, 1973, and $800,000,000 for the fiscal year ending June 30, 1974.

(2) For the purpose of making grants under section 120, relating to grants to States and public and nonprofit agencies to assist them in meeting the costs of projects to initiate or expand services to handicapped individuals (especially those with the most severe handicaps) there is authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

STATES PLANS

SEC. 101. (a) For each fiscal year in which a State desires to participate in programs under this title and pursuant to title II of this Act, a State shall submit to the Commissioner for his approval an annual plan for vocational and comprehensive rehabilitation services which shall—

(1)(A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized to provide vocational and comprehensive rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State plan, and (ii) the Secretary, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to handicapped individuals, and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of the State;

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subclause (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) provide, except in the case of agencies described in clause (1)(B)(i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work; and

(B)(i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1)(B)(ii), either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind to one organizational unit of such agency and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this cause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of handicapped individuals or groups of handicapped individuals the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5)(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including a description of the method to be used to expand and improve services to handicapped individuals with the most severe handicaps; and, in the event that vocational rehabilitation services cannot be provided to all eligible handicapped individuals who apply for such services, show (i) the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and show the order to be followed in selecting individuals to whom comprehensive rehabilitation services will be provided, and (ii) the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving handicapped individuals, established in regulations prescribed by the Commissioner, and

(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps;

(6)(A) contain the plans, policies, and methods to be followed in providing comprehensive rehabilitation services pursuant to title II of this Act, and

(B) provide satisfactory assurances that no such comprehensive rehabilitation services shall be paid for with funds under title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such services;

(7) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan;

(8) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of vocational and comprehensive rehabilitation services, but the Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

(9) providing, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provision of such services to any individual;

(10) provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each handicapped individual eligible for vocational or comprehensive rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept specifying, as to those individuals who apply for services under this title or pursuant to title II of this Act and are determined not to be eligible therefor, the reasons for such determinations;

(11) provide that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (10) of this subsection, periodic estimates of the population of handicapped individuals eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out his functions under this title, and comply with such provisions as he may find necessary to assure the correctness and verification of such reports;

(12) provide for entering into cooperative arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and public employment offices, individuals, veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health, Education, and Welfare, the Veterans' Administration, and other Federal, State, and local public agencies providing services related to the rehabilitation of handicapped individuals;

(13) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation and comprehensive rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community;

(14)(A) provide that vocational rehabilitation and comprehensive rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special consideration will be given to the rehabilitation under this Act of a handicapped individual whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

(15) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

(16) provide for continuing statewide studies of the needs of handicapped individuals and how these needs may be most effectively met (including the State's needs for rehabilitation facilities) with a view toward the relative need for services to significant segments of the population of handicapped individuals and the need for expansion of services to those individuals with the most severe handicaps;

(17) provide for (A) periodic review and reevaluation of the status of handicapped individuals placed in extended employment in rehabilitation facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(18) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provisions of section 313 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction:

(19) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to clause (1) (or each State agency if two are so designated) and any

sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational or comprehensive rehabilitation services (or, in appropriate cases, their parents or guardians), working in the field of vocational rehabilitation, and providers of vocational and comprehensive rehabilitation services; and

(20) provide satisfactory assurances to the Commissioner that the continuing studies required under clause (16) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan.

(b) The Commissioner shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section, and he shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of his intention to disapprove its plan, and he shall afford such State reasonable notice and opportunity for hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in his discretion, that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until he is satisfied there is no longer any such failure. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title for shall limit payments to projects under those parts of the State plan in which there is no such failure).

(d) If any State is dissatisfied with the Commissioner's action under subsection (b) or (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of chapter 7 of title 5, United States Code.

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Commissioner shall insure that the individualized written rehabilitation program required by section 101(a)(10) in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, his parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, his parents or guardians) will be afforded an opportunity to review such program and renegotiate its terms. Such program shall include, but not be limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals, (2) a statement of the specific vocational or comprehensive rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and, (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Commissioner shall also insure that (1) in developing and carrying out the individualized written rehabilitation program required by section 101 in the case of each handicapped individual primary emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal, and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, his parents or guardians), and only upon the certification, as an amendment to such written program, that the evaluation of rehabilitation potential has demonstrated beyond any reasonable doubt that such individual is not then capable of achieving such a goal, and (3) any such decision shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render a handicapped individual employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of emotional disorders, or by a licensed psychologists in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including follow-up, follow-along, and other postemployment services necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided*, That no training services in institutions of higher education shall be paid for with funds under this title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for the deaf, and reader services for those individuals determined to be blind after an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

(7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices.

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, alone or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies; and

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized written rehabilitation program of any one handicapped individual.

NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 104. For the purpose of determining the amount of payments to States for carrying out part B of this title, the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of such facility.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

STATE ALLOTMENTS

SEC. 110. (a) For each fiscal year, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the product of (1) the population of the State and (2) the square of its allotment percentage bears to the sum of the corresponding products for all the States. The allotment to any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under the first sentence of this subsection for any fiscal year which is less than one-quarter of 1 per centum of the amount appropriated under section 100(b) (1), or $2,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining such States under the first sentence of this subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

Sec. 111. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (18) of section 101(a), and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

CLIENT ASSISTANCE

Sec. 112. (a) The Commissioner shall set aside out of funds appropriated under section 305 for special projects and demonstrations up to $2,500,000 but no less than $1,000,000 for the fiscal year ending on June 30, 1973, and up to $5,000,000 but no less than $1,000,000 each for the two succeeding fiscal years to establish in no less than 10 nor more than 20 geographically dispersed regions client assistance pilot programs (hereinafter in this section referred to as "projects") to provide counselors to inform and advise all clients and client applicants in the project area of all available benefits under this Act and to assist them in their relationships with projects, programs, and facilities providing services to them under this Act.

(b) The Commissioner shall prescribe regulations which shall include the following requirements:

(1) All employees of such projects shall not be presently serving as staff, consultants or receiving benefits of any kind directly or indirectly from any rehabilitation project, program or facility.

(2) The staff of such projects shall be afforded reasonable access to policy-making and administrative personnel in State and local rehabilitation programs, projects, and facilities.

(3) The project shall submit an annual report, through the State agency designated pursuant to section 101, to the Commissioner on the operation of the project during the previous year, including a summary of the work done and a uniform statistical tabulation of all cases handled by such project. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Commissioner, together with a summary of such reports and his evaluation of such projects, including appropriate recommendations.

(4) Each State agency may enter into cooperative arrangements with institutions of higher education to secure the services in such projects of graduate students who are undergoing clinical training activities in related fields. No compensation with funds appropriated under this Act shall be provided to such students.

(5) Reasonable assurance shall be given by the appropriate State agency that all clients or client applicants within the project area shall have the opportunity to receive adequate service under the project and shall not be pressured against or otherwise discouraged from availing themselves of the services available under such project.

(6) The project shall be funded, administered, and operated directly by the State agency designated pursuant to section 101.

PART C—INNOVATION AND EXPANSION GRANTS

STATE ALLOTMENTS

Sec. 120. (a) From the sums available pursuant to section 100(b)(2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $50,000 (or such other amount as may be specified as a minimum allotment in the Act appropriating such sums for such year) shall be increased to that amount, and for the fiscal years ending June 30, 1973, and June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a)(2)(A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of three years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than $50,000.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States which he determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

Sec. 121. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State or, at the option of the State agency designated pursuant to section 101(a)(1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including programs to initiate or expand such services to individuals with the most severe handicaps, or of special programs under such State plan to initiate or expand services to classes of handicapped individuals who have unusual and difficult problems in connection with their rehabilitation, particularly handicapped individuals who are poor, and responsibility for whose treatment, education, and rehabilitation is shared by the State agency designated in section 101 with other agencies. The Commissioner may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Commissioner. Any grant of funds under this section which will be used for direct services to handicapped individuals or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through the fiscal year ending June 30, 1976. Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commissioner finds necessary to carry out the purposes of this section.

TITLE II—COMPREHENSIVE REHABILITATION SERVICES

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

Sec. 200. (a) The purpose of this title is to authorize grants (supplementary to grants for vocational rehabilitation services under title I of this Act) to assist the several States in developing and implementing continuing plans for meeting the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible, including the assessment of disability and rehabilitation potential, and for the training of specialized personnel needed for the provision of services to such individuals and research related thereto.

(b) In order to make grants to carry out the purposes of this title, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $25,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975.

STATE ALLOTMENTS

SEC. 201. (a) From sums appropriated to carry out the provisions of this title for each fiscal year, less the amounts reserved by the Commissioner for projects under section 204, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the product of (1) the population of the State, and (2) its allotment percentage bears to the sum of the corresponding products for all of the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $150,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States to the extent he determines such other State will be able to use additional amounts during such year for carrying out such purpose. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purpose of this title, be regarded as an increase in the State's allotment (as determined under the preceding provisions of this section) for such year.

(c) In any fiscal year for which appropriations pursuant to this section do not exceed $20,000,000, the Commissioner, subsections (a) and (b) of this section and section 202(a) to the contrary notwithstanding and subject to the provisions of section 313, shall carry out the purposes of this title by making grants to States and public or nonprofit organizations and agencies to pay the Federal share of the expenditures for such projects. Projects receiving such grants shall be carried out under the State plan approved under section 101 (except for the priorities in the order of selection required by section 101(a)(5)(A)) in a manner consistent with the State program submitted under section 203.

PAYMENTS TO STATES

SEC. 202. (a) From each State's allotment under this title for any fiscal year, the Commissioner shall pay to such State the Federal share of the expenditures incurred during such year under its State program submitted under section 203 and approved as part of the State plan approved under section 101. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

(b) The Federal share with respect to any State shall be 90 per centum of the expenditures incurred by the State during such year under its State program submitted under section 203 and approved as part of the State plan under section 101.

STATE PROGRAMS

SEC. 203. As a condition for receiving grants under this Act for the fiscal year ending June 30, 1974, a State must submit within one hundred and eighty days after the date of enactment of this Act an amendment to its plan submitted to the Commissioner under section 101 or to the Secretary under section 5 of the Vocational Rehabilitation Act which includes a program for provision of comprehensive rehabilitation services to bring about the rehabilitation of handicapped individuals under this title. A State shall also include such a program in its plan under section 101 submitted for each subsequent fiscal year. Such program, in addition to those requirements provided in section 101(a)(6), shall (1) designate the State agency or agencies administering the State plan for vocational rehabilitation as the agency or agencies to administer funds provided under this title; (2) provide that comprehensive rehabilitation services will be provided for the rehabilitation of handicapped individuals only in accordance with the individualized written rehabilitation program required by section 102 and only after the requirements of subsection (c) of such section have been met; (3) describe the quality, scope, and extent of the services being provided; (4) demonstrate that the State has studied and considered a broad variety of means for providing comprehensive rehabilitation services under this title, including but not limited to, regional and community centers, halfway houses, services to homebound and institutionalized individuals, and patient-release programs, where such programs are appropriate and beneficial; (5) be approved or disapproved under the criteria and procedures provided with respect to the State plan submitted under section 101; and (6) conform to such other requirements as the Commissioner by regulation may prescribe.

SPECIAL PROJECTS

SEC. 204. From sums appropriated under section 200(b), the Commissioner may retain not to exceed 10 per centum or $500,000, whichever is smaller, to enable him to make grants to States and public and nonprofit agencies or organizations to pay part of the cost of projects for research and demonstration and training which hold promise of making a substantial contribution to the solution of problems related to the rehabilitation of individuals under this title.

DEFINITION

SEC. 205. For the purposes of this title, the term "rehabilitation" means the goal of achieving, through the provision of comprehensive rehabilitation services, substantial improvement in the ability to live independently or function normally with his family or community on the part of a handicapped individual, who, according to a certification under section 102(c), is not then capable of achieving a vocational goal.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

DECLARATION OF PURPOSE

SEC. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities;

(2) authorize grants and contracts to assist in the provision of vocational training services to handicapped individuals;

(3) to insure mortgages covering the construction of certain nonprofit rehabilitation facilities and authorize annual interest grants to help meet the costs of making principal payments in connection with such mortgages, whether so insured or not;

(4) authorize grants for special projects and demonstrations which hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, which experiment with new types or patterns of services or devices for the rehabilitation of handicapped individuals (including opportunities for new careers for handicapped individuals, and for other individuals in programs serving handicapped individuals) and which provide vocational and comprehensive rehabilitation services to handicapped migratory agricultural workers or seasonal farmworkers;

(5) establish and operate a National Center for Deaf-Blind Youths and Adults;

(6) authorize grants and contracts to establish and operate Rehabilitation Centers for Deaf Individuals;

(7) establish and operate National Centers for Spinal Cord Injuries;

(8) provide services for the treatment of individuals suffering from end-stage renal disease;

(9) authorize grants and contracts to assist in the provision of rehabilitation services to older blind individuals and in the application of new types or patterns of services or devices for the benefit of such individuals;

(10) establish a National Advisory Council on Rehabilitation of Handicapped Individuals to advise the Commissioner and Secretary and conduct reviews with respect to programs carried out under this Act;

(11) establish State Advisory Councils to advise Governors and State agencies in carrying out State plans approved under this Act; and

(12) establish uniform grant and contact requirements for programs assisted under this title and certain other provisions of this Act.

GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, initial staffing, and planning assistance, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973; $10,000,000 for the fiscal year ending June 30, 1974; and $10,000,000 for the fiscal year ending June 30, 1975. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or initial staffing grants made under this section prior to July 1, 1977.

(b)(1) The Commissioner is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Commissioner under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 313.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a)), in such State, except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b)(2) of section 645 of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Commissioner is also authorized to make grants to assist in the initial staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs (determined in accordance with regulations the Commissioner shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

(d) The Commissioner is also authorized to make grants upon application approved by the State agency designated under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 302. (a) For the purpose of making grants and contracts under this section, there is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975.

(b)(1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to handicapped individuals, especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2)(A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to individuals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed $30 plus $10 for each of the individual's dependents, or $70, whichever is less. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of training services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Commissioner may make a grant for a project pursuant to this subsection only on his determination that (A) the purpose of such project is to prepare handicapped individuals, especially those with the most severe handicaps, for gainful and suitable employment; (B) the individuals to receive training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of his need for such services; and (D) the project, including the participating rehabilitation facility and the training services provided, meet such other requirements as he may prescribe in regulations for carrying out the purposes of this subsection.

(c)(1) The Commissioner is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the Federal share of the cost of projects to anaylze, improve, and increase their professional services to handicapped individuals, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

MORTGAGE INSURANCE FOR REHABILITATION FACILITIES

SEC. 303. (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for handicapped individuals.

(b) For the purpose of this section the terms "mortgage", "mortgagor", "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Commissioner, in consultation with the Secretary of Housing and Urban Development, and subject to the provisions of section 313, is authorized to insure up to 100 per centum of any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon, except that no mortgage of any public agency shall be insured under this section if the interest from such mortgage is exempt from Federal taxation.

(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers construction of a public or nonprofit rehabilitation facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Commissioner, who demonstrates ability successfully to operate one or more programs for handicapped individuals. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock of interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section), and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the rehabilitation facility, when the proposed improvements are completed and the equipment is installed, but not including any cost covered by grants in aid under this Act or any other Federal Act.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Commissioner finds necessary to meet the mortgage market.

(e) The Commissioner shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Commissioner is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he shall by regulation prescribe.

(g)(1) The Commissioner shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act. The Commissioner may, pursuant to a formal delegation agreement containing regulations prescribed by him, delegate to the Secretary of Housing and Urban Development authority to administer this section and section 304 of this Act in accordance with such delegation agreement.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) and all references in such provisions to "Secretary" shall be deemed to refer to the Commissioner of the Rehabilitation Services Administration with the Department of Health, Education, and Welfare.

(h)(1) There is hereby created a Rehabilitation Facilities Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Rehabilitation Facilities Insurance Fund.

(2) The general expenses of the operations of the Rehabilitation Services Administration relating to mortgages insured under this section may be charged to the Rehabilitation Facilities Insurance Fund.

(3) Moneys in the Rehabilitation Facilities Insurance Fund not needed for the current operations of the Rehabilitation Services Administration with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Rehabilitation Facilities Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisals and other fees received on account of the insurance of any mortgage under this section, the receipts de-

rived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Commissioner in connection therewith, and all earnings as the assets of the fund, shall be credited to the Rehabilitation Facilities Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary, except that the total amount of outstanding mortgages insured shall not exceed $250,000,000.

ANNUAL INTEREST GRANTS FOR MORTGAGES FOR REHABILITATION FACILITIES

SEC. 304. (a) To assist States and public or nonprofit agencies and organizations to reduce the cost of borrowing from other sources for the construction of rehabilitation facilities, the Commissioner, subject to the provisions of section 313, may make annual interest grants to such agencies.

(b) Annual interest grants under this section with respect to any rehabilitation facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount sufficient to reduce by 4 per centum the net effective interest rate otherwise payable on the loan or to equal one-half of such rate, whichever is the lesser amount: Provided, That the amount on which such grant is based shall be approved by the Commissioner.

(c) (1) There are authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid pursuant to contracts entered into under this section shall not exceed $1,000,000 with respect to contracts entered into prior to June 30, 1973; $2,000,000 with respect to contracts entered into prior to June 30, 1974; and $4,000,000 with respect to contracts entered into prior to June 30, 1975.

(3) Not more than 15 per centum of the funds expended under this section may be used within any one State in any one fiscal year.

SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 305. (a) (1) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there is authorized to be appropriated $22,500,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $25,000,000 for the fiscal year ending June 30, 1975.

(2) Of the amounts appropriated pursuant to paragraph (1) of this subsection, 10 per centum, but in no event more than $5,000,000 in the fiscal year ending June 30, 1973, and $10,000,000 in each subsequent fiscal year shall be available only for the purpose of making grants under subsection (c) of this section, and there is authorized to be appropriated in each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under subsection, an amount of $5,000,000 to be available for the fiscal year ending June 30, 1973, and $10,000,000 for each such subsequent fiscal year.

(b) The Commissioner, subject to the provisions of section 313, shall make grants to States and public or nonprofit agencies and organizations for paying part of the cost of special projects and demonstrations (and research and evaluation in connection therewith) (1) for establishing facilities and providing services which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, especially those with the most severe handicaps, and (2) for applying new types or patterns of services or devices (including opportunities for new careers for handicapped individuals and for other individuals in programs servicing handicapped individuals).

(c) The Commissioner, subject to the provisions of section 313, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational or comprehensive rehabilitation services to handicapped individuals who, as determined in accordance with rules prescribed by the Secretary of Labor, are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other handicapped individuals in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This subsection shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

(d) The Commissioner is authorized to make contracts or jointly financed cooperative arrangements with employers and organizations for the establishment of projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services (determined in accordance with regulations prescribed by the Commissioner) as may be necessary for such individuals to continue to engage in such employment.

(e) (1) The Commissioner is authorized, directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, to provide technical assistance (A) to rehabilitation facilities, and (B) for the purpose of removal of architectural and transportation barriers, to any public or nonprofit agency, institution, organization or facility.

(2) Any such experts or consultants shall, while serving pursuant to such contracts, be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the pro rata pay rate for a person employed as a GS-18, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 306. (a) For the purpose of establishing and operating a National Center for Deaf-Blind Youths and Adults, there is authorized to be appropriated $5,000,000 for construction, which shall remain available until expended, and $500,000 for operation for the fiscal year ending June 30, 1973; $600,000 for operations for the fiscal year ending June 30, 1974; and $700,000 for operations for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, and other services, needed to rehabilitate handicapped individuals who are both deaf and blind, and (B) training the professional and allied personnel needed adequately to staff facilities specially designed to provide such services and training to such personnel who have been or will be working with deaf-blind individuals;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating deaf-blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for or help improve public understanding of the problems of deaf-blind individuals;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of a center for vocational rehabilitation of handicapped individuals who are both deaf and blind, which center shall be known as the National Center for Deaf-Blind Youths and Adults.

(c) Any agency or organization desiring to enter into such agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of such Center, and (2) give promise of offering the most substantial skill, experience, and capability in providing a broad program of service, research, training, and related activities in the field of rehabilitation of deaf-blind individuals.

REHABILITATION CENTERS FOR DEAF INDIVIDUALS

SEC. 307. (a) For the purpose of making grants and contracts for the expansion and improvement of vocational or comprehensive rehabilitation services for deaf individuals (through the establishment of centers or other means), there is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1973; $3,000,000 for the fiscal year ending June 30, 1974; and $5,000,000 for the fiscal year ending June 30, 1975. Funds appropriated pursuant to this subsection shall remain available until expended.

(b) In order to—

(1) demonstrate methods of (A) providing the specialized services needed to rehabilitate and make maximum use of the vocational potential of deaf individuals, and (B) training the specialized professional and allied personnel required adequately to staff facilities designed to provide such services and training personnel who have been or will be working with such individuals;

(2) conduct research in the nature and prevention of the problems of such deaf individuals and in the rehabilitation of these individuals; and

(3) improve the understanding of the general public, employers in particular, of both the assets and problems of such deaf individuals;

the Commissioner, subject to the provisions of section 313, is authorized to make grants to or contracts with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of one or more centers for the vocational rehabilitation of deaf individuals whose maximum vocational potential has not been achieved, which shall be known as Rehabilitation Centers for Deaf Individuals.

(c) Any agency or organization desiring to receive a grant or enter into a contract under this section shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of a Rehabilitation Center for Deaf Individuals, and (2) give promise of offering the substantial capability in providing a broad program of service and related research, training, and other activities in the field of rehabilitation of deaf individuals whose maximum vocational potential has not been achieved.

(d) For the purposes of this section, the Commissioner shall prescribe regulations to—

(1) provide a means of determining the population of deaf individuals whose maximum vocational potential has not been achieved;

(2) insure that, in carrying out the purposes of this section, provision has been made for coordination between the agency or organization receiving funds under this section on the one hand, and the State and local educational agencies in the area to be served on the other; and

(3) provide that an advisory board, comprised of qualified professional and expert individuals in the fields of rehabilitation and education of deaf individuals, be appointed to assure proper functioning of a Center established under this section in accordance with its stated objectives and to provide assistance in professional, technical, and other related areas; and that at least one-third of the members of such board shall be deaf individuals.

(e) To be eligible to receive vocational or comprehensive rehabilitation services under this section, a deaf individual must be sixteen years of age or older, must have reached the age at which the compulsory school attendance laws of the State in which he resides are no longer applicable to him, and must be an individual whose maximum vocational potential (as defined in regulations which the Commissioner shall prescribe) has not been achieved.

(f) Programs carried out under this section shall be coordinated with programs carried out by the Bureau of Education for the Handicapped within the Office of Education in order to achieve a consistent education and rehabilitation philosophy, to provide for continuity of services and program purpose, and to avoid unnecessary duplication or overlap of programs.

NATIONAL CENTERS FOR SPINAL CORD INJURIES

SEC. 308. (a) For the purpose of establishing and operating National Centers for Spinal Cord Injuries, there is authorized to be appropriated $8,500,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this section shall remain available until expended.

(b) In order—

(1) to help establish national centers with special competencies in providing prompt, complete vocational and comprehensive rehabilitation services and acute medical care to individuals with spinal cord injuries;

(2) to assist in meeting the costs of such services to such individuals;

(3) to encourage and assist the study and development of methods for the provision of such services and, where appropriate and desirable, to carry out necessary related research and training; and

(4) to develop new methods of achieving cooperation with and among community and other public and nonprofit organizations concerned with the problems of spinal cord injury;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization to pay all or part of the costs of the establishment and operation, including construction and equipment, of centers to carry out the purposes of this subsection, which centers shall be known as National Centers for Spinal Cord Injuries.

(c) Any agency or crganization desiring to enter into such an agreement shall submit a proposal therefore at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall provide an opportunity for submission of comments by the State agency administering the State plan under section 101, and shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of National Centers for Spinal Cord Injuries, and which include provisions to—

(A) establish, on an appropriate regional basis, a multidisciplinary system of providng vocational and comprehensive rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries including, but not limited to, acute medical care and periodic inpatient or outpatient followup;

(B) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(C) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries;

(D) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities;

and (2) give promise of offering substantial skill, experience, and capability in providing a comprehensive program of services and related activities in the field of rehabilitation of individuals with spinal cord injuries.

GRANTS FOR SERVICES FOR END-STAGE RENAL DISEASE

SEC. 309. (a) For the purpose of providing services under this section for the treatment of individuals suffering from end-stage renal disease there is authorized to be appropriated $8,500,000 for the fiscal year ending June 30, 1973, $20,000,000 for the fiscal year ending June 30, 1974; and $25,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this subsection shall remain available until expended.

(b) From sums available pursuant to subsection (a) of this section for any fiscal year, the Secretary shall make grants to States and public and nonprofit agencies and organizations and agencies for paying part of the cost of projects for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individuals suffering from end-stage renal disease.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

REHABILITATION SERVICES FOR OLDER BLIND INDIVIDUALS

SEC. 310. (a) For the purpose of providing rehabilitation services to older blind individuals, there is authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1973; $15,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, as well as other services, needed to rehabilitate older blind individuals, and (B) training the professional and allied personnel needed to provide such services;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating older blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for, and help improve public understanding of, the problems of older blind individuals,

the Commissioner, subject to the provisions of section 313, is authorized to make grants to and contracts with States and public and nonprofit agencies to pay all or part of the costs of projects and demonstrations (1) for providing vocational or comprehensive rehabilitation services to older blind individuals which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving such services, and (2) for applying new types or patterns of such services or devices to, or for the benefit of, older blind individuals.

(c) For the purpose of this section, the term "older blind individuals" means individuals, age fifty-five and older, whose severe visual impairment makes gainful employment less readily attainable in the light of current employment practices.

NATIONAL ADVISORY COUNCIL ON REHABILITATION OF HANDICAPPED INDIVIDUALS

SEC. 311. (a) There is established in the Department of Health, Education, and Welfare a National Advisory Council on Rehabilitation of Handicapped Individuals (hereinafter referred to in this section as the "Council") consisting of twenty members appointed by the Commissioners without regard to civil service laws shall be from among persons who are leaders in fields concerned with rehabilitation or in public affairs, and ten of such twenty shall be selected from among leading medical, educational, or scientific authorities with outstanding qualifications in the rehabilitation of handicapped individuals. Eight of such twenty members shall be persons who are themselves handicapped or who have received vocational rehabilitation services. Each such member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term and except that, of the members first appointed, five shall hold office for a term of two years, and five shall hold office for a term of one year, as designated by the Commissioner at the time of appointment. None of such members shall be eligible for reappointment until a year has elapsed after the end of his preceding term. The Council shall meet not less than four times a year at the call of the Chairman, who shall be selected from among its membership by the members.

(b) The Council shall—

(1) provide policy advice and consultation to the Secretary and the Commissioner on the planning (including determinations of priorities), conduct, and review of programs (including research and training) authorized under this Act;

(2) review the administration and operation of vocational rehabilitation (including research and training) programs under this Act, including the effectiveness of such programs in meeting the purposes for which they are established and operated and the integration of research and training activities with service program goals and priorities, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this Act) to the Secretary and the Commissioner for annual transmittal to the Congress;

(3) advise the Secretary and the Commissioner with respect to the conduct of independent evaluations of programs (including research and training) carried out under this Act; and

(4) provide such other advisory services as the Secretary and the Commissioner may request.

(c) (1) Adequate technical assistance and support staff for the Council shall be provided from the Office for the Handicapped, the Rehabilitation Services Administration, or from any other Federal agency, as the Council may reasonably request.

(2) There is authorized to be appropriated for the purpose of carrying out this section $50,000 for the fiscal year ending June 30, 1973, $100,000 for the fiscal year ending June 30, 1974, and $150,000 for the fiscal year ending June 30, 1975.

(d) The Council shall review the possible duplication among vocational rehabilitation programs and other programs serving handicapped individuals within the same geographical areas and shall make annual reports of the extent to which unnecessary duplication or overlap exists, together with its findings and recommendations, concurrently to the Commissioner and the Congress. In making these reports, the Council shall seek the opinions of persons familiar with vocational rehabilitation and the employment of persons who have received vocational and comprehensive rehabilitation services in each State as well as persons familiar with labor, business and industry, education and training, health, and manpower programs.

(e) Members of the Council, while attending meetings or conferences thereof, or otherwise serving on business of the Council, or at the request of the Commissioner, shall be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the daily pay rate for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

STATE ADVISORY COUNCILS

SEC. 312. (a) For the purpose of establishing State Advisory Councils, there is authorized to be appropriated $150,000 for the fiscal year ending June 30, 1973, $500,000 for the fiscal year ending June 30, 1974, and $750,000 for the fiscal year ending June 30, 1975.

(b) Any State which receives assistance under this Act may establish and maintain a State Advisory Council, which shall be appointed by the Governor, or, in the case of a State in which members of the State board which governs vocational rehabilitation are elected (including election by the State legislature), by such board.

(c) (1) Such a State Advisory Council shall include as members persons who are familiar with problems of vocational rehabilitation in the State and the administration of vocational rehabilitation programs, and who are experienced in the education and training of handicapped individuals; persons who are representative of labor and management, including persons who have knowledge of the employment of persons who have received vocational rehabilitation services and of the employment of handicapped individuals; and individuals who are handicapped and who are receiving or who have received vocational rehabilitation services and who shall constitute a majority of the total membership of the State Advisory Council.

(2) Such a State Advisory Council, in accordance with regulations prescribed by the Commissioner, shall—

(A) advise the Governor and the State agency on the development of, and policy matters arising in, the administration of the State plan approved pursuant to section 101;

(B) advise with respect to long-range planning and studies to evaluate vocational rehabilitation programs, services, and activities assisted under this Act; and

(C) prepare and submit to the Governor through the State agency having authority over vocational rehabilitation programs, and to the National Advisory Council on Rehabilitation of Handicapped Individuals established pursuant to section 311, an annual report of its recommendations, accompanied by such additional comments of the State agency as that agency deems appropriate.

(d) Upon the appointment of any such Advisory Council the appointing authority under subsection (b) of this section shall inform the Commissioner of the establishment of, and membership of, its State Advisory Council. The Commissioner shall, upon receiving such information, certify that each such council is in compliance with the membership requirements set forth in subsection (b)(1) of this section.

(e) Each such State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (d) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State Advisory Council, except that such rules must provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning vocational rehabilitation.

(f) Each such State Advisory Council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.

GENERAL GRANT AND CONTRACT REQUIREMENTS

SEC. 313. (a) The provisions of this section shall apply to all projects (including annual interest grants) approved and assisted under this title. The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under sections 302, 309, 311, and 312.

(b) To be approved, an application for assistance for the construction project under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which he shall summarize and comment upon in the annual report to the Congress submitted under section 504;

(4) be accompanied or supplemented by plans and specifications in which the consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90-480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5); and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefore, the amount of such grant or contract determined under this title. In case an amendment to an approval application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

(f) A project for construction of a rehabilitation facility which is primarily a workshop may, where approved by the Commissioner as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of handicapped individuals.

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to handicapped individuals or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

(j) With respect to any obligation issued by or on behalf of any public agency for which the issuer has elected to receive the benefits of mortgage insurance under section 303 or annual interest grants under section 304, the interest paid on such obligations and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

TITLE IV—RESEARCH AND TRAINING

DECLARATION OF PURPOSE

SEC. 400. The purpose of this title is to authorize Federal assistance to State and public or nonprofit agencies and organizations to—

(a) plan and conduct research, demonstrations, and related activities in the rehabilitation of handicapped individuals, and

(b) plan and conduct courses of training and related activities designed to provide increased numbers of trained rehabilitation personnel, to increase the levels of skills of such personnel, and to develop improved methods of providing such training.

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a) In order to make grants and contracts to carry out the purposes of this title, there is authorized to be appropriated:

(1) For the purpose of carrying out section 402 of this title $40,000,000 for the fiscal year ending June 30, 1973, $75,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 for the fiscal year ending June 30, 1975, of which 15 per centum in the fiscal year ending June 30, 1973, and 25 per centum in the two succeeding fiscal years shall be available for the purpose of carrying out activities under section 402(b)(2).

(2) For the purpose of carrying out section 403 of this title $32,500,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(b) Funds appropriated under this title shall remain available until expended.

RESEARCH

SEC. 402. (a) The Commissioner is authorized to make grants and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational and comprehensive rehabilitation services to handicapped individuals, especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques; studies and analyses of industrial, vocational, social, psychological, economic, and other factors affecting rehabilitation of handicapped individuals; special problems of homebound and institutionalized individuals; studies and analyses of architectural and engineering design adapted to meet the special needs of handicapped individuals; and related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of handicapped individuals and individuals with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Commissioner is authorized to make grants to pay part or all of the cost of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of providing coordinated and advanced programs of research in rehabilitation and training of rehabilitation research personnel, including, but not limited to, graduate training. Grants may include funds for services rendered by such a center to handicapped individuals in connection with such research and training centers.

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of handicapped individuals and for reducing environmental barriers, and to (B) cooperate with the Office for the Handicapped and State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of handicapped individuals.

(3) Conduct of a program for spinal cord injury research in support of the National Centers for Spinal Cord Injuries established pursuant to section 308 which will (A) insure dissemination of research findings among all such centers, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigators.

(4) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of handicapped individuals in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of handicapped individuals, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of handicapped individuals with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(c) The provisions of section 313 shall apply to assistance provided under this section, unless the context indicates to the contrary.

TRAINING

SEC. 403. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for training, traineeships, and related activities designed to assist in increasing the numbers of personnel trained in providing vocational and comprehensive rehabilitation services to handicapped individuals and in performing other functions necessary to the development of such services.

(b) In making such grants or contracts, funds made available for any year will be utilized to provide a balanced program of assistance to meet the medical, vocational, and other personnel training needs of both public and private rehabilitation programs and institutions, to include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in services to the blind and the deaf, recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of handicapped individuals, including homebound and institutionalized individuals and handicapped individuals with limited English-speaking ability. No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.

REPORTS

SEC. 404. There shall be included in the annual report to the Congress required by section 504 a full report on the research and training activities carried out under this title and the extent to which such research and training has contributed directly to the development of methods, procedures, devices, and trained personnel to assist in the provision of vocational or comprehensive rehabilitation services to handicapped individuals and those with the most severe handicaps under this Act.

TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

ADMINISTRATION

SEC. 500. (a) In carrying out his duties under this Act, the Commissioner shall—

(1) cooperate with, and render technical assistance (directly or by grant or contract) to States in matters relating to the rehabilitation of handicapped individuals;

(2) provide short-term training and instruction in technical matters relating to vocational and comprehensive rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of four years, and such training, instruction, fellowships, and traineeships may be in the fields of rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, prosthetics and orthotics, recreation for ill and handicapped individuals, and other specialized fields contributing to the rehabilitation of handicapped individuals; and

(3) disseminate information relating to vocational and comprehensive rehabilitation services, and otherwise promote the cause of the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment.

(b) The Secretary is authorized to make rules and regulations governing the administration of this title and titles VI and VI of this Act, and to delegate to any officer or employee of the United States such of his powers and duties under such title, except the making of rules and regulations, as he finds necessary to carry out the provisions of such titles. Such rules and regulations, as well as those prescribed by the

Commissioner of the Rehabilitation Services Administration under titles I, II, III, and IV of this Act shall be published in the Federal Register, on at least an interim basis, no later than ninety days after the date of enactment of this Act.

(c) The Secretary is authorized (directly or by grants or contracts) to conduct studies, investigations, and evaluation of the programs authorized by this Act, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, their utilization in gainful and suitable employment, and with respect to architectural, transportation, and other environmental and attitudinal barriers to their rehabilitation, including the problems of homebound, institutionalized, and older blind individuals.

(d) There is authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this Act.

(e) In carrying out their duties under this Act, the Secretary and the Commissioner, respectively, shall insure the maximum coordination and consultation, at both national and local levels, with the Administrator of Veterans' Affairs and his designees with respect to programs for and relating to the rehabilitation of disabled veterans carried out under title 38, United States Code.

(f) With respect to the administration of the program authorized by section 309, the Secretary shall insure that the provision of services under such section is coordinated with similar services provided or paid for under health programs pursuant to other Federal laws.

PROGRAM AND PROJECT EVALUATION

SEC. 501. (a) (1) The Secretary shall measure and evaluate the impact of all programs authorized by this Act, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(2) In carrying out his responsibilities under this subsection, the Secretary, in the case of research, demonstrations, and related activities carried out under section 402, shall, after taking into consideration the views of State agencies designated pursuant to section 101, on an annual basis—

(A) reassess priorities to which such activities should be directed; and

(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities by subsection (a) of such section 402, whether and on what basis such activities should be continued, revised or terminated.

(3) The Secretary shall, within twelve months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendtaions for additional legislation, as he deems appropriate.

(b) Effective after June 30, 1973, before funds for the programs and projects covered by this Act are released, the Secretary shall develop and publish general standards for evaluation of the program and project effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding, in accordance with procedures set forth in subsections (b), (c), and (d) of section 101, whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 504 shall describe the actions taken as a result of these evaluations.

(c) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness no later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

OBTAINING INFORMATION FROM FEDERAL AGENCIES

SEC. 502. Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch of the Government.

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. There is authorized to be appropriated such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 per centum of the funds appropriated under titles I, II, III, and IV of this Act or $1,000,000 for the fiscal year ending June 30, 1973, $1,000,000 for the fiscal year ending June 30, 1974, and $1,500,000 for the fiscal year ending June 30, 1975, whichever is greater, to be available to conduct program and project evaluations as required by this title.

REPORTS

SEC. 504. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act. Such annual reports shall include (1) statistical data reflecting, with the maximum feasible detail, vocational and comprehensive rehabilitation services provided handicapped individuals during the preceding fiscal year, (2) specifically distinguish among rehabilitation closures attributable to physical restoration, placement in competitive employment, extended or terminal employment in a sheltered workshop or rehabilitation facility, employment as a homemaker or unpaid family worker, and provision of comprehensive rehabilitation services, and (3) include a detailed evaluation of services provided with assistance under title I of this Act to those with the most severe handicaps and of comprehensive rehabilitation services provided pursuant to title II of this Act.

SHELTERED WORKSHOP STUDY

SEC. 505. (a) The Secretary shall conduct an original study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops. The study shall incorporate guidelines which are consistent with criteria provided in resolutions adopted by the Committee on Labor and Public Welfare of the United States Senate or the Committee on Education and Labor of the United States House of Representatives, or both.

(b) The study shall include site visits to sheltered workshops, interviews with handicapped trainees or clients, and consultations with interested individuals and groups and State agencies designated pursuant to section 101.

(c) Any contracts awarded for the purpose of carrying out all or part of this study shall not be made with individuals or groups with a financial or other direct interest in sheltered workshops.

(d) The Secretary shall report to the Congress his findings and recommendations with respect to such study within twenty-four months after the date of enactment of this Act.

TITLE VI—OFFICE FOR THE HANDICAPPED

ESTABLISHMENT OF OFFICE

SEC. 600. There is established within the Office of the Secretary in the Department of Health, Education, and Welfare an Office for the Handicapped (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director, who shall serve as a Special Assistant to the Secretary and shall report directly to him, and shall be provided such personnel as are necessary to carry out the functions set forth in section 601. In selecting personnel to fill all positions in the Office, the Secretary shall give special emphasis to qualified handicapped individuals.

FUNCTION OF OFFICE

SEC. 601. It shall be the function of the Office, with the assistance of agencies within the Department, other departments and agencies within the Federal Government, handicapped individuals, and public and private agencies and organizations, to—

(1) prepare and submit to the Secretary, for submission to the Congress within 18 months after the date of enactment of this Act, a long-range projection for the provision of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals;

(2) analyze on a continuing basis and submit to the Secretary, for inclusion in his report submitted under section 504, a report on the results of such analysis, program operation to determine consistency with applicable provisions of law, progress toward meeting the goals and priorities set forth in the projection required under clause (1), the effectiveness of all programs providing services to handicapped individuals, and the eliminaiton of unnecessary duplication and overlap in such programs under the jurisdiction of the Secretary;

(3) encourage coordinated and cooperative planning designed to produce maximum effectiveness, sensitivity, and continuity in the provision of services for handicapped individuals by all programs under the jurisdiction of the Secretary;

(4) provide assistance (including staff assistance) to the National Advisory Council on Rehabilitation of the Handicapped established by section 311 of this Act, the National Advisory Council on the Education of the Handicapped established by section 604 of the Education of the Handicapped Act (title VI, Public Law 91–230), and other committees advising the Secretary on programs for handicapped individuals;

(5) develop means of promoting the prompt utilization of engineering and other scientific research to assist in solving problems in education (including promotion of the development of curriculums stressing barrier free design and the adoption of such curriculums by schools of architecture, design, and engineering), health, employment, rehabilitation, architectural and transportation barriers, and other areas so as to bring about the full integration of handicapped individuals into all aspects of society;

(6) provide a central clearinghouse for information and resource availability for handicapped individuals through (A) the evaluation of systems within the Department of Health, Education, and Welfare, other departments and agencies of the Federal Government, public and private agencies and organizations, and other sources, which provide

(i) information and data regarding the location, provision, and availability of services and programs for handicapped individuals, regarding research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and regarding the current numbers of handicapped individuals and their needs, and (ii) any other such relevant information and data which the Office deems necessary; and (B) utilizing the results of such evaluation and existing information systems, the development within such Department of a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide general and specific information regarding the information and data referred to in subclause (A) of this clause to the Congress, public and private agencies and organizations, handicapped individuals and their families, professionals in fields serving such individuals, and the general public; and

(7) carry out such additional advisory functions and responsibilities, consistent with the provisions of this title, as may be assigned to it by the Secretary or the President, except that such function or any other function carried out under clauses (1) through (5) of this section shall not include budgetary, policy, or program control by the Office over any program.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There is authorized to be appropriated for the carrying out the purposes of this title, $1,000,000 for the fiscal year ending June 30, 1973, $1,500,000 for the fiscal year ending June 30, 1974, and $2,000,000 for the fiscal year ending June 30, 1975.

TITLE VII—MISCELLANEOUS

EFFECT ON EXISTING LAWS

SEC. 700. The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1972. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under the Vocational Rehabilitation Act will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

FEDERAL INTERAGENCY COMMITTEE ON HANDICAPPED EMPLOYEES

SEC. 701. (a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, the Secretaries of Labor and Health, Education, and Welfare, and the heads of such other Federal departments and agencies as the President may designate. The Chairman of the President's Committee on Employment of the Handicapped and the Chairman of the President's Committee on Mental Retardation shall serve as ex officio members of the Interagency Committee, and the Secretary of Health, Education, and Welfare shall serve as Chairman, and the Chairman of the Civil Service Commission shall serve as Vice-Chairman, of the Committee. The resources of such President's Committees shall be made fully available to the Committee established pursuant to this section. The Commissioner shall serve as Executive Director of the Committee. It shall be the purpose and function of the Committee to insure, through the establishment of affirmative action programs, the adequacy of hiring, placement, and advancement practices with respect to handicapped individuals, by each department, agency, and instrumentality in the executive branch of Government, and that the special needs of such individuals are being met.

(b) Each department, agency, and instrumentality in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met.

(c) The Committee shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Committee shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation or other appropriate action to insure the adequacy of such practices. Such report shall also include a description of the effectiveness of the Committee's activities under subsection (c) of this section.

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(f)(1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) There are authorized to be appropriated for salaries and expenses of the President's Committee on Employment of the Handicapped $1,250,000 for the fiscal year ending June 30, 1974. In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified handicapped individuals.

NATIONAL COMMISSION ON TRANSPORTATION AND HOUSING FOR HANDICAPPED INDIVIDUALS

SEC. 702. (a) There is established in the Department of Health, Education, and Welfare a National Commission on Transportation and Housing for Handicapped Individuals, consisting of the Secretary of Health, Education, and Welfare (or his designee), who shall be Chairman, the Secretary of Housing and Urban Development, the Secretary of Transportation and the Secretary of the Treasury (or their respective designees), and not more than fifteen members appointed by the Secretary of Health, Education, and Welfare without regard to the civil service laws. The fifteen appointed members shall be representative of the general public, of handicapped individuals, and of private and professional groups having an interest in, and able to contribute to, the solution of the transportation and housing problems which impede the rehabilitation of handicapped individuals.

(b) The Commission, in consultation with the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, shall (1)(A) determine how and to what extent transportation barriers impede the mobility of handicapped individuals and aged handicapped individuals and consider ways in which travel expenses in connection with transportation to and from work for handicapped individuals can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of handicapped individuals; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new and expanded transportation systems and (B) to make housing available and accessible to handicapped individuals or to meet sheltered housing needs; and (3) prepare plans and proposals for such further action as may be necessary to the goals of adequate transportation and housing for handicapped individuals, including proposals for bringing together in a cooperative effort, agencies, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(c) The Commission is authorized to appoint such special advisory and technical experts and consultants, and to establish such committees, as may be useful in carrying out its functions, to make studies, and to contract for studies or demonstrations to assist it in performing its functions. The Secretary shall make available to the Commission such technical, administrative, and other assistance as it may require to carry out its functions.

(d) Appointed members of the Commission and special advisory and technical experts and consultants appointed pursuant to subsection (c) shall, while attending meetings or conferences thereof or otherwise serving on business of the Commission, be entitled to receive compensation at rates fixed by the Secretary, but exceeding the not daily pay rate, for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(e) The Commission shall prepare two final reports of its activities. One such report shall be on its activities in the field of transportation carriers of handicapped individuals, and the other such report shall be on its activities in the field of the housing needs of handicapped individuals. The Commission shall, prior to January 1, 1975, submit each such report, together with its recommendations for further carrying out the purposes of this section, to the Secretary for transmittal by him, together with his recommendations, to the President and the Congress. The Commission shall also prepare for such submission an interim report of its activities in each such field within eighteen months after the date of enactment of this Act and such additional interim reports as the Secretary may request.

(f) The Commission shall on a frequent and continuing basis, provide to the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, such data and information as it has acquired or developed during the course of its investigations and studies and such reports as it has submitted under subsection (e) of this section. Such Board shall also provide to the Commission such data and information acquired by it as the Commission may reasonably request.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 703. (a) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed of the heads of each of the following departments or agencies (or their designees whose positions are Executive Level IV or higher):

(1) Department of Health, Education, and Welfare;

(2) Department of Transportation;

(3) Department of Housing and Urban Development;

(4) Department of Labor;

(5) Department of the Interior;

(6) General Services Administration;

(7) United States Postal Service; and

(8) Veterans' Administration.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed by the General Services Administraton, the Department of Defense, and the Department of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968 (Public Law 90–480), as amended by the Act of March 5, 1970 (Public Law 91–205); (2) investigate and examine alternative approaches to the architectural, transportation, and attitudinal barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make reports to the President and to Congress, which shall describe in detail the results of its investigations under clauses (2) and (3) of this subsection; and (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable to eliminate the barriers described in clause (2) of this subsection.

(c) In carrying out its functions under this section, the Board shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Acts cited in subsection (b). The provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review.

(d) The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(e) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this section, and the Board may appoint, under the terms and conditions specified in subsection (d) of section 702, such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section.

(f) The Board shall, at the end of each fiscal year, report its activities during the preceding year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (4) and (5) of subsection (b) of this section.

(g) There is authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section $500,000 for the fiscal year ending June 30, 1973; $1,500,000 for the fiscal year ending June 30, 1974; and $1,500,000 for the fiscal year ending June 30, 1975.

EMPLOYMENT UNDER FEDERAL CONTRACTS

SEC. 704. (a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7 (7). The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which he shall prescribe, when he determines that special circumstances in the national interest so require and states in writing his reasons for such determination.

NONDISCRIMINATION UNDER FEDERAL GRANTS

SEC. 705. No otherwise qualified handicapped individual in the United States, as defined in section 7(7), shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

APPROPRIATIONS FOR FISCAL YEAR 1973

SEC. 706. The paragraph entitled "Social and Rehabilitation Services" of Chapter IV of the Supplemental Appropriations Act, 1973 (Public Law 92–607) is amended by striking out "section 103" and inserting in lieu thereof "section 110" each place it appears and striking out "section 104" and inserting in lieu thereof "section 120".

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment to the House amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DU PONT. Mr. Speaker, before we vote on H.R. 17, the Vocational Rehabilitation Act of 1973, I want to express my deep disappointment in the so-called technical modifications made by the other body in their passage of H.R. 17. I refer to their deletion of an amendment which I offered and which was subsequently adopted to section 111(a) of the bill last Wednesday. As my colleagues may recall, the amendment was offered to clarify the intent of the authors of the bill by providing that small states would receive a minimum allocation of $2 million regardless of the given appropriation level. As the committee report noted a certain minimal level of funding is necessary to sustain a program regardless of the size of State involved. Without such a safeguard, a proportionate decrease for all States could deny the smaller States the critical amount of funds necessary to sustain a viable vocational rehabilitation program.

In the other body, however, the larger States prevailed and this clarifying language was deleted, leaving in doubt the question whether the small States will be entitled to receive the minimum of $2 million—a sum which this House has already found to be the absolute minimum required to maintain a sound program. I am disappointed by this action, for I think that small States may be denied the right to receive a sufficient allocation of funds.

I am also particularly dismayed that this same coalition of larger States could delete this language accepted unanimously by the House and still avoid a conference. This procedural shortcut has allowed the other body to thwart the will of this House without coming to the conference table to justify their actions.

Perhaps the only positive element which emerges from the other body's deliberations on H.R. 17 is an apparent agreement to fully review the formula allocation before the next renewal of the legislation. This is a minimum first step, and in the future, I hope both bodies will work together to see that small States are guaranteed the minimum levels required to support a vocational rehabilitation program.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I am delighted to be able to report to this body that after extensive negotiations between the Committee on Labor and Public Welfare of the other body and the Committee on Education and Labor on S. 7, the Rehabilitation Act of 1972, we have reached a consensus which is embodied in the Senate substitute amendment for the House amendment passed by this body last Thursday.

Mr. Speaker, I am extremely grateful for the efforts of all the principals on the committee who have cooperated in bringing this matter to a successful resolution.

In particular, Mr. Speaker, I would like to thank the chairman of the Education and Labor Committee, the gentleman from Kentucky (Mr. PERKINS), and the ranking minority member of the Committee on Education and Labor, Mr. QUIE, and the other members of the committee for their efforts.

I would also like to take this opportunity to thank the Members of the other body for their leadership in this legislation, Senator CRANSTON, Senator RANDOLPH, Senator WILLIAMS, Senator JAVITS, and Senator STAFFORD.

Mr. Speaker, at this point, I would like to make these observations:

The bill before us is basically the same as that passed by the House on Thursday, with these specific changes.

AUTHORIZATIONS

The appropriation authorization level in the compromise for the 3 years are lower than the comparable totals in the House amendment.

Specifically for fiscal year 1973, the total authorization is $913.2 million which is identical to the House amendment figure.

For fiscal year 1974 the compromise contains a total authorization of appropriation of $1,166,450,000 which is $11.8 million lower than the House amendment.

For fiscal year 1975 the total authorization figure of $414,600,000 is $18.25 million lower than the figure in the House amendment.

Thus, Mr. Speaker, I think it is clear that the Senate has gone more than half way to reach an accord with the House and to respond to the fiscal concerns expressed by the President.

CONTRACT DOLLAR MINIMUM AND WAIVER PROVISION IN EMPLOYMENT UNDER FEDERAL CONTRACT PROVISION

Mr. Speaker, two additional amendments agreed to on the House floor in section 704 of the bill, provided for an affirmative action program in the Federal Government for the employment and advancement in employment of qualified handicapped individuals under Federal contracts and subcontracts. The first amendment limited the affirmative action responsibility to contracts of more than $10,000. This was a provision recommended by the General Services Administration. However, since the most recent issuance of comparable Federal regulations—by the Department of Labor, which is also made responsible under S. 7 for the section 704 program—set the cutoff at $2,500.

We agreed to a minimum dollar figure of $2,500.

Second, Mr. Speaker, this provision was amended by the House to provide for a written waiver of its application by an agency head. The House accepted in negotiating with the Senate a waiver provision permitting the President to make a waiver with respect to a contract or subcontract, or a portion of jobs thereunder, in accordance with specifically published guidelines established by him and upon the explicit determination that "special circumstances in the national interest so require" and his stating in writing the reasons for that determination.

SHORT TITLE OF THE BILL: REHABILITATION ACT OF 1972

Mr. Speaker, the House has agreed to keep the reference to 1972 in the short title of the bill and accepted the Senate section 706 to correct certain miscitations to the provisions of this act in the Supplemental Appropriations Act, 1973—Public Law 92-607.

Our very strong mutual intent, Mr. Speaker, is to insure that enactment of S. 7 will remove any legal obstacle—real or imagined—to HEW releasing of the $50 million—above the continuing resolution figure of fiscal year 1972 expenditures—appropriated in Public Law 92-607 for the vocational rehabilitation program.

Mr. Speaker, I think we have a good bill. It is a bill which will serve the very needy and deserving handicapped individuals in our country. I urge adoption of the bill S. 7.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 7 and amendments thereto.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader the program for the remainder of this week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the distinguished gentleman from Massachusetts.

Mr. O'NEILL. I am happy to respond to the minority leader.

There is no further business for today.

The program for next week is as follows:

Monday is Consent Calendar day and there are no bills; and there are no bills scheduled under suspensions.

Tuesday is Private Calendar day, and there are no bills; and no bills scheduled under suspensions.

There will be considered 19 committee funding resolutions from the Committee on House Administration.

On Wednesday there will be considered H.R. 5446, the Solid Waste Disposal Act, subject to a rule being granted.

On Thursday there will be considered H.R. 5445, the Clean Air Act, subject to a rule being granted.

Also on Thursday there will be five committee funding resolutions from the Committee on House Administration.

Conference reports may be brought up at any time, and any further program will be announced later.

ADJOURNMENT OVER TO MONDAY, MARCH 19, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

UNITED STATES FACES ENERGY PROBLEMS

(Mr. BEVILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BEVILL. Mr. Speaker, providing enough energy for our Nation is becoming more and more difficult. In an effort to better understand the problem, I request permission to place in the RECORD a joint statement of the American Gas Association, American Petroleum Institute, Atomic Industrial Forum, Inc., Edison Electric Institute, and National Coal Association.

The statement follows:

TOWARD RESPONSIBLE ENERGY POLICIES

PREFACE

The United States is facing a critical energy problem. The supply of secure and environmentally-acceptable energy will not be adequate to meet prospective demand unless there is a change in the economic and political climate affecting the energy industries.

The few brief local interruptions of energy supplies in the past few years, and the restrictions on sales of natural gas now in effect in a number of states throughout the nation, are only a taste of what may lie ahead a few years from now.

Energy problems must be placed high on the list of our national priorities. Time is of the essence, since it often takes from five to ten years after a decision is made to develop new fuel sources or to construct electric generating facilities before additional energy supplies can be delivered to consumers. Unless prompt actions are taken, serious energy shortages will spread to all parts of the nation.

The attached joint energy statement, "Toward Responsible Energy Policies," has been prepared to alert the nation to the imminence of a major energy crisis and to recommend constructive actions to avert it. We present this statement with the hope that it will make a contribution towards these goals.

Mr. F. Donald Hart, President American Gas Association; Mr. Frank N. Ikard, President American Petroleum Institute; Mr. Charles Robbins, President Atomic Industrial Forum, Inc.; Mr. W. Donham Crawford, President Edison Electric Institute; and Mr. Carl E. Bagge, President National Coal Association.

TOWARD RESPONSIBLE ENERGY POLICIES

The United States is faced with a growing energy problem whch has the potential of developing into a major national crisis. Public awareness of this is vital to its resolution.

The symptoms of difficulty first appeared in the 1960's, although they were largely obscured by an economic slowdown. It became increasingly apparent that we were living on our basic fuel reserves. Fuel additions were not matching fuel consumption, a warning that our energy economy was shifting from one of abundance to one of scarcity. The nation, and particularly the Eastern Seaboard, became more and more dependent upon imports of foreign oil. Natural gas service curtailments began to take place in scattered locations around the country.

Today, natural gas curtailments are becoming more widespread. Domestic oil production from presently proved reserves in the lower 48 states is at maximum levels and excess capacity has disappeared. Demands for low-sulfur fuel oil and low-sulfur coal cannot be met. The energy problem is continuing to worsen, to the point that the nation is on a collision course with a major energy shortage.

Energy—the key to progress

The history of the U.S. is one of unprecedented and unparalleled growth. No nation yet approaches the industrial strength of the U.S. No society in the history of the world has reached its level of prosperity.

Energy, readily available at reasonable cost, has been a major factor in this progress. A worldwide comparison of per capita energy consumption and real income points out the close correlation between the two. The higher a nation's per capita use of energy, the higher its per capita real income. Conversely, nations with low rates of energy consumption have low positions on the per capita income scale. The reduction of poverty coupled with progress toward satisfying rising economic expectations throughout the world will require vast increases in the supply and utilization of energy.

Because of the long history of abundant energy at low cost in the U.S., the nation has come to believe that a limited supply of cheap energy would always be available. One of the most alarming aspects of the current energy situation is that many Americans do not yet realize there is a problem. Even some of those who are aware that a problem exists do not understand its severity or its dangers. They are unaware of the possible impact of inadequate energy supplies upon their day-to-day activities and life styles.

The explosive growth in demand

The public demand for energy in the United States is expected to grow rapidly through the end of the century. Based on a 3.6 percent annual growth rate, a recent study by the U.S. Department of the Interior projects almost a tripling of energy consumption by the year 2000.

Although the share of total energy consumption supplied by each fuel may change, the actual amounts of each energy source which will be required to meet these demands will be far in excess of current levels.

The need for energy growth

One way to conserve energy supplies would be to restrict the growth rate of energy use. This would reduce economic progress. We would fail to achieve our most pressing national goals, including full employment, alleviation of poverty, and protection of our national security. We would have to curtail efforts to clean up our environment, since additional energy will be required to secure needed environmental improvements to treat sewage, to recycle waste, and to remove sulfur from fuels. Little support can be given to the assumption that the nation will choose "no growth" in the energy sector of our economy during the rest of this century. Although every effort must be made to assure that our natural resources are used wisely, and for the benefit of all segments of our society, we must assume a growing energy requirement.

The wise use of energy

An effective means of helping to meet the growing energy demands of the American people is to maximize the efficient utilization of energy in our society and minimize the waste of human and fuel resources. Insofar as practicable, we must strive toward maximum efficiency in the production, distribution and utilization of all forms of energy.

No shortage of resources

The U.S. has sufficient resources to meet its foreseeable energy needs. While the U.S. has become a "have not" nation in terms of usable commercial supplies of fuel, we are still a "have" nation in terms of available resources. Declining reserves of crude oil and natural gas reflect a low level of exploration and development relative to demand, not an exhaustion of these resources. Estimates by government and other informed specialists indicate that potential domestic resources of oil and gas could support substantially higher rates of production. Coal reserves are abundant, and represent a supply of at least several centuries at existing levels of consumption.

Potential uranium supplies for nuclear power are more than adequate, assuming the timely development of breeder reactors. Synthetic oil and gas can be produced from coal. Looking to the longer-run future, liquid fuels can be produced from oil shales and tar sands. There are huge reserves of these minerals in the Western States and Canada.

The forerunners of shortage

A host of vexing problems, some of long standing and others of recent origin, have led to the current tenuous energy supply situation. High on the list are the delays and costs created by a lack of coordinated government policies. The many Federal departments and agencies which rule on energy matters have suffered from the lack of a coherent policy to follow. Their decisions have been piecemeal and inconsistent, based upon narrow and short-run interpretations of conditions affecting particular fuels at a particular time. The results have been chaotic, and have discouraged the development of badly-needed energy resources.

The rapid introduction of stringent environmental standards has further constricted the nation's fuel supply. All existing energy sources have been affected. Oil from the huge Prudhoe Bay field in Alaska is still unavailable due to the long delay in approval of the trans-Alaska pipeline. This, in turn, is delaying the availability of new gas supplies from that area. Federal offshore leasing delays are affecting supplies of both oil and gas. In some states, bills have either been passed or are pending which seek to bar the search for petroleum off of their coasts, and make it difficult to find suitable sites for terminal facilities and refineries. Sulfur restrictions in major cities have curtailed usage of both domestic coal and fuel oil. In some states and in Congress, there are proposals to bar surface mining. Delays resulting from prolonged Federal regulatory procedures and court-ordered environmental evaluations of about 100 nuclear power facilities have slowed development of this important new energy source.

Government efforts to superimpose its direction as a substitute for market forces have exacerbated energy problems. As an example, regulation of natural gas prices at the wellhead by the Federal Power Commission, resulting in artificially low levels, acted to stimulate demand and discourage the search for new supplies. This imbalance led to a shortage of this clean-burning fuel, which could assist in reducing air pollution problems in major urban areas. Such government actions often overlook economic and technological interactions and lead to unexpected and undesirable effects.

Imports are playing and will continue to play a role in meeting the nation's fuel needs. It is inevitable that the U.S. will require larger oil and gas imports in the 1970's and early 1980's. However, attention must be given to the implications of rising energy imports and their impact upon the development of domestic supplies as well as upon national security. Most of the proved petroleum reserves of the world are located in the Eastern Hemisphere. Supplies of oil from some of these sources have been curtailed a number of times. Excessive reliance upon imported fuels would pose grave dangers to our economic health and national defense. In addition, with producing nations now banding together to demand higher prices and impose higher taxes, foreign oil is becoming more costly. Imported liquefied natural gas is now more expensive than domestic gas. The nation should also recognize that growing energy demand in the rest of the world will result in increasing competition for fuels in coming decades. Thus, looking to the future, foreign energy supplies are likely to be neither secure nor inexpensive. However, some of the risks inherent in fuel importation can be reduced by importing both oil and gas from a variety of sources.

Energy industries are also faced with huge capital requirements, and to an increasing extent must obtain these funds from financial markets rather than from internal sources. Adequate profitability is needed to attract the capital required for new facilities.

A long-range commitment to research and development in the energy field is needed. Government R&D programs should be closely coordinated with research efforts of the energy industries.

The importance of time

An all-out effort must be made to strengthen our energy economy. The time to make crucial decisions is now. Continued delay will permit minor shortages and inconveniences to develop into major shortages and serious disruptions. This is because a common characteristic of all significant sources of energy is the long lead time involved in the planning, production, transportation and utilization. Delays can only add to the magnitude of our energy problems.

The objectives of energy policies

There appear to be four main objectives of sound energy policies:

(1) *The development of an adequate supply of energy at reasonable prices,* to permit our nation to enjoy continued economic progress and a high living standard.

(2) *the achievement of relative self-sufficiency through the maximum development and utilization of domestic fuel resources* to the extent justified by appropriate economic and national security considerations, supplemented by oil and gas imports as needed.

(3) *The maintenance of a safe and healthy environment for both present and future generations.* High energy use has provided a high standard of living, but has also been partly responsible for adverse effects upon man's environment. These effects must be squarely faced and met in a balanced and responsible manner.

(4) *The attainment of maximum efficiency in the production, distribution and utilization of all forms of energy.*

There is no real conflict between these goals. By reshaping our energy policies to broaden the energy base, we can provide adequate and secure sources of reasonably-priced energy in harmony with environmental needs. Both nature and the marketplace can be served.

Elements of responsible energy policies

The American Gas Association, the American Petroleum Institute, the Atomic Industrial Forum, the Edison Electric Institute and the National Coal Association, recommend the following basic policies in order to assure adequate supplies of secure and clean energy at reasonable prices:

(1) *Comprehensive energy policies must be formulated* to bring about greater coordination and harmony between Federal, state, and local government agencies whose decisions affect energy industries. Government regulation of energy industries, to the extent that it is necessary, should be streamlined in order to adapt more rapidly to the changing needs and requirements of modern society.

(2) *Energy policies should fully recognize the benefits of the free enterprise system and should be formulated within the context of sound business principles.* Energy fuel prices should relate to actual demand and actual market conditions. Policies which stifle initiative in the development of any form of energy are contrary to the public interest.

(3) *A balance must be struck between the need for environmental protection, and the need for economic development (including energy growth).* National environmental policy should give consideration to the availability and cost of pollution control methods and the resulting impact upon energy prices. Costs must be balanced against the resulting social and environmental benefits.

(4) *Incentives for energy development appropriate to the unique characteristics of fuels and minerals should be strengthened.* An attractive economic climate must be developed which will elicit the massive amounts of venture capital needed to develop new supplies of energy fuels.

(5) *National land use policies affecting both private and public lands, including the Outer Continental Shelf, should be coordinated with national energy policies.* Energy production requires land use. Land use policies must recognize the non-renewable nature of fuel resources and the fact that they, unlike many other products, must be produced where found. Federal leasing regulations should permit optimum utilization of all energy resources in harmony with sound ecological principles. Multiple uses of land should be encouraged.

(6) *Sound and stable import policies should be maintained in order to promote the development of indigenous fuel resources and technology* to the extent justified by appropriate economic and national security considerations. While every effort must be made to meet environmental standards, the nation must also make every effort to minimize its dependence for energy upon those foreign sources which could pose problems of possible supply interruptions. In addition, unlimited fuel imports could represent a serious drain upon our balance of payments position. Import policies should be designed to allow the competitive use of overseas supplies of oil and gas in a manner that will supplement, but not supplant, domestic sources of supply. Such policies must recognize the special problems, such as environmental requirements, which may arise in particular industries or regions.

(7) *The long-range governmental commitment to research* and development in the energy field must be strengthened, and existing cooperative industry/government efforts in research and development must be augmented. Parallel development of both fossil and nuclear fuels is essential if our nation is to meet short- and intermediate-term energy needs as well as longer-run needs. Balanced federal funding is needed to develop new technology which will permit the full utilization of our vast domestic fuel reserves. Primary responsibility for research and development should continue to rest with industry. Government's role should be concentrated mainly in the funding of longer-range programs which do not have an immediate impact, but which do have potential benefits for our nation's consumers of energy.

High priority must be given to projects such as the development of breeder reactors and fusion technology. At the same time, the Federal Government should continue to share with industry the burden of constructing demonstration plants designed to remove sulfur oxides from the stack gases of coal and oil-fired power plants. In addition, more energetic government programs are needed to aid in the development of technology to convert coal to the more environmentally-acceptable gaseous and liquid forms and for utilizing it directly.

There must also be a more active program for conducting the essential research and development of pollution control technology. Government should insure that environmental goals and standards are set with due regard to existing technology and achievable improvements in the state of the art.

(8) *Health and safety regulations should be carefully designed and administered to minimize hazards to workers and the public and maximize operating efficiency.*

(9) *Wise and efficient utilization of all forms of energy should be promoted and encouraged.* Economies in energy consumption can be achieved in homes, transportation, agriculture, business and industry, and government.

(10) *Both industry and government must recognize their obligation to inform the public on energy matters.* Public awareness of the energy situation is a major key to resolving the energy supply situation.

The consequences of failure

The responsibility to maintain a supply of energy which is adequate to meet the needs of our people must be shared by industry and government. It can be met if all segments of American society join together to formulate new energy policies which will remove existing roadblocks to progress.

One overriding need is to sweep away preconceived ideas concerning energy problems. It must be recognized that the era of energy abundance and cheap fuel has ended. Factors such as environmental costs, rising labor and equipment costs, and the need to attract venture capital, must be reflected in prices. The nation's fuel bill is going to go up. Recognition of these basic changes in the energy situation will contribute to a more responsible appraisal of the energy situation and a more realistic approach to the framing of new policies.

The consequences of failure, either by imprudent actions or inaction, are likely to be severe. The result could be an energy shortfall, which could imperil the nation's economic well-being and cause substantial hardships to our citizens. If sound and timely decisions can be reached on energy policies, such a crisis need never arise.

ANTIPOISON WEEK

(Mr. WHITTEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, the period from March 18 through March 24 this year marks the 13th annual observance of National Poison Prevention Week—a theme to which each of us can profitably subscribe, particularly as we think of the youngsters of this Nation.

The most common medical emergency among children comes not from broken bones, not from traffic accidents, not from burns, not from suffocation, although each of these can bring severe hurt and injury to children and anguish untold to parents. Accidental poisoning—that is the most prevalent and persistent threat to the health and safety of youngsters. The loving mother and housewife need only look inside her medicine cabinet or under her kitchen sink or even into her purse to see how this can be.

Where small children live in homes in which they can find medicines, soaps, and detergents, cosmetics, paints and polishes, there poisonings can result—by accidents that can be prevented if adults simply will take greater care.

The Council on Family Health notes that of a total of 131,051 cases of poisoning reported during 1971 to poison control centers over the country, something like 60 percent involved children under 5 years old. Six out of every 10 cases thus show little people finding trouble because they do not know better than to satisfy their curiosity over objects or materials left within reach by adults who should know better. Simple carelessness is the most common cause of poisoning.

The council, which manufacturers of medicines sponsor as a public service, is urging all parents to lead the way in observing Poison Prevention Week by surveying their homes and removing all potentially toxic substances from the sight and reach of children. And, I might add, this would be a wise project for people in childless homes, too.

In closing, some words of wise advice from Dr. Jay M. Arena, past president of the American Academy of Pediatrics, for parents of small children, especially those between 1 and 3 years old:

Always read the labels on household products and medicines before using them. Never tell a child medicine is just like candy. Never store any potentially toxic substance in a food or beverage container—it can be mistaken for food or drink. Always discard medicines promptly when the symptoms of illness have subsided—flush them down the drain and get rid of the empty container.

SKYJACKING LEGISLATION AND INTERNATIONAL TERRORISM

(Mr. MURPHY of New York asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, I would like to comment on an aspect of the current skyjacking legislation being considered by the Interstate and Foreign Commerce Committee; the problem of international terrorism.

On February 27, 1973, I testified before the Transportation and Aeronautics Subcommittee of the Interstate and Foreign Commerce Committee on my legislation concerning air piracy. At that time I told the committee of information that had come to my attention concerning the activities of the Black September Group.

A portion of my statement read as follows:

> I have just learned from confidential sources that at this very moment the F.A.A. is alerting its security forces that the Black September Group is planning a major opera-

tion to hijack a commercial airliner probably in the United States. Their purpose is to use the seized plane and its kidnapped passengers to free political prisoners held in London, Italy and Austria. Several suitcases containing weapons which were to be used in the plot have already been seized. This information is derived from and disseminated by the national and international system of intelligence that has been established to cope with this problem.

Subsequent to my testimony, the FAA denied repeatedly that a document existed containing the information in my statement. I subsequently requested on March 6, 1973, a second appearance before that committee to present the entire text of the FAA Security Bulletin which is as follows:

Security Bulletin

Subject: Black September Organization Hijacking Plans

Information has been received from a reliable source that the Black September Organization (BSO) is planning a hijacking operation for the purpose of releasing Palestinian terrorists held in London, Italy, and Austria. The targeted airline and the time frame for the operation is undetermined at this time. Names of BSO members who reportedly will participate in the operations are as follows:

A. Husayn Abd-Al-Karim Kuhaji carrying Bahrain passport number 72330 issued on 23, November, 71.

B. Salim Bin Abdalia Al-Sayyid carrying Saudi passport number 74 issued on 20, October, 72.

C. Sayyid Salih Lahji carrying Ras-Al-Khaymah passport number 9257 issued 20, October, 72.

D. Salih Bin Ali carrying Saudi Arabian passport number 148 issued on 28, August, 72.

E. Sulayman Bin Abdallah Azzam carrying Somali passport number 3364 issued on 5, September, 72.

The first four names are almost identical with the aliases issued by the BSO terrorists who held officials hostage at the Israeli embassy in Bangkok on 28 December 72. The fifth is probably Abdulla Azzam, Fatah official from Somali who visited the terrorists in their hotel room in Bangkok prior to the operation. Physical descriptions of the four Bangkok terrorists are as follows:

A. Kuhaji: approximately 30–35 years old, approximately 176–177 pounds, tall, sturdy build, stomach protrudes slightly, dark tan complexion, dark brown hair, neatly cut moustache, thin face, does not talk much, was assessed as possible deputy team leader.

B. Sayyid: approximately 30–35 years old, approximately 178 pounds, tall, sturdy build, stomach protrudes slightly, fair complexion, dark brown hair, no pompador, oval face, clean shaven, dark brown eyes, speaks good English and was assessed as being team leader.

C. Lahji: approximately 23–24 years old, approximately 175–177 pounds, tall, dark brown hair, no pompador, brown eyes, lanky build, baby face, his English is poor.

D. Salim Al-Fahri (reported above as Salih Bin-Ali) approximately 28 years old, approximately 178 pounds, tall, sturdy, healthy build, blue eyes, heavy thick eyelashes, dark (African or Mexican) complexion dark, naturally curly hair, no pompador, square face, bearded with long sideburns, claims to have finished four years electrical course in Canada and one year in Australia. Speaks good English. Subject was assessed as explosives expert. He is single and fond of girls.

Two names of the four BSO members who occupied the Embassy are reported to be: Lt. Yasin Muhammad Klim born in Yatta on the West bank; Jamil Shakir Habub born in Jaffa; Adnan Salih Abushaghura born in Jerusalem; and Sabri Shukni Abutawq born in Nazareth. Two names cannot be matched with aliases.

FAA comments:

Numerous reports have been received on Palestinian terrorists moving in and out of Europe. Some of these individuals have been apprehended carrying weapons and terroristic paraphernalia, abandoned suitcases have been found full of weapons and rumors have persisted that a major operation such as a kidnapping, hijacking, assassination, bombing will occur. However, despite these reports, nothing definite has been reported on these terroristic acts except for bombings of facilities, embassies, and letterbombs. Any further information developed on the reported hijacking operation will be forwarded.

James T. Murphy,
Director of Air Transportation Security.

On March 6, 1973, I told the chairman of the Subcommittee on Transportation and Aeronautics that I was firmly convinced that one of the best ways to reduce terrorism in the world is to let the perpetrators know that international law enforcement agencies are aware of their activities. This is the reason I released the information, in the hope that proper preventive measures might be taken.

Yet, within days of my February 27 statement, the tragedy occurred in Khartoum, and, even though the attempted extortion was unsuccessful, this particular terrorist group, the Black September organization, continues to plot further world outrages. In that respect I have received yet another security bulletin that is as ominous as any I have previously seen. The bulletin was dispatched on March 8 by the FAA to the various security agencies, including the director of security of the Air Transport Association. The bulletin reads as follows:

Confirming telephone message the following security bulletin ASE/73/4 received from FAA:

Information has been received from a reliable source that a group of Palestinians plan to either bomb or hijack an Israeli El Al or U.S. airliner. The act to be accomplished in retaliation for shooting down Libyan aircraft over occupied Sinai Peninsula in February 1973. It was reported that terrorists who are to accomplish this act will be disguised as women or priests. Cited activity is expected to take place at some location in Europe. FAA comments the above information is unconfirmed. Palestinians may believe that the recent contact between Golda Meir and President Nixon indicates the U.S. supports shooting down the Libyan airliner by Israel. Any further information developed will be forwarded.

Harry J. Murphy,
Director of Security.

Mr. Speaker, I feel these endless threats and continuing acts of violence against innocent people will only be stopped by affirmative action by the United States. I call again for quick enactment of legislation calling on primary and secondary boycotts for commercial air traffic against nations which continue to provide safe havens to groups such as the Black September organization. I urge the Transportation and Aeronautics Subcommittee to make this a provision of any bill that they report. I urge the President of the United States to take such action immediately in order to prevent what I consider preventable terrorist acts against mankind.

GI HOME LOAN PROGRAM

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HILLIS. Mr. Speaker, as our thoughts, as a Nation, are directed toward matters of peace I would like to take a few moments to discuss one of our Federal programs that has, in my opinion, contributed immeasurably to America's greatness. The Federal program I am referring to is the GI Home Loan program administered by the Veterans' Administration. The realization of an American dream of owning a home has been made possible for literally millions of American families because Congress in its wisdom many many years ago had the foresight to recognize the potential and importance of assisting veterans to own their own home. As property owners family life has been enhanced and it serves as a very foundation for our American way of life, and as the ranking minority Member on the Housing Subcommittee of the House Veterans' Affairs Committee I have more than a casual interest in its success.

A significant enlargement in the scope of the VA loan guaranty and direct loan activities and an indefinite extension of the life of these activities resulted from the enactment of the Veterans' Housing Act of 1970, Public Law 91–506. This act revived unused expired loan guaranty entitlement of nearly 9 million World War II and Korean conflict veterans; eliminated the one-half percent funding fee required to be paid by post-Korean conflict veterans; authorized the VA to guarantee refinancing loans for eligible veterans on their mortgaged homes; authorized the guaranty of loans to purchase condominium residences; eliminated the January 31, 1975 termination date for the direct loan program; authorized direct VA loans to supplement grants for specially adapted housing even though the home is in an area not otherwise eligible for direct loans; and authorized VA to assist veterans eligible for home loans to acquire mobile homes.

During the 2 years, 1971–72, the volume of GI home loans multiplied rapidly. In January 1971, VA guaranteed 14,400 home loans, or 36.7 percent of Government-backed unsubsidized home mortgages, while 24,800 FHA section 203 loans accounted for 63.3 percent of the total. During the next 23 months, however, VA production climbed to 32,100 in December 1972, 73.2 percent of the total.

Both VA guaranteed loans and FHA section 203 loans are dependent upon private capital to finance the construction or purchase of single family residential units. The properties are similar, and the concentrations of these dwellings generally are located in the same areas.

The cumulative number of home loans now exceeds 8 million amounting to almost $94 billion in initial principal. Nearly 360,000 home loans, aggregating close to $8 billion were guaranteed in 1972—the highest annual volume since 1957.

And significantly, at least 180,000 Vietnam veterans bought homes with GI loans, or, almost as many GI loans as all veterans obtained in 1970.

In addition to recognizing this highly successful housing program, I believe it is significant to note that veterans as a group have not only demonstrated that they are responsible citizens by honorable service to this country, but have shown further that they do not take their responsibilities lightly as evidenced by the fact that almost half of the loans obtained by these veterans have already been paid in full and only a nominal percentage have defaulted, many through no fault of their own.

All Members of this House can be justly proud of the achievements of the VA in administering the GI home loan program and in the response of our deserving veterans toward their obligations. We also can be thankful that this is a program which has not been beset by problems and difficulties occasioned by maladministration or questionable practices by private parties in the sale and financing of homes. Most importantly, the GI loan program has many years of productive life ahead, and we can rely upon VA to see that the maximum number of veterans will benefit from it.

USDA HOTDOG REGULATIONS

(Mr. CHAMBERLAIN asked and was given permission to address the House for one minute and to revise and extend his remarks and include extraneous matter.)

Mr. CHAMBERLAIN. Mr. Speaker, as many of my colleagues know, the State of Michigan, with strict meat standards higher than those of many other States, does not allow meat byproducts in hotdogs and other comminuted meat products. Earlier, I again reintroduced H.R. 372 to eliminate the use of stomachs, snouts, spleens, udders, lips, tongues—and various animal offal from such products—with the hope that meat standards throughout the country could catch up with Michigan's higher standards.

Yesterday, the U.S. Department of Agriculture announced its proposed regulations to provide for identification of comminuted meat products; these proposals appear in the Federal Register of March 14.

It would appear, that at this time, the USDA is simply restating their earlier labeling proposals and is recommending that the controversy over what can and cannot go into hotdogs, sausages and other products be resolved simply by labeling the package and leaving the choice to the consumer.

This course of action, I would point out, simply begs the question of whether Michigan should be able to have higher meat standards and virtually insures that all the animal organs that no one would ever knowingly buy, let alone eat, will have a booming market.

Mr. Speaker, I would hope that my colleagues will take a moment to review this proposed regulation. It is my contention that to label a hotdog—frankfurter with variety meat—and expect a consumer to know that means stomachs, snouts, spleens, udders, lips, and so forth, is not telling it like it is.

The USDA will accept comments on their proposed regulations until April 17, 1973. Under the regulations, cooked sausage made primarily with raw skeletal muscle meat, but which could include 15 percent raw or cooked poultry meat, along with water, salt, sweeteners, and curing substances, would be called by a generic name; that is, frankfurter. Cooked sausages with 15 percent raw skeletal meat, and meat byproducts, would be labeled frankfurter with byproducts—or frankfurter with variety meats. In addition, when a binder is used, such as reduced dried skim milk, that ingredient would also be indicated on the label.

Frankly, I am disappointed that the USDA would continue to propose a double standard. It would appear that the resolution of this issue will ultimately have to be made by the Congress if we are to clarify a State's right to set high standards for meat products.

I fully intend to continue to push my "catch-up with Michigan hotdogs" bill to eliminate byproducts from hotdogs and other comminuted meat products. It is not just enough to give the supermarket consumer a choice of labels to try and figure out what is in such products. What about the person eating out? Will restaurants note differences on their menus? Will hotdog vendors carry USDA grade and Michigan grade at baseball games? Will Michigan's standards be downgraded to the lowest common denominator for the sake of conformity?

The USDA suggests that pure skeletal meat hotdogs would cost more—on February 22, 1973, I called attention to a survey conducted by the Michigan Department of Agriculture which refutes this point, and the results of that survey were noted in the RECORD.

Today, I note in the Washington Post that the USDA effort to continue the use of meat byproducts is designed to stabilize the price of meat products. Do we stabilize the market by selling udders, spleens, lips, tongues, snouts, stomachs and the variety of animal offal put into these products. If you packaged this offal separately, you would not stabilize the market, you would drive the consumer away. If such ingredients are so attractive, so nutritious, so full of protein, so helpful to those on a limited budget, then why not sell them individually?

I would suggest, gentlemen, that there is some question as to whose interests are being served in the hotdog question.

TRIBUTE TO THE LATE HONORABLE FRANKLIN H. LICHTENWALTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BIESTER) is recognized for 60 minutes.

Mr. BIESTER. Mr. Speaker, last week I had the sad occasion to announce to my colleagues the death of a former Member of Congress from the Eighth District of Pennsylvania, the Honorable Franklin H. Lichtenwalter.

After a distinguished career in the Pennsylvania House of Representatives, which included service as majority leader and speaker, he came to Congress in a special election, filling the vacancy caused by the death of Charles Gerlach in 1947.

While in Congress, Mr. Lichtenwalter served on the Merchant Marine and Fisheries Committee and the Select Committee on Small Business. His term of office was characterized by dedication to the interests of Bucks and Lehigh Counties which he so ably represented.

After 3 years in the House, he decided to devote full time to his insurance business and therefore was not a candidate for reelection in 1950. He later assumed a post with the Pennsylvania Electric Association and served as its vice president and managing director up to the time of his death on March 4.

Mr. Lichtenwalter shared his considerable abilities with the people of the district during the beginning period of significant growth in the Lehigh and Delaware Valleys, and the eighth district which he knew so well has undergone substantial transformation over the 20-odd years since he was its Representative. The people of Bucks and Lehigh Counties can justly be proud of the contribution he made to this growth through his years of service to the people.

Franklin Lichtenwalter was a respected and engaging gentleman who realized a life of significant accomplishment. Mrs. Beister and I extend our deepest sympathies to Mr. Lichtenwalter's wife and mother on the occasion of his passing.

Mr. ALBERT. Mr. Speaker, I join with the Pennsylvania delegation, the Members of the 80th Congress, and others who served with the late Representative Walter Lichtenwalter, in expressing my sorrow on learning that he had passed away. Although we sat on opposite sides of the aisle, we had a pleasant and friendly relationship, and the sense of identity shared by Members of the same congressional class. Walter was a former majority leader and speaker of the Pennsylvania House of Representatives and well understood the functions of leadership at that time, I daresay, better than I.

He contributed substantially to the important work of the Committees on Merchant Marine and Fisheries and the Select Committee on Small Business. Having been a businessman, he brought to the latter committee expert knowledge and practical experience which was very valuable to them.

Walter did not seek reelection to the 82d Congress, returning instead to private business where he resumed a successful career which he pursued until his death. He was a dedicated legislator during his service in the House, successful in this as in all his undertakings.

I deeply regret to learn of his passing and extend his family and friends my heartfelt sympathy.

Mr. MORGAN. Mr. Speaker, I rise to join my colleagues today in paying tribute to an outstanding son of Pennsylvania and a close friend with whom I was privileged to serve in this body—Hon. Franklin H. Lichtenwalter—who died eariler this month.

Franklin Lichtenwalter's service to the State of Pennsylvania spanned almost 35 years. From 1938 until 1947 he was a member of the State house of representatives, serving as Republican majority leader from 1943 to 1946 and as speaker in 1947.

He came to Washington that same year after winning a special election to fill the seat left vacant by the death of Charles L. Gerlach. I well recall his interest in the legislative process of the House of Representatives when he arrived here in November 1947. That same interest and sense of service was evident during the subsequent full term to which he was elected in 1948.

I grew to know Franklin Lichtenwalter very well during those years and my admiration for his abilities increased as the opportunities multiplied to observe his contributions to the public good.

It was a loss to the House when he decided to retire from public life and return to his private business interests. Yet his sense of civic responsibility never left him and he continued to be active in many good causes in the Harrisburg and Lehigh County area.

The passing of this outstanding former public official is mourned by all who knew and respected him. My wife joins me in an expression of deep sympathy to his wife, Marguerite, and to his mother, Mrs. Ellen Ash Lichtenwalter.

Mr. SAYLOR. Mr. Speaker, we have a tendency to remember those departed Members of this House in terms of their service to this House and the Nation. That is natural, of course, but I recall the career of the late Franklin Lichtenwalter of Pennsylvania, not so much from his service here, but from his long and distinguished career in the House of Representatives of the State of Pennsylvania.

Many Members have come to this House after serving in State legislative bodies, and Frank Lichtenwalter was one of those, but few bring with them as distinguished a claim to fame as did Representative Lichtenwalter. By the time he came to Congress after a special election in 1947, he was already a legend in our State government. He served 9 years in the Pennsylvania House; 3 of those years as majority leader and 1 year as speaker of the State house of representatives.

When I was just a boy in terms of political experience after the Second World War, Mr. Lichtenwalter was one of those who encouraged me to doff my naval uniform and jump into the political waters of Pennsylvania. I can recall wondering, in 1949, if I were not being a bit audacious in trying to follow such a distinguished Pennsylvanian to the U.S. House of Representatives without the weight of experience and service to community which Frank Lichtenwalter had when he moved to Washington. However, he was most helpful during my own special election campaign and his encouragement and decisiveness were instrumental in shaping my first campaign for Congress.

No man who has served his State with distinction is ever truly "retired" from public life and that was certainly the case with Frank. With affection, I remember our conversations on the subject of Pennsylvania's energy industry, which he was instrumental in building. To the day of his recent death, he was concerned with all the ramifications of electrical production in our State. His service to his State and to the Nation as a Member of two great deliberative bodies, were reflected in his work with the Pennsylvania Electric Corp.

I was saddened by the news of his passing and extend his surviving family, my deepest sympathy. They surely know, as I know, that his name will forever be remembered as a truly outstanding servant of the people of the State of Pennsylvania.

Mr. EVINS of Tennessee. Mr. Speaker, I am pleased to join with my colleagues from Pennsylvania and others in paying a brief but sincere tribute to the memory of our former colleague, Congressman Franklin H. Lichtenwalter of Pennsylvania, who passed away on March 4 last.

I remember Mr. Lichtenwalter well—he served as speaker of the Pennsylvania Legislature prior to his election to the Congress in 1946.

It was my pleasure to serve with him on the Small Business Committee, where he committed himself with distinction and great ability.

Certainly Frank Lichtenwalter will be missed, and I want to take this means of extending to the members of his family this expression of my deepest and most sincere sympathy in their loss and bereavement.

Mr. FISHER. Mr. Speaker, I just received the sad news of the death of our former colleague, the Honorable Franklin H. Lichtenwalter, of the State of Pennsylvania. It was my pleasure to serve with him during the two terms that he was a Member of this body. It will be recalled that he did not choose to seek a third term.

Those who remember Mr. Lichtenwalter will recall that he was a thoroughly honorable man in every respect. He was an effective representative of those who elected him. Always affable and friendly, he always commanded respect and he wielded a wholesome influence. The Nation was better off because this distinguished man served in the House of Representatives.

As I remember him, Mr. Lichtenwalter always put the welfare of the country ahead of political considerations. His ambition was to serve his country well, and that he did in a most commendable manner.

To his survivors I extend my deepest sympathy in their bereavement.

Mr. DORN. Mr. Speaker, we appreciate the opportunity given us by Congressman BIESTER to pay tribute to the memory of our former colleague Franklin H. Lichtenwalter of Pennsylvania. I remember him well, and extend my sympathy to his friends and loved ones. Mr. Speaker, Congressman Lichtenwalter and I shared a common bond, as we were both Members of the 80th Congress freshman class. This group of freshmen Congressmen was perhaps the greatest and most famous in history. Included were John F. Kennedy and Richard Nixon. Lyndon Johnson, although elected earlier, also served in the House during the 80th Congress. We look back upon those momentous days, and we remember Franklin Lichtenwalter. It was a pleasure to serve with him. Again, Mr. Speaker, may we offer our sympathy and respect on the occasion of his passing.

Mr. GERALD R. FORD. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Representative Franklin Lichtenwalter of Pennsylvania. I was saddened by his untimely passing on March 4.

Though he served in this body for only a short time—from 1947 to 1951, he represented Pennsylvania's Eighth District well. During his years in Congress, Franklin Lichtenwalter acquired the respect and admiration of his colleagues. He did an outstanding job on the Select Committee to conduct a study and investigation of the problems of small businesses and the Merchant Marine and Fisheries Committee.

Prior to being elected to the House of Representatives, Franklin Lichtenwalter compiled an excellent record in the Pennsylvania State Legislature as representative from Lehigh County. During his 8 years in the legislature, he served as majority leader and House speaker.

I extend to his wife, Marguerite, and his mother, Ellen Ash Lichtenwalter, my deepest sympathy for their personal loss.

GENERAL LEAVE

Mr. BIESTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today in tribute to our former colleague, the late Honorable Franklin H. Lichtenwalter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONGRESSMAN HANSEN OF IDAHO INTRODUCES LEGISLATION TO CREATE A NATIONAL FLAG COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 10 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, today I am introducing H.R. 5703, a bill to establish a National Flag Commission. I believe that most of us are aware of how badly a revision of the Federal flag laws is needed. Our present flag code, found in sections 173 and 178 of title 36, contains provisions originally drafted by a National Flag Conference in 1923 and adopted by Congress in 1942. In many respects this law is outdated and unclear. It stands only as a guide to be followed on a voluntary basis by U.S. civilians and civilian groups. It does not purport to cover all possible situations in which questions relating to display and use of the flag might arise. For example, the question of who has the authority to order the flag flown at half-mast and when, a subject which caused a heated controversy around the Nation a couple of years ago, is not covered by this code.

Much of the present confusion concerning proper usage and display of the flag results from the fact that every State has its own flag law with varying provisions and penalties, some of which have recently been found unconstitutional. Surely, if our flag is to be truly a national flag, regulations concerning its usage and enforcement of these laws should be by the National Government. The Flag Commission could examine the desirability of a new Federal flag code that would either preempt the present State laws or serve as a model for the individual States thus providing a uniformity of law that would eliminate the source of much controversy.

During the height of the antiwar dissension, each of us shared a feeling of sadness over the extent to which our flag became, as a magazine described it, "the emblem of America's disunity." While some seized upon our national emblem as the object of flamboyant protest, others used the flag against those who would dissent from national policies, and still others capitalized on the feelings of each of these groups and exploited the flag for commercial gain by using it to sell a wide range of merchandise from shirts to trash bins and from silver pens to toilet paper.

Now that much of the emotionalism has subsided, I feel that it is timely to introduce this bill, which I believe will lead to a reassertion by Congress of its concern for the flag without fueling the emotionalism that surrounds our noble banner. It creates a nine-member Flag Commission charged with the responsibility of undertaking a comprehensive "study of the prevailing laws, customs, and conventions governing the use and display of the flag of the United States, with a view toward clarifying and codifying such laws, customs and conventions."

The members of the Commission would be appointed by the President and would include two Members of Congress, one from each party, two representatives from the Departments of Heraldry of the Armed Services, one from the American Legion, and three persons from the general population. By providing this membership, the Commission would have members from groups most familiar with and concerned with the laws pertaining to proper display and usage of the flag, and also from the Departments to which most organizations generally look for guidance as to the interpretation of various provisions of the flag code. The Members of Congress appointed to the Commission could take an active role in seeing whatever proposals they make will receive appropriate consideration by Congress. The Commission report would be submitted to the President and Congress no later than January 1, 1975.

Mr. Speaker, at this time I would like to acknowledge the fact that the idea behind this bill is due largely to the tireless efforts of Mr. Otha McGill, chairman of the Flag Education Committee of American Legion Post 77 in Paul, Idaho. Mr. McGill has very strong convictions that frequent signs of disrespect for the U.S. flag is attributable to the lack of clear guidelines and an understanding of the symbolic importance of the flag. He communicated his ideas to me and our correspondence has resulted in the bill.

I hope that each of my colleagues will support this legislation as a sensible approach toward solutions to controversies surrounding our flag. It is a timely effort in light of the Nation's impending Bicentennial celebration. I believe that a careful study and redrafting can provide a start to bringing the flag back as the symbol and property of all Americans.

SIMPLIFY TAX LAWS AND TAX FORMS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RINALDO) is recognized for 20 minutes.

Mr. RINALDO. Mr. Speaker, now that this year's income tax season is upon us, we are once again bearing witness that the Federal income tax laws and the income tax forms remain exceedingly complex. This is further evidence by the fact that more than 50 percent of the income tax returns are prepared by individuals other than the taxpayers themselves. The results of this heavy reliance on commercial tax preparers are very disheartening. Reports in the newspapers and journals demonstrate that the lack of competence and integrity among many of these tax preparers is indeed a serious national problem which Congress must deal with promptly. Clearly, the 36 million taxpayers who seek commercial tax preparation assistance need to be protected against incompetent and unscrupulous preparers.

Particularly in recent years, we have seen the tax preparation industry mushroom. These businesses range in size from a national network of offices to a one-man operation in the corner of a garage or back room of a local bar. These preparers operate freely with very little control over the quality of their product.

How can this be corrected? The best solution, of course, would be to simplify the tax laws and the tax forms so that the average taxpayer would be able to complete his own return. I am sorry to say, however, that any hope to accomplish this objective in the foreseeable future is unrealistic. We can improve conditions considerably, however, if we regulate the tax practitioners as we do other businesses that perform widespread services for the public. I will introduce a bill Thursday which will accomplish this objective.

My bill would require all individuals who prepare another person's tax return for a fee to be licensed by the Secretary of the Treasury. Attorneys and certified public accountants would be exempt because they currently operate under very strict codes of ethics prescribed by their professional asociations. Others, however, would be required to meet certain qualifications which would be prescribed by the Secretary of the Treasury. The license would be valid for a period of 2 years unless it is revoked or suspended. A fee of up to $50 could be charged for the issuance of the license.

The license could be revoked or suspended if the licensee misrepresented his qualifications in obtaining the license, misrepresented the type of service he can provide, or intentionally misrepresented any item of information in the tax form.

My bill also sets forth actions the Secretary of the Treasury may take against tax preparers under specific conditions. Such causes for action would be fraudulent preparation of a return or failure of the preparer to sign the return.

Each licensed practitioner would be required to complete a form as required by the Secretary of the Treasury, stating the names, addresses, and the identification numbers of all taxpayers for whom he furnishes services.

By requiring commercial tax preparers to be licensed, we could effectively prevent the unscrupulous practitioner from deceiving the public about his qualifications. Under the licensing procedure, the taxpayer would have the assurance that his return is being prepared in a competent manner. Moreover, the individual would be assured that he would get a properly prepared return so long as he sought the services of a licensed practitioner.

Under present conditions, an individual can often get as many different results as there are preparers to complete his return. To illustrate, I can refer to the April 9, 1972, issue of the Washington Star which reported the results of a recent survey in which a reporter assumed a fictitious identity and hired seven commercial firms to prepare a return based on the same set of facts. All seven of these preparers produced different amounts of refunds which ranged from $570 to $801.

Another similar survey, using a different set of facts, was reported in the April 7, 1971, issue of the Wall Street Journal. The results showed that four out of five preparers computed refunds which ranged as high as $652, while the fifth preparer calculated that the taxpayer owed the Government $141. While some margin of difference can be reasonably expected, a closer examination of certain items of income and expense in the above survey showed even wider variations. Moreover, items that were clearly not legally deductible were listed as deductions, reflecting not only unqualified preparers but activity bordering on fraud.

Mr. Speaker, my proposal would also establish severe penalties for preparers who negligently or intentionally understate the amount of tax to be paid. The preparer would be liable to the Federal Government for 50 percent of the amount of the understatement.

In my opinion, this penalty would act as an effective deterrent to those preparers who have cheated the Government out of the proper tax.

In testifying last year before the House Government Operations Subcommittee on Legal and Monetary Affairs, Internal Revenue Commissioner Johnnie Walters revealed that in past years the Internal Revenue Service has proceeded in only a small number of the most flagrant fraud cases. However, in a more determined recent effort to check on preparers in seven regions, the IRS found that out of 3,174 preparers, 2,200 had prepared incorrect returns. While incompetence was the prime cause, at least several hundred were suspected of being fraudulent.

Shortly before Mr. Walter's testimony was presented, Secretary of the Treasury John Connally told the National Association of Broadcasters that a survey of several hundred tax returns completed in the southeastern United States indicated that 97 percent of those prepared by persons other than the taxpayer were fraudulent and that 40 of these preparers had been indicted.

The Internal Revenue Service is trying desperately to crack down on these "tax experts," but, as Mr. Walters stated, congressional action would be required to provide his agents with new help.

Last year, across the Nation, 127 preparers pleaded guilty or were convicted under present laws. As of March this year there have been 95 indictments, 31 arrests, and 12 acquittals or dismissals in connection with these tax preparers. This year the IRS reports that in its shopping survey 1 out of every 4 tax returns prepared by someone other than the taxpayer was fraudulent. While some progress has been made due to publicity and extended service by the IRS, the energies and good intentions of the Service were not enough to stop these fly-by-night "experts."

My bill would curtail this widespread incompetence and fraud perpetrated by tax preparers. It would prevent incompetence by granting a required license only if the individual demonstrates his ability to prepare a return accurately. Fraud would be minimized by my bill because it would place greater control over preparers and subject them to greater accountability and the risk of penalty if fraud is committed. My bill would facilitate auditing all the returns prepared by a suspected preparer, since the bill requires the preparer to complete a form, as prescribed by the Secretary of the Treasury, on which he would list information concerning the taxpayers for whom he performed a tax service. In general, my bill would improve immeasurably the quality of commercial tax return preparation for those 36 million taxpayers who rely on this type of service each year.

What really needs to be done, Mr. Speaker, is for the Internal Revenue Service to issue forms that are more easily understood so that the average taxpayer need not require assistance in filing a return and then fall prey to unscrupulous consultants. But, until that time, legislation of this type is needed.

RIGHT OF CONSCIENCE IN ABORTION PROCEDURES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, on February 27, I introduced H.R. 4797, the Right of Conscience in Abortion Procedures Act. The bill would require medical institutions to provide employees the right and the opportunity to sign statements of conscientious objection to participation in abortion procedures.

I am pleased to reintroduce this legislation today with 40 cosponsors. The support which has been given to this bill by my colleagues demonstrates, I believe, the concern which exists throughout the country about the right of individuals to live by their own moral code. Since introducing the legislation I have received letters from all parts of the country—my own State of Massachusetts, Pennsylvania, Minnesota, and California—to name a few. All those who contacted me expressed their own concern for the protection of individual rights.

Mr. Speaker, conscientious objection to the taking of unborn life deserves as much consideration and respect as does conscientious objection to warfare. The Federal Government should never be party to forcing hospital personnel to perform tasks which they find morally abhorrent. In a spirit of fairness, I strongly believe that the Congress should act favorably on this matter, despite whatever personal feelings Members may have on the matter of abortion itself.

The issue here is the right of every individual to live according to his or her personal moral code. I will be working with my colleagues in the House to see this bill through to final passage.

I am submitting for the Record a list of the cosponsors and the text of the legislation:

Cosponsors of H.R. 4797

Mr. Archer, Mr. Burke of Massachusetts, Mr. Don Clausen, Mr. Cronin, Mr. Delaney, Mr. Derwinski, Mr. Esch, Mr. Forsythe, Mr. Gude, Mr. Gunter, Mr. Hanrahan, Mr. Hansen of Idaho, Mr. Helstoski.

Mr. Holifield, Mrs. Holt, Mr. Howard, Mr. Huber, Mr. Hudnut, Miss Jordan, Mr. Ketchum, Mr. Kuykendall, Mr. Lujan, Mr. Madigan, Mr. Mazzoli, Mr. McCollister.

Mrs. Mink, Mr. Moakley, Mr. Nedzi, Mr. Obey, Mr. Powell, Mr. Quie, Mr. Rhodes, Mr. Rinaldo, Mr. Roncallo of New York, Mr. Roy, Mr. Ryan, Mr. J. William Stanton, Mrs. Sullivan, Mr. Whitehurst, Mr. Zwach.

H.R. 4797

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Right of Conscience in Abortion Procedures Act."

Sec. 2. Eligibility of each hospital, clinic, and other medical institution to apply for Federal financial assistance shall also be contingent upon certification satisfactory to the Federal agency administering the program under which such assistance is made available that such hospital, clinic, or institution has afforded all employees who may be directly involved in the procedure of abortion or the disposition of any aborted fetus the right and opportunity to sign a statement of conscientious objection to participation in such procedure or disposition, and that such statements are honored in full without discrimination in regard to the terms of employment or opportunities for promotion and advancement. Such eligibility shall also be contingent upon the keeping of all such statements on file by such hospital, clinic, or institution, and the availability of such file for inspection by such Federal agency.

VIETNAM DRAFT EVADERS AND DESERTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. Edwards) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the ending of U.S. involvement in the Vietnam war has brought the issue of amnesty for draft evaders and deserters once again to the surface of national debate.

I have made my position on amnesty clear before, and I must say that the ending of the Vietnam war has not changed my opinion. I am still opposed to amnesty, not so much out of vindictiveness toward the deserters and evaders, but out of respect and admiration for those who chose to serve their country and its ideals. To grant amnesty would tarnish the esteem in which we hold those men who answered the call.

Mr. Speaker, there is no way to forget the over 50,000 Americans who died in this war. There is no way to forget the 300,000 Americans who were wounded in Vietnam or the 2½ million Americans who served there. There is no way to forget the sight of American prisoners of war returning home after years of hardship, with "God bless America" still their creed.

And as long as we remember the sacrifices of these brave men, we cannot allow a draft evader or deserter to come home unless he pays the full penalty. Those men who served had at some point the same option taken by the deserters and evaders. But they rejected it and elected instead to fulfill their military obligation.

One of the arguments most often advanced in favor of amnesty is that granting forgiveness will help bind up the wounds of division brought on by the Vietnam war. But holding this argument up in the light reveals its transparency. Rather than having a healing effect, granting amnesty would reopen thousands of wounds suffered by those who served in Vietnam. The families and loved ones of those who maintained their loyalty and went to Vietnam, some to die there, would certainly experience no healing sensation by seeing those who refused to serve welcomed back with open arms.

There is bound to be a feeling of relief and charity following such a long and painful war, and well there should be. But I believe we should reserve our charity and our expressions of good will for those Americans who remained loyal to their country. Granting amnesty to Americans who turned their backs in a time of national need would write a very unhappy ending to this long and unhappy war.

ATLANTA SYMPOSIUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, today I submit for inclusion in the Record, remarks of Gen. William Westmoreland, Senator Sam Ervin, of North Carolina, and others recently made in Atlanta at a Time, Inc., symposium on "The Role of Congress," regarding congressional committees. The moderator was Louis Banks, editorial director, Time, Inc.

The material follows:

Mr. Banks. I think I saw General Westmoreland's hand up. Would you make your way to the microphone.

Gen. William C. Westmoreland. I suppose, Mr. Chairman, by virtue of the fact that I have been somewhat under the influence of the Executive Branch for a number of years, I have a certain affinity for that branch of our Government. But I must say I was very interested in the word used by Dr. Huitt in describing committee hearings. The word of "stagecraft."

I submit that one of the problems with the Congress of the U.S. and the committee system is that there is too much stagemanship rather than diligent effort in getting at the heart of the problem.

Now I have spent hours and hours and hours over a period of many years testifying before congressional committees. I have encountered percentage-wise very few Congressmen or Senators who were diligent in doing their homework and had the facts that were made available to them by most of us who were to testify, before the hearing started.

I have spent hours and hours testifying before one-man committees, but the record of the hearing suggested that every member of that committee was present. And this goes out to the taxpayer. This goes out to the voter. However, if the television cameras showed up, you could be sure that there would be almost the full committee membership present.

In other words, stagemanship, self-aggrandizement was more in the minds of the members of the committee than getting at the heart of the problem and analyzing the pros and cons, and taking a position on an issue, most of which are extremely complex by virtue of the facts involved.

And I submit that one of the reasons that Congress has presumably lost some prestige—and I'm in no position to agree or disagree with that—is because there are too many demagogues in the Congress and not enough statesmen.

Mr. Banks. Senator Ervin, did you think all that time he was testifying he was enjoying it?

Senator Ervin. Well, he testified very well. I would say that one of the fundamental troubles of Congress and the Government is the fact that there is too much power and too many functions concentrated in the Federal Government.

When the Congress has to deal with every problem that arises in this country, including such things as filling up mudholes in the streets of the little towns and things like that, and every member of Congress serves on so many committees and subcommittees he can't possibly get around to all of them, then I think we are going to have to curtail the powers of the Federal Government and simplify it before a Congressman can give the attention to the matters he should.

I would say this: I'm afraid if we put television in every committee hearing the committee would never conclude its work?

Mr. Banks. Dr. Huitt?

Dr. Huitt. I have been on both sides of this thing. I have spent some very jumpy nights wondering what a congressional committee was going to do to us. I have also been connected with committees, and I must say I have been guilty, on the other side of the very same thing.

When a committee asked for a certain kind of information they got a lot of information but never quite what they asked for. So it is a family battle between the Executive and the Legislature and I would not expect somebody who spent his life with the Executive to have much sympathy for Congress. I wouldn't expect that at all.

I sympathize with you.

General Westmoreland. I'd like to put in a postscript. I do feel that the committee staffs are woefully inadequate in doing the research that a Congressman and a committee member should have, despite the information provided by the Executive Branch.

Mr. Banks. Senator Pepper, as a TIME cover man you certainly have priority.

Representative Claude Pepper. Thank you very much. I very firmly believe, that due in part to the complexity of our current problems, Congress has regrettably abdicated its power from time to time and permitted its erosion in favor of the Executive Branch. If the Congress is to restore its prerogative, I'd like to hear the comment of the panel on what changes will be necessary in its organization to enable it to perform its function.

For example, let's take the impounding of funds.

There was a thought in the Congress that there should be an overall limitation on expenditures although we did not agree to it in the extension of the debt limit. But the President indicated that he was going to fix that overall limit of spending.

We all recognize that the way the congressional system works is that an individual member will introduce a bill, a committee will report out the bill, the House or the Senate will pass the bill, the two bodies will finally agree upon it. But there is no overall picture, no overall authority in the Congress to apply any kind of limitation on program, or have any overall view of them.

For example, on the matter of water pollution, I believe strongly that Congress indicated that it regarded the matter as very serious to the country's welfare. We even overwhelmingly overrode the veto of the President on the water pollution bill. Yet the President now allows spending of only two billion of the five billion dollars that we have made available for this purpose in this fiscal year and three billion of six billion that we made available for the next fiscal year.

If we in Congress are going to determine an overall budget of our own, how are we going to be able to create the machinery by which we can do so? How can we impose our own legislation, and not necessarily accept the President's spending figures?

And thus, how can Congress determine the priorities that ought to be in the interest of the country?

Senator Ervin. I think that a very wise effort has been made in that direction. Unfortunately, it passed the Senate several times but has never passed the House. It was introduced originally by Senator McClellan of Arkansas and it proposed to set up a joint committee of the Senate and House to be concerned about budget matters.

First, it was to have a staff that would gather information about the President's budget, as to the advisability of the different items in it, and also to exercise an overview, as the appropriation bills passed through Congress, to try to keep them within reasonable bounds. I think that by establishing a joint congressional committee, we could bring some order out of the chaos that you have quite correctly depicted.

Senator Brock. I would like to address that matter because I have introduced legislation on it.

I introduced a bill which is somewhat along the line that Sam and Claude mentioned. But it goes a little bit further in the sense that the bill creates a Joint Committee for the Legislative Budget. That committee would meet and establish all fiscal resources, all income for the coming year. And then it would allocate those resources based upon an evaluation of national need, upon priorities.

And if this committee allocated X number of billions of dollars to education, that's it. And until it had allocated that gross overall amount for the problem area, no committee could act. Once the overall amount was established, it would go to the committee and then we'd say: "Do we put the money into high school, college, grammer school, vocational or what-have-you?" And it would be the committee's responsibility to design the actual program to implement the needs to solve that problem.

It goes into another point, too. It requires that every single program in government be re-evaluated at least once every 3 years. We've got these programs on the books that have been there 20 and 30 years, and some of them are awful. Yet, nobody wants to go through the mess of having to worry about them, and reevaluate them and see if they are doing the job for which they were designed. We just don't do that.

My bill requires that any major program be pilot-tested for 2 years before it's implemented on a national basis. That's the kind of thing that could be done.

There is no pride of authorship, but something like that just simply must be done.

Mr. MacNeil. I'd like to speak briefly to Congressman Pepper's question about how it can be done.

I think if there were in the Congress a will to do things the means could be found. I think the whole budget area, the whole appropriations area, needs a vast overhaul. How this would be done is not so important as the will to do it.

As I mentioned briefly in my remarks, it was Franklin Roosevelt who started, in effect, what I regard as the denigration of Congress. And one part of this was something started in 1938, when the leaders of Congress, of the Democratic party, began to make weekly visits to the President at the White House to get their marching orders. That was the beginning of making the leaders of Congress the lieutenants of the President. The political lieutenants of the President. It continues today.

Back in the 1880s, the 1890s, there was a far different attitude within the Congress. Speaker Tom Reed, perhaps the greatest of the Speakers, refused at any time to visit the White House for fear that this might in any way denigrate his office as Speaker of the House. That was in the 1880s.

When Senators of the U.S. called on the White House in those days, they called to tell the President what the President should do. They would take it as a great umbrage if the President suggested to them anything they might do.

It was Henry Adams, the great scholar who was the grandson of one President and the great-grandson of another, who said that Senators of his time were of such personal arrogance as to defy ridicule and parody. They were arrogant.

I am somewhat hesitant to suggest this, but perhaps it is time for the members of Congress and the Senators to get back some of that arrogance of old, however difficult it might be for us to deal with them. I think the arrogant ones are the ones who will stand for the institution and for its prerogatives and its rights.

Mr. Banks. We have Dr. Huitt and I think we will take one more question.

Dr. Huitt. I have sympathy for Mr. MacNeil and his desire to turn back the clock 75 years to a day when the presidency of the U.S. was of such sordid character that Lord Bryce said: "The President of the U.S. needs about the same talent as the president of a second-rate railroad."

Now the times have changed and we've got a different kind of President.

If you talk about getting a centralized

committee of the Congress that would decide on priorities, allocate resources, decide what will be spent for what, and then how the taxes shall come in, the most important political question in the country will be who sits on that committee.

There was a proposal—and it went around and had a lot of academic sponsorship—that the senior members of the two appropriations committees and the senior members of the two taxing committees should compose such a budget committee. And I was all for that until I took a look at who those people were.

You see, I happened not to agree with their philosophy. So I'm trying to say that these people elected by no national constituency would have no responsibility really to anybody. If such a committee were created, and the same party controlled both the White House and the Congress, I believe it would not be an independent body. It would become captive to the President. Now this is not a way I want to go.

There are weaknesses in our system because of decentralized power. No doubt about it. It can't do these things the gentlemen are talking about.

There also are weaknesses in the British parliamentary system. The members of the House of Commons are ciphers. They are voting machines. I sat with a member of the House of Commons who said when he joined the Labor Party he took a pledge that he would never vote against a party position. He told TIME: "So long as I keep that pledge I have a lifetime job. The first time I don't, at the next election I'll be defeated."

So, unfortunately, in this world we cannot have everything. We cannot even have a choice. One might think that the parliamentary system is a better system, but one doesn't change political systems any more than one changes personalities. It just doesn't work.

This is the system we've got. This is the one we're stuck with. And I'm contending tonight that the weaknesses, the major weaknesses of the congressional system are weaknesses that we live with because they are the costs of the strength of the congressional system.

Senator ERVIN. I think that's absolutely correct. The thing that makes the independence of Congress is the very thing that keeps Congress from submitting to a dictatorship either from the White House or from a group of its own members.

And in reply to an earlier statement concerning Congressmen, I say about the only kind of Congressman you are ever going to get is the kind that the people elect. That's the reason I say if you're going to reform the Congress you have to reform the people.

I just don't think that the system contemplated that 435 Congressmen and 100 Senators should be under a dictatorship either the President or a self-imposed dictatorship. In fact, I don't think you can do it because most of them are sort of prima donnas. All of them have a different constituency and they feel like they're answerable to their constituency.

I agree that sometimes some members of the Congress don't share the same sound views I do on all subjects. It's sort of like what T. B. McCrowder said about the House of Commons: "They think more about the security of their seats than they do about the security of the country." And I guess it will be that way as long as human nature is what it is.

Senator BROCK. I think there is something that hasn't been said tonight and it really bothers me.

The Congress today is financing its own re-election with the taxpayers' money. We have institutionalized the Congress; we have made it rigid because it's almost impossible—my own experience to the contrary—to beat an incumbent who wants to stay in office.

You give a Senator from a little state of 2 or 3 million people $350,000 to $400,000 a year to spend in terms of staff. You give him an absolute mailing frank which is the equivalent of a quarter of a million newsletters per month, not counting baby books and Bibles and agricultural books and every other thihg he can mail out. Under these conditions it's really tough—it's really tough—to beat a man who is running for re-election with your financing him.

The man running against him is paying taxes to beat himself. And that's a danger. It's a very grave danger in this country. We have mechanized the political process with data banks and enormous computer tapes and the ability to put a piece of mail in every constituent's home once every month or two. That's tough to fight.

And if that gets to be too strong, if a Congressman can pass all the water bills, all the public works bills and get all the post offices in his district because he's got enough seniority to get those bills through, you haven't got a man who is really representing his people. He is representing himself very effectively.

Mr. BANKS. We are running out of time. We all appreciate your participation in this event. I want you to know how very much we do thank you for your energetic participation.

REFORMS OF THE RULES AND PROCEDURES IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON. Mr. Speaker, a number of far-reaching changes in the Democratic caucus rules—and a number of changes in the House rules—have been adopted since the beginning of this 93d Congress.

The Democratic study group, consisting of some 165 Democratic Members of the House of Representatives, played the leading role in initiating and supporting these changes.

As the chairman of the DSG during this period, I am taking the liberty of placing a summary of these changes in the RECORD:

RULES CHANGES ADOPTED AT START OF 93D CONGRESS

Automatic Vote on Chairmen.—Requires a separate vote on each nominee for Committee Chairman at the start of each Congress and provides that such vote be by secret ballot on demand of one-fifth of those present. There is no debate unless time is requested either by a Chairman or at least four Members who wish to speak in opposition to a nomination in which case 20 minutes would be equally divided between opponents and proponents.

New Steering & Policy Committee.—Reconstitutes the 26-member Democratic Steering Committee as a 23-member Steering and Policy Committee consisting of the Speaker, Majority Leader, Caucus Chairman, 12 members elected from 12 equal regions, and eight members appointed by the Speaker. The Committee will make recommendations to the Caucus or leadership regarding legislative priorities, party policy, and other matters. It could also make recommendations to the Committee on Committees regarding nominees for Chairmen of House Committees.

Closed Rule Restriction.—Requires a layover of 4 legislative days before a closed rule can be sought or granted. If during that time 50 Democratic Members serve written notice that they wish to offer a particular amendment, a Caucus must be called to decide whether the Democratic Members of the Rules Committee should be instructed to make the amendment in order.

Open Committee Meetings.—Requires a separate roll call vote to close any committee meeting or hearing. Hearings can be closed only in situations involving the national security or defamation of character. Markup sessions can be closed for any reason provided no person other than Members and congressional staff attended the closed session.

Executive Committee Membership. Requires members of exclusive committees to relinquish additional committee assignments after the 93rd Congress.

Committee Caucuses.—Creates a Democratic caucus on each committee with authority over selection of subcommittee chairmen, subcommittee jurisdictions, party ratios on subcommittees, and subcommittee budgets. Requires that the Democratic caucus meet after approval of the committee membership lists but before the organizational meeting with the Republicans, and thereafter on call of the chair or a majority of the caucus.

Subcommittee Jurisdictions.—Requires the full committees to establish specific legislative jurisdictions for subcommittees.

Referral of Legislation.—Requires that all legislation referred to the full committee be referred to subcommittee within two weeks, unless the Democratic caucus of the full committee votes for full committee consideration.

Subcommittee Budgets.—Guarantees that each subcommittee shall have adequate funds to meet its responsibilities for legislation and oversight.

Subcommittee Chairmen.—Requires approval by the Democratic caucus of all subcommittee chairmen, in order of seniority.

Subcommittee Powers and Duties.—Authorizes individual subcommittees to schedule meetings, hold hearings, and report all matters referred to it to the full committee.

Subcommittee Membership.—Guarantees all members a major subcommittee assignment to the extent vacancies are available by permitting members, in order of seniority, to bid for choice subcommittee vacancies, and requires Democratic caucus ratification of all subcommitte members.

Subcommittee Ratios.—Requires that the ratio of Democrats to Republicans on subcommittees (including *ex officio* voting members) at least meet the ratio of Democrats to Republicans on the full committee, and authorize the Democratic caucus to select a member to negotiate the subcommittee ratios with the Republicans.

Conference Committee Ratios.—Requires that the ratio of Democrats to Republicans on conference committees at least meet the ratio of Democrats to Republicans on the committee from which the conference committee is appointed.

Committee on Committees Expansion.—Adds the Speaker, the Majority Leader and the Caucus Chairman to the Democratic Committee on Committees.

Johnson Rule.—All Members are guaranteed at least one major committee assignment.

Term Limitations.—Limits the Caucus Chairman and other Caucus officials to two terms each.

Scheduling of Suspension Bills.—Permits the leadership to schedule suspension bills on four days of each month rather than on only two.

House Meeting Times.—Permits the Speaker to determine when the House will be in session the basis of majority consent rather than unanimous consent.

Delegates and Commissioner.—Provides that the delegates from the District of Columbia, Guam and the Virgin Islands, and the Resident Commissioner of Puerto Rico have full voting rights and seniority in committee.

In addition to the above, the House established a 10-member select committee to make an in-depth study of committee jurisdictions and procedures, and report recommendations before the start of the 94th Congress.

It is hoped that a number of useful recommendations will result from this proposal.

MR. EHRLICHMAN ANSWERED ON TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, those who heard Presidential Adviser John D. Ehrlichman on ABC's "Issues and Answers" last Sunday were startled by his statement that—

> Tax reform could raise a lot of money only if you don't let the average householder deduct the interest on his mortgage any more, and you don't let him deduct charitable contributions to his church or to the Boy Scouts. . . .

Mr. Ehrlichman appeared unaware of the amount of revenue to be raised through plugging loopholes such as capital gains at death, the asset depreciation range system, deferral of tax on foreign earnings of U.S. subsidiaries—all of which now benefit not the average taxpayer but the wealthy and large businesses.

Hobart Rowen's excellent article in the Washington Post today—the text of which follows—should enlighten Mr. Ehrlichman:

Loopholes and Little Guys

On ABC's "Issues and Answers" last Sunday, presidential aide John D. Ehrlichman said that "there is a lot of misinformation around in this business of tax loopholes," and then he did his best to spread some more of it around.

The basic point that Ehrlichman was trying to make is that it's not possible to raise a great deal of money by tax reforms, "unless you start digging into the average taxpayer's exemptions, or charitable deductions, or mortgage credits, or something of that kind."

That, as Mr. Ehrlichman must know, is simply not true. He was just trying the usual scare tactics that have been this administration's old reliable weapon against tax reform.

What is true is that the exemptions or loopholes he mentions account for a considerable part of the erosion of the tax base. But there is plenty more that he didn't choose to mention.

Could it be that Ehrlichman failed to point to other loopholes because the chief beneficiaries are businesses and the most affluent taxpayers?

For example, the exhaustive analysis of erosion of the individual income tax base by Brookings Institution economists Joseph A. Pechman and Benjamin A. Okner in January, 1972, for the Joint Economic Committee of Congress shows that under a comprehensive tax system, the Treasury would pick up $55.7 billion in revenue it now loses to the leaky tax structure.

Of this total, $13.7 billion would come from taxing all capital gains, and gains transferred by gift or bequest; $2.4 billion from "preference income" such as tax exempt interest, exclusion of dividends, and oil depletion; $2.7 billion from life insurance interest; $9.6 billion from owner's preferences; $13 billion from transfer payments (welfare, unemployment compensation, etc.); $7.1 billion for the percentage standard deduction; $2.9 billion for deductions to the aged and blind; and $4.2 billion for other itemized deductions.

On the corporate side, Ehrlichman made no mention of the $2.5 billion in reduced tax burden that business will get this year through accelerated depreciation schedules (ADR); and another $3.9 billion via the investment credit. From 1971 through 1980, ADR will be worth $30.4 billion and the tax credit $45.2 billion (all U.S. Treasury calculations). And in that span of time, there will also be some $3 billion in give-aways through DISC—a tax shelter for export sales profits just created by the revenue act of 1971.

Another tax reform target Ehrlichman appears unable to see is income-splitting, which Pechman and Okner estimate causes a revenue loss of at $21.6 billion annually, almost half of which is a benefit to a relative handful of taxpayers in the $25,000–$100,000 income brackets.

But there's more to it than that. Ehrlichman pretends to be concerned about that "average householder" who would be hit if he couldn't take his mortgage interest as a deduction. But of the $9.6 billion that Pechman-Okner show lost to homeowners' preferences, defined as deductions for mortgage interest and real estate taxes, $5.3 billion goes to the tiny 5 percent of taxpayers with reportable adjusted gross income of $20,000 or more.

And how about Ehrlichman's warning that Uncle Sam can't raise tax-reform money in significant amounts "if you don't let the average householder . . . deduct charitable contributions to his church or to the Boy Scouts . . ."? Is he really worried about the little guy?

The Tax Reform Research Group (one of Ralph Nader's operations) showed last year that when you divide the number of taxpayers in each income group into the total tax preference benefits of charitable deductions, other than education, you find this:

Among taxpayers in the $7,000 to $10,000 income bracket, the average tax benefit for charitable contributions was $17.44; for those in the $10,000 to $15,000 bracket, $33.11; for those in the $20,000 to $50,000 bracket, $199.09; for those in the $50,000 to $100,000 bracket, $1,211.16; and for those making $100,000 and over, a whopping $11,373.56.

So who is Ehrlichman trying to kid? If the administration doesn't have a decent tax reform program, it's not because it could wring the money only out of the little guy, nor because there aren't outrageous loopholes waiting to be plugged. It's just because Mr. Nixon must believe that his constituency likes the inequitable tax system pretty much the way it is.

INTRODUCTION OF EXCESS PROPERTY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Harrington) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, I am today reintroducing legislation I first filed last year to provide permanent authorization for the Federal Government's excess property program. This program has saved taxpayers millions of dollars by permitting Federal grantees, such as schools, hospitals, and social service agencies, to use excess Federal property, rather than buying expensive new equipment.

Last June, the General Services Administration published new regulations which terminated the excess property program. The response to the proposal was so overwhelmingly negative that the new regulations were rescinded pending a study of the excess property program.

However, the Department of Health, Education, and Welfare unilaterally terminated the excess property program for its grantees. This action has cut off schools and hospitals all over the country from much-needed equipment. This equipment ranges from used desks and typewriters, to excess computers and heavy machinery for use in vocational schools.

The increased cost created by the program's termination can only be made up through increased property and school taxes. It simply does not make sense not to allow schools, hospitals, and other grantees to use no longer needed equipment.

There have been reports that some grantees have abused the excess property privilege. However, this does not mean that the entire program should be disregarded. The legislation I have introduced, together with 27 of my colleagues, establishes strict eligibility criteria.

I include the text of the bill at this point:

H.R. 5704

A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 483), is amended by adding at the end thereof the following new subsection:

"(i) Each executive agency shall furnish excess property to any grantee under a program established by law and for which funds are appropriated by the Congress if the head of that executive agency determines that the use of excess property by that grantee will (1) expand the ability of that grantee to carry out the purpose for which the grant was made, (2) result in a reduction in the cost to the Government of the grant, or (3) result in an enhancement in the product or benefit from the grant. Any determination under the preceding sentence shall be reduced to writing and furnished to the grantee involved. The Administrator shall prescribe regulations governing the use, maintenance, consumption, and redelivery to Government custody of excess property furnished to grantees under this subsection."

REGIONAL MEDICAL PROGRAMS WARRANT YEAR'S EXTENSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Dulski) is recognized for 10 minutes.

Mr. DULSKI. Mr. Speaker, among the many health programs scheduled for elimination by the Nixon budget slashes is the lakes area regional medical program, encompassing a nine-county area in western New York and northwestern Pennsylvania.

Abolition of this productive health program would be a grave mistake. I am today introducing legislation to extend for 1 fiscal year, until June 30, 1974, the program of assistance for regional medical programs.

A number of health-related authorizations are due to expire this year, and the programs and their results will be analyzed by the Congress. However, this will be a lengthy process and I believe there should be no interruption in the operation of such successful community-oriented services as our lakes area regional medical program.

A 1-year extension, at existing funding levels, will permit retention of the carefully-built organizations and assure continued services beyond the June 30, 1973, expiration date.

The regional medical programs were established for activities in the fields of heart disease, cancer, stroke, kidney, and related diseases. In response to administration directives, RMP's since have expanded work to improve access to health care delivery systems.

There are 56 regional medical programs throughout the Nation, and it may be possible that not all of them are of the high caliber of lakes area regional medical program. But I do not see how the administration can question the scope, frugality, efficiency, or efficacy of the expenditure of funds for LARMP.

LOCAL SHARE HAS INCREASED

In 1969, every dollar of Federal money was being matched by 23 cents, in money and personal services, from LARMP local sources.

A recent survey showed that the local community share has grown to 66 cents for each Federal dollar—and the ratio is fast approaching a 1-for-1 basis. Administrative costs have been reduced from 20 percent of the budget in 1970 to less than 8 percent in 1972. This surely is an unusual, if not unique, trend for utilization of Federal funds.

The program follows the administration guidelines for decentralization of power. The burgeoning Federal bureaucracy is not cultivated. In LAMRP local health provider systems work with local nongovernment personnel, under largely volunteer regional advisory groups.

Our voluntary structure consists of 475 people in the 9 advisory groups: 162 physicians, 143 allied health personnel and hospital administrators, and 170 members of the general public. An office staff of 40 and a field force of 160 are paid on a full or part-time scale.

Over 2,000 health professionals and over 41,000 patients have benefited from the services, tailored to local needs by local people.

Duplication of efforts and overlapping of services are not issues here. In fact, the system fills in gaps between other sources of information and assistance—as was the intent. Medical knowledge is centralized and coordinated and then communicated as Federal, State, and local needs require. Supportive rather than direct services are supplied.

The Erie County Emergency Medical Services project was funded through LARMP. Hundreds of county residents have spent thousands of volunteer man-hours to institute an effective emergency help system. Training is provided for emergency technicians, research is progressing on local emergency medical facilities, and planning is nearing completion on a critical needed emergency radio network.

VITAL PROGRAMS DEVELOPED

Even with funding at a lower level than desired, Emergency Medical Services has exceeded its timetable and stimulated the formation of Emergency Medical Care Committees in seven other countries of the LARMP.

The Educational Telephone Lecture Network, with more than 250 programs a year in the nine-county area, offers an invaluable aid to all hospital personnel for keeping current on developments in their specialties.

The Information Dissemination Service gives expanded access to health information to all professionals.

Rural care is given a boost by the Mobile Health Unit in Allegany County.

Support is provided to the respiratory disease program, the coronary care unit training program for nurses, and a tumor registry program aimed at eventual definition of factors in cancer formations.

The public receives direct benefits as well, as the Niagara Frontier Association for Sickle Cell Disease is assisted in arousing public awareness.

For all of these—and other—supportive, informative, and indispensable services, this year's budget was only $1.4 million. I am sure my colleagues can cite equally impressive records for most of the other 55 RMP's.

One would think that the knife-happy budget surgeons would agree that this program follows their decentralized, non-overlapping, thrifty strictures.

Mr. Speaker, regrettably, this fine program is slated for extinction unless the Congress acts. I urge speedy action on my bill to extend authorization for another year, and thorough hearings at an appropriate time, with a view to expanding the positive functions of the regional medical programs.

MOTION PICTURE "SOUNDER"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, on Tuesday, March 6, I was joined by many of my colleagues from the House and the Senate, as well as Justice William O. Douglas; the president of the Motion Picture Association, Jack Valenti, and invited guests at a luncheon which I sponsored to honor Cicely Tyson, Paul Winfield, and Robert Radnitz, the stars and producer of the film "Sounder." I believe that this film, which has been nominated for four academy awards this year, will endure as a classic work of art and a classic look at the humanity in each of us. I would like to propose a personal resolution to my colleagues:

Whereas, the motion picture "Sounder" portrays with rare understanding and insight those qualities of love and courage which transcend racial and time barriers; and

Whereas, the film has been proclaimed by many to be a classic, showcasing the talents and commitment of all those involved to provide quality entertainment for American audiences; and

Whereas, the need for such artistic expressions of brotherhood, love and trust are beneficial to an appreciation of the Black experience in American history;

Therefore I would like to commend before my colleagues 20th Century Fox Film Corporation, the distributors of the film; the Mattel Corp. and Robert B. Radnitz, producers; Martin Ritt, director; Lonne Elder III, screenwriter; William H. Armstrong, who wrote the novel on which the film is based; Taj Mahal, who wrote and performed the music; the stars: Cicely Tyson, Paul Winfield, Kevin Hooks, Janet Maclachlan; and all those who participated in the production of "Sounder" for their contributions to the film; and

Therefore I do highly recommend "Sounder" to all my Colleagues in the Congress and to audiences through the world, and urge that resources of talent, time and money be allocated by the film industry to produce more films of this extraordinary calibre.

MARCEL FRANCISCI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, in the May 1971 World Heroin Report issued by Representative ROBERT STEELE and myself, we noted that during the past 10 years every narcotics case in Marseilles, France, involved one of four Corsican families. Marcel Francisci's was one of them.

I was recently advised that Mr. Francisci filed a defamation action against us for what he alleged were unsubstantiated and damaging statements in our report. It seems we are in good company, however. Francisci is also bringing action against Time magazine.

Francisci has been a consistent supporter of Gaullist party candidates over the years. He openly befriended deputies to the Interior Minister in charge of all French police from 1959 to 1967. These deputies, Sanguinetti and Bozzi, are now executives of the Gaullist political party which continues to be supported by Francisci.

Originally a smuggler of American cigarettes, Scotch whisky and silk stockings, Francisci established a legitimate business front in Tangiers in 1948. Early underworld connections came in handy when Francisci decided to neglect his earlier smuggling ventures and concentrate on a more profitable item, heroin.

Francisci already had a legitimate reason for traveling to Beirut, Lebanon in the late 1940's. He had the concession to operate the gambling games at the Casino du Liban. Beirut was interestingly enough the international marketplace for illegal Turkish opium and morphine base.

Francisci met with Lebanon's top racketeer, Samil Khoury, in Tangiers or in the casino in Beirut and cornered the market for the flow of morphine base to Marseilles. Others would later try to move in on his territory but none would meet with his success.

Described as "the financier, the arranger, the fixer," Francisci now disassociates himself from the dirty work of drug dealing. He emphasizes his legitimate businesses—restaurants, construction companies, shipyards—and desires respectability more than anything. He wishes reporters would stop asking about the heroin trade that originally brought him his millions.

I requested information from Embassy officials in Paris as well as Secretary of State Rogers as to the serousness of such legal action by Francisci in the French courts. Congressman STEELE and I may be given our day in court to tell what we know about the affable Marcel Francisci. It is personally gratifying to know that our allusion to his role in heroin trafficking disturbed him so.

I would like to quote at some length from the Parisian police files released to me which provide information on Francisci which dates back to 1949. I ask you to be a judge of this man's character:

> PARISIAN POLICE FILES
>
> Fingerprinted on February 22, 1949, in Marseilles; very important member of an international association of drug smugglers in operation, on the one hand, between the Near East and France for morphine-base, and, on the other hand, between France and North America for heroin. The person concerned is the co-owner of a large cafe in Paris, which facilitates the contact between Lebanese and French smugglers, his establishment being the meeting place for them. He was mentioned as a possible accomplice on the occasion of the seizure of 12,320 G. of heroin on board the ship St. Malo in Montreal, on November 10, 1955. Charged with an act of piracy on the Mediterranean (The Combinatie Affair) on October 4, 1952. As of that incident, he has been the subject of the international investigation of O.I.P.C. INTERPOL. He has a tendency to get involved especially in drug smuggling.
>
> Mr. Francisci is not unaware of these assertions, which hurt him more than any of the other suspicions. As a matter of fact, he has to go frequently to Lebanon, and now he fears these trips, hesitating, so he says, to meet even the people with whom he is obliged to get in contact for his interests in the Casino du Liban. He fears that these contacts will be misunderstood.
>
> He strongly denies being present in Indochina, at any period of his life, and also denies being involved in any drug affair.
>
> He mentions at that time the presence in Indochina of a certain Marcel Francisci who is not related to him. He does not know of the above mentioned Marcel Francisci's activities. He mentions also the names of Bonaventure Francisci, who recently died in France. The former is unknown to us. Recently the Paris O.I.P.C. has released an index card concerning Bonaventure Francisci, born on August 16, 1917, at Cauro (Corsica), and who is said to be an airplane pilot. The following facts were noted about him.
>
> He is an important member of an international drug ring operating in different southeastern Asiatic countries. He was under the surveillance of the authorities in Hong Kong due to his relationships and contacts with drug smugglers in that city. From 1947 to 1951 he was investigated for attempted burglary, swindling, theft and embezzlement of seized objects and for illegal possession of guns. He was suspected to be the perpetrator of an assassination in Saigon on July 1, 1954. He is also suspected of aiding and abetting regarding the smuggling of forged $100 bills in American currency. Is known as an individual having a tendency for drug smuggling. A criminal file of the Central Index Cards Service of P.N. mentions that, being director of the airline company Laos Air Co., he used to smuggle opium from Hong Kong to Iaes, in Cambodia and Thailand. Moreover, a plane had been intercepted by the police services in Indochina, but Bonaventure Francisci was not investigated in connection with this matter.
>
> Finally, we note also that the service for the repression of drugs of the "Prefecture de Police" has no other information except the information furnished by O.I.P.C.
>
> In brief, taking into consideration the information collected as well as the "Prefecture de Police" and the Central Index Card Service of the National Police, it is not possible to say that Marcel Francisci was involved at a certain time in such a matter. However, the Central Office could be in the position to indicate if there were charges against him.
>
> Evidently, the criminal associations which are running drug smuggling operations all over the world are financed by individuals who dispose of big amounts of money and who always remain hidden, but make large profits.
>
> Can we draw the conclusion that Marcel Francisci could be considered such an individual. Only the sources of our information can confirm or invalidate this assertion.

MASS TRANSIT HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, as chairman of the newly created Subcommittee on Urban Mass Transportation of the House Banking and Currency Committee, I am pleased to announce that the subcommittee will hold hearings on pending mass transit legislation next Wednesday and Thursday, March 21, and 22, in room 2128 Rayburn Building.

We intend to consider H.R. 5424, which I have sponsored and a companion bill, H.R. 2734, introduced by 21 members of the Banking and Currency Committee.

These bills would provide $800 million in operating assistance to the Nation's mass transit systems over the next 2 years. They also would authorize an additional $3 billion in capital grant authority for the Urban Mass Transportation Administration and increase the Federal share for capital grants from a discretionary two-thirds to a mandatory 80 percent.

We, of course, will also be considering the administration's urban mass transit recommendations which, I understand, will be introduced shortly.

DAYTONA CLASSIC MOTORCYCLE RACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 5 minutes.

Mr. HENDERSON. Mr. Speaker, azaleas were blooming in the Daytona Beach, Fla., area this past weekend signaling the coming of the spring season. The Daytona Classic 200-Mile Motorcycle Race, sanctioned by the American Motorcycle Association, was run on Sunday. For the motorcycle world this event most assuredly heralded the beginning of motorcycle racing for another year.

It was a distinct and novel experience for me to attend this classic, it being my first. I went with my three sons and I am sure our colleagues would agree, it is a rare occasion for a Member of Congress to share the pleasure of a full weekend with all of his children.

There were 61,200 persons in attendance at the Daytona International Speedway, when Jarno Saarinen of Finland won the 200-Mile Classic, as the first foreigner since 1950 to win America's richest motorcycle race. This record crowd was an increase of over 20,000 from last year's event.

The Daytona 200 truly is the world's biggest and most important motorcycle road race. Many more international machines and riders were entered this year. It was noted that seven brands from foreign countries were among the first 30 machines to finish.

I closely observed the racing team from England, riding factory Nortons. Managed by Frank Perris, of world renown in his own right, the riders were Peter Williams, a second generation engineer, and John Cooper, both experienced beyond their youthful years. The newly developed monocoque framed machine designed and ridden by Williams finished its first race; a rather remarkable accomplishment. Their mechanics, Peter Pychett and Reg Paynter rounded out the team, and their professional competence was much in evidence. More striking and impressive, however, each of the team was truly an ambassador of England, which through the years has given the world great motorcycle racing competition.

The American Motorcycle Association is composed of over 200,000 individual members, and is active in every facet of motorcycle activity. Its executive director, Russ March, his assistant, Ed Youngblood, and the promoters of the Daytona International Speedway, Bill France, Sr. and Jr., extended me every courtesy upon learning of my plans to attend. They arranged for me to get into the garages and into the racing pits, affording me a unique opportunity to observe the tremendous amount of in-depth preparation by the manufacturers the mechanics and racers in preparing the bikes for the competition. It was here that the sweat of their brows mixed with the fumes of the gasoline and the grim of oil, as the teams gave untiring efforts to ready their racing machines for the speed and endurance to run 52 laps of the 3.8-mile paved course.

On Saturday a novice race was run, and I considered it of great significance that a 20-year-old, Gary Lee Blackman of Emmaus Pa., was the winner in his first time riding in competition. The novice-type race is well established in the United States and is drawing international attention. Chairman Dennis Poore of Norton-Villers Motorcycle Co. of England said that the AMA was to be commended for encouraging competition in novice racing. He also complimented American motorcycle racing as sponsored by the AMA, in that it is not simply a spectator event, what with involvement of the manufacturer, the motorcycle dealer, the novice and the professional riders, giving the United States the best balanced program in the world.

Finally, Mr. Speaker, I comment to my colleagues in the Congress because of the clearest single impression I received. The thousands of young—and not so young—motorcycle riders in the Daytona Beach area were well behaved, well mannered, and enthusiastic Americans, enjoying their sport or recreation, as literally millions of us do in other areas more familiar than motorcycling.

I commend everyone in the motorcycle industry, and especially the AMA in its sponsorship and the Daytona International Speedway in its promotion of one of America's truly international competitive sporting event.

LAKE ERIE AND THE ADMINISTRATION'S BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, today, Thursday, March 15, and tomorrow, there is an Interstate Legislative Committee meeting on Lake Erie being held here in the House Office Buildings.

This Interstate Legislative meeting on Lake Erie is an important chance for the State legislators and the Members of Congress from the Lake Erie Basin to point out to the administration and to their own State governments the serious effect of the fiscal year 1974 Federal budget on Lake Erie. Unless we take corrective action, the administration's new budget could seriously delay our attack on Lake Erie problems.

I think we should also point out to the administration and to our various State governments, that the fiscal year 1974 budget violates the spirit and could violate the letter of the Great Lakes Water Quality Agreement which the President signed exactly 11 months ago in Ottawa. If the administration does not provide—in coordination with the States—special priority allocations to the Great Lakes Basin, then we will be breaking our word with Canada and the agreement will be just a scrap of paper. The President's word and the Nation's commitment can, however, be kept if the administration and the States will, within the proposed budget, give special emphasis to the problems of the lakes. To keep our word with Canada and to save our lakes, we need a renewed commitment of research and construction dollars in the Great Lakes Basin.

THE ESTABLISHMENT AND IMPLEMENTATION OF WATER QUALITY STANDARDS

In my opinion, the Congress has fulfilled a major portion of the Ottawa Agreement by passage over the President's veto of Public Law 92–500, The Federal Water Pollution Control Act Amendments of 1972. The implementation of this act will, by the mid-1980's, substantially eliminate the entry of new pollutants into the lakes. How effectively we will be able to control erosion, sediment, nutrient "run-off" and natural waterfall runoffs which become polluted are questions which must still be answered. Restoration work to restore the quality of our lake, the most polluted of the lakes, is also a must.

Every effort must also be made to establish a range of minimum and maximum water levels on the middle Great Lakes. Minimum water levels will not only protect shipping and recreation interests, but will insure a volume of water in the lakes to help dilute the effects of pollutants. Maximum water levels will protect communities and homeowners from erosion and flooding and reduce the harmful sediment and siltation entering the lakes due to erosion caused by high waters.

But the standards set by Public Law 92–500 offer the hope and the chance—for the first time—of saving the lakes. These standards certainly meet the water quality objectives established by article II of the Ottawa Agreement. Article V requires that these standards either be implemented or in process of implementation by December 31, 1975.

IMPLEMENTATION OF WATER QUALITY STANDARDS

Restoration of the Great Lakes requires money—enormous sums of money—more money than most of the cities along the lakes, or their States, can afford. It is here that the administration's budget fails so miserably. It is worth noting here that in response to an inquiry from my office, the American Law Division of the Library of Congress states that the water quality requirements of Public Law 92–500 must be met, regardless of the level of Federal financial support and assistance.

To assist State and local governments to meet the requirements imposed by Public Law 92–500, the Congress authorized a total of $18 billion over a 3-year period. But, despite demonstrated need, the administration intends to spend only $5 billion in the combined fiscal years 1973 and 1974. This follows a total National expenditure of $2 billion in fiscal year 1972. No one at EPA is even guessing how much will be available in fiscal year 1975. In other words, through impoundment, the administration has crippled the Nation's fight against pollution.

It is important to note here that the Ottawa Agreement provides that the two Governments commit themselves to seek "the appropriation of the funds required to implement this agreement, including the funds needed to develop and implement the programs and other measures provided for in article V, and the funds required by the International Joint Commission to carry out its responsibilities effectively."

In newspaper coverage from Ottawa on April 15, it was reported that the cost to the United States to meet the standards of the agreement by the end of 1975 would be $3 billion: $2 billion from Federal, State, and local governments, and $1 billion from industry. Because of significant increases in the Federal grant share provided by Public Law 92–500, as well as inflation and cost overruns on projects, the Federal commitment should be about $2 billion.

Given the administration's restrictive budget and impoundments, will it be possible for the United States to meet:

First, the identified needs of the Great Lakes Basin?

Second, its commitment to the Ottawa Agreement?

First of all, it should be clearly stated that there is absolutely no relation between the true needs of the Great Lakes Basin and the needs which the administration recognizes and "promises to solve" through the Ottawa Agreement. The true needs dwarf the administration's recognition of the problem.

But I believe that the Ottawa Agreement has great potential for solving the problems of our lakes—and because of the chaos in the administration's budget, it is important to keep the Ottawa Agreement in mind, since at least it promises our region of the country a minimum level of pollution control assistance—a promise given to no other region of the Nation.

WHAT IS THE TRUE NEED OF THE GREAT LAKES BASIN?

The following table shows the allocations which EPA has made for the Great Lakes States—an area much larger than the Basin.

Table II uses data from the conference report to Public Law 92–500, supplied to the Congress by EPA. These figures represent what EPA estimated to be the total waste treatment construction need in the Great Lakes States. I have also provided a column which shows what percent the allocations in table I are of the EPA estimated need listed in table II. As you can see, the allocation is only one-half the need for the time period, fiscal year 1972–74.

The tables follow:

TABLE I.—ALLOCATIONS FOR WASTE TREATMENT CONSTRUCTION GRANTS, FISCAL YEARS, 1972–74

[All figures in millions]

Great Lakes Basin States	1972	1973	1974	Total
Illinois	$105.9	$125.0	$187.5	$418.0
Indiana	50.0	67.3	101.0	218.3
Michigan	84.8	159.6	239.4	483.8
Minnesota	36.9	40.6	61.0	138.5
New York	172.9	221.1	331.7	725.7
Ohio	101.6	115.5	173.2	390.3
Pennsylvania	112.4	108.4	162.6	383.4
Wisconsin	42.6	34.8	52.2	129.6
Total	707.1	872.3	1,308.6	2,888.0

TABLE II.—EPA ESTIMATED NEED, FISCAL YEARS 1972–74

[All figures in millions]

Great Lakes Basin States	Fiscal years 1972–74 total need	Percent[1]
Illinois	$910.0	45.9
Indiana	490.2	44.5
Michigan	1,162.3	41.6
Minnesota	295.9	46.7
New York	1,610.3	45.0
Ohio	840.8	46.4
Pennsylvania	789.5	48.5
Wisconsin	253.6	51.0
Total	6,352.6	45.4

[1] Total allocation from EPA as a percent of total need determined by EPA.

The fact that the allocation falls woefully short of the need can be seen by the long lists of priority construction projects submitted by the States to the EPA and the limited number which EPA will fund. For example, I am told that New York State submitted a priority list of 180 projects—of which about 30 will be funded. In light of Michigan's total allocations, it will be extremely difficult for her to fund the desperately needed $193 million facility at Detroit, a facility which is vital to the clean up of Lake Erie.

In my own State of Ohio, the State's EPA released its priority list on Monday, March 12. The list includes 126 projects, but because of the limited allocation to the State, only 63 will be funded.

HOW MUCH OF THIS ALLOCATION AND HOW MUCH OF THIS NEED SHOULD BE ATTRIBUTED TO THE GREAT LAKES WATERSHED OR BASIN?

Since pollution control needs are generally related to population, I have calculated the population of the Great Lakes Basin and compared that figure to the population of the Great Lakes States. The formula follows:

Thus,

$$\frac{29{,}300{,}000\text{ persons in basin}}{74{,}000{,}000\text{ persons in States}} \times \frac{\text{X [EPA allocation to basin]}}{\$2{,}888{,}000{,}000\text{ EPA State allocation}}$$

EPA allocation to basin equals $1,144,000,000.

And

$$\frac{29{,}300{,}000\text{ persons in basin}}{74{,}000{,}000\text{ persons in States}} \times \frac{\text{X [EPA estimate of basin needs]}}{\$6{,}400{,}000{,}000\text{ EPA State allocation}}$$

EPA ESTIMATE OF NEED IN BASIN EQUALS $2.515 BILLION

Using these proportions, EPA's allocation to the basin is about 45 percent of its need.

My staff and I attempted to check these figures by actually calculating the grants which went to each of the Great Lakes States in: First, fiscal year 1972 and second, in the first 3 months—July through September—of fiscal year 1973. Then using EPA's own computer printout of grant awards, we attempted to determine which grants went to counties which fell within the Great Lakes watershed or basin.

Following is the results of the study. I might add here that the reason the fiscal year 1972 total grant awards is considerably lower than the $707 million figure provided by EPA is that many of the fiscal year 1972 awards were actually made late in December of 1972. Despite the discrepancy in totals, I believe that the ratio of grants going to the basin as compared to the whole State will be of interest:

[All figures in thousands]

Great Lakes Basin States	Fiscal year 1972		Fiscal year 1973	
	Total	Basin	Total	Basin
Illinois	$56,729	$48,458	$10,303	$10,303
Indiana	4,804	2,671	0	0
Michigan	98,165	98,165	30,931	30,931
Minnesota	5,572	78	13,309	480
New York	139,341	37,727	378	0
Ohio	52,990	22,239	8,246	5,180
Pennsylvania	34,600	319	28,720	0
Wisconsin	28,128	13,820	5,584	2,901
Total	420,329	223,477	97,471	49,795

This table shows a higher percentage of grants—about 51 to 53 percent—going to the basin area. But the general finding is the same: Only about half of the money allocated to the Great Lakes States goes to solving the problems of the Great Lakes. Therefore, when the EPA presents glowing data on the allocations to the Great Lakes States, the question we should ask is how much will actually go into the basin and help the lakes.

These figures on need have already proven that the commitment given at Ottawa is inadequate. These figures show that we must do everything in our power to require a higher level of appropriations and obligations for the waste treatment program.

The figures on how much will actually be spent in the Great Lakes Basin indicate that even the commitment given at Ottawa will barely be kept. It is my understanding that the EPA presentation tomorrow may offer a rosy picture, one that predicts the fulfillment of the Ottawa agreement. Looking again at table I, EPA states that it will allocate $872 million in fiscal year 1973 and $1,308 million in fiscal year 1974 to the Great Lakes States. We have found that approximately half of that, or $1,090 million will probably go to the Great Lakes watershed. Let us assume that the administration will actually spend another $3 billion in fiscal year 1975 and $2 billion in half of fiscal year 1976—a total of an additional $5 billion nationwide, prior to the date that article V is to be in effect. If we are lucky, that will mean another $1,090 million to the Great Lakes Basin—or a grand total of $2.2 billion.

Thus it appears that the Ottawa agreement—as inadequate as it is—can be kept. But only if each of the States in the Great Lakes Basin gives priority emphasis to projects in the Great Lakes watershed. That is the job for the State Governors and State legislators. The job for us in Washington will be to do everything in our power to fulfill the authorizations provided by Public Law 92–500; to provide the funds needed to meet the actual needs of the Nation and, in particular, of the Great Lakes.

There are other areas where the administration's fiscal year 1974 budget slows up our attack on Lake Erie problems.

POLLUTION FROM DREDGING ACTIVITIES

Anyone looking at the Cuyahoga, the Buffalo, or the Detroit Rivers recognizes that they are polluted—as is the mud from the bottom of these rivers. Therefore, dredging these rivers and then dumping these dredgings out into the cleaner parts of the lake merely stirs up the pollution a second time and spreads it over a farther area.

Of the 10.8 million cubic yards of material dredged from Great Lakes harbors each year, 63 percent comes from Lake Erie harbors and the disposal of these dredgings in the open waters of the lake would account for 8 percent of the total sediments and dissolved solids reaching the lake. In 1967, 660,000 tons of dry solids were dredged from Cleveland Harbor. It is estimated that this material contained 17,600 tons of oil and grease. If this material is stirred up and dumped in the open waters of the lake, it obviously is a serious source of additional pollution.

After a great deal of prodding, and support from the Public Health Service, the corps recognized this problem and began a program of diked disposal sites where these polluted dredgings could be placed. The commitment of the two Governments to solving the problem of polluted dredgings is described in paragraph "f" of article V and in greater detail in annex 6.

The Corps of Engineers had originally planned to spend $70 million on polluted dredgings control activities on the Great Lakes. In fiscal year 1973, the expenditure was cut from $35 million to $19 million, with $16 million transferred to fiscal year 1974. The fiscal year 1974 budget requests only $7 million in new money for the program, further delaying this pollution control effort.

EUTROPHICATION

The agreement provides for the control of inputs of phosphorus and other nutrients including programs to reduce the phosphorus "load." This part of the agreement was one of its most disappointing sections. Annex 2 to the agreement states that the phosphorus loadings to Lake Erie are to be reduced from 31,200 tons per year in 1971 to 16,100 tons in 1976. Yet the annex also notes that "available evidence" suggests that phosphorus loadings may have to be reduced to 8 to 11,000 tons per year if the lake is to begin its recovery. Thus the initial agreement was woefully inadequate.

While the phosphorus question is not an item involving the budget, it is interesting to note that the administration, through the Federal Trade Commission, has given up in its efforts to require "pollution warning" labels on detergents. Thus the shopper will have little "incentive" to buy safe, but nonpolluting soaps and detergents—and the taxpayers will be subsidizing the detergent industry by paying for the removal of phosphorus at the waste treatment stage.

It has been reported that where local efforts have been started to eliminate phosphorus detergents through the use of safe replacements, there has been a rapid and noticeable decline in the phosphorus load on the water. I would hope that the various States of the Great Lakes Basin, as well as the Congress would continue to seek ways to remove phosphorus from detergents and replace it with some new, safe products. It is obvious that we in the Great Lakes States will have to do more to remove phosphorus than is required in the Ottawa Agreement if we are to save our lakes.

CONCLUSION

In sum, the Great Lakes Agreement and the passage of Public Law 92–500 offer us a chance to save our lakes—but we will have to be on guard, both in the Congress and in the State capitols, to insure that the agreement and the law is carried out and properly funded. At the present time, budget cut-backs have even delayed the staffing of the American component of the International Joint Commission offices. The budget fight, therefore, will be a difficult and long struggle, but it will be one of the most important and worthy efforts which we can make.

BURKE REINTRODUCES BURKE-RIBICOFF TAX CREDIT PROPOSAL WITH COSPONSORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, in the opening days of the session, Senator Ribicoff and myself introduced companion measures in the House and Senate H.R. 49 and S. 250, respectively, to provide a parent with a direct income tax credit of up to $200 for each child's tuition at a nonprofit, private elementary or secondary school. The credit would be computed on the basis of 50 percent of tuition expenses up to $400. Also, to avoid giving unnecessary tax benefit to parents with adjusted gross incomes over $18,000 the bill provides for a reduction in the amount of the credit as the adjusted gross income of the taxpayer—and his spouse—increases—reduced $1 for every $20 of adjusted gross income over $18,000.

We have introduced this legislation, because the United States faces, a possible crisis as a result of the financial distress being experienced by our more than 21,000 nonpublic schools. Rising costs have forced some nonpublic schools to increase tuition by substantial amounts while countless others operate at enormous deficits. If our Nation's nonpublic schools close, our public school system would absorb their students at an estimated cost of $5 to $7 billion per year. This is tremendous cause for alarm for the sole reason that it would increase the already enormous burden borne by the American taxpayer.

Some 5 million American children attend nonpublic schools and if the current trend toward closing continues, it would mean a massive dislocation of our public school system with our central cities, least capable of absorbing a large influx of additional students, suffering the most, The competition nonpublic schools provide, along with the diversity they add to American education is a resource we in the United States should seek to preserve.

This bill is identical to the one tentatively agreed upon by the Ways and Means Committee last session. The cost of the Burke-Ribicoff proposal is substantial, estimated at some $362 million, but compared to a possible burden of $5 to $7 billion in the event our nonpublic schools close, it is clearly a bargain.

Today, I am reintroducing the Burke-Ribicoff proposal with 23 additional cosponsors:

List of Cosponsors

Dominick V. Daniels, Ron de Lugo, John H. Dent, L. H. Fountain, Louis Frey, Jr., Ella T. Grasso, Michael Harrington, Walter B. Jones, Norman F. Lent, Manuel Lujan, Romano L. Mazzoli, Joseph G. Minish, John M. Murphy, Morgan F. Murphy, Robert Nix, Claude Pepper, Bertram L. Podell, Donald W. Riegle, Peter W. Rodino, Robert A. Roe, John F. Seiberling, Victor V. Veysey, Antonio Borja Won Pat, and Margaret Heckler.

HEW'S PROPOSED SOCIAL SERVICES REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, ever since the middle of February, when the Department of Health, Education, and Welfare first proposed regulations which would reduce by 40 or 50 percent the already paltry $2.5 billion available for social services programs throughout the Nation, I and other Members of Congress have been pressing for congressional action to prevent them from being put into effect.

Yesterday, I and seven other women Members of Congress—Margaret Heckler, Barbara Jordan, Patsy Mink, Yvonne Burke, Ella Grasso, Pat Schroeder, and Edith Green—met with Health, Education, and Welfare Secretary Weinberger for 90 minutes. Also present at this meeting were Georgia McMurray, commissioner of New York City's Agency for Child Development, Rev. C. Leonard Miller, of the Ad Hoc Committee To Save Our Children, a representative of Congresswoman Shirley Chisholm, and representatives of the Day Care and Child Development Council of America, the Child Welfare League, and other child care groups.

I am pleased to report that Secretary Weinberger assured us that the new regulations would not go into effect on March 19, which is the deadline for public comments, that changes are going to be made in the regulations, and that it will be at least a month before any attempt to put them into effect is made.

I particularly questioned Mr. Weinberger on two aspects of the proposed regulations: A ban on Federal matching funds for private contributions to child care and other social services programs and the restriction of eligibility to those having incomes no more than one-third higher than State public assistance levels.

In my home community of New York City, the proposed rules would disqualify 20,000 children from day-care centers, deprive them and their families of health services, and sharply reduce the quality of care. In New York, a family of four earning more than $5,400 a year would be disqualified from federally assisted child care. The result will be to force many working women either to give up their jobs and go on welfare or leave their children under makeshift care with neighbors, or babysitters.

This afternoon, I had the privilege of appearing before the Select Subcommittee on Education, chaired by John Brademas, to present my views on the proposed regulations. The full text of my statement follows:

Testimony of Congressman Bella S. Abzug

Mr. Chairman, I would like to express my deep appreciation at your prompt response to my request that you hold public hearings on the Health, Education and Welfare Department's proposed new regulations covering state and local administration of federally assisted social service programs under the amended Social Security Act.

The regulations have aroused tremendous concern and opposition in New York City and across the country because of the drastic cuts they will impose on social service programs.

It has been estimated that of the 10 million people now being served by these programs, 3.8 million will be adversely affected by the Nixon Administration's hard-line cutback of federal assistance.

We have been protesting the $2.5 billion federal ceiling on social services as an unacceptable reduction of funds for essential programs. Early in this session I introduced legislation to exempt child care programs from the federal ceiling. Now the Administration is exceeding Congressional authority and is planning to squeeze about another $1 billion to $1.3 billion out of these programs for working mothers and people in need.

The new regulations are designed to save money at the cost of making life immeasurably more difficult for working parents, especially women, their children, the elderly, the handicapped, addicts, and others receiving assistance under these programs.

New York City has one of the largest child care programs in the nation, serving about 40,000 children, but even this is woefully inadequate to meet the needs of thousands of working parents. Under the proposed new regulations, however, at least 20,000 of these children will no longer be eligible for federal reimbursement. The proposed restriction of eligibility to those with incomes no more than 133⅓ percent of state public assistance levels means, for example, that a family of four earning more than $5,400 will be disqualified. A family of four needs twice that amount to live very modestly in our city, but the government is now arbitrarily saying that even such low incomes are too much to qualify for help.

Federal funds will be cut for Medicaid and health services in day care centers, for day care training programs and for staff to monitor these programs. Quality standards will be lowered. Overall, New York City will lose $77 million in funds in addition to a great loss in funds imposed by the $2.5 billion ceiling.

In human terms, these changed regulations will create havoc in the lives of thousands of working women and their young children. Let me give you one example from a letter which I delivered personally to HEW Secretary Caspar Weinberger from a mother of two, whose younger child attends Greenwich House day care center in lower Manhattan. This young woman, a college graduate, is employed and is working for an M.A. in higher education. She separated from her husband three years ago and only recently obtained a divorce. During that time she received only limited financial help from her husband.

In her letter to Mr. Weinberger, Janet van Bovenkamp points out that "statistically most divorced men after three years only partially fulfill their financial obligations; after ten years, about 80 percent or 90 percent give no support at all to their prior families. Yet we live in a country where almost one-third of marriages end in divorce." And, she asks: "What happens to the children?"

This young woman writes: "Now what will be the effect on us if the government does not support our day care system? I may consider going on welfare, and many mothers in my situation are—which will increase the federal welfare budget enormously—or I will be forced to find a series of babysitters to care for my child after he has adjusted to a healthy environment. Most probably Brett [her son] will be in an insecure position for the next year and a half—at least. Don't you think he's had enough? We will be financially strapped to the point of cutting into our food budget. I will no longer even be able to supply minimum government food standards to my family, and I will be forced to look for ragged bargains of used clothing." And she pleads, "Do you understand?"

There has been all too little understanding of the needs of working women, their desire for the dignity of a job rather than the welfare dole that forces them into a dead-end, substandard existence, their need for adequate care for their children, their hope that this country out of its enormous wealth will provide the kind of social services that many poorer countries have been making available to their citizens for years as a matter of right.

In New York City last week more than two thousand working mothers and their children demonstrated in front of the HEW's regional office to protest this new assault on their security at the hands of a totally insensitive administration. There will be more of these demonstrations in New York and elsewhere in the country if the proposed regulations are allowed to go into effect.

I believe that the most direct way to stop them is for Congress to enact the Reid bill, of which I am happy to be a co-sponsor. This bill would reinstate the existing HEW regulations. Similar legislation has been introduced in the Senate.

At the same time, we must continue to exert direct pressure on HEW to drop these new proposals. As part of this effort I arranged a meeting on March 13 with Mr. Weinberger and Philip Rutledge, acting administrator of HEW's Social Rehabilitation Services. I think it is indicative of the heavy kind of flak HEW has been receiving on these new regulations that Mr. Weinberger agreed to meet with me and other members of Congress on Capitol Hill.

The meeting, which lasted for ninety minutes and was certainly very amicable in tone, was also attended by Congresswomen Margaret Heckler, Barbara Jordan, Patsy Mink, Yvonne Burke, Ella Grasso, Edith Green, Pat Schroeder and a representative of Shirley Chisholm. Congresswoman Elizabeth Holtzman and Congresswoman Marjorie Holt, who like Ms. Heckler is a Republican, were unable to attend personally but had planned to come to join in our protest.

Representing child care groups and interests were Ted Taylor of the Day Care and Child Development Council, a nationwide organization; Bill Pierce of the Child Welfare League, Marjorie Grosett of the Day Care Council of New York and a parent from that group, Rose Baez; the Reverend C. Leonard Miller of the Ad Hoc Committee to Save Our Children, Carol Lubin of the United Neighborhood Houses, Commissioner Georgia McMurray of New York City's Agency for Child Development, Judy Assmus of the Washington Research Project and Joyce Goldman, editor of the Day Care and Child Development Reports. They were unanimous in their opposition to the new regulations, particularly the restrictions on eligibility and the prohibition on the use of donated private funds to be considered as the state's share in claiming federal reimbursement.

In our meeting with Mr. Weinberger we pointed out that these regulations contradict directly this Administration's professed interest in voluntarism and the "work ethic."

I was dismayed by Mr. Weinberger's insistence that his prime responsibility was to cut federal expenditures. We were encouraged, however, to receive his assurance that the new regulations will not go into effect on March 19, the deadline set by HEW for comments on its proposals. Mr. Weinberger indicated that changes were being made and that it would be at least a month or more after March 19 before the revised regulations become operative. He also said that he would be willing to consider some changes in eligibility requirements and said there would definately be a revision to allow federal matching dollars for some private funding. In view of Mr. Weinberger's statement that the proposed new regulations are only a "first draft" and that revised regulations will be issued, Congresswoman Patsy Mink made the suggestion, and others present at the meeting concurred, that the HEW should provide another thirty-day period for public comment before putting them into effect. It seems to me that this is the very least we should demand of HEW. As far as we can ascertain, these proposed new regulations were drafted with no consultation with the people they will most directly affect, and this must be changed.

It may seem redundant to state that the Health, Education and Welfare Department, was created to concern itself positively with the health, education and welfare of the American people, but unfortunately it is necessary to do so. The Nixon Administration, as part of a general assault on the living standards of millions of Americans through its proposed budget cuts and impounding of funds, is shifting its emphasis in these regulations to cutting and eliminating social service programs rather than determining what the needs of our people are and finding ways to meet them.

I believe the HEW should open the process of formulating regulations to allow for more input by the public and by affected groups. Open hearings by HEW is one way to provide for this.

I also believe that this subcommittee can continue to play a very constructive role in this area. I would urge you to extend these hearings to other locations so that the committee members can learn first-hand about the terrible effect the proposed regulations will have on so many essential and humane programs. I would certainly welcome your holding a hearing in New York City to allow the many working mothers an opportunity to explain to you their need for a continuation and expansion of child care services.

There is still time for us to stop these regulations. Unfortunately, many authorities around the country are already beginning to cut back on programs and to deny necessary services in the belief that the ax has fallen.

We must continue massive public pressure to compel HEW to alter or drop this proposal altogether, and we must pass legislation to reinstate the old regulations if HEW does not respond.

HAPPY BIRTHDAY, MISHA ULMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, Thursday, March 15, is Misha Ulman's 28th birthday.

Misha Ulman is a young Jew living in the Soviet Union. He was trained as a radio engineer, but is now unemployed and living off the charity of his friends. The reason? He sought permission to emigrate to Israel.

Misha and his mother applied for visas to emigrate to Israel in 1971. His mother received her visa with comparatively little difficulty, but Misha was told he would have to wait 2 months before he could get his approval. When the 2 months were up, he was told unconditionally by the Soviet authorities that he would not get a visa.

In the meantime, Bayla Ulman, Misha's mother, left for Israel. She went in the hope that her son would soon be able to join her there. She waited and waited but—no Misha.

Bayla Ulman came to the United States in December 1972, on a visitor's visa. Her purpose was to make people in this country aware of what was happening to her son. She did receive some publicity, but it soon passed from people's minds.

Misha Ulman faces his 28th birthday in great peril. Because he is not working, he is running the risk of being arrested under the Soviet Union's parasitism law. He will be sent to jail, when the reason for his plight is apparent: The Soviet Union made a parasite out of him when the authorities refused to grant his application for a visa.

We have all heard much in the past month about the suffering of Jews in the Soviet Union. Misha's case is typical of the injustices visited upon those seeking their freedom in Israel. Not only are they not permitted to leave, but they are harassed and threatened with imprisonment for having had the audacity to ask permission to leave.

I appeal to the officials of the Soviet Union, from Premier Kosygin on down to the lowliest commissars, to let Misha Ulman join his mother in Israel. Let this be the last birthday he will have to spend in Russia. Give him the gift of freedom.

THE NEED FOR IMPROVED AND COORDINATED SUPERVISION OF TAX-EXEMPT PRIVATE FOUNDATIONS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, today, I am introducing two pieces of legislation that expand and refine two provisions of the Tax Reform Act of 1969 pertaining to tax-exempt private foundations. While, in general, I am in complete agreement with the provisions of the Tax Reform Act of 1969 that pertain to private foundations, I believe these two pieces of legislation are important and necessary refinements of the existing provisions and are vital in the protection of the ultimate beneficiaries of private foundations, the American people.

The first provision amends section 4940 of the Internal Revenue Code by providing that the receipts from the excise tax based on the investment income of private foundations shall be used for the supervision of the activities of such foundations. Section 4940 of the Internal Revenue Code imposes an excise tax of 4 percent on every private foundation's net income. While the term "excise tax" is prominent in the statutory heading of section 4940, I believe that the terms "audit fee" and "service charge" would more accurately reflect the intention of those who, in 1969, sought the imposition of a tax on the net investment income of private foundations. While a change in the description of section 4940 is a necessary and proper technical modification, it should not override the need for a correction of a fundamental procedural fault of the current provision.

The existing language of section 4940 fails to specifically earmark the revenues generated by the excise tax on the net investment income of private foundations for the auditing and supervisory purpose for which it was intended. A tax imposed on specific entities for supervisory and auditing purposes should not be commingled with the general revenues of the Treasury but should be earmarked, segregated and made available for the specific purpose for which it was levied.

While the aforementioned changes in terminology and the specific earmarking of the revenues are important technical and procedural refinements of section 4940 of the Internal Revenue Code, the most important recommendation made by the provisions I have today introduced is the mandatory sharing of the revenues of this audit fee with the States. Historically, the attorneys general of the States have been charged with the responsibility to represent the interests of the beneficiaries of charitable dispositions. The most careful scrutiny of the provisions of the Internal Revenue Code that pertain to private foundations and exempt organizations will fail to find any language that charges the Internal Revenue Service with the responsibility to enter into proceedings of accounting, construction, and mandatory dissolution of charitable trusts and charitable corporations. The Congress, in its wisdom, has never attempted to impose the supervision of its revenue-raising agent, the Internal Revenue Service, upon the most important, daily supervision of charitable trusts and charitable corporations.

Those who led the way in the search for reform of private foundations were unanimous in their desire for a greater cooperation between the Federal—Internal Revenue Service, and the local—State attorneys general supervisory entities. This cooperation has not been achieved, partly because the Internal Revenue Service has not responded to the call for cooperation by the States, and partly because the States have been financially unable to live up to their responsibility to represent the interests of charitable beneficiaries. The States can justify their failures to exercise this responsibility by pointing to a lack of the necessary funds to perform the supervisory and auditing functions required in the representation of charitable beneficiaries. To ask an attorney general to allocate the limited and valuable budget of his office to the supervision of exempt organizations, as opposed to the fighting of crime and the attack on an escalating drug culture, would be both socially and politically naive.

However, this lack of funds on the State level should not excuse and further postpone the protection of the interests of charitable beneficiaries. The leaders of the foundation community recognize the need for supervision and regulation of private foundations and agree that they should provide for this supervision, both at the Federal and State level. I can think of no better way for the foundation community to express its desire to provide for the needs of public charity, than to provide for the establishment of a coordinated, Federal and State supervision of exempt organizations. Specifically earmarked, "auditing fees" which are made available for the Federal and the State supervision of exempt organizations are fees that are most urgently needed and socially desirable.

By requiring that private foundations pay an "auditing fee" which will be specifically earmarked for the Federal and State supervision of exempt organizations, the Federal Government accepts the responsibility to see that the private foundation contribute no more than their "fair share," and that any supervision in excess of those necessary for the Federal and State auditing and supervision of private foundations and exempt organizations should be credited toward future payment of the "auditing fee" levied on the net investment income of private foundations. The foundation community is correct when it states that the moneys it pays, which are in excess of the funds necessary for supervision and auditing, are funds that ordinarily would have been paid out to charity.

Accordingly in the provision I have today introduced, those funds contributed by private foundations in excess of the funds required by the Internal Revenue Service and the State supervisory authorities, will be credited to future payment of the "audit fee." Upon receipt of the credit for overpayment of the "audit fee" the foundations will then be required to add the amount of the credit onto the required payout for that taxable year. In this way, the foundations will be able to pay out to charity all of the funds in excess of those required for the Federal and State auditing and supervision of exempt organizations.

The second bill, I am introducing today, addresses itself toward a loophole or shortcoming in section 4944 of the Internal Revenue Code. Section 4944 was added by the Tax Reform Act of 1969 and was intended to safeguard the funds which tax-exempt private foundations hold in public trust by discouraging investments that carry a high degree of risk. This was accomplished by imposing a tax upon a foundation when it invests any amount in such a manner as to jeopardize the carrying out of its tax-exempt purpose.

This provision has been interpreted as prohibiting or discouraging foundations from trading in "puts" and "calls" and making other speculative investments. Recent events, however, have shown that there are glaring shortcomings with such a narrow interpretation of jeopardizing investments. It is now apparent that the high degree of responsibility which requires the managers and trustees of tax-exempt organizations to exercise the degree of skill, judgment, and care which men of prudence, discretion and intelligence exercise in the management of their own affairs, should make mandatory the diversification of the investments in a foundation's portfolio.

Recent studies by the Subcommittee on Domestic Finance of the Banking and Currency Committee have shown numerous foundations that have an extraordinary amount of their portfolio invested in a single company. Obviously such a concentrated investment entails a much greater risk of loss than a prudently invested, diversified portfolio by basing a foundation's ability to serve its charitable beneficiaries on the performance of a single company.

One example which demonstrates how the continued holding of a large investment in a single company has brought about tremendous losses for charitable beneficiaries is the John A. Hartford Foundation's investment in the Great Atlantic & Pacific Tea Co. This single holding of A. & P. stock made up 84 percent of all of the Hartford Foundation's assets at the end of 1968, and had a market value of $297 million, with a yield amounting to 4.55 percent. During the last 10 years, the market value of the A. & P. stock hold by the Hartford Foundation has reached as high as $585 million; however, the present value of the stock is less than $121 million and dividends on the A. & P. stock have been discontinued.

Another example is Henry Luce Foundation's holding of Time, Inc., stock. In 1968, this holding of Time, Inc., stock had a market value of $87 million and amounted to 98 percent of all the Luce Foundation's assets. The present value of this holding is less than $38 million.

These are dramatic, but not isolated, examples of the decline in the market value of the corpus of foundations who have continuously invested their assets in single companies, as opposed to an investment policy of diversification. At the present time, approximately 25 percent of the 50 foundations which had the largest investments in any single corporation in 1968 have experienced a decline in the market value of their portfolios.

The purpose of this bill, which I have introduced, is to see that charitable beneficiaries of private foundations are protected, by requiring prudent, diversified investment programs by private foundations. This bill will require portfolio diversification by limiting the amount of a private foundation's assets which can be invested in any single company to 10 percent of the private foundation's total assets.

In recognizing certain problems associated with the required divestiture of extremely large holdings by certain foundations, the bill allows existing foundations up to 5 years to diversify its portfolio. This 5-year provision will also apply to any new gift or bequest received by a foundation at any future time.

This much needed proposal is not nearly as harsh as some may attempt to make it. Since the passage of the Tax Reform Act of 1969, many foundations, to their credit, have initiated large successful divestiture programs. Some of these programs have exhibited noteworthy innovation and those foundations involved should be recognized for their efforts.

In 1972, the Kresge Foundation divested of 2.5 million shares of the S. S. Kresge Co. through a secondary offering, which realized $257 million. The Eli Lilly & Co. sold 3 million shares of Eli Lilly & Co. for $185 million. Some of the other foundations that have divested or have announced plans to divest of at least a portion of their large holdings in single companies included the Robert Wood Johnson Foundation—Johnson & Johnson Co., the Clark Foundation—Avon

Corp., the Danforth Foundation—Ralston-Purina Co., and the Amon Carter Foundation—newspaper and television interests.

The Ford Foundation, which held stock in the Ford Motor Co. valued in 1968 at $1.7 billion and which made up approximately 46 percent of the total value of their assets, has pursued an aggressive and innovative divestiture program which they hope will have it completely divested of its Ford Motor Co. stock within the next 2 years.

Mr. Speaker, these examples of foundations successfully divesting of large blocks of stocks show that this proposal of mandatory diversification is not feasible. Admittedly, many of these sales were caused more by the provision in section 4942 of the Internal Revenue Code which required the foundations to increase the total yield of their holdings in order to meet the minimum payout provision of that section. Other foundations, however, have voluntarily set upon a course of diversification, because they realize the wisdom and prudence of having a completely diversified portfolio. Unfortunately, there remains many private foundations that have taken no action or made any attempt to protect the interest of their charitable beneficiaries by failing to establish a policy of prudent, diversified investments.

Mr. Speaker, for many years I have been studying the need to insure that the tax-exempt funds held by private foundations are used solely for charitable purposes. While the provisions of the Tax Reform Act of 1969 relating to tax-exempt private foundations were addressed to many major areas of abuse, the provisions I am introducing today will improve and refine the existing provisions and I urge my colleagues to carefully consider these proposals. A copy of the bills introduced follows:

H.R. 5728

A bill to provide that the receipts from the excise tax based on the investment income of private foundations shall be used for the supervision of the activities of such foundations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREATION OF TRUST

(a) TRUST FUND.—

(1) IN GENERAL.—There is hereby established on the books of the Treasury of the United States a trust fund to be known as the "Trust Fund for the Supervision of Private Foundations" (referred to in this Act as the "Trust Fund"). The Trust Fund shall remain available without fiscal year limitation and shall consist of such amounts as may be appropriated to it and deposited in it as provided in subsection (b). Amounts in the Trust Fund may be used only for (1) the supervision of the activities of private foundations are provided in this Act, and (2) the return of excess amounts to the private foundations as provided in section 4940(d) of the Internal Revenue Code of 1954.

(2) TRUSTEE.—The Secretary of the Treasury shall be the trustee of the Trust Fund.

(3) The Secretary of the Treasury shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding year. Each such report shall include a summary of the reports of the State agencies for the preceding year made to him under section 2(c). Each such report shall be printed as a House document of the session of the Congress to which the report is made.

(b) APPROPRIATIONS.—

(1) IN GENERAL.—There is hereby appropriated to the Trust Fund, out of money in the Treasury not otherwise appropriated, amounts equivalent to 100 percent of the taxes received in the Treasury after December 31, 1973, under section 4940 of the Internal Revenue Code of 1954 (relating to excise tax based on the investment income of private foundations).

(2) Method of transfer.—The amounts appropriated by paragraph (1) shall be transferred from time to time from the general fund of the Treasury to the Trust Fund on the basis of estimates by the Secretary of the Treasury of the amounts received in the Treasury under such section 4940. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

SEC. 2. PAYMENTS TO STATE GOVERNMENTS.

(a) GENERAL RULE.—The Secretary of the Treasury shall, for 1974 and for each calendar year thereafter, pay out of the Trust Fund to the government of each qualifying State an amount equal to the entitlement of such State (determined under section 3). Such payments shall be made in installments, but not less often than once for each quarter. Such payments for any year may be initially made on the basis of estimates. Proper adjustments shall be made in the amount of any payment to a State government to the extent that the payments previously made to such government under this Act were in excess of or less than the amounts required to be paid.

(b) QUALIFYING STATE.—For purposes of this Act, a State shall be a qualifying State for any year if, before the beginning of such year, such State establishes to the satisfaction of the Secretary of the Treasury (1) that it will have in operation throughout such year a State agency which will audit the private foundations over which such State has jurisdiction and will exercise substantial supervision over their activities to ensure that such private foundations will promptly and properly use their funds for charitable purposes, and (2) that it will comply with subsection (c).

(c) REPORTS.—Each State shall, for each year for which it receives funds pursuant to this Act, make a report to the Secretary of the Treasury before February 1 of the following year. Such report shall include—

(1) a full accounting for the funds received by such State during the year.

(2) a detailed description of the activities of the private foundations supervised by the State, and

(3) such other information relating to private foundations within the jurisdiction of the State as the Secretary of the Treasury may by regulations prescribe.

SEC. 3. ENTITLEMENT OF STATES.

(a) BASIC AMOUNT.—Each State which is a qualifying State for a year shall be entitled to receive for such year a basic amount of $250,000.

(b) ADDITIONAL AMOUNT.—Each State which is a qualifying State for a year shall be entitled to receive for such year (in addition to the basic amount) an amount which bears the same ratio to—

(1) the excess of (A) 50 percent of the amount appropriated to the Trust Fund for such year under section 1(b), over (B) the sum of the basic amounts payable to qualifying States for such year under subsection (a) of this section, as

(2) the aggregate fair market value of the noncharitable assets of all the private foundations which have their principal place of business in that State bears to a similar aggregate fair market value determined for all the qualifying States.

(c) VALUATION DATE; NONCHARITABLE ASSETS.—For purposes of subsection (b)(2)—

(1) VALUE DETERMINED.—Fair market value for any year shall be determined as of the first day of such year.

(2) NONCHARITABLE ASSETS.—The noncharitable assets of any private foundation are all of the assets of the foundation except those being used (or held for use) directly in carrying out the foundation's exempt purpose.

SEC. 4. SUPERVISION BY INTERNAL REVENUE SERVICE.

(a) ONE-HALF OF TRUST FUND AMOUNTS MAY BE USED BY INTERNAL REVENUE SERVICE.—Not to exceed 50 percent of the amount appropriated to the Trust Fund for any period may be used, as provided by appropriation Acts, by the Internal Revenue Service to supervise compliance with the provisions of chapter 42 of the Internal Revenue Code of 1954 (relating to private foundations) or otherwise to supervise the activities of private foundations.

(b) EXCESS AMOUNTS MAY BE USED BY STATE AGENCIES.—If, for any period, the Secretary of the Treasury determines that the full amount which may be appropriated under subsection (a) exceeds the amount needed by the Internal Revenue Service to carry out the supervision set forth in subsection (a), he shall certify to the House of Representatives and to the Senate the amount which he determines to be in excess of the needs of the Internal Revenue Service. Any amount so certified may be appropriated for distribution to the State agencies of qualifying States in the same proportion as additional amounts are apportioned among the States under section 3(b) for the year in which the certification of the Secretary of the Treasury is made.

SEC. 5. SECTION 4940 AMOUNTS NOT NEEDED FOR SUPERVISION TO BE RETURNED TO PRIVATE FOUNDATIONS.

(a) CREDIT OR REFUND OF EXCESS AMOUNTS.—Section 4940 of the Internal Revenue Code of 1954 (relating to excise tax based on investment income) is amended by adding at the end thereof the following new subsection:

"(d) Credit or Refund of Excess Amounts to Private Foundations.—

"(1) IN GENERAL.—If, at the close of the taxable year, the balance in the Trust Fund for the Supervision of Private Foundations exceeds an amount equal to 25 percent of the aggregate amount expended out of such Trust Fund during such year for supervision by the State agencies and the Internal Revenue Service of the activities of private foundations, then such excess shall be returned to the private foundations as provided in this subsection.

"(2) CREDIT OR REFUND.—There shall be allowed to each private foundation, as a credit against the tax imposed by this section for the taxable year, an amount equal to such private foundation's pro rata share of any excess determined under paragraph (1) for such year. If, in the case of any private foundation, the amount of any credit under the preceding sentence for the taxable year is greater than the amount of the tax imposed by subsection (a) for such year, the amount by which such credit exceeds such tax shall be considered an overpayment of tax for such year.

"(3) PRIVATE FOUNDATION'S PRO RATA SHARE.—For purposes of paragraph (2), the pro rata share of any private foundation of any excess determined under paragraph (1) for the taxable year shall be an amount which bears the same ratio to such excess as (A) the aggregate amount payable under subsection (a) of this section by the private foundation for the taxable year and all prior taxable years beginning after the last taxable year for which an excess was returned to the private foundations under this subsection bears to (B) a similar aggregate determined for all private foundations."

(b) Credit or Refund To Be Treated as Distributable Amount.—Section 4942(d) of the Internal Revenue Code of 1954 (defining "distributable amount" for purposes of the taxes on failure to distribute income) is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof", and increased by", and adding after paragraph (2) the following new paragraph:

"(3) the aggregate amount credited or refunded to the private foundation for the taxable year under section 4940(d)."

Sec. 6. Meaning of Terms.

(a) State.—For purposes of this Act, the term "State" includes the District of Columbia.

(b) Year.—For purposes of this Act, the term "year" means the calendar year.

H.R. 5729

A bill to amend the Internal Revenue Code of 1954 to require private foundations to diversify their holdings

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4944 of the Internal Revenue Code of 1954 (relating to taxes on investment which jeopardize charitable purpose) is amended by adding at the end thereof the following new subsection:

"(f) Failure To Diversify Portfolio.—

"(1) Treated as jeopardizing charitable purpose.—For purposes of this section, on each day on which a private foundation fails to dispose of any nondiversified holding such foundation shall be treated as making an investment, in an amount equal to the amount of such nondiversified holding, in such a manner as to jeopardize the carrying out of its charitable purposes.

"(2) Nondiversified holding defined.—For purposes of this subsection, the term 'nondiversified holding' means the amount (if any) by which the value of the private foundation's holdings of stock and debt obligations of any corporation exceed 10 percent of the value of the total assets of the private foundation.

"(3) Determination date.—For purposes of this section, the amount of the nondiversified holding of a private foundation in any corporation for any period shall be determined—

"(A) in the case of the taxes imposed by subsection (a) for any year (or part thereof), on the day in the year (or part thereof) on which the amount of the nondiversified holding was the greatest, or

"(B) in the case of the taxes imposed by subsection (b), on the day in the correction period on which the amount of the nondiversified holding was the greatest.

"(4) Short-term nondiversification to be disregarded.—Paragraph (1) of this subsection shall not apply to the holdings of any private foundation in any corporation until such foundation has had nondiversified holdings in such corporation on each of at least 180 days occurring after the date of the enactment of this subsection.

"(5) 5-year period to dispose of present holdings.—This subsection shall not apply to stock and debt obligations held by the private foundation on March 1, 1973, until the date which is 5 years after the date of the enactment of this subsection.

"(6) 5-year period to dispose of gifts, bequests, etc.—If, after March 1, 1973, there is an increase in the holdings of stock and debt obligations (other than by purchase by the private foundation) held by a private foundation, this subsection shall not apply to the stock and debt obligations representing such increase until the expiration of 5 years after the later of—

"(A) the date of the enactment of this subsection, or

"(B) the date on which such increase in holdings occurs.

"(7) Controlled group of corporations treated as one corporation.—For purposes of this subsection, all corporations which are component members of the same controlled group of corporations (within the meaning of section 1563) shall be treated as one corporation."

TERMINATION OF U.S. PARTICIPATION IN SEATO AND CENTO

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I am today introducing a House resolution expressing "the sense of the House" that the U.S. Government should give the requisite notice of its intention to terminate its participation in the SEATO treaty organization and in the three bilateral agreements—with Pakistan, Turkey and Iran—which were entered into in 1959 pursuant to the Baghdad Pact—CENTO. This would, no doubt, have the effect of bringing the SEATO and CENTO organizations to an end.

These treaties are anachronistic relics of the frigid period of the Cold War. At the opening session of the Southeast Asia Conference at Manila on September 6, 1954, Secretary of State John Foster Dulles said:

> We have come here to establish a collective security arrangement for Southeast Asia. . . . We are united by a common danger, the danger that stems from international communism and its insatiable ambition.

He spoke of "the vast land armies of which international communism disposes in Asia," and he made no distinction between Soviet Russia and mainland China.

The atmosphere was the same when the original Baghdad Pact between Iraq and Turkey was signed in 1955 and when the United States joined with Iran, Pakistan, Turkey and the United Kingdom in the Declaration of July 28, 1958, affirming that the need for the Baghdad Pact was "greater than ever" and indicating that the United States was in effect joining the so-called Central Treaty Organization. Pursuant to that Declaration, on March 5, 1959, the United States entered into bilateral agreements with Pakistan, Iran and Turkey providing for "such appropriate action, including the use of armed forces, as may be mutually agreed upon" in the event of aggression.

The SEATO treaty and each of these bilateral agreements provide that any of the parties may terminate its participation on one year's written notice. My resolution would express the "sense of the House" that such notice should now be given in each case.

In contrast to the relatively clear-cut commitments of the NATO treaty, the obligations of the parties under the SEATO and CENTO agreements are vague and uncertain. As might have been expected, they have been interpreted in very different ways by the signatories. For example, the United States has argued that its participation in the Vietnam war was required by its SEATO commitment, while Britain and France, also signatories to the SEATO treaty, saw no such obligation in the treaty. Such vagueness is dangerous: it creates uncertainty and hence instability.

It is high time that the United States should rethink the question of whether these treaties are desirable or not. They should not be allowed to stay on the books just because to do so is to follow the line of least resistance.

Why, for example, should the United States today have a separate treaty with Pakistan? The treaty with Turkey would seem to be superfluous since Turkey is a member of NATO. With respect to Iran, there is perhaps a reason for a mutual defense agreement, since we have enjoyed an exceptionally close relationship with Iran for many years. But if so, the agreement should be clear and specific, and not subject to the danger of conflicting interpretations.

All of these questions should be reexamined, especially in the light of our new relationships with the Soviet Union and the People's Republic of China.

My principal purpose in introducing this resolution is to stimulate such reexamination. I hope that hearings on the resolution will be held by the appropriate subcommittees of the Foreign Affairs Committee, preferably sitting jointly.

The text of the resolution follows:

H. Res. 311

House Resolution Expressing the sense of the House of Representatives that the United States terminate its part in SEATO and CENTO

Whereas, the Southeast Asia Collective Defense Treaty (SEATO) and the agreements of March 5, 1959, between the United States and Pakistan, between the United States and Iran, and between the United States and Turkey (entered into pursuant to the Declaration of July 28, 1958, concerning the Baghdad Pact (CENTO)) each provide that a signatory government may cease to be a party to the treaty or agreement one year following written notice to that effect, and

Whereas, the parties' obligations and commitments under these treaties and agreements are vague and have been variously interpreted by the signatory governments, and

Whereas, these treaties and agreements have outlived any usefulness they may once have had: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that:

(1) the United States Government should promptly deposit written notice, in accordance with Article X of the Southeast Asia Collective Defense Treaty (TIAS 3170) of its intention to cease being a party to the treaty at the end of one year; and

(2) the United States Government should promptly give written notice, in accordance with the provisions of the three bilateral agreements of March 5, 1959, with Pakistan (TIAS 4190), with Iran (TIAS 4189) and with Turkey (TIAS 4191), entered into pursuant to the Declaration of July 28, 1958, respecting the Baghdad Pact, of its intention to terminate such agreements at the end of one year.

The following article by the distinguished columnist Clayton Fritchey is highly pertinent:

[From the Washington Post, Feb. 27, 1973]

Giving SEATO the Byrd

(By Clayton Fritchey)

Washington.—Sen. Robert Byrd (D-W. Va.), is the assistant majority leader of the U.S. Senate. He is a capable but provincial politician; until a few days ago he was never known to express an opinion on foreign policy. Hence, it is all the more astonishing to hear him make one of the most constructive of all Vietnamese post-cease-fire proposals.

He thinks it's time for us to withdraw from the Southeast Asia Treaty Organization—the mischievous SEATO that has meant nothing but trouble for the United States since former Secretary of State Dulles invented it almost 20 years ago to legalize American meddling in Asian affairs.

Sen. Byrd, stating it politely, says the treaty hasn't served U.S. interests. And he adds: "All SEATO has done is talk. The pact has no power to unite its members in efforts to maintain peace and security, and thus fails its basic purpose."

Actually, it has tempted the U.S. to disturb the peace rather than maintain it. So now is the time, following the lead of some of the treaty's other signatories, to get out—before it leads us into more Asian misadventures.

With possibly one or two exceptions, none of the other members of SEATO has ever had much use for the treaty. It has never really been what its name implies, for aside from Thailand, no Southeast Asian nation would join it.

Britain and France reluctantly joined in order to humor Washington. Australia and New Zealand came in because they depend on the U.S. to protect them. Thailand and the Philippines are quasi-U.S. satellites. Pakistan, at the time, was also one of our client states.

Although Washington has for years invoked SEATO as legal authority for intervening in South Vietnam, it should be noted that the Saigon government is not a signatory. Indeed, the treaty doesn't even recognize the existence of a state of South Vietnam, but only of a state of Vietnam, which, under the 1954 Geneva agreement, meant Hanoi.

It wasn't until after the U.S. began sending in ground troops that former President Johnson suddenly discovered (in 1966) that under SEATO we had to defend South Vietnam. "We are in Vietnam," the late President proclaimed, "because the United States and our allies are committed to meet the common danger of aggression in Southeast Asia."

This was news to our allies. The other major signatories of the treaty—Britain, France and Pakistan—have never recognized any obligation to help Saigon. Pakistan, in fact, has since withdrawn from SEATO. France is inactive.

The new Prime Minister of New Zealand, who feels SEATO has "atrophied," says, "We need an organization which brings countries together rather than separates them, as SEATO does." Australia also is close to withdrawal.

Sen. Byrd can render a real public service if he now goes on to show how the American people were deceived into thinking that SEATO imposed on them, a sacred commitment to fight for Vietnam. That question ought to be clearly settled, so that it can never be exploited again.

The question first arose when the treaty was before the U.S. Senate in 1955 for ratification. The then chairman of the Foreign Relations Committee, Sen. Walter George said (with the approval of Secretary Dulles) "I cannot emphasize too strongly that we have no obligation to take positive measures of any kind. All we are obligated to do is consult together about it."

Dulles himself told the Senate, "We do not intend to dedicate any major elements of the U.S. military establishment to form an army of defense in this area . . ." Yet, in the end, a willful President did just that—without consulting Congress, the public or even the other members of SEATO.

Before his election 1968, President Nixon described SEATO as a "somewhat anachronistic relic," while Henry Kissinger was calling it "moribund." Once in the White House, however, their criticism ceased.

Now that Nixon is disengaging from Vietnam, it might be a good time for him to substitute for SEATO a policy he once enunciated at Manila. He said: "Peace in Asia cannot come from the United States. It must come from Asia. The people of Asia, the governments of Asia—they are the ones who must lead the way to peace in Asia." Amen.

SOCIAL SECURITY AMENDMENTS OF 1973

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, today I am introducing the Social Security Amendments Act of 1973, a comprehensive bill which liberalizes eligibility requirements and benefits under social security, medicare, and Federal supplementary security income. This legislation is vitally needed to provide improved coverage for the elderly, the disabled, and the blind.

Last year in the 92d Congress, we fought successfully for a 20-percent across-the-board rise in social security benefits and other improvements in the social security law. However, Mr. Speaker, much more remains to be done if social security is to meet the needs of its beneficiaries.

There are 40 provisions in my bill, and many of them have been drawn up in response to requests and comments from my constituents. Some of the provisions are based on suggestions which were made to me by the National Council of Senior Citizens, the American Association of Retired Persons, and the National Retired Teachers Association. All of these provisions are aimed at helping to bring about a better life for the senior citizens of our society.

I have set out the detailed specifics of each provision in the section-by-section analysis of this bill which accompanies my statement. Consequently, I shall here merely outline in general terms the principal elements of this legislation.

First, my bill would provide partial funding for social security benefits from general Federal tax revenues. The effect of this would be to transfer some of the regressive social security tax burden to the far more progressive income and estate tax structure.

Second, the minimum benefit and the minimum primary insurance amount would be increased. The result would raise the minimum monthly benefit from $85 to $120. Furthermore, if a worker had paid into Social Security for more than 15 years, he or she would be entitled to receive a minimum of $8 times the number of years worked—up to 25 years providing a minimum monthly benefit of between $120 and $200.

Third, this bill increases to $3000 annually—$250 a month—the amount of outside earnings which are allowed without reducing social security benefits.

Fourth, lump-sum death benefits are increased.

Fifth, forced retirees would be eligible for benefits at age 55.

Sixth, the retirement age for men and women would be lowered to 62 with full benefits. Forced retirees would be eligible for reduced benefits at age 55.

Seventh, if a woman has worked 30 years under social security, she would receive full benefits even if she began receiving payments before age 62.

Eighth, eligibility for widows' and widowers' benefits would be expanded.

Ninth, increased benefits would be paid to beneficiaries who did not begin receiving payments at age 65 but instead waited until a later age.

Tenth, the definition of disability would be broadened and blind persons would be made eligible for disability benefits after 6 quarters of social security coverage.

Eleventh, marriage or remarriage after age 60 by a surviving beneficiary would not affect that person's right to receive survivor's benefits.

Twelfth, civil service and social security credits would be interchangeable.

Thirteenth, special housing allowances would be paid to low-income senior citizens, and recipients of aid to the aged, the blind, and the disabled would retain eligibility for food stamps.

Fourteenth, the first $7,500 of annual pension income would be disregarded in determining eligibility for Federal supplementary security income payments in the case of persons over age 70.

Finally, Mr. Speaker, my bill would make several critically needed changes in the medicare system.

Medicare recipients would no longer be charged premiums for the supplementary insurance which covers doctors' bills. All deductibles and coinsurance would be eliminated, thus guaranteeing that a medicare beneficiary would receive totally free medical care, the Federal Government paying all costs. Medicare would pay for home health care and nursing services, prescription drugs, dental services, eye glasses, flu vaccine, and orthopedic shoes and braces. Medicare coverage would, for the first time, be usable abroad, covering beneficiaries while they are in Israel, Italy, Ireland, Greece, or any other country with quality medical services.

Just because we enacted and improved social security and medicare benefits in 1972 does not mean that this Congress can now afford to relax its efforts. We must remain watchful of the needs of our senior citizens who are burdened with inflation, rising food costs, increased medical expenses, and high rents. This Nation owes a great debt to the senior citizens whose years of hard work and participation in our democratic processes have helped to build America.

In the hope that this Congress will rise to meet the challenge of providing them with a good standard of living in their golden years, I am introducing this legislation.

SECTION-BY-SECTION ANALYSIS OF H.R. 5670, THE SOCIAL SECURITY AMENDMENTS ACT OF 1973

TITLE I

Section 101 increases the minimum primary insurance amount to $120 per month.

Section 102 provides an alternative primary insurance amount, equal to $8 multiplied by the number of years up to 25 that a person has worked under social security and had covered earnings equal to the amounts specified.

Section 103 increases the social security tax and benefit base to $15,000 a year.

Section 104 increases the exempt amount under the social security earnings test to $3,000 a year—$250 per month.

Also provides for automatic increases in the exempt amount in direct proportion to the rise in average wages taxed for social security purposes.

Section 105 increases the lump-sum death payment to the smaller of four times the primary insurance amount or 150 percent of the maximum primary insurance amount shown in the benefit table in effect at the time the worker died.

Section 106 lowers the retirement age to 62 with full benefits and to 60 with actuarially reduced benefits.

Section 107 provides that widow's and widower's benefits shall be paid to a widow or widower if that person's spouse died while receiving benefits and the survivor was at least age 50 at the time of the spouse's death.

This section also provides that benefits for disabled widows and widowers shall be paid without regard to their age.

Furthermore, a widow would be eligible for widow's benefits at age 55, provided that her husband was insured by social security, even if he had not begun receiving benefits at the time of his death.

Section 108 reinstates full monthly benefits to a social security recipient who elects to receive reduced benefits. Full benefits are restored at the age at which the reduced benefits received equal the benefits which the recipient would have received had he or she waited until the full retirement age to begin receiving benefits.

Section 109 provides that forced retirees may begin receiving reduced benefits at age 55. A forced retiree is defined as a person who is required to retire before age 60 or who is unable to obtain employment suited to his experience and abilities.

Section 110 eliminates the actuarial reduction of a woman's old-age benefit (based on her own earnings) which applies when benefits begin before age 65 in the case of a woman who has had at least 30 years (120 quarters) of work under social security.

Section 111 provides for the payment of benefits based on the combined earnings of a husband and wife (when both have worked long enough to qualify for benefits) in cases where a higher total payment than is payable under present law would result.

Section 112 provides that if a beneficiary's payments begin after age 65, that person will receive increased lifetime payments which actuarially equal the lifetime amount he or she would have received had benefits begun at age 65.

Section 113 applies the age 62 benefit computation point for men to current beneficiaries and eliminates the 2-year phase-in period which exists in present law.

Section 114 amends the definition of disability so that disability benefits would be payable starting after the third month of disability, without regard to the expected duration of the disability.

In addition, a special definition of disability would be provided for workers who are age 55 or over. Under this definition, benefits would be payable if the disability was one that prevented the person from doing his regular work or some other type of work which he had done at some time in the past.

Section 115 permits a fully insured individual to receive disability benefits, regardless of when his insured quarters of coverage were earned. This eliminates the recent work requirement for disability benefit eligibility.

Section 116 provides for the payment of disability insurance benefits to blind people who have at least six quarters of work under the social security program, regardless of when the quarters are earned.

Section 117 provides monthly benefits, similar to mother's benefits, to widowers who have children entitled to children's benefits.

Section 118 provides for paying monthly benefits to the dependent parent, age 62 or over, of a retired or disabled worker.

Section 119 provides for paying child's benefits to a fulltime student up to age 24, rather than age 22.

Section 120 provides for the payment of benefits to divorced wives and surviving divorced wives who had been married to the worker for at least 10 years, rather than for 20 years as in present law.

Section 121 eliminates the requirement that a husband must have been receiving at least one-half of his support from his wife in order to qualify for husband's benefits, and it eliminates the requirement that a widower must have been receiving at least one-half of his support from his deceased wife in order to qualify for widower's benefits.

Section 122 provides that marriage or remarriage after a person's 60th birthday will not be a reason for terminating benefits.

Section 123 provides that employee or self-employed social security contributions shall be optional after age 65.

Section 124 permits a person to exchange credits between the social security system and the civil service retirement system in order to obtain maximum benefits under the two systems.

Section 125 revises the social security tax schedule. Revised amounts not shown in draft.

Section 126 provides for payments from general Federal revenues to the social security trust funds. The payments would start at 5 percent of the social security taxes collected for fiscal year 1974 and rise by 5 percent each year until the payment reaches 50 percent of the taxes collected for fiscal 1983 and thereafter.

Section 127 is a general savings provision that no person's present social security or supplemental security income benefit may be reduced as a result of any of the provisions in this Social Security Amendments Act of 1973.

TITLE II

Section 201 provides that people entitled to cash benefits would become automatically entitled to supplementary medical insurance benefits and that the cost of these benefits would be paid out of social security taxes. Premiums collected from beneficiaries and the Federal Government would be abolished.

Section 202 eliminates all deductibles and coinsurance under medicare—except for the $1 deductible on drug prescriptions contained in section 204. Thus, the Government would pay all medical expenses incurred by a medicare beneficiary.

Section 203 extends medicare coverage to all persons who are receiving social security disability benefits.

Section 204 provides for the payment of prescription drugs purchased by a medicare beneficiary. The medicare beneficiary would pay $1 of the cost of each prescription and this amount would rise in proportion to rises in the future cost of prescription drugs.

Section 205 extends the coverage of the supplementary medical insurance program to include dental services—except for cleaning teeth—the cost of prescription eyeglasses, orthopedic shoes and braces, the services of an optometrist, and the cost of influenza vaccination.

Section 206 extends medicare coverage to U.S. citizens outside the United States under the same general standards and requirements as apply within the United States.

Section 207 provides home health care and private duty nursing services under medicare and medicaid. This section also extends fire and safety standards requirements to intermediate care facilities and expands public disclosure requirements of finances, expenses, and charges of these facilities.

Finally, this section authorizes a subsidy program for families who care for their elderly, infirm dependents at home.

TITLE III

Section 301 extends the Federal supplemental security income program—minimum payment of $130 per individual, $195 per couple—to Puerto Rico, Guam, and the Virgin Islands.

Section 302 permits a disabled or blind person to receive Federal supplemental security income payments regardless of any income received by that person's spouse from social security or railroad retirement.

Section 303 provides that a person who has reached age 70 and is not covered by social security, and who would be eligible for the minimum Federal supplemental security income—aid to the aged, the blind, and the disabled—but for private pension or annuity income being received, annually shall have the first $7,500 of that pension or annuity disregarded in determining eligibility for the Federal supplemental security income.

Section 304 preserves eligibility for food stamps under the Federal supplemental security income program.

Section 305 provides special housing allowances from social security to elderly low-income persons. People over age 62 who have annual incomes under $4,500 would be eligible.

TITLE IV

Section 401 increases the authorization for appropriations for maternal and child health and crippled children's services from $350 million to $650 million a year.

In addition, it postpones from July 1973 to July 1977 the date by which State programs will have to offer certain specified services if they are to qualify for Federal grants and extends from June 30, 1973 to June 30, 1977 the authority to make special project grants to the States for maternity and infant care, health of school and preschool children, and dental health of children.

ALASKA OIL ISSUE

(Mr. UDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. UDALL. Mr. Speaker, today I am introducing legislation which would guarantee the American people a timely, responsible, and independent decision by the Congress on the extraction of badly needed petroleum reserves on Alaska's north slope. This bill was inspired by no industry, consumer or conservation group; its goal is neither subtle subversion nor advancement of the controversial Trans-Alaska Pipeline. Its only objective is to establish a reasonable deadline for a decision to be made on Alaskan oil, and to require that in arriving at that decision, Congress take into account the best available scientific advice on each of the serious alternatives which have been proposed.

Much of the anguish associated with this issue really stems from the unwillingness of the interests involved to take their cases before the Congress and to request that a national policy decision be made. To the contrary, for nearly 5 years, the pipeline issue has been bandied about from the administrative agencies to the courts, appoved by permits and then halted by injunctions. The net result is that the petroleum lies untapped where it was discovered in 1968, while the Nation moves to the brink of a serious energy shortage.

On the heels of a spectacular court decision, the Congress now finds itself in the midst of the fray. Even so the Alaska oil issue has been delivered to us in the sheepskin of the Mineral Leasing Act of 1920—the basis upon which a Federal court recently halted pipeline construction. Ironically, the court issued its injunction not on the basis of environmental or economic considerations—even though these are paramount and the real points of dispute—but rather because the rights-of-way granted to Alyeska exceeded the outdated limitations imposed by a half-century-old statute.

The Congress now has basically three choices. First, it may choose to approve a small, technical amendment to this anachronistic statute increasing the width of rights-of-way over public lands to correspond with modern technology. One such approach is currently being supported by the administration and, I take it, the oil industry. What it offers Congress is an apparently painless way to approve the pipeline without encountering the broad environmental and economic questions involved. What it risks, I fear, is an unending series of law suits, continuing delay, and ultimately the possibility not only that the pipeline would not be built, but that no transmission facility of any kind could be constructed in time to relieve severe petroleum shortages predicted by the end of this decade.

A second proposal, made by opponents of the Trans-Alaska Pipeline, is that Congress simply approve an alternate route, probably through Canada. Let me say that I share their dissatisfaction with the level of attention the Canadian route has received from industry and the administration. Furthermore, I share their desire to impose upon Congress the responsibility for making a positive decision on the Alaskan oil question. But the fact is, the Congress is not in a position to make a responsible decision on this alternative until adequate engineering studies explore its feasibility and negotiations with the Canadian Government determine the availability of rights-of-way.

The legislation I am introducing today offers Congress still another choice. My bill would:

State that it is the policy in the United States to undertake timely recovery of petroleum reserves on Alaska's north slope.

Direct the Office of Technology Assessment to undertake a 1-year study of all the viable geographic and transmission alternatives and report back fact and conclusions prior to congressional action. At the same time, the Secretary of Interior would be required to engage in discussions with the Canadian Government to identify and clarify its position with regard to rights-of-way.

Require that within 60 days of submission of the OTA and Interior Department reports, Congress take positive action to approve one of the alternative methods of recovery. Such action is assured by a highly privileged resolution allowing any Member to bring the matter directly to the floor.

The Office of Technology Assessment, a new arm of Congress, would be asked to form conclusions on three crucial questions:

First. Which market areas in the continental United States will experience the greatest immediate and long-range demands for petroleum?

Second. Which of the available geographical routes will, all factors considered, best meet demand?

Third. Which method of delivery of the alternatives available, including but not limited to rail, pipeline, and ocean tanker, is, all factors considered, the best means of transmission?

In arriving at conclusions, OTA is instructed to weigh equally environmental impact, economic costs and national security.

In discussing the merits of such an approach, let me address myself to the public, the petroleum industry and the conservation movement.

To the public: Since 1968, when the oil find was made in Alaska, neither you nor the Congress has been allowed to play any role in the important national decisions relating to the recovery of that needed resource. Those decisions to date have been made by political appointees serving the President and by a handful of men wearing judicial robes; they have been influenced by an industry committed to building a highly controversial pipeline and by established conservation and consumer groups determined to oppose it. This bill offers you a chance to have an impact on a significant national decision which may well determine in the years immediately ahead the availability of gas for your automobile and oil to heat your home, as well as the environmental risks to your waterways and beaches.

To the petroleum industry: You have not always counted me as one of your friends, but you will want to carefully assess this bill in light of what is offered your industry. First, the bill recognizes that North Slope oil is a resource which must be developed. Second, it gives you a definite time frame within which you will have a decision on the method of development. Once this bill is passed, you would know that in 14 months the construction of transmission facilities can begin. Third, you would be secure in the knowledge that, whatever Congress decides, that is national policy not subject to harrassment or review in the courts.

Finally to the conservation groups: You have done a service to the Nation by insisting that alternatives to the potentially dangerous trans-Alaska pipeline be thoroughly explored. That is precisely what is proposed in this bill—a unique and unbiased study of the alternatives by a new, independent arm of Congress. Under this bill, Congress could decide to proceed with the trans-Alaska route, but if you support this bill, you are guaranteed the decision will be made in an open forum on the basis of the best available evidence. That, rather than blind opposition to the pipeline, has been your goal as I understand it.

Mr. Speaker, there has been much discussion in these Halls of the increasing arrogance of the executive branch in attempting to exercise powers belonging only to the Congress. I submit that the Alaska oil situation is a case in point. For 4 years this administration has done everything within its power to circumvent Congress on the pipeline issue. Had it not been for a rather technical violation of the Mineral Leasing Act, having nothing to do with the tough economic and environmental issues at stake, it may well have succeeded. Having been brought up short by the court, the administration is once again attempting to evade the issue by seeking a technical change in the old law rather than a full discussion of the issue and a decision by Congress. Such a policy presumes two things: the willingness of Congress to allow a monumental decision of this kind to slip through the back door and the total capitulation of those who have fought long and hard against the pipeline.

Mr. Speaker, ultimately the Congress will be forced to decide the Alaska oil issue—whether now in an informed, orderly and timely manner or in 2 or 3 years after another round of lawsuits and maneuvering within the Federal agencies, with an energy crisis at hand and the Congress impotent to do anything about it.

The oil industry, the conservationists and the public deserve an answer—now.

I include the text of my bill to be printed at this point in the RECORD:

H.R. 5750

A bill to authorize the construction of transmission facilities for delivery to the continental United States of petroleum reserves located on the North Slope of Alaska, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—

(a) energy sources are in short supply and the Congress should act to hasten the recovery of underground petroleum reserves on the North Slope of Alaska;

(b) the alternative methods of recovery and delivery of such petroleum should be thoroughly studied and diplomatic problems arising from the adoption of any alternative should be identified and clarified;

(c) the study of alternative methods of recovery and delivery should thoroughly consider and examine the environmental effects, economic costs, and national security aspects of such recovery and delivery method; and

(d) no decision generally affecting the siting of transmission facilities on public land in Alaska for the purposes of recovering petroleum from the North Slope should be made by any Federal agency until the Congress has had an opportunity to review plans for recovering and delivering such petroleum reserves.

SEC. 2. (a) The Director of the Office of Technology Assessment (hereafter in this Act referred to as the "Director") is authorized and directed to conduct a thorough study of all practical methods of recovering and delivering to the continental United States the petroleum reserves located on the North Slope of Alaska. The Director shall report his findings and conclusions, based on the study authorized by this section, to the Congress, and shall file a final report, based on such study, with the Congress within the one-year period beginning on the date of enactment of this Act. In conducting the study authorized by this section, giving equal consideration to the environmental impact, economic cost, and national security aspects of all such alternative recovery and delivery methods, the Director shall—

(1) identify and define those market areas in the continental United States that are expected to experience the greatest immediate and long-range demand for petroleum, as well as the available geographical routes that will, considering all factors, best meet the demand; and

(2) determine which of the methods of and routes for the recovery and delivery of such North Slope petroleum, of all alternatives available, including but not limited to rail, pipeline, ocean tanker, or any combination thereof, all factors considered, is the best recovery and delivery method and route for such North Slope petroleum.

(b) In conducting the study authorized by this section the Director is authorized to enter into such contracts with such persons, institutions, or agencies as may be necessary and appropriate to carry out the purposes of this Act.

(c) The Director is authorized to secure from any department, agency, or instrumentality of the Federal Government any information he deems necessary to carry out his functions under this Act. Upon request of the Director, the head of any Federal department, agency, or instrumentality is authorized (1) to furnish the Director such information as may be necessary for carrying out his functions to the extent it is available to or procurable by such department, agency, or instrumentality and (2) to detail to temporary duty with the Director, on a reimbursable basis, such personnel, within his administrative jurisdiction as the Director requests, each such detail to be without loss of seniority, pay, or other employee status.

SEC. 3. The Secretary of the Interior is authorized and directed to enter into negotiations with the government of Canada to determine the feasibility and availability of a right-of-way across Canadian territory for the construction and operation of transmission facilities for the petroleum reserves on the North Slope of Alaska. The Secretary shall report the results of his negotiations to the Congress within the one-year period beginning on the date of enactment of this Act.

SEC. 4. All reports required by this Act to be filed with the Congress shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate.

SEC. 5. Notwithstanding any other law, rule of law, or any order or decision of any court, no order or rule of the Secretary of the Interior, or of any other Federal agency or officer of the United States, granting a right-of-way, easement, or use of any Federal land for the development and operation of a pipeline for the transmission of petroleum from the North Slope in Alaska shall take effect until the end of the sixty day period beginning on the date the Director files his final report with the Congress as authorized and directed by section 2 of this Act, and then only if the Congress has not, prior to the end of such sixty day period, adopted a concurrent resolution which authorizes a specific alternative method for the transmission of such petroleum according to the procedure specified in section 6 of this Act.

SEC. 6. (a) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) For the purpose of this Act, "resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress favors the plan for the development of a transmission method for the delivery of North Slope petroleum described as follows: ——————.", the blank space therein being appropriately filled; but does not include a concurrent resolution which specifies more than one plan.

(c) A resolution with respect to petroleum transmission plan shall be referred to the Committee on Interior and Insular Affairs of the House of Representatives, or the Committee on Interior and Insular Affairs of the Senate, by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) If the committee to which a resolution with respect to a petroleum transmission plan has been referred has not reported it at the end of 10 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the petroleum transmission plan which has been referred to the committee.

(e) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(f) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(g) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a petroleum transmission plan, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(h) Debate on the resolution shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(i) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a petroleum transmission plan, and motions to proceed to the consideration of other business, shall be decided without debate.

(j) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a petroleum transmission plan shall be decided without debate.

SEC. 7. There are authorized such funds as may be necessary to carry out the provisions of this Act.

DR. CHARLES RICE GADAIRE

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BOLAND. Mr. Speaker, on July 1, 1973, Dr. Charles Rice Gadaire will retire from his duties as special assistant to President Harry T. Courinotes, of American International College. I take this opportunity to laud his profound educational, social, and administrative efforts. Dr. Gadaire, or Doc Gadaire as he is popularly known, has served as a member of the faculty or in an administrative position at this small liberal arts college located in Springfield, Mass., for the past 37 years.

Dr. Gadaire, who is a native of Brookfield, Mass., received his bachelor's degree in biology from Clark University, 1933, and his doctorate from the University of Toronto, 1935. In the fall of 1935, he and his young bride moved to Springfield, Mass., and Dr. Gadaire joined the faculty of American International College. This was the beginning of an illustrious educational career that would span nearly 40 years and touch literally thousands of students.

Dr. Gadaire has been an active member of the community. After serving as head of the biology department for 11 years, he became head of the entire science department in 1946. Six years later, he was again honored by being named director of student activities. In 1957 he was named dean of students at the college, a post he subsequently relinquished to return to the classroom he so fondly loved. The graduating class of 1967 asked him to deliver the baccalaureate address.

Dr. Gadaire's talents and accomplishments were not limited entirely to the confines of the classroom. He became a frequent lecturer throughout the Nation, often speaking on his two favorite topics, "The College Student Today" and "Environment—Critical Issue of the Seventies." Due to his astounding foresight, American International College initiated its model congress program which would draw accolades from across the Nation. During World War II, Dr. Gadaire assumed the chairmanship of the science department of Springfield's High School of Commerce and also instruced a course in the Army's aircrew cadet program. In 1958 he was elected an honorary member of Alpha Chi, the National Honor Scholarship Society. In 1968 he was appointed to the national council of that society.

Dr. Gadaire has remained active in the local chapter of the American Association for the Advancement of Science, and chairman of the Subcommittee on Schools and Colleges of the Springfield Cancer Education Committee of the American Cancer Society. He also, quite miraculously, found time to serve as chairman of the Ludlow, Mass., School Committee and as corporator of the Wesson Maternity Hospital. In 1958 he had the distinction of serving as chairman of the National Association of Student Personnel Cooperating Committee of the United States, an organization of college administrators. He is also a member of the Lions Club.

In 1967 Dr. Gadaire was named dean of continuing education and extension programs. This helped to formulate and later launch a program for servicemen located at nearby Westover Air Force Base to earn college credits while serving America. He is also a guest lecturer of biology at Our Lady of the Elms College in Chicopee, Mass.

While all of the above accomplishments of the very popular professor are impressive, his most significant mark is the splendid influence he brought to bear on so many young people with whom he came into contact. Knowing how deeply he cared about their future, students naturally responded in a positive manner. Although we certainly live in an age of remarkable innovation, Dr. Gadaire never lost that touch that helped to make him the great and benevolent educator that he is.

Dr. and Mrs. Gadaire have been a credit not only to the academic community, but also to the community at large. Dr. Gadaire will be missed by the college at which he taught, and he will also be missed by the citizens of the area in which he made his home.

PROBLEMS FACING CITIES

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, air pollution, congestion, waste of land, and economic inefficiency are just a few of the many problems facing large cities due to backward transportation systems. The use of funds now exclusively allocated to urban systems from the highway trust fund for the creation of mass transit systems would greatly alleviate these problems. This is the intent of the legislation I have introduced today.

Mass transit, in the form of buses, rails, and subways, are more economical, safer, and more efficient than automobiles for daily commuting.

By the end of this decade, if not sooner, we will face a great energy crisis. Today, we import approximately 25 percent of our oil. By 1985, 58 percent of our oil will be imported from foreign countries. We expect that the price of fuel, by then, will increase 100 percent. We must offer commuters a safer and more economical alternative in the forms of public transportation which will also cut back the daily use of fuel by almost 15 percent.

Emissions from automobiles cause approximately 90 percent of the air pollution in our cities. Autos account for nearly two-thirds of carbon monoxide, more than one-half of hydrocarbons, and two-fifths of nitrogen oxide in the air. Environmental experts say that "drastic measures" will have to be taken to limit the number of automobiles entering our cities if clean air standards are to be achieved. Already such a measure has been formally proposed for Los Angeles by William Ruckelshaus of the Environmental Protection Agency.

Mass transportation would greatly decrease the number of automobiles in the cities, making them considerably easier, healthier, and cleaner to live in.

Land in urban areas is scarce and mass transportation would reduce the amount of land being wasted on parking lots or being torn down, paved over, and filled with fumes of crawling traffic and anguished motorists.

Our highways and freeways have become so clogged and backlogged with commuters and marginal users, that no one really benefits from highways or local in-town arterials and streets. One major reason for the decimation of downtown and other urban shopping areas is the impossibility of parking, and the likelihood of being stranded in crawling, foul smelling traffic. One major boon to urban business would be to make urban business as convenient as shopping centers. Thus, urbanites would have the option of urban and suburban shopping centers while their suburban counterparts could shop with ease downtown or in their own community centers.

Certainly another benefit is that other forms of transportation would benefit from a reduction in the number of private single occupant automobiles. Truckers and taxi operators would be able to deliver their goods and passengers faster and on time, increasing the efficiency of both and increasing business for both.

Studies have shown that additional freeways created additional congestion and that the only way to relieve the problem is to greatly reduce the number of private automobiles on the road by substituting mass transit.

Mass transit is certainly not the complete answer to solving the energy crisis nor to cleaning up the environment. Neither is mass transit a cure-all for our transportation problems.

However, by permitting local urban systems the option of trust fund moneys for mass transit, we would provide then an effective tool to help solve our energy crisis, clean up our air, use land more efficiently, and transport people in a safe, efficient, and economic manner. Moreover, we would be providing an opportunity to utilize the full potential of the automobile as transportation—a potential certainly not now realized.

MEDICAID FOR MIGRANTS

(Mr. E DE LA GARZA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. E DE LA GARZA. Mr. Speaker, adequate medical care has been declared the right of all citizens of the United States, and I believe this is a conclusion with which few, if any, Americans would disagree.

Unfortunately, the Federal edict which carries this declaration does not also provide a vehicle for providing the necessary medical care. Especially neglected by the Federal plans designed to provide medical care for medical indigents are individuals living in either rural areas or inner city areas and not employed in an industry which underwrites the cost of an employee health program.

Migrant workers, of whom there are a great many in my south Texas congressional district, are not provided any form of health insurance by their employers. Federal funds in large amounts have been dedicated to improving the life of the migrant family. But the brutal truth is that the result of this Federal funding shows little relationship between the amount of money expended and the improvement of the life and well-being of the migrant.

The lack of adequate funds for migrant health care is a glaring example.

I report with sadness that unless the indigent patient has an emergency medical problem, most hospitals cannot admit him or her as an inpatient. Funds are lacking to pay for the cost of inpatient hospital care. Federal regulations prevent hospitals from charging the private pay patient or medicare-medicaid patient for the expense of treating the medically indigent. Adequate capacity is lacking to admit all patients who require elective hospital services.

These conditions are not the fault of the people who run the hospitals. They did not create the situation. They can only suffer with it.

Listen to this paragraph in a letter I received recently from the executive director of a hospital in my district:

> There are very few things a man can do that make him feel lower than denying an individual admission to a hospital. Telling a father that his child cannot be admitted for elective surgery or elective diagnosis procedures is a frustrating and heartbreaking duty for any man. This is an everyday occurrence at every hospital in the Valley. It is a simple matter of survival. Hospitals have to be reimbursed for the costs which the incur in treating a patient.

Mr. Speaker, it is just an economic fact of life that someone, somewhere, somehow, has to bear the cost of providing each service and each day of patient care rendered by the hospital.

The plain fact of the matter is that church operated and private hospitals in my district are facing extinction because they cannot handle the costs of treating medically indigent patients.

The general public welfare is involved and not solely from the viewpoint of humanitarianism. A person ill with a contagious disease and unable to receive treatment almost surely will spread his contagion throughout the community.

These citizens, indigent or not, have a right to adequate medical care. I know many of them in my district. I have been in their homes, I have talked with them, and I know the fear approaching terror which strikes their hearts with the onslaught of illness, because they know they cannot pay for proper treatment and care. This fear is something that no human being, no American citizen, should have to experience.

There is much that must be done to relieve their situation. I have introduced a bill that would take one forward step in the right direction.

At present, under title XIX of the Social Security Act, any State having a medicaid program is required to provide some services—but may elect not to provide others. Every State having such a program is required to provide medical services to individuals receiving, or who are eligible to receive, cash assistance under its public aid program. However, a State may elect not to include under its medicaid program those persons not on public assistance whose income is nevertheless insufficient to meet the expenses of ordinary medical care. These, Mr. Speaker, are the medically indigent.

My bill would require the States to provide the necessary medical and remedial care and services on the same terms to all groups, except that in the group not receiving public assistance an enrollment fee, premium or other charge related to the individual's income would be imposed and the deductible, cost sharing or other charge will be nominal.

Mr. Speaker, this is simply a proposal to make the expanded coverage to the medically indigent mandatory instead of optional with the States. It is the minimum that ought to be done.

Human suffering and human lives are at stake here, Mr. Speaker. I respectfully urge my colleagues to consider my bill in that light.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN, for today, on account of official business.

Mr. ESHLEMAN (at the request of Mr. GERALD R. FORD), for today, due to death of close friend.

Mr. O'BRIEN (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. PICKLE (at the request of Mr. MCFALL), for today, on account of death in family.

Mr. YOUNG of Florida (at the request of Mr. GERALD R. FORD), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HILLIS) to revise and extend their remarks and include extraneous matter:)

Mr. WYATT, for 1 hour, on March 19.

Mr. HANSEN, for 20 minutes, today.

Mr. RINALDO, for 20 minutes, today.

Mr. HECHLER of West Virginia, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous matter:)

Mr. MCFALL, for 5 minutes, today.

Mr. BURTON, for 5 minutes, today.

Mr. REUSS, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DULSKI, for 10 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. MURPHY of Illinois, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. HENDERSON, for 5 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. ALEXANDER, for 10 minutes, on March 27.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MAHON and to include extraneous matter and tables.

(The following Members (at the request of Mr. HILLIS) and to include extraneous matter:)

Mr. SNYDER.

Mr. RAILSBACK.

Mr. TAYLOR of Missouri in two instances.

Mr. GROVER.

Mr. BAKER.

Mr. WYMAN in two instances.

Mr. MALLARY.

Mr. ANDERSON of Illinois in two instances.

Mr. HANRAHAN.

Mr. STEELE in two instances.

Mr. COLLINS in five instances.

Mr. DU PONT.

Mr. CRONIN in two instances.

Mr. HOGAN in two instances.

Mr. HUDNUT.

Mr. CONTE.

Mr. DON H. CLAUSEN.

Mr. FINDLEY in two instances.

Mr. GOODLING in five instances.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. HARRINGTON in five instances.

Mr. MAZZOLI.

Mr. WALDIE in five instances.

Mr. GAYDOS in two instances.

Mr. STARK.

Mr. COTTER in 10 instances.

Mr. DINGELL in two instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. BOLLING in two instances.

Mr. GINN.

Mr. ANNUNZIO in 10 instances.

Mr. RIEGLE.

Mr. DOMINICK V. DANIELS.

Mr. DAN DANIEL.

Mr. DORN in two instances.

Mr. BRASCO in three instances.

Mr. KOCH.

Mr. ANDERSON of California in four instances.

Mr. RODINO.

Mr. BINGHAM.

Mr. HAWKINS in two instances.

Mr. LEGGETT in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 776. An act to authorize the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 30 minutes p.m.) under its previous order, the House adjourned until Monday, March 19, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

581. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to revise the real and personal property tax exemption laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

582. A letter from the Secretary of the Interior, transmitting a report on the administration of the Federal Metal and Nonmetallic Mine Safety Act, covering 1971, pursuant to section 20 of the act; to the Committee on Education and Labor.

583. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of various international agreements, other than treaties, entered into by the United States, pursuant to Public Law 92–403; to the Committee on Foreign Affairs.

584. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference held in Washington, D.C., on October 26, and 27, 1972, pursuant to 28 U.S.C. 331 (H. Doc. No. 93–62); to the Committee on the Judiciary and ordered to be printed.

585. A letter from the Attorney General, transmitting a draft of proposed legislation to provide for Special Law Enforcement Revenue Sharing; to the Committee on the Judiciary.

586. A letter from the National Secretary-Treasurer, Sons of Union Veterans of the Civil War, transmitting a copy of the proceedings of the organization's 91st annual national encampment, and an audit for the year ended June 30, 1972, pursuant to chapter 774 of Public Law 83–605; to the Committee on the Judiciary.

587. A letter from the Secretary of Commerce, transmitting the 1973 Annual Report of the Foreign-Trade Zones Board, together with the reports covering the activities during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 5, 7, 8, 9, and 10, and subzones 3–A, 7–A, and 9–A, pursuant to section 16 of the Foreign-Trade Zones Act of 1934, as amended; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

588. A letter from the Comptroller General of the United States, transmitting a report on problems with U.S. military equipment prepositioned in Europe by the Department of Defense; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee of conference. Conference report to accompany H.R. 4278 (Rept. No. 93–76). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5445. A bill to extend the Clean Air Act, as amended, for 1 year; (Rept. No. 93–77). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5446. A bill to extend the Solid Waste Disposal Act, as amended, for 1 year; (Rept. No. 97–78). Referred to the Committee of the Whole House of the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself and Mr. EILBERG):

H.R. 5668. A bill to amend title 32 of the United States Code to establish a Commission to oversee and improve the capability of the National Guard to control civil disturbances, and for other purposes; to the Committee on Armed Services.

By Mr. BINGHAM:

H.R. 5669. A bill governing the use of the Armed Forces of the United States in the absence of a declaration of war by the Congress; to the Committee on Foreign Affairs.

H.R. 5670. A bill to amend the Social Security Act to liberalize benefits under the old-age, survivors, and disability insurance program and otherwise improve such program, to liberalize and improve the health insurance benefits program, to extend eligibility under the supplemental security income program, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOMFIELD (for himself and Mr. ESCH):

H.R. 5671. A bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BROYHILL of Virginia:

H.R. 5672. A bill to amend title 5, United States Code, to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURKE of Massachusetts:

H.R. 5673. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for motor vehicle insurance premiums; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. DOMINICK V. DANIELS, Mr. DE LUGO, Mr. DENT, Mr. FOUNTAIN, Mr. FREY, Mrs. GRASSO, Mr. HARRINGTON, Mr. JONES of North Carolina, Mr. LENT, Mr. LUJAN, Mr. MAZZOLI, Mr. MINISH, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. NIX, Mr. PEPPER, Mr. PODELL, Mr. RIEGLE, Mr. RODINO, Mr. ROE, Mr. SEIBERLING, Mr. VEYSEY, Mr. WON PAT, and Mrs. HECKLER of Massachusetts):

H.R. 5674. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. CARNEY of Ohio (for himself, Mr. HECHLER of West Virginia, Mr. ROE, Mr. HELSTOSKI, Mr. ROYBAL, Mr. STUDDS, Mr. ROSENTHAL, Mr. EILBERG, Mr. PODELL, Mr. DANIELSON, Mr. YATRON, Mr. RIEGLE, Mr. MITCHELL of Maryland, Mr. DAVIS of South Carolina, Mr. FAUNTROY, Mr. WALDIE, Mr. SEIBERLING, and Mr. BURTON):

H.R. 5675. A bill to amend the Economic Stabilization Act of 1970, to establish a Food Price Control Commission in order to control the wholesale and retail level of food prices; to the Committee on Banking and Currency.

By Mr. CARTER:

H.R. 5676. A bill to amend the Public Health Service Act to authorize assistance for planning, development and initial operation, research, and training projects for systems for the effective provision of health care services under emergency conditions; to the Committee on Interstate and Foreign Commerce.

H.R. 5677. A bill to establish an Emergency Medical Services Administration within the Department of Health, Education, and Welfare to assist communities in providing professional emergency medical care; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPPELL (for himself, Mr. SIKES, Mr. BENNETT, Mr. PEPPER, Mr. FUQUA, Mr. GIBBONS, and Mr. GUNTER):

H.R. 5678. A bill to provide for study of a certain segment of the Oklawaha River for potential addition to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS (for himself and Mr. ICHORD):

H.R. 5679. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. CRONIN:

H.R. 5680. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. DOMINICK V. DANIELS:

H.R. 5681. A bill to authorize appropriations for construction of certain highway projects in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. E DE LA GARZA:

H.R. 5682. A bill to amend title XIX of the Social Security Act to require a State, under its approved medicaid plan, to provide assistance to the medically indigent as well as the medically needy; to the Committee on Ways and Means.

By Mr. DENHOLM:

H.R. 5683. A bill to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes; to the Committee on Agriculture.

By Mr. DEVINE (for himself, Mr. CLANCY, and Mr. HUNT):

H.R. 5684. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

By Mr. DIGGS (by request):

H.R. 5685. A bill to revise and modernize procedures relating to licensing by the District of Columbia of persons engaged in certain occupations, professions, businesses, trades, and callings, and for other purposes; to the Committee on the District of Columbia.

H.R. 5686. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia and the District of Columbia Traffic Act, of 1925, to authorize the issuance of special identification cards, and for other purposes; to the Committee on the District of Columbia.

H.R. 5687. A bill to improve the laws relating to the regulation of insurance in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H.R. 5688. A bill to define the scope of tort liability of the Government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H.R. 5689. A bill to revise the real and personal property tax exemption laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DULSKI:

H.R. 5690. A bill to discontinue price support programs for agricultural commodities beginning with the 1974 crops of such commodities; to the Committee on Agriculture.

H.R. 5691. A bill to amend the Public Health Service Act to extend for 1 fiscal year the program of assistance for regional medical programs; to the Committee on Interstate and Foreign Commerce.

By Mr. DULSKI (by request):

H.R. 5692. A bill to amend title 5, United States Code, to revise the reporting requirement contained in subsection (b) of section

1308; to the Committee on Post Office and Civil Service.

By Mr. ESCH:

H.R. 5693. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado (for himself, Mr. Stephens, Mr. Tiernan, Mr. Brown of California, Mr. Culver, Mr. Conyers, Mr. Hungate, Mr. Thompson of New Jersey, and Mr. Denholm):

H.R. 5694. A bill to require the Secretary of Agriculture to carry out all rural housing programs of the Farmers Home Administration; to the Committee on Banking and Currency.

By Mr. EVINS of Tennessee:

H.R. 5695. A bill to improve the effectiveness of the Federal Trade Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER:

H.R. 5696. A bill to provide for participation by the United States in the United Nations environmental program; to the Committee on Foreign Affairs.

H.R. 5697. A bill to amend chapter 17 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5698. A bill to amend title 38 of the United States Code in order to establish a National Cemetery System within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5699. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. Brown of California, Mr. Buchanan, Mr. Gunter, Mr. Haley, Mr. Harrington, Mr. Lehman, and Mr. Won Pat):

H.R. 5700. A bill to prohibit the transportation and sale in interstate commerce and importation into the United States of noxious aquatic plants; to the Committee on the Judiciary.

By Mr. FROEHLICH:

H.R. 5701. A bill to extend for 1 year the deadline for States to designate segments of the Interstate System; to the Committee on Public Works.

By Mr. GUDE:

H.R. 5702. A bill to repeal the statutory authority to impose quotas on certain imported meat and meat products; to the Committee on Ways and Means.

By Mr. HANSEN of Idaho:

H.R. 5703. A bill to establish a National Flag Commission; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself, Mr. Anderson of Illinois, Mr. Badillo, Mr. Burke of Massachusetts, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Eilberg, Mr. Fraser, Mr. Gettys, Mr. Gude, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Henderson, Mr. Koch, Mr. Lehman, Mr. Moakley, Mr. McCormack, Mr. Mollohan, Mr. Pickle, Mr. Price of Illinois, Mr. Rangel, and Mr. Roybal):

H.R. 5704. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees; to the Committee on Government Operations.

By Mr. HARRINGTON (for himself, Mr. Rosenthal, Mr. Sarbanes, Mr. Studds, Mr. Veysey, and Mr. Won Pat):

H.R. 5705. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees; to the Committee on Government Operations.

By Mr. HAWKINS (for himself, Mr. Badillo, Mr. Bell, Mr. Brown of California, Mr. Burton, Mr. Clay, Mr. Conyers, Mr. Danielson, Mr. Dellums, Mr. Diggs, Mr. Eilberg, Mr. Fauntroy, Mr. Fish, and Mr. William D. Ford):

H.R. 5706. A bill to authorize financial assistance for opportunities industrializations centers; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. Green of Pennsylvania, Miss Jordan, Mr. Metcalfe, Mr. Moakley Mr. Nix, Mr. Pepper, Mr. Podell, Mr. Perkins, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Roybal, Mr. Sarbanes, Mr. Seiberling, and Mr. Waldie):

H.R. 5707. A bill to authorize financial assistance for opportunities industrialization centers; to the Committee on Education and Labor.

By Mrs. HECKLER of Massachusetts (for herself, Mr. Archer, Mr. Burke of Massachusetts, Mr. Don H. Clausen, Mr. Cronin, Mr. Delaney, Mr. Derwinski, Mr. Esch, Mr. Forsythe, Mr. Gude, Mr. Gunter, Mr. Hanrahan, Mr. Hansen of Idaho, Mr. Helstoski, Mr. Holifield, Mrs. Holt, Mr. Howard, Mr. Huber, Mr. Hudnut, Miss Jordan, Mr. Ketchum, Mr. Kuykendall, Mr. Lujan, Mr. Madigan, and Mr. Mazzoli):

H.R. 5708. A bill to provide that respect for an individual's right not to participate in abortions contrary to that individual's conscience be a requirement for hospital eligibility for Federal financial assistance; to the Committee on Interstate and Foreign Commerce.

By Mrs. HECKLER of Massachusetts (for herself, Mr. McCollister, Mrs. Mink, Mr. Moakley, Mr. Nedzi, Mr. Obey, Mr. Powell of Ohio, Mr. Quie, Mr. Rhodes, Mr. Rinaldo, Mr. Roncallo of New York, Mr. Roy, Mr. Ryan, Mr. J. William Stanton, Mrs. Sullivan, Mr. Whitehurst, and Mr. Zwach):

H.R. 5709. A bill to provide that respect for an individual's right not to participate in abortions contrary to that individual's conscience be a requirement for hospital eligibility for Federal financial assistance; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Mr. Anderson of Illinois, Mr. Bevill, Mr. Biester, Mr. Blackburn, Mr. Buchanan, Mr. Drinan, Mr. Forsythe, Mr. Fraser, Mr. Frenzel, Mr. Gaydos, Mr. Harrington, Ms. Holtzman, Mr. Hudnut, Mr. Maillaird, Ms. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Rees, Mr. Robison of New York, and Mr. Roy):

H.R. 5710. A bill to amend section 1130 of the Social Security Act to make inapplicable to the aged, blind, and disabled the existing provision limiting to 10 percent the portion of the total amounts paid to a State as grants for social services which may be paid with respect to individuals who are not actually recipients of or applicants for aid or assistance; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Johnson of Pennsylvania, Mr. St Germain, Mr. Sarasin, Mr. Sarbanes, Mr. Steeleman, Mr. Vander Jagt, Mr. Ware, Mr. Whitehurst, Mr. Won Pat, Mr. Yatron, Mr. Kemp, and Mr. du Pont):

H.R. 5711. A bill to amend section 1130 of the Social Security Act to make inapplicable to the aged, blind, and disabled the existing provision limiting to 10 percent the portion of the total amounts paid to a State as grants for social services which may be paid with respect to individuals who are not actually recipients of or applicants for aid or assistance; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 5712. A bill to amend the Internal Revenue Code of 1954 to permit the deductions of household and dependent care expenses by a married couple when one spouse is a full-time student to the same extent that such expenses could be deducted if both spouses were employed; to the Committee on Ways and Means.

By Mr. KEATING (for himself, Mr. Ware, Mr. Harrington, Mr. Davis of South Carolina, Mr. Wyatt, Mr. Eilberg, Mr. Pickle, Mr. Fraser, Mr. Forsythe, Mr. Duncan, Mr. Gunter, Mr. Rosenthal, Mr. Taylor of North Carolina, Mr. Podell, Mr. Martin of North Carolina, Mr. Fuqua, Mr. Won Pat, Mr. Danielson, Ms. Holtzman, Mr. Ketchum, Mr. Whitehurst, Mr. Fascell, Mrs. Hansen of Washington, Mr. Sebelius, and Mr. Esch):

H.R. 5713. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. KEATING (for himself, Mr. Biester, Mr. McCloskey, Mr. Findley, Mr. Railsback, Mr. Yatron, Mrs. Grasso, Mr. Kemp, Mr. Vander Jagt, Mr. Wolff, Mr. Frey, Mr. Talcott, Mr. Steele, Mr. Steiger of Wisconsin, Mr. Sarbanes, and Mr. Moakley):

H.R. 5714. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM (for himself, Mr. Bafalis, Mr. Brown of California, Mr. Burgener, Mr. Conlan, Mr. Froehlich, Mr. Gunter, Mr. Hechler of West Virginia, Mr. Mathis of Georgia, Mr. Moorhead of California, Mr. Railsback, Mr. Thone, and Mr. Waldie):

H.R. 5715. A bill to provide that certain meetings of each Government agency and each congressional committee shall be open to the public, and for other purposes; to the Committee on Rules.

By Mr. KOCH (for himself, Mr. Brasco, Mr. Buchanan, Mr. Derwinski, Mr. Eilberg, Mr. Eshleman, Mr. Fascell, Mr. Forsythe, Mrs. Green of Oregon, Mr. Green of Pennsylvania, Mr. Gunter, Mrs. Heckler of Massachusetts, Mr. Hudnut, Mr. Ichord, Mr. Ketchum, Mr. Lent, Mr. Lujan, Mr. McKinney, Mr. Murphy of Illinois, Mr. Nichols, Mr. Roncallo of New York, Mr. Stratton, Mr. Studds, Mr. Whitehurst, and Mr. Wright):

H.R. 5716. A bill to amend the Controlled Substances Act to require life imprisonment for certain persons convicted of illegally dealing in dangerous narcotic drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA (for himself and Mr. Guyer):

H.R. 5717. A bill to amend article 52 of the Uniform Code of Military Justice to require the concurrence of all members of a court-martial to convict any person of violating a punitive article under such code; to the Committee on Armed Services.

By Mr. LEHMAN:

H.R. 5718. A bill to amend the Elementary and Secondary Education Act of 1965, to provide a program for gifted and talented children; to the Committee on Education and Labor.

By Mr. McCORMACK (for himself and Mr. Meeds):

H.R. 5719. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purposes; to the Committee on the Judiciary.

By Mr. MAYNE:

H.R. 5720. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 5721. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. MELCHER (for himself and Mr. Dellums):

H.R. 5722. A bill to amend the Budget and Accounting Act of 1921 to require the advice and consent of the Senate for appointments to Director of the Office of Management and Budget; to the Committee on Government Operations.

By Mr. MILLS of Arkansas:

H.R. 5723. A bill to authorize financial assistance for opportunities industrialization centers; to the Committee on Education and Labor.

By Mr. MURPHY of Illinois:

H.R. 5724. A bill to amend section 709 (g) (1) of title 32 of the United States Code to permit certain National Guard technicians to be absent from work on legal holidays; to the Committee on Armed Services.

By Mr. NIX:

H.R. 5725. A bill to amend titles 39 and 5, United States Code, to eliminate certain restrictions on the right of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'HARA (for himself and Mr. Melcher):

H.R. 5726. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA (for himself, Mr. Dellenback, Mr. Biaggi, Mr. Brademas, Mr. Lehman, Mr. Benitez, Mr. Erlenborn, Mr. Kemp, and Mr. Huber):

H.R. 5727. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. PATMAN:

H.R. 5728. A bill to provide that the receipts from the excise tax based on the investment income of private foundations shall be used for the supervision of the activities of such foundations; to the Committee on Ways and Means.

H.R. 5729. A bill to amend the Internal Revenue Code of 1954 to require private foundations to diversify their holdings; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 5730. A bill to provide for funding the Emergency Employment Act of 1971 for 2 additional years, and for other purposes; to the Committee on Education and Labor.

By Mr. RAILSBACK (for himself and Mr. Anderson of Illinois):

H.R. 5731. A bill to amend title 28, United States Code, to prohibit Federal judges from receiving compensation other than for the performance of their judicial duties, except in certain instances, and to provide for the disclosure of certain financial information; to the Committee on the Judiciary.

By Mr. REES:

H.R. 5732. A bill to enlarge Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. REID (for himself, and Mrs. Mink):

H.R. 5733. A bill to amend the Social Security Act, as amended, to eliminate certain limitations on the use of Federal funds for social service programs; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 5734. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 5735. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5736. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 5737. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself, Mr. Anderson of California, Mr. Badillo, Mr. Bell Mr. Burton, Mr. Conyers, Mr. Corman, Mr. Edwards of California, Mr. Hawkins, Mr. Johnson of California, Mr. Hanna, Mr. Leggett, Mr. Lehman, Mr. Lujan, Mr. McFall, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of New York, Mr. Podell, Mr. Rees, Mr. Riegle, Mr. Roe, Mr. Waldie, and Mr. Helstoski):

H.R. 5738. A bill to authorize grants to the Deganawidah-Quetzalcoatl University; to the Committee on Education and Labor.

By Mr. ROYBAL (for himself, Mr. Brown of California, Mr. Danielson, Mr. Edwards of California, Mr. Eilberg Mr. Hawkins, Ms. Holtzman, Mr. Leggett, Mr. Moss, Mr. Podell, Mr. Studds, and Mr. Wolff):

H.R. 5739. A bill to amend the Public Health Service Act to provide assistance for research and development for improvement in delivery of health services to the critically ill; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself, Ms. Abzug, Mr. Bell, Mr. Brown of California, Mr. Burton, Mrs. Chisholm, Mr. Corman, Mr. Diggs, Mr. Harrington, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moss, Mr. Murphy of New York, Mr. Riegle, Mr. Rosenthal, Mr. Roe, and Mrs. Schroeder):

H.R. 5740. A bill to assure the right to vote to citizens whose primary language is other than English; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself Ms. Abzug, Mr. Brown of California, Mr. Burton, Mrs. Chisholm, Mr. Corman, Mr. Dellums, Mr. Harrington, Mr. Leggett, Mr. Moss, Mr. Rees, and Mr. Stark):

H.R. 5741. A bill to amend the Immigration and Nationality Act to increase immigration from Western Hemisphere nations; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 5742. A bill relating to the dutiable status of fresh, chilled, or frozen cattle meat and fresh, chilled, or frozen meat of goats and sheep (except lamb); to the Committee on Ways and Means.

By Mr. SAYLOR (for himself and Mr. Dellenback):

H.R. 5743. A bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHERLE:

H.R. 5744. A bill to prohibit the exportation of logs from the United States; to the Committee on Banking and Currency.

By Mr. SEIBERLING:

H.R. 5745. A bill to promote the peaceful resolution of international conflict, and for other purposes; to the Committee on Government Operations.

By Mr. JAMES V. STANTON (for himself, Mr. Seiberling, Mr. Corman, Mr. Eilberg, Mr. Mazzoli, Mr. Murphy of Illinois, Mr. Sandman, and Mr. Symington):

H.R. 5746. A bill to provide for greater and more efficient Federal financial assistance to certain large cities with a high incidence of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 5747. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small non-industrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. STUCKEY:

H.R. 5748. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small non-industrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. TEAGUE of Texas (for himself and Mr. Mosher):

H.R. 5749. A bill to establish a national policy relating to conversion to the metric system in the United States; to the Committee on Science and Astronautics.

By Mr. UDALL:

H.R. 5750. A bill to authorize the construction of transmission facilities for delivery to the continental United States of petroleum reserves located on the North Slope of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN:

H.R. 5751. A bill to amend section 202 of the Interstate Commerce Act to prohibit certain motor carrier operations between the United States and any contiguous foreign country by a person not a citizen of the United States unless the foreign country concerned grants reciprocal privileges to citizens of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. WALDIE (for himself, Mr. McCloskey, Mr. Harrington, Mr. Helstoski, Mr. Bob Wilson, Mr. Seiberling, Mr. Pettis, Mr. Roybal, Mr.

Danielson, Mr. Ryan, Mr. Leggett, Mr. Stark, Mr. Brown of California, Mr. Moss, Mr. Drinan, Mr. Edwards of California, Mr. Moakley, and Mr. Vander Jagt):

H.R. 5752. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 5753. A bill to require the Secretary of the Interior to make a comprehensive study of the dolphin and porpoise for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF (for himself and Mr. Gunter):

H.R. 5754. A bill to require States to pass along to individuals who are recipients of aid or assistance under the Federal-State public assistance programs or under certain other Federal programs, and who are entitled to social security benefits, the full amount of the 1972 increase in such benefits, either by disregarding it in determining their need for assistance or otherwise; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. Helstoski, Mr. Rosenthal, Mr. Delaney, Mr. Moss, Mr. Roybal, Mr. Rangel, Mr. Harrington, Mr. Rodino, and Mr. Moakley):

H.R. 5755. A bill to suspend the importation of liquified natural gas and the construction of new storage facilities for such gas until such time as a thorough evaluation of the hazards associated with the marine transportation and the delivery and storage of such gas is made and other actions are taken to prevent or minimize such hazards; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 5756. A bill to prohibit the importation into the United States of commercially produced domestic dog and cat animal products; and to prohibit dog and cat animal products moving in interstate commerce; to the Committee on Ways and Means.

By Mr. CASEY of Texas:

H.J. Res. 437. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week"; to the Committee on the Judiciary.

By Mr. HOWARD (for himself, Mr. Biaggi, Mr. Carney of Ohio, Mr. Carter, Mr. Conlan, Mr. Cotter, Mr. Dorn, Mr. Dulski, Mr. Findley, Mr. Gerald R. Ford, Mr. William D. Ford, Mr. Forsythe, Mr. Gude, Mr. Hamilton, Mr. Harrington, Mr. Hillis, Mr. Kemp, Mr. Matsunga, Mr. Melcher, Mr. O'Hara, Mr. Price of Illinois, Mr. Rees, Mr. Rodino, Mr. Steiger of Arizona, and Mr. Thompson of New Jersey):

H.J. Res. 438. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.J. Res. 439. Joint resolution designating the square dance as the national folk dance of the United Sates of America; to the Committee on the Judicary.

By Mr. REID (for himself and Mrs. Mink):

H.J. Res. 440. Joint resolution prescribing model regulations governing implementation of the provisions of the Social Security Act relating to the administration of social service programs; to the Committee on Ways and Means.

By Mr. DEVINE (for himself, Mr. Clancy and Mr. Hunt):

H. Con. Res. 154. Concurrent resolution expressing the sense of the Congress with respect to the method of assessment of the financial obligation of each member State of the United Nations; to the Committee on Foreign Affairs.

By Mr. SEIBERLING:

H. Con. Res. 155. Concurrent resolution expressing the sense of Congress that the President should take the necessary steps to initiate service negotiations seeking agreement with the Soviet Union on a comprehensive ban on all nuclear test explosions, to work toward extension of a prohibition against nuclear testing to the other nuclear powers, including France and China, and to declare and observe an indefinite moratorium on all nuclear test explosions; to the Committee on Foreign Affairs.

By Mr. BINGHAM:

H. Res. 311. Resolution expressing the sense of the House of Representatives that the United States terminate its part in SEATO and CENTO; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 5757. A bill for the relief of Harold C. and Vera L. Adler, doing business as the Adler Construction Co.; to the Committee on the Judiciary.

By Mr. COTTER:

H.R. 5758. A bill for the relief of Gaspar Ramos; to the Committee on the Judiciary.

By Mr. DENHOLM:

H.R. 5759. A bill for the relief of Morena Stolsmark; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 5760. A bill to provide for the striking of medals commemorating the International Exposition on Environment at Spokane, Wash., in 1974; to the Committee on Banking and Currency.

By Mr. HELSTOSKI (by request):

H.R. 5761. A bill for the relief of Freddy G. Ascarrurez; to the Committee on the Judiciary.

H.R. 5762. A bill for the relief of Mr. and Mrs. Alejandro Jerez; to the Committee on the Judiciary.

H.R. 5763. A bill for the relief of Mr. Freddy Gonzalo Ortega (and Mrs.); to the Committee on the Judiciary.

H.R. 5764. A bill for the relief of Mr. and Mrs. Manuel Ortega; to the Committee on the Judiciary.

H.R. 5765. A bill for the relief of Mr. and Mrs. Sergio H. Savelli; to the Committee on the Judiciary.

H.R. 5766. A bill for the relief of Mr. and Mrs. Jorge Humberto Ubilla and daughter, Jacqueline; to the Committee on the Judiciary.

H.R. 5767. A bill for the relief of Mr. and Mrs. Henry Venegas Vilches; to the Committee on the Judiciary.

By Mr. CLAY:

H. Res. 312. Resolution to refer the bill H.R. 5010 to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; to the Committee on the Judiciary.

PETITIONS, ETC

Under clause 1 of rule XXII,

64. The SPEAKER presented a petition of William Moyer, et al., Joliet, Ill., relative to redress of grievances; to the Committee on the Judiciary.

SENATE—*Thursday, March 15, 1973*

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty and ever-living God, bless this Nation, and make it a blessing to the world. Grant to us sound government, just laws, good education, meaningful work, and pure religion. With each new day wilt Thou give us a new spirit. Give us clean hands and pure hearts fit for Thy service. Help us to work with patience and diligence for the new and better day toward which is the divine intention. May Thy plans become our plans that we may be willing channels of Thy redemptive purpose for all mankind.

We pray in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 14, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 583) to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the Rules of Evidence for United States Courts and Magistrates, the amendments to the Federal Rules of Civil Procedure, and the amendments to the Federal Rules of Criminal Procedure which the Supreme Court on November 20, 1972, ordered the Chief Justice to transmit to the Congress, with amendments, in which it requested the concurrence of the Senate.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, as the designee of the majority leader, I yield back his time.

The PRESIDENT pro tempore. Does the acting minority leader desire to be recognized?

Mr. HELMS. No, Mr. President.

The PRESIDENT pro tempore. Under the previous order, the Senator from Montana (Mr. MANSFIELD) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I am authorized to ask that the time of the distinguished Senator from Montana (Mr. MANSFIELD), under the order, be reserved until later.

I ask unanimous consent that the distinguished Senator from Washington (Mr. JACKSON) now be recognized under the order.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a quorum call and that the time be charged against my time under the order.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JACK SPAIN, A VETERAN ADMINISTRATIVE ASSISTANT, RETIRES

Mr. ERVIN. Mr. President, on February 28, 1973, my administrative assistant, Jack Spain, who had ably filled important positions on Capitol Hill for more than 32 years, chose to retire.

Jack was born in Pitt County, N.C., received his early education in the public schools of Pitt County, and graduated from the University of North Carolina at Chapel Hill with a degree of bachelor of arts in 1923.

While a student at Chapel Hill, Jack was very active in extracurricular affairs. He held membership in the Phi Gamma Delta Fraternity and the Phi Assembly. He was chosen by his classmates to serve as a commencement marshal in his junior year. The University of North Carolina at Chapel Hill does not have a more devoted alumnus than Jack Spain.

After his graduation, he served as president of the North Carolina Alumni Association of Pitt County, and after coming to Washington, he served as president of the University of North Carolina Alumni Association of our Capital City.

Subsequent to his graduation from the University of North Carolina at Chapel Hill, Jack attended Judge Pell's Law School in Rocky Mount, N.C., was admitted to the North Carolina State Bar in August 1931, and practiced law at Greenville, N.C., from that time until November 5, 1940.

Before coming to Washington, Jack was active in the civic, political, and religious life of Greenville, Pitt County, and North Carolina. He served as prosecuting attorney in the Recorder's Court of Pitt County from December 1, 1932, to December 1, 1936, as a member of the City Council of Greenville from May 1, 1937, to May 1939, and as mayor of Greenville from May 1, 1939, until November 5, 1940.

He resigned as mayor on the date last mentioned to accept appointment as secretary to the late Congressman Herbert C. Bonner, who served the First Congressional District of North Carolina in the House of Representatives with great distinction, and remained in that position until January 3, 1945, when he became administrative assistant to my predecessor, Senator Clyde R. Hoey, whom he served until the latter's death on May 12, 1954.

When I took the oath of office as a U.S. Senator from North Carolina on June 11, 1954, I appointed Jack Spain my administrative assistant, and he served in this capacity with rare diligence and ability until he elected to retire for reasons of health.

After coming to Washington, Jack served in many capacities in addition to performing the exacting tasks devolving upon him as my administrative assistant. He served as president of the North Carolina Democratic Club of Washington in 1946, as president of the North Carolina Society of Washington, D.C., in 1956, as president of the Senate Administrative Assistants and Secretaries Association in 1956, as president of the Conference of State Societies in 1957, and as president of the Congressional Secretaries Club in 1962.

Under appointments given to him by Gov. Dan K. Moore and Robert W. Scott, he has served as a member of the North Carolina Battleship Commission from 1965 until the present moment.

In addition to these activities, Jack has been an active member of the First Christian Church of Greenville, N.C., and a dedicated member of the Scottish Rite Masons, where he has attained the 32d degree. He also holds membership in the Shrine, the Elks, and the Loyal Order of the Moose.

Jack was happily married to Marie Hardee of Greenville on December 14, 1929. This marriage has been blessed by two children, Frances Spain, the wife of Lee Holmes, an attorney of Washington, D.C., and Jack Spain, Jr., an attorney of Richmond, Va.

It is impossible for me to overmagnify the services which Jack Spain has rendered me in the capacity of administrative assistant. During the 32 years he has served in the offices of the late Congressman Bonner, the late Senator Hoey, and myself, he has done literally thousands of things for multitudes of people throughout North Carolina, and has thereby endeared himself to persons past numbering in his home State. The genial companionship which he has extended to all others who have labored on the Washington scene during his years here made him one of the most loved figures on Capitol Hill. As one who has been aided and benefited by his loyal service since June 11, 1954, I cannot find words adequate to express my gratitude to him. If I have been able to accomplish anything worth while in the office of Senator, it has been due in large measure to Jack Spain's devotion to duty, and untiring zeal in my service and in that of the people of North Carolina.

Mrs. Ervin and I have enjoyed the blessing of the loyal friendship of Jack and his wonderful wife, Marie, throughout our years in Washington, and will always treasure in our memories the many happy occasions on which we have been privileged to be with them.

I deeply regretted Jack's decision to retire. Mrs. Ervin join me in wishing for Jack and Marie all the good things which life affords in the days ahead. No persons of our acquaintance merit such things more.

Mr. HELMS. Mr. President, I desire to associate myself with my distinguished colleague's eloquent tribute to Jack Spain. I certainly share Senator ERVIN's regrets in seeing Jack depart from Washington. To say that he will be missed by his friends and associates is an understatement.

In all sincerity, I can think of no man who has meant more to the people of North Carolina than has Jack Spain during his long tenure in Washington. He is an efficient man, an always cheerful man, a man always willing to help others in need, and a citizen completely dedicated to the principles that made America great.

I first met Jack Spain when I came to Washington in late 1951 as administrative assistant to the late Senator Willis Smith. Jack was administrative assistant to the then senior Senator from North Carolina, Clyde R. Hoey. I could not begin to recite, Mr. President, the countless instances when Jack Spain took this bewildered country boy by the hand, and guided and assisted me in getting settled into my duties which were completely foreign to me.

Jack Spain is a great American. He is a great friend. The pleasure of associating with a man like him comes all too rarely, and I join my distinguished colleague (Mr. ERVIN) and Jack Spain's many other friends and associates in wishing him good health and continued happiness in retirement.

Mr. ROBERT C. BYRD. Mr. President, I am happy to join with the distinguished Senator from North Carolina (Mr. ERVIN) in paying tribute to Jack Spain, his administrative assistant upon the occasion of his retirement.

One positive aspect of retirement is the fact that Senators are afforded the opportunity to spotlight the individual staff members and give credit to their valuable services which they perform in helping us to carry out our multitudinous duties. Without their long hours, selfless devotion to duty and personal sacrifices, a Senator's role would indeed be difficult, if not impossible.

Jack Spain, who retired on February 28, 1973, is a prime example of the caliber of our valued staff aides. He has served continuously in the Senate since January 3, 1945, at which time he became the administrative assistant to the late and much beloved, Clyde R. Hoey of North Carolina. Upon the death of Senator Hoey, he assumed the same position with Senator ERVIN on June 11, 1954, a post he held with much distinction until this year.

Jack's background of service as an aide in the other body; as mayor, as solicitor, and as an attorney at law in his hometown of Greenville, N.C., uniquely qualified him to discharge his responsibilities in such an effective manner over the years. The name of Jack Spain is known throughout Washington by the many people he has helped and worked with during his career.

I wish to say to Jack and to his charming and most gracious wife, Marie, that I wish you both the best of luck and God's blessings as you return to North Carolina. I know your many Washington friends, that you have made over the past 32 years, wish you well and will think of you often, not only for your valued friendship but for the many courtesies and help you have extended along the way.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, without prejudice to the distinguished Senator from Washington (Mr. JACKSON) or to any other Senators under orders previously entered, I may be recognized for not to exceed 3 minutes under my own order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield 3 minutes to the distinguished Senator from California.

MESSAGE FROM THE HOUSE ON S. 7

Mr. CRANSTON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 7.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to (S.7) to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes, which was to strike out all after the enacting clause, and insert:

That this Act, with the following table of contents, may be cited as the "Rehabilitation Act of 1973".

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DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to provide a statutory basis for the Rehabilitation Services Administration, to establish within the Department of Health, Education, and Welfare an Office for the Handicapped, and to authorize programs to—

(1) develop and implement comprehensive and continuing State plans for meeting the current and future needs for providing vocational rehabilitation services to handicapped individuals and to provide such services for the benefit of such individuals, serving first those with the most severe handicaps, so that they may prepare for and engage in gainful employment;

(2) evaluate the rehabilitation potential of handicapped individuals;

(3) develop, implement, and provide comprehensive rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency;

(4) assist in the construction and improvement of rehabilitation facilities;

(5) develop new and innovative methods of applying the most advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems and develop new and innovative methods of providing rehabilitation services to handicapped individuals through research, special projects, and demonstrations;

(6) initiate and expand services to groups of handicapped individuals (including those who are homebound and institutionalized) who have been underserved in the past;

(7) direct the conduct of various studies and experiments to focus on long-neglected problem areas;

(8) promote and expand employment opportunities in the public and private sectors for handicapped individuals and to place such individuals in employment;

(9) establish client assistance pilot projects;

(10) provide assistance for the purpose of increasing the number of rehabilitation personnel and increasing their skills through training; and

(11) evaluate existing approaches to architectural and transportation barriers confronting handicapped individuals, develop new such approaches, enforce statutory and regulatory standards and requirements regarding barrier-free construction of public facilities and study and develop solutions to existing housing and transportation barriers impeding handicapped individuals.

REHABILITATION SERVICES ADMINISTRATION

SEC. 3. (a) There shall be in the Department of Health, Education, and Welfare a Rehabilitation Services Administration which shall be administered by a Commissioner (hereinafter referred to as the "Commissioner"). The Commissioner shall carry out and administer all programs and direct the performance of all services for which authority is provided under titles I through IV of this Act.

(b) There shall be within such Administration a Division of Research, Training, and Evaluation, which shall be responsible for carrying out programs and projects under title IV of this Act. There shall be within such Division a Center for Technology Assessment and Application, which shall be responsible for developing and supporting, and stimulating the development and utilization (including production and distribution of new and existing devices) of, innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems, and for administration of the activities described in section 402(b)(2). Such Division shall be directed by an Assistant Commissioner, who shall be responsible to the Commissioner and shall be a person of outstanding scientific and technological achievement and learning and shall carry out his responsibilities in consultation with the National Science Foundation and the National Academy of Sciences, and shall be assigned at least ten full-time positions, five of which shall be filled by professionals of qualifications similar to the Assistant Commissioner.

(c) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–

42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

(d) In order to carry out the purposes of this Act, the authorized level of full-time personnel, or the equivalent, assigned to the Rehabilitation Services Administration to carry out duties related to the administration of this Act, is increased by sixty.

ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Service Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101(a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Services and Facilities Construction Amendments of 1970, provided the agency administering such State's program under such Act occurs in the submission of such a consolidated rehabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, he may approve the plan to serve in all respects as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or he may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsections (c) and (d) of section 101 of this Act.

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "comprehensive rehabilitation services" means vocational rehabilitation services and any other goods (including aids and devices) or services provided with funds under title II, III, or IV of this Act that will make a substantial contribution in helping a handicapped individual to improve his ability to live independently or function normally with his family and community.

(2) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(3) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

(4) The term "establishment of a rehabilitation facility" means the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Commissioner may determine, in accordance with regulations he shall prescribe, in order to prevent impairment of the objectives of, or duplications of, other Federal laws providing Federal assistance in the construction of such facilities), and the initial equipment for such buildings, and may include the initial staffing thereof.

(5) The term "evaluation of rehabilitation potential" means, as appropriate in each case:

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational or comprehensive rehabilitation services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purpose of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services or comprehensive rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G) (i) the provision of vocational rehabilitation services or the provision of comprehensive rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individual is a handicapped individual, a handicapped individual for whom a vocational goal is not possible or feasible (as determined in accordance with section 102(c)), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(6) The term "Federal share" means 80 per centum, except that it shall mean 90 per centum for the purposes of part C of title I and title II of this Act and section 301: Provided, That with respect to payments pursuant to part B of title I of this Act to any State which are used to meet the costs of construction of those rehabilitation facilities identified in section 103(b) (2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to that State and that, for the purpose of determining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall, subject to such limitations and conditions as the Commissioner shall by regulation prescribe, be regarded as expenditure by such State.

(7) The term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (B) can reasonably be expected to benefit from vocational rehabilitation services or comprehensive rehabilitation services provided pursuant to title II, III, or IV of this Act.

(8) The term "local agency" means an agency of a unit of general local government or of an Indian tribal organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101 (a)(1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational or comprehensive rehabilitation services: Provided, That such an arrangement is made part of the agreement specified in this paragraph.

(9) The term "nonprofit," when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully in re, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

(10) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces.

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(11) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation or comprehensive rehabilitation

services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals: (A) vocational and comprehensive rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career and advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

(12) The term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(13) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure and any other disability, specified by the Commissioner in regulations he shall prescribe.

(14) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(15) The term "vocational rehabilitation services" means those services identified in section 103 which are provided to handicapped individuals under this Act.

ALLOTMENT PERCENTAGE

SEC. 8. (a) (1) The allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Commissioner between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the July 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

AUDIT

SEC. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

NONDUPLICATION

SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approved in accordance with section 101 or for the purposes of providing comprehensive rehabilitation services pursuant to title II of this Act, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any other provision of this Act.

TITLE I—VOCATIONAL REHABILITATION SERVICES

Part A—General Provisions

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 100. (a) The purpose of this title is to authorize grants to assist States to meet the current and future needs of handicapped individuals, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

(b) (1) For the purpose of making grants to States under part B of this title to assist them in meeting costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $700,000,000 for the fiscal year ending June 30, 1973, and $800,000,000 for the fiscal year ending June 30, 1974.

(2) For the purpose of making grants under section 120, relating to grants to States and public and nonprofit agencies to assist them in meeting the costs of projects to initiate or expand services to handicapped individuals (especially those with the most severe handicaps) there is authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

STATE PLANS

SEC. 101.(a) For each fiscal year in which a State desires to participate in programs under this title and pursuant to title II of this Act, a State shall submit to the Commissioner for his approval an annual plan for vocational and comprehensive rehabilitation services which shall—

(1) (A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized to provide vocational and comprehensive rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State or with a local agency in order upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to handicapped individuals, and may waive compliance with respect to vocational rehabilitatiton services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of the State;

(B) provide that the State agency so designated to administer or supervise the administratiton of the State plan, or (if there are two State agencies designated under subclause (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) provide, except in the case of agencies described in clause (1)(B)(i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, and is responsible for the vocatitonal rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full itme on such work; and

(B) (i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1)(B)(ii), either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind to one organizational unit of such agency and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this clause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of handicapped individuals or groups of handicapped individuals the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5) (A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including a description of the method to be used to expand and improve services to handicapped individuals with the most severe handicaps; and, in the event that vocational rehabilitation services cannot be provided to all eligible handicapped individuals who apply for such services, show (i) the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and show the order to be followed in selecting individuals to whom comprehensive rehabilitation services will be provided, and (ii) the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving handicapped individuals, established in regulations prescribed by the Commissioner, and

(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps;

(6) (A) contain the plans, policies, and methods to be followed in providing comprehensive rehabilitation services pursuant to title II of this Act, and

(B) provide satisfactory assurances that no such comprehensive rehabilitation services shall be paid for with funds under title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such services;

(7) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan;

(8) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of vocational and comprehensive rehabilitation services, but the Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

(9) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provisions of such services to any individual;

(10 provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each handicapped individual eligible for vocational or comprehensive rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept specifying, as to those individuals who apply for services under this title or pursuant to title II of this Act and are determined not to be eligible therefor, the reasons for such determinations;

(11) provide that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (10) of this subsection, periodic estimates of the population of handicapped individuals eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out his functions under this title, and comply with such provisions as he may find necessary to assure the correctness and verification of such reports;

(12) provide for entering into cooperative arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, other programs for handicapped individuals, veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health, Education, and Welfare, the Veterans' Administration, and other Federal, State, and local public agencies providing services related to the rehabilitation of handicapped individuals;

(13) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation and comprehensive rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community;

(14) (A) provide that vocational rehabilitation and comprehensive rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special consideration will be given to the rehabilitation under this Act of a handicapped individual whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

(15) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

(16) provide for continuing statewide studies of the needs of handicapped individuals and how these needs may be most effectively met (including the State's needs for rehabilitation facilities) with a view toward the relative need for services to significant segments of the population of handicapped individuals and the need for expansion of services to those individuals with the most severe handicaps;

(17) provide for (A) periodic review and reevaluation of the status of handicapped individuals placed in extended employment in rehabilitation facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(18) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provisions of section 313 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction;

(19) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to clause (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational or comprehensive rehabilitation services (or, in appropriate cases, their parents or guardians), working in the field of vocational rehabilitation, and providers of vocational and comprehensive rehabilitation services; and

(20) provide satisfactory assurances to the Commissioner that the continuing studies required under clause (16) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commission may require, of appropriate amendments to the plan.

(b) The Commissioner shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section, and he shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of his intention to disapprove its plan, and he shall afford such State reasonable notice and opportunity for hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency adminstering or supervising the administration of the State plan approved under this section, finds that—

(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in his discretion, that such further payments will be reduced in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the States only for the projects under the parts of the State plan affected by such failure), until he is satisfied there is no longer any such failure. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall limit payments to projects under those

parts of the State plan in which there is no such failure).

(d) If any State is dissatisfied with the Commissioner's action under subsection (b) or (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of chapter 7 of title 5, United States Code.

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Commissioner shall insure that the individualized written rehabilitation program required by section 101 (a) (10) in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, his parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, his parents or guardians) will be afforded an opportunity to review such program and renegotiate its terms. Such program shall include, but not be limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals, (2) a statement of the specific vocational or comprehensive rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and, (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Commissioner shall also insure that (1) in developing and carrying out the individualized written rehabilitation program required by section 101 in the case of each handicapped individual primary emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal, and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, his parents or guardians), and only upon the certification, as an amendment to such written program, that the evaluation of rehabilitation potential has demonstrated beyond any reasonable doubt that such individual is not then capable of achieving such a goal, and (3) any such decision shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render a handicapped individual employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including follow-up, follow-along, and other postemployment services necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided*, That no training services in institutions of higher education shall be paid for with funds under this title or title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for the deaf, and reader services for those individuals determined to be blind after an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

(7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices.

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, alone or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies; and

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized rehabilitation written program of any one handicapped individual.

NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 105. For the purpose of determining the amount of payments to States for carrying out part B of this title, the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of such facility.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

STATE ALLOTMENTS

SEC. 110. (a) For each fiscal year, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the product of (1) the population of the State and (2) the square of its allotment percentage bears to the sum of the corresponding products for all the States. The allotment to any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under the first sentence of this subsection for any fiscal year which is less than one-quarter of 1 per centum of the amount appropriated under section 100 (b)(1), or $2,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining such States under the first sentence of this subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 111. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (18) of section 101(a), and except that the total of such payments to any State receiving a minimum allotment under section 110(a) of this title, shall not be less than such minimum allotment, the total of the increases thereby required being derived by proportionately reducing the payments to each of the remaining States under this section, and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid by each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

CLIENT ASSISTANCE

SEC. 112. (a) The Commissioner shall set aside out of funds appropriated under section 305 for special projects and demonstrations up to $2,500,000 but no less than $1,000,000 for the fiscal year ending on June 30, 1973, and up to $5,000,000 but no less than $1,000,000 each for the two succeeding fiscal years to establish in no less than ten nor more than twenty geographically dispersed regions client assistance pilot projects (hereinafter in this section referred to as "projects") to provide counselors to inform and advise all clients and client applicants in the project area of all available benefits under this Act and to assist them in their relationships with projects, programs, and facilities providing services to them under this Act.

(b) The Commissioner shall prescribe regulations which shall include the following requirements:

(1) All employees of such projects shall not be presently serving as staff, consultants or receiving benefits of any kind directly or indirectly from any rehabilitation project, program or facility.

(2) The staff of such projects shall be afforded reasonable access to policymaking and administrative personnel in State and local rehabilitation programs, projects, and facilities.

(3) The project shall submit an annual report, through the State agency designated pursuant to section 101, to the Commissioner on the operation of the project during the previous year, including a summary of the work done and a uniform statistical tabulation of all cases handled by such project. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Commissioner, together with a summary of such reports and his evaluation of such projects including appropriate recommendations.

(4) Each State agency may enter into cooperative arrangements with institutions of higher education to secure the services in such projects of graduate students who are undergoing clinical training activities in related fields. No compensation with funds appropriated under this Act shall be provided to such students.

(5) Reasonable assurance shall be given by the appropriate State agency that all clients or client applicants within the project area shall have the opportunity to receive adequate service under the project and shall not be pressured against or otherwise discouraged from availing themselves of the services available under such project.

(6) The project shall be funded, administered, and operated directly by the State agency designated pursuant to section 101.

PART C—INNOVATION AND EXPANSION GRANTS

STATE ALLOTMENTS

SEC. 120. (a) (1) From the sums available pursuant to section 100(b) (2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $50,000 (or such other amount as may be specified as a minimum allotment in the Act appropriating such sums for such year) shall be increased to that amount, and for the fiscal years ending June 30, 1973, and June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a) (2) (A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of three years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than $50,000.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States which he determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 121. (a) From each State's allotment under this part for any final year, the Commissioner shall pay to such State or, at the option of the State agency designated pursuant to section 101(a) (1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including programs to initiate or expand such services to individuals with the most severe handicaps, or of special programs under such State plan to initiate or expand services to classes of handicapped individuals who have unusual and difficult problems in connection with their rehabilitation, particularly handicapped individuals who are poor, and responsibility for whose treatment, education, and rehabilitation is shared by the State agency designated in section 101 with other agencies. The Commissioner may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Commissioner. Any grant of funds under this section which will be used for direct services to handicapped individuals or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through the fiscal year ending June 30, 1978. Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commisioner finds necessary to carry out the purposes of this section.

TITLE II—COMPREHENSIVE REHABILITATION SERVICES

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 200. (a) The purpose of this title is to authorize grants (supplementary to grants for vocational rehabilitation services under title I of this Act) to assist the several States in developing and implementing continuing plans for meeting the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible, including the assessment of disability and rehabilitation potential, and for the training of specialized personnel needed for the provision of services to such individuals and research related thereto.

(b) In order to make grants to carry out the purposes of this title, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $25,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975.

STATE ALLOTMENTS

SEC. 201. (a) From sums appropriated to carry out the provisions of this title for each fiscal year, less the amounts reserved by the Commissioner for projects under section 204, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the product of (1) the population of the State, and (2) its allotment percentage bears to the sum of the corresponding products for all of the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $150,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States to the extent he determines such other State will be able to use additional amounts during such year for carrying out such purpose. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purpose of this title, be regarded as an increase in the State's allotment (as determined under the preceding provisions of this section) for such year.

(c) In any fiscal year for which appropriations pursuant to this section do not exceed $20,000,000, the Commissioner, subsections (a) and (b) of this section and section 202(a) to the contrary notwithstanding and subject to the provisions of section 313, shall carry out the purposes of this title by making grants to States and public or nonprofit organizations and agencies to pay the Federal share of the expenditures for such projects. Projects receiving such grants shall be carried out under the State plan approved under section 101 (except for the priorities in the order of selection required by section 101(a)(5)(A)) in a manner consistent with the State program submitted under section 203.

PAYMENTS TO STATES

SEC. 202. (a) From each State's allotment under this title for any fiscal year, the Commissioner shall pay to such State the Federal share of the expenditures incurred during such year under its State program submitted under section 203 and approved as part of the State plan approved under section 101. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

(b) The Federal share with respect to any State shall be 90 per centum of the expenditures incurred by the State during such year under its State program submitted under section 203 and approved as part of the State plan under section 101.

STATE PROGRAMS

SEC. 203. As a condition for receiving grants under this Act for the fiscal year ending June 30, 1973, a State must submit within one hundred and eighty days after the date of enactment of this Act an amendment to its plan submitted to the Commissioner under section 101 or to the Secretary under section 5 of the Vocational Rehabilitation Act which includes a program for provision of comprehensive rehabilitation services to bring about the rehabilitation of handicapped individuals under this title. A State shall also include such a program in its plan under section 101 submitted for each subsequent fiscal year. Such program, in addition to those requirements provided in section 101(a)(6), shall (1) designate the State agency or agencies administering the State plan for vocational rehabilitation as the agency or agencies to administer funds provided under this title; (2) provide that comprehensive rehabilitation services will be provided for the rehabilitation of handicapped individuals only in accordance with the individualized written rehabilitation program required by section 102 and only after the requirements of subsection (c) of such section have been met; (3) describe the quality, scope, and extent of the services being provided; (4) demonstrate that the State has studied and considered a broad variety of means for providing comprehensive rehabilitation services under this title, including but not limited to, regional and community centers, halfway houses, services to homebound and institutionalized individuals, and patient-release programs, where such programs are appropriate and beneficial; (5) be approved or disapproved under the criteria and procedures provided with respect to the State plan submitted under section 101; and (6) conform to such other requirements as the Commissioner by regulation may prescribe.

SPECIAL PROJECTS

SEC. 204. From sums appropriated under section 200(b), the Commissioner may retain not to exceed 10 per centum or $500,000, whichever is smaller, to enable him to make grants to States and public and noprofit agencies or organizations to pay part of the cost of projects for research and demonstration and training which hold promise of making a substantial contribution to the solution of problems related to the rehabilitation of individuals under this title.

DEFINITION

S53. 205. For the purposes of this title, the term "rehabilitation" means the goal of achieving, through the provision of comprehensive rehabilitation services, substantial improvement in the ability to live independently or function normally with his family or community on the part of a handicapped individual, who, according to a certification under section 102(c), is not then capable of achieving a vocational goal.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

DECLARATION OF PURPOSE

SEC. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities;

(2) authorize grants and contracts to assist in the provision of vocational training services to handicapped individuals;

(3) to insure mortgages covering the construction of certain nonprofit rehabilitation facilities and authorize annual interest grants to help meet the costs of making principal payments in connection with such mortgages, whether so insured or not;

(4) authorize grants for special projects and demonstrations which hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, which experiment with new types of patterns of services or devices for the rehabilitation of handicapped individuals (including opportunities for new career for handicapped individuals, and for other individuals in programs serving handicapped individuals) and which provide vocational and comprehensive rehabilitation services to handicapped migratory agricultural workers or seasonal farmworkers;

(5) establish and operate a National Center for Deaf-Blind Youths and Adults;

(6) authorize grants and contracts to establish and operate Rehabilitation Centers for Deaf Individuals;

(7) establish and operate National Centers for Spinal Cord Injuries;

(8) provide services for the treatment of individuals suffering from end-stage renal disease;

(9) authorize grants and contracts to assist in the provision of rehabilitation services to older blind individuals and in the application of new types or patterns of services or devices for the benefit of such individuals;

(10) establish a National Advisory Council on Rehabilitation of Handicapped Individuals to advise the Commissioner and Secretary and conduct reviews with respect to programs carried out under this Act;

(11) establish State Advisory Councils to advise Governors and State agencies in carrying out State plans approved under this Act; and

(12) establish uniform grant and contract requirements for programs assisted under this title and certain other provisions of this Act.

GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, initial staffing, and planning assistance, there is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1973; $20,000,000 for the fiscal year ending June 30, 1974; and $25,000,000 for the fiscal year ending June 30, 1975. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or initial staffing grants made under this section prior to July 1, 1977.

(b) (1) The Commissioner is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Commissioner under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 313.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a)), in such State, except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b)(2) of section 645 of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Commissioner is also authorized to make grants to assist in the initial staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs determined in accordance with regulations the Commissioner shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum for such costs for the third year thereafter.

(d) The Commissioner is also authorized to make grants upon application approved by the State agency designated under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 302. (a) For the purpose of making grants and contracts under this section, there is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975.

(b) (1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to handicapped individuals, especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2) (A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to indi-

viduals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed $30 plus $10 for each of the individual's dependents, or $70 whichever is less. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Commissioner may make a grant for a project pursuant to this subsection only on his determination that (A) the purpose of such project is to prepare handicapped individuals, especially those with the most severe handicaps, for gainful and suitable employment; (B) the individuals to receive training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of his need for such services; and (D) the project, including the participating rehabilitation facility and the training services provided, meet such other requirements as he may prescribe in regulations for carrying out the purposes of this subsection.

(c)(1) The Commissioner is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the Federal share of the cost of projects to analyze, improve, and increase their professional services to handicapped individuals, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

MORTGAGE INSURANCE FOR REHABILITATION FACILITIES

SEC. 303. (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for handicapped individuals.

(b) For the purpose of this section the terms "mortgage", "mortgagor", "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Commissioner, in consultation with the Secretary of Housing and Urban Development, and subject to the provisions of section 313, is authorized to insure up to 100 per centum of any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon, except that no mortgage of any public agency shall be insured under this section if the interest from such mortgage is exempt from Federal taxation.

(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers construction of a public or nonprofit rehabilitation facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Commissioner, who demonstrates ability successfully to operate one or more programs for handicapped individuals. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock of interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section), and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the rehabilitation facility, when the proposed improvements are completed and the equipment is installed, but not including any cost covered by grants-in-aid under this Act or any other Federal Act.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Commissioner finds necessary to meet the mortgage market.

(e) The Commissioner shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Commissioner is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he shall by regulation prescribe.

(g)(1) The Commissioner shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act. The Commissioner may, pursuant to a formal delegation agreement containing regulations prescribed by him, delegate to the Secretary of Housing and Urban Development authority to administer this section and section 304 of this Act in accordance with such delegation agreement.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) and all references in such provisions to "Secretary" shall be deemed to refer to the Commissioner of the Rehabilitation Services Administration within the Department of Health, Education, and Welfare.

(h)(1) There is hereby created a Rehabilitation Facilities Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Rehabilitation Facilities Insurance Fund.

(2) The general expenses of the operations of the Rehabilitation Services Administration relating to mortgages insured under this section may be charged to the Rehabilitation Facilities Insurance Fund.

(3) Moneys in the Rehabilitation Facilities Insurance Fund not needed for the current operations of the Rehabilitation Services Administration with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Rehabilitation Facilities Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisals and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Commissioner in connection therewith, and all earnings as the assets of the fund, shall be credited to the Rehabilitation Facilities Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary, except that the total amount of outstanding mortgages insured shall not exceed $250,000,000.

ANNUAL INTEREST GRANTS FOR MORTGAGES FOR REHABILITATION FACILITIES

SEC. 304. (a) To assist States and public or nonprofit agencies and organizations to reduce the cost of borrowing from other sources for the construction of rehabilitation facilities, the Commissioner, subject to the provisions of section 313, may make annual interest grants to such agencies.

(b) Annual interest grants under this section with respect to any rehabilitation facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount sufficient to reduce by 4 per centum the net effective interest rate otherwise payable on the loan or to equal one-half of such rate, whichever is the lesser amount: *Provided,* That the amount on which such grant is based shall be approved by the Commissioner.

(c)(1) There are authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid pursuant to contracts entered into under this section shall not exceed $1,000,000 with respect to contracts entered into prior to June 30, 1973; $2,000,000 with respect to contracts entered into prior to June 30, 1974; and $4,000,000 with respect to contracts entered into prior to June 30, 1975.

(3) Not more than 15 per centum of the funds expended under this section may be used within any one State in any one fiscal year.

SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 305. (a) (1) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there is authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(2) Of the amounts appropriated pursuant to paragraph (1) of this subsection, 10 per centum, but in no event more than $10,000,000, in each such fiscal year shall be available only for the purpose of making grants under subsection (c) of this section, and there is authorized to be appropriated in each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under such subsection, an amount of $10,000,000 to be available for each such fiscal year.

(b) The Commissioner, subject to the provisions of section 313, shall make grants to States and public or nonprofit agencies and organizations for paying part of the cost of special projects and demonstrations (and research and evaluation in connection therewith) (1) for establishing facilities and providing services which, in the judgment of the Commssioner, hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, especially those with the most severe handicaps, and (2) for applying new types or patterns of services or devices (including opportunities for new careers for handicapped individuals and for other individuals in programs servicing handicapped individuals).

(c) The Commissioner, subject to the provisions of section 313, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational or comprehensive rehabilitation services to handicapped individuals who, as determined in accordance with rules prescribed by the Secretary of Labor, are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other handicapped individuals in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This subsection shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

(d) The Commission is authorized to make contracts or jointly financed cooperative arrangements with employers and organizations for the establishment of projects designed to prepare handicapped individuals for gainful and suitable employment in the competitve labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services (determined in accordance with regulations prescribed by the Commissioner) as may be necessary for such individuals to continue to engage in such employment.

(e) (1) The Commissioner is authorized, directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, to provide technical assistance (A) to rehabilitation facilities, and (B) for the purpose of removal of architectural and transportation barriers, to any public or nonprofit agency, institution, organization, or facility.

(2) Any such experts or consultants shall, while serving pursuant to such contracts, be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the pro rata pay rate for a person employed as a GS–18, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 306. (a) For the purpose of establishing and operating a National Center for Deaf-Blind Youths and Adults, there is authorized to be appropriated $600,000 for the fiscal year ending June 30, 1973, $1,000,000 for the fiscal year ending June 30, 1974, and $1,500,000 for the fiscal year ending June 30, 1975, for construction, and such sums as may be necessary for the fiscal year ending June 30, 1973, and the two succeeding fiscal years for operations.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, and other services, needed to rehabilitate handicapped individuals who are both deaf and blind, and (B) training the professional and allied personnel needed adequately to staff facilities specially designed to provide such services and training to such personnel who have been or will be working with deaf-blind individuals;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating, deaf-blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for or help improve public understanding of the problems of deaf-blind individuals;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of a center for vocational rehabilitation of handicapped individuals who are both deaf and blind, which center shall be known as the National Center for Deaf-Blind Youths and Adults.

(c) Any agency or organization desiring to enter into such agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of such Center, and (2) give promise of offering the most substantial skill, experience, and capability in providing a broad program of service, research, training, and related activities in the field of rehabilitation of deaf-blind individuals.

REHABILITATION CENTERS FOR DEAF INDIVIDUALS

SEC. 307. (a) For the purpose of making grants and contracts for the expansion and improvement of vocational or comprehensive rehabilitation services for deaf individuals (through the establishment of centers or other means), there is authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1973, and each of the succeeding fiscal years ending prior to July 1, 1975. Funds appropriated pursuant to this subsection shall remain available until expended.

(1) demonstrate methods of (A) providing the specialized services needed to rehabilitate and make maximum use of the vocational potential of deaf individuals, and (B) training the specialized professional and allied personnel required adequately to staff facilities designed to provide such services and training personnel who have been or will be working with such individuals;

(2) conduct research in the nature and prevention of the problems of such deaf individuals and in the rehabilitation of these individuals; and

(3) improve the understanding of the general public, employers in particular, of both the assets and problems of such deaf individuals;

the Commissioner, subject to the provisions of section 313, is authorized to make grants to or contracts with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of one or more centers for the vocational rehabilitation of deaf individuals whose maximum vocational potential has not been achieved, which shall be known as Rehabilitation Centers for Deaf Individuals.

(c) Any agency or organization desiring to receive a grant or enter into a contract under this section shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of a Rehabilitation Center for Deaf Individuals, and (2) give promise of offering the substantial capability in providing a broad program of service and related research, training, and other activities in the field of rehabilitation of deaf individuals whose maximum vocational potential has not been achieved.

(d) For the purposes of this section, the Commissioner shall prescribe regulations to—

(1) provide a means of determining the population of deaf individuals whose maximum vocational potential has not been achieved;

(2) insure that, in carrying out the purposes of this section, provision has been made for coordination between the agency or organization receiving funds under this section on the one hand, and the State and local educational agencies in the area to be served on the other; and

(3) provide that an advisory board, com-

prised of qualified professional and expert individuals in the fields of rehabilitation and education of deaf individuals, be appointed to assure proper functioning of a center established under this section in accordance with its stated objectives and to provide assistance in professional, technical, and other related areas; and that at least one-third of the members of such board shall be deaf individuals. (e) To be eligible to receive vocational or comprehensive rehabilitation services under this section, a deaf individual must be sixteen years of age or older, must have reached the age at which the compulsory school attendance laws of the State in which he resides are no longer applicable to him, and must be an individual whose maximum vocational potential (as defined in regulations which the Commissioner shall prescribe) has not been achieved.

(f) Programs carried out under this section shall be coordinated with programs carried out by the Bureau of Education for the Handicapped within the Office of Education in order to achieve a consistent education and rehabilitation philosophy, to promote for continuity of services and programs purpose, and to avoid unnecessary duplication or overlap of programs.

NATIONAL CENTERS FOR SPINAL CORD INJURIES

SEC. 308. (a) For the purpose of establishing and operating National Centers for Spinal Cord Injuries, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this section shall remain available until expended.

(b) In order—

(1) to help establish national centers with special competencies in providing prompt, complete vocational and comprehensive rehabilitation services and acute medical care to individuals with spinal cord injuries;

(2) to assist in meeting the costs of such services to such individuals;

(3) to encourage and assist the study and development of methods for the provision of such services and, where appropriate and desirable, to carry out necessary related research and training; and

(4) to develop new methods of achieving cooperation with and among community and other public and nonprofit organizations concerned with the problems of spinal cord injury;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization to pay all or part of the costs of the establishment and operation, including construction and equipment, of centers to carry out the purposes of this subsection, which centers shall be known as National Centers for Spinal Cord Injuries.

(c) Any agency or organization desiring to enter into such an agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall provide an opportunity for submission of comments by the State agency administering the State plan under section 101, and shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of National Centers for Spinal Cord Injuries, and which include provisions to—

(A) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational and comprehensive rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries including, but not limited to, acute medical care and periodic inpatient or outpatient followup;

(B) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(C) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries;

(D) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities;

and (2) give promise of offering substantial skill, experience, and capability in providing a comprehensive program of services and related activities in the field of rehabilitation of individuals with spinal cord injuries.

GRANTS FOR SERVICES FOR END-STAGE RENAL DISEASE

SEC. 309. (a) For the purpose of providing services under this section for the treatment of individuals suffering from end-stage renal disease there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973; $20,000,000 for the fiscal year ending June 30, 1974; and $25,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this subsection shall remain available until expended.

(b) From sums available pursuant to subsection (a) of this section for any fiscal year, the Secretary shall make grants to States and public nonprofit agencies and organizations and agencies for paying part of the cost of projects for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individuals suffering from end-stage renal disease.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

REHABILITATION SERVICES FOR OLDER BLIND INDIVIDUALS

SEC. 310. (a) For the purpose of providing rehabilitation services to older blind individuals, there is authorized be appropriated $5,000,000 for the fiscal year ending June 30, 1973; $15,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, as well as other services, needed to rehabilitate older blind individuals, and (B) training the professional and allied personnel needed to provide such services;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating older blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for, and help improve public understanding of, the problems of older blind individuals,

the Commissioner, subject to the provisions of section 313, is authorized to make grants to and contracts with States and public and nonprofit agencies to pay all or part of the costs of projects and demonstrations (1) for providing vocational or comprehensive rehabilitation services to older blind individuals which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving such services, and (2) for applying new types or patterns of such services or devices to, or for the benefit of, older blind indivdiuals.

(c) For the purpose of this section, the term "older blind individuals" means individuals, age 55 and older, whose severe visual impairment makes gainful employment less readily attainable in the light of current employment practices.

NATIONAL ADVISORY COUNCIL ON REHABILITATION OF HANDICAPPED INDIVIDUALS

SEC. 311. (a) There is established in the Department of Health, Education, and Welfare a National Advisory Council on Rehabilitation of Handicapped Individuals (hereinafter referred to in this section as the "Council") consisting of twenty members appointed by the Commissioners without regard to civil service laws shall be from among persons who are leaders in fields concerned with rehabilitation or in public affairs, and ten of such twenty shall be selected from among leading medical, educational, or scientific authorities with outstanding qualifications in the rehabilitation of handicapped individuals. Eight of such twenty members shall be persons who are themselves handicapped or who have received vocational rehabilitation services. Each such member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term and except that, of the members first appointed, five shall hold office for a term of two years, and five shall hold office for a term of one year, as designated by the Commissioner at the time of appointment. None of such members shall be eligible for reappointment until a year has elapsed after the end of his preceding term. The Council shall meet not less than four times a year at the call of the Chairman, who shall be selected from among its membership by the members.

(b) The Council shall—

(1) provide policy advice and consultation to the Secretary and the Commissioner on the planning (including determination of priorities), conduct, and review of programs (including research and training) authorized under this Act;

(2) review the administration and operation of vocational rehabilitation (including research and training) programs under this Act, including the effectiveness of such programs in meeting the purposes for which they are established and operated and the integration of research and training activities with service program goals and priorities, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this Act) to the Secretary and the Commissioner for annual transmittal to the Congress;

(3) advise the Secretary and the Commissioner with respect to the conduct of independent evaluations of programs (including research and training) carried out under this Act; and

(4) provide such other advisory services as the Secretary and the Commissioner may request.

(c)(1) Adequate technical assistance and support staff for the Council shall be provided from the Office for the Handicapped, the Rehabilitation Services Administration, or from any other Federal agency, as the Council may reasonably request.

(2) There is authorized to be appropriated for the purpose of carrying out this section such sums as may be necessary for the fiscal year ending June 30, 1973, and for each of the two succeeding fiscal years.

(d) The Council shall review the possible duplication among vocational rehabilitation programs and other programs serving handicapped individuals within the same geographical areas and shall make annual reports of the extent to which unnecessary duplication or overlap exists, together with its findings and recommendations, concurrently to the Commissioner and the Congress. In making these reports, the Council shall seek the opinions of persons familiar with vocational rehabilitation and the employment of persons who have received vocational and comprehensive rehabilitation services in each State as well as persons familiar with labor, business and industry, education and training, health, and manpower programs.

(e) Members of the Council, while attending meetings or conferences thereof, or otherwise serving on business of the Council, or at the request of the Commissioner, shall be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the daily pay rate for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

STATE ADVISORY COUNCILS

SEC. 312. (a) For the purpose of establishing State Advisory Councils, there is authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1973, and for the two succeeding fiscal years.

(b) Any State which receives assistance under this Act may establish and maintain a State Advisory Council, which shall be appointed by the Governor, or, in the case of a State in which members of the State board which governs vocational rehabilitation are elected (including election by the State legislature), by such board.

(c) (1) Such a State Advisory Council shall include as members persons who are familiar with problems of vocational rehabilitation in the State and the administration of vocational rehabilitation programs, and who are experienced in the education and training of handicapped individuals; persons who are representative of labor and management, including persons who have knowledge of the employment of persons who have received vocational rehabilitation services and of the employment of the handicapped individuals; and individuals who are handicapped and who are receiving or who have received vocational rehabilitation services and who shall constitute a majority of the total membership of the State Advisory Council.

(2) Such a State Advisory Council, in accordance with regulations prescribed by the Commissioner, shall—

(A) advise the Governor and the State agency on the development of, and policy matters arising in, the administration of the State plan approved pursuant to section 101;

(B) advise with respect to long-range planning and studies to evaluate vocational rehabilitation programs, services, and activities assisted under this Act; and

(C) prepare and submit to the Governor through the State agency having authority over vocational rehabilitation programs, and to the National Advisory Council on Rehabilitation of Handicapped Individuals established pursuant to section 311, an annual report of its recommendations, accompanied by such additional comments the State agency deems appropriate.

(d) Upon the appointment of any such Advisory Council the appointing authority under subsection (b) of this section shall inform the Commissioner of the establishment of, and membership of, its State Advisory Council. The Commissioner shall, upon receiving such information, certify that each council is in compliance with the membership requirements set forth in subsection (b) (1) of this section.

(e) Each such State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (d) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State Advisory Council, except that such rules must provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning vocational rehabilitation.

(f) Each such State Advisory Council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.

GENERAL GRANT AND CONTRACT REQUIREMENTS

SEC. 313(a) The provisions of this section shall apply to all projects (including annual interest grants) approved and assisted under this title. The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under sections 302, 309, 311, and 312.

(b) To be approved, an application for assistance for a construction project under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which he shall summarize and comment upon in the annual report to the Congress submitted under section 504;

(4) be accompanied or supplemented by plans and specifications in which due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90-480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5); and the Secretary of Labor shall have, with respect to the Labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefor, the amount of such grant or contract determined under this title. In case an amendment to an approved application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

(f) A project for construction of a rehabilitation facility which is primarily a workshop may, where approved by the commissioner as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of handicapped individuals.

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to handicapped individuals or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

(j) With respect to any obligation issued by or on behalf of any public agency for which the issuer has elected to receive the benefits of mortgage insurance under section 303 or annual interest grants under section 304, the interest paid on such obligations and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

TITLE IV—RESEARCH AND TRAINING

DECLARATION OF PURPOSE

SEC. 400. The purpose of this title is to authorize Federal assistance to States and public or nonprofit agencies and organizations to—

(a) plan and conduct research, demonstrations, and related activities in the rehabilitation of handicapped individuals, and

(b) plan and conduct courses of training and related activities designed to provde increased numbers of trained rehabilitation personnel, to increase the levels of skills of such personnel, and to develop improved methods of providing such training.

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a) In order to make grants and contracts to carry out the purposes of this title, there is authorized to be appropriated:

(1) For the purpose of carrying out section 402 of this title, $40,000,000 for the fiscal year ending June 30, 1973, $75,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 for the fiscal year ending June 30, 1975, of which 15 per centum, 25 per centum, and 25 per centum of the amounts appropriated

in the first, second, and third such fiscal years, respectively, shall be available for the purpose of carrying out activities under section 402(b)(2).

(2) For the purpose of carrying out section 403 of this title, $30,000,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(b) Funds appropriated under this title shall remain available until expended.

RESEARCH

Sec. 402. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities, which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational and comprehensive rehabilitation services to handicapped individuals, especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques; studies and analyses of industrial, vocational, social, psychological, economic, and other factors affecting rehabilitation of handicapped individuals; special problems of homebound and institutionalized individuals; studies and analyses of architectural and engineering design adapted to meet the special needs of the handicapped individuals; and related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of handicapped individuals and individuals with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Commissioner is authorized to make grants to pay part or all of the cost of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of providing coordinated and advanced programs of research in rehabilitation, and training of rehabilitation research personnel, including, but not limited to, graduate training. Grants may include funds for services rendered by such a center to handicapped individudals in connection with such research and training activities.

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of handicapped individuals and for reducing environmental barriers, and to (B) cooperate with the Office for the Handicapped and State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of handicapped individuals.

(3) Conduct of a program for spinal cord injury research in support of the National Centers for Spinal Cord Injuries established pursuant to section 308 which will (A) insure dissemination of research findings among all such centers, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigators.

(4) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of handicapped individuals in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of handicapped individuals, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of handicapped individuals with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(c) The provisions of section 313 shall apply to assistance provided under this section, unless the context indicates to the contrary.

TRAINING

Sec. 403. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for training, traineeships, and related activities designated to assist in increasing the numbers of personnel trained in providing vocational and comprehensive rehabilitation services to handicapped individuals and in performing other functions necessary to the development of such services.

(b) In making such grants or contracts, funds made available for any year will be utilized to provide a balanced program of assistance to meet the medical, vocational, and other personnel training needs of both public and private rehabilitation programs and institutions, to include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in services to the blind and the deaf, recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of handicapped individuals, including homebound and institutionalized individuals. No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.

REPORTS

Sec. 404. There shall be included in the annual report to the Congress required by section 504 a full report on the research and training activities carried out under this title and the extent to which such research and training has contributed directly to the development of methods, procedures, devices, and trained personnel to assist in the provision of vocational or comprehensive rehabilitation services to handicapped individuals and those with the most severe handicaps under this Act.

TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

ADMINISTRATION

Sec. 500. (a) In carrying out his duties under this Act, the Commissioner shall—

(1) cooperate with, and render technical assistance (directly or by grant or contract) to States in matters relating to the rehabilitation of handicapped individuals;

(2) provide short-term training and instruction in technical matters relating to vocational and comprehensive rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of four years, and such training, instruction, fellowships, and traineeships may be in the fields of rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, prosthetics and orthotics, recreation for ill and handicapped individuals, and other specialized fields contributing to the rehabilitation of handicapped individuals; and

(3) disseminate information relating to vocational and comprehensive rehabilitation services, and otherwise promote the cause of the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment.

(b) The Secretary is authorized to make rules and regulations governing the administration of this title and titles VI and VI of this Act, and to delegate to any officer or employee of the United States such of his powers and duties under such titles, except the making of rules and regulations, as he finds necessary to carry out the provisions of such titles. Such rules and regulations, as well as those prescribed by the Commissioner of the Rehabilitation Services Administration under titles I, II, III, and IV of this Act shall be published in the Federal Register, on at least an interim basis, no later than ninety days after the date of enactment of this Act.

(c) The Secretary is authorized (directly or by grants or contracts) to conduct studies, investigations, and evaluation of the programs authorized by this Act, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, their utilization in gainful and suitable employment, and with respect to architectural, transporation, and other environmental and attitudinal barriers to their rehabilitation, including the problems of homebound, institutionalized, and older blind individuals.

(d) There is authorized to be included for each fiscal year in the appropriation for the Department of Health, Education and Welfare such sums as are necessary to administer the provisions of this Act.

(e) In carrying out their duties under this Act, the Secretary and the Commissioner, respectively, shall insure the maximum coordination and consultation, at both national and local levels, with the Administrator of Veterans' Affairs and his designees with respect to programs for and relating to the rehabilitation of disabled veterans carried out under title 38, United States Code.

(f) With respect to the administration of the program authorized by section 309, the Secretary shall insure that the provision of services under such section is coordinated with similar services provided or paid for under health programs pursuant to other Federal laws.

PROGRAM AND PROJECT EVALUATION

Sec. 501. (a)(1) The Secretary shall measure and evaluate the impact of all programs authorized by this Act, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparison with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(2) In carrying out his responsibilities under this subsection, the Secretary, in the case of research, demonstrations, and related activities carried out under section 402, shall, after taking into consideration the views of State agencies designated pursuant to section 101, on an annual basis—

(A) reassess priorities to which such activities should be directed; and

(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities by subsection (a) of such section 402, whether and on what basis such activities should be continued, revised or terminated.

(3) The Secretary shall, within twelve months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

(b) Effective after June 30, 1973, before funds for the programs and projects covered by this Act are released, the Secretary shall develop and publish general standards for evaluation of the program and project effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding, in accordance with procedures set forth in subsections (b), (c), and (d) of section 101, whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 504 shall describe the actions taken as a result of these evaluations.

(c) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(d) Th Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness no later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(c) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

OBTAINING INFORMATION FROM FEDERAL AGENCIES

SEC. 502. Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch.

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. There is authorized to be appropriated such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 per centum of the funds appropriated under titles I, II, III, and IV of this Act or $1,000,000, whichever is greater, to be available to conduct program and project evaluations as required by this title.

REPORTS

SEC. 504. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act. Such annual reports shall include (1) statistical data reflecting, with the maximum feasible detail, vocational and comprehensive rehabilitation services provided handicapped individuals during the preceding fiscal year, (2) specifically distinguish among rehabilitation closures attributable to physical restoration, placement in competitive employment, extended or terminal employment in a sheltered workshop or rehabilitation facility, employment as a homemaker or unpaid family worker, and provision of comprehensive rehabilitation services, and (3) include a detailed evaluation of services provided with assistance under title I of this Act to those with the most severe handicaps and of comprehensive rehabilitation services provided pursuant to title II of this Act.

SHELTERED WORKSHOP STUDY

SEC. 505. (a) The Secretary shall conduct an original study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops. The study shall incorporate guidelines which are consistent with criteria provided in resolutions adopted by the Committee on Labor and Public Welfare of the United States Senate or the Committee on Education and Labor of the United States House of Representatives, or both.

(b) The study shall include site visits to sheltered workshops, interviews with handicapped trainees or clients, and consultations with interested individuals and groups and State agencies designated pursuant to section 101.

(c) Any contracts awarded for the purpose of carrying out all or part of this study shall not be made with individuals or groups with a financial or other direct interest in sheltered workshops.

(d) The Secretary shall report to the Congress his findings and recommendations with respect to such study within twenty-four months after the date of enactment of this Act.

TITLE VI—OFFICE FOR THE HANDICAPPED

ESTABLISHMENT OF OFFICE

SEC. 600. There is established within the Office of the Secretary in the Department of Health, Education, and Welfare an Office for the Handicapped (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director, who shall serve as a Special Assistant to the Secretary and shall report directly to him, and shall be provided such personnel as are necessary to carry out the functions set forth in section 601. In selecting personnel to fill all positions in the Office, the Secretary shall give special emphasis to qualified handicapped individuals.

FUNCTION OF OFFICE

SEC. 601. It shall be the function of the Office, with the assistance of agencies within the Department, other departments and agencies within the Federal Government, handicapped individuals, and public and private agencies and organizations, to—

(1) prepare and submit to the Secretary, for submission to the Congress within eighteen months after the date of enactment of this Act, a long-range projection for the provisions of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals;

(2) analyze on a continuing basis and submit to the Secretary, for inclusion in his report submitted under section 504, a report on the results of such analysis, program operation to determine consistency with applicable provisions of law, progress toward meeting the goals and priorities set forth in the projection required under clause (1), and the effectiveness of all programs providing services to handicapped individuals, and the elimination of unnecessary duplication and overlap in such programs under the jurisdiction of the Secretary;

(3) encourage coordinated and cooperative planning designed to produce maximum effectiveness, sensitivity, and continuity in the provision of services for handicapped individuals by all programs under the jurisdiction of the Secretary;

(4) provide assistance (including staff assistance) to the National Advisory Council on Rehabilitation of the Handicapped established by section 311 of this Act, the National Advisory Council on the Education of the Handicapped established by section 604 of the Education of the Handicapped Act (title VI, Public Law 91–230), and other committees advising the Secretary on programs for handicapped individuals;

(5) develop means of promoting the prompt utilization of engineering and other scientific research to assist in solving problems in education (including promotion of the development of curricula stressing barrier-free design and the adoption of such curricula by schools of architecture, design, and engineering), health, employment, rehabilitation, architectural and transportation barriers, and other areas so as to bring about the full integration of handicapped individuals into all aspects of society;

(6) provide a central clearinghouse for information and resource availability for handicapped individuals through (A) the evaluation of systems within the Department of Health, Education, and Welfare, other departments and agencies of the Federal Government, public and private agencies and organizations, and other sources, which provide (i) information and data regarding the location, provision, and availability of services and programs for handicapped individuals, regarding research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and regarding the current numbers of handicapped individuals and their needs, and (ii) any other such relevant information and data which the Office deems necessary; and (B) utilizing the results of such evaluation and existing information systems, the development within such Department of a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide general and specific information regarding the information and data referred to in subclause (A) of this clause to the Congress, public and private agencies and organizations, handicapped individuals and their families, professionals in fields serving such individuals, and the general public; and

(7) carry out such additional advisory functions and responsibilities, consistent with the provisions of this title, as may be assigned to it by the Secretary or the President, except that such function or any other function carried out under clauses (1) through (5) of this section shall not include budgetary, policy, or program control by the Office over any program.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There is authorized to be appropriated for the purposes of this title such sums as may be necessary for the fiscal year ending June 30, 1973, and the two succeeding fiscal years.

TITLE VII—MISCELLANEOUS

EFFECT ON EXISTING LAWS

SEC. 700. The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety days after the date of enactment of this Act and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1973. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

FEDERAL INTERAGENCY COMMITTEE ON HANDICAPPED EMPLOYEES

SEC. 701. (a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of the following (or their designees whose positions are Executive Level IV or higher); the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, and the Secretaries of Labor and Health, Education, and Welfare. The Chairman of the President's Committee on Employment of the Handicapped and the Chairman of the President's Committee on Mental Retardation shall serve as ex officio members of the Interagency Committee, and the Secretary of Health, Education, and Welfare shall serve as Chairman of the Committee. The resources of such President's Committees shall be made fully available to the Committee established pursuant to this section. The Commissioner shall serve as Executive Director of the Committee. It shall be the purpose and function of the Committee to insure, through the establishment of affirmative action programs, the adequacy of hiring, placement, and advancement practices with respect to handicapped individuals by each department, agency, and instrumentality in the executive branch of Government, and that the special needs of such individuals are being met.

(b) Each department, agency, and instrumentality in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met.

(c) The Committee shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Committee shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsecsection (b) of this section, together with recommendations as to legislation or other appropriate action to insure the adequacy of such practices. Such report shall also include a description of the effectiveness of the Committee's activities under subsection (c) of this section.

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(f)(1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) There are authorized to be appropriated for salaries and expenses of the President's Committee on Employment of the Handicapped such sums as may be necessary for the fiscal year ending June 30, 1973, and the two succeeding fiscal years. In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified handicapped individuals.

NATIONAL COMMISSION ON TRANSPORTATION AND HOUSING FOR HANDICAPPED INDIVIDUALS

SEC. 702 (a) There is established in the Department of Health, Education, and Welfare a National Commission on Transportation and Housing for Handicapped Individuals, consisting of the Secretary of Health, Education, and Welfare (or his designee), who shall be Chairman, the Secretary of Housing and Urban Development, the Secretary of Transportation and the Secretary of the Treasury (or their respective designees), and not more than fifteen members appointed by the Secretary of Health, Education, and Welfare without regard to the civil service laws. The fifteen appointed members shall be representative of the general public, of handicapped individuals, and of private and professional groups having an interest in, and able to contribute to the solution of, the transportation and housing problems which impede the rehabilitation of handicapped individuals.

(b) The Commission, in consultation with the Architectural and Transportation Compliance Board established pursuant to section 703, shall (1) (A) determine how and to what extent transportation barriers impede the mobility of handicapped individuals and aged handicapped individuals and consider ways in which travel expenses in connection with transportation to and from work for handicapped individuals can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of handicapped individuals; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new or expanded transportation systems and (B) to make housing available and accessible to handicapped individuals or to meet sheltered housing needs; and (3) prepare plans and proposals for such further action as may be necessary to the goals of adequate transportation and housing for handicapped individuals, including proposals for bringing together in a cooperative effort, agencies, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(c) The Commission is authorized to appoint such special advisory and technical experts and consultants, and to establish such committees, as may be useful in carrying out its functions, to make studies, and to contract for studies or demonstrations to assist it in performing its functions. The Secretary shall make available to the Commission such technical, administrative, and other assistance as it may require to carry out its functions.

(d) Appointed members of the Commission and special advisory and technical experts and consultants appointed pursuant to subsection (c) shall, while attending meetings or conferences thereof or otherwise serving on business of the Commission, be entitled to receive compensation at rates fixed by the Secretary, but exceeding the not daily pay rate, for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(e) The Commission shall prepare two final reports of its activities. One such report shall be on its activities in the field of transportation carriers of handicapped individuals, and the other such report shall be on its activities in the field of the housing needs of handicapped individuals. The Commisson shall, prior to January 1, 1975, submit each such report, together with its recommendations for further carrying out the purposes of this section, to the Secretary for transmittal by him, together with his recommendations, to the President and the Congress. The Commission shall also prepare for such submission an interim report of its activities in each such field within 18 months after the date of enactment of this Act and such additional interim reports as the Secretary may request.

(f) The Commission shall, on a frequent and continuing basis, provide to the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, such data and information as it has acquired or developed during the course of its investigations and studies and such reports as it has submitted under subsection (e) of this section. Such Board shall also provide to the Commission such data and information acquired by it as the Commission may reasonably request.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 703. (a) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed of the heads of each of the following departments or agencies (or their designees whose positions are Executive Level IV or higher):

(1) Department of Health, Education, and Welfare;

(2) Department of Transportation;

(3) Department of Housing and Urban Development;

(4) Department of Labor;

(5) Department of the Interior;

(6) General Services Administration;

(7) United States Postal Service; and

(8) Veterans' Administration.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed by the General Services Administration, the Department of Defense, and the Department of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968 (Public Law 90-480), as amended by the Act of March 5, 1970 (Public Law 91-205); (2) investigate and examine alternative approaches to the architectural, transportation, and attitudinal barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make reports to the President and to Congress, which shall describe in detail the results of its investigations under clauses (2) and (3) of this subsection; and (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable to eliminate the barriers described in clause (2) of this subsection.

(c) In carrying out its functions under this section, the Board shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Act cited in subsection (b). The provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review.

(d) The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(e) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this section, and the Board may appoint, under the terms and conditions specified in subsection (d) of section 702, such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section.

(f) The Board shall, at the end of each fiscal year, report its activities during the preceding fiscal year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (4) and (5) of subsection (b) of this section.

(g) There is authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section such sums as may be necessary for the fiscal year ending June 30, 1973, and the two succeeding fiscal years.

EMPLOYMENT UNDER FEDERAL CONTRACTS

SEC. 704. (a) Any contract in excess of $10,000 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7(7). The provisions of this section shall apply to any subcontract in excess of $10,000 entered into by a prime contractor carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section 704 may be waived by the head of the agency or his delegee when he determines that such waiver is in the public interest and states in writing his reasons for such determination.

NONDISCRIMINATION UNDER FEDERAL GRANTS

SEC. 705. No otherwise qualified handicapped individual in the United States, as defined in section 7(7), shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Mr. CRANSTON. I thank the distinguished junior Senator from West Virginia for his help in expediting action on the message from the House of Representatives on S. 7.

Mr. President, I may state that this matter has been unanimously agreed to by all the participants in the negotiations with the other body. It has been cleared on both sides of the aisle in the Senate.

I wish to thank Senator RANDOLPH, Senator WILLIAMS, Senator STAFFORD, Senator JAVITS, and Senator TAFT for their cooperation and hard work on this measure.

The staff on both sides of the aisle, also, has been most helpful.

Mr. President, I am delighted to be able to report to the Senate that after extensive negotiations between the committee on Labor and Public Welfare and the Committee on Education and Labor of the other body on S. 7, the Rehabilitation Act of 1972, and the House amendment to that bill, we have reached a consensus which is embodied in the Senate substitute amendment for the House amendment which I have sent to the desk.

Mr. President, I am extremely grateful for the efforts of all of the principals on the committee who have cooperated so magnificently in bringing this matter to a successful resolution today and to the committee staff members and the staff members for the Senators involved who have worked so hard with their very able counterparts from the other body. In particular, I want to thank and congratulate the distinguished chairman of the Subcommittee on the Handicapped, Mr. RANDOLPH, who has been of the most steadfast purpose throughout this entire endeavor; the most able ranking minority member of the subcommittee, the Senator from Vermont (Mr. STAFFORD), who has rendered such great assistance; and the chairman and the ranking minority member of the full committee, Mr. WILLIAMS and Mr. JAVITS, who have always been so dedicated to this bill.

Also, I wish to take special note of the contributions made to the compromise which is now before us by the three distinguished committee leaders in the other body: Mr. PERKINS, Mr. BRADEMAS, and Mr. QUIE.

We have been assisted throughout on the Senate side by Bob Humphreys, Mike Francis, Lisa Walker, Michael Burns, and Jonathan Steinberg; and on the House side by Bill Gaul, Jack Duncan, and Marty La Vor.

Mr. President, all of those who have been involved in working out the resolution before us have exhibited a strong dedication to the principles underlying the vocational rehabilitation program and a spirit of accommodation and compromise.

Mr. President, I would like to comment on a few specific aspects of the provisions in the Senate substitute amendment, the vast bulk of which provisions are identical to those provisions in S. 7 as passed by the Senate on February 28.

AUTHORIZATIONS OF APPROPRIATIONS

Mr. President, this bill as passed by the Senate authorized total appropriations over a 4-year period of $4,750,250,000. The total authorization of appropriations in the compromise before us is $2,600,250,000. This is a reduction of $2,175 million. The largest reduction is due to our elimination of authorizations for the individual programs for fiscal year 1976 and for the basic State grant program for fiscal year 1975—resulting in a reduction of $1,623,950,000.

The appropriations authorization levels in the compromise for the 3 fiscal years are the same as or lower than the comparable totals in the House amendment. Of the 63 separate authorization figures over the 3 fiscal years in the compromise, 41 of the authorization levels are identical to those in the House amendment, 16 are lower, and six are higher.

Specifically, for fiscal year 1973, Mr. President, the total authorization is $913,200,000—which is identical to the House amendment figure. In addition, of the 21 separate appropriations authorizations comprising this total for fiscal year 1973, 14 are the same as the figures in the House amendment, five are lower, and two are higher.

For fiscal year 1974, the compromise contains a total authorization of appropriations of $1,166,450,000, which is $11.8 million lower than the House amendment figure of $1,178,250,000 and $280.7 million lower than the original S. 7 figure as passed—$1,447,150,000. With respect to the individual authorization levels, 14 are the same, six are lower and one is higher.

For fiscal year 1975, Mr. President, the total authorization figure of $515,600,000 in the compromise is $18.25 million lower than the figure in the House amendment and $1.83.35 billion lower than the figure in S. 7 as passed by the Senate—$1,598,950,000—which included a $975 million authorization figure for the basic State grant program. With respect to the individual authorization levels for fiscal year 1975, 13 are the same as those in the House amendment, five are lower and three are higher.

Mr. President, the full picture of the authorization levels in the compromise as compared with S. 7 as passed by the Senate and to the House amendment to it are set forth in a table, which I ask unanimous consent be set forth at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

S. 7: REHABILITATION ACT OF 1972 SHOWING COST ESTIMATES FOR S. 7, HOUSE AMENDMENT, AND COMPROMISE SENATE AMENDMENT TO HOUSE AMENDMENT

[In millions of dollars]

Program	Fiscal year 1973—			Fiscal year 1974—			Fiscal year 1975—			Fiscal year 1976—		
	House	Compromise	Senate	House	Compromise	Senate	House	Compromise	Senate	House	Compromise	Senate
Title I:												
Basic grants	700.0	700.0	800.0	800.0	800.0	975.0	0	0	975.0	0	0	0
Inov. and expansion	50.0	50.0	50.0	60.0	60.0	60.0	75.0	75.0	75.0	0	0	75.0
Title II: Comp. rehab. service	10.0	10.0	20.0	25.0	25.0	50.0	50.0	50.0	80.0	0	0	80.0
Title III:												
Construction	15.0	10.0	17.5	20.0	10.0	40.0	25.0	10.0	45.0	0	0	45.0
Voc. training service	15.0	15.0	15.0	25.0	25.0	35.0	30.0	30.0	40.0	0	0	40.0
Interest grants	1.0	1.0	1.0	2.0	2.0	3.0	4.0	4.0	7.0	0	0	7.0
Spc. Projects and Demo	20.0	22.5	25.0	50.0	50.0	75.0	75.0	75.0	100.0	0	0	150.0
Deaf/Blind:												
Const	.6	5.0	5.0	1.0	0	0	1.5	0	0	0	0	0
Oper	[1] (.5)	.5	.8	[1] (.6)	.6	1.2	[1] (.7)	.7	2.0	0	0	2.0
Deaf ind	[1] (2.0)	2.0	2.0	[1] (4.0)	3.0	4.0	[1] (7.0)	5.0	7.0	0	0	7.0
Spinal cord	10.0	8.5	15.0	25.0	25.0	25.0	30.0	30.0	30.0	0	0	30.0
Renal	10.0	8.5	15.0	20.0	20.0	25.0	25.0	25.0	25.0	0	0	25.0
Older blind	5.0	5.0	7.5	15.0	15.0	20.0	30.0	30.0	30.0	0	0	30.0
NAC	[1] (.1)	.05	.1	[1] (.15)	.1	.15	[1] (.15)	.15	.15	0	0	.15
SAC	[1] (1.0)	.15	1.0	[1] (2.0)	.5	2.0	[1] (2.0)	.75	2.0	0	0	2.0
Title IV:												
Research	40.0	40.0	45.0	75.0	75.0	75.0	100.0	100.0	100.0	0	0	150.0
Training	30.0	32.5	35.0	50.0	50.0	50.0	75.0	75.0	75.0	0	0	0
Title V	1.0	1.0	1.0	1.0	1.0	2.0	1.0	1.5	2.0	0	0	2.0
Title VI	[1] (1.0)	1.0	1.3	[1] (1.0)	1.5	2.3	[1] (1.0)	2.0	2.3	0	0	2.3
Title VII:												
Pres. comm. empl. of hand	[1] (.5)	0	1.0	[1] (1.5)	1.25	1.25	[1] (.5)	0	0	0	0	0
Compliance board	[1] (.5)	.5	1.0	[1] (1.5)	1.5	1.25	[1] (.5)	1.5	1.5	0	0	1.5
Early total	913.20	913.20	1,059.2	1,178.25	1,166.45	1,447.15	533.85	515.60	1,598.95	0	0	648.95
Grand total		2,600.25		2,625.30		4,750.25						

[1] The figures in parentheses in the House column represent cost estimates for "such sums" authorizations as contained in the House Committee report (H. Rept. No 93–42).

Note: Grand total, fiscal years 1973–76: Compromise, $2,600.25; House, $2,625.30; Senate, $4,750.25.

Mr. CRANSTON. Thus, I think it is extremely clear that we in the Senate have gone out of our way to reach an accord with the House and also to respond to the fiscal concerns expressed by the President in his October 27, 1972, Memorandum of Disapproval of H.R. 8395, the predecessor to S. 7 which he pocket-vetoed after adjournment of the 92d Congress last fall. It is our hope that these reduced authorization levels will be more in accord with the overall budgetary considerations which the administration has put forward.

SENATE ACCEPTANCE OF MINOR HOUSE AMENDMENTS

ELIMINATION OF SUPERGRADES FOR REHABILITATION SERVICES ADMINISTRATION

Mr. President, the bill as originally passed by the Senate—and indeed H.R. 8395 as passed by both Houses last Congress—provided for an increase of 10 supergrade positions assigned to the Rehabilitation Services Administration. This provision in section 3(d) of the bill was deleted by an amendment on the House floor last Thursday, at the behest of the House Post Office and Civil Service Committee. In view of the jurisdictional problems raised in the other body, and despite our firm conviction that RSA is badly in need of the 10 additional supergrade positions, we have reluctantly accepted the House position on this matter.

SECRETARIAL RESPONSIBILITY FOR END-STAGE RENAL DISEASE GRANTS

Mr. President, on the House floor an amendment was accepted to provide the authority to carry out the end-stage renal program, authorized in section 309 of the bill, to the Secretary of Health, Education, and the Welfare rather than the Commissioner of the Rehabilitation Services Administration. Since the bill already included in section 500(f) a provision directing the Secretary to insure that the provision of services under the end-stage renal disease program is coordinated with similar services provided or funded under Federal health programs, we did not feel that providing direct authority to the Secretary was in any way inconsistent with the overall program concept as set forth in S. 7. We thus were able to accept the House amendment in this regard.

CONTRACT DOLLAR MINIMUM AND WAIVER PROVISION IN EMPLOYMENT UNDER FEDERAL CONTRACT PROVISION

Mr. President, two additional amendments were agreed to on the House floor in section 704 of the bill, providing for an affirmative action program in the Federal Government for the employment and advancement in employment of qualified handicapped individuals under Federal contracts and subcontracts. The first amendment limited the affirmative action responsibility to contracts of more than $10,000. This was a provision recommended by the General Services Administration. However, since the most recent issuance of comparable Federal regulations—by the Department of Labor, which is also made responsible under S. 7 for the section 704 program—set the cutoff at $2500—I prefer specifically to the regulations published in the Federal Register with regard to special employment emphasis for certain veterans under Federal contracts, 41 CFR Part 50–250, as amended in the Federal Register Volume 38, No. 20 of January 31, 1973—we agreed to a minimum dollar figure but set it at $2,500.

Second, Mr. President, this provision was amended on the House floor to provide for a written waiver of its applicability by an agency head. We were most reluctant to accept any such waiver provision, because we think that the affirmative action requirements should obtain under all Federal contracts and subcontracts. However, since there was precedent for such a waiver—in event of national emergency or disaster or to protect national security—under the Executive order establishing the Federal Government equal employment opportunity program in section 204, of that Executive Order No. 11246 of September 24, 1965, and based upon the very strong desire for a waiver provision by the House, we most reluctantly accepted a redrafted and tightened waiver provision permitting the President personally to make a waiver with respect to a contract or subcontract, or a portion of jobs thereunder, in accordance with specifically published guidelines established by him and upon his explicit determination that "special circumstances in the national interest so require" and his stating in writing the reasons for that determination. The language I have just quoted is taken verbatim from section 204 of that Executive order.

SHORT TITLE OF THE BILL: REHABILITATION ACT OF 1972

Mr. President, the House has been most generous in agreeing to all of the Senate's substitute amendments, except for the authorization figures, as explained in the committee report (No. 93–48). I do wish to stress one particular area in which the House has agreed to a Senate amendment. That is keeping the reference to "1972" in the short title of the bill and accepting the Senate section 706 to correct certain miscitations to provisions of this act in the Supplemental Appropriations Act, 1973 (Public Law 92–607).

Our very strong mutual intent is to insure that enactment of S. 7 will remove any legal obstacle—real or imagined—to HEW release of the $50 million—above the continuing resolution figure of fiscal year 1972 expenditures ($560)—million appropriated in Public Law 92–607 for the vocational rehabilitation program.

Mr. President, I think we have a good bill, it is a bill which will serve the very needy and deserving handicapped individuals in our country. I move that the Senate concur in the House amendment with an amendment in the nature of a substitute.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

Resolved, That the Senate agree to the amendment of the House of Representatives to the bill (S. 7) entitled "An Act to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes", with the following

SENATE AMENDMENT TO HOUSE AMENDMENT

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

That this Act, with the following table of contents, may be cited as the "Rehabilitation Act of 1972".

TABLE OF CONTENTS

Sec. 2. Declaration of purpose.
Sec. 3. Rehabilitation Service Administration.
Sec. 4. Advance funding.
Sec. 5. Joint funding.
Sec. 6. Consolidated rehabilitation plan.
Sec. 7. Definitions.
Sec. 8. Allotment percentage.
Sec. 9. Audit.
Sec. 10. Nonduplication.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

Sec. 100. Declaration of purpose: Authoriza- of appropriations.
Sec. 101. State plans.
Sec. 102. Individualized written rehabilitation program.
Sec. 103. Scope of vocational rehabilitation services.
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PART B—BASIC VOCATIONAL REHABILITATION SERVICES

Sec. 110. State allotments.
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Sec. 120. State allotments.
Sec. 121. Payments to States.

TITLE II—COMPREHENSIVE REHABILITATION SERVICES

Sec. 200. Declaration of purpose: Authorization of appropriations.
Sec. 201. State allotments.
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Sec. 204. Special projects.
Sec. 205. Definition.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

Sec. 300. Declaration of purpose.
Sec. 301. Grants for construction of rehabilitation facilities.
Sec. 302. Vocational training services for handicapped individuals.
Sec. 303. Mortgage insurance for rehabilitation facilities.
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Sec. 305. Special projects and demonstrations.
Sec. 306. National Center for Deaf-Blind Youths and Adults.
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Sec. 309. Grants for services for end-stage renal disease.
Sec. 310. Rehabilitation services for older blind individuals.
Sec. 311. National Advisory Council on Rehabilitation of Handicapped Individuals.
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TITLE IV—RESEARCH AND TRAINING

Sec. 400. Declaration of purpose.
Sec. 401. Authorization of appropriations.
Sec. 402. Research.
Sec. 403. Training.
Sec. 404. Reports.

TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

Sec. 500. Administration.
Sec. 501. Program and project evaluation.
Sec. 502. Obtaining information from Federal agencies.
Sec. 503. Authorization of appropriations.
Sec. 504. Reports.
Sec. 505. Sheltered workshop study.

TITLE VI—OFFICE FOR THE HANDICAPPED

Sec. 600. Establishment of Office.
Sec. 601. Function of Office.
Sec. 602. Authorization of appropriations.

TITLE VII—MISCELLANEOUS

Sec. 700. Effect on existing laws.
Sec. 701. Federal Interagency Committee on Handicapped Employees.
Sec. 702. National Commission on Transportation and Housing for Handicapped Individuals.
Sec. 703. Architectural and Transportation Barriers Compliance Board.
Sec. 704. Employment under Federal contracts.
Sec. 705. Nondiscrimination under Federal grants.
Sec. 706. Appropriations for fiscal year 1973.

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to provide a statutory basis for the Rehabilitation Services Administration, to establish within the Department of Health, Education, and Welfare an Office for the Handicapped, and to authorize programs to—

(1) develop and implement comprehensive and continuing State plans for meeting the current and future needs for providing vocational rehabilitation services to handicapped individuals and to provide such services for the benefit of such individuals, serving first those with the most severe handicaps, so that they may prepare for and engage in gainful employment;

(2) evaluate the rehabilitation potential of handicapped individuals;

(3) develop, implement, and provide comprehensive rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency;

(4) assist in the construction and improvement of rehabilitation facilities;

(5) develop new and innovative methods of applying the most advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems and develop new and innovative methods of providing rehabilitation services to handicapped individuals through research, special projects, and demonstrations;

(6) initiate and expand services to groups of handicapped individuals (including those who are homebound and institutionalized) who have been underserved in the past;

(7) direct the conduct of various studies and experiments to focus on long neglected problem areas;

(8) promote and expand employment opportunities in the public and private sectors for handicapped individuals and to place such individuals in employment;

(9) establish client assistance pilot projects;

(10) provide assistance for the purpose of increasing the number of rehabilitation personnel and increasing their skills through training; and

(11) evaluate existing approaches to architectural and transportation barriers confronting handicapped individuals, develop new such approaches, enforce statutory and regulatory standards and requirements regarding barrier-free construction of public facilities and study and develop solutions to existing housing and transportation barriers impeding handicapped individuals.

REHABILITATION SERVICES ADMINISTRATION

SEC. 3. (a) There shall be in the Department of Health, Education, and Welfare a Rehabilitation Services Administration which shall be administered by a Commissioner (hereinafter referred to as the "Commissioner"). The Commissioner shall carry out and administer all programs and direct the performance of all services for which authority is provided under titles I through IV of this Act.

(b) There shall be within such Administration a Division of Research, Training, and Evaluation, which shall be responsible for carrying out programs and projects under title IV of this Act. There shall be within such Division a Center for Technology Assessment and Application, which shall be responsible for developing and supporting, and stimulating the development and utilization (including production and distribution of new and existing devices) of, innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems, and for administration of the activities described in section 402(b)(2). Such Division shall be directed by an Assistant Commissioner, who shall be responsible to the Commissioner and shall be a person of outstanding scientific and technological achievement and learning and shall carry out his responsibilities in consultation with the National Science Foundation and the National Academy of Sciences, and shall be assigned at least ten fulltime positions, five of which shall be filled by professionals of qualifications similar to the Assistant Commissioner.

(c) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

(d) In order to carry out the purposes of this Act, the authorized level of full-time personnel, or the equivalent, assigned to the Rehabilitation Services Administration to carry out duties related to the administration of this Act, is increased by sixty.

ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Services Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan section 101(a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Services and Facilities Construction Amendments of 1970: *Provided*, That the agency administering such State's program under such Act concurs in the submission of such a consolidated rehabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, he may approve the plan to serve in all respects as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or he may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsections (c) and (d) of section 101 of this Act.

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "comprehensive rehabilitation services" means vocational rehabilitation services and any other goods (including aids and devices) or services provided with funds until titles II, III, or IV of this Act that will make a substantial contribution in helping a handicapped individual to improve his ability to live independently or function normally with his family and community.

(2) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(3) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

(4) The term "establishment of a rehabilitation facility" means, the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Commissioner may determine, in accordance with regulations he shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of such facilities), and the initial equipment for such buildings, and may include the initial staffing thereof.

(5) The term "evaluation of rehabilitation potential" means, as appropriate in each case—

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational or comprehensive services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social and behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purpose of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services or comprehensive rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G)(i) the provision of vocational rehabilitation services or the provision of comprehensive rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individual is a handicapped individual, a handicapped individual for whom a vocational goal is not possible or feasible (as determined in accordance with section 102(c)), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(6) The term "Federal share" means 80 per centum, except that that term means 90 per centum for the purposes of part C of title I and title II of this Act and as specifically set forth in section 301: *Provided*, That with respect to payments pursuant to part B of title I of this Act to any State which are not used to meet the costs of construction of those rehabilitation facilities identified in section 103(b)(2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to that State and that, for the purpose of determining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall, subject to such limitations and conditions as the Commissioner shall by regulation prescribe, be regarded as expenditures by such State.

(7) The term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (B) can reasonably be expected to benefit from vocational rehabilitation services, or comprehensive rehabilitation services provided pursuant to title II, III, or IV of this Act.

(8) The term "local agency" means an agency of a unit of general local government or of an Indian tribe organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101 (a)(1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational or comprehensive rehabilitation services: *Provided*, That such an arrangement is made part of the agreement specified in this paragraph.

(9) The term "nonprofit", when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

(10) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(11) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation or comprehensive rehabilitation services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals: (A) vocational and comprehensive rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

(12) The term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(13) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure, and any other disability specified by the Commissioner in regulations he shall prescribe.

(14) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be the Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(15) The term "vocational rehabilitation services" means services identified in section 103 which are provided to handicapped individuals under this Act.

ALLOTMENT PERCENTAGE

Sec. 8. (a)(1) The allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Commissioner between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the July 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

AUDIT

Sec. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

NONDUPLICATION

Sec. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approved in acordance with section 101 or for the purposes of providing comprehensive rehabilitation services pursuant to title II of this Act, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any other provision of this Act.

TITLE I—VOCATIONAL REHABILITATION SERVICES

Part A—General Provisions

DECLARATION OF PURPOSE: AUTHORIZATION OF APPROPRIATIONS

Sec. 100. (a) The purpose of this title is to authorize grants to assist States to meet the current and future needs of handicapped individuals, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

(b)(1) For the purpose of making grants to States under part B of this title to assist them in meeting costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $700,000,000 for the fiscal year ending June 30, 1973, and $800,000,000 for the fiscal year ending June 30, 1974.

(2) For the purpose of making grants under section 120, relating to grants to State and public and nonprofit agencies to assist them in meeting the costs of projects to initiate or expand services to handicapped individuals (especially those with the most severe handicaps) there is authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

STATE PLANS

Sec. 101. (a) For each fiscal year in which a State desires to participate in programs under this title and pursuant to title II of this Act, a State shall submit to the Commissioner for his approval an annual plan for vocational and comprehensive rehabilitation services which shall—

(1)(A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized provide vocational and comprehensive rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State plan, and (ii) the Secretary, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to handicapped individuals, and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of the State;

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subclause (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) provide, except in the case of agencies described in clause (1)(B)(i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work; and

(B)(i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1)(B)(ii), either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind to one organizational unit of such agency and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this clause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of handicapped individuals or groups of handicapped individuals the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5)(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including a description of the method to be used to expand and improve services to handicapped individuals with the most severe handicaps; and, in the event that vocational rehabilitation services cannot be provided to all eligible handicapped individuals who apply for such services, show (i) the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and show the order to be followed in selecting individuals to whom comprehensive rehabilitation services will be provided, and (ii) the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving handicapped individuals, established in regulations prescribed by the Commissioner, and

(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps;

(6) (A) contain the plans, policies, and methods to be followed in providing comprehensive rehabilitation services pursuant to title II of this Act, and

(B) provide satisfactory assurances that no such comprehensive rehabilitation services shall be paid for with funds under title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such services;

(7) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan;

(8) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of vocational and comprehensive rehabilitation services, but the Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

(9) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provision of such services to any individual;

(10) provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each handicapped individual eligible for vocational or comprehensive rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept specifying, as to those individuals who apply for services under this title or pursuant to title II of this Act and are determined not to be eligible therefor, the reasons for such determinations;

(11) provides that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (10) of this subsection, periodic estimates of the population of handicapped individuals eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out his functions under this title, and comply with such provisions as he may find necessary to assure the correctness and vertification of such reports;

(12) provide for entering into cooperative arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, other programs for handicapped individuals, veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health, Education, and Welfare, the Veterans' Administration, and other Federal, State, and local public agencies providing services related to the rehabilitation of handicapped individuals;

(13) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation and comprehensive rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community;

(14) (A) provide that vocational rehabilitation and comprehensive rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special consideration will be given to the rehabilitation under this Act of a handicapped individual whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

(15) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

(16) provide for continuing statewide studies of the needs of handicapped individuals and how these needs may be most effectively met (including the State's needs for rehabilitation facilities) with a view toward the relative need for services to significant segments of the population of handicapped individuals and the need for expansion of services to those individuals with the most severe handicaps;

(17) provide for (A) periodic review and reevaluation of the status of handicapped individuals placed in extended employment in rehabilitation facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(18) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provisions of section 313 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction;

(19) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to clause (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational or comprehensive rehabilitation services (or, in appropriate cases, their parents or guardians), working in the field of vocational and comprehensive rehabilitation services; and

(20) provide satisfactory assurances to the Commissioner that the continuing studies required under clause (16) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan.

(b) The Commissioner shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section, and he shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of his intention to disapprove its plan, and he shall afford such State reasonable notice and opportunity for hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in his discretion, that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until he is satisfied there is no longer any such failure. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall limit payments to projects under those parts of the State plan in which there is no such failure).

(d) If any State is dissatisfied with the Commissioner's action under subsection (b) or (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of chapter 7 of title 5, United States Code.

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Commissioner shall insure that the individualized written rehabilitation program required by section 101(a)(10) in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, his parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, his parents or guardians) will be afforded an opportunity to review such program and renegotiate its terms. Such program shall include, but not be limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals, (2) a statement of the specific vocational or comprehensive rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and, (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Commissioner shall also insure that (1) in developing and carrying out the individual written rehabilitation program required by section 101 in the case of each handicapped individual primary emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal, and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, his parents or guardians), and only upon the certification, as an amendment to such written program, that the evaluation of rehabilitation potential has demonstrated beyond any reasonable doubt that such individual is not then capable of achieving such a goal, and (3) any such decision shall be reviewed at least annually in accordance with the procedure and criteria established in this action.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render a handicapped individual employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including follow-up, follow-along, and other postemployment services necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided*, That no training services in institutions of higher education shall be paid for with funds under this title or title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for the deaf, and reader services for those individuals determined to be blind after an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

(7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices.

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, alone or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies; and

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized written rehabilitation program of any one handicapped individual.

NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 104. For the purpose of determining the amount of payments of States for carrying out part B of this title, the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of such facility.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

STATE ALLOTMENTS

SEC. 110. (a) For each fiscal year, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the product of (1) the population of the State and (2) the square of its allotment percentage bears to the sum of the corresponding products for all the States. The allotment to any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under the first sentence of this subsection for any fiscal year which is less than one-quarter of 1 per centum of the amount appropriated under section 100(b)(1), or $2,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining such States under the first sentence of this subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 111. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (18) of section 101 (a), and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

CLIENT ASSISTANCE

SEC. 112. (a) The Commissioner shall set aside out of funds appropriated under section 305 for special projects and demonstrations up to $2,500,000 but no less than $1,000,000 for the fiscal year ending on June 30, 1973, and up to $5,000,000 but no less than $1,000,000 each for the two succeeding fiscal years to establish in no less than 10 nor more than 20 geographically dispersed regions client assistance pilot projects (hereinafter in this section referred to as "projects") to provide counselors to inform and advise all clients and client applicants in the project area of all available benefits under this Act and to assist them in their relationships with projects, programs, and facilities providing services to them under this Act.

(b) The Commissioner shall prescribe regulations which shall include the following requirements:

(1) All employees of such projects shall not be presently serving as staff, consultants or receiving benefits of any kind directly or indirectly from any rehabilitation project, program or facility.

(2) The staff of such projects shall be afforded reasonable access to policy-making and administrative personnel in State and local rehabilitation programs, projects, and facilities.

(3) The project shall submit an annual report, through the State agency designated pursuant to section 101, to the Commissioner on the operation of the project during the previous year including a summary of the work done and a uniform statistical tabulation of all cases handled by such project. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Commissioner, together with a summary of such reports and his evaluation of such projects, including appropriate recommendations.

(4) Each State agency may enter into cooperative arrangements with institutions of higher education to secure the services in such projects of graduate students who are undergoing clinical training activities in related fields. No compensation with funds appropriated under this Act shall be provided to such students.

(5) Reasonable assurance shall be given by the appropriate State agency that all clients or client applicants within the project area shall have the opportunity to receive adequate service under the project and shall not be pressured against or otherwise discouraged from availing themselves of the services available under such project.

(6) The project shall be funded, administered, and operated directly by the State agency designated pursuant to section 101.

PART C—INNOVATION AND EXPANSION GRANTS

STATE ALLOTMENTS

SEC. 120. (a) From the sums available pursuant to section 100(b)(2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $50,000 (or such other amount as may be specified as a minimum allotment in the Act appropriating such sums for such year) shall be increased to that amount, and for the fiscal years ending June 30, 1973, and June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a)(2)(A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of three years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than $50,000.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States which he determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, ,be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 121. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State or, at the option of the State agency designated pursuant to section 101(a)(1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including programs to initiate or expand such services to individuals with the most severe handicaps, or of special programs under such State plan to initiate or expand services to classes of handicapped individuals who have unusual and difficult problems in connection with their rehabilitation, particularly handicapped individuals who are poor, and responsibility for whose treatment, education, and rehabilitation is shared by the State agency designated in section 101 with other agencies. The Commissioner may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Commissioner. Any grant of funds under this section which will be used for direct services to handicapped individuals or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through the fiscal year ending June 30, 1976. Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commissioner finds necessary to carry out the purposes of this section.

TITLE II—COMPREHENSIVE REHABILITATION SERVICES

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 200. (a) The purpose of this title is to authorize grants (supplementary to grants for vocational rehabilitation services under title I of this Act) to assist the several States in developing and implementing continuing plans for meeting the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible, including the assessment of disability and rehabilitation potential, and for the training of specialized personnel needed for the provision of services to such individuals and research related thereto.

(b) In order to make grants to carry out the purposes of this title, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $25,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975.

STATE ALLOTMENTS

SEC. 201. (a) From sums appropriated to carry out the provisions of this title for each fiscal year, less the amounts reserved by the Commissioner for projects under section 204, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the product of (1) the population of the State, and (2) its allotment percentage bears to the sum of the corresponding products for all of the States. The allotment to any State under the preceding sentence for any fiscal year which is less than $150,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States to the extent he determines such State will be able to use additional amounts during such year for carrying out such purpose. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purpose of this title, be regarded as an increase in the State's allotment (as determined under the preceding provisions of this section) for such year.

(c) In any fiscal year for which appropriations pursuant to this section do not exceed $20,000,000, the Commissioner, subsections (a) and (b) of this section and section 202 (a) to the contrary notwithstanding and subject to the provisions of section 313, shall carry out the purposes of this title by making grants to States and public or nonprofit organizations and agencies to pay the Federal share of the expenditures for such projects. Projects receiving such grants shall be carried out under the State plan approved under section 101 (except for the priorities in the order of selection required by section 101(a)(5)(A)) in a manner consistent with the State program submitted under section 203.

PAYMENTS TO STATE

SEC. 202. (a) From each State's allotment under this title for any fiscal year, the Commissioner shall pay to such State the Federal share of the expenditures incurred during such year under its State program submitted under section 203 and approved as part of the State plan approved under section 101. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

(b) The Federal share with respect to any State shall be 90 per centum of the expenditures incurred by the State during such year under its State program submitted under section 203 and approved as part of the State plan under section 101.

STATE PROGRAMS

SEC. 203. As a condition for receiving grants under this Act for the fiscal year ending June 30, 1974, a State must submit within one hundred and eighty days after the date of enactment of this Act an amendment to its plan submitted to the Commissioner under section 101 or to the Secretary under section 5 of the Vocational Rehabilitation Act which includes a program for provision of comprehensive rehabilitation services to bring about the rehabilitation of handicapped individuals under this title. A State shall also include such a program in its plan under section 101 submitted for each subsequent fiscal year. Such program, in addition to those requirements provided in section 101(a)(6), shall (1) designate the State agency or agencies administering the State plan for vocational rehabilitation as the agency or agencies to administer funds provided under this title; (2) provide that comprehensive rehabilitation services will be provided for the rehabilitation of handicapped individuals only in accordance with the individualized written rehabilitation program required by section 102 and only after the requirements of subsection (c) of such section have been met; (3) describe the quality, scope, and extent of the services being provided; (4) demonstrate that the State has studied and considered a broad variety of means for providing comprehensive rehabilitation services under this title, including but not limited to, regional and community centers, halfway houses, services to homebound and institutionalized individuals, and patient-release programs, where such programs are appropriate and beneficial; (5) be approved or disapproved under the criteria and procedures provided with respect to the State plan submitted under section 101; and (6) conform to such other requirements as the Commissioner by regulation may prescribe.

SPECIAL PROJECTS

SEC. 204. From sums appropriated under section 200(b), the Commissioner may retain not to exceed 10 per centum or $500,000, whichever is smaller, to enable him to make grants to States and public and nonprofit agencies or organizations to pay part of the cost of projects for research and demonstration and training which hold promise of making a substantial contribution to the solution of problems related to the rehabilitation of individuals under this title.

DEFINITION

SEC. 205. For the purposes of this title, the term "rehabilitation" means the goal of achieving, through the provision of comprehensive rehabilitation services, substantial improvement in the ability to live independently or function normally with his family or community on the part of a handicapped individual, who, according to a certification under section 102(c), is not then capable of achieving a vocational goal.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

DECLARATION OF PURPOSE

SEC. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities;

(2) authorize grants and contracts to assist in the provision of vocational training services to handicapped individuals;

(3) to insure mortgages covering the construction of certain nonprofit rehabilitation facilities and authorize annual interest grants to help meet the costs of making principal payments in connection with such mortgages, whether insured or not;

(4) authorize grants for special projects and demonstrations which hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, which experiment with new types of patterns of services or devices for the rehabilitation of handicapped individuals (includng opportunities for new careers for handicapped individuals, and for other individuals in programs serving handicapped individuals) and which provide vocatonal and comprehensive rehabilitation services to hanicapped migratory agricultural workers or seasonal farmworkers;

(5) establish and operate a National Center for Deaf-Blind Youths and Adults;

(6) authorize grants and contracts to establish and operate Rehabilitation Centers for Deaf Individuals;

(7) establish and operate National Centers for Spinal Cord Injuries;

(8) provide services for the treatment of individuals suffering from end-stage renal disease;

(9) authorize grants and contracts to assist in the provision of rehabilitation services to older blind individuals and in the application of new types or patterns of services or devices for the benefit of such individuals;

(10) establish a National Advisory Council on Rehabilitation of Handicapped Individuals to advise the Commissioner and Secretary and conduct reviews with respect to programs carried out under this Act;

(11) establish State Advisory Councils to advise Governors and State agencies in carrying out State plans approved under this Act; and

(12) establish uniform grant and contract requirements for programs assisted under this title and certain other provisions of this Act.

GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, initial staffing, and planning assistance, there is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973; $10,000,000 for the fiscal year ending June 30, 1974; and $10,000,000 for the fiscal year ending June 30, 1975. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or initial staffing grants made under this section prior to July 1, 1977.

(b)(1) The Commissioner is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Commissioner under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 313.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a)), in such State, except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b)(2) of section 645 of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Commissioner is also authorized to make grants to assist in the initial staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs (determined in accordance with regulations the Commissioner shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

(d) The Commissioner is also authorized to make grants upon application approved by the State agency designated under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 302. (a) For the purpose of making grants and contracts under this section, there is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975.

(b)(1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to handicapped individuals, especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2)(A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to individuals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed $30 plus $10 for each of the individual's dependents, or $70, whichever, is less. In determining the amount of such allowances for any individual, consideration shall be given to the individual's needs for such an allowance, including any expenses reasonably attributable to receipt of training services, the extent to which such an allowance will help assure entry into and satisfactory competition of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Commissioner may make a grant for a project pursuant to this subsection only on his determination that (A) the purpose of such project is to prepare handicapped individuals, especially those with the most severe handicaps, for gainful and suitable employment; (B) the individuals to receive training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of his need for such services; and (D) the project, in-

cluding the participating rehabilitation facility and the training services provided, meet such other requirements as he may prescribe in regulations for carrying out the purposes of this subsection.

(c) (1) The Commissioner is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the Federal share of the cost of projects to analyze, improve, and increase their professional services to handicapped individuals, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

MORTGAGE INSURANCE FOR REHABILITATION FACILITIES

Sec. 303. (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for handicapped individuals.

(b) For the purpose of this section the terms "mortgage", "mortgagor", "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Commissioner, in consultation with the Secretary of Housing and Urban Development, and subject to the provisions of section 313, is authorized to insure up to 100 per centum of any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon, except that no mortgage of any public agency shall be insured under this section if the interest from such mortgage is exempt from Federal taxation.

(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers construction of a public or nonprofit rehabilitation facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Commissioner, who demonstrates ability successfully to operate one or more programs for handicapped individuals. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock of interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section), and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the rehabilitation facility, when the proposed improvements are completed and the equipment is installed, but not including any cost covered by grants in aid under this Act or any other Federal Act.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Commissioner finds necessary to meet the mortgage market.

(c) The Commissioner shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Commissioner is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he shall by regulation prescribe.

(g) (1) The Commissioner shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act. The Commissioner may, pursuant to a formal delegation agreement containing regulations prescribed by him, delegate to the Secretary of Housing and Urban Development authority to administer this section and section 304 of this Act in accordance with such delegation agreement.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) and all references in such provisions to "Secretary" shall be deemed to refer to the Commissioner of the Rehabilitation Services Administration within the Department of Health, Education, and Welfare.

(h) (1) There is hereby created a Rehabilitation Facilities Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Rehabilitation Facilities Insurance Fund.

(2) The general expenses of the operations of the Rehabilitation Services Administration relating to mortgages insured under this section may be charged to the Rehabilitation Facilities Insurance Fund.

(3) Moneys in the Rehabilitation Facilities Insurance Fund not needed for the current operations of the Rehabilitation Services Administration with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Rehabilitation Facilities Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisals and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Commissioner in connection therewith, and all earnings as the assets of the fund, shall be credited to the Rehabilitation Facilities Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary, except that the total amount of outstanding mortgages insured shall not exceed $250,000,000.

ANNUAL INTEREST GRANTS FOR MORTGAGES FOR REHABILITATION FACILITIES

Sec. 304. (a) To assist States and public or nonprofit agencies and organizations to reduce the cost of borrowing from other sources for the construction of rehabilitation facilities, the Commissioner, subject to the provisions of section 313, may make annual interest grants to such agencies.

(b) Annual interest grants under this section with respect to any rehabilitation facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount sufficient to reduce by 4 per centum the net effective interest rate otherwise payable on the loan or to equal one-half of such rate, whichever is the lesser amount: *Provided*, That the amount on which such grant is based shall be approved by the Commissioner.

(c) (1) There are authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid pursuant of contracts entered into under this section shall grants which may be paid pursuant to contracts entered into prior to June 30, 1973; $2,000,000 with respect to contracts entered into prior to June 30, 1974; and $4,000,000 with respect to contracts entered into prior June 30, 1975.

(3) Not more than 15 per centum of the funds expended under this section may be used within any one State in any one fiscal year.

SPECIAL PROJECTS AND DEMONSTRATIONS

Sec. 305. (a) (1) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there is authorized to be appropriated $22,500,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and

$75,000,000 for the fiscal year ending June 30, 1975.

(2) Of the amounts appropriated pursuant to paragraph (1) of this subsection, 10 per centum, but in no event more than $5,000,000 in the fiscal year ending June 30, 1973, and $10,000,000 in each such subsequent fiscal year shall be available only for the purpose of making grants under subsection (c) of this section, and there is authorized to be appropriated in each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under subsection, an amount of $5,000,000 to be available for the fiscal year ending June 30, 1973, and $10,000,000 for each such subsequent fiscal year.

(b) The Commissioner, subject to the provisions of section 313, shall make grants to States and public or nonprofit agencies and organizations for paying part of the cost of special projects and demonstrations (and research and evaluation in connection therewith) (1) for establishing facilities and providing services which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, especially those with the most severe handicaps, and (2) for applying new types or patterns of services or devices (including opportunities for new careers for handicapped individuals and for other individuals in programs servicing handicapped individuals).

(c) The Commissioner, subject to the provisions of section 313, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational or comprehensive rehabilitation services to handicapped individuals who, as determined in accordance with rules prescribed by the Secretary of Labor, are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other handicapped individuals in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This subsection shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

(d) The Commissioner is authorized to make contracts or jointly financed cooperative arrangements with employers and organizations for the establishment of projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services (determined in accordance with regulations prescribed by the Commissioner) as may be necessary for such individuals to continue to engage in such employment.

(e) (1) The Commissioner is authorized, directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, to provide technical assistance (A) to rehabilitation facilities, and (B) for the purpose of removal of architectural and transportation barriers, to any public or nonprofit agency, institution, organization or facility.

(2) Any such experts or consultants shall, while serving pursuant to such contracts, be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the pro rata pay rate for a person employed as a GS-18, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 306. (a) For the purpose of establishing and operating a National Center for Deaf-Blind Youths and Adults, there is authorized to be appropriated $5,000,000 for construction, which shall remain available until expended, and $500,000 for operations for the fiscal year ending June 30, 1973; $600,000 for operations for the fiscal year ending June 30, 1974; and $700,000 for operations for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, and ohter services, needed to rehabilitate handicapped individuals who are both deaf and blind, and (B) training the professional and allied personnel needed adequately to staff facilities specially designed to provide such services and training to such personnel who have been or will be working with deaf-blind individuals;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating, deaf-blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for or help improve public understanding of the problems of deaf-blind individuals;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of a center for vocational rehabilitation of handicapped individuals who are both deaf and blind, which center shall be known as the National Center for Deaf-Blind Youths and Adults.

(c) Any agency or organization desiring to enter into such agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of such Center, and (2) give promise of offering the most substantial skill, experience, and capability in providing a broad program of service, research, training, and related activities in the field of rehabilitation of deaf-blind individuals.

REHABILITATION CENTERS FOR DEAF INDIVIDUALS

SEC. 307. (a) For the purpose of making grants and contracts for the expansion and improvement of vocational or comprehensive rehabilitation services for deaf individuals (through the establishment of centers or other means), there is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1973; $3,000,000 for the fiscal year ending June 30, 1974; and $5,000,000 for the fiscal year ending June 30, 1975. Funds appropriated pursuant to this subsection shall remain available until expended.

(b) In order to—

(1) demonstrate methods of (A) providing the specialized services needed to rehabilitate and make maximum use of the vocational potential of deaf individuals, and (B) training the specialized professional and allied personnel required adequately to staff facilities designed to provide such services and training personnel who have been or will be working with such individuals;

(2) conduct research in the nature and prevention of the problems of such deaf individuals and in the rehabilitation of these individuals; and

(3) improve the understanding of the general public, employers in particular, of both the assets and problems of such deaf individuals;

the Commissioner, subject to the provisions of section 313, is authorized to make grants to or contracts with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of one or more centers for the vocational rehabilitation of deaf individuals whose maximum vocational potential has not been achieved, which shall be known as Rehabilitation Centers for Deaf Individuals.

(c) Any agency or organization desiring to receive a grant or enter into a contract under this section shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of a Rehabilitation Center for Deaf Individuals, and (2) give promise of offering the substantial capability in providing a broad program of service and related research, training, and other activities in the field of rehabilitation of deaf individuals whose maximum vocational potential has not been achieved.

(d) For the purposes of this section, the Commissioner shall prescribe regulations to—

(1) provide a means of determining the population of deaf individuals whose maximum vocational potential has not been achieved;

(2) insure that, in carrying out the purposes of this section, provision has been made for coordination between the agency or organization receiving funds under this section on the one hand and the State and local educational agencies in the area to be served on the other; and

(3) provide that an advisory board, comprised of qualified professional and expert individuals in the fields of rehabilitation and education of deaf individuals, be appointed to assure proper functioning of a Center established under this section in accordance with its stated objectives and to provide assistance in professional, technical, and other related areas; and that at least one-third of the members of such board shall be deaf individuals.

(e) To be eligible to receive vocational or comprehensive rehabilitation services under this section, a deaf individual must be sixteen years of age or older, must have reached the age at which the compulsory school attendance laws of the State in which he resides are no longer applicable to him, and must be an individual whose maximum vocational potential (as defined in regulations which the Commissioner shall prescribe) has not been achieved.

(f) Programs carried out under this section shall be coordinated with programs carried out by the Bureau of Education for the Handicapped within the Office of Education in order to achieve a consistent education and rehabilitation philosophy, to provide for continuity of services and program purpose, and to avoid unnecessary duplication or overlap of programs.

NATIONAL CENTERS FOR SPINAL CORD INJURIES

SEC. 308. (a) For the purpose of establishing and operating National Centers for Spinal Cord Injuries, there is authorized to be appropriated $8,500,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this section shall remain available until expended.

(b) In order—

(1) to help establish national centers with special competencies in providing prompt, complete vocational and comprehensive rehabilitation services and acute medical care to individuals with spinal cord injuries;

(2) to assist in meeting the costs of such services to such individuals;

(3) to encourage and assist the study and development of methods for the provision of such services and, where appropriate and desirable, to carry out necessary related research and training; and

(4) to develop new methods of achieving cooperation with and among community and other public and nonprofit organizations concerned with the problems of spinal cord injury;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization to pay all or part of the costs of the establishmet and operation, including construction and equipmet, of centers to carry out the purposes of this subsection, which centers shall be known as National Centers for Spinal Cord Injuries.

(c) Any agency or organization desiring to enter into such a agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall provide an opportunity for submission of comments by the State agency administering the State plan under section 101, and shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of National Centers for Spinal Cord Injuries, and which include provisions to—

(A) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational and comprehensive rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries including, but not limited to, acute medical care and periodic inpatient or outpatient followup;

(B) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(C) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries;

(D) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities.

and (2) give promise of offering substantial skill, experience, and capability in providing a comprehensive program of services and related activities in the field of rehabilitation of individuals with spinal cord injuries.

GRANTS FOR SERVICES FOR END-STAGE RENAL DISEASE

SEC. 309. (a) For the purpose of providing services under this section for the treatment of individuals suffering from end-stage renal disease there is authorized to be appropriated $8,500,000 for the fiscal year ending June 30, 1973, $20,000,000 for the fiscal year ending June 30, 1974; and $25,000,000 for the fiscal year ending June 3, 1975. Funds appropriated under this subsection shall remain available until expended.

(b) From sums available pursuant to subsection (a) of this section for any fiscal year, the Secretary shall make grants to States and public and nonprofit agencies and organizations and agencies for paying part of the cost of projects for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individuals suffering from end-stage renal disease.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

REHABILITATION SERVICES FOR OLDER BLIND INDIVIDUALS

SEC. 310 (a) For the purpose of providing rehabilitation services to older blind individuals, there is authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1973; $15,000,000 for the fiscal year ending June 30, 1974; and $30,000,000 for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, as well as other services, needed to rehabilitate older blind individuals, and (B) training the professional and allied personnel to provide such services;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating older blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for, and help improve public understanding of, the problems of older blind individuals,

the Commissioner, subject to the provisions of section 313, is authorized to make grants to and contracts with States and public and nonprofit agencies to pay all or part of the costs of projects and demonstrations (1) for providing vocational or comprehensive rehabilitation services to older blind individuals which in the judgment of the Commissioner, hold promise of expanding or otherwise improving such services, and (2) for applying new types of patterns of such services or devices to, or for the benefit of, older blind individuals.

(c) For the purpose of this section, the term "older blind individuals" mean individuals, age fifty-five and older, whose severe visual impairment makes gainful employment less readily attainable in the light of current employment practices.

NATIONAL ADVISORY COUNCIL ON REHABILITATION OF HANDICAPPED INDIVIDUALS

SEC. 311. (a) There is established in the Department of Health, Education, and Welfare a National Advsory Council on Rehabilitation of Handicapped Individuals (hereinafter referred to in this section as the "Council") consisting of twenty members appointed by the Commissioners without regard to civil service laws shall be from among persons who are leaders in fields concerned with rehabilitation or in public affairs, and ten of such twenty shall be selected from among leading medical, educational, or scientific authorities with outstanding qualifications in the rehabilitation of handicapped indivduals. Eight of such twenty members shall be persons who are themselves handicapped or who have received vocational rehabilitation services. Each such member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term and except that, of the members first appointed, five shall hold office for a term of two years, and five shall hold office for a term of one year, as designated by the Commissioner at the time of appointment. None of such members shall be eligible for reappointment until a year has elapsed after the end of his preceding term. The Council shall not meet not less than four times a year at the call of the Chairman, who shall be selected from among its membership by the members.

(b) The Council shall—

(1) provide policy advice and consultation to the Secretary and the Commissioner on the planning (including determinations of priorities), conduct, and review of programs (including research and training) authorized under this Act;

(2) review the administration and operation of vocational rehabilitation (including research and training) programs under this Act, including the effectiveness of such programs in meeting the purposes for which they are established and operated and the integration of research and training activities with service program goals and priorities, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this Act) to the Secretary and the Commissioner for annual transmittal to the Congress;

(3) advise the Secretary and the Commissioner with respect to the conduct of independent evaluations of programs (including research and training) carried out under this Act; and

(4) provide such other advisory services as the Secretary and the Commissioner may request.

(c)(1) Adequate technical assistance and support staff for the Council shall be provided from the Office for the Handicapped, the Rehabilitation Services Administration, or from any other Federal agency, as the Council may reasonably request.

(2) There is authorized to be appropriated for the purpose of carrying out this seciton $50,000 for the fiscal year ending June 30, 1973, $100,000 for the fiscal year ending June 30, 1974, and $150,000 for the fiscal year ending June 30, 1975.

(d) The Council shall review the possible duplication among vocational rehabilitation programs and other programs serving handicapped individuals within the same geographical areas and shall make annual reports of the extent to which unnecessary duplication or overlap exists, together with its findings and recommendations, concurrently to the Commissioner and the Congress. In making these reports, the Council shall seek the opinions of persons familiar with vocational rehabilitation and the employment of persons who have received vocational and comprehensive rehabilitation services in each State as well as persons familiar with labor, business and industry, education and training, health, and manpower programs.

(e) Members of the Council, while attending meetings or conferences thereof, or otherwise serving on business of the Council, or at the request of the Commissioner, shall be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the daily pay rate for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

STATE ADVISORY COUNCILS

SEC. 312. (a) For the purpose of establishing State Advisory Councils, there is authority to be appropriated $150,000 for the fiscal year ending June 30, 1973, $500,000 for the fiscal year ending June 30, 1974, and $750,000 for the fiscal year ending June 30, 1975.

(b) Any State which receives assistance under this Act may establish and maintain a State Advisory Council, which shall be appointed by the Governor, or, in the case of a State in which members of the State board which governs vocational rehabilitation are elected (including election by the State legislature), by such board.

(c) (1) Such a State Advisory Council shall include as members persons who are familiar with problems of vocational rehabilitation in the State and the administration of vocational rehabilitation programs, and who are experienced in the education and training of handicapped individuals; persons who are representative of labor and management, including persons who have knowledge of the employment of persons who have received vocational rehabilitation services and of the employment of handicapped individuals; and individuals who are handicapped and who are receiving or who have received vocational rehabilitation services and who shall constitute a majority of the total membership of the State Advisory Council.

(2) Such a State Advisory Council, in accordance with regulations prescribed by the Commissioner, shall—

(A) advise the Governor and the State agency on the development of, and policy matters arising in, the administration of the State plan approved pursuant to section 101;

(B) advise with respect to long-range planning and studies to evaluate vocational rehabilitation programs, services, and activities assisted under this Act; and

(C) prepare and submit to the Governor through the State agency having authority over vocational rehabilitation programs, and to the National Advisory Council on Rehabilitation of Handicapped Individuals established pursuant to section 311, an annual report of its recommendations, accompanied by such additional comments of the State agency as that agency deems appropirate.

(d) Upon the appointment of any such Advisory Council the appointing authority under subsection (b) of this section shall inform the Commissioner of the establishment of, and membership of, its State Advisory Council. The Commissioner shall, upon receiving such information, certify that each such council is in compliance with the membership requirements set forth in subsection (b) (1) of this section.

(e) Each such State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (d) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State Advisory Council, except that such rules must provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning vocational rehabilitation.

(f) Each such State Advisory Council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.

GENERAL GRANT AND CONTRACT REQUIREMENTS

SEC. 313. (a) The provisions of this section shall apply to all projects (including annual interest grants) approved and assisted under this title. The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under sections 302, 309, 311, and 312.

(b) To be approved, an application for assistance for a construction project under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which he shall summarize and comment upon in the annual report to the Congress submitted under section 504;

(4) be accompanied or supplemented by plans and specifications in which due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90–480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a–276a5); and the Secretary of Labor shall have, with respect to the labor stadards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefore, the amount of such grant or contract determined under this title. In case an amendment to an approval application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for he district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

(f) A project for construction of a rehabilitation facility which is primarily a workshop may, where approved by the Commissioner as necessary to the effective operation of the facility, incldue such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of handicapped individuals.

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to handicapped individuals or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

(j) With respect to any obligation issued by or on behalf of any public agency for which the issuer has elected to receive the benefits of mortgage insurance under section 303 or annual interest grants under section 304, the interest paid on such obligations and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

TITLE IV—RESEARCH AND TRAINING

DECLARATION OF PURPOSE

SEC. 400. The purpose of this title is to authorize Federal assistance to State and public or nonprofit agencies and organizations to—

(a) plan and conduct research, demonstrations, and related activities in the rehabilitation of handicapped individuals, and

(b) plan and conduct courses of training and related activities designed to provide increased numbers of trained rehabilitation personnel, to increase the levels of skills of such personnel, and to develop improved methods of providing such training.

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a) In order to make grants and contracts to carry out the purposes of this title, there is authorized to be appropriated:

(1) For the purpose of carrying out section 402 of this title, $40,000,000 for the fiscal year ending June 30, 1973, $75,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 for the fiscal year ending June 30, 1975, of which 15 per centum in the fiscal year ending June 30, 1973, and 25 per centum in the two succeeding fiscal years shall be available for the purpose of carrying out activities under section 402(b) (2).

(2) For the purpose of carrying out section 403 of this title $32,500,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(b) Funds appropriated under this title shall remain available until expended.

RESEARCH

SEC. 402. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational and comprehensive rehabilitation services to handicapped individuals, especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques; studies and analyses of industrial, vocational, social, psychological, economic, and other factors affecting rehabilitation of handicapped individuals; special problems of homebound and institutionalized individuals; studies and analyses of architectural and engineering design adapted to meet the sepcial needs of handicapped individuals; and related activities which hold promise of increasing knowledge and improving methods in the rahibilitation of handicapped individuals and individuals with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Commissioner is authorized to make grants to pay part or all of the cost of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of providing coordinated and advanced programs of research in rehabilitation and training of rehabilitation research personnel, including, but not limited to, graduate training. Grants may include funds for services rendered by such a center to handicapped individuals in connection with such research and training activities.

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of handicapped individuals and for reducing environmental barriers, and to (B) cooperate with the Office for the Handicapped and State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of handicapped individuals.

(3) Conduct of a program for spinal cord injury research in support of the National Centers for Spinal Cord Injuries established pursuant to section 308 which will (A) insure dissemination of research findings among all such centers, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other govermental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigators.

(4) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of handicapped individuals in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of handicapped individuals, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of handicapped individuals with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(c) The provisions of section 313 shall apply to assistance provided under this section, unless the context indicates to the contrary.

TRAINING

SEC. 403. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for training, traineeships, and related activities designed to assist in increasing the numbers of personnel trained in providing vocational and comprehensive rehabilitation services to handicapped individuals and in performing other functions necessary to the development of such services.

(b) In making such grants or contracts, funds made available for any year will be utilized to provide a balanced program of assistance to meet the medical, vocational, and other personnel training needs of both public and private rehabilitation programs and institutions, to include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in services to the blind and the deaf, recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of handicapped individuals, including homebound and institutionalized individuals and handicapped individuals with limited English-speaking ability. No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.

REPORTS

SEC. 404. There shall be included in the annual report to the Congress required by section 504 a full report on the research and training activities carried out under this title and the extent to which such research and training has contributed directly to the development of methods, procedures, devices, and trained personnel to assist in the provision of vocational or comprehensive rehabilitation services to handicapped individuals and those with the most severe handicaps under this Act.

TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

ADMINISTRATION

SEC. 500. (a) In carrying out his duties under this Act, the Commissioner shall—

(1) cooperate with, and render technical assistance (directly or by grant or contract) to States in matters relating to the rehabilitation of handicapped individuals;

(2) provide short-term training and instruction in technical matters relating to vocational and comprehensive rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of four years, and such training, instruction, fellowships, and traineeships may be in the fields of rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, prosthetics and orthotics, recreation for ill and handicapped individuals, and other specialized fields, contributing to the rehabilitation of handicapped individuals; and

(3) disseminate information relating to vocational and comprehensive rehabilitation services, and otherwise promote the cause of the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment.

(b) The Secretary is authorized to make rules and regulations governing the administration of this title and titles VI and VII of this Act, and to delegate to any officer or employee of the United States such of his powers and duties under such titles, except the making of rules and regulations, as he finds necessary to carry out the provisions of such titles. Such rules and regulations, as well as those prescribed by the Commissioner of the Rehabilitation Services Administration under titles I, II, III, and IV of this Act shall be published in the Federal Register, on at least an interim basis, no later than ninety days after the date of enactment of this Act.

(c) The Secretary is authorized (directly or by grants or contracts) to conduct studies, investigations, and evaluation of the programs authorized by this Act, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, their utilization in gainful and suitable employment, and with respect to architectural, transportation, and other environmental and attitudinal barriers to their rehabilitation, including the problems of homebound, institutionalized, and older blind individuals.

(d) There is authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this Act.

(e) In carrying out their duties under this Act, the Secretary and the Commissioner, respectively, shall insure the maximum coordination and consultation, at both national and local levels, with the Administrator of Veterans' Affairs and his designees with respect to programs for and relating to the rehabilitation of disabled veterans carried out under title 38, United States Code.

(f) With respect to the administration of the program authorized by section 309, the Secretary shall insure that the provision of services under such section is coordinated with similar services provided or paid for under health programs pursuant to other Federal laws.

PROGRAM AND PROJECT EVALUATION

SEC. 501. (a) (1) The Secretary shall measure and evaluate the impact of all programs authorized by this Act, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(2) In carrying out his responsibilities under this subsection, the Secretary, in the case of research, demonstrations, and related activities carried out under section 402, shall, after taking into consideration the views of State agencies designated pursuant to section 101, on an annual basis—

(A) reassess priorities to which such activities should be directed; and

(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities by subsection (a) of such section 402, whether and on what basis such activities should be continued, revised or terminated.

(3) The Secretary shall, within 12 months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the deter-

mination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

(b) Effective after June 30, 1973, before funds for the programs and projects covered by this Act are released, the Secretary shall develop and publish general standards for evaluation of the program and project effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding, in accordance with procedures set forth in subsections (b), (c), and (d) of section 101, whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 504 shall describe the actions taken as a result of these evaluations.

(c) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness no later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

OBTAINING INFORMATION FROM FEDERAL AGENCIES

Sec. 502. Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch of the Government.

AUTHORIZATION OF APPROPRIATIONS

Sec. 503. There is authorized to be appropriated such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 per centum of the funds appropriated under titles I, II, III, and IV of this Act or $1,000,000 for the fiscal year ending June 30, 1973, $1,000,000 for the fiscal year ending June 30, 1974, and $1,500,000 for the fiscal year ending June 30, 1975, whichever is greater, to be available to conduct program and project evaluations as required by this title.

REPORTS

Sec. 504. Not later than one hundred and twenty days after the close of eath fiscal year, the Secretary shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act. Such annual reports shall include (1) statistical data reflecting, with the maximum feasible detail, vocational and comprehensive rehabilitation services provided handicapped individuals during the preceding fiscal year, (2) specifically distinguish among rehabilitation closures attributable to physical restoration, placement in competitive employment, extended or terminal employment in a sheltered workshop or rehabilitation facility, employment as a homemaker or unpaid family worker, and provision of comprehensive rehabilitation services, and (3) include a detailed evaluation of services provided with assistance under title I of this Act to those with the most severe handicaps and of comprehensive rehabilitation services provided pursuant to title II of this Act.

SHELTERED WORKSHOP STUDY

Sec. 505. (a) The Secretary shall conduct an original study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops. The study shall incorporate guidelines which are consistent with criteria provided in resolutions adopted by the Committee on Labor and Public Welfare of the United States Senate or the Committee on Education and Labor of the United States House of Representatives, or both.

(b) The study shall include site visits to sheltered workshops, interviews with handicapped trainees or clients, and consultations with interested individuals and groups and State agencies designated pursuant to section 101.

(c) Any contracts awarded for the purpose of carrying out all or part of this body shall not be made with individuals or groups with a financial or other direct interest in sheltered workshops.

(d) The Secretary shall report to the Congress his findings and recommendations with respect to such study within twenty-four months after the date of enactment of this Act.

TITLE VI—OFFICE FOR THE HANDICAPPED

ESTABLISHMENT OF OFFICE

Sec. 600. There is established within the Office of the Secretary in the Department of Health, Education, and Welfare an Office for the Handicapped (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director, who shall serve as a Special Assistant to the Secretary and shall report directly to him, and shall be provided such personnel as are necessary to carry out the functions set forth in section 601. In selecting personnel to fill all positions in the Office, the Secretary shall give special emphasis to qualified handicapped individuals.

FUNCTION OF OFFICE

Sec. 601. It shall be the function of the Office, with the assistance of agencies within the Department, other departments and agencies within the Federal Government, handicapped individuals, and public and private agencies and organizations, to—

(1) prepare and submit to the Secretary, for submission to the Congress within 18 months after the date of enactment of this Act, a long-range projection for the provision of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals;

(2) analyze on a continuing basis and submit to the Secretary, for inclusion in his report submitted under section 504, a report on the results of such analysis, program operation to determine consistency with applicable provisions of law, progress toward meeting the goals and priorities set forth in the projection required under clause (1), the effectiveness of all programs providing services to handicapped individuals, and the elimination of unnecessary duplication and overlap in such programs under the jurisdiction of the Secretary;

(3) encourage coordinated and cooperative planning designed to produce maximum effectiveness, sensitivity, and continuity in the provision of services for handicapped individuals by all programs under the jurisdiction of the Secretary;

(4) provide assistance (including staff assistance) to the National Advisory Council on Rehabilitation of the Handicapped established by section 311 of this Act, the National Advisory Council on the Education of the Handicapped established by section 604 of the Education of the Handicapped Act (title VI, Public Law 91–230), and other committees advising the Secretary on programs for handicapped individuals;

(5) develop means of promoting the prompt utilization of engineering and other scientific research to assist in solving problems in education (including promotion of the development of curriculums stressing barrier free design and the adoption of such curriculums by schools of architecture, design, and engineering), health, employment, rehabilitation, architectural and transportation barriers, and other areas so as to bring about the full integration of handicapped individuals into all aspects of society;

(6) provide a central clearinghouse for information and resource availability for handicapped individuals through (A) the evaluation of systems within the Department of Health, Education, and Welfare, other departments and agencies of the Federal Government, public and private agencies and organizations, and other sources, which provide (i) information and data regarding the location, provision, and availability of services and programs for handicapped individuals, regarding research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and regarding the current numbers of handicapped individuals and their needs, and (ii) any other such relevant information and data which the Office deems necessary; and (B) utilizing the results of such evaluation and existing information systems, the development within such Department of a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide general and specific information regarding the information and data referred to in subclause (A) of this clause to the Congress, public and private agencies and organizations, handicapped individuals and their families, professionals in fields serving such individuals, and the general public; and

(7) carry out such additional advisory functions and responsibilities, consistent with the provisions of this title, as may be assigned to it by the Secretary or the President, except that such function or any other function carried out under clauses (1) through (5) of this section shall not include budgetary, policy, or program control by the Office over any program.

AUTHORIZATION OF APPROPRIATIONS

Sec. 602. There is authorized to be appropriated for the carrying out the purposes of this title, $1,000,000 for the fiscal year ending June 30, 1973, $1,500,000 for the fiscal year ending June 30, 1974, and $2,000,000 for the fiscal year ending June 30, 1975.

TITLE VII MISCELLANEOUS

EFFECT ON EXISTING LAWS

Sec. 700. The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety days after the date of enactment of this Act and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1972. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under the Vocational Rehabilitation Act will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

FEDERAL INTERAGENCY COMMITTEE ON HANDICAPPED EMPLOYEES

Sec. 701. (a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, the Secretaries of Labor and Health, Education, and Welfare, and the heads of such other Federal departments and agencies as the President may designate.

The Chairman of the President's Committee on Employment of the Handicapped and the Chairman of the President's Committee on Mental Retardation shall serve as ex officio members of the Interagency Committee, and the Secretary of Health, Education, and Welfare shall serve as Chairman, and the Chairman of the Civil Service Commission shall serve as Vice-Chairman, of the Committee. The resources of such President's Committees shall be made fully available to the Committee established pursuant to this section. The Commissioner shall serve as Executive Director of the Committee. It shall be the purpose and function of the Committee to insure, through the establishment of affirmative action programs, the adequacy of hiring, placement, and advancement practices with respect to handicapped individuals, by each department, agency, and instrumentality in the executive branch of Government, and that the special needs of such individuals are being met.

(b) Each department, agency, and instrumentality in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met.

(c) The Committee shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Committee shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation or other appropriate action to insure the adequacy of such practices. Such report shall also include a description of the effectiveness of the Committee's activities under subsection (c) of this section.

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(f)(1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) There are authorized to be appropriated for salaries anhd expenses of the President's Committee on Employment of the Handicapped $1,250,000 for the fiscal year ending June 30, 1974. In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified handicapped individuals.

NATIONAL COMMISSION ON TRANSPORTATION AND HOUSING FOR HANDICAPPED INDIVIDUALS

SEC. 702. (a) There is established in the Department of Health, Education, and Welfare a National Commission on Transportation and Housing for Handicapped Individuals, consisting of the Secretary of Health, Education, and Welfare (or his designee), who shall be Chairman, the Secretary of Housing and Urban Development, the Secretary of Transportation and the Secretary of the Treasury (or their respective designees), and not more than fifteen members appointed by the Secretary of Health, Education, and Welfare without regard to the civil service laws. The fifteen appointed members shall be representative of the general public, of handicapped individuals, and of private and professional groups having an interest in, and able to contribute to the solution of, the transportation and housing problems which impede the rehabilitation of handicapped individuals.

(b) The Commission, in consultation with the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, shall (1)(A) determine how and to what extent transportation barriers impede the mobility of handicapped individuals and aged handicapped individuals and consider ways in which travel expenses in connection with transportation to an from work for handicapped individuals can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of handicapped individuals; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new or expanded transportation systems and (B) to make housing available and accessible to handicapped individuals or to meet sheltered housing needs; and (3) prepare plans and proposals for such further action as may be necessary to the goals of adequate transportation and housing for handicapped individuals, including proposals for bringing together in a cooperative effort, agencies, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(c) The Commission is authorized to appoint such special advisory and technical experts and consultants, and to establish such committees, as may be useful in carrying out its functions, to make studies, and to contract for studies or demonstrations to assist it in performing its functions. The Secretary shall make available to the Commission such technical, administrative, and other assistance as it may require to carry out its functions.

(d) Appointed members of the Commission and special advisory and technical experts and consultants appointed pursuant to subsection (c) shall, while attending meetings or conferences thereof or otherwise serving on business of the Commission, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the daily pay rate, for a person employed as a GS–18 under section 5332 of title 5, United States Code, including traveltime and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(e) The Commission shall prepare two final reports of its activities. One such report shall be on its activities in the field of transportation carriers of handicapped individuals, and the other such report shall be on its activities in the field of the housing needs of handicapped individuals. The Commission shall, prior to January 1, 1975, submit each such report, together with its recommendations for further carrying out the purposes of this section, to the Secretary for transmittal by him, together with his recommendations, to the President and the Congress. The Commission shall also prepare for such submission an interim report of its activities in each such field within eighteen months after the date of enactment of this Act and such additional interim reports as the Secretary may request.

(f) The Commission shall on a frequent and continuing basis, provide to the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, such data and information as it has acquired or developed during the course of its investigations and studies and such reports as it has submitted under subsection (e) of this section. Such Board shall also provide to the Commission such data and information acquired by it as the Commission may reasonably request.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 703. (a) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed of the heads of each of the following departments or agencies (or their designees whose positions are Executive Level IV or higher):

(1) Department of Health, Education, and Welfare;

(2) Department of Transportation;

(3) Department of Housing and Urban Development;

(4) Department of Labor;

(5) Department of the Interior;

(6) General Services Administration;

(7) United States Postal Services; and

(8) Veterans' Administration.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed by the General Services Administration, the Department of Defense, and the Department of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968 (Public Law 90–480), as amended by the Act of March 5, 1970 (Public Law 91–205); (2) investigate and examine alternative approaches to the architectural, transportation, and attitudinal barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make reports to the President and to Congress, which shall describe in detail the results of its investigations under clauses (2) and (3) of this subsection; and (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable to eliminate the barriers described in clause (2) of this subsection.

(c) In carrying out its functions under this section, the Board shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Acts cited in subsection (b). The provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review.

(d) The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(e) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this section, and the Board may appoint, under the terms and conditions specified in subsection (d) of section 702, such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section.

(f) The Board shall, at the end of each fiscal year, report its activities during the preceding year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (4) and (5) of subsection (b) of this section.

(g) There is authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section $500,000 for the fiscal year ending June 30, 1973; $1,500,000 for the fiscal year ending June 30, 1974; and $1,500,000 for the fiscal year ending June 30, 1975.

EMPLOYMENT UNDER FEDERAL CONTRACTS

Sec. 704. (a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7(7). The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which he shall prescribe, when he determines that special circumstances in the national interest so require and states in writing his reasons for such determination.

NONDISCRIMINATION UNDER FEDERAL GRANTS

Sec. 705. No otherwise qualified handicapped individual in the United States, as defined in section 7(7), shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

APPROPRIATIONS FOR FISCAL YEAR 1973

Sec. 706. The paragraph entitled "Social and Rehabilitation Services" of chapter IV of the Supplemental Appropriations Act, 1973 (Public Law 92-607) is amended by striking out "section 103" and inserting in lieu thereof "section 110" each place it appears and striking out "section 104" and inserting in lieu thereof "section 120".

The PRESIDING OFFICER. The question is on concurring in the House amendment with an amendment in the nature of a substitute.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes of my time to the distinguished Senator from Vermont.

Mr. STAFFORD. I appreciate the assistant majority leader yielding to me.

Mr. President, the amendments which we are offering to the House-passed version of S. 7 seek to reduce the dollar amounts and other technical changes that we felt were necessary to make S. 7 acceptable.

The Senate has come a long way to meet the objections of the President by cutting some $2.2 billion off the Senate-passed version of S. 7 and approximately $22 million off the House-passed Vocational Rehabilitation program. That is to say, we now have a bill which more closely approximates the money amounts requested by the administration.

In making the compromise in the money, the committee was painfully aware that while this money can be used effectively, the changes that we have made in the basic program desperately need to be enacted. It is my hope that the President will be able to accept our accommodation and will sign this bill into law immediately.

Mr. President, I would like to address myself to one matter, specifically an amendment offered to the House floor which would allow the heads of agencies or their delegates to waive requirements of section 704 of the Senate bill.

This amendment, if left unchanged, would adversely effect the intent of Congress which is so basic to this legislation; that is, given the necessary training, a handicapped individual can participate in our society to his fullest extent. The hearings last year left a distinct impression on all members of the committee that even with the training this bill provides, a more affirmative approach was needed to assist the handicapped individual.

I amended the Senate bill of last year to give special emphasis to the employment of handicapped individuals within the programs of the Federal Government. We also established an Interagency Committee on Employment of the Handicapped to help him better gain entry to the federal system. The natural extension of all this was section 704 to provide for affirmative action on the part of those contractors receiving Federal dollars to employ or promote the handicapped.

I was disappointed to learn of the action taken by the House. While I can see the necessity in a very limited sense for such a waiver, the broad language of the House went too far. Therefore, in the amendments today, there is contained a revision of the House amendment to section 704 which gives the power of waiver to the President personally under such regulations which he may deem appropriate to grant a waiver on a contract either in whole or in part when such a waiver is in the national interest.

Quite frankly, if we in Congress are going to pass laws to help the handicapped participate in society and believe that they can with the training that we will provide, then we do have the obligation to make sure that there is adequate and equal opportunity for them to participate.

Mr. ROBERT C. BYRD. Mr. President, we are proceeding now at the sufferance and courtesy of the distinguished Senator from Washington (Mr. Jackson), who had an order preceding my own. If he will permit me to yield 2 more minutes to my colleague from West Virginia (Mr. Randolph), I promise him that I will not yield further to any other Senators.

Mr. RANDOLPH. Mr. President, I commend Senator Cranston, Senator Stafford, Senator Williams, and Senator Javits. These gentlemen have given us excellent leadership in attempting, with the House, to work out provisions of this legislation, which has been so urgently needed. I hope the President will sign the bill which will come to his desk. This is legislation which, though the amounts of authorization have been reduced, retains, we believe, the substance of the programs reflecting the sentiments and desires and determination to aid the handicapped citizens of the country.

Mr. President, on February 28, the Senate adopted S. 7, the Rehabilitation Act of 1972. The House of Representatives passed its version of the bill on March 8. The House measure was adopted in the form of an amendment to S. 7. The measure pending before the Senate is in the nature of an amendment to the House amendment.

The Senate proposal is very similar to the House amendment. We have tried to be responsible and seek to reduce the authorizations contained in the bill to an acceptable level which can become law. We have eliminated authorizations for fiscal year 1976, and have reduced the basic program from $800 million for 1973 to $700 million, and from $975 million for 1974 to $800 million. To give my colleagues an idea of the magnitude of the cuts in the Rehabilitation Act in comparison with S. 7 as reported, the amendment we propose authorizes a total of $2,600.25 million for fiscal years 1973, 1974, and 1975, as compared with the total of $4,854.25 million in the Senate-passed bill for fiscal years 1973, 1974, 1975, and 1976. As it turns out, the Senate amendment authorizes even fewer dollars—$25 million fewer—than the House amendment to S. 7. The authorization for fiscal year 1973 is actually lower by nearly $100 million than the fiscal 1972 authorization under the existing Vocational Rehabilitation Act.

Although I genuinely regret the extent

of the cuts that have been made, such cuts were necessary to maintain the support of the House of Representatives. It is also my sincere and earnest hope that the President will sign this eminently worthwhile measure.

To the handicapped citizens of America I express my thanks for their support of S. 7, and convey to them my belief that the Rehabilitation Act of 1972 is a fine, new beginning in spite of the reductions that have been made. The programs set forth in this measure will redound to the benefit of all handicapped individuals. It is the hope of those of us on the Subcommittee on the Handicapped and Committee on Labor and Public Welfare who have worked diligently to bring about the needed programs and changes in S. 7—particularly the able manager of this legislation, Senator CRANSTON; the ranking minority member of the subcommittee, Senator STAFFORD; Senator WILLIAMS, and Senator JAVITS—that those who have opposed this legislation on the grounds that it costs too much will come to see that the rehabilitation dollar is perhaps the best value in the Federal Government today.

Mr. President, I urge Senators to give their full support to the pending measure.

AMENDMENT ON EAST-WEST TRADE AND FREEDOM OF EMIGRATION

Mr. JACKSON. Mr. President, I am pleased to announce that I am today joined by more than 70 of my colleagues in sponsoring legislation which will help secure a basic human right for thousands of human beings behind the Iron Curtain. We propose to deny the benefits of our abundant economy—most favored access to our market, credits, credit guarantees, and investment guarantees—to any nonmarket economy country that denies its citizens the right or opportunity to emigrate or imposes more than nominal taxes on emigration. In so moving we are upholding our traditional commitment to individual liberty—a commitment that was enshrined in the Universal Declaration of Human Rights unanimously adopted by the United Nations more than 25 years ago. That declaration, in article 13, affirms the deep conviction of the American people that "Everyone has the right to leave any country, including his own, and to return to his country."

At this hour, when thousands of persons in the Soviet Union, Jew and gentile, young and old, scientists and workers, engineers and artists, farmers and laborers, have dared to demand this fundamental freedom, I am proud that they have turned to America and I am prouder still that America has taken up their cause.

The amendment we are sponsoring is a simple one. Under its provisions, the granting of most-favored-nation treatment and the extension of credits or credit guarantees or investment guarantees are contingent on a report from the President to the Congress that the country in question does not deny its citizens the right or opportunity to emigrate, and does not inhibit free emigration by imposing the payment of more than nominal taxes, fees, fines, or other charges. This report, which lies at the heart of our amendment, would be required at semiannual intervals for so long as the trade benefits in question were made available. It is this provision that would give the Congress the essential assurance of continuing compliance with the free emigration requirement. It is our fervent hope that by the time our amendment is enacted into law the practice in the Soviet Union will be such as to permit the President without hesitation to make the report of compliance.

It is important that one point be clearly understood: the Soviet Union can comply with the free emigration provision without altering its laws or statutes. There have been repeated Soviet statements to the effect that free emigration from the Soviet Union is not contrary to Soviet law. Unhappily, what is permitted by law has not been allowed in practice; and despite a Soviet propaganda campaign to the contrary, there is not now anything approaching the right of free emigration from the Soviet Union or the Communist bloc states under Soviet control. Indeed, current Soviet practice has involved the most extreme harassment of persons applying to emigrate—dismissal from their jobs, withdrawal of pensions, interviews with the KGB, arrests and imprisonment. Even the education ransom, so reminiscent of the infamous Nazi effort to trade lives for trucks during World War II, can be waived, according to the Soviets' own policy declarations, when the Soviet authorities choose to do so. It can be waived, for example, in cases where the applicant cannot afford to pay the tax—and what Soviet citizen with an income of 150 or 200 rubles a month can be expected to pay 15,000 or 20,000 rubles to obtain an exit visa?

Mr. President, this is not the place to discuss at length what has been going on inside the Soviet Union—the massive effort to intimidate brave Russian citizens—Jew and Gentile alike—from applying for exit visas, or the devices, delays, denials, and wholly unmanageable taxes designed to prevent those who do apply from getting out. The reports are too many to deny, the accounts too widespread to dismiss. No one who lived through the 1930's and 1940's could stand by today, or plead ignorance, or accept Soviet dissembling in the face of what we know is going on.

The Soviets have gone to some length to convey the impression that the question of free emigration is simply a Jewish issue. Their representatives, even as guests in this country, have resorted to the cruel incitement of anti-Semitic sentiments in an effort to scare off support for our amendment. Their broadcasts out of Moscow, their English-language publications intended for consumption here and their diplomatic representations have been pressed into service for this most odious purpose.

But the American people, Mr. President, will not be intimidated or deterred from our attachment to individual liberty. Freedom of emigration, in this, a nation of immigrants, is an American issue. I would not be in this Chamber today if Norway, the country of my parents' birth, had practiced the sort of emigration policy that the Soviet Union has today.

Nothing in the present amendment would prohibit any American businessman or any agency of the U.S. Government from buying from or selling to the Soviet Union. All that is at issue is whether we are to extend trade concessions to the Soviets, whether we are to allow them most favored entry to our markets, whether we are to finance their economic development, guarantee investments in their economy, subsidize their interest rates. And on this issue the sentiment of the Congress is clear: Nearly three-fourths of the Senate and an overwhelming majority of the House are saying: "No! Not so long as you defy the Universal Declaration of Human Rights by denying your citizens the opportunity to emigrate."

Mr. President, one might well ask why we are moving to secure the right to free emigration when there are so many other fundamental liberties that continue to be denied behind the Iron Curtain. We believe that there is a unique international quality about the right of free emigration—for the individuals involved may be Soviet citizens today, but they wish to become citizens of other nations tomorrow—citizens free to live their lives according to the values and laws of those nations. Moreover, the right and opportunity to emigrate, unlike the other freedoms we take for granted in the West, offers a kind of ultimate relief. No matter what the cause of his desire to emigrate—whether it be for the right to worship or to dissent, to publish or speak, to read or write or listen to what they please, all of these and any of them can be realized by emigrating. Of freedoms, the right to emigrate is first among equals.

Mr. President, it is a fact of history that, in their despair, thousands of people who wish only to emigrate have appealed to us for help. Those who have made their appeals public have often incurred great risk in doing so, and all have placed their hope and their trust in our response. We Americans, immigrants ourselves, have stood before the world as the symbol of free men. Our own tradition and the course of history have placed upon us a most awesome responsibility, and our own economic and technological advantages have now given us a unique opportunity to help secure a basic human right for those who are already risking everything in its pursuit. Our action today insures that the Senate will rise to that opportunity.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the amendment with the names of the Senators who have joined as cosponsors and the text of a letter dated February 21, 1973, to Members of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT ON EAST-WEST TRADE AND FREEDOM OF EMIGRATION

(a) To assure the continued dedication of the United States to fundamental human rights, and notwithstanding any other provision of this Act or any other law, after

October 15, 1972, no nonmarket economy country shall be eligible to receive most-favored-nation treatment or to participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, during the period beginning with the date on which the President of the United States determines that such country—

(1) denies its citizens the right or opportunity to emigrate; or

(2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice, and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2) or (3).

(b) After October 15, 1972, a nonmarket economy country may participate in a program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and shall be eligible to receive most-favored-nation treatment, only after the President of the United States has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country, shall include information as to the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate. The report required by this subsection shall be submitted initially as provided herein and semi-annually thereafter so long as any agreement entered into pursuant to the exercise of such authority is in effect.

COSPONSORS OF THE JACKSON AMENDMENT

Senator Henry M. Jackson (Wash.)
Senator Abe Ribicoff (Conn.)
Senator Warren G. Magnuson (Wash.)
Senator Jacob K. Javits (N.Y.)
Senator James L. Buckley (N.Y.)
Senator Edward J. Gurney (Fla.)
Senator Birch Bayh (Ind.)
Senator Ernest F. Hollings (S.C.)
Senator Hubert H. Humphrey (Minn.)
Senator Robert Dole (Kans.)
Senator Bob Packwood (Ore.)
Senator Charles H. Percy (Ill.)
Senator Edward M. Kennedy (Mass.)
Senator John V. Tunney (Cal.)
Senator Harrison A. Williams, Jr. (N.J.)
Senator William V. Roth, Jr. (Del.)
Senator Hugh Scott, (Pa.)
Senator Robert Taft, Jr. (Ohio)
Senator James B. Allen (Ala.)
Senator Howard H. Baker, Jr. (Tenn.)
Senator J. Glenn Beall, Jr. (Md.)
Senator Lloyd Bentsen (Texas)
Senator Alan Bible (Nev.)
Senator Joseph R. Biden, Jr. (Del.)
Senator Bill Brock (Tenn.)
Senator Edward W. Brooke (Mass.)
Senator Harry F. Byrd, Jr. (Va.)
Senator Robert C. Byrd (W. Va.)
Senator Howard W. Cannon (Nev.)
Senator Clifford P. Case (N.J.)
Senator Lawton Chiles (Fla.)
Senator Frank Church (Idaho)
Senator Dick Clark (Iowa)
Senator Marlow W. Cook (Ky.)
Senator Norris Cotton (N.H.)
Senator Alan Cranston (Cal.)
Senator Peter H. Dominick (Colo.)
Senator Thomas F. Eagleton (Mo.)
Senator Paul J. Fannin (Ariz.)
Senator Barry Goldwater (Ariz.)
Senator Mike Gravel (Alaska)
Senator Clifford P. Hansen (Wyo.)
Senator Philip A. Hart (Mich.)
Senator Vance Hartke (Ind.)
Senator Floyd K. Haskell (Colo.)
Senator Jesse Helms (N.C.)
Senator Walter D. Huddleston (Ky.)
Senator Harold E. Hughes (Iowa)
Senator Daniel K. Inouye (Hawaii)
Senator J. Bennett Johnston, Jr. (La.)
Senator John L. McClellan (Ark.)
Senator Gale W. McGee (Wyo.)
Senator George McGovern (S.D.)
Senator Thomas J. McIntyre (N.H.)
Senator Charles McC. Mathias, Jr. (Md.)
Senator Walter F. Mondale (Minn.)
Senator Joseph M. Montoya (N. Mex.)
Senator Edmund S. Muskie (Me.)
Senator Sam Nunn (Ga.)
Senator John O. Pastore (R.I.)
Senator Claiborne Pell (R.I.)
Senator William Proxmire (Wis.)
Senator Jennings Randolph (W. Va.)
Senator Richard S. Schweiker (Pa.)
Senator John Sparkman (Ala.)
Senator John Stennis (Miss.)
Senator Ted Stevens (Alaska)
Senator Adlai E. Stevenson III (Ill.)
Senator Stuart Symington (Mo.)
Senator Herman E. Talmadge (Ga.)
Senator Strom Thurmond (S.C.)
Senator John Tower (Texas)
Senator Lowell P. Weicker, Jr. (Conn.)
Senator Milton R. Young (N. Dak.)

U.S. SENATE,
Washington, D.C., February 21, 1973.

DEAR COLLEAGUE: We invite you to join with us in cosponsoring an amendment to deny most-favored-nation treatment and other trade concessions to nonmarket economy countries which deny their citizens the right to emigrate or impose prohibitive charges on emigration. This measure was introduced in the last session with the cosponsorship of more than three-fourths of the Senate; the text of the amendment, the names of the cosponsors, and background information are included in the enclosed reprint from the *Congressional Record* of October 4.

The principal and immediate cause of our concern is the imposition by the Soviet Union of a head tax ranging from $5,000 to $30,000—amounting to a ransom—on Soviet Jews who wish to emigrate to Israel and on other Soviet citizens who wish to emigrate to a country of their choice. Some of us have for many years been advocates of increased trade with Communist countries; some of us doubt the wisdom of such trade. But all of us, regardless of our attitude toward East-West trade, wish to insure that the Senate of the United States does not give privileged trade treatment to nations which deny their own people the fundamental human right to emigrate.

Chairman Wilbur Mills introduced the House version of the amendment in the House on February 7. A copy of the joint statement made by Congressmen Mills and Charles Vanik and Senator Henry M. Jackson on that date is enclosed. The number of House cosponsors has since reached 265. We anticipate that the language of the amendment will be added by the Ways and Means Committee to the appropriate legislation in the House and we expect to add the language when appropriate legislation reaches the Senate.

We will soon be putting the text of our amendment with the names of the cosponsors in the *Congressional Record*. Please let us know if you wish to join us in cosponsorship by contacting Richard Perle, office of Senator Jackson, x53381; Morris Amitay, office of Senator Ribicoff, x52823; Pete Lakeland, office of Senator Javits, x56542; or Mel Grossman, office of Senator Gurney, x53041.

Sincerely,
HENRY M. JACKSON,
ABE RIBICOFF,
WARREN G. MAGNUSON,
JACOB K. JAVITS,
JAMES L. BUCKLEY,
EDWARD J. GURNEY,
BIRCH BAYH,
ERNEST F. HOLLINGS,
HUBERT H. HUMPHREY,
ROBERT DOLE,
BOB PACKWOOD,
CHARLES H. PERCY,
EDWARD M. KENNEDY,
JOHN V. TUNNEY,
HARRISON A. WILLIAMS, Jr.,
WILLIAM V. ROTH, Jr.,
HUGH SCOTT,
ROBERT TAFT, Jr.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. JACKSON. I am very pleased to yield to the able and distignuished senior Senator from Connecticut who played a most important role, not only in connection with this amendment as it is presented today, but also in the presentation of the amendment last year. I want to express here and now my appreciation for his great help and leadership.

Mr. RIBICOFF. Mr. President, I want to take this opportunity to commend the distinguished Senator from Washington (Mr. JACKSON) for his leadership on this moral issue. There is not another man in this body who has a better understanding and grasp of global problems than the Senator from Washington. For years he has devoted himself to studying and analyzing the various components of power, and the relationships between the nations of the world. When it comes to an understanding of the Soviet Union and the Middle East, the Senator from Washington has no peer in the Congress.

The distinguished Senator from Washington understands fully the desire of the Soviet Union to do business with the United States. It is clear that the Soviet Union needs trade with the United States much more than the United States needs the Soviet Union.

Economic conditions being what they are in the Soviet Union today, it must do more business with the United States. In addition to the economic factors here we also have a great moral issue. The Senator from Washington has always been in the forefront in protecting human rights. He recognizes full well that what is involved here is the question of the future of some 3 million people of the Jewish faith.

The Senator from Washington is mindful of the dark period before and during World War II when 6 million Jews were slaughtered.

It is out of this humanitarian feeling and his desire that what happened during Hitler's time will not recur in modern times that has actuated Senator JACKSON in exercising this leadership today.

Men of good will everywhere, irrespective of their own religious faith, give thanks to the Senator from Washington for his efforts.

It was my privilege to visit Israel in late November. At that time I spoke to dozens of Soviet Jews who had just emigrated to the State of Israel. There was not one of them who did not attribute his arrival in Israel in great measure to the work of the Senator from Washington on this issue. The name of Senator JACKSON is well known to each of them, and his efforts have been the reason why the Soviet Union has gone as far as it has in letting Soviet Jews emigrate.

When I went to London in December I was able to talk by phone with some 15 leading Soviet scientists and intellectuals in Moscow and Kiev. They asked me, "Please, Senator RIBICOFF, will you extend our thanks to Senator JACKSON? We know what his efforts mean. It is only because of pressure from the Congress that the Soviet Union will relax its restrictions and make it possible for us to leave the Soviet Union for places of our own choice."

I want to take the opportunity today to publicly state that Senator JACKSON's leadership is actuated by the highest and noblest humanitarian sentiments. Along with this comes a practical knowledge of how to deal with the Soviet Union. Again my commendations to the junior Senator from Washington (Mr. JACKSON) and I would also like to thank three-quarters of the Senate for again giving this amendment such overwhelming support.

When we first introduced this same legislation last October, I had hoped that the Soviet leaders would recognize the seriousness with which Congress and the American people regarded these violations of human rights in the Soviet Union. Unfortunately, it seems they have not. The repression and intimidation of those seeking to leave the Soviet Union still continue. The Soviet authorities are still extorting huge ransoms from educated persons and their families seeking exit visas.

But Soviet Jews are not the only victims here. Their misfortune will be shared by the Soviet Union itself.

Unless the Soviet leaders take concrete steps to change the present situation with regard to emigration, the Congress of the United States will not grant the Soviet Union the most-favored-nation tariff treatment it desires or the other trade concessions it needs to solve its serious economic difficulties.

The recent heavy-handed attempts by Soviet officials visiting our own country to blackmail the Congress and American Jews on this issue reveal their ignorance of our democratic processes and the concern of Americans of all faiths over violations of fundamental human rights.

It is ironic, indeed, that the allies the Soviets most recently sought to entice into supporting their crude lobbying efforts against this amendment were American businessmen assembled here in Washington. Kremlinologist Victor Zorza, commenting on this, said:

> Some of the shrewdest American capitalists were taken in last week by the oldest sales trick in the world—and by the Russians, at that.

Mr. Zorza, in a column published in the Washington Post of March 8, revealed that many Americans who follow East-West trade developments closely know full well—there are no quick profits to be gained in trading with the Russians.

As Zorza put it:

> The business acumen of American capitalists is exceeded only by their ignorance of foreign politics, particularly Communist politics. This is going to cost them a lot of money, unless they find some way to learn just how to read the technical specifications in Soviet contracts.

This is not the first time I have taken the floor to speak out on this issue, and I have previously outlined in detail my reasons for supporting it. My message today is that we must stand fast in our support of this amendment until we can be certain of a change in Soviet emigration policies. We do not presume to dictate the policies of another sovereign state. But we can expect expanded trade relations to be accompanied by greater respect for human rights. After all, a major purpose of improved trade relations with the Soviet Union is to contribute to a more civilized interdependent world. We cannot hope to achieve this goal by trading in goods while ignoring the fact that the Soviet Union is putting price tags on human beings.

There is still time to avoid an open confrontation over this issue. But the next move is up to the Soviet Union and I hope that our own leaders—at the highest levels—are conveying this message to Moscow. Congress has taken a courageous stand on this issue, and we will not weaken in our resolve to see it through.

I ask unanimous consent that the article by Mr. Zorza and my two previous Senate statements on this subject be printed in the RECORD.

There being no objection, the article and statements were ordered to be printed in the RECORD, as follows:

THE SHREWD SOVIETS

(By Victor Zorza)

Some of the shrewdest American capitalists were taken in last week by the oldest sales trick in the world—and by the Russians, at that. The businessmen, 800 of them, came to Washington to learn from a high-powered Soviet delegation about the huge deals which the Russians are offering to American corporations. The two-day conference was arranged by N.A.M., the National Association of Manufacturers.

The Russians soon confessed that they did not have the kind of money that could tempt the Americans. It was therefore up to the United States, they explained, to provide the credits and to make the purchases in Russia that would in turn enable the Soviet Union to buy American.

But—and this was the catch—they advised the Americans to hurry, because the Soviet Union was now drawing up a 20-year plan which would determine the pattern of its trade for years to come. If American business moved quickly, it would get in on the ground floor. But the Russians also made it clear that, if the United States did not offer the "right" terms, the Japanese and the West Europeans would be only too eager to do so—and that American business would be excluded from what was potentially the greatest market in the world.

The fear of Japan is now beginning to take in the businessman's mind the place once held by the Soviet bogey. The Russians know this and exploit it with considerable skill. Reactions at the conference convinced the Russians that they had found the right approach.

No one asked why the Russians were so anxious to do business with the United States if they could so easily get a better deal in Japan or Europe. The answer is that many of the things the Kremlin needs most can be obtained only from the United States. The gas and oil deposits, the copper and other minerals, with which the Kremlin is trying to lure American capital into deepest Russia are so inaccessible, so costly to exploit, that the projects would make economic sense only if they were to be developed on a truly gigantic scale.

Only the United States can think and act that big. Europe and Japan could not provide the necessary capital, nor the market to absorb the output, nor the advanced technology needed to get at the deposits, with which to make the Russian dreams a reality.

There are many other reasons, political and economic, why the Russians would prefer to deal with the United States. The Soviet Union could not have got from Japan or Europe the grain which Mr. Nixon provided, on favorable terms, to save the Kremlin from a serious political crisis. The Russians got those terms partly because they had managed to conceal the extent of their harvest failure.

They understand their needs, and could therefore pretend that if they did not get the right terms from the United States, they would be able to buy the grain from some of the smaller suppliers. But when the dust cleared they were found to have bought $1 billion of grain, which was available in that quantity only from American suppliers. The United States could have got a much better price if it had seen through the Russian game.

At the Washington conference the Russians reversed their tactics and grossly overstated the possible volume of trade. The purpose was to make American corporations compete with each other, as well as with foreigners, and induce them to offer the best possible terms now, perhaps even at a loss, in the hope of large profits in the future—and, to judge again from some of the remarks at the conference, it worked.

The business acumen of American capitalists is exceeded only by their ignorance of foreign politics, particularly Communist politics. This is going to cost them a lot of money, unless they find some way to learn how the Kremlin really works—and not just how to read the technical specifications in Soviet contracts.

Even a corporation like ITT is groping in the dark in its dealings with the Russians because it is not aware of the internal political implications of its proposals. ITT, which owns Avis, tried to teach the Kremlin about the car rental business. It knew that the Russians had tried, and failed, to build up a car rental network.

What it did not know was that this had become a politically explosive issue in the Soviet leadership. Similarly, it discussed with the Russians the introduction of ITT's Levitt modular housing in the Soviet countryside, without realizing that the Kremlin had been engaged in a disruptive debate about the building of rural settlements.

The United States can and should do business with the Russians, provided the terms are right, but unless its businessmen learn something about Soviet politics, and the Soviet trick of playing off one profit-hungry capitalist against another, they may come off second best.

[From the Congressional Record, Oct. 4, 1972]

East-West Trade Relations Act—Amendment

AMENDMENT NO. 1691

Mr. Ribicoff. Mr. President, I commend both the Senators from Washington and the leadership of the junior Senator from Washington (Mr. Jackson) for this most important proposal. I also commend my colleagues, the Senator from New York (Mr. Javits), the Senator from Minnesota (Mr. Humphrey), and the senior Senator from Washington (Mr. Magnuson).

I, too, have been a supporter of East-West trade. However, it has been shocking to find that the Russians are dealing in bodies instead of goods at the present time.

We are for trade. More than two-thirds of the Senate is giving a loud and clear signal to the Soviet Union and our leaders in the executive branch that we are willing to do trade with the Soviet Union. However, unless they stop dealing in people we will not trade with them in goods.

Mr. President, I am gratified that so many of my Senate colleagues have joined today in sponsoring this amendment establishing a new section to S. 2620, entitled "East-West Trade and Fundamental Human Rights." And I wish to commend Senator Jackson for his leadership in developing this amendment.

We all know that there is no reason for this legislation to be enacted during the current session of the Congress since no trade agreement with the Soviet Union has been completed. But the message this amendment conveys to the Soviet Union is crystal clear. Two-thirds of the U.S. Senate is now on record as opposing the granting of MFN status, credits, credit guarantees, or investment guarantees to any Communist country not now enjoying MFN status as long as such country denies its citizens the right to emigrate or imposes more than a nominal fee for emigration.

This measure applies squarely to the Soviet Union's current repressive tactics against its Jewish citizens and the outrageous head tax it has levied on those seeking to emigrate. It is now up to the Soviet Union to decide if it wants American trade concessions. If they do the Soviets will have to stop their trade in people.

It is particularly noteworthy that among those joining in this amendment today are many of those Senators who have consistently sought to expand and improve American economic ties with the East. Also supporting this effort are most of the 27 cosponsors of S. 2620—the East-West Trade Relations Act of 1971—and including the distinguished chairman of the Commerce Committee, Senator Magnuson, who introduced S. 2620.

This amendment does not mean that we are turning our backs on trade ties with the Soviet Union. But it does mean that the Senate is not prepared to close its eyes to the gross incompatibility between the Soviet treatment of its Jewish citizens and the spirit of détente. Unless the Soviet Union is prepared to abandon its present course of brutal repression against those who seek to live elsewhere, there can be no significant expansion of trade between the United States and the Soviet Union.

Frankly, I do not think that as rational men their leaders have much of a choice in this case. Economic realities dictate some accommodation with civilized standards of behavior and human decency.

The Soviet economy is in deep trouble. Not only has the agricultural sector been a disaster this past year, but steel and consumer production has fallen off. It is obvious that the Soviet Union desperately needs our wheat, our technology, and our capital investments to exploit their own mineral resources. As I noted in my report on East-West trade to the Finance Committee a year ago, the Russians have already been forced to come to the West for auto, truck and computer industries. They plainly need the benefits of a trade agreement at this point much more than the United States. If Messrs. Brezhnev and Kosygin are so eager to put price tags on people in order to earn hard currency, let them pay a price for this agreement—a display of respect for fundamental human rights.

The agreement that is now being negotiated has been described to me by economists as being extremely one-sided. Reportedly, all the Russians will eventually be paying back on their $11 billion lend lease debt is $500 million. This is less than 5 cents on the dollar—extremely generous terms. In return, they will permit selected American companies to set up offices in the U.S.S.R. in order for those companies to be able to invest more. There will also be made available to the Russians massive credits, access to advanced U.S. technology in a variety of fields, significant capital inputs, and most-favored-nation status for their exports.

In the light of these economic facts, I fail to see what commensurate benefits they can desire from continued persecution of Soviet Jews even though it is estimated they would gather $500 to $600 million in hard currency. Besides, the Soviet leaders do not have to answer to aroused public opinion or a critical press when they shift policy direction.

About 2 years ago the Russians began considering levying large sums of money on those seeking to emigrate, supposedly based on repayment of educational costs. This did not become a reality until this past August 15 when a schedule of high fees was imposed. It has yet to be rubberstamped by the Supreme Soviet. The fees run from $5,000 to $30,000, but actually bear little relationship to actual education costs. Additionally, if there was a genuine concern about a brain drain, why are Soviet Jewish scientists who apply for emigration immediately dropped from their positions. Soviet Jewish leaders have indicated that they do not want this ransom to be paid. Once this is done they feel the Soviets will regress to even cruder forms of anti-Semitism.

While Soviet motives and rationalizations here are unclear, the practical results are that Soviet citizens seeking to leave Russia are being intimidated from doing so, and many young Jewish people have dropped out of school to avoid this tax.

Two weeks ago I stood here in the Senate and warned that unless the head tax was dropped indignation and protest over this outrage would mount. Since then both in the Senate and in the other body numerous Members of both bodies on a bipartisan basis have given vent to their feelings on this subject, establishing a linkage with improved trade relations with the Soviet Union.

Now we are going beyond verbal protests by pledging our support to an amendment which has teeth. Other less effective legislative measures were considered, but were wisely rejected. We have chosen a vehicle which can be attached in the future to any appropriate legislation which will be required to implement facets of any United States-Soviet trade deal. And we are determined to do exactly that if that is the only way to get this message across to the leaders of the Soviet Union.

I urge those of my colleagues on both sides of the aisle who have not yet had an opportunity to consider this amendment to do so. After they have, I hope that they will join with us in striking a blow for human rights and for the assertion of moral leadership by the Senate of the United States.

Amendment No. 1961

At the end of the bill, add the following new section:

EAST-WEST TRADE AND FUNDAMENTAL HUMAN RIGHTS

Sec. 10. (a) To assure the continued dedication of the United States to fundamnteal human rights, and notwithstanding any other provision of this Act or any other law, after October 15, 1972, no nonmarket economy country shall be eligible to receive most-favored-nation treatment or to participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, during the period beginning with the date on which the President of the United States determines that such country—

(1) denies its citizens the right or opportunity to emigrate; or

(2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

(3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

and ending on the date on which the President determines that such country is no longer in violation of paragraph (1), (2) or (3).

(b) After October 15, 1972, a nonmarket economy country may participate in a program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and the authority conferred by sections 3 and 6(a) of this Act may be exercised with respect to such country, only after the President of the United States has submitted to the Congress a report indicating that such country is not in violation of paragraph (1), (2), or (3) of subsection (a). Such report with respect to such country, shall include information as to the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate. The report required by this subsection shall be submitted initially as provided herein and semi-annually thereafter so long as any agreement entered into pursuant to the exercise of such authority is in effect.

Cosponsors of the Jackson Amendment to S. 2620

Senator Henry M. Jackson.
Senator Abraham A. Ribicoff.
Senator Warren G. Magnuson.
Senator Gordon Allott.
Senator James L. Buckley.
Senator Ernest F. Hollings.
Senator Birch Bayh.
Senator Edward J. Gurney.
Senator William V. Roth, Jr.
Senator John V. Tunney.
Senator Harrison A. Williams, Jr.
Senator James B. Allen.
Senator Clinton P. Anderson.
Senator J. Glenn Beall, Jr.
Senator Henry Bellmon.
Senator Alan Bible.
Senator J. Caleb Boggs.
Senator Bill Brock.
Senator Harry F. Byrd, Jr.
Senator Robert Byrd.
Senator Howard W. Cannon.
Senator Clifford P. Case.
Senator Lawton Chiles.
Senator Frank Church.
Senator Marlow Cook.
Senator Alan Cranston.
Senator Robert Dole.
Senator Thomas F. Eagleton.
Senator Paul J. Fannin.
Senator Barry Goldwater.
Senator Robert P. Griffin.
Senator Philip A. Hart.
Senator Clifford Hansen.
Senator Vance Hartke.
Senator Harold E. Hughes.
Senator Hubert H. Humphrey.
Senator Jacob K. Javits.
Senator Edward M. Kennedy.
Senator Gale McGee.
Senator George McGovern.
Senator Thomas J. McIntyre.
Senator John McClellan.

Senator Walter Mondale.
Senator Joseph M. Montoya.
Senator Edmund S. Muskie.
Senator Robert Packwood.
Senator John O. Pastore.
Senator James B. Pearson.
Senator Claiborne Pell.
Senator Charles H. Percy.
Senator William Proxmire.
Senator William B. Saxbe.
Senator Richard S. Schweiker.
Senator John Sparkman.
Senator William B. Spong, Jr.
Senator John Stennis.
Senator Adlai E. Stevenson III.
Senator Stuart Symington.
Senator Robert Taft, Jr.
Senator Herman Talmadge.
Senator Strom Thurmond.
Senator John Tower.
Senator Lowell P. Weicker, Jr.
Senator Howard H. Baker, Jr.
Senator Edward W. Brooke.
Senator Norris Cotton.
Senator Peter H. Dominick.
Senator Ted Stevens.
Senator Charles McC. Mathias.
Senator Daniel K. Inouye.
Senator Jennings W. Randolph.
Senator Lloyd Bentsen.
Senator Hugh Scott.
Senator Wallace L. Bennett.

[From the Congressional Record, Sept. 12, 1972]

Trade With the Soviet Union: Is It Worth the Price?

Mr. Ribicoff. Mr. President, along with the overwhelming majority of my colleagues and the American people, I welcome the easing of tensions between my own country and the Soviet Union. The recently approved SALT treaty and the interim agreement now before the Senate are milestones in the peaceful evolution of international relations. They are important indications that the Soviet Government and our own have been able to resolve formidable national differences and reach agreements beneficial to both sides. However, the United States may be moving too quickly in seeking to improve trade relations at a time when the Soviet Union is acting contrary to the spirit of detente and moving away from norms of civilized behavior.

Unless the Soviet Union rescinds its recent ukase which places Soviet Jews and particularly Jewish scientists into a new form of 20th century bondage, all of the assumptions behind improved United States-Soviet trade relations fail. When the United States supports increasing economic and commercial ties, we do so in the hope that these contacts act as moderating, civilizing influences on relations between nations. But the establishment of a schedule of exorbitant visa fees supposedly related to a person's education is a totally reprehensible form of extortion. At best it is a highly unusual method of gaining foreign exchange to hold one's citizens captive until ransom is paid by outside sources. The Soviet Union's placing of price tags on its state-supplied education is nothing more than another form of repression against its Jewish citizens and a vulgar attempt at blackmailing the world Jewish community into paying for each educated Jew seeking emigration from Russia. Soviet action in enacting emigration fees ranging from $5,000 to $25,000 goes beyond the usual cynicism expected from the Soviet Union.

The transparency of the Soviet arguments that they are acting to recoup educational expenses provided by the state is hardly worth refuting. However, it sufficies to say that all Soviet citizens, not only those of the Jewish faith, produce a great deal more than they consume. This difference goes to finance the Soviet Government in all of its activities, educational and other. The average Russian, it has been pointed out, earns about 100 rubles a month, although he produces perhaps twice that sum. In the Soviet Union the costs financed by the state, and the benefits accruing to it, cancel each other out. Those who are more educated are in a position to make an even greater contribution—and are truly Soviet society's creditors. An analysis of the actual figures involved is contained in a perceptive letter to the New York Times yesterday on this subject, which I shall ask to be inserted in the Record at the conclusion of my remarks.

Another Soviet argument that they are acting to end a brain drain is equally fallacious. Once a Soviet scientist makes his determination to leave for Israel he is fired from his job and must find menial tasks to earn his livelihood. There is absolutely no economic or rational basis for the Soviet actions other than the further intimidation of its Jewish citizens from applying for visas and obtaining hard currency at the same time.

While it is not certain what motivated the Soviet leadership to take this retrogressive step, we can guess at the sinister motives behind this posting of a pricelist for human beings. There are several apparent reasons for this move. It reflects despair on the part of Soviet authorities. To this date, no matter how they have tried to intimidate Jews, the movement has grown and flourished and the number who apply to emigrate continues to increase. Also the number of highly skilled scientists who apply has also grown.

In a more subtle way it may be an attempt to limit the number of Jews who seek higher education. Knowing that he may be charged exorbitant fees if he ever decides to leave, a Soviet Jew might decide not to continue his education at all. But finally, this tactic may be viewed as a deliberate effort on the part of the Soviet Union to obtain much needed foreign exchange on the assumption that the world Jewish community would pay the ransoms for their brethren.

This decree of August 15 has already resulted in a new wave of fear among Soviet Jews who expect intensified punitive action against those Jews who have been courageous enough to apply for permits to emigrate. This latest Soviet move comes against a background of anti-Jewish diatribes and slander now common in the Soviet media. There have been untold instances of Jews who have indicated their desire to emigrate to Israel being subjected to physical assaults, loss of jobs, arrest, and other brutal forms of intimidation.

To many Americans this latest Soviet action is uncomfortably reminiscent of the Nazi era when the same type of extortion was practiced against German Jews who desperately sought visas to flee Germany. The employment of this technique only brings shame upon those who masterminded it. Fortunately world attention is now being focused on this heinous practice. And fortunately, we as free men living in a democracy are in a position to do something concrete about it.

I do not see how any Senator or Congressman in good conscience could vote for new trade concessions for the Soviet Union at a time when the Russians are trading in human lives. The ransoming of Soviet Jews is one Soviet export all decent men must absolutely refuse to accept. If it is appropriate to link trade issues with political objectives, as our own Government has indicated, it is certainly just as appropriate to establish a linkage between improved United States-Soviet trade relations and the overriding moral issues raised here. It must be made clear to the Soviet Union that it will receive the credits and tariff treatment it is seeking only by removing these new restrictions imposed on the emigration of Soviet Jews.

As many of my Senate colleagues are aware, I have actively sought to expand trade between East and West. Last year I introduced S. 2460, the East-West Trade Exchange Act of 1971. Shortly afterward, working closely with the distinguished chairman of the Senate Commerce Committee, Senator Magnuson, and joined by 25 of our Senate colleagues, we cosponsored S. 2620, the East-West Trade Relations Act of 1971.

In June of 1971, I was the keynote speaker at a large gathering in Budapest, Hungary which had been convened to explore the means of expanding trade and investment between East and West. Upon my return I submitted a report to the Senate Finance Committee recommending the removal of existing American barriers to trade with the East. I still feel that economic ties should be improved, but the question is at what price?

If we are willing to do business as usual despite this blatant disregard for the elements of human decency, we will ourselves be contributing to the continuing amorality in international relations. We will also be acting contrary to our own long-term interests by encouraging the Soviet Union to believe it can get away with this outrageous behavior in the future. No less a Soviet public figure than physicist Andrey Sakharov, the "father" of the Soviet H-bomb, recently condemned the Western democracies for offering only concessions and smiles to a Soviet regime which he described as barbaric. It is time to put a stop to these smiles and concessions unless the Soviets stop the degrading practice of ransoming people.

Israeli Prime Minister Meir in her statement in the Knesset described what brutal message this policy conveyed to every educated Jew in the Soviet Union:

"Your brains and whatever you have studied and thought don't actually belong to you. Since you are a Jew, it is doubtful whether you are entitled to study and gain an education at all. And if you are bound for Israel to join your people—it is your duty to suffer. As for us, we will do our best to find clever means to prevent your emigration in all ways possible. . . ."

The Knesset adopted a strong resolution appealing to all nations, parliaments and international organizations to work for the abolition of this tax. I ask unanimous consent that this resolution be printed at the conclusion of my remarks.

In this country the National Academy of Sciences is already seeking to put together its own appeal on behalf of Soviet Jewish scientists wishing to emigrate. This commenable action was precipitated by the personal appeal of an eminent Soviet Jewish scientist, Benjamin Levich.

Professor Levich, a renowned Soviet physicist and member of the Soviet Academy of Sciences, had publicly denounced the new visa fees—and is already paying the price for his candor. He subsequently transmitted to me a handwritten note appealing to me personally to look into the desperate situation of Soviet Jewish scientists. This letter was delivered to me by an American scientist who recently met with Professor Levich in Moscow during the recent International Biophysical Congress. Enclosed with Levich's note was a copy of the letter he had sent to this International Congress. In his letter Levich stated:

"The scientists who apply to the authorities for the permission to leave for Israel are magically transformed into outcasts who are deprived of any right of continuing a scientific activity: publications forbidden, lecturing forbidden, making scientific reports forbidden, even being cited forbidden.

"A person is immediately expelled from any kind of scientific council, editorial boards, demoted and often fully discharged.

"A person is constantly living under the conditions of permanent pressure and anguish for the fate of his family and himself."

Levich then made an observation which is particularly telling:

"The violation of the civil rights of scientists as compared to other people and the transformation of scientists into the property of the Government is a dangerous precedent.

"Today it is the fate of perhaps a small group of scientists at a certain place of the world. Tomorrow it may happen to anybody and anywhere. The brains as well as the hands of any human being are his personal property. I believe as well that the persecution of scientists and the prohibition of their scientific activity as a punishment for their moral and conscience convictions is inhuman, immoral and disgraceful."

As more people in this country and around the world become aware of the outrageous nature of this latest Soviet action, calls for positive action on the part of our own Government to bring pressure on the Soviet Union will undoubtedly follow.

The Congress of the United States has special constitutional responsibilities with regard to the establishment of trade relations with other nations. Eximbank credits, most-favored-nation treatment, and OPIC guarantees are all legislative matters within the province of the Congress. Already the Soviets have made it known that they place MFN treatment high on their list of trade priorities in the current negotiations. Legislation granting such authority must be considered by the Senate Finance Committee, of which I am a member.

I would hope that other Members of both Houses of the Congress are prepared to go on record, as I am doing today, in making clear our strong opposition to any trade legislation granting the Soviet Union better trade terms as long as the ransom decree is in effect, and as long as similar draconian measures are applied to restrict emigration of Soviet Jews.

I am also prepared, in consultation with my colleagues, to explore other more immediate legislative means to deny the Soviet Union the trade terms it desires. I urge my colleagues to condemn the extortionist Soviet visa fees and to make clear their determination to link improved trade relations with this issue. There is still time to save Soviet Jewry, and I appeal to men of goodwill everywhere to raise their voices in loud protest against this latest injustice, and to pledge their efforts to its total elimination.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter to the editor of the New York Times entitled "A New Soviet Export—Jews," published in the New York Times of September 11, 1972, and the text of a resolution adopted by the Israeli Knesset on August 23, 1972.

There being no objection, the letter and the resolution were ordered to be printed in the RECORD, as follows:

A NEW SOVIET EXPORT—JEWS

(By Zev Katz)

The Soviet Government's attempt to capitalize on Jewish emigrants is a dehumanizing and unconscionable act. Moral-humanitarian consideration aside, it is essential to examine objectively the Soviet claim that persons emigrating from the U.S.S.R. should repay the state for the costs of their education.

According to Soviet sources, the cost of education for a full-time university graduate would be: ten years of pre-college education, 1,000 rubles; plus an average of four and a half years of higher education, 4,500 rubles, for a total of 5,500 rubles. However, the latest Soviet decree requires a university graduate to pay 12,500 rubles. A doctor of science is asked to repay 31,000 rubles. There obviously is no correlation between the actual costs of education and the payments sought.

Furthermore, one of the central themes in Soviet literature on education is that the Soviet state quickly recoups its educational investment. Through higher productivity, a new skills and, consequently, a higher input into the economy, graduates repay through their labor investment in their education in a period of five to seven years.

The Jewish emigration affords the Soviet state other material benefits which offset possible labor losses of skilled personnel. We assume that Jewish emigrants for 1972 alone will number 30,000. If this is valid, by the end of 1972 the exodus will have totaled 60,000 persons (15,000 in 1971; 15,000 in the preceding decade). The émigrés leave behind their houses and flats. The overwhelming majority of these are state-owned, and the departing emigrants do not receive compensation for this property.

In granting emigration visas Soviet authorities give preference to older people. Data on Soviet émigrés show that one in three is a pensioner or close to pension age. Of the 60,000 departing Jews, 20,000 are estimated as pensioners. State expenses for such persons, including medical care and other public services, average 1,000 rubles per year. As a result of the current exodus, the U.S.S.R. saves twenty million rubles per year in state subsidies for pensioners.

The sum up, by allowing 60,000 Jews to emigrate, the Soviet state affords itself a saving of 200 million rubles in pension payments in a decade and obtain 20,000 apartments valued at 128 million rubles (including costs of upkeep). Together, these sums amount to about one-third of a billion rubles. Additionally, certain intangible benefits result—specialist positions become available, university places become vacant, etc.

Such material savings, generated by the Jewish exodus, coupled with the fact that expenditures on education are (and have been) recouped through the labor of Jewish scientists, objectively demonstrate the fallaciousness (let alone the amorality) underlying the so-called Soviet "education" tax on emigrants.

Soviet officials know that most Jewish professionals in the U.S.S.R. are not capable of raising enough money to pay the emigration tax even if they gave away all their life's savings and sold all their possessions. Obviously, the money will have to come from abroad (mainly from Jews in America). Besides exporting furs, gas, and timber, there will be a new and original Soviet export—Jews.

TEXT OF A RESOLUTION ADOPTED BY THE KNESSET, AUGUST 23, 1972

1. The Knesset notes that the head tax imposed by the Soviet authorities on Jews holding university degrees in the Soviet Union who desire to emigrate to Israel is an infringement of human rights, a trampling underfoot of human morals and an attempt to prevent the immigration of Jews to their historical homeland. This device aims at cutting off the Jewish community in the Soviet Union from the Jewish people and from the State of Israel.

2. The Knesset appeals to the Government of the Soviet Union to repeal this shameful decree which is aimed only at the Jewish citizens and recalls the Czarist anti-Jewish legislation.

3. The Knesset takes note with deep appreciation of the great response all over the world, amongst peoples, parliaments, governments, progressive organizations, scientists and religious leaders, who all raised their voices in protest against the ransom and demanded its cancellation.

4. The Knesset appeals to all governments, parliaments and international institutions and organizations, as well as to enlightened public opinion in all countries, to work towards the abolition of the head tax imposed on the Jews in the Soviet Union who wish to return to their historic homeland.

5. The Knesset calls upon the Jewish people to mobilize its strength, neither to rest nor to cease their efforts until the "diploma levy" is abolished and the freedom of emigration of Jews from the Soviet Union is insured in effect.

6. The Knesset calls upon scientists of all nations to rise to the defense of the human and national rights of their colleagues in the Soviet Union.

7. The Knesset sends its good wishes, and its hope that they might continue their good fight, to our brethren in the Soviet Union, who are struggling for their human rights and their affinity with our people. The Knesset declares that the people in Israel, as well as the Jewish nation the whole world over, will not rest until the head tax is abolished.

8. The Knesset takes note of the government statement as delivered by the Prime Minister at the special session on Wednesday, the 13th of Elul, 5732 (August 23, 1972).

Mr. JACKSON. Mr. President, I want to thank my good friend from Connecticut for his kind and most gracious comments.

I yield now to the Senator from New York, who has likewise been a tremendous help in the effort we are making here today in connection with our amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. JAVITS. I thank the Chair.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. JAVITS. I thank the Chair.

Mr. President, I would like to join Senator RIBICOFF in the commendation he has made of Senator JACKSON and the very important initiative which is represented by the Jackson amendment, of which I have the honor to be a cosponsor, and of which almost three-fourths of the Senate are joined in cosponsorship, as well as an overwhelming majority in the House of Representatives.

Mr. President, I am not a newcomer to this particular effort; in fact, on August 30, 1972, in a speech in New York City, I said:

> We should properly demand justice for Soviet Jewry as a condition for close economic relations with the Soviet Union in trade and finance.

Mr. President, I ask unanimous consent that the entire text of my remarks made on August 30 at the Emergency Rally for Soviet Jews be made a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

JAVITS ASKS JUSTICE FOR SOVIET JEWRY AS CONDITION FOR U.S.-TRADE TIES WITH USSR

(Statement of Senator Jacob K. Javits)

The new Soviet policy of holding Soviet Jews for ransom casts a warning shadow across the bright promise of detente and increased trade between the United States and USSR presaged by the President's visit to Moscow.

How many bushels of wheat equals a Soviet family yearning to be united with its kin abroad? With limited funds, does one bargain for one scientist or two high school graduates at the same ransom price? The plight of the ransomed few and the unransomed many is a moral dilemma. It casts a shadow over every Soviet-American discussion, official or unofficial, commercial or cultural. It is an historic American tradition, dating back to the early history of our republic, for Americans to be deeply concerned about freedom of movement.

What the USSR must recognize is that the diplomatic and political issues between the U.S. and the Soviet's concerning strategic arms limitations and the USSR's support of North Vietnam were handled on two levels. We may now have to proceed on two levels concerning Soviet Jewry: reduce international tensions in the strategic arms race and European troop confrontation if possible, but also maintain our unswerving determination that oppressed minorities should be free to move, and that the arts of peace in culture and commerce are directly related to such freedom. *We should properly demand justice for Soviet Jewry as a condition for close economic relations with the USSR in trade and finance.*

Nations, like individuals, must not be allowed to use stratagems and circumventions of human rights to deprive even their own citizens of basic internationally-accepted human rights. The U.N. Charter as well as all consideration of morality dictate that we should honor this principle.

Mr. JAVITS. Mr. President, the real question here is: Is this amendment a fake? Is it a maneuver? Is it a bluff? Or is it serious? Interestingly enough—and we can understand this and respect it, as it is a part of statecraft—an important Russian official, the Deputy Minister of the Interior, set forth these ideas when the Soviet emigration regulations in question here first took, as it were, codified legal form in January of this year, and we have, as well, a declaration by a very important Soviet trade official that those who support this amendment will live to rue the day, because they will be charged, it is said, with a breakdown in United States-Soviet relations over trade.

These are very serious statements, and I think every Senator will understand how seriously I take them and how seriously I evaluate them. But it must be said, upon the other side, but with equal frankness, that the Soviet Union is not bluffing, either; they have declared an official policy, which we must expect they will adhere to. Nevertheless, I know before the recent election—I am sure as a courtesy to the President of the United States—there was a certain leniency in granting exit visas out of the Soviet Union to Israel without an insistence upon the letter of what is now law—which is called by us a ransom and which the Soviets call a proper tax to pay for the cost of the education of professionals and intellectuals in the Soviet Union.

The fact is that there was a relaxation and that even now there are further evidences of relaxation. Indeed, there is a piece in the newspaper which says that about 10 percent of those who leave the country who would otherwise be subject to the tax are not being subjected to it. And indeed, the Soviet Union, in announcing the law, spoke of the special rights of veterans, of old people, and others who might be exempted.

But, Mr. President, this begs the question by them and it begs the question by us. Either this issue is profound enough, important enough, moral enough to justify the full impact of the Jackson amendment and to take what I consider to be an extremely serious step of affecting economic relations which are possible between our country and the Soviet Union or it is not that important. If the latter is true, we should not have the Jackson amendment, and let us stop kidding about it.

I am sure the Soviet Union reads the newspapers just as well as we do, and it knows that this effort represents the sentiment of the overwhelming majority of the Senate and the overwhelming majority of the House. So the important thing to affirm, especially for me, is that this is a moral choice, advisedly accepted, with no illusions as to its consequences. This is the one thing that must be said—with no illusions as to its consequences.

Great nations, great causes, cannot bluff—it is just impossible—and I do not believe the Soviet Union is feigning or maneuvering for position, and neither are those who back this amendment. The Soviet Union must be sure it understands that we are not. It is a really most difficult issue. I do not say it cannot be resolved. Nothing cannot be resolved.

Having considered the matter and having experienced the number of emigration applications that are actually coming in and the number of emigrants that could go out, feasibly, every year, the Soviet Union might very well come to the conclusion, without any reference to the Jackson amendment—strictly as government policy—that the right thing would be to lift the emigration tax. That would be benign, if it could be accomplished.

The Soviet Union considers itself great; it is one of the two superpowers on earth, and I do not see how a great government could be great unless it is willing to be guided by facts and reality.

So really the Jackson amendment ought to be understood as doing two things: No. 1, it says we have a deep moral conviction that such action defies the United Nations Convention, defies all human rights, in terms of a just course, a moral course, and a decent course for humankind. We believe this and intend to stick to it.

Two, there is no derogation of the respect in which we hold the Soviet Union, or for its sovereignty. On the contrary, we hope that the moral wake of our appeal will be received by a great power like the Soviet Union, with the magnificence as well as the capability for doing justice and being generous which a great power has.

That is the spirit in which the Jackson amendment must be regarded, rather than in a spirit of confrontation or defiance or in a spirit of blindness to the basic interests of our country. We do not intend to short circuit detente between the United States and the Soviet Union or between the Soviet Union and the rest of the free world. There is no lack of respect intended by the sponsors of this amendment.

On the contrary, if there were a lack of respect, we would be talking about retaliation or sanctions. We are talking about no such thing. We only say, "If you are going to put our relations on a better, more just, and more ample basis where both peoples can profit, not only economically but in terms of world peace, then our relations must have a moral content." And we say to the Soviet Union, "Here is a body of elected representatives of the people of the United States who have the deep moral conviction that you cannot build a better structure and a stronger structure and a bigger structure of relations between our two countries upon a false basis. You may not think it is on that basis, but we are seeking an appeal to you, based upon high moral grounds. We have confidence in you. You must have the same confidence in us—that we have no ulterior motives."

I think we certainly are among the best friends of a better entente between the United States and the Soviet Union; but we want to facilitate it, we want to put it on sound moral grounds.

Mr. President, this is the essence of the matter. I believe that what the President says about using his best offices, about quiet diplomacy, is entirely in order.

There is nothing that we stand for or say that excludes an effort to resolve this matter; but it would be false to our own efforts if we adopted an attitude that might imply that we favor some sellout, some settlement, some variation of our moral position.

I cannot emphasize that enough; we premise our lives and are attempting to live up to a position of world decency and world justice and the laws of civilized man.

Mr. President, I shall not go into all the details about the fact that the so-called head tax which the Soviet Union puts on emigrants is four or five times what it ought to be, even when considering a good education. I point out that even they must have recognized that if they are going to do this—this rather cold-blooded weighing of human beings on a scale of material values—they certainly should give credit for what a person has done in serving the Soviet Union—working off the education which that person has received. They have recognized that but by no means adequacy.

We are deeply morally convinced of our position. Because the Soviet Union is such a great power, we are incorporating our moral conviction in a way which could be very helpful to us—by showing how seriously and deeply we feel it. We hope that because the Soviet Union is a great power it will be impressed and reconsider this and will realize that its relationship to the society of nations on a high moral plane is infinitely more vital to the Soviet Union and its people than by adopting an artificial and stiff-necked position on this particular regulation, which they allowed to sneak up on them without, perhaps, their realizing the moral impact, the adverse impact, which this has on them in the eyes the world.

I hope very much, Mr. President, that no one will brag about any change in Soviet emigration policy. On the contrary, such a change would add to the luster of the Soviet Union enormously.

I yield to the Senator from Maryland.

Mr. MATHIAS. I thank the Senator from New York (Mr. JAVITS) for yielding me a moment, because I would like to join with him not only in what he has done—and I have joined him in sponsoring this amendment—but to also join with him in his manner of expressing the position that we share in regard to this matter. Very rightly so, he places it on the highest moral plane and on the most significant area of human expression, that is, human concern.

I think that what we have done, what we have attempted to do, is to use this vehicle to give concrete expression to the emotions, not only those of the Jewish community in the United States, but those of a very great majority of the American people, who have shown their concern to have this issue placed on the highest moral level.

For a number of years we have seen the policies and positions of the U.S. Government reflect this concern. Looking back through our history, we see that in the 19th century, actions taken by Secretary of State Frelinghuysen, on behalf of the Department of State, the U.S. Government, and the American people expresses this human compassion to the world.

Again, during the administration of Theodore Roosevelt, the same subject was voiced emphatically and urgently, by President Roosevelt himself, speaking to and for the very deep emotions of the American people; and so, I think the senior Senator from New York (Mr. JAVITS) has been entirely proper in saying we do place this issue at the pinnacle of our moral concern and compassion.

Mr. JAVITS. I thank my distinguished colleague very much. Senator MATHIAS has had a very excellent record in all matters that concern morality and those that concern the Jewish faith. In his home State and elsewhere, he has been a very strong advocate of the concept of the relationship between the United States and Israel, our common purposes and shared ideals and, indeed, has a very strong voting record in that regard in the Senate and I welcome very much his adherence to this particular concept.

Mr. MATHIAS. The Senator from New York (Mr. JAVITS) is very generous and I appreciate his kind remarks.

I might at this point ask unanimous consent that a brief memorandum of some of the policies and positions taken by the U.S. Government be included in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHARLES McC. MATHIAS ON THE PLIGHT OF JEWS IN THE SOVIET UNION

I am deeply concerned about the plight of persons of the Jewish religion in the Soviet Union. It is clear that they are being subjected to gross discrimination. I need not go into the details at this time, for they have been widely reported in the press and commented upon at length on the floor of Congress.

It is now time for us to act. We must take every appropriate step to impress upon the leaders of the Soviet Union the deep commitment of the American people for just treatment of Jews in the Soviet Union. In particular, we must make it clear that they should enjoy that basic human right to emigrate freely. The right to move and travel freely was one of the fundamental principles upon which our own country was founded. I believe that we must continue to advance this ideal at all times.

Our government has a long history of intercession on behalf of victimized Jews in Russia. In 1881, Secretary of State Frelinghuysen directed a strong protest to the czarist court regarding programs inflicted on Jews in Warsaw. Again in 1903, President Theodore Roosevelt forwarded to the czar a petition signed by thousands of American citizens of all religions protesting the Kishinev massacre. In 1906, the Senate and House of Representatives passed a joint resolution condemning the continued mistreatment of Jews in Russia. As this proved unavailing, the House of Representatives in December 1911, voted to terminate the treaty of 1832 which had governed trade and commerce with czarist Russia for almost a century.

It is now time for us to act again. For this reason, I am pleased to sponsor an amendment to the East-West Trade bill which would deny "Most Favored Nation" status to Russia in any expanded trade agreement unless the discriminatory exit fee imposed upon Soviet Jews is removed. It is essential that we clearly signal to the Soviet Union that there must be some satisfactory progress on this issue before we can treat them as a friendly trading party. I think this amendment is the best vehicle for indicating our strong feelings on this matter.

The long tradition of American sympathy for the plight of Russian Jews, extending over a century of Russian-American relations, now demands new proof of our commitment to this aspect of the fight for human dignity and individual liberty.

Mr. BUCKLEY. Mr. President, when the Senator from Washington introduced his amendment to the East-West trade bill last year, with overwhelming Senate support, the Senate's immediate and most conspicuous concern was the "head tax" placed on Soviet Jews who wanted to leave the Soviet Union for Israel and other countries. Our message to the Soviet Government was clear: The United States Senate would not permit the Soviets access to the benefits of the American economy while their citizens, whether they be Christians, Jews, or members of various nationalities groups, were routinely and with impunity denied the fundamental human right to emigrate.

We had hoped that the Soviet Union would appreciate the seriousness of our concern, and of our intent, and begin to dismantle the apparatus that prevented Soviet citizens from leaving their country unharassed. Instead, bolstered by the "spirit of detente," the Soviet Government has officially codified their outrageous "exit fee" policy, and has tightened their grip on all Soviet citizens who wish to leave their country. And they have done this, no doubt, with increasing confidence that the "spirit of dentente" will prevail upon the West to demand nothing of the Soviet Union in return for access to the American economy and American technology that the Soviet Union so desperately needs.

I am happy again to be a principal cosponsor of the Jackson amendment to the East-West trade bill, and I hope that the Soviet Government will this year attach greater significance to the will of the Senate, and of the American people.

Mr. JAVITS. Mr. President, if there is no one on the floor——

The PRESIDING OFFICER. At this time, in accordance with the previous order, the distinguished senior Senator from Florida (Mr. GURNEY) is recognized and is recognized for not to exceed 15 minutes.

Mr. GURNEY. Mr. President, I am glad today to join Senator JACKSON, Senator JAVITS, and Senator RIBICOFF in announcing a most important amendment to any proposed trade legislation which may come before this body. The amendment which is being announced, with the overwhelming support of the Members of this body, is quite simply designed to insure that the United States does not grant trade concessions to countries such as the Soviet Union, which chose to impose a repressive and unconscionable ransom on emigration.

I would hope the Soviet Union would understand the strength and the interest of the United States in its efforts to persuade the Soviet Union to relinquish their discrimination against people who want to leave the country.

Since the end of World War II, Jews throughout the Soviet empire have been abused and intimidated in the old, unchanging tradition of Russia.

They have been denied the right to profess their religion, to express their culture, or even to study the Hebrew language.

Discrimination, persecution and even incarceration continue today with all the frequency of the worst days of the Stalin regime.

Testimony in hearings before the Committee on Judiciary's Internal Security Subcommittee, which I had the privilege of chairing, quite graphically pointed out the inability of citizens of the Jewish faith in the Soviet Union to obtain good jobs, and the outright imprisonment of those who wish to improve themselves.

More recently, in what would have to be one of the paramount historical displays of societal sadism, the government of the Soviet Union has imposed an oppressive head tax, or ransom if you will, of up to $30,000 on each of its Jewish citizens who wish to emigrate.

All that these people are asking for is permission to leave a society which discriminates against them. All they are asking for is to leave and make a new life for themselves elsewhere.

They are prohibited from doing this by a huge exit visa tax. These people, therefore, find themselves in a totally untenable position. They are made painfully aware that they are not welcome to remain in the Soviet Union, and yet are prevented from leaving the place of their persecution.

They are being compelled to remain prisoners in a society which does not want them to remain and will not permit them to leave.

At this time the United States is presented with an excellent opportunity to produce a change in the existing situation. The Soviet Union, through failures of their economic system in general and their agricultural industry in particular, is extremely desirous of advantageous trade agreements with this country.

That country is, therefore, at this time as sensitive as it will ever be to protestations on the part of the United States and to an insistence that they permit these prisoners to leave the nationwide concentration camp created by the Communist leadership of that country.

Yet the Russians, sensing a typical American weakness in the area of foreign policy and international negotiations, have not sought to create a more favorable framework for trade agreements.

Rather, they have steadfastly maintained their position of total insensitivity in this matter. They have manifested their firm intention to continue to conduct policies which violate basic human rights.

When confronted by criticism, the Soviets have denied any persecution of Jews. They have insisted that any Soviet Jew who wants to leave is able to leave. These positions do not reflect the truth.

Today there are over 100,000 pending affidavits of Soviet Jews which have not been acted upon by Soviet officials.

Thousands of Jewish families have been waiting in vain for years.

Most of them are unemployed and have to depend on relatives and friends to even exist. They are under constant surveillance. They live in daily fear. Indeed, they are in a state of limbo.

When a Soviet engineer or technician is confronted with an exit visa tax of $15,000 or $20,000, he is, considering the salary structure of that country, virtually prohibited from departure.

Because of the denial of these occurrences by Soviet officialdom, I call attention to three specific cases of Jewish citizens in the Soviet Union, which indicate, in a quite compelling way, what is happening there today.

The first case was brought to my attention initially by the greater Miami Jewish Federation and concerns a 51-year-old doctor of technical sciences, Dr. Victor Lapidus.

I was privileged to discuss the matter personally with his brother, Dr. Vallerie Lapidus, who is today an Israeli citizen. This case is an especially illuminating one.

Dr. Lapidus, who worked in Moscow's automobile industry's research institute, applied for an exit visa to Israel and was granted permission to leave upon payment of approximately $30,000. He was told that he would not have to pay the ransom fee if he left the U.S.S.R. within 10 days.

He and his wife then quit their jobs, his 11-year-old daughter withdrew from school and his 19-year-old daughter and her husband were expelled from the university.

The Lapidus family was then evicted from their apartment and, after payment of some 900 rubles for an exit visa for each member of the family, they were told that it had all been a mistake and that they would not be permitted to leave.

The family today is living in a crowded apartment rented by Dr. Lapidus' mother in Moscow and is existing on that woman's pension.

To this day no explanation has been offered to Dr. Lapidus and his family and no hope has been given to him that he will ever be permitted to emigrate from the Soviet Union, despite the fact that he no longer has a place in Soviet society.

The second case was brought to my attention by the Jewish Welfare Federation of Greater Hollywood, Fla. It involves a Mr. Mikhail Kerbel, his wife, Adela, and their 10-year-old son, who are residents of Kharkov, U.S.S.R.

They have applied for visas for immigration to the state of Israel three times and each time have been refused.

Mr. Kerbel has lost his job and is no longer able to support his family. Mrs. Kerbel, a severe multiple sclerosis case, is completely hospitalized. She is 35, her husband is 37.

The most eloquent statement of the tragedy of this situation that could be made is contained in a letter from friends of the Kerbel family in the Soviet Union. I ask unanimous consent that at this point in my remarks the text of that letter be printed in the Record.

There being no objection, the open letter was ordered to be printed in the Record, as follows:

An Open Letter

To the leaders of the country, represented by:—

The Secretary General of the Central Committee of the C.P.S.U., L. I. Brezhnev

The Chairman of the Presidium of the Supreme Soviet of the U.S.S.R. Nikolai Podgorny

The Chairman of the Council of Ministers of the Soviet Union, A. N. Kosygin.

An Open Letter:

We, the friends and acquaintances of the family named *KERBEL,* living in Kharkov, are witnesses to the fact that Mikhail Kerbel, his wife Adela and their ten-year old son, have been striving unsuccessfully for over a year for permission to emigrate to Israel.

The tragic situation in which this family now finds itself is the reason for our now addressing ourselves to you.

Adela Kerbel is suffering from an incurable and progressively increasingly wasting disease of the body, multiple sclerosis. This illness chains her to her bed and has inflicted absolute immobility on this young woman.

In spite of this terrible physical disability, she has retained perfect clarity of mind; her mental faculties and powers of reasoning are unimpaired. Thus she is fully aware of the situation in which she and her family now find themselves and the awareness of this situation causes her unceasing mental and spiritual torture, making her life completely unbearable.

The constantly repeated refusals to all requests and complaints and the dismissal of her husband from his place of work as a specialist engineer, forcing him to accept work as an unskilled manual labourer, eventually followed by his dismissal even from this work, a few days ago, rendering him completely unemployed, with no income whatsoever, is quite obviously having a terribly adverse affect on the health of Adela Kerbel.

Having to live in this dreadful physical condition, she is surviving only in the hope of seeing the realisation of her desire to live together with her family in Israel. To deprive her of this hope is a certain means of making a dreadful illness even more dreadful, and of quickly bringing about a tragic solution.

However, officials of the Ministry of the Interior (M.V.D.) have informed Adela Kerbel's family that they do not consider their application for emigration to Israel as worthy of consideration.

What is this? Is it lack of knowledge of the circumstances, a mistake, or simply heartlessness or cruelty? It is only necessary to see this young woman with one's own eyes, to listen to her and so to confirm her condition, in order to realise the simple ordinary humanity of this case, and then there will be no doubt as to the genuine need for this family to emigrate to Israel.

We are appealing to you as the leaders of this great country to do everything possible to help the family of M. A. Kerbel to realise their simple desire to emigrate to Israel.

December 5th, 1972.

Signatures. *Kharkov.*—Yuri and Irina Miloslavsky; Alexander Goldinoff; Katerina Yagtman; Lev Mogilevsky; Viktor Yagman; Yona Kolchinsky; Konstantin Skoblinsky; Katerina Skoblinsky; Yofim Shchukin.

Moscow.—Vladimir, Maria, Alexander Slepak; Viktor, Elena Polsky; Grigori, Elisa Volokh; Venyamin, Tatiana, Alexander, Yevgenil Levitch; Vladimir Mash; Vladimir, Elena Prestin; Mikhail, Elena Babel; Yuri, Ella Sayassov; Yosef, Anna Beigun; Yaakov, Galina Pisarevsky; Alexander Lozin; Boris, Marianna Ainbinder; Lev Libov Mark Lvovsky Vasil Ratner; Margolina Yuktsia; Viktor Feiermark; Mikhail, Golda Rizhik; Yuli Vasserman; Anatoli Lipgober; Yuli Vexler; Marta Balshinskaya; Grigori Goldenberg; V. Slobodyanin G. Klimovitsky; Ida Nudei; B. Tsitlionok; L. Gengin; V. Korenblit; D. Sinis; A. Tumerman, and others, 72 signatures in all.

Mr. GURNEY. Mr. President, the third example which I wish to relate was not brought to my attention by any organized group, but by an individual constituent of mine who lives in Miami, Fla. It is a case of one Sylva Zalmanson who was sentenced 2 years ago to a 10-year term in a Soviet prison camp when her only crime was her desire to emigrate to Israel.

Pregnant when arrested, she has since lost her child. Due to totally inadequate medical attention, she has gone partially deaf, and has become tubercular. Most recently she was sentenced to 6 months in solitary confinement.

These three reported instances in and of themselves would justify the position which the sponsors of this amendment to the East-West trade bill have taken. Unfortunately, these are not the only three instances which have occurred.

Hundreds of thousands of Soviet citizens of the Jewish faith are in the identical situation.

What disturbs me even more than the official denials of these occurrences is the aggressive, threatening posture of the Soviet leadership. Indeed, officials of the Soviet Union—in opposing this amendment—have recently raised the specter of anti-Semitism on an international basis as a threat..

In a recent meeting in Washington of American businessmen and Soviet trade officials. Soviet official Vladimir Arbatov went so far as to state that the approval by the Congress of this proposal would produce an increase in anti-Semitism not only in the Soviet Union but in the United States itself.

I submit that this will not occur and that the American people are not interested in bailing out a faltering Soviet economy so long as that country continues to deny its citizens the basic human right to emigrate.

The arrogance of threats of this kind against this amendment by Soviet officials reinforces a long-standing conviction of mine that the nature of the Russian Communist is not near as changeable as some pundits have assumed.

Be that as it may, I for one, believe the Senate will support this amendment overwhelmingly and regardless of the efforts of the Soviet leadership, that there will be no legislation providing trade concessions without this amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAJORITY CONFERENCE RESOLUTION ON REDUCTION OF MILITARY EXPENDITURES OVERSEAS

Mr. MANSFIELD. Mr. President, earlier today the Senate majority conference adopted a resolution on the question of reduction of military outlays overseas. I ask unanimous consent that the text of that resolution be printed in the Record at this point.

There being no objection, the conference resolution was ordered to be printed in the Record, as follows:

Policy Committee Resolution

Whereas, At home, Americans are plagued with inflation, and abroad the value of the dollar declines;

Whereas, The current U.S. military base structure and deployment around the world constitutes a serious drain on the budget and bite deeply into tax revenues available for essential needs inside the United States;

Whereas, Reductions of U.S. forces overseas and the closing of excessive and obsolete military bases abroad would save billions of dollars and help, thereby, to halt inflation, strengthen the dollar and permit additional use of tax revenues for domestic purposes;

Whereas, Such reductions are commensurate with the nation's defense, feasible in terms of present military strategy and technology, and in no way contradictory to the nation's foreign policies under the Nixon Doctrine;

The Majority Policy Committee urges:

1. That the Administration consider, forthwith, in conjunction with the appropriate committees of the Congress revisions in the proposed budget with a view to making specific recommendations on the reduction of military expenditures through the prompt close-out of installations abroad which are obsolete or excessive to the current security needs of the nation;

2. That the contingent of U.S. troops stationed overseas be substantially reduced, such reductions to be accomplished in stages over the next one and one-half years.

The Majority Leader is directed to bring this resolution before the Majority Conference for consideration. If concurred in by the Conference, he is requested to confer with the Speaker of the House, the Director of the Office of Management and Budget, and with the Chairmen of the Committee on Appropriations, Foreign Relations and Armed Services on the contents of this resolution and ways and means of implementation by Executive Order or legislative action and to report to the Policy Committee on or before April 30 on the results of these conferences.

Mr. MANSFIELD. The resolution, which I shall not read in full, ends with this directive:

> The Majority Leader is directed to bring this resolution before the Majority Conference for consideration. If concurred in by the Conference, he is requested to confer with the Speaker of the House, the Director of the Office of Management and Budget, and with the Chairmen of the Committees on Appropriations, Foreign Relations and Armed Services on the contents of this resolution and ways and means of implementation by Executive Order or legislative action and to report to the Policy Committee on or before April 30 on the results of these conferences.

Mr. President, the operative part of the resolution calls for the following:

> 1. That the Administration consider, forthwith, in conjunction with the appropriate committees of the Congress revisions in the proposed budget with a view to making specific recommendations on the reduction of military expenditures through the prompt close-out of installations abroad which are obsolescent or excessive to the current security needs of the nation;
>
> 2. That the contingent of U.S. troops stationed overseas be substantially reduced, such reductions to be accomplished in stages over the next one and one-half years.

The concerns which led to the adoption of this resolution are not too difficult to pinpoint. This month, wholesale prices climbed at rates more excessive and inflationary than at any time in over two decades. Food prices alone went up by 3.2 percent. To the consumer, the cost of fuel, lumber, and basic commodities and services are going out of reach. Abroad, the value of the dollar continues to shrink. The Senate is about to revalue gold by 10 percent to cover the lost dollar devaluation—the second in about 14 months. Still, monetary stability remains in doubt.

It was in part to accommodate to this financial situation that the administration says it was forced to cut back domestic priorities. Nevertheless, the administration has continued to pour even more money into the military budget and foreign assistance.

In the past, Senators have taken the lead in efforts to have the executive branch pare back superfluous foreign military and other involvements. Time and again, this administration has been urged from the Senate floor to act, and to no avail. Finally, with the support of the Democratic policy committee, amendments to compel cuts in U.S. forces in NATO were offered to legislation in the last Congress. The first attempt on May 19, 1971, called for a straight troop reduction of 50 percent. It was defeated by a margin of 25 votes. The second try came late that year. It would have provided staged reductions, removing 50 percent of our forces from Europe over a 3-year period. The amendment was again defeated 39 to 54 but the idea had gained strength and the losing margin shrank to 15 votes.

It costs the people of the United States about $30 billion annually to maintain bases, troops, and facilities abroad. Using the administration's own figures, the price to the United States of NATO participation is about $17 billion. The balance-of-payments impact of NATO is in the neighborhood of $5 billion, considering official expenditures and dollar usage by dependents of servicemen.

While Europe receives the greatest portion of the defense dollar outflow, the United States maintains well over 600,000 uniformed service people around the globe at $10,000 per man in pay and allowances alone. Our Naval Forces carry tens of thousands more to foreign ports, appearing on station in nearly every body of water on earth that is deep enough to float a vessel. More dollars go out through that channel.

As this calendar year opened, increases in U.S. troops strength were even recorded in Britain—2,000 more U.S. servicemen were deployed there, presumably to defend the British Isles from foreign aggression. We also increased our presence in the Indian Ocean, Australia, and elsewhere.

While in some areas there were downward adjustments of our military presence, the fact remains that overseas there are still too many Americans, too many dependents, too many bases, too many facilities at too great a cost to the people of this Nation and at little or no cost to those whose security, presumably, is being defended. Indeed, one German state is in the process of levying taxes on certain U.S. installations. As if to add insult to injury, the American taxpayer is forced to listen to a Government which wastes billions for antiquated and irrelevant purposes of this kind tell him that the Nation's resources are just not big enough to provide adequately for domestic services—whether for health, education, welfare, or rural services—to the people of this Nation.

It is true that talks on mutual force reductions, after being first urged from the Senate over 11 years ago, are now being pursued, finally, by the executive branch with the Russians. At this late date, however, insofar as they involve U.S. forces deployed in Western Europe, they are not much more, in my judgment, than a last ditch stall. If the present deployment of men is too high in Europe—and it is—talking with the Russians about reducing them simply prolongs what is already an unnecessary and wasteful drain on this Nation. If these U.S. forces in Europe are an excess and a waste to us they cannot increase by one iota our bargaining power with the Russians. Nor can they make any contribution commensurate with cost to our security or to Europe's. If these talks delay what are clearly desirable reductions of our forces, then the talks actually act contrary to our national interests by intensifying the financial debilitation of the United States.

In any event, the possibility of mutual force reductions ought in no way to inhibit the efforts to cut unilaterally this Nation's excessive military involvement abroad, be it in Europe, Africa, Latin America, Asia, Australia, in the islands or on the oceans. Actually, unilateral action by the United States to remove an excess of troops from Europe without diminishing our basic commitment to the NATO Treaty might serve to prod a similar move on the part of the Soviet Union in Eastern Europe. But as long as we stay put in Europe, the Russians will be under no pressure to move out. In short, unilateral action, now, to require a phased reduction of U.S. troops from Europe is needed in our unilateral interest. At the same time, it could very well accelerate the timetable of the mutual force reduction talks.

It has been well over a year since the Senate has addressed this issue. In my judgment, it is particularly appropriate now, with the dollar suffering new declines in confidence abroad a continuing adverse balance of trade and inflation rampant at home that the Senate be given the opportunity again.

In my judgment, no single act which the Congress or the President or both can take at this time would do more to check the inflation at home or the enfeeblement of the dollar abroad than to move without delay to reduce the farflung and outdated overseas military deployment in an orderly fashion. I urge its favorable consideration and I pray that the Republican minority in the Congress and the President will join with us in the pursuit of its contents.

Mr. FULBRIGHT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. I should like to associate myself with the statement of the distinguished majority leader and congratulate him on the very concise and lucid summary of the situation with which we are now faced. He has long advocated certain aspects of this matter.

Let me say that his initiative in asking the policy committee and others to seek a congressional budget is very much to be applauded. This aspect of it is a very important part of that.

Thus, I look forward to joining the majority leader in doing anything we can to get the conference to take the lead.

Mr. MANSFIELD. I appreciate what the Senator has just said.

Mr. PASTORE. Mr. President, first of all, I should like to echo the sentiments expressed by the distinguished Senator from Arkansas (Mr. FULBRIGHT) and to congratulate the distinguished majority leader on what I consider to be a most appropriate and timely statement.

One thing that impresses me more than most anything in the resolution is the fact that it is not of a partisan character. It is not an attempt to criticize anyone for anything but merely to point up in a patriotic way the commitments we have made in Europe after World War II at a time when Europe was actually insolvent and where we at the time felt that our responsibility was so great, we committed ourselves according to the exigencies of the time.

But times have changed. Here we are in the year 1973 being told by the same nations, who were prostrate economically speaking and whom we have been helping all these years, the very same nations to whom we gave our Marshall plan money, that America must now defend its dollar abroad.

What an insult that is to the fiscal integrity of our own currency.

Rumors are rampant in many places in Europe that American dollars are not being accepted, even to pay hotel bills. I think that is a disgraceful situation.

What are we saying in this resolution?

We are not saying that America is ready to pull out of the alliance in Europe. We are not saying that for one moment. What we are saying is that many of the weapons in Europe today are absolutely obsolete and are not serving the purpose intended at the time they were installed, that we have more weapons in Europe than are necessary and that our allies in Europe are not living up to their obligations. In all these years, we are the only Nation in the alliance which has lived up to its commitments.

What we are asking today is that our friends in Europe do a little more for their own survival, their own defense, and their own protection.

Here they are, sending negotiators to Moscow to make trade agreements—I mention specifically, Italy, France, Great Britain, and Belgium. They are all there in Moscow, and also the Japanese, to work out what business arrangements they can make with the Russians.

Here we are on the other hand supporting a tremendous military posture in that part of the world, at a tremendous cost to the American people. Much of the weakness of the dollar in Euope is attributable to the fact that our commitments there are too great.

All we are saying today is to look at it sensibly, from the vista of 1973 and not from the vista of 1950.

While we intend to remain in Europe and do our share, I think the time has come when we have to bring our posture up to date. If we do, even our allies will congratulate us for stabilizing the American dollar.

Once more, I congratulate the distinguished majority leader.

Mr. MANSFIELD. I thank the distinguished Senator from Rhode Island.

Mr. MOSS. Mr. President, I commend the distinguished majority leader for his statement. I certainly join wholeheartedly in supporting the kind of action that he has outlined. It seems to me that the adjustment talked about is long, long overdue.

As the distinguished Senator from Rhode Island (Mr. PASTORE) has just pointed out, this does not mean that we withdraw from Europe or retreat into any sort of isolationist position. It simply means that we recognize the realities of the times in which we live today which, coupled with our economic problems, indicate that we must withdraw a great deal of the money we are sending overseas for no apparent purpose.

What could we do with three divisions in Europe if a ground war started there? All those three divisions could constitute would be a trip wire. All of us recognize that.

Why do we need three divisions, over 300,000 men, or whatever the number is, if all we are doing is a symbolic thing, of having a trip wire to show our concern for the Europeans? We must recognize that fact.

As I understand it, we are talking about other worldwide commitments that we have. We have farflung bases around the world, many of them set up at one time which, for one reason or another, have continued to exist and we continue to support them for no reasonable military purpose.

The PRESIDING OFFICER (Mr. HATHAWAY). The time of the Senator from Montana has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my remaining time under the order and all other reserved time remaining under the orders previously entered may be allotted to the distinguished Senator from Montana (Mr. MANSFIELD).

The PRESIDING OFFICER. Without objection, it is so ordered. The time remaining is 20 minutes.

Mr. MOSS. Mr. President, I shall conclude because I know many of my colleagues wish to speak in the same vein and I need not argue the ground all over again, but it seems to me that the time is long past due when we must make this kind of economic commitment, because of what we have been doing so profligately around the world. At the same time, we should take immediate action, in concert with the President and with our minority party in Congress, to take the immediate steps we need to withdraw much of our military power abroad.

Mr. MANSFIELD. I thank the distinguished Senator.

I yield to the Senator from Michigan.

Mr. HART. Mr. President, I will not take more than a moment to voice support of the action that has been described by the majority leader. Many reasons can be assigned in support of it.

First, the time to eliminate waste of money is when you identify a waste. I think we have long discussed the imprudence economically of the kind of personnel we have committed in Europe. Let us now act to reduce, if not eliminate, that kind of waste.

Second, events in the last month—the Warsaw and Moscow Treaties—I think highlight the kind of stability that has developed on the continent, which argues again that we should recognize that our commitment initially was made in response to a world that no longer exists, that it is a different kind of continent, that tensions have lessened, and that the need for our presence proportionately lessens.

I appreciate what the majority leader has done, and I hope we will find that the Senate, without reference to the aisle that divides us, will support him.

Mr. MANSFIELD. I thank the Senator.

I yield to the distinguished Senator from Missouri.

Mr. SYMINGTON. Mr. President, I commend the distinguished Senator from Montana, our majority leader, for the submission of his resolution in the matter of reducing American troops overseas. He has been the leader in this matter in the Congress, but not the leader in the United States. The original suggestion came from the late, great President Dwight D. Eisenhower, who knew at least as much about the military aspects of NATO as anybody, he being the first commander of SHAPE.

It would seem the problem is becoming ever more simple. Do we or do we not want to destroy the economy of the United States? Ten years ago, 1963, on this floor in a series of speeches, I presented that if we continued with policies which resulted in shipping billions, upon billions, upon billions of dollars out of this country, we could only end up by passing over the control of our economy to foreign central banks and foreign governments, primarily, of course, the central banks of Europe.

Not long ago the Smithsonian Agreement was termed by the President the greatest financial arrangement in the history of the world, but 14 months later the dollar was devalued again; and I am as sure as I am standing in this Chamber that unless policies change, it will be further devalued.

Last year, we had a heavy deficit in the private trade sector, much heavier than the year before; and the year before was the first deficit in the private sector since 1888. It is my understanding that today foreign interests, including the current very wealthy people in the Middle East who have oil, are purchasing heavily in U.S. corporations. All this but accentuates the growing danger to our economy resulting from the policies we have adopted with respect to the cost to our taxpayers of our overseas commitments all over the world. No economy, not even that of the United States, can continue indefinitely to police and babysit the world. Anyone who travels knows we have few friends except those we pay in order to be able to tell them how to govern their lives.

The distinguished majority leader has been consistent over the years in his position on this matter.

I believe a sound economy is just as important to the security of the United States as the latest weapons system, and am only sorry some of my colleagues have not agreed.

Today much if not most of the control of the American economy has passed to financial interests outside of this country. That is a dangerous development; therefore I am glad to support the resolution brought to the floor by the distinguished majority leader, for this reason as well as others.

Mr. MANSFIELD. I thank the distinguished Senator.

I yield to the distinguished Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I commend the majority leader on his leadership.

The point here is that, since the President laid down the gauntlet of fiscal integrity, balanced budgets, controlled spending and spending limits, the reaction of the U.S. Congress has been only that of increased spending. This reaction was brought about by the fact that the President unconstitutionally impounded funds, and the only recourse Congress had to continue certain ongoing programs was to reinstitute them and to reaffirm our confidence in them as viable and responsible programs. But that action has brought us generally into disrepute, because it has caused the people to believe that rather than trying to save, rather than standing foursquare for balanced budgets, rather than pursuing our prior record during the Nixon years of 1969–72 which actually reduced President Nixon's requests by some $20.2 billion, that we are guilty of being reckless spenders.

It is significant, therefore, that the majority leader is taking the lead in showing how we can intelligently and responsibly respond by the constitutional act of Congress, and come to grips with the problem.

I emphasize "constitutional act" rather than "constitutional law" or "petition." Up to now, some of our colleagues have used different ways—to bring a lawsuit; to cite the Constitution; to angrily appear on TV, talking about image and the unwarranted and unconstitutional invasion of congressional power by the President.

The people could care less about power. What they are looking for is results. They are looking for economy, and a government that can stabilize and control itself and order its priorities.

The majority leader has begun to order those priorities in a responsible fashion by stating, simply, that we are not bugging out, that we are not going isolationist, but that we are looking at the front line of the defense of America—the stability and value of our American dallar. As we look to that, we find the dollar seriously undermined by two devaluations in a 14-month period, by the imposition of wage and price controls, by attempts to bolster the gold standard and rearrange our responsibilities under the gold reserves of America.

In every fashion, the United States is somewhat like a 10-round boxer, reeling, and trying to catch his balance. I believe the first place to catch our balance is in the matter of military deterrence. What really is the best way to put the American foot forward and stand as strong as we possibly can?

I yield to none of the hawks. I happen to be one who voted against the SALT agreement. While I voted for the ratification of the SALT treaty, I voted against the agreement, because inherently it guaranteed an imbalance; and I felt that in our zeal for an agreement, we had given the balance and the advantage to the Soviets.

I am one who called for the type bombing we saw in December last year, from the 18th to the 28th; and not a blanket bombing, by the way. We never have discussed this matter intelligently on the floor of the Senate. When the Senator from Indiana (Mr. BAYH), the Senator from Hawaii (Mr. INOUYE), the Senator from Alaska (Mr. STEVENS) and others visited Southeast Asia earlier this year and were briefed, we discovered the meticulous, careful, pinpointing of military targets that had taken place during the 10-day period. We saw how our military force was brought to bear on the North Vietnamese to show that we meant business.

So to come from me, a proposal to withdraw U.S. troops from Western Europe is not in any sense a "bug-out" or a "withdrawal of commitment to NATO." On the contrary, it is strengthening NATO for what it is, because at this time our part on the frontline with NATO is vested more in the nuclear than in the number of troops.

If we get to the number of troops, we do not have to use the actual number which we as Senators are furnished on a restricted basis. We can look at last month's issue of U.S. News & World Report and find out that the Soviet Union has a 2-to-1 advantage in troops, that she has a 2-to-1 advantage in aircraft, that she has a 3-to-1 advantage in the number of tanks. So discard the word "balance," and the notion that anything there is balanced. That is one of those Madison Avenue gimmicks that have gone on since NATO was established. There is no idea of employing a so-called balance of threat with the Soviet countries. Colleagues will talk about Czechoslovakia and Hungary, and I say to them, we did not use that so-called balance because that is not the posture of the U.S. defense.

Our posture is the same policy of commitment and resolve of the little country of Israel. Those who support Israel come here and argue about pulling the rug from under NATO, and those who support NATO talking about withdrawing commitments and making things shaky through reduction of forces.

Let us harken the physical fact and experience of Israel. I went to the front lines of this little country, and on the Bar-Lev line on the Suez Canal where men were enbunkered in a 360 degree posture and could be easily overrun in 2 hours by the Egyptian forces on the other side. The Israelis say they could be overrun in the first hour or two, but in the next hour Israel would take Cairo, and the Egyptians know it. They are supplied by 14 countries. They stand fast. Why? Not because of the number of troops in the front line; but rather, because of the real deterrent, the resolve of commitment. And this is America's first or front line as well.

Specifically, as to our forces in Europe, I visited the Central Army Command in Heidelberg last November. I reiterate my support for ABM, for equipment, and materiel, but it is my considered judgment, and I would challenge my military friends to refute the statement, that our military policy, posture and deterrent in Europe is to go nuclear within 72 hours.

With the present mutual balance of force reduction, we would have to go at this present minute. They will tell you from the lowest private to the highest general that we have to go nuclear in 72 hours.

Then we can back our Commander in Chief, Gen. Dwight David Eisenhower, one of the greatest military minds of all time, the Republican President of 8 years. He was not pulling the rug out from under anyone, he was not springing up by sudden Senate resolution on March 15, 1973. On the contrary, as a result of his considered judgment, experience as both Commander in Chief and President, military, and civilian, he said, and I quote him:

> One American division in Europe can show the flag as definitely as can several.

This is a Republican initiative and I hope Republicans will respond to it.

So there it is. What we are getting at is 100,000 trip wires are just as good as 535,000 troops and dependents. At the present time we have 325,000 actual troops, and the rest are dependents they are all spending their time skiing, sledding, and apple struddling all over Western Europe, especially Germany. They are getting into trouble and argument involving drugs and other things—and from a policy standpoint, they are bringing rejection and disrepute upon America itself. We do not need those dependents, we do not need all those troops to maintain our posture. We can accomplish our military objectives with 100,000 troops. We can save the recriminations and disrepute by bringing the rest home.

If 27 years later we had foreign troops walking down my main street, I would resent it. It is human nature. The admonition is on the main street in Bonn, Germany: get out of your uniform and try to look like a German. We do not want to go through the terrible political struggles that came about in France where if we had not gotten out a free government would have fallen. France and Charles de Gaulle knew. He was tickled to death to have our troops over there. Then we had become an object of disregard and dispute and it worked against our military policy and national security, rather than assisting it.

I would emphasize one other point about unilateralism. I accompanied the distinguished majority leader to seven capitals in Europe. One could see that State Department crowd at work. Wherever we went the local interests knew about Senator MANSFIELD and the Mansfield amendment. They wanted to get him into immediate action by pointing out how it would all come apart at the seams if he did anything by way of reducing our number of troops. What the multinational corporations and the local interests are concerned about is financial support and deposits.

Well, it did not come apart at the seams when France said to get out. It did not come apart at the seams when Norway said, "We do not want them here." It did not come apart at the seams when Denmark acted unilaterally and reduced its draft from 1½ years to 6 months. It did not come apart at the seams when Israel acted unilaterally and brought into question our base there. It did not come apart at the seams when any other nation has acted unilaterally. It did not come apart at the seams when they acted, as the leader pointed out, to tax our facilities.

It all comes into focus when the Germans say, "Mr. America, defend your dollar." Here we have gone out for years helping to pay the bills of the other crowd, being taxed by them, and actually being derided about not being economically sound. Then, when we act in an economically responsible fashion, we are asked to defend our dollar.

Mr. President, this has gotten to the ridiculous stage.

The PRESIDING OFFICER. The time of the Senator from Montana has expired. Under the previous order the Senator from Virginia is recognized for 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I am glad to yield 3 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator is recognized.

Mr. HOLLINGS. I thank my colleague.

Mr. President, I would emphasize, in addition to the unilateralism, in addition to the matter of mutual balance of forces, the point made by Lord Palmerston some 100 years ago that England has no permanent friends or permanent enemies; she only has permanent interests.

What is the best interests of the United States of America? We must first, in this Congress, get on with establishing and stabilizing a fiscally sound economy or we will not have a front line of defense. I intend to elaborate later when he have more time, but simply stated this proposed withdrawal is nothing more than President Richard Nixon's "Nixon doctrine."

I think the best way to memorialize the returning prisoners of war—as well as those who have gone on, some 55,000 killed in Vietnam and 303,000 who have been wounded there—is to tell the truth about Vietnam.

One of the salient features and thrust of our policy there was that we would be treating the yellow man the same way as the white man, that American foreign policy was color blind. The Nixon doctrine for the Far East is no troops, just economic support and military aid. What we are trying here today is not to pull out any rugs, withdraw from any treaties, bug out, or anything like that. We are trying to turn the ship around and to act responsibly by changing our priorities, saving the American dollar, and, in foreign policy, enacting the Nixon doctrine in Europe as well as in the Far East.

I thank my distinguished colleague from Virginia.

THE PETERSBURG (VA.) CASE AND THE VOTING RIGHTS ACT

Mr. HARRY F. BYRD, JR. Mr. President, the city of Petersburg, Va., has become the latest victim of an outrageous act—the misnamed Voting Rights Act, first enacted in 1965 and extended in 1970.

A three-judge Federal court, on the basis of allegations of discrimination, has in effect ordered Petersburg to abandon its progressive, at-large system of representation on its city council and move to some form of a ward system.

The U.S. Supreme Court has declined to review the decision.

The Petersburg case is most regrettable, but I must say that I do not lay the blame for this situation entirely upon the courts. It is the Congress which is at fault for first passing, and then extending the so-called Voting Rights Act.

This act was sectional in its conception. Discrimination against the South is woven into its very fabric.

The Voting Rights Act was carefully tailored to strike at the South. It places the entire electoral processes of seven Southern States under close Federal supervision—and leaves the rest of the States free to do as they please.

In Virginia and the six other States subject to this law, no change—however slight—may be made in election laws without obtaining Federal approval. And every act of every election official in these States is subject to Federal dictation.

I doubt that legislation more outrageous or more unfair ever has been enacted.

Under the provisions of this inequitable law, the representation system in Petersburg was challenged after the city annexed about 14 square miles of territory in two adjacent counties. The court specifically held that the annexation was not carried out with the purpose of diluting the representation of any minority group in the city. Nevertheless, the city is being forced to abandon at-large elections and go to a ward system—a system which has been in disrepute in municipal government for years.

But unfortunate though this case may be, it is not this particular situation or this particular decision which is the problem. The problem is the law itself—the discriminatory Voting Rights Act.

I believe this law should be repealed. It never should have been enacted.

But if it is not repealed, then I say it should be applied to all 50 States. Every political jurisdiction in the United States should have to operate under the same set of rules.

Any voting law which applies to some States and not to others is unfair, unjust, and I should think, unconstitutional.

Mr. President, the City Council of Petersburg has adopted a resolution submitted by Dr. Fletcher J. Wright, Jr., calling for equal application of the law in all parts of the country. I ask unanimous consent that the text of that resolution be included in the RECORD, along with two editorials and one news article about the Petersburg case and its implications which were published in recent editions of the Petersburg Progress-Index.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION PRESENTED BY DR. FLETCHER J. WRIGHT, JR. AND APPROVED

Whereas, the action of the U.S. Supreme Court March 5, 1973 in the Petersburg Council Election case clearly confirms the fact that the Voting Rights Act of 1965 discriminates against any and all municipalities in the seven states it covers and,

Whereas, by condemning them to accept a court admitted inferior form of government, this act sets them apart from the rest of the country.

Now therefore be it resolved that, should this act continue to cover the Commonwealth of Virginia, the Council of the City of Petersburg hereby respectfully requests our two Senators and ten members of Congress to use their influence in an attempt to amend the act so that it encompasses the entire United States of America.

CASE IN GOVERNMENT, NOT POLITICS

Petersburg City Council this week approved by a three-to-one vote a resolution asking that the Voting Rights Act of 1965 be amended so that it encompasses the entire United States.

In proposing the resolution Councilman Fletcher J. Wright Jr., said the law discriminates against the states to which it applies by forcing them to adopt "a court-admitted inferior form of government." The law is the basis for the judicial decision requiring Petersburg to change from at-large councilmanic elections to a ward system of choosing members of the city governing body. If the pattern of the decision of the three-judge federal court and the refusal of the Supreme Court to hear Petersburg's appeal prevails, it would seem to follow that the same fate awaits Richmond and any other city in the states covered which happens to annex territory.

The logic of the resolution is almost beyond challenge. If anyone has said a good word for the ward system, except on the ground that it is needed to prevent dilution of black political strength, we are not aware of it. A change in the racial composition of a city's electorate, whether it is described as resulting in dilution or something else, is almost certain to result from successful annexation proceedings anywhere in the United States. Protection of black or other so-called minority political rights would stand in as much need of protection there—perhaps more so, since certain other states still impose literacy tests and have registration procedures of their own devising—as they do in the states affected by the law.

The idea of extending the coverage of the law to the nation is not new. It does not have to be advanced in a spirit of protest. Proposed amendments of the kind were voted down when the law was extended three years ago. It may be recalled that former Senator William B. Spong, in defending his vote in favor of the act as extended, explained he had supported amendments which would have given it nationwide application.

Rejection of the proposal was a political response. Because there is a sense of fair play in public affairs, rejection need not be the final word. The resolution of Petersbur City Council is offered not as a criticism or a protest. Copies of it are being sent to the members of the Virginia delegation in Congress asking them to use their influence to have the other states in the Union included, if Virginia continues under its restrictions.

Our point is that the resolution, instead of being a gesture, is an opportunity for making a start in a good direction. It would be desirable for other municipalities and other organizations to take such action.

That the subject could come to be viewed as an important problem in government, which it is, and not as a political issue, is not out of the question.

A Regressive Move Is Ordered

Although nothing in the Constitution of the United States defines such a role or confers such authority, and although it has reached the status largely through its own decisions and by abdication of responsibility by the other two branches of the federal government, the Supreme Court of the United States is the ultimate exerciser of the nation's sovereignty. What it says becomes "the law of the land." The law of the land will be obeyed.

By refusing to hear Petersburg's appeal from the decision of a three-judge federal court, the Supreme Court is requiring the city to abandon the at-large system of electing members of its governing body and to return to the ward system of choosing councilmen. It matters not that this is a regressive move and has been so recognized, practically without debate, for half a century.

It is to be hoped that the change will not be attended by return of the disadvantages which were recalled vividly when the shift to at-large election was made more than 50 years ago, in line with enlightened principles of local government. Logrolling, reciprocal back-scratching, and a small-gauge, short-sighted view of urban government were its hallmarks.

Not that there is much consolation in the detail, but Petersburg figures in a Supreme Court disposition which is of landmark status. Barring some mysterious technicality, it would seem to foreshadow a decision in the comparable Richmond case. It would seem, further, to predict the sequel for any annexation which may occur in six Southern states.

Thus it would seem to establish national policy with regard to all cities in a large region of the United States. Because cases and issues of much less moment and effect upon policy than this one have been given the full treatment by the highest court, there is merit in the view of Justice William O. Douglas. He said the court should have heard the case. The impression created of almost casual disposition of a major issue, is as uninspiring as it is surprising.

As for the details and mechanics of the move back to the ward system of electing members of the city government body, Petersburg is understood to have less than 30 days to prepare and submit such a plan. We assume that local initiative and decision will figure in this, although it might be easier and more expeditious if an appropriate federal authority would just prepare and hand down a blueprint.

The reason for the regressive move which is required is that Petersburg's recent annexation of land and people from Dinwiddie County and Prince George County resulted in a small majority of whites instead of a small majority of blacks, that black political strength has been diluted.

There is a possibly cheering recognition by federal authority that such dilution was not the purpose of the annexation, but the effect is deemed more important than intent. The assumption of the Voting Rights Act seems to be that race is the paramount if not the only factor in local politics. We wonder if race ever has been that dominant.

The thought evidently does not disturb black leaders, and the details of the ward system remain to be seen, but speculation, not uninformed, suggests a strange possibility. It is that one effect, if race is such an important consideration, would be to consign black political strength to representation by a permanent minority on the governing body. That would be a weird consequence for a change supposedly sanctioned by racial justice.

The decision of the three-judge federal court and the Supreme Court's refusal to hear the appeal have to do with a case arising under the Voting Rights Act with its selective application. The assumption that the policy of requiring ward system election in the six states affected would seem to be sound. Virginia because of recent action by its General Assembly supposedly is taking steps to be excluded from application of the Voting Rights Act. There is no knowledge that progress is being made. Certainly we have no reason to assume that favorable action by the Department of Justice would have any bearing upon court decisions already handed down.

Annexation of adjacent land and people is familiar procedure for cities throughout the United States. It probably is a rare city which does not have a racial composition which would not be altered by annexation. If racial political rights in Petersburg need the protection supposedly provided by the law and the judicial interpretation of the law, then the same principle should apply everywhere. Surely it would be appropriate in those cities of the North and West in which the population of the inner city is largely that of a so-called racial minority. Anyone who thinks that such protection will be extended throughout the nation is probably already standing on his head awaiting an era of one nation and one set of laws for the nation.

The whole transaction should be noted by whose who in poetic moments speak of local government as the government closest to us, the one to be participated in, relied upon, and watched with greatest interest. What better illustration that life is directed from Washington, with state and local governments functioning in administrative capacities and attending to matters which federal authority has not taken over, can be found than this one?

Council Feels VRA Should Apply to All

(By Jeanne Sellers)

Petersburg.—City Council voted Tuesday night to ask the Voting Rights Act of 1965 be amended so it encompasses the entire United States.

Virginia is one of seven states under the Voting Rights Act now, and Councilman Fletcher J. Wright Jr. said it discriminates against those states by forcing them to follow "a court-admitted inferior form of government."

Dr. Wright introduced the resolution calling for Virginia's two senators and 10 representatives to use their influence to include the other 43 states in the Voting Rights Act, if Virginia continues under its restrictions.

The resolution was passed by a 3-1 vote. Councilman John VanLandingham and Mayor Arlie Andres joined Dr. Wright in supporting the measure. Councilmān Conrad Akers was absent.

Hermanze E. Fauntleroy Jr., the lone councilman who opposed the resolution, said the council's efforts "could be better spent developing a positive action plan" to implement the court order.

A three-judge U.S. District Court in Washington has said the city must abandon its at-large election of councilmen, and the Supreme Court refused Monday to hear Petersburg's appeal. The district court contended Petersburg's annexation of 14.12 square miles of Prince George and Dinwiddie counties last year discriminated against black voters.

Dr. Wright, saying he did not intend to be critical of the courts or the Justice Department, said many laws have been found not to be in the best interest of the country.

The vice mayor said he did not want to do anything to impair implementation of the court order.

ORDER OF BUSINESS

Mr. HARRY F. BYRD, JR. Mr. President, I am glad to yield the remainder of my time to the distinguished Senator from South Carolina (Mr. Thurmond).

Mr. THURMOND. Mr. President, I wish to thank the distinguished Senator from Virginia, and to inquire how much time is left.

The PRESIDING OFFICER. There are 8 minutes remaining to the Senator from Virginia and the Senator from South Carolina has an additional 15 minutes.

Mr. THURMOND. I believe I have 23 minutes. Is that correct?

The PRESIDING OFFICER. The Senator has 23 minutes.

UNITED NATIONS SECURITY COUNCIL MEETING IN PANAMA CITY

Mr. THURMOND. Mr. President, the United Nations Security Council is convening today in an extraordinary session in Panama City, Republic of Panama. This is the first such session to be held in a geographic area of controversy. It has been called not to subdue the controversy, but to heighten it.

The agenda of the meeting is also controversial, because it concerns matters that are wholly a U.S. domestic concern; namely, the exercise of U.S. sovereignty within U.S. territory. That territory, of course, is the U.S. Canal Zone.

There is no doubt whatsoever that the United States exercises total sovereignty in the zone. That was the intention of Congress in accepting the historic grant of sovereignty from the newly created Republic of Panama in 1903. Congress not only accepted the grant, but additionally bought up all titles in the zone. Congress has erected a U.S. Federal court system in the zone, Congress organized the Panama Canal Company to operate and maintain the canal, and Congress provides for the defense of the zone.

In other words, Congress has consistently exercised its rights as to jurisdiction over U.S. territory as provided in article IV, section 3 of the U.S. Constitution.

NOT U.N. BUSINESS

For the United Nations even to consider discussing, much less to take action upon, matters wholly within our domestic affairs is contrary to the letter and spirit of the United Nations Charter. Our operation of the canal and our exercise of sovereignty in the zone cannot be considered a threat to world peace by any stretch of the imagination; indeed, it is just the opposite. Our operation of the canal has been a source of stability in the hemisphere, and a boon to world commerce. The United Nations has no business whatsoever discussing the canal.

The agenda at the special session constitutes a serious deterioration of our leadership position. Panama invited the meeting, and naturally got strong support from the Soviet Union and Communist China. The United States Ambassador to the U.N. at that time spoke against the special session, but did not veto it.

INTERNATIONALIZATION

Now, for the first time, the Panama Canal question has been internationalized. Up to this point, a question of a new treaty was a bilateral matter between the United States and Panama. The matter has been put upon the board for discussion by all major powers. It can easily slip into the category of the Mideast, Cyprus, Vietnam, and Korea. We should have taken all possible steps to prevent an internal matter from being equated with truly international problems. We know that control of strategic waterways is a vital question to our future; yet if we are not careful the internationalization of the discussion could easily escalate into internationalization of the canal.

In my judgment, Congress will never permit the internationalization of the canal. Indeed, there is a growing articulation of congressional displeasure with any alteration of our basic jurisdiction in the Canal Zone. Many Members of both the House and the Senate have freshly expressed their concern over moves to surrender our sovereign jurisdiction. The executive branch, beginning with President Johnson, has made the abrogation of our sovereignty the starting point of negotiations for new treaties with Panama. Old habits die hard, and I am sorry to say that this attitude has continued under the present administration. The virtual collapse of the present negotiations—the second major collapse—gives us time for a fresh start, and time to reassess the mood of Congress.

CONGRESSIONAL JURISDICTION

I think that Congress will resent the meddling of the State Department in an area which is essentially within the jurisdiction of Congress. This is territory of the United States, as I have pointed out, under article IV, section 3. Congress should consider carefully what the State Department has been doing: The State Department has been negotiating with a foreign country to extinguish congressional jurisdiction in an area of 70 years standing. With the Spooner Act of 1902, Congress authorized the negotiations to acquire sovereignty; yet Congress has not authorized negotiations for the extinction of that sovereignty. The State Department has erred in not preventing the intervention of the United Nations into our internal affairs; but the State Department has also erred in intervening itself into areas beyond its juridical competency.

The mood of Congress is to reassert itself; and I think that when the time comes for the canal question, Congress shall.

For there can be no question of giving up just a little bit of our sovereignty in the Canal Zone. The long-range attitude of the present advisers of Omar Torrijos is for the complete expulsion of U.S. jurisdiction in any shape or form. The chief Panamanian negotiator, Dr. Jorge Illueca, expressed it this way in a defiant speech on December 12, 1972:

> We, the Panamanians, are going to assume full responsibility for that canal. This means a Panamanian Canal, which is what Panama wants, a Panamanian canal, operated by Panamanians, for Panamanians, for the benefit of Panamanians.

PANAMANIAN POSITION

In the recent past, the Republic of Panama has repeatedly indicated that it wished to enter into negotiations with the United States leading to an abrogation of article III of the Hay-Bunau Convention of 1903. Under article III of the convention:

> The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

The recently published new Constitution of Panama contains a provision stating that:

> The territory of the Republic of Panama comprises the land surface and the air space covering it between Colombia and Costa Rica, in accordance with the boundary treaties entered into by Panama with those States. It includes the territorial sea, the continental submarine platform, the lakes and rivers . . .
>
> The national territory may never be ceded, transferred or placed under lien, either temporarily or partially, to a foreign state.

It is in connection with these provisions of the proposed new constitution that Marcelino Jaen, chairman of the constitutional drafting commission, asserted that the above-mentioned text responds to the national goal of recovery of jurisdiction over the Panama Canal Zone.

On September 12, 1972, the New York Times reported that Panama's newly elected Assembly of Community Representatives today charged that the Panama Canal Zone was being occupied arbitrarily and voted to reject the $1.93 million the United States pays annually to use it. It—the Assembly—said the rejection of the annual payment was called for:

> In order that the entire world know that this strip of Panamanian land known as the Panama Canal Zone has not been purchased, or conquered, or annexed, or ceded, or rented, or its sovereignty been transferred by the Republic of Panama to the United States, but that it has been occupied arbitrarily as the result of a unilateral application and interpretation of the 1903 treaty which is annoying to national dignity.

These various recent indications and attempts to abrogate, renegotiate or reinterpret article III of the Convention raise the question of the rights of the United States under article III of the convention and subsequent treaties and understandings with the Republic of Panama.

THE PURPOSE AND FUNCTION OF THE CANAL AND THE CANAL ZONE

Clearly, the canal serves to an ever-increasing degree a vital American, NATO and ANZUS strategic purpose. It is equally vital for maintaining competitiveness in the ever-growing intra-American and international trade. In addition, it cannot be disputed that the effective and efficient achievement of the very purposes of the canal, which are an inherent part of the American national interest, depend on the "efficient maintenance, operation, sanitation, and protection"—of the canal—which cannot be guaranteed by granting only rights in the canal itself. These four and a number of auxiliary functions, which are necessary for the achievement of the canal's purposes, can only be guaranteed if the necessary rights are granted to a technologically and managerially sufficiently potent power; namely, the United States. These rights include "the use, occupation, and control" of a zone wide enough for the effective discharge of the above-mentioned obligations of the United States.

Already the Hay-Pauncefote Treaty of 1901, concluded between the United States and the United Kingdom, established that an Isthmian Canal might be constructed under the auspices of the Government of the United States and that the United States should have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal. This is also the reason why article III of the convention has always been regarded by the United States as a keystone in the structure of its rights in the Panama Canal and the Canal Zone. Bunau-Varilla himself stated that:

> I decided to grant to the United States in the interior of the zone, all rights, powers and authority that she would have if she were sovereign, to the entire exclusion of any such rights, powers and authority by the sovereign Republic of Panama.
>
> The United States, without becoming the sovereign received the exclusive use of the rights of the sovereignty, while respecting the sovereignty itself of the Republic of Panama (From Panama to Verdun (1940) 158).

This is exactly the position which the United States has always and unequivocally taken since 1903. In this connection, it will suffice to refer to the remarks made by Secretary Taft in his letter to President Roosevelt which has been inserted into the record of the hearings on interoceanic canals on April 18, 1906. There, Secretary Taft said that:

> The truth is that while we have *all the attributes of sovereignty necessary in the construction, maintenance, and protection of the Canal,* the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and *as we have conceded to us complete judicial and police power and control over the zone* . . . I can see no reason for creating a resentment in regard to what Secretary Taft referred to as "mere titular sovereignty." (Hearings, p. 2399)

Summarizing previous official statements, Secretary Hughes reiterated them in 1923 when he said that:

> The grant to the United States of all the rights, power and authority which it would possess if it were the sovereign of the territory described, and to the entire exclusion of the exercise by Panama of any such sovereign authority, is conclusive upon the question you raise. The position of this Government upon this point was clearly and definitely set forth in the note of Mr. Hay to Mr. de Obaldia of October 24, 1904.

In conversation, Secretary Hughes said:

> This Government could not and would not enter into any discussion affecting its full right to deal with the Canal Zone under article III of the Treaty of 1903 as if it were the sovereign of the Canal Zone and to the exclusion of any sovereign rights or authority on the part of Panama . . . This must be regarded as ending the discussion on that matter.

In a note dated October 13, 1923, the Secretary refused to agree to arbitrate "any question attacking the exercise of sovereign rights of the United States explicitly granted under article III of the treaty of 1903 with Panama."

TREATY OF 1936

Since the United States had regarded article III of the convention to be the keystone of its rights in the Panama Canal and in the Canal Zone, article XI of the general treaty concluded between the United States and Panama on March 2, 1936, provided specifically that the juridical status as defined in article III of the convention remained unaltered.

In addition, article XI of the 1936 treaty provided that:

> The provisions of this Treaty shall not affect the rights and obligations of the Two High Contracting Parties under the treaties now in force between them, nor be considered as a limitation, definition, restriction or restrictive interpretation of such rights and obligations . . .

In addition, article I, paragraph 3 of the 1936 treaty provides expressly that:

> In view of the official and formal opening of the Panama Canal on July 12, 1920, the United States of America and the Republic of Panama declare that the provisions of the Convention of November 18, 1903, contemplate the use, occupation and control by the United States of the Canal Zone and of the additional lands and waters under the jurisdiction of the United States of America for the purposes of the efficient maintenance, operation, sanitation and protection of the Canal and of its auxiliary works.

The Department of State stated—in response to an inquiry—in a letter of May 18, 1950 that:

> An examination of past legislative and judicial pronouncements in point shows that the status of the Canal Zone has always been defined in relation to a particular purpose "namely the efficient maintenance, operation, sanitation and protection of the Canal" but never so generally as to provide a definition for all intents and purposes. (3 Whiteman, *Digest of International Law* (1964) 1146).

1955 TREATY

After lengthy negotiations the United States and Panama signed on January 25, 1955, another Treaty of Mutual Understanding and Cooperation together with a Memorandum of Understandings Reached which was attached to the treaty. Importantly, the treaty of 1955 stated that both parties recognized that:

> . . . Neither the provisions of the Convention signed November 18, 1903 nor the General Treaty signed March 2, 1936, nor the present Treaty, may be modified except by mutual consent . . . (preamble).

The position which the United States has taken in the course of all these decades was clearly restated by Deputy Under Secretary Merchant when he left Panama on November 24, 1959. He said on that occasion that:

> During the course of our discussions, in response to a question by the President of Panama, I assured him that the policy of the United States Government with respect to the status of the Canal Zone remains as it had been stated more than 50 years ago to the effect that the United States recognizes that titular sovereignty over the Canal Zone remains in the Government of Panama (*Dept. of State Bulletin* No. 1068, Dec. 14, 1959, p. 859).

Finally, Secretary Dulles stated at the time of the 1956 Suez Canal crisis that:

> There has been a good deal of speculation as to possible similarities between the Suez Canal and the Panama Canal. Actually, the situation is totally dissimilar in two vital respects. First, the juridical, the legal aspect of the problem. The Suez Canal by the treaty of 1888 is internationalized. The Panama Canal is a waterway in a zone where, by treaty, the United States has all the rights which it would possess if it were the sovereign "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority." And there is no international treaty giving other countries any rights at all in the Panama Canal except for a treaty with the United Kingdom which provides that it has the right to have the same tolls for its vessels as for ours.

In conclusion, then, article III of the Convention; two subsequent treaties—1936 and 1955; Bunau-Varilla; as well as numerous official statements made by the United States and the active exercise of the latter's rights under the various treaties has made it unequivocally clear that the rights of the United States in the canal and in the zone are an indivisible entity. This indivisible entity comprising the exercise of sovereign rights by the United States in the canal and in the zone were established and have to be maintained as long as the United States operates the Panama Canal. The indivisibility of these rights is due to the fact that effective operation of the canal becomes impossible if the United States limits its freedom of action in the zone to anything less—however minimal—than the full exercise of all sovereign rights. Any restriction, however minimal, of the present rights of the United States would make effective operation of the Panama Canal impossible because it is exactly the exercise of sovereign rights which enables the United States to take immediate action whenever necessary; that is, specifically, in the case of emergencies.

SOVEREIGNTY AND THE EXERCISE OF SOVEREIGN RIGHTS UNDER INTERNATIONAL LAW

The question, then, arises whether it is possible under international law to separate the rights inherent in sovereignty from the residual title to sovereignty. The answer to this question is that there exists no doubt whatsoever that it is in complete conformity with international law to transfer the rights inherent in sovereignty to another state while the transferring state retains merely the residuary title to sovereignty. The rights inherent in sovereignty may—depending on the underlying customary rule or treaty provision—revert to the transferor in due course. Needless to say, such a transfer of rights inherent in sovereignty will always, as will be shown below, be limited to either a part of a state's territory and/or to the exercise of sovereign rights by another state or international body in connection with the performance of specific functional purposes.

Sovereignty is the sum total of the exclusive rights, power and authority which are necessary to govern and administer a territory internally and externally with respect to all issues and problems that may arise in the course of such governance and administration. Clearly, a complete category of such problems and issues can never be established a priori because the most complex problems and issues connected with the exercise of sovereign rights arise from unpredictable emergency situations. In other words, it is impossible to anticipate and to list all possible contingencies which may occur in the future and which may be related to the above-mentioned purpose of maintaining, operating, protecting, et cetera, the canal. It is exactly the right of the United States to take appropriate action related to the above-mentioned purposes in unpredictable emergency situations, which constitutes the innermost meaning of the rights, power, and authority to which article III of the convention refers when it uses the words that the rights and powers of the United States should be identical with those:

which the United States would possess and exercise if it were sovereign of the territory . . . to the exclusion of the exercise by the Republic of Panama of any such sovereign rights, power and authority.

We must conclude, therefore, that our rights in the Canal Zone are clearly on record and must be carefully safeguarded. Congress intended that the United States should have sovereignty and always acted as the sovereign in the area. Congressional jurisdiction is not an item negotiable by the State Department. Panama—and the United Nations—will be seriously misled if either believes otherwise.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield to the able Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask the Senator from South Carolina, is it correct that the United States acquired rights in Panama after negotiating a treaty with the Panamanian Government, which treaty was ratified by the Senate of the United States?

Mr. THURMOND. Mr. President, the Senator from South Carolina would respond affirmatively, that that is the case.

Mr. HARRY F. BYRD, JR. Then if there is to be any change in that treaty, I would assume that there could be no change, but if there is a change in that treaty, it first must come to the Senate of the United States to ratify the change in the existing treaty?

Mr. THURMOND. Mr. President, that is certainly my understanding, because the United States owns the Panama Canal Zone. It was acquired by treaty, and I do not see how anyone could change that unless there were other action taken. In fact, our Government now owns it, and many people take the position that it would take a law of Congress to change that, that it would take the action of both bodies to change it, that even the Senate itself by treaty could not do so, since it is now our property, and the general law provides that when property this country owns is disposed of, it has to be done by law enacted by Congress.

Mr. HARRY F. BYRD, JR. I would think so, too, but I would also think that any change in the treaty would require a two-thirds vote, must come before the Senate and would require a two-thirds vote before it could be approved.

Mr. THURMOND. That is exactly correct; any change by treaty would have to come before the Senate and receive a two-thirds vote to do so.

Mr. HARRY F. BYRD, JR. I thank the Senator, and I thank him for bringing to the attention of the Senate today this important issue.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF COST OF LIVING COUNCIL ON POSITIONS IN GS GRADES 16, 17, AND 18

A letter from the Acting Assistant Director for Management, Cost of Living Council, transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, dated January 30, 1973 (with an accompanying report); to the Committee on Post Office and Civil Service.

PROPOSED AMENDMENT TO THE NATIONAL VISITOR CENTER FACILITIES ACT OF 1968

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the National Visitor Center Facilities Act of 1968, and for other purposes (with accompanying papers); to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A memorial of the Senate of the State of Arizona; to the Committee on the Judiciary:

"SENATE MEMORIAL 1001

"A memorial relating to Veterans' Day; urging Congress to enact legislation returning observance of Veterans' Day to November 11

"To the Congress of the United States:

"Your memorialist respectfully represents:

"Whereas, the Congress of the United States in 1968 enacted legislation which changed observance of Veterans' Day from November 11, the date of the armistice ending World War I and the traditional day of observance of that historical event; and

"Whereas, the change of Veterans' Day to the fourth Monday in October for the sole purpose of adding a three-day weekend to the holidays of the year is not a sufficient reason for breaking with tradition, memories, sentiments, and history and the reduction which follows in participation in patriotic ceremonies. Wherefore your memorialist, the Senate of the State of Arizona, prays:

"1. That the President and Congress give their most earnest consideration to the prompt enactment of legislation which would result in the return of Veterans' Day to the traditional day of observance, November 11, of each year.

"2. That the Honorable Wesley Bolin, Secretary of State of the State of Arizona, transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

"Passed the Senate January 29, 1973 by the following vote: 29 Ayes, 1 Nay, 0 Not Voting.

"Approved by the Governor—January 29, 1973."

A memorial of the Senate of the State of Arizona; to the Committee on Veterans' Affairs:

"SENATE MEMORIAL 1003

"A memorial urging the Congress of the United States to enact legislation establishing a National Cemetery in Arizona

"To the President and the Congress of the United States of America:

"Your memorialist respectfully represents:

"The State of Arizona does not have a National Cemetery within its boundaries.

"Due to the many military installations in Arizona, thousands of military personnel have served here. Many have returned as veterans to reside in the dry, healthful climate Arizona offers.

"A deceased veteran who has expressed a desire to be buried in a National Cemetery must be transported to another State for burial thereby causing great hardships for his survivors. Wherefore your memorialist, the Senate of the State of Arizona prays:

"1. That the President and the Congress are requested to give their most earnest consideration to promptly pass legislation providing for the establishment of a National Cemetery in the State of Arizona.

"2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation.

"Passed the Senate February 5, 1973 by the following vote: 30 Ayes, 0 Nays, 0 Not Voting.

"Approved by the Governor—February 5, 1973."

A joint resolution of the Legislature of the State of Colorado; ordered to lie on the table:

"SENATE JOINT RESOLUTION NO. 6

"Whereas, Peace has come to the United States of America through the ending of the Vietnam war; and

"Whereas, The Vietnam war has been the longest conflict of arms in which the United States has been involved; and

"Whereas, The sacrifice, devotion to duty, and dedication to the freedom of men and the dignity of mankind exhibited by those who served in the armed forces during this conflict shall not be forgotten by their countrymen; and

"Whereas, Those who were prisoners of war and missing in action under the most adverse of circumstances during this conflict deserve special recognition for their suffering; now, therefore,

"Be It Resolved by the Senate of the Forty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:

"That our hopes for a bright future and our best wishes are extended to those who served during the Vietnam war.

"Be It Further Resolved, That this Resolution be sent to the President of the United States, the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, and each member of Congress from the State of Colorado."

A joint memorial of the Legislature of the State of Idaho; to the Committee on Finance:

"HOUSE JOINT MEMORIAL NO. 8, BY REVENUE AND TAXATION COMMITTEE

"A joint memorial to the President of the United States and the Honorable Senate and House of Representatives of the United States in Congress assembled; relating to Federal airport regulations

"We, your Memorialists, the Senate and the House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-second Idaho Legislature, do respectfully represent that:

"Whereas, the government of the United States has imposed airport requirements upon all air carrier airports; and

"Whereas, local governments are being required by the United States to enforce federal regulations; and

"Whereas, if airports do not enforce the federal regulations, the airlines will be prohibited by the federal government from serving the airport; and

"Whereas, these federal regulations were imposed without the usual opportunity for comments from the people being regulated; and

"Whereas, no consideration of local budget laws or local budget cycles was made by the United States prior to imposing these regulations upon the people of this state; and

"Whereas, all Idaho air carrier airports are already overburdened by recently imposed federal airport certification requirements; and

"Whereas, funds are now being collected and a surplus now exists in the aviation trust funds.

"Now, therefore, be it resolved by the First Regular Session of the Forty-second Idaho Legislature, the House of Representatives and the Senate concurring, that we respectfully request that the President of the United States consider our request and respectfully urge the Congress of the United States to fund the costs incurred by the local government's enforcement of federal regulations, and

"Be it further resolved that the Chief Clerk of the House be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States and the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to the Senators and Representatives representing this state in the United States Congress."

A joint memorial of the Legislature of the State of Idaho; to the Committee on Public Works:

"Senate Joint Memorial No. 105

"A joint memorial to the Honorable Richard M. Nixon, President of the United States, to the President of the Senate and the Speaker of the House of Representatives, and to the Senators and Representatives representing the State of Idaho in the Congress of the United States; relating to funds for construction of a bridge across the Snake River between the cities of Lewiston, Idaho, and Clarkston, Washington.

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, the two cities of Lewiston, Idaho, and Clarkston, Washington, are the commercial and trading centers of the area, and by the 1970 census had a combined population, including their urban environs, in excess of thirty-seven thousand people; and

"Whereas, the cities of Lewiston and Clarkston are presently connected by a single bridge across the Snake River which carries U.S. Highway 12, a federally aided primary route extending from Aberdeen, Washington, to Detroit, Michigan; and

"Whereas, downstream from the two cities the United States Army Corps of Engineers is now constructing the Lower Granite Dam on the Snake River creating a reservoir scheduled for filling in 1975; and

"Whereas, the planned normal pool level of the reservoir will be higher than the normal free flowing high water mark which was the basis for construction thirty-five years ago of the only bridge between the two cities; and

"Whereas, the existing bridge structure would restrict river traffic in view of the size of craft and barges now being used on the river and would necessitate frequent bridge openings; and

"Whereas, on an average day in calendar year 1972 there were twenty-two thousand two-way vehicular trips across the existing bridge; and

"Whereas, with the lift span of the present structure in the open raised position, passage between the two cities is blocked and traffic congestion along U.S. Highway 12 often extends into the metropolitan centers of both cities creating additional traffic problems; and

"Whereas, the comprehensive plan for each city includes a proposal for a second span across the Snake River at sufficient elevation so as not to interfere with normal navigation in the planned pool behind the Lower Granite Dam; and

Whereas, funds for this project are not available from the highway programs of the State of Idaho, the County of Nez Perce, or the City of Lewiston.

"Now, therefore, be it resolved by the First Regular Session of the Forty-second Legislature, the Senate and the House of Representatives concurring therein, that we do hereby respectfully petition the Honorable President of the United States, the President of the Senate and the Speaker of the House of Representatives, and the Congress of the United States to begin immediate action to appropriate the funds necessary to construct a bridge across the Snake River between the cities of Lewiston, Idaho, and Clarkston, Washington.

"Be it further resolved that the Secretary of the Senate be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of Congress, and to the Senators and Representatives representing the State of Idaho in the Congress of the United States.

"STATEMENT OF PURPOSE

"This Joint Memorial is a duplicate of one now before the State of Washington legislature.

"It petitions the President and Congress to appropriate funds for a second bridge across the Snake River between Lewiston, Idaho, and Clarkston, Washington.

"The reasons for the petition are listed in the Memorial

"The entire cost of this structure to be from federal funds."

Resolutions of the Senate of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"Resolutions Urging the President of the United States, the Congress of the United States and the United States State Department To Use the Full Weight and Power of Their Offices in Imploring Great Britain To Remove Its Troops From Northern Ireland and To Grant Freedom to All Political Prisoners

"Whereas, It is the natural right of every nation to govern itself; and

"Whereas, The artificial division of Ireland by outsiders has resulted in injustice and oppression; and

"Whereas, The struggle for a United Ireland is a legitimate struggle for political self-determination; and

"Whereas, The British propaganda machine has succeeded in depicting the aged-old Irish struggle for freedom as an eruption of bigotry based on ancient and petty grudges; and

"Whereas, Certain persons in the United States government has fallen prey to such propaganda and have involved themselves on the side of the British oppressors, therefore be it

"*Resolved*, That the Massachusetts Senate urges the President of the United States, the Congress of the United States and the United States State Department to use the full weight and power of their offices in imploring Great Britain to unconditionally release and grant freedom to all political prisoners in Ireland and Britain, to withdraw all British troops from the streets of Northern Ireland and further requesting the British Government to declare an intent to withdraw all military personnel from Northern Ireland; and be it further

"*Resolved*, That a copy of these resolutions be sent by the Senate Clerk and Parliamentarian to the President of the United States, to the presiding officers of each branch of the Congress of the United States, to the United States State Department and to each member of Congress from the Commonwealth.

"Senate, adopted, February 20, 1973."

Resolutions of the Senate of the Commonwealth of Massachusetts; ordered to lie on the table:

"Resolution Welcoming Home the Prisoners of War and Inviting Each of Them To Visit and Address the Massachusetts State Senate

"Whereas, Citizens of this Commonwealth imprisoned as the result of the war in Southeast Asia are now being released and returned to their homes; and

"Whereas, The members of the Massachusetts State Senate are acutely aware of the suffering and hardship which these prisoners of war have undergone by reason of their having assumed and discharged their duties of citizenship far beyond the normal call; now, therefore, be it

"*Resolved*, That the Massachusetts State Senate extends its heartfelt thanks and welcome to prisoners of war returning to all parts of the United States from Southeast Asia; and be it further

"*Resolved*, That the members of the Massachusetts State Senate invite each and every such returnee to the City of Boston as a guest of the Massachusetts Senate and to address said body upon the occasion of his visit; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Senate Clerk and Parliamentarian to the President of the United States, to the presiding officer of each branch of the Congress and each member thereof from the Commonwealth, to the Secretary of Defense and to the Secretary of State and to each prisoner of war returnee of this Commonwealth, if possible.

"Senate, adopted, February 21, 1973."

A resolution of the Legislature of the State of Minnesota; to the Committee on Public Works:

"Resolution No. 2

"A resolution memorializing Congress to pass a federal aid highway act for the 1974 and 1975 fiscal years

"Whereas, the Congress of the United States has not yet passed a federal highway act for the fiscal years 1974 and 1975; and

"Whereas, funding for the federal aid highway system will expire on June 30, 1973, unless Congress passes new legislation; and

"Whereas, uncertainty over future levels of federal funds inevitably disrupts long range transportation planning in Minnesota; and

"Whereas, delays in federally aided highway projects represent an obstacle to the economic development of outstate Minnesota; and

"Whereas, many important issues in the field of transportation need to be resolved by Congress as soon as possible; now, therefore,

"Be it resolved, by the legislature of the State of Minnesota, that the Congress of the United States enact a federal highway act for the fiscal years 1974 and 1975 at the earliest feasible date; and

"Be it further resolved, that the Secretary of State of the State of Minnesota transmit copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the chairman of the Committee on Public Works of the United States Senate, the chairman of the Committee on Public Works of the United States House of Representatives and the other Minnesota Representatives and Senators in Congress."

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"House Concurrent Resolution No. 55

"A concurrent resolution applying to the Congress for a convention to propose an amendment to the Constitution of the United States

"*Resolved*, By the House of Representatives of the State of Mississippi, the Senate concurring:

"That the Legislature of the State of Mississippi, pursuant to Article V of the Constitution of the United States, hereby makes application to the Congress of the United States to call a convention for proposing the following amendment to the Constitution of the United States:

"No student shall be assigned to nor compelled to attend any particular public school on account of race, religion, color or national origin; and, be it further

"*Resolved*, That this application constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V. If Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1974, this application for a state application shall no longer be of any force or effect; and, be it further

"*Resolved*, That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and since the power to use such right in full also carries the power to use such right in part the Legislature of the State of Mississippi interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions; and, be it further

"*Resolved*, That copies of this resolution be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Mississippi delegation to the United States Congress.

"Adopted by the House of Representatives, February 19, 1973.

"Adopted by the Senate, March 2, 1973."

A concurrent resolution of the Legislature of the State of New Hampshire; to the Committee on Finance:

"Senate Concurrent Resolution

Memorializing the Congress of the United States to enact legislation which will grant the Social Security increase without having any welfare assistance or veteran's pension reduced

"Whereas, Social Security payments were increased effective as of October 1, 1972.

"Whereas, there are social security recipients of New Hampshire who have been terminated from the donated food program and/or who have had their old age assistance grants or veteran's pension reduced as a result of receiving the social security increase.

"Whereas, these particular recipients have thus had no actual increase in their economic status because of the reductions in their welfare assistance or veteran's pension.

"Now therefore be it resolved, by the Senate of the General Court of New Hampshire, the House of Representatives concurring:

"That the Congress of the United States is hereby memorialized to enact legislation which will grant this recent social security increase without having any welfare assistance or veteran's pension reduced because of such social security increase, and

"Be it further resolved, that pending such congressional action all federal, state and local officials, in their respective official capacities, are urged to attempt to remedy administratively this unfortunate situation, and

"Be at further resolved, that these recipients are urged to exercise their legal rights to rectify this situation, and

"Be it further resolved, that the secretary of state be instructed to forward a copy of these resolutions to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to each member of the congressional delegation from New Hampshire."

A joint resolution of the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"House Joint Resolution 2

"A joint resolution to ratify the proposed equal rights amendment to the Federal Constitution

"Whereas, the 92nd Congress of the United States of America at its second session, in both houses, by a constitutional majority of two-thirds thereof, adopted the following proposition to amend the constitution of the United States of America in the following words, to wit:

" 'Joint Resolution

" '*Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the Legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

" 'Article —

" 'Section 1. Equally of rights under law shall not be denied or abridged by the United States or any State on account of sex.

" 'Sec. 2. The Congress shall have the power to enforce by appropriate legislation the provisions of this article.

" 'Sec. 3. This Amendment shall take effect two years after the date of ratification.';

"Now, therefore, be it resolved by the Legislature of the State of New Mexico that such proposed amendment to the Constitution of the United States of America be and the same is hereby ratified; and

"Be it further resolved that certified copies of this resolution be forwarded by the governor of New Mexico to the administrator of the General Services Administration, Washington, D.C. and the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

A joint resolution of the Legislature of the State of New York; to the Committee on Foreign Relations:

"State of New York

"Joint Resolution of the Legislature of the State of New York memorializing the President and the Congress of the United States to consider the plight of Soviet Jews prior to granting favored nation status to the Soviet Union

"Whereas, In the Soviet Union men and women are denied freedoms recognized as basic by all civilized countries of the world and indeed by the Soviet Constitution; and

"Whereas, Jews and other religious minorities in the Soviet Union are being denied the means to exercise their religion and sustain their identity; and

"Whereas, The government of the Soviet Union is persecuting Jewish citizens by denying them the same rights and privileges accorded other recognized religions in the Soviet Union and by discrimination against Jews in cultural activities and access to higher education; and

"Whereas, The right freely to emigrate, which is denied Soviet Jews who seek to maintain their identity by moving elsewhere, is a right affirmed by the United Nations Declaration of Human Rights, adopted unanimously by the General Assembly of the United Nations; and

"Whereas, These infringements of human rights are an obstacle to the development of better understanding and better relations between the people of the United States and the people of the Soviet Union; now, therefore, be it

"Resolved, That the Legislature of the State of New York memorialize the President and the Congress of the United States to consider the plight of Soviet Jews when granting most favored nation status to the Soviet Union, and to call upon the Soviet government to end its persecution of the Jews and other minorities and to permit the free exercise of religion by all its citizens in accordance with the Soviet Constitution; and be it further

"Resolved, That the Legislature of the State of New York, in the interest of justice and humanity, memorialize the President and the Congress of the United States to call upon the Soviet government to permit its citizens to emigrate from the Soviet Union to the countries of their choice as affirmed by the United Nations Declaration of Human Rights; and be it further

"Resolved, That the Legislature of the State of New York petition the United States government to use all appropriate diplomatic means to engender the fullest support possible among other nations for such a request to the Soviet Union; and be it further

"Resolved, That in order to effectuate the purposes of this resolution, copies of this resolution be transmitted to the President, Vice President and Secretary of State of the United States, to the Secretary of the Senate and the Clerk of the House of Representatives of the United States, and to each member of the Congress of the United States from the State of New York."

A resolution of the House of Representatives of the State of Ohio; to the Committee on Aeronautical and Space Sciences:

"H.R. No. 17

"Memorializing the 93rd Congress and the President of the United States and the Director of NASA to devise an alternative use for the NASA Plum Brook Research Station at Sandusky, Ohio

"*Be it resolved by the General Assembly of the State of Ohio,*

"Whereas, The federal government has invested over One Hundred-Twenty million dollars in the National Aeronautics and Space Administration facilities at Sandusky, Ohio; and

"Whereas, More than ine thousand valuable acres have been acquired as land resources for the NASA Plum Brook Research Station in the heart of Erie County, which station it was recently announced is to be closed; and

"Whereas, NASA has employed more than four hundred sixty persons at this facility, many with highly skilled scientific abilities; and

"Whereas, the annual economic impact to the area involves a payroll and contract expenditures in excess of twelve million dollars; and

"Whereas, Continued use of this fine research facility by some government agency would surely insure that its resources would not be wasted, nor allowed to lie fallow and forgotten; and

"Whereas, Productive use of Plum Brook would contribute immeasurably to the economic welfare of the surrounding community; therefore be it

"Resolved, That members of the House of Representatives of the 110th General Assembly of Ohio respectfully request and strongly urge that the Congress of the United States, the President of the United States, and the Director of NASA move with all speed and maximum concern to formulate an alternative use for Plum Brook Research Station; and be it further

"Resolved, That we urge the President of the United States and each of the Ohio Senators and Congressmen to lend their support and aid to the earliest possible time to plan so devised which will continue use of any plan so devised which will continue use of the facility; and be it further

"Resolved, That the Legislative Clerk of the House of Representatives transmit duly authenticated copies of this Resolution to Richard M. Nixon, President of the United States; the Vice-President of the United States; the Speaker of the House; the Dirctor of NASA; to each of the United States Senators from Ohio; and to each member of Congress from Ohio."

A concurrent resolution of the General Assembly of the State of South Carolina; to the Committee on Labor and Public Welfare:

"CALENDAR No. S. 199

"A concurrent resolution to Memorialize the President and the Congress of the United States to Recommend and Appropriate Adequate Funds to Continue the Effective Implementation of the Library Services and Construction Act

"Whereas, the General Assembly of South Carolina is well aware of the necessity for both the President and the Congress to exercise caution and restraint in the expenditure of federal tax revenues, it being similarly situated with regard to the expenditure of State funds; and

"Whereas, the General Assembly, nonetheless, believes that in the determination of priorities in the use of public revenues the basic needs of the people and the success of existing programs must be given serious consideration and should indeed be the determining factors in the arrangement of those priorities; and

"Whereas, for many years the Library Services and Construction Act enacted by the Congress has resulted in remarkable improvements and expansion in library systems throughout the State, provided scholarships which increased the number of persons trained in library science, made library facilities available to millions of addiitonal persons particularly those who were culturally and economically disadvantaged, brought assistance and special training to the functionally illiterate and generally has raised the quality of the libraries everywhere; and

"Whereas, these contributions to our society have paid and will continue to pay dividends in the happiness and productiveness of our citizens far in excess of the cost of the program; and

"Whereas, the Library Services and Construction Act could by no stretch of the imagination be termed one of those programs which has failed to accomplish the purpose for which it was created. Now, therefore,

"Be it resolved by the Senate, the House of Representatives concurring:

"That the President and Congress of the United States be and hereby are memorialized to recommend and appropriate adequate funds to continue the effective implementation of the Library Services and Construction Act and thereby prevent the lights being turned out in libraries throughout the land.

"Be it further resolved, That copies of this resolution be forwarded to the President of the United States, the Speaker of the House of Representatives, the President of the Senate and each member of the South Carolina Congressional Delegation in Washington, D.C."

A concurrent resolution of the General Assembly of the State of South Carolina; to the Committee on Public Works:

"CONCURRENT RESOLUTION

"To memorialize the Congress of the United States to continue Federal aid to state highway construction at present levels to prevent serious deterioration of our highway system.

"Whereas, federal aid to highway construction has for many years been a basic support to the construction and maintenance of highways throughout the nation; and

"Whereas, state programs have been planned assuming federal assistance would be available; and

"Whereas, federal revenue from gasoline taxes should properly be used for highway purposes; and

"Whereas, there are present indications in the news media and elsewhere that federal assistance to state highway building programs will be substantially curtailed which, if true, would severely damage existing and planned state highway programs. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring: That the Congress of the United States be, and hereby is, memorialized to maintain, at least at present levels, the *federal aid programs for highway construction* in the state to insure continued progress and improved safety on these vital arteries of commerce and public and private transportation.

"Be it further resolved that copies of this resolution be forwarded to each member of the South Carolina Congressional Delegation, the President of the Senate and the Speaker of the House of Representatives in Washington, D.C."

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Veterans' Affairs:

"HOUSE CONCURRENT RESOLUTION No. 501

"A Concurrent Resolution, Memorializing the Congress of the United States to direct the Secretary of the Army to establish a national cemetery at a site near the Fort Randall Dam in Gregory County, South Dakota

"Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

"Whereas, one of the first duties of this nation is to provide suitable resting places for those who have given a full measure of service to their country; and

"Whereas, a great need exists on the central plains of this great nation for a national cemetery to serve as final resting place for this nation's honored dead; and

"Whereas, the United States Government owns approximately three hundred twenty acres of land located on the southeast side of Fort Randall Dam in Gregory County, in the central plains of South Dakota; and

"Whereas, a cemetery containing the graves of United States veterans of the earlier era already exists on a portion of the above said acreage.

"Now, therefore, be it resolved, by the House of Representatives of the Forty-eighth Legislature of the State of South Dakota, the Senate concurring therein, that the Congress of the United States be memorialized to direct the Secretary of the Army to establish a national cemetery on a portion of the above said three hundred twenty acres of federal land located on the southeast side of Fort Randall Dam in Gregory County in order that this great nation can fulfill its obligation to those of its citizens who answered the call during the time when our great republic was threatened by the enemies of freedom; and

"Be it further resolved, that copies of this concurrent resolution be transmitted by the Chief Clerk of the House of Representatives of the State of South Dakota to the offices of the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, the members of the Congressional delegation of the State of South Dakota, the Secretary of the Army of the United States and the Governor of the State of South Dakota.

"Adopted by the House, January 30, 1973.

"Concurred in by the Senate, February 6, 1973."

A joint resolution of the General Assembly of the Commonwealth of Virginia; to the Committee on Commerce:

"SENATE JOINT RESOLUTION No. 77

"Memorializing the Congress of the United States to desist from enacting legislation relating to 'no-fault' insurance

"Whereas, the United States is comprised of a union of sovereign states to which powers not delegated by the Constitution of the United States are reserved; and

"Whereas, historically, matters governing the insurance industry have been dealt with by the States; and

"Whereas, State control of insurance matters has proven beneficial as appropriate measures have been enacted to provide for conditions peculiar to local circumstances; and

"Whereas, in recent times much attention has been given to various 'no-fault' schemes to replace automobile liability coverage now available in many states and in this Commonwealth; and

"Whereas, in determining if Virginia should require such 'no-fault' insurance, it would seem best that such determination and the particulars related thereto would most properly be left to this General Assembly and all other State Legislatures; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That this General Assembly does hereby memorialize the Congress of the United States to desist from enacting 'no-fault' insurance legislation thereby preserving the power of the States to supervise insurance activities.

"Resolved, further, That the Clerk of the Senate is hereby directed to furnish a suitably prepared copy of this resolution to the President of the United States, the Secretary of Transportation of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate and each member of the Congress who represents the people of this Commonwealth."

A joint resolution of the General Assembly of the Commonwealth of Virginia; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION No. 130

"Memorializing the Congress of the United States to propose an amendment to the Constitution of the United States, relating to tenure of federal justices and judges

"Whereas, the justices of the Supreme Court and judges of the inferior courts of the United States are appointed for life, and are removable only by impeachment; and

"Whereas, in forty-seven of the fifty states, including this Commonwealth, the Judiciary has fixed tenure; and

"Whereas, the experience in this Commonwealth reveals that although the judges may be removed from office at the end of their terms, the judiciary has remained independent; and

"Whereas, the Congress of the United States should be granted the power parallel to that which this General Assembly now has, that is, to review the records of its federal justices and judges of inferior courts; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to adopt and offer to the States for ratification or rejection the following amendment to the Constitution of the United States:

"ARTICLE

"SECTION 1. Notwithstanding the provisions of the second sentence of Section 1 of Article II of the Constitution, each justice of the Supreme Court and each judge of an inferior court established by Congress under Section 1 of Article III shall hold his office during good behavior for terms of eight years. During the eighth year of each term of office of any such justice or judge, his nomination for an additional term of office for the judgeship which he holds shall be placed before the Senate in the manner provided by the law, for the advice and consent of the Senate to such additional term, unless that justice or judge requests that his nomination not be so placed. Any justice or judge whose nomination for an additional term of office is so placed before the Senate may remain in office until the Senate gives its advice and consent to, or rejects, such nomination. If the Senate gives its advice and consent to an additional term of office, that term shall commence from the date of such advice and consent, or the day immediately following the last day of his prior term of office, whichever is later.

" 'SEC. 2. The terms of office established by Section 1 of this article shall apply to any individual whose nomination for a judgeship is submitted after the ratification of this article to the Senate for its advice and consent."

"Resolved further, That the Clerk of the House of Delegates is hereby instructed to send copies of this Joint Resolution to the members of the Virginia delegation in the Congress of the United States and to the President and Vice President of the United States, and the Clerks of the Senate and the House of Representatives."

A joint resolution of the General Assembly of the Commonwealth of Virginia; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 75

"Applying to Congress to call a convention for the purpose of amending the Constitution of the United States to provide for limitation on the amount of the national debt

"Whereas, it has become the practice of the federal government to make appropriations of funds greatly in excess of revenues collected, thereby requiring extensive borrowing, contributing to the inflation of United States currency and an inequitable burden on those least able to cope with inflation; and

"Whereas, this policy places the burden of funding the debts thus created on future generations of Americans who have no control over the incurring of such debts; and

"Whereas, this inflationary practice has impaired the credit of the United States and the standing of its currency, and has made more difficult the financial and other problems of state and local governments; and

"Whereas, if a new policy of financial responsibility in the operation of the federal government is to be achieved, it appears that action thereon must be taken by the states; and

"Whereas, in the event of Congressional inaction, Article V of the Constitution of the United States grants to the states the right to initiate constitutional change by applications from the legislatures of two-thirds of the several states to the Congress, calling for a constitutional convention; and

"Whereas, the Congress of the United States is required by the Constitution to call such a convention upon receipt of such application; now, therefore, be it

"*Resolved* by the House of Delegates of Virginia, the Senate concurring, That pursuant to Article V of the United States Constitution, the General Assembly of Virginia does hereby make application to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing to the several states a constitutonal amendment, to-wit:

" '1. Except in case of a declaration of war, or a national emergency declared by a two-thirds vote of its members, the Congress shall make no appropriation in excess of the estimated cash revenues for the year for which such appropriation is made. Any deficiency in such revenues shall be paid out of the first revenues received in the ensuing year. Congress may, however, by majority vote contract to meet casual deficits in the revenue, to redeem a previous debt, or in anticipation of the collection of revenues for the current year wthin the amount of authorized appropriations, provided that any debt so contracted shall mature within two years from the date it is incurred, and shall not exceed one-fifth of the estimated cash revenues for the current year.

" '2. No obligation incurred by the government, its agents or instrumentalities, including any existing on the effective date of this amendment, and any obligations of others to which the credit of the United States may be committed, shall exceed four times the average government revenues from all sources in the preceding four years.

" '3. Any obligation hereafter incurred shall be discharged within forty years from the date it is incurred; and any obligation existing on the effective date of this amendment shall be discharged within seventy-five years thereafter.'

"Be it further resolved, That unless rescinded by the General Assembly of Virginia, this application shall constitute a continuing application for such convention pursuant to Article V until the legislatures of two-thirds of the states shall have made like applications and such convention shall have been called by the Congress of the United States; and

"Resolved further, That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has even been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and since the power to use such right in full also carries the power to use such right in part, the General Assembly of Virginia interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions; and be it

"Finally resolved, That certified copies of this resolution be presented forthwith to the President of the Senate and Speaker of the House of Representatives of the United States and to the legislatures of each of the several states, attesting the adoption of this resolution by the General Assembly of Virginia.

"Agreed to by the House of Delegates, March 2, 1972.

"Agreed to by the Senate, February 23, 1973."

A joint memorial of the Legislature of the State of Washington; to the Committee on Post Office and Civil Service:

"HOUSE JOINT MEMORIAL NO. 5

"To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, to the Senate and House of Representatives of the United States, in Congress assembled, and to the Postmaster General:

"We, Your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectively represent and petition as follows:

"Whereas, The Spokane World Exposition or Expo '74 will open in Spokane, Washington in May, 1974, and will continue until October, 1974; and

"Whereas, Expo '74, officially sanctioned by the Bureau of International Expositions in Paris, will be the only World Exposition currently scheduled in the United States during our bicentennial period; and

"Whereas, The central theme of Expo '74, the first world Exposition on the environment is "Celebrating Tomorrow's Fresh, New Environment"; and

"Whereas, All exhibits expected from every major nation in the world, industry, state governments, and environmental groups will relate to the central theme and will be designed to reflect man's awakening concern about his place in nature's cycle and to show what steps he is taking to restore and preserve his environment; and

"Whereas, The major features of Expo '74 will be education, entertainment, and enjoyment;

"Now therefore, be it resolved, That we, the members of this Forty-third session of the Senate and House of Representatives of the State of Washington, do hereby respectfully memorialize and petition the Congress of the United States to cause a postage stamp to be issued commemorating Expo '74, the World's Fair, Spokane, USA; and

"Be it further resolved, That copies of this Memorial be transmitted by the Secretary of State to the President of the United States Senate, the Speaker of the House of Representatives of the United States, to the Postmaster General of the United States, and to each Senator and Representative in Congress from the State of Washington."

A resolution of the House of Representatives of the State of Washington; to the Committee on Veterans' Affairs:

"HOUSE RESOLUTION NO. 73-26

"Whereas, Under present federal law, nonservice-connected pensions are coordinated with other benefits; and

"Whereas, In 1972 Social Security benefits were increased by twenty percent; and

"Whereas, All veterans and widows in receipt of a nonservice-connected pension from the Veterans' Administration have suffered a loss of pension, and in some cases have had such benefits terminated, because of the increase in Social Security benefits in 1972; and

"Whereas, Elderly single men have been especially harmed by the state of current laws;

"Now, therefore, be it resolved, That the House of Representatives requests the Senate and the House of Representatives of the United States to take the actions necessary to alleviate the current hardship of veterans and widows; and

"Be it further resolved, That copies of this Resolution be transmitted by the Chief Clerk of the House of Representatives to the Senate and House of Representatives of the

United States and to each member of Congress from the State of Washington.

"Adopted February 27, 1973."

A joint resolution of the Legislature of the State of Wyoming; to the Committee on the Judiciary:

"JOINT RESOLUTION No. 2

"A joint resolution ratifying a proposed amendment to the Constitution of the United States of America relative to equal rights for men and women

"Whereas, The Congress of the United States has proposed an amendment to the Constitution of the United States to prohibit the denial or abridgment of equal rights under the law on account of sex; and

"Whereas, since July 10, 1890, when Wyoming was admitted as a State, secured to all the people of the State of Wyoming the civil, political and religious liberties and declared in Article 1, Section 2 of the Constitution of the State of Wyoming that 'In their inherent right to life, liberty and the pursuit of happiness, all members of the human race are equal'; and

"Whereas, the constitutional prohibition against discrimination on account of sex has been the touchstone of the laws of the State of Wyoming, Article 1, Section 3 of the Constitution of Wyoming proviidng that 'Since equality in the enjoyment of natural and civil rights is only made sure through political equality, the laws of this state affecting the political rights and privileges of its citizens shall be without distinction of race, color, sex, or any circumstance or condition whatscever . . .'; and

"Whereas, the denial or abridgment of the rights of all the citizens of the State of Wyoming to hold office and to vote has been prohibited in the State of Wyoming since July 10, 1890 by Article 6, Section 1 of the Wyoming Constitution which provides that 'The rights of citizens of the State of Wyoming to vote and hold office shall not be denied or abridged on account of sex. Both male and female citizens of this state shall enjoy all civil, political and religious rights and privileges;' and

"Whereas, the right to an education for all the citizens of the State of Wyoming has been guaranteed by the Constitution of the State of Wyoming by Article 7, Section 10 which provides that 'In none of the public schools so established and maintained shall distinction or discrimination be made on account of sex, race or color' and by Article 7, Section 16 which requires that 'The university shall be equally open to students of both sexes, irrespective of race and color;' and

"Whereas, consonant with the sobriquet, 'The Equality State', the Legislature of the State of Wyoming encourages unqualified dedication to equal rights and responsibilities to all people of these United States; and

Whereas, the Ninety-Second Congress of the United States of America at its Second Session, in both houses, by a constitutional majority of two-thirds thereof, adopted the following proposal to amend the Constitution of the United States of America in the following words, to-wit;

" 'JOINT RESOLUTION

" '*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress—

" 'ARTICLE —

" 'SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

" 'SEC. 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

" 'SEC. 3. This amendment shall take effect two years after the date of ratification.'

"Be it resolved by the Legislature of the State of Wyoming, a majority of all the members of the two houses, voting separately, concurring therein:

"Section 1. That the above proposed amendment to the Constitution of the United States of America is ratified by the Legislature of the State of Wyoming.

"Section 2. That certified copies of this Resolution be forwarded by the Governor of Wyoming to the Administrator of General Services, Washington, D.C., and the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

Resolutions and orders adopted at the Eighteenth Annual Session of the North Atlantic Assembly; to the Committee on Foreign Relations.

A resolution adopted by the Monroe County Electric Cooperative, Inc., of Waterloo, Ill., relative to the recent discontinuance of the Rural Electrification Administration's direct loan program; to the Committee on Agriculture and Forestry.

A letter in the nature of a petition from the Grain Sorghum Producers Association, requesting Congress to initiate a national study of the cost of producing all agricultural commodities; to the Committee on Agriculture and Forestry.

A resolution adopted by the Cumberland Trace Chapter of the Retired Officers Association, Bowling Green, Ky., petitioning the President to issue a Presidential pardon to Lt. William Calley; to the Committee on Armed Services.

A resolution adopted by the Board of Supervisors, County of Sacramento, Calif., urging the U.S. Government to take action to release impounded funds with respect to community housing subsidies; to the Committee on Banking, Housing and Urban Affairs.

A resolution adopted by the Poughkeepsie City Common Council, New York, petitioning the Government to reinstate the 312 Rehabilitation Loan program; to the Committee on Banking, Housing and Urban Affairs.

A resolution adopted by the Board of Supervisors of the County of Sonoma, Calif., protesting the export of logs to foreign countries; to the Committee on Banking, Housing, and Urban Affairs.

A letter from the Common Council of the City of Poughkeepsie, N.Y., petitioning for the restoration of all cutbacks in projects funded by the Department of Housing and Urban Development; to the Committee on Banking, Housing and Urban Affairs.

A joint resolution adopted by the councils of the cities of Anchorage and Fairbanks, Alaska, petitioning the Congress and the Secretary of the Interior, to expedite the issuance of a pipeline construction permit for construction of an oil pipeline from Prudhoe Bay to Valdez, Alaska; to the Committee on Commerce.

A resolution adopted by the East Feliciana Parish Police Jury, Clinton, La., objecting to government aid for the rebuilding of North Vietnam; to the Committee on Foreign Relations.

A resolution adopted by the Avoyelles Parish Police Jury, Marksville, La., objecting to government aid for rebuilding of North Vietnam; to the Committee on Foreign Relations.

Two letters, in the nature of petitions from interested citizens, urging the passage of H.R. 643, to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements; to the Committee on Labor and Public Welfare.

A resolution adopted by the City Council of Stockton, Calif., supporting the efforts of the Community Action Council to maintain flow of Federal funds; to the Committee on Labor and Public Welfare.

A resolution adopted by the Council of the City of Akron, Ohio, petitioning the Congress to continue supporting programs of the Office of Economic Opportunity; to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 590. A bill to require that future appointments of certain officers in the Executive Office of the President be subject to confirmation by the Senate. Referred to the Committee on Armed Services for a period expiring not later than April 11, 1973.

S. 590—MODIFICATION OF REFERENCE AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the previous agreement on the reference of S. 590 be modified so that the bill will be printed as approved by the Committee on Banking, Housing and Urban Affairs, and that it be referred to the Committee on Armed Services for the remainder of the 30 days, dating from March 12. which is in accordance with the previous unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MATHIAS:

S. 1243. A bill to permit the Capital Yacht Club of the District of Columbia to borrow money without regard to the usury laws of the District of Columbia. Referred to the Committee on the District of Columbia.

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 1244. A bill to authorize the conveyance of certain lands in the District of Columbia to the Greater Southeast Community Hospital Foundation, Inc. Referred to the Committee on the District of Columbia.

By Mr. MATHIAS (for himself and Mr. RIBICOFF):

S. 1245. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce. Referred to the Committee on Finance.

By Mr. TALMADGE:

S. 1246. A bill to amend the Controlled Substances Act so as to increase the penalty with respect to the unlawful distribution of certain narcotic drugs by individuals determined to be a public menace. Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1247. A bill for the relief of Chi Hung Lai and his wife, Shuk King Lai. Referred to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 1248. A bill to authorize appropriations for the Department of State, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. CURTIS (for himself, Mr. Baker, Mr. Eastland, Mr. Goldwater, Mr. Hruska, Mr. Dole, Mr. Brock, and Mr. Thurmond):

S. 1249. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BAKER (for himself and Mr. Brock):

S. 1250. A bill to create a special tariff provision for imported glycerine and related products. Referred to the Committee on Finance.

By Mr. TOWER (for himself, Mr. Bellmon, and Mr. Bartlett):

S. 1251. A bill to amend the Agricultural Act of 1970. Referred to the Committee on Agriculture and Forestry.

By Mr. BAYH:

S. 1252. A bill to amend the Controlled Substances Act to establish effective controls, including production quotas, stricter distribution and storage security and more stringent import and export standards, against diversion and abuse of methaqualone, by placing this depressant substance on schedule II of such act. Referred to the Committee on the Judiciary.

By Mr. BAYH (for himself, Mr. Cook, and Mr. Moss):

S. 1253. A bill to authorize the merger of two or more professional basketball leagues, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. INOUYE:

S. 1254. A bill for the relief of Miss Madelaina Lai. Referred to the Committee on the Judiciary.

By Mr. MUSKIE (for himself, Mr. Percy, Mr. Mathias, Mr. Bayh, Mr. Humphrey, Mr. Metcalf, Mr. Ribicoff, and Mr. Tunney):

S. 1255. A bill to provide for a program of assistance to State governments in reforming their real property tax laws and providing relief from real property taxes for low-income individuals, and for other purposes. Referred to the Committee on Government Operations.

By Mr. SPARKMAN (for himself and Mr. Tower) (by request):

S. 1256. A bill to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividends is paid, and for other purposes; and

S. 1257. A bill to extend for 1 year the authority for more flexible regulation of maximum rates of interest or dividends. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CHILES:

S. 1258. A bill to establish the Fort Zachary Taylor National Historic Site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

S. 1259. A bill for the relief of the estate of Russell J. Davis. Referred to the Committee on the Judiciary.

By Mr. PELL (for himself and Mr. Pastore):

S. 1260. A bill to provide that daylight saving time shall be observed on a year-round basis. Referred to the Committee on Commerce.

By Mr. MOSS (for himself and Mr. Bennett, Mr. Hansen, and Mr. McGee):

S. 1261. A bill to facilitate the incorporation of the reclamation townsite of Page, Ariz., Glen Canyon unit, Colorado River storage project, as a municipality under the laws of the State of Arizona, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PELL (for himself, Mr. Magnuson, Mr. Pastore, and Mr. Hollings):

S. 1262. A bill to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended. Referred to the Committees on Labor and Public Welfare and Commerce, jointly, by unanimous consent.

By Mr. SYMINGTON (for Mr. Stennis and Mr. Thurmond) (by request):

S. 1263. A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes. Referred to the Committee on Armed Services.

By Mr. JAVITS (for himself, Mr. Tower, Mr. Bentsen, and Mr. Pastore):

S. 1264. A bill to authorize and direct the Secretary of the Treasury to make grants to Eisenhower College, in Seneca Falls, N.Y., out of proceeds from the sale of silver dollar coins bearing the likeness of the late President of the United States, Dwight David Eisenhower. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. STEVENSON (for himself and Mr. Hart, Mr. Proxmire, Mr. Percy, Mr. Hartke, Mr. Javits, Mr. Taft, Mr. Schweiker, Mr. Inouye, Mr. Nelson, Mr. Bayh, and Mr. Humphrey):

S. 1265. A bill to amend the Coastal Zone Management Act of 1972 for the purpose of determining the causes and means of preventing shoreline erosion;

S. 1266. A bill to amend 33 U.S.C. 426 for the purpose of authorizing the Army Corps of Engineers to undertake emergency erosion control projects;

S. 1267. A bill to amend the Disaster Relief Act of 1970 for the purpose of making clear that disaster assistance is available to those communities affected by extraordinary shoreline erosion damage; and

S. 1268. A bill to amend 33 U.S.C. 426 for the purpose of providing the right of reimbursement to local interests for undertaking repair of shore damages attributable to Federal navigation works pursuant to section 426i. Referred to the Committee on Public Works.

By Mr. KENNEDY (for himself, Mr. Magnuson, Mr. Hollings, and Mr. Hathaway):

S. 1269. A bill to amend the Northwest Atlantic Fisheries Act of 1950 with respect to the payment of certain expenses of members of the advisory committee appointed pursuant to such act. Referred to the Committee on Commerce.

By Mr. TUNNEY:

S. 1270. A bill to establish in the State of California the Santa Monica Mountain and Seashore National Urban Park. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY (for himself, Mr. Baker, Mr. Bible, Mr. Brock, Mr. Gravel, Mr. Hart, Mr. Hathaway, Mr. Mathias, Mr. Mondale, Mr. Moss, Mr. Stevenson, Mr. Thurmond, Mr. Tunney, and Mr. Williams):

S. 1271. A bill to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical political involvement with elected officials on the local and State levels of government. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN:

S.J. Res. 78. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself and Mr. Beall):

S. 1244. A bill to authorize the conveyance of certain lands in the District of Columbia to the Greater Southeast Community Hospital Foundation, Inc. Referred to the Committee on the District of Columbia.

CAFRITZ LAND LEGISLATION

Mr. MATHIAS. Mr. President, today I am introducing a bill to authorize the conveyance of certain lands in the District of Columbia to the Greater Southeast Community Hospital Foundation, Inc.

The Morris Cafritz Memorial Hospital, a 418-bed, community, nonprofit medical center, is located on the District of Columbia-Maryland State boundary. Its primary service area is the Southeast Washington, D.C., and Maryland's Prince Georges County election districts 6 and 12. Its secondary service area is Prince Georges County election districts 5, 9, and 18.

In 1970, the census revealed 104,000 Washingtonians and over 210,000 residents of Prince Georges County in this area.

PATIENT ORIGIN FOR 1969 THROUGH 1971

	Discharges—					
	1971		1970		1969	
	Number	Percent	Number	Percent	Number	Percent
District of Columbia	6,713	34.9	6,106	33.6	4,990	29.5
Prince Georges County, Md	10,416	54.0	10,286	56.6	10,399	61.5
Other Maryland	1,713	8.9	1,350	7.4	1,091	6.5
Other	418	2.2	427	2.4	429	2.5
Total	19,260	100	18,169	100	16,909	100

Note: In 1972, 157,905 adults and 11,702 newborn were hospitalized here. The adult occupancy rate was 96 percent.

An additional 67,775 outpatient visits to the emergency room were made in 1972. Of the 31 non-Federal hospitals in the Washington Metropolitan area, the Cafritz emergency room staff treated more than all the other hospitals except District of Columbia General and Prince Georges County General Hospitals.

Since it opened in 1966, the statistics have been impressive—more than 100,000 patients cared for, and almost 270,000 treated in the emergency room.

The community or service area of the hospital covers two semicircles with a 3-mile radius from the hospital in the District of Columbia, and a 5-mile radius in Prince Georges County. Its natural boundaries are the Anacostia and Potomac Rivers, with a population corridor extending down the Indian Head Highway.

The Cafritz community has a young

population—average age, 23 in the District of Columbia, and 26 in Prince Georges County—which means a young population, more acute illness and less chronic disease. It indicates a high percentage of young families who probably do not yet have a family physician.

The critical need for the expansion of Cafritz' facilities is reflected in the population growth of their service area. Population in the southeast area of the District increased 22½ percent between 1960 and 1970, while Prince Georges County population increased 449 percent in the same period.

Cafritz analyses its service area as young, changing, growing, not too affluent, and definitely in need of high quality, reasonably priced, easily accessible, well-managed health services.

That is a big order, and nobody knows better than the people at Cafritz how much more needs to be done. These are some of the things it considers necessary to provide the comprehensive health care it sees as its responsibility.

First. Increased emergency and support facilities.

Second. Addition of an ambulatory care center.

Third. More physicians attracted to its service area.

Fourth. Additional beds.

1. INCREASED EMERGENCY AND SUPPORT FACILITIES

The Cafritz emergency room staff sees well over 200 patients each day—over four times the number the space was designed to serve, and a 300-percent increase in the 5 years between 1967 and 1972. Unlike most hospitals, the complexities of emergency care are in the hands of fully qualified physicians who run the emergency room in lieu of private practice. The treatment is first rate but the 75,000 persons who crowded its waiting and treatment rooms in 1972 often experienced delays and frustration because the physical facilities were not designed for the great number who required emergency care. With more young families moving in and fewer family physicians to care for them, the demand for service will continue to grow. Also required will be expansion of existing support facilities such as laboratory, X-ray, and operating rooms.

2. ADDITION OF AN AMBULATORY CARE CENTER

The hospital recognizes its responsibility to provide preventive care as well as treatment for the sick and injured. However, the hospital has no room to provide continuing care for the many families in the community who are without private physicians. This means that all emergency patients needing follow-up care must be sent elsewhere—often at great inconvenience to the patient and his family. Cafritz needs an ambulatory care center where families may be kept well—or treated for illnesses that do not require hospitalization. Fully two-thirds of the patients in the emergency room could be treated faster, better, and far more economically in an out-patient setting.

3. MORE PHYSICIANS ATTRACTED TO THE SERVICE AREA

While construction of Cafritz did much to bring physicians into the area, the southeast still experiences a shortage. The United States as a whole has 172 physicians per 100,000 population. The District of Columbia as a whole does better than that with 197 per 100,000 population. By contrast, the District of Columbia service area served by Cafritz has only 33 per 100,000 and the Prince Georges County service area has only 60 per 100,000—both far under what is available to others in the District of Columbia area. Cafritz has helped bring doctors to the area by making it a requirement for obtaining privileges that the doctor have either a primary or secondary office in the service area.

The hospital proposes construction of a 5-story doctors' office building adjacent to the present hospital, providing a convenient location for physicians to see patients from the community.

4. ADDITIONAL BEDS

Unlike most hospitals in the District, Cafritz is not experiencing a drop in the number of patients. Its occupancy rate is 10 percent higher than the 85 percent considered optimum by the American Hospital Association, thereby affecting its capability for responding to peak loads and emergency. In 1972, 7,500 or about 35 percent of its patients were admitted through the emergency room. Many a morning finds some patients in a special observation area waiting for other patients to be discharged.

While room is found somehow for all emergency admissions, elective admissions—those which can be deferred for a time without danger to the patient—are often canceled at the last moment. This is a great hardship for the patient who had made up his mind to get it over with and who suddenly finds himself facing a delay of days or weeks.

With additional admissions predicted from an expanded emergency facility and the addition of an ambulatory care center, more beds will clearly be needed.

I believe the facts that I have cited argue convincingly for the critical need to expand the facilities at Cafritz. While I understand that the in-depth planning for the enlargement of Cafritz' facilities has been completed, it is obvious that we must first secure the additional land that will be required for this expansion.

While I am keenly aware of the need for preserving and adding as many park and recreational facilities as possible, particularly in our urban areas, I also recognize that the provision of adequate comprehensive health care is a basic requisite for a happy and meaningful life for our urban citizens. It is for this overriding reason that today I am introducing a bill which will transfer from the National Park Service approximately 8 acres immediately adjacent to the existing hospital for the expansion of the Cafritz facilities.

In closing I must point out that there is great urgency for this legislation. This urgency is found not only in the overcrowded facilities that exist today, but is greatly magnified when you consider that it will require a minimum of 3 years to construct the additional facilities after this legislation is passed.

By Mr. MATHIAS (for himself and Mr. RIBICOFF):

S. 1245. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce. Referred to the Committee on Finance.

THE INTERSTATE TAXATION ACT

Mr. MATHIAS. Mr. President, I am introducing the Interstate Taxation Act of 1973. I am pleased that the senior Senator from Connecticut (Mr. RIBICOFF) is joining me in this effort. Our bill is a revised version of legislation that we introduced in the 92d Congress, and prior legislation that I introduced in the 91st Congress as a Member of the Senate and even prior to that time during my service in the House of Representatives.

On October 11, 1972, I introduced S. 4080, a version of this legislation which made major concessions to the States and localities which have opposed earlier versions and asked for comments after it had been studied by those who would be affected by its provisions. I have received many such comments, and the bill I am introducing today contains revisions reflecting some of these suggestions.

The Interstate Taxation Act has the support of a substantial segment of the business community. I have received the expert help of tax technicians drawn from the National Association of Manufacturers, Council of State Chambers of Commerce, the National Association of Wholesalers-Distributors, and other organizations. This bill also has the endorsement of many other single product or service business associations.

The revisions are primarily in the direction of additional concessions to the States and localities. Perhaps the major change from S. 4080 involves a major simplification of the provision relating to consolidated returns and combined reporting.

As did S. 4080, this new version embodies some of the concepts, particularly those relating to sales and use taxes of S. 3333 introduced in the 92d Congress by the chairman of the Committee on Commerce, the distinguished senior Senator from Washington (Mr. MAGNUSON).

Mr. President, in both the 90th and 91st Congress, the House passed by overwhelming majorities State taxation legislation similar in its thrusts to that which I am introducing today. Since that time, the workload of the Committee on Finance has been such that it has not even been able to hold public hearings on the subject. I am most pleased that the chairman of the Committee on Finance, the distinguished senior Senator from Louisiana (Mr. LONG) told the Louisiana Association of Tax Administrators late last year that—

> It is likely that time can be found in 1973 to undertake . . . public hearings.

I am also pleased that the committee has created a subcommittee to deal with pressing problems such as that addressed by the Interstate Taxation Act of 1973. The subcommittee, the Subcommittee on State Taxation of Interstate Commerce, is chaired by the distinguished Senator from Minnesota (Mr. Mondale) and is privileged to have the Senator from Wyoming (Mr. Hansen) as the ranking minority member.

Mr. President, as I have indicated on past occasions, now that we have accomplished a fundamental and far-reaching change in Federal-State fiscal relationships, it becomes even more urgent that we turn our attention to legislation designed to bring order into the present chaotic system of taxing interstate commerce by State and local governments. We expect the States and localities to be responsible in their use of Federal revenue-sharing funds, but we must also ask that they act responsibly in breaking down tax barriers that impede the free flow of commerce between the 50 States. I am particularly pleased that the distinguished chairman of the Committee on Finance (Mr. Long) in the speech I just referred to indicated that with the enactment of the revenue-sharing bill, Public Law 92–512—

> The arguments against an interstate tax bill of some sort have been weakened.

The Interstate Taxation Act of 1973 has substantial support in the business and industrial community. It meets many of the earlier objections of the States, and I believe provides an adequate base along with other State taxation bills certain to be introduced for the earliest possible consideration by the Committee on Finance.

I urge the distinguished chairman of the Subcommittee of State Taxation of Interstate Commerce to schedule public hearings as soon as possible, hopefully before the Committee on Finance is confronted with major legislation coming from the House.

Mr. President, I ask unanimous consent that a copy and explanation of my bill be printed in the Record at this point.

There being no objection, the bill and explanation were ordered to be printed in the Record, as follows:

S. 1245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Interstate Taxation Act of 1973."

TITLE I—JURISDICTION TO TAX

Sec. 101. Uniform Jurisdictional Standard.

No State or political subdivision thereof shall have power—

(1) to impose a net income tax or a capital stock tax on a corporation other than an excluded corporation unless the corporation has a business location in the State or political subdivision during the taxable year;

(2) to impose a gross receipts tax with respect to a sale of tangible personal property unless the seller has a business location in the State or political subdivision;

(3) to require a person to collect and remit a sales or use tax with respect to an interstate sale of tangible personal property unless the person—

(A) has a business location in the State or political subdivision; or

(B) regularly makes household deliveries in the State or political subdivision other than by common carrier or United States Postal Service; or

(C) regularly engages in the State or political subdivision in solicitation of orders for the sale of tangible personal property by means of salesmen, solicitors, or representatives (unless such solicitation of orders is carried on solely by direct mail or advertising by means of printed periodicals, radio, or television); or

(4) to require a seller without a business location in the State to collect or pay a sales or use tax when such seller has obtained in writing the buyer's registration number in accordance with section 304.

An advance payment of a sales or use tax to a seller as agent for a State made by purchaser of tangible personal property for resale shall not constitute a sales or use tax for purposes of this Act if credit for the advance payment is allowed in determining sales tax liability of the purchaser under statutory provisions in effect in any State prior to January 1, 1973. A State or political subdivision shall have power to impose a corporate net income tax or capital stock tax, or a gross receipts tax with respect to a sale of tangible personal property or to require seller collection of a sales or use tax with respect to an interstate sale of tangible personal property, subject to the limitations of section 306, if it is not denied the power to do so under the Constitution of the United States and this or other Federal statute.

TITLE II—MAXIMUM INCOME OR CAPITAL ATTRIBUTABLE TO TAXING JURISDICTION

Sec. 201. Optional Three-Factor Formula.

A State or a political subdivision thereof may not impose on a corporation with a business location in more than one State, other than an excluded corporation, a net income tax (or capital stock tax) measured by an amount of net income (or capital) in excess of the amount determined by multiplying the corporation's base by an apportionment fraction which is the average of the corporation's property, payroll, and sales factors for the State or political subdivision thereof for the taxable year plus, in the case of a tax measured by income, the amount of income allocable to the State or political subdivision thereof for the taxable year. For this purpose the base to which the apportionment fraction is applied shall be the corporation's apportionable income as defined in this Act for the taxable year (or its entire capital, reduced by investments in and advancements to subsidiary and affiliated corporations, as determined under State law for the valuation date at or after the close of that taxable year).

Sec. 202. Property Factor.

(a) In general.—A corporation's property factor for any State is a fraction, the numerator of which is the average value of the corporation's real and tangible personal property owned and used or rented and used in that State and the denominator of which is the average value of all of the corporation's real and tangible personal property owned and used or rented and used during the taxable year and located within the United States.

(b) Standards for valuing property in property factor.—

(1) Owned Property.—Property owned by the corporation shall be valued at its original cost.

(2) Rented Property.—Property rented to the corporation shall be valued at eight times the net rents payable by the corporation during the taxable year. Net rent is the gross rent payable by the corporation less rent received by the corporation from subrentals.

(c) Averaging of Property Values.—The average value of the corporation's property shall be determined by averaging values at the beginning and ending of the taxable year; except that values shall be averaged on a semiannual, quarterly, or monthly basis if reasonably required to reflect properly the location of the corporation's property during the taxable year.

Sec. 203. Payroll Factor.

(a) In General.—A corporation's payroll factor for any State is a fraction, the numerator of which is the amount of wages paid by the corporation to employees located in that State and the denominator of which is the total amount of wages paid by the corporation to all employees located within the United States during the taxable year.

(b) Payroll Included.—The corporation's payroll factor shall include all wages paid by the corporation during the taxable year to its employees, except that there shall be excluded from the factor any amount of wages paid to a retired employee.

(c) Definition of Wages.—The term "wages" means wages as defined for purposes of the Federal Unemployment Tax Act in section 3306(b) of the Internal Revenue Code of 1954.

Sec. 204. Sales Factor.

(a) In General.—A corporation's sales factor for any State is a fraction, the numerator of which is the total sales of the taxpayer in the State during the taxable year and the denominator of which is the total sales of the taxpayer within the United States during the taxable year.

(b) Sales Included.—

(1) Sales of tangible personal property are in the State if such property is received in the State by the purchaser. In the case of delivery of tangible personal property by common carrier or by other means of transportation, the place at which such property is ultimately received after all transportation has been completed shall be considered as the place at which such property is received by the purchaser. Direct delivery in the State, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser in the State and direct delivery outside the State to a person or firm designated by a purchaser does not constitute delivery to the purchaser in the State, regardless of where title passes or other conditions of sale.

(2) Sales, other than sales of tangible personal property, are in the State if—

(A) the income-producing activity is performed in the State, or

(B) the income-producing activity is performed both in and outside that State and a greater proportion of the income-producing activity is performed in that State than in any other State, based on costs of performance.

(3) Sales shall include receipts from the rental of tangible personal property, and such receipts shall be considered to be in the State in which the property is located.

Sec. 205. Zero Denominators.

If the denominator of any factor is zero, then the other factors shall be used as the apportionment fraction for each State and political subdivision. If the denominators of all factors are zero, then the apportionment fraction for the State where the corporation has its business location shall be 100 percent.

Sec. 206. Local Taxes.

The maximum percentage of net income (or capital) of a corporation attributable to a political subdivision for tax purposes shall be determined under this title in the same manner as though the political subdivision were a State; except that the denominators of the corporation's property, payroll, and sales factors shall be the denominators applicable to all States and political subdivision. For this purpose the numerators of the corporation's property, payroll, and sales factors shall be determined by treating every reference to location in a State as a reference to location in the political subdivision.

Sec. 207. Apportionable Income

(a) Apportionable Income—Apportionable income means taxable income as determined under State law, except there shall be excluded—

(1) income from sources without the United States provided that all expenses, losses and other deductions are properly ap-

portioned or allocated thereto in accordance with Section 862(b) of the Internal Revenue Code, and

(2) dividends.

However, dividend income shall be treated as apportionable income if the taxpayer's principal business activity is dealing in securities. No State shall, because of the exclusions of this section, make any offsetting adjustment of an otherwise allowable deduction. Apportionable income of a taxpayer shall not include or be measured by all or any part of the income of any other corporation except as provided in section 209 of this Act.

(b) Adjustment of Apportionment Factors—If apportionable income includes income derived from the sales of tangible personal property, the ultimate destination of which is outside the United States, either the taxpayer or the State may adjust denominators of the factors described in sections 202 through 204 of this Act to include payrolls, sales, and property attributable to such sales.

SEC. 208. ALLOCABLE INCOME—DIVIDENDS.

Dividends, other than dividends which constitute income from sources outside the United States, received from corporations in which the taxpayer owns less than 50 percent of the voting stock are allocable to the State of commercial domicile of such taxpayer. Dividends which constitute income from sources without the United States as defined by the Internal Revenue Code of 1954, as amended, and dividends received from corporations in which the taxpayer owns 50 percent or more of the voting stock shall not be allocable to any State.

SEC. 209. CONSOLIDATED APPORTIONABLE INCOME.

(a) CONSOLIDATED APPORTIONABLE INCOME.—Except as provided by subsection (b) if either a State or a taxpayer establishes that a taxpayer has engaged in non-arm's-length transactions, as defined in section 507, which cause a material distortion of income apportioned to the State the State may require or the taxpayer may elect to determine apportionable income by reference to the consolidated apportionable income and apportionment factors of all parties to the non-arm's-length transactions. In no event shall this section be construed to alter the effect of the provisions of this Act relating to allocable income. For purposes of this Act, consolidated apportionable income is the sum of the apportionable income of all corporations consolidated with all intercorporate transactions eliminated.

(b) ADJUSTMENT OF INCOME.—A State or political subdivision thereof may not require a corporation with a business location in the State or political subdivision to combine or consolidate, for the purpose of determining or measuring any tax, its gross receipts, income, capital, or net worth with the gross receipts, income, capital, or net worth of the following:

(1) a corporation which is incorporated outside the United States,

(2) any corporation, 50 percent or more of the ordinary gross income of which is excludable under section 207(a)(1) of this Act, or

(3) excluded corporations.

However, a State or political subdivision may, upon a specific finding, adjust the income of a corporation to correct any transaction with any other party consummated in the manner of a non-arm's-length transaction.

(c) PERMITTED CONSOLIDATED INCOME.—Nothing contained herein shall prevent any State from permitting by statute or otherwise one or more affiliated companies as defined in section 508 to elect to file a return based on consolidated income.

TITLE III—SALES AND USE TAXES

SEC. 301. REDUCTION OF MULTIPLE TAXATION.

(a) LOCATION OF SALES.—A State or political subdivision thereof may impose a sales or use tax or require a seller to collect a sales or use tax with respect to an interstate sale of tangible personal property only if the destination of the sale is—

(1) in that State, or

(2) in a contiguous State or political subdivision of a contiguous State for which the tax is required to be collected under reciprocal collection agreements.

(b) CREDIT FOR PRIOR TAXES.—The amount of any use tax imposed with respect to tangible personal property shall be reduced by the amount of any sales or use tax previously incurred and paid by a person with respect to the property on account of liability to another State or political subdivision thereof.

(c) REFUND.—A person who pays a use tax imposed with respect to tangible personal property shall be entitled to a refund from the State or political subdivision thereof imposing the tax, up to the amount of the tax so paid, for any sales or use tax subsequently paid with respect to the same property on account of prior liability to another State or political subdivision thereof. For purposes of this subsection, the person seeking the refund from a State or political subdivision imposing the tax shall apply for the refund within one year from the date of payment of the sales or use tax to such other State or political subdivision.

(d) LIMITATION ON CREDIT FOR PRIOR TAXES.—A credit or refund otherwise permitted under subsections (b) and (c) shall not be allowed with respect to taxes which are measured by periodic payments made under lease to the extent that the taxes imposed by the other State or political subdivision thereof were also measured by periodic payments made under a lease for a period prior to the possession, storage, use, or other consumption of the property in the State or political subdivision thereof imposing the tax.

(e) VEHICLES AND MOTOR FUELS.—

(1) VEHICLES.—Nothing in subsection (a) shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to vehicles that are registered in the State.

(2) FUELS.—Nothing in this section shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to motor fuels consumed in the State.

SEC. 302. EXEMPTIONS FOR HOUSEHOLD GOODS, INCLUDING VEHICLES, IN THE CASE OF PERSONS WHO ESTABLISH RESIDENCE.

No State or political subdivision thereof may impose a sales tax, use tax, or other nonrecurring tax measured by cost or value with respect to household goods, including motor vehicles, brought into the State by a person who establishes residence in that State if the goods were acquired and used by that person 90 days or more before use of the property in the State in which he establishes such residence.

SEC. 303. TREATMENT OF TRANSPORTATION CHARGES WITH RESPECT TO INTERSTATE SALES.

Where the freight charges or other charges for transporting tangible personal property from the seller or supplier directly to the purchaser incidental to an interstate sale are separately stated in writing by the seller to the purchaser, to the extent that such charges do not exceed a reasonable charge for transportation by facilities of the seller or the charge for the transportation by the carrier when the transportation is by other than the seller's facilities, no State or political subdivision may include such charges in the measure of a sales or use tax imposed with respect to the sale or use of the property.

SEC. 304. REGISTRATION PROCEDURE.

A person with a business location in a State and purchasing goods in interstate commerce must obtain a registration number from that State. Persons without a business location in the State may rely upon such registration, as evidenced by receiving the registration number from the buyer, in writing, as conclusive authority for not charging and collecting a sales or use tax.

SEC. 305. LIABILITY OF SELLERS ON EXEMPT SALES.

No seller shall be liable for the collection or payment of a sales or use tax with respect to an interstate sale of tangible personal property if the purchaser of such property furnishes or has furnished to the seller a certificate or other written form of evidence indicating the basis for exemption, or the reason the seller is not required to pay or collect the tax. Any such certificate or writing shall give the name and address of the purchaser, his registration number, if any, and shall be signed by the purchaser or his representative.

SEC. 306. LOCAL SALES AND USE TAXES.

(a) LIMITATION OF SELLER COLLECTION.—Notwithstanding the provisions of section 101(3)(C), no seller shall be required by a State or political subdivision thereof—

(1) to collect a sales or use tax on a political subdivision with respect to interstate sales, or

(2) to classify interstate sales for sales or use tax purposes according to geographic areas of the State in any manner,

except with respect to those interstate sales with destinations in political subdivisions in which the seller has a business location, or regularly makes deliveries other than by common carrier or United States Postal Service.

(b) LOCAL TAXES TREATED AS STATE TAXES.—Notwithstanding the limitations in subsection (a), to the extent that State and any local sales and use taxes are imposed in all geographic areas of a State upon like transactions at the same combined State and local rate, are administered by the State, and are otherwise applied uniformly so that the seller is not required to classify interstate sales according to geographic areas of the State in any manner whatsoever, such sales or use taxes, whether imposed by the State or by political subdivisions, shall be treated as State taxes for the purposes of this Act.

TITLE IV—JURISDICTION OF FEDERAL COURTS

SEC. 401. JUDICIAL REVIEW.

Notwithstanding section 1251(a) of title 28, United States Code, the United States Court of Claims shall have jurisdiction to review de novo any issues relating to a dispute arising under this Act or under Public Law 86–272, as amended. Within 90 days of the decision of a State administrative body from which the only appeal is to a court, any party to the determination may petition the Court of Claims for a review de novo of any such issues. The findings of fact by the State administrative body shall be considered with other evidence of the facts. The judgment of the Court of Claims shall be subject to review by the Supreme Court of the United States as provided in section 1254 of title 28, United States Code, as amended.

SEC. 402. EFFECT OF FEDERAL DETERMINATION.

The determination of a dispute arising hereunder by the Court of Claims shall be binding for the taxable years involved on any State given notice or appearing as a party, notwithstanding any prior determinations of the courts or administrative bodies of that State completed after notice to that State. No statute of limiations shall bar the right of a State or a corporation to an amount of tax increased or decreased in accordance with the determination, provided action is begun within one year after the determination has become final.

TITLE V—DEFINITIONS AND MISCELLANEOUS PROVISIONS

PART A—DEFINITIONS

SEC. 501. NET INCOME TAX.

A "net income tax" is a tax which is imposed on or measured by net income, including any tax which is imposed on or measured by an amount arrived at by deducting from gross income expenses one or more forms of which are not specifically and directly related to particular transactions.

SEC. 502. GROSS RECEIPTS TAX.

A "gross receipts tax" is any tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax a net income tax.

SEC. 503. CAPITAL STOCK TAX; CAPITAL ACCOUNT TAX.

(a) CAPITAL STOCK TAX.—A "capital stock tax" is any tax measured in any way by the capital of a corporation.

(b) CAPITAL ACCOUNT TAX.—A "capital account tax" is any capital stock tax measured by number of shares, par or nominal value of shares, paid-in capital, or the like, not including any tax the measure of which includes any element of earned surplus.

SEC. 504. SALES TAX.

A "sales tax" is any tax imposed with respect to sales, and measured by the sales price of tangible personal property or services with respect thereto, which is required by State law to be stated separately from the sales price by the seller, or which is customarily stated separately from the sales price.

SEC. 505. USE TAX.

A "use tax" is any nonrecurring tax, other than a sales tax, which is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership of that property or the leasing of that property from another, including any consumption, keeping, retention, or other use of tangible personal property.

SEC. 506. EXCLUDED CORPORATION.

An "excluded corporation" is any of the following:

(1) Any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, small loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, any type of insurance company, or any corporation which derives 90 percent or more of its gross income from interest (including discount).

(2) Any corporation more than 50 percent of the ordinary gross income of which for the taxable year is derived from regularly carrying on any one or more of the following business activities:

(A) the transportation for hire of property or passengers, including the rendering by the transporter of services incidental to such transportation; or

(B) the sale of electrical energy, gas, or water.

SEC. 507. ARM'S-LENGTH AND NON-ARM'S-LENGTH TRANSACTIONS

An arm's-length transaction is a transaction between two or more affiliated corporations consummated at a consideration in an amount which would have been charged in an independent transaction between two or more unrelated corporations under similar circumstances considering all relevant facts. A non-arm's-length transaction is a transaction between two or more affiliated corporations consummated at a consideration in an amount which is more or less than the amount that would have been charged in an independent transaction between two or more unrelated corporations under similar circumstances considering all relevant facts

SEC. 508. AFFILIATED CORPORATIONS.

Two or more corporations are "affiliated" if they are not excluded corporations as defined in section 506 and are members of the same group comprised of one or more corporate members connected through stock ownership with a common owner, which may be either corporate or noncorporate, in the following manner:

(1) 50 percent or more of the voting stock of each member other than the common owner is owned directy by one or more of the other members; and

(2) 50 percent or more of the voting stock of at east one of the members other than the common owner is owned directy by the common owner.

SEC. 509. ORDINARY GROSS INCOME.

The term "ordinary gross income" means gross income as determined for the taxable year under the applicable provisions of the Internal Revenue Code of 1954, except that there shall be excluded therefrom—

(1) all gains and losses from the sale or other disposition of capital assets, and

(2) all gains and losses from the sale or other disposition of property of a character described in section 1231(b) of the Internal Revenue Code of 1954 (determined without regard to holding period).

SEC. 510. SALE.

For the purposes of Title III, the term "sale" shall be deemed to include leases and rental payments under leases.

SEC. 511. INTERSTATE SALE.

An "interstate sale" is a sale in which the tangible personal property sold is shipped or delivered to the purchaser in the State from a point outside that State.

SEC. 512. DESTINATION.

The destination of a sale is in the State or political subdivision in which possession of the property is physically transferred to the purchaser, or to which the property is shipped by the seller to the purchaser, regardless of the free on board point or other conditions of the sale.

SEC. 513. BUSINESS LOCATION.

A person shall be considered to have a business location within a State only if that person—

(1) owns or leases real property within the State,

(2) has one or more employees located in the State,

(3) regularly maintains a stock of tangible personal property in the State for sale in the ordinary course of his business, or

(4) regularly leases to others tangible personal property for use in the State.

For the purpose of paragraph (3), property which is on consignment in the hands of a consignee, and which is offered for sale by the consignee on his own account, shall not be considered as stock maintained by the consignor. If a person has a business location in a State solely by reason of paragraph (4), he shall be considered to have a business location in the State only with respect to such leased property.

SEC. 514. LOCATION OF PROPERTY.

(a) GENERAL RULE.—Except as otherwise provided in this section, property shall be considered to be located in a State if it is physicaly present in that State.

(b) MOVING PROPERTY.—Personal property which is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels mobile equipment, and the like, shall be considered to be located in a State if—

(1) the operation of the property is localized in that State or

(2) the operation of the property is not localized in any State but the principal base of operations from which the property is regularly sent out is in that State.

If the operation of the property is not localized in any State and there is no principal base of operations in any State from which the property is regularly sent out, the property shall not be considered to be located in any State for purposes of inclusion in either the numerator or the denominator of the property factor.

(c) MEANING OF TERMS.—

(1) LOCALIZATION OF OPERATIONS.—The operation of property shall be considered to be localized in a State if during the taxable year it is operated entirely within that State, or it is operated both within and without the State is—

(A) occasional,

(B) incidental to its use in the transportation of property or passengers from points within the State, or

(C) incidental to its use in the production, construction, or maintenance of other property located within the State.

(2) BASE OF OPERATIONS.—The term "base of operations", with respect to a corporation's moving property means the premises at which any such property is regularly maintained by the corporation or by some other person; except that if the premises are maintained by an employee of the corporation primarily as a dwelling place they shall not be considered to constitute a base of operations.

SEC. 515. LOCATION OF EMPLOYEE.

(a) IN GENERAL.—An employee shall be considered to be located in a State if—

(1) the employee's service is performed entirely within the State;

(2) the employee's service is performed both within and without the State, but the service performed without the State is incidental to the employee's service within the State; or

(3) some of the service is performed in the State and—

(A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the State; or

(B) the base of operations or the place from which the service is directed or controlled is not in any State in which some part of the service is performed, but the employee's residence is in the State.

(b) EMPLOYEE.—The term "employee" has the same meaning as it has for purposes of Federal income tax withholding under chapter 24 of the Internal Revenue Code of 1954, as amended.

(c) CONTINUATION OF MINIMUM JURISDICTIONAL STANDARD.—An employee shall not be considered to be located in a State if his only business activities within such State on behalf of his employer are any of the following:

(1) The solicitation of orders, for sales of tangible personal property, which are sent outside the State for approval or rejection and (if approved) are filled by shipment or delivery from a point outside the State.

(2) The solicitation of orders in the name of or for the benefit of a prospective customer of his employer, if orders by such customer to such employer to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).

(3) The installing or repairing of tangible personal property which is the subject of interstate sale by the employer, if such installing or repairing is incidental to the sale. This subsection shall not apply with respect to business activities carried on by one or more employees within a State if the employer (without regard to those employees) has a business location in such State.

SEC. 516. STATE.

The term "State" means the several States of the United States and the District of Columbia.

Sec. 517. State Law.

References in this Act to "State law", "the laws of the State", and the like shall be deemed to include a State constitution, and to include the statutes and other legislative acts, judicial decisions, and administrative regulations and rulings of a State and of any political subdivision.

Sec. 518. Taxable Year.

A corporation's "taxable year" is the calendar year, fiscal year, or other period upon the basis of which its taxable income is computed for purposes of the Federal income tax.

Sec. 519. Commercial Domicile.

"Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

Sec. 520. Dividends.

"Dividends" shall have the same meaning as that term has under the Internal Revenue Code of 1954, as amended, including any sum treated as a dividend under section 78 of such Code.

Sec. 521. United States.

The term "United States" wherever used in this Act shall include only the States and the District of Columbia.

Sec. 522. Income From Sources Without the United States.

Income from sources without the United States means income from sources without the United States as defined by the Internal Revenue Code of 1954, as amended, except that section 638 of such Code shall not apply.

Sec. 523. Person.

The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

Sec. 524. Taxpayer.

The term "taxpayer" means any person subject to a tax under the applicable State law.

PART B—MISCELLANEOUS PROVISIONS

Sec. 525. Permissible Franchise Taxes.

The fact that a tax to which this Act applies is imposed by a State or political subdivision thereof in the form of a franchise, privilege, or license tax shall not prevent the imposition of the tax on a person engaged exclusively in interstate commerce within the State; but such a tax may be enforced against a person engaged exclusively in interstate commerce within the State solely as a revenue measure and not by ouster from the State or by criminal or other penalty for engaging in commerce within the State without permission from the State.

Sec. 526. Prohibition Against Geographical Discrimination.

(a) In general.—No provisions of State law shall make any person liable for a greater amount of sales or use tax with respect to tangible personal property, by virtue of the location of any occurrence in a State outside the taxing State, than the amount of the tax for which such person would otherwise be liable if such occurrence were within the State. For purposes of this subsection, the term "occurrence" includes incorporation, qualification to do business, and the making of a tax payment, and includes an activity of the taxpayer of a person (including an agency of a State or local government) receiving payments to the taxpayer.

(b) Computation of tax liability under discriminatory laws.—When any State law is in conflict with subsection (a), tax liability may be discharged in the manner which would provide under State law if the occurrence in question were within the taxing State.

Sec. 527. Applicability of Act.

Nothing in this Act shall be considered—

(1) to repeal Public Law 86–272, amended, with respect to any person;

(2) to increase, decrease, or otherwise affect the power of any State or political subdivision to impose or assess a net income tax or a capital stock tax with respect to an excluded corporation;

(3) to give any State or political subdivision the power to impose a gross receipts tax with respect to a sale of tangible personal property if the seller would not be subject to the imposition of such a gross receipts tax without regard to the provisions of this Act; or

(4) to prevent a State or political subdivision from enacting legislation that would result in a lesser tax liability than that provided by this Act.

Sec. 528. Prohibition Against Out-of-State Audit Charges.

No charge may be imposed by a State or political subdivision thereof to cover any part of the cost of conducting outside that State an audit for a tax to which this Act applies including a net income tax imposed on an excluded corporation.

Sec. 529. Liability With Respect to Unassessed Taxes.

(a) Periods ending prior to enactment date.—No State or political subdivision thereof shall have the power, after the date of the enactment of this Act, to assess against any person any tax for any period ending on or before such date in or for which that person became liable for such tax if during such period the State or political subdivision would not have had the power to assess such tax had the provisions of title I of this Act been in effect during such period.

(b) Certain prior assessments and collections.—The provisions of subsection (a) shall not be construed—

(1) to invalidate the collection of a tax prior to the time assessment became barred under subsection (a), or

(2) to prohibit the collection of a tax at or after the time assessment became barred under subsection (a), if the tax was assessed prior to such time.

Sec. 530. Capital Account Taxes on Domestic Corporations.

The State in which a corporation is incorporated may impose a capital account tax on the corporation without division of capital, notwithstanding the jurisdictional standard and limitation on attribution otherwise imposed by this Act.

Sec. 531. Effective Dates.

(a) Except as provided in section 529, this Act shall apply only with respect to taxable years beginning on or after one year from the date of the enactment of this Act.

(b) Section 306 of this Act shall be effective with respect to taxable periods beginning on or after July 1, 1978.

Explanation of Major Provisions of S. 1245, the Interstate Taxation Act of 1973

S. 1245 is a revision of S. 4080 introduced in the 92nd Congress in October of 1972. S. 4080 incorporated features of a number of bills that had been introduced over a period of time. Many of its provisions were supported by a significant portion of the business community and a number of State tax officials. The revisions in S. 4080 contained in this new bill primarily implement a further meeting of minds between the affected business taxpayer groups and key State officials.

TITLE I—JURISDICTION TO TAX

SECTION 101. UNIFORM JURISDICTIONAL STANDARDS

This section aims to provide protection for the business that is selling in interstate commerce from being liable for payment or collection of taxes in States where that business has no business location while at the same time preserving the legitimate interest of the States in collecting all taxes to which they are entitled.

The present sales and use tax jurisdictions would be preserved for the States by codifying (with an exception benefiting primarily small business) the present law as enunciated in the Supreme Court cases of *Scripto, Inc.* v. *Carson,* 362 US 107 (1960) and *National Bellas Hess, Inc.* v. *Department of Revenue of the State of Illinois,* 386 US 753 (1967).

The bill would afford relief from sales tax liability for businesses without a business location in the State—that is, generally medium and small businesses, wholesalers and small manufacturers—through a registration number procedure.

The seller, without a business location in a State, would be able to rely on a sales and use tax registration number procedure, prescribed in Section 304, as assurance that the *business* buying the product would assume liability for payment of any sales or use tax that may be due. "Business location," which is defined in Section 513, generally means owning or leasing real property within the State, or having one or more employees located in the State, or regularly maintaining a stock of tangible personal property in the State for sale in the ordinary course of business. Since most of the larger corporations would tend to have "business locations" in States in which they are making interstate sales, their tax liability would not be greatly affected by this registration number procedure. Rather the registration number procedure would tend to benefit primarily the smaller businesses—the type of business that the House Judiciary Subcommittee on State Taxation of Interstate Commerce found to be in widespread noncompliance, through lack of knowledge, inability to comply, etc., with sales and use tax payments on interstate sales. In that the procedure clarifies liability for payment of sales and use taxes, it should be helpful to States in actually collecting the taxes that are not being collected now, as well as relieving small business from potential liability that hangs over their heads.

Section 101 also provides for a "business location" jurisdictional test for imposing a corporate net income tax, a gross receipts tax or capital stock tax on a corporation. The reason for this provision is well stated in the December 1971 Report of the Committee on Interstate Taxation of the New York Bar Association. The report states:

"In our Committee's judgment, the policy of requiring a corporation to contribute to the support of the government of each State providing a market for its goods or services is outweighed by the policy of freeing multistate business firms from the onerous administrative burdens of keeping records and filing tax reports for a multiplicity of States and localties with which their economic contacts are relatively small. In our view, the governmental services furnished by a State to an enterprise having no permanent establishment within that State's borders are not likely to be sufficiently substantial to justify the imposition of income tax compliance burdens on such an enterprise. This judgment leads us to support the "business location" test set forth in Clause (1) in Section 101 of the Rodino Bill as affording an appropriate means of alleviating the compliance problem."

TITLE II—MAXIMUM INCOME OR CAPITAL ATTRIBUTABLE TO TAX JURISDICTION

SECTIONS 201–206. OPTIONAL THREE-FACTOR FORMULA

The bill provides an optional Three-Factor Formula (property, payroll, and sales) for apportionment of income or capital of interstate corporations. This is the most widely used formula and has been recommended by the Commissioners on Uniform State Laws in the Uniform Division of Income Tax Purposes Act (UDITPA). A taxpayer would still have the right to use a different apportionment formula that may be provided for by State law, but the Three-Factor Formula and other provisions of Title II serve as a maximum.

The bill adopts the approach of the so-called "Ad Hoc" bill, S. 3333, of the 92nd Congress, to apportion all income in the tax base except portfolio dividends which would be allocated to commercial domicile. Foreign source income generally and intercorporate dividends would be excluded both from allocable and apportionable income. This will clear up the confusion that has developed in the application of UDITPA between "business" income that is apportionable among the states by the use of the Three-Factor Formula and "non-business" income which is allocable to a specific State.

The shift in this bill to placing greater emphasis on apportioning income among the States by formula, as opposed to allocating that income to specific States by situs, constitutes a major concession by the business community to those States that have been advocating this approach. There has been a developing trend among the States to support apportioning income among the States by the Three-factor Formula rather than allocating by situs. Business generally in the past has proposed clarifying the confusion in UDITPA between apportionable "business" income and allocable "non-business" income by specifying what types of income should be apportioned and what types should be allocated.

SECTION 204. SALES FACTOR—"THROWBACK RULE"

The bill assigns sales by destination in a State as the simplest, most equitable attribution procedure. It gives due weight to the role of the market in the overall production of income or capital and is one that many businesses and States have learned to live with and prefer. The so-called "throwback" provision, found in the Uniform Act (UDIT PA), is not included in the sales factor. The "throwback rule" provides that in the case of sales to the United States Government and when the taxpayer is not taxable in the State of the purchaser, the sale will be recaptured or "thrown back" to the State of the origin of the sale.

It would appear more equitable and appropriate that the receipts factor include sales on a straight destination basis since the purpose and intent of the apportionment formula is to arrive at a reasonable basis for assigning some part of the corporation's total income to a particular State based on the activity performed in that State. Therefore, in attempting to measure this activity, the guidelines should be focused on what is being done in the State—and not what the taxpayer is *not* doing in some other State. In utilizing the receipts factor, it is recognized that part of the income or capital is attributable to the selling activity in the market State and, therefore, any change from a straight destination test results in attributing a smaller part of the total income or capital to the selling activity than would be the case by utilizing a straight destination test. The market oriented States must rely largely on the sales factor to have a share of major multistate business assigned to them. Other States that are relatively less market oriented have property and payroll factors, as well as sales, to increase their share of the taxable income or capital. The justice of this concept has been recognized by a number of major States, including some that are not market oriented States, which have deleted the "throwback" provision in enacting the Uniform Act. These States have recognized that recapture involves an administrative complexity that may cost more than the tax difference. The House Judiciary Subcommittee on State Taxation of Interstate Commerce on page 244, Volume 1 of their report, stated that:

"It should also be observed that the existing throwback rules add to the complexity of the system even if their applicability is clear. When a throwback rule applies, it will normally require the taxpayer to develop data in addition to that needed to comply with the primary division-of-income rules of the taxing State. When a destination State requires that certain sales be thown back to the State of origin, for example, the taxpayer is required to determine the point of origin of each transaction subject to the throwback. The development of such information may materially increase the burden of compliance."

SECTION 207. APPORTIONABLE INCOME

Corporations necessarily have, in addition to their regular business income, income which is not earned in the course of their regular trade or business. To the extent that such income is not earned in the United States, it is not properly apportionable by formula to the various States. Section 207(a) insures that only income earned in the United States will be apportioned among the States by formula.

The Section 207(a) provision that apportionable income for a corporation shall not be determined by reference to the income of any other corporation needs to be related to Section 209 on "Consolidated Apportionable Income" which provides for determining apportionable income for affiliated groups of companies under certain circumstances.

Additional language has been added to Section 520 to make it clear that a State cannot properly include foreign taxes deemed to be paid which are treated as dividends for Federal income tax purposes as part of the State tax base. This is meant to clear up a confusion that has developed in some States that have attempted to follow the Federal tax base without recognizing that the "gross-up" of foreign taxes required by Federal law is simply a device used in connection with the application of the foreign tax credit which then eliminates such taxes from the Federal base. Since States do not have a foreign tax credit, failure to permit an adjustment for the gross-up results in a State attempting to impose a tax on fictitious income to which it has no legitimate claim. Most recently this has been a problem in the State of Illinois.

The alternative Apportionment Election permitted by Section 208(b) of S. 4080 has been deleted from this bill. This provision would have allowed a taxpayer to elect to include in apportionable income gains, profits, and income derived from the sale of personal property without the United States. The deletion of this provision constitutes a further concession to the State tax collector viewpoint that generally objects to the taxpayer being given elections which it is assumed would be exercised to benefit the taxpayer at the expense of the State.

Section 207(b) on "Adjustment of Apportionment Factors" accomplishes the same purpose as Section 208(c)(2) of S. 4080. It provides for adjustment of the denominators of the apportionment factors to include payrolls, sales, and property that are attributable to the sale of tangible personal property, the ultimate destination of which is outside the United States, because the income derived from the sale is included in apportionable income. The income from such a sale would be included in apportionable income when it is not "income from sources without the United States" as defined in Section 862 of the Internal Revenue Code because the sale takes place, or the title passes, in this country and the property is then shipped outside of the country. The adjustment of the denominators of the factors is made necessary because Sections 202–204 define the denominators as including *only* property, payroll, sales *within* the United States, but such sales may involve property, payroll, and sales located outside of the United States. To properly apportion income it is essential that the apportionment factors reflect values directly related to the specific income to be apportioned.

SECTION 208. ALLOCABLE INCOME—DIVIDENDS

Dividends, except dividends from affiliates, are allocable to the State of commercial domicile. Dividends received from an affiliated corporation in which the taxpayer owns 50% or more of the voting stock and income from sources outside the United States generally are excluded both from apportionable and allocable income and so would not be in the tax base. These exclusions from apportionable income are provided for in the Section 207 definition of "apportionable income."

Section 208 has strong support from business and many States.

Since a State should be attempting to tax only income derived from sources in that State, it would seem obvious that the States should not be taxing income earned overseas, but this is precisely what some States are attempting to do. In fact, some States are attempting to go beyond commonly accepted worldwide concepts of taxing international income.

Section 207 provides that corporate dividends are to be excluded from income apportioned among the States by formula unless dealing in securities is the taxpayer's principal business. Section 208 then provides for allocation of dividends, except dividends from affiliates, to the State of commercial domicile. This type of allocation is in accordance with intent of the Uniform Act (UDITPA) but Congressional action is made necessary by a September 10, 1971, recommendation by the Multistate Tax Commission (MTC) to the States for regulations that would apportion dividend income. The regulations which the MTC proposes to change basically were worked out after much effort by the Committee on Uniform Income Tax Regulations of the National Association of Tax Administrators (NATA). The regulations as recommended by NATA have been adopted by California, Oregon, and Kentucky. The regulations as proposed by NATA would generally allocate dividends to the State of commercial domicile which is a clear cut way of handling the problem in accordance with the intent of the uniform law (UDITPA). Only a minority of the States have enacted the Multistate Tax Compact. Therefore even if all the member States adopted this proposed regulation, which seems unlikely, many States are likely to continue to follow their present practices. This means that States that tax dividends of companies with a commercial domicile in the State will continue to do so. Other States that adopt the Multistate Tax Commission (MTC) regulation will be apportioning the *same* dividend income by formula among the States. The result will be increased *double* taxation.

Most States and the Federal government have long recognized that intercorporate dividends should not be treated as income subject to full taxation. Some States allow a 100% exclusion for intercorporate dividends, while others follow the Federal practice of an 85% exclusion (a 100% exclusion is permitted by the Internal Revenue Code for dividends from affiliates under certain circumstances). It is likely, however, that if the MTC regulation referred to above is adopted by Compact member States, there will be a great temptation for these States to subject such income to taxation even though they have no legitimate claim on it. The result will be increased multiple taxation.

Business generally takes the position that no dividends should be taxed since the income from which the dividends are paid has already been taxed. Very few States include all dividends in the tax base. Many States include dividends only to the extent that they are included in Federal taxable income. To the extent dividends are taxable, they are generally allocated to the State of commercial domicile, as provided for in Section 207.

SECTION 209. CONSOLIDATED APPORTIONABLE INCOME

If it is established that two or more affiliated companies have engaged in non-arm's-length transactions which cause a material distortion of income apportioned by a State, the State may require, or the taxpayer may elect to determine, apportioned income by consolidating the income of parties to the non-arm's-length transactions. "Non-arm's-length transactions" and "affiliated corporations" are defined in Sections 507 and 508.

This provision on consolidated returns (Section 209(a)) is a revision of the proposal contained in Section 210(a) of S. 4080 of last session.

Section 209(b) provides that a State or political subdivision may not require and the taxpayer may not elect a consolidation that includes a corporation incorporated outside the United States, or any corporation 50 percent or more of the ordinary gross income of which is excludable under Section 207(a)(1), or an excluded corporation. Section 207(a)(1) excludes income from sources without the United States. Section 509 defines "ordinary gross income" and Section 506 defines "excluded corporation." Section 208 allocates portfolio dividends to the State of commercial domicile and excludes from the tax base dividends from affiliates and from foreign sources outside the United States.

If affiliated corporations engage in non-arm's-length transaction, it is the intent of this section, and Sections 507 and 508, that all such affiliated corporations, whether or not each engages in non-arm's-length transactions with each of the others, may be required or permitted under appropriate circumstances to determine maximum amount of income attributable to a taxing jurisdiction by reference to consolidated apportionable income on a consistent basis and so that neither more nor less than 100% of their consolidated apportionable income will be subjected to tax. In order to achieve this result, each such affiliated corporation will multiply the aggregate apportionable income of all such affiliated corporations (after elimination of all intercorporate transaction) by an apportionment fraction which is the average of the corporation's property, payroll and sales factors, except that the denominator of each factor shall be the total of the same factor for all such affiliated corporations with all intercorporate transactions eliminated. If a corporation falls within the scope of subsection (b)(1), (2), or (3) so that its income would not be included in consolidated apportionable income for the purpose of determining the maximum tax of an affiliated corporation, it should not be required or permitted to compute its apportionable income under this section.

The provisions on combined reporting and consolidated returns should help avoid situations where companies are "whipsawed" between conflicting approaches of different States and subjected to double or multiple taxation on the same income. This sometimes results in more than 100% of a company's income being subjected to State taxation.

The need for these provisions is illustrated by two cases involving the Kennecott Copper Corporation. The States of California and Utah have both held that Kennecott and its affiliates are unitary.

California rules that Kennecott must file a combined report. (*Chass Brass and Copper Company* v. *Franchise Tax Board,* 7 Cal. App. 3d 99, 86 Cal. Rptr. 350, *appeal dismissed and cert denied,* 400 US 961 (1970)). Utah, on the other hand, refused to permit Kennecott to file a consolidated return, even though its law authorizes such a return, but instead imposed a separate accounting approach on the parent ogranization and required separate taxation of its affiliates (*Kennecott Copper Corporation, et al.* v. *State Tax Commission of Utah,* unreported decision of the Utah Supreme Court, Case No. 12498, filed January 24, 1972. Appeal dismissed by the Supreme Court of the United States, November 6, 1972.) Both California and Utah acted in a manner so as to maximize the tax owed to each State. The result is that Kennecott is being subjected to taxation on considerably more than 100% of its income. The California case also illustrates how that State uses its combined reporting requirements to subject foreign source income from overseas investment to taxation even though the foreign affiliates involved have no situs or business activity in the State.

The refusal of the Supreme Court to hear the Kennecott California and Utah appeals emphasizes the need for Congressional action to rectify the situation.

TITLE III—SALES AND USE TAXES

This title generally follows S. 3333 with the addition of the registration requirement referred to above in connection with Section 101. This includes the provisions (Section 306) prohibiting political subdivisions from imposing the obligation on the seller to collect tax on an interstate sale unless (1) the seller has a business location or makes regular deliveries into the subdivision, or (2) the local tax is imposed in all geographic areas of the State on like transactions at the same combined State and local rate, administered by the State, and uniformly applied so that a seller would not be required to classify interstate sales according to geographic areas of the State. (This section would not be effective until July 1, 1977.) The other provisions in this title primarily codify existing law and are generally considered acceptable to the States.

TITLE IV—JURISDICTION OF FEDERAL COURTS

This title would give jurisdiction to the Federal Court of Claims to hear appeals upon the application of provisions of the Act, after Senate administrative decisions are final and the only appeal is to court. The Court of Claims uses Commissioners to hear cases throughout the country. The Court of Claims also have authority to sit as a panel of judges in different parts of the country. The objective of this title is to have a single Federal court that could develop expertise in the area of interstate taxation and provide for uniform application of the Federal law in a manner that would not be possible through use of State or Federal District Courts.

INTERSTATE TAXATION ACT

Mr. RIBICOFF. Mr. President, I am pleased to join with the distinguished Senator from Maryland (Mr. MATHIAS) in introducing the Interstate Taxation Act.

This bill is designed to bring order to the present chaotic system of taxing interstate commerce. Almost 200 years after the founding of this Nation businesses still face serious impediments to the free flow of commerce.

The growth of our society has placed increasing demands on our States and local governments. Population expansion, particularly in our cities and towns, has burdened local jurisdictions with demands for increased public services—in the form of schools, roads, sewers, fire, and police protection. State and local governments, in meeting these demands have had to open new sources of revenues including income, sales, and use taxes. The resulting wide proliferation of State and local taxation programs have increased the difficulties of conducting an interstate business—particularly if the concern is small or medium sized.

A recent study by a House Judiciary Committee subcommittee revealed a staggering number of jurisdictions taxing interstate commerce. There were in effect on a State level, 38 different sets of corporate income tax laws, 39 sales and use tax systems, 37 capital stock tax laws, and eight different sets of State gross receipts tax laws. The local tax picture was even more staggering—with more than 2,300 cities, counties, parishes, towns, and villages imposing sales and use taxes on interstate commerce, more than 1,000 local governments imposing gross receipts taxes, and more than 100 local governments imposing full fledged corporate income taxes.

Today the numbers are even higher and the problems they create more exasperating.

I have received pleas for action from Connecticut businesses of all sizes. Products manufactured in my State travel all over the country. But the present system of State taxation is so unwieldly, so cumbersome, that many companies, particularly smaller ones, simply do not have the ability to meet the taxing requirements of all the jurisdictions in which their goods are sold. One Connecticut businessman told of having to spend several hundred dollars in order to meet a tax bill amounting to only a few dollars. Individuals face many of the same problems. It is imperative that these companies and private citizens be given relief and allowed free access to a single national market.

I have introduced legislation to solve this problem in the 90th, 91st, and 92d Congresses. Unfortunately the Senate has never taken action. I am hopeful that with the establishment in the Senate Finance Committee of a Subcommittee on Interstate Taxation we will finally enact the necessary corrective legislation. The Mathias-Ribicoff Interstate Taxation Act of 1973, a revised version of our previous efforts, will be a major step toward eliminating the present confusion and allowing our Nation's businesses free and easy access to all markets.

By Mr. TALMADGE:

S. 1246. A bill to amend the Controlled Substances Act so as to increase the penalty with respect to the unlawful distribution of certain narcotic drugs by individuals determined to be a public menace. Referred to the Committee on the Judiciary.

Mr. TALMADGE. Mr. President, there is a vicious and unprincipled predator stalking our society, and it is long past time that we took forceful action to eradicate him. For years, this vulture has been preying on our most priceless asset—our young people.

I refer, Mr. President, to the drug pusher.

One of the marks of a civilized society is its ability to temper justice with mercy.

But these people represent the lowest and most vile form of human life, and they deserve neither sympathy nor compassion. They do not deserve it because they never exhibit it to another human being.

I am introducing legislation today that will treat these vicious predators the way they should be treated—as public menaces. I refer specifically to the man who is not, himself, caught in the iron grip of drug addiction, but who lines his pocket with the money of the desperate individuals whose lives he is destroying. He moves among our youth like a silent, deadly disease, mercilessly seeking out the gullible and the ignorant, taking them by the hand, and leading them into the most wretched and bleak form of human existence.

Mr. President, there is much that we can lay at the door of this public menace. First, there are the young lives which he has enslaved. He has led them from youthful innocence into the desperate hell of drug addiction. The young man or woman who is ravaged by drugs cannot think of his or her family or job. Their entire lives are dominated by the driving need to secure more drugs to feed their habit—and this is a need which can only increase. Rapidly, their habit becomes so expensive that they cannot support it through legal means—so they turn to a life of crime.

Every time this public menace makes another conquest, it is as though a pebble were dropped into a pond. The first ripple represents the addict himself, and all other ripples are the innocent victims that he robs, beats, and even murders to feed his habit. While I have pity for the addict, he, at least, made a voluntary decision to become involved in this vicious circle. But the law-abiding citizens whose property and lives are snatched from them to be laid at the feet of this public menace by the unfortunate people he has enslaved have been involved entirely against their will.

The legislation which I propose today represents a direct effort to remove this public menace. It provides that any person who is convicted of distributing more than 4 ounces of so-called hard drugs, and who is not an addict himself, will be found by the sentencing court to be a public menace. Such a finding would be mandatory on the part of the court if the circumstances I stated before were found to be present. Upon such a finding, the accused would be sentenced to an additional term of not less than 10 nor more than 30 years, with no provision for probation or parole. This sentence would have to be served separately. Any person convicted, for the second time, of such an offense would be sentenced to life imprisonment, with a minimum sentence of 30 years. This sentence would also be served separately.

Mr. President, I hope the Senate will act with dispatch to approve this legislation. Any man who can, in a cold and calculated manner, entice another human into an existence of quiet desperation, and offer him a one-way ticket to despair, is not fit to breathe the same air as decent people. He is not even worthy to wear the label of a human being, and I want him off the streets before he destroys another life. I think all Americans want the same thing.

By Mr. FULBRIGHT (by request):

S. 1248. A bill to authorize appropriations for the Department of State, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the Department of State and for other purposes.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Assistant Secretary of State for Congressional Relations to the Vice President dated March 1, 1973, and the section-by-section analysis of the bill.

There being no objection, the bill, letter, and analysis were ordered to be printed in the RECORD, as follows:

S. 1248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That this Act may be cited as the "Department of State Appropriations Authorization Act of 1973."

SEC. 101. There are authorized to be appropriated for the Department of State for the fiscal year 1974, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts—

(1) for the "Administration of Foreign Affairs", $282,565,000;

(2) for "International Organizations and Conferences", $211,279,000;

(3) for "International Commissions," $15,568,000;

(4) for "Educational Exchange", $59,800,000;

(5) for "Migration and Refugee Assistance", $8,800,000.

SEC. 102. There are authorized to be appropriated for the Department of State for fiscal year 1975, such sums as may be necessary to carry out the purposes of Sec. 101 of this Act.

SEC. 103. Appropriations made under sections 101 and 102 of this Act are authorized to remain available until expended.

TRANSFER OF APPROPRIATION AUTHORIZATION

SEC. 104. Any unappropriated portion of the amount specified in any of the paragraphs (1) through (5) of section 101 of this Act may be appropriated, in addition to the amount otherwise authorized, under any of the other paragraphs in that section.

CERTAIN ADDITIONAL AUTHORIZATIONS OF APPROPRIATIONS

SEC. 105. In addition to amounts authorized by sections 101 and 102 of this Act, there are authorized to be appropriated for the Department of State such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, for other nondiscretionary costs, and for expenses of programs or other activities, including participation by the United States in international conferences, which arise subsequent to the date of enactment of this Act.

DEPARTMENT OF STATE,
Washington, D.C., March 1, 1973.

The Honorable SPIRO T. AGNEW,
President of the Senate,
U.S. Senate.

DEAR MR. PRESIDENT: In accordance with Section 407(b) of the Foreign Assistance Act of 1971, there is transmitted herewith proposed legislation that would authorize appropriations for the Department of State to carry out authorities, functions, duties and responsibilities in the conduct of foreign affairs of the United States during the Fiscal Years 1974 and 1975.

The bill provides for (a) authorization of appropriations for "Administration of Foreign Affairs" which relates to the operation of United States diplomatic and consular posts abroad and of supporting elements of the Department of State in the United States; (b) authorization of appropriations for "International Organizations and Conferences" including contributions to meet obligations of the United States to international organizations pursuant to treaties, conventions or specific acts of Congress; (c) authorization of appropriations for "International Commissions" which enable the United States to fulfill its treaty and other international obligations; (d) authorization of appropriations for "Educational Exchange" which is a program administering the cultural and educational exchange activities of the United States, and (e) authorization of appropriations for "Migration and Refugee Assistance" which includes the United States annual contribution to the International Committee of the Red Cross and refugee assistance programs.

A section-by-section analysis and other detailed information explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations.

SECTION-BY-SECTION ANALYSIS

Section 101—This section provides an authorization of appropriations for the Department of State in accordance with the provisions of Section 407(b) of the Foreign Assistance Act of 1971. Funds are authorized to be appropriated under this legislation for the fiscal year 1974.

This section contains the authorizations for appropriations by category for fiscal year 1974. Apart from the amounts, this section is the same as subsection 101(a) of Public Law 92–352, except that it now includes authorization for international trade negotiations which are scheduled to begin in fiscal year 1974 and excludes authorization for the acquisition, operation and maintenance of buildings abroad which is being submitted as separate legislation.

Paragraph (1) authorizes appropriations under the heading "Administration of Foreign Affairs" to provide the necessary funds for the salaries, expenses and allowances of officers and employees of the Department, both in the United States and abroad. It includes funds for executive direction and policy formulation, conduct of diplomatic and consular relations with foreign countries, conduct of diplomatic relations with international organizations, domestic public information activities, central program services, and administrative and staff activities.

Further, it provides funds for relief and repatriation loans to United States citizens abroad and for other emergencies of the Department; and payments to the Foreign Service Retirement and Disability Fund.

This authorization category, unlike the comparable provision in Public Law 92–352, does not include funds for acquisition, operation and maintenance of facilities. Such funds, covering U.S. Government buildings abroad and the related activities of the Foreign Buildings Office, will be sought under a separate authorization bill.

Paragraph (2) authorizes appropriations under the heading "International Organizations and Conferences". This category provides the necessary funds for United States contributions of its assessed share of the expenses of the United Nations, eight specialized agencies and the International Atomic Energy Agency, six Inter-American organizations, six Regional organizations and seventeen other international organizations. The United States membership in these organizations, which has been authorized by treaties, conventions or specific Acts of Congress, constitutes an obligation for payment of its share of the assessed budgets pursuant to the basic statutes or constitutions of the international agencies. Also included are the necessary funds for the missions which represent the United States at the headquarters of certain international organizations in which the United States has membership or participates pursuant to treaties, conventions or specific Acts of Congress. These missions maintain liaison with the international secretariats and with the delegations of other member governments at the organizations' headquarters. In addition, provision is made for funding of official United States Government participation in regularly scheduled or planned multilateral intergovernmental conferences, meetings and related activities, including international trade negotiations, and for contributions to new or provisional organizations. Included also are the expenses of Congressional delegations to international parliamentary meetings. This subsection does not include the authorization of appropriations for voluntary contributions to international organizations which are provided for in other Congressional enactments.

Paragraph (3) authorizes appropriations under the heading "International Commissions" which provides funds to enable the United States to fulfill its treaty and other international obligations with Mexico, including the expenses and operations of the American Section of the International Boundary and Water Commission, United States and Mexico; project investigations and construction on the United States-Mexican border. Also included are the authorization of funds for American Sections, International Commissions, in accordance with existing treaties, for expenses of the American Section of the International Boundary Commission and the International Joint Commission, which are concerned respectively with maintenance of the United States-Canadian border, and environmental and other joint problems involving the United States and Canada. Appropriations are authorized for expenses, including contributions, to enable the United States to meet its obligations in connection with participation in international fisheries commissions pursuant to treaties or conventions, and implementing Acts of Congress.

Paragraph (4) authorizes appropriations under the heading "Educational Exchange" which provides funds to enable the Secretary of State to carry out his functions under the provisions of the Mutual Educational and Cultural Exchange Act of 1961, as amended, and the Act of August 9, 1939. Funds appropriated under this authorization provide for the educational and cultural program of the Department of State, including the exchange of persons, aid to American sponsored schools abroad, and cultural presentations. Included also is the authorization of funds to enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960 by grant to the State of Hawaii. The Center provides grants, fellowships and scholarships to qualified persons from Asia and the Pacific and Americans who work jointly on problems of mutual concern.

Paragraph (5) authorizes appropriations under the heading "Migration and Refugee Assistance" to enable the Secretary of State to provide assistance to migrants and refugees, both on a multilateral basis through contributions to organizations such as the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees, and on a unilateral basis through assistance to refugees designated by the President, as authorized by law. Also included is an authorization of funds for a contribution to the International Committee of the Red Cross pursuant to existing legislation. This subsection does not include the authorization of appropriations for special and emergency refugee relief assistance which are provided for in other Congressional enactments.

Section 102—This section would permit the Department to request appropriations of such sums as may be necessary for carrying out the purposes of Section 101 in fiscal year 1975. While the Department intends to seek annual authorization of appropriations, the purpose of this section is to advance the authorization process one fiscal year ahead of the need for appropriations.

Section 103—This section would provide for the customary extension of the availability of funds beyond the end of the fiscal year, to the extent provided for in appropriation Acts, for such appropriations of the Department as "International Boundary and Water Commission, United States and Mexico—Construction", and "Migration and Refugee Assistance". This authority is required to enable the Department to retain funds appropriated for construction projects, the completion of which extends beyond a single fiscal year and to enable the Department to meet the calendar years 1974 and 1975 program needs for Migration and Refugee Assistance.

Section 104—This section is a new provision. Its purpose is to permit the Department, within the overall limits of section 101, to seek appropriations for a greater amount than that specifically authorized for any particular category or categories of authorizations. It would permit the unappropriated portion of the amount in any category to be appropriated under any other category in Section 101.

Section 105—This section provides an authorization of appropriations for a number of functions, activities and expenses of a nature that are difficult to determine in advance. One such category provided for in this authorization of appropriations covers increases in salary, pay, retirement or other employee benefits authorized by law which occur from time to time and require supplemental appropriations. This section would also authorize appropriations for nondiscretionary increases such as those resulting from exchange rate realignments and appropriations required to finance new or expanded activities authorized by law or treaty which would take effect after the enactment of this legislation. Many of the activities and responsibilities of the Department of State are affected by legislation enacted by the Congress, particularly that having international implications, which has a direct bearing on the Department's financial resources. Finally, our experience has shown that unexpected international developments may necessitate the calling of urgent international conferences in which it is in the national interest of the United States to participate. Examples are recent special conferences on aircraft hijacking and terrorism. Without some flexibility, the United States would be unable to participate in such conferences except at the expense of already scheduled conferences which also are important. The Department, therefore, must have the flexibility to meet such additional costs without being required to return for increased authorizations of appropriations prior to the submission of a request for additional or supplemental appropriations.

By Mr. CURTIS (for himself, Mr. Baker, Mr. Eastland, Mr. Goldwater, Mr. Hruska, Mr. Dole, Mr. Brock, and Mr. Thurmond)

S. 1249. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes. Referred to the Committee on Labor and Public Welfare.

OCCUPATIONAL SAFETY AND HEALTH ACT AMENDMENTS OF 1973

Mr. CURTIS. Mr. President, on behalf of myself and Senators Baker, Eastland, Goldwater, Hruska, Dole, Brock, and Thurmond, I introduce a bill to amend the Occupational Safety and Health Act of 1970, and ask that it be appropriately referred.

The PRESIDING OFFICER (Mr. Johnston). Without objection, the bill will be received and appropriately re-referred.

Mr. CURTIS. Mr. President, I am deeply disturbed by the failure of Congress to act in the matter of reforming the Occupational Safety and Health Act of 1970. With every passing day the need for substantive revamping of this legislation becomes more obvious and the failure of the appropriate congressional committees to act becomes more critical.

Last year I introduced S. 3262. At the time, I considered it a comprehensive proposal for obtaining relief from unwarranted harassment of American business and correction of significant technical failures in the original act. I said at the time that I concurred in the basic purpose of the Occupational Safety and Health Act and sought reform which would hasten and reinforce that purpose.

That is still my goal. But I have become convinced over the past year that the problems which S. 3262 sought to remedy were only symptoms. Technical amendments do not get at the real problem with OSHA, because the problem is not technical. It is philosophical.

Some of the difficulties arise from sloppiness in drafting of the law. But the real difficulty goes much deeper. This legislation should have been remedial. Instead, it is punitive. Whether out of deliberate wrongheadedness or an inordinate sense of urgency, Congress enacted a proposal which administers an unnecessary slap in the face of business and is, in my opinion, of questionable constitutionality.

For this reason, I am today introducing the Occupational Safety and Health Act Amendments of 1973, a substantially modified version of S. 3262. Most of the technical amendments contained in the earlier bill are incorporated in this one. But provisions have been added which restore fundamental due process of law, a constitutional guarantee which I believe was severely abridged for the Nation's employers in the original act.

As I pointed out in recent remarks on this subject—Congressional Record, March 6, 1973, page 6534—the Government has, in every instance where the constitutionality of the act has been challenged, either dismissed the penalties or compromised on greatly reduced penalties, just before the issue would otherwise have gone to trial. This suggests to me that the Government lawyers who would have to defend the Occupational Safety and Health Act do not want a court confrontation on the constitutional issues. I suggest that they are certainly well advised to avoid such a confrontation if they want the act to survive.

I do not like to judge motives. But there are clearly at least two possible motives for avoiding such a confrontation and both press upon Congress the urgency of rewriting this act. It may be that the Government lawyers live in hope that Congress will act soon to reform the law and thus they seek to avoid the chaos that would result if it were declared unconstitutional. Or it may be that they seek to avoid a court challenge until they can find a case with sufficient emotional overtones that attention can be focused, not upon the constitutional issues, but upon a paramount "public interest" in the act's rigid and punitive approach. Given that possibility and the recent unfortunate mishap connected with the collapse of the Skyline Towers construction at Baileys Crossroads, Va., the need for immediate congressional action is clear. That is why I urge the Senate Labor and Public Welfare Committee to give prompt consideration to the bill I have introduced today.

As I noted earlier, my bill makes a major alteration in the due process procedures of the act. OSHA inspectors would no longer issue citations and set penalties. They would no longer function in the questionable role of administrators/prosecutors. Instead, their inspections would result in issuance of a notice to the employer, describing in detail any and all violations, prescribing a reasonable time of at least 90 days duration for the abatement of such violations, and outlining the action to be taken by the employer to accomplish abatement.

If, within the prescribed period, the employer has not complied, the Secretary of Labor would be required to refer the matter, including a copy of the notice and other supportive data, to the U.S. Attorney General. Where the allegations of the inspection notice appear to warrant, the Attorney General would institute proceedings in the appropriate U.S. district court. The court would then conduct a trial de novo to determine the facts and assess the penalties.

The threat of legal proceedings serves as the traditional deterrent to continued violation or refusal to conform with reasonable abatement requirements. On the other hand, traditional guarantees of due process are restored. The cumbersome and ineffective Occupation Safety and Health Review Commission would be eliminated.

At a time when the due process requirements in criminal law are being stretched to the point of absurdity, this seems only reasonable. I believe the honest, hard-working businessman in America has at least as much right to due process under the law as does the rapist or armed bandit.

My bill does not in any way curtail the authority contained in section 13 of the act for the Secretary of Labor to act swiftly in cases of imminent danger. On the other hand, it eliminates unnecessary harassment of employers by requiring that inspections shall be permitted only when the Secretary has probable cause to suspect a violation of the law or standards. I believe this is an equitable balancing of the public interest against the employer's personal rights.

One of the most serious and consistent criticisms of the Occupational Safety and Health Act has been its provision for unannounced inspection. My bill does not contain specific provisions for advance notice of inspections. Indeed, the Secretary of Labor continues to have authority to undertake unannounced inspections where he has probable cause to suspect violation. I believe that the hardship wrought by this practice under the present act would be corrected under the due process provisions and the 90-day abatement period authorized in my bill. However, the penalty for giving advance notification of inspections is repealed. It suggests a completely unnecessary and unwarranted "cloak and daggerism" that is definitely insulting when applied to the vast majority of employers and virtually impossible to enforce effectively in the few cases where it might be useful. I believe these reforms constitute an equitable balancing of the need to cope with habitual offenders as against the need to protect the vast majority of employers who are anxious to provide the highest levels of safety and health for their employees.

The remaining features of my bill are nearly identical with those of S. 3262—see remarks of February 29, 1972, Congressional Record, volume 118, part 5, page 5891 and following pages. Briefly summarized, they are as follows:

First. An amendment to exempt small employers, both agricultural and nonagricultural, from the provisions of the act.

S. 3262 exempted employers with 25 or fewer employees or agricultural employers who employed 25 or fewer man-years of labor. There has been a great deal of argument over the exact number of employees which ought to constitute or define a "small business" for purposes of such an exemption. But Congress has consistently supported the principle of exempting "small business" from the requirements of OSHA. Twice last year Congress enacted such exemptions as amendments to the Labor-HEW appropriations bills and only the double veto of those bills, on grounds totally unrelated to this amendment, prevented an exemption of this sort from becoming law.

I will not go into the entire history of that effort. Let me say simply that the exemption has been reduced from the 25 or fewer proposed in S. 3262 to seven or fewer in the bill I presently offer. This change is not an arbitrary one; it is made for several reasons. First of all, it is the number agreed upon by OSHA itself in recent modifications of its regulations governing recordkeeping—see Federal Register, volume 37, No. 193, Oct. 4, 1972, F.R. Doc. 72-16907. Firms of seven or fewer employees are now exempt by regulation from keeping the multitudinous records required of other firms. Some might suggest that having been relieved of the recordkeeping burden, these firms need no other relief. Quite the reverse is true. Relief from the recordkeeping is open admission by OSHA that small businesses, by their very nature, cannot be expected to cope with the same kind of burdens the legislation imposes on larger establishments. The recordkeeping problem is a significant one, but it by no means exhausts the list of harassments and burdens to be remedied. The action by OSHA, in my opinion, is merely an excellent precedent for the amendment I am offering.

For another thing, the language of this amendment is a reasonable compromise between the figures of 15 and 3 adopted at different times by this body last year.

One of the principal arguments against the exemption for firms with 15 or fewer employees was the assertion by the Labor Department that this would exempt more than 86 percent of all business establishments and thereby jeopardize the health and safety of a full one-fourth of the Nation's work force. However, our colleague, the Senator from New York, who is the ranking minority member of the Labor and Public Welfare Committee admitted in the debate last year that only 7 percent of the employment in the United States is in establishments employing fewer than seven persons, and that only 20 percent of all business establishments fall into that category. Thus, while in terms of the matter of harassment, I would much prefer to see establishments employing 15 or even 25 persons exempted, in terms of balancing the need for protection against the burden of harassment, the use of the figure 7 is a substantial concession in favor of protection. There is in most cases no great difference between the ability of a firm employing 25 to defend itself against Federal harassment and the ability of a firm employing seven to do so, though obviously there is some. But in terms of protection, we are reducing the number of exempt businesses from 86 to 20 percent and the number of unprotected employees from 25 to 7 percent of the work force.

Another factor is that in most "small businesses" of the size contemplated by this amendment, the employer works right along with his employees. He is exposed to the same dangers they are, if any exist. His accident and unemployment insurance dictate a concern for health and safety, in addition to his own personal concern, which is not true of large businesses where the owner, manager, or foreman often do not work alongside the employees.

I should point out, too, that an exemption based on seven or fewer employees should substantially meet the criticism made of last year's amendment to exempt firms employing 15 or fewer persons with regard to certain high hazard small businesses. There should be substantially fewer logging firms, roofing and sheet metal firms, and so forth which will be exempt at the level of seven or fewer. And I emphasize again, as I did last year, that this will not exempt the building trades and other similar businesses where the number of employees on any given job may be small, because the exemption applies to the total number of persons employed by a firm—not to the number employed on a given job or project.

Finally, I am advised that the labor unions, which have strenuously objected to such an exemption in the past are now learning the bitter truth that this legislation is, indeed, driving small employers out of business or forcing them to curtail expansion. This, in turn, is reducing the number of jobs in an already tight job market. The advantages of having small businesses subject to this law are simply not commensurate with the disadvantages.

Thus, I believe such an exemption is not only justified but essential.

Second. An amendment to section 6 of the law which required the Secretary of Labor to put into effect the entire body of national consensus standards without compliance with customary rulemaking procedures. My amendment would not set aside the procedure which Congress elected but instead, would require the Secretary of Labor to evaluate all of these consensus standards, distinguish the various facets of a given general form of business and determine if the rule should apply to each facet.

Experience has demonstrated that requirements which may be reasonable for a "hazardous" form of business can be oppressive when applied to a "nonhazardous" facet and that current standards and regulations often fail to make appropriate distinctions.

In the construction business the difference between "heavy construction" and "light residential construction" is a case in point. There are other similar example from agriculture and other industries. My amendment seeks to rectify that difficulty which is not yet entirely resolved by administrative steps which have been taken along this line.

Third. A further amendment to section 6 requires the Secretary of Labor to publish as to each present and future rule, the estimated maximum and average cost of compliance, and to determine that it is in fact possible to comply.

I believe the Secretary should at least know the cost and feasibility of compliance. I believe the employers should be given some idea of the cost of compliance and should have assurance that there is a device or procedure available which will permit him to comply. There is no such provision in the law at present.

Fourth. An amendment to require the Secretary of Labor to provide technical advice and consultation to nonexempted employers of 100 or fewer employees to assist them in complying with the act.

Another serious criticism of the OSHA legislation has been its failure to permit any sort of on-site consultation prior to an official inspection. Thus, if an employer were uncertain how to comply with the law because of some peculiarity in his operation or facilities, he could not resolve his questions without requesting an inspection and risking automatic citation if he were in violation.

Even though my bill alters the enforcement procedure and requires a 90-day period for abating violations, I believe an employer should be able, in good faith, to seek help which will prevent his even being given a notice of violations. Large firms can afford staff to do this. Smaller employers simply cannot. I am certain we are going to see compliance with the requirements much more quickly and easily if smaller employers get some help. And that, after all, is what we ought to be seeking—compliance, not punishment.

Fifth. An amendment providing that as to the "national consensus standards"—not adopted pursuant to the Administrative Procedures Act—they shall not have equal status with other requirements which were adopted under the usual rulemaking proceedings, by specifying that no penalty or other action will lie as to such deficient requirements unless the Secretary has seen to it that the employer actually receives a copy of the requirements 30 days in advance of any official inspection.

This is to assure that employers have had reasonable opportunity to inform themselves of pertinent standards and abate violations before they are subject to inspection. Many of the so-called national consensus standards still have not been broken down on an industry-by-industry basis so that they are readily available to and understandable by the average businessman.

Sixth. An amendment to compensate employers for the additional expense of having to comply, initially, with one rule, and, subsequently, with a different one when the first one had not been adopted pursuant to the Administrative Procedures Act.

The Senate report on the 1970 act said of the "national consensus standards:

> These standards may not be as effective or as up-to-date as is desirable, but they will be useful for immediately providing a nationwide minimum level of health and safety.

As it turned out many of these standards were even more out of date and ineffective than the committee imagined. They were ineffective, in many instances, because they were drafted by private standard-setting organizations which had minimal participation from small businessmen and they were never intended to be instituted on a mandatory, nationwide basis. Many of them were drafted, not to protect the health and safety of employees but to protect property. Many were drafted to establish minimum industry standards for equipment and systems in which the member firms had a monetary interest.

It was patently absurd to impose such rules on industry generally in the first place. It was even more absurd when Congress, by its own admission, knew many of the standards were inadequate and would have to be updated or replaced later.

Because if such sloppiness on the part of Congress, an employer could be required to install one safety device under the original standard and then would have to replace it or alter it to comply with a later substitute standard adopted under normal rulemaking procedures. If those normal procedures had been followed in the first instance, they likely would have resulted in the correct requirement being adopted initially. I believe the Federal Government, not the employer, should bear the cost of such unnecessary and duplicative expenditures.

My amendment would not apply in cases where the subsequent requirement could not have been adopted initially, as in the case of newly discovered procedures or devices. It also does not apply in cases where the normal rulemaking procedures were followed in adopting the initial requirement, even though there may be subsequent changes in the requirement.

Seventh. An amendment providing that if the usual administrative procedures for adoption of rules were not followed, the failure to comply with the rule cannot be used as evidence of negligence or wrongdoing on the part of the employer.

It is a usual rule of law that where a person is injured and he can prove a relationship between his injury and the absence of compliance with a governmental safety requirement, the fault of the person who failed to comply is presumed, so that the burden is upon him to prove he was not at fault. In the case of the safety rules which were not adopted pursuant to the usual governmental procedures, it is my belief that this rule of evidence should not apply. It appears it could cause unnecessary litigation and should be answered in the same law which created the problem.

Eighth. An amendment to relieve employers from the absolute liability provisions of the act.

At present many of the regulations require the action of employees to implement them. The employer may have done everything in his power to get the employee to do what he should, but if the employee fails to do so, the employer is still held responsible and subject to fines or the closing of his business.

My amendment would permit an employer who receives a notice of violation under the act to show that he has posted notices and exerted all reasonable efforts in accordance with rules to be adopted by the Secretary to cause his employees to comply with the regulation.

If the employer cannot establish that he did this, he will still be held responsible, but he should have this right.

Ninth. An amendment to provide that no employer shall be responsible for fines and other penalties under the act if he can prove that the requirement he is alleged to have violated would not have effectively constituted an improvement of the health and safety of his employees.

Though some of the more asinine rules

which clearly had marginal bearing, if any, on employee health and safety have been revised or rescinded in the past year, this amendment is still necessary.

There are requirements which may appear necessary when trying to set up national standards, but when a specific employer in a specific situation sees them, it is clear to him and to his employees that compliance will in no significant way improve the health or safety of his employees. Indeed, in some cases the employer may have a safety device chosen to fit his specific needs which is far superior to the one adopted as a national standard. Under present regulations, the employer may seek a variance from rules which he feels are not appropriate to his situation. But it should not be the employer's responsibility to seek such a variance. It should be the Government's responsibility to prove that the employer is failing in his responsibility to the health and safety of his employee. Unless things have changed since I read the law, our judicial system is founded on the principle that a man is innocent until proven guilty and not vice versa. I am convinced that businessmen will not be arbitrarily penalized for dubious violations if the Government must take them to Court and prove that they violated not only the letter but the spirit of the law. It is my opinion that we seek a spirit of concern for health and safety—not a finicky, nit-picking insistence upon compliance to the letter with a vast multitude of detailed standards and regulations. It is in that hope that this particular amendment is offered.

Tenth. An amendment to permit the Secretary, where appropriate, to make provisions for initial medical exams for employees and followup exams thereafter at periodic intervals.

This will assist the recordkeeping proviso of the bill and enable the employer and the Secretary to better ascertain the effects of a particular job upon employee health.

Eleventh. An amendment to aid the purposes of the act by permitting the formation of employee safety committees to identify areas of concern at a particular business and to endeavor to find the best solutions for their health and safety.

Although this seems a logical and beneficial way of particularizing employee health and safety, other laws, particularly the National Labor Relations Act, appear to prohibit it or to establish preconditions. Thus, it is necessary to grant specific authorization to permit the employees to so participate in order to further the purposes of the Occupational Safety and Health Act.

Twelfth. An amendment making available to the Secretary of Labor, in the case of alleged violations, the option of entering into an agreement with the employer for prompt compliance, in lieu of submitting the case to the Attorney General.

With this authority, the Secretary is permitted the flexibility to work out appropriate arrangements to accomplish compliance. For example, it may be that the employer plans within a reasonable length of time to construct a new plant or move his business to a new location. If he were staying in his present location, an abatement period of similar length might be unreasonable. Such flexibility may, in addition to facilitating compliance, avoid a shutdown of the business and loss of income to the employees. It could also avoid unnecessary expenses to the Government in litigation costs. My amendment does not require this procedure; it only makes it available as a tool to the Secretary for use in appropriate cases.

In closing, let me reiterate as forcefully as I know how, the urgency of the need for OSHA reform. The American people are patient. They will bear heavy burdens and adapt to outrageous limitations if the purpose seems worthy. But the long range effects of bearing unwarranted burdens and seething under outrageous restrictions are insidious.

Some of you may think we can go on forever pulling the wool over the people's eyes with rhetoric about "public interest" and playing shell games with their constitutional rights. I suggest to anyone who is of that mind that at some point Congress is going to pass one phony "public interest" bill too many and the people's patience is going to snap. If I read the present indications correctly, OSHA may have been that bill. If not, it will have contributed mightily to the coming of that day.

Let us, with that in mind, hasten to correct legislation which was enacted in undue haste and predicated upon the mistaken premise that the Nation's employers should be punished for their past record in the field of health and safety rather than assisted in improving it.

I will, of course, welcome any of my colleagues who wish to join as cosponsors of this measure.

By Mr. TOWER (for himself, Mr. BELLMON, and Mr. BARTLETT):

S. 1251. A bill to amend the Agricultural Act of 1970. Referred to the Committee on Agriculture and Forestry.

Mr. TOWER. Mr. President, today, I am introducing legislation which would allow guar to be included as a substitute crop for wheat, feed grain, and cotton.

Over the past few years, guar has become an important crop in many areas of Texas and Oklahoma and with some assistance, can prove to be a major cash crop for producers. Expanded guar production should insure domestic supply requirements and expand the uses of guar byproducts. The largest amount of guar gum sold in the United States is being processed from imported material.

Perhaps the best known uses of guar gum include as a stiffener in soft ice cream, whip and chill puddings and whipped cream substitutes, even though the highly refined gum accounts for only a small portion of total production. Guar meal contains about 35-percent protein, of which about 95 percent is digestible. It makes excellent protein supplement for livestock. Finally, gum is used in cloth and paper sizing, oil well drilling muds and ore floatation.

The market possibilities in the United States alone for domestically produced guar are several times the present amount being produced. Good future export possibilities and expansion of export-related programs in agriculture give good indications that guar can become a major export commodity. Present prices of guar greatly enhance expansion of production, and with minor changes in program law which will protect the history on wheat, feed grain, and cotton, we can provide even greater incentive to expand alternative crops.

Farm prices are beginning to come more in line with production costs, and farm program prospects appear to be similar to present programs. Farmers enjoy the privilege of making their own decisions about the amount of particular crops which will best suit their personal operations. The concept of "freedom to plant" is very popular and is greatly responsible for the increased income farmers are receiving. While this freedom exists, the importance of alternative crops for cash purposes increases. It is understandable that a farmer would be hesitant to produce new crops, however, where there is a possibility of losing valuable crop history on a farm. With the allowed protection of crop histories called for in this measure, a farmer can plant alternative crops for cash purposes and add another "alternative."

By Mr. BAYH:

S. 1252. A bill to amend the Controlled Substances Act to establish effective controls, including production quotas, stricter distribution and storage security and more stringent import and export standards, against diversion and abuse of methaqualone, by placing this depressant substance on schedule II of such act. Referred to the Committee on the Judiciary.

THE METHAQUALONE CONTROL ACT OF 1973

Mr. BAYH. Mr. President, today I am introducing a measure designed to facilitate law enforcement agencies and others in their efforts to investigate and curb the abuse of methaqualone diverted from legitimate channels of distribution to illicit markets.

During my 2 years as chairman of the Juvenile Delinquency Subcommittee, I have conducted an intensive investigation into the diversion and abuse of legitimately produced narcotic and nonnarcotic dangerous drugs.

Not drugs illicitly grown in Turkey and refined in France. Not drugs grown and refined in Asia's Golden Triangle. But dangerous drugs produced legitimately within our own borders.

Additional efforts are necessary to deal with the problems of international drug traffic. But even if the war on heroin should result in total victory, the epidemic of drug abuse which plagues American society would not be vanquished, for the source of supply for growing legions of addicts is a domestic one.

The subcommittee conducted a total of 7 days of hearings on barbiturate abuse and diversion in December 1971, and May and June 1972. The extent of barbiturate abuse, the high incidence of barbiturate diversion, and the clear potential for even greater abuse have been documented in the subcommittee report "Barbiturate Abuse in the United States—1972," and the many hundreds of pages of testimony and supplemental materials in our recently published volume "Barbiturate Abuse 1971–1972."

During the course of our barbiturate hearings, increasing reference was made to the growing incidence of methaqualone abuse. The drug is known as the "love drug," "heroin for lovers," and "the Dr. Jekyll and Mr. Hyde drug." Many law enforcement and drug program staffers claim that it is the "hottest drug on the street" and that its abuse is rising in "geometric proportions."

In my own State of Indiana the abuse of methaqualone has increased substantially in the past 6 months, particularly among youths 13–20. Directors of drug crisis centers, personnel operating drug hotlines and law enforcement officers in many Indiana communities, including Evansville, South Bend, Bloomington, Terre Haute, Muncie, Indianapolis, Fort Wayne, Lafayette, Anderson, Peru, and Kokomo, report that methaqualone abuse is increasingly common. They express deep concern because abusers believe the drug to be a safe nonaddicting downer.

Methaqualone is a nonbarbiturate sedative-hypnotic. It is pharmacologically equivalent to the short and intermediate acting barbiturates. Since abusers are primarily interested in pharmacological effects rather than the chemical classification, it is not surprising that this nonbarbiturate is being widely abused. Best known on the streets as "sopors" and "quaaludes," this drug rates attention because of its newly recognized abuse potential and harmful effects.

In many ways the drug has become more attractive to potential abusers because of its nonbarbiturate characterization. The abuser who is "luding out," mistakenly thinks that he or she is using a less dangerous, nonaddictive barbiturate substitute. In fact, recent reports indicate that methaqualone is not only the rage in the addict community and on college and high school campuses, but it is so fashionable in some cities that bowls of "sopors" have replaced peanuts as a cocktail party staple. Individuals who would not abuse amphetamines or barbiturates are abusing "sopors" in ever increasing numbers.

Most alarming is the fact that methaqualone if often combined with alcohol, wine and beer. As with barbiturates, this is a deadly mixture. There is a a potentiation, so that one multiplies the effects of the other. If these practices continue we can expect growing numbers of tragedies associated with methaqualone abuse. As with barbiturates, abuse of methaqualone is risky business, but combining it with alcohol is suicidal.

Methaqualone because of the casual consideration it receives may have an even greater potential for abuse than the barbiturates. Methaqualone, is indeed, the "Dr. Jekyll and Mr. Hyde drug"—seemingly safe while actually deadly.

Although widespread abuse of methaqualone is a relatively recent phenomenon in this country, the problems associated with it are no mystery to students of its abuse. Epidemic outbreaks of methaqualone abuse have occurred in Japan and European nations during the 1960's. A study of 411 drug addicts treated in mental hospitals from 1963 to 1966 in Japan, found that 176—or 42.8 percent—abused methaqualone. When withdrawn from the drug, 9 percent of these methaqualone abusers experienced convulsions and delirium symptoms. The chief reason for these hospital admissions was violent antisocial behavior associated with methaqualone abuse. Apparently the serious methaqualone abuser develops the same disoriented mean drunk temper as the barbiturate abuser.

In this country, methaqualone has not been subject to as much scrutiny as the more traditional sedative-hypnotics. Several studies, however, have concluded that chronic abuse of methaqualone does lead to tolerance and, when the drug is discontinued, to withdrawal symptoms.

The American Medical Association's Council on Drugs says of methaqualone that "long-term use of larger than usual therapeutic doses may result in physical and psychic dependence." The Medical Letter on Drugs and Therapeutics, a non-profit publication providing unbiased critical evaluation of drugs by a board of eminent physicians, states:

> Despite manufacturer's claims that "even after wide use physical dependence has not been established" . . . we believe it should be classified as a physical dependence producing drug.

In fact, physical addiction to methaqualone was demonstrated by a number of clinical studies in England as early as 1966.

The "Methaqualone Control Act" which I am introducing today places the drug on schedule II of the Controlled Substances Act of 1970. Methaqualone is a prescription drug, but is not controlled under the 1970 act. Under schedule II, methaqualone would be subject to production quotas, stricter distribution controls, and more stringent import and export regulations.

At least one of the manufacturers of methaqualone claims that counterfeit methaqualone tablets have been distributed through illicit channels of distribution. One such report has been received from Lafayette, Ind. My bill would subject to criminal penalties any person who knowingly or intentionally creates, distributes, or dispenses counterfeit methaqualone.

I believe that widespread abuse of this substance can be significantly curtailed by limiting the supply of the drug to recognized legitimate needs, and by simultaneously placing tighter controls on the distribution and prescription, and recordkeeping procedures required for methaqualone.

It has been nearly a year since representatives of the Food and Drug Administration assured the subcommittee that their recommendation on stricter controls for sedative-hypnotic drugs, including methaqualone, would be forthcoming. On May 5, 1972, FDA representatives told the subcommittee members that we would have their recommendation in July 1972, or in approximately 2 months.

Unfortunately, this type of administrative delay is not atypical.

It was only after a 3-year struggle that the proponents of stricter controls on the production and distribution of amphetamines could claim a victory of sorts, at least for the many youngsters and others who because of the recently imposed production quotas will perhaps not be exposed to an overabundance of "speed" in the family medicine chest, at school, or on the street.

In spite of conclusive documentation of epidemic Ritalin and Preludin abuse and dependence in Sweden and Japan, as well as evidence of increasing abuse and diversion in this country, a spokesperson for the Attorney General told the members of the subcommittee, in July 1971, that they did not have sufficient evidence of abuse potential to justify tighter controls. The FDA spokespeople expressed the hope that these drugs would be more strictly controlled.

I took strong exception to this wait-and-see approach then, and today I reiterate this position most emphatically with regard to methaqualone.

How many of our citizens are once again going to be victimized by a policy that chooses to put the burden—the risk of abuse—on the public rather than on these manufacturers of dangerous drugs.

Methaqualone is readily available. In Indiana, the 150 mg. tablets sell on the street for 50 cents to $1. Our preliminary surveys indicate that this price range is fairly typical of the street market in other regions of the country. The legitimate wholesale price for 500 tablets of 150 mg. each is approximately $18.25 or 3.7 cents a tablet. When methaqualone is diverted at the wholesale level the profits are enormous.

Reports indicate that there have been instances of significant diversion. The subcommittee recently learned of the diversion of 600,000 methaqualone tablets from a Parke, Davis & Co. warehouse in Detroit, Mich. These tablets were reportedly diverted over a 10-day period in November 1972. These methaqualone tablets would bring from $300,000 to $600,000 on the street. The methaqualone diverted in this one case could provide each of the 24,000 students at Wayne State University in Detroit with 25 "sopors."

Physicians and pharmacists are also sources of substantial amounts of the methaqualone which reaches the street. Drug samples and supplies are stolen from doctors' offices and pharmacies. Prescription pads are also sought. One common practice involves a single abuser who visits numerous physicians and complains of the same ailment. From each doctor, the abuser requests and receives a prescription for methaqualone. These prescriptions will be filled and refilled at numerous pharmacies. Thus the abuser or dealer is often able to obtain large quantities of methaqualone without being detected.

In a few instances, physicians themselves are actively engaged in illicit methaqualone traffic. On May 2, 1972, Richard Oliver, investigative reporter for the New York Daily News, brought such a case to the attention of the subcommittee members. Mr. Oliver commented as follows:

> Mr. Chairman, if I may add something to the testimony I have heard earlier, I would

like to relate an incident which occurred right after this story was published. Another parent called me, and said that his son, he had found his son high one day, and finally got out of him where he had gotten the drug. He gave me the name of the doctor that I will keep anonymous, for obvious reasons, on the east side of Manhattan, right next to a very large college, where his son goes to school. He said the doctor was in the habit of prescribing for students.

I am aware of the dangers of a layman like myself, and as you have mentioned, going into the doctor-patient relationship. I understand the problem, but I think there is a very serious problem here, and I think the facts I will give you now will substantiate that.

We sent another youth to the doctor, after determining the visiting hours. He found the cars double-parked outside of the office. He found half a dozen youngsters inside. He introduced himself to the nurse on duty.

When his turn came, during which time the room filled up, the visiting room filled up with other students, when he was called, he was told to say two things: He had trouble sleeping; and his studies were bothering him. The physician did not look up from the prescription pad.

He prescribed 100 tablets of Quaalude, a sedative, asked for $10, and our agent left. He never examined the patient, he never—he barely looked at him.

I called up the local office of the Bureau of Narcotics and Dangerous Drugs and I spoke with an agent there and related this.

The agent said, "Just give me his initials," and I gave him the doctor's initials and he immediately identified the doctor and said that the doctor had been under investigation for over a year.

And I said, "Over a year, you mean he has been servicing students in this area for over a year?" And he said, "Yes, we are proceeding administratively against him."

He went on to relate that the bureau has changed its procedures in recent months and is now contemplating proceeding criminally against such doctors.

Obviously these tablets, whether diverted from a manufacturer, a wholesaler, a retailer, or a practitioner, are not meeting legitimate research, industrial, or medical needs.

Tighter controls over sedative-hypnotic drugs, including methaqualone, would have been imposed long ago by an administration committed to curbing diversion and abuse of legitimately produced domestic drugs.

Once again, this administration has ignored the lessons learned abroad, the studies indicating the abuse potential and the evidence of escalating actual abuse of methaqualone in this country.

We have an opportunity, indeed a responsibility, to curb the unchecked proliferation and abuse of this monster, which has been aptly characterized as the drug abuser's "Dr. Jekyll and Mr. Hyde" potion. I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the section-by-section analysis of the bill, together with the bill, be printed at this point in the Record.

There being no objection, the analysis and bill were ordered to be printed in the Record, as follows:

Section-by-Section Analysis of the Methaqualone Control Act of 1973

Section 1: This section contains a short title to reflect the amending of the Controlled Substances Act of 1970.

Section 2: This section amends section 202 (c) of the Act by providing that methaqualone be placed on schedule II of such Act.

S. 1252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Methaqualone Control Act of 1973."

Sec. 2. Schedule II of section 202(c) of the Controlled Substances Act (Public Law 91–513; 84 Stat. 1250) is amended by adding at the end thereof the following new paragraph:

"(d) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of methaqualone."

By Mr. BAYH (for himself, Mr. Cook, and Mr. Moss):

S. 1253. A bill to authorize the merger of two or more professional basketball leagues, and for other purposes. Referred to the Committee on the Judiciary.

TO MERGE THE PROFESSIONAL BASKETBALL LEAGUES—AND PROTECT THE PLAYERS' BARGAINING RIGHTS

Mr. BAYH. Mr. President, the basketball merger bill before the Senate Judiciary Committee last year, S. 2373, was reported out so late in the session that floor action was impossible. The original version of S. 2373 was delayed because it clearly was inadequate in setting the circumstances under which Congress would grant an exemption from the antitrust laws for the purpose of merging. Specifically, it made no provision at all for the rights of the players, and second, it offered the high schools and colleges no protection against professional basketball telecasts by the merged league.

Based upon the information produced during the extensive hearings on S. 2373, and as a result of the committee's deliberations in reporting out a drastically different version of the merger bill, I have drafted a version that would facilitate a merger—and fully protect the players' bargaining rights.

Mr. President, after conversation with both the NBA Players' Association and the ABA Players' Association, I am convinced they will support the bill I am introducing today. This bill would do away with the so-called uniform players' contract and its restrictive option clause, and provide, instead, that players in the common draft may enter into a contract either—for 1 year with a simple 1-year option, or—for more than 1 year without an option. Veteran players are free to negotiate a contract individually, but in no instance could it carry an option clause of more than 1 year—and such a clause could not be part of a "uniform players' contract."

There is no question but that a merger of the two professional basketball leagues reduces the employment opportunities available to both veterans and rookies—witness, for example, the tremendous increase in salaries in professional basketball. Likewise, there seems little question but that the ever intensified bidding wars between the two leagues results in a tremendous financial strain on the newer franchises and has produced, as a result, an instability that threatens the structure of professional basketball. In order to minimize the obvious adverse economic impact a merger would have initially on the players, it is essential that they be given greater mobility and flexibility within a merged league by shortening the ties of their contractual obligations. There is a tradeoff here that I believe is fair to both owners and players.

Without a congressionally sanctioned merger, I am convinced that a substantial number of franchises would collapse, thereby reducing the opportunity for many Americans to view professional basketball. The sole purpose of this merger bill, therefore, is to afford the fans the greatest opportunity to view professional basketball—and so the bill requires that as a condition for granting an antitrust exemption to the two leagues that merger not result in fewer teams. Furthermore, it is important to remember that the antitrust exemption granted here extends only to the conditions required to effect a merger and to the common draft, a mechanism essential to insuring balanced competition in a merged league.

In seeking to strike a delicate balance between the bargaining rights of professional basketball players and the economic realities of ownership, it is easy to forget that interscholastic and intercollegiate basketball also have a vital stake in this legislation. Telecasts by the merged league in competition with high school and college games are very likely to have an adverse affect on the live gate at these games. With the high schools and colleges so dependent upon gate receipts to sustain their programs, it is essential that there be adequate protections against the indiscriminate telecasting of professional games.

The protections in the bill as drafted are based on the protections now afforded high school and college football and are similar to those incorporated into the version reported out of the Senate Judiciary Committee last year, but go even further. High school and college games would be protected against league telecasting—live or delayed—of professional games on Tuesday evenings, Friday evenings and Saturdays during the period November 1 to March 31. This prohibition would apply to all telecasting stations within 75 miles of the game site.

A question has been raised, Mr. President, about the effectiveness of the protection since it extends the prohibition only to games where the league has arranged for the telecast. The so-called drop-back game, the telecasting of which is arranged by the individual clubs, would not be prohibited and could pose a potential conflict with high schools and college games. I am hopeful that this particular question can be explored in greater detail with hearings so that a reasoned judgment could be made about the impact of the "drop-back" game on the live gate at high school and college basketball contests. I am not tied to the present language on telecasting but before we attempt to change it, I would hope that enough good information would be made available to serve as a guide as to just what additional protections the high schools and colleges may require to sustain their programs—for I am deeply committed to that goal.

Finally, I want to point out that this bill also provides additional protection to the high schools and colleges against "raiding" by the professionals. Under the terms of section 5 the merged league could not conduct a common draft before May 1—this ensuring that a college player would not be tampered with until his academic and athletic year had ended.

I ask unanimous consent that a copy of the bill appear in the Record at the end of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of September 30, 1961 (75 Stat. 732), as amended by section 6(b)(1) of the Act of November 8, 1966 (80 Stat. 1515), is further amended by inserting in the second sentence thereof following the phrase "two or more" the phrase "professional basketball leagues combine their operations in an expanded single league, if such agreement does not decrease the number of professional basketball clubs so operating and the provisions of which are directly relevant there to or a joint agreement by which the member clubs of two or more."

Sec. 2. Section 3 of such Act of September 30, 1961, is amended by—

(1) inserting "(a)" before the first word of text; and

(2) adding at the end thereof the following new subsection:

"(b) The first sentence of section 1 of this Act shall not apply to any joint agreement described in such section which permits network, live, or delayed over the air telecasting of all or a substantial part of any professional basketball game on any Tuesday after six o'clock postmeridian, or any Friday after six o'clock postmeridian, or on any Saturday during the period beginning on November 1 and ending on March 31 in any year from any broadcast station located within seventy-five miles of the game site of any intercollegiate or interscholastic contest to be played on such a date if—

"(1) such intercollegiate basketball contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal to a two-year or a four-year course; or

"(2) in the case of an interscholastic basketball contest, such contest is between secondary schools both of which are accredited or certified under the law of the State or States in which they are situated and offer courses continuing through the twelfth grade of the standard school curriculum, or the equivalent, and

"(3) such intercollegiate or interscholastic basketball contest and such game site were announced through publication in a newspaper of general circulation prior to October 15 of such year as being regularly scheduled for such day and place."

Sec. 3. Such Act is amended by redesignating Sections 4, 5, and 6 as 5, 6, and 7, respectively, and inserting after Section 3 the following new section:

"Sec. 4. (a) Every individual who is already engaged in the organized professional team sport of basketball in or affecting interstate commerce has the right to enter into a contract with any person for the purpose of engaging in such sport with a particular team without agreeing to permit that person to control his right, upon the expiration of his contract, (including the option period as authorized by subsection (b) if contained in said contract) to enter into a contract with any other person for such purpose.

"(b) The antitrust laws referred to in Section 1 of this Act shall not apply to a joint agreement among the member clubs of any professional basketball league regarding the allocation of the right of first negotiation with a player who has not, at the time such right is allocated, played professional league basketball, to the extent that such agreement is consistent with the second sentence of this subsection. A member club of any professional basketball league that has been allocated the right of first negotiation with such a player may enter into a contract of employment with such a player either for a term of one year with an option provision for a further period of one year only or for a term of more than one year without an option provision. No member club of any professional basketball league shall retain, directly or indirectly, or by any means or device whatsoever, any option upon the services of any player beyond the termination date contained in his contract of employment (1) except as permitted in the second sentence of this subsection as to any player covered thereby, and (2) except for an option provision in the contract of a veteran player for one year only which may not be part of a uniform player contract and which is individually negotiated at the discretion of the player.

"(c) Any provision of a contract which requires any player (1) to agree to permit the other party to the contract to control his right, upon the expiration of that contract (including an option period as authorized by subsection (b) if contained in said contract) to enter into a contract with any other person for the purpose of engaging in the organized sport of professional league basketball, or (2) to secure a release from the other party to that contract before entering into or performing under such a contract for such purpose with any other person, shall be unenforceable.

"Sec. 5. The second sentence of Section 1 of this Act shall not apply to any joint agreement among the member clubs of two or more professional basketball leagues unless that agreement prohibits any allocation prior to May 1 of any year of the right of first negotiation with a player who has not theretofore played professional league basketball."

By Mr. MUSKIE (for himself, Mr. Percy, Mr. Mathias, Mr. Bayh, Mr. Humphrey, Mr. Metcalf, Mr. Ribicoff, and Mr. Tunney):

S. 1255. A bill to provide for a program of assistance to State governments in reforming their real property tax laws and providing relief from real property taxes for low-income individuals, and for other purposes. Referred to the Committee on Government Operations.

Mr. MUSKIE. Mr. President, on behalf of myself and the senior Senator from Illinois (Mr. Percy) and the Senator from Maryland (Mr. Mathias), the Senator from Indiana (Mr. Bayh), the Senator from Minnesota (Mr. Humphrey), the Senator from Montana (Mr. Metcalf), the Senator from Connecticut (Mr. Ribicoff), and the Senator from California (Mr. Tunney), I introduce the Property Tax Relief and Reform Act of 1973, a bill to provide for a program of assistance to State governments in reforming their real property tax laws and providing relief from real property taxes for low-income individuals, and for other purposes.

Mr. President, students of the America past accept as a commonplace the tie between unjust taxation and revolt in our early history. The British Stamp Acts hastened the battle for American independence. Heavy taxes on farmers spurred Daniel Shays, a veteran of Bunker Hill, to take up arms in 1786 against the government of Massachusetts. Excises which Thomas Jefferson called "odious" brought mobs to life in western Pennsylvania during the Whiskey Rebellion of 1794.

We are now a more orderly people. But we live still with that heritage of protest against arbitrary and unjust taxation, and the modern expression of our tradition has taken the form of the "property tax revolt." Just three nights ago in Annapolis that revolt brought a reported 1,500 homeowners to the Maryland State House to demonstrate their deep anger against assessments they say are unfair.

According to an account of the rally in the Washington Post, Gov. Marvin Mandel said of the citizens' protest:

> I think it relieves a little of the tension.

Indeed the tension is there. It surfaces in Maryland in a deputation to the legislature. It surfaced in Alabama in a Federal court case which ended in June 1971, by finding the State's whole property tax system "arbitrary and discriminatory." It surfaced in Montana in a successful drive to rewrite the State constitution to open the way for central supervision of the assessment process.

The tension—the ingredients of the revolt—is felt in Gary, Ind., where the secrecy surrounding the appraisal of a huge steel mill drives citizens to organize their own investigation. The discontent is heard in New York City where appraisers are accused of assessing property without using standard manuals to do their job. The distrust has its echoes in citizens' lobbies for property tax reform in Illinois, in Massachusetts, in Texas, in Wisconsin, in New Jersey.

The appeal for relief was part of the legislative messages of 30 Governors this year. Indeed, 15 States, 10 of them acting in the last 2 years, have already taken limited measures to reduce the burden the property tax so often imposes on those least able to pay it.

But scattershot local response can not quell or dissipate the revolt. As much as we might like to hope that local response will prove adequate to solve a national problem, the weight of evidence must confound such optimism.

One indisputable fact is the importance of the property tax to local finance. The tax raised over $40 billion last year, a little less than half of which came from levies on residential property. An estimated $14 billion came from the tax on single family homes. Unless Americans in great numbers move back into tents, their permanent shelter is going to remain a focus for local officials searching for means to finance needed community services.

And despite suggestions that the unpopularity of the tax may cause its gradual disappearance, statistics indicate, instead, that it has been growing in importance. Where the tax collections on an average home amounted to an average of 1.3 percent of the property's value in 1958, the proportion had risen to 2 percent in 1971. And an average family which paid $110 or 2.2 percent of its income in property taxes 20 years ago was paying a little over $400, or 3.4 percent of its income, in 1971.

Such proportional increases have brought the greatest suffering to the doorsteps of those whose welfare has already aroused the deepest public concern—the old and the poor. For the elderly—at the mercy of fixed incomes in an era of spiraling inflation—the tax often menaces and sometimes destroys the hopes of a decent and secure old age. For the poor, the tax is an obstacle to progress, a barrier to savings and an actual counterweight to Federal programs designed to supply the lowest income groups with the means to move up the economic ladder.

Statistics compiled by the Advisory Commission on Intergovernmental Relations show that 6.3 million homeowners over the age of 65 are forced to pay an average of 8.1 percent of their household income to the property-tax collector, and nearly 1.3 million of these, saddled with incomes under $2,000 a year, lose an average of 15.8 percent of their support to property taxes.

For the poor in general the tax bite is even more painful. Over 400,000 Americans under the age of 65 live on incomes of less than $2,000 a year and see property taxes consume nearly 19 percent of their meager subsistence. And of 14 million Americans with yearly incomes under $5,000, 10.4 million face property tax payments in excess of 6 percent of their total income.

The statistics roll on and on. Each State has its own horror stories. But the problem is a national one, and it cannot be remedied by isolated protest or piecemeal response.

Most of all, it cannot be wished away from the Federal level by those apostles of inaction who would consign the National Government to the role of a theater prompter: A man who whispers encouraging hints to the main actors but never steps on the stage himself. Such an attitude may explain the failure of the President to send Congress the property tax relief measures to which he pledged himself in his 1972 state of the Union message.

Those who argue against Federal involvement in an area traditionally left to local action are now asserting, with some facts to support them, that the States themselves have taken up the burden of relieving excessive property taxes. Since Wisconsin adopted the first "circuit-breaker" relief program in 1964, 14 other States have enacted similar programs to assure that property taxes not take an excessive portion of the income of the elderly and the poor.

But the pattern of progress is uneven. State resources are limited. Only nine States have extended relief to renters as well as homeowners, and of those, only California helps taxpayers under the age of 65. Indeed, only two States provide help to all low-income taxpayers regardless of age. And the low income ceilings imposed by most States on recipients—generally between $3,000 and $7,000 per household—are a measure of the restricted State finances that can be allocated to tax relief programs.

The uneven pace of State progress toward property tax relief for the poor and elderly is further slowed by the overall failure of the States to reform antiquated, inexpert, arbitrary, and confusing systems of property tax administration. By and large the States have not met their responsibilities for making assessments fair, expert, and easily understood.

Although they were given thoroughgoing, professional recommendations for assessment reform 10 years ago by the ACIR, few States have made a comprehensive effort to update their systems. A survey by my Subcommittee on Intergovernmental Relations documents the fact that extensive reform has been the exception, not the rule. Property tax administration generally remains the crippled stepchild of indifferent State and local governments.

The survey, like the findings of a similar one conducted independently by the education commission of the States, documents the breakdown of property tax administration. Some of its principal findings are simply put:

For central supervision of property tax administration States spend on the average only one-tenth of 1 percent of the revenues the tax itself generates. Only Hawaii and the District of Columbia spend more than 1 percent of property tax collections to monitor the collecting process.

Only 11 States require that local property assessors be professionally qualified—through training and certification procedures—for the crucial job they do.

No significant consolidation of taxing jurisdictions—numbering in the thousands, many of them too small and too poor to do their job properly—has occurred in any State in the last decade.

Only one State—Hawaii—distributes directly to its taxpayers the information it gathers on the quality of assessment, the degree to which uniformity of valuation is a reality rather than a pious wish.

In many States the appeals boards at both the local and State levels, from which taxpayers may seek assessment changes, do not meet recommended standards of independence and expertise. In many cases, in fact, the officials who hear appeals are also, wearing other hats, employing the assessors whose rulings are in dispute.

Only 15 States reported that they regularly publish the assessments of real property exempted from taxation. Yet this is one of the areas where, if the law is not actually being abused to protect special interests, the exemption system imposes a hidden and poorly understood cost on the general taxpayer.

To be effective, relief and administrative reform of the property tax must go hand in hand. Now, while progress toward one goal may be jerkily underway, its companion consideration remains largely neglected. State legislatures apparently see little to justify the initial outlays required for administrative reform. Entrenched local politicians and special interests prefer to maintain a system they alone find profitable.

But not far from the surface revolt simmers. And, aside from our interest in tranquil progress, the Federal Government has a new cause to be concerned with the way States manage their resources. Through general revenue sharing, we are shifting major spending decisions once taken at the Federal level to State and local officials. The quality of those decisions is certain to depend in large part on the degree to which State fiscal policies are uniform, integrated and professionalized. As long as administration of such a major revenue source as the property tax is treated with nonchalance, we cannot expect that our revenue sharing funds will be used for the maximum benefit of either the Government or the taxpayer.

I have outlined a situation which requires redress. To conclude I will briefly discuss the remedy I propose in the legislation I introduce today.

The Property Tax Relief and Reform Act of 1973 is, first of all, a program for limited Federal involvement, but a plan that turns words of encouragement into tangible assistance. It is directed toward the goal of relieving both the inequities and the most severe burdens of existing property tax systems.

Its key provision is the one which makes the States the agents of relief and reform. To those who insist there is no Federal role at all in this area, this legislation will appear extreme. To those who wish to see the Federal Government take over the entire task, the bill will seem disappointing.

Its relief provisions are founded on the principle that States should be compensating the poor and the elderly, homeowners and renters alike, for that portion of their property tax payments which exceeds a reasonable level of their incomes. State programs of relief which meet this objective will be financed by a Federal grant equal to one half the cost of the relief distributed, up to a maximum Federal share equal to $6 multiplied by the total population of each State.

Those States which qualify for Federal funding of their relief programs will be required to show progress toward reform of their property tax administrations. But all States, whether or not they enact relief mechanisms, will be eligible to receive Federal grants and loans to modernize their tax-collecting machinery.

These grant and loan programs are directed at speeding those reforms which the ACIR agreed 10 years ago were needed to strengthen the States' own financial structures. They seek, first of all, the establishment of regular and comprehensive procedures for conducting and publishing assessment-sales ratio studies, the primary tool for measuring and enforcing uniformity in property assessments. Armed with the information disclosed in those studies, taxpayers would be better able to use the simple and direct appeals procedures the States would also be helped to create. Simultaneously, the States, with Federal aid, would be assessing the properties which are exempt from taxation and would be publishing that information so that taxpayers can know what revenue losses from such exemptions they are being made to cover.

All of these measures, incorporated in title IV of the bill, are designed to assure taxpayers easy access to a system whose complexity alone now generates distrust. Whether or not local assessors are favoring special interests or political cronies, it is essential that citizens receive the data they need to understand the system and, where necessary, contest its workings. Our survey has shown that in most States the opportunity for intelligent appeal is virtually foreclosed.

In addition to the grant programs—rising from $15 million the first year to $25 million in the third year of authorization—interest free loans to the States would be available to finance the reform priorities set out in title V. Those States responsibilities include the training and certification of professional assessors; compiling tax maps of all jurisdictions to find property which now, in many places, escapes assessment altogether; analysing the effectiveness of personal property taxes by measuring the revenues they generate against the cost of administering them equitably; and encouraging small taxing districts to share with others the costs of expert personnel and modern machinery.

Finally, the new Office of Property Tax Relief and Reform in the Treasury Department, while overseeing State progress in administrative reform, will be actively engaged in coordinating Federal data on property values for use by the States. Many Federal agencies—from the Department of Defense to the Department of Housing and Urban Development—are constantly involved in assessing property. Their valuations should be available as a matter of course to local authorities concerned with the same or similar properties. Similarly, the information on Federal income tax returns showing individual holdings of securities can be helpful to those 15 States which now attempt to tax intangible personal property. Only two of those States, however, now use Internal Revenue Service data to bolster their property tax collecting system.

The new Treasury Office would also be available to assist States in appraising those complex industrial properties valued at over one million dollars which now—because of the lack of local expertise—often receive less than professional attention from assessing officials. Further, the Office would join interested States—using grants limited to $5 million a year—in experimental tax modernization programs. Experts have long maintained that site value taxation would greatly simplify and improve property tax administration. It is time to give their theory a full-scale test.

Finally, the Office would engage in efforts to help States coordinate their property tax policies with the development of comprehensive land use plans to assure coherent growth and to protect scarce natural resources. Local tax policies are too often unwitting obstacles to the most efficient use of property. On its own, the Office would make a full-scale survey of Federal property now exempt from local taxation and, within 18 months, would recommend Congressional action, if appropriate, to reimburse State or local governments for the tax revenue lost through such exemptions.

I see the reform program set out in this legislation as a finite task to which the Federal Government must contribute the initial financial impetus. The States, finding that reform puts them on a sounder financial footing, will be able to complete the job themselves after the 3-year grant authorization expires. The relief cost-sharing plan and the loan program will have lives of 6 years and 10 years respectively.

Both relief and administrative reform are tasks that can no longer be ignored or deferred. For the health of our Federal system, we must begin now.

Mr. President, I now yield to my distinguished colleague, the senior Senator from Illinois, the chief co-sponsor of the Property Tax Relief and Reform Act of 1973. I ask unanimous consent that at the conclusion of his remarks the text of the bill we introduce today be printed in the RECORD.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

PROPERTY TAX RELIEF AND REFORM ACT OF 1973

Mr. **PERCY.** Mr. President, during my campaign for reelection to the Senate, one of the major concerns constantly expressed by the people of my State was the increasing rate of taxation on their homes.

This concern was expressed in all parts of the State by all kinds of people: Farmers in the great, grain-growing sections of the State, businessmen in small towns in southern Illinois, the elderly and the poor in urban Cook County.

This adverse reaction to what people consider a particularly unfair tax is borne out by national polls. In 1972, the Opinion Research Corp. found in a survey for the Advisory Commission on Intergovernmental Relations—ACIR—that Americans consider the property tax by far the most unpopular form of taxation.

What accounts for this intense public reaction against the property tax? I believe it stems from a feeling that a heavy tax on one's house is a threat to the security and continuity of both home and family. Statistics show why people feel this way. According to the ACIR, for those families with incomes under $4,000, property taxes absorb 7 percent of income nationwide, and take 24.8 percent and 10.2 percent of family income in the New York and Chicago areas, respectively. Property taxes become even more difficult a burden when family income falls below $2,000. In such cases the property tax is estimated by the ACIR to take 30.8 percent of family income in the Northeast, and 22.9 percent in the West.

States have been responding to the resulting outcry against the property tax. Fourteen States, Illinois included, have now implemented programs of relief to low-income—mainly elderly—homeowners, and, as of February 8, eight other States were in process of considering such programs. Because these programs all share the characteristic of providing relief from real property taxes when they exceed a certain proportion of personal income, they are known as "circuit-breaker" programs.

This response of the States to local needs is highly commendable. But analysts of these programs have concluded that, in general, such State circuit breaker programs provide a rather low level of financial assistance for needy taxpayers. Only two of the 14 States have extended circuit breaker relief to low-income families other than the elderly, and only about half the 14 States extend circuit breaker relief to low-income renters.

This demonstration of the unfair effects of the property tax is ample reason for providing more adequate relief from property taxes when these taxes are too burdensome. There is an important reason why the problem of property tax relief, which many see as a matter of concern strictly for State and local governments, is a Federal problem as well. When local property taxes become so great as to cancel out the efforts of Federal Government programs that are intended to provide a subsistence income floor to elderly and other low-income citizens, the Federal Government has a right—indeed a duty—to take an interest.

There are other reasons that dictate action at the Federal level. Certainly one of the most important is our concern over the ability of State and local governments to effectively and fairly generate income sufficient to meet local needs. Our objective is to promote the development of coordinated Federal, State, and local revenue-raising systems.

For these reasons we at the Federal level have a special interest in programs to provide relief from excessive property taxes, and to encourage property tax reform. The need for reform has been thoroughly documented. In 1963 the Advisory Commission on Intergovernmental Relations issued a landmark report describing State property tax systems. The study presented harsh conclusions about the inequities, inefficiencies, and even the corrupt practices permitted in many areas. Among the specific criticisms were:

Administration of the tax by unprofessional, part-time assessors.

Fragmentation of States into hundreds of taxing jurisdictions.

Gross underassessment of large mineral, commercial and industrial properties.

Unnecessary and unfair exemptions for certain groups.

Indiscriminate creation of special taxing districts in which all property is free from tax, or taxed at very low rates.

Federal or State government property, including Government land or buildings, which is leased to private commercial and industrial users, but which is not taxable by local jurisdictions.

Property owned by local jurisdictions which is leased for industrial and commercial use, but is tax free because still owned by the jurisdiction.

Exemptions for classes of homeowners regardless of the income or assets of such persons.

A survey made this year by the Subcommittee on Intergovernmental Relations shows that this situation has not significantly improved. It is fair to conclude from the survey that the property tax situation in the States is still gravely defective.

The enactment of the new 5-year Federal revenue-sharing program adds a special urgency to the need for reform. In a great many localities, Federal revenue-sharing funds are being used to alleviate onerous property taxes. This is understandable and no doubt necessary, but raises the serious problem that as property tax burdens are eased, local pressures for reform will disappear. The Federal Government, I believe, has a continuing right to expect local governments to reform their own revenue-raising systems, at the same time that we develop Federal programs of revenue sharing with these local governments.

A variety of factors suggest the need for a Federal program of incentives to local property tax relief and reform:

The failure of most existing State relief programs to provide sufficient levels of relief for all low-income homeowners.

The failure of many State programs to include low-income renters.

The continuing, urgent need for reform of local property taxation systems.

The need to encourage the development of stronger State and local revenue systems and thus to strengthen the federal system by improving intergovernmental revenue-raising relationships.

For these reasons I am introducing today, with Senator MUSKIE, a bill to provide a system of Federal incentives to State relief and reform programs. This bill is based on a bill I introduced on October 9 of last year with the cosponsorship of Senators MATHIAS, HUMPHREY, PACKWOOD, RIBICOFF, HATFIELD, MONDALE, and STEVENSON.

The bill creates an Office of Property Tax Relief and Reform in the Treasury Department. The Office would:

Assist States which adopt programs of property tax relief geared to help low-income taxpayers, by paying half the relief provided by qualifying State programs up to a limit of $6 for every State resident. To qualify for Federal cost-sharing, State programs would have to offer relief in the form of cash payments, tax credits or refunds to homeowners and renters, regardless of age. The State relief program would rebate the excess of property taxes on a principal place of residence when the excess was over 3 percent of household incomes up to $3,000, over 4 percent on household incomes up to $7,000, over 5 percent on household incomes up to $10,000, and over 6 percent on incomes up to $15,000. States would have flexibility in setting the relationship between rent and property taxes. Property taxes for renters, depending on local circumstances, would be computed at between 15 and 30 percent of rent. States receiving Federal funds for their relief programs would lose half that support in the third year of the program and all of it in the fourth year, if they failed to adopt the property tax administration reforms set out in titles IV and V of the bill.

Administer, under title IV, a mixed program of interest-free loans and grants—to match up to 60 percent of the cost of State programs—to encourage reforms of State property tax administration. The programs would be available to all States that qualify regardless of whether or not they participated in the relief program.

However, to qualify for assistance, State programs would have to provide for annual assessment-sales ratio studies of residential, commercial, and industrial property and vacant land in the State's taxing jurisdictions. They would also provide that the relationship between the assessed and actual market value of any one piece of property be no more than 10 percent higher or lower than the average sales-assessment ratio in any tax jurisdiction. An assessment-sales ratio is the ratio derived by dividing the assessed value of a piece of property by the market price of that property.

State programs would also have to assure wide distribution of such assessment-sales ratio studies and key the information obtained from them to every taxpayer's bill in such a way that he will know his assessment in relation to the value of his property, and how that relationship matches the standard ratios for all classes of property in the jurisdiction where his property is located. For example, if a taxpayer's property is assessed at 45 percent of value, he will be able to check whether his neighbor's, or others who own similar property, are assessed as much as he is.

State programs would also have to guarantee quick and easy procedures for appealing assessments and automatically readjusting those which are 10 percent greater or lesser than the average for similar properties in the jurisdiction. Within 2 years of implementing a qualifying program embodying such reforms, States would also be required to assess and fully disclose all tax-exempt properties and publish calculations showing the amounts of property tax revenue lost in each jurisdiction because of such exemptions.

Make, under title V, interest-free loans, but not grants, for State programs to provide professional certification of assessing and appraising officials. Such State programs must provide for training for such officials and contribute to the costs of instruction—and of salary improvements based on higher levels of skill. They must also provide for compilation of tax maps of all jurisdictions and they must determine the degree to which taxes are uniformly assessed.

Assist States in conducting their assessment-sales ratio studies by providing the States with better access to information gathered by Federal agencies, such as the Census Bureau, the Department of Housing and Urban Development, and the Defense Department; by standardizing State and Federal information-gathering procedures about property values and by making Federal or outside personnel available to the States for the appraisal of industrial properties worth over $1 million. The Office would be authorized $5 million a year to conduct with interested States experimental programs in property tax administration such as an experiment in site-value taxation. The Office would also help interested States develop land-use plans and would, on its own, be required to inventory Federal property now exempt from State and local property taxation and recommend to Congress legislation to correct any harmful effects of such exemptions, thereby updating the 1968 Douglas Commission study.

I believe my bill is a creative and thorough approach to providing Federal assistance for solution of a major local problem. It can be argued that property taxation is intrinsically a local matter and that local governments should be allowed to solve their problems for themselves. I deeply respect this viewpoint. However, I think it is possible to design, as we have tried to do, a Federal program that relies on the States to act as the agents of change and reform, with Federal encouragement and within Federal guidelines.

The property tax is under increasing attack from many quarters as costs of public services increase. Relief for certain property owners, most particularly the elderly is necessary. Reforming the property tax can, in my view, do a great deal to reduce inequitably high rates for many people, and raise them for those who are unfairly exempted or underassessed.

My bill encourages both objectives. Through the program of matching grants it provides an incentive to States to develop adequate property tax relief programs for all low-income homeowners and renters. Yet it provides a strong incentive for reform by making these grants conditional on implementation—within 4 years—of specified property tax reforms. These reforms have been carefully considered and well studied. They are in measure based on work of the Advisory Commission on Intergovernmental Relations which has studied the property tax systems of the States for at least a decade. These reforms themselves should do a great deal to alleviate the concerns of people who are now so angry over glaringly unfair assessments, the difficulty of obtaining access to information about their taxes, and of appealing unfair assessments on their homes.

Finally, I believe that the programs of grants and interest-free loans provided in titles IV and V are an appropriate encouragement to the States to improve their property taxation systems whether they adopt relief programs or not. As the recent report of the Subcommittee on Intergovernmental Relations on property taxation in the States showed, property tax administration in all States must be improved. In my own State of Illinois important steps have been taken to upgrade assessment practices. Illinois adopted last year a relief program that should do much to assist the poor homeowner and renter. Nonetheless the property tax problem remains a serious one in Illinois, as it is in the vast majority of other States. This bill is an effort to encourage both relief and reform in all the States. I think it is a responsible response to this extremely important problem.

EXHIBIT 1

S. 1255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Property Tax Relief and Reform Act of 1973."

TITLE I—FINDINGS AND PURPOSES

FINDINGS

Sec. 101. The Congress finds that—

(1) it is necessary to strengthen the revenue-raising systems of State and local governments in order to preserve a strong Federal system of government;

(2) real property taxes, an essential source of revenue to State and local governments, often place a heavy burden on individuals with low- and moderate-incomes and this burden is particularly heavy for low-income elderly individuals;

(3) a Federal program designed to promote relief from the burden of real property taxes should apply to those individuals who are most heavily burdened by such taxes;

(4) the poor and uneven administration of real property tax laws diminishes their effectiveness as means of raising revenue and causes resentment among taxpayers;

(5) reform of administration of property tax laws can be expected to increase the yield to State and local governments from that tax and insure that its burdens would be more fairly shared by all taxpayers; and

(6) a Federal program designed to encourage the States to provide property tax relief for those upon whom the property tax burden rests more heavily must also encourage significant reforms in the administration of the property tax laws.

PURPOSES

Sec. 102. The purposes of this Act are—

(1) to provide for property tax relief for those persons upon whom real property taxes place the heaviest burden;

(2) to strengthen the ability of State and local governments to raise their own revenues, and strengthen the Federal system by improving the intergovernmental revenue-raising relationship within that system;

(3) to improve the coordination and cooperation among all levels of government and to provide technical assistance to State and local governments in the administration of their property tax laws;

(4) to encourage the reform of the administration of such laws and to establish Federal outlines for their fair and competent administration;

(5) to promote coordination of property tax reforms with the development in all the States of sound land use policies for the protection of scarce natural resources and the coherent growth of urban areas; and

(6) to increase the responsiveness of government at all levels by providing taxpayers full information on the assessments of all lands within their State and locality.

Sec. 103. As used in this Act, the term—

(1) "Office" means the Office of Property Tax Relief and Reform established under title II;

(2) "Director" means the Director of the Office, or his delegate;

(3) "State" means each of the United States and the District of Columbia; and

(4) "Assessment-sales ratio" means the assessed value of a piece of property, divided by the market price of that property.

TITLE II—THE OFFICE OF PROPERTY TAX RELIEF AND REFORM

ESTABLISHMENT

Sec. 201. (a) There is established within the Department of the Treasury an office to be known as the Office of Property Tax Relief and Reform (hereinafter referred to as "Office"). The Office shall administer the real property tax relief and reform programs established under this Act.

(b) The Office shall be headed by a Director, who shall be appointed by the President. The Director shall be responsible for the exercise of all the functions of the Office, and shall have authority and control over all activities and personnel of the Office. There shall be in the Office a Deputy Director who shall be appointed by the President. The Deputy Director shall perform such functions as the Director may prescribe and shall act as Director during the absence or disability of the Director, or in the event of a vacancy in that Office.

FUNCTIONS

Sec. 202. (a) The Office shall—

(1) administer the property tax relief and reform programs established under this Act.

(2) strengthen the relationships and coordination among the Federal, State and local governments in order to encourage State and local governments to develop, and Federal agencies to assist in the development of compatible fiscal and administrative systems of property taxation.

(4) act as a clearinghouse of information for State and local governments with respect to the various programs and activities of the Federal Government which may affect the administration of property taxes.

(5) provide technical and training assistance to States under title VI;

(6) provide other assistance to State and local governments, consistent with the purposes of this Act, and consult regularly with the Advisory Commission on Intergovernmental Relations;

(7) provide financial assistance for special experimental programs in the administration of property tax laws;

(8) evaluate all Federal efforts in the areas of property tax relief and reform; and

(9) review Federal laws applicable to, or having an effect on property taxes.

ADMINISTRATIVE PROVISIONS

Sec. 203. (a) The Director shall make annual reports and recommendations to the Congress and the President, including recommendations for additional legislation, beginning on the first anniversary of the enactment of this Act.

(b) Upon request made by the Director, each agency of the Federal Government is authorized and directed to make its services, equipment, personnel, facilities, and information (including suggestions, estimates and statistics) available to the greatest extent practicable to the Office.

COMPENSATION OF DIRECTOR AND DEPUTY DIRECTOR

Sec. 204. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(98) Director, Office of Property Tax Relief and Reform."

(b) Section 5316 of such title is amended by adding at the end thereof the following:

"(132) Deputy Director, Office of Property Tax Relief and Reform."

TITLE III—REAL PROPERTY TAX RELIEF FOR LOW-INCOME INDIVIDUALS

GRANTS TO STATES

Sec. 301. (a) The Office is authorized to pay to each State which operates a qualified program of real property tax relief an amount equal to

(1) one-half of the cost of that program (other than administrative costs) to the State; but not to exceed

(2) 6 dollars multiplied by the population of the State.

(b) For purposes of this section, the term "qualified program of real property tax relief" means any such program which the Director determines to meet the requirements of this title.

PROGRAM REQUIREMENTS

Sec. 302. (a) The Director shall determine that a State program of real property tax relief meets the requirements of this title if that program provides relief to both homeowners and renters of residential property (including apartments) which meets the minimum standards set forth in subsections (b) and (c).

(b) In order to meet the minimum standards of real property tax relief for individuals who own or are purchasing their principal place of residence a State must provide, by way of cash payments, tax credits, tax refunds, or otherwise, relief from real property taxes in an amount equal to the lesser of—

(1) an amount determined by the State, but not more than $500 per year; or

(2) an amount equal to the amount by which the total real property taxes the taxpayer pays on his principal place of residence for the taxable year exceeds a percentage (determined under subsection (d)) of his household income for that year.

(c) In order to meet the minimum standards of real property tax relief for individuals who rent their principal place of residence, a State must provide, by way of cash payments, tax credits, tax refunds, or otherwise, relief from real property taxes in an amount equal to the lesser of—

(1) an amount determined by the State, but not more than $500 per year; or

(2) an amount equal to the amount by which a percentage of the rent the taxpayer pays during his taxable year for his principal place of residence, determined by the State but not less than 15 percent and not more than 30 percent, exceeds a percentage (determined under subsection (d)) of his household income for that year.

(d) The percentage required under subsections (b) and (c) to be determined under this subsection shall be the percentage specified in the following table:

If the household income is—	the percentage is—
not more than $3,000	3.0
more than $3,000 but not more than $6,999	4.0
more than $7,000 but not more than $9,999	5.0
more than $10,000 but not more than $14,000	6.0

(e) For purposes of this section, the term (1) "household income" means the aggregate annual income of all the members of the taxpayer's household (including the taxpayer). For purposes of the preceding sentence the term "income" means—

(A) wages, salary, or other compensation for services;

(B) any payments received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under Title II of the Social Security Act, railroad retirement annuities and pensions and benefits under any Federal or State unemployment compensation law);

(C) prizes and awards;

(D) gifts (cash or otherwise), support and alimony payments; and

(E) rents, dividends, interest, royalties, and such other cash receipts as the Secretary may by regulation prescribe;

(2) "rent" means consideration paid under a lease, whether written or oral and regardless of duration, solely for the right to occupy a dwelling house (including an apartment), exclusive of charges for (or any part of the rental fee attributable to) utilities, services, furniture, furnishings or personal property appliances furnished by the landlord as part of the lease agreement, whether expressly set out in the rental agreement or not; and

(3) "household" means the members of a family (and anyone dwelling during the tax-

able year with that family) dwelling together during the taxable year in the same residence.

LIMITATIONS

SEC. 303. No amount shall be paid under section 302 to any State as reimbursement for the costs of any program of real property tax relief attributable to—

(1) amount of property tax relief furnished by that State to any taxpayer whose household income exceeds $14,999 for the taxable year; or

(2) amounts of property tax relief furnished by that State to more than one member of any household.

CONDITIONS

SEC. 304. No payment shall be made under section 301 except upon application made by a State containing such information as the Director may require, and each State receiving any payment under that section shall agree to provide the Director with such additional information, reports, and assurances as he may require, consistent with the purposes of this Act. Payments may be made under that section in advance, by installment, or otherwise as determined by the Director.

REDUCTION AND TERMINATION: NOTICE

SEC. 305(a) The Director shall reduce by one-half the amount of the payments to which a State would otherwise be entitled under section 301 during the fourth year that State receives payments under this title unless the Director determines that the State has substantially implemented the reforms and complied with the guidelines of title IV and title V. No payments shall be made to any State after it has received payments under this Act for 4 years unless the Director determines that the State has substantially implemented such reforms and complied with such guidelines.

(b) The Director shall notify each State which will have its payments under this title reduced or terminated under the provisions of subsection (a) of that reduction or termination not later than 1 year before the reduction or termination takes effect, together with information as to what changes in that State's real property tax laws or administrative practices must be made to avoid the reduction or termination.

TITLE IV—REFORM OF PROPERTY TAX ADMINISTRATION; DISCLOSURE, ACCESS, AND APPEAL

AUTHORIZATION OF REFORM GRANT AND LOAN PROGRAM

SEC. 401. (a) In order to encourage States to provide property taxpayers complete and easily understood data about property appraisals and assessments and to provide swift and uncomplicated means of appealing such appraisals and assessments and to provide for the widest and fullest understanding of the value of real property in the States now fully or partially exempt from taxation, the Office is hereby authorized to administer programs of grants and interest-free loans to State programs which meet the requirements of this title.

(b) The grants established under this title shall be administered so that the Federal contribution does not exceed 60 percent of the total cost of a program in any State.

PUBLICATION OF ASSESSMENT-SALES RATIOS

SEC. 402. (a) In order to meet the requirements of this title, a State program shall collect and cause to be published not less frequent than annually, the assessment-sales ratio for each taxing jurisdiction within that State of—

(1) residential real property located within the taxing jurisdiction;

(2) commercial property located within the taxing jurisdiction;

(3) industrial property located within the taxing jurisdiction;

(4) vacant land; and

(5) such other classes of properties as may be recognized by the taxing jurisdictions.

(b) In determining the assessment-sales ratio of any property, State regulations shall be based on the best existing practice, including, but not limited to, actual sales wherever practical, and shall be, to the extent practicable, in conformity with the standards used by the Bureau of the Census, in its complications of the census of governments.

TAXPAYER APPEALS

SEC. 403. (a) In order to meet the requirements of this title, a State program shall—

(1) provide that all real property within a taxing jurisdiction be so assessed that the assessment-sales ratio of any particular piece of real property, stated as a percentage, is not more than 10 percentage points greater or lower than the average assessment-sales ratio for all properties within the taxing jurisdiction required by State law to be uniformly assessed;

(2) provide for the notification of each real property taxpayer, not later than 60 days before the final date for appeals or the date on which payment of the real property tax on that property is due, whichever is earlier, of the average assessment-sales ratios for each class of real property and for all such classes taken as a whole within the taxing jurisdiction in which his property is located, the assessed value of his property, and the market value placed on his property for purposes of the assessment; and

(3) provide a means by which a real property taxpayer can quickly and easily appeal the assessed value or the assessment rate of property within his taxing jurisdiction.

(b) A real property assessment appeal procedure shall not be considered to meet the requirements of paragraph (3) of subsection (a) unless it provides for the automatic reassessment of any property which, on the basis of the market price established by the taxpayer to the satisfaction of the officer or body to which the appeal may be taken, is shown to be assessed at an assessment-sales ratio which fails to meet the requirement of paragraph (1) of subsection (a).

PUBLIC ACCESS TO REAL PROPERTY TAX DATA

Sec. 404. In order to meet the requirements of this title, a State program shall provide—

(1) for the publication in a newspaper of general circulation within each taxing jurisdiction and through other suitable means of the results of any assessment-sales ratio study made of real property located in that taxing jurisdiction; and

(2) that records containing assessed valuation and market price of all property located within a political subdivision of the State be kept in a public building convenient to residents of that political subdivision and that records be indexed according to address of the property and the name of the owner of the property and be available for public inspection and copying at reasonable hours and at lowest possible cost to anyone wishing to copy any such record.

TAX-EXEMPT PROPERTY

SEC. 405. (a) In order to meet the requirements of this title, a State program shall provide for—

(1) the assessment and separate public listing of all tax-exempt real property, and the disclosure of the assessment of any such property to the public in the same manner as the assessment of other real property is made available to the public;

(2) the publication in the State budget and by each taxing jurisdiction in a newspaper of general circulation within it of the aggregate assessments of all tax-exempt property located in the State and in the taxing jurisdiction and the amount of any revenue loss attributable to the exemption from real property tax of such property.

(b) In the administration of this title, the Director may waive the requirements of subsection (a) for not to exceed 2 years in the case of any State.

TITLE V—REFORM OF PROPERTY TAX ADMINISTRATION; UNIFORM ASSESSMENT PRACTICE

AUTHORIZATION OF LOAN PROGRAMS

SEC. 501. In order to encourage States to improve the professional qualifications of property appraising and assessing officials, to bring records of real property ownership and value up to date and to improve the quality and efficiency of assessments of personal property, the Office is hereby authorized to administer programs of interest-free loans to State programs which meet the requirements of this title.

UNIFORM ASSESSMENT GUIDELINES

SEC. 502. In order to meet the requirements of this title, a State program shall provide for—

(1) the certification by a State supervisory agency of professionally qualified State and local officials for assessing and appraising property;

(2) training such officials and for making supplementary payments to taxing jurisdictions to cover the cost of training and paying certified appraisal and assessment personnel;

(3) the sharing of the cost of certified appraisal and assessment personnel by taxing jurisdictions which lack the resources to maintain such personnel separately;

(4) the compiling of maps of taxing jurisdictions to disclose the location of all parcels of property and any improvements on such property within the taxing jurisdictions, along with convenient methods of identifying the ownership and use of such property and improvements;

(5) the determination by a State supervisiory agency of (A) the degree to which State taxes on residential personal property, commercial inventories, farm personal property, personal holdings of bank deposits, and securities and other financial assets are uniformly enforced and (B) the cost of administering such taxes relative to present and potential revenues raised by them; and

(6) such other assessment improvement activities as the State and the Director shall determine to be worthwhile.

TITLE VI—FEDERAL ASSISTANCE TO TRAINING AND TECHNICAL PROGRAMS

TRAINING AND INTERCHANGING PERSONNEL

SEC. 601. The Office shall provide assistance to the States for the training of real property tax assessment and appraisal personnel, including, but not limited to, arranging for the training of such personnel under the Integovernmental Personnel Act of 1970.

ADDITIONAL ASSISTANCE

SEC. 602. (a) The Office shall provide additional assistance to the States in undertaking assessments-sales ratio studies required under title IV, by—

(1) assisting States in obtaining assessment appraisal data now collected by other Federal agencies, together with such additional information as may be requested by the States in improving their assessment programs; and

(2) appraising or arranging for the appraisal of industrial property the market value of which is in excess of $1,000,000, upon request of any State.

(b) The Office shall develop, jointly with interested States, and provide grants for, special experimental programs, such as site-value taxation, to improve the administration of property tax laws. The aggregate amount of grants made under this subsection shall not exceed $5,000,000 during any fiscal year.

(c) The Office shall develop jointly with the States and other concerned Federal agencies programs for presentation to the State legislature (or to the Congress in the case of the District of Columbia) containing detailed plans to coordinate State and local real property tax policy with the requirements of sound land use planning and to promote coherent urban growth and the protection of scarce natural resources.

(d) The Office shall conduct a survey of all Federal property exempt from State and local property taxes and of the effect of such exemptions on State and local tax bases and shall, within 18 months after the date of the enactment of this Act, submit the survey to the States and Congress along with recommendations to correct any effects of such exemptions it determines to be harmful.

TITLE VII—MISCELLANEOUS: CONDITIONS OF GRANTS AND LOANS

SEC. 701. (a) No payment shall be made under title III, IV, V, or VI except upon application made by a State containing such information as the Director may require, and each State receiving any payment under this Act shall agree to provide the Director, with such additional information, reports, and assurances as he may require, consistent with the purposes of this Act. Payments may be made under this Act in advance, by installment, or otherwise as determined by the Director.

(b) Mass appraisal firms.

(1) The Director shall establish standards for the qualification of firms engaged in providing property appraisal services to State and local governments, and shall certify any such firm which meets those standards.

(2) No State or local government shall receive any assistance under this Act during any year in which it utilized the services of a firm engaged in providing property appraisal services to such governments for the purpose of appraising property within its jurisdiction unless that firm is certified by the Director.

(3) No firm certified under subsection (2) shall have its certification revoked by the Director except after an opportunity for hearing.

GENERAL AUTHORIZATION OF APPROPRIATIONS

SEC. 702. (a) There are authorized to be appropriated to the Office such sums as may be necessary for the purposes of carrying out the provisions of this Act (other than title III and other than the grant and loan programs authorized by titles IV and V) for the fiscal year ending June 30, 1974, and for each of the succeeding 9 fiscal years.

(b) There are authorized to be appropriated to the Office such sums as may be necessary to carry out the provisions of title III for the fiscal year ending June 30, 1974, and for each of the succeeding 5 fiscal years.

(c) There are authorized to be appropriated to the Office for the purpose of carrying out the grant program authorized by title IV $15,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $25,000,000 for the fiscal year ending June 30, 1976.

ESTABLISHMENT OF LOAN FUND

SEC. 703. There is established in the Treasury of the United States an Intergovernmental Relations Loan Fund for the purpose of making loans under title IV and title V of this Act. There are authorized to be appropriated to the Fund such amounts as may be necessary to carry out the loan programs authorized under such titles. Amounts appropriated to the Fund shall remain available without fiscal year limitation until June 30, 1983. The Fund shall be credited with any amounts appropriated to it and any amounts repaid under any such program by any State government to which any loan is made under that program.

Mr. RIBICOFF. Mr. President, I am pleased to join with Senators PERCY and MUSKIE in introducing the Property Tax Relief and Reform Act of 1973.

No one likes taxes, but the one most disliked of all is the property tax, because it is unfair. What was originally designed to be a general tax on wealth has now become an oppressive burden on private homeowners of all economic classes.

Recent studies have shown that the homeowner often pays more than his fair share. Texas law students revealed that in Houston, commercial properties were assessed at only 13 percent of fair market value, while residence were assessed at 32 percent. A Vanderbilt University study showed that the largest companies operating in Appalachia were grossly underassessed. In Gary, Ind., a poor city fighting for survival, United States Steel's property was underassessed by as much as $100 million.

Homeowners are becoming aware that they have been victimized. For years, the thought of allowing public schools to close was unthinkable. Now it is commonplace as voters, tired of an unfair system and unable to absorb more increases, defeat school bonds based on the property tax. Schools in Independence, Mo.; Dayton, Ohio; Kalamazoo, Mich.; and Chicago, Ill., have all closed down for a day and even weeks due to a lack of funds.

The property tax's severest impact is on the poor and those living on fixed incomes such as the elderly. Of 14 million Americans earning less than $5,000 a year, over 10 million pay property taxes in excess of 6 percent of their total incomes. Close to 70 percent of the elderly own homes, but only half had incomes of over $5,000. That means that millions of our senior citizens are finding it increasingly difficult to meet their tax payments and are being forced to sell their most valuable possession.

Despite the uproar about the property tax, it is not going to disappear. It raises over $40 billion for our schools and local governments and no other tax can replace it.

The property tax must, therefore, be reformed and made more equitable. The States and localities should be responsible for making the necessary changes, but the Federal Government can help. For that reason we introduce today the Property Tax Relief and Reform Act of 1973.

This bill has two basic purposes—to provide immediate relief for those homeowners and renters paying an inordinately high share of their income in property taxes and to provide an incentive to State and local governments to reform their present systems.

Under our proposal, the Federal Government would pay half the relief provided by qualifying State programs, with a limitation based on a State's population. For example Connecticut could receive as much as $18 million. To qualify for Federal cost sharing, State programs would have to offer relief in the form of cash payments, tax credits or refunds to homeowners and renters, regardless of age. The State relief program would rebate the excess of property taxes on a principal place of residence when the excess was over 3 percent of household incomes up to $7,000, over 5 percent on household incomes up to $10,000, and over 6 percent on incomes up to $15,000. States would have flexibility in setting the relationship between rent and property taxes, computing property taxes at between 15 and 30 percent of rent depending on local circumstances.

In addition a program of interest-free loans and grants would be available to States to encourage needed property tax reforms.

I am hopeful that Congress will act quickly on this legislation and that the States will take advantage of it to help make the property tax fair again.

By Mr. CHILES:

S. 1258. A bill to establish the Fort Zachary Taylor National Historic Site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CHILES. Mr. President, I am pleased to introduce a bill today which would establish the Fort Zachary Taylor National Historic Site in Key West, Fla. Congressman DANTE FASCELL of Florida set the wheels in motion on this project during the closing days of the last Congress. Last fall Congressman FASCELL, aware that the 38-acre complex had been declared excess to the needs of the Navy, urged the chairman of the Armed Services Committee of both Houses to approve a report on this land which had been submitted to them.

The Congressman went on to introduce a bill to name the fort as an historic site and reintroduced that proposal in the 93d Congress. I am anxious to get the Senate's approval of this measure as soon as possible because of the historical significance of the fort.

Construction of Fort Taylor began in 1845. It was one of a handful of forts held in southern cities by northern troops and was in the only southern city also held by the North. As you may know, Key West was the headquarters for the Gulf Blockading Squadron. At one time, 299 Confederate blockading ships which had been captured were tied up in the Key West harbor under the guns of the fort. And many of those same guns are still there.

Mr. Howard England, a civilian employee of the Naval Station at Key West, directed an archeological excavation in 1968 and found a treasure of Civil War cannons and rifles buried in the casements of the fort. Two 26,900-pound Parrott rifles which used a 300-pound projectile; 11 10-inch Rodman cannons and an 8-inch Coehorn siege mortar weighing 945 pounds were discovered during the excavation—as well as Key West's first plant to make fresh water from sea water.

The artifacts remaining at Fort Taylor are especially valuable since the vast majority of the cannons and rifles of the Civil War period were either taken as souvenirs, melted for their metal, or just disappeared. Mr. England believes that the largest collection of old guns of any fort in the country rests at Fort Taylor.

The move to name the fort as an historical site has been hailed by historians. Those familiar with the excavation being done there feel this is a worthwhile project and ought to be continued. They agree that the fort is of major historic interest and certainly should be carefully protected and preserved for the benefit of the public.

A veritable mine of early 19th century ordnance is buried in the casements at Fort Taylor. If the site is made part of the Federal park system it will be properly protected and eventually open to the public as a tourist attraction. It could eventually serve, in fact, as a central hub for Key West's many historical locations.

I urge all my Senate colleagues to join with me in support of this proposal to establish the Fort Zachary Taylor National Historic Site.

By Mr. PELL (for himself and Mr. PASTORE):

S. 1260. A bill to provide that daylight saving time shall be observed on a year-round basis. Referred to the Committee on Commerce.

Mr. PELL. Mr. President, I introduce at this time for myself and for my distinguished senior colleague Senator PASTORE, a bill to make daylight saving time the uniform time standard for the United States 12 months of the year.

Under present law, Mr. President, the people of the United States under daylight saving time enjoy an extra hour of daylight in the evening for 6 months of the year—from April through October.

There are, I believe, strong and compelling arguments for making that extra hour of daylight available in the late afternoon or evening during the winter months. Among the benefits that can be expected from extending daylight saving time to 12 months of the year are a reduction in street crime, reduction in the rate of traffic accidents, and an easing of peak-hour demands on limited electric power generating capacity.

The House of Representatives of the Rhode Island General Assembly recently adopted a resolution urging the Congress to enact legislation providing for a 12-month observance of daylight saving time. I think the resolution, introduced in the general assembly by Representative Peter Coelho, is an excellent summary of the arguments in favor of year-around daylight saving, and I ask that the text of the resolution and the text of my bill be printed in the RECORD at the conclusion of my remarks.

Obviously, Mr. President, there are a definite and limited number of hours of daylight in any given day. And there is nothing that the Congress or anyone else can do to increase the number of daylight hours.

What we can do is arrange our time standards so that the people of the Nation can make maximum, most effective, and enjoyable use of the limited daylight provided by nature. We have recognized the clear advantages of doing so during the summer months, when nature is relatively generous with daylight. I suggest it is entirely reasonable to do the same during the winter months when the daylight hours of each day are more limited.

I think it is clear that even during the short winter days an hour of daylight is more advantageous at the end of a day than in the early morning hours.

For example, statistics indicate that street crime—robbery, muggings, assaults, and purse-snatching—reach a height during the early evening. An extra hour of daylight in the evening might well help to curb the rate of these street crimes.

Similarly, the rate and severity of traffic accidents is greatest in the hours just after sundown. During the shortest days of winter, under standard time, the great majority of commuters are forced to travel during this time of greatest hazard. Daylight saving would make it possible, during most of the winter months, for commuters to reach their homes before the onset of darkness, without requiring them to travel to work in darkness during the morning.

A further advantage of year-around daylight saving is the easing of peak-hour demands for electric power.

By making the average workday coincide more nearly with hours of actual daylight, the overlapping of demands for electric power in both homes and places of work would be reduced. The result would be a more efficient use of electric generating capacity, and possibly some saving on fuel supplies at a time when conservation of fuel is increasingly important.

Mr. President, identical legislation to provide for year-around daylight saving has been introduced in the other body by Representative CRAIG HOSMER of California. I think he is to be commended for his leadership and I am delighted to join with him in proposing this progressive change.

Mr. President, passage of this legislation would eliminate for all time, the biannual and confusing process of pushing the hands of clocks forward and backward.

We could, next April set our clocks ahead for the last time, assured that from that time forward we would be making better use of available daylight throughout the year.

Mr. President, I ask unanimous consent that there also be printed in the RECORD an excellent editorial on this subject from the Standard Times of North Kingstown, R.I.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

RESOLUTION FOR A YEAR-'ROUND SYSTEM OF DAYLIGHT SAVING TIME

Whereas, A uniform and coordinated system of reckoning time throughout the several states is convenient and necessary for the proper and efficient carrying on of interstate commerce; and

Whereas, By the "Uniform time act of 1966" (P.L. 89-387; U.S.C. 15 section 260 et seq.), Congress provided for such a uniform and coordinated system, including the observance of Daylight Saving Time (except in those states which by law omit such observance) during the summer months, from 2:00 A.M. on the last Sunday of April until 2:00 A.M. on the last Sunday of October of each year; and

Whereas, The benefits of Daylight Saving Time, in providing an extension of natural light into the evening hours, have been almost universally acknowledged, not only in the United States, but also in many foreign nations, some of which currently observe it on a year-'round basis; and,

Whereas, The return each fall to Standard Time, whereby winter sunset occurs at 5:00 P.M. and earlier in most latitudes of the United States, causes an undesirable encroachment of darkness upon the latter part of the active day, requiring an unnecessary and undesirable drain upon valuable and increasingly scarce power resources to supply artificial light, creating conditions hazardous to vehicular and pedestrian traffic during a peak travel period, and offering unduly propitious conditions for violent and predatory criminal acts upon the streets and thoroughfares of many urban areas; and,

Whereas, The value of Daylight Saving Time as a conservation measure, reducing the consumption of fuel for power generation (and the concomitant effusion of pollutants), was recognized by the Congress in providing for year-'round observance of this time reckoning during the war emergency period from February, 1942, to October, 1945; and

Whereas, Urgent current needs for conservation of energy sources, control of pollution, deterrence of street crime and reduction of the human suffering and property damage due to accidents combine to support the advisability of a permanent year-'round advance in the system of time reckoning; and

Whereas, Resolutions substantially identical to this have been submitted for the consideration of the Lgislatures of the several states comprised, in whole or in part, in the Eastern Time Zone, for the purpose of permitting and encouraging a uniform expression and representation to the Congress by the said states acting in concert; now, therefore, be it

Resolved, That the house of representatives memorializes congress to enact appropriate legislation for the uniform and coordinated observance of a year-'round system of Daylight Saving Time; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the members of the Rhode Island delegation in the congress of the United States, the vice president of the United States and the speaker of the house of representatives of the United States.

[From the Standard-Times, Mar. 1, 1973]

DAYLIGHT SAVINGS

With the official end of winter less than three weeks away, thoughts of warm weather and longer days go far in helping dispel the uncomfortable effects of winter's last efforts.

But at least one Rhode Island legislator feels the state, and indeed the country, could take a practical step in eliminating at least part of winter's gloominess and accrue the added benefits of improved public safety, a reduction in street crimes and a conservation in resources.

All this, says Rep. Peter J. Coelho (D-Dist. 84) of East Providence, could be accomplished if only the country would adopt Daylight Savings Time throughout the year.

Mr. Coelho feels so strongly on the matter that he recently introduced a resolution into the Rhode Island House urging Congress to set up legislation to provide for Daylight Savings Time year-round in all states.

The benefits of such a change would be manyfold. By moving the clocks ahead an hour, workers in midwinter getting out at 4:30 or 5 p.m. will find plenty of daylight remaining—safer for walking and driving home.

School children staying late for after-school activities can still come home in daylight and those who come home at the regular time will find more outdoor activity time.

In midwinter, darkness falls at the most inopportune time—when traffic is heavy, people are tired, nerves are frayed from daylong tasks and when street criminals begin their activities. In cities, especially, extended daylight could alleviate many problems.

Mr. Coelho also feels that the later advent of darkness could result in a reduction of power demand. Some plants and offices, for example, would need less artificial light if they close up for the day while it is still daylight.

Reduced power consumption would result in reduced usage of natural resources such as fuel needed to generate electricity. The representative noted that during World War II, the country was on Daylight Savings Time all year-round for nearly three years to conserve fuel.

Objectors to the proposal point out that while an hour of daylight would be gained in the afternoon, an hour would be lost in the morning, meaning more poeple would have to go to work in darkness or near darkness. Proponents argue, however, that the advantages of more daylight at the end of the day far outweight the disadvantages of a later dawn.

We agree and would hope that Congressional leaders seriously consider the resolution from Mr. Coelho and those similar requests from a growing number of other states.

While not as critical, one of the most popular benefits of switching to full-time Daylight Savings Time would be the elimination of the often perplexing question most of us ask each spring and fall—"Let's see, do we move it an hour ahead or . . .?"

S. 1260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Uniform Time Act of 1966 (15 U.S.C. 260a) is repealed.

SEC. 2. The Act of March 19, 1918 (15 U.S.C. 261–264), is amended—

(1) by striking out in the second sentence of the first section of such Act "Except as provided in section 3(a) of the Uniform Time Act of 1966, the standard time of the first zone shall be based on the mean solar time" and inserting in lieu thereof "The standard time of the first zone shall be based on the mean solar time (advanced one hour)"; and

(2) by adding after section 5 of such Act the following new section:

"SEC. 6. (a) It is hereby declared that it is the express intent of Congress by this Act to supersede any and all laws of the States or political subdivisions thereof insofar as they may now or hereafter provide for the observance of a time within any zone different from that specified in the first section for such zone.

"(b) For any violation of the provisions of the first section of this Act the Secretary of Transportation or his duly authorized agent may apply to the district court of the United States for the district in which such violaion occurs for the enforcement of that section; and such court shall have jurisdiction to enforce obedience thereto by writ of injunction or by other process, mandatory or otherwise, restraining against further violations of that section and enjoining obedience thereto."

SEC. 3. The amendments made by this Act shall take effect at 2 o'clock ante meridian on January 6, 1974.

By Mr. MOSS (for himself, Mr. BENNETT, Mr. HANSEN, and Mr. MCGEE):

S. 1261. A bill to facilitate the incorporation of the reclamation townsite of Page, Ariz., Glen Canyon unit, Colorado River storage project, as a municipality under the laws of the State of Arizona, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. MOSS. Mr. President, I am today introducing for myself, and Mr. BENNETT, Mr. HANSEN, and Mr. MCGEE, a bill to transfer, without cost, to the city of Page, Ariz., certain Federal properties and facilities not deemed necessary for the operation of Glen Canyon Dam, and to withdraw the use of money from the Upper Colorado River Basin fund for the maintenance, operation, and administration of the city.

The basic purpose of this legislation is to correct a situation that has persisted for a number of years due to operations of the executive branch in a manner never intended by the framers of the Colorado River Storage Project Act of 1956. That law was enacted by the Congress in 1956 to make possible the conservation, development, and utilization of the water resources of the Upper Colorado River Basin in my State of Utah and her sister States—Colorado, Wyoming, and New Mexico.

The city of Page is now drawing about half a million dollars each year from the Upper Colorado River Basin fund which was intended to be used for paying costs of construction, interest costs, and operation and maintenance charges of the Colorado River storage project and participating projects, including the Glen Canyon Dam and Reservoir on the Colorado River near the Utah-Arizona border.

The fund was created to receive all revenues derived from sales of electric power and water of the storage project and from which expenditures for operation and maintenance, interest charges, return of capital costs of the project to the U.S. Treasury are to be made. Revenues in the basin fund in excess of those used for the specified purpose are earmarked on percentage bases for aiding in paying for future water developments in the four states—subject, of course, to authorization and appropriations by the Congress.

In 1956 southern Utah and northern Arizona were vast expanses of barren desert. There were no roads and no habitable communities in close proximity to the Glen Canyon Dam site. The settlement of Page, Ariz., was constructed to provide housing and other essential services for the men and their families who were required to endure the hardships of a remote western desert while constructing and operating Glen Canyon Dam and powerplant. Page became a first-class reclamation construction town. As such, it was proper to charge the cost of municipal operations to the account of the Glen Canyon storage unit, and, consequently, to the Upper Basin Fund.

At the peak of construction on the dam in 1962, Page had a population of 6,100. By 1967, after completion of construction, the population dropped to 1,280, part of which was directly involved in operation and maintenance of the Glen Canyon storage unit.

In 1968, as an integral and necessary part of the central Arizona project, the Congress authorized construction of the Navajo powerplant near Page. The community now is the residence of over 6,000 people. In a year or two it is expected that 7,000 to 8,000 persons, or maybe more, will reside there. After the Navajo powerplant is completed it is anticipated that the population will stabilize at about 5,000 or 6,000 citizens. Many of these people will be associated with the operations of the powerplant; some will be retirees seeking a nice place to live. Others will be operating new businesses and services principally related to the recreation industry.

With the increases in population the costs of municipal functions and operations of municipal facilities have increased correspondingly. The preponderance of these facilities and functions have no direct relationship to the operation and maintenance of the Glen Canyon storage unit. In fact, only a very minor proportion of them could be termed essential. Page has evolved from a reclamation construction town to an extremely pleasant, attractive business and recreation center.

Mr. President, let me review some of the basic facts and related statistics on this matter:

First. For several years since the construction of Glen Canyon Dam, the Secretary of the Interior has continued financing municipal operations and capital improvements of Page, Ariz., by using money from the upper basin fund. Almost every type of activity is still being subsidized: City administration, police force, municipal buildings, streets, parks, playgrounds, water system, sewer system, garbage disposal, et cetera. For instance, for fiscal 1972 the cost of operation and maintenance and capital improvements and expansion for the increasing population of Page was $1,005, 024, not counting depreciation. The income, including payments of service fees by citizens amounted to $197,839, leaving $807,185 subsidized by the upper basin fund.

Second. The use of revenues of the upper basin fund for paying costs of municipal operations after construction of the Glen Canyon storage unit was never intended under section 5 of the Colorado River Storage Project Act.

Third. A study by specialists in municipal affairs at Arizona State University shows that the population of Page is well above the level where prospective revenues to an incorporated community are sufficient to meet projected expenses. The population is now approximately 6,200, and it is expected to reach 8,000 in a year or two.

Fourth. Page, Ariz., is no longer one of the "facilities of the Colorado River storage project," but is, instead, predominantly a community devoted to commercial businesses and other enterprises independent of the storage project.

Fifth. Net costs of operating the community to the upper basin fund on June 30, 1972, amounted to $4.5 million, in rounded figures. Depreciation brought the figure to $6.9 million. Of the net costs of $4.5 million, $4.1 million have been incurred since 1960. Net annual operating costs to the fund have ranged from $150,000 in 1960 to $509,000 in 1971. The average net cost of municipal operations for the past 3 years is $425,000.

For fiscal years 1964 through 1972, since the completion of Glen Canyon Dam, $898,000 have been spent on capital improvements for expansion and new additions. Of this sum, $460,000 were spent in fiscal 1972 showing the effects of population growth due to the construction of the Navajo powerplant, the influx of retirees, and perhaps the inclination on the part of the administration to charge the cost of as many new additions as possible to the upper basin fund before the community is incorporated.

Sixth. Projected administrative, operation and maintenance, and capital improvement costs, according to fiscal year 1974 preliminary budget figures of the Bureau of Reclamation, amount to $1,094,000 for 1973 and $693,000 for 1974, or a total of $1,787,000 for the 2 fiscal years. Of this sum, $979,000 are to be used for such capital improvements as water supply and distribution lines, new streets, walks, and other additions.

Furthermore, the Department of the Interior has spent, or is contemplating spending, approximately $1.5 to $2 million in Page for operating expenses and capital improvements during fiscal years 1973 and 1974. This money will be extracted from the upper basin fund. This is patently not fair to the upper basin States. I am sure that the proponents of the Colorado River Storage Act never intended that the upper basin should be used to subsidize Page long after the dam was constructed, and long after other people, pursuing different objectives, had become the preponderant population in the town, or were using its facilities.

I firmly believe that in the interest of equity, all of these charges should not be made against the upper basin fund. Nor should Page continue to be subsidized half a million dollars per day by the storage project. The correction of this situation is long overdue, especially when all of the evidence points to the fact that the Page community will have a self-supporting incorporated city.

The legislation that I am introducing will facilitate incorporation of the community by providing millions of dollars worth of assets as a starter. The bill will authorize the transfer of 10,717 acres of land and improvements thereon to the new city. Retained by the Federal Government, of course, would be those lands and facilities necessary for the operation and maintenance of Glen Canyon Dam and Reservoir. Homes and lots that have already been sold to citizens will be excepted from the transfer and remain in private ownership. Also, the school buildings will be transferred directly to an appropriate school district.

This legislation will also assign to Page sufficient water supply from Lake Powell for 9,000 to 11,000 people—subject to the "law of the river" as expressed in the Colorado River compact and Upper Colorado River Basin compact.

In order to ease the vicissitudes of the transition, from a Federal community to an incorporated city, a direct grant of $330,000 will be made to the city fathers. Another grant of $50,000 will go to the Page Hospital as a revolving fund so that it can continue efficient, self-liquidating operation. The Department of the Interior will be authorized to pump domestic and municipal water into the city's water system for a limited time without cost. A number of specified capital improvements and repair and maintenance items will be authorized to be completed at a cost of about $500,000. Included are a number of street expansions and improvements, new curbs and gutters, water system repairs, sprinkler system for the cemetery and, also, the taking of a population census.

My bill provides for generous annual payments in lieu of taxes to the city from the Upper Colorado River Basin fund to cover property taxes not forthcoming because of Federal retention and use of property needed directly in the operation and maintenance of the Glen Canyon storage unit.

This legislation likewise authorizes a congressional appropriation to pay for the capital improvement work, the transfer of municipal functions, financial grants and other costs associated with creating the municipality.

The bill also directs the Secretary of the Interior, in the event municipal incorporation is not accomplished by December 31, 1974, to make Page self-supporting beginning January 1, 1975, by increasing rates for services and other applicable charges for the community to amounts sufficient to cover the costs of administration, maintenance, and operation of municipal facilities and functions—except those directly necessary in the operation and maintenance of the Colorado River storage project. By December 31, 1974, there will have been at least two opportunities for the people of the area to create their city under the laws of the State of Arizona. This is more than ample time, if they sincerely desire to have the advantages that are available to municipal corporations under county ordinances, State laws, and Federal laws.

Mr. President, this bill allows the U.S. Government to correct a glaring example of fiscal irresponsibility by withdrawing from the ownership and operation of the community of Page, Ariz., which is costing the Government millions of dollars. It will also give the people there the opportunity for self-government, with considerable Federal assistance to start them on a financially sound and practicable course. It repeats the process used in the past. The Government will be doing everything it can to alleviate the birth pangs of incorporation, and helping to start as a well-established municipality.

This legislation is not based on any new concepts. Similar laws have been enacted by the Congress to transfer Federal functions, responsibilities, properties and facilities to incorporated cities. Two instances that are comparable are the city of Grand Coulee, Wash., and Boulder City, Nev., at Hoover Dam on the Colorado River. Both of these fine communities were sprouted as reclamation construction villages.

I ask unanimous consent that the bill be printed in the RECORD at the close of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to separate that unincorporated area in Coconino County in the State of Arizona commonly known as the town of Page, Arizona, from the Colorado River storage project in order that the United States may withdraw from the ownership and operation of the town and the people of that area may enjoy self-government, and to facilitate the establishment by the people of a municipal corporation under the laws of the State of Arizona by the transfer of certain Federal property described in section 3 of this Act.

SEC. 2. The following definitions shall apply to terms used in this Act:

(a) The area referred to herein as Page, Arizona, includes the following described land:

PAGE TOWNSITE, ARIZONA

Gila and Salt River Meridian, Arizona

Township to north, range 8 east:	Acres
Section 1. All	688.91
Section 2. East half southwest quarter, southeast quarter	240.00
Section 11. East half	320.00
Section 12. All	639.68
Township 11 north, range 8 east:	
Section 25. South half, southwest quarter southeast quarter, southeast quarter southeast quarter	60.00
Section 36, East half, south half northeast quarter northwest quarters, east half southwest quarter northwest quarter, southeast quarter northwest quarter, northeast quarter southwest quarter, east half northwest quarter south west quarter, south half southwest quarter	540.00
Township 40 north, range 9 east:	
Section 4. All	639.48
Section 5. All	639.84
Section 6. All	622.74
Section 7. All	623.68
Section 8. All	610.00
Section 9. All	610.00
Township 41 north, range 9 east:	
Section 19. East half southwest quarter, southeast quarter	210.00
Section 20. South half	320.00
Section 21. West half southwest quarter, west half southeast quarter southwest quarter, southeast quarter southeast quarter southwest quarter, southwest quarter southwest quarter southeast quarter	120.00
Section 28. West half northeast quarter, northwest quarter southeast quarter northeast quarter, south half southeast quarter northeast quarter, west half, southeast quarter	590.00
Section 29. All	610.00
Section 30. All	641.00
Section 31. All	612.00
Section 32. All	610.00
Section 33. All	610.00
Total	10,717.56

(b) The term "municipality" shall mean Page, Arizona, after its incorporation as a municipality under the laws of the State of Arizona.

(c) The term "Secretary" shall mean the Secretary of the Interior.

(d) The term "municipal facilities" shall mean certain land, and the improvements thereon, in Page, Arizona, such as hospital, police and fire protection systems, sewage and refuse disposal plants, water treatment and distribution facilities, streets and roads, parks, playgrounds, airport, cemetery, municipal government buildings, and other properties suitable or usable for local municipal purposes, including any fixtures, equipment, or other property appropriate to the operation, maintenance, replacement, or repairs of the foregoing, which are owned by the United States and under the jurisdiction of the Department of the Interior, Bureau of Reclamation, on the date of the incorporation of Page, Arizona.

SEC. 3. Upon incorporation of Page, Arizona, as a municipality under the statutes of the State of Arizona, the Secretary shall:

(a) Transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved or unimproved lands within Page, Arizona, owned by the United States, which the Secretary determines are not required in the administration, operation, and maintenance of Federal activities within or near Page Arizona, and can properly be included within the municipality under the laws of the State of Arizona, except the land to be transferred pursuant to subsection (b) hereof, and to assign to the municipality without cost any leases granted by the United States on such land.

(b) Transfer to the municipality without cost all rights, title, and interest of the United States in and to any land, and the improvements thereon, which may be contained in any reversionary clause of any dedication deed for land in Page, Arizona, issued by the United States.

(c) Transfer all activities and functions of a municipal character being performed by the United States to the municipality subject to the provisions of sections 4 and 7 of this Act.

(d) Transfer to the appropriate school district without cost all right, title, and interest of the United States to the land in block 14–A and lot 1, block 16, as shown on United States Department of the Interior, Bureau of Reclamation drawing numbered 557–431–87, April 29, 1971, together with improvements thereon owned by the United States at the date of such transfer.

(e) Transfer to the municipality without cost to the municipality facilities, as defined in subsection 2(d) of this Act, except as provided under subsection 4(a).

(f) Assign to the municipality without cost those contracts to which the United States is a party, and which pertain to activities or functions to be transferred under subsection (c) of this section and are properly assignable. This shall include contracts for furnishing water outside the boundaries of Page, Arizona, utilizing the municipal system: *Provided,* That the contract which the United States has executed with a private utility for furnishing and distributing electrical energy to the municipality shall be assigned to the municipality upon its request: *And provided further,* That in the assignment of the contract for the operation of the Page Hospital the $50,000 operating fund under said contract shall be transferred to the municipality for the same purpose as a part of the assignment of said contract.

SEC. 4. There is hereby reserved for the Glen Canyon unit, Colorado River Storage Project, the consumptive use of not to exceed three thousand acre-feet of water per year from Lake Powell, of which not to exceed two thousand seven hundred and forty acre-feet of consumptive use of water are hereby assigned to the municipality, consistent with the Navajo Tribal Council resolution numbered CJN–50–69, dated June 3, 1969: *Provided,* That upon incorporation the municipality shall enter into a contract satisfactory to the Secretary covering payment for and delivery of such water pursuant to the Colorado River Storage Project Act of June 11, 1956 (70 Stat. 105), which contract shall among other things provide that:

(a) The reservation and assignment of the consumptive use of water from Lake Powell under this section shall be subject to the apportionments of consumptive use of water to the State of Arizona in article III of the Colorado River Compact and article III(a)(1) of the Upper Colorado River Basin Compact.

(b) Title to the water pumping and conveyance systems within the Glen Canyon Dam and powerplant necessary to supply water to the municipality for culinary, industrial, and municipal purposes shall be retained by the United States until the Congress provides otherwise.

(c) Such retained facilities shall be operated and maintained by the Secretary at the expense of the United States until termination of the third fiscal year following the year of incorporation. Not to exceed two thousand seven hundred and forty acre-feet of water per annum, or three million gallons of water in any twenty-four-hour period, will be pumped by the United States from Lake Powell to the water treatment plant, or to such intermediate points of delivery as shall be mutually agreed upon by the municipality and the United States for use by the municipality.

(d) Beginning with the fourth fiscal year following the year of incorporation the municipality shall in each year pay to the United States the annual costs, including depreciation of the pumping equipment, involved in paragraph (c) above.

(c) Upon incorporation and at all times thereafter, the municipality shall bear all costs for operation, maintenance, and replacement of the municipal water system beyond Glen Canyon Dam and powerplant, including but not limited to filtration, treatment and distribution of water supplied pursuant to the water service contract with the United States.

SEC. 5. As soon as reasonably practicable after incorporation of the community, the Secretary is hereby authorized to complete all or any part of the following work:

(a) Take census of population of the municipality within one year following incorporation.

(b) Repair existing twelve-inch water-supply line, if inspection determines this is necessary.

(c) Paint interior of water storage reservoir.

(d) Seal coat paved streets in municipality.

(e) Install water sprinkler system in Page cemetery.

(f) Improve streets, install curbs, gutters, and sidewalks as follows:

(1) North Navajo Drive:

(i) Pave streets to seventy-foot width from Ninth Avenue to relocated intersection of Aero Avenue and sixty-one-foot width from Aero Avenue to Tenth Avenue.

(ii) Place curb, gutter, and sidewalk on east side of North Navajo Drive from Aero Avenue to Tenth Avenue.

(2) Aero Avenue from North Navajo Drive to Future Street:

(i) Widen existing thirty-foot paved width to seventh-foot paved width.

(ii) Place curb, gutter, and sidewalk on both sides of street.

(3) Tenth Avenue from Future Street to Sandstone Street:

(i) Construct new pavement on north half of street and overlay south half of street.

(ii) Place curb and gutter only on north side of street.

(4) Future Street—Approximately two thousand one hundred fifty feet beginning at Tenth Avenue and bordering east side of block 101 as shown on Page townsite and block plats:

(i) Pave street to fifty-two-foot width.

(ii) Place curb, gutter, and sidewalk on west side of street and curb and gutter only on east side of street.

Provided, That in the performance of the work authorized in this section, the Secretary may either cause the work to be done or transfer funds to the municipality for this purpose after ascertaining that each segment of work will be accomplished by a date certain and to standards satisfactory to the Secretary.

SEC. 6. (a) Upon incorporation the Secretary is authorized to make a lump-sum payment of $330,000 to the municipality as assistance to the municipality in meeting the expenses of police and fire protection facilities and services, sewerage system, refuse disposal, electrical distribution system, water treatment and distribution, streets and roads, library, parks, playgrounds and other recreational facilities, municipal government buildings, and other properties and services required for municipal purposes.

(b) To make a lump-sum payment of $50,000 to the municipality for improvements to the Page Hospital.

SEC. 7. Upon incorporation, the United States will provide to the municipality, upon its request, the services of Federal personnel to assist in the transition from a federally administered community to a self-governing municipal corporation: *Provided,* That such assistance shall be for a maximum of six months following the date of incorporation: *And provided further,* That the total number of such employees shall be limited to ten at any time.

SEC. 8. (a) Beginning with the fiscal year of incorporation of the municipality, the Secretary is authorized to pay annually to the municipality from revenues accrued in the Upper Colorado River Basin Fund a sum equal to 150 per centum of the taxes that would have been paid on property retained by the United States within the municipality that is required in the administration, operation, and maintenance of the Glen Canyon unit of the Colorado River Storage Project were said property in private ownership.

(b) Except as herein specifically provided, no assets of the Colorado River Storage Projects or moneys of the Upper Colorado River Basin Fund shall be utilized after incorporation of the municipality for carrying out the provisions of this Act.

(c) There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, not to exceed $1,000,000 to carry out the purposes of this Act.

SEC. 9. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations, and establish such terms and conditions as he may deem necessary and appropriate for the purpose of carrying out the provisions of this Act.

SEC. 10. All authority of the Secretary under sections 1 through 9 of this Act shall terminate five years following date of enactment unless incorporation of Page, Arizona, shall previously have been achieved.

SEC. 11. In the event the community of Page, Arizona, has not been incorporated under the laws of the State of Arizona on or before December 24, 1974, the Secretary is hereby directed, commencing January 1, 1975, to increase rates for services and other applicable charges for the community of Page, Arizona, to amounts sufficient that the sum thereof will cover all costs of administration, operation, and maintenance of municipal facilities or functions in Page, Arizona, except for those directly necessary for the administration, operation, and maintenance of the Glen Canyon unit of the Colorado River Storage Project.

SEC. 12. This Act may by cited as the "Page, Arizona, Community Act of 1973".

By Mr. PELL (for himself, Mr. MAGNUSON, Mr. PASTORE, and Mr. HOLLINGS):

S. 1262. A bill to extend and make technical corrections to the National Sea

Grant College and Program Act of 1966, as amended. Referred to the Committees on Labor and Public Welfare and Commerce, jointly by unanimous consent.

Mr. PELL. Mr. President, I am introducing today legislation to extend the authorization for the National Sea Grant College program.

Joining me in sponsoring this legislation are the distinguished senior Senator from Washington (Mr. MAGNUSON) my distinguished senior colleague from Rhode Island (Mr. PASTORE) and the distinguished junior Senator from South Carolina (Mr. HOLLINGS).

As the Senate sponsor of the legislation that established the Sea Grant College program in 1966, I have followed closely the executive management, the development and achievements of the program.

The Sea Grant College program has proven itself to be the most innovative and productive program in the marine sciences instituted during the past decade. The program continues to receive enthusiastic support from all segments of the oceanographic community—educators, scientists and engineers, marine-oriented industry, and fishermen.

In addition, and I believe this is important, the program has gained strong support from State government officials. In many coastal States, the State governments have turned to the resources of the Sea Grant institutions for the technical assistance necessary for management of coastal zone resources.

In my own State of Rhode Island, for example, the Graduate School of Oceanography at the University of Rhode Island, a Sea Grant institution, has been designated by the State government as the research center for the State's Coastal Zone Council. The university, with the help of Sea Grant funds, is able to provide to the State government the sound basis of fact on which to determine policies for maximum public benefit from the State's coastal zone. Sea Grant institutions are providing similar assistance in other States.

In only one respect has the Sea Grant College program lacked adequate support—and that is in budgetary support from the Federal Government. The program has developed in an orderly and efficient manner from its infancy, with an appropriation of $5 million to its current appropriation of less than $20 million.

The legislation I am introducing today would authorize appropriations for the next 3 years of $30, $40, and $50 million.

In addition, the legislation would direct and authorize the Secretary of Commerce, through the Sea Grant College program, to conduct a study of means of sharing with other nations through appropriate cooperative programs the results of marine research useful in exploring, developing, and conserving coastal marine resources.

I believe such a study is of vital importance to the continuation in the future of the long tradition of freedom of oceanographic research. As the acknowledged world leader in marine research, the United States conducts oceanographic exploration and research in waters throughout the world. There is growing concern, however, that the freedom to conduct this research may be restricted through changes in existing international law.

Other nations, and particularly the developing nations, have become understandably concerned over research conducted in waters off their coasts. Their concern is based, in part, on the fact that they lack the technological ability to make use of the research findings, and in part a suspicion that scientific research by the United States may be a prelude to economic exploitation of ocean resources.

At the meeting of the United Nations Committee on Peaceful Uses of the Seabeds in Geneva in August of last year, the United States moved to meet these apprehensions on the part of other nations by offering to share with those nations the marine technology required to make productive use of oceanographic research.

The sea-grant college program, through its established liaison with industry, universities, and users of marine technology is ideally suited to conduct a study of the means providing for this sharing of knowledge.

I ask that the text of my bill be printed in the RECORD at the conclusion of my remarks.

By previous agreement with the chairman of the committees involved, I ask that the bill be referred jointly to the Committee on Labor and Public Welfare and to the Committee on Commerce.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Sea Grant College and Program Act of 1966, as amended, is further amended as follows:

(1) In section 203(b)(1), insert after "for the fiscal year ending June 30, 1973, not to exceed the sum of $30,000,000," the following: "for the fiscal year, ending June 30, 1974, not to exceed the sum of $30,000,000, for the fiscal year ending June 30, 1975, not to exceed the sum of $40,000,000, and for the fiscal year ending June 30, 1976, not to exceed the sum of $50,000,000,".

(2) In section 204(a), delete subscript "(1)"; and delete all after "in any such fields", substituting a period therefor.

(3) In section 204(d)(1), after the first sentence insert the following: "The Secretary may grant total payments that exceed such per centum with respect to those programs or portions of programs requested by the Secretary on his own initiative, upon his determination that the requirement for payments of 33⅓ per centum of the cost thereof by the participant would be inequitable relative to the benefits which the participant would receive therefrom. The total amount of payments to be made by the Federal Government under all programs and portions of programs as to which the Secretary shall in any fiscal year exercise his authority under the preceding sentence to reduce or eliminate matching payments by the participant shall not exceed 1 percent of the funds appropriated under this Act for such fiscal year."

(4) In section 204(i)(3), after "marine resources" insert "and which is so designated by the Secretary".

(5) In section 204(i), add a new definition as follows:

"(5) the term 'vessel' means every description of water craft or other artificial contrivance used or capable of being used as a means of transportation on water but does not include non-self-propelled habitats, buoys, platforms, and other devices or structures used principally for research purposes.".

(6) Amend section 205 to read as follows:

"STUDY OF INTERNATIONAL MARINE TECHNOLOGY TRANSFER

"SEC. 205. (a) The Secretary of Commerce is authorized and directed to undertake, through the National Sea Grant College Program, a study of the means of sharing, through cooperative programs with other nations, the results of marine research useful in the exploration, development, conservation, and management of marine resources.

"(b) In carrying out the study required by subsection (a), the Secretary is authorized, without regard for paragraphs (1) and (3) of section 204(d), to enter into contracts with, and make grants to, institutions, agencies, and organizations described in section 204 (c).

"(c) The Secretary shall submit to the President and to the Congress the results and findings of such study, including specific recommendations, not later than June 30, 1974.

"(d) For the purpose of carrying out this section there is authorized to be appropriated not to exceed the sum of $100,000."

By Mr. SYMINGTON (for Mr. STENNIS and Mr. THURMOND) (by request):

S. 1263. A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes. Referred to the Committee on Armed Services.

Mr. SYMINGTON. Mr. President, by request, for Senator STENNIS and Senator THURMOND, I introduce, for appropriate reference, a bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

I ask unanimous consent that a letter of the legislation and explaining its purof transmittal requesting consideration pose be printed in the RECORD immediately following the listing of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $181,000,000; for the Navy and the Marine Corps, $2,958,300,000; for the Air Force, $2,912,800,000.

Missiles

For missiles: for the Army, $599,900,000; for the Navy, $680,200,000; for the Marine Corps, $32,300,000; for the Air Force, $1,573,200,000.

Naval Vessels

For naval vessels: for the Navy, $3,901,800,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $201,700,000; for the Marine Corps, $46,200,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $219,900,000.

Other Weapons

For other weapons: for the Army, $51,300,000; for the Navy, $41,900,000; for the Marine Corps, $700,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1974 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,108,700,000;

For the Navy (including the Marine Corps), $2,711,700,000;

For the Air Force, $3,212,500,000; and

For the Defense Agencies, $525,000,000, of which $24,600,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 803,806;
(2) The Navy, 566,320;
(3) The Marine Corps, 196,419;
(4) The Air Force, 666,357.

except that the ceiling for any armed force shall not include members of the Ready Reserve of such armed force ordered to active duty under the provisions of section 673 of title 10, United States Code, members of the Army National Guard or members of the Air National Guard called into Federal service under section 3500 or 8500, as the case may be, of title 10, United States Code, or members of the militia of any State called into Federal service under chapter 15 of title 10, United States Code. Whenever one or more units of the Ready Reserve are ordered to active duty after the date of enactment of this section, the President shall, on the first day of the second fiscal year quarter immediately following the quarter in which the first unit or units are ordered to active duty and on the first day of each succeeding six-month period thereafter, so long as any such unit is retained on active duty, submit a report to the Congress regarding the necessity for such unit or units being ordered to active duty. The President shall include in each such report a statement of the mission of each such unit ordered to active duty, an evaluation of such unit's performance of that mission, where each such unit is being deployed at the time of the report, and such other information regarding each such unit as the President deems appropriate.

TITLE IV—RESERVE FORCES

SEC. 401. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, the Selected Reserve of each Reserve component of the Armed Forces will be programmed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 379,144;
(2) The Army Reserve, 232,591;
(3) The Naval Reserve, 116,981;
(4) The Marine Corps Reserve, 39,735;
(5) The Air National Guard of the United States, 52,291;
(6) The Air Force Reserve, 49,773;
(7) The Coast Guard Reserve, 11,300.

SEC. 402. The average strength prescribed by section 401 of this title for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE V—GENERAL PROVISIONS

SEC. 501. Subsection (a) (1) of section 401 of Public Law 89–367 approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended to read as follows:

"(a) (1) Not to exceed $2,100,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos; and for related costs, during the fiscal year 1974 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos; Provided, That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of U.S. Forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war."

This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1974."

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., January 29, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith proposed legislation "To authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes." This proposal is a part of the Department of Defense legislative program for the 93rd Congress, and the Office of Management and Budget has advised that enactment of the proposal would be in accord with the program of the President. This proposal is being sent to the Speaker of the House.

This proposal would provide authorization for appropriations as needed for procurement in each of the categories of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and for other weapons for each of the military departments in an amount equal to the new obligational authority included in the President's budget for fiscal year 1974. In addition, the proposal would provide fund authorization in amounts equal to the new obligational authority included in the President's budget for fiscal year 1974 in total for each of the research, development, test and evaluation appropriations for the military departments and the defense agencies.

Title III of the proposal prescribes the end strength for active duty personnel for each component of the Armed Forces as required by subsection (d) (1) of section 412 of Public Law 86–149, as amended, in the number provided for by new obligational authority in appropriations requested for these components in the President's budget for fiscal year 1974.

Title IV of the proposal provides for the average strengths of the Selected Reserve of each Reserve component of the Armed Forces in the number provided for by the new obligational authority in appropriations requested for these components in the President's budget for fiscal year 1974.

This proposal would also include for fiscal year 1974 language authorizing appropriations of the Department of Defense to be made available for the support of the (1) Vietnamese, and other Free World Forces in Vietnam, and (2) local forces in Laos, the terms of which are identical to the most recent congressional actions on Department of Defense Authorization and Appropriation Acts for this purpose.

The reporting requirements of subsection (b) of section 401 of Public Law 89–367, as amended, are considered permanent and would be equally applicable to this provision.

Section 604 of Public Law 92–436, September 26, 1972 imposed certain new requirements on the Department of Defense by amending section 412 of Public Law 86–149 by adding subsection (e) which (1) requires authorization each fiscal year beginning with FY 1974 of the average military training student loads, and (2) requires an annual written report to Congress beginning March 1, 1973, recommending the average student load for each category of training for the next three fiscal years. The data necessary to comply with these requirements is being developed. As soon as this data is available, but no later than March 1, 1973, the required report will be submitted to the Congress together with the necessary provision for inclusion in this proposal to authorize the annual average military training student load.

Applicable statements related to environmental impact are also being provided as required by section 102(2) (c) of Public Law 91–190.

Sincerely,

J. FRED BUZHARDT.

By Mr. STEVENSON (for himself and Mr. HART, Mr. PROXMIRE, Mr. PERCY, Mr. HARTKE, Mr. JAVITS, Mr. TAFT, Mr. SCHWEIKER, Mr. INOUYE, Mr. NELSON, Mr. BAYH, and Mr. HUMPHREY):

S. 1265. A bill to amend the Coastal Zone Management Act of 1972 for the purpose of determining the causes and means of preventing shoreline erosion;

S. 1266. A bill to amend 33 U.S.C. 426 for the purpose of authorizing the Army Corps of Engineers to undertake Emergency Erosion Control Projects;

S. 1267. A bill to amend the Disaster Relief Act of 1970 for the purpose of making clear that disaster assistance is available to those communities affected by extraordinary shoreline erosion damage; and

S. 1268. A bill to amend 33 U.S.C. 426 for the purpose of providing the right of reimbursement to local interests for undertaking repair of shore damages attributable to Federal navigation works pursuant to section 4261. Referred to the Committee on Public Works.

Mr. STEVENSON. Mr. President, rapidly accelerating erosion of our shorelines, aggravated in the Great Lakes by recordbreaking water levels, presents a serious problem. Based on my own experience with Lake Michigan, I believe it is a problem we are not fully prepared to face either in terms of understanding the causes or providing the resources to protect against its effects.

I fully support recent efforts by the Great Lakes Congressmen to take all reasonable steps to lower Great Lakes water levels. Under the best of circumstances, however, this will only reduce lake levels by several inches as we head into a stormy spring during which lake levels are expected to continue rising. Lowering levels will help, but clearly more is needed to save valuable shorelines along the Great Lakes as well as the Nation's seacoasts. I am, therefore, introducing four bills to provide a better long-range understanding of erosion causation and to provide increased Federal resources for immediate protection.

A number of recent studies by noted geologists at the University of Michigan, the Lake Michigan Federation, and the National Park Service raise some very serious questions about our past approach to erosion control. The proliferation of manmade structures built off our shorelines and the consequent increase in shoreline erosion have caused these geologists to relate the effect of such construction on normal current patterns to the ecological damage along the beaches. Underwater currents run parallel to the shoreline and deposit sand which create underwater sandbars along the shoreline. These sandbars act as a natural defense for the beaches against the erosive action of incoming waves.

When a manmade structure is built perpendicular to the beach, it interrupts the along-shore currents and causes turbulence on the downside of the structure. This turbulence destroys the sand bars, stripping the beaches of their natural defense against the waves and opening the way for accelerating erosion. As the turbulence destroys more of the sandbars, the erosion progresses down the beach. Historically, those farther down the beach have erected their own breakwaters in an effort to protect themselves against the advancing erosion. This further interrupts the natural shoreline currents causing further acceleration of erosion in the area.

These findings suggest that by not taking into account in the design and construction of manmade structures these uncharted offshore currents, it is possible that some manmade structures designed to protect the shoreline, have in fact contributed to its erosion.

The recently passed Coastal Zone Management Act of 1972 provides Federal funds for the development by States of shoreline management plans which govern shoreline construction. The act is administered by the National Oceanic and Atmospheric Administration, the Federal agency with the greatest expertise and interest in the study of near-shore currents and their relationship to manmade structures.

If it is possible to reduce erosion by effectively designing new structures or redesigning old ones to take account of these offshore currents, every State's shoreline management plan should do so. The first bill I am introducing therefore amends the Coastal Zone Management Act by authorizing the National Oceanic and Atmospheric Administration, working in conjunction with the States and the Army Corps of Engineers, to conduct test studies of the interrelationship between these offshore currents and manmade structures.

In recognition of the especially critical nature of this problem in the Great Lakes, the amendment authorizes the first test study in Lake Michigan since it contains a large number of easily identifiable areas of disastrous erosion downcurrent of major manmade structures, and also suffers from the accelerating effects of record high water levels. The amendment also authorizes similar test studies in the other Great Lakes. Using the data and conclusions of these test studies, NOAA could then determine what further individual studies, if any, would be needed to develop acceptable erosion-reducing criteria for new shoreline construction as part of each State's shoreline management plan.

It has also become increasingly apparent that short-term remedial efforts are needed to preserve eroding shorelines during the time it will take to gain a more complete understanding of the effects of major erosion control structures. Present laws dealing with erosion control place too much emphasis on individual project studies which often take years to complete while valuable shorelines wash away. These bills give the Federal Government better tools for dealing with erosion now.

The first bill grants the Army Corps of Engineers emergency erosion control authority. Currently, the only emergency authority the corps has is for flood control. As the erosion problem has worsened, the corps has been faced with either characterizing erosion as "flooding" or refusing to do any emergency work while shorelines wash away.

The threat this spring from erosion, especially in the Great Lakes, is as serious as the threat from flooding. This bill specifically authorizes the corps to repair, construct or modify erosion control structures on an emergency remedial basis.

The second bill amends the Disaster Assistance Act to make it clear that shoreline areas suffering from severe and unforeseen erosion where life or property is seriously endangered qualify for disaster assistance, including low interest loans. Recent consultations with the Office of Emergency Preparedness indicate it now believes that the "disaster" of accelerating erosion can be as serious as natural disasters like "flooding" and "hurricanes" currently designated in the law. This amendment would allow appropriate State action to trigger disaster assistance for individuals fighting to save shoreline facilities before they are washed away.

The third bill amends section 111 of the 1968 Rivers and Harbors Act to provide Federal reimbursement to communities and individuals which repair shore damages caused by Federal navigation structures. Under the current law, the corps must complete its study ascertaining Federal fault under section 111 prior to any actual construction "for the prevention or mitigation of shore damages attributable to Federal navigation works." Under this amendment, those individuals or communities which cannot afford to wait for completion of such a study will be eligible for reimbursement for projects which are consistent with the studies' final recommendations. Those who protect themselves against erosion damage which is later found to be the Federal Government's fault, are entitled to reimbursement. The shore protection devices minimize the damage for which the Government is responsible. And, if responsible, the Federal Government would have been obligated to build them.

These erosion control proposals are intended to give us a long-term understanding of erosion causes, and short-term, immediate protection. Given the seriousness of the present situation, I hope the Senate will be able to act on these proposals soon. Much hangs in the balance for the millions upon millions who live, work, and relax along our Nation's shorelines.

Mr. HART. Mr. President, the Senator from Illinois (Mr. STEVENSON) is to be commended for the initiative and leadership he has provided in introducing legislation to cope with the devastation that is now occurring to the Great Lakes through shore erosion. The research and financial assistance provided for in the legislation will go a long way toward solving a problem which is destroying a precious resource.

The legislation recognizes that it is in the interest of this country to devote Federal resources to the protection of shores from erosion regardless of whether the shore is publicly or privately owned. In fact, I am hard pressed to envision any stretch of beach along Lake Michigan, Lake Huron, or any other Great Lake the destruction of which would not represent a serious public loss. For that reason, in addition to the remedies proposed by this legislation, we must seek additional ways of providing financial assistance for the protection of eroded shoreline, including additional Federal funds to prevent the erosion of private lands. If the public has a stake in preventing erosion of private lands, then I think it reasonable to invest sufficient public funds to protect that stake.

The study by the National Oceanic and Atmospheric Agency of the currents and shore erosion of Lake Michigan and the other Great Lakes is indeed welcome. The knowledge gained will provide valuable ammunition toward solving Great Lakes erosion control problems. The legislation calls for the first of the studies to take place on Lake Michigan. The lack of knowledge with respect to the causes of erosion on Lake Michigan is acute and I can think of no better candidate for our initial efforts. But I would hope that in the hearings on this legislation information could be gathered as to the wisdom of the research proceeding on all of the Great Lakes simultaneously. Certainly the knowledge gained with respect to the Lake Michigan study will in many ways be applicable to the other Great Lakes as well. But scientists tell me that research on currents, bottom contours, and other factors which would not be duplicative of the Lake Michigan work is sorely needed. I would hope further to explore this with the appropriate committee.

The legislation proposed by the Senator from Illinois responds to the erosion control problems of the Great Lakes, but to the country as a whole. I am pleased to join with the Senator from Illinois in cosponsoring the legislation.

By Mr. KENNEDY (for himself, Mr. Magnuson, Mr. Hollings, and Mr. Hathaway):

S. 1269. A bill to amend the Northwest Atlantic Fisheries Act of 1950 with respect to the payment of certain expenses of members of the advisory committee appointed pursuant to such act. Referred to the Committee on Commerce.

NORTHWEST ATLANTIC FISHERIES INDUSTRY ADVISORY COMMITTEE

Mr. KENNEDY. Mr. President, on October 9, 1972, the North Pacific Act of 1954 was amended to provide that the expenses of Advisory Committeemen attending Commission meetings would be paid. The amendment I offer today amends the Northwest Atlantic Fisheries Act of 1950 to provide the same reimbursement for transportation expenses and per diem allowances for the committeemen of the North Atlantic fishing industries.

This is a simple amendment which would provide the identical equitable reimbursement for the fishermen of New England as the Congress has already approved for the west coast fishermen. We urge the Senate to act favorably and quickly on this legislation. I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 4(b) of the Northwest Atlantic Fisheries Act of 1950 (16 U.S.C. 983(b)) is amended by striking out "may" and inserting in lieu thereof "shall".

By Mr. TUNNEY:

S. 1270. A bill to establish in the State of California the Santa Monica Mountain and Seashore National Urban Park. Referred to the Committee on Interior and Insular Affairs.

THE SANTA MONICA MOUNTAIN AND SEASHORE NATIONAL URBAN PARK

Mr. TUNNEY. Mr. President, today I am introducing a bill to establish the Santa Monica Mountain and Seashore National Urban Park. The bill, cosponsored by my colleague Senator Alan Cranston, would create a major national park along the beaches of Santa Monica Bay and the mountains and valleys of the Santa Monica Mountains in Los Angeles and Ventura Counties in California. A similar bill will be introduced soon in the House of Representatives by Congressman Alphonzo Bell.

Mr. President, the need to protect this region, by creation of a national park, is urgent. Never before in America has such a large, concentrated population suffered from such a scarcity of recreational resources. Although 10 million people live in metropolitan Los Angeles, they have less open space for public recreational and cultural uses than any other major city in the United States, including New York. This imbalance is intensified by the great yearly influx of visitors to the area—over 8 million annually in southern California. The strain on existing recreational resources is near the breaking point. Beaches are overcrowded. Camping for hundreds of miles around require reservations long in advance, tens of thousands turned away on many weekends. A county park in the Santa Monica Mountains is a case in point: Its facilities were consistently so overused that officials were forced to close the area to overnight campers.

The Santa Monica chain offers the only major open space in the entire area and it should be protected against encroaching urban sprawl.

The resource at stake in the area is unique. It is the only example of a Mediterranean climate in North America—with all the plant and animal life indigenous to that particular climate. Sage, sumac, and yucca cover the hillsides.

There are deer, coyote, bobcat, raccoon, rabbit, fox, grey squirrel, and quail. Marsh and water birds frequent the coastal area.

Also the mountains and coastlands are an archeological wonder: 600 sites have been identified, and one expert estimates that this is only one-tenth the number that await discovery in the mountain chain.

All residents, whether they hike in the mountains or simply enjoy their beauty, have a personal stake in their preservations as open space. Residents of the inner city stand to lose the most from overdevelopment of the mountains: Disappearance of the only major recreational area within their reach, increased overcrowding of the downtown city center, and an increased smog problem, as the Los Angeles basin loses its only large nonpolluting buffer between the ocean and the city.

Actually, the mountains and coastside are a precious national resource. Five percent of the Nation's population visits southern California every year.

A verbal commitment by the Federal Government to protect the region's resources already has been made: In 1970, the Secretary of the Interior, Walter J. Hickel, in announcing the urban recreation study program, said:

> The Santa Monica Mountain range, together with adjoining beaches form the greatest untapped natural resource in the second largest metropolitan area in the nation. Considering the size, location and variety of the resources, the importance of this area in meeting the recreational needs of Los Angeles residents cannot be overemphasized.

President Nixon supported this position in a mandate for open space planning and land acquisition, set forth in his February 1970 message to Congress on the environment:

> Plain commonsense argues that we give greater priority to acquiring now the lands that will be so greatly needed in a few years.

Finally, the Department of Interior's August 1972, study of the Santa Monica Mountains made the following findings:

First. The Santa Monica Mountains and adjacent coastline constitute the most significant large unprotected open space in the Los Angeles area.

Second. The mountains help dilute Los Angeles' seriously polluted airshed.

Third. Current urban expansion, particularly those of large scale residential development, has severe impact on the remaining natural environments within the mountains. If it continues, the environmental values of the area will be forfeited.

Fourth. In view of the threat which continued urban expansion poses in the Santa Monica Mountains and along the adjacent coastline, measures need be taken to expand the existing parklands and regulate and control land uses to protect the significant portions of remaining natural environments in the public interest.

Now that the Interior Department has set forth its findings, it is time to make a commitment of funds.

My bill proposes that the Federal Government join in partnership with the State of California and local governmental entities in developing this major Federal park. Specifically, the bill establishes a 9-year commission composed of seven members representing Los Angeles and Ventura Counties and two members appointed by the Governor. The commission will advise the Secretary of Interior on proposed land uses, priority of these uses, and developmental plans for the park.

The bill clearly states that the Secretary of Interior should give special priority to acquisition of lands which are in the most immediate danger of development.

We must, in a cooperative intergovernmental way, not only move immediately to acquire those areas which have been determined to be prime areas for recreational use, but also consider the needs of the entire mountain and coastal region, to insure preservation of those resources we recognize to be valuable.

Mr. President, I ask unanimous consent that the bill be printed at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) in order to preserve a national mountain and seashore resource to provide for public outdoor recreation use and enjoyment of the Santa Monica Mountains and Seashore by present and future generations; to preserve natural, scenic, scientific, historic, and other values contributing to public enjoyment of the lands and waters of the area; to preserve the range's value to the surrounding region as open space; and recognizing the need of the Greater Los Angeles area for such an open space and recreational resource, there is authorized to be established the Santa Monica Mountain and Seashore National Urban Park. The park, subject to valid existing rights, shall generally comprise that area of the Santa Monica Mountains eastward to the San Diego Freeway along the crest of the Santa Monica Mountains and paralleling Mulholland Drive to Griffith Park and westward from the San Diego Freeway and eastward from Point Mugu and westward from Sunset Boulevard, including portions of the beaches and coastal canyons of Santa Monica Bay. Special effort shall be expended by the Secretary of the Interior to acquire lands, easements, and other necessary rights to create a park that is contiguous whole and maximizes the benefits of the park for the Greater Los Angeles region.

(b) In preserving the mountains and seashore and stabilizing its development, substantial reliance shall be placed on cooperation between Federal, State, and local governments to apply best principles of land use planning and zoning. The Secretary of the Interior shall give full consideration to the recommendations of the State of California Ventura-Los Angeles Mountain and Coastal Study Commission affecting land use, zoning, conservation, and development in Los Angeles County and Ventura County and to the terms of any coastline conservation legislation enacted by the State of California, and shall make every effort to encourage the State of California and local governments thereof to establish stringent land use controls in the entire Santa Monica Mountain and Seashore area as defined in this Act.

SEC. 2. (a) Special priority shall be given by the Secretary of the Interior to acquisition of the following lands which are of particular scenic, recreational, and open space value:

(1) The Point Mugu, Pacific View, Boney Mountain, Hidden Valley complex;

(2) Zuma, Trancas, and North Ramirez Canyons;

(3) Malibu Canyon and the Century Ranch;

(4) Cold Canyon;

(5) Tuna Canyon;

(6) Areas north and west of Will Rogers State Park;

(7) Santa Maria Canyon;

(8) Caballero Creek;

(9) The Mulholland Highway and Portrero Road, for development as a scenic corridor to traverse the length of the mountains, to provide access for recreation purposes by several modes of travel;

(10) Seashores and associated coastal canyons of the area defined by this Act;

(11) Lands to be acquired for hiking, equestrian, bicycle, or other trail systems.

(b) The lands to be acquired by the United States under this Act shall be administered by the Secretary of the Interior (hereinafter referred to as the "Secretary") through the National Park Service. Under direction of the Secretary, the National Park Service shall administer, protect, and develop the park subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.) as amended and supplemented, and the Secretary may apply any other statutory authority available to him for the conservation and management of natural resources to the extent he finds such authority will further the purposes of this Act, and any system of cooperative management he finds most feasible with the California State Department of Parks and Recreation and local parks and recreation agencies.

(c) As soon as practicable after acquisition by the Secretary of an acreage within the boundaries of the park which, in his opinion, can be administered efficiently for the purposes of this Act, he shall establish the park by publication of notice thereof in the Federal Register. Such notice shall include a description of the boundaries of the park.

(d) In addition, the Secretary shall study the land use management needs of the entire defined mountain and seashore region and take whatever actions are determined necessary to preserve the established values of the Santa Monica Mountain and Seashore area, including additional land acquisition. The Secretary shall take whatever action is necessary in order to assure that special precautions will be taken by the State of California and local governmental entities to guard against land use management of the lands surrounding acquired parklands which are incompatible with the acquired lands, in order to preserve the natural continuity of the regional environment.

SEC. 3. (a) The Secretary is authorized, subject to the limitations, restrictions and conditions imposed by this Act, to acquire the land and other property and any interests therein by donation, purchase with donated or appropriated funds, or by exchange, except that land owned by the State of California or any of its political subdivisions may be acquired only with the consent of the owner.

(b) When acquiring property by exchange the Secretary may accept title to any non-Federal property within the boundaries of the park, and in exchange therefor he may convey to the grantor of such property any federally owned property under this jurisdiction which he classified as suitable for exchange or other disposal. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal, the values shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require.

(c) In exercising his authority to acquire property under this Act, the Secretary shall give immediate and careful consideration to any offer made by a property owner owning property within the boundaries of the park to sell such property to the Secretary. A property owner owning property within the park may notify the Secretary that the continued ownership of that property would result in hardship to him, and the Secretary shall immediately consider such evidence and shall within one year following the submission of such notice, subject to the availability of funds, purchase such property offered for a price which does not exceed its fair market value.

(d) The Secretary, to fulfill the objectives of this Act shall, from time to time, vest in the United States all right, title, and interest in, and the right to immediate possession of, all real property in specific acquisitions within the Santa Monica Mountain and Seashore area as defined in this Act, except real property owned by the State of California or a political subdivision thereof.

(e) With respect to property which the Secretary is authorized to acquire by condemnation under the terms of this Act, the Secretary shall initiate no condemnation proceedings until after he has made every reasonable effort to acquire such property by negotiation and purchase.

(f) The Secretary is authorized to acquire only such interest in lands as is reasonably necessary to establish and maintain the park.

(g) Nothing in this Act shall be construed to prohibit the use of condemnation as a means of acquiring a clear and marketable title, free of any and all encumbrances.

(h) The Secretary may use installment purchase, advance acquisition with leaseback provisions, and conservation, agricultural, access, and scenic easements to accomplish the purposes of this Act.

(i) The Secretary shall explore the possibility of obtaining grants and funds from other appropriate government agencies to further land acquisition for the park, construct the necessary facilities to protect the values for which the park was established, and extend the benefits of the recreation and open space resource of the Santa Monica Mountain and Seashore to the greater Los Angeles region and to the American public.

SEC. 4. (a) There is hereby established a Santa Monica Mountain and Seashore National Urban Park Commission. The Commission shall cease to exist nine years after establishment of the park as provided by section 2 of this Act; however, the Secretary may, at his discretion, extend the Commission for an indeterminate period of time if he feels this action is necessary to carry out the terms of this Act.

(b) The Commission shall be composed of nine members, each appointed for a term of three years by the Secretary, as follows:

(1) five members to be designated by the Secretary, three of whom shall be residents of Los Angeles or Ventura Counties;

(2) one member to be appointed from a list of persons recommended by the Board of Supervisors of Ventura County;

(3) one member to be appointed from a list of persons recommended by the Board of Supervisors of Los Angeles County; and

(4) two members to be appointed from a list of persons recommended by the Governor of the State of California.

(c) The Secretary shall designate one member to be Chairman. Any vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(d) A member of the Commission shall serve without compensation, but shall be reimbursed for actual expenses incurred incident to Commission business. The Secretary is authorized to pay the expenses reasonably incurred by the Commission.

(e) The Secretary shall provide such staff assistance as is necessary to the Commission in the performance of its duties.

(f) The Commission shall meet at least twice annually at times and places designated by the Chairman. The Commission also shall meet as necessary at the call of the Chairman upon proper cause and due notice given.

(g) The members of the Commission shall have particular experience or expertise in government conservation, land use planning and acquisition, natural and environment sciences, or economics.

(h) Notwithstanding the provisions of subsection (b) of this section, the Secretary shall make the initial appointments as follows: three commissioners shall be appointed for terms of one year, three commissioners shall be appointed for terms of two years, and three commissioners shall be appointed for terms of three years.

SEC. 5. (a) The duties of the Commission shall consist of—

(1) advising the Secretary on proposed land uses, priority of such uses, and development plans within the park, consistent with the

recreational and open space aspects of the park region;

(2) advising the Secretary on any activities conducted by the Secretary or proposed to be conducted by the Secretary or through others under this Outer Continental Shelf Lands Act (67 Stat. 462) which would have or are likely to have a material influence on the park environment;

(3) advising the Governor of California on any activities conducted by or proposed to be conducted by the Lands Commission of the State of California directly or through others upon the tidelands and shelf lands and waters which would have or are likely to have a material influence on the park environment;

(4) advising the boards of supervisors of Ventura County and Los Angeles County and the city council of any city contiguous or adjacent to the park as to any proposed land use, land development, public works, mineral development, or zoning outside the park which would have or are likely to have a material influence on the park environment;

(5) holding hearings on National Park Service proposals for acquisition of land and development and use plans for the park and submitting its findings and recommendations to the Secretary, with special priority given to lands specified in section 2(a);

(6) assisting the Secretary in conferring with State and local parks and recreation officials to determine the best possible cooperative management program for the park lands;

(7) assisting the State of California and local government entities to assure that land use in the Santa Monica Mountain and Seashore areas as defined by this Act is compatible with and supplements the values of the park established herein; and

(8) any other duties prescribed by the Secretary related to the development, use, and management of the park and its resources and the environmental impact of the park on the surrounding communities and the environmental impact of adjacent commercial activity on the park.

SEC. 6. (a) Any owner or owners of improved property situated within the area designated for inclusion in the park on the date of its acquisition by the Secretary, may, as a condition to such acquisition, retain, for a term of not to exceed thirty years, the right of use and occupancy of such property for any single family residential purpose which is not incompatible with the purposes of this Act or which does not impair the usefulness and attractiveness of the area designated for inclusion. The Secretary shall pay to the owner the value of the property on the date of such acquisition less the value on such date of the right retained by the owner. Where any such owner retains a right of use and occupancy as herein provided, such right during its existence may be conveyed or leased for noncommercial residential purposes in accordance with the provisions of this section.

(b) Any improved or unimproved property situated within the area designated for inclusion in the park which by mutual agreement between the Secretary and the owner or owners thereof, is used commercially to serve the needs of the public and enhance their enjoyment of the park, shall not be subject to purchase or condemnation during the existence of such agreement.

(c) Any deed or other instrument used to transfer title to property, with respect to which a right of use and occupancy is retained under this setcion, shall provide that such property shall not be used for any purpose which is incompatible with the purposes of this Act, or which impairs the usefulness and attractiveness of such area, and if it should be so used, the Secretary shall have authority to terminate such rights.

SEC. 7. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated for the fiscal year ending June 30, 1974, and the next following fiscal year, such sums, the aggregate of which shall not exceed $30,000,000, as may be necessary, and for the fiscal year ending June 30, 1976, and for each fiscal year thereafter, such sums as may be necessary.

By Mr. HUMPHREY (for himself, Mr. BAKER, Mr. BIBLE, Mr. BROCK, Mr. GRAVEL, Mr. HART, Mr. HATHAWAY, Mr. MATHIAS, Mr. MONDALE, Mr. MOSS, Mr. STEVENSON, Mr. THURMOND, Mr. TUNNEY, and Mr. WILLIAMS:

S. 1271. A bill to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical political involvement with elected officials on the local and State levels of government. Referred to the Committee on Labor and Public Welfare.

INTERNS FOR POLITICAL LEADERSHIP ACT

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference the Interns for Political Leadership Act of 1973. I do so on behalf of myself and Mr. BAKER, Mr. BIBLE, Mr. BROCK, Mr. GRAVEL, Mr. HART, Mr. HATHAWAY, Mr. MONDALE, Mr. MOSS, Mr. STEVENSON, Mr. THURMOND, Mr. TUNNEY, and Mr. WILLIAMS.

In the last Congress similar legislation, in the form of an amendment to the Higher Education Act (S. 659), was passed by the Senate but deleted in conference from the final bill.

The bill I am introducing today addresses three needs of national importance. The first is to involve young people in the governmental process. The second is to expose those of us in government to young ideas at a time when our Nation's population becomes increasingly more youthful. Finally, State and local officials would be provided with willing, informed, and experienced staff to tackle pressing tasks.

The last few years have demonstrated the necessity of involving and interesting young people in government. We must provide alternatives to political alienation. We must provide alternatives to indifference. We should provide concerned youth with opportunities for practical political experience. Such experiences would expose them to the problems of governing while at the same time involving them in the solution to these problems.

Internship programs have long been lauded by both interns and officials alike. Twelve States have programs involving students as staff assistants to State legislators—California, Connecticut, Georgia, Illinois, Iowa, Kentucky, Michigan, Minnesota, New York, North Dakota, Ohio, and Rhode Island. Other States are planning such programs, in some cases reportedly contingent upon the passage of Federal legislation.

In addition, excellent results have been reported by a number of city and county governments which have initiated internship programs. Elected officials in Baltimore, Atlanta, Boston, and New York City submitted strongly favorable evaluations of a pilot project, sponsored by two private foundations, operated since 1970 and involving some 50 students.

A Chicago student reports that she "learned really how the inside of a government agency is run and what good it's doing for the people." In Baltimore, an intern to a city councilman became so efficient that the councilman left him in charge of the office while he traveled to Europe. A student in New York's fellowship program states that he was told:

> New York City will change you more than you will change it. That has certainly been true in my case . . . I'm not saving New York City. But I am learning how to communicate and become more politically sensitive.

Mr. President, these are programs that have already demonstrated their success. Efforts like these need to be encouraged, expanded, and supplemented by national legislation. We must show these concerned youth that we are not indifferent to their desire to learn.

I have made several technical revisions in the Interns for Political Leadership Act in response to constructive suggestions presented in the course of Senate and House deliberations on it last session.

The bill provides grants on the part of the Federal Government in cooperation with State and local governments

The Commissioner is authorized to enter into contracts with the appropriate nonprofit agencies to plan, develop, and carryout the intern program. Under this program, highly qualified and motivated students interested in a political career would be offered the opportunity, with academic credit, to learn how the political system works at firsthand and at the same time to evaluate and develop their leadership potential through involvement in the policymaking process. In general, they would serve as professional assistants to elected officials.

Operated by the Commissioner of Education through arrangements with appropriate nonprofit agencies, institutions of higher education, and State and local governments; the internship program would assign selected college students to research and public service operations duties in the offices of State and local elected officials. This work experience would be coordinated with the ongoing educational programs, including evaluation and guidance seminars, of the persons selected. It is expected that this program will also provide important incentives for the direct interchange of insights and experiences among students, college professors, and those serving in elected office.

Intern nominations would be proposed by participating institutions of higher education, with internships distributed among the States in ratio to the total number of Members of Congress from each State. Provision is made for the inclusion of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

Mr. President, we must get young people involved in our Government. We can show disillusioned youth that their governmental institutions can function to meet today's needs. This bill is an important step in that direction.

Mr. President, at this point I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interns for Political Leadership Act of 1973."

Sec. 2. Title IX of the Higher Education Act of 1965 is amended by adding at the end thereof the following new part:

"Part C—Interns for Political Leadership

" 'PROGRAM AUTHORIZED

" 'Sec. 931. The Commissioner is authorized to enter into contracts or other arrangements with such nonprofit agencies as are appropriate under which such agencies will plan, develop, and carry out an internship program under which students will be provided practical political involvement with elected officials in the performance of their duties at the local and State levels of government through internships in their offices. Such internship program shall be carried out through arrangements with institutions of higher education, and with State and local governments. Under such program the interns, who are students at any institution of higher education, will be assigned duties in offices of State and local elected officials, which will give them an insight into the problems and operations of the different levels of government, as well as an opportunity for research and for involvement in the policymaking process. Such arrangements shall provide for coordination between the on-campus educational programs of the persons selected and their activities as interns, with commensurate credit given for their work and achievement as interns.

" 'SELECTION OF STUDENTS FOR PARTICIPATION

" 'Sec. 932. The students who are to participate in the internship program provided for in this part shall be selected by appropriate non-profit agencies designated by the Commissioner from among students whose names are proposed by participating institutions of higher education. The Commissioner shall assure that internships are distributed among the states so that insofar as practicable the number for each state bears the same ratio to the total number as the number of Members of Congress from that State bears to the total number of Members of Congress.

" 'FEDERAL SHAPE

" 'Sec. 933. The Federal share of the cost of carrying out the program provided for in this part may not exceed 50 per centum.

" 'ADMINISTRATION

" 'Sec. 934. Contracts on other agreements between the Commissioner and appropriate nonprofit agencies shall prescribe the stipends to be paid to the interns participating in the program provided for in this part, and the duration and other terms and conditions of such internships. The cost of administration of a program may be paid by the Commissioner.

" 'APPROPRIATIONS AUTHORIZED

" 'Sec. 935. There is authorized to be appropriated to carry out this part the sum of $3,000,000 for the fiscal year 1974 and for each of the two succeeding fiscal years.

" 'DEFINITION

" 'Sec. 936. For the purpose of this part, the term "State" as used in this part means the fifty states, Puerto Rico, and the District of Columbia. For purposes of the distribution of internships among the states, in determining the number of Members of Congress for purposes of section 932, the Resident Commissioner for Puerto Rico and the Delegate from the District of Columbia shall be considered Members of Congress, and Guam, American Samoa, and the Virgin Islands shall be treated in the same manner as Puerto Rico and the District of Columbia.'

"(b) The amendment made by subsection (a) shall be effective after June 30, 1973."

S. 1216—ORDER TO PRINT BILL IN RECORD

Mr. SAXBE. Mr. President, yesterday I introduced S. 1216, the Northeastern Rail Service Preservation Act of 1973. Since it was not printed in full in the Record, I ask unanimous consent that it be done so at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "North Eastern Rail Service Preservation Act of 1973".

Sec. 2. The Secretary of Transportation (hereinafter referred to as the "Secretary") shall compile an inventory of the rail transportation facilities (including for the purposes of this Act, but not limited to, track, rights of way, yards, terminals, equipment, rolling stock, signal and communicative equipment and other property, real and personal) of the following railroads: the Penn Central Ry. Co., Reading Ry. Co., Erie-Lackawanna Ry. Co., Lehigh Ry. Co., New Haven Ry. Co., Boston & Maine Ry. Co., and the Central of New Jersey Ry. Co. and all subsidiaries, jointly or wholly owned by the aforementioned corporations.

Sec. 3. The Secretary shall complete the inventory of the assets under Section 2 as soon as practicable and not later than three months after the enactment of this Act. Upon completion of the aforementioned inventory, the Secretary shall acquire by condenmation all of the assets of the seven railroads named in Section 2.

Sec. 4. For the purpose of operating facilities which he has acquired pursuant to subsection (3) the Secretary shall enter into such contracts or other agreements as may be necessary.

Sec. 5. (a) Within three months after enactment of this Act—

(1) the trustees of all railroad companies which are undergoing reorganization in bankruptcy proceedings in Federal district courts, and a majority of whose rail lines are located in the Northeast region;

(2) all owners of rail lines leased to such railroad companies; and (3) all wholly owned subsidiaries and affiliates of such railroad companies shall convey or cause to be conveyed to the Secretary of Transportation all rail lines owned or operated by such railroad companies free and clear of all liens, charges, and encumbrances.

(b) Such conveyances shall not be deferred by reason of any controversy concerning the amount of compensation to be paid, and shall not be restrained or enjoined by any court on account of such controversy.

Sec. 6. (a) Compensation for rail lines acquired by the Secretary of Transportation shall be the net liquidation value of the property conveyed.

(b) Compensation for rail lines conveyed by trustees in bankruptcy shall be fixed by the United States district court before which the bankruptcy proceedings are being held, in accordance with subsection (a) of this section.

Sec. 7. The provisions of this section shall be in addition to and not in lieu of any provisions of the Interstate Commerce Act.

Sec. 8. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 156

Mr. BAKER. Mr. President, on January 4, I introduced a bill, S. 156, to require the termination by July 1, 1975, of all Naval weapons range activities on and in the vicinty of the Puerto Rican island of Culebra. Almost immediately I was joined in this effort by the distinguished junior Senator from Minnesota (Mr. Humphrey), whose energy, enthusiasm, and sound judgment is always a major asset in any endeavor. On January 23 Senator Humphrey and I addressed a joint letter to Members of the Senate, soliciting their support of S. 156. He and I are encouraged by the fact that, to date, 30 Senators have agreed to cosponsor the bill. We are, of course, most hopeful that others will agree to join with us.

I review briefly for my colleagues the sequence of events that has led us to this point in our efforts to halt the shelling of Culebra. Culebra is a small island, some 3-by-8 miles in dimension, east of the main island of Puerto Rico. Culebra is home for roughly 750 citizens of the United States. It is also the site of extensive training activities by the U.S. Navy, including ship-to-shore shelling, aerial strafing and bombardment, mining and countermining operations, and other such endeavors. This use of Culebra has been virtually continuous since 1936.

By the summer of 1970, the Navy's use of Culebra had become such an explosive issue in Puerto Rican politics that the Congress of the United States took its first tentative steps to deal with the problem. Section 611(a) of the Military Construction Authorization Act of 1971, an act signed by the President on October 26, 1970, directed the Secretary of Defense to study all possible alternatives to the training being conducted in the Culebra complex. In response to that congressional mandate, Secretary Laird reported to the President and to the Congress on April 1, 1971, that—

> Alternatives are available which could accommodate the Naval Gunfire Support training now done at Culebra.

On the same day it was announced that the Secretary had directed the Navy take whatever steps were necessary to provide the option of moving by June 1975 to a suitable alternative to the target areas on Culebra. He further stated that—

> He would personally "reappraise the Culebra situation . . . by the end of 1972 in order to make a final decision where to relocate the Naval Training target areas now on Culebra.

On April 23, 1971, in response to a written inquiry from then President of the Senate of Puerto Rico Rafael Hernandez Colon—now Governor of Puerto Rico—Defense Department spokesman Jerry W. Friedheim said:

> We hope that the Secretary's statement makes it clear that Navy operations are to be transferred by June 1975 unless a reversal of the situation occurs because of 1) the collective wishes of the Culebrans themselves, 2) action by the Congress, or 3) the President's future assessment of national security demands.

It appeared certain that a firm commitment had been made to a termination of all Naval activities on Culebra by June 1975, and that what remained was a determination of precisely where those activities would be relocated and exactly when the move would occur. There clearly was no hint that any question remained as to whether or not the move would be made.

Section 207 of the Military Construction Authorization Act of 1972, an act signed by the President on October 27, 1971, directed the Secretary of Defense to "prepare a detailed feasibility study of the most advantageous alternative to the weapons training now being conducted in the Culebra complex of the Atlantic Fleet Weapons Range." The Secretary was further directed to complete this study by December 31, 1972. On November 4, 1972, after the study had effectively been completed, Secretary Laird reassured then Gov. Luis A. Ferre of his intention to announce by the end of 1972 his final decision as to "where to relocate the naval training target areas now on Culebra."

This voluminous, congressionally mandated study concluded, in its most pertinent part, that there were at least five prime alternative sites at which the Naval activities presently being carried out on Culebra might be conducted. In the words of the study—

> Each of the five alternative sites are considered to be suitable from an operational viewpoint, if costs are not a determining factor, for conduct of the shore bombardment and air-to-ground weapons training presently provided at the Atlantic Fleet Weapons Range and anticipated through 1985.

The five sites extensively studied were Culebra itself, the inhabited island of Vieques now extensively used by the Navy and Marine Corps, the uninhabited islands of Mona and Monito used jointly, the uninhabited island of Desecheo, and the construction of an artificial island at one of two Caribbean sites identified in the study. The study estimated the total cost of relocation for the alternatives as follows:

Culebra, no cost.
Vieques, $3,675,000.
Mona and Monito, $8,290,000.
Desecheo, $10,100,000.
Artificial island (1), $178,490,000.
Artificial island (2), $175,240,000.

In short, the study found three specific sites that would meet the operational needs of the Navy at a cost of $10,100,000 or less.

In view of these findings, the only question that remained to be answered was which of the alternative sites the Secretary of Defense would select to satisfy his repeated commitments to the people of Culebra and the Government of Puerto Rico.

And yet, incredibly, on December 27, 1972, acting on the information cited above, Secretary Laird announced that the Navy would continue to use Culebra for all present training activities, at least through 1985, and that aerial bombardment in the Culebra complex "is projected to increase." Since none of the contingencies cited by Mr. Friedheim on April 23, 1971, has been met, one can only assume that the Secretary found the cost of relocating the Naval activities prohibitive. Within the context of a proposed defense budget of $76.4 billion in outlays for fiscal year 1973 and projected outlays of $85.5 billion for fiscal year 1974, I am constrained to say that an outlay of $10 million or less over a 2-year period for the purpose of honoring a commitment to the people of Puerto Rico and alleviating the suffering of 750 American citizens is well within the bounds of fiscal reality. And that observation is made with all the restraint I can summon.

It was in response to this extraordinary reversal of direction that I introduced S. 156, which would unequivocally direct the Department of the Navy to terminate all weapons range activities on the island of Culebra and within 3 nautical miles thereof not later than July 1, 1975, and further provide that no funds appropriated by the Congress could be used for the conduct of such activities after that date.

Frankly, it seems to me somewhat absurd that the Congress should need to further involve itself in this matter, a matter which could so easily be resolved administratively. Gov. Hernandez Colon and I met with Secretary Richardson on March 1 and found his expressed willingness to review the issue without bias, an encouraging sign. I have every confidence that he will conduct such a review, and I have every confidence in the fairness and vigor of his mind. I earnestly hope that he will direct that one of the alternatives identified in the most recent study be selected and that the move be made as promptly as possible.

But pending such a hoped-for administrative action. Senator HUMPHREY and I intend to pursue this issue with the urgency that it demands.

Mr. President, there appears to be elements within the Department of Defense who feel that the issue of Culebra is a "nonissue," that it is the result of some sort of dark conspiracy by a few political agitators connected with a movement seeking independence for the Commonwealth of Puerto Rico. What little political analysis there is in the most recent DOD study is most notable for its naivete. In fact, there appears to be no issue which has so served to unite warring political factions in Puerto Rico as has the issue of Culebra. The legislation that Senator HUMPHREY and I have introduced has the most wholehearted and unreserved support from each of the four men who have served as Governors of Puerto Rico, from the incumbent mayor of San Juan, who is of a different political party than that of the incumbent Governor, and most of all from the people of Culebra.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the texts of a January 10, 1973, telegram from Gov. Hernandez Colon, a January 31, 1973, letter from former Gov. Luis A. Ferre, a January 6, 1973, telegram from former Gov. Roberto Sanchez Vilella, a January 15, 1973, letter from Carlos Romero Barcelo, mayor of San Juan, a January 5, 1973, letter from Resident Commissioner Jaime Benitez and a January 9, 1973, memorandum from the people of Culebra addressed to the Congress of the United States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TELEGRAMS AND LETTERS

SAN JUAN, P.R.,
January 10, 1973.

Hon. HOWARD H. BAKER, Jr.,
U.S. Congress,
Washington, D.C.:

Congratulations for your prompt and courageous reaction on behalf of the people of Culebra. Your efforts in this direction are most welcome and appreciated.

RAFAEL HERNANDEZ COLON,
Governor, Commonwealth of Puerto Rico.

SAN JUAN, P.R.,
January 31, 1973.

Hon. HOWARD BAKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAKER: This is to express my sincere appreciation and my most complete support for your decision of filing a bill (S. 156) that would order the Department of the Navy to terminate all weapons range activities on the island of Culebra and its surroundings not later than July 1, 1975.

Two and a half years ago, at my request, you introduced an amendment to the 1970 Military Construction Authorizations Act, which would have accomplished what your bill S. 156 provides. At that time I lobbyed for your amendment and it fell just three votes short of the number of votes needed for it to carry. As I mentioned in your office two weeks ago I am most willing to do all I can to secure the passage of your bill S. 156. Please keep me posted of its progress and do let me know if there is something that you want me to do to help you obtain the necessary number of votes.

Warmest personal regards.

Sincerely,

LUIS A. FERRE.

JANUARY 6, 1973.

Senator HOWARD BAKER,
New Senate Office Building,
Washington, D.C.:

Strongly support bill ordering Navy terminate operations in Culebra.

ROBERTO SANCHEZVILELLA.

OFFICE OF THE MAYOR,
San Juan, P.R., January 15, 1973.

Hon. HOWARD BAKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAKER: Permit me to take a minute of your time to bring to your attention the question of practice firing by the Navy on the inhabited island of Culebra.

Culebra is a tiny island off Puerto Rico's eastern coast inhabited by about 800 persons. The American citizens of this island, which has some of the most beautiful white-sand beaches of the Western Hemisphere, have been continually subjected to hazard and discomfort by reason of the Navy's target practice on their island. This shelling has continued for decades, making the existence of the residents hazardous and uncomfortable.

Recently the Navy gave assurances that it would announce at the end of 1972 where it would relocate its gunnery practice by 1975. Instead, however, the Department of Defense has just served notice that the ship-to-shore shelling and air bombing must continue at least until 1985. It has added that it feels this target practice is essential to the interests of our Nation.

The reality of the matter is that there are suitable alternatives to the use of this inhabited island as a Navy target. The problem is that they cost money whereas Culebra can be shelled for no cost at all. The further reality is that what the Department of Defense means, but does not say, is that the continued shelling of Culebra is convenient to the interests of the Navy.

The shelling of this island is in reality contrary to the best interests of our Nation. Puerto Rican public opinion is virtually unanimous in its repudiation of continued discomfort for Culebra residents. All of us in Puerto Rico understand, as I am sure you do, that no community of American citizens should be so blatantly deprived of the enjoyment of their domestic tranquility just to save the Navy money. Furthermore, world public opinion, particularly in Latin America, is aware of and sympathetic to the plight of Culebra's residents. The image that is presented, particularly by the propaganda enemies of the United States, is that of an all-powerful Navy arrogantly terrorizing a community of Spanish-speaking fishermen.

In the face of the above facts, it is not difficult to see where the true national interest lies.

I am sure that as a member of Congress your position would be similar to ours if a community of your constituents were so denied the pursuit of their happiness.

Since Puerto Rico is not a state, however, we lack enough voice and vote to make our weight felt in the Congress.

May we count on your support in our continuing efforts to force the Navy to adopt an alternative target range and thus restore peace to Culebra?

Thank you for your attention and your support.

Sincerely,

Carlos Romero Barceló,
Mayor.

House of Representatives,
Washington, D.C., January 5, 1973.

Hon. Howard H. Baker, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Baker: Early this morning I learned from the *Washington Post,* and later from the *Congressional Record,* that you introduced yesterday S. 156, a bill "to require the termination of all weapons range activities conducted on or near the Culebra complex of the Atlantic Fleet Weapons Range."

I wish to express my deepest appreciation for your initiative, which I support fully.

It is particularly gratifying to me that you perceived immediately the great significance which the Culebra problem holds for the people of Puerto Rico, and, indeed, for all American citizens. Your support makes it very clear that this is a matter which transcends partisan concerns.

I can assure you that in Puerto Rico the feeling is virtually unanimous in support of any action involving full compliance with previous U.S. commitments to stop military target practice on Culebra.

Again, I congratulate you on your decision and wish to express my full endorsement of the objectives of S. 156.

Cordially yours,

Jaime Benitez.

P.S. After dictating this letter I talked to Governor Hernández-Colón personally, he wanted me to give you his thanks and express his appreciation.

Municipal Government, Culebra, P.R.,
Memorandum

January 9, 1973.

To: The Congress of the United States of America, Washington, District of Columbia.

From: The people of Culebra, Culebra, Puerto Rico.

Subject: Request from the people of Culebra to the Congress of the United States.

On January 11, 1971 the people of Culebra, represented by our Mayor, Hon. Ramón Feliciano, by the Governor of Puerto Rico, Hon. Luis A. Ferré and by the chairman of the Senate, Hon. Rafael Hernández Colón signed an agreement with the Navy of the United States, also subscribed by John Chafee as Secretary of the Navy, for the purpose of relieving the existing tensions caused by the constant danger to which we were exposed on account of target practices held by the Navy against the island of Culebra and its immediate surroundings.

Shortly after signing the above mentioned document with the Navy, the Governor of Puerto Rico, Mr. Luis A. Ferre and the Secretary of Defense, Mr. Melvin Laird agreed that the problem with Culebra was solved, promising that Naval Operations would cease by 1975.

We trusted sincerely in the good faith of all the signataries to the pact, and especially in the honesty of the Armed Forces and that of our Governor, Don Luis A. Ferré.

However, that faith in the honesty of the men who signed those agreements with our representatives was shattered by the new decision taken by the Secretary of Defense and the Chief of Naval Constructions, as result of the summary of the study made by Tibbetts McCarthy Stratton Co. and by consultant engineers from Battelle Columbus Laboratories and Palmer Baker, contracted by the Commander in Chief, Atlantic Fleet. This study determined that the Navy continue its operations at Culebra indefinitely, even increasing its activities, thus violating the mentioned agreements without previously consulting us, nor taking into consideration the position of the Puerto Rican people.

Our position regarding this matter remains firm. We believe that Culebra can be substituted, that this island is not of superior priority, nor essential to the American National Defense.

This had also been determined by the Secretary of Defense. We therefore, request of Congress to approve the necessary measures in order to persuade the Navy to end all operations and target practices in Culebra and adjacent cays by July 1, 1975, thus restoring the tranquility to which we have a right as American citizens who wish to live in peace like other communities of the world.

Mr. BAKER. Mr. President, I wish to add that I have spoken personally on the telephone with the revered former Governor Munoz Marin, who assured me of his full support for this effort and of his willingness to undertake any task that might add to its prospects for success.

What is at issue is a matter of simple equity and human justice. What is at issue is the future relationship between the people of the United States and the people of Puerto Rico. What is at issue is the credibility of the word of the Government of the United States. What is at issue is the safety and freedom of some 750 citizens of this country who live and work on Culebra.

What is not at issue is the national security of the United States. Two major studies by the Department of Defense have so found. In spite of the deep concern that I have for the people of Culebra, I would not be urging the termination of naval activities on that island if there was in my mind the slightest intimation that such termination would limit in any way the battle readiness of the U.S. Atlantic Fleet.

Mr. President, I ask unanimous consent that there be printed in the Record at this point a January 9, 1973, editorial from the Washington Star-News entitled "Culebran Turn-Around," a January 8, 1973, column from the Washington Post by Stephen S. Rosenfeld entitled "Stop the Bombing (on Culebra)!" and a commentary by Thomas C. Steinhauser from the February 1973 issue of Armed Forces Journal entitled "The Mouse Will Roar Again."

There being no objection, the material was ordered to be printed in the Record, as follows:

Culebran Turn-Around

The Defense Department's curious gyrations regarding the island of Culebra have not, thus far, aroused much concern in this country. But they are having a bad effect on United States-Puerto Rico relations, and they raise a question of credibility that Defense Secretary Laird should attempt to answer.

He announced the other day that the Navy won't stop using Culebra (which is just off Puerto Rico) as a gunnery target range, even though he earlier led its 750 residents to believe the bombardments would stop in 1975. Indeed he practically promised that as late as November 4, just before the Puerto Rican elections. This was seen by many as a friendly assist for Governor Luis Ferre, who was seeking re-election and trying to cope with strong public revulsion at the Culebran shelling. But Ferre was beaten by an opponent who demands an immediate halt, and Puerto Ricans elected a new commissioner to Washington who's of the same mind.

Now Laird says a new study reveals the necessity of continuing the cannonades at Culebra at least until 1985. This has caused a good deal of rage in Puerto Rico, not to speak of Culebra, where everyone's nerves are getting pretty ragged. The Culebrans long have pleaded for peace and quiet and safe beaches. They seemed to have won at last, then suddenly the deal was off.

None of us would feel very comfortable, though, if the Navy were unable to hit what it shoots at, and hence the Atlantic fleet must have a target range somewhere. The question is whether there's a satisfactory alternative to Culebra. The Navy and Laird say there isn't. But a Pentagon study released last April indicates there are several, including uninhabited islands and construction of an artificial island. That study was made public, but a later one, upon which Laird says the new decision is based, is being kept classified and therefore cannot be analyzed.

Also, there is scant satisfaction in Laird's promise of still another study "not later than the early 1980's," conducted with a view to eliminating the Culebra operation "as soon after 1985 as possible." Why should the harried Culebrans be kept in suspense that long, when the Pentagon already has spent upwards of $3 million on recent studies? If there are good reasons for indefinite continuation of the bombarding (and there may be), Defense officials should be able to make a better case for it than they have so far.

They soon will feel congressional prodding to do that, for legislation was introduced just this week to abolish the Culebra range. The impression that Washington has played Puerto Rican politics with the issue, and reneged on a commitment, is sitting very badly with some members of Congress.

STOP THE BOMBING (ON CULEBRA)!

(By Stephen S. Rosenfeld)

The Defense Secretary's recent decision to renege on his pledge to stop using Culebra as a Navy bombing range, and instead to continue to bomb the little island near Puerto Rico until 1985, must have struck many people as an outrage of virtually Orwellian dimensions. Until 1985? People live on Culebra. Surely Elliott Richardson will promptly reverse the decision when he takes over from Melvin Laird at the Pentagon a few weeks hence.

There is another smaller group of people, however, who while perhaps being no less outraged by Mr. Laird's decision, may take a more personal and somber view of it. I refer, of course, to those of us who over the last 37 years actually participated one way or another in the bombing of Culebra.

My own turn fell in the winter of 1954–55 while attached to a marine air control squadron which, because of the clear field needed for the communications equipment that it used to direct the bombing on Culebra, pitched its big floored pyramid tents atop the highest ridge of nearby Vieques. There the tangled green tumbled down to a gorgeous white beach on which, local legend had it, scenes of the movie "Exodus" had been filmed. What was described as the director's quarters became the officers' club. Tax-free Heiniken's beer cost 12 cents a can at the PX.

A couple of times a week, we controllers climbed into air-conditioned radar vans, sat down at consoles and, while the sergeants did everything, watched a jumpy needle scratch an airplane's course across a map of an island shaped somewhat like a jellyfish, and called Culebra. By radio, we would talk the pilot so many degrees this way or that, so many thousand feet up or down, until, at a point designated as the target, we would tell the pilot to "release ordnance," if that is the proper phrase.

It was our common routine, practiced in between sunnings, siestas, jeep trips to eat langousta at Vieques' 400-year-old town of Isabel Segunda ("Izzy Segoo" or "Segoo"), plane hops for the day to San Juan or St. Thomas. I read copiously. A tentmate, an electronics major from Purdue, learned how to go through our little island ridge switchboard and telephone his girlfriend in Indiana—all this while lying in his cot: a fantastic feat in terms of both drama and technology, we thought.

I cannot recall once ever thinking that people lived on Culebra and might accidentally be hit by one of our bombs or rockets; or even thinking to inquire. Our maps identified topographical features only. It was a time of the century when young men in uniform griped about the specifics of military life but did not question its general purpose. Culebra was a bombing range, simply an island within easy range of Vieques. Our planes used it to "train" for a cause which we may not have been able to identify but which we certainly had no itch to challenge.

I do recall thinking that it was nice for the United States to have such pleasant islands so conveniently located for its military training purposes. It seemed not only proper but natural that the United States should have good bombing ranges. Anyway, we air controllers were inside vans on a beautiful hilltop, and Culebra was a jellyfish on a chart.

At one point, I was appointed something like community relations officer. In that capacity, and in considerable embarrassment, I had to pay a Vieques farmer a modest sum for a pig run over by one of our men. By happen-stance, soon afterwards I read "Shooting an Elephant," whose title story concerned Orwell's consternation at having the only gun available to shoot a rampaging elephant in the village in India where he had been a British civil servant. The death of an animal in a foreign land, I remember thinking, complicates life for foreigners.

In the radar van, the needle jumped across the map and we told pilots whom we never met except on the radio to "release ordnance." I hope none of that "ordnance" ever hurt the people who live on Culebra—we never met them on the radio or any other way. And now that I know that people actually live there, I hope Elliot Richardson finds another island for a bombing range.

THE MOUSE WILL ROAR AGAIN

Much as DoD and the Navy would like it, protests against Navy's practice firing on the tiny Caribbean island of Culebra won't go away.

Senator Howard Baker (R-Tenn.) is the latest Congressman to deplore it. On 4 January 1973 he introduced a bill in Congress which would force the Navy to stop all training activities on the island by July 1975.

In discussing his bill, Baker charged the Navy with "a breach of faith with the people of Puerto Rico." He said DoD's recent decision to continue its bombing of the island, despite earlier promises to stop it, was "unconscionable, unfair, and a real risk" to the 800 Spanish-speaking American citizens who call Culebra home.

These Americans have been trying to oust the Navy from their small tropical island for the past five years. The Navy has been using the seven-by-ten-mile, 7000-acre island, which is just east of the mainland of Puerto Rico, for target practice by ships and naval aircraft since 1936. It is a part of the Navy's Atlantic Fleet Weapons Range.

The plight of the Culebrans has been widely publicized. AFJ earned the dubious distinction of helping to focus an international spotlight on Culebra with a series of in-depth assessments beginning in the 23 May 1970 AFJ issue.

The recent history of the Navy's role on Culebra is peppered with broken promises, political maneuvering, implied lack of concern for the welfare of the Culebrans, and Congressional mandates. These have been interlaced with a quiet but strong and obstinate judgment by the Navy that there is no alternative to the use of Culebra's territory as an impact area for its Atlantic Fleet firing exercises.

The latest chapter in the saga of Culebra began January 1971 when the Navy signed an agreement with island officials and the Commonwealth of Puerto Rico which modified Navy's operations there. The agreement promised the reduction in the amount of firing against the island and restricted greatly the amount of Culebra's geography under Navy's control.

The Navy has lived up to that part of the agreement. For example, naval gunfire support target hours in 1969 were approximately 1,620 hours, while in 1972 they were approximately 1,430 hours. Total hours for air-to-ground ordnance on cays near Culebra totaled 2,530 hours in 1969 and were reduced to 2,045 hours in 1972. In addition the Navy no longer schedules firing on weekends except in an emergency and only with prior notice to the Mayor of Culebra. Further, although the agreement allows the Navy to fire for a 15-hour period any day Monday through Friday, actual firing is much less—about 5.5 hours in 1972.

The Navy has also taken other steps to make firing on Culebra more acceptable to the Culebrans. They include:

Cessation of explosive bombardment of the Northwest Peninsula of Culebra.

Development of non-explosive rounds for Naval gunnery practice.

Opening all of Flamingo Beach for public use at all times except during ship-firing.

Provision of unrestricted sea and air corridors between Culebra and St. Thomas, Vieques and mainland Puerto Rico.

Stationing of a Spanish-speaking U.S. Naval officer in Dewey and another in Isabel Segunda on Vieques responsible for range safety.

The final provision of the 11 January 1971 agreement, however, has not been met. It reads in part, ". . . the Navy promises to investigate geographic alternatives to the training done around Culebra. The purpose will be to find feasible alternatives that will eventually permit the transfer away from Culebra of the training that will be conducted after 1 January 1972."

Following up on this agreement, Secretary of Defense Melvin Laird announced in April 1971 that Navy activities would be moved from Culebra by June 1975. In later statements, on at least two occasions—one as late as 4 November 1972, just before the Puerto Rican gubernatorial elections, Laird said that by December 1972 he would announce "where" the Navy's activities on Culebra would be moved. At the time the Navy was conducting a $2.5 million "independent" study directed by Congress to explore alternatives to Culebra. These alternatives were to include building a floating or artificial island to be used as an impact area.

The current crisis was generated on 27 December 1972 when Laird announced that the shelling and bombing of Culebra would continue until at least 1985. In a letter to interested members of Congress, Laird wrote that the recently completed Congress-directed (and still classified) study concluded that the "present Culebra complex is clearly superior in every regard to the alternatives considered and recommended that the Navy continue to use the present Culebra complex." He continued, "I had hoped the study would make possible the transfer away from Culebra of the remaining training operations . . . After recovering the study, my recommendation is that the Navy retain its training targets in the Culebra complex . . ."

AFJ does not challenge the Navy's claims that it needs the island or Secretary Laird's acceptance of the recommendations of the "independent" study which was conducted under contract to the CINC Atlantic Fleet. AFJ does question why Laird chose to use the term "where" the range would be moved when at the time he used it the decision to move it had not been made.

Neither DoD nor Navy officials accepted a request to discuss the issue. In response to a written AFJ question, "Why did the Secretary say 'where' the range would be moved instead of 'whether'?" the oral reply was: "You can say that a DoD spokesman said that Mr. Laird stands by his 27 December 1972 letter to interested Congressmen and no other earlier statements are pertinent."

This response is not typical of Mr. Laird and probably was not cleared by him. AFJ considers Laird as one of the best Defense Secretaries yet and one who has accomplished more of his goals than any of his predecessors. He has also been available to the press, open and frank in private discussions, and hardly one to call a misleading statement, whenever made, not "pertinent." AFJ believes Laird's decision on Culebra was a painful one for him and is confident he would have preferred to give some respite from the Navy's bombing to the people of Culebra. It is hoped he left enough options open so that Secretary Elliot Richardson will be able to make a new decision more favorable to the Culebrans.

The Navy also was not very communicative, although it did provide written responses to a series of questions submitted by AFJ. Deputy Under-Secretary of the Navy Joseph A. Grimes, Jr., was "not available" for an interview even though Navy spokesmen suggested he be interviewed. Grimes has been deeply involved in Culebran matters for many years. He also is a highly respected official who has always been available to the press and as informative as security restrictions would allow him to be. His "nonavailability" to AFJ on this occasion was surprising but perhaps justified. The Navy has other problems besides Culebra these days.

In any case we haven't heard the last of Culebra if Senator Baker has his way. Baker first became concerned about Culebra during a vacation trip to Puerto Rico in 1969. He offered an amendment to a military construction bill in September 1970 to force termination of training activities on the island. The amendment failed by a close vote of 39–37.

Baker claims that he has the support of Puerto Rican Governor Hernandez Colon and former governors Luiz Munoz and Luis Ferre for his bill. The newly elected Puerto Rico resident commissioner in Washington, Jaime Benitez, has also expressed support, Baker says. Colon and Ferre reportedly told Baker that the recent DoD decision was a "flagrant failure to honor a firm commitment."

Whatever the ultimate outcome—and Baker expects wide support for his bill—the Culebran issue will be rehashed again in Congress. Meanwhile political dissension will be stimulated in Puerto Rico which may threaten relations with the U.S. Although Puerto Ricans are not noted for homogeneity in politics, the disregard for the desires of 800 Culebrans may be an issue to polarize them.

Thomas C. Steinhauser.

Mr. BAKER. Mr. President, I also ask unanimous consent that the names of the following Senators be added as cosponsors of S. 156: Senators Humphrey, Abourezk, Bayh, Biden, Brooke, Case, Cranston, Domenici, Eagleton, Fulbright, Gravel, Hart, Hatfield, Hathaway, Haskell, Hughes, Javits, Kennedy, Mansfield, McGovern, Mondale, Moss, Muskie, Packwood, Percy, Proxmire, Ribicoff, Scott of Pennsylvania, Stevens, Stevenson, and Williams.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 324

At the request of Mr. Schweiker, the Senator from California (Mr. Cranston), the Senator from Minnesota (Mr. Humphrey), the Senator from Illinois (Mr. Percy), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 324, the Nutrition Medical Education Act of 1973, a bill to amend the Public Health Service Act to provide for nutrition education in schools of medicine and dentistry.

S. 576

At the request of Mr. Dominick, the Senator from South Carolina (Mr. Thurmond), and the Senator from California (Mr. Haskell), were added as cosponsors of S. 576, which provides for separate offense and consecutive sentencing in felonies involving the use of firearms.

S. 645

At the request of Mr. Bayh, the Senator from Nevada (Mr. Bible), the Senator from Hawaii (Mr. Fong), the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Hart), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Maryland (Mr. Mathias), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. Pastore), the Senator from Rhode Island (Mr. Pell), the Senator from Illinois (Mr. Percy), the Senator from West Virginia (Mr. Randolph), and the Senator from Maryland (Mr. Beall) were added as cosponsors of S. 645, to strengthen interstate reporting and interstate services for parents of runaway children; to conduct research on the size of the runaway youth population; for the establishment, maintenance, and operation of temporary housing and counseling services for transient youth, and for other purposes.

S. 783

At the request of Mr. Chiles, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 783, to establish the Everglades-Big Cypress National Recreation Area in the State of Florida.

S. 821

At the request of Mr. Bayh, the Senator from Nevada (Mr. Bible), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Minnesota (Mr. Humphrey), the Senator from Massachusetts (Mr. Kennedy), the Senator from Wyoming (Mr. McGee), the Senator from Minnesota (Mr. Mondale), the Senator from Rhode Island (Mr. Pastore) the Senator from West Virginia (Mr. Randolph), and the Senator from Connecticut (Mr. Ribicoff) were added as cosponsors of S. 821, to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

S. 834

At the request of Mr. Muskie, the Senator from Delaware (Mr. Roth) was added as a cosponsor of S. 834, the Intergovernmental Cooperation Act of 1973.

S. 838

At the request of Mr. Tower, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 838, to amend title 10, United States Code, to permit the recomputation of retired pay of certain members and former members of the Armed Forces.

S. 983 AND S. 984

At the request of Mr. Bayh, the Senator from Indiana (Mr. Hartke), the Senator from Rhode Island (Mr. Pell), the Senator from North Dakota (Mr. Burdick), the Senator from Maine (Mr. Muskie), and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 983, to amend the Controlled Substances Act to move certain barbiturates from schedule III of such act to schedule II; and S. 984, to amend the Controlled Substances Act to require identification by manufacturer of each schedule II dosage unit produced.

S. 985

At the request of Mr. Bayh, the Senator from Indiana (Mr. Hartke), the Senator from Rhode Island (Mr. Pell), the Senator from North Dakota (Mr. Burdick), and the Senator from Maine (Mr. Muskie) were added as cosponsors of S. 985, to amend the Controlled Substances Act to establish effective controls against diversion of particular controlled substances and to assist law enforcement agencies in the investigation of the diversion of controlled substances into other than legitimate medical, scientific, and industrial channels, by requiring manufacturers to incorporate inert, innocuous tracer elements in all schedule II and III depressant and stimulant substances, and for other purposes.

S. 1136

At the request of Mr. Kennedy, the Senator from Alaska (Mr. Gravel), and the Senator from Connecticut (Mr. Ribicoff) were added as cosponsors of S. 1136, to extend the expiring authorities in the Public Health Service Act and the Community Mental Health Centers Act.

S. 1165

At the request of Mr. Moss, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1165, to amend the Federal Cigarette Labeling and Advertising Act of 1965, as amended by the Public Health Cigarette Smoking Act of 1969, to define the term "little cigar," and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of the Senator from Oklahoma (Mr. Bartlett), the Senator from Wyoming (Mr. Hansen), and the Senator from Georgia (Mr. Talmadge) were added as cosponsors of Senate Joint Resolution 47, forbidding the assignment of children to schools because of their color.

SENATE JOINT RESOLUTION 57

At the request of the Senator from Oklahoma (Mr. Bartlett), the Senator from Rhode Island (Mr. Pastore), the Senator from South Carolina (Mr. (Hollings), the Senator from Georgia (Mr. Talmadge), and the Senator from Kentucky (Mr. Cook) were added as cosponsors of Senate Joint Resolution 57, authorizing freedom of prayer in our classrooms.

EXTENSION OF ECONOMIC STABILIZATION ACT OF 1970—AMENDMENT

AMENDMENT NO. 37

(Ordered to be printed and to lie on the table.)

AMENDMENT TO ESTABLISH A CEILING OF $265 BILLION FOR EXPENDITURES FOR FISCAL YEAR 1974

Mr. PROXMIRE. Mr. President, on behalf of myself, Mr. Hollings, Mr. Stevenson, Mr. Harry F. Byrd, Jr., Mr. Ervin, Mr. Allen, Mr. Bentsen, Mr. Church, Mr. McGovern, Mr. Haskell, Mr. Hatfield, Mr. Chiles, and Mr. Cannon, I send to the desk an amendment to the bill S. 398, and ask that it be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. This amendment specifies that expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the U.S. Government shall not exceed $265 billion.

It is simply an amendment to provide an outlay ceiling for the President's new budget of $265 billion.

It is $4 billion below the amount in the President's budget. It represents a 6-percent increase over last year's spending instead of the 7.5-percent increase in the President's budget.

I had originally submitted the amendment as an amendment to S. 929, the devaluation bill. But as that bill will not be acted on until after S. 398, I am putting it in as amendment to S. 398. However, I may not press it to a vote on that bill but merely bring it to the attention of the Senate so that when S. 929 does come up, some of the arguments will have been heard.

AMENDMENT NO. 38

(Ordered to be printed, and to lie on the table.)

BAKERS UNDER PHASE III

Mr. TOWER. Mr. President, I am introducing today an amendment to S. 398, the extension of the Economic Stabilization Act, to correct a specific inequity that developed under phase II rules. After the announcement of the Soviet wheat sale in July of 1972, wheat prices in the United States began to rise dramatically, rising from $1.45 per bushel in Kansas City to as high as $2.71 per bushel at the peak price—almost a hundred percent increase. The price has since settled back to the $2.30 area, although the demand for wheat is still strong for the foreseeable future and might well push prices up again.

This increase in wheat cost for bakers brought about the following crisis. In the market for baked goods there is intense price competition, to the degree that a penny or two difference in the prices of two brands of bread will cause the lower priced one to sell and the higher priced one to sit on the shelf. The smaller bakers, who buy flour daily, were hit immediately with the rising wheat prices and needed to be able to raise their prices accordingly in order to avoid incurring losses. Under the individual profit margin limitations applied by the Price Commission and, later, the Cost of Living Council, the smaller bakers were by and large entitled to raise their prices to reflect the increased costs. However, the larger bakers were, by and large, in a better profit margin situation, and some were protected for a while from increased wheat costs by futures contracts and from profit margin reductions by the successes of other non-wheat related products and activities. Thus, when treated on an individual basis by the Price Commission, they were largely unable to raise their product prices in order to cover the increasing price of wheat and flour.

When this juxtaposition between large and small bakers developed, the small baker was faced with low shelf prices of larger competitors that he could only compete with by selling below cost or at an inadequate profit. It did not matter that the smaller baker was entitled by profit margin rules to raise his prices—as long as the larger bakers could not do so, the smaller bakers were effectively prevented from doing so.

I have requested the Price Commission and the Cost of Living Council several times to give the entire industry a cost-pass-through ruling that would save the smaller bakers from extinction by virtue of the unique interaction of product market and price controls forces in the face of a sharply rising factor price. They have chosen not to deal with this problem on an industry-wide basis to this date, and the problem has simply gone beyond a temporary adversity for the small bakers—it is now a severe, semipermanent crisis for them.

I propose to remedy this problem with an amendment to the Economic Stabilization Act extension legislation, which will provide for an industry-wide pass-through of increased wheat and flour costs. This is the only apparent means that we have of preventing the controls program from inadvertently causing the demise of the small business sector of the baking industry, a development which would be unfavorable for long-run competition and price behavior in this market, and which is wholly inequitable from the standpoint of the unfortunate bakers caught in the middle of this squeeze.

I ask unanimous consent that the text of this amendment be printed at the conclusion of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 38

On page 5, after line 9, insert the following:

Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"Firms subject to the prenotification and reporting requirements of subpart F of the Cost of Living Council regulations effective January 11, 1973 (6 CFR part 130, subpart F) which are engaged in a business included in group 205 (Bakery Products) or 546 (Retail Bakeries) of the 1972 Standard Industrial Classification Manual of the Office of Management and Budget may pass through in prices of products in group 205 or 546 increases in the prices of wheat and flour which have occurred since July 8, 1972, and which may continue to occur after date of enactment of this provision. Price increases under the authority of this subsection shall reflect such increases in the prices of wheat and flour only on an incurred dollar for dollar basis, and may be initiated as of date of enactment, subject to subsequent review and approval of the Cost of Living Council under such regulations as it may issue under authority of this subsection. Such regulations shall not impose any period of delay upon affected firms in reflecting incurred increases in wheat prices immediately in the prices of the relevant products."

AMENDMENT NO. 39

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to Senate bill 398, supra.

AMENDMENTS NOS. 40 AND 41

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN. Mr. President, I submit two amendments to S. 398, the Economic Stabilization Act Amendments of 1973, and I ask unanimous consent that the text of these amendments be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

(AMENDMENT NO. 40)

After section 5, add the following new section and renumber the other sections accordingly:

IMPOUNDMENTS

SEC. 6. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(k) The authority granted to the President under this title shall become null and void in the event that the President, after the date of enactment of this subsection, withholds or reserves or causes to be withheld or reserved in excess of 5 per centum of any obligational authority provided by law or of any funds appropriated under such authority."

AMENDMENT NO. 41

At the end thereof add the following new section:

WAGE AND PRICE STANDARDS

SEC. 9. Section 203 of the Economic Stabilization Act of 1970 is amended—

(1) by adding the following new subsection, and renumbering the other subsections accordingly:

"(b) In the event that the President issues any orders or regulations for the control of wages and salaries pursuant to subsection (a) of this section, such orders shall also provide for the control of the prices of the employer, and shall limit any increase in such prices to an amount sufficient to cover any projected increase in the net cost of producing the product or offering the service: *Provided, however,* That nothing in this subsection shall be used to hold prices for such employer below a level which would yield a profit margin of 7.5 per centum."

(2) by adding the following new subsection and renumbering the other subsections accordingly:

"(e) Notwithstanding any other provision of this title, no order, regulation, or standard may be issued pursuant to subsection (b) or (c) of this section which has the effect of increasing the rate of profit of the person or entity seeking a price increase to a level above the rate of profit such person or entity earned during the twelve-month period prior to May 25, 1970, or 7.5 per centum, whichever is higher.".

(3) and by adding at the end of subsection (f) (redesignating subsection (h) of that section) the following:

"(4) or which in the aggregate is equal to or less than the higher of—

"(A) the sum of the increase in the cost of living and any increase in productivity since May 25, 1970, less any wage or salary increase since that time, or

"(B) the amount of windfall profit the employer received from any increase in profit margins since May 25, 1970."

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 20 TO S. 929

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Colorado (Mr. HASKELL) be added as a cosponsor to amendment No. 20, to S. 929 which would establish a ceiling on spending for fiscal year 1974 of $265 billion.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 27 TO S. 158

Mr. CRANSTON. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors, along with Senator KENNEDY and myself, of amendment No. 27 to S. 158, the proposed Free Flow of Information Act: The Senator from Connecticut (Mr. RIBICOFF), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. HUGHES), and the Senator from North Dakota (Mr. McGOVERN.)

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARINGS ON RECOMMENDED JUDGESHIPS

Mr. BURDICK. Mr. President, I wish to announce continuation of the public hearings before the Subcommittee on Improvements in Judicial Machinery on the omnibus judgship bills.

The hearing will be held in room 457 Russell Office Building, commencing at 10 a.m. on March 21, 1973.

Testimony will be received from the Chief Judges of the Eastern District of Arkansas, the District of Alaska and the District of Puerto Rico.

Communications relative to these hearings should be directed to the subcommittee staff, 6306 Dirksen Office Building, extension 5-3618.

NOTICE OF HEARINGS ON S. 821—THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1973

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary is continuing its hearings on S. 821, the Juvenile Justice and Delinquency Prevention Act of 1973. Last year, the subcommittee held 4 days of hearings on S. 3148, which I introduced in the 92d Congress; and 1 day of hearings on S. 821, a slightly revised version of the bill which I introduced on February 8, 1973.

S. 821 is designed to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency.

The hearings have been scheduled for March 26 and 27, 1973, at 10 a.m. and 10:30 a.m., respectively, in room 2228 Dirksen Senate Office Building. The following witnesses have been scheduled to testify on March 26: Dr. Karl Menninger; Hon. Allard K. Lowenstein, national chairman, Americans for Democratic Action; Hon. Neil Goldschmidt, mayor of Portland, Oregon; and Hon. Justine Wise Polier, former judge of the family court, New York, N.Y. Witnesses scheduled to testify on March 27 are: Ms. Marian Edelman, director, Harvard Law and Education Center; Frank Jones, executive director, National Legal Aid and Defender Association; and Raymond Hoffman, Big Brothers of America, Philadelphia, Pa.

Any person who wishes to submit a statement for the record should notify Mathea Falco, staff director and chief counsel of the subcommittee at 225-2951.

NOTICE OF HEARINGS ON THE "METHAQUALONE CONTROL ACT OF 1973"

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary is beginning hearings on a bill I am introducing today (S. 1254) designed to facilitate law enforcement agencies and others in their efforts to investigate and curb the abuse of methaqualone diverted from legitimate channels of distribution to illicit markets. Specifically, this bill provides for the inclusion of methaqualone in schedule II of the Controlled Substances Act, requiring more effective controls, including production quotas, stricter distribution and storage security and more stringent import and export standards.

The hearings are scheduled for March 22, 1973, at 10 a.m., in room 6226 Dirksen Senate Office Building. The following witnesses have been scheduled to testify: a panel of former methaqualone abusers; Dr. Sidney Schnoll, Department of Pharmacology, Jefferson Medical College, Thomas Jefferson University, Philadelphia; Dr. George R. Gay, Director of Clinical Activities, Haight-Asbury Free Medical Clinic, San Francisco; Dr. James A. Inciardi, Department of Psychiatry, Division of Addiction Sciences, University of Miami Medical School; Ms. Julie Baumgold, investigative reporter; and Dr. Richard Kunnes, Department of Psychiatry, University of Michigan Medical School.

These hearings will be continued on March 28 and 29, 1973.

Any person who wishes to submit a statement for the record should notify Mathea Falco, Staff Director and Chief Counsel of the Subcommittee, at 225-2951.

NOTICE OF HEARINGS ON METHADONE USE AND ABUSE

Mr. BAYH. Mr. President, I would like to announce that the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary is continuing its hearings on effective treatment for heroin addicts, and the appropriate uses of methadone, including the problem of diversion. The subcommittee has held five days of hearings on S. 3846, introduced by Senator MARLOW W. COOK in the 92d Congress, in Los Angeles, San Francisco, Omaha, Louisville, and Indianapolis. This bill was reintroduced in the 93d Congress by Senator COOK as S. 1115 and is designed to regulate more strictly the storage and distribution of methadone.

The hearings are scheduled for March 21, 1973, at 10 a.m., in room 2228, Dirksen Senate Office Building. The following witnesses have been scheduled to testify: Dr. Jerome H. Jaffe, Director, Special Action Office for Drug Abuse Prevention; John E. Ingersoll, Director, Bureau of Narcotics and Dangerous Drugs; Dr. Charles C. Edwards, Commissioner, Food and Drug Administration; and Dr. Herbert Raskin, Chairman, Committee on Alcoholism and Drug Dependence, American Medical Association.

Any person who wishes to submit a statement for the record should notify Mathea Falco, Staff Director and Chief Counsel of the Subcommittee, at 225-2951.

NOTICE OF HEARINGS ON S. 707 AND S. 1160

Mr. RIBICOFF. Mr. President, due to an executive session of the Government Operations Committee on Thursday morning, March 20, 1973, the first day of hearings by the Subcommittee on Reorganization, Research and International Organizations and the Consumer Subcommittee of the Commerce Committee, on S. 707 and S. 1160, will be Wednesday, March 21, at 10 a.m., in room 3302, New Senate Office Building.

ANNOUNCEMENT OF POSTPONEMENT OF INDIAN HEARINGS

Mr. ABOUREZK. Mr. President, I wish to announce that the hearings previously scheduled by the Indian Affairs Subcommittee for Monday, March 19, have been postponed. As soon as key witnesses are available to testify, the hearings will be rescheduled.

ANNOUNCEMENT OF SUBCOMMITTEE ON CONSUMER ECONOMICS HEARINGS ON THE COST OF LIVING

Mr. HUMPHREY. Mr. President, as chairman of the Subcommittee on Consumer Economics of the Joint Economic Committee, I announce a hearing scheduled for March 21 on the cost of living. The witnesses are Dr. Herbert Stein, Chairman of the Council of Economic Advisers, and Mr. John T. Dunlap, Director of the Cost of Living Council.

I believe it is time for a reassessment of the cost of living situation.

Over a month has passed since the administration appeared before the Congress to discuss the problem of inflation and a great deal has happened since then.

The Consumer Price Index shot up 0.5 percent in January alone—and these numbers were collected before phase III was announced. Consumers face persistently high prices for food, fuel, gasoline, medical care services, and household services.

Wholesale prices soared 1.6 percent in February, and wholesale industrial prices showed the largest monthly increase in 22 years.

The dollar has been devalued and the international payment system remains unsettled.

Yet, despite all these factors, the administration continues to insist that its price and wage control system is satisfactory.

I cannot accept this in view of recent developments and have therefore asked the chairman of the Council of Economic Advisers and the Director of Cost of Living Council to present the administration's interpretation of these recent developments.

I have asked these witnesses to tell us whether February wholesale price increases point to an acceleration in the cost of living spiral.

I have also asked the administration for a full explanation of why consumer and wholesale price increases are occurring, what are the justifications for the increases and how long we can expect such an escalation in the cost of living to continue.

Finally, I have asked the administration what it intends to do to protect consumers from this unacceptable cost of living escalation.

The hearing will be held on Wednesday, March 21, at 9:30 a.m. in room 1202 of the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

MAN IN SPACE

Mr. MOSS. Mr. President, we frequently hear complaints that we are spending too much money in space, with the implication that this is some kind of gigantic throwaway of hard-earned tax dollars into some kind of cosmic abyss.

The fact, of course, is that every single dollar in our space program is spent right here on earth, almost all of it right here in the United States, providing jobs for workers, profits for businessmen, and salaries for teachers, researchers, engineers, and scientists.

Nowhere has this fact been more understood than among the great labor leaders of our country. Last year the executive council of the AFL–CIO unanimously adopted a motion in support of a vigorous space program and specifically in support of the Space Shuttle.

That motion was offered by Floyd E. Smith, president, International Association of Machinists and Aerospace Workers. Mr. Smith has also written an extremely perceptive article entitled, "Man in Space: A Look Forward," which appeared in the March, 1973, issue of Aerospace magazine.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAN IN SPACE: A LOOK FORWARD

(By Floyd E. Smith)

The Apollo 17 command module splashed down in the Pacific Ocean on December 19, 1972.

This marked not the end of manned space efforts, but the beginning of a new era of space exploration by man that will see a reaping of incalculable benefits through Skylab, the joint U.S.-U.S.S.R. Apollo-Soyuz Test Project (orbital rendezvous and docking) and the Space Shuttle, the key program for the 1980s. All are based on the foundation created by the Apollo program of the 1960s and early 1970s.

Dr. James C. Fletcher, Administrator of the National Aeronautics and Space Administration, in a thoughtful assessment of the meaning of the Apollo program, made these important points:

Apollo re-asserted U.S. technological leadership long before we reached the Moon. That was an important fact of international life in the Sixties. It still is.

After Sputnik, but before Apollo, there was a theory that only a controlled economy and a Communist society could succeed with large scientific and technological undertakings such as space exploration. Apollo exploded that theory. Apollo demonstrated that we could respond effectively to a totalitarian challenge without resorting to totalitarian methods. Apollo produced the kind of government-industry-labor cooperation on large scale research and development programs needed to make the American system work, and keep it competitive with any other systems in the world.

On the way to the Moon, we discovered planet Earth. This may be the most important return from the Apollo program for decades to come. The startling new perspective of a lonely, lovely, fragile Earth as seen from the Moon gave great strength and impetus to the environmental movement worldwide, and it helped establish the fact that space technology was something new that could contribute greatly to the quality of life on Earth. It made us realize that although our Earth is just a place in space, it is the only home we have.

Building upon Apollo, our next venture in manned space will be Skylab. This project ready to be launched soon, has not received much public attention. However, it will provide dramatic evidence of the great advances made in the development of capabilities for scientific and practical work in manned spacecraft in Earth orbit. Skylab will have the same living and working room as a three-bedroom house for its three-man crews. The first Skylab will have a mission duration of 28 days and the second and third units will have missions of 56 days.

Its objectives are:

Advancement of the Sciences—To increase knowledge of medicine, astronomy, weather and physics. A prime goal is to collect previously, unobtainable information on the Sun-Earth relationship and its effects on our environment here on Earth.

Practical Applications—To perfect Earth-looking camera and sensor systems, and their related data systems, to benefit mankind's agriculture, forestry, oceanography, geography, geology, water and land management, communications, and ecology and pollution control. Skylab also will open up a dramatic new field—the development of manufacturing techniques in gravity-free conditions, a field that has the potential for yielding such products as higher quality vaccines and machined parts, such as ball bearings with a degree of near perfection that cannot be achieved on Earth where gravity is a factor.

Human and Materiel Endurance—To determine the ability of both human beings and Earth materials and systems to maintain their qualities and capabilities during long absence from gravity.

The Apollo-Soyuz Test Project planned for 1975, is the result of an agreement between President Nixon and Chairman Kosygin of the U.S.S.R.. made last May, for the rendezvous and docking of a U.S. spacecraft with a Russian spacecraft. An Apollo spacecraft will link up with a Soviet Soyuz spacecraft and while docked together astronauts and cosmonauts will visit both spacecraft and perform a number of scientific experiments.

A major purpose of the Apollo-Soyuz project is to develop a rescue capability by demonstrating systems that will permit the docking in orbit of any future manned spacecraft of either nation.

But perhaps the greatest benefit from this project is not definable in visible progress: The Apollo-Soyuz project could form the viable basis for our nations to work together at an engineering level in a program that could well spread to other areas of technical cooperation.

The main thrust of our manned space program for the future is the Space Shuttle. An analysis of what the U.S. has done in space would show that we have devoted most of our space effort in the Sixties to overcoming gravity on the way to the Moon and back. In the Seventies NASA aims to overcome the high costs of operating effectively in earth orbit.

The cost of the Space Shuttle is estimated at $5.15 billion compared with the $25 billion price tag on Apollo. This, however, should not be an index of the importance of the Shuttle. The Shuttle calls for much greater technological advances and adds more to our capabilities in space than the general public realizes.

NASA Administrator Fletcher puts it this way:

"Suppose we were back in 1961, and President Kennedy instead of choosing the lunar landing goal, had said: 'Build a Space Shuttle before this decade is out.' Believe me, without the technological progress we have since made in Apollo, building the Space Shuttle in the Sixties would have been an almost impossible assignment. And the cost would have approached that of Apollo. As it is, the cost is much less, but the Shuttle remains a challenging assignment for NASA and the skilled hands and minds of the aerospace industry. Comparing the usefulness of Apollo and the Space Shuttle in Earth orbit would be like comparing Lindberg's New York to Paris plans of 1927 with an intercontinental airliner of today."

The Space Shuttle appropriation for Fiscal Year 1973 was overwhelmingly passed by the Congress last year. *The Machinist*, our union weekly, noted in a front-page article in a May 1972 issue: "More than 50,000 aerospace workers will be employed on the program between now and its first mission."

Now that figure means a lot to every aerospace worker. It underscores a point I have made many times: The U.S. did not spend one thin dime on the Moon; the entire $25 billion was spent right here on Earth.

Representative Don Fuqua, of Florida, chairman of the Manned Space Flight Subcommittee of the House Committee on Science and Astronautics, in a speech on the floor of the House, made these cogent points:

One dollar spent on the space effort generates $2.50 in Gross National Product (GNP), $2.00 in personal income and $1.50 in consumer outlays.

A conservative evaluation of a $5.15 billion, six-year shuttle program, applying the multiplier effect, indicates a $12.9 billion addition to our GNP. Personal income contribution would be $10.9 billion with consumer outlays of $7.9 billion.

The net federal tax return from this activity would be on the order of $2.6 billion, returning half of the original investment.

Congressman Fuqua concluded: "Not all federal activity is or can be such an outstanding contributor to our economy."

These are the direct, identifiable economic benefits.

What is this program all about in terms of indirect benefits such as cutting the costs of our manned and unmanned space projects?

Courtland Perkins, Dean of Engineering, Princeton University, emphatically states that we must, as a nation, continue our remarkable activities in space exploration.

However, he adds: "At the heart of all this is the potential expansion of these activities through the reduction of the cost of the space operation. Today we are impeded across the full spectrum of activities due to the extremely high launch costs and the cost of space payloads. The National Aeronautics and Space Administration must consider this to be their number one objective in fulfilling their mission of advancing space technology.'

Dean Perkins mentions these possibilities for reducing costs: Antigravity; a propulsion breakthrough; recovery and re-use of launch systems *and* payloads.

Today the only one offering a payoff is the recovery and re-use approach—the Space Shuttle. He lists these other major justifications for the Shuttle:

Takes full advantage of the NASA capabilities developed through their manned space program.

Reduces our complicated stable of rocket launchers required for a wide variety of missions.

Lowers the cost and increases the flexibility of space operations.

Signals our young people that we are not about to throw away our carefully developed technical capability.

Can provide the focus for many new technical advances during the next decade.

"We are orienting our national space program along new lines and developing new motivations," Dean Perkins says. "There is a solid base for our national space program which can be expended further in many practical ways if we can reduce the cost. The shuttle program can do this . . ."

Physically, the Shuttle will consist of a manned reusable orbiter craft, mounted piggy-back at launch on a large, expendable liquid propellant booster and two recoverable and re-usable solid-propellant rocket boosters. The orbiter will look like a delta-winged airplane, about the size of a McDonnell Douglas DC–9. In fact, after it completes an Earth orbit mission, the orbiter returns to Earth and lands in the same fashion as a jetliner.

NASA has made studies of Space Shuttle missions over the next 18 years that indicate approximately 26 per cent are likely to be manned or man-tended, including the manned sortie missions.

Man-tended payloads are concentrated in physics, astronomy and processing in space because such missions involve either complicated laboratory equipment and human judgment or selective observations, in the case of astronomy.

The remaining 74 per cent, involving delivery of unmanned missions, are expected to be made up as follows:

	Percent
Applications: Earth resources, communications and navigation	27
Science: Physics, astronomy and planetary	25
Department of Defense	22

In launching unmanned automated payloads the Space Shuttle flight crew will be able to check out the satellite in space, make adjustments, and calibrate instrumentation to ensure successful operation before leaving the satellite unattended.

If necessary, the satellite can be retrieved and returned to Earth for more extensive repair to avoid a complete loss. The Shuttle will also provide a capability to repair in space or to retrieve a malfunctioning satellite from Earth orbit.

In a study of 131 satellite failures which have occurred in the past, 78 were related to launch problems, which could have been avoided with the more reliable shuttle vehicle. Of the remaining 53, the spacecraft were inoperable or erratic and could have been returned to Earth for further work if the Shuttle were available.

An example of the usefulness of the Shuttle is in the Orbiting Astronomical Observatory program (OAO) where millions of dollars could have been saved by using the Shuttle's operational flexibility. A battery charger failure of OAO 1 could have been corrected by returning it to Earth. The shroud jettison problem that prevented OAO 3 from attaining orbit could have been avoided if it had been launched from a Shuttle.

I am proud that on my motion the AFL-CIO Executive Council last year adopted a statement backing the Space Shuttle.

The Council said: "The benefits of next generation space applications in such fields as the management of natural resources, monitoring of pollution, weather modification and climate control, television distribution, earthquake prediction and public health and safety will not be fully realized unless we can reduce costs and raise efficiency and acquire a flexibility of action not yet possible. That is what the space shuttle is for. Without it, we will lose many valuable programs."

The Council concluded: "We can no more ignore space than we can ignore the oceans or the continents. We would not have the free world without ships, without aircraft or without land mobility. We cannot envision a secure, technologically advanced western world without technologies that allow us the freedom of space as well."

The statement was valid then. It is even more valid today as the Shuttle moves toward operational readiness.

UTILIZATION OF GREAT LAKES PORTS

Mr. TAFT. Mr. President, the task of promoting the utilization of the Great Lakes ports is of critical importance to the Midwest and the Nation. I am pleased to see that organizations such as the Toledo-Lucas Port Authority have given real professional impetus to this important undertaking. Simliarly, mayors, such as Cleveland's Ralph Perk, and other local public officials are joining the council of Lake Erie ports and the Great Lakes task force in their efforts to provide fuller development and better utilization of the ports on our Great Lakes.

One of the most important undertakings of these organizations is the extension of the St. Lawrence Seaway and its development to permit increased usage of the seaway as well as allowing the passage of ships with greater capacity. This effort will require continuing cooperation between the United States and Canada such as that which made the St. Lawrence Seaway possible at its inception. It is my hope that the tremendous breakthrough in the wheat sale to Russia which puts us in competition with Canada will not hamper our relationship but rather act as a stimulus for further economic development of both countries through increased usage of the seaway by Russian ships.

I am concerned, however, that our relationship with Canada, our balance-of-trade situations, and our free trade policy will be seriously jeopardized by the Burke-Hartke proposal.

The Burke-Hartke bill is protectionist legislation at its worst and most certainly hearkens back the trade wars of the 1930's. The rollback in imports caused by that proposal would cause prices to increase with the short-run effect of causing cost-push inflation of a substantial magnitude. The widespread retaliation and discrimination against American exports will aggravate the present crisis in our trade balance as well as cost a substantial net loss of U.S. jobs, especially in the Great Lakes region. It has been estimated that 3 million American jobs depend on our exports. A recent Brookings Institution study estimates that the Burke-Hartke bill quota provisions would cost the United States at least $58 billion during the first 15 years after its enactment. Since the United States is one of Canada's major trading partners the Burke-Hartke bill could have a devastating effect on the entire relationship of our countries.

I support the goals which the Great Lakes task force has set for 1973. For me the top priority must be a thorough reform of the ratemaking practices of the ICC. To be frank, keeping the Great Lakes ports open year around will not do much good if the ICC keeps diverting traffic to East coast ports. In 1970, only 39 percent in tonnage of manufactured waterborne exports originating in Ohio went out through the seaway.

To state it very plainly, the ICC has discriminated against the Midwest and ports in the Great Lakes. This has cost thousands of jobs at Toledo, Cleveland, and other ports.

Electrical transformers made in Zanesville, Ohio, for example, can be shipped all the way to New York City for export for less than they can be shipped to Cleveland. This is the type of rate discrimination which is handcuffing the development of our ports and our international competitive status. We should tolerate it no longer.

The ICC was created in large part to prevent arbitrary and discriminatory rates. The record shows, however, that the ICC has not done its job and has allowed discriminations of many types to flourish.

The year 1891 was a landmark year for rate policy. In that year an engineer named Crompton, outlined a commendably simple method of selling a new source of power—electricity. His system involved measuring the use of capacity and over-capacity costs in producing service and the relationship of average output to peak capacity output. This idea was promptly taken up and used to design the two-part rate system used by our Nation's electric utilities which provide an incentive discount for volume. Under this concept the more electricity the customer uses the cheaper is the rate he gets.

Also, in 1891, Professor Taussig published his classical statement on the theory of railroad rates in the Harvard Quarterly Journal of Economics. In direct contrast, he concluded that the value of transportation service to the customer, and not the cost to the railroad, ought to be the governing principle in railway rates. Professor Taussig was saying that the railroads should plunge into all kinds of abstruse calculations to find out what the value of transportation service should be for an inordinately large number of products. This, plus the bureaucracy it created, has led in large part to the problems of freight regulations today. When cast lenses are shipped at a different rate from ground lenses, something is wrong. How sensible would it be if electric utilities charged one rate to bicycle manufacturers and another rate to sewing machine manufacturers? Value of service pricing has resulted in a maze of rates which are unintelligible to most shippers and even to most bureaucrats at the ICC.

In 1971, I received a letter from Mr. Herbert O. Whitten, a transportation consultant for the Department of Transportation. In that letter he described our rate system as "conflicting, obfuscating, confusing, complex, outdated, and even deceiving." The complexity of the present rate structure is illustrated in his letter. He estimated that—

> There are in existence 43 trillion railroad rates on file at the ICC . . . I have personally measured the tariffs on file in the ICC tariff room and counted 4,300 feet of tariffs—without an index to the rates covered. This is equal to a stack 7½ to 8 times as tall as the Washington Monument or 3½ times as tall as the Empire State Building with its TV antenna. . . . Interestingly enough some 1,300 electric utilities, serving the same national economy, manage to produce about twice as much revenue in the same national economy with a rate structure which is entirely contained in a book about 2½ inches thick, published by the Federal Power Commission.

As a result of value of service pricing, rates vary not only by commodity but also as to the direction in which the freight moves. An importer of sugar in Columbus, Ohio, could have it shipped from Norfolk, Va., for less money than from next door in Toledo. A buyer of chrome ore in Calvert, Ky., could have it shipped from New Orleans, for about one-third as much as from Toledo. Iron ore could be shipped to Ashland, Ky., from Baltimore, for only about half as much as from Toledo.

The Great Lakes task force brought to my attention the following example of rate discrimination as authorized by the ICC: To ship synthetic rubber from Louisville, Ky., to New York for export, 834 miles, the rate in 1970 was 95 cents per hundredweight. But the rate for the same commodity to Toledo, a distance of only 298 miles, was $1.18.

Why it should cost more to ship rubber 298 miles than 834 miles is a secret locked within the bureaucratic tangles of the ICC.

The American railroad rate structure is the work product of bureaucracy at its worst.

Rate hearings are long, protracted, and expensive. The results are irrational and the consumer is the one who suffers.

In the "Big John" case, consumer savings on meat, bread, butter, and milk, were estimated at $30 to $40 million annually under rates proposed by the Southern Railway. It took over 2 years, however, for the Southern to obtain permission to lower its rates and 2 more before final approval was received.

At a speech before the New York State Bar Association on January 28, 1971, the Honorable Richard McLaren, then Assistant Attorney General, Antitrust Division made these observations about ICC rate regulations:

> Regulation has led to high value-of-service-freight rates with little relationship to the lowest cost available in transporting a given commodity. Under ICC ratemaking proceedings, rates generally are allowed to rise to the level of the highest cost carrier in the market. For the most part, only inefficiency is rewarded in this protective atmosphere and in the long run the Nation's resources are seriously misallocated.
>
> Shippers, consumers, and carriers all pay the cost of high rates and inefficiency. ICC rate maintenance is estimated to account for 400 million to 1 billion dollars of the Nation's annual freight bill. Artificially high rates discourage interstate commerce and—as the recent experiences of the rairoads vividly demonstrate—do not lead to increased profits for the carriers, instead, operating revenues are devoured by higher costs in overcapacity and inefficiency. Some observers of the regulatory scene point out that the railroads would now be in a much better shape if they had been able to price competitively.

He concluded by stating that:

> Of one thing I am sure, competition as a regulator has a far better track record than the administrative agencies.

On February 5, 1973, I introduced S. 756, the Modern Railway Transportation Act. This measure would divest the ICC of all railroad ratemaking authority. The act would allow each carrier to establish its own rates in the competitive market structure subject to the following limitations:

First, there could be no rate discrimination as to the identity of the shipper, the direction in which the shipment moves, or the value of the cargo;

Second, there could be no rebates made to any shippers; and

Third, there could be no agreements between carriers with respect to rates or charges.

The act would permit rates to be based upon the weight and cubic volume of the shipment, the need for special equipment or special switching, the distance traveled and whether the cargo was general merchandise or a bulk commodity. Rates could also be lowered for unit train shipments and multiple care shipments.

These rate provisions could be enforced in the U.S. district courts upon complaint of the Secretary of Transportation or any party in interest.

This act is designed to eliminate the discriminatory, cumbersome, complex, arbitrary, and irrational rate structure existing in the railroad industry today. Shippers and consumers would be protected by the antidiscrimination provisions of this act. In short, this bill is intended to protect the public rather than the practitioners before the ICC who seem to be the principal beneficiaries of the existing law.

Let me emphasize that deregulation will help America's consumers. Prof. Thomas Gale Moore of Michigan State University, undertook a study for the Brookings Institution in which he concluded that America's consumers pay up to $7 billion per year in excess freight rates largely because of overregulation. The measure which I have introduced could be translated into cheaper cars and cheaper potatoes for the American public.

The railroads are not, however, getting rich by virtue of this rate structure. On the contrary, these rates are necessary to pay for the unproductive branch lines and unproductive work practices which have been tolerated for too long by rail management and our regulatory authorities.

Professor Moore's estimate of a saving of approximately $7 billion a year is larger than I anticipate. In my judgment, the saving would more approximately reach $2 to $3 billion a year, which is not insignificant to the American consumer.

In 1956, truck tariffs on chickens and frozen foods were freed from regulation, and by the following year the Department of Agriculture found that freight rates for fresh chickens had fallen 33 percent and those on frozen chickens, 36 percent. Rates on frozen foods generally had declined by an average of 19 percent during the year. The quality of service had improved.

Let me observe that truckers have been equally frustrated at times with ICC procedures. One only has to think of the Hilt truck line which became so frustrated at ICC practices that it filed a tariff on yak fat from Omaha to Chicago. If there are any yaks in the United States, I have never seen one. But the tariff stated that it would be shipped in minimum quantities of 80,000 pounds and would be acceptable in glass or metal containers, barrels, boxes, pails, or tubs. The Western Railroads became so alarmed that this rate might take all of the yak fat business away from them that they requested the ICC to suspend the yak fat rate. The railroads filed documents which purported to show that yak fat hauling costs added up to 63 cents a hundred pounds and, therefore, the 45-cent rate of the Hilt truck line would be below cost.

The regulatory process had become such a never-never land that the nonexistence of yak fat freight did not slow up the ICC at all. On April 7, 1965, the ICC's board of suspension voted to suspend the yak fat rate. By mid-April the ICC received a letter from the railroads stating that they had formed a committee to argue the yak fat case, which committee included the Burlington, the Rock Island, Chicago Great Western, the North Western, the Illinois Central, and the Milwaukee Road. This type of proceeding makes great business for lawyers and comedians but is not very sensible from the standpoint of America's shippers and the men and women who work to provide transportation.

I welcome the ICC's investigation into export-import rates as a part of ex parte 270. I also welcome the fact that former

Senator Allot has been engaged to undertake a major review of rate policies. I believe, however, that despite these studies, we need legislation such as I have introduced to end once and for all the possibility that the ICC will use its rate authority to perpetuate discriminatory rates against Great Lakes ports. At the present time, only a small portion of the imports to and exports from the Midwest go through the St. Lawrence Seaway. How frustrating it must be for directors of Great Lakes ports to know that they must not only develop their port facilities, but fight against their own Federal Government in seeking to use their ports.

These discriminatory policies, if permitted to continue, will mean that every year, thousands of jobs will be lost to the economies of Great Lakes communities in favor of the Atlantic ports. I think that we should join together and set as one of our top priorities the end of these discriminatory practices. Only through such an effort can the ports on the Great Lakes develop to their fullest potential as the fourth sea coast of our country.

ALABAMA CASUALTIES IN VIETNAM

Mr. ALLEN. Mr. President, shortly after becoming one of Alabama's U.S. Senators I began the practice of placing in the Record, on a quarterly basis, the names of Alabama servicemen who were listed as casualties of the Vietnam war.

Through September 30, 1972, 1,167 Alabama soldiers, seamen, marines, and airmen became casualties of that tragic war. With the cease-fire in Vietnam on January 27, 1973, and with the withdrawal of American troops, our prayers have been answered and the time has now arrived when the publication of casualty lists can end. But during the 4 months since I last entered a list of casualties, two additional Alabamians were killed, bringing Alabama's final toll to 1,169 men.

Mr. President, Alabamians join all other Americans in rejoicing at the end of the war and the return of our prisoners. We will never forget the patriotic service and sacrifices of those who were wounded nor of all others who served their country in this tragic war. They and their memories will always be close to our hearts for they have earned our undying gratitude.

But, for those who died, only their memories remain. And in memory of all those heroic Alabamians who died in Vietnam, I wish to place these last two names in the permanent archives of the Nation, paying tribute to them on behalf of the people of Alabama, for their heroism and patriotism.

Mr. President, I ask unanimous consent to have printed in the Record the names of these Alabamians and of their kin, so that now with the end of that longest and saddest of American wars, the ranks are closed and the record is complete.

The PRESIDING OFFICER. Without objection, it is so ordered.

List of Casualties Incurred by U.S. Military Personnel From the State of Alabama in Connection With the Conflict in Vietnam, October 1, 1972, Through January 27, 1973

ARMY

Pfc. William J. Terry, husband of Mrs. Gloria A. Terry, 5605 "H", Birmingham, 35208.

Sp4. Milton C. Hunter, brother of Mr. Bobby J. Carter, 502 D Hardaway Circle, Opelika, 36801.

SOME THOUGHTS ON THE 61ST ANNIVERSARY OF THE GIRL SCOUTS

Mr. BROOKE. Mr. President, since the early 1830's, when Alexis de Tocqueville recorded his observations on the American scene, visitors from abroad have continued to remark on the American genius for voluntary organization. This year's observance of Girl Scout Week, marking the 61st anniversary of the founding of this fine volunteer-led youth movement, finds many Americans in agreement with Secretary of Defense Richardson's recent appeal for a renewal of the voluntary ethic in American life and for strengthened support of the private, voluntary sector's role in resolving current problems and in moving the Nation forward. The Secretary wrote in the New York Times:

> Never before in our nation's history have voluntarism and the voluntary ethic been so important to the preservation of what is best and most important in American society.

In 1913, when Juliette Low recruited a small band of voluntary associates to help found America's first Girl Scout troop, it was evidence of her strong faith in the American capacity to advance worthwhile causes through organized, volunteer effort. In the 61 years since, many thousands of able men and women have volunteered their time and energies, their service and leadership and skills, to assure to each succeeding generation of girls the opportunities for self-development and learning-by-doing that Girl Scout membership provides. Today, Girl Scouting is active in all 50 States, and its registered membership has grown to nearly 4 million girls and adults. Thanks to the example of its volunteer leaders, and Girl Scout program's emphasis on community service, millions of young Girl Scouts have been inspired to adopt service to others as a way of life in their adult years. It is to both these "graduates" of Girl Scouting who have become volunteer leaders in communities across the Nation, and the Girl Scout movement's splendid volunteer leadership, that we pay tribute during this anniversary week. They are not only helping to keep alive a great American tradition; they provide evidence, especially reassuring in these critical times, that, despite shortages of governmental money or manpower, private citizens, organized for effective, ongoing volunteer action, remain America's most valuable natural resource.

Like all viable movements, Girl Scouting, throughout its 61 years, has demonstrated a capacity to combine reverence for its traditions and symbols with a lively freedom to revise and innovate. Girl Scouts are not only keeping pace with today's rapid social changes; in many areas of concern, they are setting new directions for other young people to follow.

As pioneers in developing girls' outdoor skills, today's Girl Scouts are naturally concerned environmentalists. True to Girl Scout tradition, moreover, they are translating that concern into direct action, as their current Eco-Action projects, in all 50 States, demonstrate. Since Girl Scouting was one of the first organizations to encourage girls to be independent, self-reliant female citizens, Girl Scout program is also continuing to emphasize girls' need to prepare for newly emerging female life-roles. A national "Career Previews" project, begun last summer when Senior Scouts were brought to New York City for short-term work assignments in leading professional and business firms, is now serving as a working model for local Girl Scout councils which are implementing similar projects in other areas of the United States. This on-the-job career exploration is only one of a number of Girl Scout projects designed to demonstrate to girls that they must choose early, and prepare early, if they are to be ready for the high-level jobs becoming available to the "new" woman. Recognizing that all areas of women's lives are becoming increasingly outer-directed and complex, Girl Scouts are actively involved, too, in learning and service projects designed to improve human relations skills and to deepen understanding of persons of different cultural, racial, ethnic, or economic backgrounds. Girl Scouts from suburban and rural areas have been brought to the cities for indepth experiences in urban living. Disadvantaged inner-city girls spend to 2 weeks each summer at Girl Scouting's magnificent National Center West in Wyoming. For many, it is their first experience of living in surroundings of unspoiled, natural beauty. Girl Scouting also touches the lives of thousands of other inner-city children, both boys and girls, Scouts and non-Scouts, through summer-long Girl Scout-sponsored day and resident camp programs. An experimental 2-week camp which brought Atlanta teenagers of all economic levels together in the summer of 1971, is now providing similar impetus and directions for all Girl Scout camps in the region. The initial, experimental camp won a 1971 American Camping Association Award for innovative program and is now being followed up, in Atlanta, by Girl Scout-sponsored "rap sessions" between inner-city and suburban youngsters at one of that city's large housing projects. Innovative projects like these are being duplicated by Girl Scouts across the country in an energetic, intelligent effort to increase understanding among Americans of diverse backgrounds during girls' important formative years. These are the years, experts agree, when prejudice is most likely to develop. Not only do the Girl Scouts thereby make an immediate contribution to an improved social climate in the Nation; they are also helping to instill in millions of future citizens fundamentally healthy, affirmative attitudes toward members of diverse groups within the society.

Certainly, Girl Scouts of the United States of America merits the enthusiastic plaudits of this body, and the respectful salute of all Americans, as many millions of Girl Scouts, past and present, join in this year's observance of Girl Scout Week, from March 10 to 16. For 61 years, Girl Scouting has demonstrated that girls' lives can be substantially enriched through concerned voluntary effort. Today, the Girl Scout movement is clearly "paying its way" in the larger society, by meeting girls' changing needs and perceptions, and by bringing together, in its free and equal association, all of the 7- through 17-year-old girls in our heterogeneous Nation.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in 1945, the effective and powerful leadership of the United States helped to insure the endorsement of the international promotion of human rights in the United Nations Charter.

The U.S. delegation stanchly supported the human rights section of the United Nations Charter, because it recognized that unchecked domestic oppression too often grows into foreign aggression, as was demonstrated by Nazi Germany and her allies during World War II.

Twenty-eight years ago the United States was taking the lead in promoting human rights. Although we can be proud of our leadership at the 1945 convention, we must not stand on our past achievements. Instead, the United States must continue to struggle to see that our leadership and achievements prevail.

For 24 years, however, the Senate has rested on its laurels by refusing to take a stand on the United Nations Convention on the Prevention and Punishment of the Crime of Genocide. I believe that Americans overwhelmingly support international standards of human dignity. The American people want for the people of the world the freedom and the right to "life, liberty, and the pursuit of happiness" that we cherish so deeply for ourselves.

Nevertheless, critical voices are raised in objection to the Genocide Convention. They ask why we need this accord when our own laws already protect us from the threat of genocide.

This is a question which deserves an answer. The United States has a stated foreign policy objective to promote peace and freedom. We must recognize that human rights, especially the rights to life and peace, are interdependent.

When the Senate gives its careful consideration to the Genocide Convention it must look at the inherent connection between human rights and world peace. I believe that we in the Senate must reassert our position of leadership and ratify the Genocide Convention.

IN PURSUIT OF JUSTICE

Mr. BAYH. Mr. President, Mr. Justice Louis B. Heller, a member of the Supreme Court of the State of New York, has written a cogent and interesting article on the problems relating to the workload of the U.S. Supreme Court. His article, "In Pursuit of Justice," appeared in the February 8, 1973, issue of the Justinian, a publication of the Student Bar Association of the Brooklyn Law School.

I recommend this article to Senators and ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Comment: In Pursuit of Justice

(Note.—This column is reserved for future commentary on current issues relating to the Judicial System.)

In the New York Law Journal of August 16, 1972, there appeared an article by Charles F. Kiley entitled, "Powell Expresses Some Regrets Over Appointment to High Court." At a meeting of the American Bar Association, held in San Francisco, Justice Powell is quoted as saying, "The changes in my personal life style have been profound and not altogether welcome. I would still prefer to be a practicing lawyer. I do not enjoy the constraints of being a judge." The article further states that the Judge's long career as a highly successful lawyer was interrupted when he was persuaded by President Nixon to accept an appointment to the Supreme Court of the United States; that this has proved to be an "unwelcomed change" in his life; that he has become disenchanted; that his inability to acquire complete satisfaction in his new work has resulted from his discovery that "The caseload of the court is approaching twice its proportions, with the situation certain to worsen * * * that this volume * * * together with the other work of the court, cannot be considered with requisite care and deliberation."

It would be an understatement to say I was surprised and shocked upon reading this story. I read the article at least five or six times before I could believe it. I can just imagine how pained must have been the reaction of my former distinguished colleague in the House of Representatives, the President of the United States, on learning of Justice Powell's statement. Certainly the President did not twist Justice Powell's arm when proffering the appointment to him. With all due respect to Justice Powell, and without any intention of assuming the unwarranted role of his preceptor, I suggest that if the learned Judge longs to return to the successful practice he abandoned, he should tender his resignation at once. It would not be the first time a judge became disenchanted and returned to the practice of the law. Since his appointment is so recent, Justice Powell should take this step immediately; otherwise, he will be embarrassed when friends congratuate him on his promotion.

How unlike Justice Powell's attitude toward his responsibilities was that of Lord Tenterden, one of England's Chief Justices, whose view of judicial duty was nobly expressed in his comment to a friend who congratulated him on his promotion from the Bar, that "the search after truth is much more pleasant than the search after arguments." Justice Tenterden's heart was in the law.

If I were a practicing attorney, I would feel extremely uncomfortable in arguing a case before a judge who I knew was unhappy and disenchanted with his work. A lawyer is entitled to the best in a judge, and the least to which counsel and his cause are entitled is a judge who can inspire in him confidence that his arguments and briefs will be studied "with requisite care and deliberation." Conversely, a judge is entitled to the best in a lawyer.

As to the complaint about the caseload, Judge Julius M. Mayer, formerly of the United States Circuit Court of Appeals, fifty years ago, said:

"There is probably no responsible court, Federal or State, first instance or appellate, which is not working under great pressure. Litigations arising out of or as a result of the war, the increase of statute law, civil and criminal, national and state, the creation and development of new kinds of industries and businesses, the unceasing complexity of economic problems giving rise to questions of constitutional and commercial law in foreign and domestic commerce have all combined to place a heavy burden on the courts. . . .

"The courts are dealing with great human affairs, questions of welfare and liberty questions which reflect the problems of the commerce on land and sea and the relations of men to each other in every conceivable aspect. * * *

In the history of the world, in the development and administration of governments, the lawyer and the judge have played no small part. They have borne their full share and responsibility in safeguarding life and liberty and promoting the pursuit of happiness. That responsibility is, if anything, greater today than before, when new problems are facing the world in every corner."

These words could very well have been written today. All that need be added are the civil rights laws and the lawsuits they have spawned; the legislation relating to auto safety, truth in lending, consumer protection, improvement of the environment, and a host of other controversial laws.

One more word about the caseload and backlog. On September 6, 1972, Eric Sevareid interviewed Mr. Justice Douglas over C.B.S. I now quote from the transcript of that broadcast:

"Sevareid. And you've got a great big backlog. All this talk of too big a load—overwork. You're out here weeks ahead before the Court even adjourns.

"Douglas. Well, we got a bigger backlog in the sense of more filings. When I went on the Court we had 1800 cases a year—a term. And now we're having about 4200.

"Sevareid. That you hear.

"Douglas. No, that are filed and we have to screen them. But of those 4200, most of them come from prisons, and 98 or 99% of them are frivolous. We read them all because they produce classic situations like Gideon and Miranda and so on. We're actually hearing and deciding fewer cases now than we were when I went on the Court.

"Sevareid. Why is that? Still got nine men.

"Douglas. Still have nine men, but the selective process has changed. The judges have changed, the idea of what is important has changed in the minds of the judges—a highly subjective consideration. Is this case fit to take—should we take it—and so on. And we take fewer and fewer. When I went on the Court we sat six days a week. Under Warren we sat five days a week, a conference on Friday. And now it looks as if our trend will be to three days a week, with a conference on Saturday. The job takes about four days a week."

It has been said that judges keep themselves on the *qui vive* by simple reminders which caution against overspeaking. Perhaps the best remedy is to bear in mind the rule of the carpenter who said, "The best rule for talkin' is the same as for carpenterin': measure twice and then saw once."—By Mr. Justice Louis B. Heller, Supreme Court, Kings County Second Judicial Department.

CORVAIR STABILITY CONTROVERSY

Mr. RIBICOFF. Mr. President, in September 1970, Mr. Ralph Nader wrote me alleging that at a hearing on March 22, 1966, witnesses representing General Motors misled the Subcommittee on Executive Reorganization concerning the safety of the 1960–63 model Corvair automobile. He urged me to investigate the matter, and I agreed to do so.

Since then, members of my subcommittee staff and personal staff have made an extensive inquiry into Mr. Nader's charge. The investigation was conducted in a fair and impartial manner. When the draft of this report was completed, the staff sought comments on it from Mr. Nader, GM, and the Department of Transportation. GM and DOT accepted the offer, but Mr. Nader declined to read the report. Mr. Nader's reasons for doing so are attached as exhibit 36 to the report. Having reviewed the report, I see no reason to hold further hearings by the subcommittee regarding the stability and handling of the 1960–63 Corvair automobile.

This report is lengthy and will fill several pages in the Record. Ordinarily, I would not ask that such a long report be printed, but the Corvair safety controversy has generated widespread public discussion. Television, newspapers, and magazines across the Nation have carried stories concerning the Corvair and this staff investigation. In addition, Mr. Nader's charges, and documents relating to them, have been placed in the Record on at least three occasions. (See Congressional Record, volume 116, part 24, page 32253; volume 116, part 27, page 36635; and volume 116, part 32, page 42575.) The Record should be complete on this matter and all those interested are entitled to know the results of the staff investigation.

The staff report explores many issues relating to the Corvair, but to me its most significant finding is the effect of certain replacement tires on vehicle stability and handling. Until now, traffic safety researchers and the DOT have not recognized the difference in handling performance caused by various tires. Now, their impact has been documented.

Last year, the 36 domestic and foreign tire manufacturers sold 147.5 million replacement tires in a bewildering array of 200 separate models. The possibilities for mixing tire brands on one car are nearly limitless. Yet today, no one knows the effect on vehicle stability and handling of these tires, either in new sets of four, or when mixed with other used makes and models. This situation demands prompt action by the Federal Government and affected business concerns. Accordingly, I am writing Secretary of Transportation Claude S. Brinegar, urging him to call an international conference of automobile and tire manufacturers on the safety of replacement tires.

Mr. President, this is not a theoretical problem. It is a practical matter of great concern to millions of motorists daily. I hope Secretary Brinegar will give it high priority attention.

I had originally planned to insert the staff report in the Record at this point. However, Mr. Nader, who, as noted above, previously declined my offer to read the report prior to publication, asked this morning for a delay in introducing the report into the Record so that over the weekend he could read it and prepare a response. In an attempt to insure that the public now and in the future have access to all points of view at one place in the same edition of the Congressional Record, I agreed to accommodate Mr. Nader's wishes. I will, therefore, insert into the Record the staff report together with Mr. Nader's comments Tuesday, March 20, 1973.

I ask unanimous consent that the text of my letter to Secretary Brinegar be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

March 15, 1973.

The Honorable Claude S. Brinegar,
Secretary, Department of Transportation,
Washington, D.C.

Dear Mr. Secretary: For the past two and a half years members of my Subcommittee and personal staff have conducted an extensive investigation into Mr. Ralph Nader's charges that witnesses representing General Motors misled the Subcommittee on Executive Reorganization concerning the safety of the 1960–63 Chevrolet Corvair at a hearing on March 22, 1966. During their inquiry they learned that certain replacement tires can adversely affect vehicle handling to a substantial degree.

This finding raises important issues which the Department of Transportation should seriously consider. Last year 147.5 million replacement tires were sold by 36 domestic and foreign manufacturers who marketed 200 separate models and brands. These tires include bias ply, fiber glass belted and steel radial types. They are used in new sets of four tires and in combination with worn original equipment tires and snow tires. A recent report to DOT by one of its consultants points out that "tires are probably the single most important vehicle component in determining how the vehicle responds in extreme steering and braking maneuvers." Yet no one knows the effects of these tire combinations on vehicle stability and handling.

The recent proposed rule on tire grading and labeling is an important step toward assuring the safety of replacement tires. However, the proposed standards are limited to three performance characteristics, and do not consider the effect of various tire combinations or the relationship between tire and suspension characteristics.

Accordingly, I urge you to call an international conference of motor vehicle and tire manufacturers on the safety performance of replacement tires. The agenda for such a conference should include the following topics:

1. Traction in braking, driving and cornering on dry and wet paved surfaces, gravel, snow, ice, etc.
2. Characteristics which are relevant to vehicle directional control and stability, e.g., cornering stiffness, aligning torque, and camber stiffness.
3. Resistance to road hazard damage and resulting unexpected airout.
4. Resistance to overheating or other damage due to sustained high speed operation.
5. Effect of mixing different types of tires, e.g., radial and bias ply, and regular and snow tires.
6. Relationship of vehicle suspension system and tire performance characteristics.
7. Technical tests and procedures for measuring tire characteristics and performance.
8. Need for an amended notice of proposed rule-making concerning replacement tires.

An international conference on the subject would serve a valuable purpose by calling public attention to an important problem of traffic safety affecting millions of motorists daily. This is a matter of great importance and such a conference should be convened as soon as possible.

I would appreciate your prompt response to this letter.

Sincerely,

Abe Ribicoff.

SAFE BLOOD SUPPLY

Mr. HARTKE. Mr. President, last year, together with Senator Percy, I introduced the National Blood Bank Act (S. 2909) to require registration of all blood banks, to establish standards for blood banks, and to establish a program to encourage the voluntary donation of blood.

The National Blood Bank Act was prompted by the growing incidence of hepatitis which is transferred in tainted blood received from donors in ill health. Studies have shown that far too much of this blood comes from commercial blood bank centers. Many of these centers are operated by reputable people, but a significant number exist in depressed areas of cities and take advantage of local residents in poor health.

Mr. President, recently some of the citizens of Los Angeles initiated a strike against unscrupulous commercial blood banks. I ask unanimous consent that an article describing their cause and a statement issued at their press conference last month be printed in the Record at this point.

There being no objection, the article and statement were ordered to be printed in the Record, as follows:

Strike Planned Against Skid Row Blood Banks—Group Charges Exploitation of Donors, Seeks Higher Payment, Setting of Health Guards

(By Doug Shult)

Organizers of a newly formed Blood Donors Union Tuesday announced a pending strike against commercial blood and plasma banks operating on Los Angeles' Skid Row.

The announcement came during a press conference at which organizers issued a strongly worded statement criticizing the blood banks for alleged "wholesale human exploitation."

Among the goals of the strike, scheduled to begin next Tuesday, are increased payments to donors, the establishment of certain health safeguards, and the dispensing of information on legal and health questions to Skid Row donors.

The organizers of the union, believed to be the first of its kind in the nation, are volunteers at the Catholic Worker's Hospitality Kitchen, which gives out free hot meals to the poor.

THEOLOGY STUDENT PARTICIPANT

Ray Correio, a theology student who participated in the press conference at the kitchen, 821 E. 6th St., said the union was formed to "provide for the protection of Skid Row blood and plasma donors from certain existing forms of physiological and economic exploitation."

"For many years these desperate and diseased men have provided a significant portion of the blood and plasma resources used in the United States," Correio said.

Current practices of commercial blood banks on Skid Row "indicate a blatant disregard" for the general health of both the donors and the public, he added.

"By any realistic and objective definition the poor who inhabit Skid Row are not normal healthy individuals. There is a high percentage of alcoholics, they are undernourished, and they do not receive adequate rest or sufficient exercise. Health and sanitary conditions are poor," he said.

Correio was accompanied at the press conference by Jeff Dietrich, coordinator of the Hospitality Kitchen, which dispenses between 250 and 600 free meals a day.

They said they had investigated the commercial blood donor system on Los Angeles' Skid Row for four months.

Singled out for criticism were the lack of adequate controls over the transmission of hepatitis, an infectious liver disease; the "inhumane" treatment of blood donors, and cursory inspections by state and federal regulatory agencies.

MAJOR SOURCE INCOME

A study was cited showing Skid Row residents to be "high risk" transferers of hepatitis and examples were given of men whose major source of income was from frequent donations of blood, for which they are paid $5 a pint.

A spokesman for Abbott Laboratories in Chicago, parent company of Hyland Laboratories, which operates a plasma bank at 335 E. 4th St., issued the following statement:

"Our donor centers are fully staffed by professional people. At the Los Angeles 4th St. center, for example, we have a doctor, registered nurses, medical technologists and laboratory technicians.

"We have careful screening of prospective donors, including appropriate medical tests. Our centers are clean and well-managed, not only because of the high standards that must be met in processing plasma, but equally important because of our concern for the donors."

The statement stressed society's "urgent need for plasma."

Correio said his organization hoped to make the strike work by picketing and leafleting only one blood bank at a time.

He estimated that 9,000 men a month use the Skid Row facilities and said there was an admitted problem in involving them in the strike.

"Down here men sell their blood to live. With their $5 they get a 'flop' (bed), a meal and a couple of packs of cigarets," he said.

Correio said the isolation and cure of hepatitis would benefit both the public and donor alike, and said the strike also would seek to force the banks to give the men nutritive replacements, such as orange juice or vitamins, after donating blood.

Other goals of the strike are the establishment of a permanent record-keeping system to keep donors from making repeated visits, and the donation by the banks of 25 cents per pint to the union, which would use the money to set up a clinic.

Currently the only system used to determine whether a donor is giving blood before waiting an eight-week statutory period is a dye placed on a fingernail and the visibility of needle puncture marks.

Donors reportedly use battery acid to remove the dye, enabling them to beat the system.

PRESS CONFERENCE

We have called this press conference to announce the formation of the Blood Donors Union whose primary purpose is to provide for the protection of skid row blood and plasma donors from certain existing forms of physiological and economic exploitation. In order to secure more humane treatment and better health protection for blood and plasma donors, the Blood Donors Union will initiate a strike on February 27, 1973, against various commercial blood and plasma facilities in the skid row area.

The decision to begin this strike was made only in the last two weeks after numerous other and less drastic methods were ignored by the commercial blood and plasma facilities.

With the knowledge that very little information has been available concerning the rapidly expanding commercial blood banking and plasma procurement system in the United States, the Blood Donors Union has been conducting a lengthy investigation in order to assess what effects, if any, this system has had and will continue to have upon the health and welfare of millions of people, both donors and recipients alike.

Our continuing investigative efforts seem to lead us deeper and deeper into what appears to be a bottomless pit of death, disease and wholesale human exploitation. The formation of the Blood Donors Union, the upcoming strike, and our presence here today are, we hope, strong indications as to the seriousness with which we regard this problem.

We have chosen to focus our efforts and attention on the plight of the donors on skid row because until this time their fate has been ignored not only by the commercial blood and plasma banks, but also by the general public. Those of us who work here at the Hospitality Kitchen have come to know these men not merely as drunks, drug addicts and indigents, but as fellow human beings who for a variety of reasons seem to have lost their way. For us their health, welfare and ultimate fate are as important as that of any other segment of the population.

For many years these desperate and diseased men have provided a significant portion of the blood and plasma resources used in the United States. Various studies and medical opinion point to the fact that skid row inhabitants do not meet even basic health criteria to function as long term blood and plasma donors. "All authorities agree that donors should enjoy a diet rich in protein and amply nutritious to help the body manufacture plasma proteins quickly, the fluid intake should be above normal; attention should be paid to sleep and exercise; that blood protein and other tests should be carried out frequently, and that poor "skid row" types of donors should not be used."

(Kliman, A. & Lesses, F., "Plasmapheresis as a Form of Blood Donation", *Transfusion*, Vol. 4, 1964, p. 470.

"A New Frontier in Medicine", Fenwal Laboratories Brochure, Morton Grove, Ill., 1968.

Conference on Plasmapheresis, 1966.)

Dr. T. J. Greenwalt, former Director of the Milwaukee Blood Center, subsequently Medical Director, Blood Program, American National Red Cross, states that Plasmapheresis (the plasma donation process) "is exploiting for its proteins a population which is least able to donate them, the poorly nourished skid row population."

"Plasmapheresis is considered relatively harmless to the normal, healthy individual." (Summary Report, NHLI's Blood Resource Studies, June 30, 1972. DHEW Publication No. NIH 76–416.) By any realistic and objective definition the poor who inhabit skid row are not normal healthy individuals. There is a high percentage of alcoholics, they are under-nourished, and they do not receive adequate rest or sufficient exercise. Health and sanitary conditions are poor. Any of you who care to may walk down an alley of your choice and the stench of urine and feces will rise up to greet you.

These unsanitary conditions are compounded by the current practices used by the blood and plasma facilities in the skid row area. These practices indicate a blatant disregard for the health and welfare, not only of the inhabitants of skid row, but also the general public, who in many cases unknowingly receive blood donated by these unfortunate and unhealthy donors.

Men are allowed to donate whole blood and plasma at intervals which can only lead to rapid, and in some cases permanent, physical deterioration. One man who has come to us was allowed to donate a pint of whole blood and two pints of plasma within a four day period. Tests to determine the quality of blood to be donated are often administered in a careless manner, and the criteria for determining donors is very questionable. Donors are required to sign a waiver releasing the blood bank facilities from damage claims that may result from accidents or negligence. Most donors do not realize that this type of waiver, in most cases, are not legally binding. But how many of the blood and plasma donors who have been injured in the blood banks have access to lawyers?

Blood and plasma donors are not provided with even basic information pertaining to the possible dangers involved in long term blood and plasma donation. Informed consent is important, not only for the donation of blood and plasma, but also because many skid row blood and plasma facilities engage in activities that can only be classified as human experimentation.

After a blood or plasma donation fruit juices and nourishment are not provided for the donors. This is especially important considering the dietary restrictions placed on plasma donors for the twenty-four hours preceding the plasmapheresis procedure. Donors are told to eat only bread and jelly, cooked or fresh vegetables and fresh fruits. But most plasma donors are fortunate if they receive a plate of beans the night before. Compensation is kept at a minimum so that donors have a tendency to remain dependent on their donations of blood and plasma for basic sustenance.

Present State and Federal regulation does not provide sufficient protection for the blood or plasma donor. Recent changes in Federal regulations fall far short of what is actually needed to insure adequate health protection. The American National Red Cross Position Statement dated February 22, 1972, states that, "every precaution should be taken to protect both the giver and the receiver of blood." But in reality even minimum precautions are not taken.

An indication of this can be found in the Bureau of Biologics Donor Criteria List. (Exhibit VIII, National Blood Resource Program) It is an important list to keep in mind, not only if one is a blood donor, but especially if one is to receive a blood transfusion.

Perhaps at this point it is time to bring your attention to the list of demands drawn up by the Blood Donors Union. We feel that in the light of the facts which we have presented today these demands are necessary to protect blood and plasma donors and recipients from unnecessary harm, exploitation and risk.

We feel that the general public should also be made aware of the implications involved in their continued use and dependence upon commercial blood and plasma. It is conservatively estimated that 5,000 deaths and 50,000 medical injuries per year can be traced directly to blood and plasma transfusions. The fact that numerous commercial blood and plasma dealers operate primarily in low income and skid row areas increases the chance that high risk donors will frequent these facilities. Professor Garrett Allen of the Stanford University School of Medicine has shown in a series of studies that the risk of serum hepatitis from transfusions derived from prison and skid row populations is at least ten times that from the use of voluntary donors. This high rate of hepatitis combined with the fact that the Hepatitis Associated Antigen test for the identification of blood that may be a carrier of serum hepatitis is only 20%–30% accurate. (American Association of Blood Banks Testimony before the House Ways and Means Committee, October 28, 1971.)

Dr. Allen estimates that hepatitis costs Americans $87,000,000 a year, based on a study of 25,000 patients hospitalized by hepatitis. Senior Citizens are especially effected by this high incidence of post-transfusion hepatitis. One fifth to one sixth of all the blood resources collected in the United States are used by Medicare patients over the age of sixty-five. The mortality rate for people over the age of 65 who contract post-transfusion hepatitis is 50%.

It is estimated that over 50% of the blood and plasma resources in the United States are derived from commercial private enterprises who rely primarily on paid and professional donors as source material. Collection of plasma by the pharmaceutical Industry appears to be increasing about 10% each year. Coupled with this expansion has been the decline of volunteer donations throughout the country. In New York City, for example, the proportion of paid donors in 1952 were only 15%, in 1966 the percentage had risen to 55%. The percentage of voluntary community donors has fallen to a mere 1%. This trend towards the commercialization of blood and blood products has reached an unacceptable and dangerous level. It has undermined the entire voluntary structure operated by the American National Red Cross, and has eroded many of the altruistic intentions and inclinations formerly practiced by most American citizens with regard to blood donations. "Many recent surveys of the blood banking system have indicated that the system has been unable to provide American consumers with sufficient quantities of high quality, safe human blood and blood products." (Federal Register, Vol. 38, #20, January 31, 1973, p. 2966.)

With these facts in mind, we think that it is time for people to act. We have indicated the crucial relationship or bond that exists between the skid row blood and plasma donor and the hazardous disease factor involved for recipients of a blood or plasma transfusion.

The bodies and blood of poor, diseased and desperate men cannot be used to provide blood for an affluent society. Nor can large pharmaceutical companies continue to use men's bodies as a source for corporate profits at the risk of endangering the health and welfare of millions of men, women and children. These companies must realize that men are not a species of cow to be bled for a valuable and sometimes priceless substance. The Men of Skid Row as unfortunate as they may be are still men and not animals and deserve to be treated as such.

BLOOD DONORS

As blood donors, and more important as human beings, we believe that we should have the following rights:

1. To respectful care and treatment.

2. To be advised if the blood and plasma bank proposes to engage in or perform human experimentation. The donor has the right to refuse to participate in such treatment.

3. To receive from the attending physician all information necessary in order for us to give our informed consent prior to the start of any procedure and/or treatment including the risks involved in such procedure.

4. To obtain an increase in the amount of compensation now being paid to us for our blood and plasma. We suggest a minimum of $15.00 per pint of whole blood, and $9.00 per pint of plasma. We feel that these prices are fair and necessary considering the risk involved.

5. To the immediate abolishment of the cards which we are forced to sign which seek to absolve you (banks) of any liability in the case of injury caused by negligence. We know that they are not legally binding and we strongly feel that you should be held responsible if such negligence occurs.

6. We feel that since you are using our bodies in a way that drains them of valuable proteins, which are very difficult for us to replace, that you should assume some responsibility for our health and welfare. We ask that you provide fruit juices and vitamin supplements to each man who donates either blood or plasma. We also feel that we have a right to receive 25¢ per donor, over and above the fee that is paid for the donation of blood or plasma. This money is to be placed in the Union Health Fund in order to provide a free medical and dental clinic for the skid row area.

7. We recognize that the incidence of hepatitis in and around skid row is great. Therefore, for our protection and also for the protection of the general public, we recommend the introduction of some form of central record keeping by the blood and plasma banks so that men suffering from hepatitis may be located and treated.

BUDGET EFFECTS ON EDUCATION

Mr. MUSKIE. Mr. President, last Monday it was my pleasure to speak at the College of the Mainland in Texas City, Tex. This is a relatively new community college which has had enormous success. It is strongly supported by members of the community who are justifiably proud of the contribution this college is making in educating young people in the area.

While visiting the campus, college officials gave me a breakdown of the anticipated effect of the Nixon administration's budget for education on the college. Examples such as this show the hardship which many colleges and universities will undergo if the administration's budget proposals are accepted.

Mr. President, I ask unanimous consent that this document be printed in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

The anticipated effect of the Nixon Administration's budget (FY 74) on College of the Mainland

DIVISION OF INSTRUCTION

A. Continuing Education and Community Services Title I, HEA '65, as amended by EA '72

Lost Revenue to COM:	$10,000
1). Project: Planning Sessions with COM personnel and local government officials	2,500
2). Project: On-campus programs of information and services of selected city and county officials	2,500
3). Project: Drug awareness program: student, faculty/staff participation	2,500
4). Project: Environmental Education Seminars presenting industry and citizen views	2,500
Total	10,000

B. Learning Resources

If Title II, HEA '65 as amended by EA '72, is not funded, COM will lose: under IIA, a minimum of $5,000 basic grant, a $2,500 supplemental grant; under IIB the loss is not measurable in dollars: library training programs, seminars, fellowships, etc	7,500

C. Academic Programs

Though COM has participated only recently in Title VIA (Equipment and Materials for Undergraduate Instruction), our annual loss would be	10,000
If EPDA is not refunded, COM could lose the maximum award	75,000
If Title X of EA '72 is not funded, COM would lose in excess of	100,000
Excess property, per year	25,000
Total	210,000

D. Technical-Vocational Programs

Nursing Capitation Grants	20,000
Title X, EA '72, Part II	100,000
Excess Property	25,000
Cooperative Education	20,000
Machine Tool Loan	25,000
Total	190,000

E. General

Cranston Amendment (Veterans)	30,000
Supplemental BOG	15,000
Total	45,000

F. Summary

1. Continuing Education	10,000
2. Learning Resources	7,500
3. Academic Programs	210,000
4. Tech-Voc Programs	190,000
5. General Appropriations	45,000
Total	462,500

TRIBUTE TO THE REVEREND DOM LEO VAN WINKLE

Mr. PELL. Mr. President, I would like to take this opportunity of calling to the attention of my colleagues the service of a distinguished educator in my home State of Rhode Island—Rev. Dom Leo van Winkle who has announced his retirement, to be effective this June, as headmaster of the Portsmouth Abbey School in Portsmouth, R.I.

Father van Winkle has greatly contributed to the growth and development of this excellent school during his 16 years of leadership as its headmaster.

Under his enlightened guidance the school has grown in stature both in a physical sense and in intellectual prowess. Annually this school's graduates go forward to our country's leading colleges and universities.

I commend the Portsmouth Abbey School for the quality of education it maintains, and, in particular, I congratulate its headmaster for 16 years for the enhancement of that quality.

I believe that the students, faculty, parents and alumni of the Portsmouth Abbey School join in these sentiments and in this personal tribute to an educator who has given so much of himself to educational advancement in my own State—an advancement which applies in its influence to our country's educational progress.

TAX REFORM

Mr. MUSKIE. Mr. President, last Sunday, Mr. John D. Ehrlichman, the President's chief domestic adviser, told a national television audience that the only tax inequities whose reform would generate significant amounts of new revenue were loopholes he identified as the personal exemptions for dependents and the deductions allowed for homeowners' mortgage interest and charitable contributions.

Mr. Ehrlichman was talking nonsense. I can only assume he did so because this administration seeks to preserve the special tax breaks it has enacted or perpetuated on behalf of the rich and of favored corporate interests. That policy of discrimination in favor of the affluent goes hand in hand with the policies of budget cuts aimed at the poor, the disadvantaged, the handicapped, the veterans and the elderly.

Fortunately, two articles in the Washington Post, an editorial yesterday and a column by Hobart Rowen today, do much to set the record straight. The figures cited in those articles on tax subsidies for the privileged and the powerful are parallel to those I discussed in the Senate on January 23 when I offered my tax Reform Act of 1973, a measure that would close or narrow 24 of the largest loopholes in our tax code, generate new revenue of $18.6 billion a year by 1975, and restore fairness to our system of taxation.

I recommend both these articles to the attention of my colleagues and I ask unanimous consent that they be printed in the Record at this point.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 14, 1973]

How To Find a Loophole

This morning we wish to help a reader, Mr. John D. Ehrlichman of 1600 Pennsylvania Avenue NW, look for the $15 billion that he mislaid on his way to the Inaugural. That $15 billion is in the form of tax loopholes. Mr. Ehrlichman says that he has no recollection of those loopholes whatever. Some of them are reported to have been dropped into the corporation income tax laws. But Mr. Ehrlichman says that he has looked there, and could not find any loopholes. It is important to locate the loopholes because otherwise there will be no reform of the federal income tax. Mr. Ehrlichman is the President's assistant for domestic affairs, and frequently his spokesman on tax policy. Since he cannot find any loopholes to close, Mr. Ehrlichman concludes that the only way to broaden revenues is to start taxing contributions to the church on the corner, and the Boy Scouts. As Mr. Ehrlichman observes, no reasonable person would want to do that.

A lot of reasonable people can think of very reasonable ways to improve the income tax without going after the churches and the Scouts. Many of these proposals have already been discussed in the Ways and Means Committee's careful and intelligent deliberations over recent weeks. The chairman of that committee, Mr. Wilbur Mills, said this week that he expects to complete a bill within the next several months. But the White House evidently does not care for the attention being given to corporation and estate taxes, and to the tax shelters, in the current congressional discussions. Mr. Ehrlichman is, in fact, leading the White House's campaign to persuade the public that tax reform will necessarily mean impoverishing the charities. He was very explicit last Sunday, when he appeared on the ABC radio and television program, "Issues and Answers":

"Mr. Ehrlichman: . . . You don't raise very much money by making every taxpayer pay some tax. You don't raise very much money by making every corporation pay a tax. Where you really can raise money by closing loopholes is if you don't let the average householder deduct the interest on his mortgage any more, and you don't let him deduct charitable contributions to his church or to the Boy Scouts, or you don't let him take personal exemptions. Now that is where you can really raise a lot of money.

"Mr. Kaplow (of ABC News): Are you saying there can be no significant tax reform? There is no combination of loopholes that can be closed that would bring in a significant amount of additional revenue?

"Mr. Ehrlichman: That is what I am telling you. I think you will see, as the House Ways and Means Committee goes through this process that there is no way to raise the $15 billion, for instance, that the spenders in the Congress want to run over the President's budget, unless you start digging into the average taxpayer's exemptions, or charitable deductions or mortgage credits or something of that kind."

No way? Indeed, there are a great many ways. One that comes immediately to mind, as a beginning, is to revoke the Accelerated Depreciation Range, a large tax cut for businesses that was put into effect in 1971. Next year it will cost the Treasury $2.7 billion. The business investment credit, enacted at the same time, was worth $1.8 billion in 1971, the last time the Treasury published a precise figure. The Domestic International Sales Corporation (DISC) dodge, also passed in 1971, is the kind of concealed export subsidy about which this country very properly protests in other nations' tax laws. It is currently costing the country about $170 million a year. That is a modest sum, compared with accelerated depreciation and the investment credit, but it is more than the administration intends to spend next year on urban renewal.

Mr. Ehrlichman is right in suggesting that substantial benefits go to the middle-income householder. In 1971, the Treasury estimated, the deductions for mortgage interest and property taxes cost the federal Treasury just over $5 billion. But taxing capital gains under the present law, rather than treating them as ordinary income, cost the Treasury $5.6 billion that same year. Mr. Ehrlichman forgot to mention that one. True, the former Secretary of the Treasury, Mr. John Connally, once predicted that any attempt to tax capital gains as ordinary income would immediately result in the collapse of the capitalist system and the triumph of the forces of darkness and chaos. But there are other experts who consider the capitalist system strong and confident enough to support an ideal of fairness that taxes all income at the same rate regardless of source.

Estate taxation is a tangle of anomalies, and certainly deserves a place on Mr. Ehrlichman's list. When a wealthy man dies, his fortune escapes the capital gains tax altogether. It is subject to an estate tax, but it is never touched by the income tax. Gerard M. Brannon, research director for Tax Analysts and Advocates, a research professor at Georgetown University, recently estimated that the failure to collect capital gains taxes on estates costs the Treasury perhaps $3 billion a year.

Whether these specific tax benefits, or any acceptable combination of them, add up to Mr. Ehrlichman's figure of $15 billion is irrelevant. The first purpose of tax reform is not to raise a specific sum of money. The first purpose is to make the tax system more fair, and to increase the taxpayer's confidence that he is being treated equitably. That confidence has undergone a serious erosion in recent years because of provisions like some of those mentioned above. Congress is, altogether correctly, moving to meet this criticism. The challenge to the equity of the present income tax system are substantial and well-founded. Mr. Ehrlichman brings no credit to the administration by his absurd pretense that they do not exist.

[From the Washington Post, Mar. 15, 1973]

Loopholes and Little Guys

(By Hobart Rowen)

On ABC's "Issues and Answers" last Sunday, presidential aide John D. Ehrlichman said that "there is a lot of misinformation around in this business of tax loopholes," and then he did his best to spread some more of it around.

The basic point that Ehrlichman was trying to make is that it's not possible to raise a great deal of money by tax reforms, "unless you start digging into the average taxpayer's exemptions, or charitable deductions, or mortgage credits, or something of that kind."

That, as Mr. Ehrlichman must know, is simply not true. He was just trying the usual scare tactics that have been this administration's old reliable weapon against tax reform.

What is true is that the exemptions or loopholes he mentions account for a considerable part of the erosion of the tax base. But there is plenty more that he didn't choose to mention.

Could it be that Ehrlichman failed to point to other loopholes because the chief beneficiaries are businesses and the most affluent taxpayers?

For example, the exhaustive analysis of erosion of the individual income tax base by Brookings Institution economists Joseph A. Pechman and Benjamin A. Okner in January 1972, for the Joint Economic Committee of Congress shows that under a comprehensive tax system, the Treasury would pick up $55.7 billion in revenue it now loses to the leaky tax structure.

Of this total, $13.7 billion would come from taxing all capital gains, and gains transferred by gift or bequest: $2.4 billion from "preference income" such as tax exempt interest, exclusion of dividends, and oil depletion; $2.7 billion from life insurance interest; $9.6 billion from owner's preferences; $13 billion from transfer payments (welfare, unemployment compensation, etc.); $7.1 billion for the percentage standard deduction; $2.9 billion for deductions to the aged and blind; and $4.2 billion for other itemized deductions.

On the corporate side, Ehrlichman made no mention of the $2.5 billion in reduced tax burden that business will get this year through accelerated depreciation schedules (ADR); and another $3.9 billion via the investment credit. From 1971 through 1980 ADR will be worth $30.4 billion and the tax credit $45.2 billion (all U.S. Treasury calculatins). And in that span of time, there will also be some $3 billion in give-aways through DISC—a tax shelter for export sales profits just created by the revenue act of 1971.

Another tax reform target Ehrlichman appears unable to see is income-splitting, which Pechman and Okner estimate causes a revenue loss of at least $21.6 billion annually, almost half of which is a benefit to a relative handful of taxpayers in the $25,000–$100,000 income bracket.

But there's more to it than that. Ehrlichman pretends to be concerned about that "average householder" who would be hit if he couldn't take his mortgage interest as a deduction. But of the $9.6 billion that Pechman-Okner show lost to homeowners' preferences, defined as deductions for mortgage interest and real estate taxes, $5.3 billion goes to the tiny 5 per cent of taxpayers with reportable adjusted gross income of $20,000 or more.

And how about Ehrlichman's warning that Uncle Sam can't raise tax-reform money in significant amounts "if you don't let the average householder . . . deduct charitable contributions to his church or to the Boy Scouts . . ."? Is he really worried about the little guy?

The Tax Reform Research Group (one of Ralph Nader's operations) showed last year that when you divide the number of taxpayers in each income group into the total tax preference benefits of charitable deductions, other than education, you find this:

Among taxpayers in the $7,000 to $10,000 income bracket, the average tax benefit for charitable contributions was $17.44; for those in the $10,000 to $15,000 bracket, $33.11; for those in the $20,000 to $50,000 bracket, $199.09; for those in the $50,000 to $100,000 bracket, $1,211.16; and for those making $100,000 and over, a whopping $11,373.56.

So who is Ehrlichman trying to kid? If the administration doesn't have a decent tax reform program, it's not because it could wring the money only out of the little guy, nor because there aren't outrageous loopholes waiting to be plugged. It's just because Mr. Nixon must believe that his constituency likes the inequitable tax system pretty much the way it is.

ADDRESS BY QUINN TAMM, EXECUTIVE DIRECTOR, INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

Mr. BAYH. Mr. President, we know all too well the tragic toll that violent crime takes every year in this country. One of the organizations most actively involved in the struggle to reduce crime is the International Association of Chiefs of Police, representing over 9,000 police officials across the Nation. Mr. Quinn Tamm, their executive director, recently addressed the Landon School in Bethesda, Md., on this important issue. For the benefit of my colleagues, I ask unanimous consent to insert his speech at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

GUN CONTROL: ISSUES AND ANSWERS

I was very pleased to receive and anxious to accept Mr. Dixon's invitation to be with you today for some very important reasons.

First, I firmly believe that the answer to many of America's contemporary problems lies in the ability of its young citizens.

The vast majority of Americans is under thirty years of age, and youth's ability to take an active leadership role in the affairs of government has been just recently recognized and encouraged in the extension of voting privileges to eighteen year olds.

That particular constitutional amendment has been sorely needed and has taken a long time to break through the opposition of badly misguided intentions and unwarranted apprehension on the part of the general public.

Secondly, I think that one of the most serious problems of our time can best be solved by our Nation's young people because it affects them so intimately.

I am speaking of the unrestrained violence of our society and the need for effective nation-wide gun control measures.

Again, the opposition is permeated with badly misguided intentions and unwarranted apprehension.

I would like to begin by drawing an analogy between the exploding incidents of violence and the availability of the instruments necessary to carry them out.

The gun control opponents would like us to believe that no correlation exists between them.

Yet, in the light of some very startling facts, their arguments pale by comparison.

It is a fact that the United States, with two hundred million people, averages fifty times as many gun murders each year as England, Germany and Japan combined, with their total population of two hundred fourteen million.

It is a fact that all ten assassinations and assassination attempts on American presidents or presidential candidates involved firearms.

And, with the exception of President Kennedy, they all involved handguns.

It is a fact that since the turn of the century more than eight hundred thousand Americans have been killed in this country by firearms—far more than have died at the hands of all our enemies in all our wars.

Last year alone, over half of the fourteen thousand murders committed in the United States involved handguns.

It is a fact that handguns account for three-quarters of all firearms homicides and casualties, although they comprise only one-quarter of all the guns in the nation.

Actually, no one knows how many guns there are in the United States.

There is no national clearinghouse for records of that type—which, incidentally, gives us another insight into the laxity of present gun controls.

However, the best figures we have available show us there are thirty-five million rifles, thirty-one million shotguns and twenty-five million handguns—or nearly one firearm for every two men, woman and children.

In the last decade, handgun sales alone have quadrupled.

Guns are imported into this country at the rate of one million per year.

Most of them are cheap, snub-nosed handguns designed for one purpose and one purpose only—a quick and lethal belly shot!

They have even earned the nickname of "belly gun" or "Saturday night special."

I have titled these comments "issues and answers."

Let's focus on some of the current arguments that are being raised in opposition to recommended methods of controlling violence whenever it involves guns.

The problem of implementing effective disarmament measures to control violence stems from the fact that persons of differing opinions can look at the same basic facts and come to entirely contrary conclusions.

For instance, one issue that seems to surface over and over again each time federal regulations are proposed is the one pertaining to the constitutional "right to bear arms" under the second amendment.

Here, there is only one possible answer.

Repeatedly, the United States Supreme Court and lower courts have interpreted the second amendment as a prohibition against federal interference with the state militia—and not as a guarantee of an individual's right to bear arms.

In fact, the common law right to possess firearms was never regarded as an absolute privilege.

It was always subject to laws regulating that right in the same way that rights have always been regulated.

It has been said that your right to swing your fist stops where the other fellow's nose begins.

And, that is exactly why we need Federal regulations in this area.

The individual's right to bear arms infringes upon the public's right to life and liberty.

Taken to the extreme, the gun lobbyist could just as easily argue that Government has no right to infringe upon the private ownership of sawed-off shotguns, machine guns, rockets, grenades, cannons or any other weapon of war.

Aren't these arms?

Another important issue seems to be that no study has ever shown a causal relationship between guns and crime.

We are told that even States having strict gun control laws—such as New York with its Sullivan law—have even higher crime rates than some States without controls.

I can't think of any statement that is more simplistic or evasive.

First of all, no one has ever argued that guns, in and of themselves, cause crime any more than any other inanimate object could cause crime.

The overwhelming fact is, however, that guns facilitate crime by their very presence.

Firearms are the primary instrument of death and injury in American crime.

Two out of every three homicides are committed with guns.

Since 1963, the number of homicides involving firearms has increased forty-eight per cent, while the number of homicides committed with other weapons has risen only ten per cent.

Two of every three armed robberies are committed with a gun, and the fatality rate for victims of firearms robberies is almost four times as great as for victims of other armed robberies.

That means that even if the number of violent attacks did not go down, the number of fatalities resulting from violent attacks would be substantially reduced if the attackers did not have guns.

Considering police deaths alone, a firearm was used in ninety-seven per cent of the police killings last year.

There were one hundred twelve police officers killed by criminal assaults that year.

In the year before, there were one hundred twenty-five—the highest toll in our nation's history.

Policemen are armed.

They are trained in the skills of self-defense.

They are alert for trouble and the possibility of attack.

If you were out to kill a cop, which weapon would you use?

The handgun is the favorite criminal weapon for the most obvious of reasons.

It is light weight, cheap, easily concealed, fairly accurate and almost always deadly.

Because of their absolute nature, handguns are also the predominant weapon used in suicides.

And, I defy anyone to prove that suicides would be just as common if there were no guns around.

Another position that is always forwarded in defense of free access to firearms is that of home-protection.

Studies in Los Angeles and Detroit indicate that only about two per cent of home robberies and one per cent of home burglaries result in the firearms death or injury of the intruder at the hands of the householder.

Examination shows that in the great majority of the cases, the householder had no warning and thus no chance to arm himself with a gun.

Moreover, in considering the value of firearms for self-defense in the home, one must also take into account the risks associated with home possession of a gun.

A substantial number of the twenty-three thousand annual firearms accidents occur in the home.

Of the eight thousand annual firearms homicides, a large percentage occur in the home.

Also, the killing of a householder by intruding robbers and burglars account for no more than two per cent of all criminal homicides.

Such creatures rely on stealth and would no more want to be discovered by a householder than he would want to be discovered by a policeman.

From the standpoint of the individual householder, the self-defense firearm seems to be a dangerous investment.

The evidence is convincing, however, that the armed segment of our population is paying a heavy price in accidents and in the shooting of family members, friends and acquaintances for whatever deterrent effect their possession of self-defense firearms may be providing.

Less dangerous deterrents are available in the form of non-lethal weapons, alarms, and other security devices and systems.

I personally believe the case for nationwide firearms regulations has been well established.

We have patiently waited through no less than six separate studies to determine that fact.

In 1965, the commission on law enforcement and the administration of justice studied the problem.

In 1966, the commission on the reform of federal criminal laws studied the problem.

In 1967, the commission on civil disorders studied the problem.

In 1968, the commission on causes and prevention of violence studied the problem.

In 1970, the commission on campus unrest studied the problem.

And, in 1971, the commission on criminal justice standards and goals did the same thing.

You would think that after all that studying, someone could come to the obvious conclusion.

One thing they did agree on was that contemporary America is a violent society.

From all their work, we got two pieces of legislation—the Omnibus Crime Control and Safe Streets Act of 1968 and the Organized Crime Control Act of 1970.

Neither one of them put a dent in the rising crime rate or the private ownership of firearms.

Don't misunderstand.

I'm not advocating regulations on long guns, shotguns or finely engineered handguns that have a legitimate sporting purpose.

These guns are very rarely used in crimes except when they're stolen.

The vast majority of gun owners does not misuse firearms.

Millions of Americans are hunters, target shooters and collectors who use their guns safely and responsibly and who, perhaps as much as many of their fellow citizens, deplore the criminal use of firearms..

I realize how keenly competitive gun owners feel about the national skeet and trapshooting matches and the firearms events of the Olympic Games.

The guns I have been speaking about have been declared by the national shooting sports fraternity to have no sporting purpose whatsoever.

In fact, public opinion polls have shown that the majority of U.S. citizens wants stronger gun controls.

A responsible gun owner should be no more inconvenienced by registering his firearm than he is by registering his car.

I would, however, advocate a flat ban on the manufacture and importation of the cheap, short-barreled belly gun.

Firearms, especially handguns, must be regulated in some way if violence in America is ever to be controlled.

Whatever the opposition may be, we as concerned Americans must be willing to take any steps necessary to halt the slaughter of fifteen thousand citizens every year, the wounding of eighty thousand others and the gunpoint robbery of two hundred twenty thousand more.

When one considers that an American citizen is killed or wounded every two minutes, it becomes painfully clear that some form of nationwide regulation is absolutely essential.

While more people are killed by firearms each year in the United States than in all of Europe—with four times our population—I, for one, strongly recommend massive effective Federal legislation to halt this flood of handguns into our society.

I realize the dangers of using statistics.

They are often misleading.

And, in their impersonal way, they tend to be meaningless when taken out of context with the very personal tragedies that are being described.

Their meaning is more apparent when you can put names to them—names like Lincoln, Garfield, McKinley, Kennedy, King, Waliace and Stennis.

I wonder—in the days and weeks to come—how many young doctors, lawyers, engineers, scientists and artists we will lose to the impersonal majesty of the gun.

I wonder how many of you may not be able to vote in the next election.

Thank you for listening.

FOOD PRICES MUST BE BROUGHT UNDER CONTROL

Mr. PELL. Mr. President, in the family budget of the average American, there is no single item more important than food. In recent months, sharp increases in food prices, particularly meat prices, have forced American families to pinch pennies in their food budgets.

This is bad enough, but economists tell us that worse is yet to come. When recent upward surges in food prices at the wholesale level work their way through to the supermarket, the family grocery bill will be hit hard.

These price increases, as they take place, affect the living standards of every American family. And hit the hardest, as always, will be those families with low incomes and fixed incomes—the elderly, and the poor.

Mr. President, the Congress has given the executive branch the broadest authority to set our economy straight—to control inflation without creating unemployment.

And the President has used that authority with vigor and effectiveness, during phase I and phase II of the economic program, in holding down wage increases and in reducing substantially price increases on most manufactured goods and services.

Unfortunately, the President has not acted with equal vigor and effectiveness to restrain food and agricultural commodity prices.

I think it is vital that the President now move promptly and vigorously to halt runaway increases in agricultural and food prices.

Prompt action is required for two reasons:

First, action should be taken out of a sense of fairness to millions of Americans who are going to be hurt and hurt badly by high food prices.

Second, and equally important, failure to bring food prices under control could imperil the success of the entire economic stabilization program. It is unreasonable to expect the workingmen and women of this country to settle for reasonable, noninflationary increases in wages while week after week they watch their family grocery bills mount higher and higher. The phase III program established by the President depends heavily on voluntary restraint—by business, labor, and consumers. That voluntary spirit could evaporate quickly under the heat of rising, uncontrolled food prices.

Accordingly, I urge the President to place food prices under effective controls as soon as possible. I urge him further to consider, as a temporary measure, a freeze on prices of presently uncontrolled foods, especially meat products.

I recognize that the causes of the current upsurge in food prices are complex, involving the coincidence of a number of unusual factors. And I recognize fully that controls offer no long-term solution.

But, as one sage economist has commented on long-term projections—in the long run we are all dead. And I fear that unless effective short-run action is taken, in the long run the entire effort to stabilize the economy might die from failure to cope with food prices.

It is now estimated that food prices, generally, may well increase by more than 6 percent during this year. That average, of course, would include substantially larger increases in some foods such as meat. The best hope that is offered is that food prices might level out by the end of the year.

How, during a time when general economic controls have been in effect, did we arrive at this situation?

There is no question that simple increased demand by more prosperous Americans has played a part in increased food prices. But this cause was severely aggravated by severe grain crop failures, primarily in the Soviet Union, but also in other countries. For the first time in modern agricultural history, the total world production of feed grains dropped instead of increased. The situation was further aggravated, in the United States, by the Department of Agriculture's gross mismanagement of agricultural policy in the face of this development.

For at least 2 months after the world shortage of wheat became apparent, the U.S. Government continued to subsidize exports of U.S. wheat, ignoring the fact that what had been a buyer's market was now a seller's market. And the Agriculture Department, despite the escalating price of wheat, proceeded to divert 37 million acres of wheat land to other products for 1973.

As Congressman Reuss so appropriately noted, after the catastrophic wheat crop failure in Russia, the Soviets fired their agriculture minister, while in the United States, in the face of agricultural mismanagement, the Secretary of Agriculture was promoted to counsellor to the President for natural resources.

Belatedly, the administration has taken actions that might help to increase the production of agricultural products, including sale of government-owned grain stocks, a belated increase in feed grain acreage allotments, the elimination of quotas on meat imports for this year, and an increase in grazing acreage for livestock producers.

But these actions will not have any appreciable impact on food prices for many months. That is why it is important that the administration move quickly to bring spiraling food prices under control.

And if the administration does not act promptly, I believe the Congress should take specific action on its own, to eliminate agricultural subsidy programs that tend to reduce production or increase consumer prices; and to order a temporary freeze of uncontrolled agricultural prices.

SHRIVER AND BIEMILLER ON THE NEW FEDERALISM

Mr. MUSKIE. Mr. President, this morning the Subcommittee on Intergovernmental Relations concluded 7 days of Washington testimony on the impact of the new federalism on State and local governments by hearing from two distinguished Americans—Andrew J. Biemiller, director of legislation for the AFL–CIO, and R. Sargent Shriver, former Director of the Peace Corps and the Office of Economic Opportunity.

Because of the relevance and importance of their excellent statements, I ask unanimous consent that the statements of both Mr. Biemiller and Mr. Shriver, as well as my opening statement, be included in the Record at this point.

There being no objection, the statements were ordered to be printed in the Record, as follows.

Opening statement of Senator Edmund S. Muskie

Today we conclude seven days of testimony in Washington on the impact the Administration's 1974 budget and its broad New Federalism proposals could have on the way America is governed. The testimony we have heard so far points to the inescapable conclusion that these programs—to the extent that Administration witnesses have even been able to define them—promote confusion, not order; retrenchment, not reform; social stagnation, not advance.

And, contrary to the President's rhetoric, his policies would in fact force increases in local sales and property taxes for millions of Americans.

On top of that evidence, we now have proof that the Administration is reneging on the income tax reforms the President promised the Nation last June 22. His top domestic adviser, John Ehrlichman, has stated that the only tax changes that could generate significant new revenues are those which are unacceptable to all of us—eliminating exemptions for dependents and deductions for homeowners' mortgage interest and for contributions to churches and the Boy Scouts.

Either Mr. Ehrlichman is ignorant of the truth or he prefers to conceal it. Maybe he really does want to end personal exemptions and deductions for homeowners' mortgage interest and for contributions to charity. But I think those ideas are preposterous, and the fact that he even suggested them shows how blind this Administration is to the interests of working Americans.

Since Mr. Ehrlichman apparently does not believe that we can or should restore fairness to our tax system, I would suggest he read the Congressional Record for January 23 at page 1848, where I discussed the Tax Reform Act of 1973, my proposals to attack 24 of the worst inequities in the tax code, advantages that primarily benefit wealthy individuals and powerful corporations. The reforms I proposed then would bring in $18.6 billion a year by 1975 by eliminating or narrowing the tax inequities this Administration prefers to perpetuate.

They would raise $2.1 billion in reforms of capital gains taxation. They would generate $2.4 billion from new treatment of capital gains at death and $1.1 billion from reduction of the percentage depletion allowance. Repeal of the Asset Depreciation Range System would add $4.2 billion, and $1.3 billion would come from reform of taxes on foreign investments.

None of these reforms would hurt middle-income taxpayers. All of them would affect high-bracket individuals and corporations. Those are the facts, and Mr. Ehrlichman cannot wish them away.

This Administration must be made to see the reality the rest of us cannot escape. For special Americans, there are tax privileges. For ordinary Americans, there are only tax burdens, and this administration now offers them no relief, only added distress—new taxes raised at the local level to cover obligations the Federal Government will no longer honor.

The Administration is deceptive when it complains about budget deficits and then sidelines the constructive alternative of tax reform. The Administration is deceptive when it promises to relieve high property taxes—as the President did in his 1972 State of the Union Message—and then acts in a way that forces State and local governments either to increase property taxes or abandon needed social services.

The record of these hearings will show the dangers we face unless the Administration modifies its proposals, redeems its campaign pledges and begins to tell America the truth.

Statement of Andrew J. Biemiller

Mr. Chairman, the AFL-CIO is deeply concerned by the Administration's callous abandonment of social programs that is inherent in its budget for the 1974 fiscal year.

The budget presented to Congress and the nation on January 29, 1973 is not based on an analysis of the nation's needs and the federal government's responsibilities in meeting these needs; it is an attempt to conform to preordained targets of receipts and expenditures. It represents a program which will eliminate much that is good and necessary along with some waste.

Dismantling vital social programs, such as those which create jobs, promote educational opportunity and provide housing, is not the way to improve the quality of life in America and expand employment.

Measures such as general and special revenue sharing, which send federally-collected tax dollars to the 50 states and tens of thousands of local government units in the hope that they will be used in the national interest, are a facade for replacing programs and underfunding public improvements. They represent an abdication of responsibility, not a means to promote efficiency in government.

Increasing efficiency and eliminating waste are laudable and appropriate goals. The nation's taxpayers are entitled to their money's worth. We know—and the Congress knows—that simply throwing money at problems will not make them disappear.

But we also don't buy the Administration's simplistic notion that the problems of taxpayer discontent and federal financial strain should be solved by: putting a halt to the enactment of new and necessary programs; under-funding those programs already on the books; refusing to spend funds already appropriated by the Congress for essential public investments in housing, education, environment, health, manpower training and job creation.

Mr. Chairman, the only way that America is going to solve both the government's revenue problems and the country's pressing social needs is to directly face both issues. Early enactment of a substantive tax reform program could add revenues sufficient to completely wipe out the anticipated deficit, add billions to the funds available to meet national priority needs, provide the underpinning for a healthy and balanced economic expansion, as well as preclude either an across-the-board tax increase or the slashing of vital social programs.

The so-called New Federalism is really nothing new. It is the thinly-disguised "old futilism" of the states righters with their rallying cry of "let the states do it." And that slogan means the same today as it meant 15 years ago: passing the buck to avoid federal responsibility for national problems.

We would not be here today—and, indeed, there would not be this controversy—if the states had "done it" or if the states could "do it." But they haven't, and they can't.

The broad problems of education, housing, environment, health, safety and manpower are really national in scope—too big for any state or local governmental unit to handle alone. Certainly, some states and some cities have tried their best, but they could not do what their neighbors would not do.

At this stage, when the country has identified the problems, begun to attack them and, indeed, made some progress, it makes no sense to turn the clock back.

America faces vast unmet public needs—from sewer, water and waste treatment systems to jobs, housing, urban mass transit, education, health-care, public safety, roads and recreation facilities.

Fulfillment of these needs requires the cooperation of all citizens and institutions. However, the nation's major domestic problems are still rooted in the shortages of services and facilities that are traditionally and appropriately the responsibility of government. Though much that is needed can and should be administered and financed at the state and local government level, it is the federal government—which represents all of the American people—that holds the key.

The most pressing domestic issues—such as unemployment, housing, crime pollution and health-care—are nationwide in scope and impact. They do not adhere to the lines drawn to bound America's 50 states and 80,000 local government units. They require national leadership, federal programs and federal financial support.

A federal effort to create jobs and the public investments needed to modernize and strengthen the underpinnings of American society began in the 1930s, only to be brought to a virtual standstill by the shortages of money, manpower and materials during

World War II. Following the end of the war and through the 1950s, only slow progress was made, at a time when the population was growing rapidly and vast numbers of people were migrating from rural to urban areas and from the cities to the suburbs.

In the 1960s, the long-delayed federal response came through enactment of numerous programs, which provide funds for state and local governments to use in meeting specific national priority needs, under federal performance standards. These programs created needed jobs and began to reduce the shortages in many public facilities and services.

Federal grants-in-aid for such programs as elementary and secondary school education, urban renewal, health-care and housing underwent a more than fourfold increase in the past decade—rising from $10.1 billion in 1964 to an estimated $45 billion in fiscal year 1973, an average annual increase of 18%.

This long overdue and badly needed expansion in national programs and federal funds aroused unrealistic expectations of quick and easy solutions to problems that had been amassing for decades. In the late 1960s and early 1970s, high interest rates, inflation, recession and lack of full-funding hampered the ability of state and local governments to finance their share of public investment—further increasing the gap between expectations and what could realistically be achieved.

In the last four years, Presidential vetoes have attempted to prevent enactment of new and essential programs. Many programs already on the books have been shortchanged.

In addition, the Administration has impounded $14.7 billion that Congress appropriated for such vital programs as housing for low- and middle-income families, communities facilities, water and sewer projects, highway construction and the Appalachian Regional Commission.

Now, according to the policy set forth in the federal budget for fiscal year 1974 the growth in federal aid to the states and localities for such vital programs will come to a halt.

For the year ending June 30, 1973, the Administration proposes to reduce or terminate programs in the amount of $6.5 billion—for fiscal year 1974, the total will be $17 billion. The budget plan is for program terminations and reductions, which over the next five years, would result in a cumulative total of over $100 billion.

If the Congress were to be so short-sighted to adopt these proposals, many vital job-creating, public investment programs would be totally dismantled and others hamstrung. Many would simply disappear through general and so-called "special" revenue sharing consolidations which obscure the national purpose, limit the power of Congress to monitor or control the programs and make federal performance standards, civil rights guarantees and labor standards difficult to enforce.

Among the numerous proposals to underfund, cut back or terminate federal programs are the following:

COMMUNITY DEVELOPMENT AND HOUSING

The proposed budget slashes in this vital area are the deepest. In effect, they would represent an end to a direct federal government role in revitalizing the nation's cities and increasing the availability of housing for low- and moderate-income Americans.

Seven programs geared to providing direct aid to the cities to improve the quality of urban living are to be completely eliminated. Major casualties in this list include urban renewal and the model cities program. In addition, programs to provide low-income families an opportunity to attain decent rental housing or to own their own homes will be terminated.

These cuts will also result in substantial job losses—in on-site construction, as well as in the production and distribution of steel, lumber, glass, cement and other building materials.

But, Mr. Chairman, what disturbs us most about these cuts is the atmosphere in which they were undertaken. Anyone who seriously believes that the hour of crisis for America's urban areas has passed is living in a dream world. The rot of the cities is spreading into suburban areas, and saying things are all right doesn't make them any better.

There has been waste, inefficiency and corruption in the government and in the Department of Housing and Urban Development during the past four years. But the Administration would deal with this problem by penalizing the victims of this waste and inefficiency; by penalizing those who look to the government as the landlord of last resort.

By penalizing the victims—those who need public housing and those communities that need low- and middle-income housing to replace ghetto slums—is the classic case of forcing the victim to pay the cost of the crime.

In effect, the Administration is saying to the governors and the mayors: "You're not going to lose by special revenue sharing. You'll get as much as you're getting now and you will be able to do what you want with the money."

The fact is, Mr. Chairman, the states and cities probably are not going to get as much. But, most important, we object to the motion that state and local governments will be able to spend it any way they want.

Quite properly, in our mind, the Congress sets the standards by which state and local governments can spend federal money. It is right and proper that the Congress should eliminate the local options to take care of the rich and forget the poor; to take care of whites and not blacks; to make things easier for those who build housing and not those who live in it.

Mr. Chairman, waste, inefficiency and corruption should be eliminated. But we fail to see how the abandonment of proper federal standards for use of federal funds contributes one iota to achieving that goal.

EDUCATION

Behind its vaguely-formulated program of special revenue sharing, the Administration is proposing the severe under-funding or elimination of programs which serve to improve the quality of education in America and to eliminate the great differences that exist in educational opportunity.

The prime target is the elimination of some 30 federal programs that provide aid to school districts for elementary and secondary education. Federal aid to school districts unduly burdened by federal government installations would also be abandoned.

Laws such as the Elementary and Secondary Education Act, the Vocational Education Act, Federal Impact aid, the Higher Education Act and the Library Services and Construction Act constitute some of the most important legislative achievements of the 1960s and they deserve a permanent place among the nation's laws. In most cases, these programs of categorical aid were enacted by Congress and to meet critical needs which had been largely ignored by state and local officials. By proposing to lump the categorical aid programs into a single blank check, the Administration would invite state and local officials to return to past practices of allocating funds on the basis of political power and whim rather than demonstrable need.

Title I of the Elementary and Secondary Education Act provides desperately needed compensatory funds for economically disadvantaged children. The Administration would abandon that effort.

Title III provides funds needed to develop innovative teaching materials and methods of learning. The Administration would drop this valuable program. The Vocational Education Act provides a workable mechanism for providing young people with the skills realistically needed in modern society. The Administration proposes to repeal the Act outright.

Undoubtedly many of these programs can and should be improved, but improvement is quite different from dismantlement. The problem, in many instances, has been that money was misspent by local officials who used it contrary to the intent of Congress. By loosening the controls, the Administration would aggravate the problem rather than contribute to its solution.

The AFL–CIO gave vigorous support to these laws when they were being considered by the Congress. Today we reaffirm that support. We will not abandon them.

Organized labor has consistently pressed for more federal funding for the schools. That is why we reject completely any Administration proposal for special educational revenue sharing. Such proposals would provide no additional funds for the schools, but would only divert funds from existing programs which Congress carefully designed to meet demonstrated needs. And, in the process, the Administration would repeal many of the most progressive laws enacted in the Twentieth Century.

The AFL–CIO therefore supports the five-year extension of the Elementary and Secondary Education Act and full funding at Congressionally authorized levels of the Act and of other federal educational programs. We will not abandon the educational programs we fought so long to achieve.

MANPOWER

The Public Service Employment Program (PEP), established by the landmark Emergency Employment Act of 1971, would be scrapped. This program represents, in effect, the only significant direct job-creation effort by the federal government. In its short two-year life span, about 150,000 jobs were created in 17,500 state and local government agencies.

The Administration, according to the budget, would decentralize the Job Corps program and severely cut back its funds. These funds are used to provide education, training and counselling for out-of-school youths who cannot find jobs.

Under the new concept of so-called special revenue sharing, the entire federal manpower training effort will be seriously endangered. At stake are several programs which help workers upgrade their skills and focus on the specific job-needs of minority-group youths and the elderly.

The federal government's role in planning and operating on-the-job and classroom training programs, funded under the Manpower Development and Training Act, would, in effect, be ended by the special revenue sharing proposal. The Neighborhood Youth Corps, which helps open opportunities for part-time jobs so that low-income youths can complete their education, would no longer be a federal responsibility.

The only increase in the manpower budget, of any consequence, is for the Work Incentive Program (WIN), which attempts direct job placement of welfare recipients. Since protective standards in this program are weak, welfare recipients can be placed in marginal, substandard jobs.

The Administration would also abolish the Economic Development Administration—the national economic development program, which has created jobs and public improvements in many areas that suffer from persistently high unemployment and lagging economic growth. The development program for the economically blighted Appalachian region would be cut back.

The Office of Economic Opportunity would also be abolished. The OEO and its Community Action agencies created jobs and provided a mechanism for many of the nation's poor to enter the economic mainstream.

HEALTH

The budget for fiscal year 1974 would eliminate 10 of the nation's 60 health programs. The Hill-Burton hospital and health facilities construction program would be terminated, on the false premise that the nation has more hospital beds than are needed.

Ignored is the fact that a surplus of beds in one community cannot help those in need of hospital care in another community. Moreover, in recent years Hill-Burton funds have been used primarily to modernize obsolete hospitals and to build out-patient public health centers and nursing homes. Since 1947, when the program started, 470,000 hospital beds have been provided. In the past five years, 91 percent of the funds have been used for modernization, only 9 percent for new facilities. The need for some new facilities is clear; the need for modernization is overwhelming.

The regional medical program, which coordinates efforts to treat diseases such as heart and cancer, would be eliminated and maternal and child health and family planning programs would be phased out.

A prime example of the false economy reflected in this budget is the proposed changes in Medicare. The Administration says Medicare recipients should be more "cost conscious" and that requiring them to pay more of their medical bills will reduce incidence of unnecessary hospitalization and treatment.

As we have pointed out in the past to other committees, this approach is unsound. Rather than seek treatment at an early stage when it is less costly, high deductibles encourage people to wait until illnesses become more severe and more costly to treat. Anyway, it is the doctor, not the patient, who determines if a person is to be hospitalized and for how long.

Increased social security payments, which the last Congress fought so hard to obtain, would be wiped out for those who need hospital care if these proposed Medicare changes are enacted.

ENVIRONMENT

Some of the widest gaps between Congressional intent and what the Administration plans to spend are to be found in programs enacted by the Congress to protect America's environment.

For example, approximately $10.1 billion to be allotted to the states for the construction of waste treatment plants have been made available by the Congress for expenditure in the fiscal years 1973 and 1974; yet the Administration plans to spend only half of that amount.

Match the Administration's proposals with the rhetoric of its February 15, 1973 message to the Congress on environment:

"Because there are no local or state boundaries to the problems of our environment, the federal government must play an active, positive role. We can and will set standards. We can and will exercise leadership. And we will provide encouragement and incentives for others to help with the job."

There are many other examples of the abandonment of federal responsibility that we could bring to the attention of this committee, but, for the sake of brevity, we will mention only two of grave concern to workers.

The AFL–CIO and two of its affiliates had to go to court to block the abandonment of the Occupational Safety and Health enforcement program to the states. While we are pleased that Secretary Brennan has rescinded the order we went to court to block, this incident exemplifies the vigilance necessary to protect hard-won legislative gains.

More than 3½ years ago, the President, in his Unemployment Insurance Message to Congress, urged the states to establish a state maximum weekly benefit of two-thirds of the average weekly wage in the state. He called upon the states to act within two years to avert the need for federal action. But, with a handful of exceptions, the Administration request to the states to raise benefits to a decent level has been shamefully ignored. And the President has yet to ask for the federal action he threatened.

CONCLUSION

In conclusion, Mr. Chairman, we recognize that the rapid growth, during the 1960's, in the number of federal programs to help meet the nation's public investment needs inevitably created some administrative inefficiencies and overlapping grants. However, this situation does not justify a dismantling of essential programs or an abdication of the federal government's key role in the development, financing and guiding of public investments that are essential to the nation's well-being.

The AFL–CIO has long advocated simplification of the large number of federal grants which requires consolidation of many overlapping grants, without undermining their purpose, goals and standards. Proposals to dismantle the system of federal grants-in-aid to the states and local governments for specific high-priority programs should be rejected—as should proposals to supplant the expansion of such programs with underfunded revenue-sharing measures that lack clearly specified program purposes and federal standards.

Mr. Chairman, the Administration's proposals would substitute concern for the corporate ledger sheet for the helping hand of government to people in need. These proposals constitute major surgery to remove compassion and heart from government along with the cancer of waste.

It is a blatant attempt to reorder national priorities in reverse. And we want no part of it.

The system of categorical grants to meet specific problems gave a voice to many Americans who had long been deprived of a voice because they are weak. It gave national priority to their problems and hope to their everyday lives.

Mr. Chairman, who speaks for those too weak to speak for themselves? The answer must be the Congress.

We implore the Congress not to turn a deaf ear to the pleas of those who ask only for hope from their government—those who seek nothing more than a government that is as responsive to their needs as it is to the strong and the comfortable.

The strength of a chain is in its weakest link. The strength of a country is in what it does for the weakest of its citizens. We agree with Franklin Roosevelt when he said in his second inaugural address: "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Mr. Chairman, we want America, to be strong and compassionate and full of hope for all its people. And only the Congress can assure that kind of America.

STATEMENT OF THE HONORABLE SARGENT SHRIVER, BEFORE THE SENATE SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

I am sorry to be here.

I believe it is a sad day for America when some of the most promising and compassionate initiatives of our time are threatened with destruction.

I would have come sooner, and I am grateful to Senator Muskie for inviting me to be among the early witnesses at these hearings. But I did not want to come charging out as a protector of my own handiwork. First, I wanted to hear the reaction of public officials who have lived with the social legislation of the 1960s—Governors like Jimmy Carter and Mayors like Joe Alioto. I also wanted to think about what I could add to what others could say. Walter Heller is more expert on the economics of the Administration's cutbacks; Moon Landrieu is more expert on their impact in the cities.

What I think I can contribute is my experience with the War on Poverty, which has become a favorite whipping boy of the White House. It is cited constantly as an example of government failure and a cause for cutbacks. I think it is now time for a reply.

From the beginning, I hoped to see the Poverty Program ended—but only after the program ended poverty. Instead, while the Administration proclaims peace with honor in a war in Vietnam that was wrong, it prepares defeat with dishonor in a war on poverty that is right. And how ironic it is that our leaders are now so willing to aid a country that was our enemy until a month ago, but so unwilling to lift the burden of deprivation from our own citizens.

The Poverty Program has not been perfect. There have been mistakes and misdirections. But the Office of Economic Opportunity has seen far fewer scandals than the Committee to Re-Elect the President; it has been far more efficient than the Lockheed Corporation; it has brought far more success at a lower cost than our $25 billion investment in a collection of moon rocks. So, I do not apologize for the war on poverty; I ask that we fight on until we win. For if there ever was a war in which there should be no substitute for victory, the war against poverty is it.

That victory will not be easy but it is not beyond our financial reach. Those who want to accept poverty and those who want to abolish it cannot be divided into budget balancers and budget breakers. All of us want to hold the line on the Federal deficit; indeed, the Congress has cut Executive spending requests by $30 billion in the last four years. The big spenders in Washington since 1969 have not been "on the Hill". The waste, the excesses, and the deficits have been Executive Department accomplishments. If Congress had not restrained the President, our country's financial condition would be even worse than it is.

And the real issue now is how we should spend what we have, and how we can raise what we need. Within a budget ceiling even lower than the President's, the Congress can find additional resources to combat poverty by cutting wasteful spending on defense. And without increasing taxes on most Americans, we can raise additional revenues from the few Americans and the many corporations who are not now paying their fair share.

So the choice is not between inflation and fighting poverty. We can have both a realistic budget and responsible priorities. We can save the $1.75 billion the Administration intends to spend on the Trident submarine next year—which is almost what a year of OEO costs at its height. We can raise $15 billion a year with the Muskie tax reform bill—which is more than OEO has cost in ten years. The true choice is between waste and special favors for some, and justice for all.

But the fact that we can afford to act does not mean that every action is right. Of each program and proposal, we must also ask: Will it work? I asked myself that question over and over during my time at OEO. And I have asked it again during this time when OEO stands at the edge of extinction.

To give a fair and sensible answer we must do these things:

We must set the record of the Poverty Program straight.

We must set the rhetoric of poverty straight.

And we must set the problem of poverty straight.

First, let's set the record straight.

This is not easy—for the Administration is not only trying to distort that record, but destroy it.

We now know that the Acting Director of OEO has suppressed a report demonstrating that Community Action Agencies across the country have raised $1.3 billion for the poor, more than half of it from outside the Federal Government. Apparently, such success must be hidden because it does not accord with the official line that CAP has been a failure.

And just last week, in preparing for this testimony, I learned how far the Administration is willing to go. I asked to see a 1967 film in which the Reverend Billy Graham praised the war on poverty. The current regime at OEO replied that all 150 copies had been discarded; I suppose the only surprise was that they did not put it in a shredder. Fortunately, I managed to locate elsewhere a print that somehow survived. Is the White House so afraid to let the American people know that Dr. Graham has said: "We . . . have a moral and spiritual responsibility to help those who really are in need . . . It takes the action of government and that is one reason why I have supported the idea of the poverty program."

Why was Dr. Graham supporting an inefficient, ineffective program that was a haven for hordes of shiftless bureaucrats? Because that was not what OEO was or is, except in the propaganda and press releases of this Administration.

The war on poverty was declared shortly after men in power learned a grim truth powerless Americans had lived with for years—there was deep and widespread deprivation in every part of the nation and among a fifth of our whole population. President Kennedy read "The Other America" and many other books analyzing and revealing the extent of poverty in our affluent society, and he commissioned Walter Heller & Kermit Gordon to research the problem and propose some solutions for his consideration. After his tragic death, President Johnson determined to pursue the initiative President Kennedy had started. He called for an all-out war against poverty in his first State of the Union message and he asked me to direct the Task Force that was assigned to develop the program.

Nobody on that task force started off with the preconception that the only solution to poverty was to give away hard-earned taxpayers' money to the poor. Instead we chose to open opportunities to them—not just the provision of help from the government, but a chance for self-help. We recognized that income maintenance was important; but in the early stages, with a budgetary limitation of $500 million, we emphasized income earning.

And nobody on the Task Force thought that the Federal government had to be the only force in this new war. Instead, what we developed was a partnership against poverty, a joint effort by Washington, public groups at the local level, and private enterprise of every size.

It is a fact—not merely a statement of hope or belief—that in the operation of OEO we made giant advances in the use of the private sector and the involvement of state and local government. President Nixon may talk about the big Federal bureaucracies that grew "fat" on poverty; but the fact is that we had the fewest bureaucrats per billions of dollars spent of any Federal program in history—except for Social Security which, after all, is primarily a check-writing operation. Of course, we needed a central command for a war on poverty, and we had regional offices with Federal employees. But the forces waging this war were local school boards and YMCA groups and private businesses, labor unions and local governments, state organizations and the poor themselves.

For example, the Community Action Program was run and staffed by the poor. It introduced them to the word of work and opened to them a chance for a career. Last year, in New York City, 6000 of them, employed in 26 community corporations and their delegate agencies, brought help to 843,000 deprived citizens in the areas of housing, health, education and drug addiction.

We also called on corporations to lend a hand—and they responded enthusiastically.

When we first suggested contracting our Job Corps centers out to private industry, we were criticized, even laughed at. But we did persuade Westinghouse and Litton, General Electric and I.T.T. to take on that responsibility as well as trade unions and fraternities like Alpha Kappa Alpha. And the State of Texas helped create a special organization to run a large Job Corps Center when John Connolly was Governor.

Overall, we sought to enlist, and we did enlist, literally thousands of private and local public bodies to initiate, operate, or evaluate the many programs that were developed by OEO. But we never abandoned basic Federal responsibility for the integrity and effectiveness of such programs. We developed an Office of Inspection that made people mad at times—but I was determined to see that those who agreed to participate in our OEO programs would adhere to the purposes of the program and carry them out honestly and effectively.

Let me illustrate all of this by recalling the first days of Head Start. It was not until January of 1965 that we decided to launch Head Start. We had received advice from the country's leading educators, child specialists, psychologists, and health experts. We thought we would try to enroll as many as 25,000 children during the first summer, even though many experts said we could not reach more than 5,000. I decided to risk $10,000,000 on the experiment. But as the demand grew—as tens of thousands of Volunteers came forward—as the churches, schools, unions, and child care agencies offered their buildings and people and energy, we enlarged the budget again and again until Head Start had actually enrolled more than half a million boys and girls.

How did we manage that? Not by hiring ten thousand Federal civil servants. It happened because our appeal to the country was picked up by private citizens in over 2000 different communities. Each of these communities developed its own program based upon Federal guidelines, and by the end of that summer the 500,000 students had the benefit not only of pre-school classes, but of a complete health check-up, hot meals, and a feeling that people cared.

And in OEO, for the first time in our history, we created a body to assure regular, continuing liaison with the nation's public officials. To be sure that our programs were administered in accordance with the interests and the needs of our states and local communities, we brought together—with the co-operation of the several national organizations that operate in this field—representative governors, mayors, county officials, and city managers. They came from both political parties and independents, and they came from every part of the country. We not only preached co-operation with states and cities. We practiced it. And it paid off—not only in terms of better programs—but in terms of support. Thus, after a year of suspicion and even rejection of the concept of community action, the mayors across the nation became its ardent champions.

In short, OEO was not more of the same old Federal approach, but the first expression of a new federalism. We, in fact, called the poverty program "creative federalism" and Republican mayors, businessmen, civic leaders and others participated in our work. OEO put money and power in the hands of the people who had problems. It mobilized states and cities and private citizens and the private sector; it gave them the tools so they could do the work.

And OEO was both efficient and experimental. It was the first Federal agency outside the Defense Department to adopt Programming, Planning, and Budgeting Systems. And it was the only agency specifically charged with devising innovative solutions to the most difficult problems of poverty.

President Nixon said in 1969 that OEO has been at the "cutting edge" of our efforts to achieve "the goal of full economic opportunity for every American." He said OEO has been "one of the most creative and productive offices in the government". I share this earlier incarnation of the President's judgement. It is supported by a truly remarkable record of flexibility and creativity in the poverty program:

OEO was the first government agency to bring and win lawsuits charging that the national program of welfare assistance was based on rules and regulations which were illegal and sometimes unconstitutional because they arbitrarily denied benefits to millions of eligible recipients of the welfare system. Can you imagine HEW or any other established government department sponsoring such litigation against itself?

OEO was the first to reveal and prove that the poor want to work and that they do good work, provided they are given jobs where they can learn and show their skills. In other words, OEO proved that the poor are not lazy, shiftless free-loaders.

OEO sponsored what has been called "the most creative program of research and evaluation on basic policy issues affecting the poor ever undertaken in our nation's history." There are many examples of this OEO research, but among them are:

The New Jersey urban and rural experiments on income maintenance to test welfare and work incentives were the first of their kind in America.

Experiments in performance contracting and vouchers to determine if there are incentive systems for encouraging better education for the poor were also the first of their kind.

In Mississippi, a farm cooperative was sponsored to deal from the ground up with the causes of the most visible and pressing form of American poverty.

OEO was the first agency of the national government to recognize that the central health question of our times is a question of delivering health services to the people, especially to the poor. And based on this insight, OEO inaugurated the first nationwide system of neighborhood comprehensive health care centers, operated by prestigious medical schools but utilizing the poor themselves in para-medical jobs.

OEO was the first to inaugurate nationwide child development centers—the Head Start and Parent and Child Center programs.

OEO was the first to return power to the American Indians over their own education, over their own lands and their own laws.

OEO was the first to turn high-school dropouts into successful college students and in the process reveal the artificiality of many college admission procedures and standards.

These efforts were uniquely non-bureaucratic. They represented a commitment which could not have been made by the Executive bureaucracies. And at least initially, they represented the commitment of the President himself through his Executive Office to the elimination of poverty. OEO was the voice of the poor and the conscience of the nation in the heart of the White House.

Yet now it is the White House which seeks to discredit and dismantle OEO and, directly or indirectly, to destroy some of our most promising programs against poverty. Administration officials say that it cannot be demonstrated that OEO had a measureable impact on the economic status of the deprived. And, of course, that is partially true—in the sense that social science simply lacks the tools to make the measurement. Moreover, we do know that the number of people in poverty *declined* by fourteen and a half million between 1960 and 1968 while the number has *increased* in 1970, 1971 and 1972. This Administration has the unique distinction of being the first to increase poverty in America since Herbert Hoover.

I am often asked: Why has the war against poverty not brought us within sight of a victory against poverty? My answer is: Not because we have been defeated, but because we have retreated. The problem with the poverty program is not a maximum feasible misunderstanding, but a minimum financial effort. Within two years of the program's start, the danger signals were already visible.

In 1966, OEO submitted a National Anti-Poverty Plan to the Bureau of the Budget. Today, I am making that plan available to this Committee and the public for the first time because it, more than anything else, explains why OEO has not achieved its ultimate goal. In a sense, this document could be described as the Pentagon Papers of the Poverty War. It reveals that the highest officials of the Poverty Program believed that "a real start on ending poverty in the United States" required increased expenditures of $21 billion in fiscal 1972 over the fiscal 1966 figure—which was less than the cost of one year of war in Vietnam. We warned the White House: "It cannot honestly be said that current funding levels have provided more than the necessary conditions for a beginning."

And so we proposed new and far-reaching initiatives in employment, individual improvement, community support, and basic poverty research. We proposed a negative income tax to be phased in over a ten-year period—"a basic income guarantee which would remove all Americans from poverty." This plan also included work incentives and opportunity programs to assure that those who could provide for themselves would do so.

In 1966, I was critized for saying that we could eliminate poverty by 1976, the two hundredth year of our nation's life. I still believe that at the very least we could have come close. The National Anti-Poverty Plan gave us a way, but instead the best hopes of the poverty program became casualties of a foreign conflict more than ten thousand miles from our shore. We have never waged a war against poverty comparable to the wars we have waged against people.

There are those who blame OEO for alledgedly "shovelling money at problems." But the truth is that in America we have tried every solution for poverty except money. We had a structure and a strategy, but not enough support. The remarkable thing is not how little OEO has done, but how much it has done with the little it had.

Indeed, the achievements of OEO seem to have become a cause for its destruction rather than a reason for its preservation.

The Community Action Program has not only raised $1.3 billion on its own; it has also raised the political consciousness of deprived Americans. It has enabled them to organize in their own neighborhood and to secure their own rights and progress. Somehow, this Administration seems to think it is a sin because it bypasses elected local authorities. But local officials are an integral part of the program; and in every recent year, the Conference of Mayors and League of Cities has voted in favor of CAP. That is not surprising. Across the nation, CAP agencies are the glue of the anti-poverty effort. They apply for the grants and administer the programs. Hard-pressed Mayors lack the money to replace CAP, but do not want to lose the programs or benefits it brings. Yet, in defiance of the will of the Congress and the wishes of the cities, the White House has set a June 30 execution date for Community Action.

The story is much the same with Legal Services. In the Administration's eyes, its success is its fault; it is seen as subversive because it has enabled the poor to enforce their rights through the judicial system. But what is really subversive of American liberty is the attempt to restrict the rights of the poor by keeping them ignorant and keeping them from the legal protections that have been won for them by Legal Services. No other government in history had the sense of justice to finance actions against itself in the name of justice. Can anyone imagine Brezhnev financing Solyhenitsyn's lawyer? Yet our Government has had the courage of its convictions—at least until now—and has put the cause of justice for the poor above the protection of petty tyrants in their offices. I cannot imagine how this government can plot a retreat from the principle that all citizens exist under law by planning to make legal services subservient to political authority.

Finally, the White House is completing the process of dismantling the Office of Economic Opportunity by dispersing its surviving elements to other agencies. The greatest strength of OEO was its unity—its ability to speak and fight for the poor in the highest councils of government. Apparently, the Administration regards that as a weakness. It prefers to see the war on poverty fragmented to lower levels in vast Federal departments where it can be neglected because its access and authority are gone. But this will achieve precisely the opposite of what the Administration says it intends: it will beauracratize a program that has been remarkably free of stifling bureaucracy. No longer will the effort against poverty attract the kind of talent at the top levels that OEO once did; the best people simply will not work at the bottom level of government priorities and power.

The Administration claims that OEO has been a godsend, but only for overpaid bureaucrats. The truth is that, as I have noted before, its officials were few in number—and they were superior in quality. Most of them gave up secure and important positions to join the program. Let me name just a few of them:

Glenn Olds, who headed the task force on VISTA, came from the Presidency of Springfield College and is now the President of Kent State University.

Verne Alden came from the Presidency of Ohio University to lead the task force on the Job Corps; he is now President of the multi-billion dollar Boston Company.

Otis Singletary, who was Director of the Job Corps, came from the President's office at the University of Texas and is now President of the University of Kentucky.

Ted Berry, who ran Community Action, gave up a successful private law practice and is now Mayor of Cincinnati.

Clinton Bamberger who left law practice to be the first director of Legal Services is now Dean of Catholic University's School of Law.

Dr. Julius Richmond left the Deanship of Syracuse Medical School to direct Head Start; he is now Professor of Child Psychiatry at Harvard University.

Dr. Joseph Kershaw resigned as Provost of Williams College to inaugurate OEO's budgeting and evaluation office.

And the list could go on and on. It could include a Republican Attorney General of Pennsylvania who came to Washington to head up Legal Services in the Nixon Administration and quit in disgust when his efforts were subverted from on high. Does the Administration seriously believe that it can attract officials of this caliber to poverty programs that have been consigned to the bureaucratic maze.

Of course, this may be precisely what the White House wants. Since taking office, this Administration has taken a whole series of steps that have gravely weakened and undermined our efforts to end poverty. In 1969, for example, 59 Job Corps Centers were closed, turning 17,500 corpsman out on the streets. In 1970, VISTA Volunteers were subjected to harsh guidelines on their activities, and community action was restricted and cut back. Now the Administration says it wants to reorganize OEO. I suspect that what they really want is to reorganize poverty programs out of existence.

But the White House has another answer. They call it the "New Federalism," and they tell us that what Washington gives up, the new States and localities can pick up. But there is a vast distance between this rhetoric and the reality of Administration plans.

So let's set the rhetoric straight.

This year, the White House seeks to cut domestic programs by $10 billion, while the only replacement it offers is $6.9 billion in special revenue sharing. And while most grants-in-aid experience normal growth in each year, special revenue sharing will remain the same for five years. How are the states and cities supposed to make up the difference?

At the same time, the Federal programs have been cut back so abruptly that other levels of government have not had the time to replace them, even if they could. How is a county operating on a calendar year budget supposed to fund a CAP agency after federal financing lapses on June 30?

The Nixon Administration is playing a shell game with the country. On the one hand, it says that it is merely shifting responsibility to those who are closest to the people; it will give them the money and they can decide how to spend it. On the other hand, the President says that the recent round of budget cuts will "save $11 billion in this fiscal year, $19 billion next fiscal year, and $24 billion the year after."

What this means is that the states and localities will have to make up for Washington's neglect without a sufficient increase in revenue from Washington. This is not a new federalism; it is a new confederatism. Under the old confederatism of the Articles of Confederation, which was the nation's first and failing form of government, the states had the power, while the national authority was subordinate. Under the new confederatism, the states have responsibility, but not resources, while the federal government stands aside. How different this is from the creative federalism of OEO, which was a genuine partnership among federal, state and local governments and the people. In the 1960's, we asked Mayors and Governors what they thought should be done, and they participated in our policy-making on a regular, systematic basis. In the 1970's, the Nixon Administration is telling them to do what they cannot afford without any participation in the process of policy-making.

The true federalism holds that all the people of the United States are citizens of the United States, not just of the several states; and that they have a right to certain minimum standards in life no matter where they live. The new confederatism determines their fate according to their citizenship in specific states, rather than their common citizenship in the nation.

Now I am aware of the boasts that Federal domestic spending has increased substantially since 1969. But most of the increases—particularly in Social Security and Medicare—came automatically or against the will of the White House. So to those who tout the progress of this Administration, I say: Name one new Nixon program for the poor that is on the statute books today. There are none.

Indeed, this is the first Administration in our history that has started a term of office with a summons to selfishness. The wealthy can ask what they can do for themselves—and do very well. It is not the rich, but the rest of the people, who need government the most.

That does not mean that only a few among us depend upon government. The cruelest myth of our times is that only the poor draw on the spirit of public generosity. The truth is that there are few self-made men, in this country or this Administration.

Most of us have been subsidized in our education, in our housing, in our transportation, in the conduct of our business. And even if we call this by another name, it is still the government, our government, helping us to succeed. Millions of middle-class Americans have purchased homes with federal loans at lower interest rates than they would have paid in the free market—and that, too, is welfare. And we even give money to the inefficient and the ineffective—in the boardrooms of Lockheed and the Penn Central. It ill becomes those who live in glasshouses built with Federal subsidies to cast stones at their fellow citizens who are poor and weak.

Yet perhaps what is right matters to some of leaders less than what will win. Perhaps, like the dictator who once asked: "How many divisions does the Pope have?", they are asking only: "How many votes do the poor have?"

I hope this is not so, for there is a decent and different path. It is the path back to the promise of America—that each may walk in freedom and pride, earning his way in dignity if he can, and living in decency if he cannot.

So let's set the problem of poverty straight.

Twenty million Americans are still poor. In fact, poverty in 1973 is even more intractable and difficult than it was in 1964. In the past decade, millions of the more productive poor have been able to escape poverty by finding work in a growing economy. But the remaining poor—the 1973 poor—are people who have been passed over by prosperity, passed by in social programs, and pushed back into poverty by higher unemployment. They tend to be less able to cope for themselves and less endowed with education and marketable skills. They are the hard core poor—and if we abandon them, they are helpless.

For the hard core poverty of 1973 is predominantly composed of families with only one parent and of workers with disabilities, health impairments, and a history of failure in the labor market. What jobs they can find seem designed only to foster a sense of hopelessness. There is little or no training. The work is performed under bad conditions; it is often temporary or seasonal in nature; and there are few if any chances to advance up a job ladder or to be promoted. As a consequence, the labor market attachment of today's poor tends to be weaker; job changes are high; and long periods of idleness are common, especially among younger workers.

The hard core poor also confront an educational system which by and large fails to lift their sights and develop their ability to compete successfully. Moreover, as state after state is now learning, the way by which we finance education makes the wealth of a local district the prime determinant of educational quality. Since poor families live in poor districts, those who need education the most receive quality education the least.

Once again, the list of problems could go on and on, but this much should be enough to remind us that the crisis is not over; the job is not done. And it is not just a matter of implementing known solutions; in many cases, we are not certain of what the solutions are. An immense amount of testing and experimenting with new ideas is before us.

As I have noted, such innovation has been a major task of OEO. Obviously, I believe it and OEO should continue, but I am afraid we may be too late. The Congress cannot move with the speed of a President who can exercise one man rule. But we can give innovation even more importance and priority, in a new non-political agency, independent of the established bureaucracies, free to be creative, and unafraid to explore and explain every cause and solution of poverty.

The Congress can create a National Institute of Poverty with its Director and policy-making council appointed by the President, with the advice and consent of the Senate. The Institute would conduct research projects in areas of primary concern—for example, policies to improve the functioning of the labor market for low skill workers including public employment; and policies of income supplementation, including wage and earnings subsidies, cash transfers, and in-kind programs such as food stamps, public housing, and health.

The Institute would also be charged with implementing the promising findings of this research—including the wisdom and advice of the poor and the young—into nationwide innovative efforts. When these programs prove their worth, perhaps after two or three years, they can be transferred to operating agencies, with Congressional approval, to replace programs which do not work as well—a rather different strategy than the President's practice of declaring failures and abolishing programs that Congress did not even know were in trouble. The frontier battles in the war on poverty must be waged by a single, visible, adventurous agency, responsive to local needs and responsible to Congress as well as to the White House.

But even if this proposal could not pass, and because, even if it did, the President could refuse the necessary minimum co-operation to establish and maintain a National Institute of Poverty, Congress should take two other steps, which have a general application to federal budgetary policy, as well as specific application to poverty policy.

First, the Congress should establish a Congressional Office of Research and Development.

No other major decision-making institution in our society operates without a research and development component. The Legislative Branch should have such a component, working on a day to day basis to develop new ideas and to test concepts and proposals that may be ignored, slighted, or suppressed in the Executive Branch. The initiatives taken on Capitol Hill should not depend on the decisions and priorities of Departments under Presidential control. If Congress is to take its own decisions and set its own priorities responsibly, it must examine thoroughly the entire range of options, and that requires a Congressional Research Development Office. Such an office, for example, could conduct the projects that I have outlined for the National Institute of Poverty—if there is no such Institute, or if it is prevented from achieving its purposes or perverted from them.

But Congress needs more than ideas and the capacity to test them; it needs as well the ability to implement them.

Secondly, Congress should reorganize the Office of General Accounting into the Office of General Accounting, Management, and Budget.

Today, the GAO does an outstanding job of monitoring federal expenditures—after the fact. An expanded GAO, with new purposes and powers, could provide the Congress with expert assistance in planning federal expenditures—before they are passed. As we have heard often in recent months, Congress has the authority to act; what it lacks is the means. An Office of General Accounting, Management, and Budget could give it the means—alternative budgets based on alternative estimates of needs, costs and revenues.

Planning and passing an alternative budget would be harder than reviewing a Presidential budget; just as creating a new anti-poverty program would be harder than destroying the old one; it takes no architect to tear down a house. But, somehow, in some way, the focus of national policy must be shifted from what should be abolished to what should be done. The national agenda must be restated, debated, and fulfilled. President Nixon seems to say: "If a solution does not work, let us forget the problem." We must return to the tradition of Franklin Roosevelt—and if a solution falls short, let us improve it.

We must make a fundamental choice in this country.

We can choose to abandon the weak to their poverty, driving them and those who care for them into the streets in protest or even riot, dividing our people each from each by suspicion and fear—all in the name of a false efficiency and a fraudulent economy.

Or we can see the truth and seek justice. We can see that our country cannot take more years of confrontation and keep freedom for all the years of our lives. We can seek, not repression, but liberation for all our people—a liberation of the mind from the prejudice of race and class, a liberation of the body from the pain of poverty.

The clearest moral test of our society is how we treat the poorest among us. Here in the Congress, that test must now be met. In your hands rests the final success or failure of the work we set ourselves in the 1960s. I have come here today with the hope that while others are quitting perhaps the noblest task Americans have taken up in our time, you will stay on the job.

CONGRESS MUST ACT TO MAINTAIN SOCIAL SERVICES

Mr. HUMPHREY. Mr. President, March 19 is the deadline stipulated by the Department of Health, Education, and Welfare for public comment on its proposed regulations that can have a disastrous impact on social services.

These federally assisted programs have been of vital importance to important sectors of our population:

To recently employed mothers, who would otherwise still be on welfare, but who now need decent day care for their children;

To elderly persons isolated in their homes and frequently afflicted with chronic illness;

To mentally retarded persons who can be helped to achieve the maximum development of their capabilities;

To youth who would otherwise be included in the rising statistics of juvenile delinquency; and

And to those suffering from the illness of alcoholism or drug addiction, and who again want to know human dignity and lead productive lives.

It was never the intent of Congress that the greater part of these programs should be wiped out, leaving thousands upon thousands of children and adults without hope. But that will be precisely the effect if these regulations are implemented in the near future.

The social services amendments enacted by Congress last year, stipulated a $2.5 billion ceiling that was carefully chosen, because it would permit the continued provision of most of these vital services. But the proposed HEW regulations fly in the face of congressional intent, accomplishing sweeping cutbacks through harsh eligibility restrictions, the prohibition of the use of private contributions—

such as those provided through community fund campaigns—as well as inkind contributions through which State and local programs have been able to meet matching fund requirements to qualify for Federal assistance, and through the removal of several programs from the list of mandatory services to be provided by a State, and the elimination of Federal support for optional services such as legal assistance.

It is clear that once again the Nixon administration intends to blatantly usurp the legislating powers of Congress. Preliminary estimates by the States indicate that they will receive some $1 billion less under the Nixon administration's revised social services program than they were entitled to receive under last year's legislation. In Minnesota alone, the new regulations would cut over $34 million in services for programs affecting 73,000 children and adults.

I find it inhumane to propose economizing that would deny child day-care services to over 60 percent of the children of low-income families in Hennepin County, Minn.

I find it cruel to cut off future help to young retarded persons who have been enabled to gain an education and learn an employment skill. As one anguished mother wrote me recently:

> This is a retreat to the dark ages! These young adults cannot be sent home to vegetate. Many will be institutionalized out of necessity which will be a bigger burden to the taxpayers, and detrimental to them. All these years (of progress by our daughter in education and in work experience) cannot possibly just go down the drain!

The Nixon administration sees these new regulations as giving increased emphasis to services that help people move toward self-sufficiency and employment. The hypocrisy of this assertion is incredible. In fact, precisely the reverse would be the case. Thousands of people who have been enabled by social services to obtain employment and begin to see daylight in providing for their families, or who have known a measure of self-sufficiency in their lives in receiving help for chronic illness or assistance in addressing the demands of living that are placed upon a fixed low income in old age, will now be thrown back on the welfare rolls.

In a statement in the Senate on February 15, I undertook to issue an early warning on the severe impact of social services cutbacks on the basis of preliminary reports of regulations that were issued the following day by the Social and Rehabilitation Service. I was sharply critical of the extensive setback in both the standards and the availability of child day-care services that would result under these regressive regulations.

Simultaneously, I joined with 45 other Senators in addressing a letter to Secretary of Health, Education, and Welfare Caspar Weinberger that strongly protested these reported changes in social services regulations and insisted upon advance notice of these revisions being provided to the Senate, with an opportunity provided for public comment and subsequent revision.

The Secretary apparently chose to disregard the advice and concern of a major, bipartisan bloc of Senators, for no reply to this letter was received until today—and the Secretary's letter basically restates past administration arguments.

Therefore, it was clear that stronger action by the legislative branch was required to instruct the executive branch that its sole function is to carry out the mandates of Congress under statutory law.

This action has now been taken, and I have been pleased to join with Senator MONDALE in the introduction of legislation, S. 1220, to limit the authority of the Secretary of Health, Education, and Welfare to impose certain additional restrictions upon the availability and use of Federal funds for social services as have been proposed in the recent regulations.

Briefly, this bill preserves five essential authorities in the present social services program:

First. The use of privately contributed funds and inkind contributions.

Second. Present eligibility standards, under which social services may be provided to past welfare recipients for up to 2 years and to families who otherwise would clearly need public assistance within 5 years—instead of cutting back these eligibility periods to 3 months and to 6 months, respectively.

Third. Presently allowed drug and alcohol treatment programs, and education, training services, and comprehensive services for children, the elderly, and the disabled.

Fourth. The continued application of Federal interagency day care standards—rather than deleting any mention of such standards regarding, for example, the ratio of children to adult staff at child care centers.

Fifth. Reasonable State reporting requirements—rather than requiring reports every 3 months on the use of Federal funds in social services.

I strongly urge the Senate to take early action on this vitally important legislation. The crucial need for decisive legislative action has been clear to me in the heavy mail I have received from Minnesota constituents and from citizens across the Nation, strongly protesting the absence of any sense of social responsibility, compassion, or economic wisdom on the part of the Nixon administration in proposing these new regulations on social services.

As one organization in Minnesota rightly asked:

> What is the cost of *not* helping retarded persons who are released from our hospitals to obtain employment skills?
>
> What is the cost of allowing families to break up without having marital counseling and other services available?
>
> What is the cost of insufficient day care services for children of working mothers?
>
> What is the cost of failing to have chore services or home delivered meals available to the elderly? Many now being maintained in their own home will need nursing home care.

The Nixon administration must not be permitted to continue to treat such questions with silence. The Coalition for Comprehensive Child Care, in St. Paul, Minn., has stated part of the case in the sharpest possible terms, with respect to the impact of these regulations upon child care:

> The result would be a strict "ghettoizing" of day care services by essentially limiting service to current AFDC recipients. . . . The regulations will deal a crippling blow to quality child care for all children, but will drastically affect those already served through Title IV-A funds. Parents currently in work or training will have to find other, perhaps less adequate, child care facilities—or remove themselves from work or training. Children referred because of their special needs will no longer have those needs met.

Mr. Gerald A. Bloedow, executive secretary of the Governor's Citizens Council on Aging, State of Minnesota, has written me to express his deep concern for older persons in our State who will not be eligible for services under the proposed new social services regulations. He cites several salient facts: 40 percent of the older people in Minnesota are over 75 years of age—the age at which assets have dwindled and health impairments have become more frequent; and one-fourth of the elderly in Minnesota live in households with incomes less than $2,000 per year; and, among other profoundly disturbing statistics of illness among the elderly in our State, 46 percent of those aged 65 to 69 have chronic health problems.

Mr. Bloedow asks the harsh question: "What are the implications of these facts in light of the new regulations?" And he spells out the answer in unmistakably clear terms:

> Few older persons will qualify (for social services). The regulations track a path leading to institutional placements at public expense when older persons, or spouses, will have exhausted their assets, physical and financial, and when their situations will have reached crisis proportions because of unavailability of supportive services.
>
> There is irony in the fact that these regulations run counter to the thrust of the Administration and to the goals expressed at the White House Conference: "To assist older persons to live independent, meaningful and dignified lives in their own homes or places of residence, with reduction of isolation and prevention of untimely or unnecessary institutionalization.
>
> We were enthusiastic about the current State Plan for Adult Services because it would have offered tremendous opportunities to implement the goal of maintaining older persons in the community. The proposed regulations for all practical purposes have shut off these options.

There is despair and anguish in letters such as this one. It is incumbent upon Congress to answer these calls for help that have fallen upon deaf ears in the Nixon administration. And I intend to do everything possible to see to it that the corrective actions mandated in the legislation now pending in the Senate are carried through.

In conclusion, Mr. President, I ask unanimous consent that an excellent statement by representatives of the Community Health and Welfare Council, in Minneapolis, Minn., on the impact of the proposed social services regulations, be printed at this point in the RECORD.

COMMUNITY HEALTH AND WELFARE
COUNCIL,
March 9, 1973.
Mr. PHILIP J. RUTLEDGE,
Acting Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. RUTLEDGE: As persons vitally interested in the proposed changes in the regulations for funding of social services, we the President and the Executive Director of the Community Health and Welfare Council of Hennepin County of Minnesota, offer comments in opposition to the changes as proposed. We recognize that the proposals are intended as part of an effort toward improvement in the methods of providing needed social services. With that objective we have no disagreement, but we are strongly opposed to the changes in the regulations that will bring about the abrupt termination or curtailment of needed social services.

There can be little doubt that the changes proposed will have devastating consequences in terms of their effect on many families and individuals in Minneapolis and Hennepin County. There is no practical likelihood that State, County, City, or privately donated funds can be generated in anything approaching the amounts needed to replace the present federal funding of essential programs.

Prohibiting the use of donated funds as the State's (or County's) contributive share in claiming federal reimbursement will destroy the healthy partnership arrangement that has developed between governmental and voluntary agencies for the funding and rendition of services aimed at self-sufficiency and self-support. In child day care services 60 per cent of the children of low income families in our county would be ineligible for federally assisted accommodations if the proposed regulations changes are adopted. Ninety-five per cent of the present $2,000,000 level of federally assisted day care services will be lost if the $500,000 of donated funds is not allowed for matching. Six hundred and eleven children are involved.

To prohibit donated funds now used for federal match to provide social services to 6,000 aged persons in public housing projects in Minneapolis will remove support and assistance which maintains their self-sufficiency and independence, and in many cases represents the difference between independent living and a nursing home or institution.

The proposed prohibition in the use of donated funds as local match would knock out our present programs for rehabilitation of handicapped and also for summer camping for poor children.

Other proposed changes which would cripple vital services are those which—

(a) restrictively define former and potential recipients of public assistance;

(b) remove housing, transportation, emergency social services, homemaker services, day care, educational and health services from the mandatory category;

(c) establish the self-sufficiency and self-supporting goal of federally supported services to the apparent exclusion of the current goals which stress the importance of maintaining and strengthening family life and child development;

(d) and which eliminate the federal support of legal assistance even as an optional service.

In summary, then, we strongly urge that the changes as proposed should not be adopted. Any alternative changes in the regulations should be of such character as to assure the continuity of important services on a reasonably practical basis.

Sincerely,

M. H. STROTHMAN, Jr.,
President.
OMAR SCHMIDT,
Executive Director.

CUTTING TROOPS AND BASES ABROAD

Mr. MOSS. Mr. President, action today by the Senate Democratic Conference provides Congress with an opportunity to set the course of America in a new direction that will benefit both foreign relations and domestic needs. The resolution calls for a substantial number of America's overseas troops be returned home and for the closing of obsolete, unnecessary, or unwanted bases throughout the world. This is a bold and proper step forward, and received overwhelming support from the members of the conference. I have strongly backed this proposal and am pleased to enter my support here on the Senate floor.

This resolution will accomplish two things: It will provide a badly needed reshaping of foreign policy, and it will release funds that can be applied to pressing domestic needs here at home.

The President's fiscal year 1974 budget requests markedly ignore many of America's domestic problems. Massive cuts have been slated for health, education, agriculture, environment, and other vital programs. The defense budget has a savings of about $4 billion on Vietnam costs, but still goes up $4 billion. This means that we will be spending $8 billion more on non-Vietnam military expenses. The President has asked the poor, the old, and the sick to pay for these increases. Congress must reverse this decision and examine the defense budget and foreign policy commitments for opportunities to reestablish a proper balance of domestic and military programs.

At a time when we are asking our own citizens to sacrifice in order to control inflation and adjust to devaluation of the dollar, we must also be willing to encourage our allies abroad to make greater commitments to their own defense. No one suggests that we abandon Europe or let down our defenses. But it is time to "unfreeze" our unrealistic and outdated posture in Europe.

Times have changed in Europe. Economic and social progress has been remarkable; we no longer perceived a monolithic Communist bloc threatening the free countries; the Iron Curtain now has broad passageways; relations between East and West are steadily improving. But our NATO commitments have not kept pace with these changes.

The resolution approved by the Senate Democratic Conference will allow America to reexamine commitments made in military and foreign policy. We must search out the fat in the defense budget, and the fat does exist. We pay over $13 million a year for servants for top military brass. We have more three- and four-star generals and admirals today than there were at the end of World War II—though we had six times as many enlisted personnel at that time.

The highest costs come in the entanglements created by over-commitments to obsolete foreign policy views. Herbert York, former Director of Defense Research and Engineering at the Department of Defense, has estimated that less than one-half of our military budget goes for defense directly related to the protection of the United States. The rest of the "defense" budget goes to implement foreign policy obligations. It might help our perspective if we label this portion of the budget a "foreign policy commitment" budget, rather than allowing it to be lumped under the shelter of activities designed to provide for the common defense.

The military budget contains billions of dollars for exotic, unnecessary weapons systems and excessive manpower levels. We can save money for our domestic needs by bringing our troops home from Europe and elsewhere, freeing them for the civilian sector, and applying the savings to our needs at home.

The remnants of America's presence in World War II and the cold war remain scattered throughout the globe. The United States has approximately 2,000 bases beyond its own borders, manned by over 600,000 U.S. military personnel. Of these bases, between 200 to 400 are major installations. Do we still need 100 bases in Japan? Must we maintain hundreds of installations in Germany? Does Korea need 32 separate major Army bases and 38,000 troops? The answer is "no."

We need strong alliances with all our allies, but the best bonds are those formed on mutual trust, and shared interests. Most countries maintain such alliances without elaborate military networks. The United States can and should reemphasize the nonmilitary aspects of a balanced foreign policy. Are our alliances so weak that our friends must hold our own troops hostage in order to believe that we truly share a unified purpose? Certainly not.

The largest savings in troop reductions can come from curtailing our massive commitments of troops to European soil. The United States presently stations 300,000 military men in Europe. The figure reaches 535,000 when support personnel are added. We do this against a backdrop of allocating 7 percent of our gross national product to defense and military-related activities, while our European allies provide roughly 5 percent for the same activities. The total costs, including the many diverse indirect costs, amount to roughly $17 billion. This figure is up from $14 billion in fiscal year 1973.

The existence of such a massive commitment simply does not square with the strategic needs of a sound foreign policy for European affairs. The most realistic deterrent to Soviet aggression in Europe is the existence of American nuclear warheads cruising the Atlantic in our Polaris and Poseidon submarines, coupled with our huge force of ICBM's. Our present policy, however, downplays this fact. Instead, some defense planners would have us believe that the conventional warfare capability of U.S. combat troops would somehow delay a Soviet invasion long enough for the Soviets to reconsider their action. The Soviets would then rationally determine that the danger of nuclear war was imminent and reverse their invasion. No explanation is given as to how the Soviet Union would become more rational during the heat of an invasion than it was when it decided to engage in such an invasion.

Our European allies have been wise enough to spot this faulty logic, but since it was not their money involved, they have been very willing to have our troops remain. Their own stockpiling of ammunition and materials necessary to combat a conventional invasion indicates that they do not anticipate a prolonged engagement. Instead, they expect nuclear confrontation to occur very quickly in the event of the outbreak of hostilities.

I do not believe that any "hostage" force is necessary to demonstrate the U.S. commitment to its European allies. But if the theory is to be used at all, it will certainly be just as valid for 100,000 troops as it is for 300,000.

Some argue that unilateral reductions in force now will jeopardize negotiations for troop reduction between the United States and the Soviet Union. I am persuaded that this is not the case. The Soviet Union has long seen our presence as a threat that required counterbalancing. They have many incentives to reduce their own force levels—tensions in the Far East, and their own internal domestic needs. In today's setting, international peace rests more on reducing fears than it does on the scare of massive troop levels.

Is the reduction of troops in Europe and the closing of unneeded foreign military bases a return to isolationism? Isolationism is gone from the United States forever. We live in a large international community that is built on nonmilitary relationships. In many cases, these ties will be strengthened once our allies see that we are less inclined to rely on military force and more disposed toward accommodation, cooperation and rational diplomacy. What we are talking about in the proposal is not isolationism. It is military overcommitment, new subtle modern forms of what has previously been called imperialism, the propping up of unpopular governments, and the retention of the U.S. presence where less is needed.

The balance of power will not be unfavorably affected by the action we propose. Those who fear that the Soviet Union would move rapidly into Europe underestimate our nuclear deterrent and the strength of the nonmilitary aspects of our alliances. The signing of a nonaggression treaty between the Soviet Union and West Germany has stabilized relationships by reducing world tensions. The strong bonds between America and its allies will continue.

CONCLUSION

The world has changed, but many of our commitments and much of our military presence has not adjusted to meet those developments. Our allies around the world are now strong, when once they were weak. Devaluation of the dollar significantly increases the costs of maintaining obsolete bases and unnecessary troops abroad. Such commitments cause from $8 to $12 billion in our present balance-of-payments deficit. For Europe alone, the figure is $5 billion.

We must maintain strong alliances throughout the world, but that strength does not require the presence of large military forces. We must ask our allies to do more for themselves. Instead of increasing U.S. troops in England and Korea, as we have done in the past year, we must reduce such commitments and such costs. Our Nation needs these funds for domestic purposes, and a modern foreign policy requires such changes.

OPTOMETRY EDUCATION IN INDIANA

Mr. HARTKE. Mr. President, each day brings more letters and visits from constituents shedding light on the tragedy which will result if we allow the administration to curtail or eliminate many of the social programs which have reached out to meet the needs of the American people.

Recently, a delegation from Indiana University at Bloomington, visited me to talk of the cutbacks the administration has proposed for health professions educational assistance. Indiana has one of the 12 schools in the entire Nation which train optometrists. In 1972, Indiana University received $284,551 in Federal assistance for direct training support for optometry education and another $144,095 for student loans and scholarships. In terms of faculty and staff, this assistance enables Indiana University to employ more than 28 persons it would otherwise be unable to hire, because of financial stringencies.

Despite the valuable vision care work which the Indiana University division of optometry has done with funds provided by the Health Professions Educational Assistance Act of 1966, the administration now proposes to cut this program in half for fiscal year 1974 and eliminate it entirely the following year. This would indeed be a tragic action which this Congress cannot afford to permit.

Mr. President, I ask unanimous consent that a statement on State and community vision care resources prepared by the Indiana University division of optometry be printed in the Record at the conclusion of my remarks. I also ask unanimous consent that a table which depicts the State-by-State optometric needs as of 1980 be printed in the Record at the conclusion of my remarks.

The simple fact is that Indiana—nor any of the other 49 States—cannot hope to meet the projected optometric needs without continued Federal financial support. Once again, the people will lose if we allow the administration's proposals to go unchallenged.

There being no objection, the statement and table were ordered to be printed in the Record, as follows:

STATE AND COMMUNITY VISION CARE RESOURCES MADE POSSIBLE BY FUNDING FROM THE HEALTH PROFESSIONAL EDUCATIONAL ASSISTANCE ACT OF 1966 AND THE COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971

A. UNIVERSITY CLINIC EXPANSION

The University Clinic is located on the second floor of the Optometry Building at 800 East Atwater Avenue, Bloomington, Indiana. Students and staff provide general vision care to a population made up of university students, staff and faculty and their families, and of townspeople who avail themselves of the services of our campus-based, but public, clinic. Federal funding has made possible a 300% increase in the vision care services being rendered in this facility.

B. COMMUNITY CARE CLINIC

This health care facility is located in an area of Bloomington identified as economically depressed, and is serving as the nucleus for the development of a neighborhood health center involving several health and social agencies. Included in this facility is a well baby clinic sponsored by the Community Action Program (O.E.O.) and the Public Health Nurses Association, a maternal and child care program, a United Fund sponsored part time area social worker, and various other groups, in addition to the vision care and screening services provided by our own clinic within the center.

C. STONEBELT SERVICE

The Stonebelt Center for the Retarded has functioned in the city of Bloomington since 1958 conducting diagnostic and training activities for the mentally retarded. This day care center provides services to residents of Monroe and neighboring counties and has always maintained a close working relationship with many Indiana University departments, including the Division of Optometry. A new training facility was completed in August 1971. Included in the facility is an optometry service which renders early diagnosis and treatment services to the center's 120 trainable mentally retarded children and adults. In addition to the children and adults at the center, the Stonebelt Optometry Service also provides early diagnostic services for the Indiana University Developmental and Training Center. This center provides diagnostic, education programming, and referral services for children throughout the state suspected of having severe learning disorders including mental retardation.

D. MOBILE VISION SCREENING AND CARE UNITS

Two mobile vision screening and care units are operated under the direction of the Division of Optometry. One is a trailer type that has been provided by the Lions Clubs of Central Indiana, and the other is a self-propelled unit for provision of primary vision care as well as some screening. The self-propelled unit was acquired with funds provided by the Health Professions Education Act. These units operate primarily in areas of acute need and shortage of vision care manpower, including the Indianapolis inner-city area and various state and local institutions. The trailer unit (and occasionally the self-propeller unit) is used extensively in our school screening program which provides vision screening examinations to children in all public schools in Bloomington and schools in other communities in central and southern Indiana.

E. GERIATRIC AND LOW VISION EARLY DIAGNOSIS AND CARE UNIT

A working relationship has been established with several extended care facilities and homes for the elderly in the area to provide screening, diagnosis and care for the residents of these facilities.

ANALYSIS OF OPTOMETRIC NEEDS BY STATES TO 1980 BASED UPON EXPECTED POPULATION AS ESTIMATED BY THE BUREAU OF CENSUS

State	A—Percent of practitioners		B—Municipalities served		C—Population 1980 (estimated nearest thousand)	D—Percent population increase 1970–80	E—Approximate number of optometrists 1969	F, G, H—Additional optometrists needed by 1980 to provide a ratio of 1 to 7,000		
	Optometric	Medical	Optometric	Medical				Growth	Attrition	Total
Alabama	68	32	78	22	4,223,000	12	191	413	57	470
Alaska	75	25	6	1	360,000	21	15	36	4	40
Arizona	61	39	28	19	2,469,000	35	129	224	39	263
Arkansas	78	22	68	20	2,319,000	13	159	172	48	220
California	72	28	594	209	27,742,000	32	2,509	1,452	753	2,205
Colorado	62	38	49	21	2,588,000	20	191	178	57	235
Connecticut	64	36	81	37	3,744,000	21	270	265	81	346
Delaware	63	37	11	5	689,000	24	32	66	10	76
Florida	74	26	134	59	9,019,000	36	523	765	157	922
Georgia	66	34	103	35	5,563,000	17	280	486	84	570
Hawaii	65	35	15	6	862,000	13	65	58	20	78
Idaho	77	23	36	9	821,000	15	94	23	28	51
Illinois	80	20	287	92	12,778,000	15	1,927	----------	578	578
Indiana	74	26	143	48	5,831,000	14	546	291	164	455
Iowa	76	24	136	35	2,921,000	6	371	46	111	157
Kansas	75	25	95	35	2,513,000	9	249	110	77	187
Kentucky	71	29	91	30	3,559,000	8	239	269	72	341
Louisiana	58	42	68	24	4,571,000	20	239	414	72	486
Maine	77	23	53	19	1,083,000	9	126	29	38	67
Maryland	54	46	65	27	4,851,000	24	203	490	61	551
Massachusetts	73	27	200	82	6,236,000	12	829	63	248	311
Michigan	71	29	197	75	9,929,000	14	789	629	237	866
Minnesota	71	29	138	39	4,209,000	14	408	193	122	315
Mississippi	65	35	60	22	2,735,000	13	128	263	38	301
Missouri	73	27	144	35	5,172,000	12	480	259	144	403
Montana	71	29	42	12	817,000	13	98	19	29	48
Nebraska	75	25	64	18	1,605,000	8	176	53	53	106
Nevada	72	28	9	2	701,000	28	40	61	12	73
New Hampshire	66	34	26	14	815,000	20	73	43	22	65
New Jersey	70	30	223	108	8,993,000	20	712	573	214	787
New Mexico	65	35	26	14	1,384,000	27	71	127	21	148
New York	64	36	334	163	21,868,000	14	1,837	1,287	561	1,848
North Carolina	65	35	135	64	5,993,000	15	347	509	104	613
North Dakota	78	22	37	9	704,000	7	77	24	23	47
Ohio	71	29	257	93	12,416,000	16	1,027	747	308	1,055
Oklahoma	71	29	90	34	2,793,000	10	262	137	79	216
Oregon	73	27	68	27	2,414,000	16	310	35	93	128
Pennsylvania	69	31	351	156	12,689,000	8	1,342	471	403	874
Rhode Island	82	18	28	10	1,006,000	9	144	----------	43	43
South Carolina	69	31	66	19	3,063,000	14	163	275	49	324
South Dakota	83	17	40	10	730,000	6	99	5	30	35
Tennessee	71	29	93	27	4,638,000	14	322	341	97	438
Texas	65	35	200	91	13,606,000	19	829	1,115	249	1,364
Utah	63	37	26	9	1,346,000	24	89	103	27	130
Vermont	70	30	18	8	472,000	13	37	30	11	41
Virginia	63	37	87	48	5,717,000	19,	296	521	89	610
Washington	69	31	98	31	3,587,000	16	397	115	119	234
West Virginia	69	31	63	26	1,772,000	----------	162	91	49	140
Wisconsin	71	29	156	45	4,908,000	14	458	243	137	380
Wyoming	72	28	20	7	386,000	15	39	16	12	28
Total								14,202	6,159	20,361

A LOGICIAN IN THE SENATE

Mr. BAKER. Mr. President, Holmes Alexander, the distinguished nationally syndicated columnist, was recently recognized for his outstanding citizenship activities by the Freedoms Foundation at Valley Forge.

He was presented with the George Washington Honor Medal Award for his 1972 columns and, in particular, for his "Historic Perspective" column which appeared at the end of that year.

Mr. Alexander, a nationally syndicated writer with the McNaught Syndicate since 1947 and the author of a number of books, is a perceptive and intelligent commentator on national and world events.

Last month Mr. Alexander wrote a column which appeared in many newspapers throughout the country about "A Logician in the Senate"—an analysis of Senator WILLIAM SCOTT's stand on a number of current issues.

Senator SCOTT served three terms in the U.S. House of Representatives before being elected to the Senate in 1972. Since January I have been privileged to serve with him on the Committee on Public Works and to work together on projects of special importance to our neighboring States of Virginia and Tennessee.

Mr. Alexander's column highlights Senator SCOTT's belief in fiscal responsibility and the need for making Government more responsive and more responsible at the level closest to the people.

I ask unanimous consent that Mr. Alexander's column on Senator SCOTT be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LOGICIAN IN THE SENATE

WASHINGTON, D.C.—Before he came to the House in 1967 and this year to the Senate, William Scott (R-Va.) was a Justice Department trial lawyer—not a prosecutor, but an advocate in civil cases—and his mind has a satisfying exactness in its address to political matters.

Dark-visioned and deliberate-spoken at 57, Scott is one who pushes logic to its terminal conclusions. For example, other Senators oppose aid to Red Vietnam as an extravagance or a travesty, but Scott sees it as dangerous and provocative. He reasons that to give cash awards to an aggressor is to encourage aggression.

Likewise Scott finds the President's ideas of the Work Ethic entirely incompatible with domestic handouts of any kind—and therefore, he believes that even the squeezed-down Nixon budget is too big. Also, Scott finds an irreconcilable contradiction of language and policy in an administration which hucksters both Equal Opportunity and Black Capitalism—where's the equity there for nonblacks?

Additionally, the Old Dominion junior Senator is stumped when clergymen come around with strongly taken positions on battle strategy and environmental protection systems. He taught adult classes in Bible studies for 20 years at his Methodist Church in Fairfax County, and doesn't believe that military science and the economics of conservation could be well learned in theological seminaries.

Truths of such unanswerable logic are the newsman's treat in an interview with Scott. Those already mentioned might be considered as little more than axiomatic, but immaterial trivia in a capital where hard news is the preferred fare. However, at the time I called Scott had just sent over to the Library of Congress for some background material on a very newsy subject, the Office of Management and Budget (OMB) and was orally putting it through his process of thought.

He had voted with the minority in a 63–17 Senate decision that would make the OMB director and deputy director subject to confirmation. As Scott thought it out, the traditional separation of powers permits a President to make use of a confidential kitchen cabinet of subministers, such as Roy Ash and Henry Kissinger. In voting itself into this little White House circle, the Senate was on the wrong approach to the curbing of executive power. The OMB relates closely to the national purse and might properly be considered an agency of Congress, rather than of the Executive.

Scott wants to study some more before deciding firmly, but he has in mind a landmark measure that would move the Office of Management and Budget to the control of

Congress. This would put it in the echelon with the Government Accounting Office and the Library of Congress, and would end all bickering over the creeping usurpation of Presidential power in the field of national finance. The governmental branch closest to the people would presumably know best in what programs the people wished to invest, and how much.

If the country should consistently send a liberal majority to Congress, we would have a perpetual New Deal or Great Society and become a unitary democratic socialist republic in nature, if not in name. Contrariwise, if the country sent up rational conservatives like Bill Scott, and some others who are already leaning his way, we would have the kind of self-reliant, decentralized, Phoenix-from-the ashes nation that the President envisioned on Inauguration Day.

A number of southern and western Senators favor the result of Presidential impoundment of funds, but aren't quite certain that it's lawful. One way to remove that uncertainty would be to make Congress the undisputed master of the budget.

SENATOR JESSE A. HELMS

Mr. BAKER. Mr. President, a recent issue of Broadcasting magazine devoted its profile to an interview with our colleague, the distinguished junior Senator from North Carolina. As many Members of this body are already aware, Mr. HELMS comes to Washington fresh from a remarkable career in the broadcasting industry. Both as a broadcasting executive and as a commentator on the air, he has left his mark upon his State. He is the only member of the Senate with a background in television broadcasting.

I am confident that his service in the Senate will similarly make a lasting impression upon his constituents and upon all of us who work with him. As ranking minority member of the Senate Subcommittee on Communications, I look forward to the contributions which his unique expertise can make to the debate in the Chamber.

Mr. President, I ask unanimous consent that the profile on the junior Senator from North Carolina from Broadcasting magazine of February 26, 1973, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BROADCASTING'S OWN: THE CONSERVATIVE SENATOR FROM NORTH CAROLINA

It is fashionable for political observers and for politicians themselves to disdain labels, but freshman senator and former broadcaster Jesse A. Helms (R-N.C.) can be comfortably tagged a solid, Southern conservative, the kind that exasperates those who would be labeled liberals. Mr. Helms will not object.

His location at that side of the political spectrum was verified by 12 years of highly opinionated, five-minute, five-nights-a-week editorials broadcast on WRAL-TV Raleigh, N.C., and the 80 stations hooked into the Tobacco Radio Network, and syndicated nationwide in over 200 newspapers. Those *Viewpoint* commentaries, springing from his devotion to self-determination, free enterprise and a limited federal government, have twice been honored by the right-leaning Freedoms Foundation.

His political philosophy gained him the support of President Nixon and Senators Barry Goldwater (R-Ariz.), Strom Thurmond (R-S.C.) and James Buckley (C-N.Y.), who all campaigned for Mr. Helms. Mr. Buckley introduced the former executive vice president of WRAL-FM-TV to the Senate as "a dedicated American who understands that our federal government was designed to be limited in scope and that the vitality of the free market should be encouraged, not stifled, by government."

His election, however, was an uphill fight. Aside from the problems created by his controversial opinions, he ran as a Republican in a traditionally Democratic state. Not only that, he was a Republican who had recently jumped the Democratic party.

His one advantage was the broadcast exposure he had had in the eastern part of the state. He overcame the other obstacles by 20-hour work days—he remained an active executive at the WRAL stations, although he ceased his editorials when he became a candidate—and campaign expenses of over $700,000. That was "peanuts compared to a campaign in New York," he said, but to him it was an "immense amount."

Mr. Helms says he was elected by "the little people—that's what they are called, but they are not so little." A broadcasting associate of Mr. Helms says the senator's "following" put him into office.

Mr. Helms is not a complete newcomer to Washington. In the early fifties, after working for several years in programing at WCBT (AM) Roanoke Rapids, N.C., he went to Capitol Hill as an administrative assistant to the late Senator Willis Smith (D.-N.C.), and when Mr. Smith died, Mr. Helms continued as AA to Alton Lennon, the appointed successor. "At least I know my way to the washroom," Mr. Helms puts it.

In 1954, Mr. Helms went back to North Carolina as executive director of the North Carolina Bankers Association. In the late fifties and early sixties he also was elected to two terms on the Raleigh city council. He returned to broadcasting in 1960 as vice president for programing, news and public affairs of Capitol Broadcasting, licensee of the WRAL stations and operator of the Tobacco Radio Network. At that time, he also began his *Viewpoint* broadcasts. He was elevated in 1966 to the post of executive vice president, vice chairman and chief operating officer for the company and continued in those positions until going to Washington.

As a former broadcaster, Mr. Helms admits to a constituency of "my business," as he calls it. "It would be pretentious to say that I am not interested in the welfare of responsible broadcasting," he says. But Mr. Helms is careful to point to the operant, and his favorite, word—"responsible."

Mr. Helms has received broadcasters in his Washington office, most of them from North Carolina and most of them interested in renewal legislation. They find him receptive and sympathetic. He says he "thoroughly agrees" with National Association of Broadcasters-type renewal bills proliferating in this session of Congress, and he has directly indicated to the North Carolina Association of Broadcasters that he will support such legislation.

The senator feels that a five-year license term is a minimum and it should eventually be extended. He has not indicated however, that he would personally introduce any renewal proposal, either because of the present abundance or because he still maintains, according to the FCC, a less than 1% interest in Capitol Broadcasting.

If his conservative stance lines him up with broadcasters on renewals, it does not on one other prominent broadcast-related topic on Capitol Hill—newsmen's privilege. "Shield laws? I am unalterably opposed to them," he said. "I don't think that a newsman ought to have one bit more protection than anybody else."

And he says this is a former newsman, a working street reporter who was honored at the age of 20 by the North Carolina Press Association for "enterprising reporting." Later, and before moving into broadcasting, he was also a city editor for the *Raleigh Times*. He says he had himself received a great deal of privileged information as a reporter, had been before grand juries and that if it had ever come to a question of going to jail or violating his honor he would have gone to jail. But he now feels no need for legislated protection because he does not see freedom of the press in jeopardy. Instead, and again using his key word, he said that "responsibility of the press is certainly questionable."

It was undoubtedly that same opinion underlying a decision at WRAL-TV back in the early sixties to switch network affiliations from NBC to ABC. Although he said the change "was due to a variety of things," he also said that "we were dissatisfied with NBC News operations in many instances. This was the time of racial turmoil—the height of it, the snarling dogs incident in Alabama and all of the other contrivances that the networks were obviously guilty of." But he continued, "I don't mean to say that I have a hostility about it, but I do have a pride in responsible broadcasting." •

CORPORATION FOR PUBLIC BROADCASTING

Mr. BAKER. Mr. President, there has been a great deal of misunderstanding generated recently about the goals and activities of the Corporation for Public Broadcasting.

The man who serves as Chairman of the CPB Board of Directors is the Honorable Thomas B. Curtis, a gentleman who served for 18 years as a Member of the House of Representatives with great distinction. During his years of service in the Congress, Tom Curtis came to be known as his own man, a public servant with the interests of the people at heart.

I think I speak for most Members of this body when I say that the task Mr. Curtis has taken on is a very demanding one, and a task in which we wish him the very best. It is, of course, purely a position of service, there is no salary. It is Mr. Curtis' job to guide the important activities of the Corporation for Public Broadcasting into often uncharted waters, and there are bound to be storms which will be encountered.

Although his professional duties as vice president and general counsel for the Encyclopaedia Britannica and the Encyclopaedia Britannica Educational Corp. demand the greatest application of his professional talents, I am told that Tom Curtis is managing to save some 20 percent of his time to give in the cause of improving public broadcasting in this Nation, and for this I am personally grateful to him.

Three recent newspaper articles, taken together, give us a very complete picture of Tom Curtis. I refer to an article in the February 9 edition of the Christian Science Monitor by Lucia Mouat, and to recent columns by Rebecca Morehouse of the North American Newspaper Alliance, and by that distinguished and long-time observer of the American political scene, Roscoe Drummond.

I believe that all Senators as well as the general public will be interested in these articles and, accordingly, I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TV CHIEFS REJECT CHARGE THEY OBEY WHITE HOUSE

(By Lucia Mouat)

Directors responsible for the future of public television in the U.S. are bristling at charges that they are trying to centralize program decisionmaking and bow to White House orders.

Their intentions, they say, are quite the opposite.

"Sure, we listen to the White House, just as we listen to a lot of other people, but we're the ones that make the final decisions," says Thomas Curtis, chairman of the board of the Corporation for Public Broadcasting, in an interview here following the CPB's monthly board meeting.

The "we" which the former Republican congressman from Missouri and current vice-president of Encyclopedia Britannica refers to is the 15-member CPB board of presidential appointees charged five years ago by Congress with setting up a system under which federal funds for public broadcasting would be spent. Eight Republicans and seven Democrats serve on the CPB.

The board contends that its authority in programming decisions, a natural accompaniment to its fiscal responsibilities, has gradually been usurped by the Public Broadcasting System (PBS) which was set up with CPB's cooperation solely to transmit programs to the 233 local public-television stations around the country. Mr. Curtis claims that the board, by revising the present system, is simply retrieving the responsibility that legally was its own all along.

No one would argue that the PBS is giving up the fight easily. It has been trying to raise funds on its own (it now depends on the CPB for almost all it gets) and has angered the CPB board and staff by its slow and sometimes nonexistent compliance with paperwork requests. These range from a plea for comments on the specifics of an outside audit of the PBS to one for sitting down with the CPB staff to draw up a common position paper. Latest irritant is the fact that, unknown to him, the PBS made a tape of a speech by Mr. Curtis to the PBS controlling board at its San Diego meeting last month.

CHILD RUNNING HOUSEHOLD

One CPB sympathizer describes the PBS behavior as "the child rebelling against the parent and trying to run the household."

Mr. Curtis, in his assessment of the situation, makes a sharp distinction between the local station managers now represented on the PBS controlling board and the individual stations' boards of directors in whose name the actual broadcast licenses are vested. It is the latter group which the CPB is now working hard to cultivate, and the chairmen of these local boards, says Mr. Curtis, "are taking the lead in working out a system."

In the meantime, much of the public attention on the controversy has focused on the future of public-affairs programming and what some see as its "liberal bias."

Mr. Curtis argues that the public-affairs issue is "overplayed" and "collateral" to the central goal of improving the system of operation. However, he concedes that both because of budget limitations and such lack of balance, some public-affairs programs will probably be dropped by the CPB board "to regain the proper perspective."

So far, critics have no evidence in hand. At this week's meeting it was decided to keep during 1974 both "The Advocates" and the highly controversial "Black Journal," a program which many thought was sure to go and for which a small but stalwart band of poster-carriers picketed CPB headquarters on the day of decision. Other public-affairs programs will be taken up at future board meetings. But as yet none have been firmly rejected.

SPOTLIGHT ON EDUCATION

In Mr. Curtis's view, many other possibilities may deserve higher funding priority. Educational programs on health and welfare and more cultural ventures into theater and opera, for instance, deserve consideration in his opinion.

"People say, 'Why don't we produce something like "Search for the Nile" or "The Forsythe Saga"?' and these are fair questions," he says.

Also high on his list of priorities are increased facilities for local stations to take programs off the PBS interconnection to run them at a time of their own choosing. More than half of the local PBS affiliates lack such facilities. Also, he would like to proceed with development and maintenance of a central library of program materials and with a marketing system so that local stations could develop programs of a high enough caliber to go on the PBS interconnection.

"The name of the game is what comes out of the tube and giving people of this country more variety and quality so they have a choice," says Mr. Curtis.

EDUCATIONAL TV SEEKS BALANCE

(By Rebecca Morehouse)

NEW YORK.—Educational television must strive harder to achieve fairness and balance in public affairs programs, says Thomas B. Curtis, the former congressman from St. Louis.

He is chairman of the board of the Corporation for Public Broadcasting (CPB).

"This area draws the heaviest flack from Congress," he said. "Under the law, noncommercial educational TV is obliged to adhere strictly to objectivity and balance in all programs of a controversial nature. This doctrine is still being defied.

"I don't think you get fairness if, say, you present the John Birch Society one week and the Americans for Democratic Action the next week. You won't get the same audience. To get objectivity and balance, you have to have both sides on the same program."

Bill Moyers' Journal, William Buckley's Firing Line and Washington Week in Review have all been criticized for lack of objectivity, he said.

"The decision hasn't been made as to whether we will cut them," he continued. "Washington Week in Review is often charged with bias. We will continue the Advocates and we may continue Black Journal. The board has allocated money for a black program but we want to take a look at other programs."

The Corporation for Public Broadcasting is a 15-man board appointed by the President and confirmed by the Senate. Members serve six-year terms.

"We are an independent board," said Curtis, who was appointed by President Nixon in 1972. "Our job is to assist 231 TV stations and about 400 radio stations to develop programs of high quality, to help them do what commercial stations can't do. Scholarship is what it's all about, an honest search for truth. We don't want to rig things. We've pretty well agreed that news is something we should not do.

"Essentially, the board's power is the money it gets from the Congress, at present $45 million a year. Eighty per cent of the funds available to local stations (public Broadcasting Service, NET and state-owned stations) come from nonfederal sources. What they do with their 80 per cent is their own business."

Curtis said he devotes more than 20 per cent of his time to CPA: "Board members get no pay, but we do get our expenses."

He lives in St. Louis, has a law firm there, and is vice president and general counsel of Encyclopaedia Britannica Inc., and of Encyclopaedia Britannica Educational Corp. For 22 years, he was a member of the board of trustees of Dartmouth College and still serves on four other college boards.

Adult education, health, older citizens, the minorities and welfare merit far more attention from educational TV, he said. He is eager, as well, to develop a "library" of programs, timeless in nature.

Adult education: "We should be doing more for people who haven't gone to high school or grammar school. Sesame Street, one of our biggest successes, has taught adults to read. The illiterate older person looks over the shoulders of the child watching Sesame Street and he learns to read."

Health: "One of our serious problems is venereal disease. 'VD Blues,' which was done in a light way, was well-received. Some communities followed it up with their own anti-VD programs. Television is really a private message, that's why 'VD Blues' was so acceptable. We ought to do more programs to educate the public about health. We've given money to the children's television workshop to develop public health programs."

Older citizens: "Retired people, here's a big audience that needs attention. People in nursing homes need attention. Radio is very important here. Many old people don't have good vision, but they can lie and listen to radio. TV has reawakened us to the powers of radio. We need constantly to emphasize radio."

The minorities: "Commercial stations are limited in what they can do for minority groups. These are select audiences. I'm anxious for blacks and other minorities to tell us what is useful to them."

Welfare: "Welfare is an important area we should touch on. A lot of welfare people have TV, it's their only recreation and entertainment."

He then discussed the library concept.

"By library I don't mean an archive, I mean something that's living. We ought to have every great composer and conductor in our library—great teachers, too. Shakespeare or a 'Forsythe Saga' can be done over and over again; millions will see them over the years. We ought consciously to be developing these quality programs.

"Wouldn't it be great to have the original cast of 'My Fair Lady' on video? Those interested in ballet are not a sizable group, but you can play ballet program 10 years from now. We could buy quality programs from commercial TV if necessary.

"We shouldn't let the lack of long-range financing interfere with long-range planning. Every year, we have to go before the Congress for our budget. It would help to have long-range financing, but we should plan ahead anyway."

Two other matters concern him:

"I'm anxious to encourage private concerns to develop programs for public broadcasting, programs that don't fit commercial TV. IBM, Xerox and 3-M are doing this. Private companies should risk money for educational programs.

"The public broadcasting service is the corporation we created to handle the facilities, which are controlled by the hired managers of local stations. I think we should listen more to the boards of directors of local stations. They should have more voice in policy."

SETTING THE RECORD STRAIGHT

(By Roscoe Drummond)

WASHINGTON.—Now is the time for somebody to come to the defense of Thomas B. Curtis, the new and badgered chairman of the Corporation for Public Broadcasting. Or at least to set the record straight.

Here is a widely esteemed 18-year congressman from Missouri who is now vice president and general counsel of the Encyclopaedia Britannica. The moment he was elected to head the instrument Congress created to develop educational radio and television—even before he had said anything, proposed anything, done anything—he was clobbered instantly, totally and inaccurately.

The principal accusations aimed at Curtis before he could catch his breath—together with the facts which call them into question—are these:

Accusation: Nixon made Curtis chairman of the CPB to enable the White House to "take over" public broadcasting.

Fact: The President cannot make anybody chairman of the CPB. Curtis was unanimously elected by the 15 board members of the corporation, eight of whom were appointed by Lyndon Johnson.

Accusation: The White House wants to turn publicly financed, non-commercial TV into a propaganda arm of the administration and expects to use Curtis to that end.

Fact: Unproved, untrue and certainly unattainable. Tom Curtis can't be "used" by anybody. He is in nobody's pocket and never has been, as his colleagues in Congress know. One of his central objectives today is to make sure that public radio and television shall not be allowed to become a propaganda tool of this or any future administration.

Accusation: The White House is out to "destroy" public television and hopes the new chairman will help.

Fact: The administration could hardly set out to destroy public television and at the same time expect it to make it into a partisan propaganda arm. It wants to do neither—and isn't. During the first Nixon term, federal appropriations for the Corporation for Public Broadcasting rose from $5 million in 1969 to $35 million in 1972. The White House is asking Congress to increase this to $45 million for the new fiscal year and to $60 million for the next.

Accusation: The critics assert that Chairman Curtis aims to wipe out public affairs programming, opposes controversial programs and wants only bland stuff.

Fact: Curtis has been a center of controversy throughout his whole political career, in Congress and out. He likes controversy; he sees it as a vital part of noncommercial television, a needed impetus to public awareness.

During this early period of attack-first-and-get-the-facts-afterward, the aim seemed to be to immobilize the new chairman before he could do anything. But Curtis can't be immobilized easily, and it is my conviction that in due time public television viewers will find him a boon and the public TV station directors and most producers will find him an asset.

Naturally he wants fairness and balance in controversial programs and in news commentary. He'll get it. The status quo isn't to be sacred. He would like to see more nationally produced programs, not less.

He would like to see the local board members of the 223 public TV stations become more active in shaping programs for local audiences. He would like to see public TV producing more that is different from commercial TV.

I suspect Tom Curtis will be around awhile—and busy.

RESOLUTIONS ADOPTED BY NATIONAL COUNCIL OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES ON FEBRUARY 16, 1973

Mr. THURMOND. Mr. President, 19 resolutions were adopted at the midwinter conference of the Reserve Officers Association of the United States which met here in Washington last month.

These resolutions deal with the key issues before the Nation's Reserve community and they deserve the attention and consideration of the Congress and the Nation.

A number of the resolutions concern matters which are embodied in legislation now before the Congress. Thus, we all shall find them helpful both from a legislative as well as an informative standpoint.

This meeting was also the occasion for the presentation of the Minuteman of the Year Award to Senator HENRY M. JACKSON of the State of Washington. As a colleague of Senator JACKSON on the Senate Armed Services Committee, I highly endorse this selection.

Resolution 16 extends to Senator JOHN C. STENNIS the best wishes of the association as he makes a remarkable recovery from the very serious wounds inflicted upon him earlier in the year. I know each Member of the Congress joins the ROA in this expression of concern for our colleague.

Mr. President, I ask unanimous consent that these resolutions be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution No. 1: Support of the President in His Termination of the Vietnam Conflict

Whereas, the President of the United States is entitled to the gratitude and approbation of all Americans for his successful effort to terminate hostilities in Vietnam and restore our POW–MIAS to their rightful heritage, and

Whereas, on the difficult four year path to an honorable peace he was repeatedly vilified, both at home and abroad,

Now therefore be it resolved that the Reserve Officers Association of the United States salute him for his strength of character and fortitude in achieving this honorable goal.

Resolution No. 2: Refusal of a General Amnesty for Draft Dodgers and Military Deserters

Whereas, there continues an effort by some individual citizens and newly organized groups to obtain a general amnesty for those American citizens, or former citizens who have shirked their duty, fleeing either to avoid induction into the United States Armed Forces, or deserting the Armed Forces and taking sanctuary in foreign countries, and

Whereas, after a long and cruel war in which many thousands of our fellow countrymen gave their lives, many thousands more were wounded and millions served and survived, all in faithful and dutiful response to the call to service of their government in the continuing commitment to freedom and security, and

Whereas, the President of the United States and many other citizens in public and private life have asserted that these draft dodgers and deserters must pay the legal penalty for refusing to serve their government and taking flight to evade the responsibility which is every citizen's,

Now therefore be it resolved that the Reserve Officers Association of the United States reconfirm its stand against any general amnesty, support the Commander-in-Chief in his stated position and while praising those who have served during these past ten years and who are serving today, condemn the action of those who have failed their government which gives and preserves for all citizens their freedom.

Resolution No. 3: Extending Compassionate Aid to Returning POW's and Their Families

Whereas, the United States has been involved in a military conflict in Southeast Asia, defending the principles of freedom for which our nation was founded, and

Whereas, this armed conflict has caused many Americans to be captured and held as prisoners of war, and

Whereas, families, other loved ones, and these prisoners have lived in the teetering balance of uncertainty, but many have now been brought home and happily reunited with their families,

Now therefore be it resolved that the Reserve Officers Association of the United States commends the representatives of our government in obtaining release of the prisoners of war, and

Be it further resolved that the Reserve Officers Association urge the widespread support of any and all programs designed to rehabilitate these prisoners of war and aid their families, and

Be it still further resolved that the Reserve Officers Association commends these prisoners of war for the valiant and patriotic manner in which they have served their country and the Free World, that we compliment the families of these men for their patriotic resolution to cooperate with and support their government and that all ROA departments, chapters, and individual members initiate and carry forward and encourage programs of compassionate rehabilitation of these returning men.

Resolution No. 4: Petition to Supreme Court to Permit ROA to File Brief in Case to Determine Right of Congressmen to Hold Reserve Commissions

Whereas, the decision of the United States District Court for the District of Columbia in the case of *Reservists Committee to Stop the War. v. Laird, 323 F. Supp. 833,* held that the Constitution bars members of Congress from holding commissions in the Armed Forces Reserves, and

Whereas, such decision was further affirmed by the United States Court of Appeals for the District of Columbia Circuit, and

Whereas, the Reserve Officers Assocation of the United States by resolution at its 1971 Convention urged appeal of these decisions, and

Whereas, this vital issue has now been appealed to the United States Supreme Court, and

Whereas, the Reserve Officers Association is committed to the concept of the citizen-soldier and believe that members of Congress who voluntarily continue their activity as military Reservists should be honored for this "twice the citizen" patriotic commitment, and

Whereas, the participation of Congressmen in military reserve activities helps insure the Constitutional mandate of civilian control over the Armed Forces,

Now therefore be it resolved that the Reserve Officers Association of the United States petition the Supreme Court of the United States for permission to file an *amicus curiae* (friend of the court) brief in the case of *Reservists Committee to Stop the War. v. Laird* in support of the right of members of Congress to hold active commissions in the Armed Forces Reserves.

Resolution No. 5: Urging a Widow's Equity in Reservists Retirement Pay

Whereas, the military retirement system discriminates against Reservists who have no standing in the system until they reach age 60, no matter how long and honorable may have been their service, and

Whereas, wives of Reservists contribute substantially to the Reserve programs through their encouragement of their husbands attending Reserve training and other Reserve activities, and

Whereas, there are no survivor benefits for the Reservists who "die too soon", i.e. before reaching the age of 60.

Now therefore be it resolved that the Reserve Officers Association of the United States urge the Congress to enact necessary legislation to establish a Survivor Benefit Plan for Reservists who are qualified for Retirement pay by every standard except age.

Resolution No. 6: Equalization of Rights

Whereas, Title 10, United States Code, authorizes the enlistment and commissioning of female persons in the Regular and Reserve components of the Armed Forces of the United States, and

Whereas, Title 14, United States Code, Section 762, authorizes the enlistment and commissioning of female persons in a component of the United States Coast Guard Reserve known as the Womens Reserve, and

Whereas, the United States Coast Guard and the United States Coast Guard Reserve do not now enlist or commission female members into the Regular or Reserve components under the authority contained in Title 10, United States Code,

Now Therefore Be it Resolved that the Reserve Officers Association of the United States urge the Congress of the United States to enact legislation that will expunge the present discriminatory statutory provisions establishing a separate Womens Reserve of the United States Coast Guard Reserve, and

Be It Further Resolved that the Reserve Officers Association of the United States urge the Secretary of Transportation and the Commandant of the United States Coast Guard to revise present policy and regulations and enlist and commission female members of the United States Coast Guard Reserve as required under the provisions of Title 10, United States Code.

Resolution No. 7: Medical Services for the U.S. Coast Guard

Whereas, the United States Coast Guard must have adequate medical services for accomplishment of its missions in war and peace, and

Whereas, medical service is provided by the Uniform Service of the United States Public Health Service, and

Whereas, current United States Public Health Service programming has inactivated its Reserve Division, and the Coast Guard, Regular and Reserve, will lose its medical support, and

Whereas, a small number of United States Public Health Service Reserve Officers serve with Coast Guard ORTU's, maintain Coast Guard moblization billets, perform ACDUTRA, attend drills and stand ready with reserve line officers for civil disaster or national emergency mobilizations, and

Whereas, Coast Guard mobilization has an overriding requirement for trained medical personnel to man medical billets afloat and ashore, and

Whereas, the Coast Guard Reserve's revised peacetime mission now embraces an augmentation concept including participation in routine duties of the Regular Coast Guard and mobilization for domestic emergencies providing for active duty call-ups of Reservists in these exigencies, wherein medical personnel will be needed,

Now therefore be it resolved that the Reserve Officers Association for the United States urge provision of medical support for the Coast Guard Reserve in performing its training and mobilization missions in peace and war.

Resolution No. 8: Recruiting Programs for the Armed Services

Whereas, the strength and quality of the Armed Forces of the United States, Reserve and regular today are totally dependent on the effectiveness of the recruiting services in enrolling men and women for voluntary service, and

Whereas, the objective of our Association is to work for a "military policy for the United States that will provide adequate national security",

Now therefore be it resolved that the Reserve Officers Association of the United States shall dedicate itself to encouraging and supporting by every means the men and women who work in the recruiting programs; and to encourage the youth of America to understand and accept their obligation as citizens to share in national defense.

Resolution No. 9: Employer Support of the National Guard and Reserves

Whereas, the Department of Defense has created a national committee for employer support of our National Guard and Reserve forces under the chairmanship of Mr. James M. Roche, a retired chairman of the Board of General Motors Corporation, and

Whereas, the Reserve Officers Association concurs in the mission of this committee and feels that there is considerable apathy in this area, and

Whereas, the Reserve Officers Association feels that employers, both public and private, should be positively encouraged to actively support membership by employees in National Guard and Reserve units,

Now therefore be it resolved that the Reserve Officers Association of the United States offers its active support in the activities of this committee and recommends that the committee furnish chapters with an outline of the type of support which the local chapter can provide to the committee's local representative.

Resolution No. 10: Selective Service Strength

Whereas, the Selective Service Reserve is composed of members of the Reserve components of all the Armed Forces, approximately in proportion to the size of each Armed Force, and

Whereas, the reduction of the size of this composite Reserve from an authorized strength of 1452 officers to 850 officers, was begun under the previous Director of the Selective Service System and is now the policy of the Selective Service System, and

Whereas, the Selective Service Reserve is the statutory mobilization force of the Selective Service System, and

Whereas, the reduction in strength now being put into effect is unusually heavy, and

Whereas, concern has been expressed that an even further reduction below the 850 figure may occur, and

Whereas, the make up of the permanent staff of the Selective Service System is and has been a deliberate mixture of civilian and military personnel in order to best serve the concepts of democracy, and

Whereas, it is now reported that by July 1973 with only a few exceptions all active duty military personnel will be converted to a civilian status or eliminated from the permanent staff of the Selective Service,

Now therefore be it resolved by the Reserve Officers Association of the United States that legislative, or other appropriate action be taken to halt any further reduction in the size of this critical Reserve program, and

Be it further resolved that like action be taken to retain an appropriate mix of civilian and military personnel in the permanent staff of the System.

Resolution No. 11: Reduction in Personnel Funds Nonflying AF Reserve Units

Whereas, the Military Appropriations Subcommittee, House of Representatives, reduced the AF Reserve, Personnel appropriation for Fiscal Year 1973 by $7.9 million, and

Whereas, the subcommittee applied $6 million of that reduction to non-flying units of the Air Force Reserve, and

Whereas, previous reductions in such appropriations have allowed the Air Force to adjust the reductions in all programs of the Air Force Reserve in a manner to minimize the deleterious impact of such reduction, and

Whereas, this action will require the Air Force either to eliminate a number of non-flying units or reduce them from Pay Group A (48 paid drills per annum) to Pay Group B (24 paid drills per annum), and

Whereas, this action will greatly impede the training and preparedness of these units, and

Whereas, a reduction to Pay Group B will add greatly to an already burdensome recruitment effort in the all-volunteer environment,

Now therefore be it resolved that the Reserve Officers Association of the United States exert every effort to remove this fiscal restriction on AF Reserve non-flying units in order that these units may maintain their recruiting capability and training capacity, thus retaining their readiness to support our national security.

Resolution No. 12: Reduced Fare on Commercial Airlines—Ready Reservists Traveling to Reserve Duty at Their Own Expense

Whereas, there are many members of the Ready Reserve who have inactive duty assignment locations at considerable distance from their places of residence, and

Whereas, except for their annual active duty training period or for special tours of active duty they are not authorized reimbursement for travel to and from their inactive duty training assignment location, and

Whereas, many such Reservists in order to perform their inactive duty training requirements find commercial air travel to be the only expeditious and appropriate means of travel, and

Whereas, this means a considerable personal financial sacrifice to the individual concerned, and

Whereas, this inactive duty training is necessary and beneficial to our national security, and

Whereas, the benefit of reduced fare commercial air travel is a necessary added incentive towards recruitment and retention of personnel in the Ready Reserve,

Now therefore be it resolved by the Reserve Officers Association of the United States that the Secretary of Defense be requested to seek reduced fare commercial air travel for Ready Reservists traveling at their own expense, in uniform, to and from their home and place of inactive duty training.

Resolution No. 13: Educational Assistance for Participants in the Selected Reserve

Whereas, there is an enlistment/reenlistment crisis among enlisted grades in the Reserve components of the Armed Forces, and

Whereas, study and surveys have shown that an educational assistance program for members of the Selected Reserve would be a positive incentive for recruitment and retention, and

Whereas, there has previously been submitted a legislative proposal to provide an enlistment/reenlistment bonus to encourage participation in the Selected Reserve,

Now therefore be it resolved that the Reserve Officers Association of the United States lends its vigorous support to the early enactment by the Congress of an educational assistance allowance as presently authorized for the regular Forces in addition to an enlistment/reenlistment bonus and other incentives previously advocated by this Association.

Resolution No. 14: Support of Junior ROTC Summer Camps

Whereas, the Junior ROTC Program teaches the high school student to be self-reliant, assists in the development of his self-discipline, and of his inherent leadership potential, encourages participation in worthwhile community activities, and provides an introduction to military training which will be of benefit to himself and our nation, if he is called upon to serve in her Armed Forces, and

Whereas, many of the events offering opportunities to the cadets for the practice of leadership, self-discipline, and concerned citizenship, occur when these are added by local school systems as extracurricular activities, and

Whereas, while the Department of Defense issues equipment to support the normal program and permits its use for these extracurricular activities, they prohibit the expenditures of any additional funds or issue of additional equipment to support them, and

Whereas, the support of *Junior ROTC summer camps,* weekend field problems on map reading, tactics and marksmanship, participation in community activities and other worthwhile events will provide a greater opportunity for beneficial leadership and citizenship training for the Junior ROTC Cadets,

Now therefore be it resolved that the Reserve Officers Association of the United States ask the Services to give full support to the Junior ROTC program; and that the Secretary of Defense authorize the establishment of summer camps with JROTC students at the appropriate military installations with manpower support to be chiefly derived from the Reserve Components.

Resolution No. 15: Award of the Good Conduct Medal to Enlisted Members of the Reserve Components

Whereas, many enlisted men perform outstandingly in the Reserves during their term of enlistment and there is no appropriate award for their service such as the Good Conduct Medal for the active establishment, and

Whereas, the availability of such an award would assist in the retention of deserving enlisted Reservists,

Now therefore be it resolved that the Reserve Officers Association of the United States urges military services where applicable to modify existing regulations so as to permit the award of the Good Conduct Medal to deserving Reserve enlisted personnel.

Resolution No. 16: To Extend Best Wishes to Senator John C. Stennis

Whereas, Senator John C. Stennis has so ably served as Chairman of the Senate Preparedness Committee and is presently serving as the Chairman of the Senate Armed Services Committee, and

Whereas, Senator Stennis has continually maintained a close relationship with the various branches of the service and their Reserve components, furthering the Total Force Concept, and

Whereas Senator Stennis has maintained an awareness of our Association's objective of national security, and

Whereas, Senator Stennis lies in serious condition in the hospital as a result of wounds inflicted by bandits, and

Whereas, doctors have reported that because of his vitality and resolute character, Senator Stennis's condition is improving,

Now therefore be it resolved that the members of the Reserve Officers Association of the United States express their affection and admiration for Senator Stennis, that they convey their fervent gratitude that he is recovering, and that each member severally and together join in prayer for his complete and rapid recovery and extend our sincere best wishes to his wife and family.

Resolution No. 17: To Designate the "Harry S Truman Suite" in the Minute Man Memorial Building and To Place a Memorial in the Truman Library

Whereas, more than a half century ago the Honorable Harry S Truman, an officer in the American Expeditionary Force in World War I, organized in Kansas City, Missouri Chapter No. 1 of the Reserve Officers Association of the United States, and

Whereas, Harry S Truman, throughout the subsequent years of his life, including those when he was United States Senator and later Vice President and then President of the United States and Commander-in-Chief of the nation's Armed Forces, gave most meaningful and timely support to this Association, and

Whereas, this support, leadership, and inspiration have been indescribably helpful in the Association's growth,

Now therefore be it resolved that the Reserve Officers Association of the United States do publicly proclaim its perpetual debt and gratitude to Harry S Truman, and do designate the National President's office suite in the Minute Man Memorial Building as the "Harry S Truman Suite", and

Be it further resolved that the Reserve Officers Association of the United States, its departments and chapters join together to secure through Missouri Chapter No. 1, Kansas City, a suitable memorial recognizing the Honorable Harry S Truman as a founder of the Association and that said memorial be presented to the Harry S Truman Library and Museum for appropriate display.

Resolution No. 18: Tribute to the Memory of Commander-in-Chief, Lyndon Baines Johnson

Whereas, the Honorable Lyndon Baines Johnson, as member of the House of Representatives, United States Senator, Vice President and President of the United States and Commander-in-Chief of the Armed Forces, was a member of this Association, and

Whereas, as a member of House and Senate Armed Services Committees and Chairman of the Subcommittee on Preparedness, he gave meaningful support to many programs and legislative acts which strengthened the Armed Services, and

Whereas, as Commander-in-Chief he pursued policies conceived to keep this nation safe and secure, and that he remained courageously resolute in his policies despite bitter and unwarranted pressures and attacks, and

Whereas, he frequently expressed his awareness of our Association's understanding of and support for national security policies,

Now therefore be it resolved that the members of the Reserve Officers Association of the United States express their sorrow over his passing on 22 January 1973 and convey to his widow and family their deep compassion and pride in the place he earned in history and their affectionate recollection of his service to this nation.

Resolution No. 19: Assignment of Operational Control of Naval Reserve Ships to the Chief of Naval Reserve

Whereas, the Secretary of the Navy has established a Chief of Naval Reserve who commands both the Surface and Air components and has control of the aircraft assigned to the Naval Air Reserve, and

Whereas, the Naval Reserve ships not only train their Reserve crews, but also train a substantial number of personnel assigned to the Naval Reserve Surface units, and

Whereas, the assignment of operational control of Naval Reserve ships to the Type Commander has not proved to be as effective as was a past and different assignment of operational control, and

Whereas, the coordination of training assignments of Naval Reservists to these ships is best accomplished by the Commander, Naval Surface Reserve under the direction and control of the Chief of Naval Reserve, and

Whereas, the proper conduct of training of Naval Reservists requires that such training be accomplished aboard ship, the operational control of which is not hindered by fragmentation of the responsibility for control of training, and

Whereas, operational control of such ships in Commander, Naval Surface Reserve would not detract from the effective utilization of such ships by the Commanders in Chief, as needed,

Now therefore be it resolved that the Reserve Officers Association of the United States request the Secretary of the Navy to direct assignment of operational control of Naval Reserve ships to the Chief of Naval Reserve.

THE CLEAN AIR ACT OF 1970 AND TRANSPORTATION

Mr. BAKER. Mr. President, the EPA this week began a series of hearings to consider the renewed request by American auto makers for a 1-year suspension of the 1975 deadline for meeting the emission standards laid down in the Clean Air Act of 1970. EPA Administrator William D. Ruckelshaus has the authority under that statute to grant the suspension if he finds that it would be in the public interest to do so. It is a tough question and the resolution of this problem will affect us all for years to come.

In this context, I think my colleagues would be interested in some recent remarks of Mr. Ruckelshaus and other EPA officials on the automobile and its role in American life. In an address before the California Newspaper Publishers Association in San Francisco last month, Mr. Ruckelshaus laid it on the line and made what seems to me to be good sense:

> The goal of the Clean Air Act is indisputably a good one—the protection of health. The people of California—speaking through their Senators and Representatives—overwhelmingly supported the aims and purposes of the Act. The question now is whether we are serious enough about having clean air to make some rather severe choices. We will hold public hearings beginning March 5 to find out from the people of Los Angeles what they want to do to solve their problem.
>
> The issue is not simply clean air versus dirty air, but how and at what pace to achieve clean air. We must balance the benefits of achieving healthy air within a certain time frame against the social costs. The benefits are undeniable. But if the price is a severely crippled city then it may be necessary to stretch out the time for compliance.
>
> We are intensively examining the alternatives in Los Angeles in order to provide the maximum number of choices that technology permits. However, the final answer should not be dictated by EPA. It should be resolved by the people of that community after judiciously examining every rational choice they have. Only the people can decide, ultimately, what kind of a community, what kind of society they really want.

Until now the average citizen hasn't had the foggiest notion of what choices were available or, indeed, that there were any. It would be a shame if this debate were to be clouded by emotionalism or demogoguery. If we keep our heads we can exploit what is really an historic opportunity to raise fundamental questions about the direction and future quality of our civilization.

If the people are to make reasoned choices they must have information to guide them and newspapers are the ideal medium for this task. Don't be satisfied with reporting what others are saying. Become activists; propose solutions. These proposals should be mind-stretching exercises. All of us, all too often, are guilty of proposing yesterday's solution for tomorrow's problem. Give me hell whenever you think it's needed. I promise I won't cancel any subscriptions.

In an address in January 24, 1973, before the Highway Research Board, Bill Ruckelshaus said:

The image of the open road which has beckoned us for generations may become an illusion if we do not act. Instead of being pathways to adventure and fresh opportunity, many thoroughfares frustrate our movements and aggravate social tensions. Too often they isolate and destroy neighborhoods. Too often they envelop us in the monotony and choking fumes of stalled traffic.

If we reconsider the circumstances of highways today, if we design them to enhance the land rather than to scar it—then tomorrow we can insure that automotive travel remains pleasant and convenient. We can write a new chapter in the history of the open road. We can use highways to foster civic amenity and personal growth.

We must never turn from this goal.

Also of interest is a speech by EPA's Assistant Administrator for Air and Water Programs, Robert L. Sansom, entitled "The Automobile as a Social Machine." The net effect, I think, is to put a lot of popular fallacies to rest and put the problems in perspective.

Mr. President, I ask unanimous consent to have the full text of these three useful speeches appear in today's RECORD. They are worth reading.

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

TRANSPORTATION CONTROLS—A WAY TO AIR QUALITY

(By William D. Ruckleshaus)

There has been considerable commentary, some criticism, and a good bit of confusion about the transportation controls which I proposed to enable the Los Angeles area meet the requirements of the Clean Air Act.

Many people have remarked that I just couldn't have been serious in proposing up to an 80 percent cut in driving for half a year in the most automobile oriented city in the world. Looking at the proposal in context, I think you will see that it is not a case of shooting from the hip.

As a result of a suit filed last summer by the City of Riverside I was under a court order to present by January 15 a plan of transportation controls which would achieve the Federal photochemical oxidant standards in the Los Angeles Basin. As a lawyer I am constitutionally incapable of responding to any court order in a manner which might be construed as either frivolous or contemptuous.

The proposal we offered was the only one we could come up with in the time available that would demonstrably achieve that standard by the statutory deadline.

We considered several alternatives but in order to achieve the standard, vehicle miles travelled must be reduced drastically. While the plan is technically feasible, I don't need anyone to tell me that its strict implementation would probably make Los Angeles an unviable community.

At this point I think it might be helpful to go over the brief history of the Clean Air Act of 1970. The law directed the EPA Administrator to set, by April 1971, ambient air quality standards for the nation. We had to set two kinds of standards: primary standards designed to protect human health and secondary standards which, broadly speaking, were to protect against adverse effects on human welfare. The primary standards were to be met by May 31, 1975 and the secondary standards a reasonable time thereafter.

In January 1972—nine months after the standards were announced—the States filed with EPA their plans for achieving the standards by the target dates. The law required the States to include as part of their plans a strategy to control transportation if necessary to assist in meeting the standards.

While transportation controls were obviously a factor in any air quality control program, we just didn't know enough in the summer of 1971 about their workability to require the States to include such proposals in their January 1972 filings. Accordingly, we extended the date for filing transportation control strategies until February 15, 1973.

At the same time we initiated several studies of the potential of transportation controls. These studies were published last November and sent to the States to provide some guidance. The studies do not necessarily reflect EPA's views since they are as new to us as to the States. But, at the moment, they are all we have. Transportation strategies include restraints on motor vehicle use, gaseous fuel systems, traffic flow techniques, inspection and maintainance programs, retrofitting older vehicles, improved public transit, work schedule changes and land-use controls.

The Clean Air Act permits a two-year extension for meeting the primary standards and we had granted 17 States that extension. Just last week a Federal court ordered these extensions rescinded. The court didn't say the extensions shouldn't be granted, rather agreed with the plaintiffs that we acted prematurely.

Accordingly each State erroneously granted an extension, has until April 15 to renew its request. I am to rule on these filings by June 15.

It is important to note that in setting the primary standards the law did not permit us to consider any other criteria except public health. And the levels we set had to cover the class of people most susceptible to a given air pollutant. The requirement in the law is for a zero health effect.

A few years ago an opinion poll was conducted to gauge people's attitudes about the automobile. Noting the air pollution, noise and congestion caused by the automobile, the displacement of tens of thousands of homes and businesses by highways, the destruction of natural beauty, and, most importantly, the nearly two million deaths and tens of millions of injuries during this century, people were asked: "Is it worth it?"

Eighty-five percent responded with an enthusiastic and unqualified "yes." Obviously a large majority of Americans are willing to accept some risk to their health in order to preserve their automobility. The Clean Air Act does not permit this public attitude to extend to any health risk associated with an air pollutant. It is a delicate public question which Los Angeles poses in stark terms. We will undoubtedly hear more of this debate in the future.

The oxidant standards—0.08 parts per million—is the critical one for Los Angeles. This is the level we felt was necessary to meet the statutory requirement to provide a margin of safety to protect the most vulnerable class of people—those with respiratory difficulties. California's own oxidant standard is 0.1 parts per million, a level at which the State considers health begins to be affected.

It would be a serious mistake to think that we took an extreme stand in Los Angeles in an attempt to scare people into believing that the Clean Air Act is bad. It's not. It's basically a good law. We're simply saying that this is what may happen when the law is strictly applied in this community. It may be that there is a need to refine the law to smooth out any distortions in its application. This would basically involve giving the Administrator of EPA more flexibility in administering the act.

Los Angeles has 10 million people, six million cars and about one bus for every 6,000 people. This extremely large and concentrated population and their overwhelming dependence on the automobile, coupled with the city's highly adverse meteorological conditions and the lack of a single urban center, makes it unique among our cities. There may be other cities which will have to use transportation controls to meet air quality standards but nowhere except Los Angeles will such drastic steps as outlined be required.

Each year more and more new automobiles come onto the road with better emission control devices. But it takes about ten years for a particular model year to be phased out. If the 1975 models have the ultimate in control devices it won't be until 1984 that nearly all cars on the road will be so equipped. Yet the law says the air quality standards must be met by mid-1977 at the latest. There is very little flexibility under the Act. If there were more I might have come to a different conclusion about Los Angeles.

All of you are familiar with administrative agencies; they always want more flexibility. In passing the Clean Air Act Congress deliberately made it inflexible because it was—and with some justification—frustrated over the lack of progress made by administrative agencies in the past at all levels of government.

Deadline is the name of the game in the newspaper business. It has always seemed miraculous to me that you are able to pull together something as complex as a newspaper and meet strict deadlines not only every day, but several times a day. Deadlines are second nature to you. And you probably aren't as effective without one. How many of you, for instance, tackle personal chores with the same alacrity as your professional ones?

We have all been witnesses to seemingly impossible tasks accomplished by the people of this country once they rolled up their sleeves and went to work. Procrastination, not sloth, is our affliction.

Deadlines do force action. The common plaint about the auto emissions control requirements is that the law doesn't allow enough time to develop practical control devices. Well, the automobile had been around for about 60 years and the manufacturers did little about emissions control until California and then the Federal government forced them into it.

The hazard in setting deadlines is crossing the line between incentive and despair. If a deadline is obviously unreasonable the usual reaction is "what the hell, why even try." To make deadlines an effective enforcement tool it is paramount that we find out what can reasonably be done and then strictly adhere to it.

I think we do need some flexibility in the Clean Air Act; enough flexibility to effect appropriate strategies for Los Angeles and any other communities that get into the same bind. But we have to be very specific about what that flexibility should be.

The goal of the Clean Air Act is indisputably a good one—the protection of health. The people of California—speaking through their Senators and Representatives—overwhelmingly supported the aims and purposes of the Act. The question now is whether we are serious enough about having clean air to make some rather severe choices. We will hold public hearings beginning March 5 to find out from the people of Los Angeles what they want to do to solve their problem.

The issue is not simply clean air versus dirty air, but how and at what pace to achieve clean air. We must balance the benefits of achieving healthy air within a certain time frame against the social costs. The benefits are undeniable. But if the price is a severely crippled city then it may be necessary to stretch out the time for compliance.

We are intensively examining the alternatives in Los Angeles in order to provide the maximum number of choices that technology permits. However, the final answer should not be dictated by EPA. It should be resolved by the people of that community after judiciously examining every rational choice they have. Only the people can decide, ultimately, what kind of a community, what kind of society they really want.

Until now the average citizen hasn't had the foggiest notion of what choices were available or, indeed, that there were any. It should be a shame if this debate were to be clouded by emotionalism or demagoguery. If we keep our heads we can exploit what is really a historic opportunity to raise fundamental questions about the direction and future quality of our civilization.

If the people are to make reasoned choices they must have information to guide them and newspapers are the ideal medium for this task. Don't be satisfied with reporting what others are saying. Become activists; propose solutions. These proposals should be mind-stretching exercises. All of us, all too often, are guilty of proposing yesterday's solution for tomorrow's problem. Give me hell whenever you think its needed. I promise I won't cancel any subscriptions.

In 1968 the citizens of Los Angeles voted down a $2.5 billion bond issue for a rail transit system. Had it been passed the 1977 restrictions on automobile travel would probably be less severe. Did the newspapers in southern California do a good job of informing the public about the possible consequences of the vote? I don't know, perhaps they did.

Ironically, Los Angeles owes its urban sprawl to rapid transit and not the automobile. Fifty years ago Los Angeles had perhaps the finest interurban rail transit system in the world—nearly 1,000 miles of track ranging out 60 miles. Then, about 1930, someone made a mistake. Instead of taking highways over or under the transit lines the right-of-way at transit grade crossings were given to the automobile. With the trolley's speed advantage wiped out, patronage dissolved and the tracks were ripped up.

The Los Angeles City Fathers in the Thirties did what they thought was best in the light of the knowledge then available. Our best approach today is to try and move forward and find solutions to the problems that have arisen rather than trying to assign blame for the past.

A serious and intelligent investigation of mass transit is very badly needed in Los Angeles today. Buses are the obvious short-term response; you can't build a rail system overnight. But for a city the size of Los Angeles, particularly given its geography and meteorology, the longterm answer probably will have to include some rail transit. The steel wheel on a steel rail is still the most energy efficient means of moving large numbers of people.

The BART system here in San Francisco is the first new rail transit system built in this country in this century. In Washington the METRO is well under construction. We hope to have enough of it in operation in 1976 to make it a showcase for the Nation's 200th birthday celebration. In Atlanta the third new rail system in this country has been given a green light by the voters.

Our neighbors have gotten a jump on us in modern systems. Montreal and Toronto have new subways which have generated strong public patronage. Mexico City has built, in something like two and a half years, a 42-mile, rubber-tired subway system that is fast, safe, efficient and quiet. The technological superpower is going tó have to play catch-up.

I'm not suggesting that rail transit is the answer to every city's problem. It's not. For most cities it will be buses and even where rail transit provides the backbone, buses will be needed to flesh out the system.

With sufficient funding, mass transit could be deliberately employed as a major element in designing more effective cities. As a matter of social justice we should provide public transportation for the 25 percent of our citizens who are old, poor, handicapped or under 16. We should realize that not everyone can afford a car; that not everyone wants to drive; and that no one needs to drive everywhere all the time.

Physical isolation—the inability to get to a doctor, to a store or a job, or to get crosstown to visit friends or family—has been suggested as a major factor in urban unrest. For our own social development we need means of transportation that bring people into contact with each other rather than moving them individually wrapped in steel boxes.

I'm not anti-automobile. Far from it. The automobile has a secure place in the American transportation system. It has made us the most mobile people in human history. And, on balance, I'm convinced that has been for the better. But I am equally convinced that in the coming years the individual's assurance of instant automobility must be weighed against other community and personal values—the need for quiet, diversity, beauty, clean air, bright skies, stable neighborhoods, parks and recreational areas. We should compare what mobility affords us with the things it compells us to forego.

An integrated transportation system speeding Americans to work and providing access to leisure-time activities, providing a road to opportunity, insuring rational land-use and protecting our heritage of natural beauty—such a system will not come about automatically.

We are going to have to work for it. It will not happen at all unless we develop a sense of urgency and plan how to bring it about step by step over the next 50 years.

It is a truth of human nature that necessary changes are actively desired only when they are seen as really possible. It is our job—and, truthfully, more yours than mine—to make long-range environmental planning respectable and thereby possible within a democratic framework.

Newspaper help shape public opinion and channel public action. You can provide to the American people the knowledge that will give them the confidence they need to control their own destiny.

SPEECH BY WILLIAM D. RUCKELSHAUS

From the end of the first World War until the late 1960's one major principle shaped the topography of America—the principle of automobility. Few prophets of a half-century ago could have envisioned today's urban and rural highway network with its multitude of feeder routes. Some predicted the convenience and added mobility but few foresaw the problems it would generate as well.

This 52nd annual conference is therefore not only timely, but urgent, for a very necessary reconsideration of the functioning of our highways has begun. They are no longer evaluated solely in terms of how well they facilitate movement, but by how they meet a broad range of social criteria.

It seems obvious to me that no road will ever again be built without considering its effect on the health and comfort of the people it serves, or without sober calculation of its total impact on the stability of the community over a period of years. Once a major thoroughfare has been constructed we must live with its consequences for generations.

In other words, highways today are not less important but more so, and their social significance is now widely recognized. The main task then is to emplace highways in such a manner that they improve the land rather than spoil it, reduce congestion rather than intensify it, cut pollution instead of adding to it, and save lives instead of taking them.

A major concern in EPA is, of course, air pollution. We have been working closely with DOT over the past year to coordinate our pollution control policies. We have worked with the Federal Highway Administration to make sure that our guidelines for review of impact statements under NEPA are compatible with their procedures and that our regional offices speak with one voice on all such matters.

We havė been cooperating with State Highway Departments on specific difficulties, such as I–95 in Philadelphia and I–66 in Arlington, providing suggestions on workable alternatives if it appears likely a given project will generate air pollution exceeding levels permitted under the Clean Air Act. Such alternatives might include fringe parking, express busways traffic limitations and so on.

Our goal is to assist other government agencies, not hit them over the head with sanctimonious pronouncements. Even with the most efficient arrangements, we have a formidable task ahead of us. About 25 Air Quality Control Regions all over the country are considering some curtailment of motor traffic as part of a general strategy to meet the 1975 air standards.

Meanwhile, a Federal district court has ordered EPA to promulgate a specific plan to get Los Angeles and a number of adjacent counties into compliance with the Clean Air Act by 1977. We have proposed curtailing traffic in the affected counties by more than 80% through gas rationing, plus retrofitting pre–1975 cars, converting fleet vehicles to gaseous fuel, and mandating annual inspections.

Our technical consultants are continuing their analysis of the options so that we can modify our requirements, but so far they have found no other way to satisfy the court's demand for certain compliance with the law. We admit the requirements for Los Angeles are draconian; indeed, almost any workable solution there will be if we stick to the letter of the law.

Only the people can decide, ultimately, what kind of community, what kind of overall society they really want.

Until now, the average citizen has not had the foggiest idea of what choices were available to him, or even whether there were any. It would be a shame if this great national debate on transportation were to be clouded by emotionalism or demogoguery. If we keep our heads we can exploit an historic opportunity to raise fundamental questions about the direction and future quality of our civilization.

I believe we are heading into an era when highways will become part of a fully integrated transportation system for the United States. I know that has been your concern for the last several years, and it is the official policy of the Department of Transportation. Indeed, highway experts must participate in this intermodal, ecologically oriented kind of mobility.

Planning in advance to control the social effects of automotive technology is now essential to avoid disruptive confrontation not only with environmentalists but with ordinary citizens. Confrontation and recrimination over highways have unfortunately become a part of the American scene in recent years.

I don't think anything can be gained by taking an all or nothing, anti-car stance. That's stupid because it denies the hard fact of our reliance upon automotive vehicles. What we must do now, it seems to me, is to pose broader questions: what kind of mobility do we want and for what purposes? When do we need transportation services, where, and in what combination of modes? These are the basic questions our society must persistently ask until we get workable answers based on modern needs.

Pollution control, of course, is only one aspect of the environmental challenge of integrated transportation systems. Even if we could stop all pollution, we would still face a host of car and highway related problems—noise, waste of fuel resources, congestion, urban design, overall quality of the metroplex where most of our people live. I must confess to mixed emotions about solving air pollution problems relating to the automobile. This might well have the unexpected effect of turning citizens' attention from other difficulties with the automobile because they are not quite as obvious.

Take the issue of how to get the best use of our diminishing reserves of cheap fuel, for example. Some have observed that our emission controls will decrease the efficiency of the internal combustion engine, but though controls may increase gas consumption a significant seven percent, vehicle weight and power options are even more serious wasters of fuel.

We have just completed studies which show that air conditioning, for example, reduces gas mileage nine percent on the average and 20 percent on a hot day in urban traffic. Automatic transmission costs another six percent. Steel belted radial tires, however, can *save* 10 percent.

Sheer bulk is the worst offender: an increase of only 500 pounds in car weight (say from 3,000 pounds to 3,500 pounds) can slash mileage from 16.2 miles per gallon down to 14.0 miles per gallon, a drop of 14 percent. A 5,000 pound vehicle consumes 100 percent more gas than its 2,500 pound counterpart.

Let me give you something to think about. A drop from the present average weight of the automobile to a 2,500 pound maximum would reduce total gasoline consumption in 1985 to the projected level for 1975. This would reduce crude oil imports by 2.1 million barrels per day in 1985 and the projected balance of payments deficit by $2.3 billion annually in current prices.

So if fuel reduction is imperative in a time of energy shortages, we should look at the whole range of factors causing a rise in consumption. If intervention is warranted we should control those factors that are least beneficial socially. We might ask, what are the social benefits of weight in cars? Is is necessary as a safety measure or if all cars were small would massiveness be irrelevant? What is more important to this country, air-conditioned cars or clean air?

Let us assume that the use of private automobiles will be curtailed to some extent in some jurisdictions in coming months and years. That leaves us with the responsibility of creating viable systems of public transportation. One way to do this is to tap the highway trust fund: a step the Administration has strongly supported.

This would not mean the end of highways, but rather a recognition that transportation should be viewed as a totality, not as a collection of independent parts. Big and small city mayors have long been calling for more flexibility.

Congress, they say, has on the one hand demanded that we cut pollution back dramatically by 90% but has not thought about where the money is coming from to accomplish this noble objective. There are 5 billion dollars ready and waiting in the Trust Fund to build highways but relatively meager funds are available for anything else. The mayors are crying out "give us a choice".

I am not suggesting that mass transit is the answer everywhere. Los Angeles might spend its trust fund allocations on an extra lane of exclusive busway. But the goal now should be to provide options for those who need them and not insist upon procrustean adherence to obsolete concepts.

With sufficient funding, we could provide buses and commuter trains that are fast, safe, reliable and convenient. Mass transit could be deliberately employed—like housing and the utility infrastructures—as a major element in the design of more efficient cities.

Air-conditioning, express service, attractive interiors, quiet low-emission engines, flexible routes, courteous service, seating arrangements which recognize the importance of "personal space"—these features might lure the suburbanites back to town, where their financial presence, moral commitment and political leadership are vitally needed.

Fast and reliable public transportation would certainly open up suburban light-industrial jobs to inner city residents. Jobs which today go unfilled could be filled by those who need them.

As a matter of social justice, we should restore decent public transportation for the 25% of our citizens who are old, poor, handicapped or under 16. Physical isolation—inability to get to a doctor, a shop, a job or even to a movie house—has been suggested as a major cause of urban unrest.

We should realize that not everyone can afford a car, not everyone wants to drive, and that nobody really wants to drive everywhere all the time. We need more flexibility of choice; we need means of transportation that bring people into contact with each other and not just with machines.

Downtown the worker or shopper should be able to get around in automated, low-speed easy-access people movers of one kind or another, like the one linking the campuses of the University of West Virginia at Morgantown.

In the suburbs we should attempt to modify the system which has made countless wives into chauffeurs for their children, trapped in an endless routine of ferrying the kids back and forth to school, to the dentists, to the scouts and to friends. Perhaps we can look to dial-a-bus, which has already been tried in Haddonfield, New Jersey, or other methods to provide alternatives to those who want them.

A safe, efficient transportation system might do a lot to stem the tide of loneliness, fear and alienation which threaten city life today.

I trust no one in this sophisticated group will take my remarks as an anti-automobile diatribe. Far from it. The automobile has a secure place in the American pantheon. I see no immediate alternative to cars for travel cross-country, between small towns, or in the far exurbs.

Elsewhere, however, we need to create a balanced system of interlocking, complementary modes available to all travelers on a short-wait, brief-layover basis. Unless such service is provided, the shopper and commuter will naturally stick with the automobile even where it is wasteful and counterproductive.

I believe that in coming years the assurance of instant automobility should be weighed against other community and personal values—the need for quiet, diversity, beauty, bright skies, stable neighborhoods, land for parks and recreation, the need to safeguard wilderness and so on. We should compare what mobility affords us with the things it compels us to forego.

The spoliation of the human habitat can be arrested by using transportation—and especially highways—as a major tool in land use and regional planning.

Multiple use of transport corridors must become more common as a means of ensuring that development damages and preempts as little land as possible. Rights of way must be exploited for their full recreational and aesthetic potential. Properly laid down, highways can dramatize and articulate a natural setting; they are not inherently ugly.

When a land-use bill is passed by the Congress, and in my opinion this will happen soon, cities and states will have an incentive to control growth, the options to do it and better means of doing it.

The President has proposed legislation which would provide $100 million during the next five years to help the states assume land-use planning and regulatory authority over the most critical and diminishing of our land assets. The States would be empowered to override local government wherever its land-use decisions would have more than local significance. The President's bill does recognize that the great majority of such decisions are of purely local character and therefore should be made in the community.

What this means in practical terms is that from now on we should have the option of deciding consciously, not by default, what kind of a total environment we really want.

We have always thought of trains, automobiles and aircraft simply as means to move people and goods from one place to another—and seldom acknowledged their impact on communities, or the limits they impose on creating new kinds of communities capable of fulfilling the complex human needs that arise when we move "beyond prosperity."

The integrated transportation system speeding Americans to work and guaranteeing leisure-time access to varied pleasures, providing a road to opportunity from the ghetto to where the jobs are, insuring rational land-use and protecting our heritage of natural beauty and historical sites—such a system will not come about automatically.

It will not happen at all unless we develop a sense of urgency and plan how to bring it about step by step over the next 50 years. We must get started soon if we expect to reach our goal within the span of generations now living.

By acting in time we can avoid the error of an extreme reaction against cars and highways. The Highway Research Board can do a great deal to obviate this reaction and effect the necessary changes. It is a truth of human nature that reform is actively desired only when it is seen as really possible.

It is our job and yours to make long-range environmental planning respectable—and thus possible—within a democratic framework. Then the transportation net can be employed as a positive force to lift the minds and lighten the hearts, improve conditions and broaden the perspectives, of all Americans.

The image of the open road which has beckoned us for generations may become an illusion if we do not act. Instead of being pathways to adventure and fresh opportunity, many thoroughfares frustrate our movements and aggravate social tensions. Too often they isolate and destroy neighborhoods. Too often they envelop us in the monotony and choking fumes of stalled traffic.

If we reconsider the circumstances of highways today, if we design them to enhance the land rather than to scar it—then tomorrow we can insure that automotive travel remains pleasant and convenient. We can write a new chapter in the history of the open road. We can use highways to foster civic amenity and personal growth.

We must never turn from this goal.

Reducing Auto Emissions: Some Relevant Facts

(By Robert L. Sansom)

This is an important conference. We are setting in place the last part of the regulations and policy framework to clean up mobile sources so that ambient air quality standards can be met in 1975 or 1977.

In our progress we have passed at least two major milestones:

The Clean Air Act amendments of 1970; and

The Administrator's decision last April not to extend the 1975 deadline for the auto manufacturers.

Now we approach the third milestone—the implementation of transportation controls—vehicle emissions inspection systems, vehicle modifications, and mass transportation alternatives. These must be implemented in 28 AQCR's in 18 States, by 1977 at the latest. Appropriately, the last part of the framework will be set in place by local and state officials.

Before we embark on the discussions of the next three days, we should take notice of criticisms of our past decisions, of those who question whether we are on the right path. Some of our major periodicals and almost every industry leader has, within the last few months raised serious questions about whether our actions in carrying out the mandates of the Clean Air Act amendments are correct. There is no question that our actions have far-reaching implications, affecting in some form half of the American population who drive the more than 80 million US vehicles. What is our response to these criticisms?

The first issue is whether we have defined the problem correctly. Is the automobile a major polluter?

It is estimated that on a nationwide basis, in 1970, gasoline powered motor vehicles contributed 50% of the hydrocarbons (HC) 70% of the carbon monoxide (CO) and 30% of the nitrogen oxide (NO_x) emitted to the air. In many individual cities, however, motor vehicles contributed even more—in the 90% range in some cities. In short, the automobile is the single most important source of these air pollutants in this country. The Clean Air Act of 1970, which mandates that the automobile industry reduce these emissions by at least 90% by 1976 will go far in removing automobiles from the pollution picture.

Some have criticized our goals by comparing the potential for damage from automotive pollutants to potential damage from nonautomotive pollutants:

One critic acknowledges that approximately 40% of man-made pollutants by weight come from the auto but contends CO is only 1/30th to 1/20th as harmful as other pollutants such as SO_x.

This type of statement assumes the quantification of all the effects of air pollution on man. All of the harmful effects have yet to be identified, let alone quantified. As for the comparison of CO and SO_x, it is true that, for example, calculations can lead one to the conclusion that on a pound-for-pound basis SO_x is potentially more dangerous than CO. A crude way to obtain a relative index of toxicity is to compare the primary standards for each. Although there is no one exposure time common to both pollutants, such comparisons show that the toxicity ratio might range from 8:1 to an upper limit of 30:1, but not above 30:1. But this crude analysis is not sufficient, because until we know what the dangers are beyond the concentrations level in the standard, we can't say whether one pollutant will have a greater impact than another once the standards are exceeded. It does not appear logical to control one pollutant and not another just because the former might be more toxic. They both should be controlled.

Another crticism we hear is that the carbon monoxide blood levels of people in major cities across the country are well below the level at which there is any heath effect.

We are presently co-funding a sampling program to determine the carboxyehemoglobin (COHb) levels of people in major cities throughout the United States. Over 14,000 samples have been taken and the results of the study are now being tabulated. One set of preliminary results shows that the mean COHb level of non-smoking males, ages 39–49, living in Chicago, is 3 percent. Because the carbon monoxide air quality standards are designed to protect against levels in excess of 2 percent COHb, we must reject this criticism. [Incidentally, the levels for smokers are substantially higher at 5 to 7 percent.]

Another criticism of the automobile standards is that natural sources emit more pollutants than automobiles. It has been stated that natural sources emit ten times as much CO worldwide as all industrial and automotive sources combined.

Although this may well be true, it is irrelevant to the problem at hand. Because man concentrates his emissions in metropolitan areas, he is exposed to pollutant concentrations far beyond natural background levels. Because we recognize that natural removal processes exist, our primary goal has not been to eliminate all emissions, but to reduce the density of emissions in all regions to levels such that natural dispersion and removal processes can prevent the buildup of unnaturally high pollutant concentrations.

Yet another type of criticism is to contrast the emissions from the 1975/76 automobiles with emissions from man's other activities. We examined these criticisms with the following results:

We heard that the 1975 standards would result in an automobile that emits as much HC as an average residential yard. We checked this out, only to find that the appropriate comparison would be to a forest (not a yard) at least three orders of magnitude as large as a 40 sq. ft. yard. Again critics have missed the key point: automobiles lead to high contributions of pollution because thousands of them concentrate in small areas, exceeding nature's dispersing and absorptive capacities.

Along this same line, I have heard that if we burn a log in our fireplaces a day we will equal CO allotment for our 1975 car. True. But we could each have a roaring fire all day with a pre-controlled car allotment, and if these fires could be concentrated as automobiles can, we would have a serious pollution problem.

We are also told the 1976 standards are on a daily basis equal in NO_x terms to three gallons heating oil per person.

Our analysis bears out this relationship, but it also shows that the average person consumes a BTU equivalent load of 8 gallon per day for *all* residential uses of fossil fuels. Thus, the 1976 NO_x standards are equivalent to 2.5 times the NO_x emissions from the average person's daily BTU consumption for non-transportation uses.

These criticisms don't stand up to close scrutiny. The automobile is a serious pollution problem.

Nevertheless, we know the automotive standards must stand up to criticism. EPA is fully aware of this requirement. We are willing to change our minds if an error is found. For instance, we found our NO_x measurement techniques could have caused us to overestimate ambient air concentrations and thereby overstate the degree or at least the scope of applications geographically of automotive control required to protect the public health and welfare. As we announced in June, we have undertaken an extensive program using new measurement techniques to either validate our requirements or change them. This brings me to the second major milestone; the Administrator's May decision to deny the auto manufacturers' extension request.

Thus, the question arises, even if these emission goals are desirable, is the technology available to achieve them in 1975 and 1976? One of the most important roles of EPA is to create the regulatory and other incentives for industry to push technology as fast as possible. This is a controversial role. But it is vital. I was one of many economists who was very skeptical of the *Limits to Growth* thesis. It is hardly reasonable to say bad technology grows exponetially while good technology grows linearly. But as critics of this thesis we must ask ourselves, what incentives are there for clean growth? The 1975/76 auto standards are such a regulatory incentive.

The Administrator's May, 1972, decision denying the auto manufacturer's request for an extension was in my view an important impetus to the development of a cleaner internal combustion engine technology.

The rate of technological advance has risen sharply. I am encouraged to see that industry is making progress. Some of the data we have seen indicate that 1975 cars may meet the 1975 standards and consume no more gasoline and be as driveable as cars currently being sold.

We must not blindly pursue technology. We must determine if it be acceptable in terms of cost and energy requirements. What are the facts? Some manufacturers have consistently claimed that the incremental cost of an automobile due to EPA's pollution control efforts will exceed $600. Our estimates show that the increased sticker price of an average US automobile in 1975 should be on the order of $150 to $300 over the price of a comparable 1968 car. This estimate was confirmed by industry testimony before the EPA public hearings in May of this year. It is also clear that the cost will be even lower for cars with four and six cylinder engines. We are confident that these cost increases can be further reduced through continued development, engineering and optimization of the basic systems, as well as through the development of new power systems with inherently better emission characteristics. Even accepting current costs one calculation I have seen that includes both investment and maintenance cost yields a total cost to the consumer in the range of about 40¢ to $1 per week.

Energy consumption is another standard by which this technology has to be judged. And, the question of fuel penalties from emission control devices has also received considerable recent attention in the press. Our research in this area does indicate that on the average current model year vehicles show poorer fuel economy characteristics than did vehicles manufactured before emission control devices were required. Our figures indicate an overall fuel economy decrease from pollution control devices of 7% in 1973 model year vehicles over pre-1968 vehicles. But let's put this 7% into perspective. The automotive industry has indicated that there is a 5–6% fuel penalty associated with the introduction of automatic transmissions.

There is an average of about 9% fuel penalty associated with an automobile air conditioner, but this can range up to 20% in urban driving on hot days. And, factory air conditioning is installed on over 60% of all new cars on the market.

The type of engine used in the automobile is also a significant variable in terms of fuel consumption. The available data on diesel-powered automobiles show a 70% increase in fuel economy over an automobile of the same weight using the gasoline, spark ignited, reciprocating engine which dominates the American market. On the other hand, data available to EPA on the Wankel shows a 35% decrease in fuel economy. The stratified charge engine which is a prototype low emissions engine being developed jointly under Army and EPA funding, shows a 12% increase in fuel economy over the average 1973 vehicle of similar weight at a significantly lower emission level.

But *the largest impact* on fuel economy is associated with the general industry trend toward heavier vehicles. The fuel economy of the upper and lower bound of vehicle weights commonly found in the U.S. varies by 150%. The average current model 5,000 pound vehicle achieves approximately 10 miles per gallon under simulated urban driving conditions compared to 25 miles per gallon for 2,000 pound vehicles. Thus, the car buyer has a direct and effective method of achieving better fuel economy through his choice of the weight of the vehicle he purchases.

In summary then, we have found some fuel penalty associated with the introduction of pollution control devices. However, this increase is relatively minor when viewed in the light of Detroit's and the consumer's trend toward cars with increased weight, air conditioning, power equipment, automatic transmissions and now the Wankel engine.

With the energy crisis upon us, much can and must be done to minimize energy consumption from mobile sources—sources using about 40% of the petroleum resources in this country. The stratified charge engine, or the diesel, or a shift to smaller cars—all these measures—would have substantial fuel economy advantages. Surely, these alternatives should be at the top of our list of measures to save energy, and an easing of our emission goals at the bottom.

In sum, the evidence available to EPA indicates the technology to meet the 1975 standards is available and can be had at a reasonable cost to the consumer and with energy penalties much less severe than those associated with a broad range of conveniences.

I have reviewed criticisms of the program to remind us as we begin this conference that we must weigh the choices facing us in the area of transportation controls carefully. Our analysis must be as precise as possible and we must weigh social and economic impacts.

During the next three days we will be considering three major transportation control alternatives: Motor Vehicle Modifications, Emissions Inspections, and Transportation System Controls.

Determining the proper mix of these options . . . Determining how they would perform under varying conditions in the various localities . . . Calculating the percent of relief we could expect from each and offsetting beneficial effects against economic costs and social burdens . . . These are the Conference objectives.

Let me briefly examine each option in turn. Vehicle modification appears to be a feasible and readily available alternative open at present.

Emission requirements could be extended to our pre-1968 vehicles and made more stringent on 1968 to 1974 models. Currently, approximately 60% of the nation's automobiles—all those manufactured prior to 1968—have no form of exhaust pollution control device. The possibility of modifying or retrofitting older models has strong appeal in light of the art that, depending upon age and degree of maintenance, they often emit many times more pollution than new models, and that in the next few years they will continue to contribute disproportionately to air degradation.

Retrofit systems have been developed and generally follow a similar approach of combining carburetor and distributor modifications and adjustments, vacuum advance, and raising the engine operating temperature. Catalytic retrofits are also available.

Certainly retrofitting could be an effective short-term solution even though older vehicles are being phased out of use at a rate of approximately 10% per year.

Emission Inspection systems are the second transportation control alternative. Any mechanical device must be maintained. To assure maintenance, as well as identify high emitters, periodic inspection appears to be required. Sections 110 and 210 of the Clean Air Act provide for such inspection if deemed necessary and practicable, and EPA's recent decision on the allowable maintenance on 1975 and later emission control systems assumed reliance on inspection systems.

Further progress toward creation of such a program depends upon satisfactory resolution of such key issues as who will set up and operate the required facilities; which test cycle would be the quickest, cheapest and most accurate; and questions of relative costs, manpower requirements, and implementation items.

Along with vehicle modifications and inspection the third option of transportation systems controls has been advanced as a pollution reduction approach with considerable, and as yet, largely unexplored potential.

Evaluating these claims is considerably more difficult than evaluating modifications hardware, and our knowledge is correspondingly less complete. At present we have a fairly good idea of what the short-run alternatives are, some very gross estimates of their likely effectiveness, a good deal of information on what some of the key variables that influence effectiveness are, and a very poor understanding of the monetary and social costs.

Furthermore, the improvements that can be achieved are likely to vary considerably from city to city, depending on such things as urban structure, the dispersion of origin and distinction points, the extent to which mass transit is already used, etc.

Most non-hardware transportation control alternatives—e.g., higher parking fees—requires mass transit improvements because if auto use is discouraged, alternative transportation will be needed. Leaving aside for the moment coercive means of encouraging mass transit use, the most important mass transit improvement that can be made is to decrease door-to-door travel time. Travel time is a more important determinant of transit ridership than cost. And direct access time may be more important than linehaul time. This means that transit improvement is likely to require not only the use of express bus lanes and the like, but also improved collection and distribution systems.

It may be, however, that to be most effective in reducing emissions, mass transit will have to be associated with vehicular restraints or pricing policies designed to discourage automobile use. Without such measures, it may be that no mass transit system can sufficiently attract enough drivers from their cars to achieve the necessary reduction in auto trips.

Answering questions such as those I have just raised is the purpose of this conference. Local and State officials will labor hard over these issues in the next few months. The public must be involved.

EPA has asked the States requiring transportation controls to submit plans by February 15, 1973. In the next few weeks, we will be issuing guidelines describing what constitutes an acceptable plan, defining maximum feasible technology, and so forth.

While the measures discussed here are the last part of the regulatory framework to be put in place, they are among the first that will impact on the public. We must achieve our air pollution goals. But, we must do so with minimum cost to society. The chief value of this Conference will be in devising ways of accomplishing these objectives.

THE DIVESTITURE PROCEEDINGS AGAINST EL PASO NATURAL GAS CO.

Mr. MOSS. Mr. President, on March 5, 1973, the Supreme Court of the United States affirmed the orders of the U.S. District Court for the District of Colorado in the divestiture proceedings against El Paso Natural Gas Co. This action by the Supreme Court ends 16 years of litigation resulting from El Paso's acquisition in 1957 of the former Pacific Northwest Pipeline Co., which was found to be a violation of section 7 of the Clayton Antitrust Act. Moreover, this decision now makes possible the creation of an independent, publicly held interstate gas transmission company—called Northwest Pipeline Co.—to serve the needs of the Pacific Northwest with an assured gas supply, and provides all the Western States with a strong independent, new competitor to stimulate the search for new supplies of natural gas.

Importantly, this final action by the Supreme Court also preserves the integrity of the antitrust laws. In 1964, the Court found El Paso guilty of an antitrust violation on the grounds that its acquisition of Pacific Northwest Pipeline Co., substantially reduced competition in the Western States. The Court concluded in its 1964 opinion that—

> If El Paso can absorb Pacific Northwest without violating Section 7 of the Clayton Act, that section has no meaning in the natural gas field.

The Court then went on to order "divestiture without delay." The orders made last summer by the District Court for Colorado, following exhaustive taking of evidence, briefing and argument, were the result of that mandate. The Supreme Court, moreover, has reaffirmed the soundness and appropriateness of that mandate three times since its original 1964 opinion; the most recent occurring only last year.

The plan of divestiture ordered by the District Court and finally approved by the Supreme Court on March 5, lays to rest all questions of the allocation of gas reserves, the financial plan of acquisition, the rollover of debt at old, lower interest rates, the utility assets to be divested, and the selection of the group to purchase control of the new interstate gas transmission company and to provide experienced top management.

All that remains in order to complete the divestiture is negotiation of the fair market value of the assets ordered to be divested and the transfer by the Federal Power Commission of authority to operate the pipeline. These last steps can be completed expeditiously by early Fall of this year. In the meantime, of course, the operation of the pipeline remains uninterrupted. The present operating personnel of the pipeline will become employees of the new Northwest Pipeline Co.

The people of the Pacific Northwest and other Western States have every good reason to be delighted with the Supreme Court's final decision in this most unusual and important antitrust case. For the first time in 16 years, gas consumers will find themselves the beneficiary of active competition, stimulating additional search for gas supplies to serve the western third of the Nation.

In addition, the Court has structured a financially strong new company with capable and experienced management. The group selected by the Court—called the APCO Group—provides a union of comprehensive experience and demonstrated ability in all aspects of the natural gas business—exploration, development, transportation and marketing. As a result, the present service to the Pacific Northwest will not only remain uninterrupted, but its future will be protected.

Of great importance is the fact that, as a result of divestiture, the new company will rank first in the Nation in reserve life index. Reserve life index is the ratio of gas reserves to current annual production of gas and reflects the ability of the new Northwest Pipeline Co. to fulfill its market demands from existing gas supplies. The Northwest Pipeline Co. will also rank fourth in the Nation in total gas reserves as a result of divestiture. The new company will have assets of approximately $300 million, which will place it about midway in financial strength among the 35 major gas transmission companies in the United States. Certainly, these facts alone justify the 15-year crusade by the Department of Justice, and they reaffirm the basic soundness of the public-interest concerns underlying our antitrust laws.

Mr. President, I believe that this decision by the Supreme Court, preserving the integrity and the strength of our antitrust laws, comes at an important time, when the adequacy of the energy supplies of this country are in doubt and the need for competition for new supplies is greater than ever. I ask unanimous consent that an article appearing in The New York Times on March 6, 1973, reporting the significance of this decision, be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGH COURT AFFIRMS EL PASO DIVESTITURE; 15-YEAR FIGHT ENDS

(By Warren Weaver Jr.)

WASHINGTON, March 5.—The Supreme Court approved today a plan under which the El Paso Natural Gas Company must divest itself of $290-million worth of energy resources, property and pipelines to form a new utility in the Pacific Northwest.

The decision brought to an end a 15-year battle between the Justice Department, trying to force El Paso to relinquish the Pacific Northwest Pipeline Corporation, which the company bought in 1957, and the multimillion-dollar utility, resisting the Government effort.

The high court affirmed unanimously without opinion a Federal District Court plan under which about one-third of El Paso's gas resources would be given over to a new company operated by the Apco Group, with its principal markets in Washington, Oregon, Idaho and northern California.

The case had been watched closely during its long evolution for clues to the Government's persistence in pursuing antitrust cases in the private power area. In terms of the value of the assets involved, it was a major contest but not one of the biggest in history.

It was the fifth time the Supreme Court had ruled on one aspect or another of the controversy. Three associate justices, William J. Brennan Jr., Byron R. White and Thurgood Marshall—took no part in hearing or deciding the case.

The Apco Group is a conglomerate consisting of the Alaska Interstate Company, the Apco Oil Corporation, the Gulf Interstate Company and the Tipperary Land and Exploration Corporation.

John G. McMillian, president of the Apco Group, hailed the court's decision in a statement today as one establishing an independent gas supplier in the Northwest while preserving "the integrity of the nation's antitrust laws."

CRISIS ARGUED

Mr. McMillian said that his organization would begin negotiations at once on a price to be paid El Paso for its Northwest division, under supervision of the district court. He predicted that this final phase of the divestiture would "not be a complicated one."

Clearly trying to discount the impact of the decision, Howard Boyd, chairman of the board of El Paso, said that it would not affect his company's announced plans for expansion and the development of new energy sources.

In the Pacific Northwest, he maintained, "an additional supplier will not be added, but a different management will take over a new company to receive the fragmented part of the El Paso system."

Mr. Boyd said it was "impossible to predict the amount of time required" to determine a sale price for the El Paso assets and for the Federal Power Commission to authorize a transfer. He did say, however, that El Paso stockholders would continue after divestiture to own "substantially the same properties." although some would be under different management.

El Paso had argued before the high court that the national power shortage made it desirable to leave the Northwest division under its ownership. But the Justice Department responded that "the energy crisis cannot be solved by recision of remedies to correct violations of the antitrust laws."

During the long course of the El Paso case, some 15 additional parties were drawn into the controversy—all the states involved and a number of gas and electric utilities in the area. Decided today were five appeals brought by 13 parties.

In its ruling, the Supreme Court rejected two basic arguments: that El Paso should not be required to divest itself of its Northwest assets in the interests of prompting competition, and that, even if it were, the Apco Group was not the most promising operator.

Of the seven applicants for the new company, the district court had originally chosen the Colorado Interstate Corporation and Apco was an alternate. But an outside utility bought Colorado Interstate, and the court, rather than reexamine the entire competition question, shifted to Apco.

LOOPHOLES AND LITTLE GUYS

Mr. HUMPHREY. Mr. President, last weekend, Presidential Assistant John D. Ehrlichman began the Nixon administration's counterattack against efforts to make the tax system just and fair for all Americans.

Ehrlichman said that closing tax loopholes will simply not produce revenues—unless interest on a person's home mortgage, his home taxes, and his personal exemption were eliminated.

Mr. President, I charge that the Nixon administration is engaging in scare tactics—they are trying to scare the average taxpayer away from tax reform. And, they are trying to protect the big corporate interests—those same interests who day in and day out support the Republican party and gave the bulk of the campaign contributions to the President's reelection.

The fact is that the revenue code has plenty of room for reform. And, we can have a tax reform that closes loopholes for the special interest while making taxes fair for the average working family.

That is what the Nixon administration fears—an assault on the tax loopholes of the privileged few.

Mr. President, Hobart Rowen, in a recent column in the Washington Post, noted Mr. Ehrlichman's statements, took issue with them, and then quickly pointed to areas of possible tax reform that would produce a great deal of revenue.

The final paragraph of Mr. Rowen's article is the most telling:

> So, who is Ehrlichman trying to kid? If the administration doesn't have a decent tax reform program, it is not because it could wring the money only out of the little guy, nor because there aren't outrageous loopholes waiting to be plugged. It is just because Mr. Nixon must believe that his constituency likes the inequitable tax system pretty much the way it is.

Mr. President, I ask unanimous consent that Hobart Rowen's column, "Loopholes and Little Guys," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOOPHOLES AND LITTLE GUYS

(By Hobart Rowen)

On ABC's "Issues and Answers" last Sunday, presidential aide John D. Ehrlichman said that "there is a lot of misinformation around in this business of tax loopholes," and then he did his best to spread some more of it around.

The basic point that Ehrlichman was trying to make is that it's not possible to raise a great deal of money by tax reforms, "unless you start digging into the average taxpayer's exemptions, or charitable deductions, or mortgage credits, or something of that kind."

That, as Mr. Ehrlichman must know, is simply not true. He was just trying the usual scare tactics that have been this administration's old reliable weapon against tax reform.

What is true is that the exemptions or loopholes he mentions account for a considerable part of the erosion of the tax base. But there is plenty more that he didn't choose to mention.

Could it be that Ehrlichman failed to point to other loopholes because the chief beneficiaries are businesses and the most affluent taxpayers?

For example, the exhaustive analysis of erosion of the individual income tax base by Brookings Institution economists Joseph A. Pechman and Benjamin A. Okner in January, 1972, for the Joint Economic Committee of Congress shows that under a comprehensive tax system, the Treasury would pick up $55.7 billion in revenue it now loses to the leaky tax structure.

Of this total, $13.7 billion would come from taxing all capital gains, and gains transferred by gift or bequest: $2.4 billion from "preference income" such as tax exempt interest, exclusion of dividends, and oil depletion; $2.7 billion from life insurance interest; $9.6 billion from owner's preferences; $13 billion from transfer payments (welfare, unemployment compensation, etc.); $7.1 billion for the percentage standard deductions;

$2.9 billion for deductions to the aged and blind; and $4.2 billion for other itemized deductions.

On the corporate side, Ehrlichman made no mention of the $2.5 billion in reduced tax burden that business will get this year through accelerated depreciation schedules (ADR); and another $3.9 billion via the investment credit. From 1971 through 1980, ADR will be worth $30.4 billion and the tax credit $45.2 billion (all U.S. Treasury calculations). And in that span of time, there will also be some $3 billion in give-aways through DISC—a tax shelter for export sales profits just created by the revenue act of 1971.

Another tax reform target Ehrlichman appears unable to see is income-splitting, which Pechman and Okner estimate causes a revenue loss of at least $21.6 billion annually, almost half of which is a benefit to a relative handful of taxpayers in the $25,000–$100,000 income brackets.

But there's more to it than that. Ehrlichman pretends to be concerned about that "average householder' who would be hit if he couldn't take his mortgage interest as a deduction. But of the $9.6 billion that Pechman-Okner show lost to homeowners' preferences, defined as deductions for mortgage interest and real estate taxes, $5.3 billion goes to the tiny 5 per cent of taxpayers with reportable adjusted gross income of $20,000 or more.

And how about Ehrlichman's warning that Uncle Sam can't raise tax-reform money in significant amounts "if you don't let the average householder . . . deduct charitable contributions to his church or to the Boy Scouts . . ."? Is he really worried about the little guy?

The Tax Reform Research Group (one of Ralph Nader's operations) showed last year that when you divide the number of taxpayers in each income group into the total tax preference benefits of charitable deductions, other than education, you find this:

Among taxpayers in the $7,000 to $10,000 income bracket, the average tax benefit for charitable contributions was $17.44; for those in the $10,000 to $15,000 bracket, $33.11; for those in the $20,000 to $50,000 bracket, $199.09; for those in the $50,000 to $100,000 bracket, $1,211.16; and for those making $100,000 and over, a whopping $11,373.56.

So who is Ehrlichman trying to kid? If the administration doesn't have a decent tax reform program, its' not because it could wring the money only out of the little guy, nor because there aren't outrageous loopholes waiting to be plugged. It's just because Mr. Nixon must believe that his constituency likes the inequitable tax system pretty much the way it is.

OPPOSITION TO NIXON ADMINISTRATION'S PROPOSED CUTS IN FEDERAL PROGRAMS

Mr. INOUYE. Mr. President, once again the people of my State have spoken out through their elected representatives in opposition to the Nixon administration's proposed cuts in Federal programs. These programs have assisted the less fortunate members of our society and have worked to provide education, health care, housing, manpower training and environmental protection to the great majority of our citizens.

The President's spokesmen claim that the American people are on his side. But I do not believe this to be the case. The resolution which I introduce into the Record today which was passed by the council of the county of Kauai in Hawaii does not indicate support for the President's program. The thousands of messages that I have been receiving from Hawaii's elected leaders and citizens and from people across the country are not on the President's side. And the national soundings taken by opinion samplers do not point to a Presidential mandate.

An increasing number of communications to my office are asking why it took the President 4 years to begin the war on wasteful Government programs.

The Nixon administration is seeking to place the blame for the so-called failure of many social service programs upon the Congress.

However, it is the executive branch that administers these programs and is responsible for controlling administrative waste in day-to-day operations. If the programs are faulty in legislative design then the President had a responsibility during his first term to request revisions before allowing the squandering of taxpayers' money. This he failed to do. Certainly, it makes one question the administration's real commitment to cutting out waste. Also, the lack of concern over such items as weapons system cost overruns and tax benefits to the very wealthy adds to this doubt.

I ask unanimous consent that the text of the Kauai Council's resolution be printed in the Record. I agree with the sense of this resolution and I will listen to the voices of my constitutents as the Congress undertakes to protect our citizens from ill-designed and ill-considered budget cuts, illegal impoundment and destructive administrative regulations.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution Calling Upon the President of the United States and Congress to Restore Funds for Certain Social Service Programs

Whereas, the preamble of the Constitution of the United States proclaims that one of our nation's basic objectives is to "Promote the general Welfare"; and

Whereas, the *Council of the County of Kauai* recognizes our duty on a national and individual level to provide and assist the needy and less fortunate members of our society; and

Whereas, recent federal budget announcements by the President of the United States indicate severe deductions and deletions in many programs designed to promote the general welfare of the people of each state, including Hawaii and the County of Kauai; and

Whereas, such deductions and deletions include, but are not limited to, the following:

The complete dismantling of the Office of Economic Opportunity and agencies related to it, including the Kauai Economic Opportunity program, whose 41 employees presently provide services for over 1700 low-income citizens in the County of Kauai, which services include General Community Programs, Consumer Education and a lunch program for the elderly, Transportation for low-income including transportation for the elderly for shopping, and medical and dental services;

The stoppage of housing programs designed to bring relief to the numerous people in our County who live in overcrowded and dilapidated units at prices they cannot afford, including Section 235 and 236 programs which, along with others, are designed to stimulate construction of moderate income housing; and including U.S. Department of Agriculture loans for low-income rural families and credit for farm labor housing and rural rental and cooperative housing;

The cutting of the distribution of social service funds to the states by 40% leading to the probable loss for Hawaii, and proportionately to the County of Kauai, $9.5 million to $17.5 in federal funds for welfare programs through both public and private agencies, including up to $7.5 million in social services and $2 million to $10 million in food, clothing, and medical care payments;

The elimination of federal funding to libraries, vocational educational training of personnel, new careers in education, training institutes and summer fellowships, P.L. 815 school construction, programs for strengthening state departments of education, drug abuse education, environmental education, and vocational rehabilitation services;

The reducton of vital programs for senior citizens including the elimination of dental care for the aging under Medicaid, the stoppage of all research and training under the Administration on Aging, the deletion of expected expansion of the Retired Senior Volunteer Program, the foster grandparent program, the Senior Corps of Retired Executives, and research on aging under the National Institute of Child Health and Human Development;

The shifting to the uncertainty of special revenue sharing of many educational programs, including education for deprived children, supplementary services, bilingual education, programs for the handicapped, vocational and adult education opportunities;

The freezing of water, sewer, and open space projects and public facilities loans as well as grants to small communities for building water and sewer systems;

The elimination, reduction or shifting to the uncertainty of special revenue sharing of numerous manpower programs designed to reduce unemployment, including Concentrated Employment Program (CEP) training programs and Manpower Development Training Programs, public service careers and on-the-job training programs, CEP work support, Neighborhood Youth Corps, Operation Mainstream, and the Emergency Employment Act; and

Whereas, the above federal cutbacks, along with many others, will have a serious social and economic effect on the State of Hawaii and the County of Kauai; now, therefore

Be is resolved by the Council of the County of Kauai, State of Hawaii, that it does hereby call upon the President of the United States and Congress to re-evaluate funding for social programs and restore monies proposed to be deleted.

Be it further resolved that certified copies of this resolution be transmitted to the President of the United States, Hawai's Congressional delegation, the Governor of Hawaii, the Mayors and Councils of each other county in the State of Hawaii.

FARMER-CONSUMER INTERESTS IN INCREASED DAIRY PRICE SUPPORTS

Mr. HUMPHREY. Mr. President, today I testified before our Senate Subcommittee on Production, Marketing, and Stabilization of Prices to support my bill (S. 548) to establish dairy price supports at 85 percent of parity from April 1, 1973, to March 31, 1974. Over 20 Senators have joined me in cosponsoring this bill or an identical bill (S. 622) introduced by Senator Dole of Kansas.

The action a taken by the U.S. Department of Agriculture on March 8 in announcing a dairy price-support level of only 75 percent of parity for the forthcoming milk-marketing year, if allowed to stand, will prove disastrous for both our Nation's dairy farmers and the American consumer. Dairy cow numbers and total production are trending downward while consumption of dairy products is increasing both on a total and on a per capita basis. Unless dairy farmers are encouraged to remain in dairying, dairy supplies will continue to drop with corresponding increases in prices to consumers. Dairy farmers cannot continue to meet sharp increases in production costs—especially as it relates to protein ration costs—wtihout a higher basis price-support level.

My bill (S. 548) provides the level of support required to meet these needs.

In addition, action will have to be taken to realize the CCC purchase price formula also announced by USDA on March 8. Changes announced on March 8 in this regard were so substantial that a complete disruption of the industry will result, a development which will bankrupt most butter-powder plants and reduce income for many dairy farmers.

Mr. President, in my testimony earlier today, I went into these matters in much greater detail. In that, I believe, it is very important that every farmer, every consumer, and every Member of Congress clearly understand what is involved here, I ask unanimous consent that my testimony be printed at this point in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, I want to thank you for proceeding with this hearing today on my bill, S. 548, which if enacted, would establish dairy price supports at 85 percent of parity from April 1, 1973 to March 31, 1974.

This bill, of course, is one which I should not have had to introduce nor should this committee have to consider. But unfortunately, due to the action taken by the Department of Agriculture on March 8 when it announced a dairy support level for this next milk-marketing year of only 75 percent, (the minimum allowed by law) Congress must be asked once again to step in and act in order to protect *both* the dairy farmer and the consumer.

Establishing dairy supports at a level of only 75 percent does not adjust for the doubling in dairy feed ration costs these past several months, nor will it likely stop, or slow-down recent drops in total cow numbers or total milk production. And let us keep in mind at the very time these downturns in production are occurring we are experiencing an upswing to consumption of dairy products, both on a total and on a per capita basis.

While the Department in its March 8 news release indicated that the Secretary had determined that the 75 percent support rate would assure U.S. consumers an adequate supply of dairy products, the Department went on to contradict itself in the same release by announcing that the President was requesting the U.S. Tariff Commission to investigate the need or increasing the supply of cheese imports! Now who's kidding whom?

I submit, Mr. Chairman, that the Department has failed in its legal responsibility to establish dairy price supports at a level which will provide an adequate supply of milk for American consumers. I must point out, Mr. Chairman, that such action is in violation of Congressional policy as expressed in the Agricultural Act of 1949 which requires dairy supports to be set at levels to insure that domestic production is equal to consumer needs.

I find the Department's March 8 announcement disappointing and difficult to understand, because their own information shows that milk production is dropping and apparently will continue to drop. Unless some effort is made to stop or reverse this downward trend the consumers of this nation will be paying more, not less, for their milk and other dairy products in the future. With demand rising and supplies going down, prices are going to go up. Housewives and other family food shoppers should certainly understand this basic lesson in marketplace economics by now!

On Monday of this week, USDA announced its official dairy production figures for February. For the fourth straight month production is below that of a year ago. (Mr. Chairman, I would like to request that this March 12 report be inserted at this point in the hearing record).

I have found no indicators, either from official or unofficial sources, that suggest this production trend is likely to change. In fact, all current pressures today are working against expanded dairy production. Let me point out just a few of them.

A bad harvest season last fall has left considerable quantities of feed, notably feed grains, but also some hay—in the fields. Usually a situation of this type is somewhat limited in geography. Not so last fall. Nearly every agricultural part of the country was hit. My farmers in Minnesota have told me of their harvest problems. Farmers in the South and the Southeast have given me similar reports. And in the Northeast—in New England, New York and Pennsylvania—it is even worse. A recent survey in that area showed a loss of 17% in hay production in 1972 from 1971. And in nearly all areas of the Northeast the hay which was harvested has been designated as "poorer" or "much poorer" than in 1971. (Mr. Chairman, I have a news article covering this situation in more detail which I would like to have inserted at this point in the hearing record.)

Along with this bad harvest season is an extreme shortage of protein—particularly soybean meal, which is used so heavily in the area where I come from.

One year ago the price of soybean meal in Minnesota to the farmer was $112 a ton. Last month it was $227.60 a ton—more than double what it was a year ago. While these prices had been climbing gradually for most of the early months last year they really took off in November. In November soybean meal could be bought for $142 a ton. By December it had jumped $26 a ton. In January it was up another $32 a ton. And in February it went up another $28. That's an $86 increase in three months! (Again, Mr. Chairman, I have several tables illustrating these increases in feed-ration costs which I would like to insert into the record at this point.)

Nor do we see any indication that these feed ration prices will drop back substantially at any time in 1973. It will be at least 1974 before protein prices might drop—and then only if we have an extremely favorable production next year. As Secretary Butz commented recently, "Our analysts are concerned that we may not get enough acreage in soybeans this year." They should be concerned. Our dairy farmers certainly are.

Add to this unfavorable feed situation the fact that dairy cattle can bring good prices for beef. Steers on the Omaha market brought $45.25 a hundred lbs.—up $10.00 from a year ago. On that basis dairy farmers can ship good dairy cattle for beef and get in the neighborhood of $500 for a good-sized Holstein cow.

Put them all together and what do you have? Every incentive for dairy farmers to get out of dairying. Good beef prices if they sell. High protein costs and long work weeks if they continue dairying. Limited (and costly) hay and feed grain supplies on many of their farms.

As you well know, Mr. Chairman, due to the current heavy rail shipments of grains for export, many dairy producers located in feed deficit areas are finding it almost impossible to get feed, no matter what the price!

No wonder dairy farmers are discouraged.

What they need now is encouragement—some assurance that it will pay them to keep those milk cows and keep milking them. This is exactly what the Department of Agriculture has not given them.

What did they announce last Thursday? The lowest possible level at which they could set supports—75% of parity. Along with that an announcement that greatly expanded amounts of cheese are likely to be imported in the next four months.

In fact the only interpretation one can make of their March 8 price support announcement is that it is intended to lower both dairy farm income and production . . . minimum support level—increased dairy imports. If I was a dairy farmer and got that kind of news I would do just like many of them are doing today. I would think about getting out of that seven-day-week farming operation.

Some believe the price support announcement was pitched entirely toward the consumer. Maybe so! But I can assure you that if this policy is followed, the consumer will be the loser in the end.

One doesn't turn dairy production off and on like a household light switch. If farmers go out of the business now—and there is every indication that many are continuing to do so—it will be two or three years—maybe even longer—before remaining farmers can get milk production back up to needed supply levels. In the meantime prices will rise and the consumer will pay. Oh, will he pay!

Doesn't it make more sense to adjust these prices *now* and encourage dairy farmers to stay in dairying—rather than having them quit and then try to get them back again much later?

Thats why we have my bill, S. 548 before us. It is intended to establish prices at a level which will encourage dairy farmers to keep on with their dairy production. This is the obvious and sensible route—both for the dairyman and for the American consumer.

Enactment of S. 548, would assure consumers of an adequate supply of milk and would thereby hold down fluid milk price increases to about 1 cent per quart instead of 2 or 3 cents per quart which consumers will very likely soon be paying if milk supplies are not increased.

Another action I would like to address myself to which was included in the Department's March 8 news release is the change in CCC purchase prices for cheese, butter and nonfat dry milk. The Department announced that CCC buying price for cheese will be increased by 7.25 cents per pound, that butter will be reduced by 6.75 cents and that nonfat dry milk will be increased by 5.8 cents. Mr. Chairman, this is the first time in the history of the dairy support program that this change in the ratio of butter and nonfat dry milk prices to the price of cheese has been changed so substantially.

This dramatic change in price relationships among these manufactured dairy products will not only totally disrupt the competitive position between cheese and butter-powder plants, but will also result in a tremendous loss in income for many of our nation's dairy farmers who deliver milk to butter-powder plants. I estimate that this change in ratio will cost Minnesota farmers about $25 million this year alone. In addition, as I already have suggested, these changes will also result in tremendous losses for butter-powder manufacturing plants, losses which may drive many of them out of business entirely.

Mr. Chairman, unless something is done immediately to readjust these announced CCC purchase prices to bring the blend prices of these two types of plant back into balance—or nearer to balance—chaos will result.

These actions by the Department, coupled with the relaxation upon imports of cheese will increase the culling and selling off of dairy cows for slaughter, which, in turn, will result in further reductions in total milk supply for consumers. Dairy income already is being squeezed by increased production costs and inflation.

These actions by the Department are yet further examples of how our national Government is trying to lower dairy farm income. These actions constitute a policy which means bankruptcy prices in the short run and destruction of the dairy industry in the long run, a policy which I ask that this Committee and the Congress reject.

If our nation's dairy farmers are to be encouraged to stay in business to assure the American consumer of an adequate supply of milk at reasonable prices, then steps must be taken immediately by Congress to provide a dairy price support level that will accomplish these objectives. In addition, as I have indicated, steps also must be taken to realign USDA's announced CCC purchase price levels to restore some semblance of balance among manufactured dairy products. If the Administration refuses to take such action, then I suggest that the Congress take whatever action is required to do so.

PAN AM FIGHTS TO REVIVE ITS CREDIBILITY

Mr. TUNNEY. Mr. President, during recent weeks increasing attention has been focused on the needs of our Nation's transportation system and the enormous economic considerations required to maintain a safe, efficient, and viable means for sustaining the mobility of our people and goods.

The decline of our merchant marine fleet is well documented. Our rail system, particularly in the Northeast, has been of continuing and growing concern. The financial plight which most of our Nation's airlines have weathered recently, has likewise been of great concern.

Most of our major airlines have returned to profitability. Our largest overseas carrier, Pan American World Airways, has reduced its deficit from $48.8 million in 1971 to $28.8 million for 1972.

That Pan Am, without Government Assistance, with strong subsidized foreign competition, is beginning to show some modestly encouraging results, is indeed gratifying. It is welcome news to know that since March 1972, when William Seawell took over as chairman and chief executive officer, the trend at Pan Am is at last in the right direction.

We in California are, of course, extremely conscious and concerned with Pan Am's financial position. The airline is a major employer in both Los Angeles and San Francisco and provides our major air services throughout the Pacific basin and the world.

The strides which Pan Am has made are documented in a recent Business Week article which I believe gives great insight into the steps which a major U.S. firm has taken internally to restore itself as this country's leading international airline.

Mr. President, I respectfully request the following Business Week article titled "Pan Am Fights To Revive its Credibility" be placed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAN AM FIGHTS TO REVIVE ITS CREDIBILITY

From its inception, Pan American World Airways has been renowned as the airline that pioneered new airplanes, from the earliest flying boats to the present Boeing 747s. This was the heritage and basic philosophy that founder Juan T. Trippe gave the line. But this week Pan Am broke that tradition by abandoning its position on the delivery schedule for the British-French Concorde, the controversial supersonic airliner that two of its competitors, Air France and Brtiish Overseas Airways, have already ordered.

The fact is that the Concorde in its present form does not meet the needs of Pan Am. The beleagured airline can afford to commit itself on only one new type of plane, and that one has to be a money-maker. Pan Am reported a $28.9-million loss for 1972 and has lost a total of $151-million in the past four years. Whatever else the Concorde may prove to be it holds little promise of being a big profit maker.

As Pan Am sees it, the Concorde could earn big money only if passengers prove willing to pay a huge surcharge to ride an SST, but airline history shows that special-plane surcharges soon disappear. The Concorde's range and payload fall far short of the 747's. Its builders insist that it makes up in speed what it lacks in capacity, but night airport curfews that are spreading all around the world could especially hurt the SST's ability to be twice as productive per seat as the 747. Perhaps most discouraging, the Concorde burns twice as much fuel per passenger mile as the subsonic jets, and the cost of fuel is soaring.

PAN AM'S PLANE

In this light, Pan Am felt it had no choice but to use the $280-million it would have to invest in the Concorde to buy another type of plane that promises a higher rate of return. The airline will now probably put most of its limited funds for new equipment into the first of a new generation of subsonic jets.

The jet that Pan Am has in mind has not yet been ordered into production; in fact, its design has not been firmed up. At Boeing Co., which is nearing a decision about going ahead, the proposed jet is still called the 7X7. But enough is known to indicate that the plane is just what Pan Am needs.

For years, Pan Am has been knocking itself out in the world's most hotly competitive overwater markets: the North Atlantic, Puerto Rico, and Hawaii. These routes have far more seat capacity available than necessary, and promotional discounting of fares has created record-low yields. Almost every line loses money on these routes, and Pan Am lately has been among the biggest losers of all. If it is to survive, Pan Am knows that it must develop the less competitive, less dense markets that have a higher yield.

Such markets cannot support the huge 747, at least in the beginning. They really need about as many seats as the largest 707s have, from 180 to 200. But the next-generation subsonic jet will have to be much quieter than the 707 and far cheaper per seat to operate. Most important in developing the new high-yield markets, the new plane must have greater range. It will have to be able to fly nonstop, say, from Rome to Los Angeles or San Francisco to Tokyo against stiff headwinds. All this is what at least one version of the 7X7 is being designed to do.

IN THE HIATUS

But the 7X7 will not be available as soon as Pan Am needs it. It could be delayed well into 1978. Pan Am's studies show that the line will need more capacity in 1975.

To meet its 1975 needs, Pan Am must decide on its interim airplane and place orders no later than the third quarter of this year. The decision will probably be made this spring. One choice would be an advanced-model 727–200. A fleet of such planes could free many of the line's 707s, of which it has 90, so that they could be refurbished with the wide-bodied look, fewer seats, and longer range. Another possibility is the long-range version of the DC–10 trijet.

Perhaps the most intriguing idea is a new version of the 747, fitted with a cargo door. Advanced, higher-thrust engines now make the 747 a potentially profitable air freighter. Pan Am is weighing the possibility of 747s with only 200 seats and the rest of the main deck in use for cargo.

A BIG CHANGE

That Pan Am is in financial condition to buy anything at all this year represents a tremendous achievement. The line last year came closer than any outsider realizes to becoming a flying Penn Central. When the board finally fired Najeeb E. Halaby as chief executive last March, internal forecasts indicated that the company was going to lose up to $180-million in 1972.

A year ago, Pan Am's costs were out of control. In December, 1971, an $11-million extra maintenance bill from United Aircraft Corp, for engine overhauling took management totally by surprise. Top executives were hired and fired, or else resigned, with such depressing frequency that what little organization table there had been virtually disappeared. Says one officer who survived the chaos: "It was pretty hard to, tell who had authority over whom and who was administering what. When decisions were made at all, they were frequently reversed within weeks."

Not only did Pan Am lack a long-range plan; it did not seem to have a short-range plan, either. In an effort to stem losses in the Caribbean, for example, it slashed service there. Then, when it found a loss of revenues without a comparable reduction of costs, it turned completely around and threw more flights into the area than had been there originally. Moves such as this left airplane and crew scheduling in a state of utter confusion.

Meanwhile, Pan Am's lenders got increasingly nervous, not only because of conditions within the company but because of how these conditions were being aired in critical stories in the press. The federal government, tired of being blamed for Pan Am's problems, quietly let key directors know that help from Washington would not be coming so long as the line's top management remained in charge.

DEMORALIZED

Employees, too, lost faith in their company's leadership. They had been frightened by the repeated cuts in work force and angered by their suspicion that many of these cuts were made for cosmetic reasons, actually costing the company more than was saved. They had been frustrated by seeing obviously bad situations go uncorrected for lack of decisiveness. They were confused by the constant din about how much trouble Pan Am was in and by the lack of noticeable plans to do anything about it. Instead of planning and organization, Halaby's chief management technique was exhortation. And, says a veteran Pan Am officer, "the employees were exhorted to the verge of total boredom."

A company totally dependent on how its employees deal with the public cannot afford to have frightened, confused, and angry employees. Service goes to pieces. And that is what happened at Pan Am. Its ground and cabin service became appallingly bad. Judging by the number of complaints it gets, service may still be bad sometimes. But some fairly sophisticated business travelers have recently remarked on the airline's service improvements.

NEW BLOOD

Perhaps what saved Pan Am more than anything else was that in 1971 Halaby was able to attract and to keep two executives with valuable airline experience: William T. Seawell, one-time senior vice-president for operations at American Airlines, and William M. Crilly, one-time vice-president for corporate planning at Eastern Air Lines. When Halaby departed last March, Seawell and Crilly became Pan Am's top management.

At the outset, the two men decided that there was no miracle cure for the company's troubles and that none should be attempted. The only hope, they then decided, was to identify the problems in an orderly manner, analyze them, and develop an organization and a philosophy to solve them.

"I wanted initially to keep a low profile, to avoid being argumentative in the media, and to avoid exhortations to employees," says Seawell. "My objective was to establish Pan Am as a soundly managed company putting its own house in order, making no promises, giving no assurances—a company sticking strictly to business."

So Pan Am went out of the complaining business. Last spring, Seawell called at the White House and told a Presidential aide that there was much that the government could do for Pan Am but there was also much that Pan Am could do for itself. And, he said, he would be too busy to come running down to Washington until the company's affairs were in better shape. Recently, Seawell felt that the airline had shown enough improvement for him to pay his second visit to the White House to give the Administration a more favorable briefing.

A HOUSE IN ORDER

Seawell also stopped talking to the press, believing that he had nothing to say until there were results. Instead, he aimed most communication effort directly at the employees, a group that he decided was the company's most important public. Employee publications were sharpened and made more factual. Revenue and traffic statistics, for example, were relayed throughout the system so employees could substitute hard knowledge for vague fears.

Under the Halaby regime, most officers made any excuse not to leave New York for a firsthand view of the airline. Under Seawell, all officers are required to make extensive inspection trips. For many, it is a new experience "to discover there is a real airline out there," as one executive puts it. It is also a new experience for the field forces to see a real, live corporate executive and be able to tell him, face to face, what the problems and possible solutions are.

Early in the game, Seawell and Crilly saw the need to establish a formal reporting organization so timely information could flow in both directions. It was also necessary to reduce the number of functions reporting directly to Seawell. A formal organization table—the first that Pan Am has had in years—was drawn up (chart) and then refined in a process that went on until about five weeks ago.

For the first time in years, too, every department was given a budget based on conservative revenue forecasts. Now, in theory at least, people at every level of management know what their specific objectives are, how they fit into the over-all plan, and how to measure their own performance.

COST OF LIVING

From the start, Seawell tackled Pan Am's operating, maintenance, and overhead costs. His experience at American told him that these costs were at least $10-million too high.

Pan Am's maintenance policy, for example, had been to have men and equipment standing by to fix anything anywhere in the world. Yet, through idiosyncrasies of scheduling, some planes did not visit a major maintenance base for long periods, and when they did, they needed a great deal of work. John M. Wolgast, brought in from National Airlines to be vice-president of technical operations, has brought maintenance capacity into better balance with needs, reducing the maintenance force by some 800 men in the process. He has worked closely with Wesley G. Kaldahl, senior vice-president for airline scheduling and planning, who came over from Eastern.

For one thing, Kaldahl has promised Wolgast that his department can see every plane at regular intervals, enabling Wolgast to plan his work and manpower better. Now maintenance gets a crack at every plane twice as often as before, and because the problems are not allowed to build up, each plane needs less work time. Thus, Pan Am is gaining an hour more of revenue time per day on each of its 747s and 707s than it got in 1971. That works out to the equivalent of having three more 747s, worth about $60-million altogether, and 10 more 707s, worth around $90-million.

When Crilly joined Pan Am in the fall of 1971, forecasts indicated a need for more airplanes in 1973—and no way to pay for them. Today, the time of need has been pushed back to 1975, and the company has the financial resources to buy the planes.

A NEW ATTITUDE

A consortium of banks recently renewed Pan Am's revolving credit agreement two months early and also relaxed the covenants. The company's convertible debenture offer, with its unique conversion-price feature, was oversubscribed. Obviously, the financial community is satisfied that Pan Am has stopped bleeding to death, that it has its costs under control, that it has a plan, and that it is closely following that plan.

Still, the company is far from being out of trouble. It is solving the one problem that it can solve by its own initiative: high operating costs. But other problems are not so easy to correct: a yield of only 5¢ a revenue-mile, 1¢ a mile less than the yield obtained by the not very healthy U.S. domestic airlines; more scheduled and unscheduled competition than any other U.S. carrier faces; and a low-frequency route system, with resulting high station costs per unit of traffic.

Characteristically assuming, for the purposes of economic forecasting, that Pan Am will get no outside help at all, Seawell thinks that the line can break even this year and make a small profit next year. But he is becoming optimistic that help may, at last, be coming. He is hopeful that fares to Honolulu and San Juan will rise and that the Civil Aeronautics Board will not permit below-cost fares to be put into effect this year on the North Atlantic.

His optimism, and that of his fellow officers grows out of a feeling that Pan Am is regarded with more benevolence—or, at least, less malevolence—than has been the case for years. "Our first job was to reestablish credibility with our employees, our customers, the financial community, and the government," says Seawell. "And this much I believe we have done."

COMMUNITY MENTAL HEALTH CENTERS

Mr. KENNEDY. Mr. President, Mrs. Geri Joseph has contributed an excellent article to the Washington Post concerning the current status of the community mental health centers program. Mrs. Joseph's longstanding commitment to improving the care and treatment of this Nation's mentally ill is well known. Her article describes the current plight of more than 400 existing community mental health programs. I commend this article to my colleagues. And Mr. President, I ask unanimous consent that it be inserted in the Congressional Record at this point.

There being no objection, the article was ordered to be printed in the Record as follows:

WILL SUCCESS SPOIL MENTAL HEALTH CARE?

(By Geri Joseph)

To President Nixon, it may be the "new federalism." To those concerned with the care of the mentally ill, it sounds like an old, familiar story. And a discouraging one at that.

Tucked away in the President's budget message a few weeks ago was a little-noticed mention of his plan to get the government out of the community-mental-health-centers (CMHC) business. There were so many programs on the marked-for-death list that special-interest groups are just beginning to find their favorites among those proposed for closing out or cutting back.

But it is fair to say that no other program is to be discontinued because of its success. The federal responsibility for the mental-health centers is being "phased out," the administration indicated, because it has been a successful demonstration project. (Never mind that the centers were not intended to be merely a "demonstration project.")

Administration spokesmen offered another reason for ending federal participation. The centers program, they said, created inequities, since people served by them receive better care than people in the rest of the nation.

That explanation has an Alice in Wonderland quality that puzzles and angers many mental-health workers. Why not eliminate the inequities, they are asking, and fulfill the original goal of 1,500 centers across the nation by 1980? Why stop now when there are only about 400 functioning programs?

For years, citizen groups and individuals, shocked by terrible conditions in state mental hospitals, campaigned for better public understanding and more money. Both were slow in coming. But the community mental-health centers program was an enormous step in the right direction. With the Nixon administration proposing to end federal funding, the stimulation provided by federal concern also would end, and the program could falter and diminish.

The CMHC program originated in 1963 with President John K. Kennedy. the only president to take official interest in the problems of the mentally ill. (Mr. Nixon has singled out cancer and heart disease, and programs for both will be given increased funds. Without downgrading the need, one might ask how such priorities are determined.)

In a message to Congress, Kennedy proposed a network of community mental-health centers. "Every year," he said, "nearly 1.5 million people receive treatment in institutions for the mentally ill and the mentally retarded. Most of them are confined . . . within an antiquated, vastly overcrowded chain of custodial state institutions.

"This situation has been tolerated far too long. The federal government, despite the nationwide impact of the problem, has largely left the solutions up to the states . . . The time has come for a bold new approach."

And so, for the first time on a large scale, the federal government concerned itself with the care and treatment of the mentally ill. That was part of the "bold new approach." About 30 per cent of money for staffing, construction and special programs for children came through the government's National Institute of Mental Health (NIMH). The remainder, 70 per cent, came from states and local communities.

Those figures make the federal role sound small. In actual dollars, it amounted to about $624 million between 1964 and 1972. But those dollars were the all-important seed money that encouraged state and local matching funds. And that seed money also enabled the federal government to set standards.

The number of people seeking help in their community centers climbed steadily—from 372,000 in 1969 to 659,000 in 1971. Many of the centers are in areas of urban or rural poverty where those who can least afford quality mental health care have easy access to them. Almost two-thirds of the centers' patients in 1970 had incomes of less than $5,000.

No claims are made that the CMHC is a perfect system for diagnosis and treatment of mental illness or that if does all that might be done in prevention and community education. The programs vary from place to place, some are better than others, and some try to serve too many people. Most of the centers serve areas of 300,000 people or more. In addition, Ralph Nader's group has criticized the program for not having enough "grass-roots involvement."

But most of the criticism results from the fact that fewer than 100 of the centers have been in existence for as much as five years. And only two states, North Dakota and Kentucky, come close to providing near-total coverage for their populations. But where programs exist, there is hope for improvement. The biggest problem is that no centers at all exist for the majority of people in this country. Mental-health workers fear they never will if the Nixon budget is passed.

SOCIAL SERVICES REGULATIONS CHANGES

Mr. PACKWOOD. Mr. President, on February 16 the Department of Health, Education, and Welfare published proposed regulations governing the social services program authorized by title IV–A of the Social Security Act. A number of the changes outlined in these regulations reflect legislative changes mandated by the Congress in Public Law 92–603, and are intended to bring IV–A spending within the $2.5 billion ceiling imposed by Congress for fiscal 1974.

To the extent that regulatory changes are required by law, or legislative intent, we cannot express opposition. However, Mr. President, my concern stems from the priorities which have been drawn within the regulations, and the counterproductive nature of several of the changes. I have consistently supported the President's efforts to restore fiscal responsibility to the Federal budget process, and I will continue to support that effort. But in eliminating unsuccessful, outdated or otherwise wasteful or ineffective programs, we must retain some measure of foresight. Saving a dollar today which will cost us $2 next week is not economy. Fiscal responsibility does not include false economy.

Mr. President, there has been a great deal of discussion of the national impact of the proposed regulations on title IV–A—the impact in both financial and human terms. But for the record I would like my colleagues and officials at the Department of Health, Education, and Welfare to understand what the impact of these proposed changes would be in my State of Oregon. I, therefore, ask unanimous consent that it be printed in the Record a letter from Oregon's director of Human Resources, Mr. Jacob Tanzer, and a list he has compiled relating proposed changes to the specific program areas affected. Additionally, I ask unanimous consent to have printed at this point in the Record a letter from Mrs. R. W. Babson, chairman of the Child Welfare Advisory Committee to the Children's Services Division in Oregon, including reports from several advisory committee subcommittees detailing where the regulations will have their most serious impact on children's programs in Oregon. These reports speak for themselves.

There being no objection, the material was ordered to be printed in the Record, follows:

Department of Human Resources,
Salem, Oreg., February 23, 1973.

Hon. Robert W. Packwood,
U.S. Senator,
Washington, D.C.

Dear Bob: I write to protest the proposed regulations of the Department of Health, Education, and Welfare dealing with the use of Title IV–A social services funds, published on February 16, and to solicit your help in securing the withdrawal or modification of those proposed regulations. While the number of millions of dollars they will cost Oregon is not yet calculable, it is clear that the human impact is enormous. Although the President has announced his intention to abandon ineffective programs and Secretary Weinberger has indicated his intention to prevent abuses of federal matching opportunities, both worthy goals, the effect of the proposed regulations is quite otherwise. In the words of the enclosed Oregonian editorial, they reflect "accounting bravado and programmatic insensitivity."

In the past decade, and particularly in the past few years, Oregon has developed a system of care and treatment for its needy children which emphasizes high community involvement and decreasing reliance upon institutionalization. That structure was made possible by the supplementation of state and private dollars with federal social services funds. Withdrawal of that arrangement would threaten the welfare of thousands of children now in care. In terms of dollars and social injury, the withdrawal of social services funding today will cost us dearly tomorrow.

Three of the regulations have particularly negative effects:

1. § 221.6—Restricts eligibility for services to families whose incomes do not exceed 133⅓% of the welfare grant for which they would qualify and whose net assets would not disqualify them from welfare assistance. Many children in foster care, group care, 4–C and other day care, mental health treatment, residential and other programs would no longer be eligible for federal subsidization of their care or treatment. Their families would first have to be bled dry before they could qualify.

2. § 221.62—Private donations of cash or in-kind to the state cannot be used to match federal funds. Two particularly excellent programs based upon state-private-federal cooperation would be destroyed if this regulation is implemented. The ADC Association in Lane County raises private money in order to fund scholarships for ADC mothers and some of their children to attend college, mostly at Lane Community College, for training to prepare them for stable employment. The imagination and ingenuity of these ADC mothers has built a very successful program which would be wiped out. A larger program involves the arrangement by which the Oregon United Appeal donates those monies which would be allocated to the private child-caring agencies (Waverly Children's Home, Boys' and Girls' Aid, etc.) which are then matched with federal dollars by which the state purchases care for eligible children in those private agencies. Not only has this partnership approach been a keystone of building of community resources as alternatives to institutionalization, but it has virtually saved many of the private agencies from bankruptcy in the last few years. That arrangement, too, would be destroyed.

3. §§ 221.53 and 221.9—Social services dollars are made not available for educational, medical, mental health or employment services or vendor payments for foster care. I cannot sufficiently stress the importance of counseling, mental health services, supervision and job-related training for youngsters and various forms of residential care. This would be cut out. In recent months, Oregon has finally opened a series of seven small day and residential centers around the state for the treatment of severely disturbed pre-adolescent children, hitherto a first priority unmet need. That program and others would be wiped out.

I have attached a matrix showing the various programs that are affected by each of those three regulations and our projected budget for the next biennium which will indicate the relative size. It will be no victory if we succeed in modifying only one of those regulations. One notes immediately that most programs are affected by more than one.

I would like to discuss this program more fully because I know of your deep interest in our children as evidenced by your recent signature of the senatorial protest letter to Secretary Weinberger. I appreciate your allowing Dale Mallicoat to arrange an appointment for me with you on Thursday, March 1, and I look forward to seeing you then.

Sincerely,

Jacob Tanzer,
Director.

[From the Portland Oregonian, Feb. 21, 1973]

Ghost Could Haunt Us

It would be difficult to overstate how potentially disastrous proposed new federal regulations, published Feb. 16, are to a variety of children's services programs in Oregon.

If they are put into effect unchanged in 30 days by the Department of Health, Education and Welfare, the rules would seriously curtail or eliminate services to an estimated 8,000–10,000 of the 50,000 Oregon children who receive some form of help through the Children's Services Division of Oregon's Bureau of Human Resources.

When Congress passed revenue sharing last year, it placed a $2.5-billion ceiling on social services spending. This was not an appropriation, just a lid. Since then, officials in the President's Office of Management and Budget and in HEW have made it clear that they intend to whittle the total down to $1.8 billion. The new rules, however, are cleaver strokes that indiscriminately slash the good with the bad. They offer accounting bravado and programmatic insensivity.

For example, one rule severely limits the sources from which the state can get funds to qualify for $3-for-$1 matching grants, in effect ruling as ineligible private donations to the state such as the $324,000 the Oregon United Appeal gave the state to help support privately operated child care centers. This money, coupled with the federal matching money, has meant the difference between salvation and bankruptcy or major cutbacks for a number of these centers.

Another rule change, which changes the definition of a potential welfare recipient, applying a rigid income formula in instances where social worker insight is what is needed, will certainly reduce the number of children eligible to receive day care subsidies. However, it removes incentives of parents to get off or stay off welfare, and these rolls can be expected to increase.

The new rules threaten a whole package of mental health programs, including seven day care and residential treatment centers for severely disturbed pre-adolescent children.

Most children in foster homes, all children in residential treatment centers, most children in child care centers and a large percentage of children in 4–C day care programs would be adversely affected.

The state receives $44 million of matching grants from the federal programs. Because some of the new definitions for public eligibility have to be checked against each program, no good estimate of total dollar impact exists. But since the goal appears to cut spending by more than 25 per cent, it should be no surprise if the impact in Oregon is this great or even greater.

The only hope that the rules will be substantially revised seems to reside in congressional willingness to do battle for individual programs that have done a good job. A letter from 47 senators last week (including Sens. Mark Hatfield and Bob Packwood) protested HEW's heavy hand. Whether there will be willingness to follow up or whether this was a one-time gesture is unknown.

The new rules make a mockery of the budgetary requests the Legislature has received from the Bureau of Human Resources. This budget will have to be refigured, almost from scratch, if the new rules go into effect. It will require brutal soul-searching.

The most discouraging elements in the experience are that HEW has not made any apparent effort to evaluate program worth or program needs, that the rules serve to discourage private voluntarism and no awareness has been shown that our failure to spend money on needy children during their formative years may come to haunt us when we have to spend many more dollars on them in adult job training, mental health and police programs.

FEDERAL REGULATIONS—SPECIFIC PROGRAM: INTERTIE AND EFFECT

A—§ 221.6—*Eligibility*. Redefines former and potential recipients more restrictively. Services cannot be provided to children of families having an income exceeding 133⅓ % of what that family would receive in a welfare grant or having additional resources.

B—§ 221.62—*Private Donations*. Bars use of donated private funds or in-kind contributions as the state's share in claiming federal participation.

C—§ 221.53 and 221.9—*Services*. Bars IV–A funds for education, health, mental health or employment services and vendor payments for foster care.

Program	Amount IV–A budgeted 1973–75	Eligibility	Donations	Services including MH and Emp
		A	B	C
Non-4–C day care: Services provided to current and former recipients only. Slight impact due to revised definition of former recipient.	$2,126,587	×	--------	
ADC scholarship program: Lane County ADC mother's group raises private money to be matched by federal social services funds for scholarships to U of O and Lane Community College for ADC recipients.	341,782	--------	×	×
4–C day care program: Provides day care for children of low income working parents.	3,025,000	×	×	
Job-related training (non-WIN): Provides employment training for children in foster care, under juvenile parole and other community-based treatment situations.	421,657	×	--------	×
U of O Medical School day care: Provides day care and treatment for severely disturbed youngsters by psychiatry department at medical school.	418,571	×	×	
Transportation of mentally retarded children: Provides transportation for MR's to schools, treatment and activities. Statewide program not threatened, but Model Cities program jeopardized because of broader eligibility.	303,507	×	--------	×
Day treatment centers for severely disturbed pre-adolescent children: A new community-based program providing day treatment at various locations throughout the State.	937,284	×	--------	×
Family Foster care: Foster care has grown during the last biennium as an alternative resource to institutionalization for children.	1,425,008	×	--------	×
Purchase-of-care: Care for children is purchased from private agencies throughout the State rather than institutionalization. One component is the arrangement whereby Oregon United Appeal contributes money to the state which is used to match federal funding for purchase from OUA constituent agencies: Waverly Children's Home; Parry Center; Villa St. Rose; St. Mary's Home for Boys; Albertina-Kerr Homes; Boys' and Girls' Aid Society; Catholic Services of Lane County; Catholic Services for Children (Portland); Children's Farm Home (Corvallis); Christy School; White Shield Home.	$6,083,505	×	×	×
Child care centers: These are residential group care homes developed as community alternatives to institutionalization at MacLaren and Hillcrest.	2,831,808	×	--------	×
Child treatment centers for severely disturbed pre-adolescents: Newly developed community-based residential treatment centers for severely disturbed pre-adolescents, including Edgefield Lodge in Portland and others.	637,195	×	--------	×
Adoption services: Funding affected by elimination of 85/15 group determinations.	842,499	×	--------	
Central administration and case services (all programs): The administrative and case work backup for all service systems is funded in the same manner as the program delivery. It is thus affected in the same manner by the new regulations.	21,878,181	--------	×	

CHILDREN'S SERVICES DIVISION,
Salem, Oreg., March 6, 1973.

Hon. ROBERT PACKWOOD,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PACKWOOD: The Child Welfare Advisory Committee to Oregon's Children's Services Division, established by Part 220, Chapter II, Title 45 CFR and revoked by the proposed federal regulations of February 16, 1973 (with the exception of the day care committee) is a 50 member committee with statewide representation from the public, private, professional and nonprofessional sectors, including recipients of assistance. The Committee has served as a valuable and effective adjunct to the Children's Services Division in advising and participating in policy and program development, and in making significant recommendations to the Division.

The Advisory Committee is divided into five subcommittees and each of these committees has considered the proposed February 16 regulations on social services in order to attempt to evaluate the impact of the regulations on services to children and families in Oregon. Their findings indicate the impact is disasterous—not only in the many millions of dollars lost but in the suffering, hardships, and increased dependency the proposed regulations would create.

The Advisory Committee urgently requests, therefore, in view of the severity of the regulations, that the effective date of April 1 be extended so that the regulations can be reassessed and reconsidered.

The five subcommittee statements are enclosed for your consideration.

Oregon has made substantial progress in the development of a system to meet children and family needs by utilizing state, private and federal funds. Two studies in the late 60's, as well as the Greenleigh Associates' study and the Governor's "Management 70's Task Force", a group of business leaders, recognized the need for increased federal help in developing a sound system of services.

The Advisory Committee feels that Oregon has used these funds in a highly responsible manner. The proposed federal regulations will not only wipe out the gains made but will reduce services to a level dangerously below that existing at the time of the studies.

The suddenness of the proposed changes would make it impossible, in the short range, to fill gaps created by the new regulations; Oregon's fiscal problems make that possibility dim in the longer range. Oregon constitutionally cannot operate with a deficit and there is not enough tax money to go around. The state is also unique in that welfare programs are operated at a state level rather than at a city/county level. Therefore, two-thirds of federal revenue sharing funds—Oregon's share won't begin to make up the money lost in IV–A revenue—will come into the state at the city/county level and probably will not be available to finance social services.

It is estimated that the state would lose $8.5 million in social service funds for each year of the 1973–75 biennium, or a total of $17 million for the biennium. Oregon has already lost some $5 to $6 million during fiscal 1973 as a result of the Congressional ceiling on Title IV–A funds.

The State of Oregon has used federal social service funds to expand the capacity to meet the most pressing needs of our disadvantaged children and families. These children and families cannot overcome problems themselves. To deny them needed services now will result in untold future costs—financial and human.

Respectfully,
MRS. R. W. BABSON,
Chairman,
Child Welfare Advisory Committee.

STATEMENT

As of April 1, 1973, the State of Oregon will be operating under new federal guidelines governing the use of Title 4–A (Social Security) funds. These guidelines seem to us to be adverse to the self-help concepts that have been initiated in the State of Oregon.

The guidelines will completely eliminate one highly successful program, the ADC/CSD Scholarship Program, and possibly render inoperative, several other programs, including Community Coordinated Child Care (4–C's), mental health services, and homes that are operated for unwed pregnant mothers.

The clause (221.62) will forbid the state to use private donations, or in kind services in claiming a federal reimbursement.

The CSD/ADC Scholarship Program, which has operated successfully for the past seven years, will be forced to close its doors. It is a program which has furnished direct scholarship aid to heads of families, children of welfare families, persons from penal institutions, and many other persons who found themselves unemployable and on the welfare roles. The uniqueness of this program has been that recipients took the major initiative and responsibility for the program. These people while taking care of their families, and in most cases going to school full time, also found time to raise funds to support the program, (local private donations, disallowed by 221.62).

We as a committee can see the far reaching impact that these and other proposed rules outlined in the February 16, 1973, Federal Register, might have on the State of Oregon. At a time when the focus of national programs is said to be on getting people to work, we can see these regulations having the opposite effect: 1. A lack of a training resource somewhat different from WIN, which does not have the WIN Program's limitations, and allows for realization of potential, and 2. Heads of families may be forced to give up their jobs when they are lacking adequate low cost child care.

FEBRUARY 26, 1973.

I am writing as chairman of the Sub-Committee on Adoptions to express concern over the proposed federal regulations on social services.

While the intention of bringing fiscal responsibility to programs that are running wild is commendable, indiscriminate application of this principle could do extraordinary damage, as it may well include the demise of some of the best programs that exist for children.

With regard to adoption, the area we have been charged to review, there is perhaps less impact directly than to many other services. It would mean that special programs related to adoption would probably be curtailed, and these programs inevitably result in the saving of public monies since they result in the placement of children in adoption who otherwise may depend upon public support.

The proposed reduction of funds in foster care will indirectly affect the process of planning permanent homes for these children because foster care is an integral part of the process which prepares the child for its adoptive home. Foster family care has been the least expensive form of care devised for children without families.

There has not yet been time for our committee to discuss in detail the present federal proposals. Informally, committee members have expressed grave concern over the damage that will be incurred if these proposals are instituted. The concensus of informal discussion is that in the area of adoption not only will children be deprived of the chance for permanent homes and families, but that the public will eventually spend more money because such permanent plans are unable to be effected.

Sincerely yours,
FRED A. HUTCHINSON,
Chairman, Adoption Sub-Committee, Children's Services Division, Child Welfare Advisory Committee.

STATEMENT

* * * * *

(2) Section 221.9 would prohibit making payment for "activities of the foster care home" in providing foster care service. This section would prohibit federal funds for the payment of special rates now provided for shelter homes, group foster care programs and specialized foster care of handicapped children. Loss of service unless state funds can fill the gap is estimated at a total of 623 children (ADP) for 4–1 to 6–30 and 902 children (ADP) for 1973–75 biennium. This section also requires judicial determination of a child's need for foster care. Such a requirement would work against current attempts to keep children out of the court if at all possible.

(3) Section 221.62 prohibiting the use of private funds as the local match would terminate the contract between the Foster Parents Association and CSD. This purchase of service program provided recruitment, training and retention services to foster parents. Early experience indicates that these services had great value in obtaining and keeping skilled foster parents.

(4) Liability insurance for foster parents which had been budgeted for the coming biennium will apparently not be possible under the proposed regulations. Suits have been brought against foster parents, chiefly by natural parents, for injuries received by children in care and in one case for alienation of affections.

Oregon has traditionally provided specialized services for children beyond regular foster family care by blending the efforts of private and public agencies. Among the advantages to this system are the reduction of cost of care by the utilization of private funds for capital expenditures and program operation and the involvement of the local community in planning for its children. The proposed regulations strike deeply into this system in the following ways:

(1) Section 221.62, discussed above, prohibits the blending of public and private funds. Fully half of the children served in the traditional residential treatment centers are funded by joint funding process using private, state and federal funds. The adoption of this section would deny services to at least 275 children (ADP) during the 1973–75 biennium. In addition other programs are affected which would increase the number of children denied service to an extent which the committee cannot predict.

(2) Section 221.9 would apparently prohibit the purchase of services by limiting federal participation to maintenance costs. The service costs of these specialized facilities are by far the most substantial element in the cost of their care and they could not continue their programs if there was no funding for services.

(3) Section 221.6 limits federal financial participation for services to a very rigidly and narrowly defined group of "potential ADC recipients". The previous system permitted a much broader definition of "potential" Status, a definition which was much more realistic in terms of the likely futures of these children if service was not given. This restrictive definition, the same that denies services to half the children in foster family care would deny services to many children in need of specialized treatment facilities. The estimated number is not available to us but probably more than ¾ of children now served in specialized facilities would not be eligible under this section alone.

Respectfully,
HERBERT J. HANSEN,
Chairman, Foster Care Sub-Committee, Children's Services Division Advisory Committee.

MARCH 1, 1973.

The subcommittee on family services requests an extension of time before imposition of Part 221 regulations placed in Volume 38, No. 32 of the Federal Register on February 16, 1973. Added time is needed to study the effects of these regulations and to alter them to ease the hardship which they will cause across the nation.

In Oregon the counties and cities do not have a financial resonsibility for taking part in social service programs. Therefore, two-thirds of the federal money coming into the state will not be available to finance social services. City and county officials express reluctance to undertake long-term service programs since, in view of the abrupt cut-off of OEO funds, they do not feel that they can gamble on continuance of revenue-sharing funds. Moreover, no mechanism for such city and county programs is in existence, and it would require months to establish. Under these circumstances, Oregon faces a loss of more than sixteen and a half million dollars ($16,500,000) to its Children's Services Division for the coming biennium.

It is particularly ironic that federal financial participation is most sharply curtailed in two of the three services which are required of the state agency, protective services and foster care. In protective services, which are of particular concern to this committee, Oregon will lose federal financial participation for more than eleven hundred (1,100) families per month, or sixty-eight percent (68%) of its present caseload.

The loss of services in foster care, adoptions and employment services, plus the loss of those training and employment services formerly offered by OEO programs, will mean that the total burden of supplying services to the family will rest on the caseworker. At the same time, the complicated eligibility requirements in the new regulations will absorb most of the caseworker's time, and may require the hiring of additional staff since the new regulations will also require more administrative time. The net result can be only a loss of those services to families which promote employment and reduce the need for foster care. In brief, the cost will be higher and the amount less, as in some of the redesigned packages on our grocery shelves.

We are asking for a six-month extension of the effective date in order to find ways to minimize the grossly harmful impact and possible inhumanity of these regulations.

Sincerely yours,
CHARLOTTE DONALDSON,
Cochariman, Subcommittee on Family Services, Advisory Committee to Children's Services Division.

STATEMENT

The Day Care Subcommittee of the Oregon Children's Services Division Advisory Committee, wishes to take the following stand on the proposed federal regulations as outlined in the Federal Register on February 16, 1973:

We emphasize that the greatest resource in the United States is its people. If people are to become self-sufficient, productive citizens, we must start early in the lifespan and provide them with good care and sound development.

If we were truly to meet the goals of the Federal Government, as outlined in the Federal Register—to help families to become self-supporting and self-sufficient—we *would not:*

(1) Put a lower ceiling on Title IV–A Social Security Act Social Services, including day care;

(2) Remove the right to use contributed private funds as a match against the Title IV–A funds;

(3) Make it more difficult to use public in-kind as a matching resource.

In addition, eligibility regulations, as outlined in Section 221.6(c), are so stringent as to ban many families normally fitting into the categories of "present," "former" and "potential" recipients of the service. Limiting eligibility to those with an income not exceeding 133⅓ per cent of the state's financial assistance payment level is defeating the purpose of self-sufficiency and maintaining a poverty level in many cases. It is felt that a more flexible determination, based on the family's ability to pay, would be more equitable.

Section 221.6(c) (3) (iii) relates to the offering of day care services as a means to keep a family from being dependent on public assistance. This interpretation should be broadened to include day care services as a means of keeping a family from being dependent on other public services such as foster care institutions, etc.—very expensive alternatives to day care. It is also felt that day care should be considered as a component of a protective service plan—a mandatory service as outlined in Section 221.9 (b)(15). Curtailing day care could mean added educational costs and services in the future and will increase the present burden on juvenile authorities. The cost of meeting the children's needs now is minimal compared to what it will cost in the future if the needs are not met.

Creating a self-sufficient child means a self-sufficient adult in the future. The federal regulations ignore the needs of children and are concerned only with the financial status of the parents. We need provisions to meet the needs of children—particularly those who are deprived culturally, economically, socially, emotionally, physically, etc. To produce a self-sufficient adult in the future, these children's needs must be met and day care can often be the only resource to meet these needs.

Frequent rechecks on eligibility result in additional stress on the family and additional staff to administer. This, in effect, diverts already depleted funds into higher administrative costs. Associated with this concern for overly-restrictive eligibility statements, we wish to express a strong endorsement of Governor McCall's February 23, 1973, response to the proposed regulations, particularly the section dealing with the purchase or provision of services for *groups*. We believe that the state should have some flexibility in dealing with the eligibility of specific groups, such as migrants and Indians as their needs are unique and they need special consideration.

Through family or center day care, we can meet the special needs of children as well as provide sound educational services to parents on childrearing and development. However, meeting these goals is dependent on adherence to high standards as incorporated in the "Federal Interagency Day Care Requirements." On page two of this bulletin it states, "It is the intent of the Federal Government to raise and never to lower the level of day care services in any State." In Oregon we have been working for many years to broaden the concept of day care from custodial care to programs which promote the normal development of children. We propose the inclusion of broad guidelines or model licensing codes which will aid and support states in achieving goals and objectives for care of children to ensure that day care does not regress to a custodial level.

Sincerely,

Mrs. Ruth Berger,
Chairman,
Day Care Advisory Subcommittee.

Mr. PACKWOOD. Mr. President, on February 14, when these proposed regulations first became known, I joined with 45 of my Senate colleagues in formally protesting the changes, and expressing our grave concerns over their impact. Our letter to HEW Secretary Weinberger follows:

February 14, 1973.

Hon. Caspar Weinberger,
Secretary of Health, Education, and Welfare,
Washington, D.C.

Dear Mr. Secretary: We are extremely concerned about reports that forthcoming social service regulations may make fundamental changes in the operation of federally-assisted programs in the fields of day care, aid to the elderly, mental retardation and juvenile delinquency.

In particular, we would like to register our strong opposition to the reported administrative repeal of existing provisions which permit the use of privately contributed funds—from charitable organizations such as the United Way of America—to make up the required local or state match. This proposed change would seriously undermine the excellent existing private-public partnership approach to human problems. These kinds of cooperative efforts should be encouraged rather than discouraged.

Such an extreme change in the existing social services program is unwarranted. Fears of an uncontrollable budget in this area were resolved by the $2.5 billion ceiling on Title IV–A which the Congress adopted last year. And less extreme proposals for dealing with isolated examples of abuse have been offered by individuals such as former Secretary Richardson. We are attaching for your information a copy of a letter Secretary Richardson sent to Representative Wilbur Mills last October concerning this issue.

In addition, we would like to express our concern about other parts of the reported new regulations such as those which would repeal the current use of in-kind contributions for the non-federal match, deny day care eligibility to former welfare recipients just after this day care program has permitted them to find employment and leave the welfare rolls; and raise serious questions about whether the Federal Inter-agency Day Care Standards—which establish minimum protection for children in federally assisted day care and which have been in effect for the past 5 years—will continue to apply.

We respectfully request that we be informed in advance about any proposed changes in areas such as these, and that if and when any changes are proposed they be available for public comment and later revision.

With warmest personal regards,

Sincerely,

Mondale, Javits, Ribicoff, Packwood, Stevenson, Abourezk, Bayh, Beall, Brooke, Burdick, Case, Church, Cranston, Dominick, Eagleton, Fulbright, Gravel, Hart, Hartke, Hatfield, Hathaway,

Huddleston, Hughes, Humphrey, Kennedy, Mathias, McGee, McGovern, McIntyre, Metcalf, Moss, Muskie, Nelson, Nunn, Pell, Percy, Randolph, Schweicker, Stafford, Stevens, Taft, Tunney, Williams, Clark, Montoya, and Symington.

Mr. PACKWOOD. Mr. President, in the days following publication of the IV–A proposed regulations, I heard from numerous Oregonians protested both the substance of the proposals, and also the short time permitted for the submission of comments. Many Oregonians wish to prepare not just superficial negative comments on the regulations, but specific and substantive responses on the impact of these regulations on the various program areas. I, therefore, again wrote Secretary Weinberger on February 28, urging that the deadline for receiving comments be extended to permit time for the completion of detailed analyses and evaluations. In my judgment, officials at HEW must be provided with the specifics to fully understand the impact of the changes envisioned in their proposals.

Mr. President, as a third step, I have joined with several of my colleagues in cosponsoring legislation to protect Oregon from the most serious and disastrous potential effects of the proposed regulations. Our bill would permit the continued use of voluntary contributions and in-kind for the matching requirements; would retain the State's existing authority to determine eligible recipients, including potential and former; would continue to permit States to furnish education, health, mental health, employment, and drug and alcohol treatment programs, and comprehensive service programs for children, the elderly or the disabled; would retain existing reporting requirements; and would continue use of the Federal interagency day care standards.

Mr. President, may I take this one further opportunity to urge reconsideration of the proposed guidelines to conform with the very real needs of current, former, and potential welfare recipients. If these Americans are ever to remove themselves from the welfare rolls, and attain self-sufficiency, surely we need more realistic and equitable regulations for title IV–A.

Mr. President, based upon my communications with the Department of Health, Education, and Welfare, I am confident that revisions will be adopted to avoid the serious implications of the proposed regulations. Needless to say, it would be far preferable to work through the regulatory process than to pass additional laws. But this failing, I am hopeful that the Senate will not hesitate to move quickly to adopt our bill, S. 1220, to remove the fear and uncertainty of the current situation.

THE FIGHT AGAINST WHITE-COLLAR CRIME

Mr. JAVITS. Mr. President, a booklet prepared by the U.S. attorney for the southern district of New York, Whitney North Seymour, Jr., advises businessmen on the nature, extent, and prevention of white-collar crime. It discusses steps that business executives should take to combat consumer frauds, securities violations, tax evasion, price fixing, commercial bribery, kickbacks, embezzlement, and the misuses of foreign bank accounts.

This excellent booklet merits the closest scrutiny by businessmen everywhere, and will, I believe, be found most useful by my colleagues. And, because the cooperation of the business community is so essential in restraining and reducing white-collar crime, I ask unanimous consent that the text of the whole booklet be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

Fighting White Collar Crime

INTRODUCTION

Only recently have Americans come to recognize that a thief is a thief, whether he is a college graduate or a high school dropout. Throughout the pioneer period in American history, anything went when it came to economic growth, but in the more recent period of economic stability and maturity, more and more people have become aware of the harmful impact when businessmen and professionals violate standards of conduct in order to satisfy the same basic greed and avarice as that of the common burglar.

Criminals in high places contribute to the breakdown of law and order out of all proportion to their numbers, because of the high visibility that usually attaches to their conduct. As a result, when a man steals hundreds of thousands, or millions of dollars by defrauding investors or consumers, by illegally manipulating the stock market, or by cheating on his income tax, and then only receives token punishment, the rest of society looks on with disgust and dismay.

The most distressing aspect of white collar crime is that those who should be doing the most to stamp it out—the honorable businessmen and decent professionals who are sullied by illegal conduct in their ranks—are frequently the most silent when it comes to exposing white collar crime or publicly condemning it. We know from our studies of heroin addiction that one of the most important contributing factors in the spread of drug use is the attitude of the peer group—the influence of teenagers on classmates and friends. The same is clearly true of white collar crime. If business and professional men condone or encourage fraud and cheating, it will spread. If they speak out against illegal conduct and see that it is reported to the proper officials, it can be brought under control.

Many people have told us that they do not know how to look for business or securities crime, or what they should do if they come across situations that arouse their suspicions. The purpose of this document is to provide some helpful guideposts to the different types of more common white collar crime to help members of the business and professional community identify trouble signs which should be inquired into or reported.

The United States Attorney's Office for the Southern District of New York is located only a few blocks away from Wall Street and the financial community, and the staff stands ready to take prompt action whenever questionable conduct is brought to its attention. If requested, every proper precaution will be taken to protect the identity of persons who provide information and to help prevent possible reprisals. Those who cooperate with the government will have the satisfaction of upgrading the ethical standards of the business community and of seeing that prompt action is taken against illegal conduct—without fear or favor—whenever the evidence warrants.

MODUS OPERANDI OF WHITE COLLAR CRIMINALS

I. Ponzi game

The so-called "Ponzi" game is one of the most elementary and effective schemes used by white collar criminals to defraud the public. Investors are usually lured with outrageous promises of financial gain, coupled with "no real financial risk." To make the Ponzi game work effectively, a number of people must first be induced to invest in whatever is being offered; this can range from real estate or mutual funds, to offshore banks offering high interest rates. Usually the early investors will receive what they were promised. They are then counted on to "spread the word" and promote the scheme. Like a chain letter, more and more people are lured into the Ponzi game, and also like a chain letter, those who join last are the losers. Why? Because the promoters of the scheme usually lack either the intention and/or the ability to live up to their extravagant promises. The early investors are repaid with the money of later investors and after the promoters of the scheme have taken a generous stipend there is little left to recompense those who have joined the scheme in its final days. Finally, the promoters run out of investors or become greedy and the scheme collapses. The Raffer case described in the next section is an excellent example of a Ponzi game.

To protect against these "too good to be true" investment schemes a potential investor should ask himself (and others) just why it is he has been promised such a generous profit. The backgrounds of the principals should be investigated carefully. Often elaborate franchising frauds will demand an exorbitant sum to obtain the franchising "rights." Fees such as this should be compared to those elsewhere in the industry. Any investment which promises "no risk" and a "fantastic rate of return" should be avoided unless one is convinced, after careful investigation, of the propriety and experience of the individuals involved and the soundness of the financial structure.

II. Irregular business procedures

Most legitimate business transactions involve paperwork: invoices, cancelled checks, bank deposit slips, contracts, paychecks and formal commission agreements are all generated by normal business activity. The absence of these customary documents may often be a signal that something illegal is transpiring. A variety of white collar crimes usually requires that normal business channels be bypassed. The following are a few examples:

(a) *Brokerage Accounts*: When a client agrees to have a discretionary account (an account in which the buy and sell orders are left to the discretion of the broker) a formal written agreement is customarily signed between the customer and the brokerage house giving the broker discretionary rights. An informal verbal agreement solely between client and broker regarding discretionary rights is usually dangerous and foolhardy, and can often facilitate illegal conduct. An unscrupulous broker can use such an informal agreement to further a stock manipulation, an action he would be less likely to take with a formal discretionary account.

(b) *Bribery:* Often bribes are euphemistically referred to as "commissions." Yet they are rarely invoiced like normal commissions, or paid like normal commissions, or reported on income tax like normal commissions. Often they are paid in cash or through Swiss bank accounts. Here again, the absence of the nomal paperwork, cancelled checks, invoices, etc., is often an indicator that illegal bribery is taking place. Honest employees are often duped or coerced by superiors into believing that commercial bribes are legal commissions. In order to ascertain whether in fact certain suspicious looking payments are bribes, one should ask the following questions:

(i) Are these payments in line with widely known and recognized trade practices? (ii) Are these payments properly invoiced and paid in a manner similar to other commissions? (iii) Are the usual means of payment used? Are payments made through the same banks which are used for normal business transactions? Businessmen who agree to pay bribes are guilty of a crime and can be prosecuted as well as the individual who demands a bribe.

(c) *Loans*: Loans made in cash without a formal written agreement are another area in which the lack of normal business procedures should be a warning. Usurious rates of interest may sometimes be disguised as large "fees" for processing loans and financial services. Especially during times of tight money, companies spring up offering mortgages at low rates. However, often to "qualify" for one of these loans a prospective customer must pay an outrageous "fee." When added to the interest payments, this fee makes the loan usurious.

III. Securities frauds

Fraudulent stock sales take many forms. High pressure telephone solicitations by salesmen from so-called "boiler rooms" of cheap and relatively unknown stock is an old and favored approach. These promoters will make repeated calls to people with whom they are not acquainted and attempt to interest them in purchasing securities by making extravagant claims. Often this stock is either unregistered or worthless. Similarly, stock brokers will push certain stocks on their customers by making grand claims supposedly based on inside information. These brokers are often given cash bribes in exchange for their touting the stock. Corporate insiders will falsely represent the financial condition and earnings of their company for the purpose of inducing investors to purchase stock. At the same time their insiders are unloading their own stock, often through nominees or in some other secretive manner on the unsuspecting public.

Another common form of securities fraud includes artificial manipulation of the market price for a particular stock. Successful stock manipulations depend on a number of brokers, bankers, or investors agreeing together to raise or lower the price of a stock by coordinating their buy and sell orders. Brokers who take part in this kind of conspiracy are customarily rewarded with interest-free loans, stock options, a favorable price gain on their own holdings, or with cash payments. Brokers will often use their customers' accounts to further their manipulations. Often customers may find themselves being pressured to buy in and out of the same stock on repeated occasions. Such churning is usually only incidentally beneficial to the customer. Another *modus operandi* of manipulations is to do all the buying at the end of the trading day in order to have a strong effect on the stock prices reported the next day in the newspapers. Any suspicion of being "used" in a manipulation conspiracy should be reported immediately to the Securities and Exchange Commission.

IV. Insider trading

Insider trading is one of the most difficult of white collar crimes to uncover. Suppose that a member of the board of directors of the XYZ Corporation learns that a stock split is to be announced in two weeks. Acting on this "inside" information he then clandestinely purchases stock of XYZ Corporation, knowing that the price of the stock will rise when the announcement of the split becomes public information. The person who engages in insider trading knows that his conduct is illegal and will want to disguise his ownership of stock in his own company. To accomplish this end he may use nominees, offshore investment funds, or secret foreign bank accounts.

V. Foreign financial institutions: Banks

Secrecy is vital for the successful completion of a number of white collar crimes. Foreign banking institutions in Switzerland, Lichtenstein, Bahamas, Bermuda, Luxemburg, Hong Kong and other countries provide the kind of secrecy under which frauds and crimes of a varied nature flourish. Secret foreign bank accounts can perform one or all of the following services for the white collar criminal: (i) they can serve as a safe repository for illegally obtained funds; (ii) they can "wash" illegal money clean, allowing it to be transferred back to the United States or elsewhere through normal banking channels so that it is impossible to connect it with an earlier crime; (iii) they can be used actively by criminals to accomplish their crimes. Instead of being passive repositories, the foreign banks themselves may also become active participants.

As repositories for funds, foreign banks are most widely used to protect tax evaders and to insure safekeeping for funds obtained from embezzlements, bribes and other frauds such as the "Ponzi" scheme mentioned earlier. Many people involved in bribery or fraud often will arrange for payments to be made directly into their Swiss bank accounts. The use of Swiss banks, especially when it is a departure from normal business routine, should be a warning to the innocent that bribery, tax evasion, fraud or a number of other crimes may be involved.

Organized crime uses foreign banks as depositories for money obtained from everything from gambling to the sale of narcotics. Foreign banks are also used by organized crime to "wash" illegal money. Swiss banks in particular can perform this task by currency transactions, tendering loans, and buying stocks and bonds to reinvest their customers' money.

Swiss banks are able to buy stocks for their customers on the New York Stock Exchange without using the name of the customer (although a recent Treasury regulation obligates them to identify any known U.S. residents on whose behalf they may be acting). Omnibus accounts opened by Swiss banks at New York brokerage houses allow the banks to keep the identity of their customers secret if they wish to disregard the Treasury regulations. Thus white collar criminals find it convenient to use Swiss banks to conceal stock manipulations and insider trading since Swiss bank secrecy makes it difficult for the SEC and other government agencies to find out who is the real owner of a stock in question. In the past, Swiss banks have played a more active role in white collar crimes by advancing margin to customers on stock purchases below the level set by the SEC. A number of Swiss banks have been indicted for this offense.

Is it fair to say that the use of a secret foreign financial institution always indicates a white collar crime? No, not always. But they are a favorite device of white-collar criminals and should be considered a danger sign. There are some legitimate reasons which explain why someone would want to have a Swiss bank account. These include a convenience value for someone who does a large volume of European business and wants to be close to the Euro-dollar market; the "playboy" aura of prestige that supposedly surrounds a secret Swiss account; a lack of confidence in the dollar and a desire to engage in foreign currency speculation; the desire to shield one's wealth from wife and family for domestic reasons; and finally a desire to have access to the wide range of services Swiss banks can provide. However, these reasons only account for *some* Swiss bank accounts; many accounts are opened to conceal white collar crimes. Any deals, business opportunities and financial transactions involving the use of secret foreign banks should be scrutinized with the greatest of care.

VI. Foreign financial institutions: offshore islands

Offshore islands are attractive to white collar criminals because of their secrecy laws, their lack of financial regulations and taxes, and the absence of vigorous prosecution of white collar crime by local law enforcement officials. Mutual funds which would be strictly regulated in this country can operate offshore with little or no requirements as to their investment and liquidity. Banks and insurance companies can also operate without the regulations imposed upon them in this country. This has delighted advocates of laissez-faire but has saddened the many investors who have found that the institution which calls itself a "bank" on an offshore island may actually be a high-risk investment company in disguise. Others have taken out bargain rate insurance policies from offshore companies after seeing impressive-looking but unaudited balance sheets. Before going offshore, potential investors should be especially careful. Are the balance sheets audited and by whom? Who are the members of the board of directors? What have they done in the past and are they really *on* the board? (One offshore fund recently put a number of prominent Canadian bankers on its board without their knowledge or consent.) In general the same caveats apply to these offshore financial institutions as do to the Swiss banks. They are a favorite tool of white-collar criminals.

VII. Other business crimes

In addition to the foregoing techniques of white collar crime, the more traditional forms of business crime continue to occur with alarming frequency:

(a) *Bid-Rigging.* Collusion among business firms agreeing in advance on bids submitted on competitive bidding contracts is still an area of serious concern. The technique is simplicity itself—comparing proposed bids in advance and permitting the firm whose "turn" it is to submit the "low" bid, while other firms submit higher figures to insure the award going according to plan. Usually the participation of all bidders is necessary.

(b) *Kickbacks.* Too many businessmen and Government procurement officers still believe that the standard way to do business with government agencies is to pay something under-the-table to the official responsible for placing the order or approving the contract. In recent prosecutions, elaborate subterfuges such as Swiss bank accounts have been used as conduits for such illegal payments, but more rudimentary techniques, such as delivering cash in a plain envelope, are still practiced.

(c) *Price-Fixing.* By and large, the business community has become educated as to what conduct violates the antitrust laws, but sales executives are still tempted to shortcut open competition by engaging in price agreements, divisions of territory, allocation of customers, or other illegal anticompetitive practices.

(d) *Fraud.* Business frauds take many forms, and can only be halted by vigilance and prompt enforcement action. Frauds can involve franchises, consumer selling, government contracts, insurance claims, and many other forms of commercial transactions. The essential element is a preconceived plan to gain profits by cheating.

(e) *Embezzlement.* Banks are particularly susceptible to embezzlement by dishonest officers and other employees. Stricter background checks of personnel and closer internal supervision could contribute dramatically to a reduction of this form of criminal activity.

(f) *Official Corruption.* Most businesses have some contact with government agencies, even if it is only with their postman. The notion that the only way to obtain proper service is by giving a gratuity is the starting point for more serious bribe attempts. Those who seek favored treatment from government through corrupt payments are prime targets for enforcement activities by the United States Attorney's Office and most other law enforcement agencies.

(g) *Tax Evasion.* Although all businessmen share a natural aversion to the tax collector, in common with most mankind, there are those who engage in deliberate and wilful patterns of concealment of income through double sets of books, false expenditure vouchers and invoices, and other deliberate deceptions. These practices cheat all other taxpayers. It is important for businessmen to keep in mind the distinction between seeking favorable tax treatment after making full disclosure of income and expenditures (which might be the basis for a civil tax proceeding), and a conscious pattern of deception and concealment designed to hide income or falsify expenses (which provides the basis for criminal prosecution). The latter type of tax evasion can never be accepted in a political democracy in which each citizen is expected to contribute his fair share toward the cost of Government. Such tax fraud is the prime target of criminal tax investigations and prosecutions.

* * * * *

In the following section are listed summaries of a number of indictments and trials of white collar crime cases in the Southern District of New York in the past two or three years. They are arranged under various broad classifications. A study of these cases will provide a more detailed understanding of the type of offenses which most frequently occur.

ILLUSTRATIVE WHITE COLLAR CASES

Banking violations

United States v. *Herman Arthur Bonhag:* On September 25, 1972, Herman Arthur Bonhag, a former Assistant Vice President and branch manager of the First National City Bank, was indicted on forty-eight counts of falsifying the bank's records to conceal embezzlements of $1,142,000. The largest single transaction alleged in the indictment involved the embezzlement of $800,000 belonging to the World Division Board of Missions, which Bonhag deposited into a fictitious account in June, 1971.

United States v. *Charles Bradley Knower:* On October 13, 1970, Charles Bradley Knower, Trust Officer of the American Bank and Trust Company, was indicted for misapplication and embezzlement of bank funds. The indictment charged that, over a 15-month period between September, 1968, and December 1969, the defendant embezzled a total of $529,194.62. The defendant entered a plea of guilty on March 26, 1971 and was sentenced to eight years imprisonment.

Business frauds

United States v. *Peter M. Bekeny, et al.*: On April 14, 1971, a mail fraud indictment was filed charging a scheme to obtain money through an overseas oil investment selling plan against the two defendants connected with American Business Industries International, Inc., which is also named as a defendant. The indictment charged a scheme to swindle job applicants seeking new opportunities to work in the overseas investment field. The alleged scheme involved placing advertisements in various foreign language newspapers soliciting applications from persons interested in overseas distributorships of interests in United States oil ventures. Applicants were required to pay a fee of up to $2,950 to obtain their distributorship, often being falsely assured that the $2,950 fee was refundable and that when they arrived overseas they would be entitled to draw $1,200 per month plus expense money, would be given training classes, and would qualify for a retirement plan valued at $13,000. Representations were made to the job applicants that they were to represent The Oil Group Company, which, they were falsely told, had invested substantial sums for overseas investors, owned a million acres of land on which it hoped to find oil, and was associated with a number of companies actually engaged in the oil business.

The indictment alleged that among the other false statements made to prospects was a claim that the New York corporation had a high Dun and Bradstreet rating and was a member of the German American Chamber of Commerce. Prospects were told that one distributor working in Germany had earned $235,000 in a single year selling limited partnership shares.

United States v. *Jerome D. Hoffman, et al.*: On May 6, 1971, a Federal Grand Jury filed a thirty-two count indictment charging a business executive and two corporations with a $1,000,000 mortgage fraud, involving over 500 victims. The defendants were identified as Jerome D. Hoffman, an investment banker, and the Institutional Monetary Corporation and Criterion Marketing Report, Inc.

The offense charged in the indictment was a complex scheme to defraud persons seeking mortgage financing. According to the indictment, Mr. Hoffman and one of the corporations, Institutional Monetary Corporation, sent letters to various real estate brokers, engineers, builders, architects, and others throughout the United States soliciting applications for mortgage money. When such applications were received, the defendants would require the applicant to pay between $550 to $750 to the corporation for an onsite inspection of the real estate. Then, following the inspection, Mr. Hoffman and IMC would send a telegram to the applicant asking him to come to the IMC Offices in New York City "for early consummation of the loan."

When the mortgage loan applicant appeared, the indictment continued, Mr. Hoffman would tell the applicant that in order to obtain a mortgage he would be required to obtain a report from the other corporate defendant, Criterion Marketing Report, Inc., which he said would be prepared by a panel of real estate experts. The cost of such reports ranged from $2,500 to $25,000. Mr. Hoffman represented to the applicant that he had access to a fund which had money available to make the mortgage loan provided the applicant had obtained a favorable report from Criterion Marketing Report, Inc. The indictment charged that this representation was entirely false, that no such fund existed, and that the Criterion Marketing Report, Inc. was not required by any fund or investor in order to obtain mortgage financing.

On December 14, 1971, all defendants pleaded guilty, and on February 14, 1972, Hoffman was sentenced to two years in prison and the corporations were each fined $1,000.

United States v. *Joseph Fryzer, et al.:* On June 2, 1971, three persons were charged in a 14-count indictment with defrauding Diners Club, Inc. of approximately $600,000 through false billing. The defendants were Joseph Fryzer, David Alexander and Gerald Anthony Branio. Fryzer and Alexander were the President and Vice-President, respectively, of Action Temporaries, Inc., and Action Computer Services, Inc. Branio was a vice-president of Diners Club in charge of data processing. Action Temporaries and Action Computer Services provided temporary personnel and key punch services for Diners Club, Inc. for a fee. During 1970, Fryzer and Alexander, assisted by Branio, padded their companies' bills to Diners Club by submitting fraudulent time sheets which reflected names of some personnel who performed no work on behalf of Diners Club and others who worked fewer hours than reflected on the time sheets.

All the defendants entered pleas of guilty. Branio received a one-year prison sentence. Both Fryzer and Alexander were placed on three years probation.

United States v. *John Arden, et al.:* In an indictment filed on June 23, 1971, John Arden, Seymour Pollack, Robert Evans, Raymond Pierson and Joel White were charged with participation in a scheme to defraud various businesses that were seeking financing.

At trial the Government's proof showed that in order to carry out their fraud, the defendants first created the Mid-Continent Investment Co., Inc. (MCIC). Thereafter, the defendants fabricated a reassuring credit picture for MCIC by the following means: a bank account in which was deposited the proceeds of a $100,000 loan; a portfolio of worthless or overvalued assets; a fictitious balance sheet; and a counterfeit Dun & Bradstreet report which was circulated to prospective victims. Operating behind their facade, the defendants enticed various businesses in need of financing to pay substantial fees to MCIC in return for written commitments of future loans. These commitments were never honored.

Raymond Pierson pleaded guilty and was sentenced to six months in jail and one year of probation. After a trial, Arden, Evans and Pollack were convicted. White was acquitted. Arden and Evans each received a suspended sentence, a year's probation and were fined $1,000 and $3,000 respectively. Pollack was sentenced to two years in prison.

United States v. *John P. Bauer and Bauer International Corp.:* Bauer International Corp. and its President and sole shareholder, John P. Bauer, were both indicted on February 15, 1972, and charged with manipulation of the shell egg futures market.

The indictment alleged that Bauer had a short position in egg futures on a number of days in November 1969 and January 1970, a period of rising egg prices. In order to mitigate the losses which would eventuate from such a position, Bauer unleashed a scheme to artificially depress the price of egg futures, traded on the Chicago Mercantile Exchange, by duping the news media into publicizing a purported arrangement to purchase large quantities of Spanish eggs.

To effectuate his scheme, Bauer allegedly delivered a series of misleading press releases to the media over a period of several weeks, beginning in late November 1969. These releases falsely indicated that as a result of its support program, the Spanish Government had accumulated a huge stock of eggs, thirteen million dozen of which had been purchased by Bauer and would soon be reaching the American market.

On October 2, 1972, Bauer pleaded guilty and was sentenced to two months in jail. The charges against the now defunct corporate defendant were dismissed.

United States v. *Arthur Della Rocca and William Courtney, et al.:* On February 17, 1972, two mortgage brokers, Arthur Della Rocca and William Courtney, were charged with defrauding borrowers out of hundreds of thousands of dollars in advance fees for non-existent mortgage financing.

At trial, the Government proved a scheme in which the defendants pretended to be associated with or have control of various lending institutions, such as Swiss Banks and domestic insurance companies, which purportedly had capital available to loan to persons seeking business financing. In this manner, while lacking both the ability and the intent to produce the promised financing, the defendants were nevertheless able to collect advance fees from a number of prospective borrowers ranging from $7,500 to $110,000. Thereafter the defendants sometimes explained that the loans had been delayed or had otherwise met with difficulty, or they produced fake documents indicating that the loans were in process. On other occasions the defendants produced worthless documents from a one-man Swiss financial institution, claiming that these were bankable letters of credit capable of financing the promised loans.

On September 21, 1972, after a three-week trial during which the Government was able to prove the above fraud to the extent of $388,000, the defendants were convicted. Both were sentenced to five-year jail terms.

United States v. *Herbert H. Hamilton, et al.:* On April 12, 1972, four men and two corporations were charged with violation of the United Nations sanctions against trading with Rhodesia.

The indictment charged the defendants Herbert Hamilton, a Cincinnati businessman, David Patterson, a Bahamas businessman, Conrad Wysocki, an engineer, Edward Bartlett, Vermont Tax Commissioner, IDI Management and Margas Shipping Inc., with violation of the United Nations Participation Act, the Federal Conspiracy Statute, the Export Control Law, the President's Executive Order 11419 which prohibits trade with Rhodesia, and regulations of the Commerce and Treasury Departments.

The defendants and their agents arranged construction of a $50,000,000 chemical fertilizer plant for Sable Chemical Industries, Inc. in Que-Que, Rhodesia. They also entered into a secret agreement with the Rhodesian Government for shipment of $5,000,000 worth of ammonia to be supplied to Sable in Que-Que for conversion into fertilizer, and constructed a $2,250,000 storage facility for the ammonia in Lorenco Marques, Mozambique. A string of corporations in Rhodesia, South Africa, Mozambique, Liechtenstein, Belgium, Bermuda, the Bahamas, Panama and the United States were involved in the scheme, and two Swiss banks were used to conceal the identity of the defendants.

Construction plans for the Rhodesian plant were picked up in Louisville, Kentucky, at the offices of C and I Girdler for smuggling into Rhodesia. IDI Management and Margas caused an account to be opened at the Union Bank of Switzerland for the purpose of concealing the identity of the principals in connection with these Rhodesian transactions and a Union Bank of Switzerland trust officer formed a Liechtenstein corporation at the request of IDI Management and Margas for the purpose of further concealing the identity of the principals. Arrangements were made with the corporate defendants and their agents to reinvest the profits from the chemical plant by funneling payments through a Bermuda corporation. This was the first criminal prosecution under the 1968 Executive Order prohibiting trade with Rhodesia.

All the defendants pleaded guilty and were fined a total of $141,500.

United States v. *Hyman Boxer, et al.:* On April 19, 1972, five men were indicted and charged with a scheme to defraud numerous pharmaceutical manufacturers and to obtain products valued at over $1,000,000. The defendants were: Hyman Boxer, former owner of the H. Boxer Wholesale Drug Co.; Joseph Fascenelli, an associate of Boxer's; Norman Bank and Joseph Scotto, employees of All Nations Freight Forwarding Co.; and Madi Ayachi, a Tunisian national.

The indictment charged that the defendants, knowing that pharmaceutical products are offered by manufacturers to foreign governments and foreign hospitals at prices substantially lower than the prices at which they are offered to purchasers located in the United States, purchased these products at a total saving of over $500,000 to themselves by pretending that they were representing foreign governments and hospitals and that the products were being purchased for use overseas.

The alleged scheme required Boxer, Fascenelli and Ayachi to purchase large quantities of pharmaceuticals at the lower, foreign price, which were transferred to the All Nations Freight Forwarding Co., ostensibly for overseas delivery. There, the major portion of these shipments would be routed to the H. Boxer Wholesale Drug Co., while defendants Bank and Scotto allegedly issued false bills of lading to the manufacturers indicating that the cartons of pharmaceuticals had been sent overseas. The indictment charged that in fact, only one carton per order had been so shipped.

United States v. *Arthur Shain, et al.:* On August 14, 1972, three defendants were indicted for defrauding two thousand job applicants out of $1,300,000. The defendants were: Arthur Shain, Chairman of the Board and sole stockholder of Harvard Executive Research Center, Inc., which became Career Search International, Inc. in 1969; Jack Kuscher, President of "Harvard Executive" and "Career Search"; and Kurt Borenstein, former manager of The Commercial & Financial Division of The Better Business Bureau of Metropolitan N.Y., Inc. The placement service operated by Shain and Kuscher had its main office in New York City with branches in Boston, Pittsburgh, Philadelphia, Washington, D.C. and Los Angeles.

The indictment charged that advertisements were placed in newspapers throughout the country stating that Harvard Executive and Career Search were the world's largest executive placement services and needed hundreds of executives for job openings. Applicants were solicited to write or call at no cost or obligation and were then invited to come in for an interview, during which they were asked for "refundable deposits" ranging in amount from $300 to $3,000. It is alleged that in this manner Shain and Kuscher collected $1,900,000.

The indictment also charged that the defendants paid Kurt Borenstein $50.00 and later $75.00 per week to give good reports concerning Harvard Executive and Career Search to persons who inquired of that organization prior to placing a deposit.

When the applicants became dissatisfied with Harvard Executive's efforts to secure employment (only about 60 out of approximately 2,000 applicants ever received jobs) and demanded a refund of their deposits, Shain and Kusher stalled them with various excuses and delaying tactics until June 1970, when they went out of business, still owing the applicants approximately $1,300,000.

Commercial bribery

United States v. *Frank Callahan, et al.*: On October 5, 1972, six separate indictments were filed charging nine corporate executives and five corporations with bribery in the form of kickbacks to a purchasing agent for Fiat, S.P.A., an Italian manufacturer of automobiles and military aircraft. The individual defendants and their corporations were as follows: Armando Riesgo, President, American Metals Service, Inc.; Al Maiolo, President, Aero and Hardware Parts Co.; Frank Callahan, former President of Jenks Metals Export, Inc. (subsidiaries of the Whittaker Corp.); Charles Hohne, officer, Industrial Metals, Ltd.; Bergthor F. Endressen, President, American Avitron, Inc. (a 50% owned subsidiary of Lear Siegler Corp.); Fred J. Lazard, Jr., John V. Cartier and Hilda F. Miedelman, President, Vice President in charge of Sales and Treasurer, respectively, of Aviquipo, Inc.; and Curtis Baldwin, the alleged recipient of the bribes.

The indictments charged that the above executives devised elaborate financial subterfuges to pay illegal bribes to Baldwin, the U.S. Purchasing Agent for Fiat, in connection with orders for various metals and aircraft engine parts purchased from their companies. In order to conceal the true recipient of these payments, they were made to a nominee of Baldwin through numbered accounts in the Swiss Credit Bank. Payments were also allegedly made to other nominees of Baldwin in the United States and on some occasions directly to Baldwin himself. The concealed kickbacks itemized in the indictments exceeded $200,000.

Consumer frauds

United States v. *Arthur Siegel, et al.*: On January 27, 1972, a Federal Grand Jury filed an indictment charging three persons with fraud in connection with the service of affidavits in landlord-tenant proceedings. Named in the indictment were Arthur Siegel, an attorney; Allen Miller, a licensed process server who was employed by Siegel; and Helen Miller, who was employed as a secretary and notary public in Siegel's office.

The indictment charged the defendants with securing default judgments in numerous eviction cases, brought on behalf of landlords, by falsely swearing that the tenants had been served with notice of the impending eviction actions, when in fact they had not.

It was also alleged that the defendants secured default judgments and evictions by means of false "non-military" affidavits. Federal law prohibits default judgments against members of the military. Consequently in any eviction action a default judgment cannot be granted unless it is first shown that the tenant is not in the military service. The indictment charged that the defendants filed "non-military" affidavits in landlord-tenant court, wherein it was sworn that the military background of the tenants had been investigated and it had been ascertained that they were civilians, when in many cases, no such investigation had been made.

Allen and Helen Miller have pleaded guilty to both sets of charges described above. Siegel pleaded not guilty and was convicted after trial for the use of false non-military affidavits. He subsequently was sentenced to six months' imprisonment.

United States v. *Bernard Eisenstadt*: On May 8, 1972, Medical Seminar Tours, Inc. and Group Voyages, Inc., two defunct travel agencies, and their President, Bernard Eisenstadt, were charged with a scheme to defraud their customers.

The indictment charged that Eisenstadt fraudulently advertised that his agencies would make travel arrangements for doctors, dentists and other medical personnel, including reservations for transportation, accommodations, meals, guided tours and medical seminars in foreign countries. Eisenstadt would allegedly demand and accept pre-payment for the travel arrangements and then wilfully fail to make them. After about two years of operation, Eisenstadt fled and is now a fugitive.

United States v. *Columbia Institute of Languages, Inc. et al.* and *United States* v. *George Delatorre*: On May 11, 1972, Enrique Garcia, Ernesto Garcia, and Dario Salcedo, the operators of a home-study course for Spanish-speaking persons, along with the Columbia Institute of Languages, Inc. were indicted for consumer fraud. The indictment charged a criminal conspiracy by which persons of Spanish background desiring to learn to speak English were victimized by hard-sell techniques.

The defendants sold their language instruction course through door-to-door salesmen and by means of advertisements in the Spanish-language media. It was allegedly misrepresented to potential customers that professors would come into their homes and teach them to use the "Language Laboratory", a combination tape recorder and phonograph, sold as study equipment at a profit of 500%. The indictment also charged that some customers were told their lessons would be graded by professors from Harvard University, and that they would receive diplomas upon completion of their home study course.

In *United States* v. *George Delatorre*, a related case, the defendant was the former general manager of Lincoln Budget Co. and Interstate Budget Corp., two of the finance companies which purchased the contracts of the Columbia Institute of Languages. He was charged with receiving kickbacks on Columbia contracts whose purchase he approved.

Columbia is alleged to have made out about $23,000 worth of checks in the names of fictitious persons supplied by Delatorre, and then delivered these checks to him.

After the Grand Jury began hearing evidence on the case, Delatorre allegedly directed a witness to commit perjury and himself lied about the transaction.

Delatorre has pleaded guilty to ten counts of extrortion and subornation of perjury.

United States v. *Wucker Furniture, et al.*: On August 10, 1972, the largest and oldest retail furniture store in Harlem and two branch New York City stores were charged with engaging in a wide-ranging scheme to defraud their customers. Named in the indictment were the Wucker Furniture., Co., the Wucker Furniture Co., Inc. and Wucker Outlet Store, Inc. The indictment charged that the defendants' fraudulent practices were principally directed at low-income, Spanish-speaking and black, ghetto consumers.

More specifically, the indictment charged the defendants with systematically engaging in fraudulent "bait and switch" selling. This tactic was used to "bait" or lure unsuspecting consumers to the stores in pursuit of "specials" which had been widely advertised at attractively low prices in New York newspapers and in direct mailings, but which the defendants had no intention of selling. The consumer would be deliberately "switched" to a considerably more expensive, unadvertised item. The "switch" was accomplished through a variety of fraudulent and deceptive devices including: the reported unavailability of the advertised item or of an indefinitely lengthy period for delivery; the physical disfiguring of the advertised item; the display of the advertised item in a manner calculated to discourage its purchase and; the outright "knocking" or disparagement of the advertised item as shoddy, undesirable and of poor quality and workmanship.

The indictment also charged two of the defendants, Wucker Furniture Co., Inc. and Wucker Outlet Store, Inc. with selling renovated and used furniture and bedding as new, without disclosing that such items were not new, and with failing to have yellow labels, identifying them as used, attached to such item as required by law.

The indictment further charged that the defendants falsely advertised on a regular basis that "free gifts" would be given to any consumer who purchased an item at any of the defendants' stores. In fact, the consumer was charged for the supposed "gift," often at an exorbitant price, through a concealed addition to the cost of the item purchased. Similarly, the defendants were also charged with falsely advertising and misrepresenting to consumers that they could trade in their old furniture or appliances and receive an allowance which would reduce the price of the new item which they were purchasing. The defendants circumvented payment of the allowance by inflating the purchase price by an amount equal to it.

On August 28, 1972, the defendants entered pleas of guilty. On October 24 the defendants were fined a total of $75,000.

Government fraud

United States v. *Arthur J. Freeman:* On April 13, 1971, a 14-count indictment was filed charging Arthur J. Freeman, a doctor, with making false claims for payment under the Federal Medicare program. The indictment charged that Dr. Freeman submitted fraudulent forms to the Social Security Administration seeking payment for medical treatments allegedly performed on 13 different patients. The indictment was believed to be one of the first prosecutions since the program was adopted in 1965. The defendant passed away after an October, 1971 mistrial.

United States v. *BSR (USA) Ltd. et al.*: On June 21, 1971, a Federal Grand Jury filed a 55-count indictment charging a British manufacturer of record changers and parts, its Bermuda and American subsidiaries, and the Traffic Manager of the American subsidiary with conspiring to make false statements to the United States Bureau of Customs and to smuggle shipments of record changers and parts valued at over $1,000,000 into the United States. The defendants were BSR Ltd. of Warley, Worcestershire, England, the world's largest manufacturers of record changers with gross sales of over 55 million dollars according to its 1970 Annual Report; Discus (International) Ltd., its Bermuda sales subsidiary; BSR (USA) Ltd., its American distribution subsidiary based in Blauvelt, New York; and Thomas Tesi, the Traffic Manager of the American subsidiary.

The indictment charged that as a part of the conspiracy the defendant, BSR Ltd. prepared false shipping documents for containerized shipment to the United States so as to understate the true quantity and value of the shipments and that the defendants BSR (USA) Ltd., Discuss (International) Ltd. and Thomas Tesi caused false statements to be made to the United States Bureau of Customs in order to defraud the United States of lawful customs duties. The indictment charges 54 occasions over a more than four-year period when the defendants are alleged to have made false statements to the United States Bureau of Customs and to have smuggled record changers and parts into the United States.

United States v. *Bernard Levere and Macbern Construction Co.*: On March 23, 1972, the Macbern Construction Co. and its President, Bernard Levere, were indicted and charged with making false statements and concealing material facts in connection with a Federal Housing Administration (FHA) insured mortgage. The indictment further charged that Levere had committed perjury before a Federal Grand Jury.

Levere entered a bid on FHA insured renovation of three Manhattan brownstones and allegedly concealed certain facts in order to obtain the requisite FHA approval. Thereafter, in order to receive periodic, progress payments from the mortgage bank, Levere is also alleged to have submitted statements to the project architect, falsely stating that the sub-contractors had been paid.

Later, at the Federal Grand Jury investigation of this matter, Levere made several allegedly perjurious statements.

Levere has pleaded guilty to one of the counts in the indictment.

United States v. *Joseph P. Candella, et al.*: On May 4, 1972, a ten-count indictment was filed charging a moving company and its two principal officers with submitting padded bills in connection with the New York City Urban Renewal Program. Under this program, the City is reimbursed by the Federal Government for various costs, including moving expenses in connection with relocating tenants. The indictment named as defendants Joseph P. Candella, and John Kevin Gilgan, who are vice-president and president, respectively, of Beacon Moving and Storage Inc., the corporate defendant.

The indictment charged that between February and July, 1971, the defendants prepared padded bills of lading, in connection with five moving jobs of commercial tenants, in which they inflated both the number of men listed as working and the number of hours worked. The fraudulent claims totaled $150,000.

Official corruption

United States v. *Robert T. Carson, et al.*: On January 13, 1971, a special Federal Grand Jury in the Southern District of New York filed a four-count indictment charging Robert T. Carson, Administrative Assistant to United States Senator Hiram Fong of Hawaii, Edward Adams, and Joseph Bald with conspiring to fix a Federal criminal securities case in return for $200,000. The indictment included allegations that during the course of the conspiracy Carson approached the Deputy Attorney General of the United States in an effort to quash certain criminal charges pending in this District. On November 8, 1971, Adams and Bald pleaded guilty to one count each. On November 20, 1971, Carson was found guilty on two counts and was subsequently sentenced to 18 months in prison and fined $5,000. Adams received a fine of $5,000 and was placed on probation for three months. Bald was sentenced to two years, all but four months of which were suspended.

United States v. *Frank Terranova:* On March 25, 1971, three men, Frank Terranova, Robert A. Bernstein and Michael E. Russo, were indicted on bribery charges involving kickbacks to a Federal official, in connection with the award and fulfillment of Government contracts.

Terranova was the former Chief of the Paper Products Section of the General Services Administration, where he had been charged with the responsibility for awarding and supervising contracts for the purchase of paper by the Federal Government. Russo was formerly the president of Data Press, Inc., a manufacturer of carbon paper sets. Bernstein was an attorney.

The indictment charged a conspiracy among the three defendants whereby Terranova received kickbacks on money paid by the United States to Data Press, for the purchase of carbon paper sets. Russo allegedly paid the bribes to Bernstein who would then transmit the money to Terranova.

United States v. *J. Howard Deardorff, et al.:* On January 28, 1971, a special Grand Jury filed an indictment charging a corporate executive, as well as the Mayor and one former and one present City Councilmen of Johnstown, Pennsylvania, with bribery and conspiracy. The defendants were J. Howard Deardorff, a former City Councilman of the City of Johnstown, Irving Kahn, President and Chairman of the Board of Directors of Teleprompter Corporation; Robert McKee, a member of the Johnstown City Council; and Teleprompter Corporation, a New York corporation whose primary business is providing cable television service in a number of communities throughout the nation.

The indictment alleged that in January, 1966, the City Council of Johnstown invited competitive bids for a proposed cable television franchise, but that shortly thereafter Mr. Kahn went to Johnstown and met with Mayor Tompkins and Councilman McKee and Deardorff in order to obtain the franchise for Teleprompter. As a result of that meeting it was agreed that Tompkins, McKee and Deardorff together were to receive the sum of $15,000 in exchange for voting to award the franchise to a Teleprompter subsidiary. Since there were only five members on the City Council including the Mayor, Teleprompter was thereby assured of the contract.

In February 1966, the City Council by a vote of 4 to 1, with Messrs. Tompkins, McKee and Deardorff voting in the affirmative, awarded an exclusive ten-year franchise to Teleprompter with a ten-year option to renew.

Thereafter, the indictment alleged, Kahn and Teleprompter arranged to pay $15,000 to Mayor Tompkins in three installments and that Tompkins, in turn, gave $4,000 to each Councilman.

Kahn and McKee, who were both convicted, received five-year and three-year prison sentences, respectively. Tompkins and Dearorff, both of whom pleaded guilty, received suspended sentences.

United States v. *Leonard Baum, et al.:* On June 1, 1972, a Federal Grand Jury indicted two New York businessmen and their accountant for bribing an Internal Revenue Agent. Named as defendants were Leonard and Arthur Baum, the Vice-President and President, respectively, of Great American Realty Corporation, and Howard M. Cohen, an accountant.

The indictment charged the three defendants with participating in the payment of a $2,000 bribe to a Revenue Agent who was in the process of auditing the tax returns of the Great American Realty Corporation. This bribe attempt was promptly reported by the agent to the IRS Inspection Service, which subsequently conducted the investigation leading to the indictment.

Pension and insurance frauds

United States v. *John F. Maloney, et al.:* On February 10, 1971, a Federal Grand Jury indicted two lawyers and a doctor in an extortion scheme growing out of an alleged investigation of insurance frauds. John F. Maloney, a doctor, Harold Farrell, an attorney formerly with the New York City Department of Investigation, and David Sherman, an attorney, were charged with a conspiracy to extort $10,000 from an unidentified doctor in Nanuet, New York, by advising him that he was the subject of a fraud investigation by a group of insurance companies. The victim was then to pay the sum as a "fee" to one of the co-conspirators, represented to the victim to be an attorney for the insurance companies and in a position to quash the investigation.

The indictment alleged that Harold Farrell, using the name "Harold Sullivan", told the victim that he faced indictment and imprisonment for a possible 40 years under the alleged insurance company fraud investigation. Farrell then urged the victim to "retain" David Sherman. Thereafter the victim, acting on the advice of the FBI, paid $5,000 in cash to Sherman as a downpayment to kill off the investigation. Dr. Maloney is alleged to have telephoned the victim to confirm the fact that he was the subject of the insurance company investigation and to have advised him that he had actually seen the case file. Maloney was convicted, fined $2,500 and given two years probation. Farrell was convicted and sentenced to ninety days in jail.

United States v. *Allen Dorfman:* On December 15, 1971, Allen Dorfman, who at the time was a special consultant to the Central States Pension Fund of the International Brotherhood of Teamsters, was charged with receiving a $55,000 kickback in return for exerting his influence to obtain a $1.5 million loan from the Fund for a failing North Carolina textile concern.

In March 1967, Dorfman was appointed special consultant and de facto chief executive officer of the powerful Pension Fund Steering Committee, which was charged with recommending loans for approval by the Pension Fund board of trustees and supervising the administration of loans after they were approved. During this same month Dorfman promised to help secure a loan for the textile company, Neisco, Inc., in return for a cash kickback. A $1.5 million loan was eventually granted by the Pension Fund in June 1967, secured only by Neisco's inventory. Neisco made only five required monthly interest payments from July 1967 to August 1969, and then went into Chapter XI bankruptcy.

After a two-week trial, Dorfman was convicted and on April 26, 1972, was sentenced to one year in prison and a $15,000 fine.

Securities frauds

United States v. *Winslow, Cohu & Stetson, et al.:* On February 3, 1971, a special Federal Grand July filed a ten-count indictment charging a former New York Stock Exchange member firm, a vice-president and two employees of the firm, and one individual and one corporate customer of the firm with conspiracy to violate the Federal Margin requirements and with substantive violations of those requirements. The defendants named were:

Winslow, Cohu & Stetson, Inc., a new inactive securities firm which previously held seats on both the New York and American Stock Exchanges, with offices in New York, Rochester and other cities; Frederic S. Nusbaum, a vice-president, shareholder, and manager of the Rochester, N.Y. office of Winslow, Cohu & Stetson, Inc.; Lawrence I. Burrows, a registered representative at Winslow, Cohu, & Stetson, Inc.; Joseph Bonaparte, chief margin clerk at Winslow, Cohu & Stetson; Francis J. Bush, and, Compact of Rochester, Inc., a corporation wholly controlled by Francis J. Bush.

In substance, the indictment charged an ingenious scheme by the defendants and three conspirators to disregard the Federal margin requirements. As part of the conspiracy, Frederic S. Nusbaum and Lawrence I. Burrows allegedly solicited customers for Winslow, Cohu & Stetson by offering them credit up to 100 percent in the purchase of registered securities, and that Nusbaum employed registered representatives by offering them such credit.

The indictment also charged that Nusbaum procured cash payments from employees under his supervision for Joseph Bonaparte who, as the firm's chief margin clerk, made false entries in the firm's records. The indictment further alleged that Francis J. Bush purchased registered securities using credit extended in amounts up to 100 percent of the purchase price and that a payment was made by Bush to Bonaparte.

On August 26, 1971, Nusbaum pleaded guilty to one count and received a six month suspended jail sentence, plus a $5,000 fine.

Both Bush and the now defunct corporation controlled by him were also convicted. Bush was sentenced to one year probation. Bonaparte and Burrows have both pleaded guilty.

United States v. *Anthony Soldano, et al.*: On May 27, 1971, a 40-count indictment was filed charging 9 individual defendants and 11 co-conspirators with a stock manipulation scheme. The defendants were identified as: Anthony Soldano, John Dioguardi, Gary Fredericks, Michael Hellerman, Michael Caricato, Fred Goodman, Richard Greenberg, Louis Ostrer, and Morris Winter. The offense charged in the indictment was an elaborate plan for inflating the market price of stock in a franchising corporation from $5 to $42 through rigged buy and sell orders. The stock involved was that of Belmont Franchising Corporation.

According to the indictment, the scheme began in October of 1969. Defendants Anthony Soldano and Fred Goodman agreed to purchase all of the outstanding shares of Belmont, approximately 28,000 shares, at $5.00 per share and to create an artificial price for the Belmont stock. Soldano and Goodman caused various brokerage firms to utilize the "Pink Sheets" of the National Daily Quotation Service to give the false impression that these was an active market in Belmont stock. According to the indictment, a brokerage firm called Lincoln Securities was used as a vehicle for creating the artificial market and inducing others to purchase Belmont stock, which soon rose to $15 a share.

The indictment further alleged that John Dioguardi and Michael Hellerman agreed to split the profits from sales of Belmont stock by Hellerman at the inflated price. Hellerman caused co-defendant Gary Fredericks, a trader at Barad-Shaff Securities Corp. to enter the "Pink Sheets" to help in the manipulation scheme. Accounts were also opened at other brokerage firms in nominee names to purchase and sell Belmont stock as the manipulation progressed. The stock reached a peak of $42 before the price collapsed.

In addition, the Grand Jury filed three additional indictments charging the defendants named therein with perjury and false statements during the course of the investigation. Those so charged were: George Drykerman, Harvey Pollack and Edward Palermo.

Palermo pleaded guilty and received a suspended sentence and a $1,000 fine. Pollack has been convicted and given a suspended sentence and a $6,000 fine.

United States v. Irving Projansky: On June 5, 1971, after a 14-week trial, five men were convicted for manipulating the price of the stock of Hercules Galion Products, Inc. on the American Stock Exchange. Eight other defendants had previously pleaded guilty. The defendants were charged with artificially raising the price of Hercules Galion from July 1965 through March 1966 and then dumping the stock on the public at inflated prices early in 1966. During this period, the defendants artificially raised the price of Hercules from about $6.75 a share to a high of $14.50 a share before it collapsed to $5 a share in the latter part of 1966. As a result, the public was defrauded of about $4 million.

This scheme originated with Irving Projansky, who at the time was the Chairman of the Board of Directors of the First National Bank of Lincolnwood, Ill. and a Director of Hercules Galion, and Arthur Keller, President of the Bank. Also participating was Harry Brainin, a Director of Hercules Galion and President of the Argus Capitol Corp. which represented a group of investors who owned approximately 25% of Hercules Galions' outstanding shares. By means of various bribes, Projansky, Keller and Brainin induced a group of securities salesmen, all of whom were named in the indictment, to participate in the manipulation. The evidence at trial showed that the conspirators purchased and induced their customers to purchase huge amounts of Hercules Galion stock—close to 50% of all the Hercules Galion stock traded in this period, in order to run up its price. The defendants also arranged to purchase stock at the opening and closing of the market and entered timed bids at necessarily higher prices in order to raise the price of the stock.

The three principal defendants received sentences as follows: Irving Projansky—one year imprisonment and two years probation; Arthur Keller—one year probation plus a $5,000 fine; and Harry Brainin—three months imprisonment, and one year probation, plus a $20,000 fine.

United States v. *Sidney Stein, et al:* In May 1971, after a trial lasting more than three weeks, Sidney Stein was convicted of manipulating the stock of The Buckeye Corporation, a company formerly listed on the American Stock Exchange.

At the trial, evidence was produced to show that Stein, his former business partner and a number of other persons artifically supported the price of Buckeye stock for a period of fifteen months to offset news of Buckeye's $4,000,000 loss and heavy selling by the corporate management. The techniques included: purchasing the stock at a number of different brokerage houses in a number of different names, including nominee names; repeatedly placing orders to buy at the close of each day to cause the price of Buckeye to close slightly higher for newspaper publication; and bribing securities salesmen so that the latter would induce their customers to buy Buckeye stock.

Stein was sentenced to two years in prison, five years probation and was fined $20,000. Other individuals who had particiapted in this scheme were George A. Horvath, Samuel Balinsky and Frank Ebner, all of whom pleaded guilty. Horvath was placed on two years probation and received a $2,000 fine. Balinsky received six months probation and was fined $500. Ebner received three months in prison, a $1,000 fine and was placed on nine months probation.

United States v. *Milton M. Raffer:* On October 8, 1971, Milton M. Raffer, a certified public accountant, was convicted on forty-two counts of conspiracy, mail fraud, perjury and violations of the securities law. The defendant had been charged with aiding in carrying out a plan to defraud investors, which was a variation of the old "Ponzi" scheme. The evidence showed that Milton Raffer, together with his 19-year-old son, Bennett J. Raffer, organized a number of corporations, funds and partnerships and created an air of affluence by renting a Lear jet aircraft, two Mercedes Benz automobiles, and a chauffeur-driven Cadillac limousine. The younger Raffer entered a plea of guilty in midtrial and testified on behalf of his father in an attempt to exonerate him.

The trial evidence disclosed that the Raffers, while portraying the son as the "Boy Genius of Wall Street", solicited people to entrust their money for investment in non-existent businesses, and delivered worthless promissory notes and investment contracts. The evidence also showed that investors were assured of substantial gains, with the promise that they could withdraw their investment after a period of time with a minimum guarantee of 7% interest even if no profits were realized. The Raffers told prospective victims that they were investing moneys for such prominent personalities as David Rockefeller, Frank Sinatra, Dean Martin and Lucille Ball. They also claimed that Bennett J. Raffer had become a self-made millionaire by running up his bar mitzvah money to a million dollars through investments in the stock market.

Once the investors had committed their money, Bennett Raffer forwarded false monthly statements to them showing huge profits. This induced most of the investors to leave their money in the Raffers' hands for extended periods of time. In the meantime, rather than investing the money as promised, the Raffers used the funds to support a high style of living. The evidence disclosed investments by the public of approximately three-quarters of a million dollars. The investments ranged in size from $500 to $150,000.

Milton Raffer was sentenced to twelve months in jail and was fined $20,000. Bennett Raffer was sentenced to fifteen months and fined $23,000.

United States v. *William Walter Prentiss:* On January 24, 1972, William Walter Prentiss pleaded guilty to charges of defrauding would-be investors on the stock market of approximately $300,000.

Posing as an investment counsellor, Prentiss had allegedly received sums for investment from fifty-seven individuals, which were never invested, but rather, were converted to his own use.

Prentiss' fraud was in essence another modern variation of the "Ponzi" scheme. Prentiss guaranteed to his first clients a minimum return of 5% per month on their investment, even if no profits were realized. He then encouraged investors not to remove their profits by sending out periodic statements showing substantial profits resulting from stock market transactions which he never made. If an investor insisted on taking his profits, Prentiss obliged with a monthly check. Soon Prentiss was deluged with clients from New York, and as far away as Arizona, Texas and Canada who wanted him to handle their investments.

Prentiss took these new clients on a profit-splitting basis with no guaranteed return to the investor, but he continued sending out phoney reports of profitable stock market transactions. The scheme went undetected for over three years because of Prentiss' ability to meet all demands by investors for payments of cash. In March of 1971 after making an accounting to his partners which showed the value of all investments to be approximately $1.6 million, Prentiss disappeared.

Prentiss was sentenced to twenty months' imprisonment and four years probation.

United States v. *Louis Beck, et al.:* On February 24, 1972, six individuals were indicted for fraud, interstate transportation of stolen securities and conspiracy. The defendants were identified as follows: Louis Beck, an attorney; William Julius Champion, formerly a supervisory employee of Goodbody & Co.; Collin Gardner and Frederick James Lee, formerly stock clerks with Goodbody & Co.; Aharon Ron, an Israeli Rabbi and businessman; and Emanuel Lieberman, a/k/a Mannie Lester. The indictment charged the defendants with selling over $300,000 worth of stolen Leasco Data Processing Equipment Corporation warrants through a Bahamian financial institution and depositing the proceeds in two Canadian bank accounts under a fictitious name.

According to the indictment, the warrants were stolen from Goodbody & Co. by three of the defendants, who had been employed by the firm. Thereafter defendant Louis Beck arranged for the Rawson Trust Company in Nassau to sell the securities, and obtained checks representing the proceeds from Hayden Stone & Co. Beck then deposited the proceeds at the Bank of Montreal and Royal Bank of Canada under the fictitious name of Michael C. Van Beuren. Another member of the conspiracy, Emanuel Lieberman, then obtained checks drawn on the Van Beuren account and together with Mr. Ron opened checking accounts at the Franklin National Bank.

United States v. *Stuart Schiffman, et al.:* Stuart Schiffman, Akiyoshi Yamada, Phillip Kage, Nathan Hager, Stanley Peltz and Kelly, Andrews & Bradley, Inc., a brokerage firm, were indicted on March 30, 1972, and charged with defrauding stock purchasers by means of a false and misleading offering circular.

The defendants and others allegedly conspired to underwrite the stock of Lady Goldie Bracelet Co., Inc., through Kelly, Andrews and Bradley, in return for secret cash compensation of $75,000. The cash payment was not disclosed in the offering circular which was filed with the SEC and used to sell the stock to the public. The undisclosed $75,000 payoff was in addition to other disclosed compensation and amounted to one-fourth of the total moneys received on the underwriting.

United States v. *Akiyoshi Yamada, et al.*, and *United States* v. *Akiyoshi Yamada:* Investment advisors Akiyoshi Yamada and John Peter Galanis were indicted on May 1, 1972, for defrauding mutual fund investors out of more than $1,000,000.

The indictment charged that Yamada and Galanis created an off-shore mutual fund, Armstrong Investors, S.A., which raised in excess of $3.8 million from foreign investors. The defendants managed Armstrong's portfolio and maintained complete control over its assets through a mutual fund operating company named Everest Management Corp. The defendants allegedly used Armstrong's funds to manipulate stocks in which they and their friends personally invested, and in some cases caused Armstrong to buy these stocks from them, indirectly, at the artificially inflated prices. In addition, Yamada and Galanis were charged with converting in excess of $1,000,000 of Armstrong's money to their own use.

In order to cover this fraud, the defendants are alleged to have issued regular monthly reports to fund shareholders indicating that the net asset value of Armstrong had increased each month, whereas the assets of the fund were being depleted as the result of the defendant's activities.

In a related case, *United States* v. *Akiyoshi Yamada*, Yamada was indicted a second time, on May 4, 1972, and charged with defrauding his clients in the operation of a $350,000 "Hedge Fund."

This indictment charged that Yamada organized a "Hedge Fund" called Seijo Associates. He allegedly defrauded investors by converting assets collected by Seijo to help cover up losses and misappropriations of moneys from other funds which he managed, including Everest Management Corporation and Armstrong Investors, S.A.

United States v. *Robert R. Hagopian, et al.:* On August 7, 1972, an indictment was filed charging a scheme in which two mutual fund managers received bribes of over half a million dollars from two other defendants in return for causing the mutual funds they managed to purchase and sell certain securities. The defendants are also charged with defrauding shareholders of their mutual funds and receiving excess compensation. Named in the indictment were: Robert Hagopian, former mutual fund investment advisor to the Index Fund of Boston, Inc., and the Performance Plus Fund, Ltd.; Stephen Sanders, former mutual fund investment advisor to the Winfield Growth Fund, Tudor Hedge Fund and Performance Plus Fund, Ltd.; Ramon N. D'Onofrio, a finder and securities promoter; John Peter Galanis; and Jerome E. Treisman, a securities research analyst once associated with defendant Galanis and employed by mutual funds.

The indictment charges that defendant Galanis and his accomplices manipulated the price of securities that they controlled with the ultimate purpose of selling these securities to mutual funds at the rigged prices. It is further alleged that, as part of the plan, Galanis and his co-conspirators paid Hagopian in excess of $540,000 in cash and marketable securities, in return for which Hagopian caused his two mutual funds to purchase $3,000,000 in securities at the artificially inflated prices. A similar arrangement was made with Sanders, but on a smaller scale.

The indictment also charged that in order to make it appear that the mutual funds managed by Hagopian and Sanders had purchased securities on the basis of their investment merit, Hagopian, Galanis and Treisman gathered and prepared false and misleading reports and other documentary materials and placed them in the files of the fund's management companies.

United States v. *Joel Mallin:* Joel Mallin, an attorney, was indicted on August 10, 1972, for a criminal violation of the margin requirements established for broker-dealers by the Board of Governors of the Federal Reserve System. Prior to his indictment, Mallin had been a tax lawyer and partner in a New York law firm.

The indictment charged Mallin with causing the Mercantile Bank & Trust Co., Ltd., Freeport, Bahamas, to violate the margin requirements set forth in Regulation T by the Federal Reserve System. During the period covered in the indictment, Regulation T provided that broker-dealers, including foreign banks purchasing securities through brokerage firms which were members of national securities exchanges, were prohibited from lending their own customers more than 20% of the purchase price on any security.

Mallin had held a discretionary power of attorney to buy, sell and trade securities on behalf of Mercantile for its special omnibus trading accounts at the brokerage house of Kleiner, Bell & Co., Inc. In 1968, Mallin used this power to cause Mercantile to extend credit beyond the legal maximum to a customer of Mercantile who was in fact Mallin's own nominee for the purchase of 700 shares of Great American Holding Corporation stock.

Mallin pleaded guilty to this charge and was sentenced to two years probation and a $5,000 fine.

Tax frauds

United States v. *William Binder, et al.:* On March 16, 1971, William Binder, Max Blauner and Edward Samuels were sentenced for their part in a conspiracy to evade $7,000,000 of Interest Equalization Tax. Charges against a fourth defendant, Henry Scharf, had been severed after Scharf became a fugitive.

At all times relevant to this case the Interest Equalization Tax Act levied an excise tax on purchases of foreign issue stock purchased by "United States persons" from foreigners. Americans buying foreign issue stock from other Americans, however, were not taxed. As a result American-owned foreign stock sold in the United States at a premium over foreign-owned stock, since the purchaser would not be liable for the Interest Equalization Tax. Consequently, foreign securities purchased outside the United States and then resold within the United States yielded an immediate profit based on the price differential. The defendants executed a scheme to defeat the tax by making taxable purchases, primarily in Canada, through trading accounts in the names of nominees. These foreign securities were resold almost simultaneously in New York. The defendants retained the profits, plus brokerage commissions, while their relatively penniless nominees incurred the staggering tax liability.

Blauner and Samuels received eighteen-month prison terms. Binder was fined $2,000 and placed on probation for two years.

United States v. *Sol Berger:* On May 5, 1971, after a three week non-jury trial, Sol Berger was found guilty of causing an evasion of Federal taxes on $900,000 of income owed by Colonial Corporation of America, formerly listed on the New York Stock Exchange. The years involved were 1962, 1963 and 1964. Berger had padded the expenses of Colonial Corporation of America by secretly adding to those expenses the cost for raw materials purchased and used by Colonial Corporation of America's foreign subsidiary, Colonial Shirts of Jamaica, Ltd. The Government's proof established that Berger directed his chief bookkeeper to make false entries of from $50,000 to $75,000 per quarter beginning in the latter part of 1959 or the early part of 1960. These false entries all related to piece goods purchases which the foreign subsidiary made from manufacturers in Japan. The bookkeeper reported the false entries in handwritten reports to Mr. Berger quarterly up until the time that Berger resigned as chief executive officer of Colonial Corporation of America late in 1965.

In early 1966 Berger sold his 38% interest in Colonial Corporation of America to Kayser-Roth Corporation, a corporation listed on the New York Stock Exchange. During 1960 through 1965, Colonial Corporation of America was a shirt manufacturer specializing in less expensive shirts which were retailed to a mass market. In 1964 Colonial Corporation of America had sales on a consolidated basis of approximately $90,000,000. On June 4, 1971 Berger received a three month prison sentence, a fifteen month suspended sentence, and a $30,000 fine.

United States v. *Mack Judge, et al.:* On December 8, 1971, three North Carolina cigarette jobbers were charged with mail fraud and violations of the Jenkins Act in connection with the interstate sale and shipment of cigarettes. Named as defendants were Mack Cullen Judge and his two sons, MacRay and William Gordan Judge.

The Jenkins Act requires cigarette sellers shipping cigarettes into New York and other states to notify the State cigarette tax authorities of the names of the purchasers and the brands and amounts of cigarettes purchased. In this way the State may levy the requisite local tax against such buyers. Operating through the Peanuts Co., Tot's Co., Carolina Co., ABC Sales & Southern Enterprises, all located in Weldon, North Carolina, the defendants induced New York residents to purchase cigarettes from these companies by false, letter representations that such purchasers would not be liable to the State or City of New York for local cigarette taxes. The second branch of the defendants' scheme involved their intentional non-compliance with the Jenkins Act, by failing to provide New York State with the above noted information.

After pleading guilty, Mack Cullen Judge was sentenced to nine months imprisonment and fined $6,000. His two sons were fined $1,000 apiece.

United States v. *Daniel X. B. Schwartz, et al.:* On May 17, 1972, Daniel X. B. Schwartz (a/k/a Dixbie Schwartz), Melvin J. Kushel and Ruth Saperstein were indicted for defrauding numerous persons who had invested in cattle management programs for investment and tax shelter purposes. Also named in the indictment were the Dixbie Management Company, Dixbie Colossal, Inc., Dixbie Colossal, and Dixbie Supreme, all of which the Grand Jury charged were organized, established, operated and controlled by Daniel X. B. Schwartz.

The indictment alleged that Schwartz, Kushel, and Saperstein operated two companies, New York Tax Savers and National Tax Savers, which prepared and filed tax returns for a number of persons in New York. The defendants recommended to their clients that they avail themselves of the tax and investment advantages of the cattle management programs offered by the Dixbie Management Company. The defendants also advertised the benefits of investing in cattle by means of direct mailings and through newspaper advertisements. The indictment charged that both the mailed material and the advertisements contained false statements of profits, return of capital, and tax advantages. By these means, plus customer referrals, the defendants allegedly lured a sufficient number of investors to raise almost $600,000 through the sale of 200 investment contracts.

Amongst the alleged misrepresentations were statements to the effect that the defendants would pay approximately 30% a year in dividends and that they would return any investor's money upon request. In fact, however, the defendants had set up several other companies to conceal the assets of Dixbie Management, which were then converted to the personal use of Daniel X. B. Schwartz.

United States v. *Braverman and Rosenstein:* The defendants in this case were convicted after a six-week trial for evading Federal taxes on $2,000,000 worth of income. (The largest income tax evasion case in the history of the Federal Government.)

Braverman and Rosenstein were the sales representatives for many of America's leading manufacturers in the sale of their products to military post exchanges. (PX's). For their service they received commissions which averaged approximately 6% of total sales. From 1961 to 1965 Braverman and Rosenstein instructed their clients to pay their commissions to a dummy Liechtenstein corporation which transferred the money to a secret Swiss bank account. In this way $2 million dollars escaped taxation. Braverman and Rosenstein were each given eighteen months in prison, $280,000 in fines and assessed court costs.

In addition to the above cases, there have been numerous, successful prosecutions of individuals involved in the arts, business and the professions for income tax evasion, or willful failure to file tax returns.

TEN STEPS BUSINESSMEN CAN TAKE TO COMBAT WHITE-COLLAR CRIME

Businessmen often shrug their shoulders when the discussion turns to white collar crime and ask, "What can we do about it?" Frequently the express the attitude that crime will always be with us, and therefore why try to stop it. Or they delude themselves by saying that the real criminals are those who commit burglaries in apartment houses or hold up drug stores.

There is a great deal that businessmen can do to reduce white-collar crime. By helping to do so, businessmen can also indirectly help reduce other forms of crime as well, to the extent that they are encouraged by a system which is soft on the white collar criminal and therefore encourages criminal conduct at all levels of society.

Here are ten steps which any businessman can take to contribute to a reduction in white collar crime:

1. *Set an example at the top.* In every business firm and business association the standard of ethics and integrity begins with the people who hold key executive positions. Both in their own conduct and in their articulation of standards of conduct for others, they set the tone which determines whether cutting corners and a little cheating here and there will be acceptable or not.

2. *Speak up against improper actions by others.* Most businessmen have had the experience on more than one occasion when some friend or associate has bragged about having a Swiss bank account to conceal transactions from the Internal Revenue Service, or some other scheme to do something improper. The listener usually smiles and maybe nods politely. This is the time to say some words of disapproval. When friends or associates wink at illegal conduct, it is bound to accelerate.

3. *Don't give gifts to Government officials to curry favor.* The attitude that leads to bribery and fraud begins with the belief that there are ways to get favored treatment from Government agencies by material gifts. Even the small gift, which puts a Government employee in the embarrassing position of not wanting to offend by refusing it, is the first step on that road. That first step should never be taken.

4. *Don't encourage any form of commercial bribery.* Kickbacks and under-the-table payments are frequent parts of commercial activity, but they are not desirable or healthy. Where they amount to bribery, they constitute a State crime, but they also generate an attitude that is just one step away from bribing public officials, or embezzlement, or criminal fraud.

5. *Straighten out any suggestion of impropriety immediately.* The statement by a business colleague that he will see to it that some official action is "taken care of" or that there is "nothing to worry about" in connection with some official regulation should not be passed over quietly. Every such implication of possible improper conduct should be challenged and an explanation demanded before a businessman goes into a business deal. Frequently such hints of impropriety turn out to be something quite innocent, but sometimes they are sinister. This meaning should be made clear and the businessman's position in opposition to any unlawful conduct should be firmly and explicitly stated.

6. *Consult a lawyer.* If a businessman has any doubt about the propriety of suggested conduct, he should immediately discuss it with a lawyer in whose integrity and ethics he has complete confidence. If he does not feel that way about his present lawyer, he should get a new one. Lawyers in turn should consistently and invariably discourage their clients from engaging in conduct which winks at or violates the law, even if it means losing an occasional client along the way.

7. *Keep alert to extravagance.* For a business executive, the surest sign of potential trouble in his own organization or that of a business associate is when he sees someone living far beyond his apparent means. Such activities as excessive gambling, borrowing from loan sharks, or maintaining a lush life style, are sure trouble signs which require careful watching.

8. *Get to know the prosecuting authorities.* Officials charged with law enforcement are human beings like anyone else. They can be talked to in terms of fairness and common sense, and they respect professionalism and decency in others. Federal and State District Attorneys should be consulted frequently and lines of communication kept open at all times.

9. *Report all irregularities to the proper authorities.* The worst thing a businessman can do is to turn his back when he sees something improper. There is only one sensible way to deal with questionable or illegal conduct and that is to bring it to the attention of those who have the responsibility to deal with it, whether they be Securities and Exchange officials, trade associations, or law enforcement officials. Walking away and pretending that nothing happened is an invitation for a repeat performance.

10. *Speak out against those who commit white collar crimes.* Too often white collar criminals are treated with sympathy, as if they were themselves the victims. Sometimes business executives who have committed felonies have been treated as heroes in the country club set. Those who are concerned about integrity in business should publicly express their disapproval of their colleagues who violate the law and should support prompt prosecution and effective punishment. Favored treatment by the courts should be criticized openly whenever it occurs.

The American economy depends on trust and good faith. Its future health and the moral climate of the nation depend on the attitudes of honest businessmen toward those who violate standards of conduct. Prompt and effective steps can do much to reduce white-collar crime. Leaving it to others and turning one's back will only encourage its spread.

INTEGRITY OF GOVERNMENT IS ABOVE EXECUTIVE PRIVILEGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to insert in the RECORD three self-explanatory editorials—an editorial titled "Integrity of Government Is Above Executive Privilege," which appeared in the March 14 edition of the Philadelphia Inquirer; an editorial titled "It Is All Very Simple—Really," which appeared in the March 14 Wall Street Journal; and an editorial titled "Executive Cover-Up," which appeared in the March 14 issue of the New York Times.

There being no objection, the editorials were ordered to be printed in the RECORD as follows:

[From the Philadelphia Inquirer, March 14, 1973]

INTEGRITY OF GOVERNMENT IS ABOVE EXECUTIVE PRIVILEGE

"Executive privilege will not be used as a shield to prevent embarrassing information from being made available but will be exercised only in those particular instances in which disclosure would harm the public interest."

So said President Nixon in a formal statement Monday in which he reaffirmed his intention of preventing Congress from questioning members of his staff about what is loosely called "the Watergate affair."

But saying it doesn't make it so.

What else can the public believe, other than that Mr. Nixon is determined to keep the lid on, when he invokes executve privilege in this case and expands it to cover *former* members of his staff and any cabinet member "who also holds a position as a member of the President's personal staff"?

The constitutional issue can be disposed of quickly. The "strict constructionist" Mr. Nixon is invoking a doctrine which is nowhere mentioned in the Constitution. True enough, as Mr. Nixon says, it has been used before, beginnng with President Washington but, as he also says, the exercise of the privilege "should be determined on a case-by-case basis."

What, then, is the case at hand? It is a case which involves present and former intimates and associates of the President in allegations, many proved in court, of illegal wiretapping, burglary, other campaign sabotage, and of secret slush funds.

The cast of characters includes the President's personal attorney, Herbert W. Kalmbach, who admitted to the FBI that he paid between $30,000 and $40,000 in Republican campaign funds to an alleged campaign saboteur named Donald Segretti.

It includes the President's former appointments secretary, Dwight L. Chapin, who—according to Mr. Kalmbach—brought his college friend Segretti to Mr. Kalmbach's notice and who has just resigned his White House post.

It includes convicted Watergate conspirator E. Howard Hunt Jr., and it includes Charles W. Colson, who has also just resigned as special counsel to Mr. Nixon and who hired Mr. Hunt to work in the White House.

The cast also must include John N. Mitchell who resigned as Attorney General to take direct command of the President's reelection machinery and is thus responsible for its operation. It includes Maurice Stans, former Secretary of Commerce who served under Mr. Mitchell as finance chairman.

All these, at the very least, must make their involvements in the case perfectly clear, under reasonable cross examination by the special Senate committee which will pursue the truth of the Watergate. Without their testimony, the truth cannot be known.

How can the "public interest" be harmed by having these men and others give sworn testimony on what they know about or did in the Wategate affair?

Mr. Nixon says that what is at stake is not only that his advisers not be inhibited in giving him confidential advice "but the integrity of the decision-making process at the very highest levels of our government."

Not quite. What is really at stake is the integrity of those who make the decisions.

[From the Wall Street Journal, Mar. 15, 1973]

IT'S ALL VERY SIMPLE—REALLY

With all the revelations bursting forth from the Senate confirmation hearings on the President's nominee for FBI director, L. Patrick Gray III, some readers may be confused about the President's position on FBI investigations. We'll attempt to clear up the confusion.

First of all, Mr. Nixon has declared flatly that the FBI should be kept out of politics. So it can be assumed that the fact that Mr. Gray had dabbled a bit in Republican politics before his appointment as acting director last year had no influence on his selection.

Second, Press Secretary Ron Ziegler last week expressed the White House's "concern" about the release by Mr. Gray of "raw, unevaluated material" from the FBI's files to the Senate Judiciary Committee, which is conducting the confirmation hearing. So we can only conclude that the bundles of Watergate investigatory data that the White House asked for, and got, from the FBI last year contained nothing that was either "raw" or "unevaluated."

Third, the White House made it clear that it wanted to cooperate fully with the FBI's investigation of the Watergate incident, in which Nixon campaign and White House hirelings were implicated in a bugging and break-in of a Democratic headquarters. So we have to assume that White House demands that its attorneys sit in on the FBI's Watergate case interviews with White House staffers grew merely out of a desire to be helpful. No importance should be attached to the affidavit of a former Nixon campaign employe, Judith Hoback, saying she was called on the carpet after the White House somehow got word that she had had two private chats with the FBI without benefit of White House counsel.

Fourth, the President says he will invoke Executive privilege to prevent present and "former" White House aides from testifying before Congress. Since the President had earlier stated that he would not use Executive privilege to prevent "embarrassing" information from being made available to Congress we can be sure that there was nothing embarrassing in the conduct of White House lawyer John W. Dean III, the man who requested the FBI's Watergate data. Nor should we assume that in carefully including "former" White House staff members anyone had in mind Dwight L. Chapin, Mr. Nixon's former appointments secretary. (The Judiciary Committee voted unanimously yesterday to invite Mr. Dean to testify, but most members doubted that he would accept.)

Finally, we are left with Mr. Gray's revelation to the committee that Herbert W. Kalmbach, a California legal counselor to Mr. Nixon, had told the FBI he gave $30,000 to $40,000 to Donald H. Segretti, who had been linked to undercover Republican campaign efforts that apparently involved fun and games at the Democrats' expense. Mr. Kalmbach said the payment was made at the direction of Mr. Chapin, and we have already been assured there was nothing "embarrassing" about his conduct. Anyway, this revelation is "raw" and "unevaluated."

We hope we've made clear that this administration, like all others before it, feels very strongly about keeping the FBI out of politics. This bit of high-mindedness explains why former Presidents showed such solicitude to J. Edgar Hoover. The fact that he was the previous custodian of all that "raw and unevaluated" data had nothing to do with it. (Actually, the more we think about the whiff of grapeshot Mr. Gray has given the White House the less we worry about our previous reservations over his appointment.)

If there still is some confusion over the White House position, all we can say is that we've tried to put it as simply as possible. The official explanations are entirely clear if only you can utterly suspend disbelief.

[From the New York Times, Mar. 14, 1973]

EXECUTIVE COVER-UP

When President Nixon at a news conference on January 31 promised a precise statement concerning the use of executive privilege, he assured reporters: "The general attitude I have is to be as liberal as possible in terms of making people available to testify before Congress, and we are not going to use executive privilege as a shield for conversations that might be just embarrassing to us."

Now that the promised statement has been issued, it turns out to be vague rather than precise, restrictive rather than liberal in its effect, and designed to protect the President from grave political embarrassment rather than to assist him in the exercise of his proper official duties.

Executive privilege is comparable to the impoundment of funds. It is one of those Presidential powers which is implicit rather than spelled out in the Constitution. Its boundaries are inherently difficult to define. Presidents have traditionally used it sparingly, reserving it for a last line of defense when a Congressional committee has overreached itself. A decent respect for the comity that should prevail between equal branches of the Government has normally controlled its use.

Unfortunately, as in the impoundment controversy, President Nixon now seeks to exploit the necessary vagueness in this constitutional domain and to nail down as unchallengeable authority what is more wisely left flexible and loose.

Even worse, he is trying to extend the coverage of this doctrine in two significant ways. First, he would include not only members of the White House staff but also former members. No time limit is set on their alleged immunity from Congressional cross-examination. Secondly, he claims for Cabinet members who hold dual appointments as "Presidential counselors" the privilege of refusing to testify on that portion of their work which involves their White House duties.

These ambitious claims of a right to secrecy are novel and specious. Once individuals cease to be members of the White House staff, they cannot carry with them into private life the privilege of routinely "declining a request for a formal appearance before a committee of the Congress." Contrary to the President's statement, this is not a "well-established precedent." It is wholly unfounded.

Similarly, a Cabinet officer has always been regarded in normal constitutional practice as responsible not only for administering his own department but also for advising the President on broad issues of public policy. It is specious to assert that simply because the President has conferred on some of his Cabinet members the additional rank of "Presidential counselor" that he also confers on them some special added immunity. The duties of Cabinet members and Presidential counselors are so intertwined that any distinction in the degree of confidentiality and trust between the two positions can only be arbitrary and artificial.

The saddest aspect of this latest institutional wrangle between the President and the Congress is that Mr. Nixon is asserting such arrogant claims in so unworthy an affair. It is impossible to avoid the suspicion that the President is trying to cover up White House involvement in the ugly campaign of political sabotage and espionage which climaxed in the Watergate raid.

The assertion that executive privilege protects former Presidential aides, for example, looks very much like an effort to protect Dwight Chapin, the former Presidential appointment secretary, and perhaps former Attorney General John Mitchell and former Secretary of Commerce Maurice Stans from Congressional interrogation concerning their responsibility for the Watergate episode and related activities.

When President Washington first invoked the concept of executive privilege to protect the confidentiality of the diplomatic negotiations leading up to the Jay Treaty in 1796, a squalid political intrigue such as the Watergate affair was the furthest thing from his mind. When executive privilege is invoked in an apparent effort to cover up blatant political wrongdoing, the office of the President is demeaned and this nation's constitutional practice is debased.

TECHNOLOGY ASSESSMENT BOARD

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD the first annual report of the Technology Assessment Board, dated March 15, 1973.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TECHNOLOGY ASSESSMENT BOARD,
CONGRESS OF THE UNITED STATES,
March 15, 1973.

To the Senate of the United States:

DEAR MR. PRESIDENT: Pursuant to section 11 of Public Law 92–484, I am pleased on behalf of the Technology Assessment Board to submit herewith the first annual report of the Congressional Office of Technology Assessment.

The Office was established by the Technology Assessment Act of 1972 which was approved on October 13, 1972. As stated in the Act, the purpose is to equip the Congress "with new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and political effects" of technological applications; and to serve as an aid "in the legislative assessment of matters pending before the Congress, particularly in those instances where the Federal Government may be called upon to consider support for, or management or regulation of, technological applications."

Pursuant to section 4(a) of Public Law 92–484, the President pro tempore of the Senate appointed the following Senators as Members of the Technology Assessment Board, Mr. Kennedy, Mr. Hollings, Mr. Humphrey, Mr. Case, Mr. Dominick, and Mr. Schweiker; and the Speaker of the House of Representatives appointed the following Members of the House of Representatives as Members of the Technology Assessment Board, Mr. John W. Davis, Mr. Olin E. Teague, Mr. Udall, Mr. Mosher, Mr. Gubesr, and Mr. Harvey.

There were meetings of the House Members of the Technology Assessment Board on February 20 and March 14, 1973, and of the Senate Members of the Board on March 5, 1973. Pursuant to section 4(c) of Public Law 92–484, the Senator from Massachusetts was selected as Chairman of the Technology Assessment Board for the duration of the 93rd Congress.

The Board will meet in the near future to organize itself, to begin establishing the policies under which the Office will operate, and to prepare a request for an appropriation pursuant to section 12(a) of Public Law 92-484.

Sincerely,

Edward M. Kennedy,
Chairman.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. Johnston). Is there further morning business? If not, morning business is concluded.

FEDERAL AID HIGHWAY ACT OF 1973

The PRESIDING OFFICER (Mr. Johnston). The Chair now lays before the Senate the unfinished business, S. 502, which the clerk will state.

The legislative clerk read as follows:

> S. 502, to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The Senate resumed the consideration of the bill.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be able to modify the time agreement on the amendment by Mr. Cotton, entered yesterday, at which time it was agreed that the time on the amendment would be limited to 30 minutes. I now understand that Mr. Cotton wishes to have 45 minutes on his side.

Therefore, I ask unanimous consent—having cleared the request with Mr. Bentsen, the manager of the bill—that the time on the amendment by Mr. Cotton to the Federal highway bill be limited to one hour and a half, the time to be equally divided between Mr. Cotton and Mr. Bentsen, and with the former arrangement included with respect to amendments to amendments

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC STABILIZATION ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, having discussed the following request with the distinguished assistant Republican leader, Mr. Griffin, the distinguished manager of the bill, Mr. Sparkman, the distinguished Senator from Wisconsin (Mr. Proxmire), and the distinguished ranking minority member of the Committee on Banking, Housing and Urban Affairs, Mr. Tower, I am authorized by the distinguished majority leader to propose the following unanimous-consent request with respect to S. 398, the Economic Stabilization Act, at such time as that bill is called up and made the pending business before the Senate.

I ask unanimous consent that time on the bill be limited to 3 hours, to be equally divided between and controlled by the distinguished Senator from Texas (Mr. Tower) and the distinguished manager of the bill, the Senator from Alabama (Mr. Sparkman); that time on an amendment to be offered by Mr. Proxmire, the prenotification amendment, be limited to 2 hours, the time to be equally divided between Mr. Proxmire and the manager of the bill; that time on an amendment designated as a "freeze" amendment, to be offered by the distinguished Senator from Wisconsin (Mr. Proxmire), be limited to 3 hours, the time to be equally divided between the author of the amendment and the manager of the bill; that time on any other amendment in the first degree be limited to 1 hour, the time to be equally divided between the mover of such and the manager of the bill; that time on any amendment to an amendment be limited to 30 minutes; that time on any debatable motion or appeal be limited to 30 minutes, and that the agreement be in the usual form with respect to germaneness and control of time on amendments to amendments, debatable motions and appeals, and so forth.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object—and I do not intend to object—I simply want to ask the distinguished assistant majority leader a question. Does he anticipate laying the bill before the Senate this evening but not proceeding on it until Monday?

Mr. ROBERT C. BYRD. In response to the distinguished Senator from Texas (Mr. Tower), the ranking minority member, it would be the intention of the leadership, if the agreement is accepted, that the Senate go over from today until Monday, and that at the conclusion of routine morning business on Monday, the Senate proceed to the consideration of the bill, in the event that the Senate completes its action on the Federal highway bill today, as we all hope and expect it will do.

I say this because there is so little on the calendar, that it would not be necessary to come in tomorrow in the event we reach an agreement; and with nothing on the calendar pressing us, this bill, the Economic Stabilization Act, could very well be acted on on Monday or Tuesday. I envision 2 days on the bill, with an agreement, and longer if we do not get an agreement.

Committees would then have an opportunity to work tomorrow without interruptions from the floor.

Mr. TOWER. Unless there are some amendments the Senator from Texas does not anticipate, I think we can complete the bill on Tuesday. It is my understanding that this unanimous-consent request is contingent upon our taking up the bill on Monday. Is that correct?

Mr. ROBERT C. BYRD. That is correct. Otherwise, the Senate would have to come in tomorrow and take up the bill, with no assurance that it could be completed even on Monday.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GRIFFIN. The Senator may have included this in his request, and I may have missed it.

Time available on the bill may be yielded by those having control, for consideration of amendments. Is that correct?

Mr. ROBERT C. BYRD. Yes; that would be included by reference to the usual form. I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

> *Ordered,* That, effective on Monday, March 19, 1973, at the close of morning business, during the consideration of S. 398, a bill to extend and amend the Economic Stabilization Act of 1970, debate on any amendment (except the so-called Pre-Notification Amendment by the Senator from Wisconsin (Mr. Proxmire), on which there will be 2 hours, and the so-called Freeze Amendment by the Senator from Wisconsin (Mr. Proxmire), on which there will be 3 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment and the manager of the bill, the Senator from Alabama (Mr. Sparkman), and that debate on any amendment to an amendment, debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the author of the amendment in the first degree, unless the author of the amendment in the first degree is in favor of the amendment, in which case the time shall be under the control of the manager of the bill: *Provided,* That no amendment that is not germane to the provisions of the said bill shall be received.
>
> *Ordered further,* That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Texas (Mr. Tower) and the manager of the bill, Mr. Sparkman: *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion or appeal.

Mr. ROBERT C. BYRD. I thank all Senators.

ORDER FOR ADJOURNMENT UNTIL MONDAY, MARCH 19, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today—if the action on the Federal highway bill is completed today—the Senate stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. In the alternative, if the action on the Federal highway bill is not completed today, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL AID HIGHWAY ACT OF 1973

The Senate continued with the consideration of the bill (S. 502) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk on behalf of myself and my distinguished senior colleague (Mr. RANDOLPH) and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 120, line 10, after "Nebraska," insert "Wheeling, West Virginia,".

On page 120, line 20, after "railroads in" insert "Wheeling, West Virginia, and".

On page 121, line 15, after "Nebraska," insert "$2,000,000 in the case of Wheeling, West Virginia,".

On page 121, line 18, after "Nebraska," insert "$4,000,000 in the case of Wheeling, West Virginia,".

Mr. ROBERT C. BYRD. Mr. President, the amendment which I am introducing on behalf of myself and my distinguished colleague (Mr. RANDOLPH) would include Wheeling, W. Va., in those locations which would be used as railroad relocation demonstration projects. The Federal Railroad Administration has been conducting a study of Wheeling, and several other locations, pursuant to directives which were included in the Department of Transportation and Related Agencies Appropriations Bill for Fiscal Year 1973.

At the present time, the city of Wheeling has railroad tracks which run through the center of town, a large portion of which are on elevated viaducts, which have become both unsafe and unsightly. In addition, there are numerous grade crossings which are both unsafe and which seriously impede the flow of traffic through the city.

This amendment would authorize demonstration funding to relocate the Baltimore and Ohio tracks now located on 17th Street in the city of Wheeling from that location to a location circling Peninsula Hill and connecting with the existing Penn Central Railroad tracks on the east side of Wheeling Creek or from that location to a location cutting through Peninsula Hill between Rock Point Road and Interstate 70 and connecting with the existing Penn Central Railroad tracks.

This amendment, if adopted, would require that Wheeling meet the same criteria which the other locations within the bill must meet, including the submission of their specific plans to the Secretary of Transportation, who would have the final authority to approve the plans. The Federal Railroad Administration has advised me that this relocation project will cost $6,000,000 and that is the amount my amendment would authorize for this project.

As I indicated, this amendment was offered on my behalf and my distinguished senior colleague (Mr. RANDOLPH) who is in the Chamber. I have discussed the amendment with the manager of the bill, the distinguished Senator from Texas (Mr. BENTSEN). I hope he and the distinguished ranking minority member will be able to accept the amendment.

Mr. BENTSEN. Mr. President, will the distinguished assistant majority leader advise how much Federal money would be involved in this project?

Mr. ROBERT C. BYRD. I have been advised by the Federal Railroad Administration that the project would cost $6 million.

Mr. RANDOLPH. Mr. President, if the Senator will yield, that total would include $2 million in Federal funds. That would bring the project in line with those in the other three locations contained in the bill.

Mr. BENTSEN. I would say that would be very much in line with the amount of money we committed to the other demonstration projects. For my part, I am willing to accept the amendment. I defer now to the ranking minority member of the committee.

Mr. STAFFORD. Mr. President, I thank the Senator from Texas. For the minority side, we would accept that proposal.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished manager of the bill (Mr. BENTSEN) and the distinguished ranking minority member, the Senator from Vermont (Mr. STAFFORD). I also thank my senior colleague.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. Yesterday the Senator from Maine made reference to the railroad relocations in the pending measure. The Senator from Maine pointed out we are doing something in reference to railroads. I think it is important to have the RECORD reflect that the relocations are made so that the highways near these railroads can better serve the people. That is the reason for the relocations.

We are not in the business of relocating a railroad; we are attempting to make the highway program more meaningful and helpful to the people involved and the community where the relocation takes place.

Mr. BENTSEN. I thank the distinguished chairman of the committee, the Senator from West Virginia (Mr. RANDOLPH). I might further supplement his comments by saying that we were also deeply concerned about railroad-highway intersections. I note that 70 such intersections are being removed.

Mr. RANDOLPH. The Senator is correct. The safety factor is certainly one of the major considerations, if not the most important consideration, in what we attempt to do in these matters, and it is a consideration to which the Senator and his subcommittee gave attention.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, I have an amendment at the desk and I ask that the amendment be stated at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PEARSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

At the end of the bill insert a new section as follows:

ECONOMIC GROWTH CENTER DEVELOPMENT HIGHWAYS

SEC. . (a) Section 143 of title 23, United States Code, is amended by striking "Federal-aid primary system" wherever appearing therein and inserting in lieu thereof "Federal-aid primary and secondary systems".

(b) Subsection (e) of section 143 of title 23, United States Code, is amended by striking "not to exceed an additional 20 per centum" and inserting in lieu thereof "not to exceed an additional 10 per centum".

(c) Subsection (g) of section 143 of title 23, United States Code, is amended by striking the following: ", and not to exceed $50,000,000 for the fiscal year ending June 30, 1973." and inserting in lieu thereof ", not to exceed $50,000,000 for the fiscal year ending June 30, 1973, not to exceed $50,000,000 for the fiscal year ending June 30, 1974, and not to exceed $100,000,000 for the fiscal year ending June 30, 1975."

Mr. PEARSON. Mr. President, this amendment would put back into this bill the provision of the program that was formerly in the bill in the 1970 enactment and continued with some modifications in the 1972 bill, which was never adopted, and it carried with it the entire economic growth and development of highways.

I have indicated this is not a new program. It is a continuation of a demonstration program of very little funding; perhaps no more than 1 percent or 2 percent of this entire bill. But the purpose, as originally envisioned and as proposed in the former acts, was to encourage decentralization and provide for rural economic roads and to provide for access and balanced national growth in this country.

We are experiencing, as almost all students of America today understand, the great outmigration from rural areas, which presents problems at both ends of the population screen: The migration from the countryside into the great cities aggravates the situation within the inner city. We have on the one hand the ghettos and on the other hand the drying up of small rural towns.

What this proposal would do and what it was implemented to do in 2 years was to provide that Governors would certify certain areas. These areas, on the average, are 111 designated throughout the United States, at least one in every State and no more than three in each State. It would provide for transportation aids with an incentive in the Federal share for towns that averaged 25,000 population. There were some exceptions. It would permit communities to qualify as certified by the Governor up to, I understand, about 100,000 population. But the real incentive here is through planning and use of highways and the revitalization of rural America to do something about the great migration from the countryside to the cities. I think this program was a good one. It was indicated this was the policy of this country. It passed in 1970 and was modified in three instances in the 1972 act, which provided this aid would go not only to primary roads but also to secondary systems and provided for greater funds, if the program should continue into 1975. So I think this has been a good program.

I understand the action of the committee and the distinguished chairman of the subcommittee. I do not speak for him, but I think he felt this was a place where categorical grants could be limited, as requested by the administration. I think the distinguished chairman came forward with a program which dealt with communities.

I endorse it and think it a valid supplement to what we are really trying to do, and that is to give some emphasis and provide some planning and to attract attention once again to what really aggravates some of the great population problems in this country today.

I do not know whether the many programs we have adopted or those that have been proposed are seriously being considered today. I get the impression, not only on the part of the administration and on the part of the Department of Agriculture, but I think generally, that there is a feeling of futility about doing something to balance the national growth, about doing something to revitalize the rural parts of this country.

I would hope this particular amendment, which would really institute once again in the bill this very modest proposal, this very modest program, would be an indication on the part of those in the Senate who vote for the bill that we really are serious, that we really do have some conviction, that we really do have some resolution about going forward with the revitalization of the rural parts of this country.

I think there has been great interest in this program. The Department of Transportation has indicated it is interested in it. I think it is a valid one that ought to be continued.

I yield the floor, and I might say to my distinguished friend from Texas that I would be glad to agree to any sort of short time limitation, if that suits his convenience.

Mr. BENTSEN. Mr. President, I did not understand the Senator from Kansas' statement concerning a limitation of time.

Mr. PEARSON. I said I would be pleased to agree to any short limitation of time that meets with the approval of the chairman of the subcommittee.

Mr. BENTSEN. Would 15 minutes a side be sufficient?

Mr. PEARSON. Yes.

Mr. President, I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BENTSEN. I will be constrained to oppose the amendment offered by the distinguished Senator from Kansas (Mr. PEARSON).

I know of his interest in this matter from a letter he forwarded to the committee during its deliberations. We made the decision at that time not to include economic growth center development highways in the bill this year.

When I assumed the chairmanship of the Senate Transportation Subcommittee early this year, we confronted a very difficult situation on the highway bill. Many of the States are running out of funds for their interstate program; one state, Virginia, is completely out of these funds.

In addition, funds for the primary system roads are in equally serious condition. Seven States have exhausted all of their rural primary funds; nine States, including my own, have less than $100,000 left, and five other States have between $100,000 and $500,000.

We have also had, as the Senator knows, some serious problems concerning impoundment of Federal-Aid Highway Funds.

With these facts in mind, I determined to hold early hearings and to move this bill to the floor as expeditiously as possible. I also determined to exercise some fiscal responsibility on this bill, to hold the authorizations as close to the President's suggestions as possible, so that there would be little excuse for impounding funds.

I believe I have met the test of fiscal responsibility. The bill I reported out of my subcommittee had some $500 million less in authorizations than the measure that passed the Senate last year. The full committee added some $200 million in Urban System Funds, but we are still substantially below the figures in last year's bill.

In addition to that, the committee has attempted to cut down on the number of categorical programs, eliminating those which we believed were duplicative of current programs.

In that spirit, we did not include economic growth development highways in the bill. This program has been a demonstration program for the last 2 years, with authorizations at a level of $100 million. Yet the administration has designated only $5 million a year for each of the 2 years. If we add this new amendment to the bill, I believe we can expect more of the same.

I would say to the Senator from Kansas that I am personally sympathetic to the goals of this program. He has many underdeveloped areas in Kansas which could benefit from highways used to revitalize and diversify their economies; I have the same situation in Texas.

Yet I believe that under current law these goals can be attained without adding a separate categorical program for that purpose. If a State chooses it can use its rural primary and secondary money, which we have increased in this bill, for the purpose of revitalizing rural areas. And I would also say to the Senator from Kansas that every highway is, in fact, an economic growth center development highway. That, indeed is one of the principal uses of highways, and I do not believe it is necessary to have a categorical program for that purpose.

In summary, I would say that the Senator's amendment is unnecessary and fiscally unwise. I shall be forced to oppose it.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield.

Mr. STAFFORD. Mr. President, I must join—and I do so very reluctantly, I say to the Senator from Kansas—in opposition to the amendment offered by him. I do so in part because I come from a rural part of the country, where we have some of the same problems that are shared by those parts of Kansas that are rural. I would not include Wichita in that category, but much of Kansas is rural.

I share the interest of the Senator from Kansas in this matter. Indeed, my own State of Vermont has used money from the demonstration program on Economic Growth Development Highways for road construction.

It is my understanding that the program does not have the enthusiastic support of the administration, just as it is clear that the committee bill before the Senate can accomplish the aims of the proposal offered by the Senator from Kansas, as the distinguished chairman of the subcommittee (Mr. BENTSEN) has pointed out. Highway funds are available in the committee bill. There is no need for a separate categorical program. And State can elect to use its rural, primary and secondary Federal aid money for the purpose of revitlizing rural areas.

In summary, there is no real need for

the proposal that has been offered in the form of the pending amendment, and the effort to add another category and additional authorization is contrary to the effort to reduce the number of special categories and to the effort to hold down spending.

So I join the Senator from Texas, chairman of the subcommittee, in opposition to this amendment.

Mr. BENTSEN. Mr. President, I ask unanimous consent that a member of my staff, Mr. Gary Bushell, be allowed the privilege of the floor during the debate and during the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, I yield myself such time as I may need.

In response to the comments made by the distinguished Senators from Vermont and Texas, able managers of the bill, in regard to the argument that this was not an appropriate program, that the need as required could be performed under the other sections of the bill, I repeat that I think the judgment of the committee in 1970 and the judgment of the committee in 1972, which not only endorsed the original program but had three modifications designed to make it more viable in this particular field, was the proper attitude, and my amendment goes to that end.

I fully understand the resistance to categorical grants. I am concerned—and I say this not so much in response to the argument made by the Senator from Texas—that we are beginning to get to the point, with respect to proposals made by the administration, that the Senate may be more concerned with the end to the means than the tools to do the job. All of a sudden, categorical grants are no longer viable instruments to solve problems in this country.

It may be true that there may be programs and money in other bills that can do the job, but the fact is that the migration goes on. I do not know what the statistics are in the State of Texas, in the State of Vermont, or in any other State, but I daresay they are equal to what is happening in my State. Out of some 105 counties, 75 lost population, and when the young, intelligent, educated young people leave the rural communities, the lifeblood of that community passed out with it.

The other part of that migration is comprised of those who have moved into the cities. They think they are taking the first step up the ladder of opportunity, only to slide into the ghettos and onto the welfare rolls. That money has been available, for the system is there, ready to be used. The truth is that it has not been used. What the program has been designed to do—not by me, but by others—is not only to plan how much and what would be used, but to do something about the outmigration. I think those purposes are still valid. I think the arguments made on behalf of this proposal in prior years are still valid, and I hope this proposal will be acceptable.

Mr. President, I do not intend to use any additional time, nor shall I ask for a yea-and-nay vote. I am willing to submit the question to the will of the Senate at this time.

Mr. BENTSEN. Mr. President, I shall take but a moment. The principal opposition to this particular amendment is not that we do not feel the argument is not a worthy one; we sympathize with it.

The problem here is that we are trying to cut down on the number of categorical programs for which authorizations are sought. In addition, we are concerned about the question of fiscal responsibility. We are talking about adding a program that would, as I understand it, call for $50 million in the first year, $100 million in the second year, and $100 million in the third year. To the Senator from Texas, that is a very substantial amount of money. Therefore, as the manager of the bill, regardless of the fact that I like the objective, because of the categorical grounds and our efforts to stop the proliferation of categorical grants, I must oppose the amendment.

The PRESIDING OFFICER (Mr. JOHNSTON). The question is on agreeing to the amendment of the Senator from Kansas (putting the question).

The amendment was rejected.

Mr. BUCKLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> Beginning with line 4 on page 119 strike out all section 148 through line 6 on page 120.
>
> On page 120, line 8 strike out "SEC. 149" and insert in lieu thereof "SEC. 148", and renumber subsequent sections accordingly.

The PRESIDING OFFICER. Is this the amendment on which the Senator desires to have 2 hours?

Mr. BUCKLEY. Yes, but I will not require nearly half of that time.

First, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUCKLEY. This is the same amendment which the Senator from Wisconsin (Mr. NELSON), joined me in offering last year. Again, he supports it.

Mr. President, the amendment I have sent to the desk would simply strike section 148 from S. 502, the Federal-Aid Highway Act of 1973.

Even though this provision appears to affect only the city of San Antonio, Tex., I am convinced that its inclusion in this bill would have a nationwide impact and that it poses a real and immediate threat to such vital environmental protection statutes as the National Environmental Policy Act of 1969 and section 4(f) of the Department of Transportation Act of 1966, which prohibits the construction of Federal aid highways through parkland unless there is no feasible and prudent alternative.

The Texas Highway Department is seeking special legislative relief from the Congress, by asking us to withdraw the expressway as a Federal aid project so that it will be able to avoid complying with the requirements of Federal environmental statutes and proceed to build the road through the Brackenridge-Olmos Basin Parklands. These requirements are the preparation of an environmental impact statement as required by section 102(2)(C) of NEPA and the study of feasible and prudent alternatives to the use of parkland, a condition of project approval by the Secretary of Transportation under section 4(f) of the Department of Transportation Act of 1966. Both of these statutes were in effect when, on August 13, 1970, the Secretary of Transportation at the State's request authorized Federal funding of two end segments of the 9.6 mile expressway.

Section 148 if enacted would, I believe be the first step in an unending process of undermining on a case-by-case basis the environmental protection statutes which we now recognize as essential to safeguard the country's environment. This section would be the first step in involving the Congress in an endless round of specific adjudications over whether this highway or that dam or this canal should be exempted from compliance with Federal environmental statutes. It would thrust Congress into the realm of the courts in the adjudication of sharply contested specific disputes.

We would be faced, as we are here, with serious factual questions raised by the parties to the dispute but with no satisfactory means to resolve them. We would be asked not only to take on the function of the courts, but also that of the Department of Transportation and make judgment about where highways should or should not go.

I do not believe that we should take that first step. I believe it unwise as a general matter and unnecessary in this case. It would be the beginning of a whittling away of the strong and important safeguards incorporated into statutes such as NEPA. Given my general objection to special legislation of this nature, it is with some hesitation that I embark upon a discussion of the particular facts underlying the dispute over the construction of this highway in San Antonio. For I do not believe that the issue here is whether under the facts of this case Texas should or should not be permitted to proceed immediately with the construction of this highway in violation of Federal law. Rather the issue is much broader. It is whether the Congress should attempt to substitute its judgment for that of the Department of Transportation and the Federal Courts in an individual case.

Nevertheless, in order to present fully my objections to section 148, it is necessary to review in at least a summary fashion the basic outline of the dispute. As I pointed out above, this dispute, like all hotly contested environmental issues, has raised a number of factual disputes among the interested parties. I have tried to avoid having to sort out the various contentions and facts, thus I rely primarily upon the court decision and a DOT report on the North Expressway for my information.

SAN ANTONIO FACTS

The construction of the North Expressway has been under consideration by the Texas Highway Department for over a decade. It was conceived of and planned throughout as a Federal-aid route. Although a bond issue was approved in 1961 for acquisition of right-of-way, final action to authorize construction was not to come for many, many years—in August 1970.

In May of 1968, the Texas Highway Department requested that then Secretary of Transportation Alan Boyd approve construction of the North Expressway. Boyd refused to approve the route unless four important design changes designed to minimize the environmental impact were incorporated into the plans. Texas refused to accept those conditions, and negotiations with the Federal Government continued. Secretary Volpe replaced Secretary Boyd in January 1969, and, like Boyd, he too refused to approve the route proposed by Texas. He specifically said on December 23, 1969, that he could not justify approval for construction of the North Expressway between Mulberry and Tuxedo Avenue. The section which he refused to approve, known as the middle segment of the expressway, was that portion which takes the most parkland.

In August 1970, the Texas Highway Department and Secretary Volpe reached agreement. Secretary Volpe approved two segments of this route at either end of the parks, and the Texas Highway Department agreed that an independent consultant would study alternatives to the middle segment also approximately 2 miles long.

LITIGATION

Following Secretary Volpe's approval of the two end segments, litigation ensued. The U.S. Court of Appeals for the Fifth Circuit, which had under consideration only the segments at either end of the highway since the Secretary was still studying alternatives to the middle segment, enjoined construction of the two end segments because it found, in a unanimous opinion, that there had been no compliance with the National Environmental Policy Act or with section 4(f) of the Department of Transportation Act or section 138 of the Federal-Aid Highway Act. The court said, in a comprehensive opinion written by Judge Homer Thornberry, a respected Texan himself and long a Member of the House of Representatives:

> Our task is simplified greatly to begin with because it is undisputed that the Secretary of Transportation complied with none of the above-quoted statutes [Section 4(f) of the Department of Transportation Act, section 138 of the Federal-Aid Highway Act, and NEPA] in his approval of the two "end segments" of this expressway. No environmental study under NEPA has been made with respect to these two "end segments" and the Secretary has demonstrated no effort by anyone to examine the section 4(f) "feasible and prudent" alternatives to the route followed by these two "end segments", which come right up to, if not into, the Parklands from both the north and south. Thus, it requires no discussion to establish that there has been no compliance with any of the above-quoted statutes.

Following the decision of the court of appeals, the Department of Transportation report on the middle segment was published. The study, impressive in its detailed presentation of alternatives to the middle segment, recommended that the route proposed by Texas not be used but instead that one of the alternatives set forth in that report be chosen in order to minimize the impact upon the park. As of yet, however, there has been no decision by the Secretary as to alternatives to the entire route, as the court said there should be.

CURRENT STATUS

Thus the status of this dispute at that construction of the North Expressway is enjoined by order of the court until the State and the Secretary make the required study.

In addition, on January 10, 1973, the U.S. District Court for the Western District of Texas, Austin Division, has further ordered the Texas Highway Department to "proceed diligently and with all speed reasonable under the circumstances to prepare the statement and report required by Federal statutes and regulations, in particular section 4(f) of the Department of Transportation Act—the National Environmental Policy Act—and Department of Transportation PPM 90-1 and to effect whatever is necessary to prepare these reports." The order further reports they shall be promptly submitted to the Secretary of Transportation for his action and he shall act upon said submissions diligently and with all reasonable speed under the circumstances."

In testimony before the Public Works Subcommittee on Transportation, Mr. Sam McDaniel, speaking on behalf of the Texas Highway Department, has assured the committee that the State has done some work on the environmental impact statement. The State could probably submit one to DOT, without a terrible amount of delay. Thus, although it is not known how much work the State has already done, it is clear that the State is in a position to comply quickly with the law. Furthermore, in a letter to me, dated March 14, 1973, Russell E. Train, chairman of the President's Council on Environmental Quality has stated that—

> It is my opinion that nothing in the procedures required by either NEPA or Section 4 (f) would impose any unreasonable timetable on a final decision about this project. There has been available for at least 18 months a very full study of alternative routes which could serve as the basis for preparing an impact statement and review by the Secretary under Section 4(f). If these processes were allowed to go forward, an impact statement could be prepared in a week or two and made public for comment by Federal, State and local agencies.

He concludes:

> Neither the procedures of NEPA nor Section 4(f) would cause significant delay in making a decision on the route involved in this project.

Yet rather than produce the required study, Texas insists upon asking Congress to overturn the court decision and allow it to proceed and to construct the expressway through the parklands.

It seems to me entirely inappropriate to overturn that decision without a thoroughgoing professional analysis of alternatives, particularly where two Secretaries of Transportation have refused to approve the route which Texas will use if this legislation is enacted and since the limited study of alternatives done by the Department of Transportation demonstrated beyond question that there are alternatives which would minimize the impact upon the parks. We are being asked to pass legislation which would permit construction before Texas has initiated any efforts whatsoever to comply with the Federal statutes.

Two of the most fundamental and important requirements of recent environmental legislation are the requirement that an analysis must be made of the impact of the environment from the construction of projects and that an analysis be made of available alternatives.

This is essential if those charged with making the important decisions on highways or related projects are to be alerted to the environmental damage that may be done and ways to avoid that harm. If a State or agency may proceed without making even a cursory examination of alternatives, the fundamental purpose of the statutes will be destroyed. Of course, compliance with these laws places some additional burden upon decisionmaking and construction of projects. In some cases it means a delay in time; in others it may mean both a delay in time and added expense. The price is cheap, however, for the added protection that these statutes have given our air, water, park, and recreation facilities and historic sites. Secretary Volpe, who is deeply concerned about the effects of transportation projects on the environment has said:

> If environmental quality costs more, it is worth more

and

> We think that protection of the environment is worth some delay.

Thus, the fact that Texas may be delayed somewhat by a necessity to comply with these statutes is no occasion to afford them specific legislative relief. Some of these laws have been on the books since as early as 1966; yet, as late as August of 1971, the court found that there has been no consideration of alternatives. The enactment of new legislation undoubtedly creates a burden for ongoing projects, such as this, but where the State has failed over a 4-year period to consider alternatives clearly required by law I do not believe that we should come to their rescue.

As we move beyond the narrow application of this legislation to the broader consequences, it becomes self-evident that this legislation, even though restricted in its terms for San Antonio, would have a nationwide impact and threaten the effectiveness of statutes such as NEPA. If relief is granted to Texas, we will have firmly established the precedent of intervening in specific highway disputes whenever a State highway department finds itself enjoined for failure to comply with the laws. If the Texas Highway Department is granted specific relief here, every other State highway department now under an injunction will demand similar legislation and I do not see on what basis we could refuse their request. Although Texas may argue that its situation is unique and therefore it should be entitled to some special treatment, I have serious reservations about that. Of course, every highway dispute is in some sense unique; perhaps, in the same sense that every individual is unique. However, many State highway departments would undoubtedly be able to present the same type of case as Texas for relief.

It is for this reason that the Nixon administration has opposed section 148. As Secretary of Transportation Claude Brinegar stated:

> This effort to legislate an exception to environmental laws that the Congress has established is neither good government nor conducive to the preservation of the environment that all have accepted as a primary national goal. We recommend that this provision be deleted.

. We have in the recent past witnessed various attempts to carve out exceptions to the National Environmental Policy Act where its provisions have begun to have some effect. I may cite the proposed granting to the Atomic Energy Commission of special interim licensing privileges in the face of emergency situations. These attempts related primarily to the authority of the Atomic Energy Commission to issue interim operating licenses for nuclear powerplants and the authority of the Environmental Protection Agency to issue water quality permits. Similar legislation was designed to expedite Government decisions with respect to major electric power facilities. Thus far, we have been successful in protecting NEPA against any piecemeal amendments which would undermine its protections. However, I fear that we now see another strategy for circumventing the requirements of NEPA and evading its requirements on a selective basis. Can one really doubt that if this amendment is passed to allow the Texas Highway Department to proceed with this route, we will not get similar requests from the Atomic Energy Commission for particular power projects or from the Army Corps of Engineers or from other State highway departments?

The effects of NEPA and other environmental statutes are now beginning to be felt, but only now. Of course, they make construction of projects somewhat more difficult, in that they require much broader analysis of the social consequences of these projects before they are undertaken. That should not, however, be viewed as an unfortuate consequence of the legislation. Indeed, the environmental protection laws were specifically designed to require that greater study, attention, and care be given in these large public works projects which have in the past often been responsible for serious and irreparable injury to the environment.

If this legislation is adopted, it will be a clear signal to State highway departments as well as others, including the courts, that Congress has begun to turn its back on the environmental protections included in statutes such as NEPA and section 4(f). It will hold out hope to those who wish to avoid compliance with those laws that if they resist long enough they may be rescued by special legislation.

To be effective, the environmental protection laws must be followed not only to the letter but also interpreted in the spirit in which they were enacted. Enactment of these laws and their enforcement has not been easy. Yet they represent a great step forward in this Nation's effort to reverse a long trend of environmental degradation. It is vital that they be protected against collateral attack.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter I referred to in my statement from Chairman Russell Train.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, D.C., March 14, 1973.

Hon. JAMES L. BUCKLEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUCKLEY: Thank you for your inquiry regarding our views on Section 148 of S. 502, which removes the San Antonio North Expressway from the Federal-Aid Highway system and terminates the long Federal involvement in this project in order to avoid the application of environmental requirements of Federal law.

The Council is of the strong view that this provision represents an extremely bad precedent and a retreat from the Federal Government's commitment to important national environmental concerns as expressed in the National Environmental Policy Act and Section 4(f) of the Department of Transportation Act of 1966.

Discontinuing the long Federal involvement in this proposed highway project, particularly when the final requirements to be met consist of a consideration of environmental values, raises the serious question whether this project can meet the environmental analysis all other federally assisted highway projects in the country are subject to and the possibility that Congress will be called upon to decide disputes about any number of other highway projects.

NEPA and Section 4(f) of the Department of Transportation Act of 1966 do not prohibit construction of highways. They represent Congressional judgments that highways (as well as all other Federal projects) should be subject to a rational decision-making process in which all factors, social, economic and environmental, are taken into account. A provision such as Section 148 in Senate bill, S. 502, which excludes a specific project from this Federal commitment to good environmental management, short changes the particular environment affected and undercuts our ability to enforce these laws elsewhere.

It is my opinion that nothing in the procedures required by either NEPA or Section 4(f) would impose any unreasonable timetable on a final decision about this project. There has been available for at least 18 months a very full study of alternative routes which could serve as the basis for preparing an impact statement and review by the Secretary under Section 4(f). If these processes were allowed to go forward, an impact statement could be prepared in a week or two and made public for comment by Federal, State and local agencies.

The Council on Environmental Quality guidelines on NEPA provide that a final decision could then be made in as little as ninety days. Under Section 4(f) the Secretary of Transportation could make the necessary review and decision on the basis of the final impact statement available then. Thus, neither the procedures of NEPA nor Section 4 (f) would cause significant delay in making a decision on the route involved in this project.

Sincerely yours,
RUSSELL E. TRAIN,
Chairman.

Mr. BENTSEN. Mr. President, I oppose this amendment to delete section 148. The Senate considered this same amendment last year and it was defeated 24 to 49.

Senator BUCKLEY indicates that his principal objection is not to this particular project but to the precedent that adoption of section 148 would set. I am sure that is a great comfort to the people of San Antonio who have been trying to build this project since 1959.

The only precedent set by section 148 is that if we use Federal funds we must meet local standards.

That is not a precedent, if there is one, that's just a statement of the "carrot and the stick" concept which most of us have always thought applied to Federal aid projects.

Section 148 does not make an exception to a Federal environmental standard for a federally funded project. It simply approves the action already taken by the State of Texas in returning the Federal funds designated for this project and removes any Federal involvement. What happens after that is up to the State of Texas and the city of San Antonio. Section 148 does not mandate that any highway be built.

I also think it is important to note that section 148 prevents the State of Texas from switching these funds to another project and insures that if they do decide to continue with this project, it will be done with truly local funds and no other funds.

Senator BUCKLEY speaks of all these interstate projects waiting back here in the hills and in the wings which will be seeking relief. This is not an interstate project. I have not heard any State offering to build a 90 percent federally-financed interstate system with local funds. Just name me one. Even if a State wanted to build one, Congress could not wash its hands of such a project. Interstate highways have been designated as part of a national system. What we have in San Antonio is local people wanting to build a local road with local funds. According to testimony received by the Transportation Subcommittee, this is the only instance in which such local action has not been allowed.

The Senator from New York was eloquently speaking yesterday, when we had the Muskie-Baker amendment up, about how he wanted local options and local decisions to be made. That is what I am asking for the people of Texas.

The committee received testimony on how the project has been caught in two changes in Federal standards now requiring a reapproval process of 5 years or more if it remains a Federal project.

The Senator from New York said that they could reapply for approval under the National Environmental Policy Act and that they could do it quickly. But he did not tell you, Mr. President, how long it would take.

I hold in my hand a flow chart that tells us how long it would really take and the number of applications that have to be gone through. It would take 4 years or more. We are talking now about waiting since 1959, that is, the people of my State have, in order to build this highway.

The city and State have already spent $11 million on this expressway and a great deal of that money will be lost in a 5-year delay. In addition to the money wasted, this expressway is needed now. The committee received testimony that traffic accidents in the area are running four times as high as would be expected with the expressway in use.

A Texas Highway Department study has concluded that air pollution in the area will be 94 percent higher by 1990 if the expressway is not in service. But most important, the people of San Antonio who know their city best, and who know this route the best, want the expressway built.

I do not know how many Senators have been to San Antonio. It is a beautiful city. They have done more on city beautification than most other cities in this Nation. Just take a look at the San Antonio River, how they have cleaned up what once was an open sewer running through the city. They were early in the fight for beautification. They think a great deal of the Brackenridge Park, which has been the subject of debate here, and they want to protect Brackenridge Park. They feel that no serious damage will be done to the park by the building of the expressway.

How did they express themselves? They expressed themselves by voting 2 to 1 for a bond issue to pay for it, to tax themselves to do it.

About 103,000 citizens signed a petition in only 10 weeks urging completion, after it had been stopped by the legal hassle.

Just this past month, the City Council of San Antonio and the Mexican-American Chamber of Commerce of San Antonio unanimously endorsed the project. Every elected official that I know of in San Antonio, the two Senators from the State of Texas, who should know the conditions best there, have endorsed the project.

There has been some concern expressed about the effect of the proposed route on parklands. Of 323 acres in Brackenridge Park only about 9 acres are lost and most of these come from a golf course which has been rebuilt around the route and has been back in play for 3 years. The route also crosses a portion of the Olmos Basin which is used for flood control and parts of which are also being used for recreational purposes. The director of parks for the city, Mr. Frazer, submitted a statement to our committee that of the portion of the basin which is currently being used for recreational purposes, only 4 acres of picnic grounds will be taken by the route. That is only 4 acres out of 700, and Mr. Frazer says those picnic grounds can be relocated in the same general area. I ask unanimous consent that the entire text of Mr. Frazer's statement be printed in the Record along with some additional statements of support.

There being no objection, the statements were ordered to be printed in the Record, as follows:

STATE OF TEXAS—COUNTY OF BEXAR

Before me the undersigned authority on this day personally appeared Robert L. Frazer, whose name is subscribed below, and on his oath stated:

My name is Robert L. Frazer, I am Director of Parks and Recreation for the City of San Antonio and have held such position for 17 years. I am generally familiar with the route for the proposed North Expressway in San Antonio and have been familiar with same since 1959.

I am familiar with Brackenridge Park in the City of San Antonio and with other public lands owned by the City of San Antonio north of Brackenridge Park located within the Olmos Creek drainage basin. In addition to the Brackenridge Park itself other recreational facilities included in this general area are the San Antonio Zoo, Sunken Gardens and Sunken Garden Amphitheatre, and north of Olmos Dam various baseball, football, soccer fields, archery ranges, a golf course, and an improved picnic area.

The North Expressway has taken between eight and nine acres from the extreme southwest corner of the Brackenridge Park Golf Course. The golf course has been rebuilt to accommodate the expressway and has been back in play in its realigned configuration for about four years. The golf course is an eighteen hole course and lies between the expressway and the remainder of Brackenridge Park. After leaving the golf course the expressway going north passes through a residential neighborhood and next passes in close proximity to recreational areas at the Sunken Garden Amphitheatre and the Sunken Garden. The expressway is located on a high bluff overlooking both of these facilities. The road is designed to extend some seven or eight feet over the rear portion of the Amphitheatre. It is far enough removed from the Sunken Garden that Scenic Drive (the road now overlooking the Sunken Gardens) will remain in place and be available to furnish spectators with a scenic view of the gardens. The Amphitheatre is rarely used except for rock music concerts.

The expressway route next passes to the west of the San Antonio Zoo across an area of unimproved land owned by the City of San Antonio and sometimes used for storage purposes and the grazing of animals.

The expressway next passes through an area of private ownership reaching City-owned land north of the Olmos dam and within the Olmos Flood Detention Basin. The Basin consists of about 1,000 acres of which about 400 acres have been developed for various recreational uses. These consist of baseball diamonds, football fields, archery ranges, a golf course, and an improved picnic area. With the exception of the picnic area none of the improved recreational facilities are infringed by the expressway and with the exception of the golf course none of the other improved recreational areas are in very close proximity to the expressway. The golf course was constructed in the early 1960's and is laid out along the western right-of-way line of the expressway in the northern portion of the Olmos Flood Detention Basin.

The improved picnic area consists of about 19 acres. About 4 acres of this area along its west side are included within the limits of the expressway itself. This area, the only area of developed recreational land in the Basin used by the expressway right-of-way has not been replaced by other picnic areas; however, there is ample land in the basin for such replacement if public use of the picnic area justifies its replacement.

Use of the various ball fields and other recreational areas will not be affected by the expressway.

In addition to the lands contained in the Brackenridge Park area and in the Olmos Detention Basin the City has other recreational facilities in the northern part of the City and has continued throughout the 1960's and to the present time with a program for developing further recreational land. Pursuant to this program and as a part of the same bond election approving funds for the expressway the City was authorized to acquire and did acquire over 1,000 acres of land for park purposes in the northern part of San Antonio. Various other additions to the City's park facilities have been authorized and made since that time.

While I personally prefer that the North Expressway not be constructed anywhere in the Olmos Basin area; with the exception of the Picnic ground, in my opinion a properly designed expressway will not adversely affect the recreational uses being made of parts of the Basin or Brackenridge Park.

Robert L. Frazer.

Subscribed and sworn to before me this 2nd day of February, 1973.

Carol Marie Knippa,
Notary Public.

RESOLUTION

Whereas, the City of San Antonio has been trying to have the North Expressway (U.S. 281) constructed for many years; and

Whereas, the people of San Antonio have expressed their overwhelming support of this project; and

Whereas, the will of the majority has been frustrated by a small group of self-appointed protectors; and

Whereas, this small group has on several occasions circulated misleading information; and

Whereas, the United States Senate Public Works Committee is considering Section 147 of S502 sponsored by Senators Bentsen and Tower to free the North Expressway from Federal control and will permit it to be built as a local project; and

Whereas, approval of Section 147 of S502 will permit work on the North Expressway to be resumed. Now, therefore,

Be it resolved by the City Council of the City of San Antonio: That the City Council reaffirms its unqualified support of the North Expressway Project; and be it further resolved:

That the City Council urges the United States Public Works Committee give its speedy approval to Section 147 of S502 sponsored by Senators Bentsen and Tower.

RESOLUTION

Whereas, the construction of the North Expressway has been partially completed and has been pending since 1961;

Whereas, the failure to complete this Expressway has deterred the Transit System in Bexar County and has impeded the mobility of this community, causing great inconvenience in the cross traffic in this metropolitan area; and,

Whereas, Commissioners Court of Bexar County feels that the completion of the North Expressway is necessary and vital to the completion of our highway system that is so important to the life of downtown San Antonio and to the citizens residing in the suburban areas; and,

Whereas, the abovementioned action is of great importance to all citizens of Bexar County; Now, therefore,

Be it resolved by Commissioners Court that we whole-heartedly endorse the Bentsen-Tower Legislation pending in the Congress

(Section 147, S502), which would allow the North Expressway to be completed with state funds.

Witness the signatures of the members of Commissioners Court of Bexar County, Texas, and its official seal on this the 23rd day of February, A. D., 1973.

SAN ANTONIO-MEXICAN
CHAMBER OF COMMERCE,
San Antonio, Tex., February 23, 1973.
Senator JENNINGS RANDOLPH,
Chairman, Committee on Public Works, Washington, D.C.

DEAR SENATOR RANDOLPH: I want to communicate to you the decision of the Board of Directors of the Mexican Chamber of Commerce to support passage of Section 147 of S502. This unanimous decision was reached at the Board meeting of the Mexican Chamber of Commerce held on Thursday, February 22, 1973.

There were no dissenting votes by any of our Board members present and it was universally agreed that this North Expressway has been delayed long enough by special interest groups, causing continued traffic problems between downtown and north San Antonio. Additionally, this long delay has caused a maintenance problem along the current right-of-way which is now a bad traffic and health hazard, not to mention the unsightly abandoned condition that has been created.

This North Freeway is badly needed by our city, and we strongly urge you to vote for this Bentsen-Tower North Freeway provision of the Highway Act.

Sincerely,

DANIEL B. GOMEZ,
President.

FINDLING, MILAM & PYLE,
San Antonio, Tex., April 19, 1972.
CITIZENS COMMITTEE FOR COMPLETION OF THE NORTH EXPRESSWAY,
San Antonio, Texas.

GENTLEMEN: We hereby certify that we have counted 103,337 signatures on your petition:

"We, the undersigned residents of San Antonio and Bexar County, strongly urge the immediate resumption of construction and prompt completion of the North Expressway project. The people have been too long denied the use of this expressway and feel that the delay has been detrimental to the general welfare of all."

This petiiton was circulated between September 29, 1971, and December 15, 1971, and our firm was selected by your committee to count the signatures.

Yours very truly,

FINDLING, MILAM & PYLE.

Mr. BENTSEN. The Senator from New York listed 30 interstate projects which might seek this relief. The distinctions as to these are obvious. They are 90 percent federally financed national defense roads. He lists other noninterstate Federal-aid highways. But are these people willing to give up their Federal funds and proceed with only local funds? And if they are, has $5 million been spent after the Department of Transportation approved construction? And is their construction washing away? I doubt it.

Senator BUCKLEY expresses concern that other State highway departments will bring us their problems. The Texas Highway Department did not bring this problem; 103,000 people of the city of San Antonio brought this problem to our attention—citizens who are concerned about the environment of their city, concerned about piles of concrete and dirt and rusting steel beams. Some of the same San Antonio citizens who support section 148 were active in the preservation of the San Antonio River and the building of the city's many recreational areas.

All this section does is to allow these people to make the decision as to whether an expressway will be built at all, and if so, where.

Mr. President, I think it is time we listened to the local people and take the Federal Government out of this project.

Mr. President, the Senate voted against this amendment by a margin of 2 to 1 last year. I urge the Senate to do so again.

Mr. TOWER. Mr. President, will the Senator yield me 6 minutes?

Mr. BENTSEN. Mr. President, I am pleased to yield to the distinguished senior Senator from Texas.

Mr. TOWER. Mr. President, I join my very distinguished and very eloquent colleague in opposing the amendment offered by the Senator from New York, and I associate myself with Senator BENTSEN's remarks.

Exactly 6 months ago this week, this identical question regarding the San Antonio "North Expressway" was fully debated in this chamber. At that time, the proposal of the Senator from New York to strike the San Antonio language from the 1972 highway bill was soundly defeated. An identical San Antonio provision was passed by the House of Representatives. Unfortunately, due to questions entirely extraneous to this provision, the bill failed of final enactment.

I urge Senators on this occasion, even as I did during last year's debate, to join me in defeating this amendment.

I am pleased that the Public Works Committee has again this year included language in the highway bill which will permit the State of Texas to return some $1.8 million in Federal monies to the Department of Transportation and complete the expressway with State and local funds. This issue was fully aired during public hearings before the Committee's Transportation Subcommittee, chaired by my colleague from Texas. I have carefully read the testimony which was presented and upon which the committee's decision to include section 148 was based. The record is clear and speaks for itself; therefore, I shall be brief.

Enactment of section 148 would enable the people of San Antonio to realize the completion of a public improvement they have long sought and strongly supported. During the month of January 1961, residents of that city held a bond election, at which time it was voted by a 2-to-1 margin to acquire the requisite rights-of-way for the north expressway. During intervening years, there has evolved a complicated chain of events marked by controversy, misunderstandings, and bureaucratic delays. The determination of the citizenry to complete the expressway has not waned, however, as evidenced by a petition urging completion, handed me last year, to which over 103,000 residents of San Antonio had affixed their signatures.

Mr. President, opposition to section 148 appears to be based on two primary concerns: First, that the provision establishes dangerous precedent, and, second, that completion of the expressway would be detrimental to the environment of San Antonio. Each of these concerns was addressed and rebutted on the floor of this chamber last year and once again several weeks ago during public hearings. Nevertheless, further attention is now required.

With regard to the "dangerous precedent" argument, I direct the attention of my colleagues to page 23 of the committee report on the pending bill. There are, indeed, unusual circumstances which surround the San Antonio experience which sufficiently distinguish it from any problem now existing or capable of arising at any point in the future.

The project is a non-interstate urban expressway sited wholly within the limits of the city of San Antonio. Following initial route approval by the Federal Highway Administrator in March of 1964, the State purchased the requisite rights-of-way and completed the relocation at a cost of some $7 million, comprised of State and local funds. It was not until well after this exercise of planning, receipt of Federal approval, and expenditure of State and local funds that the National Environmental Policy Act—NEPA—and section 4(f) of the Department of Transportation Act were enacted.

More recently, subsequent to NEPA and 4(f), and prior to recent Federal court decisions defining the standards by which administrative approval by the Secretary of Transportation is to be granted, the Secretary did in fact approve the letting of construction contracts on the project—bids were accepted, contracts let, and construction begun.

Mr. President, the facts surrounding the San Antonio expressway chain-of-events are indeed sufficient to differentiate it from any other example now existing, and certainly at no point in the future could such a factual situation come into being. A dangerous precedent will not be established by the retention of section 148.

Turning next to the environmental question which has been raised, it has become apparent that oft times false claims have unfortunately overshadowed the facts. Brackenridge Park, of which both San Antonio and the entire State of Texas are justly proud, will not be destroyed as has been claimed.

Only some 9 acres of the park will be affected, and that being located at the extreme southwest corner of the Brackenridge golf course. In fact, the golf course has been rebuilt to accommodate the expressway and has been back in play in its realined configuration for some 4 years.

I could well offer other comment concerning the effect of the completed expressway on San Antonio's park lands However, one who knows the facts better than I, Mr. Robert L. Frazer, director of parks and recreation for the city of San Antonio for the past 17 years, testified under oath as to the impact of the expressway. For the benefit of Senators, that testimony is reproduced on page 463 of the subcommittee hearings on the pending bill. In essence, Mr. Frazer states that:

> A properly designed expressway will not adversely affect the recreational uses being made of parts of the Olmos Basin or Brackenridge Park.

Mr. President, San Antonio is a unique city, and if any community in my State—or in the Nation, for that matter—is vitally concerned about the preservation of its environment and the retention of its natural beauty, it is San Antonio. The urban renewal effort there has done wonders for the revitalization of the central city. The San Antonio River, which winds its way through the downtown area, once considered an evidence of "urban blight" by many, is now a primary showcase of the city and of the State.

The early Spanish heritage of the city has been jealously guarded through the preservation of historic residences and landmark structures throughout the area.

I cannot believe that the City Council, the Commissioners' Court of Bexar County, countless civic organizations, and, most important, the people of San Antonio, speaking through both petition and the ballot box, would have pursued the completion of the north expressway if indeed its completion would seriously damage the beauty and vitality of their city. Likewise, if for a moment I felt that section 148 were a provision directed at the elimination of park land or a dangerous precedent as regards the administration of our Federal environmental statutes, I would not place my support behind its passage.

In conclusion, Mr. President, I would hope that we in this body never reach the point that we feel ourselves so restrained by statute that we refuse to examine the merits of an individual case which reaches us for consideration. The San Antonio north expressway represents just such a case, boasting facts which, when balanced, find the equities in favor of its completion.

The people of San Antonio have spoken. Their elected officials have spoken.

I urge my colleagues to join with me in defeating the pending amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BUCKLEY. Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I have been very much impressed by the eloquence of my two friends from Texas. Certainly, when they speak about local autonomy and decisionmaking, they go to my own feelings about local responsibility in this country. It is for that reason that I have been opposed to seeing the Federal Government move into so many areas where local governments have had the competence to make their own decisions.

However, the fact remains that when one seeks Federal money it comes with Federal conditions attached. This is a fact of life. Therefore, the people of San Antonio, Tex., abrogated their right to move as they wished when they submitted themselves to Federal jurisdiction in this matter. We are now talking about the integrity of those laws, of the whole system, not as it applies to a narrow stretch of road in San Antonio, but as it applies across the country.

I suggest that notwithstanding those attempts to distinguish this case, it does provide a very large precedent and one which will be cited time and time again. What it is saying, in effect, is: Go ahead and reach out for that Federal money and when your hand gets caught in the environmental cookie jar, offer it back and proceed.

It is my understanding that there are over 30 cases, certainly not on all four's with this one, where equivalent arguments could be made for elimination of Federal protection. There was one matter offered in committee by the Senator from Virginia relating to the exemption of I–66 in Virginia. He understood arguments against this kind of legislation and, therefore, he resubmitted an amendment which would contemplate the full environmental procedures, only providing that there would be special priority granted to the consideration of the impact statement once submitted.

A district court order issued on January 10 of this year provided the same protection of this priority consideration to the State of Texas and to San Antonio. It directs the Secretary to proceed wih all good speed in handling the application. We have testimony from the representative of the State of Texas Highway Department which, in effect, states that if they put on a little steam, if they take these things seriously, it would not take long for the study of alternatives to be completed. We know the Department of Transportation is in a position to act swiftly. This is reflected in the letter from CEQ Chairman Train which I have cited and introduced in the RECORD.

I suggest we will see another example later today from a Senator I esteem greatly, the senior Senator from New Hampshire, who, I understand, intends to introduce an amendment for a waiver of a section of highway affecting his State.

No; we will be opening a Pandora's box if we isolate a specific case where matters affecting sensitive areas in a Senator's State are concerned.

The junior Senator from Texas made a point about the environment and the awful eyesore and the waste of money resulting from the two approaches, north and south, of this proposed project, and the rusting away, causing erosion. If this is a fact, this is a self-imposed eyesore and self-imposed contamination because the State well knew when it proceeded with the construction and proceeded to spend funds extending highways north and south that the matter was under serious controversy and in the courts. If they spent the money in the face of litigation, they did so imprudently and that is not a matter to which Congress should address itself. It is not sufficient cause for us to begin eroding the validity, the vitality, and the impact of our legislation in the environmental field.

We hear that only 4 acres of picnic lands will be affected. The senior Senator somehow enlarged it to 9 acres. I invite the attention of Senators to page 470 of the hearings which are on the desk of each Senator to see a graphic description of the area which will be affected should this route be followed. It involves at least 150 acres. This is a significant impact on that park. But I do not believe we here should be arguing whether or not this is desirable or not desirable. This is precisely the determination that is to be made by competent transportation authorities on the basis of a comprehensive study.

I believe we have, through the essentials of this controversy, insufficient detail to allow Members to make their own judgment. I only regret that more Senators could not be present. It was pointed out that last year my amendment was rejected by 2 to 1. It was rejected by a vote of 2 to 1 because I am convinced at that time there was an insufficient understanding of the importance of this matter. Very few people were present to hear the debate, but I do hope that in the intervening months there has been an opportunity for people to think this matter through and understand we cannot begin legislating special exemptions to legislation designed to achieve broad goals, nor can we begin to examine item by item every last bit of public works constructed in the United States.

If the distinguished Senator from Texas is ready to yield back his time I am ready to yield back my time.

Mr. BENTSEN. Mr. President, the Senator from Texas has agreed to yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first, it is with reluctance that I disagree with my distinguished colleague from New York. Usually, if I do not agree with him, I do not find fault with his rationale and reasoning, but, in this instance, I find fault even with that because it seems to me the major thrust of the argument of the Senator from New York is one of precedent. He goes against the precedent we would set here today.

The theme of his argument is that it is wrong to commit a present injustice in the name of avoiding a future misapplication of this section. Based on the facts as I found them as a member of the committee and as previous Committees on Public Works found them, it seems to me there is no question but that to agree with the Senator from New York is to agree that the present injustice of a serious nature must be permitted to stand because we are concerned that we will not be able in the future to distinguish similar injustices that come before us or other tribunals charged with environmental protection for the citizens of this country.

I think the hearings of the subcommittee clearly indicate that this is indeed a peculiar situation, one that we will not find in the future, at least in the future application of the environmental laws of this country, for the project was started before we had one. It was on its way to completion before we had a law. The State of Texas would have completed it but for the fact that we come along with a Federal system that says, "We will give you money," and then, after the fact, decides on environmental protection requirements that could indeed have little impact on the entire area, but the procedural requirements would undoubtedly burden the situation and perhaps cause millions of dollars to be wasted.

I would only conclude by saying for myself, as a member of the committee, I read the statements of experts from San Antonio who said unanimously that no harm would come, and they would like to complete it for themselves. I wanted to hear from the people of San Antonio what feeling they had about it. It is interesting to tell the Senate the results of how they feel. I asked for and got mail from around the country and got a majority of 4 to 1 from about 50 people who live in the area around the country, who disagree, but not in Texas, with the Senator from Texas, but again, from a population of San Antonio some 600,000 of the people there, the ratio was reversed. They supported it 5 to 1. The letters and correspondence were not the letters and correspondence from any lobby, but were letters from individual citizens who wanted to go to work easier, individual citizens who wanted to get to the recreation areas of Texas easier.

Indeed, it seems to me an anomaly that we here discuss the great idea of returning to local government the authority to do what it can do best while in this instance, with the hue and cry of the citizens of Texas, who say, in an orderly manner, "Let us finish this ourselves; it was started before we had any law," we will come along and say, "Yes, we want local government to be in here, but we would like you to delay the local project, which is years behind schedule, so you can comply with Federal standards the impact of which are purely speculative." And indeed, as we look at them across the country, as we change the law and apply the law today, this action is infinitesimal even if it were to cause some little harm to the environment.

I thank the Senator for yielding.

I agree wholeheartedly with the principle for which the Senator shows a concern, but, justice, I think, demands that the amendment be defeated.

Mr. BAKER. Mr. President, will the Senator yield me 2 minutes?

Mr. BUCKLEY. I yield 2 minutes to the Senator.

Mr. BAKER. Mr. President, the question of the applicability of the National Environmental Policy Act and of other statutes having an environmental rationale or a conservation basis is not a unique one to this body or to this Congress or to the courts.

In my service on the Joint Committee on Atomic Energy the question of the effect of NEPA and the applicability of environmental impact requirements as well as other provisions of that act have been painfully and torturously examined and reexamined by the Atomic Energy Commission and by the courts.

My position in such situations has been that while NEPA has worked a hardship in some respects, we should not recede from an overall respect for the requirement of a national system for environmental protection that must continue and endure, and that a way must be found to comply with these standards, without the standards being unconscionable impediments.

In the case of highway construction, there is the question of the applicability of section 102 of NEPA. The solution proposed in section 148 of the bill is unique indeed. It would remove from the Federal aid highway system a portion of road, which otherwise would come under the requirement of Federal highway and related legislation.

I have no desire to intrude my opinions and judgment into the affairs of the sovereign State of Texas, and certainly no desire to undercut the efforts of my distinguished friends from Texas (Mr. BENTSEN and Mr. TOWER), who so ably represent that great State in the Senate. On the other hand, I cannot help but express my concern for the precedent being set here. I have a somewhat dissimilar, but not entirely dissimilar, situation in my own State of Tennessee with respect to the Overton Park project, which is now involved in litigation over the question of whether or not highway-related law has been complied with in the identification of alternative proposals for the construction of this portion of interstate highway through Overton Park.

I have never contended that it should be removed from the Federal system, or that the law of the United States should not be complied with. Rather, I believe, that we should get about the business, as fast as possible, of resolving this dispute so we can build the highway, not remove it from the Federal system.

I intend to support the Buckley amendment. I think it is important in principle, even though it may cause some hardship to the people of Texas and even though I recognize that the issues involved in this problem are unique.

Mr. BENTSEN. Mr. President, I yield 3 minutes to my colleague, the distinguished Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I would like to underscore a point that has been made by the Senator from New Mexico (Mr. DOMENICI), and point out that the Environmental Policy Act was passed many years after the right-of-way had already been acquired, the route had already been approved, and the citizens of San Antonio had spent a great deal of money. The matter became fouled up in a faceless bureaucracy here and was subjected to the whims of some arbitrary civil servant who treated the people of San Antonio with the arrogance of a maharajah. I do not think our cities should be subjected to that kind of treatment.

Senator BENTSEN has already clearly and adequately made the case that this is not a precedent and that this situation is unique.

Mr. President if you want to foul up the environment in San Antonio, force the people to buy the right-of-way for another route, leave this structure a useless eyesore, force them to buy another route and use up other valuable land. If we want to follow the spirit of environmentalism, the best thing we can do is defeat the amendment offered by the Senator from New York and accept section 148.

The PRESIDING OFFICER. Who yields time?

Mr. RANDOLPH. Mr. President, may I have 1 minute?

Mr. BENTSEN. Mr. President, I am pleased to yield 1 minute to the chairman of the committee.

Mr. RANDOLPH. Mr. President, I have no desire to enter into the argument from the standpoint of supporting information brought to the Senate by the able Senators from Texas (Mr. BENTSEN and Mr. TOWER). I want only to reflect that the record made last year shows a very thorough debate in the Senate on this item. I believe the judgment of the Senate then, which expressed in a vote was of 24 to 49 against the position of the Senator from New York (Mr. BUCKLEY), should be reflected also in the vote this afternoon. The Senator from Texas described the uniqueness of the San Antonio situation to the committee in a way that convinced us to include the provision in the bill. I believe that today he has again made a case for the rejection of the amendment offered by the Senator from New York.

Mr. BUCKLEY. Mr. President, I would like to comment on the statement made by the senior Senator from Texas and the Senator from New Mexico and by the distinguished chairman of the subcommittee (Mr. BENTSEN).

We recognize the action taken last year, but this is a new Congress. There are new people here who did not participate last year, new people in the House of Representatives who are not in my judgment, bound by such precedent as we may have established last year in considering this particular question.

We heard statements from the Senator from New Mexico and the Senator from Texas about correcting a present injustice. I think the facts need to be corrected.

In the first instance, the city of San Antonio began planning for this expressway well before the relevant Federal statutes came into being. The fact is they did not first apply for Federal funds until 1968, or 2 years after the enactment of section 4(f). Federal approval did not come until August 13, 1970, 8 months after the enactment of NEPA. There was nothing to stop the city of San Antonio from proceeding, however it wanted, without Federal funds, as its willingness to return those funds confirmed.

Second, we have heard a great deal—and I certainly am impressed by the extent of the desire of the people of San Antonio for an expressway. They voted back in 1961 the bond money for an expressway. I suggest that they did not necessarily vote for this precise route, given the number of alternatives that are available for getting the people of San Antonio from one end to the other, as reflected in the Gruen report prepared for the Secretary of Transportation.

Mr. President, at this stage, I am quite willing to return the balance of my time for the convenience of the Senator.

The PRESIDING OFFICER (Mr. COOK). Does the Senator from New York yield back the balance of his time?

Mr. BUCKLEY. I am prepared to.

Mr. BENTSEN. Mr. President, if it is agreeable to the Senator from New York, I will close the argument in 5 minutes.

Mr. BUCKLEY. Very well.

Mr. BENTSEN. Then I will yield back the balance of my time.

The PRESIDING OFFICER. Does the Senator from New York yield back the balance of his time?

Mr. BUCKLEY. I reserve the time.

The PRESIDING OFFICER. What does the Senator from New York do?

Mr. BUCKLEY. I reserve the time.

Mr. BENTSEN. Then I reserve my time.

Mr. President, to conclude my remarks on the subject let me summarize the distinctions between the San Antonio project and some which have been mentioned on the floor this afternoon.

The San Antonio Expressway is not an interstate highway and never has been.

Construction was begun only after the Secretary of Transportation agreed that if final Federal approval could not be obtained, it could be built with State funds.

And to build the road with State funds is all the State of Texas is asking.

Unlike the projects which have been mentioned this afternoon—only local funds would be expended on the San Antonio Expressway. Therefore, Mr. President, only local standards should apply.

I would like to read to the Senate an excerpt from the testimony submitted by the Transportation Subcommittee because it speaks specifically to this question of precedent:

> The facts of the San Antonio situation isolate it and make it so unique that it could in no event be precedent in a traditional sense. The partially done construction referred to by the fifth circuit as a huge concrete offspring was commenced under a unique agreement thought by both DOT and the State to be perfectly proper. Under it, the Secretary approved construction of the end segments provided that if the Secretary and the State could not agree on a middle section, none of the project would be eligible for Federal aid.
>
> Both parties thought the road could be built as a wholly State project if the State and Federal agencies could not agree on it. Construction was commenced with the State agency aware of and accepting the fact that it might be forced to pay for the total cost of the project. There was no way that either agency could have known either that the rules of administrative review would be changed, or that the relationship with the Federal Government would be held forever binding. With everyone concerned at the time acting in good faith, a terrible mess has resulted in San Antonio. Great sums of money are already lost and more is being lost; an eyesore exists, and peoples' needs are not being served.
>
> This is the only case in America in which the people have been denied the right to build a highway within the boundaries of their own State, with their own money, for their own use.

The only case in America, Mr. President.

Mr. President, I ask the Senate to oppose this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STAFFORD. Mr. President, would the Senator yield to me for a unanimous-consent request?

Mr. BENTSEN. I would be pleased to yield to the distinguished Senator from Vermont.

Mr. STAFFORD. Mr. President, I ask unanimous consent that Mr. E. Steven Swain, of the Committee on Public Works staff, may have the privilege of the floor during the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BUCKLEY. Mr. President, I yield myself 2 final minutes.

I would like to rectify two of the statements that have been made eloquently by the Senator from Texas.

Yes, the State of Texas proceeded to spend its money as the result of the Secretary of Transportation's authorization made in 1970; but the Secretary of Transportation also stated that before any approval of the middle section be made, the alternatives had to be determined. If we consider this as a package deal, the State of Texas is now repudiating the central part of that package.

I might note in passing that the circuit court of appeals found in its decision that in agreeing as he did, the Secretary was,

> Acting in a clear abdication of his section 4(f) responsibilities.

The court further found that the so-called agreement with the State of Texas was also in violation of the law.

I suggest, Mr. President, and I think this is important across the country, when people are trying to resist the NEPA law, instead of trying to comply with it—had the State of Texas gone forward and decided to comply with the law, rather than fighting—the people of San Antonio would be well on the way toward having an expressway now, perhaps down the route indicated by the State of Texas planning, or perhaps some other route. At least, we would have had progress. It would have been a route in which all valid considerations are taken fully into account.

I yield back the balance of my time.

Mr. BENTSEN. I yield myself a final 3 minutes.

It comes down to whether some people in Texas—who have already spent this $11 million of their own funds and been assured by the Department of Transportation they could complete the project with their own funds if necessary—will not be forced to lose that investment because the Department of Transportation was in error. The people of San Antonio should not be punished because of other people's mistakes.

I feel that equity demands that we get the Federal Government out of this project by retaining section 148 in the bill.

Congress is not granting any exception for a federally funded project. And it is not ordering that anything be built. It is simply allowing local people to do what they like with money they raised by their own taxes.

I urge the defeat of this amendment.

Mr. NELSON. Mr. President, the Senate debate and action on S. 502 mark an important transition point in the attempt to achieve orderly growth and a rational redefinition in priorities in the Federal-aid highway program to meet the continuing but changing needs in American transportation.

Three years ago in hearings before the Senate Public Works Subcommittee on Roads on "all aspects of the national highway program and related activities," I testified that—

> (O)ur focus should be, constantly and without flinching, on the *social* need for the best possible transportation for the maximum number of people.

Earlier in 1970, I suggested that as a part of a national environmental agenda for this decade, we must begin—

> to utilize the billions of dollars a year that could be made available on completion of the Interstate Highway System to provide new transportation alternatives, including mass transit, in our polluted, congested, highway-choked urban areas.

In the last Congress, the Senate began the legislative action to revise the Federal-aid highway program to meet changing transportation needs, but was unable to complete action before adjournment. The debate was important, however, in focusing attention and discussion on the problems and the issues which any legislative response must address: the completion of the national Interstate Highway System, and increased emphasis on the continuing requirements of rural and urban transportation systems within the various States.

S. 502, as amended on the floor yesterday, reflects these deliberations and responds to our changing transportation needs in this country. In particular, S. 502, in its present form, would respond to specific transportation issues in the State of Wisconsin.

Completion of the Interstate System in Wisconsin has almost been accomplished. A somewhat unique situation with one particular segment of the Interstate System in Wisconsin remains to be resolved, however. At my request, this situation was addressed by the Senate Public Works Committee in the bill (S. 3939) which they reported on the last Congress and which passed the Senate by a vote of 77 to 0 in September 1972. Because of differences with the other body, Federal-aid highway legislation was not resolved before adjournment and the particular problem in Wisconsin still remained at issue.

In the last hours of the 93d Congress, I entered into a discussion with the distinguished chairman of the Senate Public Works Committee, Senator JENNINGS RANDOLPH, about the specific problem in the State of Wisconsin created by the first qualifying deadline of July 1, 1973, for segments authorized under the last 1,500-mile addition to the interstate program. In that colloquy with Chairman RANDOLPH on the Senate floor on October 18, 1972, I was assured that the problem of a qualifying deadline of July 1, 1973, for interstate finance programing and its negative impact upon any appropriate resolution of the I–57 controversy in Wisconsin would be adressed by the Public Works Committee in the 93d Congress.

Section 112 of the present bill (S. 502) will satisfactorily answer the immediate question with regard to the ability of the State of Wisconsin to meet the first qualifying deadline on a final segment of I-57. The cooperation and assistance of the chairman of the committee (Mr. RANDOLPH), and the Senator from Texas (Mr. BENTSEN) who is managing the Federal-aid highway bill this year is appreciated. So that the RECORD may be more complete on this matter, I would include at this point in my statement the excerpt from the debate last October 18 which contains the discussion of the I-57 matter with Chairman RANDOLPH:

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. NELSON. The Senate-passed bill, S. 3939, the Federal Highway Act of 1972, had language which included section 112, which would change the first qualifying deadline for interstate finance programing from July 1, 1973, to July 1, 1974. There is a particular problem in the State of Wisconsin about meeting the qualifying date of July 1, 1973, and section 112 extended the deadline to July 1, 1974, and I assume it may apply to other places in the United States.

Under the conference agreement, that section was dropped. The act is extended for 1 year.

My question is, Would it be the intention of the chairman of the committee to address itself to that particular question of extending that deadline for qualifying to July 1, 1974, as the distinguished chairman of the committee had it in the bill as it passed the Senate?

Mr. RANDOLPH. That is correct. On the 10th of October I received a letter from the Senator from Wisconsin in reference to this matter. As the Senator has indicated, it was in the Senate bill. It has been dropped in conference. I pledge to the Senator from Wisconsin and others who may be interested that early next year this matter will be addressed by the Senate Committee on Public Works. I feel there will be no difficulty in taking care of the Senator's State and other States.

Mr. NELSON. I appreciate that statement because I-57 involves a particular problem in Milwaukee, which I discussed in the letter which I sent to the Senator from West Virginia as chairman. There is no way they can give the proper statutory assurances, under the law of Wisconsin, prior to July 1, 1974.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. NELSON. Mr. President, I ask unanimous consent that my letter to the chairman of the committee (Mr. RANDOLPH) be printed at this stage in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

"U.S. SENATE,
"Washington, D.C., October 10, 1972.

"Hon. JENNINGS RANDOLPH,
"Chairman, Public Works Committee, U.S. Senate, Washington, D.C.

"DEAR MR. CHAIRMAN: When the Senate passed S. 3939, the Federal-Aid Highway Act of 1972 on September 19, 1972, by a vote of 77-0, language was included in Sec. 112 of the bill which would change the first qualifying deadline for Interstate finance programming from the present July 1, 1973 to July 1, 1974 for those projects authorized under the last 1,500 mile addition to the Interstate program. This change in deadline directly applies to a unique situation in the State of Wisconsin and was added in the Public Works Committee at my request.

"Our particular problem in Wisconsin has to do with the Milwaukee end of the I-57 project. At this time no one is in any position to make a firm finding about that segment of the I-57 project south of the Saukville Interchange. There are many pros and cons as to desirability of locating it over the route of the proposed Stadium Freeway north. The major considerations in favor of this are the possibility of security 90% financing for developing a high level highway which will serve the ingress and egress of the Milwaukee area from the northwest, and contribute toward closing the freeway gap on Fond du Lac Avenue (U.S. 41) as well as serving as the southern leg of I-57.

"However, the ability of the State, as well as the City and County of Milwaukee, to make a positive finding and demonstrate clear intent and capability by next July 1, 1973 is impossible. This is due to a July 28, 1972 agreement between the Governor of Wisconsin, the Executive of Milwaukee County and the Mayor of Milwaukee which conditions this project as well as some others on a show of substantial progress in offsetting the housing deficit in Milwaukee resulting from past construction of all kinds.

"To meet this housing requirement and thus proceed to a firm decision on the intent to construct this segment of I-57, the State of Wisconsin has passed legislation authorizing the establishment of the Wisconsin Housing Authority. Because of a possible conflict with the State Constitution, however, this legislation faces a court test before the WHA will be in business. Regardless of the outcome of the court test of the constitutionality of the WHA legislation, this delay will prevent the State of Wisconsin from making any positive finding and demonstrating to the Secretary of the Department of Transportation by July 1, 1973 a clear intent and capability to construct the final segment of I-57.

"The Secretary of the Department of Transportation of the State of Wisconsin has stated that another year is vitally necessary for the State to be able to meet the first deadline required by law. The final sentence of Sec. 112 of the Senate passed version of S. 3939 would accomplish this purpose and extend the first deadline to July 1, 1974. This provision was not included in S. 3939 when the House passed their version of this legislation on October 6, 1972. It is my hope that this explanation of the unique situation in Wisconsin which is directly affected by this provision in the Senate bill will merit the attention of the conferees on the Federal-Aid Highway Act of 1972 and will be retained in the Conference Report on this legislation.

"Sincerely yours,
"GAYLORD NELSON, *U.S. Senator.*"

Mr. NELSON. Mr. President, with the completion of the Interstate System now in sight, we must refocus attention on our other transportation and highway needs, both rural and urban. In the State of Wisconsin, rural and urban transportation and highway needs require continued attention which is both flexible in its approach and nondiscriminatory in its impact.

Presently, Wisconsin has more than 2,000 miles of its 11,000-mile system in use which were built to pre-World War II standards. These roads are essentially worn out and confront the motorist with accident-producing situations such as restricted sight distance, sharp curves, narrow roadways, inadequate structures, elongated no-passing zones and similar hazards. Twenty-three hundred miles of the system are surfaced with mixed bituminous material that has served longer than its design life of 10 years. One thousand miles of bituminous concrete has outlived its design life of 15 years, and 900 miles of portland cement concrete has outlived its design life of 25 years. About 29 percent of the total Wisconsin highway system has therefore been used longer than its normal life expectancy.

We cannot expect this situation to last much longer without some extensive repair and replacement work. Thus, the State Department of Transportation indicates that work which should have been done by 1970 totals 6,107 miles in all 72 counties in Wisconsin. Estimated cost of this work today is upward of $2.66 billion. In addition to the road situation in Wisconsin, 56 bridges will need attention within the next 5 years and 60 additional bridges will require work within 10 years. The State's current estimate of this cost for bridgework is $91 million.

The State Department of Transportation has indicated to me that the present formulas for distribution of Federal aids to the State for primary, secondary, and urban highway systems are satisfactory and acceptable. It is my understanding of the provisions of S. 502 that these formulas are maintained in the present legislation. With the noninterstate funding portion of S. 502 for primary, secondary, and urban categories being increased to $2.2 billion for each of the next 3 fiscal years, and with the bar to impoundment of highway funds authorized by this present legislation which was added by an amendment that I supported yesterday, more noninterstate Federal-aid highway program funds should be available to the State of Wisconsin to meet rural and urban transportation needs of the 1970's.

In order to turn the focus of attention on creating a truly balanced transportation system in this Nation, however, we must also have a greater degree of flexibility to meet the specific and varying needs of each State, urban and rural. Now is the time to allow a wider degree of discretion and alternatives to State and local governments in the allocation of Federal transportation funds to essentially local transportation needs.

Yesterday, I supported two amendments to S. 502 which would give State and local governments both additional funding and additional alternatives to employ in meeting their local needs. The Williams amendment, which passed by a vote of 59 to 36, would authorize $1 billion a year more in Federal grants under the Urban Mass Transportation Act of 1964 for capital improvements of mass transit systems. In addition, this amendment would authorize a 2-year expenditure of $800 million out of general revenues for operating subsidies for mass transit sytems until the infusion of capital funds could take hold.

I also supported the amendment by Senators MUSKIE and BAKER which passed the Senate by a vote of 49 to 44. This amendment would authorize States and cities to use authorizations of the highway trust fund which are earmarked for urban systems for a variety of transportation needs, including buses and fixed rail systems. Contrary to some understandings of this provision, the discretion to use that portion of the trust funds earmarked for urban systems for mass transit does not affect the division of Federal aid for other portions of the Federal aid highway program. It merely adds fixed rail transit as an option available for the urban systems portion of this program.

• As the State of Wisconsin Department of Transportation has indicated to me, with the protection afforded by distribution formulas to preserve each State's share of the fund—

> It is desirable to give the respective states a maximum of flexibility in the use of their shares of the aids for transportation purposes, including highway related mass transit (bus), and even rail facilities.

If our focus is to be on the best possible transportation for the maximum number of people, we cannot limit our flexibility or dictate our transportation financing options. A singular choice is really no option at all. Allowing the steadily available dollars of the highway trust fund to be applied to mass transit in our urban areas, if local government wishes to use their share of funds in such a manner, provides a real alternative. To improve the traveling lot of every man, woman, and child in this country—not just in our urban centers, but in our rural communities as well—we must be able to improve and coordinate all methods of transportation in this country.

With a final remark upon the actions on the Federal-Aid Highway Act of 1973, I would like to express my concern over the provision in the bill (S. 502) which would exempt the so-called North Expressway in San Antonio, Tex., from the requirements of the National Environmental Policy Act. Last year, I joined Senator Buckley, of New York, in opposing this attempt to dodge the Federal requirement for consideration of the environmental impact of this highway proposal. The National Environmental Policy Act established in law the principle that Federal and federally aided projects should be carefully reviewed for their environmental impact before they are undertaken. If we begin now, under whatever guise, to excuse projects from such requirements, Congress will simply be writing the beginning of the end of this vitally important national environmental protection law.

Thus, once again, I express my strong opposition to the San Antonio exemption and urge Congress to require that this project comply with the law. While this particular exemption would appear to have a very limited narrow application, we can be sure others who might wish to avoid environmental studies will be tempted to view it as a possible precedent.

Mr. BUCKLEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New York.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Minnesota (Mr. Mondale) are necessarily absent.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon) and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

If present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 43, nays 50, as follows:

[No. 40 Leg.]

YEAS—43

Abourezk
Baker
Bartlett
Bennett
Biden
Brock
Brooke
Buckley
Cannon
Case
Church
Clark
Cranston
Dominick
Eagleton
Goldwater
Griffin
Hart
Haskell
Hathaway
Hughes
Inouye
Javits
Kennedy
Mathias
McClure
McGovern
Metcalf
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Stevenson
Symington
Tunney
Weicker

NAYS—50

Aiken
Allen
Beall
Bentsen
Bible
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Fulbright
Gurney
Hansen
Hartke
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Johnston
Long
Magnuson
Mansfield
McClellan
McGee
Montoya
Moss
Pearson
Randolph
Saxbe
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Taft
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—7

Bayh
Bellmon
Gravel
Hatfield
McIntyre
Mondale
Stennis

So Mr. Buckley's amendment was rejected.

Mr. BAYH subsequently said: Mr. President, on March 15, 1973, a vote was taken on an amendment offered by the distinguished Senator from New York (Mr. Buckley) relating to the San Antonio North Expressway provision of the Federal Aid Highway Act of 1973. I was present in the Chamber when that vote was taken, and I voted "aye." However, the Congressional Record for March 15 states that I did not vote, and was necessarily absent (S. 4943; vote No. 40 Leg.). I have been informed that the official tally sheet of the Senate also does not reflect my vote. I cannot understand how this error could have been made. However, since my vote would not have made any difference in the outcome, I am not requesting the complicated effort needed to make a change in the tally sheet and in the Record. I simply ask unanimous consent that this statement be printed in the permanent Record immediately after the result of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT of Pennsylvania. Mr. President, I offer, on behalf of myself and Senators Randolph, Baker, Schweiker, Cook, and Bentsen, an amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Bartlett). The amendment will be stated.

The legislative clerk read as follows:

> At the end of title I, add the following new section:
>
> "DWIGHT D. EISENHOWER HIGHWAY
>
> "Sec. 159. (a) The following segments of the National System of Interstate and Defense Highways which form a continuous interstate highway link from coast to coast are hereby designated as the 'Dwight D. Eisenhower Highway'—
>
> "(1) Interstate Route 70 between Washington, District of Columbia, and Denver, Colorado;
>
> "(2) Interstate Route 25 between Denver, Colorado, and Cheyenne, Wyoming; and
>
> "(3) Interstate Route 80 between Cheyenne, Wyoming, and San Francisco, California.
>
> "(b) Any law, regulation, map, document, record, or other paper of the United States in which such segments are designated or referred to shall be held to designate or refer to such segments as the 'Dwight D. Eisenhower Highway'."

Mr. SCOTT of Pennsylvania. Mr. President, I yield myself 2 minutes for the purpose of inquiring of the distinguished majority leader——

The PRESIDING OFFICER. There is no time limitation on this amendment.

Mr. SCOTT of Pennsylvania. Then, Mr. President, I yield myself such time as I may need to inquire of the distinguished majority leader as to the schedule for the remainder of the day and thereafter, and append to it the suggestion that future rollcalls today be limited to 10 minutes each. I do not make that as a unanimous-consent request at this time.

Mr. MANSFIELD. The Senator may.

Mr. SCOTT of Pennsylvania. Having discussed it with the distinguished majority leader and the deputy majority leader, I ask unanimous consent that further rollcall votes on this bill, for the remainder of the day, be limited to 10 minutes on each rollcall.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania.

Mr. HUGHES. Mr. President, reserving the right to object, is there a time limitation on the amendments?

Mr. MANSFIELD. One or two.

Mr. HUGHES. I cannot make it to the floor in 10 minutes from my office.

The PRESIDING OFFICER. The Chair would state that time limits on amendments apply only to the Hansen and Cotton amendments which are yet to be offered.

Mr. SCOTT of Pennsylvania. Then I limit my request, Mr. President, to the Hansen and Cotton amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. SCOTT of Pennsylvania. Mr. President, will the distinguished majority leader tell us about the schedule for the remainder of the day?

Mr. MANSFIELD. Yes, indeed. Mr. President, if we complete the pending business today, we will go over until 12 noon on Monday next. If we do not, then we will be in session tomorrow.

The calendar is in such a state that practically every bill on it would be passed without objection.

Following the disposal of the pending business, the next order of business for the Senate would be S. 398, to extend and amend the Economic Stabilization Act of 1970.

That is about it.

Mr. SCOTT of Pennsylvania. On that, I understand that efforts will be made to secure certain time limitations?

Mr. MANSFIELD. Those efforts have been successful.

Mr. SCOTT of Pennsylvania. I thank the distinguished majority leader.

Mr. President, I shall take no great amount of time. The pending amendment is for the purpose of designating certain sections of the Interstate Highway System as the Dwight D. Eisenhower Highway.

This amendment is identical to S. 2733, a bill I introduced in the last Congress along with 13 cosponsors.

President Eisenhower was a forceful advocate and initiator of our present Interstate Highway System, which was created during his administration. The adoption of my amendment would be a fitting tribute to the man who made so many contributions to develop the outstanding highway system we now have across the country.

One of the segments of interstate highway which will bear the Eisenhower name crosses five of Pennsylvania's southwest counties—Fulton, Bedford, Somerset, Westmoreland, and Washington—for 150 miles to the Ohio State line.

In addition to Interstate 70 from Washington, D.C., to Denver, Colo., two other segments will be included—Interstate 25 from Denver to Cheyenne, Wyo., and Interstate 80 from Cheyenne to San Francisco, Calif.

At this time I yield to the distinguished Senator from West Virginia (Mr. Randolph).

Mr. RANDOLPH. Mr. President, the amendment offered by the distinguished minority leader, the Senator from Pennsylvania (Mr. Scott), by Senator Baker and by myself, would designate certain interstate mileage in the United States as the Dwight D. Eisenhower Highway.

I think at times it is very important, in the designation of public facilities, to call attention to certain men in public and private life who have been instrumental in moving the country forward. There is a very particular significance in using President Eisenhower's name in connection with this highway designation. We recall that it was during his administration that the Interstate System came into being. He was instrumental in providing the leadership from the executive branch of Government, in bringing to being this program, which has been of great importance to the strengthening of America, the servicing of our people.

For that reason, I join very earnestly in cosponsoring the amendment, and I commend the Senator from Pennsylvania for his leadership in this matter.

Mr. SCOTT of Pennsylvania. Mr. President, I greatly appreciate the remarks of the distinguished senior Senator from West Virginia.

It is my understanding that the managers of the bill have no objection to the amendment. If that is the case, I ask for a vote.

Mr. BENTSEN. Mr. President, the manager of the bill will be very pleased to accept the amendment, and I have asked the distinguished minority leader to have my name added as a cosponsor.

Mr. STAFFORD. Mr. President, I am delighted, on the other side of the aisle, to accept the amendment of the minority leader, of which I now join as a cosponsor.

Mr. SCOTT of Pennsylvania. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment of the Senator from New York was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 28

Mr. HANSEN. Mr. President, I call up amendment No. 28, cosponsored by Senator McGee and myself.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

At the end of the bill insert a new section as follows:

REPEAL OF CERTAIN VEHICLE WEIGHT AND WIDTH LIMITATIONS ON THE INTERSTATE SYSTEM

Sec. —. Section 127 of title 23 of the United States Code, relating to vehicle weight and width limitations on the Interstate System, is repealed.

PRIVILEGE OF THE FLOOR

Mr. HANSEN. Mr. President, I ask unanimous consent that Gordon Murphy, administrative assistant to Senator Fannin, may have the privilege of the floor during this debate, together with Nolan McKean of my staff.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. HANSEN. I yield.

Mr. COTTON. Mr. President, I ask unanimous consent that Warren Kane, my legislative assistant, have the privilege of the floor until my amendment is reached and disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, let me say for the edification of Senators present that I do not propose to take nearly all the time that has been allotted to this amendment. I hope we can come to a vote very quickly. I realize that some Senators have commitments out of town, and I will be willing to oblige in any way I can to get to a vote expeditiously.

Mr. STAFFORD. I cannot speak for the chairman of the subcommittee, but, for myself, I am going to need approximately 12 to 15 minutes.

Mr. HANSEN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, the purpose of my amendment is to repeal section 127 of title 23, United States Code, relating to vehicle size and weight limitations on the Interstate Highway System.

Section 127 was originally enacted in 1956, when the Interstate Highway System was initially created by congressional action. Section 127 imposes a weight limitation of 18,000 pounds on a single axle and 32,000 pounds on a tandem axle. In adopting section 127, the Congress relied upon the size and weight recommendations of the American Association of State Highway Officials—AASHO—a recommendation which in 1956 was 10 years old.

Section 127 has not been changed since 1956, although AASHO has increased its weight recommendations. Thus, the standards in effect today on the Interstate Highway System, the finest road system in the Nation, are 17 years old. The initial reasoning for the imposition of these standards was the protection of the Federal investment involved in the construction of the Interstate Highway System. Approximately 80 percent of the Interstate System has been completed and opened to traffic, and the minimum construction standards have not been changed, and will not be changed during construction of the remaining 20 percent of the system.

Congress specifically recognized in 1956 "that maximum weight limitations for vehicles using the highways are fundamentally a problem of State regulation . . ." The purpose of my amendment is to carry out that intent and return exclusive jurisdiction of motor vehicle sizes and weights to the States.

By so doing, tremendous inequities among the States could be eliminated. These inequities came about through the grandfathering in 1956 of States whose size and weight limitations then exceeded the maximum Federal standards of 18,000 pounds for a single axle and 32,000 pounds for a tandem axle.

To illustrate, from the District of Columbia through the Atlantic coast and the Northeast States to the Canadian border, and west through Pennsylvania, there is a triangle of States all having single axle limits of at least 22,000 pounds, and—with the exception of New Jersey and Maine—tandem axle limits of at least 36,000 pounds.

On a national scale, there are 25 States whose interstate limits for single axles are frozen at 18,000 pounds. There are 26 States—including the District of Columbia—who were "grandfathered" and whose single axle limits exceed 18,000 pounds. There are 27 States whose tandem axle limits are frozen at 32,000 pounds. The tandem axle ceiling in 24 States exceeds 32,000 pounds.

The Far Western States were frozen in 1956 at 18,000 pounds for a single axle and 32,000 pounds for a tandem axle, with only two exceptions. This inequity has not gone unrecognized. The Bureau of Public Roads, now the Federal Highway Administration, after weeks of study, recommended in 1964 that the single axle limit be increased to 20,000 pounds and the tandem axle limit to 34,000 pounds. In 1968, the Senate passed legislation to amend section 127 in accordance with the 1964 report. Unfortunately, that legislation was not considered by the House, although it was reported favorably by the House Public Works Committee.

In my opinion, this is an issue whose jurisdiction should be returned to the States in accordance with the intent of Congress as expressed in 1956. I have no fear whatsoever of the States abusing that jurisdiction, because money for highway maintenance is provided exclusively by the States. There is no Federal aid whatsoever for highway maintenance costs. Furthermore, there is no evidence that interstate highway maintenance costs have been excessive or unusual in those States who were grandfathered in 1956 and whose limits exceed 18,000 pounds for a single axle and 32,000 pounds for a tandem axle.

It is significant in my judgment that eight Western States have enacted legislation permitting axle limits for noninterstate highways that exceed the limit for interstate highways.

The States of Idaho, Montana, Nebraska, Nevada, Oklahoma, Oregon, Utah, and Wyoming permit single axle limits of 20,000 pounds on noninterstate highways, but are restricted to 18,000 pounds for vehicles using the Interstate System. Those same eight States permit tandem axle weights on noninterstate highways well in excess of the interstate tandem ceiling of 32,000 pounds.

Mr. President, my amendment, if adopted, would not result in an automatic increase in weight limits anywhere. Subsequent action would be necessary by the State legislatures. And as I stated earlier, the States can be expected to act reasonably and responsibly when they must bear 100 percent of highway maintenance costs.

My purpose in offering this amendment is solely to give an opportunity to the Western States to increase their ceilings to the standards recommended by the Bureau of Public Roads in 1964. Even with this modest increase, the limits in the Western States would be less than the interstate ceiling in most of the Northeastern States.

Mr. President, the most compelling reason for allowing the States to increase axle loads on the Interstate System is the energy shortage.

Only 2 short months ago, communities all over the Midwest and Rocky Mountain area were on the verge of real disaster when heating oil and diesel oil was unobtainable in many areas. In some instances, heating oil could not be transported by truck to where it was needed because there was no diesel fuel available for the trucks.

And right here, Mr. President, I would like to point out to those who say get the trucks off the highways that in most of the western States including Wyoming, more than half the communities have no rail service at all and are served only by trucks. In Arizona 70 percent of the communities have no rail connections, in Oregon, 68 percent; in Utah, 65 percent; in California, 66 percent; in Nevada, 56 percent; in New Mexico, 75 percent; in Washington and Wyoming, 55 percent.

These communities are entirely dependent on truck deliveries for all commodities—food, medicine, fuel, building materials, farm machinery and supplies, mining machinery—everything.

The point is, Mr. President, that some modest increases in truck payloads in these Western States—most of the Eastern States already carry heavier loads on the Interstate System—by increasing the payload of an already existing truck by 50 percent, fuel consumption is increased by only 14 percent. And I base that assertion on actual tests made by the Western Highway Institute. A report of those tests is available from the institute which is a nonprofit California corporation which functions as a research, engineering, and coordination agency in support of the organized motor carrier industry in the 13 Western States.

Such increased productivity could certainly result in fuel savings and transportation economies and with dire predictions of gasoline and diesel fuel shortages this summer, such savings could be substantial and possibly prevent threatened rationing.

Mr. President, all we are asking is the opportunity for States such as Wyoming and most of the other Western States to equalize their weight limits on the Interstate System with other States that allowed the higher limits when the Federal Highway Act of 1956 was enacted.

We believe it only fair and I cannot see how those who represent States that already have the higher limits can object to equal treatment for the Western States. Actually, the Interstate System in the Western States is not nearly as congested as in the East.

The present situation is incongruous in that the heavier loads are allowed on the most congested highways while the wide open highways in the Western States are limited by a long outdated law.

In the sense of fairness, I ask that this inequity be corrected by this simple amendment.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. HANSEN. I yield to the distinguished Senator from New York.

Mr. BUCKLEY. Is it my understanding that under existing law the standards of some States have been grandfathered in at a higher weight than is true throughout the country?

Mr. HANSEN. That is the situation.

Mr. BUCKLEY. The effect, as I understand it, of the Senator's amendment would be to phase out any Federal standard. Is that correct?

Mr. HANSEN. The effect of the amendment would be to phase out the old limiting provisions which resulted from the adoption of the law in 1956. It does not mean that the present weight limitations would be changed except on the explicit actions of the individual States. There would not be automatically an increase in weight and size limitations.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HANSEN. I yield.

Mr. JACKSON. I wish to ask the same question as the Senator from New York, which is a matter that concerns me greatly. I understand that if the amendment were agreed to, no longer would there be any further standards as far as weight limitations. The States would be free to set any level.

Mr. HANSEN. If the amendment is agreed to it would be up to each State to initiate action in its legislature, if it desires, to change the present limitations. That does not mean the weights would automatically go up nor would the widths change. They can change if each State legislature decides to increase those size and weight limits.

Mr. JACKSON. But the inevitable result, I am afraid, of that kind of situation would be that the State that raised it the highest would set the standard, I am afraid, on the Interstate System; that is, set the weight and size limit; set the standards that other States would seek to achieve or attain. Is that not the danger here?

Mr. HANSEN. That is a conclusion that a person might assume to be the fact but it will not be, in my judgment, because the fact is that full maintenance of the Interstate Highway System is involved, and that is what we are talking about. Wyoming, for instance, has a higher weight limit on its primary and secondary system than it can establish on the Interstate System. The reason I do not think the situation the Senator from Washington alludes to would come into being is that responsibility of maintaining these highways is still 100 percent a State responsibility. I cannot envision that any State would be so irresponsible as to assume it would abandon all caution and throw good judgment to the winds and say that while we legally can go higher than we should go, that is what we will do, rather than working at keeping the Interstate System in repair and making such changes as would conform to the standards in the system now.

Mr. JACKSON. If there need to be adjustments made, and I am not going to argue that for a moment, in size and weight, would it not be wiser to do it on a uniform basis, with the Federal Government setting standards so that you would have uniformity throughout the country?

Mr. BENTSEN. Would the Senator from Washington use his microphone please? We would like to hear his contribution.

Mr. JACKSON. The Federal Government puts up 90 percent of the cost of the Interstate System. Standards have to be laid down as to durability of the roads. They have to meet those Federal standards.

Therefore, it seems to me to be logical for the Federal Government to insist on uniformity so that uniformity would be nationwide on the Interstate System in connection with usage by the trucking industry on those roads. That is my only point.

There is an inequity here. Some States are grandfathered so that they are free to make an adjustment that is not on a par with the Western States. I wonder if the solution does not lie in adjustment so there will be Federal uniformity.

I want to express my concern about lifting the limitation entirely. There would be no limit which the States would be required to follow regarding size and weight. That is my observation.

Mr. HANSEN. That is a valid observation. By way of response I would say that there are many approaches that might be used. We are simply trying to recognize what the situation is.

I have in my hand a map that I suspect may not be very discernible to most Members present at this moment. However, what it does is to depict by a color scheme the State single-axle load limits. It will be noted that there is designated in blue the Northeastern part of the United States and some of the Southeastern part, along with New Mexico that have a single-axle load limit of 20,000 pounds on highways. Those with red have between 18,100 pounds to 19,999 pounds and they include States generally in the East and immediately west and southwest from Wisconsin, including Iowa and Nebraska, if I read this map correctly. All the rest are limited for axle weight to 18,000 pounds.

No one has a greater interest in seeing that these highways stand up. I am sure the distinguished Senator from Washington knows that the Federal highway system is about 80 percent complete, and maybe a little more. It has been largely built to one Federal standard.

I think it will adequately carry weights much heavier than we have in the West. All we are asking is that the States may have control over policies and actions in those areas where it is not inappropriate.

Mr. JACKSON. I appreciate what the Senator has in mind. I fully respect his point of view. I simply raise this question as to the wisdom of taking the lid off, so as to speak, in an effort to correct that inequity. I think it is very clear that there is an inequity here. But should we take off the entire lid so that there is no limitation on size or weight insofar as States are concerned when we are talking about a Federal Interstate System? That is my only observation at this point. That is what troubles me.

Mr. HANSEN. I appreciate what the Senator says. If I could, I wish to make one further comment in response. The States are faced with the ever present responsibility and obligation of paying the full bill on the repair and maintenance of the Interstate System and they are going to be very concerned about whatever changes may be brought about by State action, but they will fully meet that responsibility, in my opinion.

I yield to the Senator from New York.

Mr. BUCKLEY. I just want to express the same concern expressed by the Senator from Washington (Mr. JACKSON). I could wholeheartedly endorse the amendment offered by the Senator from Wyoming if it would raise the national level to the 20,000 pounds that now prevails in certain parts of the country, but the possible safety complications and other complications which might be involved—I do not know—in totally lifting the limitation I think involves considerations which are important enough to make me feel that this is a matter that ought to be subjected to the normal committee procedure so that we might have the input of the relevant sectors of American society.

Mr. HANSEN. I could say that the Bureau of Public Roads, now the Federal Highway Administration, after years of study, recommended in 1964, that the single-axle limit be increased to 20,000 pounds and the tandem axle limit be increased to 34,000 pounds. In 1968, the Senate passed legislation to amend section 127 in accordance with the 1964 report. Unfortunately, that legislation was not considered by the House, although it was reported favorably by the House Public Works Committee.

I am not arguing the point; I simply state that as a matter of fact.

Mr. BENTSEN. Mr. President, I yield 10 minutes to the Senator from Vermont (Mr. STAFFORD).

The PRESIDING OFFICER. The Senator from Vermont is recognized for 10 minutes.

Mr. STAFFORD. Mr. President, I thank the Senator from Texas for yielding.

I take the floor to express my personal opposition to the amendment offered by the distinguished Senator from Wyoming—and I dislike to find myself in opposition to him because of my great admiration and liking for the Senator from Wyoming.

We have already heard of the long and controversial history of legislation dealing with the subject of larger buses and trucks and of the inability of the Congress to reach any agreement on the matter after prolonged study and debate. I submit that it would be inappropriate for the Senate to attempt to legislate this issue on the floor without the benefit of committee deliberations. Again, I remind you these are my personal views and not the views of the committee, since, so far as I know, the committee has taken no formal position on this matter.

In an effort to gain more information on this subject, I submitted a series of questions on the issue to administration officials during their appearance before the Transportation Subcommittee on the Highway Safety Act of 1973. Those hearings were held this week, after I learned of the prospect of the amendment of the Senator of Wyoming.

In an effort to gain more information on this matter, I submitted a list of questions to the National Transportation Board.

In response to some of my questions regarding the safety hazards posed by big trucks and buses on our highways, I have received the formal position statement of the National Transportation Board. The statement, dated March 14, 1973, was sent to me by former Maine Governor John H. Reed, who is Chairman of the Board. The National Transportation Board says it is opposed to the amendment before us because of the serious highway safety questions still unanswered. I would like to read the report to the Senate, so that my colleagues may be aware of the hazards involved, particularly to occupants of passenger cars. The letter of the chairman (Mr. REED) says in part:

> Attached is a copy of the National Transportation Safety Board's position in respect to Senator Hansen's amendment to S. 502, which would repeal certain vehicle weight and width limitations on the Interstate System.

And I might say parenthetically that if a State took no action, it would mean there would be no limits on either buses or trucks on their size, weight, or length in those States.

The effect of the amendment to S. 502 is to remove vehicle weight and width limitations on the Interstate System from Federal authority, and to permit whatever size and weight limits may result from actions of the individual States. Some of the States have already permitted increases in size and weight beyond the Federal limit, and the proposed amendment permits indefinite increases.

In 1969, the Safety Board provided comments to the House Appropriations Subcommittee on Transportation concerning H.R. 11870, a bill which would have provided for specified increases in width, sizes, and weights of trucks operating on the Federal highway system. At that time, the Board pointed out that the then proposed increases in sizes and weights of trucks would produce new stresses upon safety. The following needs were specified:

First. Better braking and hill climbing performance;

Second. Standards for improved coupling devices and control of jackknifing tendencies of tractor-trailer combinations;

Third. Standards for underride guards to prevent smaller vehicles from being demolished in collisions with larger trucks;

Fourth. Standards to control splash and spray generation on wet roads;

Fifth. Standards to control overturn stability; and

Sixth. Improved performance standards for truck tires.

The Board said in 1969 that all of the above items were desirable and should be developed and promulgated before consideration of the legislation which would have specified increased sizes and weights for trucks on the Interstate Highway system.

Since 1969, some efforts at these improvements have been begun, while there has been little progress in others. In addition, some other problems of trucking safety have come to the fore as a result of the accident investigation and studies.

Board accident reports and studies have pointed out the problem of incompatibility of braking performance between trucks and passenger cars where passenger cars were struck from the rear by trucks. Stopping distances for large trucks may be 50 percent greater than stopping distances for lighter vehicles. The best efforts of truck drivers cannot prevent these collisions, and passenger cars were overriden by trucks and crushed. The Board has recently recommended that the National Highway Traffic Safety Administration consider an experimental safety vehicle project aimed specifically at truck brakes for the purpose of raising their performance to the general level of passenger cars. The prevention of these accidents is a matter of fairness to the passenger car drivers, since available records indicate that when interstate trucks and passenger cars collide there will be approximately 40 fatalities among passenger car occupants for each fatality among truck occupants. Trucks are also less able to stop short of fixed objects or pedestrians.

The National Highway Traffic Safety Administration has recently initiated a rulemaking which would somewhat improve truck stopping distances, essentially by requiring that currently available equipment of good characteristics be employed. However, it does not approach compatibility. The effect of removing weight and width limitations would certainly be to increase weights and thus place further stresses on the braking systems. Stresses upon brakes are already being increased because of the higher truck speeds being permitted on the Interstate System.

The Board knows of no standards development effort to provide definable requirements for acceleration or hill climbing performance of trucks or for improved coupling devices or for the use of any of the more positive methods of controlling the jackknifing of truck and trailer combinations.

Underride guards for trucks, found desirable in Board reports, could provide compatible bumper heights with passenger cars, thus helping to prevent some of the worst effects of the size and weight disparity and the stopping distance override problem. The original proposal of NHTSA was withdrawn on the ground that the cost of the equipment was greater than the value of the lives saved. The Board's recommendation that the underride guards were needed in fairness to passenger car occupants who were suffering the vast majority of fatalities did not prevail. The disadvantage to passenger car occupants in these crashes will probably be increased freeing size and weight limits, and comprehensive underride guard standards are still needed with today's trucks.

The Safety Board has also recommended standards to control the overturn stability of trucks, following major accidents involving overturn of high center-of-gravity trucks. Studies of handling and stability of trucks are underway under NHTSA sponsorship, but no standards have been proposed. Increased weights of vehicles could produce higher center of gravity which will be hard to reverse once employed in service. The Board knows of no standards in preparation to control splash and spray generation of heavy trucks, although NHTSA is sponsoring research. Standards for truck tires are being prepared, and their effectiveness can be judged when they are issued.

The Board has also taken note of the overall statistical results from interstate trucking operations as derived from records of the Bureau of Motor Carrier Safety of the Federal Highway Administration. The fatality rate per 100 million vehicle miles has been falling over a 20-year period, as has the general highway fatality rate. However, the number of fatalities incurred for each 100 million miles of interstate truck operation is still about 2.4 times higher than the corresponding rate for all highway traffic; approximately 11.1 as compared to 4.5. In interstate trucking in 1970, only 16.5 percent of total fatalities were carrier drivers. Most of the rest were other highway users or bystanders.

Since the Board reviewed the question of truck widths and weights in 1979, there have been some improvements in truck safety standards, and others are in the research stage. However, there are still substantial remaining problems of unfairness to other highway users due to design or operating weaknesses of trucks correctible by standards.

The major tendency of increased sides and weights is to increase many of the stresses on safety. This was true of the 1969 proposal which specified the degree of size and weight increases, and the problem seems even more important in this amendment which provides no limit. The Safety Board, in 1969, opposed increases in sizes and weights until the standards had first shown that existing problems associated with sizes and weights could be alleviated. The Board must now oppose amendment No. 28 to S. 520 for the same reason.

I have also received a letter from William J. Hill, national chairman of the Fraternal Association of Steel Haulers. Mr. Hill contends that a majority of truck drivers he has talked to are opposed to the amendment before us. I ask unanimous consent that the text of the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Fraternal Association
of Steel Haulers,
Pittsburgh, Pa., March 13, 1973.

Hon. Senator Stafford,
U.S. Senate, Washington, D.C.

Dear Senator Stafford: It has been brought to my attention that there will be a debate regarding an amendment to the Federal Highway's Bill, to do away with Federal limitations on the size of trucks to be introduced to the Senate by Senators Hanson and McGee of Wyoming on Thursday, March 15, 1973.

Please be advised that as the National Chairman of F.A.S.H., I travel throughout the country, and speak to many truck drivers; and most always have discussions with them regarding the trucks they drive. Based on those discussions, I find that the overwhelming majority of the truck drivers I talk to are opposed to increasing the size of their trucks.

In behalf of the drivers I represent, and talk to, and also based on my personal experience as an ex-truck driver; I urge you to vote against the amendment that Senators McGee and Hansen introduce.

Sincerely,

William J. Hill,
National Chairman.

Mr. STAFFORD. Mr. President, I also ask unanimous consent to have printed in the Record a news release of the American Automobile Association in which the AAA announces its opposition to the pending amendment.

There being no objection, the news release was ordered to be printed in the Record, as follows:

Motorists' Safety Threatened Once Again By Maneuverings of Trucking Industry, Says AAA

Washington, D.C., March 13.—The trucking industry is driving full-throttle in a behind-the-scenes attempt to open the way for monster trucks on all the nation's highways threatening the safety of every motorist, the American Automobile Association charged today.

AAA Managing Director of Public and Government Relations John de Lorenzi said that an amendment to the 1973 Highway Act which Senators Clifford Hansen (R-WYO.) and Gale McGee (D-WYO.) will probably introduce on the Senate floor repealing federal truck size and weight limitations "is an affront to the public's right to have controversial issues affecting their health and safety fully aired before Congress."

The AAA spokesman said that in the previous three sessions of Congress efforts to liberalize truck size and weight limitations have failed "because of the glare of news media scrutiny and the resulting public outrage brought to bear on this dangerous proposal."

"Now the truckers are trying to tack their monster truck proposal onto needed highway legislation—without benefit of public hearing—in the hopes that this legislative sleight-of-hand will escape public attention," he continued.

The AAA official said that the trucking industry has been waging "guerrilla warfare" against size and weight limitations on both the federal and state levels. "Federal standards are the last barrier preventing the powerful trucking lobbies from having their way," de Lorenzi said. "If the federal restrictions are lifted completely, what hope does the motorist have that state legislators will be able to resist the intense pressure for relaxations of state standards which the truckers can bring to bear?"

The AAA spokesman said that the pending federal highway legislation already contains another potential bonaza for truckers in the form of a provision which would allow the construction of exclusive or preferential truck routes or lanes.

"These routes, constructed exclusively for the use of the trucking industry, would be paid for by all motorists," de Lorenzi said. "If the truckers want their private roads, the truckers should pay for them themselves, not ask the American public to finance their special privileges."

de Lorenzi said that AAA has been battling efforts to liberalize federal truck size and weight restrictions since 1968. He said that the 15-million-member organization would continue to oppose any changes in the current law "because there is not one iota of evidence to convince us that allowing longer, wider, and heavier truck trains on the public highways will be anything less than a menace to the motoring public."

"With the demonstrated trend to smaller, less powerful cars on the road," de Lorenzi said, "federal and state officials should be concerning themselves with making all highway vehicles more compatible, not less."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BENTSEN. I yield an additional 5 minutes to the Senator from Vermont.

Mr. STAFFORD. I thank the Senator.

Mr. President, the point, I think is clear. There are too many unanswered questions of safety—of survival on our highways—to act on this sweeping proposal at this time on the floor of the Senate. Our highway death toll is a national disgrace as it is. We should not take any action here today that may hinder our efforts to reduce that highway death toll.

I urge the Senate to reject the pending amendment.

Mr. HANSEN. I yield myself such time as I may need.

Mr. President, the question of safety is not germane to the amendment. I would point out that the Interstate Commerce Commission has complete jurisdiction over trucks on the Interstate System. That includes brakes, lights, driver hours, and all other safety factors.

Let me also point out that the Bureau of Public Roads quite well agrees with the distinguished Senator from Vermont (Mr. STAFFORD) in his concern for safety. The Bureau agreed back in 1968 that a high narrow truck is far more likely to overturn. They recommended that the overall widths be increased from 96 to 102 inches, in order that the loads could be nearer to the ground, so as to reduce the likelihood of a truck overturning.

I would point out also that despite the fact that Federal highway standards now, where applicable, impose a single axle weight limitation of 18,000 pounds, the State of Vermont has a single axle limitation of 22,400; that where a tandem axle weight limit according to Federal standards was 32,000 pounds, the State of Vermont, where the distinguished Senator who just spoke against my amendment hails from, and which he very ably represents in this body, has a weight limit per tandem axle trucks of 36,000 pounds. So it seems somewhat inappropriate to me that the question of safety should be raised by my good friend from Vermont, because I think that the action taken by the Bureau of Public Roads in urging that the width be increased and the action taken by the Senator from Vermont pretty well speak for themselves.

Mr. STAFFORD. Will the Senator yield me 1 additional minute?

Mr. BENTSEN. Mr. President, I yield the Senator 1 additional minute.

Mr. STAFFORD. The Senator from Wyoming, is quite correct. The axle limits of Vermont are as he described. They are larger in a number of States than are permitted on the Interstate; that is true.

I think there is an inequity in some of the States, including that of the Senator from Wyoming, that we must find some way to correct; but my point is, Mr. President, that I do not believe this is the way, as the Senator from Washington suggested, to do it.

It comes right down to this: That the operators of trucking concerns, as long as we have some reasonable limits on the Interstate System, are not generally going to buy trucking equipment which is larger than they can operate on the Interstate System. So, in Vermont and many States like it, while axle weights in the State might be permitted which are larger than on the Interstate, the truck operators, in fact, buy equipment which complies with the Interstate requirements, rather than the State law. The only really effective control over the size—the weight, the width, and height limits—of motor vehicles today is the Interstate System. At this point, I hope they can be retained.

Mr. HANSEN. Mr. President, my good friend from Vermont (Mr. STAFFORD) is not only right; he is fair, too.

I must say that truck equipment operators or owners will not buy bigger equipment, so what we are talking about are the two options before us.

On the one hand, if we want to go to 102 inches overall width, we can do that, and we can haul fiberboard or pasteboard or whatever—we are all concerned with the cost of living—and we can lay two 4-foot-wide sections down, if we want to deny ourselves that reasonable option. We can continue as we now do and it will take far greater numbers of trucks on the American highways today to move the same amount of material. I think that in itself endorses this amendment.

I think, further, the fact that we are faced with a fuel shortage indicates that we could do a far better job in saving money for everyone by reducing pollution, if we were to increase or to give this option back to the States, which must be very compelling for most of us.

The PRESIDING OFFICER. Who yields time?

Mr. HANSEN. I yield back my time.

The PRESIDING OFFICER. The Senator from Wyoming yields back his time.

The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BENTSEN. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I rise to oppose this effort to sidestep normal Senate procedures and to wipe out any Federal standards on the weight and size of trucks on the Nation's highways.

And I say on the Nation's highways because while this will apparently only affect the interstate route; in fact, it will affect primary, secondary, and other roads as well because these trucks cannot travel on the interstate alone.

And there is no limit at all on how high these ceilings can go under this amendment. At the start we may find all States matching the highest existing State limits. But once that happens, it will not stop. The truckers will get one State to boost its limits and then they will go State by State and put pressure on them to raise their limits. It will be one big merry-go-round and safety will be the loser.

But what is most disturbing is that while some increases might prove desirable for Western States under carefully prescribed circumstances, this amendment denies the Senate and the Congress the opportunity to judge the safety impact of this action—let alone the financial impact which could cost States and taxpayers billions of dollars to raise their road standards so they handle heavier trucks.

Where are the hearings? And where are the recommendations of the Bureau of Motor Carrier Safety of the Department of Transportation?

Every time in the past, when this has been attempted, we at least have had the benefit of hearings. I believe this measure should be sent back to committee for hearings and full consideration.

And I think part of the evidence of that is looking back at the action taken in 1968.

The committee did not wipe out all ceilings. It set specific limits and put in specific requirements after lengthy hearings.

Because after due consideration, everyone recognized the dangers involved in wiping out these Federal standards. We heard from the safety experts and we found that they recommended against changing these weight and size requirements—not forever, but until the roads and the trucks themselves were adequate.

For the National Transportation Safety Board found that substantial dangers existed in the trucks that are on the road today, dangers that would be accentuated by heavier and larger trucks.

They cited the absolute necessary to have better braking systems to handle the increased weight of trucks.

They cited the absolute necessity to have better acceleration to handle the increased weight for climbing hills.

They cited the absolute necessity for better coupling devices between truck and trailer.

They cited the absolute necessity for more improvement, particularly on heavier trucks, to handle the problem of jack-knifing.

They cited the absolute necessity to do something about the tendency of trucks to overturn and the danger from heavier and longer trucks through their impact on visibility and their increase in the time it takes to pass.

And they concluded by opposing heavier and wider trucks, opposing them until vehicle standards were enacted to handle the safety problems they had found from their study of truck accidents.

A year ago, they opposed wider buses for similar reasons. And they have indicated in a letter they still oppose this action.

But now we are being asked to erase from the books any Federal limits on these weights and sizes in the face of opposition from the National Transportation Safety Board and without the benefit of advice from the Bureau of Motor Carrier Safety of the Department of Transportation and without the testimony of outside groups who have expertise in this matter.

Besides these questions of safety, there are other questions as well. Senator Cooper, the distinguished former ranking member of the Senate Public Works Committee, raised these questions in 1968 when this matter came up.

And I would urge the Senate to consider them before acting on this amendment.

First, there is the question of cost. What will be the cost to the Interstate System itself from increasing the weight and size of trucks that travel across it. What will be the cost to the primary and secondary systems?

For in 1968 the Bureau of Public Roads estimated that the costs of raising limits to handle the heavier trucks on the interstate, primary, and secondary roads would be $3.7 billion. That cost would be over $4.5 billion in 1973.

And that cost would go higher as the unrestricted weights went higher.

The Bureau of Public Roads found that the impact on the roadways of increasing a 18,000-pound single axle truck to a 20,000 single axle produces a 50-percent greater impact on the road. And a 22,000-pound axle has 118 percent more impact than the 18,000-pound axle, more than double the impact.

That added stress is going to cost money in terms of new roadway construction and in terms of maintenance of existing highways.

In 1968, the Association of State Highway Officials estimated that the effect of raising these limits would be to reduce the remaining road life of State highways by 35 to 40 percent.

And they estimated that in addition to the increased costs on our non-Federal aid highways, there are increased dangers that their current construction will not be able to handle heavier trucks which would be traveling on their roads as well as on the Interstate System.

What will be the added costs to the States therefore, to provide heavier roadway bases, surface and shoulder areas? We do not have any estimates on this cost yet we will be imposing these burdens on States by lifting these weight and size limits just as surely as if we had voted them into effect ourselves.

And so I would urge for safety reasons, and for reasons of economics, as well as for reasons of traditional Senate procedures, that we reject this amendment.

Mr. McGEE. Mr. President, I support the amendment offered by my colleague from Wyoming and have joined as a sponsor. The proposal, if adopted, would simply permit the legislatures of my State and of seven other Western States to consider increasing weight limits on their interstate highways to the limits already in effect on their other State roads. If interstate axle ceilings were lifted in the Western States to the limits recommended in 1964 by the Federal Bureau of Public Roads, the maximum would still be less than that allowed in the Northeastern States.

Yet the Western States are far more dependent than the Eastern upon trucks for the transportation and delivery of essential goods and services. A casual glance at any railroad map will demonstrate my point. The East is heavily crisscrossed with railroads, but rail service in the West is relatively sparse.

Statistics obtained from the Rand McNally Commercial Atlas and Marketing Guide buttress my point. In my State of Wyoming, 56 percent of the communities have no rail service. In New Mexico, 75 percent of the communities have no rail service, and nearly 71 percent of the communities in Arizona lack rail service.

Mr. President, in the interest of brevity I shall not recite further statistics, but I ask unanimous consent that a summary of rail service to communities in 11 Western States be inserted in the Record at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

WESTERN COMMUNITIES WITH AND WITHOUT RAIL SERVICE

State	Communities with rail service	Communities without rail service	Total communities	Percent of communities without rail service
Arizona	119	289	408	70.8
California	710	1,393	2,103	66.2
Colorado	305	405	710	57.0
Idaho	240	176	416	42.3
Montana	363	193	556	34.7
Nevada	74	93	167	55.7
New Mexico	134	408	542	75.3
Oregon	227	476	703	67.7
Utah	136	257	393	65.4
Washington	467	556	1,023	54.3
Wyoming	115	149	264	56.4
Total	2,890	4,395	7,285	60.3

Source: Rand McNally Commercial Atlas and Marketing Guide.

Mr. McGEE. Mr. President, the summary shows that in the aggregate, 60 percent of the communities of these 11 States have no rail service. Motor carrier service in this area of the Nation is of critical importance, yet we are being penalized by the existence of a federally imposed freeze on our Interstate Highway System. In an effort to improve transportation efficiency and economy, the legislatures of eight of those States have enacted laws permitting greater weights on regular State roads than on the interstate highway system. As a result, we have the anomalous situation in which greater capacities are allowed on highways having lesser design standards. This makes no sense.

We are asking only for the privilege of returning to the States the right of self-determination on the matter of interstate highway sizes and weights. The States had that authority from the time of the first post roads to the date of enactment of the Federal-Aid Highway Act of 1956. Even with the passage of that statute, and the creation of the Interstate Highway System, Congress recognized that maximum weight limitations for vehicles using the highways are fundamentally a problem of State regulation.

Mr. President, I have received a considerable amount of mail from my State in support of this amendment. As a typical example of this correspondence, I ask unanimous consent that the following two letters be included as part of my remarks. The first communication is from Mr. H. T. "Ted" Neuman, president of the Neuman Transit Co., Inc., of Rawlins, Wyo., who sets forth quite clearly a typical example of the situation as it exists today in many of our States and illustrates the additional burdens and costs which are placed upon the flow of commerce. The second letter is from Capt. J. D. Maxted, eastern zone commander of the Wyoming State Highway Patrol. It is an excellent summary of the many problems that have been created by the "grandfather clause" and the antiquated freeze that was placed upon the size and weight of trucks by the 1956 act. The texts of the letters are as follows:

Thanks for your support in introducing Senate Bill 839. This bill is very important to myself and the survival of Neuman Transit Company, Inc. At the present time with five axle units we are hauling a gross pay load of 79,900 lbs. on the primary and secondary highways of Wyoming. With seven axle units, a gross weight of 101,000 lbs., and we are running three of this type unit intrastate in Wyoming. There is no need to mention the comparison of our Wyoming primary and secondary highways against the intrastate system in Wyoming.

When we travel on the interstate, we are limited to a gross weight of 73,950 lbs. For example, we are now involved in transporting asphalt from Pasco, Inc., Sinclair, Wyoming, to Mack, Colorado (west of Grand Junction). There is $200,000 in freight revenue in this job, and it is, as far as I know, the largest asphalt job ever let in the State of Colorado or Wyoming. Because we travel from Sinclair to Creston Junction (26 miles) and turn south off the interstate we are limited to a gross pay load of 73,950 lbs., a difference of 6,000 lbs. per load. On the Mack, Colorado job alone there will be a difference of $16,000 in freight for the same number of loads hauled. This is the difference to our company between profit and loss on this particular job. We have no problem in Colorado as their gross pay load is over 79,900 lbs. Colorado's gross weights were higher at the time of the Federal freeze. In Utah where we also do considerable business you can buy a 90-day overweight permit for $12.50, which will allow you a gross pay load of 83,895 lbs. on the interstate system. Due to increased costs involving labor increases, and increased costs of materials, equipment, supplies, taxes and other expenses, it is imperative to our company that the Federal freeze on size and weight limits be removed. Sincerely yours, Newman Transit Co., Inc., H. T. (Ted) Neuman, President.

I would respectfully request your support in expressing my feelings toward the passing of your bill, S-839, which would repeal the size and weight limits on the Interstate Highways.

Having been in the enforcement end of this and other related laws for the past 26 years, I feel that I am closely acquainted with the problems that exist due to this federal freeze.

This freeze has caused many problems,

> frustrations, misconceptions, and economical problems with people from many walks of life; including Legislators, Attorney Generals, Highway Department Superintendents, and Engineers, Patrol Director and staff, truckers in all categories, and the many Wyoming State Highway Patrolmen trying to enforce up to three various regulating weight tables and measurements; plus the many opinions from all involved.
>
> I for one appreciate both your and Senator Hansen's lead in the nation in trying to bring this federal control back to the states and let the states set their own limits in these regards; and if this can be done all other states should say thanks to Wyoming's two fine Senators. Respectfully, Captain J. D. Maxted, Eastern Zone Commander, Wyoming State Highway Patrol, Casper, Wyoming.

The pending amendment would make that recognition a practical reality. Mr. President, the amendment would also carry out the President's policy to return to the States jurisdiction over a wide range of matters that for years have been of limited Federal concern. I urge its adoption.

Mr. STEVENSON. Mr. President, I am concerned that those who offer this amendment argue for its passage on the grounds that the Congress in 1956 created a crazy quilt pattern unfair to some States. I do not hear expressed a concern for the merits of the proposal—what the proper weight and size limits should be, or what the effects of eliminating the current Federal standards would be on highway safety. Those most concerned with highway safety, such as the American Automobile Association and organizations of truck and bus drivers, oppose this amendment, for they legitimately fear what would happen if we did allow wider and higher limits on our Interstate System.

There are grave questions about the safety implications of allowing higher standards. We are all aware of the "blast effect" of a small vehicle passing a large truck at a fast speed. This effect works on a logarithmic basis, and even a rather slight expansion of the weight and size of a truck could lead to a much higher "blast effect."

If a 102-inch width limitation were established instead of the present limitation, there would be only a 1-foot leeway from the edge of a truck or bus traveling the center of an interstate lane to the end of the lane. Traffic accidents are often averted by a matter of inches, and with the high speeds on the interstate, I am gravely concerned about the increased chances for accidents. Imagine one of these larger trucks or buses passing another with inches to spare. I would prefer not to imagine the possible accidents, especially of buses with many passengers or trucks with highly volatile materials aboard.

I would be loathe to vote for this amendment even if we had all the facts before us as to its possible ramifications. But we do not have the committee's considered report language or evidence on this matter, and as I understand it, there has never been a detailed factual study of what the effects of different limits might be. Such a study is going on at the present time in the Department of Transportation. Surely we can wait at least until we have the benefit of the information which such a study can provide.

Moreover, it is highly doubtful that the people of this country want such a change. During the 92d Congress I received over 530 letters from my constituents on the subject of altering the present limitations on the width of buses. Only eight of these letters favored wider buses.

The evidence is unclear on the merits of allowing broader standards, and the people in general, and in particular those people who are most directly concerned—auto, truck, and bus drivers—oppose wider and higher standards.

For these reasons I must oppose this amendment and urge that it be defeated.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BARTLETT). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Wyoming (Mr. HANSEN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I announce that the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. MONDALE), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. Mr. President, I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

If present and voting, the Senator from Kentucky (Mr. COOK), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. SAXBE) would each vote "yea."

The result was announced—yeas 23, nays 67, as follows:

[No. 41 Leg.]

YEAS—23

Aiken
Bennett
Bible
Cotton
Curtis
Dominick
Fannin
Fong
Goldwater
Hansen
Helms
Hollings
Hruska
Inouye
Magnuson
McClure
McGee
Moss
Randolph
Scott, Pa.
Stevens
Tower
Young

NAYS—67

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bentsen
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Eagleton
Eastland
Ervin
Fulbright
Griffin
Gurney
Hart
Hartke
Haskell
Hathaway
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McGovern
Metcalf
Montoya
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Va.
Sparkman
Stafford
Stevenson
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams

NOT VOTING—10

Bellmon
Cook
Gravel
Hatfield
Huddleston
McIntyre
Mondale
Muskie
Saxbe
Stennis

So Mr. HANSEN's amendment was rejected.

Mr. GURNEY. Mr. President, I send an amendment to the desk on behalf of myself and Senators BEALL, JAVITS, and BUCKLEY, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 118, beginning on line 25, in Sec. 147, delete that sentence which reads as follows: "During the period in which such study is being conducted, the Secretary is authorized to suspend any increases in tolls which may be proposed or imposed for toll bridges over the navigable waters of the United States."

Mr. GURNEY. Mr. President, section 147 of the bill on page 118 provides for a study of toll bridge authority. This is directed to find out whether there are just and reasonable tolls being charged on bridges that go over navigable waters. This is a worthy project and I have no quarrel with it. However, the very last sentence in the section states that during the period the study is going to be made, the Secretary would be authorized to suspend any increases in tolls that may be proposed or imposed over the bridges that go over navigable waters.

This poses problems for the State of Florida and also for some of the other States. I shall not labor the matter beyond pointing out that in Jacksonville, Fla., we have a bridge authority that has erected and controls four bridges built with local money, not Federal money. They were erected before the Interstate System. The city of Jacksonville proposes to increase the toll on the four bridges in order to erect a fifth bridge which is of vital importance to the economy of Jacksonville.

Of course, if the Secretary exercises his authority which he would be given in this bill, it would kill going ahead with this toll bridge in Jacksonville pending the study. That is why the Senator from Florida would prefer to have this taken out of the bill. I have cleared this with the chairman and the managers of the bill, and they are agreeable.

Mr. JAVITS. Mr. President, will the Senator from Florida yield?

Mr. GURNEY. I yield.

Mr. JAVITS. The situation in New York is exactly as the Senator from Florida has described it in his State. In New York, self-financing has produced a world-famous series of bridges, under the gifted direction of Robert Moses. They have been able to do extraordinary things, like putting a new deck on the George Washington Bridge. They also built a new bridge across the Narrows, all because of the capabilities inherent in this system.

There are adequate remedies in court and by statute if there is any overreaching with respect to tolls and the public interest. I hope very much that the committee may see fit to allow self-help to continue along this line.

I support the amendment of the Senator from Florida and hope that it will be agreed to.

Mr. GURNEY. I thank the Senator from New York for his contribution.

Mr. BEALL. Mr. President, I also want to support the amendment of the Senator from Florida, because the situation in Maryland is similar to that in his State, and also in New York. We have an authority which is responsible for the Chesapeake Bay bridges, and for the building of the Baltimore Harbor Tunnel. Now there is planned a harbor crossing.

If this language is allowed to stay in the bill, it will raise serious questions, because even though the Secretary may not ever exercise the authority that would be given him under the language now in the bill, it would cast a shadow on the ability of the Bond Council to make bond sales. Therefore, I think it is in the best interests of all of those interested in self-financing of bridge structures to have this language in the bill eliminated.

I, therefore, join the Senator from Florida in support of his amendment.

Mr. GURNEY. Mr. President, I thank the Senator from Maryland for his remarks and reserve the remainder of my time.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GURNEY subsequently said: Mr. President, I send an amendment to the desk, on behalf of myself and Mr. JAVITS, Mr. BEALL, and Mr. BUCKLEY, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 118, line 14, after "SEC. 147," insert "(a)"; and, in line 25, after the period, delete all through line 3 on page 119 and insert the following:
>
> "(b) The Secretary shall establish by regulations, procedures which will implement his responsibilities under 33 USC § 526 regarding rates of tolls."

The PRESIDING OFFICER. The amendment is not in order until the original amendment is withdrawn.

Mr. GURNEY. Mr. President, it was my understanding that the original amendment had been withdrawn when I was outside the Chamber.

I ask unanimous consent that the previous amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GURNEY. Mr. President, this amendment would take out the last section of section 147, page 118, and add the language:

> The Secretary shall establish by regulations, procedures which will implement his responsibilities under 33 United States Code section 526 regarding rates of tolls.

This language we have worked out with the distinguished Senator from New Jersey who is very concerned about the language in order to take care of a situation in his own State.

At this time I yield to the Senator from New Jersey so that he can comment on this particular amendment.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. WILLIAMS. I thank the Senator for yielding.

The need for this language in the legislation arose from of a development we had with toll bridges between New Jersey and Pennsylvania where the operating authority increased the tolls. Under the law the Secretary has the responsibility to make a finding of the reasonableness of questionable increases in tolls. However, this increase went into effect before it was administratively determined whether the toll was fair or not.

It was the feeling of the Senator from New Jersey that there should be an expedited hearing on the issue of whether toll increases are just and reasonable. During that period the proposed toll increase should not go into effect, and the increase should be suspended until there is a final determination of the issue. This should not be a long period of time. Under expeditious rules and regulations, the decision should be made and a reasonable toll could then be imposed. I think this language should make that procedure possible under the regulations that the Secretary is now directed to promulgate under the law.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. BENTSEN. Mr. President, the language as amended appears to do no violence to the objective of the original language and the committee has no objection to it. The floor manager would be willing to take it to conference.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. JAVITS. Mr. President, I am very pleased to hear that statement by the manager of the bill. Our feeling was we could not go the route specified for many reasons, especially the one emphasized by the Senator from Florida (Mr. GURNEY) respecting the opportunity to utilize tolls constructively and the one recognized by the Senator from Maryland (Mr. BEALL) respecting the difficulty of raising money by bond issues. But I believe here we give every opportunity to expedite the proceedings. There is important authority already in the law. I am very pleased to see the controversy resolved in this way.

Mr. GURNEY. I thank the Senator from New York and also the Senator from Texas, the floor manager of the bill, for taking the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar numbers 72 through 80, all of which have been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE

The Senate proceeded to consider the resolution (S. Res. 45) authorizing additional expenditures by the Committee on Commerce for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments on page 2, after line 8, strike out:

> SEC. 3. For the purposes of this resolution the committee, or its chairman, from March 1, 1973, through February 28, 1974, is authorized in its, or his discretion, (1) to require by subpena or otherwise that attendance of witnesses and production of correspondence, books, papers, and documents; (2) to hold hearings; (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate; (4) to administer oaths; and (5) take testimony, either orally or by sworn statement.

At the beginning of line 18, change the section number from "4" to "3"; and, at the beginning of line 22, change the section number from "5" to "4"; so as to make the resolution read:

> *Resolved,* That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, or any subcommittee thereof, is authorized from March 1, 1973, through February 28, 1974, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.
>
> SEC. 2. The expenses of the committee under this resolution shall not exceed $1,300,000, of which amount not to exceed $10,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).
>
> SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1974.
>
> SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–65), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 45 as referred would authorize the Committee on Commerce, or any subcommittee thereof, from March 1, 1973, through February 28, 1974, to expend not to exceed $1,300,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $10,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the second session of the 92d Congress the committee was authorized by Senate Resolution 245, agreed to March 6, 1972, to expend not to exceed $1,233,800 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1973 (funds returnable to the Treasury), will be approximately $20,000.

The Committee on Rules and Administration has amended Senate Resolution 45 by striking out the following section—

"Sec. 3. For the purpose of this resolution the committee, or its chairman, from March 1, 1973, through February 28, 1974, is authorized in its, or his discretion, (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents; (2) to hold hearings; (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate; (4) to administer oaths; and (5) take testimony, either orally or by sworn statement."

and renumbering the subsequent sections accordingly. This action has been taken by the committee since it considers such section to be unnecessary, inasmuch as the subpena and other powers enumerated therein are granted to all standing committees of the Senate uniformly by the Legislative Reorganization Act of 1946, amended. Section 134(a) of that Act provides as follows:

"Sec. 134. (a) Each standing committee of the Senate, including any subcommittee of any such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to take such testimony and to make such expenditures (not in excess of $10,000 for each committee during any Congress) as it deems advisable. Each such committee may make investigations into any matter within its jurisdiction, may report such hearings as may be had by it, and may employ stenographic assistance at a cost not exceeding 25 cents per hundred words. The expenses of the committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman."

A letter (with accompanying budget, and a committee print expressing the goals of the Committee on Commerce for the 93d Cong., 1st sess.) in support of Senate Resolution 45, addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Warren G. Magnuson, chairman, and Senator Norris Cotton, ranking minority member, of the Committee on Commerce, as follows:

U.S. Senate,
Committee on Commerce,
Washington, D.C., February 5, 1973.

Hon. Howard W. Cannon,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On Monday, the Senate Committee on Commerce reported its annual funding resolution for the first session of the 93d Congress (S. Res. 45).

To assist you and the members of the Rules Committee in evaluating the resolution, we are attaching the detailed budget in accordance with the instructions of your committee.

The modest increase in funds requested by the committee in Senate Resolution 45 over that of Senate Resolution 245, 92d Congress, second session, is accounted for by the statutory wage increase effective this past January and contingency funding for additional minority staff.

A detailed statement by the chairman of the projected goals of the committee for the first session will follow shortly.

Sincerely yours,

Warren G. Magnuson,
Chairman.
Norris Cotton,
Ranking Minority Member.

A HISTORY OF THE COMMITTEE ON FINANCE

The resolution (S. Res. 73) authorizing the printing of a history of the Committee on Finance as a Senate document was considered and agreed to, as follows:

Resolved, That a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document, and that there be printed four thousand additional copies of such document for the use of that committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–66), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Senate Resolution 73 would provide (1) that a compilation of materials relating to the history of the Committee on Finance be printed with illustrations, as a Senate document; and (2) that there be printed 4,000 additional copies of such documents for the use of the Committee on Finance.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$6,086.00
4,000 additional copies, at $299.37 per thousand	1,197.48
Total estimated cost, S. Res. 73	7,283.48

TRIBUTE TO LAW ENFORCEMENT OFFICERS

The joint resolution (S.J. Res. 11) to pay tribute to the law enforcement officers of this country on Law Day, May 1, 1973 was announced as next in order.

Mr. HOLLINGS. Mr. President, each day, the law enforcement officers of our country face formidable challenges in protecting our rights and property. They are charged with the duty of upholding and enforcing our laws, and they meet this difficult and dangerous obligation with courage and dedication. They have earned our praise and our appreciation.

In 1961, Congress designated each May 1 as Law Day, and for the past 10 years this program has been marked by various programs centered on national freedom and rights under the law. During the 92d Congress I introduced Senate Joint Resolution 169 providing that on May 1, 1972, special emphasis would be given by us to the law enforcement officers whose devoted service has helped to preserve and guarantee our individual rights under the law. The resolution passed, but unfortunately it was not signed into law until 2 days before May 1, 1972. This was too late to assure a full-fledged program.

In order to afford adequate planning time, we should start now so that May 1, 1973, can be an occasion to reflect upon the debt of gratitude we owe to the law enforcement personnel. Accordingly I introduced Senate Joint Resolution 11 to designate May 1, 1973, as a day to pay tribute to the law enforcement officers of our Nation, and I ask my colleagues to favorably consider it now.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas the first day of May of each year was designated as Law Day, U.S.A., and was set aside as a special day of celebration by the American people in appreciation of their liberties and in reaffirmation of their loyalty to the United States of America; and of their rededication to the ideals of equality and justice under law in their relations with each other as well as with other nations; and for the cultivation of that respect for law that is so vital to the democratic way of life: Be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in the celebration of Law Day, May 1, 1973, special emphasis be given by a grateful people to the law enforcement officers of the United States of America for their unflinching and devoted service in helping to preserve the domestic tranquillity and guaranteeing to the individual his rights under the law.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–68), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE

The purpose of the joint resolution is to pay tribute to law enforcement officers of the United States on Law Day, May 1, 1973.

STATEMENT

The law-enforcement officers of this Nation face formidable challenges in protecting our rights and property. They are charged with the duty of upholding and enforcing our laws, and they meet this difficult and dangerous obligation with courage and dedication. They have earned our praise and our appreciation.

In 1961 Congress designated each May 1 as Law Day, and since that time this program has been marked by various programs centered on national freedom and rights under the law. This seems to be a particularly appropriate occasion to reflect upon the debt of gratitude we owe to the law-enforcement personnel whose efforts guarantee this national freedom and rights under the law. Accordingly this joint resolution asks that on May 1, 1973, special emphasis be given by us to the law-enforcement officers whose devoted service has helped to preserve and guarantee our individual rights under the law.

The committee is of the opinion that this resolution has a meritorious purpose and accordingly recommends favorable consideration of Senate Joint Resolution 11, without amendment.

MANUELA C. BONITO

The bill (S. 278) for the relief of Manuela C. Bonito, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Manuela C. Bonito shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–70), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Manuela C. Bonito. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction.

MARY DANOS NAYAK

The bill (S. 537) for the relief of Mary Danos Nayak, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 301(a)(7) of the Immigration and Nationality Act, Mary Danos Nayak shall be held and considered to have been physically present in the United States prior to May 10, 1971, for a period of ten years, five years of which were after attaining the age of fourteen years.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–71), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to transmit U.S. citizenship to her daughter.

SLOBODAN BABIC

The bill (S. 666) for the relief of Slobodan Babic, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Slobodan Babic shall be held and considered to be the natural-born alien son of Petar Babic, a citizen of the United States: *Provided,* That the natural mother of the beneficiary, shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–72), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to qualify for first-preference status as the unmarried son of a citizen of the United States.

KUAY TEN CHANG

The Senate proceeded to consider the bill (S. 89) for the relief of Kuay Ten Chang (Kuay Hong Chang), which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Kuay Ten Chang (Kuay Hong Chang) shall be held and considered to be within the purview of section 203 (a) (2) of that Act and the provisions of section 204 of that Act shall not be applicable in this case.

The amendment was agreed to.

The bill, was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–73), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to preserve second-preference status in behalf of the widower of a lawful permanent resident of the United States, which is the status to which he would be entitled were it not for the death of his wife. The bill has been amended in accordance with established precedents.

GUIDO BELLANCA

The Senate proceeded to consider the bill (S. 464) for the relief of Guido Bellanca, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the word "this", strike out "Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act" and insert "Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Guido Bellanca shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–74), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Guido Bellanca. The purpose of the amendment is to delete reference to the payment of a visa fee and a visa number deduction, inasmuch as the beneficiary had his status adjusted to permanent residence on October 13, 1958, at which time the visa fee was paid and a visa number was deducted.

NAOYO CAMPBELL

The Senate proceeded to consider the bill (S. 84) for the relief of Naoyo Campbell, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Mrs. Naoyo Campbell, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 24 of such Act shall not be applicable in this case.

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Mrs. Naoyo Campbell."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–75), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill as amended is to grant the status of an immediate relative to Mrs. Naoyo Campbell which is the status she would be entitled to were it not for the death of her husband, a citizen of the United States. The bill has been amended in accordance with established precedents.

LENORA LOPEZ

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 69.

The **PRESIDING OFFICER.** The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 280) for the relief of Lenora Lopez.

The **PRESIDING OFFICER.** Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, the proviso to section 101(b)(1)(E) of that Act shall not be applicable in the case of Lenora Lopez.

The amendment was agreed to.

The bill was ordererd to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Lenora Lopez."

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to cal the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

FEDERAL AID HIGHWAY ACT OF 1973

The Senate continued with the consideration of the bill (S. 502) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the amendment offered by the distinguished Senator from Florida be temporarily laid aside.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

THE COTTON AMENDMENT

Mr. NELSON. Mr. President, I regret very much that I will be unable to be here for the discussion on the amendment regarding a proposed interstate highway segment through Franconia Notch in New Hampshire. I must leave to conduct hearings in Wisconsin on legislation as chairman of the Manpower and Poverty Subcommittee. However, I would like to express my opposition to any amendment which would exempt this proposal in any way from full consideration of its environmental impact and of requirements in Federal law to protect park land wherever possible from any highway development.

The Highway Action Coalition has prepared an explanation of the issues in this matter and I ask unanimous consent that a copy of their explanation and of a Department of Transportation press release on the Secretary's opposition to interstate highway construction through this site be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEW HAMPSHIRE-FRANCONIA NOTCH-BRIEFING MATERIAL

BACKGROUND—THE ROAD AND THE NOTCH

For some time Interstate 93 has been controversial in the State of New Hampshire. The State of New Hampshire had proposed to locate I-93 directly through Franconia Notch State Park. The four lane interstate would link the existing southern portion of the interstate which now terminates south of North Woodstock (No. 1 on map) to the existing northern portion, which now terminates less than a mile northeast of the park.

Franconia Notch State Park contains the famous "Old Man of the Mountain" and is one of the region's most spectacular scenic resources.

Under the auspicies of the Society for the Protection of New Hampshire Forests the land was purchased for a State Park partly through nationwide subscription in 1928. The site has been declared by the Department of Interior as eligible for Registration as a Natural Landmark. Park visitation approaches the volumes of Yellowstone National Park and Mount Rushmore Memorial. Conservationists have been concerned that the interstate highway proposed through the Notch would cause landslides, rock damage and would create an unwelcome intrusion of noise, air pollution and concrete into the Park environment. It would also consume a large part of the usable land on the floor of the narrow valley.

BACKGROUND—SECRETARIAL DECISION

In early March 1970, Secretary Volpe refused to approve for construction a section of Interstate Highway 93 through Franconia Notch State Park in New Hampshire. Precluded from construction was the section from a point approximately one mile south of Woodstock to the already constructed two-lane section just north of Franconia Notch. The Secretary's decision was based on his responsibilities under Section 4(f) of the Department of Transportation Act and the National Environmental Policy Act of 1969 and his conclusion that projected traffic volumes did not require a full scale Interstate through the Notch. Although Franconia Notch was a natural corridor from a strictly transportation viewpoint, the *through* traffic volumes would be low (about 800 ADT) and the environmental damage severe.

In a March 2, 1970, letter to the New Hampshire Commissioner of Public Works and Highways (copy of letter attached), Secretary Volpe noted that construction of this proposed highway was to be indefinitely postponed. The Secretary offered assistance to the State for safety and tourist use improvements on existing Highway 3, such as better turn outs in the Notch, and for a smooth transition from I-93 south of the Notch to a connection north westerly to I-91, as necessary and desirable for an alternative route. Secretary Volpe reaffirmed his decision in fall, '72 that a route through the Notch would not be acceptable. The State has done nothing on the studies suggested by Secretary Volpe.

PRESENT STATUS

1. *Construction South of the Notch*—was approved as part of the 1970 decision will create smooth transition between I-93 and existing Route 3; Nov. '72—a major rockslide covered an unfinished section on I-93 near Woodstock; slide caused by blasting which weakened a granite ledge 12 miles south of the Notch (this reinforces the concern of groups opposing the I-93 proposal through the Notch).

2. *Construction North of the Notch*—involves widening of portion of I-93 from two lanes to four lanes, on existing right-of-way—proceeded without consultation with Office of the Secretary opponents considering it a "foot in the door" approach to forcing construction of I-93 through Notch not explicitly dealt with in 1970 decision.

3. *Any future transportation proposals in Woodstock to Franconia Area*—must consider how to serve the 80% of the traffic bound for Franconia Notch area (ADT 1980 about 4,000); will require preparation of an environmental impact statement involving full consideration of alternatives. Secretary Volpe provided assurance that all actions in this area will be closely monitored by the Acting Federal Highway Administrator and the Assistant Secretary for Environment and Urban Systems (now Assistant Secretary for Environment, Safety, and Consumer Affairs). The Environmental Protection Agency has also expressed major interest in this case.

4. *Alternatives for the Interstate*—Alternatives that have been given some consideration by various groups include (1) a tunnel under Eagle Mounatin to the east of the Notch (#3 on map), (2) a westerly route through Kinsman Notch, south of Franconia Notch (#4 on map), and (3) a route from Plymouth along the Baker River and Route 25 northwesterly, either tying into I-93 at Littleton (#5 on map), or tying into I-91 above Bradford (#6 on map). The tunnel route could be extremely costly, but widely varying estimates have been made. The Kinsman Notch ruote would cross difficult terrain and could create water supply problems for local communities. The route from Plymouth would apparently not have adverse environmental effects, but the already constructed interstate mileage north to Woodstock would be left as a spur, and traffic to the Notch would have to continue to use Route 3 or a new transportation system developed to serve visitors to the Notch from an intercepting point at the terminus of I-93, north and south of the Park.

5. The State/FHWA are currently preparing a final EIS for I-93 from Littleton, N.H., to St. Johnsbury, Vermont (north and west of the Notch).

SECRETARY'S OPPOSITION

Secretary of Transportation John A. Volpe today took steps to preserve the scenic and historic Franconia Notch in New Hampshire's White Mountain National Forest by refusing to approve Interstate Highway construction through the site.

"This area, site of the famous Old Man of the Mountain rock formation, is one of the scenic treasures of New England and a valuable recreation resource for both summer and winter visitors," Secretary Volpe said.

"I am indefinitely postponing the construction of this section of Interstate 93, which links Boston and Montreal, and do not plan to consider it further at this time. My responsibilities under Section 4(f) of the Transportation Act and under the Environmental Quality Act require that I review every project and program to insure minimum impact on the environment."

Secretary Volpe pointed out that traffic forecasts for that section of the highway do not at this time demand a highway constructed to Intertsate standards.

Interstate 93 is designed to cross New Hampshire from south to north. The area in question would have linked that portion of Interstate 93 which now ends north of Woodstock, New Hampshire, with another section of the highway proceeding from the Notch to Littleton, New Hampshire, and ultimately to St. Johnsbury, Vermont.

Proposals to construct I-93 through Franconia Notch have led to debates between conservationists and sportsmen and those who use the corridor for north and south highway travel. Conservationists and sportsmen argued that it was not appropriate to use the Notch, nationally recognized as an area of great beauty and recreational importance, as a major Interstate highway corridor.

Studies funded by the New Hampshire State Highway Department and the Department of Transportation's Federal Highway Administration have indicated that traffic in this area will be too light to justify constructing a highway and possibly damaging the scenic quality of the area through which the highway would pass.

A section of the highway north of Franconia Notch already has been improved because U.S. Highway 3, which roughly parallels the proposed Interstate highway, was too deteriorated to handle the traffic load, Secretary Volpe said.

U.S. Highway 3 will be restored to improve the safety of the road and to provide better turnouts and shoulder areas for use by tourists who visit the area.

In addition, should the New Hampshire State Highway Department desire, the Department of Transportation's FHWA has indicated its willingness to improve or develop an alternate route which would proceed from Woodstock northwesterly to connect with Interstate 91 south and west of Franconia Notch.

Mr. COTTON. Mr. President, I call up my unprinted amendment, a copy of which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. COTTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and I will carefully explain it.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 127, immediately after the last section of Title I, insert the following new section:

"INTERSTATE CONSTRUCTION IN RURAL AREAS

SEC. —. In order to facilitate the construction of the Interstate System in any rural area,

"(a) where a segment or a portion of such system of not more than twelve (12) miles is essential to the development of a connected National System of Interstate and Defense Highways;

"(b) where such segment or portion will provide for substantially increased safety of highway travel and assist in the social and economic development of such rural area; and

"(c) where a State, acting through its Governor, State Legislature, Department of Public Works and Highways, and Congressional delegation, has formally requested the Secretary to approve the construction of such segment or portion of the Interstate System and action by the Secretary has resulted in the postponement of construction, it is the sense of the Congress that the Secretary shall give reconsideration to the request of such State to approve the construction of a parkway for such segment or portion as an appropriate connection, notwithstanding any requirement of title 23, United States Code, otherwise requiring a multipurpose highway."

Mr. COTTON. Mr. President, I yield myself 5 minutes to explain the amendment, which I am hopeful will be acceptable to the managers of the bill for the committee.

Although my amendment is expressed in general terms, I want to say frankly that, so far as I know, it can apply only to one case which is unique, and which is in my own State of New Hampshire.

Most Senators who have enjoyed the beauties of New Hampshire, the most beautiful State in the Union, may, at some time in their careers, have passed through Franconia Notch and looked up and seen the Great Stone Face, as it is called by some people, or the Old Man of the Mountain, as it is called by many people in my State. It is one of the most beautiful sights and one of the most scenic splendors of our State, of which we are very proud and of which we are most careful.

When traveling north on Interstate Highway 93 from Boston, Mass., through New Hampshire and on across northern Vermont, the only way one can go directly through the White Mountains is through Franconia Notch, which is the Notch presided over by the Great Stone Face.

There was some controversy between citizens who, deeply and justifiably dedicated to protecting the environment, were concerned about damaging the scenic beauty of the Notch, and those who, realizing we have no train service in New Hampshire and practically no air service, felt that this highway improvement had to go through the only way it could—through the Notch. While the controversy was going on, four lanes of Interstate Highway were built right up to the Notch, and then stopped. It was built to the Notch and stopped, so that for some 12 miles at the present time the people traveling north or south are suddenly——

Mr. PASTORE. Mr. President, may we have order in the Senate? I would like to enjoy this trip.

The PRESIDING OFFICER. The Senate will be in order. Senators will please be seated. The Senator from New Hampshire is entitled to be heard. The Senator from New Hampshire is recognized.

Mr. COTTON. I thank the Senator from Rhode Island (Mr. PASTORE). At the present time, there is a real hazard existing at the Notch, because the heavy traffic in the summer and in the winter during the skiing season is suddenly thrown into a narrow, one-lane highway.

This matter was all thrashed out by my State. Both houses of the Legislature of the State of New Hampshire, after holding extensive hearings, approved constructing the interstate highway through the Notch. The then Governor approved it. The highway department approved it. Both U.S. Senators approved it. My colleague, the distinguished Senator from New Hampshire (Mr. MCINTYRE), who is unavoidably absent today since he had to travel out of the city, joined with me. We both approved it. Both of New Hampshire's Congressmen approved it.

But, as I stated earlier, there were objections by those who were concerned about the environmental aspect impact of the proposed construction.

It was with this background that we came down to Washington soon after Mr. Volpe became Secretary of Transportation to be heard on this matter. The Governor came down. The President of the New Hampshire Senate and Speaker of the House, the State highway commissioner, and the two U.S. Senators and two Congressmen were present at this meeting. We all went down and had a hearing to express the desire of New Hampshire. All precautions had been taken. No hazard to the natural objects up there from blasting or otherwise would have to be faced, because the new lane would be on the opposite side of the Notch—from the side of the Old Man in the Mountain.

Now, Mr. Volpe sought to be fair. But, the Secretary of Transportation rejected the request of our delegation—the two U.S. Senators and two Congressmen, the highway commissioner, the legislature of New Hampshire—and the highway was not able to be constructed through the Notch.

In fairness to the Secretary of Transportation I want to say that, pursuant to the requirements of title 23, United States Code, it would have to be a multipurpose highway open for use by commercial traffic, such as trucks. It would not be for the more limited use my amendment proposes. So we were delayed at that time, and we made no further effort.

Now, my good friend, Mr. Volpe, is in Rome as our ambassador. I truly hope he is enjoying himself, knowing as I do how much he looked forward to his new assignment. We were good friends and he came to me before he left. He thanked me for courtesies to him and I thanked him for courtesies to me. And, as he was leaving my office, I said in good humor, "John, I will have this highway matter before the Senate before you are gone 2 weeks." He smiled and waved his hand, saying goodbye to me.

The purpose of my amendment is to accomplish just two things. It expresses the sense of Congress that the new Secretary of Transportation shall give reconsideration to the application of the New Hampshire Legislature and its Governor. And, may I say, the present Governor, who defeated the former Governor, is equally interested in proceeding. I talked to him twice on the telephone today.

Now, my amendment does not say the Secretary must approve this request of my State. It does not direct him to do anything. It is just an expression of the sense of Congress to give this matter reconsideration.

Second, it exempts the requirements of title 23, U.S.C., requiring a multipurpose highway. This provision is made since it is the intention now of the Highway Department of my State, if we can get reconsideration through my amendment, to build a parkway. It would mean that the Interstate Highway could be extended through the Notch, and traffic would not be siphoned into the present narrow and dangerous situation. However, by making it a parkway heavier commercial traffic, such as trucks, would not be using it. And, with a parkway, the speed of traffic would have to be less.

As a result, you would not have the situation we now have of people driving through the Notch, trying to see the Old Man in the Mountain, and running into other cars. We have been fortunate to date not to have had a fatal accident. Also, this proposal would send trucks and heavy traffic around by another route. But, it also would save going back to the New Hampshire Legislature again, having a hearing, and passing another bill before the Governor, the Senators, and the Congressmen would be able to seek reconsideration by the Secretary. Briefly, this is all that my amendment would accomplish, but it is important to my State.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield to the Senator from Vermont. Mr. President, I yield myself an additional 5 minutes.

Mr. STAFFORD. Before I ask the question I would say to the distinguished senior Senator from New Hampshire that I am well aware of Franconia Notch in our neighboring State. Many Vermonters go there. It is a lovely part of our country. If it has any single geographic problem, it is the result of the very cold winters there which cause the migration of some people of New Hampshire into Vermont until spring rolls around.

The only question I have has to do with the environment. Can the distinguished Senator tell me whether or not there is any intent in his amendment to seek exemption on meeting environmental requirements, so far as the amendment is concerned?

Mr. COTTON. I thank the Senator for his question. There is absolutely nothing in the amendment that denies to any person, any environmentalist, or any ecologist the full appeal to the courts.

All we seek is reconsideration. Then, before we proceed all persons will have all their rights protected by the court.

Second, my amendment provides for an exemption from that title of the United States Code, requiring a multipurpose highway, so that we can ask for what would be the best thing, a parkway. Also, the State of New Hampshire would be able to provide for a large scenic parking space on such a parkway so people can drive off of the highway and stop to view the beauties of the Notch.

Mr. STAFFORD. I would say to the distinguished Senator from New Hampshire that, as far as I am concerned, I am prepared to accept the amendment.

Mr. COTTON. I thank the Senator.

Mr. BENTSEN. Mr. President, will the distinguished Senator from New Hampshire yield?

Mr. COTTON. Gladly.

Mr. BENTSEN. As the Senator from New Hampshire knows, the floor managers of the bill were opposed to the amendment as it was first drafted, but the amendment has been redrawn. In no way is it a mandate, mandating the highway to be built; it is merely an expression of the sense of the Congress and gives a second hearing to the Secretary. Is that correct?

Mr. COTTON. That is correct. The only thing my amendment accomplishes is a second hearing on a different proposition.

Mr. BENTSEN. With that understanding of the amendment, I am prepared to accept the amendment and take it to conference, if that is the will of the Senate.

Mr. COTTON. I thank the Senator very much.

I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to use this opportunity to express appreciation to the Senator from New Hampshire, whose purpose, as much as or more than that of any Member of this body, is to think in terms of the well-being of the people of his State. I have noted, on the many occasions when he has risen to speak on matters that might be considered provincial, that they are, as a matter of fact, of interest to the country as a whole.

For that reason, those of us who have worked diligently, we trust in a well-reasoned way, to build a road system for America, have done it so that hundreds and hundreds of millions of people—poor people—will be enabled, as they have been, to see the beauties of New Hampshire and Vermont, and particularly West Virginia, but throughout this country, the broad expanse of an America that needs to be seen and understood and appreciated. That has been a contribution of our road system that is often overlooked.

Mr. COTTON. I thank the Senator.

Mr. President, having tried cases for many years, I know that when the court is with you, it is time to stop arguing your case. I, therefore, am perfectly willing to yield back my time if the manager of the bill will yield back his time.

Mr. BENTSEN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

Mr. PASTORE. Mr. President, let the RECORD show that the Senator from Rhode Island voted in the affirmative.

Mr. COTTON. I thank the Senator from Rhode Island.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the Senate amendment to the House amendment to the bill (S. 7) to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

FEDERAL AID HIGHWAY ACT OF 1973

The Senate continued with the consideration of the bill (S. 502) to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

Mr. BEALL. Mr. President, I have an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment, as follows:

On page 125, line 22, after the word "Virginia", add the following:"and to Friendship International Airport".

On page 126, line 10, strike "$10,000,000" and insert in lieu thereof, "$20,000,000".

Mr. BEALL. Mr. President, this is a fairly uncomplicated amendment, which I hope it will be possible for the committee to accept today, because it is uncomplicated.

Mr. RANDOLPH. Mr. President, I especially want to hear my friend and colleague from Maryland as he explains his amendment. I have discussed it with him. I am against it, but I want to listen to what he has to say so that I may make remarks in response.

Mr. BEALL. I thank the Senator from West Virginia. I had hoped he would be able to support this amendment, because I know he has been a leader in moving people from place to place and in developing a highway system to benefit the country, and I think this amendment is in the interest of the traveling public. It is offered with that thought in mind.

For the benefit of the Members of the Senate, this amendment deals with section 153 on page 125 of the bill. Section 153 authorizes the Secretary to undertake a demonstration program for high-speed bus service from collection points in the Washington, D.C., area to Dulles International Airport, Va.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. BENTSEN. In the interest of Senators, would the Senator from Maryland be agreeable to a limitation of time?

Mr. BEALL. I do not think we will need it. I will agree to a time limitation if it proves necessary, but I do not think it is a complicated amendment.

As I was saying, section 153 authorizes the Secretary to undertake a demonstration program for high-speed bus service from collection points in the Washington, D.C., area to Dulles International

Airport, Va. My amendment would add, after the word "Virginia" the words "and to Friendship International Airport", and on the next page, on line 10, would strike out "$10,000,000" and substitute "$20,000,000".

I think we are all aware of the fact that the Washington Metropolitan area is served by three major airports. Two of these, National and Dulles, are owned by the Federal Government and operated by the FAA. The third is owned by the State of Maryland and operated by the State of Maryland, Friendship International Airport.

National Airport, as all Senators know, is very accessible to all of us, and it is easy for everybody to get there. Dulles and Friendship are about equal distances from the National Capital.

It seems to me the Federal Government should not be in a position of competing with a State government. It seems to me when we are going to demonstrate new ways of moving people, we should do so so as not to disturb the balance of fairness that exists between one airport and another airport. In other words, each should be equally accessible to the traveling public.

I think my amendment is particularly pertinent at this time because the State of Maryland is about to acquire from the Federal Government the Baltimore-Washington Expressway. This is the road that runs from the end of New York Avenue to Baltimore. The road up to about Laurel was formerly owned by the Federal Government, the rest by the State of Maryland. Now, with construction of I-95, the State is going to take title to this highway. It was agreed with the Federal Government to reconstruct it to Federal standards. This means that there is going to be major construction on the Baltimore-Washington Expressway, and it would be logical at this time, if we are interested in having demonstration projects, to have an additional lane to accommodate high-speed buses, because it could be done at very little cost since the work is going to be in progress already.

It seems to me it would be feasible—in fact, would be desirable—to have a demonstration project take place, not instead of, but along side of, any project that moves people with respect to Dulles International Airport. I think this is the kind of amendment that would be in the public interest, and I would hope that, if there was any opposition, the opposition would recognize the logic of the argument that has been presented for the amendment.

Mr. SCOTT of Virginia. Mr. President, I am somewhat reluctant to oppose an amendment by my friend the Senator from Maryland, but there are a number of differences that should be pointed out between Baltimore's Friendship Airport and Washington's International Airport at Chantilly.

Dulles International Airport was constructed with Federal funds, well over $100 million, to supplement Washington's National Airport and to help meet the needs of the Washington area both with domestic and with international flights.

It is my understanding that Friendship Airport was initially owned by the city of Baltimore and, while it is utilized by citizens of the Washington area, it is not owned or operated by the Federal Government.

I would not in any way want to oppose activities the distinguished Senator from Maryland proposes to help his State. I do, however, feel that any proposal made by the Senator should rise or fall on its own merits rather than ride piggyback on an amendment adopted by our own Public Works Committee to aid the development of federally owned Dulles International Airport.

As the Senate knows, only two commercial airports in the country are owned by the Federal Government. One is Washington National, in Arlington County, the other is Dulles International Airport, in Fairfax and Loudoun Counties. They are unique in the country as being authorized by Congress and paid for with Federal funds. Both are under the jurisdiction of the Federal Aviation Administration. I often feel that National is over-used and would hope that many of the domestic flights at National can be transferred to Dulles, which may well be this country's safest airport.

One difficulty has been the lack of access to Dulles Airport. The provisions of this bill should be of material help in making Dulles more acessible. The early completion of Interstate 66, with rapid rail transit down the median strip, and extended along the Dulles access road, will cut many minutes off of the time necessary to get from downtown Washington to Dulles Airport.

Certainly I would not take anything away from Baltimore's Friendship Airport, but the whole thrust of my argument is that the airports are not the same. We might well want to help the city of Philadelphia, the city of New York, or other critics throughout the country. I believe that the proposal by the Senator from Maryland should stand entirely on its own merits, and I have no objection to it on that basis. My only purpose in speaking at this time is to draw the attention of the Senate to the differences between these two airports. Therefore, I reluctantly ask that this amendment he rejected.

Mr. MATHIAS. Mr. President, I am pleased to be a cosponsor with my distinguished colleague from Maryland on this amendment. The amendment embodies an idea which is not new in itself. It embodies an idea which reflects the need of the people. It is an amendment which I think will improve the Washington metropolitan area.

I have been a Member of Congress and of the District Committees of both bodies for a period of 12 years. I learned in those 12 years that we have to look at some problems of the National Capital area from a metropolitan point of view. I think that is exactly what this amendment does. It takes a metropolitan area point of view of a pressing transportation problem.

I am disappointed that the distinguished Senator from Virginia (Mr. SCOTT) feels as he does about this amendment. I think he has made an interesting statement, but I must confess that the distinction between a nationally owned airport and one which is owned by a State seems a little legalistic in this age, when President Nixon is trying to educate the country on the new federalism, trying to educate the country on the value of having States and localities undertake responsibility.

It seems to me that what we are talking about here is not a legalistic distinction as to whether the Federal Government or a State government owns a particular facility, but rather what we can do which will foster the greatest amount of service to the people that we seek to serve.

We have in this area three great airports: Friendship, National, and Dulles. These airports attempt to meet the needs of the traveling public. They are regional airports. It is not a unique situation. In many parts of the country there are regional airports around a great metropolitan center. I think that the experience of the traveling public is that when the regional airports are coordinated in their activities, the public is better served.

It may be true that the situation of Dulles and of National is unique, because they are owned and operated by the Federal Government. It is not true, I believe, that that unique status is particularly desirable. Nor is it true that that unique status will always be the case, because there are some very serious critics of Federal ownership of National and Dulles, those who suggest that National and Dulles might well be transferred by the Federal Government to either a regional airport authority or to some other form of ownership and operation. It has even been suggested that the State of Virginia might some day take over and operate one of these airports.

I am not making an issue of the legal status of any one of the airports, past, present, or future; but what I do ask the Senate to do is to look ahead. Yesterday we had an opportunity to look ahead—to look ahead as the distinguished Senator from West Virginia (Mr. RANDOLPH) and the distinguished Senator from New Jersey (Mr. WILLIAMS) urged us to look ahead to some of the needs of the country.

I looked ahead with them, and I want to look ahead in this case. I want to look ahead to the needs of the traveling public in the National Capital area, look ahead to what the air travelers of the future are going to need. They are going to need the regional airport system, and they are going to need to get to every one of the components of the regional airport system—Dulles, Friendship, and National—by some kind of high-speed mass transit system.

It is looking ahead that my colleague from Maryland proposes to do. Let us look ahead. Let us provide this three-way airport service. Let us give better service to the public. The place to start is here, and the time is now.

I urge the Senate to adopt the amendment offered by my colleague from Maryland.

Mr. BEALL. Mr. President, I would just add one further word to what my colleague has said. We are not really talking about demonstration projects for two airports. We are talking about demonstration projects for moving citizens. When we talk about the public being served, the Friendship route has an additional asset in that the road, the facility to be used, extends from Baltimore to Washington. So in addition to serving the 2.8 million people who last year used Friendship, as opposed to the 2.3 million people who used Dulles Airport, we would be able to serve the whole metropolitan region by giving a demonstration of high-speed bus transportation between Baltimore and Washington, in addition to the demonstration that could be used to carry traffic back and forth to the airport.

I think that when we are talking about demonstration projects, we have to consider, as my colleague from Maryland said, the whole metropolitan system and look at the whole feasibility with respect to the problem we are talking about.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, in the committee report which accompanies this bill, there is a section that relates to forest development roads and clearcutting. I know that the distinguished chairman, the Senator from West Virginia, feels very strongly about the practice of the Forest Service in conducting clearcuts in the Monongahela National Forest. I recall last year, when my Subcommittee on Public Lands of the Committee on Interior and Insular Affairs held hearings on this question, our first witness was the distinguished Senator from West Virginia, and he made a very powerful case against clearcutting in the Monongahela National Forest. In fact, I think no more persuasive case was made throughout the hearings than that presented by the able chairman of the Committee on Public Works.

I note from the committee's report on the pending bill a paragraph which reads as follows:

> It is the Committee's intention that funds authorized for forest development roads and trails not be used to provide access for large scale timber sales involving clear cutting. Not only is this especially important in eastern mixed hardwood forests, but the Committee is concerned with the implications of large scale clear cutting throughout the national forests. Priority should be given, insofar as practicable, to recreational development in non-wilderness areas, fire control facilities, and service to communities within or adjacent to national forests.

Mr. President, following the extensive hearings on clear cutting to which I have referred, the Subcommittee on Public Lands was able to reach agreement on a set of guidelines to govern the practice of clear cutting in the national forests, with the objective of eliminating the abuses of the past. The Forest Service agreed to those guidelines, and I am happy to say that they met with a favorable response from the lumber industry and from the conservationist groups that had appeared and testified at the hearings.

I am advised by the distinguished Senator from West Virginia, however, that the practice of clear cutting not only continues in an objectionable form in the Monongahela National Forest, but that he is determined that funds in this bill should not be used to further that practice there.

With that I have no disagreement, but I am concerned that in the western forests, as long as these subcommittee guidelines are adhered to, there be no proscription against the use of funds authorized by this bill for forest access roads where clear cutting may be involved.

So I would ask the distinguished Senator from West Virginia whether, by the sentence "It is the committee's intention that funds authorized for forest development roads and trails not be used to provide access for large-scale timber sales involving clearcutting," he means for that restriction to apply in the Western forests, in cases where the Forest Service is adhering to the guidelines of the Subcommittee on Public Lands set forth in its report of March 1972, following the hearings to which I have referred.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. The senior Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, I had the opportunity, earlier in the day, outside the Chamber, to discuss this matter with the able Senator from Idaho (Mr. Church).

As he has indicated, many of us have been intensely interested in the subject of clearcutting, which in many parts of the United States has been destructive of good forest management. I have discussed this subject with many persons, professional forestors, conservationists, and officials of the Forest Service including recent conferences with the chief of the Forest Service, John McGuire and the supervisor of the Monongahela National Forest, Alfred Troutt. I have visited forest areas.

I am desirous, of course, to have the report reflect exactly what the committee meant. I would emphasize to the Senator from Idaho that the key to the meaning is contained in the language "a predominant system of even-aged management in eastern mixed hardwood forests."

This emphasizes that there is a difference in management techniques on varying compositions of forests throughout the country. I can assure the Senator that the intention of our committee is to recognize that clearcutting is a more applicable and more appropriate tool of forest management on certain forests than on others—notably, I think, in certain areas of the Far West, perhaps.

I believe, however, that it is important to indicate that this does not mean that clearcutting abuses have not occurred on the Western forests. We have seen evidence documented with photographs, at hearings where the able Senator from Idaho was in charge, instances of excessive clearcutting in the West. Such instances have occurred in the Bitterroot National Forest, just as they have occurred in the Monongahela National Forest.

The frequency and size of clearcutting will, I think, vary. Obviously they vary according to the type of forest area and the regeneration cycle, as well as the ultimate objective.

For example, professional foresters advise me that clearcutting is more advisable and practicable on many Western forests, if it is to be used at all, than it is on the forests of mixed hardwoods in the East. I must strongly emphasize, however, that the primary concern of the committee is with the implication of large scale clearcutting throughout the National Forests. Such practices are not acceptable. This is an issue I believe we must all be very concerned about and check on very carefully.

I hope this is an adequate response, and will help the Senator understand the language in the report to which he has made reference.

Mr. CHURCH. Mr. President, I thank the Senator very much for his reply. As he knows, the guidelines that were set forth in the report of my subcommittee are meant to eliminate the very abuses in clearcutting to which he has referred. I would think, Mr. President, that it would be highly pertinent to the legislative history if the report of the Subcommittee on Public Lands published in March 1972, entitled "Clearcutting on Federal Timberlands" were printed in the Record, and I ask unanimous consent that it appear at this point.

There being no objection, the report was ordered to be printed in the Record, as follows:

CLEARCUTTING OF FEDERAL TIMBERLANDS

On April 5, 6, 7, and May 7 and June 29, 1971, the Subcommittee on Public Lands of the Senate Interior and Insular Affairs Committee held hearings on the announced subject of "Management Practices on the Public Lands." These were scheduled as informational hearings to look into what has become one of the most controversial questions ever to involve the nation's Federal timberlands—the practice of clear-cutting. The purpose was to determine whether clear-cutting results in intolerable impacts on the Federal land environment. Because clear-cutting is an established forest management practice for many American tree species, the Committee wanted to determine how it affected the environment. If it developed that there were adverse effects, the Committee wanted to learn how they could be minimized.

Over 90 witnesses were heard; many more submitted statements for the record. Witnesses included members of Congress, environmentalists, state officials, professional foresters and other scientists, and representatives from the timber and housing industries, the Forest Service, the Bureau of Land Management, and the Department of Housing and Urban Development. Foreign trade in timber products in relation to clear-cutting was not investigated.

The Subcommittee's attention was directed primarily to clear-cutting practices on the National Forests, especially on examples in Montana, West Virginia, Wyoming and Alaska. This was done because there had been complaints of the practice on four specific National Forests. Such practices were attacked vehemently by the environmentalists (Part 1, Evans, p. 76–77, 5 recommendations), but clear-cutting as a method was strongly defended by representatives of the timber industry (Part 1, Wyatt, p. 197–208), the Forest Service (Part 3, Cliff, p. 806–934) and representatives of the professional Society of American Foresters (Part 2, Davis and Duffield, p. 556, recommendations; p. 558). Some of those who opposed clear-cutting suggested a permanent moratorium on all clear-cutting on Federal timberlands. Those who defended the practice basically felt that no Congressional action was needed to limit the use of clear-cutting.

Some serious scientific questions were raised, such as possible long range adverse effects of clear-cutting on soil nutrients (Part 1, Curry, p. 157–173). Conversely, other professional forestry witnesses detailed the results of clear-cutting and the scientific research, mainly by the Forest Service through its Nation-wide system of forest experiment stations, demonstrating the need for clear-cutting of certain important tree species if they are to be reforested successfully. (Part 3, Doolittle, p. 931; Tarrant, p. 932; Wellner, p. 927, Nutrients: USFS, p. 1057–1067).

(Note.—Citations in Parenthesis are from the Hearing Record.)

BACKGROUND

Clear-cutting in Perspective:

Timber management is only one aspect of the total management of public land resources. Even-aged timber management, which involves clear-cutting, is one kind of timber management. Even-aged timber management is an acceptable, professionally recognized, and reputable type of timber management that is widely practiced in Europe, North America and Asia for perpetuation of species whose ecological requirements include full sunlight, and where soil, slope and local climate conditions dictate. Most professional foresters testified that clear-cutting as a harvesting practice is the only feasible means of continuing production of forest crops of certain species in certain locations.

Clear-cutting is generally an essential means of achieving even-aged forest management. It can be applied judiciously and with expertise with favorable results, or it can be applied carelessly with unfavorable, even calamitous results.

The wide application of clear-cutting, the devastated appearance of the land that often follows its use, and the resulting public outcries of concern have made it highly appropriate that the committee exercise Congressional oversight in this matter.

The Subcommittee does not question that under appropriate conditions clear-cutting is a necessary, scientific, and professional forestry tool, nor does it believe Congress should legislate professional forestry practices in public land management any more than it does engineering practices for the Bureau of Reclamation or medical practices for the Veterans Administration. However, if these practices lead to basic questions of acceptable environmental impacts, national policy objectives, and conformance with existing statutes, Congress should take a look.

It is often necessary to clearcut timber stands to prevent the spread of forest insects and diseases. Some insects such as the Spruce beetle, Southern Pine beetle, and Mountain Pine beetle infest groups of trees. Successive broods enter adjacent trees and fly to other spots in the Forest. Dwarf-mistletoe, a serious parasite of several coniferous species, spreads from tree to tree by seeds from the parasitic plants. In both cases, and with certain other insects and diseases, timely cutting of the host trees is necessary to remove the infection centers and prevent the spread of the insects or diseases to adjacent stands or regeneration.

In other situations, particularly in older stands devastated by insects, disease, or fire, large numbers of trees are often dead or badly damaged. In order to salvage the useable wood or adequately prepare for regeneration of the damaged stand, it is often necessary to clear-cut.

Clear-cutting looms large in the timber harvest picture. For example, our National Forests yield over ¼ of the annual timber production of the Nation. In the West, of the National Forest area logged last year 30% was clear-cut, with a resulting production of 60 percent of the timber volume harvested in that region. In the East, of the National Forest logged areas 40 percent was clear-cut, yielding 50 percent of the volume there. Clear-cutting has generally proved to be a more expeditious way of getting immediate, high timber yields per acre from mature and overmature forests than are shelterwood, seed tree, or selection systems, where these systems are viable alternatives.

The Presidential Task Force on Softwood Lumber and Plywood, in June 1970, estimated that the National Forest annual timber harvest could be expanded by 7 billion board feet with appropriate investment in more intensive forest management and with proper planning and financing.

This would mean a 60 percent increase over the volume harvested then. Without continued use of clear-cutting in cases where appropriate the Forest Service could not be responsive to such goals. It could not meet the pressures of a growing population for increased housing, without improving management practices on the national forests.

Thus, clear-cutting emerges as an essential tool, if the Forest Service is to come anywhere near meeting such a starting increase in the timber cut goal. But any dramatic increase in the timber cut could prove disastrous to the National Forests if its achievement actually destroyed their capacity for sustained yield. It would be disastrous to the timber industry as well, because the industry must depend on public lands for a substantial part of their total raw materials supply. Even if adequate funds were available for more expanded forest management systems, the National Forests could not produce enough materials to meet the Nation's housing need. But the National Forests can play their part, through application of more intensive, scientific forestry techniques, including judicious use of clear-cutting, without adverse effects on the current or future environment or without jeopardizing in any way the timber supply for that segment of industry which depends on public lands for a substantial part of its total raw material supply.

In a recently issued publication, "An Analysis of Forest Issues in the First Session of the 92d Congress," pages 4–5, the Congressional Research Service of the Library of Congress cites the background for the increased timber harvest:

"The Forest Service did not come into being until 1905. For almost half a century following its creation, the National Forest System contributed only a fraction of the national lumber output. Nearly 95 percent of the U.S. supply came from privately owned forests. During this time the Forest Service regarded itself as custodian and protector rather than a prime producer.

"Then suddenly in the 1940's two things began to happen. The timber industry began to run out of trees. Then came World War II, with its enormous demand for lumber, followed by the biggest building boom in our history.

"Abruptly, the price of Douglas Fir on the stump shot upward, and the Forest Service was forced to change quickly from a custodial agency to a production agency. Much of the change was in response to increased Congressional appropriations for more logging roads and more timber sales. At the same time, appropriations for other forest uses were trimmed back.

"In 1940 there were only 87,000 miles of road in the National Forests; by 1960 there were 160,000 miles. Timber sales also soared during the same period. USFS timber harvested in 1941 was only 1.5 billion board feet; in 1951 it was 4.4 billion; 8.3 billion in 1961; and 11.5 billion in 1970. Currently, about 30 percent of the total U.S. production comes from the National Forests, and the demand is still increasing."

CONCERN WITH CLEARCUTTING

The present concern with clear-cutting on the National Forests has developed largely since 1964. It was probably brought about by: (1) General application of clear-cutting to Eastern hardwoods starting in that year. Before 1964, these forest types were harvested primarily by partial cutting, either the selection or shelterwood systems; (2) The increase in Forest Service allowable cuts over the last decade or so, and the corresponding accelerated rate of timber sale and harvesting activity. Clear-cutting was applied to 564,000 National Forest acres last year; (3) The manner in which clear-cutting has been applied, in some instances, including examples where there are large blocks or strips of 1,000 acres or more, close spacing of blocks, cutting on steep slopes, large amounts of slash and waste, accelerated erosion, and generally devastated appearances (4) Increasing National attention to the environment and growing environmental consciousness of the general public, particularly the young; (5) Increasing desire of the public to participate in decision-making by public agencies. (6) The alleged failure of the Forest Service in some instances to be responsive to concerns about the environmental impacts of timber harvesting and management practices, coupled with an inability to secure funds from the Congress for giving other forest uses equal attention in accordance with the general guidelines and directions of the Multiple-Use Sustained Yield Act of 1960.

FOCAL POINTS

The focal points of controversy appear to be the Bitterroot National Forest in Montana the Monongahela National Forest in West Virginia. The Tongas in Alaska, and the Bridger in Wyoming.

There are four major analyses relating to practices on the Bitterroot: (1) A Forest Service inhouse task force study, which found lapses in quality of management and over-emphasis on production goals. It offered numerous recommendations; (2) A University of Montana faculty report by a task force headed by the Dean of the Forestry School. Completed in late 1970, it was based on an independent investigation, made a statement of findings, criticized the Forest Service report, recommended against the prevalent practice of clearcutting and terracing and offered four alternatives; (3) Management Direction for the Bitterroot National Forest Final Environmental Statement, prepared by the Forest Service under Section 102(2)(c) of the National Environmental Policy Act of 1969. Numerous changes in management are directed in this statement; and (4) Testimony of the Chief of the Forest Service before this Committee.

Likewise, there are four major analyses relating to the Monongahela. These are: (1) A 1970 Forest Service study of even-aged management by a special review Committee, which was highly critical in its findings; (2) An August 1970 report of a Forest Management Practices Commission of the West Virginia Legislature. The Forest Service has stated that it is in agreement with most of the Commission's findings; (3) The environmental statement of the Forest Service submitted to the Council on Environmental Quality, in which eight specific changes in management are adopted. Since 1964, the Forest Service has stated repeatedly that even-aged management involving clear-cutting was the basic silvicultural system in this general forest zone. Now this has been changed. Service policy now is to use a variety of methods, with none primary, to keep clear-cuts to 25 acres or less, and to increase distances between cuts along with other measures; and (4) Senator Randolph's testimony before this Committee (Part 1, pp. 9–17, Hearing Record).

For the Tongas and Bridger National Forests no comparable series of detailed studies are available. Practices on the Bridger appear to have prompted S. 1592, introduced by Senator McGee and others, which would establish a Commission to study clear-cutting on Federal lands, and pending its findings, prohibit clear-cutting on the national forests. The Forest Service recently has issued an inhouse task force study of forest management in Wyoming in relation to the environment for the Teton, Bridger, Bighorn and Shoshone National Forests. It is implementing the approximately 60 Task Force recommendations.

COMMITTEE VIEWS

With the passage of the Multiple Use Sustained Yield Act of 1960 (Public Law 86–517), Congress in plain language laid out the policy "that the national forests are established and shall be administered for outdoor recreation, range, timber watershed, and wildlife and fish purposes." This Act also declares, "the purposes of this Act are declared to be supplemental to, but not in derogation of, the purposes for which the national forests were established as set forth in the Act of June 4, 1897 (16 U.S.C. 475)." The latter refers only to water and timber. About timber it calls for management and protection of the National Forests to assure "a continuous supply of timber for the use and necessities of citizens of the United States."

In Sec. 4(a), the Act spells out "Multiple Use" to mean: "The management of all the various renewable surface resources of the national forests so that they are utilized in the combination that will best meet the needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; that some land will be used for less than all the resources; and harmonious and coordinated management of the various resources, each with the other, without impairment of the productivity of the land, with consideration being given to the relative values of the various resources, and not necessarily the combination of uses that will give the greatest dollar return or the greatest unit output."

It is obvious from the extensive testimony received by the Subcommittee on Public Lands during its five days of hearings in Washington on the clear-cutting issue, and three days of subsequent hearings in Georgia, Oregon and New York on proposed timber management legislation, that timber production has become a priority activity in Federal forest land management. Some construe this as out of step with the spirit and intent, if not the letter, of both the Multiple Use-Sustained Yield and the National Environmental Policy Act of 1969.

Some of its critics believe the Forest Service has been relatively slow and somewhat unresponsive to the awakening national concern about the impact of timber harvesting on other environmental values. Others believe the Forest Service has generally been way ahead of the Nation in consideration of the multiple values and benefits of the National Forests, as evidenced by its strong support of the Multiple Use-Sustained Yield Act of 1960.

Recent Forest Service changes in policy (and they have been numerous) were perhaps somewhat defensive responses to pressures of environmental groups, rather than from energetic Forest Service initiative.

As a consequence, the Service has had difficulty communicating effectively with its critics, and its image has suffered. Its numerous recent actions in the right direction are either unknown, not understood, or brushed aside. They have made little impact.

The hearings on clear-cutting, and the subsequent hearings on timber management proposals, have emphasized for the Subcommittee the extent to which the people of the United States cherish their great forests and timbered watersheds. Not only was extensive testimony received, but thousands of letters from throughout the Nation expressing interest in the future of our forests.

This has emphasized also that government agencies, before making timber management decisions, should increasingly make use of participatory public hearings and exchanges. Much criticism has been leveled at the government for its failure to consult with the interested and affected public before, rather than after, timber management decisions are made. The government needs to become more conscious of increased public interest and concern regarding the future handling of the public's natural resources, and to demonstrate its awareness that it is not the owner but the responsible manager of a public trust.

The Forest Service itself cogently expressed these ideas in its 1971 report on "Forest Management in Wyoming," the results of a study of timber harvest and the environment on the Teton, Bridger, Shoshone and Bighorn National Forests.

"The Forest Service must strive to increase public confidence and trust. This will not be achieved by rhetoric, but will require repeated demonstration that declarations for quality in management are actually appearing as physical accomplishment on the ground. Results of effective multiple use planning are beginning to show on the land in some places. The Forest Service should not expect, however, that confidence and trust will be strengthened quickly. Neither should the public expect that new management direction will appear instantly and completely in all activities. It is imperative however, that open communication be maintained between the Forest Service and the public and that statements and actions of every Forest Service employee meet the highest standards of professional competence."

The Committee fully recognizes that the Forest Service is not a free agent, that it must execute the policy and will of the Administration and the Congress, and that it has been subjected to ever-increasing pressures that have polarized it between the demands of the wilderness enthusiasts and environmentalists on the one hand, and the unrelenting demands for more timber products.

Congress may enact such statutes as the Multiple-Use Sustained Yield Act and the National Environmental Policy Act. But the Forest Service is left helpless, unless Congressional appropriations adequately implement these acts. If appropriations are keyed to timber receipts alone, which has sometimes seemed the criterion in the past, the Service inevitably will gravitate toward those activities which Congress is willing to finance. To its credit the Forest Service has repeatedly made the case for a balanced program to serve the total resource and its owners better, but the funds have not been forthcoming.

From 1954–70, the Forest Service received 66 percent of budget increases requested for timber sale administration, but only 20 percent of its requested increases for recreation and wildlife, 17 percent for reforestation, and 15 percent for soil and water management. In discussing the fiscal year 1972 budget request, the Chief testified before the Appropriations Committee that:

"The Forest Service cannot do the things that the President has directed us to do without more money and people. Our program is out of balance now. Over the past two or three years, we have increased the amount of money that we have for timber sale administration activities, but not by sufficient amounts to do the top quality job needed. We are not adequately financed in the other areas that need it."

Furthermore, Presidential budgets over the years consistently have reflected less than Forest Service needs for non-timber sale items.

To achieve desirable program balance the Forest Service is developing an Environmental Program for the future. The Agency explained that the program is being developed to give a basis for funding a balanced Forest Service program. Its objective is sound environmental management, balance between the commodity programs and non-commodity uses, and balance among all Forest Service activities such as timber production, forage management, outdoor recreation, watershed improvement, fish and wildlife habitat management, State and private cooperative forestry programs and forestry research.

The Committee urges prompt completion of this proposed program and its early submission to Congress. We also believe the Forest Service and the Bureau of Land Management have a primary responsibility to articulate the imbalance in their program efforts, and to take every possible step to right the imbalance. At the same time, this Congress has a duty and a continuing obligation, to monitor forestry programs, to assure existing imbalances are corrected, and to avoid them in the future.

The Council on Environmental Quality established its own study group to evaluate environmental impacts of clear-cutting and to examine silvicultural alternatives. The panel consisted of the deans or faculty members of five of the nation's leading forestry schools. A digest of the deans' reports was prepared by the Congressional Research Service of the Library of Congress and inserted in the Congressional Record of March 1, 1972, by Senator Hatfield.

"All the reports," a summary of the Digest said, "stressed the complexity of the problem, the need for changes in policy, and the need for continued resarch, but none recommended a complete ban on clear-cutting. Four recommended zoning or classification."

The Committee's attention during the hearings was directed by witnesses primarily to the National Forests. The Committee heard the Director of the Bureau of Land Management (Part 3, Rasmussen, pp. 936–946) and learned of a new environmentally-based allowable cut and forest management plan for the BLM timberlands in Western Oregon which was to be implemented on July 1, 1971.

NUTRIENT RECYCLING RESEARCH

Some witnesses expressed concern at the Committee's hearings that current timber harvesting practices are depleting basic soil nutrients at such a rate that we cannot rely on our forest lands to remain productive in perpetuity. Others discounted such assumptions by maintaining they were based on inadequate or non-existent scientific data. Everyone, however, including the Forest Service, agreed that additional research was desirable.

The Committee expects the Secretary of Agriculture to take necessary steps to accelerate all essential forestry research. He should cooperate in this effort with experts in related fields who are not employed by the Forest Service. We view accelerated forestry research as vital to continuous improvement in the management of the National Forests and other Federal forest lands so that they will serve our generation and future Americans better.

HARVESTING GUIDELINES

As indicated in the foregoing the Committee became aware of two major problem areas relating to the selection and conduct of timber harvesting operations on Federal forest lands. First, certain areas have been selected for cutting which should not have been subjected to any activity relating to timber harvesting for any of a number of reasons. These were areas of special scenic values, fragile soils, or other limiting physiographic conditions, areas where adequate regeneration could not be assured, and areas where the costs of special measures to avoid environmental damage or assure regeneration were so high that the activity was imprudent and relatively uneconomic.

The second problem area relates to the manner in which harvesting operations are carried out. This involves selection of a harvesting method, the manner in which a sale is conducted to minimize or avoid environmental injury, and careful supervision and enforcement of environmental conditions in road building and timber sale contracts.

The Committee recognizes that the timber needs of the Nation are increasing at a rapid pace. The National Forests and other Federal forest lands will play a vital role in meeting those needs. Substantial testimony convinced us that measures to assure adequate timber supplies are essential if we are to house our people and serve other wood product needs at reasonable cost. The measures needed to help the Federal forests play their role must include intensified forest management practices such as reforestation, thinning, genetic improvement, salvage of dead timber, as well as the reforestation of nonstocked private forest lands.

Accordingly, the Subcommittee believes it is timely and important to suggest guidelines for the conduct of timber harvesting activity on Federal lands which will assure that the problem areas are eliminated while important national needs for timber are being met. In stating these guidelines the Subcommittee does not presume to substitute its judgments for that of qualified professionals who have on-the-ground knowledge and familiarity with local needs and conditions. However, we believe overall policy direction is essential to make Federal forestry administrators aware of the concern and support of the Congress for stronger consideration of environmental impacts in timber management decisions. We are also aware that the Forest Service and the Bureau of Land Management have taken a number of steps to improve their timber management practices. The guidelines set forth by this Subcommittee should serve to strengthen and supplement these ongoing actions.

Therefore, the Subcommittee believes timber management activities on Federal lands should be subject to the following policy guidelines:

1. Allowable harvest levels

a. Allowable harvest on Federal forest lands should be reviewed and adjusted periodically to assure that the lands on which they are based are available and suitable for timber production under these guidelines.

b. Increases in allowable harvests based on intensified management practices such as reforestation, thinning, tree improvement and the like should be made only upon demonstration that such practices justify increased allowable harvests, and there is assurance that such practices are satisfactorily funded for continuation to completion.

If planned intensive measures are inadequately funded and thus cannot be accomplished on schedule, allowable harvests should be reduced accordingly.

2. Harvesting limitations

Clear-cutting should not be used as a cutting method on Federal land areas where:

a. Soil, slope or other watershed conditions are fragile and subject to major injury.

b. There is no assurance that the area can be adequately restocked within five years after harvest.

c. Aesthetic values outweigh other considerations.

d. The method is preferred only because it will give the greatest dollar return or the greatest unit output.

3. Clear-cutting should be used only where:

a. It is determined to be silviculturally essential to accomplish the relevant forest management objectives.

b. The size of clear-cut blocks, patches or strips are kept at the minimum necessary to accomplish silvicultural and other multiple-use forest management objectives.

c. A multidisciplinary review has first been made of the potential environmental, biological, aesthetic, engineering and economic impacts on each sale area.

d. Clear-cut blocks, patches or strips are, in all cases, shaped and blended as much as possible with the natural terrain.

4. Timber sale contracts

Federal timber sale contracts should contain requirements to assure that all possible measures are taken to minimize or avoid adverse environmental impacts of timber harvesting, even if such measures result in lower net returns to the Treasury.

IN CONCLUSION

The Subcommittee recommends that the Federal Government take prompt action toward bolstering the confidence and support of the American people for our nation's forestry program. The considerable testimony before the Subcommittee and the studies that have been completed or are now under way illustrate the necessity for establishing a prudent policy for regulating clear-cutting on our forest lands.

It is the hope of the Subcommittee that the guidelines it has set forth will be quickly adopted and implemented by the Executive Branch.

APPENDIX: TIMBER MANAGEMENT STUDIES

I. MANAGEMENT PRACTICES ON THE BITTERROOT NATIONAL FOREST (MAY 1970)

1. *Authority.*—U.S. Forest Service, Northern Region and Intermountain Forest and Range Experiment Station.

2. *Period of Study.*—May 1969 to April 1970.

3. *Objective or Purpose of Study.*—To make an impartial evaluation of land and forest management practices on the Bitterroot National Forest.

4. *Major Findings or Conclusions.*—The Bitterroot National Forest needs to emphasize quality management and develop and execute satisfactory multiple-use plans. Balance in program execution is needed, but is dependent on funds and on manpower authority from a higher level. Clear-cutting is an acceptable practice, but shall not be prescribed where other feasible cutting methods will work.

5. *Current Action.*—During 1971, the Regional Forester issued revised management direction aimed at achieving a balanced resource program on the Bitterroot National Forest.

II. A UNIVERSITY VIEW OF THE FOREST SERVICE (NOVEMBER 1970)

1. *Authority.*—Review was requested by Senator Metcalf and carried out under leadership of Dr. Arnold Bolle, Dean, School of Forestry, University of Montana, Missoula, Montana.

2. *Period of Study.*—January 1970 to November 1970.

3. *Objective or Purpose of Study.*—To review the long range effects of clearcutting and the dominant role of timber production to the detriment of other uses on the Bitterroot National Forest.

4. *Major Findings and Conclusions.*—Multiple-use management does not exist as a governing principle on the Bitterroot National Forest and quality timber management and harvest practices are missing.

5. *Current Action.*—The Regional Forester in Missoula used the findings of this report in issuance of his revised management direction for the Bitterroot National Forest.

III. REPORT ON FOREST MANAGEMENT PRACTICES ON NATIONAL FOREST LANDS IN WEST VIRGINIA, (AUGUST 1, 1970)

1. *Authority.*—West Virginia Forest Management Practices Commission as authorized by Resolution 26, West Virginia State legislature.

2. *Period of Study.*—February 12, 1969 to August 1, 1970.

3. *Objective or Purpose of Study.*—To review the relationship of even and uneven-age management to multiple-use activities on the Monongahela National Forest.

4. *Major Findings and Conclusions.*—Although the Commission found disagreement between professional scientists regarding even and uneven-age management, the Committee felt that clearcutting and even-age management as a primary system of management is not compatible with multiple use. Fifteen recommendations were tendered the U.S. Forest Service through the West Virginia legislature.

5. *Current Action.*—The Forest Service has adopted in whole or in part 13 of the 15 Commission recommendations.

IV. QUALITY IN TIMBER MANAGEMENT—A CURRENT EVALUATION (JULY 1970)

1. *Authority.*—Review and report authorized by Regional Forester, USFS Northern Region, Missoula, Montana.

2. *Period of Study.*—March to July 1970.

3. *Objective or Purpose of Study.*—To review Northern Region timber sale programs for the elements or lack of quality in preparation and execution.

4. *Major Findings and Conclusions.*—This task force found that many of the details of timber sale and road development planning and execution needed clarifying and understanding in order to achieve quality timber harvest programs in the Northern Region.

5. *Current Action.*—The Regional Forester and staff developed an action plan dealing with 19 recommendations outlined in the report.

V. EVEN-AGE MANAGEMENT ON THE MONONGAHELA NATIONAL FOREST (JUNE 3, 1970)

1. *Authority.*—Forest Service Chief Edward P. Cliff by appointment of a Special Review Committee.

2. *Period of Study.*—March to June 1970.

3. *Objective or Purpose of Study.*—To examine the application of current and planned timber harvesting and other management practices on the Monongahela National Forest.

4. *Major Findings and Conclusions.*—The Committee found problems related to implementation of multiple-use policy. They found a high degree of misunderstanding about the ecological impacts of clearcutting and found that the execution of some planned timber activities needed improvement.

5. *Current Action.*—Through use of the West Virginia Forest Management Practice Commission Report and this Special Review Committee Report, the Regional Forester and the Monongahela Forest Supervisor have issued revised management direction aimed at correcting the deficiencies noted in these two reports.

VI. NATIONAL FOREST MANAGEMENT IN A QUALITY ENVIRONMENT—TIMBER PRODUCTIVITY (APRIL 1971)

1. *Authority.*—Forest Service Chief Edward P. Cliff through a multidiscipline team of top Forest Service scientists.

2. *Period of Study.*—July 1970 to April 1971.

3. *Objective or Purpose of Study.*—To make a national review of Forest Service timber management activities for the purpose of highlighting problem situations and developing corrective action where and when necessary.

4. *Major Findings and Conclusions.*—The multidiscipline team identified 30 problem areas related to silviculture, reforestation, esthetics, utilization, cutting methods, sustained yield, road development, logging, timber planning, personnel training, and research.

5. *Current Action.*—A Forest Service multidiscipline team is currently reviewing action necessary to resolve the identified problems.

VII. FOREST MANAGEMENT IN WYOMING (JULY 1971)

1. *Authority.*—Issued under authority of Regional Foresters in Denver and Ogden; study by a team of Forest Service scientists and land managers.

2. *Period of Study.*—July 1970 to July 1971.

3. *Objective and Purpose of Study.*—To review timber management practices on National Forests in Wyoming; namely, the Bighorn, Shoshone, Teton, and Bridger. The task force was instructed to explore fully the concerns and apprehensions of individuals and organizations in Wyoming regarding timber harvesting and to conduct this study in accordance with Section 102 of the National Environmental Policy Act of 1969.

4. *Major Findings and Conclusions.*—Multiple-use planning needs to be a team effort and the quality of such planning can be improved. Clearcutting is an acceptable practice but has been improperly used in Wyoming; size limit should be determined by resource values; and multiple-use plans should set for the determining factors basic to timber harvest alternatives.

5. *Current Action.*—Forest Service officials in the two National Forest Regions have accepted the findings, conclusions, and recommendations of the report and are preparing action plans to carry out such recommendations.

VII. STRATIFICATION OF FOREST LAND FOR TIMBER MANAGEMENT PLANNING ON THE WESTERN NATIONAL FORESTS (OCTOBER 1971)

1. *Authority.*—Under authority of Intermountain Forest and Range Experiment Station Director Robert V. Harris, Study by J. H. Wikstrom and S. Blair Hutcheson.

2. *Period of Study.*—Study conducted on six National Forests in the Western Regions during 1969, 1970, and 1971.

3. *Objective and Purpose of Study.*—To determine if existing techniques are appropriately measuring and classifying forest land for its timber productivity.

4. *Current Action.*—Regional Foresters in the West will use ideas regarding techniques for land classification determination from this study report.

IX. "DEANS REPORTS" (JULY 1971)

1. *Authority.*—Council on Environmental Quality (CEQ) requested five university forestry school deans to each prepare a report commenting on clear-cutting and related timber manaegment problems.

2. *Period of Study.*—The deans reports involve no field activity but were presented as professional papers.

3. *Objective and Purpose of Study.*—Council on Environmental Quality desired an independent characterization of clearcutting as a timber management practice.

4. *Major Findings and Conclusions.*—Each forestry school dean sees the practice of clearcutting as an acceptable forestry tool. Likewise, each dean recounted instances where clearcutting had been misapplied and presents detailed criteria for proper application.

5. *Current Action.*—The deans reports are being reviewed by various private and governmental organizations at this time.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to my able colleague.

Mr. McCLURE. I thank my distinguished senior colleague for yielding. I appreciate the colloquy which has taken place between him and the chairman of the Committee on Public Works, the distinguished Senator from West Virginia.

I have been concerned about the implications of the language contained in the report, and I appreciate the fact that the meaning of that language has been more precisely defined by the colloquy.

I would join with my colleague from Idaho in the expression that the criteria developed by the Public Lands Subcommittee of the Committee on Interior and Insular Affairs, of which my distinguished colleague was chairman last year, has met the approval of the industry, of conservation groups, and of those people who are interested in our national forests.

As long as the criteria are followed, there is no need for a further limitation on the use of funds to build the forest access highways which are very badly needed, if we are going to meet the demands of the lumber markets in the country today. As we all know, lumber prices are skyrocketing as a result of demand which far outstrips supply. It is in every way essential, if we are going to meet the housing goals in this country with any kind of reasonable supply of lumber, that we continue to have a development access to public lands in national forests within the administration of the Bureau of Land Management in the western United States.

We are all concerned about the problem of clearcutting and that the practice be limited, as was carefully defined in the criteria published by the Public Lands Subcommittee. As long as the criteria are met, this provision has no application. The language is not directed toward that problem.

I have discussed the problem and the language with the distinguished chairman of the Public Works Committee, and I know how strong his feelings are concerning the management practices on the Monongahela National Forest in his State. I know it is that concern which led to this language, not the broader concern of all forest lands in the United States.

He is concerned, as he expressed in what he said about clearcutting practices, that they be carefully supervised. I am also sure that both my colleague from Idaho and I are among those who will continue to scrutinize the practices as they are applied among the public lands of the West.

Mr. RANDOLPH. Mr. President, I thank the able Senator from Idaho (Mr. McClure) for his comments. The Senator from Idaho is a diligent and helpful member of our Committee on Public Works.

Mr. RANDOLPH. Mr. President, there is no one in this body who has greater appreciation of the value of adequate airports and access to airports than the Senator from West Virginia. No Member of this body believes more than I do in the development in an orderly way of mobility to serve the people of Washington, D.C. and, yes, the people of the United States of America.

But we have in this bill a demonstration project which has to do with a need, which is great, for the development of better access to a federally owned airport, Dulles International Airport.

What the Senator from Maryland seeks to do is to bring in another airport and then we would bring in still another airport. Let us say that there is merit to the other airports. Let us realize, however, that those airports are not owned by the Federal Government.

So let the State of Maryland move into a demonstration project to meet the needs there. Let the counties involved move into a demonstration project. But do not ask the Senate to move here with another $10 million, because this could eventually be many, many projects of $10 million each.

Frankly, I think the amendment, offered in good faith, is ill-advised and should be defeated.

Mr. MATHIAS. Mr. President, I would just like, before the Senate comes to a final conclusion on this matter, to try to put the problem into a reasonable perspective.

It is true, as the very distinguished chairman of the committee has stated, that this is a Government project from start to finish. It is a Government project from beginning to end. The people of the United States have paid millions of dollars for the construction of Dulles Airport, a facility of which every citizen can be proud, just as the people of the United States through their tax dollars have paid millions of dollars for the National Airport. But, Mr. President, ownership alone is not the only consideration here. I think that we have to look at the longer range interests of the American people. The longer range interests of the American people, as I see the future of aviation, and I would hesitate to put my judgment on the future of aviation ahead of that of the distinguished chairman of the committee who in his distinguished career has had the opportunity to be a part of the growing development of the American aviation industry— would be that with American aviation growing at the rate at which it is now growing, where within the last decade we reached a position that now 25 percent of the American people have been air travelers whereas 10 years ago only 5 percent were air travelers, if we project a curve into the future, we will have an even larger percentage of the public traveling by air, where even the facilities, as vast and as huge as Dulles International, may become overcrowded and where we will be looking for a greater kind of effort to transport people not only from airport to airport but also from city to airport.

I would ask that the chairman of the committee might hear me out on this, that it is not really a fair demonstration project to talk about running some sort of test along a federally owned dual highway, where the land is owned by the Government, and is a kind of cream puff situation, because we have not really got the kind of test which will, as my colleague from Maryland pointed out, help us to serve the needs not just of the airport but also of the people. If we tie this into a metropolitan situation, then we have a sort of comprehensive demonstration project, we have a project which not only runs out along the lovely scenic parkway with the Federal Government as owner, because it has built and controls the land, but we have it where it runs through some real-life situations.

There is a further aspect of this which I think the Senate would judge as being worthy of some consideration. Monopoly has never been a popular thing in America. Monopoly is not a nice word. Monopoly is not something which the Federal Government encourages as a normal thing. Yet, look at the Dulles airport situation. If a foreign airline wants to enter the United States, to land somewhere in the National Capital area, whom do they go to for permission to enter the United States? They go to the State Department. And where does the State Department tell them they can land if they come in? At Dulles.

To whom does an airline making arrangements for domestic flights go to talk? To the Federal Government. What is the Federal Government? It is the landlord at both National and Dulles.

I share the distinguished chairman's concern that a test project can expand beyond the demonstration stage, get out of what our friends in industry sometimes call the research status, and become production; but I do not think that is likely to happen in this case, because we are talking about a demonstration project within the National Capital area.

As a Member of the Senate told me within the last few minutes, the toughest trip for an American traveler to take within the United States is to get from Dulles to Friendship or Friendship to Dulles, if that is the kind of airline transfer one has to make. It is a unified regional transportation problem.

I think my distinguished colleague from Maryland has made a reasonable suggestion, a modest suggestion, one which is fair from the point of view of the Federal Government, as both the regular authority, the sovereign, and as the landlord, and one which will not be expanded for test or demonstration purposes beyond the scope of the suggestion which is made in this proposal.

Mr. RANDOLPH. Mr. President, if we continue to discuss the subject, I shall continue to speak; yet, I hope we can bring this matter to a conclusion.

I say to the Senators from Maryland that I doubt they realize what we did in the Federal-Aid Highway Act of 1970. We authorized $65 million to reconstruct the Washington-Baltimore Parkway. Both Senators, who have indicated that apparently there is no interest in the road between Washington and Friendship Airport, should know what we have done.

I read from Public Law 91–605, on page 26, under the heading "Baltimore-Washington Parkway":

> SEC. 146. (a) There is authorized to be appropriated to the Secretary of Transportation, out of the Highway Trust Fund, not to exceed $65,000,000 for reconstructing to six lanes the section of the Baltimore-Washington Parkway in the State of Maryland under the jurisdiction of the Secretary of the Interior to the geometric and construction standards for the National System of Interstate and Defense Highways.
>
> (b) No funds authorized by this section shall be expended until the Secretary of Transportation, the Secretary of the Interior, and the State highway department of the State of Maryland shall enter into an agreement that—
>
> (1) upon completion of reconstruction the Secretary of the Interior will convey without monetary consideration such section of such parkway to the State of Maryland, and
>
> (2) the State of Maryland shall put such section of the Parkway on the Federal-aid primary system prior to expenditure of funds authorized by this section, and for such purpose the mileage limitation on such system in such State imposed by section 103(b) of title 23, United States Code, is hereby waived, and such State shall thereafter retain such section on such system.

This is what we did for the parkway between the Nation's Capital and the city of Baltimore and, of course, that parkway is only 2 miles distant from Friendship Airport.

There is no lack of consideration of this parkway.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield first to the Senator from Virginia.

Mr. SCOTT of Virginia. I thank the Senator.

I should like to respond very briefly to the statement of the Senator from Maryland about the cream puff we have at Dulles Airport, the Federal ownership of the parkway, and the Federal ownership of the airport.

This is what I have been saying. We have two different situations. But when the Senator talks about monopoly and suggests that that exists at Dulles International Airport, by the admission of his colleague from Maryland there were only two and a half million flights last year from Dulles and 2.8 million flights from Friendship. Friendship has more flights than Dulles, so there is no monopoly. In fact, Dulles is so much underutilized that it is utilized only to about one-third of its capacity.

I think a very fallacious argument has been made, and I share the comment of the distinguished chairman of the committee that we not prolong this argument and that we get to a vote, and I urge that the amendment be defeated.

Mr. BEALL. Mr. President, I do not want to prolong this discussion, but I should like to clear up the record with regard to the remarks of the distinguished chairman of the committee concerning the Baltimore-Washington Expressway and $65 million that supposedly was given to the State of Maryland.

We are very grateful that the Federal Government spends money at any time in any of our States, but it should be pointed out that the $65 million to which the Senator alludes is to be spent on that portion of the highway that belongs right now to the Federal Government, that half of the highway which is controlled by the Secretary of the Interior; and the $65 million is being spent to bring this road up to interstate standards.

The Federal Government had asked Maryland to please take this highway off its hands because it did not want to be in the highway business. Maryland said, "We will be happy to do so, and we will bring our half of the highway up to interstate standards at our expense, in the ratios described in the law; but first we ask that you give us the money to bring your half up to interstate standards, also."

I do not want the RECORD to indicate that Maryland was getting some degree of largesse from the Federal Government, because what this $65 million is going to do is just bring the portion that the Federal Government now owns up to the preexisting Federal standards when Maryland takes title to the road.

I think that is one of the reasons why our amendment is of particular significance, because the Federal Government is spending $65 million out here before turning the road over to Maryland. Maryland is going to bring its half of the highway up to interstate standards; and it would be a simple job, while this money is being spent, to provide the kind of demonstration project called for in my amendment, because we would not have to start from scratch.

Construction already is going on, and the feasibility can be demonstrated of having high-speed bus transportation carry passengers not from a city to an airport but from a city past an airport to another city; and rather than serve 2.3 million people who travel to Dulles, 5.3 million people in the whole metropolitan area would be served.

I am ready to vote.

Mr. RANDOLPH. It would be a very simple job, as the Senator has indicated, to provide the $10 million; but in this case the equity is not shown, and the amendment should be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland (putting the question).

The amendment was rejected.

Mr. RIBICOFF. Mr. President, on behalf of Senator WEICKER and myself, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the Record, is as follows:

On page 127, line , insert the following: after the last section of Title I add the following new section:

"Section 109 of Title 23, United States Code is amended by adding at the end thereof the following subsection:

"(k) The Secretary shall not approve any project under this title which would significantly affect the highway system of a contiguous state without the concurrence of that State."

Mr. RIBICOFF. Mr. President, this amendment which is cosponsored by the distinguished junior Senator from Connecticut (Mr. Weicker) would require that the Secretary of Transportation shall not approve any project which would significantly affect the highway system of a contiguous State without the concurrence of that State.

For years highway planners have schemed to bridge the sound. Possible sites have included bridges from the tip of Long Island to New London or Old Saybrook, from Bridgeport, Conn., to Port Jefferson, L.I., and from Rye to Oyster Bay. Because a Rhode Island crossing was impractical and Connecticut officials opposed the entire concept, New York finally decided to go ahead on its own and in 1967 the State legislature authorized a bridge. Since then the initial enthusiasm in New York has waned and in 1971 and 1972 the legislature repealed the 1967 authorization. Each time, however, Governor Rockefeller vetoed the repeal. This year another attempt will be made.

At the moment the New York Metropolitan Transportation Authority is going ahead with plans to construct a 16½ mile, $135 million bridge between Rye and Oyster Bay.

On February 13, 1973, however, in a suit filed by the city of Rye, N.Y., and others, a U.S. district judge enjoined the New York Department of Transportation and the MTA from conducting further hearings until more information is made available to the public and the views of Federal, State, and local agencies and private groups have been heard.

The proposed structure will have an immense impact not only on New York, but on the entire Long Island Sound region. Because its northern end is located only a few miles from the Connecticut border, this bridge will funnel millions of cars and trucks onto the already overcrowded Connecticut Turnpike and Merritt Parkway. No one knows exactly how great the increase will be, but the MTA's own environmental impact statement estimated that the bridge will handle 33 million cars per year—half of which would be overflow traffic from other New York bridges and half of which would be newly created.

Because the MTA has kept important information from the public, it is difficult to predict what impact the bridge will have on the local ecology. It is, however, safe to say that 16½ miles of concrete pillars and roadways will not help the sound.

The bridge will average 25 feet over the water with two raised spans of 55 feet and 135 feet at the north and south ends, respectively, creating chaos among the boats and ships now using Long Island Sound by channeling them into two narrow passages.

Other facts are clear—the noise will increase, the sound's water quality will deteriorate, the air will grow dirtier, and valuable wetlands at both ends will disappear.

The question is who wants it built? Connecticut does not want it.

The Southwestern Connecticut Regional Planning Agency which is comprised of the towns of Wilton, Westport, Norwalk, Darien, New Canaan, and Stamford, has voted unanimously to oppose its construction.

The Nassau, New York County Board of Supervisors unanimously adopted a resolution opposing it.

The entire Nassau County Republican delegation to the New York State Legislature opposed it.

The councils of the New York towns and villages of Rye, Tarrytown, Mamaroneck, Oyster Bay, Bayville, Mill Neck, and Lattington oppose it.

The Westchester County, New York Board of Legislators have asked that the project be suspended.

Despite this overwhelming opposition, the New York MTA, which does not answer to the public, intends to forge ahead. It will finance the bridge itself by a bond issue, but will need Federal highway funds to construct the necessary approach roads.

I do not believe that a single Federal dollar should be spent on this project until the people of Connecticut, have given their approval.

This bridge is going to have a major and unknown impact on the daily lives of millions of Connecticut citizens. Yet for all intents and purposes they have had no voice in any of the recent decisions regarding the structure. This amendment will allow them to be heard.

I have discussed the amendment with the distinguished managers of the bill, and they have indicated they would take the amendment.

Mr. BENTSEN. Mr. President, the floor manager of the bill, the Senator from Texas, has no objection to the amendment and is willing to take it.

Mr. RIBICOFF. Mr. President, I ask unanimous consent to have printed in the Record certain exhibits at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Feb. 7, 1972]

THE UN-SOUND BRIDGE

New York State, pleading poverty every hour on the hour, has now been urged by official constultants to build a six-mile bridge across Long Island Sound at a cost that could easily reach as high as $235 million. The state, which once before came extremely close to sanctioning this long-standing dream of Robert Moses, should have no difficulty now in rejecting the advice of the consulting firm hired by its Department of Transportation—if only on the ground of the projects low social priority. But, with Governor Rockefeller enthusiastically committed to it, the sole hope for averting this folly lies with the Legislature.

Fortunately, the hope is not an idle one. Last year a bill to rescind the Legislature's own earlier authorization of the bridge was overwhelmingly passed by both houses, only to be vetoed by the Governor. Republican legislators from the respective bridgehead sites—Oyster Bay in Nassau County and Rye in Westchester—intend to make another effort to head off the project, which neither community sees as the boon the consultants suggest.

The bridge's protagonists view it primarily as a vital contribution to the economic growth of the metropolitan region, but an exorbitant price would have to be paid for whatever vague and uncertain gains it might bring in reduced traffic congestion, new jobs or lower trucking costs. More important than the additional bonded indebtedness would be the swift deterioration of the areas on both sides of the bridge: relativelv quiet communities turned into fume-choked traffic conduits; houses destroyed; boating seriously affected by the quickening of currents, sand build-ups and other changes caused by the bridge; additional noise and a new eyesore on the horizon—in spite of Mr. Moses' vision of the span as "a gossamer thread over an arm of the sea." And beyond all these, a direct threat to extensive stretches of shoreline, mudflat and marsh, with all that they mean to the wildlife and the good life of the region.

Just what does "economic growth" mean in this context? What advantages can it bring to the people of Long Island and Westchester that might outweigh the beauty and tranquillity it will have destroyed? The Governor should find answers to such questions before proceeding with so obvious an example of growth without gain.

City of Stamford, Conn.,
January 11, 1973.

To: Planning Board; Board of Representatives; Harbormaster, John Sheriden; Rock-Ridge Civic Association; Mid-Ridge Civic Association; Northeast Civic Association; Rippowam New Neighborhood Association; Lakewood Park Association; Shippan Point Association; Burwood Heights; Davenport Drive Association; Lawn View Park; Hidden Brook Association; Glenbrook Association; Courtland Terrace; Merritt Ridges; Revonah Neighborhood Association; East Side Taxpayers; Stillwater Association; Cona; Springdale-Belltown-Newfield Association; Stamford Power Squadron; Yacht Racing Association; and All Concerned Yacht Clubs.

I am enclosing a Position Paper on the Rye-Oyster Bay Bridge. It is my strong feeling that this bridge would be a mistake for the region and be detrimental to the best interests of our State in general, and Stamford and vicinity in particular. You may want to consider endorsing my stand and I would be pleased to discuss it with you if you wish. To present the other side of the picture, I have a 318 page document prepared by the Federal Highway Administration, the New York State Department of Transportation and the Metropolitan Transportation Authority taking the contrary position. You may have this if you wish to make your own analysis and draw your own analysis and draw your own conclusions. I only have one copy, but would be glad to pass it around.

The Southwestern Regional Planning Association has already taken a unanimous stand against this bridge as has the Stamford Conservation Commission, but it will need all the resources we can muster to defeat the proposal because New York State is determined to push it through.

The Public Hearings have been postponed for the present and will be announced as soon as we receive word. In the meantime, written testimony should be sent to Dr. William J. Ronan, Chairman Metropolitan Transportation Authority, 1700 Broadway, New York 10019.

Cordially,

JULIUS M. WILENSKY,
Mayor.

POSITION PAPER BY MAYOR JULIUS M. WILENSKY IN OPPOSITION TO RYE-OYSTER BAY BRIDGE—JANUARY 11, 1973

TRAFFIC CONSIDERATIONS

According to the impact statement, 36% of the traffic on the bridge will originate or be destined for points in Connecticut and New England, most of it using the Connecticut Turnpike and Merritt Parkway. Of this 36% bridge traffic thrust onto the Connecticut Turnpike and Merritt Parkway, 28% will have destinations beyond Fairfield County.

The Connecticut Turnpike is overcrowded beyond capacity during peak hours now. We have dangerous daily backups at Exits 3, 5, and 6 westbound in Greenwich and Stamford in the morning hours. Exit 8 eastbound in Stamford frequently backs up westward to the railroad station in the evening. I can see it out my office window, a very dangerous condition. Construction now underway in Stamford will result in very heavy traffic at Exit 7, both east and westbound. Most evenings traffic crawls through Stamford both directions, and it's just as bad at other points in Fairfield County.

The report speaks of expensive improvements to let the extra traffic flow off the bridge in Westchester County. Where will Connecticut get the money to widen its roads, and how can it be done in areas like Stamford, built tightly up to the pike?

This bridge will not relieve the Long Island Expressway and the Connecticut Turnpike of truck traffic, but there is an existing way to accomplish relief. A Riverhead potato farmer can ship rapidly to Bridgeport by Piggyback rail via the Hell Gate Bridge. This mode should be encouraged, to provide relief for our highways, but this bridge will result in a further decline of rail freight on Long Island and Connecticut. One of Tri State's goals should be improvement of rail freight service all over our burgeoning region.

The impact takes note of this worthy goal (page 242) but makes no real response to the suggestion.

If the money and manpower needed to build the bridge could be used to close some gaps and increase some clearances in our under-utilized rail freight system in the northern and eastern portions of our Tri-State Region, we can relieve our highways of the stream of truck traffic now clogging them. Long haul freight shipments into and out of our region must be made feasible and economical. To ship west or south by rail from Stamford or Bridgeport, or Riverhead now, the routing is north nearly to Albany before we cross the Hudson River. You see piggyback trains all over the country. Our region needs this worse than anywhere.

This bridge will introduce an even greater imbalance into a transportation system for the Tri-State region (particularly Long Island and Connecticut) that is now grossly imbalanced in favor of highway truck freight.

DEMOGRAPHIC CONSIDERATIONS

Our huge Tri-State Region consists of many sub-regions. No less an authority than Louis Mumford described Long Island as a good example of a planned region. Manhattan might be considered a core, with Long Island people commuting to work there from Brooklyn, Queens, Nassau, and even Suffolk. Brooklyn and sections of Queens have a ring of heavy industry, then dense population in high-rise apartments. This gives way to lesser density in garden apartments and single family homes as you go eastward, in Queens and Nassau, with some job centers and sub-regional shopping centers. Despite in influx of hundreds of thousands of people into Suffolk County during the last 10 years, much of it remains primarily less densely populated, including farms and fishing, many charming villages.

The impact of this bridge will be rapid development of Suffolk County, the engulfment of the countryside and development of the same kinds of traffic jams which now make it impractical to drive westward off Long Island. The Long Island Expressway relieved no traffic jams—it created worse ones. Nothing is gained by densely populating the entire island. This benefits land speculators and developers, but it is poor planning to cause major congestion and its attendant problems. Must we wipe out every blade of grass?

Long Island and Connecticut both rank among the most densely populated places in the country. An alternate would be to channel growth westward and northward, where deer still roam less than 50 miles from New York, and where the land is not hemmed in by the ocean. Will construction of this bridge touch off pressure for another bridge further east as Suffolk develops? And another, and another? Let's plan ahead.

RESIDENTIAL, RECREATIONAL, CONSERVATION, AND ECOLOGICAL CONSIDERATIONS

The proposed bridge does violence to both the ecology and the beauty of two lovely areas, Rye and Oyster Bay. It seems difficult to understand how anyone could seriously propose vaulting a bridge into the midst of the beautiful landscapes at Manursing Island at Rye and Mill Neck in Oyster Bay. The bridge proponents have no feeling for the importance of preserving the aesthetics of the best man has been able to accomplish with what God wrought. If indeed they are fully aware of the effect of their proposal, then they have no soul for beauty.

The bridge will destroy the residential and recreational lovely shores of Manursing Island and Port Chester Harbor. Besides the peaceful and quiet residences, there is an excellent marina adjacent to Kirby Pond and the Westchester Country Club's Beach at Manursing Island. It will also destroy the extensive marshy wildlife preserve adjacent to Kirby Pond, Playland Lake, and Manursing Island Creek. What price progress? Of what avail are the Wetland Laws fought for so persistently by conservationists and ecologists if our governments are to cavalierly violate their spirit and intent for the doubtful convenience of dumping more traffic onto already overloaded highway systems? Whichever of the four Westchester alternate approach Routes is used will seriously downgrade some recreational, residential, and ecological aspects of the Westchester shore.

The effect on Bayville and Mill Neck is even worse if degree of abhorrence is possible to express. One beach or another at Oak Neck or Pine Island will be victim to the bridge. Either the Town Beach and landing in Mill Neck Creek or the Oyster docks will go. What of the effect on the heavy use of Mill Neck Creek as a mooring area for pleasure boats, or the effect on the increasingly good oyster sets in Oyster Bay? The extensive marshes around Oak Neck Creek, Mill Neck Creek, and Beaver Lake are a wildfowl paradise. Osprey, an endangered specie, nest there, and I have seen snowy egrets and many other species that would delight any naturalist, including Teddy Roosevelt who lived on Cove Neck, across Oyster Bay Harbor. All three Nassau Alternative Approach Routes converge on Mill Neck to the certain desecration of the beautiful homes set above its east shore.

Even if this bridge would solve more traffic problems than it will create, even if it wouldn't result in the development of highest density in an area which should remain low density, blocked off from egress as it is, conservation, recreation, residential, and ecological factors must be considered.

The impact report is 300 pages of pure pollyanna when it comes to environmental considerations. Rain will wash oil off the roadway they acknowledge, but this shouldn't hurt the ecology of the marsh, nor will salt, sand, dirt, hydrocarbons emitted by diesel trucks and gasoline autos they say. It seems to me we've been down that path before. Wishing won't make it so. We've seen destruction of wildlife refuges by gobbling them up for highways and bridges. The damaging environmental effect of the steady sustained roar of trucks is never mentioned.

EFFECT ON MARINE TRAFFIC

Long Island Sound is our region's greatest asset, not to mention a highway for much of our coal, oil, building and construction materials, and freight from the world's ports.

15 million people live within a day's outing of the Sound, to spend time on our beaches, or fish, sail, cruise, water ski, swim or just mess around in small boats. The activity is a joy to behold or participate in six or seven months of the year.

Whether you take the Coast Guard's estimate of 250,000 registered boats berthed around the Sound, or my publishers' more conservative estimate of 150,000, or Creighton, Hamburg's low estimate of 85,000 registered boats plus 50,000 to 70,000 unregistered day sailers and other small craft, consider what this bridge does to sailboats. It erects a Chinese wall, dividing the Sound into two separate bodies of water, at a point of its greatest boating population. Two thirds of the entire length of the Bayville-Rye crossing will consist of a low slung causeway with only 25 ft. clearance above highwater. The MTA's own estimate is that this isn't high enough to permit safe passage of sailboats more than 16 ft. long.

The 3° rises and falls in the roadway permit two underpasses, one with 55 ft. vertical clearance near the Rye shore, the other with 135 ft. vertical clearance near the Bayville shore. This force sailboats to converge on one or the other of these passages. Remember these are all low powered vessels with limited maneuverability under sail or power. The great risk of collision makes me shudder to contemplate. Pandemonium under the pass!

Now consider the 1300 tons of coal a day barged to the Norwalk Powerhouse from unloading points west of New York, and oil tankered from New Jersey to storage tanks up the Byram River, Greenwich, Stamford, Stratford, and many other ports, as well as sand, gravel, scrap iron and all kinds of goods moving up and down our Sound to the tune of over 30,000 vessels a day making passages under that bridge in 1971, an average of one every 20 minutes the year round. Consider poor visibility and night traffic, and the added hazard of sailboat traffic trying to use the same passes. Aggravated pandemonium at the pass, and danger of collisions, sinkings, loss of life.

Many of the commercial boats are big enough so they won't come off second best if they collide with the causeway, as has been evidenced by experience with the Chespeake Bay Bridge-Tunnel. This bridge is certain to be closed for repairs. And what will happen to a tanker who hits an abutment? Only a few days ago a tanker had a major spill in the East River when she struck a reef off Welfare Island in poor visibility, reportedly because the Astoria light was put out by vandals. Ask any tugboat tanker or freighter skipper what he thinks of this bridge. Don't ask sailboat skippers because their answer will be unprintable.

The plus in this bridge is relief of traffic at Throgs Neck bridge and the "opening up" of Suffolk County. Consider the minuses I've outlined, environmental factors, creation of more traffic bottlenecks, ruination of two lovely towns, demographic, ecological, residential, recreational, conservative, and marine traffic considerations. As planners we must consider the damage to our region, and reject this monstrous suggestion.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Texas yield for a question?

Mr. BENTSEN. I yield.

Mr. ROBERT C. BYRD. Mr President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, the hour is getting late. I wonder if we might be able to determine how many amendments remain and whether or not we might reach a time agreement on such remaining amendments. If the Senate completes its business on this bill today there will be no session tomorrow. Could we have some indication at this time?

Mr. DOLE. I have an amendment. It will not take long.

Mr. DOMENICI. I have an amendment that will not take more than 5 minutes.

Mr. ROBERT C. BYRD. Does the Senator from Arizona have an amendment?

Mr. FANNIN. I do have an amendment.

Mr. ROBERT C. BYRD. Would the Senator indicate what kind of time limitation would be agreeable?

Mr. FANNIN. I am hopeful that the distinguished manager of the bill will accept the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask this question. Would it be possible to impose a time limitation on any further amendments at this time of 20 minutes, to be equally divided?

Mr. WEICKER. Mr. President, I have an amendment at the desk. I am willing to agree to a time limitation of 5 minutes.

Mr. McCLURE. Mr. President, I may offer an amendment or I may withhold it.

Mr. ROBERT C. BYRD. Would the Senator be willing to agree to a time limitation on his amendment if it is offered?

Mr. McCLURE. Of course.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on each of any remaining amendments there be a time limitation of not to exceed 20 minutes, the time to be equally divided between the mover of the amendment and the manager of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. SCOTT of Virginia. Mr. President, section 152 of S. 502, the Federal-aid Highway Act of 1973 which will be approved by the Senate today, is of great interest to the citizens of Virginia. When the 93d Congress convened, I asked to be assigned to the Committee on Public Works. One reason was my interest in transportation, and particularly in the prompt completion of I–66 from the beltway into Washington.

For this reason, I was glad to be assigned to the Senate Committee on Public Works and asked to serve on the Roads Subcommittee—now the Transportation Subcommittee. At our organizational meeting on January 18, as members of the committee will recall, I discussed my interest in the prompt completion of I–66. Further, on the opening day of hearings on this bill on February 7, I expressed an interest in the immediate construction of I–66 to Secretary of Transportation Brinegar—as I had done in former years with Secretary Volpe, and in fact with President Nixon.

Section 152 of the pending bill is one which I offered in the full committee, following a preliminary discussion when the subcommittee was considering the bill. It represents an approach to the problem which I developed with the assistance of the chairman of the committee (Mr. Randolph) and the ranking minority member (Mr. Baker)—one which we agreed would not conflict with either the requirements of the National Environmental Protection Act or the section 4(f) parkland procedures of the Department of Transportation Act. It is carefully designed not to affect any court action, but simply to insure that the administrative requirements and determinations which must precede construction take place in an orderly and expeditious manner, so that further unnecessary delay does not occur.

Interstate 66 is an integral part of our overall balanced transportation system in the area, and an important link in moving the suburban commuter and the visitor in and out of our Nation's Capital.

My amendment will set a precise schedule for the Secretary of Transportation to follow in completing an environmental impact statement, making the determination on parklands required by law, holding public hearings on I–66 design and location, and completing all determinations necessary prior to construction.

When a matter has been under construction for 17 years and the road still is not built, then it seems reasonable to me that some dates for administrative action should be taken so that the highway can be constructed. I–66 was one of the routes included in the original nationwide system of interstate and defense highways designated in 1956. Hearings were first held in 1958 and most of the necessary right of way has been acquired and cleared, including acquisition of the Washington and Old Dominion Railroad property.

I believe the 9-mile stretch of I–66 from the Capital Beltway to the Theodore Roosevelt Bridge, can be a model for the Nation as a major urban highway. I am pleased that the Virginia Legislature approved a proposal to extend the Metro transit system along the I–66 median strip. Extension of the Metro system and and construction of this portion of I–66 in Arlington County go together, and should proceed as quickly as possible so we will have a balanced and efficient way for the suburban commuter and visitors from throughout the country to get in and out of our National Capitol.

Mr. President, I ask unanimous consent that there be included at this point in the Record a brief history of I–66 and also the explanation of section 152 which appears on pages 23 and 24 in the committee report.

I am pleased that the Committee on Public Works adopted this proposal, urge the Senate to approve S. 502 including section 152, and hope very much that the provision will be accepted also by the House of Representatives.

There being no objection, the material was ordered to be printed in the Record, as follows:

History of Interstate Route I–66 in Arlington and Fairfax Counties

I–66, Virginia from Capital Beltway, I–495, to Theodore Roosevelt Bridge.

Interstate 66 was one of the routes included in the original nationwide system of Interstate and Defense highways designated in 1956. It is planned to extend 75 miles, from a connection with I–81 near Strasburg to the Virginia-District of Columbia line, crossing the Potomac River into Washington on the Theodore Roosevelt Memorial Bridge, which was opened in 1964. About 25 miles of I–66 have been built, and are in use by motorists.

A public hearing on the segment between the Capital Beltway (I–495) and the connection with the Theodore Roosevelt Bridge was held October 29, 1956, in the Kenmore Junior High School in Arlington. At that time, State and Federal law required only one public hearing on a proposed project, and it dealt primarily with the location.

In studying the location for the route, the highway department was assisted by the consulting engineering firm of Howard, Needles, Tammen and Bergendorf of New York City, and worked closely with the Arlington and Fairfax County governments, as well as the Federal Highway Administration.

Four possible locations were presented at the October 1958 hearing. Of these, Line "A," which generally follows the Bluemont Drive-Fairfax Drive corridor, was most strongly favored by the county and the county itself employed a consultant who recommended that this route be adopted.

The State Highway Commission subsequently approved the route requested by the Arlington County on February 19, 1959. It was approved by the Bureau of Public Roads on June 26, 1959.

Preparation of plans began immediately, and right-of-way acquisition was started 2 years later.

Three major factors subsequently led to delays in actual construction.

First, the acquisition of the Washington and Old Dominion Railroad property for use as part of the I–66 right-of-way was a time-consuming undertaking. The railroad's petition to abandon its operations was strongly opposed by some in Arlington County, and had to await approval by both the State Corporation Commission and the Interstate Commerce Commission. This was not settled until the mid-1960's. Utilization of the former railroad right-of-way for the highway was considered desirable, since it would materially assist in minimizing disruption of other land uses.

Second, plans were developed with the Washington Metropolitan Area Transit Authority (WMATA) to accommodate the urgenty needed rail rapid transit system, and both the WMATA and the highway department wanted to explore prospects for joint land use.

In 1965, WMATA was granted a 2-year

option to decide whether to place its rail lines and passenger station facilities in the I–66 median between Glebe Road and the Capital Beltway. This option was later extended, and the two agencies at present are coordinating plans to provide this dual use of the right-of-way. Completion of I–66 planning in Arlington had to be deferred until this matter was settled.

Third, there have been continuing uncertainties about the location of the proposed Interstate 266 spur because of its connection with the District of Columbia's Three Sisters Bridge across the Potomac. Location and design of the spur and bridge have a bearing on design features of I–66.

Through the years, however, every traffic study made by the highway department, by the Arlington County government, by the WMATA and the National Capital Region Transportation Planning Board have supported the need for I–66.

An official of the WMATA spoke at one of the State's recent public hearings in favor of the highway construction, citing the need for both the rail line and highway to provide the Washington area with a balanced transportation system.

The Transportation Planning Board has reported that even assuming the rail rapid transit system will be fully constructed and operational in 1976, there will be 22 percent more auto travel to work in 1976 than there was in 1966 for travel movements served by I–66. The Board pointed out that this increase is only for work travel, and that increases in shopping, personal business, social-recreation and truck travel will be larger.

The evidence is overwhelming that I–66 in Arlington County must be built if that area's transportation needs are to be met in the years immediately ahead.

Since approval of the I–66 location in Arlington, more than $30 million in Federal and State funds have been spent for right-of-way acquisition and plan development. Much of the right-of-way has been cleared of rather unattractive industrial buildings, and has been graded and seeded in an attempt to make it a more attractive neighbor while awaiting construction.

Also, many private homes have been demolished and occupants relocated. Over 95 percent of right-of-way is acquired and cleared. Relocating the route will disturb other people and businesses.

This approved location was endorsed by the Transportation Planning Board of the Metropolitan Washington Council of Governments as late as May 1970.

The highway department is aware of the obvious necessity for careful environmental planning, and has employed probably the finest environmental consultant in the United States to help with design and construction of the highway. He is John O. Simonds of Pittsburg, a past president of the American Society of Landscape Architects, and he has been asked for recommendations on all aspects of the environment—including air pollution, noise abatement, fumes, safety, planting, relation of the road generally to the community.

There is a splendid opportunity here to develop I–66 in many respects as a model of urban highway construction. The opportunity is not taken lightly. Consideration is being given development of hiking and hiking trails.

Federal procedures now require a public hearing on the design of proposed highways, as well as on location decisions, and consequently the Highway Commission held a design hearing at Washington-Lee High School in Arlington on September 29, 1970, for the section from Rosslyn to Glebe Road. Because of the large number of citizens wishing to speak on the project, and at the request of the Arlington County Board, this hearing was continued on December 7, 8 and 9.

After the design public hearing on September 29, 1970, and continued on December 7, 9 and 9, the Arlington Coalition on Transportation (ACT) filed suit in U.S. District Court to stop the construction of I–66.

ACT contended that a new location public hearing must be held before further action can be taken. The plaintiffs said that the 1958 hearing had not considered the economic and social effects of the highway location and its impact on the environment; that the Secretary of Transportation has violated Section 4(f) of the Department of Transportation Act.

In October 1971, the District Court dismissed the suit filed by ACT, basing its ruling on the fact that location and design approvals had been granted prior to the effective dates for application of the various laws and guidelines cited by ACT. The court said "there is no justification or legal requirement for further delay in completing construction of I–66."

ACT requested an injunction preventing further construction of I–66 pending appeal. This was granted on November 24, 1971.

On April 4, 1972, the Fourth Circuit Court of Appeals reversed the decision of the District Court, ruling that NEPA and Section 4(f) of the DOT Act were workable. In addition, the court ruled that new public hearings must be held to consider the social and environmental effects of the location in light of the proposed rapid rail service to the Rosslyn area.

Following the appeals court decision, the Virginia Department of Highways filed an appeal with thhe U.S. Supreme Court, contending that planning for I–66 had reached the point where past actions were irreversible. Meanwhile, the Department determined that it would conduct a complete restudy of I–66 in response to the appeals court decision. They hired an consulting team on September 7, 1972, to restudy the social and environmental impact of the highway for five alternates.

This study was to be completed in approximately one year. The Environmental Impact Statement will be circulated prior to the public hearing.

On November 6, 1972, the Supreme Court let stand the lower court ruling blocking work on I–66 until an environmental impact statement and a 4(f) statement have been filed and considered, and until a new public hearing is held.

Completion of Interstate Route 66 in Virginia

Section 152 of the bill provides a timetable for the filing of and subsequent action on the environmental impact statement, the section 4(f) parkland determination, and the conduct of a location and design hearing on the proposed construction of Interstate 66 from its present terminal point at I–495 (the National Capital Beltway) through Arlington County to the Theodore Roosevelt Bridge. Although planned for fifteen years, the completion of this route has been delayed because of several unforeseen factors and, recently, by litigation.

Public hearings on alternate route locations for I–66 in Arlington County were held in 1958 and in 1959, the Virginia Highway Commission and Arlington County Commission agreed on its location. This route was approved the same year by the Bureau of Public Roads. In 1960 the State began acquiring right-of-way, and since 1968 it has owned 99% of the land needed for the highway. A lengthy stretch of the highway right-of-way follows the route of an old, abandoned railroad line which has been acquired by the State. Most of the residents in the path of the highway have already moved to other places.

In 1967 the Washington Metropolitan Area Transit Authority signed a two-year option (later extended) to use the median for transit, and in 1970 authorization was received from WMATA to proceed with preparation of plans for a rapid rail transit line in the median. Part of the delay in construction has been attributed to the problems of securing approval and financing by WMATA for the rapid rail transit line in the median. Recently, there has been action in the State to proceed with the rapid rail line.

In September 1970, design public hearings were held on the section of I–66 from Glebe Road to Rosslyn. A suit was filed in the U.S. District Court by Arlington Coalition for Transportation (ACT) to stop construction. This suit was dismissed. In November 1971 a temporary injunction preventing further construction was granted.

In November 1971, the State hired a consulting organization to restudy the social, environmental and economic impact of the highway. The U.S. Circuit Court of Appeals in April 1972 reversed the District Court's dismissal of the suit by ACT. The Virginia Highway Department asked the Supreme Court to review this decision, but the request was denied in November 1972.

Until new environmental impact (NEPA) and 4(f) (parkland) statements have been prepared, filed and considered, the I–66 project cannot proceed because of the court order. The State Highway Department has contracted for an $850,000 environmental impact study which it expects to be completed by October 1973. Estimated total cost for the nine-mile project is $121 million: $28 million for right-of-way and $93 million for construction.

The bill would direct the Secretary to complete the draft environmental impact statement on this I–66 project by October 1, 1973, and to circulate it to all interested public agencies for comments within 45 days. A public hearing would have to be held within 45 days after issuance of the required notice. By December 31, 1973, the Secretary would have to complete his consideration and review of all comments and information from the hearing, file the final version of the environmental impact statement, and make the other final determinations required by law before construction could proceed. The Secretary's determination on all issues of fact would be conclusive.

It should be pointed out that the Committee recommendation would have no effect on judicial decisions made pertaining to the procedures used for selecting the route for this highway nor would it bar future litigation of any kind. To the contrary, in order to expedite those procedures, the bill would establish a schedule to be followed by administrative agencies charged by law with reviewing the environmental impact statement and making final determinations.

Mr. WEICKER. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment may be dispensed with so that I may explain it.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment, ordered to be printed in the Record, is as follows:

On page 82, line 24, insert the following new section and renumber subsequent sections accordingly:

"Sec. 115. (a) Section 105(a) is amended by deleting the words "State highway department" in the first sentence and inserting in lieu thereof "Governor" and by adding at the end thereof the following new sentence: "The Secretary shall not approve any project except that which is in accordance with the planning process required pursuant to section 134 of this title.".

"(b) Section 105(b) is amended by striking out the words "except in States where all public roads and highways are under the control and supervision of the State highway department, that such project be selected by the State highway department" and inserting in lieu thereof the following: "that such project be selected by the State Governor,".

"(c) Section 105(g) is amended by striking out the words "State highway departments" and inserting in lieu thereof "Governors'.".

On page 75, line 6, strike out the words "the State highway department" and insert in lieu thereof "the Governor of each State".

On page 92, after line 25 insert the following:

"(b) It is declared to be in the national interest to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States, as authorized in this title, in the development of long-range comprehensive public transportation plans and programs which are properly coordinated, which include plans for the development of all modes of transportation, which take into consideration the plans of adjacent States, which are formulated with due consideration of their probable effect on future development of each State, and which fully consider alternative modes of transportation and routes for each project included. The Secretary shall not approve under this title any program for projects in any State unless he finds (1) that such projects are in accordance with a continuing comprehensive public transportation planning process carried on by the State in conformance with the objectives of this section, (2) that all reasonable measures to permit, encourage, and assist public participation in such continuing planning process have been taken, and (3) that all social, economic and environmental aspects of such program and its alternatives have been fully considered in the comprehensive planning process. The Secretary, in cooperation with the States, shall develop and publish regulations specifying minimum guidelines for public participation in such process, which shall include hearings, held at least annually, at which there shall be a review of the transportation planning process, plans, and programs, and opportunity provided for the consideration of alternative modes of transportation. No project may be constructed in a State unless the responsible local officials of the area in which the project is located have been consulted and their views considered with respect to the corridor, the location and the design of the project.

Mr. WEICKER. Mr. President, I ask unanimous consent that the name of the Senator from Massachusetts (Mr. KENNEDY) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, this amendment is very simple. It says that any highway construction project funded with Federal money must be part of an overall transportation plan rather than simply a highway plan. It also says that the Governor has ultimate responsibility for such planning and not just State highway officials.

This amendment is important because it recognizes that highways, while a vitally important part of any balanced transportation system should not be planned in isolation from mass, inter-city rail or air transportation facilities. All should tie in with each other. All should recognize the varying environmental, social, and economic impact of alternate modes of transportation in all areas—rural as well as urban.

The major airports in this Nation generally have failed to have the necessary rail link between terminals and the central cities. On the other side of the coin, too little thought has been given to linking suburban rail stations with the construction of new highways.

Both of these situations can and must be eliminated. We have got to wipe away the planning mentality which allows the creation of uncoordinated transportation happenings at the expense of an overall system.

This amendment would not authorize the spending of more money. Section 104(f) of the basic act as amended by S. 502 already allocates one-half of 1 percent of the highway trust fund for planning.

This amendment would not impair metropolitan-areawide planning or the creation of local planning agencies. Local officials would definitely be consulted by State planners and local plans, created locally would be carefully plugged into broader State programs.

The kind of coordination this amendment requires is absolutely essential, and I would hope that other Senators would support it.

Mr. KENNEDY. Mr. President, I want to join Senator WEICKER in proposing this amendment to help create a broad transportation perspective on the part of our States.

Too often in the past, the separate funding for highways has been tied to separate planning for highways and overall transportation needs are overlooked.

For that reason, similar provisions were in the bills Senator WEICKER and I introduced last year and again in S. 679 this year.

The amendment provides that any highway project funded with Federal money must be part of a comprehensive transportation plan rather than merely be covered by a highway construction design.

And it says that the final authority should be with the official who is elected by all of the people of the State, the Governor, rather than the State highway departments.

Accountability is vital in the democratic process and by pinning the final decisionmaking responsibility on the Governor, there is no question of who will have to respond if things go awry. Under the present system, the Governor too often can rightly claim that his hands are tied.

Hopefully, this amendment will be another step toward fostering comprehensive multimodal planning that analyzes transportation problems and plans for their resolution in a way that coordinates all modes of transportation. I hope that the committee will accept it.

Mr. BENTSEN. Mr. President, the floor manager of the bill thinks this amendment complements the bill and is a good addition to the bill, and is willing to take the amendment to conference.

The PRESIDING OFFICER. Is all time on the amendment yielded back?

Mr. WEICKER. Mr. President, I yield back my time.

Mr. BENTSEN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. DOLE. Mr. President, I have an amendment at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas will be read.

The legislative clerk read the amendment, as follows:

On page 118, line 12 insert the following:

"(h) A route from Salina, Kansas, or its vicinity in a northerly direction to intersect with Interstate 80 in the vicinity of York, Nebraska, and, proceeding further, to Interstate 29 in the vicinity of Watertown, South Dakota."

"(i) A route from Wichita, Kansas, or its vicinity to Tucumcari, New Mexico, or its vicinity, so aligned to serve the following intermediate locations or vicinities thereof: Pratt, Kansas; Meade, Kansas; Liberal, Kansas; Guymon, Oklahoma; Stafford, Texas; Dalhart, Texas; and Logan, New Mexico, or any other route through the State of Kansas determined feasible by such State and the Secretary."

Mr. DOLE. Mr. President, this amendment addresses the needs of the State of Kansas and the Nation for improving the flow of highway traffic through the State on the Interstate System.

This amendment authorizes two feasibility studies of interstate route extensions north from Salina, Kans., and southwest from Wichita, Kans.

The desirability of these two extensions can be quickly appreciated at a brief glance at an interstate route map.

ROUTE BETWEEN SALINA, KANS., AND WATERTOWN, S. DAK.

The construction of route I-35W between Wichita and Salina has created a natural flow of northbound traffic from Oklahoma, Texas, and other southern points through Kansas toward Nebraska, the Dakotas and other areas lying in a 500- to 600-mile expanse of land between I-25 in Colorado, Wyoming, and Montana and I-35 in Missouri, Iowa, and Minnesota.

A great deal of traffic is carried along this modern, safe and important route, but when it reaches a point 10 miles north of Salina, it is forced to abandon the four-lane divided highway it has followed from as far south as Laredo, Tex., and utilize a narrow, two-lane, unlimited access highway which is simply not capable of carrying such loads safely. The results have been serious for both the transient traveler and the local citizen who must use this highway, U.S. 81, through Kansas, Nebraska, and into South Dakota where a connection can be made with I-29 on through the Dakotas to the Canadian border. Accidents, death, and constant danger plague this route.

It would seem that the logical and simple answer to this problem would be a connecting Interstate link between I-35W at Salina and I-29 near Watertown, S. Dak. It would certainly improve the flow of north-south traffic on the Interstate System through the heart of the Nation, and it would provide a great increase in safety for the traveling public and the people who live along the route of U.S. 81 between these points.

I would hope this amendment will be adopted and that the Department of Transportation's studies will demonstrate the wisdom and necessity for such a link in the system.

ROUTE BETWEEN WICHITA, KANS., AND TUCUMCARI, N. MEX.

Another look at the Interstate route map shows an unusual gap in its layout. A rectangle, roughly 400 miles by 300 miles with its corners marked by Denver, Colo.; Salina, Kans.; Albuquerque, N. Mex.; and Oklahoma City, Okla.; is bounded by I-70 on the north, I-35 on the east, I-40 on the south, and I-25 on the west. This rectangle lies at the heart of the traffic flow from the Los Angeles-Phoenix Southwestern area to the Kansas City-Omaha-Des Moines-Minneapolis plains and upper-Midwest region. It is a vitally important year-round route which serves a great percentage of the traffic between these areas.

However, this rectangle has no diagonal route to make the most direct connection between Albuquerque and Kansas City. To travel between these points a driver must follow two sides of the rectangle, or approximately 700 miles, rather than cutting across in a straight line at a saving of perhaps 200 miles and many hours of traveling time. The diagonal route is all the more attractive and enticing because part of it already exists in the form of the 240 miles of I-35, the Kansas Turnpike, and I-70 between Kansas City and Wichita.

Thus, I believe it would be extremely valuable to direct the Department of Transportation to study the completion of this diagonal across Kansas, the Oklahoma and Texas panhandles into New Mexico. The volume of traffic along U.S. 54 between Wichita and Tucumcari shows that the traveling public recognizes the value of such a direct route. But the increased safety and capacity of an interstate highway along this route would pay significant dividends to the entire country and stand as a significant improvement to the entire Interstate System.

ROUTE BETWEEN KANSAS CITY, MO., AND BATON ROUGE, LA.

I would also note the provision in this same section of the Federal-Aid Highway Act for study of an interstate route between Kansas City and Baton Rouge. I believe the committee has identified an important gap in the system here. I would merely add my support for this study and express the hope that the Department of Transportation will give careful consideration to the possibility of placing this route in eastern Kansas, particularly along the present locations of U.S. 69 or U.S. 169. An eastern Kansas-northeastern Oklahoma route would serve communities and could easily be tied into service for the State of Arkansas as specified in the bill. So I would hope these points can be taken into consideration as this study is developed.

Mr. President, I believe these feasibility study requests are important to the State of Kansas and to the Nation's motoring public. I urge that this amendment be adopted by the Senate.

Mr. President, the amendment has been discussed with the subcommittee chairman and the ranking minority member of the committee. It simply asks for two feasibility studies and has been cleared all the way around.

Unless there are questions, I am prepared to yield back the remainder of my time.

Mr. BENTSEN. Mr. President, the floor managers of the bill have studied the amendment and have discussed it with members of the committee on both sides of the aisle, and are willing to accept the amendment.

I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk proceeded to read the amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 68, line 19, strike all of subsection (b) through line 10 on page 69, and insert the following:

(b) Any state which has not completed Federal funding of the Interstate System within its boundaries shall receive at least one-half of 1 per centum of the total apportionment for each of the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, under Section 104(b)(5) of title 23, United States Code, or an amount equal to the actual cost of completing such funding, whichever is less. In an addition to all other authorizations for the Interstate System for the three fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, there are authorized to be appropriated out of the Highway Trust Fund not to exceed $55,000,000 for each such fiscal year for such system.

Mr. DOMENICI. Mr. President, I yield myself 4 minutes on the amendment.

I call to the attention of the Senate the fact that this amendment is slightly different from amendment 36, which I introduced yesterday. The intention, however, is the same: To strike language from the highway bill which would continue to send to States that have completed their Interstate Highway System one-half of 1 percent of the entire interstate apportionments to be used by those States for other Federal highway programs.

My concern, Mr. President, and Members of the Senate, centers on what I believe is a very bad precedent. It seems to me that what the committee language in section 105(b) does is say to the States, "When you complete the Interstate System, we are going to give you a bonus. We do not really know why. We do not know whether you finished because you did a better job than others." We are going to say to the other States that they did not finish, and we are not going to give them that bonus. We do not know why. We have just decided that those States that have finished will get additional revenues to complete other highway programs in those States.

I am concerned that we are taking a good provision of the 1970 bill and extended it into a very bad precedent. I think it is our responsibility to decide how to spend the interstate money. When the interstate program is completed, it is our responsibility to see that the use of the money is for the benefit of all the States in a national program, and not just those that have finished their interstate segments, for whatever reason.

I know that in the past we added additional mileage on the Interstate System. For various reasons, we are not going to finish some of them quickly. But I would not want a precedent to go on, until the system is finished, that grants an arbitrary amount of money to each State that has completed its system for use in other programs, while giving to those States that have not completed their system proportionately less money for rural primary and secondary systems.

For that reason, I submit this amendment to cut off funding to those States which have completed their Interstate System, while in no way changing the Federal-aid assistance program to those States.

Mr. BENTSEN. Mr. President, I yield to the distinguished Senator from North Dakota, a member of the committee.

Mr. BURDICK. Mr. President, the provision which my colleagues, Senators BUCKLEY and DOMENICI, seek to delete is vital to the States which will soon be completing their required interstate mileage. It is a simple provision—one which had the support of a wide majority of the Senate Public Works Committee, including its distinguished chairman, Senator RANDOLPH, and the able chairman of the Transportation Subcommittee, Senator BENTSEN. The provision in question establishes no new programs, but rather will retain the status quo for States which complete their interstate segments within the life of the bill. A little background information may be helpful to those who have not had a chance to study the matter.

Since the interstate program was authorized in 1956, State highway department officials have been told by Congress and by the various administrations that completion of the system was to be their highest priority—this in order to bring the benefits of these roads to the traveling public; to avoid the increased costs which are the result of delay; and to insure that the system would be completed within the life of the legislation established to fund it. For example, Mr. Rex M. Whitton, Federal Highway Administrator of the Bureau of Public Roads, told a meeting of the American Association of State Highway Officials in 1962:

> (D) uring the past few months, on several occasions, I have stressed to all state highway departments the importance of completing usable segments of the Interstate System . . . I have also asked that each state analyze its position with respect to its progress on the Interstate System and determine what action was needed to bring the program on schedule . . . I am concerned about those states that have not yet started to move at a rate which will keep them abreast of the program time . . . The rate of increase needed to accomplish the task in these states is obviously great and immediate attention to the problem is mandatory.

The mandate was clear—to move swiftly toward early completion of the Interstate System. It seems now that three States may have completed too fast for their own good. These States are Delaware, Nebraska, and North Dakota. Each of these States stand to lose $16.25 million if the amendment offered by Senator BUCKLEY and Senator DOMENICI is accepted.

In 1956 it was contemplated that all States would complete their interstate mileage simultaneously. If every State completed at the same time, Congress reasoned, there would be a smooth transition from interstate construction to post-interstate highway programs.

Unfortunately, several years ago it became apparent that the goal of simultaneous completion would not be attained. This disruption was caused partially by the addition of 1,500 miles of interstate roads and partially by presidential impoundment. When the goal of simultaneous completion was lost, the need for some sort of transitional program for "completing States" became vital.

Public Law 91-605, the Federal-Aid Highway Act of 1970, asked the Secretary of Transportation for a report "on his recommendations for the apportionment of funds and matching requirements for work on Federal-aid highways in States which have completed, or are nearing completion, of construction on Interstate System mileage located in their State, and for all States after completion of the Interstate System." This report, which was due January 1, 1972, never addressed the problem.

Again, in 1972, the Senate recognized the need to establish a transitional highway program. The committee report for the proposed Federal-Aid Highway Act of 1972 read:

> (B) ecause several states have nearly completed their Interstate System construction, they soon will begin to receive negligible Interstate apportionments. The reduction of Interstate authorizations and the companion increase of authorizations for other programs should facilitate transition to the post-Interstate period and enable those states to continue a meaningful highway program.

No State would have actually completed their Interstate System within the life of the 1972 proposal which only provided authorizations through fiscal year 1975. Thus, the Senate Public Works Committee certainly did not view the proposed act of 1972 as providing a final answer, but rather a first step toward helping the States switch to post-interstate construction.

This year, however, the Senate has before it a 3-year bill. North Dakota, Nebraska, and Delaware will be completing their mileage of interstate within its authorization period. Unless the provision of S. 502, which assures the minimum apportionment for each of the 3 fiscal years encompassed by the bill is retained, there will be no transition program for the three States I mentioned.

In North Dakota, for example, the minimum annual apportionment of $16.25 million represents about 50 percent of our total highway budget. If the Buckley-Domenici amendment is enacted, we will lose this money in fiscal year 1976 because we will have completed our Interstate System the year before.

Ironically, if the proposed amendment passes, it would have been more advantageous for the three States to prolong interstate completion even though this would have cost the Federal Government more money in terms of rising construction costs now estimated to be about 10 percent a year.

I want to stress at this point that the provision in the Senate bill is not intended to serve as a precedent for a priority primary system or any new funding category. The language of S. 502 is temporary in nature. It is not a permanent amendment to the United States Code. After fiscal year 1976 our highway programs must be reenacted and every portion will undergo reexamination. The provision in question is intended to serve as a logical transitional step to insure that the three States which complete their interstate mileage within the life of this bill are not penalized for early completion. It is also intended to provide needed funds for urban, primary, and secondary road projects which were put on the "back burner" during the interstate construction period.

I have already indicated that the States were all urged to emphasize their interstate construction program. Where construction was unimpeded, this was often done at the expense of other much needed projects. For example, statistics recently released by the Department of Transportation indicate that the three States in question are obligating a greater percentage of their interstate apportionment than they are of their ABC money. Delaware has obligated 81 percent of its apportionment for interstate, but only 34 percent of its urban, primary, and secondary money. Nebraska has obligated 39 percent of its interstate funds, which is still above the national average of 21 percent, but has only obligated 11 percent of its urban-rural money. For North Dakota the figures are 57 percent and 41 percent, respectively.

In these, as in other States, the backlog of existing noninterstate needs is high—in North Dakota, 70.5 percent of our 20-year highway program. There can be no doubt that a great deal of this backlog is due to the emphasis placed on the completion of the Interstate System.

In terms of cost, S. 502 provides a minimum apportionment of one-half of 1 percent of the yearly interstate program authorization for each of the three States affected. This is what they are apportioned under present law, and it is what they are apportioned under present law, and it is what they will receive for fiscal years 1974 and 1975 even if the Buckley-Domenici amendment passes. Thus, we are talking about a total cost of $50 million for 1 year, retaining, in effect, the status quo for the last year of this bill. The funds made available are authorized to be used under existing program authority for urban systems, urban extensions, primary and secondary road improvements.

Mr. President, at this time I send to the desk a substitute to the pending amendment for consideration.

The PRESIDING OFFICER. The clerk will read the amendment of the Senator from North Dakota to the amendment.

The legislative clerk read the amendment to the amendment, as follows:

> On page 69, at the end of line 10, add the following: "It is the sense of the Congress that this subsection is an interim provision to be reconsidered at the expiration of this authorization."

Mr. BURDICK. Mr. President, I think this spells out quite clearly that this is an interim solution to a problem which we will reconsider again at the end of this authorization, and I think it meets the objections the Senator from New Mexico may have at this time.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. BURDICK. I yield.

Mr. DOMENICI. As I understand the substitute, this will last for the period of this authorization, 3 years, and that we will then look for a national solution as to what we do as the Interstate System is completed in each State to see to it that funds which are used are used in a scope that is national.

With that understanding, I accept the substitute.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BENTSEN. Mr. President, I yield 1 minute to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I am pleased that a solution has been worked out.

I rise to oppose the amendment offered by Senators BUCKLEY and DOMENICI. This would delete a provision in the present bill, sponsored by my colleague, Senator BURDICK.

Mr. President, this provision in the bill provides equity, justice, and fair play for those States, which will be completing their part of the Interstate Highway System, within next 3 years. I understand only three States will be affected during this 3-year period—North Dakota, Nebraska, and Delaware.

There will be other States that will complete their Interstate Highway Systems, in the years immediately following. Some may not complete their part of this system, until 10 years from now. This staggered pattern with each State completing its part of the Interstate Highway System, presents a problem that will have to be dealt with later. It makes it necessary, that the first States completing their part of the program during the framework of the pending highway act, should be dealt now.

The States that have completed their work, will still be in the position, of having to pay all the taxes going into the highway trust fund, to be distributed to all other States. Thus States like North Dakota, Nebraska, and Delaware, will be placed in the position, of being taxed to pay for a program, from which they no longer receive any funds.

North Dakota has done an excellent job, in constructing its part of the Interstate Highway System. States such as ours, which have moved ahead expeditiously, and completed their section of the Interstate Highway Sytem, should be rewarded and not penalized.

I would hope the sponsors of this amendment would not press for a vote.

Mr. BENTSEN. Mr. President, there is a mutuality of objective on the part of the two Senators, and I am pleased to say the floor manager is willing to accept the substitute and take it to conference, and to yield back his time.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment of the Senator from North Dakota for the amendment of the Senator from New Mexico.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment of the Senator from New Mexico, as amended.

The amendment, as amended, was agreed to.

Mr. FANNIN. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk proceeded to read the amendment.

Mr. FANNIN. Mr. President, I ask unanimous consent that further reading of the amendment be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section:

Section 127 of title 23 of the United States Code is amended by striking out the first word and inserting in lieu thereof the following: "(a) Except as provided in subsection (b) of this section, no", and by adding at the end thereof the following new subsection:

"(b) Apportionment of funds shall not be denied to any State for allowing the operation of motor buses upon the Interstate System within such State with a width not in excess of one hundred two inches plus additional width necessary for officially approved safety devices; or with the maximum width permitted for motor buses using the Interstate System within such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, whichever is greater. As used in this subsection, the term 'motor buses' means motor vehicles with motive power, except trailers, designed for carrying more than ten persons."

SEC. 2. The amendments made by the first section of this Act shall take effect on January 1, 1974, subject to such safety regulations as the Secretary of Transportation may determine to be necessary or desirable in the operation of motor buses having a width in excess of ninety-six inches but not in excess of one hundred two inches.

Mr. FANNIN. Mr. President, the amendment proposed to the pending bill would amend section 127 of title 23 of the United States Code by increasing from 96 to 102 inches the width of buses permitted to use the Interstate System. Wider buses are already permitted to operate on the Interstate System in nine States; on most urban segments of the Interstate System; and, if the proposed amendment is approved, would be permitted by the legislation of 34 States to operate on the entire Interstate System within their borders.

In the 90th Congress the Senate passed without a dissenting vote a bill (S. 2658) which, among other things, would have increased by 6 inches the maximum bus width limitation applicable to the Interstate System. In the last Congress the House of Representatives passed a bill (H.R. 4354) authorizing a 6-inch increase in the maximum permissible width of buses.

Hearings on H.R. 4354 were held before the Subcommittee on Roads of the Senate Public Works Committee in December 1971 and in February 1972. Action on the bill was deferred at the request of the Department of Transportation to enable the Department to investigate the safety characteristics and the safety record of wider buses.

On January 22, 1973, former Secretary of Transportation John A. Volpe advised Chairman RANDOLPH that "comprehensive research studies" on the safety of wider buses were undertaken and that "such studies are now completed." With his letter to Chairman RANDOLPH, Secretary Volpe enclosed a report on "Safety of Wide Buses" dated January 12, 1973, jointly prepared by staff members of the National Highway Traffic Safety Administration and the Federal Highway Administration. That report reached the following ultimate conclusion:

> In summary, the 102-inch wide bus is safe. The research did not indicate any properties of 102-inch wide buses which would suggest that they pose an increased hazard to cars, despite the fact that lateral maneuvering space is reduced by 3 inches or half the additional bus width. On the Interstate Highway System, lanes are at least 12 feet wide and the 3-inch width increase still allows car maneuver space of at least 53 inches, which is adequate for all operating conditions.

The proposed amendment is wholly permissive. It would permit, but not require, the States to increase the maximum width for buses operating on the Interstate System within their borders. On many noninterstate highways, the operation of 102-inch-wide buses is now lawful. Thousands of these wider buses have been purchased with financial assistance extended under the provisions of the Urban Mass Transportation Act of 1964. It is anomalous to retain the 96-inch limitation for the safest highways available.

The proposed amendment is supported by both intercity bus operators and by transit bus operators. They desire to use wider buses, not to increase seating capacity, but to provide more comfort for their passengers.

I trust that the distinguished manager of the bill would be willing to accept this amendment.

Mr. BENTSEN. Mr. President, this amendment is more narrowly drawn than the Hansen amendment in that it pertains only to increasing the width of buses to a specified size rather than lifting all limits on the size of buses and trucks.

I would also note that the committee held extensive hearings on this subject last year.

It is my understanding that a recently completed Department of Transportation study has concluded that the present amendment does not have environmental or safety problems associated with it. Indeed many buses with 102 inch width are now operating effectively on our Interstate Highways.

Because this amendment is restrictive and specific and targeted to vehicles of a certain size, I will not oppose the amendment of the Senator from Arizona (Mr. FANNIN).

I am speaking in my capacity as floor manager of the bill. It may be that some Senators have objections they wish to raise.

For my own part, I will not object to the Senator's amendment.

Mr. STAFFORD. I appreciate the Senator yielding to me.

Mr. President, with considerable regret, because of my high regard for the sponsor of this amendment, I find it necessary for me as an individual Senator to oppose the amendment. I shall not repeat the speech I made earlier with respect to larger vehicles upon our Interstate System. I must say only that what I said then convinces me that we should not increase the size of vehicles on the Interstate System at the present time.

I am very much afraid, though, that this is a strictly limited increase in the size of buses only; that in effect it may be a foot in the door which will result in additional amendments which can be offered or may be offered to increase the size of trucks and buses, as well.

For that reason and without taking up the time of the Senate any further, and in view of the unresolved questions of safety with respect to larger vehicles generally, I find it necessary as an individual Senator to oppose the amendment offered by the Senator from Arizona (Mr. FANNIN).

Mr. BAKER. Will the Senator yield to me for 30 seconds?

Mr. BENTSEN. I yield.

Mr. BAKER. I understand that the yeas and nays have not been asked for on the amendment. I have nothing further to say. But in the event we do not have a rollcall vote, I want the RECORD to show my opposition.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HUGHES. Will the Senator from Arizona yield for two or three questions?

Mr. FANNIN. I am pleased to yield.

Mr. HUGHES. As I listened to the distinguished Senator from Arizona, he said this amendment was purely optional to a State.

Mr. FANNIN. That is correct.

Mr. HUGHES. Will the Senator describe that as to a cross-country bus running, for example, from Chicago to Omaha? Could such a wide bus ride through the State of Iowa unless the State of Iowa authorized it to run on the Interstate System?

Mr. FANNIN. It is my understanding that this is permissive legislation.

Mr. HUGHES. As I understand, these buses are going to have to get off the Interstate Highway System at some point in order to get to their terminals, if they are going to leave the Interstate Highway System in order to follow city streets to the terminals. My own experience has been that sometimes the bus routes are not always the best routes in the city, but that they travel on some narrow, confined streets.

Again I repeat the question: Is it the option of the State or the city to control the routes the 6-inch wider buses would be allowed to take in States and cities?

Mr. FANNIN. I know that the distinguished Senator from Iowa is very knowledgeable in this field. I think he realizes that city ordinances and State laws would be effective in this respect.

Mr. HUGHES. Mr. President, the Senator discussed this amendment with me earlier and gave assurances in his statement that it is the intention of the bus companies to use this space to increase the comfort of the passengers riding the buses and not to increase the seating capacity of the bus itself. Am I correct?

Mr. FANNIN. That is correct. I think there is a safety factor, too, as far as bus construction is concerned. So I think both from the standpoint of safety and the standpoint of comfort of the rider—the passenger—this is the intent.

Mr. HUGHES. Could the Senator from Arizona tell me, just so that it will fit into the RECORD at this place, what the width of the two-lane Interstate Highway System is?

Mr. FANNIN. I have that information, yes. On the Interstate Highway System the lanes are at least 12 feet wide.

Mr. HUGHES. So on the two-lane system there would be a total of 24 feet. If two of the wider buses were on the highway, passing each other, there would be 208 inches?

Mr. FANNIN. There would be a clearance of 53 inches.

Mr. HUGHES. A clearance of 53 inches?

Mr. FANNIN. Yes.

Mr. HUGHES. Does the Senator have the engineering dynamic studies on these buses? I know he has an engineering report and study. Does the Senator have any information on how many of these buses are in existence, how long an engineering trial they were given, and on what sorts of highways they were given?

Mr. FANNIN. I can answer the distinguished Senator by saying that the report was that there is a negligible difference in aerodynamic disturbance effects between 96-inch and 102-inch buses.

The stability of the 102-inch bus studied is equal to or better than that of the 96-inch bus with which it was compared in various maneuvers including those involving braking.

Mr. HUGHES. In the opinion of the Senator from Arizona, would a bus of this size passing an automobile on the highway in a high wind have any more dangerous effect on the control of the automobile than a bus of present-day size.

Mr. FANNIN. I do not think there would be.

Mr. BENTSEN. Will the Senator yield?

Mr. FANNIN. I will be happy to yield.

Mr. BENTSEN. The Department of Transportation indicates that there is a negligible difference in the wind whip effect on an automobile.

Mr. FANNIN. That is the exact wording—that there is a negligible difference in aerodynamic disturbance effects between 96-inch and 102-inch buses.

Mr. HUGHES. The distinguished Senator from Texas has the advantage on me. Would he explain what "aerodynamics disturbance effect" means?

Mr. BENTSEN. That means it does not cause considerably greater wind suction.

Mr. HUGHES. I am not sure whether that means it slows the bus down in a high wind or whips the automobile less. It is bound to require more fuel consumption. A wider vehicle on the road causes more disturbance than a narrow one.

It is bound to increase the use of fuel. If I want to strain at a gnat, I could say that in the interests of ecology we are increasing pollution.

My interest, I can say to the Senator from Arizona, is not to build a record of objection to his amendment, but to try to make sure that in speaking on this particular subject I share the concern of the distinguished Senator from Vermont.

I am concerned about putting wider vehicles on highways that are already glutted with traffic, particularly on holiday weekends and summer vacations.

I listened to the distinguished chairman of the committee state that every fourth person in the country has the option of seeing this beautiful country of ours; but last July Fourth I started south on the beltway from Washington, and in 2½ hours I was less than 20 miles out on the Beltway. I was not in any danger of wind whip, because I was sitting still most of the time, obviously, on this great Interstate Highway System that is already overburdened and unable to carry the traffic in most regions of the country, particularly in this part of the country.

My concern in putting wider vehicles on that highway is that it would further compound the heavy traffic in very high density areas.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. HUGHES. It will only further compound the glut of traffic in the heavy density areas.

Mr. FANNIN. If the Senator will yield, I would hope it would have the exact opposite effect, that there would be more comfort in the bus, that it would be more safe, and that there would be a greater utilization of bus service.

If the Senator would like a further report on the aerodynamic disturbances, characteristics, and effects, I would be glad to read it to him or place it in the RECORD, because I do have a complete report, even to the extent of the wind tunnel and controlled field experiments, with comparisons made of the data for similar size and shape cars such as Ford versus Chevrolet sedans and Volkswagen versus Datsun, and the side forces within each paired combination.

The complete report and complete study is available, and I would be glad to read further, if the Senator so desires. We have a complete analyzation and very thorough study that was made.

Mr. HUGHES. Mr. President, I want to thank the distinguished Senator for his candor and cooperation in explaining the purpose of the wider buses, and so on, but I again want to express my concern to the distinguished Senator from Arizona that this is a breakthrough in a direction that we have not taken before since this system was developed. Whether or not it is only the beginning, the foot in the door, I do not know, but I do think that when this body takes such a step, we should be well aware that every bill that comes along in the future is going to have a request for wider vehicles, based on the fact that we have set a precedent, to increase the comfort of people riding public transportation in buses.

For that reason, though the tests have been made on buses, I do not know whether they have been made on larger and longer vehicles, or what it does to the distribution of the gross weights, the axle problems, or anything else.

It is the intention of the Senator from Iowa, because this is a new direction, to ask for the yeas and nays on this particular amendment.

The PRESIDING OFFICER. All the time of the Senator from Arizona has expired.

Mr. BENTSEN. Will the Senator yield for a moment?

Mr. HUGHES. I yield.

Mr. BENTSEN. This is not an entirely new departure. There is a grandfather clause under the present law that provides that nine States may continue to operate buses of this size, and they are presently being operated on the Interstate System.

Mr. HUGHES. I would agree. But since the grandfather clause, has any single State of the Union increased the size, the width, or the axle weights?

Mr. BENTSEN. It is my understanding that they have.

Mr. FANNIN. Mr. President, if the Senator will yield, it is my understanding that eight States have adopted them.

Mr. BENTSEN. Twelve States have adopted laws that would authorize the larger buses if the Federal Government would remove its restriction.

Mr. HUGHES. Does the Senator have a list of those States?

Mr. BENTSEN. Yes, I do.

Mr. HUGHES. I want to determine whether my State is in the list or not, if the Senator wants to know what I was trying to do. If it is a moot question at home, I might as well shut up, in other words.

Mr. BENTSEN. The grandfather States are Colorado, Connecticut, Hawaii, Idaho, Montana, New Mexico, Pennsylvania, Rhode Island, Wyoming, California, Maine, Maryland, Nevada, New Jersey, North Dakota, Oregon, and South Dakota. And then the others, which will permit them if the use of the Interstate System is permitted by Congress, are Delaware, Indiana, Minnesota, Kentucky, Nebraska, New York, North Carolina, Tennessee, Utah, Virginia, Washington, and Wisconsin.

Mr. HUGHES. Mr. President, the Senator from Iowa asks for the yeas and nays on this particular amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Texas yield back his time?

Mr. BENTSEN. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CLARK). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Arizona (Mr. FANNIN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. MONDALE), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Wisconsin (Mr. NELSON), and the Senator from Maine (Mr. MUSKIE), are necessarily absent.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOK), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

Also, the Senator from Oklahoma (Mr. BARTLETT), the Senator from New York (Mr. BUCKLEY), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The Senator from Colorado (Mr. DOMINICK) is absent on official business.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 14, nays 68, as follows:

[No. 42 Leg.]

YEAS—14

Bayh
Bentsen
Cotton
Curtis
Fannin
Goldwater
Hansen
Helms
Huddleston
McClure
McGee
Randolph
Thurmond
Tower

NAYS—68

Abourezk
Aiken
Allen
Baker
Beall
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Dole
Domenici
Eastland
Ervin
Fong
Fulbright
Griffin
Gurney
Hart
Hartke
Haskell
Hathaway
Hollings
Hruska
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
Metcalf
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NOT VOTING—18

Bartlett
Bellmon
Bennett
Buckley
Byrd,
Harry F., Jr.
Cook
Cranston
Dominick
Eagleton
Gravel
Hatfield
McIntyre
Mondale
Muskie
Nelson
Saxbe
Stennis
Stevens

So Mr. FANNIN's amendment was rejected.

Mr. BENTSEN. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the bill when it is passed.

The PRESIDING OFFICER. Without objection, the Secretary of the Senate will be authorized to make technical and clerical corrections in the engrossment of the bill.

Mr. BAKER. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 94, line 13, strike the period and insert a comma and the following: "and which shall not be in conflict with any State Transportation Plan approved by the Governor.".

Mr. BAKER. Mr. President, I understand that this amendment will be accepted by the manager of the bill.

This amendment modifies the so-called pass-through provision of S. 502 to minimize conflict with State transportation plans. While the amendment does not endanger the powers given to urban areas meeting the criteria of the pass-through provision of the bill, it assures that projects undertaken under that section will not impede the efficiency of statewide transportation programs.

My own State of Tennessee has developed such a plan which is considered a model for future efforts in other States. Thus, I offer this amendment with the additional parochial interest of protecting the work and study which the Tennessee Department of Transportation has invested in this forward-looking plan.

Mr. BENTSEN. Mr. President, the floor manager of the bill has studied the amendment and has discussed it with the ranking minority member of the committee. We have no objection to it. We think it complements the bill, and we are ready to take it to conference, if it is the will of the Senate.

I yield back the remainder of my time.

Mr. BAKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAKER. Mr. President, I have a second amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 127 after line 5, insert the following:

MASS TRANSPORTATION TAX STUDY

"SEC. 155. The Secretary shall conduct a study of revenue mechanisms, including a tax on fuels used in the provision of urban mass transportation service, which could be used now or in the future to finance transportation activities receiving financial assistance from the Highway Trust Fund. Such study shall include an analysis of the magnitude of the various potential sources of user tax revenues, the rate at which such taxes could be levied (including possible differential rates), the mechanisms for collection of such taxes, the incidence of such taxes, and the potential impact on transit usage caused by such taxes. The Secretary shall report to the Congress the findings of his study by no later than July 1, 1974."

Mr. BAKER. Mr. President, it is the purpose of this amendment to explore revenue mechanisms relative to mass transportation systems which would afford the basis for preserving the "pay-as-you-go" feature of the trust fund. While I do not believe that this concept should prevent the Congress from expanding the uses of funds in the Trust so that the best transportation policies are followed, neither do I believe that a concept so basic to the trust fund should be discarded.

The amendment directs the Secretary of Transportation to report to Congress by July of 1974 regarding potential sources of user tax revenues, the rates at which such taxes could be levied—including possible differential rates—the mechanisms for collection, the incidences of such taxes and their impact upon the systems which would be taxed.

It is obvious that the sources of revenues which the report may disclose will not at first be so substantial as to supply great amounts into the Fund. Initially these revenues will probably not anywhere approach the amounts used on bus or rail transit systems funded under S. 502. But it is my belief that in time as the concept of urban mass transit becomes more popular these systems may become major contributors to the fund.

The study will disclose among other things the amounts which public transportation systems already contribute to the fund or would contribute under the existing tax setup, and how any additional tax burden should be distributed in order not to penalize those systems which do not share in the trust fund.

There are many complex questions which must be answered before the Congress can take action to broaden the tax sources of the trust fund as it has in the past several weeks broadened the uses of the fund. This study will provide information which will assist Congress in answering these questions.

Mr. BENTSEN. Mr. President, the manager of the bill has studied this amendment and sees no objection to it and is willing to include it in the bill.

Mr. STAFFORD. Mr. President, I have no objection.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time.

Mr. BAKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BENTSEN. Mr. President, we have had a long and vigorous debate on this measure, and I believe we have aired many of the difficult and controversial matters associated with the highway program. We will now take this measure to conference, and hopefully we will emerge with a strong and responsible highway bill before the States find themselves in more severe financial straits.

I want to pay tribute to the many who worked very hard to bring this measure to the floor. I thank the chairman of the full committee, Mr. Randolph, for his strong and patient leadership; and I thank all the other members of the Subcommittee on Transportation, which I have to honor to chair, and the full Public Works Committee.

In particular, I want to express my appreciation to the Senator from Vermont (Mr. Stafford) for his diligence in attending hearings, his wise counsel, and his cooperation both in the committee and during the debate.

Also deserving special thanks are the staffs of the various Senators on the Public Works Committee, who have cooperated with my staff in helping to prepare and manage this bill.

I would also mention the staff of the committee, including Barry Meyer, Bailey Guard, Clark Norton, Phil Cummings, Kathy Cudlipp, Hal Brayman, John Yago.

I also want to thank Ron Katz of my own staff and Vic Maerki of Senator Stafford's staff.

All of these and more labored very hard to bring this important and complicated measure before the Senate.

I yield back the remainder of my time.

Mr. STAFFORD. Mr. President, it has been a pleasure to work with the chairman of the Subcommittee on Transportation, the distinguished Senator from Texas. He has really expedited this bill and has given it excellent consideration. It has been a pleasure to work with him and with the chairman of the full committee.

Mr. BAKER. Mr. President, before the debate closes on the Federal-Aid Highway Act of 1973—major and we believe constructive legislation—I want to call attention to the work and devotion of the staff who have attended to the technical details and requirements of Members during the weeks and months of development of this bill: From the minority staff, Bailey Guard, Harold Brayman, Katherine Cudlipp, Richard Herod, Jacqueline Schafer, and Steven Swain; and Victor Maerki from the staff of Senator Stafford, together with Mike Hathaway, Charles Gentry, and Stan Cook from the staffs of Senators McClure, Domenici, and Scott. We all rely on the experience and knowledge of Barry Meyer, chief counsel of the Committee, and are indebted also to Dr. Clark Norton, Philip Cummings, John Yago, and Leon Billings for the many hours and careful attention they have given to the often complex provisions and difficult issues presented in this measure. And of course Ron Katz on the personal staff of Senator Bentsen had a special responsibility in the production of this highway bill. We appreciate and are grateful for their efforts and their spirit of cooperation.

I should also like to take a brief moment to pay my special respects not only to the chairman of the committee (Mr. Randolph), who has done so much to shepherd us through many difficult times of decision, but also to two junior Members of the Senate who have done an excellent job in bringing this matter before the Senate for consideration. I refer to the distinguished chairman of the subcommittee, the Senator from Texas (Mr. Bentsen) and the distinguished ranking Republican member of the subcommittee, the Senator from Vermont (Mr. Stafford). They have worked diligently and well, and we are lucky to have them on the Committee on Public Works. I think they have produced an excellent result.

Mr. RANDOLPH. Mr. President, I shall speak later just before passage of this measure.

At this point, however, I reemphasize my appreciation for the leadership of the chairman of the Subcommittee on Transportation. I join with him in accolades for the other members of the committee and the subcommittee, including, of course, the significant contributions of the ranking minority member of the subcommittee, the Senator from Vermont (Mr. Stafford), and for my counterpart in the committee, the very able Senator from Tennessee (Mr. Baker).

I think that in general we have brought to this point in the debate well reasoned legislation of benefit to the people of the United States.

Mr. HUMPHREY. Mr. President, I had planned to propose an amendment to the 1973 Federal Highways Act, to allow use of highway trust funds for grants to State transportation agencies for the creation of computerized car-pool-matching systems, and other mechanisms to increase the number of passengers in each car. It is my judgment that the purpose of my proposed amendment can be accomplished under the provisions of section 114 and section 125 of the act.

The 1973 Federal Highways Act, which the Public Works Committee under the leadership of Senator Randolph has reported out, sets aside substantial funds for purchase of buses and construction of special bus lanes. The purpose is to make highways more efficient.

My proposed amendment would authorize $10 million to State transportation agencies, for the creation of mechanisms to increase the efficiency of the automobile as a passenger carrier, by stimulating more passengers per automobile. This would be in line with the emphasis on this bill on making use of our highways as efficient as possible. These funds are available under the research funds provided in the act.

I ask unanimous consent to have the language of my amendment printed at this point in my remarks.

There being no objection, the language was ordered to be printed in the Record, as follows:

On page 127,

Sec. 155. The Secretary is hereby authorized to make available to state transportation agencies, grants to develop new mechanisms to stimulate sharing of private cars by private individuals. Such mechanisms shall include, but not be limited to, use of computers to match up, on a voluntary basis, drivers with riders.

State agencies shall prepare a plan, subject to approval of the Secretary, including but not limited to—

(1) Establishment of computer data banks, containing home addresses, work addresses, and working hours of persons wishing to register with the bank;

(2) Design, maintenance, and operation of an information system which would match individuals with similar characteristics who wish to be matched;

(3) Promotion of car pooling through public information and advertising;

(4) Dissemination of potential car pool information on a request basis;

The sum of ten million dollars shall be made available to carry out this section, taken from the Federal Highway Trust fund.

Mr. HUMPHREY. Under the terms of my proposal, State agencies could prepare a plan, subject to approval of the Secretary, including but not limited to:

First. Establishment of computer data banks, containing home addresses, work addresses, and working hours of persons wishing to register with the bank;

Second. Design, maintenance, and operation of an information system which would match individuals with similar characteristics who wished to be matched;

Third. Promotion of car pooling through public information and advertising;

Fourth. Dissemination of potential car pool information on a request basis.

Mr. President, much of our transportation crisis results from the fact that:

There is on the average only one person in each car during the morning and afternoon commuter rush;

Most of those cars are going from a number of outlying suburban places to the central city, at the same time—8 to 9 a.m. and 5 to 6 p.m.;

Mass transit has difficulty serving spread-out suburban areas. It is most effective in serving high-density city areas. Our low-density suburbs were shaped by the automobile, and cars are still best suited to serve them. That is why people prefer cars.

My proposal is designed to make much more effective use of the means of transportation that eight out of ten people now take to work. It recognizes that, while new rail and bus transit is badly needed, we must do something immediately to deal with the unbearable traffic congestion, noise, and air pollution that is resulting from having only one person in most of our automobiles, going and coming from work.

The fact is that present car-pool

matching systems are very primitive. They are limited to bulletin boards in a limited number of individual office and plant buildings. Millions of people who live a few blocks away from each other, and also happen to work a few blocks away from each other, have no way of contacting each other. Only the relatively few who happen to work in the same building and put up notices on bulletin boards, join in car pools.

Many people would be willing to give up the expense of maintaining a second car and driving it to work, if they could find a convenient car pool to join. Many others would be interested in the added income from carrying passengers.

To find a convenient car pool right now, a potential rider has to find exactly the right combination of arrival and departure times to and from work, plus the right home neighborhood and work neighborhood. This is exactly what a computer can do, in seconds. It is not something that our present nonsystem allows you to do.

The District of Columbia Environmental Service Administration is proposing such a computerized system, as part of its plan to meet Federal air pollution standards. A few other cities and States are also starting to implement such an idea. But funds are scarce. This amendment would accelerate the movement to establish these systems, and provide needed funds. The beauty of this proposal is that it is simply an information system, with a minimum bureaucracy, but maximum impact, especially when combined with other measures to deal with our transportation crisis. The amendment would also allow States to use funds for any other mechanisms which would increase the average number of passengers in each car in urban areas. There is no intent to dictate to States how to solve the problem. However, States would have to submit plans for use of this money, outlining how the objective of increasing the number of passengers in each car would be achieved.

Too much of the transportation and environment debate has been case in all or nothing terms: Highways versus mass transit. The fact is that we have invested billions of dollars in our highways system, and should do everything possible to make the existing system more effective, as well as erecting, where it makes sense to do so, mass transit instead of highways.

A major means of making highways more effective is to create incentives for people to share cars. What we need is both the carrot and the stick. The Federal air pollution laws have been providing the stick. Our cities are under the gun to cut down air pollution. Drastic plans to curb auto travel are being proposed. But it is unclear whether adequate rail or bus transit can be provided in time.

Amid this debate, few people have focused on the simple fact that, if we could get an average of "two-plus" people, rather than "one-plus" person in each car, we could cut pollution, congestion, and travel time in half.

Now I am proposing to add a new "carrot"—which would allow millions of people to save the cost of a second car—which they use only twice a day. These people could get the names of a dozen or so people who live only minutes away and work in the same vicinity, and are willing to take riders.

When this is done, the inconvenience surrounding present-day carpools will diminish sharply. Computerizing the system will give the average person a choice of many different rides—such that he can choose among those which are most convenient in terms of arrival and departure time, and other factors.

Such a system would also greatly benefit the elderly and handicapped who can not drive, and the poor who have no cars.

As more States pass no-fault insurance, the insurance liability barriers that inhibit people from carrying passengers will disappear. In Massachusetts, I understand, carpooling has sharply increased because of their new no-fault law. This amendment would, in fact, be an incentive to the passage of no-fault laws.

I emphasize that this system would be voluntary, both for the States and for the people who wanted to be registered with the data bank or clearinghouse. No one would be forced to join a carpool. No State or city would be forced to set up such a system.

But the option to do these things would exist. Right now it does not.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. McCLURE. Mr. President, the amendment I had intended to offer recognizes the needs that have been apparent for several years in some Western States, without repealing Federal standards regarding dimension and weight limitations on vehicles using the Interstate Highway System. I believe it is a rational means of meeting the needs of the several Western States, and it is certainly less drastic than a blanket repeal of all Federal regulations.

Truck transportation is very important to a number of our Western States that depend on long-haul road transportation far more than do more densely populated regions in the East. I recognize also that rail connections are more extensive in many Eastern States. In addition, the nature of industry in some Western States calls for heavy and large vehicles. The natural resources industries characteristic of Western States—such as mining and timber industries—produce bulky products that require larger trucks for transport than many processed and manufactured products.

On the other hand, Mr. President, I believe the Federal standards on the Interstate System have strongly influenced the States to hold their own standards at the levels permitted on their interstate highways. Repeal of Federal standards would open the question of size and weight limitations, and could put constant pressure on all State legislatures to increase limits. Putting the question wholly upon the States, could lead to constant appeals, State by State, and lead to a tendency toward ever-increasing sizes and weights across the country. Such a move would not lead to national uniformity, but could lead to a patchwork of differing standards from one State to another, and I am sure the amendment offered by the distinguished Senator from Wyoming (Mr. HANSEN) suffered as a result.

According to information supplied to me, while more than 40 States have held the line on single and tandem axles weight limitations, the legislatures of eight Western States have demonstrated during the last several years their need for higher load limits by adopting higher standards for their noninterstate roads. None of these States have adopted noninterstate standards in excess of 20,000-pounds single axle, and 34,000-pounds tandem axle.

There are currently 18 States—mostly in the East—which have single-axle and tandem-axle weight limits on their Interstate Systems of at least 20,000 pounds and 34,000 pounds, respectively. These States were "grandfathered" in the Federal Highway Act of 1956.

My amendment would, very simply, change the date of the grandfather clause to permit eight additional States to come under it. It would not otherwise raise the present Federal limitations, nor affect any State which does not now have higher limitations on its noninterstate roads than on its Interstate System. This amendment would be a "one-shot" move, permitting only the same limitations on interstate highways as currently exist on the 50 States' noninterstate roads.

Recognizing the demonstrated needs of several States, without repealing all Federal standards for all 50 States, I recommend this approach. However, in view of the earlier vote of the Senate on the amendment offered by the Senator from Wyoming (Mr. HANSEN), and the lack of opportunity to adequately discuss my amendment, I am withholding it at this time. I do, however, urge serious consideration of this approach to a problem of such great importance to the people of the Western intermountain area of the United States.

Mr. President, I ask unanimous consent that my proposed amendment be printed at this point in the RECORD.

There being no objection, the proposed amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add a new section as follows:

"SEC. —. Section 127 of title 23, United States Code, is amended by striking in the first and third sentences thereof "July 1, 1956," and inserting in lieu thereof "January 1, 1973," and by striking the fourth sentence.

Mr. DOLE. Mr. President, transportation is one of the most important needs of any modern nation. It is the lifeline of commerce; it cements the bond between friends and families; it provides a source of recreation and expanded experience for individuals of every age and economic circumstance.

Along with the printed word, transportation has shaped and directed the development of every major civilization—and nowhere more importantly than in the United States. At first, transportation in America meant the ocean and the major rivers, but as the frontier expanded into the continent canals, stagecoaches, railroads and finally airlines assumed important roles in the makeup of a complex transportation system.

WISE INVESTMENT

We Americans have always expected a great deal of our transportation systems. We have been a Nation on the move with people, goods, crops, and belongings in an almost constant state of motion. We have relied heavily on our trains, our ships, our planes and upon our cars and trucks to move us and our property about the country. In the course of this reliance on transportation we have shown a willingness to make substantial investments that are designed to pay long term returns. And I believe history shows these investments to have been among the wisest and most productive ever undertaken.

Transportation in America today means many things—from speeding jets to slow, steady barges. But to the average citizen in his day-to-day life transportation means cars and trucks traveling on his city's and his State's streets and highways. And with the possible exception for the mail, probably no other product or effort of the Federal Government is more noticed or important to the average American than the roads and highways he travels each day.

Thus, the leadership of Congress and its activities with regard to Federal highway programs are among the most important of its responsibilities.

BASIC BLUEPRINT

The Federal-Aid Highway Act has become one of the basic blueprints for the future of our country as it sets the policies and establishes the programs for building our vehicular transportation system. With all the discussion of the highway program, it sometimes might seem that it is only concerned with such major undertakings as the massive interstate freeway system. Of course in terms of dollars alone, the interstate program is the largest and most prominent program; however, the Federal highway program is much broader and more detailed than just this prominent category.

In Kansas there is a particular awareness of and appreciation for the rural primary and secondary programs. In a State like mine where large distances separate many cities and towns the primary Federal highways are of great importance. Kansas is fortunate in having well-developed interstate routes which provide good east-west and northeast-south corridors. But, for the rest of the State, chief reliance is still placed on the primary Federal highways to cover major distances and on the FAS or secondary roads system to link rural residents with their nearby towns and the larger highways. Anyone who regularly travels these primary highways and secondary roads gains a very deep understanding of their importance and the critical need to continue Federal support for them, for there is a constant need for additional construction, upgrading, and improvement on these routes. They connect what otherwise might be isolated communities and individuals with the social and commercial mainstream of the Nation. They move the great abundance of American agricultural production from the farmer's field to the marketplace or shipping terminal. They are the indispensable capillaries and smaller veins and arteries of the entire system.

Of course there are urban needs, too, many of which are just as crucial to a city of small or medium size as to one with millions of citizens, and the act contains programs dealing with this area.

Other subjects include highway beautification; billboard regulation; roads in public lands, in national parks and on Indian reservations: and other varied programs touching virtually every aspect of highways, their planning, and construction.

FAILURE TO PASS HIGHWAY BILL

Unfortunately, the 92d Congress which ended last year failed to discharge its responsibilities for the Federal highway program according to the people's expectations, and a comprehensive Federal highway program was not passed.

The results have been predictable and severe. Planning for highway construction—always a longrange and complicated procedure—has been disrupted. States have been unable to move ahead on necessary and important programs. Construction timetables, particularly for the Interstate System, have been seriously jeopardized and disrupted.

SENATE EFFORTS

I would point out, however, that the Senate made every possible effort to secure enactment of a highway program last year. As a member then of the Senate Committee on Public Works, I know of the efforts that were made—both in passing the bill on the Senate floor and in conference with the House—to secure agreement. I believe the Senate lived up to its responsibilities and passed the conference report; however, the House adjourned before the conference report could be taken up, and the bill died.

INTERSTATE APPORTIONMENT

Once again this year the Senate has demonstrated its commitment to the Federal highway program. The first evidence of this continuing support came through Public Works Committee approval and Senate passage of a measure which I sponsored with the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Tennessee (Mr. BAKER), the chairman and ranking Republican of the Public Works Committee. This measure (S. Con. Res. 6) is intended to enable Interstate System construction to proceed on the basis of the currently authorized program while Congress continues to consider the Comprehensive Highway Act. The resolution would permit the apportionment to the States of $1 billion in interstate funds already authorized by previous congressional action but lacking authority to be made available.

The State of Kansas—which like many others faces a virtual shutdown on its interstate construction, because no highway act was passed—will receive $12 million under this measure.

As I noted at the Roads Subcommittee hearings last month, this resolution is no substitute for a comprehensive program, and it is not intended as such. But the already approved interstate program cannot be allowed to come to a halt merely because one small piece of apportionment authority is held up in a broader piece of legislation over which there is some difficulty in reaching agreement.

Now that this authorization of interstate construction funds apportionment has received overwhelming and speedy Senate approval, I would certainly hope the House will respond in the same fashion. Of course it would be preferable to have achieved this result in one legislative package, but that opportunity was lost last year, and we are faced with the necessity of dealing with the situation as it stands today. I believe our colleagues in the House recognize their position and the responsibility which now rests with them, so, hopefully, they will accord this measure the same favorable consideration given by the Senate.

1973 HIGHWAY ACT

The second demonstration of Senate support for the Nation's highway program comes with the expedited consideration of the bill before us today—S. 502. The Roads Subcommittee and the full Public Works Committee have moved with dispatch to conduct hearings and report the bill. Having been involved in last year's committee work on the highway bill, I feel I have a clear understanding of the issues which again are met in this year's bill, and I believe the committee has done a commendable job of shaping a bill which is responsive to the broad needs of our country for a balanced, progressive, and responsible Federal Highway program. Many complex and difficult issues are dealt with in the bill, and it attempts to balance the requirements of many areas of the country, diverse population groups, and a variety of economic considerations. As with any legislation, it contains the fruits of compromise and accommodation, but on the balance it appears to serve the broad national interest.

There are several specific provisions of the legislation which I believe deserve comment.

SUPPORT FOR URBAN MASS TRANSIT

Perhaps no aspect of the bill has been more highly publicized or widely discussed than the proposed uses to which the highway trust fund might be put. Since it was established in 1956, the highway trust fund has supported an unprecedented program of highway construction—most notably the 41,000 mile interstate and defense highway system. But now that the major portion of the interstate system is completed, other transportation needs have arisen and attention has been turned to them. The needs of the cities have received prominent consideration as the congestion, pollution, and complications of urban life have come to affect more and more Americans. Numerous proposals have been put forward as solutions to urban transportation needs. Obviously, the simple expedient of building more and more highways, freeways and other roads to funnel more automobiles into the cities is not the answer. Physical limitations, environmental effects and social considerations show us that the overcrowded cities cannot absorb an infinite number of automobiles. Some alternative means of moving people must be found, and financing for these alternatives must be provided.

APPROPRIATE ROLE

To my view, the highway trust fund has a legitimate part to play in improving urban transportation. It was set aside to support the development of better transportation, and as new needs and problems develop, it should be applied to providing solutions, whether in cities, suburbs or in rural areas. But I believe the intent of Congress in establishing this source of financing was to support highway-related transportation, and it should continue to be applied in this direction. We are far from solving every problem of providing good highway transportation, but neither have we exhausted the possibilities for refining and improving highways as conduits of people and goods.

As reported, S. 502 demonstrates the flexibility, innovative capabilities and improvements which are still capable of being incorporated in highways as carriers of the great urban populations in this country. Its emphasis on bus transit—with provision for purchase of buses, construction of exclusive bus lanes, parking facilities, and other related requirements—shows a great deal of imagination and resourcefulness within the context of highway-related transportation.

This emphasis on highway-related transportation also seems wise on several points aside from the consideration of appropriate uses for the highway trust fund. First, bus transit systems can be established with almost negligible delays—when compared with rail transit systems. Once money is provided, the people who desperately need good transportation can be moved on buses long before plans can ever be drawn for a rail system. And related benefits, such as to the environment which is deteriorating at an alarming rate in many cities, can be realized much sooner.

Second, bus transit systems are flexible. Routes can be extended, shifted or curtailed to cope with shifts in population, seasonal variations in passenger loads and other factors which may not be foreseeable at the time of establishment.

Third, rail transit systems are so much more costly to establish than bus systems that it is doubtful any meaningful contribution could be provided from the highway trust fund without seriously impeding the Nation's highway program.

KANSAS PERSPECTIVE

Another consideration—particularly important to me as I look at the needs for urban transportation in the metropolitan areas of Kansas—is that where an urban and suburban population of medium to relatively small size is widely dispersed in low-density housing patterns as is true in the three primary Kansas urban areas—Kansas Cty, Topeka and Wichita—a bus transit system is the only type which offers any realistic prospect of adequately and efficiently serving the people. Assuming that funds could be secured to construct either a surface or subsurface rail system, it does not seem possible that it could be sufficiently dispersed to afford anything close to complete geographical coverage of the entire area.

VALUE OF RAIL TRANSIT

This is not to say I do believe rail transit has no role in improving urban life or that the Federal Government should not support it as it has other transportation systems. To the contrary, there are urban situations, particularly our multimillion-population city-suburban complexes, where subways and commuter trains may be the key to making life tolerable for the people who live and work there. And the Federal Government has a real responsibility for providing assistance. These people need help, and they deserve their Federal Government's support.

However, I believe highway needs and highway-related transit systems should be dealt with through the mechanisms we have developed for supporting highways, and other types of transportation should be supported from other sources. Perhaps we should consider establishing a specific urban rail transit trust fund for this purpose, and there may be other ways of giving support. But we should beware of the temptation to slice what is admittedly a large pie, the highway trust fund, into to many pieces directed at too many diverse needs.

ACCESS ROADS TO PUBLIC RECREATION AREAS

Another section of the Federal-Aid Highway Act is of special interest because it embodies an amendment offered to last year's act by myself and Senator PEARSON. The amendment was agreed to by the Senate and became part of the bill. I am grateful that the committee has included it in S. 502 this year as section 135 and wish to express my continued support for it.

Section 135 establishes a much-needed program for construction of hard-surface roads for access to public recreation areas associated with Federal lakes.

As many Senators know, the numerous water resources projects supported by the Federal Government throughout the country have provided significant and wide-ranging benefits. From eliminating the threat of floods, to providing reliable agricultural, residential, and industrial water supply facilities, to creating new recreational facilities with accompanying economic development—these projects have touched the lives of countless individuals.

Perhaps the most popular and best publicized benefit of these projects has been their recreational uses as fishermen, boaters, picnickers, and campers take advantage of the waters and shorelines of these lakes. But perhaps no single aspect of these lakes has been of more concern to the users and to the local authorities than the roads which lead to recreational areas. Often they are two-lane, gravel country roads which were never intended to carry a significant volume of traffic. Frequently they are subjected to colossal traffic loads which produce great congestion, much delay, and considerable hazard to the visitors and local residents who use them.

I am sure many Senators have heard from their constituents describing the desperate need to provide better and safer roads in the vicinity of their Federal dams and lakes. The problem has become widespread and critical as more lakes are built and more people use them. Unfortunately States and counties—though they try—cannot begin to meet the need through their strained highway budgets, so the time has come for the Federal Government to join their efforts and achieve a solution. In fact, it seems appropriate that the Gederal Government play a role, since the projects giving rise to these difficulties were constructed with Federal funds.

This section would authorize $45 million on a 70–30 matching basis over a 3-year period to provide for the paving of main access routes within 35 miles of public recreation areas at any lake constructed with Federal funds. It would cover projects of the Corps of Engineers and Bureau of Reclamation as well as those watershed projects which have opened for recreational uses. And it requires that these access routes connect with roads on the federal-aid system, which includes most major county roads as well as major highways and the Interstate System.

I believe this program meets a very important need. It is a need of those who live in cities but enjoy water sports and outdoor activities at these Federal lakes and who expect and deserve safe, adequate routes to their recreational facilities. It is a need of the State and local authorities who recognize and are concerned with their responsibility to provide and maintain good roads and highways. And it is a need of those who live in the vicinity of these facilities and who find their local roads being clogged and destroyed by the great influx of recreational traffic.

So this section is not of narrow application or of benefit only to rural interests or only to urban interests. It is broad and it serves the entire public interest. So I again express my support for section 135 of the Federal-Aid Highway Act, for it furthers the bill's goals of providing better and safer highway transportation for the American people.

I would like to briefly note several additional provisions in the act.

THREE-YEAR AUTHORIZATIONS

I support the committee's recommendations to fund the interstate program at the $3.25 billion level and to authorize all programs on a 3-year basis. A 3-year, rather than a 2-year approach should enable better State planning to be undertaken with a greater ability to rely on Federal support, particularly in view of the increased 70–30 Federal-State matching fund level for noninterstate programs and the extension from 7 to 10 years of the period allowed for advance acquisition of right-of-way. The amounts provided for the interstate, while lower than in previous authorizations, should make no appreciable difference to the States, since the history of the program shows that full amounts of the authorization have seldom been released for obligation. Thus, customary levels of support can still be expected to be available, and additional funds can be designated for other priority programs—particularly in rural America where as the committee points out there is a major need for upgrading to counteract years of congressional neglect.

Another advantage of the 3-year authorization would be to permit Congress to undertake consideration of the act's renewal in a more orderly fashion and, thus, avoid the difficulties of becoming tied down at the end of a session and unable to reach agreement—as happened with last year's bill.

RURAL PUBLIC TRANSPORTATION

I was pleased to note the committee's recognition of the need for improving public transportation in rural areas. With the discontinuation of all but the few rail passenger routes served by Amtrak, much of rural America has been almost completely denied any sort of public transportation with the exception of buses. In some communities—even those relatively close to cities—even bus service is absent or inadequate. Unfortunately, those who feel the strongest effects of these inadequate or discontinued services are those least able to adopt alternative means of transportation. The elderly, the poor, and the handicapped are the major victims of any insufficiency in public transportation, but in rural areas they suffer even more. Restricted mobility is one thing, but when combined with isolation from family, medical services, and economic opportunities, the burden is even more oppressive. The public transportation needs of rural America have received less publicity that those of the cities, but in many cases the problems are equally severe if not more so. And if we are to have a balanced national transportation system and promote a better quality of life for all our citizens, we cannot neglect the needs which exist in rural areas.

So I am hopeful the $30 million demonstration project for rural public transportation as provided in section 151 will lead to further Federal efforts to meet these very important needs in rural America.

ACCESS ROADS TO AIRPORTS

I believe it is important and timely to include in the bill provisions which clarify congressional intent regarding support for improving the public's access to airports in both rural and urban areas.

This question is especially important to eastern and northeast Kansas where the opening of Kansas City's new international airport has created problems of easy access for most of the Kansas residents in the entire metropolitan area. The shortest and most direct route to the airport, for most residents of Johnson, Wyandotte, and Leavenworth Counties—as well as passengers traveling to and from Topeka—takes them from the State line some 5 or 10 miles across a two-lane, winding road which is clearly inadequate and unsafe for the traffic it is being required to handle.

A number of Kansans, including State legislators from the area, have expressed their concern over this situation. I have contacted Secretary of Transportation Brinegar to relay the interest of these citizens as well as my own. The Secretary's reply pointed out, as I was aware, the matter is primarily one of State jurisdiction, particularly that of Missouri, in the development and execution of their highway development program. However, even though long-range plans include development of two Interstate routes—I–635 and I–435—to give Kansas residents direct freeway connections to the airport, I would hope that this language in sections 109 and 110 of the act will enable the State of Missouri—perhaps in a cooperative effort with Kansas authorities—to provide a safe route for the thousands of Kansans who will be using Kansas City International in the years before the Interstate connections can be completed.

ACCESSIBILITY TO THE HANDICAPPED

Finally, I note the $65 million authorization for the Washington area subway system to finance facilities to make it accessible to the handicapped. I would observe at the outset my unquestioned support for any substantial efforts to give our handicapped citizens the benefit of any government or private facilities, especially those providing increased mobility for them. However, I fail to understand why at this point in the Metro construction process and in this piece of fundamentally unrelated legislation we are now addressing the needs of the handicapped.

I would cite the provisions of Public Law 90–480—42 U.S.C. chapter 51—enacted in 1968, which requires that any federally financed public facility constructed after the act's effective date be designed to insure that physically handicapped persons will have ready access to, and use of such facilities.

It would appear that either Metro authorities were ignorant of the law's requirements or they intentionally disregarded them. Whatever the reason, we are now being asked to provide for belated compliance with the law. I agree that it should be done, but it seems an unnecessarily involved way of fulfilling Metro's responsibility to the handicapped people who live in and visit the Nation's Capital. Metro should have long ago taken the steps which would have avoided the necessity for our action at this time.

Mr. STEVENSON. As the distinguished Senator from Texas knows, I proposed an authorization for a railroad relocation demonstration project in Springfield, Ill. A representative of Springfield's Capital City Railroad Relocation project and I submitted testimony to the Roads Subcommittee in support of the Springfield project. The committee, however, did not include the Springfield Relocation project. Instead, it authorized in section 149(f) the Secretary of Transportation to conduct a nationwide study of railroad relocation projects. Could the distinguished Senator explain the committee's intention?

Mr. BENTSEN. Yes, I would be glad to. From the testimony of the Senator from Illinois and Mr. Bannister, the Chairman of Springfield's Capital City Relocation Authority, the committee had no doubt that the Springfield project was extremely worthwhile. However, it was concerned about the cost of the project in light of other demands upon Congress. The cost of the project is expected to be $36 million. Now I am not saying that the Springfield project is not worth the $36 million. I am saying that the committee was reluctant to add another $36 million authorization to this bill. The other railroad relocation projects in section 149 were each in the neighborhood of $1 to $4.3 million. The committee believes that an adequate resolution of this situation is to authorize the Secretary to study various railroad relocation projects around the country and then report back to Congress. The report could consider the relative merits of such proposed projects and set some priorities for us to consider in the Congress.

Mr. STEVENSON. The Springfield project, then, would you say, should be one of the major projects for the Secretary to study.

Mr. BENTSEN. Yes; the design for the Springfield project, as I understand it, is already formulated, and the project appears to be most worthwhile. As the Senator from Illinois testified before our subcommittee, the Springfield project would eliminate some 101 of the 143 grade crossings in Springfield. I understand that 176 accidents have occurred at these 143 crossings since 1959, that the crossings are a source of great traffic congestion, and that they interrupt the smooth operation of the railroads. I should think the Springfield project would have a high priority in this study.

Mr. STEVENSON. I thank the Senator from Texas. The Springfield project is worthwhile and the design is well formulated. I would also note that it is acceptable to all the railroads involved and to the various local officials and bodies concerned.

Last year the Springfield project was included in the House version of the highway bill, and in the conference report. If the House this year again includes the Springfield project, will the Senate conferees give due consideration to the project?

Mr. BENTSEN. I cannot speak for all of the conferees. At the present we do not know who they will be or whether there will even be a conference. The House is to begin hearings on a highway bill next week, and probably will not finish action until sometime in April. But I believe it fair to say that yes, the Senate conferees will give the Springfield project, should it be authorized in the House bill, every consideration. We would, of course, be committed to supporting the Senate version of this bill, but a conference is a matter of give and take, and if we can be convinced of the merits of the projects in the context of the whole highway bill, we would certainly be inclined to give the most favorable consideration to the Springfield project.

Mr. STEVENSON. I thank the Senator. I appreciate his fair and sympathetic consideration of the matter. I also appreciate the committee's approval of the feasibility study of an interstate highway from Kansas City to Chicago. Such a project could save much time and money for truck and auto travelers in the Midwest and have a beneficial effect on such cities along the route as Quincy, Macomb, and Peoria, Ill. It is my hope that the feasibility study will be included in the final version of the bill.

Mr. SCHWEIKER. Mr. President, section 128 of the pending bill, S. 502, broadens the provisions of section 137, title 23, United States Code, to permit the Federal support of parking facilities which impose parking fees for use of the facility which would include the amortization of the cost of construction of the facility borne by the non-Federal share of the project. Only fees to finance the cost of operation and maintenance are now authorized. Is the intent of section 128 of the pending bill to encompass the entire range of Federal aid for parking facilities under the Federal-aid Highway Act? For example, would this provision apply to a project under the Federal-aid TOPICS program—traffic operation program to improve capacity and safety—which seeks to alleviate vehicular congestion on the streets and highways of a community located within the standard metropolitan statistical area of Philadelphia, Pa.?

Mr. BENTSEN. Under the billl, fringe and corridor parking facilities would be able to use parking fees to also finance liquidation of financial obligations of the local share of construction as well as maintenance and operations of the facilities. Although TOPICS will be included within the urban Federal-aid highway construction program as provided by the bill rather than continue as a separate program, section 128 changes Federal aid requirements for parking facilities and it would be applicable in the example you outlined. The committee feels by virtue of this change that as a matter of public policy local efforts to recover capital expenditures for public parking facilities in an urban system through the charging of user fees will not preclude Federal support of such projects.

Mr. BEALL. Section 120 of the bill amends section 122 of title 23 of the United States Code to provide, in the case of the Interstate System, for repayment to the States of an amount equal to the principal and interest of bonds issued by the State, the proceeds of which were used to construct projects on the Interstate System. Where this authorization now permits the repayment of interest, is it to have retroactive application and if so, to what extent?

Mr. BENTSEN. Yes, the newly permitted interest repayment provision is to have retroactive application to the extent of current projects which may have begun before this bill became enacted. "Current projects" means specifically projects on the Interstate System with regard to which payments are still being made. Where, in fact, construction may have ended but debt service on the bond is still going on, the project shall be considered a current project.

Mr. GRAVEL. Mr. President, I would like to commend the chairman of the Transportation Subcommittee, Senator BENTSEN and the chairman of the full Public Works Committee, Senator RANDOLPH for their efforts on behalf of the Federal Aid to Highways Act. I believe this to be a very good bill. It goes a long way to meet the unique transportation problems this Nation is facing.

I would especially like to point out how this bill addresses itself to some very unique transportation problems that we are facing in my home State of Alaska. Highway construction in Alaska was never very meaningful until it was discovered that Alaska had strategic value in World War II. More roads were constructed in those 4 years than had been built in all of Alaska's previous history. But Alaska has always been in a position of trying to catch up. It never has.

In 1956 when the country embarked upon a nationwide interstate system, Alaska was left out. The excuse was given that the system was to be restricted to the continental United States. The Congress later reversed itself by authorizing interstate mileage for Hawaii. Alaska still does not have any interstate mileage.

In recent years, however, under the leadership of our present chairman, the committee has come to recognize and deal with our unique transportation problems. For this, I am grateful and the people of Alaska are grateful.

The bill we have today demonstrates its flexibility and concern for the uniqueness of Alaska in a number of ways. First, because we have no interstate system, $20 million was authorized from the Highway Trust Fund for special Alaskan assistance. Second, the bill allows a ferry system to be eligible for assistance from the Federal Aid to Highways Act. This is very important in southeast Alaska where most of the communities are on islands or are otherwise accessible only by air or boat. The ferry system now connects many of these communities with each other and with the outside world. The ferry system has been a boon to the economy of that region.

Third, the bill authorizes the paving of a portion of the Alaskan Highway from the northern terminus of the ferry system at Haines, Alaska, through Canada to the Alaskan border. This will also have a very significant effect on the economy of my State. Fourth, the bill has changed the definition of "Indian Roads" to include Alaska Native villages. Of the 205 villages in the State, 185 are totally inaccessible by car. The bill does not assume that we are going to build roads to all those villages, but it will allow the Bureau of Indian Affairs to assist those communities with broadwalks, trails, and the like. In many of the interior villages of Alaska, a simple rain or thaw can turn a village street into a virtual quagmire.

This bill will go a long way to meeting this simple and basic need. I would like to express my deep appreciation to Chairman RANDOLPH for his recognition of our unique problem. I am hopeful that future legislation will address itself to our uniqueness as this bill has.

Mr. BAYH. Mr. President, I am pleased to rise to support the Federal Aid Highway Act of 1973, S. 502. This bill is very similar to a bill I was privileged to have worked on last year when I served as chairman of the Subcommittee on Roads of the Committee on Public Works. The bill now before us is a sound and progressive piece of legislation, responsive to the highway and transportation needs of the entire Nation, urban and rural areas alike. I commend the distinguished chairman of the full committee, the Senator from West Virginia (Mr. RANDOLPH) and the present chairman of the subcommittee, the distinguished Senator from Texas (Mr. BENTSEN) for their hard and capable work on the pending legislation.

I would like to comment specifically on a few of the most important features of the Federal Aid Highway Act of 1973.

INTERSTATE SYSTEM

The bill contains a recommitment to the completion of the Interstate System which, since 1956, has been the principal highway activity of the United States. Annual authorizations of $3.25 billion are authorized for the system. At this level, assuming there is no withholding of funds by the administration and that previously withheld funds are released, the final obligations for the Interstate System should be reached by 1980 and construction completed by 1982. The amount authorized for the system is in accord with the amount recommended in the 1972 National Highway Needs Report to the Congress.

The bill also contains a mechanism for resolving disputes over the construction of interstate highways in urban areas—disputes which have delayed completion of the system and prevented the transportation needs of these areas from being met. Many of these disputes involve serious and legitimate location problems or environmental considerations. The bill permits the Secretary of Transportation, together with State and local officials, to agree on a plan either to alter the location of the disputed interstate segment, if the alteration will serve the same general through traffic corridor, or to eliminate the segment entirely if it is not needed for a fully connected national system. If a substitution is made, it would be on a dollar-for-dollar basis, not a mile-for-mile basis, as at present.

Any amount remaining after completion or upgrading of the substitute connection, or the full sum if no substitute is necessary, would be credited to the account of the urbanized area from which the segment was withdrawn. This important change in the law will lessen the pressure local officials feel to build controversial Interstate segments for fear of losing Federal funds. It will help speed completion of the Interstate System as originally envisioned, so that other highway needs can be met, and at the same time it will help solve the environment and transportation problems many urban areas face.

HIGHWAY PUBLIC TRANSPORTATION

In urban areas across the country—in Indiana as well as New York, in Alabama as well as California—local government officials believe that in some instances their highway transportation needs could better be met, consistent with protection of the environment, by a combination of highway public transportation and highway construction instead of just new roads. To deal with this problem, the committee recommended this year, as it did last, that urban areas be permitted to use money apportioned to them under the bill—$1.1 billion a year across the country—for traditional highway purposes or for highway public transportation, whichever is needed most. "Highway public transportation" includes the construction of exclusive or preferential bus lanes, passenger loading facilities, and fringe or corridor parking lots, and, for the first time, authority to purchase passenger equipment, such as buses, which operate on highways. But the bill specifically prohibits the use of Federal money from the Highway Trust Fund for the purchase of subway or other fixed-rail systems or for passenger equipment for the these systems.

Nothing in the bill forces any community to use its highway dollars for highway public transportation; but, if such a need exists in an urban area, this bill makes funds available to meet it. To deal with the growing need for rural public transportation, the bill includes a provision authorizing a highway public transportation demonstration project in rural areas.

I support the provision in the committee bill, and, accordingly, I opposed both the effort by distinguished Senators from Maine and Tennessee (Messrs. MUSKIE and BAKER) and the effort by the distinguished Senators from Massachusetts and Connecticut (Messrs. KENNEDY and WEICKER) to amend the bill to allow Highway Trust Fund money to be used for subways or other rail transit. There are several reasons for my position.

First, large and small urban areas across the country desperately need viable public transportation systems, and such systems, unlike rail systems, will have an immediate impact in meeting transportation needs and in improving the environment, particularly air quality. While few cities are large enough and and densely populated enough to support the very expensive fixed-rail systems, virtually all cities can effectively use highway public transportation. In my own State, for example, Richmond, Fort Wayne, and Indianapolis, among others, have an urgent need for assistance in purchasing buses.

Second, permitting urban areas to use their Highway Trust Fund apportionment for highway public transportation is fully consistent with the origin of purpose of the Trust Fund, while use of the money for rail systems is not. For under law, disbursements from the Trust Fund can be made only for expenses "which are attributable to Federal-Aid Highways." Highway public transportation expenses certainly meet this requirement, for buses and bus lanes will significantly increase the capacity of the Federal-Aid system, and will ensure that we obtain the maximum benefits from the heavy public investment in urban highways. Using a portion of Trust Fund money in this way in urban areas directly benefits the highways users whose tax contributions make up the Fund.

On the other hand, use of the money for rail transit is not consistent with the fact that the Highway Trust Fund is an earmarked fund made up of user taxes, and devoted by law to the benefit of those who contribute to it. Further, the cost of rail systems is so high that the Highway Trust Fund could not bear any substantial portion of it without seriously impairing its ability to meet the Nation's highway needs—its primary purpose.

INCREASED ASSISTANCE FOR MASS TRANSIT

I am very pleased that the bill before us contains an amendment, added on the floor, providing new and substantial assistance for our urban mass transit program—UMTA. The funds for this assistance come from general revenues, not the Highway Trust Fund. I supported this amendment when it was presented, as I have other times in the past. In my view, it is absolutely necessary and appropriate to meet the needs of our great cities for fixed rail mass transportation through the UMTA program which, as I have said, is funded out of the general revenues, not the Highway Trust Fund.

The amendment will provide an additional $3 billion in contract authority for the UMTA program through fiscal year 1977, will raise the Federal share of UMTA capital grants to 90 percent, and will make available to hard-pressed mass transit companies $800 million in grants and loans for operating expenses. The bulk of the money in the UMTA program should be available for rail transit under the bill before us, for some of the highway related mass transportation needs in our urban areas will be financed by the Highway Trust Fund. This seems to me a proper, fair, and rational way to meet the transportation needs of the country at this time.

ASSURING CLEAN AIR

The committee very wisely included in the bill two provisions aimed at assuring that the goals of the Clean Air Act are met. Under existing law, the Secretary of Transportation is required to develop guidelines to guarantee that highways are constructed in a manner consistent with the approved plan for implementation of an ambient air quality standard in the area. Under the bill before us, the Secretary, after June 30 of this year, must find that a highway project is in conformity with the guidelines before he approves it. In addition, for those air quality control regions needing transportation controls, a proposed highway program or project cannot be approved unless it is consistent with the Clean Air Act implementation plan. Furthermore, the Secretary is authorized to require a State to use all the urban extension funds apportioned to it for needed transportation controls. This too will facilitate implementation of the Clean Air Act.

RURAL HIGHWAY, SPECIAL URBAN HIGH DENSITY, AND OTHER PROGRAMS

The bill also recognizes that there are tremendous highway needs of the Interstate System, and authorizes increased funding for rural primary and secondary roads. For the primary system in rural areas, $650 million a year is provided; for the secondary system, $350 million a year. This money will help finance—at a 70-to-30 sharing ratio—many vitally needed projects in my State and others.

I am glad to report in addition that the bill contains a proposal I made last year for a special urban high density traffic program. Routes selected under this program would be less than 10 miles long, would serve areas of concentrated traffic population and heavy traffic congestion, and would meet the urgent needs of commercial, industrial, airport or national defense installations. A route would be eligible only if the Secretary determines that no feasible or practicable alternative mode of transportation would be available, and parkland and residential areas were not damaged. I believe that this program will provide a means for completing the Cline Avenue Expressway in Lake County, Ind., thereby eliminating an extremely serious commuter and industrial bottleneck. The route meets the stiff requirements of this section, I believe, and the road is very badly needed.

There are many other valuable parts of this bill, Mr. President, too many to detail today. For example, the bill contains sections which make money available for the construction of bicycle paths, pedestrian walkways, and equestrian trails; sections which provide increased opportunities for, and assurances of, public participation in highway decisions; sections which grant to large cities the direct expenditure of Federal highway funds; and sections which strengthen the program of highway beautification and provide for a new study of ways to control litter on the highway. Further, the bill declares as national policy both that the highest priority in all highway programs is to be given to highway safety and the saving of human life, and that the programs shall be administered so as to prevent needless delays and duplication of effort—in short that we get rid of red-tape.

Taken as a whole, Mr. President, I believe that the Federal Aid Highway Act of 1973 is a most progressive and responsive highway bill. I support it, and I urge my colleagues to do the same.

FEDERAL SUPPORT FOR BICYCLE TRANSPORTATION IN THE FEDERAL AID HIGHWAY ACT OF 1973

Mr. CRANSTON. Mr. President, before the Senate completes consideration of the Federal Aid Highway Act of 1973 (S. 502), I want to commend the Senate Public Works Committee for including in this bill a new provision to make all funds apportioned for Federal aid to highways available to finance the Federal share of projects for bicycle transportation, pedestrian walkways and equestrian trails. This provision—section 132 of the bill—grew out of legislation I sponsored in the 92d Congress and reintroduced again early this year: S. 2440 and S. 61 respectively, the Bicycle Transportation Act. I am thus delighted to see this section in the Senate version of the Federal Aid Highway Act of 1973.

Under this new provision, all funds apportioned for Federal aid to highways would be available to finance the Federal share of construction costs for separate or preferential bicycle lanes or paths, bicycle traffic control devices, bicycle shelters and parking facilities, pedestrian walkways, and equestrian trails. Projects could be located on or in conjunction with Federal-aid highway rights-of-way in both urban and rural area. In addition, funds authorized and appropriated for forest highways, forest development roads and trails, public lands development roads and trails, parkways, Indian reservation roads and bridges, and public lands highways would be available for bikeways, at the discretion of the department charged with the administration of these programs.

By almost any measure, bicycling today is enjoying a spirited revival. What was just a few years ago considered a child's toy is now selling to adults at approximately the same rate as new cars. Almost 9 million bicycles were sold in 1971, and some 10 million were sold last year. It has been estimated by informed sources that 70 million Americans are bicycle riders, and a small but growing army of bicyclists are braving rush hour traffic to ride to and from their jobs and schools.

Unfortunately, as more and more take to the streets on their fragile machines, the accident and death rate for bicyclists has skyrocketed. The California Highway Patrol has informed me that in 1969, 66 California bicyclists lost their lives in traffic accidents. Last year the number of deaths jumped to 128. Even more revealing are the statistics for bicycle injuries, particularly for the young adult age group, which saw a 119 percent increase in injury rates over the past 2 years. And between 1969 and 1972, the bicycle injury figures jumped from 5,539 to 10,843.

In order to reduce the growing bicycle death toll, it is essential that wherever possible separate bicycle lanes and paths be established. The funds made available by the new highway bill are a first major step toward this goal. Separate lanes are relatively inexpensive and can easily be built in the rights-of-way of federally aided highways. In addition, preferential bicycle lanes should be established, and informational signs should be posted throughout urban areas to direct the bicyclists to specified, safe routes and to alert the motorist that bicyclists travel on such routes.

I firmly believe, Mr. President, that the bicycle is a viable alternative means of transportation in many areas. It is not only quiet and nonpolluting, but it is healthy exercise for the rider. Its use, therefore, should be encouraged for the benefit of both the community and the individual.

Shortly after introducing S. 2440, the Bicycle Transportation Act, on August 5, 1971, I conducted an informal bicycle survey of every county and every incorporated city in California. In a letter to mayors, chairmen of county boards of supervisors, and city managers, I asked a series of questions to determine the extent of already existing bicycle transportation or recreation facilities, the extent of expressed local public interest in the development of such facilities, estimates of cost and whether local officials felt that Federal financial assistance was necessary in order to develop a safe, contiguous system of bicycle paths, lanes, and trails.

The response to this inquiry was quite positive, documenting what I had guessed to be a rapidly growing interest in bicycling in California. Out of 209 responses, for example, 174 indicated that there had been an expression of considerable local public interest in the development of bicycle facilities, 135 indicated that the major hindrance to the development of such facilities was lack of money, and 142 said they felt Federal financial assistance for the development of bikeways was necessary and desirable.

I am sure that these California officials will be delighted with the Senate highway bill, which includes potentially generous funding for the development of bicycle transportation and recreation lanes, paths, and trails. I commend the Senate Public Works Committee for its leadership in this area, and I urge the House of Representatives, in its consideration of the highway bill, to include a similar provision for bicycling.

I am confident that the funds would be made available if this bill is enacted as passed by the Senate, will contribute to the overall safety on our street and highways. The construction of safe, contiguous bicycle transportation systems can reduce the tragic death rate of bicyclists and will help to relieve traffic congestion.

USE OF HIGHWAY TRUST FUND FOR URBAN RAIL MASS TRANSIT

Mr. McCLURE. Mr. President, during the debate on Senator MUSKIE's amendment to the Federal-Aid Highway Act of 1973, S. 502, to allow the use of urban funds for rail transit, I spoke in opposition, based on my concern over this diversion of revenues from the highway trust fund to rail mass transit systems. My concern focuses on the apparent conflict between the stated intent of the amendment and what I believe to be the ultimate result of such an action.

In a floor discussion between Senators MUSKIE and CHURCH on this point, Senator MUSKIE assured my colleague from Idaho that the amendment "will in no way result in any decrease in highway funds allocated to rural areas or any increase to highway funds allocated to urban areas." In my remarks, however, and in remarks by other opponents of this amendment, it was shown that the highway trust fund is totally inadequate to meet the mass transit needs of the urban areas. Can anyone actually believe that the Congress would authorize initial construction of rail transit systems with this amendment, and then in later years allow these systems to remain incomplete, or to fail for lack of operating subsidies? I do not. The political strength of the major urban areas would dictate the final result: Total committment of the highway trust fund to the construction and operation of mass transit systems in the major urban areas.

In fact, Senator MUSKIE stated in the closing minutes of debate on his amendment just what the future holds. In discussing the $87 billion highway construction financing since 1956, he said:

> I am not proposing that *at this point* we direct these funds *entirely* to mass transit. We are not ready for it.

He went on to say, in support of his proposal:

> The Muskie amendment is *a first step, not a total step* in giving the people of our cities a choice as to the transportation system that makes the most sense to them, the people that delivered it.

If there be any doubt as to the meaning of these statements, the New York Times of March 15, 1973, specifically explains the intent of the amendment:

> The sponsors of the measure that was adopted acknowledged that $850 million would not be enough to solve the transportation problems of the cities. But they clearly hoped that in future years even more of the trust fund money could be diverted.

I feel certain that when given the choice between mass transit systems paid for by all American citizens, or transportation systems which they pay for, the people of our major cities will choose the former. I believe that urban transit systems should be paid for by the people who benefit from them, not by the people of Idaho or any other non-urban State.

For that reason I will continue to oppose diversion of highway trust fund revenues to urban rail transit systems.

HIGHWAY BILL RESULT OF WELL-BALANCED EFFORT

Mr. RANDOLPH. Mr. President, when the 93d Congress convened, the Committee on Public Works designated its highest priority for action to the Federal-Aid Highway Act of 1973, the measure on which the Senate is about to act.

While many of the issues in this bill were before us last year, S. 502 is an entirely new measure. We began early in the year and brought this bill through the entire legislative process, including hearings and thorough executive session consideration by both the Subcommittee on Transporation and the full Committee on Public Works.

To bring a measure of such size and complexity to the floor this early in the congressional session required a diligent effort by both Members and of the staff.

I am very appreciative of the time and thought devoted to this bill by members of the committee. Initial consideration was carried out by our Subcommittee on Transportation under the chairmanship of Senator LLOYD BENTSEN of Texas. Senator BENTSEN assumed the chairmanship of the subcommittee this year and set the pace which has enabled us to bring the bill to the Senate at this time. His knowledge of the subject matter and his competence as a legislator were reflected throughout the development of this legislation. Major contributions were received from other members of the subcommittee; Senator MONTOYA, Senator GRAVEL, Senator MUSKIE, Senator BURDICK, Senator SCOTT of Virginia, Senator BUCKLEY, Senator STAFFORD and Senator MCCLURE. Participation by the ranking minority member of the committee, Senator BAKER, was substantial, at both the subcommittee and full committee levels. Senator BAKER and I both serve only as ex-officio members of the subcommittee, but his great concern with this legislation was demonstrated by his participation.

At the full committee level, the bill was again discussed with the thoroughness that has characterized the legislative efforts of the committee in the past. Other valuable contributions were made by Senator Clark, Senator Biden, and Senator Domenici.

I single out for particular mention the concern of the new members of our committee, which was shown by their regular attendance at hearings and executive sessions, and by their participation in the discussion of all aspects of the bill.

The demands on Members of the Senate are such that they could not adequately function without the support of competent and energetic staff. Once again the staff of the Public Works Committee performed its duties in a superior fashion. Staff contributions were made by M. Barry Meyer, chief counsel; Bailey Guard, Clark Norton, Philip Cummings, John Yago, Harold Brayman, Richard Herod, Kathy Cudlipp, Birdie Kyle, Polly Medlin, Margie Powell, Jan Fox, Barbara Bjornson, Jacqueline Schafer, and Ann Brown.

Mr. President, special commendation is due to Paul Chimes, the committee's printing clerk, and the Government Printing Office, for expediting the preparation and printing of both the hearings and the committee report on this legislation. It is no easy task to have available for Senators more than 1,000 pages of hearing testimony and documents within 4 weeks of the hearings, and a committee report less than 2 weeks after the bill was ordered reported. Mr. Chimes spent many long hours on these projects, and it is because of his extraordinary efforts that these important documents were on the desks of the Senators yesterday when we began consideration of this bill.

Mr. LONG. Mr. President, I congratulate the distinguished Chairman of the committee, the Senator from West Virginia (Mr. Randolph), and the Senator from Texas (Mr. Bentsen) for the magnificent leadership they have shown, as well as their counterparts on the other side of the aisle, the Senator from Tennessee (Mr. Baker) and the Senator from Vermont (Mr. Stafford), for bringing forth a very fine bill, which I am sure will serve the national interest.

I hope they are able to prevail and persuade the House to agree to the Senate language. I thank the Senator for the language on page 20 of the committee report. I ask unanimous consent that the language under the heading "Toll Roads" be printed in the Record at this point.

There being no objection, the section was ordered to be printed in the Record, as follows:

Toll Roads

The Committee is recommending several changes in existing law relating to toll roads. First, after any State has received its final apportionment for the Interstate System, new toll roads or improvements to existing toll roads in any such State would be eligible for Federal participation, from funds apportioned to the State for its primary system, to finance 70% of the construction cost of such projects, not including the cost of toll collection and service facilities.

A State building a toll road under this provision would be required, upon agreement with the Secretary, to use funds apportioned for its Federal-aid primary system to repay the cost of construction equivalent to the Federal share of the project cost. The Federal share would be payable in not more than 15 equal annual installments from funds apportioned to the State for its Federal-aid primary system.

Except for costs of maintenance and operation of new toll roads or, where appropriate, the costs of maintenance and operation attributable to improvements to existing toll highways, all tolls collected from users of such new toll roads, or tolls levied that are attributable to such improvements to existing toll highways, would be devoted to retiring obligations incurred by the State for its 30% share. The costs of maintenance and operation attributable to any improvement to existing toll highways would be estimated by the State, subject to the approval of the Secretary. After the Federal share has been fully paid, the new toll highway or improved toll highway would be maintained and operated as a free highway as part of the primary system.

This financing arrangement would enable States lacking adequate resources to construct needed highways to do so in a relatively short order. For example, the State of Louisiana has expressed interest in the possibility of utilizing this arrangement to complete a toll road. Lack of adequate funding and the relatively high cost of highway construction in certain parts of the State have precluded a concerted effort to upgrade a north-south route. Other States with equally critical highway problems may well want to take advantage of this additional method of financing highway construction.

Another section of the bill would apply to any toll roads which the Secretary has approved as part of the Interstate System and which later becomes toll free. In such situations, funds apportioned to the Interstate System could be expended for the construction, reconstruction or improvement of that road to meet the standards adopted for the improvement of projects located on the Interstate System. The cost of such improvements would be added to the cost estimate for completing the Interstate System for the purposes of funding availability and apportionment.

Mr. LONG. I thank Senators for their consideration.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. Eagleton), the Senator from Alaska (Mr. Gravel), the Senator from New Hampshire (Mr. McIntyre), the Senator from Minnesota (Mr. Mondale), the Senator from Maine (Mr. Muskie), the Senator from Wisconsin (Mr. Nelson), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), and the Senator from California (Mr. Cranston) are necessarily absent.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Virginia (Mr. Harry F. Byrd, Jr.), and the Senator from Alaska (Mr. Gravel) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Oregon (Mr. Hatfield), and the Senator from Ohio (Mr. Saxbe) are necessarily absent.

Also, the Senator from Oklahoma (Mr. Bartlett), the Senator from New York (Mr. Buckley), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

If present and voting, the Senator from Utah (Mr. Bennett), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Oregon (Mr. Hatfield), and the Senator from Ohio (Mr. Saxbe) would each vote "yea."

The result was announced—yeas 77, nays 5, as follows:

[No. 43 Leg.]

YEAS—77

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Curtis
Dole
Domenici
Eastland
Ervin
Fong
Fulbright
Goldwater
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
Metcalf
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—5

Brock
Fannin
Helms
Proxmire
Roth

NOT VOTING—18

Bartlett
Bellmon
Bennett
Buckley
Byrd,
Harry F., Jr.
Cook
Cranston
Dominick
Eagleton
Gravel
Hatfield
McIntyre
Mondale
Muskie
Nelson
Saxbe
Stennis
Stevens

So the bill (S. 502) was passed, as follows:

S. 502

An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

TITLE I

SHORT TITLE

Sec. 101. This Act may be cited as the "Federal-Aid Highway Act of 1973".

REVISION OF AUTHORIZATION OF APPROPRIATIONS FOR INTERSTATE SYSTEM

Sec. 102. Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1974, the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1975, and the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1976." and inserting in lieu thereof the following: "the additional sum of $3,250,-

000,000 for the fiscal year ending June 30, 1974, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1975, and the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1976."

AUTHORIZATION OF USE OF COST ESTIMATE FOR APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation shall apportion for fiscal years 1974, 1975, and 1976 the sums authorized to be appropriated for such years for expenditure on the National System of Interstate and Defense Highways (using the apportionment factors contained in revised table 5, House Committee Print Numbered 92–29.

SUBMISSION OF COST ESTIMATE

SEC. 104. Section 104(b)(5) of title 23, United States Code, is amended by striking "1974" from the sentence preceding the next to the last sentence and inserting in lieu thereof "1975", and by striking the next to the last sentence.

AUTHORIZATIONS

SEC. 105. (a) For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $650,000,000 for the fiscal year ending June 30, 1974, $650,000,000 for the fiscal year ending June 30, 1975, and $650,000,000 for the fiscal year ending June 30, 1976. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $350,000,000 for the fiscal year ending June 30, 1974, $350,000,000 for the fiscal year ending June 30, 1975, and $350,000,000 for the fiscal year ending June 30, 1976.

(2) For the Federal-aid urban system, out of the Highway Trust Fund, $850,000,000 for the fiscal year ending June 30, 1974, $850,000,000 for the fiscal year ending June 30, 1975, and $850,000,000 for the fiscal year ending June 30, 1976. For the extension of the Federal-aid primary and secondary systems in urban areas, out of the Highway Trust Fund, $350,000,000 for the fiscal year ending June 30, 1974, $350,000,000 for the fiscal year ending June 30, 1975, and $350,000,000 for fiscal year ending June 30, 1976.

(3) For forest highways out of the Highway Trust Fund, $33,000,000 for the fiscal year ending June 30, 1974, $33,000,000 for the fiscal year ending June 30, 1975, and $33,000,000 for the fiscal year ending June 30, 1976.

(4) For public lands highways, out of the Highway Trust Fund, $16,000,000 for the fiscal year ending June 30, 1974, $16,000,000 for the fiscal year ending June 30, 1975, and $16,000,000 for the fiscal year ending June 30, 1976.

(5) For forest development roads and trails, $75,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975, and $75,000,000 for the fiscal year ending June 30, 1976.

(6) For public lands development roads and trails, $10,000,000 for the fiscal year ending June 30, 1974, $10,000,000 for the fiscal year ending June 30, 1975, and $10,000,000 for the fiscal year ending June 30, 1976.

(7) For park roads and trails, $30,000,000 for the year ending June 30, 1974, $30,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976.

(8) For parkways, out of the Highway Trust Fund, $75,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975, and $75,000,000 for the fiscal year ending June 30, 1976.

(9) For Indian reservation roads and bridges, out of the Highway Trust Fund, $75,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975, and $75,000,000 for the fiscal year ending June 30, 1976.

(10) For carrying out section 319(b) of title 23, United States Code (relating to landscaping and scenic enhancement), out of the Highway Trust Fund, $15,000,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976.

(11) For necessary administrative expenses in carrying out section 131, section 136 and section 319(b) of title 23, United States Code, $1,500,000 for the fiscal year ending June 30, 1974, $1,500,000 for the fiscal year ending June 30, 1975, and $1,500,000 for the fiscal year ending June 30, 1976.

(12) For carrying out section 215(a) of title 23, United States Code (relating to territorial highway development program), out of the sums in the Treasury not otherwise appropriated:

(A) for the Virgin Islands not to exceed $2,500,000 for the fiscal year ending June 30, 1974, not to exceed $2,500,000 for the fiscal year ending June 30, 1975, and not to exceed $2,500,000 for the fiscal year ending June 30, 1976;

(B) for Guam not to exceed $2,000,000 for the fiscal year ending June 30, 1974, not to exceed $2,000,000 for the fiscal year ending June 30, 1975, and not to exceed $2,000,000 for the fiscal year ending June 30, 1976; and

(C) for American Samoa not to exceed $500,000 for the fiscal year ending June 30, 1974, not to exceed $500,000 for the fiscal year ending June 30, 1975, and not to exceed $500,000 for the fiscal year ending June 30, 1976.

(b) For each of the fiscal years 1974, 1975, and 1976, no State shall receive less than one-half of 1 per centum of the total apportionment for the Interstate System under paragraph (5) of subsection (b) of section 104 of title 23, United States Code. Whenever such amounts made available for the Interstate System in any State exceed the cost of completing that State's portion of the Interstate Sysem, the excess amount shall be transferred to and added to the amounts apportioned to such State under paragraphs (1), (2), (3), and (6) of subsection (b) of section 104 of title 23, United States Code, in the ratio which these respective amounts bear to each other in that State. For the purpose of carrying out this subsection, there are authorized to be appropriated out of the Highway Trust Fund not to exceed $50,000,000 for the fiscal year ending June 30, 1974, $50,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for the fiscal year ending June 30, 1976. It is the sense of the Congress that this subsection is an interim provision to be reconsidered at the expiration of this authorization.

DEFINITIONS

SEC. 106. (a) The definition of "construction" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, and mapping (including the establishment of temporary and permanent geodetic markers in accordance with specifications of the National Oceanic and Atmospheric Administration in the Department of Commerce), acquisition of rights-of-way, relocation assistance, elimination of hazards of railway grade crossings, acquisition of replacement housing sites, acquisition and rehabilitation, relocation, and construction of replacement housing, and improvements which directly facilitate and control traffic flow, such as grade separation of intersections, widening of lanes, channelization of traffic, traffic control systems, and passenger loading and unloading areas."

(b) The definition of "Indian reservation roads and bridges" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'Indian reservation roads and bridges' means roads and bridges that are located within or provide access to an Indian reservation or Indian trust land or restricted Indian land which is not subject to fee title alienation without the approval of the Federal Government on which Indians reside, or Indian and Alaska native villages, groups or communities in which Indians and Alaska natives reside, whom the Secretary of the Interior has determined are eligible for services generally available to Indians under Federal laws specifically applicable to Indians."

(c) The definition of "urbanized area" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'urbanized area' means an area so designated by the Bureau of the Census, within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall, as a minimum, encompass the entire urbanized area designated by the Bureau of the Census."

(d) The definition of "urban area" in subsection (a) of section 101 of title 23, United States Code, is amended to read:

"The term 'urban area' means an urbanized area, or an urban place as designated by the Bureau of the Census having a population of five thousand or more and not within any urbanized area, within boundaries to be fixed by responsible State and local officials in cooperation with each other, subject to approval by the Secretary. Such boundaries shall, as a minimum, encompass the entire urban place designated by the Bureau of the Census."

DECLARATION OF POLICY

SEC. 107. Subsection (b) of section 101 of title 23, United States Code, is amended by adding at the end thereof the following new paragraph:

"It is further declared to be in the national interest and to be the intent of Congress that in the administration of the Federal-aid highway program the Secretary shall carry out the program in such a manner as to give the highest priority in all instances, to highway safety and the saving of human lives."

MINIMIZATION OF RED TAPE

SEC. 108. Secton 101 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(e) It is the national policy that to the maximum extent possible the procedures to be utilized by the Secretary and all other affected heads of Federal departments, agencies, and instrumentalities for carrying out this title and any other provision of law relating to the Federal highway programs shall encourage the minimization of paperwork and interagency decision procedures and the best use of available manpower and funds so as to prevent needless duplication and unnecessary delays at all levels of government."

FEDERAL-AID SYSTEMS REALIGNMENT

SEC. 109. (a) Section 103(b) of title 23, United States Code, is renumbered as section 103(b)(1) and a new section 103(b)(2) is added to read as follows:

"(2) After June 30, 1975, the Federal-aid primary system shall consist of an adequate system of connected main roads important to interstate, statewide, and regional travel, consisting of rural arterial routes and their extensions into or through urban areas. The Federal-aid primary system shall be designated by each State and where appropriate, shall be in accordance with the planning process pursuant to section 134 of this title, subject to the approval of the Secretary as provided by subsection (f) of this section."

(b) Section 103(c) of title 23, United States Code, is renumbered as section 103(c)(1) and a new subsection 103(c)(2) is added to read as follows:

"(2) After June 30, 1975, the Federal-aid secondary system shall consist of rural major collector routes. The Federal-aid secondary system shall be designated by each State through its State highway department and appropriate local officials in cooperation with each other, subject to the approval of the Secretary as provided in subsection (f) of this section."

(c) Section 103(d) of title 23, United States Code, is renumbered as section 103(d)(1) and a new subsection 103(d)(2) is added to read as follows:

"(2) After June 30, 1975, the Federal-aid urban system shall be located in urban areas and shall consist of arterial routes and collector routes, exclusive of urban extensions of the Federal-aid primary system. The routes on the Federal-aid urban system shall be designated by appropriate local officials, subject to the approval of the Secretary as provided in subsection (f) of this section, and in the case of urbanized areas shall be in accordance with the planning process required pursuant to the provisions of section 134 of this title."

(d) Federal-aid systems realignment shall be based upon anticipated functional usage in the year 1980 or a planned connected system.

(e) In addition to the foregoing amendments, the second sentence of section 103(c)(1) of title 23, United States Code, is amended to insert, after the words "local rural roads," the phrase, "access roads to airports,".

FEDERAL-AID URBAN SYSTEM

SEC. 110. (a) Subsection (d)(1) of section 103 of title 23, United States Code, is amended by striking the first, second, third, fourth, and fifth sentences and inserting in lieu thereof the following:

"The Federal-aid urban system shall be established in each urban area. The system shall be so located as to serve the major centers of activity, and shall include high traffic volume arterial and collector routes, including access roads to airports and other transportation terminals. No route on the Federal-aid urban system shall also be a route on any other Federal-aid system. Each route of the system to the extent feasible shall connect with another route on a Federal-aid system, Routes on the Federal-aid urban system shall be selected by the appropriate local officials so as to serve the goals and objectives of the community, after consultation with the State highway departments, and, in urbanized areas, in accordance with the planning process under section 134 of this title. Designation of the Federal-aid urban system shall be subject to the approval of the Secretary as provided in subsection (f) of this section."

(b) Subsection (d) of section 105 of title 23, United States Code, is amended to read as follows:

"(d) In approving programs for projects on the Federal-aid urban system, the Secretary shall require that such projects be selected by the appropriate local officials after consultation with the Governor of each State and, in urbanized areas, in accordance with the planning process required pursuant to section 134 of this title."

TRANSFER OF INTERSTATE SYSTEM MILEAGE WITHIN A STATE

SEC. 111. (a) The fourth sentence of subsection (e)(2) of section 103 of title 23, United States Code, is amended to read:

"The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph, except that the cost to the United States of the aggregate of all mileage designated in any State under the third sentence of this paragraph shall not exceed the cost to the United States of the mileage approval for which is withdrawn under the second sentence of this paragraph; such costs shall be that as of the date of the withdrawal."

(b) Paragraph (2) of subsection (e) of section 103 of title 23 of the United States Code is amended by adding at the end thereof the following:

"The authority granted by this paragraph shall expire on the date of enactment of the Federal-Aid Highway Act of 1973. However, the amendment contained in section 111(a) of the Federal-Aid Highway Act of 1973 shall be retroactive."

(c) Subsection (e) of section 103 of title 23, United States Code, is amended by adding the following:

"(4) In addition to the mileage authorized by the first sentence of paragraph (1) of this subsection, there is hereby authorized additional mileage for the Interstate System to be used in making modifications or revisions in the Interstate System as provided in this paragraph. Upon the joint request of a State Governor and the local governments concerned, the Secretary may withdraw his approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance with this title prior to the enactment of this paragraph, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System or will no longer be essential by reason of the application of this paragraph and will not be constructed as a part of the Interstate System, and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by such route or portion thereof. After the Secretary has withdrawn his approval of any such route or portion thereof the mileage of such route or portion thereof and the additional mileage authorized by the first sentence of this paragraph shall be available for the designation of such interstate route or portions thereof within that State as provided in this subsection necessary to provide the essential connection of the Interstate System in such State in lieu of the route or portions thereof which were withdrawn. The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph, except that the cost to the United States of the aggregate of all mileage designated in any State under the third sentence of this paragraph shall not exceed the cost to the United States of the mileage approval for which is withdrawn under the second sentence of this pargarph. Such costs shall be the costs of the withdrawn route. Whenever the Secretary detemines that such routes or portions thereof are not essential or whenever the amounts necessary for the completion of the substitute essential routes or portions thereof are less than the cost of the withdrawn route or portions thereof, the amounts remaning or the difference shall be transferred to and added to the amounts apportioned to such State for use in accordance with paragraph (6) of subsection (b) of section 104 of title 23, United States Code, for the account of the urbanized area from which the withdrawal of the routes or portions thereof was made in such urbanized areas. In considering routes or portions thereof to be added to the Interstate System under the second and third sentences of this paragraph, the Secretary shall, in consultation with the States and local governments concerned, assure (A) that such routes or portions thereof will provide a unified and connected Interstate System, and (B) the extension of routes which terminate within municipalities served by a single interstate route, so as to provide traffic service entirely through such municipalities. Any mileage from a route or portion thereof which is withdrawn under the second sentence of this paragraph and not replaced by a substitute essential route or portion thereof may be redesignated as part of the Interstate System by the Secretary in accordance with paragraph (1) of this subsection."

REMOVAL OF DESIGNATED SEGMENTS OF THE INTERSTATE SYSTEM

SEC. 112. Section 103(g) of title 23, United States Code, is amended to read as follows:

"(g) The Secretary, on July 1, 1974, shall remove from designation as a part of the Interstate System each segment of such system for which a State has not notified the Secretary that such State intends to construct such segment, and which the Secretary finds is not necessary for continuity of traffic flows between cities. Nothing shall prohibit the consideration for substitution prior to July 1, 1975, of alternative segments of the Interstate System which will meet the requirements of this title. Any segment of the Interstate System, with respect to which a State has not submitted by July 1, 1975, a schedule for the expenditure of funds for completion of construction of such segment or alternative segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met, shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of the preceding sentence shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest."

APPORTIONMENT

SEC. 113. (a) Paragraphs (1) and (2) of subsection (b) of section 104 of title 23, United States Code, is amended by striking the words "star routes" each time they appear and insering in lieu thereof "intercity mail routes where service is performed by motor vehicles."

(b) Paragraph (6) of subsection (b) of section 104 of title 23, United States Code, is amended by striking the word "urbanized" wherever it appears and inserting in lieu thereof "urban", and by adding at the end thereof the following: "No State shall receive less than one-half of 1 per centum of each year's apportionment."

(c) Subsection (c) of section 104 of title 23, United States Code, is amended by striking out "20 per centum" in each of the two places it appears and inserting in lieu thereof in each such place the following: "30 per centum" and by striking out "paragraph (1), (2), or (3)" and inserting in lieu thereof "paragraph (1) or (2)".

(d) Subsection (d) of section 104 of title 23, United States Code, is amended to read as follows:

"(d)(1) Not more than 30 per centum of the amount apportioned in any fiscal year to each State in accordance with paragraph (3) of subsection (b) of this section may be transferred from that apportionment to the apportionment under paragraph (6) of subsection (b) of this section if such transfer is requested by the State highway department and is approved by the Governor of such State and the Secretary as being in the public interest. The total of such transfers shall not increase the original apportionment under such paragraph by more than 30 per centum.

"(2) In the case of a State for which the Administrator of the Environmental Protection Agency has certified or otherwise stated that one or more air quality regions within such State will fail to achieve, by July 1, 1975, levels of air quality necessary for attainment of the primary ambient air quality standard specified for carbon monoxide, oxides of nitrogen, or photochemical oxidants (hydrocarbons) in accordance with section 109 of the Clean Air Act (42 U.S.C. 1857 et seq.), the Secretary may require such State to transfer all sums apportioned to such State under paragraph (3) of subsection (b) of this section to the sums apportioned to such State under paragraph (6) of subsection (b) of this section, for the account of the urbanized area within the air quality region designated by the Secretary to receive emergency assistance for transportation system improvements."

(e) The last sentence of subsection (c) of section 104 of title 23, United States Code, is hereby repealed.

APPORTIONMENT OF PLANNING FUNDS

SEC. 114. Subsection (f) of section 104 of title 23, United States Code, is amended to read as follows:

"(f)(1) On or before January 1 next preceding the commencement of each fiscal year, the Secretary, after making the deduction authorized by subsection (a) of this section, shall set aside not to exceed one-half per centum of the remaining funds authorized to be appropriated for expenditure upon the Federal-aid systems, for the purpose of carrying out the requirements of section 134 of this title.

"(2) These funds shall be apportioned to the States in the ratio which the population in urbanized areas or parts thereof, in each State bears to the total population in such urbanized areas in all the States as shown by the latest available census, except that no State shall receive less than one-half per centum of the amount apportioned.

"(3) The funds apportioned to any State under paragraph (2) of this subsection shall be made available by the State to the metropolitan planning organizations designated by the State as being responsible for carrying out the provisions of section 134 of this title. These funds shall be matched in accordance with section 120 of this title unless the Secretary determines that the interests of the Federal-aid highway program would be best served without such matching.

"(4) The distribution within any State of the planning funds made available to agencies under paragraph (3) of this subsection shall be in accordance with a formula developed by each State and approved by the Secretary which shall consider but not necessarily be limited to, population, status of planning, and metropolitan area transportation needs."

PROGRAMS

SEC. 114A. (a) Section 105(a) of title 23, United States Code, is amended by deleting the words "State highway department" in the first sentence and inserting in lieu thereof "Governor" and by adding at the end thereof the following new sentence: "The Secretary shall not approve any project except that which is in accordance with the planning process required pursuant to section 134 of this title."

(b) Section 105(b) of title 23, United States Code, is amended by striking out the words "except in States where all public roads and highways are under the control and supervision of the State highway department, that such project be selected by the State highway department" and inserting in lieu thereof the following: "that such project be selected by the State Governor."

(c) Section 105(g) of title 23, United States Code, is amended by striking out the words "State highway departments" and inserting in lieu thereof "Governors".

ADVANCE ACQUISITION

SEC. 115 (a) Section 108(a) of title 23, United States Code, is amended by striking out "seven years" in the last sentence and inserting in lieu thereof "ten years".

(b) Section 108(c)(3) of title 23, United States Code, is amended by striking out "seven years" in the first sentence and inserting in lieu thereof "ten years".

STANDARDS

SEC. 116. (a) Subsection (i) of section 109 of title 23, United States Code, is amended by adding at the end thereof the following: "The Secretary, after consultation with the Administrator of the Environmental Protection Agency and appropriate Federal, State, and local officials, may promulgate standards for the control of highway noise levels for highways on any Federal-aid system for which project approval has been secured prior to July 1, 1972. The Secretary may approve any project on a Federal-aid system to which noise-level standards are made applicable under the preceding sentence for the purpose of carrying out such standards. Such project may include, but is not limited to, the acquisition of additional rights-of-way, the construction of physical barriers, and landscaping. Sums apportioned for the Federal-aid system on which such project will be located shall be available to finance the Federal share of such project. Such project shall be deemed a highway project for all purposes of this title."

(b) Subsection (j) of section 109 of title 23, United States Code, is amended by inserting "(1)" after "(j)" and adding a new paragraph (2) as follows:

"(2) After June 30, 1973, no highway program or project submitted to the Secretary in accordance with this title shall be approved by the Secretary unless it is in conformity with guidelines established by the Secretary under this subsection and, in the case of a highway program or project proposed for an air quality control region which the Administrator of the Environmental Protection Agency has determined will require the imposition of transportation controls to attain primary ambient air quality standards, is consistent with the implementation plan approved or promulgated for such region under section 110 of the Clean Air Act (42 U.S.C. 1857 et seq.).".

SIGNS ON PROJECT SITE

SEC. 117. Subsection (a) of section 114 of title 23, United States Code, is amended by striking out the last sentence thereof and inserting in lieu thereof the following:

"After June 30, 1973, the State highway department shall not erect on any project where actual construction is in progress and visible to highway users, any informational signs other than official traffic control devices conforming with standards developed by the Secretary of Transportation."

CERTIFICATION ACCEPTANCE

SEC. 118. (a) Section 117 of title 23, United States Code, is amended to read as follows:

"§ 117. Certification acceptance

"(a) The Secretary may discharge any of his responsibilities under this title relative to projects on the Federal-aid systems, except the Interstate System, upon the request of any State, by accepting a certification of its capability to perform such responsibilities, if he finds that such projects will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this title.

"(b) The Secretary shall make a final inspection of each such project upon its completion and shall require an adequate report of the estimated and actual cost of construction as well as such other information as he determines necessary.

"(c) The procedure authorized by this section shall be an alternative to that otherwise prescribed in this title. The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this section.

"(d) Acceptance by the Secretary of a State's certification under this section may be rescinded by the Secretary within his discretion.

"(e) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.), section 4(f) of the Department of Transportation Act (49 U.S.C. 1653(f)), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et seq.), title VIII of the Act of April 11, 1968 (Public Law 90–284, 42 U.S.C. 3601 et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), other than this title."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by striking out

"117. Secondary road responsibilities."

and inserting in lieu thereof the following:

"117. Certification acceptance.".

MATERIALS AT OFF-SITE LOCATIONS

SEC. 119. Section 121(a) of title 23, United States Code, is amended by inserting after the period at the end thereof the following: "Such payments may also be made in the case of any such materials not in the vicinity of such construction if the Secretary determines that because of required fabrication at an off-site location the materials cannot be stockpiled in such vicinity."

PAYMENT TO STATES FOR BOND RETIREMENT

SEC. 120. The first sentence of section 122 of title 23, United States Code, is amended by inserting the following after "maturity": "and in the case of the Interstate System principal and interest of such bonds,".

PUBLIC HEARINGS

SEC. 121. Subsection (a) of section 128 of title 23, United States Code, is amended by adding the following at the end thereof:

"The Secretary shall also require with the submission of plans for a Federal-aid project an assurance from the State highway department that it has taken all steps required pursuant to guidelines issued by the Secretary to insure and foster public participation in the development of such project before and after the public hearings required by this subsection."

TOLL ROADS, BRIDGES, TUNNELS, AND FERRIES

SEC. 122. After the second sentence of section 129(b) of title 23, United States Code, insert the following:

"When any such toll road which the Secretary has approved as a part of the Interstate System is made a toll-free facility, Federal-aid highway funds apportioned under section 104(b)(5) of this title may be expended for the construction, reconstruction, or improvement of that road to meet the standards adopted for the improvement of projects located on the Interstate System."

FERRY OPERATIONS

SEC. 123. The last subsection of section 129 of title 23, United States Code, is redesignated as subsection (g) and paragraph (5) of that subsection is amended to read as follows:

"(5) Such ferry may be operated only within the State (including among the islands which comprise the State of Hawaii) or between adjoining States. Except with respect to operations between the islands which comprise the State of Hawaii and operations between the States of Alaska and Washington or between any two points within the State of Alaska, no part of such a ferry operation shall be in any foreign or international waters."

CONTROL OF OUTDOOR ADVERTISING

SEC. 124. (a) The first sentence of subsection (b) of section 131 of title 23, United States Code, is amended by inserting after "main traveled way of the system," the following: "and Federal-aid highway funds apportioned on or after January 1, 1974, or after the expiration of the next regular session of the State legislature, whichever is later, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are more than six hundred and sixty feet off the nearest edge of the right-of-way, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way,".

(b) Subsection (c) of section 131 of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices after January 1, 1968, if located within six hundred and sixty feet of the right-of-way and, on or after July 1, 1974, or after the expiration of the next regular session of the State legislature, whichever is later, if located beyond six hundred and sixty feet of the right-of-way, visible from the main traveled way of the system, and erected with the purpose of their message being read from such main traveled way, shall, pursuant to this section, be limited to (1) directional and official signs and notices, which signs and notices shall include, but not be limited to, signs and notices pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, and (3) signs, displays, and devices advertising activities conducted on the property on which they are located."

(c) Subsection (d) of section 131 of title 23, United States Code, is amended by striking out the first sentence thereof and inserting the following in lieu thereof:

"In order to promote the reasonable, orderly and effective display of outdoor advertising while remaining consistent with the purposes of this section, signs, displays, and devices whose size, lighting and spacing, consistent with customary use is to be determined by agreement between the several States and the Secretary, may be erected and maintained within areas adjacent to the Interstate and primary systems which are zoned industrial or commercial under authority of State law, or in unzoned commercial or industrial areas as may be determined by agreement between the several States and the Secretary."

(d) Subsection (e) of section 131 of title 23, United States Code, is amended to read as follows:

"(e) Any nonconforming sign under State law enacted to comply with this section shall be removed no later than the end of the fifth year after it becomes nonconforming, except as determined by the Secretary."

(e) Subsection (f) of section 131 of title 23, United States Code, is amended by inserting the following after the first sentence: "The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained."

(f) Subsection (g) of section 131 of title 23, United States Code, is amended by striking out the first sentence and inserting the following in lieu thereof:

"Just compensation shall be paid upon the removal of any outdoor advertising sign, display, or device lawfully erected under State law prior to the date of enactment of the Federal-Aid Highway Act of 1973."

(g) Subsection (m) of section 131 of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be apportioned to carry out the provisions of this section, out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $2,000,000 for the fiscal year 1970, not to exceed $27,000,000 for the fiscal year 1971, not to exceed $20,500,000 for the fiscal year 1972, and not to exceed $50,000,000 for the fiscal year ending June 30, 1973, and, out of the Highway Trust Fund, $50,000,000 for the fiscal year ending June 30, 1974, $50,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for the fiscal year ending June 30, 1976. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

TRANSPORTATION PLANNING IN CERTAIN URBAN AREAS

SEC. 125. (a) Subsection (a) of section 134, of title 23, United States Code, is amended by striking the next to the last sentence and inserting in lieu thereof the following:

"The Secretary shall not approve under section 105 of this title any program for projects in any urbanized area unless he finds (1) that such projects are in accordance with a continuing comprehensive transportation planning process carried on cooperatively by the State and local communities in conformance with the objectives stated in this section, and (2) that all reasonable measures to permit, encourage, and assist public participation in such continuing comprehensive transportation planning process have been taken. The Secretary, in cooperation with the States, shall develop and publish regulations specifying minimum guidelines for public participation in such processes, which shall include hearings, held at least annually, at which there would be a review of the transportation planning process, plans and programs, and opportunity provided for the consideration of alternative modes of transportation."

(b) Section 134, title 23, United States Code, is amended by adding the following new subsection:

"(b) It is declared to be in the national interest to encourage and promote the development of transportation systems embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States, as authorized in this title, in the development of long-range, comprehensive public transportation plans and programs which are properly coordinated, which include plans for the development of all modes of transportation, which take into consideration the plans of adjacent States, which are formulated with due consideration of their probable effect on future development of each State, and which fully consider alternative modes of transportation and routes for each project included. The Secretary shall not approve under this title any program for projects in any State unless he finds (1) that such projects are in accordance with a continuing comprehensive public transportation planning process carried on by the State in conformance with the objectives of this section, (2) that all reasonable measures to permit, encourage, and assist public participation in such continuing planning process have been taken, and (3) that all social, economic, and environmental aspects of such program and its alternatives have been fully considered in the comprehensive planning process. The Secretary, in cooperation with the States, shall develop and publish regulations specifying minimum guidelines for public participation in such process, which shall include hearings, held at least annually, at which there shall be a review of the transportation planning process, plans, and programs, and opportunity provided for the consideration of alternative modes of transportation. No project may be constructed in a State unless the responsible local officials of the area in which the project is located have been consulted and their views considered with respect to the corridor, the location and the design of the project."

AVAILABILITY OF URBAN SYSTEM FUNDS

SEC. 126. (a) Section 135 of title 23, United States Code, is amended to read as follows:

"§ 135. Availability of urban system funds

"(a) Funds apportioned to any State under paragraph (6) of subsection (b) of section 104 of this title which are attributable to urbanized areas having a population of 400,000 or more shall be allocated among such urbanized areas, or parts thereof, within any such State in the ratio that the population within each such urbanized area, or part thereof, bears to the population of all urban areas, or parts thereof, within such State.

"(b) Funds allocated in accordance with subsection (a) of this section shall be available for expenditure within any such urbanized area for projects on the urban system, including those authorized by section 142 of this title, which shall be planned in accordance with the planning process required by section 134 of this title.

"(c) Funds allocated to any urbanized area under subsection (a) of this section shall be available for expenditure in another urbanized area within such State only where the responsible public officials in both such urbanized areas agree to such availability.

"(d) Where the Secretary finds that any incorporated municipality having a population of 400,000 or more, or a combination of municipalities, at least one of which has a population of 400,000 or more, has sufficient authority under State law to develop and implement a plan for expenditure of funds attributed to such municipality or municipalities pursuant to this section and has adequate powers under State law and is suitably equipped and organized to carry out projects on the urban system, funds allocated to an urbanized area under subsection (a) of this section which are attributable to such municipality or municipalities shall be available to such municipality or municipalities for projects on the urban system, including those authorized by section 142 of this title, which shall be planned in accordance with the planning process required by section 134 of this title, and which shall not be in conflict with any State transportation plan approved by the Governor."

(b) The table of contents of chapter 1 of title 23 of the United States Code is amended by striking

"135. Urban area traffic operations improvement programs."

and inserting in lieu thereof:

"135. Availability of urban system funds.".

CONTROL OF JUNKYARDS

SEC. 127. (a) Subsection (j) of section 136 of title 23, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"(j) Just compensation shall be paid the owner for the relocation, removal, or disposal of junkyards lawfully in existence at the effective date of State legislation enacted to comply with this section."

(b) Subsection (m) of section 136 of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out this section out of any money in the Treasury not otherwise appropriated not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed

$3,000,000 for each of fiscal years 1970, 1971, and 1972, not to exceed $5,000,000 for the fiscal year ending June 30, 1973, and, out of the Highway Trust Fund, not to exceed $15,000,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

FRINGE AND CORRIDOR PARKING FACILITIES

SEC. 128. Subsection (a) of section 137 of title 23, United States Code, is amended to read as follows:

"(a) The Secretary may approve as a project on the Federal-aid urban system the acquisition of land adjacent to the right-of-way inside or outside a central business district, as defined by the Secretary, and the construction of publicly owned parking facilities thereon or within such right-of-way, including the use of the air space above and below the established grade line of the highway pavement, to serve an urban area. Such parking facility to the extent feasible, suitable, and practicable, shall be located and designed in conjunction with existing or planned public transportation facilities. In the event fees are charged for the use of any such facility, the rate thereof shall not be in excess of that required for maintenance and operation (including compensation to any person for operating such facility) and liquidation of bonds or other obligations incurred in financing the local share of such facilities."

PRESERVATION OF PARKLANDS

SEC. 129. Section 138 of title 23, United States Code, is amended (1) by striking out "lands" in the first sentence and inserting in lieu thereof "areas (including water)", and (2) by striking out "lands" and "land" wherever thereafter appearing therein and inserting in lieu thereof "areas" and "area", respectively.

TRAINING PROGRAMS

SEC. 130. Subsection (b) of section 140 of title 23, United States Code, is amended by striking out in the second sentence "and 1973," and inserting in lieu thereof ", 1973, 1974, 1975, and 1976".

URBAN PUBLIC TRANSPORTATION

SEC. 131. Section 142 of title 23, United States Code, is amended to read as follows:

"§ 142. Urban public transportation

"(a) To encourage the development, improvement, and use of public mass transportation systems for the transportation of passengers within urban areas,

"(1) sums apportioned in accordance with paragraphs (3) and (6) of subsection (b) of section 104 of this title shall be available to finance the Federal share of the costs of projects within urban areas, for the construction of exclusive or preferential bus lanes, highway traffic control devices, passenger loading areas and facilities, including shelters, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers, and for the purchase of passenger equipment other than rolling stock for fixed rail;

"(2) sums apportioned in accordance with paragraph (6) of subsection (b) of section 104 of this title shall be available to finance the Federal share of the costs of projects within urban areas for the construction of fixed rail facilities and for the purchase of passenger equipment, including rolling stock for fixed rail; and

"(3) sums apportioned in accordance with paragraph (5) of subsection (b) of section 104 of this title shall be available to finance the Federal share of the cost of projects on the Interstate System, for the construction of exclusive or preferential bus lanes, highway traffic control devices, and passenger loading areas and facilities, including shelters and fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers. Projects financed under this paragraph may also include exclusive or preferential bus, truck, and emergency vehicle routes or lanes. Routes constructed under this subsection shall not be subject to the third sentence of section 109(b) of this title.

"(b) The establishment of routes and schedules of such public mass transportation systems in urbanized areas shall be based upon a continuing comprehensive transportation planning process carried on in accordance with section 134 of title 23, United States Code.

"(c) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project, and the Federal share payable on account of such project shall be that provided in section 120 of this title.

"(d) No project authorized by this section shall be approved unless the Secretary of Transportation is satisfied that public mass transportation systems will have adequate capability to utilize fully the proposed project and to maintain and operate properly any equipment acquired under this section.

"(e) No equipment which is acquired with financial assistance provided by this section shall be available for use in charter, leased, sightseeing, or other service in any area other than the area for which it was acquired.

"(f) In the acquisition of equipment pursuant to subsection (a) of this section, the Secretary shall require that such equipment meet the standards prescribed by the Administrator of the Environmental Protection Agency under section 202 of the Clean Air Act, as amended, and under section 6 of the Noise Control Act of 1972 (86 Stat. 1234), and shall authorize the acquisition, wherever practicable, of equipment which meets the special criteria for low-emission vehicles set forth in section 212 of the Clean Air Act, as amended, and for low-noise-emission products set forth in section 15 of the Noise Control Act of 1972 (86 Stat. 1234).

"(g) The Secretary shall assure that the provisions of subsection (a) of section 16 of the Urban Mass Transportation Act of 1964 as amended requiring the planning and design of mass transportation facilities to meet special needs of the elderly and the handicapped (as defined in subsection (d) thereof), shall be implemented in projects under this section.

"(h) Funds available for expenditure to carry out the purposes of this section shall be supplementary to and not in substitution for funds authorized and available for obligation pursuant to the Urban Mass Transportation Act of 1964, as amended.

"(i) The provisions of the Urban Mass Transportation Act of 1964, as amended, shall apply in carrying out the provisions of this section dealing with the purchase of equipment and its use within urban areas, to the extent such provisions are not inconsistent with, or in conflict with, the provisions of chapters 1, 3, and 5, of this title.

"(j) In any case where sufficient land exists within the publicly acquired rights-of-way of any Federal-aid highway to accommodate needed rail or nonhighway public mass transit facilities and where this can be accomplished without impairing highway safety or future highway improvements, the Secretary may authorize a State to make such lands and rights-of-way available without charge to a publicly owned mass transit authority for such purposes wherever he may deem that the public interest will be served thereby."

BICYCLE TRANSPORTATION, PEDESTRIAN WALKWAYS, AND EQUESTRIAN TRAILS

SEC. 132. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 145. Bicycle transportation, pedestrian walkways, and equestrian trails

"(a) To encourage the multiple use of highway rights-of-way, including the development, improvement, and use of bicycle transportation and the development and improvement of pedestrian walkways and equestrian trails on or in conjunction with highway rights-of-way, the States may, on projects carried out with sums apportioned in accordance with subsection (b) of section 104 of this title, include to the extent practicable, suitable, and feasible, the construction of separate or preferential bicycle lanes or paths, bicycle traffic control devices, shelters and parking facilities to serve bicycles and persons using bicycles, pedestrian walkways, and equestrian trails in conjunction or connection with Federal-aid highways. Projects authorized under this section shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes.

"(b) For all purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project, and the Federal share payable on account of such project shall be that provided in section 120 of this title.

"(c) Funds authorized and appropriated for forest highways, forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads, and public lands highways shall be available, at the discretion of the department charged with the administration of such funds, for the construction of bicycle and pedestrian routes in conjunction with such trails, roads, highways, and parkways.

"(d) No motorized vehicles shall be permitted on trails and walkways authorized under this section except for maintenance purposes."

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by inserting at the end thereof the following:

"145. Bicycle transportation, pedestrian walkways, and equestrian trails."

TOLL ROAD REIMBURSEMENT PROGRAM

SEC. 133. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 146. Toll road reimbursement program

"(a) Whenever a State has received its final apportionment of sums authorized to be appropriated for expenditure on the Interstate System, the Secretary may permit, notwithstanding the provisions of subsection (b) of section 129 of this title, reimbursement of the Federal share of the actual cost of construction of new toll highways or improvements to existing toll highways, construction of which highways or improvement is begun after July 1, 1973, but not including the cost of toll collection and service facilities, on the same basis and in the same manner as in the construction of free highways under this chapter upon compliance with the conditions contained in this section.

"(b) The Secretary may permit reimbursement of the Federal share of the costs of construction as applicable to a project under section 120(a) of this title from funds apportioned to such State pursuant to paragraph (1) subsection (b) of section 104 of this title whenever the State enters into an agreement with the Secretary whereby it undertakes performance of the following obligations:

"(1) to provide for the construction of

such highway in accordance with standards approved by the Secretary;

"(2) all tolls received from the operation of such highway, less the actual cost of such operation and maintenance, shall be applied by the State to the repayment of the actual costs of construction, except for an amount equal to the Federal share payable of such actual costs of a project; and

"(3) no tolls shall be charged for the use of such highway after the Federal share has been paid and the highway shall be maintained and operated as a free highwy.

Such agreements may be entered into between the Secretary and a State upon enactment of this section. Reimbursements shall not be made until after the State receives its final apportionment of sums authorized to be appropriated for expenditure on the Interstate System.

"(c) When such highway becomes toll free in accordance with the aforementioned agreement, such highway shall become a part of the primary system notwithstanding the mileage limitations in subsection (b) of section 103 of this title.

"(d) The Federal share payable of such actual cost of the project shall be made in not more than fifteen equal annual installments, from the funds apportioned to the State pursuant to paragraph (1) of subsection (b) of section 104 of this title, with the first installment being made one year after the project agreement has been entered into between the Secretary and the State highway departments or one year after the State receives its final apportionment of sums authorized to be appropriated for expenditure on the Interstate System, whichever is last to occur. Such payment shall be applied against the outstanding obligations of the project."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"146. Toll road reimbursement program."

SPECIAL URBAN HIGH DENSITY TRAFFIC PROGRAM

SEC. 134. (a) Chapter 1 of title 23 of the United States Code is amended by adding at the end theerof the following new section:

"§ 147. Special urban high density traffic program

"(a) There is hereby authorized to be appropriated out of the Highway Trust Fund, $50,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 for the fiscal year ending June 30, 1975, for the construction of highways connected to the Interstate System in portions of urbanized areas with high traffic density. The Secretary shall develop guidelines and standards for the designation of routes and the allocation of funds for this purpose which include the following criteria:

"(1) Routes designated by the Secretary shall not be longer than ten miles.

"(2) Routes designated shall serve areas of concentrated population and heavy traffic congestion.

"(3) Routes designated shall serve the urgent needs of commercial, industrial, airport, or national defense installations.

"(4) Any routes shall connect with existing routes on the Interstate System.

"(5) Routes designated under this section shall have been approved through the planning process required under section 134 of this title and determined to be essential by responsible local officials.

"(6) A route shall be designated under this section only where the Secretary determines that no feasible or practicable alternative mode of transportation which could meet the needs of the area to be served is now available or could become available in the foreseeable future.

"(7) The designation of routes under this section shall comply with section 138 of this title, and no route shall be designated which substantially damages or infringes upon any residential area.

"(8) Routes shall be designated by the Secretary on the recommendation of the State and responsible local officials.

"(9) No more than one route in any one State shall be designated by the Secretary.

"(b) The Federal share payable on account of any project authorized pursuant to this section shall not exceed 90 per centum of the cost of construction of such project."

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"147. Special urban high density traffic program."

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON FEDERAL LAKES

SEC. 135. (a) Chapter 1 of title 23 of the United States Code is further amended by adding at the end thereof the following new section:

"§ 148. Access highways to public recreation areas on Federal lakes

"(a) There is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated $15,000,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976, for the construction or reconstruction of access highways to public recreation areas on Federal lakes in order to accommodate present and future high traffic density. The Secretary shall develop guidelines and standards for the designation of routes and the allocation of funds for the purpose of this section which shall include the following criteria:

"(1) Routes designated by the Secretary shall not extend beyond 35 miles from the recreation area.

"(2) Such routes shall connect with a highway in the Federal-aid system.

"(3) The designation of routes under this section shall comply with section 138 of this title.

"(4) Routes shall be designated by the Secretary on the recommendation of the State and responsible local officials.

"(b) The Federal share payable on account of any project authorized pursuant to this section shall not exceed 70 per centum of the cost of construction or reconstruction of such project.

"(c) Any highway not part of the Federal-aid system when constructed or reconstructed pursuant to this section shall thereafter be part of the Federal-aid secondary system except as otherwise provided pursuant to this section.

"(d) For the purpose of this section the term 'Federal lake' means a lake constructed by the Corps of Engineers, Department of the Army, or the Tennessee Valley Authority, or the Bureau of Reclamation, Department of the Interior, or a multipurpose lake constructed with the assistance of the Soil Conservation Service, Department of Agriculture. This section shall apply to lakes constructed or authorized for construction prior to the date of enactment of the Federal-Aid Highway Act of 1973."

(b) The analysis of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"148. Access highways to public recreation areas on Federal lakes.".

PUBLIC TRANSPORTATION IN NATIONAL FORESTS AND PARKS

SEC. 136. (a) Subsection (f) of section 204 of title 23, United States Code, is amended to read as follows:

"(f) Funds available for forest highways shall be available for adjacent vehicular parking areas, for sanitary, water, and fire control facilities, and for passenger loading areas and facilities and the purchase of buses to provide interpretive or shuttle transportation services as an alternative means of transportation."

(b) Section 206 of title 23, United States Code, is amended by adding the following new subsection:

"(c) Funds available for park roads and trails shall be available for adjacent vehicular parking areas and for passenger loading areas and facilities and the purchase of buses to provide interpretive or shuttle transportation services as an alternative means of transportations."

PARKWAYS

SEC. 137. (a) Subsection (a) of section 207 of title 23 United States Code, is amended to read as follows:

"(a) Funds available for parkways shall be used ot pay for the cost of construction and improvement thereof, including the acquisition of rights-of-way and related scenic easements."

(b) Section 207 of title 23, United States Code, is further amended by adding the following subsection:

"(d) The provisions of section 106(a) of this title, relating to the obligation of funds, shall apply to funds available for parkway."

HIGHLAND SCENIC HIGHWAY

SEC. 138. (a) The Secretary of the Interior in cooperation with the Secretary of Agriculture (acting through the Forest Service), is authorized to develop and construct as a parkway the Highland Scenic Highway from West Virginia State Route 39 to U.S. 250 near Barton Knob.

(b) The route from Richwood, West Virginia, to U.S. 250 near Barton Knob, via West Virginia State Route 39 and the parkway authorized by subsection (a) of this section, shall be designated as the Highland Scenic Highway.

(c) Such Secretaries are authorized to acquire rights-of-way, lands containing such rights-of-way, and interests in land, including scenic easements, necessary to carry out the purpose of a scenic highway.

(d) Funds available for parkways shall be available for signs on interstate highways, Appalachian highways and other appropriate highways at natural points of access to such geographic area, indicating the direction and distance to the Highland Scenic Highway and to Richwood as "Gateway to the Highland Scenic Highway".

(e) Funds available for parkways shall be available for upgrading that portion of West Virginia State Route 39 designated as the Highland Scenic Highway to appropriate standards for a scenic and recreational highway, including the construction of vistas and other scenic improvements.

(f) Upon construction of the Highland Scenic Highway as authorized by subsection (a) of this section, such road and all associated lands and rights-of-way shall be transferred to the Forest Service and managed as part of the Monongahela National Forest, solely for scenic and recreational use and passenger car travel.

(g) Any parkway authorized in the future to proceed southward in such area shall begin in the immediate vicinity of Richwood, West Virginia.

CUMBERLAND GAP NATIONAL HISTORICAL PARK

SEC. 139. (a) Notwithstanding the definition of parkways in subsection (a) of section 101, funds available for parkways shall be available to finance the cost of reconstruction and relocation of Route 25E through the Cumberland Gap National Historical Park, including construction of a tunnel and the approaches thereto, so as to permit restoration of the Gap and provide adequate traffic capacity.

(b) Upon construction, such highway and tunnel and all associated lands and rights-of-way shall be transferred to the National Park Service and managed as part of the Cumberland Gap National Historical Park.

ALASKA HIGHWAY

SEC. 140. (a) (1) Chapter 2 of title 23 of the United States Code is amended by inserting at the end thereof a new section as follows:

"§ 217. Alaska Highway

"(a) Recognizing the benefits that will accrue to the State of Alaska and to the United States from the reconstruction of the Alaska Highway from the Alaskan border to Haines Junction in Canada and the Haines Cutoff Highway from Haines Junction in Canada to the south Alaskan border, the Secretary is authorized out of the funds appropriated for the purpose of this section to provide for necessary reconstruction of such highway. Such appropriations shall remain available until expended. No expenditures shall be made for the construction of such highway until an agreement has been reached by the Government of Canada and the Government of the United States which shall provide, in part, that the Canadian Government

"(1) will provide, without participation of funds authorized under this title all necessary right-of-way for the reconstruction of such highways, which right-of-way shall forever be held inviolate as a part of such highways for public use;

"(2) will not impose any highway toll, or permit any such toll to be charged for the use of such highways by vehicles or persons;

"(3) will not levy or assess, directly or indirectly, any fee, tax, or other charge for the use of such highways by vehicles or persons from the United States that does not apply equally to vehicles or persons of Canada;

"(4) will continue to grant reciprocal recognition of vehicle registration and drivers' licenses in accordance with agreements between the United States and Canada; and

"(5) will maintain such highways after their completion in proper condition adequately to serve the needs of present and future traffic.

"(b) The survey and construction work undertaken pursuant to this section shall be under the general supervision of the Secretary."

(2) The analysis of chapter 2 of title 23 of the United States Code is amended by adding at the end thereof the following: "217. Alaska Highway."

(b) For the purpose of completing necessary reconstruction of the Alaska Highway from the Alaskan border to Haines Junction in Canada and the Haines Cutoff Highway from Haines Junction in Canada to the south Alaskan border there is authorized to be appropriated the sum of $58,670,000 to be expended in accordance with the provisions of section 217 of title 23 of the United States Code.

RESEARCH AND PLANNING

SEC. 141. Subsection (c) (1) of section 307 of title 23, United States Code, is amended to read as follows:

"(c) (1) Not to exceed 1½ per centum of the sums apportioned for each fiscal year beginning with fiscal year 1974 to any State under section 104 of this title shall be available for expenditure upon request of the State highway department, with the approval of the Secretary, with or without State funds, for engineering and economic surveys and investigations; for the planning of future highway programs and local public transportation systems and for the financing thereof; for studies of the economy, safety, and convenience of highway usage and the desirable regulation and equitable taxation thereof; and for research and development, necessary in connection with the planning; design, construction, and maintenance of highways and highway systems, and the regulation and taxation of their use."

BRIDGES ON FEDERAL DAMS

SEC. 142. (a) Subsection (d) of section 320 of title 23, United States Code, is amended by striking out "$16,761,000" and inserting in lieu thereof "$25,261,000".

(b) All sums appropriated under authority of the increased authorization of $8,500,000 established by the amendment made by subsection (a) of this section shall be available for expenditure only in connection with the construction of a bridge across lock and dam numbered 13 on the Arkansas River near Fort Smith, Arkansas, in the amount of not to exceed $2,100,000 and in connection with the reconstruction of a bridge across Chickamauga Dam on the Tennessee River near Chattanooga, Tennessee, in the amount of not to exceed $6,400,000. No such sums shall be appropriated until all applicable requirements of section 320 of title 23 of the United States Code have been complied with by the appropriate Federal agency, the Secretary of Transportation, and the State of Arkansas for the Fort Smith project and the State of Tennessee for the Chattanooga project.

TECHNICAL AMENDMENTS

SEC. 143. Title 23, United States Code, is amended as follows:

(a) Section 101(a) is amended by striking out "Secretary of Commerce" and inserting in lieu thereof "Secretary of Transportation".

(b) Section 109(g) is amended by striking out "Rct" and inserting in lieu thereof "Act".

(c) Sections 126(a) and 310 are amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

(d) The heading of section 303 is amended to read:

"Administration organization."

(e) Sections 308(b), 312, and 314 are amended by striking out "Bureau of Public Roads" each place it appears and inserting in lieu thereof "Federal Highway Administration".

(f) Section 309 is amended by striking out "Bureau of Public Roads" and inserting in lieu thereof "Department of Transportation".

(g) Sections 312 and 314 are amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

ALASKAN ASSISTANCE

SEC. 144. Subsection (b) of section 7 of the Federal-Aid Highway Act of 1966 is amended by striking at the end of the last sentence "June 30, 1972, and June 30, 1973." and substituting "June 30, 1972, June 20, 1973, June 30, 1974, June 30, 1975, and June 30, 1976."

INCREASED FEDERAL SHARE—EFFECTIVE DATE

SEC. 145. Subsection (b) of section 108 of the Federal-Aid Highway Act of 1970 is amended to read as follows:

"(b) The amendments made by subsection (a) of this section shall take effect with respect to all obligations incurred after June 30, 1973, except for projects on which Federal funds were obligated on or before that date."

FEASIBILITY STUDIES

SEC. 146. The Secretary shall report to Congress by January 1, 1975, on the feasibility and necessity for constructing to appropriate standards proposed highways along the following routes for the purpose of including such highways in the National System of Interstate and Defense Highways:

(a) A route from Brunswick, Georgia, or its vicinity, to Kansas City, Missouri, or its vicinity, so aligned to serve the following intermediate locations, or vicinities thereof: Columbus, Georga; Birmingham, Alabama; Tupelo, Mississippi; Memphis, Tennessee; Batesville or Jonesboro, Arkansas; and Springfield, Missouri.

(b) Extension of Interstate Highway 70 from Cove Fort, Utah, or its vicinity, in a westerly direction, so aligned to serve the intermediate locations of Ely and Carson City, Nevada, or their vicinities.

(c) A route from Amarillo, Texas, or its vicinity, to Las Cruces, New Mexico, or its vicinity, so aligned to serve the following intermediate locations, or vicinities thereof: Herford, Texas; Clovis, New Mexico; Portales, New Mexico; Roswell, New Mexico; Ruidoso, New Mexico; Tularosa, New Mexico; and Alamogordo, New Mexico.

(d) A route from Kansas City, Missouri, or its vicinity, to Baton Rouge, Louisiana, or its vicinity, so aligned to serve one or both of the following intermediate locations or vicinities thereof: Fayetteville, Fort Smith, and Texarkana, Arkansas; or Little Rock, Arkansas, or any other route through the State of Arkansas determined feasible by such State and the Secretary.

(e) A route from Interstate Highway 380 from Waterloo, Iowa, via Dubuque, Iowa, to Interstate Highway 90 at Rockford, Illinois; and an extension of Interstate Highway 74 from the Davenport, Iowa-Moline, Illinois, area through Dubuque, Iowa, to Interstate 90 at LaCrosse, Wisconsin.

(f) A route from Kansas City, Missouri, or its vicinity, to Chicago, Illinois, or its vicinity, so aligned to cross the Mississippi River in the vicinity of Hannibal, Missouri, and Quincy, Illinois.

(g) Extension of Interstate Highway 27 from Lubbock, Texas, or its vicinity in a southerly direction to intersect with Interstate 20 and, proceeding further, to intersect with Interstate 10.

(h) A route from Salina, Kansas, or its vicinity in a northerly direction to intersect with Interstate 80 in the vicinity of York, Nebraska, and, proceeding further, to Interstate 29 in the vicinity of Watertown, South Dakota.

(i) A route from Wichita, Kansas, or its vicinity to Tucumcari, New Mexico, or its vicinity, so aligned to serve the following intermediate locations or vicinities thereof: Pratt, Kansas; Meade, Kansas; Liberal, Kansas; Guymon, Oklahoma; Stafford, Texas; Dalhart, Texas; and Logan, New Mexico; or any other route through the State of Kansas determined feasible by such State and the Secretary.

STUDY OF TOLL BRIDGE AUTHORITY

SEC. 147. (a) The Secretary of Transportation is authorized and directed to undertake a full and complete investigation and study of existing Federal statutes and regulations governing toll bridges over the navigable waters of the United States for the purpose of determining what action can and should be taken to assure just and reasonable tolls nationwide. The Secretary shall submit a report of the findings of such study and investigation to the Congress not later than July 1, 1974, together with his recommendations for modifications or additions to existing laws, regulations, and policies as will achieve a system of tolls which will best serve the public interest.

(b) The Secretary shall establish by regulations, procedures which will implement his responsibilities under section 526 of title 33, United States Code, regarding rates of tolls.

TERMINATION OF FEDERAL-AID RELATIONSHIP

SEC. 148. (a) Notwithstanding any other provisions of Federal law or any court decision to the contrary, the contractual relationship between the Federal and State Governments shall be ended with respect to all portions of the San Antonio North Expressway between Interstate Highway 35 and Interstate Loop 410, and the expressway shall cease to be a Federal-aid project.

(b) The amount of all Federal-aid highway funds paid on account of sections of the San Antonio North Expressway in Bexar County, Texas (Federal-aid projects numbered U 244(7), U 244(10), UG 244(9), U 244(8), and U 244 (11)), shall be repaid to the Treasurer of the United States and the amount so repaid shall be deposited to the credit of the appropriation for "Federal-Aid Highways (Trust Fund)". At the time of such repayment the Federal-aid projects with respect to which funds have been repaid and any other Federal-aid projects located on such expressway and programed for expenditure on such project, if any, shall be canceled and withdrawn from the Federal-aid highway program. Any amount so repaid, together with the unpaid balance of any amount programed for expenditure on any such project shall be credited to the unprogramed balance of Federal-aid highway funds of the same class last apportioned to the States, respectively. The amount so credited shall be available for expenditure in accordance with the provisions of title 23, United States Code, as amended.

RAILROAD RELOCATION DEMONSTRATIONS

SEC. 149. (a) The Secretary of Transportation shall enter into such arrangements as may be necessary to carry out demonstration projects in Lincoln, Nebraska, Wheeling, West Virginia, and Elko, Nevada, for the relocation of railroad lines from the central area of the cities in conformance with the methodology developed under proposals submitted to the Secretary by the respective cities. The cities shall (1) have a local agency with legal authority to relocate railroad facilities, levy taxes for such purpose, and a record of prior accomplishment; and (2) have a current relocation plan for such lines which has a favorable benefit-cost ratio involving and having the unanimous approval of three or more class 1 railroads in Lincoln, Nebraska, and the two class 1 railroads in Wheeling, West Virginia, and Elko, Nevada, and multicivic, local, and State agencies, and which provides for the elimination of a substantial number of the existing railway-road conflict points within the city.

(b) The Secretary of Transportation shall enter into such arrangements as may be necessary to carry out demonstration projects in Brownsville, Texas, and Matamoros, Mexico, for the relocation of railroad lines from the central area of the cities in conformance with the methodology developed under proposals submitted to the Secretary by the Brownsville Navigation District, providing for the construction of an international bridge and for the elimination of a substantial number of existing railway-road conflict points within the cities.

(c) The Federal share payable on account of such projects shall be that provided in section 120 of this title.

(d) The Secretary shall make annual reports and a final report to the President and the Congress with respect to his activities pursuant to this section.

(e) There is authorized to be appropriated not to exceed $1,000,000 in the case of Lincoln, Nebraska, $2,000,000 in the case of Wheeling, West Virginia, $1,400,000 in the case of Elko, Nevada, and $2,150,000 in the case of Brownsville, Texas, from the Highway Trust Fund, and not to exceed $2,000,000 in the case of Lincoln, Nebraska, $4,000,000 in the case of Wheeling, West Virginia, $2,800,000 in the case of Elko, Nevada, and $4,300,000 in the case of Brownsville, Texas, from money in the Treasury not otherwise appropriated, for carrying out the provisions of this section.

(f) The Secretary, in cooperation with State highway departments and local officials, shall conduct a full and complete investigation and study of the problem of providing increased highway safety by the relocation of railroad lines from the central area of cities on a nationwide basis, and report to the Congress his recommendations resulting from such investigation and study not later than July 1, 1975, including an estimate of the cost of such a program. Funds authorized to carry out section 307 of title 23, United States Code, are authorized to be used to carry out the investigation and study required by this subsection.

METRO ACCESSIBILITY TO THE HANDICAPPED

SEC. 150. The Secretary of Transportation is authorized to make payments to the Washington Metropolitan Area Transit Authority in amounts sufficient to finance the cost of providing such facilities for the subway and rapid rail transit system authorized in the National Capital Transportation Act of 1969 (83 Stat. 320) as may be necessary to make such subway and system accessible by the handicapped through implementation of Public Laws 90–480 and 91–205. There is authorized to be appropriated, to carry out this section, not to exceed $65,000,000.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

SEC. 151. (a) To encourage the development, improvement, and use of public mass transportation systems operating vehicles on highways for transportation of passengers within rural areas, in order to enhance access of rural populations to employment, health care, retail centers, education, and public services, there are authorized to be appropriated $30,000,000 for the two-fiscal-year period ending June 30, 1975, of which $20,000,000 shall be out of the Highway Trust Fund, to the Secretary of Transportation to carry out demonstration projects for public mass transportation on highways in rural areas. Projects eligible for Federal funds under this section shall include highway traffic control devices, the construction of passenger loading areas and facilities, including shelters, fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers, and the purchase of passenger equipment other than rolling stock for fixed rail.

(b) In the acquisition of passenger equipment pursuant to this section, the Secretary shall require that such equipment meet the standards prescribed by the Administrator of the Environmental Protection Agency under section 202 of the Clean Air Act, as amended, and under section 6 of the Noise Control Act of 1972 (86 Stat. 1234), and shall authorize the acquisition, wherever practicable, of equipment which meets the special criteria for low-emission vehicles set forth in section 212 of the Clean Air Act, as amended, and for low-noise-emission products set forth in section 15 of the Noise Control Act of 1972 (86 Stat. 1234).

(c) The Secretary shall assure that the provisions of subsection (a) of section 16 of the Urban Mass Transportation Act of 1964, as amended, requiring the planning and design of mass transportation facilities to meet special needs of the elderly and the handicapped (as defined in subsection (d) thereof), shall be implemented in demonstration projects under this section.

INTERSTATE ROUTE NUMBERED 66

SEC. 152. The Secretary of Transportation shall—

(1) by October 1, 1973—

(A) complete the draft environmental impact statement pursuant to section 102(2)(c) of the National Environmental Policy Act, and his determination under section 4(f) of the Department of Transportation Act and section 138 of title 23 of the United States Code, on the project for Interstate Route Numbered 66 in the State of Virginia from the National Capital Beltway to the Potomac River, which project is described in the 1972 estimate of the cost of completing the National System of Interstate and Defense Highways as estimate section termini E 10.4.2 at the Beltway to E 10.11.1 in Rosslyn,

(B) circulate such statement to all interested Federal, State, and local agencies and to the public for comment within forty-five days, and

(C) insure that notice of a public hearing on the design and location of such project is issued;

(2) insure that a public hearing is held within forty-five days after issuance of the notice pursuant to paragraph (1)(C) of this section; and

(3) not later than December 31, 1973, complete consideration of the information received at the hearing, review any comments on the statement received within the forty-five-days notice period referred to in paragraph (1)(B) of this section and any other information received by the end of such forty-five-days period and file the final version of such statement on the basis of such comments and information, together with any other final determination which he is required by law to make in order to permit the construction of such project to proceed. The determination of the Secretary shall be conclusive with respect to all issues of fact.

HIGH-SPEED TRANSPORTATION DEMONSTRATION

SEC. 153. The Secretary is authorized to undertake a demonstration program for high-speed bus service from collection points in the Washington District of Columbia area to Dulles International Airport, Virginia. Such demonstration shall utilize exclusive bus transportation lanes between points of origin and tremination of such service, and include, where necessary, the construction of such exclusive bus transportation lanes as well as terminal and parking facilities. Such demonstration shall also include the purchase of high-speed buses and a portion of the operating expenses, if necessary, of such buses for a period of five years following the initiation of such service. As necessary to implement this section, the Secretary shall undertake research into the development of buses designed to maintain high-speed, safe transportation. There is authorized to be appropriated, out of the Highway Trust Fund, not to exceed $10,000,000 for the purpose of carrying out this section.

HIGHWAY LITTER STUDY

SEC. 154. The Secretary is directed to undertake a study of litter accumulation within the rights-of-way of the Federal-aid highway systems, outside of urban areas, and recommend improved procedures to be used by the several States to prevent and clean us such highway litter on a regular basis. The Secretary shall report his findings and recommendations to the Congress by December 31, 1973.

For the purposes of this section, the term "litter" means beverage and food containers food wastes, paper products, smoking materials or packaging, and any other materials which the Secretary finds are commonly used and discarded by the traveling public and which, when discarded along highway rights-of-way, cause an unsightly appearance, a danger to public health or safety, or an unreasonable expenditure of public funds. Funds authorized to carry out section 307 of title 23, United States Code, are authorized to be used to carry out the investigation and study required by this section.

PROHIBITION OF IMPOUNDMENT

SEC. 155. No part of any sums authorized to be apportioned by the provisions of section 104 of title 23, United States Code, which have been appropriated by Congress for expenditure shall be impounded or withheld from obligation, for the purposes and projects as provided in that title, by an officer or employee of any department, agency, or instrumentality of the executive branch of the Federal Government, except such specific sums as may be determined by the Secretary of the Treasury, after consultation wtih the Secretary of Transportation, are necessary to be withheld from obligation for specific periods of time to assure that sufficient amounts will be available in the Highway Trust Fund to defray the expenditures which will be required to be made from such fund.

MASS TRANSPORTATION TAX STUDY

SEC. 155. The Secretary shall conduct a study of revenue mechanisms, including a tax on fuels used in the provision of urban mass transportation service, which could be used now or in the future to finance transportation activities receiving financial assistance from the Highway Trust Fund. Such study shall include an analysis of the magnitude of the various potential sources of user tax revenues, the rates at which such taxes could be levied (including possible differential rates), the mechanisms for collection of such taxes, the incidence of such taxes, and the potential impact on transit usage caused by such taxes. The Secretary shall report to the Congress the findings of his study by no later than July 1, 1974.

STANDARDS

SEC. 157. Section 109 of title 23, United States Code, is amended by adding at the end thereof the following subsection:

"(k) The Secretary shall not approve any project under this title which would significantly affect the highway system of a contiguous State without the concurrence of that State."

INTERSTATE CONSTRUCTION IN RURAL AREAS

SEC. 158. In order to facilitate the construction of the Interstate System in any rural area,

(a) where a segment or a portion of such system of not more than twelve (12) miles is essential to the development of a connected National System of Interstate and Defense Highways;

(b) where such segment or portion will provide for substantially increased safety of highway travel and assist in the social and economic development of such rural area; and

(c) where a State, acting through its Governor, State Legislature, Department of Public Works and Highways, and Congressional delegation, has formally requested the Secretary to approve the construction of such segment or portion of the Interstate System and action by the Secretary has resulted in the postponement of construction,

it is the sense of the Congress that the Secretary shall give reconsideration to the request of such State to approve the construction of a parkway for such segment or portion as an appropriate connection, notwithstanding any requirement of title 23, United States Code, otherwise requiring a multipurpose highway.

DWIGHT D. EISENHOWER HIGHWAY

SEC. 159. (a) The following segments of the National System of Interstate and Defense Highways which form a continuous interstate highway link from coast to coast are hereby designated as the "Dwight D. Eisenhower Highway":

(1) Interstate Route 70 between Washington, District of Columbia, and Denver, Colorado;

(2) Interstate Route 25 between Denver, Colorado, and Cheyenne, Wyoming; and

(3) Interstate Route 80 between Cheyenne, Wyoming, and San Francisco, California.

(b) Any law, regulation, map, document, record, or other paper of the United States in which such segments are designated or referred to shall be held to designate or refer to such segments as the "Dwight D. Eisenhower Highway".

TITLE II

THE EMERGENCY COMMUTER RELIEF ACT—AMENDMENTS TO THE URBAN MASS TRANSPORTATION ACT OF 1964

SEC. 201. The Congress finds—

(1) that over 70 per centum of the Nation's population lives in urban areas;

(2) that transportation is the lifeblood of an urbanized society and the health and welfare of that society depends upon the provision of efficient economical and convenient transportation within and between its urban areas;

(3) that for many years the mass transportation industry satisfied the transportation needs of the urban areas of the country capably and profitably;

(4) that in recent years the maintenance of even minimal mass transportation service in urban areas has become so financially burdensome as to threaten the continuation of this essential service;

(5) that the termination of such service or the continued increase in its cost to the user is undesirable, and may have a particularly serious adverse effect upon the welfare of a substantial number of lower income persons;

(6) that some urban areas are now engaged in developing preliminary plans for, or are actually carrying out, comprehensive projects to revitalize their mass transportation operations; and

(7) that immediate substantial Federal assistance is needed to enable many mass transportation systems to continue to provide vital service.

SEC. 202. (a) The fifth sentence of section 4(a) of the Urban Mass Transportation Act of 1964 is amended to read as follows: "The Federal grant for any such project to be assisted under section 3 (other than a project for payment of operating expenses) shall be in an amount equal to 90 per centum of the net project cost.".

(b) The amendment made by subsection (a) shall apply only with respect to projects which were not subject to administrative reservation on or before July 1, 1973.

SEC. 203. (a) Section 3 of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out "No" in the fifth sentence of subsection (a) and inserting in lieu thereof "Except as provided in subsection (f), no"; and

(2) by adding at the end thereof a new subsection as follows:

"(f) The Secretary is also authorized, on such terms and conditions as he may prescribe, to make grants or loans to any State or local public body to enable it to assist any mass transportation system which maintains mass transportation service in an urban area to pay operating expenses incurred as a result of providing such service. No financial assistance shall be provided under this subsection unless (1) the Secretary determines that the mass transportation services provided by the system involved are needed to carry out a program referred to in section 4(a), and (2) the applicant State or public body has submitted to the Secretary a comprehensive mass transportation service improvement plan which is approved by him and which sets forth a program, meeting criteria established by the Secretary, for capital or service improvements to be undertaken for the purpose of providing more efficient, economical, and convenient mass transportation service in an urban area, and for placing the mass transportation operations of such system on a sound financial basis, and (3) the Secretary determines that the mass transportation services provided by each system that the mass transportation services provided by each system involved is being provided by an efficient operation of such system in accordance with regulations promulgated by the Secretary.

"The amount of any grant under this subsection to a State or local public body to enable it to assist any mass transportation system to pay operating expenses shall not exceed twice the amount of financial assistance provided from State or local sources for that purpose. The Secretary shall issue such regulations as he deems necessary to administer this subsection in an equitable manner. Such regulations shall include appropriate definitions of (A) operating expenses, and (B) the sources or types of State or local financial assistance which may be considered in computing the maximum allowable Federal grant."

(b) The fourth sentence of section 4(a) of such Act is amended by striking out "section 3" and inserting in lieu thereof "section 3 (other than subsection (f))".

(c) Section 4(c) of such Act is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "sections 3, 7(b), and 9" and inserting in lieu thereof "section 3 (except subsection (f)), and sections 7(b) and 9";

(3) by striking out "this subsection" wherever it appears and inserting in lieu thereof "this paragraph"; and

(4) by adding at the end thereof a new paragraph as follows:

"(2) To finance grants and loans under section 3(f) of this Act, the Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating not to exceed $800,000,000. This amount shall become available for obligation upon the date of enactment of this paragraph and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this paragraph not to exceed $400,000,000 prior to July 1, 1974, which amount may be increased to not to exceed an aggregate of $800,000,000 prior to July 1, 1975. Sums so appropriated shall remain available until expended."

(d) Section 4(c) of such Act is amended by striking out "$3,100,000,000" in the first and third sentences and inserting lieu thereof "$6,100,000,000".

(e)(1) Section 12(c) of such Act is amended—

(A) by striking out "and" at the end of paragraph (4);

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and";

(C) by adding after paragraph (5) a new paragraph as follows:

"(6) the term 'mass transportation system' means any private company or public authority or agency providing mass transportation service.".

(2) Section 12 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) The provision of assistance for the payment of operating expenses under section 3(f) shall not be construed as bringing within the application of chapter 15 of title 5, United States Code, any nonsupervisory employee of an urban mass transportation system (or of any other agency or entity performing related functions) to whom such chapter is otherwise inapplicable."

SEC. 204. Section 9 of the Urban Mass Transportation Act of 1964 is amended as follows:

(a) insert "(a)" before the first sentence;

(b) in the first sentence, delete the words "engineering, and designing" and insert in lieu thereof the words "engineering, designing, and evaluation";

(c) in the second sentence, delete the word "and" before "(3)", delete the period at the end of the sentence, and insert "; and (4) evaluation of such projects after their implementation." at the end of the sentence;

(d) in the third sentence, change the word "section" to "subsection" and insert the words "90 per centum" in lieu of "two-thirds"; and

(e) add the following new subsection:

"(b) The Secretary is authorized to utilize not to exceed one-half of 1 per centum of the authorization provided in section 4(c) to carry out technical studies by contract without limitation on the Federal share of the cost."

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the bill (S. 502) be printed as passed by the Senate and that 1,000 copies be available for use of the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to extend my congratulations to the distinguished senior Senator from West Virginia, my colleague, who is chairman of the Committee on Public Works, on the excellent work he has done in connection with this very difficult and complex bill.

I want also to extend my congratulations to the distinguished manager of the bill, the Senator from Texas (Mr. BENTSEN), who has demonstrated a complete knowledge of the bill and who has handled this bill with thoroughness and expertise and a degree of skill that I think sets a fine example for all of us here. We are proud of the work that he has done. This is the first year he has managed the highway bill, and the Senate is indebted to him.

I also want to extend my congratulations to the distinguished ranking minority member of the committee, the Senator from Tennessee (Mr. BAKER).

All of these men have cooperated in a very fine way, and I think they have aided the Senate in passing an excellent bill.

Mr. BENTSEN. Mr. President, I thank the distinguished assistant majority leader, whose advice and counsel and guidance have been so helpful.

Mr. GRIFFIN. Mr. President, if the Senator will yield, not to prolong the discussion, but only to make it clear that those sentiments are shared by the leadership on both sides of the aisle, I want to join in what the distinguished assistant majority leader has said about the leadership of the chairman of the committee, the Senator from West Virginia, the distinguished Senator from Texas (Mr. BENTSEN), who is floor manager of the bill, the ranking minority member on the committee, the Senator from Tennessee (Mr. BAKER), and the distinguished Senator from Vermont (Mr. STAFFORD), who worked so hard on this side of the aisle.

Mr. ROBERT C. BYRD. Mr. President, I inadvertently omitted the name of Mr. STAFFORD. I want to include his name in my remarks, and I want to express appreciation also for the very fine cooperation the leadership received on both sides of the aisle in expediting action on this bill and in getting unanimous-consent agreements.

ORDER FOR PRINTING ADDITIONAL COPIES OF HEARINGS ON SUDDEN INFANT DEATH SYNDROME

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 71.

The PRESIDING OFFICER. The clerk will state the concurrent resolution by title.

The assistant legislative clerk read the concurrent resolution (S. Con. Res. 13) by title, as follows:

A concurrent resolution authorizing the printing of additional copies of Senate hearings on the sudden infant death syndrome.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 13) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed two thousand additional copies of part 1 of the hearings held by the Subcommittee on Children and Youth of the Senate Committee on Labor and Public Welfare entitled "Rights of Children, 1972 (Examination of the Sudden Infant Death Syndrome)", dated January 25, 1972. Such additional copies shall be for the use of the Senate Committee on Labor and Public Welfare.

STATE OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, all measures on the calendar that have been previously cleared for action have now been disposed of. The calendar is almost like old mother Hubbard's cupboard. It is almost bare, and the leadership on both sides of the aisle, I am sure, would want to join in expressing appreciation to all Senators for the excellent work that has been done in helping to keep the calendar virtually clean.

ORDER FOR RECOGNITION OF SENATOR TALMADGE ON MONDAY, MARCH 19, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. TALMADGE on tomorrow be carried over until Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GRIFFIN ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of the distinguished Senator from Georgia on Monday next, the distinguished assistant Republican leader (Mr. GRIFFIN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of the distinguished assistant Republican leader on Monday next, I be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for recognition of Senators on Monday next, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 398, THE ECONOMIC STABILIZATION ACT, ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the routine morning business on Monday, the Senate proceed to the consideration of S. 398, the Economic Stabilization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports until 5 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES AND FOR APPROPRIATE REFERENCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate may be authorized to receive messages from the House of Representatives and the President of the United States and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SIGNING OF DULY ENROLLED BILLS AND JOINT RESOLUTIONS DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment over until Monday next, the Vice President, the President pro tempore, and the Acting President pro tempore may be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR DURING CONSIDERATION OF S. 398

Mr. GRIFFIN. Mr. President, on behalf of the Senator from New York (Mr. JAVITS), I ask unanimous consent that a member of his staff, Mr. Les Bander, be permitted on the floor during consideration of S. 398, the bill to amend the Economic Stabilization Act.

Mr. ROBERT C. BYRD. Mr. President, I do not object. The Senator knows that, but, for the edification of the Sergeant at Arms, does the distinguished Senator from New York want the staff member to be on the floor during rollcall votes? Unless that is included in the request, as the Senator knows, the Sergeant at Arms, under the regulations, is ordered——

Mr. GRIFFIN. What has been the general practice when Senators ask for such permission?

Mr. ROBERT C. BYRD. Unless Senators ask that specifically, the staff members will have to leave the floor. Perhaps the Senator would want to include rollcall votes in this instance.

Mr. GRIFFIN. I do include that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Monday. The distinguished senior Senator from Georgia (Mr. TALMADGE) will be recognized for not to exceed 15 minutes. After Mr. TALMADGE has completed his remarks, the distinguished Senator from Michigan (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes, after which the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes. There will then be a period for the transaction of routine morning business not to exceed 30 minutes, with statements limited therein to 3 minutes each.

At the conclusion thereof, the Senate will proceed to the consideration of S. 398, the Economic Stabilization Act, on which there is a time agreement. Yea-and-nay votes can be expected. It is anticipated that the Senate will not complete action on that bill on Monday, but it is hoped that on Monday it will be possible, perhaps, to reach an agreement as to an hour at which the Senate can dispose of the bill on Tuesday. In any event, it is hoped that the bill will be disposed of on Tuesday.

The leadership hopes that committees will take advantage of the Friday adjournment so as to clear bills and resolutions for early floor action.

ADJOURNMENT UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon on Monday next.

The motion was agreed to; and at 6:45 p.m., the Senate adjourned until Monday, March 19, 1973, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

TREAT DISEASE, NOT SYMPTOMS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 14, 1973

Mr. HARRY F. BYRD, JR. Mr. President, an interesting analysis of the financial condition of the Federal Government is contained in an editorial published in the February 7 edition of the Tulsa Tribune.

The editorial points out that we have serious problems with foreign trade and tariffs, that there are recurring runs against the American dollar and that—

> We have tried in lots of ways to patch the holes in the ship of state.

These efforts to patch holes have not been successful, the editorial says, because we have not attacked the basic problem: The excessive spending of the Federal Government, which leads to huge deficits and weakens the dollar all around the world.

The dollar will not be strengthened, and inflation will not be brought under control, until we succeed in putting a lid on Federal spending.

The editorial writer of the Tulsa Tribune is Mr. Charles Saterlee.

I ask unanimous consent that the editorial, "Treat Disease, Not Symptoms," be included in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Tulsa Tribune, Feb. 7, 1973]

TREAT DISEASE, NOT SYMPTOMS

We have struggled with foreign trade and tariffs. We have read of recurring runs against the American dollar. And we have tried in lots of ways to patch the holes in the ship of state.

But we have steadily refused to admit that we were treating symptoms instead of the disease. The disease is the basic financial instability of the American economy, made worse very year by excessive government spending. That leads to deficits, high taxes and distrust of the dollar around the world.

Our current national debt is about $465 billion. Under the President's proposed new budget this would rise to $505 billion. And we must pay interest on that debt. A half-trillion in national debt is a figure so large that the mind has trouble coming to grips with it.

But put it this way. Of every dollar in federal taxes you pay, 17 cents goes to pay interest on federal debt.

The figures have been brought into merciless focus by Virginia's Sen. Harry F. Byrd Jr. The Byrds, father and son, have frequently been mavericks in the Senate. They usually deal in unpalatable truths while others are talking about the great new world that's just around the corner. Here's what Sen. Byrd told his Senate colleagues the other day:

"Out of the total national debt, 25 per cent will have been incurred in a five-year period. In that five-year period, one-fourth of the total national debt will have been incurred.

"That means that the other 75 per cent was incurred during a period of well over a hundred years, during which time we fought the Civil War, the Spanish-American War, World War I, World War II, the Korean War and part of the Vietnam War."

Byrd displayed statistics from the Treasury Department showing that in the comparatively modern period from 1955 to fiscal 1974, the nation's debt interest rose from $6.4 billion to $26.1 billion a year.

The current national debt amounts to about $2,500 for every man, woman and child in the nation. Thus, a family of four is in hock for government debt to the tune of $10,000. As Sen. Robert C. Byrd of West Virginia pointed out, that amounts to $505 for every minute since the birth of Christ.

The Virginia Byrd pointed out, "When 13 governors appeared before the Finance Committee last year to argue in favor of revenue sharing (a new outlay of about $30 billion) I put the challenge to the governors: Can you name any state in the Union, any one of the 50 states, that is in as bad a shape financially as is the federal government? None of them could name a state."

The lesson is clear. The dollar is only as strong as the economy it represents. That's why foreign investors shy away from the once-invincible dollar. At home, the activity generated by that federal spending pushes inflation ever-higher, making pay checks more inadequate. That touches off more pay raises, price hikes and inflation.

Virginia's Byrd declares: "I say there is no revenue to share. The only thing we can share with the states is the deficits."

But the lesson is deeper. Unless we can put our house in order, unless we can live within our means, we are heading straight toward the shoals of ruinous inflation and the chaos that goes with it. No matter how worthy the cause, we must refuse endless new spending plans. The alternative is wreckage of family security. And that means all of us.

LET US GET AMERICA BACK TO WORK

HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 13, 1973

Mr. GOODLING. Mr. Speaker, Thomas Carlyle once commented as follows:

> The glory of a workman, still more of a master-workman, that he does his work well, ought to be his most precious possession; like the honor of a soldier, dearer to him than life.

Some sociologists in our midst feel that the multitude of problems that are encompassing us today can be attributed to the fact that we, as individual workers, are giving but shallow attention to the work ethic. The result, they claim, is a great vacuum into which is drawn a host of human negatives; that is, things like reduced productivity, uncertainty, and worry. It was Dr. Charles H. Mayo who said—

> Worry affects the circulation, the heart, the glands, the whole nervous system. I have

never known a man who died from overwork, but many who died from doubt.

The solution to this problem of casual living is, of course, to be found in developing a consciousness of the value and necessity of work for dynamic living. This subject is treated splendidly by an editorial comment of Mr. James D. McClary, president of the Associated General Contractors of America, which appeared in the March 1973 issue of the Constructor magazine. Because Mr. McClary's comments are significant and timely, I insert them into the RECORD and commend them to the attention of my colleagues:

LET'S GET AMERICA BACK TO WORK

It is not difficult to find out what is wrong with America. Even if one doesn't ask, someone is always at hand, in person, or through the news media, to provide that information. These detractors, with their lists of our inadequacies, are vocal, and they are loud. Many, for their own reasons, are vigorously working for our downfall and the ultimate destruction of our country. They deliberately prey on any feelings of insecurity they encounter.

Most Americans love their country and except for occasional feelings of frustration, know that while our system is not perfect, no one has ever devised a better one.

A review of our history might indicate we have more unrest, dissatisfaction and complaint than at any previous time, that there is an undercurrent of uneasiness, but at the same time there are more of us with better communication than ever before, too.

In my judgment, there is one underlying condition—one valid root cause for most of the problems we are experiencing. We no longer want to work! There is a tragic air of indolence throughout the land. We are entranced with the ideal of leisure time. One observer has redefined work as "an unfortunate interlude between weekends."

Most of our ills can be traced to this source. You see it expressed in the loss of productivity, increased costs, restrictive work practices, poor management, uneconomic use of resources, devaluation of the dollar and inflation. Other outgrowths are unemployment, economic unrest, loss of pride of craftsmanship, shoddy products, reduced profits and lowered effective income. The list is almost endless.

The founders of this nation knew the value of honest labor, understood that nothing can be produced without effort, and recognized that a fair profit is the reward of accomplishment. They knew their individual well-being and economic freedom were possible only through a free enterprise system functioning within the framework of a republican form of government.

The woolly-minded, well-meaning do-gooders as well as the destroyers, have with too much success attempted to convince a great people that the old ways and time-honored principles no longer apply. Their premise is, "if it has worked so well for so long, there must be something wrong with it, so change it."

Construction people know how to work and work hard. We know the pride of accomplishment—the good feeling of a job well done. We're deeply concerned that we may well be the last of the individualists.

We have a job to do, now, of a different sort, one for which there will be no contract or direct payment. There is a movement to be started—one needs that direction—a parade that needs to be led. We can, by our example, provide that direction and leadership.

For our own good, for the good of our children and their children, for our Nation—

Let's get America back to work!

REVIEW OF QUALIFICATIONS OF FEDERAL JUDGES

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 14, 1973

Mr. HARRY F. BYRD, JR. Mr. President, the February 23 edition of the Mexico, Mo., Ledger included an editorial on the subject of lifetime tenure for Federal judges. The editor of the Ledger is Robert N. White II, a newspaperman of national stature.

The editorial states that—

> Federal judges have increasingly become more than judges.

I think that is undoubtedly true. All too many members of the Federal judiciary have gone beyond their proper sphere of interpreting the law and have moved into the field of making the law, which is supposed to be the domain of the legislative branch of our Government.

I have proposed that in order to restore a proper separation of powers among the branches of the Government, and to make the judiciary more accountable, Federal judges be subject to reconfirmation by the Senate every 8 years.

Federal judges now serve for life. I see no reason why any official in a democracy should have lifetime tenure.

I ask unanimous consent that the editorial, "A Judge for Life," be included in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EDITORIAL REVIEW—A JUDGE FOR LIFE

Sen. Harry Byrd of Virginia has a good idea.

He has proposed a Senate review every eight years on the qualifications of Federal court judges.

Right now, Federal court judges are appointed for life.

Some, maybe even most, are excellent.

But some are not.

Listen to Sen. Byrd:

"It is time that we made federal judges more responsible to the people. Too many have assumed more and more power—and have run rampant in asserting authority over the daily lives of all Americans. . . . In recent years, the federal courts have acted under the premise that the Constitution is whatever the judges say it is. . . .

"Prayer has been swept from our schools; the historic right of a legislature to restrict itself has been abolished; sociological treaties have replaced the common law; traditional equity powers have been enlarged to allow rule by judicial fiat," Byrd says.

"Mr. Justice Cardozo once noted that if judges are permitted to substitute their personal sense of justice for rules of law the reign of law will end and the rule of benevolent despots will begin.

"Is not that about where we find ourselves today?

"The revolution which began in the Supreme Court has permeated the lower federal courts. Judges of these courts have, in many cases, arrogantly assumed unto themselves the prerogatives of lords of the Middle Ages. Nothing in our system at present exists to control these judges. They have lifetime appointments. Their passions of the moment are unrestrained. . . .

"Our Federal judge has stated that he is contemplating the consolidation of the school system of two counties and one city. If this can be done, what is to prevent the judicial enforcement of total mergers of cities and counties?

"I fully support the concept of an independent judiciary," Byrd says. "The legislation I introduced simply provides a method by which the courts might be made more accountable to the people."

We agree with Senator Byrd.

Federal judges have increasingly become more than judges.

NO-FAULT AUTO INSURANCE

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. PRITCHARD. Mr. Speaker, the existing system of automobile insurance serves neither the accident victim nor the insuring public. It is inefficient, costly, and incomplete. It allocates benefits poorly, discourages rehabilitation, and overburdens the courts. It does little to minimize crash losses.

In the past 6 years premiums have increased by more than 70 percent; accident victims are compensated only 42 cents for every dollar of loss; more of the premium pays for attorney fees, court costs and insurance company overhead than is used to compensate accident victims; and delays in payments to accident victims averaged 16 months in duration and constituted a major burden on the Nation's already overloaded court system.

In 1970, automobile owners paid over $5.5 billion to repair cars damaged in accidents of which $4.6 billion was reimbursed by insurance companies who had collected $7.9 billion in premiums for this coverage. The remaining $0.9 billion in repair cost was absorbed by the car owners themselves.

In the 92d Congress, Senator MAGNUSON introduced reform legislation which would have restructured the tort liability concept in auto accident compensation by setting up a nationwide system of first-party no-fault auto insurance. Under this legislation a policyholder would be compensated immediately and fairly by his insurance company without lengthy and expensive court proceedings to determine the party at fault in the accident. The potential reduced legal fees would result in lower insurance costs, which in turn could be passed on to the policyholder in the form of lower premiums, improved coverage, and more equitable benefit payments.

In June 1972, the Senate Commerce Committee, chaired by Senator MAGNUSON, reported a no-fault bill, but unfortunately the full Senate did not begin deliberations on the legislation until August. When the bill was taken up on August 8, 1972, opposition, backed by strong lobbying against no-fault, succeeded in blocking further consideration of the bill However, the battle is not over.

Senator MAGNUSON has reintroduced his bill (S. 354). I believe it is important that it pass during the 93d Congress. The public cannot afford to wait longer.

NEGRO HISTORY WEEK

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 13, 1973

Mr. CLAY. Mr. Speaker, during the past several weeks, the St. Louis American newspaper has carried a series of articles featuring famous black Americans, to commemorate Afro-American history week, February 11–17. In the last 2 weeks they have spotlighted Frederick Douglas and Mary McLeod Bethune. This week Harriet Tubman, Sojourner Truth, and Carter Godwin Woodson are honored.

The article follows:

NEGRO HISTORY WEEK

HARRIET TUBMAN

Born a slave in Maryland, she escaped when she was about 25 years old. Not content to have won freedom for herself, she returned to the South at least 19 times to lead 300 slaves to freedom on the Underground Railroad.

Rewards of up to $40,000 were offered for her capture, but she was never taken, nor did she ever lose a passenger on her Underground Railroad.

During the Civil War, Miss Tubman served as a scout for the Union Army. After the war she settled in her Auburn home, which had frequently been used as a way-station on the underground. Miss Tubman converted it into an old people's home. It is maintained today by the African Methodist Episcopal Zion Church.

The town of Auburn has installed a memorial plaque to Miss Tubman in its courthouse. She is buried in Underwood Memorial Cemetery.

SOJOURNER TRUTH

Like Harriet Tubman, Sojourner Truth was a former slave who became a leader in the battle against slavery, but otherwise the two women were extremely different.

Harriet Tubman was a small woman; Sojourner stood over six feet tall.

Harriet escaped to freedom: Sojourner was freed under New York's gradual emancipation act. Harriet attacked slavery directly, going back into the South repeatedly to lead others to freedom; Sojourner fought her battles from the lecture platform and in the courts.

There is some evidence that Sojourner gave help to slaves escaping through the Underground, but the only slave she actually freed herself was her son, and he was freed through court action. Her lecture activities brought her almost instant fame. Although she was illiterate, she had the power to captivate her audience. Her withering replies to hecklers became lengendary, though in one famous instance she became a heckler herself and stopped Frederick Douglas cold. In the last days before the Civil War, Douglas, disillusioned with the slow progress of the antislavery cause, called for slave uprisings. Sojourner, sitting in the back of the hall, rose and shouted: "Frederick, is God dead?"

Douglass later wrote that he replied, "No. And that is why slavery must end in bloodshed."

William Lloyd Garrison, who was present, insisted that Douglass could make no answer at all.

After the Civil War, Sojourner Truth was active raising funds to assist the freedmen and in the cause of women's suffrage. She settled in Battle Creek, but continued traveling on lecture tours until a few years before her death in 1883. She was about 85 years old.

CARTER GODWIN WOODSON

Carter Godwin Woodson was born in rural West Virginia in 1875; he was one of 9 children in a very poor family. His parents had been slaves before the Civil War. Carter had to work so hard on the farm that he was not even able to go regularly to the five-month country school. He was 21 years old when he graduated from high school, and much of his learning came from his own study.

The young man was scholarly and ambitious. He studied at several colleges and made an excellent record. In 1912 he was awarded his highest degree, the Ph.D., from Harvard University, the oldest college in the United States. He traveled to many places, some of them in Europe, Asia, and the Philippines. He held teaching positions, principalships, and several educational posts of great prestige in universities.

What were Woodson's accomplishments?

Dr. Woodson was a successful educator but his principal interest was research and writing about the past of the Negro. In 1915, in Chicago, he was successful in getting four other black men to help him establish The Association for the Study of Negro Life and History.

Before he died in 1950, Dr. Woodson had also founded a publishing firm and two journals. In 1926 he launched Negro History Week in order to emphasize the omission of the history of black Americans from the United States history textbooks. He wrote many books and articles which are still widely read. He also published textbooks on Negro History for schools and colleges.

THE 25TH ANNIVERSARY OF TROOP 156

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. CORMAN. Mr. Speaker, on March 31, 1973, Troop 156, Boy Scouts of America, located in the San Fernando Valley of California, will celebrate their 25th anniversary. The troop is the second oldest troop in point of continuous service in the valley.

Since its inception, the troop has trained, developed, and graduated to manhood almost 1,000 boys. These boys have learned the meaning of group as well as individual effort and initiative.

Part of their success must be credited to hard-working scoutmasters. Dave Linsky, who has filled this role continuously for the last 18 years, strives to help Boy Scouts learn about life, how to improve and enjoy it. In addition to his many other awards he is the recipient of the Silver Beaver Award, which is the highest honor that can be given an adult for service to boys on a district level.

The troop's chairman of committees, Marvin Cox, has also given much of his time to making the troop's programs successful. He has worked with the Van Nuys Optimist Club which sponsors troop 156. We are indebted to this fine club for its constant support to the troop. Leonard Wohler, institutional representative of the Van Nuys Optimist Club, has been responsible for coordinating the troop's activities with the club.

With the help of such people, the parents, and the boys themselves, troop 156 has distinguished itself with outstanding service during the past 25 years. The value to the boys themselves is an enduring quality that will help them as citizens throughout their lives.

I extend my warmest best wishes to the boys of the present troop 156 and to all those individuals who have been responsible for its success in the past. I am sure this troop will continue its worthy and needed activities for the next 25 years.

TRIBUTE TO MRS. IDA CANNON

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. HUNGATE. Mr. Speaker, I am sure my colleagues will be interested in learning how the wife of one of our great familiar colleagues, the late Clarence Cannon of Missouri, has been honored.

Mr. Cannon always stated that he had served several years in Congress before he realized that they were voting for his wife instead of him. The Hannibal Courier-Post article about this tribute to Mrs. Ida Cannon follows.

NEWEST ELSBERRY SCHOOL NAMED FOR IDA CANNON

(By Edna Waggoner)

ELSBERRY.—The new Ida W. Cannon School in Elsberry was named and dedicated Monday evening with Mrs. Cannon, described as "Elsberry's first lady," cutting the ribbon to open the doors to parents, friends and district residents for a tour of the new school.

The $200,000 building, just completed, is an addition to the Clarence Cannon Elementary School.

Visitors at Monday's brief ceremonies heard a history of the building from Marlowe Briscoe, president of the Board of Education, and Supt. of Schools Louis Chaney.

Another board member, Perry Stonebraker, offered a prayer of dedication.

Mrs. Cannon is the widow of the late Congressman Clarence Cannon, who was speaker of the U.S. House of Representatives in which he served from 1923 until his death in 1964.

The Cannons' daughter and son-in-law, Mr. and Mrs. W. I. Pixley of St. Louis, were among guests at the dedication.

Mrs. Cannon has maintained a high interest and support in the Elsberry school system throughout the years in which she divided her time between the Cannon home at Elsberry and the work in Washington, D.C., as well as through the years since her retirement to the Cannon Farm at Elsberry.

The new Ida W. Cannon School and the Clarence Cannon School are built on the grounds of her family home, the Wigginton Family property, sometimes called Wigginton Hill. The property remained in the Wigginton family until 1948 when it was purchased by the Elsberry American Legion Post 226 and then sold to the Elsberry School District in 1953.

The new two-story eight-room school will provide class rooms for grades six through eight, in addition to special education classes and a band room.

Students and teachers were to move into the new Ida W. Cannon School today.

MY RESPONSIBILITY TO FREEDOM

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 13, 1973

Mr. McCOLLISTER. Mr. Speaker, last week it was my privilege to visit with an outstanding young lady from Omaha. She was here with the Veterans of Foreign War delegation from Nebraska, participating in the Voice of Democracy contest.

Linda Somberg, 16, the daughter of Mr. and Mrs. Larlon Somberg, had some unique ideas to share with us in Washington, and did a great job of articulating them. I would like to share her thoughts with my colleagues in the House, and insert Linda's speech in the Congressional Record:

My Responsibility to Freedom

(By Linda Somberg)

Freedom. It is not the most important word in the English language. Judging from the number of times we use any single word, the simple pronoun "I" would fall into the number one position. But what am "I" without freedom? Nothing but a robot, controlled and manipulated by those with the freedom to do so. Individuality ceases to exist without freedom.

Before that fateful day depicted by George Orwell in his novel "1984," when freedom becomes slavery—before it exists as a reality, we must do something. Let's protect our freedom before we lose it. Let's do it as individuals working as a unit for the defense of our liberty.

My responsibility to freedom is your responsibility to freedom, but we can't depend upon each other to assume the duty so each "I" won't have to. This nation was not built by people relying on their neighbor to obtain and protect their freedom. It was constructed by those working to defend their independence. It was erected by people like you and me. It was formed by people, some acknowledged, others forgotten, but none insignificant.

Paul Revere, a famous American Revolutionary, could have told you about these unsung individuals. No one would have been more surprised than Mr. Revere himself to discover the extensive fame he had acquired today. He would be shocked to know that he alone is widely remembered for the night rides of the American Revolution. He might have related the story of two individuals who have not been appreciated, but without whom the American Revolution might have been a failure.

John Jouett, in Virginia, made a similar ride to Revere's. He saved Thomas Jefferson and other signers of the Declaration of Independence from being captured by Cornwallis' army in 1781. Sybil Ludington, a 16 year old girl, aroused the countryside in southeastern New York. She was essential in bringing the colonial troops out to victory during the sack of Danbury, Connecticut in 1777.

You may never have heard of Mister Jouett or Miss Ludington, but this country's freedom depended on their responsible deeds. If they had waited for someone else to make their rides we might still be servants under British rule. They didn't seek glory nor everlasting fame. They desired only freedom. They understood the importance of and worked for their freedom.

Today it is easy to forget how important the freedom that our forefathers fought for truly is. We have never lived without it. But, imagine that you are a wild bird and someone has clipped your wings. You sustain existence but you will never fly again. You can never soar to the heights of your ability. We are not helpless creatures. We can be responsible for our fredom.

Every person in every society is an individual and as such he must attempt to protect his freedom. Even in America where our freedom seems so permanent, it is actually threatened. Our freedom is not guaranteed in the Declaration of Independence or the Constitution. It can't be. Freedom depends on the attitudes of the people who are blessed with it.

Freedom has been threatened here in America. The 1920's saw the decay of a society, the American society. People divorced thoughts of responsibility from nicer thoughts of making huge amounts of money and then spending them. They violated the laws of the country. They degraded symbols of the nation's freedom; flagpole sitting was a favorite sport. They were lucky. Their indifference only produced a depression and not a loss of freedom. The majority was happy; the individuals were lost in the crowd. Maybe next time we won't be so lucky.

If we become unconcerned about our freedom, Paul Revere will not ride out to save us. My responsibility to freedom is to realize what my freedom means to me and act upon that knowledge. I will not go down in history books. Freedom is important for its own sake. My freedom is dependent upon my freedom to be responsible. I won't sit and watch my country suffer as it did in the 1920's. Knowledge of the past is the greatest tool we possess. Knowledge and the freedom to act are man's greatest privileges.

Freedom may not be the most important word in our language. If the word *I* does hold that position, then freedom is implied. Although not explicit, the concept of freedom is inherent in the implication of "I." For what am "I" without the freedom to exert my individuality? I am an individual. Freedom allows me to be able to prove my individuality. I am an American. The last four letters of the word American spell out the two words—I can.

OEO LEGAL SERVICES MISUSE FUNDS

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. HUNT. Mr. Speaker, there is no doubt that the riot at the Attica Prison in New York occurred from a number of different reasons and, irrespective of the crimes of which certain inmates were accused, the defendants should be represented by professional members of the bar.

However, that has not been the case. Employees of an OEO-funded legal services program have been defending convicted criminals who created riots and demonstrations, not the poor who rely on the OEO legal services program. It is time, Mr. Speaker, that these so-called do-gooders redirect their energies in the direction they were intended. The entire system which allows this must be reevaluated.

If there is to be any progress in our attempt to raise the poor from poverty, we must make sure that all moneys allocated for the poor actually are used for programs that directly relate and benefit the poor.

To redirect poverty money from programs for the poor to group political activities is essentially stealing from the poor. Such actions must stop.

I submit the following New York Times article for the Record, which demonstrates the mismanagement of OEO legal services and efforts:

Attica Prisoners Charge Their Treatment Is Unfair

(By Francis X. Clines)

Warsaw, N.Y., December 20.—Fourteen prison inmates and former convicts accused of crimes in the 1971 Attica prison uprising charged today that they were suffering unfair punishment in the form of excessive bail, segregated cells and lack of medical care.

Several indicated some desperation with the slow pace and limited information of the legal proceedings.

"Get it over with right now," said William Ortiz, who proclaimed his innocence of any crimes in his lifetime but offered to plead guilty in the Attica proceeding here.

"Your Honor, I'm going through pains, mental pains, a man without a mind," he said.

BROUGHT IN CHAINS

The accused inmates began speaking up as the unsealing of 37 special grand jury indictments went into the third day at the Wyoming County seat near the Attica Correctional Facility. They were brought in chains to face charges, mainly related to the taking of hostages on the first day of the rebellion, Sept. 9, 1971.

A total of 43 men—32 inmates and 11 prison employes—died in the insurrection, most of them from shots fired by the state police in retaking the prison.

Thus far, a total of 30 men who were inmates during the uprising have been brought to court—some more than once—on multiple charges contained in the 23 indictments that have been opened. Fourteen indictments are still secret, and more are expected from the grand jury.

The defendants today included Frank Smith, the inmate who was identified by prison officials as one who had castrated a hostage—something that never occurred—and who was allegedly tortured after the police assault. He was accused of coercion and unlawful imprisonment.

Ortiz had been brought to court from the Auburn Correctional Facility Monday on an assault charge and started about mutely with a confused expression.

Today, clutching his chest, he spoke up after he was brought again from Auburn and accused, in a second indictment, of taking part in the kidnapping and assault on six hostages, three of whom later were fatally shot in the police assault.

Ortiz was identified in the report by the McKay Commission, which was authorized by Governor Rockefeller to investigate the uprising as having thrown a soup can at a guard in one tense incident before the riot.

Daniel Pochoda, a New York City Legal Aid Society lawyer who is representing the Attica Defense Committee, complained that the state was harassing suspects by bringing them back repeatedly on separate charges. But State Supreme Court Justice Carman Ball upheld the argument of Assistant Attorney General Gerald J. Ryan that the state law required this process.

While most defendants thus far are currently prison inmates, Mr. Ryan said the secrecy was needed for parolees who might flee. He identified Allan (Allah) Dihu of New York City as the first such fugitive, for whom an alarm was issued today on charges of kidnapping.

As the inmates began speaking up today, members of the Prisoners Solidarity Committee in the audience listened with open sympathy. Partisans of the state's case in the mustard-yellow and wood-paneled courtroom appeared skeptical and privately questioned whether the defendants were "playing to the crowd."

The Attica Defense Committee has contended that one motive in the timing of the Warsaw arraignments was to distract attention from a court hearing in Buffalo into Federal charges that prisoners had been abused since the riot.

SYMPATHETIC WHITES

Most of the defendants thus far have been nonwhites from New York City, a reflection of the Attica prison population last year. Many appear cheered at the sight of a predominantly young white group of 40 sympathizers who stand and salute with fists as the defendants enter.

After one defendant shook hands and thanked some of these specators today, calling them "brother," subsequent defendants were brought into the courtroom through a side door.

The others charged today with kidnapping were identified as Alphonso Ross, Verdal Turner, Anthony Williams, William Bennett, Raymond Sumpte and Carl Jones.

The others accused—on an assortment of charges including coercion and possessing guards' guns or clubs—were identified as William Wilson, Bernard Stroble, Leon McDonald, Alfred Plummer, Richard Bileollo, and Edward Dingle.

Several inmates complained of "double jeopardy" in that, because of the indictments, they had been put in solitary confinement without a hearing.

All of those charged today obtained postponements into next month before they will enter formal pleas.

TYPHOID OUTBREAK

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. LEHMAN. Mr. Speaker, 1 full day spent as a member of the Agricultural Labor Subcommittee making an in-the-field investigation of the typhoid outbreak at a south Dade County migrant labor camp underlined the issue that this country need not and must not tolerate an economy based on human degradation and suffering.

The typhoid outbreak, with 91 cases already confirmed, was to the observer but a headline-grabbing symptom of the human misery that these farm laborers find themselves entrapped in.

These are the work ethic people, so dear to the present administration, who are struggling to provide for their families. Lack of an equitable minimum wage, abominable working conditions, virtually no unemployment insurance nor workmen's compensation, high rents, exorbitant utilities costs, and exploitation from crew chiefs make life a terrible hardship for these people.

Like the hundreds of women casualties of the Triangle Dress fire which caused the garment industry to rid itself of the sweatshop, so perhaps the tragedy of the typhoid outbreak will serve to bring our farm laborers out of their dismal and squalid working conditions. It is most tragic that it takes this kind of extreme crisis and additional suffering to bring on needed reforms.

TWO EDITORIALS ON RISING FOOD PRICES

HON. ROY A. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. TAYLOR of North Carolina. Mr. Speaker, following are two editorials from the Asheville Citizen-Times, Asheville, N.C., which I suspect are not unlike expressions being heard throughout the Nation these days over rapidly increasing food prices.

One of my constituents who operates a meat market in Asheville telephoned my office last week and again this week to impress upon me the rate at which meat and poultry prices are rising and more particularly, the rate at which the temperature of his customers is going up.

They are irate, he said, because dressed fryers selling for 49 cents a pound last week will probably reach 69 cents by the end of this week or next. The story is the same for other meat products.

"Why doesn't Congress do something?" he asked, his voice pleading for some definitive action.

I do not blame him—or his customers, who are now being forced to dip into their own pocketbooks to pay for our sale of wheat to Russia, China, and others.

My constituent said the situation is in a stage somewhere between a crisis and an explosion. He wants some answers from the administration and from Congress.

I think the American consumer is entitled to some answers and I am hopeful that my colleagues will join in an effort to find them. It is my information from the Department of Agriculture that as of March 2, 1973, the Government had in storage something in excess of 114 million bushels of wheat and that finally these stocks are currently being sold for domestic market consumption. Mr. Speaker, I ask why has the Department of Agriculture delayed so long in the release of this grain? Why was it not released earlier at a time when an injection of wheat, oats, corn, and other feed grains would have contributed to a continuance of stable prices for dairy and hog ration and poultry feeds? Instead by its inaction it appears that the Department of Agriculture and in particular its Commodity Credit Corporation has been directly responsible for a fantastic increase in wheat and the other feed grains which, of course, has forced a dramatically upward climb in the cost of producing meat and poultry on the farm—a cost which is now being painfully borne by the American consumer.

Quite frankly, my office was unable to secure from the Department of Agriculture an accurate estimate of the Government's corn reserves; but did receive an indication that apparently corn is now being offered at bin sites across the Nation. This s encouraging information but again the action comes too late to offer any immediate relief to the American housewife.

Mr. Speaker, I do not feel that the American public has been given adequate reasons for the arbitrary manner in which the U.S. Department of Agriculture has contributed to the rapid rise in food prices and I think we are entitled to some better answers than we have been getting lately.

The editorials follow:

NO HELP IN SIGHT ON HIGH FOOD PRICES

In the face of the biggest food-price jumps on record, administration officials can offer no more immediate relief than to suggest home remedies. Unfortunately, this seems to be about all anyone can do.

President Nixon has suggested eating more fish, although that has gone up, too. Federal Reserve Board Chairman Arthur Burns fell back on the cheese idea.

Labor Secretary Peter Brennan was a little more original. He exhumed the generation-old idea of "victory gardens"—backyards plots that during World War II helped keep American families in fresh vegetables.

Many families are already eating more fish and cheese, and some are using less substantial meat substitutes. Prices, meanwhile, are still going up. It is predicted this trend will continue at least for several more months.

President Nixon has eased crop subsidies and acreage controls to get more idle land back into production. Cattlemen are being encouraged to expand their breeding herds. Such measures will take six months to two years to start having an effect on food shortages.

Rising prices are being attributed mainly to a scarcity of feed grains, which has pushed up the cost of producing beef, pork, poultry, eggs, milk, bread and other staples. Supposedly, bad weather during last fall's grain harvest is to blame, along with unprecedented exports of wheat, corn and soybeans to the Soviet Union, Red China and other countries.

These exports may be great for international relations and balance-of-payments. But they put a real squeeze on the American consumer's pocketbook.

Perhaps the wonder of it all is that everyone is taking it so well. A few years ago, when food prices reached what was then an all-time high, housewives picketed and boycotted certain food chains and marched around the agriculture department in Washington. So far there has been little of that, even though food prices today are much higher than then.

FOOD PRICES OUT OF CONTROL

Secretary of Agriculture Earl Butz, one of the most loyal members of the Nixon team, has made something of a spectacle of himself in the way he announced that food prices in January had the sharpest rise of any one month in some 25 years. Food cost by Butz's own admission climbed nearly 3 per cent last month.

Butz disingenuously said the public "doesn't understand" the real reason for the horrendous upward march in the cost of food, and even more disingenuously blamed the "urban press" for misleading the people on why food prices are out of control.

This simply won't wash. In Phases 1, 2 and 3 of President Nixon's economic recovery package food prices have been left uncontrolled at the farm source. The results of this are all too apparent in the present largely voluntary controls of Phase 3. Price rises in food at this rate are something the U.S. public simply won't take standing still.

When Nixon announced the largely voluntary price controls of Phase 3 he said he still had "a big stick in the closet" to use if prices got out of hand. This is his authority to roll back price increases deemed to be exorbitant. All price rises for January have not yet been announced, but overall and with the huge boost in food costs they are virtually certain to be far above the announced Nixon goal of 2.5 per cent by the end of this year. The time to use the big stick is right now.

THE LEGACY OF COPERNICUS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. NEDZI. Mr. Speaker, one of the greatest names in Polish history is Miholaj Kopernik, or Copernicus.

The remarkable life and discoveries of Copernicus, born 500 years ago, were brilliantly illuminated in a speech given by Walter J. Kapryan, NASA Director of Launch Operations, at a banquet in Detroit a few weeks ago. All of us present felt enlightened and even ennobled by Mr. Kapryan's address and, under leave to extend my remarks, I set it forth for the Record:

Speech Given by Walter J. Kapryan, Director of Launch Operations, NASA-KSC, at the Copernicus Observance Committee Banquet Held in Detroit, Mich., on February 18, 1973, To Honor and Commemorate the Great Polish Astronomer, Nicholas Copernicus (Mikolaj Kopernik) on the 500th Anniversary of His Birth

(Note.—The speech was prefaced by introductory remarks directed to the banquet audience and are not included herein.)

Copernicus was born during a time of great change. The world had just emerged from the Dark Ages, from centuries of stark oppression and feudal dictatorship. A mental, moral and spiritual resurgence was underway. The Renaissance was in full bloom. It was a time of return to a purer faith, a time of return to the search for scientific truth, and a time of a rebirth of intellectual expression; and so, therefore, it was also a very trying and turbulent time. For as is always the case, there were many forces, the powers that be, within the church and without that were opposed to these changes and strongly resisted them.

In studying the life of Copernicus, I personally found it somewhat ironic that fate would assign to him the role of leadership in a significant element of this resurgence, for he was born into a family situation that allowed him to live a life of relative ease and luxury had he chosen to do so. Of course we all know that he did not do so. Born in Torun, Poland, on February 19, 1473, he was the youngest of four children of a prosperous merchant. When his father died in 1484, he, his two sisters and brother were adopted by their mother's brother Lucas Watzelrode, a priest who became Bishop of Ermland in 1489. About that time it was decided that Copernicus should be trained for the Church. He entered the University of Cracow in 1491. There he developed his initial interest in humanistic studies, mathematics, and astronomy. It is interesting to note that during this time, Columbus discovered the Western World. I am sure that this great exploration must have stimulated his spirit of adventure and at least to some degree influenced his later life. He left the University of Cracow in 1494.

Since his financial security was assured by his uncle, he was in a position to continue his studies which he chose to do. He went to Italy in 1496, to attend the University of Bologna. There he studied Canon law to prepare for an administrative career in the Church. However his dominant interests remained in the fields of mathematics and astronomy, and he became closely associated with other scientists of the day.

He was appointed Canon of the Cathedral of Frombork (or Frauenburg) in 1497, but he obtained a leave of absence to continue his studies. In 1500 he visited Rome to give a series of lectures on mathematics. In 1501, he returned to Ermland and was granted another leave of absence to continue his studies, but this time in a new field, that of medicine. The thought was that as an official of the Church he should be able to minister to the physical as well as spiritual well being of his constituents. He studied medicine through 1505, with a break in 1503, to complete his doctorate of Canon Law.

Copernicus returned to Poland in 1506. By this time he was one of the most highly educated people in Europe. He was a humanist, learned in Latin and Greek, and was an expert in mathematics and astronomy. He was also a Doctor of Canon Law and a physician.

Until 1512, he served as personal physician to his uncle. Upon his uncle's death in that year, he finally assumed full time duties as Canon at the Cathedral of Frauenburg, and served in that capacity for the remainder of his life. While there he introduced significant monetary reforms and continued his astronomical observations. He lived a full and productive life, and was renowned during his lifetime as a capable church administrator and physician. In many circles he was better known for these activities than for his work in astronomy. Within scientific circles however, he was recognized as a giant.

In 1514, he was invited by Pope Leo X to help reform the Julian Calendar which by that time was known to have serious inaccuracies. He declined the invitation on the grounds that more study of the relative motion of the earth, sun and the other planets were required before intelligent revisions could be made. Actually his reluctance was largely due to his concern over the philosophical impact of his later to be published "Helio-Centric" theory. His refusal to participate resulted in severe criticism from the Pope.

Copernicus continued his astronomical observations which were very remarkable considering the crude instruments available to him. The telescope had not as yet been invented. He augmented his personal observations with many others made by the earlier ancient astronomers. Finally his "Helio-Centric" theory was published. This theory disproved very clearly and concisely that the earth was the center of the universe. He defined to a high degree of accuracy the relative motions of the sun, earth, moon, and the other four known planets of that time (Mercury, Mars, Jupiter, and Saturn). An adjunct of his theory, a spin-off if you will, was another significant finding and that was that not all things felt towards the center of the earth. He postulated that by having mass, all bodies exerted a gravitational force and to varying degrees according to their mass. This was necessary to explain the orbital paths of the various heavenly bodies he studied. In the practical application of space exploration this finding is of extreme importance.

And so, what did and does all of this mean to us? To navigators it was of almost immediate benefit for very obvious reasons. Further his findings became the basis for finally defining the modern calendar in the 18th Century, the one we use today. With respect to the physical exploration of space it was not until the mid-20th Century that we were able to put these theories (and their refinements by Kepler, Galileo, Newton, and others) to a practical test. With the development of space boosters we were able to launch unmanned payloads initially into suborbital flights and then into orbital and deep space missions, to be followed by the manned missions of recent years that you are all well aware of. The fact that the earth rotates from West to East, another of the findings of Copernicus, has enabled us to launch payloads on easterly azimuths to physically take advantage of this rotation. Thus we were able to undertake our first steps in manned space exploration with the Mercury project that proved that man could exist in space, secondly with the Gemini project where we proved that man could function in Space. It was during this program that rendezvous in Space was first demonstrated. The development of the rendezvous technique was very vital to the lunar rendezvous maneuvers of the Apollo program. This together with the knowledge we were gaining with our unmanned satellites and deep space probes paved the way for Apollo.

During this decade we will undertake several missions during which unmanned spacecraft will fly by more than one planet. These flybys will take advantage of the gravitational pull of a given planet to alter their trajectories to fly by a second planet to make additional scientific observations, thus figuratively speaking, getting two for the price of one. This technique takes advantage of the findings of Copernicus relative to gravitational force and is called the sling-shot trajectory.

During Apollo we demonstrated that man could work and live in space for significant periods of time. The prime objective of Apollo, of course, was the manned scientific exploration of the moon. Apollo did achieve all of its major objectives, as is well known to all of you. The experiments left on the lunar surface by our intrepid astronauts will continue to give us additional meaningful information for years to come. They will help us understand the earth, its evolution and environment as we have never understood them before.

In August of 1972, the National Aeronautics and Space Administration dedicated one of its scientific satellites to the memory of Copernicus. It was the third and final "Orbiting Astronomical Observatory" to be launched by NASA. As Director of Launch Operations, I was in the blockhouse for the launch. Following the launch, I was privileged to address a distinguished group of Polish-Americans, a few of whom are in the audience tonight. The satellite is performing very well and already has achieved all of its major objectives which were a detailed study of ultra-violet radiation and X-ray sources in Space. These radiations affect our environment on earth. Therefore it is vital to increase our knowledge in this area. And so this satellite has given us a good start for the Copernican year.

In addition to the launch of the Copernicus satellite, August 21, 1972 was a very dramatic day for me personally. Having been up most of the night for the early morning launch, I went home a little early. I was by myself since my wife was enroute to Houston, Texas to visit our daughter and her family. Within five minutes of my arrival at home, in the midst of one of the most severe tropical storms I have ever experienced, a bolt of lightning struck nearby. The energy of the lightning strike induced an electrical fire in our master bedroom. I was able to contain the fire. Had I not been home at the time, I believe the house would have been destroyed. Ever since then, I have wondered whether the message from heaven was "Cease and desist these launches" or whether Copernicus was looking out for me and arranged for me to be home so that I could save our house. I prefer to believe the latter.

We are now preparing to launch a large laboratory into earth orbit, hopefully in May of this year. This project is called "Skylab". The laboratory will be visited by three separate manned crews of three men each for stays of 28, 56, and 56 days respectively. Many medical and earth resources experiments will be conducted, as well as solar and stellar astronomical observations made. Thus, we are just beginning to reap the benefits of the Legacy of Copernicus.

Neal Armstrong took a symbolic giant step for mankind in 1969, but truly the first giant step in Space was taken by Copernicus 500 years ago. And so, what we are celebrating tonight is much more than the anniversary of the birth of the man named Copernicus, rather we are celebrating the dawning of a new era. The "Age of Space" is truly the "Age of Copernicus" and is just beginning. The name of Copernicus or Kopernik will live forever.

CUTS AND BLUFFS FOR EFFICIENCY

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. BOLLING. Mr. Speaker, following is an interesting article concerning President Nixon's request for education funds. It was written by Robert W. Hartman, senior fellow at the Brookings Institution, and appeared in the Washington Post of March 12, 1973:

CUTS AND BLUFFS FOR EFFICIENCY

(By Robert W. Hartman)

President Nixon's budget requests for education turned out about the way Christianity would have, if Jesus had been an efficiency expert: not much love or compassion on the big issues, but the sermons would start on time.

The first big issue that had to be resolved was how much money to devote to education. The administration's decision was to hold the federal budget steady, with increases in some education programs paid for by cuts in other education budget lines. On this decision, it is instructive to note that pay increases for military personnel are cited as an acceptable rationable for defense budget increases, that preservation to tax shelters for the rich is raised to sacrosanct status by the refusal of the administration to harbor thoughts of tax reform, while expansion of the federal education share is tossed into the Ash can of the New Federalism.

The second big decision was which of the administration's big promises in education to keep. The choice was as broad as the electoral majority: to propose a "revolutionary" program to provide "fair and adequate financing for our children's education" (State of the Union, 1972); to aid nonpublic schools; to provide an additional $1 billion for "schools in which substantial numbers of the students are from poor families" (anti-busing speech, March 1972); to guarantee that "no qualified student who wants to go to college should be barred by lack of money" (1970).

First, the fixed budget decision precludes the possibility of a revolution in public school finance. In order for the federal government to supply states with enough funds to induce them to reduce reliance on local property taxes, and to equalize expenditures among school districts, the federal share of education spending must obviously rise from its present miniscule 7 per cent to somewhere in the 20–30 per cent range. For this season the administration flirted with a federal value-added tax, but has apparently rejected the idea.

Second, the administration decided to back a tax credit for parents of children in non-public schools. These credits will be worth up to $200 per student for a middle American family, less for the rich and nothing for the poor. This program will cost $300 million per annum even if no private school raises its tuition; in all likelihood tuitions will rise and the program cost could double.

Third, the $300 for each inner-city child that President Nixon promised in his nationwide anti-busing speech last spring is nowhere to be found in his budget. The budget for Title I, the program that delivers services to the disadvantaged, is kept constant. Potentially more harmful is the fact that this program is to be made part of Educational Special Revenue Sharing (ESRS), the details of which are not yet available. At worst, ESRS could obliterate Title I entirely, by leaving the disposition of the funds up to states. That would be unspeakable; it is likely, administration spokesmen assure us, that Title I funds will be earmarked within ESRS.

Fourth, and more justifiably, the budget requests an enormous expansion in grant assistance to college students by starting up the new Basic Educational Opportunity Grant (BOG) program authorized by Congress in 1972. BOGs are to be funded at over $600 million for the academic year 1973–74 and nearly $1 billion the year after, possibly fulfilling the President's promise to guarantee access to college. According to administration estimates, about 1,500,000 post-secondary students would receive grants ranging from $200 to $1,400, depending on family income, by the BOG's second year.

Given all these big decisions—for college students, for Catholic middle Americans, against poor kids, against aiding states to reform school finance—well over $1 billion in cuts had to be found so as to keep total federal education spending in rein. Here is where the accountants did their job well. First, a number of obsolete programs were killed altogether. The most important of these was the part of the impact aid program which recompenses Montgomery County for the pain it endures from the presence of so many public school children with GS-15 parents. In addition, most teacher training programs and several college student aid programs, that partly duplicate the BOG program, are slated to bite the dust. Second, by consolidating a score of elementary and secondary education programs into ESRS, the budget proposal manages to make the whole equal a little less than the sum of the parts. Finally, the administration proposed to fund several new programs that Congress authorized last year at a very low level. Direct institutional grants to colleges are not funded at all, while a new program to aid desegregation problems receives about one-quarter of the amount authorized.

Once the big decisions are accepted it is hard to find major fault with the administration's sharp pencil men. Most of the program cutbacks are warranted either because the programs serve relatively low priority purposes or because they will become redundant, at least in part. Congressional critics of dismantling existing education programs have stepped into a well-laid trap of defending the indefensible. If all they can ask the country do for us is more Impact Aid, better to ask not.

But what kind of an administration is it that gives $200 per middle-income child in aid to a nonpublic school because church collections are down, rather than spend the $300 per poor child it alleges is an effective alternative to busing? How can anyone believe that $10 billion dollars a year lost in favorable tax treatment of capital gains is more important to the nation's future than $10 billion spent in enabling states to eliminate financial disparities among school districts? Congress must either organize to restore social balance or acquiesce to the efficiency experts.

TWO MEN, ONE VOTE

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the U.S. Supreme Court in, a recent 5-to-3 decision, took the position that reapportionment for a State legislature does not have to follow the same pattern as that for the Congress.

We can all recall that in 1964 the Supreme Court enunciated the one man-one vote concept—however, the recent ruling by the subsequent Court accepted the plan approved by the House of Delegates of the State of Virginia, which has a 16.4-percent variance between the most and least populous districts.

The Supreme Court had previously thrown out a congressional redistricting plan for Missouri, which had only 6-percent variation.

These rulings make an interesting commentary on the evolution of the U.S. Supreme Court in legislating and decisionmaking. I place an article from the New York Times concerning this matter in the RECORD:

APPORTIONMENT: WELL, MAYBE TWO MEN, ONE VOTE

WASHINGTON.—Of all the judicial milestones that his Court erected, Chief Justice Earl Warren regarded as most significant the 1964 decision that radically revised American politics by insisting that each voter was entitled to the same amount of leverage in choosing his representatives. And at least one national leader of the American Bar Association believes that this "one-man, one-vote" concept was the most important contribution of the Supreme Court in this century.

But the present Supreme Court, with four appointees of President Nixon replacing members of the Warren bench, does not seem to feel quite the same reverence for this landmark. Strict adherence to the principle, a new majority said last week, was really not all that necessary.

The case decided by the Court, on a 5 to 3 basis, involved the Virginia Legislature, which had drafted a reapportionment plan with a discrepancy in the House of Delegates of 16.4 per cent between the most and least populous districts.

A three-judge district court panel, relying on the "absolute equality" standard of earlier Supreme Court decisions, threw out the Virginia legislative districts on the ground that the political power of voters in the largest districts had been unconstitutionally diluted compared with the smallest.

But the Supreme Court, with President Nixon's appointees casting three of the five majority votes, dismissed a district court substitute plan with a 10 per cent variation and reinstated the Legislature's lines. In relaxing the rules, they made these two points:

State Legislative districts can be more flexible on population variation than Congressional districts because there are more of them in a state and thus less chance of submerging any one locality in a district dominated by others.

Strict adherence to the one-man one-vote requirement of equal districts can give way before "the rational state policy of respecting the boundaries of political subdivisions," drawing the lines so that counties and cities are not split up among different districts.

Before Tuesday's decision, the Court had rejected a 1967 Florida legislative reapportionment plan with a top-to-bottom variation of 26 per cent. In 1969, it invalidated a Congressional district plan for New York with a 13 per cent variation and one for Missouri with only a 6 per cent variation.

Now it is hard to say how far the old standards have been relaxed. Legislative districting plans with about the same discrepancy as Virginia's have been invalidated by lower courts in Connecticut, Iowa, Texas, Louisiana, Alabama, North Dakota and Kansas. Most of the cases are headed for

Supreme Court review. Connecticut, for example, will attempt to revive before the Burger Court this week an apportionment with a maximum variation of 8 per cent in the lower house and 2 in the upper.

Politically, the decision was intriguing. Associate Justice William Rehnquist, one of the two newest Nixon appointees, wrote the majority opinion. He was joined by two more of the President's choices, Chief Justice Warren E. Burger and Associate Justice Harry Blackmun. The fourth Nixon justice, Lewis Powell, is a longtime figure of influence in Virginia politics and chose not to participate in the case.

The other votes for relaxing the one-man, one-vote formula were cast by justices who tend to swing between liberal and conservative positions: Justices Potter Stewart and Byron White. The dissent came from the residual liberal hard-core: Justices William Brennan, William Douglas and Thurgood Marshall.

Ironically, in the 10 years it has been in effect, the one-man, one-vote mandate has not been as revolutionary as some conservatives originally feared. Instead of delivering Congress and the Legislatures from rural control to the city bosses, it has tended to give a new balance of power to Republican, if not altogether conservative, suburbs.

NEW ANTISOCIAL SERVICES REGULATIONS MUST BE OPPOSED

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. WON PAT. Mr. Speaker, on March 19, a new set of regulations proposed by the Department of Health, Education, and Welfare will go into effect; regulations which will permit HEW to defy congressional mandates to assist the elderly, the poor, the mentally retarded, and thousands of children across the country.

If these new regulations are permitted to be enforced, the administration says that a saving of over $700 million will be realized. While I cannot argue that these regulations will result in HEW's spending $100 million less on social services, I do argue with a philosophy which implies that depriving our needy, our parents, and our children of desperately needed assistance is actually a "saving."

When Congress enacted legislation in the past to help our people who needed assistance, compassion was one of the main reasons for its action. Now we are being told that balancing the budget apparently has a higher priority than our obligation to help those who are less fortunate.

On February 22, 67 other Members of the House and I jointly signed a letter to HEW Secretary Caspar Weinberger, asking him to rescind his Department's proposed regulations which would have:

First. Repealed existing provisions allowing donated private funds or inkind contributions to be considered as the States' share in claiming Federal reimbursements;

Second. Cut from 5 years to 6 months the definition of a welfare recipient;

Third. Setting strict new income limitations on welfare recipients; and

Fourth. A number of other regulations which will result in a drastic cut in the ability of local agencies to provide social services. The new regulations will also eliminate Federal standards for child care and for fair hearing procedures.

In supporting a rollabck of these regulations, I am not condoning a continuation of programs which needlessly spend the taxpayers' hard-earned dollars. I am certain that every one of my colleagues in Congress would fully support any well-thought out program which provides the services that our people need, and yet eliminates wasteful spending.

But Congress has determined that the social services programs which HEW now proposes to eliminate or seriously cut back are desperately needed by the underprivileged of our country. And, I believe that Congress, as the popularly elected representative body of the people, has the right and the obligation to determine how best to use Federal funds for the good of our people—all of the people, and not just the privileged few.

Inasmuch as it does not appear that the administration is willing to withdraw its attack on social service programs, I am pleased to join with Congressman Ogden Reid and a number of our colleagues in the House in support of legislation which will write into the Social Security Act specific model regulations which will spell out exactly what Congress has in mind for the future of social service programs, and further mandate spending limits and eligibility requirements.

I trust that this worthwhile legislation will be given prompt and favorable consideration by Congress, if we are to head off yet another assault on congressional prerogatives.

LIKE COMRADE IVAN, LIKE SON

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. RARICK. Mr. Speaker, Soviet apololgists continue to make excuses for the numerous treaties and agreements broken by the Russians as simply "repudiations of political documents." These same people would have you believe the line that goes: "after all, the Russians are individuals just like we Americans, and while we may not have faith in their political leaders, the individual Russians are trustworthy, and on a people-to-people basis we can believe them."

Last September, following the vote on the SALT talk agreements, I was contacted by members of the Soviet press requesting a TV and radio interview. Supposedly, the interview was for broadcast to the Russian people to give them an explanation of my opposition to the SALT agreements.

I agreed (person to person) that I would give the interview to three Soviet newsmen, providing they would subsequently supply me with a copy of the film to be shown on their national TV and a copy of the radio interview tape.

I was aware that the film and radio recordings were to be sent to Moscow to be processed, and there would be some delay before I would receive my promised results of the interview. That was in September. This is March, 6 months later. After repeated calls to the local office without any success I now realize that the word of an individual Russian is no better than that of his Communist political masters. The Soviet newsmen work out of the local Soviet Embassy. The promoters of the "people-to-people relationship" theory fail to understand that the Soviet individual is not a free individual as are we Americans. But rather he is owned lock, stock, and barrel by the one omnipotent party that enslaves his people.

I can only say to my colleagues who are aware that the Soviet Government will lie and cheat on its international commitments: beware of the individual Russian, because like Comrade Ivan, like son.

DR. FLETCHER HARDING

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. CORMAN. Mr. Speaker, recently the Freedom Foundation of Valley Forge presented Dr. Fletcher Harding with the George Washington Honor Medal. Dr. Harding, who is founder and minister of the Encino, Calif., Community Church, received this illustrious award for his sermon delivered on July 2, 1972, entitled "We the People."

His sermon says with moving expression many of the things I feel about this country. It speaks about the need for us to follow a dream, to have a goal, and that such a dream would help unite us as a nation. Dr. Harding's own words best describe this idea. A passage of the sermon reads as follows:

> Once in a while in our own time, in a shredded civilization wherein much of the American dream and the initial intent of it has been lost and sacrificed to greed and to the worship of money and power to fear and to envy, a flash of the dream occurs. Such was the instance of the life of Martin Luther King. It is immaterial whether or not you subscribe to his thesis or believe in it, he was truly a great man with a great inspiration, but his power was in his dream.

In another passage of his sermon Dr. Harding spoke to the problems of today and the many opposing voices that are raised between and within political factions of our country. He said:

> I hold that the open discussion of disagreement is a healthy thing. One of the sicknesses of our society is that someone made it unpopular to talk about politics and religion, and they are the two things that need more discussion than anything else so that the mystique of them does not become the property of a select few to impose prejudices upon peoples who are not knowledgeable.

I, too, favor the discussion of all our problems. Dr. Harding's life has been a continued effort to promote such dialog. His tribute in receiving the Freedoms Foundation award for "We the People" is well-deserved. I sincerely hope that this country can find the dream he spoke of so eloquently.

SEARCHLIGHT ON RICHARD NIXON: THE LESSONS OF SIX DECADES

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. SPENCE. Mr. Speaker, a recent article by Mr. Ernst Cramer in the January 28 issue of the West German newspaper Welt am Sonntag, has come to my attention. This is an exceedingly thought-provoking article reviewing the pattern of compromise and confrontation over the past 60 years in world politics and suggesting its lessons for the future.

It is also very useful in the "outside" perspective it provides. I think it is very important that our foreign policy be conducted not entirely on the basis of our own parochial perspective, but with an understanding of how our allies view things.

The thing that impresses me most about this article is its emphasis on the oft proven but largely forgotten maxim that peace does not flow from weakness or withdrawal. As Mr. Cramer puts it:

> More important than the ancient, long cherished wish for "peace for generations" is the iron will to "preserve freedom." A look back into history shows compromises with uncompromising opponents lead only to catastrophe. Only those who are prepared when necessary for the sake of freedom to sacrifice peace itself have the great chance to preserve both.

Mr. Speaker, I submit Mr. Cramer's column in the RECORD at the conclusion of my remarks:

SEARCHLIGHT ON RICHARD NIXON: THE LESSONS OF SIX DECADES

(By Ernst Cramer)

This January the re-elected President of the United States of America promised in his inaugural address a "structure of peace" which would outlast not only America's 200th birthday on July 4, 1976 but also "generations to come." The same month Richard M. Nixon himself celebrated a round-figure birthday, his 60th.

On the threshold of the President's seventh decade it is appropriate to look at his earlier ones. The retrospect can sharpen the eyes to perceive what the future demands; it can clear up the question whether many of the high hopes in Nixon's speech can be more than mere rhetoric; whether the scattered seed of friendship between the peoples of the earth "despite profound differences between systems of Government" can take root in the rough winds of reality.

When Nixon was born in 1913, all seemed right with the world. Shortly after, the first of the four wars began of which the President said that America had "fought not for selfish advantage, but to help others resist aggression."

By Nixon's tenth birthday America had long withdrawn again from sharing responsibility for a reasonable state of order in Europe. The consequences were as could have been expected: In Germany inflation raged on an unimaginable scale, and a man named Adolf Hitler attempted the violent overthrow of the democratic Government. Menetekel stood written on the wall.

Then in 1933 it happened: Hitler became Chancellor of the Reich with dictatorial powers. On the other side of the world also menacing signs appeared: Japan left the League of Nations and waged a persistent campaign of expansion against China.

In America, where Nixon was working his way through university, the newly elected President Franklin D. Roosevelt began his successful campaign against the depression.

Another ten years later, in 1943, war was raging again. Hitler, having first signed a pact with the Kremlin, aiming at joint conquests, had attacked Russia. Hostilities took a dramatic turn when the German Sixth Army was annihilated at Stalingrad.

Nixon was an officer with the US Navy in the Pacific. And at two summit conferences portentous decisions were taken:

At Casablanca Roosevelt and Winston Churchill resolved to accept nothing short of unconditional surrender by Germany; this probably prolonged the war by many months.

At Teheran Churchill and Roosevelt conceded the Soviet dictator Joseph Stalin the so-called Curzon Line as the Soviet Union's western frontier. The consequences—the advancement of Poland's frontiers far into German territory—have to this day not been overcome, despite the West German Government's treaties with Moscow and Warsaw.

In 1953, another decade later, Nixon was on the threshold of power. General Dwight D. Eisenhower chose him as his Vice-President.

The Second World War was over, but a new world-wide menace was abroad—Communism. In Asia it had already led to the first war, in Korea. The seeds for the second, in Vietnam, were already sown.

In Europe the war-time alliance between Russia and the Western Powers, which had saved the Soviet empire from defeat, had decayed. The Cold War had broken out.

On June 17 workers in East Berlin and parts of the Soviet Zone of Occupation (East Germany) rebelled against the communist regime. Joseph Stalin died the same year.

Again ten years later, Nixon, now 50, seemed at the end of his political career. In 1960 he had lost the election for the Presidency; in autumn 1962 he had failed to win the Governor's seat in his home state, California.

President John F. Kennedy had at first hoped that he could talk to Nikita Khrushchev as an equal. Soon after came the Berlin Wall. But in 1962 Kennedy successfully put a stop to his Soviet opponent's attempts to install rocket bases on Cuba.

After a triumphal tour of Europe—"I am a Berliner!"—1963 brought the young President to the zenith of his popularity; a few months later an assassin shot him dead. Lyndon B. Johnson succeeded him.

In the intervening years Richard Nixon was at first, in 1968, only barely returned to power. But 1972 brought the overwhelming victory of his second election to the Presidency.

Nixon's entry to the White House was mainly facilitated by the nonsuccess of his predecessor. Johnson had booked great accomplishments in the early stages of his Presidency. In the field of social policy he achieved more than any previous President. But the engagement in Indochina inherited from Kennedy, (who had entered it, without doubt, for reasons of responsibility in world politics), the Vietnam war had turned the "Great Society," which the Texan Johnson wished to establish in America, into a nation torn by dissent.

The heritage of Vietnam overshadowed Nixon first four years in the White House as well. Only now, at the beginning of his second period of office, does the shadow seem to have been overcome.

The President has four more years before him. What will he make of them?

In his inaugural speech he described 1972 as the year in which "the greatest progress since the end of World War II toward a lasting peace in the world" was achieved. With America's fixation on Vietnam that statement may seem understandable.

But does this apply to the rest of the world, to Europe especially? Four weeks ago it was stated in this column that 1972 had brought the Kremlin its greatest successes in international politics since 1945, a development which certainly does not serve peace. Nor can the Soviets' future plans be given a common denominator with Mr. Nixon's inaugural rhetoric. That is the crude reality.

More important than the ancient, long cherished wish for "peace for generations" is the iron will to "preserve freedom." A look back into history shows: compromises with uncompromising opponents lead only to catastrophe. Only those who are prepared when necessary for the sake of freedom to sacrifice peace itself have the great chance to preserve both.

BUDGET SIGNALS SHARP REVERSE IN U.S. DIRECTION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the Tennesseean, in Nashville, in a recent editorial, points out that the new Nixon administration proposed budget would, in effect, repeal a great body of progressive legislation passed during Democratic administrations.

The editorial also correctly concludes that the basic issue in reviewing and considering the budget by Congress will be in the setting of priorities—as we all favor effecting as much economy in Government as possible.

A principle at issue in considering the budget is where will the money be spent—for huge Defense outlays with a new Defense budget recommendation up more than $4 billion, even though the war in Vietnam is over; foreign aid, including reparations to North Vietnam; or for domestic programs and domestic needs.

Because of the interest of my colleagues and the American people in this most important subject, I place the editorial from the Tennesseean in the RECORD herewith.

The editorial follows:

[From the Nashville Tennesseean, Jan. 30, 1973]

MR. NIXON'S BUDGET SIGNALS REVERSE IN U.S. DIRECTION

President Nixon has dropped his budget blockbuster on the Congress and the nation. If it stands, neither will ever be the same again when the upcoming battle ends.

The proposed fiscal budget totals $268.7 billion, which is an increase over spending in the current year of about $19 billion. It carries a deficit of about $12 billion, assuming the administration is not overly optimistic about revenue.

President Nixon said his budget will help the country toward "a new era of progress," but millions and millions in this country can reasonably ask, "progress for whom?"

This budget asks the repeal of major social initiatives of the Truman, Eisenhower, Kennedy and Johnson years.

It strikes at dozens of educational programs, at housing, health programs, urban renewal, agriculture, anti-poverty programs and economic development for depressed areas such as Appalachia. The White House has already confirmed plans to dismantle the offices of Economic Opportunity, Emergency Preparedness, Science and Technology and the National Aeronautics and Space Council.

Scores of categorical grant programs will be ended. Welfare assistance will be tightened substantially. Payments for health care will be increased, along with other bad news for the poor, the aged and the infirm.

The President noted in his budget message that spending for some programs will be increased. This includes pollution control, funds for fighting crime and drug abuse, research for energy, and money to fight cancer and heart disease.

The big increase, naturally, is defense spending. Mr. Nixon is asking a defense budget of $81.1 billion—a $4.7 billion increase over the current budget—despite the ending of the Vietnam conflict. About $7 billion was budgeted for that war in 1972. Thus, any "peace dividend" has not only vanished, but the budget for defense will go even higher.

In cutting or dumping a whole raft of social programs, President Nixon didn't argue that some have fulfilled their usefulness and ought to be ended, or that others still aren't working well. He said, in effect, there were just too many social programs and the flow of power ought to go back to the States and cities.

And his chief argument in support of erasing major social programs of three decades was that spending had to be held down in order to prevent a tax increase on the people.

Federal Government, he said, has simply been doing too much and it is time now to return the decision-making process to the States and cities where there can be increased self-reliance.

And to facilitate that the President expects the States and localities to lean on revenue sharing. Beyond this, he evidently expects the States to place greater reliance on their own tax bases.

Thus the budget document represents an abrupt shift in direction for the Federal Government. It also signals a change in priorities, and the difficulty is that the public generally is left without much to say about the new directions.

The well-to-do in this country will doubtless be pleased. The budget avoids a tax increase and will not otherwise materially affect them. But many Americans still lack the necessities for a tolerable life; food, shelter, health care, education and job opportunity.

It is unrealistic to assume that States and localities are going to proceed either with wisdom or compassion in allocating revenue sharing to human needs, or in taking over social programs from which the White House is now in retreat.

All one has to do to get the idea is simply to observe the arguments now going on in cities and States on how and for what current revenue sharing funds will be spent. And, once again, the citizens are not given much opportunity to voice their opinions or help decide their own future.

With categorical grants being swept away right and left and with only the reality of some revenue sharing money left, it ought not to be difficult to figure what the politicians will ultimately do with it.

The battle will now be joined between the President and Congress, and perhaps less on the issue of how much to spend than on what the priorities of the Nation ought to be.

A whole series of Democratic congresses have put domestic needs at the head of a list of goals for a nation. The Democrats now see a broad range of that landmark legislation under the gun, and that is why the battle of the budget promises to be a titanic struggle.

TOY SAFETY IN MICHIGAN

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ESCH. Mr. Speaker, I believe that my colleagues in the Congress share my own concern that we are not doing enough to move forward and carry out the intent of the Child Protection and Toy Safety Act of 1969.

The Public Interest Research Group in Michigan has done a well-documented summary which indicates the progress that has and has not been made up to this point. I commend this paper to your attention:

TOY SAFETY IN MICHIGAN—A PIRGIM REPORT

Toy safety has gained more attention this year than ever before. The press has cooperated with the Food and Drug Administration's Bureau of Product Safety by publishing warnings and safety guidelines for the benefit of parents and other holiday toy shoppers who want to give joy, not injury or death, to the children they love. Some newspapers have even reprinted the government's "Banned Toys" directory as a sort of negative shopping guide, or announced its free availability from the FDA.[1] Television and radio stations have featured similar public service coverage.

Given all this recent attention to a problem that has been injuring or killing around 700,000 children a year,[2] PIRGIM set out to sample progress in toy safety in Michigan. We were seeking answers to four questions:

1. Are stores living up to their obligation to keep off their shelves the toys officially banned by the FDA?

2. Is the FDA "Banned Toys" list adequate as a guide to toy safety? Can the conscientious parent or retailer be confident that toys *not* listed there are reasonably safe?

3. If not, are stores selling any toys not yet officially banned but similarly unsafe under testing standards set by the FDA? In other words, have retailers set up their own safety-screening procedures?

4. Is the FDA vigorously enforcing its ban on toys it has listed as unsafe, inspecting outlets to insure banned toys are off the shelves and compelling manufacturers, importers, and distributors to cease shipments and recall previously shipped items?

METHODOLOGY AND LIMITS OF STUDY

To find answers to these questions we sent 34 people unannounced into toy departments of 29 stores in major shopping areas of the state. These surveyors included college students from the University of Michigan (Ann Arbor), Michigan State University (East Lansing), Oakland University (Rochester), and Grand Valley State Colleges (Allendale), and several adult friends, all listed in Appendix I.

For the researchers' convenience, we chose stores in Detroit and its suburbs, the Pontiac-Rochester area, Ann Arbor and environs, the Lansing-East Lansing area, and the Grand Rapids-Holland area, between November 15 and 25, 1972. We provided the volunteers with copies of the August 31, 1972, edition of the FDA "Banned Toys" list, an internal memo used by FDA inspectors called "Criteria for Evaluating Hazards in Toys," and a concise summary of the provisions of the Child Protection and Toy Safety Act of 1969 prepared by PIRGIM's legal director.

We tried to choose a fair sampling of the various types of toy outlets found in Michigan. We selected toy stores, the toy departments of variety, discount and department stores, and even a grocery store. The sampling ran the gamut from the relatively exclusive FAO Schwarz to the everyday Woolworth's. The stores were situated in such diverse locations as center-city Detroit, downtown Holland, residential neigehborhoods, and suburban shopping centers.

Our volunteer investigators were given no special training to supplement the literature we provided and their own previous toy shopping experience as parent, gift-giver, or ex-child. Since our volunteers lacked the training or experience presumably available to an FDA safety inspector, we believe they must often have overlooked hazards perceptible only to the trained eye.

Nor could they perform breakability tests as they went through a store, though we later subjected many of the items they purchased to the FDA's standard durability tests. However our budget and time allowed only a tiny fraction of the testing that would be necessary to find all hazards and we totally lacked facilities to test for electrical current leakage, fabric flammability, and other hazards.

As a result, we believe the findings of our survey reveal only the tip of a vast and ominous iceberg, and that for every hazard found by our investigators, a number of dangerous toys remain in these stores to injure or kill the unfortunate purchaser or recipient. Moreover, there are thousands of Michigan stores selling toys that we didn't attempt to survey. Thus, the findings reported in this paper are merely suggestive of the actual extent of the problem of unsafe toys in Michigan.

FINDINGS

Our volunteers' findings are detailed store-by-store in Appendix II. This listing is divided into three categories: group A for toys already listed on the FDA "Banned Toys" list of August 31, 1972; group B for those toys clearly bannable but not yet on the list; and group C for those toys with hazards the FDA has yet to act upon but which are clearly within the scope of the Child Protection and Toy Safety Act of 1969. Group C also includes toys which appear hazardous but need more extensive testing than we were able to do.

Considering the seriousness of the continued sale of banned toys, we expected to find few if any. In fact, we found 22 banned toys in 12 stores. No geographical area was immune. The continued sale of these items is an indisputable indictment of store owners' lawlessness as well as indifference to the welfare of children. In many cases, we found several different banned toys in the same store. Whether the violation is deliberate or careless, these merchants must be regarded as callous vultures who prey upon children in order to make a buck. The manufacturer or distributor is also indicted for not recalling toys banned as hazardous. In some cases, we found the same banned toy in several stores, suggesting little or no effort to remove it. And above all, the FDA Bureau of Product Safety is indicted for failing to carry out the mandate of the U.S. Congress to enforce the law designed to safeguard the lives of children.

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[1] For example, on Thanksgiving Day, November 23, 1972, the *Detroit News* enlightened its readers by devoting much of its "Accent on Living" section to a reprint of the list of 376 toys banned by the FDA in 1972. On page 23–C of the same issue, it published a picture and a long article about an obviously hazardous toy, a "Snoopy Dog" doll, meant for very young children, whose nose is attached by an easily exposed straight pin; the story reports that the FDA regional office to which the hazard was reported cannot ban sale of the toy until it undergoes "evaluation" in Washington, and the supplier of the imported toy feels no obligation to stop selling it or try to recall items sold but may "suggest to the manufacturer not to use the pins."

[2] Edward M. Swartz, Toys that Don't Care (Boston: Gambit Inc., 1971), p. 8.

In the second group we have listed toys which do not appear on the banned list but which undoubtedly should. They were found to have serious hazards substantially identical to those which caused other toys to be put on the list. There were 50 such items found in 16 stores. It is perfectly "legal" for a retailer to sell such toys until the FDA assumes its responsibility to ban these items, but we do not think it is ethical and we feel the consumer should know who these retailers are. Our finding these toys minimally suggests that the store has not initiated even a rudimentary safety-inspection effort in its toy department. Many of these unsafe toys were made by manufacturers who had numerous other similar products on the banned list. In some cases, we suspected a banned item had been slightly restyled without correcting the fault and put back on sale under a different model number—particularly in the instances of infants' rubber squeeze toys with easily removable squeakers, and rattles whose plastic cases easily break and reveal jagged edges or small parts which a baby may swallow or inhale.

With such evasion by manufacturers, it is quite apparent that the FDA Bureau of Product Safety (BPS) has been remiss in follow-up inspections of new versions of previously banned toys. Its failure to offer a specific public warning naming the manufacturer or distributor, or to ask a court to issue an injunction against the practice, poses a serious question of agency misfeasance.

In the third and largest group we have listed 245 toys from 26 stores. These toys are neither banned nor similar to those banned, but we nonetheless felt that they merited further consideration. Some are obviously and seriously dangerous, yet neither they nor any similar toys have been banned:

Our shoppers bought many spring-powered dart guns whose "safety" rubber tips readily come off, and which will shoot a pointed pen or pencil, placing a weapon in the hands of five-year-olds which can readily injure a playmate's or one's own eye;

They found bows with wooden arrows whose suction-cup tips remove to reveal a small, sharp tip which we easily shot through the side of a cardboard box, a hint of the damage they would do to a child's flesh;

We tested all sorts of toy electric irons, ovens, and other appliances likely to be used near water, which use full 110 VAC electricity and therefore pose substantial electrocution risk, and many of which also produce high enough temperatures on their outside surfaces to burn an unwary child;

We examined cap pistols and caps, as well as air rifles, labeled with warnings to use them only outdoors and never within one foot of anyone's ear, warnings not likely to be heeded by active children whose hearing may be endangered.

The third group in our lists also includes items that aroused the suspicions of our shoppers but whose hazards we were not equipped to evaluate. We list these because serious questions exist about them, and we believe they should be fully tested before they are offered for sale. We do not expect all of them to fail the tests; some are probably quite safe. But there is no way for us—or for the average toy shopper lacking even the information our volunteers had—to know which are safe and which unsafe.

CONCLUSIONS

1. Our volunteers found officially banned toys in 40% of the stores they visited, in all geographical areas surveyed. Retailers are not obeying the law.

2. The FDA "Banned Toys" list is a grossly inadequate guide to unsafe toys. It includes only a minute fraction of the dangerous playthings manufactured, imported, distributed, and sold for our children's use. For every banned item we found in stores, we found more than two that had identical faults but were not listed as banned, and whose categories of extremely dangerous toys are not listed at all.

Even if one could presume that the FDA list of "Banned Toys" were an exhaustive list for use by the consumer as a purchasing guide for toys, that list is nonetheless certain to frustrate the consumer from informing himself of banned toys. The list is categorized alphabetically according to manufacturers. The description of the unsafe feature is a mere two or three word general phrase such as "sharp objects," "small objects," or "sharp edges"—oftentimes meaning that these features exist only when the toy is broken. The unexperienced consumer has no way of knowing the exact nature of the danger, or whether the danger has been corrected and the product re-marketed under the same serial number.

Our surveyors were forced to scan the shelves of stores for toys with noticeably unsafe features, then look to the small print of the package for the name of the manufacturer and the serial number if there was any. In many cases they were unsure whether the item found in the store corresponded to that listed as banned, or was a different model. The description in the FDA list was grossly inadequate to inform them. In several cases, our researchers bought toys listed as banned, but found them redesigned to eliminate the fault yet still being sold with the same identifying names and numbers. Hence, toys which are "banned" according to the list are sometimes redesigned and safe, making the list doubly unreliable. The listings in this report include as "banned" only those definitely identified and found still to have the fault for which it was banned.

If the FDA list is to be at all useful to consumers, we believe distributors who correct the fault and continue distributing a formerly banned toy with similar identification should be required to label it, "This toy has been modified to correct the hazard which formerly caused it to be banned by the U.S. Government," or the equivalent.

3. Few retailers are doing much safety-screening of the toys they stock, as evidenced by the number of surveyed stores that had no banned toys but stocked unbanned toys with identical hazards. This is one case where mere compliance with the law is not enough.

4. There is little evidence that the FDA is enforcing its toy bans. Our volunteers found banned toys even in J. L. Hudson's Department Store in downtown Detroit—despite the newspaper reports that the FDA would concentrate toy safety inspection before Christmas in the Detroit area, where it has a regional office. Indeed, the FDA seems largely to have given up enforcing the law. It seems more interested in doing "public education" campaigns, which get its name in the newspaper as "protectors" of consumers, than in enforcing the law. The effect is to shift responsibility to the consumer to know about and avoid the dangerous toys in the stores, an impossible burden for most shoppers. The law contemplates the burden being placed on the distributor and seller. Under the Federal Hazardous Substances Act, anyone "knowingly" offering a banned toy for sale is subject to fine or imprisonment. We do not know of any prosecutions in Michigan or elsewhere.

By encouraging the public to use its "Banned Toys" list to avoid unsafe toys, yet failing to list toys with obvious and grave hazards, the FDA is abusing the trust of those who turn to it for guidance. It is noteworthy that most of the items listed by the FDA are either infants' toys which have removable small parts or which readily break and expose sharp edges or small pieces, or toys for small children which use sharp pins or breakable mirrors instead of readily available substitutes. The agency has so far failed to ban toys for which safe substitutes are less readily available (e.g., the dart guns and bow-and-arrow sets with removable tips). It has given promises and excuses but no action on electrical, thermal, noise, and flammability hazards. We are convinced that the pressures generated by $4-billion toy industry, which spends around $50-million a year on advertising alone, has been a significant influence in this outrageous record of agency inertness.

It is evident that the toy industry in Michigan, as elsewhere, contains more than its share of manufacturers and distributors and retailers who don't care if they kill children so long as they make money. It is evident that issuing warnings and guidelines to parents and other toy buyers is inadequate protection.

Unless we are willing to acecpt injuries caused by toys to 700,000 children per year—and death to 19,000—and this excludes those caused by playground equipment and bicycles, separate though serious problems—we must turn to government to regulate safety in the toy industry. Yet, after over two years' experience with the FDA's Bureau of Product Safety, death still stalks the toy shelves. The prospect that toy safety enforcement will be shifted under recent legislation from the FDA to a new, independent Consumer Product Safety Commission gives us little comfort if, as is common in government reorganization, the same people who proved their incompetence and indifference in the old bureau are transferred over to run the new one.

Our feeling, after discovering first-hand the deplorable state of toy safety in Michigan's toy stores, is that a new broom is needed.

OIL RECYCLING ACT OF 1973

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. VANIK. Mr. Speaker, hardly a day passes that we do not see another aspect of the energy crisis. It is not surprising: the energy industry is currently spending millions of dollars to inform the American people of our crisis. But this barrage offers no new solutions. Instead, we are told that the only way out of our present shortages is through a continuation of the costly policies of the past.

The entire issue of the energy crisis has been carefully stage-managed to lead us to the conclusion that growing subsidies to industry is the only answer. But the American taxpayer is already paying two to three billion dollars each year in tax subsidies only to find the heat turned off and the lights switched out. Continued preferential tax treatment to these corporations is a bad investment. It is time to review these subsidies with an eye toward how we can spend our money more effectively.

We must first move beyond a discussion of the policies which have proven in the past to be failures. We must begin to seek imaginative answers as to how we can use our precious, depletable fuels more effectively. With only 6 percent of the world's population we consume 33 percent of the world's resources. This exorbitant rate of consumption can be cut back significantly without jeopardizing our social and economic welfare.

THE WASTE OF USED OIL

As an example of these wasteful patterns of consumption, our Nation wastes fully one-fourth of its total production of lubricating fuels by failing to take advantage of existing oil recycling technologies. An active program of recycling used oil could reduce our needless consumption of petroleum and lessen the pressures to increase supply.

This is no "light switch" economy. Last year, over 2.3 billion gallons of virgin oil were used for industrial and automotive uses. Of this total, approximately 50 percent was consumed in use. The balance, approximately, 1.1 billion gallons, was available for recycling. Yet, the domestic refining industry has deteriorated in the last decade. Without the necesary refining capacity in environmentally destructing ways: road oiling, burning as fuel, and incineration.

Why should we be so concerned with recycling used oil? First, of course, we must be increasingly careful of how we use our vanishing resources. Stretching our consumption is only reasonable in view of our increasing difficulties of supply.

But there are more compelling reasons for recycling used oil. Direct disposal of waste oil creates environmental hazards with magnitudes we are only beginning to gage.

WATER POLLUTION

Because lubricating oils will not break down under the extreme temperatures and pressures for which they are designed, they do not break down when discarded into the environment. With the exception of recycling, virtually all "uses" found for waste or used oils are ecologically harmful. Oil dumped on the surface of the ground penetrates that ground; once this oil reaches the ground water tables, the water can no longer serve as a source of potable water supply. For example, in chalky rock or limestone areas, where ground water runs through fractures in the rock formation, there have been numerous cases where minute quantities of oil have irretrievably rendered wells unfit for human water use. Even if diluted to a ratio of one part of oil to a million parts of water, the taste of groundwater is affected by oil.

Annually 150 million gallons of used oil are spread on roads. Recent tests conducted by EPA, however, have indicated that used oil does not perform such dust suppression functions very well. It emulsifies quickly during rainstorms and washes off the road or penetrates into the ground. It appears that slightly larger initial expenditures to purchase an oil or other product designed specifically for road use would result in a substantial long-term saving and serve to reduce the environmental damage caused by such use.

Used oils which find their way into sanitary sewer systems inhibit bacterial growth at sewage treatment plants, and thereby decrease the efficiency of the plants. Oils entering receiving streams as effluents from sewage treatment plants, or directly from storm drainage systems tend to adhere to floating particulates in the stream and sink to the bottom. The resulting bottom pollution destroys bottom dwelling plants and lowers marine life—often irretrievably.

U.S. Oil Week quoted EPA's Harold Bernard on January 25, 1971, as saying:

> We polled [the Federal Water Quality Administration's] regional directors. Six of the nine indicated that used oil, dumped into sewers, is a serious problem in the sewage treatment plants and has caused fires in these plants, as well as caused treatment upheaval.

Beyond the evidence of environmental damage caused by the improper disposal of waste oil, there is an economic incentive to recycling. EPA's Bernard estimates that it may cost $1,000 to clean up a 100 gallon oil slick in a river. He concludes:

> That's $10 per gallon for a waste product that cost on the order of 5 cents per gallon to dispose of in an acceptable manner.

AIR POLLUTION

One alternative to dumping used oil is burning it for heat recovery. This creates a major air pollution problem, however, since the unrefined waste oils produce dangerous levels of metal oxides when burned. The January 1971 issue of Fortune magazine featured an article entitled "Metallic Menaces in the Environment." It quotes Dr. Henry A. Schroeder of the Dartmouth Medical School as saying:

> Pollution by toxic metals is a much more serious and much more insidious problem than is pollution by organic substances. Most organic substances are degradable by nature; no metal is degradable.

A study prepared for the Association of Petroleum Rerefiners, shows that more than 1,000 pounds of metal oxides are released whenever 10,000 gallons of used motor oils are burned.

Time has become an important factor to the entire issue of oil-waste recovery. The National Oceanic and Atmospheric Administration provided startling evidence recently of the extent to which careless disposal of used oil has contributed to the fouling of our ocean waters. Dr. Robert White, Administrator of the NOAA, reported:

> Oil globules and plastic debris in massive proportions infect nearly 700,000 square miles of blue water from Cape Cod to the Caribbean Sea, becoming part of the habitat of uncountable numbers of new-born blue marlin, tuna, blue fish, and other prized game and commercial species.

One of the ships conducting the survey, *Albatross IV*, reported that 75 per cent of the time its nets were befouled by oil clumps so thick they extruded through the nets, "like spaghetti."

Famed ocean explorer Jacques Cousteau feels the situation has gotten so bad that international control is needed to prevent further pollution. He concludes soberly, "If not, mankind will be defeated."

THE SOURCE OF THE PROBLEM

There are two basic sources of waste oil: automobiles and industry. The first category—waste automotive lubricants—includes all crankcase oil, transmission fluid, differential gear lubricants, and hydraulic oil.

Waste industrial oil includes a wide range of sources. They may be waste gear box oil from industrial machinery, waste heat transfer fluid, waste railroad lubricants, and the like. Waste industrial oil would also include metal-working lubricants originating in the manufacture of machinery articles. The table below summarizes national oil sales for the years 1967–71 with a prediction of 1975 levels of consumption. The figures are compiled by the EPA.

NATIONAL OIL SALES

Type	Percent changed[1] per year	Year (million gallons)			
		1967	1969	1971	1975[2]
Auto	+0.9	1,032.0	1,051.0	1,071.0	1,107.0
Aviation	−9.9	13.1	9.9	8.4	5.9
Industrial lube oil	+1.17	699.1	781.2	726.0	751.0
Other industrial oils	+5.5	315.0	342.0	388.0	450.0
Auto and aviation grease[3]	−1.7	52.4	53.2	49.8	47.3
Industrial grease[3]	−.6	57.2	55.1	55.7	54.7
Total	+1.49	2,168.8	2,291.4	2,298.9	2,415.9

[1] Based on 1967–71 sales (average percent change per reporting period).

[2] Projected.

[3] Volume based on 9 lbs./gal. density.

From this chart it is possible to calculate in more specific terms, the extent of the waste oil problem. In industry, where there is an economic incentive to reuse previously used oil through in-house recycling, the rate of wastage is in the neighborhood of 29.6 percent of virgin oil consumption.

On this basis 300 million gallons of waste oil were produced in 1967, 330 million gallons in 1969, and roughly 330 million gallons in 1971. A projected 355 million gallons will be produced in 1975.

With automobiles the rate of wastage is much higher; there is not the economic incentive to recycle that there is in an industrial process. On the basis of 66 percent wastage, there was approximately 680 million gallons of waste auto lube oil in 1967, 690 million gallons in 1969, and a projected 730 million gallons for 1975. That means that by 1975, each registered vehicle in the United States will be producing over 6 gallons of waste oil each year.

OIL RECYCLING: FEDERAL DISINCENTIVES

The real environmental problem presented by the improper disposal of these wastes underlines the need for positive incentives to insure that waste oils are not merely dumped onto the ground or into sewers, or incinerated before the dangerous contaminants are removed.

There were approximately 150 used-oil re-refiners in the United States in 1965; today there are 48. Domestic re-refining capacity has shrunk from 300 million gallons in 1960 to about 150 million gallons today. A few years ago it was generally profitable for re-refiners and independent used-oil collectors to pay several cents a gallon for used oil; today those seeking to dispose of used oil often must pay several cents per gallon to have it hauled away. What has caused this drastic decline in the oil recycling industry at a period when concern for the Nation's environment has grown tremendously? The answer, as with many recycling problems, appears to be largely a product of the adverse actions of the Federal Government.

In 1965 the Excise Tax Reduction Act leveled a double-barreled blast at the re-refiners. Before that time there had been a 6-cent-per-gallon tax levied on the manufacturer of lubricating oil which was paid by the first user of that oil. Since re-refiners were exempt from paying this tax—the tax on the original oil had already been paid—the net result was a 6-cent-per-gallon competitive edge. The Internal Revenue Service changed all that in 1965, when it ruled that since these funds were to go into the Highway Trust Fund, off-highway users, notably railroads, could be refunded their full tax payments at the end of the tax year when they purchased 100 percent new lubricating oil. The IRS also refused to allow tax refunds on any new oils that were used in blending re-refined oil. Thus the re-refiners lost their 6-cent-per-gallon margin in competing for the off-highway user market, and were required in addition to pay the 6-cent-per-gallon excise tax on all new oils purchased which are necessary in the re-refining blending process.

Also in 1965, the Federal Trade Commission ruled that all containers of re-refined oil produced for sale to the public had to be prominently labeled "previously used." While a true description as far as it goes, the obvious connotation of inferiority quickly plummeted retail sales of re-refined oil to half the previous level, and the industry never recovered its share of this massive consumer market.

The effect of the FTC ruling was increased by the lack of any objective methods for comparing recycled oil with new oil. Neither the Federal Government nor private oil interests have ever developed general performance standards or economically feasible testing procedures for new oils—let alone recycled oil—a failure which has largely frustrated the recyclers' efforts to convince the public of their products' comparative worth.

Another result of this lack of comparison testing is the current Federal procurement policy that all Government purchase oil must be new regardless of the quality of rerefined oil. This policy has the effect of reducing the available outlets for rerefined oil, not only from Federal Government use, but also from many municipal, State and private users who buy lubricants on the basis of these specifications.

TECHNOLOGICAL OBSTACLES

There are other, technological problems which discourage the rerefining of used oil. The increased use of additives, while increasing the life of virgin oil, creates difficulty in the rerefining process. The very nature of these additives—ability to withstand high temperatures, great pressure, and chemical deterioration—makes them difficult and costly to remove from used oil.

There is no easy way out of the difficulties presented by additives in oil. We may find that certain additives will limit the range of end uses for certain types of rerefined oil. Perhaps we should begin to discourage the use of new additives unless their total benefits outweigh the total costs, including those to the recycling industry.

The final reason for the decrease in the amount of used oil actually recycled is environmental. Conventional rerefining technology yields a high percentage of acid sludge and other solid waste byproducts. These byproducts may account for up to 30 percent of the total oil processed. The rerefining industry is finding that these unrefinable sludges pose a serious waste disposal problem. In short, they cannot be disposed of without further treatment, necessary to meet Federal and State pollution laws.

Nonetheless, techniques are presently being developed to significantly reduce the amount of sludge residue that results from the reprocessing of used oil. These new techniques offer hope that the capital and operating costs associated with the disposal of waste residues will not render the recycling process uneconomical in the future. Specifically, research has revealed that the percentage of acid sludge residue can be cut to as little as 5 percent of the volume of the used oil processed.

In light of the enormous problems created by waste oil and its improper disposal, I am preparing to reintroduce legislation, the Oil Recycling Act of 1973, which is designed to correct and eliminate many of the problems which I have outlined. During the coming weeks, I will be circulating this bill among the Members of the House, in the hope that they will join with me in supporting this important environmental and energy conservation proposal.

LYNDON B. JOHNSON

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 6, 1973

Mr. CLARK. Mr. Speaker, history will record the late Lyndon B. Johnson as a great President, a great humanitarian, and a forceful leader of his Nation in a time of great crisis.

As a Member of the House and as majority leader of the Senate, Lyndon Johnson was a zealous guardian of the rights and prerogatives of the legislative branch of our Government. As President, he respected the legislative processes.

Although he was known as a rough and tough politician who knew how to get results when toughness was needed, he was a great persuader whose sincerity was convincing. He was self-sacrificing to the extent that he voluntarily gave up the most powerful office in the world—that of President—when he failed to obtain a just and lasting peace in Vietnam.

Lyndon Johnson was the champion of the little man and the underprivileged and he pushed through Congress a mountain of legislation to help them. He fought for justice and equality for all Americans. It can truly be said that Lyndon Johnson, the man and the leader, as as big as his native State of Texas.

DANGER IN ENDING FARM SUPPORTS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ZWACH. Mr. Speaker, the people of our Minnesota Sixth Congressional District are gravely concerned about suggestions that farm support programs be discontinued when the new farm bill is passed.

This is a very serious problem and it is the subject of many news stories and editorials in our predominantly rural area.

One of the most knowledgeable of such articles recently appeared in the West Central Daily Tribune at Willmar and was written by Wesley B. Sundquist, head of the Department of Agriculture and Applied Economics at the University of Minnesota.

Since editor O. B. Augustson of the West Central Tribune said that not many articles from the university concern themselves with the problems of the countryside, this story takes on special significance.

Because farm legislation is being discussed at this time, with your permission, I would like to insert Mr. Sundquist's article in the CONGRESSIONAL RECORD and urge my colleagues to read it and remember its implications.

FROM EXTENSION SERVICE OF UNIVERSITY OF MINNESOTA

Phasing out government support payments may not be too painful for farmers during the current period of strong market demand and favorable prices, Wesley B. Sundquist, head of the Department of Agriculture and Applied Economics at the University of Minnesota, said.

But, should a combination of weaker market demand and high supplies reduce commodity price levels, farmers certainly will miss the two or three billion dollars in government payments which they have become accustomed to in recent years. Many would also miss the price and income stability which farm programs have produced, he added.

The Nixon Administration this past week proposed to begin phasing out payments made to farmers for commodity price supports and for complying with acreage planning restrictions starting when current farm legislation expires after the 1973 crop year. If the phaseout is implemented, it would be the first time in recent decades that U.S. farmers' incomes have not been substantially augmented by government payments.

"The current proposal for phasing out income payments appears to be similar to legislative proposals brought forward several times during the 1960's but never enacted into law. And, though farmers voted decisively to reject mandatory acreage controls in the 1960's, a majority of farmers and farm organizations appear to have favored some type of voluntary programs which included price supports and payments for restricted plantings.

"The proposal for payment phaseout comes at a time when there is strong demand in world markets for wheat, feed grains and soybeans. As a result, prices for these farm commodities are at or near their highest levels in recent years. In addition, it is expected that the set-aside acreage in 1973 will be only 20 million acres nationally, down from about 60 million acres in 1972. Despite this major increase in cropland use in 1973, price prospects remain very strong for soybeans because of severe protein shortages in world markets. Wheat prices also are expected to hold at strong levels through 1973. However, should the poor weather of the recent past in Asia and Eastern Europe improve, larger world food grain supplies, particularly of wheat, could result in lower feed grain prices by 1974. A large corn crop this year could result in lower feed grain prices by as early as this fall.

"The administration proposal also calls for the elimination of price supports for dairy products. As in the case of grains, recent market strength has brought milk prices to levels well above current supports. However, most analysts are uncertain as to whether the strong market for milk and some other dairy products will continue over the next several years. Should the demand for dairy products weaken and milk production continue to increase, milk prices could come under considerable pressure," Sundquist said.

U.S. FIRE ACADEMY

HON. W. S. (BILL) STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. STUCKEY. Mr. Speaker, today I picked up the March issue of the International Fire Fighter magazine and saw the headline "20th Massachusetts Member Killed in Line of Duty in 14 Months."

This points up once again the fact that firefighting is the most hazardous occupation in this country. In 1971, professional firefighters suffered 59,976 injuries on the job. During that same year, 106 men were killed in the line of duty. There are four times as many deaths per 100,000 firefighters as among nonmanufacturing workers and nearly nine times as many work-related deaths as manufacturing workers.

Antiquated techniques and lack of an efficient way to channel new advances to the local fire station are responsible in part for these statistics.

Thus, I am glad to be cosponsoring legislation today that would help attack this problem by setting up a U.S. Fire Academy to train firemen throughout the country in the latest fire combatant techniques.

With all the great technology that this country has, we should certainly be putting some of it to use in further improving our Nation's firefighting abilities.

SPEAKER ALBERT ABLY LEADS FIGHT FOR STRONG CONGRESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. EVINS of Tennessee. Mr. Speaker, I was most impressed recently with your powerful and cogent arguments at the recent Time magazine dinner on the vital importance of returning and restoring powers of the Congress which have been eroded over the years to the executive branch.

At this dinner meeting when the issues of the crisis in Government and erosion of congressional powers were debated, Speaker Albert by all measurements of the applause meter won the debate.

The Congress needs strong, affirmative leadership, especially at this time—and this is the type of leadership Speaker Albert is providing.

Because of the excellence of your address and because of the interest of my colleagues and the American people in this most timely and important matter, I place your remarks in the Record herewith.

Speaker Albert's remarks follow:

ADDRESS BY REPRESENTATIVE CARL ALBERT

I congratulate Time for the energy and effort it is putting into the business of the relationship between the Executive and the Legislative Branches of our Government and particularly the emphasis that it is trying to place upon the Congress.

In the very first paragraph of the very first issue of Time magazine, March 1923, that now-illustrious periodical said:

"The man who was elected President by the largest plurality in history has been reproved by a Congress controlled by his own party."

This observation made on the birth date of Time magazine points up, perhaps, that the differences presently separating Congress and the President are not new but are a part of our sustained experiment in self-government.

The historic separation of powers between the Executive and the Legislative Branches of Government is being tested on many fronts and on four principal issues.

Out of the tragic lessons of Viet Nam, we have been brought to realize that despite the apparent imperatives of the cold war, this country can never again accept without question the paternalistic dogma that "the White House knows best," as applied to war and peace.

Also at issue is the question of Executive privilege and the power of the President to reorganize the Executive departments even though Congress has refused to do so.

The central issue, however, referring to remarks previously made, at the present time grows out of the impoundment of congressionally appropriated funds.

It seems that the question confronting us today is, as it has always been, just where does congressional power begin or end, and just where does the opposite take place with respect to the Executive?

No series of acts strikes more directly at Congress's fundamental power over the purse, perhaps, than what appears to be the usurpation of that power by the President's impoundment of appropriated funds, particularly as they took place in the last months of 1972 and since that time.

Now, may it not be argued, have not other presidents done this also? Well, of course, up to a point, the answer is yes.

Impoundment of small sums, of reasonable sums, funds that become unnecessary before expended goes back at least to Jefferson. But the President, for all practical purposes, at the present time appears set by the use of the impoundment of funds to imprint on the pages of history during his second term his philosophy of government, regardless of what the Congress might think about it.

The Federal Water Pollution Control Act amendments adopted in 1972, were passed and re-passed over a presidential veto, yet the President has impounded these funds, ultimately releasing less than one half of the money provided to cope with a critical problem over the next two years. All power to legislate, if I understand Section 1 of Article I of the Constitution, and the language is very simple and very plain, is granted to Congress by the Constitution, and to no one else.

The Congress has denied Presidents the item veto, the equivalent of legislative authority, for more than one hundred years. It is obvious that what Congress has refused him, the President nevertheless undertakes to seize. What Congress has decreed, the President has circumvented.

Now the issue here is not whether we should have a tax raise or not, although as a member of Congress I don't vote for tax raises happily. The issue is not whether we can afford inflation or not, although everyone knows that inflation eats at the heart of the average American's pocketbook. The issue here is, where do we draw constitutional lines and do we believe what we say when we say that we will support and defend the Constitution of the U.S.? That is the overriding issue.

Now the President, if I understand his Inaugural Address, has interpreted his re-election as a mandate to strike down the domestic programs passed by Congress over the past 30 years. How such a mandate, if it is a mandate, can be carried out in the Democratic 93rd Congress, fresh from the people, is a puzzle to me.

Congress has received its own mandate, a mandate which our large and, I think, able majority will meet by safeguarding and using our constitutional and exclusive power to legislate on behalf of the American people.

Are we equipped for this task? I see Congresswoman Green here. I had a letter from her, I think yesterday, saying, why doesn't somebody write a book telling what is right with Congress? There is no fun in doing that, but I think she asked an intelligent question.

Let's make a few observations.

The quality of members of Congress today on both sides of the aisle and in both Houses is in my opinion as high as it has ever been in the history of this Republic.

We are neither mired in tradition nor doomed by hardening of the organizational and procedural arteries.

All of us are acutely aware that in order to maintain its strength and vitality, Congress must continually, as must every other institution, retool and reorganize as conditions and problems change. All too often, however, our achievements in this direction are overshadowed, particularly in the press, by more dramatic events, such as the progress of the President's legislative programs, or the appearance of the President or of one of his closest advisers, or the fall from grace of an individual member of Congress.

Modification of the seniority system alluded to by Senator Scott, actually has been underway in recent years in both houses, maybe not as much as to suit some people and maybe too much to suit many others.

In the House of Representatives we have limited the number of the subcommittees senior members may chair, and we have distributed these positions of influence among newer members of the House. I think we have 107 subcommittee chairmen in the House of Representatives today. We are electing in party caucuses today committee chairmen and ranking minority members.

Similarly in a continuing process of adaptation, we have revitalized the caucus and strengthened the party leadership. We have opened up committee and voting procedures to provide for greater accountability. We have established just a very few years ago, a Committee on Standards of Official Conduct and we have reformed our election reporting laws.

We have expanded our information resources, augmented our professional staff, perhaps not enough, but we have expanded them more than we have room to take care of them in the existing facilities of the House of Representatives. We have strengthened existing congressional research agencies, authorized and funded a Joint Committee on Congressional Operations, and created a new Office of Technology Assessment.

The Joint Committee on Congressional Operations, in consultation with my office, has commissioned work on a major study of congressional communication techniques and potential.

The place of change, the tempo of our attempts to find more effective, more open and more democratic ways to meet our responsibilities has increased steadily over the past two years.

Remember efficiency, perfection, are not the only goals of a democracy. You can't have a free press without a free Congress. You can't have a free Congress without a free press.

You can't have a democratic Congress without recognizing the rights of all of the members even though you do so sometimes at the expense of a more efficient form of government that we might have under a benevolent monarch.

This momentum of change will be sustained during the 93rd Congress.

A new Joint Committee on Budgetary Control is considering methods for strengthening congressional control over the amount and direction of federal expenditures. Meanwhile, Senator Mansfield and I are planning regular joint leadership meetings throughout the session to maintain a check on the pace of the Congress and to consider changes in the legislative program that may seem desirable. We had a breakfast with the entire leadership just yesterday morning; the two Houses on both sides of the aisle, and we have the responsibility for leadership.

And in another area of particular concern, I have asked a select committee, headed by Representative Richard Bolling, who is an author of books on Congress, to study the committee structure in order to ensure that our committees do not work at cross purposes, that there is a minimum of duplicated effort, that some committees are not idle while other committees are overworked, and that all have the space in which to do this work. This is the first study of the structure of House committees to be carried out since 1946.

I wish you would examine the biographies of the members of that committee, which Gerald Ford and I put together, and determine for yourselves whether we have chosen a cross-section of members of Congress with extraordinary academic preparation. They compare favorably with 90% of the men that have held the office of President of the U.S. throughout our history.

Organizational, housekeeping, and other problems created by the tragic loss of Hale Boggs, the Majority Leader, in the closing days of the last session brought graphically home to me the congressional hiatus that always exists between election day and the day that Congress convenes. This is no reason why we should not do for ourselves what we have done for presidents over and over again in the transition period.

Nixon was elected in November. We gave him the money to make his transition, even when he himself was in control all of the time between election day and his Inauguration on January 20th. There is no reason why we should not authorize and fund a program that would enable the party caucuses to meet in the weeks after the election, nominate candidates for leadership and committee positions, and thus have this organizational work done when the new Congress assembles.

We should be prepared to begin our substantive work in January or February, and not in March or April, as we have done in nearly every first session of every Congress since I have been a member. It is my hope that this is a matter to which we will devote some attention.

As important as continued improvement in our work ways may be, this alone will not check the accelerating usurpation of power by the Executive Branch.

What the President is doing, it seems to me, is creating a crisis that goes to the very heart of our constitutional system, although he may be doing it for a purpose that, in his own mind, is entirely worthwhile. This is the action that must be challenged by the other coequal branches.

The courts should speak to the issue that is presented to them. The Congress should speak to the issue. The American people should insist that the balance of powers stipulated in the Constitution should be respected.

This is an issue to which committees in both bodies of Congress are addressing themselves. I see here one of the greatest constitutional lawyers in America, Senator Ervin of North Carolina, respected for his knowledge and defense of the Bill of Rights, and the body of the Constitution itself. He is already addressing himself to this subject in these very early days of the first session of the 93rd congress. On our side, we are calling upon appropriate committees and eminent constitutional authorities to give us such insight as they have on this subject. Several bills already have been introduced dealing with these matters.

Our aim is positive in that we seek to retain the constitutional prerogatives of our branch of Government. Our aim is not to diminish the presidency or to attack the President. We need a strong President. Our aim is to command the respect of the Executive for the functions of the Congress as representatives of the people.

Our aim is to protect the people's branch of the Government. We need a strong people's branch and I think we have one. Of course, the people will ultimately decide on how this issue will be resolved. They always have and they always will unless we completely change the form of government under which we operate.

I call to mind a succinct and still meaningful answer given us by Woodrow Wilson when he said: "Democracy flourishes only as it is nurtured from its roots. A people shall be saved by the power that sleeps in its own deep bosom or by none. The flower does not bear the root, but the root the flower."

Thank you.

THE HONORABLE LYNDON BAINES JOHNSON

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. TEAGUE of Texas. Mr. Speaker, the Texas State Legislature on February 20, 1973, unanimously adopted a house concurrent resolution on the late Lyndon Baines Johnson, 36th President of the United States which I desire to place in the Record at this point:

House Concurrent Resolution No. 35

Whereas, A Life which was devoted to Honour and its Country, is no longer ours.

With the death of President Lyndon Baines Johnson on January 22, 1973, Texas and the Nation lost one of its most distinguished sons and the World one of its greatest leaders. The loss is felt across the "flaming ramparts of the world."

Who can look back upon the public services and exalted virtues of the deceased, without exclaiming in the anguish of despair . . . "Is he, too, numbered among the silent dead"? He who bore the anguish and travails of a war against aggression, to which he succeeded, is gone to the realms of eternal peace; and

Whereas, History already has built around him a name and a fame that will light the pathway of generations yet unborn for centuries to come. Patriotism and admiration will not let us forget his mighty stroke of compassion for his fellowman and his unswerving devotion to duty. His talents were employed on the side of righteousness and at whose approach oppressed humanity felt a secret rapture. It was thus that he sometimes soared so high and shone with a radiance so transcendent "as filled those around him with awe and gave to him the force and authority of a prophet." President Johnson lived a life characterized by splendid manhood—crowded with deeds and crowned with honours. He was superb in his effort to attain the goals to which he aspired. His actions vitalized the principle that "they fail, and they alone, who have not striven"; and

Whereas, This tall Texan—large as Texas, herself—a son of the picturesque and enchanting vistas of the Hill Country, which he dearly loved, coursed by the cool, clear waters of the meandering Pedernales River, inspired by the rugged land from which he sprang and in which his roots were laid deep, rose to the pinnacle of world fame upon the precepts and examples taught and set by his fond and loving mother, Mrs. Rebekah Baines Johnson, and his distinguished father, Honorable Sam Ealy Johnson, Jr. with encouragement from his loyal helpmeet of 38 years, the lovely "Lady Bird" Johnson; and

Whereas, Following his graduation from Southwest Texas State Teachers College, now Southwest Texas State University, at San Marcos in February, 1927, he taught school at Cotulla, Texas, before becoming an aide to the late Honorable Richard M. Kleberg, Sr., then United States Representative from Kingsville, thereby launching a public and political career spanning nearly 40 years of continuous, constructive service to his country and to the world. After serving as Director of the National Youth Administration in 1935, he was elected to the United States House of Representatives in 1937, in which he served with dedication to the ideals of his friend, President Franklin D. Roosevelt. Following a period of "seasoning" in the House, under the leadership of Speaker Rayburn, familiarly known as "Mr. Sam", with an interlude of courageous service in the

United States Navy during World War II, he was elected to the United States Senate in 1948. By dint of hard work, coupled with his innate ability, his training, his skills and energy, he became the Majority Whip in 1950. Senator Johnson was chosen as Majority Leader in 1953, in which capacity he distinguished himself and demonstrated his dynamic leadership with his policy of "reasoning" together. He was called the "most powerful man" in America, as he guided the Democratic-controlled United States Senate through a period of responsible cooperation with the Republican administration of President Eisenhower. It has been said that "Johnson was the Senate and the Senate was Johnson"; and

Whereas, With his acceptance of the nomination of his Party and his election to the Vice Presidency in 1960, Mr. Johnson served in that office with dignity, honour and loyalty while carrying out numerous missions and responsibilities delegated to him by President Kennedy. Whatsoever his hand found to do, he did it with all his might.

The leadership of our country passed into the capable and experienced hands of President Johnson when President Kennedy succumbed to the assassin's lethal messenger. There was hope and assurance for America midst the sadness of the hour. His legislative, diplomatic, political and native abilities provided him with the experience and valuable knowledge peculiar to the Office of President of the United States, gained from his close association with Presidents Roosevelt, Truman, Eisenhower and as the "right arm" of President Kennedy, available to no other man on the American scene, to lead our country; and

Whereas, Among the many and varied proposals which became the law of the land during his administration are to be found greatly increased Federal Aid to Education, Medicare and Medicaid, the 1964 Civil Rights Act, the 1965 Voting Act, the War on Poverty, to mention some. While President Johnson's public service was fraught with controversy—a characteristic of strong-willed and determined, dedicated men—nevertheless, his noblest motive was the public good. It may be said of him that he made many friends and lost very few. He made many enemies of the right kind and kept them all. He said that he could not prescribe a formula for success, but that the formula for failure is to try to please everybody. His success was due, largely, to his constancy of purpose; and

Whereas, President Johnson, like former President Truman, was plagued by a foreign conflict during which he strove to preserve the integrity of our treaty commitment, negotiated by a former administration and affirmed by subsequent action of the Congress with the adoption of the "Gulf of Tonkin Resolution." He believed that if America reneged on her agreement it would imperil many other nations and, consequently, jeopardize the peace of the world. He never wavered in his desire and efforts to bring about an honourable peace. President Johnson was, in his day, a muchly maligned man. He knew that blatant demagoguery and a scurrilous press must be tolerated and borne by patriots. Comfort, however, could be found in the words of General Washington who said that "Real patriots who resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people to surrender their interests"; and

Whereas, President Johnson's courage and patriotism were never more genuinely demonstrated than when, on March 31, 1968, he offered himself a willing sacrifice to the good of his country hopefully to end the Vietnam War with his decision not to become a candidate for re-election; and

Whereas, His private virtues, his public services, his great abilities, involuntarily excite the warmest feelings for him. In all the private relations of life he was honest, faithful, generous and humane and his heart was the seat of manly virtue.

His public services were many—splendid and great. His memory is enshrined in the esteem and affection of his contemporaries and will be consecrated by the gratitude of his country to future ages; and

Whereas, He may have had failings. On these let the tear that pities human weakness fall; on these let the veil which covers human frailty rest, since posterity is incurious about the minor faults of its heroes; and

Whereas, President Johnson was married to Miss Claudia Alta Taylor, familiarly known as "Lady Bird" on November 17, 1934, to which union was born two charming daughters, Lynda, now Mrs. Charles S. Robb of Charlottesville, Virginia, and Luci, now Mrs. Patrick J. Nugent of Austin, Texas, both of whom gave joy and delight to their doting father. President Johnson not infrequently said that the charming, intelligent and understanding companionship of "Lady Bird" profoundly influenced his course and career; and

Whereas, He was beloved by his friends, endeared to his family; the statesman, the patriot, is gone. At the fall of such a man, grief is silent and eloquence muses eulogiums which cannot be expressed. He has left us the remembrance of his greatness. As the gigantic figure that envelops men within the folds of his dark mantle, and even with the robe drawn about him, President Johnson seems so unshrouded that—

"Nothing can cover his high fame but heaven; No pyramids set off his memories But the eternal substance of his greatness; To which I leave him"; and

Whereas, This Concurrent Resolution was prepared at my request by Honorable Dorsey B. Hardeman, a former member of this body, a long-time member of the Senate and a friend of President and Mrs. Johnson for more than 30 years; now, therefore, be it

Resolved by the House of Representatives of the 63rd Legislature of the State of Texas, the Senate concurring, That they express their abiding sympathy to Mrs. Johnson and the surviving members of the family, and their admiration and gratitude for the life and contributions of the man whose simple dignity consisted not in possessing honours but in deserving them by his faith and his works through which he brought joy to his Creator; and, be it further

Resolved, That copies of this Resolution be forwarded to Mrs. Johnson and her daughters; to President Nixon and to all members of the Texas delegation in the Congress of the United States, by the Clerk of the House of Representatives, under the Seal of the House, and that the members of the House of Representatives and of the Senate devote this day to pious contemplation, suitable to the melancholy event which it commemorates and that pages in the respective Journals of each House of the 63rd Legislature of the State of Texas be set aside for preserving this Resolution in memory of President Johnson in the knowledge that men's homage and their love shall never cease to follow him.

PROGRAMS FOR THE DISABLED AND MENTALLY RETARDED IN TENNESSEE

HON. W. E. (BILL) BROCK

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, March 14, 1973

Mr. BROCK. Mr. President, the newly proposed Health, Education, and Welfare guidelines for social services are going to cause serious problems for the families of mentally retarded and handicapped children in Tennessee. In the last 2 weeks I have received over 2,000 letters from concerned parents and citizens about this problem, and letters continue to pour in from every part of Tennessee. I ask unanimous consent to insert in the Extensions of Remarks the following two of the many letters from affected persons.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEAR SENATOR BROCK: I am writing concerning some new proposed regulations of Title IV-A of Social Security Act that would exclude from services (at retarded schools) anyone under 17½ whose parents make over 2,623.33 per year.

We are in middle income bracket—both work hard for what we have and pay lots of taxes and have a retarded son at Sunshine Center for Handicapped in Knoxville. He is also emotionally disturbed from brain damage so isn't eligible for city or county school programs. Until we got him in Sunshine Center, he had spent quite a lot of time at Eastern State—a heart breaking thing for a 10 yr. old (when he went). In his nearly 2 yrs. at the center he is completely manageable and happy and spends all nights and weekends at home.

There are many people just like us—not on welfare and not rich with no place to go for help for our retarded (until Sunshine Center). Please don't let these regulations go into effect. We will appreciate any help.

Sincerely yours,

——, ——.

DEAR SENATOR BROCK: I am writing over my concern for the complications and far-reaching harm and disruption brought about by Public Law 92-603. It touches so many households so very seriously.

Our son, Dan, is an eight year old mongoloid child. He attends Jackson Day Care Center for Mentally Retarded, and has made tremendous progress in the three years he has been a part of their program. We made the decision to move to Jackson three years ago largely on the basis of his attending this wonderful institution. Now we are told that, because we earn more than $2600 per year, Dan will be ineligible to attend this school after March 14. We are hardworking, taxpaying constituents of yours. It seems so ironic that the very taxes we pay to support the programs this school provides are no longer available to our child because we earn over $2600.

Dan has developed so beautifully in the past three years. He has begun to talk, is learning simple table manners, and has learned to take care of most of his bodily needs including the very simple act of going to the bathroom—something the average person takes for granted. We are crushed about the possibility of his not being able to continue in this school.

This will also cause financial repercussions in our household. On the basis of my wife's working outside the home to supplement our income, we bought a house here in Jackson last May. Part of her salary goes to pay taxes and insurance. If she must now stay home to keep Dan, we stand a very good chance of losing our house. We would realize no real benefit from her working if she had to hire a babysitter.

As hardworking people who pay our taxes and ask for no handouts, we plead with you to use your vote and influence to repeal this law. People in middle incomes have retarded children also! It is not fair to take their retarded children out of such programs when these children have no other schools available to them. We ask for your help in this matter.

Sincerely,

——, ——.

Mr. BROCK. Mr. President, following is a list of some of the Tennessee institutions for the handicapped which will be seriously curtailed:

Cordell Hull Economic Opportunity Corp., Lafayette.
Dawn of Hope, Johnson City.
Easter Seal, Martin.
Ester Seal, Paris.
Easter Seal, Union City.
Hardeman County Child Development Center.
Hardeman County Adult Activity Center.
Orange Grove Center, Chattanooga.
Donelson Child Development Center.
Gibson County Child Development Center.
Jackson Day Care Center, Jackson.
Morning Star Day Care Center.
Metro Day Care Center, Nashville.
Metro Adult Activity Center, Nashville.
Roane County Child Development Center.
Rutherford County Child Development Center.
Shelbyville-Bedford County CDC.
Siskin Memorial Foundation.
Sunshine Center, Knoxville.
Pine Mountain Education and Development Center for Children.
Pine Mountain Education & Development Center, Jellico.
Served, Inc., Smithville.
Pacesetters, Inc., Smithville.
Training and Habilitation Center, Nashville.
Helping Hands, Rogersville.
New Horizons, Nashville.
Coffee County Skills.
Jackson-Madison County Adult Activity Center.
Kings Daughters, Columbia.
Peabody, Nashville.
Heads Up, Nashville.
Team Evaluation Center, Chattanooga.
U. T. Child Development Center, Memphis.
Foster Grandparent, Memphis, Nashville, Greenville.
Greene Valley Hospital/School, Greenville.
Arlington Hospital/School.
Clover Bottom Hospital/School.
Outreach, Nashville.

These institutions and their programs involve a total of 3,184 children and adults.

It was not the intent of Congress to deprive families of these much needed services.

I fully recognize the need for new regulations for social services spending, but I have recommended some changes to bring these regulations in line with the needs of the people of Tennessee.

I have written Secretary Weinberger the following letter incorporating these suggested changes:

U.S. SENATE,
Washington, D.C., March 2, 1973.

Hon. CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare, Washington, D.C.

Re: 45 CFR Parts 220, 221, 222, and 226. Service Programs for Families and Children and for Aged, Blind, or Disabled Individuals: Titles I, IV, (Parts A and B), X, XIV, and XVI of the Social Security Act.

DEAR MR. SECRETARY: I am extremely concerned about the effects of the proposed social service regulations on worthwhile programs in Tennessee. While I fully support measures to ensure fiscal responsibility, some parts of the proposed guidelines seem to be counter-productive.

I am in favor of continuing the current provisions which permit matching of privately contributed funds. Private-public cooperation in solving human problems is an essential element of our American way of life. In Tennessee, individual communities have repeatedly demonstrated sincere interest in procuring services for their citizens by raising local monies to match state dollars. This private-public partnership provides some excellent programs which will suffer needlessly if this proposed section goes into effect. Such abuses as have been reported in other states will be amply covered through the more stringent requirements provided in sections of the proposed regulations.

The income eligibility standards proposed for services to additional families and individuals are unrealistically low and will cause unnecessary hardship, for example, to families with mentally retarded and handicapped children. The time period definition of potential and former recipients also appears to be unreasonable. As soon as the employment-related day care program has allowed former welfare recipients to find employment, they will be denied day care eligibility.

In the State and Local Fiscal Assistance Act of 1972, Congress recognized the importance of providing service to several classes of persons. These categories include employment-related child services; family planning services; services to the mentally retarded; services for alcoholics and drug addicts undergoing treatment; and foster care services.

These classes were exempted from the requirement that not more than 10% of the funds could be spent for current recipients or applicants for state assistance; yet, by defining the other eligible persons as stringently as has been done in the proposed regulations, adequate coverage of these specially recognized categories has in effect been eliminated. The main thrust of my recommendations is to ensure that the definition of individuals eligible for service implements Congressional intent.

In particular, I would like to recommend the following changes:

1. Revision of Section 221.62, "Private sources of state's share," to allow federal matching of privately donated funds. Change "Donated private funds or in-kind contributions may not be considered" to "Donated private funds or in-kind contributions may be considered." For the same purpose, delete from Section 211.61(a) the phrase "other than those derived from private resources."

2. Revision of Section 221.6, "Services to additional families and individuals," proposing new standards of eligibility for recipients, as follows:

Section 221.6(2). Rather than reducing the period for coverage of former recipients from two years as in the present regulations to three months in the proposed regulations, I recommend a one-year period of eligibility for former recipients. At a minimum the period so designated should be nine months.

Section 221.6(3). Rather than reducing the period for coverage of potential recipients from five years as in the present regulations to six months in the proposed regulations, I recommend a two-year period of eligibility for those defined as potential recipients.

At a minimum the period so designated should be 18 months. Additionally, the mentally retarded and severely handicapped are unlikely to alter their status as potential welfare recipients; therefore the time limit with respect to these groups does not seem warranted.

Section 221.6(3) (i). The limitation to those whose income levels do not exceed 133% of the State's financial assistance payment level places severe burdens on families with handicapped or mentally retarded children and others. In Tennessee, families with handicapped children could previously be covered with incomes of up to $7,500; now families who earn more than $2,600 cannot be provided these social services.

I am in sympathy with the intent of the proposed regulations to ensure that these services are available primarily to the target groups, i.e., current welfare recipients. However, in order to avoid creating a situation where marginal people not now on welfare are forced onto the welfare rolls due to loss of these services, these income limits should be more closely related to nationally defined poverty levels.

I would suggest coverage of persons whose incomes fall below the regional lower living standard of the Bureau of Labor Statistics. Since this coverage would in any case be limited to the 10% non-recipients (and the excepted categories), this higher level for these groups would still result in a significant overall budgetary saving.

In any case, the regulations should be made clearer as to whether the income level cited refers to gross or net income. I recommend that item 221.6(3) (i) be clarified so as to refer to net spendable income.

Other items in Section 221.6 deserve careful review. For example, the specification of a lower age limit of 17½ years for coverage under 221.6(3) (iv) (c) would have the effect of excluding from coverage mentally retarded children too old for day care programs and too young to qualify under this section. Similarly, the "within six-months" limit for prospective medical dependents would seem to rule out coverage of mentally retarded and handicapped individuals who would not be financially independent within six months, yet whose prognosis clearly will be eventual dependence on financial assistance.

All of this section should be carefully reviewed to provide for these special cases.

3. *Section 221.9,* Definitions of Services. It is not clear to me why Federal Interagency Day Care Requirements have not been included in the definition of employment-related day care services. To ensure proper care of children placed in these centers, adequate standards should be retained.

4. *Section 221.5* (*b*) (*1*), "Statutory requirements for services". I would like to see a rethinking of the mandatory categories provided in the new regulations. While I agree that the states should play a greater role in determination of needs, certain categories do lend themselves to nationwide coverage. I would recommend retention of the same categories for mandatory coverage recognized as particularly important in the State and Local Fiscal Assistance Act of 1972. In addition to the three services proposed as mandatory in the new regulations, I would also retain employment-related day care, services to mentally retarded individuals, and services to drug addicts and alcoholics as mandatory under these regulations.

In many of our counties, these resources are the only ones presently available to serve some sectors of our population. In light of the severe dislocation that is likely to result in an abrupt halt in these programs, I ask that these programs be continued on their present basis for at least 90 days following the adoption of the new regulations to provide adequate time for the state to make alternate arrangements.

In closing, I would like to reemphasize that Congress recognized the need to limit spending for these services and exercised its responsibility by placing a $2.5 billion spending ceiling. The regulations should be designed to implement the Congressional ceiling, not lower it further.

Thank you for your attention to the views presented here.

Very truly yours,
BILL BROCK.

TIME FOR CHANGE IN OIL AND GAS TAX LAW

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. VANIK. Mr. Speaker, on Monday, February 26, 1973, the Ways and Means Committee was privileged to hear testimony from Professor of Law J. Reid Hambrick, of George Washington University's Law School. Professor Hambrick presented excellent testimony on the need for the elimination of double benefits in the income tax treatment of oil and gas production.

As Professor Hambrick summarized his statement:

> It is time to turn a deaf ear to the extravagant rhetoric of this industry and stop temporizing over its phony tax incentives! The time has come to put a stop to this arrant nonsense, and regularize the income tax treatment of this industry. We have two income tax systems: one for the oil and gas industry, and one for everybody else. If the taxpayers of this country understood this, change would not be long coming!

In the hope that Professor Hambrick's testimony can help the Congress and the general public better understand the absurdity of the tax law as it relates to the oil and gas industry, I would like to enter in the Record at this point that portion of the professor's testimony which the foreign tax credits as well as the summary recommendations presented to the Committee:

TESTIMONY OF PROFESSOR HAMBRICK

Foreign Tax Credit. Another prominent area where a generous double benefit accrues to the major oil companies is the treatment of income from oil and gas production in foreign countries.

Unlike the situation in the United States, where the landowner typically owns the mineral rights under his land, in most foreign countries the mineral rights belong to the sovereign. Accordingly, when a concession is granted for the exploration and development of oil and gas deposits in a foreign country, the nation itself reserves a royalty share of the production income. This royalty share is not a part of the gross income of the operating company, any more so than a landowner's royalty would be in this country. Thus, under the terms of the original foreign concessions, the operating companies simply excluded from gross income an amount equal to the royalty payable to the lessor-country. The remainder of the gross receipts represented the gross income of the operator. Percentage depletion at the old rate of 27½ percent was taken on this gross income figure, and after deducting other costs and expenses, the operating company found its net income on which it computed a U.S. income tax. During this period there was usually no income tax payable to the foreign country, and no foreign tax credit to offset the U.S. tax liability.

After the petroleum exporting countries, Venezuela, Saudi Arabia, Kuwait, Iran, Iraq, and others, began agitating for a full 50 percent share of the income from production, the U.S. companies suggested that an income tax be imposed by the lessor-country to secure the additional amount needed to make up a full 50 percent of the production net profits. Of course, the terms of the original concession agreements could have been renegotiated to provide a 50 percent net profits interest for the lessor-country, but that approach had some serious drawbacks. A net profits interest is treated in the U.S. income tax as a royalty or overriding royalty interest payable to the grantor or assignor of the operating rights. Thus, the amount of the net profits payable to the lessor-country would have been excluded from the gross income of the operating companies, and percentage depletion would not have been allowable to them on this amount of the production income. In other words, under our tax, an amount equal to 50 percent of the net profits would have been excluded from the gross income of the company, and its gross income for depletion purposes would have been:

Gross Recipts—(.50×Net Profits) = Gross Income.

For example, if Gross Receipts were $1,000×; operating expenses $150×; recoupable exploration and development expenditures (under terms of concession agreement as amended) $250×; and other miscellaneous expenses $50×, the Net Profits, as determined under the revised concession agreement, would be $550×. Thus $275× would be payable to the lessor-country as its 50 percent share. Under such an arrangement the result for U.S. income tax purposes would have been as follows:

Gross receipts	$1,000×
Less: 50 percent of net profits (computed above)	275×
Gross Income	725×
Less:	
(a) Percentage depletion (22 percent)	160×
(b) Current IDC	175
(c) Operating costs	150
(d) Miscellaneous costs	50
	535
Taxable income	190×
U.S. income tax (48 percent)	91×
Less: Foreign tax credit	0
Net U.S. tax liability	91×

Taking the same example, with the old royalty rate (assumed to 15½ percent) supplemented by an "income tax" imposed by the lessor-country to make up a full 50 percent share of the net profits, compare the U.S. tax results:

Gross Receipts	$1,000×
Less: Royalty Interest	155
Gross Income	$845
Less:	
(a) Depletion (22%)	$186×
(b) Current IDC	250
(c) Operating costs	150
(d) Miscellaneous costs	50
	636
Taxable Income	$209×
U.S. Income Tax (48%)	$100×
Less: Foreign Tax Credit	120
Net U.S. Tax Liability	$0
Excess Foreign Tax Credit	$20×

In this illustrative computation it is apparent that the amount ostensibly representing the foreign "income tax" ($120×) is included in the company's gross income ($845×), so that the company *receives a double tax benefit on this amount:* (i) 22 percent of this amount ($120×) as percentage depletion, and (ii) the same amount becomes a credit against the U.S. tax.

In § 901(e) of the Code, which was added by the Tax Reform Act of 1969, an attempt was made to mitigate the excess foreign tax credits which, as the above illustration shows, generally resulted from present practices. That amendment does reduce the amount of creditable income tax imposed by the lessor-country, but it should be remembered that the credit can never be reduced by this amendment to an amount less than the U.S. tax! Thus, the § 901(e) amendment will serve to eliminate excess foreign tax credits to the extent attributable to our allowance of percentage depletion, and will curtail the practice of using excess credits to offset the U.S. income tax on other foreign earnings which may be subject to other foreign income taxes lower than the tax imposed by the U.S.

In other words, before the § 901(e) amendment, there were *multiple benefits* to be gained from the production of foreign oil. However, that amendment is inadequate to remove the *double benefit* described and illustrated above. The *double benefit* is still present and operating. It serves effectively to exempt this foreign oil income from the U.S. income tax. It is an incredible situation and should no longer be tolerated.

It is believed that for purposes of our income tax the so-called income tax portion of the lessor-country's net profits share should be treated as royalty income payable to the foreign country, rather than income tax. There is no distinction in this situation between royalty and tax. Treating the full 50 percent share as a net profits interest (royalty) would conform to the realities of the situation, and would remove the present double benefit.

Recommendation: It is recommended that the foreign tax credit provisions of the Code (§§ 901–906) be amended to exclude from the categories of creditable taxes—

(i) amounts paid to a foreign country in the form of income taxes pursuant to the terms of a mineral concession granting mineral exploitation rights by such country or otherwise,

(ii) which are determined by the Secretary or his delegate to be, in substance and effect, in lieu of royalties, net profits, or other amounts which such country would have otherwise reserved in the grant of such mineral exploitation rights.

It is recognized that the terms of the major oil concessions in the Middle East countries and elsewhere have been modified in recent months or may be changed in the near future. The present trend is for the host country to recapture a share of the operating rights previously granted by the concessions, and to become a joint operator with the company (or consortium of companies) to which the concession was granted. For example, in the case of Saudi Arabia, Kuwait, Abu Dhabi, and others, each will immediately repossess an undivided 25 percent interest in the operating rights, and by 1982 will have a 51 percent interest.

These new participation agreements will shrink the size of the problem described here, but will in no wise eliminate it.

CONCLUSION

In keeping with the tone of these hearings, *four modest proposals* are offered:

1. Reduce the rate of percentage depletion for oil and gas to 17 percent;
2. Disallow percentage depletion (and allow only cost depletion) until the gross income from a property equals the amount of intangible drilling costs expense in respect of the development of that property;
3. Permit the costs of tangible well equipment to be recovered only through the depletion allowance; and
4. Treat so-called income taxes paid to foreign lessor-countries as royalty or net profits payable, exclude such amounts from the operating company's gross income for depletion, and disallow such taxes as foreign tax credits.

These *are* modest proposals, because each would simply withdraw from the oil and gas industry what is now a *double tax benefit* arising from the same dollar of costs. Percentage depletion, of course, recovers the same dollar of capitalized investment about 16 times over at the present rate of 22 percent of gross income from production. Even at a recommended 17 percent rate, it would recover investment about 12 times over! In fact, the alternative proposal concerning percentage depletion, i.e., to disallow any depletion after *10 times* the tax investment in the producing property has been recovered, is the most radical recommendation in this paper! That proposal would produce more revenue, far more, than any of the others made herein. A reduction in the percentage rate from 22 to 17 would be far less drastic from the viewpoint of the industry itself.

If the average business man in this country, no matter whether his business is small or large, realized that the oil and gas industry is now permitted to recover its investment in producing properties *16 times over*, his sense of outrage and injustice would be devastating! If the average taxpayer, the rich and the poor alike, no matter, were aware of the extreme degree to which the industry has been pampered by our income tax laws and the manner of their administration, his anger over this incredible state of affairs would hasten the day of reckoning that is now so long overdue!

When one considers the manner in which the international oil companies were *and still are* permitted to have the U.S. Treasury pick up the tab for their tribute to foreign oil sheikdoms, while at the same time keeping the cheaper foreign oil out of the U.S. markets, at the expense of our own domestic reserves, and all the while screaming, "Threat to the National Security! Fuel Shortage! Energy Crisis!," it is all a damned disgrace!!

It is time to turn a deaf ear to the extravagant rhetoric of this industry and stop temporizing over its phony tax incentives! The time has come to put a stop to this arrant nonsense, and regularize the income tax treatment of this industry. We have two income tax systems: one for the oil and gas industry, and one for everybody else. If the taxpayers of this country understood this, change would not be long coming!

TIME FOR A MORATORIUM

HON. MIKE GRAVEL

OF ALASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 14, 1973

Mr. GRAVEL. Mr. President, today I introduced the Nuclear Power Moratorium Act of 1973 which would enact an immediate moratorium on the operation, construction, and export of civilian nuclear-fission powerplants. Its no-blackout clause makes allowance for temporary exceptions where time is required to activate nonfission substitutes, provided that operation of every nuclear fission plant shall be terminated no later than January 1980.

The nuclear power industry, the utilities, and the Atomic Energy Commission can spend great sums of our money on attempts to defeat a bill like this, and on magazine advertisements, TV spots, pamphlets, films, and lobbying. In great contrast, moratorium supporters do not have and never will have the money to mount an equal and opposite campaign.

Nevertheless, sooner or later the moratorium will win, for even the most extravagent efforts by nuclear promoters will fail to convince people that filthy nuclear fission is clean, when in fact it is the dirtiest possible way to make electricity. Only nuclear fission makes poisons so deadly that they have to be kept out of the environment for 100,000 years or longer. No matter what nuclear advocates do with all their public relations money, they are stuck with a product which generally grows more repulsive to people the more they learn about it.

Every day, more people are realizing that atomic powerplants are dangerous, unnecessary, and immoral. Recently, thinkers as different as the Rand Corp., Ralph Nader, and the New York Times all issued warnings about nuclear powerplants.

In September 1972, seven members of the Rand Corp. described the unsolved nuclear safety problems which involve emergency cooling systems, fuel-rod damage, and waste storage, and reached the following conclusion:

> Combine these difficulties with increasing reports of poor quality control and documented carelessness in manufacture, operation, and maintenance of these complex nuclear systems and with potentially catastrophic consequences in case of accident, and one can question whether California should proceed with its nuclear future as currently planned. Or rather would it not be more prudent to employ a "go-slow" policy on future nuclear plans?

On December 13, 1972, Ralph Nader told Dick Cavett's television audience as follows:

> I think there is no question now that we have to have a moratorium on the construction of nuclear power plants in this country . . . A flat-out moratorium is needed.

On January 31, 1973, in an editorial called "Research for Power," the New York Times said:

> Once so promising in the first enthusiasm of the atomic era, nuclear power generation is becoming something of a monster, with dangers to people and the environment so awesome as to raise serious doubts that this is indeed the best energy source of the future.

Even advocates of nuclear fission, like Dr. Alvin Weinberg who is the Director of the Oak Ridge National Laboratory, have admitted that undiscovered or irremediable "deficiencies" in nuclear technology "could mean catastrophe for the human race"—Science magazine, December 1971.

The need for an immediate nuclear power moratorium is made crystal clear in a classic article by Dr. John W. Gofman entitled "Time for a Moratorium," published in November 1972 by Environmental Action. This brief article is now available in a booklet called The Case for a Nuclear Moratorium" put out by the Environmental Action Foundation, 1346 Connecticut Avenue NW., Washingon, D.C. 20036.

Mr. President, I ask unanimous consent that the article and a note about the author be printed here in the RECORD.

There being no objection, the article and note were ordered to be printed in the RECORD, as follows:

TIME FOR A MORATORIUM

(By Dr. John W. Gofman)

"Fission energy is safe only if a number of critical devices work as they should, if a number of people in key positions follow all their instructions, if there is no sabotage, no hijacking of the transports, if no reactor fuel processing plant or reprocessing plant or repository anywhere in the world is situated in a region of riots or guerrilla activity, and no revolution or war—even a "conventional one"—takes place in these regions. The enormous quantities of extremely dangerous material must not get into the hands of ignorant people or desperados. No acts of God can be permitted."—from Dr. Hannes Alfven, Nobel Laureate in Physics, writing in May, 1972 Bulletin of the Atomic Scientists.

This is a recommendation for a moratorium on the construction and licensing of any new nuclear power plants, breeder and nonbreeder, plus a termination of licensing of all nuclear power plants now in operation.

Obviously, those environmentalists who have worked toward making nuclear power "safe" may, at first, consider this extreme. Quite the contrary. I would suggest that continued operation of existing plants and the licensing of any new ones represent reckless extremism coupled with an abdication of man's moral obligations to this and future generations. I know of no valid evidence to suggest that nuclear fission power can be made acceptable or that we shall ever need nuclear fission as an energy source. And the essence of the problem at hand is moral, not technical.

THE QUALITY OF PUBLIC INFORMATION

There are a few powerful groups who will, of course, disagree with this view, notably the U.S. Atomic Energy Commission (AEC), the nuclear reactor manufacturers and segments of the electric utility industry. One could overlook the vested interests of these groups provided there was some credibility in their view that nuclear fission power generation is, or can be made, acceptable. Such credibility is lacking.

Chairman James Schlesinger of the AEC, in his maiden address to the nuclear power industry, has expressed the total lack of credibility of the AEC over the period of its 25-year existence by announcing that henceforth the Atomic Energy Commission was going to work in the public interest. One hardly needs a better authority to admit what the AEC had been up to in its prior history. The subsequent record of the AEC is perhaps worse than its earlier record. No sooner had Judge J. Skelly Wright (in the historic Calvert Cliffs decision) declared that the AEC had been making a mockery of the National Environmental Policy Act (NEPA), than we found Chairman Schlesinger appealing to Congress for relief in the form of total emasculation of NEPA. This is what Chairman Schlesinger means by his stated decision to abide by the Calvert Cliffs ruling.

The sorry history of the AEC's attempt to foist unsafe radiation standards upon the public by claims of its former chairman, Dr. Glenn Seaborg, of the existence of so-called safe thresholds of radiation exposure is now very widely known. There is *no evidence at all* for any safe threshold of radiation exposure.

Most recently, the exposure of AEC's lack of credibility has been highlighted through its shabby performance with respect to the matter of the vital emergency core cooling system—the system which must function to avert massive civilian disasters in the event of loss-of-coolant reactor accidents. Starting with its own premise that a functioning emergency core cooling system is essential, the AEC proceeded to license nuclear power plants with totally untested core cooling systems. Following this unacceptable action, the AEC sponsored semi-scale tests of emergency core cooling in a simulated reactor, with six failures in six tests. Undaunted, and determined to continue its promotional licensing of nuclear power plants, the commission appointed a task force to provide interim criteria to permit licensing while work proceeds on the emergency cooling system. The criteria, the evidence upon which they rest and the procedures by which they were arrived at were all decimated not only by Henry Kendall and Dan Ford of the Union of Concerned Scientists, but also by a whole host of AEC experts. (The testimony of internal AEC experts became possible only after the scandal had been revealed of an AEC directive to its employees not to disagree with established policy.)

The grand finale in the AEC's 20-year quest for a method of isolation of radioactive fission garbage came recently with Chairman Schlesinger's inspired announcement that AEC would ask NASA's help in seeking to rocket such garbage to the sun.

It is not a question of whether the AEC has made errors, has withheld and suppressed vital information, has supported unsafe radiation standards, or has been unusually incompetent. The issue is that the AEC has failed to provide any evidence of credibility on any aspect of its assertions that nuclear fission power is acceptable.

The other potential sources of credible evidence for acceptability of nuclear fission power are the nuclear reactor manufacturers and the electric utility industry. Their major approach is simple in the extreme. Wholly without foundation they state, "Nuclear power is safe," and spend huge sums to trumpet this empty message through press and electronic media. The most elementary analysis makes it obvious that no one could possibly know, with the available trivial experience, what the danger of major nuclear power plant disasters is. Finally, one of the AEC's own experts, Dr. Walter Jordan, a pro-nuclear member of the Atomic Safety and Licensing Board, apparently felt obliged to state the truth of the matter as follows:

> The important question still remains. Have we succeeded in reducing the risk to a tolerable level, that is, something less than one chance in 10,000 that a reactor will have a serious accident in a year?
>
> Have we succeeded in reducing the hazard to such a low level? There is no way to prove it. We have accumulated so far some 100 reactor years of accident-free operation of commercial nuclear electric power stations in the U.S. This is a long way from 10,000 so it does not tell us much.
>
> The only way we will know what the odds really are is by continuing to accumulate experience in operating reactors. There is some risk but it is certainly worth it.

Dr. Jordan's assessment of our lack of knowledge about the hazard of major accident is correct. His evaluation of a "tolerable" level of risk might raise an eyebrow or two. If we look toward a future of 500 reactors in operation (even more are planned) and take Dr. Jordan's one in 10,000 "tolerable" risk, we calculate one major, serious accident per 20 years. Since a serious accident may mean losing a city like New York or Philadelphia, one might wonder about his criteria of "tolerable" risks. Of course, Dr. Jordan makes it very clear we are far from even knowing that the risk is as low as one in 1000, let alone one in 10,000.

If the false claims of "nuclear power is safe" from the commercial interests are not sufficient evidence for lack of their credibility, the reactor manufacturers have recently outdone themselves. At the recent hearings on emergency core cooling systems, certain information on this vital safety system was requested by the National Intervenors. Since the matter involves the potential life or death of major American cities, exposure of the full truth would be the *minimum* to be expected from such hearings. But the reactor vendors claimed immunity from presentation of vital safety data concerning emergency core cooling on the ground that such information is proprietary. One might be incredulous about this immunity claim (from an industry more heavily subsidized by taxpayer contributions than any in history), but such incredulity is stretched greatly by the decision of the hand-picked AEC hearing board to sustain this immunity claim.

COMPRISING THE EARTH AS A HABITABLE PLACE

Nothing has suited the promotional nuclear power interests better than keeping alive the misconception that a decision pro or con nuclear fission power rests upon esoteric technical arguments. The entire so-called "public hearing" procedure is administered by the chief promotional interest, the U.S. Atomic Energy Commission. And concerned citizens have been led, like lambs to the slaughter, into the promoters' arena to contest a variety of valves, filters, cooling towers, and miscellaneous other items of hardware in specific nuclear power plants. A victory for citizens, in a specific encounter, comes in the form of an improved valve, an extra scrubber for radioactive effluents or a brand new cooling tower. Such a "victory" is a diversion from the really significant issues concerning acceptability of nuclear power. Further, the illusion is created that safety has been substantially increased by the particular gadget addition or change.

But this is not where the problem lies. There is no significant technical controversy that can be resolved by a debate on the merits of specific gadgets in the nuclear power industry. What is really at issue is a moral question—the right of one generation of humans to take upon itself the arrogance of possibly compromising the earth as an habitable place for this and essentially all future generations. Nuclear power generation carries with it the prospect of visiting increased cancer upon this and a thousand generations to come. Additionally, nuclear power generation carries with it the prospect of genetic deterioration of humans that will insure an increase in most of the common causes of death in future generations.

These seriously condemnatory statements are justified through elementary considerations concerning two classes of profound biological poisons which are inevitable concomitants of nuclear power generation: long-lived radioactive fission products and plutonium-239.

Long-lived radioactive fission products. A 1000-megawatt (electrical) nuclear power station, breeder or non-breeder, gas-cooled, water-cooled, or sodium-cooled, will necessarily generate per year the long-lived radioactive fission products equivalent to those generated by 23 megatons of nuclear fission bombs. If the U.S. program of nuclear plant construction proceeds as now planned, we shall have at least 500 such plants by the turn of the century. The annual generation of long-lived fission products will then be the equivalent of at least 11,500 megatons of nuclear fission bombs. The major long-lived fission products, strontium-90 and cesium-137, have half-lives on the order of 30 years. Therefore, the inventory will necessarily build up, until at a steady state (several times 30 years) the inventory will be 43 x 11,500, or approximately 500,000 megaton equivalents of long-lived fission products.

The combined atmospheric weapons testing of the U.S., the U.K., and the U.S.S.R. in all time amounted to 250 megatons of nuclear fission. Distributed world-wide, over land and sea, this 250 megatons led to radiation doses that are not subject to denial, and that provoked international concern. Even neglecting the much smaller area of the U.S. compared with that of the whole globe (which will mean more concentrated dispersal of fission products), it is clear that an annual dispersal of *one-hundredth of one percent* of the long-lived fission product inventory (meaning 99.99 percent annual containment of the inventory) would mean dispersing *50 megatons annually* and will assuredly lead to high radiation doses. And these doses will produce the cancers and genetic diseases discussed above. Is it assured that the nuclear power industry can guarantee 99.99 percent annual containment? And even this is not good enough. Can such isolation of fission product garbage with near perfection be achieved over centuries? Is this a technical problem?

Plutonium-239. Plutonium-239, the most poisonous element ever handled in quantity by man, is the very heart of the nuclear power industry, breeder or non-breeder. Dr. Donald Geesaman, an authority on plutonium hazard, has estimated that there will be one human lung cancer for every 10,000 fine particles of plutonium inhaled. Dispersed as fine insoluble particles (about one micron in diameter), one pound of plutonium-239 represents the potential for some *nine billion* human lung cancer doses. Given the 24,400-year half-life of plutonium-239, any plutonium dispersed into the biosphere presents a major carcinogenic hazard for more than the next thousand human generations. The annual handling of plutonium-239 in a fully developed nuclear power economy will be in the one-hundred-ton category, or some 200,000 pounds annually. Comparing this with the one pound that can provide an intolerable potential lung cancer burden, we estimate that better than 99.999 percent containment of plutonium-239 is hardly good enough to avert disaster. And such a containment requirement is for a substance widely and authoritatively expected to be of high desirability in illicit commerce, since it is the simplest material to acquire for fabrication of nuclear weapons. Who can guarantee the requisite containment of plutonium-239 will be achieved?

SURRENDERING SOCIETY TO A NUCLEAR PRIESTHOOD

Both for the fission products and plutonium-239 the numbers describe the technical magnitude of the requirement for containment. But this does not mean the problem is technical. The unpredictables of social factors, human judgmental errors, and acts of God will be far more important in determination of the containment that will be achieved. We must, therefore, be able to predict the social course of history for centuries and millenia, under every conceivable circumstance, if we are to predict the containment that will be achieved. And such predictability is required for the immense quantities of radioactive fission garbage and plutonium-239 that are being generated by nuclear power today.

Commonly, nuclear technologists naively attempt to treat this overall containment problem as a technical problem, amenable to engineering calculations. A much better opinion is available from one of the most gung-ho of the American nuclear promoters, Dr. Alvin Weinberg, director of the Oak Ridge National Laboratory. No one has provided a more succinct statement of why nuclear fission power generation is both ridiculous and irresponsible. (It must be pointed out that Dr. Weinberg's purpose was the opposite of the result he achieved.)

Recognizing the validity of the contention that nuclear power generation could compromise the habitability of the earth, Dr. Weinberg, in a recent *Science* article (July 7, 1972) outlined the "demands" that "we nuclear people" make. We must quote directly from Dr. Weinberg's salient points:

> We nuclear people have made a Faustian bargain with society. On the one hand, we offer—in the catalytic burner—an inexhaustible source of energy. . . .
>
> But the price that we demand of society for this magical energy source is both a vigilance and a longevity of our social institutions that we are quite unaccustomed to.

Dr. Weinberg continues:

> We make two demands. The first, which I think is easier to manage, is that we exercise in nuclear technology the very best techniques and that we use people of high expertise and purpose. . . .
>
> The second demand is less clear, and I hope it may prove unnecessary. This is a demand for longevity in human institutions. We have relatively little problem dealing with wastes if we can assume always that there will be intelligent people around to cope with eventualities we have not thought of. If the nuclear parks that I mention are permanent features of our civilization, then

we presumably have the social apparatus, and possibly the sites, for dealing with our wastes indefinitely. But even our salt mine may require some surveillance if only to prevent men in the future from drilling holes into the burial grounds.

Eugene Wigner has drawn an analogy between this commitment to a permanent social order that may be implied in nuclear energy and our commitment to a stable, year-in and year-out social order when man moved from hunting and gathering to agriculture. Before agriculture, social institutions hardly required the long-lived stability that we now take so much for granted. And the commitment imposed by agriculture in a sense was forever; the land had to be tilled and irrigated every year in perpetuity; the expertise required to accomplish this task could not be allowed to perish or man would perish; his numbers could not be sustained by hunting and gathering. In the same sense, though on a much more highly sophisticated plane, the knowledge and care that goes into the proper building and operation of nuclear power plants and their subsystems is something we are committed to forever, so long as we find no other practical source of infinite extent.

How this will be achieved is described by Dr. Weinberg in the following:

In exchange for this atomic peace [referring to no recent nuclear bomb use] we had to manage and control nuclear weapons. In a sense, we have established a military priesthood which guards against inadvertent use of nuclear weapons, which maintains what *a priori* seems to be a precarious balance between readiness to go to war and vigilance against human errors that would precipitate war. Moreover, this is not something that will go away, at least not soon. The discovery of the bomb has imposed an additional demand on our social institutions. It has called forth this military priesthood upon which in a way we all depend for our survival.

It seems to me (and in this I repeat some views expressed very well by Atomic Energy Commissioner Wilfred Johnson) that peaceful nuclear energy probably will make demands of the same sort on our society, and possibly of even longer duration.

Dr. Weinberg makes clear what it would take to make nuclear power acceptable—namely, *giving over our existence to a new nuclear religion,* that religion to be ruled by a high nuclear priesthood. Were it not for the irreverence implied about the rest of the universe, one would be tempted to suggest that Dr. Weinberg and the other high priests establish their nuclear religion anywhere else but on earth.

If we can predict the social future for generations, including civil strife, international strife, revolutions, psychoses, saboteurs of all stripes and types, hijackers of whatever bizarre or mundane motives, psychopathic personalities of all types, and all criminality, then nuclear power is acceptable, according to Dr. Weinberg's requirements.

VIOLATING MINIMUM MORALITY

Since the social requirements for acceptability of nuclear power are dominant and cannot be met, it follows that no group of humans has the moral right to support the construction or operation of nuclear power plants. *Minimum* morality, as many have stated, requires that we do not compromise the chance of life for generations to come. No one seriously denies that nuclear power generation can thus compromise the life of generations to come and no one is seriously prepared to guarantee the future social stability required to prevent this.

Therefore, the only conservative, rational and moral position is to opt for an immediate cessation of all nuclear fission power generation. It is not a question of making nuclear power generation safe for people. The insurmountable obstacle is that we cannot envision any way to make people safe for nuclear power generation, short of total robotization.

The manufactured and fraudulent quality of the so-called "energy crisis" is well-known. Nuclear power is not now providing any significant net increment to U.S. energy supply. There is no reason to believe that nuclear power ever need provide any of our energy, even if our total energy consumption rises appreciably.

Clean, synthetic gas from coal is technically proved and commercially feasible now. While coal mining above or below ground should be unacceptable over any long term, it should be tolerated until a full solar energy economy is realized. Solar energy cannot fail to meet our energy requirements for the indefinite future. Technically it is proved. If we apply any form of rational economics, which must include the externality of keeping the earth habitable, solar energy will be vastly more attractive economically than nuclear power.

In his article, Dr. Weinberg compares nuclear energy to unacceptable, dirty fossil fuel plants, without consideration of solar energy at all. Apparently solar energy is too simple technologically and too acceptable ecologically to make a comparison that would please the high priesthood of the new religion of nuclear fission technology.

When one asks a nuclear technologist about the solution of the astronomically difficult problems nuclear fission power faces, his answer is invariably that we can solve them very soon. But ask him when solar energy can be fixed in useful forms for man's use, he will look at all the green plants which have done this for eons and he'll say, "Maybe in a hundred years or never."

The only way we will achieve clean synthetic gas from coal in large quantities and a full solar energy economy in the early future is via an immediate rejection of nuclear fission power as an acceptable option. Such rejection would be meaningful through a national moratorium on the operation or construction of any nuclear fission power plants. The resources, both public and private, freed by a moratorium on nuclear fission power will be enormous. The acceptable alternatives will move rapidly toward realization once these resources are available.

The energy industry has no place in its ledgers marked "health and welfare of future generations." Therefore, the task of accomplishing a moratorium and providing a sane energy economy cannot be entrusted to that industry. But individuals in society do have a moral obligation to avoid recklessness and extremism in dealing with the future of loving creatures on earth. Given the nature of the real problem of nuclear power, a problem admitted by proponents and opponents of nuclear power, it is difficult to understand the position of anyone who is not insistent upon an immediate moratorium on all nuclear fission power generation.

ABOUT THE AUTHOR

John W. Gofman, M.D., Ph. D., is a professor of medical physics at the University of California, Berkeley; co-chairman of the Committee for Nuclear Responsibility; former Associate Director of the AEC's Lawrence Radiation Laboratory at Livermore. He is the co-discoverer of four isotopes, and the slow and fast neutron fissionability of Uranium-233; he is also co-inventor of two processes for plutonium separation. His work in heart disease, cancer and chromosomes, and low-dose radiation is very well known. In 1972, Dr. Gofman shared the Stouffer Prize for his pioneering research in plasma lipoproteins and their relationship to arteriosclerosis. He is currently working on a heart-monitor to help reduce the death-rate from heart attacks.

THE AMERICAN LEGION'S 54TH ANNIVERSARY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ANNUNZIO. Mr. Speaker, March 15 marks the 54th anniversary of the founding of the American Legion. Delegates from the First American Expeditionary Force founded the Legion on March 15, 1919, in Paris, France. The Preamble to the Constitution of the American Legion states:

> For God and country we associate ourselves together for the following purposes: to uphold and defend the Constitution of the United States of America; to maintain law and order; to foster and perpetuate a one hundred percent Americanism; to preserve the memories and incidents of our associations in the great wars; to inculcate a sense of individual obligation to the community, State and Nation; to combat the autocracy of both the classes and the masses; to make right the master of might; to promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom and democracy; to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

The American Legion has maintained the high standards it set for itself. The members of this organization have been successful in making their noble ideals become a working reality. This is indeed a proud accomplishment. Legionnaires all over the country have accepted the challenge of sponsoring and conducting activities featuring community service, youth development, and educational advancement.

Legion activities in youth development include the sponsorship of Boy Scout troops, 4-H clubs, Boys' State and Boys' Nation. The Legion also conducts an annual national high school oratorical contest and the winner receives a $4,000 college scholarship. The purpose of the contest is to inspire a deeper knowledge and understanding of the Constitution of the United States on the part of high school students.

The Legion has long been active in seeking out resources to aid students in advancing their education. An annually revised 128-page handbook published as a part of the American Legion's education and scholarship program, contains sources of career and scholarship information for not only children of veterans, but for all youngsters.

The continuing dedication of the Legion to the adjustment of the veteran to civilian life, restoring his health and usefulness to society, maintaining his dignity, and assuring the welfare of the veteran's widow and children is celebrated with the commemoration of the Legion's founding. The American Legion admirably served the veterans of our wars with its sponsorship of the GI bill of rights and the Korean GI bill. By thus serving the veteran, the Legion serves America, for our men and women returning to American communities from military service face singular problems and pressures. In addition, financial aid to former service men and women increases their opportunities to contribute, in turn, to America.

The members of the American Legion have not only protected the interests of our Nation abroad, but have also contributed mightily to the strength of our Nation at home. On this 54th anniversary of the founding of the American Legion, I congratulate the Legionnaires of Illinois and our Nation on their magnificent record of the past and extend my best wishes for their success in future services.

RECOMPUTATION OF MILITARY RETIRED PAY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. BOB WILSON. Mr. Speaker, I have delayed comment on the recommendations of the Special Subcommittee on Retired-Pay Revisions with regard to the question of the recomputation of military retired pay. While I have the greatest respect for the subcommittee chairman and our four former colleagues who served on the subcommittee, I cannot agree with their findings. The issue has not yet been put to rest.

As the Representative of a district with a large retired military community—both officer and enlisted—I have had considerable opportunity to discuss the question of career inducements. The subcommittee felt that recomputation was not a bona fide career inducement, but merely a fantasy of hindsight on the part of retirees. This raises the question of what was, in fact, a "career inducement" for current military retirees: low pay, frequent separations from family, infrequent promotions? Or, was it a dedication to their country and the satisfaction of getting an important job done? I have received many letters from retirees, inside and outside my district, who state that they loved their military careers and would do it again despite the hardships involved. By the same token, in difficult times and moments of decision as to whether it was all really worth it, many looked toward their future and their "retirement insurance" as a partial compensation for the hardships suffered in the service of their country. Military pay increases might continue to be far from extravagant, but at least they believed they would have some type of built-in "hedge" against inflation. According to the report, the subcommittee studies showed conclusively that recomputation during all the years of its existence was not successful in keeping retired pay up with the cost of living. To those accustomed to low pay and infrequent raises, it was certainly far better than no raises whatsoever. I would question whether active duty increases during that same period of time kept pace with the cost of living either. During the past decade, we have made considerable progress bringing military pay more in line with Civil Service and the private sector, but this was not the case until quite recently.

I cannot agree with the assertion that the Government has no moral obligation with regard to recomputation. At least since the early years of the 20th century, recomputation was an accepted fact of life. Retirees knew that, however large or small the active duty increase might be, they would be able to take advantage of it as well. In 1958 and 1963, however, Congress broke faith with our retired military when the time-honored retirement formula was changed. These men believed that they had a firm contract with the Government in terms of their future retirement benefits and enlisted and reenlisted with this understanding. Do we not have an obligation to see that the terms of the contract are fulfilled?

Although the military retired pay system is not contributory, military men do in fact contribute to their retirement by accepting lower active-duty pay. In recent years there has been considerable debate within DOD and the Congress over the validity of the imputed retirement contribution on the part of military retirees. It was interesting to receive recently a letter from DOD on another subject which listed the free retirement equity as one of the items which should be considered in determining military pay. Had Congress established a funded military retirement system years ago, we would not now face the plaguing question of the out-of-pocket costs for military retirement at present and in future years.

Finally, the subcommittee determined that nothing short of full recomputation for all those with pre-1958 service would satisfy proponents of recomputation. Therefore, passing the administration's "one-shot" bill would not really solve anything and Congress would be subject to the same recomputation pressures in the future. Congress has substantially increased a number of Federal programs in recent years—social security, aid to education, subsidized housing, to name a few—but I doubt that any Member has found that his constituents consider the present levels the final answer and have ceased to write and call on these subjects. "Hope springs eternal," as the saying goes, and I do not see any reason to apply different standards in terms of military retirees. Although they would certainly prefer full recomputation, I am confident that the various retiree organizations can reach agreement on a fiscally responsible compromise. While everyone is not going to be finally satisfied and never appeal to Congress for increases, this is no different from any other Federal program.

A great deal of publicity has been given to the staggering cost of retired pay in the coming decades and we seem to have again reached a stalemate as a result. I, too, am concerned about Government spending, but feel in this instance that the Government and the Congress have a moral obligation on which we cannot renege. Military retirees have been waiting many long years for action to correct the present retired pay inequity. With a concrete compromise proposal such as that put forth by the administration, for which money has been included in the new budget request, I hope that meaningful reconsideration can begin this year.

PEACE WITH HONOR

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. McCLOSKEY. Mr. Speaker, a great many Members of the House have lately expressed opposition to the President's promised assistance for the rebuilding of North Vietnam. Constituent mail is apparently running strongly against such assistance.

I would ask that our colleagues reconsider. Our promise of funds to North Vietnam was made in consideration of the return of our prisoners of war. Twice last year, Congress, by an overwhelming margin, urged and requested the President to make the return of our POW's and an accounting of the MIA's the sole condition for our withdrawal from Vietnam.

Peace with honor requires that we meet our agreements. We agreed to expend funds for the rebuilding of Vietnam, and any sum we may have promised to pay to get our prisoners back and end the Vietnam war seems cheap at any price.

We take great comfort in the return of our prisoners. Their suffering, and that of their families, has been one of the most difficult problems on the national conscience for the past several years.

To obtain the return of the prisoners, one of our commitments, set forth in paragraph 21 of the peace agreement reads:

> The United States will contribute to healing the wounds of war *and to postwar reconstruction of the Democratic Republic of Vietnam* and throughout Indochina. (Emphasis added.)

This is clear language, if the amount agreed to is not. We have no precise figure from Dr. Kissinger, but the rumored figure discussed at Paris is said to be $7.5 billion for Indochina, of which $2.5 billion is for North Vietnam, payable over a period of 3 to 5 years.

This is about the same cost as 1972's massive B–52 bombing effort against North Vietnam. The 12 days Christmas bombing alone is estimated to have cost over $1 billion. Compared with the $28 billion per year we paid to devastate the villages and countryside of Vietnam at the height of the war in 1968 and 1969, or the estimated $130 billion paid out for the war overall, the $2.5 billion reparations figure seems fairly small.

From a humanitarian standpoint, also, the sum of $2.5 billion seems reasonable. We claim to have killed over 1 million North Vietnamese soldiers and civilians; we have made refugees of some 6 million people in South Vietnam, 2 million in Cambodia, 1 million in Laos. Much of the countryside in these three countries is sowed with shell craters, unexploded bombs and shells—bombs and shells that will be killing unwary farmers and children for a decade unless we assist with our technical equipment in their detection and detonation. As the most powerful nation in the world, this seems the least we should do.

We also have the best equipped naval hospital ships in the world. Our medical profession has shown a willingness to volunteer their services for humanitarian purposes in far off places in the past. Why not combine these two national assets to furnish the resources and medical care to help those Vietnamese, Laotians, and Cambodians who have been permanently maimed or disabled.

One 100-pound bomb recently killed 15 people in London and wounded 50 others. We have dropped millions of times this amount of explosives in the last 8 years in Vietnam.

I suspect we may do more to cure the divisions and underlying problems of our own society by this particular expenditure in Indochina than any similar sum we might spend at home.

For these reasons, I am glad to support President Nixon's request for funding. That request obviously faces great difficulty here in the House. I hope our colleagues will consider carefully the concept that "Honor" with which we leave Vietnam will require that we meet the commitments the President made in order to obtain the return of our POW's.

GOVERNOR'S STATE UNIVERSITY

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. O'BRIEN. Mr. Speaker, I am very proud to have a new university in my district—a university that was established during my tenure as a State representative. This institution has already been receiving publicity nationwide for many of its innovative and bold approaches to higher education.

The Florida Star newspaper had an editorial commending the State of Illinois and Governor's State University for their commitments to excellence in the field of higher education:

NEW EDUCATION IDEAS

Like nearly every other institution in the land, education has been subjected to the pressures of change. In an effort to help meet the requirements of the time, the Illinois Board of Higher Education, after a survey of educational needs and objectives, established Governors State University about a year ago.

The new institution is especially adapted to the needs of students coming from junior and community colleges. It is committed to experimentation and innovation in education. Currently, instruction is centered within four collegial units—the College of Cultural Studies, Environmental and Applied Sciences, Human Learning and Development and Business and Public Service. Methods of instruction are experimental as is the entire organizational structure of the University which must be reevaluated in five years.

An explanatory statement on the purposes and method of operation of this innovative institution of higher learning notes that, "Governors State University has been in operation only a few months. Many concepts are still in a developmental stage . . . The University is committed, however, to the continuance of an experimental, innovating posture as it grows in student body, staff, and community services." The action of Illinois in launching a new idea in education provides impressive evidence of the responsiveness of the so-called establishment to the pressures of change in our society.

ST. PAUL UPGRADES EMERGENCY MEDICAL CARE

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. KARTH. Mr. Speaker, today I joined with 44 of our colleagues in sponsoring the Omnibus Fire Research and Training Act which would provide Federal assistance to local firefighters.

The fact that firefighting has become the most dangerous occupation in the United States points up the need to keep our firefighting technology up with modern techniques—especially in the increasingly hazardous area of skyscraper fires.

The benefits to the public from this bill are many. Of obvious importance will be increased safety from having our communities protected by firefighters trained in the latest life-saving techniques. The savings to property would be substantial. And in the long run increased protection would mean lower insurance rates.

In connection with my cosponsoring this bill, I place in the record an article from the Minnesota Fire Chief. This article, reprinted from the St. Paul Pioneer Press, illustrates what a community can accomplish in terms of emergency service to its citizens. I believe that the establishment of Federal training and research in the area of firefighting would make it possible for more communities to share in these kinds of programs.

The article follows:

ST. PAUL UP-GRADES EMERGENCY MEDICAL CARE

(By Dave Giel)

St. Paul firemen, in radio communication with a doctor, will provide advanced medical care at the scene of emergencies under a new fire department ambulance program scheduled to begin this spring.

The revised ambulance service should reduce dependence on high-speed runs from the scene of an emergency to treatment in a hospital, fire and hospital officials said.

Instead, highly-trained firemen will attempt to stabilize an injured patient's condition before transporting him.

Immediate treatment should save lives, and reduced need for hectic trips to the hospital may prevent accidents such as the one that killed a Hennepin County ambulance driver recently, officials said.

The system will depend on firemen with paramedical training, specially-equipped ambulances plus radio and visual communications between firemen and St. Paul-Ramsey Hospital.

Expected starting date for the program is May 1, 1973. By then 21 firemen should have received paramedical training and two ambulances will be equipped for the new service, according to Donald R. Johnson, asst. fire chief in charge of training.

The program will be patterned after others now operating in Jacksonville, Fla.; Los Angeles; Houston; Seattle; Columbus, Ohio; New York City; and Chicago, according to a physician helping plan the program, Dr. Brian Campion, head of cardiology at St. Paul-Ramsey.

But unlike some of the other systems, ambulance personnel here also will be available for fire fighting and no increase in department employment is planned because of the service, according to Fire Chief Steve Conroy.

About 110 firemen, one quarter of the force, will eventually receive paramedical training, he said.

They will be trained to handle a variety of emergencies—to start intravenous solutions; administer drugs; take vital signs (heartbeat, blood pressure, respiration); deliver babies; and deal with diabetic attacks, strokes, hemorrhaging, child emergencies and heart attacks, according to plans.

To treat heart attacks, they will be taught to record the heartbeat, transmitting it to St. Paul-Ramsey Hospital where a doctor can monitor it on a screen. They will also learn to operate defibrillator, an electrical device designed to shock a heart back to its normal rhythm, Campion said.

Doctors will prescribe treatment to be given by firemen at the scene, based on the heart monitor, Campion said.

The firemen at the patient's side will be the "eyes and ears of the doctor," he said.

In cases where radio contact is lost, the firemen will be authorized to make their own diagnosis and start treatment, he said. "They have to be well enough trained to take independent action. That'll cause us some flak but that's the truth. That's why we want to train them so well."

Fire officials say such cases should be rare. And Conroy emphasized that the free ambulance service will take a patient to his own hospital if that is preferred to St. Paul-Ramsey. Doctors there will keep in touch with the patient's own doctor at the other hospital until the patient arrives there in such cases, Conroy said.

Ambulance duty is nothing new for city firemen. The fire department took over operation of the city's emergency ambulances 1½ years ago.

The department's seven ambulances now reach the scene of an emergency in an average of three to four minutes and average less than 12 minutes from the time they receive a call until the time they arrive at a hospital with the patient, Conroy said.

The department has saved a stack of letters from city residents praising the current system.

"Right now we've got an excellent ambulance service but it's going to get better," Conroy said.

By May 1, Conroy said, a $14,000 "modular" ambulance specially designed for paramedical service will be obtained with aid of a 50-50 funding grant from the State Health Department. And one of the seven current ambulances will be equipped at a cost of $3,500 to $4,000.

Eventually, the department hopes to replace the current ambulances and have a modular vehicle at each of the seven fire houses where they are based.

The covered shell of those vehicles can be detached and put onto a new chassis when the original chassis wears out, according to Vernon Patterson, of the State Health Department.

Conroy said fire officials are consulting with the state attorney general's office to see if any change is needed in the state Good Samaritan Law to protect firemen who administer medical care.

Any necessary changes would be sought from the 1973 state legislature, he said.

To implement the program, he added, wording was changed to allow a non-doctor to give drugs under the indirect supervision of a doctor rather than only under his direct supervision.

Dr. Robert Van Tyn, director of the emergency care unit of the St. Paul-Ramsey ambulatory care department, said firemen are uniquely equipped to provide emergency medical service.

Van Tyn has been involved in the current first-aid training program for firemen and is working with Campion on the new program.

"The fire department is psychologically tuned to fast response plus the additional thing that they are dispersed (throughout the city) and can respond quickly," he said.

Also, firemen are more available to handle ambulance service in addition to their main job—fire fighting—because they have unoccupied periods of time, he said. A further advantage is that this time has been used for advanced training in the past, he added.

Three firemen have begun their training in a four-week nursing course at Divine Redeemer Hospital, fire officials said.

Plans call for them to take an additional eight weeks of in-hospital practical training, then study and observe a para-medical system in Los Angeles or Jacksonville, Fla., or both for three to four weeks.

After these three men are trained, they will help establish the department's own program for future trainees, Johnson said.

The department plans to give to additional trainees six weeks of classroom work; six weeks of in-hospital practice, then two or three weeks of internship in the ambulance.

The fire department has some money budgeted for equipment but is also seeking city and county funds for education and for improving the St. Paul-Ramsey communications system, officials said.

Both Mayor Lawrence Cohen, who sits as county board chairman, and City Council President Rosalie Butler have said they are enthusiastic about the program.

Cohen said the revenue-sharing money might be available for it. Mrs. Butler indicated the city has a contingency fund that might be tapped. She said the entire City Council was impressed by a presentation on the program but added, "The only question is how far we would get into it at first."

The hospital's governing body has endorsed the program in principle. And five city and county doctor's groups have also endorsed it in principle, Campion said.

An advisory committee will be established, composed of department personnel and doctors to oversee the training program.

PRESIDENT LYNDON BAINES JOHNSON

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. FREY. Mr. Speaker, President Lyndon Baines Johnson revealed his traits of leadership by serving his Nation well in many varied and difficult times.

Surely, the most trying of the many years of public service were his last.

Those years, of course, were spent downtown—down Pennsylvania Avenue from this magnificent Capitol where his kind of politics was the practical and where his ability to get a bill through a balky Congress was well known by all.

Mr. Johnson took over the Presidency at a troubled and trying time—the Nation's leader had been slain and America was at war with an enemy it did not quite recognize.

President Johnson wrestled with the war daily, almost hourly while at the White House, and he kept in close touch with President Richard Nixon after he retired to Texas where it is said he often thought of the war and of the divisiveness it threatened to bring to America.

He learned of the nearness of peace in Vietnam only a few days before his death at his beloved ranch in the Texas foothills. We can be sure his joy at the news was not colored by thoughts of partisan politics, for Lyndon Johnson, when it came down to the line for his country, was able to rise above that kind of politics.

WEST TEXAS REGION OF THE NATIONAL CONFERENCE OF CHRISTIANS AND JEWS PRESENTS THEIR ANNUAL BROTHERHOOD AWARD TO MR. MANUEL JARA OF FORT WORTH, TEX.

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. TEAGUE of Texas. Mr. Speaker, each year the West Texas Region of the National Conference of Christians and Jews makes an annual brotherhood award to a deserving individual who in their opinion has contributed the most toward a better understanding and cooperation among varied ethnic citizens of the community.

This year, they have selected Mr. Manuel Jara of 5655 Vega Drive, Fort Worth, Tex., and at their banquet to be held on Thursday, March 29 they will make the formal presentation. On his award he will be cited as follows:

> No one in this community represents the ideals of brotherhood and respect for all other Americans than Manual Jara. He is a living example of the attitudes we should express in our relations with others.

Under leave to extend my remarks, I wish to include a sketch of Mr. Jara and the many community accomplishments of his which lead to his selection:

MANUEL JARA

1. PERSONAL

Residence—5655 Vega Drive, Fort Worth, Texas 76133

Born—September 9, 1922, Eastland, Texas

Lived in Fort Worth since age 9

Wife—Jacinta

Two daughters—Mary Jara and Jo Linda Martinez; two grandchildren

Member of St. Bartholomew Catholic Church

Owns and operates Jara Printing Company

Veteran of World War II

2. CURRENT POSITIONS

1. President, Catholic Social Services of Tarrant County
2. President, International Good Neighbor Council, Fort Worth
3. Vice-President, South Fort Worth Business Association
4. Vice-President, Tarrant County Health Planning Council
5. Treasurer, Tarrant County Neighborhood Youth Corps
6. Board of Directors, National Conference of Christians and Jews, West Texas Region
7. Board of Directors, North Texas Commission
8. Board of Directors, Tarrant County United Fund
9. Board of Directors, Fort Worth Library Board
10. Board of Directors, Casa Manana Musicals, Inc.
11. Board of Directors, Tarrant County Child Study Center
12. Board of Directors, Easter Seal Society
13. Board of Directors, Arthritis Foundation
14. Board of Directors, St. Teresa Home
15. Board of Directors, C.O.G., Comprehensive Health Planning Council
16. Board of Directors, Fort Worth-Tarrant County Emergency Development Corps.
17. Advisor to Registrants, Selective Service Board #111
18. Fort Worth Public Schools Human Relations Committee
19. Bilingual Advisory Council
20. Dallas-Fort Worth Labor Market Advisory Council
21. Member: Fort Worth Chamber of Commerce, American Legion, American G.I. Forum

3. PAST COMMUNITY SERVICE

1. President, Community Action Agency of Tarrant County
2. Vice-President, Tarrant County Community Council
3. Executive Committee, Tarrant County United Fund
4. Vice-President, Tarrant County Neighborhood Youth Corps
5. District Chairman, North Texas Region of American G.I. Forum
6. Chairman, American G.I. Forum, Fort Worth Chapter
7. Vice-President, Amigo de Mexico, Inc.
8. Board of Directors, Big Brothers of Tarrant County
9. Board of Directors, Tarrant County Community Council
10. Board of Directors, Tarrant County Drug Abuse Council

4. CITATIONS FOR COMMUNITY SERVICE:

1. Commended as "a vital and effective force in the progress of our community" by the County Judge of Tarrant County, Texas, in an official proclamation declaring November 18, 1967, as "Manuel Jara Day" in Tarrant County, Texas.
2. Awarded "Distinguished Service Award" in a testimonial dinner given in his honor by the American G.I. Forum in recognition as "a tower of strength for progress and effective community service and action" (1967)
3. Cited by the Mayor of Fort Worth "for many years of community service in bettering the cause of minorities in Fort Worth" in an official proclamation declaring November 18, 1967, as "Manuel Jara Day" in Fort Worth, Texas.
4. Awarded certificate of appreciation by the President of the United States in recognition of five years service to the Selective Service System as advisor to registrants (1972).
5. Cited in 1967 by the Honorable Mexican Counsel of Fort Worth and "Mexican-American Friendship Committee" for "dedicated and honorable service in promoting good will and understanding between the people of Mexico and the United States."
6. Received "Urban Service Award" in 1967 from Sargent Shriver, Director, U.S. Office of Economic Opportunity (OEO) for "dedicated efforts in alleviating problems of the poor in America's cities and creating a better life for our citizens."
7. Made Honorary Citizen of the City of Guadalajara, Mexico by the Mayor of Guadalajara (1972).
8. Named "Distinguished Visitor" to the State of Jalisco, Mexico by the Governor of the State of Jalisco (1972).

9. Appointed "Honorary Texas Colonel" in 1961 by the Governor of the State of Texas.

CRIME COMMITTEE DEMISE

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. GUNTER. Mr. Speaker, the Palm Beach Post, a Pulitzer Prize winning newspaper in south Florida, commended Representative CLAUDE PEPPER for "a job he has done extremely well" as chairman of the House Select Committee.

The editorial notes:

> It is doubtful that other committees with more wide-reaching interests will be as effective in exposing national crime problems although their chairmen vowed to fill the crime panel's shoes.

The Post concludes that the Judiciary Committee will be hard pressed to produce as much as the Pepper committee has done during its brief existence.

The editorial entitled "Crime Committee Demise" follows:

CRIME COMMITTEE DEMISE

Leaders in the House of Representatives are removing Miami's Rep. Claude Pepper from a job he has done extremely well for the past three years. Yet they failed to come up with one good reason why Rep. Pepper's Select Committee on Crime should be killed.

The 11-man committee, formed in 1969 as the only congressional unit with a sole interest in criminal activities, was guilty of winning the headlines that eluded other committees—nothing more. It exposed Mafia infiltration of sports, went on the road with hearings that revealed the extent of drug addiction, put the spotlight on a nationwide phony securities racket, and showed that nearly half of all legally manufactured amphetamines wind up in the black market. A number of its reports and recommendations evolved into legislation and Justice Department action.

The chairmen of larger, more permanent committees have eyed Rep. Pepper's work with jealousy. The Crime Committee's investigations have crossed into territory sometimes covered—for good or bad—by committees such as Judiciary, Commerce, Education, etc. These chairmen quite simply want a bigger piece of the action now that anticrime efforts have such popular appeal. Their status-encrusted pleas to the speaker of the House were successful and unless in the unlikely event that the issue is brought to the floor the Crime Committee will be allowed to expire June 30.

It is doubtful that other committees with more wide-reaching interests will be as effective in exposing national crime problems, although their chairmen vowed to fill the crime panel's shoes. These congressmen who are big on law-and-order rhetoric already showed that they thought it more important to protect their House fiefdoms.

Rep. Pepper, a 72-year-old veteran lawmaker, did not give up without a fight, sending telegrams to governors, mayors and drug abuse officials urging their support. He found a new love with the Crime Committee, and was on solid ground in not wanting to lose the experience and momentum that it gained.

There is some solace, however, in Rep. Pepper's announced intention to "prod" the Judiciary Committee and other panels to make sure they undertake the kind of effective anti-crime investigations that his committee was noted for.

CHANGES NOTED IN AFRICA STATES

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DAN DANIEL. Mr. Speaker, all of us are becoming increasingly aware of the tremendous changes that have occurred in recent years on the continent of Africa. Many of the newly developed nations are springing forth with considerable economic impact on world trade and the evidence of their political sophistication is abundant.

While much has been written condemning the European nations which once dominated the African Continent, little has been said of the benefits which may be derived from a European-African alliance. Recently, the Portuguese-African experience was brought to my attention by a very fine article by Ray McHugh, Washington bureau chief of the Copley News Service, which appeared in the San Diego Union of February 5, 1973.

The article speaks for itself, and I recommend it to the reading of the Members of the House. Mr. McHugh has a keen insight into the problems of Africa and his research is indicative of the very thorough job he does in reporting.

The article follows:

CHANGES NOTED IN AFRICA STATES

(By Ray McHugh)

WASHINGTON.—Change is coming at a record pace in Portugal's Africa territories, says one of Lisbon's brightest young political figures, who envisions a Portuguese commonwealth emerging from a 500-year-old empire.

However, change will never satisfy revolutionaries and terrorist guerrillas "who are seeking power for their own selfish ends," says Dr. Manuel Jose Homen de Mello. His visit to Washington coincided with the assassination in Conakry, Guinea, of Amilcar Cabral, leader of an outlawed nationalist movement in Portuguese Guinea.

President Sekou Toure of Guinea, one of Africa's most radical leaders, immediately accused Portugal of plotting the assassination. However, Lisbon denied any role and pointed out that Cabral and other would-be nationalist leaders have been feuding for years.

KNOWN AS "CHE"

Cabral, popular among some international intellectual circles, was known as the "Che Guevara" of Portuguese Africa.

Portugal's critics, Homen de Mello said in an interview, have chosen to ignore political and social progress within Portuguese Guinea, Mozambique and Angola—progress aimed at giving virtual autonomy to each area.

"We have the example of Brazil before us," said Homen de Mello, 43, a member of Lisbon's parliament and editor of "A Capital," one of Portugal's largest newspapers.

SPIRIT NOTED

"Even today, 150 years after independence, Brazil embodies the very essence of the Portuguese spirit, the same spirit which is behind our present stand in Africa.

"Our relations with Brazil were never better."

The congressman-editor's views are considered important in Washington, because he represents a youthful, liberal-minded voice in Portugal. While he speaks of change, there also is the iron-like determination that has marked Portuguese policies in Africa since the tide of independence arrived in the late 1950s.

INTEND TO STAY

"We came to Africa to stay," Homen de Mello said. "We are still there and we intend to stay there."

United Nations' criticism of Portugal, he noted, comes largely from Communist or other totalitarian one-party governments that "pose as champions of democracy."

"The United Nations has become purely a demogogic stage and only discriminates against those who refuse to line up with the established dictatorship of the majority," he said. "We witness the systematic denunciation of respectable regimes, like the Portuguese one, which is accused by the Communists and other totalitarian states of being politically monolithic, when they themselves are, without a single exception, ruled by the absolute tyranny of a single party."

The new autonomy for Portugal's African territories was outlined Jan. 16 in a message to the nation by Premier Marcelo Caetano that was little-noted by the world press.

Recent constitutional changes have already designated each territory as a "state," not an "overseas province." Each is to have a locally elected government council, chaired by a governor general. Each also will have greater representation in the National Assembly in Lisbon. Local elections already have been held for parish councils, committees, local councils and district juntas.

Local-born representation already has reached more than 50 per cent in Mozambique and is growing steadily in all the states. In the Portuguese Cape Verde Islands, 92 per cent of office-holders are indigenous to the region.

NOT APARTHEID

Contrary to popular belief, apartheid or the separation of races has never been a policy in Portuguese Africa. Schools, businesses and social clubs have long been integrated.

"It is the government's firm intention that the indigenous populations should have important and growing representation," Caetano said.

He said he envisions a society "where blacks and whites may live together and cooperate peacefully, without racial hatred, everyone contributing toward a common goal of local civilization and progress with whatever his cultural and technical aptitude may produce."

REJECTS COURSE

Citing the Congo's tortured experiences in 1960 when Belgium abruptly granted independence to the region, Caetano rejected such a course.

"The terrorist groups would redouble their violence and attempt to use the free reign to carry out all manner of revenge, reprisals and acts of coercion that might assure them tyrannical domination over the land and the people," he said.

Pointedly, Caetano said travelers in Angola and Mozambique are safer today than visitors in many European and American cities. He also emphasized that more than 50 per cent of Portugal's African security forces are Negro.

DEVELOPMENT CITED

"We are not a stagnant society," said Homen de Mello. "We have put more, more per capita, into the development of our overseas territories than probably any nation in the history of the world.

"We are not afraid to implement far-reaching economic, social and political reforms. We have certainly shown we are not adverse to change.

"But naturally we want to control the direction these changes take. We are for evolution, not revolution."

MICHAEL HALBOUTY, CONSULTING GEOLOGIST EXPRESSES HIS VIEWS RELATIVE TO GOVERNMENT AWARD OF OFFSHORE TRACTS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. TEAGUE of Texas. Mr. Speaker, Mr. Michael Halbouty, consulting geologist and petroleum engineer of Houston, Tex., recently gave an address to the Association of Oilwell Servicing Contractors in which he spoke of government awards of offshore tracts. His comments are well worth reading and I commend them to the Members of this body:

Government Award of Offshore Tracts

A suggestion that the government award offshore tracts on the basis of performance obligation rather than cash bonuses was made today to a meeting of the Association of Oilwell Servicing Contractors by Michael T. Halbouty, prominent petroleum geologist and engineer.

Halbouty said it was absurd for the government to collect billions in cash bonuses and then throw that money down the drain of Federal spending rather than using it to promote needed exploration and development in the offshore area while a dangerous energy shortage threatens.

His proposal, he said, is simple: The present biding would continue, but instead of the government taking cash from high bidders, the bidder would be obligated to spend the sum on drilling. If the entire sum is spent, the bidder would pay the government nothing. If not, the bidder would pay the government the difference in cash.

Halbouty said the government would receive far greater returns in both royalties from expanded drilling and in fuel with which to combat the energy shortages.

"The most recent bidding for leases in offshore Louisiana resulted in the government getting $1.6 billion in bonuses," Halbouty said.

"This is absolutely absurd from any standpoint you look at it. This nation is short of oil and gas. It takes money to explore and drill for these resources. Nowhere does it cost more than in the offshore. Yet this government creates a system by which $1.6 billion is required for bonuses. These bonuses represent a total waste of money that should be used for exploration and development of the leases themselves. They stifle exploration by creating additional costs which reduce and restrict more exploration. These high bonuses also reduce the ultimate income the government entity would receive due to the limited exploration of the leases granted.

"Statistics show that more exploration conducted on a prospect or in a given area results in a greater success. The concept of a new formula described below will increase the competition of bidding, thereby insuring the ultimate in exploration of the leases involved.

"The proposed formula is as follows:

"(1) Bids will be conducted on blocks as is currently the custom. These bids will be made on a cash basis.

"(2) The successful cash bids accepted will not be paid to the government, but will be an obligation on the company to spend that sum on the block in exploration and development. Once that amount is spent the company's obligation to the government would have been fulfilled. If the full amount is not spent then the difference would be paid to the government in cash.

"For example, $50 million is the successful bid on a block of leases. The block is productive and after deducting all exploration and development costs incurred after the leases were granted to the company, there is a deficit of $20 million to meet the original bid amount. This $20 million will be paid directly to the government.

"(3) If the block of leases is dry, the cash difference on what was spent on exploration and drilling, after the leases were granted to the company, against what was bid would be paid to the government. For example, the original successful bid amount is $50 million, exploration and dry holes, $10 million; at this point the company chooses to abandon the leases and at the same time pays the government $40 million in cash.

"(4) Such a formula would encourage greater competition for the original bids because the operating company would know that part, if not all, of the bid amount would go into future exploration, and, hopefully, development of the blocks. This, in turn, would result in greater exploration of a block before the leases were abandoned which would surely result in finding new reserves which would not be found if only one dry test was drilled.

"(5) The government would, in the long run, because of more discoveries under this policy, receive far greater returns in additional royalties than a cash bonus, and the government would still be protected by and would receive cash payments which would be paid on abandoned blocks, as well as those which were productive where the original bid amounts were not consumed. After being awarded the leases, the operating company would have additional time to conduct more exploration on blocks prior to drilling. Thus, ensuring a greater ratio of success. This would also give operators time to obtain proper drilling equipment and schedule drilling in an orderly manner. It would also save the company a tremendous amount of interest which would have been paid on bonus money as under the present immediate payment policy.

"(6) It would create a better rapport between government and industry as government becomes a greater and more interested partner."

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. SCHERLE. Mr. Speaker, for more than 3 years, I have reminded my colleagues daily of the plight of our prisoners of war. Now, for most of us, the war is over. Yet despite the cease-fire agreement's provisions for the release of all prisoners, fewer than 600 of the more than 1,900 men who were lost while on active duty in Southeast Asia have been identified by the enemy as alive and captive. The remaining 1,220 men are still missing in action.

A child asks: "Where is Daddy?" A mother asks: "How is my son?"

A wife wonders: "Is my husband alive or dead?" How long?

Until those men are accounted for, their families will continue to undergo the special suffering reserved for the relatives of those who simply disappear without a trace, the living lost, the dead with graves unmarked. For their families, peace brings no respite from frustration, anxiety, and uncertainty. Some can look forward to a whole lifetime shadowed by grief.

We must make every effort to alleviate their anguish by redoubling our search for the missing servicemen. Of the incalculable debt owed to them and their families, we can at least pay that minimum. Until I am satisfied, therefore, that we are meeting our obligation, I will continue to ask, "How long?"

A CRUEL IDEA

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. GAYDOS. Mr. Speaker, there is considerable consternation throughout the country today over the administration's approach to solving our Nation's financial and economic problems by drastically revising our domestic social programs.

The national medicare program is one where the administration has proposed changes which will greatly increase the financial cost to those who can least afford to pay it.

Mr. John G. Conomikes, vice president and general manager of WTAE–TV in Pittsburgh, Pa., opposed the administration's plan, describing it as "a poor and even a cruel idea" in a recent editorial. He pointed out our senior citizens have been bludgeoned by brutal property taxes, which threaten their homes, and squeezed by inflation, which has robbed them of pensions and savings. As Mr. Conomikes states, medicare is the "one big plus" the country has extended its elderly and it should not be tampered with.

Mr. Speaker, I am inserting a copy of Mr. Conomikes' editorial into the Record for the attention of my colleagues. I am sure they will find it interesting and informative:

Editorial

There are a variety of reasons why changing the ground rules on Medicare is a poor and even a cruel idea.

There seems little financial justification for it. Medicare is one of the few social welfare programs that is financed independently of the general budget. Like Social Security, Medicare is funded by payroll deductions and employer contributions. It is financially solvent.

Yet the national administration proposes a reduction in benefits. For example: the average Medicare patient's hospital stay is 13 days. The patient pays $72 toward his bill. The proposed change would raise the patient's share of this to $200.

For a great many elderly people in this country the difference between $72 and $200 is a very significant sum. We've not made things easy for the majority of old people in this country. A rootless society has carried the young away from them. Inflation has eroded their pensions and savings. Brutal property taxes have threatened their homes. Neglect of public transportation has immobilized vast numbers.

Medicare stands tall as the one big plus this country has extended to its older people. This is no time to start chipping away at it.

THE MIDDLE EAST

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. DERWINSKI. Mr. Speaker, one of the few members of the press who can be accurately described as an expert on the Soviet Union is Frank Starr, Washington Bureau Chief of the Chicago Tribune, who, prior to being elevated to this position, was the Tribune's Bureau Chief in Moscow for a number of years.

His column in the Chicago Tribune of March 12th focusing attention on the diplomatic moves that might be expected in the Middle East is, in my judgment, a very timely and penetrating commentary.

The article follows:

THE MIDDLE EAST: NEXT GLOBAL FOCUS

(By Frank Starr)

WASHINGTON.—After Peking, Moscow, and Hanoi, it is probably fair to ask: What will this administration do for an encore?

The obvious answer is the Middle East, and for some weeks now the signs and the sources have been pointing in that direction.

It has become almost axiomatic in the capital's international community that the Middle East remains the one area in which President Nixon has not been able to exercise an impact.

It is the one area that has not yielded, as the State Department's Middle East expert Joseph Sisco puts it, to techniques of negotiation employed elsewhere.

He points out that the North and South Vietnamese are now talking to one another, the East and West Germans are doing the same, and even the North and South Koreans are conducting regular negotiations.

Apart from whatever other reasons may exist for the President's turning his attention to the Middle East, it must be exceedingly annoying to seem completely without the power to remove this ugly blemish on an otherwise clean slate.

Secretary of State William Rogers in the spring of 1971 made a major effort whose only obvious and lasting result was continuation of a cease-fire that had already begun.

The President has said he will give greater attention to the area and his chief foreign affairs adviser, Henry Kissinger, has said he will not.

This would seem to leave the burden on Sisco, who bears the respect of Israel's Premier Golda Meir as well as that of many Arabs. That may be an advantage that Kissinger, being Jewish, doesn't have.

If the Middle East has not yielded to negotiation techniques, it is also axiomatic among Middle East experts at least that for centuries neither has it yielded to logic. Hates, fears, suspicions, and unpredictability perhaps run deeper and longer there than anywhere else in the world.

Thus the real reason that the Middle East is next on the President's list is that along with being the last major area of continuing conflict it is also the next area of possible conflict with the other superpowers, mainly the Soviet Union, over oil.

It is the next place to test Moscow's commitment to cooperate with the United States, as pledged in the Moscow communique, to avoid confrontation over local conflicts.

Nixon has tested, and found sound, Moscow's willingness—and Peking's too, for that matter—to put their relations with Washington above those with Hanoi.

Now, both Israelis and Egyptians are watching to see whether Moscow will also consider its relations with Washington more important than its commitments to Cairo.

Initial indications are that it will. Last year the Soviets declined to provide the Egyptians with sophisticated weapons they expected. President Sadat sent Soviet advisers out of Egypt, and little happened. Now he has declared a worldwide diplomatic initiative in place of the war-is-inevitable tirades he engaged in until recently.

Now his representative Hafez Ismail has broken postwar precedent and the ice by coming to Washington, and informed speculation in Cairo has it that he may be in line for the job of Premier Aziz Sidki—a sign of his prestige, in any case. King Hussein has paid a call, as has Mrs. Meir.

When asked, Mrs. Meir says, "So far, nothing has changed." When asked, Sisco says the same thing. It is probably safe to assume that they mean that "on the public record, nothing has changed."

Nonetheless, the wheels have begun to turn.

GIRL SCOUTS CELEBRATE 61ST ANNIVERSARY

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mrs. GRASSO. Mr. Speaker, this week we pay tribute to the Girl Scouts of America, an outstanding organization devoted to the development of young American girls.

Sixty-one years ago, on March 12, 1912, the Girl Scouts group was founded by Mrs. Juliette Gordon Low in Savannah, Ga. Mrs. Low was inspired to begin a scouting organization for girls when she became acquainted with the Girl's Guide Movement in England. The Girl's Guide had been established earlier by Lord Baden-Powell, also the founder of Boy Scouting. It was a program based on Scouting ideals, but developed especially for girls. Mrs. Low began her program with those same ideals in mind: the art of living together in respect and understanding with other human beings.

The Girl Scout program provides the opportunity for young girls to learn the art of living with others through a myriad of activities. The program is designed to give the Scout a chance to develop self-confidence, as well as to provide useful experience in group efforts.

The Girl Scout program includes girls through four age levels between 7 and 17 years: Brownies, Juniors, Cadettes and Seniors. Councils and troops have mushroomed throughout the Nation during the past 61 years. Scouts and their adult leaders hold weekly meetings to plan events and programs which have made Girl Scouts the constructive organization for which it has been traditionally noted.

I am proud to say that there are two active councils in my district with a combined membership of some 10,000 Girl Scouts and 1,600 adults. These councils conduct summer activity programs for non-Scouts in the district, while providing camping and other outdoor activities for the Scouts.

It is indeed encouraging to know that the Girl Scouts of America continue their important contributions to the sound development of our young people through creative and worthwhile activities. The benefits of the Girl Scout experience endure a lifetime. The dedication and commitment of Scout leaders have played a vital role in making the Girl Scout program the success it is. With great pleasure we salute the members of a splendid organization during this week that has been set aside in their honor.

SUPPORT FOR SOCIAL SERVICES

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. REID. Mr. Speaker, today, 81 of my colleagues are joining me in the introduction of legislation to block the implementation by the Department of Health, Education, and Welfare of new regulations governing Federal support for social services and remove from Secretary Caspar Weinberger the authority to issue any regulations to the contrary.

We are taking this unusual and very drastic step because it has become clear to us that in proposing these new regulations, the administration has broken faith with the Congress, the several States, and the American people.

The administration's new regulations are not a step toward fiscal responsibility, they are a giant step backward into the dark ages of the dole. Their effect will not be to save money, but instead to hurt the helpless in our society and impose vast new costs on State and local governments by forcing thousands of families back on to already overburdened welfare rolls.

It is important to remember that the funds that the administration proposes to cut are not welfare. They are funds used to provide the vital services that will enable the needy to become self-supporting.

The new regulations will make deep cuts in urgently needed services for children, mothers, the retarded, the aged, the handicapped, and the addict.

They will so constrict eligibility for services that only the working welfare recipient will qualify and thus, they will deny the working poor a chance to work their way to independence and self-sufficiency.

They will eliminate standards for child care and thus relegate young children to ghettoized warehousing.

They will prohibit the use of private funds in Federal matching programs and thus deny private enterprise the opportunity to share in responsibility for social improvement.

To deny these services is to deny our society any hope for relieving the burden of poverty that is crushing our taxpayers and eroding the quality of American life. It is not only inhumane, it is economically absurd.

Let me give you just a few examples of the effect of these regulations.

In New York State 30,000 of our 66,000 senior citizens who are now receiving services will become ineligible.

We will lose $27 million of the $32 million now received for foster care.

Over a third of the 52,000 children in day care, will become ineligible.

Programs aimed at aiding the retarded and preventing drug addiction and delinquency will get no funding whatsoever.

In New York City 20,000 of the 40,000 children now in day care will be dropped.

All of this comes on top of the very drastic cutbacks suffered by New York as a result of the $2.5 billion ceiling adopted by Congress last year. Under that ceiling the $850 million that New York State expected was cut to about $230 million. The administration's proposed regulations would cut this figure even further.

The only place to get the money to continue these vital services is from the already overburdened New York taxpayer.

The impact of these ill-advised administration cuts throughout the country are staggering. Arkansas, for example, will have to close 60 of the 80 mental retardation centers they are operating. In Pennsylvania, 12,000 of the 14,000 children in day care will be dropped.

Our legislation will prevent this by writing much of the substance of the existing regulations into Federal law. This, however, is not a blanket return to the status quo. Our legislation recognizes the need to hold down costs and adhere to the stringent $2.5 billion ceiling on social service spending set by the Congress at the request of the administration last year. We have, for example, largely accepted the new regulation's limit on services that must be provided by the States, although we have added child care to the three they would propose.

Let me make it clear at this point that our legislation does not represent any increase whatsoever in Federal spending. It adheres to the spending limits set with this administration, itself.

Very briefly, let me explain. As I mentioned, last year in accordance with the administration request, Congress set a severe ceiling of $2.5 billion on social service spending. Many of us thought that limit to be too low, but we accepted the need for a firm ceiling and we are prepared to live within it.

However, these new regulations will, by subterfuge, impose further slashes of between $1 and $1.3 billion below that ceiling. Instead of the $2.5 billion limit, they will peg Federal support for social services at between $1.2 and $1.5 billion.

Not only has the administration broken faith and ignored the congressional mandate, it has done so by a callous, deceitful, and improper impoundment of congressionally approved funds.

Congress and the American people cannot afford this reckless indifference to social responsibility. Nor can we afford this arrogant disregard of constitutional procedures.

I include with my remarks, the following:

Highlights of Legislation to Correct New Social Service Regulations

A bill to amend the Social Security Act as amended last Fall, by eliminating language restricting eligibility of past and potential welfare recipients to 10% of funds, and by eliminating restrictive language defining day care services.

A joint resolution which will write model regulations directly into the Social Security Act. These regulations cover the following major points, and made the following changes in the newly proposed regulations.

New regulations prohibit the use of donated private funds or in-kind contributions to be considered as the State's share in claiming Federal reimbursement. Our legislation repeals this restriction.

New regulations cut from five years to six months the definition of a future welfare recipient and from two years to three months the definition of a past recipient. Our legislation reinstates the original definition, thereby restoring eligibility for the working poor.

New regulations impose strict income eligibility. Our legislation returns to the broader definitions of eligibility, including group eligibility.

New regulations eliminate the "special needs" category which allowed special services for the handicapped regardless of income. Our legislation reinstates this provision.

New regulations redefine the purpose of services so that services may be provided only if they lead to self-support. Our legislation permits social services for the purpose not only for self-support but also for situations in which persons cannot be immediately self-supporting, such as, for example, a young child or a permanently incapacitated senior citizen.

New regulations impose restrictions on a welfare agency's ability to purchase services. Our legislation removes these restrictions.

New regulations eliminate the current requirements that out-of-home care comply with the Federal Interagency Day Care Requirements and that in-home care meet state standards, thus allowing the "warehousing" of children. Our legislation reinstates these requirements.

New regulations restrict mandatory services and eliminate many optional services. Our legislation recognizes the need for fiscal restraint, but restores employment-related child care as a mandatory service, and expands the list of optional services to allow States more flexibility to determine what services their citizens need, subject only to the Congressional ceiling on Federal spending.

THE SPEECH OF MR. JOHN S. HINCKLEY, PRESIDENT OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION, ON THE RELATIONSHIP BETWEEN THE AUTOMOBILE DEALERS AND THE CONSUMER

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. OWENS. Mr. Speaker, last month at the National Automobile Dealers Association convention and exhibition in New Orleans, a distinguished Utahan, Mr. John S. Hinckley, president of Robert S. Hinckley, Inc., of Ogden, Utah, became president of that association.

Mr. Hinckley, who comes from Utah but not my district, has an impressive record of public service in addition to his performance as a leading businessman of my State. He has never been accused of allowing his business interests to interfere with his public service, and in fact has on one occasion of my personal knowledge, compromised his direct business interests because he supported a higher public goal.

When Mr. Hinckley was installed as president of the National Automobile Dealers Assocation, he spoke very candidly about the consumer and the relationship between the automobile dealers and the consumer. He restated his dedication to making certain that the consumer not only receives completely fair treatment from the automobile dealer, but that the dealers association take the leadership in guaranteeing responsiveness on the part of the individual dealer to the people whom they serve.

Because Mr. Hinckley's remarks set forth such a remarkably unselfish attitude, which is an exception among commercial associations, I am inserting his remarks for the benefit of my colleagues:

1973 President's Acceptance Remarks

By John S. Hinckley, President, NADA

Mr. Whittey, officers and directors of NADA, honored guests, fellow dealers, ladies and gentlemen.

Charles J. Whittey has given an entire year to our association. On behalf of the members of NADA, Charlie, I would like to express appreciation for all that you have done for the dealers of America during you term as president.

Yours has been an outstanding year, because you have guided us wisely and courageously.

Whenever and wherever you were needed, you have always been there handling each task skillfully and with good taste.

You have been truly dedicated. We thank you deeply and sincerely.

Charlie, I wish to thank you, as well, for the splendid introduction, and also for the introduction of our 1973 officers.

I would, however, appreciate the privilege, at this time, of introducing the person who will share this year of work and honor with me—my wife, Anne—ladies and gentlemen.

I happily accept the office of President of NADA for 1973, with the hope that I can add my contribution to those already given by so many in the past years.

I would like to congratulate the officers and directors of NADA for 1973. I know they would want me to express their willingness to accept the responsibility you have given them.

We are anticipating a busy year, and are confident that it will be rewarding. We trust that we will pass NADA on to the next administration in good health.

Recently, peddlers of doom and gloom have predicted the demise of the franchise system of automobile and truck distribution and service. Some theorists have even seriously questioned whether the system is truly in the consumers' best interest.

Our association will not dismiss lightly these threats to our business. The time has come, however, when none of us can take the franchise system for granted.

NADA believes this method of distribution to be truly in the public interest. It is the best system yet devised for selling and servicing the millions of cars and trucks in this nation.

Therefore, let us dedicate the year ahead to the strengthening—and the preservation—of the automobile and truck franchise system.

Let us work for its protection.

Let us oppose anything or anybody who tries to weaken the franchise system.

Let us also understand what the system is—how it began, how it works, and how it can be strengthened and preserved.

The automobile franchise system has four foundations—four legs: the consumer, the Government, the dealer and the manufacturer. Each of these four groups has a role in the operation of the franchise system. Each has a stake in the system's health.

The major voice in the continuation of the franchise system belongs to the consumer. He may have the final say.

Consumers have many demands. Many of their demands are justified. We must understand these demands and meet them.

What is it consumers want? Basically, they want reasonable things—such as prompt and convenient service. They want to buy cars and trucks without misunderstanding or deception by the dealer or manufacturer.

They want the service job done right the first time and ready when it was promised. Above all, they want to be sure they are getting their money's worth.

Let's satisfy these customer needs.

I would be remiss if I did not take this opportunity to remind consumers that they also have a responsibility to the movement they started. Sometimes it seems they want their cake and eat it too. A good dose of old-fashioned reasonableness would help. And to be reasonable, one must be practical. The consumer must make choices. Is he willing to pay for what he is asking? Is he willing to accept new engineering and design features and new maintenance requirements on his cars and trucks?

The consumer must communicate his choices to the advocates who speak for him.

The consumer movement is here to stay, and when consumers are in doubt, they call on local, State and Federal Government and consumer organizations for help.

Dealers and manufacturers often misinterpret the message and allow the consumer protection movement to pit seller against buyer.

We are amazed that dealers and manufacturers sometimes look at their buyers with disrespect—or even disdain.

We must accept our responsibility to our customer or he will look to Government to satisfy his needs.

There is no question that the Government is going to protect the consumer. Legislation will be considered and passed that will affect both dealer and manufacturers alike. It will affect them deeply—perhaps adversely.

And the franchised system may be damaged—perhaps beyond repair.

It is a well-known fact that Government often goes to extremes when it passes legislation in the heat of emotion. Bad bills and bad laws result from Congress acting in haste and in ignorance.

Let us inform Congress—let us educate congressional leaders on the vital need to preserve the franchise system.

We will do this. We will continue to expand our highly successful Meet Your Congressman program.

There is no better way to keep our representatives in Washington—and in the State capitols—aware of the problems confronting dealers in our very competitive business than to meet with him face to face.

We must remember, however, that we cannot look to government to solve dealer problems that we can and should solve for ourselves.

Dealers must get involved. The fight to preserve the franchise system is primarily a dealer job.

What can we do?

Let us start by modernizing—by reshaping our business procedures and practices.

For example, let us finally eliminate every last bit of false, misleading and deceptive advertising from all media.

Let us also adopt new consumer-oriented systems of service management—systems like Shop Trak.

We must also recruit and train competent dealership management personnel. We must also make sure our equipment and facilities are equal to the challenges.

NADA will dedicate its efforts to developing business management programs for these purposes. The expanded workshop program here at the convention is a good example of new ways NADA is finding to provide dealers with information to meet the consumer challenges. And at the same time, preserve the franchised system.

The story doesn't end here, however. The manufacturers also have great responsibility if the system is to be saved.

For example—a recent factory advertising and public relations program suggests that the factory is paying its dealers to perform services which are never completed for the customer.

Another manufacturer authorized warranty repairs directly to the customer—while the dealer must refuse service because of the terms of the warranty. These cases give the public the idea that dealers are inept and maybe dishonest.

Is this anyway to preserve the franchise system?

The franchise system is not served, either, when manufacturers open company stores to compete with or stimulate their dealers.

The only kind of dealer that can best serve the customer is a strong, profitable, independent dealer.

A distribution system that puts sales to fleet and rental customers ahead of the dealer's individual retail customers must be abolished if the franchise system is to survive.

A customer is bound to feel he is getting the runaround when he takes his car to his dealer for a recall job only to find that the dealer has not been furnished the necessary parts by the factory.

When sold orders take four or five months to be filled by the factory, the customer feels he is a second-class citizen—that he is being deceived.

Can the franchise system remain strong with continual cuts—with continual shrinkage of our traditional discounts? No way.

If the franchise system is to remain healthy—and it must—then manufacturers must take some of the responsibility.

These problems between dealers and manufacturers are not new. These erosions of the franchise system—these cancers of the industry—are long-standing problems. They have been nailed to the factory doors many times before by many dealers.

But time is running out. In fact, this is the last call, because consumers and the government are now part of the picture.

Let us act, manufacturers and dealers, to preserve the franchise system—or we as dealers will act alone.

But we will act.

The dealers of this nation will lead the way to a stronger franchise system through understanding and satisfying the consumer's needs.

We urge manufacturers to join us in a mutual campaign to achieve the urgent goal of preserving the franchise system—a system that benefits us both.

I also remind you, that we can only do this job when we have a strong association of dealers—strong in numbers and unified in our objectives.

As the 1973 year begins, let us keep NADA strong.

With your help, we will be strong. And with strength, we can continue to accomplish much for the dealers of this nation.

THE REAL STATE OF THE ENVIRONMENT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. EDWARDS of California. Mr. Speaker, the following article in the Washington Post, March 4, 1973, seems to me to be an excellent example of the increasingly obvious discrepancies between the President's public pronouncements and official actions. The opening, italicized paragraph is typical of a number of statements Mr. Nixon has made on the environment—visionary, forceful, full of promise and leadership. The 15-minute, special campaign advertisements shown on television last fall, depicting what the Nixon administration had "done" to improve the environment, portrayed the same laudable intentions. Lou Cannon's detailed analysis, however, of the demolition of the solid waste management program, is unfortunately the true picture of Presidential actions with respect to environmental issues, and I would suggest it be read most carefully.

People in Santa Clara County, Calif., are familiar with the high quality of Lou Cannon's journalism through his years of service as a former reporter for the San Jose Mercury. Now that Mr. Cannon is based on the Washington Post, people in the East are becoming familiar with his objective and accurate reporting on the Federal Government as exemplified by this searching article on a small but important Federal program:

United States Minimizing Federal Role as Local Waste Fight Fails

(By Lou Cannon)

"Because there are no local or state boundaries to the problems of our environment, the federal government must play an active, positive role. We can and will set standards. We can and will exercise leadership. And we will provide encouragement and incentives for others to help with the job."—President Nixon, in his environmental message to Congress, Feb. 15.

The Nixon administration is abolishing the federal role in solid waste management despite the findings of its own Environmental Protection Agency that local governments are failing to solve the problems of waste disposal.

"A few localities have done a very good job but most of them have done poorly," says Samuel (Sandy) Hale Jr., director of EPA's Office of Solid Waste Management. "We think they really do need a lot of technical assistance."

Technical assistance is one of the many EPA services that is virtually eliminated by the administration's fiscal 1974 budget, which slashed federal expenditures for solid waste and resource recover from $30 million to $5.8 million and redirected the remaining program so that it is almost entirely limited to hazardous and toxic wastes. The budget cutback will do away with EPA's local planning grants and with research and development. It also will halt a resource recovery demonstration program in its tracks.

Most importantly, in Hale's view, the expert staff that has been slowly built up by the agency in solid waste management programs is being dismantled.

EPA personnel working on solid waste problems will be cut from 320 to 120. Despite the administration's celebration of government decentralization, the cutbacks will be most severe in EPA's 10 regions, where total personnel will be reduced from 94 to 20.

It is the regional people who are providing technical assistance and who, in the case of Cleveland, Ohio, had initiated a system which cut the city's waste collection costs in half.

"Considering the interest in waste disposal and recycling, 20 people scattered in 10 regional offices won't be enough to answer the mail," says one EPA official. "We are abdicating the responsibility we proudly proclaimed as ours a year ago."

The dismantling of a solid waste program that was begun with high hopes is reminiscent of the shutting down of such federal agencies as the Office of Economic Opportunity. Unlike the dismantlers of OEO, however, the EPA dismantlers have no stomach for their task.

Though they now dutifully echo the administration position that municipal solid waste management is a "local not a national problem," both EPA Administrator William D. Ruckelshaus and Hale recommended continued funding of the solid waste program. So did Russel E. Train, chairman of the President's Council on Environmental Quality.

ACTING AS FILTER

Their recommendations were rejected by the Office of Management and Budget, which in the words of one OMB official, "merely acted as a filter for the White House." This same official, whose story is supported by various officials, in EPA, says that the appeal to restore funding for the solid waste program was carried all the way to John Ehrlichman, the President's chief domestic adviser, Ehrlichman rejected it.

The administration's decision to turn away from a federal role in solid waste management, except for toxic wastes, comes at a time when public and private reports dispute the contention made by President Nixon in his environmental message that we are "winning the war against environmental degradation."

EPA documents indicate that the United States is, in fact, "losing the war" of conserving its dwindling natural resources. At the same time, its related problem of waste management continues to grow.

"We are far out on a limb, but we are unaware of it," wrote EPA resource recovery expert Arsen Darnay in an agency pamphlet. ". . . Our population is increasing at a rate of about 15 per cent yearly, yet our consumption of products grows between 4 and 6 percent a year. Approximately 200 million tons of paper, iron, steel, nonferrous metals, textiles, rubber and plastics flow through the economy yearly, and materials weighing roughly the same leave the economy again as waste."

STATE OF IMBALANCE

"This is a situation of imbalance and maladaptation. Most of the energy and many of the materials we use are derived from nonrenewable deposits. We are consuming our capital, rather than our earnings."

By the most conservative estimates, solid wastes are growing three times as fast as the population. The nation now spends $4.5 billion a year for municipal collection and disposal services alone, and EPA has found most of these inadequate. Despite the increased public interest in recycling, the percentage of recycled materials used by industry has been steadily declining since World War II.

A 1972 EPA report on "Salvage Markets for Materials in Solid Waste" found that paper consumption increased 45 per cent between 1956 and 1967 while recycling as a percentage of consumption declined 4.8 per cent. The volume of paper in solid waste increased 59 per cent, far more than consumption.

During a 10-year period ending in 1969, according to this same report, glass container consumption increased from 21.6 billion to 36.1 billion and "for all intents and purposes the entire output of the glass container industry is discarded into municipal waste systems."

The reason for the disproportionate use of virgin materials compared to recycled (secondary) ones is chiefly economic.

"Virgin materials producers enjoy depletion allowances, do not pay the full costs of environmental degradation created by their mining, harvesting, transportation and processing activities, and are not charged for generating solid wastes," says an EPA report. "By contrast, secondary materials are not credited with conservation of natural resources, favorable contributions to foreign trade balance, low pollution generating in reprocessing and removal of materials from the solid waste stream. This situation results in a distorted picture of the relative total costs of these two types of materials."

Similar findings are incorporated in a long-delayed report on resource recovery that EPA was supposed to submit to Congress in 1971.

REPORT HELD UP

The agency didn't complete the report until last August, and it was then withheld by the Office of Management and Budget for seven months despite repeated prodding from Ruckelshaus and Hale to release it.

When the report was finally sent to Congress last week—16 months after the date stipulated in the Resources Recovery Act—its tone had been softened and occasional sentences added by OMB in an effort to justify the budget decision.

"Additional federal incentives for recycling are not considered desirable at this time," says one such OMB-added statement.

Despite such additions, the findings of the report indicate clearly that recycled materials are discriminated against by federal laws, even though use of such materials is environmentally desirable.

For instance, the report compares steel reinforcing bars produced from virgin ore and from scrap. It finds that the bars made from scrap use 74 per cent less energy and 51 per cent less water and that they cause 86 per cent less air pollution and 97 per cent less mining waste.

All told, the United States provides $2 billion a year in subsidies to users of virgin materials through depreciation allowances, cheap land leases, capital gains writeoffs and lower freight rates.

EPA studies have found that the chief obstacle to use of recycled materials is not inadequate technology but inadequate demand, because the unsubsidized recycled products cannot compete with the subsidized ones made from natural materials.

A Midwest Research Institute study, issued at a time that EPA recovery expert Darney was associated with the organization, says that the attempt to promote greater use of recycled materials merely by increasing their supply is like "pushing on a string." Instead, the study suggests, the government should create a "demand pull" by either subsidizing recycled materials or removing some of the subsidies on virgin materials.

SUSPECT PRESSURE

Since the budget cut was announced, various conservationist groups have expressed suspicions, that major industries pressed the administration to kill the solid waste program out of fear that it would one day call for restrictions on oil, mineral and timber depreciation allowances.

"If they have exerted pressure, it's clearly backfired," says Hale. "There's much more attention given to these subsidies than there was before the budget was announced."

Hale says he has detected no sign of such pressure. He and various other officials in EPA and OMB believe instead that the budget cut was the result of tactical maneuvering intended to head off a far-reaching new bill by Sen. Edmund Muskie, (D-Me.) that would vastly increase the role of the federal government in solid waste disposal and resource recovery.

Among other things, the Muskie bill would provide for appropriations of $805 million over a three-year period for grants to states and cities.

The earlier water pollution bill providing up to $11 billion for sewage treatment plant grants was passed over President Nixon's veto, and the administration wanted no repetition. White House strategy on solid waste reduced the Congress to fighting for the limited present program rather than the new Muskie measure.

The Resource Recovery Act, under which the present solid waste program is administered, expires July 1, and the Senate rushed through a one-year extension to keep the program alive. The House is expected to concur.

Normally, a program can be continued at its present budget level through a device known as a "continuing resolution." But such resolutions provide for funding either at the present budget level or the new budget figure, whichever is lower.

The net effect of this maneuvering is that the administration was able virtually to do away with a solid waste program while its future is being deliberated by the Congress.

The result has been disheartening to EPA officials, many of whom agree neither with the Nixon budget cuts nor with the Muskie approach of massive grants.

Hale particularly dislikes a feature of the Muskie bill that would put EPA in the business of deciding, on a product-by-product basis, which products should be restricted from the market on solid waste grounds. This, he says, is a task that government is ill-equipped to do.

In the absence of a budget restoration, however, or early passage of the Muskie measure which even the bill's author doesn't foresee, the problems of solid waste and resource recovery have now been deemed a matter for "local control." It is a point disputed by the National League of Cities, which said in a resolution last month that "we do not agree that solid waste disposal and resource recovery is a responsibility exclusively of local government."

OUR VETERANS WILL NOT BE FORGOTTEN

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ANNUNZIO. Mr. Speaker, during the last few months Congress has been repeatedly rebuffed in its attempts to provide adequate health care for veterans by the Nixon administration. Some estimates point out that less than 15 percent of the VA budget is devoted to the some 3 million Vietnam veterans.

Last year the President vetoed two bills intended to improve services to veterans. A half-dozen programs in health, job, and school benefits for Vietnam veterans, approved by Congress because of desperate need, have been cut, or the funds for them impounded. Various reports from both private and government sources indicate that personnel and facilities at VA hospitals are overburdened, causing a serious threat to patient safety.

Just last month the administration tried to raise benefits for mentally ill vets and reduce—up to 60 percent—benefits for amputees. Both Congress and the public were justifiably outraged by these miserable proposals. I commend my colleague, William J. B. Dorn, chairman of the Veterans' Subcommittee on Compensation and Pensions, for his quick action to stop these unconscionable cuts. Our Nation has the money to give the best of health care to all of its veterans, both young and old. I realize that some would not agree with me, but I believe that amputees have sacrificed enough. They should not have to give up their benefits so that others might have better treatment.

At this point I wish to insert an editorial from the Chicago Sun-Times which highlights this "national disgrace." I want to commend Emmett Dedmon, the distinguished vice president, and editorial director of the Chicago Sun-Times, as well as his editorial staff, for this outstanding editorial which so succinctly portrays the problem facing our veterans. The editorial follows:

SHORTCHANGING THE VETERANS

The Veterans Administration has been accused by a congressional committee of a shocking lack of concern for those whose welfare it is supposed to help safeguard. A study prepared by the staff of a House Appropriations subcommittee asserted that thousands of ailing patients suffer from a dangerous lack of care at VA hospitals and sometimes are discharged in worse shape than when they were admitted. The 41-page committee study also accused the VA of trying to conceal hospital conditions by distorting records. The VA pointed to an increased staff-patient ratio, but the committee said the figures do not mean that many more employees became involved in patient care.

Taken alone, the investigators' report constitutes a serious indictment of the VA. But it is only the latest evidence that the VA's commitment to U.S. servicemen is less than genuine. On Feb. 14, the VA was forced by President Nixon to withdraw plans to cut benefits for amputees and other disabled Vietnam GIs because the proposal provoked instant and bitter outrage from Congress and groups concerned about veterans' benefits. Earlier this month, officials of the West Side Veterans Hospital refused to say how much taxpayers' money was being used to refurbish an executive suite at the hospital. The hospital's administration said it couldn't divulge this information because it was in the midst of an internal investigation of newspaper reports on the hospital's management. In 1971, patients at VA hospitals in Georgia and Texas were sweltering in summer heat without air conditioning while multimillion-dollar projects were under way to cool VA hospitals in the North.

Needed help may be on the way. Three bills increasing benefits for veterans by $1.2 billion were passed by the Senate on Tuesday. Unfortunately, two of the measures are similar to bills that President Nixon pocket-vetoed last October, partly on the ground they were too costly. We don't buy that argument here. These disabled servicemen have paid the cost of their care, some of them with their arms and legs. They are entitled to the best medical care the nation can provide. If the committee's report is accurate—and we believe its findings should be examined closely—that care is a national disgrace. Mr. Nixon on several occasions has expressed his and the nation's gratitude for the service rendered by these servicemen. Such gratitude should be expressed in dollars.

Mr. Speaker, recently I made my Chicago office available to help veterans in the 11th Congressional District of Illinois, which I am privileged to represent, find the jobs or career programs suitable to their individual needs. We are proud of the veterans in our community and with help from the city of Chicago and the people of the northwest side, we have been successful in this effort.

As a Member of Congress, however, it is my duty to see that all of our veterans throughout the United States, both old and young, get the necessary readjustment services. I intend to do all I can to make sure that the sacrifices of our veterans are rewarded not with promises, rhetoric, and high-sounding phrases, but with practical job, educational, and health programs suited to their needs.

I voted for the veterans bills in the 92d Congress, which were subsequently vetoed by the President, and I intend to do so again when these bills, and other similar measures, are brought to a vote in the 93d Congress—as they must be.

IRAN COMMENDED FOR RECORD SEIZURE OF ILLICIT NARCOTICS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. HORTON. Mr. Speaker, the success of our country's war on drug abuse hinges, to a great extent, on effective efforts to halt international drug trafficking. We are sharply critical of any country which, in our view, is failing to make a maximum effort to halt the flow of illicit drugs. It is equally important that we recognize those countries that are acting decisively to suppress narcotics trafficking.

For this reason, Mr. Speaker, I feel it is important that my colleagues be aware of the outstanding record of the Iranian Government and police force in the war on international drug trafficking. On February 10, 1973, the Iranian gendarmerie seized a world record 12.7 tons of opium which was being smuggled into their country. During the period December 21, 1971, to February 26, 1973, only 14 months, the Iranian police seized 51,333 pounds or 26 tons of opium, 81 pounds of morphine base, 80 pounds of heroin, and 5,591 pounds of hashish.

The significance of these seizures is further revealed in a telegraphed message from John Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, to General Zargham, Commanding General of the Imperial Iranian Gendarmerie:

> My staff in Tehran has notified me of the arrest of eight armed smugglers and the seizure of 12,700 kilos of opium near the Afghan border in Khorassan province by your men.
>
> This most notable enforcement effort is very gratifying to me and all U.S. officials working on stopping international illicit narcotics trafficking.
>
> To my knowledge this is the largest single seizure of illicit narcotics reported in recent history. I am most particularly appreciative of the efforts of the Iranian Government in suppressing illicit narcotics trafficking.
>
> You and the Imperial Iranian Gendarmerie are to be commended for this remarkable achievement.
>
> You have the U.S. Government's continued full support of your narcotics enforcement program.

I am extremely pleased to recognize these achievements of the Iranian Government because I have seen first-hand the operation of that country's narcotics enforcement program. Iran was among the 11 foreign countries I visited last December at the request of the White House Cabinet Committee on International Narcotics Control. The purpose of that mission was to assess the effectiveness of bans on heroin trafficking in the Near East and to underscore the importance our country attaches to those efforts. The commitment of the Iranians was particularly impressive in that the Shah of Iran has developed one of the most advanced programs of smuggling control, production control, and addict treatment anywhere in the world.

The record seizures of illicit narcotics are further evidence that Iran is completely serious about combating illicit trafficking of drugs into and out of Persia. The Iranian Government and police force should be commended by the Congress and by the American people for their outstanding record.

FIRST AID FOR REPRESENTATIVE DEMOCRACY

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. BRASCO. Mr. Speaker, this administration has previously shown a significant fondness for talking about constitutional government. The President asks others to obey its dictates. Yet he shows a fine disregard for such niceties when it comes his turn as Chief Executive to set a national example. However, I will take him literally and adhere to the rules, particularly in the area of division of powers between the legislative and executive branches.

Rumor still has it that the Congress originates revenue bills. Unless that belief is dispelled by forces greater than Congress, I shall continue to retain faith in that constitutional mandate.

This means simply what the Congress appropriates and orders spent on a given public policy should be spent accordingly by the executive branch. It does not mean that half of it should be spent and the other half held back by the order of the President.

In recent months we have all become aware that in the now-swollen Office of Management and Budget there resides a new, almost omnipotent deity, and he is known as the accountant. Possessing a cash register instead of a heart, he spits on the end of his lead pencil and makes marks on yellow pads, a la his employer.

He makes large dollar marks for military hardware and very small ones for domestic benefit programs. He authorizes full expenditures for weapons systems and contracts to hardware merchants, such as Litton Industries, whose former President now heads this office.

Then he and his conferees authorize minimal and partial expenditures of congressionally appropriated and authorized funds for domestic programs benefiting millions of Americans. I refer to programs involving health, education, childcare, housing, the elderly, and many others that the Congress in its wisdom has termed essential to the well being of America.

Now in a kingdom where a person rules by divine right, as they used to say, the Parliament could authorize expenditure of funds and a king could loll back on his throne and laugh at such feeble gestures of democracy on the part of a body elected directly by the people.

In a dictatorship, the kind which abounds around the world today, a single individual makes little pretense of adhering to the commands and dictates of a freely elected group of parliamentarians. He merely orders funds expended as he sees fit, and be damned to democracy.

Now that same rumor monger who informed me that Congress originates revenue bills has also informed me that we do not have one-man rule of either kind in this Nation; at least not yet. He told me that a strong rumor was being bruited about Washington which claimed that a freely elected Congress, reflecting the will of the majority of the people, could cause funds to be expended on existing programs without interference by a king, dictator or what have you.

Now if that rumor is true, and it is reputed to be based on the Constitution of this Republic, then there is no legal or constitutional ground upon which any part of the executive branch, from the President on down to his accountants, can defy the will of Congress and impound appropriated funds earmarked for specific, legally approved undertakings of this Government.

The Congress, resting its logic for such a policy again on that precious document, can and should vigorously oppose the impoundment policy.

The question is not whether there should be more or less government spending. The real issue is who shall control this vital process. If representative democracy is to endure in this land, then the Congress, which has always exercised this power, must reclaim it at any cost.

Toward this end, I have joined with an impressive list of my colleagues of both parties in introducing legislation designed to restore balance to the government process. It would prevent the President from impounding funds without first consulting Congress within 10 days after the action, and further, without explicit approval of the Congress within a 60-day period.

Perhaps the most outrageous element in this equation of executive usurpation of legally granted legislative powers is the grave inconsistency that an American President can withhold funds the Congress has already appropriated for badly needed domestic social programs, while at the same time, asks the same Congress to authorize billions of dollars for the rebuilding of Southeast Asia.

My friends, irony not withstanding, the issue is plain and the lines are drawn. Once again, Congress is faced with a simple choice. Either reclaim its authority or cease being a truly representative body. The choice is ours.

TOP GOES TO WORK

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ROBISON of New York. Mr. Speaker, given all of the uproar about the supposed elimination of the Community Action program, there have been those who have reacted as if it was the end of the world, but others have gone to work already, beginning to seek, as inevitably they must, the kind of community understanding and support necessary if local CAP agencies are to survive.

An example of the latter is Tioga opportunities program. Last week I was given a copy of the report which their able director, Glen Hine, has compiled as to what is facing TOP at the present time. Because of the great interest in the effect on CAP agencies of the changes which have been announced, I want to bring this report to the attention of my colleagues:

TIOGA OPPORTUNITIES PROGRAM, INC.,
Owego, N.Y., March 8, 1973.

Shortly after the release of President Nixon's proposed FY '74 Budget I had the opportunity to meet with Congressman Robison. At that time I expressed some of my concerns over the immediate and complete cut-off of funds for Community Action Agencies and the effect on a small rural county like Tioga. I also indicated that I believed the future of community action and its programs was now a local issue and that I intended to go home and seek local support and take a good hard look at where we are and where we are going.

On February 14, 1973 I presented our Board of Directors a three part paper updating them on our immediate position (copy attached). At this meeting the Board voted not to participate in the mobilization in Washington but to remain home, seek local support, and determine our most pressing needs.

During the past two weeks we have asked our community to respond. We wanted this response for two reasons. We wanted, first of all, to be able to give some indication of what the community says about Community Action. We give you these responses in that spirit. We believe they honestly reflect a wide cross section of participants, staff, community-at-large, Agencies, the business and professional community, churches and schools.

Secondly, we wanted to use our present situation to gain for ourselves a meaningful, productive, educational and creative experience. The letters that have come into our office have done just that for us. A careful analysis reveals the concerns of Tioga County citizenry and provides us with benchmarks to measure future activities.

These are confusing times for us! OEO Guidelines for the termination of funding, total upset in Regional OEO office, newspaper articles and radio and TV reports, increasing skepticism from many sources on Special Revenue Sharing to mention only a few which multiply the dilemma.

In the middle of this uncertainty let me suggest some areas of concern that require some consideration.

1. If the Office of Economic Opportunity is eliminated several immediate problems arise:

A. The bulk of office equipment is under OEO inventory. We will have offices but no furnishings or equipment. Some arrangement should be made to transfer this equipment to the Agency. Otherwise the county and the taxpayer will receive added costs to refurnish and re-equip.

B. Previous close-out of OEO programs has resulted in boxing and sealing of all grantee records. Much information and data will be lost for local use, unless arrangements are made for retention here in the county.

C. Staff and equipment, using maximum time-line will be phased-out and dispersed as follows:

(1) Manpower—Department of Labor—06/30/73—3 staff persons.

(2) Self-Help in Nutrition Education—OEO—09/30/73—5 staff persons.

(3) Conduct and Administration, Community Services, Senior Opportunities and Services—OEO—11/30/73—13 staff persons.

2. Tioga County, no matter how serious they may be in wanting continuation of these services, does not have the financial capabilities at this point of termination to fund these programs.

A. General Revenue Sharing is a new experience, divided among many political jurisdictions and came in 1972 as funding that was considered to be for priorities over and above existing programs. Added to this is the uncertainty of just how much will be received in any given year as evidenced in the reduced amount received by the county in 1973 over 1972.

B. Special Revenue Sharing is yet undefined. How can the county say at this time what they will do? Will there be Special Revenue Sharing? What will be the mechanism for getting it down to Tioga County? (If the population base of 75-100 thousand is considered this means that for Tioga County, funds could go to the State of New York, through local Development Districts or other Regional Planning Groups and finally to the County.) What kind of proposals will be required and how does a small rural county fare when faced with competition from organized, larger, more sophisticated county governments and large cities?

3. The situation then seems to point up the need for some form of *Transition Period*. It is totally unrealistic to expect that in view of the above uncertainties that a small rural county can finance, plan and adjust, without a transition option. If such a transition plan is not developed we are faced with some very serious consequences.

A. Programs still funded will become more costly to administrate since they are presently not funded or staffed to provide supportive service for family and children. The services provided by our Agency are unique to the county. Not only are they integrated services for our own programs but they also provide services to other county agencies.

B. There will be a break in delivery of services that will require added costs if they are to be picked up at a later date. Blocks of unique services are eliminated, integrated services are destroyed.

C. Present staff who are members of various Regional Planning Boards will be lost to the county. Many of these staff who have provided valuable voices for Tioga County with years of experience will be lost to the county as they relocate.

D. A great body of work must be pursued in developing local guidelines for delivery of services now that Federal Guidelines are eliminated. This is not necessarily a bad thing since it allows greater flexibility and sensitivity to local needs. However, it will be a difficult task for the county when OEO Guidelines for termination call for progressively reduced personnel who may lend their knowledge and skill to such a task.

GLENN A. HINE,
Executive Director.

PANAMA CANAL: A STUDY IN SOVEREIGNTY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. CRANE. Mr. Speaker, during the current sessions of the U.N. Security Council in Panama, 15–21 March, 1973, one of the subjects for discussion is U.S. sovereign control over the Canal Zone. Though the documentation on this subject is extensive and authoritative, it is not understood as it should be.

In an illuminating article in the November 4, 1972, issue of Human Events, the well-known weekly news report of Washington, D.C., Dr. Donald Dozer, eminent author and outstanding authority on U.S. Latin American policies, removes much of the confusion that has surrounded the subject of U.S. sovereignty over the Canal Zone and presents the matter in clear and simple terms. In so doing, he—

First. Shows that the U.S. possession of the Canal Zone is not a "lease" but a "grant" of sovereignty in perpetuity.

Second. Explains how the annuity of $1,930,000 paid Panama is not a "rental" but the adjusted obligation of the Panama Railroad assumed by the United States in the 1903 treaty and later gratuitously augmented by $1,500,000 from the State Department budget.

Third. Appeals for a strong reaffirmation of U.S. sovereignty by our Government, which would render the current negotiations "entirely irrelevant" and clear the way for the "major modernization" of the existing Panama Canal.

The objectives in the paragraph above can be accomplished by prompt action on pending measures in the Congress, among them House Resolution 201 and H.R. 1517, which were referred to the Committees on Foreign Affairs and Merchant Marine and Fisheries, respectively.

Because the indicated paper should be of special value at this time, I quote it as part of my remarks and urge its careful reading by all concerned with Isthmian canal policy questions:

[From Human Events, Nov. 4, 1972]

THE PANAMA CANAL: A STUDY IN SOVEREIGNTY

(By Donald M. Dozer)

Some 34,000 United States citizens residing in the Panama Canal Zone are vitally interested in the secret negotiations which have been proceeding for more than a year between representatives of Panama and three United States ambassadors, Robert B. Anderson, John C. Mundt and David H. Ward, for a new treaty or treaties with Panama.

Far more than their jobs are at stake. They understand conditions on the Isthmus and are concerned to maintain the strategic position of the United States in the Canal Zone and to protect it against the saber-rattling demagogy of Brig. Gen. Omar Torrijos, Supreme Leader of the Revolutionary Government of Panama. In certain quarters in the United States it is also feared that the new arrangements with Panama which are being negotiated will follow the pattern of surrender of our vital rights there which was established by the Eisenhower, Kennedy and Johnson administrations.

For many years United States policy toward Panama was based on the fact of perpetual and exclusive sovereignty of the United States over the Canal Zone. In the Hay-Bunau Varilla treaty of 1903, which still fixes the rights of the United States in the Canal Zone, Panama granted to the United States "in perpetuity the use, occupation and control" of the zone and authorized it to exercise "all the rights, power and authority within the zone . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."

Secretary of War William H. Taft injected an element of confusion into this situation when in 1905 he propounded the theory that Panama retained "titular sovereignty" over the Canal Zone, by which, he later explained, he meant residual or reversionary sovereignty; that is, if the United States should ever abandon the canal it would relinquish the zone only to Panama and to no other nation. Although the phrase "titular sovereignty" occurs nowhere in the treaty it is still used by the advocates of surrender.

But Secretary of State John Hay had already called titular sovereignty a "barren sceptre," and was virtually repudiated by the Supreme Court of the United States in 1907 when the court declared: "It is hypercritical to contend that the title of the United States is imperfect, and that the territory described [the Canal Zone] does not belong to this nation because of the omission of some of the technical terms used in ordinary conveyances of real estate." (*Wilson* v. *Shaw*, 204 U.S. 24.)

But this view has been repeatedly challenged since World War II. It has been perverted both deliberately by skillful propaganda and through default by lazy writers on this subject who parrot one another uncritically.

On this point students and ordinary citizens who consult popular textbooks in diplomatic history and modern reference works will find gross errors.

For example, Amherst historian Henry Steele Commager has written in his widely used textbook *The Growth of the American Republic* that in the treaty of 1903 "the Canal Zone was leased in perpetuity to the United States." Vera Brown Holmes in her *History of the Americas* similarly states that the treaty gave "the United States a lease on the Canal Zone in perpetuity."

Prof. Lawrence O. Ealy in his latest book on Isthmian canal problems regularly uses the term "lease" in referring to the United States position in the Canal Zone, calls it a "concession area" of the United States and supports Panama's claim to "proprietary ownership" over it. Even the new *Random House Dictionary of the English Language* describes the Canal Zone as "a zone in central Panama . . . leased perpetually to and governed by the U.S."

Neither the treaty of 1903 nor any subsequent treaty concluded between the United States and Panama uses the word "lease" or "leasehold" in defining the position of the United States in the Canal Zone.

In the original draft of the treaty which the duly accredited Envoy Extraordinary and Minister Plenipotentiary of Panama, Philippe Bunau Varilla, presented to Secretary of State Hay during the negotiation of the treaty in Washington in November 1903, Bunau Varilla proposed to "lease" the zone to the United States, but was persuaded to change the word to "grants," a word which in variant forms is used 19 times in the treaty.

This was the only modication which Bunau Varilla made in the Panamanian draft, and it was made in pursuance of the requirement of both the first (Walker) Isthmian Canal Commission and the Spooner Act that the United States must obtain full sovereign control over the zone through which the canal would be built.

In this form the treaty was ratified immediately by the Panamanian Provisional Government and was accepted by the United States as fulfilling Panama's conditions for the construction of the canal. The United States then proceeded to purchase all privately owned land in the zone, paying not only the legal owners but also those who were living there only under the concept of squatter's rights. Thus the Canal Zone became the most costly territorial purchase in United States history.

The treaty-based traditional view of the United States, affirmed and reaffirmed by many later attorneys general and secretaries of state, insisted that this treaty could be construed only as making a full, exclusive and irrevocable transfer of sovereignty to the United States. Under this view the United States later concluded treaties with foreign countries prescribing conditions under which they may use the canal, and as the sovereign power in the zone it has granted on many occasions asylum to political leaders from the Republic of Panama, seeking to escape assassination.

But a new interpretation began to be placed upon the position of the United States in the Canal Zone when Alger Hiss as a State Department employe in 1946, before his conviction for perjury, filed the annual report of the Panama Canal Co. with the United Nations under the Charter provision respecting non-self-governing territories. In the spirit of this report President John F. Kennedy met with President Roberto Chiari of Panama in the White House in 1962 and further weakened the United States position by assuring him that the United States did not claim sovereignty over the zone.

His successor, President Lyndon Johnson, arranged with President Marco A. Robles of Panama in 1965 for the negotiation of a new treaty which "will effectively recognize Panama's sovereignty over the area of the present Canal Zone." Three new treaties were subsequently drafted implementing this surrender of sovereignty by the United States, but as they failed to satisfy Panamanian demands they were never carried into effect.

Despite the fact that established treaty rights cannot be set aside unilaterally by Presidents nor be destroyed by the actions of Panamanian mobs or by inflammatory pronouncements by Panamanian dictators, the idea has gained wide currency that the United States really has no perpetual claim to the Canal Zone, perhaps even has no right to be there, and ought now to turn over its claim and its property there to Panama.

This idea has formed the premise of action by three previous Presidents of the United States, Eisenhower, Kennedy and Johnson, who yielded to Panama's demands for the flying of the Panamanian flag over the Canal Zone, for the sale of Panamanian postage stamps in the zone, for the use of Panamanian customs inspectors in the zone and many other symbols of sovereignty.

Panama now insists upon the full integration of the Canal Zone to Panamanian jurisdiction. Foreign Minister Tack is demanding, in his words as reported in the Panama *Star and Herald* of May 25 last year, that the zone be recognized as belonging "to the metropolitan area of the Republic of Panama geographically, politically, socially, economically and culturally."

In response to this demand the Nixon ambassadors in the current negotiations have already agreed to abandon United States treaty rights in "perpetuity."

Whence arises the contention that the United States merely leases the Canal Zone and therefore can only exercise something less than sovereign control over it? It stems from Article XIV of the treaty of 1903 in which the United States agreed to make "an annual payment" of $250,000 in gold to Panama beginning nine years after the exchange of ratifications of the treaty, in addition to a purchase price of $10 million payable at the time of the ratification of the treaty. This annual payment of $250,000, which began to be paid at about the time the canal was opened to world commerce, was increased to $430,000 in 1934 to provide equivalence in compensation for the devaluation of the United States gold dollar.

This payment is now erroneously represented as a "rental" which the United States pays on its "lease" of the Canal Zone from Panama. A Harvard professor of international law, George Grafton Wilson, used this argument against the sovereign control of the United States over the canal in the early 1930s.

Prof. Charles Fenwick referred to the annual payment as "rental" in an editorial note in the *American Journal of International Law* in April 1964 at a time of nationalist demonstrations in Panama against the United States. And even distinguished Stanford Prof. Graham H. Stuart, in his *Latin America and the United States*, twice refers to this payment as an "annual rental of the canal" by the United States (p. 128).

Obviously if a man pays rent on a property he does not own it. If the $250,000 payment which the United States agreed to make annually to Panama were a true rental payment it would be so described in the treaty.

In fact the word "rental" is found nowhere in any of the treaties between the United States and Panama. This annuity is simple compensation to the former territorial sovereign of the zone for the loss of the annual franchise payment from the Panama Railroad.

This railroad had been originally built and opened to transisthmian traffic by United States investors in 1855 under concession from Colombia and had been enormously profitable. In 1867 the American owners, in order to extend this franchise for a term of 99 years, agreed to compensate Colombia with $1 million in cash and an annual franchise payment of $250,000. In this concession for the first time was mentioned the sum of $250,000 as the annual value of the railroad franchise to the territorial sovereign.

Later in the involved negotiation of the Hay-Herrán treaty of 1903, which provided for the transfer not only of the zone but also of the railroad to the United States, Colombia compounded her claim for losses to include not only the $250,000 which she had been receiving from the railroad but an additional $350,000 for anticipated losses of customs duties, taxation, etc., in the zone, making a total amount of $600,000. But Secretary Hay agreed to assume only the financial obligation of the Panama Railroad.

The Hay-Herrán treaty as finally signed on Jan. 22, 1903, provided for the cession of Colombia of the canal strip through Panama to the United States for a cash payment of $10 million and an annual compensation to Colombia in the amount of $250,000 for Colombia's loss in revenue from the Panama Railroad. In this treaty the United States obtained "use and control" of the canal strip for a "term of 100 years, renewable at the sole and absolute option of the United States, for periods of similar duration so long as the United States may desire," but it was obliged to acknowledge Colombia's continued sovereignty over the zone.

But fortunately for the United States—and ultimately for Panama—this treaty was not accepted by Colombia, and after Panama gained her long-sought independence she offered canal terms so favorable that the United States could not afford to reject them. This Hay-Bunau Varilla treaty incorporated all the amendments which had been insisted upon by the United States as necessary for the construction, operation and maintenance of an interoceanic canal and were agreeable to the stipulations of the Walker Commission and the Spooner Act.

This treaty, as noted above, granted sovereign control of the zone to the United States "in perpetuity" for the same purchase price; namely, $10 million and retained the article awarding $250,000 annually to Panama as compensation for her loss of the franchise payment of the Panama Railroad which she could claim as the new territorial sovereign and successor to the rights of Colombia in the railroad.

For these arrangements, it should be noted, Panama received equally large advantages; namely, the guaranty of its independence by the United States, the incalculable financial benefits which have flowed into it through the construction and operation of the canal and its consequent transformation from a land of disease and malnutrition into a healthy country with one of the highest per capita incomes in all Latin America.

The $250,000 annuity, as mentioned above, was increased to $430,000 in 1934 after the United States devalued the gold dollar. And in 1955 the State Department gratuitously added to this amount the annual sum of $1.5 million out of its own budget, making a total annual payment of $1.9 million. But neither the original $250,000 annuity nor the increased annual payment can, under the terms of the existing treaties between the United States and Panama, be construed as rental or as limiting the sovereign control of the United States over the Canal Zone.

In April 1971 about 100 members of Congress sponsored resolutions in the House reaffirming the sovereign position of the United States over the zone. These resolutions clarify and make definite United States sovereign rights, power and authority over the Canal Zone and canal and if accepted by President Nixon could and ought to be used to terminate the present negotiations which, though conducted in secret, are, according to reports, moving toward further concessions to Panama.

A strong affirmation of United States sovereignty by Washington would render the current negotiations entirely irrelevant and would clear the way for the adoption of measures for the major modernization of the canal which, under plans already laid before Congress and necessitating no new treaty arrangements with Panama, would assure the continued adequacy of the canal for the transit of the maritime commerce of the world well into the 21st Century.

GRADUATION EXERCISES

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. CRONIN. Mr. Speaker, at the recent graduation exercises of the Officer Candidate Class 73, U.S. Coast Guard Reserve, held at the Coast Guard Reserve Training Center, Yorktown, Va., my friend and colleague Mr. Conte presented the principal address.

Congressman Conte has long been in the forefront of those promoting programs and funding for a strong adequate Coast Guard and Coast Guard Reserve. In recent years he has been honored by the Coast Guard Affairs Committee of the Reserve Officers Association as one who has been instrumental in saving the Coast Guard Reserve. As the ranking member of the House Subcommittee on Appropriations for the Department of Transportation he has sponsored amendments to the appropriation bill which provided the necessary funding. I should like at this time to bring to the attention of the House Mr. Conte's remarks. I should also like to extend congratulation upon his son's graduation and commissioning as ensign in the Coast Guard Reserve.

The address follows:

Remarks of the Honorable Silvio O. Conte at Graduation Exercises at the U.S. Coast Guard Officers Candidate School, Yorktown, Va.

Admiral Perry, Captain Hancock, distinguished guests, members of the graduating class, families and friends:

During my 22 years in public life, I have had the opportunity to deliver a great number of graduation speeches before colleges, universities and other institutions of learning. From this experience I have learned what a graduating class wants most from its guest speaker—brevity.

So, while it may seem a contradiction that a man can be a politician and also be brief, I intend to prove to you today that it can be done.

Standing here on the site where America won its final battle for independence, one inevitably thinks of history. And, as a member of the House Appropriations Committee, one of the more interesting little facts of Coast Guard history to me is the fact that this country paid only $1,000 for its first Coast Guard cutter back in 1791.

If we only could have kept the price of things at that level, Mr. Nixon might have been able to get that balanced budget he's been seeking.

While there has been some inflation in the price of cutters over the past couple of centuries, I'm sure all you graduates are glad to know that we've managed to offset that inflation by holding down pay scales.

As you know, the first cutter was named "Massachusetts." It was rushed into service to catch some slick operators who were smuggling goods into the country. Knowing Massachusetts, past and present, I always figured Alexander Hamilton decided to name the first cutter after the state with the most smugglers.

This is the first time I have been privileged to participate in a graduation ceremony at this fine school in Yorktown. And I want to thank all of you for this honor. Everything I have seen here today, and all that I have learned about this graduating class, reaffirms what I have learned from working with Coast Guard leaders during the past 14 years in the Congress. That is that man for man, pound for pound, the Coast Guard takes second place to no other service. You are being commissioned today as officers in a service that demands perhaps the greatest range of knowledge and expertise of any of this nation's military arms.

Since its inception in 1790, the Coast Guard has played a vital role in every conflict our country has faced. The skill and bravery of its officers and men, down through the generations, are legendary. And it has paid the great price always demanded of those dedicated to defending this country. In World War I, for example, the Coast Guard suffered greater losses, in proportion to its strength, than any of the other United States armed forces. But it got the job done, just as it did in World War II, in Korea and, most recently, in Vietnam.

The Coast Guard has proven that it is a vital component in the defense structure of this nation. We cannot, and we will not, give up that role.

But it is the diversity of duties of the Coast Guard that sets this service apart from the others; that makes it unique.

Seventy-two percent of this planet is covered by seas. That is the last great frontier on earth, and no one is more involved in the wide range of activities relating to the seas than the Coast Guard. Whether your assignment is in marine sciences, safety or transportation operations, you will be involved in this great adventure. Whether you will be exploring the resources of the seas, combatting pollution or enforcing the maritime laws, your duties are spiced with the excitement of dealing with the unknown, the unpredictable, the challenging.

The description of the Coast Guard as a "diversified and demanding" service, is most accurate. It requires every conceivable kind of skill and knowledge. And because of its great variety of important roles, the nation's dependence on it never relaxes during times of peace.

Certainly those requirements of varied skills and knowledge are not being shortchanged by this class at Yorktown. Your 120 members hold more than 100 college degrees, representing 46 different academic disciplines. Your members come from 34 states and the country of Zaire.

Each class that graduates from this fine school has its own distinguishing marks—a group character. It may be a heavy inclination toward a certain science or technology, an extraordinary talent for seamanship, an unusual spirit or comraderie. I am sure that your class also has its special characteristics.

But one thing that will always mark this class is the remarkable series of events which swept across the world stage for the 17 weeks that you have spent here.

Since you entered last September, this nation has witnessed a landslide presidential election of record proportions, the death of the last two surviving former Presidents of the country and, most historic of all, a negotiated settlement to end the longest, and in many ways the costliest, war in our history.

Yours will be the first class of new Coast Guard officers to join the fleet in the post Vietnam peace era. But the great challenges you have been prepared to face by your training here still await you.

Foremost among these is the challenge of leadership. By your attendance at this school, and by your completion of this intensive training, you have chosen to take on the heavy responsibility that comes with leadership. By so doing, you have renounced a luxury in which far too many people today indulge—that of standing on the sidelines and criticizing the players. We have become too much of a "spectator nation," probably because it is much easier to sit in the stands and find fault with the players than it is to get down on the field and mix it up yourself.

The late, great Speaker of the House Sam Rayburn had a more colorful way of describing this situation:

"Any jackass can kick down a barn," he said. "But it takes a carpenter to build one."

Your achievement that we are celebrating today is proof that you intend to be among the carpenters of this world, to use the Rayburn analogy. The fact that you were accepted at this school, means that you have the potential for that role. Captain Hancock and his officers, over these past 17 weeks, have furnished you with the tools you will need. Now it is up to you.

For most of you, this will probably be the first time you have ever been placed in the position of commanding other men. I urge you to reflect seriously on this responsibility and to prepare yourselves mentally for this challenge.

This is perhaps the most difficult time in our history for assuming a leadership role. You must steer a firm and steady course through the hazards of rigid insensitivity on one extreme and an easy "anything goes" attitude on the other.

For this perilous journey you have many advantages. Perhaps the most important is that the leadership of the Coast Guard has recognized the realities of a changing time, and has adjusted admirably to them without sacrificing anything of the discipline and leadership that has always marked this great service.

Another helpmate, of course, is your own age. You are products of this age and thus you have a natural understanding of the attitudes of the young men you will be commanding during your Coast Guard career. I am confident that you will remain sensitive to such problems as race relations, drug abuse and others, which are afflicting all of the armed services.

The chain of command remains clear. Discipline and obedience remain prime requisites for any service to function efficiently. The proud tradition of the Coast Guard, and the dedication and expertise of your own commanders, remain the best beacons by which you can chart your course as young officers.

But just as you need these established guides, so too does the Coast Guard need what you are uniquely equipped to provide—new ideas, innovations, a spirit of adventure and enthusiasm. It is this process of constant renewal that has kept the Coast Guard abreast of the times throughout its more than 180 years of history. It is a tribute to the vision of the Coast Guard leaders, and it is a great reflection of the type of men this grand service has always attracted.

Because there is this great need for the abilities and spirit you stand ready to give today, I urge you all to eagerly grasp the opportunity which has been given you. Do not shrink from taking the bold step when that is the one called for. Remember, you can't cross a chasm in two small jumps.

I referred earlier to the era of peace that, hopefully, is now at hand. I do not want to end my remarks today without mentioning one of the specific challenges a post-war era always seems to bring on in our country. That is the effort to trim sails and cut back strength of the military services.

This entire problem is far too complex to deal with here without resorting to dangerous oversimplification. But to all members and friends of the Coast Guard here today, I can pledge that in the specific case of the Coast Guard, no such cutback can be tolerated. To the contrary, your mission is so varied and so necessary to the well-being of our country, that we in Congress must continue to provide the increased appropriations we have been so fortunate to secure in recent years.

More than 14 years ago, when I first came to the Congress, I was lucky enough to be appointed to the Appropriations Subcommittee handling the Coast Guard budget. That year, we obtained the funds for locating this great school at Yorktown.

In those days, much of the Coast Guard's equipment were hand-me-downs from other services. Working with such great Coast Guard friends in Congress as Vaughan Gary of Virginia and Gordon Canfield of New Jersey, we began to correct that inequity. When I became ranking minority member of that Subcommittee, that great effort was continued. And today, the Coast Guard has the very best cutters, planes, helicopters and other equipment that money can buy.

I mention all that here today because I want you, as young officers of the Coast Guard, to know that the importance of your mission is recognized and appreciated by the government in Washington. I recognize the contribution you will be making to your country and I want you to know that, as the old political saying goes, "you have friends in Washington."

The past 17 weeks have been strenuous and trying ones for you. I am sure that in the course of that time, you certainly did not view yourselves as objects to be envied. But today, you are to be envied. You are embarking on an adventure; an adventure in which you will be tested physicaly, mentally and spiritually. You will be challenged to perform up to your full potential. And that, my friends, is the best and most fulfilling way to live.

I commend you for your wisdom in choosing to serve in the Coast Guard. I congratulate you on your achievement here at Yorktown. And, with full confidence in your abilities, I wish you godspeed and good fortune in the years ahead.

Thank you for letting me share the joy of this occasion with you.

MINGUS MOUNTAIN

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. RHODES. Mr. Speaker, Mingus Mountain is located in the Prescott National Forest of north-central Arizona. It provides a beautiful backdrop to one of Arizona's most historic areas.

Painted in tall Ponderosa Pines, Mingus Mountain supports the deserted remains of Jerome, a one-time boom town of Arizona's great mining days. The Verde Valley below is the home of the once large smelter towns Clarkdale and Cottonwood; but the history of the region goes much further. Between the pine-covered slopes of Mingus Mountain, the Mogollon Plateau to the East and the red-rock beauty of Oak Creek Canyon to the North, are the Montezuma Castle National Monument and Tuzigoot National Monument, proud memorials to once great Indian societies.

Yet this beauty and historic drama are not the only reasons for enthusiastic interest in this area. Mingus Mountain today is the site of a 100-acre camp. Physical appearances do not distinguish the camp from many others accredited by the American Camping Association. There is a lake for boating, swimming, and fishing. There is a dining hall, kitchen, counselor's quarters, an arts and crafts room. There are camper's cabins, an area for evening campfires and trials and overnight sleep-out sites.

What distinguishes this camp are the campers. It is Camp Easter Seal, a camp for the handicapped, made available through the Henry Dahlberg Foundation of Tucson. Arizona's handicapped children 6 years of age and older are eligible to attend. Special sessions are also held for handicapped adults.

While the major goal of the camp is to provide fun, efforts are made to realize the great educational potential for the outdoor experience.

Certainly the handicapped appreciate the wonders of our great outdoors at least as much as those of us who are blessed to be free of handicaps. Camp Easter Seal has been a great success because, through the work of many, it has met a need that we far too often forget. Our handicapped citizens have every right to open access to this countries' natural wonders. Yet far too little consideration has been given the problems confronting our handicapped.

During the 92d Congress, we considered and passed legislation to restore the Golden Eagle Passport program to the

Land and Water Conservation Fund Act. Included in that legislation were special benefits for senior citizens. The Secretary of the Interior was "directed to develop a program for the issuance of a free annual admission permit to any person 65 years of age or older." This admission permit is called the "Golden Age Passport" and operates in the same manner as the Golden Eagle Passport. I feel that the same advantages we have provided to our older Americans should be accorded to the Nation's handicapped. We should assist and encourage those limited by handicaps in their desire to enjoy America's natural wonders.

For this reason I am today introducing legislation that would extend the special benefits we provided older Americans under Public Law 92-347 to our handicapped.

The free permit provided to the handicapped under my bill would be valid for admission to any designated admission fee area in the national park system or designated national recreation area administered by the Forest Service. It would also entitle the bearer to a 50-percent reduction in special recreational use fees, including camping.

Camp Easter Seal in Arizona shows the need and benefits the camping experience provides the handicapped. We must increase our efforts to meet that need. I urge early consideration for this legislation.

NIPCC: WHO NEEDS IT?

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 1973

Mr. REUSS. Mr. Speaker, Robert Cahn, the very able environment editor of the Christian Science Monitor, has written a perceptive article about the first open meeting of the National Industrial Pollution Control Council.

Mr. Cahn—whose expertness in matters affecting the environment led to his selection as one of the three members of the President's Council on Environmental Quality when it was established in January 1970—concludes:

> In this era, when the President is scrutinizing every budget for unnecessary committees and spending, some people may ask, "Do we really need a NIPCC under the Federal umbrella and with a $300,000 a year budget, including five employees in the $25,000–$33,000 a year bracket?" . . .

I commend Mr. Cahn's "Earthwatch" column of March 7, 1973, to Members of the Congress and to other readers of the RECORD, and insert it at this point in the RECORD:

[From the Christian Science Monitor, Mar. 7, 1973]

NIPCC: WHO NEEDS IT?

(By Robert Cahn)

Since January, a new law requires all presidential and executive agency advisory committees to open their meetings to press and public unless exempted by the President. A number of them find the adjustment difficult.

One organization particularly sensitive to the change is NIPCC (pronounced nip-see), the National Industrial Pollution Control Council. It's a body of industrialists who advise the Secretary of Commerce and the President on pollution abatement.

Those with good memories may recall NIPCC's brief notoriety when Ralph Nader and others camped outside a closed meeting room demanding entry to its sessions. They suspected the industrialists met in secret to discuss ways to lessen the impact of strict federal pollution laws on industry. They demanded NIPCC open its doors so consumer interests would be protected.

The industrialists felt that, inasmuch as they were set up to advise the President and the government on industrial programs and pollution, their deliberations should be secret. The doors remained closed. But incidents such as this led to passage of the new open-meeting law.

Why NIPCC was organized has never been satisfactorily explained to its consumer and environmental critics. Informed observers believe it was a concession by President Nixon in early 1970 to Maurice H. Stans, then Secretary of Commerce. Mr. Stans wanted a voice for industry to counter that of the new Council on Environmental Quality (CEQ) which Congress had established to advise the President.

Whatever its origin, NIPCC appeared in April of 1970. It was created by executive order as a committee under the Secretary of Commerce with a budget of $300,000 a year. Now the list of 196 members of the 28 NIPCC subcouncils reads like a "Who's Who" of corporate America.

In its three years, NIPCC has done some good work, as Chairman Cross reported at last month's first open meeting. It has helped speed the flow of information about pollution research.

But if NIPCC can be judged by its first open meeting, questions now can be raised about its usefulness. An audience of top industrialists along with public observers heard speeches from several administration officials.

CEQ Chairman Russell E. Train challenged the council to do more than work on pollution abatement. He suggested that, inasmuch as federal agencies now are required to subject major actions to environmental analysis and public comment, why couldn't industries follow suit when their major decisions have significant environmental impact. A method of ensuring that decisions take account of environmental effects is something that NIPCC could work on, he said.

Earl I. Butz, Counselor to the President on Natural Resources, gave a witty and evangelical talk, in a Billy Graham-Bob Hope style, on the need for finding a balance between environmental and economic interests. When he mentioned the delays caused by environmental lawsuits, he said, in light vein, that, when power shortages forced brownouts, maybe a way could be found to cut off the lights first for those who are fighting the Alaska Oil Pipeline. The industrialists broke into spontaneous applause. It was the only time they did so during the whole meeting.

After the speeches and a few questions, the meeting adjourned. There was no discussion among the NIPCC members. No subcouncil meetings, also required to be open to the public, were scheduled. The consumer and environmental group observers had nothing to criticize. The press had no story.

In this era, when the President is scrutinizing every budget for unnecessary committees and spending, some people may ask, "Do we really need a NIPCC under the federal umbrella and with a $300,000 a year budget, including five employees in the $25,000-$33,000 a year bracket? Or should it be reconstituted with industry funds and under the banner of the National Association of Manufacturers and the U.S. Chamber of Commerce?"

Of course, there is another option. If the President could find another $300,000, he could balance NIPCC's industrialists by organizing a council of leaders of consumer and environmental groups to advise him on pollution control.

Perhaps it could be called the National Consumer, Environmental, and Alaskan Oil Pipeline Fighters Council. But that would never wash in this town. How could anyone make an acronym out of NCEAOPFC?

OBSERVANCE OF PURIM

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ANNUNZIO. Mr. Speaker, the Festival of Purim, which is being observed this year between sundown March 17 and sundown March 18, is a holiday to celebrate, with feasting, gladness, and the giving of gifts, the historic day when the Jews were saved from their enemies, when their sorrow was turned to gladness and their mourning into happiness.

On this occasion, Jews throughout the world remember the decree of Queen Esther, the wife of Xerxes the Great—486–465 B.C.—to celebrate the deliverance of her people from extermination.

The story of Esther is one of the most moving in Jewish literature. It reminds us of the humility, courage, and faith which one woman possessed, and which, together with steadfast devotion to her people, gave them hope where there had been despair. This story of Esther and Haman is well known to all of us. Haman had tricked his King, Ahasuerus—or Xerxes—into issuing a decree of death against all Jews living in the Kingdom of Persia, which at that time stretched from India to Ethiopia. The date of execution, the 13th of Adar, was determined by a throw of the dice.

Haman's plot, however, was discovered by Queen Esther, the Jewish wife of the King. Protocol in the royal court dictated, however, that even the King's wife enter into his presence at only certain times. Esther is recorded as saying:

> . . . though it is strictly forbidden, I will go in to see the King; and if I perish, I perish.

Esther successfully persuaded the King to spare the Jews, and Haman was hanged from the gallows which he had prepared for Esther's relative, the Jewish elder, Mordecai.

It is recorded that Mordecai wrote a history of all these events, and sent letters to the Jews near and far, throughout all the king's provinces, encouraging them to declare an annual holiday on the last days of the month. Queen Esther threw her support behind the plan and issued a decree, so the Jews adopted Mordecai's suggestion and began this annual custom as a reminder of the time when Haman, the enemy of all the Jews, had plotted to destroy them at the time determined by a throw of the dice; and to remind them that when the matter came before the king, he issued a decree causing Haman's plot to disintegrate and he and his sons were hanged on the gallows. That is why this celebration is called "Purim" because the word for "throwing dice" in Persian is "pur."

All the Jews throughout the realm agreed to inaugurate this tradition and to pass it on to their descendants. They declared they would never fail to celebrate Purim at the appointed time each year. It would be an annual event from generation to generation, celebrated by every family throughout the countryside and cities of the empire, so that the memory of what had happened would never perish from their memories.

Mr. Speaker, history has shown that when Jews were being harassed and their religious freedom curtailed, it followed as night follows day, that all other peoples bore the same fate. Let us always be vigilant to prevent an erosion of the rights of all of our people.

On this occasion I extend my greetings to the Jewish people in the 11th Congressional District of Illinois, which I am proud to represent, in the city of Chicago, and all over our Nation, and express my sincere hope for their prosperity and well-being in the year ahead.

EXIMBANK SHOULD WAKE UP

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. DULSKI. Mr. Speaker, recently on the early evening news program, station manager George R. Torge of WBEN–TV in Buffalo, N.Y., editorialized on the activities of the U.S. Export-Import Bank.

Here is an agency which has a clear job to do: Promoting exports to capital-short areas of the world. But it keeps letting its enthusiasm run away with itself and winds up loaning money abroad which just does not meet the basic criteria.

The editorial hits the nail on the head. It is high time that the Export-Import Bank began casting a more critical eye on the loans it approves.

Mr. Speaker, as part of my remarks, I include the text of the WBEN–TV editorial which the station said appeared earlier in the Pittsburgh, Pa. Press:

> EXIMBANK SHOULD WAKE UP
>
> One thing about bureaucracy is its momentum. A government agency, set up to do a job, will continue doing it with increasing zeal, even after it no longer needs to be done.
>
> A case in point is the U.S. Export-Import Bank. Its main task is to finance American exports through loans to overseas purchasers.
>
> A praiseworthy goal, and the bank's low-interest loans have made sales possible where they otherwise could not take place.
>
> Lately, however, the bank's momentum has led it to make loans to rich, industrialized, successful countries that can finance their purchases—usually U.S. commercial jetliners—on their own.
>
> That is foolishly exporting capital to nations that do not need it.
>
> The most flagrant case was an $11 million loan to a Japanese airline. It came when Japan had a $4 billion surplus in its trade with the United States, was awash in dollars and, to put it mildly, did not need foreign aid.
>
> After some people woke up in Washington, lo and behold, two Japanese airlines bought 10 additional big jets and the $237 million cost is being financed by Japan's Export-Import Bank.
>
> In this deal, the U.S. gets paid on delivery, instead of waiting 10 years as under U.S. Eximbank financing.
>
> Though America's balance of payments is in chronic deficit ($10 billion last year), Eximbank has been blithely making loans to West Germany, Iran, France, Italy, Switzerland and Australia, none of which needs help.
>
> A $20-million loan to Lufthansa, the West German airline, is fascinating. West Germany, of course, has $15 billion in its reserves and would like to get rid of some.
>
> Nevertheless, Eximbank made the loan to Lufthansa at 6%, which is less than the bank itself pays to borrow money and is far less than American airlines competing with Lufthansa on the North Atlantic have to pay.
>
> To avoid misunderstanding, the dissolution of the Export-Import Bank is not being suggested. It still has a role to play in promoting exports to capital-short areas.
>
> But it's time the bank awakened to reality: An America running trade and payments deficits can no longer be profligate.

PAY DISPARITY SHOWN BETWEEN MEN AND WOMEN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. FRASER. Mr. Speaker, on January 9, Washington Post Staff Writer Carole Shifrin's excellent article on pay disparities between men and women was published.

Sixty-five percent of all working women, and 80 percent of all minority women who work either have no husbands or are married to men who make less than $7,000 a year. Most women in these categories do not have a choice of working or not working—they work because they need the money.

The central economic problem of women is job discrimination. The Shifrin article follows:

> PAY DISPARITY SHOWN BETWEEN MEN, WOMEN
>
> (By Carole Shifrin)
>
> Large income disparities exist between men and women in all industries and at all occupational levels, the Conference Board reported yesterday.
>
> Overall, the median income for all women who were full-time year-round workers in 1970 was $5,440, compared to $9,184 for men, the board said, noting that women's earnings were, on average, 41 per cent less than men's virtually the same ratio as in 1939. These differences exist nearly a decade after passage of the Civil Rights and Equal Pay Acts.
>
> In clerical jobs, in which more than one-third of working women are employed, the median income was $5,551 in 1970, 36 per cent less than men earn in clerical jobs.
>
> The smallest relative income differential between men and women workers in 1970 was among professional and technical workers, where women's median income of $7,878 was still 33 per cent below men's income in the same kinds of jobs.
>
> Male managers, officials and proprietors earned allmost twice as much as their female counterparts, the Board said. The median income of women in these occupations was lower than the median income of men in every major occupational group except laborers, the Board said.
>
> Comparing the average weekly earnings of men and women, the Board said that as of May 1971, half of full-time women workers were earning less than $100 a week and only 6 per cent earned $200 or more a week. In contrast, more than a third of full-time men workers were earning $200 or more a week and only 15 per cent were earning less than $100 a week.
>
> The board said the difference in pay is explained in part by differences in education, length of job experience, and continuity of employment, but it noted that women are closing the training and experience gaps the longer they are a part of the labor force.
>
> The rapid increase in the number of working women since World War II is illustrated by statistics showing a 91 percent increase since 1948 in the number of women aged 20 and over in the labor force. The corresponding rise in the number of men has been only 20 per cent, the Board said.
>
> The board said a number of demographic, economic and social trends explain the rise including a rising proportion of single women (a higher percentage of single women work than married women), declining birth rate and labor-saving appliances and fast convenience foods making it easier for wives and mothers to hold jobs; and rapid expansion of service industries creating new job opportunities for women.

ANNUAL REPORT—JOBS FOR VETERANS PROGRAM

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. DORN. Mr. Speaker, I have received a copy of the National Committee Jobs for Veterans annual report. This report was prepared by Mr. Frank M. McCraw, Jr., a retired U.S. Navy commander, and Mr. Irvin H. Lee, a retired Air Force senior master sergeant, who are employees of Jobs for Veterans, Inc. It gives me great pleasure to report that the unemployment rate of veterans—particularly Vietnam era veterans—was 5.9 percent in January as opposed to nearly 10 percent during the same month in 1971.

Much of this success can be credited to Mr. James F. Oates, Jr., national chairman and his special assistant, Bill Ayres, our former colleague who accepted this post at the request of President Nixon. With an annual budget of $250,000 this organization, assisted by a dedicated staff of employees, have obviously made inroads in increasing national awareness of the veteran as a job candidate. I would hope that the efforts of these talented men and women will not go unnoticed.

Also, I would like to quote from the committee's annual report:

> The Advertising Council stated that during 1971 the use of advertising materials provided for the Jobs for Veterans promotional campaign had an estimated value of more than 19 million dollars. New materials distributed in 1972 by the Advertising Council have proved equally effective in terms of media acceptance. Calendar year 1972 estimates are expected to surpass 21 million dollars. The amount of public service advertising which Jobs for Veterans has re-

ceived is particularly significant since it is generally not given to government agencies.

Through the efforts of the Advertising Council and the committee the following achievements have been realized:

State and local task forces—those units which can best bring together all available resources in getting a veteran a job—numbered 476 at the end of 1972.

In conjunction with the Employment Service, National Alliance of Businessmen and the Federal Civil Service, the National Committee Jobs for Veterans in fiscal year 1972, filled more than 500,000 veteran job placements.

Also in fiscal year 1972, the committee through its promotional campaigns, was instrumental in motivating over 774,000 veterans to enroll in education and training programs.

At the local level, through the encouragement of the National Committee Jobs for Veterans staff, the number of veterans job fairs increased from 124 in 1971 to 217 by the end of 1972. More than 16,000 employers participated in these events offering job opportunities to some 275,000 veterans.

During 1972 more than 18,000 soon-to-be separated servicemen met with industry representatives during Overseas Job Information Fairs cosponsored by the Department of Defense and the National Committee Jobs for Veterans.

Despite the success of the committee more has to be done to decrease the pool of 240,000 unemployed Vietnam era veterans and those approximately 45,000 young veterans who will be discharged each month during the current year—especially those in the 20- to 24-age group and those on the disabled rolls. I am certain that the staff of the National Committee on Jobs for Veterans will proceed with vigor in its goal of seeking improved employment and training opportunities for those who have given so much of themselves for their country.

JOANNE WHITE

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. CRONIN. Mr. Speaker, Ms. Joanne White, one of the outstanding young ladies from my hometown, recently campaigned for election to the school committee. An editorial in the Andover Townsman aptly commended Joanne for her efforts, and I insert it in the RECORD:

JOANNE

We can not let Andover's 1973 election campaign pass into history without some pertinent remarks about a particular candidate.

Joanne White, a young lady, pursuing a career in education, sought election to the school committee.

Throughout the campaign she handled herself well, responding positively to questions and issues put before her.

There are those who have doubts about the ability of young people to handle such municipal responsibility.

The pert young lady, with infectious charm and display of intelligence, confounds the theory.

We would hope that her aspirations for municipal service were not dashed by her failure to attain election this year.

The youthful lady, through her efforts of the past few weeks of a difficult political campaign, provides one with confidence in contemplating the future of Andover politics.

Joanne, indeed, deserves such high praise, and I encourage her—and other young Americans—to continue to demonstrate such determination.

IN SUPPORT OF NEIGHBORHOOD SCHOOLS AND QUALITY EDUCATION—AGAINST FORCED BUSING OF STUDENTS

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. HUDNUT. Mr. Speaker, as courts and school systems around the Nation struggle with problems of quality and equality in public education, the inflammatory question of forced busing usually dominates discussion. Because the legality of the several school systems in our 11th District of Indiana is now being challenged in Federal court, I wish to take this opportunity to reiterate arguments that I have expressed throughout my public career in support of the neighborhood school concept.

In the general discussion of busing I have raised several strong objections. First of all, I believe that in a democracy no policy that is overwhelmingly opposed by the citizenry should be rammed down the collective public throat. Barometers of public opinion demonstrate that as a people, we Americans support the goal of equal opportunity in education. However, by a tremendous margin we oppose forced busing as the means to this accepted end. Plowing ahead with forced busing in this situation cannot only be futile but counterproductive, potentially damaging the existing consensus on racial cooperation. Certainly the courts are sincere in believing that their orders will bring progress in equalizing opportunities. But I believe they fail to appreciate that the ill will and social dislocation created by coercive methods will outweigh by many times any progress that is derived in harmony and brotherhood.

There is additional evidence to support our suspicion that busing simply does not work. The first comprehensive study of the subject, undertaken by Prof. David J. Armor, of Harvard University, concludes that the quality of public education in a dozen American cities was, if anything, diminished by forced cross-town transportation. Classroom achievement did not improve among pupils of either race, and social relationships showed signs of deteriorating.

Another element to which I have frequently called attention is the cost in purely fiscal terms of massive busing schemes. This is not a facile or a smokescreen argument. In the Indianapolis case a busing plan confined to just the center-city school district would cost an estimated $3.2 million in the first year. That comes to 4 percent of the total budget for this year, and the possible alternative uses of such an amount are worth considering; $3.2 million would hire about 300 new teachers at current salary levels, an increase of 7 percent. Teacher/student ratios could be improved by a similar margin. Utilized to upgrade teacher salaries, the money would produce a 7-percent pay raise. The costs of busing plans taking in some or all of our suburban school systems are incalculable, but no doubt would be far in excess of the $3.2 million figure; thus, the better purpose to which such funds could be devoted are even more dramatic.

Lastly and most essentially, I do not believe that lasting liberty for all can be obtained by taking liberty away from some. Many of the most basic decisions an individal makes—where to live, how to live, and what work to do—are based in part on the freedom to select a suitable school for one's children. It is, of course, true that unfair housing and employment practices have sometimes prevented minority citizens from exercising this basic right, and this must not be tolerated. Freedom will not, however, be served by stripping the choice of schools from those who have it, but rather by guaranteeing it to those who do not.

Our Nation's beleaguered school systems already face burgeoning problems and carry staggering responsibilities. It is both unfair and unrealistic to demand that they assume the additional burden of correcting deeprooted social problems almost singlehandedly. Such treating of symptoms will not in the long run get at true causes and, as has been stated, can hardly help but exacerbate them. Only when a quality school has been established in every neighborhood, and freedom of mobility, housing, and employment insured for all our citizens will a true justice and sense of community come into existence. Given a commitment to, a faith in, and a patience with our children and our fellow Americans, these things will indeed transpire.

MRS. RUTH ALEXANDER NICHOLSON

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MANN. Mr. Speaker, the American National Red Cross is today honoring one of those persons who truly "lives in deeds." Being awarded a 1973 Ann Magnussen Award for outstanding community nursing service and leadership is Mrs. Ruth Alexander Nicholson, of Greenville, S.C.

Mrs. Nicholson has served as an active Red Cross volunteer for nearly a quarter of a century, giving freely of her time and skills for the enrichment and betterment of the community.

In 1967, as newly appointed nursing services chairman for the Greenville County Red Cross Chapter House, she initiated the enrollment of Red Cross nurses, sponsored home nursing and mother and baby care courses, and organized nurses to give modified home nursing courses to deprived mothers at Office of Economic Opportunity community centers. She also organized the first nursing advisory committee for the Greenville County Chapter.

In her current position as coordinator of maternal and infant care at the Greenville General Hospital School of Nursing, Mrs. Nicholson provides leadership and guidance to many nursing students. She is president of the South Carolina Nurses' Association and has worked tirelessly to improve educational opportunities for nurses and to increase their involvement in the community.

In announcing Mrs. Nicholson's selection, the American National Red Cross noted that—

> In the opinion of the judges, and all who have known her, (she) epitomizes the highest ideals of nursing and humanitarian volunteer service.

We of the Fourth District who have been the chief beneficiaries of Mrs. Nicholson's many civic endeavors are proud of her recognition and wish to extend our congratulations on her well-deserved honor.

SOCIAL SECURITY ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. STARK. Mr. Speaker, on February 16, the administration launched yet another attack on the welfare of our Nation with the publication of proposed new regulations on social services grants under title IV-A of the Social Security Act. These regulations are to go into effect next Monday, March 19, unless the people express their opposition strongly enough. Yesterday, I sent a statement of my own objections to these outrageous provisions, to Secretary Weinberger at the Department of Health, Education, and Welfare, and I urge each of you to do the same as quickly as possible.

An excellent analysis of the purpose and effect of these drastic revisions appeared in yesterday's RECORD, at page 1500, prepared by the Washington research project and submitted by Mr. DRINAN, of Massachusetts. I recommend it highly.

At this time, Mr. Speaker, I insert my own letter to Mr. Weinberger into the RECORD. It describes the effect of these revisions on the service programs in my own district:

MARCH 14, 1973.

CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. WEINBERGER: On February 16th there appeared in the Federal Register the proposed new regulations for social services under Title IV-A of the Social Security Act. I object vehemently to these proposed regulations. Although it has not been possible in the thirty days provided to assess the full impact of these changes on the many excellent service programs in the Eighth District of California, my preliminary studies indicate that they will have a near-disastrous effect on many of the best and most constructive ones.

Specifically, I object—

To the elimination of so many service requirements and optional programs. Employment-related child care, education and transportation are not optional. These services are necessary to many citizens struggling to make themselves fully productive and self-sufficient. Allowing states to eliminate such services is to encourage sadistic demagogues such as Governor Ronald Reagan to follow the most insensitive and self-defeating economizing. The elimination of non-job-related child care, legal services, and education and training programs is shocking in its disregard for social need.

To playing politics with our children's welfare. The elimination of day care centers standards and the increased ratios of children to adults are acts and omissions for which children will suffer.

To the increased demands made on other more expensive forms of assistance by your actions. The elimination of day care centers is a prime example of the self-defeating nature of these "economies." Mothers, unable to afford adequate care for their children, will be forced to quit their jobs, and will evantually wind up back on the welfare rolls. Eliminating home-care services for the elderly and infirm will force them into nursing homes.

To the new eligibility requirements, which cut out so many of the "past" and "future", and all other "group" recipients from the program.

To the elimination of a process for fair hearings and appeals. An ill-defined and vague grievance system will not provide the due process guaranteed by the Fifth and Fourteenth Amendments to the Constitution.

These regulations represent this Administration's sense of national priorities at its inhuman, short-sighted worst. They would allow the poor, the oppressed, the elderly, the sick, and those most in need of assistance from their fellow men, to suffer first and most grievously.

Mr. Nixon will withhold basic services from the needy ostensibly to save money and fight inflation. He will let these people suffer while he allows the Defense Department to increase its budget, hide cost overruns, falsify and conceal excessive personnel expenses by top officers. While subsidizing corruption at every level, he will not spend one cent in compassion. He betrays a sense of priorities counter to the finest traditions of American social responsibility, in flagrant defiance of fundamental morality, and deeply destructive of our already badly-damaged social fabric.

It would clearly be inhumane to put these regulations into effect. Human decency demands that you withdraw them.

Sincerely,

FORTNEY H. STARK, Jr.,
Member of Congress.

EFFECTS OF THE PRESIDENT'S BUDGET REDUCTIONS

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. COTTER. Mr. Speaker, the President's fiscal year 1974 budget and the impoundments and program reductions involving fiscal year 1973 funds have created considerable confusion and concern among municipal officials. To better understand what impacts these changes—proposed and actual—would have, I asked officials from First Congressional District towns in Connecticut to give me an analysis of the effects they perceive.

By far the most comprehensive report came from the capitol city, Hartford, which has the bulk of the HUD, OEO, education title I, and Model Cities activities and funds that come into my district. The responses from the suburban towns, while not of the same magnitude, indicate that the administration's budget policies have an impact beyond the city limits.

I want to share with you some of the responses I have received to date because I believe they illustrate the quandary the President's policies have created for towns and cities.

The responses follow:

CITY OF HARTFORD,
Hartford, Conn., March 2, 1973.

Hon. WILLIAM R. COTTER,
Member of Congress, Cannon Building, Washington, D.C.

DEAR BILL: In response to your request of January 29, 1973, I am forwarding to you a preliminary analysis of the program impacts of the President's Submitted Budget on the City of Hartford. A final report will be prepared at a later date when more complete information becomes available.

If in the meantime, we can provide you with further information, please let us know.

Best wishes to you and your endeavors during this session.

Sincerely yours,

EDWARD M. CURTIN, Jr.,
City Manager.

PRELIMINARY ANALYSIS OF PRESIDENT NIXON'S SUBMITTED BUDGET

This report is a cataloguing of a wide range of programs operated within the City of Hartford, through City, State and private organizations. As much as possible, programs have been quantified in dollars lost or gained, grouped by major program areas: Health, Education, Environment, Housing—Planning, Manpower, Office of Economic Opportunity—Community Action—Model Cities, and Welfare.

This is still preliminary in nature, utilizing every possible source of information. It is not all inclusive at this point in time due to ambiguities surrounding the Federal budget. The report does not replace categorical cuts with special revenue sharing funds because of the questions surrounding the amount, timing, and distribution of special revenue sharing within the State-Local structure.

A summary of the impact by program area is included at the end of the report.

HEALTH

Program	1972–73 level	Estimated cut	Estimated 1973–74 level
Family planning	$200,000	$150,000	$50,000
Crippled children	(1)		
Mental health	(1)		
Health total	200,000	150,000	50,000

[1] Undetermined.

The Family Planning program provides free clinic services to low income residents. Attempts to offset costs will include (1) billing the State Welfare Department for services provided to Welfare recipients and (2) the adoption of a sliding fee schedule for other clinic clients. These two revenue sources are not expected to offset the reduction in Federal funds, therefore, a curtailment of Family Planning services to poverty clients is anticipated.

Two State health programs providing services to Hartford residents face possible reduction in Federal funds: Services to crippled children and mental health programs located at two community hospitals. The scope of these cuts has not yet been determined.

EDUCATION

Program	1972-73 level	Estimated cut	Estimated 1973-74 level
Title I—Educationally deprived	$2,207,000	$2,207,000	0
Vocational education	166,300	166,300	0
Bilingual and drop-out programs	558,000	558,000	0
Adult basic education	351,800	351,800	0
Educational total	3,283,100	3,283,100	0

Indications are that special revenue sharing for educational purposes proposes to replace these funds with a slight increase. The actual receipt of these funds, besides being dependent upon the range of factors affecting all special revenue sharing, relies crucially upon the distribution formula and the possible channeling of funds through the State government.

ENVIRONMENT

Program	1973-74 level	Estimated cut	Estimated 1974-75 level
Open space—capital improvement program—parks	$250,000	$250,000	0
Environment total		250,000	

These funds have been approved for the 1974 fiscal year, continuation after 1973-74 will not take place. Assuming the present commitment is honored, the cut will take place in 1974-1975. The City establishes priorities for park improvement projects within these funds.

HOUSING—PLANNING

Urban Renewal Projects for construction of low and moderate income housing, subsidized by HUD on a 75 percent basis, are "frozen" for an 18 month period beginning in January of 1973. This in essence is a fiscal 1973-74 funding loss. The following list presents the breakdown at $22,000 average cost per housing unit.

Project	Number of units	Project cost	HUD share (75 percent)
Underwood	200	$4,400,000	$3,300,000
Colt Park South	200	4,400,000	3,300,000
South Arsenal	280	3,960,000	2,970,000
Total	680	12,760,000	9,570,000

Similarly, the freeze on housing subsidy would result in the development of no new or rehabilitated housing in the Charter Oak-South Green Section I. This area will then be developed for predominantly non-residential use.

The Comprehensive Planning and Management Assistance Grant (701) does not face cutbacks in the Federal budget, but the $1,000,000 grant may be channeled through the State. The crucial question would then be the reallocation of funds to local governments. There is always a possibility that redistribution could be away from the city.

MANPOWER

Program	1972-73 level	Estimated cut	Estimated 1973-74 level
Recreation support Program	$8,550	$8,550	0
Co-op transportation grant	2,200	2,200	0
Neighborhood Youth Corps (NYC) (Summer program—CRT)	945,000	945,000	0
NYC out of school (year round program CRT)	244,400	10,400	$234,000
NYC in school program (CRT)	183,000	5,000	178,000
Concentrated employment program (CEP-CRT)	1,754,755	292,600	1,462,155
Residential Support Center (Job Corps)	160,000	160,000	0
Puerto Rican Businessmen's Association	(1)	20,000	(1)
Manpower total	3,297,905	1,443,750	1,874,155

[1] Undetermined.

The Recreation Support Program provides Project Co-op with 40 job slots for City youth in the summer. The Co-op Transportation Grant funds provide Co-op field trips. NYC provides jobs and supplies for City youth in a variety of government and non-governmental areas. The CEP and Job Corps also provide job training opportunities for inner-city individuals. These provide genuine self-improvement opportunities for unemployed, undertrained or unskilled individuals. The Puerto Rican Businessmen's Assn. provides entrepreneurial advice, training and assistance to Puerto Rican individuals in the City.

The Emergency Employment Program (EEA)

The EEA Program, as originally intended by Congress and the President, was an emergency measure instituted during a period of high unemployment to help alleviate the problem. It was planned for a two year period and was funded for the first year from FY 72 funds in the amount of $1.0 billion. The Act itself was for a two year period, having been signed into law in July, 1971. The planned appropriation for the 2nd year was to be $1.25 billion.

MANPOWER

To date, the fact that the Federal administration did not include in its budget proposals for FY 74 any provisions for a continued program, has a limited adverse affect on the City. Given a smooth transition from 1st to 2nd year program operation, it is conceivable that the EEA Program would terminate on September 1, and November 1, 1973, for Section V and VI respectively. Had this occurred, the fact that no budget proposal was made for EEA in FY 74 would have meant the termination of the City's program on or about those two dates.

Under current understanding of the intent of Congress and the President, the City may operate a reduced EEA program until June 30, 1974. The present circumstance under which the City is allowed to operate its program has resulted in a reduced level of operation in that the City could only expend on a monthly basis an amount equal to 1/12 of the first year's allocation of $927,500 and $1,206,024 for Sections V and VI respectively. In that the 2nd year program was to provide a 25% increase over the 1st year appropriation and this was to be applied to Section V only, the ceiling placed on our spending in August, 1972 has not allowed us to take advantage of the increased amount.

In essence, we may now operate a smaller program over a longer period and hopefully reach more people over the long run instead of having a short term high impact program which would reach a greater number at one time but probably fewer in the long run.

OFFICE OF ECONOMIC OPPORTUNITY—COMMUNITY ACTION AGENCY—MODEL CITIES

Program [1]	1972-73 level	Estimated cut	Estimated 1973-74 level
OEO, CAP versatile (CRT)	$815,000	$407,500	$407,500
State: ½ the non-Federal share for CAP (CRT)	450,000	450,000	0
Neighborhood legal services	210,000		
DCA match State share	52,000	262,000	0
Model Cities	2,284,000	1,522,665	761,335
OEO, CAA, MC, total	3,811,000	2,642,165	1,168,835

[1] These programs include those of a varied nature which do not readily fit within other program areas. For example, the larger part of affected CAA programs are included under manpower programs.

The OEO CAP Versatile (CRT) program includes two neighborhood employment teams, nine neighborhood service offices, one neighborhood service field office, a consumer protection program, and the CRT administrative services. This program is presently funded through 12/31/73, representing a half-year funding with nothing after 12/31/73.

The State share loss represents funds used to supplement the Federal funds. The assumption is then the loss of Federal would preclude the receipt of State funds.

The Model Cities program will not receive fourth action year funds for the period after 11/1/73. The program will, therefore, not be funded for eight months 11/1/73 to 6/30/74. The present $2,284,000 annual funding could be stretched to cover this period, covering fewer programs on a smaller scale. If the $2,284,000 authorization were expended normally within a 12 month period, it would flow out at a monthly rate of $190,333. Without refunding, the eight month period represents a loss of 8×$190,333 or $1,522,665 to the City.

Every Model Cities project will be affected. The following is a list of all Model Cities projects by program areas:

General Government

Model Cities Administration.
Citizen Participation.

Education

Bilingual Curriculum.
Community Scholarship.
Early Childhood Education.
Reading is Fun-Damental.
Basic Language Skills.
Training Institute.

Human Resources

Drug Rehabilitation.
Neighborhood Health Clinic.
Family Service Center.
Senior Citizens' Drop-In Center.
Welfare Outreach.
Clay Hill Recreation Center.

Law and Justice

Housing Authority Security Patrol.
Project Youth Sponsor.
Community Youth House.
Youth Contact.

Community Development

Employer Awareness.
Equity Investment Fund.
Contract Compliance.
Minority Construction Consortium.
Home Ownership Fund.
Housing Repair Fund.
South Arsenal Neighborhood Development.
Relocation Assistance.

WELFARE

The Federal Budget does not directly reduce funds for the welfare programs. In reducing other programs however, an economic environment which stimulates rising welfare costs could result. An initial possibility includes the assumption of 100 new assistance cases through the reduction in community action programs. The accompanying costs would be:

Expenditures	$160,200
Revenues from State reimbursements	−152,280
Net city cost	16,920

The Model Cities Day Care Center receives an HEW grant through the State Welfare Department for 75% of the program with 25% provided by Model Cities funds. Indications on the availability of the HEW share have not been made. Some possibilities of the provision of the HEW funds for cost of children of AFDC mothers enrolled in Work Incentive Programs (WINS) have arisen. This still stands in the area of conjecture at this point. If this should materialize, 8 of 30 full-time and 15 part-time enrollees would be eligible for HEW funds of the total $270,000. This would mean a loss of 73% of HEW funds or a $197,100 loss.

SUMMARY

The following table summarizes the basic program funding cuts of the Federal budget in the City of Hartford:

Program area and estimated cut

Health	$150,000
Education	3,283,100
Environment	250,000
Housing	9,570,000
Manpower	1,443,750
OEO-CAA-Model Cities	2,642,165
Total	17,339,015

1972–73 IMPACTS (CURRENT FISCAL YEAR)

Certain programs which have been operating within the City have faced cutbacks during fiscal 1972–73 which are then reinforced by not being included in the 1973–74 Federal budget.

The Federally-Assisted Code Enforcement (FACE) program lost $188,065 in fiscal 1972–73 from 1/1/73 to 6/30/73 and $225,500 in fiscal 1973–74 from 7/1/73 to 12/31/73, for a total program impact of $413,565.

The National Alliance of Businessmen who operate an on-the-job training program on a Department of Labor grant through the Chamber of Commerce. This provides job slots for individuals who complete other training programs (Work Incentive and Concentrated Employment). The 1972–73 cutback amounted to a loss of $340,000, the vast majority of which would directly involve Hartford individuals or companies.

The housing program stands to lose $750,000 in 1972–73 on the Clay Hill project. The HUD requirements include acquisition and disposition of property by April 30, 1973, an impossibility. Attempts to obtain waiver of the requirements or transfer of the funds to Colt Park South Project are now underway.

PROGRAM IMPACTS

The 1973–74 Federal budget does have some program rather than direct fiscal impact on the City. The area of Civil Defense is particularly noted in this, with the abolition of the Office of Emergency Preparedness (OEP) and the reduction of the role of the Small Business Administration with the division of program administration between Housing and Urban Development and the Treasury Department. Hartford will then have to apply to a multiplicity of federal offices for disaster recovery assistance. The result will be one of administrative problems.

GLASTONBURY, CONN.
February 5, 1973.

Hon. WILLIAM R. COTTER,
House of Representatives,
Washington, D.C.

DEAR MR. COTTER: In response to your letter requesting information regarding the impact of the President's budget for fiscal year 1974 and related Presidential actions, the Town of Glastonbury at this time is involved in two federal programs, one, redevelopment, and the other water pollution control.

To date, freezing of funds in the Department of Housing and Urban Development has not affected the redevelopment project. There is a real concern about the freezing or holding back of water pollution control funds. To date, the State advanced money for the project now underway. However, should federal funds not be released, it is possible that the project will, at some point, have to be halted.

I am not sure what your position is regarding the President's action in ignoring the mandates of the Congress regarding funding of federal programs. However, it is my opinion that the power taken by the President in this regard cannot be justified. I would hope that the Congress will find a way to overrule the Chief Executive.

Very truly yours,
DONALD C. PEACH, *Town Manager.*

BLOOMFIELD, CONN.,
February 8, 1973.

Hon. WILLIAM R. COTTER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN COTTER: In answer to your letter of January 29, 1973, there are two major Programs of the Town of Bloomfield which would definitely be affected by the HUD "freeze" of January 5, 1973.

The first of these is the neighborhood development program in the southeast area of town. As you well know, based on the recommendation of the Hartford Area HUD office, we are in the process of preparing applications for a neighborhood development program along Blue Hills Avenue and a Housing Code enforcement program in the abutting residential areas. It was our hope to get at least preliminary funding of these programs in FY '74. In view of the "freeze" we will probably delay such programs because it would not appear feasible to fund such programs (estimated cost $5,000,000 over a 5 year period) from local tax funds.

The second area in which we had hoped to participate is open space land acquisition. We had hoped to apply for Open Space funds for acquisition of land along the Farmington River and an unusual island in the river within our town boundaries. With the "freeze" we either will have to fund the entire purchase from local funds or see the lands inevitably lost to the public because of purchase by private interests.

On another matter, I would like to take this opportunity to point out the serious impact of the potential cut-off of the Emergency Employment Act. The Town of Bloomfield has received a total of $75,395.07 to date under this program. We have filled some 9 positions and have transferred 2 people to permanent employment. If the program is discontinued, I do not believe that more than one of the positions can be funded from local monies. Therefore, stopping the program will probably add eight more to the unemployment rolls and have a significant effect on existing programs.

If there is further information which would be helpful, please contact me.

Sincerely,
CLIFFORD R. VERMILYA,
Town Manager.

AIRPORT SUCCESS STORY

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 1973

Mr. PARRIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article published recently in the Washington Star-News which describes the rapid growth of the Manassas, Va., Municipal Airport.

At a time when the large metropolitan airports of this country are becoming more and more congested, the steady growth of the smaller airports is becoming the newest aviation success story.

I believe the tremendous popularity of the Manassas Airport is a very important chapter in that success story.

The article follows:

ON WINGS—PLANES, AND FANCY

(By Charles Yarbrough)

Except for the confirmed airplane driver or devotee, few passers-by even passively interested in that kind of birdwatching are aware of the general aviation supermarket built and building at Manassas Municipal Airport. There are few in the country like it.

In fact, the passer-by may even miss the airport itself. For guidance—and it's worth a sight-seeing trip—it is about three miles south of Manassas on Virginia Route 28 "just past the county dog pound," as one native direction-finder charts it.

It also is five miles south of the old, sod hilltop field dedicated in 1932. In later years big-band-musician-turned-pilot Frank Marshall nurtured and moved the airport to its present status.

Picture an immaculate, automobile-style private aircraft. It is the literal showpiece of a 22,000-square-foot facility Marshall built more than a year ago as his Piper distributorship headquarters.

Newest thing in the showroom-hangar-office building is the Washington "hub" of Lease-A-Plane International, the sort-of "Hertz-Avis" of the flying world.

Growth of the airport is such that only slightly less than a short takeoff away is the first of the big tenants on the field, Colgan Airways, which deals in similar aviation products—a Cessna agency, flight training aircraft rental, air taxi and charter.

And they are friendly competitors.

Lease-A-Plane is headed by Dewey Clower as president; Robert Ware as general manager and has a fleet of 10 Aircraft now flying about 50 hours each a month. And who's a typical leasee at $23 an hour on a Cessna 172, for example?

"It currently is the pleasure pilot," Clower says. The Lease-A-Plane system, with 30 "hubs" over the country, also has the Lafayette Escadrille club, which brings 15 percent discounts and occasional pleasure fly-ins.

Last Saturday, veteran pilot Jim Evans did an awesome wring-out of one of the leasing fleet's newest planes, the high-wing aerobatic Bellanca Decathlon, an energetic and versatile relative of the Citabria.

The "open house" was cold and gusty. The performance was warming and enlightening, even to old airplane-watchers.

At one point, boring into the brisk north wind, Evans' Decathlon had a ground speed of about 15 miles an hour. The high-wing little dilly weighs about 1,200 pounds; sells well-equipped in the $18,000 range, and cruises at 135.

It will do about everything the Blue Angels do—except Mach I.

The Manassas airport that Frank Marshal moved off the sodded hilltop in the mid 1960s is almost a Cinderella story.

Owned by the town of Manassas and operated by an airport administration headed by Ralph H. Moore, it has one paved runway 3,600 feet long.

In the hopeful plans—a parallel runway

6,000 feet long capable of handling small and medium jet aircraft.

Currently it is "home base" to almost 200 general aviation aircraft, at tie-downs and hangared.

SENATE ACTION ON MINORITY STAFFING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, last week, the House came within one vote of permitting a direct vote on my amendment to provide the minority party on a committee with up to one-third of the committee investigative staff funds. I want to personally thank the 17 Democrats who stood with us on this important congressional reform issue. Their courageous stand was a clear indication that the bipartisan reform spirit which originally put through a similar amendment to the Legislative Reorganization Act of 1970 is still very much alive, and I hope we can continue to enjoy the continued and increased support of our reform-minded friends on the other side of the aisle.

A similar effort is being made on behalf of adequate minority committee staffing in the other Chamber, and one of the leaders in that campaign is my friend and colleague from Illinois (Mr. PERCY). On Monday, February 26, 1973, he made a very eloquent and persuasive plea for minority staffing on the Senate floor. At that time he said:

> Much has been made in our discussions since the convening of the 93rd Congress of the need for reassertion of the authority of the Congress vis-a-vis that of the Executive Branch. I suggest that we view the issue of minority staffing in that same perspective. In seeking adequate support for the minority, we are seeking to strengthen our institution by strengthening our deliberations through better preparation, more thorough investigation, and a vigorous and fully adequate exercise of our manifold responsibilities for legislative oversight of Federal Government activity.

I fully concur in the thought of our senior Senator from Illinois and at this point in the RECORD include the full text of his remarks and commend them to the reading of my colleagues:

REMARKS BY MR. PERCY

Mr. President, there are a number of arguments on which the claim for adequate staffing for the minority on committees and subcommittees—at least equal to one-third of the amount provided for the majority—rests.

The best support for this position is the Legislative Reorganization Act of 1946 as amended. Section 202(a) provides for appointment of one-third of the professional staff of standing committees by the minority. The spirit of the Legislative Reorganization Act should surely apply to the minority staffs of the subcommittees, which under the law, are now assured of fair consideration in staffing. Section 133(g) of the Legislative Reorganization Act of 1946 as amended provides that "the minority shall receive *fair consideration* (emphasis added) in the appointment of staff personnel pursuant to any such annual or supplemental resolution" providing funds for subcommittees.

The question, then, is what "fair consideration" actually means. One interpretation of "fair consideration" would be that the minority of each standing committee and subcommittee should receive a portion of that committee or subcommittee's funds equal to the proportion of seats the minority party holds in the Senate—43 percent in this Congress—or a portion equal to the relationship of the minority to the majority on the committee or subcommittee in question—

In this case the Permanent Subcommittee on Investigations, which would be 40 percent.

We—the minority Members of the Senate—have chosen to interpret "fair consideration" as being an allocation of one-third of the funds of committees and subcommittees for the minority, and this position is consistent with the Legislative Reorganization Act of 1946. Support for this position was supplied by the Senate very recently in our debate on Senate Resolution 60, which, of course, provided for the creation of the Select Committee on Presidential Campaign Activities. Section 6 of that resolution provides that the minority members of the select committee shall have one-third of the professional staff of the select committee—including a minority counsel—and such part of the clerical staff as may be adequate.

Though the Senate's discussion about division of the clerical staff of the select committee was rather clouded, I think that the remarks of the distinguished Senator from North Carolina (Senator ERVIN), and the distinguished Senator from Rhode Island (Senator PASTORE), illuminate the intention of the majority with regard to its minority staff. Senator ERVIN offered an amendment—page 3847—that—

"The minority members of the select committee shall have representation on the staff of the select committee equal at least to one-third thereof."

Senator PASTORE, in remarks on the same page, made clear that the amendment offered by Senator ERVIN would provide in effect one-third of the staff of the select committee measured on the basis of the proportion of the total funds for staff that would be made available for the minority. In short, I believe the recent debate on minority staffing for the Senate's newest committee, the Select Committee on Presidential Campaign Activities, provides ample support for the one-third principle for minority professional staff of our other committees and subcommittees and indicates that clerical staff would certainly equal if not exceed one-third of total clerical staff in order to be adequate.

Certainly, Mr. President, I do not think, and I do not believe any Member of this body could argue in fairness and in light of the provision in the Legislative Reorganization Acts of 1946 or 1970, that "fair consideration" could mean as little as 15 or 20 percent of the staff of a committee or subcommittee.

Mr. President, much has been made in our discussions since the convening of the 93d Congress of the need for reassertion of the authority of the Congress vis-a-vis that of the executive branch. I suggest that we view the issue of minority staffing in that same perspective. In seeking adequate support for the minority, we are seeking to strengthen our institution by strengthening our deliberations through better preparation, more thorough investigation, and by a vigorous and fully adequate exercise of our manifold responsibilities for legislative oversight of Federal Government activity.

This argument is very persuasively expressed by a respected Democratic Member of Congress, Representative RICHARD BOLLING of Missouri. In his 1964 book titled "House Out of Order," Congressman BOLLING wrote:

"Without the staff to frame alternative proposals, the minority cannot make its position clear on bills sponsored by the majority. Surely the discussion of alternatives is an important part of the Democratic process, because it informs the public, compels a more careful and penetrating consideration of bills, and in my experience nearly always results in sound legislation."

The minority staffing situation has improved markedly since 1964, but the argument is as valid now as it was then. As recently as last December 5, at hearings of the Senate Ad Hoc Subcommittee on Congressional Reorganization, Common Cause Chairman John Gardner said:

"The ability of Congress to hear and consider both sides of controversial issues is limited by insufficient staff resources for the minority party . . . it would be fair and prudent to implement the Legislative Reorganization Act of 1970 to assure adequate minority party staffing."

Mr. President, this body is obviously organized on party lines. Is it in the essence of our system. The majority party goes to great lengths at the outset of each Congress to determine the precise ratios of minority to majority on each of the committees, and these ratios are reflected—though sometimes less precisely—in the membership of the subcommittees. It is frankly rather comical that, after the majority party so carefully delineates the measure of its partisan strnegth on the committees, that majority members then turn around and argue that the work of the committees and subcommittees is nonpartisan, that one staff—appointed by the majority—is at the service equally of all of the members, whether of the majority or minority party. I say that in full respect and deference to the very highly competent and professional men and women that staff our committees and subcommittees, that there is no such thing as an entirely nonpartisan staff. The committee system is organized and expected to operate on a minority/majority basis, and the minority should have the staff to fulfill its role in our system.

Mr. President, I must emphasis that this is a minority issue, not a partisan Republican one. Were the Democratic Party the minority in Congress, I suggest that it would be in the Democrats' interest to have full implementation of the Reorganization Act. What we are asking for now is full treatment for both sides.

Mr. President, I wish to commend the two subcommittees of our committee on which we have designed a one-third relationship of minority to majority staff, measured by the portion of total subcommittee staff funds that are available for the minority.

On the Subcommittee on Executive Reorganization, chaired by Senator RIBICOFF, the minority has available $99,552 of the $258,400 total staff funds of the subcommittee, or 38 percent. The minority appoints 5 of the 13 staff members.

On the Subcommittee on Intergovernmental Relations, chaired by Senator MUSKIE, the minority has available $86,768 of the $283,424 for total staff funds, or 31 percent. The minority appoints 5 of the 18 staff members of the subcommittee.

These are the results of the development over time of harmonious working relationships between the minority and majority members of these subcommittees. I believe that both Senators RIBICOFF and MUSKIE realize that the minority staff has strengthened their subcommittees and not hindered or impeded them in their work. Both are to be commended highly for their approach to the minority staffing problem, in the same spirit in which the very distinguished ranking minority member of the Rules Committee, Senator COOK, in debate last week commended the chairman of the Committee on Public Works for conforming to the one-third principle and thus providing fairly for the minority.

Finally, Mr. President, I want specifically to commend the Senator from Montana (Mr. METCALF) who is the chairman of our new Subcommittee on Budgeting, Management, and Accounting. The budget was initially submitted with a disproportionately low amount for the minority. When his attention was called to this problem, the chairman revised his subcommittee's initially submitted budget in order to make available one-third of the funds for minority staff.

The Senator's action is exemplary: It demonstrates the spirit of cooperation that I have found always characterizes his approach to problems. I believe I speak for the ranking minority member of the subcommittee, Senator SAXBE, in saying that the staffing arrangement spelled out on pages 30 and 31 of the report on Senate Resolution 46 is entirely satisfactory. It provides an amount of $45,152 for the minority out of a total staff allotment for the subcommittee of $135,456, or exactly 33 percent. This accommodation was made by the gentleman from Montana (Mr. METCALF) without increasing the total amount of the budget for the subcommittee.

HOWARD PHILLIPS SPEECH AT BURDETT COLLEGE

HON. PAUL W. CRONIN

OF MASSACHUSETTES

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. CRONIN. Mr. Speaker, I would like to present the remarks of Howard Phillips, Acting Director of OEO, delivered at the commencement exercises of Burdett College in Boston, Mass., on June 29, 1972, in the RECORD:

REMARKS DELIVERED BY HOWARD PHILLIPS

By the very definition of democracy, the degree of liberty in a free society can be measured by the extent to which citizens are able, through established processes, to exercise control over the State—and over that which is subsidized by the State's treasury.

In a representative democracy, as in the United States, ordered liberty requires that citizens may hold accountable for the policies and actions of the State those of their fellow citizens to whom they have entrusted their proxy in the delegated decisionmaking process.

That is not to suggest that the citizen need always be pleased, or even satisfied, with the acts or omissions of his delegates or of the State itself. It does demand, however, that the acts and omissions of the State derive in some fashion from the wishes of elected officials. Accountability has meaning only if those whom we reward or punish for their behavior have indeed had some control or potential for control over the events by which we evaluate them. How futile and self-deceiving it is to "throw the rascals out," if the "rascals" are as blameless and without authority as we.

Where the power of elected officials to act on our behalf in holding the State accountable is absent, the system from which they derive their representative authority is transformed into a facade which conceals the diminution of individual liberty.

If Presidents and Senators and Representatives cannot guide the State and be held responsible for its coures, how much less can private citizens believe that their opinions and preferences exert any controlling impact on the sovereignty to which they pledge allegiance.

Accountability is essential to our rights. Yet the trend of recent years has been to weaken accountability and to strengthen that elitism which results from reposing decision-making authority in bureaucracies and groups beyond the reach of democratic recall.

Depressing evidence of the tendency to elitism and non-accountability can be seen in many areas in addition to Government: Industry, mass communications, education—institutions in these and other areas which impact upon our lives, operate, more than ever, in a one-way manner, unrequired to take into account the interests and views of those who are touched by them.

Growth, complexity, and technological progress have had as their corollaries for the private citizen: Loss of personal influence, loss of sensitivity to diverse needs and values, and indifference to separate worth.

Expecting efficiency, convenience, and ready satisfaction, we have instead witnessed confusion, frustration, and the kind of amoral corruption that is the consequence of departure from absolute standards of behavior and performance.

In private institutions, created to serve private ends, non-accountability to persons upon whom an impact is made, while undesirable, is bearable, at least to the extent that citizens have the freedom to avoid involvement with those institutions.

With regard to the State, however, we, the people have an unavoidable stake in demanding accountability to us, through those whom we have chosen to govern. Our interest derives not merely from the fact that our contact with the State is unavoidable, but from the separate consideration that we are the source of the State's authority.

My own experience in the Federal Government during the past four years has led me to the disturbing conclusion that elected officials have much less control over the State's activities than our standard texts in political science would lead us to believe.

If we're not runing things and they're not running things, it seems reasonable to ask: Who is?

Well, you might answer, the Federal bureaucracy is. And the answer is at least partially correct. After all, the job of a legislative body is to set policy in cooperation with the executive branch, which must also carry it out. Since we are a nation of more than 200 million people with a budget far in excess of 200 billion dollars, it is reasonable and necessary that bureaucrats be retained who shall manage operations by the authority delegated to them.

One problem, however, is that after bureaucracy reaches a certain size, the chain of command, or accountability, if you will, is stretched fairly thin, making it relatively tempting, and often easy, for bureaucrats to forget the source of their authority and to arrogate policy-making authority to themselves as a supplement to their policy-executing duties. This possibility is easiest in those areas of Government activity where legislated policy is loosely defined and subject to varying interpretation. It is exacerbated when bureaucracies grow so large and independent as to develop a life of their own, and become more concerned with serving their own prerogatives than with responding faithfully to the elected authority they were initially created to serve.

The scope of Federal authority in 1972 is so vast and diverse that no Member of Congress or executive branch department head can be aware of, let alone be able to exert influence over, more than a fraction of even those issues and programs within his or her particular sphere of specialized responsibility.

That is bad enough. Worse, they are ever more forced to rely for policy development and execution on a bureaucracy whose independence has grown at as rapid a rate as reliance on it has increased.

This is not so much the fault of bureaucrats, who have merely moved to fill a vacuum, as it is of us, for failing to keep our system up to date with the expansion and technological change in our society.

But wherever the fault may lie, it is individual liberty which suffers, as elected officials accountable to us, lose control over the actions of the State. "Things are in the saddle and ride mankind."

Recognizing this, President Nixon has proposed a sweeping series of reforms designed to make Government more manageable and structurally accountable to popular control. Civil service reform, executive reorganization, revenue sharing: All of these proposals, if enacted, will work over the long run to restore power to the people, whose service, in a free society, must be the objective of power.

But the enlargement of bureaucratic power is not the only evidence of decline in accountable, representative government. Another development, whose importance is not widely appreciated, is the surrender of power by Government to private groups, some of which have organized solely for the purpose of receiving Government funds to be expended privately on matters deemed to be of public concern.

There is no doubt that some, perhaps considerable, good has been achieved by the further delegation of public funds and authority to private and "quasi-public" grantees. But some results not so good have also occurred, not least of which is diminished citizen control over the uses to which the Federal Treasury are put.

This delegation of public authority to private groups is particularly invidious when it entails use of Federal funds to subsidize political advocacy which goes beyond, or is in conflict with democratically established public policy.

I concur with the view put forward in 1959 by Supreme Court Justice William O. Douglas, that "the notion that first amendment rights are somehow not fully realized unless they are subsidized by the State" is incorrect. As Mr. Justice Douglas said, "such a notion runs counter to our decisions and may indeed conflict with the underlying premise that a completely handsoff policy on the part of Government is at times the only course consistent with first amendment rights."

You may ask, understandably, what has all this to do with fighting poverty, which is the mission of the Office of Economic Opportunity, which I represent. It has a great deal to do with it, far more than could be fairly described or analyzed in the time available to us this evening.

Poor people have the same rights as other citizens of our republic and, in terms of public policy should not be defined as a class apart, except insofar as the absence of economic resources so distinguishes them.

The problems of the poor are different from those of the rest of us by degree, in the sense that they suffer them more acutely and are less able, without assistance, to overcome them.

Political theory holds that when available power is not exercised, its boundaries become subject to redefinition. This rule applies with equal force, whether or not power is democratically derived. The basic choice, in regard to policy for the poor is whether the poor shall be allowed to act for themselves or whether others, speaking in the name of the poor, shall act for them, with the poor having little or no say in the matter.

The choice has been variously defined and cannot, in a practical world, be fairly made in absolute theoretical terms. But, in the final analysis, the alternatives are, on the one hand, to focus upon services and benefits for the poor, as meted out by others, or, conversely, to emphasize a strategy wherein economic power is transferred to low-income citizens in a manner which allows them to make market decisions on their own behalf. This has been characterized as a choice between a service strategy and an incomes strategy.

Such characterization, of course, involves some oversimplification, but, conceding this, it reasonably serves to describe the conclusion of the Nixon administration to support a domestic strategy geared to upgrading the economic power of the poor through cash transfer mixed with services, rather than to emphasize service delivery or subsidy not tied to economic freedom of choice.

One illustration of this policy is the tuition voucher experiment now being conducted by OEO, which will give poor parents the same power to choose their children's curriculum now available to parents who send their children to private schools.

"Power to the people" has become an overworked phrase which symbolizes different things to different people. Upon reflection, however, I believe the finest expression of its meaning and hope can be found in policies, such as those on which President Nixon is embarking, which strengthen representative government, hold operations accountable to democratically-chosen policy-makers, limit use of public funds for advocacy of privately-determined goals, and give individuals greater power to shape the course of their own lives.

These commencement exercises celebrate a departure point in your lives, symbolizing the fulfillment or academic goals whose achievement further enables you to play a rewarding role in society. I am grateful for having had the opportunity to share this evening with you, and wish you well as you go forth.

AMERICAN LEGION'S 54TH ANNIVERSARY

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DORN. Mr. Speaker, it is a very special pleasure for me as chairman of the Veterans' Affairs Committee to pay tribute today to the American Legion on the occasion of its 54th anniversary. The American Legion, throughout its proud and illustrious history, has been a powerful influence for a strong America. The American Legion has advocated policies which would guarantee the peace by keeping our Nation vigilant and strong. The Legion has very effectively advocated programs and legislation in behalf of our veterans, their widows, and orphans. The dynamic and distinguished commander of the Legion, Joe L. Matthews, has prepared a splendid address before the American Legion of Delaware commemorating the anniversary, Mr. Speaker, and we are happy to call to our colleagues' attention the following excerpts from the commander's address:

ADDRESS BY JOE L. MATTHEWS

Thank you very much and good evening to our distinguished guests, American Legion and Auxiliary friends of the great Department of Delaware, ladies and gentlemen, let me start this message by wishing our great American Legion a happy fifty-fourth birthday.

Truly, I'm delighted to be observing the Legion's birthday here with you in Delaware for you are the First State and The American Legion certainly is first among all the veterans organizations of the world. As they say in the world of sport: "We're Number One," and I'm dedicated to the proposition that we are going to stay there.

It was duly noted by yours truly that when I was elected as your National Commander we were heading for an eighth straight year of membership growth nationally—an objective that was realized well before the end of 1972. Now we are going for nine in a row and I don't intend to be the National Commander who sees that string broken.

I know all of you in this room rejoice with me that the Vietnam war is over for Americans and that our men held prisoner of war for so long are coming home. The American Legion is prepared to help where help is wanted or needed, and I know I speak for The American Legion of Delaware when I say that.

Ironically, at the very time the cease-fire was announced the cries for amnesty for draft dodgers and deserters of the Vietnam era again are heard throughout the land.

The American Legion's position with regard to amnesty is well known and needs no repeating here, but I'm going to repeat it anyway. We are unalterably opposed to any blanket amnesty. We believe each case should be decided on its own merit with the innocent set free and the guilty punished to full extent of the law. These so-called Americans were not there when their country needed them. In most instances, instead of helping they were a hindrance, and America's concern right now should be for those who served and not for those who ran.

Ladies and gentlemen, this position was unanimously reaffirmed at our National Convention in Chicago last year, and I can assure you it is a position from which The American Legion will never back down.

Even before the cease-fire in Vietnam was finally achieved, there was, and I believe you all sensed it, a new spirit of detente abroad in the world. A spirit which was a motivating factor for the 10-day visit I made in mid-December to Soviet Russia and communist Poland. We felt the trip was both desirable and necessary if the Legion is to maintain its tradition of being abreast of world affairs and in tune with trends of the times.

Certainly we are in tune with modern day trends, for our President visited both major communist capitals of Peking and Moscow during this past year in an effort to enhance the possibilities of peace on Earth. As you well know, The American Legion supported those trips by the President as being peace seeking in nature.

We felt we might make some further contribution to the cause of peace if we established a contact between American war veterans, through The American Legion, and the war veterans of those communist countries which we visited.

Before I touch on some of the highlights of this visit, and I still think it was a most worthwhile venture, let me reassure you that The American Legion is not going soft on communism and neither is the National Commander.

I am proud to be an American. I am proud to be an American Legionnaire. I believe in our system and I believe it is absolutely the best system, and the best way of life that man has yet devised. I felt this way before leaving for the Iron Curtain countries, and my feelings are unchanged today.

To say the least, however, I am excited about some of the possibilities this trip may have opened up, and I think that you, too, as concerned citizens, will share this excitement in the knowledge that your own organization, The American Legion was open-minded and far-sighted enough to seize upon this opportunity.

While our visit concentrated on the veteran to veteran aspects of our relationships, we were invited to the office of Mr. Alexei Pavlovich Shitikov, the presiding officer of one of the two bodies of the Supreme Soviet who told us his people were impressed by agreements concluded by President Nixon last spring, and willing to support all means to promote world peace.

Hope and cautioned optimism would seem to best describe the feelings which we brought away from the Soviet Union.

Since my return, I have been asked by a number of people how I would assess the accomplishments of this first American Legion visit to the Soviet Union and Poland—successful, unsuccessful, or somewhere in between. The answer must be that we have made only a small step through a door held very tentatively ajar. That the step has been taken, and that we were so warmly received must place the stamp of moderate success on our visit. Obviously, it was impossible for us to come up with all the answers, but I believe strongly that the way has been paved for a significant Legion contribution to that much sought after goal of a "generation or more of peace." It isn't necessary to tell you that veterans as a group are highly dedicated to the elimination of war as a means of resolving differences. We found this to be as true of the Soviet and Polish war veterans we met as it is with Legionnaires.

Having established these relationships with the Soviet and Polish war veterans, the next step is clearly up to us. They have explained their positions in their own homelands, and they are watching and waiting for us to do something positive to keep our relationship alive. In the realization that matters could not remain at dead center, I have formally invited the veterans groups from both nations to send representative delegations to our upcoming meetings for the purpose of meeting with Legion officials to explore means for further strengthening ties.

As National Commander, I have also urged Legionnaires everywhere who have the opportunity, to consider a trip to the Soviet Union and Poland. To see the people and hear their views will, I can assure you, be an interesting and rewarding experience.

If what I have brought out in this report to see seems on the positive side, let me say it was intended to be, for I am firmly convinced that only in dealing with the situation in a positive way will we be able to solve the many problems inherent in the achievement of better relationships with the Eastern bloc countries. Equally positive, however, must be our insistence on certain conditions to agreement, as indeed the Soviets have done. Most important of these are:

1. Our moves in the direction of detente must be undertaken on the basis of full consultation with our allies. This is an established Legion position.

2. As I pointed out earlier, we must deal with a position of strength, meaning a level of military preparedness sufficient for any continungency as well as large enough to provide a negotiating basis for future arms limitation agreements.

3. While recognizing legitimate Soviet aspirations, we must insist on the basis of genuine reciprocity—of equal give and take on both sides.

It is my firm opinion that we have taken the first step toward the attainment of that elusive peaceful coexistence, and I urge all of you to do everything in your power to continue the momentum of that first step to the end that our children, our grandchildren and the generations as yet unborn may never have to experience the dreadful consequences of war.

TESTIMONY BEFORE AGRICULTURE COMMITTEE BY SOUTH CAROLINA FARMERS, MARCH 14, 1973

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, March 15, 1973

Mr. THURMOND. Mr. President, on Wednesday, March 14, 1973, a group of farmers from Bishopville, S.C., testified before the Senate Agriculture and Forestry Committee concerning the extension of the 1970 Farm Act.

These men had read that the committee wanted to hear the views from the grassroots, and they asked me to make arrangements for their appearance. It was a pleasure for me to introduce Messrs. Harvey Shaw, E. B. McCutchen, Don McDaniel, and Richard Hearon to the committee.

Mr. Shaw served as the spokesman for this group. He is a native South Carolinian and a graduate of the University of South Carolina where he majored in engineering. He started farming when he returned home from college and farms about 500 acres of cotton.

Mr. President, I ask unanimous consent that Mr. Shaw's remarks be printed in the Extensions of Remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. HARVEY SHAW

Mr. Chairman, gentlemen of the committee: We are cotton farmers from Lee County, South Carolina—not representing any particular group or organization, but hopefully to express the feelings of many cotton farmers of our area. Lee County, being one of the smallest counties in size, is the largest cotton producing county in South Carolina.

We, the farmers of the United States, are indebted to you for all that you have done for us in the past and certainly hope that we will live up to your expectations in the future.

We appreciate the opportunity and privilege to appear before you today. It may not be possible for us to bring any information that you have not heard many times, but it is certainly our hope and desire that our presence and statements will emphasize certain facts that we feel will be necessary for your consideration of a farm bill.

We believe we, as farmers, are the only group of people in America today who have had the initiative and fortitude to stand, for twenty years, the squeezing from both ends and still survive. Do the people of the nation really believe we can live by the old adage—If we pick up a calf the day he is born and every day thereafter that we will be able to pick him up when he weighs two thousand pounds? We have had to absorb an approximate ten percent increase in the cost of machinery each and every year for at least twenty years, as well as two to five percent yearly increase in the cost of everything the farmer uses—chemicals, insecticides, fertilizer and labor from one end and decrease in allotted crops in acreage, poundage and prices from the other end. The Department of Agriculture, which we thought was organized to help the farmer, at times seems to be trying to kill him.

Gentlemen, even we could not have done it without volume! We have been cut from sixty-five percent of the population in the Nation to three percent. Don't you think it is dangerous to put the Nation in the hands of less than three percent of its people for food and fiber? Don't let us get much smaller, because I am afraid we might be more dangerous than the labor movement has been or ever could be.

Give us a continuation of the 1970 Farm Act and quit worrying about the small subsidies that we *get* in comparison with the large subsidies that we *give*.

Let us balance world trade with exports in food and fiber against imports in oil and other products necessary for us to survive. Farmers are the only group in the Nation that can accomplish this.

The big farmer did not kill the family farmer. The consumer did it, by refusing to let him make a profit. Now America wants him back, but they are not willing to pay the price that it takes for him to survive. The larger farmer is now paying these families more for rent than they were able to net farming themselves.

It is a physical impossibility to grow cotton today without slaves or volume. Thank God slaves have been eliminated! The Department of Agriculture and Congress have certainly cut volume with the use of limitations. We do not consider ourselves large farmers in our area by any means, but any further reduction in limitations will certainly cause undue hardships and further reduction in volume.

Gentlemen, give us a continuation of the 1970 Farm Bill and you will be proud of us in the next five years!

Thank you.

THE ITALIANS IN AMERICA

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DOMINICK V. DANIELS. Mr. Speaker, my very good friend, Judge Edward D. Re of the U.S. Customs Court has written a very fine review of "The Italians in America" by Rev. Anthony F. LoGatto.

Mr. Speaker, because ethnic America seems to be coming back into fashion this book I am sure, will be of great interest to many Americans, those of Italian descent and those who are interested in one of America's largest ethnic groups.

Mr. Speaker, I include Judge Re's review at this point in the RECORD:

BOOK REVIEW

(By Edward D. Re, Judge, U.S. Customs Court)

At a time when America has once again become aware of the rich pluralism of its people, Father LoGatto's new book is a welcome contribution. In the words of the author:

"The melting pot image of America was the product of its time. Today, the very idea is not only non-acceptable but is a disservice to our immigrant fathers whose painful progress constitutes our American heritage. The evolution from attitudes of disdain for unwanted, undesirable minorities to the valued appreciation of nationality and cultural origin, is one of the chief glories of these United States. Indeed, the 'unmeltable ethnics' of America are its very fabric. There is only a steady and unbroken stream of ethnics emerging from the Santa Maria of Columbus and the Spanish caravels and the Mayflower, to the Raffaello, the Queen Elizabeth II, and the roaring 747's. . . ."

He reminds his readers that: "This little volume is the story of one of those groups—the Italians, who came, who stayed, their children and their children's children."

In a compact volume of only 149 pages, filled with notable facts of past and present history, there is set forth for the reader a broad panorama of the Italians in America. This is accomplished in three ways: First, there is a "chronology". It begins with the discovery of America by Columbus, and highlights events of American history connected with men and women of Italian ancestry. Second, there is documentation which presents, in whole or in part, more than twenty historic documents illuminating various momentous events of American history. Third, there are eight appendices which contain a roster of names under headings such as, "award winners", "business, industry and organization", "creative arts", "entertaining arts", "Italian-Americans in government", "professions", "Italian-Americans in sports". Surely many more names could have been added, but limitations of space mandated that "just a few representative Italian-American names" be used in each category. Several surprises are in store for the uninitiated in the field of Italian-Americans. It may perhaps not be surprising to learn that Dean Martin was born Dino Crocetti, but Anne Bancroft as Anna Maria Italiano!

The Chronology in 26 pages depicts many events of American history some of which are of course, well-known. But how many know that Henri de Tonti in 1686 set up the first trading post in the Arkansas River, that Philip Mazzei inspired and collaborated with Thomas Jefferson on a series of articles espousing political freedom, that an Italian by the name of William Paca signed the Declaration of Independence, and that Alessandro Malaspina in 1971 headed a scientific expedition surveying the Pacific Coast from Alaska to Mexico. Many other fascinating examples follow by the score.

The section containing "documents" will be particularly appreciated by the student of American history who can read portions of the actual charter of Ferdinand and Isabella of Spain to Columbus, which set forth in detail the nature and extent of his commission and the rewards for which he bargained so shrewdly. This section also ransoms from a large number of reference works such historical gems as the "journal of Columbus' first voyage", the "letters patents of King Henry the seventh granted unto John Cabot and his three sonnes. . .", the "observations and recordings" of Amerigo Vespucci made during his voyages to America, a letter written by Benjamin Franklin to Philip Mazzei, and an account of Washington's farewell address as contained in a book written in 1839 by Charles Botta entitled a "History of the War of Independence of the United States of America."

Since so much more could have been said, and so many more noteworthy names included, it is regretted that the book is not larger and more complete. These limitations, however, are understandable since the book is part of an Ethnic Chronology Series and had to conform with the format already established.

As all schoolchildren know, our national motto "E Pluribus Unum" means "from many one". It was suggested by colonial patriots to demonstrate the benefits that would result from a union of the original thirteen states. Since then it has acquired a larger meaning that suggests that America consists of many people from different lands. In current language it reflects American pluralism because of its many ethnic groups. Father LoGatto's book sheds additional light on that ethnic group that first came to America with Columbus and the explorers that followed him.

The Italians in America makes available an additional teaching tool in the increasing number of courses on ethnic studies. It appears at a time when the contribution of all ethnic groups to America needs to be better understood and appreciated. By having provided the reader with so much valuable and interesting information in so short a space, Father LoGatto has contributed greatly to that better understanding and appreciation.

THE LATE HON. LYNDON BAINES JOHNSON

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. GINN. Mr. Speaker, the beginning of this year brought deep sorrow to our Nation with the death of Lyndon Baines Johnson, our Nation's last living former President.

It was my great personal honor to have known Lyndon Johnson during the years of his Presidency. Although I extended my deepest sympathy to the Johnnson family at the time of his death, I would like today to take this opportunity to join with the many other Members who have expressed, in the forum of the House, their sorrow at the passing of this outstanding man and public leader.

President Johnson was a friend of Georgia and of Georgians. During his 12 years in the House, he worked closely with our own distinguished Representative Carl Vinson in Mr. Vinson's efforts to bolster our national defense.

Upon his election to the Senate, Mr. Johnson formed an early friendship with the man I consider to be one of the greatest Senators in our Nation's history—Senator Richard B. Russell. When Senator Russell declined to accept the post of Senate whip in 1951, the position was opened to Lyndon Johnson, and his election to that position launched his rapid advancement within the leadership of the Senate.

The friendship of Senator Russell and Lyndon Johnson endured for decades, through Mr. Johnson's career in the Senate and then through all the years of his service as Vice President and as President.

Lyndon Johnson was a politician in the very highest sense of the word, a master of putting together a consensus and a skilled leader in the tactics of the legislative process. He understood the responsibilities of Members of Congress and he held them in respect.

I remember Lyndon Johnson as a warm and remarkable man, a man of enduring compassion and the willingness to take on any task and fight for what he believed to be right. He had an astounding ability of persuasion, and he used this ability to establish some of the most far-reaching programs in the history of our Government.

His decisions were based upon many things—his faith that the people of America would realize their promise and potential of equality for all, and his faith and trust in God's wisdom and guidance.

But the thing I remember most about President Johnson was his advice to new Members of Congress. He told them to always "vote for the people." I believe that Lyndon Johnson lived up to that promise, and I believe there can be no better epitaph for him than, "Lyndon Johnson, the man for the People."

LET US STOP USING FEDERAL MONEY TO SUBSIDIZE LOBBYING

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. DICKINSON. Mr. Speaker, on Tuesday, February 20, 1973, many people from various States came to Washington to demonstrate and lobby. One of our colleagues who supported this action stated on the floor of the House:

> Today, we, as Members of Congress, are being visited and lobbied by people from every walk of life, united in their determination to protest.

There is no doubt that one of the reasons that our free society has endured as long as it has is that we have been able, through the process of election and nomination and the process of having a Congress and a judiciary and an executive branch, to solve social problems in an orderly manner.

In a free society people have the right to engage in marches, in boycotts, in protest demonstrations, and in legislative lobbying. It is also a part of a free society that the funding for such activity originate from private sources and does not come from any government source.

There is no question that if the automobile industry, for example, lobbied through the support of Federal funds that we would be most outraged. Yet, when so-called poverty workers lobby with funds received by grants from the Federal Government, very few of us become terribly disturbed.

Are not all lobbyists basically alike in their desire to influence legislation and should not all such activities be subsidized by private sources?

On February 20, 1973, the lobbying effort was organized under the leadership of the National Association for Community Development—NACD—which is largely made up of more than 10,000 individuals and agencies who are involved in the so-called war on poverty. According to NACD's financial statement covering January 1, 1972 to September 30, 1972, $44,375 out of the $90,684.35 which they received as revenue came from OEO-funded agency dues. NACD further states:

> These agency funds provide overall operational funds and permit a broader servicing function than would otherwise be possible.

According to NACD's up-dated bylaws dated September 1972, article VI, section 2, concerning the composition of the board of directors:

> The 65 directors shall be elected, chosen from the field of community development with four elected from each of the Office of Economic Opportunity's 10 regions for a total of 40.

It, therefore, appears to me that the organization and mobilization effort which brought so many poverty lobbyists into Washington through NACD was approved by, carried out by, and paid for by individuals who are on the payroll of OEO and who used OEO funds to produce the $44,373 in revenue from agency dues which keeps NACD going.

It is interesting to find, however, that under article II, the articles of incorporation, sections 1, b, 9, of the NACD's bylaws, is stated:

> Provided further, that no substantial part of the activities of the corporation shall consist of the carrying on of propaganda, or of otherwise attempting to influence legislation.

I further quote from another source, the mimeographed "congressional meeting guide" which was given to each poverty lobbyist:

> Meeting your Congressman should provide you with an opportunity to let him know your concerns and let him know that your support of him, as a politician, rests upon his response to your concerns. You should make sure the Congressman or Senator makes his position on issues that concern you very clear. Upon leaving you should have answers to questions outlined below. Space has been provided under each question for your notes.

I continue:

> NACD Mobilization for Domestic Unity needs your reaction to the Congressional meeting. Please complete the questionnaire on the reverse side of this meeting guide and return to your group leader.

What I am suggesting, Mr. Speaker, is that this is just one more example of how funds given out by OEO have been blatantly used for political ends and not for the administration of programs on the local level.

I am compelled to refute the statement of one of our colleagues of February 20, 1973, and I quote:

> I am glad that they are here. I think it evidences that the American people will oppose any dictatorial use of power that robs the poor to give to the rich.

What I feel we must accept is that the people who are actually robbing from the poor are those individuals who use OEO funds, distributed through specific grants for particular programs to combat poverty, for purely political activities.

To quote the head of OEO, Mr. Howard Phillips, during an interview with Elizabeth Drew on her television show "Thirty Minutes With * * *," and I quote:

> There has been a tremendous amount of money given to people through the poverty program to organize welfare demonstrations, to organize rent strikes, chapters of the National Welfare Rights Organization, to give support to organizations like the American involved in the peace movement. We've even had some grantees who have gotten involved in gay liberation. And frankly, I think that sort of thing has very little to do with poverty.

I agree with Mr. Phillips wholeheartedly. Such gross mismanagement of the poverty dollar must stop. When an organization such as the NACD specifically states in its by-laws that the organization cannot attempt to influence legislation and then turns around and actively organizes a lobbying effort on a national scope, subsidized by OEO funds, then I think that the time has come to take a hard look at the poverty program.

We must improve it. We must put a stop to the ever increasing poverty industrial complex. We must reassess the situation in realistic terms and I feel the only alternative is to begin to restructure the poverty program at once.

PHASE III BLUES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. EILBERG. Mr. Speaker, the President has declared that his economic program is a great success. Obviously, he does not do the shopping for the White House kitchen and his landlord has not raised his rent since the phase II controls ended.

It is also obvious that he is out of touch with the average worker and his family or he would know that it is becoming almost impossible for these people to buy the best or even adequate food for every meal and that rent increases are forcing some people out of their homes.

On Tuesday, March 13, the Philadelphia Inquirer ran a page 1 story with the headline "Nation Writhes Under 'Phase III Blues' as Prices Go Up and Up."

The story outlines the situation of the elderly, middle-income families, and small businessmen. No one seems to be prospering.

Perhaps what these people will have to do is declare war on the United States, lose, and then apply for rehabilitation funds.

At this time, I enter the Inquirer story into the RECORD:

NATION WRITHES UNDER "PHASE III" BLUES AS PRICES GO UP AND UP

(By Bill Thompson)

Cautious, conservative and 71 years old, she talks softly and deliberately about how her dollar is buying less and less, week by week.

She lives in an apartment building in Northeast Philadelphia, and she's on Social Security. "Don't use my name," she asks, "I'm too old to bear reprisals."

Most of the people in her apartment building share her economic plight. They are over 65, and they're finding it increasingly difficult to live.

"Everything keeps going up," she says, "especially food. We eat less. If we're going to survive, things will have to change. When will this ridiculous increase in the cost of living end?"

What this woman is suffering from, besides lost buying power, is the Phase III blues.

Nobody knows where the price spiral will end, and there's little evidence so far that Phase III, the successor to Phase I and II in President Nixon's economic-stabilization game plan, will end the pressure on her and others like her, young and old, across the country.

Except for controls put on petroleum products last week, there's no indication that the Nixon Administration is yet ready to take "the stick out of the closet" to keep the cost of living in line.

Since Jan. 11, when Phase III was announced and mandatory anti-inflation controls were made voluntary, these things have happened:

In February, the national cost of food increased 2.3 percent, the largest monthly increase in more than 20 years. In the Philadelphia area, food prices rose 1.7 percent.

Wholesale prices climbed 1.9 percent in February, the steepest increase since 1951. If the wholesale prices of raw and processed food continue to climb at the rate of the last three months, the annual rise would be more than 50 percent by December.

The U.S. Department of Agriculture predicts that super market prices will increase by 6 percent before summer.

Since phase III abolished the Rent Advisory Board, some rents in the Philadelphia area have risen by as much as 200 percent.

The Philadelphia office of the state consumer protection bureau, the Philadelphia Fair Housing Commission and the Internal Revenue Service are being bombarded daily with howls of consumer anguish over rising prices.

In most cases, they must reply that they can be of no help whatever.

"We're getting hundreds of calls a day," says Robert Nicholas, deputy attorney general for the state consumer protection agency here.

"The complaints involve everything you can think of," he says. "Rent, food, cigarettes and other small items. But phase III has removed many guidelines. When we tell the consumer that there's nothing we can do, they want to know from us what they can do to bring down prices."

Nobody wants to shoulder the blame for the increases. Supermarkets say it's the processor; the processor says it's the farmer. The retailer says it's the wholesaler; the wholesaler says it's the manufacturer, ad infinitum.

The greatest number of complaints, however, involve rent increases. The abolition of the Rent Advisory Board gave landlords the freedom to raise rents without control.

The large rent increases also are tightening the economic noose on the elderly woman and her neighbors in the Northeast apartment house. She says she can eat less to compensate for higher food prices, but there is no way she can adjust for higher rent—except move.

She has lived there for eight years, without a lease. When she moved in, she paid $80 a month. At the beginning of this year, she was paying $95 a month.

That was before phase III killed the Rent Advisory Board. On Feb. 23, she received a letter from a new landlord saying:

Her rent would increase by $40, to $135, on March 1. (That's 42 percent.)

She also will have to sign a lease and put up another $135 immediately as an escrow.

If she couldn't scrape up the $270, the letter also would serve as a 30-day eviction notice.

"We all feel that a small increase is warranted," the elderly woman says. "But this is totally unfair. Some of us will not be able to come up with all that money. It's going to be a great hardship."

"Phase III has complicated the rent problem," says Rudolph Tolbert, director of the Northwest Tenants Organization. "Frankly, it has put us right back where we were before Phase I."

Tolbert says his Germantown office is is flooded daily with complaints from all over the city about rent increases. "We expect many more complaints before the end of the year, particularly around June, when many leases expire," he adds.

The Internal Revenue Service continues to watch the stabilization program, particularly the behavior of landlords. Under Phase II, the revenue agency could penalize them for violations.

As an IRS spokesman says: "Since the mandatory guidelines for rent control have been abolished, there's nothing we can do but watch what's happening.

"If we see anything unusual or abnormal, we will forward the information to the Cost of Living Council in Washington and they will determine whether the voluntary guidelines under Phase III should be replaced with mandatory ones."

The IRS has already observed a trend in rent increases. The higher increases are being set by landlords with a smaller number of apartment units to rent. Landlords with a larger number of apartment units are keeping rent increases down to about 7 percent.

Landlords or their representatives, like the elderly woman, also ask for anonymity when they speak about rent increases. The appraiser for the Northeast Philadelphia apartment building of eight units, for example.

"They're old people, and they've been living on charity. They haven't been out in the world, so they have no idea of what rentals are up to now.

"The landlord has to make a profit," the appraiser says. "With real estate taxes, heat, the repair percentage and maintenance, that property will only bring about a 12 percent return (a year).

"I know they are old people, but it's not our fault. The government should subsidize them or give the real estate people a break by letting them get a property loan at about 7 percent or something like that. (Commercial loans run much higher.)

"Those people are living in a good location, and that's what you pay for today. Location."

The tenants of the Northeast Philadelphia apartment building have registered their complaint with the Philadelphia Fair Housing Commission, whose spokesman says it is getting at least 300 similar complaints daily.

There is, however, no appeal of rising food prices. Many housewives say their grocery costs seem to be rising every day.

Supermarkets say there isn't much they can do about that. They add that it's unfair to say they're taking advantage of Phase III by hiking food prices, since the larger markets must continue to notify the Federal government about their food prices.

A spokesman for the Supermarket Institute says food price hikes are caused by higher farm prices, greater demand and rising marketing costs. But this argument makes no dent upon two strangers who, as they fumble through a supermarket meat bin, complain to one another about their grocery bills.

Other things are bugging consumers; Cigarets have gone up to 55 cents a pack. Lunching in Center City is more expensive. Some popular sandwich places have increased their prices.

Customers reacted to a new price list posted in a N. Broad st. Chuckwagon on Feb. 21:

"Prices going up again?" a customer asks.

"It's the wholesale prices that's doing it," the employe tries to explain.

"It's Phase III," another customer injects.

"I wish you would tell them (the customers) that," the employe snaps, pained to be the target of consumer discontent.

Some local manufacturers are also complaining about the repercussions of Phase III. Quaker Chemical Co., for example, says prices of some commodities it buys rose by as much as 30 percent in February. Tallow wax, used to make candles, was one of the commodities.

"What we have is rampant inflation and ridiculous runaway prices," a spokesman for the chemical company says angrily, echoing the outcry heard before there were any Phases.

This, of course, means that manufacturers who are paying more for their materials will have to sell them to wholesalers at a higher price. This means the retail prices will increase.

Although it's too early for labor unions to assess the ramifications of Phase III, union representatives are generally pessimistic about its effect on the worker. "The whole thing is ridiculous and completely unfair," says Edward Toohey, head of the local AFL–CIO Council.

"It stands to reason that wage increases should follow price increases," he says. "The whole economic program is doing nothing for the consumer."

AFL-CIO President George Meany has said labor will not be restrained to 5.5 percent pay increases this year if food prices continue to soar—as they seem certain to do.

So begins the spiral, once again.

A TRIBUTE TO JAMES LEFTENANT, SR.

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. RONCALLO of New York. Mr. Speaker, it saddens me to report that a noteworthy member of my community, Mr. James Leftenant, Sr., died this month. I would like to pay tribute to this man, whose life was a credit to his community, his family, his religion, and his race. I submit for insertion in the RECORD the following account of his life, in order that my colleagues may share in my admiration of the fine life led by this man:

[From the Amityville (N.Y.) Record, March 8, 1973]

NORTH AMITYVILLE MOURNS

Services for James Leftenant Sr., who died on March 1, were held Monday at Bethel AME Church. The church was filled to capacity and necessitated additional seating arrangements in order to accommodate the relatives and friends to this beloved and humble man.

The Rev. F. H. Worten, pastor of Bethel Church, stated he had known the deceased for only a short time prior to his illness but in that time had enjoyed a beautiful relationship with him. Ministers from neighboring churches made brief comments on their admiration for Mr. Leftenant, all agreeing that he was loved and respected by those who knew him, that he was an industrious man, one who dearly loved his family, and one who devoted his life to helping others.

The Rev. John Lee, former pastor of Bethel, now serving in Albany, NY, eulogized Mr. Leftenant. Rev. Lee stated that when he first came to Amityville in 58, he became acquainted with Mr. Leftenant and they developed a sort of son and father relationship and used to call Mr. Leftenant, "Pops."

He stated that in all of the 12 years he had known "Pops" he never heard him speak ill of anyone, that he was the kind of man you could go to in times of distress, and that "Pops" had a way of "picking you up" and pointing out the beautiful things in life.

He stated that this man led a beautiful, simple and Christian life. He characterized him as "truly a man of God", one who loved people and loved his community.

Mr. Leftenant was born Sept. 24, 1882, in Goose Creek, S.C., the youngest son of a slave, Timothy Leftenant, and Amy Milligan Leftenant. Mr. Leftenant was a firm believer in the value of a good education and was motivated by this to move to LI with his children in 1923.

Mr. Leftenant was a good husband and a devoted father. He lived in No. Amityville for 50 years and was able to see his dreams fulfilled. His strong desire to educate his children became a reality. He leaves to mourn him his wife, Eunice Middleton Leftenant; 7 daughters: Amy Leftenant, a Jr. high school teacher in Brentwood; Clara Jordan, who formerly taught in Amityville and is now striving toward a professional career in singing; Nancy Colon, who retired after 21 years in the USAF and presently employed as school nurse at Amityville Memorial HS; Lieut. Col. Mary E. Leftenant, chief nurse at Hahn AFB, Germany; Joan Jackson, nurse-teacher and homemaker; Orane Brewster, homemaker; and Gabriella, homemaker and employed by the Amityville School District; 5 sons: James Jr., Suffolk County detective Sgt. and president of the Amityville Board of Education; Charles, a graduate of Bulova Watchmaking School; Herb, a mechanic employed at Republic; Louie, employed at Grumman; Christopher Sr., self-employed; 22 grandchildren; 19 great-grandchildren and a host of relatives and friends. A sixth son, Samuel, departed this life in 1944, a casualty of WW II.

In closing, this columnist wishes to join with the hundreds of others who were present to lift their voices in praise for this beloved man. When his deeds were weighed, words were inadequate to express the real depth of his inborn love, peace and understanding.

HEALTH PROGRAMS EXTENSION ACT OF 1973

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. HASTINGS. Mr. Speaker, as a member of the House Subcommittee on Public Health and Environment, I am today introducing the Health Programs Extension Act of 1973.

The purpose of this legislation is to extend for 1 year the following authorities due to expire on June 30, 1973:

Health services research and development, health statistics, public health training, migrant health, comprehensive health planning, Hill-Burton programs, allied health training, regional medical programs, population research and family planning, developmental disabilities, medical libraries, and community mental health centers.

My introduction of this legislation should not be construed as a personal endorsement of all these programs, but rather a necessary mechanism to permit the Congress, which established this authority in the first place, the necessary time to make a responsible evaluation and decisions.

I am supported today by the bipartisian cosponsorship of the entire Subcommittee on Public Health and Environment. Chairman ROGERS and Mr. NELSON, the ranking minority member, have assured me of concurrent hearings on individual programs while this legislation is being considered. As Chairman ROGERS so succinctly stated to HEW Secretary Caspar W. Weinberger when he testified before our subcommittee:

> This Subcommittee will not condone dismantling of existing programs until the Congress decides whether these programs should be continued, should be modified, or, perhaps, terminated. It is the Congress that has developed these programs, and it is the Congress that will determine their fate.

As the administration has indicated, there is indeed need for some concern about the programs now in place. As they are now structured they have not been able to close the gap in medical care organization and delivery. There is no doubt that these programs should be restructured and, in fact, I myself am in the process of developing legislative proposals that would do just that. This subcommittee, of which Mr. ROGERS is chairman and Mr. NELSON is ranking minority member, has shown great leadership in the area of health legislation and is also currently engaging in efforts to restructure the Public Health Service Act to make its provisions more responsive to the needs of the Nation in the years to come.

It is my feeling that the Congress should not be bullied into haphazardly mandating new programs to be in place before the June 30 deadline, because of a lack of cooperation from the administration. This should not be viewed simply as a confrontation between the executive and legislative branches. For neither can afford a victory at the expense of the American public which has indicated its desire for a better health-care system.

Today I am calling for a new spirit of cooperation by the executive branch, which has clearly indicated its priority for change, with the Congress which has put these programs into place. I believe that the current programs should be held in place until the process of review and evaluation through hearings, and the development of new proposals in the form of public law, can be completed. The administration and the Congress should work together toward this end.

I might add, that identical legistlation was introduced in the Senate last week with the promise of early action.

THE MINIMUM WAGE BILL

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Ms. ABZUG. Mr. Speaker, this morning, I had the privilege of appearing before the General Subcommittee on Labor of the Education and Labor Committee, to present my views on H.R. 4757, the minimum wage bill pending before that subcommittee.

As I told Chairman DENT and the other members of his subcommittee, it is indeed tragic that we did not enact a minimum wage bill during the 92d Congress and I hope that we will rectify that injustice early in the 93d Congress.

The text of my statement to the subcommittee follows:

TESTIMONY OF BELLA S. ABZUG

Mr. Chairman, I appreciate this opportunity to appear before the Committee in support of H.R. 4757, raising and extending the minimum wage and extending its overtime coverage. At the same time, I must express my conviction that the bill under consideration is far from adequate, and my hope that it will be strengthened as a result of these hearings. Further, I feel that our failure to move *any* minimum wage legislation through the Congress over the past two years, with inflation spiralling relentlessly upward, is most tragic.

Although minimum wage legislation passed both Houses of Congress in 1972, it did not reach conference. This year, it is imperative that we press for action, in view of the current dismantling of poverty programs and the removal of controls on profits—actions which leave the poor sliding ever deeper into hopelessness.

I appreciate the fact that federal, state and local employees are covered in this bill, for overtime as well as minimum wage coverage. It is essential that these often overworked employees receive compensation for extra time. In fact, it is hard to understand why they have not been included all along, since so much of the responsibility for the daily operation of our society rests with them.

I am gratified also that employees of conglomerates and agricultural firms are included. They too deserve both minimum wage and overtime coverage, to end the exploitation that troubles so many of us as we learn more of actual conditions on agri-business farms and other corporate enterprises.

But I am especially happy that domestic workers are included in this bill. It is dismaying to realize, amidst all the pressure for raising wages to keep up with inflation, that a group of 16 million Americans, including one and a half million domestic workers, is still struggling to live on a minimum wage that in most states is still at the federal level of $1.60 an hour. For a forty-hour week, this comes to $3328 a year—well under the official definition of poverty-level, $4000 for a family of four. Yet inflation hits this worker just as it hits all of us—in the rent bill, at the grocery store, in the department store. Even those receiving the statutory minimum wage are well below the poverty line. $1.60 now buys less than the former minimum of $1.25 did in 1966 when the Fair Labor Standards Act was last amended.

Even under the bill we are considering, a worker earning a proposed minimum of $2.00 would receive only $4160 a year; but the Bureau of Labor Statistics "Lower Living Standard" set $7200 as the minimum decent level for a family of four.

The situation is even worse than that. According to the 1970 census, more that three and one-half million full-time wage and salary workers earn less than $60 a week, less, in many cases, than they would get on welfare. These are the working poor.

Two-thirds of them are women. Most of them head families. How on earth can anyone support a family, in these times, on less than $60 a week?

Twenty-five million people in this country live below the poverty level. Another 30 to 50 million live just above it, in the $4000 to $5000 bracket. Sixteen million of these people are not presently covered by minimum wages, and 57 percent of this group consists of women.

Over two million workers are classified by the Department of Labor as "private Household Workers." Ninety-eight percent of them are women. In 1969, the median wage of a full-time household worker was less than $2000 per year. Eighty-one percent had total cash incomes, including all forms of supplemental income, below $2000 a year. Fifty-seven percent were below one thousand a year.

We must remember, too, that privately employed household workers do not usually receive standard benefits such as pay for sick leave, vacation and holidays—even when their employers go on vacation—nor employment nor workmen's compensation benefits. Most household employees work more than forty hours per week but are not compensated for the extra hours.

There is an unfortunate exception in the present bill: domestic workers who "live-in" will not be entitled to overtime compensation. Presumably the rationale is that they're "part of the family"—but even if "the lady of the House" works a 20-hour day for free, she should not expect her helper to do so. (This is one of the belated realizations that dawn on us women as the concept of sisterhood grows.)

Let us face the fact that one of the reasons it has been so easy for Congress to stall on passing minimum wage legislation is that those affected have been largely unorganized. Fortunately, just as organizations have formed to help farm workers and other groups, there are organizations formed to protect the rights of working women and to raise their living conditions; for example, the National Committee on Household Employment. They receive a great deal of support and encouragement from women's groups, such as the National Organization for Women and others who are unanimous in agreeing that a minimum wage of $2.50 is the very least acceptable.

Yet for some groups included in the present bill, wages would move by slow steps from $1.60 to $1.80, then to $2.00 after a year, and after another year, to $2.20—by which time $2.20 may not even buy a loaf of bread.

Why is it so impossible to set a floor of $2.50, effective 30 days after enactment and covering all workers not presently covered? I do not see how, in good conscience, we can do less.

We seem quite able to do incredible things in building useless hardware for the destruction of human beings—whereas we have gone on for six years now, debating the possibility of a decent minimum wage for the working people who keep our country going.

Large employers such as hotel chains and conglomerate enterprises oppose minimum wage legislation because they are eager to keep profits up and costs down. That seems legitimate but we tend to forget that when industry doesn't pay, government has to. Thousands of full-time workers' families must still get supplemental welfare payments. This means that the tax-payer is helping to subsidize big industry.

It is unfair to the tax-payers and grossly unfair to the workers whose labor keeps our economy running smoothly, to say that they are entitled to less than $5200 per year.

I trust that the Committee and the Congress will act with dispatch on this long overdue legislation.

MR. GAMBREL'S GRIST MILL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. CARTER. Mr. Speaker, at this time, I wish to share with my colleagues an article on Mr. Ed Gambrel's grist mill which appeared in the Harlan Daily Enterprise for March 6, 1973.

In its day, the grist mill was a gathering place for a microcosm of society. Politicians, preachers, drummers, root diggers, and rascals flocked to the place whose walls rang with the news of the day.

I take this opportunity to commend Mr. Gambrel for his desire to preserve a tradition of the past. His craft is an art now, but the spirit of friendship it generates will continue to grow with each turn of the miller's wheel.

WITH FOOD PRICES SOARING, GRIST MILL PROVES HANDY

(By Mabel Collins)

With food prices soaring as they are today, one wonders about the "good old days" when pioneer Harlan County families raised two-thirds of their own food.

Somehow they found ways and means and their pantries were usually filled. Bread, the staff of life, was made from ground corn in a grist mill.

One of those mills is in existence today. Ed Gambrel, who lives at Dayhoit, has been operating his mill for 35 years. It was once run by gasoline engine but now it is electric powered.

People come from miles around to have their corn ground. "I've ground up to 300 bushels in a week," he said. Some pay a fee for the grinding and some pay a toll. The toll is a gallon of corn for every bushel.

"Why, I wouldn't take a fortune for that mill," Gambrel said. It is situated in the yard and covered with a shed to "keep the weather out." It's sort of a smoke house, he said.

"Back about 30 years ago my daughter was grinding and I was cranking the motor," he said. The big wheel broke in three pieces and cut his head badly. The "V" scar still remains.

"It was so hard to crank off that I took and bought an electric motor in 1942," he said.

Gambrel prepares the corn by putting it through a sheller. It also has a big wheel with a crank and the ear of the corn is slipped into place and the crank feeds it through.

The shelled corn is placed in the hopper which holds two bushels. It grinds and feeds into the shaker and comes out into a box. Then the fine meal is separated from the coarse.

"I always keep the sack hanging on a nail by the box and fill it from the bin, he said. Some times I put the box over the mouth of the outlet box and fasten the sack to it so it will run directly into the bag. Saves time," he said.

Years ago, going to the grist mill was a big event. One old timer recalled riding a mule up the river to Poor Fork to the Tom Jones mill.

Mrs. Mint Jones could operate the mill as good as any man. She would take the bags of corn down off the mule's back and take out her toll and go to work.

Fain Anderson's father came here from Virginia and put in several grist mills. He was called a "millwright."

One very prominent mill was on the banks of the river near the Main Street bridge. It was powered by water. A dam was built just above it. In the early years it was operated by Ben Rice and later by Hamp Huff.

"Water ground meal makes the best bread in the world when it's fresh ground," one old timer said. It tastes just like "gritted bread" she added.

Those were the days and it's somewhat of a comfort to know that you can still have homeground meal if you have the corn.

THE NIXON ADMINISTRATION WANTS TO END THE WAR ON POVERTY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. DRINAN. Mr. Speaker, on March 10, 1973, my congressional office conducted an extensive hearing on all aspects of the effects of the administration's budget cuts on the antipoverty program in my district in Massachusetts.

One of the most forceful presentations was made by a distinguished public servant, Mr. Edwin C. Kepler, the very effective executive director of the Montachusett Opportunity Council.

I attach herewith the excellent statement made by Mr. Kepler:

STATEMENT OF MR. EDWIN C. KEPLER, EXECUTIVE DIRECTOR, MONTACHUSETT OPPORTUNITY COUNCIL, LEOMINSTER, MASS.

With the imminent demise of the anti-poverty program, a cause to which I have devoted nearly eight years of my life comes to an end. During that period I have served as Executive Director of two community action agencies and spent almost four years as a self-employed consultant to various human service organizations, including the Office of Economic Opportunity.

I am one of those President Nixon refers to as "professional poverty workers." He used the term disparagingly, claiming that we have grown rich by drawing inflated salaries while denying the poor the help intended for them.

Those charges are untrue and grossly unfair. We poverty workers have handled hundreds of millions of dollars during the past eight years without a major scandal. Certainly we have not wasted money on luxury as the military brass does, nor have we had cost overruns as those common to the munitions industry.

None of the hundreds of anti-poverty workers I've known has grown rich, as some public officials do. In my own case, my present salary as Executive Director of an anti-poverty agency is six thousand dollars less than the industrial salary I gave up in 1965 when I joined the War on Poverty.

By standard criteria for determining salary levels—number of people supervised, reporting level, decision-making responsibilities, fiscal responsibilities, and the range and depth of knowledge required to fill one's position—my present position should pay me considerably more, not less, than I earned in industry years ago.

The official Administration line is that the antipoverty program has been a failure. The propagandistic purpose of that line was revealed by the recently published White House memorandum outlining a strategy for dismembering OEO before Congress could react. If nothing else, the scheming character of that memorandum shows that the Watergate mentality remains alive and well in the White House.

The President's men have charged that community action agencies have been top-heavy with overhead costs. They have charged that we have employed so many staff people that the money we receive "never gets to the poor". These charges, too, are false. The budget for the central administration of my agency, for example, is just under nine percent of our total funding comparable to other well-run social agencies.

As for the charge that we misuse money intended for the poor, most of our programs provide service to the poor, not welfare payments. Naturally, most of the money in a service program is used to employ staff. Those who criticize service programs on the grounds that the money does not go to the poor are either ignorant or intentionally deceitful.

Some of our training programs, such as the Neighborhood Youth Corps, do include funds to be paid to trainees. Guidelines for this program permit 35 percent of the budget to be used for operating costs and require that a minimum of 65 percent of the funds be paid to trainees. In my agency until recently, our NYC operating costs were only 22 percent of the total program budget, permitting us to use 78 percent for payments to trainees. The recent cutback in funding levels for NYC programs has destroyed this efficiency.

The main charge against the anti-poverty program is that we have failed to help the poor. That charge is such a big, blatant lie it tends to dumbfound those of us who have given years of our lives to this effort. For my part I can say that the two community action agencies with which I have been associated over the years have to my certain knowledge helped thousands of people either to escape from poverty or to deal less despairingly with it.

A recent audit of 591 anti-poverty agencies conducted by Administration appointees in OEO provides a wealth of statistical evidence that the community action program, in the language of the report, "is already producing highly constructive results in both urban and rural communities and the trends indicate that continued efforts in this direction will produce substantially greater results on a small investment.

The Administration may say the anti-poverty program is a failure, but many mayors of this country, the public officials who are closest to the poor and who know what is being done for them, do not agree, as indicated by the protest they have made.

Further, the recent Harris poll showing that more Americans oppose than approve the cuts in the President's budget for social programs is an indication that the majority of the people are not fooled.

The big lie technique of Administration spokesmen stands exposed. Millions of Americans know that the anti-poverty program is a success—not an unqualified success, of course, but a sufficient success, nonetheless, to warrant continuation and support.

Recently some new criticisms of community action were introduced by the man President Nixon has made Acting Director.

Howard Phillips, 32, newly appointed director of the Office of Economic Opportunity for the announced purpose of dismantling it, reportedly said of OEO, "I think too many of the underlying concepts were flawed—the concept that you have to have counter institutions and a counter culture and the whole class concept." He also said that treating the poor as a class in itself is a "Marxist idea."

One wonders if Mr. Phillips realizes that most of the great institutions of the present—Christianity, the free market, and democratic government, for example—began as counter institutions. Counter cultures have a respected place in pluralistic American society, as the history of the Mormons illustrates.

If a society cannot tolerate the testing of counter institutions and counter cultures, it is by definition a totalitarian society. It follows that anyone who advocates the elimination of counter institutions and counter cultures is by definition a totalitarian.

As for Mr. Phillips' suggestion that the poor are not a class apart, it is difficult to know how to take such nonsense. Surely he is not suggesting that he thinks this is a classless society, or that the concept of "class" has no meaning! No, it is more charitable to assume that he is ignorant of the day-to-day realities experienced by the poor and of the hostility and even hatred which millions of Americans express toward this country's poor.

Actually, the class gap between those people who are in America's affluent mainstream and those who are excluded from it grows wider daily. Increasing inequality—economic, social and political—between the underclass of the nation's poor and the rest of society is one of the most irrefutable and most explosive phenomena of our time.

Mr. Phillips charges, in effect, that the strains and tensions that develop from growing inequality among different classes of Americans have been exacerbated by the antipoverty program. That is no doubt the way the Nixon Administration intends the history of OEO to read.

The facts are to the contrary. The net effect of the antipoverty program has not been to increase class tensions, but to relieve them. It has done this by opening opportunities for the most able and the brightest among the poor to find acceptance in mainstream America. Its greatest success has been in "creaming" and co-opting the natural leaders among the poor. The consequence has been a dissipation of the potential of the poor as a class to assert their grievances effectively.

Current government statistics indicate that there are now about 25,000,000 Americans who are in poverty. At the time the anti-poverty program began, the figure was 35,000,000. But it is a mistake to conclude from these figures that only 10,000,000 people have escaped from poverty during that eight year period.

What must not be overlooked is that poverty is endemic to our economic system. Our system not only pulls some people out of poverty, it also pushes others into poverty. Ten million is the *net* figure of those escaping from poverty during the life of the anti-poverty program. The actual figure is no doubt considerably larger.

Except for bright and talented young people, most people born in poverty cannot escape without help, and neither can most people who fall into poverty in later life. The myth, asserted by President Hoover and repeated recently by President Nixon, that anyone who is poor can, if he tries, look out for himself is cruel nonsense.

To escape poverty, people need special help. Those for whom no escape from poverty is possible need special help also. The community action program has been furnishing that help.

The Administration's propaganda effort to turn people against helping the poor is not in the best interests of the country. OEO and community action deserve America's support.

SMALL PROGRESS BY WOMEN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. FRASER. Mr. Speaker, an article in the Washington Post of March 11 by Claudia Levy discusses the minimal advances American women have made into management positions. Much of her information comes from Theodora Wells, coauthor with Rosalind Loring of "Breakthrough: Women Into Management." The Levy article follows:

INROADS INTO MANAGEMENT ASSESSED: SMALL PROGRESS BY WOMEN

(By Claudia Levy)

"The bank economists concluded that sex bias not only costs women tens of billions of dollars yearly in wages but that it costs the nation billions in lost output because women's services are underutilized." Report on a study by Chase Manhattan Bank.

For the amount of effort they have put into it, American women have made minimal inroads into management, says a training consultant who is co-author of a recently-published guide for corporations on moving women out of the "female ghettos" and into the executive suites.

Theodora Wells, co-author with Rosalind Loring of "Breakthrough: Women into Management" (Van Nostrand Reinhold Co.), says that in this era of federally mandated affirmative action pledges, she can't name a major corporation that has advanced significant numbers of women into administrative jobs.

Women continue to make up about 2 percent of the nation's management ranks, and most of that 2 percent is kept at the lowest of these administrative jobs, she says.

In the last six to eight months, Ms. Wells has detected some opening up in corporations but for the most part, she said in a recent interview, companies are "creaming off the most high-potential women and making good PR out of these in token positions."

Often, she says, token women are "set up like clay pigeons" just for the appearance of adhering to affirmative action plans. "That is not good faith. Two or more in a department at the time of breakthrough is good faith."

Part of the problem is that "most managers are so used to looking for 'the best man for the job' that they rarely hear their own assumption that only a man can qualify." Executive search and placement agencies and consulting firms are a rich source for management men, the authors say, but not for management women. For lack of pressure from corporations, few of these firms will deal with female jobseekers, even if it is a violation of federal law, she said.

Companies continue to ask women how they will be able to combine marriage and career ("as though men did not combine them all the time"), the writers assert. Executives still think sexual tensions between male and female managers will disrupt working relationships "although employers seem to worry very little about the distraction of sexual attraction between men and their female secretaries."

Employers fail to understand the potency of the women's issue, says Ms. Wells, who is a principal in her own firm, Wells-Christie Associates, communications and training consultants, in Beverly Hills, Calif. Studies have even indicated that the "more prestigious the institution, the fewer women are employed," the authors said.

But by late 1971, in the matter of equal pay alone, nearly 88,000 employees, most of them women, had been awarded $35.6 million in back pay as a result of the Equal Pay Act of 1964, a law that only governs men and women working at the same company. Among those corporations who went to settlement were Wheaton Glass, American Can, RCA and Midwest Manufacturing and, more lately, the $12 to $15 million back pay award to female and black employees of American Telephone and Telegraph.

Ms. Wells sees the Office of Federal Contracts Compliance as having little real effect on government contractors when it comes to employment of women. Many of these companies "may have written beautiful affirmative action plans, but most have barely begun to implement them," she said. She also detects some backlash of male employees, "particularly where there have been budget cuts in government or cutbacks in industry."

One fallout of this, is the "pitting of minorities and women against each other to divide up the small gains," she said.

Ms. Wells and Ms. Loring, who is director of daytime programs and special projects for the extension program at the University of California at Los Angeles, recommend awareness and supplementary training for male and female employees where needed, recruitment of the "best possible women" (and then equal treatment) and restructuring of the career ladder for female employees. It helps to engender a climate of social approval of women managers, they said.

Those successes women have had can be closely linked to the rapid growth of women's caucuses at American companies, colleges and governments, Ms. Wells said. And those caucuses are developing links with sister organizations in related fields.

Women who have repeatedly trained men to advance beyond them, women who see themselves shut off from the informal but highly effective "sponsorship system" that eases young men into the corporate structure, are carrying around a "huge load of anger," Ms. Wells perceives, "and they have a problem of coping with that anger."

Ms. Wells, who spent 12 years in middle management as a training manager of a Los Angeles savings and loan association, predicts that, while the percentage of women in the work force may not rise much above its current 38 per cent, "the percentage of women in supervisory, professional, managerial and executive positions will increase dramatically."

And she intends to help women advance with her next book, a guide to making things happen by getting together, "preferably cooperating, but if necessary, confronting." Its working title: "How to Climb the Ladder When There Isn't One."

SAVANNAH RIVER AEC FACILITY LEADER IN ENVIRONMENTAL RESEARCH

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DORN. Mr. Speaker, we are tremendously proud of the world famous Atomic Energy Commission Savannah River Plant near Aiken, S.C. This magnificent facility has become a world leader in the peaceful application of nuclear technology and advanced research. The Savannah River Plant, together with the billion-dollar nuclear generation complex under construction by Duke Power Co. in Oconee and Pickens Counties, makes our area of the Southeast a national leader in nuclear technology.

Mr. Speaker, we are pleased to call to our colleagues attention the following story that tells how dedicated researchers have devised a method of using old tires to improve the quality of streams by cleaning up mercury pollution:

OLD RUBBER TIRES AID IN SOLVING MERCURY POLLUTION

AIKEN, S.C.—Old rubber tires—a nuisance to 20th century America—may afford a solution to another environmental problem, mercury pollution.

Scientists at the Savannah River Plant have discovered that rubber from discarded tires "captures" mercury in a flowing stream and absorbs it. Their work, begun in 1970, is described in a patent application now pending in the United States and five foreign countries.

Three South Carolina natives and a Tennessean, all now employed by the Du Pont Company at the Atomic Energy Commission plant, are named the inventors.

Credited with the original idea is Edward L. Albenesius, a research manager in the Savannah River Laboratory and holder of degrees from the College of Charleston and the University of North Carolina.

"Any chemist knows that sulfur and mercury form a very insoluble compound—they merge together when exposed to each other," Dr. Albenesius said. "It occurred to me that since commercial rubber has a high sulfur content, it might be useful in finding a solution to the mercury problem that became so visible in the late 1960s."

Albenesius discussed the idea with Edwin R. Russell, a chemist in the laboratory. It was decided that Russell's first experiment with mercury would involve the use of a ground-up rubber sink stopper in a test tube. He ran a mercury solution through the tube and found that the rubber reduced the mercury content in the solution from 100 parts per million to less than one part per million.

After Albenesius reported the success of the experiments in January 1971, more extensive tests seemed indicated and the work was picked up by A. Ray McJunkin, a chemist in the laboratory. About this time, Whitney Tharin Jr., an engineer in the separations technology section, approached McJunkin with a genuine problem involving mercury pollution. McJunkin told Tharin of the experiments performed in the laboratory and the two decided to try rubber to remove mercury from a process stream exiting from one of the plant's chemical separations facilities.

Tharin obtained a supply of ground rubber from an Augusta businessman and the rubber was installed in test equipment operating in the process stream.

The experiment was a success, and the method was then put into use in the plant's heavy water production area to clean up small amounts of mercury from heavy water being reprocessed after use in the reactors.

The four inventors recognize that other methods developed since they began their work may have diminished the value of their idea. Ground rubber, for example, can absorb only a limited amount of mercury before it becomes saturated. However, it remains the least expensive method.

They also feel that their experiments have barely scratched the surface in exploring the real potential of their discovery. Uses in environmental clean-up, they add, are still in the elementary stage.

"It was a long-shot idea," declares Albenesius, "but we particularly liked the 'two birds with one stone' aspect of the thing; that is, using a plentiful nuisance—old tires—to improve the quality of streams by cleaning up mercury pollution."

Background information on four inventors follows:

Edwin L. Albenesius, research manager, Savannah River Laboratory. Holder of degrees from College of Charleston and University of North Carolina.

Edwin R. Russell, chemist, Savannah River Laboratory. A Columbia native, Russell was one of two black scientists who participated in the first nuclear chain reaction experiment at the University of Chicago in 1942. He is a graduate of Benedict College in Columbia and holds a master's degree from Howard University. He is credited with nine patents issued during his career as a chemist.

A. Ray McJunkin, chemist, Laboratories Section of Works Technical, Savannah River Plant. He joined Du Pont at Savannah River in 1950s after 11 years with Alcoa in Tennessee. He is a graduate of Maryville College with a degree in analytical chemistry.

Whitney Tharin, Jr., engineer, Separations Technology Section, Savannah River Plant. He is an Alledale resident, a chemical engineering graduate of the University of South Carolina and began working with Du Pont in 1951.

A LITTLE HONEST GRAFT

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. SCHERLE. Mr. Speaker, everyone connected with a $225,000 antipoverty grant to aid Washington, D.C.'s minority business enterprises seems unable to comment on what has happened to the money. Even to a casual observer, however, the chummy "family" relationships now under investigation by the FBI smack of skullduggery.

It seems that in 1971 the United Planning Organization, a local offshoot of the Office of Economic Opportunity, was casting about for a way to use up a leftover quarter of a million or so before it reverted to the parent agency's treasury at the end of the fiscal year. UPO Director Jeanus B. Parks hit upon the idea of establishing a nonprofit revolving fund, called the Brookland Fund, to lend money to needy black businessmen. The same men who directed the fund had earlier founded Brookland Enterprises, a profitmaking diversified investment firm. It was to this company that they loaned the $225,000. Luckily, one of the directors was a bank officer, so his bank could store the money for awhile until they figured out how to spend it.

Exactly what this cozy confluence of interests has produced is still shrouded in mystery, as none of the principals in the case deigns to answer questions. Said UPO director and Brookland mastermind Parks:

> I have more important things to do now than responding to reporters' inquiries.

Presumably his chief concern is finding an alternative source for the $7 million in OEO funds that UPO will be losing shortly. After all, without a little honest graft, how is a poor businessman to survive?

PETER FRANCISCO DAY

HON. WILLIAM LLOYD SCOTT

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 15, 1973

Mr. SCOTT of Virginia. Mr. President, the Governor of Virginia has designated March 15 as Peter Francisco Day in Virginia. This is in recognition of his services during the Revolutionary War.

I ask unanimous consent that a statement by Gov. Linwood Holton, of Virginia, making this designation, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF VIRGINIA,
Richmond.

PETER FRANCISCO DAY, 1973

Peter Francisco was a lad of only four or five years when he was left upon the wharf at City Point near Petersburg in June 1765. This boy was reared by Judge Anthony Winston of Hunting Towers in Buckingham County.

At sixteen years of age he enlisted in the Continental Army; engaged in eight major battles and was wounded six times. Left for dead on March 15, 1781, he recovered sufficiently to defeat nine of Tarleton's troops single-handedly. He became the most famous private soldier of the American Revolutionary War because of his courage and fantastic feats of heroism and was known as the "Hercules of the Revolution." General Washington had an oversized sword especially made for him and he was present with his friend, General Lafayette when Lord Cornwallis surrendered at Yorktown.

After the war he acquired a home in Buckingham County, where he reared his family. He died January 16, 1821, while serving as Sergeant-at-Arms in the House of Delegates in Virginia.

In memory of this hero of the Revolutionary War, March 15 has been designated Peter Francisco Day. I bring the occasion to the attention of all our citizens.

LINWOOD HOLTON,
Governor.

RAISING THE SHIELD

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. WALDIE. Mr. Speaker, one perspective on the question of newsmen's shield legislation is useful for its reflection of the current climate confronting the press and even more, perhaps, for the probable future direction of efforts to impose restrictions on news sources. Mr. Dick Fogel, assistant managing editor of the Oakland Tribune, provided this perspective in a thoughtful address last month to the California Newspaper Publishers Association convention in San Francisco. Offered somewhat prior to the consensus as to the type of legislation Congress ought to enact which I believe is now emerging in behalf of an absolute and unqualified bill, Mr. Fogel raised a number of questions without attempting to provide the answers. In the light of recent debate and experience, I believe those answers are found in the passage of unqualified legislation which will not attempt to define newsmen, but which will recognize a press privilege as broad as first amendment interpretations of press, which, in my view, have already established by precedent and in a broad workable way the limits which are constitutionally prescribed and by which we in the Congress are bound.

Mr. Fogel's remarks follow:

RAISING THE SHIELD

(By Dick Fogel)

(The comments followed a talk by United States Senator ALAN CRANSTON)

The news industry is certainly indebted to Senator Cranston for spearheading the fight for shield legislation on the Federal level.

In some places during this talk, I will echo his opinions and comments. In others, I won't.

What I shall try to do is offer some background on the underlying causes which have brought about current efforts to obtain shield legislation.

As time permits I will review with you some of the arguments and questions which have been raised in the controversy over what kind of law we should have. I feel it is important you consider all aspects of this argument because as publishers and editors you bear such a serious responsibility in helping maintain a *free* and *independent* press in this country.

In this sense the word *independent* is no less important than the word *free*. The one depends on the other. And both depend upon your determination to exercise your basic individual right to acquire such information as you can and publish it as you see fit. The day you cease to do this, the day the American press ceases to be independent of government and independent of any group or agency which would make judgments for it is the day to start the countdown on the loss of other liberties and democracy as we have known it.

This is never a remote danger. *It is a very short step.* It is a short step because of a basic tendency of people who get into government to want to rule rather than serve the electorate.

It was only last September that President Marcos of the Philippines began to sever existing avenues of information and strangle an independent press in order to seize power not given him by that country's constitution.

His actions provide a warning and a thesis which might be stated this way:

"No matter how benevolently motivated, no matter what excuse or justification is given, actions taken to control news information or to suppress or destroy the press are aimed either at acquisition or perpetuation of power."

Now how does this relate to shield legislation in the United States?

Let's go back and explore the difficulties we have been experiencing.

How often has a friend of yours outside the news business asked you: "What's this ruckus between the government and the press all about?"

Given that question I might explain it this way:

The collision between the government and press during recent times has been rather indiscriminate.

We of the press are, as usual, at war with the continuing bureaucracy which through one administration and another fends off public scrutiny as a convenient means of avoiding criticism.

We are guarded in our dealings with Congress lest we become enmeshed in legislation which could prove restrictive.

With the judicial system and that part of the administrative branch which works in conjunction with it, we are confronted with two convergent and adverse trends which inhibit our ability to get out important news.

One is the inordinate concern of many judges over the possible and sometimes improbable effects of news reporting on the conduct of trials. The resulting imposition of gag orders and the coercive use of contempt power have brought about a rising demand for some kind of shield legislation.

The second trend concerns efforts by government investigators and prosecutors to obtain forced disclosure of information which we acquire in the course of our news-gathering activities.

It now becomes increasingly clear that this is a defensive response to historic conditions. It represents an effort to cope with the emergence of dissent, disorder, civil strife, subversion and even the possibility of insurrection. Time was when a subpoena here and there or even a simple request brought the newsman forth to testify or to talk. But then the agitation and violence intensified, notably during the Democratic convention at Chicago in 1968, and we saw the aggregate or cumulative effects of thousands of subpoenas on our ability to bring forth the news. There was born a concept asserting a Constitutional basis for maintaining a free flow of information to the public. This concept reached its zenith in the 9th Circuit Court opinion in the Earl Caldwell Case. It foundered, however, in the Supreme Court opinion which combined the issues of the separate prosecutions of reporters Caldwell, Paul Branzburg and Paul Pappas. That court did, however, invite passage of shield legislation.

Representatives of the press sought White House support for such legislation just one month after the Supreme Court decision.

But subsequently, on at least two occasions, Assistant Attorney General Roger C. Cramton has told Congress that Justice Department guidelines limiting issuance of subpoenas make even a qualified privilege unnecessary. An Associated Press story from Washington said that Cramton claimed granting of absolute privilege *would subordinate the national interest in vigorous law enforcement to the interests of the press.*

Add to that statement the arrest of Jack Anderson associate Leslie Whitten and there would appear to emerge a pattern in the efforts of prosecutors to establish grounds for control of information.

Commenting on Whitten's arrest on charges of unlawful possession of stolen documents, Chicago Sun-Times Editor James Hoge said: "I think that soon we'll see the Administration proposing legislation and creating court tests meant to define impermissible news sources."

It is logical to think so since the concept is similar to that which was used in the prosecution of the Los Angeles Free Press for publication of the names of narcotics agents.

If this is so, we would have to ask whether in the future a newsman would still have the latitude to find out what he is able to or whether he would feel compelled to turn a deaf ear, so to speak, to that which comes his way.

Would we ultimately have to wait for government *imprimatur* before looking at an advance copy of some agency's annual report or some supposedly confidential memorandum or at, on the local level, some juvenile's rap sheet?

All of which brings us to specifics as to what kind of privilege ought to be sought.

First of all, of course, we should be on guard lest the shield we seek be converted into a yoke which would weaken our independent status.

There are those who argue with some logic that we should rely on the First Amendment.

For my own part I would like to see eventually *a guarantee of the individual right of free expression without retribution*. This in my opinion would be stronger and more enduring than special status for the newsman based on a legislatively supported societal necessity.

Barring that, however, the first problem with drafting a shield law based on something other than function is defining who is a newsman . . . or news person . . . and who is not.

According to a reasonably recent count, more than 100 Congressmen have developed, presented or backed something like 25 different shield proposals. They run the gamut.

Let's say you favor unqualified privilege. Have you really thought it through?

Do you think that Congress ought to enact a pre-emptive statute? Senator Sam J. Ervin, perhaps our leading authority on law and the press, is said to doubt Congress has the power to do so.

Do you think a newsman should be immune from testifying about a crime he sees committed? The Supreme Court has already said he must testify.

What about libel cases?

Should a reporter be required to appear even if he doesn't have to testify? That was an issue in the Caldwell Case.

Whom does the law protect? I have a grave suspicion that under the American Newspaper Publishers Association bill sponsored by Senator Cranston that it protects advertising men.

If you provide a definition broad enough to protect a newsman by job rather than function, there are all kinds of horrible creatures who might well crawl under your shield. But more important than that is the question of who shall decide who is a newsman, who isn't, and what distinguishes him from ordinary citizens.

What about situations where there is no other source of information *and* where there is an established, compelling and overriding national interest *and* where there is probable cause that the protected person has information clearly relevant to a specific crime *and* where the seeker of such information must prove all this?

What about situations where public safety and human life are at stake?

These and many other questions will be raised before Congress and in public debate.

If my mentioning them here I have developed more heat than light, perhaps that is well. It is important that the press, at least, come together on the issue.

Judge Harold Medina has said the press should "fight like a tiger" for its freedom.

I sincerely hope it will.

LIBRARY OF CONGRESS CONFIRMS PRESIDENT USES IMPOUNDMENT TO OVERRIDE CONGRESS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. LEGGETT. Mr. Speaker, I have been telling my constituents for over a month now that many of the proposed cuts in the Nixon budget represent a set of national priorities that is topsy-turvy. I should also be telling them that the proposed budget is only one element in a well-oiled campaign to disregard congressional authority and turn back 40 years of effort on behalf of the common man.

The attack on the Congress and the Constitution has taken many forms. We have seen vetoes, pocket-vetoes and freezes. The President has terminated congressionally authorized programs without so much as consulting the Congress, and he has drastically altered Federal regulations in a frenzied attempt to legislate out Federal support for social services without approaching the legislative branch.

Another element of the Nixon strategy is impoundment. Throughout the debate over impoundment the Nixon administration has tried to argue that the withholding of funds by the executive branch is an old device used by Presidents dating back to Jefferson which places Federal money in reserves for routine financial reasons.

It is now clear, however, that the Nixon impoundments amount to a serious departure from the practice of previous administrations. The Nixon impoundments are not routine. They differ in size, scope and intent from impoundments of previous Executives.

Mr. Ash has testified that $8.7 billion is currently being withheld by the White House. The Library of Congress has indicated to me, however, that the items excluded from the OMB report bring the numbers to more than double the official amount. These exclusions include:

Six billion dollars of EPA contract authority for water and sewage treatment facilities,

Three to four billion dollars in highway funds,

Three hundred and eighty million dollars in proposed rescissions of 1973 appropriations,

One point nine billion dollars in HEW-DOL money appropriated via continuing resolutions and,

One billion dollars plus held by the various administration actions.

The Library of Congress report indicates that when these figures are added to the $8.7 billion reported by the administration, the level of impoundment reaches $18 billion, far above the amounts withheld by any previous President.

More importantly, the Nixon impoundments have been undertaken for entirely different reasons than in past administrations. In the past, impoundments have been defended on the grounds that they are necessary to regulate the flow of funds to agencies, particularly in the cases of long-lead time projects for which funds were appropriated on a no-year basis. As Mr. Schick of CRS indicates, when agency plans firmed, the funds were released by OMB.

Thus, impoundment in the past is considerably different from impoundment as we know it under Mr. Nixon. In January 1959, Budget Director Maurice Stans testified that $6.5 billion was being held in reserve, but approximately half the money would be spent in the current year and half in subsequent years. Of the $6.5 billion impounded in 1959 under President Eisenhower only $69 million was never spent. Similarly, in 1966 Budget Director Charles Schultze reported that $96 million was being permanently impounded by President Johnson out of a total reserve of $8.7 billion. This means, Mr. Speaker, that in past administrations nearly 99 percent of the impounded money was earmarked for future expenditure, with only 1 percent denied to the agencies.

The same cannot be said for the Nixon administration. The 1974 budget and the President's impoundment report indicates that $6 billion of the reported $8.7 billion will never be spent as it was intended by the Congress. The President, of course, argues that these impoundments are needed in order to hold down spending and to maintain economic stability. I submit, Mr. Speaker, that this is merely a shallow rationalization of a clear attempt by the President to circumvent congressional authority and cut Federal spending without congressional approval.

On Wednesday, March 14, I addressed the House concerning the Library of Congress exposé on President Nixon's impoundment. At this point in the RECORD, I would like to insert the full text of that report:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., March 8, 1973.

To: The Honorable Robert L. Leggett.
Attention: Owen Chaffee
From: Allen Schick, Senior Specialist in American Government, Congressional Research Service.
Subject—Presidential Impoundment of Funds.

In response to your letter of February 23, I have investigated current and past impoundment practices. The findings support your contention that past actions tended to be more for routine financial management while current impoundments often are for the purpose of terminating or curtailing programs.

The impoundment question has two related aspects: (1) What has been the trend of aggregate impoundments over the years? and (2) What are the purposes for which impoundments are made? Any findings are complicated by the fact that "impoundment" is a term that has no precise legal meaning and its definition has shifted over time.

TOTAL LEVEL OF IMPOUNDMENTS

It is difficult to determine past levels of impoundment; regular and comprehensive reports are available only since 1971. The data cited in the DSG report is based on a tabulation published in the April 19, 1971 issue of *U.S. News and World Report*. On January 24, 1973, Senator Ervin wrote OMB to request data on past impoundments by the President. In his reply—a copy of which is attached—OMB Director Roy Ash replied that OMB "does not keep records of each specified impoundment from the beginning of the Republic." He then cited 1971 hearings as "the most complete compilation of material we are aware of on the subject." This response casts doubt on OMB's claim (in its February 5, 1973 report to Congress) that over the past decade impoundments have been in the neighborhood of 6 percent a year compared to only 3.5 percent at the present time.

Even if past data are accurate, the current figures understate the actual impoundments and related actions of the White House. The figure reported by OMB and published by DSG is $8.7 billion. But items excluded from the OMB report bring the numbers to more than double the official amount. Five types of exclusions merit attention.

(1) $6 billion of EPA contract authority for water sewage treatment facilities, excluded on the ground that this is not an appropriation only contract authority. Whatever the merits of this technical argument, it is not applied consistently by OMB for other contract authority is included in its report.

(2) $3–$4 billion in highway funds. In June 1972, OMB reported highway-aid impoundments at $5.7 billion; half a year later the amount was down to $2.4 billion. Was there a massive release of highway money? Has highway construction been accelerated? No. What happened was that because of its deadlock over the diversion of highway trust money to mass transit, the 92nd Congress failed to adopt a new highway aid bill. Consequently, if was not possible to apportion the funds that would have been in the new legislation or to withhold any funds.

According to Department of Transportation officials, if the highway legislation had been enacted last year, the amount held in reserve would be at least as high as the June 1972 level.

(3) $380 million in proposed rescissions of 1973 appropriations. In his 1974 budget, the President proposes to rescind $382 million in 1973 appropriations, of which $283 million is for manpower training programs. The OMB report claims that "these amounts have been apportioned to the agencies pending Congressional action."

Nevertheless, the Administration has taken steps to ensure that the anticipated savings will be realized. Otherwise, the monies might be obligated or spent by the agencies before Congress acts and it would be too late to rescind the appropriations.

(4) $1.9 billion in HEW-DOL money appropriated via continuing resolution. No continuing resolution money was incorporated in the February 5 OMB report. It is now certain that HEW-DOL will have to make do with a continuing resolution for all of fiscal 1973. But the President has indicated that he intends to hold spending $1.9 billion below the level authorized by Congress. For all practical purposes, he has decided to impound the funds added by Congress.

(5) $1 billion plus held up by various administration actions. These include the moritorium on subsidized housing, the cutoff of FHA emergency loans, the moritorium on manpower training enrollments, and the change in regulations for social service grants. While the exact amount cannot be determined, $1 billion is a very conservative estimate.

When the figures suggested here are added to the $8.7 reported by the Administration, the level of impoundment reaches $18 billion, far above the amounts withheld by any previous President.

THE PURPOSE OF IMPOUNDMENT

Dollars tell only a portion of the story; another part relates to the purpose and duration of the impoundment. The common feature of all impoundments is that budget authority voted by Congress is withheld by OMB. But the historical evidence suggests that in the past normal reserves were established early in the fiscal year to regulate the flow of funds to agencies. This sensible management of the Government's finances was particularly necessary for long-lead time projects for which funds were appropriated on a no-year basis. When agency spending plans firmed, the funds were released by the Budget Bureau.

Thus in January 1959, Budget Director Maurice Stans reported to the House Appropriations Committee that $6.5 billion were being held in reserve. But he noted that approximately half the money would be spent in the current year and half in subsequent years. ". . . we are not holding any money in reserve which the agencies are ready and prepared to proceed to expend. . . . Of that total [6.5 billion] only $69 million is reserved for savings that we have worked out with the the agencies of amounts appropriated which they will not plan to spend." (House Committee on Appropriations, The Budget for 1960, p. 33.) In other words, 99 percent of the impounded money was earmarked for future expenditure, with only one percent denied to the agencies.

A similar pattern emerged in 1966 when Budget Director Charles Schultze reported $96 million held in reserve for savings. "funds we have no intention of spending at the moment, this year, in future years, or at any time. . . . In addition, we reserve no-year funds for future use. This is a deferment. . . Third, we have other cases in which we reserve funds this year for future apportionment later in the year if conditions change in the same program." (House Appropriations Committee, Hearings, The Budget for 1967, p. 69.)

This limited use of impoundments was the avowed practice of the Nixon Administration as late as May 1971. At that time, the impoundment report showed $12.2 billion in reserve, two thirds of which was scheduled for release within a year, with additional amounts held for contingencies. But the May 1971 report claimed that the impoundments were for routine administrative and financial purposes, just the "continuous process of funds coming into the tank and funds going out."

However, the current impoundments are for the purpose of terminating or curtailing programs approved by Congress. The Federal Impoundment and Information Act (Title IV, P.L. 92–599) requires the President to include in his report the period of time for which the funds are to be impounded. OMB's February 5, 1973 report skirts this requirement by stating that "the period of time during which funds are to be in reserve is dependent in all cases upon the results of such later review."

Nevertheless, indications of the President's intentions are contained in the 1974 budget as well as in the impoundment report. The budget contains a long list of savings anticipated from program reductions and terminations. (See the 1974 *Budget,* pp. 50–57). Many of the savings are projected for 1973, the current fiscal year. The only way many of these savings can be secured is through the impoundment actions of the President. Thus among the programs scheduled for termination and reduction in 1973 are water and sewer grants, rural environmental assistance and REA loans—programs which also appear prominently in the impoundment report.

That report classifies programs according to the reasons for which the funds have been withheld. Significantly, almost $6 billion of the reported $3.7 billion are justified as needed to hold down spending or to maintain economic stability. (This includes impoundments for which more than one reason is provided.) Impoundments in more than 100 programs are justified on these broad and questionable grounds. These are the programs ticketed for elimination or curtailment. This is the use of impoundment power to override congressional will, to change national policies and priorities.

But not one penny is withheld from military programs for this reason. In the case of the military, all the impoundments are temporary—the routine deferment of construction and procurement spending until the funds are needed. The full brunt of the President's expansion of the impoundment power is delivered on civilian programs. This dual standard suggests that the economy drive in which impoundment is a major weapon is more a strategy to kill social programs than to save taxpayers' dollars."

GIRL SCOUTS 61ST ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ANDERSON of California. Mr. Speaker, for 61 years the Girl Scouts of America have provided the girls of our Nation an opportunity to develop their values, to make contributions to our society, and to have fun in the process.

During the week of March 11 through March 17, the members of the Girl Scouts of America are celebrating their 61st year of service. I take pride in saluting this outstanding organization during their anniversary.

One of the largest voluntary groups of its kind, the organization is open to all girls from 7 through 17 who agree to the goals of the group.

The Girl Scout pledge reveals the heart that binds such diverse girls together. The promise reads:

> On my honor, I will try:
> To do my duty to God and my country,
> To help other people at all times,
> To obey the Girl Scout laws.

Over the years, the organization has been responsive to the changing needs of their members, but has continued to uphold the high ideals of service, friendship, and patriotism.

A major objective of the current 3-year period is to achieve a membership reflective of the total population. That means that the Girl Scouts are actively attempting to build better relations among persons of all ages, religions, ethnic groups, and economic backgrounds.

Another prominent Girl Scout program of the 1970's is Eco-Action which is geared to help girls understand the web of environmental relationships through activities and programs designed to preserve and protect our ecology.

However, the traditional activities of camping, friendship circles, and service

projects have not been forgotten. Grandmothers, mothers, and daughters still share memories of the same songs and goals.

Mr. Speaker, this anniversary week is an opportune time to give our support to today's 3.9 million members and the countless future members of the Girl Scouts of the United States of America.

HOW FAR SHOULD DEVELOPMENT GO?

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BRASCO. Mr. Speaker, virtually every community in the land has problems regarding development, zoning, adhering to Federal noise and sewer requirements, size, and concentration of housing population, and ancillary support services ranging from health care to education. In short, communities suffer from the lack of comprehensive planning.

A portion of my district known as the Rockaways, long a popular beach resort for the people of the city of New York, is confronted with such a development controversy.

Monster high-rise housing is beginning to chcke off the beach area, ignoring the fact that housing can be built anywhere, but beaches and oceans can never be duplicated. Recently, plans for more than 40 nursing and proprietary homes, totally in excess of 9,000 beds, have been exposed. Fortunately, after a fierce struggle, we were able to obtain zoning changes which significantly cut down the size of this project.

Certainly we all recognize the need for housing and facilities to care for the aged and infirm. However, to fully appreciate the frustration and at times complete desperation of the citizens of the Rockaways, let us look at all the facts:

First. Sanitary and storm sewers in the area are totally inadequate. A modest rainfall produces immediate flooding and causes human waste to back up into the basements of homes and onto the streets. There are no new sewers planned until 1975, and at the rate population is growing, engineers admit they do not know whether they will be adequate for conditions at that time.

Second. This is a high density noise area because of its proximity to the city's airports. However, Federal standards with respect to noise and adequate sewer systems have been completely ignored.

Third. The beach area has been allowed to deteriorate, causing severe damage to a once beautiful boardwalk.

Fourth. The neighborhood's population has grown so suddenly and spectacularly that existing public services are strained beyond the point of reasonable endurance. The inevitable breakdown of such services will cause new residents, as well as those who have been there for some years, to suffer equally.

Mr. Speaker, when one asks how such a state of affairs was allowed to develop, or where was the city planning commission, the answer is clear.

For too long, city planners have abdicated their authority to plan and have reduced themselves to a mere approval body. The sad story goes something like this:

A developer puts together a project not predicated on community needs or comprehensive planning, but solely on the need to make a buck. He then goes to the city planning commission and asks for its approval. Deluged with requests from all over the city, the planners, who are constantly fighting with community groups to maintain their credibility, abandon their primary role of planning and become tools of the developers.

This situation has caused many areas of the city to disintegrate and its ravages are now being felt in the Rockaways.

Failures of this type in communities across the country have proved, beyond a question of doubt, that uncontrolled growth without planning will inevitably wreak more havoc than it will alleviate difficulties.

Since the city of New York has failed to meet its obligation to plan for a viable community in the Rockaways, and has allowed the violation of Federal noise, health, and sewer standards; and since this disaster has been undertaken with the use of Federal housing and health funds; I am calling for a Federal investigation by the General Accounting Office and a moratorium on further development until the investigation is completed.

Mr. Speaker, the complicated task of rebuilding our cities will never come to pass unless we strive to guarantee some quality of urban life for all. Planning is the only intelligent route and I for one will not countenance further development of the Rockaways without a total and comprehensive plan.

LICENSE RENEWAL APPLICATIONS

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. RAILSBACK. Mr. Speaker, recently I cosponsored legislation with Congressman ROONEY which will restore order and stability to the broadcasting industry. This bill is identical to H.R. 13072, which I cosponsored in the 92d Congress. Since no action was taken last year, I urge immediate and favorable consideration of the bill in this Congress.

The first provision of the legislation will extend the length of a broadcast license from 3 to 5 years. As we all know, the 3-year license period has existed for decades. While it may have been suitable for an industry in its infancy, it has little relevance to the proper functioning of a mature industry. In fact, at the present time, the Federal Communications Commission gives little more than a pro forma review and approval to the thousands of applications which must be filed every 3 years. I am convinced that extending this period would provide a great administrative improvement. Since the FCC can call for the early renewal of a license, a longer duration would in no way deter the Commission from accomplishing its regulatory objectives. And it would certainly be a welcome relief to the broadcasters who must file time and time again, every 3 years.

The second provision of my bill will require that in any hearing for renewal of a broadcast license, the application for renewal be granted if the applicant is technically, legally, and financially qualified, if he has not shown callous disregard for the law or the FCC regulations, and if his broadcast service demonstrates a good faith effort to serve the community needs and interests as outlined in his present and immediately prior license renewal applications. Clearly, the intent of this provision is to insure that broadcasters who have provided good service to their communities will have their licenses renewed.

Mr. Speaker, over the past several months I have discussed this language with broadcasters in my district in Illinois. They have explained how important it is to them. I am convinced that by enacting this proposal, the broadcaster can devote more time to better programing attuned to the needs of his community.

LYNDON BAINES JOHNSON

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. COTTER. Mr. Speaker, many years will pass before historians can make the historical assessments of the life and presidency of Lyndon Baines Johnson. However, each person in this country can and should record his fresh and personal opinions of this great man; so that; future historians will have the benefit of our perception of his great worth.

It was with a deep sorrow that I learned of the passing of Lyndon Johnson. This country lost not only a great leader; we lost a compassionate American. All those who had been sick and could not get medical care; all those who had been hungry and could not get food; all those who had been discriminated against and could not gain equality, all of these people lost a man who had fought all his life to aid them. Lyndon Baines Johnson grew up in poverty and came to Washington in the midst of the depression. And from the days of the New Deal to the days of the Great Society, he worked to help those people, the forgotten Americans. As a Senator and as President, Lyndon Johnson was a mover and a shaker. He moved this country to a closer commitment to its people in order to make the promise of America a reality. He shook from the Nation's laws all remaining forms of the racial discrimination which had scarred our history.

Let us not be content to honor Lyndon Johnson in words and memorials. Instead we must honor this man by continuing the commitment which he began. In his own words, "Let us continue."

Some have said that the death of Lyndon Johnson symbolically marks the end of the "can do" attitude that has characterized the American people. I hope that it will not die, but instead be channeled to serve the basic human instincts that characterized the life of Lyndon Johnson and the history of this great Nation.

THE SENATE HIGHWAY BILL

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. KOCH. Mr. Speaker, the Senate's vote yesterday giving localities the option of using $850 million annually in urban road funds for rail and bus public transportation is an important step toward the solution of our transportation problems. It recognizes the change in an increasingly urban society's transportation demands. And it is a necessary modification in the transportation program of a country that is in the midst of pollution, urban mobility, and energy crises.

For too long urban communities have had to choose highways over mass transit, even if transit might better serve the public, because only highway moneys have been available. This bill will give the localities the option to use these transportation dollars for that form of transportation most suitable for their needs; sometimes this will be highways, and other times mass transit.

The highway lobby argues that the gasoline, oil, and tire taxes are held in "trust" for highway users. But, I would submit that there is nothing more sacred about collecting taxes on gasoline than on cigarettes or liquor, the proceeds from which go into the General Treasury. All taxes bear on the taxpayer and diminish the public's ability to carry other taxes. Furthermore, prior to 1956, the taxes on gasoline went into the General Treasury; after 1956 they were earmarked for the highway trust fund. There is no transgression committed in the Congress broadening the list of eligible expenditures to better accommodate today's transportation needs.

Right now a disproportionate share of our transportation dollar is being spent on highways. As a consequence, both mass transit and highway users are suffering. Because of inadequate mass transit, people are crowding the roads—causing traffic congestion and increasing accident numbers—when they could be more economically and efficiently carried by mass transit if it were available. In New York City, we are facing critical pollution problems because of the number of cars pouring into Manhattan daily. If more people do not switch to public transportation in the next few years, the city will have to restrict auto traffic in the central city if we are to meet air quality standards by 1975. It would be better for everyone if mass transit were improved and by choice those who could use public transportation did so, leaving the roads to those who need to drive their private cars.

It is essential that the House bill also provide this flexibility. Other items in the Senate bill important to mass transit are those expanding the mass transit capital grant program through UMTA by $3 billion and allocating $400 million annually for mass transit operating assistance.

The administration has opposed operating assistance for mass transit. But, it is essential that while we are investing in needed capital programs, we work to salvage those systems we already have. This means providing operating assistance so that the cycle of deteriorating service and equipment and rising fares that has plagued mass transit for the past two decades can be stopped.

Today the Federal Government expends some $63 billion in various subsidy programs; $400 million annually is little enough for the maintenance and improvement of a public facility that affects 70 to 80 percent of the population of our country.

Some protest that we do not subsidize automobile ownership and operation and thus we should not subsidize mass transit. But, I would point out that in fact the Federal Government subsidizes automobile travel to the tune of $1.4 billion a year. I have received information from the Treasury Department listing the costs to the Federal Government of deductions related to auto ownership and operation. The estimated costs of these deductions in three categories are as follows:

	Millions
State and local sales taxes on automobiles	$300
State and local gasoline taxes	500
Interest on loans to finance automobile purchases	600

The total is $1.4 billion.

Finally, Mr. Speaker, I would like to bring our colleagues' attention to the section of the Senate bill providing assistance through the highway trust fund for bicycle lane development. This is a provision which I first proposed in 1971; it is one that will assist in enabling the bicycle to fulfill its proper role as a viable form of everyday transportation for urban dwellers.

SPRINGFIELD, VT., HIGH SCHOOL RECIPIENT OF BELLAMY AWARD

HON. RICHARD W. MALLARY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MALLARY. Mr. Speaker, I rise with pride to bring to the attention of the House an honor which will be presented to Springfield High School in Vermont this fall.

Springfield is proud to have been chosen as the recipient of the 32d annual Bellamy award. The award is made in memory of Francis Bellamy who, as many of you know, was the author of the Pledge of Allegiance to the Flag. Springfield will retain this honor for 50 years in a distinguished group of outstanding secondary schools throughout the Nation. Springfield was chosen—in the words of the Bellamy advisory board—

> For its long history of working with industry to provide one of the oldest and strongest co-operative machine training programs in the Nation . . . for its graduates who have distinguished themselves in the technical and engineering fields, in the arts, education and government, for being a truly comprehensive high school that has developed a curriculum in tune with the philosophy and objectives of the school, for a faculty that has aided and trained its young people to become accomplished and prominent in the state: in oratory, academically, in athletics and in the arts.

The Bellamy advisory board also cited—

> Students who exhibit and express genuine citizenship training by this year's highly successful voter registration drive organized at the high school expressly for new student voters, local civic and service organization that make significant contributions to Springfield youth each year with scholarship awards and other honors, and an advisory group to the school board which is constructively active in areas of finance, curriculum, and facilities.

Finally, the award was made because of the school's "healthy attitude toward all races and creeds, and a cooperative and informative local and area press."

I am pleased that Springfield High School has been so honored. The award is represented by presentation of a U.S. flag, which will be flown over the Capitol on May 18, to the school.

REMARKS FOR ST. PATRICK'S DAY

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. HANRAHAN. Mr. Speaker, the feast of St. Patrick is observed every year with greater enthusiasm the world over wherever the Irish people have settled. There are few saints more beloved. Moreover, he has become a symbol of indomitable faith and heroic courage to millions, beyond the Irish community itself. Here in America his feast day is a universal celebration, and he is honored by men and women of every faith and ethnic origin.

In part, this is due to the fact that both his life and his writings embody principles of fundamental significance in a time of unrest and challenge, of violence and oppression. It was in no easy or peaceful world that St. Patrick grew up; he learned what it is to be ruled by force and violence or to exist without rights stronger people are bound to respect.

From this experience, deepened by his frequent meditation, St. Patrick developed a harmonious combination of apparently contradictory qualities: he became a peaceful man, possessed of fiery courage; a humble man, who stood boldly before kings and chieftains, and defied their wrath; a lover of the oppressed and enslaved, bravely devoting his energies to their liberation and protection, yet no less devoted in his concern for their enslavers and oppressors, preaching to them with a persuasive affection that derived from his deep awareness of the harm they did themselves in practicing violence and injustice.

A man of compassion and courage, St. Patrick has been admired through the ages as a champion of steadfast faith, of the rights of minorities and individuals, and of small nations and people. His life has ever been an inspiration, particularly to the Irish people to whom he dedicated his ministry, among whom he lived and taught and died. May that spirit today sustain all who would advance justice, brotherhood, and liberty among men and nations in a troubled world. On his feast day, I salute St. Patrick and all who share in the Irish heritage, whether through blood-descent or spiritual affinity. May his spirit help heal the grievous conflicts of our time and, under God, guide us all toward a better world.

SPEECH DELIVERED BY SUFFOLK COUNTY EXECUTIVE JOHN V. N. KLEIN

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. GROVER. Mr. Speaker, while anguished cries of thirst are heard on Capitol Hill and throughout the land as the Federal Government's free-flowing money taps and spigots are tightened or turned off, some Government officials at the receiving end have the courage to speak out for the work ethic, personal pride, and individual initiatives which are the basis, if not the end product, of the President's new federalism.

Such a person is county executive John V. N. Klein whose message to the Long Island Association should be read by all my colleagues:

SPEECH OF JOHN V. N. KLEIN

I want to say at the outset that I am very happy to be with you of the Long Island Association here today; I have, in the several years I have been involved in local government, always had a warm and cordial relationship with this organization, its officers and members which has, and continues to **provide civic service of a truly professional nature to our region.**

I know some of you better than others. For instance, I know John Brewer, your watchdog of the treasuries of both Nassau and Suffolk Counties. For some strange reason, John Brewer, in recent years, always seems to pop up at Suffolk County's budget preparation and adoption time. Yours is a very familiar face, John. You remind me a little of the image of the average Internal Revenue Service auditor. But in retrospect, none of John Brewer's criticisms are ever without very constructive basis. We may not follow all of his suggestions, but we sure do know he's there.

When Mr. Vanderwaag first contacted a member of my staff with his kind invitation for me to join with you here today, he suggested that I gear my remarks to a kind of state of the county message. With his permission and yours, I would like to alter that topic just a little. I would, instead, prefer to direct my remarks to something that I think we are all very much aware of these days, developments that have dominated the media for some weeks now. I refer specifically to President Nixon's proposed budget and some of the heat and fire that some of the areas and programs he would like to see cut back or reduced has produced here, across this state and across this nation.

What are we talking about when we discuss the President's campaign to cut Federal costs? Are we talking merely about the fact that he wants to reduce the national budget by some $6-billion? Is this a discussion about the Nixon proposal to whack some 113 separate so-called "great society" programs? Are the President's proposals really aimed at socking the poor and the sick and the old and the minorities? Or, is President Nixon's real message to us here on the local scene one which has been muted by outraged cries of protest from those who may have misread his intentions.

Is President Nixon really saying to us: You on the local governmental scene have been lulled into expecting to both have your cake and eat it too. You have been advocating local home rule, but you expect the Federal Government to support that jealously-guarded right of self-determination with Federal cash and no questions asked? Isn't that what President Nixon is really trying to say to us?

Isn't the President stating that many of the great society programs of this nation have failed to work properly, therefore they should be replaced with something more responsive to human need or dropped entirely? Isn't his message, through the Federal budget route, more directed to the premise that it is about time that we on the local governmental scene evaluated what for so long has been taken for granted; salvage what you think should be salvaged, but admit defeat in other areas; drop certain programs and redirect your priorities in more relevant areas.

I think that is exactly what President Nixon is telling us. I am not going to get into a long dissertation here today on what federally-subsidized programs are good and should be perpetuated and which have not worked and should be abandoned. I don't have that kind of expertise at this point. We in Suffolk County are right now looking at what the Federal Government has been giving us in funding for many different programs. We are inventorying just where Suffolk's $90-million in Federal dollars has gone and whether that money has produced a good result or a failure. And when we are through taking a hard look at that, we will make our own priority judgments and come to some hard conclusions. We are deep into evaluating how we have gone about administering that which has been coming down to us from that Federal money pipe, and that is still another message that the President is so forcefully delivering to us.

And it is now that I make this point to all of you here today: the President of the United States of America has both enunciated and demonstrated a determination to cut Federal costs. Where that drive will end will only be known when the Congress acts one way or another on his proposals.

But I really cannot quarrel with President Nixon's budget-cutting efforts. As one individual deeply committed to local government, who has dedicated his adult life to public service, I say to you that before anyone goes jumping to conclusions about the oversimplified right or wrong of some of his proposed spending cuts, they had better take the time to back away from this issue and try and see what the President is really trying to do here; what it is he is really trying to tell us. That Federal spending is too high and is resulting in high taxes cannot be disputed. That a reordering of our priorities not only nationally but locally as well is urgently needed right now also cannot be argued. And how do you take the steps toward those ends? By doing just what President Nixon proposes to do—by cutting out unnecessary spending and irrelevant programs and telling us on the local level: You decide where you want to go and how you want to get there. I'll give you $22-million worth of revenue sharing, says President Nixon, plus some supplemental revenue sharing. You can pretty much make the decisions on how you disburse that revenue sharing, he says. But, unless I read him wrongly, he is also saying: the day of the giveaway programs has passed. Now is the time to tighten your belt, America; to bite that bullet; and to prove yourself capable of handling your own destinies.

Nobody in my experience has ever measured up to any kind of a person by getting something for free. Unless a person works for what he gets, where is the human need for incentive; for human dignity, for pride? What I think President Nixon is telling all of us in a nutshell is simply: have pride in yourselves as hard-working, productive citizens of the United States of America because if you work for it, there is nothing you cannot accomplish; there is no goal that is too high or too far for the person who stands on his own two feet and supports himself and his family with his back or his brain. We do not want a society which rewards a man for staying home and not working; we opt for a society of doers.

That is what I believe our President is saying to us. And that happens to be what I truly believe this Nation and we as the people who make up this Nation have always believed.

Thank you.

SPCA CELEBRATES CENTURY OF SERVICE

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DU PONT. Mr. Speaker, in recent years I think all of us have become increasingly aware of the delicate balance between man and his environment. Certainly Congress has focused its attention on important legislation affecting the environment, including legislation designed to protect endangered species. We must not forget, however, that we all owe an obligation to treat all animals, not just endangered species, in a humane manner.

As I am sure my colleagues are aware, one organization which has played a vital role in educating the public about humane treatment of animals is the Society for the Prevention of Cruelty to Animals. The Delaware chapter of this organization is now celebrating their first century of service. I want to congratulate them for their unyielding devotion to the cause of caring for unwanted animals, educating young people in the field of humane treatment of animals and for their efforts in seeking protective legislation for animals.

The Delaware legislation recently enacted a proclamation which honors the efforts of the Delaware SPCA, and I request that this proclamation be inserted in the RECORD at this point:

PROCLAMATION

Whereas, the Delaware Society for the Prevention of Cruelty to Animals is determined that no animal should suffer needlessly; and

Whereas, to that end, the Society maintains shelters for the care of lost, unloved, and unwanted animals, brings humane education to young people, and crusades for necessary and fair animal protection laws; and

Whereas, the Society has been instrumental in transforming public opinion toward the treatment of animals; and

Whereas, the Delaware Society for the Prevention of Cruelty to Animals is now celebrating its first century of service;

Now, therefore, I, Sherman W. Tribbitt, Governor of the State of Delaware, do proclaim February 20, 1973, as "Delaware SPCA Day" and urge all our citizens to join with the members of the Delaware Society for the Prevention of Cruelty to Animals in seeking humane treatment and care for all animals.

ECONOMIC DEVELOPMENT ADMINISTRATION

HON. K. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. McKAY. Mr. Speaker, in his state of the Union address in 1970, President Nixon made an important commitment to rural America. I would like to quote from the President's speech:

> For the past thirty years our population has also been growing and shifting. The result is exemplified in the vast areas of rural America emptying out of people and promise—a third of our counties lost population in the 1960s.
>
> What rural America needs most is a new kind of assistance. It needs to be dealt with, not as a separate nation, but as a part of an overall growth policy for America. We must create a new rural environment that will not only stem the migration to urban centers, but reverse it. If we seize our growth as a challenge, we can make the 1970s an historic period when by conscious choice we transformed our land into what we want it to become.

The President has met his own challenge in a baffling way. He has taken an ax to programs that have been the lifeblood to farms and rural areas all over America.

Mr. Speaker, I have taken a close look at the activities and the accomplishments of the Economic Development Administration and I believe that it has proven its worth. The EDA has been a critical factor in bringing industrial growth, services, and acceptable employment levels to the rural areas of this Nation. I am convinced that it would be a serious mistake to curtail the EDA programs.

Mr. Speaker, John J. Leete, director of the Division of Industrial Promotion in the State of Utah, wrote to me recently in support of EDA. I would like to quote from his letter:

> It is with considerable emphasis that I mention to you the continued need for those individuals employed by, and those projects funded by, the Economic Development Administration. In many areas of Utah this office simply has no reliable economic development representatives except for those now working within the EDA framework. Our efforts to promote greater industrial activity in Utah would be seriously curtailed by the elimination of these positions.

Mr. Jesse Tuttle, director of the Southeastern Utah Economic Development District, and a man whose judgment I respect, wrote to me recently:

> The Economic Development Administration, which is funded through the Commerce Department, should be continued. EDA funds all the Economic Development districts in the United States with most of their administrative budgets; in some States every county is involved. Funds for public works projects have largely come from this agency. We just can't depend on revenue sharing for these projects. To eliminate EDA would be very damaging to everyone concerned.

Mr. Speaker, the challenges presented by rural America are greater than ever before. I urge my fellow Members of Congress to join me in supporting H.R. 2246, to extend the life of EDA for 1 year.

SENIOR AIDE PROJECT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. FRASER. Mr. Speaker, on March 13, the House voted overwhelming support for the Older Americans Act, H.R. 71.

The elderly of today have served America well, and America now needs to serve its older generations so that they may continue to share the benefits of our society. President Nixon, before the 1971 White House Conference on Aging, stated that he did not want the volumes of information and recommendations of the Conference to simply gather dust in the Library of Congress or in the Office of the President. Yet these volumes have been laying around for over a year and the dust is gathering. It is up to us, the elected representatives of the people to carry the recommendations into action.

One of the provisions of this bill, H.R. 71, would provide jobs for people 55 years old or older. This provision is embodied in title IX. I have been fortunate to have a living example of what title IX can accomplish in my home district. A project was set up some years ago under the Economic Opportunity Act to demonstrate whether or not a work program for older Americans was needed and desired by both the older workers and the community.

The success of this program, known as the senior aides program, has been phenomenal. There are not enough job slots for all the older people who wish to work under the program. I have been told that for every opening there are at least 12 qualified applicants.

According to the project sponsor, the Minneapolis Central Labor Union Council, over 50 percent of the low income persons employed on the Senior Aide project were receiving welfare prior to their employment on the project. Of the 57 terminations since our project started in 1968, all have had to have some help. For some, food stamps was all the help they sought. For others, it became necessary to seek supplemental income through welfare.

Most of our present aides—a high percentage receive the minimum social security payment—say they will have to go back to some form of welfare if they cannot continue as senior aides. None of these people want welfare if they can avoid it.

This program is not a one-sided success. The community has greatly profited from this corps of older workers who bring with them a conscientious desire to serve, years of experience and valuable skills. Their work as teachers' aides, health assistants and outreach workers has been commendable. We should all look to older workers with the respect they have earned.

These older worker program funds are supposedly going to be lumped into a general manpower revenue sharing fund. Any hope that the elderly will share in these funds according to their need is quickly lashed by looking at the recent statistics on the 1971 Emergency Employment Act. The older worker only received 6 percent of the available benefits even though 25 percent of the elderly are living in poverty.

Certainly America is a great enough nation to help older people serve themselves and the community. The older people have the desire—we must provide the means.

CONGRESS SHOULD ACT NOW ON NEWSMEN'S PRIVILEGE

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. WALDIE. Mr. Speaker, recently I received a rather eloquently written editorial from the Oakland Tribune expressing the plight that the Congress faces in the area of Newsmen's Privilege legislation. The Tribune states that if protection of the press is to be guaranteed and the free flow of information is to continue unabated by any governmental body the Congress must quickly and effectively decide in favor of legislation to extend the privilege of confidentiality to newsmen. The Congress must act immediately if we are to resolve this urgent problem.

Mr. Speaker, the article reads as follows:

CONGRESS SHOULD ACT NOW ON NEWSMEN'S PRIVILEGE

> Ever since the U.S. Supreme Court ruled last June (by the most narrow, 5 to 4 margin) that newsmen have no right to withhold from grand juries information obtained in confidence, there has been a mounting agitation both in and out of Congress to provide this privilege under federal law.
>
> Hearings are now being conducted on Capitol Hill to refine and clarify the issues and the differences of opinion among those who collectively support the idea of newsmen's privilege but who are far from united on the form it should take.
>
> The only important opposition so far comes from the Nixon administration, which maintains some 1970 attorney general guidelines solve the problem federally and that more effective legislation could be enacted by the states.
>
> A House judiciary subcommittee earlier held hearings on the several privilege pro-

posals, and a similar Senate group Tuesday heard from Sen. Alan Cranston, who urged adoption of his proposal to grant news reporters an "absolute" privilege of protection against being forced to reveal any of their sources under any circumstances.

Similar to a proposal by another California congressman, Jerome Waldie of Antioch, the Cranston measure was drafted by the American Newspaper Publishers Association.

In contrast, a sizable and certainly well-meaning group of lawmakers and media representatives has voiced a preference for a "qualified privilege" measure. Under this, legal protections would be given newsmen who refuse to testify on most matters, but in the rare circumstances involving national security or threats to human life, the privilege would be denied.

We concur fully with the warning of one newsman opposed to qualified privilege who noted: "Judges have been ingenious in evading the clear intent of state shield laws. A qualified bill would only encourage more such evasion."

To rebut the Administration's position that there is no existing need for a federal shield law, it is only necessary to cite the recent case of a Wall Street Journal reporter subpoenaed by an assistant U.S. district attorney. Challenged, the federal official said he "had never heard of" the attorney general's guidelines.

Also, federal action is needed to avoid growing confusion among the state courts as to just what privileges newsmen do or do not have.

By simply granting reporters the full privilege of source protection along the lines of the Cranston-Waldie-ANPA draft, and by relying on a responsible Fourth Estate not to abuse such a privilege, Congress can and should get the job done before the snow flies again next fall and, before any more newsmen are jailed for standing on their promises.

In no other way can the pubic as a whole be assured of a free flow of information on all matters, public and private, that the press must responsibly report.

A SUPERB PUBLIC SERVANT STEPS DOWN

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BOLLING. Mr. Speaker, the Washington Post's tribute to Robert M. Ball for his dedicated public service is a well-earned one. The editorial which appeared in the Post of March 15 follows:

A SUPERB PUBLIC SERVANT STEPS DOWN

This is the last week of duty for Robert M. Ball, the remarkable Commissioner of the Social Security Administration, who has been in office for 11 years and who served in lesser jobs with the Social Security Administration for 21 years before that. To the disappointment of many—ourselves included—the White House picked up Mr. Ball's pro forma resignation this winter after the election. But we do not feel that Mr. Ball's leaving office should be the occasion for expressing more gloom. Rather, it seems a moment briefly to recount the career of this extraordinary public official. For Mr. Ball's 34 years in government constitute a genuine good news story—and, not incidentally, they challenge some of the absolutes you hear tossed around these days concerning the capacity of the federal government to govern and the capacity of the bureaucracy to do well by the rest of us.

Mr. Ball, who began his career in 1939 in the field organization of the Bureau of Old Age and Survivors Insurance, worked his way up through the career service to become Social Security Commissioner. In the course of so doing he threatened, by his performance, to give the bureaucracy a good name. For, in his particular way, Mr. Ball has been the ideal public official: fair-minded, energetic, committed to the success of the statutes he administered and—above all—apolitical. In the 11 years since he came to preside over the Social Security Administration, all these attributes were put to the test as coverage (and complexity) expanded at a geometric rate during the 1960s.

Lyndon Johnson was fond of describing the actions required to put Medicare into effect after its enactment in 1965 as the most complicated and arduous government operation undertaken since the military planning operations of World War II. He didn't exaggerate much. Mr. Ball and his associates had 11 months' time to arrange for such diverse and intricate matters as medical standards, hospital care regulations, insurance coverage, accounting procedures, reimbursement techniques and the rest for some 19 million Americans who came under Medicare's provisions as of July 1, 1966. To look back over the news clippings of the period is to read a wealth of public statements from all manner of concerned persons predicting certain disaster on D-Day. It didn't happen—and the reason it didn't lies largely with the man who is now leaving his government post. That particular exercise in competence and success would of itself have been enough to distinguish Mr. Ball's career. But as many people in this town know it was typical—not atypical—of his performance. Robert Ball's 34 years in government were devoted to showing what *could* be done.

THE ROAD TO VOTER REGISTRATION REFORM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. RANGEL. Mr. Speaker, in the struggle to reform the system of voter registration in this country, no group or organization has been more involved than the AFL–CIO. The labor movement has continuously led the fight for progressive government reform. They are now in the fight for voter registration reform.

In our consideration of proposals that will come before Congress very soon, we would do well to listen to what the AFL–CIO has to say.

I submit for your attention and the attention of my colleagues, an analysis written by Alexander E. Barkan, the national director of AFL–CIO COPE, aptly titled "The Great Election Day Theft":

THE GREAT ELECTION DAY THEFT

(By Alexander E. Barkan)

American citizens and our electoral process are victimized by vote-stealing on a massive scale. Perhaps one of every seven potential votes is swiped right from under our noses. Yet, this fact does not grab headlines. Indeed, it barely makes the front section. It is not deemed newsworthy—perhaps because it's been going on so long.

I am not talking about outright vote-theft, a dishonored, if colorful practice, that seems to be vanishing from the scene. Our society and laws do not tolerate this cruder expression of the art. The reference is to much more subtle forms of vote-stealing—perfectly legal ones, in fact, because they are imbedded in the laws and practices that govern conduct of our elections.

It can be considered vote-theft, can't it, when an eligible citizen is discouraged, or prevented, from voting by the placement of so many roadblocks on the path to the voting booth that getting there becomes a major project, an exercise in frustration, rather than a simple matter? This is what happens to millions of our fellow citizens who fall by the wayside before, or on, election day.

We have just come through a political campaign in which approximately 76 million Americans voted. Sounds like a lot, doesn't it? But it isn't. The figure represents only about 55 percent of all those who were eligible to vote, not much more than half. It was the lowest turn-out in a presidential year since 1948, when 52 percent of all eligible citizens went to the polls.

Of the 139 million eligible to vote this year, early reports suggest that about 100 million were registered. Nearly 40 million, then, didn't even sign on for the trip. Of the 100 million who died, about 24 million—nearly one-fourth—didn't go all the way to the voting booth. Why?

No doubt, there are many reasons for low voter performance in 1972. The anticipated presidential landslide made stay-at-homes of a great many voters. The failure of either presidential candidate to generate truly widespread excitement or enthusiasm surely limited turn-out. But even in other recent presidential years, there has been nothing approaching broad-scale exercise of the franchise. No presidential election of the past three decades has reached a 65 percent turn-out, even those that seemed to spark genuine interest like the Kennedy-Nixon race in 1960 and the Humphrey-Nixon-Wallace contest in 1968. And rarely does voter performance in a non-presidential year exceed the low 50 percent range.

SOME ARE JUST INDIFFERENT

The fact is, a certain proportion of citizens is just plain indifferent. There are Americans who would probably decline if you offered to wheel the voting booth to their home and pull the levers for them.

However, after all the other possibilities are scrutinized, chewed over, dissected and discussed, the likelihood is that the key reason for low voter turn-out in 1972 will turn out to be, as it has been in the past, archaic, restrictive laws in many states and communities that load the dice against a citizen registering and voting.

As we near the giant celebration of the nation's 200th anniversary, the AFL–CIO believes it is time to erase from the books every restrictive election statute by enacting a national law that standardizes registration and voting procedures. We believe our laws should reflect our maturity as a nation and encourage, not discourage, voter participation. There are law-makers who share this desire. Sen. Gale McGee (D.-Wyo.) again is expected to introduce his proposal to standardize registration at least for federal elections by letting citizens simply mail a postal card form to local voter registration offices. His bill was defeated 46–42 in the Senate last spring.

Unfortunately, as the Senate vote on the McGee bill illustrated, there exists substantial opposition to the idea of democratizing voting opportunity in our democracy. As we complete our second century of nationhood, we have not yet settled the hoary argument as to whether government should merely provide an opportunity for citizens to register and vote—no matter how slight a one—or actually encourage voter participation by making it a simple matter to register and vote.

Even with the multitude of restrictive laws presently on the books in a great many states—and with the unwritten practices that limit voting—it is argued by opponents of more open policies that citizens already "have the opportunity" to register and vote. This, of course, is true. But for many eligible citizens it is an opportunity weighted with frustration. In many areas, for example, it is still necessary to get to a central election office like the county courthouse or city hall between 9 a.m. and 4:30 p.m. on weekdays to register.

FINDING THE RIGHT PLACE IS HARD

Unless you work in the neighborhood of the registration office, getting there during the work-day becomes more than a minor annoyance. There is the matter of lost work time, and the trauma of finding a parking space. It is hard to know which is worse. This situation is mitigated somewhat in many such communities by special registration periods when election offices are opened up in the neighborhoods. But here, too, where the will of election officials is to limit rather than expand voter participation, the special periods are brief and are accompanied by minimal effort to advise citizens that there's a place around the corner where they can register.

In fairness to the states, many have tried in recent years to streamline their election laws. Often, this progress has come at the insistence of state and local AFL–CIO bodies. In New Mexico, for example, where the State AFL–CIO fought long and hard for better voting laws, and won its fight by achieving the most effective election laws in the nation, the result has been a 90 percent-plus registration of the state's eligible citizens, and a correspondingly high voter performance.

The AFL–CIO believes citizens in all states should have the same easy path to the voting booth as the citizens of New Mexico, and that is why we back the McGee proposal. If we continue the piecemeal, patchwork addition of a little bit more here and a little bit there, it will be another 200 years of nationhood before every citizen has the same opportunity to vote as every other citizen. A national law is urgently needed to replace the present crazy-quilt pattern of widely differing state laws.

In the post-1968 election period, elections data experts estimated that as many as 20 million potential eligible voters may have been kept from casting ballots by laws and practices that threw up an obstacle course to the voting booth—limited and difficult registration opportunities, laws on residency, on absentee balloting, practices that provided for too few voting booths and too long lines to get to them, or that limited unnecessarily the voting hours.

It is a certainty that data will emerge from the 1972 election period providing similar evidence of what could be called "voter fatigue"—not the fatigue of too many elections, which is an entirely different, though important, matter—but the sheer exhaustion that confronts voters in some areas to get around all the obstacles to the voting booth.

There really is little to be said about registration and voting laws that hasn't been said countless times by partisans of both points of view mentioned earlier, that (1) it is enough simply to provide the opportunity to register and vote, however circumscribed, then let the strongest survive, the strongest being those with the stamina and endurance to get all the way through the thickets like Childe Roland to the Dark Tower or (2) that laws should be written to provide easy and convenient registration and voting procedures to assure maximum possible voter participation.

Perhaps it is more an emotional than a factual issue. Proponents of the first point of view—though they would never express it in quite that way—must, deep down, hold the notion that only the "right" people should vote. They really don't trust the masses. Had they been around when the franchise was extended to citizens other than property owners they would have opposed the 14th Amendment to the Constitution 104 years ago. In 1919, they would have risen to oppose the idea of a woman voting and fought the 19th Amendment. More recently, some of them expressed alarm over extending the vote to 18-year-olds.

Proponents of the second point of view appear to have more confidence in democracy. The AFL-CIO has fought fossil election laws in the halls of the National Congress and of the state legislatures on the basis of what we think ought to be a self-evident premise: In a democracy, all citizens should take part in the selection of public officials who make decisions that affect us all. This process of selection is performed in the voting booth. All citizens should have easy and equal access to the voting booth. We believe, as stated above, that whatever artificially limits access is vote-stealing, and has got to go.

It is not stretching the point too far to remind ourselves that many elections have been settled by so few votes that the outcome might have been altered by the ballots of those who were kept from voting not by apathy but by "voter fatigue." In Pennsylvania this year, a state legislator was elected by just one vote out of some 30,000. In North Carolina, a congressional candidate was elected by only 971 votes out of 143,641. In 1960, John F. Kennedy won the presidency by only one vote per precinct nationwide. In 1968, Richard Nixon won it by an average of less than 10,000 votes per state. In the early 1960s, a candidate for the Connecticut state legislature won his primary by one vote and endured another heart-stopper a few weeks later in the general election. Again, his margin was just one vote. Since it is clear that every vote counts, wouldn't it be sensible to make it easy for everyone to vote?

In the end, it comes down to the practice of democracy and how deeply our lawmakers really believe in it. It is unarguable, we feel, that the free ballot is the foundation of democracy, and that it is what most distinguishes our form of government from dictatorship.

People have fought and died for the right to vote. A young black and two young white colleagues were slain in Mississippi fighting for the right to vote only eight years ago. Night-riders fire-bombed his home and killed an NAACP registration activist in Mississippi, also in the mid-1960s. He was one of more than a dozen blacks murdered for demanding the right to vote. A white minister and a white housewife were murdered in Alabama in 1965 during massive demonstrations that led to the Voting Rights Act of that year. So blacks and whites both have died to expand the right to vote.

A right precious enough for some to die for is a right precious enough for all to exercise. We may never engage the apathetic, for there will always be some uninclined to vote. But we must demand that all artificial barriers to voting be razed by enactment of a national law that standardizes registration and voting procedures and actively encourages voter participation. When that happens, I am confident presidential, congressional and other elections will pull the voters out and that we will have seen our last national election in which such a small percentage of the electorate showed up when it counted most, on election day.

AN INTERVIEW ABOUT ABORTION

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. HOGAN. Mr. Speaker, the Washington Star-News of March 4 carried a most informative interview with Dr. Andre Hellegers, director of the Kennedy Institute for the Study of Human Reproduction and Bio-Ethics. Because the issue of abortion is of such importance at this time I wish to insert the interview in the RECORD:

AVOIDING A QUESTION ABOUT HUMAN LIFE

AN INTERVIEW WITH DR. ANDRE HELLEGERS

(NOTE.—Dr. Hellegers is director of the Kennedy Institute for the Study of Human Reproduction and Bio-Ethics. He is a past president of the Society for Gynecological Research and the Society for Perinatal Research. This interview was conducted by Thomas Ascik of the Star-News staff.)

Q. The Supreme Court, in its recent decision on abortion, calls a pregnant, but otherwise healthy, woman a "patient," and states that abortion is "primarily and inherently a medical decision up to the end of the first trimester." Is she a patient in the traditional medical sense?

A. Well, we've traditionally taken care of pregnant women. The question is whether you consider pregnancy a disease. Within the definition of the Court, pregnancy is a disease. The Court considered the stressful factors of pregnancy and the possibilities of future stress in making its decision. So the Court very rigidly followed the World Health Organization's definition of health which says that it is not just the absence of disease but "a sense of well-being." If being pregnant does not give a woman a sense of well-being, then she's ill.

Q. The Court uses the term "potential life" when talking about the fetus. What is a "potential life?"

A. I don't understand the language of the Court myself. You can't talk of the potential hand or the potential foot of a fetus; at least I presume not. It's there or it's not there, and its obviously there. I think that people are confusing the term "life" and the term "dignity." The whole abortion debate has been very fouled up in its linguistics.

I think the simple biological fact is that the fetus is human, only because "human" is a biological category. So, first, the fetus is categorically human. Second, the fetus is a "being" because it's there. If it wasn't a being, you wouldn't need the abortion. So we're dealing with human beings; we're dealing with human life.

The issue is whether we're dealing with valuable human life, whether we're dealing with dignity in that life, whether it has to be protected under the Constitution. All of these are not biological questions.

The unfortunate part of the whole debate is that people have misused biology to create phrases like "when does life begin?" When the question should have been "when does dignity begin?" They have used terms like "potential life," trying to say that life wasn't there, when the reason for saying that life wasn't there was because they didn't attach any value to it. The abortion issue is fundamentally a value issue and not a biological one.

Q. The Court says that it is only "a theory" that human life is present from conception. You obviously think that it can be substantiated beyond mere theory.

A. Oh, it's obvious. I don't know of one biologist who would maintain that the fetus is not alive. The alternative to alive is dead. If the fetus was dead, you would never do an abortion. Today we are employing euphemisms to pretend that human life is not present. This stems from the fact that we are not quite ready yet to say, yes, there is human life but it has no dignity. We have wanted to avoid that statement at all costs.

Q. So absorption is only a euphemistic question of life?

A. That's right, because of the fear of saying what we know—yes, there is human life but we attach no value to it. And it has led, incidentally, to a very interesting phenomenon. The Court specifically says that it does not want to take a stand on whether human life is there or not. But it says, operationally, you may proceed to abort. If you are not willing to say when life starts, there are two possibilities—either it is there or it is not. If you then proceed to abort you are factually saying that you may abort even though human life may be there.

Q. What is "the point of viability?"

A. The Court divides pregnancy into three sectors. During the first three months it rules totally under the issue of privacy. Then it says, as pregnancy advances, the state may have a compelling interest in the fetus at viability which it puts at 24 or 28 weeks.

The issue, of course, is that the fetus is perfectly viable at any time during pregnancy provided you leave it in place, and it is only because of your action that it becomes not viable. To me the odd situation is that because you do something to the fetus and doing that makes it not viable you may proceed to do so.

Q. What is the "compelling point" of three months? The Court says that is the point at which the woman and her doctor are free to make a private decision about abortion, and the state may step in after three months.

A. the state may step in after three months except when the life and health of the woman are involved—and the Court clearly defines health as being economic state, stress and so forth. Now, any pregnant woman who says, "I am pregnant and it is stressful to me," is right there a candidate for abortion.

Q. What is the basis of regarding the first three months as a turning point in pregnancy?

A. It's based on the proposition that it is safer to have an abortion at that time than to go ahead and have the childbirth. The Court says that up to that time the mother's health is automatically provable to be better off not pregnant than pregnant. And that, incidentally, is just terrible use of statistics. What has happened is that one compares the statistics of undergoing an abortion procedure with the general statistics on maternal mortality as whole. Several problems arise.

First, childbirth as a whole takes nine months whereas the abortion by definition takes less than that. So, obviously, there is less risk of dying in a three-month period than in a nine-month period because you have lived less long. The second problem is that if you die of anything before you have had a chance to get an abortion, you are counted among the non-abortion deaths. The third problem is that all women who want a child regardless of their health status and who decide to go through with it, and die, automatically fall under the death statistics and not under the abortion statistics. So you are really comparing apples and oranges. It is total misuse of scientific method.

Q. Medically where does the term "the first trimester" come from?

A. The first trimester comes from the fact that up to 13 weeks the abortion procedure is rather a simple one. The first trimester has nothing to do with what a fetus is at 13 weeks compared to what it is at 26 weeks. Up to 13 weeks it is rather safe to get aborted. From 13 to 26 weeks you have to change methods; you have to do saline infusions or hysterotomies. Then the statistics don't look quite as good.

The Court maintains that up to 13 weeks it is safer to be aborted than to have a child, which is already poor statistics. After 13 weeks the Court recognizes that the abortion procedure becomes more dangerous and therefore says that the state may begin to have some regulations to protect the health of the woman. After the 27th week there may be some interest in protecting the fetus as well. But it again spells out very clearly that whenever maternal health is involved, as defined under the World Health Organization's definition of stress, the state cannot stop the woman from getting an abortion. The first trimester has nothing to do with the viability issue; it has to do with the safety of the abortion procedure.

Q. You're saying that meaningful life outside the womb could start at the 27th week?

A. Well, after the 27th week we no longer use the term "abortion" in obstetrical circles. We then talk about "premature delivery." Now the survival rate between 20 and 28 weeks is only 10 percent. The question here is how long must you have lived to be considered viable. That's an issue in its own right.

What is, of course, absurd about the situation is that it is the procedure that makes the fetus unviable. Obviously the chances of survival are greater the closer to 40 weeks you are. But viability at any time during pregnancy is only with assistance. But it is just like a newborn child which is only viable with assistance.

Q. The Court maintains that the abortion question turns on whether the existing laws violate a woman's "rights" and "privacy." Is the fetus the possession of a woman the same as an appendix?

A. In the opinion of the Court it is. Not just the decision but a great deal of things that are going around suggest that intercourse is a given. It shall be without consequence; philosophically, that is what we are saying. It is now assumed that intercourse is one action that everyone can engage in without accepting any consequences. We are now saying that the decision whether to bear a child is not decision to be made prior to intercourse.

In the high schools we are trying to teach children that, good heavens, intercourse does things. It is very strange the way Justice Douglas puts it in his concurring opinion. He says, "The vicissitudes of life produce pregnancies that may be unwanted."

We are trying to teach in the high schools that pregnancies are produced by intercourse, and here is a Supreme Court Justice who says that pregnancies are produced by "vicissitudes of life." If he had said that rape produces pregnancies which are unwanted and over which one has no control, you might be able to agree. That is not a decision for which one must take the consequences because it was not entered into voluntarily. The philosophy now becomes all intercourse is involuntary. Or else everyone is getting raped. It really is amazing.

Q. The Court allows the state a "concern for the health of the mother," and allows the state a concern for the "potential life" of the fetus, but only after 27 weeks. Why?

A. The Court simply and flatly states that the fetus is not a person to be protected under the Constitution. If that is right, then there is no reason at all for the Court to worry about the health of the fetus. Now, very interesting things will happen as a result of this.

As I read the decision, you should now be able to experiment on the fetus *in utero*. The Food and Drug Administration has always had very strict rules about what drugs may be used in pregnancy. There has been a lot of talk about setting up primate colonies to test the effect of drugs on the unborn fetus. As a consequence of this decision it is now possible to test all drugs on pregnant women who are going to have an abortion, providing the woman agrees, of course.

Q. The Court says that it wished "a consensus" could have been reached from philosophers, theologians and doctors about the starting point of life.

A. There is a consensus on the starting point of life, without any question. There are many ways to prove when the starting point of life is. If we were going to make a test tube baby how would we do it? We would start off by putting a sperm and an egg together and if we succeeded, then we would be in business; we would have life. The fertilized egg would develop automatically unless untoward events occurred. The first definition of life, then, could be the ability to reproduce oneself and develop on one's own, and this the fertilized egg has while the individual egg and sperm do not.

The Court makes some really amazing biological errors in its decision. When it deals with the history of abortion, it talks about what people thought about conception in the past without realizing that conception was only discovered in the 19th century. The ovum wasn't discovered until 1827. The Court says that the Pythagoreans held as a matter of dogma that the embyro "was animate from the moment of conception." Well we didn't even know about conception until 150 years ago. The Pythagoreans were philosophers, not biologists, but the Court seems to regard their opinions as dissenting biological opinions. Factually, of course, they arrived at the right answer anyway, even though they knew very little about biology.

But unless you can think about an ovum as an entity, you cannot talk medically about a start of life. Before, people thought the seed was planted and it either caught or it didn't, almost as if the seed itself was life. That is why we have such crazy terms as insemination, a pure agricultural term that implies that the seed is planted. One ought to talk about co-semination or something that recognizes that the woman contributes an ovum.

The American Medical Association in the 19th century took its stand against abortion when it became known what the process of conception was and what the ovum was. When they found out when life began they thought it imperative to protect it from the beginning.

Q. It seems that the 20th Century has used the same medical knowledge to draw the exact opposite conclusion.

A. That's right. Now that it is absolutely clear how the process works one begins to falsify history and blame the 19th century for having written laws which it wrote, not based on Victorianism, but based on the new knowledge about the process of conception. Unless you are aware of the fact that biologists did not discover the ovum until the 19th century you will completely misread the history of the subject.

The original idea was that the soul was attached at some time to the body but nobody knew when the process of body-building started. When that became known, doctors and the AMA began to count the start of life from conception.

It has been commonly assumed that once human—not cat or rat—life—not death—has started then the concept of soul or human dignity has started. That is where the falsity of the Supreme Court decision lies. If the Court had said that we know when life starts but the issue is when we shall protect it or when we shall attach value to it, then it would have had rational ground for its decision. In the whole debate I have resented the falsification of embryology for the purpose of avoiding the fundamental question—when shall we attach value to human life?

Q. Do you think the Court could have reached the same decision if it had put the question on the proper grounds?

A. Ah, that would have been the difficult one. The Court would have been forced to say something which the California Journal of Medicine has already said very clearly. It says that we know when life starts, let's not kid ourselves. We ought to admit that we are handling certain social problems with the medical technology of killing life that has already started. The Court didn't have the courage of its convictions. So it wound up with the principle that you may kill the fetus even though it is already alive, but the Court didn't quite dare to come out and say it.

Q. What are some further implications of the Court's decision?

A. Hellegers: I am not sure that the Court's decision will cause any further harm other than the killing of fetuses. I am not a domino-theory man. Some people predict that euthanasia, infanticide and other practices will follow hard and soon on the abortion decision. I do think that the abortion decision and other bio-ethical problems are common symptoms of an underlying question. The question is whether you are going to have a utilitarian view of man or whether you are going to have some other view. The Court's decision is a utilitarian view. This fundamental question will come up very clearly, very shortly when the issue of how we use the live fetus for experimentation comes up. In England it has already been decided; you may use the live fetus for experimentation.

There are two great issues before us now. First, does one adopt the World Health Organization's definition of health, and does it become a doctor's duty to ensure "a sense of well-being," which is, in a way, happiness. The second issue is whether we shall look at the body in a utilitarian sense or whether we shall attach some greater value to it.

IN MEMORY OF DR. MARTIN LUTHER KING AND SENATOR ROBERT F. KENNEDY

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mrs. BURKE of California. Mr. Speaker, I have received a very moving song in honor of the late Dr. Martin Luther King and Senator Robert F. Kennedy which I believe expresses the hope and leadership these great men provided to our Nation.

I would like to share this song with my colleagues, and am inserting it at this point in the CONGRESSIONAL RECORD:

MY BELOVED

(By Rachel Leon)

Together we walked this earth with courage and humility,
Forever and always striving to build a better day
When suddenly you were taken from me
To sleep until eternity,

Far away the beauteous flowers and fragrant roses,
That you, dear, loved so well,
Which grown in abundance there
Nod in sympathy at my grief-stricken care
The road may be long, hard and dreary,
Without you, dear, at my side,
But I shall not grow weary
With God's loving hand to guide me and abide,

I saw the mountain, I'm free at last.
The heavens are weeping tears of blood,
Tears for the great and tears for the good.
Brother to brother my life I gave for peace,
And faith to reign sublime,
For peace to reign sublime.

(In memory of Dr. Martin Luther King and Senator Robert F. Kennedy.)

THE LOUISVILLE DEFENDER: 40 YEARS OF DISTINGUISHED JOURNALISM AND COMMUNITY SERVICE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MAZZOLI. Mr. Speaker, today is the 40th anniversary of a very distinguished and highly respected newspaper in my community, the Louisville Defender.

Since the inception of its publication in 1933, the Louisville Defender has won more than 70 State and National awards in journalistic competitions.

Under the skillful and responsible leadership of Editor-Publisher Frank L. Stanley, the Defender has served as an invaluable sounding board and source of information for Louisville's black community. The Defender, I might add, is also widely read in Louisville's white community for news often unavailable in the daily press.

The Louisville Defender's services to the community go far beyond the mere dissemination of information and opinion, however. The newspaper's annual clothe-a-child charitable campaign each Christmas season has become an important community tradition as has the annual Defender Home Show.

In conclusion, Mr. Speaker, I include in the RECORD the following editorial, recently published in the Defender, which comments on this important milestone in Kentucky journalism, and which additionally speaks to the broader point of the importance of diversity and varying perspectives in the makeup of our national news media:

OUR 40TH ANNIVERSARY

Exactly one month from now on March 15, 1973, the Louisville Defender will celebrate its fortieth anniversary. Simultaneously March 16, marks the 146th anniversary of the American Black press. On March 16, 1827, John B. Russwurm, America's first Black college graduate, founded Freedom's Journal. Today there are over 200 Black oriented publications.

In 1933 the late Albin H. Bowman had the vision to found the Louisville Defender. At that time there were four other Louisville Black newspapers being published. Each of these competing Black editor-publishers was distinguished in his own right but unfortunately except for the church-subsidized American Baptist newspaper, the others are extinct.

Forty years constitute a respectable age for any publication, particularly in this period of publishing demises of some of the largest magazines and dailies. But during the same time the Black press has increased in number and individual publication size, format, and circulation.

This indicates that the Black press is meeting the challenge of our new age or more particularly is serving the news needs of its readership which are only scantily supplied by the white press, if at all. Indeed, the Black press is more relevant to the Black struggle and not only informs and educates, but often initiates the action against existing racism, injustice, and Black denials.

Dempsey J. Travis, president of the United Mortgage Bankers of America, said in a 1972 speech:

"Knowing that the Black press has played such a herculean role in the lives of most Blacks, I cannot conceive of the day in this century or the next when the Black press will not be needed. Those of us who have worked in the vineyard for freedom know that after the Black press there is no other option. Hence, it must survive. The Black press is to journalism what jazz is to music in that they both bare the souls of Black folk. . . . Frankly, there are too many colored people who still believe that the white man's press is like the white man's ice—colder and better.

". . . In the absence of a Black oriented media, Black news will be treated like the Black blues—the white man will control the Black communication faucet and he will decide when it should be turned off and on."

Obviously, the Louisville Defender does not, at 40, consider its mission complete—far from it, because full first class citizenship has not yet been won and the road ahead seems more impregnated with obstacles than ever, especially with an ultra-conservative, seemingly anti-Black occupant of the White House.

Accordingly, the Defender knows its duty is to exert greater effort toward the ultimate fulfillment of its original goal. Now functioning in an age of dynamic changes, Black people's hunger for enlightenment deepens as desegregation becomes more legal and segregation itself becomes more real.

The very fact that we live in an imperfect society and in a democracy still grappling with the problems of how best to square its practices with its avowed purposes, poses singular challenges to us. We must not only remain that constant reminder of the job that democracy has yet to do, but become a greater source of inspiration for all.

LYNDON B. JOHNSON

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. NIX. Mr. Speaker, several weeks ago the Nation buried a national leader whose towering presence dominated political life for more than two decades.

Lyndon B. Johnson has been acclaimed by political leaders throughout the United States as one of the most powerful men in Congress while serving as a Senator and he will go down in the annals of history as a President who managed to put more social legislation through Congress than any other President since Franklin D. Roosevelt.

Mr. Johnson's skill in managing Congress both before he became Vice President and afterward when he was President, probably was unsurpassed in American history. His accomplishments on behalf of the minorities were a case of forcefully striking the iron while it was hot.

His programs intended to improve the position of the Nation's poor, its children, and its aged, particularly benefiting black Americans.

President Johnson was a big-hearted, loyal, impatient man. As a result of what he accomplished, the Nation, hopefully, will never again revert to the complacency which existed before, with regard to the poor and the black.

Lyndon Johnson had a dream; it was a dream of a society in which men are truly equal in opportunity and in dignity. Every American begins life from the same starting line.

Whatever his faults, he was unique and a man who loved his fellow man. His presence will be missed and he will not be forgotten.

PARADOX OR PATTERN?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. RANGEL. Mr. Speaker, Richard Nixon is very often a President of paradox. While he was espousing law and order during the Presidential campaign his campaign aides were violating the law on numerous occasions. He continues an unconstitutional war for 4 years and violates the Constitution by impounding funds appropriated by the Congress. While recently calling for a new sense of decency in America, he recommends the use of the death penalty.

But in one tragic sense, he has pursued a consistent pattern of policy which continually comes down hardest on disadvantaged Americans. His proposed budget and newly announced philosophy of decentralized government destroy the hopes and dreams of needy citizens all across this country. Besides stopping the flow of money from Washington, D.C., the President has stifled the feeling of compassion that previously emanated from our Capital City.

Indeed, Mr. Nixon's is a Presidency of paradox and pattern.

I now submit for your attention and the attention of my colleagues, a New York Times editorial of March 10 entitled "Housing Paradox."

Housing Paradox

In his message to Congress on community development, President Nixon adopts a remarkably paradoxical stance toward this nation's housing record.

He first boasts that in the last four years his Administration has provided "more housing assistance than the total provided by the Federal Government during the entire 34-year history of our national housing program preceding this Administration." The percentage of Americans living in substandard housing has dropped dramatically, he reports, and adds: "Americans today are better housed than ever before in our history."

Then the President asserts that the Government's housing programs, now suddenly described as "533 old and wasteful programs," are expensive and not the answer. This paradox cannot be explained away by simply stating, as the President does, that the record is good but not good enough. Mr. Nixon presents no bill of particulars and offers no reforms. Instead, he reaffirms the shutting down of the housing programs, promises a substitute within six months and proposes other urban programs be folded into a special revenue-sharing plan.

The effect is to move away from the national commitment set forth in the Wagner-Ellender-Taft Housing Act of 1949: "A decent home and a suitable living environment for every American family." President Nixon praises this goal in his message ("we should never waiver in our commitment") but retreats from it in practice. That is not surprising inasmuch as he voted against the passage of that law and of other housing programs when he served in Congress.

The programs grouped together as "community development" include urban renewal, model cities, open spaces for parks and recreation, low interest loans for rehabilitation of homes in urban renewal areas, and grants for water and sewer lines. The House and Senate last year passed but did not reach agreement upon different versions of a community development bill, which would have merged the funds for several of these programs into what Congressional Democrats call "block grants" and the President calls "special revenue sharing."

Those Congressional bills, however, contained significant tests which each community would have to meet to obtain the money. A town or city would have to join with its neighbors in developing a comprehensive areawide plan. The plan would have to provide housing for low-income and moderate-income families, conform with civil rights laws, and reflect adequate participation by ordinary citizens. Because the Administration's new bill has yet to be written it is not clear whether it will provide for these Federal standards. Such criteria are not mere bureaucratic red tape; they are essential if the money is to go where the need is greatest.

The programs to be phased out and for which the Administration promises a substitute by next autumn include public housing, rural housing, rent supplements and special programs enacted in 1968 to encourage the construction of privately owned rental housing and to assist low-income families to own their own homes. These latter two programs put through by the Johnson Administration help account for the production boom in moderate-income housing for which President Nixon takes credit—and they also account for some of the waste and scandal he deplores.

A subcommittee of the Joint Economic Committee chaired by Senator Proxmire of Wisconsin has just released a report asserting that "the primary problem with housing subsidies has been mismanagement by the Department of Housing and Urban Development." Whether better management is attainable is always open to argument, but the Proxmire report does cast an odd light on the President's renewed request for swelling HUD into a larger Department of Community Development to which would be added the Federal Highway Administration, mass transit, rural electrification and rural telephones and disaster relief. Should a department that may not be able to administer satisfactorily all its existing programs be given new, diverse responsibilities?

A halt to housing subsidies, a revenue-sharing umbrella for urban renewal and Model Cities and an administrative realignment do not add up to a national program for the cities. On the contrary, they express President Nixon's determination to abandon the Federal Government's leadership role in coping with housing and urban problems. Yet without that leadership, too many communities across the nation can be expected to ignore the bad housing and other miseries of the impoverished who live across the tracks, in the next town or in the inner city. Only the national Government can assure the fulfillment of a national commitment.

CONSUMERS VERSUS THE ENERGY CRISIS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. HARRINGTON. Mr. Speaker, in recent months, the energy crisis has received a great deal of attention. Members of Congress have received dozens of pamphlets, studies, and letters from oil, gas, coal and electric power associations underscoring the seriousness of the situation.

The theme underlying all of the industry energy studies I have read is that demand cannot be controlled without significant adverse effects on the American economy and lifestyle. The only solution then, is to raise the price of energy in order to increase the development of our domestic resources.

An article by Alan L. Otten, which appeared in the Wall Street Journal of March 15, offers a look at the other side of the coin. He suggests that it is possible to conserve energy without destroying life as we now know it.

I commend this article to my fellow colleagues:

Consumers Versus the Energy Crisis

(By Alan L. Otten)

Washington.—Newspapers, magazines, and radio and TV news shows are full of "The Energy Crisis." The President appoints a White House energy coordinator and prepares a special message to Congress. Industry leaders make speeches and launch ad campaigns to press their own ideas.

Almost all the talk and planning, however, focuses on ways to increase energy supplies. And almost all the ways—removal of price controls on natural gas production, more strip mining, far more offshore oil and gas drilling, expanded oil imports and so on—involve the drawbacks of higher prices, increased danger to the environment and even foreign policy complications.

Far less is heard about the opposite side of the equation—how to use less energy and thus stretch supplies. Ways to do this exist, and at least a few experts assert they would work—without any great discomfort or inconvenience, and often with real savings in costs.

Whether a full-blown crisis exists is to some degree a matter of definition; many officials, like White House aide Peter Flanigan, think "crisis" an excessively alarmist description. Unquestionably, though, there's some sort of crunch, signaled by scattered brownouts last summer, unheated schools and powerless factories this winter, and threats of emptying gasoline pumps this spring.

Energy demand still soars—with U.S. consumption doubling every 13 to 15 years. At the same time, cheap, clean, easily-accessible energy supplies are running low.

"The basic problem," says S. David Freeman, director of the Energy Policy Project, "is to turn our whole national policy around—from one that has promoted the widest possible use of energy to one that conserves energy." The project, set up by the Ford Foundation last May, is directing research into all aspects of "the energy dilemma, and policy alternatives."

Mr. Freeman, a balding, wiry enthusiast, is a respected energy expert, starting out 25 years ago as an attorney with the Tennessee Valley Authority and more recently serving as head of the energy policy staff in the office of the President's Science Adviser. Since the Energy Policy Project's work is still in the early stages, he emphasizes that all his presently stated views are strictly his own, and not those of the project.

Ever since New Deal days, he says, government policy has been to try to keep energy costs as low as possible in order to stimulate ever-expanding use. This was right for the time, but now times have changed and the policy hasn't," he declares. "We have to start thinking of ways to get warm or go to work using as few kilowatts as possible. . . . The time has come to change our habits and begin practicing energy conservation, even energy frugality."

GOVERNMENT ACTION AND EDUCATION

In some cases, rising energy prices and other normal market forces will turn the trick, cutting overall consumption or pushing people from one fuel to another. Most industry men think the market should be the entire answer. But Mr. Freeman and many non-industry men argue that government action and consumer education also are critically needed.

Sound conservation practice, Mr. Freeman believes, could cut the nation's energy needs by one-third. And a recent Rand Corp. study for the California Legislature estimated, according to a Los Angeles Times report, that conservation measures could reduce California's demand for electricity in the year 2000 by as much as 65% below current projections.

Rising energy costs already are stimulating conservation practices by private industry, which accounts for over 40% of all U.S. energy consumption. Major companies have task forces searching out new machines and processes, and Mr. Freeman says several large firms have predicted they'll cut energy consumption 10% to 15% without increasing other costs.

More extensive use of recycling would be a major energy-saver, since far more energy is needed to produce metal from raw ore than from scrap. Research and education could help here, of course, but again many experts think some government action is also needed—such as taxes or fees on solid waste not recycled.

Mr. Freeman also sees a need to revise present power rate structures, which usually give big consumers lower rates. This practice goes back to earlier efforts to promote larger use. Raising the rates now for big industrial and commercial users would presumably accelerate their search for energy-saving measures, he argues.

Transportation—moving people and freight—accounts for about one-fourth of U.S. energy use, and its share is steadily growing. "This area is crucial," Mr. Freeman asserts, "because the forms of transportation growing the fastest, the car and the plane, are the greatest energy guzzlers."

Market forces also will have some effect. More expensive gasoline may persuade people to drive less, or to switch to smaller cars. But again, many experts make the case for government intervention—though few go as far as suggesting gas rationing or other equally drastic controls.

One frequent suggestion is to increase government aid to railroads and to bus and rail mass transit systems. Studies show it takes four times as much energy to move a person from home to work by car as by bus, nine times as much to move a passenger by plane as by high-speed train, four times as much to carry cargo by truck as by rail.

Automobile companies currently are fighting government rules for non-polluting engines as sure to boost gas consumption, but so do heavier cars, higher-horsepower engines, air conditioning, automatic transmissions, and other items. Mr. Freeman frequently tosses out the idea of a law requiring the auto firms to develop a more efficient engine; "It's no more radical," he argues, "to say that by 1980 cars must have an engine that's able to get 20 miles to the gallon than to say they can't pollute."

After industrial use and transportation, space is the biggest energy consumer. About 20% of energy use goes into heating, cooling, and lighting homes, factories, stores, offices and other buildings. Here again, little attention has been paid in design and construction to the need to save energy later on: whether to use less glass, a notoriously poor insulator; whether to install more or better insulation; whether halls in office buildings need to be lighted as powerfully as desk work areas; and similar questions.

An architect friend of Mr. Freeman's looked over plans for a building he'd just finished designing, and found that a few small changes would cut later energy consumption 35% without raising other costs at all. The Rand Corp. study in California estimated that better insulation in new housing could cut heating and cooling requirements by 40% to 50%, and that the extra construction costs would be recaptured in four to seven years through reduced fuel and utility bills.

Mr. Freeman thinks building codes might require better insulation and other energy-saving features. "If the government can issue codes to keep termites out, it can issue codes to keep BTU's in," he argues.

Environmental and consumer groups offer other ideas. They contend Americans could learn to keep the thermostat a few degrees lower in winter and a few degrees higher in summer. A leaflet published by Concern Inc., a Washington-based group, lists several dozen energy-saving suggestions, such as closing doors and registers in unused rooms.

Mr. Freeman also likes the idea of a Truth-in-Energy Act that would require manufacturers to state the probable annual energy consumption of each appliance they make. Some air conditioners, for example, cool just as well as others on half as much energy.

Critics wrongly try to picture conservation as "requiring a cold, bare, Spartan life," Mr. Freeman says. "Tighter buildings, better public transportation and more efficient industrial use of energy are no threat to America's future. In fact, such measures could well improve our lifestyles."

CRITICISM AND CYNICISM REMAIN

But some critics, or at least cynics, certainly remain. "Adoption of measures to slow the growth rate of electrical demand may prove to be premature, and only act to increase demand for other energy sources," The Los Angeles Times quotes a Southern California Edison Co. vice president as saying. He urged reliance on natural market forces; anything else, he maintained, would injure the growth of the California economy and cut the state's standard of living.

"We should do the kind of work necessary to make damn sure the people know the energy burden they're undertaking," similarly says the administration's Peter Flanigan, "but in the last analysis, we have to let market forces prevail." One major problem, he says, "is that the government has taken the cleanest, most environmentally acceptable fuel—gas—and forced it to be sold at half the cost of crude oil. Naturally, there's not going to be enough exploration and production." He also sees environmentalist proposals as restricting production unnecessarily. "I believe," he says, "you can get a great deal more energy at very acceptable environmental costs. You can do more offshore drilling, with very tough anti-pollution controls, or more strip mining if you make the owners replace the soil and reforest it."

Essentially, says Mr. Flanigan, "people should have the right to make their own choice. They may make stupid choices, but it's not the federal government's business to keep people from being stupid. If a man wants to build a cheaper house with less insulation, and pay more for energy to heat and cool it later, why should some bureaucrat say he can't?"

Mr. Freeman concedes, in any event, that conservation can't cut demand to the point where there's no energy problem, but he insists it can make the supply problem more manageable. And perhaps most importantly, he says, "it buys you time"—time to undertake long-neglected research and development of new clean, cheap energy sources.

Government and industry, he estimates, must at least double the $1 billion a year it now spends on research and development, most of it currently going for nuclear research centering around the fast breeder reactor. Far more needs to be done, he tells audiences, to explore the commercial potential of such other sources as solar and geothermal energy, gasification of coal, use of fuel cells, and development of shale oil. "Right now," he declares, "our whole future as a high-energy civilization is riding on one egg—the fast breeder."

Many of the suggestions advanced by Mr. Freeman and other conservationists may be too far out, unfeasible or far beyond public tolerance. But others may prove eminently practical and sensible. A little more attention to them—by the administration, Congress, industry, and consumers—would help sort out which are which.

INTERNSHIP PROGRAM FOR SECONDARY SCHOOL TEACHERS OF GOVERNMENT AND SOCIAL STUDIES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. LEHMAN. Mr. Speaker, today I am introducing a bill to establish a congressional internship program for secondary school teachers of government and social studies in honor of President Johnson, who at one point in his career was also a teacher.

Each Member of the House of Representatives, the delegate from Washington, D.C., and the Resident Commissioner of Puerto Rico would be authorized to hire for 2 months during the summer a high school teacher in the area of either government or social studies.

My aim in this legislation is to provide teachers with a firsthand view of congressional operations. While both social studies and government teachers have completed the necessary academic training in their respective areas, at the same time, I believe that an internship in a congressional office would complement their academic training with the enrichment of practical experience.

Through these teachers, students then will also be able to have a better understanding of how the Congress works.

I hope my bill will receive favorable consideration by my colleagues. The text of the bill follows:

A bill to establish a congressional internship program for secondary school teachers of government or social studies in honor of President Lyndon Baines Johnson

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That each Member of the House of Representatives (including the Delegate from the District of Columbia) is authorized to hire for two months during the period from June 1 to August 31, inclusive each year, one additional employee to be known as a "Lyndon Baines Johnson teacher Congressional intern."

SEC. 2. For this purpose, each Member (and the Delegate from the District of Columbia) and the Resident Commissioner of Puerto Rico shall have available for payment to such intern a gross allowance of $800, at the rate of $400 per month, payable from the contingent fund of the House. Such allowance and such intern shall be in addition to all allowances and personnel made available to such Member (or Delegate) under other provisions of law.

SEC. 3. No person shall be paid compensation as a "Lyndon Baines Johnson teacher Congressional Intern" who does not have on file with the Clerk of the House of Representatives, at all times during the period of his employment, a certificate that such intern was during the academic year immediately preceding his employment a bona fide teacher in government or social studies at a public secondary school.

SEC. 4. Each such intern shall receive a mileage allowance for travel to the District of Columbia and back home from the District of Columbia as provided in section 5704 of title 5, United States Code.

AMERICAN RED CROSS MONTH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ANDERSON of California. Mr. Speaker, to the millions of persons aided by the American Red Cross, March is a special month—Red Cross Month.

There is hardly a problem today in which the Red Cross is not actively involved.

Over 3 million times last year, the Red Cross assisted U.S. servicemen, veterans, and their families.

The organization was also called upon to provide emergncy disaster relief in several areas. Hurricane Agnes alone required almost $25 million in aid to about 500,000 persons.

The Red Cross collected, processed, and distributed 3.5 million units of blood during the last fiscal year.

But the services of the Red Cross extend even beyond the functions traditionally connected with the volunteer organization.

Today, the Red Cross is tackling social problems such as drug abuse, neglect of the elderly, unequal status of minorities, and those which affect the poor.

American Red Cross Month is an appropriate time to applaud the accomplishments of the Red Cross and to encourage the continued participation of Americans in the Red Cross through becoming members and active volunteers.

Mr. Speaker, our Red Cross has a long history of being ready to help American people in distress. Now we must reciprocate and show our support for the American Red Cross with healthy donations.

REPARATIONS FOR OUR CITIES, TOO

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BINGHAM. Mr. Speaker, in regard to the difficult decision facing the Congress on what U.S. aid, if any, should be made available to North Vietnam to help undo the damage our Armed Forces did there, I believe a great many Members will find thought-provoking a recent article which appeared in the March 2, 1973, issue of the New York Post. That article, by Columnist Peter Hamill, entitled "For Reparations," follows:

FOR REPARATIONS

(By Pete Hamill)

For 12 years, we killed them. We machine-gunned them. We scorched them with napalm. We poisoned their rivers. We defoliated their earth. We wrecked their schools. We destroyed hospitals. We dropped bombs from high altitudes, and killed old men, women and children along with their soldiers.

During all that time, not a single bomb fell on the United States. Not a single North Vietnamese came ashore to kill our old men, our women and our children. Not a single American cornfield was contaminated. Not one of our schools or hospitals was destroyed. Of course we have to pay reparations to the North Vietnamese.

But Richard Nixon should not be allowed to create a false set of priorities. Henry Kissinger told Barbara Walters: "In the present circumstances, when you have a peace that has many precarious aspects after 10 years of war . . . not to consider what may be psychologically, politically and humanly necessary is simply a wrong allocation of priorities."

Kissinger was making the arugment in favor of paying the estimated $2.5–$5 billon for "reconstruction" to North Vietnam. His argument is a valid one. But when Nixon, through Kissinger, talks about priorities, he should not be allowed to make this an either/or proposition: either help reconstruct North Vietnam or send the money to the American cities. Quite clearly, the American government should do both.

The American Congressmen who are shouting loudest against reparations to North Vietnam were also the most profligate in spending money for the military across the years. Forget them. The key must be the liberal Congressmen, and those conservatives who have come to understand what American self-interest is really all about.

A coalition of those forces could establish the principle, right from the beginning, that the American city was one of the major casualties of the war in Vietnam. Part of this was psychological: the erosion of belief, the distrust of authority, the general demoralization and loss of hope in secular power all can be traced to the violent immorality of Vietnam. Those conditions are the seedbed for heroin addiction, crime, and the human chaos that so frequently accompanies welfare.

But in addition, there were severe practical assaults made on the cities during the war. Quite simply, they were starved of money. The programs of the War on Poverty never had a chance for the simple reason that the federal government never gave them the money they needed to do the job.

The cities needed help in providing new housing, new sewage treatment facilities to deal with the packaging explosion that came with the false prosperity of the war. They needed new mass transportation systems. They got practically nothing. The money was going to Vietnam.

If there had been a matching dollar outlay for cities during the war—one dollar for cities to match every dollar for war—the cities today would be gardens. Welfare would have largely vanished, because those houses, subway tunnels, sewage treatment plants would have been built by men who were then, and are now, out of work.

But one major lesson of Vietnam is that we are finite; we cannot have guns and butter; we cannot indulge moral crusades on the other side of the earth and still take care of the people who are paying for those crusades.

So Congress should be prepared to fight the President on the issue of reparations. They can go along with the money for North Vietnam only if there is a matching dollar outlay for the cities, perhaps even a proportional dollar outlay: for every dollar to North Vietnam in reparations, $10 to the cities in reparations. In other words, reparations for the cities too.

The federal government under three Presidents did tremendous damage to the American cities, New York in particular. It is only simple justice that they repair and reconstruct those cities while doing the same for their other victims. We should also remind the Congressmen, and the Executive Branch, that 83 per cent of federal revenues come from cities, and we are only speaking for a share of our own money.

I agree with Kissinger that we must do what is "psychologically, politically and humanly necessary." But it should be done for New York as well as for Hanoi.

This will not have to come out of any social program, or require a raise in taxes. The money can be cut right out of the $79 billion military budget. That is where the fat is. That is where the waste is.

To ask that reparations be taken from the victims of a war, instead of from the clowns who waged it, is almost as obscene a proposition as the war itself.

ST. PATRICK'S DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ANDERSON of California. Mr. Speaker, scholars may argue among themselves about the details of St. Patrick's life, but I am sure that all of us in Congress—Irish or not—will find ourselves in agreement that the celebration of the wearing of the green is a fun holiday.

On that special day, St. Patrick's Day, those of us who are not descendants of the Emerald Isle might be tempted to pretend we are natives, just to be able to join wholeheartedly in the celebration.

Today, in preparation for that glorious holiday of St. Patrick's Day, I salute the Irishmen of our Nation. But, in addition, I also commend those non-Irish citizens who will rally to the occassion and celebrate St. Patrick's Day alongside those who have grown up with the shamrock in hand.

AS PUBLIC OFFICIALS, ARE WE FULFILLING THE PUBLIC TRUST?

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I would like to include in the Record at this time a small piece of what I consider a very large speech. Large, not in the sense of length or verbiage, but in truth.

As public officials, who must run for reelection every other year, I am sure each of us has asked ourselves whether the name of our game solely is "reelection"; or is it as it should be a means to a greater end—service to the people who pay our salaries and expect guidance and leadership.

While each must answer that question for himself, a freshman State senator, Harry G. Hager, Republican of Williamsport, has offered a clear picture of what public service means and what is expected of us all.

I think Senator Hager's remarks deserve the attention of everyone who is charged with the public trust and who must, regularly, go before his masters and justify his or her actions.

How Shall We Restore Faith in Government

(By Henry G. Hager)

As Lincoln in his time very clearly saw that he must save the union, let us not fail to see in our time that we must restore confidence in our form of government.

That form of government is the ALL of America. American democracy is the only difference between us and any other nation of past or present time. There are other nations with vast extents of territory, with fertile soil and with equable climate. There is no other government like ours, however. It has made the difference.

To the extent that the noble experiment survives a people governing themselves America will survive. When the experiment fails, America will be no more.

We are at a time when history is holding its breath.

Faith in our form of government is faith in America, and faith is failing.

For many reasons, some real, some imagined, America rests uneasy, because for too many, the dream of good government has become a nightmare.

This erosion of confidence in our definitive institution constitutes as clear and present a threat to the union in our time as did the Civil War in Lincoln's. We must, if we do nothing else, begin to restore the faith of America in its government.

The public has a gloomy picture of state government. Each little step we take toward reform raises bright hopes. We have begun, but it is not enough. These hopes will fade too soon unless we continue to open our operation to public view.

Whatever we can do to restore the public confidence, we must do. We have voted to record all committee votes and account for all legislative funds. We must do more. Open all committee meetings to press and public, legislate lobbyist expense accounting; bring serious debate to the floor of the Senate. Take a party position only when it is also a philosophical position. Neither support nor oppose only for the sake of supporting or opposing, and the picture will continue to lighten.

When our people have before them a fully illumined portrait of the House and Senate, the offices we so fervently sought will be positions of honor instead of subjects for suspicion.

The consummation of that most cherished dream—"America"—is of far greater value than the political survival of any one of us.

We must, each of us, so dedicate ourselves to its principles that we stand prepared to be turned out of office while in the exercise of full integrity rather than safeguard a career for tomorrow with cheap, survival politics today.

What is it that keeps us from doing just that? I've only been here a short time, but enough has been said to let me know that state government has a gloomy picture of its own. The voter doesn't trust the legislator and the legislator doesn't trust the voter. It is a standoff. A hostile truce at best. Somebody has to make the first move and I suggest that we should be the ones who make it.

RATIONALIZATION NOT NATIONALIZATION THE ANSWER

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, Federal Judge John P. Fullam's decision that the Penn Central trustees must either produce a comprehensive reorganization plan for the railroad by July 2 or draft a proposal for liquidation is the latest signal that the end of the line for the Penn Central and for positive governmental action is fast approaching. However, while the Penn Central crisis requires our immediate attention we must be wary of those who promote the "miracle cure" of nationalization as the only available means of resolving the problem in the time remaining. The complex northeast rail situation demands a far more intelligent, sophisticated solution.

A recent editorial in the Chicago Tribune presents a thoughtful and cogent alternative to the false promise of government take-over of Pennsy's operations. The editorial urges rationalization of ICC regulatory policy as a more feasible course of action. Such an approach would allow Congress to take affirmative action toward curing the Penn Central's ills while, at the same time, reaffirming its faith in the private enterprise system. Mr. Speaker, I insert the editorial at this point in the Record:

A Deadline for Penn Central

A clear warning bell has rung for the trustees of the Penn Central Railroad. Federal Judge John P. Fullam has ordered them to present to him by July 2 a plan for the reorganization of the bankrupt system—or for its liquidation. He doubts that it can or should go on operating beyond Oct. 1 in its present form.

Judge Fullam's bell should alert not only the railroad, but also Congress, labor, and the public. There is almost no chance that the ill giant can be returned to health as a privately operated company without substantial changes in federal law, union rules, and public attitudes.

Yet an enterprise which carries nearly one-fifth of the nation's rail freight cannot be allowed to die.

Nor should the government take over Penn Central to save it. A private company under improved laws and working rules might be able to drive its way back to profitability, repay its debts, and eventually make a contribution to the government thru taxes.

But a nationalized operation, the experience of other countries shows, would prove a startlingly large and increasing drain on the public treasury—forever.

Successful private operation then is the answer. To produce this there must be prompt congressional revision of the nation's antiquated interstate commerce legislation. Railroads must have greater freedom to eliminate uneconomic branch lines and unneeded trackage without hearings before the Interstate Commerce Commission.

The communities affected often oppose such eliminations out of local pride, without realizing that their transportation and shipping needs can be met by other means—planes, trucks, and private autos. Penn Central believes it could reduce its 20,000 miles of track to 11,000 without materially depriving the public of service.

Modified legislation to provide freedom of entry into the trucking business would permit the railroad companies or truckers to take up any slack left by rail curtailments.

There should also be legislative modification of rate requirements to make railroads more competitive with trucks, barges, and airlines.

There should be a charge in the situation in which barge lines operate on government-supported waterways while railroads maintain trackage at great expense. Proposals for payment of use taxes by barge lines have failed repeatedly to get anywhere in Congress.

Public understanding and congressional action of these matters can help Penn Central achieve two of the three conditions which the trustees say are a prerequisite to profitable operation—reduced trackage and increased freight rates.

The third prerequisite is a reduction in personnel, with attendant long-range savings. Attainment of this will require a changed attitude by the railroad unions. Penn Central seeks to reduce train crews from four members to three; it said that the reduction would not impair safety and that no person displaced from a crew would lose his job. The personnel reduction would occur only thru attrition.

The United Transportation Union rejected the move in long negotiations and struck on Feb. 8 when Penn Central ordered the reduction unilaterally with Judge Fullam's approval.

Congress then ordered the trains kept running 90 days while negotiations resumed. Too often these delays have wound up with Congress bailing out management or labor, or both. This time everyone must understand that personnel reductions are essential to Penn Central's survival as a private company. Congress is increasingly cold to continued subsidies to the bankrupt line. It should—and probably would—wholly reject the far greater [and endless] burden of nationalization.

This leaves no feasible alternative to pushing ahead toward successful private operation. Therefore, Judge Fullam's deadline should prove an effective spur to action.

LYNDON BAINES JOHNSON

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mrs. CHISHOLM. Mr. Speaker, the smile on the face of a Job Corpsman who has just received his first job, the expression of happiness displayed by the mother of a Headstart child, and the pride seen in a black American who after 100 years of disenfranchisement votes for the first time—all serve as the greatest memorial to the man from Texas—Lyndon Baines Johnson.

The untimely loss of this great President of the little people is deeply felt by us all. The fact that he rose from the reactionary southern resistance to the challenges of change—to become the greatest innovator of social change in modern America, indeed, marks the true greatness of President Johnson.

Lyndon Johnson was a unique man, a rare man who realized that the force of freedom is a never-ceasing and unstoppable force. He was a southerner, but yet refused as President to be bound by the tragedies of sectional hatred and regional perception.

There have been and will continue to be many comparisons made between President Johnson and his colleague in the Presidency, Abraham Lincoln. Many of these comparisons are valid. But a quality which Mr. Johnson possessed singularly was the ability to do what was right on the sole grounds that it was right.

His administration should not be remembered for the great amount of social legislation it produced and initiated as law. But rather it should be remembered, not in the annals of history, but in the lives of our people as having served as an agent of freedom's mission and a commander in the Nation's war with itself.

While it is customary to mark the passing of our national leaders with tribute and praise—Lyndon Johnson authored his own tribute by his steadfast determination to take his high office to the people and thereby allow them to govern. This tribute now serves and shall forever serve as a measuring stick for all of those who shall hold the Presidency of this land.

OIL SPILL IN ALASKA RAISES NEW QUESTION ON PIPELINE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ASPIN. Mr. Speaker, a rather substantial oil spill occurred March 8 off the coast of Alaska when the tanker *Hillyer Brown* ran aground on Kelp Point, Cold Bay, Alaska.

Several tanks ruptured and a total of 244,000 gallons of oil was spilled into the Cold Bay.

This recent oil spill points up once again the severe environmental problems that would be created by the building of a trans-Alaskan pipeline. Once supertankers start carrying oil from Valdez to the west coast such accidents are inevitable. The problem is that supertankers will carry as much as 1 million gallons of oil. The rupture of a supertanker carrying North Slope oil could be an environmental disaster.

This recent oil spill once again illustrates the extreme environmental costs of a trans-Alaska pipeline and why serious consideration should be given to a Canadian alternative.

A short Coast Guard report on the oil spill follows:

REPORT

On Thursday, 8 March 1973, the tanker *Hillyer Brown* (U.S.) ran aground on Kelp Point, Cold Bay, Alaska, outbound from Cold Bay, rupturing several tanks and flooding both pump rooms. The vessel was carrying diesel oil and light, straight-run gasoline. An accurate estimate placed the total cargo discharged into the sea at 1082 barrels (45,444 gallons) of gasoline and 4,511 barrels (189,462 gallons) of diesel. The *Hillyer Brown* is owned by Standard Oil of California and operated by the Chevron Shipping Co. The cause or causes of the grounding are under investigation at this time.

Upon notification, the Coast Guard diverted two cutters to the scene and dispatched an aircraft for aerial surveillance, however weather precluded any immediate evaluation of the spill extent. Standard Oil Co. officials also began collecting anticipated equipment and sending personnel to the scene. Standard Oil requested the Coast Guard to transport available ADAPTS pumping subsystems with operators to the scene as soon as possible to transfer oil from the damaged tanks to partially full undamaged tanks. This task was coordinated by the Coast Guard from Washington, D.C., and three pumps were delivered by an Air Force C–141 Starlifter from Andrews AFB. Ten members of the Pacific Strike Team and four members of the Atlantic Strike Team were also sent to assist the On-Scene Coordinator.

The escaped oil and gasoline has been largely dissipated due to the high winds. No heavy concentrations of oil have been found anywhere, however weather is limiting an effective survey.

There is no longer any discernible leakage from the tanker and efforts are focusing on emptying the damaged tanks.

PRESIDENT'S IMPOUNDMENT CHALLENGED BY LIBRARY OF CONGRESS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

Mr. LEGGETT. Mr. Speaker, in the extension of remarks that I am placing in the RECORD today, I have got a rather concise analysis from an independent agency, the Library of Congress, that refers in the nature of a white paper to the impoundment actions that are currently being taken by the administration.

Contrary to the allegations of the administration that only 3.5 percent of the budget is being impounded as opposed to perhaps 6 percent that has been impounded in years past, the Library in its analysis points out that in fact the current administration is impounding in excess of $18 billion. As opposed to actions in the past where impoundments were spent 99 percent thereof over a period of several years, the current impoundments are not being spent at all. The analysis further alleges that in fact the will of the Congress and the will of the American people are being unconstitutionally thwarted by the President of the United States. I would particularly again refer my colleagues to the text of the Library analysis which appears later in these proceedings.

PRESIDENT LYNDON B. JOHNSON

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DON H. CLAUSEN. Mr. Speaker, I rise to join my colleagues in the House today in paying my personal respects to former President Lyndon Baines Johnson.

As we all know, the term "untimely passing" is often used at times such as this. Never, in my judgment however, have those words been more fitting or had truer meaning than does the "untimely passing" of this man from Texas who gave nearly four decades of his lifetime to public service. With just 36 more hours of life, Lyndon Johnson would have learned that the peace he so desperately sought in Southeast Asia had finally become a reality.

I would like to believe that, given his knowledge of the situation and the turn of events during those last 48 hours before his passing, Lyndon Johnson knew that an end to America's involvement in Indochina had been realized.

I say this because it is my firm belief that no person on earth wanted an end to the war which he too inherited, more than did Lyndon Johnson. And, there is no doubt in mind that he was as much of a casualty of the Vietnam war as were those who served there because his agony and deep sense of frustration was as great, and perhaps greater, than their own.

Lyndon Johnson, as a Member of Congress and as our Chief Executive, participated in and was a leader throughout the period from the New Deal to the Great Society. His legacy in the field of domestic legislation and human rights is unparalleled in the annals of modern government and to him must go the credit for such landmark laws as the Civil Rights Act of 1964, the Housing and Urban Development Act and a host of new Federal programs dealing with education, aid for the indigent, economic opportunities, and voting rights.

In August of 1969, I was able to suggest and play a part in bringing the Nixon and Johnson families together for the formal dedication of the Redwood National Park in my congressional district. It was a day that will never fade in my memory of the man we all knew as L. B. J. Its purpose was not only to bring these two first families together on what I believe will be a historic day for the redwood empire of California, but to recognize Mrs. Johnson's unselfish and untiring work on behalf of preserving and enhancing our natural heritage. It was also President Johnson's birthday and speaking without notes or a prepared text, he spoke not of his years in Congress or the White House, but of his deep sense of gratitude that people still cared enough to honor him in this way.

That was the last time I was to see President Johnson—a man as tall as the giant redwood trees that held him in awe that warm summer day in 1969. As was said of him in an editorial in the Washington Post:

> The simple, inescapable fact is that he cared—and that it showed.

RX: RETAIL DRUG PRICE COMPETITION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ROSENTHAL. Mr. Speaker, American consumers are forced to pay over $1 billion annually in unnecessary prescription costs because of prohibitions on retail drug price advertising, overprotective patent laws, exorbitant promotional expenditures by industry and unreasonable markups.

These are among the findings of an 18-month study conducted by my staff in New York and in Washington.

Americans are spending some $7 billion annually on prescription drugs—about $33 for each man, woman and child—and the evidence is strong that they are being overcharged, on the average, by at least 25 percent.

One reason for this, we found is a callous disregard for the financial plight of consumers, especially the elderly, on the part of drug manufacturers, retail pharmacists and State pharmacy boards.

The report also documents the huge disparity in the prices for identical prescriptions at different pharmacies in the same community. We surveyed over 120 pharmacies in Queens and in the Washington, D.C., area to compare retail prescription prices under a variety of conditions. The survey revealed markups generally averaged in excess of 200 percent. Pricing was grossly inconsistent, even among stores of the same chain for the same prescription.

Price advertising of drugs, extensively used on the wholesale level, is banned on the retail level in 37 States, including New York State. This double standard results in a wide disparity of prices for identical drugs, from store to store and, in some instances even from customer to customer at the same store. The drug retailer is able to benefit from manufacturers' vigorous price competition, but he denies that same right to the consumer.

To correct some of the glaring abuses uncovered by the study, I am introducing legislation to accomplish the following:

First. An end to all prohibitions on retail prescription drug price advertising;

Second. The mandatory posting of prices for the 100 most commonly prescribed drugs;

Third. The open dating of all perishable prescription drugs, showing clearly on the dispensed product's label the date beyond which the potency is diminished or the chemical composition altered by age;

Fourth. Labeling and advertising of prescription drugs by their established—generic—name and an end to all laws prohibiting generic substitution by pharmacists;

Fifth. Compulsory licensing of new prescription drugs during the 17-year patent period.

The study also calls for the following measures to be taken:

The industry and appropriate governmental agencies should take steps to curtail irresponsible and deceptive drug advertising claims, especially as they relate to nonprescription, over-the-counter drugs;

All States and the District of Columbia should name consumer advocates to their pharmacy boards;

The pharmacy profession should remove voluntarily all barriers to adequate consumer information.

One chapter of the report gives consumers tips on how to get the best prescription buys; it also advises doctors and pharmacists on how to help the consumer make his medicine dollar go farther.

The Department of Justice has publicly stated its opposition to State bans on retail drug price advertising. Accordingly, I am today writing to Attorney General Richard Kleindienst asking his Department to support legislation prohibiting such restraints and to initiate antitrust proceedings to strike down these barriers to price competition.

Pharmacists oppose drug price advertising, claiming they are performing a professional service not appropriate for price advertising and, further, that price advertising can lead to drug abuse.

Both arguments are rejected in the report. Pharmacists today compound only about 5 percent of the prescriptions they fill. Nearly all prescription drugs today are manufactured in correct dosage forms and many are even prepackaged according to the most commonly prescribed quantity. Moreover, the physician and not the pharmacist has the responsibility for determining the medicine to be prescribed and advising the patient on the use of it.

It taxes the boundaries of rationality to imply that informing consumers of prices could lead them down the path of drug abuse.

The lack of price information often forces consumers to spend more than necessary for essential product. This can be a particular hardship for the poor, the elderly and others on low and fixed incomes.

We found that in cities like Philadelphia and Miami, where drug price advertising is legal, consumers can pay less for their precriptions than where such advertising is prohibited.

In a survey of 24,000 Queens families I found: More than 95 percent of the 2,000 persons responding would like to see prescription prices advertised so they could compare costs more easily; convenience and price, not services, are the overwhelming considerations in choosing a pharmacy; most persons were apparently unaware they could save money by asking their doctors to prescribe medicine generically; nearly 80 percent said they have found from experience that the cost of filling identical prescriptions varies significantly from store to store.

We learned that a significant factor in keeping drug prices high is the patent and trademark protection they receive. When the 17-year protection of a patent ends, prices tend to drop dramatically.

This can be seen in the case of tetracycline, the most commonly prescribed generic antibiotic in the United States. Upjohn was selling its brand of tetracycline—Panmycin—to druggists for $14.94 per hundred capsules before its patent ended in 1966. Today that price is $3.94, a drop of 279 percent. Incidentally, that same drug is available generically—nontrademarked—for under $2 per hundred.

Drug industry profits are nearly double the rate of other U.S. manufacturing corporations. In 1971 they posted a 19.6 percent return on stockholders' investment. High profits are just one reason for high prices. Another is advertising, for each dollar the industry takes in from domestic sales, it spends 25 cents on advertising, promotion and marketing; less than a penny on basic research and only 3 cents on quality control.

One comes away from this study convinced that the drug industry is more interested in wealth than health—and that prompt action is needed to protect the consumer's economic well-being in the drug marketplace.

AMERICAN TAXPAYERS' MONEY TO COMMUNISTS OF NORTH VIETNAM

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. SNYDER. Mr. Speaker, we are in the middle of a controversy about the administration's intention to ship billions of dollars of the American taxpayers' money to the Communists of North Vietnam. Along these lines, I want to bring to the attention of my colleagues here in Congress a resolution recently passed and circulated by the R. C. Ballard Thruston Chapter of the Kentucky Society, Sons of the American Revolution of Louisville, Ky. This resolution was passed on February 17, and although it represents just the official statement of this one group, I think it in actuality expresses the opinions of most of the people I represent on this subject. The text of the resolution follows:

RESOLUTION

> Whereas, news dispatches indicate that the Hanoi Government expects financial help from the United States rehabilitation program for North Vietnam, and
>
> Whereas, such help from the United States would enable North Vietnam to maintain its armed forces in South Vietnam, and
>
> Whereas, the armed aggression of North Vietnam has caused such great sacrifices of blood and treasure by the United States, therefore
>
> Be it resolved, that the R. C. Ballard Thruston Chapter vigorously opposes the contributions of the taxes of United States citizens for such purposes after fourteen years of suffering caused by the Communist Government of North Vietnam.

NO ONE WILL EVER FILL THOSE BOOTS AGAIN

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BRASCO. Mr. Speaker, Lyndon Baines Johnson never did anything by halves, and even those who opposed him will admit that, Mr. Speaker. He lived life to the hilt, using great ability to do great things.

His vision of America was a western populist's, tinged with the Deep South in more than a peripheral manner. One of the finest tributes to this President was that he rose above sectionalism when the times called for it, and the laws on our statute books proclaiming equality for all Americans will forever testify to his labors.

He was a leader at a time when we needed it, whether it be in the Senate or in the White House. Legislation moved through the Upper Chamber under his hand in a workmanlike fashion, although a few egos got trampled in the process.

L. B. J. grew to understand the give and take of Congress and of our legislative system. If ever someone was educated in the legislative branch of Government to lead the executive branch, it was this man.

When Jack Kennedy was foully murdered, he instinctively did the correct thing to keep the Government of this country viable and moving. He gave us continuity in a time of unparalleled turbulence. And from that short, hectic era emerged some of the finest pieces of domestic legislation in this Republic's history.

For an exciting time there, progress could be measured in miles rather than inches, as a responsive Congress gave this impatient President what he felt was needed to make the American dream viable for all of us, especially those who had been shortchanged over the course of our history.

Many did not agree with him. Others disliked him. But no one could be neutral about this President, who was truly of America's basic essence. History will have to judge in the end what the true balance really is. Lyndon Johnson is dead now, but he will not be forgotten.

Not by the people he tried to help. Not by those who got a fresh start in life because of one of his programs. Not by those who saw tangible evidence that their government cared enough for them to reach out in a variety of ways.

Every imprint he made was a huge one, in keeping with his heritage and personal way of life. Many of those marks are on America to stay for good, one way or another. He was not a sophisticated man in the drawing room sense of the term, and perhaps that was a great source of his strength. America, no matter how a few may try, will never be a drawing room society, replete with the trappings and pretensions of aristocracy. Lyndon Johnson understood that, because he reached out to those he came from; the man and woman who are salt of the earth—the man and woman, if you please, who make America move and prevail.

Lyndon Johnson did not labor in vain. He lifted millions of our people to a better plane of existence. And he believed in this Nation and its promise. And he did his level best, his damndest, if you will, to lift our society in a material and spiritual sense. Who dares to claim that he failed? His like shall not pass this way again.

Those boots are one of a kind. He shall be remembered with warmth and respect. History shall be both fair and kind to him. He was, in his own way, a friend to all those who shared his love for our Nation and its ideals.

HEARINGS REFLECT CREDIT ON CONGRESS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. PEPPER. Mr. Speaker, I am pleased to comply with the request of Mr. Basil V. Zolli, Jr., of Somerville, Mass., that I bring his letter to the attention of my colleagues by placing it in the CONGRESSIONAL RECORD. Mr. Zolli compliments the Congress for the concern with the crime problem which has been reflected in the work of the House Select Committee on Crime. He is particularly pleased with our work on the penetration of organized crime into sports and legitimate business and I am, of course, grateful for his generous remarks about our efforts. I request permission, therefore, to include the text of his letter at this point:

SOMERVILLE, MASS., *March 7, 1973.*

Hon. CLAUDE PEPPER,
Chairman, Select Committee on Crime, House of Representatives, Washington, D.C.

MY DEAR REPRESENTATIVE PEPPER: Thank you for the copies of the "Hearings" on Organized Crime in Banking, Securities, Insurance, and Sports. I hope you will place this letter of mine in the *Congressional Record* because it is of benefit to every U.S. citizen, past, present, and future, to know its meaning and content.

Just as Congress has its inspired and legal duty to make investigations, as of the above, for the benefit of the nation and the well-being of the people, so do the people have the duty—as exhorted by our greatest patriots and statesmen down through history—to read, study, and act in the direction pointed by the content of these reports to the people.

Therefore, as an American citizen by birth, I thank you, as chairman, and your committee for doing your duty, unpleasant and hard as it may be, to bring the truth and evidence of the danger to the American people.

Between you and your committee, and me and the people, we should be able to act to rid the Nation of this danger you have exposed—since this is the "democratic system" planned by our Founding Fathers as Thomas Jefferson, Sam Adams, Geo. Washington, and Benj. Franklin—and the numerous martyrs as James Otis, Joseph Warren, Thomas Paine, Patrick Henry, and all the others.

Our democracy is in danger today—greater danger, perhaps, than in its entire history—because we are a changed nation in a changed world. The colonial empire of the British, from which we severed the bonds in 1783, is no more—and the young, frontier, rural America of a few million inhabitants is now a giant of technology and finance, with over 200 millions of people crowding our cities and suburbs.

We suffer from apathy and concerns of a purely materialistic nature—as the many congressional reports and studies repeatedly show.

Yet Congress has come under much unjust criticism from various sources in our government and outside—mainly by the executive branch in government and by outside commercial interests outside government.

I am writing to say, as an unbiased, concerned American citizen, who takes most seriously the duty of citizen-patriot-democrat, that you have done well—very well and well done. That Congress must persist and continue to guard the welfare and rights of the people.

Sincerely,

BASIL V. ZOLLI, JR.,
Registered Engineer.

LOOPHOLES AND LITTLE GUYS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BOLLING. Mr. Speaker, Hobart Rowen has an interesting analysis of Presidential Aide John D. Ehrlichman's approach to tax reform in his column in the Washington Post of March 15.

Rowen's column follows:

[From the Washington Post, Mar. 15, 1973]

LOOPHOLES AND LITTLE GUYS

(By Hobart Rowen)

On ABC's "Issues and Answers" last Sunday, presidential aide John D. Ehrlichman said that "there is a lot of misinformation around in this business of tax loopholes," and then he did his best to spread some more of it around.

The basic point that Ehrlichman was trying to make is that it's not possible to raise a great deal of money by tax reforms, "unless you start digging into the average taxpayer's exemptions, or charitable deductions, or mortgage credits, or something of that kind."

That, as Mr. Ehrlichman must know, is simply not true. He was just trying the usual scare tactics that have been this administration's old reliable weapon against tax reform.

What is true is that the exemptions or loopholes he mentions account for a considerable part of the erosion of the tax base. But there is plenty more that he didn't choose to mention.

Could it be that Ehrlichman failed to point to other loopholes because the chief beneficiaries are businesses and the most affluent taxpayers?

For example, the exhaustive analysis of erosion of the individual income tax base by Brookings Institution economists Joseph A. Pechman and Benjamin A. Okner in January, 1972, for the Joint Economic Committee of Congress shows that under a comprehensive tax system, the Treasury would pick up $55.7 billion in revenue it now loses to the leaky tax structure.

Of this total, $13.7 billion would come from taxing all capital gains, and gains transferred by gift or bequest: $2.4 billion from "preference income" such as tax exempt interest, exclusion of dividends, and oil depletion; $2.7 billion from life insurance interest; $9.6 billion from owner's preferences; $13 billion from transfer payments (welfare, unemployment compensation, etc.); $7.1 billion for the percentage standard deduction; $2.9 billion for deductions to the aged and blind; and $4.2 billion for other itemized deductions.

On the corporate side, Ehrlichman, made no mention of the $2.5 billion in reduced tax burden that business will get this year through accelerated depreciation schedules (ADR); and another $3.9 billion via the investment credit. From 1971 through 1980, ADR will be worth $30.4 billion and the tax credit $45.2 billion (all U.S. Treasury calculations). And in that span of time, there will also be some $3 billion in give-aways through DISC—a tax shelter for export sales profits just created by the revenue act of 1971.

Another tax reform target Ehrlichman appears unable to see is income-splitting, which Pechman and Okner estimate causes a revenue loss of at least $21.6 billion annually, almost half of which is a benefit to a relative handful of taxpayers in the $25,000-$100,000 income brackets.

But there's more to it than that. Ehrlichman pretends to be concerned about that "average householder" who would be hit if he couldn't take his mortgage interest as a deduction. But of the $9.6 billion that Pechman-Okner show lost to homeowners' preferences, defined as deductions for mortgage interest and real estate taxes, $5.3 billion goes to the tiny 5 per cent of taxpayers with reportable adjusted gross income of $20,000 or more.

And how about Ehrlichman's warning that Uncle Sam can't raise tax-reform money in significant amounts "if you don't let the average householder . . . deduct charitable contributions to his church or to the Boy Scouts . . .? Is he really worried about the guy?

The Tax Reform Research Group (one of Ralph Nader's operations) showed last year that when you divide the number of taxpayers in each income group into the total tax preference benefits of charitable deductions, other than education, you find this:

Among taxpayers in the $7,000 to $10,000 income bracket, the average tax benefit for charitable contributions was $17.44; for those in the $10,000 to $15,000 bracket, $33.11; for those in the $20,00 to $50,000 bracket, $199.09; for those in the $50,000 to $100,000 bracket, $1,211.16; and for those making $100,000 and over a whopping $11,373.56.

So who is Ehrlichman trying to kid? If the administration doesn't have a decent tax reform program, it's not because it could wring the money only out of the little guy, nor because there aren't outrageous loopholes waiting to be plugged. It's just because Mr. Nixon must believe that his constituency likes the inequitable tax system pretty much the way it is.

IN MEMORY OF THE LATE DR. HALEY BELL

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. CONYERS. Mr. Speaker, it is with great regret that I announce to the Members of this House the passing of a good friend and civic leader in Detroit, Dr. Haley Bell. Dr. Bell, founder of the Bell Broadcasting System, passed away on Monday, March 12, 1973, at the age of 77, after many years of dedicated service to his community.

Dr. Bell was always concerned with the young people of Detroit, especially with providing them with the education and jobs needed for their future. He was an active supporter and contributor to student scholarship programs throughout the country, and established two trade schools at his own initiative nearly 30 years ago. Dr. Bell was the first black man to directly receive a license to operate a radio station, founding WCHB and WCHD, AM and FM. These stations provided an invaluable training ground for many local and national media personalities who received their first professional opportunities from Dr. Bell.

The Cotillion Club of Detroit will pay tribute to Dr. Bell on March 21. It is only fitting that their tribute take the form of scholarships that will be granted to deserving students. I shall miss his generosity, his kindness to me, and his dedication to the citizens of Detroit. To his wife, Mary, and his two daughters, Iris and Doris, I extend my deepest sympathy in their hour of bereavement.

The Michigan Chronicle of March 14 noted the passing of Dr. Bell in an editorial which follows:

DR. HALEY BELL WAS AN OUTSTANDING CITIZEN

The news of Dr. Haley Bell's passing comes as a shock to those who knew him—and an immeasurable loss to the community. There have been others perhaps whose worth to our town was more widely recognized, and occasionally more spectacularly displayed. But only a few have so consistently contributed of time, money and energy towards the betterment of life for all.

Only recently a local columnist highlighted this unsung hero of the past half century with these words: "Dr. Haley Bell, whose philosophy that 'only a part of all you earn is yours to keep' has enabled him quietly over the years to give much to many."

And it all started by chance. The decision of Dr. Bell and his wife to let down their bucket in Detroit resulted from the chance drawing of the name Detroit from among three places under consideration by the young man who had just completed his dental training.

Upon arrival here Dr. Bell lost little time establishing what was to become a lucrative dental practice in what was then predominantly white and Polish Hamtramck. It is indeed an interesting twist of circumstances that the financial base on which he built the business enterprises that were to mean so much to the Black community was made possible by a large white dental practice.

Perhaps the best known of those enterprises is the Bell Broadcasting System which had its shaky beginnings in 1955, and the rest is history. Stations WCHB and WCHD have become a major force in the community, not only providing an important medium of expression and identification for the Black community but also a proving ground for the many talented young Blacks who began fruitful careers there.

Dr. Bell's success in the broadcasting business as the nation's first Black, licensed owner is well known. But no less important was his quiet contributions in support of many life-giving community organizations and institutions. His Alma Mater, Meharry Medical College, together with the NAACP, the United Negro Fund and Detroit's United Foundation were only a few among the many beneficiaries of his generosity.

It is ironical that death struck virtually on the eve of a gala dinner planned in his honor by the Detroit Cotillion Club. It was to have been a belated tribute to his fifty years of service to our community. It is good that he lived to know about the honor and recognition that were to have been his on March 21, but Detroiters should be mindful that the tribute is no less deserved in death than in life.

DISCRIMINATION OF TAXPAYERS

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BROOMFIELD. Mr. Speaker, since 1948, single, widowed, and divorced taxpayers have been paying a premium, in the form of higher taxes, simply because of their marital status. Last year, it was estimated that the cost of this unusual form of discrimination against more than 35 million unmarried Americans came to $1.6 billion.

I have introduced legislation along with more than 130 Members of the House to grant single taxpayers the same income splitting advantages that are now available only to couples.

Presently, single people can pay as much as 20 percent more in taxes. Widows and divorcees with dependents who qualify as heads of households can pay as much as 10 percent more than couples for the same taxable income.

This is unfair. By any definition of justice, it seems clear that these citizens deserve a refund for their overpayments. Since that is not likely, at the very least, Congress should act now on the Single Taxpayers Act to insure that this inequity does not continue next year.

I want to stress, Mr. Speaker, that the effect of this measure will not be to raise the taxes of marrieds. On the contrary, most couples will continue to pay a lower gross tax because they will probably be able to utilize more deductions and in this way reduce their taxable income. However, this proposal would specify that for the same amount of taxable income the same percentage of taxes would be paid regardless of marital status.

The rationale behind my legislation is the same which underpins our graduated income tax schedules. In short, tax liability should reflect one's ability to pay. Unfortunately, it has become obvious that in all too many instances using marital status alone as a yardstick for measuring this ability is unreliable.

I could cite many examples where in operation the discrimination against unmarried citizens is irrational. I think that the following two are sufficient to illustrate my point.

First, there are many widows, nearing the end of their work years, who are struggling to provide for their dependent children. It is inexplicable to me that they should pay taxes at a higher rate than a young married couple in their prime earning years with no dependents.

By the same token, single taxpayers supporting one or more of their aging parents have a good case against paying more taxes than couples without dependents.

More than that, Mr. Speaker, the very concept that one group should be forced to pay higher tax rates than another group simply because of an arbitrary distinction such as marriage cuts against the grain of our democratic principles.

The most reasonable and fair means to assess tax liability is through the use of deductions such as those for dependent support, mortgage interest payments, and so forth.

During the last session of Congress, the Senate overwhelmingly passed legislation to repeal the accelerated tax tables imposed on nonmarrieds. It is regrettable that the House did not follow the lead of the Senate on this subject.

Judging by the groundswell of support that this proposal has received in this Congress, as evidenced by the many cosponsors it has attracted, I am hopeful that both Houses will finally recognize the logic of this legislation before another year passes.

A PRAGMATIC VIEW ON AID TO HANOI

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. TAYLOR of Missouri. Mr. Speaker, as the last group of our prisoners of war return from North Vietnam, in accordance with the peace agreement, the debate over U.S. aid to the Democratic Republic of Vietnam accelerates. As the Congress deliberates over the pros and cons of this issue, I urge the adoption of an open-minded attitude which allows for a sobering appraisal of the situation. The war effort in Vietnam cost the United States billions of dollars: maintaining the peace will cost us considerably less, about $2.5 billion.

Mr. Speaker, I was pleased to see an editorial in the Joplin, Mo., Globe, which discusses the pragmatic considerations of aid to Hanoi and I would like to bring this editorial to the attention of my colleagues:

AID TO HANOI

The rumbles of disagreement in Congress concerning this nation's commitment to finance reconstruction of North Vietnam are understandable. But a refusal at this point to approve some sort of assistance program after the U.S. has pledged a "contribution to healing the wounds of war and to post-war construction" of the Democratic Republic of Vietnam and throughout Indochina could jeopardize the entire agreement.

Maybe most of us are revolted by the idea of sending money to a former enemy country of almost 10 years which killed and wounded so many American boys. But the time to have taken that stand, as did this newspaper, was while the terms were being negotiated and before the cease-fire accord was signed.

The figure of $2½ billion is frequently mentioned as the prospective cost of U.S. reparations to Hanoi, which is especially unappetizing to contemplate, coming as it does at a time when the administration is trying to cut down on expenditures in reducing budget deficits and hopefully to cool inflation.

Nevertheless, for the U.S. to pursue any course on this unpleasant matter other than that contained in the settlement is unfortunately tantamount to reneging on a promise. The galling task can be softened somewhat, however, by insisting that the Soviet Union and Red China also share in a major way in North Vietnam's rebuilding with the same fervor with which the two Communist powers supplied the North Vietnamese war machine. Also other nations, perhaps acting through the United Nations, could take part in the interest of peace in Southeast Asia while bolstering the uncertain and fragile relations existing between the hostile governments there.

It is true that war resulted from the invading aggression of the North, and that the U.S. intervened on behalf of a victimized South Vietnam with which there were treaty obligations. Thus in the cease-fire aftermath no reparations were automatically compelled, except we vowed to do so. As distasteful as it may be we have no honorable alternative. And in the end Congress will have to decide whether any dollars change hands, and if so, done, how many.

PENALTIES FOR DRUG PUSHERS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I introduced today, with 24 cosponsors, to change the Federal penalties for persons convicted of unlawful distribution of narcotics. Under the provisions in this measure, H.R. 4235, a convicted adult pusher, not himself an addict, would be given a life sentence with parole available only after at least 20 years of the sentence has been served.

The bill is designated to zero in with stiff penalties on the big-time pushers importing and selling large quantities of drugs in the United States. However, this bill would apply to all nonaddict adult pushers of hard drugs, no matter the quantity of the drug.

I drafted this legislation after the sentencing on January 29 of Auguste Joseph Ricord, the so-called kingpin of Paraguay-based smuggling ring. Mr. Ricord was given the maximum sentence allowable under Federal law: 20 years. But, he will be eligible for parole after completing one-third of his sentence—less than 7 years.

Prior to sentencing, U.S. District Court Judge John M. Cannella said that Mr. Ricord was responsible for drug dealing that produced death and hardships that "probably would equal the Vietnam war casualties." The U.S. Attorney's office estimates that Ricord's organization was responsible for bringing 2,000 pounds of heroin a year into the United States since 1966.

It is social injustice that men responsible for so much destruction in this country can be locked away for such short periods of time. These drug operators should be imprisoned for at least 20 years simply to take them out of circulation and protect society from them. While we must provide treatment for those already addicted to heroin, we must also act decisively to stop the present availability of drugs.

A list of cosponsors follows, as well as a text of the bill:

COSPONSORS ON H.R. 4235

Frank Brasco, John Buchanan, Edward Derwinski, Joshua Eilberg, Edwin Eshleman, Dante Fascell, Edwin Forsythe, Edith Green, William Green, Bill Gunter.

Margaret Heckler, William Hudnut, Richard Ichord, William Ketchum, Norman Lent, Manuel Lujan, Stewart McKinney, Morgan Murphy, Bill Nichols, Angelo Roncallo, Samuel Stratton, Gerry Studds, William Whitehurst, and Jim Wright.

H.R. 4235

A bill to amend the Controlled Substances Act to require life imprisonment for certain persons convicted of illegally dealing in dangerous narcotic drugs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part D of the Controlled Substances Act (21 U.S.C. 845) is amended by adding after section 405 the following new section:

"PENALTY FOR UNLAWFUL DISTRIBUTION OF SCHEDULES I AND II NARCOTIC DRUGS

"SEC. 405A. Any person who violates section 401(a)(1) by distributing controlled substance which is a narcotic drug in schedule I or II or by possessing such controlled substance with the intent to unlawfully distribute it, shall be sentenced to life imprisonment; except that this section shall not apply to any person who so violates section 401(a)(1) and who is found by the court, in accordance with procedures prescribed by regulations of the Attorney General, to have been an addict when he committed such violation. A person sentenced under this section shall not be eligible for parole under section 4202 of title 18, United States Code, until he has served at least twenty years of such sentence."

(b)(1) Section 401(b) of such Act (21 U.S.C. 841 (b)) is amended by striking out "405" in the matter that precedes paragraph (1) and inserting in lieu thereof "405 or 405A".

(2) Section 405(a) of such Act (21 U.S.C. 845(a)) is amended by inserting "or section 405A" after "subsection (b)".

(3) Section 405(b) of such Act is amended by striking out "Any person" and inserting in lieu thereof "Except as provided in section 405A, any person".

(4) The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by adding after the item relating to section 405 the following:

"Sec. 405A. Penalty for Unlawful Distribution of Schedules I and II Narcotic Drugs."

EDA'S WORK IS EFFECTIVE

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. BEVILL. Mr. Speaker, when we are able to make real progress in the development of rural America the one-way flow of people from our rural areas to our cities will stop. Programs administered by the Economic Development Administration have been of immeasurable assistance in the development of rural America. These programs have helped communities in my district and State finance much-needed water projects and other community facilities.

They have meant jobs for many and given hope to our smaller communities.

In my judgment, the termination of the EDA program would compound the problems of rural America and would be a mistake. Therefore, Mr. Speaker, I have cosponsored and am strongly supporting the proposal we are considering today to extend the life of EDA for 1 year. I am also in favor of funding the program at the full $1.2 billion authorization, as recommended by the House Public Works Committee.

The bill would provide $800 million for EDA public works grants, supplementary grants, and support the continuation of the accelerated public works impact program.

Another section would authorize $170 million for public works and business development loans.

Regional Economic Development Commission programs would be authorized $152.5 million.

An authorization of $50 million would be provided for EDA technical assistance and research. Another $50 million would be authorized for EDA growth centers for bonuses for economic development districts.

I have consistently supported and worked for programs to develop the rural areas of our great Nation.

Since the end of World War II, the United States has seen the greatest population migration within one nation that mankind has ever known.

This migration has resulted in the concentration of more and more people on less and less land. Today, 70 percent of the American people live on 2 percent of our land. This increasing concentration of people has produced many of our current problems.

In my judgment, the elimination of the EDA program would be a retreat from our goal of achieving a sound rural-urban balance.

The EDA program is one of the best things that has happened to rural America and is needed. Its discontinuation would be a severe blow to the progress we have made.

I am all in favor of reducing unncessary Government spending. But I do not believe that the elimination of such an effective program is wise economy.

Mr. Speaker, I am pleased to be one of the cosponsors of H.R. 2246 which is designed to extend the life of EDA for 1 year and I urge my colleagues to pass this legislation to continue this effective program.

WOMEN: PUTTING BREAD ON THE TABLE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. FRASER. Mr. Speaker, the role of women in the labor market was discussed by William Chapman in the Washington Post on February 3, in an article entitled, "Women: Putting Bread on the Table."

Mr. Chapman points out that one of the more durable misconceptions of our time is the notion that women go to work essentially to earn pin money.

A recent survey by the University of Michigan Institute for Social Research shows just how many women are, in fact, "breadwinners." It discovered that 40 percent of all working women are dependent on neither husband nor father for their support. About 32 percent were the sole wage earners in their homes and another 8 percent were the major, though not the sole, wage earner.

The Chapman article follows:

WOMEN: PUTTING THE BREAD ON THE TABLE

(By William Chapman)

One of the more durable misconceptions of our time is the notion that women go to work essentially to earn pin money—"They just want some extra cash for movies, a flashier coat, a more stylish wig." The pin-money reflex among employers accounts for a substantial number of women's complaints that they are required to begin work at salaries lower than men's and are denied pay increases because they are believed not to need the money as much as "breadwinners" do. The woman works for the frills of life, the thinking goes, not for the necessities.

The notion dies hard, even though it is buried almost daily under new statistics which prove the precise opposite. A very large number of women work to put bread on the table, and others work to provide the margin of material well-being that makes life a bit more enjoyable.

A recent survey of the University of Michigan's Institute For Social Research shows just how many women are, in fact, "breadwinners." It discovered that 40 per cent of all working women are dependent on neither a husband nor a father for their support. About 32 per cent were the sole wage-earners in their homes and another 8 per cent were the major, though not the sole, wage-earners.

Some of these are women putting their sons or husbands through college. Some are career women living alone and drawing good salaries. But most of them are society's least fortunate. It is among the two lowest economic brackets that one finds concentrations of women workers, the survey indicates. In families whose income was under $5000, 57 per cent of the wage-earners were women. There isn't much pin money around in American homes operating on that level of income these days.

Carolyn Shaw Bell, an economist, has observed that there now are 13 million women who maintain their own households and that they are responsible for the welfare of about 10 million children under the age of 18. For many of the poorest, it is a choice between working or welfare—or worse. "Since 1959," she writes, "the number of poor families headed by a man has decreased by over half while the number of poor families dependent on a woman has increased."

A bit higher up the income scale, there is evidence that the working woman has pulled some of the normally poor into the middle class. Last year the Census Bureau produced a remarkable profile of this phenomenon in one slim strata of black families where both husband and wife work. Young married black families outside the South, the Census Bureau found, had incomes at least equal to comparable white families.

It is a rare instance when any identifiable social group of blacks in this country attains the same level of income as a comparable group of whites. The reason in this instance was that so many of the black wives had gone to work.

So there is evidence that the working woman is to some extent doing in this country what the U.S. government seems incapable of doing. Increasingly, she provides the essentials of life for the poorest of families and she is pulling a very substantial number up the ladder into middle-class life.

An appreciation of these facts may lie behind the publication this week in the President's economic report of a special section devoted to the economic role of women.

"Women work outside the home for the same reason as men," the report declares, as if the thought had just dawned on the Council of Economic Advisers. "The basic reason is to get the income that can be earned by working."

To many that may sound terribly obvious, but only a year ago the administration was implying a rather different attitude toward the working woman. Treasury Secretary John B. Connally was telling the Joint Economic Committee of Congress, for example, that a 6 per cent unemployment rate wasn't as critical as it seemed because so many of the unemployed were teenagers and women. The implication was that higher unemployment could be tolerated more easily when one considered that ablebodied men were not so seriously affected as in the past.

A year ago, too, the President's economic message estimated a "relatively high level of transitional unemployment" because of projections showing more women would be entering the work force.

The tacit assumption that women somehow *cause* unemployment has been neatly abandoned by the revisionists this year. The President's economic report says that a surge of new entrants into the work force "might" cause unemployment. But, it adds, "the entry of women into the labor force has not been of that character."

This admission is followed by several pages extolling the role of women workers and deploring the fact that women are not closing the earnings gap between themselves and men and are almost as segregated by type of jobs as they were two decades ago: "Women work outside the home for the same reason as men"—the pin money theory dies hard, but the President's report this year is another step toward a decent burial.

PRESIDENT NIXON'S ABUSE OF POWER

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, during the past few days we have witnessed an unprecedented arrogation of power by the President that threatens to provoke a direct constitutional confrontation with the Congress. I refer to President's Nixon's statement of March 12 in which he attempts to give a blanket immunity to executive officials under the guise of clarifying the mystical doctrine of executive privilege.

Last month, in remarks in the RECORD—February 5, 1973, 3407–3409—I pointed out examples of the President's abuse of executive privilege and commented on the statements made by President Nixon at his January 31 press conference which seemed to modify his interpretation of the use of such dubious privilege as spelled out in his March 24, 1969, guideline memorandum. At the conclusion of these remarks, I am inserting the letter I addressed to the President on February 1, 1973, asking for a clarification of his remarks and the text of a reply to my letter, dated February 16, 1973, and signed by Mr. John W. Dean III, counsel to the President.

Mr. Dean, the subject of current controversy over his role in the Watergate investigation, denied that there had been any extension of the executive privilege procedures previously outlined. Yet less than a month later, the March 12 clarification statement of the President—promised during the same January 31 press conference—seems to extend the alleged privilege to a point where he claims it applies to previous administration advisers as well as the current crop and also asserts that administration officials need not answer the call of congressional committees if their duties would thus be seriously impaired. This new alibi could be voiced by every official if they wished to avoid testifying on a controversial subject or to avoid an investigation of embarrassing scandal or bureaucratic blunder. Mr. Speaker, the full text of the March 12, 1973, statement of the President is also inserted at the conclusion of these remarks.

The President is obviously operating under an illusion—which has become increasingly clear in recent months—that has has the sole power to govern this Nation and that the Congress may intrude only to the extent that he is willing to tolerate and only so long as he regards its actions as wise. In any case of disagreement—and there are many—he appears to be boldly asserting a self-assumed privilege to make the final and binding determination. This concept of "divine right" was rejected by the American colonies almost 200 years ago and after the desperate struggle for independence, was replaced by the checks and balances of our Federal system of representative government by the Founding Fathers when they wrote our Constitution.

The President's assertion that executive privilege is a deep-rooted tradition for almost 200 years is patently false. Executive privilege was not invoked by President Washington, contrary to oft-repeated, historical distortions of the St. Clair incident and the Jay Treaty. At best, the dubious doctrine of executive privilege can only be traced to May, 1954—during President Eisenhower's first term. This is hardly a deep-rooted tradition.

Mr. Speaker, it is past time for Congress to stop paying attention to the devices of Presidents who seek to impose their will on the legislative branch of our Federal Government. If we do not act to protect our constitutional prerogatives and to recapture powers that have been delegated to grasping bureaucrats in the executive branch, we will have acquiesed in our own funeral. Let us hear less about respecting so-called executive privilege and begin now to assert fully our congressional privilege in behalf of the well-being of the American people.

The distinguished columnist James Reston put into proper perspective the relationship to the President's arrogant assertion of broad-gage executive privilege and the political embarrassment being caused by congressional probes into Watergate bugging case and the degree of involvement of top White House aides and officials of the Nixon campaign organization. He said:

> The President has gone way beyond the normal meaning of "executive privilege." He has applied a sound principle on security information to block the publication of "embarrassing information" of a political nature, while promising to avoid doing precisely what he is doing.
>
> It is all very odd, and the oddest thing about it is that it is being done in the name of sound and noble principles, which are obviously being violated while they are being proclaimed.

Mr. Speaker, I also include the full text of Mr. Reston's article with my remarks:

House of Representatives,
Washington, D.C., February 1, 1973.

Hon. Richard M. Nixon,
President of the United States, The White House, Washington, D.C.

Dear Mr. President: As Chairman of the House subcommittee with legislative and oversight jurisdiction over government information, I read with interest the text of your news conference remarks on the claim of "executive privilege". In this connection you stated that you would like to have "a precise statement prepared" rather than rely upon "an off-the-top of my head press conference statement."

As you may recall, you assured Congress through a letter to this subcommittee on April 7, 1969, that the claim of "executive privilege will not be asserted without specific Presidential approval." For your convenience a copy of the exchange of correspondence is enclosed herewith.

One statement made in the press conference could be construed to be contrary to the precise statement made in your letter of April 7, 1969. I am referring specifically to that portion of the press conference where you made the following statement:

"On the other hand. I can assure you that all of these cases will be handled on a case-by-case basis and we are not going to be in a position where an individual, when he gets under heat from a congressional committee, can say, 'Look, I am going to assert executive privilege.'

"He will call down here, and Mr. Dean, the White House counsel, will then advise him as to whether or not we approve it."

On the surface this statement might be interpreted as an intention to delegate to Mr. Dean the authority to assert the claim of "executive privilege". This would be contrary to the "specific Presidential approval" referred to in the letter of April 7, 1969.

On the other hand, the statement could mean that Mr. Dean's only function is to communicate the specific Presidential decision which would be consistent with paragraph 3 of the memorandum accompanying the letter of April 7, 1969.

Because you mentioned in the news conference the interest of Senators Javits and Percy. I am sending them copies of this material for their information.

Sincerely,

William S. Moorhead,
Chairman.

The White House,
Washington, D.C., February 16, 1973.

Hon. William S. Moorhead,
Chairman, Foreign Operations and Government Information Subcommittee, House of Representatives, Washington, D.C.

Dear Chairman Moorhead: This is to acknowledge receipt and thank you for your recent letter to the President concerning his remarks on Executive privilege at the press conference of January 31, 1973. Because my role in the procedure established for invoking the privilege is at question, the President has requested that I respond to your inquiry.

I wish to assure you that there has been no change in the procedure set forth in the President's memorandum of March 24, 1969 to the heads of Executive departments and agencies. Executive privilege will not be asserted in response to a Congressional demand for information without specific Presidential approval. The role of the Counsel to the President in the process is solely to serve as a channel to transmit to the President a request for the invocation of the privilege, and, in turn, to notify the requesting official of the President's determination. No authority has been delegated to me contrary to the provisions of the March 24, 1969 memorandum.

With best regards,

John W. Dean III,
Counsel to the President.

STATEMENT BY PRESIDENT NIXON

During my press conference of January 31, 1973, I stated that I would issue a statement outlining my views on executive privilege.

The doctrine of executive privilege is well established. It was first invoked by President Washington, and it has been recognized and utilized by our Presidents for almost 200 years since that time. The doctrine is rooted in the Constitution, which vests "the Executive Power" solely in the President, and it is designed to protect communications within the executive branch in a variety of circumstances in time of both war and peace. Without such protection, our military security, our relations with other countries, our law enforcement procedures and many other aspects of the national interest could be significantly damaged and the decision-making process of the executive branch could be impaired.

The general policy of this Administration regarding the use of executive privilege during the next four years will be the same as the one we have followed during the past four years and which I outlined in my press conference: executive privilege will not be used as a shield to prevent embarrassing information from being made available but will be exercised only in those particular instances in which disclosure would harm the public interest.

I first enunciated this policy in a memorandum of March 24, 1969, which I sent to Cabinet officers and heads of agencies. The memorandum read in part:

"The policy of this Administration is to comply to the fullest extent possible with Congressional requests for information. While the Executive branch has the responsibility of withholding certain information the disclosure of which would be incompatible with the public interest, this Administration will invoke this authority only in the most compelling circumstances and after a rigorous inquiry into the actual need for its exercise. For those reasons Executive privilege will not be used without specific Presidential approval."

In recent weeks, questions have been raised about the availability of officials in the executive branch to present testimony before committees of the Congress. As my 1969 memorandum dealt primarily with guidelines for providing information to the Congress and did not focus specifically on appearances by officers of the executive branch and members of the President's personal staff, it would be useful to outline my policies concerning the latter question.

During the first four years of my Presidency, hundreds of Administration officials spent thousands of hours freely testifying before Committees of the Congress. Secretary of Defense Laird, for instance, made 86 separate appearances before Congressional committees, engaging in over 327 hours of testimony. By contrast, there were only three occasions during the first term of my Administration when executive privilege was invoked anywhere in the executive branch in response to a Congressional request for information. These facts speak not of a closed Administration but of one that is pledged to openness and is proud to stand on its record.

Requests for Congressional appearances by members of the President's personal staff present a different situation and raise different considerations. Such requests have been relatively infrequent through the years, and in past administrations they have been routinely declined. I have followed that same tradition in my Administration, and I intend to continue it during the remainder of my term.

Under the doctrine of separation of powers, the manner in which the President personally exercises his assigned executive powers is not subject to questioning by another branch of Government. If the President is not subject to such questioning, it is equally appropriate that members of his staff not be so questioned, for their roles are in effect an extension of the Presidency.

This tradition rests on more than Constitutional doctrine: it is also a practical necessity. To insure the effective discharge of the executive responsibility, a President must be able to place absolute confidence in the advice and assistance offered by the members of his staff. And in the performance of their duties for the President, those staff members must not be inhibited by the possibility that their advice and assistance will ever become a matter of public debate, either during their tenure in Government or at a later date. Otherwise, the candor with which advice is rendered and the quality of such assistance will inevitably be compromised and weakened. What is at stake, therefore, is not simply a question of confidentiality but the integrity of the decision-making process at the very highest levels of our Government.

The considerations I have just outlined have been and must be recognized in other fields, in and out of government. A law clerk, for instance, is not subject to interrogation about the factors or discussions that preceded a decision of the judge.

For these reasons, just as I shall not invoke executive privilege lightly, I shall also look to the Congress to continue this proper tradition in asking for executive branch testimony only from the officers properly constituted to provide the information sought, and only when the eliciting of such testimony will serve a genuine legislative purpose.

As I stated in my press conference on January 31, the question of whether circumstances warrant the exercise of executive privilege should be determined on a case-by-case basis. In making such decisions, I shall rely on the following guidelines:

(1). In the case of a department or agency, every official shall comply with a reasonable request for an appearance before the Congress, provided that the performance of the duties of his office will not be seriously impaired thereby. If the official believes that a Congressional request for a particular document or for testimony on a particular point raises a substantial question as to the need for invoking executive privilege, he shall comply with the procedures set forth in my memorandum of March 24, 1969. Thus, executive privilege will not be invoked until the compelling need for its exercise has been clearly demonstrated and the request has been approved first by the Attorney General and then by the President.

(2). A Cabinet officer or any other Government official who also holds a position as a member of the President's personal staff shall comply with any reasonable request to testify in his non-White House capacity, provided that the performance of his duties will not be seriously impaired thereby. If the official believes that the request raises a substantial question as to the need for invoking executive privilege, he shall comply with the procedures set forth in my memorandum of March 24, 1969.

(3). A member or former member of the President's personal staff normally shall follow the well-established precedent and decline a request for a formal appearance before a committee of the Congress. At the same time, it will continue to be my policy to provide all necessary and relevant information through informal contacts between my present staff and committees of the Congress in ways which preserve intact the Constitutional separation of the branches.

[From the Washington Star-News, Mar. 14, 1973]

NIXON'S PRINCIPLES, PRACTICES

(By James Reston)

It is a common habit of most people to proclaim great principles when it suits their purposes, and evade or ignore them when it doesn't, and President Nixon's definition of the "privileges" of his office and his White House staff is only the latest illustration of the habit.

In his definition of "executive privilege," Nixon has insisted on the privacy and integrity of communications within the executive branch of the government. His personal aides must be free to advise him in private, without fear of being summoned by the congress to testify on their advice, he says, and nobody would seriously question this principle.

He was even generous in modifying this right: "Executive privilege," he said, "will not be used as a shield to prevent embarrassing information from being made available, but will be used only in those particular instances in which disclosure would harm the public interest."

This raises some practical questions. The Watergate charges of bugging the Democratic headquarters in the presidential campaign have been confirmed by the courts, and the testimony of the FBI has involved not only members of the President's campaign committee, but members of the President's own personal staff.

Would it harm "the public interest" to allow them to appear before the Congress and tell what they know about this case? If the President does not want to use his right of "executive privilege" to prevent "embarrassing information from being made available," why not let them be questioned by the Congress?

"Executive privilege," the President said in his official statement, "will not be invoked until the compelling need for its exercise has been clearly demonstrated, and the request has been approved first by the attorney general and then by the President."

This suggests that the burden of proof for keeping White House officials from testifying in the Watergate case rests personally on the President himself, but he has offered no proof why John Dean, the President's attorney, who sat in on all the testimony by members of the White House staff and others in the Watergate case should not be questioned. The President has merely said that Dean would not be allowed to do so, presumably because, in the President's personal judgment, it was not in "the public interest."

The more you try to reconcile the administration's principles and its actions, the more confused you get. The administration's "principle" is that the FBI should be independent, but the testimony of L. Patrick Gray 3d, the acting head of the FBI, is that he made political speeches for the President in the last campaign, undertook to investigate the Watergate case but agreed to have the White House lawyer sit in on his investigations, responded to appeals for private talks with people involved in the Watergate, and then turned over their private testimony to the White House.

All this at least raises some interesting questions about what the President's private aides were doing, but the President refuses to allow them to talk, as if they were involved, not in charges of political espionage and sabotage, but in some fundamental questions of national military security.

Another conflict of principle and political practice: When Gray told the Congress that Herbert W. Kalmbach, the President's personal lawyer, had admitted that he paid Donald Segretti to engage in unusual political operations in the last presidential campaign, the White House complained that Gray was releasing "raw unevaluated material" out of the FBI files, thereby violating Kalmbach's "privacy." But the White House has said nothing about the men from the Committee to Re-elect the President, who were convicted of invading the privacy of the Democrats, bugging the Democratic headquarters, and then turning over their illegal transcripts of those telephone conversations to officials in the White House.

Finally, there is a paragraph in President Nixon's defense of "executive privilege" which goes beyond the normal rules of privacy, for it suggests that White House officials should not only be silent while they are in office but after they leave it.

"In the performance of their duties for the President," Nixon said, "those (White House) staff members must not be inhibited by the possibility that their advice and assistance will ever become a matter of public debate, either during their tenure in government or at a later date . . ."

If this is to be taken seriously, Henry Kissinger, for example, is not only forbidden to testify before the Congress now on his critical role in the Vietnam peace talks, but he should not "ever"—even after he leaves the White House—get involved in the "possibility" that his "advice and assistance will ever become a matter of public debate . . ."

This is obviously ridiculous. The President has gone way beyond the normal meaning of "executive privilege." He has applied a sound principle on security information to block the publication if "embarrassing information" of a political nature, while promising to avoid doing precisely what he is doing.

It is all very odd, and the oddest thing about it is that it is being done in the name of sound and noble principles, which are obviously being violated while they are being proclaimed.

DEDUCTION OF ADOPTION EXPENSES

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. RIEGLE. Mr. Speaker, I have just read a statement presented yesterday before the Committee on Ways and Means in support of proposals to allow expenses incurred in connection with the adoption of a child by a taxpayer to be deducted from gross income for income tax purposes. I agree with Mr. Freeman's position on this issue and am, in fact, a cosponsor of H.R. 5070, a bill identical to H.R. 1858, the bill mentioned by Mr. Freeman in the statement. I am enclosing the text of the statement for the benefit of my colleagues:

DEDUCTION OF ADOPTION EXPENSES

(By Harry M. Freeman)

Mr. Chairman, my name is Harry Freeman. I am from Cincinnati, Ohio, and am testifying as a member of Adopt a Child Today of Ohio, Inc.

Mr. Chairman, Adopt a Child Today of Ohio, is a citizen adoption group composed of involved laymen, adoptive parents, and other interested citizens concerned about homeless children and their need for families. The organization presently has six chapters and seven affiliates with approximately 1000 members living throughout the State of Ohio. The principals in the group have been involved with child welfare for nearly a decade. We appreciate your allowing us to testify before the Committee today.

Our purpose in testifying is to support proposals to amend the Tax Code to allow a deduction from gross income for adoption fees and related costs incurred in connection with the adoption of a child by a taxpayer. Currently, these expenses are treated by the Internal Revenue Service as personal expenses and consequently not deductible. Given that considerable social and economic benefits accrue to society as a result of individuals adopting children and removing them from public care, we believe that this treatment of adoption expenses is unreasonable. The expenses arising from adoption should be treated at least as favorably as medical expenses related to natural birth. However, since these expenses represent true out of pocket costs and are not covered by insurance they should be treated as completely deductible.

Adoption service is costly. In addition to the legal costs involved, there are the agency costs which may include the cost of medical care for the Biological mother and the child, court costs, and the costs of making the necessary social studies. While these fees are sometimes waived or adjusted according to the individual situation, adoptive parents usually pay costs beyond those incurred in a natural birth.

The amounts of the expenses vary considerably throughout the country depending upon whether or not there is an agency involved and whether it is public or private, the particular items included in the agency fee, the amount of legal work necessary, and geographic variations. The expenses typically range from zero dollars to $3,000 per adoption.

DHEW's Children's Bureau has estimated in a bulletin dated December, 1971 that, on the average, the prospective adoptive parent might expect to pay $1,000 for an adoption arranged by a private agency, $800 for an independent adoption, and $450 in attorney fees for an adoption arranged by a public agency that does not charge fees. Of course, since the joys of a child in a home are really inestimable, it is impossible to relate the above mentioned costs to the benefits of having a child. Nevertheless, they are rather sizeable and do represent a drain on the family's resources.

Today although there is a shortage of healthy white infants, the most popular group for adoption, there continues to be an increasing number of children without homes. According to estimates by the Children's Bureau, three out of every ten children available for adoption will not be placed. This thirty percent is made up of children of non-white or racially mixed parentage, of physically and mentally handicapped children, and of older children. The Child Welfare League of America believes that there are perhaps 80,000 non-white children plus 110,000 other children in foster homes and institutions who have not been placed in permanent homes. With the continued liberalization of parental custody laws affecting these children in limbo, there will be more adoptable children available in the future.

Most children adopted by non-relatives are born of unwed mothers. In 1970, for example, 88 percent of the children adopted by non-relatives were in this category. Furthermore, those children available for adoption who are not born of unwedded parents come from a family environment that for some reason has become damaging to the child's welfare. Either of these backgrounds means that some form of public service and support during childhood and youth would become necessary were these children not adopted. This potential drain on public sources of support is rendered unnecessary by adoption.

Of course, creating loving homes for the homeless children of the country involves many factors, only one of which is amending the Tax Code to allow adoption expenses to be deducted. In the instances of low income families who other than for financial reasons would qualify as an adoptive home, small subsidies might be necessary. This is an issue for state legislatures and not the Ways and Means Committee. (Incidentally, over 20 states have now passed enabling legislation for such programs and 15 or 20 other states are considering similar laws.) However, the Committee can contribute to the creation of an environment conducive to adoption by allowing the initial adoption costs to be deductible.

Other elements in our society besides the State legislatures have initiated programs to encourage the adoption of homeless children. Recently IBM has initiated a program to provide assistance to their employees for adoption expenses. The benefit reimburses employees for 80% of the costs up to $800 per child. Eligible expenses include adoption agency and legal fees, temporary foster care, and maternity benefits for the natural mother.

We are aware of at least two bills that have been referred to the Committee that will provide the desired relief to the parents of adopted children. Mr. Corman's bill, H.R. 4916, and Mr. Rarick's bill, H.R. 1858, both provide that adoption expenses be deductible. The bills differ in that Mr. Corman's bill contains a $1,250 limit on the deduction while Mr. Rarick's bill contains no such limitation. While we would prefer that no limitation be placed on the deduction, we cannot take strong exception to a $1,250 limit since most adoption expenses, which were estimated in 1971 by the Children's Bureau to be $580 per adoption, will fall under the limit.

We are very encouraged by the apparently broad support within the House for the provisions of the bills. Mr. Rarick's bill at last count had some 40 cosponsors from both sides of the aisle whose voting records represent the entire spectrum of political philosophy within the House.

Mr. Chairman, bills similar to and identical to Mr. Corman's and Mr. Rarick's bills have been submitted to the Committee during the past few Congresses, but for some reason have not been reported out for consideration by the House. We hope that you will not allow this to happen to these bills. Easing the financial burdens of initiating an adoption will encourage potential adoptive parents to open their families to homeless children, and will contribute to bettering the lot of an unfortunate group of young citizens who are all too often ignored by society.

Once again Mr. Chairman, we thank you for allowing us to testify before the Committee today.

This statement has been approved by the President of ACT of Ohio.

DISBANDING OF OEO

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ASHLEY. Mr. Speaker, today I am joining Congressman CONYERS and 46 other Members of the House in introducing legislation to stop the President from unilaterally dismantling the Office of Economic Opportunity and to provide the Congress with the opportunity to evaluate its performance.

The President tells us that he is disbanding OEO because many of its programs have been wasteful and inefficient. Yet Mr. Nixon has not set out to dismantle the Pentagon because the C–5A aircraft is going to cost $2 billion more than the original contract price—a sum which is $400 million more than the appropriations for OEO for the past 2 years.

President Nixon would have us tell the 26 million Americans living in poverty, "we had some bad apples in OEO so we're going to have to stop trying to eliminate poverty." But surely the war against poverty is one we really cannot afford to lose. If some programs have not worked out, then let us reexamine our poverty effort, keep the good programs and devise new ones to replace those that have failed.

Before we pass judgment on the utility of the Office of Economic Opportunity and the substance of the President's arguments for destroying it we must first resolve the question of who has the final authority to end this congressionally mandated program—Congress or the President.

Although the Office of Economic Opportunity was established by the Congress and its programs were continued through fiscal year 1975 by Act of Congress, the President contends that he has the power to unilaterally abolish OEO under the broad and ambiguous grant of authority in section 602(d) of the Act. However, it is clear that such delegations must be made pursuant to, and in compliance with, the Executive Reorganization Act of 1949, which requires the President to submit a reorganization plan to Congress before functions or powers vested by the Congress in the executive branch are transferred or abolished.

In these times when the President seems ready and willing to usurp the legislative functions of the Congress, I think we must make it crystal clear at every opportunity that programs established in law by the Congress cannot be abolished or gutted unless Congress gives its consent, as required by law.

The bill I am introducing would effectuate this purpose by suspending the authority of the Director of OEO to delegate any functions, powers, or programs for 1 year—this provision would apply to any delegations made on or after January 31, 1973. The bill would not prevent the President from reorganizing the Executive Office or from implementing plans to more effectively fight the war on poverty. It only requires that the President consult Congress in the process by observing the law as set down in the Executive Reorganization Act and the various provisions of the Economic Opportunity Act.

Mr. Speaker, I urge speedy action on this legislation to make it clear that the congressionally established Office of Economic Opportunity can be eliminated or changed only by congressional action. At the same time, the bill would insure Congress the opportunity to reevaluate and, if necessary, reshape our important fight against poverty.

JUDGES AND THEIR CRITICS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. KOCH. Mr. Speaker, I would like to bring to your attention an article entitled "Judges and Their Critics: A Need for Understanding," which appeared in the New York Law Journal on January 24, 1973.

Judge Bernard Botein, the author of the article and former presiding justice of the appellate division, speaks to the problem of the tarnishment of the judicial image. Most important, he provides an excellent analysis of the demands of the justice system from the judge's point of view. It is essential that the public realize that despite an overwhelming caseload and criticism from the man in the street, conscientious judges are pursuing the difficult chore of administering justice. Former Justice Botein calls on the bar and lawyers to participate in the task of communicating to the public the dynamics and demands of the judicial system.

Mr. Speaker, I am appending this article for the information of our colleagues:

JUDGES AND THEIR CRITICS: A NEED FOR UNDERSTANDING

(By Bernard Botein)

The people of this state are disappointed in the administration of criminal justice. From the alpha of police to the omega of prison and parole they are skeptical of the efficacy of the system and disparging of its methods.

One need not tell members of the New York State Bar Association, particularly those from the larger cities, that fear for personal safety, apprehension of danger to home and possessions, have cast a pall over municipal streets. People are alarmed and angry, they want an immediate corrective, and when none is forthcoming they lash out.

JUDGES ARE TARGETS

More and more the focus of resentment tends to be the judges, with other representatives of government shielding themselves by deflecting criticism toward the judges.

Sitting judges are sitting ducks, the easiest game. One would think a mayor or a police commissioner would regard it unsporting to shoot at them. Of all the agencies meshed into the administration of justice, the courts are the most vulnerable to ill-considered criticism. The judge's vocation is no unapproachable mystery, but it does involve an intellectual discipline requiring years of study to attain and years of experience to sharpen and perfect.

TRADITION OF IMPARTIALITY

That discipline is one of restraint and moderate and impartiality. By principle and tradition courts do not take sides and they will not abandon that principle and tradition even though their functions are misrepresented and misunderstood. And they are correct. It is not alone a matter of decorum and good taste; but if judges are to leap into the public arena girded to do battle with misguided detractors, the tradition of impartiality will inevitably be undermined, to the detriment of law and to the grief of all who wish to live by law.

Lawyers of an earlier day would be astonished at the battering to which courts are being subjected. I doubt whether the judges of that generation were better, by any standards, than those of today. While I believe that our judicial selection procedures must be radically changed, particularly elimination of the boss-controlled judicial conventions for the nomination of State Supreme Court Justices, I cannot say that the recent crop of judges are in any way inferior to those of the past.

And in the big cities, not only are the judges in general at least as competent and honest as their judicial ancestors, they work much harder. Vacations used to aggregate twice the present periods, court hours were shorter, the pace was much more deliberate.

IMPROVED RECORD

While court administration leaves much to be desired today, it is nevertheless much tighter and more centralized than a generation ago. Since 1692, the Administrative Board of the Judicial Conference in establishing overall policies, and the Appellate Division in day-to-day execution of those policies, have increased considerably the productivity of the courts, and of their judicial and nonjudicial personnel.

In short, let's not romanticize the past. Yet, in the big cities at least, judges are not accorded the same respect that their predecessors enjoyed—though no less worthy, though no less industrious. Why is this?

One reason lies in the pell-mell pace at which all judges in a metropolis must function, as compared to their measured tread in the past. In one generation we have witnessed a population explosion; a huge increase in the number of automobiles on the roads, multiplying the already large number of motor accident cases in the courts; and an unprecedented spread of narcotics addiction, doubling the criminal cases in some communities.

THE OLD DAYS

Our judges have become caught up in a frenetic campaign against a voracious calendar—and let's face it, they don't resemble the public image of how a judge should look in the process. In the old days, even a bad judge, ponderously lumbering through a world of law he did not make and could not understand, looked good because he had plenty of time to cloak himself with the armor of spurious dignity and remoteness. And seldom did a lawyer, much less a defendant, dare hurl a lance against that armor. Courtrooms were not forums for political propaganda in those days.

There are many judges of learning and distinction in New York City; but to what avail their learning if they cannot swim upstream against the torrent of business unless they become glorified claim agents? How can a judge maintain his dignity, give careful deliberation to the case before him, when the next cases in line are pushing and clamoring for attention?

Conscientious judges in New York City face a difficult choice. They can give unhurried and deep consideration to each party's cause, and send him away, winner or loser, with a comfortable sense that right or wrong, the judge has granted him a full hearing. If they did so, aside from the fact that such judicial deliberateness might be denounced as "job action" or planned delay for ulterior purposes, it would cause guilty and innocent defendants in criminal cases and parties in civil actions to wait inordinate periods of time for their day in court.

HARD CHOICE

Confronted with such a choice, the judges in this city have gulped hard and decided that in the interest of society, particularly on the criminal side of the calendars, the lesser evil would be to defer dreams of the Bench as a scholarly and challenging extension of the campus, and instead to dig in and settle cases in what is more realistically an extension of the market place.

As a result of undertaking this grinding and unpalatable chore, the Civil Court of the City of New York, in which cases in some counties could not be reached for five or six years, is now completely current. Likewise, the Criminal Court of the City of New York is up-to-date. And the Supreme Court, by dint of lengthened court hours, shortened vacations, with most justices driving themselves far beyond the normal call of duty, has doubled the complement of judges assigned to criminal parts, while still reducing the delays in reaching trial in the civil parts.

Yes, there are a few judges who are sluggards and incompetents and there may be a few who are corrupt; but from the results achieved in the past few years it must be evident they are a very small minority. It is a pity this state has not yet adopted an efficient judicial selection system, as most of these undesirables would never have ascended the Bench. The derelictions and incompetence of the few taint the entire Bench in the eyes of the public, since the day-to-day excellence and dedication of the many are not generally newsworthy.

FEAR OF CRIME

Yet for all that I have said about the crush of calendars and the consequent tarnishment of the judicial image, I believe a more significant reason for the loss of esteem is to be found in the escalation of crime in the cities and suburbs and the growth of fear to which I adverted at the beginning of this paper.

The man in the street whom we lawyers so devoutly enshrine is now afraid to walk the street. In his mind, the criminal justice system has failed of its purpose, and since the courts are part of the system they must share the blame. It is of small moment to him—and we lawyers have not yet succeeded in making him understand—that judges are doing the best that competent and hard-working jurists can do with the insufficient finances, facilities and help available to them.

The crimes of violence so alarming to the public are the daily grist of the state's nisi prius courts, not of the federal jurisdiction, and it is the judges of the state courts who receive the barbs. Years ago, when the man in the street could walk it day or night without apprehension of violence, he paid little attention to the courts and was generally content with the quality of their incumbents. One suspects that a material abatement in street crime would lead to the same state of mind.

But there has been no material abatement, and the position of the Bench in the public mind continues unjustifiably to suffer. What can be done to restore its prestige? Judges can attain an easy popularity by being rough, tough and ruthless with defendants accused of assault and robbery, by sidestepping their civil rights, by insisting on unnecessarily excessive bail, by imposing unnecessarily severe and even horrifying sentences.

But judges are sworn to administer justice in accordance with law; to deviate from that standard is to betray the public, not to protect it. The public should be made aware that in civilized jurisprudence the victory of perfervid emotion over reasoned deliberation is not only degrading but ultimately hollow. It should be made aware of the magnificent, gruelling sustained performance by the courts of this city. It should be made aware of the valiant efforts being made to deal out even-handed justice against overwhelming odds and of the grave dangers to the body social and the body politic in "swift injustice."

Mullins, in *In Quest of Justice,* recalls that: "When after years of agitation against the Lord Chancellor's delays in the Court of Chancery, a Vice-Chancellor was appointed to assist in clearing off the work, Sir Samuel Romilly, one of our greatest of law reformers, is reported to have said: 'I begin to think that the tardy justice of the Chancellor is better than the swift injustice of his deputy.' "

NEED FOR COMMUNICATION

Can these considerations be widely inculcated in the present angry atmosphere? I do not know whether they can; I do know that the attempt must be made. The judges cannot effectively assume this task of community communications. Some would suspect their statements as being self-serving, others as undignified. It is a job to be undertaken by the Bar, organized and as individual lawyers.

The information neglected by communications media must be disseminated by lawyers, through word of mouth and otherwise, to their clients, families, friends, churches, clubs and others. And also to their legislators and other governmental officials, so many of whom do not fully comprehend the dimensions of our court problem or the strictness of judicial standards. Only so will the work of the courts be understood and appreciated by the public and by government.

But in the indefinite meantime, what? Of this the community may be certain. The judge will continue to do his duty as a judge, continue to administer justice according to law, however burdensome the conditions under which he is forced to function, however exasperating the unfair criticism aimed at him. Courage as well as conscience is a judicial attribute.

If lawyers are to be the educational nexus between the courts and public, as I have suggested, they must be apprised regularly of what they cannot glean from their daily newspapers or favorite news broadcasts.

I believe that the New York Law Journal, with its specialized daily coverage of all matters affecting Bench and Bar, is the only organ of communication in a position to furnish this information. The publishers and editors inform me that they will continue, will intensify their efforts to present the image of the judiciary fairly and comprehensively.

The Journal will present the attractive and praiseworthy features; but when criticism is indicated the warts will not be disguised. Only so can the paper's readers secure a comprehensive but balanced account of what should be the major area of their professional concern.

We welcome the New York State Bar Association and the opportunity to freshen old friendships and make new ones. The Association has time and again played a major role in supporting the judiciary; and we offer the Law Journal's unreserved cooperation in that endeavor.

EXCERPTS FROM SPEECH BY CONGRESSMAN RAY J. MADDEN—THE PRESIDENT'S BUDGET AND THE HIGH COST OF LIVING

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. HAWKINS. Mr. Speaker, I am pleased to recommend to the attention of the Members the timely and brilliant, articulated views of our colleague, Hon. RAY J. MADDEN, of the First District of Indiana.

These observations of the chairman of the House Rules Committee were made in a speech in Gary, Ind., on March 10, 1973.

As one of our most distinguished and influential Members, Mr. MADDEN's remarks will, I am sure, serve to enlighten and inspire us to greater activity in this session of Congress to better serve the needs of our constituents.

The remarks follow:

EXCERPTS FROM SPEECH BY CONGRESSMAN RAY J. MADDEN—THE PRESIDENT'S BUDGET AND THE HIGH COST OF LIVING

Now that the Vietnam War is gradually disappearing from the front pages of the news media, after almost four years of delay, some newspapers finally are becoming concerned about the high cost of living and the alarming conditions of our economy. On the front page of yesterday's Washington Post, the headline was "Food Leads Rise in Cost for February." The news item stated that the Labor Department had announced food costs are at a 20-year high and quoting further:

"The Labor Department said wholesale prices were 8.2 percent above February of last year. Industrial commodity prices were up 4.1 percent and farm and food prices 19.1 percent."

Wholesale prices in general on all commodities have risen at a rate of 11 percent in the last six months and 18.6 percent in the last three months.

The consuming public has been misled not only in recent months, but during the last four years regarding the primary cause of the scandalous rise in the cost of living. It has indeed continued, during and since 1969.

The time has come for big business, labor and the news media to combine in a concentrated effort to lower the cost of living. These forces have been "pulling their punches " on postponing or neglecting to demand that the President cooperate with Congress in the fight against profiteering.

The public should be reminded about the true facts of the inflationary condition of our economy and the reasons why millions are suffering from inflationary prices. The history of our present inflation began in the spring of 1969, when rents, foods, and interest started climbing. In December, 1969, 3½ years ago, the Congress by a large majority in both Houses passed an anti-inflationary bill giving the President immediate power by Executive Order to freeze prices, wages, rents, interest, foods, etc. The President signed that bill in December and it lay dormant in the White House for 22 months. In August 1971, in a nationwide television speech President Nixon announced his 90-day price freeze This freeze was a failure. At the end of ninety days, the President announced Phase II.

Phase II gave authority to a committee made up of mostly industrialists and representatives of conglomerates and industry. This was the Committee from which President George Meany of the AFL–CIO resigned in indignation, because it was a stacked Committee of Members who were not cooperating with the lowering or curbing of the cost of living prices. The President then comes out with Phase III which even the news media admits is not effective in controlling prices.

The above statements are basic concerning our inflationary problem over the last 3½ years. If business, labor, industry, and the news media really combined and directed their demands to the President of the United States to cooperate with the legislation Congress passed in December of 1969, we could have a restoration of a stable economy in a very short time.

Older citizens over the nation will recollect that we are going through almost the identical situation we experienced in the 1920's under the leadership of the then Secretary of the Treasury, Andrew Mellon. He also believed in increasing prices, profiteering, and the trickle-down economy. This brought the collapse of our economy and the stock market crash in November, 1929, and led later to the devastating depression of the early thirties when approximately 14 million Americans were unemployed.

President Nixon during his first term was gradually leading up to a type of Federalism which is a duplicate of the 1920 period. His object seems to be to dismantle or make ineffective all of our social programs and to provide billions for the military . . . to allow profits of large conglomerates to go uncontrolled . . . to be silent and inactive in cooperating with the Congress to close fabulous and fraudulent tax loopholes . . . and even to resort to the old theory of the twenties when the buying power of millions in America was not considered essential to the prosperity of our Nation. As of today, the average working family does not have the money to spend for purchasing many of the manufactured products that he could buy if the fundamental day-to-day costs of living were reduced.

The President in curbing or abandoning many social programs such as housing construction, highway transportation, anti-pollution, aid to the handicapped, and unemployed, etc., will gradually bring about a condition that inevitably will throw this country into a similar economic turmoil that was experienced forty years ago.

In the last couple of years, the President has been advocating that the Federal Government should turn all these main problems back to the States and would allow the governors and the mayors of our cities to solve all these major problems that are so important to 206 million people over this nation. The President should read the history of our nation and learn what was the main foundation that made our country the Number One Nation of the world. He should review the history of our national economy during past generations. At two national meetings, for example, our nation's mayors denounced the President's Revenue Sharing Program as a political hoax set before the November election.

It was the Federal government in Washington, that despite the savage hostility and opposition of the great corporations and profiteers, finally provided labor with a bill of rights, legalized labor unions, regulated hours, set minimum wages, and offered the mantle of social justice to millions of workers. You ask any working man or any citizen of ordinary income whether he would prefer to rely on the voluntarism of private industry or on the Federal government. You will get an honest answer. It was the Federal government that provided legislation in the 1930's and 1940's to bring about Social Security, expansion of hospitals, health care, housing, protection of bank deposits, retirement funds, etc. It was the government in Washington that first launched the campaign to preserve the natural resources of our nation for future generations. Ask any conservationist whether he can rely on Governors and Mayors or on merely voluntary action to resist the giant oil, timber, coal and mineral interests in order to fulfill our obligation to future generations, and here are some more facts.

"It was the Federal government in Washington, not the American Medical Association, that finally brought about Medicare and Social Security; it was not the prvate interests. It was the Federal government with its almost limitless power and resources that corrected the inequities in public education on all levels. It was the Federal government which in recent years has gven vigorous support to the arts, music, libraries, higher education, and research. And, it will be the Federal government that eventually will clean up the Mississippi River and the Great Lakes, will regulate strip mining, will clean the air; but this cannot be accomplished with President Nixon curbing Federal programs and leaving the authority and the power to the governors and the mayors of our cities. Most governors and mayors want to cooperate but the real force and power must come from our President and the Congress if we are to conquer and solve these great national problems. They cannot do it alone."

Only the Federal government has the constitutional authority and the financial resources to deal with these problems on a national scale. The policy of President Nixon which is being followed . . . gradually curbing these great national programs . . . is an excuse and an escape from his responsibilities to the people. Should the Congress and the people be unable to curb the President's frantic effort to destroy so many of these long delayed programs, our Nation's economy and progress will be forfeited and we shall lose more than a quarter century of social advancement and will plunge us into another serious economic depression.

HON. FRANKLIN H. LICHTENWALTER

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ROONEY of Pennsylvania. Mr. Speaker, it is with deep sorrow that I call to the attention of my colleagues the passing of Franklin H. Lichtenwalter, a distinguished Member of Congress for 4 years from 1947 to 1951, and my good friend.

A native of Lehigh County, Pa., which I am now privileged to represent in the 93d Congress, Mr. Lichtenwalter began his distinguished career as a legislator in 1939 with his election to the Pennsylvania House of Representatives, continued serving through his subsequent election as Speaker of the House in the Commonwealth, and culminated his service in the years he spent in Congress.

Throughout his entire legislative career he displayed a sincere devotion to duty and a genuine desire to faithfully serve the interests of his constituents. Frank Lichtenwalter's keen understanding of the legislative process proved to be a valuable asset both for his constituents and for those State legislators and Members of Congress who were privileged to serve with him.

Although he chose not to continue in Congress beyond 1951, he remained active in the business sphere as an employee of the Pennsylvania Electric Association, of which he was serving as vice president and managing director at the time of his death. His deep interest in community affairs were reflected by the terms he served on the board of Pennsylvania Blue Shield, Community General Osteopathic Hospital, and the Lehigh Valley Motor Club. His conspicuous absence from community activities will be a source of sadness for all of us who observed his profound concern for others. Franklin Lichtenwalter was an outstanding American, a truly compassionate individual, and a valued friend.

Mrs. Rooney and I extend to his wife, Marguerite Stoneback Lichtenwalter, and his mother Ellen Ash Lichtenwalter, our deepest sympathy.

WHAT TO DO ABOUT THE DOLLAR

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. HANNA. Mr. Speaker, we have on previous occasions discussed the implications of the dollar crisis and included critical comments about the administration's reactions. It is appropriate to turn from the problem and from criticism and to suggest the broad outlines of a policy for the United States to effectively meet and solve the problem.

Our constant theme has been that the weakness of the dollar abroad was not the result of weaknesses of our economy at home. In fact, we have stoutly maintained that compared to the nations who have rising appreciation in currency we have, in fact, a stronger economy at home. The United States has two problems that have made our currency vulnerable in the international markets. The first and most important of these is the overabundance of dollars held by foreign governments and foreign agencies and individuals. The volume is variously measured from $80 billion to $120 billion. The second is the failure of the United States to move competitively with other countries of the free world in international trade. Here, I mean competitively in terms of effort and financing and not, as generally is stressed so myopically, price.

There then are needed responses to directly meet these two problems; that is, the dollar overhang and the growth of trade. A policy to deal with the excess of dollars should first address the need for early stabilizing of conditions.

To achieve this we suggest an immediate issue of a Treasury bill of 3 to 5 years available only to foreign-dollar holders at an interest rate calculated to assist whatever other incentives the Treasury and administration can devise. This would immunize for a period a portion of the present overhang and reduce the pressure of this heavy surplus of dollar reserves. Whatever legislative authority the Treasury needs for such a special issue of notes should be quickly made available. In addition, there should be undertaken an immediate drive to attract, encourage, and persuade investments from abroad into the dynamic and profitable American economy. In this regard notice should be given and compliments paid to the recent energetic program of the Bank of America to move aggressively toward the foreign investment market with information on available and attractive opportunities in our domestic economy. These two programs, if immediately and intelligently applied, would soon relieve and diminish the adverse pressure which was most responsible for the last two devaluations.

Finally, and above all, we must develop a policy for improved efforts in international trade for American products. This policy must address programs to raise the level of interest in and effort toward more industry involvement in trade. It must speak to more long range flexibility for the agencies and institutions which support trade and trade finance. I stress these, Mr. Speaker, because most of the material I have read and seen seem to miss these points while heavily stressing the problems of trade barriers between trading partners of the free world. This is a problem, granted, but not the only one in making a meaningful advance in volume of exports.

If we undertake these steps at once we will have done something meaningful and lasting toward strengthening our dollar and stabilizing the free world international monetary system.

PRESIDENT NIXON ENDORSES ATLANTIC UNION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. FINDLEY. Mr. Speaker, in a letter which I have just recently received, President Nixon has gone on the public record in support of Atlantic Union, a proposal under which the experienced democracies of Western Europe would be brought together with the United States and Canada in a single federal union government.

As one of the chief sponsors of the Atlantic Union resolution, House Joint Resolution 205, I am particularly pleased with the President's statement of support, as I am with the unanimous action of the Senate Foreign Relations Committee reporting an identical measure, Senate Joint Resolution 21.

The text of President Nixon's letter follows:

> WHITE HOUSE
> *March 10, 1973.*
>
> DEAR PAUL: It was good to see you on March 2 and have an opportunity to discuss the Atlantic Union resolution and other legislative matters. Let me reiterate what I told you about the resolution. As a goal and a concept I have favored Atlantic Union for many years, dating back to my service in the Congress. As President I have made it a policy not to give specific endorsement to resolutions of this kind, but I want you to know that my long-standing position on the concept and the goal which you are seeking to achieve through this resolution has not changed.
>
> With best wishes always,
> Sincerely,
> RICHARD NIXON.

Never before has a President of the United States publicly stated his support for Atlantic Union as a means of dealing with the supranational problems which confront us.

The current monetary crisis, imbalances in trade, troop levels in Europe, negotiations with the Warsaw Pact over weapons, environmental problems—all could be more effectively handled by a federal government of the Atlantic nations.

Atlantic Union captures the genius of the American system of government—federalism—and adapts it to meet the common problems of the experienced democracies of Europe and the Americas.

While President Nixon's letter did not endorse specific language on Atlantic Union, he assured me personally when I discussed the question with him in the Oval Office of the White House on March 2 that he will sign the resolution if it is passed by Congress.

The Atlantic Union Resolution provides for an 18-member delegation of prominent U.S. citizens to be appointed by the President, the Speaker of the House, and the President of the Senate. The delegates are directed to meet with similar delegates from other NATO nations to see if they can agree upon a goal of federal union among their countries and to establish a commission to facilitate advancement toward that goal. Whatever action they take will be subject to the constitutional processes of each nation.

The text of my letter to the President follows:

MARCH 2, 1973.

THE PRESIDENT,
The White House,

DEAR MR. PRESIDENT: I thank you most warmly for this appointment. It gives me the opportunity to draw to your attention the Atlantic Union resolution at this vital time when you are making foreign policy plans for your second term. I am hopeful that you will decide to give the resolution your public support.

Your support will have a dramatic position to the importance your Administration attaches to the development of stronger institutional ties with Europe. It will also reinforce the foreign policy positions you have already taken, including the major initiatives with China and the Soviet Union, and the pragmatic steps taken elsewhere.

A statement of support could be included in your State of the World message or other public document. Or, of course, it could be included in a response to this letter.

Perhaps these thoughts will be useful if you consider making a statement:

Enactment of the resolution would be valuable, constructive notice to our allies in Western Europe and Canada that the Congress, like the President, rates Atlantic Community interests very high and that, far from withdrawing from the present arrangements, wishes to seek agreement on the goal of still greater unity, along federal lines.

One need look no further than the monetary and trade problems now before us to recognize the need for better institutions to deal with them.

The practical steps already taken toward European unity should inspire all of us to set a worthy goal for the still broader Atlantic Community. Small, pragmatic steps are easier to take if they are known to be down the path to an agreed-upon destination. In this, our own forefathers set the example by establishing long-term goals for the thirteen colonies.

The Atlantic Union resolution is a forward-looking proposal, and it is fitting that the United States, the world's first truly federal government, should be a main force behind this initiative.

In more personal terms, Mr. President, I feel this is a way for you to have a great enduring impact on history. By using your prestige to help establish federation as the long-term goal for the Atlantic Community, you will, I earnestly believe, establish an influence for peace and liberty that will last far beyond your own Administration.

I am supplying a memorandum which expands upon these points, and await with high hopes your response.

Sincerely,

PAUL FINDLEY.

MEMORANDUM ON ATLANTIC UNION PRESENTED PERSONALLY TO PRESIDENT NIXON BY REPRESENTATIVE PAUL FINDLEY

Mr. President, you have so consistently supported Atlantic Union in the past that I need not review your powerful arguments for it. The resolution now before Congress is quite similar to one which you endorsed in 1967. My hope is that you will again publicly endorse it.

We have now reached the point in Congress where your support of the resolution would be the kind of pragmatic step which you have made clear is your preferred policy for attaining great goals. Last year, the Senate passed the Atlantic Union resolution unanimously, and only a tie vote in the House Rules Committee kept it from coming to the floor, where passage seemed assured.

This year, Congress hopefully will pass the resolution. The composition of the House Rules Committee this year is more favorable than last.

Why do I believe that it merits your support at this stage?

First, your support will have a dramatic impact on Europeans. It will reassure them that Atlantic interests occupy very high priority in your second-term plans.

Passage of the resolution will give stability and depth to U.S. policy toward Europe beyond your term of office. Whatever other pragmatic steps you may accomplish in the next four years to strengthen our ties with Europe and to build a bulwark against Soviet hegemony may be erased by a successor. It is no secret that Europeans viewed your reelection as essential to their own security.

In four years, almost certainly they will face the same uncertainty when Americans again go to the polls.

Presidential politics aside, the resolutions to reduce U.S. troops in Europe hang like the sword of Damocles over U.S. European policy. Stability and direction need to be given to our European policy beyond the term of your own Presidency. The Atlantic Union resolution can do that.

Second, your support will underscore in a substantial way the importance your Administration attaches to the development of even stronger institutional ties with Europe.

While no government is today ready for federation, there is growing realization on both sides of the Atlantic that some joint exercise of sovereignty is needed. This is especially apparent in the areas of monetary and trade policy.

Third, your support will impart new confidence in world money markets at a critical time. Although institutional arrangements like our own Federal Reserve system, which could deal with the current monetary crisis, might be a long way off, your support for Atlantic Union would indicate that the goal had been set. It would lend stability to the dollar and confidence in U.S. leadership.

Fourth, your support will reinforce foreign policy positions you have consistently taken; that is, favoring small, pragmatic steps in policy. Small, pragmatic steps are easier to take if they are known to be down the path to a clear goal.

When policy occasionally falters, as it inevitably will, the setback is more transitory, and does not conjure up national visions of self-doubt, if the clear goal remains immutable, setting the standard to which all can repair. This was the principle you wisely applied in Southeast Asia policy, announcing the Nixon Doctrine and Vietnamization as the goal.

The identification of a great goal for Europe set fourth in the Treaty of Rome was also worthy. This principle has surely contributed to the strength and growth of the Common Market. It is doubtful that any of the small, pragmatic steps toward European unity which have occurred would have taken place if goals had not first been set at The Hague in 1948 and in Rome in 1957.

In our own history, it was not settled for almost one hundred years that the union of the thirteen colonies would survive. At times, only the great goal which the founding fathers had set in the Preamble to the Constitution, and the strength of several great Presidents, held the nation together. Shay's Rebellion and the Whiskey Rebellion threatened the union and required the personal leadership of President Washington to put them down; the Nullification Doctrine of 1832 crumbled upon the determination of President Jackson to enforce the laws of the land; and the Civil War, which finally settled the permanence of our union, brought forth our greatest President, Abraham Lincoln.

Fifth, announcing your support for Atlantic Union will dovetail perfectly with your initiatives in foreign policy around the globe. You have already stated that 1973 will be the year of Europe. Support for Atlantic Union will fulfill that pledge. It will complement the wise initiatives you began in Peking and Moscow, making yours the first Administration in decades to have a truly balanced global policy.

Most importantly, there is every indication that Europeans would welcome this initiative by the United States, especially the political and economic leaders. I am informed that central banking officials from the European countries would applaud it, almost without exception. Political leaders can also be expected to be enthusiastic, although some, including those in France and Britain, will probably mute their enthusiasm.

Sixth, although it may be presumptuous for me to say it, I view Atlantic Union as the opportunity of a lifetime for you, Mr. President.

It represents an opportunity for you to have a great, enduring impact on history. Setting the goal of Atlantic Union is not an unrealistic or visionary dream simply because it will take time to achieve it. A distinction must be made between pie-in-the-sky promises and realistic goals worth striving for even though they cannot be achieved in an instant or even in the course of one man's Presidency.

Although Atlantic Union is not something which one President can deliver to the world, just as no one President could deliver finally and irrevocably the union of the thirteen colonies, the goal of Atlantic Union is something which one President can set for the United States and the Atlantic community.

No initiative you might take during your Presidency could do more to contribute to lasting peace. Serious divisiveness in the West would evaporate, and no power on earth would challenge the Atlantic community's unity or guiding principles. Your great achievements in Peking and Moscow, which started the generation of peace, would be cemented by Atlantic Union into the fabric of an enduring peace that would last for more than a generation, I think a very long time.

If you use the prestige of your office to help set federation as the goal of the Atlantic community, this act will survive your term and influence future Presidents. Worthy goals, once set, are difficult to change. You will justly be recorded by history as the father of the greatest political association and the greatest force for peace and freedom the world has ever known. You would be remembered as the architect of enduring peace, ranking with Washington and Lincoln.

Finally, the earlier Presidential support appears, the greater its prospective benefit. If you are to give Atlantic Union the push it needs and deserves, now, just after your overwhelming victory, would seem to be the very best moment. To wait even another year would be to limit your own influence upon the shaping of the Atlantic Union goal.

Sooner or later, Presidential interest will be required if the convention is to succeed. For one thing, the President will directly select one-third of the U.S. delegation. One of the serious weaknesses of the 1962 Atlantic convention in Paris was that the President did not participate in the formation of the delegation and did not actively support the resolution. Thus, a lesser standard was set, and the goal was abandoned almost before it was announced. With prompt Presidential support, this resolution will win this year by a comfortable margin. The nation will rally behind it. Europeans will renew their ties, confident that the wave of the future is an Atlantic Union of the free. And the security and peace of the world will be stronger.

CLEO A. NOEL, JR. AND GEORGE C. MOORE

HON. CARLETON J. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. KING. Mr. Speaker, unfortunately, I could not be here last week to express my shock and sadness over the tragic deaths recently of the American Ambassador to the Sudan, Cleo A. Noel, Jr., and his deputy, George C. Moore.

While I did not have the honor or the privilege of knowing these two diplomats on a personal basis, I do know that they were both highly respected specialists in Middle East affairs who gave their lives for a better and safer world for all mankind.

I wish to join with their many friends throughout the world in extending my heartfelt sympathy to their families.

Under leave to extend my remarks in the RECORD, I wish to include an editorial which appeared last week in the Granville Sentinel Newspaper, Granville, N.Y., which further illustrates the kind of a man Cleo Noel was and how highly regarded he was by those who were fortunate enough to have known him.

The editorial follows:

CLEO A. NOEL, JR.

The letter was dated January 14, 1973. It said in part—"I arrived here on December 18 and presented my credentials to the President on December 23. It was a source of particular satisfaction since I was here to pull down the flag in June 1967, to hear the Sudanese Army Band strike up the Star Spangled Banner just before I reviewed the honor guard on the Blue Nile in front of the Palace, as well as to ride thru the city in the official Rolls with the flag flying.

"It's been a very busy four weeks including a five day train trip to Kassala in eastern Sudan with the Presidential party and diplomatic corps to celebrate Independence Day, January 1. I'm now very much looking forward to Lucille's arrival on February 2 and I think she is anxious to get here too. And in the longer run, I'm still looking forward to joining you in the Green Mountains."

Today, the writer of this note is dead. His two children are fatherless; his wife a widow. The State Department is minus its top-drawer professional expert on the Middle East and Granville has lost its "adopted son." Cleo Noel, the United States Ambassador to the Sudan was assassinated last week by Black September terrorists.

Last Saturday, March 3, the publishers of this newspaper received in the mail a manila folder with a return address "Ambassador Cleo A. Noel, American Embassy, Khartoum." Enclosed was literature about the Sudan and Khartoum. The Ambassador, a friend of many years, had been assassinated the day before the folder arrived in Granville. His reason for mailing the literature stemmed from a mutual interest—he and his lady wanted to host the Sentinel's publishers to a vacation at the Embassy—and the two Sentinel "people" anticipated the occasion.

News-wise much has been written and read about Cleo Noel. Normally, over many years, this nation's Administrations have passed out Ambassadorships to the "fat cats" who contribute heavily to election campaign costs. In many instances the appointments have not contributed to the diplomatic relations aspired to by the appointee. However, Richard Nixon deserves a star of some sort of approving Cleo Noel as the U.S. Ambassador to Sudan. Cleo had no peer in the realm of international diplomacy. He was tops!

The Ambassador and his wife were no strangers to Granville. They loved our community. Together they relished the dream of retiring here in our area. They cherished our hospitality and our people. They loved the good earth which Cleo Noel wanted for his gardens and flowers. Together, the Ambassador and his wife, would walk Main Street. They enjoyed the atmosphere of Granville; In their estimation Granville was just "it."

The publishers of this newspaper had no fonder friend than Cleo Noel. He was honest, he was sincere and he called the shots as he observed them. Best of all, Cleo Noel was a real man and a great one. May he rest in peace.

PLEA TO INSURE EQUAL ACCESS TO EDUCATION

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. RIEGLE. Mr. Speaker, I would like to insert the following two letters concerning the impact of the President's proposals for student aid. Curtailment of the presently operative programs would severely limit the opportunity of students to attend institutions of their choice. Depending upon the level of demand, the basic opportunity grants program is likely to provide smaller grants than those now available—grants inadequate for those who need considerable financial aid or who wish to attend a private institution. Implementation of the administration's proposals in the academic year 1973–74 would seriously jeopardize the educational future for many students. As testimony to this, I would like to insert the following letters from Ferris State College and Western Michigan University. I urge my colleagues to seriously consider these pleas to insure equal access to education for all. The letters follow:

FERRIS STATE COLLEGE,
Big Rapids, Mich., February 27, 1973.

Hon. DONALD W. RIEGLE, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. RIEGLE: The purpose of this letter is to bring to your attention some of the concerns of those of us working with college students and prospective college students as we study President Nixon's budget proposal.

We understood that the Education Amendments of 1972 stipulated that the present programs (Supplemental Educational Opportunity Grant, National Direct Student Loan Program, and College Work-Study Program) were to be funded before implementation of the Basic Opportunity Grant Program. However, as you are well aware, the President's budget phases out the old EOG Program entirely and for all practical purposes eliminates new capital for NDSL.

It is my understanding that the financial aid personnel not only at Ferris State College but throughout the country are acutely anxious about the administration of the BOG program for the academic year 1973–74, when the procedures for application and administration have not yet been developed or at least not made available. As I am sure you know, most high school seniors expect word in March or April regarding the types and amounts of aid to be available for the following academic year. Students, parents, and high school counselors will besiege our college officers for answers that we simply shall not be able to give.

I am informed that preliminary comparisons of the results of applying the regulations regarding BOG published in the February 2 *Federal Register* with the results of applying the old regulations for EOG indicate that a considerable number of students who would have been eligible for aid under the EOG program would not be eligible for BOG.

Of special importance from my point of view is the threatened loss of all financial aid to that large group of deserving and needy students who just do not quite qualify for the BOG because they are not quite needy enough, but who cannot handle college costs without some help. The NDSL Program has been the answer for hundreds of students in this category. In 1971–72 at Ferris State College alone 1,246 students received aid through National Defense Student Loans; for the current fiscal year the number receiving National Direct Student Loans will be approximately 1,400. While it is true that this program can be continued to a limited extent with the funds that become available through repayments, the lack of new capital will severely curtail the amount available and hence the number of recipients.

I am aware of course of the Guaranteed Loan Program and the new emphasis on need there. Presumably the intent is to phase out NDSL in favor of the Guaranteed Bank Loans; but the problem is that Guaranteed Loans are not equally available to all deserving students because not all banks participate in the program.

Even though the President's budget calls for no reduction in total dollars for College Work-Study, the amount requested represents an effective reduction because of the larger number of institutions eligible to participate this year.

For all these reasons I ask that every effort be made to provide adequate funds for the Supplemental Educational Opportunity Grant, the National Direct Student Loan Program, and the College Work-Study Program. Ferris State College serves students from all sections of the State of Michigan, and hence we believe that our concern is your concern.

Sincerely,

ROBERT L. EWIGLEBEN,
President.

WESTERN MICHIGAN UNIVERSITY,
Kalamazoo, Mich., February 27, 1973.
Hon. DONALD W. RIEGLE, Jr.,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN RIEGLE: As you know, the Basic Education Opportunity Grant Regulations concerning the determination of the expected family contribution was published in the *Federal Register* on February 2, 1973. Enclosed please find our response to Mr. Peter Voigt, Acting Coordinator of the Basic Educational Opportunity Grants.

In our letter to him we have pointed out that the method of implementation of this program is such that few students from middle income families will qualify for the Basic Grant. This appears contrary both to the intent of Congress and to the wide publicity announcing this program.

This, however, is a relatively minor concern of ours when compared with the real crisis that many students from low income families will be facing next Fall unless some decisive action is taken *now* by Congress and reinforced or nullified by the federal court *soon after*. The crisis is occasioned by the *uncertainty of the funding of the National Direct Student Loan and the Supplemental Educational Opportunity Grant programs for the academic year 1973–74.*

We urge you *to support the priority in the 1973–74 appropriation of student aid funds to the presently operative aid Programs* (the National Direct Student Loan, the Supplemental Educational Opportunity Grant and the College Work-Study) *over funding of the Basic Educational Opportunity Grants.*

Unless these programs are funded, literally hundreds of thousands of students will lack adequate resources to continue or to begin college this Fall. As you know, President Nixon has requested funds for the Basic Opportunity Grants and the College Work-Study but none for the National Direct Student Loan and the Supplemental Educational Opportunity Grant programs. He is convinced that the NDSL program should be replaced by the Guaranteed Student Loan. Even though he may be right in assuming the one will replace the other, the time factor is against this happening for the 1973–74 academic year. The Michigan Office of Education does not anticipate that either lending institutions presently participating in the Guranateed Loan Program are prepared to increase significantly their involvement or that there will be any meaningful increase in the number of participating lending institutions.

This means that the student who has need for assistance to meet all, or nearly all, of his educational expenses will have no resources to turn to, to meet that portion of his need previously covered through the NDSL program. Even if the Basic Opportunity Grant program is funded to meet all entitlements fully, most of the students who qualify for the Supplemental Educational Grant and the NDSL programs will have inadequate resources since the basic grant cannot exceed half their yearly educational cost. Work-Study funds will not fill the gap since the requested appropriation for next year is less than for fiscal 1973, a year in which all funds are committed to meet student needs.

For these reasons between 1200 and 1300 of the students presently receiving aid here at Western Michigan University (over 50% are minority students) will be unable to enroll next Fall without NDSL aid, and no doubt many of them without SEOG to compliment the lack of full funding of the BEOG. I am sure this situation is typical of most colleges and universities.

We understand that far more is involved in this matter than the appropriation of funds for certain programs. We feel certain that even through appropriated funds survive the President's veto, they will be impounded by the administration. We, therefore, urge you that in addition to supporting the funding of the NDSL and SEOG programs, you along with your colleagues take whatever action is necessary NOW to settle the question of the President's right to impound these funds. It is important that this issue not be allowed to drag on through the summer and into the fall. The immediate future of too many students, who are constituents of yours, depend upon its resolution. If its resolution is in favor of the Congress, then we can get on with the business of providing assistance to qualified students for 1973. If its resolution is in favor of the President, then at least students would have the opportunity to search for alternate sources of aid and/or of action.

This is a matter of utmost importance which we trust you recognize and are vigorously dedicated to resolving now.

Yours sincerely,
EDWARD W. HARKENRIDER, Ph. D.,
Director, Student Financial Aid and Scholarships.

LYNDON JOHNSON

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. ECKHARDT. Mr. Speaker, the whole tapestry of words fashioned upon President Johnson's death still did not adequately depict the real man who fascinated this Nation for a quarter of a century and tried to move it in the direction of a Great Society. Nor can the words I speak here do so. The satisfaction he sought in life, and which this country grants him unanimously in death, is that of being the one man who advanced civil rights in this century as no other since President Lincoln.

Reporters, intellectuals, historians, and colleagues have written countless words about Lyndon Johnson. None stated so well what he was striving for as did a young black man from the South named Lafayette Haynes. Mr. Haynes wrote a column for the Boston Globe about his feelings concerning the death of President Johnson. Mr. Johnson would have appreciated it. He would have been so proud to know that a young man who is too young to remember his efforts in 1957 in passing the first civil rights bill in a century would benefit and grow from his efforts and would one day write so perceptively about them.

Mr. Speaker, I submit Mr. Haynes' article which appeared in the Boston Globe shortly after the President's death:

HE DARED AS NO OTHER FOR BLACKS

(By Lafayette Haynes)

I never personally knew Lyndon Johnson, but in many respects I was part of his history.

I never really had a concern for the war in Vietnam when all the white kids at my school were protesting Johnson's escalation of the war through bombing.

Now I am older and my views of Vietnam have changed considerably, but I would not venture to measure the greatness of LBJ or his flaws on the war. But as a Southerner and a black man there are measurements of feeling that Lyndon Johnson had a great deal to do with.

When John Kennedy was killed in 1963, most of the black kids my age were scared to go to a hamburger stand because we didn't expect all those northern liberals to come speeding down to Baton Rouge to keep us from getting our asses kicked after their leader had died.

Lyndon Johnson was sworn in and there was no doubt in my mind that the rednecks were back in business.

I was wrong. To the rednecks Lyndon Johnson was just as much a "pinkie commie" as his proper talking predecessor. And while whites north and south were trying to divert Johnson's civil rights effort, blacks were getting angry and challenging everything the President said we had a right to do.

At one point I and a few of my high school teammates had the audacity to tell L.S.U. we had a right to have football scholarships.

Blacks had reached a point where nothing could deny them their right to be "whatever in the hell they wanted to be." In retrospect it is difficult to say if going to a burger stand and having your food spit on or sitting in your car and having a group of white youths speed by shooting the finger at you, were important.

But it was important. And underneath the surge of black Americans was this sullen talking Texan telling white America it had perpetrated injustices on black Americans.

Johnson more importantly translated to the southern white man that he, the southern white, for social justice to be evident, would have to lead America. Johnson's efforts left him alone holding the country together when no other white dared take the steps he did for black America.

What is left of Johnson's legacy is left in places in the South where men never had any difficulty in saying what they felt about each other. A great part of the legacy is an honesty Lyndon Johnson felt was rooted in white southerners to make the dream of equality true for all men in America.

When I sat in the president's office at Southern Methodist University in 1968 protesting injustices, I asked myself as I do now what led me to waste my energies fighting rednecks deep in the heart of Texas.

It was probably because Lyndon Johnson had made it a part of my own destiny; a necessary element in resolving this nation's race issue. An issue Lyndon Johnson raised because he was a sincere American, but also a deeply rooted southerner who refused to turn his back on it.

Johnson was the kind of man I could look at and in a slow draw call a "son of a bitch" and expect a warm handshake.

It is different when you are a southerner because insult becomes a salutation of manhood.

PHILADELPHIA NAVAL SHIPYARD ACCLAIMED AS MOST EFFICIENT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. EILBERG. Mr. Speaker, at a time when there are constant complaints about waste in Government with the Department of Defense emerging as the prime target for these charges I am happy to report that the Philadelphia Naval Shipyard has been cited as one of the most efficient and cost-cutting operations in the Nation.

The award given to the shipyard is in recognition of its long history of providing the Navy with new and renovated ships ahead of schedule and below estimated costs and its continuing efforts in this direction.

FRANK POMPI: A FINE PUBLIC SERVANT IS RETIRING

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. DULSKI. Mr. Speaker, 42 years ago, Francis J. Pompi began work for the U.S. Immigration and Naturalization Service. At the time, he thought it was a stopgap on the way to becoming a schoolteacher.

At the end of this month, Mr. Pompi will close out his long career, his final position being Assistant District Director-Travel Control at Buffalo, N.Y.

It was in May 1931 that Mr. Pompi joined the border patrol at Buffalo and he has had a variety of responsibilities in the Service during his long tenure.

His work has two sides, positive and negative: Helping immigrants become citizens and seeking deportation of illegal and undesirable aliens.

Mr. Pompi thinks positive and is proud of the part he has played in helping some 10,000 persons along the road to U.S. citizenship.

Frank Pompi has an important law enforcement role with sometimes unpleasant responsibilities, but he has not allowed it to diminish his faith in human nature; his love of his fellow man.

Nothing makes Frank Pompi happier than the chance to help an individual or a family. He looks upon his work as not simply a job but, rather, as a real opportunity to be of service to others.

Dedication is an overworked expression, but it is nowhere more appropriate than in describing the day-in, day-out operation of Frank Pompi. He is the personification of a fine public servant.

Mr. Speaker, we are fortunate to have public servants like Frank Pompi and we can be grateful for the 42 years of service he has given his country in a variety of responsibilities within the Immigration and Naturalization Service.

Incidentally, while he never swung over full time to being a schoolteacher as he had planned when he finished college in the early depression days, he has had a chance to do some teaching. He was assigned to Washington headquarters in the early 1960's as a member of the faculty of the National Immigration School, teaching and training future INS inspectors.

As part of my remarks, I include a newspaper article on Frank Pompi's forthcoming retirement:

[From Buffalo (N.Y.) Courier-Express, Mar. 11, 1973]

U.S. IMMIGRATION OFFICIAL TO END 42-YEAR CAREER

(By Jim McAvey)

On March 31, Francis J. Pompi will retire, thus bringing to a close a U.S. Immigration and Naturalization Service (INS) career which began here 42 years ago when he was 22 and still had dreams of becoming a school teacher.

When he finished college the country was in the depths of the great depression. Instead of finding himself launched on a teaching career, he became a stenographer with the U.S. Corps of Engineers in Providence, R.I.

In May, 1931, he joined INS and was assigned to the Border Patrol in Buffalo. That same year he married Clementine Lombardo of Buffalo. Over the years they raised two sons, Robert and Kenneth, both of whom are now PhDs. Pompi and his wife recently moved into what he says will be their retirement home at 316 Fairways Blvd. in Amherst.

The ruggedly handsome Pompi, who is now assistant district director-travel control, for the INS, will celebrate his 64th birthday March 17.

"My birthday is really March 16 but we have always celebrated it on St. Patrick's Day when I tell everyone my name is really O'Pompi," he said with a broad grin and what could have been a merry, Irish twinkle in his dark, brown eyes.

Pompi rose steadily through the ranks over the years, serving in Cleveland, Ohio, and Erie, Pa., as a naturalization examiner after six years on the Border Patrol here. He was reassigned to Buffalo in 1945 and in 1952 was appointed special enquiry officer. In this job he presided at deportation hearings in the Buffalo and Cleveland areas, and over a seven-year span he was responsible for the deportation of over 2,000 undesirable aliens.

Pompi said he prefers to think of the positive side of his work and over the years he helped more than 10,000 persons along the road to United States citizenship.

His teacher training was not for naught either because from 1960 to 1964 he served as a member of the faculty of the National Immigration School in Washington, teaching and training future INS officers.

Immediately prior to his present assignment here in 1970, Pompi was the immigration inspector in charge of the three international bridges in the Nigara Falls-Lewiston area.

He and his wife have toured Europe three times and traveled through Hawaii.

"Now we are going to do a considerable amount of traveling in the United States," he said. "I will keep busy. I love to go fishing and there will be work to do around the house."

On March 30, he will be honored at a retirement dinner-dance in the grand ballroom of the Ramada Inn, 401 Buffalo Ave., Niagara Falls.

NIXON COVER-UP AND ABUSE OF "EXECUTIVE PRIVILEGE"

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Nation's press has reacted strongly to President Nixon's statement of March 12th asserting blanket "executive privilege" to protect highlevel officials of his administration from congressional investigation of the Watergate incident and other administration scandals.

His arrogant effort to further reduce the status of Congress must be resisted by all available constitutional means at our disposal. Under leave to extend my remarks, I include the following article and editorials:

[From the New York Times, Mar. 14, 1973]

EXECUTIVE COVER-UP

When President Nixon at a news conference on January 31 promised a precise statement concerning the use of executive privilege, he assured reporters: "The general attitude I have is to be as liberal as possible in terms of making people available to testify before Congress, and we are not going to use executive privilege as a shield for conversations that might be just embarrasing to us."

Now that the promised statement has been issued, it turns out to be vague rather than precise, restrictive rather than liberal in its effect, and designed to protect the President from grave political embarrassment rather than to assist him in the exercise of his proper official duties.

Executive privilege is comparable to the impoundment of funds. It is one of those Presidential powers which is implicit rather than spelled out in the Constitution. Its boundaries are inherently difficult to define. Presidents have traditionally used it sparingly, reserving it for a last line of defense when a Congressional committee has overreached itself. A decent respect for the comity that should prevail between equal branches of the Government has normally controlled its use.

Unfortunately, as in the impoundment controversy, President Nixon now seeks to exploit the necessary vagueness in this constitutional domain and to rail down as unchallengable authority what is more wisely left flexible and loose.

Even worse, he is trying to extend the coverage of this doctrine in two significant ways. First, he would include not only members of the White House staff but also former members. No time limit is set on their alleged immunity from Congressional cross-examination. Secondly, he claims for Cabinet members who hold dual appointments as "Presidential counselors" the privilege of refusing to testify on that portion of their work which involves their White House duties.

These ambitious claims of a right secrecy are novel and specious. Once individuals cease to be members of the White House staff, they cannot carry with them into private life the privilege of routinely "declining a request for a formal appearance before a committee of the Congress." Contrary to the President's statement, this is not a "well-established precedent." It is wholly unfounded.

Similarly, a Cabinet officer has always been regarded in normal constitutional practice as responsible not only for administering his own department but also for advising the President on broad issues of public policy. It is specious to assert that simply because the President has conferred on some of his Cabinet members the additional rank of "Presidential counselor" that he also confers on them some special added immunity. The duties of Cabinet members and Presidential counselors are so intertwined that any distinction in the degree of confidentiality and trust between the two positions can only be arbitrary and artificial.

The saddest aspect of this latest institutional wrangle between the President and the Congress is that Mr. Nixon is asserting such arrogant claims in so unworthy an affair. It is impossible to avoid the suspicion that the President is trying to cover up White House involvement in the ugly campaign of political sabotage and espionage which climaxed in the Watergate raid.

The assertion that executive privilege protects former Presidential aides, for example, looks very much like an effort to protect Dwight Chapin, the former Presidential appointment secretary, and perhaps former Attorney General John Mitchell and former Secretary of Commerce Maurice Stans from Congressional interrogation concerning their responsibility for the Watergate episode and related activities.

When President Washington first invoked the concept of executive privilege to protect the confidentiality of the diplomatic negotiations leading up to the Jay Treaty in 1796, a squalid political intrigue such as the Watergate affair was the furthest thing from his mind. When executive privilege is invoked in an apparent effort to cover up blatant political wrongdoing, the office of the Presidency is demeaned and this nation's constitutional practice is debased.

[From the Baltimore Sun, March 14, 1973]

ABUSE OF EXECUTIVE PRIVILEGE

As Presidential power expands, so does the potential for White House abuse of executive privilege. This is a correlation that should not be forgotten in the continuing struggle between the authoritative Mr. Nixon and a Congress that suspects its prerogatives are eroding. For the moment, one test is whether former as well as present members of the President's personal staff can be compelled to testify in Senate hearings on White House monitoring of the FBI's Watergate probe.

Mr. Nixon says his counsel, John W. Dean 3d, will not testify in formal committee session, and he probably has enough precedent to win this point. He also says his former appointments Secretary Dwight L. Chapin, will not testify, and here we have yet another debatable extension of executive privilege. Whatever distinction is made between the two men, the Congress should defend its rights every inch of the way.

It is lamentable that this latest test of our system of checks and balances is being fought on the matter of the Dean and Chapin appearances. From the President's standpoint, the issue is joined on a very shoddy business—the Watergate mess, itself, access to FBI raw files and interrogations. This, in what was essentially a criminal-political probe far, far outside the usual definition of Presidential function. From the Congressional point of view, the Dean-Chapin case opens opportunities to embarrass the executive only at the cost of deflecting public attention from the larger dangers of Presidential power-grabbing.

Mr. Nixon's campaign to impound government funds and, in effect, impose an item veto on congressional appropriations is a well-publicized conflict. But now that the President has issued his broad interpretation of executive privilege, it is well to re-emphasize his January 5 decision to make four Cabinet secretaries part-time members of his personal staff. This downgrades traditional departments and enhances the prestige of a White House staff that is not accountable to Congress. And it raises problems about dual responsibility that Mr. Nixon fails to answer satisfactorily.

"A Cabinet officer or any other official who holds a position as a member of the President's personal staff shall comply with my reasonable request to testify in his non-White House capacity, provided the performance of his duties will not be impaired thereby." Thus spake Mr. Nixon, and the room for dispute over what is "non-White House capacity" should enliven many a future hearing. There are, of course, sound reasons for improving the White House management of government and for protecting the confidential nature of staff discussions dealing with Presidential duties and decision-making. But once again Mr. Nixon has asserted and expanded his powers in a manner that unduly affronts Congress and arouses justifiable fears for the governmental balance Americans have long treasured.

[From the New York Times, Mar. 14, 1973]

NIXON-CONGRESS BATTLE—PRESIDENT'S EXECUTIVE PRIVILEGE VIEW BRINGS ISSUE CLOSER TO THE CRISIS STAGE

(By James M. Naughton)

WASHINGTON, March 13.—The President and Congress are headed once again for an impasse over executive privilege, the unwritten doctrine under which the executive branch has kept secrets from the legislative branch since 1796.

No Congress in all that time has had the nerve to go to court to test the President's asserted right to withhold some information from Congress. But the mood between the second Nixon Administration and the 93d Congress was acrimonious even before the President declared in a 1,000-word statement yesterday that it would be "inappropriate" for his aides, past or present, to be subject to Congressional questions.

As Mike Mansfield, the cautious Democratic leader, said today on the Senate floor, "the question of executive privilege may be approaching a crisis stage."

Legislation to set limits on use of executive privilege is pending in Congress. Two Senate subcommittees will begin joint hearings next Monday on Administration policies on secrecy. And the Senate Judiciary Committee voted unanimously this afternoon to try to question John W. Dean 3d. Mr. Nixon's White House counsel, about the fitness of L. Patrick Gray 3d to become permanent director of the Federal Bureau of Investigation.

NIXON AND ERVIN VIEWS

"No President could ever agree to allow the counsel to the President to go down and testify before a committee," Mr. Nixon said at his news conference March 1. His policy statement on executive privilege yesterday merely codified that attitude.

But Senator Sam J. Irvin Jr., Democrat of North Carolina, countered that Mr. Nixon's policy on Mr. Dean's unavailability "represents the essence of the conflict." And Senator Mansfield said today that Mr. Nixon was seemingly trying to extend executive privilege to "cover too much territory."

George Washington refused in 1796 to tell Congress all about the Jay Treaty with Great Britain and virtually all of his successors have refused to give some information to the Senate or the House of Representatives. Congress has often objected and has occasionally confronted the White House, but it has never resolved the issue.

The problem now, according to Senator Ervin and others, mostly Democrats, is that while previous Presidents have withheld information from Congress, Mr. Nixon is withholding witnesses.

According to Mr. Nixon's declaration yesterday, the President is not accountable for his use of his executive powers under the Constitution and it is therefore "equally inappropriate" to question his aides "for their roles are in effect an extension of the Presidency."

VIEW CALLED UNFOUNDED

Arthur Bestor, professor of history at the University of Washington, told a Congressional study conference last week that such an assertion of executive privilege was unfounded and that Congress would be well advised to disregard it. He theorized that Presidents had resorted to the custom of citing executive privilege as a response to the Congressional use of investigative power.

Similarly, Raoul Berger, the Charles Warren Senior Fellow of Harvard Law School, told the conference at the Capitol that Congress had been "too bashful about asking for what belongs to you" and that when an official refused to testify Congress should "stop being sissy about it—just clap him in jail."

No one in Congress has gone that far in opposing President Nixon's use of executive privilege. Senators Ervin and Mansfield concede that the President has a right to maintain confidentiality over his private discussions with intimate advisers. But they contend that the right does not extend to dealings between White House officials and third parties.

The Senate Judiciary Committee is asking to examine Mr. Dean not on his personal advice to the President but on his dealings with Mr. Gray during the bureau's investigation of the Watergate case last year.

TESTIMONY LAST YEAR

The situation appears to be comparable to one that involved Sherman Adams, President Eisenhower's closest aide, in 1958. Although General Eisenhower refused to allow the Senate to question Mr. Adams about his role in the Dixon-Yates power controversy of 1955, he permitted a House panel to interrogate Mr. Adams three years later about his relationship with Bernard Goldfine, the Boston industrialist. At the time, Mr. Nixon was Vice President.

There is an even more recent precedent for the interrogation of Mr. Dean. Last year, Mr. Nixon agreed to limited questioning of Peter M. Flanigan, a White House aide in Senate confirmation hearings on the nomination of Richard C. Kleindienst to be Attorney General.

The Constitution does not specifically give Congress the power to demand information, nor does it give the President authority to deny information.

Senator Ervin's solution is to try to write rules for the use of executive privilege. His proposal would require an Administration official at least to show up, with a written excuse from the President, to claim the privilege when called before a Congressional committee. The committee would then judge the validity of the request. If it refused, it could insist on the information and, denied it anyway, could seek a citation for contempt of Congress.

President Nixon is certain to veto such a proposal if Congress sends it to him, and enactment of it over his veto would pose a constitutional issue for the courts to decide. No one on Capitol Hill appears to want matters to go that far.

Senator Robert C. Byrd, Democrat of West Virginia, noted today that Mr. Nixon intended to apply executive privilege even to former White House aides. He said that, with Congress and the President already arguing over war powers and spending authority, the White House attitude would "only heighten the pitch of the battle.

Senator Mansfield said he would prefer to "reach an accommodation" with the President over executive privilege. Senator Edmund S. Muskie, Democrat of Maine, said in a speech last night in Texas that "the best political medicine" to such constitutional disputes was "compromise."

TERROR IN THIEU'S PRISONS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 12, 1973

Ms. ABZUG. Mr. Speaker, in 1968, two young Frenchmen, Jean-Pierre Debris, and Andre Menras, both teachers, went to South Vietnam on a governmental educational exchange program called "La Cooperation." Jean-Pierre Debris, aged 27, teaches mathematics, and Andre Menras, who is 24, is a primary schoolteacher.

Although they went with no political preconceptions, after 2 years, during which they worked in Da Nang, then in Saigon, they became so indignant at the amount of corruption and tyranny they encountered on every side, that on July 25, 1970, they decided to break the strict silence they had maintained.

Throwing all caution to the winds, they climbed on a monument just outside the National Assembly in Saigon, unfurled a National Liberation Front flag, scattered leaflets, printed in Vietnamese, which urged immediate peace.

They were immediately arrested by ARVN military police and taken to the Chi Hoa prison in Saigon. They remained there until they were freed on December 29, 1972, without warning, and immediately expelled from South Vietnam. They arrived in Paris on New Year's Eve.

The following text is a translation of the taped statement they made January 20 during a meeting, organized by three Vietnamese groups in Paris, before an audience of some 5,000 persons.

Their testimony is, to date, the most authentic non-Vietnamese statement that has been received concerning the fate of the estimated 200,000 political prisoners in Thieu's jails.

These two young men are now in the United States on a speaking tour. I have heard their story and I believe it should be made known to all Americans. American Report published this account:

Terror in Thieu's Prisons

Jean-Pierre Debris: First I want to tell you about our arrest. During our first week in jail, we were surrounded by ordinary prisoners, who are used by the Saigon Administration to guard and beat up the political prisoners.

Still, even in that first week, while we were lying in our cell, I was thrown a little bottle of oil which the Vietnamese use for relieving pain after you've been beaten up. Around this bottle was a note written in very good French. It said, "Thank you, on behalf of the Vietnamese people," and was signed, "your comrades in arms."

We learned a long while afterwards that this came from a cell where the so-called "rebels" were kept, those who refused to salute the Saigon regime's flag. They were beaten and tortured for it.

We met them eight months later, during the first Tet celebration we spent in prison—in February 1971. After months of complete isolation, we were able to go down into the yard where the latrines were. It wasn't a favor on the part of the prison guards; it was just carelessness: they were too busy celebrating Tet. In the yard we met the brothers who had sent us the lotion.

They lived in awful conditions and now, for Tet, their families had been able to visit them and had brought them all kinds of good things to eat. They insisted on giving us everything, and we celebrated together. We sang the song of Unity and Solidarity.

Then the brothers from the isolation ward also came down. These were political prisoners who had been brought back from the tiger cages in Poulo Condor.

WITHOUT WINDOWS OR LIGHT

Normally, they were never allowed to go out into the sunlight; but were kept in solitary confinement, in cells without windows or light. But that day, the first day of Tet, they could come down into the prison yard. So we saw, the whole jail saw, for the first time, these hundred prisoners from the tiger cages.

And in what condition! They had to crawl down, because they couldn't walk anymore; their knees had been broken. They dragged themselves along the ground with little wooden benches they had made. In the sun they had to close their eyes completely because they'd been blinded from so many years of darkness. Their faces were haggard and lined, their bodies gaunt and emaciated. They were wearing tattered prison uniforms, the standard black pajamas.

PRISONER'S SOLIDARITY

No one made a sound when they arrived. Even the trustees who guarded them were astonished. A regular prisoner threw them a box of candy. The trustees didn't move. They let him do it.

Other regulars threw delicacies that had been brought: oranges, fruit, even a few ducks. We watched all the prisoners throw everything they had to these people, who had come back from the death camps.

We even saw an American, an American G.I., who was in the isolation ward. He had nothing to give, no money, he received no visits. All he had was his clothes. He started to undress and, piece by piece, he threw all his clothes to these prisoners from Poulo Condor.

This policy of "re-education," as the Saigon Government calls it, is aimed solely at breaking patriotic Vietnamese, sapping their strength, breaking them not only physically, but especially mentally.

There are many ways to kill a man * * *

At our prison of Chi Hoa, and elsewhere, there are ways of killing people: by giving them nothing to eat, by rationing their water, by beating them, by torturing them, by leaving them in tiger cages.

TIGER CAGES

In our last months at Chi Hoa, we saw something which was still more tragic. On Nov. 15, (1972), Col. Nguyen Van Ve came back. He had been exposed in 1969 and 1970 as the "father of the tiger cages" at Poulo Condor.

These tiger cages were denounced in 1969 by all the international press, by American papers, and by French papers. I even remember seeing a picture of this colonel in a Paris magazine that labeled him the father of the tiger cages. (Actually it was the French colonialists who were the first to build them.)

In 1967 this colonel was director of the concentration camps at Poulo Condor. After the scandal of the tiger cages he disappeared, only to reappear in the "Phoenix" campaign, which was aimed at destroying the ranks of the National Liberation Front by assassination.

Despite the exposure of the tiger cages, they're still there—and what's more, they've been rebuilt. We saw prisoners in RG sector, in particular, in cell 0G3, at Chi Hoa, who had come back from the tiger cages to be "nursed."

NO MONEY FOR MEDICINE

There is an infirmary at the Chi Hoa prison. When they arrived, they were told that there was no medicine.

The American supplies weren't being sent any more. There were no dollars for medicine for political prisoners, but there was $400,000 to build new tiger cages in camps numbers seven and eight, at Poulo Condor. There is an American company in Saigon which is building tiger cages at the present time—new, improved models.

The cages are too low for the prisoners to stand up. They put three to five prisoners in each one, so there's not enough room for them to sleep. They have to take turns lying down while the others crouch.

The cages are kept in completely dark rooms without ventilation; most of those who manage to live through the experience are completely blind afterwards. Friends of ours who've lived in the cages have told us how they were forced in desperation to wash themselves with their own urine, even to drink their own urine.

The food rations decrease each year. In August 1972 it was still a pound and a quarter of cooked rice a day; now it's less than a pound, and the rice is soaked in sea water and mixed with sand to make it go further. The only thing they get with the rice is a pinch of salt—not enough—no vegetables, no meat, of course, no fish. They used to get a bit of pickling brine, but now they don't even get that.

If anyone so much as asks for an extra bowl of rice, there is ferocious repression. Beside each tiger cage is a container of quick lime which the guards throw onto the prisoners, and which burns their skin. They also use grenades of nausea gas and tear gas.

Then, when they've used all this, they beat and handcuff them. We know people who've been kept handcuffed for years because they refused to salute the Saigon flag.

So, at Chi Hoa, the colonel came back. He brought into the prison a hundred members of the tac squad of the Saigon police, armed with bamboo shields, helmets, bullet-proof vests, pistols, clubs, even grenade launchers. They entered every cell containing political prisoners.

ELIMINATING PRISONERS

Each cell had from 60 to 100 people piled on top of one another. They divided each cell into tiny groups, separating people who had known each other for years. During this separation and change of cells, a lot of prisoners disappeared completely.

They even mixed the Catholic students with members of the National Liberation Front, so they could be classified as communists and all the political prisoners were mixed with ordinary ones. Then they took away the files of these prisoners, so that no one will be able to prove that they were political prisoners, and not ordinary criminals.

This was done for a very good reason. If there is a cease-fire, (which was declared seven days after this statement), the criminal prisoners won't be released. If the political prisoners are indistinguishable from the ordinary ones, they won't be released either.

The colonel also stopped family visits, with the result that families lost track of their relatives. Sometimes, they would tell people whose time was up, that they were going to release them. So these prisoners would say good-bye to us and follow the guards. Later, prisoners would arrive at Chi Hoa who had been transferred from other prisons, and they would tell us, "so-and-so is in the prison we just left," while we thought he had been released.

UNRELENTING PRESSURE

Nguyen Dong Ha, the younger brother of Madame Nguyen Thi Binh, is an example. His only crime is to be her brother. Because they couldn't find anything against him, they gave him a light sentence of only three years. When he had served his time, they told him he was released, and took him to the police station.

There he was faced with American interrogators who asked him to sign letters defaming his sister's character and to go on Saigon television to speak against her. When he refused, he was brought back to Chi Hoa, and that was how we met him and learned his story. Then he was taken away to the camps at Poulo Condor, and no one has heard of him since.

His wife was pregnant when she was brought into the prison, and she gave birth there. She, too, was asked to sign letters about Madame Binh, and the police threatened to take away her baby. A few days later they actually did take the child away and no one knows what became of it.

PREPARING FOR CEASE-FIRE

So in the last few months of our imprisonment, we realized that the colonel was preparing for the cease-fire. By mixing the prisoners, putting them out of sight, he was going to do away with the political prisoners, who should be released upon a cease-fire.

There are a lot of examples of this. We knew a student, Nguyen Ngoc Phuong, who was at Camp No. Seven at Poulo Condor. He was tortured to death by officials at Poulo Condor called "specialists." We know of at least 26 other prisoners who were being tortured to death when we left.

On Dec. 10, 16 Catholic students began a hunger strike to protest. They weren't allowed to go into the yard to get sunlight or to have visits from their families. On Dec. 26, less than three weeks after they began their hunger strike, they were taken away on stretchers to the tiger cages at Poulo Condon. We also saw 53 political prisoners from Cell EG three, Sector FG, who had already been brought back from the tiger cages at Poulo Condor, returned there. They were among those who had been brought to Chi Hoa to be treated, but as I said, there was no medicine.

There is a nurse at Chi Hoa, but she had no medicine and did nothing. So when these students went there, the 53 prisoners accompanied them. They went back to the tiger cages in the same condition they had left them, their legs broken, their joints paralysed, asthmatic and leprous, and most of them infected with tuberculosis.

LIQUIDATION FOR SURVIVAL

We knew that this was a death sentence for these prisoners we had lived with for nearly a year. We know we will never see them again. The president of the Association of Vietnamese Students, told us upon our departure, "We have to bring back all those who've been deported to Poulo Condor. Otherwise we'll never see them again. We know that we're going to be taken away too."

Why had these liquidations begun before we left? If the Thieu regime is going to have a chance of survival after a cease-fire, they've got to get rid of everyone who has lived in these prisons and who could tell what they've experienced and what they've seen in the camps, especially the Catholic students and the Buddhist monks, who refused military service.

Obviously, they can't be called "communists"; they're from families that are well-known to the Saigon upper classes. It could snowball if they begin to tell what they've lived through, what they've seen, and what tortures they've undergone. Because of their religion and their social standing, people will believe them.

Thus it is a matter of survival for the Thieu regime to get rid of these people. Also, there are some prisoners they haven't been able to break. Even if they've broken their bodies, they've not always broken their spirit.

On Dec. 28, three days after the convoy left with the Catholic students and the 53 prisoners, the French consul came to tell us that we were released and would be deported to France. It was really unbelievable, unthinkable, that after what we'd seen of the conditions of imprisonment of our brothers, we should be released now.

WHY WE LEFT

When we were to go, we refused to leave. We didn't want to leave our comrades in arms who had helped us so much. They ran the risk of being taken to the security room to be tortured; this was a room which, when American delegations came, they transformed into a "movie theater."

Then some political prisoners came to see us and told us that we had to go, to bear witness of what we had seen, to tell of the tortures, the beatings, the assassinations, the policy of slow death. All this has been going on for dozens of years and no one speaks of it the papers. And that's why we're here.

In the last nine months of our imprisonment we saw a new type of political prisoner arriving at Chi Hoa. Until then we had seen mostly members of the National Liberation Front, patriotic Vietnamese, usually peasants.

But from about March, 1972 we began to see lawyers; intellectuals; professors; students, even Catholic students; Buddhist monks—a category of prisoners we had not seen before.

At first, we were extremely surprised, then we understood; these people belonged to the neutral "Third Force" that, just now, Thieu is so afraid of.

Andre Menras: There exists a form of torture which leaves fewer traces than the others, but is much more painful and lasting.

The victim, after having been bound hand and foot, is plunged into a big metal barrel filled with water up to the neck. Then the police, armed with heavy wooden hammers, beat against the sides of the barrel with all their might.

The water acts as a conductor of these blows, which penetrates to the internal organs of the body, especially, the liver, the heart, and the kidneys. People who have been tortured this way several times, never really recover.

Then, there is what the police call the "plane trip." After the victim's wrists have been tied together behind his back, a long, very strong rope is inserted through the cords around his wrists, while the other end is attached to a pulley on the ceiling. By pulling on the rope the police can make the victim swing in the air by his wrists, which have been tied together behind his back. The effects of this action are heightened by an occasional backjacking, or cigarette burn on the more sensitive parts of the body, particularly on the genitals.

FRACTURED BODIES

A girl student who was subjected to this torture twice in succession, could not bend her arms or wrist joints, and her shoulder-blades were fractured. The same was true of a young male student, who after having been subjected to practically every form of torture, tried to commit suicide. He was afraid that he would break down and sign the paper they tried to force upon him.

He first tried to cut his veins open with a piece of glass. He failed, however, and fainted.

When the trustees saw the blood trickling from under his cell door, they saved him in spite of himself. He then tried to kill himself by biting his tongue as hard as he could, and beating his head against the walls of the cell. Here again, however, he failed, a fact he seemed almost apologetic about. However, he signed nothing.

There is yet another form of torture, which is practiced on war prisoners. The prisoner is stripped naked and made to sit on a chair with a hole in the seat. A lighted oil lamp—making it possible to raise and lower the flame—is placed underneath the chair.

If the prisoner refuses to talk, the flame is raised higher and higher, until it burns the anus. Some 75 percent of the prisoners tortured in this manner do not survive since the only possibility of saving them would be operation on the abdomen that would permit the intestine to function normally.

TORTURING WOMEN PRISONERS

While rape has always been the fate of the little peasant girls who are all considered "communists" by the Saigon authorities, the same thing is also now true of girl students. A young woman student, whose fiance is now in the Chi Hoa prison, told us she had been raped by a veritable monster who, himself, forced a living eel into her vagina. He was known to have done this type of thing with other young women, using, among other instruments, filled cola bottles, which he had shaken before opening.

This same young woman also told us that she had had lizards let loose to run over her body, cigarette burns on her breasts, and the like. She too tried to commit suicide.

At first she tried to hide from her family and from her fiance what had happened to her. But she couldn't keep it from them, and three months later, she tried again to take her life. At present she has been moved to another prison.

One student told of having been subjected to torture with needles. Seated at a table, his hands were attached to the table, with his fingers spread so far apart that he could no longer move them. Slowly, by means of light taps on a piece of cardboard, needles were inserted under the fingernails.

Once in place, a sheet of tissue paper was attached to each needle, after which the ventilator just opposite, was turned on. The breeze from the ventilator set the tissue paper in motion and this, in turn, made the needles move, under the nails. The student told us that he stood it for 10 minutes before fainting, but added that even the most hardened, could not stand it for longer than 15 minutes.

He also described to us an interrogation during which the skin of his face had been burned by high-powered lamps.

The young girls especially, who for the most part come from well-to-do Saigon families and who have grown up in surroundings where more than elsewhere children are sheltered, even spoiled, have not been prepared for either physical or moral suffering.

And even if the day should come when they regain their liberty, even if they are not physically marked, they will never be able to lead normal social lives. All their lives they will be haunted by the images of the tortures to which they have been subjected. A young girl who has been raped in this manner may appear to be alive; in reality she is dead.

ARRESTING TEENAGERS

There have been many arrests of 15-year-olds, who took part in the movement to steal American cars whose owners refused to show the peace sign with the broken rifle. One young boy was condemned to 20 years of hard labor and 10 years banishment from the Saigon area. At present he is in the youth center in Dalat.

This shows how a person can get into prison. From then on, the penal authorities apply the policy of forcible patriotism or "rallying" as they call it.

All these hard-headed rebels will have to be brought to heel. They will have to be made to salute the Saigon flag, stand at attention every morning, join the Saigon side, show that they repent, if not, they'll be blackjacked and put in the big, dark "cinema hall."

Then, for one, two, or three months, every morning, regularly, they'll be beaten if they continue in their attitude of refusal, then they'll be returned to a cell. They'll be in solitary confinement, no exercise in the yard, no light, reduced food, and water rations. After that, they can expect to be deported, about which all the prisoners speak at Chi Hoa.

There are people who are old, sick, tubercular, or paralyzed for whom deportation will mean isolation, then death.

When other prisoners in the cells, who were not yet broken in health heard about them, they decided to resist the deportation of their friends, since it would surely bring on their death. They barricaded themselves in their cells because they know that their friends were going to be sent away, and that it would mean their death.

While this movement of resistance was at its height, a group of trustees entered the yards, formed a line, and began to hurl nausea tear gas grenades into the cells. In one cell, where there were 78 prisoners, 80 grenades were thrown, leaving the inmates unconscious, their skin so burnt that it hung in shreds from their bodies.

The trustees next rushed into the hall where they first beat the prisoners, then dragged them by their feet into the yard. From there they were dragged again—some by their hands, others by their feet—to a more distant yard, next to the kitchens, where a number of closed army trucks were waiting. (Jean-Pierre even succeeded in taking the license numbers of these trucks.)

THE TRIPS TO THE ISLAND

The unconscious bodies were thrown into the trucks, the way butchers handle animal carcasses. Once inside the trucks the prisoners were numbered and tied together by a trustee designated for this task.

When the trucks were finally loaded they were driven to the Saigon wharf, where a boat—always the same one—was waiting to take them from Saigon to the Island.

The welcoming ceremony at Poulo Condor starts with the "third degree" between two rows of blackjack-wielding trustees. Then each prisoner is searched, in a way that is always humiliating.

If he has succeeded in bringing a small parcel with him with perhaps a few pieces of clothing, it is confiscated, all individual clothing being against the regulations here. * * *

"CONVALESCENCE" AND "RE-EDUCATION"

Poulo Condor is a re-education center, so it has to have a convalescence camp—and this should not be forgotten—for people who are ill. Actually, there is one. Eloquently enough the prisoners call it by the name of a famous cemetery in Viet Nam.

All the tubercular, paralyzed, ill, or old prisoners are put in this camp, where their food rations are reduced and they are constantly beaten. There was one among them who escaped from this camp and returned to Chi Hoa; but he was redeported on Dec. 26. We know that we shall never see him again, since he was already in a very critical condition. * * *

This then is the long road that the Vietnamese patriots must travel until the reach extermination.

How do they do it?

This is what impressed us most. It is also for us the greatest lesson in courage we have ever learned.

It's their smile, the smiling will-power of these patriots. Systemically, scientifically, their bodies are destroyed. But their spirit is not destroyed, they continue to resist. After 10, 15, 17 years—we met one man who had spent 17 years in these jails, but who still smiled, nevertheless.

THE CHILDREN

The symbol, perhaps, of the struggle, of the suffering of these Vietnamese patriots in the concentration camps of the South, is the children whom we met at Chi Hoa, because there are children there too. The youngest among them, whose name is Dong, is six years old. His mother was killed by American bombing in the Delta region. His father, suspected by the Saigon regime of being a communist sympathizer, was incarcerated in Chi Hoa and brought the child with him. The child had no relatives to take care of him.

The last news we have of Dong dates from Dec. 20, 1972 when we heard him cry out in the disciplinary section where he was imprisoned with his father, with his friends. He was shouting slogans with the adults, to protest the living conditions that were forced upon the political prisoners—to protest the lack of food, the imprisoning of people in unknown places—and to demand that the prisoners be allowed to take walks outside, to take baths in water, in real water, not in urine. They were demanding unadulterated water, and larger rations of preperly cooked rice. * * *

We saw a section of 40 youths in Chi Hoa who organized themselves and who, when they were mistreated, got together like adults and made up slogans. At night, when the prison camp was sleeping, they shouted these slogans so that the adults in all the different sections could hear them. * * *

We saw how these children, at an age when little French children are playing marbles, are already adults. We saw how the prison authorities treated them. No difference between them and adults. They were put into the same category: hardheaded rebels.

There's a camp at Dalat, a concentration camp for children, where at this moment 800 young boys and girls are being held. In this center the prison authorities try as well to force the children to rally to the regime: they must salute the flag and work. There is a special torture for the children.

Dalat is situated on the high plateau, a place where it rains a lot and the nights are cold. The children who are obstinate, who refuse to salute the flag and to sing the "re-education" song, are put into a cell. They are bound so that they cannot move, and then twice during the night they are drenched with water and left like that to dry.

Psychological tactics are often used on them as well, especially on the younger ones. They are isolated without food or water for a day or two and then the kids are told: "Your mother is sick, she is very sick. Do you want to see her? Do you want to see your mother? Well, it's easy. You just have to salute the flag and go cut wood with the others on the hill, and then you will see your mother."

At the last transport of prisoners to Dalat we received word that there were four children who persisted in refusing to salute the flag, the others couldn't hold out. It's impossible to hold out for long. If you do you are dead.

THE NEED FOR PUBLIC PRESSURE

I think I have forgotten to mention many things. When we left, we saw many friends cry for the first time, people whom we had seen suffer for two and a half years without complaint. We saw them cry, and we left them there—a part of our family. We came back to try to save them. We know that they will be exterminated, especially in the weeks which will precede an eventual cease-fire, or even in the weeks that will follow.

We must not demobilize, we must not lose our interest in these prisoners just because the cease-fire is signed. We must not say that we have peace, that it's a cease-fire, that it's finished. Not at all!

It is precisely at that moment that they are going to finish them off. The same thing happened in the Nazi concentration camps. It was at that moment that they killed people off.

We have come back, then, to relate what we have seen and to arouse people's attention. We want to say that if we are still alive, Jean-Pierre and I, if we can talk to you, it is thanks to a campaign launched by the *Secours Populaire Francais*, it is thanks to thousands of people who sent us letters, who were concerned about us.

From the moment thousands of French people decided to pressure the Saigon fascists, from that moment on, we saw a difference in the attitude of our jailers. They stopped beating us and they took precautions with us.

We also saw how the torturing of the students had been denounced, and how The New York Times and The Daily Mirror (England) printed articles which spoke of this torture. At that moment the torturers stopped their work. They permitted families to see their children, who up to that point, had been kept in unknown prisons. And then we saw how silence closed in after that . . . silence; and then the tortures started again.

But thousands, tens of thousands of Europeans, not only French, must show that they know what is happening and must exert constant pressure on Thieu's Government until all these patriots who have been suffering for decades and who are fighting for the liberation of their country and for their independence have been released.

A BUDGET SUMMARY FOR THE CONGRESS

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1973

Mr. MAHON. Mr. Speaker, on January 29, 1973, the President submitted to Congress his budget for fiscal 1974, the fiscal year which begins July 1. We now think in terms of a new fiscal situation. The President has proposed that the Federal Government spend no more than $269 billion during fiscal 1974. This expenditure would result in part from funds which the President has recommended that Congress provide at this session and in part from funds made available in previous years.

The unified budget deficit is estimated to drop from $25 billion in fiscal 1973 to $13 billion in fiscal 1974. In full employment budget terms these actions would actually produce a paper-thin surplus of $300 million for fiscal 1974. Those who are somewhat sophisticated in the budget business might also note that the new budget authority recommended by the President for fiscal 1974 is $288 billion.

The casual reader of the foregoing figures might very well assume that the fiscal situation is dramatically improving and that we are moving rapidly toward a balanced budget. Such is not the case. No dramatic improvement in the budget is anticipated for fiscal 1974.

We can agree that the figures which I have recited are interesting and significant for many purposes but the fact is that they do not reflect to a sufficient degree the implications of this budget for Congress. In Congress and outside Congress we need to better understand just what the key fiscal facts are as they apply to the budget.

BUDGET SUMMARY

Perhaps one of the best summary statements is set forth in a table on page 327 of the budget document, part of which I shall include at this point in the RECORD:

BUDGET SUMMARY

[In millions of dollars]

Description	1972 actual	1973 estimate	1974 estimate
Budget authority (largely appropriations):			
Available through current action by Congress:			
Enacted and pending	164,806	179,575	
Proposed in this budget		3,269	172,820
Available without current action by Congress	102,793	131,653	146,477
Deductions for offsetting receipts	−19,503	−34,131	−31,268
Total budget authority	248,097	280,366	288,029
Receipts and outlays:			
Receipts:			
Federal funds	148,846	154,250	171,308
Trust funds	72,959	91,952	105,471
Intragovernmental transactions	−13,156	−21,218	−20,797
Total budget receipts	208,649	224,984	255,982
Outlays:			
Federal funds	177,959	188,390	199,108
Trust funds	67,073	82,624	90,354
Intragovernmental transactions	−13,156	−21,218	−20,797
Total budget outlays	231,876	249,796	268,665
Surplus or deficit (−):			
Federal funds	−29,114	−34,140	−27,800
Trust funds	5,886	9,328	15,117
Total budget	−23,227	−24,812	−12,683

CONGRESS ACTS ON BUDGET AUTHORITY NOT EXPENDITURE ESTIMATES

It must be borne in mind that the $268.7 billion figure in the table refers to expenditures. It is the President's estimate of the rate at which the Federal Government will pay its bills in fiscal 1974. Congress, in acting on direct appropriations and backdoor authority during this session, will be acting on budget authority. As is shown on the table, the total budget authority requested for fiscal year 1974 is $288 billion.

A large share of this budget authority becomes available automatically under permanent authority enacted in previous Congresses. Examples are: Trust fund programs, interest payments on the national debt, and the revenue sharing account.

When we eliminate this automatic and permanent authority, we find that Congress has been requested to enact during the current session budget authority of about $173 billion, or about 60 percent of the total $288 billion requested. Virtually all of the $173 billion is estimated to be provided in appropriation bills.

Action on budget authority is critical because it occurs at the earliest stage of the decisionmaking process. Such action initially authorizes program officials to carry out activities, to contract for goods and services, or otherwise commit the full faith and credit of the Federal Government.

Not one dollar of outlays will occur unless Congress first provides budget authority authorizing it. The estimated $269 billion in budget outlays is the Executive's estimate of the rate at which the Federal Government will pay off its obligations and honor its commitments during fiscal 1974.

FEDERAL FUNDS DEFICITS AND BORROWING REQUIREMENTS

This summary table is particularly useful because it provides some detail on Federal Funds receipts, outlays, and deficits proposed in this budget. Federal Fund deficits are of great importance because, as the budget narrative itself points out on page 35:

> Changes in the Federal debt subject to limit are more closely related to the Federal funds surplus or deficit than to the unified budget surplus or deficit.

The Federal Funds deficits as shown in the table to which I refer, for instance, for fiscal years 1972 through 1974 are $29.1 billion, $34.1 billion, and $27.8 billion respectively. The related increases in the debt subject to limitation for those years are $29.1 billion for fiscal 1972; $34.2 billion for fiscal 1973; and $29.7 billion for fiscal year 1974.

It is important to have these figures because they focus on the rising borrowing requirements of the Federal Government. The President submits his official budget on a unified basis which probably misleads the average reader. The man on Main Street does not understand that under the unified budget borrowings from the trust funds—social security, highway, and so forth—for the general purposes of government are not counted as part of the deficit, even though these borrowings must be repaid with interest.

It is proposed, for instance, that in fiscal 1974 the sum of $15 billion be borrowed from trust funds for the general operation of the Government, thus increasing the Federal debt. These borrowed funds must be restored, and with interest.

TIMELINESS OF APPROPRIATIONS

Mr. Speaker, we hear much these days about the need for Congress to reassert its control over the purse. I would simply like to make the simple and obvious point that orderly and timely enactment of appropriations are an essential factor of control.

The Joint Study Committee on Budget Control of which I am a member considered this matter in its unanimously reported interim report of February 6, 1973. The joint committee agreed in principle that provision for authorizations at, or near, the beginning of the fiscal year to which they relate."

I will insert into the RECORD at this point, Mr. Speaker, the pertinent parts of the joint committee interim report that support this conclusion:

RELATION OF AUTHORIZATION PROCESS TO APPROPRIATION PROCESS

Under the rules of both Houses of Congress, appropriations may not be approved until the Congress has passed a bill authorizing the expenditure and the level of operation of the program. The period of time for which authorizations are valid may be one year or may be for an indefinite number of years.

In recent years, there has been an increase in the amount of programs that have been made subject to authorization on a one-year-at-a-time basis. One effect of this has been to delay action on appropriations bills since they must await action on authorizations. This has been an important factor in delaying action on appropriations bills, often until after the start of the fiscal year involved and sometimes until after the end of the session of Congress.

Appendix Table 12 shows that 9 of the present 13 annual appropriations bills are affected at least in part by the requirement of annual authorizing legislation. This table also shows that for the 9 bills which required some annual authorization, during the period 1968 through 1971, the dates of passage for the authorizations generally occurred later in the year. On the other hand, as indicated in the table, action on the appropriations bills has been completed in relatively short periods of time after completion of authorization.

TABLE 12.—COMPARISON OF DATES OF LAST CONGRESSIONAL ACTION ON ANNUAL AUTHORIZATIONS AND RELATED APPROPRIATION ACTS, 90TH CONG., 2D SESS. TO 92D CONG., 1ST SESS

Annual authorization activities	90th Cong., 2d sess.	91st Cong., 1st sess.	91st Cong., 2d sess.	92d Cong., 1st sess.
Atomic Energy Commission:				
Authorization legislation	Apr. 8, 1968[1]	July 1, 1969[1]	May 19, 1970	July 31, 1971
Related appropriation act	July 30, 1968	Dec. 4, 1969	Sept. 23, 1970	Sept. 22, 1971
Foreign assistance programs:				
Authorization legislation	Sept. 19, 1968	Dec. 19, 1969	Dec. 22, 1970	Jan. 25, 1972
Related appropriation act	Oct. 11, 1965	Jan. 28, 1970	Dec. 28, 1970	Mar. 2, 1972
Maritime Administration, Department of Commerce:				
Authorization legislation	July 26, 1968	Sept. 25, 1969[1]	May 11, 1970	Jan. 24, 1971[1]
Related appropriation act	Aug. 1, 1968	Dec. 10, 1969	Oct. 7, 1970	Aug. 3, 1971
Military construction, Department of Defense:				
Authorization legislation	July 11, 1968	Nov. 21, 1969	Oct. 14, 1970	Oct. 21, 1971
Related appropriation act	Sept. 18, 1968	Dec. 19, 1969	Nov. 25, 1970	Nov. 15, 1971
Military procurement, R. & D., Department of Defense:				
Authorization legislation	Sept. 11, 1968	Nov. 6, 1969	Oct. 1, 1970	Nov. 11, 1971
Related appropriation act	Oct. 11, 1968	Dec. 18, 1969	Dec. 29, 1970	Dec. 15, 1971
National Aeronautics and Space Administration:				
Authorization legislation	June 18, 1968[1]	Nov. 7, 1969[1]	July 22, 1970	July 28, 1971
Related appropriation act	Sept. 25, 1968	Nov. 18, 1969	Dec. 7, 1970	Aug. 2, 1971
National Science Foundation:				
Authorization legislation	(2)	Nov. 5, 1969[1]	July 15, 1970	Aug. 3, 1971
Related appropriation act	(2)	Nov. 18, 1969	Dec. 7, 1970	Aug. 2, 1971
Office of Saline Water, Department of Interior:				
Authorization legislation	Apr. 11, 1968	July 1, 1969	Mar. 18, 1970[1]	July 15, 1971
Related appropriation act	July 11, 1968	Oct. 15, 1969	July 22, 1970	Aug. 2, 1971
Peace Corps:				
Authorization legislation	June 17, 1968[1]	Oct. 16, 1969[1]	July 9, 1970[1]	Sept. 23, 1971[1]
Related appropriation act	Oct. 11, 1968	Jan. 28, 1970	Dec. 31, 1970	Mar. 2, 1972
U.S. Coast Guard, Department of Transportation:				
Authorization legislation	May 27, 1968[1]	July 8, 1969	May 7, 1970[1]	Aug. 5, 1971
Related appropriation act	Aug. 1, 1968	Dec. 19, 1969	Dec. 29, 1970	Aug. 2, 1971

[1] Congressional action on authorization legislation (usually multiyear authorizations) for other activities included in the same appropriation act was completed later than the specific annual authorization here indicated.

[2] Annual authorizations for the National Science Foundation were not required for appropriations for period prior to fiscal year 1970 (sec. 14, Public Law 90-407).

Source: Library of Congress.

I will place in the RECORD at this point a comprehensive listing of the recommended fiscal year 1974 appropriations requiring additional authorizing legislation. I would only note that the list totals $49.6 billion or about 30 percent of the appropriations that Congress will act on this year, and that it affects 10 of the 13 annual appropriations bills.

1974 Budget—Recommended amounts requiring additional authorizing legislation

NOTE: These amounts are recommended in the 1974 Budget, but the Congress does not generally act on these appropriation requests until after enactment of the authorizing legislation.

[In thousands of dollars]

EXECUTIVE OFFICE OF THE PRESIDENT	
Council on International Economic Policy	1,400
FUNDS APPROPRIATED TO THE PRESIDENT	
Foreign Assistance:	
International Security Assistance:	
Military assistance	685,000
Foreign military credit sales	525,000
Security supporting assistance	729,100
International Development Assistance:	
Multilateral assistance:	
International organizations and programs	152,000
Bilateral assistance:	
Grants and other programs	481,350
Alliance for progress-development loans	150,000
Development loans-revolving fund	201,400
Contingencies	30,000
Total, funds appropriated to the President	2,953,850

1974 Budget—Recommended amounts requiring additional authorizing legislation—Continued

[In thousands of dollars]

AGRICULTURE	
International programs: Expenses, Public Law 480, foreign assistance programs, Agriculture	653,638
Rural Development:	
Farmers Home Administration:	
Mutual and self-help housing	3,000
Rural housing insurance fund (indefinite)	90,650
Consumer programs: Food stamp program	2,195,750
Total, Agriculture	2,943,038
COMMERCE	
Promotion of Industry and Commerce:	
Minority business enterprise: Minority business development	40,680
U.S. Travel Service: salaries and expenses	9,000
Science and Technology:	
National Oceanic and Atmospheric Administration: Operations, research, and facilities (Sea Grant Program)	19,500
Ocean Shipping:	
Maritime Administration:	
Ship construction	275,000
Operating-differential subsidies	*213,500
Research and development	20,000
Operations and training	14,800
Total, Commerce	592,480
DEFENSE-MILITARY	
Military Procurement:	
Aircraft procurement, Army	181,000
Missile procurement, Army	599,900
Procurement of weapons and tracked combat vehicles, Army	253,000
Aircraft procurement, Navy	2,958,300
Weapons procurement, Navy	942,000
Shipbuilding and conversion, Navy	3,901,800
Procurement, Marine Corps	79,200
Aircraft procurement, Air Force	2,912,800
Missile procurement, Air Force	1,573,200
Research, development, test, and evaluation:	
Army	2,108,700
Navy	2,709,100
Air Force	3,212,500
Defense Agencies	500,400
Director of test and evaluation, Defense	24,600
Military Construction:	
Army	655,400
Navy	627,600
Air Force	278,900
Defense Agencies	19,100
Army National Guard	29,900
Air National Guard	16,000
Army Reserve	35,900
Naval Reserve	18,858
Air Force Reserve	9,000
Family housing, Defense	1,250,567
Special foreign currency program	2,600
Total, Defense-military	24,900,325

Footnotes at end of table.

DEFENSE—CIVIL	
Corps of Engineers-Civil:	
Construction, general	125
Flood control, Mississippi River and tributaries	1,000
Total, Defense-Civil	1,125
HEALTH, EDUCATION, AND WELFARE	
Health Services and Mental Health Administration:	
Mental health	137,099
Health services planning and development	103,081
Health services delivery	466,965
Preventive health services	20,500
National health statistics	17,409
National Institutes of Health:	
National Library of medicine	6,522
Office of Education:	
Elementary and secondary education	35,000
School assistance in federally affected areas	60,500
Education for the handicapped	93,609
Occupational, vocational, and adult education	10,000
Educational development:	
Educational broadcasting facilities	10,000
Dropout prevention	4,000
Social and Rehabilitation Service:	
Social and rehabilitation services:	
Vocational rehabilitation	(650,000)
Developmental disabilities	(38,965)
Research[1]	(41,196)
Training[1]	(17,000)
Aging	(96,000)
Total, Social and Rehabilitation Service	844,161
Total, Health, Education, and Welfare	1,808,846
HOUSING AND URBAN DEVELOPMENT	
Community planning and management:	
Comprehensive planning grants	110,000
INTERIOR	
Bureau of Indian Affairs:	
Road construction	*75,000
Territorial Affairs:	
Administration of territories:	
Trust Territory of the Pacific Islands	56,000
National Park Service:	
Road construction	9,000
Preservation of historic properties	19,559
John F. Kennedy Center for the Performing Arts	2,400
Office of the Secretary:	
Saline water research	2,527
Total, Interior[2]	164,486
JUSTICE	
Law Enforcement Assistance Administration:	
Law enforcement revenue sharing	800,000
Other law enforcement	91,124
Total, Justice	891,124
LABOR	
Manpower Administration:	
Salaries and expenses	35,788
Manpower revenue sharing	628,138
Total, Labor	663,926
STATE	
All federal fund accounts except permanent appropriations	604,223
TRANSPORTATION	
Coast Guard:	
Operating expenses	300,494
Acquisition, construction, and improvements	74,500
Alteration of bridges	7,000
Reserve training	18,535
Research, development, test, and evaluation	1,345
Federal Aviation Administration:	
Grants-in-aid for airports	*560,000
Federal Highway Administration:	
Federal-aid highway program (trust)	*5,550,000
Highway Beautification	*65,000
Administrative expenses	*1,020
Territorial highways	*3,500
Forest highways (trust)	*33,000
Public lands highways (trust)	*16,000
Trust fund share of other highway programs (trust)	*30,000
National Highway Traffic Safety Administration:	
Traffic and highway safety	35,063
Trust fund share of traffic safety programs (trust)	*191,882
Federal Railroad Administration:	
Railroad research	6,000
Railroad safety	8,000
Grants to National Railroad Passenger Corporation	44,100
Total, Transportation[2]	6,945,439
ATOMIC ENERGY COMMISSION	
Operating expenses	1,754,750
Plant and capital equipment	551,575
Total, Atomic Energy Commission	2,306,325
ENVIRONMENTAL PROTECTION AGENCY	
Research and development	57,000
Abatement and control:	
Toxic substances and toxic waste disposal	6,000
Clean air	79,000
Enforcement	9,000
Total, Environmental Protection Agency	151,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	
Research and development	2,197,000
Construction of facilities	112,000
Research and program management	707,000
Total, National Aeronautics and space Administration	3,016,000
VETERANS ADMINISTRATION	
Grants to the Republic of the Philippines	2,000
OTHER INDEPENDENT AGENCIES	
Action:	
International programs	77,001
Operating expenses, domestic	92,399
Cabinet Committee on Opportunities for Spanish-Speaking People	1,000
Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped	40

Corporation for Public Broadcasting	45, 000
American Revolution Bicentennial Commission	7, 100
(Supplemental for 1973)	(2, 868)
Indian Claims Commission	1, 086
International Radio Broadcasting	44, 640
Legal Services Corporation	71, 500
National Foundation on the Arts and Humanities:	
Salaries and expenses	153, 000
Gifts and donations (trust)	15, 000
National Science Foundation:	
Salaries and expenses	579, 600
Scientific activities (special foreign currency programs)	3, 000
Renegotiation Board	4, 690
Small Business Administration, Business loan and investment fund	225, 973
Temporary Study Commissions:	
Commission on Highway Beautification (Supplemental for 1973)	(250)
National Commission on Productivity (Supplemental for 1973)	(5, 000)
United States Information Agency:	
All federal fund accounts	224, 404
Water Resources Council, Water resources planning	3, 170
Total, Other Independent Agencies	1, 548, 603
(Supplementals for 1973)	(8, 118)
Grand Total, 1974 budget authority	49, 604, 190
(Supplementals for 1973)	(8, 118)

* Contract authority.

[1] This represents the maximum, and may be reduced when HEW makes a final distribution of the appropriation request among the numerous authorizing statutes. Some of these statutes contain 1974 authorizations; some do not.

[2] Additional authorization for 1973 programs is required as follows:

Interior: Bureau of Indian Affairs: Road construction, $60 million.

Transportation: Federal-aid highway program, $1,300 million.

Urban mass transportation fund, $3,000 million.

SENATE—*Monday, March 19, 1973*

The Senate met at 12 o'clock meridian and was called to order by Hon. FLOYD K. HASKELL, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal and everblessed God, who has given us this season of holy remembrance, help us to follow the example of the Man of Nazareth, who toiled and taught, struggled and suffered as one of us. Help us to walk with His humility that we may be true servants; to walk with His courage that we turn not back from any danger; to walk with His endurance that we may persevere against all evil; to walk with His magnanimity that we may be true gentlemen; to walk with His love that we may be free from hate; to take His cross that we may share His crown; to share His death that we may also share His life.

Bring us at last to the new kingdom. In His name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., March 19, 1973.*
>
> *To the Senate:*
>
> Being temporarily absent from the Senate on official duties, I appoint Hon. FLOYD K. HASKELL, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.
>
> JAMES O. EASTLAND,
> *President pro tempore.*

Mr. HASKELL thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 15, 1973, the Secretary of the Senate, on March 16, 1973, received the following message from the House of Representatives:

That the House had passed a bill (H.R. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period, in which it requested the concurrence of the Senate.

The bill was referred to the Committee on Public Works.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 15, 1973, the Secretary of the Senate, on March 16, 1973, received written messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 16, 1973, are printed at the end of Senate proceedings of today.)

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, March 15, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rules VII and VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be able to reserve the time that is normally allotted to the distinguished majority leader or his designee under the standing order, because I believe that the distinguished Senator from North Carolina (Mr. ERVIN) and the distinguished Senator from Nebraska (Mr. HRUSKA) have a matter which they will want to take up and I should like to reserve that time and yield it to them.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the Senator from Pennsylvania desire to be recognized?

Mr. SCOTT of Pennsylvania. Mr. President, I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, if I may, I now yield 5 minutes to the distinguished Senator from North Carolina (Mr. ERVIN).

SEPARATION OF CONSTITUTIONAL POWERS

Mr. ERVIN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 583.

The ACTING PRESIDENT pro tempore (Mr. HASKELL) laid before the Senate the amendments of the House of Representatives to the bill S. 583 to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the Rules of Evidence for U.S. Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedure and the Amendments to the Federal Rules of Criminal Procedure which the Supreme Court on November 20, 1972, ordered the Chief Justice to transmit to the Congress, which were to strike out all after the enacting clause, and insert:

> That, notwithstanding any other provisions of law, the Rules of Evidence for United States Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedure, and the Amendments to the Federal Rules of Criminal Procedure, which are embraced by the orders entered by the Supreme Court of the United States on Monday, November 20, 1972, and Monday, December 18, 1972, shall have no force or effect except to the extent, and with such amendments, as they may be expressly approved by Act of Congress.

And amend the title so as to read: "An act to promote the separation of constitutional powers by suspending the effectiveness of the rules of evidence for U.S. Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedure, and the Amendments to the Federal Rules of Criminal Procedure transmitted to the Congress by the Chief Justice on February 5, 1973, until approved by act of Congress."

Mr. ERVIN. Mr. President, I move that the Senate concur in the House amendment in the nature of a substitute for S. 583.

Mr. President, I ask unanimous consent to have printed in the RECORD, the following material relating to this matter:

A copy of the debate which occurred in the House on this matter; a statement relating to the House substitute adopted in the House by a vote of 399 to 1; the testimony made before the House committee by former Supreme Court Justice Arthur Goldberg; a statement of Henry J. Friendly, chief judge, U.S. Court of Appeals for the Second Circuit; and the testimony of James F. Schaeffer, chairman of the Federal Evidence and Procedure Committee of the Association of Trial Lawyers of America; and an excerpt from the House Report No. 93–52 setting forth the reasons why the House took its action and adopted the substitute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL RULES OF EVIDENCE

Mr. HUNGATE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 583) to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the rules of evidence for U.S. courts and magistrates, the Amendments to the Federal Rules of Civil Procedure and the Amendments to the Federal Rules of Criminal Procedure which the Supreme Court on November 20, 1972, ordered the Chief Justice to transmit to the Congress.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. HUNGATE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 583, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Missouri (Mr. HUNGATE) will be recognized for 30 minutes; and the gentleman from New York (Mr. SMITH) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. RODINO).

(Mr. RODINO asked and was given permission to revise and extend his remarks.)

Mr. RODINO. Mr. Chairman, I rise in support of S. 583, a bill which as reported by the Committee on the Judiciary properly assures that the proposed Federal rules of evidence will not go into effect without the affirmative approval of Congress.

On February 5, 1973, the Chief Justice of the United States sent to the Congress 77 proposed rules of evidence for use in the Federal courts. Pursuant to the Supreme Court order and the enabling acts under which it issued, the rules will be placed in operation on July 1, 1973, unless the Congress disapproves them before that date.

In passing S. 583, the Senate recognized, without objection, that the complexity of the rules made it impossible for the Congress to work its will within the time frame established by the court order. Therefore, the Senate passed this legislation deferring the effective date of the proposed rules to the end of the first session of the 93d Congress, unless they are earlier approved by the Congress.

Because of the great importance of this subject to our entire Federal judicial system, I, as chairman of the House Judiciary Committee, appointed in this Congress a Special Subcommittee to consider the proposed rules of evidence in depth. That subcommittee, which is chaired by our able and distinguished colleague, the gentleman from Missouri (Mr. HUNGATE) has proceeded diligently and expeditiously. The subcommittee now has a yeoman task ahead of it if it is intelligently, responsibly, and conscientiously to shoulder its responsibility.

The rules are, of course, of primary concern to judges, lawyers, civil litigants, and criminal defendants in our Federal courts. But some of the rules will have a major impact on the day-to-day activities of millions of people who never become involved in litigation. Let me illustrate.

In many States communications between husband and wife are privileged. Disclosure of such communications cannot be compelled in a civil or criminal case. Rule 505, as proposed, eliminates this privilege in the Federal courts in all civil cases and in certain criminal cases. Is this desirable? Will it affect the daily relationships of husbands and wives? Will confidential family communications no longer be encouraged for fear that some day, in some Federal court, one of the couple will be compelled to testify against the other? Should State created policies protecting with relationships be changed by Federal rules of evidence?

Proposed rule 504 eliminates what most of us understand to be universally the law—what we tell our doctor is confidential. Under the proposed rule, only if the information is given to the doctor for purposes of diagnosis or treatment of mental or emotional conditions would the information be privileged. As one witness testified, if a patient sees a doctor about his ulcer and he is considered to be seeing the doctor for the physical ulcer, the information given to the doctor is not privileged. If, however, he is considered to be seeing the doctor concerning the underlying cause of the ulcer—the emotional strain—the information given to the doctor is privileged.

Furthermore, by definition the doctor-patient privilege will exist as between a non-doctor licensed psychologist and patient in some instances, while not existing as between a licensed physician and his patient in other instances. Again, grave public policy and Federal-State relations questions are posed. We have had medical testimony that the quality of medical service may well be affected by the failure of patients to be completely frank for fear that some day, in some Federal court, personal, private information passed on to their doctor will become public. I am speaking of the millions of patients who may never be involved in litigation in a Federal court.

Newsman's privilege, an issue which is the subject of highly controversial hearings presently in progress by another of our subcommittees, is eliminated under these rules in litigation in the Federal courts. This, despite the fact that some 19 States have shield laws which extend such a privilege to newsmen involved in litigation in the courts of those States. Should the happenstance of the court into which the newsman comes—Federal or State—determine his rights? Will this lead to forum shopping and, in effect, eliminate the privilege in those States which have determined as a matter of State policy that such a privilege is in the public interest?

I cite these three issues merely to demonstrate some of the problems with which the Congress must wrestle. The final determinations to be arrived at with respect to them are not of concern to us today, for the legislation before the House is in no way directed to the substantive issues—constitutional or policy. S. 583 is directed at only one objective—assuring the people of the United States that the Congress will have ample opportunity to review the rules developed by distinguished committees of the Judicial Conference. There is only one way to do that—provide that the rules will not be operative until approved by the Congress.

As a result, Mr. Chairman, the Judiciary Committee has amended the bill, S. 583, to require affirmative action by the Congress before the rules can go into effect. The committee amendment, which our committee has approved, was originally offered in the special subcommittee by our distinguished colleague from New York, Congresswoman ELIZABETH HOLTZMAN. The Holtzman amendment is a good amendment and I would like at this time, to commend our distinguished colleague from New York for every constructive role that she has played in the development of this legislation.

I have been assured by the chairman of the subcommittee that the subcommittee proposes diligently to proceed with its hearings and with consideration of the proposed rules. Passage of this bill will in no way alter that plan.

As you know, the Committee on the Judiciary consists exclusively of attorneys, 38 members from 21 States, many of whom have been prosecutors and defense counsel in both State and Federal courts. The committee, by a virtually unanimous vote, reported S. 583. As a result, I urge all of my colleagues here today to give this measure their full support.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I wish to compliment the distinguished chairman of the full committee and also the able gentleman from Missouri in taking this step. These rules, as proposed by the Supreme Court, do raise extremely serious legal questions.

I know that the gentleman's committee will be concerned in its deliberations about questions like newspapermen at present.

Mr. Chairman, if we should act now, it seems to me we would act prematurely on many matters that deserve deep consideration, and as I understood the statement of the chairman of the committee, which I think was very clear, the statement was that if we act now, we will not act substantively to preclude any particular course.

Mr. RODINO. The gentleman is absolutely correct.

Mr. ECKHARDT. And the import was that we will not discard the work of the Supreme Court, but we will simply permit an input by this body to that work.

Mr. Chairman, I compliment the distinguished gentleman for his consideration of this matter.

Mr. RODINO. I thank the gentleman for his contribution.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I thank the gentleman for yielding.

Let me see if I have this straight. Did we request the Supreme Court to provide new and different rules of evidence, or how does this come about?

Mr. RODINO. The Supreme Court in the enabling statutes has this authority and transmitted these rules to us as a result.

Mr. GROSS. Yes, and this bill has as its purpose to stop the new rules of evidence from going into effect?

Mr. RODINO. Until such time as the Congress has had an opportunity to study them and come back with its recommendations.

Mr. GROSS. And you will come back to the House asking for affirmative action to put the rules into effect?

Mr. RODINO. That is correct.

Mr. GROSS. Did the gentleman say that these new rules promulgated by the Supreme Court affect the relationship of husband and wife?

Mr. RODINO. Yes, sir. The privileged communications between husband and wife that are presently permitted are affected and are restricted as a matter of fact.

Mr. GROSS. I have been wedded to the same woman for some 44 years. I just wonder how the new rules would affect that relationship. I suppose the proposed new rules of evidence are available to all Members.

Mr. RODINO. They are available.

Mr. GROSS. Yes. I am worried. Are these rules promulgated by the Court with respect to the new women's liberation movement or equal rights movement? Does the gentleman know?

Mr. RODINO. I would leave it up to the gentleman to inquire into that. I am sure he can answer his own question.

Mr. GROSS. I thank the gentleman.

Mr. WYLIE. Will the gentleman yield for a question?

Mr. RODINO. I yield to the gentleman.

Mr. WYLIE. Does this bill provide a new procedure? Are we entering into a new area here for the first time? Have we not heretofore allowed the Supreme Court to adopt rules of evidence on its own under the Enabling Acts?

Mr. RODINO. May I yield to the distinguished chairman of the subcommittee?

Mr. HUNGATE. I thank the gentleman for yielding.

The Federal rules of civil and criminal procedures, as the gentleman probably knows, were promulgated by the Supreme Court many, many years ago and went into effect.

Mr. WYLIE. Without any action by this body?

Mr. HUNGATE. I was not here then, but I do not think any action was taken. If you please, they went in by default as far as the Congress is concerned.

Mr. WYLIE. That is the point I wanted to make.

Mr. HUNGATE. Further, I think there is a distinction made as to those who believe the Courts prehaps properly set their own time that they will meet or how long they will meet and certain proper housekeeping matters which you may want to argue about are truly procedural matters. We have substantial testimony that when you get into the rules of evidence you necesarily get into some areas that are substantive.

Mr. WYLIE. Will the gentleman yield for another question?

Mr. RODINO. Yes.

Mr. WYLIE. I notice the bill we have before us only pertains to a set of rules which have already been promulgated by the Supreme Court and do not pertain to any rules which might be promulgated in the future. Was that question considered in the Committee on the Judiciary as to whether we should pass a law which would provide for a similar procedure for subsequent rules that might be adopted by the Supreme Court?

Mr. HUNGATE. If the gentleman will yield further, this general idea was discussed. I might say to the gentleman that there are other areas such as the bankruptcy rules promulgated by the courts which go into effect that way, but we are dealing with a bill originally which we received from the Senate and which we thought had much merit to it, and we hoped that we might possibly approve it. We did not want to undertake too far-reaching an exhibition as to all the enabling acts before the Congress. We thought we would confine ourselves to this one at this point.

Mr. WYLIE. I see. I thank the gentleman.

Mr. RODINO. Mr. Chairman, I yield back the balance of my time.

Mr. SMITH of New York. Mr. Chairman, I yield myself as much time as I may consume.

(Mr. SMITH of New York asked and was given permission to revise and extend his remarks.)

Mr. SMITH of New York. Mr. Chairman, I support S. 583 as reported by the committee. This proposed legislation serves two valuable purposes. First, it provides the Congress with additional time needed to study the rules of evidence transmitted by the Supreme Court which would otherwise become operational on July 1, 1973. Second, by providing that the rules shall not become effective until such time, and with such amendments, as they are approved by the Congress, the bill as reported recognizes both the importance of, and the problems with, the proposed rules of evidence, and so requires the Congress to play an active role in their promulgation.

It should be noted that the bill, S. 583, which passed the other body on February 7, 1973, would satisfy only the goal of extending the time of Congress in which to consider the rules; it would not, as does this bill as reported by the committee, assert the primacy of the Congress in connection with these rules, by making their effectiveness dependent upon affirmative congressional action.

The need for both additional time to study the rules and for the Congress actively to participate in the rulemaking process in this instance was demonstrated by the evidentiary hearings held on the proposed rules of evidence by the Special Subcommittee on Reform of Federal Criminal Laws of the Judiciary Committee.

Four days of hearings at which more than 20 witnesses testified, as well as an examination of the lengthy and complicated rules themselves showed plainly that these rules were not of the ordinary character, affecting only technical procedural matters, which the Supreme Court has heretofore promulgated. Rather, the hearings revealed that, among other things, there were constitutional difficulties with some of the proposed rules insofar as they purported, in certain civil cases, to supplant State laws in the area of privilege; that, because of the arguably substantive nature of some of the proposed rules, there was also a serious question whether the rules were within the authority granted by Congress to the Supreme Court in the enabling acts to promulgate rules of "practice and procedure"; that the method of promulgation of these rules by the Advisory and Standing Committees of the Judicial Conference may have been deficient in not affording all interested persons and organizations an opportunity for comment; and that the content and wisdom of a number of specific rules was open to extensive debate.

Mr. Chairman, the bill as reported by the committee will permit the Congress to consider these problems and, if deemed appropriate, to amend the rules to try to solve them. I note that the bill as reported has had overwhelming support. It was reported by the subcommittee with only one dissenting vote and in the full committee by a similarly near-unanimous voice vote. The member of the Judiciary Committee of the other body, who introduced S. 583, has written a letter stating that he will support the bill as reported here. The ranking member of the Judiciary Committee of the other body also has assured the committee of his satisfaction with the bill as reported.

The sole concern expressed has been that this bill not be used as a means to unduly forestall or prevent rules of evidence from being promulgated, thereby destroying the valuable work of the eminent judges, scholars, and practitioners who labored for many years to produce the proposed rules. Let me state in response to this concern that there is no intention by this bill to scuttle the rules of evidence. As the committee report makes clear, the committee intends to proceed as promptly as possible toward a consideration of the rules. Indeed the Special Subcommittee on Reform of Federal Criminal Laws, on which I serve, has already scheduled meetings for the following week to this end.

Mr. Chairman, the bill as reported will greatly facilitate the Congress study of these rules. I therefore urge that it be passed.

The only objection to this bill that we heard was that this might be just a method of stalling action on these rules of evidence, and that no action would be taken. I think probably the chairman of the subcommittee, the distinguished gentleman from Missouri (Mr. HUNGATE) will tell the Members that he has no such intention, and I believe he has already introduced a bill as a working tool for the handling of this matter.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New York. I will be happy to yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, I have indeed, under the sponsorship of other colleagues on the Committee on the Judiciary, introduced a bill which involves all of the proposed rules. And I will make a statement of disclaimer, if you wish, that while some of these rules may improve the administration of justice there are others I might amend myself, but that the purpose of that bill is to bring all of the rules before the Congress, and not so as to take on a do-nothing attitude, but to examine the work that has been done for 7 or 8 years by a very distinguished committee, and certainly it would be very unusual if they have not found contributions that add to the administration of justice. We have just one more day of hearings, and then we have scheduled markup sessions.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I think it would be helpful if a member of the committee would give us some idea as to the way they will handle the problem areas. The gentleman stated, I believe, that 80 or 85 percent of the proposed rules changes are not controversial, and that leaves another 20 percent that we would have to worry about. We had one of these areas mentioned which involved the husband and wife privilege, but I wonder if we could have some idea of the other controversial area touched on so that we may have some idea as to what they are?

Mr. SMITH of New York. I would say to the gentleman from New York, Mr. Chairman, that because I am not an expert in the field of the controversial proposed new rules, I am going to let someone else answer the gentleman's question, but before I do so I would state to the gentleman from New York that that matter is not before us today.

Mr. WYDLER. I understand that.

Mr. SMITH of New York. Because essentially this subcommittee and the full committee have not had the opportunity yet to go into the rules that may or may not be controversial, and to have hearings on them.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New York. I yield to the gentleman from Missouri.

Mr. HUNGATE. To zero in on an area of ready controversy, I recommend article V to the

Members which deals with all of the privileges: husband and wife; doctor and patient; where they have newsman privilege, there would be no such privilege; secrets of State; and official information. I have not covered it all, and that is a shorthand version of the section.

Another section would be hearsay; but I think my colleagues on the Committee would agree that article V is where we heard a general amount of concern.

Mr. WYDLER. I thank the gentleman.

Mr. GROSS. Will the gentleman yield?

Mr. SMITH of New York. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder if when the Committee brings their report or bill to the House, will it be considered, would the gentleman think, under an open rule? I ask that question because of this element of the husband-and-wife relationships. I might want to offer an amendment to that, after spending the years I have in that relationship.

Mr. SMITH of New York. I would say to the gentleman as far as I know, as far as this person is concerned, we have had only the barest preliminary discussion on this matter. No decision has been reached and we have not come anywhere near it.

Mr. HUNGATE. Will the gentleman yield?

Mr. SMITH of New York. I yield to the gentleman from Missouri.

Mr. HUNGATE. The gentleman from Iowa as usual asks very perceiving questions. This is precisely the question the distinguished Committee on Rules put to us. I think our response there was: It was, of course, difficult to speak for all of the members of the Committee on the Judiciary to say what sort of a rule we would be back seeking.

My comment in the committee was that after we have examined this thoroughly, for my part I do not have much fear of putting it to an open rule.

The gentleman has raised an interesting point twice. I think this husband-and-wife situation could concern us all. We realize in some cases it may be a privilege on one side and a hardship post on the other.

Mr. GROSS. Will the gentleman yield further?

Mr. SMITH of New York. I yield to the gentleman from Iowa.

Mr. GROSS. I would be happy if it would be an open rule, but I can see a field day for lawyers, with nonlawyers taking a back seat, if the rules of evidence come up under an open rule. There would be one big field day for the lawyers.

Mr. SMITH of New York. Mr. Chairman, the bill as reported I think would greatly facilitate the Congress study of these proposed rules.

I urge that it be passed. I reserve the balance of my time.

(Mr. HUNGATE asked and was given permission to revise and extend his remarks.)

Mr. HUNGATE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the distinguished former Member of Parliament, A. T. Herbert, once wrote:

"The question 'What is the law?' is one which frequently arises in our courts and sometimes receives a satisfactory answer."

We on this committee propose at least to consider very carefully this area of the rules of evidence and to seek what might be some appropriate answers.

The bill before us is a short, simple bill. It provides that the 77 Rules of Evidence which have been proposed for use in the Federal courts shall not become effective except to the extent, and with such amendments, as they may be expressly approved by act of Congress. By an overwhelming voice vote the Committee on the Judiciary has recommended its passage.

Permit me briefly to outline some of the background and events which have brought us to the point where S. 583 is before this committee for approval.

By orders dated November 20, 1972, and December 18, 1972, the Supreme Court of the United States authorized the Chief Justice to send to Congress proposed Federal Rules of Evidence and amendments to the existing Rules of Civil Procedure and Rules of Criminal Procedure. This he did on February 5, 1973. In its initial authorization order, the Court stated that the proposed evidence rules were prescribed pursuant to sections 3402, 3771 and 3772, title 18, United States Code, and sections 2072 and 2075, title 28, United States Code.

The cited sections of law are commonly known as rules enabling acts. In essence, they empower the Supreme Court to prescribe rules of practice and procedure. Sections 2072 and 2075 of title 28 authorize the promulgation of civil and bankruptcy rules, and section 3771 of title 18, authorizes the promulgation of criminal rules for use up to and including verdict. These three sections provide, in pertinent part:

Such rules shall not take effect until they have been reported to Congress by the Chief Justice * * * and until the expiration of ninety days after they have been thus reported.

Sections 3402 of title 18 and 3772 of title 28 relate respectively to proceedings before U.S. magistrates and criminal proceedings after verdict. They do not contain the 90-day provision; rather section 3402 is silent as to effective dates, and section 3772 provides that the Supreme Court may fix the effective dates of rules promulgated pursuant to that section.

There is some confusion as to whether the rules will become law for any purposes on May 6, 1973—90 days after their transmittal of February 5—even though their implementation date has been fixed by the Court as July 1, 1973.

In either case, unless an act of Congress is signed into law by the President before July 1, 1973, the rules would be effective on that date in the 11 U.S. circuit courts of appeals, the 93 U.S. district courts, the District Court for the District of the Canal Zone, and the district courts of Guam and the Virgin Islands, and in proceedings before U.S. magistrates.

The special subcommittee of the Committee on the Judiciary opened hearings on the proposed rules on February 7, 2 days after they were received by the Congress from the Chief Justice. We have to date had 5 days of hearings—each running into the afternoon. We continue on March 15.

It is clear from the testimony, and from the materials submitted for our hearing record, that there are substantial constitutional, other legal, and policy questions to be resolved with respect to the proposed rules before any of them should be permitted to become effective.

Witnesses, including former Supreme Court Justice Arthur Goldberg, Chief Judge Henry J. Friendly of the Court of Appeals for the Second Circuit, and Attorney General Robert W. Warren of Wisconsin, who is the president-elect of the National Association of Attorneys General, as well as spokesman for the American College of Trial Lawyers, the National Legal Aid and Defender Association, and the Department of Justice, and indeed, those who appeared on behalf of the Judicial Conference, have brought to the attention of the committee numerous issues, of which the following are illustrative:

First. Can the Supreme Court constitutionally promulgate rules of evidence? Is that a legislative prerogative? Can even the Congress enact rules which impinge on State-created substantive rights?

Second. Are the rules of evidence within the purview of the authority granted the Supreme Court by the enabling acts? Are they rules of practice and procedure? Justice William O. Douglas, dissenting from the Court action, said he doubted that they were.

Third. Assuming no constitutional or other legal problems, and that the rules are within the authority conferred by the enabling acts, is it wise and is there a need as a matter of policy to have rules of evidence uniform in the Federal courts across the country? It is more desirable to have rules uniform as between the Federal courts and the States in which they sit?

Fourth. Has there been enough exposure of the proposed rules for interested and affected persons and organizations to comment? For example, the American Bar Association itself is not yet in a position to speak to the rules. As reflected in correspondence from the president of the association to the chairman of the Committee on the Judiciary:

"The Rules of Evidence * * * which were authorized to be submitted to the Congress * * * have never been submitted to any Committee of the American Bar Association, and contain new matters which were not included in any earlier draft submitted or considered by the ABA."

A number of specific rules have been the focus of considerable adverse testimony. Among these are rules relating to the role of the judge at trial—rules 105 and 706; presumption—rules 301 to 303; privileges—lawyer-client, rules 503; doctor-patient, rules 504; husband-wife, rules 505; and secrets of state and other official information, rules 509—newsmen's privileges where existent, 18 States. Other rules which have been the subject of considerable attention by the witnesses include those relating to the disclosure of the identity of informers—rule 510; impeachment of witnesses by evidence of conviction of crime—rule 609; and those relating to hearsay evidence. The questions which have been raised are most difficult and complex. They involve not only law and policy questions, but delicate questions of Federal-State relations.

Even before the proposed rules were sent to the Congress, it was clear they would generate considerable controversy. As a result, Senator ERVIN introduced S. 583, to defer to the end of the first session of the 93d Congress the effective date of the rules. This bill passed the Senate without objection on February 7, 2 days after the Senate Committee on the Judiciary reported it, also without objection.

The hearings conducted by our subcommittee serve to emphasize that Congress should not have to act under the gun. Clearly, the 168 pages of rules and advisory committee notes which were almost 8 years in the making deserve deliberate, careful congressional consideration. The rules should not be permitted to become effective without affirmative action by the Congress.

There are some who have interpreted the Judiciary Committee bill as intended to kill the rules. This is not so. Other members of the special subcommittee and I and members of the full Committee on the Judiciary have stated in open hearings and meetings our intention to proceed diligently with consideration of the work product of the distinguished Judicial Conference Committee on Rules of Practice and Procedure and its Advisory Committee on Rules of Evidence. We propose to fulfill this commitment.

In this connection, I might mention that the first markup sessions for the rules are scheduled for March 21 and 23. Also, on March 12, I introduced, along with a number of my Judiciary Committee colleagues, H.R. 5463, a bill to enact the rules as proposed by the court. The bill is intended as a vehicle on which the Congress may work its will. It is not necessarily intended by its sponsors as a blanket endorsement of the rules, or even of the concept that uniform rules are necessary or desirable. There is no doubt that some

Members will conclude we should not have uniform rules. Others will take issue with specific articles or rules, recommending they be stricken in their entirety or amended in some respects. I, myself, may well propose some changes. On the other hand, some of the proposed rules have, to date, engendered no substantial controversy at the hearings.

To summarize, the nature, complexity, and potential impact of the subject before the Congress make clear that the proposed rules of evidence should not be permitted to go into effect by congressional inaction. The fundamental rights and human relationships which will be affected by the rules, both in and out of the courts, require that the rules be permitted to become effective only if, when, and to the extent they are affirmatively approved by the Congress.

I urge the committee to approve S. 583 in its present text.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. Mr. Chairman, first I would ask the gentleman whether he would agree this bill does not represent any kind of confrontation with the Court. The Court agrees that the power is in the Congress to do as it will with these rules of evidence.

Mr. HUNGATE. The gentleman makes a point that should be made. The testimony of the Federal judges before us agreed on that, and the members of this distinguished committee unanimously said this province belongs to the Congress and if the Congress chooses to assert it, the judges do not question that power.

Mr. HUTCHINSON. The other point I wanted to raise with the gentleman has already, I think, adequately been touched upon, but because of some fear that has been expressed in other areas I would like to join the gentleman in his statement that the Judiciary Committee wants to state in the clearest possible way that it has no intent to delay or to taken any course of action which might result in inaction. It is the purpose of the committee not only to have these 2 days of markup sessions next week but also we are going to continue and there are going to be some positive results in this session of the Congress, hopefully by this summer. Is that correct?

Mr. HUNGATE. Correct.

I thank the gentleman for his contribution and I would like to concur in his remarks and state I have a tentative deadline. There are nine members of the subcommittee as the gentleman knows, and there is also the full committee, but my deadline is the 1st of July. I would like to see us finish several weeks ahead of that if we could. We are working on this legislation to postpone that effective date, but until it is passed we had better be ready on these substantive questions also. There is no intention on the part of this committee of which I am aware to delay this in any way.

Mr. HUTCHINSON. Mr. Chairman, I thank the gentleman.

Mr. SMITH of New York. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. MCCLORY).

(Mr. MCCLORY asked and was given permission to revise and extend his remarks.)

Mr. MCCLORY. Mr. Chairman, I rise in support of this measure. I hope the House will act favorably upon it.

I cannot help but remark that the committee which developed these rules has done a highly commendable job. I have joined with the gentleman from Missouri (Mr. HUNGATE) as a cosponsor of these rules as legislation. This does not indicate my full support of all the rules, but it does indicate that a subtsantial part of these codified rules should be given prompt approval by the Congress.

I hope that we will act affirmatively on the measure before us today, and that we will give approval to substantially all of these codified Federal rules of evidence at an early date.

Mr. SMITH of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. DENNIS).

(Mr. DENNIS asked and was given permission to revise and extend his remarks.)

Mr. DENNIS. Mr. Chairman and members of the Committee, I, too, am on the subcommittee headed by the gentleman from Missouri (Mr. HUNGATE). I, too, support the action of the subcommittee in regard to these proposed new rules of evidence for the Federal courts. That action has already been described to the Committee and it consists, as the members have been told, basically in a bill which, rather than having the rules which the court has transmitted become law automatically on the expiration of the date unless we act to the contrary, will result in these rules not becoming law until and unless we enact them into law.

I favor that approach on general principles, and also because there are controversial portions of these rules which I think many Members of the House will be interested in addressing themselves to. The rules in general are good. They are the product of the work for a number of years of a very distinguished committee of lawyers. I would like to emphasize what has already been said, that it is no part of the intention of this subcommittee to fail to act.

We are going to present promptly a bill to the House which will in its essentials be these rules, possibly with some amendments made by the committee, and which we will offer as a piece of legislation to the Congress in the near future.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. I yield to the gentleman from Ohio.

Mr. WYLIE. Let us assume for the moment that this bill is passed and that the Congress acts on this new set of rules and that they become law. Could the Supreme Court after Congress adjourns sine die adopt a change of those rules?

Mr. DENNIS. I would assume that in theory they could, so long as the enabling acts under which these rules were adopted remain on the books, but I think it would be exceedingly unlikely that they in fact would do so, because the bill we will present will be essentially the Court's rules, which the Court has transmitted after having its commission work on them for about 8 years.

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. I should like to respond to the question raised by the gentleman from Ohio.

Of course, the gentleman understands that if the Supreme Court should propose to promulgate a rule under the law after we adjourn it could not become effective until after that rule had again been transmitted to the Congress for 90 days.

Mr. DENNIS. That is correct also.

Mr. WYLIE. I know that is correct.

Mr. Chairman, will the gentleman yield for a followup question?

Mr. DENNIS. I yield to the gentleman from Ohio.

Mr. WYLIE. This bill applies only to this particular set of rules, and would apply only until the next 90 days or so. Is it 90 days?

Mr. DENNIS. The bill before us now, of course, will provide that these rules will have no force and effect until and unless we adopt them by future legislation.

Mr. WYLIE. I believe the point I want to make is, why did not the committee recommend legislation which apply to future recommendations?

Mr. DENNIS. I will have to say on that subject—and I will be glad to yield to my distinguished chairman—to do that we would have to get into the whole matter of the enabling acts, which apply not only to these rules but also to the authority to adopt, for instance, the Rules of Civil Procedure and the Rules of Criminal Procedure and where the authority of the Court to act is plainer than it is in this field. I may say that the committee did not want at this time to get into that fundamental type of revision.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. I yield to the gentleman from Missouri.

Mr. HUNGATE. I thank the gentleman for yielding.

In further response to the inquiry of the gentleman from Ohio, the gentleman from Michigan, I believe, very ably stated the situation regarding the possibility of the court extending the rules.

Section 2072 of title 28, Judiciary and Judicial Procedure, specifically provides:

> Such rules shall not take effect until they have been reported to Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May, and until the expiration of ninety days after they have been thus reported.

I have used the gentleman's time, and I will yield him an additional minute.

I want to say to the gentleman from Ohio that I believe we felt we were breaking new ground on the proposed evidence code when compared to prior handling of the bankruptcy rules, the Federal rules of civil procedure, the Federal criminal rules, all coming into effect without congressional action. We were hesitant to do that.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. SMITH of New York. Mr. Chairman, I yield the gentleman from Indiana 2 additional minutes.

Mr. HUTCHINSON. Mr. Chairman. will the gentleman yield?

Mr. DENNIS. I yield to the gentleman from Michigan.

Mr. HUTCHINSON. I believe we should make the point again that there is an honest question as to whether the enabling acts which refer to the rules of practice and procedure were intended to cover the rules of evidence.

The rules of evidence, in the minds of many attorneys, at least, are something different from the rules of practice and procedure. So there is a question as to whether those enabling acts cover the rules that have been promulgated.

I believe that under these circumstances the Congress had a duty to act affirmatively on this question.

Mr. DENNIS. I will say that I concur with the remarks of the distinguished gentleman from Michigan.

I might add—and this goes to the point asked by the gentleman from New York (Mr. WYDLER) a minute ago—that question particularly arises on this subject of privilege. There is not only the husband and wife privilege, but the physician and patient privilege, the privilege with respect to Government secrets, the privilege, if any, with respect to police informers, and so on.

Mr. Chairman, there is a very serious question whether those may, in fact, be matters of substantive law, rather than procedure, and, if so, whether they should not be governed by the laws of the States where the court sits under the normal doctrine of Erie versus Tompkins. That is one of the things to which the committee will be addressing itself.

Other portions are less controversial in that sense, but there are other rules of evidence which do not pertain to substance, so much, but which also may be matters on which people have various views, such as modifications of the hearsay rule, for instance, which is a basic, fundamental part of the laws of evidence, matters of impeachment of witnesses, presumptions, and other things which may need our attention.

Mr. Wydler. Mr. Chairman, will the gentleman yield?

Mr. Dennis. I yield to the gentleman from New York (Mr. Wydler).

Mr. Wydler. Mr. Chairman, what bothers me is this, for example: I have just read this article 5 that the chairman of the subcommittee referred to. That particular article does not say one word about newsmen's privileges at all; it does not even mention it. It just avoids the question and, I suppose, leaves you with the assumption there is none.

The Chairman. The time of the gentleman has expired.

Mr. Hungate. Mr. Chairman, I yield 2 additional minutes to the gentleman from Indiana (Mr. Dennis).

Mr. Dennis. Mr. Chairman, I thank the gentleman for yielding.

I will yield further to the gentleman from New York (Mr. Wydler).

Mr. Wydler. Mr. Chairman, what I can see developing here is a very difficult legislative situation. The Committee on the Judiciary, as I understand it, has a special subcommittee looking into this particular question of newsmen's privilege. I do not know whether they are going to act or what kind of action they may take or may not take, but that particular matter alone could tend to hold up the whole consideration of this overall review, the current review and reform of the rules of evidence.

Mr. Chairman, I would like to ask that, as a matter of policy, as far as the Committee on the Judiciary is concerned, how is this matter going to be handled? Is this going to be handled by one subcommittee or the other subcommittee, or is this going to become bogged down in a jurisdictional dispute, or is this whole bill going to be hostage to this one question?

Mr. Dennis. Mr. Chairman, I will yield later to the gentleman from Missouri (Mr. Hungate) but first on my own behalf I would just like to say this to the gentleman:

Under these rules as provided there is no newsman's privilege, and the rules also state that the privileges as listed, which do not include the newsman's privilege are the only privileges.

Mr. Chairman, my personal hope would be that under those circumstances—because, as the gentleman says, that is a very controversial issue, and because there is a separate bill on the subject—that whatever might be done on that subject, as far as I am concerned, I would like to see left to the other bill and not brought into this one.

Mr. Hungate. Mr. Chairman, will the gentleman yield?

Mr. Dennis. I yield to the gentleman from Missouri (Mr. Hungate).

Mr. Hungate. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, if the gentleman who spoke to the House is from one of the 16 or 18 States where the newsmen have this privilege, and if we do not act by July 1 at the latest, those States newsman's privilege will be out the window as far as the Federal courts are concerned. Am I correct in that?

Mr. Dennis. I think that would be true, yes, in answer to the gentleman's question.

Mr. Wydler. Mr. Chairman, will the gentleman yield further to me?

Mr. Dennis. I yield further to the gentleman from New York (Mr. Wydler).

Mr. Wydler. Mr. Chairman, that is not the thing that bothers me. I am worried about what is going to happen legislatively, because we are going to have two different subcommittees of the Committee on the Judiciary considering this matter. One of the subcommittee, I understand, is almost exclusively concerning itself with this newsman's privilege problem, but now another subcommittee is going to be concerned with this in the sense that the committee is coming into the general reform of the rules, which includes the section concerned with the newsman's privilege.

The Chairman. Once again the time of the gentleman has expired.

Mr. Hungate. Mr. Chairman, I yield 1 additional minute to the gentleman from Indiana (Mr. Dennis).

Mr. Chairman, will the gentleman yield?

Mr. Dennis. I yield to the gentleman for response.

Mr. Hungate. I would say to the gentleman that both of these matters will be referred to the full committee as well as the subcommittee, and I think I can assure the gentleman that we will not come out of the full committee with two separate reports and two different bills on this question. All we are requesting the Members to do here today is to give us additional time to study this newsman's privilege problem, because otherwise the new rules will do away with that in some of the States that already have them, and this will give us further time to consider it.

Mr. Treen. Mr. Chairman, will the gentleman yield?

Mr. Dennis. I yield to the gentleman from Louisiana.

Mr. Treen. Mr. Chairman, I thank the gentleman for yielding.

I am a little bit concerned about this. I appreciate the purpose of this bill. It will hold up the effectiveness of the amendments to the Federal law on civil procedure and criminal procedure, and it will also hold up the effectiveness of the rules of evidence.

We have not heretofore had a formal code of evidence as we have had in the rules of procedure. Will some smart criminal lawyer defending someone try to suggest that the effect of this bill would be not to have any rules of evidence at all until we act? I think there is a distinction between the civil procedure——

The Chairman. The time of the gentleman from Indiana has expired.

Mr. Dennis. Mr. Chairman, will the gentleman yield me 1 additional minute?

Mr. Smith of New York. Mr. Chairman, I will yield the gentleman 1 additional minute.

Mr. Dennis. I yield further to the gentleman from Louisiana.

Mr. Treen. I thank the gentleman.

We are dealing with amendments to a code of procedure both on the civil and the criminal side, but we are not dealing with amendments to a code of evidence in effect. We are dealing with the first code of evidence really being promulgated by the Court. Since you are holding up the effectiveness of that code of evidence, will some smart lawyer be able to say that you do not have any rules of evidence at all until Congress acts?

Mr. Dennis. I do not think so. I think we have rules of evidence now which are not codified, of course, but can be used as they have been before unless we have done some changing.

Mr. Treen. I am concerned about it, and I hope you are right.

Mr. Dennis. I think that is correct.

Mr. Hungate. Mr. Chairman, I yield 6 minutes to our colleague on the committee, the gentlewoman from New York (Miss Holtzman).

(Miss Holtzman asked and was given permission to revise and extend her remarks.)

Miss Holtzman. Mr. Chairman, I rise in support of S. 583 as reported. I wish to express my appreciation for the bipartisan support given to the bill before us and for the distinguished efforts of the subcommittee chairman, the gentleman from Missouri, and the chairman of the Committee on the Judiciary, the gentleman from New Jersey.

The bill before us now consists of an amendment of S. 583 as originally passed by the Senate. As a freshman, I am particularly pleased that this amendment, which I proposed, was reported favorably by the subcommittee considering the proposed Rules of Evidence, the Judiciary Committee as a whole, and the Committee on Rules.

The bill before us provides that the proposed rules of evidence for the Federal courts cannot take effect unless and until Congress explicitly enacts them, with or without changes.

It is urgent that we adopt S. 583 as reported. For, if we take no action, the proposed rules would automatically become law on May 6, the end of the 90-day congressional review period specified in the enabling acts. Yet it is important that we deliberate carefully over these rules before they go into effect.

The proposed rules of evidence do not deal with abstruse legal technicalities. They seek to resolve social issues over which there is now vast national debate: executive secrecy, the newsmen's privilege, and individual privacy.

For example, the Rules permit the executive branch to shroud its activities in secrecy by creating an expanded doctrine of state secrets. Thus, the Government could prevent disclosure of any Government secret—whatever that may be—simply by showing that the so-called secret might disclose matters relating to national defense or international relations. The Government is not required, as it is now, to show that the disclosure of the secret would adversely affect national security. Executive secrecy is also expanded under a vague doctrine of official information which would shield Government documents presently available to litigants.

In addition, the Rules forbid the use in Federal Courts of the newsmen's privilege and the traditional doctor-patient privilege and severely narrows the long-established right of husbands and wives to keep their communications private—even in diversity cases.

As the hearings have shown, these Rules raise problems of a constitutional dimension. By narrowing the husband-wife privilege they may violate constitutional rights of privacy. By constricting the hearsay doctrine they may abridge a criminal defendant's right under the sixth amendment to confront his accusers. And, it may be that article III of the Constitution prohibits the Supreme Court from promulgating certain substantive rules of evidence, except in the context of a particular case or controversy.

Moreover, to the extent that these rules deal with substantive rights as opposed to housekeeping court procedures the drafters may have overstepped the bounds of congressional authority delegated in the Enabling Act.

The gravity of the issues raised by these proposed rules of evidence dictates that Congress carefully review them. Needless to say, 90 days, the time we now have for such review, clearly is inadequate.

Moreover, if we are to deal meaningfully with the issues raised, it is not sufficient simply to postpone the 90-day deadline—as S. 583 originally provided.

Mere delay does not protect the integrity of the legislative process. Thus, the proposed rules would still go into effect if the House, after lengthy deliberations, enacted revisions but the other body prior to the deadline did not act or could not agree with the House on changes to the be made.

It is demeaning for the Congress to work under the threat of a deadline with the attendant risk that inaction would result in rules that are unacceptable to either body.

Finally, in matters as important as this, Congress should always act explicity and affirmatively. Legislation by inaction is not a practice which this body can adhere to and command the respect of the American public.

The process under which these rules were drafted further demonstrates the need for careful congressional scrutiny. These rules do not come to us with the benefit of widespread public comment and criticism. In fact, major changes in the rules were made virtually at the last minute, essentially as a result of the intervention of the Justice Department and without the opportunity for any public comment. Consequently, many groups including the American Bar Association have requested that Congress postpone the effective date of the rules to permit them time to consider and comment on them.

By adopting S. 583 as reported this House will take a major step toward reasserting its congressional prerogatives. It is Congress—not the Supreme Court or the Justice Department—which has the prime responsibility for establishing national policy with regard to executive secrecy, newspaperman's privilege and personal privacy. We have, indeed, been grappling with these problems in this very session of the Congress. It we fail to adopt the bill before us we would be delegating the law-make function to an unholy alliance of congressional inaction, executive intervention and judicial fiat.

It is for these reasons, Mr. Chairman, that I urge the adoption of S. 583 as reported.

At this point, Mr. Chairman, I would like to include in the Record a memorandum that I have prepared which discusses in greater detail the objections to the various rules that became apparent as a result of the hearings held by the subcommittee which considered these rules:

MEMORANDUM CONCERNING PROPOSED RULES

1. The Rules abridge many important existing substantive rights of federal court litigants, thus violating principles of federalism.

This is true not only of Article V, which by abrogating present and future state-created privileges in the federal courts and substituting its own set of more limited privileges would eliminate the traditional doctor-patient privilege, narrow substantially the long-standing husband-wife privilege, and make inapplicable state statutes or common law protecting newmen's sources and the confidentiality of the accountants' and social workers' relationships with their clients.

The Rules' abridgement of substantive rights extends beyond privileges. For example, the rules write a new federal doctrine of presumptions (article III) and bar application of State Dead Man's statutes. Those state-created rights also reflect considered state policy judgments that the Rules would override.

The Rules' treatment of privileges was perhaps singled out for criticism by so many witnesses because laws of privilege assure *all* citizens, not just those in court, of the confidentiality of important relationships; abolition of those laws will affect the relationships of *all* citizens, and the ability of those doctors, newsmen, accountants, etc., to serve the public well.

2. The Hearings exposed widespread objections from the bar and public to many other provisions that adversely affect "substantive" rights of litigants.

Testifying bar groups expressed *uniform* opposition to the overall treatment of hearsay evidence and to many particular hearsay provisions. Testimony revealed considerable controversy surrounding provisions governing use of testimony given at preliminary hearings and conduct of those hearings; impeachment of criminal defendants by prior convictions; the effect of the Rules on conspiracy trials; the power of the trial court to summarize the evidence himself; court-appointed "experts" who attain the court's imprimatur; treatment of character evidences; exclusion of prejudicial evidence; juror testimony; impeachement by prosecutors of their own witnesses; and many individual formulations of privileges rules.

3. Rule 509 on governmental secrecy is especially controversial.

All the bar groups that testified, Judge Friendly, and Justice Goldberg concurred on three points: (a) the Rules' definitions of "state secrets" and "official information" that the Government may deny to litigants go far beyond existing case law and executive order; (b) that new in camera procedures for evaluating such claims are unprecedented and unwise; and (c) that the Rules appear to eliminate the traditional balancing test between the needs of the Government and litigant that has been enunciated in previous Supreme Court and lower court cases. They also agreed that the Rules unwisely import the Freedom of Information Act limitations into the litigative forum, and might even narrow the range of information available to the public under that Act.

4. A large number of witnesses criticized the Rules' poor and confusing drafting, inadequate explanatory Notes, and the failure to take into account many of the Constitutional doctrines and safeguards surrounding evidentiary questions.

Some of these problems may be laid to the attempt to make one set of Rules fit both civil and criminal cases. But drafting errors like excluding the state governments from the protection of Rule 509, and failure to consider the effect of the Constitution's confrontation clause on the validity of article VIII on hearsay, are typical of a wide variety of fundamental difficulties.

5. There is serious doubt about the Rules' validity.

The Hearings raised the question whether the drafting committees have acted properly within their statutory delegation of power, 28 U.S.C. §§ 2072, 3771, which explicitly forbids them to "modify, abridge or enlarge any substantive right," or within the Constitutional commands of the Supreme Court. For instance, every bar group, as well as Justice Goldberg and others, held that the doctrine of *Erie Railroad* v. *Tompkins* mandates federal court recognition of state-created privileges in diversity cases. The Second Circuit Court of Appeals has also so held. Yet the drafters repudiate this position. (The Rules would also end existing practice whereby state privileges are often given considerable deference by federal courts in federal question and criminal trials.)

6. The Bar opposes approval of these Rules.

Not a single bar association or lay professional group has come forward to favor adoption of these Rules. The American College of Trial Lawyers, American Trial Lawyers Association, Association of the Bar of the City of New York, an Ad Hoc group of New York Trial Lawyers, the Washington Council of Lawyers, Justice Goldberg, Judge Friendly, and the National Legal Aid and Defender Association all opposed adoption of these Rules. The A.B.A., which is on record favoring at least delay, obviously has serious reservations—especially since it was never consulted with regard to the final draft of the Rules. While the drafters themselves gave vague answers to questions concerning the bulk of comment to earlier drafts of the rules, the fact is that the majority of comment from bar groups throughout the country was hostile not only to whole articles of the Rules dealing with presumptions, privileges, and hearsay, but also to many other provisions retained in the final draft.

7. There is no pressing need for black-letter code of evidence or for uniformity between states as opposed to uniformity within each state among the state and federal courts.

Most bar associations testifying disputed the proposition that Rules are very seriously needed at all, or that the interest in uniformity between various jurisdictions is stronger than the recognized need (being served by the present scheme) for uniformity within each state between the evidentiary doctrines of the state and federal courts. Indeed, Judge Friendly and three bar groups testified that adoption of a rigid black-letter law evidentiary code would be a step backwards. They pointed to the prolongation of trials and increase in appellate reversals, the denial to trial judges of flexibility, the difficulty of dealing with evidentiary issues by black-letter law, and the disadvantage of cutting off development of the law in many areas where such development, on a case by case basis, was presently desirable. On the other hand, no convincing case has been made for such a code. Only one state has adopted either Uniform Rules of Evidence or the Model Evidence Codes; in those three states that have statutory evidence codes, they seem to have been ignored more than utilized.

8. The Hearings revealed critical flaws in the process by which the Rules were adopted: neither the public nor the bar were given adequate opportunity for scrutiny or input.

While the Rules make important public policy judgments, the drafters made no attempt to inform or solicit comment from the public or even those directly affected, like doctors and newsmen. After circulation of a Preliminary Draft in 1969, the drafters submitted their revisions to the Supreme Court without publication; but the Court declined to consider them until publicized. Even then, the Revised Draft was sent directly only to those who had commented before.

At this point, the Justice Department energetically intervened, requesting key changes which had been requested before but rejected by the drafters. In the course of less than two months, (a) very substantial changes were made in a score of key rules, including a complete rewriting of Rule 509 on governmental secrecy, and (b) the changes were approved by the two drafting committees and Judicial Conference and sent to the Supreme Court without publication or circulation to anyone.

During the following year the final revisions were never published; they were available only to the Justice Department and to persons who happened to learn that they had been made and requested a xerox copy from the drafters. Thus, when the Supreme Court issued the Rules in November 1972, even the A.B.A. was taken by surprise to find in them many new provisions it had never before seen.

To the inadequate procedures may be laid in part the apparent bias of Article V in favor of governmental secrecy and against individual privacy, much of the poor drafting and Notes, and the effect of the privileges sections to protect lawyers and corporate clients—those most involved in the drafting—but not doctors, accountants, social workers and journalists.

Mr. Smith of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. Railsback).

(Mr. Railsback asked and was given permission to revise and extend his remarks.)

Mr. Wydler. Mr. Chairman, will the gentleman yield?

Mr. Railsback. I yield to the gentleman from New York.

Mr. Wydler. Mr. Chairman, I still do not believe that I got across to the subcommittee chairman the potential problem that we have here. The chairman of the subcommittee is going to be looking into the question of newsman's privilege, and it seems to me that when this bill comes back later for consideration on the floor, that that issue may be raised, regarding newsman's privilege, so that it is either going to have to be handled by this subcommittee or the gentleman's subcommittee, and I would like to know which subcommittee is going to handle it.

Mr. Railsback. Let me say to the gentleman that the subcommittee chaired by the gentleman from Wisconsin (Mr. Kasten-

MEIER), Subcommittee No. 3 of the House Committee on the Judiciary, has held lengthy and extended hearings not just this year, but last year as well.

And it is my understanding—and I will direct this question to my friend, and the chairman of the other subcommittee, that our subcommittee would continue to have jurisdiction over this separate issue of newsman's privilege.

I would also say to the gentleman that we have had the chance to discuss this with Albert E. Jenner, Jr., Chairman of the Advisory Committee to the Supreme Court that promulgated the rules which have now been sent to the Congress. He made it very clear to me that his advisory committee which has been working on this for 6 or 7 years purposely left out the issue of newsman's privilege as well as some other issues which they thought would be controversial. So it would be my thought that we would certainly retain our jurisdiction over such matters including newsman's privilege.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SMITH of New York. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Missouri.

Mr. HUNGATE. The question of privilege as dealt with in the proposed rules of the court says that no person can have the privilege unless it is set forth in the rules. That in effect limits the privileges that are available, and unless they are specified they are abolished.

Mr. RAILSBACK. My understanding would be that we as the Congress of the United States could at any time add or take away rules that have been promulgated by the Supreme Court. Mr. Jenner advised me of that in my telephone conversation with him.

Mr. HUNGATE. The gentleman from Illinois states the problem quite concisely. As I understand it, the subcommittee working on evidence has the option of making the statement that you do not have any privilege; it must be given to you. We can leave that situation as we find it, and then if the full committee in Congress sees fit to give that privilege, it will be there. If they do not see fit to take action, it will be left to the States. I think we can avoid the conflict.

Mr. RAILSBACK. In my remaining time let me just say there were some of us on the committee who would have preferred to have simply extended the time limit, which would have given Congress an additional period of time within which to act, but keeping a date certain such as the end of the session so that if we had acted, the rules then would have gone into effect.

The reason for that is we recognize that a very distinguished committee that recommended these rules to the Supreme Court, had been working on them for something like 6 or 7 years. We were very apprehensive that any kind of an open ended delay mechanism might mean that the rules would never emerge.

I have since joined with chairman in introducing a bill incorporating the rules——

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAILSBACK. Will the gentleman yield further?

Mr. SMITH of New York. I yield to the gentleman from Illinois.

Mr. RAILSBACK. I have since that time, after having been given the assurance of both my friend, the gentleman from Missouri, and the distinguished ranking member of the subcommittee, Mr. SMITH, that they are not going to delay—rather they are going to undertake the committee hearings right away, the intent being to come out with some legislation. I think all of us have backed off from the Ervin proposal which was passed in the other body, which would have made the rules go into effect at the end of this session if we had not acted.

Mr. HUNGATE. If the gentleman will yield further, I assure him that I have no desire to be known for the nonpassage of legislation. I think there is much that is worthwhile in the proposed rules, and we would propose legislation on this in the near future.

Mr. RAILSBACK. I thank the gentleman.

Mr. SMITH of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. MAYNE).

(Mr. MAYNE asked and was given permission to revise and extend his remarks.)

Mr. MAYNE. Mr. Chairman, I, too, was glad to join the gentleman from Missouri, the chairman of the subcommittee, in introducing the bill to adopt these rules. Like the gentleman from Illinois and some others, I would have preferred the version which was passed in the Senate, because I was somewhat apprehensive that we were, in the bill as reported by the committee, making it possible for congressional inaction to negate a very constructive and laborious achievement by the distinguished Advisory Committee of the Supreme Court of the United States.

I am satisfied after assurances received from the gentleman from Missouri and the gentleman from New York (Mr. SMITH) that the work of the subcommittee will proceed expeditiously, but I should like to just call to the attention of the House the makeup of this very distinguished committee which has labored for 7 years to achieve this result. It is an advisory committee made up of the leading trial lawyers of the United States practicing in the Federal courts and the leading Federal trial judges and appellate judges.

The chairman of the Advisory Committee on Rules of Evidence was Albert E. Jenner, Esquire, of the prominent law firm of Jenner and Block, Chicago, Ill.

The reporter for the committee was Prof. Edward W. Cleary of the College of Law, Arizona State University at Tempe, Ariz.

The members of the committee included: David Berger, Esquire, of Philadelphia; Robert S. Erdahl, Esquire, of Washington, D.C.; Judge Joe Ewing Estes, U.S. District Judge at Dallas, Tex.; Prof. Thomas F. Greene, Jr., of the University of Georgia, Athens, Ga.; Egbert L. Haywood, Esquire, of Durham, N.C.;

Judge Charles W. Joiner, U.S. District Judge at Detroit; Frank G. Raichle, Esquire, of Buffalo, N.Y.; Herman F. Selvin, Esquire, of Beverly Hills, Calif.; Judge Simon E. Sobeloff, U.S. Circuit Court of Appeals, Baltimore; Craig Stangenberg, Esquire, of Cleveland, Ohio; Judge Robert Van Pelt, Senior U.S. District Judge, Lincoln, Nebr.; Judge Jack B. Weinstein, U.S. District Judge, Brooklyn, N.Y.; and Edward Bennett Williams, Esquire, of Washington, D.C.

These are craftsmen who deal with the rules of evidence every day, who have long and distinguished careers in trying cases and hearing cases.

Certainly the committee and the Congress should give great respect and consideration to their work product. It is not something which we after 5 days of hearings or even 15 or 30 days of hearings can undo in good conscience, so I hope the subcommittee as we proceed, and I am a member of the subcommittee, will use some restraint in the unquestioned powers which we have. It would clearly be an abuse of the legislative process to stop this effort by inaction. I think we will press forward and I hope readily agree on those parts of the rules which are relatively noncontroversial, and the gentleman from Missouri has indicated that will be his modus operandi.

Mr. SMITH of New York. Mr. Chairman, I yield 2 minutes to a member of the subcommittee, the gentleman from Maryland (Mr. HOGAN).

(Mr. HOGAN asked and was given permission to revise and extend his remarks.)

Mr. HOGAN. Mr. Chairman, I would just like to say to our colleagues and particular the gentleman from New York (Mr. WYDLER) that we ought not today concern ourselves with the substantive matters in the rules of evidence themselves. All we are doing is asking for additional time to go ahead with the thorough analysis which they need. At another time we will have the opportunity and we all will have the opportunity to debate the merits and demerits of the proposed rules. There is substantive disagreement in the subcommittee on the rules themselves. There is no disagreement whatsoever that we need more time for review.

Mr. SMITH of New York. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Wiggins).

(Mr. WIGGINS asked and was given permission to revise and extend his remarks.)

Mr. WIGGINS. Mr. Chairman, I thank the gentleman from New York for yielding.

Mr. Chairman, most of the concerns I have had with this legislation have been answered by the explanations provided by the gentleman from Missouri, but I still have one concern and I would like to mention it.

Should the subcommittee get bogged down on some of the controversial matters contained in the proposed rules, would it be the intention of the subcommittee chairman to proceed expeditiously with those proposals on which agreement can be reached so that the entire package of proposed rules could not be held up because of one controversial proposal?

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Missouri.

Mr. HUNGATE. The gentleman seems to understand my method of operation. It would be the hope of the chairman that we would go through and find those rules on which there is no controversy or which have been endorsed by many groups. There are such rules. We would go forward with that and not let the fact that certain of the rules may be and perhaps will remain controversial prevent us from reporting out anything. I would like to see those issues resolved and reported out by the subcommittee within a reasonable time, I would hope by the 1st of July.

Mr. WIGGINS. I understand the gentleman's response to be that it his intention to report out those matters which are noncontroversial so as not to hold up the prompt adoption of such noncontroversial rules.

That removes, Mr. Chairman, the one remaining concern I have with this legislation. I thank the gentleman.

Mr. DANIELSON. Mr. Chairman, will the gentleman from California yield?

Mr. WIGGINS. I yield to the gentleman from California (Mr. DANIELSON).

(Mr. DANIELSON asked and was given permission to revise and extend his remarks.)

Mr. DANIELSON. Mr. Chairman, I rise in support of the bill as reported by the subcommittee and the full committee.

[Mr. DANIELSON further addressed the committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. OWENS. Mr. Chairman, I want to add my support to those who advocate passage of this important bill. This is a proper manifestation of congressional prerogative and in this day of confused Federal constitutional responsibilities, I think it important that we make clear that these proposed rules will be enacted only after careful study of the Congress and under our authority.

I also want to commend the gentlewoman from New York (Miss HOLTZMAN), my colleague on the Judiciary Committee for her initiative in proposing that implementation of these rules required congressional action. She was the first to raise that point, and it was her amendment in the Judiciary Subcommittee which provided that these rules take effect only after positive congressional action.

Mr. Moorhead of Pennsylvania. Mr. Chairman, I rise in support of this measure which will delay the effective date of the proposed Federal rules of evidence.

While I would not presume to speak on the merits of many of the proposed rules, I am strongly persuaded by the results of the hearings chaired by the distinguished gentleman from Missouri (Mr. Hungate). It would appear that not only are many of the proposals of a dubious quality on their face, but more important, are in fact substantive law and not merely procedural rules. This was clearly argued by Mr. Justice Douglas in his dissent to the Commission proposals, as it is only the Congress which can by legislation make substantive changes in the law. I stress this point because at this very time the Congress is faced with a grave challenge from the executive branch to its role as an equal partner in this Government.

I would, however, like to comment on proposed rule 509, for the prospect of this rule alone being adopted is in my opinion sufficient reason to disapprove of the entire document. Proposed rule 509 would reverse the thrust of existing law, and in effect, grant a privilege to all Government documents unless the private citizen can meet a burden of proof for disclosure. The Freedom of Information Act (5 U.S.C. 552) clearly puts the burden of proof on the Government to support an exemption from disclosure of a Government record.

Under this proposed rule, any attorney representing the Government can object to the production of a record on the grounds that disclosure of the record would be "contrary to the public interest." As we well know, the "public interest" is a vague standard subject to as many interpretations as there are persons interpreting it.

I submit that the overriding "public interest" is in the fullest possible disclosure of Government information and that any withholding should be limited to those records or documents falling within closely defined areas, and that the presumption must be that any record is public until the Government can prove otherwise.

The case law is clear on this matter:

"To insure that the disclosure requirements (under the FOI Act) are liberally construed, Congress provided for *de novo* review in the District Court whenever an agency fails to produce documents, with the agency having the burden of proving that the documents are exempt." *Sterling Drug Inc. v. FTC* 450 F 2d 698 (1971)

"The touchstone of any proceedings under the (FOI) Act must be the clear legislative intent to assure public access to all governmental records whose disclosure would not significantly harm specific governmental interests. The policy of the Act requires that the disclosure requirement be construed broadly, the exemptions narrowly." *Soucie v. David* 448 F. 2d 1067 (1971)

Both of the above cited cases, brought under the Freedom of Information Act clearly reflect the legislative mandate for maximum disclosure. It can be argued however that the proposed rule 509 is not in conflict. But, to adopt this rule would at best lead to a hopelessly ambiguous situation, for at least two overall general interpretations of the compatability or conflict of the Freedom of Information Act and the proposed rule are apparent. Assuming an individual has been denied access to an agency record and suit is instituted under the act. Such is a civil suit. The proposed rules of evidence would govern in such proceedings. Yet, it could be argued that the ultimate issue or fact in dispute is the record itself and that therefore its production is not an evidentiary question under the rules.

Of course, if a particular record was sought as part of the case to lead to the production of another record, the rule might come into play. In other words, it is possible that in a straight forward Freedom of Information suit, the Government would be faced with the burden of proof that one of the exemptions in the act was pertinent under the narrow restrictions intended in the act.

On the other hand, it might be deemed that either since the nature of the suit is one of discovery, the rules of evidence would apply, or that the rules supplement, explain or are so entwined with the exemptions in the act that they would somehow be pertinent. This, of course, may involve a complicated interpretation of statutory construction. The rules would have the force of law if not disapproved by Congress. But would they, because they are later in time than the Freedom of Information Act, modify or supersede the act which is a legislative enactment? I cannot answer this question, but the mere fact that the question is raised indicates that the rule 509, at least, has gone beyond a procedural matter and has taken on the aspects of a substantive legislative enactment.

In any case, Mr. Chairman, adoption of this rule would muddle the issue of access to information and may make the production of a government document dependent on whether or not the litigant brought a direct action under the Freedom of Information Act or whether he tried to get production as part of a suit under another statute.

I do not think that this Congress wants an issue as central to our democracy as the public's right to know to be decided on the procedural manner in which a law suit is instigated.

I therefore urge my colleagues to support this measure.

Mr. Hungate. Mr. Chairman, I have no further request for time.

Mr. Smith of New York. Mr. Chairman, I have no further request for time.

The Chairman. Pursuant to the rule, the Clerk will now read the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

"S. 583

"*Be it enacted by the Senate and House of Representtaives of the United States of America in Congress assembled,* That, notwithstanding any other provisions of law, the Rules of Evidence for United States Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedure, and the Amendments to the Federal Rules of Criminal Procedure, which are embraced by the orders entered by the Supreme Court of the United States on Monday, November 20, 1972, and Monday, December 18, 1972, shall have no force or effect except to the extent, and with such amendments, as they may be expressly approved by Act of Congress."

Mr. Gross. Mr. Chairman, I move to strike the necessary number of words.

(Mr. Gross asked and was given permission to revise and extend his remarks.)

Mr. Gross. Mr. Chairman, we have had an interesting debate this afternoon on the estopment of these proposed rules of evidence.

I simply suggest to the House that if and when the Committee on the Judiciary does come up with a bill proposing new rules of evidence, and I see one or two members of the Committee on Rules on the House floor, that there be a rule providing for 8 hours of general debate; that 7½ hours be allocated to the lawyers in the House; and the last 30 minutes be reserved for the nonlawyer Members.

The Chairman. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The Chairman. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Wright, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the bill (S. 583) to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the rules of evidence for U.S. courts and magistrates, the amendments to the Federal Rules of Civil Procedure and the amendments to the Federal Rules of Criminal Procedure which the Supreme Court on November 20, 1972, ordered the Chief Justice to transmit to the Congress, pursuant to House Resolution 294, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The Speaker. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The Speaker. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The Speaker. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. Wydler. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The Speaker. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 1, not voting 32, as follows:

[Roll No. 48]

Yeas—399

Abdnor, Abzug, Adams, Addabbo, Alexander, Anderson, Calif., Anderson, Ill., Andrews, N.C., Andrews, N. Dak., Annunzio, Archer, Arends, Armstrong, Ashbrook, Ashley, Aspin, Baker, Barrett, Beard, Bell, Bennett, Bevill, Biester, Bingham, Blackburn, Boland, Bolling, Bowen, Brademas, Brasco, Bray, Breaux, Breckinridge, Brinkley, Brooks, Broomfield, Brotzman, Brown, Calif., Brown, Mich., Brown, Ohio, Broyhill, N.C., Broyhill, Va., Buchanan, Burgener, Burke Calif., Burke, Fla., Burke, Mass., Burleson, Tex., Burlison, Mo., Burton, Butler, Byron, Camp, Carey, N.Y., Carney, Ohio, Carter, Casey, Tex., Cederberg, Chamberlain, Chappell, Clancy, Clark, Clausen, Don H.

Clawson, Del., Clay, Cleveland, Cochran, Cohen, Collins, Conable, Conlan, Conte, Conyers, Corman, Cotter, Coughlin, Crane, Cronin, Culver, Daniel, Dan, Daniel, Robert W., Jr., Daniels, Dominick V., Danielson, Davis, Ga., Davis, S.C., Davis, Wis., de la Garza, Delaney, Dellenback, Dellums, Denholm, Dennis, Dent, Derwinski, Devine, Dickinson, Diggs, Dingell, Donohue, Dorn, Downing, Drinan, Dulski, Duncan, du Pont, Eckhardt, Edwards, Ala., Edwards, Calif., Eilberg, Erlenborn, Esch, Eshleman, Evans, Colo., Evins, Tenn., Fascell, Findley, Fish, Fisher, Floor, Flowers, Flynt, Foley, Ford, Gerald R., Ford, William D., Forsythe, Fountain.

Fraser, Frelinghuysen, Frenzel, Frey, Fuqua,, Gaydos, Giaimo, Gilman, Ginn, Goldwater, Gonzalez Goodling, Grasso, Gray, Green, Oreg., Green, Pa., Griffiths, Gross, Grover, Gubser, Gude, Gunter, Guyer, Haley, Hamilton, Hammerschmidt, Hanley, Hanna, Hanrahan, Hansen Idaho, Hansen, Wash., Harrington, Harsha, Hastings, Hawkins, Hays, Hébert, Hechler, W. Va., Heckler, Mass., Heinz, Helstoski, Henderson, Hicks, Hillis, Hinshaw, Hogan, Holt Holtzman, Horton, Howard, Huber, Hudnut, Hungate, Hunt, Hutchinson, Ichord, Jarman, Johnson, Calif., Johnson, Pa., Jones, Ala., Jones, N.C., Jones, Okla., Jones, Tenn., Jordan.

Karth, Kastenmeier, Kazen, Keating, Kemp, Ketchum, Kluczynski, Koch, Kuykendall, Landgrebe, Landrum, Latta, Leggett, Lehman, Litton, Long, La., Long, Md., Lott, Lujan, McClory, McCloskey, McCollister McCormick, McDade, McFall, McKay, McKinney, McSpadden, Macdonald, Madden, Madigan, Mahon, Malliard, Mallary, Mann, Maraziti, Martin, Nebr., Martin, N.C., Mathis, Ga., Matsunaga, Mayne, Mazzoli, Meeds, Melcher, Metcalfe, Mezvinsky, Milford, Miller, Mills, Md., Minish, Mink, Mitchell, Md., Mitchell, N.Y., Mizell, Moakley, Mollohan, Montgomery, Moorhead, Calif., Moorhead, Pa., Morgan, Mosher, Moss, Murphy, Ill., Murphy, N.Y., Myers, Natcher, Nedzi, Nelsen, Obey, O'Brien, O'Hara.

O'Neill, Owens, Parris, Passman, Patman, Patten, Pepper, Perkins, Pettis, Peyser, Pickle, Pike, Poage, Podell, Powell, Ohio, Preyer, Price, Ill., Pritchard, Quie, Quillen, Railsback, Randall, Rangel, Regula, Reid, Reuss, Rhodes, Riegle, Rinaldo, Roberts, Robinson, Va., Robison, N.Y., Rodino, Roe, Rogers, Roncalio, Wyo., Roncallo, N.Y., Rooney, Pa., Rose, Rosenthal, Rostenkowski, Roush, Rousselot Roy, Roybal, Runnels, Ruth, Ryan, St Germain, Sandman, Sarasin, Sarbanes, Satterfield, Saylor, Scherle, Schneebeli, Schroeder, Sebelius, Seiberling, Shipley, Shoup, Shriver, Shuster, Sikes, Sisk, Skubitz, Slack, Smith, Iowa, Smith, N.Y., Snyder, Spence, Staggers.

Stanton, J. William, Stanton, James V., Stark, Steed, Steele, Steelman, Steiger, Ariz., Steiger, Wis., Stephens, Stokes, Stratton, Stuckey, Studds, Sullivan, Symington, Symms, Talcott, Taylor, Mo., Taylor, N.C., Teague, Calif., Teague, Tex., Thompson, N.J., Thomson, Wis., Thone, Thornton, Tiernan, Towell, Nev., Treen, Udall, Ullman, Van Deerlin, Vander Jagt, Vanik, Veysey, Vigorito, Waggonner, Walsh, Wampler, Ware, Whalen, White, Whitehurst, Whitten, Widnall, Wiggins, Williams, Wilson, Bob, Wilson, Charles H., Calif., Wilson, Charles, Tex., Winn, Wolff, Wright, Wyatt, Wydler, Wylie, Wyman, Yates, Yatron, Young, Fla., Young, Ga., Young, Ill., Young, S.C., Young, Tex., Zablocki, Zion, Zwach.

Nays—1

Froehlich

Not voting—32

Badillo, Bafalis, Bergland, Biaggi, Blatnik, Chisholm, Collier, Fulton, Gettys, Gibbons, Harvey.

Holifield, Hosmer, Johnson, Colo., King, Kyros, Lent, McEwen, Mathias, Calif., Michel, Mills, Ark., Minshall, Ohio.

Nichols, Nix, Price, Tex., Rarick, Rees, Rooney, N.Y., Ruppe, Stubblefield, Waldie, Young, Alaska.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Hosmer.
Mr. Holifield with Mr. Bafalis.
Mr. Waldie with Mr. Mathias of California.
Mrs. Chisholm with Mr. Rarick.
Mr. Kyros with Mr. Harvey.
Mr. Nichols with Mr. Johnson of Colorado.
Mr. Gettys with Mr. Minshall of Ohio.
Mr. Fulton with Mr. Collier.
Mr. Nix with Mr. Michel.
Mr. Bergland with Mr. McEwen.
Mr. Blatnik with Mr. Lent.
Mr. Biaggi with Mr. King.
Mr. Gibbons with Mr. Price of Texas.
Mr. Stubblefield with Mr. Ruppe.
Mr. Rees with Mr. Young of Alaska.
Mr. Badillo with Mr. Mills of Arkansas.

The result of the vote was announced as above recorded.

The title was amended so as to read: "An act to promote the separation of constitutional powers by suspending the effectiveness of the rules of evidence for U.S. courts and magistrates, the amendments to the Federal Rules of Civil Procedure, and the amendments to the Federal Rules of Criminal Procedure transmitted to the Congress by the Chief Justice on February 5, 1973, until approved by act of Congress."

A motion to reconsider was laid on the table.

HISTORY AND STATUS OF S. 583: A BILL TO INSURE CONGRESSIONAL REVIEW OF THE PROPOSED RULES OF EVIDENCE BEFORE THEY TAKE EFFECT AS LAW

On March 14, 1973, by a vote of 399–1, the House adopted an amended version of S. 583, a bill to delay the proposed Rules of Evidence until Congress is able to consider carefully the impact of these rules on the administration of justice in the federal courts. This bill has been sent back to the Senate and is now at the desk. As amended, S. 583 requires congressional approval of these rules before they can take effect as law.

The Senate adopted S. 583 by voice vote and without opposition on February 7, 1973. Following the Senate's action, a House Judiciary Subcommittee, chaired by Congressman William Hungate, held extensive hearings on the rules and on the advisability of delaying their implementation.*

Subsequently, the House Judiciary Committee reported out S. 583 with amendments. As author of the original version of S. 583, Senator Ervin intends early next week to move that the Senate concur in the House amendments to S. 583.

Attached is a compilation of extracts from several statements presented during the House Judiciary Subcommittee hearings in February, 1973.

EXCERPTS FROM TESTIMONY PRESENTED BEFORE THE HOUSE JUDICIARY SUBCOMMITTEE, CHAIRED BY CONGRESSMAN WILLIAM HUNGATE, IN FEBRUARY 1973 CONCERNING THE PROPOSED RULES OF EVIDENCE

Honorable Arthur J. Goldberg, Former Justice, Supreme Court of the United States:

"To my mind, some of the proposed Rules extend beyond mere matters of procedure and represent real changes in the substantive rights and duties of persons throughout the country."

"While the Court may have some inherent power of its own and some concurrent power with Congress over matters of procedure, the Constitution vests in Congress the power to initiate and enact legislation concerning the rights and duties of citizens of the United States subject, of course, to constitutional limitations."

James F. Schaeffer, Chairman, The Federal Evidence and Procedure Committee on the Association of Trial Lawyers of America:

"It is the position of the Association of Trial Lawyers of America Committee on Federal Evidence and Procedure that legislation should be enacted by the Congress deferring the effective date of these rules until such time as Congress, the legal profession, the judiciary, both state and federal throughout the country, and all other interested citizens have been given full opportunity to know and understand the true extent to which these proposed rules affect the substantive rights of individual citizens involved in litigation in the Courts of the United States."

Honorable Henry J. Friendly, Chief Judge, U.S. Court of Appeals for the Second Circuit:

"My first objection to the proposed Rules is that there is no need for them. Someone once said that, in legal matters, when it is not necessary to do anything, it is necessary to do nothing. We know we are now having almost no serious problems with respect to evidence; we cannot tell how many the proposed Rules will bring."

"My second objection is that prescription of the Rules will stimulate appeals and increase reversals on evidentiary rulings."

"My third and most serious objection to the proposed Rules is their application to a federal system. The overwhelming bulk of civil litigation is conducted in the state courts, and the states have developed evidentiary rules for that purpose. Some of these, particularly the rules with respect to privilege, affect conduct of citizens outside the courtroom. I find it offensive for the federal government to take action that will deprive conduct such as communications between physician and patient, or husband and wife, of protection the state has afforded, particularly when the action in the federal court is to enforce a state-created right."

Honorable Robert W. Warren, Attorney General, State of Wisconsin; President-elect of the National Association of Attorneys-General:

"It is my position, . . . that the effect of Chapter V (dealing with privileges) is to diminish substantially the state's ability to protect the confidentiality of its records and files and to subject these to wide ranging disclosure, and that these rules restrict the power of federal judges before whom proceedings are pending to grant protective orders concerning such state records and files. It is my position that the present rules, as constituted, pose a severe threat to the proper administration of state government, of state governmental agencies, and in particular to the proper function of state law enforcement agencies."

Dr. Thomas G. Dorrity, M.D., Immediate Past President of the Association of American Physicians and Surgeons:

"We urge that Congress take action before July 1, 1973, to keep the new Rules of Evidence proposed by the Supreme Court from becoming effective until Congress can apply adequate consideration for them legislatively.

"S. 583 that passed the United States Senate February 7, 1973, staying the rules until the end of this session is a step in the right direction. But it should be amended so the proposed rules cannot go into effect until Congress acts. Congress should take this session, and the next if necessary, to do a thoroughly responsible job."

"Our concern is that the proposal expressly states, "The rules contain no provision for a general physician-patient privilege" (Advisory note, p. 56). This action could destroy the hard-won gains in two-thirds of the states which in varying degrees, legislatively recognized the patient's right to privacy, confidentiality, and privilege."

TESTIMONY OF THE HONORABLE ARTHUR J. GOLDBERG, FORMER JUSTICE, SUPREME COURT OF THE UNITED STATES, ON THE PROPOSED RULES OF EVIDENCE FOR U.S. COURTS AND MAGISTRATES

I consider it a privilege, Mr. Chairman and members of the Committee, to appear today in response to your invitation to testify on a matter that so vitally concerns the Rule of Law.

As a member of the Supreme Court, I joined a majority of my brethren in 1973 in approving the wholesale amendments of the Federal Rules of Civil Procedure and in authorizing the Chief Justice to transmit them to the Congress, because I regarded these amendments to be essentially "housekeeping" rules. See Order of January 21, 1973, 374 U.S. 865.

I concurred in approving the amendments to the Federal Rules of Civil Procedure in

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*Unless Congress enacts legislation to delay these rules, they will have the force and effect of law ninety days from the date of their submission to Congress. (18 U.S.C. 3402, 3771, 3772; 28 U.S.C. 2072, 2075). They were submitted to Congress on February 5, 1973.

1963 on two important assumptions: first, that the Congress retains authority to veto or amend Rules approved by the Supreme Court; and second, that the Rules extend only to matters of procedure and practice and not to matters of substance.

With respect to the first assumption, Congress and the Supreme Court have both construed the Enabling Acts, 18 U.S.C. § 3771 and 28 U.S.C. §§ 2072, 2075 to mean that Congress has the power to amend or veto rules transmitted by the Chief Justice. In considering the first Rules of Federal Procedure of 1938, the Senate Judiciary Committee expressed the view that Congress had the power to postpone the effective date of the rules. S. Rep. No. 1603 on S.J. Res. No. 281, 75th Cong., 3rd Sess. Similarly, the House Judiciary Committee, in recommending that the Rules "be permitted to take effect," stated that Congress had the power to prevent them from becoming effective. H. Rep. No. 2743, 75th Cong., 3rd Sess. When Senator Joseph Tydings introduced legislation in 1966 to extend rules making authority to appellate procedure and to reenact existing Enabling Acts, he emphasized that Congress would retain a veto power over rules approved by the Supreme Court:

"Of course, before they became the law, any proposed appellate rules promulgated under the bill will have to be referred to the Congress, which will have the same veto power with respect to civil appellate rules as it now has with respect to the existing Federal Rules of Criminal and Civil Procedure." Cong. Rec. 8588, 89th Cong., 2nd Sess. (April 20, 1966).

In approving the Appellate Rules Enabling Act and the recodification of existing Rules Enabling Acts, the Senate Judiciary Committee asserted that "Congress [could] enact a law within the 90-day period to prevent a proposed rule from taking effect." S. Rep. No. 1406, p. 2, 89th Cong., 2nd Sess. Finally, the Supreme Court itself has construed the Rules Enabling Act of 1934, now codified at 28 U.S.C. Section 2072, to permit Congress to veto rules before they become effective:

"[In] accordance with an act, the rules were submitted to the Congress so that that body might examine them and veto their going into effect if contrary to the policy of the legislature," *Sibbach* v. *Wilson,* 312 U.S. 1 (1941).

In short, Congress clearly has the authority to either amend or veto the proposed Rules of Evidence within the 90 days provided by statute or to extend this time.

My misgivings about the proposed Rules of Evidence concern the second assumption, namely that the Rules extend only to matters of practice and procedure. To my mind, some of the proposed Rules extend beyond mere matters of procedure and represent real changes in the substantive rights and duties of persons throughout the country.

The authority of the Supreme Court to prescribe rules for the federal courts is limited by statute. The Rules Enabling Acts by which the Court approved the proposed Rules of Evidence on November 20, 1972, extend only to "practice and procedure" (28 U.S.C. §§ 2072, 2075) to "Rules of pleading, practice, and procedure" (18 U.S.C. § 3771), and to "rules of practice and procedure" (18 U.S.C. § 3772). The original Act of 1934 makes explicit that "such rules shall not abridge, enlarge or modify any substantive right," a limitation contained in subsequent acts by implication. In short, the Supreme Court has no delegated power to approve Rules of Evidence in so far as they concern matters of "substance."

There are Constitutional limitations, too, on the power of the Supreme Court to enact rules of substantive law to govern proceedings in federal court. While the Court may have some inherent power of its own and some concurrent power with Congress over matters of procedure, the Constitution vests in Congress the power to initiate and enact legislation concerning the rights and duties of citizens of the United States subject, of course, to constitutional limitations. I disagreed with Justices Hugo Black and William O. Douglas in 1963 that the Rules of Evidence were matters of substantive law. In this case, on the other hand, where proposed Rules of Evidence do represent changes in substantive law I share their conclusion that such changes must be initiated and enacted by Congress.

In this context, I propose to discuss the treatment of "privileges" by the proposed rules. The rules define nine separate privileges: privilege for information given to the state in confidence; lawyer-client privilege, psychotherapist-patient privilege, husband-wife privilege, clergyman privilege, suffrage privilege, trade secrets, state secrets, and informer privilege. Some are abridged, some are enlarged, and some are denied. A notable omission is the newsman's privilege. Except for privileges protected by the Constitution and Acts of Congress, the Rules abolish all other privileges including those separately protected by state law.

It was generally assumed at the time of the Rules Enabling Act of 1934 that the delegation did not include the authority to promulgate any rules of evidence at all. See, *e.g.,* Wickes, *The New Rule-Making Power of the United States Supreme Court,* 13 Tex. L. Rev. 1 (1934*). Accordingly, the original Advisory Committee on Civil Rules expressed its misgivings about drafting rules of evidence:

"There is some difference in opinion in the Committee as to the extent to which the statute authorizes the Court to make rules dealing with evidence. We have touched the subject as lightly as possible." *Preliminary Draft of Rules and Civil Procedure,* May 1936. Foreword p. XVII.

The rule eventually adopted, Rule 43, touches only lightly on questions of admissibility and makes no reference whatsoever to rules of privilege.

When the Judicial Conference proposed in 1958 to draft Rules of Evidence, the Chief Justice of the United States felt obliged to convene a special committee to determine whether or not the Supreme Court had authority in that area. See *Preliminary Study of the Admissibility and Feasibility of Developing Uniform Rules of Evidence for the Federal Courts,* 30 F.R.D. 73 (1961). Even a few years ago, leading commentators who supported the effort to draft new Rules of Evidence nonetheless urged the Advisory Committee to avoid rules concerning privilege. See Degnan, *Federal Evidence Reform,* 76 Harv. L. Rev. 275 (1962). See also Joiner, *Uniform Rules of Evidence for the Federal Courts,* 20 F.R.D. 429 (1957):

"In the last analysis, however, the Court in determining its power to promulgate any rule must examine the policy behind the proposed rule to determine whether or not the purpose and effect of the rule involves the ordinary dispatch of judicial business [procedure] or is predicated on another broader policy of the state [substance]. . . . In most instances, the matters of evidence . . . involve only matters of practice and procedure, not of substance, or in other words, are only matters that are involved in the orderly dispatch of judicial business. Only *privileges,* burdens of proof, and conclusive presumptions may involve more or should be classified as substance and thus may be beyond the rule making power."

In short, even many of those who believe the Court should approve a code of evidence nonetheless doubt that its authority extends to rules of privilege.

The Supreme Court has defined the distinction between procedure and substance under the Rules Enabling Act as follows:

"The test must be whether a rule really regulates procedure—the judicial process for enforcing rights and duties recognized by substantive law and for justly administering remedy and redress for disregard or infraction of them." *Sibbach v. Wilson and Co.,* 312 U.S. 1, 14 (1942).

Yet that definition hardly answers the question. For one thing, we know, from the fact that it has already approved them, that the Supreme Court, at least in the present posture, considers rules of privilege to be within its grant of power. Since the governing statute remits the question to Congress for ultimate resolution, I am sure all would agree that the best body to judge what Congress intended by the statute, and what authority Congress intended to delegate to the Supreme Court, is the Congress itself.

Even if Congress determines that the Rules Enabling Act includes rules of privilege, it still faces the constitutional implications of *Erie Railroad Co. v. Tompkins,* 304 U.S. 64 (1938). This case and its progeny stand for the Constitutional principle that the federal courts in diversity cases have no power to create and apply substantive federal law in conflict with the laws of the states where the courts preside. On the Erie question the commentators are emphatic. They almost uniformly believe that rules of privilege are "substantive" within the meaning of the *Erie* doctrine and, therefore, must yield to state law in diversity suits.[1] The Federal Courts that have studied the question have come to the same conclusion.[2]

Although the standards differ, the reasons why rules of privilege are "substantive" both for the Rules Enabling Act and for the *Erie* doctrine are similar. Most rules of evidence, including the admission and exclusion of evidence, examination of witnesses, judicial notice, competency of witnesses and relevance, are designed to facilitate the fact-finding process. Rules of privilege, on the other hand, are designed to protect independent substantive interests:

"Privileges for confidential communications are created because the state thinks a particular relationship—attorney-client, husband-wife, journalist-source—is sufficiently important that it should be fostered by preserving confidentiality in the relationship even at the cost of losing evidence that would help to determine the truth in later litigation. Thus privilege differs from most rules of evidence, which are intended to facilitate getting at the truth of a matter. . . . Rules of privilege are not mere housekeeping rules." Wright & Miller, *Federal Practice and Procedure,* Civil § 2408 at 334 (1971)

To state the matter somewhat differently, most rules of evidence are procedural means toward the end of determing the truth. In the case of privileges, on the other hand, the substantive end is the privilege itself. They exist for reasons having little to do with the trial of causes. As another commentator has put it:

"Privileges are used to encourage patients to go to doctors, to encourage clients to be candid with lawyers and to promote family solidarity by making secure the confidential communications between husband and wife.

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[1] See, *e.g.,* Korn, *Continuing of Effect of Courts,* 48 F.R.D. 65 (1969); Weinstein, *The State Rules of Evidence in the Federal Uniformity-Conformity Dilemma Facing Draftsmen of Federal Rules of Evidence,* 69 Colum. L. Rev. 353 (1969); Degnan, *Federal Evidence Reform,* 76 Harv. L. Rev. 275, 301 (1962); Louisell, *Confidentiality, Conformity, and Confusion: Privileges In Federal Courts Today,* 31 Tul. L. Rev. 101, 117–24 (1956); Weinstein, *Recognition in the United States of the Privilege of Another Jurisdiction,* 56 Colum. L. Rev. 535, 545–47 (1956).

[2] *Hardy v. Riser,* 309 F. Supp. 1234 (N. D. Miss. 1970); *Republic Gear Co., v. Borg Warner Corp.,* 381 F. 2d, 551 (2d Cir. 1967); *Palmer v. Fisher,* 228 F. 2d. 603 (7th Cir. 1955) *cert. den.,* 351 U.S. 965 (1956).

Privileges have a wide application beyond court trials." Ladd, *Uniform Evidence Rules in the Federal Courts*, 49 Va. L. Rev. 692, 714 (1963).

One can hardly hope to find a better definition of "substance." Rules of privilege lie at the core of our rights and duties.

The so-called "state secrets" privilege of proposed Rule 509 is a good example. The Rule is nothing less than a secrecy code of the various kinds of information that the federal government can withhold from the public. It creates two kinds of secrets: "secrets of state," which cannot even be disclosed to a federal judge in the privacy of his chambers; and "official information," whose disclosure would be "contrary to the public interest."

Rule 509 extends far beyond the rules of "procedure" envisaged by the Rules Enabling Acts. It represents a secrecy statute as broad as the "Freedom of Information Act," 5 U.S.C. § 552, that Congress labored so long and hard to enact. In many ways, it withholds even more information than Congress intended to protect through the Freedom of Information Act. For example, while the Freedom of Information Act protects only matters that have been classified secret by executive order, Rule 509(a)(1) protects any secret "relating to the national defense or the international relations of the United States," whether or not it has been classified. Furthermore, while the Freedom of Information Act protects secrets only if they are specifically exempt from disclosure, Rule 509(b) enables the government to withhold not only government secrets themselves but any information that can be said to carry a "reasonable likelihood of danger" that it will result in disclosure of government secrets. In other words, Rule 509 withholds from the public information that by itself is not even secret. In short, Rule 509 which represents as extensive a substantive law as any in the United States Code, cannot be dismissed as procedure. While Congress has an interest in protecting government secrets, it must legislate in that area directly. It has not delegated, and cannot delegate that responsibility to the Judiciary.

In conclusion, and to illustrate my point, I refer to the so-called "newsman's privilege" for confidential communications between a newsman and his sources. Congress is now considering legislation to create such an evidentiary privilege. It is a matter of the greatest interest and one that everyone agrees is up to the Congress. Indeed, in an opinion last June rejecting a constitutional basis for the newsman's privilege, the Supreme Court specifically stated that the matter was one for Congress:

"At the federal level, Congress has freedom to determine whether a statutory newsman's privilege is necessary and desirable . . ." *Branzburg* v. *Hayes*, 408 U.S. 665, 706 (1972).

I was one who believed that the newsman's privilege was protected by the First Amendment. But the Court has rules otherwise. The logical implication from its ruling, it seems to me, is that rules of privilege, whether for newsmen or anyone else, are matters of substantive law and, therefore, not subject to be abridged or enlarged by the Proposed Rules of Evidence.

Finally, Mr. Chairman, I need scarcely add that I hold the members of the Advisory Committee, the Standing Committee and, of course, the members of the Supreme Court itself, in the highest regard, respect and esteem. My differences with them concerning the Proposed Rules of Evidence relate to matters of principle and should not in any way be regarded as reflecting upon the competence and dedication of those involved in the preparation and approval of the Rules.

In conclusion, I wish to express my appreciation to this Committee for affording me the opportunity to state my views on this important subject;

STATEMENT OF HENRY J. FRIENDLY, CHIEF JUDGE, U.S. COURT OF APPEALS FOR THE SECOND CIRCUIT, ON THE PROPOSED FEDERAL RULES OF EVIDENCE

My name is Henry J. Friendly. I was appointed to the United States Court of Appeals for the Second Circuit in 1959 and became Chief Judge two years ago. I speak here only for myself; I do not know to what extent other members of our court share my views.

I appear at your chairman's specific request and with some reluctance. The reluctance is born of my deep respect for many who favor the Proposed Rules, notably the Chief Justice and Judge Albert B. Maris, who has served, with selflessness and distinction, for so many years as Chairman of the Standing Committee on Rules of Practice and Procedure, and my appreciation for the devoted service of the members of the Advisory Committee on Rules of Evidence and its Reporter over the past eight years. Three years ago, after the first public draft of the Proposed Rules was circulated, I became convinced that the entire project was ill-conceived, and expressed my views in a letter to the Standing Committee, which is already in the record before you. When the Judicial Conference of the United States first forwarded the Proposed Rules to the Supreme Court in October, 1970, I objected to the Court, both for the substantive reasons previously stated in my letter to the Standing Committee and because the Judicial Conference had approved five single-spaced pages of changes made by the Advisory and Standing Committees (in many cases without having drafted the language), which had never been disclosed to the bench and the bar and to which the Conference could not have given meaningful consideration. Having become a member of the Conference after publication of the Rules as thus revised, I voiced my opposition at its meeting in the fall of 1971, where I had the dubious distinction of being the only member to speak or vote against their transmittal to the Supreme Court. Again I felt compelled to write the Justices and thought I had then fulfilled my obligations as a federal judge. However, I cannot properly refuse to respond to a request by a concerned committee of the Congress of the United States.

Although I disagree with many details of the Proposed Rules, I should like my remarks to be considered mainly as illustrating the undesirability of having a Federal Code of Evidence in any form. My objections are fundamental. I therefore shall not devote any time to discussing whether the Proposed Rules are within the Rules Enabling Acts, 28 U.S.C. § 2072 and 18 U.S.C. § 3771, although I share the doubts Mr. Justice Douglas has voiced on that subject. If the country should have a federal evidence code, Congress could broaden the enabling acts or, much less desirably, enact a code of its own. I shall not even say much about whether some of the provisions, notably those which direct federal courts to disregard state-created privileges even in actions for the enforcement of state-created rights, are not unconstitutional under *Erie R.R. Co.* v. *Tompkins*, 304 U.S. 64, 77–80 (1938), although a strong case can be made to that effect. With the benefit of hindsight, the error lay in the too ready acceptance, without opportunity for full debate, of the preliminary report in 1961 that Federal Rules of Evidence should be drafted. Once the Advisory Committee on Rules of Evidence was constituted and went to work, the project acquired its own momentum; the questions put to the profession were not *whether* there should be such Rules but *what* the Rules should be. It is therefore gratifying that this Committee is addressing itself to basic questions and not merely to details.

My first objection to the Proposed Rules is that there is no need for them. Someone once said that, in legal matters, when it is not necessary to do anything, it is necessary to do nothing. I find that a profoundly wise remark. We know we are now having almost no serious problems with respect to evidence; we cannot tell how many the Proposed Rules will bring.

I have seen no indication that the federal courts or lawyers practicing in them have encountered difficulty in working under Rule 43 of Federal Civil Procedure and Rule 26 of Federal Criminal Procedure. The impetus for a federal evidence code came in the first instance from academic dissatisfaction with the second sentence of Rule 43(a):

"All evidence shall be admitted which is admissible under the statutes of the United States, *or under the rules of evidence heretofore applied in the courts of the United States on the hearing of suits in equity*, or under the rules of evidence applied in the courts of general jurisdiction of the state in which the United States court is held."

The dissatisfaction was particularly with the second clause, which I have underscored, since no one really knew what rules of evidence federal courts had been applying in suits in equity, and antiquarian research into the few pre-1938 precedents seemed a poor pursuit for the 1960's. But the provision has caused much less trouble in the courts than in academe. As Professor Moore said in his treatise, "the rule is working better than the commentators had expected." 5 Federal Practice ¶43.02 at 1306. In twelve years on a busy court of appeals I can recall only one case involving state created rights where we decided a question of evidence differently than the state courts would have done. Although I concurred in that decision, by a divided court, *Hope* v. *Hearst Publishing Co.*, 294 F. 2d 681 (2d Cir. 1961), *cert. denied*, 368 U.S. 956 (1962), I think that, whether or not the result was required by Rule 43(a), it was unjust to allow a diversity plaintiff to win a libel suit which, because of a different rule of evidence, he would probably have lost in a New York court. If conceptual difficulties are deemed sufficiently serious to require a revision of Rule 43(a), this could take the form of requiring that in diversity cases the federal courts shall follow the state law of evidence but that in federal question cases they shall be governed, in the simple but moving language of Rule 26 of Federal Criminal Procedure, "except when an act of Congress or these rules otherwise provide, by the principles of the common law as they may be interpreted by the courts of the United States in the light of reason and experience." I would add to this that even in such cases state-created privileges should be respected unless a strong federal interest otherwise requires. Obviously such an amendment is suggestive only; scholars could doubtless devise something better.

Rather than getting bogged down in such simple amendments of Rules 43 and 26, let me reiterate my point that there are no empirical data showing the need for doing anything. I understand your Committee has been told that, with the increased mobility of the bar, it must be difficult for a lawyer in a civil case in a federal court to be obliged to acquaint himself with the evidence law of the state where the case is being tried. Apart from the fact that the out-of-state lawyer trying a type of civil case where evidence problems are likely to arise will usually have an in-state lawyer associated with him, the state common law rules are not all that hard to discover, and state statutory rules are even more readily ascertained. In any event there has been no cry of protest of this score from a profession not notable for its reluctance to express grievances.

Still one may fairly ask what harm there is in a code of evidence, provided it is a good code. My first answer is that evidence is not the kind of subject that lends itself to codification. It is perculiarly a subject for the common law system of judicial development by examination of the actual facts in each case in an adversary setting. Codes have been properly adopted in areas where certainty is needed—criminal and civil procedure, criminal law, and the distribution of decedents' estates. But there is little precedent for codes of evidence. When I last looked into the matter, only three of the fifty states had such codes. The law of evidence has grown during past generations with help from many sources; the greatest law treatise in the English language, now happily being revised; other writings by scholars, including the Reporter; the illumination afforded by attempts at codification—the American Law Institute's Model Code, the Commissioners' Uniform Rules, and now these Proposed Rules; and occasional prods from legislatures such as the business records statute, 28 U.S.C. § 1732, and its state counterparts. The Proposed Rules would tend to freeze the federal law of evidence, except at the intervals, necessarily long, when the Rules were revised. To be sure, Rule 102 instructs the courts to "construe" the Rules so as to promote "growth and development of the law of evidence." But there is not much room for "growth and development" when a judge is firmly bound by 161 pages of rules and commentary.

My second objection is that prescription of the Rules will stimulate appeals and increase reversals on evidentiary rulings. Few lawyers will now appeal a civil case only on such a ground; they know that if the appellate court believes the result was just and there were no other errors, it will "find a way" to sustain the trial judge. It will be immeasurably harder for an appellate court to reach such sensible results if the trial court has violated a black letter rule prescribed by the Supreme Court under authority from the Congress and the appellate court's only recourse is the limited doctrine of harmless error. What the federal courts of appeals need least at this time is an increase in business, especially in this sort of business. If it be said in reply that the Proposed Rules should decrease appeals because of their clarity, my rejoinder is that they are not and, in the nature of things, cannot be that clear. If you wish an example, I invite your attention to Article III on Presumptions. I cannot believe the Chairman of the Advisory Committee was serious if he said, as he has been quoted as saying, that this little book will enable a lawyer quickly to answer every evidence problem that can arise in a federal trial. If it were all that simple, one wonders why the Reporter has just brought out an 864 page revised edition of Professor McCormick's valuable treatise.

My third and most serious objection to the Proposed Rules is their application to a federal system. The overwhelmnig bulk of civil litigation is conducted in the state courts, and the states have developed evidentiary rules for that purpose. Some of these, particularly the rules with respect to privilege, affect conduct of citizens outside the courtroom. I find it offensive for the federal government to take action that will deprive conduct such as communications between physician and patient, or husband and wife, of protection the state has afforded, particularly when the action in the federal court is to enforce a state-created right. I feel much the same way about a state rule such as the statutes in force in New York and many other states which prohibit a party from testifying with respect to a transaction with another now deceased. Recognizing the opposing policy considerations, I would have voted to repeal the New York statute if I had been a member of the New York Legislature when the New York Civil Practice Act was last revised. But the Legislature, after thorough consideration, decided otherwise. Why should a Pennsylvanian be able to avoid this policy decision by suing the estate of a New Yorker on an oral contract in a New York federal court? Apart from the inequity of the result, this and other differences between state and federal rules will revive the forum shopping the *Erie* decision meant to end. Like the general law there abrogated, the Proposed Rules would, in Justice Brandeis' words, "render impossible equal protection of the law." I do not see these differences speedily disappearing by the states' adopting the Proposed Rules, as many adopted the Federal Rules of Civil Procedure, nor for reasons indicated above and below, would I think this desirable. It would require a much stronger showing of need than anything heretofore advanced to permit me to countenance this kind of injustice with equanimity.

Turning from these general observations to detailed criticism of the Proposed Rules, I should like to reemphasize that I cite these as illustrations of the harm that adoption of the Rules would cause. Curing a few of what seem to me to be defects would not overcome the basic objections to adoption of the Proposed Rules. Furthermore these criticisms are meant to be illustrative rather than exhaustive.

Rule 404(b)—Character Evidence. Does adopt the "federal rule" allowing evidence of other crimes *except* when offered only to show the defendant is a bad man, or the rule requiring that these crimes show some particular trait relevant to the charge? The rule seems to walk both sides of the street. It will provide a bountiful source of appeals and possible reversals on a subject where the federal law is now reasonably clear.

Rule 501—Several states have passed statutes recognizing some form of newsmen's privilege. Under this rule the privilege would be recognized in federal court. But a privilege for confidential communications is of little use unless it is recognized everywhere.

Similarly, if a state recognizes an accountant-client privilege, what reason is there for a federal court not to recognize it, and thereby destroy its general value, at least in an action based on state created rights? States may decide to establish privileges for other relationships. Why should these be unavailable in a federal action based on a state created right?

Rule 504—Psychotherapist-Patient Privilege. Substitution of this for the traditional physician-patient privilege is a striking example of the Committee's inability to resist making changes where none are needed. If a state recognizes a physician-patient privilege, why should not its policy prevail, at least in an action to enforce a state created right? What value is there in such a privilege available to one set of courts but not in another? On the other hand, if a state refuses to recognize a privilege for communications with a psychotherapist, or with one who is not a physician, what great federal interest requires its recognition in a federal court?

Rule 509(c)—The exemptions of the Freedom of Information Act are not necessarily the proper measure of the bounds of what may properly be withheld by the Government at a trial.

Rule 510(c)(2)—Informers (at trial on the merits). I consider this a broader rule than my reading of the *Roviaro* decision, 353 U.S. 53, particularly as this was explicated in *McCray* v. *Illinois*, 386 U.S. 300, 311–12. Here is another subject where the courts will do much better on a case-by-case basis than under a rigid rule.

Rule 510(c)(3)—Informers (on suppression hearings). This again goes beyond the case law. See, *e.g.*, *United States* v. *Tucker*, 380 F.2d 206 (2d Cir. 1967). To say that this is "consistent" with *McCray* v. *Illinois*, *supra*, is true only in the sense that *McCray* does not *forbid* a rule demanding greater disclosure than it held to be constitutionally required.

Rule 601—Competency. As indicated, I don't like Dead Man's Acts any better than the Advisory Committee. But many states do. New York reenacted its rule, after full consideration, only a few years ago. What justification is there for a different rule in a diversity case in New York?

Rule 606(b)—Inquiry into Validity of Verdict or Indictment. Here is a perfect example of a situation better left to case-by-case development than to rule-making. As I read the rule as proposed, it would allow a juror to testify concerning any remarks by another juror that display any sentiment not derived from evidence of record. Courts should not have to spend time on this in the absence of a preliminary showing that, if the allegations are true, the permeation of the jury room by extraneous influences was so serious as to require upsetting the verdict.

Rule 609(b)—Prior Convictions. Why an arbitrary 10 year limit for the use of convictions in attacking the credibility of a witness? I fully agree it is wrong to rake up some 30 year old—or even a 5 year old—conviction of a minor crime. But why ban an 11 year old conviction of an adult of such serious offenses as murder, espionage, arson, rape, embezzlement, and even perjury? It is much better to leave such matters to the good sense of judges rather than impose an arbitrary statute of limitations.

Art. VIII—Hearsay. Of all subjects that are unsuited to codification, even for a state, the hearsay rule would rank among the highest. And, for reasons already stated, the last place for codification would be the federal system so long as it deals with state created rights. Detailed examination of the rules propounded by the Committee would demonstrate both these propositions. I will name only a few of my objections to the rules in this Article:

Rule 801(d)(1)—Any prior inconsistent statement of a witness, even an oral one, is made admissable as affirmative evidence. This includes a case where, for example, a witness for a criminal defendant denies that he has any knowledge of an event or ever made a statement about it, but a government agent swears that he has made an oral statement inculpating the defendant. This makes cross-examination a farce. The rule goes far beyond any decided case dealing with federal crimes or any consideration of sound policy. The rule is equally indefensible in civil cases. While it may be constitutional under *California* v. *Green*, 399 U.S. 149 (1970), it is basically inconsistent with the spirit of the Supreme Court's effort to put real meaning into the confrontation clause of the Sixth Amendment.

Rule 803(6)—Although obscurely worded, this seeems to adopt the most extreme view of the business records rule. Any hearsay statement is admissible if it has been compiled by someone "in the course of a regularly conducted activity by the latter," unless the opponent can somehow show lack of trustworthiness.

Rule 803(24)—In contrast to the closed door aproach to privilege, this opens the door to all kinds of hearsay statements, with no standard save "comparable circumstantial guarantees of trustworthiness" being offered. This is the Chancellor's foot with a vengeance.

Rule 804(b)(4)—Here the Committee attempts to deal with the long controverted problem of statements against penal interest. Admissibility of such statements is one of those things that has looked good to many people in theory but appears quite differently when seen in the context of experience. As originally proposed, the rule would have admitted the declaration of a person already serving a long prison sentence that he, rather than the accused, committed the crime. At the last moment the Committee qualified this so that such a declaration "is not admissible unless corroborated." I have no idea what this means; I should suppose that any evidence of the defendant's innocence or verification of any significant aspect of the exculpatory statement would constitute "corroboration" in the ordinary sense of that word. The comment does not help much when it says, p. 137, that the requirement "should be construed in such a manner as to effectuate its purpose of circumventing fabrication." The best way to effectuate this purpose is to leave the law as it is.

In summary, almost nothing will be gained by adopting the rules either as they have been proposed or as they might be amended, and a good deal can be lost. The existing system has caused no sigificant trouble to practitioners and judges in the federal courts has given the judges the flexibility needed to effect equity and justice, and has largely avoided the evil of forum-shopping in diversity cases. Prescription of a code of evidence would increase, not reduce, the burdens on federal judges and, in some cases, would produce gross inequities and unnecessary conflict with state policies. I therefore hope that, despite the labors that have gone into them, the Proposed Rules will be placed on the bookshelves along with earlier attempts at codification by equally able and high-minded lawyers.

Testimony of James F. Schaeffer, Chairman, the Federal Evidence and Procedure Committee of the Association of Trial Lawyers of America

Mr. Chairman and members of the committee, it is a privilege to have the opportunity to respond to your invitation to offer testimony in reference to a decisional process of extreme importance to our system of administering justice in the United States.

For your information, at the direction of the Honorable J. D. Lee, President, I am speaking here as Chairman of the Committee on Federal Evidence and Procedure of the Association of Trial Lawyers of America. This organization, formerly known as the American Trial Lawyers Association, is the second largest bar association in the world, having in excess of 25,000 members throughout these United States. Our organization is composed of active trial lawyers as distinguished from office practitioners. We are the lawyers who regularly find ourselves as advocates for our clients in open court striving for the ends of justice in an arena which must remain the fountainhead of fair play. Rules of evidence guide us onward. Their wisdom must remain inviolate.

An effort is here being made not to make this testimony redundant. We have been supplied heretofore with copies of the testimony of the Honorable Arthur J. Goldberg. His comments are applauded and their deepest consideration is urged upon this committee.

As we understand the procedural situation at hand, the advisory committee has reported the proposed rules of evidence to the Supreme Court which has in turn reported the rules to the Congress, and, unless legislation is enacted, amending or deferring the effective date, the rules will become effective on July 1, 1973.

It is the position of the Association of Trial Lawyers of America Committee on Federal Evidence and Procedure that legislation should be enacted by the Congress deferring the effective date of these rules until such time as Congress, the legal profession, the judiciary both state and federal throughout the country, and all other interested citizens have been given full opportunity to know and understand the true extent to which these proposed rules affect the substantive rights of individual citizens involved in litigation in the Courts of the United States.

There are two major positions from which to view these rules in testing the wisdom of their becoming law. The first point for consideration turns on whether or not the original act empowering the Supreme Court to prescribe rules of procedure includes the power to prescribe rules of evidence. The second point of view would extend to the substance of the proposed rules with the aim of determining whether they are just rules and should be adopted on their merits. From both positions, we view the matter in the negative.

The often cited 1934 act empowering the Supreme Court to prescribe rules provided the Supreme Court would have the power to prescribe "the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law." The enabling legislation further provided "said rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant." As previously stated by former Justice Goldberg, this is a limitation contained in subsequent acts by implication.

I would like to take this opportunity first to discuss the question of the authority of the Court to propose these rules in the light of the statutory language.

An obvious modification of "the substantive rights of" . . . litigants in the realm of privilege has already been developed in the testimony of former Supreme Court Justice Goldberg. An outright concession within the framework of the rules themselves that they undertake to modify substantive rights of ligitigants is made crystal clear in Article 3 relating to presumptions with particular reference to Rule 301 and Rules 302.

Rule 301 reads as follows:

"In all cases not otherwise provided for by Act of Congress or by these rules, a presumption imposes on the parties against whom it is directed, the burden of proving that the non-existence of the presumed fact is more probable than its existence."

The question presented is, does the foregoing rule affect substantive rights of litigants? To answer this question, one would have to analyze the various presumptions at law which have legal effect when they come into play during the trial of lawsuits. An example of such a presumption is the presumption created in the well-known legal doctrine "res ipsa loquitur" (the thing speaks for itself).

Under this doctrine, where the suing party establishes by proof the existence of an instrumentality wholly within the dominion and control of the defendant and a resultant injury to the plaintiff which normally does not occur in the absence of negligence, the law raises a presumption that the defendant was negligent. This particular presumption, under Tennessee Law, and under the law of many states, has no weight in getting the case to the jury once the defendant has come forward with some evidence that the injury could have resulted from a cause other than his negligence. In other words, the presumption arising in res ipsa cases does not shift the burden of proof to the defendant, it merely shifts the burden of going forward with the evidence.

The effect of the proposed rule is actually to shift the burden of proof to the defendant, and, notwithstanding evidence that the injury could have resulted from acts other than defendant's negligence, the case would go to the jury to be decided with only the weight of the presumption favoring the plaintiff. It is thus apparent that the treatment given presumptions by Rule 301 does not affect the substantive rights of litigants.

One need only look to Rule 302 for unequivocal evidence that the advisory committee itself realized that when it enacted Rule 301 it was altering substantive law.

It is well known to lawyers and judges that under the doctrine of *Erie Railroad Company vs. Tompkins*, 304 U.S. 64 (1938) in diversity cases the federal courts in substantive matters must apply the law of the state in which the Court is sitting. In other words, a rule of law which is "substantive" must be determined by the Federal Courts by looking to the law of the state in which the Court sits.

With this frame of reference in mind, the committee's attention is directed to Rule 302 which reads as follows:

"In civil actions, the effect of a presumption respecting a fact which is an element of a claim or defense as to which state law supplies the rule of decision is determined in accordance with state law."

In the advisory committee's note under Rule 302, it is recognized that questions relating to burden of proof are substantive. It is therefore inescapably to be concluded that Rule 301 creates a new rule of substantive law in Federal Courts but because of the constitutional implications and the precedent of Erie Railroad Company v. Tompkins, the committee was forced to create an exception in cases based upon diversity.

Now, laying aside the moment the basio question of the power of the Supreme Court to promulgate such rules under the enabling legislation, and turning to the merits of some of the proposed rules themselves, it is immediately evident that some of the rules do little more than restate existing law, in which case they are unnecessary, while others constitute an express adoption of new Rules of Evidence, derived from the minority view of Courts and from outmoded concepts.

Insofar as the rules represent departure from existing law, the wisdom of that departure should be debated at length by those persons called upon to represent citizens of this nation before its courts and in these legislative halls.

An example of a rule which many of us consider to be the adoption of a regressive law is Rule 609, which provides for the impeachment of witnesses by allowing evidence to be introduced that such witnesses have been previously convicted of crime. This method of character damnation, particularly when applied to a person charged with a crime, has been soundly condemned by many commentators, and courts and praised by none. Exemplary of the view of an enlightened court is the language of McGowan, J., concurring in *Blakney v. The United States,* 397 F2d, 648 (1968):

"As long ago as 1942, the American Law Institute proposed a model code of evidence which sought to blunt this weapon that prosecutors have—and invariably use. The Commissioners on Uniform State Laws did the the same with their 1953 proposal of the Uniform Rules of Evidence. It is surely not to be supposed that any group currently engaged in a similar task do less."

Yet, the advisory committee here has done precisely that which Judge McGowan considered to be unlikely, and initially drafted a rule which was regressive in its scope. Commenting upon the initial draft of the rule, and it must be pointed out that even the initial draft was changed before the final draft was submitted, Professor Robert Spector said in his excellent discussion of this point in 1 Loyola U. L. Rev. 247 (1970):

"In sum, Rule 6–09 should be entirely stricken. Rule 6–08 covers the only legitimate use of character evidence in the impeachment process. Failing this, a rule on the order of the Luck doctrine should be adopted as a halfway measure."

Professor Spector concluded with the following apt quotation from Ashcraft, *Evidence of Former Convictions,* 41 Chi. B. Record 303, 307 (1960):

"The rule, which has no historical sanctity serves no useful purpose and is discriminatory and unfair and should be abolished. Its retention in this day of supposedly enlightened jurisprudence is disgraceful."

Criticism of the basic fairness and judicial soundness of the impeachment rule has not been scattered but has been uniform from a variety of sources, including at least one article by a distinguished member of the standing committee on Federal Practice and Procedure, Dean Mason Ladd.

M. Ladd, *Credibility Tests—Current Trends.* 89 U. Pa. L. Rev. 166 (1940). See also 18 DePaul L. Rev. 1 (1968); 78 Harv. L. Rev. 426 (1963); and 70 Yale L.J. 763 (1961).

Amazingly enough, the final proposed Rule 609 in the draft of the rules now under consideration, has been made even more restrictive than the draft in the original text which was criticized by Professor Spector. The proposed Rule 609, in the original form of sub-sections (b) and (c) read as follows:

"(b) Time limit. Evidence of a conviction under this rule is inadmissible if a period of more than 10 years has elapsed since the date of the release of the witness from confinement, or the expiration of the period of his parole, probation, or sentence, whichever is the later date.

"(c) Effect of pardon, annulment, or certificate of rehabilitation. Evidence of a conviction is admissible under this rule if (1) the conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure, and (2) the procedure under which the same was granted or issued required a substantial showing of rehabilitation or was based on innocence.

The final proposed Rule 609 was amended to read:

"(b) Time limit. Evidence of a conviction under this rule is not admissible if a period of more than 10 years has elapsed since the date of the release of the witness from confinement, imposed for his most recent conviction, or the expiration of the period of his parole, probation, or sentence granted or imposed with respect to his most recent conviction, whichever is the later date.

"(c) Effect of pardon, annulment, or certificate of rehabilitation. Evidence of a conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a substantial showing of rehabilitation and the witness has not been convicted of a subsequent crime, or (2) the conviction has been the subject of a pardon, annulment, or other equivalent procedure based on innocence."

It is our information and belief that the change reflected in the latter version of subsections (b) and (c) were made by the Court at the request of the Attorney General after the Attorney General's request had been proposed to the advisory committee and rejected by that body. The final draft of this rule was not circularized to the bench and bar prior to the submission thereof by the Court to this Congress.

There are other examples of late changes in the draft subsequent to the circularization of the original draft which the Congress should carefully study as to purpose, intent and wisdom.

An example of a codification by these rules of an extreme minority position in judicial thought in the United States is Rule 706, authorizing the trial judge to appoint his own expert in the trial of cases calling for expert testimony. This rule allows the Judge on his own motion, or on the motion of any party to enter an order to show cause why expert witnesses should not be appointed by the Trial Judge and empowers the Judge to make such an appointment either of a witness agreed upon by the parties or a witness of his own selection. The deposition of such a witness may be taken by either party and he may be called to testify by either party or by the Judge himself.

This rule abridges the adversary system and enables the injection of the Court into the trial of cases as an advocate. The judicial system in the United States has long depended upon impartial judges in the administration of justice. There is no authority anywhere for the proposition that the ends of justice are more readily attainable by the trial judge being injected into the adversary system.

As the United States Supreme Court said in *Dennis* v. *United States,* 86 S.Ct. 1840 (1966) "In our adversary system, it is enough for judges to judge."

From a purely practical standpoint known to very few trial lawyers, the adoption of the rule empowering the Court to appoint an expert would virtually abolish any opportunity of success in medical negligence cases. Any lawyer who has ever handled a medical negligence case is aware of the near impossibility of obtaining a medical expert witness who is willing to testify in favor of the plaintiff-patient against a fellow physician. The research for such an expert invariably leads to physicians in far away places and rarely ever results in a local physician being found willing to testify.

It is quite obvious that under this rule, in a case involving the need for a neurosurgeon, for example, the trial court would select as his appointed expert a local physician likely to be known by the defendant. Bringing such an expert before a jury and having him designated as the Court's appointed expert, would add such weight to usually biased testimony that plaintiffs could not overcome such an obstacle thus imposed against them.

The treatment given the hearsay rule in evidentiary matters by these proposed rules is earthshaking. Time does not permit an analysis of all of the details of this treatment. An example that points up this statement is proposed Rule 801 with particular reference to sub-section (d) thereof which undertakes to prescribe certain statements which are no longer to be considered hearsay.

An example of the type statements which are no longer to be treated as hearsay and are consequently to be received in evidence as proof of the matter asserted is where a declarant testifies at the trial and is subject to cross-examination concerning a prior statement and where the prior statement is inconsistent with testimony given at the trial. Under such circumstances, proof of the prior inconsistent statement can be offered and such evidence will constitute proof of the truth of the matters asserted therein.

What can happen in the application of this rule? A defendant in a criminal case can be convicted under this rule where not one single witness has appeared at the trial to testify to his guilt from the personal knowledge of such witness. It is submitted that this rule undercuts one of the most basic rules guaranteeing fair play in criminal trials. Furthermore, the rule, as herein proposed, is only in effect in three states in the United States—California, Kentucky, and Wisconsin, and has only been in effect in these three states for a very short period. In the language of Chief Justice Burger commenting upon an identical rule, in *State of California v. Green,* 399 U.S. 149 (1970) "None of these states has yet had sufficient experience with their innovations to determine whether or not the modification is sound, wise, and workable."

CONCLUSION

The law is an intricate fabric. It must be flexible and adaptable to a myriad of factual circumstances inherent in human behavior. The growth of the common law in the western world has been slow but most scholars believe headed in the right direction.

The Rules of Evidence, as known and practiced in the United States have been hundreds of years in their development and evolution in a slow and orderly judicial process. They have been tested and re-tested against an endless variety of factual situations and should not be lightly overturned.

For these reasons, on behalf of the organization we represent, the largest trial bar in the world, this committee is strongly urged to delay the effective date of these rules to allow time for any such rules to reflect the wisdom inherent in the legislative branch of the government wherein lies the inherent power for their enactment.

Finally, we pledge the resources of our organization in cooperation with the Congress, in undertaking a line by line and item by item study of these rules to the end that they will, if adopted, represent a step forward in the law.

EXPLANATION OF AMENDMENTS

As S. 583 passed the Senate, it provided the Rules of Evidence, the amendments to the Rules of Civil Procedure, and the amendments to the Federal Rules of Criminal Procedure "shall have no force or effect prior to the adjournment sine die of the first session of the Ninety-third Congress except to the extent that they may be expressly approved by such Congress prior to such sine die adjournment."

The text of the amended bill as reported provides in place of the quoted language the following: "shall have no force or effect except to the extent, and with such amendments, as they may be expressly approved by Act of Congress."

The effect of the change in language is:

1. To require affirmative action by Act of Congress before the rules become effective.
2. To make it clear that this or any succeeding Congress may act on the rules.
3. To make it clear that the rules as proposed may be accepted in whole or in part, with or without changes.

The amended bill as reported also deletes section 2 of the bill as it passed the Senate. This section is considered duplicative of the words "notwithstanding any other provisions of law" in section 1 and might, despite the intention to the contrary stated in Senate Report 93–14, erroneously be construed as effecting the repeal of the enabling acts.

The amended text also makes non-substantive, conforming changes in the bill. It amends the title to reflect the basic amendment first discussed above, and to reflect that the Chief Justice was "authorized", not "ordered", to transmit the proposed rules to the Congress. It also makes the changes necessary to take into account the existence of the second order of the Supreme Court, dated December 18, 1972, promulgating the rules.

STATEMENT

By orders dated November 20, 1972, and December 18, 1972, the Supreme Court of the United States authorized the Chief Justice to transmit to the Congress proposed Federal Rules of Evidence and amendments to the existing Rules of Civil and Criminal Procedure. As stated in the order of the Court, these rules were prescribed pursuant to sections 3402, 3771, and 3772 of title 18, United States Codes, and sections 2072, and 2075 of Title 28, United States Code. The cited statutes are commonly referred to as the rules enabling acts.

Section 3402 of Title 28 empowers the Court to prescribe rules of "procedure and practice" for the trial of cases before magistrates. Section 3771 of the same Title authorizes the Court to prescribe rules of "practice and procedure" with respect to criminal proceedings after verdict. It provides that the Court "may fix the dates when such rules rules shall take effect." Section 3771 authorizes the Court to prescribe rules of "practice and procedure" in criminal cases to and including verdict. That section also provides:

"Such rules shall not take effect until they have been reported to Congress by the Chief Justice * * * and until the expiration of ninety days after they have been thus reported."

Sections 2072 and 2075 of Title 28, relate respectively to civil rules of "practice and procedure" and bankruptcy rules of "practice and procedure." Both are cast in terms identical with those quoted from Section 3771 of Title 18.

Although the November 20, 1972 order of the Supreme Court directed that the rules "shall take effect on July 1, 1973", there are some authorities who believe this date would control the implementation of the rules, but that they would become "law" on May 6, by virtue of the ninety-day provision of the enabling statutes.

Several days before the rules were formally transmitted to the Congress, Senator Ervin introduced S. 583 to defer the effective date of the rules (whether May 6 or July 1) to the end of this session of Congress, except to the extent they are expressly approved by the Congress at an earlier date. In introducing the bill, Senator Ervin commented on the short time frame within which the Congress had to consider the important, controversial rules which were eight years in the making.

On February 5, 1973, the Senate Judiciary Committee reported S. 583 favorably without amendment, and on February 7, the bill passed the Senate without objection.

The Special Subcommittee on Reform of Federal Criminal Laws opened its hearings on February 7, two days after the rules were received from the Court. The Subcommittee has now had four days of hearings and has two more scheduled for later this month—March 9 and March 15.

In the course of the hearings, the magnitude of the questions before the Congress has become clear. Witnesses, including former Supreme Court Justice Arthur Goldberg, Chief Judge Henry J. Friendly of the Court of Appeals for the Second Circuit, and spokesman for the American College of Trial Lawyers, the National Legal Aid and Defender Association, and the Department of Justice, and the Attorney General of the State of Wisconsin, who is also the President-elect of the National Association of Attorneys General, and indeed those who appeared on behalf of the Judicial Conference, have brought to the Committee's attention substantial questions for congressional consideration:

(1) Are there constitutional impediments to the promulgation of Rules of Evidence by the Supreme Court, rules which may impinge on state-created substantive rights and infringe on the constitutional separation of powers?

(2) Are the Rules of Evidence within the purview of the authority granted the Court by the enabling acts? Justice William O. Douglas, dissenting from the Court action, said he doubted that they were.

(3) Assuming no constitutional law problems, and that the Rules are within the authority conferred by the enabling acts, is it wise and is there a need as a matter of policy to have rules of evidence uniform in the Federal courts across the country? Is it more desirable to have certain rules uniform as between the Federal courts and the States in which they sit?

(4) Has there been enough exposure of the proposed rules for interested and affected persons and organizations to comment? For example, the American Bar Association itself is not yet in a position to speak to the rules. As reflected in the correspondence from the the President of the Association to the Chairman of the Committee, printed below:

"The Rules of Evidence * * * which were authorized to be submitted to the Congress * * * have never been submitted to any Committee of the American Bar Association, and contain new matters which were not included in any earlier draft submitted or considered by the ABA."

(5) Should various of the individual rules be adopted in their present form? For example, the Special Subcommittee on Reform of Federal Criminal Laws has received adverse testimony with respect to the formulation of the rules relating to doctor-patient and husband-wife privileges, impeachment, hearsay, secrets of state and official information, opinion and expert testimony, and presumptions, among others. The exclusion of newsman's privilege in the Federal courts in those States which have shield laws has also been the target of adverse testimony.

Although it is the intention of the Committee to press forward diligently so that the Congress can act as promptly as possible on the rules, it has become clear there is enough controversy wrapped up in the 168 pages of rules and Advisory Committee notes that the rules should not be permitted to become effective without an affirmative act of Congress, and then, only to the extent and with such amendments, as the Congress shall approve. This is the effect of the bill as reported.

COST

Pursuant to Rule XIII (7) (a), the Committee reports that no costs are anticipated as a result of this enactment.

CORRESPONDENCE

AMERICAN BAR ASSOCIATION,
Chicago, Ill., February 16, 1973.
Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D.C.

DEAR CHAIRMAN RODINO: I am pleased to advise you that the House of Delegates of the American Bar Association, at its Midyear Meeting in Cleveland February 12–13, adopted a Resolution favoring enactment by the Congress of S583, sponsored by Senator Ervin, to extend the period in which Congress could give consideration to the proposed new Federal Rules of Evidence and Criminal Procedure.

The Resolution on which the House of Delegates acted was submitted by this Association's Special Committee on Federal Practice and Procedure. As approved by the House the Resolution states:

Whereas, the Rules of Evidence for the United States Courts and Magistrates which were authorized to be submitted to the Congress by order of the Supreme Court of the United States dated November 20, 1972, have never been submitted to any Committee of the American Bar Association, and contain new matters which were not included in any earlier draft submitted or considered by the ABA;

Resolved, That the American Bar Association urges the Congress to adopt legislation such as S. 583 (93rd Congress), a copy of which is attached.

In addition I can advise you that Mr. Kluwin's Special Committee has scheduled for March 12 in New Orleans another meeting to consider further the changes in the rules and whether it should recommend any course of action to the Association with respect to them. You will, of course, be kept advised of such action as the Association may determine to take.

Sincerely yours,
ROBERT W. MESERVE.

Mr. ERVIN. Mr. President, I have felt for a long time that the time allowed for Congress to consider recommendations for establishing rules of procedure by the Supreme Court is too short. For this reason, I introduced the bill in the Senate, which was passed without objection, postponing the effective date on the rules mentioned in it to the end of the present session of Congress.

The House saw fit to amend this bill so as to provide that the rules will not become effective unless they are affirmatively approved by Congress and that they can be amended by Congress.

The debate in the House shows that the members of the House Judiciary Committee are going to proceed with hearings on the proposed rules and will process them as a bill, with such changes as may be made by them.

I think this is the proper thing to do in the existing situation. There is great doubt whether Congress is permitted by the statutes to amend the rules submitted to it by the Supreme Court. The substitute provides that there can be amendments to the proposed rules.

The author of the substitute is the distinguished Congresswoman from the 16th District of New York, ELIZABETH HOLTZMAN. I have received a letter from her dated March 19, 1973, which affirms that it is her purpose, and the purpose of the House Judiciary Committee, and of the House, in proposing and adopting this substitute, that the rules will be studied and considered just as would a legislative bill.

I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., March 19, 1973.
Hon. SAM ERVIN,

DEAR SENATOR ERVIN: I was delighted by the overwhelming passage of S. 583 by the House last Wednesday and wanted to thank you again for your leadership in initiating this legislation and for the courtesies you extended to me in connection with the House amendment.

I wanted to reassure you that the debate on the Floor of the House confirmed that the purpose of S. 583 as amended was not to "kill" the proposed Rules of Evidence. Instead, it was our intention to permit Congress to consider the Rules in a matter consistent with Congressional prerogatives and the complex issues the Rules raised.

I thought you would also be interested to know that testimony before the House subcommittee considering the Rules of Evidence revealed that the approach taken in S. 583—having Congress enact the Rules of Evidence—might avoid litigation over whether the Supreme Court has power to promulgate substantive evidentiary rules, a question that would arise under the original version of S. 583.

Please accept my appreciation again and I look forward to working with you in the consideration of the Rules of Evidence for the Federal Courts.

Sincerely,
ELIZABETH HOLTZMAN,
Member of Congress.

Mr. ERVIN. Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska (Mr. HRUSKA) be yielded 5 minutes at this time.

Mr. ROBERT C. BYRD. Mr. President, has the time expired?

The ACTING PRESIDENT pro tempore. The time of the distinguished majority leader has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if the distinguished Senator from Georgia (Mr. TALMADGE) has no objection, that the time yielded back by the distinguished Republican leader be reserved and that it now be yielded to the distinguished Senator from Nebraska (Mr. HRUSKA). That is 5 minutes, is it not?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is correct. The Senator from Nebraska is recognized for 5 minutes.

Mr. HRUSKA. Mr. President, it is not often that the distinguished Senator from North Carolina and this Senator differ on a major and fundamental proposition. However, the bill now under discussion is a major and fundamental proposition upon which my colleague and I hold differing views. I might note that—in this event, we do not disagree so much on substance or on a matter of procedure and form.

The Enabling Act under which Congress processes rules submitted by the Supreme Court was long ago recognized as defective by myself and the Senator from North Carolina. Unfortunately, it requires that Congress act within 90 days to approve or reject rules promulgated by the Supreme Court. It is a preposterous situation, because the Advisory Committee on the Federal Rules of Evidence worked for 8 years to develop the rules of evidence and now by law we are required to consider them at length within a period of only 90 days.

Unfortunately, however, instead of just extending the time for consideration of the proposed rules, the House has completely reversed the process. Under the House amendment the rules will not become effective unless both Houses take affirmative action.

In my judgment, Senate concurrence in the House amendment would be a gross error. Congress already is heavily committed to schedules which will not permit the kind of consideration to which the rules are entitled. The desirability for certainty and the desirability for uniformity in rules of evidence for all Federal courts has been demonstrated far too many times for me to go into now. I state it only as a general proposition.

It would be far more preferable, it seems to me, to adopt the Senate-passed version of S. 583. This would provide that unless Congress acted by December 31 of this year, these rules would go into effect. Of course, there will always be open to Congress the power to amend those rules which have become law. We could take out the offensive sections and replace them with corrected or modified provisions.

I know there have been assurances from the other side that it is the intention of Chairman HUNGATE of the Judiciary Subcommittee on Revision of Federal Criminal Laws to proceed promptly on affirmative legislation establishing rules of evidence. The author of the amended version of the subject bill as passed by the House, Congresswoman HOLTZMAN, has also said she will cooperate in the effort.

But the fact remains that the House subcommittee has the title 18 revision to take care of. They also have the omnibus judge bill and a number of other urgent matters. They are heavily committed. We on this side of Congress are also heavily committed. The Senator from North Carolina is one of the most heavily burdened in this Chamber. All of us would agree that, notwithstanding his tremendous capacity for work, Senator ERVIN has no shortage of work. This observation would apply to all of us interested in this project.

I wonder whether I could prevail upon the thinking of the Senator from North Carolina on one aspect of this issue. Would the Senator from North Carolina entertain sympathetically a proposal to reconsider our action today, if we find ourselves in a bind somewhere down the line in the future months which will make it apparent that we will not be able to get the job done of considering positive legislation and enacting uniform Federal rules of evidence?

Mr. ERVIN. Unless the Senate concurs in the House substitute, I believe there would be danger that the Congress would not be able to get any legislation through before the rules would take effect.

I point out that one of the present Associate Justices of the Supreme Court, Justice Douglas, doubts whether the statute gives the Supreme Court the power to adopt rules of evidence; and a former Associate Justice of the Supreme Court, Mr. Goldberg, expresses a similar opinion.

I suggest that if the rules should go into effect under the statute without Congress approving them affirmatively, the Court will have controversies as to whether any of the rules are valid.

When I talked with Judge Maris about this, he said:

> Congress can pass other legislation to change the rules.

I said:

> Judge, how long has your committee been working on these rules?

He said:

> We have been working on them 7, 8, or 9 years.

I said:

> You expect us to pass on them in 90 days. I'll have to tell you, with reluctance, that the legislative process is sometimes like the judicial process: It travels on leaden feet.

I think that, under the circumstances, the Senate should concur in the House substitute.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TALMADGE. Mr. President, I yield 2 minutes of my time to the distinguished Senator from North Carolina.

Mr. ERVIN. I assure my good friend, the Senator from Nebraska, who is a fine lawyer and is very much interested in legal questions and does great work in the Committee on the Judiciary on such questions, that I will join him later in introducing these rules as a bill, with the idea that they will get action as soon as possible.

Mr. HRUSKA. When would we be prepared to introduce a bill?

Mr. ERVIN. We could introduce it any time, but it will be sometime before I have time to study the rules in detail.

Mr. HRUSKA. I would rather not adopt the House version of the bill, but if it is insisted upon, I will acquiesce.

But as time goes on and we get into the months of May and June and find that the promised progress has not materialized and is perhaps unrealistic, would the Senator from North Carolina listen to some proposal which would assure that these rules not be totally rejected and lose the momentum they have gained in the last 7 or 8 years?

As he pointed out, neither he nor I have much time to deal with them presently.

After all, the Advisory Committee on the proposed Federal rules of evidence worked on the recently promulgated rules for a period of 8 years. Its membership was drawn from the highest order of legal ability in the field. Mr. Albert E. Jenner, Jr., chairman of the committee and one of the giants of the litigating bar, put an enormous amount of effort into the project.

The complete membership of the committee reads as follows:

ADVISORY COMMITTEE ON RULES OF EVIDENCE

Albert E. Jenner, Jr.
David Berger.
Robert S. Erdahl.
Honorable Joe Ewing Estes.
Professor Thomas F. Green, Jr.
Egbert L. Haywood.
Honorable Charles W. Joiner.
Frank G. Raichle.
Herman F. Selvin.
Honorable Simon E. Sobeloff.
Craig Sangenberg.
Honorable Robert Van Pelt.
Honorable Jack B. Weinstein.
Edward Bennett Williams.
Reporter: Prof. Edward W. Cleary.
Secretary: William Foley.

Mr. ERVIN. I agree that I will join the Senator from Nebraska in introducing a bill containing these rules and would let it be processed as a legislative act. I am not in a position to agree that the rules would take effect without congressional action.

Mr. HRUSKA. I would welcome legislative action. However, this is an important matter, and I do not think we should lose its benefits or the prospect of such benefits. Many States are already proceeding on the rules as promulgated. Yet, they are not official rules. They are utilizing them and they are depending on us to go forward.

With the assurances that have been given in the House and the idea that a bill will be introduced reasonably soon, I will let the matter rest for the present.

Mr. ERVIN. I agree.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to concur in the House amendment.

The motion was agreed to.

Mr. ERVIN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Georgia is recognized for not to exceed 13 minutes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield briefly?

Mr. TALMADGE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Georgia such time as he has already yielded to other Senators, plus an additional minute which I hope he will yield to the distinguished Senator from Connecticut (Mr. RIBICOFF), so that the Senator from Georgia will not have been penalized whatsoever with regard to his time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I yield

1 minute to the Senator from Connecticut.

Mr. RIBICOFF. I thank the Senator.

DEATH OF FORMER SENATOR WILLIAM BENTON

Mr. RIBICOFF. Mr. President, it is with a deep sense of loss that I announce that former U.S. Senator William Benton of Connecticut died Sunday, March 18, 1973, in his sleep in his apartment in New York City, Senator Benton was 72.

Bill Benton served in the Senate from 1949 to 1952. He was appointed to the Senate by Connecticut Governor Chester Bowles in 1949 and won election in 1950 to fill out the unexpired term of Senator Raymond E. Baldwin.

Senator Benton was a great and dedicated public servant. He devoted his life to the betterment of mankind. His life was many faceted, encompassing politics, business, the arts, and education. Bill's sudden death comes as a great shock to myself and his many friends. Mrs. Ribicoff joins me in extending our deepest sympathy to Bill's wife, Helen, and other members of his family.

A success in business at an early age, Bill Benton entered public service in 1939 when he became an adviser to Nelson A. Rockefeller, then the Coordinator of Inter-American Affairs. In 1945, President Truman appointed him Assistant Secretary of State for Public Affairs.

As Assistant Secretary for 2 years, Bill organized the Voice of America broadcasts and was active in the establishment of UNESCO, the United Nations Educational and Cultural Organization. During the Johnson administration, Bill Benton was the chief U.S. member of the UNESCO executive board with the rank of Ambassador.

Bill was born April 1, 1900, in Minneapolis. His father, Charles William Benton, was a Congregationalist minister and a college professor. His mother, the former Elma Hixson, was a county school superintendent.

Graduating from Yale in 1921, Bill went into the advertising business. In 1929, he and Chester Bowles formed an advertising agency known as Benton and Bowles.

The young firm prospered. By 1935, when Bill left advertising and became vice president of the University of Chicago.

He later became publisher and chairman of the board of the Encyclopaedia Britannica and made that organization into a great success.

I ask unanimous consent that an article published in the New York Times of March 19 be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 19, 1973]

WILLIAM BENTON DIES HERE AT 72; LEADER IN POLITICS AND EDUCATION

(By Alden Whitman)

Former Senator William Benton of Connecticut, publisher of the Encyclopaedia Britannica and onetime Assistant Secretary of State, died early yesterday in his sleep in his apartment at the Waldorf Towers Hotel. He would have been 73 years old on April 1. His home was in Southport, Conn.

There will be a memorial service at 3:30 P.M. on Wednesday at Trinity Church (Episcopal) in Southport.

Mr. Benton had been released from Lenox Hill Hospital on Feb. 26 after recovering from pneumonia.

A man who never seemed to operate at less than full tilt, William Burnett Benton crammed at least five careers into his lifetime. He was, at various times, an advertising executive, a university vice president, a public servant and Senator and the head of a vast publishing empire. In all these careers, except politics, he wielded the Midas touch.

One example of Mr. Benton's business acumen was the Muzak Corporation, which he picked up in an idle moment in 1939–40, when he was still with the University of Chicago. After expanding the company's operations and taking several millions out of it in dividends, he sold it in 1957 for $4.35-million. But despite his undoubted feel for the marketplace, Mr. Benton preferred to regard himself (and to be regarded) as a serious and dedicated educator and statesman.

In this respect he was chairman of the company that published and sold the Encyclopaedia Britannica, from which he and his family made a great deal of money, much of it given to the William Benton Foundation. At the same time the company enriched the University of Chicago, a contractual beneficiary, by more than $25-million in 25 years.

A friend and business partner was astonished by the ease with which Mr. Benton made money, remarking that he "completely lacks the acquisitive instinct" and adding:

"You never saw a businessman spend less time thinking about money."

ANOTHER VIEWPOINT

Another associate of 20 years disagreed, saying:

"It's like a fellow playing 40 games of chess simultaneously. You could say you never saw a fellow spend so little time on a game of chess. But that wouldn't be the whole story."

In politics, which engaged Mr. Benton from 1945, he was a liberal Democrat, whose record as Senator from Connecticut was highlighted by opposition to Senator Joseph R. McCarthy, the Wisconsin Republican and anti-Communist crusader.

In 1951, when Mr. McCarthy was at the apogee of his influence, Mr. Benton introduced a resolution that, in effect, denounced his colleague as a liar and a thief and as unworthy to sit in the Senate. Hearings on this resolution led ultimately to Mr. McCarthy's censure in 1954, but by that time Mr. Benton was out of the Senate, having been defeated at the polls in 1952. Mr. McCarthy's enmity was generally credited with helping in the defeat.

He tried several times thereafter for office, but as one biographer put it, he was "never really one of the boys." Mr. Benton, it was said, "simply does not react" to a person and an ambiance, and could rarely bring himself to utter a flattery. Less kindly observers said that he was such a fountain of ideas that he did not listen to the notions of others and was inclined moreover to be vain-glorious.

SON OF A CLERGYMAN

Mr. Benton's background was religious and educational. Born April 1, 1900, in Minneapolis, he was the son of Charles William Benton, a Congregationalist clergyman and college professor, and the former Elma Hixson, a county school superintendent. His father died when he was 13, and his mother took the family to Montana to clear ground for a homestead.

Bill Benton entered Yale on his second attempt and graduated in 1921. He worked his way through as a high-stake auction bridge player. While denying reports that he cleared $25,000 a year, he told a friend that "it's a demonstrable fact that for 10 years I was one of the 10 or 20 best card players in the world."

On graduation he turned down a Rhodes Scholarship for a job as an advertising copywriter. This horrified his mother, who wrote her son, "If you won't go into a respectable profession, can't you at least be a lawyer?"

In advertising, he rose to become assistant general manager of Albert Lasker's Lord & Thomas agency in Chicago. He was earning $25,000 a year when he left in 1929 to join Chester Bowles in forming Benton & Bowles with a capital of $18,000. This agency, New York-based, attained annual gross billings of $18-million by 1935, of which Mr. Benton's share was $250,000—a huge sum in the Depression.

Pioneering in market research and the use of radio as an advertising medium, Mr. Benton was in part responsible for the Maxwell House "Showboat," the Palmolive "Beauty Box," "Gang Busters" and Fred Allen's "Town Hall Tonight." He has been credited with introducing the studio audience and signs to direct it to applaud, as well as commercials with sound effects.

"Up to then, you'd always had a commercial announcement, somebody stopping the show and talking, as though he were reading from a magazine," Mr. Benton recalled. "I staged commercials, you could hear the spoons, people clinking cups of coffee, everything acted out. It was revolutionary; it was like the first girl standing on her head on the back of a horse."

It was Mr. Benton, impressed with the local "Amos 'n' Andy" comic show in Chicago in 1929, who initiated its sponsorship on a national network by Pepsodent that made the show's characters, played by Freeman Gosden and the late Charles Correll, household words.

Mr. Benton had determined to quit advertising when he was 35, and in 1935, he did, having by that time made $1-million. Almost immediately, however, Robert M. Hutchins, his Yale classmate and president of the University of Chicago, persuaded him to become a vice president of the school. He held that post from 1937 to 1945 and helped the university pioneer in educational radio and educational movies. His radio program, "The University of Chicago Round Table," won several awards as an adult education show.

With characteristic self-regard, Mr. Benton appeared on the show, talking about the common man, censorship, cartels, foreign relations and other topics on which he was able to brief himself with remarkable thoroughness.

"COOKING UP THINGS"

At Chicago, Mr. Benton was, in effect, advertising a university. "Bill was what an engineering concern would call research and development," Mr. Hutchins said. "We worked on cooking up things, all kinds of measures, some of them successful, some of them abortions."

One of his greatest successes turned out to be the Encyclopaedia Britannica, which had been bought from its British owners after World War I by Sears, Roebuck & Co. In 1943 the mail-order house wanted to get rid of the publication and offered it to the university. Mr. Benton put up $100,000 in working capital for the acquisition and gave the school a beneficiary interest in the profits.

The salesmanship methods that Mr. Benton employed over the years to push the encyclopedia and its associated enterprises—chiefly classroom films, a yearbook, a junior encyclopedia, an atlas and a dictionary—have been much criticized as "hard sell." But there has been little question that they produced results. Nevertheless, in the judgment of a number of experts, the informational quality of the Britannica was greatly diluted under Mr. Benton's management. And at least one editor resigned in a huff over the volumes' contents.

Mr. Benton not only defended the Britannica, but also expanded its related business by publishing the 54-volume "Great Books of the Western World" series and a companion 10-volume set called "Gateway to the Great Books." In 1964 the Britannica company acquired the G. & C. Merriam Company, which publishes Webster's Dictionary.

Administering his publishing realm, Mr. Benton was accustomed to flying 75,000 miles a year to ginger up his underlings and to dictating up to 8,000 words a day of ideas and suggestions for his aides to execute. Recipients of these memos were amazed (and sometimes numbed) by their author's fecundity and circumlocutions.

In 1971, in a joint venture with the Tokyo Broadcasting System, Mr. Benton began publishing an international encyclopedia in Japanese.

He edged into public service in 1939 as an adviser to Nelson A. Rockefeller, then coordinator of Inter-American Affairs. Out of this, and an interest in economics as a founder of the Committee for Economic Development, came his appointment in 1945 as Assistant Secretary of State for Public Affairs.

As Assistant Secretary, his post for two years, he organized the Voice of America broadcasts and was active in the establishment of UNESCO, the United Nations Educational, Scientific and Cultural Organization. During the Johnson Administration he was chief United States member of the UNESCO executive board with the rank of Ambassador.

He served last year on the educational platform committee at the Democratic convention in Miami.

APPOINTED BY BOWLES

Mr. Benton became a Senator by courtesy of his old business partner, Chester Bowles, who was Governor of Connecticut in 1949. Mr. Bowles appointed him to fill a vacancy, and then he won an election in 1950 for the rest of the term. His Senate record included a plea for a Fair Employment Practices Commission and a fight against the McCarran Immigration Act as restrictive of the people of eastern and southern Europe. He voted for the legislation, however, when his appeals against it proved futile.

Out of office after 1952, he was identified with the Adlai E. Stevenson wing of the Democratic party and campaigned for Mr. Stevenson in 1956 and supported him again in 1960. The two were warm friends, and Mr. Stevenson was a frequent guest at Mr. Benton's home in Southport.

From his student days, when he was editor of The Yale Record, Mr. Benton was interested in art and in his friend Reginald Marsh in particular. By 1954, when Mr. Marsh died, Mr. Benton had collected hundreds of his paintings, which centered on the vulgarities and vagaries of American life. Marsh, who has come to be recognized as a major artist, forms the richest part of Mr. Benton's collection, which also includes works by Ivan Albright, Jack Levine, Bellows, Hassam and Kuniyoshi.

In 1972 the University of Connecticut named the William Benton Museum of Art in Mr. Benton's honor. Later that year he gave his collection of Albright's medical sketches to the University of Chicago Medical School. In the same year he was named Chubb Fellow at Yale.

Mr. Benton married Helen Hemingway, a Connecticut schoolteacher, in 1928. Also surviving are two sons, Charles and John; two daughters, Mrs. Helen Bolgey and Louise, and eight grandchildren.

THE CIVIL RIGHTS COMMISSION REPORT ON FORCED SCHOOL BUSING

Mr. TALMADGE. Mr. President, I was interested the other day to see the U.S. Commission on Civil Rights come out with a report in an effort to show that a majority of the American people are not very much opposed to forced schoolbusing—and, that most people would not really be against it at all if they really understood more about the problem.

That is absurd. If more people knew more about forced busing, there would be even greater opposition to this idiocy that has nothing whatsoever to do with improving education. The fact is, busing has done more to damage the integrity of schools since public education first began in our Republic.

The Civil Rights Commission had a poll conducted. It showed essentially the same thing as many polls for several years now. That is, an overwhelming majority of the American people are opposed to having their children bused to school against their wills.

According to the Civil Rights Commission survey, 70 percent are against busing. Unable to either accept or understand that, the Commission then said people are opposed to busing because they are misinformed.

I cannot vouch for the authenticity of the poll or the sample taken by the Civil Rights Commission. But I take strong exception to the notion that people oppose busing because they are misinformed.

I submit, Mr. President, if the American people were more informed about forced busing, if they knew more about its actual problems and hardships and the chaos it has brought to education in many areas, more would be adamantly opposed to busing than have been reflected by current polls.

I suggest that the Civil Rights Commission come down from its lofty cloud of liberal idealism, return to the reality of everyday life on earth, and face facts about forced schoolbusing.

Many of us in Congress—and more important, thousands of concerned parents have painfully had to face these facts for several years.

I further suggest that the Civil Rights Commission better inform itself. After doing so, and after laying all the facts on the table, for the public to see, it might be enlightening to the Commission to conduct another poll about busing.

Seventy percent is a sizable majority. Contrary to the foolishness put out by the Civil Rights Commission last week, that percentage would go even higher, I believe, if people were more aware of the problem of forced schoolbusing.

The Civil Rights Commission seemed to be saying that people misunderstand forced busing, and therefore we ought to embark upon a program to better inform them so that nobody would be against it anymore.

Let us take the Civil Rights Commission at its word. Let us inform the people what forced busing is all about. Let us spread the word far and wide all about the country. People in the South already have firsthand knowledge about busing and what it has done to the education of their children.

If people are misinformed about busing, then let us inform them. Let us tell them what it is costing in terms of taxpayers' dollars at a time when most school systems are crying for enough funds just to meet bona fide educational necessities.

Let us tell them what it is costing in terms of chaotic educational programs, and broken after school, extracurricular activities that are so important to one's total school career.

Let us tell them what it has cost public education in the loss of good teachers who have fled their profession.

Let us tell them about the increasing flight to the suburbs, and the increasing number of private schools and what it has cost their parents to send them there.

Let us tell them facts and actualities about forced schoolbusing. Let us tell them so they will understand and be better informed—in terms of what already is happening to children and families and education in the South and in certain other parts of the country, and what can happen to their own children's education if this madness continues.

Let us not get bogged down in statistical abstracts which purport to show this or that. Let us tell them about real cases, because that's what their children are.

Children are not ciphers or pawns on a political chessboard, to be pushed around in the name of some kind of social experimentation.

Parents are not concerned with statistics or ideological meandering. They are concerned about their children. They are concerned about the education of their children now—not at some utopian date in the future.

As parents, they feel dutybound to provide for their children the very best kind of education available, under the most favorable conditions possible. That is as it should be, as every parent will understand, whether they be black or white.

As taxpayers, they are justifiably upset because they no longer have say-so over the operation of schools they bought and paid for. They are angry because they cannot even control the education of their own children.

All this has been taken over by the Federal courts, under their myopic view of the U.S. Constitution, which does not even refer to public education anywhere in the entire document.

I am reminded at this point of an article by William Raspberry, a black columnist for the Washington Post. Mr. Raspberry said:

> We have spent too much effort on integrating schools and too little on improving them . . . In Washington, blacks send their children (or have them sent) across Rock Creek Park in pursuit of the dream of a good education. But as the blacks come, the white leave, and increasingly we find ourselves busing children from all black neighborhoods

all the way across town to schools that are rapidly becoming all black . . . (busing has accomplished nothing useful when it has meant transporting large numbers of reluctant youngsters to schools they'd rather not attend . . . Isn't it about time we started concentrating on educating children where they live?

The Civil Rights Commission made a big deal out of the idea that people opposed busing because they were under the false impression that massive busing is going on. If that is the case, let us take a look at the extent of forced school busing in some areas.

Approximately 20,000 are being bused in Charlotte-Mecklenburg, N.C., as far as 15 miles. That is massive busing. In Winston-Salem, N.C., 16,000 are being bused. In Nashville, Tenn., 14,500 are being bused. In Corpus Christi, Tex., 10,000 are being bused. In Norfolk, Va., 14,000 are being bused. In Jackson, Miss., 9,000 are being bused. In Pontiac, Mich., 8,700—a third of the entire school system, are being bused.

All that is massive busing; I do not care what the Civil Rights Commission calls it. In fact, even if only one child were being uprooted from his own neighborhood and transported clear across town to school, that would constitute massive busing to the parents of that child.

Thus, if the public is misinformed about busing as the Civil Rights Commission contends, let us show just how many children are being bused.

The Civil Rights Commission also said the public is laboring under false impressions about the cost of busing. In that case, let us point out the fact that it costs some $2 million to institute busing in Winston-Salem, that it costs $2.5 million to carry out a busing plan in San Francisco, that it costs $2.4 million the first year and $284,000 each year thereafter for busing in Charlotte, that it costs some $500,000 in Augusta, Ga., and $500,000 in Prince Georges County, Md.

No one will ever convince me that this money now being spent to herd children around like cattle could not be put to better use in the pursuit of education, instead of time-consuming bus rides.

While we are better informing the public about the costs of forced busing, let us also call attention to the fact that the Memphis school system lost approximately 7,500 students in the first month of this year, and altogether close to 20,000 students have pulled out since the controversy over busing arose 2 years ago. This situation is duplicated in city after city where busing has been rammed down the people's throats.

Now, let us hear from some citizens who are informed about busing, such as parents whose children have fallen under the long arm of the Federal courts.

The LaGrange, Ga., mother of six children, three in grammar school and three in junior high school, being assigned to attend five different schools.

The Atlanta father of six children, newcomers to the city, who had five of these youngsters assigned to four different schools.

The 1,800 Atlanta teachers who were summarily transferred to schools not in their areas or of their choosing.

The Norfolk father who bought a home in an area convenient to an elementary and junior high school only to see his children ordered bused 10 miles to a school with five different opening times, ranging from 7 a.m. to 10 a.m., meaning that during winter months, his children will be on the streets before daylight and after dark.

Mr. President, the things I have recited here today only scratch the surface of the busing problem. One could go on and on with examples regarding the cost and the hardships inflicted upon the taxpayers, children, and their parents. There is no way at this time to measure how the quality of public education has suffered although, as the Washington Evening Star has editorialized:

> Evidence is mounting in such communities as Pontiac, Michigan, and Pasadena, Cal., that forced busing can have a net effect that is decidely harmful."

Perhaps, in retrospect, I can agree at least in part with the Civil Rights Commission. People are misinformed about forced busing. If they were more informed about busing and all of its ramifications, I have no doubt that they would be even more opposed to it and rise up in righteous indignation and demand that Congress do something about it.

Mr. President, last Friday's Washington Post, dated March 16, 1973, had another articles by Mr. William Raspberry on the same subject, "Busing, True or False." I ask unanimous consent that it be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 16, 1973]

BUSING, TRUE OR FALSE

(By William Raspberry)

The U.S. Civil Rights Commission wants to believe that opposition to public school busing has its almost exclusive source in ignorance and bigotry.

And so it reads the results of a recent public opinion poll to "prove" exactly that.

It finds bigotry (and insincerity) in the fact that two-thirds of those polled say they favor integration as a national objective, while only 21 per cent offer general support for busing.

It finds ignorance in the fact that most of the respondents missed most of seven true-false questions about busing.

And it finds hope in the fact that the people who did best on the true-false questions tended to favor busing more than those who scored poorly.

With that sort of interpretation, it is perfectly natural to conclude that the way to sell busing to the American people is to inform the ignorant, expose the insincere and isolate the bigot.

Well, maybe. But the commission's conclusions don't necessarily flow from the Opinion Research Corp. poll.

I have a suggestion. Let Opinon Research put a pair of questions to the staff of the Civil Rights Commission: (1) As a national objective, do you favor racially integrated neighborhoods, that is, neighborhoods populated by both blacks and whites together? (2) Would you favor laws or court orders requiring that families residing in neighborhoods that are too white or too black be forcibly relocated to other neighborhoods in order to achieve neighborhood integration?

My guess is that the staffers would say Yes to Question No. 1 and No to Question No. 2. Yet, when the questions were put not in terms of neighborhoods but of schools and evoked the same yes/no responses, the Commission read it as bigoted and insincere.

The ignorance test involved questions relating to the status of court decisions, the approximate percentages of children now being bused for desegregation, the impact of desegregation on white students' test scores, the comparative safety of riding a bus or walking to school and the relative cost of busing.

Most people missed most of the questions, although nearly half answered correctly that busing is safer, statistically, than walking to school. But what does that mean? Except for one question, the impact of desegregation on white test scores, it's hard to see how informing the ignorant—that is, teaching people the right answers—would make the slightest difference in their attitudes toward busing.

The Civil Rights Commission, needless to say, feels otherwise.

"Too often public officials, educational leaders and members of the mass media have, unthinkingly, accepted the criticisms and passed on the slogans of busing opponents without troubling to examine the evidence."

And the people, in their ignorance, have rejected busing.

Well, maybe the people aren't so ignorant after all. Some people are against busing because they are opposed to integration; no doubt about it. But some are opposed to busing because they are opposed to busing; because they think there is social and educational validity to the neighborhood school; because they believe that there isn't anything at the end of an unnecessary bus trip to justify the economic, social and educational costs.

Desegregation is a racial issue, but it is a tragic mistake to suppose, as the Civil Rights Commission and perhaps the NAACP apparently suppose, that opposition to busing is a bigoted position.

Such a supposition might explain why, in the recent poll, only 17 percent of the white respondents said they would be willing to send their children to a better school in a neighborhood where most residents were of the other race. But now explain why only 49 percent—less than half—of the nonwhites questioned said they would be willing to send their children to that better school?

"The public is clearly confused," the Commission asserts. "The people have been misled. They believe, for example, that the Constitution should not be amended to limit desegregation [favared by only 30 percent] but that it is all right for Congress to restrict the courts' power to order busing [57 percent]."

Only lawyers immersed in civil rights and constitutional law would be confused by that seeming contradiction.

The poll results, taken altogether, seem to me to make a clear (and not at all discouraging) declaration of what Americans, black and white, see as a reasonable racial posture:

There should be no return to racial segregation. Racial integration, in fact, remains an important national goal. But it is not the *overriding* goal, to be achieved no matter what the cost. And you don't have to be a separatist, a bigot or a Tom to feel that way.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, if the able Senator needs additional time, I ask unanimous consent that I may yield 3 additional minutes to him out of my own time under the order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. I thank the Senator.

U.S. TROOPS SHOULD BE RETURNED FROM WESTERN EUROPE

Mr. TALMADGE. Mr. President, in the past week there have been two news announcements of major importance to the U.S. economy and to the American taxpayer.

First, a newsstory out of Bonn, Germany, warned that the United States may have to pay taxes to West Germany on military installations we maintain over there for their own defense.

Unless we are able to negotiate ourselves out of the dilemma, the United States will be liable under German law for about $10 million in back taxes for the past 10 years—or, a total of $100 million.

It boggles the mind, but does this mean that we are going to have to pay taxes on military installations that we built in West Germany in order to defend the West Germans? That is outrageous to even consider.

We have been maintaining several divisions of American troops in West Germany for more than a quarter of a century—for their defense—and are we now being told that we have to pay taxes for that privilege?

Second, the Pentagon has jacked up its estimates of the cost of the maintenance of U.S. forces in Western Europe. According to defense estimates, it will cost the United States about $17 billion in fiscal 1974 to sustain the approximately 300,000 men and dependents in Western Europe, some $3 billion more than what it cost in fiscal 1972.

This is an intolerable situation. It is one which I and many Members of the Senate have worked to correct for many years. In the past few years, the Senate has adopted resolutions urging the President to bring home most of our troops in Western Europe, where they are not wanted nor needed.

Last week, the Democratic Policy Committee, of which I am a member, voted without dissent that the contingent of U.S. troops stationed overseas, principally in Western Europe, be reduced by two-thirds, and that such reductions be accomplished in stages over the next 1½ years.

We put it as strongly as possible. Reductions of U.S. forces overseas and the closing of excessive and obsolete military bases abroad would save billions of dollars and help to halt inflation, strengthen the dollar, and permit additional use of tax revenues for domestic purposes.

In the past 4 years, we have had deficits in the Federal Government totaling $104 billion. We had a $10 billion deficit in our balance of payments last year alone. We have had trade deficits of more than $8 billion in the past 2 years. Inflation is rampant, and the discredited American dollar has been devalued twice in the past 14 months. There are about $83 billion overseas, and less than $10 billion in gold reserves at Fort Knox.

In short, we need to shore up the American economy. With only 6 percent of the world's population, we need to stop trying to do all things for all people everywhere. An ideal place to start, in a way that would save billions and billions of tax dollars, would be to bring home a good portion of American troops from Western Europe.

Western Europeans have more monetary reserves than we do. They have more available manpower than we do. I say it is time the nations of Europe do more to look after their own defense.

The maintenance of 300,000 American troops in Europe is no longer needed. It is an expense we no longer can afford. They are there to show the flag, as evidence of the U.S. commitment to NATO. I support that commitment, and we will of course stand by our European allies in the event of Communist aggression. But we can do so with far less troops than we have situated there at the present time.

Sometimes events take such a course that shocks the senses of the hard-working American taxpayer. Such is the case with the outrageous proposal that we pay reparations to North Vietnam.

Such is the idea that we ought to pay taxes for the privilege of defending Western Europe.

I say no more. I say it is high time we put our own national interests first and foremost, and abandon the costly policy of making Americans pay their hard-earned tax money to keep up and defend the whole free world.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining under my order?

The ACTING PRESIDENT pro tempore. The Senator has 12 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECOGNITION OF SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the distinguished assistant Republican leader (Mr. GRIFFIN) does not wish to utilize his time today. He wishes to institute the order, however, for tomorrow. I therefore ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the distinguished assistant Republican leader (Mr. GRIFFIN) be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Now I ask unanimous consent, Mr. President, that such time as may be required from the time allotted to Mr. GRIFFIN under the order today may be yielded to me so as to restore my full time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries.

REPORT OF NATIONAL PROGRESS IN AERONAUTICS AND SPACE ACTIVITIES—MESSAGE FROM THE PRESIDENT (H. DOC. 93-63)

The ACTING PRESIDENT pro tempore (Mr. HASKELL) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences. The message is as follows:

To the Congress of the United States:

I am pleased to transmit a report of our national progress in aeronautics and space activities during 1972.

The Apollo program was successfully concluded with the flights of Apollo 16 and 17. These missions were designed to obtain maximum scientific return and provided almost half the lunar exploration time in the Apollo program. Though it is far too early to attempt a definitive assessment of the value of this program, it is clear that one result will be a quantum jump in both our scientific knowledge and our technological expertise.

Our unmanned satellites include a variety of vehicles ranging from meteorological, navigational and communication satellites to a new experimental spacecraft providing information on our resources and environment. Increasing practical applications for satellite technology confirm the immediate value of our efforts in space, while observatory satellites and others carrying specialized scientific instruments provide accurate and dependable data never before available to scientists on earth.

The conclusion of the Apollo program marks only another step in this Nation's push into space. In the current year, we expect to launch Skylab, which will permit extended experimentation in a manned vehicle. After Skylab, a joint mission by this Nation and the Soviet Union will rendezvous and dock two spacecraft, helping to link our two space efforts in a mutually productive manner. The space shuttle presently under development will make the launching of satellites and laboratories less expensive and more productive. The shuttle will be augmented by the sortie laboratory which the Western European countries intend to develop as part of our joint cooperation in space.

The past year has also seen advances in aeronautical research and development. It should be emphasized that work in this field is particularly vital if America is to maintain its leadership in the development and production of civil and military aircraft and engines.

Our efforts in aeronautics and space will continue through programs balanced at levels which will allow us to meet demands in these and other important domestic and foreign areas.

RICHARD NIXON.

THE WHITE HOUSE, *March 19, 1973.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HASKELL) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

EXECUTIVE PRIVILEGE AND MR. GRAY

Mr. ROBERT C. BYRD. Mr. President, the New York Times, on last Tuesday, March 13, 1973, printed excerpts from a statement issued on March 11 by President Nixon on Executive privilege. President Nixon therein referred to the doctrine as being "rooted in the Constitution" and as having been "well established."

He stated that it was "designed to protect communications within the executive branch," and that "without such protection, our military security, our relations with other countries, our law enforcement procedures and many other aspects of the national interest could be significantly damaged."

There could be considerable debate as to whether the doctrine of Executive privilege is "rooted in the Constitution." I do think that a case can be made for a very limited application of Executive privilege, on the basis that it is implied in the Constitution, because it may be necessary to the proper performance of the President's constitutional duties in fulfilling his responsibilities as Commander in Chief of the Nation's Armed Forces.

I do not question the application of such a doctrine where sensitive communications between the President himself and a member of his administration are concerned. I do question that such a privilege exists when the attempt is made to extend the doctrine to include communications between a member of the President's staff and third parties either in or out of the administration.

In any event, a case can probably be defended where communications with respect to military security or sensitive foreign relations are had between the President and a member of his staff or administration.

The President, in his March 11 statement, however, went far beyond such situations when he stated that:

> A member or former member of the President's personal staff normally shall follow the well-established precedent and decline a request for a formal appearance before a committee of the Congress.

In the first place, it is an exorbitant claim to attempt to extend the privilege to a former member of the President's staff, and I know of no reason whatsoever why the President should have referred to this doctrine as being a "well-established precedent."

I know of no precedent—let alone a "well-established" one—for the President to attempt to extend the doctrine of Executive privilege to a former member of his personal staff, nor do I know of any precedent which would allow the President to lay down a blanket immunity for members of his present staff from being required to appear in a formal session of a congressional committee when such committee seeks information on which to make a sound judgment regarding legislation or regarding a nomination or treaty.

The President stated that—

> Under the doctrine of separation of powers, the manner in which the President personally exercises his assigned executive powers is not subject to questioning by another branch of government.

But, by a strange twist of the imagination, the President went on to extend this immunity to the present and former members of his staff.

The whole trouble with this business is that the President is exerting some very extraordinary claims in connection with an affair that is entirely unworthy of application of the doctrine—even, if indeed, the doctrine could be admitted to exist in connection with communications between administration parties other than the President himself.

In the first place, the President's statement was issued at a time when, perhaps not entirely coincidentally, the Judiciary Committee in the Senate was expected to vote to invite the appearance of Mr. John W. Dean III, the President's attorney, to appear before the committee to answer questions bearing upon the qualifications of Mr. L. Patrick Gray III, to be Director of the FBI.

There is no question involving military security in such an appearance by Mr. Dean. There is no question involving sensitive relations with other countries. I think it is almost impossible to avoid the suspicion that someone at the White House, in preparing the statement for Mr. Nixon, was trying to cover up White House involvement in the ugly campaign of political sabotage and espionage which climaxed in the Watergate raid. Otherwise, why would the Executive privilege doctrine be invoked for former Presidential aides?

The President, in his statement on March 11, said:

> Executive privilege will not be used as a shield to prevent embarrassing information from being made available, but will be exercised only in those particular instances in which disclosure would harm the public interest.

It boggles the imagination to contend that the "public interest" could possibly be harmed in any way whatsoever by having White House aides—Mr. Dean, in particular—give sworn testimony on what they know about the Watergate affair or on how FBI reports may have been used to protect White House aides who may have been involved in the Watergate raid.

One wonders how the "public interest" could be harmed if Mr. Dean were questioned as to his working relationship in the White House to Charles Colson, who, at the time of the Watergate breakin, was special counsel to the President. Mr. Colson, it may be recalled, had recommended one of those persons convicted for the Watergate breakin—Mr. Howard Hunt. It was Mr. Colson that Mr. Ehrlichman called on June 17 last year in an effort to find Mr. Hunt when Mr. Ehrlichman had learned that Hunt may have been involved in the Watergate breakin.

One may wonder how the "public interest" could possibly be harmed by asking Mr. Dean questions with respect to the possible leaking of FBI information to Mr. Donald Segretti, such information having been supplied to Mr. Dean by Mr. Gray, and Mr. Segretti reportedly having said that a White House aide had shown him such information.

What "public interest" could conceivably be disserved by asking Mr. Dean questions in respect of his having held the properties of Mr. Howard Hunt in his, Mr. Dean's office, for 6 days before turning them over to the FBI, while in the meantime, Dean was being twice interviewed by the FBI, Dean knowing, all the while, that the FBI was investigating the case and that Mr. Hunt was one of those persons being investigated.

Could it be harmful to the "public interest" if Mr. Dean were asked about his connections with Mr. Gordon Liddy who was employed by the Committee for the Reelection of the President on the recommendation of Mr. Dean? It will be recalled that Liddy was one of those persons involved in the Watergate breakin.

Could the "public interest" be undermined if Mr. Dean were asked about the famous Dita Beard memorandum and how it got into the hands of the ITT last year, now that Mr. Gray has admitted that it was he who turned the memorandum over to Mr. Dean last March?

As to the President's statement that Executive privilege would not be used as a shield to prevent embarrassing information from being made available, one wonders whether the so-called privilege may indeed be undergoing an application here for the express purpose of shielding the administration from embarrassment.

To say that the privilege will not be used to prevent embarrassment, does not make it so. What else can the public believe, other than that the privilege is being invoked here in order to keep the lid on embarrassing information which would otherwise surface if Mr. Dean were to appear before the Judiciary Committee?

The President stated in his press conference on January 31 that the exercise of the privilege "should be determined on a case by case basis." What, then, is the case at hand? Why the claim for Executive privilege in this case?

The President said on March 11, that "What is at stake," in invoking Executive privilege, "is not simply a question of confidentiality, but the integrity of the decisionmaking process at the very highest levels of our Government."

Mr. President, what really is at stake in Mr. Dean's having declined the committee's invitation, would appear to be not the integrity of the decisionmaking process so much, but the integrity of some of the individuals who help to make the decisions which affect all of the people.

As to President Washington's having first invoked the concept of Executive privilege—to which President Nixon alluded—this was done to protect the confidentiality of certain diplomatic negotiations leading up to a treaty. Certainly, President Washington did not have such a sordid political intrigue in mind as the

Watergate affair when he invoked Executive privilege. That was the furthest thing from his mind.

I speak with all due deference to the President, and Senators will recall that I have supported many of his nominations. I can understand that the President may have every confidence in the people who work for him. Personally, I do not doubt the high integrity of most of the people who surround the President. Nevertheless, the invoking of the privilege in connection with Mr. Dean's refusal to appear before the Judiciary Committee does not remove the strong suspicions that the FBI investigation was conducted in such a way, with information being constantly fed to White House echelon people, as to possibly protect certain people within the administration. Nor does it remove the strong suspicions that continue to grow in the minds of people concerning the activities, in connection with the Watergate episode, that are possibly being protected by the wrongful application of Executive privilege. For when Executive privilege is resorted to in a situation which so apparently involves blatant political wrongdoing, the office of the President is demeaned, the Constitution is debased, and the people's confidence in their Government is eroded.

It is an anomalous situation when an administration that campaigned on the theme of law and order now asserts a doctrine—not to protect military security, not to protect our relations with other countries, not because disclosure would harm the public interests—but to protect that same administration from possible embarrassment, perhaps involving actions that were in contravention of the law. In any event, such ambitious claims to the right to secrecy are not only arbitrary and artificial, but they are also novel and specious. The application of the privilege doctrine is being based on what might otherwise be a sound principle with respect to security information, but the oddest thing about it is that, while it is being done in the name of sound and noble principles, those same sound and noble principles are being violated while they are being proclaimed.

In his press conference of last Thursday, March 15, the President stated that—

> The practice of the FBI in furnishing raw files to committees must stop with this particular one.

Curiously, the President made no reference to the furnishing of raw files by the FBI to White House aides. He made no reference to Mr. Gray's having supplied Mr. Dean with 82 of the 186 interview reports in connection with the Watergate investigation. He stated that—

> For the FBI to come before a full committee of the Congress to furnish raw files and then to have them leak out to the press, could do innocent people a great deal of damage.

The remarkable thing to note is that there is no evidence of the leakage of raw files, or any information in connection therewith, to the people as a result of such an offer by the FBI to the Judiciary Committee.

Moreover, the FBI has not furnished. nor has it offered to furnish, raw files "before a full committee of the Congress." The FBI's Acting Director offered to produce for any member of the Judiciary Committee any of the raw files in connection with the Watergate investigation, but only in the presence of FBI agents. To my knowledge, only two members of the committee have taken advantage of the offer even in a limited way.

Nowhere, in the President's statement during the press conference, did he refer to the furnishing of raw files to Mr. Dean and the later leakage of such information. Yet, we are told that there is an affidavit to the effect that Mr. Segretti stated that he had been shown FBI files by White House aides and, according to Mr. Gray's testimony, Mr. Dean was the only person at the White House who had possession of such raw files.

The President has made reference to Mr. Gray's being held "hostage" by the Judiciary Committee. Mr. Gray is not being held hostage. Mr. Gray's nomination is being considered by the Judiciary Committee, and his confirmation should be rejected or at least delayed until the committee is supplied with the information it needs on which to base its collective judgment concerning that nomination. The Senate has an equal role with that of the President in connection with the appointment of the Director of the FBI. The President nominates and the Senate gives its advice and consent to the confirmation of that nomination. This is an equal role accorded to the Senate by Federal statute, based upon the Constitution, in connection with this particular office now being considered. The Senate is entitled to the information that it needs. The Judiciary Committee would not be asking for Mr. Dean were it not for the fact that Mr. Gray's nomination is before it and certain questions have arisen which Mr. Gray is unable to answer and that can only be answered by Mr. Dean. Otherwise, the question of Mr. Dean's appearance before any Senate committee would have waited until an invitation or subpena is tended for his appearance by the Ervin Select Committee on the Watergate Investigation.

I have always been a strong supporter of the FBI, and nobody in the Senate has made stronger speeches on behalf of law and order all over the country than I have made. I shall continue to support the FBI, but I do not want to see that great law enforcement agency impaired in its morale or professionalism or efficiency by virtue of the appointment of a Director who is politically oriented or who is subservient to the White House, regardless of what political party is in power at any given time.

The FBI must remain nonpartisan and nonpolitical and nonsubservient. It must remain independent, and it must have an independent Director if it is to be an intelligence-gathering agency, independent politically.

I believe that the Senate should insist upon the submission of a nominee who will not be political, who has independence, who preferably has had some law enforcement experience, and who will be able to bolster morale and continue—and even improve upon—the past efficiency and professionalism for which the FBI has so long been noted.

This is the first occasion on which the Senate will exercise an advice and consent role in connection with the confirmation of the Director of the FBI. J. Edgar Hoover took the FBI out of politics, and the Senate ought to set the precedent here of insisting on a nominee who will keep the FBI out of politics.

I believe that the Senate must insist upon a full rounding out of the record if it is to meet its responsibility in its advice and consent role. The integrity of the Senate is at stake, and I feel that the Senate should not deviate from its insistence upon the appearance of Mr. Dean before the Judiciary Committee. For the Senate to accept anything less than the information it needs to resolve the questions that have been raised would be degrading to the Senate.

The President has stated that Mr. Dean will not appear. As far as I am concerned, the Senate ought to reject the nomination of Mr. Gray. I do not think that the Senate ought to have to stand, as it were, at the gates of the White House with its hat in its hands and beg, like Lazarus, for the crumbs of information that may be available to it through some tenuous and circuitous process of written answers and written questions. A piece of paper cannot be cross-examined. If the President wants to close the door on the supply of information, the Senate ought to close the door on the President's nominee.

I speak as a Democrat who, as I have noted, has supported most of the President's nominations. I supported all his nominees for the U.S. Supreme Court even when some of the members of his own party, for their own good reasons, did not see fit to support those nominees. I respect the President, but I do not support his position in this matter, nor do I agree with his viewpoint with regard to extending the doctrine of Executive privilege to the extremes to which it is being applied.

I have faith that the Senate will not stultify itself or demean itself by voting to confirm a nomination in a situation in which the White House acts to deprive it of the facts it needs to make a judgment thereon. The nomination ought to be rejected outright, with all due respect to Mr. Gray and, failing this, the nomination ought to be shelved at least until the results of the Watergate investigation are in.

The Nation is watching the Senate, and the Nation expects the Senate to do its duty. If the Senate expects to fulfill its constitutional role in a system of checks and balances, it will do its duty by refusing to confirm the President's nomination under the circumstances that surround this case.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "The President's Privilege," which appeared in today's Washington Post.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The President's Privilege

Even as he assert that his administration has "been more forthcoming" than any other in providing information to Congress, President Nixon is going to remarkable lengths to keep his counsel, John D. Dean III, and other White House staff members from coming forth to talk with the Senate. From the vehemence of Mr. Nixon's remarks about "executive privilege" at his press conference Thursday, an uninformed observer might think that the subject involved was nothing less pivotal to the national interest than war or peace. In fact, the subject is the sordid business of bankrolling political spying and sabotage. Mr. Nixon's tough statements amount to a declaration that if he can help it, nobody previously or currently employed by the White House during his administration is going to be quizzed about the sordid business under oath in any formal congressional hearing—now or ever.

It is a blunt political decision not to cooperate with the Senate's investigations of the Watergate case and related affairs, and of the White House role in the FBI's probe of those matters. Mr. Nixon has tried to dress up his decision in ill-fitting and off-the-point constitutional talk, but in order to encompass everyone and everything he intends to withhold from scrutiny, he has had to stretch principles so far that his position becomes transparent. It hardly matters that the proper sphere of executive privilege is some what ill-defined. For whatever nuances and niceties exist, all precedents and arguments in the field stop far short of what Mr. Nixon has attempted to propound: a total, permanent grant of immunity from outside interrogation for the office of the President and all who work therein.

It might be useful to recall exactly what the Senate Judiciary Committee and Senator Ervin's select committee would like to discuss with Mr. Dean—the White House counsel—and other present and former White House staff members, such as Dwight Chapin and Charles Colson. The senators are less concerned about communications between these individuals and the President than they are about the relationships between the aforementioned White House staff members and people outside the White House—Mr. Chapin's dealings with the shadowy political operative Donald Segretti, for instance, and Mr. Dean's intimate involvement in a number of aspects of the FBI's investigation of the Watergate case. Since none of the persons involved seems too anxious to be candid and "forthright," in Mr. Nixon's term, about such things, the legislators are understandably less than enchanted with the President's offer to "furnish information" under "certain circumstances." They would far prefer to seek their answers at a public hearing with the witneses under oath.

This is precisely what Mr. Nixon is trying to avoid. So, on March 12, he announced the novel proposition that since the roles of White House staff members "are in effect extensions of the presidency," neither present nor former staff members may be interrogated by Congress about the "advice and assistance" which they give the President. This assertion transports executive privilege far from its normal, justifiable sphere—the substance of confidential communications between a chief executive and his closest advisers—and makes the shield a new fringe benefit of service on the White House staff.

This raises a couple of puzzling questions. It is based on the assumption that White House staff members have no independent existence at all, and that everything they may say and do, including every aspect of their relationships with federal agencies outside the White House and people outside the government itself, constitutes an "extension of the presidency." Does this mean that having Mr. Dean monitor FBI interviews is equivalent to conducting those interviews in the Oval Office, with Mr. Nixon as a kibitzer? Does this mean that when Mr. Chapin promoted Mr. Segretti's career, he was acting as a surrogate for the President? Is *that* the inference we are to draw? The issue of Mr. Nixon's personal involvement or lack of it in the whole sleazy affair has been lying around awaiting an answer for months now. Ironically, by trying to keep his staff from being questioned in this manner, Mr. Nixon has only made the question loom larger.

The matter of proper roles is doubly interesting in Mr. Dean's case. The President said on Thursday that Mr. Dean, in addition to being "counsel to the White House," was also "counsel to a number of people on the White House staff" and therefore "has, in effect, what I would call a double privilege, the lawyer-counsel relationship, as well as the presidential privilege." But does this mean that the interests of all of his "clients" are identical? In what capacity was he acting when he reviewed those FBI reports concerning activities of the committee to reelect Mr. Nixon? The only way to clear up the confusion is through public testimony by Mr. Dean. Given the nature of the case, his appearance would hardly set a precedent for congressional summoning of presidential counsels on matters properly within the confidential realm.

The ultimate in double think is Mr. Nixon's claim of an administration "pledged to openness." Last Monday he declared:

"Executive privilege will not be used as a shield to prevent embarrassing information from being made available but will be exercised only in those particular instances in which disclosure would harm the public interest."

His actions are a reversal of his words.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia has 4 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield whatever time remains under the order to the distinguished Senator from Michigan if he would like to utilize it.

Mr. GRIFFIN. Mr. President, I would like to yield back the time for today and advise the distinguished acting majority leader that I would like to have time on tomorrow.

Mr. ROBERT C. BYRD. Mr. President, that order has already been entered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business not to exceed 30 minutes with the statements limited therein to 3 minutes each. Is there any morning business?

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the call.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro temport. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Haskell) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation From Office of Telecommunications Policy

A letter from the Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend the Communications Act of 1934 to provide that licenses for the operation of a broadcast station shall be issued for a term of 5 years, and to establish orderly procedures for the consideration of applications for the renewal of such licenses (with accompanying papers); to the Committee on Commerce.

Proposed Legislation From Secretary of Commerce

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to establish a national policy relating to conversion to the metric system in the United States (with an accompanying paper); to the Committee on Commerce.

Proposed Legislation for the District of Columbia

A letter from the Commissioner of the District of Columbia transmitting a draft of proposed legislation to revise the real and personal property tax exemption laws of the District of Columbia, and for other purposes (with accompanying papers); to the Committee on the District of Columbia.

State and Local Fiscal Assistance

A letter from the Secretary of the Treasury reporting, pursuant to law, on the progress of the Treasury Department under the State and Local Fiscal Assistance Act of 1972 (with an accompanying report); to the Committee on Finance.

Report of the Foreign-Trade Zones Board

A letter from the Secretary of Commerce transmitting, pursuant to law, the annual report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1972 (with an accompanying report); to the Committee on Finance.

Agreements Between the United States and Other Countries

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, international agreements other than treaties entered into by the United States (with accompanying papers); to the Committee on Foreign Relations.

Report of the National Aeronautics and Space Administration

A letter from the Administrator of the National Aeronautics and Space Administration reporting pursuant to law, on the disposal of certain foreign excess property; to the Committee on Government Operations.

Report on Review of Prepositioned Equipment to Europe

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on review of prepositioned equipment in Europe (with an accompanying report); to the Committee on Government Operations.

Appendix VII of the Report to Congress on U.S. Interests and Activities in Nepal

A letter from the Comptroller General of the United States, transmitting, pursuant to law, Appendix VII of the Report to the Congress on U.S. Interests and Activities in Nepal (confidential) (with an accompanying document); to the Committee on Government Operations.

Proposed Legislation of the Attorney General

A letter from the Attorney General transmitting proposed legislation entitled "The Law Enforcement Revenue Sharing Act of 1973" (with accompanying papers); to the Committee on the Judiciary.

Reports Relating to Third Preference and Sixth Preference Classification for Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classification for certain aliens (with accompanying reports); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, without amendment:

H.R. 3298. An act to restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act (Rept. No. 93–77), together with minority views.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ERVIN (for himself and Mr. Brock):

S. 1272. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution. Referred to the Committe on the Judiciary.

By Mr. FONG:

S. 1273. A bill for the relief of Antoinette Hazel Gopaul;

S. 1274. A bill for the relief of Felicidad Balingatan;

S. 1275. A bill for the relief of Renato Geliza Ramil; and

S. 1276. A bill for the relief of Joe H. Morgan. Referred to the Committee on the Judiciary.

By Mr. METCALF:

S. 1277. A bill relating to the sale of certain timber, cord wood, and other forest products. Referred to the Committee on In-

S. 1278. A bill to provide for the appointment of several officials of the Congress by the Speaker of the House of Representatives or the President pro tempore of the Senate. Referred to the Committee on Rules and Administration.

By Mr. HART:

S. 1279. A bill to amend the act of June 16, 1933, as amended. Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1280. A bill for the relief of Gert Rich-
terior and Insular Affairs.
ard Heber. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 1281. A bill relating to the allowance of a depreciation deduction. Referred to the Committee on Finance.

By Mr. JACKSON:

S. 1282. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for reservists and members of the National Guard, under certain conditions, and for other purposes. Referred to the Committee on Armed Services.

By Mr. JACKSON (for himself, Mr. Randolph, Mr. Magnuson, Mr. Mansfield, Mr. Pastore, Mr. Bible, Mr. Church, Mr. Eastland, Mr. McClellan, Mr. Robert C. Byrd, Mr. Humphrey, Mr. Cannon, Mr. Moss, Mr. Hatfield, Mr. McGee, Mr. Symington, Mr. Inouye, Mr. Stevens, Mr. Bayh, Mr. Williams, Mr. Haskell, Mr. Eagleton, Mr. Tunney, Mr. Johnston, Mr. Huddleston, Mr. Cook, Mr. McGovern, and Mr. Bentsen):

S. 1283. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; to establish development corporations to demonstrate technologies for shale oil development, coal gasification development, advanced power cycle development, geothermal steam development, and coal liquefaction development; to authorize and direct the Secretary of the Interior to make mineral resources of the public lands available for said development corporations; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 1284. A bill for the relief of Cecil A. Donaldson and Liselotte Donaldson. Referred to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 1285. A bill to prohibit the inspection of farmers' income tax returns by the Department of Agriculture for the purpose of gathering data for statistical purposes. Referred to the Committee on Finance.

By Mr. HARTKE:

S. 1286. A bill to provide for national growth policy planning, and for other purposes. Referred to the Committee on Government Operations.

By Mr. KENNEDY:

S. 1287. A bill to extend diplomatic privileges and immunities to the Liaison Office of the People's Republic of China and to members thereof, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. BROOKE:

S. 1288. A bill for the relief of Style Leather Company, Incorporated; and

S. 1289. A bill for the relief of Frederick F. Slack. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 1290. A bill for the relief of Shaleen Rushd;

S. 1291. A bill for the relief of Abu Sayeed Kamal; and

S. 1292. A bill for the relief of Enriqueta M. Par. Referred to the Committee on the Judiciary.

By Mr. BROOKE:

S. 1293. A bill to create a National Historic Records Commission, to establish a program for preserving and making accessible documentary resources throughout the Nation, and for other purposes. Referred to the Committee on Government Operations.

By Mr. TOWER:

S. 1294. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River reclamation project, Tex., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. TOWER (for himself, Mr. Hansen, and Mr. Stevens):

S. 1295. A bill to provide a tax credit for expenditures made in the exploration and development of new reserves of oil and gas in the United States. Referred to the Committee on Finance.

By Mr. McINTYRE:

S.J. Res. 79. Joint resolution relating to World War I Veterans Day. Referred to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. Bayh, Mr. Bennett, Mr. Cannon, Mr. Domenici, Mr. Dominick, Mr. Ervin, Mr. Hollings, Mr. Humphrey, Mr. McGee, Mr. McIntyre, Mr. Pastore, Mr. Pell, Mr. Scott of Pennsylvania, Mr. Talmadge, Mr. Thurmond, and Mr. Young):

S.J Res. 80. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month." Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S.J. Res. 81. A joint resolution to authorize and request the President to issue annually a proclamation designating the week beginning on the third Sunday of October of each year as "National Drug Abuse Prevention Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ERVIN (for himself and Mr. Brock):

S. 1272. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution. Referred to the Committee on the Judiciary.

INTRODUCTION OF THE FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES BILL

Mr. ERVIN. Mr. President, today, I am once again introducing the Federal constitutional convention procedures bill, whose purpose is to establish procedures for calling a constitutional convention for proposing amendments to the Constitution of the United States upon application of two-thirds of the States, pursuant to article V of the Constitution. I have introduced this measure because I believe it to be of great importance to this Nation. The need for this legislation exists today as it did when I first introduced it in 1967, and I believe it may exist with even greater urgency in the future.

As you may recall, this bill passed the Senate in the 92d Congress by a vote of 84 to 0. It then went to the House, where, I regret to say, it was not reported out of committee. Nonetheless, I have never wavered in my firm belief that this measure will be enacted into law, for its need must be apparent to all who have seriously considered the constitutional questions involved.

Amending the Constitution of the United States is not a matter to be undertaken lightly or to be carried out in a careless, haphazard, or reckless manner. All of us are aware that since our country was formed, many hundreds of applications have been submitted to the Congress by the States asking for a constitutional convention to propose amendments to the Constitution for one purpose or another. The reapportionment controversy of several years ago resulted in a total of 33 such petitions, lacking only one State to make requisite the calling of a convention. Other issues have generated large numbers of petitions. Thus far, however, no issue has generated petitions from the two-thirds of the States necessary to require the calling of a constitutional convention. I think this is a very good thing, for if a convention had been called as required by the Constitution, under the present state of the law no one would have known how the convention should be conducted or what rules it should follow.

What if some issue of national policy should become so compelling in the view of the States that two-thirds of them did petition for a constitutional convention? A convention would surely be called, as article V of the Constitution dictates. But what then? How would the convention be conducted? Where would it be held? Could it be delayed, and, if so, how long? How would the delegates be selected? Would there be a restriction on the subject of amendments or would the convention have a free hand to rewrite the Constitution? How long would the application be valid? Could a State rescind its application? Who would decide which applications are valid? How would a vacancy in the delegates be filled? How would the expenses be paid? Who decides questions in controversy? If Congress did not like the amendment, would it have the power to thwart the intent of the convention? By what method would the States ratify a proposed amendment? May a State rescind its ratification? If ratified, when would the amendment become effective?

These questions and many more remain unanswered. My bill undertakes to provide reasoned answers. The bill is completely nonpartisan; its enactment would fill a serious gap in our governmental process. Perhaps its procedures would not be used for many years. Indeed, it is not possible to predict whether they will ever be used—or whether their use may become necessary before this session of Congress has ended. However that may be, lawful, orderly procedures should be available immediately in the event they are needed.

The bill I introduce today is exactly like S. 215, the bill that passed the Senate in the 92d Congress. It includes the one amendment that was offered on the floor of the Senate and adopted when S. 215 passed, requiring a two-thirds vote of the delegates rather than a simple majority vote, which was provided in my original bill.

I urge the Members of the Senate again to support this measure.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States on and after the enactment of this Act, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 and section 5, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate, and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and the Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by State law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There is hereby authorized to be appropriated such sums as may be necessary for the payment of the expenses of the convention.

(c) The Administrator of General Services shall provide such facilities, and the Congress and each executive department and agency shall provide such information and assistance, as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSALS OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section a convention called under this Act may propose amendments to the Constitution by a vote of two-thirds of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others including State and Federal courts.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b) (1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

By Mr. METCALF:

S. 1277. A bill relating to the sale of certain timber, cord wood, and other forest products. Referred to the Committee on Interior and Insular Affairs.

SALE OF MATERIAL ON PUBLIC LANDS

Mr. METCALF. Mr. President, I introduce for appropriate reference a bill to amend chapter 15 of the Mining Lands and Mining Laws, 30 U.S. Code 601–604, and related laws. This act provides general authority to sell a wide variety of mineral and vegetative materials from public lands, including such Federal holdings as the national forests. It authorizes large competitive sales and deals also with regulation of vegetative materials—everything from ferns to timber.

For a number of reasons these acts need to be modernized and that is one purpose of my bill. Another is to improve the ability of the Bureau of Land Management and the Forest Service to make small sales of forest products, especially on a semicompetitive or on a negotiated basis.

One special area of concern to me is improvement in the sale of salvage forest products on the public lands. For example, the Forest Service has a $2,000 limit on the sale of salvage forest products by other than advertised competitive sales. However, the authority in title 30 of the United States Code permits the sale of up to 250,000 board feet of timber by other than an advertised sale. The Forest Service cannot use the authority in title 30 as written.

On the other hand, there is a wide variation in the value that 250,000 board feet of timber may have in Montana, Washington, or Arizona. My bill seeks to make these authorities consistent. In addition, it seeks to give the land management agencies the opportunity to review the service they ought to be giving to smaller producers of common varieties of materials and minerals, various vegetative products and timber to improve resource utilization and better meet their obligation to the small businessman.

Last fall I met with a number of very small forest producers. Because they have severely limited capital they can purchase only small sales.

They described to me the numerous opportunities to comb the forest—either following up after a large timber sale—or picking up small clumps of dead, dying, or diseased trees.

Such sales are now limited by law and regulation and by procedures which make them more costly to the agencies to process than they ought to be. They also impose burdens on the small gypo logger that reduce his chance to break even.

In the broader and larger picture of timber supply and demand, these sales are not going to change the national picture. However, they could transform the present marginal operator into a taxpaying small businessman while contributing as well to forest improvement.

We need to keep in mind that some trees are affected by a disease that may damage part of them and that other trees die naturally, singly or in clumps. The salvage sale is thus an important tool in efficient forest management, for it is selection cutting of a sort that ought to be encouraged.

I expect to schedule the bill for early consideration by the Interior Subcommittee on Minerals, Materials and Fuels. The bill would provide for a $5,000 top limit on small negotiated sales and in the case of forest products, a 250,000 board feet limit, whichever is less. I hope the hearings will develop whether this is the best way to encourage this program, while providing sensible limits. I hope that the Forest Service will be prepared to discuss its current $300 limit on a single green slip sale. The agencies should be prepared to address the issue of proper pricing.

While I have not included in the bill a provision to amend the reporting requirements in 30 United States Code 602(b), I would be interested in views on how these can be simplified with adequate protection to the public interest. Finally, agencies can suggest ways to improve the on-the-ground service to small operators while getting the maximum in forest management benefits.

By Mr. HART:

S. 1279. A bill to amend the act of June 16, 1933, as amended. Referred to the Committee on the Judiciary.

Mr. HART. Mr. President, during the last Congress, S. 2651—a bill to permit commercial banks to underwrite water and sewer revenue bonds—was referred to the Committee on the Judiciary and then to the Antitrust Monopoly Subcommittee. The bill raised significant antitrust questions, which, it was agreed by all concerned, were properly reviewable by the Antitrust Subcommittee.

In preparation for hearings, the subcommittee staff obtained the views of scores of people representing divergent interests on this important issue: dealer and nondealer banks, nonbank dealers, issuers, State and Federal governmental agencies, public interest groups, and other professional and trade organizations and associations. A detailed questionnaire eliciting information designed to assess the nature and extent of competition and the structural and operational characteristics of the industry was sent to major bank and nonbank dealers.

Unfortunately, we had to cancel the scheduled hearings at the last minute because of the unexpectedly extensive hearings before the full committee on the confirmation of Attorney General Richard G. Kleindienst. The recesses for the national conventions were soon before us, the subcommittee never quite caught up with its hearing schedule.

A preliminary review of the questionnaire responses, Mr. President, suggest questions which deserve study by this subcommittee. In order to finish the task commenced last Congress, Mr. President, I am today introducing a bill identical to S. 2651. While I take no position on its merits, antitrust questions are raised which require examination and hearings by the Antitrust and Monopoly Subcommittee.

By Mr. BAYH:

S. 1281. A bill relating to the allowance of a depreciation deduction. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, I am introducing today an amendment to section 167 of the Internal Revenue Code which is designed to repeal the asset depreciation range system which was adopted by administrative regulations of the Treasury in 1971 and subsequently modified in the Revenue Act of 1971. At the time the Treasury took this action, I indicated that I was convinced that it had exceeded its administrative authority, and I testified to this effect in public hearings held by the Department. I continue to feel that this was an illegal usurpation of congressional authority. As most of the Members of the Senate no doubt recall, there was extensive debate in this Chamber in 1971 when the ADR system was first proposed by the President, and on November 15, 1971 the Senate came within one vote of adopting the measure which I am again proposing today.

Just as I predicted in 1971 the asset depreciation range system has already cost the Government and the individual taxpayers of the Nation billions in lost revenue. In the fiscal year 1974 this loss will amount to $2.4 billion, a sum which would go a long way toward funding many of those social programs which the administration tells us we cannot afford. Unless the Congress is willing to act, the ADR system will continue to result in vast revenue losses. It is estimated that by 1980 these losses will have mounted to $30.6 billion, and by 1990 to $49.9 billion. I would like to review for the Senate the reasons why I feel the ADR is totally unjustified and is nothing short of welfare payments by the Government to the Nation's giant corporate interests.

Basically the ADR system permits a corporate taxpayer to depreciate assets over a period arbitrarily selected by him within a range from 20 percent above or below the present Treasury guidelines on useful lives. The effect was thus to abandon a concept which had been an integral part of the tax laws for 40 years—namely, that deductions for depreciation of capital assets must be based on the actual useful life of the asset. As soon as you depart from this concept and allow tax depreciation to exceed economic depreciation, the owners of property producing taxable income are in effect receiving "welfare payments" which serve no public purpose. There is no mathematical difference between giving an individual or business a direct handout and forgiving him a like amount in taxes due. Both are an equally weighty drain on the public purse. If the President of the United States wants to reduce welfare payments, as do we all, let him start in the corporate board rooms of America.

Mr. President, I would like to make the following points about the ADR system by way of explanation as to why I feel as strongly as I do about the necessity for its abolition.

In announcing the ADR system in January of 1971, President Nixon stated that:

> A liberalization of depreciation allowances is essentially a change in the timing of a tax liability.

This statement is mistaken. It represents a confusion between the consequences of a "liberalization" in depreciation for a single asset or assets of a single year or even a limited number of years and the permanent "liberalization" established by ADR. As I have indicated, our best estimate is that by 1980 the ADR system will have resulted in a $30 billion permanent loss to the Treasury. Thus, whatever one's view of the economic consequences of the asset depreciation range system, there should be no mistake about its arithmetic. It is not a change in the timing of tax payments. It is not a matter of reducing payments now in return for tax liabilities in the future. It represents a repeating and accumulating loss in tax revenues year after year, a loss which will ultimately grow along with the general rate of growth of the economy and in particular the rate of growth in equipment subject to tax depreciation.

The major rationale which has been put forward by the administration to justify its adoption of ADR is that it will stimulate investment and therefore the economy generally. Most experts in this area, however, do not agree that this is necessarily the case. Prof. Robert Eisner of Northwestern University who has spent many years studying the subject of asset depreciation stated recently in testimony before the House Ways and Means Committee that:

> There is little evidence that "liberalization" of depreciation allowances of this type will have much effect on investment.

Moreover, Professor Eisner went on to note that:

> If the objective were to increase investment spending, economic analysis makes clear that a far more effective device, dollar for dollar of tax loss to the Treasury, would be some form of direct investment subsidy or tax credit.

I am a firm believer in the view that direct Government intervention in the private markets of our economy as is involved with the ADR system is justified only when there is a clear indication that these markets are not functioning appropriately and that such interference is called for in the public interest. We would face a different situation if ADR really had a beneficial effect on the economy and really created new jobs. But a fair economic analysis shows that this is not so.

It has also been suggested by supporters of the ADR system that it is necessary to enable American industry to compete on an equal footing with foreign manufacturers. I am convinced that this argument is also without merit. It is an economic truism that as long as exchange rates are reasonably appropriate, a nation will find itself exporting those goods in which it has a comparative cost advantage and importing those goods at which it is at a comparative disadvantage. Since the total capital available remains the same, a tax subsidy to capital-intensive industries can only give them a comparative advantage over less capital-intensive industries. We then are likely to find ourselves not necessarily increasing total exports but exporting more of those products that receive the largest ADR tax subsidies and less of those products which are not capital intensive such as agricultural products. In any event the American people should not be required to bear this enormous tax burden on the slight chance that it may have some marginal effect on the Nation's balance of payments.

In the face of scarce tax dollars and serious public needs, the asset depreciation range system diverts Treasury revenues to areas where there is the least reason to believe that they are needed or produce any significant public benefit.

The corporate interests that benefit from the ADR system are well represented in this administration and that power has cost the American working man billions of dollars. It is time for those of us in the Congress to firmly assert the interests of those millions of middle class working Americans who have been the victims of this kind of tax policy. Unless we can convince the great majority of Americans that our political system is responsive to their needs, that they are partakers and participants in their Government rather than its victims, the future of the Nation will be uncertain indeed.

I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1281

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is revised to read as follows:

"(a) General Rule.—There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence)—

"(1) of property used in the trade or business, or

"(2) of property held for the production of income.

The depreciation deduction shall be based upon the estimated useful life to the taxpayer of property described in paragraph (1) or (2) of this subsection, and shall take into account the estimated salvage value to the taxpayer of such property."

Sec. 2. Section 167(m)(1) is amended by adding at the end thereof the following sentence:

"The preceding sentence shall not apply to property placed in service in any taxable year beginning after December 31, 1973."

Sec. 3. The amendment made by subsection (a) of this Act shall apply to taxable years ending after the date of the enactment of this Act, but shall not apply to property placed in service by the taxpayer on or before such date if an election is made to have the provisions of section 167(m) apply to such property.

By Mr. JACKSON (for himself, Mr. Randolph, Mr. Magnuson, Mr. Mansfield, Mr. Pastore, Mr. Bible, Mr. Church, Mr. Eastland, Mr. McClellan, Mr. Robert C. Byrd, Mr. Humphrey, Mr. Cannon, Mr. Moss, Mr. Hatfield, Mr. McGee, Mr. Symington, Mr. Inouye, Mr. Stevens, Mr. Bayh, Mr. Williams, Mr. Haskell, Mr. Eagleton, Mr. Tunney, Mr. Johnston, Mr. Huddleston, Mr. Cook, Mr. McGovern, and Mr. Bentsen):

S. 1283. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; to establish development corporations to demonstrate technologies for shale oil development, coal gasification development, advanced power cycle development, geothermal steam development, and coal liquefaction development; to authorize and direct the Secretary of the Interior to make mineral resources of the public lands available for said development corporations; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

NATIONAL ENERGY RESEARCH AND DEVELOPMENT ACT OF 1973

Mr. JACKSON. Mr. President, I send to the desk, for appropriate reference, a bill to establish a national program for research, development, and demonstration of fuels and energy technologies and for the coordination and financial supplementation of Federal energy research and development.

It has now been a year and a half since the Senate authorized the Committee on Interior and Insular Affairs to undertake a comprehensive study of national fuels and energy policy. During the course of this study, the committee has conducted extensive hearings and studies into every aspect of fuels and energy policy and has published more than 40 documents—hearing records, staff and consultant reports, committee prints, and other materials.

The committee is now in the process of concluding the information gathering and public hearings stage of the study and investigation, and will soon begin to consider policy option papers dealing with specific recommendations for administrative action, for legislation, and for national energy policy in a number of different subject matter areas. Although the committee has not completed its final report to the Senate, I believe, as one member of the committee, that many clear conclusions already have emerged from the study.

The most obvious and, in my view, the most important conclusion to have emerged is that the Nation critically needs and must now establish a comprehensive high-priority energy research and development program.

A major factor contributing to our present energy crisis is that the necessary research and development efforts which could have provided us with the technological options and capabilities we now need so desperately were not undertaken in the past. Fragmented management, inadequate funding, and illogical distribution of the little energy R. & D. funding which is available have all contributed to the critical energy supply situation we face today.

In the United States we are now facing for the first time very serious shortages of natural gas, fuel oil and other forms of energy. In the months ahead many regions of the Nation will face critical shortages of gasoline.

The shortages are not caused by a lack of domestic energy resources. There are adequate domestic supplies of energy to meet all of our requirements for the foreseeable future. We have huge coal reserves in Appalachia and in the West. The oil shale deposits in the Western United States are an untapped energy resource of great potential. Geothermal power—the heat contained in the earth—could be a major source of energy. There are large volumes of oil and gas yet to be discovered on the Outer Continental Shelf and in the United States.

The shortages we are experiencing and the shortages that all knowledgeable commentators project in the months ahead are the direct result of the Nation's failure to anticipate the problems and to develop policies to deal with them. This is especially true in the area of energy research and development. We have failed to move from the realm of theory into the time of commercial demonstration.

Today in the United States adequate supplies of fuels and other energy resources are available. The basic scientific theory and laboratory experimentation to convert the domestic fuels we have in abundance to usable forms of energy exist. But the technologies which would make these domestic energy sources commercially useful within acceptable environmental and economic limits have not been developed.

Why has not the research and development been done?

For one thing, neither industry nor Government fully appreciated the magnitude of the emerging energy crisis. And now that it is here and its magnitude has been appreciated, there is still a reluctance to undertake the all-out research effort we need.

In many areas we have had abundant warnings. We have been concerned about the national security aspects of oil imports at least since 1955 when a voluntary quota system was initiated. But there is little evidence that either Government or industry has made efforts to improve the utility of our most abundant domestic fuels. Specifically, research on oil shale has been sporadic and unenthusiastic; in coal gasification we have only the technologies developed abroad more than a generation ago.

We have recognized the adverse physical and social consequence of underground coal mining since before the turn of the century, but underground mining continues to remain a dirty, dangerous, labor-intensive process with little application of modern automated technologies.

Air pollution caused by electrical power plants and the adverse impacts of strip-mining are self-evident, but far too little research has been done on methods to mitigate these impacts. Even now, efforts are totally inadequate in relation to the enormity of the problem.

This Nation depends upon electrical power for 25 percent of the life support energy of modern communities, but the electric utility industry does not have the flexibility to effectively deal with all of the new constraints which now exist in the management of its systems. Most generating equipment, for example, is incapable of switching from one fossil fuel to another. When one fuel runs short, the utility experiences a crisis even when alternative fuels are available.

Too little has been done to control the burgeoning energy demand. Yet, if we fail to meet a peak demand for electricity, entire cities are blacked out. The traffic lights and the neon signs go out together: So do the TV sets and the elevators, the electric toothbrush and the kidney machine.

Now we realize the threat. But what research or engineering is underway to reduce or eliminate the public catastrophe which can result when peak demands or fuel shortages exceed the capacities of the systems?

I cannot agree with a recommendation recently published by the National Petroleum Council that all we need is a favorable "economic and regulatory climate" to bring about the necessary and required energy research and development. Even if a favorable "economic and regulatory climate" were achieved, I question claims that research and development efforts would improve. Quite the contrary, favorable economic climates in the past have encouraged complacency and neglect of potentially favorable technological alternatives. Whatever R. & D. is being done, has been forced by adversity.

The legislation I am introducing today is designed to initiate a program for energy R. & D. which will establish the urgency of purpose which has characterized successful national research efforts in the past, such as the space program and the Manhattan project. The program I am advocating has the following major parts:

First. A clear and specific objective—to provide the United States, by 1983, with the capability to be self-sufficient in environmentally acceptable sources.

An aggressive research and development effort must have a goal. It is too easy to claim technological progress in relation to the past. Progress in R. & D.—success or failure—must be measured against a schedule, and a schedule requires a defined objective.

Second. A management mechanism to provide an overview of Federal energy R. & D. programs and the financial capability to achieve an adequate total effort.

The President's budget for fiscal year 1974 proposes a total of less than $800 million—$771.8—for all energy research and development. Nearly 75 percent of this amount is for nuclear energy R. & D., primarily conducted by the AEC. The rest, scattered throughout the Federal agencies, is grossly inadequate to deal with the short-term problems of environmental controls, to carry forward creative efforts on unconventional energy sources such as solar energy, and to improve the efficiency of conventional energy technologies such as petroleum and natural gas recovery techniques and electrical power generation and transmission.

I propose that an interagency "Energy Management Project" be established. It will have an independent chairman with a small technical and budget staff who will be assisted by representatives of the existing Federal agencies which have energy R. & D. responsibiltiies. The project will have an annual budget of $800 million to supplement the programs now underway.

The project will be authorized to transfer funds to Federal agencies to reinforce ongoing programs. More importantly, it will be authorized to determine what new efforts are needed and to enter into agreements with universities, national laboratories, nonprofit organizations, or industrial entities to obtain the kind of research and development capabilities which are required.

The project is not a reorganization of existing Federal energy functions. It will, however, enable the Federal Government to make an aggressive start now on a comprehensive research strategy, while the involved and time-consuming job of Government reorganization for energy is underway. The establishment of the project will not disrupt the progress of ongoing programs which are sorely needed. Once a permanent lead agency for energy and energy R. & D. has been created, the duties and budget of the project can be assigned to that agency.

Third. Single-purpose, corporate ventures to advance potential energy technologies to stage of commercial application.

One of the most difficult problems in bringing new technologies into general application is to move from the laboratory or pilot plant phases to the first commercial prototype. Prototypes represent much larger investments of capital than experimental research. Construction and management of prototypes present unfamiliar startup and production problems, and the potential returns on investment are always uncertain.

A number of critically needed energy technologies are now stalemated at the point of prototype construction. Shale oil production, coal gasification and liquefaction, advanced combined power cycles, and geothermal energy all are close to commercial viability. Each technology, however, needs to be pushed from the laboratory into commercial service. Achieving this will require a single-minded management group and adequate funding to bridge the gap from research to prototype.

Single-purpose, corporate ventures should, in my view, be established for each technology, with Federal support and involvement limited to the development and demonstration period. This will insure that the management of the venture is concerned solely with success in one technology and in the immediate future.

Federal support in each corporation should be sufficient to overcome the element of uncertainy and make the investment attractive to industrial participants. The corporate structure will permit Federal participation on the board of directors commensurate with the level of Federal support, but it will provide the non-Federal participants with a real share in management.

Specifically, the five areas which I propose to be included are: Coal gasification, shale oil, advanced power cycles, geothermal resources, and coal liquefaction.

First, coal gasification is tremendously significant, because it would permit our extensive coal resource—over 87 percent of proved fossil fuel reserves—to be used directly to replace scarce oil and gas. The process would offer the opportunity to remove contaminants from the fuel prior to combustion, thereby decreasing air pollution and contributing to more efficient energy production.

Second, shale oil is important, because of the extent of the domestic resource—at least 30 times greater than reserves of crude.

Third, advanced power cycles would utilize the process of coal gasification in conjunction with high temperature aircraft-type turbines followed by conventional steam cycles at lower temperatures, all combined into a single system. They would provide electricity at higher efficiencies thereby conserving resources. Advanced power cycles also offer opportunities to reduce air and water pollution to levels lower than those of conventional powerplants, and to make our deposits of high sulfur coal usable.

Fourth, geothermal resources, if all forms of development are considered, are virtually an unlimited source of heat energy in many areas of the country. Geothermal energy is a "renewable" resource and is a potentially clean source of electric power generation and of heat for industrial processes.

Fifth, coal liquefaction, the production of synthetic liquid petroleum products from coal, can provide a substitute for increasingly scarce petroleum products.

Taken together, the program I propose—a specific R. & D. objective; coordinated and adequately funded management of Federal support; and aggressive efforts to bring each of the promising new technologies to fruition—will increase Federal funding of energy R. & D. from the present level of less than $800 million to about $2 billion annually over a period of 10 years. That would represent an increase of 150 percent of the present level. In terms of the significance of the energy crisis in relation to the overall economic, financial, and social well-being of the Nation, this is the minimum program which is justifiable.

Mr. President, the bill which I am introducing today is consistent with S. 357, a proposal cosponsored by myself, the Senator from Washington (Mr. MAGNUSON) and several other Senators. S. 357 would amend the Federal Power Act to establish a Federal power research and development program to increase the efficiency of electric energy production and utilization, reduce environmental impacts, and develop new sources of clean energy. I believe that an R. & D. strategy of this nature is appropriate for the electric utility industry.

In a spirit of cooperation among the various committees which are members of the Senate Resolution 45 study, I have discussed the relationship between S. 357 and the measure I am introducing today with the distinguished Senator from Washington (Mr. MAGNUSON) and my esteemed colleague from West Virginia (Mr. RANDOLPH) and it is our intention to insure full compatibility between these two bills before they reach the Senate floor, so that the Senate can consider a single comprehensive energy research and development strategy designed to remedy the past years of neglect by the Federal Government.

The measure I introduce today does not purport to be the final answer to the Nation's energy problems. It is, however, an appropriate starting point in bringing America's scientific and intellectual resources and technological capability to bear upon a problem which affects the lives and the future well-being of all Americans. The bill itself will be improved and modified as a result of committee hearings and the suggestions and recommendations of other Members of the Senate and of the administration.

Mr. President, I ask that the following tables and the full text of the National Energy Research and Development Policy Act of 1973 be printed in the RECORD at the conclusion of my remarks.

There being no objection, the tables and bill were ordered to be printed in the RECORD, as follows:

BUDGET SUMMARY (FEDERAL SHARE ONLY)

[Dollars in millions]

	Fiscal year—				
	1973	1974	1975	1976	1977
President's budget	$642	$772	$800	$850	$850
R. & D. management program		810	810	810	810
Development Corp.:					
Coal gas		6	30	40	50
Shale oil		5	40	40	50
Advance power cycle		6	70	80	80
Geothermal		8	70	80	80
Other (?)				8	70
Total	642	1,607	1,820	1,908	1,990

Note: For the 10-year period from fiscal year 1975 to fiscal year 1985, the average annual Federal energy R. & D. budget would be $2,000,000,000 for the decade to achieve energy self-sufficiency.

ENERGY R. & D. SUMMARY

	Amount (millions)	Percent
Present (fiscal year 1973) budget:		
Total	$642.3	
Nuclear	480.0	75
Proposed (fiscal year 1974) budget:		
Total	771.8	
Nuclear	560.0	73
Proposed measure:		
Title I: Research management project (annually)	800	
Titles II–VI: Development corporations		

[Dollar amounts in millions]

	Total cost	Years	Federal share	Percent
Coal gas	$660	10	$396	60
Shale oil	560	8	280	50
Advance power	1,000	10	650	65
Geothermal	885	15	708	80
Coal liquefaction	750	12	562	75

S. 1283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Energy Research and Development Policy Act of 1973".

TITLE I—COORDINATION AND AUGMENTATION OF FEDERAL SUPPORT FOR RESEARCH AND DEVELOPMENT OF FUELS AND ENERGY

SEC. 101. The Congress hereby finds that—

(a) The Nation is currently suffering a critical shortage of environmentally acceptable forms of energy.

(b) A major reason for this energy shortage is our past and present failure to formulate an aggressive research and development strategy designed to make available to American consumers our large reserves of domestic fossil fuels, nuclear fuels, and geothermal energy, and the potentially unlimited reserves of solar power, nuclear, and other unconventional sources of energy.

(c) The responsibilities of the Federal Government for conducting and assisting energy research, development, and demonstration projects are fragmented among many agencies and departments of government and are not being planned and managed in a rational and coordinated manner.

(d) Present inadequate organizational arrangements and levels of funding for energy research, and demonstration development, have limited the Nation's current and future options for dealing with existing domestic energy shortages.

(e) The Nation's critical energy problems can be solved by 1983 if a national commitment is made now to accord the proper priority, to dedicate the necessary financial resources, and to enlist our unequaled scientific and technological capabilities to develop new options and new management systems to serve national needs, conserve vital resources, and protect the environment.

STATEMENT OF POLICY

SEC. 102. In order to provide an adequate energy base to support the Nation's existing and future social goals and aspirations, it is hereby declared to be the policy of the Congress to establish and maintain a national program of research and development in fuels and energy adequate to meet the following objectives—

(a) encourage the conservation of limited energy resources and maximize the efficiency of energy development, production, conversion, and use;

(b) insure adequate, reliable, economical, and environmentally acceptable energy systems to support the essential needs of modern society including the established social objectives of Federal, State, and local government;

(c) discover the most attractive short-term solutions to immediate problems of the energy system which are having serious impacts upon society;

(d) develop the technology and information base necessary to support development of the widest possible range of options available for future energy policy decisions by aggressively pursuing research and development programs in a wide variety of energy technologies;

(e) provide within ten years the option and the capability for self-sufficiency for the United States through the development of socially and environmentally acceptable methods for the development and utilization of domestic energy sources; and

(f) establish within the Federal Government central responsibility and institutional capability for maintaining continuing assessment, overview, and direction of the energy research and development activities of the Federal Government, private industry, and nonprofit organizations pending the reorganization of the Federal energy agencies to attain and support the objectives of a national energy policy.

ENERGY RESEARCH MANAGEMENT PROJECT

SEC. 103. (a) There is hereby established an Energy Research Management Project (hereafter referred to as the "Management Project") which shall be composed of—

(1) one Assistant Secretary of the Interior who shall be designated by the Secretary of the Interior;

(2) one Commissioner of the Atomic Energy Commission who shall be designated by the Chairman of the Commission;

(3) one Commissioner of the Federal Power Commission who shall be designated by the Chairman of the Commission;

(4) the Director of the National Science Foundation;

(5) one Assistant Administrator of the Environmental Protection Agency who shall be designated by the Administrator of the Agency;

(6) one Assistant Administrator of the National Aeronautics and Space Administration who shall be designated by the Administrator; and

(7) such other appropriate representatives of other executive agencies which the President finds have a significant and containing role in energy research and development.

(b) The Management Project shall have a Chairman who shall also serve as the Staff Director. The Chairman shall be appointed by the President to serve at his pleasure, by and with the advice and consent of the Senate, and shall be chosen with due regard to his experience, training, and ability in the areas of fuels and energy technology and in the management of research and development. During his term of service, the Chairman shall not hold any other position as an officer or employee of the United States, except as a retired officer or retired civilian employee of the United States.

DUTIES

SEC. 104. The Management Project shall—

(a) review the full range of Federal activities in and financial support for fuels and energy research and development, giving consideration to research and development being conducted by industry and other non-Federal entities, to determine the capability of ongoing research efforts to carry out the policies established by this Act and other relevant Federal policies, particularly the National Environmental Policy Act of 1969 (83 Stat. 852);

(b) formulate a comprehensive energy research and development strategy for the Federal Government which will expeditiously advance the policies established by this Act, and insure that full consideration and adequate support is given to:

(1) improving the efficiency, conservation, and environmental effects of the conventional sources of energy including discovery, production, conversion, transportation, use, and disposal of waste products;

(2) advancing energy research, development, and demonstration of unconventional energy sources and technologies including but not limited to—solar energy, geothermal energy, magnetohydrodynamics, fusion processes, fuel cells, low head hydroelectric power, use of agricultural products for energy, tidal power, ocean current and thermal gradient power, wind power, automated mining methods and in situ conversion of fuels, cryogenic transmission of electric power, electrical energy storage methods, alternatives to internal combustion engines, solvent refined coal, utilization of waste products for fuels, direct conversion methods; and

(3) improving management techniques and the effectiveness of management of existing energy systems through quality control; application of systems analysis, communications, and computer techniques; and public information to improve the reliability and efficiency of energy supplies and encourage the conservation of energy resources.

(c) utilize the funds authorized by section 112(b) of this Act to advance the energy research and development strategy by—

(1) supplementing by fund transfers the ongoing energy research and development programs of Federal agencies; and

(2) initiating and maintaining, by fund transfers or grants, new energy research and development programs or activities utilizing the facilities, capabilities, expertise, and experience of Federal agencies, national laboratories, universities, nonprofit organizations, and industrial entities which are appropriate to each type of research and development.

(d) identify opportunities to accelerate the commercial application of new energy technologies by means of joint Federal-industry corporations and submit plans to the Congress recommending the establishment of such corporations and the appropriate level of Federal financial participation in each;

(e) in the exercise of its duties and responsibilities under this title, establish procedures for periodic consultation with representatives of science, industry, environmental organizations, and such other groups who have special expertise in the areas of energy research, development, and technology.

DETERMINATION OF NEED FOR FEDERAL PARTICIPATION IN RESEARCH AND DEVELOPMENT

SEC. 105. In evaluating proposed opportunities for particular research and development undertakings pursuant to this title, the Management Project shall assign priority to those undertaking in which—

(1) the urgency of public need for the potential results of the research, development, or demonstration effort is high, and there is little likelihood that similar results would be achieved in a timely manner in the absence of Federal assistance;

(2) the potential opportunities for non-Federal interests to recapture the investment in the undertaking through the normal commercial exploitation of proprietary knowledge appear inadequate to encourage timely results;

(3) the extent of the problems treated and the objectives sought by the undertaking are national or regional in scope as opposed to being of importance to localities or individual industries;

(4) there are limited opportunities for regulatory actions and incentives other than direct Federal financial assistance, including, but not limited to, end-use controls, tax and price incentives, and public education, to induce non-Federal support of the undertaking;

(5) the degree of risk of loss of investment inherent in the research is high, and the availability of risk capital to the non-Federal entities which might otherwise engage in the field of the research is limited; or

(6) the magnitude of the investment appears to exceed the financial capabilities of potential non-Federal participants in the research to support effective efforts.

PROPRIETARY INFORMATION AND PATENTS

SEC. 106. (a) All research contracted for, sponsored, or cosponsored by the Management Project pursuant to this title, shall require as a condition of Federal participation that all information, processes, or patents, resulting from federally assisted research will be available to the general public.

(b) Where a participant in an energy research and development project holds background patents, trade secrets, or proprietary information which will be employed in and are requisite to the proposed research and development project, the Management Project shall enter into an agreement which will provide equitable protection to the participants' rights: *Provided*. That any such agreement must provide that when the energy research and development project reaches the stage of commercial application all previously developed patents, trade secrets, or proprietary information necessary to commercial application of the energy process or system developed under this title will be made available to any qualified applicant on reasonable license terms which shall take into account that the commercial viability of the total energy process or system was achieved with the assistance of public funds: *And provided further*, That where a commercial energy process or technology has been developed through the use of supplemental funds made available under subsection 104 (c) (1) of this Act to other Federal agencies, the provisions of law applicable to those agencies on patent rights or the disclosure of trade secrets or proprietary information shall govern. Where an agency using such supplemental funds does not have a specific legislative policy on patent rights or the disclosure of trade secrets or proprietary rights, the provisions of subsections (a) and (b) of this section shall control.

PRESIDENTIAL REVIEW

SEC. 107. (a) The President shall—

(1) in connection with any reorganization plan which he may propose which has significant impacts upon the agencies represented on the Management Project, or

(2) immediately upon the authorization by the Congress of any reorganization which has significant impact upon the agencies represented upon the Management Project, make his recommendations to the Congress concerning—

(i) the necessity for continuing the Management Project,

(ii) the appropriate membership of the Management Project if it is continued, and

(ii) the appropriate agency to receive the duties, funding, and staff of the Management Project if it is to be terminated.

(b) Not later than five years from the date of this Act, if the authorities and duties of the Management Project are not reassigned to a permanent agency in the interim, the President shall report to the Congress on his evaluation of the progress of fuels and energy research and development and his recommendation for further management of the Federal research and development programs.

ADMINISTRATIVE PROVISIONS

SEC. 108. The Chairman shall be compensated at the rate provided for level II of the Executive Schedule Pay Rates (5 U.S.C. 5313).

POWERS

SEC. 109. (a) The Chairman may employ such officers and employees as may be necessary to carry out the functions of the Management Project under this title and may employ and fix the compensation of such experts and consultants as may be necessary, in accordance with section 3109 of title 5, United States Code (but without regard to the last sentence thereof);

(b) The Management Project may—

(1) acquire, furnish, and equip such office space as is necessary;

(2) use the United States mails in the same manner and upon the same conditions as other agencies of the United States;

(3) purchase, hire, operate, and maintain passenger motor vehicle;

(4) enter into contracts or agreements for studies and surveys with non-Federal public and private organizations and transfer funds to Federal agencies to carry out aspects of the Management Project's duties; and

(5) incur such necessary expenses and exercise such other powers as are consistent with and reasonably required to perform its functions under this title.

(c) The Chairman shall have the authority and be responsible for—

(1) the supervision of personnel;

(2) the assignment of duties and responsibilities among personnel; and

(3) the use and expenditure of funds.

COOPERATION OF FEDERAL AGENCIES

SEC. 110. Upon request the Chairman, the head of any Federal department or agency is authorized and directed—

(1) to furnish the Management Project within the limits of available funds, including funds transferred for that purpose pursuant to section 107(b) of this Act, such information as may be necessary for carrying out it functions, and

(2) to detail to temporary duty with the Management Project on a reimbursable basis such personnel as it may require for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

CONGRESSIONAL ACCESS TO INFORMATION

SEC. 111. The Chairman shall keep the Congress fully and currently informed of all the Management Project's activities and shall submit to the Congress an annual report. Neither the Chairman nor any other member of the Management Project or its employees may refuse to testify before the Congress or to submit information to the legislative or appropriations committees of either House of the Congress.

APPROPRIATIONS

SEC. 112. (a) There are authorized to be appropriated $10,000,000 annually for the administrative expenses of the Management Project including such amounts as may be expended for consulting services in connection with the duties of the Management Project and including funds transferred to other Federal agencies in compensation for personal services in assisting the Management Project with the administration of this title.

(b) There are authorized to be appropriated not to exceed $800,000,000 for the fiscal year ending June 30, 1974, and, subject to annual congressional authorizations, $800,000,000 for each of the four following fiscal years to carry out the provisions of subsection 104(c) of this title.

(c) The Chairman of the Management Project, in conjunction with his recommendations for annual contributions of appropriations pursuant to subsection (b) of this section, shall report to the Congress on the activities of the previous calendar year, the expenditure of funds, the new projects initiated, the projects which have been terminated, and any new contractual arrangements entered into, and the progress the Management Project has made during that year toward attaining the capability of domestic energy self-sufficiency for the United States within ten years of the date of enactment of this Act. In each instance where delays in scheduled accomplishments are reported, the reasons for the delays shall be set forth along with recommendations for actions, including specific estimates of additional funding, or requirements for new legislative authority which would assist in regaining the schedule.

TITLE II—ESTABLISHMENT OF A COAL GASIFICATION CORPORATION

SEC. 201. (a) The Congress recognizes that—

(1) natural gas is the least polluting of the fossil fuels in that it causes no pollution from sulfur oxides and particulate and emits the least amount of nitrogen oxides per heat unit supplied;

(2) natural gas can be produced and transported with less environmental degradation than the other fuels and at costs that compare favorably with the competitive fuels for uses where the various fuels are interchangeable;

(3) for five consecutive years the amount of natural gas consumed in the United States exceeded new supplies found in the contiguous forty-eight States;

(4) projections of future gas demand are such that every new supply source must be considered, including natural gas by pipeline, importation of liquefied natural gas from foreign sources, and the gasification of coal;

(5) gasification of coal has been tested on a small scale in a variety of processes by a number of investigators, but to achieve commercial status for any of these methods will require the construction and operation of a large demonstration plant followed by the construction and operation of a commercial sized plant;

(6) it is important to provide environmentally acceptable fuel to the American consumer using domestic resources that can be produced by American labor and which are secure from the uncertainties attendant to foreign supplies; and

(7) the total research and development effort required is too large for any single company to risk undertaking and a consortium of companies would be difficult to assemble without Federal leadership.

(b) It is therefore the policy of Federal Government to bring this technology to commercial development as quickly as possible by establishing a Government-industry program jointly managed and funded to demonstrate commercial scale methods of producing substitutes for natural gas.

SEC. 202. (a) There is hereby established the Coal Gasification Development Corporation (hereinafter in this title referred to as the "Corporation"). The Corporation shall have a Board of nine Directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from any non-Federal entity or entities entering into contractual arrangements pursuant to subsection (d) of this section. Pending the appointment of such Directors on the basis of the aforementioned recommendations, three members shall constitute a quorum for the purpose of conducting the business of the Board. The President of the United States shall call the first meeting of the Board of Directors. Each Director of the Board not employed by the Federal Government shall receive compensation at the rate of $300 for each meeting of the Board he attends. In addition, each Director shall be reimbursed for necessary travel and subsistence expenses incurred in attending the meetings of the Board.

(b) The Board of Directors is empowered to adopt and amend bylaws, consistent with the provisions of this title, governing the operation of the Corporation.

(c) The Corporation shall have a President and such other officers and employees as may be named and appointed by the Board. The rates of compensation of all officers and employees shall be fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation.

(d) In order to assemble and organize industrial participation in the carrying out of the purposes and functions of the Corporation, the Administrator of General Services is authorized to enter into contractual arrangements with any private entity or entities under which such entity or entities agree to participate in the carrying out of such purposes and functions, including the furnishing of financial assistance in connection therewith. Such contract or contracts shall include such terms and conditions, consistent with this title, as the Administrator of General Services may prescribe.

SEC. 203. (a) It shall be the function of the Corporation to select, on the basis of the best engineering information available, the two or more most technically, environmentally, and economically feasible methods for manufacturing substitute natural gas from coal. After selection of such methods, the Corporation is authorized to design, construct, operate, and maintain a demonstration-type facility for each such method selected in order to determine the technical, environmental, and economical feasibility thereof. If on the basis of the operation of each such demonstration facility the Corporation determines that the method so demonstrated is a technically and economically feasible method for manufacturing substitute natural gas from coal on a commercial scale, the Corporation is authorized to design, construct, operate, and maintain, for each such method demonstrated, a full-scale, commercial-size facility to manufacture substitute natural gas from coal by such method.

(b) Substitute natural gas produced by such commercial facilities shall be disposed of in such manner and under such terms and conditions as the Corporation shall prescribe. The Corporation shall arrange to deliver any substitute natural gas so manufactured to such buyer as may be authorized, by contract or otherwise, by the Corporation. All revenues received by the Corporation from the sale of such gas shall be available to the Corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this title.

(c) The Corporation shall make available, by license or otherwise, on a nonexclusive royalty free basis without territorial limitation the use of any patent obtained by the Corporation under any law of the United States or any foreign country for or with respect to any invention made in the performance of any activity conducted pursuant to this title. On and after the dissolution of the Corporation and the transfer of its patent rights in accordance with section 206, the Administrator of General Services shall administer such patents rights in accordance with the provisions of this subsection.

SEC. 204. In carrying out its functions under this title, the Corporation is authorized to enter into contracts, leases, or other arrangements; to own, manage, operate or contract for the operation of facilities authorized by this title; to conduct research and development related to its mission; and to acquire by construction or purchase, or to contract for the use of, physical facilities, equipment, patents, and devices which it determines necessary in carrying out such functions. To carry out its functions, the Corporation shall have, in addition to the powers conferred by this title, the usual powers conferred upon corporations by the District of Columbia Business Corporation Act. Leases, contracts, and other arrangements entered into by the Corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.

SEC. 205. (a) The Corporation shall transmit to the President of the United States and the Congress, annually, commencing one year from the date of the enactment of this Act, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this title, including a statement of receipts and expenditures for the previous year. At the time of its annual report, the Corporation shall submit such legislative recommendations as it deems desirable, including the amount of financial assistance needed for operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived. Such report shall be available to the public.

(b) All reports, plans, specifications, cost and operating data of the Corporation acquired by it in connection with the carrying out of its duties under this title, shall be made available by the Corporation in accordance with the provisions of section 552 of title 5 of the United States Code.

(c) The Corporation shall make annual reports available to interested parties on the progress of its operations. Such reports shall be in sufficient detail so that independent engineering and economic judgments can be made based on such reports. Detailed drawings and other information of value to those who might be interested in commercial development shall be placed on open file by the Corporation on a continuing basis for examination by interested parties.

SEC. 206. On or before the expiration of ten years following the date of the enactment of this Act, the Board of Directors shall take such action as may be necessary to dissolve the Corporation. In carrying out such dissolution, the Board of Directors is authorized to dispose of all physical facilities of the Corporation in such manner and subject to such terms and conditions as the Board determines are in the public interest. A share proportional to the Federal participation in the assets of the Corporation, including the proceeds from the disposition of such facilities, on the date of its dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and deposited in the United States Treasury as miscellaneous receipts. All patent rights of the Corporation shall, on such date of dissolution, be vested in the Administrator of General Services.

SEC. 207. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Corporation, upon its request, any information or other data which the Corporation deems necessary to carry out its duties under this title.

(b) The Corporation is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency, or instrumentality, including any independent agency, of the Government.

(c) The Corporation may procure the services of experts and consultants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may compensate such experts and consultants without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, in accordance with section 3109 of that title.

SEC. 208. The Secretary of the Interior is authorized and directed to make available to the Corporation established by this title Federal lands under his jurisdiction (except lands within national park, wilderness, and wildlife refuge systems, lands on the Outer Continental Shelf, lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States) which contain coal (1) when such corporation determines that use of the coal is necessary to carry out its research program, and (2) under terms and conditions promulgated by the Secretary to protect the environment and other resource values of the lands involved.

SEC. 209. There are authorized to be appropriated to the Corporation, for the fiscal year ending June 30, 1974, the sum of $6,000,000, and for each of the next nine succeeding fiscal years such sums as may be necessary. All funds appropriated pursuant to this section shall remain available until expended. Notwithstanding any other provisions of this title, in no case shall funds appropriated pursuant to this section for any fiscal year be expended in an amount in excess of 60 per centum of the costs to the Corporation in connection with the carrying out of its duties under this title for that fiscal year.

TITLE III—ESTABLISHMENT OF A SHALE OIL DEVELOPMENT CORPORATION

SEC. 301. (a) The Congress recognizes that—

(1) in recent years there have been increasing difficulties in supplying all of the energy needs of the country;

(2) all projections forecast that the energy shortage will grow more severe unless steps are taken to increase supplies;

(3) the prevention of an energy shortage will require the full development and utilization of all potential domestic energy resources, of which shale oil is one of the most abundant;

(4) shale oil can be used to provide nonpolluting energy that will meet stringent environmental standards;

(5) public lands of the United States contain nearly 80 per centum of the total shale oil resources;

(6) experimental efforts and tests on a small scale by both industry and Government have been inadequate to develop shale oil resources;

(7) the Federal Government must assume leadership and responsibility, if the economic development of shale oil is to be assured;

(8) providing clean fuel to the American consumer using indigenous resources that can be produced by American workers and which are secure from the vagaries of foreign supplies is important to the Nation's future;

(9) the importation of oil is one of the most important factors leading to the imbalance of payments and that this will grow larger in the future;

(10) the research and development effort required to bring shale oil to commercial realization is too large for any single company to risk undertaking or to fully explore and a consortium of companies should be assembled under Federal leadership.

(b) It is therefore the policy of the Federal Government to bring into being the technology for commercial development of shale oil as quickly as possible by establishing a Government-industry program jointly managed and funded to demonstrate commercial methods of producing environmentally acceptable fuels from shale oil.

SEC. 302. (a) There is hereby established the Shale Oil Development Corporation (hereafter in this title referred to as the "Corporation"). The Corporation shall have a Board of nine Directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from any non-Federal entity or entities entering into contractual arrangements pursuant to subsection (d) of this section. Pending the appointment of such Directors on the basis of the aforementioned recommendations, three members shall constitute a quorum for the purpose of conducting the business of the Board. The President of the United States shall call the first meeting of the Board of Directors. Each Director of the Board not employed by the Federal Government shall receive compensation at the rate of $300 for each meeting of the Board he attends. In addition, each Director shall be reimbursed for necessary travel and subsistence expenses incurred in attending the meetings of the Board.

(b) The Board of Directors is empowered to adopt and amend bylaws, consistent with the provisions of this title, governing the operation of the Corporation.

(c) The Corporation shall have a President and such other officers and employees as may be named and appointed by the Board. The rates of compensation of all officers and employees shall be fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation.

(d) In order to assemble and organize industrial participation in the carrying out of the purposes and functions of the Corporation, the Administrator of General Services is authorized to enter into contractual arrangements with any private entity or entities under which such entity or entities agree to participate in the carrying out of such purposes and functions, including the furnishing of financial assistance in connection therewith. Such contract or contracts shall include such terms and conditions, consistent with this title as the Administrator of General Services may prescribe.

SEC. 303. (a) It shall be the function of the Corporation to select, on the basis of the best engineering information available, the two or more technically, environmentally, and feasible methods for producing a syncrude from shale oil. After selection of such methods, the Corporation is authorized to design, construct, operate, and maintain a demonstration-type facility for each such method selected in order to determine the technical, environmental, and economical feasibility thereof. If on the basis of the operation of each such demonstration facility the Corporation determines that the method so demonstrated is a technically and economically feasible method for producing a syncrude from shale oil on a commercial scale, the Corporation is authorized to design, construct, operate, and maintain, for each method demonstrated, a full-scale commercial-size facility to produce a syncrude from shale oil by such method.

(b) Syncrude produced by such commercial facilities shall be disposed of in such manner and under such terms and conditions as the Corporation shall prescribe. The Corporation from the sale of such syncrude shall be available to such buyer as may be authorized, by contract or otherwise, by the Corporation. All revenues received by the Corporation from the sale of such syncrude shall be available to the Corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this title.

(c) The Corporation shall make available, by license or otherwise, on a nonexclusive royalty free basis without territorial limitation the use of any patent obtained by the Corporation under any law of the United States or any foreign country for or with respect to any invention made in the performance of any activity conducted pursuant to this title. On and after the dissolution of the Corporation and the transfer of its patent rights in accordance with section 306 the Administrator of General Services shall administer such patent rights in accordance with the provisions of this subsection.

SEC. 304. In carrying out its functions under this title, the Corporation is authorized to enter into contracts, leases, or other arrangements; to own, manage, operate, or contract for the operation of facilities authorized by this title; to conduct research and development related to its mission; and to acquire by construction or purchase, or to contract for the use of, physical facilities, equipment, patents, and devices which it dedetermines necessary in carrying out such functions. To carry out its functions, the Corporation shall have, in addition to the powers conferred by this title, the usual powers conferred upon corporations by the District of Columbia Business Corporation Act. Leases, contracts, and other arrangements entered into by the Corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.

SEC. 305. (a) The Corporation shall transmit to the President of the United States and the Congress, annually, commencing one year from the date of the enactment of this Act, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act, including a statement of receipts and expenditures for the previous year. At the time of its annual report, the Corporation shall submit such legislative recommendations as it deems desirable, including the amount of financial assistance needed for operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived. Such report shall be available to the public.

(b) All reports, plans, specifications, and cost and operating data of the Corporation acquired by it in connection with the carrying out of its duties under this title shall be made available by the Corporation in accordance with the provisions of section 552 of title 5 of the United States Code.

(c) The Corporation shall make annual reports available to interested parties on the progress of its operations. Such reports shall be in sufficient detail so that independent engineering and economic judgments can be made based on such reports. Detailed drawings and other information of value to those who might be interested in commercial development shall be placed on open file by the Corporation on a continuing basis for examination by interested parties.

SEC. 306. On or before the expiration of eight years following the date of the enactment of this Act, the Board of Directors shall take such action as may be necessary to dissolve the Corporation. In carrying out such dissolution, the Board of Directors is authorized to dispose of all physical facilities of the Corporation in such maner and subject to such terms and conditions as the Board determines are in the public interest. A share proportional to the Federal participation in the assets of the Corporation, including the proceeds from the disposition of such facilities, on the date of its dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and deposited in the United States Treasury as miscellaneous receipts. All patent rights of the Corporation shall, on such date of dissolution, be vested in the Administrator of General Services.

SEC. 307. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Corporation, upon its request, any information or other data which the

Corporation deems necessary to carry out its duties under this title.

(b) The Corporation is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency or instrumentality, including any independent agency, of the Government.

(c) The Corporation may procure the services of experts and consultants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may compensate such experts and consultants without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, in accordance with section 3109 of that title.

SEC. 308. The Secretary of the Interior is authorized and directed to make available to the Corporation established by this title Federal lands under his jurisdiction (except lands within national park, wilderness, and wildlife refuge systems, lands on the Outer Continental Shelf, lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States) which contain shale oil (1) when such Corporation determines that use of the shale oil is necessary to carry out its research program, and (2) under terms and conditions promulgated by the Secretary to protect the environment and other resource values of the lands involved.

SEC. 309. There are authorized to be appropriated to the Corporation, for the fiscal year ending June 30, 1974, the sum of $5,000,000, and for each of the next seven succeeding fiscal years such sums as may be necessary. All funds appropriated pursuant to this section shall remain available until expended. Notwithstanding any other provisions of this title, in no case shall funds appropriated pursuant to this section for any fiscal year be expended in an amount in excess of 50 per centum of the costs to the Corporation in connection with the carrying out of its duties under this title for that fiscal year.

TITLE IV—ESTABLISHMENT OF AN ADVANCED POWER CYCLE DEVELOPMENT CORPORATION

SEC. 401. (a) The Congress recognizes that—

(1) electric energy has been supplying a growing share of the Nation's increasing energy demands and is projected to supply greater shares in future years;

(2) conventional methods for the conversion of fossil fuels to electricity employing the steam cycle are approaching the limits of their potential thermal efficiencies, and still represent significant losses of the energy of the fuel resources;

(3) electric energy is the cleanest and most convenient form of energy at the location of its use and is the only practicable form of energy in some modern applications;

(4) increased efficiencies in the production of electric energy can extend the availability of limited fuel resources and reduce the environmental consequences of meeting demands for electric energy;

(5) coal is a desirable fuel for the production of electricity because it is by far the most abundant of domestic fossil fuels;

(6) several processes for the pretreatment of coal to remove sulfur, ash, and other pollutants are available but require further development;

(7) several power cycles have reached advanced stages of development which have potential applications, separately or in combination, for increasing the efficiency of electric power generation;

(8) the application of advanced power cycles in pilot plants and commercial applications presently involve significant engineering problems and economic uncertainties which impair their timely development as commercial ventures; and

(9) Federal financial assistance is necessary to encourage expeditious advances toward commercial applications of advanced power cycles for electric power generation.

SEC. 402. (a) There is hereby established the Advanced Power Cycle Development Corporation (hereinafter in this title referred to as the "Corporation"). The Corporation shall have a Board of nine Directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from any non-Federal entity or entities entering into contractual arrangements pursuant to subsection (d) of this section. Pending the appointment of such Directors on the basis of the aforementioned recommendations, three members shall constitute a quorum for the purpose of conducting the business of the Board. The President of the United States shall call the first meeting of the Board of Directors. Each Director of the Board not employed by the Federal Government shall receive compensation at the rate of $300 for each meeting of the Board he attends. In addition, each Director shall be reimbursed for necessary travel and subsistence expenses incurred in attending the meetings of the Board.

(b) The Board of Directors is empowered to adopt and amend bylaws, consistent with the provisions of this title, governing the operation of the Corporation.

(c) The Corporation shall have a President and such other officers and employees as may be named and appointed by the Board. The rates of compensation of all officers and employees shall be fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation.

(d) In order to assemble and organize individual participation in the carrying out of the purposes and functions of the Corporation, the Administrator of General Services is authorized to enter into contractual arrangements with any private entity or entities under which such entity or entities agree to participate in the carrying out of such purposes and functions, including the furnishing of financial assistance in connection therewith. Such contract or contracts shall include such terms and conditions, consistent with this title, as the Administrator of General Services may prescribe.

SEC. 403. (a) It shall be the function of the Corporation to select, on the basis of the best engineering information available, the two or more most technically, environmentally, and economically feasible methods of producing electricity at high efficiencies using advanced power cycles with minimum adverse environmental impacts using coal. After selection of such methods, the Corporation is authorized to design, construct, operate, and maintain a demonstration-type facility for each such method selected in order to determine the technical and economical feasibility thereof. If, on the basis of the operation of each such demonstration facility, the Corporation determines that the method so demonstrated is a technically, environmentally, and economically feasible method for producing electricity from coal on a commercial scale and at appreciably greater efficiencies than conventional means, the Corporation is authorized to design, construct, operate, and maintain, for each such method demonstrated, a full-scale commercial-size facility to produce electricity from coal by such method.

(b) Electric energy produced by such commercial facilities shall be disposed of in such manner and under such terms and conditions as the Corporation shall prescribe: *Provided*, That in the disposal of such electric energy as shall represent the Federal interest in the costs of the Corporation, preference shall be given to Federal agencies, public bodies, and cooperatives. All revenues received by the Corporation from the sale of such energy shall be available to the Corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this title.

(c) The Corporation shall make available, by license or otherwise, on a nonexclusive royalty free basis without territorial limitation the use of any patent obtained by the Corporation under any law of the United States or any foreign country for or with respect to any invention made in the performance of any activity conducted pursuant to this title. On and after the dissolution of the Corporation and the transfer of its patent rights in accordance with section 406, the Administrator of General Services shall administer such patent rights in accordance with the provisions of this subsection.

SEC. 404. In carrying out its functions under this title, the Corporation is authorized to enter into contracts, leases, or other arrangements; to own, manage, operate, or contract for the operation of facilities authorized by this title; to conduct research and development related to its mission; and to acquire by construction or purchase, or to contract for the use of, physical facilities, equipment, patients, and devices which it determines necessary in carrying out such functions. To carry out its functions, the Corporation shall have, in addition to the powers conferred by this title, the usual powers conferred upon corporations by the District of Columbia Business Corporation Act. Leases, contracts, and other arrangements entered into by the Corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.

SEC. 405. (a) The Corporation shall transmit to the President of the United States and the Congress, annually, commencing one year from the date of the enactment of this Act, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this title, including a statement of receipts and expenditures for the previous year. At the time of its annual report, the Corporation shall submit such legislative recommendations as it deems desirable, including the amount of financial assistance needed for operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived. Such report shall be available to the public.

(b) All reports, plans, specifications ,and cost and operating data of the Corporation, acquired by it in connection with the carrying out of its duties under this title, shall be made available by the Corporation in accordance with the provisions of section 552 of title 5 of the United States Code.

(c) The Corporation shall make annual reports available to interested parties on the progress of its operations. Such reports shall be in sufficient detail so that independent engineering and economic judgments can be made based on such reports. Detailed drawings and other information of value to those who might be interested in commercial development shall be placed on open file by the Corporation on a continuing basis for examination by interested parties.

SEC. 406. On or before the expiration of ten years following the date of the enactment of this Act, the Board of Directors shall take such action as may be necessary to dissolve the Corporation. In carrying out such dissolution, the Board of Directors is authorized to dispose of all physical facilities of the Corporation in such manner and subject to such terms and conditions as the Board determines are in the public interest. A share proportional to the Federal participation in the assets of the Corporation, including the proceeds from the disposition of such facilities, on the date of its dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and deposited in the United States Treasury as miscellaneous receipts. All patent rights of the Corporation shall, on such date of dissolution, be vested in the Administrator of General Services.

SEC. 407. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Corporation, upon its request, any information or other data which the Corporation deems necessary to carry out its duties under this title.

(b) The Corporation is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency, or instrumentality, including any independent agency, of the Government.

(c) The Corporation may procure the services of experts and consultants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may compensate such experts and consultants without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, in accordance with section 3109 of that title.

SEC. 408. The Secretary of the Interior is authorized and directed to make available tc the Corporation established by this title Federal lands under his jurisdiction (except lands within national parks, wilderness, and wildlife refuge systems, lands on the Outer Continental Shelf, lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States) which contain coal (1) when such Corporation determines that use of the coal is necessary to carry out its research program, and (2) under terms and conditions promulgated by the Secretary to protect the environment and other resource values of the lands involved.

SEC. 409. There are authorized to be appropriated to the Corporation, for the fiscal year ending June 30, 1974, the sum of $6,500,000, and for each of the next nine succeeding fiscal years, such sums as may be necessary. All funds appropriated pursuant to this section shall remain available until expended. Notwithstanding any other provisions of this title, in no case shall funds appropriated pursuant to this section for any fiscal year be expended in an amount in excess of 65 per centum of the costs to the Corporation in connection with the carrying out of its duties under this title for that fiscal year.

TITLE V—ESTABLISHMENT OF A GEOTHERMAL ENERGY DEVELOPMENT CORPORATION

SEC. 501. The Congress recognizes that—

(1) the demand for electric energy in evergy region of the United States is taxing all of the alternative sources presently available;

(2) the electric utilities consume 25 per centum of all fuels used in the United States and that proportion is projected to increase;

(3) some of the fuel sources available for electric power generation are already in short supply and the development and use of other fuel sources presently involves undesirable environmental impacts;

(4) electric energy is the cleanest and most convenient form of energy at the location of its use and is the only practicable form of energy in some modern applications;

(5) geothermal resources presently being used have severely limited total potential;

(6) geothermal resources of different modes are known to exist which have virtually unlimited potential;

(7) technologies are not available for the development of the greater portion of the geothermal resource;

(8) much of the known geothermal resources exist on the public lands;

(9) technologies for the generation of electric energy from geothermal sources are potentially economical and environmentally desirable;

(10) development of geothermal resources offers possibilities of process energy and other nonelectric applications;

(11) Federal financial assistance is necessary to encourage the extensive exploration, research and development, and investments which will bring the technologies to the point of commercial application.

SEC. 502. (a) There is hereby established the Geothermal Energy Development Corporation (hereinafter in this title referred to as the "Corporation"). The Corporation shall have a Board of nine Directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from any non-Federal entity or entities entering into contractual arrangements pursuant to subsection (d) of this section. Pending the appointment of such Directors on the basis of the aforementioned recommendations, three members shall constitute a quorum for the purpose of conducting the business of the Board. The President of the United States shall call the first meeting of the Board of Directors. Each Director of the Board not employed by the Federal Government shall receive compensation at the rate of $300 for each meeting of the Board he attends. In addition, each Director shall be reimbursed for necessary travel and subsistence expenses incurred in attending the meetings of the Board.

(b) The Board of Directors is empowered to adopt and amend bylaws, consistent with the provisions of this title, governing the operation of the Corporation.

(c) The Corporation shall have a President and such other officers and employees as may be named and appointed by the Board. The rates of compensation of all officers and employees shall be fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation.

(d) In order to assemble and organize industrial participation in the carrying out of the purposes and functions of the Corporation, the Administrator of General Services is authorized to enter into contractual arrangements with any private entity or entities under which such entity or entities agree to participate in the carrying out of such purposes and functions, including the furnishing of financial assistance in connection therewith. Such contract or contracts shall include such terms and conditions, consistent with this title, as the Administrator of General Services may prescribe.

SEC. 503. (a) It shall be the function of the Corporation, on the basis of the best geologic information and after field exploration, to select suitable sites for the construction of two or more demonstration installations, to develop technologies for the generation of steam and electric power from geothermal resources: *Provided*, That such demonstration installation shall include but not necessarily be limited to one hot water and one hot rock resource. After sufficient experimentation has demonstrated the technical feasibility and established the probability of economic viability of commercial development based upon one or more of the methods tested, the Corporation is authorized to design, construct, operate, and maintain, for each such method demonstrated, a full-scale commercial-size facility to produce electricity from geothermal energy by such method.

(b) Electric energy produced by such commercial facilities shall be disposed of in such manner and under such terms and conditions as the Corporation shall prescribe: *Provided*, That in the disposal of such electric energy as shall represent the Federal interest in the costs of the Corporation, preference shall be given to Federal agencies, public bodies, and cooperatives. All revenues received by the Corporation from the sale of such energy shall be available to the Corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this title.

(c) The Corporation shall make available, by license or otherwise, on a nonexclusive royalty fee basis without territorial limitation the use of any patent obtained by the Corporation under any law of the United States or any foreign country for or with respect to any invention made in the performance of any activity conducted pursuant to this title. On and after the dissolution of the Corporation and the transfer of its patent rights in accordance with section 506, the Administrator of General Services shall administer such patent rights in accordance with the provisions of this subsection.

SEC. 504. In carrying out its functions under this title, the Corporation is authorized to enter into contracts, leases, or other arrangements; to own, manage, operate, or contract for the operation of facilities authorized by this title; to conduct research and development related to its mission; and to acquire by construction or purchase, or to contract for the use of, physical facilities, equipment, patents, and devices which it determines necessary in carrying out such functions. To carry out its functions, the Corporation shall have, in addition to the powers conferred by this title, the usual powers conferred upon corporations by the District of Columbia Business Corporation Act. Leases, contracts, and other arrangements entered into by the Corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.

SEC. 505. (a) The Corporation shall transmit to the President of the United States and the Congress, annually, commencing one year from the date of the enactment of this Act, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this title, including a statement of receipts and expenditures for the previous year. At the time of its annual report, the Corporation shall submit such legislative recommendations as it deems desirable, including the amount of financial assistance needed for operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived. Such report shall be available to the public.

(b) All reports, plans, specifications, and cost and operating data of the Corporation, acquired by it in connection with the carrying out of its duties under this title, shall be made available by the Corporation in accordance with the provisions of section 552 of title 5 of the United States Code.

(c) The Corporation shall make annual reports available to interested parties on the progress of its operations. Such reports shall be in sufficient detail so that independent engineering and economic judgments can be made based on such reports. Detailed drawings and other information of value to those who might be interested in commercial development shall be placed on open file by the Corporation on a continuing basis for examination by interested parties.

SEC. 506. On or before the expiration of fifteen years following the date of the enactment of this Act, the Board of Directors shall take such action as may be necessary to dissolve the Corporation. In carrying out such dissolution, the Board of Directors is authorized to dispose of all physical facilities of the Corporation in such manner and subject to such terms and conditions as the Board determines are in the public interest. A share proportional to the Federal participation in the assets of the Corporation, including the proceeds from the disposition of such facilities, on the date of its dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and deposited in the United States Treasury as miscellaneous receipts. All patent rights of the Corporation shall, on such date of dissolution, be vested in the Administrator of General Services.

SEC. 507. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Corporation, upon its request, any information or other data which the Corporation deems necessary to carry out its duties under this title.

(b) The Corporation is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency or instrumentality, including any independent agency, of the Government.

(c) The Corporation may procure the services of experts and consultants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may compensate such experts and consultants without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, in accordance with section 3109 of that title.

SEC. 508. The Secretary of the Interior is authorized and directed to make available to the Corporation established by this title Federal lands under his jurisdiction (except lands within national park, wilderness, and wildlife refuge systems, lands on the Outer Continental Shelf, lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States) which contain geothermal resources (1) when such Corporation determines that use of the lands is necessary to carry out its research program, and (2) under terms and conditions promulgated by the Secretary to protect the environment and other resource values of the lands involved.

SEC. 509. There are authorized to be appropriated to the Corporation, for the fiscal year ending June 30, 1974, the sum of $8,000,000, and for each of the next fourteen succeeding fiscal years such sums as may be necessary. All funds appropriated pursuant to this section shall remain available until expended. Notwithstanding any other provisions of this title, in no case shall funds appropriated pursuant to this section for any fiscal year be expended in an amount in excess of 80 per centum of the cost to the Corporation in connection with the carrying out of its duties under this title for that fiscal year.

TITLE VI

ESTABLISHMENT OF A COAL LIQUEFACTION CORPORATION

SEC. 601. (a) The Congress recognizes that—

(1) during the last year there have been increasing difficulties in supplying all of the needs of the country for petroleum products;

(2) shortages of fuel oil, diesel, jet fuel, gasoline, and other products have caused serious economic dislocations, created unemployment, closed schools and factories, and disrupted transportation patterns;

(3) avoiding shortages of petroleum products will require the development and innovative utilization of all energy resources, of which coal is one of the Nation's most abundant:

(4) synthetic liquid petroleum products derived from coal have demonstrated a potential to provide nonpolluting energy in a manner consistent with national environmental standards;

(5) the public lands of the United States contain huge coal reserves;

(6) the Federal Government must assume greater responsibility, if the development of commercial coal liquefaction processes is to be assured at an early enough time to help meet growing consumer demand;

(7) providing synthetic liquid petroleum products to the American consumer using indigenous resources which are secure from the vagaries of foreign supplies is vital to the Nation's future;

(8) growing United States dependence on imported oil is having an increasing negative impact on the United States balance of payments; and

(9) the research and development effort required to bring synthetic liquid petroleum products derived from coal to commercial realization at an early date is too large for any single company to fully explore or risk undertaking and a consortium of interested companies should be assembled.

(b) It is therefore the policy of the Federal Government to bring into being the technology for commercial development of coal liquefaction processes as quickly as possible by establishing a Government-industry program jointly managed and funded to demonstrate commercial methods of producing synthetic liquid petroleum products from coal.

SEC. 620. (a) There is hereby established the Liquefaction Corporation (hereafter in this title referred to as the "Corporation"). The Corporation shall have a Board of nine Directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the Board to serve as Chairman. Five members of the Board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and four members of the Board shall be appointed by the President on the basis of recommendations received by him from any non-Federal entity or entities entering into contractual arrangements pursuant to subsection (d) of this section. Pending the appointment of such Directors on the basis of the aforementioned recommendations, three members shall constitute a quorum for the purpose of conducting the business of the Board. The President of the United States shall call the first meeting of the Board of Directors. Each Director of the Board not employed by the Federal Government shall receive compensation at the rate of $300 for each meeting of the Board he attends. In addition, each Director shall be reimbursed for necessary travel and subsistence expenses incurred in attending the meetings of the Board.

(b) The Board of Directors is empowered to adopt and amend bylaws, consistent with the provisions of this title, governing the operation of the Corporation.

(c) The Corporation shall have a President and such other officers and employees as may be named and appointed by the Board. The rates of compensation of all officers and employees shall be fixed by the Board. No individual other than a citizen of the United States may be an officer of the Corporation.

(d) In order to assemble and organize industrial participation in the carrying out of the purposes and functions of the Corporation, the Administrator of General Services is authorized to enter into contractual arrangements with any private entity or entities under which such entity or entities agrree to participate in the carrying out of such purposes and functions, including the furnishing of financial assistance in connection therewith. Such contract or contracts shall include such terms and conditions, consistent with this title as the Administrator of General Services may prescribe.

SEC. 603. (a) It shall be the function of the Corporation to select, on the basis of the best engineering information available, the two or more technically, environmentally, and economically feasible methods for producing synthetic liquid petroleum products from coal. After selection of such methods, the Corporation is authorized to design, construct, operate, and maintain a demonstration-type facility for each such method selected in order to determine the technical, environmental, and economical feasibility thereof. If on the basis of the operation of such demonstration facility the Corporation determines that the method so demonstrated is a technically and economically feasible method for producing synthetic liquid petroleum from coal on a commercial scale, the Corporation is authorized to design, construct, operate, and maintain, for each such method demonstrated, a full-scale, commercial-size facility to produce synthetic fuel from coal by such method.

(b) Synthetic liquid petroleum produced by such commercial facilities shall be disposed of in such manner and under such terms and conditions as the Corporation shall prescribe. The Corporation from the sale of such synthetic fuel shall be available to such buyer as may be authorized, by contract or otherwise, by the Corporation. All revenues received by the Corporation from the sale of such synthetic fuel shall be available to the Corporation for use by it in defraying expenses incurred in connection with carrying out its functions under this title.

(c) The Corporation shall make available, by license or otherwise, on a nonexclusive royalty free basis without territorial limitation the use of any patent obtained by the Corporation under any law of the United States or any foreign country for or with respect to any invention made in the performance of any activity conducted pursuant to this title. On and after the dissolution of the Corporation and the transfer of its patent rights in accordance with section 606 the Administrator of General Services shall administer such patent rights in accordance with the provisions of this subsection.

SEC. 604. In carrying out its functions under this title, the Corporation is authorized to enter into contracts, leases, or other arrangements; to own, manage, operate, or contract for the operation of facilities authorized by this title; to conduct research and development related to its mission; and to acquire by construction or purchase, or to contract for the use of, physical facilities, equipment, patents, and devices which it determines necessary in carrying out such functions. To carry out its functions, the Corporation shall have, in addition to the powers conferred by this title, the usual powers conferred upon corporations by the District of Columbia Business Corporation Act. Leases, contracts, and other arrangements entered into by the Corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.

SEC. 605. (a) The Corporation shall transmit to the President of the United States and the Congress annually, commencing one year from the date of the enactment of this Act, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act, including a statement of receipts and expenditures for the previous year. At the time of its annual report, the Corporation shall submit such legislative recommendations as it deems desirable, including the amount of financial assistance needed for operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived. Such report shall be available to the public.

(b) All reports, plans, specifications, and cost and operating data of the Corporation acquired by it in connection with the carrying out of its duties under this title shall be made available by the Corporation in accordance with the provisions of section 552 of title 5 of the United States Code.

(c) The Corporation shall make annual reports available to interested parties on the progress of its operations. Such reports shall be in sufficient detail so that independent engineering and economic judgment can be made based on such reports. Detailed drawings and other information of value to those who might be interested in commercial development shall be placed on open file by the Corporation on a continuing basis for examination by interested parties.

SEC. 606. On or before the expiration of twelve years following the date of the enactment of this Act, the Board of Directors shall take such action as may be necessary to dissolve the Corporation. In carrying out such dissolution, the Board of Directors is authorized to dispose of all physical facilities of the Corporation in such manner and subject to such terms and conditions as the Board determines are in the public interest. A share proportioned to the Federal participation in the assets of the Corporation, including the proceeds from the disposition of such facilities, on the date of its dissolution, after satisfaction of all its legal obligations, shall be made available to the United States and deposited in the United States Treasury as miscellaneous receipts. All patent rights of the Corporation shall, on such date of dissolution, be vested in the Administrator of General Services.

SEC. 607. (a) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Corporation, upon its request, any information or other data which the Corporation deems necessary to carry out its duties under this title.

(b) The Corporation is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency, or instrumentality, including any independent agency, of the Government.

(c) The Corporation may procure the services of experts and consultants without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may compensate such experts and consultants without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, in accordance with section 3109 of that title.

SEC. 608. The Secretary of the Interior is authorized and directed to make available to the Corporation established by this title Federal lands under his jurisdiction (except lands within national parks, wilderness, and wildlife refuge systems, lands on the Outer Continental Shelf, lands held by the United States in trust for any Indian or Indian tribe, and lands held or owned by any Indian or Indian tribe under a limitation or restriction on alienation requiring the consent of the United States) which contain coal (1) when such Corporation determines that use of the coal oil is necessary to carry out its research program, and (2) under terms and conditions promulgated by the Secretary to protect the environment and other resource values of the lands involved.

SEC. 609. There are authorized to be appropriated to the Corporation, for the fiscal year ending June 30, 1974, the sum of $7,500,000 and for each of the next eleven succeeding fiscal years, such sums as may be necessary. All funds appropriated pursuant to this section shall remain available until expended. Notwithstanding any other provisions of this title, in no case shall funds appropriated pursuant to this section for any fiscal year be expended in an amount in excess of 75 per centum of the costs to the Corporation in connection with the carrying out of its duties under this title for that fiscal year.

SENATOR RANDOLPH SUPPORTS THE NATIONAL ENERGY RESEARCH AND DEVELOPMENT POLICY ACT OF 1973

Mr. RANDOLPH. Mr. President, it is a privilege to join with Senator JACKSON and Senator MAGNUSON and many other colleagues in introducing legislation to establish a Federal energy research management project. The bill would, in effect, provide $20 billion over the next 10 years to commercially demonstrate technologies for coal gasification, coal liquefaction, shale oil, and geothermal and advanced power cycles for the generation of electricity, to meet United States future energy requirements with domestic, not foreign, energy resources.

Many nations of the world have no choice but increased reliance on imported petroleum products, but the United States, like Russia, has the potential to develop domestic energy resources to supply levels which avoid excessive dependence on foreign sources. It would be folly, and potential catastrophe, to continue current shortsighted policies which encourage oil imports. Instead we must initiate the necessary Federal policies to capitalize on our potential long-term domestic fossil fuel resources.

There is a long list of projects that could have been pursued by industry to insure the viability of this country's domestic energy supplies. Some of the possibilities were discussed during hearings before the Senate's national fuels and energy policy study. Many of them must now be developed jointly by Government and industry if we are to face up to the challenge that our corporate long-term economic, environmental, and societal futures are at stake.

But energy is just a small part of the larger issue of people and their aspirations, with all the attendant ramifications for land use, mass transit, national security, economic growth, and the mobility of people and goods and services. Perhaps the most significant demographic factor is the location and lifestyle of future population.

Yet, the most significant constraint on energy supplies may not be the availability of energy resources but, rather, our practical ability to extract and transport these resources in the quantities envisioned. There is a limited technological and construction capability in this country which must be brought to bear in the development and construction of new technologies, new power plants, new refineries, more pipelines, and many other energy supportive facilities, as well as the retrofitting of existing facilities to meet expanded environmental requirements.

This legislation deals with but one aspect of this broad problem facing our country, it is concerned with research and development. To date, Federal policies have been insufficient in pursuing alternatives to permit us to take full advantage of our vast domestic reserves of oil and gas as well as coal—the energy resource that the United States has in greatest abundance. Current Federal energy policy emphasizes long-term nuclear solutions to electric supply problems and fails to assure the economic viability of nonnuclear and nonelectric energy supplies.

I was disturbed, again, by the lack of recognition that was given to this reality in President Nixon's February 14 environmental message. The rhetoric was there, as usual, without commitment. To quote the President:

> The energy crisis was dramatized by fuel shortages this winter. We must face up to a stark fact. We are now consuming more energy than we produce. A year and a half ago I sent to the Congress the first Presidential message ever devoted to the energy question. I shall soon submit a new and far more comprehensive energy message containing wide-ranging initiatives to insure necessary supplies of energy at acceptable economic and environmental costs. In the meantime, to help meet immediate needs, I have temporarily suspended import quotas on home heating oil east of the Rocky Mountains.
>
> Energy policy will continue to be a matter of the highest priority, as shown by my budget proposal to increase funding for energy research and development even in a tight budget year.

Yet, the administration's proposed 1974 budget for energy research and development reflects a token $61.6 million for coal technologies needed for the 1980's and 1990's and a flagrant $107 million increase to a gigantic $506 million for nuclear technologies for the 21st century.

Mr. President, I ask unanimous consent that a summary of Federal energy research funding be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF FEDERAL ENERGY RESEARCH, FISCAL YEARS 1973 AND 1974, REFERENCE: CONSERVATION FOUNDATION LETTER, FEBRUARY 1973

[In millions of dollars]

	1973 appropriation	1974 request
Nuclear:		
Liquid metal fast breeder reactor (AEC and TVA)	272.0	323.0
Controlled thermonuclear fusion (AEC)	39.7	47.5
Current nuclear reactor technology (AEC)	88.3	135.9
Coal:		
Gasification, high B.t.u. (to obtain product comparable to pipeline gas) (OCR)	20.0	20.0
Gasification, low B.t.u. (also clean, but cheaper; for power generation) (OCR)	3.0	11.5
Gasification (conversion to clean, synthetic fuels) (Bureau of Mines)	13.7	13.1
Liquefaction (obtaining clean fuel oil from coal) (OCR)	9.4	9.0
Magnetohydrodynamics (OCR)	3.5	3.8
Fluidized-bed boiler (OCR)	.5	2.7
Clean coke and fuels (OCR)	1.0	1.5
Oil and gas:		
Offshore oil and gas (evaluation of new Outer Continental Shelf areas, accelerated leasing program, inspection) (USGS and BLM totals)	13.8	17.5
Underground explosions (nuclear fracturing to release natural gas) (AEC)	6.8	3.8
Oil shale (Bureau of Mines)	2.6	2.1
Other:		
Solar energy (NSF)	4.0	12.0
Geothermal steam (USGS, Bureau of Reclamation BLM totals)	4.1	4.0
Energy transmission and storage technologies (AEC and Interior)	2.5	3.0
Isotopes development (AEC)	5.9	2.2
Central energy research and development fund (Secretary of Interior)		25.0
Total	482.4	632.4

Mr. RANDOLPH. Mr. President, with coal generally recognized as the only domestic alternative to oil imports, it is obvious that action not rhetoric, is needed now to insure the future and essential role that domestic resources, principally coal, must serve in our energy economy.

For 20-plus years, the American people have subsidized nuclear power developed on the premise of abundant electric energy. Let us now apply this same concept and assure abundant supplies of domestic, not foreign, energy resources, compatible with environmental requirements. It is unrealistic to continue to expect that increased exploration for domestic oil and gas can alone carry the burden for success, even at higher prices.

As I pointed out during hearings before the national fuels and energy policy study on Federal energy research programs and priorities:

> Our Nation's long-term energy posture depends on the successful development of solar energy, the nuclear breeder reactor, controlled fusion, and other unconventional energy resources. First, however, we must successfully meet the requirements of the 1970's and 1980's when there will be need for the development of sulfur oxide control technology, coal liquefaction, both high- and low-Btu coal gasification, and geothermal energy sources.

Such a crash program would, of course, require massive cooperation from the private sector where the greatest expertise now exists. Yet, the very companies who possess the expertise on such technologies as synthetic fuels from coal are wary of joint Government-industry projects for fear of losing title to their proprietary knowledge. The result is unacceptable delays or even failures. This inequitable and unrealistic situation must be corrected.

The National Energy Research and Development Policy Act of 1973, is a step in this direction and is being introduced to stimulate discussion of this matter. Senator Jackson and I agree that there are several points which require clarification in any final legislation. However, these will be discussed in subsequent hearings after which I may offer amendments.

Mr. BIBLE. Mr. President, I am highly pleased to join my distinguished friend and colleague, Senator JACKSON, in cosponsoring the proposed National Energy Research and Development Policy Act of 1973 he has introduced today.

As the Senate knows, under Senator JACKSON's leadership the Committee on Interior and Insular Affairs has been engaged in a comprehensive study of the Nation's fuels and energy resources problems. This new legislation is an outgrowth of that study. It recognizes first and foremost a fact that hardly requires any elaboration. The Nation is currently suffering a critical shortage of environmentally acceptable forms of energy. A major national effort must be made to commit the necessary financial resources needed to develop new clean energy sources if we are to sustain healthy economic growth in the years ahead and improve the quality of life for generations to come.

A major weakness in the national response to the energy crisis has been our failure to formulate and mount a coordinated, aggressive research and development strategy to demonstrate and harness our huge reserves of domestic coal, shale oil, and geothermal resources. And we have focused entirely too little of our research and development capabilities on the potentially enormous benefits that may be available from solar power and other unconventional energy sources.

Over the years the Federal Government has engaged in and supported an array of new energy research projects, but its necessary contribution has lacked effective central direction. Present responsibilities and budgets for energy research are dispersed throughout too many of the departments and agencies of the Government, making it difficult to coordinate activities and to define and implement research priorities. The result has been only halting progress toward the Nation's clean energy goals.

Mr. President, it is time to stop merely bemoaning the energy crisis. It is time to reshape and strengthen the Federal Government's leadership in bringing about the research, development, and demonstration projects that are needed if we are to bring new energy sources on the line by the mid-1980's. A major restructuring of the Government's energy research activities is needed to reach that goal.

The bill introduced today calls for just that kind of reorganized energy research effort. It would establish a high-level, independent "Energy Research Management Project" to review the full range of Federal and private industrial energy research activities. The project would be headed by a full-time Chairman appointed by the President and an interagency coordinating group or board of directors composed of high officials drawn from departments and agencies currently involved in energy research and development. The Project's task would be to formulate a comprehensive energy research and development strategy for the Federal Government, including the definition of new energy R. & D. programs and activities. It would be authorized an annual budget of $800 million for use in supplementing existing Federal programs and to support new R. & D. initiatives by Federal agencies, national laboratories, universities, nonprofit organizations, or private industry—based on their special competence for particular projects. The Management Project would also identify opportunities for Government-Industry cooperation in the conduct of projects to demonstrate the technological and economic feasibility of bringing new energy sources into production.

The new bill also proposes the creation of joint Government-industry—Comsat type—corporations to accelerate R. & D. and the commercial application of a variety of new energy prospects. Separate single purpose ventures would be created to concentrate on the technologies needed to develop our coal gasification and liquefication processes, our shale oil, and geothermal resources and advanced power cycles for the generation of electricity. All four of these technologies and resources hold great promise as enormous clean energy sources. Under the bill joint Government-industry research, development, and demonstration project programs would be launched to overcome the problems that remain in the way of commercial exploitation of each technology and resource. The management of the proposed corporations would include representation by both Government and industry and both would participate in financing the projects undertaken. Federal financial participation would be limited to the amounts required to compensate for the initial development risks industry is unable to assume and Federal involvement would terminate after an appropriate development period specified in the bill.

Mr. President, America's technological breakthroughs in her space program of the 1960's and in the field of the atom and nuclear energy came about because the Nation was willing to accept those challenges and applied the resources needed to do the job. The burgeoning energy crisis is without question one of the most formidable challenges facing the Nation today. The task we face is to bring to bear on these new clean energy prospects the full force of the kind of major financial and organizational commitments called for by this legislation.

GEOTHERMAL ENERGY

Title V of this National Energy Research and Development Policy Act would establish a Geothermal Energy Development Corporation, and I want to especially applaud this feature of the legislation. Over my years here in the Senate, I have devoted considerable time and effort to the task of focusing attention on the Nation's geothermal resources as a potentially enormous clean energy source for the production of electric power—particularly in our Western States.

A recent "Assessment of Geothermal Energy Resources" prepared by Government experts for the Federal Council for Science and Technology concluded that geothermal power could provide a significant part of the Nation's electrical energy requirements, especially in the Western States, Alaska, and Hawaii, if developed to its full potential. According to that report, if a large enough research and development is developed quickly and pursued successfully, the Nation's geothermal resources could be supplying 132,000 megawatts of power by 1985 and as much as 395,000 megawatts by the turn of the century. The report called for an expanded program to coordinate and facilitate research and development activities at all levels of Government and with the private geothermal industry.

A "National Proposal for Geothermal Resources Research" prepared under the auspices of the National Science Foundation and published in December 1972 recognized not only geothermal's electric power potential, but its potential for the development of new fresh water supplies and the exploitation of commercially valuable mineral byproducts. That report called for a major 10-year research and development program to bring the resource to bear in helping to meet the energy crisis.

For anyone who has taken the time to

look, Mr. President, the Pacific Gas & Electric Co.'s geothermal power operation at the geysers in northern California stands out as a tremendously impressive example of what this resource has to offer. P.G. & E. is now producing some 84,000 megawatts of power at the geysers and expects to have 600 megawatts of steam-generated electricity on the line by 1975. Encouraging new explorations are underway in the Imperial Valley in southern California, Arizona, Nevada, and all the geothermal States in the West. Mexico has continued to press ahead with a very promising development program just south of the border, and recent press reports indicate a deepening worldwide interest in geothermal power. I ask unanimous consent that articles from the Washington Post of January 15, 1973, entitled "Geothermal Energy Eyed by U.N. as Power Source," from the Los Angeles Times of January 11, 1973, headed "Breakthrough in Geothermal Energy Seen," from the New York Times of January 11 and January 14, 1973 entitled "Geothermal Energy Held a Vast World Reservoir" and The Geyser: An Unusual Source of Energy," and an article containing some of my own observations on our geothermal development problems that appeared in the February 15, 1973 issue of the Geothermal Report be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BIBLE. Mr. President, geothermal research and development has suffered and been impeded by the same fragmentation of effort and the same inadequate funding that has characterized our efforts on other new energy sources. There is no centrally coordinated national effort. The current Federal interest in geothermal research, planning, and development is dispersed throughout about 10 departments and agencies of the Government including: The Department of the Interior, the Atomic Energy Commission, the National Science Foundation, the Federal Power Commission, the Department of Defense, NASA, and the Environmental Protection Agency. Such fragmentation invites wasteful duplication of effort. Steps must be taken to effectively coordinate and strengthen all the Government's activities in this area if there is to be any realistic hope that this new power source can be brought on the line over the next decade.

Against this kind of background, Mr. President, I feel very strongly that the national interest and the challenge posed by the energy crisis will be well served by mounting the kind of comprehensive geothermal research and development program envisioned by the energy research management project and Geothermal Energy Development Corporation proposed by this new legislation.

I urge prompt hearings on the bill and early enactment of this kind of legislation.

EXHIBIT 1

GEOTHERMAL ENERGY EYED BY U.N. AS POWER SOURCE

(By Anthony Astrachan)

NEW YORK.—The United States and the United Nations are moving to make geothermal power one of the answers to the world energy crisis, officials report.

At a seminar at the United Nations, they described geothermal energy as cheaper and cleaner than conventional or nuclear fuels and likely to be found in far larger amounts than previously predicted. This energy is the heat from molten rock beneath the earth's crust. It can be converted into electricity and can be used to heat buildings, desalinate seawater and extract minerals from the steam or hot water that carries the energy.

A National Science Foundation panel headed by former Interior Secretary Walter J. Hickel recommended last month that the federal government set up a $684.7 million research and development program on geothermal energy.

Hickel said that this would lead to production of 132 million kilowatts of geothermal electricity in the United States by 1985 and 395 million KW by 2000. The latter figure is more electric power than the country now produces from all sources.

Joseph Barnea, director of the U.N. Department of Resources and Transport, said geothermal production on this scale would save the United States an estimated $26.7 billion a year in foreign exchange that would otherwise be spent on imported oil and gas.

The only geothermal field now in production in the United States has a 294,000-KW capacity and is used to provide part of San Francisco's power needs. Another field is expected to open soon in California's Imperial Valley.

The federal government is expected to release 58 million acres of public land in March for leasing or geothermal power, under a law passed in 1970. Reid Stone of the Interior Department said that in practice, 100,000 acres a year of the most likely land would be put up for auction to the highest bidder.

No legal entity can lease more than 25,000 acres in any one state. The law requires development within 10 years of the lease date and rentals are expected to be imposed on an escalating scale to keep up with new technology and market requirements and to answer possible charges of another federal giveaway of public lands for private profit.

Barnea said the world now produces about 1 million KW of geothermal energy in Iceland, Italy, Japan, New Zealand and the United States.

A field is scheduled to open in March in Mexico and another is planned for October, 1974, in El Salvador.

The United Nations is financing geothermal research projects in a dozen countries. The most promising are in Ethiopia, Kenya, Nicaragua, Chile and Turkey. Geothermal fields are most likely to be found in rift and recent volcanic areas; Barnea estimated that 80 nations will turn out to have economic geothermal energy fields.

The U.N. seminar estimated the cost of geothermal electricity at 3.6 mills per kilowatt-hour compared to 5 mills for most fossil fuels and far more for nuclear fuels.

The investment per kilowatt is estimated at $110 to $125 for "dry" geothermal energy like that used in the Geysers Field near San Francisco, and $225 for "wet" energy, full of minerals and using hot water rather than steam, like that in the Imperial Valley.

Joseph Aidlin of Magma Power Co., a pioneer developer of geothermal technology, predicted the wet figure would soon go down to $175.

He put the cost of investment in electricity from hydrocarbons at $250 per kilowatt, $300 to $325 for coal and $550 for nuclear power.

Geothermal electricity is cheaper because it involves much simpler technology, using steam or hot water directly from the ground to turn turbines which generate power.

So far this has restricted its use to relatively small power plants in the vicinity of the geothermal field. Charles Baldwin, a consultant to the California Senate, pointed out that geothermal energy can be used only for baseload power because it cannot be jacked up to meet peak demands or lowered to match lulls. In developed countries, it thus becomes a substitute for additional expensive power rather than a total replacement.

Geothermal enthusiasts say their energy is clean because it brings only water to the surface ecology. It has nothing to compare with water pollution from oil spills, or black lung disease from coal-mining.

Baldwin noted, however, that the minerals that come up with geothermal steam or water can hurt people and machinery, like the sulfuric acid that has turned up in some fields or the 100 tons of arsenic that the Old Faithful Geyser puts into the Yellowstone Park air every year.

Such minerals can be reinjected into the ground. Useful minerals can be "mined," like the magnesium chloride found in Ethiopian steam in much richer concentrations than in the sea. Idle storage of unwanted minerals was rejected as uneconomic.

Baldwin also pointed out that subsidence or dropping of the earth's surface as water is extracted can be a problem. Aidlin claimed that dangerous subsidence already has been anticipated and encountered in geothermal engineering.

BREAKTHROUGH IN GEOTHERMAL ENERGY SEEN

(By Don Shannon)

UNITED NATIONS.—The utilization of power from the earth's heat is at the "beginning of a breakthrough," a U.N. official said Wednesday at the close of a three-day conference on geothermal energy.

Joseph Barnea, head of the U.N. resources and transport division in the department of Economic and Social Affairs, said geothermic sources have been found in 80 nations and development is underway in a dozen, including the United States.

"It's the only clean energy other than hydroelectric," Barnea told newsmen after the informal meeting.

Despite its nonpolluting nature, development of natural hot water and steam sources in the United States has been retarded by federal laws protecting the environment, the officials said. No leasing has yet taken place on 58 million acres of federal land in the western United States opened under a 1770 law, but is expected to begin soon, he said.

OPERATION COST

Barnea claimed that geothermal power plants can be put into operation at a cost of only $125 per kilowatt of installed capacity, compared with $500 per kilowatt for nuclear plants and $200–300 for oil or coal burning plants. He conceded that generating costs may run considerably higher than with oil or coal, although only about half the rate of nuclear power production.

The U.N. official contended that natural sources can be used for purposes other than power, such as providing water for drinking and irrigation in arid regions after the removal of heat. Geothermal water may even be a source of minerals in some cases, he said.

Barnea cited a report sponsored by the National Science Foundation and the University of Alaska, written by former Secretary of the Interior Walter J. Hickel, which estimates that 132,000 megawatts of geothermal capacity could be "on line" in the United States by 1985. This figure could be increased to 395,000 megawatts by the end of the century, the report said, an amount exceeding the total U.S. generating capacity now.

"The cost of hydrocarbons is steadily rising," Barnea said, "whereas the cost of steam from a geothermal reservoir is determined solely by the cost of finding the steam and by the prices the electricity industry is willing to pay for the steam."

THE GEYSERS FIELD

During the conference, facts emerged which contradicted Barnea's stand at times. The Geysers, a Northern California geothermal field where power is now being produced, came on at a cost of $125 per kilowatt of generating capacity but the source is dry steam, rated by one participant as the most economic producer likely to be found anywhere.

Mexican officials reporting on the nearly completed Cerro Prieto power plant, scheduled to go into operation in March near Mexicali, told the conference it will cost nearly $350 per kilowatt of installed capacity. They explained that the extra expense resulted from drilling several unsuccessful wells, which can be used for reinjection, however.

The Mexicans also indicated that there may be pollution problems other than the disposal of brine from the plant. In addition to steam and water from the deep wells, they conceded that there will be a discharge of sulfuric gas which could cause air pollution if prevailing winds fail.

Oil company representatives during the conference also questioned the economics of geothermic power production, but Barnea chided them as being too conservative.

GEOTHERMAL ENERGY HELD A VAST WORLD RESERVOIR

(By John Noble Wilford)

UNITED NATIONS, N.Y., January 10.—Energy experts from around the world met here this week and generally agreed that one of the most promising new sources of relatively nonpolluting power is the natural heat of the earth's core—geothermal energy.

Within 50 years, according to one optimistic estimate, geothermal energy may become a resource even more significant than petroleum. At least 80 nations are thought to have geological conditions indicating a substantial reservoir of such energy.

But the experts also noted a number of obstacles to the full development of geothermal energy. These include the continuing reluctance of governments and industry to take geothermal energy seriously, the lack of systematic exploration of its potential, and the failure of most nations to exchange information on the subject.

The three-day seminar on geothermal energy, which ended today, was sponsored by the United Nations Department of Economic and Social Affairs with the assistance of the Center for Energy Information, a nonprofit foundation involved in supporting the development of nonconventional energy sources.

OBSERVERS FROM INDUSTRY

Among 250 participants were a number of officials of the American petroleum and utility industries. Their interest has been whetted by the Department of the Interior's plan to lease 58 million acres of public lands in the West for geothermal exploration.

At present, the only exploited geothermal field in the United States is at The Geysers, near San Francisco.

The source of most geothermal energy is the molten rock, or magma, in the earth's interior. When underground water comes into contact with the magma, hot water and steam are produced. Where this occurs in large quantities and within a few miles of the surface, the steam and hot water can be tapped and used to turn the turbines that generate electricity.

The most promising areas for exploration line near earthquake faults, volcanic regions and hot springs and geysers.

At the United Nations meeting, the energy experts attempted to lay to rest what they said were three misconceptions about geothermal energy—that it was rare in nature, was generally uneconomical to exploit and was primarily a source of electric power.

NOT "A FREAK OF NATURE"

Although fewer than 15 countries are attempting to tap such energy, and so far only on a small scale, Dr. Joseph Barnea, director of resources and transport at the United Nations, said new estimates indicate it is not "a freak of nature."

Soviet experts, Dr. Barnea said, have estimated that the geothermal potential in their country "is probably equal to the combined U.S.S.R. resources of petroleum, coal and lignite."

Through United Nations technical assistance programs, Kenya and Ethiopia are tapping the geothermal energy stored in the African rift valley. Similar United Nations efforts are being made in Turkey, Chile, El Salvador and Nicaragua, Italy, Japan, Iceland, New Zealand and Mexico already have geothermal power plants.

A report last year by the National Science Foundation and the University of Alaska estimated that 132 million kilowatts of geothermal electricity could be generated in the United States by 1985 and 395 million kilowatts by the year 2000. The latter figure would represent an output greater than the total electricity generating capacity of the United States today.

"It should be borne in mind," Dr. Barnea said, "that we have geothermal energy in practically every geological environment, whereas petroleum is restricted to the sedimentary areas of the world. In 50 years, geothermal energy will be recognized as an energy resource of even greater significance than petroleum.'"

LOWER COSTS FORESEEN

As for the economics of the energy, the experts heard a report prepared by the Public Service Commission of the State of New York in which it was estimated that by 1975 the capital costs of nuclear power plants would rise to $500 per kilowatt capacity, compared with $200 to $300 for coal or oil plants and $100 to $150 for the geothermal plants.

The experts conceded, however, that they had no basis for estimating the costs of exploring geothermal fields.

Dr. Barnea emphasized that geothermal energy should not be thought of solely as a source of electricity. Some of the lower-temperature hot waters may not be suitable for power generation, he said, but they could be used in desalination, mineral extraction and house heating.

As a matter of fact, interjected Dr. Robert W. Rex of the Pacific Energy Corporation, it might even be possible to heat the United Nations headquarters by drilling some 20,000 feet into the Manhattan bedrock.

Heat from the decaying radioactive elements (potassium, thorium and uranium) in the Manhattan schist, Dr. Rex said, probably gives off enough heat to act as an underground boiler for the heating system of the United Nations and other New York buildings.

"It would be a dramatic way of showing the possibilities of geothermal energy," Dr. Rex added.

THE GEYSER: AN UNUSUAL SOURCE OF ENERGY

(By William D. Smith)

The threatening energy crisis is causing a growing number of scientists, businessmen and government officials to take a second look at an awesome but long-ignored source of energy: geothermal heat.

The geysers, hot springs and vapors that have fascinated man through the ages are surface manifestations of geothermal heat, which some experts now contend will provide an important answer to the world's energy difficulties.

Already The Geysers area north of San Francisco is supplying commercial electric power. Three companies—the Magma Power Company, the Thermal Power Company and the Union Oil Company of California—sell steam from the field to the Pacific Gas and Electric Company.

The field has a capacity of 302,000 kilowatts. And the utility has said it plans to add 100,000 kilowatts.

There is now a total of more than one million kilowatts of power being generated from geothermal sources in the United States, Italy, New Zealand, Mexico, Japan, Iceland and the Soviet Union. About 10 other countries have plants for harnessing geothermal energy in operation, under construction or in the planning stage.

The proponents of using geothermal heat to meet threat of an energy crisis argue that:

Geothermal reserves are, for all practical purposes, unlimited. (The heat stored to a depth of just six miles under the surface of the United States alone is equivalent to the energy derived from busing 900 trillion barrels of oil.

Technology is available to capture a portion of this vast reserve.

Costs have been shown to be comparable with other energy sources.

In environmental terms, geothermal heat is clean energy.

In addition to generating power, it can provide heat for homes and factories, create artificial environments for agriculture and provide a major source of desalinized water and minerals.

Most geothermal energy comes from the molten rock, or magma, of the earth's interior. Hot water and steam are produced when underground water comes into contact with the magma.

The first harnessing of geothermal energy took place in Italy in 1904 when steam from the Larderello field was used to push the blades of an electrical generating unit.

The National Science Foundation estimated last year that 132 million kilowatts of electricity could be generated by geothermal energy in the United States by 1985 and 395 million kilowatts by the year 2000.

Some scientists predict that geothermal energy will be providing 10 to 20 per cent of the nation's electrical generating requirements by 1985. However, the National Petroleum Council, an oil industry group that advises on Government policy, says that geothermal sources will be providing only 1 per cent of the nation's electric power by 1985. A number of geothermal scientists contend that the oil industry has been slow to come to grips with the realities of geothermal energy.

G. E. Facca, a leading independent geothermal consultant, says that the biggest stumbling block to geothermal development is "the mind."

Dr. Facca declared: "What businessmen don't know they often try to ignore. The United States has in the past been backward in pursuit of geothermal energy but is closing the gap fast."

Joseph Barnea, director of resources and transport at the United Nations and a pioneer in the geothermal field, says its development has been hampered in the past for several reasons, including the availability of conventional hydrocarbon fuels, a widespread belief that geothermal heat is limited to few places in the world and lack of venture capital.

The main problem now is "Institutional," according to Dr. Barnea. He said: "Geothermal is classified as neither fish nor fowl with regard to other energy and so suffers. At the present time exploration, development and production of geothermal resources requires some 40 permits and licenses."

A measurement of the growing interest in geothermal energy will come during the next few months when the Government begins a geothermal lease program on Federal lands.

The number of companies bidding and the size of the bids should indicate the immediate future of geothermal energy. The leasing program was made possible by the Goetherman Steam Act of 1970. A total of 58 million acres in 14 Western states will be up for bids.

Last week the United Nations sponsored a three-day geothermal seminar with the assistance of the Center for Energy Information, a nonprofit foundation that supports the development of nonconventional energy sources.

The meeting drew some 250 participants, including oil, mining and utility executives. A professor with many years in the field commented: "A few years ago a seminar on geothermal entrgy would have drawn a collection of scientists, academics and way-out research types. Now these gatherings are beginning to look like a list of the Fortune 500."

Theoretically, geothermal energy can be tapped at any point on earth simply by drilling a deep enough hole, providing a passage for heat-transfer fluid and extracting the heat. Practically, much of the earth's molten mass is too deep to reach. However, deposits of thermal energy can be found at relatively shallow depths in areas of recent volcanism and earth-crust shifts such as the earthquake belt running from Alaska to Central America.

There are basically two types of geothermal reservoirs: dry steam and wet steam.

Dry steam, under pressure and at high temperatures, is used directly to turn turbine blades as in the Geysers field.

Wet steam seems to be 20 times more abundant and can not be used directly for electricity generation. In these fields, hot water from the ground is used to vaporize a low-boiling-point fluid, which in turn drives the generating turbine.

Speakers at the U.N. seminar said that capital costs of geothermal development were about $150 per kilowatt capacity, compared with $200 to $300 for fossil-fuel plant and $500 for nuclear plants.

The National science foundation's report estimated that, if geothermal energy fulfills the role projected for it by the agency, the United States would improve its balance-of-payments position in 1985 by about $8.9-billion because of the reduced need to import fuel.

There would appear to be a lot of good reasons to pay serious attention to the hidden resources of the earth's heat.

Senator Bible Sees Lack of Urgency on Geothermal Leasing, Addresses Policy Issues

Note: Senator Alan Bible (D-Nev.) is author of the Geothermal Steam Act of 1970 and, of course, needs no introduction to those closely involved in the geothermal field. After too long, in the view of many, this is the yr. that leasing under the Act gets off the ground and many feel 1973 will see geothermal come alive. Sen. Bible, a mainstay of Senate Appropriations, Interior and Senate-House Atomic Energy Committees, will be looked to for leadership and guidance both as Congress keeps close watch over the leasing program and considers proposals for expanded geothermal research-development. He sets forth some of his views in the following on-the-record interview with Geothermal Report.

Q. Your colleague, Sen. Goldwater, accuses U.S. geothermal efforts and development of being a "Johnny-Come-Lately" compared to things underway in Russia, Japan, New Zealand, Italy, Mexico and other countries. Why has U.S. geothermal development lagged?

Sen. Goldwater is absolutely right. I have been reciting the history of geothermal resource development in other countries over and over since I introduced my first geothermal steam leasing bill back in 1962. Italy harnessed geothermal wells for electric power generation back in 1904, and is now producing about 390 megawatts of electricity in 14 steam plants. New Zealand has been pioneering the resource since the mid-twenties at least. Their Wairakei geothermal plant has a capacity of about 192 megawatts. Broadlands plant is expected to bring another 120 megawatts on the line in 1976. Russia has been exploring and mapping the resource on a grand scale and is reported to have about a dozen geothermal projects in operation. Mexico has been pursuing the resource for two decades now. Its Cerro Prieto plant is expected to start-up momentarily with 75 megawatts of geothermal power. Their program is being pushed vigorously in the area just south of the border. And Japan has a very active development program underway.

Except for the tremendously impressive geothermal operation at The Geysers in Calif., there is no question that the U.S. has lagged behind. Several problems have impeded development. I think our abundance—until lately—of more conventional energy sources has played a part. The natural tendency has been to concentrate attention and investment on our better known resources, rather than take the risks associated with a little-known resource like geothermal. However, until we succeeded in getting the Geothermal Steam Act approved in 1970, the biggest stumbling block was the U.S. Govt. Vast reservoirs of geothermal energy are located beneath the public domain lands in the West. The Govt. felt it lacked legal authority to open the public land for exploration and development and actually withdrew known geothermal lands from all forms of mineral entry because of the presence of the resource. The 1970 Act was needed to open the land and provide a clear-cut statutory system for leasing lands for development.

Q. You sponsored the Act of 1970 to open up Federal lands for exploration of a new energy source against a background of impending energy shortages and increasing costs. Geothermal development would be spurred under the Act via leasing the public lands. Now, two yrs. later, why has it taken the Interior Dept. so long to implement the program?

I wish I had a clearcut answer to that question. I do not. The Dept.'s delay in promulgating the regulations needed to implement the 1970 Act has been very frustrating. I understand they have encountered some problems in developing the necessary environmental impact statements. I also understand how important it is to carefully and fully consider all the environmental consequences. I do not understand why it should take more than two yrs. to get the job done. The Administration has talked a good case about need to get on with exploration of new clean energy sources, including geothermal, but their performance on this subject has been completely unacceptable so far as I am concerned. There seems to be no sense of urgency at all about getting the leasing program underway. My latest information is that the final environmental statement and the regulations will be forthcoming in the next mo. or so. I hope so, but in view of the record so far, I make no firm predictions.

Q. Environmentalists-conservationists led by Sierra Club oppose geothermal. Why would you suppose conservationists, against conventional-type powerplants for most sites, would oppose a new, clean, natural energy source such as geothermal wells?

I question accuracy of that statement. I am sure the Sierra Club and the environmentalists and conservationists throughout the country support the development of new clean energy sources. They are naturally—and properly—concerned that full and careful consideration be given to the environmental consequences of geothermal development. As I see it, their interest in this area is consistent with our national policy to assess programs with full knowledge of their impacts on the environment in order to minimize adverse effects. Geothermal is certainly a relatively clean energy source compared to fossil fuels. However, questions have been raised concerning possible effects on the environment, such as localized noise, air and land pollution, land subsidence, and possible seismic effects. All require careful examination and research and are areas of legitimate concern.

Q. On leasing program delays again, Interior officials say the Environmental Impact Statement for the program is taking more time than anticipated, that "Quality of Life" and like environmental reviews are being added on at every turn. Is there too much environmental red tape straddling the Federal development program?

I do not view the assertion of bona fide environmental concerns as "red tape." There can be no question that all such questions deserve special and careful scrutiny. Certainly the day has long since passed when any responsible officials would think of this as "red tape." The obligation of the people at Interior and elsewhere in the Govt. is to adhere fully to the letter and spirit of our national environmental policy laws. Certainly, the requirements of these laws impose heavier burdens on the bureaucracy. The task is to meet the questions head-on. Bring the necessary talent and manpower to bear on the problem and get the job done. Also, as I have said, this takes a sense of urgency I have not yet detected.

Q. Early exploration and geophysical studies conducted by Dr. Rex and others indicate huge reserves, 2.5 million acre-ft. of fresh water and 10,000 megawatts of electrical power at the minimum in the Colorado River Basin alone. Are these estimates overly optimistic?

Dr. Robert W. Rex is unquestionably one of the nation's most experienced and knowledgeable experts when it comes to evaluating the geothermal potential of the Imperial Valley in southern Calif. and the Colorado River Basin. I am sure his estimates of the fresh water and power potential in the basin have been carefully developed, but I am no geologist and will have to leave his figures to the experts. The Imperial Valley has been the scene of significant geothermal exploration on both the American and Mexican sides of the border. And there is general agreement that it is one of our most promising areas. Under the Colorado River Basin Project Act of 1968, the Bureau of Reclamation has for a no. of yrs. now been engaged in an investigation of the Valley's geothermal resources as a means of augmenting the flow of the Colorado. According to their reports, there are substantial quantities of low salinity water associated with the Valley's geothermal resources that might be used not only to augment the Colorado but for irrigation and municipal uses as well. Not to mention electric power generation. Also—and very significantly, I think—in the same valley, just a few miles south of the border, the Mexicans are now to operate a 75 megawatt geothermal plant and will produce substantial amounts of desalinated water. There is no question in my mind that work being done in that part of the country should be pressed ahead.

Q. If these estimates of Rex and others aren't optimistic, why can't this nation marshal its forces to go ahead with development? Why leave such immensely valuable natural treasure lie there fallow?

Some yrs. ago, I characterized our nation's geothermal resources as a sleeping giant among our nation's energy reserves that ought to be awakened and put to work. I agree that such an enormous potential for clean power generation, new fresh water, and the hard mineral by-products that may be involved cannot be permitted to lie fallow. The record we developed in connection with the Geothermal Steam Act indicates that given the opportunity to lease public lands for geothermal exploration and development, private enterprise will be ready, willing and able to get on with the recovery of the resource. A concerted effort was made to structure the 1970 Act to make geothermal development an attractive investment while, at the same time, protecting the general public's interest in the resource. A necessary first step is to get on with the leasing program.

Q. Do you anticipate sponsoring accelerated geothermal development legislation this yr.? Or any other geothermal legislative proposals?

Mine is a continuing interest in all constructive proposals to advance the exploration and development of the resource. One aspect of the problem that gives me some concern is the present lack of any single authoritative body within the Govt. to serve as a clearinghouse for information, coordinate projects, and implement an aggressive national program. Nine executive dept.'s and independent agencies are now involved one way or another in geothermal matters. A centrally-directed national effort to marshall U.S. resources and bring them to bear in a coordinated fashion is needed, and proposals along these lines are now under study. The States—particularly those with geothermal resources—have a real stake in this also. I think we have to consider how the Federal Govt. might assist their efforts. Proposals in that area are also being considered.

Q. If you agree tempo should be picked up in the U.S., would you support an accelerated program, perhaps something along lines of the Goldwater-Fannin resolution for putting Congressional support and funding behind a national geothermal effort?

As I recall, the Goldwater-Fannin Resolution focused specifically on the water problems besetting most of our Western States. It asked Congress for greatly increased support of BuRec's geothermal program to develop new fresh water supplies throughout Western States. I wholeheartedly support that approach. Geothermal's promise of new fresh water for the West is one of its most appealing aspects. I agree tempo of the Govt's activity should be increased. In addition to BuRec, other agencies such as the Atomic Energy Commission have unparalleled scientific talents and facilities that should be brought to bear on developing the techniques and technology needed to exploit the resource economically. In the last Congress, I proposed a Nuclear Geothermal Power Research and Demonstration Projects Act under which AEC in cooperation with industry would mount a multi-yr. program to ascertain feasibility of recovering geothermal energy from dry—so-called "hot rock"—geothermal formations through use of nuclear technology. The beginning of such an effort was authorized and funded in fiscal yr. 1972, but the Administration has withheld the money for the project. I think this kind of effort and other cooperative efforts by govt. and industry should be emphasized.

Q. The recent Hickel study predicted 132,000 megawatts of geothermal electricity in the U.S. by 1985, or about 20 percent of the country's installed electrical capacity; it assumes a national research-development over those yrs. of $685 million. The question again, are these no.'s realistic?

The Hickel estimates were formulated by very knowledgeable experts from throughout Govt. and industry. The estimates have survived broad scrutiny, and are predicated on a comprehensive research program for the next decade. It's difficult at best to project 10-yr. costs, but relying on the experts, I think one can feel the no.'s have been carefully developed.

Mr. CHURCH. Mr. President, I am joining the chairman of the Committee on Interior and Insular Affairs (Mr. JACKSON) and a number of other Senators in introducing a bill to establish a coordinated Federal approach to research, development, and demonstration of fuels and energy technologies. If enacted and funded, this measure will be a substantial and constructive step toward solving the short- and long-term energy problems facing the United States.

As the Interior Committee's study of national fuels and energy policy has progressed over the past 2 years, nearly every major issue which the committee has investigated has been found to include a significant research and development component. If an aggressive program on energy technologies had been pursued by industry and Government in the past, we would have many more policy options available for solving the problems we face today. To cite only a few examples, technologies for the gasification of coal and the production of oil from shale have been on the verge of commercial application for years, but the remaining development work has not been undertaken. Great portions of our domestic fuel resource cannot now be used because pollution control technologies have not been developed, and, even now, research and development in pollution control are inadequate. Many options to improve pollutant removal, such as advanced power cycles, are receiving little attention.

The production, conversion, and use of energy is exceedingly inefficient. For example, we recover only about 30 percent of the oil from the average developed reservoir, and the conversion of fuels to electricity results in a loss of two-thirds of the energy. Very little research and development is being done to reduce these losses.

The unconventional sources of energy have been largely ignored. The United States possesses a vast geothermal resource which has been used for very small applications for many years. No real efforts have been made until very recently, however, to inventory the resource or to perfect technologies which would extend its utility to major powerplants and industrial applications.

Especially in the western States, geothermal resources have the ability to provide a substantial portion of future electrical energy demands. It has been estimated that nearly 400,000 megawatts of electric generating capacity based upon geothermal energy could be installed in the United States by the year 2000 if an active research and development effort were initiated quickly. This amount equals the nation's total present installed generating capacity of all types. The geothermal resource, therefore, is potentially an important part of the Nation's energy future.

My own State of Idaho and the Pacific Northwest region have in the past been heavily dependent upon hydroelectric power. Most of the hydroelectric dam sites are now in use, however, and development of many of those which remain would entail the loss of unique natural areas and the few remaining wild river reaches in the region. The State and the region's increasing electric demands must be met from alternative sources.

There is geologic evidence that much of Idaho is underlain by an extensive geothermal resource. The Snake River Plain is a recent volcanic area and thermal springs exist at many points. Very little active field exploration has been done, but the evidence indicates that there are hot rock formations close to the surface. Coupled with the water which is available in the Snake Plain aquifer, the heat energy from these formations could provide a major source of renewable, environmentally desirable electric energy for the Pacific Northwest.

Federal support to unlock the geothermal potential of the western United States has been minimal. In this fiscal year Federal funding for all geothermal research is only $3.4 million. The President's budget for fiscal year 1974 proposes only $4.1 million.

Much of the experience and nearly all of the current research is concerned with readily accessible dry steam fields, such as the Geysers development in northern California, and with hot water deposits which have been identified. More work needs to be done in each of these areas, but the total potential energy available from such deposits is limited. By far, the most enormous geothermal energy potential is in dry hot rock formations. If appropriate technologies can be developed, this resource can conceivably meet a major part of our energy needs for several centuries.

Title 5 of the measure which I am cosponsoring would establish a Geothermal Energy Development Corporation. The corporation would provide up to 80 percent Federal financing for a joint Federal-industry effort which would culminate in full-scale, commercial-size geothermal facilities to produce electricity. The Federal assistance would be adequate to overcome the risk of investment in the venture, but the industrial partners would have a real voice in management commensurate with their financial participation.

When the demonstration phase of the venture is completed, in 15 years or less, the Federal involvement would terminate.

This kind of single-purpose, goal-oriented management is essential if geothermal energy is to be transformed from its present role as a scientific curiosity into a substantial energy source. To formulate sound national energy policies now and in future generations, we shall need the widest range of energy options possible. We can no longer afford to deny ourselves the choice of using our vast domestic energy resources in environmentally acceptable ways. We must have the ability to choose that policy alternative if it becomes necessary.

Mr. WILLIAMS. Mr. President, this winter we have faced greater energy shortages than possibly during any period of our history. Schools and factories have been closed sporadically throughout the Midwest because of a lack of fuel oil. And, in New Jersey, oil and gas wholesalers have been told that they will have to ration gasoline this summer.

To stave off these immediate problems, there has been a temporary elimination of quotas on some oil imports. Hopefully, the administration's approach will enable us to avoid harsh shortages if we are fortunate enough to continue to have unseasonably warm weather.

However, this was a necessary short-term reflex action to a crisis and certainly does not provide adequate long-term relief.

I am very pleased to join Senator Jackson in sponsoring the "National Energy Research and Development Act of 1973." In my judgment, this is one of the most important pieces of legislation related to scientific research that Congress has ever considered. The comprehensive study of national fuels and energy policy, conducted by the Senate Interior Committee pursuant to Senate Resolution 45, has revealed that expanded research and development offers the most promising approach to meet the energy problems facing this Nation. Yet the level of Federal energy research has been woefully inadequate and the administration is continuing to pursue an equally woefully inadequate course.

We now realize that providing a sufficient supply of energy will be one of this country's great challenges in the next decade. Unfortunately, the administration has met this challenge only from a dangerously narrow perspective and with little promise for the future.

Apparently, Mr. Nxon hopes that we will endorse his program to concentrate on promoting nuclear power. While he has told us that fast breeder nuclear reactors create more fuel than they consume as they create electricity, he has neglected to point out that plutonium, the fuel for breeder reactors, remains radioactive for about 240,000 years, that its disposal is a substantial problem, and that the breeder reactor technology still contains many gaps and shortcomings.

As a matter of fact, the Washington Post recently had an article which stated that the first fast breeder nuclear electric plant, under construction now, has suffered a 1-year construction delay and an $85 million cost overrun. With the potential catastrophic environmental problems and now these technological and financial difficulties, I cannot fathom why we are pursuing this project to the exclusion of other alternatives.

The Interior Committee's study indicates that viable and safe alternatives exist which, with a solid commitment, can be realized within 10 years. This bill intends to make the United States self-sufficient in the production of energy within 10 years.

Although this may seem overly ambitious to some, I suggest that it is realistic when we consider the resources that are available in this country. Coal is extremely abundant, the National Science Foundation is convinced that we can harness solar energy for many needs in less than a decade, and a supply of geothermal energy is already being used successfully to a limited extent in the western part of the country.

Senator Jackson's bill would provide the money and authority to enable the United States to assume a position of world leadership in the development of safe, basic energy sources.

One point which makes this bill particularly important is that it sets self-sufficiency as an attainable goal. In New Jersey, we are threatened by the administration's apparent interest in constructing deepwater ports used for oil importation. These ports would be constructed to accommodate supertankers which transport crude oil most efficiently from the Mideast.

I see several problems with this proposal. First, the construction of such a port would necessarily entail extensive industrialization and involves the potential for massive oil spills and related pollution, all of which would destroy the present exceptional recreation opportunities of the areas involved. Second, it also indicates a national policy necessarily involving dependence on Mideast oil which means reliance on the governments of a politically unstable area. Third, it would substantially increase our balance of payments deficit.

The Washington Post also recently printed an article on the role played by Middle Eastern oil money in the latest attacks on the dollar in European money markets. I believe that we must move away from providing foreign governments with vast amounts of dollars merely because we are unwilling to invest in American resources.

We have waited several weeks now for the President's energy message. However, a reading of the energy research and development proposals in the budget indicates that the administration would have us pursue a reckless course toward more nuclear power with a nominal increase in funding for the technologies which may have the most promise in this country.

I commend Senator Jackson for his diligent study and great understanding of the energy problems we are facing. He brings to us a proposal which will enable the United States to move forward on possibly one of our greatest adventures—the harnessing of the elements and conditions around us to produce the energy in a manner which enhances rather than imperils life. His leadership on this issue is a source of encouragement to those of us who are greatly concerned about our present energy difficulties and who are dismayed by the absence of positive leadership by the administration.

I warmly embrace Senator Jackson's bill, the National Energy Research and Development Policy Act of 1973, and urge that the Senate consider this important legislation as soon as possible this year.

I ask unanimous consent that the two articles I mentioned be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Delay, Overrun Hit A-Plant

(By Thomas O'Toole)

The model for the nation's first fast-breeder nuclear electric plant has suffered a one-year construction delay and an $85 million cost overrun. The problems ultimately could delay operation of the main fast-breeder plant itself.

President Nixon has made the fast breeder a national goal and set a 1980 target date for completion of the first one, at Oak Ridge, Tenn.

"Everything is being done to have the breeder demonstration plant ready to operate by the target date," said Milton Shaw, director of reactor development for the Atomic Energy Commission.

"Our chances of meeting that date are 50–50."

In his energy message to Congress 21 months ago, President Nixon called the fast breeder one of the country's brightest hopes for easing a chronic shortage of energy.

"Because of its highly efficient use of nuclear fuel," the President said, "the breeder reactor could extend the life of our natural uranium fuel supply from decades to centuries, with far less impact on the environment than the power plants which are operating today."

Meeting the target date for the fast breeder depends to a large extent on the experience the AEC has with the fast breeder prototype—a plant now under construction at Hanford, Wash., called the Fast Flux Test Facility. It is this plant that has suddenly been hit by sizable cost overruns and construction delays.

The AEC told Congress' Joint Committee on Atomic Energy that costs of the Hanford prototype have skyrocketed in the last year from $102.8 million to $187.8 million, delaying completion of the plant from February, 1974, to June, 1975.

In a letter to the Joint Committee, AEC general manager Robert E. Hollingsworth conceded that the Hanford plant could incur additional costs of more than $30 million that could delay completion of the plant another year, to May, 1976.

"Despite the fact that a number of the most difficult and costly plant components are nearing completion," Hollingsworth said in the letter, "realistic work plans with revised cost and schedule estimates are not yet agreed upon by the key participants."

Hollingsworth said that some contractors believe the plant can be finished in June, 1975, for $185 million, while others don't think it can be completed before May, 1976, for anything less than $220 million.

The AEC put the blame for the delays and cost overruns on a range of reasons, from a change in contractors and a shortage of experienced engineers to underestimating the complexity of the job.

"I never dreamed . . . I never thought we'd be so short of technology," the AEC's Shaw said. "We've had to go back and redesign every one of the pumps and valves we're using in this plant."

The Hanford plant will use liquid sodium metal to cool its fast-flux nuclear reactor. That has placed special stress on the pipes, pumps and valves that move this corrosive and reactive around the reactor core.

Shaw said the six sodium pumps that will be installed in the Hanford plant have ended up costing $2 million apiece, eight times the original estimate. Twelve valves to be used in the plant cost $800,000 each, again at least eight times the estimate.

"We had $4.5 million invested in the design of these valves when we had to change contractors," Shaw said. "We ended up investing another $1 million just in the design, even after we pulled out of the first contractor."

Shaw insisted that the delays at Hanford do not automatically mean delays at the first breeder plant to be built at Oak Ridge, which will be the first plant in the United States to produce more nuclear fuel than it consumes. Shaw said the large components of the Hanford plant will be identical to the ones to be used at Oak Ridge.

"We're absorbing trouble at Hanford," he said, "so there will be none at Oak Ridge."

Not everybody in the nuclear power business agrees with Shaw, either on the cost estimates for Oak Ridge or on the construction timetable. The plant is scheduled for completion at a cost of $500 million, but one reliable source said it will not be built for less than $700 million.

[From the Washington Post, Mar. 5, 1973]

ARAB OIL MONEY HURT DOLLAR

(By Ronald Koven and David B. Ottaway)

Arab oil money played a large part in the monetary crisis which forced a second devaluation of the dollar last month, according to both Arab and U.S. officials.

Some well-placed Arab sources claim that as much as half of the $6 billion in speculative money that flowed to Frankfurt in mid-February consisted of Arab-owned Eurodollars. U.S. sources view that as somewhat exaggerated, but they readily concede that Arab money accounted for at least $1 billion.

The last official estimate of the Bank for International Settlements is that the Middle Eastern countries hold $7.5 billion of the $80 billion in the Eurodollar market, made up of dollars circulating in Europe and not repatriated to the United States.

There has been growing concern in the U.S. government that the Arab oil-producing states, whose steadily mounting official bank holdings are now calculated at about $12 billion, might be tempted to use their monetary clout for political ends. Their reserves are expected to double in the next three years.

Private holdings of the Arab ruling families are thought to be roughly equal to the official government reserves in many of the oil states.

Despite urgings by radical Arabs that the oil money be used deliberately to pressure the United States into changing its Middle East policy, it is generally believed that, with the possible exception of Libya, the Arab money was moved in February in response to the normal instinct of monetary self-preservation.

It is widely conceded that the major U.S. oil companies also played a large part in the Frankfurt speculation and that the Arab governments simply followed their lead in this instance.

There is some dispute whether Saudi Arabia, the superpower of the oil exporters and perhaps Washington's closest Arab ally, took part in the attack against the dollar.

Saudi sources insist that they simply took a heavy loss on the devaluation, keeping their $3 billion in reserves where it was bound to suffer in any devaluation. But other knowledgeable Arab sources contend that the Saudis also tried to protect their dollar holdings, along with most of the other Arab governments.

U.S. sources tend to believe that Libya, the most politically motivated of the large Arab fund holders, was one of the most active speculators. The Libyans are known to have attacked the British pound in the past for purely political reasons.

Pinning down the source of such "hot money" flows, however, is very difficult.

If an order to switch from dollars to West German marks comes from an Arab account in Beirut through a corresponding Swiss bank, there is no way for money changers in Frankfurt to know exactly who placed the order. There is hard evidence, however, that Arab officials in Beirut are trying to keep track of who does what, and the Arab League is known to have conducted a detailed study of the subject.

It is far too early even to make an educated guess of who is behind the latest attack on the dollar in which the West German central bank was forced on Thursday to buy up almost $3 billion, the record for a single day.

The problem of determining who the speculators are will be a key consideration in a forthcoming Senate Foreign Relations Committee investigation to be conducted by the subcommittee on multinational corporations headed by Sen. Frank Church (D-Idaho).

Sources close to the preparations for that inquiry are expressing shock that the U.S. government has so little hard information on who has been speculating against the dollar.

But banking sources say that, of the major U.S. and foreign corporations operating across national boundaries, the oil companies are the most prone to play the money markets. This is because they must pay huge sums to the Arab oil states, and the companies try to settle their debts in the most advantageous way.

Thus, if there is $100 million to be paid to Kuwait in three months, for example, an oil company might be tempted to buy marks now in anticipation of a dollar devaluation or an upward revaluation of the mark.

If the bet is correct, the company could make a tidy profit, buying back the $100 million it needs to pay Kuwait and pocketing $10 million in marks in addition in a 10 per cent devaluation.

This practice, known as "leads and lags," is a contagious example for the Arab treasuries, whose officials have often been tutored by the Western oil companies.

An Arab League study by Prof. Youssef Sayegh, head of the economics department at the American University of Beirut and a prominent Palestinian, concluded, however, that there are some limitations to the use of oil money as a political weapon.

He cited the case of a huge, politically motivated transfer (more than $1 billion according to one estimate) of Libyan funds from Britain to France in late 1971.

Sayegh said that most of the Libyan money found its way back to British banks within a week because there was essentially nowhere else for it to be absorbed. "The Arabs are prisoners of their own funds," he concluded.

The militant Libyan government, with official reserves now estimated at more than $3 billion, is considered so far to be the only Arab state with both the resources and the inclination to use its money holdings for political purposes.

Equally militant Iraq, a country now in heavy financial difficulties, is potentially more troublesome for the monetary system than Libya, however.

While Libya's oil reserves are limited and its production has been cut back, Iraq is now considered to have the second largest reserves in the Middle East after Saudi Arabia. It plans to expand its production after just settling a nationalization dispute with Western companies. Until recently, non-Arab Iran was traditionally ranked as the Middle East's second largest oil source. But recent official estimates are that Iraq's oil potential far outstrips Iran's.

For the moment, however, Western worries about Arab oil money's place in the international monetary system are largely confined to the manipulations of the coffers of such traditionalist kingdoms and sheikdoms as Saudi Arabia, Kuwait, Abu Dhabi, Bahrein and Qatar.

Their current monetary tactics are still thought to be purely motivated by profit-taking and self-protection. That, as recent events in Frankfurt have proven, is threat enough to force the burning of the proverbial midnight oil in the chanceries of the West.

It is clear, however, that those traditionalist Arab states are becoming conscious of the leverage they can have on the monetary system at crucial moments.

When the United States had its first devaluation, in December 1971, the Arab states were just beginning to build up their reserves. Since then, official Saudi dollar holdings have nearly tripled. With more to lose than before, the Saudis and others are demanding to know whether their friendship with the United States will continue to cost them money every time there is a devaluation, not to speak of the cost to their position in the Arab world if Washington continues to back Israel against the Arab cause.

By Mr. McGOVERN:

S. 1285. A bill to prohibit the inspection of farmers' income tax returns by the Department of Agriculture for the purpose of gathering data for statistical purposes. Referred to the Committee on Finance.

PROTECTING CONFIDENTIALITY OF FARMERS' INCOME TAX RETURNS

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill to prohibit the inspection of farmers' income tax returns by the Department of Agriculture for statistical purposes, as contemplated by Executive Order 11697. I am joined by Senators MONDALE, McGEE, and EAGLETON in offering this legislation.

At the time that it became public knowledge, there was concern expressed by individual farmers and farm organizations that the Executive order would breach the confidentiality of individual citizens' income tax returns. I share in that concern.

Although the objectives of the Executive order may have been correct, I think it is a dangerous precedent to open up the income tax returns of individuals to obtain statistical information. In hearings conducted by the House of Representatives this week, it is my understanding that the Department of Agriculture has conceded that the authority granted in this Executive order is much broader than they had originally sought.

The information which the Department of Agriculture sought to obtain from inspecting income tax returns can easily be obtained through the Census of Agriculture each 5 years, or more frequently if the Department feels the need for more frequent information, by instituting an annual abbreviated census.

The order sets a dangerous precedent. As the editor of the Sioux Falls Argus-Leader in my State points out:

> It will be a simple step to extend authority to check tax returns to other Federal agencies and to other groups of citizens.

The time to check the trend toward breaching the confidentiality of privileged information about individual citizens is now. I ask unanimous consent that the text of the bill, and an editorial from the February 10, 1973, edition of the Sioux Falls Argus-Leader, be inserted in the RECORD following my remarks.

There being no objection, the bill and editorial were ordered to be printed in the RECORD, as follows:

S. 1285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asesmbled, That section 6103 of the Internal Revenue Code of 1954 (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended by adding at the end thereof the following new subsection:

"(g) Certain Inspections by Department of Agriculture Prohibited.—Notwithstanding the provisions of subsection (a), income tax returns of persons having farm operations shall not be open to examination and inspection by the Department of Agriculture for the purpose of obtaining data, as may be needed for statistical purposes, about such persons' farm operations."

[From the Sioux Falls (S. Dak.) Argus Leader, Feb. 10, 1973]

EYING TAX RETURNS OF U.S. FARMERS

The U.S. Department of Agriculture (USDA) will now have access to farmers' income tax returns from 1967 to the present—thanks to an executive order signed by President Richard Nixon Jan. 17th.

His order drew little attention at the time. The Des Moines Register's George Anthen, based in Washington, spotted the order and developed a copyrighted news story for his paper.

The order stated that the USDA could inspect the returns "for the purpose of obtaining data about such persons' farm operations. The order specifies that any information obtained by the USDA from farmers' tax returns must be used "for statistical purposes only."

The Department of Agriculture contended that it needed the information from tax returns because its local USDA officials do not have complete lists of farmers. Federal subsidies do not go to all those who conduct farming operations. The department also says it is not interested in obtaining personal financial information, but seeks the names of farmers, the type of farms they operate and some data on gross receipts from farming operations. The department uses the excuse that tax data would provide the needed information at less cost than a national survey to get the names of all farmers.

The department said the information is needed so that it can bring up to date its estimates on crop and livestock production.

In our opinion, this move does nothing for the nation's farmers and could serve to breach the confidentiality of income tax returns. The Department of Agriculture should be able to get the information it needs from the farm census, crop and livestock reports and other statistical data.

It will be a simple step to extend authority to check tax returns to other federal agencies and to other groups of citizens.

This is a battle that congressman should take up for the benefit of the people they represent.

By Mr. HARTKE:

S. 1286. A bill to provide for national growth policy planning, and for other purposes. Referred to the Committee on Government Operations.

NATIONAL GROWTH POLICY

Mr. HARTKE. Mr. President, in recent months, I have been deeply troubled about our Federal Government's inability to effectively implement our programs. I have reflected most deeply on the plight of the poor. There are, we have discovered in the last decade, poor people in this country. They do not eat as well as the rest of us. They do not have good housing or good schools, or good jobs. They have, as the professors say, inadequate income. Yet, even if all the Government programs worked, even if we could remedy all their material shortcomings, could that solve our problems? I doubt it. For to be poor in America today is to be shorn of dignity, individual worth and meaning in a society where these are the only real goods worth having.

Now the administration tells us that it will forget the American poor. They even claim they have a constitutional right to do so.

But that must not be our answer. We must concern ourselves with these people, but not in our old tradition of liberalism. For it has been the very paladin of our liberal faith who has brought us to our downfall. Lyndon Johnson, in the first days of his rule, enacted virtually every dream of the New Deal; hundreds of bills, thousands of programs, dollars by the billions. But something went wrong. The education bill did not educate the children. There were programs for new cities—but they destroyed more than they built. There was medicare—but it shot the cost of medical care skyward, while doing little or nothing to improve the quality of care or the health of the people.

There were programs for the farm which nearly eliminated the farmer. We promised blacks that patience would bring justice. We promised whites that justice would bring order. We achieved neither. Greatest and most tragic of all was our failure to bring real and substantive improvement to the lot and life of the black ghettos of the great cities. Our efforts were sincere and well-intentioned, but they were encrusted with bureaucracy; bemused by the absurd notion that dignity and pride could be conferred by fiat or created by meager handouts; and ultimately poisoned by the vain hope that the terrible legacy of centuries of oppression could be wiped away without cost or danger to ourselves. The result has been waste—the worst kind; not the waste of money, but the waste of hope, the waste of compassion, the waste of dreams—the waste of the best possibilities of our generation.

Now there is no liberal program left to enact, and the consequences are all around us. We must now engage ourselves in depthly analysis of our political problems, we must return to the root of the Nation's soul. We must affirm in a time of national and personal disintegration the ties that bind; in a time when poverty of spirit reaches far beyond the ghetto, to affirm the dignity and pride of those who are lost even to themselves; in a time when liberalism is failing to find new ways to make Government work, and new purposes for men to believe in.

This is our program—a national growth program which has as its fundamental objective the shaping and reshaping of national growth forces in order to maximize their utility for those who have largely been affected by them in a negative rather than a positive manner. Thus, from a national perspective, much more is called for than simply an efficient coordination of existing programs and policies. What is called for are new policies and instruments both to transform and reorder the impact of such forces on the lives of the minorities and the poor.

National growth forces, are, indeed, complex and the interrelationship between them even more so. How we identify and conceptualize them, in itself, depends in part upon the factors of policy on which we focus. Our program must address the following seven factors of national policy: disparities of race and income in metropolitan regions; population growth; environmental quality; employment location and economic growth; housing; land use; and governmental reorganization to increase governmental efficiency.

There is an interrelation between each of these seven factors. In the metropolitan region, we may identify two broad population configurations along racial lines: blacks are largely confined to the central city, whites to suburbia. We could trace these patterns partly to governmental policies; for example, the historic impact of FHA programs on the development of suburbia, the confinement of public housing projects to the central city, and the resulting consequence of the racial character of policy outcomes. In addition, there are certain considerations that thread some of those factors together, such as issues relating to public and private financing mechanisms for long-term urban and rural growth needs, or the role of the States in dealing with urban growth and rural development. In the expansion of present population and income configurations, the fiscal difficulties of the central city are exacerbated. These trends further legitimize the geographic isolation of the central city, undercut its shrinking political base, and erode basic political and social values; for example, belief in the openness of the social system. Likewise, neglect of rural areas which are left in the technological and economic backwash caused by changing methods of agricultural production, depletion of mineral resources and resulting unemployment, seriously aggravate urban pressures by sustained migration to already dense central cities or, worse, leaving behind in stagnant rural areas, the very old and the very young whose basic human needs cannot be served due to inadequate tax bases and the paucity of needed health, education, and housing programs.

Accompanying population distribution patterns as both cause and effect is the suburbanization of industry and business. This phenomenon is a trend with a considerable time line. The obvious shift has been the movement of manufacturing employment opportunities to the suburbs, which coincides with a shift in central city employment opportunities from a blue to a white collar base.

This pattern has been reinforced by other developments, including land use policies, which have reinforced racial disparities and prevented free population movement.

The Government role properly is to guide rather than worsen these economic and demographic trends. Accordingly there is a need for a Federal governmental monitoring of the various governmental efforts to deal with these trends.

This role should proceed from a coherent approach to national and urban growth policy.

Our response must be to escalate the level of planning and provide adequate governmental powers via metropolitan organization, disperse the ghettoes and open up the suburbs through integration, contain urban sprawl through land banking and regional land use controls, increase and equalize the metropolitan revenue base through a national development bank, compel the participation of the Nation's corporate giants in this endeavor, and provide the mechanisms for translating our response into accomplishments.

Last May 11, I introduced the National Growth Policy Planning Act of 1973 to engender debate in the Congress as to how we might best fulfill our responsibility to guide the Nation's growth and development in a manner to insure that no one is indeed, left behind. In the last year I have sought to interest others in the necessity of a new focus for our domestic policy.

Senator Hubert Humphrey has stated the case for a national growth policy in a speech on May 26 of last year in San Francisco where he unveiled the general provisions of a Balanced National Growth and Development Act. In that speech he called the proposed legislation "the most important of my 25 years of public service." At the request of the Subcommittee on Housing and Urban Affairs of the Senate Committee on Banking, Housing and Urban Affairs, the Congressional Research Service has recently begun a most important series of seminars on national growth issues. Several congressional committees have investigated the possibility of holding hearings in the area of domestic growth policy.

However relentless and noble our aspirations, they confront several strong barriers to the development of a national growth policy that must be surmounted. First, the recalcitrance of the administration, expressed in its 1972 Growth Policy Report required by title VII of the Housing and Urban Development Act of 1970, to develop a comprehensive and detailed national growth policy. From that report we can easily discern that this administration has no housing policy; has no policy for our beleaguered cities; has no policy to promote the rational development of rural and urban America. Second, the spirited but premature effort to quickly pass a national land use policy bill. As is well known, Senator Edmund Muskie has raised significant issues about the utility of a national land use policy outside the direct guidance of the Executive Office of the President and without specific standards for growth. The Senate Interior Committee has held hearings on these issues and it is my belief that the present national land use policy legislation will fit within the superstructure necessary for guiding national growth. Third, with the administration intent on obliterating the Economic Development Administration of the Commerce Department, ending Federal participation in the regional planning commissions, freezing Department of Housing and Urban Development funds, and eliminating scores of domestic programs through impoundment, there is little hope for the underprivileged of our Nation's urban and rural areas unless the Congress responds. Lastly, with the present jurisdictions of congressional committees we have no way to adequately deal with the interrelationships between various domestic policies inherent in such a proposal. Nor does the Congress have the budgetary mechanism to evaluate alternative spending needs and priorities. Along with the current proposals for a congressional Office of Management and Budget, we need to consider a select committee on national growth policy to investigate how Congress can formulate the domestic growth policy that will deal adequately with the factors I have mentioned here today.

We need comprehensive legislative proposals for such a committee to consider and I offer one. I am introducing today the National Growth Policy Planning Act of 1973 as a means of continuing and elevating the debate in this crucial area. Crucial indeed, for now our Nation faces problems not only of waste, poverty, the possibility of increased racial warfare, but now even the threat of irreparable damage to the ecological system that is essential to our survival. In recent months the onrushing possibility of national ecocide has been given the possibility of reality. Crucial indeed, for three separate reports—the Club of Rome Study, the Report of the Commission on Population Growth, and the American and the British report called "Blueprint for Survival" have forecast severe ecological strain on the world system in the next 100 years.

My bill would provide grants to State and metropolitan agencies to plan for growth in their areas. The bill would establish a National Growth Policy Council in the Executive Office of the President, abolish the inept Domestic Council and join several executive agencies into one concise agency, to plan and coordinate a national growth policy. The bill would also provide for the consolidation of some Federal comprehensive planning and planning assistance programs and provide for possible study of other programs. It would transfer Office of Management and Budget Circular A-95 functions to the Council. The bill also provides for regional multistate commissions as a link between planning and development initiatives. It would offer incentives for the development of regional planning and development agencies. The bill endorses the principle of community development block grants for more flexible urban funding. It establishes a national development bank to underwrite the financial needs of the underdeveloped and overdeveloped areas of our country. The bank would also engage in land banking. The bill links national development goals and procedures. It reintroduces a tax proposal of Senator Hart's as an example of the types of tax incentives and disincentives that might be used to limit and control national growth. That proposal would seek to halt corporate relocation and job loss in metropolitan areas.

In sum, my bill offers a package of proposals that, I believe, if fulfilled and built upon can help to rejuvenate the spirit and the physique of America, through the development of a national growth policy. Mr. President, I ask unanimous consent that with my remarks the text of the bill and a section-by-section outline thereof be inserted in the Record at this point.

There being no objection, the bill and outline were ordered to be printed in the Record, as follows:

S. 1286

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "National Growth Policy Planning Act".

FINDINGS

Sec. 2. (a) The Congress finds that there is an immediate national interest in an efficient and comprehensive system of national, regional, Statewide, metropolitan area, and local growth policy planning and decision making and that the rapid growth of the nation's population, a deteriorating environment, increasing urban sprawl, a disproportionate dependence on inefficient transportation systems, large scale industrial and economic growth, conflicts in patterns of land use, the fragmentation of Government entities, and the increased size, scale, and impact of private and public actions have created a situation in which growth policy management decisions of national, regional, Statewide, metropolitan area, and local concern are often being made on the basis of expediency, tradition, short-term economic considerations, and other factors which often detract from the real concerns of sound national growth policy and are detrimental to the future well-being of the nation.

(b) The Congress further finds that the failure to conduct competent, ecologically sound growth policy planning has required public and private enterprise to delay, litigate, and cancel proposed public utility, industrial, and commercial development because of unresolved growth policy planning questions, thereby causing an inefficient use of human and physical resources and a threat to the public welfare and often resulting in decisions to locate utilities, industrial, and commercial activities in areas which offer the least public and political resistance, without regard to relevant ecological, social, economic, demographic, and environmental growth policy considerations.

(c) The Congress further finds that many Federal agencies are deeply involved in national, regional, State, metropolitan area, and local growth policy planning and management activities which because of the lack of consistent policy often results in needless undesirable and costly conflicts between agencies of Federal, State, and local government, that existing Federal growth policy planning programs have a significant effect upon the location of population, economic growth, the character of industrial, urban and rural development, and the quality of life, that the purposes of such programs are frequently in conflict, thereby subsidizing undesirable and costly patterns of growth, and that an immediate and extraordinary effort is necessary to interrelate and coordinate existing and future Federal, regional, metropolitan area, local, and private decision making within a system of planned growth and reestablish priorities that are in accordance with national policy of limited and orderly growth.

(d) The Congress further finds that while the primary responsibility and constitutional authority for growth planning and management of non-Federal lands rests with State and local governments, it is increasingly evident that the manner in which this responsibility is exercised has a significant influence upon the utility, value, and potential of the public domain, the national park system, forests, seashores, lakeshores, recreation, wilderness, and other Federal areas, and that the failure to plan and poor planning at all levels of Government pose serious problems of broad public concern and often result in irreparable damage to commonly owned assets of essential national importance such as estuaries, ocean beaches, and other areas of public control.

(e) The Congress further finds that the growth policy decisions of the Federal Government have a significant impact upon the ecology, the environment, and patterns of growth of local communities, that the substance and the nature of a national growth policy should take into consideration the needs and interests of State, regional, metropolitan area, and local governments, as well as those of the Federal Government, private groups, and individuals and that Federal growth policy decisions demand greater effective participation by State, metropolitan area, and local governments so that they meet the highest standards of growth policy management and the desires and aspirations of the people.

(f) The Congress further finds that there is a national interest in encouraging the several States to exercise their full authority over the planning and regulation of non-Federal lands by assisting the States, in cooperation with local governments, in developing growth policy plans including unified metropolitan area authorities, policies, criteria, standards, methods, and procedures for dealing with growth policy decisions of more than local significance.

(g) The Congress further finds that it is essential to improve the quality of effective government by encouraging each State and metropolitan area to establish an agency within the structural framework of the government of that State or metropolitan area to administer and coordinate the planning process in relation to its growth.

(h) The Congress further finds that growth policy decisions significantly influence the quality of life in the United States, and that present State and local institutional arrangements for planning and regulation of growth policy of more than local impact are inadequate with the result that the implementation of standards for the control of air, water, noise, and other pollution is impeded.

DECLARATION OF POLICY

SEC. 3. (a) In order to promote the general welfare and to provide full and wise application of the resources of the Federal Government in preserving the environmental, economic, and social well being of the people of the United States, the Congress declares that it is a continuing responsibility of the Federal Government, consistent with the responsibility of State and local government, to undertake the development and implementation of a policy for growth policy planning and management to be known as the National Growth Policy which shall incorporate ecological, environmental, esthetic, economic, social, demographic, and other appropriate factors. Such policy shall serve as a guide in making specific decisions which affect the pattern of environmental, population, and industrial growth, and the development of Federal lands, and shall provide a framework for the development of regional, State, metropolitan area, and local growth policies.

(b) The Congress further declares that the National Growth Policy should at least—

(1) favor patterns of growth planning, management, and development which are in accord with sound ecological principles and which encourage intelligent and balanced use of the nation's resources;

(2) redirect beneficial economic activity and development to all underdeveloped regions of the nation;

(3) disperse economic, racial, demographic, and social patterns or concentrations that are detrimental to the public welfare;

(4) contribute to the revitalization of existing communities and encourage, where appropriate, new communities;

(5) assist State and metropolitan area governmental entities to assume growth policy planning responsibility for activities within their boundaries;

(6) facilitate increased participation and require greater responsibility from the business sector in controlling and managing the nation's growth for the public weal;

(7) facilitate increased coordination in the administration of Federal programs so as to encourage desirable patterns of growth and policy planning;

(8) systemize methods for the exchange of information relevant to the growth policy in order to assist all levels of government in the development and implementation of the National Growth Policy; and

(9) favor patterns of growth planning, management, and development which foster the maximum attainment of human potential and which are in accord with sound ecological principles and which encourage an intelligent and balanced use of the Nation's resources.

(c) The Congress further declares that intelligent growth policy planning and management provides the single most important institutional device for preserving and enhancing the environment, for ecologically sound development, for stabilization of the Nation's population, and for maintaining the conditions capable of supporting a quality of life and providing the material means necessary to maintain a high national standard of living.

PURPOSE

SEC. 4. It is the purpose of this Act to—

(1) provide for the development of a National Growth Policy to encourage and assist the several States and metropolitan areas to exercise more effectively their responsibility for the planning, management, and administration of the Nation's resources through the development and implementation of comprehensive growth policy plans and management programs designed to achieve an ecologically and environmentally sound use of the Nation's resources;

(2) establish a grant-in-aid program to assist State and metropolitan area agencies in hiring and training the personnel and in establishing the procedures necessary to develop, implement, and administer a statewide or metropolitan area growth policy plan which meets Federal guidelines consistent with the National Growth Policy and which will be responsive in dealing with the growing pressure of conflicting demands on a finite resource base;

(3) establish reasonable and flexible Federal guidelines to give State and metropolitan area agencies guidance in the development of growth policy plans;

(4) establish the National Growth Policy Planning Council to administer the Federal grant-in-aid program, to review growth policy plans for conformity with the provisions of this Act, and to assist in the coordination of Federal agency activities with growth policy planning agencies;

(5) develop and maintain a national policy with respect to federally conducted and federally assisted projects having growth policy implications;

(6) coordinate planning and management relating to Federal lands and resources with planning and management relating to non-Federal lands and resources;

(7) require a report by the President to the Congress on the consolidation of Federal comprehensive planning activities and planning assistance programs;

(8) establish multistate regional growth planning and development commissions to assure that State and metropolitan area growth plans are consistent with regional goals and National Growth Policy guidelines formulated by the Council;

(9) encourage the development of State and metropolitan area development agencies to provide increased housing opportunities, employment opportunities, and sound growth of neighborhoods through the revitalization of slum and blighted areas;

(10) establish a National Development Bank to broaden and decrease the costs of capital funds for State and local governments to help them meet needs for essential public works and community facilities including the acquisition of land;

(11) further the development of the National Growth Policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a single, consistent system of Federal aid;

(12) amend the Internal Revenue Code of 1954 to deter corporate and job relocation inconsistent with balanced national growth;

(13) establish requirements with respect to the location and impact of Federal facilities, activities, and procurement policies on patterns of growth and development.

EFFECT ON EXISTING LAWS

SEC. 5. Nothing in this Act shall be construed—

(1) to expand or diminish Federal or State jurisdiction, responsibility, or rights in the field of growth policy planning, development, or control, or to displace, supersede, limit, or modify any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States, or of two or more States and the Federal Government, except as required to carry out the provisions of this Act;

(2) to alter or affect the authority or responsibility of any Federal official in the discharge of duties of his office, except as required to carry out the provisions of this Act; or

(3) to supersede, modify, or repeal existing law applicable to Federal agencies authorized to develop or participate in the development of resources or to exercise licensing or regulatory functions in relation thereto, except as required to carry out the provisions of this Act.

DEFINITIONS

SEC. 6. For the purpose of this Act—

(1) the term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States;

(2) the term "growth policy" means at least a policy which favors patterns of growth and economic development and stabilization which offer a range of alternative locations and encourage the wise and balanced use of physical and human resources in the nation, fosters the continued economic strength of all parts of the nation, helps reserve trends of migrations and physical growth which reinforce disparities among States, regions, and cities, treaties comprehensively the problems of poverty and employment (including the erosion of tax bases and the need for better community services and job opportunities) which are associated with disorderly urbanization and rural decline, refines the role of the Federal Government in developing new towns and revitalizing existing communities, and strengthens the capacity of general governmental institutions to contribute to balanced and efficient growth, and facilitates increased coordination of Federal, regional, State, and local activities so as to encourage orderly growth, the prudent use of natural resources, and the protection of the physical environment;

(3) the term "resources" means (A) physical resources, such as water, air, land, agriculture fish and wildlife, aesthetics, timber,

national parks, seashores, estuaries, energy, housing, industrial production, and transportation, and (B) human and socio-cultural resources, such as population, employment, and immigration; and

(4) the term "metropolitan area" means a standard metropolitan statistical area (SMSA), as established by the Office of Management and Budget, which has a population of 750,000 or more.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) There is authorized to be appropriated not more than $30,000,000 for each fiscal year for the administration of title I (other than for assistance under section 111) and title III of this Act, of which not more than $20,000,000 may be used for contract studies.

(b) There are authorized to be appropriated not more than $300,000,000 for each fiscal year for grants to planning agencies pursuant to title II of this Act.

TITLE I—NATIONAL GROWTH POLICY PLANNING COUNCIL ESTABLISHMENT

SEC. 101. (a) There is established in the Executive Office of the President a National Growth Policy Planning Council (hereinafter referred to as the "Council"). The Council shall consist of seven members appointed by the President, by and with the advice and consent of the Senate, from among individuals with special qualifications to carry out the functions of the Council. Four members of the Council shall constitute a quorum. The Council shall annually elect a Chairman from among its members.

(b) Each member of the Council shall serve for a term of six years, except that—

(1) the members first taking office shall serve as designated by the President, two for terms of two years, two for terms of four years, and three for terms of six years; and

(2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

(c) Each member of the Council shall be compensated at the rate provided for level III of the Executive Schedule, under section 5314 of title 5, United States Code.

(d) All functions of the Council shall be carried out under the supervision and direction of the President.

AUTHORITY

SEC. 102. The Council shall have the authority to establish principles, standards, and procedures for planning agencies receiving grants pursuant to this Act.

FUNCTIONS OF THE COUNCIL

SEC. 103. (a) The Council shall provide for—

(1) the policy direction and coordination of all Federal and Federally-assisted programs for growth policy planning and development, programs designed to improve human resources, programs designed to allocate resources, and programs designed to develop energy resources, within the departments and agencies of the Government designated by the President, the effectuation of such policy direction and coordination, and a system of standard definitions and common sources of data for such activities;

(2) the preparation of an annual report, to be known as the Annual Report on National Growth and Development, detailing the progress made in carrying out the provisions of this Act, and containing the President's evaluation and recommendations regarding future needs in this regard;

(3) such additional studies and analyses and such reports as the President and the Congress may require;

(4) the assessment of national needs, goals, and priorities;

(5) the evaluation of effects of present and proposed Federal tax incentives and State and local government tax policies upon the private industrial mix and location in the context of national growth;

(6) the evaluation of all present and proposed Federal credit programs;

(7) the evaluation of the effects of fiscal and monetary policy and such other economic stabilization tools as may be adopted upon employment, changes in income, and the composition of economic production in the nation and its regions;

(8) the evaluation, or the review of evaluations made within Government departments and agencies, of the effectiveness of present and proposed programs, with respect to all benefits, costs, and incidence thereof;

(9) the assignment of goals, plans, and programs to departments and agencies generally;

(10) in coordination with the Office of Management and Budget, the development of three, five, and ten year planned program projections;

(11) the evaluation or regional resources and human resources in relation to projected development;

(12) the analysis of trade-offs in adoption of alternative national growth policies;

(13) the establishment of multi-State regional offices of the Council in order to obtain regional and State implementation and input regarding national goals and policies affecting the allocation of resources, the development of human resources, and environmental protection;

(14) the establishment, for purpose of coordinated planning and development, of representative multi-State regional bodies, and encouragement of the formation of representative multi-jurisdictions within States;

(15) the establishment within the goals of balanced economic growth, of cooperative mechanism, including appropriate taxation policies, grants, and other incentives, to achieve maximum participation of private industry in achieving the purpose of this Act;

(16) the establishment of national growth policies, approved by the President, which would require the Council to review agency and departmental budgets before they are submitted to the President or the Office of Management and Budget; and

(17) the establishment of a nationally coordinated comprehensive planning process, including but not limited to—

(A) supervising and coordinating the activities of the Regional Planning and Development Commissions, State and metropolitan planning agencies, and State and metropolitan development agencies provided for in this Act;

(B) facilitating the use of common information and data bases for regional, State, and local comprehensive and functional planning, and for this purpose the Council shall collect, analyze, and disseminate through the Regional Planning and Development Commissions information, data and projections concerning economic trends and location patterns, population characteristics, migration, direction and extent of urban and rural growth and change, employment and unemployment, social, educational, housing, health, recreational, cultural and welfare needs, government organization patterns and financial resources available within the States and political subdivisions thereof, and by any other subjects deemed essential to the planning process;

(C) providing channels for and facilitating the continuing exchange and consideration of planning information among all Federal, regional, State, metropolitan area, and local planning agencies relevant to the planning process for the purpose of periodic joint determination of mutually consistent, realistic and attainable regional, State, and local growth policies;

(D) monitoring the growth and development of the regions, States, and localities, comparing planned with actual development, and making adjustments in growth policies or in developmental activities, as may be indicated by such reviews, in order that the growth policies continue to serve as current and suitable guides for Federal, State, and local program decisions;

(E) reviewing proposals for Federally-assisted programs and projects for consistency with the stated growth policies, in accordance with the provisions of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, section 401(a) of the Intergovernmental Cooperation Act of 1968, and this Act;

(F) reviewing the planning requirements of all existing and proposed Federal programs, and taking such steps as are necessary to ensure that these planning requirements are compatible with the unified comprehensive planning system; and

(G) periodically summarizing, for the use of both the President and the Congress, the current and foreseeable needs for various types of Federal assistance as indicated by the comprehensive planning system, taking into consideration, among other things, the relative priorities assigned to such assistance among the several regions, States, and districts in their respective plans.

(b) The Council shall, as soon as practicable, prescribe such rules and regulations as may be necessary to implement its functions under this section and the other provisions of this Act, including rules and regulations which provided for—

(1) coordination of the program authorized by this Act with related Federal planning assistance programs;

(2) appropriate utilization of other Federal departments and agencies administering programs which may contribute to achieving the purposes of this Act; and

(3) such other rules and regulations as it may deem necessary or appropriate for carrying out its duties and responsibilities under the provisions of this Act.

ADMINISTRATIVE PROVISIONS

SEC. 104. (a) For the purpose of carrying out the provisions of this Act, the Council may—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable;

(2) acquire, furnish, and equip such office space as is necessary;

(3) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States;

(4) employ and fix compensation of such personnel as it deems advisable;

(5) procure services as authorized by section 3109 of title 5, United States Code, at rates not to exceed $100 per diem for individuals;

(6) purchase, hire, operate and maintain passenger motor vehicles; and

(7) incur such necessary expenses and exercise such other powers as are consistent with and reasonably required for the performance of its functions under this Act.

(b) Any member of the Council is authorized to administer oaths when it is determined by a majority of the Council that testimony shall be taken or evidence received under oath.

(c) The Council is authorized to delegate the chairman of the Council its administrative functions, including the detailed administration of the grant programs.

(d) The Council may, with the consent of the head of any other department or agency of the United States, utilize such officers and employees of such agency on a reimbursable basis as are necessary to carry out the provisions of this Act.

(e) Upon the request of the Council, the head of any Federal department or agency is authorized—

(1) to furnish to the Council such information as may be necessary for carrying out its functions and as may be available to or procurable by such department or agency; and

(2) to detail to temporary duty with the Council on a reimbursable basis such personnel within his administrative jurisdiction as the Council may need or believe to be useful for carrying out its functions.

REPORTS AND EVALUATIONS

SEC. 105. Any interstate, State, local, or metropolitan agency receiving a grant under this Act, either directly or through another such agency, shall make such reports and evaluations in such form, at such times, and containing such information as the Council may require for the purposes of this Act, and shall keep and make available such records as may be required by the Council for the verification of such reports and evaluations.

STUDIES

SEC. 106. The Council may, by contract or otherwise, make studies and publish information on subjects related to State, regional and national growth policy planning and resource use for the purposes of this Act.

ANNUAL REPORT ON NATIONAL GROWTH AND DEVELOPMENT

SEC. 107. (a) Not later than March 31 of each year, the Council shall transmit to the President and to the Congress an Annual Report on National Growth and Development. The Annual Report on National Growth and Development shall include—

(1) information and statistics describing characteristics of national growth and development identifying significant national and regional trends;

(2) a summary of significant problems facing the nation as a result of population level and distribution trends and other developments affecting the quality of life of the nation's citizenry;

(3) an evaluation of the progress and effectiveness of Federal efforts designed to meet such problems and to implement the policy and objectives of this Act;

(4) a review and evaluation of multi-State, State, metropolitan area, and local government (including multicounty) planning and development efforts to determine the extent to which such activities are not consistent with the policy and goals described in this Act;

(5) appropriate projections and forecasts regarding future social, scientific, and political developments affecting the growth and development of the Nation, stated in one, five, and twenty-five year time-frames;

(6) recommendations for policies and programs to further carry out the policy and objectives of this Act, including such legislation as may be deemed necessary and desirable; and

(7) general plans regarding the implementation of the policy and objectives of this Act, including estimates of time required to achieve them.

Such Annual Report shall incorporate the reports required under title VII of the Housing and Urban Development Act of 1970, title I of the Airport and Airway Development Act of 1970, and title IX of the Agricultural Act of 1970.

(b) Such Annual Report, and any reports supplementary thereto, shall, when transmitted to the Congress, be referred to the Joint Economic Committee, the Committee on Government Operations of each House, and such other standing committees as the presiding officer of either House may designate.

EVALUATIONS BY THE COUNCIL OF ECONOMIC ADVISORS, THE COUNCIL ON ENVIRONMENTAL QUALITY, AND THE NATIONAL GROWTH POLICY PLANNING COUNCIL

SEC. 108. The Council of Economic Advisors, the Council on Environmental Quality, and the National Growth Policy Planning Council shall review all new and modified growth and development policies and programs with respect to their economic, environmental, and general impact, respectively, and report their recommendations to the Council within time limits prescribed by the Council.

ABOLITION OF THE DOMESTIC COUNCIL

SEC. 109. (a) The Domestic Council established in the Executive Office of the President by Reorganization Plan Numbered 2 of 1970 is abolished and all functions of the Domestic Council are transferred to the National Growth Policy Planning Council.

(b) This section shall be effective upon the expiration of 90 days following the date of enactment of this Act.

TRANSFER OF FUNCTIONS FROM OFFICE OF MANAGEMENT AND BUDGET WITH RESPECT TO REVIEW OF FEDERAL PROJECTS AND LIAISON WITH STATE AND LOCAL GOVERNMENTS

SEC. 110. (a) All functions of the Office of Management and Budget under the provisions of title IV of the Intergovernmental Cooperation Act of 1968, section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, and section 102 (2) (C) of the National Environmental Policy Act of 1969 are transferred to the Council.

(b) This section shall be effective upon the expiration of 90 days following the date of enactment of this Act.

TRANSFER OF COMPREHENSIVE PLANNING ASSISTANCE PROGRAM TO THE COUNCIL

SEC. 111. (a) The President shall transfer the administration of the planning assistance program provided for in section 701 of the Housing Act of 1954, as amended, from the Secretary of Housing and Urban Development to the Council, except for such funds and personnel as are necessary to continue grants for functional planning where such planning is a requirement for other programs of Federal assistance administered by the Secretary.

(b) In order to ensure that such planning assistance program is administered with maximum effectiveness and is adequately funded, the President shall review the program and submit a report to Congress not later than twelve months after the date of enactment of this Act, setting forth his views and recommendations concerning the future of the program. The report shall include, but not be limited to, (1) the possibility of administering such program through the Regional Planning and Development Commissions established under this Act, and (2) current and foreseeable funding needs.

(c) There is hereby authorized to be appropriated the sum of $200,000,000 for the fiscal year ending June 30, 1973, and the sum of $200,000,000 for each fiscal year thereafter, which funds shall be used specifically for the purposes set forth in subsection (j) of section 701 of the Housing Act of 1954, as amended. All funds so appropriated shall remain available until expended.

(d) It is the intent of Congress that, consistent with the nature of a unified, comprehensive planning system, only one agency in a State or district shall be eligible to receive a grant for State-wide or district-wide comprehensive planning as designated by Governors or by State law. All other agencies eligible for comprehensive planning grants under subsection (a)(1) of section 701 of the Housing Act of 1954, as amended, and consistent with this intent shall continue to be eligible for such grants.

ABOLITION OF THE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SEC. 122. (a) The Advisory Commission on Intergovernmental Relations is abolished and all functions of such Commission are transferred to the Council.

(b) This section shall become effective upon the expiration of 90 days following the date of enactment of this Act.

TITLE II—NATIONAL GROWTH POLICY PLANNING AND ASSISTANCE THROUGH STATE AND METROPOLITAN PLANNING GRANTS

GRANTS-IN-AID

SEC. 201. (a) In order to carry out the purposes of this title, the Council established under section 101 is authorized to make growth policy planning grants to a State agency, designated by the Governor of the State or established by State law, or to a metropolitan area agency, if such agency has Statewide or metropolitan area growth policy planning responsibilities and meets the guidelines and requirements established in section 202.

(b) Such grants shall be for the purpose of assisting eligible State and metropolitan area agencies to—

(1) prepare and inventory the State's or metropolitan area's land and growth-related resources;

(2) compile and analyze information and data related to—

(A) population densities and trends;

(B) economic characteristics and projections;

(C) directions and extent of urban and rural growth and changes;

(D) public works, public capital improvements, land acquisitions, and economic development programs, projects, and associated activities;

(E) ecological, environmental geological, and physical conditions which are of relevance to decisions concerning the location of new communities, commercial development, heavy industry, transportation facilities, utilities, Federal and State facilities, and other growth policy factors;

(F) the projected growth policy requirements within the State or metropolitan area for agriculture, recreation, urban growth, housing, commerce, transportation, open space, the generation and transmission of energy, and other important uses for at least fifty years in advance;

(G) governmental organization and financial resources available for growth policy planning and management within the State, and the political subdivisions thereof, or within the metropolitan area; and

(H) other information necessary to conduct State or metropolitan area growth policy planning in accord with the provisions of this title;

(3) provide technical assistance, including computer technology and training programs for appropriate State and metropolitan area personnel in the development, implementation, and management of growth policy planning programs;

(4) arrange with Federal agencies for the cooperative planning of Federal lands located within and near the State's or metropolitan area's boundaries;

(5) develop, use, and encourage common information and data bases for Federal, regional, State, metropolitan, and local growth policy planning;

(6) establish arrangements for the exchange of growth policy planning information among State and metropolitan area agencies, and among the various governments within each State and their agencies, between the governments and agencies of different States, and among States and interstate agencies and regional commissions;

(7) establish arrangements for the exchange of information with the Federal Government for use by the Council and the State and metropolitan area agencies in discharging their responsibilities under this Act;

(8) conduct public hearings prior to submission of plans to the Council, prepare proposals, and solicit comments on proposals concerning specific portions of the plans and the plans in their entirety;

(9) establish arrangements for public information programs pertaining to the need

for immediate national growth policy planning in all governmental sectors; and

(10) utilize, for the purpose of furnishing advice to the Federal Government as to whether Federal and Federally-assisted projects are consistent with the State or metropolitan area's growth policy program, procedures established pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and title IV of the Intergovernmental Cooperation Act of 1968.

GUIDELINES AND REQUIREMENTS FOR GROWTH POLICY PLANS

SEC. 202. (a) An agency specified in section 201(a) must meet, or give adequate assurance that it will meet, the following requirements in the development of a growth policy plan described in subsection (b) of this section to be eligible for grants under this title. Such agency—

(1) shall be designated by the Governor or established by law if for a single State or a metropolitan area within a State, or be established by interstate compact, if for a metropolitan area involving more than one State, and shall have primary authority and responsibility for the development and administration of the growth policy plan for the State or metropolitan area;

(2) shall have a competent and adequate interdisciplinary professional and technical staff as well as special consultants who will be available to the agency to develop the plan;

(3) shall, to the maximum extent feasible, use pertinent local, State, and Federal plans, studies, information, data, or growth policy planning already available in order to avoid unnecessary repetition of effort and expense; and

(4) shall include some representation of localities involved in the plan.

(b) During the first three full fiscal years following the initial publication of regulations by the Council implementing the provisions of this title, such agency shall, as a condition of continued grant eligibility, develop a growth policy plan which—

(1) identifies the portions of the State or metropolitan area subject to enforcement of the plan, which shall include all lands within the boundaries of the State or metropolitan area, except lands the use of which is by law subject solely to the discretion of, or which is held in trust by, the Federal Government or its officers or agents;

(2) identifies areas—

(A) where ecological, environmental, geological, or physical conditions dictate that certain types of growth are undesirable;

(B) which are best suited for agricultural, mineral, industrial, or commercial development;

(C) where transportation and utility facilities are, or should in the future be located;

(D) which furnish the amenities and the basic essentials to the development of new towns and the revitalization of existing communities;

(E) which, notwithstanding Federal ownership or jurisdiction, are important to the State or metropolitan area for industrial, commercial, mineral, agricultural, recreational, ecological, or other purposes;

(F) which, although located outside the State or metropolitan area, have substantial, actual, or potential impact upon growth patterns within the State or metropolitan area; and

(G) which are of unusual national significance and value;

(3) includes appropriate provisions designed to insure that projected requirements for material goods, food, natural resources, energy, housing, recreation, and environmental amenities have been given full and adequate consideration;

(4) includes provisions designed to insure that the plan is consistent with applicable local, State, metropolitan, and Federal standards relating to the maintenance and enhancement of the quality of the environment and the conservation of public resources;

(5) provides for assuring orderly and efficient patterns of growth;

(6) includes provisions to insure that transportation and utility facilities are established in compliance with metropolitan and State needs, State policies, and policies and goals set forth in other Federal legislation;

(7) provides for measures such as buffer zones, scenic easements, prohibitions against nonconforming uses, and other means of assuring the preservation of esthetic qualities to insure that federally designated, financed and owned areas, including, but not limited to, elements of the national park system, wilderness areas, and game and wildlife refuges, are not damaged, degraded, or in any way adversely affected as a result of inconsistent or incompatible growth patterns in the immediate geographical area;

(8) provides for other appropriate factors having significant growth policy implications;

(9) provides a method for assuring that local regulations do not restrict or exclude development and growth of State or metropolitan area benefit;

(10) includes site selection criteria for the location of new communities and a method for assuring appropriate controls of growth around new communities;

(11) provides a method for effectively controlling proposed large-scale development of more than local significance in its impact upon the environment; and

(12) includes a system of controls and regulations pertaining to areas and developmental activities referred to in the preceding clauses which is designed to assure that any source of air, water, noise, or other pollution will not be located where it would result in a violation of any applicable air, water, noise, or other pollution standard or implementation plan.

(c) To retain eligibility for grants following the three fiscal years referred to in subsection (b)—

(1) such plan must be approved by the Council in accordance with section 203; and

(2) such agency—

(A) must have authority to implement the approved plan and enforce its provisions, except that in the case of an interstate agency such implementation and enforcement must be carried out by appropriate State agencies;

(B) may have the authority to acquire interests in real property;

(C) must have the authority to prohibit growth in a manner which is inconsistent with the provisions of the plan, except that this requirement need not apply to an interstate agency;

(D) must have and exercise the authority to conduct public hearings, allowing full public participation and granting the right of appeal to aggrieved parties, in connection with the dedication of any area subject to restricted or special use under the plan; and

(E) must have reasonable procedures for periodic review of the plan, for purposes of granting variances from and making modifications in the plan, including public notice and hearings, in order to meet changed future conditions and requirements.

(d) Nothing in this section shall be deemed to preclude a State or metropolitan area from planning for growth or for implementing a plan in stages, with respect to either—

(1) particular geographical areas including but not limited to coastal zones, or

(2) particular kinds of uses, as long as the other requirements of this Act are met.

(e) Nothing in this Act shall be deemed to preclude the delegation of local governmental entities of authority to plan for growth and enforce restrictions on growth adopted pursuant to the plan, including the assignment of funds authorized by this Act, to the extent available except that—

(1) such agency shall have ultimate responsibility for approval and coordination of local plans and enforcement procedures;

(2) only the plan submitted by such agency will be considered by the Council;

(3) such plan must be consistent with the guidelines established by this Act; and

(4) such agency shall be responsible to the Council for the management and control of any Federal funds assigned or delegated to any local government or other entity within the State or metropolitan area concerned, concomitant with the agency's responsibility to units of State and local governments established under existing coordinating mechanisms.

REVIEW OF PLANS

SEC. 203. (a) Upon completion of each growth policy plan—

(1) the agency responsible for the development of the plan shall submit it to the Council;

(2) the Council shall submit the plan for review and comments to those Federal agencies the Council considers to have significant interest in or impact upon growth within the State or metropolitan area concerned, and a period of ninety days shall be provided for the review; and

(3) upon completion of the review period established by clause (2) of this subsection, the Council shall review the plan along with the agency comments and approve the plan if it—

(A) conforms with the policy, guidelines, and requirements declared in this title;

(B) is compatible with the plans and proposed plans of other States and metropolitan areas, so that regional and national growth policy considerations are accommodated; and

(C) does not conflict with the objectives of Federal programs authorized by law.

(b) Modifications may be made or variances granted in any growth policy plan unless such modification or variance renders the plan inconsistent with the policies, guidelines, and other requirements in this Act. Provisions for such modifications or variances shall be included in the plan as reported to the Council. The Council shall approve such provisions unless they cause the plan to no longer meet the criteria set forth in subsection (a).

(c) In the event the Council determines that grounds exist for disapproval of a growth policy plan or, having approved such a plan, subsequently determines that grounds exist for withdrawal of such approval pursuant to section 208, it shall notify the President, who shall establish an ad hoc hearing board, the membership of which shall consist of:

(1) the Governor of a State other than the State or States included in the plan, whose State does not have a particular interest in the approval or disapproval of the plan, or such alternate person as is designated by such Governor;

(2) one knowledgeable, impartial Federal official, who is not a member of or responsible to a member of the Council;

(3) one knowledgeable, impartial private citizen, selected by the other two members, except that if such members cannot agree upon a third member within ten days after the appointment of the second member to be appointed, the third member shall be selected by the President.

(d) The hearing board shall meet as soon as practicable after all three members have been appointed. The Council shall specify in detail to the hearing board its reasons for considering disapproval or withdrawal of approval of the plan. The hearing board shall hold such hearings and receive such evidence as it deems necessary. The hearing board shall then determine whether disapproval or withdrawal of approval would be reasonable, and set forth in detail the reasons for its determination. If the hearing board determines that the proposed action of the Board is unreasonable, the Council shall terminate such proposed action.

(e) Members of hearing boards who are not regular full-time officers or employees of the United States shall, while carrying out their duties as members, be entited to receive compensation at a rate fixed by the President, but not exceed $100 per diem, including traveltime, and while away from homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by law for persons in Government service employed intermittently. Expenses of hearing boards shall be paid out of appropriations available for the Executive Office of the President, and administrative support for hearing boards shall be provided by the Executive Office of the President.

(f) The President may issue such regulations as may be necessary to carry out the provisions of this section.

COORDINATION OF FEDERAL PROGRAMS

SEC. 204. (a) All Federal departments and agencies, including the Office of Management and Budget, conducting or supporting activities affecting growth in an area subject to an approved growth policy plan shall operate in accordance with the plan. In the event that a departure from the plan appears necessary in the national interest, the agency shall submit the matter to the Council. The Council may approve a federally-conducted or supported project a portion or portions of which may be inconsistent with such a plan if it finds that—

(1) the project is essential to the national interest; and

(2) there is no reasonable and prudent alternative which would be consistent with the plan.

If the Council fails to approve the project, the project may be undertaken only upon the express approval of the President. The President may approve projects inconsistent with an approved growth policy plan only when overriding considerations of national policy require such approval.

(b) State and metropolitan area agencies submitting applications for Federal assistance for activities having significant growth policy implications in an area subject to an approved growth policy plan shall submit a statement of the views of the agency administering such plan as to the consistency of such activities with the plan. This statement should also meet the minimum requirements of the environmental impact statement required under section 102(2)(C) of the National Environmental Policy Act of 1969.

(c) All Federal agencies responsible for administering grant, loan, or loan guarantee programs for activities which influence patterns of growth, including but not limited to home mortgage and interest subsidy programs, shall administer such programs in a manner which meet the requirements of applicable growth policy plans.

(d) Any Federal agency conducting or assisting public works projects in areas not subject to an approved growth policy plan shall, to the extent practicable, conduct those activities in accord with sound public works investment policies so as to minimize any adverse environmental or social impact resulting from decisions concerning growth policy.

(e) Officials of the Federal Government charged with responsibility for the management of federally-owned lands shall take cognizance of the planning efforts of growth policy planning agencies of States or metropolitan areas within which or near the boundaries of which such Federal lands are located and shall coordinate Federal growth policy planning to the extent such coordination is practicable and not inconsistent with paramount national policies, programs, and interests.

GRANT FORMULA

SEC. 205. (a) From the sums appropriated under section 7, the Council is authorized to make grants to agencies eligible for assistance under this title in an amount not to exceed 90 per centum of the estimated cost of developing growth policy plans during three full fiscal years after the initial publication by the Council of regulations implementing the provisions of this title. Thereafter, grants may be made in an amount not to exceed two-thirds of such agency's cost of administering such plans. Not less than 30 per centum of any sums appropriated shall be available solely for metropolitan area agencies.

(b) Such grants shall be allocated in accordance with regulations of the Council which shall take into consideration the amount and nature of resource base populations, pressures resulting from growth, financial need, and other relevant factors.

(c) Any such grant shall provide for an increase and not replace growth policy planning activities. Any such grant shall be in addition to and may be used jointly with, grants or other funds available for growth policy planning surveys, or investigations under other federally-assisted programs.

(d) Not more than 10 per centum of any funds granted pursuant to this Act to any planning agency in any fiscal year may be expended for the acquisition of interests in real property.

GRANT COMPUTATIONS AND PAYMENTS

SEC. 206. The method of computing and paying amounts pursuant to this title shall be as follows:

(1) The Council shall, prior to the beginning of each calendar quarter or other period prescribed by it, estimate the amounts to be paid to each agency under the provisions of this title for such period, based on such records of the agency and information furnished by it, and such other investigation as the Council may find necessary.

(2) The Council shall pay to the agency from the allocation available to such agency the amounts so estimated for such period, reduced or increased as the case may be, by any sum (not previously adjusted under this paragraph) by which it finds that its estimate of the amount to be paid such agency for any period under this title was greater or less than the amount which would have been paid to such agency for such prior period under this title. Such payments shall be made through the disbursing facilities of the Department of the Treasury at such times and in such installments as the Council may determine.

FINANCIAL RECORDS

SEC. 207. (a) Each recipient of a grant under this title shall keep such records as the Council shall prescribe, including records which fully disclose the amount and disposition of the funds received under the grant and the total cost of the project or undertaking in connection with which the grant was made and the amount and nature of any portion of the cost of the project or undertaking supplied by other cources, and such other records as will facilitate an effective audit.

(b) Such other records shall be kept and made available and such reports and evaluations shall be made as the Council may require regarding the status and application of Federal funds made available under the provisions of this title.

(c) The Council and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient of the grant that are pertinent to the determination that funds granted were used in accordance with this Act.

TERMINATION OF ASSISTANCE

SEC. 208. (a) The Council is authorized to terminate any financial assistance under this title and withdraw its approval of a growth policy plan, whenever, after the agency concerned has been given notice of a proposed termination and an opportunity for hearing, the Council finds that—

(1) such agency has failed to adhere to the guidelines and requirements of this title in the development of the plan;

(2) the plan has not been implemented in accordance with section 202(c) or otherwise fails to meet the requirements of this title; or

(3) the plan has been changed or administered so that it no longer complies with the requirements of this title.

SANCTIONS AND NONCOMPLIANCE

SEC. 209. (a) After the end of three full fiscal years after the initial issuance of regulations by the Council implementing the provisions of this title, no Federal agency shall, except with respect to Federal lands, furnish or propose to furnish assistance under any new State administered program which may have a substantial adverse environmental impact or which would or would tend to affect irreversibly or irretrievably substantial growth in any area which is not covered by a growth policy plan submitted in accordance with this title.

(b) Upon application by the Governor of a State or head of the Federal agency concerned, the President may temporarily suspend the application of subsection (a) with respect to any particular program, if he deems such suspension necessary for the public health, safety, or welfare, except that no such suspension shall be granted unless a timetable for the date of completion of the plan concerned, acceptable to the Council, is submitted. No subsequent suspension shall be granted unless the President finds that due diligence has been exercised to comply with the terms of that timetable.

TITLE III—REPORT ON CONSOLIDATION OF FEDERAL COMPREHENSIVE PLANNING ACTIVITIES AND PLANNING ASSISTANCE PROGRAMS

SEC. 301. (a) In order to facilitate the formation of the Council, the expeditious development of its activities, and the prevention of duplication and overlapping of its functions with other departments and agencies, the President shall transfer to the Council, in addition to the specific transfers otherwise provided for in this Act, any functions such as the collection, analysis and dissemination of information, the administration of planning grants, or the review of proposals for Federally assisted projects or programs, or both, which in his judgment, are so closely associated with the functions of the Council, to warrant such transfer.

(b) Not later than six months after the date of enactment of this Act, the President shall report to the Congress which units and activities he proposes to transfer to the Council. Such transfers shall take effect after ninety days following such report, unless otherwise provided by Act of Congress.

TITLE IV—REGIONAL GROWTH PLANNING AND DEVELOPMENT COMMISSIONS

DECLARATION OF FINDINGS AND PURPOSE

SEC. 401. (a) The Congress finds that effective and equitable use of Federal resources in assisting the States and localities with their economic, social, and environmental needs requires a framework of policies for their growth, development, and stabilization which is consistent, realistic, and attainable. The Congress further finds that continuing and systematic consultation and joint decision-making among the Federal, State, and local governments is necessary to establish and appropriate policy framework and to keep it up to date, and that no administrative channels exist through which such continuing and systematic consultation and joint decision-making can take place. It is the purpose of this title to provide for consultation and joint decision-making through the establishment of multi-State regional growth planning and development commissions.

DETERMINATION OF REGIONAL BOUNDARIES

SEC. 402. (a) For purposes of this title, the President is hereby authorized and directed to submit to Congress within six months after the date of enactment of this Act a report containing his recommendations for the establishment of not less than eight nor more than twelve growth planning and development regions. Such recommendations shall be effective at the end of the first period of 90 calendar days of continuous session of Congress after the date on which the recommendations are submitted to it unless, between the date of submission and the end of the 90-day period, either House passes a resolution stating in substance that that House does not favor the recommendations. For the purpose of this subsection—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 90-day period.

(b) In determining regional boundaries, the President shall take into consideration recommendations made by State and local governments. He shall also take into consideration the following criteria to the maximum extent feasible—

(1) adherence to State boundaries;

(2) inclusion of entire metropolitan areas and multi-county development districts; and

(3) inclusion of interstate areas with common economic, social or environmental problems requiring joint effort on the part of Federal, State, and local governments.

ESTABLISHMENT OF REGIONAL GROWTH PLANNING AND DEVELOPMENT COMMISSIONS

SEC. 403. (a) For each region designated pursuant to section 402, there shall be established a Regional Growth Planning and Development Commission. Recommendations concerning the establishment of each Commission shall be made by the President to Congress and by the Governor of each State included in the region to the legislature of that State. The President is authorized and directed to declare the establishment of each Commission upon the approval thereof by concurrent resolution of the Congress and by Act of each of the State legislatures in the region.

(b) Each Regional Growth Planning and Development Commission shall consist of the Governor of each State which is included in whole or in part in the region, and representative of the Council who shall be appointed by the President by and with the advice and consent of the Senate. The representative so appointed shall serve as Federal Co-Chairman of the Commission. A Governor selected initially by a Commission shall serve as State Co-Chairman, for a term of six months, to be succeeded by each of the other Governors who shall each serve a term of six months.

(c) The Federal Co-Chairman shall be responsible to the President through the Council. He shall also maintain direct contact as appropriate with the regional offices of all Federal agencies having grant-in-aid or other programs affecting the growth and development of the region. Each Federal Co-Chairman shall be compensated by the Council from funds appropriated for the purpose of this Act at a rate equal to that provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Council shall also furnish each such Co-Chairman with such staff assistance as may be necessary.

(d) Each State may have one alternate member of a Commission who shall have authority to act as the State member and to cast the State vote in the absence of the Governor. Such alternate members and their staffs shall be paid by State funds.

(e) Each Regional Growth Planning and Development Commission shall have an Executive Director, who shall serve as the general manager of the Commission's program, carry out his duties under the general direction of the Commission under the direction of the Executive Committee established in subsection (f).

(f) Each Regional Growth Planning and Development Commission shall have an Executive Committee consisting of the Federal Co-Chairman, the alternate member from the State whose Governor is currently serving as State Co-Chairman or that Governor, and the Executive Director who shall not be entitled to vote. The Executive Committee shall be responsible to the Commission for overall policy and management of the program.

(g) Commission decisions shall be determined by vote of the members. All decisions shall require affirmative votes by at least a majority of the States represented. No such decision shall be binding on any State without the affirmative vote of the Governor of, or the alternate member from, the State affected.

(h) For the period ending on June 30 of the second full fiscal year following the date of establishment of a Commission, the administrative expenses of each Commission as approved by the Council shall be paid out of sums appropriated under section 406. Thereafter, not to exceed 50 per centum of such expenses may be paid out of such sums. In determining the amount of non-Federal share of such costs or expenses, the Council shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services.

FUNCTIONS

SEC. 404. (a) The functions of the Regional Growth Planning and Development Commissions shall include, but not be limited to—

(1) establishing systems of policy formulation and planning in coordination with Federal, State, district and local governments and organizations of government officials;

(2) serving as coordinators of State, metropolitan area, and district comprehensive plans, including taking such steps as are necessary to assure the compatibility of such plans with each other;

(3) being responsible for interstate planning;

(4) cooperating with each other, and to the extent possible, maintaining inter-regional compatibility in plan formulation and recommendations;

(5) serving as major continuing contributors to the formulation of national urban and rural growth policies;

(6) advising the Council of the most effective application of Federal resources through the National Development Bank, State and metropolitan area planning or development agencies; and

(7) providing assurance that regional plans and developments are not inconsistent with National Growth Policy.

(b) In order to achieve the purposes set forth in subsection (a), each Regional Growth Planning and Development Commission shall—

(1) foster and undertake such studies of regional resources and problems as are essential to the planning process;

(2) undertake a program of information exchange with the Federal Government, with other regional commissions, and with the States and districts within its own region;

(3) maintain a continuing study of the adequacy of administrative and statutory means for the coordination of plans and programs of the different Federal, State, district and local governments, agencies, and organizations of government officials; and

(4) establish an educational and research effort to assist State and local governments in improving the skills and proficiency of their officials and staff in the management and administration of government and public services.

ADMINISTRATIVE POWERS

SEC. 405. (a) Each Regional Commission shall establish, after consultation with other interested entities, both Federal and non-Federal, principles, standards, and procedures for participants in the preparation, coordination, and implementation of comprehensive regional plans.

(b) To carry out its duties under this title, each Regional Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

(2) appoint and fix the compensation of the Executive Director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that no member, alternate, officer, or employee of such Commission, other than the Federal Co-Chairman on the Commission and his staff, and Federal employees detailed to the Commission under clause (3), shall be deemed Federal employees for any purpose;

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail for temporary duty with the Commission such personnel as the Commission may need for carrying out its functions;

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency;

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefit system of such of its personnel as may not be eligible for, or continue in, another governmental retirement or employee benefit system, or otherwise provide for such coverage of its personnel;

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible;

(7) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation;

(8) maintain an office in the District of Columbia and establish field offices at such other places as it may deem appropriate; and

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

(c) In order to obtain information needed to carry out its duties, each Regional Commission is authorized to—

(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Co-Chairman of such Commission, or any member of the Commission designated by the Commission for the purpose being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal,

State, or local department or agency (who is hereby so authorized, to the extent not otherwise prohibited by law) to furnish to such Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its activities and transactions which shall be made available for public inspection.

(d) The Executive Director of each Regional Commission shall, with the concurrence of the Executive Committee, appoint the personnel employed by such Commission, and shall, in accordance with the general policies of such Commission with respect to the work to be accomplished by it and the timing thereof, be responsible for (1) the supervision of personnel employed by such Commission, (2) the assignment of duties and responsibilities among such personnel, and (3) the use and expenditure of funds available to such Commission.

APPROPRIATIONS AUTHORIZED

SEC. 406. There is hereby authorized to be appropriated for the purposes of this title the sum of $35,000,000 for the fiscal year ending June 30, 1972, and the sum of $35,000,000 for each fiscal year thereafter. Any sums so appropriated shall remain available until expended.

TITLE V—STATE AND METROPOLITAN AREA DEVELOPMENT AGENCIES

DECLARATION OF PURPOSE

SEC. 501. It is the purpose of this title to encourage the formation of State and metropolitan area development agencies which have broad and flexible authority to carry out development activities designed to (1) provide housing and related facilities for persons and families of low and moderate income, (2) promote the sound growth and development of neighborhoods through the revitalization of slum and blighted areas, and (3) increase and improve employment opportunities through the development and redevelopment of industrial, manufacturing, and commercial facilities.

ELIGIBLE DEVELOPMENT AGENCIES

SEC. 502. (a) A State or metropolitan area development agency is eligible for assistance under this title only if the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") determines that it is fully empowered and has adequate authority, acting as a large-scale developer, to carry out the purposes specified in subsection (b), including the authority to sell, lease, or otherwise dispose of its interest in projects undertaken by it in carrying out the purposes of this title, to participate in programs or projects carried on by Federal, State, or local governments, to provide for the relocation of persons, families, business concerns, and nonprofit organizations displaced in carrying out its development activities, to exercise its powers and functions through subsidiaries established by it, and to establish community advisory committees to advise it concerning its proposed activities in any area.

(b) For the purposes of this title—

(1) a "State development agency" means any public body or agency, publicly sponsored corporation, or instrumentality of one or more States; and

(2) a "metropolitan area development agency" means any public body or agency, publicly sponsored corporation, or other instrumentality of two or more units of general local government which are located in a standard metropolitan statistical area (as defined by the Office of Mangement and Budget) and one of which is the central city of such standard metropolitan statistical area, but only if such public body or agency, publicly sponsored corporation, or other instrumentality has as its general purposes in whole or in part (A) the provision of decent, safe, and sanitary housing and related facilities for low-income and moderate-income persons and families through construction, rehabilitation, or management of housing, (B) the revitalization of slum and blighted urban neighborhoods through clearance, reconstruction, and rehabilitation of such neighborhoods and the provision of necessary public and community facilities and services, and (C) the development of job opportunities for unemployed and underemployed persons through the development of new, and the redevelopment of existing, industrial, manufacturing, and commercial facilities.

(c) As used in this title, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of the foregoing.

GUARANTEES OF OBLIGATIONS

SEC. 503. (a) The Secretary of Housing and Urban Development is authorized to guarantee, and enter into commitments to guarantee, the bonds, debentures, notes, and other obligations issued by State and metropolitan area development agencies to finance development activities as determined by him to be in furtherance of the purpose of this title. The Secretary may make such guarantees and enter into such commitments upon such terms and conditions as he may prescribe, except that no obligation shall be guaranteed under this title if the income from such obligation is exempt from Federal taxation, The Secretary is authorized to make grants to any State or metropolitan area development agency the obligations of which are guaranteed under this title in amounts estimated by him not to exceed the difference between the interest paid on such obligations and the interest (as estimated by him) which would be paid on similar obligations the income from which is exempt from Federal taxation.

(b) The full faith and credit of the United States is pledged to the payment of all guarantees made under this title with respect to principal, interest, an any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

(c) The Secretary is authorized to establish and collect such fees and charges for and in connection with guarantees made under this title as he considers reasonable.

(d) The aggregate principal amount of the obligations which may be guaranteed under this title and outstanding at any one time shall not exceed $500,000,000.

LIMITATION OF GUARANTEES

SEC. 504. The Secretary shall take such steps as he considers reasonable to assure that bonds, debentures, notes, and other obligations which are guaranteed under section 503 will—

(1) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(2) bear interest at a rate satisfactory to the Secretary;

(3) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

(4) contain or be subject to provisions with respect to the protection of the security interests of the United States, including the recording of liens, payment of taxes, cost certification procedures, escrow or trusteeship requirements, or other matters.

REVOLVING FUND

SEC. 505. (a) The Secretary is authorized to establish a revolving fund to provide for the timely payment of any liabilities incurred as a result of guarantees or grants under section 503 and for the payment of obligations issued to the Secretary of the Treasury under subsection (b) of this section. Such revolving fund shall be comprised of (1) receipts from fees and charges; (2) recoveries under security, subrogation, and other rights; (3) repayments, interest income, and any other receipts obtained in connection with guarantees made under section 503; (4) proceeds of the obligations issued to the Secretary of the Treasury pursuant to subsection (b) of this section; and (5) such sums, which are hereby authorized to be appropriated, as may be required for the purpose of making grants to agencies under section 503. Money in the revolving fund not currently needed for the purpose of this title shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(b) The Secretary may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary to carry out his functions with respect to the guarantees authorized by section 503. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder.

(c) Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary shall have power, for the protection of the interests of the fund authorized under this section, to pay out of such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by him as a result of recoveries under security, subrogation, or other rights.

GRANTS

SEC. 506. (a) The Secretary is authorized to make and contract to make grants to State and metropolitan area development agencies, in such amounts and under such terms and conditions as he prescribes, to assist in defraying the administrative and operating expenses of such agencies during the first three full fiscal years of their operation. Grants made to any such agency under this section shall not exceed (1) the full amount of its administrative and operating expenses during the first full fiscal year of its operations under this title, (2) two-thirds of such expenses during the second full fiscal year of such operations, and (3) one-half of such expenses during the third full fiscal year of such operations.

(b) There are authorized to be appropriated for grants under this section not to exceed $20,000,000 for each of the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975. Any amounts so appropriated shall remain available until expended, and any amounts authorized for any fiscal year but not appropriated may be appropriated for any succeeding fiscal year.

TECHNICAL ASSISTANCE

SEC. 507. The Secretary is authorized to provide, either directly or by contract or other arrangements, technical assistance to State and metropolitan area development agencies to assist them in connection with planning and carrying out development activities in furtherance of the purpose of this title.

LABOR STANDARDS

SEC. 508. All laborers and mechanics employed by contractors or subcontractors in development activities assisted under this title shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a-5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for twelve or more families. No assistance shall be extended under this title with respect to any development activities without first obtaining adequate assurance that these labor standards will be maintained upon the work involved in such activities. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

GENERAL PROVISIONS

SEC. 509. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Secretary, in addition to any authority otherwise vested to him, shall—

(1) have the power, notwithstanding any other provision of law, in connection with any assistance under this title, whether before or after default, to provide by contract for the extinguishment upon default of any redemption, equitable, legal, or other right, title, or interest of a State or metropolitan area development agency in any mortgage, deed, trust, or other instrument held by or on behalf of the Secretary for the protection of the security interests of the United States; and

(2) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon him by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which he has provided assistance pursuant to this title. In the event of any such acquisition, the Secretary may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property. Notwithstanding any other provision of law, the Secretary shall also have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in connection with any security, subrogation, or other rights obtained by him in administering this title.

(b) There are authorized to be appropriated such sums as may be necessary for the administrative expenses of carrying out this title, including the expenses of providing assistance under section 507.

TITLE VI—NATIONAL DEVELOPMENT BANK

FINDINGS AND DECLARATION OF PURPOSE

SEC. 601. It is the purpose of this title to broaden the sources and decrease the costs of obtaining capital funds for State and local governments by establishing, with State and local governments, a National Development Bank to make long-term development loans and provide technical assistance to such governments and their agencies to help them meet needs for essential public works and community facilities, including the acquisition of land necessary thereto.

CREATION OF BANK

SEC. 602. There is hereby created a body corporate to be known as the National Development Bank, which shall have succession until dissolved by Act of Congress. The bank, which shall be an independent agency of the United States Government, shall maintain such offices as may be necessary or appropriate in the conduct of its business. Neither the bank nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation of the United States Government unless the Congress shall otherwise by law provide.

BOARD OF DIRECTORS

SEC. 603. (a) The bank shall have a board of directors which shall consist of fourteen persons, one of whom shall be the president of the bank. The President of the United States, by and with the advice and consent of the Senate, shall appoint the directors, not more than three of whom shall be officers or employees of the United States and at least seven of whom shall be persons identified with or representative of State or local government.

(b) The board of directors shall meet at the call of its chairman, who shall require it to meet not less often than once each month.

(c) The President, by and with the advice and consent of the Senate, shall appoint a president of the bank, who shall serve at the pleasure of the President. The president shall be chairman of the board of directors. Subject to the general policies of the board, the management of the bank shall be vested in the president and he shall be the chief executive officer of the bank.

INITIAL EXPENSES

SEC. 604. In order to facilitate the formation of the bank, the Secretary of Housing and Urban Development is authorized to pay its initial organizing and operating expenses. There is authorized to be appropriated a sum not to exceed $1,000,000, which sum shall be available for the purposes of this section for a period of three years from the date of the enactment of this Act.

FUNCTIONS

SEC. 605. (a) The bank is authorized, subject to the provisions of this section, to make commitments to purchase, and to purchase, service, or sell, on terms and conditions determined by the bank, any obligation (or participation therein) of a State or local government, except that no obligation may be purchased under this title if the income from such obligation is exempt from Federal taxation.

(b) Purchases made by the bank shall be in accordance with sound and prudent development banking principles. No commitment for any purchases shall be entered into, and no purchase shall be made, unless the bank determines that the proceeds of such purchase will be used by the borrower to finance capital expenditures for public works and community facilities serving community needs.

(c) The bank shall develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the community in which the projects to be assisted will be located or disruptive of Federal programs which authorize Federal assistance for the development or like or similar categories of projects.

(d) The bank shall develop criteria to assure that projects assisted by it are not inconsistent with the regulations of the National Growth Planning Council.

(e) Any obligations purchased pursuant to this section may be in an amount not exceeding the total capital cost of the project to be financed with the proceeds thereof, shall be secured in such manner and be repaid in such period, not exceeding forty years, as may be determined by the bank, and shall bear interest at a rate determined by the bank which shall not be less than two-thirds of the current average yield on outstanding obligations of the bank as of the last day of the month preceding the date on which the purchase is made.

OBLIGATIONS OF THE BANK

SEC. 606. (a) The bank is authorized, with the approval of the Secretary of the Treasury, to issue and have outstanding obligations having such maturities and bearing such rate or rates of interest as may be determined by the bank. Such obligations may be redeemable at the option of the bank before maturity in such manner as may be stipulated therein. The aggregate amount of obligations of the bank outstanding at any one time shall not exceed $5,000,000,000, which amount shall be increased by $5,000,000,000 on July 1, 1974, and by $5,000,000,000 on July 1, 1975. The full faith and credit of the United States is pledged to the payment of all obligations issued pursuant to this subsection with respect to both principal and interest. The bank is authorized to purchase in the open market any of its outstanding obligations.

(b) In addition to the obligations of the bank authorized to be outstanding in subsection (a) of this section, the bank is authorized to issue obligations to the Secretary of the Treasury. The Secretary of the Treasury is authorized to purchase any such obligations in order to insure the financial integrity of the operations of the bank, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act as now or hereafter in force are extended to include such purchases. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate not less than a rate determinated by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

(c) The receipts and disbursements of the bank in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any annual expenditure and net lending (budget outlays) limitations imposed on the budget of the United States Government. In accordance with the provisions of the Government Corporation Control Act, the President shall transmit annually to the Congress a budget for program activities and for administrative expenses of the bank, which budget shall also include the estimated annual net borrowing by the bank from the United States Treasury. The President shall report annually to the Congress the amount of net lending of the bank, including any net lending created by the net borrowing from the United States Treasury, which would be included in the totals of the budget of the United States Government if the bank's activities were not excluded from from those totals as a result of this subsection.

FEDERAL PAYMENT TO THE BANK

SEC. 607. (a) With respect to such amounts of purchases made by the bank as may be specified in appropriation Acts, the Secretary of Housing and Urban Development is authorized to make, and to contract to make, annual payments to the bank in such amounts as are necessary to equal the amount by which the dollar amount of interest paid by the bank on account of its obligations exceeds the dollar amount of interest received by the bank on account of purchases made by it pursuant to section 605 of this Act.

(b) There are hereby authorized to be appropriated to the Secretary of Housing and Urban Development such sums as may be necessary to carry out the provisions of the title, including such sums as may be necessary to make the annual payments required by contracts entered into by the Secretary pursuant to subsection (a) of this section.

GENERAL POWERS

SEC. 608. The bank shall have power—

(1) to sue and be sued, complain and defend, in its corporate name and through its own counsel;

(2) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) to adopt, amend, and repeal by its board of directors such bylaws, rules, and regulations as may be necessary for the conduct of its business;

(4) to conduct its business, carry on its operations, and have offices and exercise the powers granted by this title in any State without regard to any qualification or similar statute in any State;

(5) to lease, purchase, or otherwise acquire, own, hold, improve, use or otherwise deal in and with, any property, real, personal, or mixed, or any interest therein, wherever situated;

(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the bank;

(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, and to require bonds for them and fix the penalty thereof; and

(9) to enter into contracts to execute instruments to incur liabilities, and to do all things necessary or incidental to the proper management of its affairs and the proper conduct of its business.

TECHNICAL ASSISTANCE

SEC. 609. (a) The bank is authorized to provide technical assistance to State, metropolitan area, and other governmental agencies in the preparation and implementation of comprehensive development projects and programs, including the evaluation of priorities and the formulation of specific project proposals. The bank may charge appropriate fees for its services under this subsection.

(b) The bank is also authorized to undertake research and information gathering activities, and to facilitate the exchange of advanced concepts and techniques relating to national growth and development among State and local governments.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 610. (a) The financial transactions of the bank shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the bank and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(b) The expenses of any audit performed under this section shall be borne out of appropriations to the General Accounting Office, and appropriations in such sums as may be necessary are authorized. The bank shall reimburse the General Accounting Office for the full cost of such audit as billed therefor by the Comptroller General, and the General Accounting Office shall deposit the sums so reimbursed into the Treasury as miscellaneous receipts.

(c) A report of each such audit for a fiscal year shall be made by the Comptroller General to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement (showing intercorporate relations) of assets and liabilities, capital, and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Congress informed of the operations and financial condition of the bank, together with such recommendations with respect thereto as the Comptroller General may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Housing and Urban Development, to the Secretary of the Treasury, and to the bank.

TAX EXEMPTION

SEC. 611. The bank, its property, its franchise, capital, reserves, surplus, security holdings, and other funds and its income, shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority; except that (1) any real property and any tangible personal property of the bank shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any and all obligations issued by the bank shall be subjected both as to principal and interest to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

OBLIGATIONS AS LAWFUL INVESTMENTS, ACCEPTANCE AS SECURITY

SEC. 612. All obligations issued by the bank shall be lawful investments (and may be accepted as security) for all fiduciary, trust, and public funds the investment or deposit of which is under the authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the bank pursuant to this title shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States.

PREPARATION OF OBLIGATIONS

SEC. 613. In order to furnish obligations for delivery by the bank, the Secretary of the Treasury is authorized to prepare such obligations in such form as the board of directors may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the bank. The engraved plates, dies, bed pieces, and so forth executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The bank shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

ANNUAL REPORT

SEC. 614. The bank shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress an annual report of its operations and activities.

AMENDMENTS RELATING TO FINANCIAL INSTITUTIONS

SEC. 615. (a) The sixth sentence of the seventh paragraph of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting "or obligations of the National Development Bank," immediately after "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association,".

(b) Section 5200 of the Revised Statutes, as amended (12 U.S.C. 84), is amended by adding at the end thereof the following new paragraph:

"(14) Obligations of the National Development Bank shall not be subject to any limitation based upon such capital and surplus."

(c) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933, as amended, 12 U.S.C. 1464(c)), is amended by inserting "or in obligations of the National Development Bank," in the second proviso immediately after "any political subdivision thereof;".

(d) Paragraph (2) of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is further amended by inserting ", or any obligation of the National Development Bank" immediately before the period at the end thereof.

DEFINITIONS

SEC. 616. As used in this title—

(1) the term "bank" means the National Development Bank created by section 602 of this Act;

(2) the term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory of possession of the United States;

(3) the term "local government" means any county, municipality, or other political subdivision of a State, or any agency or instrumentality thereof, or any school or other special district created by or pursuant to state law; and

(4) the term "obligation" means any bond, note, debenture, or other instrument evidencing debt.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 617. There are authorized to be appropriated without fiscal year limitation, such sums as may be necessary to carry out the purposes of this title.

TITLE VII—COMMUNITY DEVELOPMENT BLOCK GRANTS

PURPOSE

SEC. 701. It is the purpose of this title to further the development of a National Growth Policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a single, consistent system of Federal aid which—

(1) is funded in advance on a regular basis upon which communities can rely in their planning;

(2) can provide assistance on an annual basis with maximum certainty and efficiency and minimum delay;

(3) encourages community development activities which are consistent with comprehensive local and area-wide development planning; and

(4) furthers achievement of the national housing goal of a decent home and a suitable living environment for every American family.

DEFINITIONS

SEC. 702. (a) As used in this title—

(1) The term "unit of general local government" means any city, municipality, county, town, township, parish, village, or other general purpose political subdivision of a State, and the District of Columbia.

(2) The term "metropolitan area" means a standard metropolitan statistical area, as established by the Office of Management and Budget, subject, however, to such modifications or extensions as the Secretary deems to be appropriate for purposes of this title.

(3) The term "metropolitan city" means (A) a city within a metropolitan area which

is the central city of such area, as defined and used by the Office of Management and Budget, (B) any other city, within a metropolitan area, which has a population of fifty thousand or more, or (C) a combination of two or more units of general local government within a metropolitan area, recognized by the Secretary for purposes of this title and having a population of fifty thousand or more.

(4) The term "population", with respect to any area or unit, means the total resident population of such area or unit based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(5) The term "amount of poverty" means the number of persons (or, alternatively, the number of families and unrelated individuals) whose incomes are below the poverty level multiplied by two. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making appropriate adjustments for regional variations in income and cost of living, and shall be based on data referable to the same point or period in time.

(6) The term "amount of overcrowding" means the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(7) The term "extent of housing deficiencies" means the number of housing units lacking some or all plumbing facilities based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(8) The term "Federal grant-in-aid program" means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(9) The term "Secretary" means the Secretary of Housing and Urban Development.

(b) Where appropriate, the definitions in subsection (a) shall be based on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget on the date of the enactment of this Act (with respect to the fiscal year in which this Act is enacted), and ninety days prior to the beginning of each subsequent fiscal year. The Secretary may by regulation change or otherwise modify the definitions in subsection (a) in order to reflect any change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

AUTHORIZATION OF GRANTS

SEC. 703. The Secretary is authorized to make and contract to make annual grants to units of general local government to help finance Community Development Programs approved in accordance with the provisions of this title. The amount of any such grant shall not exceed 90 per centum of the Secretary's estimate of the annual cost of the approved Community Development Program with respect to which it is made.

ELIGIBLE-COMMUNITY DEVELOPMENT PROGRAMS

SEC. 704. (a) No grant may be made under this title unless the Secretary has determined that the applicant—

(1) has identified community needs and specified both short- and long-term community development objectives which are consistent with national, regional, State, areawide, and local comprehensive development planning and growth policies;

(2) has formulated a program which includes activities designed to provide an adequate supply of standard housing, particularly for low- and moderate-income individuals and families who are employed in the community; and

(3) in the case of an applicant which is a metropolitan city—

(A) has established a realistic three-year schedule of program activities designating resources which can and will be made available locally toward meeting those community needs;

(B) has made satisfactory provision for the periodic reexamination of program methods and objectives as information becomes available on the social, economic, and environmental consequences of program activities; and

(C) has formulated a comprehensive program which includes activities designed to—

(i) eliminate or prevent slums, blight, and deterioration; and;

(ii) develop properly planned community facilities and public improvements, including the provisions of supporting health, social, and similar services.

COMMUNITY DEVELOPMENT PROGRAM ACTIVITIES ELIGIBLE FOR ASSISTANCE

SEC. 705. A Community Development Program assisted under this title may include—

(1) the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) necessary for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (C) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (D) to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements, including water and sewer facilities, neighborhood facilities, historic properties, utilities, streets, street lights, foundations and platforms for air rights sites, pedestrian malls and walkways, parks, and playgrounds;

(3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with those public improvements to be provided, may be expected to arrest the decline of the area;

(4) clearance, demolition, removal, and rehabilitation of buildings and improvements (including financing of the rehabilitation of privately owned properties);

(5) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocations of individuals and families displaced by program activities;

(6) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;

(7) provision of health, social, and similar services where the Secretary deems it necessary to properly support other approved community development activities; and

(8) such other projects or activities assisted under a Federal grant-in-aid program as the Secretary approves as part of a community development program.

AUTHORIZATION OF APPROPRIATIONS AND ALLOCATION OF FUNDS

SEC. 706. (a) (1) To finance grants for allocation to metropolitan areas under subsection (b), the Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating not to exceed $7,500,000,000. This amount shall become available for obligation on July 1, 1973, and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this paragraph not to exceed $2,000,000,000 prior to July 1, 1974, which amount may be increased to not to exceed an aggregate of $4,500,000,000 prior to July 1, 1975, and to not to exceed an aggregate of $7,500,000,000 thereafter. Sums appropriated under this paragraph shall remain available until expended. The Secretary shall report annually to the Congress with respect to outstanding grants or other contractual agreements executed pursuant to this paragraph.

(2) There are authorized to be appropriated for grants to States and to units of general local government outside metropolitan areas under subsection (c) not to exceed $500,000,000 for the fiscal year commencing July 1, 1973, not to exceed $500,000,000 for the fiscal year commencing July 1, 1974, and not to exceed $500,000,000 for the fiscal year commencing July 1, 1975. Any amounts appropriated under this paragraph shall remain available until expended and any amounts authorized for any fiscal year under this paragraph but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1976.

(b) (1) The amount available for obligation under subsection (a) (1) shall be allocated by the Secretary to all metropolitan areas as provided in this subsection.

(2) The Secretary shall allocate to each metropolitan area an amount which bears the same ratio to the total amount available for obligation for any fiscal year as the average of the ratios between—

(A) the population of that metropolitan area and the population of all metropolitan areas;

(B) the amount of poverty in that metropolitan area and the amount of poverty in all metropolitan areas; and

(C) the amount of overcrowding in that metropolitan area and the amount of overcrowding in all metropolitan areas.

(3) From the amount allocated to each metropolitan area, the Secretary shall distribute to each metropolitan city within that area an amount which bears the same ratio to the allocation for the metropolitan area as the average of the ratios between—

(A) the population of that metropolitan city and the population of the metropolitan area;

(B) the amount of poverty in that metropolitan city and the amount of poverty in the metropolitan area; and

(C) the amount of overcrowding in that metropolitan city and the amount of overcrowding in the metropolitan area.

(4) The remainder of the allocation to each metropolitan area shall be distributed by the Secretary to units of general local government within that metropolitan area, taking into consideration such factors as population, amount of poverty, amount of overcrowding, and other fiscal and social conditions prevailing in the metropolitan area. Until such time as a metropolitan city is eligible to receive funds and carry out activities as provided by this title or in the event that such a city refuses to accept such funds, the funds otherwise available for allocation to it under paragraph (2) shall be added to the funds available for distribution by the Secretary under this paragraph.

(c) The amounts appropriated pursuant to subsection (a) (2) shall be distributed by the Secretary to States and to units of general local government outside metropolitan areas, taking into consideration such factors as population, amount of poverty, amount of overcrowding, extent of housing deficiencies, and other social and fiscal conditions.

(d) All computations and determinations by the Secretary under this section shall be final and conclusive.

LABOR STANDARDS

SEC. 707. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with grants received under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5): *Provided,* That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

MATCHING GRANTS

Sec. 703. Funds provided under this title may be used by a recipient to cover up to 90 per centum of the required non-Federal share of any Federal grant-in-aid program where assistance is being provided for community development activities approved by the Secretary.

EFFECTIVE DATE

Sec. 709. The provisions of this title shall be effective on July 1, 1973. After such effective date, no new grants or loans may be made pursuant to title I of the Housing Act of 1949, section 312 of the Housing Act of 1964, sections 702 and 703 of the Housing and Urban Development Act of 1965, or title VII of the Housing Act of 1961, except with respect to projects or programs for which funds have been committed on or before June 30, 1973.

TITLE VIII—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954 TO DETER CORPORATE FACILITY AND JOB RELOCATION INCONSISTENT WITH BALANCED NATIONAL GROWTH

Sec. 801. Section 48(a) of the Internal Revenue Code of 1954 (relating to definition of section 38 property) is amended by adding at the end thereof the following new paragraphs:

"(10) Requirement of net additions to employment in high unemployment areas.—The term 'section 38 property' does not include property—

"(A) the construction, reconstruction, or erection of which by the taxpayer commences after the date of the enactment of this paragraph, or

"(B) which is acquired pursuant to an order placed after such date,

unless the taxpayer establishes that the placement in service of the property will result in net additions to employment offered by the taxpayer in high unemployment areas. For purposes of this paragraph and paragraph (11), the term 'high unemployment area' means any State, standard metropolitan statistical area, or other geographical area designated by the Secretary of Labor to be 'a labor market' for purposes of title IV of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161), in which the average unemployment rate exceeded 6 percent during the 12-month period preceding the taxable year.

"(11) Investment related to plant departure from high unemployment areas.—The term 'section 38 property' does not include property which qualifies under paragraph (10) if it is determined that—

"(A) the placement in service of the property is or will be made in connection with the closing of existing facilities, or their diminished use, and

"(B) that such closing or diminished use has reduced or will reduce employment offered by the taxpayer in high unemployment areas."

Sec. 802. Section 103(c) of the Internal Revenue Code of 1954 (relating to industrial development bonds) is amended by adding at the end thereof the following new paragraph:

"(8) Certain facilities related to plant departure from high unemployment areas.—Paragraph (6) shall not apply to any obligation if it is determined that—

"(A) the use of any facility financed in whole or part by such obligation is or will be made in connection with the closing of existing facilities or their diminished use, and

"(B) that such closing or diminished use has reduced or will reduce employment offered by the taxpayer in high unemployment areas (as defined in section 48(a)(10))."

Sec. 803. (a) Section 354 of the Internal Revenue Code of 1954 (relating to exchanges of stock and securities in certain reorganizations) is amended by adding at the end thereof the following new subsection:

"(d) Limitation.—Subsection (a) shall not apply to an exchange in pursuance of a plan of reorganization adopted after the date of enactment of this subsection, if the total fair market value of the assets of the corporations which are parties to the reorganization exceeds $10,000,000. For purposes of this subsection, the assets of a corporation include the total assets of any controlled group of corporations of which it is a component member (within the meaning of section 1563)."

(b) Section 355 of such Code (relating to distribution of stock and securities of a controlled corporation) is amended by adding at the end thereof the following new subsection:

"(c) Limitation.—Subsection (a) shall not apply to a distribution after the date of the enactment of this subsection, if, immediately prior to the distribution, the total fair market value of the assets of the distributing corporation (including stock and securities of the controlled corporation) exceeds $10,000,000. For purposes of this subsection, the assets of a corporation include the total assets of any controlled group of corporations of which it is a component member (within the meaning of section 1563)."

(c) Section 361 of such Code (relating to nonrecognition of gain or loss to corporations) is amended by adding at the end thereof the following new subsection:

"(c) Limitation.—Subsection (a) shall not apply to an exchange in pursuance of a plan of reorganization adopted after the date of the enactment of this subsection, if the total fair market value of the assets of the corporations which are parties to the reorganization exceeds $10,000,000. For purposes of this subsection, the assets of a corporation include the total assets of any controlled group of corporations of which it is a component member (within the meaning of section 1563)."

(d) Section 337 of such Code (relating to the nonrecognition of gain or loss in connection with certain liquidations) is amended by adding at the end of subsection (c) thereof the following new paragraph:

"(3) Liquidation following sales to certain corporations.—This sction shall not apply to any sale or exchange of assets if the total fair market value of the assets of the corporations which are parties to the sale or exchange exceeds $10,000,000. For purposes of this paragraph, the assets of a corporation include the total assets of any controlled group of corporations of which it is a component member (within the meaning of section 1563)."

Sec. 804. Section 453(b) of the Internal Revenue Code of 1954 (relating to use of installment method for certain sales) is amended by adding at the end thereof the following new paragraph:

"(4) Certain sales of stock and assets of corporations.—Paragraph (1) shall not apply to a sale or other disposition of substantially all of the stock or properties of a corporation to another corporation if the total fair market value of the assets of the two corporations exceeds $10,000,000. For purposes of this paragraph, the assets of a corporation include the total assets of any controlled group of corporations of which it is a component member (within the meaning of section 1563)."

Sec. 805. (a) Section 368(a)(2) of the Internal Revenue Code of 1954 (relating to reorganizations) is amended by adding at the end thereof the following new subparagraph:

"(F) Certain acquisitions of small business corporations.—In the case of an acquisition by an independent corporation of stock or properties of a small business corporation in pursuance of a plan of reorganization adopted after the date of the enactment of this subparagraph, paragraphs (1)(B) and (1)(C) shall apply if the independent corporation exchanges (in addition to voting stock) its securities or other obligations for the stock or properties of the small business corporation. For purposes of this subparagraph, the term 'small business corporation' has the meaning assigned to it by section 1371(a) (except that for this purpose, '100 shareholders' shall be substituted for '10 shareholders' in subsection 1371 (a)(1)), and the term 'independent corporation' means a corporation which is not a component member of a controlled group of corporations (within the meaning of section 1563)".

(b) Section 354(a) of such Code (relating to exchanges of stock and securities in certain reorganizations) is amended by renumbering paragraph (3) as (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Certain reorganizations involving small business corporations.—In the case of an exchange described in section 368 (a) (2) (F), paragraph (2) shall not apply and, for purposes of this subpart, the term 'securities' includes any interest-bearing obligation".

Sec. 806. The amendments made by this title shall apply to taxable years ending after the date of the enactment of this Act.

TITLE IX—REQUIREMENTS WITH RESPECT TO THE LOCATION IMPACT OF FEDERAL FACILITIES, ACTIVITIES AND FEDERAL PROCUREMENT

LOCATION OF FEDERAL FACILITIES AND ACTIVITIES

Sec. 901. (a) All departments and agencies of the Federal Government shall include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the growth of the United States, a detailed statement regarding—

(1) the population distribution impact of such proposed action as to—

(A) the necessary additional supportive human services required to support such action;

(B) the cost of such action;

(C) the time implementation of both the action and the supportive services;

(D) the economic and social cost effects on the population; and

(E) the positive and adverse effects on scale, services, environment, life style, employment opportunities, and on the general quality of life of the people affected by such action;

(2) alternatives to the proposed action; and

(3) any irreversible and irretrievable commitment of resources which would be involved in the proposed action should it be implemented.

(b) Each department or agency of the Federal Government shall, prior to the location of any new, or relocation of any existing, Federal facility or the initiation of any activity which will have any economic or environmental impact, to file a report with the Council with respect to—

(1) its consistency with balanced national growth policies;

(2) its regional and local environmental impact;

(3) its national, regional, and local economic impact;

(4) its general effect on balanced regional development; and

(5) the Federal capital and operating costs involved.

(c) The Council through its regional representative shall give prompt consideration to such reports, and may recommend disapproval of such facility or activity, and the reasons therefor, to the head of the department or agency submitting such report and to the Administrator of the General Services Administration. Any such recommendation shall also be submitted to the appropriate congressional committee. No such action shall go into effect until approved by the President.

(d) The Council shall promulgate such rules and regulations as it determines to be necessary for the effective implementation of section 901(b) of the Agricultural Act of 1970.

(e) The provisions of this section shall be effective on such date as is established in regulations prescribed by the Council for the purposes of this section.

FEDERAL PROCUREMENT POLICIES

SEC. 902. (a) The Council shall promulgate such regulations as are necessary to assure that in all procurement costing in excess of prescribed amounts by Federal departments and agencies, including the award of contracts for research or development, proper consideration is given to—

(1) balanced national growth and development policies;

(2) environmental impact;

(3) balanced regional development;

(4) Federal cost; and

(5) State and local economic impact.

Such regulations shall provide for the use of alternative sources in such procurement, if costs are not excessive, in order to promote the purposes of this Act, and shall establish criteria for determining all considerations for the purpose of this section. In applying the provisions of this section to the award of research and development contracts due consideration shall be given to the balanced national growth purpose to be served.

(b) Regulations pursuant to this section shall not be effective until proposals therefor have been submitted to the appropriate congressional committees, with an adequate time, not to exceed 90 days, for such committees to consider such proposals.

SECTION-BY-SECTION OUTLINE

SHORT TITLE: "NATIONAL GROWTH POLICY PLANNING ACT"

Findings

Sec. 1–2. Finds that there is an immediate national interest in an efficient and comprehensive system of national, regional, statewide, metropolitan area and local growth policy planning and decision making.

Policy

Sec. 3. Declares that the National Growth Policy should incorporate ecological, environmental, esthetic, economic, social, demographic and other appropriate factors.

Purpose

Sec. 4. Provides for 13 purposes of the Act.

Sec. 5. Effect on Existing Laws.

Sec. 6. Definitions.

Sec. 7. Authorization of Appropriations.

Title I—National Growth Policy Planning Council

Sec. 101. Establishes in the Executive Office of the President a National Growth Policy Planning Council of seven members.

Sec. 102. Authority.

Sec. 103. Functions of the Council.

Sec. 104. Administrative Provisions.

Sec. 105. Reports and Evaluations.

Sec. 106. Studies.

Sec. 107. Annual report on National Growth and Development.

Sec. 108. Evaluations by the Council of Economic Advisors, the Council on Environmental Quality, and the National Growth Policy Planning Council.

Sec. 109. Abolition of the Domestic Council

Sec. 110. Transfer of functions from Office of Management and Budget with respect to review of Federal projects and liaison with State and local governments.

Sec. 111. Transfer of comprehensive planing assistance programs to the Council.

Title II National Growth Policy Planning and Assistance through State and Metropolitan Planning Grants

Sec. 201. Grants-In-Aid

Sec. 202. Guidelines and Requirements for Growth Policy Plans

Sec. 203. Review of plans

Sec. 204. Coordination of Federal programs

Sec. 205. Grant formula

Sec. 206. Grant computation and payments

Sec. 207. Financial records

Sec. 208. Termination of Assistance

Sec. 209. Sanctions and Noncompliance

Title III Report on Consolidation of Federal Comprehensive Planning Activities and Planning Assistance Programs

Sec. 301. See above

Title VI Regional Growth Planning and Development Commissions

Sec. 401. Declaration of Findings and Purpose

Sec. 402. Determination of Regional Boundaries

Sec. 403. Establishment of Regional Growth Planning and Development Commission

Sec. 404. Functions

Sec 405. Administrative powers

Sec. 406. Appropriations authorizations

Title V State and Metropolitan Area Development Agencies

Sec. 501. Declaration of Purpose

Sec. 502. Eligible Development Agencies

Sec. 503. Guarantees of obligations

Sec. 504. Limitation of Guarantees

Sec. 505. Revolving fund

Sec. 506. Grants

Sec. 507. Technical Assistance

Sec. 508. Labor standards

Sec. 509. General provisions

Title VI National Development Bank

Sec. 601. Findings and Declaration of Purpose

Sec. 602. Creation of Bank

Sec. 603. Board of Directors

Sec. 604. Initial expenses

Sec. 605. Purposes

Sec. 606. Obligations of the Bank

Sec. 607. Federal payment to the Bank

Sec. 608. General powers

Sec. 609. Technical assistance

Sec. 610. Audit of financial transactions

Sec. 611. Tax exemption

Sec. 612. Obligations as lawful investments acceptance as security

Sec. 613. Preparation of obligation

Sec. 614. Annual report

Sec. 615. Amendments relative to financial institutions

Sec. 616. Definitions

Sec. 617. Authorization for appropriations

Title VII. Community Development

Sec. 701. Purpose

Sec. 702. Definitions

Sec. 703. Authorization of grants

Sec. 704. Eligible Community Development Programs

Sec. 705. Community development program activities eligible for assistance

Sec. 706. Authorization of appropriations and allocation of funds

Sec. 707. Labor standards

Sec. 708. Matching grants

Sec. 709. Effective date

Title VIII—Amendments to the Internal Revenue Code of 1954 to Deter Corporate Facility and Job Relocation Inconsistent with Balanced National Growth

Sec. 801. Amends section 48 (a) of the Internal Revenue Code

Sec. 802. Amends section 103(c) of the Internal Revenue Code

Sec. 803. Amends sections 354, 355, 361 and 337 of the Internal Revenue Code

Sec. 804. Amends section 453 (b) of the Internal Revenue Code

Sec. 805. Amends sections 368 (a)(2) and 354 of the Internal Revenue Code

Title IX—Requirements With Respect to the Location Impact of Federal Facilities, Activities and Federal Procurement

Sec. 901. Location of Federal facilities and activities

Sec. 902. Federal Procurement policies

By Mr. KENNEDY:

S. 1287. A bill to extend diplomatic privileges and immunities to the Liaison Office of the People's Republic of China and to members thereof, and for other purposes. Referred to the Committee on Foreign Relations.

DIPLOMATIC IMMUNITY FOR REPRESENTATIVES OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. KENNEDY. Mr. President, I introduce for appropriate reference a bill to confer diplomatic immunity and other privileges on representatives of the People's Republic of China.

The purpose of this legislation is to pave the way for the establishment of the Liaison Office of the People's Republic of China, to be set up in Washington in the near future, in accord with the recent joint communique of our two nations announcing the establishment of such offices.

The communique was a dramatic and historic new step forward on the road to the restoration of full diplomatic relations between the United States and the People's Republic. Indeed, the establishment of the two reciprocal liaison offices—one in Peking, the other in Washington—was a unique development in American policy toward China, a breakthrough that was widely hailed as creating full diplomatic relations in all but name. As such, it was an imaginative innovation that enabled both nations to launch a new era of continuing formal relations, without compromising either nation's position on the status of Taiwan.

As I indicated at the time the joint communique was issued on February 22, I believe President Nixon and Dr. Kissinger and their Chinese counterparts deserve great credit for negotiating this new step. But I also believe we should embrace the occasion to insure that these special liaison offices blossom into full-fledged American and Chinese embassies at the earliest possible opportunity.

To this end, the bill that I introduce today specifically anticipates the day when full diplomatic relations will be achieved between the United States and the People's Republic of China. The bill accomplishes this purpose by providing diplomatic privileges and immunities not only for the members of the liaison office of the People's Republic of China, but also for any such liaison office that may be established in the future by the authorities on Taiwan. In other words, just as the liaison office is now an imaginative concept to establish relations with the People's Republic, so it also offers an approach enabling us to continue relations with Taiwan after ambassadorial relations are established with the People's Republic of China.

Thus, although the primary purpose of the bill is to lay the groundwork for the immediate establishment of the liaison office of the People's Republic, it also looks to the future, by setting the direction in which our policy should continue to be moving. As such, it confirms the extraordinarily successful developments we have witnessed in our China policy over the past 2 years, and for which President Nixon and Dr. Kissinger have been so deservedly praised.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, as well as the text of the joint communique with China, and the transcript of Dr. Henry Kissinger's news conference on the communique.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, under such terms and conditions as he shall determine and consonant with the purposes of this Act, the President is authorized to extend, or to enter into an agreement extending to the Liaison Office to be established in the United States of America by the People's Republic of China, and to members thereof, and to any future Liaison Office that may be established in the United States of America by the authorities on Taiwan, and to members thereof, the same privileges and immunities subject to corresponding conditions and obligations as are enjoyed by diplomatic missions accredited to the United States and by members thereof.

[From Presidential Documents, Richard Nixon, 1973, pp. 169–175]

DR. KISSINGER'S MEETINGS IN PEKING

U.S.-People's Republic of China Communiqué Following Dr. Henry A. Kissinger's Meetings With Chinese Leaders. February 22, 1973.

Dr. Henry A. Kissinger, Assistant to the U.S. President for National Security Affairs, visited the People's Republic of China from February 15 to February 19, 1973. He was accompanied by Herbert G. Klein, Alfred Le S. Jenkins, Richard T. Kennedy, John H. Holdridge, Winston Lord, Jonathan T. Howe, Richard Solomon, and Peter W. Rodman.

Chairman Mao Tsetung received Dr. Kissinger. Dr. Kissinger and members of his party held wide-ranging conversations with Premier Chou En-lai, Foreign Minister Chi Peng-fei, Vice Foreign Minister Chiao Kuan-hua, and other Chinese officials. Mr. Jenkins held parallel talks on technical subjects with Assistant Foreign Minister Chang Wen-chin. All these talks were conducted in an unconstrained atmosphere and were earnest, frank and constructive.

The two sides reviewed the development of relations between the two countries in the year that has passed since President Nixon's visit to the People's Republic of China and other issues of mutual concern. They reaffirmed the principles of the Joint Communique issued at Shanghai in February 1972 and their joint commitment to bring about a normalization of relations. They held that the progress that has been made during this period is beneficial to the people of their two countries.

The two sides agreed that the time was appropriate for accelerating the normalization of relations. To this end, they undertook to broaden their contacts in all fields. They agreed on a concrete program of expanding trade as well as scientific, cultural and other exchanges.

To facilitate this process and to improve communications it was agreed that in the near future each side will establish a liaison office in the capital of the other. Details will be worked out through existing channels.

The two sides agreed that normalization of relations between the United States and the People's Republic of China will contribute to the relaxation of tension in Asia and in the world.

Dr. Kissinger and his party expressed their deep appreciation for the warm hospitality extended to them.

(NOTE.—The communique was issued simultaneously in Washington and Peking.)

For Dr. Kissinger's news conference on his meetings with Chinese leaders, see the following item.

DR. KISSINGER'S MEETING IN HANOI AND PEKING

News Conference of Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs. February 22, 1973.

Mr. ZIEGLER. You have had a chance to read the communiqué. As Jerry mentioned to you, it is embargoed for transmission until 11 o'clock, eastern standard time.

Dr. Kissinger left on the 7th of this month, and he has visited Thailand, Laos, the DRV, and the PRC, and Japan, and returned to the United States on the 20th of this month and is here to talk about his travels and to take some of your questions. He is on the record, of course.

Dr. KISSINGER. I noticed that Ron has begun to speak with a German accent. [Laughter]

MEETINGS IN PEKING

Ladies and gentlemen, I thought I would begin by making some remarks about my trip to the People's Republic of China, then take some questions on that, including the communiqué, and then perhaps make a few additional comments to the briefing that Ron has already given you on the Hanoi communique.

To put this communiqué[1] into perspective and to elaborate on it for a bit, one should review the evolution of our China policy. When we first began our contacts with the People's Republic of China in 1969 through third parties, and in 1971 directly, the United States had not had any contact with the People's Republic in nearly 20 years, that is, no contact on a really substantial level.

Our early conversations were concerned primarily with building confidence, with explaining each other's position, with establishing channels of communication. Last year our achievements consisted of setting out direaction and indicating the roads that might be traveled. After the end of the war in Vietnam, and in these discussions in Peking, we were able to begin to travel some of these roads and to move from the attempt to eliminate the obstructions and the mistrust to some more concrete and positive achievements.

What happened in these meetings was really a continuation of possibilities that had been outlined during the President's visit and during the conversations between the President and Chairman Mao and Prime Minister Chou En-lai, except that now they took some more concrete form. As the communiqué points out, we reviewed the progress in Sino-American relations in great detail, and we reviewed the international situation in great detail.

We discussed the principles of the Shanghai communique,[2] particularly those that dealt with the desirability of normalization of relations, the desirability of reducing the danger of military conflict, the affirmation by both sides that neither would seek hegemony in the Pacific area, and each of them opposed the attempt of anyone else to achieve it, and that the relations between China and the United States would never be directed against any third country.

In that spirit, it was decided to accelerate the normalization of relations, to broaden contacts in all fields, and an initial concrete program for extending these contacts was developed.

Given this new range of contacts, it was decided that the existing channel in Paris was inadequate and that, therefore, each side would establish a liaison office in the capital of the other. This liaison office would handle trade as well as all other matters, except the strictly formal diplomatic aspects of the relationship, but it would cover the whole gamut of relationships. This liaison office will be established in the nearest future. Both sides will make proposals within the next few weeks to the other about their technical requirements, and henceforth it will be possible for the United States and the People's Republic of China to deal with each other in the capital of the other.

Now, in order to give some concrete expression to this desire for the normalization of relationships, it was agreed that a number of steps be taken.

First of all, the Chinese, as a sign of good will, have informed us that they would release, within the same time period as our withdrawal from Vietnam, the two military prisoners that they hold in China, Lieutenant Commander (Robert J.) Flynn and Major Philip (E.) Smith. They have been held in China since 1967 and 1965, respectively. They will be released within the next few weeks.

Prime Minister Chou En-lai also asked me to inform the President that the Chinese penal code provided for the periodic review of the sentences of prisoners and that this provision would be applied in the case of John Downey.

The Chinese penal code provides for commutation of sentences on the basis of good behavior. We have been told that the behavior of Mr. Downey has been exemplary and that his case would be reviewed in the second half of this year.

With respect to outstanding issues that have been discussed in other channels, it was agreed that the linked issue of United States private claims against the People's Republic of China and PRC blocked assets in the United States would be negotiated on a global basis in the immediate future. Discussions will begin on this subject between Secretary of State Rogers and the Chinese Foreign Minister next week when both are attending the International Conference on Vietnam in Paris, and we expect these negotiations to be concluded rapidly and in a comprehensive way, and we are certain that both sides are approaching them in a constructive spirit and in an attitude consistent with our intention to accelerate the improvement of our relations.

With respect to increased exchanges between the two countries, the Chinese have agreed to invite, during this year, the Philadelphia Symphony by the fall of 1973, a medical group during the spring, a scientific group during the summer, a group of elementary and high school teachers, again during the summer, and increased visits by

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[1] See the preceding item.

[2] For the text of the communique issued at Shanghai on February 27, 1972, see page 473 of Volume 8 of the Weekly Compilation of Presidential Documents.

Congressmen and Senators, as well as athletic teams, an amateur basketball team, and swimming and diving teams.

The People's Republic has agreed to send to the United States the achaeological exhibit from the Forbidden City, which will probably come here in 1974, a group of water conservation experts, insect hormone specialists, high energy physicists, and a gymnastic team.

When the liaison offices are established, possibility will exist for developing further contacts and accelerating this entire process.

The major point we want to make is this: Our contacts with the People's Republic of China have moved from hostility towards normalization. We both believe that it is essential for the peace of the world that the United States and the People's Republic of China act with a sense of responsibility in world affairs that we are part of an international community in which all nations have a stake in preserving the peace, and that, therefore, as the Shanghai communique has already said and as was reaffirmed once again, the normalization of relations between the United States and the People's Republic is not directed against any other nation, but is part of a pattern that the President has pursued of building a structure of peace in which all nations can participate and in which all nations have a stake.

It remains for me only to say that we were received with extraordinary courtesy and that the discussions were conducted in what was always described as an unconstrained atmosphere.

Now I will take your questions on China and after that a few comments on North Vietnam.

U.S. TROOPS ON TAIWAN

Q. Dr. Kissinger, did you come to any agreement with regard to Taiwan and U.S. troops there?

Dr. Kissinger. Inevitably the issue of Taiwan is one in which the People's Republic and we do not have the same perspective. The leaders of the People's Republic stated their view and we expressed our general commitments.

We, of course, continue to maintain diplomatic relations with Taiwan. The level of our troops on Taiwan is not the subject of negotiations, but will be governed by the general considerations of the Nixon Doctrine with respect to danger in the area. There exists no immediate plan for any withdrawal, but there will be a periodic review.

LIAISON OFFICES

Q. Doctor, what will be the rank of the liaison office heads? Will they be ambassadors?

Dr. Kissinger. Mr. Lisagor has addressed me by my academic title, which is very impressive to me.

The formal title of the head of the liaison office will be Chief of the Liaison Office. [*Laughter*] And we are not giving any formal diplomatic rank on either side. As soon as the person is selected, which should be within a month, I think his stature will then determine it, but there will be no formal title other than the one I have given.

Q. To what do you attribute the Chinese decision to send a permanent representative here in view of their previous refusal to have a permanent person any place where Taiwan is recognized?

Dr. Kissinger. The liaison office is, of course, not a formal diplomatic office, but I don't want to speculate on the motive for the Chinese decision.

Our policy had always been clear from our first contact. Certainly from the time that the President visited the People's Republic, he pointed out to Prime Minister Chou En-lai the types of American representation that would be available for establishment in Peking, which ranged from trade missions through various other possibilities to the idea of a liaison office.

Why the Chinese leaders have decided at this particular moment to accept this and to establish an office of their own in Washington, I would not want to speculate on, except that it is certainly consistent with speeding up the process of normalization.

Q. Was there any restriction or understanding on the size of the respective delegations?

Dr. Kissinger. No, but we expect it to be of moderate size at the beginning.

EXCHANGE OF JOURNALISTS

Q. Dr. Kissinger, how about the exchange of journalists and opening of permanent bureaus in both countries?

Dr. Kissinger. This is one of the topics that will be discussed through the existing channel and then through the liaison office. The Chinese side has indicated that it would be willing to send some journalists over here and it is, of course, clearly understood that we want to increase our journalistic contacts in the People's Republic.

I think there is some understanding in principle with respect to that the details of which have to be worked out.

TRADE PROGRAM

Q. What is the concrete program of expanding trade that the communique refers to?

Dr. Kissinger. To begin with, there is already a reasonable amount of trade, much larger than any projection had foreseen 2 years ago. The initial step in a further expansion has to be the discussion of the two issues that I have mentioned, namely the blocked assets and the private claims. When these two issues are resolved, which we expect to be fairly soon, then further steps can be taken.

Up to now, the trade has been essentially in private channels on the United States side and has proceeded more rapidly than anybody projected 2 or 3 years ago.

FUTURE REPRESENTATION

Q. Dr. Kissinger, do you see the liaison office as something, as far as you can go, in terms of permanent representation, short of diplomatic relations, or do you see something further down the road?

Dr. Kissinger. We have no further steps in mind. This is as far as we can go for the moment.

MILITARY EQUIPMENT TO INDOCHINA

Q. Dr. Kissinger, did you have a chance to discuss with the Chinese leaders the possibility of mutual restraint in sending military equipment to Vietnam?

Dr. Kissinger. Our view on the question of military equipment to Indochina is clear and we have made clear to all the countries with which we have talked the importance of tranquility in Indochina to the peace of the world, and Indochina was one of the subjects that was discussed in Peking.

MEETING WITH CHAIRMAN MAO

Q. Dr. Kissinger, could you tell us something of the nature and the detail of your discussions with Chairman Mao?

Dr. Kissinger. I am debating whether to spend 10 minutes saying "No," or just to say "No." [*Laughter.*]

I will say one or two general things. One, I obviously cannot go into the details of the discussion. The atmosphere was cordial. Chairman Mao was in apparently good health and spoke with great animation for about 2 hours, and conveyed an extended personal message to the President, as the Chinese announcement made clear.

VISITS BY CHINESE OFFICIALS

Q. Dr. Kissinger, was there any discussion of a visit here by Chou En-lai or any other senior Chinese representative in the future?

Dr. Kissinger. There was no discussion of this.

SECRET AGREEMENTS

Q. Were there any secret agreements made, in view of the fact you are not discussing the Mao conversations?

Dr. Kissinger. No, the essential nature of what was discussed is contained in the communique and in my explanations. There were no secret agreements.

PROSPECTS FOR PEACE IN CAMBODIA

Q. Dr. Kissinger, was there a discussion of Prince Sihanouk and peace in Cambodia?

Dr. Kissinger. I do not want to go into any of the details, but the Indochina situation was discussed.

FLOW OF ARMS INTO INDOCHINA

Q. How do you assess the possibility of some kind of mutual arrangement with the Chinese to cut off the flow of arms into Indochina?

Dr. Kissinger. The problem isn't whether any formal arrangements can be made or should be made. The problem is whether the major countries now recognize that the agreement in Vietnam gives everybody an opportunity to return that area for the first time in a generation to a period of tranquility and to permit the peoples of Indochina an opportunity to work out their own fate without force and without outside pressure. And, if this is understood by all the major countries, then they can draw their own conclusions and act on the basis of their own considerations, rather than to attempt to codify this in a formal agreement.

Q. To follow that up, do you think that the Chinese do, then, understand this as we do?

Dr. Kissinger. I don't want to speculate on the Chinese intentions, but I have the impression that the participants in this conference next week all have to recognize an obligation to make whatever contribution they can to peace in Indochina.

PRIVATE CLAIMS AND BLOCKED ASSETS

Q. Could you give us an idea of the amounts of the private claims and blocked assets?

Dr. Kissinger. The private claims are in the neighborhood of $250 million. The blocked assets are in the neighborhood of $78 million. But this may vary slightly because we are not sure that we know either all the claims or all the blocked assets. But it is roughly correct.

REVIEW OF WORLD SITUATION

Q. Dr. Kissinger, in your conversations in Peking, did you exchange views on other parts of the world, say, like the Middle East?

Dr. Kissinger. There was a general review of the world situation.

Q. Dr. Kissinger, could we go on to the Hanoi matter?

Dr. Kissinger. I will take two more questions on China and then we will go on to Hanoi.

TRADE INTERESTS

Q. Did the Chinese, at the working level, indicate any specific interest in either what they wanted to buy from the United States or what they thought they would sell to the United States?

Dr. Kissinger. I would be the most unlikely subject for such a conversation, because I couldn't respond in any intelligible way. But we will set up procedures for them to express such an interest to more qualified personnel.

RELEASE OF COMMUNIQUÉ

Q. Dr. Kissinger, why was the communiqué release delayed this long if it was worked out when you were in Peking? Why was it delayed until now?

Dr. Kissinger. To enable me to get back to the United States, to give us an opportunity to inform some other countries, and to proceed in an orderly, diplomatic manner.

DIPLOMATIC PRIVILEGES FOR LIAISON OFFICE PERSONNEL

Q. Can we clear up whether the people in the liaison offices will have diplomatic privileges or not?

Dr. Kissinger. The people in the liaison offices will have diplomatic privileges and will have opportunity to communicate with their own governments by code.

CHINESE MOVEMENT IN THE UNITED STATES

Q. Will the Chinese be allowed freedom of movement in the United States?

Dr. Kissinger. All of this will be worked out.

MEETINGS IN HANOI

Q. Dr. Kissinger, on the Hanoi communiqué,[3] were any specific aid figures discussed with the North Vietnamese?

Dr. Kissinger. Let me make a general comment about the visit to North Vietnam.

A great deal of the comment that I have seen since my return, and also while I was traveling, concerned the Economic Commission and the economic aid that is under discussion. Now, let me try to put this into perspective. Ron has already covered the details of the communiqué in his briefing. I can add very little to that.

The basic purpose of my visit to Hanoi was not to work out an economic aid program. The basic purpose of my visit to Hanoi was to establish contact with the leadership of the Democratic Republic of Vietnam in order to see whether it would be possible to establish with it in Indochina something like the relationship that we have managed to establish with the People's Republic of China in Asia in general.

You have to consider that the leaders of the Democratic Republic of Vietnam have spent almost all of their lives either in prison or conducting guerrilla wars or conducting international wars. At no time in their lives have they had an opportunity to participate in a normal diplomatic relationship with other countries, or to concentrate on the peaceful evolution of their country and of their region.

Now, for whatever reason, they have indicated some interest in at least exploring the possibility of a more constructive relationship and of a more peaceful evolution. The greater part of my time in Hanoi was spent on discussing the implementation of the agreement, what forms normalization of relations might take.

ECONOMIC AID

You should look at the econcmic aid program not in terms of a handout, and not in terms of a program even of reconstruction alone, but as an attempt to enable the leaders of North Vietnam to work together with other countries, and particularly with Western countries, in a more constructive relationship, and to provide in this manner an incentive towards a more peaceful evolution.

The Economic Commission will be the first opportunity that the leaders of the Democratic Republic of Vietnam have had to discuss something other than armistices or military arrangements with responsible Americans and, therefore, the visit was part of an attempt to move from hostility towards normalization, and we are asking for support for the idea of such a program not on economic grounds and not even on humanitarian grounds primarily, but on the grounds of attempting to build peace in Indochina and, therefore, to contribute to peace in the world.

Now, that means that the precise figures were not the principal issue at this particular moment.

Are there any other questions?

JAPAN

Q. Doctor, in relation with Japan, two points: One point is, what do you understand about Japan in context with America or China or Southeast Asia? This is one point.

The second point is, what was the main subject of your discussion with the Japanese leaders?

Dr. Kissinger. Now, first of all, we have always believed that the friendship with Japan is an integral part of our foreign policy. We are convinced that we can normalize our relations with the People's Republic of China without in any way impairing the close relationship that exists between the United States and Japan, and I might add that we were under no pressure whatever from the Peoples Republic of China to loosen our friendly ties with Japan.

Secondly, with respect to Japan's role in Southeast Asia, I read with interest and occasionally astonishment, the speculations in the Japanese press about the complicated motivation that may agitate us.

As far as the United States is concerned, we welcome a responsible role by Japan in Southeast Asia. We have no objection whatever to any Japanese assistance program to the Democratic Republic of Vietanm or to any other country of Indochina. Indeed, we believe that this would be a natural exercise of Japan's sense of responsibility for stability in Asia.

In no way do we consider ourselves competitors with Japan for the privilege of extending economic aid to any country of Southeast Asia.

What did I discuss with the leaders of Japan? Three days after leaving Tokyo there can be almost nothing left to reveal that is not already in the Japanese press. [Laughter] I will only say that we briefed our Japanese allies in some detail about the discussions that I had had in the various capitals, and we had avery useful and very fruitful talks.

Q. Do the Japanese have a more open press policy than the United States?

Dr. Kissinger. I don't want to make any comparisons, but they have a very open press policy. [Laughter.]

Q. Why wasn't Japan invited to participate in the international guaranteeing conference?

Dr. Kissinger. The participants in the international guaranteeing conference were selected by agreement among the parties that negotiated the agreement. We had no objection to the participation of Japan, but we could not achieve unanimity about its membership in the conference.

THE MIDDLE EAST

Q. Dr. Kissinger, I wonder if you could comment on the Middle East situation, particularly after the incident in the Sinai and prior to the visit here of Mr. Ismail.

Dr. Kissinger. I have been so concentrated, in the last few weeks, on Asian affairs, that I want to confine this briefing to my trip.

RECONSTRUCTION AID TO NORTH VIETNAM

Q. What is the nature of the commitment to North Vietnam to provide some kind of reconstruction aid? Is there a very firm commitment? Are they aware they may get nothing?

Dr. Kissinger. They are aware of our constitutional processes, although they have little experience with our legislative machinery. But the Economic Commission will study the problem. We will then make recommendations. And it is obvious that the fate of whatever recommendations we make depends on a decision by Congress, and we have made every effort to explain the nature of our constitutional system.

Q. On that same point, was the aid commitment a condition of the cease-fire agreement? There has been a debate developing here on this point.

Dr. Kissinger. No, it was always understood that the United States would not pay anything in the nature of repatriations. It was always understood that except for expressing a general willingness to participate, the nature of our participation would be determined after the signature of the agreement.

HANOI DISCUSSIONS ON EXCHANGES AND LAOS AND CAMBODIA

Q. A two-part question. You have not mentioned your discussions in Hanoi concerning journalistic, cultural, scientific, or additional exchanges. Will the Economic Commission have in any way a preliminary role comparable to the liaison office in Peking? And, secondly, could you tell us anything about your discussions in Hanoi concerning Laos and Cambodia and the prospect you see for the general completion of a peace agreement?

Dr. Kissinger. First, with respect to whether the Economic Commission will be a general clearinghouse similar to the liaison office that was established with the People's Republic of China. Primarily the Economic Commission will be concerned with the issues that have been assigned to it, that is to say, to study the economic relationship including the reconstruction problem, but not confined to the reconstruction problem, and perhaps the exchange of technical experts relevant to that problem.

Secondly, we have established or further elaborated already existing means of contact between the Democratic Republic and the United States, and those will be used for these other issues similar to the way the Paris channel was used between the People's Republic of China and the United States in the period prior to the establishment of the liaison office. So one would have to say that the process of normalization vis-a-vis Hanoi is at about the stage it was vis-a-vis Peking a year ago.

Now, with respect to Laos and Cambodia. The United States has aways taken the position that Article 20(b) of the agreement provides for the withdrawal of foreign troops from both Laos and Cambodia, and, indeed, no other interpretation of that article is possible. We, therefore, have strongly favored—and we had extensive discussions on this trip—a final arrangement in Laos and a settlement in Cambodia.

There now has been an agreement in Laos which was negotiated not by us, but by the Prime Minister of the Royal Laotian Governmnt, Souvanna Phouma. This agreement essentially contains the practical provisions of the 1962 agreement with respect to political power and reflects the best judgment of the Royal Laotian Government about a free political evolution in their country. It provides for a cease-fire and for the withdrawal of North Vietnamese forces. This leaves only Cambodia still lacking a formal arrangement.

As I pointed out before, the situation in Cambodia is complicated by the fact that there are three or four different groups rather than one homogeneous opposition group to the government that we recognize in Phnom Penh.

We had extensive discussions at all our stops about this problem and we will work on a settlement in Cambodia with energy. We maintain that all foreign troops must be withdrawn from Cambodia.

THE ROLE OF AID TO HANOI

Q. How big a factor is the possibility of aid to Hanoi in persuading them not to break the cease-fire agreement?

Dr. Kissinger. I would prefer not to put it on this basis. The big issue is not whether they will break the cease-fire agreement, because that obviously involves many consequences. The big problem is whether Indochina can be moved from a condition of guerrilla war or even open warfare to a condition in which the energies of the peoples of that region are concentrated on constructive purposes.

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[3] For the text of the U.S.-Democratic Republic of Vietnam joint communiqué issued following Dr. Kissinger's meetings in Hanoi, see page 141 of this volume of the Weekly Compilation of Presidential Documents.

If that objective can be achieved, if that process can start for a period of 3 to 4 years, then any decision to resume the conflict by any of the parties will have to be taken in an environment of peace and against an experience of the population in tasks with which they have become almost totally unfamiliar.

So this is not a kind of ransom which we are paying for a specific undertaking to maintain the peace, because there are other reasons why the Democratic Republic of Vietnam should want to maintain the peace. It is rather a long-term investment in a structure of peace and in turning people whose whole experience has been with conflict, with guerrilla war, with hostility towards the outside world, into pursuits with which they are essentially unfamiliar. And this is our interest in the program and why we are willing to explore a program of reconstruction for all of Indochina.

PRINCE SIHANOUK

Q. Did you see Prince Sihanouk?

Dr. Kissinger. No.

Reporter. Thank you, Dr. Kissinger.

(Note: Press Secretary Ronald L. Ziegler introduced Dr. Kissinger at 10:20 a.m. in the Briefing Room at the White House.)

By Mr. BROOKE:

S. 1293. A bill to create a National Historic Records Commission, to establish a program for preserving and making accessible documentary resources throughout the Nation, and for other purposes. Referred to the Committee on Government Operations.

NATIONAL HISTORIC RECORDS COMMISSION

Mr. BROOKE. Mr. President, I introduce for appropriate reference a bill to establish a National Historic Records Commission. The primary purpose of the Commission would be to develop and promote a broadly conceived national program for preserving and making accessible documentary resources throughout the Nation.

It is fitting that such a bill be introduced as we approach our Nation's bicentennial celebration. The spirit and direction of America are founded upon and reflected in its historic past. This act would enable all Americans to share in the knowledge of our glorious history. Passage of this bill would be a manifestation of our commitment to preserve our cultural heritage.

At present various organizations provide for the publishing of historic material that is known to exist. However, these agencies, both public and private, are inadequate to insure future generations a genuine opportunity to appreciate and enjoy the rich heritage of our Nation. A Commission must be set up that also finds and preserves historical material as yet unknown to us.

The National Historic Records Act will enable the "Spirit of 76" to be passed on to our progeny. Historical works found and preserved by the Commission will be a constant reminder of America's great past and, hopefully, serve as a catalyst to even greater future.

I ask unanimous consent that the text of the legislation be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Historic Records Act."

STATEMENT OF FINDINGS AND PURPOSE

The Congress finds that (a) the spirit and direction of the Nation are founded upon and reflected in its historic past;

(b) the historical and cultural foundations of the Nation should be preseved as a living part of our community life and development in order to give a sense of orientation to the American people;

(c) the present governmental and nongovernmental documentary preservation programs and activities are inadequate to insure future generations a genuine opportunity to appreciate and enjoy the rich heritage of our Nation; and

(d) Although the major burdens of documentary preservation have been borne and major efforts initiated by private agencies and institutions, and both should continue to play a vital role, it is nevertheless necessary and appropriate for the Federal Government to accelerate its documentary preservation programs and activities, (1) to give maximum encouragement to agencies and institutions undertaking preservation by private means, (2) to encourage, in cooperation with appropriate public and private agencies and institutions, training and instruction in the field of documetary preservation, and (3) to assist State and local governments to expand and accelerate their documentary preservation programs and activities.

TITLE I

Sec. 101. (a) There is hereby established in the executive branch of the Government a National Historic Records Commission (hereinafter referred to as the "Commission") to develop and promote a broadly conceived national program for preserving and making accessible documentary resources throughout the Nation.

(b) As used in this Act—

(1) The term "State" includes, in addition to the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(2) The term "project" means programs of State and local governments and private organizations to assure the preservation and accessibility for public benefit of any such documentary resources.

(3) The term "documentary" refers to unpublished record material regardless of physical form or characteristic. It includes, but is not limited to, historical manuscripts, personal papers, official records, maps, and audiovisual materials.

(4) The term "preservation" includes, but is not limited to, acquiring, accessioning, arranging, describing, processing, repairing, rehabilitating, exhibiting, publishing and/or other means of protecting or making accessible documentary resources in order to reserve their present or future use.

(c) The Commission shall consist of the Archivist of the United States (or an alternate designated by him), who shall serve as Chairman of the Commission; the Librarian of Congress (or an alternate designated by him); two Members of the United States Senate to be appointed, for terms of four years; by the President of the Senate; two Members of the House of Representatives to be appointed, for terms of two years, by the Speaker of the House of Representatives; one member each as a representative of the American Historical Association, American Association for State and Local History, Organization of American Historians, Society of American Archivists, and American Society of Legal History, to be appointed by their respective governing boards for terms of four years; five members from outside the Federal Government, three of whom shall be selected from among the State Archivists of the several States, to be appointed by the President for terms of four years; and five members in public or private life selected on the basis of distinguished service and scholarship, to be appointed by the other members of the Commission for terms of four years.

(d) Those members appointed by the Commission shall take no part in other membership appointments made by the Commission.

(e) Any person appointed to fill a vacancy in the membership of the Commission shall serve for the remainder of the term for which his predecessor was appointed, and his appointment shall be made in the same manner in which the appointment of his predecessor was made.

(f) An appointment to the Commission may be renewed in the same manner in which the appointment was made.

(g) The Commission shall meet at the call of the Chairman, but not less than twice during each calendar year. Ten members of the Commission shall constitute a quorum.

(h) Members of the Commission not otherwise employed by the Federal Government shall receive as compensation $100 per day when engaged in the performance of the duties of the Commission, including travel time. While performing the duties of the Commission away from his home or regular place of business, each member of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5702 of title 5, United States Code.

(i) The Commission may appoint, without reference to the civil service and classification laws, an executive director and such professional and clerical staff as the Commission may determine necessary to carry out its duties, and to appoint and fix the compensation of such personnel. However, in no event shall an individual so appointed be compensated at a rate higher than that authorized for GS–15, step 10 by section 5332 of title 5, United States Code.

(j) Administrative services shall be provided by the General Services Administration on a reimbursable basis. To the extent of available appropriations, the Commission may obtain, in order to carry out its duties, by purchase, contract or otherwise, such additional property, facilities, and services which may not feasibly be obtained from the General Services Administration.

(k) The Commission shall submit an annual report to the President and the Congress on or before the 15th day of January of each year.

Sec. 102. In carrying out the purposes of this Act, the Commission is authorized—

(a) to undertake or support such projects of national or regional significance as it deems necessary for the preservation of documentary resources;

(b) to expend such appropriated funds as may be necessary to implement the other subsections of this section;

(c) to grant funds to States on a direct non-matching basis in accordance with criteria established by it to strengthen public and private documentary preservation programs;

(d) to establish a program of matching grants-in-aid to States for projects having as their purpose the preservation for public benefit of significant documentary resources;

(c) to establish special advisory committees to consult with and make recommendations to it, from among the leading historians, political scientists, archivists, librarians, and other specialists of the Nation; members of such committees shall be reimbursed for transportation and other expenses on the same basis as members of the Commission;

(f) to adopt and use a seal which shall be judicially noticed;

(g) to contract for, accept, receive, hold, and administer any gifts or grants or property of financial or other aid in any form from any source, and comply subject to the provisions of this Act, with the terms and conditions thereof; and

(h) to adopt, amend, and repeal rules and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised.

Sec. 103. (a) No grant may be made by the National Historic Records Commission for or on account of any project under this Act with respect to which financial assistance has been given or promised under any other Federal program or activity, and no financial assistance may be given under any other Federal program or activity, for or on account of any project with respect to which assistance has been given or promised under this Act.

(b) No part of any money paid to a State under this Act shall be applied, directly or indirectly, to the purchase or erection of any building or buildings, or the purchase of any land; but such sums may be used for the acquisition of special equipment and minor remodeling or space used in connection with authorized projects under this Act.

(b) No part of any money paid to a State under this Act shall be applied, directly or indirectly, to the purchase or erection of any building or buildings, or the purchase of any land; but such sums may be used for the acquisition of special equipment and minor remodeling of space used in connection with authorized projects under this Act.

(c) No grant may be made under section 102, subsection (d) of this Act—

(1) unless the application therefor is in accordance with a comprehensive statewide documentary preservation plan which has been approved by the Commission and by either the advisory commission described in (2) below or the state commission described in (3) below;

(2) unless such comprehensive statewide documentary preservation plan provides for its administration by the archival agency of the state, duly constituted and having adequate authority under state law to administer it in accordance with its provisions and the provisions of this act, assisted by an advisory commission broadly representative of the public and private institutions of the state eligible for assistance under this act; or, in the absence of such a state archival agency,

(3) unless such comprehensive statewide documentary preservation plan provides for its administration by a state commission established by the state's chief executive, which shall have the same authorities, responsibilities, and representation as the archival agency and advisory commission described in (2) above.

SEC. 104. (a) A beneficiary of assistance under this Act shall keep such records as the Commission shall prescribe, including records which fully disclose the disposition by the beneficiary of the proceeds of such assistance, the total cost of the project in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Comptroller General of the United States or his authorized representative shall have access for the purpose of audit and examination to books, documents, papers, and records of the beneficiaries that are pertinent to the assistance received under this Act.

SEC. 105. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. TOWER (for himself, Mr. HANSEN, and Mr. STEVENS):

S. 1295. A bill to provide a tax credit for expenditures made in the exploration and development of new reserves of oil and gas in the United States. Referred to the Committee on Finance.

Mr. TOWER. Mr. President, for the past 3 years I have repeatedly warned that the Nation faced a pervasive and dangerous energy crisis. The short-term dimensions of this crisis can be summarized briefly, beginning with nuclear energy.

Primarily because of technological and environmental constraints, energy produced from nuclear sources has failed to meet the projected demand. It is hoped that these constraints can be resolved so that nuclear energy generation can realize its full potential.

Environmental, technological, and economic factors caused a decline in domestic coal production. Since we possess several hundred years supply of known coal deposits, at current rates of consumption, it behooves us to accelerate our efforts to perfect the necessary technology to make coal environmentally acceptable. I was gratified that the President's new budget reflects a similar concern by increasing the funding for research and development on coal gasification and liquification. We must accelerate this spending, however, if this resource is to realize its full potential. But until these problems are resolved, coal will not be able to provide a significant amount of increased energy demands of the future.

Natural gas is already in short supply with selective curtailment in effect at the present time in various regions, including Texas. It has been projected that by 1985, there will be a natural gas supply deficit of approximately 19 trillion cubic feet per year out of a potential demand of 34 trillion cubic feet per year by then. Unrealistic regulation of the wellhead price of gas is generally acknowledged to have been the primary cause of this deficit.

Crude oil production in this country is very near maximum capacity. It is unlikely that Western Hemisphere producers will be able to increase oil exports to us. In fact Canada recently announced a reduction in its exports to the United States. Therefore, in the short term, deficits in nuclear, coal, natural gas, and crude oil must be made up by imports of petroleum from the Middle East which is the only area in the free world with enough surplus producing capacity to be of significant help to us. Our imports of Middle Eastern oil are expected to increase rapidly and, by 1985, could total 15 to 19 million barrels per day.

This projection portends serious balance-of-payments problems for the United States on the order of $30 billion per year, by 1985, just for oil. By comparison, we ended 1972 with a $6.4 billion balance-of-trade deficit which was considered alarming. Achieving this projected deficit assumes that the Middle Eastern producing countries will be able and willing to produce and sell us this quantity of oil. External or internal forces could cause a disruption or even cessation of production and exports to us of the quantities of oil which we require. Should this occur, our national security, economic prosperity, and individual standard of living could be adversely affected.

The longer term energy situation can be somewhat brighter if the proper efforts are made now to remedy it. I am hopeful that in this time frame we will resolve the technological, environmental, and economic problems which have been constraining energy production from the sources named above and also from other sources such as solar, thermal, tidal, oil shale, and tar sands.

Therefore, the critical period is the short term—the next 10 to 30 years. For the short term, petroleum will continue to supply over one-half of our needs. Furthermore, the surest, most immediate and cheap relief for the energy crisis can be obtained from domestic petroleum sources.

Reliable experts have estimated that we possess over 200 billion barrels of recoverable oil and 2,100 trillion cubic feet of gas. Yet, exploration to tap these vast, undiscovered reserves has declined in recent years. Exploratory drilling for new supplies has declined from a peak of more than 15,000 wells annually in 1955 to fewer than 7,000 wells in 1971. At the same time, the results have diminished as barrels of oil discovered per foot of exploratory drilling have gradually declined.

There are a number of reasons for the decline in exploratory activity. All of the reasons are related to diminished economic incentives for domestic petroleum development. To phrase it another way, investors have not viewed investments in petroleum exploration profitable and have, therefore, placed their money elsewhere. Thus, the energy crisis stems directly from a capital crunch. Chief among the reasons for diminished economic incentives are: Continuing Federal regulation of the wellhead price of natural gas sold into interstate commerce which has kept the price of gas far below its true market value; the long-term decline in the real price of domestic crude oil; and substantial cost increases resulting from continuing inflation and a rising tax burden.

For example, natural gas, currently, sells at one-third that of crude oil on a B.t.u. basis and at one-fifth the price of imported natural gas. Taxes paid by domestic petroleum companies have increased more rapidly than net income. The cost of the reduction in the depletion allowance from 27½ percent to 22 percent resulted in an increase in the industry's annual tax burden of $500 million per year.

All of these factors have resulted in a decline in the ability of petroleum companies to generate adequate exploration funds internally. This has forced them to seek funds through borrowing. Business experts feel that some of these companies have already borrowed to the maximum sound limits. Both of these factors have resulted in a decreased ability to secure equity capital through the sale of stock.

Thus, capital has become increasingly difficult to secure at the very time when increasing quantities are needed to help solve the energy crisis.

Some idea of the quantity of capital needed can be obtained from the fact that approximately $7,000 must be spent for each additional barrel of daily oil output capacity—from finding to delivery to consumers. Demand is expected to increase at the rate of about 700,000 barrels daily per year.

In 1970 the domestic industry devoted $4.3 billion to exploration and production. This investment has remained essentially the same since 1957. Yet, demand for petroleum has doubled in that period.

The National Petroleum Council estimates that from 1971 to 1985, $92 billion would be needed for investment in petroleum exploration and production activities. The Chase Manhattan National Bank of New York recently estimated a need for $140 billion of exploration of capital for the same period or about $9 billion per year just to maintain our present degree of energy self-sufficiency. This rate of investment would be double the present level.

In addition to these capital needs, it is estimated that another $70 billion will be required for tankers, gas transportation, refining, and port facilities.

Thus, by any measure, the domestic petroleum industry must secure fantastic amounts of capital; and it is in the interest of an abundant energy supply and in the public interest to see that risk capital is available.

There are several things that can be done to relieve this "capital crunch" with which the oil industry is faced. First, the price of domestically produced crude oil must be allowed to rise at least enough to offset inflationary cost increases. But increases in the price of domestically produced crude oil were severely limited recently with the justification that such price restrictions would "assure the American consumer an adequate supply of oil at reasonable prices." Fixing the price of domestically produced crude oil will achieve exactly the opposite result. Since 1957, the price of domestic crude has declined 30 percent in 1971 dollars. At the same time, exploration and development cost increases have reduced profits, and, as a result, have hampered the ability of the domestic petroleum industry to secure the vast quantities of risk capital necessary to explore for and develop our indigenous, undiscovered petroleum reserves. Thus, it is of primary importance that we move toward allowing the price of domestically produced crude oil to be determined by the free market.

A second way to provide the necessary risk capital is to legislatively remove the Federal Power Commission from the job of regulating the well-head price of gas sold into interstate commerce. Even though natural gas has furnished almost as much of our energy as oil, it has contributed only about 25 percent of the gross revenues of domestic petroleum companies.

Undoubtedly, the price of gas discovered after the enactment of such legislation would increase as its true market value is established. For the same reason, the price of gas already committed to sales contracts would increase as these contracts expire. But the increases would be gradual. And more importantly, the greater gas revenues would encourage more exploration for this cleanest burning fossil fuel which would help in our efforts to clean up the environment and would provide consumers with a continuing supply of gas where current shortages will worsen.

I have recently introduced legislation which would accomplish this deregulation. I again urge the prompt, favorable consideration of this legislation as one necessary remedy to our national energy crisis.

Finally, we must provide some investment incentive to help compensate for the extremely high risks which are a fact of life in the petroleum exploration business.

To illustrate the risks inherent in oil drilling, only about one out of 50 exploratory wells drilled in the United States repays its cost and returns a profit.

Mr. President, in this regard, I am today introducing legislation with Senator HANSEN and Senator STEVENS which would create an exploration tax credit. This legislation would allow a taxpayer to credit against his annual income taxes an amount equal to 12.5 percent of any money spent exploring for and developing new petroleum reserves in the United States or in initiating new secondary recovery projects. This legislation would expire 10 years after enactment unless extended.

The advantage of this form of investment incentive is that it would provide benefits only for those who actually spend money looking for new reserves in this country.

There are other actions which Congress or the Executive could and should take to begin to solve the energy crisis. But these three steps to allow increases in the price of crude oil, to deregulate the price of natural gas at the wellhead, and to provide an investment tax credit would surely do a great deal to solve the capital crisis in the quickest, and, in the long run, the cheapest method. Private industry cannot be responsive to the demands of the consumer if its hands are tied. This legislation will help to free those hands so that they can again work to keep the American people well supplied with energy.

Mr. HANSEN. Mr. President, I am happy to again join the distinguished senior Senator from Texas (Mr. TOWER) as a cosponsor of his bill to allow a tax credit for expenditures on exploration and development of domestic oil and gas reserves.

As the able Senator who is so well versed in the problems of the oil and gas industry has pointed out, this Nation now faces energy problems of serious proportions and the only realistic and reliable solution for the next decade and probably longer lies in the development of our own abundant domestic resources of energy.

Inasmuch as some three-fourths of the energy requirements of the Nation—99 percent of the energy that powers U.S. transportation—comes from oil and gas, the only sensible and practical solution is, in my opinion, a greatly stepped-up program of exploration for and development of the deposits that I am assured still exist in the continental United States and Alaska, both onshore and offshore.

Recognizing the impending crisis for what it is, the Senate almost 2 years ago approved Senate Resolution 45, a study of national fuels and energy policy. That study by the Interior Committee with participation by the Joint Committee on Atomic Energy, the Commerce Committee, and the Public Works Committee is now nearing the end and the committee will soon be publishing some of its findings and recommendations.

In the meantime other legislation including other tax incentive proposals have been introduced. Also the President has placed greater emphasis and added funding to research and development intended to hurry coal gasification and liquification projects. A new prototype oil shale leasing program will soon be announced and the fast breeder reactor program has also been stepped up along with other long-term energy prospects.

But these are all programs of long leadtime that can and must supplement the fossil fuel on which we now depend and on which we will continue to rely for a good many years.

So the legislation now proposed for added incentives for discovering new domestic supplies of oil and gas is of urgent and vital importance to the Nation's welfare, progress, and national security in the interim period before these supplemental fuels are available and nuclear power becomes a real factor in the overall energy picture.

As any objective study or examination will reveal, oil and gas have been and still are real bargains in America. As many of us have contended for years, the unrealistic wellhead pricing of natural gas has been the principal factor in the rapidly increasing use of this cleanest and most convenient fuel at rates greater than new supplies are being discovered.

The able Senator from Texas (Mr. TOWER) and I have introduced legislation to decontrol the wellhead price of gas for interstate use and the Federal Power Commission has instigated proceedings to approve applications for reasonable price increases to encourage exploration and development of new supplies.

The need, though, is now to reverse the dissipation of both our oil and gas reserves and the increasing reliance on foreign sources.

Mr. President, events of the past winter can leave no doubt that the warnings of an energy shortage were very real and even the coming summer may see gasoline shortages around the Nation.

Mr. President, this Nation cannot afford to forfeit its world industrial leadership by default. But there is no surer way this could happen than for the United States to lose its energy self-sufficiency.

There would be no need for enemy submarines or any overt act of warfare to bring this Nation to its knees. All it would take would be the individual or concerted political decisions of those who control most of the world's oil production. Some three-fourths of the known world oil reserves are in the Middle East and North Africa. Even in our own Western Hemisphere, American oil properties have been expropriated or nationalized and others are threatened.

Whether these supplies should be cut off or not, no one but a dreamer can foresee them staying cheap once the United States must rely on them.

The only answer is U.S. self-sufficiency in its essential fuel needs and those needs must surely be furnished by oil and gas for a good many years.

The incentive bill which I cosponsor with the distinguished Senator from Texas (Mr. Tower) will, in my opinion, offer an immediate stimulant to a waning oil and gas exploration and development program, quickly reverse the downward trend of oil and gas reserves and maintain self-sufficiency in our principal energy source.

By Mr. McINTYRE:

S.J. Res. 79. Joint resolution relating to World War I Veterans' Day. Referred to the Committee on the Judiciary.

WORLD WAR I VETERANS' DAY

Mr. McINTYRE. Mr. President, I am introducing for appropriate reference a joint resolution that would restore November 11 as "World War I Veterans' Day." I wish to bring this matter to the attention of my colleagues, for I know that the celebration of Veterans' Day is of prime importance to them as it is to citizens all across this country.

It is well known that in 1968 the Congress moved to combine all veterans' observances into a single day. And in so doing the date of the celebration was moved to a Monday in October to create a 3-day weekend.

I think that it is time to have a day set aside to honor the veterans of all our wars, and yet I do not think that it is appropriate at all to diminish remembrance of the armistice which ended the First World War. In so doing, we diminish the remembrance of our veterans' great sacrifices.

To countless Americans the 11th hour of the 11th day of the 11th month will forever live as a day of joy after the agonizing years of conflict. It would be wrong for the Congress to appear to be ready to erase that important memory from our history.

Before I introduced this legislation last year I contacted World War I veterans all across New Hampshire and their support for this resolution was nearly unanimous. For a variety of reasons, the veterans of World War I often think of themselves as this Nation's forgotten fighting men. We cannot allow that feeling to persist. I believe that my bill goes a long way toward restoring the dignity and honor these men earned—and well deserve.

Although more than a half century has passed since the armistice was signed, I see no reason why we should consider the day any less significant in our Nation's history. We owe no less honor to the brave men who fought in the fields and trenches of France. I sense that all across America citizens feel unsettled about our present Veterans' Day celebration and I believe that we should return to honoring these men on the traditional day.

Therefore, Mr. President, to acknowledge the great effort made on our behalf by our World War I veterans I would encourage my colleagues to consider my joint resolution that empowers the President to declare a "World War I Veterans' Day" and to invite veterans' groups, churches, and other organizations across the country to observe the day with appropriate ceremonies.

Mr. President, I ask unanimous consent to have the joint resolution printed in the Record at this point.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 79

Whereas November 11, 1918, was the date of promulgation of the Armistice which concluded World War I;

Whereas for many years, November 11 of each year was known as "Armistice Day" in commemoration of the great service to mankind rendered by the veterans of World War I;

Whereas in recent years the term "Veterans Day" has been used to commemorate the great service of all veterans to the people of this Nation; and,

Whereas "Armistice Day," as commemorative of the veterans of World War I; has become so integral a part of American national observances: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating November 11 of each year as "World War I Veterans Day," veterans' groups, churches, and their affiliated organizations, to observe such day with appropriate ceremonies and activities.

By Mr. ROTH (for himself, Mr. Bayh, Mr. Bennett, Mr. Cannon, Mr. Domenici, Mr. Dominick, Mr. Ervin, Mr. Hollings, Mr. Humphrey, Mr. McGee, Mr. McIntyre, Mr. Pastore, Mr. Pell, Mr. Scott of Pennsylvania, Mr. Talmadge, Mr. Thurmond, and Mr. Young):

S.J. Res. 80. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month." Referred to the Committee on the Judiciary.

ARTHRITIS RESEARCH AND TRAINING IS OF VITAL INTEREST TO MILLIONS OF AMERICANS

Mr. ROTH. Mr. President, during the 92d Congress I introduced in the Senate a joint resolution to designate the month of May as "National Arthritis Month." Former Representative Dave Pryor, of Arkansas, proposed an identical resolution in the House. This joint resolution, as House Joint Resolution 1029, was approved by both Houses of Congress and signed by the President in May of 1972. Since House Joint Resolution 1029 applied only to 1972, I am again introducing an "Arthritis Month" resolution, Senate Joint Resolution 80. A similar resolution House Resolution 275, has been introduced in the House by Representative Howard of New Jersey.

The main purpose, of course, of this measure is to call attention to the great human and economic waste and suffering which results from arthritis and rheumatic diseases. I have long felt that this group of diseases, which account for more chronic illness than any other group of maladies except heart disease, should receive more attention in our effort to bring better health to all Americans. Senate Joint Resolution 80 would call attention to the curse which arthritis represents to so many during the month when the Arthritis Foundation conducts its major drive for funds.

It seems to me that in allocating our always scarce public and private resources we should give careful attention to the total impact of a particular health problem on our society. While arthritis may not result in a relatively large number of deaths, its human and economic toll is staggering. The Arthritis Foundation has recently released a study entitled "Professional Manpower in Rheumatology" which convincingly documents this toll, as well as what is needed to significantly lessen it.

This survey shows that at least 20 million people in the United States suffer from arthritis, rheumatism, gout, and other arthritic-like conditions. While the most common arthritic disease is usually associated in our minds as a malady of old age, about 3.5 million Americans under 45 years of age are afflicted by some form of arthritis. In fact, the victims of the exceedingly virulent rheumatoid form of arthritis are primarily under 45, including over a quarter of a million children.

An article in the New York Times on February 10, 1973, points out that arthritis, in addition to being a human curse, brings great economic losses on our society. The Times presented statistics from the National Center for Health Statistics showing arthritis second among 21 major diseases in terms of its limitation of activity, fourth in terms of days of bed disability it causes, and ninth in terms of days of hospitalization resulting from it.

It does not take much imagination to understand the lost wages, medical costs, payments by the Veterans' Administration, losses in taxes, and expenditures on "quack" remedies resulting from the effects of arthritis. This is not to mention the mental and physical human resources lost to our society. The economic and social quality of American life cannot continue to rise without adequate investment in the sort of research and development that expands these human resources.

The same Arthritis Foundation survey of professional manpower to which I referred earlier clearly demonstrated the inadequate number of rheumatologists available to combat the rheumatic diseases. It was found that most victims of arthritis go untreated; that most physicians are not trained to treat these patients; that insufficient facilities exist for the training of allied health personnel in this area; and that the need for rheumatologists far exceeds the supply and that this gap is growing. The report concludes that over 400 new clinical teaching positions are needed to provide those who are afflicted by arthritis and rheumatic diseases with something like adequate care.

Mr. President, I am as quick as anyone to note the great cost of any Federal effort to improve the health of Americans. I have actively worked to impose a realistic ceiling on Federal spending as well as to improve congressional budgeting during this and the last Congress. One of the major purposes of these efforts is to make it possible for the legislative branch to take an overall look at the resources and competing priorities of our National Government.

If the Senate and the House of Representatives were to take such an approach to budgeting, coupled with an intensified effort to evaluate the output of Federal activities, we would undoubtedly expand some programs and lessen or eliminate our commitment to others. In my own mind basic research in the causes and treatments of disease and the training of personnel to deliver improved health care rates high in the competition for always limited tax dollars.

More specifically, I would urge a continuing national commitment to research in the causes of arthritis and to training the professionals needed to treat its victims. It concerns me that the 1974 budget estimates that $20 million less will be available to the National Institute of Arthritis, Metabolic, and Digestive Diseases in 1974 than was authorized in 1972. It is to say the least, "pennywise and pound-foolish" to inadequately fund our attack on arthritis and rheumatic diseases. We will be paid back many times for expenditures in this effort through the relief of mental and physical suffering, the lessening of the economic costs of these diseases, and the expansion of vital human resources.

As a small way of calling attention to the need for continuing private and public efforts to lessen the pain of arthritis for over 20 million Americans, I urge the adoption of Senate Joint Resolution No. 80 to designate the month of May as "National Arthritis Month."

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution No. 80 be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 80

Whereas arthritis and rheumatic diseases are the Nation's number one crippling diseases affecting twenty million Americans of all ages causing limitations in their usual activities and great suffering;

Whereas arthritis and rheumatic diseases are second only to heart disease as the most widespread chronic illness in the United States today;

Whereas the annual cost of arthritis and rheumatic diseases to Americans is estimated to exceed $3,500,000,000 annually in lost wages, medical and disability payments, and taxes lost to the Federal government;

Whereas advances in research and treatment show promise of significant breakthrough leading to a better understanding of and cure for these diseases;

Whereas the month of May is the period during which The Arthritis Foundation conducts its annual fund-raising campaign to support its efforts in arthritis research and treatment; and

Whereas the most common form of arthritis strikes mainly older Americans and it is most important that the nation focus more attention on the problem of this important group of citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue annually a proclamation (1) designating the month of May in each year as "National Arthritis Month," (2) inviting the Governors of the several States to issue proclamations for like purposes, and (3) urging the people of the United States, and educational, philanthropic, scientific, medical, and health care professions and organizations to provide the necessary assistance and resources to discover the causes and cures of arthritis and rheumatic diseases and to alleviate the suffering of persons struck by these diseases.

By Mr. SCHWEIKER:

S.J. Res. 81. A joint resolution to authorize and request the President to issue annually a proclamation designating the week beginning on the third Sunday of October of each year as "National Drug Abuse Prevention Week." Referred to the Committee on the Judiciary.

Mr. SCHWEIKER. Mr. President, today I am introducing a Senate joint resolution, which would authorize and request the President to issue annually a proclamation designating the week beginning on the third Sunday of October of each year as "National Drug Abuse Prevention Week."

Drug addiction, particularly heroin addiction, is one of the most critical problems facing our country today, and one which affects literally every segment of the society. What was once a situation unique to the inner-city poor now strikes the most affluent. Heroin addiction, in particular, has reached crisis proportions and is continuing to grow at an alarmingly rapid rate, especially among the young.

The costs of such addiction are great and involve not only the tangible value of property stolen to maintain drug habits, but also the human suffering of addicts stemming from increased rates of mortality and incarceration in a prison system not prepared to deal with a large drug population.

As the ranking Republican member of the Senate Subcommittee on Alcoholism and Narcotics, I have visited a number of urban areas with serious drug problems. The subcommittee conducted field hearings around the country, including Pittsburgh, to learn more about local problems and about local programs being devised to combat them. On April 23 and 24, I will be chairing field hearings of the subcommittee in Philadelphia to study the problem there. We have just begun to realize how little we know about drugs and drug abuse and how limited our resources are to effectively deal with the problem at present.

I am greatly encouraged by many of the broad-based community programs which have been set up on the local level to help the addict and the potential addict. In Philadelphia, for example, drug treatment programs have been greatly expanded, and experts in the field believe the city may, by the mid-1970's, be able to bring 25 to 30 percent of its addict and heavy drug-using population into regular treatment of some kind. I am deeply concerned, however, that recent statistics show drug-related deaths were up 83 percent for the first quarter of 1972 over a corresponding period a year before and that 70 percent of those detained in city prisons have had a needle in their veins within 24 hours of arrest.

Despite all that has been done to alleviate the situation, much remains to be corrected. We need the cooperative efforts of private citizens and public officials alike, at the National, State, and local levels to help reverse these tragic statistics.

Although public awareness relating to drug prevention has increased, a greater sensitivity to all the ramifications of drug abuse is still needed. I am hopeful that through the adoption of this resolution designating a week each year as "National Drug Abuse Prevention Week," we will gain more of the public's attention.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 81

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to increase the awareness of the people of the United States with regard to the national threat of drug abuse, and to provide an opportunity for a period of special emphasis on this problem, the President is authorized and requested to issue annually a proclamation designating the week beginning on the third Sunday of October of each year as "National Drug Abuse Prevention Week", and calling upon the people of the United States and interested groups and organizations to observe such period with appropriate ceremonies nad activities.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 4

At the request of Mr. WILLIAMS, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 4, the Retirement Income Security for Employees Act of 1973.

S. 17

At the request of Mr. WEICKER (for Mr. SCHWEIKER), the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 17, the National Diabetes Research and Education Act.

S. 255

At the request of Mr. EAGLETON, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 255, a bill to repeal certain provisions which become effective January 1, 1974, of the Food Stamp Act of 1964 and section 416 of the Agricultural Act of 1949 relating to eligibility to participate in the food stamp program and the direct distribution program.

S. 340

At the request of Mr. Tower, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 340, a bill to establish a commission to study the usage, customs, and laws relating to the flag of the United States.

S. 352

At the request of Mr. McGee, the Senator from South Dakota (Mr. Abourezk) was added as a cosponsor of S. 352, the Voter Registration bill.

S. 444

At the request of Mr. Hartke, the Senator from Alabama (Mr. Allen) was added as a cosponsor of S. 444, the Health Care Act of 1973.

S. 582

At the request of Mr. Scott of Pennsylvania, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 582, providing social services for the aged.

S. 867

At the request of Mr. Williams, the Senator from Maine (Mr. Hathaway), the Senator from Oregon (Mr. Packwood), and the Senator from California (Mr. Tunney) were added as cosponsors of S. 867, a bill to eliminate discrimination against women in extending credit.

S. 1046

At the request of Mr. Ribicoff, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 1046, the Taxpayers Protection Act.

S. 1079

At the request of Mr. Fong, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 1079, to establish an Advisory Commission on the Reconstruction and Redevelopment of Southeast Asia.

S. 1082

At the request of Mr. Bayh, the Senator from Rhode Island (Mr. Pastore), the Senator from New Hampshire (Mr. McIntyre), and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of S. 1082, a bill to repeal the bread tax.

S. 1095, S. 1096, AND S. 1097

At the request of Mr. Scott of Pennsylvania, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 1095, to amend the Communications Act of 1934 with respect to the application of the equal time provisions of section 315 to candidates for Federal elective office, and for other purposes; S. 1096, to provide for a campaign mail privilege for qualified candidates for Federal office; and S. 1097, to amend the Internal Revenue Code of 1954 to provide that political contributions are not subject to the gift tax.

S. 1121

At the request of Mr. Kennedy, the Senator from Maine (Mr. Muskie) was added as a cosponsor of S. 1121, a bill to amend the Federal Regulation of Lobbying Act.

S. 1197

At the request of Mr. Hartke, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 1197, the Food Consumers' Protection Act of 1973

S. J. RES. 24

At the request of Mr. McIntyre, the Senator from Rhode Island (Mr. Pastore), the Senator from Utah (Mr. Bennett), the Senator from Texas (Mr. Bentsen), the Senator from North Dakota (Mr. Burdick), the Senator from Colorado (Mr. Dominick), the Senator from North Dakota (Mr. Young), the Senator from Nevada (Mr. Bible), the Senator from Pennsylvania (Mr. Scott), the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Arkansas (Mr. McClellan), the Senator from Maine (Mr. Hathaway), the Senator from Illinois (Mr. Stevenson), the Senator from South Dakota (Mr. McGovern), the Senator from Arizona (Mr. Fannin), the Senator from Kentucky (Mr. Huddleston), the Senator from Arizona (Mr. Goldwater), the Senator from Alaska (Mr. Gravel), the Senator from West Virginia (Mr. Randolph), the Senator from Rhode Island (Mr. Pell), the Senator from Alaska (Mr. Stevens), the Senator from Utah (Mr. Moss), the Senator from Oklahoma (Mr. Bartlett), and the Senator from Oregon (Mr. Packwood) were added as cosponsors of Senate Joint Resolution 24, asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day".

SENATE JOINT RESOLUTION 64

At the request of Mr. Church, the Senator from New Mexico (Mr. Domenici), the Senator from Arkansas (Mr. McClellan), and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of Senate Joint Resolution 64, to protect physicians, other health care personnel, hospitals, and other health care institutions on the exercise of religious or philosophical beliefs which proscribe the performance of abortions or sterilization procedures.

SENATE RESOLUTION 83—SUBMISSION OF A RESOLUTION TO DIRECT THE FEDERAL COMMUNICATIONS COMMISSION TO REVISE CERTAIN RULES

(Referred to the Committee on Commerce.)

Mr. McINTYRE. Mr. President, I submit for appropriate reference a Senate resolution which directs the Federal Communications Commission to review and, where consistent with the public interest, amend its rules to reflect the advanced state of modern broadcasting, while paying special attention to relieving the country's 5,820 smaller broadcasters of unnecessary paperwork and reporting requirements.

I am gratified that the distinguished senior Senator from Nevada and the chairman of the Small Business Committee (Mr. Bible) has joined with me in this effort. I am aware of his constructive interest in this problem by virtue of a survey he carried out of small broadcasters in his home State who submitted some valuable suggestions at our hearings, plus the fine testimony of Mrs. Lorraine Walker Levine, president of the Nevada Broadcasters Association.

The resolution proposes to express the sense of the Senate that the Federal Communications Commission reexamine its rules and regulations with a view: First, toward reducing its reporting requirements and procedures; second, to consider a shorter license renewal form for small market broadcasters; third, to consider simpler Fairness Doctrine procedures; and, fourth, to reexamine its current proposal to increase the paperwork burden by requiring public availability of program logs consistent with modern broadcasting ability.

In urging these reforms, I do not mean to lessen the Commission's responsibility to insure that broadcasters operate in the public interest.

As chairman of the Senate Small Business Committee's Subcommittee on Government Regulation, we held hearings on February 6 and 7 on the paperwork and reporting requirements imposed on small broadcasters. Today I feel stronger than ever that present FCC paperwork procedures need to be overhauled, something which the Commission has not done thoroughly for decades.

While I praise the FCC re-regulation efforts currently underway, I believe the scope and speed should be accelerated, which is the purpose of this resolution I am offering today.

Small market broadcasters provide a vital public service to thousands of small communities throughout this Nation. These broadcasters offer diverse programing to meet all the needs and interests of their audience area. Yet, these broadcasters are inundated with the same amount of paperwork as major market stations plus many unnecessary and obsolete rules and regulations.

These small stations are really small businesses with limited personnel and financial resources. Members of the staffs of these stations perform dual functions. They provide vital information on weather, news, topical discussions, and entertainment for their communities. Any time which is devoted to cumbersome and needless Government paperwork detracts from the time these people need to operate their stations in the public interest.

Presently, the Commission is in the process of reviewing its regulations and procedures. For example, the Commission has already taken several limited steps to relax technical operating rules. This effort, though laudable, has not gone far enough. Testimony before the subcommittee indicates that many small market broadcasters operate at a loss. In fiscal year 1971, about 1,338 of the 4,176 radio stations reported a loss. Half of these stations reporting a loss are located in markets with a population of 50,000 or less.

About 40 percent of the small market

television stations reported a loss in fiscal year 1971, or 97 out of 247 stations. Much of this loss can be attributed to the costs of complying with FCC reporting requirements and other such regulations. FCC rules and paperwork requirements make no distinction between large market and small market broadcasters. Paperwork and reporting requirements are the same for both. A large station can more easily spread the costs of staff, technical, legal and accounting assistance necessary to comply with FCC regulations than can a small station with limited staff and, most importantly, limited revenues.

Several witnesses before my subcommittee hearings on FCC paperwork requirements urged adoption of a number of reasonable proposals. They thought that:

It would be possible to divide stations into large and small categories based on market size or dollar revenue;

A shorter renewal form similar to the 1040A Internal Revenue Service tax form would substantially lessen the paperwork burden on small market broadcasters;

In license renewal applications, a narrative ascertainment survey description could be substituted for the detailed requirements of the current community survey procedure;

Numerous forms which must be submitted to the FCC on an annual basis could be consolidated, thus eliminating repetitious filings; and

The fairness doctrine obligations could be clarified and simplified for small market broadcasters.

Another FCC proposal requiring that programing logs be available at public places for inspection, was attacked by witnesses before the subcommittee. This should be reconsidered to determine if its service to the public is outweighed by the costly expense and burden it would place on the individual broadcaster.

Mr. President, I am extremely hopeful that the Communications Subcommittee of the Senate Commerce Committee will have an opportunity to consider this resolution in the very near future, in order that the Federal Communications Commission might move with all deliberate speed to end the present costly redtape and reporting burden imposed on our Nation's small broadcasters.

I welcome any Senator interested in doing so, to join me in the cosponsorship of this resolution. Likewise, I would hope that our colleagues in the House of Representatives might consider a similar resolution which would further stimulate FCC programs to reduce these costly and burdensome requirements.

The resolution reads as follows:

S. RES. 83

Resolved, That it is the sense of the Senate of the United States of America in Congress assembled that the Federal Communications Commission be directed to review and amend its rules to reflect the rapidly advancing state of the broadcast art, giving special attention to the many problems confronting small market radio and television broadcasters.

Whereas, pursuant to the Communications Act of 1934, as amended, the Congress of the United States created the Federal Communications Commission to regulate radio communications in the public interest; and

Whereas, certain Commission rules are dated or obsolete and no longer serve the public interest; and

Whereas, the burdens imposed on broadcasters by certain Commission rules can no longer be justified; and

Whereas, the Commission currently is proceeding with re-regulation of radio broadcasting to delete all meaningless, redundant, and dated regulations; and

Whereas, the Commission has heretofore recognized distinctions between large markets and small markets and between radio and television; and

Whereas, all broadcast licensees must comply with the same renewal procedures, submit the same ascertainment surveys, and are subject to the same complex rules under the Fairness Doctrine; Now Therefore, be it

Resolved by the Senate of the United States of America in Congress assembled, That the Federal Communications Commission be directed to review and amend its rules to reflect the rapidly advancing state of the broadcast art; that in modifying and deleting out-dated rules, it give special attention to the problems confronting small market licensees; and that it immediately proceed to relax and delete rules where the public interest served is not commensurate with the burden imposed on broadcasters.

Mr. BIBLE. Mr. President, I am highly pleased to join my good friend and distinguished colleague, the Senator from New Hampshire (Mr. MCINTYRE), in cosponsoring this resolution which is designed to lighten the present intolerable paperwork burden on the small broadcasters of our Nation.

As chairman of the Senate Small Business Subcommittee on Government Regulation, Senator MCINTYRE conducted recent hearings and his work has provided clear evidence that current Federal Communications Commission rules and regulations have, in too many instances, placed unnecessary and unduly burdensome requirements on the small broadcaster.

At the present time, every broadcaster in the country must meet the same filing requirements. This means that the small broadcaster in Elko, Nev., with perhaps two or three employees, must provide the same voluminous reports as the largest station in New York City, with a staff of several hundred.

The evidence indicates that the Commission's failure to distinguish between small stations and large stations is forcing small broadcasters out of business because of this excessively unfair paperwork problem.

As Senator MCINTYRE has noted, nearly one-third of the Nation's 4,176 radio stations lost money during 1971 while 40 percent of the small market television stations reported losses for the same year.

Frankly, I can see no justification for placing the same Government reporting and other requirements on all broadcasters, and I am hopeful this resolution will provide greater support and stimulus for the FCC to correct this situation.

This is just one example of the problems confronting the same broadcaster which this resolution directs the FCC to consider. We are also seeking to simplify the fairness doctrine procedures and to shorten the license renewal forms for small market broadcasters.

These steps will enable small broadcasters to do a better job of serving their audience. And they will also give the small broadcaster a chance to make his station a more productive business operation.

Mr. President, I urge my colleagues to join in supporting this resolution so that the small broadcasters of America can be freed from the hardships of these oppressive and unfair requirements which are doing a disservice not only to them, but to the public as well.

SENATE RESOLUTION 84—SUBMISSION OF A RESOLUTION DESIGNATING ROOMS IN THE CAPITOL AS THE "HARRY FLOOD BYRD ROOM"

(Referred to the Committee on Rules and Administration.)

Mr. ALLEN submitted the following resolution:

S. RES. 84

Resolved, That the rooms located in the United States Capitol and designated numbers S–113, S–114 are hereby designated, and shall be known, as the "Harry Flood Byrd Room", in honor of the late great U.S. Senator (1933–1965) from Virginia.

SEC. 2. (a) Any law, regulation, document, map, or record of the United States in which reference is made to the rooms referred to in the first section of this resolution shall be held and considered to be a reference to the "Harry Flood Byrd Room".

(b) The Committee on Rules and Administration is hereby authorized and directed to place an appropriate marker or inscription at a suitable location or locations to commemorate and designate such room as provided herein. Expenses incurred in connection therewith shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of such committee.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973—AMENDMENT

AMENDMENT NO. 42

(Ordered to be printed and to lie on the table.)

Mr. CHILES submitted an amendment, intended to be proposed by him, to the bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

AMENDMENT NO. 43

(Ordered to be printed and to lie on table.)

FOOD PRICE CONTROLS

Mr. RIBICOFF. Mr. President, I am submitting an amendment to S. 398 to end the skyrocketing cost of food.

This amendment to the Economic Stabilization Act would extend price controls to raw agricultural and meat products as well as to processing, wholesaling and retailing. Phase I and II food price controls applied only to food products starting at the processing stage, and continuing through wholesale and retail distribution. Under phase III, raw agricultural products remain exempt from control although food processing and distribution remain under mandatory controls.

Under the terms of my amendment, prices for raw agricultural goods would be frozen at the March 1, 1973 level. Existing phase III controls on food processing and distribution would remain in effect under my amendment.

It takes no great expertise to recognize what housewives have known for some time: food prices are rising at rapid rates. In the last year the wholesale price of eggs has gone up 40 percent; wheat, 57 percent; coffee, 40 percent; cocoa, 47 percent; and bacon, 48 percent.

According to the Department of Agriculture, uncontrolled farm product prices, as of January 15, 1973, were 21 percent higher than a year before, even though the prices paid by farmers for commodities, equipment, wages, interest and taxes had gone up only 9 percent. The lower increase in retail food prices during these 12 months, 7.6 percent, was only possible because food processors, wholesalers, and distributors absorbed some of the farm price rise.

The most recent survey of food prices shows that high prices are finally driving the Nation's consumers to protest by boycotting expensive products such as beef. A report in the Washington Post of March 15 reveals that, according to the National Association of Food Chains, beef sales dropped during February an average of 4 percent. Consumers are substituting fish and cheese for beef purchases and are increasingly unhappy about such forced choices.

Price controls are receiving increasing support as the way to attack this problem. On February 26, the AFL–CIO Executive Council called for controls on raw agricultural products. And on March 16, Mr. I. W. Abel, chairman of the AFL–CIO Economic Policy Committee, testified in favor of such controls before the Joint Economic Committee.

The President apparently is unwilling to make the effort necessary to halt food price inflation. In his February 21, 1973, radio address, he contended that increasing food imports and releasing food stockpiles would drive down prices later in the year. Such broad assurances are not sufficient to help the American family who is feeling the price pinch right now.

The administration would also have us believe that existing price controls are adequate to control food cost inflation. This is not the case. The fact is that price controls on food at the processing, wholesaling, and retailing level have been an abysmal failure.

In the last 6 months, the wholesale price index for farm products and processed foods increased at a rate of 30.8 percent, compared to 11 percent for all commodities. In the last 3 months food was up to 56 percent, compared to 18.6 percent for all commodities.

These statistics clearly indicate that the existing phase III controls on processing, wholesaling and retailing must be extended to raw agricultural production at the farm level if we intend to halt the severe inflation in food prices. This is especially so in view of the fact that the bulk of our food dollar goes to the farmer. The farmer received 33.4 cents of every food dollar, the retailer gets 33.1 cents, the processor gets 22.1 cents, the wholesalers 6.1 cents, and transportation firms 5.3 cents. With controls already in force for the middleman, over 80 percent of the price increases in food in the past year have gone to farmers, primarily large corporate farmers.

Freezing farm prices will not hurt the small farmer. The small farmer is no longer a major factor in American agriculture. Farming is now a major business.

Three-fourths of all farm sales are now made by 19 percent of all farmers. Owners of farms selling less than $5,000 in products received 83.5 percent of their total income from nonfarm sources.

The committee bill, S. 398, does not assure that food prices will be stabilized. Instead, it requires a quarterly report by the President to Congress describing the rate of change in food prices by category of food with accompanying reasons for the change. The committee bill also requires the President to state the action he has taken or what action he recommends to the Congress to be taken to stabilize food prices. We have reached a crisis in food price inflation. What is needed are real controls, not presidential reports.

Adoption of the amendment I introduce today to the Economic Stabilization Act will finally put some teeth into price controls and will assure every American consumer of a stable grocery bill during the 1 year extension of the act.

I ask unanimous consent that the following materials be inserted at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement by the AFL–CIO Executive Council

For almost all American families food is the largest single budget item. If the fear of continuing inflation is to be stilled, the price of food must be stabilized effectively.

No American housewife requires a professional statistician to dramatize how rising food costs have been undermining her family budget. While the Consumer Price Index as a whole went up 3.7 percent between January 1972 and January 1973, the price of food consumed at home rose 7.6 percent; the retail cost of meat, poultry and fish soared by 12.8 percent. During these same 12 months, the wholesale price of farm products generally soared by 22.4 percent—indicating pressures on retail food prices in the coming months.

While rising food prices distress all consumers, the greatest burden falls inevitably on families with moderate and low incomes. In 1971, according to the Bureau of Labor Statistics, food costs accounted for over 27 percent of all outlays of a four-person urban family with a budget of $7,200 and the percentage is higher now. For millions of families, with still lower incomes, the impact of soaring food prices has been even more painful.

Rising price tags at the check out counter largely reflect the uncontrolled rise in the price of various agricultural commodities, at a time when demand has been rising rapidly. Although farm product prices generally are highly volatile—responding quickly to changing weather and other conditions—the recent pressure of rising demand, both at home and from abroad, has sharply bid up the price of many major farm commodities.

The long-term rise in population and living standards at home and the current economic expansion in the U.S., combined with record agricultural exports in response to grain shortages in other countries, plus the exclusion of agricultural products from the Administration's stabilization program, have inevitably created demand pressures, as well as a price and profit bonanza for the sellers of those farm items in greatest demand.

According to the U.S. Department of Agriculture, uncontrolled farm product prices, as of January 15, were 21 percent higher than a year before, even though the prices paid by farmers—for commodities, equipment, wages, interest and taxes—had gone up by only 9 percent.

The fact that the retail food price rise during these 12 months held at 7.6 percent was only possible because food processors, wholesalers and distributors absorbed some of the farm price rise, the Department of Agriculture reports. With the wages of the workers who move the food supply through processing to retail store shelves held under rigorous Phase I and II controls, and with food prices but not farm product prices subject to controls, it comes as no surprise that Agriculture Department figures show that, during that period, out of every dollar of price increase charged food consumers, 82 cents went to higher farm prices.

The Administration has now begun a belated program to dampen the food price rise by increasing the supply of farm products. It has announced that restrictions placed on the acreage planted to major field crops will be relaxed. Other steps include the easing of restrictions on meat imports, the sale of government food stocks and changes in grazing land regulations.

These plans may gradually help to redress the agricultural demand-supply imbalance. But they should be linked to additional, basic changes in the nation's food supply policy.

We have long held that a significant contribution to lower food prices and to the national welfare can be achieved by a redirection of the federal government's farm-income support programs. Instead of continuing to use various governmental devices that bid up farm prices, the government should, when necessary, utilize a system of direct payments to farmers that reflects the difference between market prices and a fair return.

Moreover, millions of dollars in federal payments no longer should be lavished on profitable agribusiness type farms, often owned by big corporations and wealthy absentees. A reasonable and enforceable payment ceiling, considerably lower than the present limitation, should now be placed on the income-maintenance benefits allowed to any farm producer.

Such changes in the federal farm program and to more fairly distribute farm-income would both help to hold down food prices support payments. However, while urging these changes, we reject the misguided efforts of those who indiscriminately seek to dismantle all farm programs. We recognize that the unique problems of agriculture still require government efforts to increase agricultural productivity to insure a sufficient supply of food and fiber to meet America's needs and to underwrite a fair and stable return for American farm families.

Other examples of potentially fruitful ways to reduce food costs are emerging from studies undertaken by the staff of the National Commission on Productivity. They cite savings that are possible from more uniform federal and state regulations of food packaging and standards, while still safeguarding the consumer. They point out that large savings also can come from the introduction of innovative transportation equipment and other improvements in the food delivery system. Another example, among many, is the possibility of an increased supply of seafood products—and stabilized retail prices—with a greater governmental research and development effort. For 10 years, the American seafood catch has stagnated, while imports soared to nearly $1 billion by 1971.

Such measures and changes in federal agricultural policy can gradually increase America's food supply and help to stabilize food prices. But they can be of no help in the next few months. Yet continuing, sharp increases in retail food prices will undermine the entire effort to combat inflation.

However, the prices of raw agricultural products remain exempt from any stabilization controls or restraint, as a result of action by the Administration in 1971. This special privilege for farm prices was unfair when it was established. It is even more inequitable now.

The special exemption of the prices of raw agricultural products from the Phase III stabilization program should be removed. Temporary controls on the prices of raw agricultural products are necessary for at least the next few months, to help stabilize food prices from the primary producers to retail stores.

EXCERPT OF STATEMENT BY I. W. ABEL, CHAIRMAN, AFL–CIO ECONOMIC POLICY COMMITTEE TO THE JOINT ECONOMIC COMMITTEE, MARCH 16, 1973

FOOD PRICES

For almost all American families food is the largest single budget item. If the fear of continuing inflation is to be stilled, the price of food must be stabilized effectively.

No American housewife requires a professional statistician to dramatize how rising food costs have been undermining her family budget. While the Consumer Price Index as a whole went up 3.7% between January 1972 and January 1973, the price of food consumed at home rose 7.6%; the retail cost of meat, poultry and fish soared 12.8%. Between February 1972 and February 1973, the wholesale price of farm produce jumped 25%—forecasting further increases in retail food in coming months.

While rising food prices distress all consumers, the greatest burden falls inevitably on families with moderate and low incomes. In 1971, according to the Bureau of Labor Statistics, food costs accounted for over 27% of all outlays of an urban family of four with a budget of $7200. That percentage is higher today. For millions of families with still lower incomes the impact of soaring food prices is even more painful.

Rising price tags at the checkout counter largely reflect the uncontrolled rise in the price of various agricultural commodities at a time when demand is also rising rapidly. Although farm product prices generally are highly volatile—responding quickly to changing weather and other conditions—the recent pressure of rising demand, both at home and from abroad, has sharply bid up the price of many major farm commodities.

The long-term rise in population and living standards at home and the current economic expansion in the U.S., combined with record agricultural exports, plus the exclusion of agricultural products from the Administration's stabilization program, have inevitably created demand pressures, as well as a price and profit bonanza for the sellers of those farm items in greatest demand.

According to the U.S. Department of Agriculture, uncontrolled farm product prices, as of January 15 were 21% higher than a year before, even though the prices paid by farmers for commodities, equipment, wages, interest and taxes had gone up by only 9%.

The fact that the retail food price rise during these 12 months held at 7.6% was only possible because food processors, wholesalers and distributors absorbed some of the farm price rise, the Department of Agriculture reports. With the wages of the workers who move the food supply through processing to retail store shelves held under rigorous Phase I and II controls, and with food prices but not farm product prices subject to controls, it comes as no surprise that Agriculture Department figures show that out of every dollar of price increase charged food consumers, 82 cents went to higher farm prices.

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These plans may eventually help reduce the agricultural demand-supply imbalance. But they should be linked to other basic changes in the nation's food supply policy.

We have long held that lower food prices can be achieved by a redirection in the federal government's farm-income support programs. Instead of continuing various governmental devices that bid up farm prices, the government should, when necessary, utilize a system of direct payments to farmers that reflects the difference between market prices and a fair return.

Moreover, millions of dollars in federal payments should not be lavished on profitable agribusiness type farms, often owned by big corporations and wealthy absentees. A reasonable and enforceable payment ceiling, considerably lower than the present limitalion in food stamp purchases over the last nance benefits allowed any farm producer.

Such changes in the federal farm program would help hold down food prices and more fairly distribute farm-income support payments. However, while urging these changes, we reject the misguided efforts of those who indiscriminately seek to dismantle all farm programs. We recognize that the unique problems of agriculture still require government efforts to increase agricultural productivity to insure a sufficient supply of food and fiber to meet America's needs and to underwrite a fair and stable return for American farm families.

Other examples of potentially fruitful ways to reduce food costs are emerging from studies undertaken by the staff of the National Commission on Productivity. They cite possible savings from more uniform federal and state regulations of food packaging and standards, while still safeguarding the consumer. Large savings could be realized from the introduction of innovative transportation equipment and other improvements in the food delivery system.

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Such measures and changes in federal agricultural policy can gradually increase America's food supply and help stabilize food prices. But they will be of no help in the next few months.

Continuing sharp increases in retail food prices will undermine the entire effort to combat inflation, but the prices of raw agricultural products remain exempt from any stabilization controls or restraint. This special privilege for farm prices was unfair when it was established. It is even more inequitable now.

[From the Washington Post, Mar. 19, 1973]

THE HARRIS SURVEY—ALARM GROWS AT INFLATION, FOOD

(By Louis Harris)

The American people are growingly alarmed over what they believe is another inflationary boom, triggered by higher food prices. This, in turn, has raised concern over the possibility of another recession by next year at this time, although a majority is now convinced the most recent recession is over.

A record high 74 per cent feel that "prices of most things I buy are now rising faster than they were a year ago." The trigger for most of this concern has been the rapid increase recently of food prices. Recently, food costs for the average American consumer rose more than they had over any similar period in the past 20 years.

Clearly, the central finding from this Harris Survey of the mood of the consumer is that people still feel they were burned by inflation during the 1969–72 period. They appear to be much more willing to take their chances with tighter governmental controls over both prices and wages than on a relatively less controlled economy. By an 82-to-13 per cent margin, the public opts for "receiving less in the way of pay increases provided price rises are kept in line" over a situation characterized by "fewer controls over prices, but with the chance to receive higher pay increases."

A nationwide cross section of households across the country was asked between Feb. 14 and Feb. 17:

Do you feel the prices of most things you buy are rising more rapidly than a year ago, about as rapidly as they were then, less rapidly, or are they going down?

[In percent]

	Up faster	As fast	Less fast	Going down	Not sure
February 1973	74	22	3	--------	1
December 1972	49	39	10	--------	2
March 1972	59	28	11	--------	2
March 1971	73	22	4	--------	1

In the short run, people feel the recession is over. The cross section was asked:

Do you feel the country is in a recession today or not?

[In percent]

	Is	Is not	Not sure
February 1973	33	51	16
December 1972	36	45	19
March 1972	48	33	19
March 1971	65	21	14

However, concerns that the current boom will not last out the year were evident in the answers to this question:

By this time next year, do you think the country will be in a recession or not?

[In percent]

	Will be	Will not	Not sure
February 1973	35	38	27
December 1972	26	43	31
October 1972	26	42	32
September 1972	22	44	34
March 1971	37	40	23

After a rather extended period of cautious but growing public optimism that the economy was snapping out of its long slump, most people agree that the recession has passed, but a new inflationary period has arrived. In turn, they are worried this might well spawn another recession next year.

WHO PROFITS WHEN FOOD BILLS RISE

Farmers—thanks in part to their city cousins, who are paying the highest prices ever for food—are enjoying a real taste of prosperity.

For many years, farmers were last in line when profits from food sales were divided up. Now they are getting the lion's share of the added money that it takes to meet family grocery bills in the United States.

The chart on this page helps to tell the story.

A market basket of food produced on U.S. farms—enough to supply the average urban household for a year—now costs $1,375. That is $102 more than a year earlier. Of the increase, farmers are getting $85. The middlemen who process, distribute and sell the food are getting only $17.

All signs point to a continuing escalation in grocery bills.

Prices paid for cattle, hogs, corn, wheat, chickens and many other farm products have been in a steep rise. On March 7, soybeans sold for delivery later in the month brought $7 a bushel—twice the price of a year ago.

A NEW BLOW

The Government's wholesale-price index, published by the Department of Labor on March 8, reported a staggering 4.6 percent increase in farm products in February. Industrial goods were up by 1.1 percent.

The index for all commodities at wholesale increased by 1.6 percent during a single month when adjusted for seasonal variations. It was a new blow to Administration hopes of bringing inflation down to an annual rate of 2.5 percent by the end of 1973.

In 1972, net farm income of all U.S. farmers hit a record 19.2 billion dollars, an increase of 3.2 billion over 1971. That meant, on the average, about $1,200 more income per farm.

This new prosperity for farmers is due in part to booming export sales of U.S. commodities.

But much of it is coming out of the pockets of city folk. They are having to spend more dollars for food that might otherwise go for recreation and things that make life more pleasant. One woman, wheeling a cart down a supermarket aisle, put it this way: "I told my husband and the boys, if they want to keep on eating steak, that's fine with me, but something has to go—the motor bike, or the boat, or the new skis."

For low-income families and retirees on a fixed income, with little discretionary buying power, the food-price squeeze is painful.

In early March, there were reports in Washington that President Nixon was considering a possible freeze on prices of raw farm products at current levels. This was flatly denied by the White House on March 7.

One break for shoppers: Wholesale butter prices dropped sharply March 9 as the price-support level was reduced.

MEAT IN SPOTLIGHT

Fresh meat is leading almost all other items in the parade of rising food prices. Some cuts of beef and pork are selling for 20 to 60 cents more per pound at the meat counter than a year ago.

A food chain in San Francisco reported porterhouse steak selling at $1.99 a pound, up 30 cents from a year ago.

A Detroit market posted an increase of 49 cents a pound on pork chops, and its bacon was selling at $1.19 compared with 89 cents a year earlier.

Ground beef—the economy meal—was up by 30 cents a pound in Atlanta, 15 cents in San Francisco, 20 cents in Washington, D.C.

Supermarket officials told staff members of "U.S. News & World Report" that there was no quick relief in sight from rising grocery bills.

"Cost of meat and other foods will continue to climb, because our wholesale costs are still rising," said a chainstore official in Atlanta.

Homemakers trying to trim spending for groceries by turning to chicken and ground beef are finding that they are being outflanked by rising prices for these items.

PURCHASES: LITTLE CHANGE

In most of the cities checked, shoppers were reported to be buying about the same amount of meat, despite rising prices.

"We had been expecting prices to level off at this point," said a food-chain spokesman in Chicago, "but our wholesale cost of meat is up by 40 per cent since mid-November. We see nothing that would lead to lower prices soon."

A food-chain executive in California reported:

"In December, 1971, we were paying 55 cents a pound for carcass beef. Now we're paying 70½ cents. We were paying 27 cents a pound for chicken then. Now we're paying 43½ cents."

A San Francisco supermarket spokesman said supplies of fresh produce and eggs were improving, permitting price reductions for those products.

An official of the chain checked in New York City said, "There is no way to put it other than prices are going up right across the line and we are paying more for beef, canned peaches, bread, eggs, soap powder and almost every item we buy."

Here and there over the country, consumer groups are getting organized to combat rising food costs. In the Los Angeles suburb of Simi Valley, the head of a group called FIT—Fight Inflation Together—said:

"We must cut down on demand. When meat managers note a drop in gross sales, they will recognize the power of the consumer. In turn, they will be forced to order less . . . with the effect ultimately getting back to the source of supply—the cattlemen and speculators."

THE PRICE SPIRAL

Over all, food prices rose by 4.3 per cent in 1972. That will be surpassed by an increase of 6 to 6.5 per cent officially forecast by the U. S. Department of Agriculture. Some economists say the rise could balloon to as much as 8 per cent.

The 1973 price spiral is expected to follow this pattern:

Much of the rise in food costs will come in the first three months. Through April, May and June, prices will go up less steeply. Summer probably will see another upturn, followed by a slower-paced increase in the last three months.

Beef and pork were responsible for most of the 1972 rise in grocery bills. Steaks, roasts, other cuts of beef went up by 9.4 per cent. Chops, roasts, ham, bacon, other pork items jumped by 15.8 per cent. All other foods increased by only 2.7 per cent in 1972.

Similar trends are forecast for 1973.

Record-high prices paid for live beef cattle in recent days—up to $45 a hundredweight in Omaha—have not been fully passed on to retail meat counters. Nor in the months ahead will there be enough cattle coming to market to reduce prices appreciably.

The number of hogs being fattened on U. S. farms is at a relatively low level. Those available are bringing record-high prices.

On March 6, $41 a hundredweight was paid at Peoria, Ill. In the last half of 1973, hog numbers are expected to increase and bring some easing of prices.

THE FARMER'S SHARE

Even with the big run-up in farm prices, the farmer still gets only one third of each dollar American families spend on food. His share came to 33.4 cents in 1972, as shown by a chart on page 21. That compares with 42.2 cents in 1971.

As shown on the chart and table on page 22, the farmer gets a higher proportion of the retail price of some foods than others. On beef, for example, his share is much higher than bread.

The current farm prosperity is tempered by a number of factors. It is not evenly spread among all those who till the land. The operator with a small, marginal spread does not have the volume of sales needed to offset production costs, which rose even faster than the price of food at the supermarket. They soared 7 per cent in 1972, and are expected to increase faster this year.

The farmer who has to buy soybean meal to feed his livestock is hurt, rather than helped, by this crop's sky-high price. Beef calves that must be bought for feed lots are bringing staggering prices.

The worst harvest season in years hit Midwest and Southern farms this past autumn, and hundreds of millions of bushels of crops were lost in the fields instead of bringing high market prices.

Even so, the majority of the nation's farmers are enjoying a boom that few would have dared to hope for a couple of years ago.

[From the New York Times, Mar. 11, 1973]

EGGS, STILL A BIG FOOD BARGAIN LEAD MEATS IN PRICE RISE HERE

(By Will Lissner)

Eggs, still—despite their price—the biggest bargain on the food list, led seven meat cuts in a new price advance last week and market analysts said they feared that the day was coming soon when eggs would no longer be widely available as a substitute for high-priced meat.

The latest figures show that laying flocks are still dwindling because, with feed prices going higher, farmers are culling out the older and less productive hens.

Laying flocks were estimated at 309 million in 1965 and were built up to 331 million in 1970 and 328 million in 1971. The total dropped 8 per cent, to 300 million, last Jan. 1, and the Feb. 1 estimate showed a further drop. Partly offsetting the decline in the number of laying hens, however, has been a rise in productivity from 57 eggs a day for every 100 hens in 1969 to 61.8 on Feb. 1.

MORE PRICE RISES LIKELY

Large Grade A white eggs, the size most plentiful at present, sold for 55 to 59 cents a dozen on Aug. 15, 1971, when President Nixon introduced price stabilization. They sold for 77 to 81 cents last Jan. 1. During the weeks of Feb, 20 and Feb. 26 the price was mostly 65 to 69 cents in New York supermarkets, according to the price reports of the New York State Department of Agriculture.

Last week the price rose to 69 to 71 cents a dozen and the movement of wholesale prices indicates that this week the retail price may advance further. On Jan. 2 the wholesale price was 55 to 57 cents. It dropped to the year's low on Feb. 9, 42 to 45 cents a dozen. On March 2 the price rose to 46 to 49 cents and last Friday to 51 to 54 cents—a price range that may be reflected at the retail level in a week.

But even at present retail prices of around 70 cents a dozen, eggs provide essential protein at 46 cents a pound—a price only some fish items compete with. Chickens have risen 6 cents a pound in some stores to 55 to 65 cents a pound for broilers and fryers and 59 to 69 cents a pound for roasters.

PORTERHOUSE UP AGAIN

Among the meat cuts that were high and moved higher last week were porterhouse steak and rib roast among beef items, loin and shoulder chops among veal items and rib and shoulder chops among lamb items. In many stores the increase on these cuts were 10 cents a pound. Sliced bacon went up 10 cents a pound and is selling at $1.39 a pound in surveyed stores.

Staple vegetables like potatoes, yellow onions and green cabbage were costlier last week than the week before because stocks, meager to start with, were diminishing and the new crop was not yet available.

What did Nathan Herschberg, who provides consumer information from the State Department of Agriculture, eat last week "Fish, turkey and cheese, with a lasagna made with a little ground beef," he reported. "We decided to have a meatless day and we almost had a meatless week."

Housewives Organize Meat Boycott

(By Robert Mott)

It doesn't have an official name yet, nor a board of directors, but an ad hoc boycott of meat products is clearly in progress in the Washington area.

Spurred by the initiative of Rep. William R. Cotter (D-Conn.) and a California-based group called FIT (Fight Inflation Together), a number of area residents are knocking on doors, mimeographing leaflets and planning supermarket picket lines this weekend to encourage consumers to declare a moratorium on meat-eating during the first week in April.

"Think fish" and "Be choosy for cheese" and "Be for beans" are sample slogans dreamed up by two neighbors, Sibbie O'Sullivan and Tina Johnson, who live in a large apartment complex on Southampton Drive in Silver Spring.

"We're just going door-to-door and telling everybody what we have in mind," Mrs. Johnson said. "So far the response has been very positive. Although many residents balked at joining picket lines, she said, every one of those contacted agreed to join the partial boycott.

"It's a very simple thing we're asking, and everybody thinks they can do that much," she said.

Martha Robinson, of the Consumer Federation of America, said many members are sympathetic, but that "one of the problems with boycotting . . . is that normally they don't last long enough and are not enough in gear to produce a result."

A survey of national food chains by The Washington Post confirmed earlier industry reports that meat sales are down and fish and cheese sales are up. Specific area figures were not available, though a spokesman for the Giant chain confirmed a decline in recent meat sales.

But some area residents are concerned that fish and poultry prices are chasing meat at an alarming pace. "It makes me literally sick to go into a grocery store," Karen Helfert, of Rockville, said. "You can't go to fish—some of it is already $1.98 a pound. And uncut chicken is 59 cents—a year ago you could get it for 25 cents."

A delegation of area housewives visited Rep. Cotter's office yesterday to pick up a fresh supply of leaflets urging consumers to boycott meat during the first week of April, and to send their cash register receipts to President Nixon with their names and addresses on them.

So far their campaign has functioned largely on the word-of-mouth level, with Cotters office acting as a go-between for informal groups in Silver Spring, Oxon Hill, Alexandria and Montgomery County.

Mrs. Helfert, a member of the Citizens Information Committee in Montgomery County, said the organization had not yet formally adopted a boycott policy but that "if one organization would be a rallying point, I know of a number of others that would jump on the bandwagon.

Among them are the D.C. Federation of Citizens' Associations, the D.C. Federation of Civic Associations and the Virginia Citizens' Consumer Council, which voted this week to support the April week-long boycott.

[From the Washington Post, Mar. 15, 1973]

Survey Shows High Prices Driving Buyers From Beef

(By James L. Rowe, Jr.)

High prices finally seem to be driving the nation's consumers away from beef, an informal survey of some of the nation's largest supermarket chains show.

One large chain said that its beef tonnage movement dropped nearly 10 per cent in the last few weeks. Others reported declines in beef sales, but were unable to estimate precisely their extent.

The National Association of Food Chains reported that all but one of the 16 chains reporting in an informal survey said beef sales dropped during February, with the average decrease about 4 per cent.

The reports could be an early sign that shoppers are turning to other meats and to meat substitutes such as fish and cheese. But many government and private economists greeted the results of the survey with skepticism.

"We'd like to be able to confirm that evidence," an official of the Cost of Living Council said, "but we cannot." He said that if consumers were purchasing less beef, supermarkets would buy less—which should reduce rates of slaughter and cattle prices.

C. W. McMillan, executive vice president of the American National Cattlemen's Association, said that last week's slaughter of 636,000 head of cattle was the largest so far this year, up 1 per cent from the 627,000 head killed the week before and 6 per cent higher than the 601,000 head slaughtered at this time a year ago.

The Agriculture Department said yesterday that the rate has not tapered off much this week, either. For the first three days of the week, 349,000 head were killed, down a little from last week's 356,000 and last year's 353,000. As for steer prices, they have increased about $2 a pound in the last week.

Both McMillan and Cost of Living Council officials said that if consumers were turning away from beef, there should be live cattle backed up in the "pipeline." But the heavy slaughter and strong prices indicate that this is not occurring.

An official of one food chain that reported a significant drop in sales admitted, "We're confused. We look at our sales figures and look at the slaghter figures and we can't explain it."

Food chain association officials said, however, that their conversations with members this week continue to confirm the reports they got last week—consumers are buying less beef.

Esther Peterson, consumer adviser to the president of Giant Food, Inc., said the $600 million chain has had a drop-off in beef sales coupled with a large increase in fish sales. Mrs. Peterson said Giant had added extra manpower to its fish division and was purchasing hundreds of pounds more of fish than normal.

Another large firm that consented to be identified, the $3.7 billion Kroger Co. of Cincinnati, said that its beef sales dropped somewhat last month but returned to normal after chicken prices went up. Broilers have risen about 7.5 per cent since mid-February.

Jewel Companies, a $1.8 billion Chicago-based food chain, said it has experienced consumer resistance to beef prices but said its sales figures are distorted because Jewel has been having a large number of steak and roast sales recently.

"We're facing consumer resistance when beef prices are at normal levels and heavy buying when we have sales," a Jewel spokesman said.

Despite protests since beef prices began rising rapidly last year, there has been no previous evidence that consumers were doing anything more than grumbling.

Officials cite a number of reasons for the continued heavy demand for beef, including a large increase in employment, rising real earnings, the increase in Social Security payments last fall and an increase of $3 billion in food stamp purchases over the past five years from $500 million to $3.5 billion.

[From the Los Angeles Times, Feb. 23, 1973]

Meany Links Wage Hikes to Food Cost

(By Harry Bernstein)

Miami Beach.—AFL–CIO President George Meany said Thursday that, unless President Nixon could effectively control food prices, American workers would not go along with efforts to keep wage increases below the 5.5% guideline.

What is required, Meany insisted, are firm controls on food prices, including prices of raw agricultural products, even if they require "the setting up of a big bureaucracy."

The Nixon Administration has contended that such controls on food prices are not feasible because they would be impossible to administer, and would lead to shortages, rationing and ultimately black marketing.

Meany scoffed at that, saying Mr. Nixon is "a very strong President, who has complete control of his own party, complete control of this Administration, and at the present moment, he practically dominates Congress.

"In that position, you can do a lot of things, including controlling food prices."

The President has said the Administration has "a stick in the closet" for those who seek unjustified wage or price increases. Meany said, "So let them have a stick in the closet for the farmers too."

On Wednesday Mr. Nixon predicted that retail prices of food would continue to rise for several months but he said there would be relief later in the year.

On Thursday, the government reported that food prices (groceries and restaurant meals) soared 2.1% in January, and overall, the cost of living rose 0.3%.

At a meeting of the AFL–CIO executive council here, Meany said that "if food prices continue to go up, it is quite obvious that it will not be fair to require workers to hold wage increases to 5.5%."

Rigid guidelines for wages were ended in Phase 3 of Mr. Nixon's economic program, but the current "voluntary" controls have what Administration officials called the "clout" of government behind them.

The Administration generally expects wage increases to stay within the 5.5% guideline. Their expectations will be tested in the next few months when contracts covering nearly 5 million workers come up for renegotiation.

Despite the labor leader's firm stand that wages are going to have to keep up with the cost of living, there was no indication that the AFL–CIO and Mr. Nixon differed dramatically on the system the Administration is using to hold down wages and prices.

PHASE 2 PROTEST

Meany and three others of the now-defunct Pay Board's five labor members quit in protest against what they called the unfair administration of Mr. Nixon's Phase 2 economic controls.

Meany, however, cooperated in establishing the procedures for Phase 3, including the idea of "voluntary" compliance with the guidelines.

But the AFL–CIO leader Thursday denounced the Administration's attempts to control food prices so far as "just a series of statements of what they are going to do and what they expect, and I am not optimistic that they're going to succeed."

So far the Administration's plans for holding down food prices include an attempt to increase food supplies by allowing greater food imports and by encouraging farmers to raise more.

If the Administration fails to hold down food prices, Meany insisted, wages must rise because "otherwise who is going to be able to buy the goods if prices keep going up and up and up and wages are frozen?"

And, Meany warned, even if food prices do begin to stabilize, as Mr. Nixon has predicted, labor will still have "some catching up to do" in its contract negotiations.

One of the first major unions to come up for negotiations this year is the United Rubber Workers of America. That union's president, Peter Bommorito, said in an interview here that his union expected to get a 6% wage increase in the new contract's first year.

However, the rubber workers did not have a cost-of-living clause in their last contract agreement, and it may be this kind of "catching up" that Meany referred to, as well as the guideline deviations which the government will allow without using "the stick in the closet."

Meany reiterated the AFL–CIO's opposition to Mr. Nixon's proposed budget and the "dismantling of social programs," and said that the new secretary of labor, Peter J. Brennan, "agrees with us across the board" on this and other issues.

"Mr. Brennan (former head of the New York Building Trades Council) is a trade unionist and I think that he is going to be a trade unionist first and a secretary of labor second," Meany said.

[From the Washington Post, Mar. 1, 1973]

GROCERY PRICE RISE STEEPEST SINCE '47

A typical American family's annual food bill jumped by 2.7 per cent in January, the sharpest increase since the government began keeping monthly reports in 1947, the Agriculture Department reported yesterday.

The boost, attributed to soaring prices of raw agricultural products exempt from administration controls, prompted department economists to predict that retail grocery prices might rise even faster in 1973 than the 6 per cent to 6.5 per cent they previously had estimated.

The department's monthly report on the cost of a "food market basket" for a typical statistical family of 3.2 persons showed record increases in January in the average retail costs of pork—94.1 cents a pound—and choice grade beef, which hit $1.22 a pound.

Also contributing to the increase were higher prices for poultry, eggs and fresh vegetables.

The average annual family grocery bill rose to a record $1,375 last month, $37 higher than in December and a boost of $102 over the same month a year ago.

All the January increase was in the form of higher prices paid to farmers and passed along to the consumer. Grocery prices would have been even higher in January if the middlemen had increased rather than reduced their profit margins.

Don Paarlberg, the department's chief economist, said prices are likely to get worse at the supermarket in February.

AMENDMENT NO. 44

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, I am submitting this amendment for consideration during the debate of the Economic Stabilization Act Amendments of 1973 (S. 398), paralleling an amendment made in the Committee on Banking, Housing and Urban Affairs with respect to food prices. The intent of the amendment is simply to obtain clear data on price increases in the health insurance industry, including what portions of these rapidly rising premiums can be attributed to increased costs of physicians and hospital services, broadened benefit packages, as well as increased administrative costs and profits.

During phase II, the price commission granted sizable premium increases to numerous insurance carriers affecting millions of Americans. I believe it is essential for the Congress to maintain a particularly close surveillance in the area of health insurance premiums in the light of this experience.

I urge my colleagues to consider these amendments as a means to this end.

AMENDMENT NO. 45.

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted an amendment, intended to be proposed by him, to Senate bill 398, supra.

AMENDMENT NO. 46

(Ordered to be printed, and to lie on the table.)

Mr. TAFT. Mr. President, today I am offering an amendment to place a ceiling on Federal expenditures for fiscal 1974 of $268.7 billion, the President's proposed budget level. My amendment also includes provisions which give Congress a chance to override any impoundments the President might make because he feels that they are necessary to keep government spending within the limits set by the ceiling. I request that it be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 46

On page 5, after line 14, insert the following:

LIMITATION ON EXPENDITURES AND NET LENDING FOR FISCAL 1974

SEC. 9. (a) Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government shall not exceed $268,700,000,000.

(b) If the President makes reservations from expenditure and net lending, from appropriations or other obligational authority heretofore or hereafter made available in order to effectuate the provisions of subsection (a), he shall transmit to the Congress a separate notification of each such reservation made with respect to any single budget account, together with a detailed justification therefor, within ten days from the date on which such reservation was made. If, during a period of thirty calendar days of session of the Congress following the date on which the notification is transmitted, there is passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve such reservation, with respect to such account, the President shall within ten days make available for obligation the amount of funds reserved pursuant to this section with respect to such account. For the purposes of this paragraph, in the computation of the thirty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of the Congress sine die.

(c) For the purposes of this section the term "budget account" means any appropriation account or other account granting obligational authority including, but not limited to, contract authority, authority to spend public debt receipts, and authority to spend agency debt receipts.

(d) The provisions of sections 910–913 of title 5, United States Code, shall apply to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under subsection (b) in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reorganization plans; except that references in such provisions to a "resolution with respect to a reorganization plan" shall be deemed for the purposes of this section to refer to a resolution of disapproval under subsection (b).

(e) The President shall not establish separate ceilings on expenditures or net lending for any budget account which will prevent the obligation of all funds made available for obligation pursuant to this section.

Mr. TAFT. Mr. President, there is no more appropriate legislation than the Economic Stabilization Act for an amendment to place a ceiling on Federal expenditures. The experience of the late 1960's indicates what happens when government expenditures substantially exceed even full employment budget receipts. Most economists agree that this type of overstimulation of the economy was probably the most important reason that wholesale prices shot upward by more than 3 percent from 1967 to 1969.

We cannot let this happen again, particularly at a time when domestic price stability is vitally needed to help reverse the deteriorating competitive position of the United States in the international economy. We cannot permit the phase three effort in the private economy to be nullified by an irresponsibly high level of Government spending.

Yet there is considerable danger that this may happen. The President's proposed budget is a full employment budget, but it is still more than $19 billion below what the budget totals would have been if the programs currently in effect were allowed to grow at an unconstrained rate during fiscal 1973 and fiscal 1974.

There are certain to be great pressures to spend at a rate exceeding that which the President has proposed. This simply cannot be done without fanning the fires of inflation, unless we increase taxes to pay for greater expenditures. In view of the tremendous public opposition to this move, I doubt seriously that such a tax increase is likely to be passed very quickly.

Therefore, I have come to the conclusion that a concentrated congressional effort to hold down the budget to the level proposed by the President is the only alternative to government-pull inflation. We may not agree with the President's priorities, but we should stick to the overall spending level which he proposes. The spending ceiling which I am proposing today would serve as a basis for focusing congressional efforts on that goal.

When the Banking, Housing and Urban Affairs Committee was considering the devaluation bill, and again today on the floor, the senior Senator from Wisconsin discussed an amendment to set a budget ceiling of $265 billion for fiscal 1974. Despite my concurrence in the belief that budget control for the immediate future must be one of our highest priorities, I voted against this amendment in committee for two reasons.

First, the $265 billion figure may be unrealistically low. I hope not, but it is $3.7 billion below what the President wants to spend, which means that a total of $3.7 billion more in budget cuts than those proposed by the President would have to be made. Senators on both sides of the aisle have already expressed their disapproval with many of the proposed cuts and indicated their intention to restore these cuts. The only way to do this and still keep the budget in line would be to cut expenditures in some budget categories by much more than the President has requested.

I believe that achieving a congressional consensus to make cuts of this type which are large enough to keep the fiscal 1974 budget within the President's proposed spending level is going to be an extremely difficult task. If we mandate an additional $3.7 billion of required cuts, this task will become even more difficult.

Nevertheless, the effort should be made despite its formidable nature if such an effort is likely to contribute significantly to inflation restraint. The administration does believe, however, that $268.7 billion can be spent without generating inflationary pressures. We should not complicate our job significantly by adopting a budget ceiling much lower than this figure unless we are extremely confident that the administration's assessment is wrong. I have not seen convincing evidence to this effect.

Of course, a budget ceiling at the President's proposed level of spending would not prevent the Government from spending less than this amount. Congress could still limit the budget to $265 billion, or any other level below $268.7 billion, if it decides that this is desirable and it is able to agree upon cutbacks of sufficient magnitude.

In any event, my most serious objection to the amendment proposed in committee was based on its design rather than on the budget number. Congress rejected a proposed spending ceiling last fall because it would have given the President unlimited authority to make whatever fund reservations he believed were necessary to keep the budget within the limits required by the ceiling. A spending ceiling such as the one proposed last fall, or the one proposed by Senator Proxmire in committee, is a license to impound funds. The Office of Management and Budget can say that it must make impoundments to fulfill its constitutional obligation to faithfully execute the spending ceiling law.

In fact, an OMB official indicated to my staff that in view of the uncertainty of appropriations totals until appropriations bills are actually passed, OMB might try to help effectuate a spending ceiling by reserving funds from the very beginning of the fiscal year. The lower the spending ceiling figure is set, the more massive these funds reservations are likely to be.

I do not believe that any spending ceiling should be enacted which could be used as a mechanism for a further erosion of congressional authority and responsibility. One of Congress primary duties is to set the Nation's budgetary priorities. A congressional compromise of this function, in the name of controlling inflation or any other cause, would create a serious imbalance between the powers of the legislative and the executive branches.

My amendment would give Congress a proper participatory role in determining which fund holdbacks will be made to effectuate the spending ceiling if such action proves necessary. The President would notify Congress within 10 days after he has held funds in reservation for this purpose. At that time he would supply Congress with a detailed justification for taking that action. Either House of Congress would then be able to override the fund reservation by passing a "resolution of disapproval" within 30 calendar days of session of the Congress, not including days on which either House is in adjournment sine die. If such a resolution were passed within this time, the President would have to release the funds in question.

A "resolution of disapproval" would be afforded expedited congressional treatment, so that a final vote on any such resolution could occur before the allowable time period expires. A motion to discharge a committee of its responsibility to consider the resolution, if made by a proponent of the resolution, would be in order 10 days after the resolution has been referred to committee. Debate on such a motion would be limited to 1 hour, and no amendments or motions to reconsider would be in order. Once the resolution is reported out of committee, a motion to consider it would be highly privileged and not subject to debate. Debate on the resolution would be limited to 10 hours, and a motion to recommit it would not be in order. Motions to postpone consideration of the resolution, and appeals relating to Senate or House procedural rules, would be decided without debate.

These are the same provisions as those in the Reorganization Act.

These provisions insure that the enactment of my spending ceiling amendment will not result in a surrender of congressional power to the executive branch. Yet the amendment will not lock OMB into an inflexible "meat-ax" approach to budget control. OMB could still propose to reserve funds in any manner it deems appropriate for complying with the ceiling, but Congress would have a chance to prevent the implementation of such proposals. Congress would be able to prevent OMB from using the budget ceiling as a pretense for making unjustifiably extensive fund reservations or major alterations in congressionally established priorities. At he same time, Congress spending actions would clearly become more visible. As a result, it would assume more responsibility for these actions in the public's eyes.

It is true that much of the budget for the coming fiscal year can no longer be controlled by congressional decisions. If expenditures for uncontrollables are higher than predicted, it may be inevitable to avoid the need for adjustments in order to stick within the proposed budget ceiling, particularly since 75 percent of the budget is now considered uncontrollable. Congress should work with OMB to keep fully abreast of the actual rate of expenditures for uncontrollables, so that as much time and flexibility as possible will be available for making such adjustments.

Of course, our major effect on this year's budget totals will come through our actions on appropriations bills. I urge the Congress to act promptly on these bills in a maner which would leave no doubts that any fund reservations on the basis that the 93d Congress is spend-crazy are unjustifiable.

I do not believe that the budget ceiling approach should be the total and permanent answer to Congress problems with budget control. It is essential that Congress move immediately to enact reform proposals which would end our fragmented method of considering the budget. If Congress would consider the budget as one unified document, it would be in a much better position to make responsible spending decisions than it is at the present time.

Nevertheless, the need to avoid inflationary Government spending is too great now to wait for comprehensive congressional reform. I believe that my amendment will prove to be a major step toward insuring that this need will be met, without further tipping the balance between Congress and the Executive, during the interim period in which Congress considers more fundamental budget reforms.

AMENDMENT NO. 47

(Ordered to be printed, and to lie on the table.)

Mr. STEVENS submitted an amendment, intended to be proposed by him, to Senate bill 398, supra.

AMENDMENT NO. 48

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted an amendment, intended to be proposed by him, to Senate bill 398, supra.

AMENDMENT NO. 49

(Ordered to be printed and lie on the table.)

Mr. MATHIAS submitted amendments, intended to be proposed by him, to amendment No. 22, proposed by Mr. Case to Senate bill 398, supra.

NOTICE OF HEARINGS ON CERTAIN BILLS

Mr. JACKSON. Mr. President, on March 27, 1973, at 10 a.m., in room 3110, Dirksen Senate Office Building, the Senate Interior and Insular Affairs Committee will conduct a second and final day of hearings on pending legislative measures proposing a new policy for the granting of rights-of-way across the Federal lands. This hearing is a continuation of the hearing held on March 9, 1973. Measures to be heard are:

S. 1081—(Jackson).

S. 1056—(Fannin).

S. 1040—Jackson and Fannin by request, section 122.

S. 1041—Jackson and Fannin by request, title IV.

NOTICE OF HEARING ON FARM AND RELATED PROGRAMS

Mr. TALMADGE. Mr. President, the Committee on Agriculture and Forestry has just completed 8 days of hearings on the farm and related programs with approximately 112 public witnesses. On Thursday, March 29, the committee will hear the Secretary of Agriculture present the recommendations of the administration. The hearing will be in room 324, Russell Office Building, beginning at 10 a.m.

SCHEDULE OF HEARINGS ON THE NATIONAL WATER COMMISSION REPORT

Mr. CHURCH. Mr. President, on February 26, 1973, I advised the Senate of my intention to schedule early hearings before the Water and Power Subcommittee of the Interior Committee to take testimony on the forthcoming report of the National Water Commission. I have now received a letter from Chairman Luce of the Commission advising me of his schedule for completion of the report.

A hearing has been scheduled for June 28, 1973, to receive the testimony of the Commission regarding its report, and another hearing for July 17 for the Water Resources Council, composed of the Federal agencies which have water resources programs, to present its views.

The Commission's report will be completed in time for these hearings. Because of the time necessary for printing and distribution, it will take somewhat longer to make it widely available to the public. For this reason and to insure adequate time for non-Federal witnesses to review the report and prepare their comments, I do not intend to schedule further hearings before the August adjournment. I wish to assure Senators, however, that open hearings will be scheduled after the adjournment to provide opportunities for every viewpoint to be received. At that time, the committee will have had the benefit of the background hearings with Federal witnesses, and the non-Federal witnesses will have had time to obtain the report and analyze it.

The National Water Commission's report covers many complex issues. It holds serious implications for every level of government and for the citizens of every region of the country. It is essential that congressional consideration of the policy recommendations made by the Commission be prompt and thorough. It is also essential that the Federal, State, and local officials who must manage the Nation's water resources, and the citizens who depend upon those resources are informed about the policy questions raised by the report and participate in the decisions which result.

I intend to keep Senators informed of the progress of the hearings, and I invite their comments and their assistance in compiling a good record.

ADDITIONAL STATEMENTS

CHINA AND THE UNITED STATES—ADDRESS BY SENATOR MANSFIELD

Mr. AIKEN. Mr. President, last Friday evening the majority leader of this Senate addressed the Johns Hopkins University School of Advanced International Study here in Washington on the subject "The New Congress and the New China." Senator Mansfield's address was a thoughtful and I believe an accurate presentation of the growing and bettering relationship of the United States and the Peoples Republic of China.

I ask unanimous consent that Senator MANSFIELD's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CHINA AND THE UNITED STATES

THE NEW CONGRESS AND THE NEW CHINA: AN AGENDA FOR ACTION

With Peking as the epi-center, the pattern of international relationships in Asia has undergone a series of earthquakes. The repercussions have been deep and pervading. When a new structure of stability emerges in the Western Pacific, it will manifest far-reaching changes. The main factors of change are already evident and I would like to list them at the outset.

(1) The tragic U. S. involvement in the war in Indochina is, hopefully, at its tortured, dragged-out end. U. S. military power is moving off the Asian mainland.

(2) Whether the character of the People's Republic has changed or our perceptions of China have improved is moot; the United States has elected, at last, to close out the undeclared war, the cold war, the proxy war, the peripheral war with the Chinese People's Republic. In turn, we have found the Chinese leadership in Peking most accommodating.

(3) In a period of spreading peace, Japan possesses the most dynamic economy in Asia The Japanese have skirted the Taiwan quicksands and have come, instead, to terms with the new China. They are now embarked on a multi-directional diplomacy built on the base of a vast foreign trade. Japan moves still, with intense awarness of the United States, but no longer in the shadow of U.S. policy.

(4) To whatever depth the wedge has been driven between the Soviet Union and China, no signs point to imminent extraction; in the circumstances, Soviet policies which appear to be in a state of abeyance in Asia, remain uncertain and enigmatic.

An ancient Chinese proverb says that "a journey of 1,000 miles begins with a single step." Actually it says a "journey of 333⅓ miles." But with an ancient American tendency to overstate anything involving China, we have even managed to inflate its proverbs. In any event, the first step and several more have already been taken in Sino-U.S. reconciliation. China and the United States are now moving rapidly towards the normal relationships of peace. This change has been produced by the combined talents of the nation's political community, as typified by the President, and of the Academic community, as represented by Dr. Kissinger. Democrats can hardly ride the President's coattails on the China question, nor, for that matter, can other Republicans. Whether Johns Hopkins can claim a share of credit for Harvard's contribution, I leave to your judgment.

It will help to understand how far we have come in Sino-U.S. relations if we look for a moment at the old China policy which was washed away in the Chou-Nixon toasts in Peking last winter. That policy was one of boycott and ostracism and it can be said to have begun with the inauguration of the People's Republic of China in Peking in 1949. At that time, we saw not the birth of new hope in China, but rather the dashing of our hopes for a durable peace after World War II. The new government was viewed as not Chinese at all, but rather as an alien outpost of a worldwide Communist conspiracy led by the Soviet Union. We told ourselves that it was bound to be shortlived, soon to be overthrown by the righteous wrath of the Chinese people.

This interpretation may seem somewhat incredible today. However, I can assure those of you who are too young to remember that it was the prevailing interpretation a quarter of a century ago. It was an interpretation spawned largely by the anxieties, fears and angers generated in the cataclysmic upheaval of the Chinese revolution.

In view of the distorted depiction of the new China in 1949 and the sense of betrayal to which it gave rise in this country, it is not surprising that American public life came to be dominated by a nationwide witch-hunt. Everywhere the search went out for the culprits "who had lost China." Educators, politicians, journalists, ministers, bureaucrats, businessmen or whatever—none was exempt from the field-day of the ideological carpetbaggers. In the atmosphere of those times, rational discussion soon gave way to a massive bi-partisan denunciation of the new China. Indeed, Democrats vied with Republicans in expressing a hostile aversion to what had emerged in Peking.

The American mood in 1949 was one of fear, frustration and fury. Spearheaded by these emotions, it is little wonder that we moved, almost eagerly, into the devastasting peripheral war with China in Korea. Simultaneously, our diplomacy plunged us into the middle of the Taiwan problem and opened the door to eventual direct military involvement in Indochina and Southeast Asia. Everywhere in Asia, "containment of China" was enshrined as a cardinal objective of our policies.

After the Korean truce and the Geneva Accords of 1954 the wings of a Sino-U.S. reconciliation beat feebly from time to time but never with sufficient strength to dispell a smoldering mutual resentment. For many years, Department of State representatives maintained intermittent contact with Chinese diplomats in Europe. At no time, however, did these meetings confront the major issues. While European and other nations were coming to terms with the People's Republic, the United States under successive Presidents, reaffirmed time and again that Taiwan was China. Insofar as this nation was concerned. Peking was then and forever consigned to international limbo.

The Executive Branch engineered and Congress financed a ring of military compacts around China's borders. Links in the chain were formed by SEATO and Mutual Defense treaties with the Republic of China on Taiwan, Japan and the Republic of Korea. With these treaties came a strengthening of the U.S. military base structure throughout Asia and the quasi-permanent deployment of tens of thousands of U.S. troops to man the bases. Tens of billions of dollars poured forth for our forces in the Far East and for massive aid and thousands of advisors to allies, new and old.

A stringent boycott was clamped on all trade with the Chinese mainland. Cultural and other contacts were shut off. It became illegal to purchase even a pair of chopsticks in Hong Kong if they were fashioned in China, or to sell the Chinese a pair of shoelaces, even by way of a U.S.-owned factory in Canada. As for our understanding of the new China, what we learned, we learned second-hand and more often than not through the distorting prisms of Taiwan and Hong Kong. An American newsman who had the temerity to journey to China in the face of an Executive Branch prohibition on all such travel was compelled, subsequently, to go to court to obtain a passport to ply his trade abroad.

It was almost as though we were determined to blot out of our ken the very existence of the Chinese mainland and what was transpiring thereon. Even when serious difficulties emerged in Soviet-Chinese relations, we were at first incredulous and suspected a joint plot aimed at the "Free World." It was only much later that we were prepared to acknowledge the reality and abandon the concept of a worldwide Communist monolith based on Moscow.

In doing so, however, we did not change our view of the government in Peking. We still saw the People's Republic as a reckless, belligerent and powerful Chinese dragon with its corralling as the end purpose of our Asian politics and programs. All the while, it is now apparent, the Chinese people were seeing themselves as a beleaguered, undeveloped country, beset on all sides by enemies who had been marshalled by the United States to undo the achievements of the Chinese revolution.

It is now known that during these years of ostracism, the Chinese stress was not on aggression beyond their borders, but on military defense of their own territory. It is now known, too, that the maximum emphasis of these years was given to production for peaceful purposes. The Chinese were preoccupied with feeding, closing and sheltering three-quarters of a billion people and with developing a social and economic structure which would give durability to the ideology of Mao Tse-tung. In retrospect, it is clear that we expended billions in Asia to deter what we believed was an aggressive China at precisely the time when Chinese energies were being redirected away from militant revolution into militant social reconstruction.

The gash in our understanding was largely self-inflicted. To a large extent, as I have indicated, we cut ourselves off from what was happening inside China. The cost of this exercise in ostricism is incalculable. It had much to do with leading more than two and a half million Americans into the military quagmires of the Asian mainland. Thirty-three thousand Americans never returned from the hills and valleys of Korea where many died in unnecessary conflict with vast Chinese armies north of the 38th parallel. Another 46,000 Americans gave their lives in the paddies and jungles of Indochina. The $150 billion, plus, cost of the Vietnamese war pales in comparison with the tragedy of devastated lives, of a shattered national unity and of the decline in the general sense of well-being of the nation.

Nevertheless, the dollar price of this misbegotten policy is not to be ignored. The price is now stated as upwards of $150 billion for Indochina alone but the full costs of that tragic adventure will be borne by the American people well into the next century, with the present price-tag not doubling but tripling. The wastage stalks both our national and international footsteps. It casts reflections in the ever-rising prices at home and in the declining value of the dollar abroad. It has left us ill-prepared for the emerging challenges of a period of peace.

To be sure, the damage of two decades is done and cannot be undone. I have sketched this past of China policy, not in recrimination; few of us who lived through the period are completely free of responsibility for the distortions. I have sketched it in some detail because an awareness of the soil in which the old policy was planted is necessary to the cultivation of a fruitful new policy with regard to China and, indeed, all of Asia.

As I have already noted, President Nixon's visit to China last year marked a turning point. The visit, properly, brought him public gratitude and acclaim. His greatest foreign-policy initiative has made possible the narrowing of the vast chasm in Sino-American relations. The remaining gap is closing rapidly, more rapidly than anticipated in the most sanguine of expectations a year ago.

In retrospect, it is clear that the warm reaction at home to the President's initiative indicated that the nation had long-since been ready for a new look at the situation. What the President supplied was the missing ingredient—the political courage to acknowledge that we had been on the wrong track.

From the outset, Congress has supported the President's initiative. The visits of the joint Senate leadership and of the House leaders to China shortly after the President's return underscored the cohesiveness of the Executive and Legislative Branches on this issue. I should note in passing that long before Dr. Kissinger's visit, there had been exchanges between the White House and the Senate leadership with regard to the desirability of reestablishing communications with Peking. In fact, the joint effort to open the door began with the first private meeting between the President and the Senate Democratic Leader at the outset of his first Administration, in fact, in the first month.

The President, however, had to be and has been the key figure in this development. He had to put before the entire nation a revised estimate of the new China. He had to shift ritualized attitudes by 180° and he did so, in my judgment, with consummate skill.

Where, then, does Congress fit into the situation? It can scarcely be said that while the Executive Branch was pursuing the policy of ostracism, "a hundred flowers bloomed" in the Senate on the China issue. For the most part, Congress was content to ride the policy. Here and there, however, individual Members and the Foreign Relations and other Committees did make contributions to recasting public understanding and attitudes. In March 1968, five years ago in a lecture at the University of Montana, I expressed the view that:

"The basic adjustment which is needed in policies respecting China is to make crystal clear that this government does not anticipate, much less does it seek, the overthrow of the government on the Chinese mainland. In addition, there is a need to end the discrimination which consigns to China an inferior status as among the Communist countries in this nation's policies respecting travel and trade. Finally, it ought to be made unequivocal that we are prepared at all times to meet with Chinese representatives—formally or informally—in order to consider differences between China and the United States over Viet Nam or any other question of common concern."

The transition in policy during the last year or so has followed this pattern closely and the transition has had support from the Senate, almost to a man. In due course, I am confident Members of both parties and both Houses will join the expanding ranks of travellers to China. In so doing, they will familiarize themselves first-hand with the situation and, hence, sharpen their understanding of unfolding developments. The glowing reports of heretofore skeptical newspaper columnists who have recently visited China indicate that such visits can serve more effectively as eye-openers than what is usually served for that purpose at the bar of the National Press Club. China is, indeed, heady stuff and it is most desirable that, as we proceed with the rapprochement, we open our minds with understanding and prudence.

It seems to me that the time is approaching for Congress to supplement a general support of the President's initiatives on China with substantive legislative action. The 93rd Congress is just getting underway, and it can make a most useful contribution by wiping the statutory slate clean of the anti-Chinese legislation of the past two decades.

The Formosa Resolution, for example, remains on the books. It is a post-dated check which, for all practical purposes, gives a Congressional endorsement to the unfettered use of the U.S. Armed Forces to assist the Chinese National forces on Taiwan. Under the terms of the resolution, the question of how and when to use these forces is left to the sole discretion of the Executive Branch. Whatever its original validity and, in retrospect, it was a dubious one at best, the Formosa Resolution is out of keeping with the policy which the President is now pursuing in regard to the People's Republic of China. Even if that were not the case, I must express grave reservations with regard to all blank-checks drawn on the "war-and-peace" powers of the Congress. The Formosa Resolution is reminiscent, for example, of the Tonkin Gulf Resolution which "greased" the way for the Executive Branch to slide into the military involvement in Vietnam. If we have learned anything from that experience, it ought to be that the initiation of the massive use of force by the United States at the sole discretion of one branch of government is a perilous Constitutional practice.

The Formosa Resolution was originally designed for an emergency, almost as a personal accommodation to President Eisenhower; it has remained on the statute books to sustain what is now a discarded policy on China. In 1971 the Foreign Relations Committee voted to repeal the Resolution. This action was rejected in the Senate at the time by a vote of 43–40. It is time again, it seems to me, it put the matter before the Congress.

For many years, this nation helped to sustain the fiction that Taiwan spoke for the hundreds of millions in China. In support of that fiction, the United States funneled five billion dollars in military and economic aid into an island whose population at the outset of this policy was less than ten million. This financial stimulus produced spectacular economic results. It also served to pay for for an over-sized highly mechanized Army and to keep alive the hope of the National Government that these forces would one day spearhead a return to the Chinese mainland. That hope has all but disappeared in Taiwan; so, too, have the fears of a military invasion from the Mainland.

Economic aid to Taiwan has now been discontinued. Spurred by great inputs of capital, in particular, from the United States and Japan, the modernized economy of Taiwan is actually in a position to extend aid to less-developed countries in Asia, Africa, and elsewhere. Still flowing into the island, however, is U.S. military aid in the form of hardware and advice on how to use it. The United States maintains, on Taiwan, a military advisory group of 165 officers and men. In addition, more than 8,000 members of the armed forces are also there in connection with activities related to Viet Nam.

The deployment of this large force is obsolete in view of the Vietnamese truce and I am confident that the Congress will concur in a decision to withdraw it. The President and the Congress, moreover, can and should work together to bring about the termination of the military aid mission which remains as a vestige of our past involvement in the Chinese civil war.

In addition, it should be noted that over $100 million in military grant aid and credit sales for Taiwan were requested of Congress for the current fiscal year. It is difficult to see the sense in continuing to give away tens of millions of U.S. dollars in this fashion. As long as we continue to provide military aid and advisors to Taiwan, we remain imbedded in what we have now recognized to be an internal Chinese affair. There is every reason to assume that Taiwan's armed forces are capable of defending themselves. In any event, it is hard to believe that a U.S. aid program any longer constitutes the margin for survival. Ways must be found for preserving the stability of regions of the South China Seas other than for this nation to continue to arm a small segment of Chinese people on the island of Taiwan against the rest.

Although the winds of change are sweeping away past policies throughout Asia, still intact is the ring of peripheral anti-Chinese treaties. From the outset, it seems to me, the tacit assumption of these treaties is that the United States is an Asia power, which it is not, with a prime responsibility for influencing and controlling change on the Asian mainland. It is an assumption which flowed effortlessly from the decisive role of the United States in the defeat of Japan in World War II. It is an assumption which is twenty-five years old and needs to be examined afresh.

The United States is, and will continue to be, a nation with vast interests and responsibilities in the Pacific, interests which extend to the western reaches of the ocean. These interests, however, do not compel us to continue to maintain, as we do, 260,000 armed men on the mainland and off-shore islands of the Asian continent. In a time of spreading peace, forces of this magnitude appear unrelated to any valid interests of the United States. On the contrary, they seem more an expensive residue of the predominant U.S. power which the United States asserted in that region at the end of World War II.

We need to be aware that such residues do not come cheaply. They are paid for—the people of the nation pay for them—at a rate of many billions of dollars each year. Expenditures of this kind have something to do with the rising cost of food at home and the astronomical dollar price of hotel accommodations in Tokyo or Hong Kong. I reiterate this theme because there is a tendency to ignore the cost factors which are involved in anachronistic displays of our military power abroad and the relationship of this cost to the debilitated state of the economy. The presence of the flag on the beaches of Asia may be as thrilling a sight as its appearance on the moon. In both cases, however, the thrill carries a very high price. There is no national interest which requires us to maintain every major U.S. power-core abroad simply because there may have once been a vital use for it.

In my judgment, the time has long been here for a deliberate phase-out of all American installations and forces which remain on the Asian mainland. The 40,000 plus U.S. troops in Korea are largely an irrelevant luxury, twenty years after the end of the Korean war. In the same category are the 45,000 U.S. forces in Thailand. So, too, are many of the U.S. bases and installations in Japan.

Treaties are not chiseled in stone; much less are executive agreements. The Defense treaty with the Republic of China on Taiwan obviously needs to be re-examined in the light of the President's initiative with regard to Peking. In a similar vein, the SEATO Treaty has shown itself to be, in view of the involvement in Indochina, not merely an inconsequential relic of the past, but a devastatingly costly enterprise and a positive hazard to the interests of this nation.

One of the justifications for the SEATO Treaty—which, in passing, I should note, I signed at the request of President Eisenhower in Manila nineteen years ago—one of the justifications for SEATO was the high hopes that it would lead in time to collective security and regional cooperation in Asia. That hope never got off the ground, and, in my judgment, the tragic war in Indochina has now delivered a coup-de-grace to this empty pact, a view which appears to be shared by virtually all of the other signatories.

Both treaties should be re-examined as part of a through, in-depth review of our overall position in the Western Pacific which derives from many treaties, agreements, and practices. It is to be hoped that the Commission on the Organization of the Government for the Conduct of Foreign Policy and the Foreign Relations Committee will pursue intensive studies of the status of these treaties and other commitments in Asia, and elsewhere, during the current Congress.

Until the Taiwan situation is clarified, we shall probably find ourselves looking primarily to trade and other exchanges for the cement of relations with the new China. The liaison offices—extraordinary edifices—which will open soon in Washington and Peking will facilitate this process. Both countries are carrying out the pledge of the Shanghai communique, re-emphasized in the February 22 communique, to broaden mutual understanding through contacts and exchanges. From my own experience in China last year, I am persuaded that this personal interaction can be of great significance.

There is much to be learned from the culture of the old China. There is much, too, to be learned from the innovations and practices of the new China. From accupuncture to the recycling of human waste, health, pollution, across the spectrum of the current concerns of Americans—there is much to be learned from the People's Republic. The Chinese will learn, too, from us in science, in technology and the arts.

The cross-fertilization of human experiences has been resumed between China and the United States. The educational interchange has begun anew. This time the exchanges are on the basis of equality. This time the exchanges can bring mutual and durable benefit to both peoples. Last year, more than 1,000 Americans—doctors, professors, journalists, scientists, businessmen, and political leaders—visited China. Four groups of Chinese have now come to see us and to show us. I am confident that the two-way flow will accelerate with time.

Exchanges cost a great deal of money. I am informed, for example, that a three-week tour of China by the Philadelphia Orchestra could cost about $350,000, even with the Chinese paying all in-country costs. The amounts are large even though they are insignificant when compared with the waste which still attaches to the pursuit of our foreign and military policies in and around the rim of Asia.

It would be my expectation that funds for cultural exchange with China could be made available out of savings in these areas. Indeed, one of the contributions which can be made by Congress is to assert budgetary priorities that will bring about such a shift. Small investments in exchanges by both countries, can pay rich dividends in mutual understanding, friendly contact and cultural enrichment.

A special responsibility devolves on the Congress in the field of trade with China. Good trading relations mean good foreign relations and especially at this time. The Chinese have a record of scrupulously living up to agreements to which they put their signatures, whether sales contracts or political settlements.

China's needs from abroad have been deliberately restrained. In the past decade or more, the Chinese have looked to their own resources for economic building blocks, concentrating on developing a largely self-contained productive capacity. Such foreign trade as there is remains governed by two basic principles: (1) equality and mutual benefit, and (2) exchange of what China has in surplus for what is lacking. As a general practice, a rough balance is maintained between imports and exports. Hence, China has no external debts of any consequence.

As economic development accelerates, there may be changes in the Chinese approach to trade relations with the outside world. For the present, however, no sudden change is to be expected. Because the doors to America's warehouses have at last been unsealed does not mean that Chinese traders will rush to enter and such bill boards as there are in China are not available for the advertising of foreign products. They are used, rather, to stress Chinese effort in production even as they urge restraint in Chinese consumption.

China's foreign trade is small. In 1972 the total was estimated to be $5 billion, roughly balanced between imports and exports. That amounts to a trade turnover of less than one-half of one percent of our gross national product.

U.S. trade with China has responded promptly to the removal of the embargo by President Nixon. At the Canton trade fair last fall, for example, there were 75 American businessmen, twice the number attending the spring fair. From $5 million in 1971, U.S.-China trade increased to $92 million last year; $60 million in exports to China, primarily of farm products, and $23 million in imports from China. Exports to China could reach $350 million this year, with the shipment of Boeing 707s and the sale of large amounts of cotton and other farm products. Even the most optimistic observers, however, do not believe China's exports to the United States will exceed $50 million this year.

Part of the disparity derives from U.S. tariff discrimination against Chinese imports. Until caught up in the frenzy of cold war, traditional trade policy was to give most-favored-nation treatment to imports from all countries, regardless of politics. But twenty-two years ago, the Chinese mainland, along with other Communist countries, was denied that treatment.

The President has now negotiated a trade agreement with the Soviet Union providing for most-favored-nation treatment. There is no reason whatsoever to do less, in my judgment, with regard to Peking. It has been estimated that about 50 percent of China's exports to the United States are affected by lack of most-favored-nation treatment. The present gross trade imbalance with China cannot continue indefinitely. Either Chinese purchases here will drop or more will have to be bought from China or new multi-angular patterns of trade will have to be encouraged in the Western Pacific.

It would be my hope that Congress will provide authority to negotiated a most-favored-nation arrangement with China along the lines of the recent agreement with the Soviet Union. Such an arrangement could be consummated, notwithstanding the absence of formal displomatic relations. I should note that with regard to the Soviet Union, the pending trade-agreement is now clouded by the Mills-Jackson amendment which relates to the emigration payments required of Soviet Jews seeking to go to Israel. That should not deter Congressional action on most-favored-nation treatment for China. The two situations are not analogous and it would be most unfortunate to lose momentum which has been generated in the Sino-U.S. reapprochement over what is an unrelated issue in Europe.

In closing, I would reiterate that a China policy based on myth and self-deception has been a major factor in the atmosphere of crises in which we have lived since the end of World War II. Before the Nixon Administration neither the Executive Branch nor the Congress did very much to rectify our relationship with the new China. The President's initiative in going to Peking has brought us, at last, to grips with this neglected situation. It remains for the Legislative Branch, now, to take action to remove the accumulated legal barnacles of the past. In so doing, Congress will join tangibly with the President in normalizing our relations with the Chinese People's Republic.

In doing so, moreover, Congress will contribute to the improvement of the prospects for peace in the Western Pacific and in the world. There is no doubt that what happens in and around China forms an enormous segment of those prospects even though China eschews the label "Great Power." Chinese society, today, is strong and unified perhaps as never before in history. It has a dynamism based on a "one for all and all for one" concept. "Serve the people" is more than a slogan, it is a national way of life. To visit China is to feel, personally, the vitality of a vast, intelligent and highly competent people and the social enthusiasm which has been generated by their new society. The visible differences between China today and twenty years ago are stupendous. The invisible differences may even be greater. All indications are that the next ten years are likely to add enormously to what has already been achieved.

We are entered on a new era of relations with China. We cannot wipe the slate of the past clean and start afresh. Neither political nor personal relationships are so forgiving. Even now, we confront a residue of stumbling blocks from the past, many of which go back to the 19th century in the form of superior-inferior concepts of China. The job of removing these blocks insofar as they derive from official policy and law rests with the President and the Congress. In a deeper sense, the job is educational. As we proceed to do what must be done, however, the path will open to a new era of stability in the Western Pacific. It will be an era based, not on the military preeminence of any single nation but on the mutual efforts and forebearance of all the concerned nations. There is every reason to expect that the new China will join with us and others in building that kind of a peace in the Pacific, a peace which can be derived through patience, perseverance and perspicacity.

LOOKING TOWARD A SOLUTION TO THE ENERGY SHORTAGE

Mr. SYMINGTON. Mr. President, this past winter a shortage of natural gas and fuel oil in the Midwest gave us a practical reminder of how much we rely on energy, especially that which comes from fossil fuels.

This situation has focused the Nation's attention on the vast and increasing amounts of energy needed to run our civilization, as well as on the growing gap between our demand for and ability to supply energy needs from domestic sources at reasonable cost both now and in the future.

In our capabilities for research, development, and demonstration of new and improved technologies lie the potential solutions to the problem of reducing or eliminating the energy gap. Government and industry support for such work, however, has been insufficient and uncoordinated. We need now to marshal research and development efforts and move ahead aggressively to assure sources and supplies.

For those energy technologies that are already established—such as making synthetic gas from coal and utilizing oil shale—research and development in the 1970's can speed improvements and innovations.

For technologies that offer future promise—such as geothermal energy and coal liquefaction—research and development in the 1970's is crucial to move these concepts to demonstration and into commercial use in the 1980's.

Because I believe a national program, characterized by an urgent and practical commitment for research, development, and demonstration should move us significantly ahead to bring these new technologies to full commercial application, I am pleased to be a cosponsor of the National Energy Research and Development Policy Act of 1973. This constructive proposal, introduced by the distinguished chairman of the Senate Interior Committee, Senator JACKSON, has specific objectives. A major purpose of this legislation is the development by 1983 of energy sufficiency in the United States and the capability by means of socially and environmentally acceptable methods to develop and utilize domestic energy resources.

There are other important objectives—to discover the most attractive short term solutions and to encourage conservation of limited resources of energy supplies.

This energy research and policy proposal creates give Government-industry corporations, each designed to speed research activities and action in five specific areas—coal gasification, shale oil production, advance power cycles, geothermal resources, and coal liquefaction.

The Federal Government would provide between 50 and 80 percent of the initial financing for the five joint Federal-private ventures with the objective of bringing these technologies for alternate sources of energy to the stage of commercial application.

The legislation also proposes to establish an energy management project to better coordinate and support Federal energy R. & D. Three-fourths of the administration's 1974 budget, or about $600 million is for nuclear research and development. The remaining $180 million is scattered through other Federal agencies. The purpose of the management project is to increase and coordinate Federal activities and to formulate a comprehensive energy research and development strategy to improve the efficiency and environmental effects of conventional energy technologies such as petroleum and electrical power generation; also to supplement funding in unconventional sources such as solar energy, fusion processes, low head hydroelectric power, electrical energy storage methods, tidal power, and utilization of waste products for fuels.

Altogether, the legislation envisions authorization over the next 10 years of $20 billion to move alternate energy sources from the laboratory to production.

The proposed National Energy Research and Development Policy Act of 1973 is an excellent beginning for the consideration of Congress in the strengthening and creation of effective Federal policies to meet the energy needs of the Nation.

NEED FOR TAX SIMPLIFICATION—"AN ODE TO THE CODE"

Mr. SCOTT of Pennsylvania. Mr. President, tax day is nearly upon us. As we pick and claw through the various exemptions, deductions, allowances, carrybacks, and carryforwards, we might pause to give thought to simplifying, if that is possible, the income tax law and accompanying revenue code.

Congress is expected to take up a tax reform bill, either this year or next. I would hope that the administration and the appropriate committees of Congress are giving proper consideration to tax simplification. It is urgently needed.

Mr. President, a perceptive and humorous Philadelphian by the name of Joseph Howard Cooper has turned his thoughts on tax simplification into a bit of poetry. I ask unanimous consent to have "An Ode to the Code" published in the March, American Bar Association Journal, printed at this point in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

[From the American Bar Association Journal, March 1973]

AN ODE TO THE CODE

Oh Congressman Mills
Please let there be
A tax on incomprehensibility
For you could raise more money
Than the country's coffers could hold
By levying on each section of
The Internal Revenue Code
In the beginning Congress created
A statute which is permeated
With subsections and exceptions
Subparagraphs, exclusions, and deceptions

Gross income is defined by Section 61
It gave taxpayers trouble and lawyers fun
For all income from whatever source derived
Meant a legion of loopholes to be contrived

Section 162 led to ordinary and necessary defenses
Of what constitutes trade or business expenses
Section 212 deals with expenses for income production
And affects many an ordinary and necessary deduction

There's concern over anticipatory assignments
Those questionable *Clifford* income consignments
Form v. substance, fruit from tree snares
Lucas v. *Earl*, splitting income and hairs
For loses on a sale or exchange
An ordinary deduction you'll try to arrange
But show a gain as a long-term, capital one
And avoid being taxed on ordinary income

Corporations which collapse
And earnings which carryover
Your dividend is a relapse
Earnings-and-profits problems aren't over
Bases and holding periods
Warranties, rights, and offering myriads
Carefully consider the extra loot
Because 351 and 356 put a tax on the "boot"

355 refers to corporate splits and spins
Off and up and 5 years in
The active conduct of a business or trade
In order to make the controlled group grade
Corporate reorganizations of Section 368
Teach an alphabet many have learned to hate
But it refers to the 354 nonrecognition
And control by an 80 per cent definition

Imposition of an accumulated earnings levy
Unless reasonable needs of the business are heavy
And there's personal holding company tax
Unless you can refute passive income facts
In determining a partner's distributive share
Figure contributions and distributions with care
Look to their bases with every tracing conceivable
Beware of an inventory item or unrealized receivable

Those who appreciated straight-line deductions
Got the chance to accelerate their reductions
But this was depreciated by Section 1245
Whose recapture keeps gain from dispositions alive
Gift, inheritance, and estate taxation
Transfer wealth throughout the nation
At least that's what they're supposed to do
But generations are skipped by a lawyer's coup

Section 2031 defines a gross estate
2032, the alternate valuation date
Legitimate expenses provide a reduction
Prior to the marital deduction
Insurance trusts and annuities
The rule against pertetuities
Future interest and powers of appointment
Problems of valuation and family disjointment

A $60,000 lifetime exemption
Revocable transfers or a stock redemption
What is retained and testamentary
A credit for prior taxes is elementary
Cumulative gift tax calculations
Require inter vivos evaluations
Gift-splitting or a $3,000 annual exclusion
And another lifetime exemption, so avoid confusion

Gift, inheritance, and estate taxation
Charitable purposes reduced in breadth
The first has a rebuttable presumption
The second a philanthropic assumption

Heads of houses and surviving spouses
Intrafamily transactions and technical infractions
Revenue allocations and corporate liquidations
Oil depletions and reform act deletions

Subsidiaries and residuaries
Regulations and limitations
Interpretations and qualifications
Continuations and accumulations
Acquisitions and dispositions
Itemizations and amortizations
Distributions, contributions, and attributions

Credits, brackets, rates, and returns
Accumulated and appreciated concerns
Releases, bulletins, and Treasury rulings
To repair the enactment with after-the-fact toolings
Loose-leaf services tell me the rule
Though the punishment be unusually cruel
Chommie, Bittker, and Eustace too
Thank you all for getting me through.

A CHRISTMAS EDITORIAL BY MRS. VIRGINIA WELDON KELLY

Mr. ERVIN. Mr. President, one of the most beloved and gifted writers on the Washington scene is Mrs. Virginia Weldon Kelly, whose Christmas editorial entitled "Scriptures Form Vital Manual" appeared in the Independent Press-Telegram of Long Beach, Calif., on Christmas Day, that is, December 25, 1972.

This editorial, which states in eloquent fashion some everlasting truths, has attracted the attention of multitudes of people. It is a statement of these principles from the Christian philosophy. It has been commended, however, by many persons of the Hindu, Moslem, Buddhist, and Jewish faiths, as well as by multitudes of Christians.

Mr. President, I ask unanimous consent that a copy of Mrs. Kelly's Christmas editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Scriptures Form Vital Manual

(By Virginia Weldon Kelly)

For Christians, life's finest gift is the birth of Jesus which Arnold Toynbee calls history's most important event.

Dr. Rene Dubos, bacteriologist, said recently that scientists calculate it is unlikely that life resembling man with his free will existing any where but on earth.

Considering the incalculable value of each soul, it is awe inspiring that man has the Scriptures which Jesus venerated and lived by.

The New Testament records His reverence for the Commandments and the law as well as for Isaiah and the other prophets. On the Cross, His prayer was from a beloved Psalm.

When a lawyer asked how to inherit eternal life, Jesus said he must love God with all his heart, soul and mind, and "thy neighbor as thyself."

These answers, with the Ten Commandments and the Sermon on the Mount containing the Beatitudes, form a manual for living, revealing God's love for man. This unmerited love sustains the lonely, sorrowful, poor, ill, and imprisoned. Jesus has admonished us to alleviate this suffering and has promised "Inasmuch as ye have done it unto one of the least of these. . . . ye have done it unto me."

The Scriptures ask "What is a man profited if he gain the whole world and lose his own soul?" If we do not read the Scriptures, we may not ask this question.

The German poet, Rilke, said, "Live the questions . . . perhaps, some day you will live the answers."

In Russia, and other European Communist nations, the Bible cannot be purchased. Citing a news photograph of Nobel Laureate Solzhenitsyn crossing himself at a funeral, Malcolm Muggeridge, British Christian and author, said, "Many Russians are secretly devoted to spiritual truths."

Muggeridge said unless our society recoils from sensualism, we are rushing towards spiritual darkness and the destruction of political and economic freedom.

Solzhenitsyn asserts that truth, beauty, and goodness are not empty formulas, and that great literature helps preserve the national soul, containing facets of God's design.

George Steiner, Cambridge University, wrote recently, "Sonority rooted in the Bible and Shakespeare has served as the code of political order at home and of confidence abroad. Its swift recession from English public modes and education marks a general crisis."

Dr. Rollo May, psychotherapist and author, asserts that today's anti-culture obscenities show language disintegration and our society's death.

Our Christmas wish is that we may "don the armor of light," remembering Jesus' words "I am the resurrection and the life. He that believeth in me though he were dead, yet shall he live."

Mr. ERVIN. Mr. President, Mrs. Kelly is respected not only for her writing ability, knowledge of government and international affairs, but for her integrity in her professional and private life.

Mrs. Kelly reads extensively, and talks with theologians, historians, and scientists before writing her Christmas pieces. She tries to live according to the principles of the Judaic-Christian Scriptures, and is a daily Bible reader.

After 27 years as a Washington journalist, she still has confidence in the goodness and generosity of most people.

Mrs. Kelly was the first woman to receive the U.S. Navy's meritorious Public Service Award. This decoration was given for many years of service to the men of the Navy, their dependents, and to Navy widows and orphans.

Senator John C. Stennis, Senate Armed Services Committee chairman, the late Senator Richard B. Russell, then Armed Services Committee chairman, and the late Senator Clair Engle in a Senate colloquy recognized her many years of effort in obtaining a U.S. naval hospital for Long Beach, Calif.

Senator Russell said on September 21, 1962, that when he had almost fully decided that hospital was not necessary, Mrs. Kelly convinced him that the hospital should be constructed. That same day, Senator Russell commended Senator Stennis for including the money for that naval hospital in the military construction bill which Senator Stennis sponsored.

The foresight of Senator Stennis and Senator Russell was admirable. A 250-bed addition to that hospital is now being constructed. For the first time, Long Beach Naval Hospital will give obstetric care. The entire new addition will be completed in 1974. Mrs. Kelly has given 22 years of assistance to this hospital.

Virginia Kelly has for 9 years been a trustee of the Navy, Marine Corps, Coast Guard Residence Foundation which has built and operates Carl Vinson Hall in McLean, Va., a nonprofit residence for the widows of commissioned officers of these services.

Coles Bason, present president of the board of trustees, was preceded by William C. Allen and Banks Hudson. The executive director is Rear Adm. John Alford, USN (retired). A former Navy Surgeon General, Rear Adm. Lamont Pugh is director of health care.

Mrs. Lyndon B. Johnson and the late President Johnson headed the list of honorary sponsors.

Recently, President and Mrs. Richard M. Nixon gave autographed pictures which have been placed in Carl Vinson Hall.

Mrs. Kelly devotes considerable time to helping people of the inner city with their problems, including getting jobs for those who have served prison terms.

In the past, she served as a church service soloist in a prison.

She has spent thousands of hours as a Red Cross volunteer in military hospitals. She also has her own "Eye Club" to encourage people with visual problems. Mrs. Kelly had sight problems, but now sees 20–20 with glasses.

RETURN TO THE ONE-ROOM SCHOOL

Mr. AIKEN. Mr. President, I submit for inclusion in the Record an editorial which appeared in the Caledonian Record of St. Johnsbury, Vt., on Thursday, February 22, 1973.

This editorial relates to the establishment of a new one-room school at Coles Corner in St. Johnsbury—and gives the reason for its establishment.

It was in the town of Concord, Vt., in Caledonia County that the first normal school in the United States was established back in Colonial times.

The one-room schoolhouse upon which American education was founded has now given way to the frenetic competition of communities to see which areas can have the most rooms in a consolidated area school building.

Perhaps Caledonia County is again trying to lead us to a school system where emphasis is placed upon teaching pupils to read, write and add correctly rather than to debate the sins and virtues of population control about which so many 13-year-olds are now writing their Senators.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Back to the One-Room School?

There is to be a new school at Coles Corner in St. Johnsbury. The school will have no more than twenty five students and they will not be divided on the basis of grades or age. The explanation for this curious arrangement is that, "Children of different ages benefit from each other. When older students help with the education of younger students, the teaching reinforces what the older students know and enables them to work together rather than simply compete against each other".

A radical philosophy of education? Quite the contrary. Fifty years ago there was a school at Coles Corner which conducted classes in exactly this fashion. There was a school like it at the cross roads off almost every rural community in Vermont and there are still a few left in places like Newark and Kirby.

But why have the one room schools which were once the bane of Montpelier become the darling of liberal eduactors? There are several reasons. The size of the schools prevents anyone from getting lost in the corners. Their small staff automatically requires that students take more responsibility for managing their own time and helping each other (the seventh grade teaches the sixth). And they allow their students the privilege of being either stupid or bright. That is the individual automatically advances to whatever grade he is ready for. In large schools frustrated teachers send illiterates into the next grade while forcing gifted youngsters to do the same work as the dullards.

To be sure, there are substantial differences between the here and there, now and then, experiments in education which have sprung up in the Vermont backbeyond recently and the old fashioned one room school which most Vermonters once attended. Not the least of these is the fact that the one room school served a particular neighborhood and was the center of much of that neighborhood's community life. The parents, the school board, and the teachers themselves imposed a sense of discipline that is unsually lacking in present day attempts to recreate the advantageous aspects of the one room school.

CLEO A. NOEL, JR.—A TRAGIC LOSS

Mr. SYMINGTON. Mr. President, the world mourns for the tragedy in Khartoum were a fine Ambassador, a former Missourian, was murdered.

Ambassador Cleo A. Noel, Jr., grew up in the central Missouri town of Moberly. He later earned a bachelor of arts degree and a master of arts in American history from the University of Missouri, Columbia. His mother, Mrs. Cleo A. Noel, still lives in Moberly.

Those who knew Cleo Noel in the foreign service, and as a student, have nothing but high praise for his ability and his dedication. His former graduate school adviser, Dr. Elmer Ellis, president emeritus of the University of Missouri, expressed his regard for Ambassador Noel in a recent interview for the Columbia Daily Tribune. A former associate in the State Department, Archer K. Blood, described him as one of the most outstanding people we had in our foreign service.

The important cause of world peace in this nuclear age has been diminished because a man of talent and dedication has been needlessly assassinated in a moment of rage and desperation.

I ask unanimous consent that an article in the March 3, 1973, Columbia Daily Tribune entitled "Slain Ambassador Left Friends, Family in Area" be inserted at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Slain Ambassador Left Friends, Family in Area

"He was a gentle man," said a friend. "He had a quiet air of dignity about him at all times. Tall, good-looking, impeccably dressed. He looked like an ambassador should look."

That was a description of Cleo A. Noel Jr. offered yesterday by Archer K. Blood, one of his close State Department associates prior to Noel's departure six weeks ago to take up his first ambassadorial post in Khartoum, the Sudan.

Noel, 54, who was assassinated late yesterday by Palestinian guerrillas, also left a friend in Columbia. Dr. Elmer Ellis, president emeritus of the University of Missouri, directed Noel's graduate work here.

Noel grew up in Moberly, where his mother, Mrs. Cleo A. Noel, still resides. Noel's brother-in-law, J. W. Barry of Leawood, Kan., told The Tribune yesterday that neither his wife nor his mother-in-law were "in any condition to talk this evening" after being informed of Noel's death at about 4 p.m. yesterday. They left last night to join Noel's mother in Moberly.

"Cleo was one of the greatest people we have in the foreign service," said Blood, who succeeded Noel as deputy director of personnel at the State Department. "He probably knew more about the Sudan than anybody—this was his third tour out there—and he looked forward very much to going back to Khartoum. He was going to live in the same house he lived in before."

The potential dangers of the post "wouldn't have weighed on his mind at all," Blood said. "He's been in difficult spots before in Khartoum."

Noel received a bachelor of arts degree from the University of Missouri in 1939 and a master of arts in 1940, both in American History.

"There aren't many of us left who were here then," Ellis said. "But I know Cleo Noel when he was here and I corresponded with him after he went to the Navy and then went to Harvard with his GI benefits."

"He was a delightful person," Ellis commented.

A career foreign service officer, Noel served as a gunnery officer aboard destroyers in the Caribbean and Mediterranean during World War II and met his wife, the former Lucile McHenry, in London. Mrs. Noel, a former service officer who was a member of the Waves during the war, recently accompanied him to Khartoum but didn't attend the party at which he was kidnaped.

Noel left the Navy in 1945, took a second master's degree at Harvard University and joined the foreign service in 1949. He served two tours in the Sudan, including one as a deputy chief of mission in 1966. After Khartoum severed diplomatic relations with Washington in 1967, he was officer in charge of American interests.

He also served two tours in the State Department's personnel section in Washington.

The Noels had intended to buy a retirement home in Granville, N.Y., after the ambassador's three-year tour in Khartoum.

OEO, FIRST ON THE ONE HAND, THEN ON THE OTHER

Mr. SCOTT of Pennslyvania. Mr. President, a guest editorial in the March 15 issue of the New York Times may help allay the concerns many people have about the future of service programs now being administered through the Office of Economic Opportunity.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

OEO, First on the One Hand, Then on the Other

(By Howard Phillips)

Washington.—In the President's radio address on human resources, he spelled out three criteria to be applied in reaching decisions regarding Federal activities in the social-program area.

First, control over decisions should, insofar as possible, be placed in the hands of those to be directly affected by the decisions.

Second, we must make sure that the dollars we spend are being used most effectively to benefit those for whom assistance is intended.

Third, services should be provided in a manner which fosters self-reliance rather than dependency among recipients.

Consistent with these standards, the President has undertaken a major effort to strengthen and improve, for the benefit of our disadvantaged citizens, the use of Federal funds heretofore administered by the Office of Economic Opportunity. The nation's poor are entitled to a dollar's worth of results for every dollar spent in their name.

In reforming the agency's activities, we have been guided by the following principles:

Essential services must be continued in a manner which prevents the wasteful diversion of funds away from helping the poor.

Responsibility for control over dollars and program priorities should be shifted away from anonymous Washington bureaucrats and placed increasingly within authority of elected officials at the state and local level, men and women who know the problems of their communities at first hand and who can be held accountable, through established processes, for their success or failure.

Research and demonstration authority should be placed within the organizational context of principal departmental groupings in order to facilitate both planning of activities and utilization of results.

Categorical grant-making, with funds assigned as often on the basis of grantsmanship as on need, is in many ways inherently unjust, because of the arbitrary and limited manner in which resources are allocated.

To be effective, our policies must be sensitive to the diversity of those who are poor, and based on the premise that government is best able to help those most eager to help themselves.

The expenditure of funds should, in fairness to the public as a whole and the poor in particular, be premised not on the strength of lobbying by poverty professionals, but, instead, on the basis of the benefits which reach the poor.

The old approach of trickling down dollars for the poor through a vast array of poverty contractors and professionals has only alleviated poverty for the middlemen.

Pursuant to these conclusions, and in line with our budget recommendations for fiscal year 1974, officials of the Office of Economic Opportunity have initiated arrangements for orderly transfer of program responsibility to other departments in accordance with existing legislative authority.

Along these lines, research activities in education, child care and health will soon be assumed by the Department of Health, Education and Welfare, along with certain operational health delivery programs. The Department of Labor will begin to supervise "manpower experimentation," funded by the Office of Economic Opportunity, as well as programs intended to assist migrant workers and their families. Housing research will be meshed with the activities of the Department of Housing and Urban Development. In furtherance of our important commitment to Indian self-determination, greater control over economic opportunity funding will be vested with duly chosen tribal councils, with grants to be disbursed under the authority of the Secretary of Health, Education and Welfare

Consistent with the budget request that funding of overhead costs for community action not be provided by O.E.O. during fiscal year 1974, arrangements have been made for the General Services Administration to assist grantees in completing an orderly

> phase-out of their linkages and obligations to this office. To assist the phase-out of our administrative support, final grants of up to six months in length will be obligated through June 30, thus carrying some programs to the beginning of 1974.
>
> The assured continuation of two important programs will require special Congressional action. To this end, the Administration will shortly transmit authorizing legislation to empower the Department of Commerce to continue certain of our community economic development activities through its Office of Minority Business Enterprise. We are also preparing for legislative consideration a proposal to establish a Federal legal assistance corporation with a mandate of helping assure indigent individuals equal access to our system of justice. We seek to enact a bill in this area which will prevent the diversion of legal services funds into political channels and away from the priorities of disadvantaged citizens. It must be stressed that while this is the last year that community action funds will be obligated by O.E.O., Federal support for all other activities will be continued at an equivalent or higher level of expenditure in fiscal year 1974.
>
> Howard Phillips is acting director of the O.E.O.

HUMAN RIGHTS AND INTERNATIONAL LAW

Mr. PROXMIRE. Mr. President, every system of laws is built up slowly, starting with the establishment of certain basic values which become a fundamental part of the beliefs of the individuals of a society.

For example, many of our concepts of freedom, such as those enumerated in the Bill of Rights, were established when the first American colonies were set up by such documents as the Mayflower Compact. These values of our ancestors gradually took root until they became an integral part of the fabric of our way of life and were later embodied in our Constitution.

This system of evolution of laws and principles also applies to the international community. If there is ever to be a body of world law it must begin with the establishment of a series of basic concepts. The recognition by the world community that the crime of genocide is reprehensible and should not be permitted must be one of these basic beliefs.

Twenty-four years ago, the United Nations drafted a convention outlawing genocide and thus providing the nations of the world with an opportunity to declare themselves against this crime against humanity.

As Mr. Charles Yost, former U.S. Representative to the United Nations, said:

> This Genocide Convention is an assertion by the community of nations that certain particularly heinous acts, perpetrated against any nation, or ethnic, or racial, or religious group whatsoever, is wrong—wrong not only in the domestic law of this or that State, but wrong also in the law and opinion of the community of nations itself.

Yet, despite the fact that the Genocide Convention was first transmitted to the Senate by President Truman in 1949, the United States has taken no action. We have had an opportunity to again prove that the United States is committed to the right to life—a basic human principle, but we have stood mute.

Mr. President, as I have done every day the Senate has been in session since January 1967, I again call on the Senate to act without delay to ratify the Genocide Convention and thereby help build a world body of law based on human rights and liberties.

VOTER REGISTRATION

Mr. McGEE. Mr. President, the Committee on Post Office and Civil Service Friday concluded hearings on legislation proposed to strike at the vestiges of statutory denial of the franchise to eligible American citizens. Soon, we hope to report to the Senate legislation that will provide for a unified and simplified registration procedure for all Federal elections in each of the 50 States.

The need for such legislation, is, I submit, clear. A year ago, the League of Women Voters concluded in its report titled "Administrative Obstacles to Voting"—

> That the system functions at all is a tribute to the sheer determination of citizens to overcome these inconveniences and obstacles.

The inconveniences and obstacles cited in the league's study included such items as short and inconvenient hours for registration, distant and inconveniently located places of registration, complex registration procedures and pure and simple intimidation on the part of some official registrars.

As an example, I would quote but a brief passage from the league's study:

> The first problem that the citizen is likely to encounter will be finding the registration office. He may well have to travel a considerable distance from his home to a central registration office (except perhaps during the last month of registration for a particular election when he is more likely to find facilities in his neighborhood). In 40% of the communities studied, however, no additional registration places were opened even during these rush months. Since 54% of the registration places were not accessible by convenient public transportation, 24% lacked convenient parking, and 52% were not clearly identified as a registration or elections office, the prospective registrant may well be frustrated before he arrives.
>
> Once he has located the registration office, the prospective registrant may find that it is not open for registration. In 29% of the communities, registration closes more than 30 days prior to an election. Even if he arrives before the registration deadline, the office may be closed since 77% of the communities studied had no Saturday registration and 75% of the communities had no evening registration during non-election months. While 52% of the communities did have additional registration hours during election months, 30% of these still had no additional Saturday hours and 17% had no additional evening hours.
>
> The persistent citizen who anticipates and copes with the numerous obstacles already mentioned will next find himself confronted with a registration form. If the form is confusing or questions arise concerning his eligibility, he may not find the staff very helpful. Fifty-two percent (52%) of the observers at registration places classified staff as not helpful. Furthermore, in 30% of the places where bilingual staff was needed, it was not found.
>
> There is no way to measure the number of citizens who are discouraged from registering even before they get to the registration office, but observations of 5,750 people attempting to register at approximately 300 registration places showed that 3 out of every 100 qualified people who made the effort and found the registration place still left without being registered.

Last year, the Senate, by a narrow margin of 46 to 42, voted to table the national voter registration bill, which included a so-called controversial section limiting durational residency requirements for voting in Federal elections to 30 days. Within days, the Supreme Court of the United States, by a vote of 6 to 1, ruled that residency requirements beyond 30 days were unconstitutional in any election—not just in elections for Federal offices.

So, Mr. President, the issue is narrowed to one of registration alone. It remains, however, an important issue if we are serious about increasing the level of participation in the fundamental act of citizenship—voting.

One of the leading newspapers in my home State of Wyoming recently observed editorially that about 87 percent of the people registered to vote did so in the past Presidential election, even though total turnout of voters amounted to but 56 percent of all those eligible.

Said the Casper Star-Tribune:

> These percentages make it clear that the heart of the problem lies not so much in getting a voter turnout among those registered as in boosting total registration.

Mr. President, I ask unanimous consent that the Casper Star-Tribune editorial titled "Voter Registration" of March 9, 1973, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> ### VOTER REGISTRATION
>
> Ever since the presidential election we have heard the dismal refrain: only about 56 per cent of Americans eligible to vote went to the polls. Another item must be considered alongside that one: about 87 per cent of the registered voters did cast their ballots, according to preliminary Census Bureau figures.
>
> These percentages make it clear that the heart of the problem lies not so much in getting a voter turnout among those registered as in boosting total registration.
>
> It cannot be assumed that if registering were made easier the actual number of persons voting would rise in direct ratio to increased registration. It might be that as the process of registering demanded less effort the proportion of registered voters casting a ballot would decline. Those who have taken pains to register in the past may have a greater motivation to vote—perhaps even a greater sense of commitment to the electoral process—than many others.
>
> One may still fairly conclude that making it easier to register would significantly increase participation at the polls. On balance that is desirable, since broad exercise of this right of citizenship strengthens democracy.
>
> There are two basic needs: simplified registration procedures, and a greatly intensified effort to persuade citizens to register.
>
> A national voter registration plan, safeguarded against abuse, would be a good start. Putting such law on the books, and then mounting a nationwide drive for registration of all eligible citizens, could be expected to markedly increase the proportionate number of eligibles actually voting in the 1976 presidential election.

NO DOMESTIC RETREAT: PROFITS FOR BIG BUSINESS

Mr. HUMPHREY. Mr. President, Business Week, on March 10, 1973, published its latest survey of corporate performance for the fourth quarter of 1972. The results of that quarter and the combined profit levels for the entire year of 1972 reached all-time record highs—earning more than $52 billion in profits. The old record was reached in 1966 with profits of $49.9 billion.

Mr. President, reading the survey gives simple evidence why American working families considered the Nixon administration price and wage policy a failure. Corporate profits in some industrial groupings had increases in the last quarter of more than 200 percent over the final quarter of 1971.

Said Business Week:

> Companies were able to fatten profit margins still further in the fourth quarter with only seven of 36 industries reporting a lower net on sales.

Mr. President, I am not one to complain about the productivity of free enterprise. I favor a healthy economy. But I also favor an economy that is just and fair to all Americans.

We have not had that during the Nixon administration years. We have had example after example of corporate favoritism—all at the expense of the American working family.

And now that same American working family is faced with a Nixon budget that is nothing short of domestic retreat on the critical problems of Americans living in urban, suburban or rural areas.

There is, however, one area in which the Nixon budget has very little retreat: profits for big business.

I ask unanimous consent that the survey conducted by Business Week be published at this point in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

SURVEY OF CORPORATE PERFORMANCE: FOURTH QUARTER 1972

1972: A SPECTACULAR YEAR FOR PROFITS

U.S. business earned $49.9-billion in 1966—a record that stood untouched for six years. But everything fell into place in 1972, and corporate profits jumped to $52.6-billion, with fourth quarter earnings at better than a $55-billion rate.

The latest Business Week quarterly survey of corporate performance indicates how dramatic a year—and a final quarter—it was.

The quarterly survey is compiled by Investors Management Sciences, Inc., of Denver, a subsidiary of Standard & Poor's Corp. The fourth-quarter survey covers 880 companies in 36 different industrial categories. It omits companies with sales of less than $29-million. Utilities are included only when revenues for the quarter topped $50-million, while only banks with $1-billion or more in deposits appear in the survey. Companies whose most recent fiscal quarter ended before Nov. 1 were left out unless their sales for the three months exceeded $100-million. Finally, only companies that had reported fourth-quarter earnings in detail by Feb. 28 show up in the latest survey.

Fatter margins.—Of the 36 industries included in the survey, only one—nonbank financial—reported lower earnings for the quarter. And that was due to a poor showing by American Investment Co. and Merrill Lynch. A year ago, six of the 35 industries then covered reported lower earnings for the quarter. Not a single industry reported lower earnings for full-year 1972, although oil industry earnings showed no gain over 1971. Seven industries reported lower earnings for full-year 1971.

Companies were able to fatten profit margins still further in the fourth quarter, with only seven of the 36 industries reporting a lower net on sales. Nine industries reported lower margins in the final quarter of 1971. IMS figures put the aftertax margin for all the companies in the survey at 5.9%, against 5.2% a year ago.

True, the surveys for fourth quarter 1971 and 1972 are not precisely comparable. A great many new companies have been added to the list over the past year, especially in the real-estate, nonbank financial, and leisure-time areas. Because the survey can include only 800 companies, there must be a cutoff point for listing. It was $10-million a year ago against the current $29-million. And there has been another change. Two new categories appear in this latest survey: instruments, which includes companies from the old photo and optical category, and leisure-time industries.

But those changes certainly do not mask the economic vigor of the fourth quarter. It was a strong quarter for virtually every industry.

Winners and losers. The airlines showed the sharpest gain of any industry—up 115% over the final quarter of 1971. But Delta, with earnings up 286%, gets most of the credit for that. By contrast, both Pan American and TWA lost money in the quarter.

The 98% earnings gain for the steel industry in the final quarter was more broadly based. Fourth-quarter profits were up 18% for giant U.S. Steel, 46% for Inland Steel, 72% for Armco, 221% for National Steel, and 436% for Lykes-Youngstown. Both Republic and Jones & Laughlin lost money in the final three months of 1971, but earned money in the last quarter of 1972.

It was a boom quarter for the makers of specialty machinery, with demand way up. The nonferrous metals and paper industries each benefited from heftier demand and much firmer prices. Alcoa pushed profits up by 273% in the quarter, while at Anaconda, the gain was 438%. International Paper, the biggest in its industry, reported fourth-quarter profits up 68%.

The aerospace industry had an impressive turnaround, earning $96-million as a group against a $13-million loss in the fourth quarter of 1971.

Retailers turned in the most mixed performance of all. Most of the non-food stores were up nicely in the quarter, with Sears up 14% and Marcor up 49%. The food chains, on the other hand, generally had a dismal time of it. A&P, which started the price war that helps to explain the distress of the food retailers, lost $8.4-million in the final quarter, and $52-million for all of 1972.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972

Company	Sales: 4th quarter 1972 (millions)	Sales: Change from 1971 (percent)	Sales: 12 months 1972 (millions)	Sales: Change from 1971 (percent)	Profits: 4th quarter 1972 (millions)	Profits: Change from 1971 (percent)	Profits: 12 months 1972 (millions)	Profits: Change from 1971 (percent)	Margins: 4th quarter 1972 (percent)	Margins: 4th quarter 1971 (percent)	Return com. eqy. 12 months ending Dec. 31	P–E 2–28	12 months earnings per share
Aerospace (airframes, general aircraft, and parts):													
Beech Aircraft[1]	$49.5	31	$188.1	27	$2.4	77	$8.1	64	4.8	3.5	17.0	10	1.75
Boeing	655.9	−22	2,369.6	−22	6.6	61	25.7	15	1.2	.6	3.1	18	1.19
Cessna Aircraft[1]	80.6	64	279.8	58	4.4	103	15.7	103	5.4	4.4	15.6	13	2.11
Fairchild Industries	52.0	−18	230.0	−9	1.3	−20	6.2	−6	2.5	----------	11.0	7	1.36
General Dynamics	388.0	−12	1,539.4	−18	7.9	26	26.0	26	2.0	1.4	7.4	8	2.46
Kaman	32.9	21	115.9	31	.6	7	2.3	23	1.9	2.5	8.7	6	2.28
McDonnell Douglas	802.5	32	2,725.7	32	33.8	23	111.7	38	4.2	4.5	14.5	10	3.52
Northrop	[2] 159.3	0	573.7	0	3.2	98	11.1	1	2.0	1.0	7.2	8	2.57
Rockwell International[1]	616.8	23	2,478.7	13	17.5	12	79.7	(3)	2.8	3.1	13.2	9	3.12
Talley Industries[4]	75.3	14	298.0	9	1.8	0	8.4	13	2.4	2.7	(5)	7	1.25
Thiokol Chemical	63.1	0	253.8	18	2.6	32	10.0	42	4.1	3.1	11.3	9	1.66
United Aircraft	586.0	7	2,023.8	0	13.9	(5)	50.6	(5)	2.4	(5)	9.9	9	4.17
Industry composite	3,462.0	6	13,074.3	1	95.9	(5)	355.6	118	2.8	(5)	9.9	10	2.60
Airlines:													
Allegheny Airlines	76.4	64	265.0	50	1.8	90	4.5	(5)	2.3	2.0	12.7	14	.76
American Airlines	332.4	5	1,353.8	9	.3	−81	5.6	86	.1	.4	1.2	92	.20
Braniff Airways	94.5	10	372.1	10	3.8	39	17.2	85	4.1	3.2	17.2	15	.85
Continental Air Lines	92.4	7	365.9	10	.5	−54	9.2	23	.6	1.4	8.3	17	.75
Delta Air Lines[6]	254.3	18	890.6	16	18.8	236	55.9	109	7.4	2.3	17.5	20	2.87
Eastern Air Lines	294.1	10	1,160.9	10	3.3	−48	23.0	304	1.1	2.4	8.4	11	1.20
Flying Tiger	70.7	5	257.2	23	10.1	26	29.8	46	14.2	11.8	28.5	11	2.70
National Airlines[6]	95.3	20	367.4	20	5.1	7	20.9	82	5.3	5.9	14.9	10	2.45
Northwest Airlines	98.8	−18	392.5	−8	1.8	−85	17.7	−17	1.8	9.7	3.7	30	.83
Pacific Southwest Airlines	29.6	14	112.2	9	.6	−63	5.7	5	1.9	5.8	8.1	12	1.43
Pan American World Airways	309.8	9	1,305.2	11	−14.4	(5)	−28.9	(5)	(5)	(5)	−7.3	(5)	−.72
Trans World Airlines	355.5	12	1,417.2	13	−1.2	(5)	43.1	(5)	(5)	(5)	14.0	11	3.01
UAL	459.8	13	1,828.4	13	2.8	−6	20.4	(5)	.6	.7	3.4	29	.80
Western Air Lines	90.4	10	365.7	12	2.1	10	11.7	99	2.3	2.3	12.9	11	.87
Industry composite	2,653.9	11	10,454.1	12	35.3	115	235.8	249	1.3	.7	6.7	22	.95

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

	Sales				Profits				Margins		Return com. eqy.		
Company	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P–E 2–28	12 months earnings per share
Appliances:													
Hoover	$122.3	6	$458.4	14	$9.9	24	$29.5	43	8.1	6.9	17.4	13	2.23
Magic Chef [6]	54.6	19	218.0	24	2.8	17	10.4	47	5.2	5.3	17.2	12	1.36
Maytag	58.1	10	206.9	56	8.9	16	28.0	133	15.3	14.6	31.0	17	2.09
Singer	608.9	2	2,217.5	6	31.0	14	87.5	22	5.1	4.5	10.5	13	4.82
Sunbeam [4]	208.2	21	547.9	14	8.9	19	23.9	17	4.3	4.3	11.7	15	1.81
Tappan	63.5	(5)	223.4	57	2.5	(5)	6.3	57	3.9	(5)	15.1	8	2.17
Whirlpool	355.6	22	1,416.3	11	17.8	78	68.2	35	5.0	3.4	21.9	16	1.91
White Consolidated Industries	181.7	18	728.1	5	3.2	164	30.2	34	4.5	2.0	18.5	7	2.22
Industry composite	1,653.0	13	6,016.5	11	90.0	33	284.0	36	5.4	4.6	15.3	13	2.39
Automotive (autos, trucks, equipment, and parts):													
Allen Group	38.9	16	149.5	21	.4	(5)	3.8	12	.9	(5)	9.3	11	1.24
American Motors [1]	411.1	24	1,483.9	20	7.1	81	19.6	451	1.7	1.2	8.4	10	.76
Arvin Industries	56.0	7	205.5	13	2.3	27	7.5	33	4.1	3.5	12.0	16	1.35
Bearings [6]	29.6	25	112.0	17	1.4	42	5.5	15	4.6	4.0	16.0	20	2.77
Bendix [1]	[2]476.4	20	1,861.4	14	14.2	31	62.6	41	3.0	2.7	12.7	10	3.76
Borg-Warner	331.2	14	1,283.2	12	19.7	16	59.3	25	5.9	5.8	10.3	10	3.02
Budd	177.0	18	670.8	24	3.8	−21	14.8	208	2.2	3.2	9.7	6	2.19
Chrysler	2,704.8	26	9,759.1	22	84.4	139	220.5	164	3.1	1.6	9.5	8	4.27
Cummins Engine	149.4	17	521.1	6	4.1	−31	8.2	−62	2.7	4.6	4.9	32	1.24
Dana [7]	231.6	20	860.4	24	13.4	31	48.1	40	5.8	5.3	15.8	10	3.49
Eaton	325.0	22	1,223.1	18	19.2	3	70.4	23	5.9	7.0	14.7	9	3.78
Eltra [1]	154.3	13	601.6	29	7.9	19	26.8	26	5.1	4.9	11.8	9	3.49
Federal-Mogul	75.1	12	289.9	8	3.5	1	14.6	10	4.7	5.1	12.2	10	2.55
Ford Motor	5,580.3	22	20,194.4	23	240.4	19	870.0	32	4.3	4.5	14.5	8	8.52
Fruehauf	145.3	11	550.4	14	8.6	11	26.8	38	5.9	5.9	11.4	10	3.05
General Motors	8,784.1	21	30,400.0	8	667.2	23	2,163.0	12	7.6	7.4	19.6	10	7.51
Gould [6]	148.5	34	568.9	29	6.2	24	22.1	26	4.2	4.5	11.9	11	2.50
Houdaille Industries	66.6	18	247.4	23	5.0	(5)	12.8	58	7.5	(5)	14.6	9	1.48
International Harvester [8]	1,033.1	16	3,493.3	16	32.3	25	86.6	92	3.1	2.9	7.4	11	3.17
Kelsey-Hayes [7]	130.4	20	475.3	17	2.4	221	9.0	16	1.6	0.7	8.0	9	3.07
Libbey-Owens-Ford	161.1	26	594.4	22	14.0	23	52.6	6	8.7	8.9	22.6	9	4.22
Maremont	59.2	4	270.0	12	2.5	118	11.2	118	4.3	2.1	26.3	13	2.70
McCord [7]	38.2	42	122.4	15	1.3	−2	4.3	(5)	3.4	4.9	11.1	10	2.17
Purolator	[2]56.4	16	218.9	16	2.7	5	11.5	16	4.8	5.3	20.5	23	2.51
Questor	75.8	16	335.3	17	2.4	13	14.2	23	3.2	3.3	10.6	12	1.45
Royal Industries	38.6	26	155.0	36	1.5	0	5.7	27	3.9	4.9	16.1	8	1.11
Sheller-Globe [1]	65.1	44	249.3	21	1.5	167	7.3	23	2.3	1.3	19.9	8	1.73
Smith (A. O.)	132.0	17	492.8	8	2.1	−48	9.9	−22	1.6	3.5	6.4	9	2.02
TRW	451.1	6	1,687.5	9	20.5	(5)	76.1	16	4.6	(5)	18.9	13	2.22
White Motor	252.3	27	943.3	13	2.3	(5)	7.1	191	.9	(5)	3.2	16	0.79
Industry composite	22,378.2	21	80,017.6	15	1,194.4	26	3,952.0	23	5.3	5.1	15.6	12	5.54
Banks and bank holding companies:													
Bancal Tri-State	39.9	8	147.1	8	2.4	4	6.2	−22	6.1	6.4	7.2	12	2.06
BancOhio	36.5	18	136.6	19	5.1	38	17.7	19	13.9	11.8	11.2	10	2.68
Bank of New York	55.6	4	205.8	1	7.8	−3	26.6	−3	14.0	15.0	14.1	9	4.24
BankAmerica	439.0	9	1,651.3	9	53.9	9	189.0	6	12.3	12.3	13.7	16	2.74
Bankers Trust New York	178.3	3	654.9	5	18.1	9	59.4	8	10.1	9.6	12.0	10	5.75
CIT Financial	149.3	3	566.3	0	25.0	9	85.1	9	16.7	15.9	13.5	11	4.10
Cameron Financial	33.0	19	121.5	11	3.8	35	13.4	2	11.5	10.2	16.2	17	2.22
Charter New York	94.1	13	328.5	3	8.6	33	26.7	4	9.1	7.7	9.4	10	3.29
Chase Manhattan	408.6	11	1,466.3	2	42.6	10	148.3	0	10.4	10.6	12.1	11	4.65
Chemical New York	196.6	14	694.3	7	17.7	−8	63.5	−13	9.0	11.1	9.5	11	4.65
Citizens & Southern National	48.9	19	178.5	14	6.5	28	23.7	12	13.3	12.4	14.8	26	1.02
Cleveland Trust	43.0	11	157.3	4	8.2	17	26.9	4	19.1	18.0	9.4	10	8.93
Continental Illinois	166.7	20	571.1	12	22.4	3	78.1	12	13.4	15.7	12.9	11	4.54
Crocker National	115.2	10	424.2	6	9.4	6	33.9	−2	3.2	8.5	11.4	9	3.26
Detroit Bank & Trust	37.7	10	141.9	5	5.2	14	18.3	−1	13.7	13.2	11.0	8	5.97
Fidelity	38.6	11	137.1	15	5.0	27	16.6	11	12.9	11.3	15.6	11	4.03
First Bank System	86.4	19	322.7	14	13.1	15	49.5	11	15.2	15.8	14.5	18	3.37
First Chicago	163.1	18	578.8	14	21.1	26	78.3	18	12.9	12.0	12.2	14	4.02
First International Bancshares	37.1	20	137.9	17	8.0	12	24.9	11	21.4	23.0	15.9	20	2.22
First National Boston	97.8	21	339.5	10	11.6	9	42.1	4	11.9	13.3	10.6	11	3.51
First National City	542.1	15	1,954.7	9	55.5	24	201.8	20	10.2	9.5	14.4	21	3.56
First Pennsylvania	95.7	24	336.9	19	10.8	21	38.2	11	11.3	11.5	16.9	13	3.05
First Wisconsin Bankshares	44.7	17	162.0	16	4.9	22	16.5	12	11.0	10.5	11.3	10	3.91
Franklin New York	55.1	8	197.6	1	3.6	7	13.1	−28	6.5	6.7	8.1	13	2.21
Harris Bankcorp	43.6	14	151.0	9	5.9	29	18.0	8	13.6	12.0	10.1	10	5.76
Lincoln First Banks	38.4	18	140.6	13	3.8	6	14.7	6	9.9	11.0	10.6	8	3.91
Manufacturers Hanover	202.5	21	706.6	9	23.7	20	79.7	1	11.7	11.8	11.1	12	2.81
Manufacturers National Bank of Detroit	34.4	9	130.7	7	4.0	2	14.1	−1	11.5	12.3	12.4	7	6.87
Marine Bancorp (Seattle)	31.0	4	119.9	4	2.4	−11	9.4	−8	7.8	9.1	8.7	8	2.53
Marine Midland Banks	152.3	15	549.8	15	12.7	3	44.5	1	8.4	9.3	11.7	9	3.41
Mellon National	95.9	18	328.5	7	12.8	10	45.6	−5	13.4	14.4	8.9	10	4.56
Morgan (J. P.)	205.3	9	754.6	5	31.3	12	119.8	9	15.2	14.3	14.0	15	6.55
National Detroit	74.5	5	283.3	3	9.1	−9	34.8	−3	12.2	14.1	10.6	8	5.80
NCNB	47.0	33	170.3	28	5.7	24	21.3	22	12.1	12.9	18.9	26	1.43
Northwest Bancorp	89.9	17	328.7	13	11.1	16	43.3	14	12.3	12.4	13.2	15	3.66
Nortrust	37.2	2	136.6	2	5.5	25	18.0	3	14.7	12.0	11.2	11	3.53
Republic National Bank of Dallas	51.5	23	177.4	16	7.5	19	23.8	10	14.5	15.1	14.7	16	2.53
Seattle-First National	49.8	8	189.7	9	6.0	20	23.1	6	12.0	10.9	13.0	13	5.13
Security National Bank, Hempstead	31.6	21	113.5	16	3.5	−2	13.9	0	10.9	13.5	13.9	9	2.99
Security Pacific	161.7	13	603.5	12	14.9	13	57.2	6	9.2	9.2	10.7	10	2.81
Shawmut	32.4	12	118.0	7	3.5	12	11.6	2	10.9	10.8	9.8	9	6.02
Southeast Banking	34.3	21	107.1	17	5.1	15	14.3	13	14.8	15.6	15.8	19	1.79
U.S. Bancorp	35.8	12	134.4	11	4.5	18	16.7	15	12.7	12.1	13.1	11	4.11
Union America	74.0	21	264.9	16	6.8	44	25.8	28	9.3	7.3	17.3	13	2.64
United Virginia Bankshares	31.3	28	110.2	17	3.8	32	14.1	18	12.1	11.6	14.4	15	2.84
Valley National Bank Arizona	40.3	8	153.0	11	4.0	6	16.1	10	9.9	10.1	13.8	16	1.82
Wells Fargo	139.0	16	501.6	14	11.4	17	39.1	14	8.2	8.1	11.1	12	2.10
Western Bancorp	228.7	15	848.9	10	18.8	22	68.9	4	8.2	7.7	11.2	10	3.01
Industry composite	5,166.2	13	18,735.6	9	587.8	14	2,084.6	7	11.4	11.3	12.4	12	3.49

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy.		
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P-E 2-28	12 months earnings per share
Beverages (brewers, distillers, soft drinks):													
Anheuser-Busch	$231.0	8	$977.5	8	$15.2	—9	$76.4	7	6.6	7.8	17.5	31	1.70
Coca-Cola Bottling of N.Y.	64.1	(5)	195.5	12	3.9	(5)	10.6	13	6.0	(5)	19.6	27	.81
Glenmore Distilleries [6]	[9] 45.7	0	161.5	—3	.4	—2	.9	(5)	1.0	1.0	2.4	14	.71
Helleman (G.) Brewing	[9] 38.3	52	140.3	31	1.7	28	5.8	6	4.5	5.4	19.8	9	1.51
Heublein [6]	[9] 281.0	13	1,006.5	12	9.6	19	38.8	18	3.4	3.2	26.1	26	1.98
National Distillers & Chemical	[9] 332.2	9	1,150.5	6	11.8	16	34.2	12	3.6	3.4	7.6	12	1.24
Pabst Brewing	[9] 99.4	2	448.3	8	6.9	7	28.6	12	7.0	6.7	14.0	23	2.99
Pepsi-Cola	456.1	17	1,400.1	13	21.0	15	71.7	14	4.6	4.7	17.9	27	3.05
Royal Crown Cola	49.6	10	191.4	15	2.1	27	11.7	20	4.1	3.8	28.0	24	1.48
Schaefer (F. & M.)	54.7	—2	228.7	1	—1.7	(5)	—1.0	(5)	(5)	1.9	—1.8	(5)	—.21
Schlitz (Jos.) Brewing	[9] 185.4	14	779.4	16	9.6	28	45.8	30	3.1	5.2	4.6	37	1.58
Seven-Up	29.3	3	119.8	7	3.0	13	11.8	9	10.3	9.4	29.0	31	1.10
Southdown	[2] 49.5	5	194.0	7	4.3	9	13.2	13	8.8	8.4	42.2	6	2.60
Industry composite	1,915.2	22	6,993.5	13	87.9	9	348.5	13	4.6	4.8	16.0	22	1.76
Building materials (cement, wood, paint, heating & plumbing, roofing, etc.):													
American Standard	357.5	(5)	1,320.6	—6	7.9	(5)	25.2	119	2.2	(5)	6.2	10	1.15
Ameron [10]	37.9	,25	129.0	7	1.7	—16	4.8	16	4.4	6.5	9.5	7	2.10
Bliss & Laughlin Industries	[9] 44.4	129	133.1	37	2.1	48	6.6	39	4.6	7.2	13.1	7	2.30
Boise Cascade	298.4	15	1,150.9	16	14.0	(5)	40.3	158	4.7	.6	4.8	8	1.29
Brown [10]	70.6	32	249.2	21	1.6	209	3.3	162	2.3	1.0	6.8	12	1.02
Carrier [8]	199.7	29	739.4	14	7.2	9	32.3	21	3.6	4.2	11.6	19	1.32
Certain-teed Products	102.0	25	392.6	18	6.3	34	23.6	57	6.2	5.8	20.8	8	2.12
Champion International	471.3	14	1,871.7	17	13.8	36	59.5	30	2.9	2.5	10.7	10	1.71
Copeland [1]	38.1	32	162.8	21	1.6	39	8.5	29	4.3	4.1	21.3	16	1.38
Crane	217.9	10	844.4	7	4.8	72	12.5	21	2.2	1.4	7.7	8	2.36
De Soto	57.9	20	237.3	11	2.0	45	5.6	25	3.5	2.9	8.6	11	1.03
Evans Products	[2] 240.8	28	947.9	30	6.4	50	28.4	47	2.6	2.2	14.6	10	1.71
Fedders [7]	58.6	—33	272.1	—25	.5	—89	2.8	—85	.9	5.7	1.7	(8)	.18
Flintkote	104.1	—4	440.6	4	4.2	11	16.7	21	4.1	3.5	8.9	8	2.60
General Portland	45.1	15	182.4	27	2.5	—10	11.2	8	5.6	7.3	10.1	9	1.65
Georgia-Pacific	537.8	36	1,929.1	33	34.4	59	128.5	49	6.4	5.5	17.9	13	2.41
Gifford-Hill	[2] 31.9	23	146.1	32	1.5	16	9.0	27	4.9	5.2	14.5	10	2.21
Ideal Basic Industries	42.9	—3	202.4	14	4.5	10	21.7	25	10.5	9.2	12.4	10	1.55
Interpace	47.4	0	202.3	9	2.4	7	7.6	8	5.1	4.8	7.9	8	2.21
Jim Walter [7]	254.4	30	950.4	27	14.7	35	49.1	29	5.8	5.6	26.6	9	2.71
Johns-Manville	213.2	9	796.3	14	11.3	—23	49.3	7	5.3	7.5	10.8	9	2.66
Kaiser Cement & Gypsum	36.0	4	150.6	13	1.6	—18	8.7	26	4.4	5.6	11.5	9	1.09
Lehigh Portland Cement	29.1	—10	125.2	5	2.2	32	7.6	40	7.5	5.1	6.9	8	1.83
Lone Star Industries	131.7	36	463.4	24	7.6	1	24.1	12	5.8	7.8	11.4	9	2.16
Masco	43.8	36	134.3	34	3.8	36	14.4	36	8.7	8.7	23.9	39	1.32
Medusa	31.6	2	123.0	14	1.8	8	6.9	11	5.7	5.4	9.1	10	2.75
National Gypsum	126.8	9	519.0	13	7.6	18	30.6	44	6.0	5.5	9.7	9	1.88
NL Industries	263.7	13	1,013.7	10	8.0	62	36.8	62	3.0	2.1	8.9	10	1.53
Norris Industries	85.1	20	316.8	16	4.0	—10	16.6	6	4.7	6.2	18.2	8	3.84
Owens-Corning Fiberglas	168.1	19	615.3	15	10.7	44	35.8	48	6.4	5.3	12.8	18	2.42
Potlatch Forests	90.2	9	377.4	6	2.5	—14	16.6	55	2.8	3.5	8.1	9	2.24
Robertson (H.H.)	79.6	—2	252.8	1	3.2	8	6.7	5	4.0	3.6	10.2	8	2.42
Sherwin-Williams [7]	156.4	8	677.9	18	3.9	2	21.8	41	2.5	2.6	9.5	11	3.86
Southwest Forest Industries	76.5	(5)	319.7	59	3.2	(5)	10.0	71	4.2	(5)	12.7	5	1.97
Temple Industries	32.0	(5)	100.9	22	2.6	(5)	9.6	38	8.0	(5)	14.6	12	1.56
Texstar [1]	31.0	17	134.5	19	.3	23	2.3	26	.9	.9	14.0	8	.72
Trane	73.2	11	276.1	7	5.5	56	17.4	4	7.6	5.4	11.6	20	3.12
U.S. Gypsum	169.2	13	652.1	16	13.0	11	49.1	27	7.7	7.8	12.0	9	2.78
Wallace-Murray	68.0	15	259.3	15	2.8	25	9.3	33	4.1	3.7	12.7	6	2.53
Weil-McLain	39.0	12	146.2	16	1.6	39	6.2	30	4.0	3.3	14.9	8	1.75
Westvaco	129.2	9	472.0	10	6.5	237	13.1	161	6.0	1.6	5.1	19	1.22
Weyerhaeuser	477.3	31	1,875.9	29	42.3	10	158.1	39	8.9	10.5	15.1	20	2.35
Industry composite	5,809.4	17	22,106.7	16	280.4	24	1,048.2	31	4.8	4.5	12.4	11	2.04
Chemicals:													
Air Products & Chemicals [1]	85.5	9	357.9	10	4.7	15	18.9	9	5.5	5.2	10.5	24	2.96
Airco	116.0	(5)	492.3	20	2.6	(5)	17.9	—2	2.3	(5)	6.6	9	1.53
Akzona	156.3	21	571.5	13	8.5	15	23.2	—10	5.4	5.7	9.0	15	1.86
Allied Chemical	407.0	23	1,500.0	13	18.1	30	65.5	27	4.4	4.2	8.0	14	2.38
American Cyanamid	341.3	3	1,358.9	6	28.8	5	108.8	16	8.4	8.3	13.1	13	2.24
Cabot [1]	69.7	8	279.6	6	4.4	17	19.0	9	6.4	5.9	8.5	9	3.41
Celanese	366.1	14	1,384.8	12	15.2	6	51.2	—14	4.2	4.5	8.5	10	3.39
Chemetron	79.7	3	314.2	4	2.1	18	8.0	94	2.7	2.4	5.0	9	2.00
Diamond Shamrock	156.0	10	617.3	8	9.3	42	33.3	34	5.9	4.6	11.6	13	1.69
Dow Chemical	642.1	24	2,403.7	17	43.6	21	189.0	22	6.8	7.0	15.2	25	4.14
Dupont	1,143.0	19	4,366.0	13	105.0	22	414.0	19	9.2	9.0	14.3	28	8.50
Ethyl	162.2	13	631.6	9	11.3	18	44.7	17	7.0	6.7	17.1	7	4.03
Ferro	53.8	20	204.8	22	3.1	25	12.4	57	5.7	5.5	20.0	12	3.14
Freeport Minerals	37.5	7	151.6	7	4.7	91	17.1	31	12.5	7.0	7.3	24	1.10
GAF	198.2	9	768.5	12	6.8	1	27.7	26	3.4	3.7	10.5	3	1.75
Hercules	247.2	25	932.0	15	16.3	42	70.4	32	6.6	5.8	15.0	20	3.50
Inmont	91.5	12	357.1	8	1.9	167	8.3	44	2.0	.9	7.4	9	1.02
International Minerals & Chemicals [6]	125.2	29	514.6	2	5.4	34	23.4	40	4.3	4.2	12.9	14	1.91
Kewanee Oil	[2] 42.4	2	167.2	8	4.3	1	12.7	11	10.0	10.2	11.0	13	1.47
Koppers	154.8	8	612.8	2	7.3	68	23.1	25	4.4	2.8	9.9	9	4.01
Lubrizol	[2] 57.1	23	221.4	10	6.7	32	26.2	12	11.8	11.0	19.6	32	1.30
Monsanto	523.5	5	2,226.1	7	23.9	48	122.0	30	4.6	3.2	9.9	14	3.49
Nalco Chemical	51.2	27	194.7	6	5.3	22	20.1	18	10.3	10.7	20.2	31	2.01
National Starch & Chemical	45.3	16	175.7	18	3.8	29	14.1	26	8.5	7.6	18.7	25	2.23
Pennwait	111.4	8	441.0	9	4.9	59	16.1	23	4.4	3.0	11.1	15	1.58
Pepi	44.2	4	204.0	7	.7	51	5.1	18	1.5	1.1	5.7	13	1.70
Purex [6]	85.1	—1	371.5	4	2.9	2	16.2	18	3.4	3.3	14.2	11	1.45
Reichhold Chemicals	54.6	15	217.5	12	1.8	80	7.9	117	3.4	2.2	9.3	10	1.18
Rohm & Haas	162.2	31	618.6	22	14.0	154	47.3	72	8.6	4.5	12.0	29	3.69
Standard International [6]	39.9	27	142.1	19	1.7	15	6.1	14	4.3	4.6	11.2	10	1.73
Stauffer Chemical	131.8	18	542.6	10	8.2	69	33.5	34	6.2	4.4	11.4	12	3.35
Texas Gulf	71.6	31	270.5	24	9.7	57	30.6	21	13.6	11.3	8.0	24	1.01
Union Carbide	874.3	14	3,261.3	7	59.1	46	207.4	36	6.8	5.3	11.0	13	3.42
Witco Chemical	77.7	27	293.5	13	3.2	40	12.6	21	4.2	3.8	13.4	9	2.30
Industry composite	7,015.5	16	27,167.2	11	449.4	29	1,753.8	23	6.4	5.8	11.9	15	3.08

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy.		
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P–E 2–28	12 months earnings per share
Conglomerates:													
Avco [10]	$185.3	13	$607.0	−12	$11.1	1	$43.2	13	6.0	6.7	10.7	6	2.30
Colt Industries	188.1	29	707.3	11	5.4	113	16.3	28	2.9	1.7	8.0	10	1.81
Gulf & Western Industries [11]	439.1	21	1,737.9	12	20.2	19	72.8	28	4.6	4.7	13.7	8	3.48
Illinois Central Industries	252.3	19	960.7	12	12.8	16	52.6	16	5.1	5.2	7.2	7	3.12
Indian Head [10]	148.3	28	513.6	15	4.3	14	15.8	18	2.9	3.3	14.5	8	3.02
International Utilities	[2] 332.3	12	1,192.1	12	15.8	18	58.7	17	4.7	4.5	17.7	13	1.88
International Telephone & Telegraph	2,597.6	6	8,600.0	12	149.7	12	477.0	12	5.8	5.5	26.0	13	3.80
Kaiser Industries	60.6	−44	252.9	−32	2.0	−56	5.5	−62	3.3	4.2	.9	32	.15
Kidde (Walter)	220.7	29	832.4	18	9.1	26	32.4	20	4.1	4.2	12.5	7	3.03
Litton Industries [11]	639.9	15	2,561.3	10	9.4	−19	−1.3	−103	1.5	2.1	−.7	(5)	−.13
Martin Marietta	291.5	7	1,046.8	9	13.3	8	53.5	14	4.6	4.6	11.1	8	2.28
Northwest Industries	172.9	21	665.1	18	12.9	55	51.0	28	7.4	5.8	(5)	6	4.01
Signal	[9] 377.7	10	1,458.1	11	13.7	40	42.7	59	3.6	2.8	7.2	10	1.90
Studebaker-Worthington	227.7	12	879.4	9	9.9	52	29.9	−3	4.3	3.2	10.4	7	6.72
Teledyne [8]	317.0	4	1,216.0	10	14.0	−3	57.4	2	4.4	4.7	8.9	10	1.62
Tenneco	917.0	14	3,275.4	15	70.8	0	203.0	10	7.7	8.8	15.3	11	2.60
Textron	408.0	4	1,678.4	5	24.3	16	82.1	14	6.0	5.3	20.2	11	2.32
Whittaker [8]	135.6	14	576.4	10	3.6	−28	13.9	−8	2.7	4.2	7.2	9	.62
Industry composite	7,911.7	11	28,761.4	10	402.2	9	1,306.4	8	5.1	5.2	13.7	10	2.32
Containers:													
American Can	481.7	7	2,000.0	5	9.6	67	55.3	10	2.0	1.3	7.1	10	2.95
Anchor Hocking	88.9	12	340.3	9	5.9	28	20.7	8	6.6	5.9	13.2	9	2.95
Brockway Glass	60.8	21	235.9	13	3.0	7	14.6	9	5.0	5.6	12.6	8	2.97
Continental Can	528.1	5	2,192.7	5	18.8	12	80.8	11	3.6	3.3	10.2	10	2.77
Crown Cork & Seal	114.1	5	489.9	9	7.4	7	31.2	10	6.5	6.4	13.5	15	1.66
Diamond International	190.0	10	603.5	6	10.8	8	37.8	5	5.7	5.7	12.9	9	3.17
Federal Paper Board	72.6	46	248.3	58	4.0	202	9.6	114	5.5	2.7	13.5	9	2.47
Fibreboard	58.5	23	217.2	17	1.5	52	6.1	64	2.6	2.1	9.5	9	1.82
Inland Container	58.5	14	222.5	12	2.5	36	8.9	68	4.3	3.6	7.9	15	3.02
Maryland Cup [1]	33.9	10	172.6	9	.9	6	9.0	30	2.5	2.6	11.1	14	2.06
National Can	105.8	3	475.7	9	2.2	14	14.1	7	2.1	1.9	13.2	8	1.80
Owens-Illinois	415.6	10	1,636.3	9	15.9	19	64.6	8	3.8	3.6	10.4	9	3.95
Industry composite	2,208.4	8	8,833.8	8	82.6	23	352.7	13	3.8	3.3	10.3	10	2.70
Drugs (ethical, proprietary, medical, and hospital supplies):													
Abbott Laboratories	149.9	19	521.8	14	12.5	30	39.4	69	8.3	7.6	14.5	25	2.88
American Home Products	414.5	10	1,689.1	11	43.4	15	172.7	14	10.5	10.0	29.9	39	3.24
American Hospital Supply	181.0	18	668.9	16	9.6	3	33.9	16	5.3	6.1	10.6	46	.99
Baxter Laboratories	75.2	22	278.8	15	5.7	37	22.2	16	7.6	6.8	13.7	67	.77
Becton Dickinson [1]	75.6	14	298.4	(3)	5.5	15	21.5	(3)	7.2	7.1	13.5	29	1.28
Bristol-Myers	310.7	9	1,201.2	9	23.8	25	83.9	9	7.7	6.7	21.5	24	2.60
Carter Wallace [4]	40.9	14	162.3	12	1.6	−53	10.9	−24	3.8	9.3	9.5	14	1.43
International Chemical & Nuclear [10]	43.3	14	164.4	21	−4.2	(5)	1.4	−82	(5)	6.8	2.5	61	.21
Johnson & Johnson	319.0	12	1,317.7	16	27.3	9	120.7	19	8.6	8.8	18.2	56	2.15
Lilly (Eli)	192.7	7	819.7	13	34.8	34	126.3	31	18.0	14.4	23.1	45	1.85
Merck	243.3	11	958.3	13	36.3	10	147.6	14	14.9	15.1	26.9	48	1.99
Miles Laboratories	80.5	2	319.0	11	4.0	3	15.2	13	6.0	4.9	13.1	20	2.85
Morton-Norwich Products [12]	102.6	7	382.4	7	7.0	−2	24.5	6	6.8	7.4	12.0	12	1.95
Pfizer	337.7	(5)	1,090.0	10	33.4	(5)	103.2	14	9.9	(5)	16.5	28	1.50
Richardson-Merrell [6]	134.7	16	476.8	13	10.1	20	39.8	18	7.5	7.3	15.4	24	3.37
Robins (A.H.)	53.2	34	176.7	17	5.2	13	22.8	15	9.7	11.5	22.2	39	1.79
Rorer-Amchem	43.2	10	166.1	11	7.4	11	21.0	9	17.1	17.0	23.0	20	1.51
Schering-Plough	[2] 127.4	15	517.4	15	17.7	35	77.3	31	13.9	11.8	27.4	47	2.89
Searle (G.D.)	77.6	23	271.9	20	12.1	12	41.9	16	15.6	17.0	37.0	37	3.03
Smith, Kline & French	116.0	9	402.8	10	14.2	4	48.9	6	12.2	12.9	22.3	15	3.28
Sterling Drug	130.8	9	720.8	10	19.2	10	69.0	9	10.0	9.9	20.3	29	1.18
Sybron	96.7	12	356.3	9	5.3	17	19.6	12	5.5	5.3	13.1	18	1.64
Upjohn	137.2	19	511.3	17	10.4	6	46.5	17	7.6	8.6	15.2	38	3.16
Warner-Lambert	386.0	10	1,487.5	11	31.9	13	122.7	13	8.3	8.0	15.7	34	3.16
Will Ross [4]	40.2	11	166.2	12	1.5	11	7.2	59	3.6	3.6	14.4	25	1.44
Industry composite	3,970.3	14	15,125.9	13	375.5	14	1,440.3	16	9.5	9.5	19.3	34	2.05
Electrical, electronics (heavy equipment, components, radio and TV sets, etc.):													
Admiral	123.7	11	468.8	15	4.1	49	10.7	122	3.3	2.5	13.6	7	1.98
AMP	34.7	28	302.1	26	9.4	42	33.2	38	11.1	10.0	22.1	44	2.70
Avnet [6]	110.5	25	394.3	22	5.3	31	18.0	33	4.8	4.6	17.0	46	1.29
Bunker-Ramo	64.2	11	252.0	12	4.8	170	13.5	217	7.5	3.1	9.8	1	.55
Capitol Industries [6]	38.0	−9	126.3	1	1.9	60	2.2	(5)	5.0	2.8	4.4	15	.48
Cutler-Hammer	76.8	16	280.9	17	3.0	42	10.1	39	3.9	3.2	10.7	13	3.02
ESB [4]	101.8	11	364.4	14	4.4	44	14.1	19	4.3	3.3	10.2	10	2.56
E-Systems	43.1	−7	156.1	−7	1.1	1	3.2	11	2.5	2.3	10.3	7	.61
Emerson Electric [1]	197.1	16	793.7	15	17.0	12	65.9	11	8.6	8.9	21.5	34	2.73
Fairchild Camera & Instrument	65.4	35	223.9	16	3.3	(5)	7.7	(5)	5.0	(5)	12.5	37	1.58
General Electric	2,840.6	4	10,239.5	9	177.2	15	530.0	12	6.2	5.6	17.8	23	2.91
General Instrument [13]	83.0	14	298.0	10	2.9	72	8.2	66	3.5	2.3	5.5	20	1.00
Globe-Union [1]	84.7	44	196.0	35	2.1	36	4.7	32	3.2	3.4	8.5	11	2.20
I-T-E Imperial	97.1	8	377.8	9	5.1	4	17.6	12	5.2	5.5	12.0	12	2.18
LCA	65.4	33	264.6	35	6.5	42	19.3	46	9.9	9.3	17.5	13	1.80
Lear Siegler [6]	148.1	8	582.1	11	3.8	41	13.9	336	2.5	1.9	16.9	11	.67
Magnavox	207.2	7	686.0	9	5.1	−58	20.7	−40	2.4	6.3	10.3	15	1.17
Mallory (P.R.)	53.1	19	189.9	19	2.6	36	7.4	42	4.9	4.3	9.9	13	1.92
McGraw-Edison	[2] 213.5	25	737.7	10	12.1	68	38.3	29	5.7	4.2	12.1	14	2.56
Motorola	[2] 354.0	25	1,163.3	26	16.8	58	52.0	64	4.8	3.8	13.2	31	3.81
North American Phillips	161.3	8	626.9	12	9.2	61	27.9	32	5.7	3.8	11.9	10	3.15
Raytheon	374.1	5	1,465.0	9	9.0	8	41.2	7	2.4	2.3	13.8	11	2.59
Sola Basic Industries [4]	29.8	17	114.8	23	1.3	34	5.0	35	4.5	3.9	10.1	11	1.46
Sperry Rand [4]	565.4	25	2,144.0	23	23.4	43	84.7	38	4.1	3.6	10.2	18	2.46
Sprague Electric	39.2	24	146.6	24	1.6	(5)	.7	(5)	4.0	(5)	1.7	66	.22
Square D	88.6	18	340.3	14	9.4	−3	35.1	14	10.6	12.8	23.6	22	1.53
Texas Instruments	264.1	31	943.7	23	13.7	49	48.0	42	5.2	4.5	13.8	40	4.34
Varian Associates [1]	54.8	18	212.1	13	1.5	495	4.7	(5)	2.6	.5	3.9	21	.65
Westinghouse Electric	1,424.4	10	5,086.6	10	53.6	5	198.7	13	3.8	4.0	11.6	16	2.24
Zenith Radio	255.4	39	795.9	30	21.3	42	48.6	55	8.3	8.2	20.1	16	2.55
Industry composite	8,288.9	12	29,945.7	13	432.4	22	1,385.4	25	5.2	4.8	14.3	19	2.35

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

	Sales				Profits				Margins		Return com. eqy.		
Company	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P-E 2-28	12 months earnings per share
Food (baked goods, canned and packaged foods, dairy products, meat, condiments, etc.):													
Allied Mills[6]	$119.3	26	$393.7	11	$2.3	302	$4.4	332	2.0	.6	6.4	14	1.61
Amstar[6]	156.5	−4	672.0	0	3.0	−5	14.1	−27	1.9	2.0	7.9	9	3.06
Anderson, Clayton[6]	175.3	20	645.9	6	3.6	62	17.5	13	2.1	1.5	7.7	9	5.33
Beatrice Foods[13]	706.4	15	2,873.2	18	24.8	16	87.3	13	3.5	3.4	18.6	20	1.33
Borden	568.0	5	2,192.9	6	16.7	12	66.0	9	3.0	2.8	9.5	12	2.18
Brewer (C.)	37.5	(5)	143.2	3	2.0	(5)	7.0	3	5.3	(5)	7.3	9	1.54
CPC International	402.2	8	1,549.6	8	22.4	15	64.3	22	5.6	5.2	13.4	12	2.71
Campbell Soup[11]	285.2	19	1,132.5	11	16.5	60	65.8	7	5.8	4.3	12.3	17	1.96
Campbell Taggart	96.5	16	371.1	7	2.6	1	11.9	12	2.7	3.0	13.9	10	2.66
Carnation	326.0	12	1,249.3	9	16.0	13	55.9	11	4.9	4.8	15.1	30	3.20
Castle & Cooke[4]	[2] 181.3	14	575.8	5	3.7	−2	17.0	110	2.1	2.4	8.1	11	1.31
Central Soya[7]	259.3	31	972.4	(3)	4.6	25	17.1	(3)	1.8	1.8	11.7	12	2.21
Consolidated Foods[6]	481.5	13	1,830.6	10	17.7	8	72.4	9	3.7	3.9	14.8	15	2.62
Cook Industries[14]	43.3	14	196.8	23	1.2	37	4.8	17	2.9	2.4	11.9	11	1.57
Del Monte[14]	243.1	17	900.5	16	5.6	12	24.2	7	2.3	2.4	10.2	10	2.01
Fairmont Foods[13]	93.1	6	369.9	6	1.1	6	5.2	12	1.2	1.2	9.1	10	1.14
Federal[14]	71.2	18	276.2	7	2.1	109	6.9	111	3.0	1.7	8.7	9	3.42
General Foods[4]	655.9	6	2,539.3	5	27.1	−4	108.1	−7	4.1	4.6	13.2	13	2.16
General Host	119.7	−7	562.3	71	3.2	96	3.5	65	2.7	1.3	10.0	7	1.69
General Mills[14]	441.3	20	1,462.8	20	21.5	26	60.8	23	4.9	4.7	20.0	22	2.66
Gerber Poducts[4]	67.6	−3	278.2	−1	2.7	−44	16.8	−17	4.0	7.0	13.5	11	2.00
Great Western United[14]	50.7	−15	227.3	−7	−.5	(5)	2.4	−76	(5)	3.4	−7.1	(5)	−1.05
Green Giant[4]	92.7	27	328.0	24	1.5	−12	7.4	34	1.6	2.3	10.1	11	2.09
Greyhound	[2] 773.1	14	2,912.4	7	18.3	4	70.1	4	2.4	2.6	14.5	10	1.67
Heinz (H.J.)[8]	333.0	11	1,224.4	17	12.1	7	43.7	12	3.6	3.7	11.1	14	2.89
Helme Products	29.6	12	91.4	7	1.3	2	3.3	2	4.3	4.7	9.8	9	1.57
Hershey Foods	108.5	2	416.2	4	5.8	8	20.6	1	5.4	5.1	12.8	12	1.58
Hormel (Geo. A.)[8]	192.4	5	719.8	5	2.9	−39	7.8	−53	1.5	2.6	7.9	12	1.63
Interstate Brands	57.9	−15	275.4	−1	−.4	(5)	2.1	−59	(5)	2.1	4.3	13	.89
International Multifoods[13]	140.7	18	497.7	10	3.0	16	9.3	16	2.1	2.2	10.1	12	2.66
Iowa Beef Processors[8]	349.5	36	1,275.5	26	2.9	166	7.4	95	.8	.4	16.8	10	.03
Keebler	46.6	11	203.1	8	1.0	11	4.0	17	2.2	2.2	8.9	12	2.13
Kellogg	148.4	−4	899.2	3	13.9	9	60.5	10	9.4	8.2	21.9	17	1.60
Kraftco	847.4	13	3,196.8	8	27.5	13	100.6	10	3.2	3.2	13.2	13	3.51
Libby, McNeill & Libby[6]	106.1	7	425.1	13	.3	(5)	−.5	(5)	.3	(5)	−.5	(5)	−.07
Mayer (Oscar)[8]	189.7	17	712.3	9	4.0	−19	16.0	−29	2.1	3.0	12.1	19	1.70
Mesa Petroleum	[2] 31.8	(3)	91.6	7	4.5	24	15.2	20	14.1	(3)	(3)	21	3.27
Missouri Beef Packers[8]	116.9	24	395.7	30	1.3	102	2.4	22	1.1	.7	14.7	8	2.06
Nabisco	333.0	16	1,214.9	14	16.9	9	54.4	9	5.1	5.4	16.9	15	3.60
Needham Packing[1]	71.5	16	276.8	8	.7	12	1.7	−23	.9	1.0	15.4	6	1.76
Norton Simon[6]	317.4	8	1,198.1	4	14.0	15	54.1	16	4.4	4.1	15.8	20	1.80
Pet[4]	221.8	5	805.3	4	6.0	−5	20.2	−8	2.7	3.0	9.5	12	2.93
Pillsbury[7 14]	212.7	9	741.0	4	7.8	25	18.8	31	3.7	3.2	11.0	14	3.53
Quaker Oats[6]	278.0	33	900.3	22	13.4	44	41.0	23	4.8	4.5	16.2	20	2.06
Ralston Purina[1]	516.5	14	1,898.7	7	19.2	15	65.2	14	3.7	3.7	15.1	22	1.91
Rath Packing[1]	80.4	13	287.0	3	−.9	(5)	−5.6	(5)	(5)	0	−31.6	(5)	−4.66
Seaboard Allied Milling[14]	36.9	35	150.9	16	.5	−5	2.2	7	1.3	1.8	9.9	5	1.63
Staley (A.E.) Manufacturing[1]	94.1	25	354.7	6	1.0	4	6.5	41	1.0	1.2	6.2	11	2.43
Standard Brands	[9] 389.0	(5)	1,295.0	8	13.3	(5)	44.0	11	3.4	(5)	14.6	16	3.20
Stokely-Van Camp[14]	80.8	10	311.0	9	2.0	32	8.0	16	2.5	2.1	7.8	8	2.16
Sucrest[6]	36.3	13	152.2	11	−.6	(5)	.2	−80	(5)	(5)	1.0	41	.23
Swift[8]	854.5	11	3,240.9	8	12.7	111	37.0	42	1.5	.8	9.3	11	2.90
United Brands	425.0	17	1,668.0	15	1.0	(5)	10.7	(5)	.2	(5)	1.9	11	.80
Wrigley (Wm.) Jr	48.2	5	206.7	9	4.3	2	18.3	8	8.9	9.2	14.6	14	9.30
Industry Composite	13,127.9	13	49,381.5	10	411.5	15	1483.1	9	3.1	3.1	12.4	13	2.27
General machinery (machine tools, industrial machinery, metal fabricators, etc.):													
Associated Spring	36.8	24	146.3	22	1.8	182	6.4	38	4.9	2.2	11.5	10	2.81
Babcock & Wilcox	258.5	−2	955.9	0	7.3	29	24.4	18	2.8	2.1	8.1	13	1.97
Baker Oil Tools[1]	41.5	6	157.2	29	2.4	22	10.2	30	5.8	5.0	15.9	31	1.10
Belden	32.0	17	122.1	15	1.1	6	4.9	34	3.3	3.7	15.1	10	2.43
Black & Decker Manufacturing[1]	90.6	20	360.9	21	6.1	19	27.6	20	6.8	6.8	16.0	52	2.21
Briggs & Stratton[6]	69.1	24	237.4	19	7.7	37	25.4	48	11.2	10.2	28.5	16	3.51
Cincinnati Milacron	80.7	34	283.1	17	1.4	441	1.9	34	1.7	.4	1.2	74	.45
Combustion Engineering	367.2	9	1,179.9	10	13.9	1	39.3	7	3.8	4.1	15.0	15	3.74
Cooper Industries	63.9	25	225.0	10	2.9	282	11.6	106	4.6	1.5	12.8	13	2.52
Crompton & Knowles	30.4	16	121.7	53	1.3	33	4.1	83	4.3	3.8	9.9	9	1.79
Dover	56.2	29	197.9	15	4.0	17	14.3	11	7.1	7.8	17.8	15	3.18
Dresser Industries[8]	253.3	17	906.9	13	12.1	40	38.9	18	4.8	4.0	18.9	15	2.86
Dymo industries[6]	30.5	19	106.5	18	1.3	38	3.7	42	4.2	3.6	10.5	13	1.59
Emhart	69.2	12	266.7	13	5.4	3	15.0	4	7.8	8.5	10.2	9	2.92
Envirotech[4]	43.0	8	161.3	20	1.6	20	5.4	36	3.8	3.4	11.0	28	1.42
Ex-Cell-O[10]	76.7	14	261.3	−1	3.5	288	9.8	22	4.5	1.3	5.4	15	1.16
Foster Wheeler	115.8	−17	491.7	−3	2.6	26	7.1	10	2.2	1.5	11.2	10	2.25
Gardner-Denver	56.2	9	209.6	9	6.5	15	22.9	10	11.6	11.0	14.6	17	1.39
Garlock	29.5	29	105.2	20	1.4	22	4.5	15	4.7	4.9	11.8	9	1.90
General Cable	96.3	32	369.7	6	2.9	−36	15.2	−18	3.0	6.2	10.2	11	1.07
Halliburion	459.9	44	1,422.3	9	17.2	12	66.0	18	3.7	4.3	16.3	38	3.75
Harris-Interype[6]	108.0	28	400.3	16	4.1	34	14.4	13	3.8	3.6	8.2	18	2.28
Hobart Manufacturing	79.0	23	267.2	11	6.4	66	18.0	23	8.1	6.0	16.0	19	1.59
Howmet	61.9	26	288.8	8	2.1	−12	13.2	0	3.4	4.9	11.9	10	1.35
Ingersoll-Rand	236.7	13	872.0	7	20.2	24	70.9	8	8.5	7.8	15.0	15	4.16
Joy Manufacturing[1]	74.6	−6	319.2	2	2.1	−48	11.5	−30	2.8	5.0	7.4	13	2.22
Keene	35.6	13	138.4	10	.9	18	3.3	23	2.6	2.5	8.4	8	.84
McDermott (J. Ray)[4]	98.3	40	365.5	34	6.1	50	15.8	150	6.2	5.8	8.0	29	2.35
McNeil	32.2	2	122.2	5	1.7	(5)	4.6	.9	5.2	(5)	7.5	8	1.55
Midland-Ross	76.2	20	277.4	14	3.0	196	8.8	35	3.9	1.6	6.3	10	1.42
National-Standard[1]	40.4	22	148.7	16	1.6	131	3.8	−11	4.0	2.1	5.8	34	.88
Outboard Marine[1]	78.8	27	410.9	16	.7	(5)	29.5	32	.9	(5)	17.8	10	3.60
Parker-Hannifin[5]	75.7	28	282.0	17	3.1	35	12.4	26	4.1	3.9	14.9	14	2.17
Peabody Gallon[1]	39.6	31	150.2	34	1.6	26	6.1	35	4.0	4.2	13.2	27	1.11
Premier Industrial[14]	29.4	6	112.0	5	2.1	6	7.5	0	7.0	7.0	26.1	12	.83
Revere Copper & Brass	107.8	31	390.9	17	.4	−19	−.8	(5)	.3	.5	−.5	(5)	−.19
Roper	51.3	22	251.7	13	1.6	10	6.9	28	3.2	3.5	10.5	9	2.85

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy.		
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P-E 2-28	12 months earnings per share
General machinery (machine tools, industrial machinery, metal fabricators, etc.)—Cont.													
Schlumberger	[2] $224.7	11	$812.1	14	$20.9	25	$70.2	25	9.3	8.2	15.9	47	1.94
Signode	72.7	19	274.1	18	4.7	35	17.5	28	6.5	5.7	15.8	18	3.72
Smith International Industries	[2] 29.5	30	103.3	23	1.8	40	6.0	30	6.2	5.8	12.9	26	1.80
Sundstrand	89.2	25	304.1	21	2.8	36	8.9	101	3.2	2.9	4.4	21	1.12
USM [13]	131.4	17	503.0	12	3.4	138	9.3	73	2.6	1.3	3.9	10	1.81
Warner & Swasey	42.1	44	152.7	27	1.8	41	5.4	42	4.3	4.4	4.8	24	1.45
Wean United	55.7	−21	204.6	7	0	−95	−.2	(5)	.1	1.4	−2.6	(5)	−.35
Zurn Industries [4]	45.0	−4	174.4	2	1.3	10	4.2	13	2.8	2.4	10.4	19	.85
Industry composite	4,273.2	16	15,634.2	12	198.8	25	705.9	19	4.7	4.3	11.6	19	2.11
Instruments (controls, measuring devices, photo and optical):													
Bausch & Lomb	50.4	13	184.5	18	1.2	−60	7.5	4	2.4	6.8	9.5	17	1.30
Beckman Instruments [6]	38.7	11	154.9	11	1.2	22	5.2	30	3.2	2.9	6.9	26	1.47
Bell & Howell	[2] 105.1	17	373.2	12	3.9	23	16.4	20	3.8	3.6	11.0	13	2.97
Bulova Watch [4]	55.1	36	168.3	19	2.5	96	5.5	25	4.5	3.2	7.5	10	1.42
EG & G	34.3	−3	125.4	3	1.2	7	3.4	14	3.6	3.3	13.5	23	.65
Eastman Kodak	1,138.8	20	3,477.8	17	186.5	36	516.2	30	16.5	14.5	21.1	41	3.39
Fisher Scientific	32.6	13	126.9	12	.9	71	2.9	17	2.7	1.8	6.1	13	.76
General Signal	114.1	(3)	345.8	39	6.1	(5)	16.4	38	5.3	(5)	19.7	21	2.13
Hewlett-Packard [8]	139.6	37	479.1	28	12.8	79	37.2	63	9.2	7.0	15.4	61	1.40
Itek	51.8	22	189.1	18	1.5	26	5.2	46	3.0	2.9	7.7	22	1.84
Johnson Service	75.5	7	231.4	10	3.8	3	10.2	5	5.1	5.3	18.5	12	2.36
Minnesota Mining & Mfg	545.7	16	2,114.0	16	66.0	14	244.3	16	12.1	12.3	19.4	37	2.17
Polaroid	[2] 188.9	6	571.2	6	17.6	−14	42.5	−30	9.3	11.5	7.7	97	1.30
Robertshaw Controls	45.1	9	172.5	14	2.4	29	9.8	42	5.4	4.6	12.8	11	2.55
Sherwood Medical Industries	30.6	9	122.6	10	2.7	−9	8.6	−2	8.8	10.5	17.9	15	1.71
Technicon	29.6	17	109.1	9	3.7	126	11.7	34	12.5	6.5	13.7	26	.55
Tektronix [14]	42.2	17	175.1	16	3.1	71	13.5	56	7.2	4.9	10.2	25	1.65
Industry composite	2,713.2	19	9,120.7	17	317.3	27	1,004.1	23	11.7	10.8	17.4	28	2.39
Leisure-time industries:													
American Greetings [13]	[2] 60.4	11	177.6	10	8.3	19	14.7	19	13.6	12.8	16.7	43	1.07
AMF	260.6	11	924.3	23	14.4	10	55.4	28	5.5	5.6	22.5	10	2.95
ARA Services [1]	[2] 231.0	15	890.9	12	7.3	13	27.3	15	3.2	3.2	15.6	29	4.89
Arctic Enterprises [4]	40.7	−6	121.7	−2	.9	−67	4.1	−35	2.3	6.6	13.0	6	1.36
Brunswick	166.4	16	633.8	23	12.0	10	34.8	36	7.2	7.7	14.4	13	1.86
Champion Home Builders [13]	69.4	24	278.7	58	4.2	31	16.9	86	6.1	5.8	47.4	19	.48
Coleman	47.8	−4	182.6	9	2.4	15	9.3	58	5.1	4.3	14.0	17	1.28
Columbia Pictures Industries [6]	[2] 71.1	29	266.7	21	1.0	(5)	2.9	(5)	1.4	(5)	5.5	17	.45
Denny's Restaurants [6]	40.4	13	156.2	32	1.1	47	4.7	52	2.7	2.1	12.4	23	.64
Disney (Walt) [1]	68.9	18	339.3	73	5.0	6	40.0	49	7.3	9.2	10.1	68	1.42
Fuqua Industries	[2] 127.4	16	430.0	17	6.4	42	18.0	29	5.0	4.1	14.7	8	1.85
Gino's	32.4	18	128.0	22	1.2	19	5.3	72	3.6	3.5	22.6	20	1.09
Hammond [4]	33.6	24	101.3	29	1.7	35	4.1	41	5.2	4.8	12.4	9	1.11
Hilton Hotels	88.7	6	341.0	7	4.8	22	16.9	23	5.5	4.7	9.7	15	2.05
Holiday Inns	[2] 190.7	10	775.2	10	9.0	27	42.0	3	4.7	4.2	12.8	24	1.38
Host International	35.2	10	140.1	8	1.8	10	6.0	14	5.2	5.2	19.6	21	1.12
Howard Johnson	73.9	9	324.2	8	3.4	26	19.4	28	4.6	4.0	14.9	31	.90
Marriott [11]	113.9	26	448.3	23	5.2	22	18.8	26	4.6	4.7	12.1	55	.65
Mattel [15]	118.1	40	318.2	13	.3	(5)	−14.7	(5)	.3	(5)	−16.1	(5)	−.89
McDonald's	104.9	33	385.2	33	9.3	29	36.2	38	8.8	9.1	24.0	68	.94
Metro-Goldwyn-Mayer [7]	[2] 33.5	−6	154.9	(3)	2.2	−15	8.8	−2	6.4	7.2	9.0	14	1.49
Milton Bradley	43.1	19	125.6	14	2.8	−3	8.6	7	6.5	8.0	16.6	20	1.36
National Homes	65.2	(5)	242.7	10	.4	(5)	56.6	−42	.6	(5)	6.8	11	.80
Norlin	41.9	26	137.8	21	2.8	19	6.5	23	6.8	7.2	11.1	6	3.20
Redman Industries [4]	87.7	58	317.3	58	3.2	113	10.7	61	3.6	2.7	24.4	12	1.37
Skyline [14]	83.3	3	340.2	15	3.7	−19	20.0	19	4.5	5.6	33.4	13	1.78
Western Publishing	53.9	3	138.5	2	2.9	16	8.5	22	5.3	4.7	11.1	10	2.13
Winnebago Industries [13]	52.0	45	196.9	73	4.1	5	18.9	66	7.9	10.9	34.9	23	.75
Industry composite	2,436.0	14	9,069.1	19	121.9	21	449.8	26	5.0	4.9	14.3	18	1.36
Metals and mining (nonferrous metals, coal, iron ore, etc.):													
Aluminum Co. of America	451.1	29	1,753.2	21	37.9	273	102.8	86	8.5	2.9	8.2	11	4.61
American Metal Climax	227.9	26	863.1	14	18.8	67	66.2	20	8.2	8.2	11.0	13	2.62
American Smelting and Refining	206.0	28	814.3	24	14.6	38	49.1	7	7.1	6.6	7.2	12	1.84
Anaconda	258.9	14	1,011.6	7	9.5	438	44.0	(5)	3.7	.8	4.3	11	2.00
Chromalloy American	143.3	21	541.0	16	5.5	44	20.4	29	3.9	3.2	15.0	8	1.87
Cleveland-Cliffs Iron	[2] 39.3	83	119.6	34	5.1	40	16.6	3	13.0	17.0	10.6	12	5.35
Cyprus Mines	[2] 143.4	(3)	318.8	3	7.1	10	28.8	4	4.8	13.6	13.2	10	3.21
Eastern Gas & Fuel	84.2	51	331.0	14	3.8	(5)	16.9	1	4.5	(5)	9.3	15	1.75
Essex International	188.8	22	696.4	17	9.4	18	37.1	21	5.0	5.2	17.1	10	4.02
Gulf Resources & Chemicals	[2] 32.8	11	127.2	9	1.1	(5)	3.5	(5)	3.4	(5)	12.9	17	.66
Kaiser Aluminum & Chemical	244.0	24	990.8	10	2.8	70	15.1	−44	1.2	.9	2.1	22	.62
Kennecott Copper	319.9	24	1,165.5	9	25.2	183	87.4	3	7.9	3.4	7.1	10	2.63
Martin Marietta Aluminum	52.2	−1	203.6	−1	−.7	(5)	1.8	−23	(5)	(5)	1.2	39	.23
Phelps Dodge	[2] 195.8	3	771.4	8	23.2	−2	82.2	11	11.8	12.5	11.4	11	4.01
Pittston	169.1	27	624.4	7	5.9	(5)	24.1	−32	3.5	.3	11.5	20	1.43
Reynolds Metals	290.9	9	1,182.2	6	2.4	(5)	.2	−97	.8	(5)	−.6	(5)	−.18
St. Joe Minerals	56.1	33	205.0	27	7.7	12	24.7	25	13.8	16.4	13.9	10	2.91
Universal Oil Products	170.1	−6	498.7	6	5.8	30	12.6	(5)	3.4	2.4	7.6	15	1.26
Industry composite	3,278.7	22	12,197.9	13	184.9	87	633.6	23	5.6	3.7	7.5	14	2.26
Miscellaneous Manufacturing:													
ACF Industries	88.0	0	347.6	4	5.3	9	19.0	21	6.0	5.7	9.5	12	3.40
Allied Products	50.8	12	207.0	18	1.0	81	4.2	54	2.0	1.2	9.0	8	2.15
Ametek	39.8	7	160.6	19	1.8	29	6.6	41	4.5	3.7	13.9	12	1.28
Amsted Industries [1]	82.8	20	320.2	14	2.7	20	12.7	19	3.2	3.3	9.3	8	4.57
Apache	34.3	32	125.4	25	1.6	24	5.4	22	4.5	4.8	11.5	9	1.64
Armstrong Cork	175.3	21	634.5	21	9.7	13	41.7	18	5.5	5.9	10.8	16	1.60
Athlone Industries	43.9	24	159.3	21	1.2	440	3.9	79	2.7	.6	9.7	6	2.20
Bangor Punta [1]	[2] 76.5	28	294.1	23	2.4	322	7.9	69	3.1	.9	6.3	9	1.58

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy.		
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P-E 2-28	12 months earnings per share
Miscellaneous manufacturing—Continued													
Bath Industries	$91.5	17	$345.2	19	$6.2	57	$23.4	96	6.7	5.0	38.0	9	2.95
Bemis	[2] 115.5	17	427.6	14	3.1	74	10.3	46	2.7	1.8	9.1	9	2.26
Carborundum	88.9	9	339.9	9	4.7	25	16.3	20	5.2	4.6	9.0	14	4.42
Ceco	57.1	9	217.2	6	2.5	1	8.5	6	4.4	4.7	12.9	8	2.45
Cyrning Glass Works	187.0	31	714.6	18	14.5	331	53.4	54	7.7	2.4	13.6	36	3.04
Dominion Bridge	100.1	5	236.6	1	2.6	57	7.6	22	2.6	1.7	8.3	(3)	2.91
Eagle-Picher Industries [10]	65.0	8	255.9	12	3.5	14	11.8	16	5.3	5.1	13.3	11	2.60
Handy & Herman	66.0	52	235.0	37	1.0	359	3.3	155	1.5	.9	10.2	13	1.41
Insilco	83.8	15	338.3	18	3.4	37	13.3	21	4.1	3.4	16.9	9	1.31
Instrument Systems [1]	46.9	−4	188.3	8	.5	4	1.5	−9	1.0	1.0	4.0	16	.16
Kroehler Manufacturing	32.7	8	129.0	8	1.3	−1	3.5	31	3.9	4.3	6.9	7	2.67
Lancaster Colony [6]	35.6	26	124.3	24	2.2	31	7.2	37	6.1	5.9	20.2	13	1.95
Lionel	[2] 45.9	31	105.3	31	2.4	47	1.7	46	5.3	4.7	10.7	14	.33
Ludlow	55.7	20	201.6	16	3.0	19	6.5	27	3.8	3.6	12.6	10	1.86
Microdot	48.3	33	181.5	14	2.3	52	7.7	28	4.8	4.2	19.5	8	1.84
Mohasco Industries	118.4	21	431.2	22	4.4	0	14.7	30	3.7	4.6	10.7	10	2.32
Monogram Industries [6]	42.1	8	163.2	15	1.4	15	5.4	63	3.4	3.1	9.2	8	1.06
Norton	100.6	18	374.4	8	2.8	−9	14.5	28	2.7	3.5	6.8	11	2.70
Philips Industries [4]	48.6	15	209.2	21	.6	−19	5.8	1	1.3	1.9	13.0	8	.98
Pittsburgh Des Moines Steel	56.0	−17	130.1	2	.8	61	2.5	104	1.4	.7	7.2	10	3.42
Porter (H.K.)	60.0	0	231.7	−9	1.0	16	1.1	−62	1.7	1.5	.4	(5)	.22
PPG Industries	363.4	15	1,395.9	13	22.0	32	82.7	31	6.1	5.3	11.7	9	3.99
Pullman	[2] 216.9	8	763.1	9	5.9	43	17.8	55	2.7	2.1	7.6	14	3.72
Scott & Fetzer [10]	59.7	20	223.6	20	5.3	18	17.7	20	8.8	9.0	26.6	15	2.41
Scovill Manufacturing	152.6	20	537.3	14	5.2	9	17.5	22	3.4	3.7	11.2	10	2.20
Simmons	87.5	11	342.6	9	3.8	33	12.6	20	4.4	3.7	10.2	11	1.90
Standard Pressed Steel	31.6	23	122.1	16	1.2	748	3.1	(5)	3.9	.6	5.2	14	.58
Stanley Works	106.4	(5)	399.0	21	6.0	(5)	19.9	26	5.6	(5)	13.1	14	2.57
Todd Shipyards [11]	[2] 42.6	32	180.7	43	−.1	(5)	−1.5	(5)	(5)	(5)	−2.8	(5)	−1.03
Trans Union	[2] 88.4	10	295.4	13	6.9	14	25.9	13	7.8	7.5	14.7	15	2.61
Tyler	38.2	19	151.5	18	2.0	4	8.1	24	5.2	5.9	20.6	8	2.69
U.S. Industries	392.9	6	1,578.5	12	18.2	−5	77.4	8	4.6	52	16.9	7	2.30
Vulcan Materials	68.8	14	287.3	11	4.8	17	17.1	30	7.0	6.8	14.5	9	2.90
Wheelabrator-Frye	49.0	36	174.0	18	2.7	59	8.0	51	5.5	4.7	10.9	16	1.01
Industry composite	3,835.4	16	14,309.8	15	172.5	32	627.9	30	4.5	3.9	11.7	11	2.31
Nonbank financial:													
American Investment	41.9	13	205.6	5	1.8	−23	7.7	11	4.4	6.4	9.5	8	1.29
Capital Holding	137.6	54	297.0	31	19.5	29	36.3	25	14.1	16.9	(3)	22	1.34
Crum & Foster	187.7	16	703.0	15	11.9	22	46.0	28	6.3	6.0	13.9	8	3.66
INA	437.7	22	1,623.9	21	27.0	2	106.9	12	6.2	7.4	10.5	9	4.43
Marlennan	[2] 51.9	9	198.6	10	5.6	1	25.4	3	10.8	12.0	25.3	18	1.90
Merrill Lynch	183.2	2	723.2	7	18.2	−13	70.1	−8	9.9	11.6	17.8	10	2.18
MGIC Investment	48.1	(5)	128.0	73	7.9	57	27.2	66	16.4	(5)	20.5	59	1.28
USLIFE	82.7	8	308.4	14	10.2	20	27.9	19	12.3	11.0	(3)	22	2.92
Industry composite	1,170.6	34	4,187.7	24	102.1	−2	364.3	13	8.7	9.0	(3)	23	2.22
Office equipment, computers:													
Addressograph-Multigraph [11]	106.0	12	448.6	9	1.5	10	16.8	188	1.4	1.5	8.3	11	2.09
Apeco [10]	30.1	1	120.5	10	.2	−86	3.6	−43	.8	5.7	8.3	17	.35
Burroughs	[2] 330.1	12	1,052.8	12	38.7	15	87.5	18	11.7	11.4	12.6	48	4.71
Control Data	203.1	22	664.0	16	15.8	61	60.5	69	7.7	5.8	8.7	12	3.99
Diebold	43.0	17	156.7	12	3.3	28	9.4	8	7.6	7.0	14.6	25	1.90
Digital Equipment [4]	60.0	34	216.0	34	4.6	26	16.7	42	7.7	8.1	11.7	57	1.59
Honeywell	631.2	9	2,125.4	9	37.2	6	76.6	17	5.9	6.1	10.6	27	4.08
International Business Machines	2,521.7	6	9,532.6	15	340.4	11	1,279.3	19	13.5	12.9	18.6	39	11.03
Moore	133.6	12	498.4	11	13.5	15	46.0	16	10.1	9.8	16.6	34	1.62
Nashua	52.1	32	170.6	19	3.2	36	9.7	21	6.1	5.9	17.6	25	2.15
National Cash Register	456.7	14	1,557.7	6	10.1	(5)	10.5	714	2.2	(5)	1.7	59	.47
Pitney-Bowes	98.1	17	342.1	14	4.2	24	13.6	10	4.3	4.1	9.0	17	1.02
SCM [6]	241.2	6	935.3	5	5.8	75	14.1	63	2.4	1.5	6.1	10	1.54
Standard Register	[2] 29.0	8	109.2	1	1.2	199	3.0	65	4.0	1.4	7.2	18	1.37
Uarco [1]	30.2	10	116.5	10	1.0	24	3.8	17	3.2	2.8	9.7	11	1.87
Xerox	654.0	26	2,420.0	23	66.0	16	249.5	17	10.1	11.0	21.9	50	3.16
Industry composite	5,620.0	11	20,467.4	4	546.4	20	1,900.8	21	9.7	9.0	15.9	28	5.24
Oil (crude, integrated domestic and international):													
Amerada Hess	[2] 374.0	(5)	1,341.4	−1	16.2	−41	81.1	−39	4.3	(5)	(5)	18	2.23
American Petrolina	72.4	8	284.8	4	5.3	44	18.1	38	7.3	5.4	12.8	15	2.35
Apco Oil	[2] 31.2	11	124.4	7	1.3	116	6.2	16	4.2	2.2	9.6	10	2.28
Ashland Oil [1]	483.7	12	1,837.3	10	22.6	15	71.2	65	4.7	4.5	19.5	10	2.76
Atlantic Richfield	[9] 1,013.6	6	3,827.7	5	62.2	11	192.5	−9	6.1	5.9	8.0	20	3.40
Cities Service	[1] 489.6	8	1,862.1	3	28.1	23	99.1	−5	5.7	5.0	7.1	13	3.84
Clark Oil & Refining	[2] 81.0	34	289.0	18	3.3	183	8.3	133	4.1	1.7	10.3	17	1.17
Commonwealth Oil Refining	84.4	20	299.8	17	−2.2	(5)	3.1	−81	(5)	4.0	.7	86	.08
Continental Oil	[16] 1,024.6	5	3,689.1	11	46.6	46	170.2	21	4.6	3.3	10.8	11	3.38
Crown Central Petroleum	[2] 48.7	18	184.0	2	.5	(5)	1.3	79	1.1	(5)	3.2	22	.90
Exxon	5,377.0	8	20,215.0	8	491.0	13	1,530.0	1	9.1	8.7	12.8	13	6.83
Getty Oil	365.2	10	1,405.3	5	24.5	−9	76.1	−37	6.7	8.1	5.3	28	3.98
Gulf Oil	[18] 1,955.0	3	7,733.9	5	116.0	8	472.0	−16	5.9	5.7	8.4	11	2.27
Kerr-McGee	169.2	11	679.6	13	13.8	26	50.6	24	8.2	7.2	13.2	33	2.14
Louisiana Land & Exploration	[2] 46.0	33	152.8	12	16.4	13	63.0	6	35.6	42.0	31.0	19	1.74
Marathon Oil	[2] 358.0	15	1,291.1	8	24.3	18	79.8	−10	.8	6.7	10.2	13	2.67
Mississippi River	[2] 40.4	−3	151.2	1	3.7	22	13.4	9	9.2	7.3	11.2	11	1.48
Mobil Oil	[16] 2,760.0	10	10,470.0	12	161.4	8	574.1	6	5.8	6.4	11.4	11	5.65
Murphy Oil	[21] 108.3	24	386.3	18	5.0	48	14.3	29	4.8	3.8	8.9	20	2.47
Pennzoil	[2] 218.4	19	814.8	11	14.4	21	58.7	24	6.7	6.6	9.7	14	1.80
Petrolane [1]	87.0	24	301.4	20	4.8	17	13.6	9	5.5	5.8	20.9	19	1.39
Phillips Petroleum	[2] 671.0	8	2,568.4	6	38.1	5	148.4	12	5.7	5.8	8.4	22	1.98
Quaker State Oil Refining	44.2	20	166.9	17	3.7	−14	15.2	10	8.3	11.7	20.6	34	1.09
SEDCO [6]	[2] 32.8	−5	133.1	16	5.0	33	15.4	27	15.1	10.9	15.2	33	1.60
Shell Oil	1,075.7	7	4,075.9	5	70.6	−21	280.5	7	6.6	8.8	9.1	13	3.86
Skelly Oil	137.2	7	525.4	4	12.8	15	37.6	−2	9.3	8.7	6.7	20	3.17
Standard Oil (California)	1,554.9	11	5,829.5	13	145.8	13	547.1	7	9.4	9.2	10.8	12	6.45

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy. 12 months ending Dec. 31	P–E 2–28	12 months earnings per share
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)			
Oil (crude, integrated domestic and international)—Continued													
Standard Oil (Indiana)	[16] $1,415.9	14	$5,477.0	10	$79.4	14	$374.7	10	5.6	5.6	10.2	16	5.37
Standard Oil (Ohio)	[2] 389.6	8	1,458.9	4	19.3	5	59.7	1	5.0	5.1	5.7	20	4.39
Suburban Propane Gas	42.5	16	148.3	27	2.9	24	8.3	28	6.8	6.4	14.3	14	1.91
Sun Oil	[2] 550.8	22	1,940.0	5	47.0	15	155.2	2	8.5	9.0	13.6	14	3.41
Tesoro Petroleum [1]	[2] 57.7	22	220.7	25	4.4	37	14.3	49	7.7	6.8	17.5	13	2.82
Texaco	[2] 2,596.0	17	9,198.0	18	266.6	9	889.0	−2	10.3	11.0	12.8	12	3.27
Union Oil of California	[2] 655.4	(5)	2,129.9	6	32.8	8	121.9	6	5.9	(5)	9.5	11	3.45
Industry composite	24,309.6	12	91,512.1	9	1,787.6	9	6,244.1	0	7.4	7.6	10.9	19	3.83
Paper:													
Avery Products [11]	50.3	28	154.7	27	2.5	355	8.1	60	5.0	1.4	13.4	40	.90
Crown Zellerbach	291.3	12	1,107.6	12	12.3	90	44.1	39	4.2	2.5	7.6	14	1.63
Dennison Manufacturing	[2] 48.3	20	178.2	12	2.7	27	9.0	20	5.6	5.3	13.8	10	3.03
Domtar	[2] 146.0	6	562.2	3	5.4	20	17.4	36	3.7	3.3	7.4	16	1.14
Great Northern Nekoosa	112.9	12	409.8	11	5.5	16	10.2	21	4.3	4.6	7.8	14	3.35
Hammermill Paper	124.7	4	394.7	7	2.3	546	4.7	45	1.8	.3	2.8	22	.64
International Paper	527.8	5	2,093.3	6	30.7	68	102.7	50	5.6	3.6	3.3	17	2.30
Kimberly-Clark	263.5	11	1,014.0	8	15.4	136	55.7	76	5.3	2.7	9.9	16	2.39
Masonite [7]	64.9	13	255.6	(5)	7.4	4	26.6	(5)	1.4	12.3	16.2	16	1.69
Mead	281.6	16	1,128.5	7	6.3	27	28.0	12	2.2	2.0	4.4	14	1.08
Scott Paper	233.6	26	813.8	9	11.0	36	38.6	48	4.6	4.4	7.3	13	1.11
St. Regis Paper	[2] 277.0	14	1,026.5	12	13.0	35	41.3	93	4.7	2.9	7.7	13	2.92
Union Camp	156.2	22	601.6	16	10.3	61	38.8	49	6.6	5.0	13.0	18	2.57
Westvaco [8]	129.2	9	472.0	10	6.5	237	13.1	161	5.0	1.6	5.0	19	1.22
Industry composite	2,707.4	11	10,244.8	9	131.2	66	444.4	52	4.8	3.3	8.4	17	1.69
Personal care products: Cosmetics, soap, etc.:													
Alberto-Culver [1]	44.4	16	188.9	11	1.2	15	5.9	61	2.6	2.6	12.6	15	1.25
Avon Products	355.0	15	1,005.3	15	54.7	8	124.9	14	15.4	16.4	37.0	61	2.16
Chesebrough-Pond's	91.3	13	350.8	16	6.4	15	26.9	15	7.0	6.8	20.4	39	2.20
Clorox [6]	82.9	20	267.5	19	5.9	16	22.3	21	7.1	7.4	34.7	34	1.17
Colgate-Palmolive	454.4	14	1,807.6	13	19.1	19	67.5	19	4.2	4.0	17.8	29	3.21
Economics Laboratory [6]	44.8	24	169.6	23	2.7	18	10.4	20	5.9	6.2	17.7	47	.84
Gillette	240.0	17	870.6	19	20.3	11	75.0	20	3.5	8.9	24.0	23	2.54
International Flavors & Fragrances	33.5	17	137.8	23	5.2	20	21.5	28	15.6	15.2	21.7	75	1.21
Procter & Gamble [6]	913.3	12	3,681.9	11	70.9	8	290.1	14	7.8	8.0	18.4	30	3.64
Industry composite	2,259.7	0	8,480.0	10	186.3	13	644.7	17	8.2	6.1	19.9	36	2.90
Publishing: Periodicals, books, newspapers:													
Gannett	81.9	21	286.1	18	7.7	9	23.0	13	9.4	10.4	16.3	36	1.13
Groller	83.0	16	292.6	14	1.9	−39	9.6	−17	2.3	4.5	8.1	8	1.60
Knight Newspapers	85.6	13	310.4	14	7.0	32	20.8	31	8.1	6.9	17.0	26	2.00
MacMillan	116.6	9	393.9	2	6.7	56	14.9	44	5.8	4.0	6.4	9	1.00
McGraw-Hill	125.5	10	430.1	6	8.4	26	23.1	17	6.7	5.9	11.8	14	.92
Media General	32.0	16	118.5	1	2.8	18	8.0	10	8.6	8.5	12.1	18	2.22
Meredith [6]	39.6	3	162.6	9	0.8	42	4.7	28	2.1	1.5	7.3	9	1.67
New York Times	91.7	18	330.6	14	5.1	126	12.4	31	5.6	2.9	12.0	13	1.06
Prentice-Hall	39.4	13	144.1	7	5.4	10	17.1	3	13.6	14.1	21.7	14	1.65
Ridder Publications	38.6	10	142.9	10	3.3	−7	12.1	4	8.7	10.2	11.4	20	1.33
Time	66.5	(5)	511.0	10	13.6	(5)	28.8	11	20.5	(5)	11.4	10	3.96
Times Mirror	[2] 164.7	15	611.1	17	13.6	19	42.0	21	8.2	8.0	18.8	16	1.25
Washington Post	62.7	16	217.8	13	4.7	39	10.0	48	7.4	6.2	15.5	13	2.08
Industry composite	1,027.7	1	3,951.6	7	81.1	28	226.5	19	7.9	6.2	12.8	16	1.41
Radio and TV broadcasting:													
Capital Cities Broadcasting	32.5	16	118.5	21	5.1	18	17.0	30	15.7	15.4	22.8	23	2.29
Columbia Broadcasting System	418.7	13	1,403.2	11	29.4	28	82.9	28	7.0	6.2	22.1	15	2.88
Metromedia	56.4	31	181.9	19	6.3	80	12.5	63	11.2	8.1	15.2	10	2.05
Industry composite	507.5	15	1,703.6	12	40.8	32	112.4	31	8.0	7.0	21.1	16	2.66
Railroads:													
Burlington Northern	292.5	14	1,098.0	7	18.8	207	48.7	38	6.4	2.4	3.2	11	3.80
Missouri Pacific Railroad	166.2	8	642.9	7	4.7	(5)	16.6	43	2.8	(5)	3.2	9	8.73
Norfolk & Western Railroad	217.2	26	850.8	8	22.4	(5)	64.9	48	10.3	(5)	5.4	11	6.12
Rio Grande Industries	38.6	11	142.0	6	4.1	3	15.1	4	10.6	11.4	6.2	6	2.39
Santa Fe Industries	256.9	13	972.8	8	20.1	−13	81.0	21	7.8	10.2	6.0	8	3.23
Seaboard Coast Line Industries	291.3	11	1,122.2	6	22.3	91	82.4	28	7.7	4.5	8.9	7	5.96
Southern Pacific	334.8	8	1,290.9	9	32.2	2	106.2	7	9.6	10.2	6.4	9	4.06
Southern Railway	184.5	8	723.8	12	12.7	−14	59.4	13	6.9	8.7	6.9	10	3.94
Union Pacific	290.1	12	1,094.4	11	34.5	12	104.5	16	11.9	11 9	6.8	12	4.62
Industry composite	2,074.1	12	7,937.7	8	171.9	45	580.9	21	8.3	6.4	5.9	9	4.72
Retailing: Department, discount, mail order, variety, food, specialty stores:													
Albertson's [4]	180.3	31	651.3	22	2.0	25	7.2	25	1.1	1.2	16.9	14	1.25
Allied Stores [15]	337.8	10	1,410.5	11	2.7	182	24.0	50	.8	.3	8.0	10	2.80
Allied Supermarkets [6]	237.7	6	997.0	5	1.0	47	2.0	(5)	.4	.3	5.3	12	.38
Amfac	229.4	43	750.2	30	6.6	20	24.7	27	2.9	3.4	14.0	12	2.16
Associated Dry Goods [15]	271.0	6	1,022.8	5	9.3	24	36.6	12	3.4	2.9	12.4	16	2.78
Big Bear Stores [12]	65.6	25	233.9	17	1.3	18	3.6	−9	2.0	2.1	12.6	8	2.90
Broadway-Hale Stores [15]	209.3	17	876.3	18	6.3	23	31.1	22	3.0	2.9	18.2	23	1.67
Colonial Stores	173.1	5	722.2	4	2.5	−18	9.1	−10	1.4	1.8	11.3	9	2.09
Cook United	146.5	10	514.5	9	3.9	−16	6.9	−3	2.7	3.5	9.1	7	1.50
Cunningham Drug Stores [1]	[2] 29.9	20	95.6	11	.7	19	.9	56	2.4	2.4	4.0	10	.79
Daylin [7]	133.1	27	509.3	35	2.3	19	9.9	30	1.8	1.9	13.3	8	1.64
Dayton-Hudson [15]	312.8	17	1,221.6	14	3.9	10	26.4	21	1.2	1.3	8.9	12	1.63
Dillon [6]	156.7	57	481.7	29	2.7	48	8.5	31	1.7	1.8	22.2	20	1.73
Drug Fair [8]	45.0	4	162.5	8	.4	−63	1.2	−45	.9	2.6	8.3	10	.81
Eckerd Drugs [4]	46.5	18	144.9	16	2.1	14	5.5	23	4.6	4.7	22.3	26	1.19
Edison Brothers Stores	98.6	12	333.1	15	5.2	19	12.1	19	5.3	5.0	14.9	12	2.87

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy. 12 months ending Dec. 31	P–E 2–28	12 months earnings per share
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)			
Retailing Department, discount, mail order, variety, food, specialty stores—Continued													
d-Mart[7]	$52.5	21	$222.9	23	$0.6	60	$2.9	125	1.2	0.9	14.0	8	2.12
Federated Dept. Stores[15]	626.9	13	2,537.5	13	26.2	13	102.5	14	4.2	4.0	13.8	21	2.39
First National Stores[4]	213.2	−1	844.5	−2	.2	(5)	−.1	(5)	.1	(5)	−.1	(5)	−.08
Food Fair Stores[11]	603.4	3	1,964.8	0	1.6	−56	5.0	−54	.3	.6	3.8	14	.65
Franklin Stores[6]	57.3	12	162.5	7	1.9	10	2.8	16	3.2	3.3	9.1	7	1.70
Gamble-Skogmo[15]	348.0	4	1,321.9	0	4.6	12	21.2	23	1.3	1.2	7.7	8	3.82
Giant Food[12]	132.1	9	582.2	15	1.4	−15	6.5	2	1.1	1.3	13.5	8	2.13
Gimbel Brothers[15]	202.3	10	797.3	7	3.4	24	13.0	10	1.7	1.5	5.9	16	1.53
Gordon Jewelry[7]	32.8	20	127.7	17	1.3	34	6.8	16	3.9	3.5	11.7	15	1.25
Grand Union[13]	340.4	5	1,333.3	4	1.9	−42	9.0	−40	.6	1.0	5.9	11	1.40
Grant (W.T.)[15]	403.1	23	1,549.6	16	2.3	97	33.1	−7	.6	.4	11.2	13	2.36
Great Atlantic & Pacific Tea[13]	1,609.2	17	6,085.2	10	−8.4	(5)	−51.6	(5)	(5)	(5)	−8.1	(5)	−2.08
Great Scott Supermarkets[1]	65.2	13	247.3	11	.4	52	1.6	31	.6	.5	15.0	8	1.12
Interstate Stores[15]	158.2	−2	580.6	−1	−3.8	(5)	−4.4	(5)	(5)	(5)	−4.9	(5)	−.81
Interstate United[6]	43.0	17	176.7	11	.8	44	3.1	82	1.9	1.6	8.3	7	1.06
Jewel[15]	448.1	9	1,928.7	9	5.1	7	28.6	13	1.1	1.2	13.2	13	3.85
Kresge (S.S.)[15]	916.7	23	3,581.9	19	22.3	13	103.8	25	2.4	2.7	18.9	48	.92
Kroger	946.5	10	3,790.5	2	12.9	12	23.2	−36	1.4	1.3	6.5	12	1.73
Kuhns Big K Stores	37.4	(5)	95.9	34	2.0	(5)	2.7	55	5.5	(5)	23.1	11	1.56
Lerner Stores[15]	110.6	19	417.9	12	5.9	60	20.0	27	5.3	4.0	26.2	10	4.62
Lucky Stores[15]	490.1	11	1,923.9	7	6.7	−11	29.5	−10	1.4	1.7	24.2	14	.94
Macke[1]	[2]37.9	11	143.9	7	.8	21	3.2	66	2.2	2.1	8.5	9	1.03
Macy (R.H.)[11]	269.4	9	1,063.6	9	6.2	16	28.6	17	2.3	2.2	11.6	14	2.84
Marcor[15]	872.0	16	3,247.6	10	15.4	49	65.8	16	1.8	1.4	8.5	13	1.93
Marshall Field[15]	121.7	6	484.4	6	5.0	16	20.0	15	4.1	3.8	10.5	14	2.18
May Department Stores[15]	348.2	11	1,422.1	12	10.2	23	44.4	18	2.9	2.6	10.5	14	2.90
McCrory[15]	313.1	40	1,070.9	15	2.1	31	16.3	4	.7	.7	26.7	6	4.06
Mercantile Stores[15]	112.4	19	434.8	14	4.7	21	18.5	12	4.2	4.1	15.1	25	6.28
Murphy (G. C.)	147.8	5	428.6	4	4.8	−4	7.9	−5	3.2	3.5	7.2	10	2.00
National Tea[4]	354.0	−7	1,544.6	−6	.1	−98	.9	−90	----------	.6	.7	59	.12
New Process	33.9	7	123.2	1	2.2	−45	7.5	−33	6.5	12.6	33.5	16	.75
Penn Fruit[7]	75.5	−11	356.5	−5	−.7	(5)	−.9	(5)	(5)	.7	−3.8	(5)	−.68
Penney (J. C.)[15]	1,404.6	17	5,305.2	11	44.4	19	150.0	18	3.2	3.1	16.4	35	2.64
Peoples Drug Stores	68.6	6	238.0	8	1.3	−33	1.3	−50	1.9	2.9	3.7	17	.53
Pneumo Dynamics[10]	[2]62.7	(5)	279.0	19	----------	(5)	−.1	(5)	(5)	(5)	−1.0	(5)	−.16
Pueblo International[15]	127.0	11	482.7	4	−.4	(5)	1.6	−73	(5)	1.3	3.6	15	.36
Rapid-American[15]	588.5	20	2,531.8	23	5.4	52	28.1	98	.9	.7	13.6	5	3.43
Revco (D.S.)[14]	64.4	12	235.3	15	2.1	13	8.2	17	3.3	3.3	24.1	31	1.54
Rite Aid	53.0	31	196.2	40	2.4	43	8.1	51	4.6	4.2	23.6	57	.81
Ruddick[12]	50.5	6	202.4	5	.3	−71	1.9	−43	.5	1.8	4.7	8	.46
Safeway Stores	1,933.8	13	6,057.6	13	31.9	14	91.1	14	1.6	1.6	15.8	11	3.57
Sears, Roebuck[15]	2,829.9	12	10,706.8	10	141.6	14	588.3	15	5.0	4.9	14.4	29	3.77
Skaggs	114.9	14	357.4	12	3.2	26	4.6	−11	2.8	2.6	8.2	23	.93
Southland	318.5	14	1,228.0	14	5.1	19	20.3	18	1.6	1.5	14.4	21	1.32
Star Supermarkets	41.8	23	126.6	19	.3	3	.8	−14	.6	.8	9.0	7	1.39
Stop & Shop[15]	225.0	7	963.7	10	1.1	34	4.6	37	.5	.4	7.5	11	1.45
Supermarkets General[15]	292.4	22	1,115.8	21	.3	−86	4.3	−53	.1	1.0	7.5	22	.50
Tandy[6]	161.7	22	470.5	21	9.4	28	18.4	32	5.8	5.5	10.7	19	1.68
Thriftimart[4]	65.0	−1	257.5	−1	.5	(5)	−.1	(5)	.7	(5)	−.3	(5)	−.11
Thrifty Drug Stores[7]	93.4	10	396.6	9	1.5	4	9.0	9	1.6	1.7	12.9	10	.93
Vornado[15]	182.7	−13	802.7	−11	2.4	−6	11.1	0	1.3	1.2	8.5	7	1.83
Walgreen[1]	272.7	11	889.5	7	6.3	18	12.4	14	2.3	2.2	11.2	10	1.92
Weis Markets	68.0	20	240.0	11	3.1	10	9.8	1	4.8	5.0	17.5	12	1.61
Wickes[15]	237.1	35	779.0	33	5.8	36	15.2	32	2.5	2.4	10.8	12	1.82
Winn-Dixie Stores[6]	623.5	13	1,952.7	13	11.6	10	40.7	11	1.8	1.9	21.5	19	2.03
Woolworth (F. W.)	1,063.7	9	3,148.1	12	49.9	5	79.2	3	4.7	4.9	9.2	9	2.60
Zale[4]	191.3	11	489.9	11	15.5	20	25.7	33	8.1	7.5	13.0	16	1.97
Zayre[15]	224.3	14	882.4	16	2.4	24	11.3	36	1.1	1.0	13.6	9	2.31
Industry composite	24,559.6	13	91,054.7	10	540.4	11	1,927.0	7	2.2	2.2	11.8	15	2.04
Savings and loan:													
First Charter Financial	71.9	17	268.3	20	12.4	1	46.6	16	17.2	20.0	14.3	11	1.92
Great Western Financial	76.9	15	291.6	13	10.5	26	37.3	23	13.6	12.4	13.1	10	2.50
Imperial Corporation of America	47.0	23	173.3	20	6.7	37	22.8	35	14.2	12.8	14.7	8	1.61
Industry composite	195.9	17	733.3	17	29.5	16	106.6	22	15.1	15.3	14.0	9	2.01
Service industries (leasing, vending machines, wholesaling, real estate builders and developers, etc.):													
Alco Standard[1]	[2]171.5	16	672.8	10	3.7	72	13.9	−9	2.2	1.5	15.0	7	1.20
Alpha Portland Industries	[2]36.0	40	139.7	30	.7	−20	3.5	60	2.0	3.5	7.8	8	1.82
American District Telegraph	[2]33.3	11	129.1	1	2.7	12	9.6	11	8.0	8.0	11.4	31	1.77
American Medical International[7]	34.5	15	137.3	63	2.4	18	9.4	63	7.0	6.8	15.2	16	1.42
American Medicorp	49.6	17	191.4	15	2.4	19	10.0	13	4.9	4.8	8.3	8	1.01
APL[6]	43.4	11	158.3	11	1.2	12	3.9	10	2.8	2.8	13.8	9	1.80
Arcata National[6]	[2]60.0	15	221.3	10	1.3	34	6.8	76	2.2	1.9	10.6	10	.87
Baldwin (D.H.)	[2]43.7	−2	153.8	16	2.8	16	9.8	39	6.3	5.3	20.8	10	3.44
Bergen Brunswig[7]	61.3	+2	240.3	1	.5	12	.6	(5)	.9	.8	−89.9	(5)	60
Castle (A.M.)	31.5	25	120.4	19	.5	103	1.3	91	1.7	1.0	6.9	7	2.75
Centex[4]	72.9	+1	264.2	11	4.2	23	14.1	23	5.8	4.7	27.4	19	.99
Commercial Metals[7]	50.7	36	213.7	12	.7	160	2.7	116	1.4	.7	10.4	8	1.81
Computer Sciences[4]	[2]35.6	17	132.4	4	−.3	(5)	−41.5	(5)	(5)	3.8	156.0	(5)	−3.09
Di Giorgio	110.5	+2	459.8	5	1.5	9	8.1	22	1.4	1.2	12.8	9	1.34
Dillingham	142.2	+1	533.3	1	2.8	(5)	7.9	258	1.5	(5)	4.6	18	.56
Donnelley (R. R.) Sons	103.8	14	353.6	4	8.4	24	26.1	7	8.1	7.5	10.9	17	1.37
Dravo	175.0	−22	378.8	−12	2.4	39	6.4	19	1.3	.8	7.8	9	2.92
Dun & Bradstreet	109.2	14	400.3	12	9.9	16	34.0	15	9.1	9.0	23.8	29	2.63
Emery Air Freight	40.6	29	141.6	24	2.7	52	8.2	42	6.6	5.6	41.2	60	1.07
Engelhard Mineral & Chemical	647.6	20	1,930.4	24	10.5	8	36.6	17	1.6	1.8	15.1	16	1.28
Fischbach & Moore[1]	[2]84.2	12	360.2	13	1.7	11	7.2	14	2.0	2.1	19.3	23	2.63
Fleming	227.0	20	871.7	12	1.7	24	6.4	18	.8	.7	14.9	9	1.20
Foremost-McKesson[4]	542.4	−2	2,006.7	5	8.7	−2	31.8	4	1.6	1.6	17.0	8	2.12
Genuine Parts	111.8	13	450.5	13	6.6	−4	17.6	5	5.9	6.9	17.5	39	1.13
Grainger (W.W.)	55.6	30	198.7	23	4.0	40	12.4	32	7.3	6.8	22.6	37	1.00
Interphoto[13]	32.9	2	102.8	34	.3	−47	.8	−5	1.0	2.0	4.8	6	.75

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy. 12 months ending Dec. 31	P-E 2-28	12 months earnings per share
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)			
Service industries (leasing, vending machines, wholesaling, real estate builders and developers, etc.)—Continued													
Interpublic Group	$51.3	(5)	$136.6	6	$3.3	(5)	$6.3	26	6.5	(5)	26.1	7	2.38
Itel	37.5	86	100.1	−1	4.0	62	1.4	−84	10.7	12.3	3.1	43	.20
Jorgensen (Earle M.)	35.0	27	131.7	20	1.4	0	5.0	43	4.1	5.2	11.1	8	3.32
Kaufman & Broad [10]	84.5	17	284.0	25	6.0	98	19.5	97	7.2	4.3	22.4	27	1.26
Leasco	[2] 169.5	9	653.8	9	7.1	−31	36.5	22	4.2	6.6	14.7	6	2.25
Malone & Hyde [6]	134.6	13	546.7	12	1.8	11	7.2	12	1.4	1.4	17.9	25	1.23
Manpower [6]	[2] 29.4	19	117.5	17	.9	66	3.2	50	3.0	2.1	15.1	16	1.70
Morrison-Knudsen	83.4	−17	371.9	−22	1.7	−25	6.6	23	2.0	2.2	8.6	7	2.56
Morse Electric Products [4]	52.7	48	149.9	53	2.1	63	5.4	68	4.0	3.7	19.4	12	1.93
National Service Industries [7]	103.6	11	408.5	12	5.0	2	22.6	7	4.8	5.3	18.8	15	1.57
Nielsen (A.C.) [7]	34.9	18	133.1	15	2.9	42	10.7	24	8.3	6.9	18.1	38	1.01
Ogden	261.3	12	1,073.1	3	6.2	66	20.7	28	2.4	1.6	9.9	7	1.76
Parsons (Ralph M.)	54.5	−58	215.0	−54	1.2	37	2.9	−2	2.1	.7	13.8	15	1.31
Raymond International	29.4	−34	120.8	−27	.7	224	2.1	73	2.4	.5	5.5	12	.76
Retail Credit	49.2	1	195.3	0	2.3	−11	9.2	−6	4.6	5.2	20.5	11	2.86
Ryan Homes	42.3	25	150.4	26	2.4	23	8.2	26	5.6	5.7	25.0	15	1.26
Ryder Systems	105.2	32	369.6	24	4.8	32	16.7	33	4.6	4.6	16.7	31	1.35
Sav-A-Stop [7]	52.1	21	193.9	16	1.0	7	2.9	11	1.8	2.1	11.0	11	.73
Scot Lad Foods [6]	156.7	4	609.8	6	1.3	0	5.4	5	.8	.9	15.4	7	2.43
Scrivner-Boogaan [6]	56.3	17	167.7	11	.4	−18	1.2	−4	.7	.9	12.4	9	1.09
Servomation [6]	[2] 82.1	10	311.2	5	2.9	20	10.4	19	3.6	3.3	13.1	11	1.91
Sperry & Hutchinson	[2] 160.6	3	606.7	6	13.0	12	39.4	4	8.1	6.5	17.8	7	3.59
Super Valu Stores [13]	291.0	22	1,203.2	26	2.1	24	9.2	28	.7	.7	20.9	10	2.28
Superscope	32.0	24	84.7	27	2.9	79	5.6	64	8.9	6.2	19.4	10	2.45
Thompson (J. Walter)	34.9	2	115.8	−1	2.7	−15	5.5	−28	7.8	9.4	10.8	9	2.06
Triangle-Pacific Forest Products	49.9	37	184.0	30	.8	29	4.5	34	1.7	1.8	14.6	7	2.43
U.S. Freight	109.8	5	425.6	5	3.2	−1	12.1	18	2.9	3.1	13.8	11	1.86
U.S. Home [13]	86.1	23	313.4	51	4.8	20	14.9	42	5.5	4.7	26.5	8	1.77
VWR United [13]	78.1	14	292.3	14	1.1	254	1.7	−20	1.4	.4	4.1	16	.68
Warner Communications	144.2	29	510.3	33	12.3	15	50.1	20	8.5	9.5	27.4	13	2.20
Zapata [1]	56.7	10	227.6	7	4.4	15	17.6	19	7.8	7.4	13.1	9	3.21
Industry composite	5,855.6	13	21,364.2	11	191.0	15	611.3	9	3.3	3.1	14.0	15	1.45
Special machinery (farm, construction, materials handling):													
Allis-Chalmers	255.4	12	960.3	3	1.8	112	8.7	30	.7	.4	2.0	14	.70
American Hoist & Derrick [10]	43.9	30	214.7	20	1.4	110	5.0	86	3.1	1.9	8.6	10	1.31
Bucyrus-Erie	42.1	−3	167.9	−9	3.5	4	14.5	18	8.3	7.8	14.0	12	2.21
Caterpillar Tractor	649.3	29	2,602.2	20	50.8	107	206.4	61	7.8	4.9	18.9	18	3.62
Clark Equipment	233.8	11	897.6	21	14.0	46	42.9	48	6.0	4.5	15.3	15	3.20
Deere [8]	425.1	29	1,500.2	26	35.3	34	112.2	77	8.3	8.0	14.6	12	3.82
FMC	392.5	14	1,497.7	11	16.0	139	69.1	40	4.1	2.0	11.6	9	2.03
Koehring [10]	78.6	26	288.5	20	3.2	217	6.2	141	4.1	1.6	7.2	10	1.60
Industry composite	2,120.7	21	8,129.2	17	125.9	71	465.1	58	5.9	4.1	14.0	13	2.92
Steel:													
Alan Wood Steel	32.6	22	119.1	1	.7	(5)	1.2	137	2.1	(5)	2.5	14	1.34
Allegheny Ludlum Industries	150.5	41	571.7	18	4.8	(5)	17.7	(5)	3.2	(5)	9.4	10	2.45
Armco Steel	506.7	26	1,910.8	13	21.5	72	75.6	49	4.2	3.1	6.6	9	2.28
Bethlehem Steel	867.9	40	3,113.6	5	52.4	1	134.6	−3	6.0	8.4	6.4	9	3.02
Carpenter Technology [6]	[2] 46.9	32	176.4	17	3.3	335	10.7	157	6.9	2.1	10.4	9	2.51
Copperweld Steel	48.2	66	184.5	25	3.6	38	9.7	42	7.5	9.0	15.3	7	3.99
Cyclops	119.8	75	414.0	22	4.8	(5)	7.7	86	4.0	(5)	6.1	8	3.22
Gable Industries [6]	31.1	153	129.8	111	1.7	95	5.8	75	5.4	7.1	(5)	8	2.43
Harsco	94.0	18	352.1	10	5.0	7	18.1	12	5.3	5.8	11.9	8	2.29
Inland Steel	385.7	35	1,469.8	17	16.8	46	65.9	38	4.4	4.0	8.4	9	3.43
Interlake	102.2	29	387.7	10	3.3	50	13.0	4	3.3	2.8	6.1	8	3.26
Jones & Laughlin Steel	323.8	50	1,189.4	11	11.9	(5)	39.3	155	3.7	(5)	5.7	8	2.43
Kaiser Steel	112.1	23	447.2	5	3.5	(5)	−3.6	(5)	3.1	.2	−1.8	(5)	.71
Keystone Construction Industries [6]	58.1	13	241.3	16	.7	−12	3.9	134	1.1	1.5	4.3	8	2.08
Lukens Steel	40.4	16	152.8	−2	1.9	48	6.5	82	4.8	3.8	7.3	9	2.52
Lykes-Youngstown	[2] 269.2	46	1,018.9	11	10.1	436	17.6	56	3.7	1.0	1.5	22	.43
McLouth Steel	77.6	26	292.0	13	1.5	(5)	4.5	(5)	2.0	(5)	3.0	13	1.26
National Steel	[2] 417.3	25	1,660.2	8	15.7	221	67.1	46	3.8	1.5	7.1	11	3.59
NVF	87.8	17	341.4	14	2.5	(5)	8.8	85	2.9	.3	16.3	3	5.72
Republic Steel	423.1	65	1,595.7	15	6.1	(5)	43.1	(5)	1.9	(5)	4.2	10	2.66
United States Steel	[2] 1,518.8	40	5,428.9	9	54.7	18	157.0	2	3.6	4.3	4.3	10	2.90
Wheeling-Pittsburgh Steel	163.5	55	607.8	15	1.8	(5)	13.2	181	1.0	(5)	3.8	7	2.78
Industry composite	5,877.3	39	21,805.1	11	230.1	98	177.2	38	3.9	2.7	5.6	10	2.67
Textiles and apparel:													
Avondale Mills [7]	46.8	16	159.6	9	1.9	32	5.7	−2	4.0	3.5	8.9	12	3.32
Blue Bell [1]	74.9	13	353.1	13	2.0	18	15.3	9	2.7	2.6	14.0	11	2.56
Brown Group [8]	161.9	18	567.1	12	7.5	15	22.8	11	4.7	4.8	13.4	10	3.08
Burlington Industries [1]	479.0	9	1,857.0	7	16.1	38	54.0	40	3.4	2.7	7.1	15	2.03
Chelsea Industries [1]	45.5	1	174.3	23	1.2	10	4.2	36	2.6	2.3	13.9	6	1.52
Cluett, Peabody	152.6	2	547.2	10	4.3	10	13.7	18	2.8	2.6	8.6	10	1.38
Collins & Aikman [13]	83.7	1	314.0	5	3.9	−22	16.4	−7	4.6	6.0	16.1	9	1.44
Cone Mills	78.9	5	331.2	4	1.8	−26	8.2	17	2.3	3.2	6.0	7	2.67
Dan River	103.6	27	366.6	17	1.5	(5)	4.0	(5)	1.4	(5)	2.9	15	.65
DHJ Industries [14]	36.8	26	131.7	31	.8	−22	.9	−73	2.2	3.8	3.9	20	.56
Duplen [1]	34.8	3	137.5	(3)	.8	−12	1.7	(3)	2.4	2.8	3.7	18	.60
Fieldcrest Mills	72.7	6	243.7	7	2.4	−28	7.5	−6	3.3	4.9	9.0	10	2.10
Genesco [11]	373.5	9	1,425.0	7	6.9	−26	11.1	(5)	1.9	2.7	3.8	21	.67
Graniteville	41.4	12	161.7	20	2.1	119	51	37	5.0	2.5	9.0	7	3.12
Hanes	67.7	25	244.6	39	2.9	32	8.2	138	4.2	4.0	9.7	7	1.92
Hart Schaffner & Marx [10]	117.4	18	423.1	14	4.3	40	14.2	37	3.7	3.1	9.6	14	1.61
Interco [10]	260.6	14	981.1	11	11.5	16	37.7	15	4.4	4.3	15.7	14	3.72
Jonathan Logan	88.9	8	332.2	10	4.3	10	18.4	12	4.8	4.7	16.5	15	3.49
Kayser-Roth [6]	139.7	8	537.3	10	3.9	10	14.2	5	2.8	2.8	8.4	7	2.30
Levi Strauss [10]	133.2	14	504.1	17	4.4	29	25.0	27	3.3	3.0	18.5	16	2.30
Melville Shoe	224.9	(5)	631.9	14	13.6	(5)	29.0	12	6.0	(5)	25.9	22	1.18
Oxford Industries [14]	53.2	10	197.0	12	1.6	57	6.4	31	3.0	2.1	16.0	7	2.75

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

Company	Sales				Profits				Margins		Return com. eqy.		
	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	12 months ending Dec. 31	P–E 2–28	12 months earnings per share
Textiles and apparel—Continued													
Puritan Fashions [10]	$35.0	(3)	$142.4	21	$1.8	(3)	$5.5	22	5.2	(3)	26.4	5	1.71
Reeves Bros.[6]	53.1	20	199.1	12	1.4	25	5.6	3	2.7	2.6	9.1	3	3.54
Riegel Textile [1]	53.0	12	208.5	17	1.6	83	5.3	70	3.1	1.9	8.2	8	2.09
Springs Mills	115.6	17	398.9	22	6.2	88	14.2	69	5.4	3.3	6.6	8	1.64
Stevens (J. P.) [8]	276.6	15	947.6	15	5.6	8	15.6	120	2.0	2.2	4.1	11	2.56
United Merchants & Manufacturers [6]	227.8	5	799.0	4	7.1	3	15.5	8	3.1	3.2	5.7	8	2.54
Warnaco	63.2	18	282.5	16	3.9	27	9.2	39	4.7	4.3	13.5	7	2.30
West Point-Pepperell Manufacturer	107.9	16	422.8	17	3.4	56	11.4	60	3.2	2.4	5.9	10	2.41
Industry composite	3,825.9	13	14,022.9	11	130.9	19	406.3	18	3.4	3.3	9.1	11	1.95
Tire and rubber:													
Amerace Esna	47.9	14	187.0	15	2.5	3	8.7	15	5.3	5.9	28.4	9	2.65
Armstrong Rubber [1]	50.3	12	217.4	14	1.6	15	7.7	13	3.2	3.1	9.4	7	4.49
Cooper Tire & Rubber	31.7	19	134.0	16	1.0	163	4.3	77	3.0	1.4	13.3	9	2.10
Firestone Tire & Rubber [8]	774.7	12	2,691.0	8	44.7	36	135.8	20	5.8	4.8	11.1	10	2.36
General Tire & Rubber [10]	327.6	26	1,093.5	10	18.4	19	64.3	37	5.6	5.9	13.6	7	3.26
Goodrich (B. F.)	397.8	26	1,506.8	22	12.7	101	49.0	49	3.2	2.0	7.9	8	3.33
Goodyear Tire & Rubber	1,085.5	16	4,071.5	13	56.4	16	193.2	13	5.2	5.2	12.7	10	2.65
Richardson	31.1	3	118.9	11	1.8	47	3.9	46	5.2	3.7	154	8	1.83
Uniroyal	460.4	15	1,798.9	7	10.7	9	46.7	8	2.3	2.5	8.2	9	1.55
Industry composite	3,206.9	17	11,819.0	12	149.7	26	513.5	20	4.7	4.3	11.2	8	2.53
Tobacco (cigars, cigarettes):													
American Brands	[9] 759.9	0	2,998.9	6	29.8	7	123.3	3	3.9	3.7	13.6	9	4.52
Liggett & Myers	[9] 194.3	−3	753.6	0	9.6	12	30.0	−16	4.9	4.3	9.0	11	3.49
Loews [7]	[10] 182.8	−5	796.8	1	17.9	13	68.8	34	9.8	8.2	18.1	8	4.71
Phillip Morris	[10] 557.3	16	2,131.2	15	30.7	17	124.5	23	5.5	5.5	21.4	27	4.67
Reynolds (R.J.) Industries	[9] 777.1	13	2,957.6	6	61.1	12	237.5	5	7.9	7.9	17.8	9	5.32
Industry composite	2,471.4	6	9,638.2	7	149.1	12	584.0	9	6.0	5.7	16.6	13	4.79
Trucking:													
Consolidated Freightways	158.6	25	591.1	23	6.0	5	23.2	13	3.8	4.5	21.2	9	1.98
McLean Trucking [6]	56.6	23	211.1	17	2.2	26	9.2	24	3.9	3.8	22.6	15	3.30
Roadway Express	123.4	25	373.5	23	7.3	16	23.6	30	5.9	6.4	27.5	25	1.20
Smith's Transfer	32.9	17	99.6	13	1.8	33	4.9	11	5.5	4.9	23.5	9	2.12
Spector Industries	33.0	15	125.3	9	0.0	−98	0.3	80	0.0	1.2	4.3	18	0.32
T.I.M.E.-DC	42.5	3	157.6	2	1.1	−13	3.0	−21	2.5	2.9	9.2	10	0.90
Transcon Lines	33.0	13	128.6	17	1.5	−2	3.4	−31	4.6	5.3	11.4	12	1.10
Yellow Freight Systems	68.7	21	258.6	20	3.7	5	15.6	20	5.5	6.3	26.5	21	2.22
Industry composite	548.7	20	1,945.5	18	23.7	8	83.4	15	4.3	4.8	21.8	15	1.63
Utilities (telephone, electric, gas):													
Alaska Interstate	[2] 34.1	14	146.7	39	0.7	−54	5.2	25	2.1	5.3	11.1	16	1.61
American Electric Power	227.4	20	860.6	15	45.1	18	176.0	22	19.8	20.3	15.1	10	2.63
American Natural Gas	194.3	22	724.4	15	18.4	13	72.3	20	9.5	10.2	13.9	9	4.19
American Tel. & Telegraph [10]	5,424.6	15	20,702.0	13	676.9	25	2,207.8	13	12.5	11.5	9.3	12	4.30
Arkansas Louisiana Gas	57.8	10	248.0	3	6.7	72	24.8	5	11.5	7.4	13.4	10	2.46
Baltimore Gas & Electric	108.2	13	424.8	11	17.1	6	74.9	17	15.3	16.9	13.0	10	2.83
Boston Edison	68.1	4	269.8	4	9.1	5	33.6	8	13.3	13.2	12.3	10	3.55
Carolina Power & Light	80.6	20	307.1	20	16.8	35	60.5	62	20.9	18.5	17.5	9	2.86
Central & South West	109.1	14	438.4	13	17.7	9	75.2	8	16.2	17.0	15.5	14	3.25
Cincinnati Gas & Electric	85.8	19	326.0	11	12.6	69	47.1	25	14.7	10.4	15.7	10	2.35
Cleveland Electric Illuminating	74.7	11	293.3	8	13.0	24	49.1	18	17.5	16.6	14.4	11	3.22
Columbia Gas System	279.2	14	1,016.2	10	29.5	20	101.8	13	10.6	10.0	12.9	10	3.20
Commonwealth Edison	291.6	15	1,140.2	15	45.1	16	173.7	20	15.5	15.4	14.6	11	3.13
Consolidated Edison of NY	379.5	13	1,479.9	13	27.8	−32	148.1	2	7.3	12.1	7.4	12	2.07
Consolidated Natural Gas	214.3	24	741.2	11	15.6	41	62.5	5	7.3	6.4	10.2	9	3.30
Consumers Power	202.3	23	750.5	15	17.7	30	78.2	9	8.8	8.3	10.3	11	2.72
Continental Telephone	128.6	20	476.9	12	15.6	34	52.6	18	12.1	10.9	14.9	14	1.80
Dayton Power & Light	57.4	15	220.2	8	7.2	45	27.1	9	12.5	9.9	12.7	11	2.15
Detroit Edison	176.8	15	673.6	12	25.4	17	95.2	28	14.4	14.1	11.5	10	2.09
Duke Power	131.0	13	508.2	13	21.1	−1	80.4	12	16.1	18.3	9.1	13	1.68
Duquesne Light	56.9	12	220.8	12	11.3	6	46.0	16	19.9	21.0	13.4	10	2.34
El Paso Natural Gas	282.8	4	1,097.1	6	9.9	−30	63.9	11	3.5	5.2	12.7	8	2.05
Florida Power & Light	155.0	19	570.8	18	26.4	6	89.8	14	17.1	19.3	14.7	14	2.89
Florida Power	52.5	18	201.9	14	12.2	16	42.0	19	23.3	23.6	14.9	12	3.54
General Public Utilities	151.8	15	579.3	14	27.2	59	98.7	34	17.9	13.0	11.5	10	2.21
General Telephone & Electronics	1,195.8	15	4,326.7	13	91.5	16	301.3	15	7.7	7.6	13.6	11	2.60
Gulf States Utilities	61.9	19	240.0	14	11.2	37	45.2	16	18.0	15.6	13.5	12	1.59
Houston Lighting & Power	91.2	16	363.6	14	14.3	6	65.7	10	15.7	17.1	15.5	15	3.10
Illinois Power	69.9	17	272.7	11	8.1	18	41.2	11	11.5	11.5	13.6	13	2.38
Lone Star Gas	77.8	31	298.8	15	9.2	32	37.6	13	11.8	11.7	16.0	14	2.53
Long Island Lighting	98.0	13	389.8	13	12.4	12	56.2	12	12.7	12.8	13.5	10	2.20
Mapco	38.4	41	110.6	17	5.0	26	13.1	26	13.1	14.6	17.8	25	1.41
Middle South Utilities	152.0	14	593.4	17	23.3	26	90.4	21	15.3	14.0	14.4	12	1.98
Mountain States Tel. & Tel.[10]	233.1	14	890.8	12	30.9	22	113.5	7	13.3	12.4	10.5	10	2.14
National Fuel Gas	74.1	24	238.4	14	8.6	48	19.1	33	11.6	9.7	12.2	8	3.74
New England Tel. & Telegraph [10]	274.6	17	1,037.8	16	29.1	29	101.0	17	10.6	9.6	8.9	14	2.61
New York State Electric & Gas	61.2	14	236.4	7	6.6	21	30.6	17	10.7	10.1	10.7	10	3.03
Northeast Utilities	122.0	14	473.0	16	17.2	4	32.0	33	14.1	15.5	14.2	10	1.57
Northern Illinois Gas	107.8	29	424.9	13	4.8	1	40.8	6	4.4	5.7	16.8	9	2.92
Northern Indiana Public Service	98.4	22	372.6	14	14.8	16	45.4	8	15.1	15.9	15.3	10	2.25
Northern States Power	113.9	15	439.1	14	17.3	3	66.4	14	15.1	16.8	14.2	10	2.75
Ohio Edison	88.4	10	343.2	11	14.2	16	53.9	11	16.1	15.3	13.8	11	1.91
Pacific Gas & Electric	340.1	2	1,350.6	7	52.3	10	215.3	12	15.4	14.4	11.8	9	3.02
Pacific Lighting	236.1	1	819.5	5	15.2	−15	43.5	−10	6.4	7.6	10.5	10	2.23
Pacific Northwest Bell Tel.[10]	137.3	16	524.3	14	15.9	25	58.9	21	11.6	10.7	9.1	11	1.36
Pacific Tel. & Tel.[10]	637.8	16	2,387.6	10	63.9	49	214.2	18	10.0	7.8	7.6	13	1.38
Pennsylvania Power & Light	89.7	17	345.8	15	14.3	23	57.9	19	16.0	15.2	12.7	10	2.48
Peoples Gas [1]	180.7	21	685.5	13	18.8	70	77.7	20	10.4	7.4	15.1	8	4.41
Philadelphia Electric	174.8	12	685.0	13	26.6	10	108.0	15	15.2	15.4	11.6	11	2.08
Potomac Electric Power	70.9	14	272.7	8	11.0	−12	44.9	22	15.6	20.1	11.1	10	1.53
Public Service of Colorado	73.8	17	268.3	13	11.6	24	36.6	16	15.7	14.8	12.5	10	2.01
Public Service of Indiana	58.1	21	221.2	16	10.6	66	36.8	22	18.3	13.4	14.5	14	3.10

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 4TH QUARTER 1972—Continued

	Sales				Profits				Margins				
Company	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (millions)	Change from 1971 (percent)	12 months 1972 (millions)	Change from 1971 (percent)	4th quarter 1972 (percent)	4th quarter 1971 (percent)	Return com. eqy. 12 months ending Dec. 31	P–E 2–28	12 months earnings per share
Utilities (telephone, electric, gas)—Continued													
Public Service Electric & Gas	$254.6	15	$970.9	10	$35.5	35	$122.3	−3	13.9	11.9	10.7	10	2.44
Rochester Gas & Electric	50.9	14	191.8	9	5.6	35	20.0	11	11.0	9.3	10.7	10	2.14
San Diego Gas & Electric	54.3	17	197.1	12	5.8	34	24.4	7	10.7	9.2	11.2	10	1.90
Southern California Edison	239.9	9	931.6	16	34.6	4	137.3	8	14.4	15.1	10.0	10	2.55
Southern	249.0	17	983.0	19	35.8	23	144.2	23	14.4	13.6	11.8	10	1.88
Texas Eastern Transmission	204.4	8	785.3	7	19.7	8	77.7	14	9.6	9.6	17.5	17	3.20
Texas Utilities	140.6	22	563.3	17	27.7	20	117.9	16	19.7	20.0	15.1	16	1.93
Union Electric	90.1	13	375.2	10	10.7	−16	53.6	−6	11.9	15.9	9.7	13	1.35
United Telecommunications	170.8	10	634.2	12	17.2	13	62.3	13	10.1	9.8	31.3	13	1.50
Virginia Electric & Power	120.9	15	470.9	14	30.2	33	103.7	26	25.0	21.5	11.7	10	2.08
Western Union	[2] 113.4	0	451.4	11	12.3	84	34.0	147	10.9	5.9	7.6	11	2.63
Wisconsin Electric Power	95.1	23	367.9	18	6.6	15	46.5	36	7.0	7.4	11.5	9	2.64
Industry composite	15,766.6	15	59,952.8	13	1,927.1	19	7,027.5	15	12.2	11.7	10.9	11	2.74

[1] 1st quarter and most recent 12 months ending Dec. 31.
[2] Sales include other income.
[3] Not available.
[4] 3d quarter and most recent 12 months ending Dec. 31.
[5] Not meaningful.
[6] 2d quarter and most recent 12 months ending Dec. 31.
[7] 1st quarter and most recent 12 months ending Nov. 30.
[8] 4th quarter ending Oct. 31.
[9] Sales include excise taxes.
[10] 4th quarter ending Nov. 30.
[11] 1st quarter and most recent 12 months ending Oct. 31.
[12] 2d quarter and most recent 12 months ending Oct. 31.
[13] 3d quarter and most recent 12 months ending Nov. 30.
[14] 2d quarter and most recent 12 months ending Nov. 30.
[15] 3d quarter and most recent 12 months ending Oct. 31.
[16] Sales include excise taxes and other income.

Source: Data—Investors Management Sciences.

GLOSSARY

Sales: Includes all sales and other operating revenues. For banks, includes all operating revenues.

Profits: Net income before extraordinary items. For banks, profits are before security gains or losses.

Margins: Net income before extraordinary items as percent of sales.

Return on common equity: Ratio of net available for common stock holders to average common equity, which includes common stock, capital surplus, retained earnings.

Price-earnings ratio: Based on Feb. 28 stock price and earnings for latest 12 months.

Earnings per share: For latest 12 months, includes all common stock equivalents.

TIGHTEN CAMPAIGN LAW

Mr. SCOTT of Pennsylvania. Mr. President, I recently introduced a number of campaign reform bills, one of which would create a Federal Elections Commission to monitor and enforce the law. Last week, at an executive session of my Senate Rules Committee, I asked the chairman, Mr. Cannon, as to the possibility for prompt action on my bill.

Senator Cannon indicated that the bill currently being considered by Senator Pastore's Communications Subcommittee would be referred to the Rules Committee before being sent to the Senate floor. At the time the Rules Committee has it, I expect to call up my amendment to create an independent Federal Elections Commission.

Mr. President, I ask unanimous consent to have printed in the Record an editorial, which supports my position, from the Philadelphia Bulletin's edition of March 11, 1973.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Tighten Campaign Law

Like the old Corrupt Practices Act which it replaced, the 1972 Federal Elections Campaign Act, designed to curb election spending and abuses in fund raising, is clearly riddled with loopholes that reduce its effectiveness.

The law did not put any meaningful damper on spending, as evidenced by the fact that last November's election was by far the costliest in history.

For months, instances have been coming to light in which the source of campaign money and its use were obscured. (Watergate is the most publicized example.)

As a result, public confidence in the election system has been anything but restored as proponents hoped. But the experience has not been all bad.

People are at least being made increasingly aware of who pays huge sums into political coffers, and the dangers to representative government this entails. Knowing the problem is step one toward correcting it.

If the new law has one chief shortcoming it is in the machinery set up for enforcement. House and Senate candidates are required to report contributions and expenses to the House clerk and Senate secretary, respectively. Reports on presidential campaigning go to the Comptroller General, head of the General Accounting Office. The Justice Department is to investigate irregularities and bring any appropriate action.

It hasn't worked, and it's no wonder. Those who are to enforce the law are too closely tied to the politicians.

What is needed is an independent federal elections commission with power to subpena records and witnesses, as well as to prosecute infraction.

Such a commission, of six members appointed to six-year terms by the President and confirmed by the Senate, has now been proposed by Senate Minority Leader Hugh Scott (R-Pa) and Sen. Charles Mathias (R-Md).

To Senator Scott's credit, he fought for the same idea last year but his efforts were defeated in the House.

If Congress is at all interested in curbing campaign abuses, it will assign a real watchdog, instead of a toothless one, to the task.

THE IMPOUNDMENT ISSUE AS VIEWED BY ONE OF AMERICA'S GREATEST CONSTITUTIONAL SCHOLARS

Mr. ERVIN. Mr. President, Philip B. Kurland, of the University of Chicago Law School, is one of America's greatest constitutional lawyers and scholars. On February 9, 1973, he set forth his views in respect to the impoundment issue in a letter which he addressed to the Washington Post. This letter makes clear the crucial importance of this issue to the Republic which the Constitution was ordained to establish. I ask unanimous consent that a copy of this letter be printed at this point in the body of the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Chicago, Ill.
February 9, 1973.

Sir: The impoundment issue now stirring the country is, the Wall Street Journal to the contrary notwithstanding, a true constitutional crisis. For upon its resolution depends the future of democratic representative government in the United States. It may prove to be that the members of the Congress do not have integrity or fortitude to protect the power of the purse given to them and to them alone by the Constitution. But the constitutional allocation of the appropriations power to Congress is not really theirs to surrender. And they will breach their oaths to support the Constitution, just as the President will breach his, if this authority is transferred from the legislature to the executive. No democracy has survived the surrender of this legislative power to the executive. Representative democracy in this country becomes a sham when the elected representatives of the people cannot make the laws that the President of the United States is required by Article II of the Constitution "faithfully to execute."

Congress may and has specifically granted a modicum of discretion to the President in the expenditure of funds appropriated by it for the effectuation of the laws that it has enacted. But there is no "inherent authority" in the President to abrogate to himself the authority to impound funds and stop legislative programs without such specific authorization from Congress. As Assistant Attorney General (now Mr. Justice) Rehnquist told both Congress and President Nixon: "With respect to the suggestion that the President has a constitutional power to decline to spend appropriated funds, we must conclude that the existence of such a broad power is supported by neither reason nor precedent."

When the authors of the Constitution framed Article I, § 7, describing the veto power of the President, they specifically rejected the proposal of those who would give an absolute power to veto to the President, just as they rejected the proposals of those who would have denied the executive any veto. They spelled out in clear and precise terms how and when a veto could be effected and how and when Congress could override that veto. The impoundment process as described by the President and his aides—a veto that takes place neither in the time nor in the manner specified—is totally inconsistent with the language and purpose of this provision of the Constitution.

It should be noted that at the last session of Congress, the President asked for a ceiling on expenditures. Congress debated giving him that authority and then rejected his request, after considerable debate. The Water Pollution Act, which is one of those at the center of the present controversy, was unanimously enacted by Congress; vetoed by the President; and his veto was overridden. Certainly these events represent an even stronger case than that which resulted in the Supreme Court's decision in the case of President Truman's seizure of the steel mills. In that case, it was pointed out by Mr. Justice Jackson that, whatever implied powers the President may have, they were at their nadir when they conflicted with the expressed will of Congress, even though the President there rested his claim on the war power and the foreign affairs power, for we were immersed in the Korean "police action" at that time.

When an executive branch official also claims that not only may the President impound funds intended to support one legislative program and use them instead for another for which Congress did not make the appropriation, the President is again running afoul the clear language of the Constitution. Article I, § 9 of that document provides: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law."

At the recent Senate hearings, one Senator said that the President's claim to disregard the laws of the United States in this manner was reminiscent of President Marcos' suspension of the Philippine Constitution, ending democracy in that country. It is to be hoped that Mr. Justice Cardozo's words in another context will yet prove true in this one: "Historians may find hyperbole in the sanguinary simile." But the analogy will prove true, unless Congress is firm in adhering to its constitutional mandate. Congress will not prove firm unless the people and the press support it in this extraordinarily perilous constitutional crisis.

Sincerely,

PHILIP B. KURLAND.

SANTA CLAUS LIVES ON CAPITOL HILL

Mr. SCOTT of Pennsylvania. Mr. President, as the so-called "battle of the budget" heats up, it might be well for those on both sides of the issue, as well as those who perceive themselves in the middle, to review an editorial published in the March 15 issue of the Wall Street Journal.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SANTA CLAUS LIVES ON CAPITOL HILL

For the moment, President Nixon appears to have the upper hand in his budget battle with Congress. As Norman C. Miller reported from Washington recently: "President Nixon has the congressional Democrats on the run, and a good number admit there isn't much they can do about it except yell."

But the battle is really just beginning, and there are bound to be moments of touch and go for the White House. For one thing, Mr. Nixon cannot be sure that congressional Republicans will stand by him when the heat is on. Will they take political risks knowing the President is on the last lap of his own career? Wavering in the GOP ranks would complicate Mr. Nixon's strategy, if not force him to fold his hand altogether.

The first Democratic assault against Mr. Nixon's strategy will come in a wave of legislation the White House promises to veto. John Ehrlichman, the President's Assistant for Domestic Affairs, calls them "a $9 billion herd of Trojan horses." The vetoes will put the Republicans in the position of having to offend special-interest groups in order to sustain the vetoes, not a happy spot to be in.

The likeliest prospects for the first wave are two bills the President pocket vetoed last fall and one attempting to restore a program the President simply terminated. Each of the bills has political sex appeal and fancy price-tags. And while it's doubtful that very many members of the Senate or House know what's in them, each has already passed one House or the other. The Republican performance so far should give the White House reason to worry about how much support it will get when the chips are down.

The Older Americans Act, pocket vetoed last fall, passed the Senate February 20 by a vote of 82 to 9 and passed the House this week by a vote of 329 to 69. The bill authorizes $1.55 billion over three years to do all kinds of wonderful things for Americans aged 45 and up, almost all of which involve employing social workers and such to provide "social services" and manpower training. A new bureaucratic empire would be spawned along with a host of new boards, commissions and advisory councils. Almost all the measures duplicate programs already being run by HEW, Labor and other agencies.

The Vocational Rehabilitation Act, pocket vetoed last fall, passed the Senate February 28 by a vote of 86 to 2. The bill authorizes $1.1 billion for the 1974 fiscal year, $423 million above the President's budget request and almost four times the amount spent four years ago. The new money will largely go to adding on to the bureaucratic empire and creating a host of new boards, commissions and advisory councils. The program would no longer be employment oriented, but would also provide "social services" and "health services" that duplicate existing programs in HEW.

The Rural Water and Waste Disposal Plant Program, terminated by the President, was revived and passed by the House March 1 by a vote of 297 to 54. The bill requires the spending of $120 million already authorized for the current fiscal year to finance rural water and sewer systems on a 50% matching-fund basis. The program duplicates the $1.6 billion sewer program of the Environmental Protection Agency, which provides 75% matching funds, and loans for water districts available through the Farmers Home Administration.

On this evidence, it's obvious the 93rd Congress doesn't want to shoot Santa Claus any more than the 92nd did. And for all the brave talk about budget restraint, keeping within the President's ceiling of $269 billion, and forestalling tax increases, it's business as usual on Capitol Hill. Republicans no more than Democrats want to vote against "older Americans," disabled Americans, sewerless farmers or left-handed blacksmiths. It's politically deadly.

But is it? In the past two years, Gov. Thomas Meskill of Connecticut vetoed 229 bills sent him by the Democratic legislature containing spending goodies designed by St. Nick himself—including funds for something labeled the House of the Good Shepherd. The voters seemed alert enough to the fact that the governor was fending off a tax increase. Dozens of Democrats were bounced in the November elections and the legislature is now lopsidedly Republican. The governor is talking about a tax cut.

But so far as Washington's politicians are concerned, it's still more politic to spend than to not spend. And it really makes little difference where the money's going, as long as the legislation has a sexy title. Unless Mr. Nixon can soon get the GOP sobered up, it won't be long before the Democrats have him on the run.

LAWYERS FOR THE POOR

Mr. SCOTT of Pennsylvania. Mr. President, I believe an editorial published in the March 8 issue of the Pittsburgh Press deserves the attention of all those concerned about the future of the Office of Economic Opportunity legal service program.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LAWYERS FOR THE POOR

President Nixon's proposal to improve and expand legal services to the poor—under a new name and with independent status—deserves the support of both parties and swift action in Congress this year.

The program is based on the sound principle that every American, rich or poor, should be given reasonable access to legal counsel, even if it requires a tax-financed subsidy in some cases.

In 300 cities around the country, 2,500 young lawyers have been offering advice and services in non-criminal matters to the neighborhood people who simply couldn't afford legal aid if they had to pay for it themselves.

That's why it's important that legal services be maintained during the current dismantling of the Office of Economic Opportunity (OEO).

Under questioning by Congress, the OEO's new acting director, Howard J. Phillips, has promised to extend the old program for as long as a year. This should give Mr. Nixon's new program a chance to take root.

No one denies that some poverty lawyers have been an irritant to public officials.

Vice President Spiro Agnew has called some poverty lawyers "ideological vigilantes" more interested in social change than in the day-to-day needs of their clients.

But for every "vigilante" in the program there must be 50 or 100 lawyers who help poor families get into public-housing projects; or protect them against loan sharks; or make sure they're being treated fairly in city halls and county courthouses.

In his budget for 1974, President Nixon has set aside $72 million for a new Legal Services Corp.—a separate agency with its own board of directors and operating staff.

The new agency, as visualized by the President, would be an independent organization, insulated as much as possible from political agitation and from any partisan point of view.

That sounds like a fine proposal meriting speedy approval and early implementation.

In the meantime, the administration should continue the existing legal-services program until the new corporation can be formed.

J. HAROLD DAOUST, LABOR LEADER, IS DEAD

Mr. McINTYRE. Mr. President, J. Harold Daoust, of Nashue, one of the Nation's great labor leaders, has died.

Harold Daoust, at the time of his death was vice president of the Textile Workers Union of America, AFL–CIO. He served also as New England representative of this leading labor organization. In addition he held many other posts of responsibility in the union movement in this country and in Canada.

Harold Daoust will be missed in our State as I know he will in the labor ranks in this country and Canada. I know that the distinguished president of TWUA, Sol Stetin, will feel the loss of Harold Daoust. During his 62 years, he did much for the working men and women who looked to him for leadership.

I want to express my condolences to his lovely wife, Lee; his daughter, Pauline; and his grandchildren.

Mr. President, I ask unanimous consent to insert in the Record at this point an article from the March issue of Textile Labor, the official publication of TWUA detailing many of the milestones in Harold Daoust's life.

There being no objection, the article was ordered to be printed in the Record, as follows:

J. Harold Daoust Dead; Was TWUA Vice President

He began his full-time union career as an organizer for the original United Textile Workers and, when the CIO launched the Textile Workers Organizing Committee in 1937, he became TWOC's organizing director for the state of Maine. The following year he was named manager of the Greater Manchester-Suncook Joint Board in New Hampshire.

As a TWUA staffer, Daoust served as New Hampshire-Vermont director from 1944 until 1951 when he was appointed as the union's Canadian director.

During his 13 years in the Canadian post, Daoust served simultaneously as a vice president of the Canadian Congress of Labour, an office he continued to hold in that organization's successor, the Canadian Labour Congress.

Returning to the United States as New England director in 1964, Daoust also became director of TWUA's Rope & Cordage division as well as its Velvet & Pile, Woolen & Worsted and Northern Cotton-Synthetics divisions.

Just last year, Daoust was named to the additional post of National Cotton-Synthetics director by Gen. Pres. Sol Stetin.

Daoust was first elected to TWUA's Executive Council in 1948, but resigned two years later. He returned to the union's top policy-making body in 1952 and had been reelected at every biennial convention of the union since then.

In addition to his TWUA posts, Daoust had also been president of the New Hampshire State CIO Industrial Council prior to the AFL–CIO merger in 1955.

He is survived by his wife, Lee, one daughter, Pauline, and five grandchildren.

Funeral services were held at the Church of the Immaculate Conception here followed by burial in Whitinsville, Mass.

AMERICA IS NOT OVER THE HILL

Mr. SAXBE. Mr. President, I was impressed with an article by Joseph Kraft in the outlook section of the Washington Post on March 18. He recounts the many aspects of the President's foreign policy initiatives over the last 4 years, and concludes that the United States "is more than ever the dominant force in the world." I commend his article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record as follows:

America Is Not Over the Hill

(By Joseph Kraft)

Many thoughtful and friendly American watchers saw in the Vietnam war the beginning of the end of this country's supremacy in international affairs. In that vein, for example, Roy Jenkins, Britain's former Chancellor of the Exchequer, called his graceful set of lectures on America "Afternoon on the Potomac."

But recent events in all corners of the globe show that Americans are far from being the over-the-hill mob. On the contrary, with the Vietnam albatross finally lifted, this country's power is more than ever the dominant force in the world.

The most dramatic sign of American power has come in recent contacts with Communist China. A whole series of events—the release of American prisoners; the agreement to establish high-level liaison offices in Washington and Peking; the reception of Henry Kissinger by Mao Tse-tung—all testify to one point. The Chinese want the whole world to know, in the most striking way, that they have harmonious relations with the United States.

The Russians are hardly less friendly. Big Two negotiations on arms control and trade go on apace. Secretary of the Treasury George Shultz received a very cordial welcome in Moscow last week even though he raised the touchy subject of Russian restrictions on Jews wishing to emigrate to Israel.

A particularly revealing sign is a hopeful article on prospects for American-Soviet cooperation published by George Arbatov, the head of the USA Institute in Moscow. Mr. Arbatov has frequently published material that is conciliatory toward the United States. What is significant about the present article is that it appears in the ideological redoubt of the regime, the theoretical journal, Kommunist.

For once, moreover, this country has improved relations with Russia and China without seriously damaging rapport with western Europe and Japan. No sensible person will bother his head much about the complex details of the international monetary accords recently concluded by Secretary Shultz and his undersecretary, Paul Volcker. But those agreements reflect two political turn-abouts favorable to Washington.

Thus Japan has agreed to revalue the yen in a way favorable to American exports. The Japanese revaluation represents a complete about-face by Prime Minister Kakuei Tanaka.

The West Europeans have also agreed to a revaluation that is also favorable to American exports. The European decision expresses a complete about-face by France which had previously opposed any joint action helpful to the American interest.

A final expression of American preeminence emerges from the two best-known hot spots. In the Mideast, the Egyptians are looking to the United States for a move towards settlement. Provided the Egyptians themselves show a little more flexibility, there may be such a move. In Latin America, it has become old hat merely to blame all troubles on Uncle Sam. A marvelous occasion for such tactics—a special meeting of the United Nations Security Council in Panama—has drawn only a handful of foreign ministers, and no outside heads of state.

The chief lesson of all this is that American power in the world is dependent, not upon staying in Vietnam, but on getting out. No matter what happens in Indochina, Washington has no interest in becoming engaged again.

A second lesson is that the American position in the world is easy enough to permit serious address to serious internal problems. We can easily afford to concentrate more attention and more resources on such domestic problems as inflation, education, transport, crime, race relations and the cities. Indeed, when the right approach to these problems is through international action, the United States need have no compunction about being what it really is—namely the foremost power in the world.

RIGHTS-OF-WAY ON FEDERAL LANDS

Mr. METCALF. Mr. President, at a hearing of the Committee on Interior and Insular Affairs on March 9 a statement was presented by Stewart M. Brandborg, executive director of the Wilderness Society, which puts in very useful perspective several bills now pending before the committee.

These bills would significantly alter present law concerning right-of-way grants across Federal lands. The bills were introduced as an aftermath of the recent ruling of the U.S. Court of Appeals for the District of Columbia Circuit in the Alaska pipeline case.

A lower court 3 years ago enjoined the pipeline project partly because the court found that the needed right-of-way exceeded the width allowed by the 1920 Mineral Leasing Act. Last August the injunction was dissolved, but on February 9 the appellate court unanimously reinstated it on the same right-of-way grounds. Another aspect of the case, alleged noncompliance with the National Environmental Policy Act, has not yet been decided at the appellate level.

Enactment of any of the several bills now pending would, among other things, erase the Mineral Leasing Act obstacle to the proposed pipeline. Some contend Congress should take such action at once. In his testimony last week, however, Mr. Brandborg pointed out that this would mean sudden abandonment of law developed over a period of a century, and that the implications of some of the proposals before the committee are far-reaching and deserve thorough study.

With respect to the Alaska pipeline controversy, he urged that because the Department of the Interior has never given serious consideration to the possible advantages of combining oil and natural gas delivery from northern Alaska in a single overland corridor across Canada, Congress itself now consider this alternative.

It has now become obvious that Congress must seek additional information on the Canadian alternative and other alternatives to the trans-Alaska plan of a Prudhoe Bay-Valdez pipeline route. All economic and environmental factors related to these alternatives must be presented through such a comprehensive analysis in order that Congress may reach a decision based on the merits.

Mr. President, Mr. Brandborg's statement, which presents the views of three of the plaintiffs in the pipeline case, argues very persuasively for a thoroughgoing inquiry by Congress into the questions raised by the pending bills. I believe my colleagues in the Senate would find the statement instructive, and, therefore, I commend it to their attention. I ask unanimous consent that the statement be printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Stewart M. Brandborg

Mr. Chairman and Members of the Committee: I appreciate very much your invitation and the opportunity to testify today. I am Stewart M. Brandborg, executive director of The Wilderness Society.

The Wilderness Society is a national, nonprofit citizen's organization established in 1935 to obtain protection for the nation's remaining wildlands, to carry on educational programs concerning the values of wilderness, and to join with other organizations in cooperating for the conservation of all natural resources. We have a current membership of approximately 80,000. The Society has long had a special interest in the wilderness, wildlife and native culture of Alaska and has close ties with Alaskan conservation groups.

Our Society is one of the successful plaintiffs in the case of Wilderness Society et al., v. Morton, decided in the United States Court of Appeals for the District of Columbia Circuit on February 9. This is the case singled out as the reason for the right-of-way legislation that is the subject of today's hearing.

I appear today to offer my observations on the four bills—S. 1081, S. 1056, S. 1041, and S. 1040—that you have announced as the subject of today's hearings. I am authorized to state that the views expressed by me are shared by the two other environmental organizations that are our co-plaintiffs in the Alaska Pipeline litigation, Environmental Defense Fund, Inc. and Friends of the Earth, as well as by the Cordova District Fisheries Union, who are plaintiffs in a companion case.

Our position on all the bills can be summarized briefly. We strongly support revision of public land laws dealing with rights-of-way over public lands. But we do not believe that the matter lends itself to a precipitate resolution. Nor are we able to support any of the proposed bills in their present form, although we believe the Jackson bill (S. 1081) contains concepts which, if strengthened, would be valuable contributions to a badly needed overhaul of our public land laws. Our principal objection to all the bills is that they perpetuate the piece-meal taking of public lands at the initiative of private interests—the very reason why, in our view, the existing laws should be completely revised.

In deference to the directive of the Chairman that witnesses not address themselves to "the desirability and routing of the tran-Alaska Pipeline," I will not elaborate on the environmental issues presented by the trans-Alaska Pipeline proposal. But the Chairman has recognized that "it is inevitable that much of the debate on this legislation will be carried on in the context of the proposed Alaska Pipeline."

I believe, therefore, that it is important for me to state at the outset, what our position is on North Slope oil and gas, lest my comments on these various bills be misconstrued. We do not oppose development of North Slope oil and gas. We will support a delivery system that will promptly bring North Slope oil and natural gas to market so long as it rationally serves the public interest and is consistent with environmental protection and sound land planning.

A short response to those who characterize us as poorly informed is that the winter's energy shortages have confirmed our contention that while the proposed Alaska Pipeline would bring profits to the oil companies, it would bring oil to the wrong place (the West Coast, rather than the Midwest and East) at considerable overall cost to consumers. North Slope oil and natural gas are only one part of a long-term solution to our country's energy needs, and the proposal to bring the oil to the West Coast reduces even that contribution.

We disagree, moreover, with the position that Congress should not itself decide the means by which the oil and natural gas resources of Alaska's North Slope will be brought to market in the United States. There is no doubt that Congress has authority to make the choice among a trans-Alaska Pipeline-tanker system, an all-land trans-Alaska-Canada pipeline system, a combination of the two, or some other method of delivery. Congress should exercise that authority rather than passing the decision off to the Executive and the Courts and should make the decision after appropriate hearings and the development of necessary supplemental data (relating particularly to the alternative of an all-land trans-Alaska-Canada delivery system that would bring North Slope oil and natural gas to the Midwest and East). These decisions will have enormous and long-lasting impact on the public lands and on profound issues of energy supply and environmental protection. Their consequences will be of obvious national and international importance.

In the remainder of my testimony I will refer to the Alaska Pipeline dispute only insofar as it illustrates our basic objections to the approach taken in all four of the bills.

Mr. Chairman, we are concerned that some interests seem to be pressing for very rapid, even hasty action on this general right-of-way legislation, suggesting that there is an emergency. We hope that Congress will be more deliberate, allowing sufficient time for the need for such legislation to be clarified and its many implications traced and evaluated. Ample time should be allowed to assure that the public can consider this matter and communicate its views to Congress.

We find it especially ironic that blame has been placed on the Court of Appeals for such hasty action rather than where it properly belongs with the Interior Department and the oil industry. Both were given clear warning three years ago, when a preliminary injunction was issued in our case, on the basis of the unambiguous language of the Mineral Leasing Act. For three years they did nothing to bring the matter to the attention of Congress and to seek a calm and dispassionate resolution.

For the Interior Department and the oil industry now to ask the Congress to abolish in a matter of days, without careful deliberation, laws that have been passed over a period of 100 years, is the height of arrogance. We trust that the Congress, mindful of its constitutional power over the public lands, will refuse to become a party to any such ill-conceived plan.

The current public land laws, passed largely in the late 19th and early 20th centuries, developed in an essentially haphazard manner, without a systematic approach as to how the lands might best serve the widest possible combination of uses. For example, insofar as rights-of-way are concerned, some laws provide explicit width limitations, others do not; some confer broad discretion upon the Executive, others provide no discretion; and some make direct grants to specified or unspecified recipients, while others require action by the Executive. The only thing these laws appear to have in common is that they encourage private interests to appropriate the public lands in the manner that best suits their individual needs.

These laws reflect the values of the frontier era. When they were enacted it seemed to make little difference whether one strip was cut out one year for an oil pipeline, another strip the next year for a gas pipeline, still another for an irrigation ditch, and yet another for telegraph transmission lines—all crisscrossing the land rather than being planned so as to minimize the commitment of public lands to private uses that foreclose uses of greater potential benefit to the public at large.

Now we know that our wilderness areas and the remaining unscarred public lands are among our most precious remaining natural resources. The public lands of Alaska, our last frontier, are a case in point. They provide our last chance to accommodate in a rational manner the needs of the environment with the necessary development of resources through sound planning.

Spokesmen for the administration, together with many members of Congress and leaders of environmental organizations, share the view that the public land laws need not merely to be revised but to be redirected. There is a profound irony in the administration's approach (as well as in the approach taken in S. 1056) to resolving the right-of-way problem. These bills would perpetuate piecemeal development at the very time this Committee is developing national land use policies.

The administration's proposal is especially distressing. The administration has interjected a purple patch, designated as Title IV, into its "Bill to Provide for the Management, Protection, Development and Sale of the Natural Resource Lands and for other purposes" (S. 1041). In the covering letter accompanying this measure, Acting Secretary of the Interior Whitaker stated:

"The Natural Resource Lands are a priceless and irreplaceable national asset. It is time to provide the Department of the Interior with the tools to manage and preserve them in accordance with their value to the American people."

Accordingly, Title I of the administration's bill provides guidelines for assuring the widest enjoyment of the public lands. Of special importance is the definition section which defines the term "multiple use" as follows:

"The management of the natural resource lands and their various surface and subsurface resources so that they are utilized in the combination that will best meet the present and future needs of the American people; the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; the use of some land for less than all of the resources; a combination of resource uses that takes into account the long term needs of the future generations for nonrenewable resources and the achievement of diversity and balance for renewable resources; and harmonious and coordinated management of the various resources, each with the other, without permanent impairment of the productivity of the land or undue damage to irreplacable values, with consideration being given to the relative values of the resources, and not necessarily the combination of uses that will give the greatest economic return or the greatest unit output."

But, at the same time, the administration has, with inappropriate haste, tacked on the provisions of Title IV, which are totally inconsistent with the expressed philosophy of maximum feasible multiple use of the public lands. The effect of passage of Title IV would be to accede to the initiative of a handful of oil companies and other private interests to carve up the public lands of Alaska and elsewhere in the manner best suited to meet their own individual convenience. And, it is difficult to conclude other than that the intent of the proposal is to continue the philosophy of passive deference to industry initiatives which has characterized the government's approach to the proposed Alaska Pipeline.

In short, the administration bill, as well as S. 1056, fails to alter the philosophy prevailing in the existing public land laws of focusing upon private industry's immediate proposals for use of the public lands without considering possible future development and use of those same lands. They place no obligation on the Secretary of the Interior affirmatively to develop and to take into account plans for future developments related to the same public lands before approving any right-of-way.

They perpetuate the basic defect of the

current permit process which focuses the attention of the administrator on a single and specific project, considered in isolation.

In addition, all of the bills—including S. 1081—suffer from a common fault in that they fail explicitly to recognize environmentally significant distinctions among rights-of-way for different puropses. A right-of-way for an oil pipeline, for example, presents different problems than rights-of-way for such uses as transmission lines, ditches and tunnels. Referring to the Alaska Pipeline as an illustrative example, according to the Interior Department's own evaluation, even with the best detection capability now developed, as much as 750 barrels of oil could be lost every day without being detected. If the pipe were actually to rupture, more than 60,000 barrels could escape from each rupture. Clearly the Committee should be aware of the unique problems presented by different categories of rights-of-way before it takes any action lumping them all together in one omnibus bill.

Because of the short time available for preparation of testimony, we are unable to provide detailed comments on all sections of the Jackson bill. However, we do state that the approach taken in that bill appears to be clearly preferable to the other bills, particularly in its recognition of the need for a common corridor approach to the granting of rights-of-way over the public lands.

There are three basic problems with the common corridor provision of the Jackson bill. First, it would be applied so as to leave the right-of-way process to the initiative of industry, rather than to require affirmative government action to develop information to ensure that each right-of-way application is considered in a suitably broad context. Second, it does not explicitly place responsibility on government officials, who hold the public lands in trust for all Americans, to explore alternatives that would minimize the appropriation of the public lands for private purposes. Third, it contains no "action forcing" procedures so that Congress will be certain that its policy regarding the common corridor approach to rights-of-way will be fully implemented. In short, the vague exortations in Section 4 of "whenever practical" and "where appropriate" are an open invitation to the Executive to carry on its right-of-way business as usual.

The defects in existing legislation—which are not cured by the Jackson bill in its present form, much less by the other bills under discussion today—are vividly illustrated by what occurred with respect to the proposed trans-Alaska Pipeline.

It was obvious from the time of discovery of oil on the North Slope that the associated natural gas would also have to be delivered to market, presumably by an overland route through Canada. Indeed, in his testimony in our case Assistant Secretary Jack O. Horton stated that "oil cannot be developed without the consideration of gas."

The Department of the Interior did not approach the problem—as we submit Congress should require it to do in tough legislation regarding common transportation corridors—as a total resource delivery problem. Because the oil companies had focused on oil only, the Interior Department focused on oil only. Secretary Morton himself has repeatedly expressed his Department's approach, "the scope of our work here is to deal with applications on our desk."

From the earliest days of its consideration of the oil companies' proposal for a trans-Alaska pipeline, the Department was criticized for this myopic, 19th century approach to its responsibilities. For example, Lieutenant General William F. Cassidy, then Chief of the Corps of Engineers and Executive Secretary of the Corps' Environmental Quality Council, wrote, as early as July 7, 1969:

"The development of Alaska is proceeding on a resource by resource, an agency by agency or an industry by industry basis with an apparent lack of regard for the total Alaskan development or possible large-scale environmental consequences of such development. The burden of providing total planning and concern for the total environment must rest on the state and federal agencies responsible for such development. . . . As development activities grow with an amazingly rapid and increasing pace, the government is in imminent danger of losing its opportunity to step in and provide the total planning required. There is a real danger that actual private development will preempt government efforts."

Dr. David Brew (the Interior Department geologist responsible for drafting the Final Impact Statement on the Alaska Pipeline proposal) has testified in our court proceedings that throughout almost the entire period of the Department's review of the oil companies' proposal, the Department worked on the assumption that there would be a "necessity of producing and transporting the gas from the north slope oil fields" and on the assumption of "the probable utilization of the trans-Canada route by a gas pipeline." But no attempt was ever made to, in Dr. Brew's words, "look at in a systematic way, the alternative possibilities for transporting North Slope gas to market, and attempt to evaluate the environmental impact . . . of gas transportation." The interested oil companies were not even asked to disclose their plans for North Slope natural gas. Nor were such questions as the likelihood of a second oil pipeline from the North Slope and the likely future development of oil and gas reserves in the Canadian Arctic and Gulf of Alaska considered germane. No discussions were initiated by our Government with the Canadian Government either to ascertain its interest in an all-land common corridor for oil and gas or to collaborate with it in the development of data necessary for the selection of the best all-land route. No study was ever undertaken on the specific question of how much of the public lands might be saved or what the potential environmental savings would be of an all-land common corridor that could accommodate both oil and gas pipelines.

The unfortunate result of this approach is that there has never been an adequate assessment of the possibility of having oil and natural gas pipelines, together with other transportation facilities, in a single common corridor. We submit that, under appropriately strong legislative directive, such an assessment would have been required from the very beginning, when the oil resources were first discovered.

The hurried nature of this hearing precludes us from submitting a comprehensive set of conclusions. There is critical need for extension of these hearings to explore all of the technical questions raised here, with the benefit of full and comprehensive testimony from expert and citizen witnesses. What follows, however, is a generalized summary of the conclusions we have reached to date.

1. Obviously, no action should be taken on any general revision of the right-of-way laws until such time as the Interior Department has presented to the Committee a catalogue of existing right-of-way laws; an explanation of their current provisions; a description of the rights-of-way now in existence under the various laws; and an evaluation of the shortcomings that are alleged to exist in each of the now-existing laws.

2. No action should be taken on any general revision of the right-of-way laws until such time as the Interior Department has provided this Committee with a comprehensive description of the extent to which the public lands are now dedicated to private rights-of-way. Without such information this Committee has no basis for determining what action, if any, should be taken to change the existing structure of rights-of-way. Little good will result from any revision of the public land laws if it is merely superimposed upon an archaic structure that is permitted to continue substantially unabated.

3. No final action by Congress on any right of way legislation should be taken until complete and comprehensive environmental impact statements have been prepared by the Department of the Interior and all affected agencies. These, of course, must be made available to the public under standard NEPA procedures. No action should be taken on any general revision of the right-of-way laws until the Interior Department has presented testimony (including testimony by representative members of its field offices where the overwhelming majority of right-of-way applications are processed) on the manner in which right-of-way applications are now processed. Inquiries should be made especially as to the extent, if any, to which current procedures require the collection of information to permit an informed evaluation of future developments that might affect the optimum location of the specific right of way requested or even make the right-of-way unnecessary. Without such information, this Committee is not in a position to determine what, if any, procedures should be specifically incorporated into any omnibus statute to ensure that agencies such as the Interior Department are not blinding themselves to future developments in their piecemeal review of permit applications.

4. Any legislation which updates the existing right-of-way provisions must provide action-forcing mechanisms and standards to ensure that the needless duplication of rights-of-way is avoided:

(a) We suggest that it may be appropriate, following the collection of the information described above, to insert a general provision analogous to Section 4(f) of the Department of Transportation Act in any legislation that may ultimately be reported out of this Committee. Such a provision might prohibit the Secretary from approving an application for a private right-of-way across the public land unless the right-of-way is within an existing common corridor or there is no "feasible and prudent alternative" except to grant a right-of-way outside such existing corridors. The same general provision should also contain language that would ensure that necessary planning has occurred prior to the approval of the right-of-way to minimize potential harm to the public lands. At the least, this would require the administrator to take all appropriate steps to collect data from the applicants (and within the term applicant I include parent and associated companies) on possible future developments in the area as well as other relevant information that will permit the administrator to be cognizant of the short and long term developments that are likely to occur.

(b) Additional language is necessary, in our view, to provide explicit recognition that the characteristics and potential impacts of rights-of-way vary greatly. This is especially important in the case of oil and natural gas pipelines which may entail greater risks to public lands than do rights-of-way for other purposes. (There may, of course, be rights-of-way in addition to oil and gas pipelines which also require special attention and the Committee should endeavor to identify them if they exist.) We submit that it would be appropriate to require (1) that to the maximum extent feasible oil and natural gas pipelines must be placed along the route of already-existing pipelines; (2) that unless the Secretary affirmatively establishes that it is not feasible and prudent to do so, pipelines carrying oil and gas from the same fields and areas adjacent thereto must be placed within the same common corridor.

5. To permit Congress to play its proper role in the formulation of policies relating to the use of public lands and the overall energy needs of the country, the Congress should reserve for itself the final decision on the vital national question of how the oil and natural gas resources of the North Slope can best serve the needs of the nation.

Mr. Chairman, these preliminary comments are offered in response to the Committee's invitation. We would urge that full and exhaustive hearings be continued with sufficient advance notice to permit complete exposition of all of the technical background and public interest concerns that should be made available to this committee and Congress. The Wilderness Society would wish to provide supplemental information and testimony on the occasion of those future hearings.

I thank you for the privilege of appearing here today.

JOURNALISM SCHOOL MARKS 50TH YEAR

Mr. THURMOND. Mr. President, the journalism school of the University of South Carolina is celebrating its golden anniversary this year. This celebration comes at a time when it is making great strides in academic excellence.

In fact, it is ranked among the top 15 journalism schools in the United States. Mr. President, on behalf of the people of South Carolina I would like to take this opportunity to commend President Thomas F. Jones, Dean Albert Scroggins, and his outstanding staff for the fine work they are doing in educating and training future journalists.

The University of South Carolina School of Journalism offers courses in all aspects in journalism: news/editorial, advertising/public relations, and broadcasting. The modern facilities located in the Carolina Coliseum equal, if not surpass, those of any school in the Nation. Thus, emphasis is placed on both academic training and experience.

As we all know, qualified journalists are an integral and necessary part of our democratic way of life. The dissemination of news and factual explanation of our complex issues are a must if the people of this country are to make the right decisions. I can think of no more important work than to train tomorrow's journalists.

Mr. President, I ask unanimous consent that an article entitled "Journalism School Marks 50th Year," which appeared March 11, 1973, in the State Newspaper, of Columbia, S.C., be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOURNALISM SCHOOL MARKS 50TH YEAR

In 1923, only eight students enrolled in the new journalism department at the University of South Carolina.

This year in contrast, more than 650 journalism students will help celebrate the 50th anniversary of the College of Journalism.

President William Davis Melton in 1922 first proposed a School of Journalism. The USC trustees accepted Melton's plan and included $3,000 in their annual budget to hire the first instructor of journalism. William Watts Ball resigned as editor of The State to accept this professorship. The school offered 13 courses. Ball taught all but one. Today, more than 60 different courses are being offered to students.

The school was initially housed in an old campus building, once the residence of university presidents. In the years before the move to Carolina Coliseum in 1969, classes were held in several other locations on campus—often in rather cramped quarters with limited facilities. Today the students and faculty work in an ultramodern complex of classrooms, offices and studios designed especially for the College of Journalism.

Only seven deans have served in the past half-century, one of whom held a temporary post for one year. Succeeding William Ball were James Rion McKissick (later an esteemed USC president), Samual DePass, Robert Joshua Cranford, Ross P. Schlabach and George A. Buchanan.

The present dean, Dr. Albert T. Scroggins Jr. said that the small turnover in leadership has "led to continuity and stability." Inasmuch as it is felt that the college now ranks among the top 15 schools in the nation, he said, this status is a "tribute to all former deans." Their leadership contributed to the American Council on Education for Journalism accrediting the school in 1954. It is one of the 60 journalism programs in the country so approved.

To meet the changing needs of the state and as funds have been allotted, there has been a gradual increase in emphasis on education for mass communication. For example, the newest addition is the color TV production lab and equipment added to the college this summer. It joins other facilities such as the photographic lab, two radio control rooms, and the practicum lab where students actually produce newspapers.

Courses leading to the degree of Bachelor of Arts are now offered in three major divisions: news-editorial, advertising-public relations, and broadcasting. All stress practical experience. The excellent labs offer students a chance to practice skills they've learned in classes. Internships afford students an opportunity to perform in real job situations. The newest educational experience will be initiated in the summer of 1973 with the planned Study Journalism Abroad Program.

The graduate program, begun in 1959, now has 49 master degree certificates in its expanded curriculum.

The 15 fulltime faculty members, eight of whom held doctorate degrees, are all professionals with extensive experience. Many hold offices in journalistic organizations at the state, regional and national levels. They are involved in community and professional services and research activities. These include such diverse services as workshops, conventions and seminars for the public critiquing services for daily, weekly and high school newspapers and evaluation and attitude studies conducted for the mass media.

Many of these activities are carried through the five major associations housed in the college. George A. Buchanan, dean from 1955–1965, was instrumental in closely binding professional endeavors to academic journalism. He succeeded in cementing relations between the college and the working press so that the South Carolina Press Association moved to the School of Journalism in 1959 with Buchanan as secretary. The South Carolina Scholastic Press Association followed in 1961.

When the broadcasters sequence was added in 1966, the South Carolina Scholastic Press Association followed in 1961.

When the broadcasters sequence was added in 1966, the South Carolina Broadcasters Association and Scholastic Broadcasters Association moved their headquarters to the college. This year the Southern Interscholastic Press Association has been added with Dean Scroggins as director. Faculty members serve as executive directors for all of these organizations.

National journalistic societies having local chapters at USC are Sigma Delta Chi, Kappa Tau Alpha, Alpha Epsilon Rho and Alpha Delta Sigma, and Women in Communications (formerly Theta Sigma Phi).

Despite the tremendous growth in student enrollment, Dean Scroggins has successfully continued his philosophy for upholding the traditional "close relationship of faculty and students." His general approach to the future will be "to become better and bigger in that order." As this growth progresses, students will continue to play influential roles in determining the procedures.

As an example of student involvement, a contest last October established a slogan and symbol to be used during the Golden Anniversary year. The winners, both students, received $100 each. Mike Hembree, a senior journalism major from Columbia, submitted the slogan "Growing to Serve, Serving to Grow." A journalism sophomore, Bob Gerwig, also from Columbia, entered the symbol which was selected by a panel of judges made up by students, faculty and members of a local advertising agency.

A banquet in honor of the 50th Anniversary of the College of Journalism was the kickoff event for the Winter meeting of the South Carolina Press Association on February 22. Bob Talbert, former columnist for The State and USC aluminus (Journalism, 1968), was the speaker. Special guests were past SCPA presidents who were honored with plaques.

A JOINT RESOLUTION ADOPTED BY NORTH CAROLINA GENERAL ASSEMBLY HONORING THE MEN AND WOMEN WHO SERVED OUR COUNTRY IN THE CONFLICT IN SOUTHEAST ASIA

Mr. ERVIN. Mr. President, I ask unanimous consent that a joint resolution adopted by the North Carolina General Assembly honoring the men and women who served our country in the conflict in Southeast Asia be printed at this point in the body of the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 403

A joint resolution honoring the men and women who served our country in the conflict in Southeast Asia

Whereas, we recognize that Freedom is not solely a gift or blessing from God. That while God does bless Freedom-loving people everywhere, Freedom is a stewardship and must be preserved by those who would choose to remain free; and

Whereas, America, one of the great free nations of all times, has been richly blessed by God; and

Whereas, America has always had an abundance of men and women who would live up to their stewardship and come to their country's aid whenever its safety was in danger and the Freedom of its people at stake; and

Whereas, America has had to assume much of the difficult role of preserving the Freedom for the free world; and

Whereas, our recent involvement in Southeast Asia was an effort to assist the people of that portion of the world to remain free; and

Whereas, three of our Presidents have committed our armed forces to aid these people; and

Whereas, many thousands of young men and women have answered the call to leave their families, their jobs, and have put their futures and even their lives on the line in an effort to assist Freedom-loving peoples; and

Whereas, this involvement in Southeast Asia was not always popular with elements of our society but, notwithstanding, these young men and women continued to serve while others chose not to do so; and

Whereas, the vast majority of these young men and women have served honorably in the Armed Services during this long period of involvement; and

Whereas, our involvement is fast coming to an end; and

Whereas, the members of the General Assembly wish to offer their sincere and grateful appreciation to these young men and women for their answer to the call to assist in preservation of Freedom;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

Section 1. The General Assembly of the great State of North Carolina goes on record honoring these young men and women for their dedicated service during the trying times of our Southeast Asian involvement.

Sec. 2. A copy of this resolution shall be sent to the President of the United States, Richard Nixon; the Governor of the State of North Carolina, James Holshouser; all members of the North Carolina Congressional Delegation in Washington, D.C.; the State Headquarters of all Veterans' Organizations in the State of North Carolina; and the National Commanders of each North Carolina Veterans' Organization.

Sec. 3. This resolution shall become effective upon ratification.

In the General Assembly read three times and ratified, this 5th day of March, 1973.

THE PROBLEM OF UNRESTRICTED EXPORT OF IRON AND STEEL SCRAP FROM THE UNITED STATES

Mr. SAXBE. Mr. President, a situation of grave proportions has recently been brought to my attention by the very able Willis B. Boyer, president of the Republic Steel Corp., whose home offices are in Ohio.

The problem revolves around the unrestricted export of iron and steel scrap from the United States to other steel producing countries of the world.

Rising world steel production has escalated foreign demand for iron and steel scrap. American scrap exports are thus running about 65 percent higher than normally experienced over the past 10 years. Since the United Kingdom placed an embargo on the export of ferrous scrap last fall the United States has been the only industrial country to permit unlimited exports on this strategic steelmaking material. Countries which formerly purchased their scrap in the United Kingdom have been purchasing their scrap here in the United States, thus, further aggravating an already difficult raw materials situation.

As a result of this high demand, a sharp increase in scrap prices has resulted. Based on more than 1,350,000 tons of scrap which Republic Steel is expected to purchase this year it will have to pay at least $18 million more than it would have paid at last year's prices for this scrap. Coming at a time when other steelmaking costs are also moving upward, the sharp increase in the price of steel scrap certainly is creating serious inflationary pressures for Republic Steel and other domestic steel producers.

The net effect of this situation is to seriously increase the costs of domestic steel production. Increased costs threaten the job security of our domestic steel industry labor force. Also placed in jeopardy is the industry's continued efforts to maintain reasonable price stability, and their efforts to compete with foreign steel producers.

I would hope that Secretary Dent of the Department of Commerce would take effective steps to utilize the authority granted to him by legislation to restrict exportation of one of this Nation's most important raw materials. Unless steps are taken, the steel industry which is at the base of our domestic economy will suffer irreparable damages.

LUMBER AND PLYWOOD SHORTAGES

Mr. SPARKMAN. Mr. President, every Member of this body knows that softwood lumber and softwood plywood are as basic to homebuilding and to every type of nonresidential construction as tacks are to shoemaking.

We know, too, that unless these softwood building and structural materials are available with reasonable certainty as to delivery and fairness of price, this Nation is simply not going to meet its residential expansion objectives or business and industrial expansion objectives commensurate with our national requirements. Lumber prices have gone through the ceiling and yet, even with such prices, quotations usually will not hold long enough to support a bid. Many items and quantities are unobtainable at any price. The U.S. Forest Service reported that in mid-February 1973 prices of softwood lumber and softwood plywood were some 70 percent higher than in 1970; and between mid-January 1973, when phase II price controls were terminated, and February 9, 1973, prices of Douglas-fir studs increased by 10 percent, while prices of western softwood sheathing plywood jumped 22 percent. The homebuilders report that higher lumber prices have boosted the price of an average house by $1,200 to $1,500 in the last 6 months.

The production and marketing of lumber and lumber products is a complex subject, and the causes of the present crisis are varied but not without remedy.

Congress has provided the administration all the legislative authority and funds needed to deal with each of these causes and to have forestalled the lumber and plywood shortage and price crisis. But having failed to prevent the crisis, the administration is now compounding the problem by failing to make use of the same available authority and funds to bring the crisis to an expeditious end as was done in a similar lumber-plywood crisis in 1969.

The President's 1969 Task Force on Softwood Lumber and Plywood made a number of recommendations in 1970 to solve both the short-range and long-range softwood timber needs of the Nation. These included improved management of U.S. forest lands to expand timber availability and increased appropriations to plow back into the forests part of the income derived from the sale of timber necessary to finance more intensive managements. Increased incentives for higher outputs from non-Federal land was also to play a part. More flexibility in the adjustment of timber sales to meet fluctuations in demand was also to be implemented. Exports and imports were to be monitored in recognition of our changing domestic needs. Substitute building materials were also to be researched and encouraged, as feasible, to take up part of the expected increase in building materials demand.

Several factors, all of which are Government controlled, seem to carry the burden of criticism for our present crisis. The rising log exports to Japan, accompanied by extremely aggressive bidding by Japanese agents, is one. U.S. Forest Service budget cuts have contributed to the reduced harvest from the Federal lands. The failure of administration controls on prices, shortages of freight cars for shipping from the west coast, and a lack of coordination among administration officials to remedy the shortages are being pointed to as controllable factors which have contributed to the present crisis.

Although 50 percent of the saw timber softwood stock inventory is in the national forests, only one-fourth of the 1972 domestic supply came from the national forests. The higher prices attracted a larger cut from the private forests, but harvesting from Federal land was substantially below the allowable cut for the third straight year. One report I received stated that in the Pacific Northwest region Federal timber sold, but uncut, is at an all-time high—a 2.8 year rate of uncut timber in comparison with the allowable annual harvest under sustained yield restrictions.

The obvious cause of high prices is the tremendous increase in demand which has not been matched by corresponding increase in supply. Housing construction is the biggest consumer of softwood lumber and softwood plywood. Housing starts reached 2,378,000 in 1972 compared with an average level of less than 1,500,000 during the decade of the sixties. Consumption of softwood lumber reached 41.1 billion board feet in 1972. About 33 billion board feet were produced by domestic mills, about 9 million board feet were imported from Canada, and 1 billion exported.

Softwood plywood, which is reported separately from softwood lumber, also had a remarkable increase in demand in the past year. Production and shipments reached 18 billion square feet, up nearly 13 percent from the 1971 level.

The most common complaint on lumber shortages is that large volumes of softwood logs are exported, principally to Japan. The exports reached 2.8 billion board feet log scale, of which 2.5 billion board feet went to Japan. When converted to the lumber scale, the export equivalent would be 3.5 billion board feet of lumber. In addition to logs, softwood lumber exports were up 30 percent to a volume of 1.2 billion board feet. Plywood exports were negligible. When compared with the 9 billion board feet imported from Canada, the equivalent volume of softwood exports would be about one-half.

Japanese log buyers have exercised extremely aggressive practices in bidding for softwood logs, and strong allegations have been made that they have contributed substantially to the rising log prices.

It should be noted that most of the log exports to Japan come from private and commercial forests. The law limits the volume of log exports from western Federal lands to 350 million board feet per year. Allegations have been made that this limitation is not very effective in view of the substitution that can take place with no corresponding limitation on exports from commercial or private forests.

Mr. President, it is amazing how today's problem was so accurately predicted in 1969 when our Subcommittee on Housing and Urban Affairs studied the lumber problem and made recommendations on the necessary action that needed to be taken to avoid future shortages and exorbitant prices. It is indeed unfortunate that these recommendations, most of which could have been implemented by the administration, were not put into effect.

Mr. President, I ask unanimous consent to have printed in the Record at this point the conclusions and recommendations of that 1969 report.

There being no objection, the material was ordered printed as follows:

Summary of Conclusions and Recommendations

CONCLUSIONS

A combination of events—increased exports to Japan, shortages of water and freight car transportation facilities, a waterfront strike, bad weather, and a sharp rise in consumer needs aggravated by overestimating and some questionable pricing practices—were the visible causes of the recent crisis in the price of lumber and plywood. However, the underlying cause, which has both temporary and long-term significance, is an artificial shortage of available timber from our Nation's forests. The early-year crisis appears to be a temporary one and, in fact, seems already to be partially solved largely as a result of a number of Government emergency measures and partially by a reduction in demand because of mortgage credit shortages.

The long-range problem is by far the most serious one because, unless softwood timber production is sharply increased, our Nation will find itself critically short of lumber and plywood in the years ahead.

To reach the Nation's housing goal of 26 million units in the next 10 years, lumber availability would have to be increased by 60 percent. The subcommittee was convinced that this increase is well within our resources provided the necessary investment is made in intensive forest management on a continuing basis. About one-half of the Nation's inventory of mature softwood timber, estimated at 2 trillion board feet, is under Government ownership in the National Forests, administered by the Department of Agriculture.

Considering that the National Forests are contributing only 11 billion board feet annually out of this huge inventory, the problem can be seen to be one of management and adequate funding to build roads, to plant trees, to thin, to prune, to fertilize, and to apply the latest technological development to the forests. Obviously, this can be done, but whether or not it will be done, depends upon the approval by the Congress of a dependable continuous adequate financing device. The subcommittee concluded that the best sources of such funds are the forests themselves and the receipts from the sale of timber produced by these forests.

The subcommittee was convinced that, with the necessary financial input, the solution to our long-range problem could be resolved without impairing the use of the forest to meet the conservation and recreation needs of the American people.

The subcommittee also concluded that the export and import factors involved in the current crisis would be resolved on a supply and demand basis once the Nation's forests were operating more productively. However, the subcommittee saw a continuing difficulty with freight car and water transportation problems under existing conditions. The subcommittee also recognized serious dilemmas in pricing and distribution of lumber, starting at the auction process conducted by the Forest Service. Finally, the subcommittee concluded that lumber would continue to be the single most important material in homebuilding but saw increasing opportunities for use of other materials as we move into the mass-production stage of homebuilding in the years ahead.

RECOMMENDATIONS

The subcommittee's recommendations are directed both at the temporary problem and the long-range problem. We are calling the current situation temporary because, for the most part, as a result of congressional hearings and action already taken by the administration, the crisis which threatened to bring homebuilding to a halt early this year has been resolved.

THE TEMPORARY PROBLEM

The President and the Federal agencies are urged to:

(1) Offer for sale the full allowable timber cut on Federal lands.

(2) Loosen the personnel restriction on timber-management agencies.

(3) Negotiate with Japan to release part of its unshipped timber for domestic purposes and postpone its purchases for the first half of 1969.

(4) Hold back Federal purchase of lumber.

(5) Issue the appropriate regulations to free boxcars for lumber shipments.

THE LONG-RANGE PROBLEM

The President and the Federal agencies are urged to:

(1) Develop closer regulations of boxcars to meet the shipment needs for lumber.

(2) Arrange with Japan an automatic reduction in number shipments when domestic shortages reach an intolerable level.

(3) Free lumber and plywood shipments from "Jones Act" limitations.

(4) Speed up processing of revisions in U.S. lumber standards.

(5) Cooperate with the Forest Service on the following:

(a) Offer for sale all accessible salvageable dead and damaged timber.

(b) Concentrate road building where it will generate the maximum timber.

(c) Offer for sale the full allowable cut on national forests.

(d) Implement the Morse amendment to prevent substitution of public timber for exported non-Federal timber.

(e) Aggressively pursue intensive forest management practices to increase timber and decaying timber.

(f) Reexamine present methods of selling and pricing Federal timber to present instability and upward pressure on lumber prices resulting from Federal dominance of market.

The Congress is urged to:

(*a*) Approve legislation providing for the application of high-yield forestry techniques to Federal commercial timberlands similar to the bill now before the Committee on Agriculture and Forestry.

(*b*) Approve legislation now pending before the Agriculture Committee to fund such a program with income from the sale of timber it produces.

(*c*) Review the timber-selling practices of Federal agencies.

(*d*) Approve emergency funds and personnel, for National Forest management—legislation is now pending before the Committee on Appropriations.

(*e*) Consider amending the Jones Act to exempt lumber and plywood from its coverage under certain circumstances.

Mr. SPARKMAN. Mr. President, the housing programs are being hit on several sides at the same time; and unless relief is provided, I can see a definite downturn occurring in housing production for 1973. The administration has cut off new commitments for housing subsidy programs mortgages; mortgage money costs are threatening to increase; and now we hear that lumber prices are causing an increase in house prices of as much as $1,200 to $1,500 a unit.

All of these factors, plus other inflationary costs, are driving up prices of new and existing homes to the point that a middle-income family, let alone a lower-income family, cannot afford a decent home. Rents are rising to exorbitant levels, and we are being besieged for a Federal rent control law. Some action needs to be taken to bring all of these forces into line. Some action is required at the congressional level, but for the most part the administration already has the authority and the leverage to resolve these issues through regulations.

Because of the urgency of the present crisis on lumber prices, the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs will conduct hearings on March 26 and March 27 on the subject of lumber shortages and prices.

In addition, I have required the staff of the Joint Committee on Defense Production, of which I am chairman, to continue to make a thorough investigation and to work with the housing subcommittee on the whole question of the Nation's shortage of softwood lumber and the exorbitant prices now being charged.

NATIONAL HEALTH INSURANCE AND SOCIALIZED MEDICINE

Mr. ERVIN. Mr. President, the Journal of the South Carolina Medical Association for November 1972 carried an article by Dr. Edward F. Parker, president of the South Carolina Medical Association, commenting upon national health insurance and socialized medicine. In this article, Dr. Parker made some comments which merit consideration by the Congress when it undertakes to legislate in respect to health. I ask unanimous consent that a copy of this article be printed at this point in the body of the Record.

There being no objection, the article was ordered printed as follows:

President's Pages

(By Edward F. Parker, M.D.)

Health care delivery is still the current catch phrase used in countless publications and discussions, to characterize the system of medical practice currently in use in our great United States of America. The phrase is also used as a spring board for its foes to attack it, and simultaneously claim that it has to be changed radically in order that everyone shall have an equal right to a blissful state of mental, physical, and social well being. It is claimed, under our pluralistic system in use at present, that equal rights and equal access for all do not exist, and that some type of legislation enacted in Washington will bring about a miraculous transformation that will be the solution to all of our problems.

It is forgotten that in countries having so-called National Health Insurance and Socialized Medicine, important persons get prompt attention and superior care, but the masses stand in line and get very impersonalized care and then only after extraordinary delays during which initially uncomplicated illness may become seriously complicated before medical assistance can be obtained. Even though it is true the persons of privilege in this country have easier access to medical care, surely the others have easier access than the less privileged in other countries. In Italy and Russia, it is reliably estimated that five percent or less of the population have access to prompt and adequate medical care. In England, a high percentage of patients with myocardial infarction are treated at home, and they do not have even the benefits of an electrocardiogram or enzyme levels. Also in England, an average patient is allotted an average of three minutes a visit. The English family practitioner is in danger of becoming, if not already, little more than a triage officer, with less and less experience in treating the really sick, with whom he has no responsibility whatsoever after they are referred to a specialist in a hospital. Many other examples could be cited as evidence that a socialized medical system is not as efficient or economical as the private enterprise system.

The costs of the national health insurance schemes under discussion in the 92nd Congress now are, or should be, appalling. The Nixon and the Kennedy bills could easily lead to bankruptcy or an insuperable burden for present or future generations. It is difficult to comprehend why we have let our government spend so recklessly since the day of the New Deal, to the extent that now the third largest item in the federal budget is the interest on the national debt. It has been tolerable to date only because the federal government can cause inflation to cover its fiscal irresponsibility and the vicious cycle is on. Inflation is the chief basis for the increasing costs of medical care. Would wage and price controls even be necessary if we could be content wih a balanced budget? Obviously, inflation would not be necessary if our government would cease and desist almost limitless borrowing, except in times of a true national emergency, in the case of war with another country endangering the continued independence and freedom of our country.

In a truly federalist system of government, such as we are supposed to have, state and local authorities should share in the discharge of governmental functions. At least one of these can certainly be continued responsibility for the medical care of the indigent sick, which is certainly our greatest need.

Surely this or some other constructive alternative must exist to the wasteful bureaucracy and lesser quality of medical care under a government administered and financed program.

WAGE AND PRICE CONTROLS OF HOSPITALS

Mr. THURMOND. Mr. President, today we are considering legislation which will extend the Economic Stabilization Act of 1970 for 1 year. On January 11 of this year, the President announced that he was introducing phase III of his wage and price controls program. Under this new program, voluntary controls will be maintained throughout most segments of the economy with mandatory controls retained primarily in the food, construction, and health industries.

Although I strongly support the President's efforts to hold down the rate of inflation, I feel that the hospitals throughout our Nation deserve special consideration. These institutions are by and large nonprofit, which distinguishes them from the food or construction industries. Also, they are governed at the local level by voluntary boards of trustees and operated as a service to the people of the communities.

Mr. President, a large part of the inflation in health care prices reflects the efforts of hospitals and other health care institutions to improve salary levels of employees. In South Carolina the average weekly salary of hospital employees in 1971 was $101.07, while the average weekly salary in manufacturing industries in South Carolina in 1971 was $108.38.

As evidenced by recent health legislation, we have become committed to improving the quality of health care and to expanding the supply of health services available to Americans. If maintaining mandatory controls on the health care industry prevents hospitals from recovering costs and from paying equitable, competitive salaries, the result may be reduced servies and a reduced ratio of personnel to patients.

Mr. President, I am sure the hospitals in South Carolina and in the Nation share the administration's goals for improved delivery of high quality, economical health services, and they will support and cooperate with reasonable approaches to reduce inflation in the health field. It is my hope that the Cost of Living Council, in conjunction with the Committee on Health Services Industry, will promulgate equitable and reasonable regulations which will allow hospitals to recover their costs and improve services and keeping with communities' needs.

In conclusion, I wish to request the Cost of Living Council to monitor the health care institutions and their efforts to strike a balance between improving health care and holding down rising costs. If reports can show that they meet the guidelines it seems only equitable that they too should be placed on a voluntary compliance standard.

THE 150TH ANNIVERSARY OF ALEXANDER PETÖFI

Mr. McINTYRE. Mr. President, recently we celebrated the 150th anniversary of the greatest Hungarian poet, Alexander Petöfi. By the time of his death in a battle against the invading armies of the tsar in Transylvania in 1849, he had become the greatest lyrical poet of Hungary and was well known all over Europe.

His works were so popular that by now they have been translated into 40 languages, and we possess several English editions, including one going back to the 1850's in the United States. Such different 19th-century writers and philosophers as Heinrich Heine and Friedrich Nietzsche in Germany, Mistral, Victor Hugo in France, were attracted to the earthy, romantic qualities of his poems and to his ideals of world freedom and democracy. Later, the German Nobel Prize winner, Thomas Mann wrote:

> Since Hungarian literature has been translated more intensively into German, I discover one Hungarian writer after the other with great pleasure. Needless to stress that I place Sandor Petöfi among the greatest lyric poets of the world.

Petöfi was a poet of patriotism who perceived his nation as an orphan fighting the mighty forces of tyranny for independence and freedom. His ardent love of his people was, however, never jingoist. In his famous poem "One Thought Torments Me," which is generally considered as his testament to humanity, he foresees his end, dying in the battle for world liberty. May I be allowed to quote some of the prophetic and visionary lines of the poem:

> My life, let me yield
> On the battlefield!
> 'Tis there that the blood of youth shall slow from my heart
> And, when from my lips, last pains of joy but start.
> Let them be drowned in the clatter of steel,
> In the roar of the guns, in the trumpet's peal,
> And through my still corpse
> Shall horse after horse
> Full gallop ahead to the victory won,
> And there shall I lie to be trampled upon—
> 'Tis there they shall gather my scattered bones,
> When once the great day of burial comes . . .
> With solemn, muffled drumbeats for the dead,
> With sableshrouded banners borned ahead,
> One grove for all the brave who died for thee,
> O sacrosan World Liberty!

Petöfi is, however, not only a political and social freedomfighter. He is the magician of words who can bring the rural environment and the simple people of his nation alive without losing the fine, romantic web of style. Without hypocrisy, he succeeds in simple, but beautiful language to achieve a fine literary style, a quality which made him the best read and most revered Hungarian poet regardless of the political regime.

Today as we celebrate the poet's 150th birthday, we, in the United States, want to pay homage both to the poet and the political and social writer who lived and died for the same principles which we cherish in the Declaration of Independence and the Constitution. He is spiritually and philosophically our relative, and his great love of freedom and democracy should spur us to the understanding that these emotions and understandings are common to all who love their freedom and their people.

SANTA MONICA MOUNTAIN AND SEASHORE NATIONAL URBAN PARK

Mr. TUNNEY. Mr. President, on March 15, I reintroduced a bill, S. 1270, to create an urban park in the Santa Monica mountains. The land included in the bill is the last remaining open space in the entire Los Angeles Basin. If it is not preserved now, it will ultimately be bulldozed into oblivion.

The Sierra Club published an outstanding article on these mountains in the February edition of its bulletin. The article, by Joseph Brown, a southern California freelance writer, entitled "Breathing Space for Los Angeles—The Mountains and the Megalopolis," succinctly and accurately describes the urgent need for this urban park for Los Angeles' 10 million residents and the areas countless annual visitors.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

BREATHING SPACE FOR LOS ANGELES—THE MOUNTAINS AND THE MEGALOPOLIS

On a balmy spring morning a lizard, in retreat from the sun's increasing heat, slithers beneath a sumac bush. Not far away, a young gray fox pauses to slake his thirst at a small stream, flanked by graceful laurels and willows standing motionless on this breathless, windless day. Then he scurries up a ridge toward a sandstone peak. To the southwest, beyond the shoreline at the mountains' feet, beyond sight or hearing of either lizard or fox but surveyed by a flock of terns, three California gray whales lumber northward. Their destination: the Arctic, their annual migration to the Baja California calving grounds fulfilled once again.

There is much more in these Santa Monica mountains, along this seashore—hidden valleys, steep cliffs, submarine canyons, placid ponds, and shady groves. Companions of the fox: bobcat, coyote, ground squirrel, deer. Waterbirds and shorebirds. And an archaeological treasure: more than 600 Indian sites dating back nearly 7,000 years identified so far, possibly only a tenth of the number still awaiting discovery.

The Santa Monica Mountains, running roughly east-west parallel to the meandering Pacific shoreline, rise abruptly out of the agricultural Oxnard plain in the west; and in the east the range buries its feet beneath the asphalt of freeways and the concrete and glass of highrises almost at the heart of downtown Los Angeles. To the north lies the sprawl of the heavily populated San Fernando Valley, but to the south the range adjoins one of the most outstanding marine areas left between Santa Barbara and San Clemente, containing an extremely rich marine biota, kelp beds, and a spectacular stretch of sand beaches and rocky headlands. Together, mountains and shore contribute to Los Angeles' physical identity, provide a clean airshed for smog-contaminated inland cities, offer recreational alternatives to overused Southern California beaches, and support a surprising variety of plant and animal species.

They are not Alps, these mountains. One would hesitate to equate them with some of California's other natural wonders—Lake Tahoe, for example, or Yosemite, or the giant redwoods. Yet to the ten million residents of the Los Angeles megalopolis, the 46-mile-long, 10-mile-wide, 220,000-acre Santa Monica mountain range and its neighboring shoreline are far more important. For Los Angeles has less public lands and parks than any other American city, including New York. Worse, open space continues to shrink as the population expands. (Although 1970 marked the first time that more residents left Los Angeles County than arrived, adjacent Orange and Ventura ranked as California's fastest-growing counties of the sixties.) The Santa Monicas constitute the last surviving unpreserved open space close by the nation's second most populous urban area. So to Los Angeles' millions, this geologically, biologically, and geographically diverse mountain range is a backyard Big Sur, an Everyman's Sierra Nevada—so close that from downtown Los Angeles, the most distant point of the range is only 90 minutes away by automobile.

Ironically, the very attribute that makes this range especially valuable as open space—its proximity to a giant urban area—also makes it attractive to developers. And now, as never before, these mountains and the adjacent seashore are threatened by mindless development. If they are lost, not only will Los Angeles and California be poorer, but the entire nation as well, for this society can no langer afford to squander its resources, especially when the welfare of one of its largest cities is at stake. Los Angeles needs all the open space it can get, and if the Santa Monicas are lost—when the need to preserve them is so clear and the means of doing so near at hand—what hope for other cities and regions to preserve the lands necessary and dear to them? Setting aside open space adjacent to urban areas is essential if our cities are to retain even the semblance of livability. The precedent for doing so exists in the two recently established national urban recreation areas in New York and San Francisco, and in many smaller open-space programs in other cities. It only remains for environmentalists to persuade federal, state, and local governments that such examples should be emulated in every urban area. Right now, the need for doing so is nowhere greater than in Los Angeles.

The bulldozer is at work on the Santa Monicas at the eastern end, near the heart of megalopolis; on the north, close to the heavily trafficked Ventura Freeway; and increasingly along the scenic Pacific Coast Highway to the south. Already, homes and apartments occupy about 32,000 acres, only 1,000 acres less than city, county, and state governments, and private property owners have been thoughtful enough to set aside for recreation and open space. Another 1,000 acres now supports a welter of commercial and industrial enterprises, ranging from shopping centers to gas stations and from movie studios to warehouses. Still another 5,800 acres remain as farmland. Only 150,000 acres—most of it in private ownership—remain in the Santa Monicas for badly needed open space. In another month or two—possibly three—the stage will be set for what possibly could be the Santa Monicas' last chance for survival as an open-space resource.

For years, the Sierra Club and other conservation organizations have advocated preserving the Santa Monicas as open space. Now, action finally seems possible. In January, 1973, for the second year in a row, California Senator John Tunney introduced a bill which would create a 100,000-acre Santa Monica Mountain and Seashore National Urban Park. This legislation, almost identical to another Tunney bill which wasn't heard in Congress last year, gives the special priority to acquiring areas of "scenic, recreational, and open-space value." It initially appropriates $30 million for land-use study and acquisition, and, just as significantly, urges consideration of a regional commission to put the program into motion. It also urges rigid land-use controls as safeguards against the "grow or die" philosophy to which local governments are traditionally prone. Although the exact boundaries for the park would not be determined until later (a deterrent to land speculators), the giant park would generally encompass the area east of the San Diego Freeway along the crest of the range to Griffin Park, and west of the freeway from Sunset Boulevard to Point Mugu. It would also include portions of the beaches and coastal canyons of Santa Monica Bay.

Senator Alan Cranston coauthored the Tunney bill, and Los Angeles area congressmen Barry Goldwater, Jr., and Alfonzo Bell introduced duplicate legislation simultaneously in the House. Committee hearings on both bills should be scheduled soon—probably by summer.

The Sierra Club supports the Tunney bill, as do other conservation groups. Both the city and county governments of Los Angeles have endorsed the concept, but while there appears to be local unity for the park itself, developers are certain to fight tooth and nail against the recommendation for regional controls. That the majority of Californians obviously approved of the regional concept was indicated by passage last November of the monumental coastal protection initiative. While the initiative at last established sensible, rigid control machinery for the seaward portion of the proposed mountain-seashore park, its authority ends at the ridge crest. A separate regional agency, originally proposed by a state study commission and inferentially endorsed by Tunney's bill, is needed to assure that haphazard development does not continue on the Santa Monica's northern slopes.

Arguing for the need for federal action, Senator Tunney last August cited the narrowing gap between Los Angeles' increasing population and dwindling open space. "Daily this process of uncontrolled urban sprawl into our *de facto* open space continues and the reality of a permanent, protected open-space and recreational area is slipping from our grasp," he said. "The enormity of the problem, and the expense of acquiring large areas and developing them for large-scale recreation—a totally new problem from the time when large scenic areas could be acquired for a pittance—necessitates federal involvement."

The Santa Monica Mountains represent precisely that sort of terrain on which development should not occur. Seventy-eight percent of the slopes were of the San Diego Freeway are in gradients over 25 percent; nearly half of them, 50 percent or more. Building on slopes this steep requires extensive cuts and fills which destroy the ecology of an area and contribute to further weakening of already precarious strata. The highly erodible soil and rock formations of the Santa Monicas' steeper slopes present a formidable slide hazard even without human meddling. Furthermore, fires, floods, and earthquakes scorch, soak, and shake the range at distressingly frequent intervals.

When the warm, dry Santa Ana winds sweep this area each fall, and humidity drops below ten percent, fires are inevitable and living in these mountains is a calculated risk. In the past 40 years, 37 major fires have blackened 400,000 acres of the Santa Monicas. It is as if the entire range had been burned almost twice over. As an example of how disastrous these fires can be, the September 1970 Bel Aire-Brentwood fire was stopped only after it had razed buildings worth $25 million. "It is not a matter of *will* the Santa Monica Mountains burn, but *when*," said one official of the Department of the Interior, which recently completed a land-use study of the range.

Winter rains come to the Santa Monicas only a couple of months after the brushfires of fall, and the steep slopes that fire has stripped of vegetation become torrents of mud. The most spectacular flood conditions occur in the Malibu Creek area north of the beach community of Malibu. The average annual runoff of the creek is 67,000 acre-feet, and during a record deluge in 1969, runoff soared to an astonishing 33,760 cubic feet per second.

And of course there are the earthquakes. The damage caused by the disastrous Sylmar tremor of February 9, 1971—which occurred in another range near the Santa Monicas—underscores the constant danger of the ragged-branching fault lines that bisect all the mountains of this region, including the Santa Monicas. Hundreds of quakes have occurred in this range over the years, many of them along the Malibu Fault, a close cousin to the one that rattled Sylmar two years ago.

But in the Santa Monicas, nature can also be benevolent. Because of clean, prevailing winds blowing off the Pacific Ocean, the mountain range serves as a valuable airshed, diluting the already critically polluted air over the Los Angeles basin. Development of these mountains would not only add new smog as more and more two- and three-car families commute to work, school, and store from their split-level hillside perches, but would also remove the giant natural air cleaner that keeps pollutants in the metropolitan basin from becoming worse than they are.

Development also would obviously place great pressure on the mountain ecosystems, drastically altering their ability to support native plants and animals. Natural landforms, geological formations, and archaeological sites would be invariably altered or obliterated.

Finally, development of any area—especially an area like the Santa Monicas where topsy-turvy terrain carries such a high price tag—is almost certainly irrevocable. As the Interior Department study observed in what was perhaps the understatement of the year: "After huge sums of money are invested in development, a site is for practical purposes permanently altered and prohibitively expensive to buy and convert back to such a use as recreation or open space."

Yet despite the hazards and the costs, the bulldozer is ever on the move in these mountains.

Although the Santa Monicas once supported some of the densest populations in aboriginal North America—Chumash, Fernandeno, Gabrielino, and Tongua Indians, for example—these pre-Hispanic communities lived simply and left no lasting scars on the land. Even after 1848, when California was ceded to the United States, the area's ability to replenish itself kept ahead of man's ability to destroy. The gap narrowed with the opening of the transcontinental railroad in 1876. First, the immigrants filled the central Los Angeles basin, but as more were lured west to bask in a Mediterranean-like climate, they began spilling into adjoining valleys and nibbling at the foothills. Dissolution of the huge Rancho Malibu and opening of the coastal highway in the 1930's spurred growth along the coast. The population of the San Fernando Valley just north of the Santa Monicas increased rapidly in the forties and fifties, and suburbs began creeping up the canyons and gentler slopes of the nearby range.

With increasing development, open space throughout the Los Angeles area rapidly dwindled so that today, pressures on remaining lands are acute. Development continues apace in this already congested region, and existing recreational facilities are insufficient for the huge population. "Beaches are continually crowded and camping sites for hundreds of miles around often require reservations and turn thousands away on popular weekends," Senator Tunney reminds us, "Los Angeles residents are equally discouraged by the teeming crowds at the few local recreational areas, and by the crowded highways leading to facilities in outlying areas." As a case in point, Tunney cites what happened at a county park in the Santa Monica Mountains. "Its facilities were so consistently overused that officials were forced to close the area to overnight campers."

Los Angeles conservationists, long alarmed over this trend, began years ago to protect the diminishing, precious natural resource of the Santa Monicas and the adjoining seashore. Considering the enormous opposition from developers, who are abetted by a tangle of tax dollar-hungry local governmental jurisdictions, even the conservationists' smallest victories today loom as milestone achievements. In 1968, for example, they managed to block plans to "upgrade" Mulholland Drive to what is deceptively called a "scenic drive"—as if it weren't already. Their argument was devastatingly simple: how "scenic" can any road be when it is converted to a minifreeway. They also convinced the state to remove the proposed Malibu and Pacific Coast freeways from future maps, and their outspoken concern for the Santa Monica Mountains was given heavy credit for passage of the state's 1964 park bond act. (Though that still appears something less than a full-blown victory, for only a portion of the promised park has materialized.)

The idea of utilizing the Santa Monica mountain range for some kind of urban park, preserving its open space for future generations, was kindled in the late 1960's and caught fire at the start of the present decade. At a conference at UCLA in 1970, those interested in preserving this urban resource proposed such a plan, and much of the community has rallied behind the idea. About the same time, Interior Secretary Walter Hickel announced that his department was laying groundwork for a national system of urban parks—14 altogether, one of them the Santa Monica Mountains and seashore. Exhaustive, three-phase studies of each proposed park was assigned to Interior's Bureau of Outdoor Recreation, which issued its preliminary Santa Monica report last August. The report recognized that Los Angeles open space was diminishing at a time when it was needed most, but recommended acquisition of only 35,500 acres. Furthermore, the report proposed acquisition not by the federal government, but by state and local agencies, on the grounds that the Santa Monicas are good for "high quality but not high quantity use," and therefore do not qualify under existing statutes. The Santa Monica Mountains received greater priority under Hickel than they do today, even though badly needed open-space lands are now becoming increasingly developed, yet even more expensive to acquire. But as disappointing as this decline in priority may be, the coalition of urban park supporters hailed the bureau's recommendation for regional controls of the area, especially significant because the bureau suggested no other alternative.

Regional controls for the Santa Monicas are indicated because the range straddles two counties (Los Angeles and Ventura), and five cities (Los Angeles, West Hollywood, Beverly Hills, Thousand Oaks, Camarillo). Jurisdiction over recreational activities alone is divided between seven government agencies. Finally, we must add other existing and anticipated forms of regional government, such as the six-county, 106-city Southern California Association of Governments (SCAG).

As Interior's study points out, local governing bodies continually seeking new tax sources are most susceptible to pressure from developers, and fiscal considerations rather than environmental or human needs usually determine who gets what. The State Environmental Quality Control Council made this point following a hearing in Malibu in 1969. After listening for two days to a dozen local officials who gave a dozen different opinions of how Malibu should grow, the council concluded: "Each agency pursues its own narrow objectives, as required by law, which, as we have seen, generally fails to consider environmental quality."

At the same Malibu meeting, noted systems ecologist Kenneth Watt effectively punctured the one notion that most local agencies *do* manage to agree on—that only progressive development, by supposedly spreading the tax load among more people, can keep taxes down. Taxes not only do not go down when this happens, Professor Watt argued, they often go up because the additional population requires additional government services, which more than offset additional tax revenues. One study shows that in costly-to-build mountain areas like the Santa Monicas, each new dwelling costs the taxpayer between $5,000 and $10,000 for such services as roads, sanitation, and fire and police protection.

Although the Interior study endorsed the regional concept, the Ventura-Los Angeles Mountain and Coastal Study Commission, which first proposed it, did not survive long enough to see it implemented. In its final report issued last March commissioners asked the state legislature for a two-year extension and $700,000 to complete their work, but the bill to implement this request died in the 1972 session.

Still very much alive, however, are organizations to promote development in the Santa Monicas, such as Advocates for Better Coastal Development (ABCD) and its spinoffs. Concerned Citizens for Local Government (CCLC), which hastily came into existence in an effort to counter the Ventura-Los Angeles commission's recommendations. ABCD and CCLC argued that existing land-use controls are adequate for proper development of the Santa Monica Mountains and adjacent coastal zone, a ludicrous view in light of the area's past history of haphazard development. The organizations were supported in their position by Commissioner Merritt Adamson who, in an outraged minority report, sputtered that the commission's proposals—which included a moratorium on building during a further study period—would have a "devastating effect" and result in "enormous economic loss to any developer."

Tunney's bill, which would place "substantial reliance" for land-use planning on the cooperation of federal, state and local governmental agencies, nevertheless would direct the Interior Department to give serious consideration to the Ventura-Los Angeles commission's recommendations, which include, of course, the regional-control concept.

The $30 million Tunney seeks to implement his mountain-beach urban park legislation won't do the whole job; at today's prices it will buy only a small slice of the 100,000 acres envisioned for the long-sought, desperately needed mountain-seashore greenbelt. Although property in remote, less accessible section of the Santa Monicas can be purchased today for as little as $300 per acre, the beachfront pricetag at Malibu sizzles up to $3,000 per front foot. Using the Bureau of Outdoor Recreation's modest $3,000-per-acre figure, acquisition of 100,000 mountain and seashore acres today would cost $300 million, and the longer action is postponed, the higher the price will be.

Therefore, Tunney has proposed a system of acquisition priorities, considering first those sites that have unique "scenic, recreational or open-space value." These include the Point Mugu-Pacific View-Boney Mountain-Hidden Valley complex; Zuma, Trancas and North Ramirez canyons; Malibu Canyon and Century Ranch; Cold, Tuna and Santa Maria canyons; areas north and west of Will Rogers State Park; Caballero Creek; the 55-mile, winding Mulholland Highway (for development as a scenic corridor the length of the range); and seashores and associated canyons.

The $300-million pricetag for the proposed 100,000-acre urban park is staggering to be sure, but the cost of preserving the Santa Monica Mountains to the ten million residents of the Los Angeles area and eight million annual visitors is only about $17 per person. Few could deny they would be getting one of the world's great bargains.

RED JACOBY

Mr. McGEE. Mr. President, recently the people of Wyoming were saddened by the death of one of its great gentlemen, Red Jacoby, who had just recently retired as athletic director at our State's only university.

Red Jacoby was an excellent athletic director and an exceptional leader of young men. He was credited with building the fine athletic program which promoted an intense pride on the part of the people of Wyoming over the past 26 years. His great teams provided rallying points for the citizens of my State and the alumni of the University of Wyoming who are scattered across the Nation.

Red's loss is deeply felt in Wyoming and by his many friends throughout the country.

In the March 9, 1973, edition of the Wyoming Eagle, there appeared an excellent column written by Larry Birleffi who has been as close to the Wyoming sports scene as anybody in our State. Larry has written a very humane assessment of Red Jacoby and the reasons Wyomingites felt so deeply about this unique individual.

I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

ABOUT AN OLD FRIEND

(By Larry Birleffi)

I can only try and set down some of the things that stand out in my mind during sad moments of a loss of a long time and admired friend over the past 25 years.

First of all, it would be certainly heartwarming to the many people who knew Red Jacoby, or who were associated with him, to learn of the many and sincere tributes paid him in the past 48 hours. It reflects the stature of the man and the admiration for his devotion to a program he built from scratch to national stature. And this comes from many parts of the country.

So rather than highlight Red's career, which is well known and will be forever recognized by the people of Wyoming, I'd like to touch upon the human side that might not have been as well known.

He had a quality that eludes so many of us. He had the unrelenting ability to understand, charm and placate others, particularly in time of crisis.

When success engendered the departure of his football coach, and their old friendships strained, Red was the master diplomat, never losing his cool. He believed to the end that no one personality is bigger than the program itself.

He set a rugged pace for himself and the people who worked for him. Intolerant with pain or low morale, his favorite earthy expression was to "suck up your belt and get to work." This is one he used a great deal to coaches and players after tough defeats.

Until this last year or so, he wouldn't admit to having a pain in his life, nor did he ever admit to taking even an aspirin. For 20 years, whenever possible, he worked out religiously at hand ball or at some physical exercise. He watched his weight like a hawk, and never gained more than five pounds over his own college days at Idaho.

With the University money, he was a tightwad, who maintained a sound fiscal policy. Personally, he was a deeply kind and generous guy. Nobody will ever know the many things, big and small, Red has done over the years in a personal way for young people, coaches, friends and others who worked for him.

SHAPED THE FUTURE YEARS

Some of his happiest hours came in the first years with Bowden Wyatt, perhaps his closest friend in those days. It was Red's manuevering and planning that landed Wyoming into its first major bowl game, The Gator, that shaped the destiny for the next two decades.

I thought one of his greater accomplishments was his handling, along with Duke Humphrey, the dissolution of the old Skyline conference and the behind the scenes chess game that led to the Western Athletic Conference.

It suddenly developed then that there would be a WAC all-right, but maybe without Wyoming. Here Red went to the memorable summit meetings at San Francisco, where he spent many long days and nights to get his school and program accepted.

In later years, he fought for the acceptance of Colorado State U.—and won—. This wasn't, of course, an entirely altruistic move on Red's part, but he was well aware of the value to the gate for both Wyoming and CSU, old rivals playing in the same league.

But one of Red's greatest qualities was his long and respected relationship with the press—the media, around the country. Those of us around the league reminisced about this the other night. Unlike past and present government administrations, who could have learned a little from the old Redhead, he never put anybody down, on any "unwanted" list; for anyone who took pot shots at him, his school, or the teams.

Instead, he took them within, and with patience and condor, he'd tell them Wyoming's side of the story. Maybe this approach is an anomaly in today's changing style, but none in the entire western half of the country, and particularly within the league, enjoyed a better relationship with the press. None has even been better liked.

NO GENERATION GAP

Some of Red's closest friends always have been people, 10 or 15 years his junior. And he gave them a feeling of indestructibility since he always appeared so physically fit.

I've never known anyone who hated to lose so much. Whether golf, the Cowbodys in football, or a game of gin rummy, for which the two of us hold the world's longest record in the sport—in land, sea and air, over 25 years, he brooded inwardly over a defeat of any kind.

Knowing this, I would always marvel at his sportsmanship. He'd be the first to duck in the visiting dressing room, whether it was a victory or a pretty tough defeat. This is something he always did. His entire operation, from facilities for visiting officials, to the fastidiousness of the fieldhouse, became a legend in college sports all over the country.

I guess I'll never understand how, through it all, and knowing how deeply he felt, Red always held his composure and judgment. And this became known everywhere.

He was major league.

These may be some of the reasons Red Jacoby was the first to engineer a home and home schedule with the Air Force, something sought by hundreds of schools around the country. None was more respected than Red by the Air Force officials in those early years.

And so, somewhat ironically, the millionth fan passed through the Wyoming fieldhouse last week, after 23 years, in the final hours of his life.

How fitting that today a final tribute will be paid in the fieldhouse where he spent so many hours building the program over a quarter of a century.

For this is the house that Red Jacoby built, a house of a million fans—and a million memories; and a legend Wyoming will never forget.

WOUNDED KNEE

Mr. ABOUREZK. Mr. President, I ask unanimous consent to insert in the RECORD an article in the Sunday, March 18, 1973, New York Times magazine by Alvin M. Josephy, Jr.

Since the beginning of the tragic and unfortunate confrontation at Wounded Knee, S. Dak., the national press corps which has covered that crisis has made no significant effort to define the issues which are the basis of the Wounded Knee confrontation.

Mr. Josephy's article is thoughtful and conveys with great accuracy the real issues involved there, and in the total context of the Federal-Indian relationship.

I hope that other members of the press will attempt to do the same.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WOUNDED KNEE AND ALL THAT—WHAT THE INDIANS WANT

(By Alvin M. Josephy, Jr.)

(NOTE.—*Alvin M. Josephy, Jr. is a vice president and senior editor with American Heritage Publishing Company. In 1969, he wrote a special report for President Nixon on the Bureau of Indian Affairs. His books include "The Patriot Chiefs," "The Indian Heritage of America" and "Red Power."*)

To most non-Indian Americans, the Indian occupation and destruction of the Bureau of Indian Affairs Building in Washington, D.C., last November, and in recent weeks the seizure of 11 hostages and the succeeding dramatic events at Wounded Knee, S.D., the kidnapping of the city's mayor and shootout at Gallup, N.M., the burning of the courthouse at Custer, S.D., and the scattered—but spreading—rash of similar violent confrontations between Indians and whites in different parts of the country have been shockers.

Indians *that* militant? Coming out of the quiet of 100 years of the subjugation and inoffensiveness of "out of sight, out of mind" reservation life; tearing up a Government building in the nation's capital to convert it into a defensive fortress; threatening, if attacked, to kill whites and be killed themselves because (as the Sioux and Cheyennes once cried at the Little Bighorn) "it's a good day to die"; proclaiming goals of Indian sovereignty and Indian independence and asking for intercession by the United Nations; acting, in fact, for all the world like modern counterparts of all the Indians who fought back desperately against the ferocity and injustices of the white invaders of their lands in the 17th, 18th, and 19th centuries and went down fighting as patriots—who would have believed it in 1973?

The most shocked, by far, has been the Nixon Administration, which believed genuinely that it had made a historical reversal of the tragic course of Federal-Indian relations and was giving American Indians, at last, everything they asked for. The Indians had been saying for years that it was about time that they be allowed to manage their own affairs on their reservations and not be governed like colonial subjects by Department of the Interior bureaucrats with yes-and-no power over everything that was important. They wanted the Government to continue to act as trustee, protecting their lands and rights that were guaranteed to them in treaties they considered sacred; but if they were to break the terrible grip of poverty and low standards of education, health and other fundamentals of life that made existence so desperately hopeless for them, they wanted an end to unworkable policies and programs imposed on them by unknowledgeable white bureaucrats in Washington and the ability, instead, to devise and carry out the programs which they knew, better than others, that their people needed and could make work successfully.

Some called it freedom, some called it self-determination. But no President listened to them until 1970. In July of that year President Nixon finally sent a special message to Congress, announcing a new national attitude toward Indians—at least, on the part of his Administration. He would give the Indians the self-determination they had asked for, making them self-governing on their reservations in the same way that all other Americans were self-governing citizens of their cities, towns and counties. At the same time, like a bank that acts as a trustee for a person's money or property, the Federal Government would continue to act as trustee for the Indians, protecting the land and resources that they owned.

Nor, at first, were these simply words. The President followed up his message by sending enabling legislation to Congress (which the Congress has not yet passed) and ordering a thorough "shaking up" and restructuring of the Bureau of Indians Affairs, the agency in the Department of the Interior charged with carrying out Federal Indian policies and programs, to provide mechanisms through which the tribes could take over the management and direction of their own affairs from the bureaucracy.

Though this sudden turn of events seemed hard for Indians to believe, their incredulity began to give way to enthusiasm as the Administration drove on in the new direction. Accessibility to the highest levels of Government was given to Indians by the assignment of two of the President's White House aides, Leonard Garment and his assistant, Bradley Patterson, as troubleshooters, with an open door in the Executive Office of the President to aggrieved Indians and a directive to help Indians push the bureaucrats to carry out the intent of the new policy. Another expediting mechanism, the National Council on Indian Opportunity, chaired by Vice President Spiro Agnew and composed of eight Cabinet-level officials and eight nationally prominent Indians, established another line of communication between the Indian people and the very top of the Government. Its function was to act as a watchdog over all Federal-Indian relations and see that the Government carried out effectively the policies the Indians wanted.

The failure of Congress to enact the legislation sought by the Administration (more about those bills later); some damaging resistance and politicking by various old and new bureaucrats and officials in the Department of the Interior (more about that, too); and minor and temporary differences among some of the Indians over certain policies (which were eagerly played upon and magnified by opponents of Nixon's Indian policy in Congress and the Administration, and which also will be expanded upon below) had the effect of hobbling the drive to carry out the President's goal of self-determination. But under Louis R. Bruce, the new, sympathetic Commissioner of Indian Affairs, son of a Mohawk and a Sioux, who soon became beloved by most Indians in the country, the Bureau was "shaked up" and reorganized to prepare itself for true Indian self-determination by becoming a service, rather than a managing, agency. Brilliant and dedicated young Indians were brought in to head Bureau activities as policy makers, and for a while in late 1970, before the political hobbling began to trip them up, they gave to Federal-Indian affairs a freshness, vitality and optimism that were unprecedented in the Bureau's long and dismal history.

With all these things, including most importantly the publicly stated objective of the President, going for them, the Indians soon began to feel that maybe this time there would be no broken promises. Despite the absence of the enabling legislation which the Administration had requested, ways were found to turn over full management of their affairs to two tribes, the Zuñis in New Mexico and the Miccosukees in Florida. Dozens of other tribes, preparing to follow the Zuñi and Miccosukee example, acquired control over certain activities on their reservations, including in some cases their schools, contracting with the Bureau for funds with which to operate what they took over. At the same time, Federal spending for Indians was increased dramatically. The Bureau's appropriations rose from $243-million in fiscal 1968 to more than $530-million in fiscal 1973, while over-all Federal expenditures for Indians (including funds for Indian programs in such agencies as the Office of Emonomic Opportunity and the Department of Health, Education and Welfare) climbed from $455-million to $925-million in the same period. The Bureau also undertook studies to persuade the Administration and Congress to add wholly new appropriations for the provision of education, health, welfare and other services to so-called urban Indians, now estimated to number almost half a million, who live in cities and do not share in most tribal programs, though their needs are often equal to those on the reservations.

On many other fronts—from increased scholarships for higher education and support of Indian cultural activities to accelerated economic development programs—steps were taken to give tribes what they wanted and to ameliorate or end long-festering situations. High on the list of such actions were the settling of the land claims of the Alaskan Natives (a complicated, land-and-money compromise that satisfied most of the Natives, though in the long run it may prove not to have been in the best interests of all of them) and the return to several tribes—including the Taos Pueblo in New Mexico, the Yakimas in Washington and the people of the Warm Springs reservation in Oregon—of sacred or other desired pieces of land which the Indians felt had been unjustly taken from them and which they had been straggling for many years to regain. Each of these actions resulted largely from the personal interest of the President, the Vice President and the White House aides charged with special attention to Indian affairs and reflected, at the least, the wish on the part of the White House to strengthen Indian faith in the Administration.

Then why in the face of all this, did the sudden explosion occur at the Bureau of Indian Affairs Building last November that seemed to say, also at the very least, that there was no faith, only a desperation and hatred so deep that the Indians were ready to kill and be killed in the nation's capital? The answer lay both in the long, dishonorable history of this nation's treatment of Indians, which could not be overcome in so short a time, and in new frustrations and injustices that undermined and threw into question among many Indians the genuineness of the President's policy.

From the start, the enunciation of that policy and the incipient efforts to implement it seriously disturbed some of the top officials of the Department of Interior, various people in the Office of Management and Budget, who question and approve the conduct of, and budgeting for, Indian programs, and certain members of the House and Senate Committees on Interior and Insular Affairs, who are responsible in Congress for Indian legislation. The reason for their wariness and distress is not hard to fathom. It has often been said, with considerable truth, that there is big money in "Indian business." The Indian tribes still own more than 55,000,000 acres which, with their water, minerals, timber, grazing lands and other natural resources, represent a sizable portion of that part of the nation's territory which is still largely unspoiled, unexploited and unpolluted. For many years the acquisition of these resources has been the objective of numerous non-Indian users, whose pressures and tactics, often questionable if not outright fraudulent, have brought them into serious conflicts with the Indians. Inevitably, the conflicts have turned the white interests for help to Senators and Congressmen of the Interior Committees and to friendly officials of the Department of the Interior or other agencies of the Administration, and almost as inevitably the Indians have suffered.

Most of the conflicts concern matters falling within the interests of agencies of the Department of the Interior and the two Interior Committees in Congress—land, water rights, mineral deposits, grazing ranges, rights-of-way, etc. Indeed, some of the chief usurpers of Indian resources have been Department of the Interior agencies themselves, like the Bureau of Reclamation, which has diverted Indian water to non-Indian reclamation projects and built dams that flooded Indian lands, as well as the National Park Service and the Bureau of Land Management. The Department—and indirectly the two Congressional committees concerned with its activities—therefore wears two hats. As trustee of Indian resources, it is bound by law to protect tribal holdings; at the same time, its own agencies and various private interests (who, incidentally, have more votes and can contribute more campaign funds than Indians) must also receive sympathetic representation by the Department and its solicitors.

The conflict of interest has worked increasingly against the Indians, but in truth it has been to the liking of Western interests, some of the officials of the Department, and various Congressmen and Senators. It has kept Indians and Indian resources under their thumbs, so to speak, permitting them to exercise control over the course and disposition of the conflicts. Any move toward self-determination, any restructuring of the Indian Bureau that permitted the Indians to edge closer to decision-making authority over their own affairs (i.e., to get out of control), was something to oppose.

Perceiving this conflict of interest, the President nevertheless sent to Congress in the package of seven Indian bills he wished passed a proposal to establish an Independent Trust Counsel to represent the Indians in conflicts with Interior and other Government agencies. This has resulted in one of the first strains of Indian resentment, for not only has Congress predictably failed to enact the proposal, but the Administration, with the passage of time, has given scant evidence that it had a sincere commitment to this or any of its other Indian bills, or really wanted them passed.

Meanwhile, grabs for Indian resources have reached the dimension of a massive assault by all sorts of conglomerates and huge industrial combinations. Tribe after tribe has become split into factions, as the Government has encouraged and aided coal companies to strip-mine Indian lands, much of them held sacred by the traditionalist Indians (those loyal to their ancient ways and spiritual beliefs); power companies to build monster, polluting generating plants, transmission lines, railroad spurs and truck highways on the reservations; and real-estate and industrial-development syndicates to erect large projects among the Indian settlements for the use of non-Indians.

Conflicts with a marked antiwhite as well as antiGovernment character have broken out over many of these developments. Angry groups of Indians, composed not only of young activists but of all elements of the people, have protested the Bureau of Reclamation's diversion to a non-Indian irrigation project of the water of the Truckee River, the only major source of water for Pyramid Lake in Nevada, which is practically the entire reservation and the main supplier of income and livelihood to a Paiute tribe but which consequently is now drying up. Other Indians have become inflamed by strip-mining and power-plant developments on the Hopis' sacred Black Mesa in Arizona, on Navaho lands in Arizona and New Mexico and on the Crow and Northern Cheyenne reservations in Montana. Still others have fought white real-estate developments on a number of Southwestern reservations. These, and other white intrusions have been accompanied, moreover, by frictions that have made them worse: Indian water rights have been won away from tribes by deceit; leases have been signed secretly; their terms have been unfair; and even those terms have not been lived up to and are not enforced.

The method by which leases for Indian-owned resources are approved and signed has exposed another—and extremely serious—source of Indian anger. Prior to their military defeat by white men, all tribes had centuries-old methods for governing themselves, some by councils of wise and respected civil headmen and chiefs, others by hereditary religious or clan leaders. But in 1934 the Federal Government imposed on almost every tribe a uniform system of tribal councils—styled in the white man's way—that named the top tribal officers. Council members were supposed to be elected democratically by the people, but in practice the new system was so alien to large numbers of Indians that majorities of them on many reservations have refused consistently to vote in tribal elections and continue even today to regard the councils as institutions of the white man rather than of their own people.

The gap thus created between the tribal governments and the Indians who did not accept them was bad enough in the past—indeed, it has been another inhibiting factor in Indian development for a long time—but the move to give Indians self-determination, together with the greatly increased funds that have been appropriated for Indians in recent years, have worsened the situation by increasing the power and financial resources of the councils and tribal officers and, in effect creating small political and economic Indian "establishments" on many reservations. The present Administration, looking for leaders who will run a tribe's affairs, has encouraged this development. But the system has resulted in accelerating the growth of corrupt little tyrannies, composed sometimes of the tribal councils and their friends and relatives, sometimes simply of the tribal chairman and his treasurer. These, acting in collusion with Government officials, the white interest desiring to exploit the reservation resources and the tribal lawyers (usually white men, but in all cases persons who *must* be approved by the Secretary of the Interior), have come to serve almost as willing arms or accomplices of the Federal Government.

The people's antagonisms to their tribal governments (sometimes exacerbated by added irritations, such as white-oriented mixed bloods who do not speak the tribe's language but who rule high-handedly over full bloods) have split many reservations. The Brule Sioux on South Dakota's Rosebud reservation have seethed for many years over a series of allegedly corrupt tribal officials. On the neighboring Pine Ridge reservation, the frustrations of Oglala Sioux who tried unsuccessfully to oust their tribal chairman, Richard Wilson, a mixed blood charged with corruption, nepotism and with being a puppet of white interests, were a major contributing cause of the outburst at Wounded Knee. Crows, Northern Cheyennes, Hopis and Navahos have had serious internal divisions over the secretive leasing activities of their tribal leaders, and numerous other groups, including the Mohawks in New York State, the Cherokees and other tribes in Oklahoma, and Indians at Tesuque in New Mexico and in Minnesota, Nebraska, the Northwest and throughout the Dakotas, have been in conflict with their governments.

The truth is that on few reservations today are the tribal leaderships fully accountable, or responsive, to the people (few Hopis knew about the leases to strip-mine Black Mesa or even today can find out what happens to the lease money paid to the tribe by the Peabody Coal Company. And the laws governing the Indians are still such that the people of few tribes possess the legal or political powers to "throw out the rascals" or reform their systems of government. Yet when they complain to the Bureau of Indian Affairs, they are told with utter hypocrisy that, because of the Indians' wish for self-determination, the Government will no longer interfere in internal tribal matters. But every Indian knows that the leases that threaten their reservations and are bringing them into conflict with white exploiters had to be approved by the Government, that in most cases it was the Government that first brought the white companies to the tribal chairman and lawyer, that the Government advised the chairman in the writing of the leases, and that it, finally, encouraged him to sign it.

The result of this—and of a number of allied developments—has been the growth of opposition, often sparked by activists, traditionalists and Indian landowners, against the reservation power establishments, whose members are termed derisively "Uncle Tomahawks" or "apples" (red on the outside, white on the inside), because they are viewed as tools of the white interests and betrayers of their own people. The problem has become more serious as the white intrusions have increased and become more insensitive to Indians and their ways of life, and as efforts by the Indians generally to bring them under control or stop them have been frustrated. Recognition of the Government's role in directing the Indian power establishment, even while it talked of self-determination, took on the coloration of anger over betrayal and, together with the developments that were occurring in Washington and on different reservations, began to set the stage for an Indian explosion.

In Washington, as noted, invigorating changes had begun to be made in the Bureau of Indian Affairs. It was not long, however, before storm signals were flying there too. Old-liners in the Bureau began to drag their heels, sabotage directives and engage in politicking against the new young Indian policy makers and their restructurings. The old bureaucrats who felt that their jobs and petty authority were threatened turned in three directions for help: they whipped up fears and jealousies among reservation tribal chairmen against the young Indian "militants," who, they said, had come to the Bureau from the cities, did not know the problems of the reservations and were instituting policies that would hurt the reservation Indians. Their charges were false, but they served for a time to arouse opposition among some tribal chairmen against Commissioner Bruce and any changes in the Bureau. At the same time, the old-liners appealed to members of the Senate and House Interior Committees, warning them that control over the tribes was slipping away, and to higher officials of the Department of the Interior, complaining of gross inefficiencies on the part of the allegedly inexperienced newcomers.

All these forces were strong enough to combine, in 1971, to halt the efforts to achieve the goals of President Nixon's message. Within the Department of the Interior, the line of authority in Indian affairs moved upward from Commissioner Bruce to Harrison Loesch, Assistant Secretary for Public Land Management under Secretary of the Interior Rogers C. B. Morton. Loesch, a strong-willed, determined man, who knew practically nothing about Indians and announced when he assumed office in 1969 that he had never been on an Indian reservation, became really the top Indian-affairs official in the Department. This put the Indians at a disadvantage for Loesch, who comes from Colorado and had good relations with Colorado Congressman Wayne Aspinall, chairman of the House Interior Committee, was more in tune with Western interests—whose eyes were on Indian resources than he was with the tribes, and failed at any time to give evidence that he was in sympathy with the President's Indian policy.

Responding to the pressures of all those who, from intent or ignorance, objected to what the Bureau was doing, Loesch and the Department, with Congressional backing, took Bruce's powers from him, transferring them to a new Deputy Commissioner, John O. Crow, an unpopular old-liner, himself part Indian but one who had been associated with a discredited policy of the nineteen-fifties that would have ended the reservations, and who was removed from the Bureau in the nineteen-sixties by Secretary Stewart Udall. The Bureau's new policies, including the granting of self-management to the tribes, were halted; the whole thrust toward self-determination was shunted aside, and even the White House aides, Garment and Patterson, and the Indian members of the National Council on Indian Opportunity felt politically helpless. An almost instantaneous, united and highly vociferous Indian reaction throughout the country, however, resulted in second thoughts. A partial reversal followed, but the damage was done. Although Bruce's powers were somewhat restored to him, Loesch and his aides constantly undermined Bruce and frustrated many of his objectives, hamstringing and immobilizing those in the Bureau who tried to get self-determination back on the main track of Indian affairs.

As a result, during 1972, Federal-Indian relations, off to so excellent a start in 1970 following the President's message to Congress, deteriorated rapidly. The Indian activists, many of them well educated, living in cities and familiar with the ways of the whites, lost patience with the establishment leaders on the reservations, who seemed to them to be playing willing stooges to a double-dealing Federal Government. Many of the activists joined the militant American Indian Movement and used every occasion to demonstrate and force confrontations with offending whites. They were, in truth, given many opportunities. Despite the increased Federal appropriations, services were not being delivered with any more efficiency to the Indians, nor were the added funds making a noticeable impact on age-old reservation problems. (The Government was spending almost $2,000 for each reservation Indian, yet the average annual income of each Indian *family* remained considerably below that figure.) To Indians who were aware of the affluence and high standards of living in the rest of the country, the continuation of the grinding poverty, the denials and the frustrations of families on the reservations were intolerable, as were the leases which the tribal leaders approved and which threatened their lands, resources, health and continued existence as Indian peoples.

In addition the prejudices, atrocities and injustices against Indians continued. In the Puget Sound area, for instance, Hank Adams, a courageous Assiniboin-Sioux and well known Indian intellectual, who had been leading a struggle for the Indians' treaty-guaranteed fishing rights in that region, had been shot and seriously wounded at night, and no one was arrested. In western Nebraska, Raymond Yellow Thunder, an elderly Sioux, was stripped of his pants by white tormentors, humiliated for fun before a white audience, then murdered and left in the cab of a pickup truck. In Philadelphia, Leroy Shenandoah, an Onondaga veteran of the Green Berets and a member of the honor guard at President Kennedy's funeral, was brutally beaten and shot to death by police who justified the act as "excusable homicide." In California, Richard Oakes, a Mohawk known to all Indians as the leader of the occupation of Alcatraz Island, was slain by a white man whom the law treated lightly. In Custer, S.D., Wesley Bad Heart Bull, a Sioux, was killed and a white gas station attendant was accused in the slaying. When the dead Indian's mother protested that the white man faced a maximum of only 10 years in prison if he were convicted, she herself was arrested by the white authorities and held on a charge calling for a maximum sentence of 30 years in prison.

Such incidents were neither new nor unique, but now they fed fuel to a fire that was rising. Neither the Federal Government nor state or local officials nor their own tribal leaders seemed willing or able to protect the Indians. Out of a feeling of betrayal, of promises broken anew, the descent on the national capital, known as The Trail of Broken Treaties, was organized during the summer and early fall of 1972. Several Indian groups, as well as individuals from different reservations and cities, joined to send three automobile caravans from Los Angeles, San Francisco and Seattle across the country to Washington, D.C. The plan was to arrive there just before the national election, to bring the Indians' demands to the attention of the country, and to President Nixon and his opponent, Senator McGovern. The groups agreed that the mission would be peaceful. Church groups and others donated money, and the caravans started off in October, stopping at reservations and Indian centers along the way and picking up holy men, mothers and fathers with their children, young couples, old people, anybody who would come. There was no idea of violence; to some it was even a holiday, a great adventure, a chance to leave the reservation for the first time and see the rest of the country.

The caravans included large contingents of young members of the American Indian Movement, a confrontation-experienced group. The leading architect of the undertaking, however, was Hank Adams, the Puget Sound fishing-rights leader, who had run unsuccessfully in last year's Washington State Congressional primary (though garnering more than 10,000 votes). Adams helped organize the caravan from Seattle and was head of a group called Survival of American Indians Association. As early as 1971 he had chaired a committee which had framed a 15-point program for a new national Indian policy "to remove the human needs and aspirations of Indian tribes and Indian people from the workings of the general American political system and . . . reinstate a system of bilateral relationships between Indian tribes and the Federal Government." When the Washington-bound caravans paused in Minneapolis and St. Paul, the 1971 proposals for a new Indian policy became the foundation for a set of 20 demands, calling principally for the reinstitution of a treaty-making relationship between the U.S. and the "Indian Tribes and Nations."

The events that ensued in the nation's capital reflected possibly the ultimate in bad faith on the part of the Government. On Oct. 11, Harrison Loesch had issued "specific directions" that the Bureau of Indian Affairs was "not to provide any assistance or funding, either directly or indirectly" to the Indians coming to see the President. Before the caravans' arrival, however, Robert Burnette, a Rosebud Sioux, former executive director of the National Congress of American Indians and author of "The Tortured Americans," together with other Indian advance organizers in the capital, persuaded Loesch to change his mind and offer certain facilities to the Indians while they were in Washington. Although President Nixon would be in California, the organizers won promises that the Indians would be able to meet with policy-making officials of the Government, including White House representatives of the President, to discuss their grievances and proposals.

But these expectations were soon destroyed. Living quarters arranged for the Indians were inadequate and rat-infested. The top officials they expected to see turned out to be Harrison Loesch, Bradley Patterson from the White House and lesser figures who angered them by their disdain and patronizing. Bitterness reached the boiling point when the Indians were barred from entering Arlington Cemetery to visit the graves of Indian Heroes, including Ira Hayes, a Pima and one of the famous Marine flag-raisers at Iwo Jima in World War II. Finally, the explosion came. The Indians had been told they could move into the auditorium of one of the Government buildings. Just before they got to the building someone locked the door—the rumor being that Loesch had ordered them kept out. The Indians hastened to the Bureau of Indians Affairs Building and, after a conference, were told that they could stay there. When the guard was changed, however, the new shift apparently ignorant of the agreement, tried to oust the Indians. A scuffle ensued, the guards themselves were ousted and the Indians took possession of the building, remaining in control of it for almost a week.

The damage they did, by some estimates more than $2-million, reflected their anger and frustration as well as their determination to defend the building against attack, laying down their lives, if necessary, like Indians of the past who fought for their people. It was not a hollow gesture. Once the building had been occupied, Department of the Interior officials showed almost unbelievable insensitivity. Refusing to meet with Indian negotiators until the building had been evacuated, Secretary Morton unknowledgeably termed the occupiers a "small, willful band of malcontents." A few tribal chairmen were induced to hurry to Washington to condemn the occupiers. The chairmen's presence angered the Indians even more. Led by Hank Adams and tribal religious leaders, some of the occupiers humiliated the chairmen by denouncing them as traitors to their people. Thereupon the chairmen, saying that all Indians supported the aims of the Trail of Broken Treaties but hoped there would be no violence, returned to their reservations. More seriously, the Government brought busloads of armed men and won court permission to oust the Indians by force if they did not leave the building peaceably.

The final dealine was 6 P.M., Nov. 6, the eve of Election Day. Most of the damage inside the building occurred that afternoon as the Indians prepared barricades of business machines and furniture and weapons to defend themselves. Dynamite, rumored to have been supplied by Black Panthers in Washington, who had been inside the building to pledge solidarity with the Indians, was said to have been placed on the top floor to blow up the structure; the corridors and office floors were littered with papers from files, providing the makings of a conflagration; and Molotov cocktails had been prepared. The solicitors and other officials of the Department of the Interior must have known that a pitched battle, with many casualties on both sides, threatened the nation's capital, yet at 5 P.M. on the day before the American people were to go to the polls, they were still determined to risk a national tragedy, with enormous historical consequences, by storming the building.

The disaster was averted at the last minute by a stay from the U.S. Court of Appeals and the intervention of the White House.

That evening Leonard Garment, Bradley Patterson, Louis Bruce, and Frank Carlucci, then Deputy Director of the Office of Management and Budget, began the first of several negotiating sessions with the Indians that led eventually to the peaceful evacuation of the building and an agreement by the White House to consider the Indians' 20-point program.

The Indians left Washington, some of them taking cartons of documents from the Bureau of Indian Affairs files; the Government did consider the 20 points and turned them all down, and a new—and still undefined—chapter opened in Federal-Indian relations.

As the tribal chairmen had stated, most Indians in the country approved of the aims of the caravans, though they disapproved of the destruction of the building. The entire affair, including the taking of Government documents, however, angered many members of Congress, as well as officials of the Administration, who regarded the episode as reflecting an ungratefulness on the part of Indians generally. The Government, Secretary Morton announced soon afterward, had tried things the Indian way; now it would do things its own way. That sort of punitive mood against all Indians has not yet died in Washington, and it remains to be seen whether punishment will come and, if so, what form it will take. Initial indications of the way the Administration will henceforth conduct its relations with the tribes do not bode well for the Indians.

John Crow and Harrison Loesch were fired, but so was Commissioner Bruce, who angered his superiors by staying inside the occupied building with the Indians one of the nights. Loesch, meanwhile, has been hired as a staff counsel by the Senate Committee on Interior and Insular Affairs, where, if he is of a mind to, he can wreak a terrible revenue on the Indians. In the White House Leonard Garment and Bradley Patterson have been told to "get off their Indian hobby horse" and turn to other things, and restructurings inside the Executive branch foretell abandonment of all the hopes and promises held out by the President's message to Congress in 1970. A new acting Commissioner of Indian Affairs, with little power, will report to Secretary Morton, who will also have little power, for he, in turn, will report on the "human affairs" of Indians to Secretary Caspar Weinberger of the Department of Health, Education and Welfare, and on "land and resource affairs" to Secretary Earl L. Butz of the Department of Agriculture. Both those men, in turn, will report to John Ehrlichman in the White House. This decision-making power over Indian affairs is further complicated by the appointment of John C. Whitaker as Under Secretary of the Interior, with authority over Indian affairs, and the ability, apparently, to report directly to Ehrlichman, by-passing Secretary Morton, whom

Indians are already calling "Secretary of his limousine."

All of this raises new questions for the Indians in dealing with the Government: Whom do they see? Who will see them? Who can speak with authority? Who will have the last word in decisions? It also suggests a diffusion of Indian affairs throughout the bureaucracy and a blending of Indian interests with those of non-Indians (will they be "packaged" into programs for the population as a whole?). If this occurs, what happens to the special and unique Federal-Indian relations, concerned with treaties, treaty rights, trustee functions guaranteed services, etc.? And, finally, what happens to self-determination and to the reservations, the sacred lands and their resources, the tribal organizations, and the tribes themselves? In short, what happens to the Indians as Indians?

These questions are unsettling to the tribes, filling them once more with fears for the future, and, worst of all, persuading them that they may be facing another heart-breaking turnaround of Indian policy. Nor are their fears groundless. The Presidential impoundments of funds appropriated by Congress, being felt by other elements of the population, are already striking hard at reservations, where health, education and development programs, begun and expanded so optimistically with the increased appropriations of recent years, are being cut down or abruptly ended before they have had a chance to accomplish their intentions. Community development, preschool training, road building, medical services, scholarships—every aspect of the Indians' plans to lift themselves from poverty and helplessness—are being affected. And as they protest and demonstrate with the only method they have to call attention to their plight, the method itself hardens the attitude of the white law-enforcement agencies toward them in a manner that recalls the 19th-century use of troops against their forefathers, and further divides the Indians between the fearful ones, the venal ones and the determined patriots.

Must the "Indian problem" (really the white man's problem) go on then, with more human misery and suffering, for another generation? It is abundantly clear that it need not. As a first step, the Nixon Administration can—indeed, must—restore the policy of tribal self-determination as enunciated in the President's message of 1970, halting the diffusion of Indian interests throughout the Government, supporting again the goals of former Commissioner Bruce, and establishing accessibility for aggrieved Indians to a decision-making center in the White House. It must, in addition now, go further by enabling the Indian peoples to attain true political freedom and liberties that will permit them to establish forms of government of their own choosing on their respective reservations, letting them run their own lives and make their own mistakes as do the citizens of any other community. Only in this way will responsible, and responsive, governments emerge, able to protect their people from exploitation, abuse and injustices. The principles, if not the terms, of the Trail of Broken Treaties' 20 points must also be seen from the Indian viewpoint as viable guidelines for the protection of their lands and resources. It may be necessary to take the route of executive order, rather than go through Congress, to set up some sort of independent trust counsel and free the Indians from the stranglehold of Interior and its committees in Congress. But however it can be most rapidly accomplished—and even President Nixon once acknowledged its urgency—the committed goal must be the immediate and strict observance of treaty guarantees and trustee obligations by the Federal Government.

Finally, poverty and its attendant demoralizing ills among Indians on and off reservations must be attacked and broken without inhibition. The Government has responded with billions of dollars for aid and rehabilitation programs for suffering peoples, including its former enemies, everywhere in the world. The same is certainly due its own citizens, the American Indians. A massive, long-range public-works program, supplying tens of thousands of Indian jobs, could provide roads, housing, water and sanitation facilities, schools, hospitals, utilities, and other improvements needed and desired by the Indians. Numerous other programs, devised by the people themselves, who know better than the whites what they need and can carry out successfully for their own development, await only Federal funding.

But will the Administration listen to the Indians and respond wisely to their new crisis? Only President Nixon himself now has the power to supply the answer.

THE FIRST AMERICANS

According to the U.S. census of 1970, the Indian population of the United States today, including Eskimos and Aleuts, is approximately 843,000, with some 480,000 of them living on or near reservations and the rest in cities or rural communities. Their heaviest concentrations, as estimated in 1972, are in Arizona (117,000), Oklahoma (84,000), New Mexico (82,000), Alaska (59,000) and California (49,000). At the time of the first white settlements in the early sixteen-hundreds, it is estimated that about one-million Indians lived in what is now the United States. Studies still under way suggest that many Indians were wiped out in epidemics of Europeans' diseases before the tribes even came in contact with the white frontier settlers, and that the actual figure may therefore have been considerably higher. Today, Indians are increasing at a faster rate than that of the over-all U.S. population.

By treaty and other obligations, the Bureau of Indian Affairs serves 267 Federally recognized Indian land units, including reservations, colonies, rancherias and communities, and 35 groups of scattered public-domain allotments and other off-reservation lands. Indians also live on state-recognized reservations and on lands which are no longer, or never were recognized as reservations by the Federal Government or a state.

PLIGHT OF DANIEL TEITELBAUM

Mr. TUNNEY. Mr. President, I have already advised this body of the strong support which Mr. Stuart Lotwin of Los Angeles has provided to Mr. Lev. Lerner, a Soviet Jew who was in desperate need of assistance last year. I am pleased to report that Mr. Lerner is now free—living in Israel.

Recently, Mr. Lotwin has attempted to assist anther Jewish citizen of the Soviet Union, Mr. Daniel Teitelbaum, of Leningrad. I know that all of us join in expressing our support to Mr. Teitelbaum's quest for freedom. As an expression of that sentiment, I ask unanimous consent that the text of a telephone conversation between Mr. Lotwin and Mr. Teitelbaum which occurred on January 14, 1973, be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

PLIGHT OF DANIEL TEITELBAUM

Telephone conversation between Stuart Lotwin, Los Angeles, California and Daniel Teitelbaum, Leningrad, USSR on January 14, 1973.

S.L. Shalom, Friend Teitelbaum.

D.T. Yes, yes.

S.L. Is that you? This is your friend Stuart Lotwin calling from America.

D.T. I understand, I understand.

S.L. You understand; well listen to me and we'll converse. My name is Eliezer and I am speaking to you because Mr. Lotwin does not speak Yiddish.

D.T. I understand.

S.L. He is a friend of Lev Lerner who is now in Tel Aviv. Do you understand?

D.T. I understand.

S.L. I want to ask whether you have any news to convey to us. And I'll allow you to talk as long as you please.

D.T. Good! Good! Well we have no concrete (hard) news. With us it is very hard. Things are very tough in Leningrad.

S.L. Hard?

D.T. In the last days we have had bad answers.

S.L. Bad answers?

D.T. Refusals!

S.L. Refusals! I understand.

D.T. They refuse us, the reasons are ridiculous, silly.

S.L. I understand.

D.T. With one of the refusal is on account of "secret work."

S.L. What is the name of the one that was refused on account of "secret work?"

D.T. Chernoch. He has tried 4½ years and still he is refused. And another Bert, a woman whose daughter works on secret work, but daughter *does not* want to leave, only the woman who is 60 years old and she cannot leave.

S.L. Tell us about yourself.

D.T. We have been waiting for two years.

S.L. And you're refused?

D.T. I submitted my documents last time in October. Already 3 months and some days, and yet not received answer. We rode to Moscow and there we were told that we would be getting answers. First they said November and then December. They promised us. And now in January. You understand?

S.L. I understand each word. Continue to talk.

D.T. Good, good. They had lied to us. Now there is a commission in Leningrad. The Minister was here.

S.L. What is his name, the Minister?

D.T. Sholahov.

S.L. Speak, speak.

D.T. We have written to every place possible. To Chief of police, the government, the Kremlin and all the time we get one answer. We have to get our documents at the Leningrad OVIR.

S.L. Please wait a minute! I must ask you several questions. We well understand your situation, but we must have certain information in order to be able to help you. What is your wife's name?

D.T. Margaret is her name.

S.L. How old is she?

D.T. 33 years.

S.L. Is she working?

D.T. No.

S.L. What was her work?

D.T. At a factory.

S.L. Factory?

D.T. Where they make ships—a shipyard. She does not have a higher education. She is a typist—a copier.

S.L. I understand—she operates a typewriter. Do you have children?

D.T. Two children.

S.L. Boys or girls? What are their names?

D.T. A boy, 6 years, Ilia; a girl, 4 years, Sonia.

S.L. Good. Are you now working?

D.T. I was working before I submitted my papers.

S.L. What were you working as?

D.T. How do you call it—yes—Senior Scientific.

S.L. What was your work? I don't understand it completely.

D.T. A Scientist—an electrical engineer.

S.L. Were you employed where secret work was done?

D.T. No, nothing secret.

S.L. Well, I want to tell you this. We are with you 100%. We want to help you. We will help you. Nothing will deter us until you get permission to leave. Do you understand?

D.T. Yes, I understand.

S.L. And above all, I want to tell you that we will not forget you. I speak not only for myself but for a whole group of people. And now I'll tell you some news from here. Two days ago I heard from my Senator. He knows your name already. He has spoken about you to our Department of State. Secondly, the largest newspaper in the Western United States, here in California, knows of you. Perhaps in several weeks your name will appear in that paper.

D.T. I understand.

S.L. Now I want to ask you. Are there any English speakers in your family?

D.T. I know several who speak English but not very good. I can give you their telephone numbers.

S.L. Don't bother. I want to talk with you. Do you want letters in English or Yiddish? It is all the same to us.

D.T. It is immaterial to me. I know a little English. I don't speak but I read and translate.

S.L. Now I want you to answer three questions. First, do you have enough food?

D.T. Again.

S.L. Do you have enough food?

D.T. Again.

S.L. Food?

D.T. Food, No! We still have food.

S.L. How about clothing?

D.T. But I want to tell you this. It is very hard for us. Most of us are unemployed. We have families where neither husband nor wife work.

S.L. Clothing? Warm clothing?

D.T. Yes, we have although you could help us with that.

S.L. Tell me—have you ever heard of certificates to Vneshposyltorg stores?

D.T. I received them once.

S.L. Do they help—the certificates?

D.T. They help. I want to tell you that our greatest hopes depend on you, only on you.

S.L. We assume the burden. We promise you that.

D.T. We're putting great hopes in your Congress.

S.L. We, too, are putting our hopes in our Congress. Give our love to your wife and son and daughter. Be well—we will talk to you again.

D.T. Good, good.

S.L. Shalom.

D.T. Shalom.

S.L. L'Hitraot.

D.T. L'Hitraot.

S.L. Shalom.

DANIEL TITELBAUM

(Telephone nr: 302306)

Daniel Titelbaum is 34 years old. His wife, Margarita, is 32. They have two children, a boy of 6, Ilya, and a girl of 4, Sonya.

Daniel Titelbaum is a Candidate of Technical Sciences. He applied for permission to go to Israel in June 1971. In December 1971, he was forced to leave his scientific job and work as an engineer. His application was initially rejected on the grounds that, when he had worked on his thesis, he had had access to secret documents. He was able to prove, with documentary evidence, that there were no grounds for refusal on the basis of secret work. The excuse was then given that his wife had had access to secrets.

Margarita Titelbaum was a draughtswoman and had last worked where there was possible access to any secrets in 1967. She stopped working altogether in August 1971. The Soviet authorities have made no further references to any previous possible involvements with secrets of any sort.

Daniel Titelbaum has one sister, who with her family, has been living in Israel since April 1971. His other sister lives in Riga. This sister and her husband are ill. Daniel Titelbaum's father, aged 77, lives in Leningrad but hasn't applied to go to Israel.

The father is a very observant Jew and has suffered over the years because of his strong Jewishness.

The father has spent a considerable part of his life in prison camps and labour camps. He was imprisoned at various times during the 1920's and 1930's. He was sent to Siberia in 1941. The family followed him there and lived in Siberia from 1941 until Stalin's death in 1953. In 1953 the family was rehabilitated and returned to Riga. Titelbaum's father was not freed again until 1951, but was not allowed to leave Siberia until 1954.

Titelbaum's gross earnings are Roubles 210 per month. If he had been permitted to remain in his original job, he would now be receiving Roubles 280 per month.

Titelbaum will have to pay 13,000 Roubles diploma tax.

SALT II: CAN THE ARMS RACE BE ENDED?

Mr. STAFFORD. Mr. President, this morning 14 Members of the House of Representatives, headed by the Honorable G. WILLIAM WHITEHURST of Virginia, issued a paper urging President Nixon to pursue vigorously further agreement at the second round of the Strategic Arms Limitation Talks. The paper contains a thoughtful analysis of the problems involved in SALT II negotiations and of the opportunities which are available to the United States if SALT II negotiations are successful.

I ask unanimous consent to print the paper entitled "SALT II; Can the Arms Race Be Ended?" in the RECORD. I hope that my colleagues in the Senate will examine this excellent dissertation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALT II: CAN THE ARMS RACE BE ENDED?

(Prepared by Mr. G. William Whitehurst, Va., Mr. Lawrence R. Coughlin, Pa., Mr. John Dellenback, Oreg., Mr. Pierre S. duPont, Del., Mr. William Frenzel, Minn., Mr. Gilbert Gude, Md., Mr. H. John Heinz, III, Pa., Mr. Frank Horton, N.Y., Mr. Paul McCloskey, Calif., Mr. Stewart McKinney, Conn., Mr. Charles A. Mosher, Ohio, Mr. Howard W. Robison, N.Y., Mr. J. William Stanton, Ohio, and Mr. Charles W. Whalen, Jr., Ohio)

MAINTAINING THE MOMENTUM OF SALT

The SALT I accords, negotiated by the Nixon Administration and signed on May 26, 1972 in Moscow, were the culmination of the most significant arms control effort in the history of the 25-year-old nuclear arms race. The accords—the product of three years of hard bargaining—ended the threat of heavy ABM deployment by both sides and put a ceiling on the numbers of land-based intercontinental ballistic missiles (ICBM's) and submarine-launched ballistic missiles (SLBM's) allowed by each side. While SALT I did not limit technological improvements to either ICBM's or SLBM's and did not encompass all strategic weapons, the accords did create a major diplomatic momentum towards further arms control efforts—symbolized by an agreement by both sides to go further in arms limitation at a second round of SALT.

There are five principal reasons for continuing the work begun at SALT I:

First, further negotiations are necessary merely to preserve the gains of SALT I. The Interim Agreement, which limits both ICBM and SLBM levels, will only be in effect until 1977. Unless some permanent ceiling is placed on these weapons by negotiators at SALT II, both sides will be free to add to their strategic missile inventories after this date.

Second, while the SALT I accords eliminated much of the uncertainty and fear that surrounds the Soviet-American nuclear competition, the arms race continues—particularly in areas not controlled and limited by the SALT I accords. Both the United States and the Soviet Union are currently engaged in building a wide array of new strategic weapons, designed both to augment and replace portions of their existing forces. The Administration's fiscal 1974 budget includes funds for a new strategic bomber, a new SLBM submarine, multiple warheads for its strategic missiles, and a cruise missile submarine. Former Secretary of Defense Melvin Laird's fiscal 1973 military posture statement reports that the Soviet Union has built a new bomber, a longer range SLBM and new SLBM submarines, and is developing multiple warheads for its missile force. In some cases these programs may be justified in order to replace obsolete systems, or because they contribute further to strategic stability. But the best hope in the long run for guarding against the almost unthinkable prospect of nuclear war lies in further attempts through forums such as SALT to mutually control and limit the destructive power of both sides.

The third reason for maintaining the momentum of SALT I is that further agreements could result in significant savings. The strategic weapons portion of the U.S. defense budget now accounts for nearly $8 billion annually, and when personnel, support, and research and development costs are apportioned to this mission, the costs of operating and supporting strategic nuclear forces rises to over $20 billion annually. It would be a mistake to expect that a SALT II agreement would result in immediate and drastic reductions in the budget, but Secretary Laird told Congress in June that the ABM Treaty saved over $1.5 billion in planned defense expenditures. Decisions to limit certain categories of weapons at SALT II could result in similar savings—savings that could be used to modernize U.S. conventional armed forces, to satisfy domestic needs, or to reduce current budget deficits.

Fourth, further agreement at SALT would reinforce the movement towards detente between the two super powers. What happens at SALT affects the whole gamut of U.S.-Soviet relations. As President Nixon has pointed out, the accords reached in Moscow in many respects were interdependent with agreements ratifying expanded technical and economic relations between the two powers. Success at SALT II would not only further curb the arms race, but would contribute to strengthened U.S.-Soviet collaboration on a wide range of fronts. The ramifications of a successful SALT II effort would be felt in almost every area of U.S. concern with the Soviet Union—the Middle East, trade relations, collaboration in space and the maintenance of the Vietnam peace settlement.

Fifth, the lessons learned from further strategic arms control with the Soviet Union could be applied to attempts to limit the arsenals of other nuclear powers—the United Kingdom, France, China and would-be nuclear powers such as Japan or India. Salt II could act as a springboard for a wide range of disarmament activities, including mutual balanced force reductions between the NATO and Warsaw pact countries and a comprehensive test ban.

In view of the benefits accruing from a more comprehensive agreement on strategic arms limitation—stabilizing the arms race, realizing significant savings in the defense budget furthering general detente with the Soviet Union—and lessening the threat of nuclear proliferation—it would be folly not to vigorously pursue new understanding at SALT II.

THE STRATEGIC BALANCE

A major obstacle to further arms limitation at SALT II results from the fear in some quarter that the United States came off second best in the first round of SALT. This concern stems from the terms of the Interim Agreement—the accord that limits the number of ICBM's, SLBM's and submarines allowed by each side. It has been argued that in allowing the Soviets a superiority in land-based missiles (1618 to 1054) and submarine-launched missiles, (950 to 710, after both sides retire older ICBM's), the United States has been placed in a position of strategic inferiority. The fact that Soviet missiles generally carry heavier payloads than U.S. missiles is also viewed as a factor that further decreases U.S. security.

These concerns must be carefully examined because they so crucially affect the U.S. bargaining stance at SALT II. In analyzing the relative strategic strengths of the United States and the Soviet Union, however, all the factors affecting the strategic balance must be taken into account.

As stated above, the Interim Agreement does set ceilings on ICBM and SLBM launchers that provide for a superiority in numbers for the Soviet Union:

SALT I LAUNCHER CEILINGS[1]

	United States	Soviet Union
ICBM's	1,054	1,618
SLBM's	656	740
Submarines	41	56
With replacements:[2]		
ICBM's	1,000	1,408
SLBM's	710	950
Submarines	44	62

[1] Figures for the tables in this section are taken from the International Institute of Strategic Studies' "1973 Strategic Balance." The London-based institute is viewed by experts as being a highly accurate and objective source of military statistics.

[2] Both sides can replace older ICBM's with new submarines and SLBM's.

But numbers of ICBM's and SLBM's alone do not provide an accurate overall picture of the strategic balance. The first notable aspect of the Interim Agreement is that it only concerns launchers—numbers of ICBM's, SLBM's and submarines. It does not restrict the modernization of these forces nor warhead technology and the number of warheads allowed by each side—an area where the United States enjoys a clear superiority. In terms of separate targetable reentry vehicles—the number of different nuclear warheads that can be delivered to separate targets—the United States has a two-to-one advantage that will grow as the U.S. continues to deploy MIRV's—separately targetable multiple warheads on its missiles. The United States is currently MIRVing missiles on 31 of the United States' missile-submarines and on all 550 of the Minuteman land-based missiles. The effect of the U.S. MIRV program on the relative balance of deliverable warheads is shown below:

Warhead levels

In 1972:	
United States	4,300
Soviet Union	2,090
In 1977:	
United States	7,700
Soviet Union	2,420

Also not included in the Interim Agreement are long-range strategic bombers, another area where the United States possesses a significant margin of superiority. The United States bomber fleet of B-52's and FB-111's numbers over 450 aircraft. The Soviet Union possesses approximately 150 long-range bomber aircraft, which are generally older and slower than their U.S. counterparts. The U.S. bomber force is also capable of carrying substantially larger weapons loads than the Soviet Union, and as the chart below indicates, this capacity will grow as the United States begins to deploy the SRAM (short-range attack missile) on its bomber force:

Bomber weapons[1]

In 1972:	
United States	2,000
Soviet Union	420

[1] Based on current weapons size and aircraft payload capacity.

In 1977:	
United States	7,500
Soviet Union	420

Another index of strategic power is megatonnage, or the total explosive power that both powers can hurl at each other. The majority of Soviet missiles carry larger payloads than U.S. missiles, while, as indicated above, American bombers carry heavier payloads than their Soviet counterparts. The total nuclear megatonnage capable of being delivered by missiles and bombers combined is roughly the same for both powers:

Total megatonnage

	United States	*Soviet Union*
Missiles	2,400	11,400
Bombers	16,500	3,600
Total	18,900	15,000

It must be emphasized that megatonnage is a crude indicator of power because it does not take into account such factors as missile accuracy and reliability, which in many respects are more important than megatonnage in determining the damage capability of strategic forces.

Other factors must also be considered. The United States, for instance, possesses hundreds of fighter aircraft based in Europe and abroad carriers capable of delivering nuclear weapons on the Soviet Union. Also, although the Interim Agreement allows the Soviet Union more ballistic missile submarines than the United States, a lack of foreign bases means the Soviets are unable to keep as high a proportion of their submarine force within missile range as the United States.

In conclusion, none of the indices discussed give a fully complete description of the strategic balance. Numbers of missiles, bombers or submarines alone cannot provide a sufficient basis for deciding whether or not the United States gained or lost in SALT I. But taken together, the indices do suggest that the United States and the Soviet Union currently possess roughly equal strategic nuclear capabilities—capabilities that make it impossible for either side to disarm the other.

Simple numerical formulas will not suffice for SALT II, for what one side lacks in one area of weaponry, it tends to make up for in another. Recognition of this fact seems essential in approaching future arms control agreements.

THE ISSUES THAT DEFINE SALT II

While the SALT I accords were trailblazing achievements in laying the foundation for President Nixon's "Structure for Peace", the methods and mechanisms for reaching agreements during SALT I should not necessarily be totally relied upon to produce results at SALT II. The "Bargaining Chip" strategy, for instance, of building new weapons in order to force the Soviets into agreeing to their limitation seemed a plausible strategy at a time when the Soviets were engaging in a massive arms buildup. But now that temporary limits have been placed on missile force levels, future agreements should attempt to build on the confidence created by SALT I instead of relying too heavily on the fear created by the threat of new arms deployments.

Because the issues under discussion at SALT II tend to be more complex than those discussed in the first round of the talks, innovative approaches must be considered if substantial agreements are to be reached. At the same time, it is necessary to be realistic when discussing possible achievements of SALT II. Potential areas of agreement should most certainly be analyzed in terms of what the Arms Control and Disarmament Agency calls "negotiability" and "verifiability"—the ability to make an agreement and to enforce it. Possible areas of agreement at SALT II and problems associated with these areas include:

(A) Ceilings on Strategic Weapons—The SALT I Interim Agreement runs out in 1977 and unless the ceilings set on land-based and sea-based missiles are set by a permanent treaty, both sides will thereafter be free to add to their missile forces. It would certainly be in the interest of both countries to negotiate a permanent treaty limiting strategic weapons, particularly if more equal numerical terms could be worked out. The United States would also probably support the idea of cutting back on the mutual levels for ICBM's prescribed by the Interim Agreement and replacing them with the more invulnerable submarine-launched missiles. (It is generally believed that U.S. ICBM's would be vulnerable to MIRVed Soviet SS-9 rockets.) The Soviets, on the other hand, are not as interested as the United States in reducing the ceilings for ICBM's because they possess a generally newer force of missiles.

One way around this problem would be to design a permanent ceiling on strategic weapons—in terms of launcher numbers, warhead numbers or payload capacity—that would allow each side the freedom to determine what weapons it wished to emphasize within its respective forces. Under such a system, a general ceiling would be agreed to, and then each power could determine what proportion of its force would be made up of ICBM's and SLBM's—within the limits set by the ceiling. The Soviets perhaps would be unlikely to agree to a mutual ceiling with the United States, because under the present terms of the Interim Agreement they are allowed greater numbers of ICBM's and SLBM's. This problem could perhaps be solved by including long-range bombers in a mutual ceiling—where the American advantage in bombers would cancel out the Soviet advantage in numbers of ICBM's and SLBM's. Thus, both powers could agree to a similar ceiling and then would unilaterally decide what proportion of their forces would be made up of bombers, missiles and submarines.

(B) Ceiling on Bombers—Whether or not bombers could be included in a general ceiling on strategic weapons, the attempt to include long-range bombers in a SALT II agreement should be made. The United States superiority in bombers could be used as an inducement for the Soviets to accept a more equitable balance in numbers of missiles, or if the Soviets insist on maintaining superior levels of missiles, the American numerical superiority in bombers could be ratified by treaty.

(C) Forward Based System Controls—

While the United States does not consider its forward-based land and carrier-based fighter aircraft to be strategic systems, the Soviets do. And while the Soviet ICBM and SLBM advantage may be a prime U.S. concern at SALT II, the Soviets are said to be most concerned about U.S. fighters stationed abroad that have the capability of striking their homeland with nuclear weapons. Up until now, the United States has not wanted to discuss these weapons in the context of SALT, and for good reasons. Bilateral U.S.-Soviet discussions over the future of European-based aircraft would upset the NATO allies and an agreement to limit U.S. aircraft in Europe might weaken the conventional capability of NATO. But some judicious concessions by the United States on this issue—which included advance consultation with U.S. allies—could bring about greater Soviet acquiesence in other areas of importance to the United States.

(D) Controls on Warhead Modernization—This is an area on strategic weaponry totally neglected during the SALT I that could threaten, as feared earlier with the ABM, to upset the arms race. Recent United States efforts in the area of multiple warheads and improved missile accuracy tend to be destabilizing because they could ultimately give U.S. missiles the capability of destroying Soviet missiles on the ground. While the United States currently enjoys a lead in warhead technology (the Soviets have not tested a MIRV warhead yet), larger Soviet missile payloads mean that once the Soviets do perfect a MIRV system they too will possess a significant kill capability against U.S. missiles.

Controlling warhead modernization is difficult, owing to the difficulty of verifying compliance. One plausible means of controlling improvements in warhead technology is to focus on limiting U.S. and Soviet development programs—primarily testing. While it is impossible, without on-site inspection, to determine the kinds of warheads each side is deploying, a limit on how many missile tests each side could hold would serve nearly the same purpose. A ceiling on the missile tests would prevent both sides from developing sufficient confidence in new warhead devices to warrant wide-scale deployment. And a limit on numbers of missile tests would also have the advantage of being verifiable by satellite surveillance.

(E) Antisubmarine Warfare Controls—The oceans have become the newest arms race arena and submarine-launched missiles are increasingly becoming the primary instruments of strategic deterrence. Both the United States and the Soviet Union are, however, attempting to counteract each other's submarine forces by working on projects of submarine detection, tracking and destruction. Like accurate warheads, antisubmarine warfare (ASW) is destabilizing because a breakthrough in submarine detection and destruction could give one power the capability of destroying the ballistic missile submarine force of the other. There are a number of ways ASW could be controlled at SALT II. Suggestions have been to limit the number of hunter-killer submarines possessed by each side as well as banning certain kinds of underwater listening devices used to detect missile-carrying submarines. Another approach would be to create ocean sanctuaries" for submarines of both sides to operate, free from attempts to locate and destroy them. While there are certain difficulties with all of these proposals, particularly the problem of distinguishing between ASW designed for conventional naval warfare from that designed to combat ballistic missile submarines, controls on ASW should be pursued at SALT II.

GENERAL BARGAINING PRESCRIPTIONS

Although there are a number of political and technical problems attached to the possibilities presented by SALT II, the benefits stemming from potential agreements listed above provide powerful arguments for approaching the negotiations with as great flexibility as security interest permit. While specific agreements and bargaining formulas can only be determined by Administration officials close to the talks, several guidelines can be suggested to maximize the possibilities for success at SALT II. They embody a whole range of national security concerns—weapons system procurement, arms control leadership, and defense budget appropriations by Congress.

I. Technological Restraint—While "negotiating from strength" is a sensible guide to bargaining, too much strength tends to introduce fear and uncertainty into arms control talks. The Soviets, for instance, were unwilling to seriously discuss strategic arms limitation until they possessed a weapons arsenal similar to that of the United States. The tendency of the United States to exploit every technological advance—multiple warheads, improved missile accuracy, ASW devices—to force agreements with the Soviets cannot always be depended upon to produce agreements. The decision to begin the Safeguard ABM program might have contributed to a successful ABM Treaty, but the Soviets had earlier deployed an ABM system of their own. In areas of U.S. technical advantage the decision to MIRV U.S. missiles has made a MIRV agreement difficult to achieve at SALT because the Soviets are unlikely to accept any agreement that permanently places them in a technologically inferior position. This is not to suggest that the United States should not go forward with new research and development programs. Instead, careful consideration should be given to new weapons programs before procurements decisions are made. Deployment decisions over such weapons as the B-1 bomber, the Trident submarine, super-accurate missile warheads and advanced underwater listening devices should be carefully evaluated and in some cases postponement of deployment should be considered pending the outcome of the talks.

An active R&D program is probably as good a bargaining chip as actual force deployments. Maintaining a strong R&D program would not only act as an effective bargaining ploy, but could also result in materials savings in defense expenditures.

II. Strategic Numbers—In view of the complexity of determining the significance of relative strategic force levels, no attempt should be made to tie the hands of U.S. negotiators by insisting on strict formulas of strategic parity. As suggested earlier, a number of factors go into the determination of the United States-Soviet strategic balance. The United States should be willing to accept a numerical disadvantage in certain areas, if a U.S. advantage in other areas is recognized. Better yet, formulas that tie different weapons into overall package ceilings should be discussed at SALT II. Each power would then be able to select the weapons it favored without reference to ceilings on specific weapons categories. In constructing and negotiating such a general ceiling, an attempt should also be made to provide for the gradual reduction of strategic forces possessed by each side.

III. Arms Control Leadership—The SALT I accords were not only a result of hard-headed bargaining, but disciplined and efficient organization—within the Arms Control and Disarmament Agency, the Pentagon, the State Department, the CIA and the White House. A similar management effort should be directed towards SALT II. The Arms Control and Disarmament Agency should again be put in charge of the day-by-day direction of the talks, and the agency should have a budget commensurate with this task. The Administration's FY 1974 budget cuts the ACDA budget by more than one-third and the agency's director, yet to be named, no longer heads the SALT negotiating team.

Possibly more important in the long run, promises of new weapons made by the White House to the services to gain military support for arms control agreements should be restricted. When the Administration earlier linked the continuation of the B-1 and Trident programs with support for the SALT I accords, future arms control possibilities could have been placed in jeopardy.

IV. Other Areas of Arms Control—While the SALT II talks now dominate arms control thinking, there are other areas where initiatives should be attempted. A verifiable Comprehensive Test Ban would, for example, constitute a significant achievement. A total ban on nuclear testing would not only eliminate certain environmental dangers, but would act as a check on new weapons development. Efforts to curb nuclear proliferation—a growing problem that has generally been ignored—is also an area where initiatives are necessary. An agreement by both the United States and the Soviet Union on conventional force reductions in Europe (MBFR) is another arms control goal that should be vigorously pursued.

V. Congressional Initiatives—Congress has traditionally supported arms control and disarmament objectives. Congressional hearings in the late 1950's were partly responsible for the establishment of the Arms Control and Disarmament Agency and Congress has supported, with few reservations, the Limited Test Ban Treaty and the Non-proliferation Treaty, as well as the SALT I accords. Congress could play a larger role in this crucial area by both fostering a wider discussion of arms control issues and more closely examining the political and technological components of the arms race, thus honoring its responsibility to educate the public in this difficult area. Arms control, however, does not take place in a vacuum—to a great extent it is dependent upon the President's conduct of foreign policy and even more importantly, upon defense spending. Congress, then, must make a determined effort to link arms control issues to the defense budget. Congressional committees concerned with defense spending should not only focus on fiscal and military issues, but these groups should also examine the implications of new programs for the prospects of future agreement at SALT II.

SALT II has become a complex arena for discussion, where the political, strategic and technological factors involved demand a high degree of specialized talent. While recognizing that the Executive possesses the bulk of expertise in this area, Congress does possess analytical capabilities—in the form of committee staffs, the Congressional Research Service, the General Accounting Office and the newly organized Office of Technology Assessment. Each of these groups can provide some of the expertise necessary to deal wisely and carefully with the complexities of strategic arms limitation.

In view of the constructive role Congress can and should play in examination of arms control issues, the following recommendations are made:

(a) Joint panels of the House Armed Services and Foreign Affairs Committees, and the Senate Armed Services and Foreign Relations Committees, should be convened to examine the implications of the fiscal 1974–1979 defense program for future arms control agreements.

(B) The House Science and Astronautics Committee, the Senate Aeronautical and Space Sciences Committee and the Joint Atomic Energy Committee should hold hearings on the effect of new technologies on the arms race and the prospects of negotiating and verifying agreements limiting strategic force modernization. A report by the Office of Technology Assessment could be used as the focal point of these investigations.

(C) The General Accounting Office should provide Congress with a study of possible savings accruing from potential SALT II agreements. Such a report could be used in Defense Appropriations Subcommittee hearings in both houses on the impact of SALT II savings on defense spending.

(D) Proposals to enhance congressional cognizance of the long-term implications of the defense budget, such as basing congressional authorization and appropriations on the five year defense program, should be considered by the Armed Services committee and the Defense Appropriation Subcommittees.

POSTCARD REGISTRATION S. 352

Mr. BROCK. Mr. President, I wish to commend the distinguished senior Senator from Wyoming (Mr. McGEE) for the conduct and usefulness of the recent hearings over which he has presided in the Committee on Post Office and Civil Service. The hearings have centered on expediting and simplifying registration for Federal elections via a postcard format. I am particularly pleased to endorse the practical approach espoused in S. 352 which has been introduced by Senator McGEE.

NOT A PANACEA

S. 352 should not be approached as a panacea for voter apathy. Yet, one could concede that at least some of the voter apathy of many of our Nation's citizens begins with and can be attributed to both difficulty in reaching a registration point and complexity of registration procedures. It is easy to support the bill if one acts upon the assumption that voting is a right and a duty of all Americans. At the same time, there is nothing in the Constitution that says it is the duty of the Federal Government or any other governmental body to make voter registration a task, both in preparation and deed, akin to climbing Mount Everest.

SCOPE OF THE PEOPLE

As others favoring the passage of this bill have pointed out, ours is the only country in the world that puts the onus of registration on the citizen. A most shocking manifestation of this dubious fact as evidenced in our last presidential election is the 44,142,000 voting age citizens who were not registered. This is a sum of people nearly equal to the population of the British Isles, which incidentally have election turnouts averaging around 80 percent—(not even the best in Western Europe, but considerably higher than our 54.5 percent of the voting age ballots cast in the 1972 presidential election. In my home State of Tennessee, I am sorry to say, we had a drop from 53.4 percent participation of the voting age population in the 1968 presidential election to 44.3 percent participation in the 1972 presidential election. This is more than a 9-percent drop. The increase in unregistered but otherwise eligible voters for the same period of time was nearly 5 percent.

WHO WILL BENEFIT

Who will this legislation most benefit? My answer is that it will benefit those people who would like to vote and are eligible to vote by age and citizenship, but are otherwise ineligible to vote because they are not registered for a myriad of reasons. Voting should not be a privilege for only those able to get to a registrar's office, no matter how far from their homes or by what means it is accessible to them. Voting should not be a privilege for only those whose time in a work-a-day—and night—schedule makes them readily available in conjunction with the operating hours of local registration programs and procedure. The rights, responsibilities, and obligations of the unregistered but otherwise eligible voters are just as important and just as affected by the outcome of our electoral process as those who do vote. However, their enthusiasm for and allegiance to the system that puts the office holders in office and legislates the laws of the land can be diminished by their lack of participation. Here are some statistics—with sources noted—regarding how unregistered voters would have voted in past elections and who the unregistered voters are:

Gallup Poll, August 6, 1971

[Percent]

If 42 percent of new voters vote:	
Nixon	35
Muskie	48
Nixon	38
Humphrey	42
Nixon	40
Lindsay	40
If 100 percent of new voters vote:	
Nixon	39
Muskie	38
Nixon	39
Humphrey	37
Nixon	41
Lindsay	33

How would unregistered 18 to 23 year-olds vote?—Gallup, Poll, August 19, 1972:

[In percent]

Unregistered:	
Nixon	46
McGovern	43
Undecided	11
Registered:	
Nixon	41
McGovern	57
Undecided	2

How would the nonvoter have voted?—"The American Voter," 1964:

[In percent]

In 1948 would have voted:	
Democratic	82
Republican	18
In 1952 would have voted:	
Democratic	52
Republican	18
In 1956 would have voted:	
Democratic	28
Republican	72

Nonvoters are not just poor and/or black (Gallup):

26% of whites unregistered.

26% college educated unregistered.

29% white collar workers unregistered.

Straight party vote—a thing of the past: 1968—27% identified themselves as Republican, 43% voted for Nixon (Gallup Poll).

The independents today comprise more than 30% of registered electorate.

Gallup poll—voter registration:

Question: "Is your name now recorded in the registration book of the precinct or election district where you now live?"

[In percent]

National	May 1971 Yes	May 1971 No	May 1971 Don't know
National	72	26	2
Sex:			
Men	73	25	2
Women	70	28	2
Race:			
White	72	26	2
Nonwhite	70	28	2
Education:			
College	72	26	2
High School	71	28	1
Grade school	74	24	2
Occupation:			
Professional	79	20	1
White collar	70	29	1
Farmers	80	18	2
Manual	65	33	2
Age:			
18 to 20 years	7	91	2
21 to 29 years	50	48	2
30 to 49 years	79	20	1
50 and over	86	13	1
Religion:			
Protestant	72	26	2
Catholic	72	27	1
Jewish			
Politics:			
Republican	79	19	2
Democrat	75	24	1
Independent	63	35	2
Region:			
East	75	24	1
Midwest	79	19	2
South	69	30	1
West	60	37	3
Income:			
$15,000 and over	83	16	1
$10,000 to $14,000	74	24	2
$7,000 to $9,999	71	28	1
$5,000 to $6,999	65	33	2
$3,000 to $4,999	67	31	2
Under $3,000	69	29	2
Community size:			
1,000,000 and over	69	28	3
500,000 to 999,999	71	27	2
50,000 to 499,999	70	29	1
2,500 to 49,999	72	27	1
Under 2,500, rural	75	24	1

OUTLINE OF THE BILL

I. The bill would enable qualified electors to register to vote in Federal Elections via postcard voter registration form.

A. Postcard registration forms containing the appropriate state law registration requirements would be delivered to postal patrons 45 days before the close of state voter registration.

B. Qualified voters would mail postcard registration forms to state or local election officials who would continue to control the registration process.

C. State and local election officials would receive from the Federal Voter Registration Administration 100 percent of the cost of processing the cards.

D. Postcard voter registration forms would also be available in ample quantities in post offices and appropriate state, federal, and local government offices.

II. The bill would give a financial incentive for the states to adopt the postcard registration system for state and local elections. If adopted, the Federal Voter Registration Administration would pay 100 percent of the cost of processing the cards plus an incentive of 30 percent of that cost of processing if the state government will adopt the postcard format for state and local elections.

A. This incentive payment would provide local election officials with financial assistance needed to cope with present registration burdens.

III. The bill would strengthen anti-fraud efforts.

A. Federal assistance would be available to state or local officials for fraud prevention.

B. Authorizes action by the Attorney General against the registration of individuals not qualified.

C. Provides criminal penalties for violations.

IV. The bill would create a federal administration to collect, analyze, and publish information concerning elections and to provide assistance to state and local officials concerning the postcard registration system. A highlight of the bill is that it allows for streamlining the registration procedure without altering state or local standards and criteria for eligibility. The implementation and management of registration process would be carried out on the local level.

A STEP IN THE RIGHT DIRECTION

Mr. President, I recognize that the bill is not perfect; yet I suppose no bill can completely satisfy everyone. However, it is a good start in the right direction.

I will be introducing an amendment guaranteeing the individual privacy of every voter by prohibiting any disclosure of lists or individual names from data kept on file by the National Voter Administration. My amendment will allow only statistical data to be made public.

I also plan to incorporate into the bill a statement regulating the format of the postcard to prevent dual registration. The amendment would mandate that a question the same as or similar to and with the same intent as the following statement would be answered on the postcard. The statement would read:

> In the past 4 years have you been previously registered in a place other than where you are now living? Yes or no, and if yes, where?

In order for the card to be accepted as valid registration the question would have to be answered. A penalty would be enforced for perjury on the question.

It is a pleasure to join the Senator from Wyoming as a sponsor of this bill. I believe S. 352 should be construed as "people" legislation not partisan legislation. Increased voter participation will most benefit the party which can best represent the will of the people. Needless to say, I have my own idea as to which party performs this duty best. I urge Senators on both sides of the aisle to take speedy action so that we may hear the will of more of the people in our Nation.

FINANCIAL HOLDINGS OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, and May of 1972, I submitted for the record the history of my financial holdings from the time I was first elected to the Senate in August of 1957 until May of 1972. In order to bring the full record up to date, I submit herewith the history of my financial holdings since May of 1972. There has been no substantial change in the general makeup of my assets. The bulk of my assets are still in U.S. Treasury bonds and notes, as they have been since late 1963. The value of these holdings is about $61,000. In addition, I now have $35,000 in State and municipal bonds.

My other assets include ownership of two homes and furnishings in Washington, D.C., on which I owe substantial mortgages to the Perpetual Building Association of Washington, D.C.; ownership of my home and furnishings in Madison, Wis., on which I owe a mortgage to the Credit Union National Association in Madison, Wis., and from which home I have received $200 per month in rent during the last year; ownership of one 1970 automobile and one 1972 automobile, ownership of two checking accounts in Washington banks, one checking account in a Madison bank and one savings account in a Madison bank, for tax purposes, with a combined balance of $3,500.

I also have an outstanding collateral loan with the National Savings and Trust Co. here in Washington.

Trust custody of stock in my children's names have been turned over to them directly as they are over 21.

I estimate my present net worth to be about $182,000. The increase in my net worth as compared to my 1972 report is a result of changed assessment by tax assessors in the value of the two houses I own in Washington, D.C., and the home I own in Madison, Wis. Without this change in assessments, my net worth would have decreased about $2,000 between 1972 and 1973.

To the best of my knowledge, this is an accurate record of my financial holdings and obligation.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1972 Federal tax return and a list of all honoraria received during 1972 in the amount of $300 or more. Additional income was received from book royalties and advance, newspaper and magazine articles and a series of speeches for the Brookings Institution here in Washington for which I receive $150 per speech.

I ask unanimous consent that the balance sheet, copy of 1972 Federal tax return, and list of all honoraria received in 1972 in amount of $300 or more be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Net worth of Senator William Proxmire as of March 1973

Treasury bonds and notes	$61,000.00
Municipals and State bonds	35,000.00
1972 Vega (Blue Book trade-in value March 1973)	1,525.00
1970 Mustang (Blue Book trade-in value March 1973)	1,350.00
3 checking and 1 savings account:	
Education account-checking	427.65
Madison account-checking	2,691.60
Madison tax-savings	389.07
Book account-checking	80.55
Total	3,588.87
4613 Buckeye Road, Madison:	
Assessed value	23,300.00
Market value (May 1972 $35,200)	35,900.00
Mortgage balance	1,050.28
Total	34,849.18
3220 Ordway St., NW., Washington, D.C.:	
Assessed value	$39,000.00
Market value fiscal 1974 (May 1972 $55,000)	60,000.00
Mortgage balance	44,009.38
Total	15,990.62
3025 Ordway St., NW., Washington, D.C.:	
Assessed value	$40,800.00
Market value fiscal 1974 (May 1972 $58,000)	63,000.00
Mortgage balance	9,273.84
Total	53,726.16
Total worth	207,029.83
Balance collateral loan	−25,185.32
Net worth	181,844.51

FORM 1040—U.S. INDIVIDUAL TAX RETURN—1972

First name and initial: William and Ellen H.

Last name: Proxmire.

Present home address: 4613 East Buckeye Road, Madison, Wis. 53716.

Your social security number (Husband's, if joint return): [redacted].

Wife's number, if joint return: [redacted]

Occupation: Yours, U.S. Senator; Wife's, corp. exec.

Filing Status: Married, filing joint return.

Exemptions: 2.

First names of your dependent children who lived with you: Elsie, Douglas, Mary E.: 3.

Total exemptions claimed: 5.

INCOME

Wages, salaries, tips, and other employee compensation (see statement 1): $47,100.

Interest income: $3,391.

Income other than wages, dividends, and interest: $19,707.

Total: $70,198.

Adjustments to income (such as "sick pay," moving expenses, etc.): $3,555.

Adjusted gross income: $66,643.

TAX, PAYMENTS AND CREDITS

Tax Rate Schedule X, Y, or Z: $15,177.

Income tax: $15,177.

Other taxes: $675.

Total: $15,852.

Total Federal income tax withheld: $14,990.

1972 estimated tax payments (include amount allowed as credit from 1971 return): $2,380.

Total: $17,370.

BALANCE DUE OR REFUND

Amount overpaid: $1,518.

Refunded to you: $654.

To be credited on 1973 estimated tax: $864.

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution? No.

Principal place of residence at end of year (not necessarily the same as your post office address):

Blooming Grove, Wis., Dane County.

PART I.—INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

Business income (or loss) (attach Schedule C): $19,001.

Net gain (or loss) from sale or exchange of capital assets (attach Schedule D): $329.

Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E): $468.

State income tax refunds: $567.

Total: $19,707.

PART II.—ADJUSTMENTS TO INCOME

Employee business expense (attach Form 2106 or other statement). (See statement 4): $3,555.

PART III.—TAX COMPUTATION

Adjusted gross income: $66,643.

Itemized deductions: $16,659.

Subtract line 52 from line 51: $49,984.

Multiply total number of exemptions claimed on line 10, by $750: $3,750.

Taxable income. Subtract line 54 from line 53: $46,234.

(Figure your tax on the amount on line 55 by using Tax Rate Schedule X, Y or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, or maximum tax from Form 4726.) Enter tax on line 18.

PART V.—OTHER TAXES

Self-employment tax (attach Schedule SE): $675.

Total (add lines 62, 63, 64, 65, and 66). Enter here and on line 21: $675.

SCHEDULES A&B—ITEMIZED DEDUCTIONS AND DIVIDEND AND INTEREST INCOME: 1972

SCHEDULE A—ITEMIZED DEDUCTIONS

Medical and dental expenses

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below): $150.

Subtract line 3 from line 2. Enter difference (if less than zero, enter zero): 0.

Enter balance of insurance premiums for **medical care not entered on line 1: $239.**

Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, etc.:

Dr. Cameron, $2,758.
Dr. Reed, $13.
Mayflower Optical, $38.
G. W. Clinic, $12.
Montgomery General Hospital, $176.
Dr. Goldstein, $132.
Dr. Cardeney, $7.
Dr. Harris, $10.
Alexandria Hospital, $37.
Dr. M. Heller, $30.
Dr. C. Scalesse, $17.
Dr. W. Cooper, $22.
Georgetown Hospital, $40.
Sibley Hospital, $43.

Total (add lines 4, 5, and 6): $3,574.

Enter 3% of line 17, Form 1040: $1,999.

Subtract line 8 from line 7. Enter difference (if less than zero, enter zero): $1,575.

Total deductible medical and dental expenses (Add lines 1 and 9. Enter here and on line 33, below): $1,725.

Taxes

Real estate: $2,061.

State and local gasoline (see gas tax tables): $90.

General sales (see sales tax tables): $405.

State and local income: $4,477.

Sales tax, auto: $81.

Total taxes (Add lines 11 through 16. Enter here and on line 34, below.): $7,114.

Contributions

Cash—including checks, money orders, etc. (Itemize—see instructions on page 11 for examples.)

See Statement 5: $314.

Total cash contributions: $314.

Total contributions (Add lines 18, 19, and 20. Enter here and on line 35, below.): $314.

Interest expense

Home mortgage: $3,621.

National Saving and Trust, $1,663.

Total interest expense (Add lines 22, 23 and 24. Enter here and on line 36, below.): $5,284.

Casualty or theft loss(es)

See instructions on page 12. NOTE: If you had more than one casulty or theft loss occurrence, OMIT lines 26 through 29 and see page 12 of the instructions for guidance.

$100 limitation: $100.

Miscellaneous deductions for alimony, union dues, etc. (see instructions on page 13).

See statement 6: $2,122.

Political contributions: $100.

Total miscellaneous deductions (Enter here and on line 39, below.): $2,222.

SUMMARY OF ITEMIZED DEDUCTIONS

Total deductible medical and dental expenses (from line 10): $1,725.

Total taxes (from line 17): $7,114.

Total contributions (from line 21): $314.

Total interest expense (from line 25), $5,284.

Total itemized deductions. (Add lines 33 through 39. Enter here and on Form 1040, line 52.): $16,659.

SCHEDULE B—DIVIDEND AND INTEREST INCOME

Interest Income

Note: If interest is $200 or less, do not complete this part. But enter amount of interest received on Form 1040, line 13.

Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 13). (List payers and amounts).

(H) Interstate, $122.

(H) U.S. bonds and notes, $2,932.

(H) U.S. Treasury notes and bonds sold, $166.

(H) United Bank and Trust, $171.

Total interest income. Enter here and on Form 1040, line 13: $3,391.

Note: If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to compute the alternative tax, do not file that schedule. Instead, enter 50 percent of capital gain distributions on Form 1040, line 41.

PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION (SOLE PROPRIETORSHIP) 1972

Principal business activity: Speaking and writing.

Business name: William Proxmire.

Business address (number and street): U.S. Senate.

City, State and ZIP code: Washington, D.C.

Indicate method of accounting: Cash.

Were you required to file Form 1096 for 1972? (See Schedule C Instructions): No.

Did you own this business at the end of 1972? Yes.

How many months in 1972 did you own this business? 12.

Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1972? No.

Gross receipts or sales $20,144. Balance: $20,144.

Gross profit: $20,144.

Total income (ad lines 3 and 4): $20,144.

Other business expenses (specify): Travel expense, $1,143.

Total other business expenses (add lines 19(a) through 19(o)): $1,143.

Total deductions (add lines 6 through 19): $1,143.

Net profit (or loss) (subtract line 20 from line 5). Enter here and on line 35, Form 1040. ALSO enter on Schedule SE, line 1: $19,001.

SCHEDULE C-4. EXPENSE ACCOUNT INFORMATION

Did you claim a deduction for expenses connected with:

Entertainment facility (boat, resort, ranch, etc.)? No.

Living accommodations (except employees on business)? No.

Employees' families at conventions or meetings? No.

Employee or family vacations not reported on Form W-2? No.

CAPITAL GAINS AND LOSSES

Sale of Treasury notes and bonds, 1972, cost, $18,208; sale price, $18,865; loss, minus $657.

Net gain (or loss), combine lines 6 through 10: minus $657.

Net long-term gain (or loss), combine lines 11, 12(a) and 12(b): minus $657.

SUMMARY OF PARTS I AND II

Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here: minus $657.

Enter one of the following amounts: If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13: $329.

Enter here and enter as a (loss) on line 36, Form 1040, the smaller amount of: Taxable income, as adjusted (see Instruction L): $329.

SCHEDULES E&R—SUPPLEMENTAL INCOME SCHEDULE AND RETIREMENT INCOME CREDIT COMPUTATION

Your [redacted].

Name(s) as shown on Form 1040: William and Ellen H. Proxmire.

Schedule E—Supplemental Income Schedule

Part II: Rent and Royalty Income. Report rents and royalties here. If you need more space, you may use Form 4831.

See statement 3.

Percentage ownership or occupancy, $468.

Net income (or less) from rents and royalties (column (b) plus column (c) less columns (d) and (e)), $468.

Total of parts I, II, and III (Enter here and on Form 1040, line 38), $468.

Schedule for Depreciation Claimed in Part II Above.

See statement 3, depreciation, $1,482.

Totals, cost, 61,615; depreciation, $1,482.

Summary of Depreciation (Other Than Additional First Year Depreciation).

Other:

Straight line, $872.

Declining balance, $610.

Total, $1,482.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Name of self-employed person (as shown on social security card): William Proxmire.

Social security number of self-employed person: [redacted].

Business activities subject to self-employment tax: Speaking and writing.

Part I: Computation of Net Earnings from business Self-Employment (other than farming).

Net profit (or loss) shown in Schedule C (Form 1040), line 21. (Enter combined amount if more than one business), $19,001.

Net earnings (or loss) from business self-employment (Subtract line 2 from line 1, and enter here and on line 8(a), below), $19,001.

Part III: Computation of Social Security Self-Employment Tax.

Net earnings (or loss) from self-employment—

From business (other than farming) from line 3, above, $19,001.

Total net earnings (or loss) from self-employment reported on line 8, $19,001.

The largest amount of combined wages and self-employment earnings subject to social security tax for 1972 is $9,000.

Balance (subtract line 11(c) from line 10), 9,000.

Self-employment income—line 9 or 12, whichever is smaller, $9,000.

If line 13 is $9,000, enter $675.00; if less, multiply the amount on line 13 by .075, 675.

Self-employment tax (subtract line 15 from line 14). Enter here and on Form 1040, line 62, 675.

PROXMIRE—1972 FEDERAL INCOME TAX STATEMENTS

STATEMENT 1—WAGES

	FICA	Including tax withheld	Wages, etc.
Employer's name and address:			
(H) U.S. Senate, Washington, D.C.	$239	$14, 389	$42, 500
(W) Washington Whirl-Around		601	4, 600
Total	**239	**14, 990	**47, 100

STATEMENT 2—LONG- AND SHORT-TERM CAPITAL GAINS AND LOSSES

	Date acquired	Date sold	Sales price	Cost or other basis	Gain or loss	
					Short term	Long term
Total capital gains or losses					**0	**—$657

STATEMENT 3—RENT AND ROYALTY INCOME

(H) Property (1): Residence, Madison, Wis.: Gross rents	*$2, 400
Expenses:	
Depreciation	785
Repairs—Appliances	104
Repairs—Miscellaneous	6
Interest	105
Legal and accounting	121
Taxes—Property	394
Total expenses	*1, 515
Net income	**885

DEPRECIATION

Description	Date acquired	Cost or other basis	Accumulated depreciation	Depreciation method	Life		Depreciation this year
					Years	Percent	
House	1958	$30, 565	$10, 220	150DB	50		$610
Improvements	July 1, 1964	1, 750	1, 298	SL	10		175
Furniture	Dec. 1, 1964	800	800	SL	5		0
Total							*785

(W) Property (2): Sea Pines Plantation, Hilton Head Island, SC: Gross rents	*$1, 600
Expenses:	
Depreciation	697
Insurance	53
Interest	828
Management fees	385
Miscellaneous expense	50
Loan expense	421
Total expenses	*2, 434
Net loss	*—834
Percent of ownership, 50	
Net deductible loss	**—417

Description	Date acquired	Cost or other basis	Accumulated depreciation	Depreciation method	Years	Percent	Depreciation this year
Building	July 1, 1972	25, 300		SL	25		506
Appliances	do	1, 150		SL	10		58
Carpeting	do	600		SL	5		60
Heat and air-condition	do	1, 450		SL	10		73
Total							*697

Recapitulation of rent and royalty income:	
Property (1)	885
Property (2)	—417
Net income from rents and royalties	**468

STATEMENT 4—BUSINESS EXPENSE

Travel expense away from home:	
Lodging, meals, and tips	$791
Transportation	2, 596
Living expense, District of Columbia	3, 000
Total	*6, 387
Total business expense	*6, 387
Less reimbursements	—2, 832
Total	**3, 555

STATEMENT 5—CASH CONTRIBUTIONS

Description	Date acquired	Cost or other basis	Accumulated depreciation	Depreciation method	Life: Years	Life: Percent	Depreciation this year
Charities qualifying for 50-percent limitation:							
Landon School							$210
Children's Hospital							12
Yale							20
Cathedral Choral							12
Indonesian Women Association							25
Americans for Children's Relief							35
Total cash contributions to charities qualifying for 50-percent limitation							*314
Total cash contributions							**314

STATEMENT 6—ITEMIZED MISCELLANEOUS DEDUCTIONS

Tax preparation fees	$940
Safe deposit box	37
Investment expense	
Total miscellaneous deductions	**977
Employee business expense	**977
Other business expense:	
Dues and subscriptions	167
Entertainment	123
Broadcasts	761
Photos	94
Total business expense	*1,145
Miscellaneous other deductions	**2,122

PRESIDENTIAL ELECTION CAMPAIGN FUND STATEMENT

Name(s) as shown on your return: William and Ellen H. Proxmire.

Your [redacted].

This form may be used to designate that $1 of your income tax paid over to the 1976 Presidential Election Campaign Fund. Your wife (husband) may designate an additional $1 if you are filing a joint return. Participation will not result in any cost to you, but you may not participate unless the amount on line 21 of Form 1040A or line 23 of Form 1040 is at least as great as the $1 (or $2) designated.

If you wish $1 to be paid over to the candidates of a specific political party, check the first box and fill in the name of the political party. If you wish $1 to be paid over to a non-partisan general account for all eligible candidates, check the second box.

Your choice:
Democratic Party.
Your signature: William Proxmire.
Date: 3/14/73.
Wife's (husband's) choice:
Democratic Party.
Wife's (husband's) signature (if filing jointly and both are participating): Ellen H. Proxmire.
Date: 3/14/73.

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 310 days during the taxable year, and my deductible living expenses while in such travel status amounted to not less than $3,000.00.

WILLIAM PROXMIRE.

HONORARIUMS

List each honorarium of $300 or more received by you during the preceding calendar year. Do not list reimbursements of expenses. If none, write none:

Date, payer, description of service, and amount or value

1/18. Associated Merchandising Corporation, New York, speech, $1500.00.

1/15, Scrap Iron Institute, Washington, D.C., speech, $850.00.

2/3, Common Cause, Westchester County, N.Y., speech, $1000.00.

2/25, American Association of Colleges for Teacher Ed., Chicago, speech, $1050.00.

3/19, Israel Bonds, Cleveland, speech, $1000.00.

4/3, Va. Tech. Corps of Eng. Symposium, VMI, Blacksburg Virginia, speech, $500.00.

3/13, Public Affairs Council, Washington, D.C., speech, $300.00.

4/22, Puerto Rico Dev. Assoc., Puerto Rico, speech, $1000.00.

4/25, University of Rhode Island, Rhode Island, speech, $750.00.

4/10, New York University, N.Y., speech, $750.00.

4/19, Int. Water Quality Symposium, Washington, D.C., speech, $500.00.

5/12, Allied Educational Foundation, New York, speech, $1250.00.

4/8, United Presbyterian Board Conference, Washington, D.C., speech, $500.00.

5/26, Chicago Council on Foreign Relations, Chicago, speech, $1000.00.

6/13, SANE, Philadelphia, speech, $500.00.

7/31, National Nutritional Food Assn., Washington, D.C., speech $500.00.

10/24, University of North Carolina, Chapel Hill, N.C., speech, $1000.00.

11/29, Washington University, St, Louis, Missouri, speech, $800.00.

11/30, University of Pennslvania, Philadelphia, Pennsylvania, speech, $1000.00.

11/16, University of Michigan, Ann Arbor, Michigan, speech, $1500.00.

PORTRAIT OF HENRY KISSINGER

Mr. McGOVERN. Mr. President, yesterday's Washington Star carries an interesting article by Mr. Henry Brandon, chief American correspondent and associate editor of the London Times, which brilliantly describes the role of Presidential adviser Henry Kissinger.

At various times I have strenuously disagreed with the foreign policy initiatives of the Nixon administration—especially with reference to Indochina. But I also recognize that the present administration has taken important, constructive new peace initiatives that have improved relations with China and Russia. Mr. Brandon makes clear that Mr. Kissinger has brilliantly served the President and the Nation in the formation of policy in these essential areas.

I ask unanimous consent that Mr. Brandon's article entitled "The Second Most Powerful Man in the World: Henry Kissinger," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SECOND MOST POWERFUL MAN IN THE WORLD: HENRY KISSINGER

(By Henry Brandon)

Never before in American history have the intellectual and conceptual views of the world of one man, who was neither in an elected position nor a member of the Cabinet, influenced American policy as have those of Dr. Henry Kissinger. Many of the individual ideas and essential decisions that gave Richard Nixon's foreign policy its special flavor certainly were the President's own—he stayed in the driver's seat. But one only needs to examine the prolific writings of the former Harvard professor to realize how much Mr. Nixon's views happened to coincide with Kissinger's and to what extent these two saw the world from a similar vantage point. It became an unusual collaboration between a man who got where he was thanks to the strength of his willpower, and another whose constant preoccupation had been an intellectual approach to the concept that was to be at the root of American foreign policy at this critical turning point of history.

The nation held no particular expectation of Nixon when he moved into the White House. It looked to him, as it looked to other uncharismatic Presidents, to set a path to "normalcy," to lower the temperature, to bring chaos into order. In the nature of things such a course ought to mean that there would be few surprises. There was no reason to expect the creative innovations of Nixon's foreign policy when he appointed, first, William Rogers as Secretary of State, and second, Dr. Henry Kissinger as national Security Adviser.

What was notable about the Rogers appointment was his lack of experience in foreign affairs. The President looked on the State Department bureaucracy as an incorrigibly lethargic snail protected by a thick shell of tradition, incapable of creative ideas or firm action. It was therefore assumed that Rogers had been given something of a trustee role rather than a policy-making position. His appointment got a generally good press because he had a reputation as a decent and honest man, with a lawyer's experience of negotiation and a record of reasonableness rather than political partisanship. Gradually, however, the State Department learned that his appointment and that of Henry Kissinger's added up to a neatly calculated equation.

Rogers was to ensure that this bland, fickle, indecisive giant did not, as Nixon suspected it would like to, play mischievous games with him, trip him up, embarrass him or ruin his initiatives by the slowness of its procedural habits.

Kissinger, who shared the President's prejudices about the State Department's bureaucracy, was to become on the other hand the idea man, the policy taster, the man in charge of the fuse box in the White House that could short-circuit the entire bureaucracy, even the Cabinet. What no one saw at first, though, was that he would quickly become the President's closest confidant, his principal negotiator, his troubleshooter, his First Minister, overshadowing members of the Cabinet—would become, in fact, as columnist Joseph Kraft put it, no less than the second most powerful man in the world.

Nixon shrewdly recognized that Kissinger would not only be an asset to him as the only recognized and respected intellectual in his presidential environment, but that he would also provide him with the kind of raw and finished material and the concepts policies are made of. "Lawyers," Kissinger once wrote (and Nixon was a lawyer), "at least in the Anglo-Saxon tradition, prefer to deal with actual rather than with hypothetical cases; they have little confidence in the possibility of stating a future issue abstractly. But planning by its very nature is hypothetical. Its success depends precisely on the ability to transcend the existing framework." Kissinger obviously saw himself as the chosen instrument that would compensate for these weaknesses inherent in lawyers.

Nixon also knew Kissinger's writings, which told him that they held a shared view about how the United States should deal with the Russians and the Chinese—not as ideological powers, but on the basis of a mutual interest with which no middle power should be allowed to interfere. They also shared the conviction that negotiations with Communist powers must be conducted on a strictly *quid-pro-quo* basis.

They shared a conspiratorial mind, a penchant for secret diplomacy and the *coup de theatre*. To such an approach to diplomacy, bureaucrats can be a positive hindrance; an "eyes only" top secret document, for instance, which has the smallest distribution, nevertheless is circulated in sixty copies; this obviously makes it difficult to ensure its secrecy. Sudden action goes against the bureaucratic outlook and tradition, which are much more based on the idea that if you are willing to wait long enough the problem will disappear. If Nixon meant to pursue a foreign policy punctuated by threats and acts of surprise, he could not do so through a Secretary of State who, because of his own limited experience in foreign affairs, was dependent on the multiple advice of the State Department machinery. Secretary Rogers' function, as it evolved, was not the development or the conduct of foreign policy, but the protection of the President from the self-assertions of the bureaucracy. He needed Kissinger to enable him to act freely in establishing and effecting his own new policies. "Bureaucracy," Kissinger once wrote, "considers originality as unsafe."

All this explains why Nixon and Kissinger, to satisfy their basic instincts as well as their own convictions, preferred to conduct foreign policy by stealth. Kissinger, particularly, in his 19th century outlook of "the public be damned" ideally would prefer to conduct policy out of sight of the public, of Congress, of the bureaucracy, but he has become enough of a realist to know that he has to accept compromises and does. He is in fact very good at public justification of policies and at discussing them with their critics.

Nixon, though accepting the need for accountability and despite his schooling in the world of politics, also prefers to play his hand close to his chest. This affinity of view explains how Kissinger came so much to care for the President and became his loyal, most personal, most dedicated servant rather than, as one cynical comment put it, his Rasputin. A psychological bond developed between the two, some of Kissinger's academic colleagues believe, for both men saw themselves as social outsiders, tolerated rather than accepted by the ruling class.

They are also both loners, and in a theatrical sense, tragic figures who have achieved more than they ever expected, and yet lack the contentment and happiness it ought to bring. Neither can come close to anyone for fear of being unable to meet the demands of friendship or intimacy. They hold enormous power in their hands, but they remain in isolation. Both suffer from insecurities and feel the need of reassurance, but both have gained confidence from the use of power. Kissinger has been accused of displaying an arrogance of power, but if anything his fault is an arrogance of intellect which makes him believe that he can control and manage reality. This also leads him, if the facts do not vindicate his theories, to believe that the facts are wrong. His insecurities also develop from a sense of being disliked, of being surrounded by enemies, or of losing support among those he cares about, and from attacks in newspapers which tend to upset him as much as they do other public personalities. His most obvious insecurities, however, are his total dependence on getting his ideas accepted and his need for protection from his adversaries, of which he has as many as most *eminences grises* did in history.

Kissinger's disinterest in political or party power gave, no doubt, an important advantage in his relations with the President. He is interested more in order, stability, predictability and in a world in which people agree on the rules of the game rather than in doctrine or dogma. The reasons for Kissinger's relative freedom from ideology are to be found in his background. He suffered a youth profoundly upset by the experience of a Germany that came to epitomize to him utter chaos. Out of this shattering experience he could not help but develop, consciously or unconsciously, a basic mistrust of "shakers of the world." He fits into neither the world of Edmund Burke nor that of William F. Buckley. Kissinger's kind of conservatism and his vision of a world with a stable structure for peace led him to fall passionately in love with 19th-century nationalism and to admire that great architect of a structure for peace, the German Chancellor Bismarck (1815–98). But it is less the early Bismarck, who unified Germany, that he admires so much as the later one, who after he had unified his country tried to establish a secure and stable Europe.

The amount of human tragedy Kissinger saw around him during his formative years accounts for his being a man given to occasional melancholy or perhaps *Weltschmerz*, and for being a convinced pessimist beneath a certain playfulness and levity. It is rather apocalyptic gloom that possesses him: thoughts about the inevitability of injustice and some sort of inescapable ultimate doom. He admits to a belief in the tragic element of history: "There is the tragedy of a man who works very hard and never gets what he wants. And there is the even more bitter tragedy of a man who fully gets what he wants and finds out that he doesn't want it." I am certain that the latter experience has been shared by both Mr. Nixon and Dr. Kissinger during their trials in the White House, even though they find occasional triumphs worth the agonies.

Both Kissinger and Nixon play a carefully calculated game. They move with caution and after they have considered all the options, but in Nixon there is also a gambler's instinct. This is a quality of the President that Kissinger, with his intellectual approach, must have worried about; yet he also admires it as an asset in a leader because it is an instinct that he lacks himself. He does, however, believe in an active, not a reactive, diplomacy, for he maintains that this is the best way to control events.

He saw as part of his role to reinforce the President's "nerve." When Mr. Nixon came close to losing his composure during the Cambodian crisis, it gave Kissinger a crucial opportunity to prove his loyalty. From then on a certain dependence on each other developed between the two. The President not only came to rely on Kissinger to present him with the options to policies but also to relieve the loneliness of the presidency. Too much dependence on one man creates special loyalties, but it can also awaken a sense of frustration; both came to develop between the two.

Kissinger has the rare gift of being a conceptual thinker, a quality which separates the intellectual from the politican and which made Kissinger into a particularly valuable aide, for he was able to give the President's policy instincts intellectual content. The President is not a profound thinker, but he can ask profound questions, and Kissinger's ability to give him the answers, to explain to the President where he might find himself half a dozen moves from where he stood, gave Mr. Nixon the kind of intellectual sense of security he needed.

Kissinger is credited by many as a brilliant manipulator—both his admirers and detractors confirm it—and occasionally he prides himself on his expertise in this role. "Power is the ultimate aphrodisiac," he began saying when he came to realize the new attraction he exerted on women and took advantage of it. But power is more than an aphrodisiac; it is a temptation to test its effects in exercising it. Kissinger admits that he enjoys the exercise of power, and some have discovered this to their cost when they sought to interfere either with a course or a policy he considered vital or with his own status. What added to the inherent power of his position and his burdens was the weakness of two key Cabinet members, Rogers and Melvin Laird. Kissinger's personal conspiratorial approach to diplomacy, combined with Nixon's McLuhanesque electronic style, of using television for his dramatic *coup de theatre* announcements, provided a sort of surrealist vision of 20th-century diplomacy. Together they made it work, but it is an unpredictable style and it disturbed political Washington as well as allies and foes. Yet Kissinger succeeded in defying an old Washington dictum that you can have in the capital visibility or influence, but not both. He acquired both, and more of either than any of his predecessors. At Harvard he is remembered as a shy, somewhat arrogant professor. "I was born arrogant," he says, and refers to himself as "an acquired taste." When I asked Kissinger, after his third year in the job, in what way he thought he had changed most, he said in the self-confidence he had gained. This self-confidence led him not only to test his own mettle to the limit, but also to enjoy living dangerously. Washington worships virtuosos, but it also strangles them with attention and blinds them with limelight. If the virtuoso is also powerful he is as much admired as feared, as much lionized as berated. Even his newly acquired humor was viewed with suspicion and amusement. Fritz Kraemer, his old friend and mentor, and his former Harvard colleagues remember Kissinger as humorless, almost too serious-minded to laugh at anything, least of all himself, and were surprised at the sudden wit and social ease his newfound self-confidence had inspired. To those who liked him it was an enjoyable new trait and a sign that this hard-headed, hard-driving egotist was becoming more human. To those who saw him still as Dr. Strangelove it was nothing but a clever device to put people off the scent of the real, tough inner man. Gov. Nelson Rockefeller, well acquainted with Kissinger's character, summed it up differently: "Every period has its Humphrey Bogart, and the tough guy of our times is Henry Kissinger."

Kissinger has come to enjoy celebrities. Having become one himself, he can meet them on equal terms. He loves the power and fame of which he acquired more than he had ever dreamed, but he still chews his nails. His inner tensions and some of his insecurities persist behind a deceptively casual facade of geniality, self-deprecation, easy humor and aphoristic conversational skill. He felt at ease with Chou En-lai and Leonid Brezhnev, more perhaps than with Western leaders, but he can still feel uncomfortable with people he thinks know him well. He can surprise his friends with his thoughtfulness and sensitivity, but may go further out of his way to keep his enemies disarmed—soothing them he regards as a challenge that he has been surprisingly successful at meeting. He maintains his old loyalty to Governor Nelson Rockefeller, for whom he worked for 14 years, but probably less for the appreciation of the man than for the safe harbor he continues to be to him. He has become more concerned than ever about what others say or print about him, and caution is warranted when he says to a friend, "You are one of the few I don't try to manipulate." Publishers have offered him contracts in six figures, and yet he is worried about the future, less for its financial aspects than what kind of job he should seek and what the loss of power may do to him psychologically.

Kissinger's love-hates are the press and his Harvard colleagues, and both reciprocate these feelings. Yet there also exists a great mutual respect. In fact, he became the most appreciated and adroit press briefer in White House history. It is an extremely important role, which normally falls to the Secretary of State, but one which Kissinger also had to assume and in which his experience as a teacher and lecturer greatly aided him. His refusal to use the phrase "no comment" and his ability to illuminate or shrewdly obfuscate a situation aroused admiration as well as exasperation among the press. His habit originally was to make his briefings so-called backgrounders, which meant that he could not be identified except as a White House official; but then, he was persuaded to give his general briefings on the record and attributable to him, especially since Secretary Rogers rarely faced the press in public. Kissinger's press briefings were also an act of showmanship. He had an uncanny way of relieving the initial air of adversaries facing one another that always exists between the briefer and the reporters. He liked to open with a lighthearted but poignant anecdote, as for instance when he began by saying, "I understand that my job is to communicate with you. This reminds me of the story of a Christian who was thrown into the arena with a lion. He thought he had better start with a prayer before the ordeal. When he did this, he found that the lion was also adopting a rather reverential pose. He said, 'Well, thank God, at least I am communicating with you.' The lion said, 'I don't know about you, but I am saying grace.' "

Or, on another occasion, "When I was at Harvard the thing that used to infuriate me most was tired bureaucrats who arrived to tell us that everything had been considered, that they knew so much more than we did, that any differences of opinion were due to gaps in knowledge, and that if we only knew as much as they did, of course, we would all agree with them. I just want to make sure, gentlemen, that you understand everything has been considered by us. If you knew as much as we did, you would, of course, agree with us, but if you don't we will take it with the attitude that not even the press can be right 100 percent of the time." Thanks to his gift of patience and his knowledge of the substance of the briefing, he always remained in control, however fierce and searching the questioning. "I am here to explain policy, not to debate it," he told one polemical questioner.

Sometimes correspondents complained, though, that in private briefings he tended to "shade" his interpretations to appeal to the politcal inclinations of the person he was addresssing, whether that person was a Joseph Alsop or an anti-war priest. One must wonder what these reporters expected from a master diplomat who could be equally persuasive with the earthy, bullylike Leonid Brezhnev and the sophisticated mandarin Chou En-lai. Kissinger can fiercely resent what he considers unfair press attacks on him, but not for long. He quotes with glee from a review of one of his own books, "I don't know if Mr. Kissinger is a great writer, but anyone finishing his book is a great reader." He enjoys the company of talented and provocative columnists, whether or not their views are in sympathy with his or the Nixon administration's, though he may feel more comfortable with those who are.

This ability to communicate became of enormous value to President Nixon, as it was a gift he lacked. Kissinger became the invaluable, and indefatigable and most loyal exponent of the policies he helped formulate and execute. And in the latter role he gained, in addition, greater personal fulfillment than any ever enjoyed by a senior presidential assistant. He had well-developed concepts and was presented with the opportunity, rarely given to an academic, to test them against practice, and he did it with a brilliance that led every head of state to recognize him not only as the President's first minister but also as his super-diplomat and plenipotentiary. He joined the President at the moment when the forces of change, so long suppressed, had begun to assert themselves. The question was how to manage a transition from relatively stable alliances to shifting coalitions in a world destabilized by the revolutionary manifestations of post-industrial society and by the changing military balances how to effect the retreat or, as Kissinger preferred to call it, the retrenchment of American power in a way that would not weaken U.S. ability to hold their own in the world balance-of-power game.

RETIREMENT OF JACK SPAIN

Mr. LONG. Mr. President, I would like to take a moment to honor a great North Carolinian and a great American—Jack Spain.

Jack recently retired after 32 years of service on Capitol Hill. He was administrative assistant to my distinguished colleague, the senior Senator from North Carolina (Mr. Ervin) for the last 19 years, serving, in the words of the Senator, "with rare diligence and ability."

I recall meeting Jack soon after my arrival in Washington in 1948. At that time, he was administrative assistant to Senator Clyde Hoey. Our offices were on the same corridor of the Senate Office Building.

My wife, Carolyn, worked for many years with Jack in the offices of Senator Hoey and Senator Ervin. She has a warm affection for Jack. We both regard him as a dear friend.

Jack is a native of Pitt County where he received his early education. He graduated from the University of North Carolina in 1923.

Mr. President, there will never be a more loyal alumnus nor a more ardent football fan of the Carolina Tar Heels.

During his many years in Washington, Jack did not develop a case of "Potomac Fever." He maintained his home in Greenville and supervised his farm in Pitt County. As he returns to the tobaccoland he loves, Carolyn predicts his new title will be "The Squire of Black Jack"—a rural community near his home.

Carolyn joins me in wishing Jack and his gentle, devoted wife, Marie, the best of everything in the future.

LAURELS FOR HENRY HOHMAN

Mr. MATHIAS. Mr. President, today's Baltimore Sun carried a column by Joseph Alsop which describes with great feeling the work of an exemplary Marylander, Henry Hohman.

Henry Hohman, of Kingsville, Md., has received England's Royal Horticulture Society gold medal for outstanding achievement in gardening. As Mr. Alsop points out, Lord Aberconway, the owner of one of England's finest modern gardens, hailed Mr. Hohman as—

> The most distinguished nurseryman in America, distinguished in the sense that anything others can grow, he can grow better, and he grows . . . a great many more and difficult plants that other people there cannot grow: thus they are preserved in cultivation.

I first learned of Mr. Hohman's work a number of years ago when my mother-in-law, Mrs. Robert Bradford, who is herself an extraordinary source of knowledge, sought him out as the only man in America who could provide certain rare species of box. I have followed his success with interest ever since.

Mr. President, we in Maryland are quite proud of Henry Hohman. His efforts have not only contributed to the science of gardening but have yielded new and beautiful plants and flowers for all of us to enjoy.

I ask unanimous consent that Joseph Alsop's column be included in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Prophet Without Honor in His Own Garden

(By Joseph Alsop)

Kingsville, Md.—Americans sometimes have a way of honoring other people's prophets, but not their own. Here in Kingsville, one of our least honored but most honorable prophets lives in an old, old house, in the midst of a vast, half-impenetrable jungle of wildly assorted vegetation. The thicket happens to be a plant nursery, but you would hardly guess it.

Henry Hohman is worth celebrating now precisely because he has just been greatly honored—but in Britain, where they really care about gardens. The august Royal Horticultural Society, the gardening world's equivalent of the College of Cardinals, has just sent Mr. Hohman its passionately envied gold medal. The medal came with a citation from Lord Aberconway, the owner of one of England's finest modern gardens.

"Mr. Hohman," said Lord Aberconway, "is the most distinguished nurseryman in America, distinguished in the sense that anything others can grow, he can grow better, and he grows . . . a great many more and difficult plants that other people there cannot grow: thus they are preserved in cultivation."

Just this, in fact, is what is going on in Mr. Hohman's jungle, although you would hardly think so at first glance. Furthermore, it is worth turning aside for a while from the larger concerns of this weary world to examine the lessons of Mr. Hohman and his jungle. In an odd way, they make their own comments on American culture (if that is the right word) in the last half of the Twentieth Century.

If Mr. Hohman were a Japanese, he would now be classified as a national cultural asset, as those with precious but vanishing skills are in fact classified in Japan. He will not tell you his exact age, but he began work in 1912.

He sought his first job with the nursery firm of Bobbink and Atkins, because he was already a passionate gardener. As a boy, he had fertilized and mulched and pruned his first roses in his salesman-father's West Baltimore backyard.

In 1920, he bought the land now covered by his jungle for a trifling sum, and he set up his own as a nurseryman. Rare and uncommon plants were already what interested him. He had no university or other training as a botanist. Yet he is by now the greatest American expert on rare plants, or at least on those rare plants that can somehow be made to thrive in our unfriendly climate. Yet he is humble about his knowledge.

"I have studied my work all my life," he will tell you gently—for he has that peculiar gentleness that seems to go with deep religious faith and deep love of growing things. "And I still feel I know nothing about it."

"Nothing," however, is a word that here requires definition. Mr. Hohman's jungle altogether contains 11,000 species and varieties of the trees and shrubs that are his specialty. Of box alone, he has 200 species and varieties, among which many are quite wonderful hybrids for special purposes that he has produced himself. Of azaleas, again, he says, deprecatingly:

"I only have about 1,000 species and varieties."

Besides being an incomparable hybridizer, he is the nonpareil of plant propagators in this country. The rarest of all American shrubs—rarer even than the famous Franklinia Alatamaka, found just once in Georgia in the Eighteenth-century and preserved ever since in cultivation—is a splendid flowering shrub called Illiotia racemosa.

There is one tiny clump of this rarity growing wild in the South. Yet no one had ever known how to propagate Illiotia until Mr. Hohman experimented, with his usual imaginative, delicate precision, with propagation by root cuttings. Now the world's great nurseries and public arboretums are lining up, hat in hand and from Belgium to Boston, for their ration of the newly propagated Illiotia (two to an arboretum).

So what are the lessons of this prophet without honor in our country? To begin with, you can still do very well in America if you are better than anyone else, and have enormous guts, too—for it takes guts to go on managing a jungle almost single-handed.

The arboretums, the few great American gardeners, the major foreign nurseries, still follow Emerson's rule about beating a path to the door of the man who has the best mouse-trap.

Yet on the other hand, have a look at any commercial American plant nursery, where the annually increasing millions of Americans who care about gardens make their purchases! Deadly sameness, deadly dullness, all in the name of mass production—these are the commercial themes.

If we cease to be able to tell "best" from "good." The future will be as depressing as rows of magenta azaleas planted against gracious suburban brick.

TRIBUTE TO MISS FAITH HILL

Mr. FANNIN. Mr. President, it was my privilege recently to join in special ceremonies in the Senate Office Building honoring Miss Faith Hill, a linguist from the Summer Institute of Linguistics. Attending the ceremony and representing the Executive Director of SIL, were the Washington representatives of the institute, Mr. Edward Boyer and Mr. Robert Schneider.

Over the period of 28 years, Miss Hill has made outstanding contributions to bilingual education and literacy among native Americans. Her distinguished linguistic and literary service has been especially important to the Apache and Navajo peoples of Arizona and New Mexico.

A book entitled "God Speaks Navajo" was written by the late Miss Faye Edgerton about the work of Miss Hill.

Mr. President, the work of the Summer Institute of Linguistics was cited in a joint resolution (S.J. Res. 105) during the 92d Congress and a subsequent Presidential proclamation entitled "Year of World Minority Language Groups." Both documents called attention to the worldwide situation involving more than 2,000 distinct vernacular tongues spoken by over 160 million people, without an alphabet or written form. The congressional resolution brought public recognition to the fact that the Summer Institute of Linguistics is working in more than 580 languages in 25 countries of the world.

Mr. President, I wanted to take this opportunity to make note of the ceremony in the Record, and once again to congratulate Miss Hill and the Summer Institute of Linguistics.

SAFE DRINKING WATER

Mr. MATHIAS. Mr. President, last year the Senate passed the Safe Drinking Water bill which would establish a cooperative program between the Environmental Protection Agency and the States to regulate drinking water. Unfortunately, the House did not have time to consider this legislation in the last Congress. This bill has been reintroduced in both Houses and hearings were held on March 8 and 9 in the Subcommittee on Public Health and Environment of the House Committee on Interstate and Foreign Commerce.

This bill should be of significant interest to every Member of Congress, especially to those in the Washington metropolitan area who are concerned with the potential crisis which could occur because of the lack of an adequate water supply for Washington and the surrounding counties.

Mr. President, my distinguished colleague in the House, Gilbert Gude, has addressed the water supply problem and the pending safe drinking water legislation in testimony on March 8, 1973, before the House Interstate and Foreign Commerce Committee. I ask unanimous consent that his testimony appear in the Record today.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of the Honorable Gilbert Gude

Mr. Chairman, I appreciate this opportunity to testify today on the Safe Drinking Water Act. I know that you and the Public Health and Environment Subcommittee have put a major effort into this legislation, and I commend your efforts. During the 92d Congress, I sponsored the Safe Drinking Water Act and I am pleased to again do so during the present Congress.

The fact that President Nixon placed a high priority on this bill in his environmental message highlights its importance. Having reviewed the committee bill and the Environmental Protection Agency version, I concluded that I favored the committee version, primarily because I support the provisions for demonstration projects.

I feel such projects are important because local officials are inherently conservative when it comes to trying new water treatment methods, especially methods that involve reuse or recycling of water. If demonstration plants were available for observation and study, I believe that the advances made possible by modern research and technology would be implemented much sooner on the local level.

I have observed the water supply issue grow in importance in the Washington metropolitan area, and this is a relatively water rich region. I imagine this committee has heard of very serious situations in other parts of the nation.

One of our local controversies involves the upper Potomac Estuary, a natural reservoir holding more than 100 billion gallons. Although the Army Corps of Engineers is currently constructing a 100 million gallon water intake to tap the Estuary during periods of low flow of the Potomac, question have been raised in some quarters as to the safety of such a step.

Although the Potomac's average flow at Great Falls, Maryland is seven billion gallons per day (bgd), the record low flow was only 388 million gallons per day (mgd)—when compared to the peak demand of 402 mgd. Fortunately peak demand and low flow have not occurred on the same day, but the future may not be so fortuitous particularly since demands in the year 2000 are estimated to range from 700 mgd to as high as 1250 mgd.

It is interesting to note that the use of polluted surface water or recycled waste water is hardly a revolutionary or novel concept. An exhaustive study of ⅓ of American cities of 1961 demonstrated that these municipalities included from 0 to 18 percent municipal waste water from upstream in their drinking water supplies, with the average city having 3.5 percent recycled waste water in its system.

Polluted surface water is used regularly for drinking water supplies in the Passaic Valley, New Jersey, and a detailed study of the Passaic Valley Water Commission's operations documents its success in treating this blend of polluted and clean water to meet potable standards.

In considering the safety of drinking water, three main criteria are usually looked at: bacteria, viruses, and chemicals. Of the three, the last has received the least study.

In conjunction with the estuary intake construction, the Corps has commissioned a local scientific firm to run virus tests on the treated water at Dalecarlia and already preliminary data is available. This is a landmark undertaking for a municipal operation.

The Corps is also working on a proposal to construct a 5 mgd pilot plant on the Estuary to experiment with a variety of water treatment methods. This is most welcome since a number of new methods have received little field testing. I have urged that all local public officials and citizens give this proposal their support. Washington, as you know, is unique in having the Corps of Engineers in charge of its water supply. Other cities do not have such good fortune and thus I stress the need for demonstration and pilot projects.

The Corps' emergency intake facility is scheduled to be operational by the summer of 1974. This coming summer is not expected to present a water shortage problem because of the heavy precipitation of the past months. It would appear then that the short term problem is solved.

As I mentioned, studies are rarely done or commissioned by local officials. EPA researchers have shown, however, that viruses do get through good, modern facilities, and it is suspected that some of these viruses may cause such illnesses as gastroenteritis. The Corps' research has in part been stimulated by concern as to the adequacy of the polluted estuary as a source of potable water. The corps wants to know if it can be properly treated so there is no danger from viral diseases.

Other epidemic diseases, suspected of being caused by viruses, such as infectious hepatitis, have not been associated with contaminated municipal water. Our water filtration and treatment systems, the National Institute of Environmental Health tells me, evidently do an adequate job of dealing with infectious hepatitis. The disease has been associated, however, with wells and other small local sources.

Although the detection of E. coli is the basic tool of today's sanitary engineer in monitoring bacteria, a simplified field detection and monitoring system for viruses has not yet been developed. Current methods require long and expensive laboratory work. What is needed is the discovery of a good indicator bacteriophage whose presence in water or waste water could be definitely correlated to the presence of animal viruses of importance to man. Virologists have indicated to me that with concentrated research and study such a virus monitoring system could be developed in as short a period as 18 months.

There are two virus removal methods—an actual physical removal and an inactivation by a disinfectant such as chlorine. The disinfectant does not actually remove the virus particle but rather inactivates its ability to infect an animal host. Despite the difficulty of easy detection, a fairly high level of virus removal can be obtained. In fact, 100 percent inactivation is theoretically possible.

The actual effectiveness of virus treatment facilities in the U.S. is unknown. One alternative treatment method which clearly has to be explored is the use of ozone for virus removal. Ozone has been used extensively in Europe as a water treatment agent for over 50 years. Ozone disinfection is thought to result from general cytoplasmic oxidation of the whole viral particle or cell. It is, therefore, reasonable to expect that viral inactivation will occur more rapidly than bacterial kill when ozone is the disinfecting agent because the viral particle lacks a cell wall and membrane and is much smaller than a bacterial cell. The employment of ozone however may have to be used in conjunction with chlorine—both in order to assure total bacterial disinfection and to provide a residual disinfecting agent to carry the water through the supply system.

Total removal of viruses can be achieved by membrane technology, so this area must also be given much attention and study. The membrane processes, reverse osmosis, and electrodialysis, along with ion exchange, have been the preferred methods of desalting brackish water. To date these processes are quite expensive and are only beginning to be developed for use on a municipal basis. They not only are effective against viruses but also remove chemicals—the third class of contaminants which we must consider.

The presence of organic and inorganic chemicals, and hard metals in drinking water has not been adequately dealt with at all. And this is a problem facing all American cities no matter what their water supply source. The Potomac, being relatively free of industrial development, is most likely less contaminated than other major rivers. A recent report by a Navy researcher indicated, however, that chemical contamination could be a problem and, of course, in recycling such materials could become more concentrated.

As I mentioned at the beginning of my statement, the local Washington area does not have a major water supply problem. Nevertheless, I believe I have given you a picture of some of the problems we do face.

In order to treat and reuse polluted water or to recycle water that has undergone tertiary sewage treatment, we should have more research and better treatment methods.

The Safe Drinking Water Act, in setting standards and proposing studies of the health aspects of reclamation, reuse and recycling, will help the local area as well as drier, water scarce areas.

In conclusion, Mr. Chairman, I would urge the Committee to give serious consideration to the citizen suit provision in the EPA bill. Of all of life's essentials, air and water are the first two. Citizens should have a mechanism by which to bring immediate action if their local officials fail to protect them by conforming with the provisions of this act.

CLOSE OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I know of no further morning business.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The ACTING PRESIDENT pro tempore. Under the previous unanimous-consent agreement, the Senate will now proceed to the consideration of S. 398, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Economic Stabilization Act Amendments of 1973".

AUTHORITY TO ALLOCATE PETROLEUM PRODUCTS

SEC. 2. (a) The first sentence of section 202 of the Economic Stabilization Act of 1970 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and that in order to maintain and promote competition in the petroleum products to meet the essential needs of various sections of the Nation, it is necessary to provide for the rational and equitable distribution of those products."

(b) The first sentence of section 203(a) of such Act is amended—

(1) by stiking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof a new clause as follows:

"(3) provide for the establishment of priorities of use and for systematic allocation of supplies of petroleum products in order to meet the essential needs of various sections of the Nation and to prevent anticompetitive effects resulting from shortages of such products."

EMPLOYMENT GOAL

SEC. 3. Section 202 of the Economic Stabilization Act of 1970 is amended by inserting "(a)" before "It is hereby determined" and by adding the following new subsection at the end thereof:

"(b) In achieving the objectives set forth in subsection (a), the Congress hereby determines that an unemployment rate of 4 per centum or less for the civilian labor force as defined and measured by the Bureau of Labor Statistics is achievable by April 30, 1974, and is consistent with reasonable price stability. It is the sense of the Congress that the President and Congress should undertake such policies and enact such legislation as may be necessary to achieve a rate of unemployment of 4 per centum or less not later than April 30, 1974."

DEFINITION OF SUBSTANDARD EARNINGS

SEC. 4. Section 203(d) of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new sentence: "The President shall prescribe regulations defining for the purposes of this subsection the term 'substandard earnings', but in no case shall such term be defined to mean earnings less than those resulting from a wage or salary rate which yields $3.50 per hour or less."

CLARIFICATION OF AUTHORITY CONFERRED BY ACT

SEC. 5. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(j) Nothing in this title may be construed to authorize or require the withholding or reservation of any obligational authority provided by law or of any funds appropriated under such authority."

PUBLIC DISCLOSURE

SEC. 6. Section 205 of the Economic Stabilization Act of 1970 is amended—

(1) by striking "All" and inserting in lieu thereof "(a) Except as provided in subsection (b), all"; and

(2) by adding at the end thereof the following new subsection:

"(b) Any business enterprise subject to the reporting requirements under section 130.21(b) of the regulations of the Cost of Living Council in effect on January 11, 1973, shall make public any report so required which covers a period during which that business enterprise charges a price for a substantial product which exceeds by more than 1.5 per centum the price lawfully in effect for such product on January 10, 1973, or on the date twelve months preceding the end of such period, whichever is later. As used in this subsection, the term 'substantial product' means any single product or service which accounted for 5 per centum or more of the gross sales or revenues of a business enterprise in its most recent full fiscal year."

FOOD PRICES

SEC. 7. Section 216 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following:

"(c) The President shall transmit quarterly reports to the Congress not later than thirty days after the close of each quarter describing the rate of change in food prices by category of food, the reasons for any such change, and the actions he has taken or recommends to the Congress to be taken to stabilize food prices."

EXTENSION OF ACT

SEC. 8. Section 218 of the Economic Stabilization Act of 1970 is amended by striking out "April 30, 1973" and "May 1, 1973" and inserting in lieu thereof "April 30, 1974" and "May 1, 1974", respectively.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of S. 398, Mr. Michael Burns and Mr. Elwin Skiles, of the minority staff, be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

Mr. President, I ask that the time consumed by the quorum and pursuant to my request not be charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABOUREZK). Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, it is my understanding that the bill has been laid down and is now before the Senate; is that not correct?

The PRESIDING OFFICER. That is correct; and time is under control.

Mr. SPARKMAN. Mr. President, will the Chair inform me as to the time limitation. I understand we have 3 hours on the bill.

Mr. TOWER. Three hours is correct, to be equally divided between the distinguished Senator from Alabama and myself.

Mr. SPARKMAN. I recall that.

Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Banking, Housing and Urban Affairs be allowed the privilege of the floor during consideration of the bill:

Dudley L. O'Neal, Jr., Reginald W. Barnes, Kenneth A. McLean, Stephen J. Paradise, Michael E. Burns, T. J. Oden.

The PRESIDING OFFICER. Without objection, it is so ordered.

Before the Senator from Alabama proceeds, the Chair would like to state the agreement for debate on the pending bill.

Time for debate on the bill will be limited to 3 hours, to be equally divided and controlled by the Senator from Texas (Mr. TOWER) and the Senator from Alabama (Mr. SPARKMAN); with time on the so-called Proxmire prenotification amendment limited to 2 hours and a 3-hour limitation on the so-called Proxmire freeze amendment; with time on all other amendments limited to 1 hour, and time on any amendment to an amendment. debatable motion or appeal limited to 30 minutes.

Mr. SPARKMAN. Is there not another feature in there, that any amendment would have to be germane?

The PRESIDING OFFICER. That is another feature, and the Chair thanks the Sentor from Alabama.

Mr. TOWER. Mr. President, could that unanimous-consent agreement be modified to state that if any amendment offered is acceptable to the distinguished chairman of the committee but is not acceptable to the ranking minority member, then the ranking minority member should control the time in opposition to any amendment? Would that not be agreeable?

Mr. SPARKMAN. Absolutely.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

The Chair hears none, and it is so ordered.

Mr. SPARKMAN. Mr. President, the bill before the Senate today, S. 398, would extend and amend the Economic Stabilization Act of 1970. This act is the act which gives the President authority to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries.

The Economic Stabilization Act was first used by the President in August 1971, when he imposed a 90-day freeze on all wages, salaries, rents, and prices. On October 7, 1971, the President announced his post freeze economic program. This phase II program went into effect on November 14, 1971. Under the phase II program, the President appointed a Cost of Living Council, a Price Commission and a Pay Board to implement his program.

On January 11, 1973, the President announced a change in the phase II program and implemented phase III. The phase III program envisions voluntary controls on certain segments of the economy with the eventual moving back to an economy completely free of any type of wage, salary, rent, or price control. Under this new program, the only administrative body would be the Cost of Living Council. The President has abolished the Price Commission and the Pay Board as constituted under the phase II program. Under existing law the Economic Stabilization Act of 1970 would expire on April 10, 1973. In order for the President to carry out his phase III program, it is necessary that his authority under the Economic Stabilization Act be extended. He has requested an extension to April 30, 1974.

As introduced, S. 398 provided only for a simple extension of 1 year of the Economic Stabilization Act. After careful consideration, the Banking, Housing and Urban Affairs Committee agreed to six amendments to the bill. I would now like to briefly discuss the provision of the bill as amended by the committee.

Section 1 states that the short title is the Economic Stabilization Act Amendments of 1973.

Section 2 of the bill would provide legislative authority for the President to establish priorities of use and an allocation system of supplies of petroleum products in order to meet essential needs for those products in the various sections of the country and to prevent anti-competitive effects which might well develop from shortages of petroleum products. The committee recognized that the long term answer to the current fuel shortage in some areas of our country is to increase overall supplies. On a short term basis, however. the committee recognized the necessity of providing legislative authority to the President to assure that sufficient supplies of petroleum products be made available to consumers this year.

Section 3 would provide that it is the sense of Congress that the President and the Congress should undertake such policies and enact such legislation as may be necessary to achieve a rate of unemployment of 4 percent or less not later than April 30, 1974. This would establish a goal for the President and the Congress to work toward during the coming year regarding unemployment. It is the view of the committee that if proper steps are taken by both the President and the Congress, this goal of a 4 percent unemployment rate is achievable and is consistent with reasonable price stability.

Section 4 of the bill would exempt workers earning less than $3.50 an hour from wage controls. Present regulations set the low income exemption from wage controls at $2.75 per hour. This figure of $2.75 per hour is based on family income rather than individual income. The committee believes and the legislative history of the act will show that this low wage exemption should be applicable to individual income rather than to family income. The $3.50 figure contained in the amendment would enable a worker to earn an amount equal to the amount fixed by the Department of Labor as the amount to maintain a minimum adequate standard of living for a family of four.

Section 5 of the bill is designed to make it clear that it is not the intent of the Congress for the Economic Stabilization Act either to authorize or to require the President to impound or withhold funds which have been appropriated by Congress. In a recent report submitted to Congress by the Office of Management and Budget one of the legal justifications cited as authority of the President's recent action in curtailing and cutting off various Federal housing programs and impounding the funds which were appropriated for them was section 203 of the Economic Stabilization Act. The legislative history of this act clearly shows that Congress did not consider that this legislation could or would be used by the President for this purpose. This amendment clearly states that the Economic Stabilization Act is not designed to provide a legal basis for presidential impoundment of funds and termination of programs passed by the Congress.

Section 6 of the bill would require any

business that is subject to the reporting requirements of the regulations issued by the Cost of Living Council to make public such reports covering a period in which that business enterprise increased the price of a substantial product by more than 1.5 percent over the price legally in effect for such product on January 10, 1973. "Substantial product" is defined in the amendment as any single product or service which accounted for 5 percent or more of the gross sales revenues of a business enterprise in its most recent full fiscal year.

Section 7 of the bill would require the President to issue a quarterly report to the Congress stating the actions he has taken and the recommendations he has made in regard to the price of food.

Section 8 of the bill would extend the Economic Stabilization Act for 1 year to April 30, 1974.

The committee considered an amendment which would impose Federal rent controls. This amendment was defeated by a tie vote of the committee. In this connection I might point out that the President has authority under this act to impose rent controls. Secretary Shultz told the committee that if rents become a general problem, they would reconsider the imposition of rent controls under phase III.

Mr. President, I hope that the Senate will act favorably on this bill as reported by the committee.

Mr. President, I ask unanimous consent to have a section-by-section analysis of the bill printed in the Record.

There being no objection, the analysis of the bill was ordered to be printed in the Record, as follows:

Section 1.—Cites the Act as the "Economic Stabilization Act Amendments of 1973."

Section 2.—Gives authority to the President to set priorities of use and systematic allocation of petroleum products.

Section 3.—Sets a maximum unemployment goal of 4% by April 30, 1974. Declares it is sense of Congress that the President and Congress should pursue policies to reduce the rate of unemployment to 4% by the end of April, 1974.

Section 4.—Changes the regulatory definition of the "working poor" from those earning $2.75 an hour to those earning $3.50 an hour.

Section 5.—Establishes that the Economic Stabilization Act does not authorize the President to withhold or reserve any obligational authority or any funds appropriated under such authority.

Section 6.—Requires business enterprises making price reports to make such reports public if the price increase is more than 1.5 per centum over the price lawfully in effect for such product on Jan. 11, 1973.

Section 7.—Requires President quarterly to submit report on food prices and what action has been taken or recommended action to be taken to stabilize such prices.

Section 8.—Extends Act for a period of one year, from April 30, 1973, to April 30, 1974.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The Banking, Housing and Urban Affairs Committee, under the very able leadership of the distinguished Senator from Alabama, has reported the bill which Senator Sparkman and I introduced to extend the Economic Stabilization Act from April 30, 1973 to April 30, 1974. The wage-price controls program established by the President in August of 1971 has been successful in getting control of cost-push inflation and knocking out the bulk of the inflationary expectation problem. The types of price increases that have occurred in recent months have essentially been due to increased demand for certain foodstuffs, which is not the type of inflation that wage-price controls can deal with. Only increased supplies will resolve that particular price problem, and extensive Federal supply encouragement actions have already been taken.

The use of wage-price controls in a free society can only be justified to deal with an emergency situation where cost-push forces and inflationary expectations are creating an inflationary spiral. This situation has been satisfactorily dealt with, and the President has wisely moved toward decontrol with Phase III. We hear some call now, however, for reimposition of various aspects of Phase II controls, largely because of concern about relative shortages of certain products, principally food, rental housing units in some areas, lumber, and petroleum products. The fact should be made very clear at the outset that reimposing Phase II control on sectors of the economy that are faced with a shortage problem will not resolve those problems. They can only serve to make them more severe by preventing full dollar demand from drawing new productive resources into play to satisfy the demand for such products. The Senate should resist the seemingly attractive short-run solution to specific economic problems of imposing mandatory wage or price controls or rationing on the affected sectors; we must look to the long-run strengths of a free market economy to supply the goods and services that Americans want in the quantities that they want.

There are a number of issues that have been raised in committee in the form of amendments, some of which were adopted and the two major ones of which were rejected, those two being the rent controls amendment and the prenotification amendment. The more bound by inflexible prescriptions and proscriptions that the bill becomes, the less useful the act will be as a policy tool to deal with a very complex and constantly changing economic situation. I will reserve for the time being my comments on amendments which will be brought up today and tomorrow, but I will include here for the record comments on some of the amendments already adopted in committee which I think were unwise and should not be included in this legislation. I ask unanimous consent that my printed views from the committee report dealing with the $3.50 working poor standard, unemployment target of 4 percent, and rationing of petroleum products be printed in the Record.

There being no objection, the excerpt from the committee report was ordered to be printed in the Record, as follows:

$3.50 WORKING POOR STANDARD

The Committee adopted a proposal to change by statute the regulatory definition of the working poor, who are exempted in the Stabilization Act, from those earning $2.75 per hour to those earning $3.50 per hour. The utilization of a $3.50 definition for the working poor would pose a severe problem for the Cost of Living Council in its program to achieve economic stability. The use of this straight-time hourly rate exempts over one-half of the nonsupervisory private nonfarm labor force from the wage guidelines. Moreover, in the particularly troublesome health and food industries, which are under mandatory controls, over eighty percent of the nonsupervisory workforce would be exempt from the Economic Stabilization Program. Other low-wage industries such as apparel, textiles, leather products, and services may become problems with the $3.50 definition of the working poor.

In addition, certain occupational categories will have wage scales which are well below $3.50 per hour and, consequently, would not be subject to any effective limits, while other occupational categories in the same firms or units would remain subject to the stabilization standards. In industries with higher levels of compensation, the use of a $3.50 cutoff is likely to produce serious intra-unit distortions by creating problems of wage compression. Thus, by producing imbalances within the economy, the $3.50 definition of the working poor is likely to inhibit the Cost of Living Council's efforts to attain wage and price stability. Increased inflation throughout the economy would reduce the purchasing power of the wages of *all* workers so that those with the lowest wage rates would be the most adversely affected. Raising the low-wage exemption level too high, consequently, would hurt the purchasing power of those lower wage workers for whom the low-wage exemption was presumably designed.

UNEMPLOYMENT TARGET OF 4 PERCENT

The Committee adopted an amendment setting a target of 4% for unemployment by the end of 1973, and instructing the President to take action to reach that goal.

The goals of economic policy are more complex and diverse than simply attaining a certain unemployment figure. Precision in specifying an unemployment goal without regard to other economic goals has been avoided since the enactment of the Employment Act of 1946, for fear that such a single-minded pursuit of low unemployment would mean that collateral goals, such as price stability, would be sacrificed. At the present time of concern about restoring price stability, it would be particularly unhealthy to focus all efforts on reducing unemployment to a specified figure, to the neglect of other economic problems that also affect the welfare of the American people. Inflation and its effects on those on fixed incomes and on the long-run ability of the economy to reach stable full-employment cannot be thrust aside for a short-run, all-out course of action against unemployment. We have to have a balanced set of national policies to achieve constant progress against all of the problems that we face, and while we can all agree that one of our most important intermediate-to-long term goals is to get unemployment down to 4% and below, we cannot simply instruct the President to drop everything else and go after that one goal for immediate window-dressing results.

There are steps that can be and have been taken toward reducing unemployment, particularly in developing appropriate training programs and establishing computerized job banks. If Congress would build the rational feature of a differential rate in the minimum wage law as it applies to teenagers, a substantial portion of those presently unemployed would be placed in jobs. Household services and general skilled repair work, so much needed in this day of working families and extensive appliance and auto utilization, beg to be performed by anyone today willing to devote some time and effort to learning and practicing these professions. We can cure unemployment, but most of the actions to accomplish this take time and must be meshed in with all other economic policies of the government. After all, if all that we wanted to do was reduce unemployment immediately, we could go further into deficit and put all the unemployed on government payrolls. Obviously, such a single-minded policy would involve great costs in other areas, and simply indicates the truth of the fact that we cannot isolate a single economic result as the alpha and the omega of governmental policy, as this amendment would seem to have us do.

RATIONING OF PETROLEUM PRODUCTS

The Committee adopted an amendment which empowers the President to "establish a system of priorities of use" and to provide for "systematic allocation of supplies of petroleum products in order to meet the essential needs of various sections of the nation. . . ." While there can be national emergencies where federal rationing programs become necessary, it would seem that in a peacetime period where the economic system is healthy and is capable of marshaling the resources needed to meet the demands of its consumers and economic units, we should avoid the rather drastic step of rationing. The market price system has proven to be the best allocation device in history, and attempts to deal with shortages by intervening in that system with wage and price controls and/or rationing arrangements have traditionally resulted in worse shortages than were in existence to begin with.

We must face the basic economic fact of life in the country that rising market prices are the best means we have to bring about the investment needed to produce more of the goods and services that are in increasing demand. In the case of petroleum products, the best long range solution to any shortages that may develop is to allow the oil industry to earn market prices, which would be sufficient to justify extensive investment in exploration and in production facilities and to encourage investor capital to come to the firms in the industry. Rationing will effectively detract from the market price level and deter the investments that we want to encourage.

Mr. TOWER. Mr. President, I yield to the Senator from Utah such time as he may require.

Mr. BENNETT. Mr. President, I want to express my support for the extension of the Economic Stabilization Act. The enactment of this legislation will allow an orderly transition from phase II to phase III of the President's new economic policy. It is the next logical step in the President's program of gradual decontrol from the strong measure of mandatory wage and price control implemented in August of 1971.

Phase III is not a radical departure from the goals embodied in phase I and II, instead it is a shift in emphasis. Greater stress will be placed on voluntary cooperation by all segments of the public. The standards of phase III will be primarily self-administered. Business and labor will be able to determine by themselves what conduct conforms reasonably to the established guides. Only in those instances when there is obvious disregard for the guidelines will the Federal Government exercise its authority to set mandatory rules.

I am confident that there will be little need for the use of mandatory rules because people want inflation curbed. It is clear to all that nobody wins in a continuous spiral of soaring prices and wages. With a cooperative effort, I am certain that the President's goal of getting the rate of inflation down to 2½ percent by the end of the year can be achieved.

While it is obvious that some of the trouble spots that existed under phase II will remain under phase III, the centerpiece to the success of this program has got to be responsible Government action. Discipline must be maintained to stay within the President's proposed budget. Failure to follow policy of fiscal responsibility will in large part offset the positive effects achieved under phase I and II.

To complement a program of responsible fiscal budgeting, action is also being taken that will help reduce prices in the lingering trouble spots, particularly food, health care, and construction. The creation of a Cabinet level Cost of Living Council Committee on Food and a nongovernmental Food Industry Advisory Committee will provide a means of examining every possible method of curbing rising food prices. The implementation of the committee's recommendations and the effect of actions already taken by the Nixon administration should result in a downward movement in food prices by mid-year.

As I have mentioned, Mr. President, I have complete confidence that the guidelines and policies of phase III will be able to bring the economy closer to the President's goal of 2½-percent inflation rate. However, these policies can only be successful if they are not made unworkable by statutory restrictions that will inhibit the flexible nature of the overall program.

For this reason, I am opposed to several of the amendments adopted by the committee and to many that have been discussed and rejected by the committee.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield me time on the bill?

Mr. SPARKMAN. How much time?

Mr. PROXMIRE. Twenty minutes.

Mr. SPARKMAN. Mr. President, I yield to the Senator 20 minutes on the bill.

Mr. PROXMIRE. Mr. President, I have great respect for my colleagues who have already spoken, but I feel very strongly that this is a weak bill.

Phase III is a very, very weak and inadequate and ineffective operation, and I think most economists and investors and others who follow what is going on—indeed, many housewives—now recognize this.

I say that recognizing that the bill does constitute an improvement over the simple extension of the Stabilization Act which came before the committee. It is improved in several ways.

No. 1, the committee amended the bill to establish a goal of reducing unemployment to 4 percent by the expiration of the act in April 1974; also, to exempt workers earning less than $3.50 an hour from wage controls. That is desirable and necessary, in view of the fact that $3.50 an hour these days means that if you work 2,000 hours a year, your annual income is $7,000.

The finding of the Department of Labor is that any family making less than $7,400 a year cannot afford the minimum essentials and is having difficulty making both ends meet. The Wage Stabilization Act should not be used to hold down the income of people with low incomes.

To be frank, the fact is that this amendment is not going to result in sharp increases for these people. These are the people with the lowest wages in the economy; they are not organized. Under phase II they were well below the guidelines, and they will continue to be under phase III.

However, it seemed that in justice we should not make it the policy of Congress that we would not permit people with substandard incomes not to have the opportunity to improve their lot by negotiating with an employer.

There was also an amendment by the Senator from Maine (Mr. HATHAWAY) to provide cost reports by large corporations. This was a welcome improvement. We will be in a much better position to evaluate price increases if we have that information available.

Also there is a provision to authorize the President to ration petroleum products and a provision to inhibit impoundment of funds appropriated by Congress. All of this is very helpful.

Mr. President, I rise now to speak because I have an amendment pending with a number of cosponsors that would provide a ceiling on overall spending. I do not intend to press that amendment on this particular bill. I understand I will have an opportunity to press that amendment within the next week or so. I intend to do so, and to do so vigorously. I would like to state now precisely why that amendment is necessary and explain why I think it is essential that we pass that kind of legislation if we are going to have an effective Price Stabilization Act. Wage and price controls alone will not do the job. Economists, both conservative and liberal, overwhelmingly agree. In the 25 days of testimony we heard in our committee and the many days of testimony taken by the Committee on Banking, Housing and Urban Affairs it was corroborated again and again that price and wage controls by themselves will not do the job. What is needed is an effective fiscal and monetary policy.

That means that you have to hold down spending. There is little sympathy for a tax increase. If we are going to have an effective system of holding down spending we have to have a fiscal policy that will work.

Anyone who thinks phase III is working now must be in a cocoon completely insulating himself from what is going on in the world. One does not have to go to the sharp investors who have driven the dollar down and undermined the dollar, or required a devaluation on our part, and one does not have to talk to stock market investors who are selling the market short; in spite of all the encouraging economic indicators which suggest the economy is booming, the stock market is dropping. Why? Again and again we come back to a recognition that phase III is weak; that it will not do the job and that we are in for serious inflation.

One does not have to pay attention to the stock market. For those who seek spectacular evidence of the weakness of phase III, the most obvious evidence is to talk to the housewife, talk to your wives, or go to the store and see what is happening to prices.

Not only will wage-price controls fail if we do not have a spending ceiling or effective fiscal policy, but devaluation will not work. All the evidence suggests the reason devaluation was necessary, was the recognition by foreign investors that the anti-inflation policy in the United States was weak and not working, that the timing of the administration in dropping phase II was a serious blunder. To drop it as sharply as they did was a serious mistake.

Without a spending ceiling, our fiscal policy is expansionary, inflationary. The anti-inflation burden falls heavily then on monetary policy. Monetary policy works through our credit policy and control of the money supply. It manifests itself in interest rates. When the Federal Reserve Board wants to slow down credit they raise the interest rate. Borrowers are then less inclined to borrow and to spend. Sharply restraining monetary policy can have a devastating effect on housing because interest is so important in buying a house.

The monetary policy adopted in the credit crunch of 1966 cut housing starts to an annual rate of less than 1 million a year and resulted in full-fledged depression in housing and was a disaster. Every time we have had a credit crunch housing has suffered.

State and local governments are unable to justify going to the market when interest rates are high to borrow money to build schools and hospitals and other facilities that State and local governments need.

When fiscal policy is weak because we are spending too much, there is terrific pressure on the Federal Reserve Board to have a restraining monetary policy with high interest rates, and a devastating effect on housing, State and local governments, and also on the farmers. Farmers are the most conspicuous borrowers and debtors in our society. Senators who have farmers in their States need only talk to those farmers to find out why it has hurt them. Few of them are able to pay for farm improvements without borrowing and so high interest rates hit them. A loose fiscal policy that throws the anti-inflation based on monetary policy is bound to hurt farmers badly.

I want to emphasize especially that congressional action on a ceiling soon is essential. We have to act now to assure the country that we mean business about stemming inflation. Wholesale prices rose in December at a record rate. They rose even more sharply in January, and they rose at a heartbreaking rate in February. One can say all he wishes about the increase in the price of food, but those wholesale price increases were not confined to food.

The industrial price was up 12 percent, the biggest increase in more than 22 years. This was an increase in basic products: lumber, steel, nonferrous metals that go into the construction of everything we buy in the United States. There is no way, with that great wholesale price increase that we suffered, that we can prevent that increase being reflected in higher consumer prices in April, May, June, and July. That is inevitable unless we act with great force.

We heard complaints from the housewives but as they say in an old song, "Baby, you ain't seen nothing yet," because we are going to have consumer price increases in the cost of food in April, May, and June. Eventually Congress may be driven to adopt another amendment I have, that I may press at the end of the bill, providing for an across-the board freeze on prices, wages, and profits.

Finally, Mr. President, I would like to say there are more specific reasons why we should consider a spending ceiling now, and a ceiling below what President Nixon proposed. As I go around my State I find many people think the issue is that the President is proposing to hold down spending and Congress is proposing to increase it.

All of us who have reflected on this question recognize that this is not the case. It is true that Congress would like to increase spending in some areas substantially above what the President would like, but there has been no case made that the position of Congress in overall spending would result in spending higher than the President has proposed.

I am convinced, from talking to my colleagues on the Democratic side—and I am sure that it is true on the Republican side—that we intend to hold down the President's spending, not alone to what the President has proposed, but below what he has proposed.

If we go along with the higher ceiling the President has proposed, it will be another reason why the stock market, foreign investors, and others are so sure the United States is embarked on an inflationary policy. I say that because the President's proposal is to increase spending by 7½ percent. That is one of the biggest percentage increases by any President. It is a $19 billion increase in 1974 over 1973, and it comes on top of an economy that is already overheated, and it comes under circumstances in which we are going to have a particularly big deficit in the first half of calendar 1973. It comes on top of income tax refunds that are very substantial, over $20 billion that people will have and are likely to spend in the next few months and push up prices.

Any ceiling amendment should be offered and passed before the fiscal year starts. The earlier the better. If we wait until the new year, it will be argued that 2 or 3 months are needed for the agencies to get ready and that 12 months' cuts will have to be made in 9 months or less. The ceiling must be established early.

I found that out, much to my unhappiness, last year, when I tried to impose a ceiling on defense spending. I found it almost impossible to do it when the June 30 date is here. We have to go on with our commitments and ration that over the rest of the period. We cannot wait until June 30, because Appropriations Committees are acting now on appropriation measures, and those commitments that are made in the appropriation bills are going to be buttoned in to our prospective fiscal program within the next few weeks.

In the economic report, the President himself urged that Congress take action on a spending ceiling before we act on any money bills, and the President in that statement is absolutely correct.

Second, the economic stabilization bill is an excellent vehicle. The world is waiting for a sign that the United States means business about inflation. The one thing Congress can do is limit overall spending. We cannot, after all, enforce the Economic Stabilization Act. That has to be done by the President. But we can put into effect an overall ceiling on spending.

As I have said, I do not intend to offer the amendment to this bill. I can justify it, but I am withholding it, because I have been assured by Senators that they will support it if I can offer it to another bill.

Third, the excellent proposals of the Joint Committee on the Budget will not affect this year. They affect next year. But the spending issue is here and now. We cannot wait a year before we act.

Fourth—and this is something that very few people in the press and the many people in Congress do not really appreciate—the only way Congress can control spending is by a ceiling on spending or outlays—not obligational authority, but outlays. The distinction is very important. It is said that in order to cut spending by $1, we have to cut appropriations by $3. What we would have to do is cut the President's authority to spend money appropriated in the past and that will be appropriated this year. This year's spending is largely made up of past appropriations and past spending authority. To affect the present, we must have a ceiling on outlays, not just a limit on appropriations, because all this is a limit on spending. It is a limit on the President's powers. It does not give him more power. It limits his power. Without a spending ceiling, he could spend much more than $268.7 billion by drawing from the $298.5 billion in unspent backlogs he has at his disposal.

I think Senators must realize that we are not limiting the Congress by providing the ceiling; we are limiting the President, because, as I say, he has the discretion to spend or not spend. He has always had it. He has it on the basis of past appropriations. He can postpone or delay. We can limit the power of the President to make that expenditure—his outlay power, by imposing the ceiling.

Finally—and this should be very important to every Member of the Senate—a spending ceiling below the President's proposed budget will go a long, long way to resolve the impoundment issue. If Congress limits spending to $265 billion, there is no justification for the President to impound funds on grounds of fiscal responsibility. Congress will have been as responsible as the President—in fact more so than the President. Then Congress has every right to say that our priorities as they are worked out this year shall prevail. We can then have both the moral and economic arguments on our side. But if we fail to enact a ceiling, the President will win the spending fight.

Some people say, "Let us wait and see how much we are going to spend here and there, and how much we have to spend in various areas." That is not the way budgets are arrived at. That is not the way the President arrives at his budget. It is easy enough to find how he arrived at the 1972, 1973, and 1974 budgets. He arrived at that by determining what would be the full employment balance. He determined that that was the wise level at which to have a full employment budget without a tax increase. I think that was a mistake, because now we have an overheated economy, an economy that should be restrained, not an economy that should be expanded and stimulated. For that reason, I think it is far wiser to propose at this time a somewhat lower ceiling. But we should start not end the budget process with a ceiling.

For all the reasons I have given here, I intend to press hard for this amendment. I do hope other Members of the Senate will support it. It makes sense. It does not restrain the Congress, but the President primarily. It serves notice on the world that the Government of the United States is unified in its determination to have a sound fiscal policy.

I want to thank the Senator from Alabama for yielding me 20 minutes on the bill; and because I have been assured by other Members of the Senate that this amendment can wait until a later time if I do not offer it here now, I do not intend to offer it now.

Mr. TOWER. Mr. President, I call up my amendments No. 34 as I have modified them, and ask that they be stated.

The PRESIDING OFFICER. The clerk will read the amendments.

The legislative clerk proceeded to read the amendments.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 4, line 11, after "(b)" insert "(1)".

On page 4, line 14, after "report" insert "(except for matter excluded in accordance with paragraph (2))".

On page 4, line 24, insert the following:

"(2) A business enterprise may exclude from any report made public pursuant to paragraph 1 any information or data reported to the Cost of Living Council, proprietary in nature, which concerns or relates to the amount or sources of its income, profits, losses, costs, or expenditures but may not exclude from such report, data, or information, so reported, which concerns or relates to its prices for goods and services."

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield myself as much time as I may require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I intend to ask for the yeas and nays on this amendment. I notice that there are not quite enough Members on the floor to have the yeas and nays ordered, but I serve notice that I will ask for the yeas and nays.

Mr. President, the committee adopted an amendment to require that, for firms with sales of $250,000,000, if a given product's price is increased at least 1.5 percent on an annualized basis, the firm's quarterly report to the Cost of Living Council must be published. Involved here is the same essential problem that is involved in the prenotification/prior approval/public hearings amendment which the committee rejected, and that is the focusing of public antagonism about price increases on large firms, in spite of any cost or other justifications that may attend them. The distortions of economic behavior of the affected firms in order to avoid such public antagonism serves no rational economic purpose and will only lead to reduced production and employment as an ultimate result.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. TOWER. Secondly, there is some question whether the amendment imposes a requirement on the Cost of Living Council to publish information of the affected firms which is of a proprietary nature. Some members of the committee even indicated that they saw no public purpose served by the proprietary information concept. I feel that there are definite needs for the protection of proprietary information of business firms that comes to the Government, and it would be my hope that this amendment, if enacted, is not interpreted to override the existing statutory protections for such information in the Freedom of Information Act (5 United States Code 552) and the confidentiality of information provision of the criminal laws title (18 United States Code 1905).

The type of information which will be required to be reported in phase III by large firms will include detailed product line information, profit margin information, cost breakdowns for resources and labor factors used in each product, overhead information, productivity and volume information, and so forth. Much of this type of information is competitively very sensitive from the standpoint of each individual firm, and its disclosure to competitors will serve to prevent any affected firm from being able to utilize its talents and resources to produce desired goods and services for the public and yet to derive entrepreneurial profits from such activities.

In other words, breaching the confidentiality concept for such information means that the Government would be treating large business firms as utilities whose cost and price structures are public property. The means of keeping them limited to nominal returns on capital would simply be the pricing and strategy actions of competitors after they learn the sensitive cost, price, productivity, and market information of the affected firms. Treating large firms as utilities will only serve to reduce their direct investment of capital and the public's passive investment of capital in those firms, both of which will ultimately reduce their ability to produce the goods and services that our country needs in the quantities it desires and to reduce the size of the labor force that they can employ.

The amendment would also have a seriously adverse impact on the ability of our firms to compete against foreign business organizations, who would be in a position to know sensitive data about our firms while they themselves retained their own sensitive data in complete secrecy. This cannot do anything but injure our trade posture, both from the export and the import sides. At this point in international economic developments, we certainly do not want to encourage such an adverse factor for our trade situation.

I therefore offer my amendment No. 34 to assure that proprietary information is excluded from the scope of the public disclosure amendment.

Mr. President, this does not wipe out the present provision of the bill. It simply makes it possible to exclude information which is proprietary in nature which, if revealed, could work to a competitive disadvantage for a domestic company not only in terms of its operations in our own domestic marketplace, but also in the international marketplace as well, because this proprietary information would then become the knowledge of the foreign business firms doing competition with domestic firms. It would place our domestic firms at a very serious competitive disadvantage with foreign firms. In other words, it would give foreign competition all of the industrial intelligence that they need to compete in an advantageous way with American industry.

I therefore urge the adoption of my amendment.

Mr. SPARKMAN. Mr. President, I yield 15 minutes to the distinguished Senator from Maine.

Mr. HATHAWAY. Mr. President, I rise in support of the committee bill and in opposition to the amendment that has just been offered by the Senator from Texas (Mr. Tower).

The public disclosure section in the committee bill, which I sponsored and which the committee approved by a 9-to-4 vote, makes an important reform in procedures under the Economic Stabilization Act. It requires public disclosure of reports made to the Cost of Living Council by certain very large companies, in the event that such a company raises the price of a substantial product by more than 1.5 percent a year—the phase III guideline on price increases. Under present law, companies with annual sales or revenues of $250 million a year or more are required to report their prices, costs and profits to the Cost of Living Council.

The purpose of this section of the bill is to give the public sufficient information to challenge excessive price increases when they appear to be unjustified and specifically to petition the Cost of Living Council to take action on the matter. I think that a disclosure requirement of the sort proposed here is essential to maintain public confidence in the administration's anti-inflationary program, especially in view of the voluntary nature of controls under phase III.

The amendment offered by the Senator from Texas (Mr. Tower) would destroy the intent of the committee amendment. I believe that it is really vital to the Economic Stabilization Act to agree to the committee amendment.

It has been alleged that the public disclosure section would require revealing information that must be kept confidential in order for a company to maintain its competitive position. I disagree with this contention on a number of counts.

First, of course, no company would have to reveal any information at all if it kept its price increases on substantial products below 1.5 percent. I have every expectation that most large companies will be able to do this and will thus not be affected at all by the public disclosure section.

Second, the language of the report on the bill makes it clear that this section does not require any disclosure of legitimate trade secrets, such as manufacturing and technical processes, or inventions. And in fact, the Cost of Living Council's forms do not ask for any such information.

Basically, this section does no more than put large companies on the same basis as single product-line companies that now make public reports to the Securities and Exchange Commission. It makes them disclose financial data on a product or product-line basis, which is nothing more than what many American companies have routinely disclosed through the SEC since 1934.

Incidentally, there seems to be some confusion as to what single-product means. The technical criterion which the SEC uses is four-digit SIC—standard industrial classification—code, which requires breaking out specific products by a modicum of detail, but certainly not down to a minute level. For instance, it would require that General Motors use a more specific classification than automotive products, which it now uses, and break out at least costs and profits on trucks and cars separately. On the other hand, it would certainly not go down to brand name level. For instance, Coca-Cola would have to report its prices, costs and profits for beverages, but certainly not for Coke as distinct from Tab.

Corporations subject to SEC reporting requirements—and virtually all making over $250 million a year fall into this category—must file with the SEC form 10–K, which asks for information on net sales, major items of cost and investment, depreciation and amortization of plant and equipment, net income or loss before and after taxes, and earnings or loss per share.

The Cost of Living Council has made available to me its most recent draft of form CLC–2, the proposed report of prices, costs, and profits. This is the form required to be submitted quarterly by firms making $250 million or more annually. In fact, it asks for very little information not demanded in some form by the SEC's form 10–K.

Form CLC–2 asks 19 questions on its first page. Of these questions, only seven call for financial information. Each one of these seven questions calls for information required to be publicly disclosed by the SEC in form 10–K, for all companies, whether single product line companies or otherwise.

Page 2 of form CLC–2 asks 10 questions for each product line. Only two of these—sales and cost justification—could in any way have ever been considered confidential. But the sales figures are already routinely made public in the case of every single SIC code company filing reports with the SEC. And the cost justification figure on page 2, which is merely the result of calculations on proposed schedule C, is almost identical to the figures which the Price Commission, during phase II routinely published for all tier I and tier II companies.

Schedule C of form CLC–2 is entitled "Calculation of Cost Justification To Support Net Price Increases." Schedule C requires a breakdown, on a product line basis, of nine cost factors. Almost every one of the items required by schedule C is now, and has been for years, required to be publicly disclosed by single product, or single SIC code, companies on SEC form 10–K. One exception to this rule is the requirement of line 3 of schedule C that the company differentiate between the costs of imported and domestic direct materials.

I would like to point out further that the very existence of the public disclosure requirement should tend to hold down some excessive price increases. If large companies are anxious to avoid disclosing their costs and profits, this will give them an incentive to stay within the 1.5-percent guidelines.

Incidentally, I think it is reasonable to expect that the largest corporations in America will be able to keep increases of this nature down to 1.5 percent this year. After all, in phase II a number of the same companies were able to keep prices in substantial categories of their business down to 1.8 percent pursuant to TLP—term limit pricing—agreements with the Price Commission. My amendment, without interfering with the looser and self-administering aspects of phase III, just gives these companies the impetus to keep price increases in line with phase III guidelines—an impetus which they would not have in the absence of this provision.

I should point out that the impact of public disclosure requirement falls only in areas of great significance to the economy. The restriction to substantial products of firms with $250 or more in sales and revenues means that in the case of the smallest reporting company, sales of a single product up to $12.5 million are exempt from disclosure, while for very large companies such as General Motors, up to $1 billion of sales in a single product group would be exempt. So what we are dealing with here are cases in which an increase in price has a far-reaching effect on the economy, cases of sufficient magnitude that an excessive price increase can contribute to the burden of inflation.

This is not to say, however, that my amendment would not provide any additional information to the public, beyond what is already available. It would, in fact, make available information on single products or product lines of large companies, in detail which is not open to the public now.

Indications are that the trend for the future is to make product-line information available to the public anyway. The FTC has three proposals now before the OMB, any one of which would, if accepted, substantially aid in achieving this goal. And in fact, much of the clamor for product-line reporting has come from the investment community, which sees this as an aid in making investment decisions.

So my amendment just requires this sort of disclosure in advance of expected administration action along these lines—and I stress, furthermore, that it requires it only in the event that a large company raises a price on a substantial product by more than 1.5 percent. Surely this is little enough protection to demand for the consumer in a period of runaway inflation.

It has been alleged more broadly that public disclosure of information in reports to the COLC would endanger the viability and profitability of the companies involved, and thus that it poses a dangerous threat to open market competition. I do not find this to be the case.

The competitive advantage of a firm does not lie in its cost and profit figures. Rather it derives from such things as its trade secrets, its secret processes, its inventions, the morale of its workers, and the better management techniques of the company, none of which would have to be disclosed under the committee bill.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I want to tell the Senator from Maine that I enthusiastically support his opposition to the Tower amendment. This would knock out the Hathaway amendment. In fact, the Hathaway amendment was adopted in committee by a 9-to-4 vote requiring limited disclosure on the part of large corporations.

As I understand it, the Senator has made it clear that the language in the bill at the present time, the language that would be drastically modified by Senator TOWER, does not call for more disclosure on the part of big business than small single-product companies have to disclose now, in an annual report. Is that correct?

Mr. HATHAWAY. That is correct; yes.

Mr. PROXMIRE. So there would be nothing revolutionary or radical or new about this; as a matter of fact, it just puts the big conglomerates in the same position as the smaller businesses which have to compete with them?

Mr. HATHAWAY. That is correct.

Mr. PROXMIRE. Then, as the Senator pointed out, the committee bill would help to maintain confidence in the fairness of the wage-price control program. As I understand, it is very difficult for labor to accept the 5.5-percent limit on wage increases, particularly if they suspect that price increases cannot be justified and will result in a much bigger increase in profits.

One of the purposes of the language of the Senator from Maine that would be deleted by the Senator from Texas is to make the facts clear, so that the public could have more confidence in the decision as to whether or not a price increase is justified; is that right?

Mr. HATHAWAY. Yes. That is the main purpose of the amendment.

Mr. PROXMIRE. Finally, I think the impact of the Hathaway amendment on the bill is definitely anti-inflationary, because to the extent that the big firms want to avoid disclosure, they can do so, as I understand the Senator's language reads, by simply holding their price increases below 1.5 percent.

Mr. HATHAWAY. That is correct.

Mr. PROXMIRE. It is only when they make the big guideline busting increases that they have to make the disclosures which the Senator requires; is that correct?

Mr. HATHAWAY. Yes.

Mr. PROXMIRE. I thank the Senator.

Mr. HATHAWAY. And then only if the product accounts for 5 percent or more of their total revenue. Actually, that is a very lenient provision, because with giant corporations, making a number of products, many important items may not even account for as much as 5 percent of sales.

Mr. PROXMIRE. Mr. President, I hope the Senate will stand by the committee. The vote in the committee was 9 to 4, very decisive, and I think the amendment of the Senator from Maine is most useful.

Mr. HATHAWAY. I thank the Senator from Wisconsin.

I would like to point out also, as to the area of competition that seems to be the basis of the objection to the committee language; there are also a lot of data to indicate that competition among our largest firms runs at a rather low level, and that undoubtedly one of the prime causes for the inflation is the fact that we do not have enough competition in many areas.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

The 15 minutes yielded to the Senator from Maine has expired.

Mr. HATHAWAY. Will the Senator from Alabama yield 5 additional minutes?

Mr. SPARKMAN. Mr. President, I yield 5 minutes.

Mr. HATHAWAY. Whether one likes it or not, I certainly do not like it, nor do I think any of the rest of us do; but the fact is that price-fixing and other anti-competitive arrangements are not uncommon in American business, and particularly among the largest corporations. So I find the competition argument somewhat ironic.

So I find the competition argument somewhat ironic.

I would like to point out, in concluding my remarks, that the amendment that has been offered by the Senator from Texas (Mr. Tower) specifies that only prices can be revealed by the Cost of Living Council to the public.

Well, prices are already known by the general public. That is the basis upon which they will be making complaints. They are entitled to know on what basis these prices and price increases are founded.

The Senator from Texas mentions in his argument that the sources of costs should not be revealed. I agree with the Senator that the sources of costs should not be revealed. They are not currently being revealed under the Cost of Living Council regulations.

I presume that the regulations will continue in effect. What we are interested in getting at is actual raw cost data. I cannot see that this harms any corporation competitively. If it does to a slight extent, certainly the public benefit to be gained far outweighs the slight inconvenience that it causes to some of our large corporations.

I thank the Senator from Alabama for yielding me the additional time.

Mr. SPARKMAN. Mr. President, I wonder if the Senator from Maine would keep the floor and let me ask him some questions.

Mr. HATHAWAY. Certainly.

Mr. SPARKMAN. Mr. President, I may say that since the committee has reported the bill with this limit in it, I have received a great many protests. All of them have been on the ground that it does compel disclosure of proprietary information that would be harmful to the competitive position of the companies. What is the Senator's answer to that? Is that a correct charge or not?

Mr. HATHAWAY. I do not believe that it would be harmful to the competitive position of large companies.

As I mentioned in the course of my remarks, the competitive advantage that one company has over another company involves information that has not been required by the Cost of Living Council, and it would not be required under the committee amendment.

It involves such intangibles as advertising and sales techniques, morale of the workers, certain management processes, or trade secrets.

All that we are asking for are raw data or figures as to costs. We are not even asking for the sources of these costs.

Theoretically, we could say that if a corporation knew that a competitor was purchasing his raw material from the X, Y, Z Corporation at a lower price than it could purchase them from the A, B, C Corporation, then that might give the corporation a competitive advantage; but the source of supply does not have to be revealed under the Cost of Living Council form. Just the raw figures have to be revealed.

I cannot see how the corporation can gain very much from just knowing what his competitor's costs are.

In all likelihood the giant corporations have such an efficient spy network that they know these cost figures, anyway. They probably know a lot more about their competitors than the actual figures that would be disclosed under this amendment.

Mr. SPARKMAN. The Senator has referred to the questionnaire that the Cost of Living Council uses. Did the Senator put that in the Record?

Mr. HATHAWAY. No. I have not put that in the Record, but I think it should be made part of the Record. I would be glad to ask unanimous consent, Mr. President, that the form used by the Cost of Living Council be made a part of the Record at this point.

There being no objection, the form was ordered to be printed in the Record, as follows:

REPORT OR RECORD OF PRICES, COSTS AND PROFITS

This form applies to:

(1) ----Reporting Parent and Consolidated Entities

(2) ----Reporting Unconsolidated Entity
Parent name: ------------------

(3) ----Recordkeeping Parent and Consolidated Entities

(4) ----Recordkeeping Unconsolidated Entity
Parent Name: ------------------

PART I—IDENTIFICATION DATA

1a. Name of Parent or Unconsolidated Entity to which this form applies:

b. Address (number & street)

c. City or Town, State and ZIP Code

d. Chief Executive Officer

2. Is this a resubmission?

3. Ending Date of most recently completed fiscal year

4. Reporting Period Ending Date

5. To be completed by Parent only:

Annual Sales or Revenues---------------

PART II—CALCULATION OF BASE PERIOD PROFIT MARGIN

6. Base year 1 net sales (fiscal year ended------------------).

7. Base year 2 net sale (fiscal year ended------------).

8. Total (Item 6 plus Item 7).

9. Base year 1 operating income

10. Base year 2 operating income

11. Total (Item 9 plus item 10)

12. Base period profit margin (Divide Item 11 by Item 8)

PART III—CALCULATION OF PROFIT VARIATION

13. Net sales $

14. Base period profit margin (From Part II, Item 12)

15. Target current period profit (Item 13x14)

16. Actual operating income

17. Current profit under (over) target profit (Item 15, minus Item 16)

PART IV—ADDITIONAL INFORMATION

18. Individual to be contacted for further information:

Name & Title: ----------------------
Address: ----------------------------
Phone Number (include area code) ------

19. You must maintain for possible inspection and audit, a record of all price changes subsequent to November 13, 1971. Give location of such records.

PART V—CERTIFICATION

I CERTIFY that the information submitted on and with this Form is factually correct, complete, and in accordance with Economic Stabilization Regulations (Title 6, Code of Federal Regulations) and instructions to Form CLC–2.

TYPED Name and Title of the Chief Executive Officer or parent or other authorized Executive Officer and Date of signing.

(Name)

PART VI—PRICE/COST INFORMATION

CLC Number——————————
Product or Service Line Description (a)
4-Digit SIC (b)
Reporting Period—From———To———
Authorized (j)
CUMULATIVE PERIOD
From ——————— to ———————
Sales ($000 Omitted) (c)
Weighted Average % Price Adjustment:
Actual (d)
Authorized (e)
Percent Cost Justification (f)
Maximum Percentage Price Increase (g)
Sales ($000 Omitted) (h)
Weighted Average % Price Adjustment:
Actual (i)

Authorized (j)

1. — 19. $

20. Totals from Continuation Schedule

21. Totals (Lines 1–20)

22. Weighted Average Percent Price Adjustment

23. Sales of or from Foreign Operations

24. Sales of Food

25. Other Non-applicable Sales

26. Not Sales.

CALCULATION OF COST JUSTIFICATION TO SUPPORT NET PRICE INCREASE ON FORM CLC–2

Product or Service Line——SIC #——

PART .—IDENTIFICATION DATA

1a. Name of Parent or Unconsolidated Entity.

b. Address (Street, City, State & Zip Code)

PART II—CALCULTATION OF COST JUSTIFICATION

Cost Elements—(Attach supporting schedules as required by instructions)

Percent of cost element that is variable (a)

Percent increase (decrease) in current cost level vs. primary cost level (b)

Percent of cost element to total costs at the primary cost level (c)

(b) x (c) expressed as a percent (d)

3. Direct materials: (1) imported: (2) other

4. Direct labor

5. Other manufacturing or service costs: (1) Labor; (2) Other Costs

6. Other operating costs: (1) Labor; (2) Marketing, General & Admin.; (3) all other costs

7. Non-allowable costs

8. Subtotal

9. Offset for productivity increase

10. Offset for volume increase

11. Weighted average percentage price increase justified by this schedule c. (Item 8 less Items 9 and 10)

12. Percent of total current costs to sales

Mr. SPARKMAN. Is this used at the present time?

Mr. HATHAWAY. Yes. This is the form that is being used at the present time.

Mr. SPARKMAN. Is that information disclosed? Is it published? Is it reported to the public?

Mr. HATHAWAY. At the present time that information is not made available to the public, because under the law as it stands, prior to passage of this legislation to extend it, that information is covered by the blanket of confidentiality that section 1905 of title 18 provides. It prohibits a Federal officer from revealing certain information coming into his possession. This amendment partially removes that blanket of confidentiality.

Mr. SPARKMAN. I wish the Senator would explain just a little more fully what the language is to which he just referred. The Senator said it forbids the disclosure of certain information. What type of information?

Mr. HATHAWAY. I do not have section 1905 in front of me, but it forbids a Federal officer from revealing any information possessed by him in the course of his work, such as trade secrets or processes or prices or costs, to the general public. He can use it only in the course of his employment.

Mr. SPARKMAN. The Senator referred to about four or five different factors there. Which of those would the Senator's provision in the bill remove?

Mr. HATHAWAY. My provision in the bill would remove prices, costs, and profits only.

Mr. SPARKMAN. Prices, costs, and profits?

Mr. HATHAWAY. Prices, costs, and profits; yes. That is correct.

Mr. SPARKMAN. Nothing else?

Mr. HATHAWAY. Nothing else.

Mr. SPARKMAN. Is it the Senator's contention that disclosing prices, costs, and profits would not constitute proprietary information that might be prohibited?

Mr. HATHAWAY. As the Senator from Alabama knows, prices are well known, anyway. They are a matter of public information.

Profits can be figured out if one knows what the costs are. What we are really revealing is simply the cost to the corporation.

The ultimate purpose of this information is to allow the general public, knowing the prices, to be able to look at the cost picture to see if the increase that the corporation has made above the 1.5 percent-level is truly justified.

I suppose in certain instances, if the cost had gone up quite high and if the profit margin were the same as before or even lower, then the Cost of Living Council would not be justified in admonishing the corporation from going above the 1.5-percent guideline on price increases.

If that were not the case and profits had actually increased, I think the public would be justified in calling upon the Cost of Living Council to take action against the corporation. If the public does not have this information, there is nothing the public can do to combat price increases which are not justified by cost and profit figures.

I thank the Senator.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Ohio (Mr. TAFT).

Mr. TAFT. I thank the Senator for yielding.

Mr. President, as I said in my supplemental views in the committee report, I do not believe that the committee considered section 6 of the bill thoroughly enough. That is the section which would require large businesses to make public any data submitted to the Cost of Living Council in support of price increases greater than 1.5 percent for "substantial products."

Consumer and stockholder interests dictate that as much business information as possible should be made available to the public. Nevertheless, the committee has correctly taken the position in the past that certain business information is proprietary and should not be made generally available. Present statutes, such as the Freedom of Information Act and the confidentiality of information provision of the criminal laws title, are consistent with this position.

This position has been taken on the grounds that disclosure of some kinds of information would give an unfair advantage to the domestic and foreign competitors of the company in question. Under section 6 of the bill before us, large firms would have to make public detailed product line information, cost breakdowns for resources and labor used to produce each product covered by the amendment, and various other kinds of information which would be valuable to their competitors. No other Federal law forces so much information of this type to be disclosed. Some businessmen in my State have commented that the main effect of section 6 would amount to industrial espionage.

Section 6 would seem to put large firms in a disadvantageous competitive position with respect to their smaller domestic competitors who are not subject to a similar requirement. The same is true with respect to foreign competitors. I need hardly emphasize the importance of such a development at this time. We are devaluing the dollar and undertaking trade negotiations in large part to eliminate unfair advantages which our foreign competitors have capitalized upon in international markets. We should not counterbalance these policies by passing any legislation which may give these competitors another unfair advantage.

Some members of the committee have indicated that they see no public purpose served by the proprietary information concept. Their point of view should, of course, be given close examination by all of us. However, our committee certainly did not do that. Not one witness testified on the merits of section 6 before the markup session at which it was considered. At that session, the Cost of Living Council's General Counsel was the only person unrelated to the committee who spoke about it, and he opposed it strongly.

Under these circumstances, I do not see how the Senate can conscionably reverse its established position on proprietary information and conclude that the enactment of section 6 in its present form would be beneficial. Therefore, I strongly support the Tower amendment.

Mr. HATHAWAY. I should like to point out in regard to foreign competition that we are, by allowing the public to gain access to this relatively meager information, helping to keep down the prices of domestic goods and thereby helping the domestic industry which, as the Senator points out, is competing with companies outside the country. I do not believe that the information foreign companies will get as to the costs of labor and material, which are—if the Senator will look at the form—gross figures, will put them at a greater advantage than they are at already. They know our prices.

The PRESIDING OFFICER (Mr. DOMENICI). The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I wonder how much time I have remaining.

The PRESIDING OFFICER. Seven minutes. The Senator from Texas has 20 minutes.

Mr. TAFT. Mr. President, will the Senator from Texas yield me 2 minutes to reply?

Mr. TOWER. Mr. President, I yield 2 additional minutes to the Senator from Ohio to reply to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. TAFT. I thank the Senator from Texas for yielding me this time.

Mr. President, I would say to the distinguished Senator from Maine, it may be true that the availability of additional information about costs and labor factors and other factors on proprietary information of companies may lead to very low cost production. In fact, to tell the competitor—and, as I pointed out also the foreign competitor—exactly what the cost factors are, what the bid for a particular contract will have to be in order to make it unprofitable for the American company to compete in a particular line, as to many products particularly of the larger companies involved in international competition, and that actually the labor costs of foreign competitors, being lower in labor and other costs, would simply afford a beautiful way for the foreign competitor to take a look at exactly what the costs are and what the competitive factors are and then, sometimes, would subsidize the economies, really, in which the governments of those countries would be helping to ship goods into this country which will compete with our goods, which will in end up in running the American companies out of business and wiping out American jobs.

Mr. HATHAWAY. I should like to point out that labor and management agreements——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield 3 additional minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 additional minutes.

Mr. HATHAWAY. I point out that labor-management agreements in this country are always made public, so that it is not very difficult for a foreign competitor or anyone else to find out what has been agreed to in a contract.

Mr. TAFT. Well, that is not what I am talking about. The Senator well knows that I am talking about the actual labor cost factors which go into the production of a particular product.

Mr. HATHAWAY. The Cost of Living Council form asks for the gross labor costs.

Mr. TAFT. Certainly, but that gross figure does not provide the basis on which the type of business I am talking about can be made.

Mr. HATHAWAY. Well, I think there is a misunderstanding here on both our parts. Much of this information can be obtained from the foreign competitor and the domestic competitor alike, whether it is revealed in the Cost of Living Council form, or in some other way.

I thank the Senator very much.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The Cost of Living Council's "Calculation of Cost Justification," to meet price increase as of February, 1973, requires the following:

Percent of the cost element that is variable. Percent of the increase, decrease, in current cost level versus the primary cost level. Percent of cost element to total costs at the primary cost level. The cost elements include direct materials both imported and domestic; direct labor; other manufacturing or service costs, which include labor and other costs; other operating costs, which includes labor, marketing, general and administrative, and all other costs.

Then there is the offset for productivity increase; the offset for volume increase; the weighted average percentage price increase justified by schedule C; and the precent of total current costs to sales.

All of this information can be of great value to competitive firms. It is information that if voluntarily exchanged between competitive firms would be in violation of antitrust laws, because it would mean the predicate to administered prices.

The Senator from Ohio has made an extremely good point, one that I made less eloquently than he did in my original presentation.

What possible benefit will flow to the general public that would outweigh the hazards to American industries which would be created by the release of this information to foreign competitors? What is the public going to do with this highly technical information? The average person does not do anything with it. There is very little reason for releasing it. It is something that a few sophisticated individuals would be capable of analyzing, which they might be able to do for certain firms. But the hazard to American industry certainly outweighs whatever benefits might be made by public revelation of this information.

The fact is, the Cost of Living Council does ask for information that it does not now release, and that it would be kept from releasing under provisions of the bill. I therefore urge adoption of my amendment.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, would the Senator from Texas yield to me for a question?

Mr. TOWER. Yes, indeed.

Mr. SPARKMAN. I am looking at this form to which the Senator has just referred, the one the Cost of Living Council requires to be filled out.

What does the Cost of Living Council do with that?

In other words, are they empowered to act on the basis of that information?

Mr. TOWER. Yes; the Cost of Living Council does act on the basis of that information. It is true that the Cost of Living Council acts on the basis of information that it does not release to the general public. But if all of this information were released, some of which would place businesses at a competitive disadvantage, it would allow everyone else to second guess the Cost of Living Council—that is, anyone that knew how to interpret the information.

Mr. SPARKMAN. I do not believe that anyone—and this certainly includes the distinguished Senator from Maine (Mr. HATHAWAY)—has any desire to make disclosure of any facts or figures that would constitute proprietary information. It might be harmful if it were released to the general public. I have felt that the Senator from Texas and the Senator from Maine may not be so far apart that they could not work out a compromise on this. I wish very much that it could be done because I must say, in all sincerity, it seems to me that, whereas the objective of the Senator from Maine is good, I wonder whether there is not a little danger in the manner in which this information would be handled?

Mr. TOWER. If I might respond to my distinguished chairman, we have and we did act to work out a compromise on this, but we found that we could not.

We are getting into a highly technical area. I do not imagine that any of us could very adequately define on the floor today what actually is proprietary information and what is not, because it might vary from industry to industry as to what is confidential and what is not. Some consider that proprietary information is simply patents and methods of technology and managerial techniques and that sort of thing, but I think it goes much beyond that, or it can, in terms of sensitivity of the information involved.

What I would be perfectly willing to do would be to maintain an open mind on the subject and submit it to hearings. We had no hearings on this, and there was no opportunity for heads of industry to come in and testify as to how they felt this might impact on them. There is absolutely no testimony on that. There is not one word on it. Actually, it is something that I do not think was dealt with by the administration when they came to testify before us in the open hearings on the extension of the life of the program.

Therefore, it is something that would merit our investigation to a somewhat greater extent. I think it would not only be useful now but also in future legislation, and perhaps would establish some guidelines in our own minds about what proprietary and confidential information might be.

I would prefer following that course, since we have had absolutely no testimony on this matter, certainly none from the leaders of businesses affected and none from the administration. The administration has expressed itself in opposition to the committee position and does support my amendment, but beyond that we have not taken detailed testimony from them.

Mr. SPARKMAN. I ask the Senator from Maine this question: The Senator referred to existing law relating to any Federal official disclosing the information. Does his amendment—which has been agreed to by the committee, and the language is in the bill—amount to an amendment to that existing law, and is that outside of the Economic Stabilization Act?

Mr. HATHAWAY. Yes. I say to the Senator from Alabama that does amount to a modification of section 1905, title 18, which, as I mentioned earlier, does provide that federal officials will not reveal trade secrets and other matters, including prices, costs, and profits. So it does modify that slightly.

Mr. SPARKMAN. It does amend it to that effect, to that extent?

Mr. HATHAWAY. That is correct, but only with respect to this particular act. This is a section of the Criminal Code, which penalizes a Federal official who reveals information coming to him which is covered by this section. So the modification applies only to the Cost of Living Council's disclosing in certain instances some data that is covered by this section.

Mr. SPARKMAN. How would the Senator react to the suggestion made by the Senator from Texas, that we have a thorough hearing on this matter, so that we can definitely lay out and define the areas that neither one of us would want to trespass upon?

Mr. HATHAWAY. I have no reason not to want hearings on this matter. My only apprehension is that we would not complete our deliberations and have this amendment ready, if we finally do agree upon extension of the Economic Stabilization Act, before it expires on the 30th of April.

Mr. SPARKMAN. Of course, we are extending the act to April 3, 1974.

Mr. HATHAWAY. It seems to me that we might, in conference with the Senator from Texas and the chairman and other interested Members, sometime this afternoon, explore this matter in some detail with administration officials, to see if we could come up with a compromise before the end of the day or certainly before action has been concluded on the bill sometime tomorrow.

Mr. SPARKMAN. How does the Senator from Texas feel about this?

Mr. TOWER. I think we have gone about as far in accepting as much of it as we can—in other words, not knocking out the whole thing. Originally, the administration position was to knock it all out, and I suggested that we not go that far. I think this is about the best they feel they could accept because of the great sensitivity in this area and the fact that we simply have not held any hearings on it, and I do not think the Senate is well enough informed on it. I would be the first to confess that I am not well enough informed on it to be prepared to accept this kind of broad disclosure at the moment.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. I yield myself 1 minute.

I say to the Senator from Texas that I would be very glad to see the suggestion of the Senator from Maine carried out, of trying to work out a settlement. I agree with what has been said. I think all of us are more or less caught in the middle in this matter. I do not think we realize just how far it may go and whether or not it does go beyond what would be desirable. If some time could be taken, we could postpone this vote.

Mr. TOWER. At the moment, there does not seem to be any intermediate ground.

There is another problem: We would not be able to get any input from industry on it in the course of a few hours in the afternoon. If my amendment should prevail, I would be amenable to considering something further, if some compromise could be worked out that would restore some of what the Senator from Maine seeks to do. I would not close the door to that, and the Senator from Maine would be within his rights to offer an amendment of that character.

Mr. HATHAWAY. Mr. President, will the Senator yield?

Mr. SPARKMAN. Mr. President, do I have any more time?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. TOWER. If the Senator from Texas fails, then the Senator from Maine has won his point, in any case, and the Senator from Maine probably would not be as willing to compromise with me as I would be willing to compromise with him.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I am prepared to yield back the remainder of my time.

PRIVILEGE OF THE FLOOR

Mr. TOWER. Mr. President, I ask unanimous consent that Alec Hughes and Anthony Cluff of my staff be allowed on the floor during the consideration of S. 398.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SAXBE. I believe that we should strive to make our dollars meaningful and to take action as required to stop pay checks from shrinking due to inflation but, in pursuing this necessary objective, we should not follow a course of action which will have the effect of throwing the baby out with the bath water. It is important that the action taken by this body be such as to not bring about what it is seeking to prevent. I am, of course, talking about the desire of some Members to go beyond the simple extension of the Economic Stabilization Act of 1970. The provision reported out by the committee which would amend section 205 of the act is extremely troublesome and I think should be avoided. First, the amendment requires that information filed under section 130.21B of the regulations of the Cost of Living Council in effect January 11, 1973 shall be made public. This is an interesting requirement in that the final determination as to what cost information shall be filed and in what detail is not in existence. The Cost of Living Council is still working on the problem as to what information should be filed. The final requirements that are imposed upon a company can cause great mischief to our economy and to our ability to encourage competition in the domestic market. We should do everything that we can to promote competition because competition is one of the strong forces working against inflation. If a manufacturer is required to publicly disclose all of his costs, including his engineering overhead and his manufacturing overhead and his general and administrative expenses, a company getting this information from the Government file will have all the ingredients necessary to forecast what his competitor's next move will be so far as setting price. This amendment would now make public to many segments of American industry information which is not now available to them and which now, under our antitrust laws, they are prohibited from obtaining directly from each other.

I am further worried that the requirements of public disclosure of the elements of costs are only required of some companies and not of others. A company whose product does not account for 5 percent or more of its gross sales revenue would not have its cost elements made available to the public. Thus, the company whose information is not made public will have a decided advantage over the company whose costs are made public. This seems inequitable and I believe, in the long run, will not work to the public interest.

I am greatly alarmed over a further implication of this provision. It would make cost information, which in the past has been highly confidential, regarding the structure of the prices of our domestic companies available to our foreign competitors while our foreign competitors would not be required to have their cost data be made available to the public. The provision provides a one-way flow of information; information to our foreign competitors all to the disadvantage of U.S. companies and, eventually, to the U.S. consumer.

While public disclosure is, on prinicpal, a worthy objective, we should recognize that in areas such as the cost elements of a manufacturer's price, public disclosure is not in the public interest because it would result in a lessening of competition.

I urge that the Economic Stabilization Act of 1970 be extended without any amendment. When used, the act served a purpose and did not create lasting problems. Amended as proposed by the committee report would be a course of action which we as a nation would soon come to regret.

Mr. TOWER. I yield back the remainder of my time.

Mr. SPARKMAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendments of the Senator from Texas, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), and the Senator from Maine (Mr. MUSKIE), are necessarily absent.

I further announce that the Senator from Minnesota (Mr. HUMPHREY), the Senator from Wisconsin (Mr. NELSON), and the Senator from Rhode Island (Mr. PASTORE) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr.

GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Minnesota (Mr. MONDALE) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The Senators from New York (Mr. BUCKLEY and Mr. JAVITS), the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are detained on official business.

If present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The result was announced—yeas 43, nays 35, as follows:

[No. 44 Leg.]

YEAS—43

Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Byrd, Harry F., Jr.
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Ervin
Fannin
Fong
Griffin
Gurney
Hansen
Hartke
Helms
Hruska
McClellan
McClure
Nunn
Pearson
Roth
Saxbe
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—35

Abourezk
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Eagleton
Hart
Haskell
Hathaway
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NOT VOTING—22

Baker
Buckley
Cranston
Eastland
Fulbright
Goldwater
Gravel
Hatfield
Hollings
Huddleston
Hughes
Humphrey
Javits
Mansfield
Mathias
Mondale
Muskie
Nelson
Packwood
Pastore
Percy
Stennis

So Mr. TOWER's amendments (No. 34) were agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from Florida.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86-42, the Speaker had appointed Mr. MALLARY as a member of the U.S. delegation of the Canada-United States Interparliamentary Group, vice Mr. HARVEY, resigned.

ENROLLED BILL SIGNED

The message announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

Subsequently, the Acting President pro tempore (Mr. HASKELL) signed the enrolled bill.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The Senate continued with the consideration of the bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

AMENDMENT NO. 42

Mr. CHILES. Mr. President, I submit today, and ask unanimous consent to have printed at the end of my statement, an amendment to S. 398, the bill which would extend the economic stabilization program for another year.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHILES. Mr. President, my amendment seeks to reinstate rent controls essentially as they were under phase II, which ended January 11, 1973.

Since phase II there has been a wave of rent increases, and in many cases they have been unreasonable and unconscionable. Individuals and families, already heavily burdened by skyrocketing food prices, have received with dismay, if not despair, notices that their rent has taken a great leap upward.

Before January 11, the very fact that landlords knew the Internal Revenue Service was ready to listen to tenant complaints and, if need be, to take action upon them, tended to keep rent increases within reasonable bounds. With suspension of the Internal Revenue Service's enforcement powers, that healthy restraint is gone.

Dramatic rent increases, of course, hit hardest at people in the lower income brackets, and, especially, at the elderly, at people on fixed retirement incomes—the people, in short, least able to combat inflation, and least able to move here and there to take advantage of fluctuations in the rental market.

My amendment permits a 2½-percent annual increase in rent, and it continues the phase II formula of allowing additional increases to cover rising taxes and costs, as well as recovery of necessary capital improvement outlays. It provides for a rollback of rents raised since January 11. It forbids landlords to retaliate against tenants who seek protection against excessive rents, and it bars landlords from making up, through reducing services, what rent controls may deny them in the way of excessive profits.

There is another rent control measure, proposed as amendment 22 to S. 398 by Senators CASE, JAVITS, and WILLIAMS. I want to congratulate the Senators on their vigorous pursuit of this legislation, which failed in committee only by a tie vote.

However, my amendment, similar to the Case amendment in most respects, differs in one very important way: The Case proposal uses a formula of "rental vacancy rate" to limit the application of rent controls to those places, only, where there is a proven shortage of rental housing to explain rent increases. My amendment, based on the fact that complaints from citizens about severe rent increases come from many places where there seems to be a good deal of vacant rental housing available, would apply nationwide.

In considering S. 398, to extend the Economic Stabilization Act, the Senate should not neglect elements of the economy which have become unstabilized, such as the rental housing market. I urge Senators to review their mail, as I have done mine.

The rise of rents has become a nightmare, for some, since phase II—not for all, not for the homeowners, and not for those whose incomes are pegged to inflation of everything, but for lots of people who deserve better at our hands, people on depressed or fixed incomes who have not the wherewithal to buy out of the rental market. It is unfair to tell these people that if they suffer long enough, something will be done to fix everything. It will be a hollow mockery for these people if we pass an act to stabilize the economy without including in it provisions to prevent their being stabilized between a rock on the one hand, and a hard place on the other.

I urge adoption of the amendment when it is before the Senate.

EXHIBIT 1

AMENDMENT NO. 42

At the appropriate place insert the following:

SEC. 2. The Economic Stabilization Act of 1970 is amended by adding the following new section:

Sec. 203a. Rent stabilization

"(a) As used in this section "rent" means the entire amount charged by the lessor to the lessee as a condition of occupancy and for the use of related facilities, including, but not limited to, charges for parking and the use of recreational facilities.

"(b) Notwithstanding any other provision of law, with respect to any lease of or implied contract for occupancy of a residence no person may charge a monthly rent which exceeds the highest monthly rent previously charged for the same residence plus—

"(1) 2.5 per centum thereof with respect to each consecutive twelve-month period beginning at the end of the preceding period of occupancy; and

"(2) the actual amount of any increase in tax, fee, or service charge levied by a State or local government after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence; and

"(3) an amount sufficient to compensate for necessary capital improvements and for increases in the actual cost of operation and maintenance.

"(c) In the case of any residence not leased for occupancy at any time during a forty-eight month period immediately preceding the entering into a lease of or implied contract for occupancy of such residence, the rent charged during the term of occupancy provided in such lease or implied contract shall not exceed the reasonable market value of the residence; and the rent charged during subsequent terms of occupancy shall be subject to the provisions of this section.

"(d) Any person who, pursuant to a lease or implied contract for occupancy entered into after January 11, 1973, charged and received from a lessee a rent in excess of the maximum amount permitted under this section shall refund to the lessee the entire aggregate amount received which constitutes such an excess, or, in the alternative, shall credit such amount on a prorated basis against the lessee's future rent payments over a period not to exceed twelve months or the duration of the lease, whichever is shorter: *Provided*, That no provision of this subsection shall constitute authority for the rescission or modification of any lease or implied contract for occupancy except as to modification of the amount of rent to be charged pursuant thereto.

"(e) The provisions of this section shall apply to all residential rental units except single-family dwelling units.

"(f) Nothing in this section shall be construed to invalidate the provisions of any State or local rent control laws or regulations except to the extent that they operate to permit to be charged a monthly rent in excess of that permitted by this section.

"(g) In cases where the operation of this section would cause serious financial hardships to a lessor, exceptions therefrom may be granted by the President or his delegate upon application of any person claiming such hardship. Any interested or affected person shall be entitled to submit relevant evidence to the President or his delegate in connection with an application made by any other person pursuant to this section. Exceptions granted pursuant to this section may be made subject to such limitations as the President or his delegate may prescribe in each case.

"(h) No lessor shall take retaliatory action against any lessee who exercises any rights conferred upon him by this section or regulations issued pursuant thereto.

"(i) It shall be unlawful for any lessor to reduce services customarily heretofore provided by him to lessees, in consequence of the provisions of this section."

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The Senator from Florida has left the floor. Apparently he is not going to offer his amendment at this time. I just wanted to get that clarification for the RECORD.

I yield 30 seconds to the Senator from Missouri (Mr. EAGLETON).

Mr. EAGLETON. Mr. President, I ask unanimous consent that Mr. Jack Lewis, my assistant, be afforded the privilege of the floor for the remainder of the consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 38

Mr. TOWER. Mr. President, I call up my amendment No. 38 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER's amendment (No. 38) is as follows:

On page 5, after line 9, insert the following:

Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"Firms subject to the prenotification and reporting requirements of subpart F of the Cost of Living Council regulations effective January 11, 1973 (6 CFR part 130, subpart F) which are engaged in a business included in group 205 (Bakery Products) or 546 (Retail Bakeries) of the 1972 Standard Industrial Classification Manual of the Office of Management and Budget may pass through in prices of products in group 205 or 546 increases in the prices of wheat and flour which have occurred since July 8, 1972, and which may continue to occur after date of enactment of this provision. Price increases under the authority of this subsection shall reflect such increases in the prices of wheat and flour only on an incurred dollar-for-dollar basis, and may be initiated as of date of enactment, subject to subsequent review and approval of the Cost of Living Council under such regulations as it may issue under authority of this subsection. Such regulations shall not impose any period of delay upon affected firms in reflecting incurred increases in wheat prices immediately in the prices of the relevant products."

Mr. TOWER. Mr. President, I modify my amendment as follows:

On line 4 of page 1, strike the word "subject" and all succeeding words thereafter through "F)" on line 7, to make the amendment read "firms which are engaged in a business included in group 205" and so on.

On page 2, line 11, after the word "wheat" insert the words "and flour".

The PRESIDING OFFICER. The amendment will be so modified.

Mr. TOWER's amendment (No. 38), as modified, is as follows:

On page 5, after line 9, insert the following:

Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"Firms which are engaged in a business included in group 205 (Bakery Products) or 546 (Retail Bakeries) of the 1972 Standard Industrial Classification Manual of the Office of Management and Budget may pass through in prices of products in group 205 or 546 increases in the prices of wheat and flour which have occurred since July 8, 1972, and which may continue to occur after date of enactment of this provision. Price increases under the authority of this subsection shall reflect such increases in the prices of wheat and flour only on an incurred dollar-for-dollar basis, and may be initiated as of date of enactment, subject to subsequent review and approval of the Cost of Living Council under such regulations as it may issue under authority of this subsection. Such regulations shall not impose any period of delay upon affected firms in reflecting incurred increases in wheat and flour prices immediately in the prices of the relevant products."

Mr. TOWER. Mr. President, I introduced this amendment on March 15 to correct a serious inequity in the operation of the Cost of Living Council program whereby many members of the baking industry find themselves on the verge of insolvency through a condition not of their own making. It is my hope that this amendment will bring relief and prevent these companies from going under.

Let me review the situation for the benefit of Senators who may not be familiar with all the details which have led up to this situation.

In June of 1972, wheat was selling at Kansas City for approximately $1.45 a bushel. In July the Russians, because of a poor wheat crop in their country, purchased, through commercial channels, some 440 million bushels of wheat for delivery by May 31, 1973. This quantity of wheat is more than the baking industry of the United States uses in a whole year and the single largest purchase ever made. Overnight, the prices of wheat and flour skyrocketed to unprecedented levels and with a rapidity which was breathtaking. At one point, in the short space of 5 months, the quoted price for wheat on the Kansas City market reached $2.71 a bushel.

Because of this rapid increase in wheat prices which are not under price controls because wheat is a raw agricultural, flour prices rose simultaneously to reflect wheat prices. As a so-called volatile product, flour is permitted to make automatic price adjustments when the price of wheat increases or decreases. Unfortunately, the bakers of the country found their flour costs escalating on an unheard of scale.

Because bakery products, such as bread, were, and continue to be under price controls, they did not have the economic freedom to adjust their prices to compensate for these higher flour costs. As is customary in the industry, baker's inventories were at the lowest point of the year because the new crop—the 1972 wheat crop—was just coming in. Consequently, bakers who normally would have made substantial purchases of flour in late August or early September found themselves coming behind the Russians and paying the considerably higher prices for flour than would have been the case in June or early July. This of course meant that the cost of making their products, particularly bread, was increased substantially. To illustrate, every 45 cents increase in the price of a bushel of wheat becomes a $1 per hundredweight increase in the price of flour. This in turn adds 68 cents of direct manufacturing costs to a 1-pound loaf of bread. By the time the baker sells this bread to the retailer that $1 increase in a hundredweight of flour has cost the baker a full additional cent on a pound of bread.

Bakers immediately had to look at their cost figures to determine what could be done to offset this increase in flour prices. Obviously, in an industry that deals in pennies in pricing its product, this was not easy. There was only one solution—a regrettable one, but one which had to be faced. The price of bakery products, including bread, had to be increased. But now bakers had to contend with Price Commission regulations then in effect under phase II, which required companies with sales in excess of $100 million to apply to the Price Commission before any price adjustment could be made regardless of how badly needed or meritorious it was. The major baking companies in the industry immediately submitted cost justified requests for increases to the Price Commission. The Price Commission was painfully slow in acting upon any of these. Although 30 days was the prescribed time for action by the Commission, they kept requesting further information from these companies thereby putting off for months the granting of price relief.

In the baking industry no wholesale baker can command a premium for his principal loaf in the marketplace if one major competitor's price is frozen. In effect all prices are frozen if one is frozen, no matter what hardship may be thrust upon the other bakers. Thus until adequate relief is granted by the Price Commission or the Cost of Living Council to the prenotification companies, none of their smaller competitors, who theoretically could adjust their prices, have been able to make price adjustments sufficient to offset these higher flour costs.

Cost of living Council rules—which may be fair in most situations—have been unfair to the baking industry for these principal reasons:

Different bakers have hit higher costs at different points in time;

The Commission's definition of "allowable costs" throws out and disregards many of the real cost increases incurred by a particular baker; and

The "profit margin" rule has the capacity to impose a ceiling on one baker, and thus indirectly on his competitor who may be facing financial extinction.

The Price Commission was exceedingly slow in granting company approvals for price adjustments and when they were granted after deductions for the many offsets which the Price Commission seemed to thrive on, they were pitifully low and totally inadequate to meet the situation. As a result more than 200 independent bakers are today operating in the red. Many of these will never make it back unless they get immediate relief. They will fail. Three of the five largest companies in the industry are barely keeping their heads above water. For example, American Bakeries Company, the third or fourth largest in sales in the industry, with $331 million in sales in 1972 earned only $173,000, equal to one-twentieth of 1 percent on these sales. Ward Foods, which has other food operations besides bakeries, had $400 million in sales. That company lost over $16 million.

Through its trade association, the American Bakers Association, on August 23, filed on behalf of the industry with Mr. Donald Rumsfeldt, Director, Cost of Living Council, a request for a price adjustment to reflect the substantial flour increases which had occurred since the Russian purchase in July. At that time, wheat prices in Kansas City had reached $1.90 a bushel as against $1.43 in the early part of July. On September 8, this plea was denied by the Cost of Living Council. On September 21, the association appealed to Mr. C. Jackson Grayson, Jr., Chairman of the Price Commission, urging that relief be provided for the industry. By then the price of flour had moved to $2.28 a bushel and was still on the way up. On October 24, the Price Commission denied the request on the grounds that it did not entertain exception requests on behalf of a group or class of persons. On November 9, 1972, the association filed a petition for reconsideration of the earlier denial as the price continued to move up to even higher levels.

At this late date and despite the desperate circumstances of so many bakers that petition is still pending before the Cost of Living Council which has succeeded the Price Commission in phase III of the President's anti-inflation program.

Meanwhile, the plight of the bakers has become intolerable. The small baker in many, many situations who cannot make a price adjustment because his large competitors are precluded from getting an adequate price adjustment is on the verge of insolvency. It was not the intent of the Congress in giving the President authority to halt inflation that the program should result in the destruction of a substantial segment of the baking industry. Since the Cost of Living Council is apparently unwilling to take the necessary action to give the relief needed, Congress must act.

Should these companies fail it will be a sad situation in their local communities because the employees of these companies will be out of work. Small businesses will have fallen by the wayside. And, the Government will have lost several taxpayers.

We must not let this happen.

Mr. President, I ask unanimous consent to have printed in the RECORD a very fine editorial entitled "Is Phase III Too Loose? Don't Ask the Bakers," written by John A. Prestbo, and published in the Wall Street Journal on March 16, 1973.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS PHASE III TOO LOOSE? DON'T ASK THE BAKERS

(By John A. Prestbo)

When Phase 3 was abruptly proclaimed back in January, a Phase controller explained that one reason for making the switch sooner rather than later was because "some distortions" were beginning to result from the price-controlling machinery. That same explanation also was offered to justify Phase 3's less stringent requirements for getting approval in advance for most price increases and wage boosts.

Except for food. Rising food prices have become such a problem for the Nixon administration that the controllers decided to keep processed and manufactured food items under Phase 2 rules; raw agricultural products remained exempt. So those distortions that bothered the controllers two months ago are proliferating in the food business—where they'll probably be around to haunt consumers long after the current dizzying rise in food prices has slackened.

Consider, for instance, the $6 billion baking industry, which supplies consumers with loaves of bread, hot dog buns and the like. That would seem to be a nice, steady business, but ironically at a time when food prices are soaring, the bulk of this industry is operating in the red.

The hardest hit are the 350–400 independent bakers who together have about $3.25 billion of the total business. Their part of the market is so fragmented, though, that they're at the competitive mercy of the six giant bakeries—ITT-Continental, Interstate Brands, Campbell-Taggert, American, General and Ward—which do $2 billion of the industry's business. (The remainder, $750 million, belongs to captive bakeries of retailers, such as A&P, Safeway, Jewel and so on.)

Under Phase 2 rules, carried over into Phase 3, the independents and the captives theoretically are free to price their products almost as they please. But under the rules of competitive reality, the six bigs in effect determine the pricing levels in each of the markets they're in. And the bigs must get approval in advance from the Cost of Living Council. They got one price increase—1.5 cents to two cents a pound of bread—late last year, but nothing since.

So, the whole industry is stuck until the bigs move. Meanwhile, costs keep rising and more and more independent bakers bite the dust. Since last July, when the Russians started buying U.S. wheat, driving up the price of grain and flour, upwards of 40 independent bakers have gone out of business, according to the Independent Bakers Association. Some of these were merged into other bakeries, to be sure, but whether merged or closed they cost more than 5,500 people their jobs.

To take a closer look at the independent's situation, visit Bake-Rite Baking Co., in Plover, Wis., a tiny (pop. 950) town just south of Stevens Point in the central part of the state. Bake-Rite is a wholesale baker that does $8 million in sales throughout Wisconsin. The chairman is Homer C. Loomens, a big, soft-spoken man whose father founded the business in 1926. He presides over a modern, efficient plant that would make the National Commission on Productivity positively drool.

And, he says, "I'm desperate."

Within the past six months, he explains, the cost of ordinary white flour has gone up 31.4%, lard has risen 30.1%, salt has climbed 11.4%, yeast 6.6% sweetener 3.1% and labor 7%. It costs Bake-Rite an average of 18.8 cents a pound to bake a loaf of bread and put it on a supermarket shelf, while the average selling price is 18.24 cents.

As a result, he says, Bake-Rite's losses are running $60,000 to $100,000 a month. The company's suppliers, many of whom have been dealing with the firm for 30 or 40 years, have started to put the squeeze on Mr. Loomens. "We are completely out of icing base and raisins now, and one of the plastic-bag makers has cut us off," he says. "We used to have 60 to 90 days to pay our flour bill, but now it arrives C.O.D. and we have to hand over a sight-draft from the bank before they'll unload the rail car." Bake-Rite is operating on a negative cash flow.

Not all of Bake-Rite's problems are caused by rising costs and price controls. The company took on a heavy debt load to build the new plant, which began operations in May of 1972—just two months before flour prices started jumping. The new plant, which doubled Bake-Rite's capacity, isn't operating at full steam. "We need more sales, but we can't afford them," says Mr. Loomens. "The more we sell the more we lose."

In an effort to forestall collapse, Mr. Loomens is trying to refinance the debt and is negotiating a possible merger with one of the few remaining independent bakers in the area. What he would really like, though, is an industry-wide price increase. "Two cents a pound would get us out of trouble," he says, "and 3 to 3.5 cents would put us on sound financial footing. But the grocery-chain buyers are such sticklers for price that if we raised our price even a half-cent a pound, we'd lose our customers fast."

Another man who is upset by Bake-Rite's plight is Hiram D. Anderson Jr., a lawyer in Stevens Point who does legal work for the baking firm. Knowing the company's financial condition, he hasn't sent Mr. Loomens a bill for his services for a couple of years. But even more than the money his friend is losing, Mr. Anderson is angry about the implications of what the price-controllers would call this distortion.

"Under ordinary circumstances, I would sue the big bakers in Wisconsin for selling their bread below the cost of production," he says. "We have a state law prohibiting that. But here we have a federal price-controlling machinery that in effect suspends a state law on trade practices. I don't think that's right."

Another thing that bothers Mr. Anderson is that so far unfettered competition seems to have done all right for bread customers in Wisconsin. According to a survey by the U.S. Bureau of Labor Statistics, the average price of bread in Wisconsin was 19.1 cents per pound last year—the lowest of every major city surveyed for the Consumer Price Index and five cents or more below the price in the majority of cities. Several observers believe this is a direct result of the Wisconsin minimum mark-up law.

But now the price controls are squeezing out the independents that play a big part in the competitive climate, Mr. Anderson says. When Mr. Anderson becomes agitated he gets up from his chair and starts pacing, one hand in his pocket and the other gesturing, as though he were addressing a jury.

"What is happening here is that the price control laws are shielding the big and powerful bakers and I am helpless in taking them into court for selling at a loss," he says. "The price controls on bread are doing for the big conglomerate baking companies exactly what the Federal Fair Trade Laws forbid them to do—force smaller companies out of business. You can bet that when a few bigs have the market to themselves the price of bread will be a lot higher than it is now. That's the trouble with government efforts to 'help the little guy'—they end up helping the big guys instead."

The government has taken the attitude that if the bakers want a price increase they should apply for it and justify it. Yet, Mr. Anderson notes, "when the price of coffee jumped up the government quick labeled that a 'volatile commodity' and let the processors pass along increases in the price of the raw product. If wheat and flour haven't become volatile commodities in the past nine months, then I don't know what volatile means. It's just not fair."

Possible relief may come from a bill now in Congress to take off the charge of 75 cents a bushel that millers must pay for wheat they grind into flour for domestic use. That charge is passed along in the price of flour, of course, and if it were removed it could lower bread-baking costs by as much as two cents a pound. "Trouble is, they might not get around to passing that until this summer, which could be too late for some of us," says Mr. Loomens of Bake-Rite.

Bread prices, of course, are a very sensitive subject with the Nixon administration, and not just because most food prices are rising. When the government announced the big wheat deal with Russia last July, there were many protests that it would raise the price of bread. Oh, no, said the administration, not at all; they even trotted out Agriculture Secretary Butz to explain how little wheat went into a loaf of bread. Now, with the cost-price squeeze on in earnest, the controllers apparently would not like to admit to error.

But wishing it weren't so won't rescue Bake-Rite or all the other independents across the country—or any other businesses trapped in these "distortions." Maybe in addition to curtailing assaults on our landscape or repairing the bombed terrain in Vietnam, we should start worrying about preserving our economic environment.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. PROXMIRE. Mr. President, I have great sympathy for what the Senator from Texas is trying to do. I am very conscious, as the Senator from Wisconsin, of bakers who are in serious trouble, small bakers who are highly efficient, and who say that if some relief of the kind that Senator TOWER proposes does not pass, they are perhaps going to have to go out of business.

Can the Senator from Texas explain what would be the effect of his amendment on the price of bread? Does he have any estimate at all?

Mr. TOWER. The estimate is about 2½ cents a pound loaf.

Mr. PROXMIRE. Two and one-half cents a loaf?

Mr. TOWER. A pound loaf.

Mr. PROXMIRE. Percentagewise, that would be what? An increase of 6 or 7 percent?

Mr. TOWER. It would probably cost the average family about 15 cents a week.

Mr. PROXMIRE. My question is, How big a percentage increase is this for bread?

Mr. TOWER. Oh, that would be close to 10 percent—in the neighborhood of 10 percent. I am informed that the figure is an 8-percent increase.

Mr. PROXMIRE. One other element of this amendment bothers me a great deal. I cannot understand it. I know it is the case and I do not dispute what the Senator from Texas has been arguing, because I know that the bakers in my State, as I say, are in great trouble. After all, these small bakers are efficient and competent, they run their business in a very careful way, and yet there is a universal difficulty.

Is it true that they can only exist when there is some kind of price umbrella, an artificial high price set by the very large bakers? Without that, are they out of business?

Mr. TOWER. Bread is a highly competitive item. There are about three or four large bakers with whom the smaller regional bakers compete, and they produce a quality product. In many cases the local bakers produce a higher quality product than do the big bakers; but the big bakers, because they are larger, are somewhat more efficient in their production. They can survive on a much smaller cost-price margin than can the smaller bakers. Unless the large baker is allowed to raise his price, the small baker cannot raise his price. If he does, he is going to price himself out of the market. That is the plight he finds himself in.

It is something that did not even occur to me until the bakers came to me and said, "This is happening. This is a distortion. This is an anomaly and we are in bad shape. We cannot compete."

I think it would be a great shame to lose the small bakers and the quality product they produce.

We can take the attitude: "The heck with the small producers. Let us go to the large producers."

I say if we adopt that policy, we might as well go to the farmer and say "Let us abolish the small farmer and keep the large commercial farmer.

I think there are extremes we can carry this to, and I do not think we want to destroy small businesses in this country that have under normal circumstances proved themselves to be competitive; but under abnormal circumstances, such as in this legislation, they cannot follow the market situation. They are being placed at a disadvantage.

Mr. PROXMIRE. This amendment, as I see, has much merit. I hope I can support it. But do I understand that the amendment arises because food processors stay under phase II?

Mr. TOWER. That is right. They are under phase II, but producers of raw agricultural products are not.

Mr. PROXMIRE. Why would the same argument not apply to the food producers in the same position? If they argue that an exception is made for the bakers, why should not this apply to other producers, such as meat producers and people who process vegetables or any other food?

Mr. TOWER. Because there has not been the upward pressure on the pricing of raw agricultural products that there has been so dramatically in terms of the bakers, because of the very rapid escalation of the wheat price that resulted from a particular situation. The pressures have tended to be somewhat more gentle as to other food processors, but this is one that came virtually overnight and one they have not been able to object to.

Mr. PROXMIRE. Is this the kind of situation in which the Cost of Living Council could provide relief if they wished to do so?

Mr. TOWER. They could do it, it occurs to me, if they would.

Mr. PROXMIRE. But do they support the Tower amendment, or have they taken no position on it?

Mr. TOWER. They oppose it.

Mr. PROXMIRE. They oppose the Tower amendment?

Mr. TOWER. Yes; right.

Mr. PROXMIRE. Does the administration oppose it?

Mr. TOWER. Yes, the administration does.

Mr. PROXMIRE. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President.

The PRESIDING OFFICER. Does any Senator yield time?

Mr. TOWER. Does the Senator from Connecticut wish to offer his own amendment as a substitute?

Mr. WEICKER. I intend to address myself to the amendment of the Senator from Texas and also to indicate that the Senator from Indiana and I will offer a substitute.

Mr. TOWER. I will yield to the Senator for the purpose of asking a question.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. I would ask the Senator from Texas whether or not at the time of announcing food costs, when, in fact, the spiraling increase in costs of all items of food has reached shocking proportions, he feels it fair that this substantial increase should be passed on to the consumer?

Mr. TOWER. This is a very unusual situation in that the small bakers face extinction. It would mean considerable economic hardship that would, in effect, drive the small bakers out of the market and that market would be absorbed by the large bakers. The immediate impact would be to increase food costs over the long pull.

I can perceive that the impact might be much greater, because it will reduce substantially the baking competition in this country, and once Phase III controls expire, then, of course, the big bakers will be able to have all the market, because if this condition continues, the small baker is going to fall away very sharply indeed.

I do not think it was intended by Congress to make this claim so rigid that a number of people would have to go out of business.

Mr. WEICKER. I would not disagree with the efforts of the Senator from Texas to keep the baking industry competitive, more particularly to keep them in business.

Mr. TOWER. This is the only instance in which I have recommended or supported this kind of proposal. That is because of the peculiar situation that exists in these specific industries. That was the result of a situation over which they had no control; namely, the dramatic increase in wheat prices because of the action of the Government in selling wheat to the Soviet Union.

Mr. WEICKER. I would hope we might be able to answer the question raised by the distinguished Senator from Texas while at the same time keeping the consumer from bearing the entire cost of the solution.

I suspect this will be coming along in the way of an amendment to be offered by way of a substitute by the Senator from Indiana and myself.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I am aware that the substitute amendment is to be offered. I am prepared to yield the floor for the Senators to do that at this point.

Mr. President, may I ask whether the substitute can be offered before I yield back my time, or the time has expired?

The PRESIDING OFFICER. Did the Senator from Texas hear the Parliamentarian?

Mr. TOWER. The Senator from Texas is not supposed to hear the Parliamentarian.

The PRESIDING OFFICER. It can be amended in one more degree.

Mr. TOWER. Yes, I know it can be amended. I am just asking about the time situation. Can the Senator from Indiana offer his amendment in the nature of a substitute before the Senator from Alabama or the Senator from Texas have yielded back their time or their time has expired on the amendment?

The PRESIDING OFFICER. Not until time is yielded back on the amendment.

Mr. TOWER. Mr. President, it is my understanding that there is 30 minutes on an amendment to an amendment, 15 minutes to the side.

The PRESIDING OFFICER. That is correct.

Mr. TOWER. In the event a substitute is offered to my amendment, then the time is under the control of the Senator who is offering the amendment.

The PRESIDING OFFICER. Unless he is in favor of it.

Mr. SPARKMAN. Mr. President, I have no request for a time limit, but I favor the amendment offered by the Senator from Texas.

I have had the independent bakers come to my office and talk to me about this problem. It is a real problem with which they are confronted. I see no other way to give them relief except through some such arrangement as this proposed by the amendment of the Senator from Texas. I do not care to discuss it any further. I have had no requests for time.

Mr. BAYH. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. I yield.

Mr. BAYH. Mr. President, I ask unanimous consent that Miss Judy Harris and Michael Helfer of my staff be permitted on the floor during the duration of this debate.

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. I should like to ask the chairman about this. What bothers me about the amendment is that the purpose of the bill is to try to hold down price increases. I am very sensitive to the problems of bakers in Wisconsin and elsewhere in the country, but if we are going to adopt an amendment to increase the price of bread by 10 percent, the No. 1 fundamental food we have, and the food which people of low-income eat most, I just wonder what kind of action the Senate is taking. As I say, I have not had a chance to study the amendment. This is the first time I have seen it. It was not discussed in committee. There was no hearing on it. I am reluctant, under these circumstances, to support the amendment without getting more information than we have now. The Senator from Texas has already stated what the increase would be. I wonder whether the Senator from Alabama has any notions of his own about it, whether this could be applied to other food products.

The Senator from Texas said that bread was increasing in price due to the increase in wheat prices. That would also affect meat. The price of the beef animal is a result of the cost of corn and wheat. That is a reason for the meat increase.

Mr. SPARKMAN. I think that the wheat increase has been a special case. I understand that during 1 month the cost of wheat to the baker went up 100 percent. It has gone down some since that time, but it did go up.

Let me say to the Senator from Wisconsin that he knows I started off on this bill with the express hope that we might report a clean bill with a simple extension and let it go at that. I still think we would have been better off to let the administration have what it was asking for, that is, the right to move from a position of controls towards no controls. That is what the movement from phase II to phase III was supposed to be. But amendments have been offered and some of them, I am sure, are good, but I cannot think of any amendment that has been offered that is better than this one insofar as the independent bakers of this Nation are concerned as it is of importance to all of us.

Mr. PROXMIRE. As the chairman knows, I disagree with him. I think that phase III is a very weak program. It is evident it could not have been worse so far as timing is concerned. But it is only fair to the administration to know why they object to this particular amendment. The Senator from Texas has said that they oppose it. It would be helpful for us to know the grounds on which they oppose it. They must have had some kind of report or analysis made. They would not just say, "No," period. They must know why. What other reasons are there?

Mr. SPARKMAN. I do not know.

Mr. PROXMIRE. They have not informed the committee?

Mr. SPARKMAN. I was not privy to this amendment, although I did know about the problem that it seeks to redress.

Mr. PROXMIRE. Before we use up all the time on the bill, I wonder whether we could get a report from the Cost of Living Council or by the administration so that we would know the grounds for their opposition.

Mr. SPARKMAN. This amendment is an amendment offered by the Senator from Texas, as the Senator knows.

Mr. PROXMIRE. They did not communicate with the chairman of the committee? They did not tell you why they opposed it?

Mr. SPARKMAN. No. I have had no communication from them. I did not even know that the amendment would be offered until just before we took it up on the floor of the Senate today.

Mr. PROXMIRE. Would the Senator from Texas inform the Senate as to whether there is any reason for this?

Mr. TOWER. There was no reason given by the administration in opposing it.

Mr. PROXMIRE. No communication at all?

Mr. TOWER. I have had no communication.

Mr. PROXMIRE. I thank the Senator.

Mr. BAYH. Mr. President, will the Senator from Alabama yield a couple of minutes to me?

Mr. SPARKMAN. I yield 2 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 2 minutes.

Mr. BAYH. Mr. President, I have here the Cost of Living Council's explanation which states that a 10- to 15-percent increase in the cost of bread would result if the Senate adopts the amendment of the distinguished Senator from Texas (Mr. Tower).

I find myself in a rather difficult position, I suppose, where on one side I do not want to see the wheat farmer punished, but I do not see how anything else can result if we increase the cost to the consumer and go ahead with this.

I will propose a substitute for the pending amendment at the proper time. I will suggest a different way to solve the problem which the Senator from Texas (Mr. Tower) has discussed.

A preferable approach, I submit, is to repeal the 75-cents-per-bushel charge that must be paid by every miller when he buys wheat. This charge, quite obviously, is passed on to the baker, who passes it on to the retailer, who passes it on to the housewife. So if we approach this problem with that in mind, we will find that repeal of the 75 cent levy will remove a heavy burden from the baker, which the Senator from Texas is concerned about, and I am concerned about, and do it easily but do it in a more equitable way. When we are paying 75 cents a bushel of wheat to subsidize a farm program, that means that that farm policy is being supported by the people who buy the most bread. If there is any more regressive policy than that, I do not know what it is.

Mr. PROXMIRE. As I understand the amendment of the Senator from Indiana, it would result in preventing a price increase in bread; is that correct?

Mr. BAYH. That is accurate.

Mr. PROXMIRE. But it would also result in shifting the cost or easing the price from the small baker on to the taxpayer in effect, is that right?

Mr. BAYH. It would put the financing of the present wheat subsidy program entirely on the general fund revenues instead of putting it on the backs of the bread eater, who shares that burden now.

Mr. PROXMIRE. So that the taxpayer would pay a little more for bread and the bread consumer would pay the same.

Mr. BAYH. All the taxpayers contribute substantially to the program now. My amendment would put the cost of the entire program on the taxpayer instead of on the people who buy the bread and eat the bread. The present financing scheme is highly regressive, because bread is the staff of life and poor people must spend a higher share of their income on it than rich people. We are all familiar with that. For that reason, it would be much more equitable, I say to the Senator from Wisconsin——

Mr. BURDICK. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. I yield.

Mr. BURDICK. The Senator just said that the certificate would be a basis for a price increase. Is the Senator aware that this type of financing has been in the law since 1964?

Mr. BAYH. Yes. The Senator from Indiana is very familiar with that. It has only been since July of 1972 that the cost of wheat has gone up 57 percent.

Mr. BURDICK. Was the Senator apprised of any lowering of the price of bread when wheat went down?

Mr. BAYH. No, but the Senator can be absolutely certain that the price of bread will go up, if the amendment of my friend from Texas is passed. There is no question about that.

Mr. BURDICK. I am assuming that the Senator is talking about inflation today. If this was in the law in 1964 and continued since that time, it would not be a factor in causing an increase in inflation now, because it has already been in there.

Mr. BAYH. We are dealing with a specific problem brought up by the distinguished Senator from Texas (Mr. Tower), where the small bakers are now in a particular bind. It seems to me that we are talking about two different approaches to the same problem. Whether we lessen the cost of flour to the miller, baker, and housewife, or increase it to the bread eater, that is the question. I personally would rather lessen the cost to the miller and, thus, to the small baker and housewife, and not increase it to the bread eater. You have to have one of the two. You take the solution of the Senator from Texas or that of the Senator from Indiana.

Mr. BURDICK. Does the Senator realize that the cost of wheat in a loaf of bread is about 3½ cents?

Mr. SPARKMAN. Mr. President, how much time did I yield?

The PRESIDING OFFICER. The Senator from Alabama has used 11 minutes.

Mr. SPARKMAN. I yielded to the Senator from Indiana for just a very short statement. I did not know it was going to be prolonged like this.

Mr. President, it seems to me that we are dealing here with a proposition that belongs to the Committee on Agriculture and Forestry and should be considered by that committee. This certificate, which has an impact on the bakers, as I understand, was written into the law by the Agriculture Committee. It seems to me that we are trying to solve something here that does not belong to us.

Has the amendment been offered, Mr. President?

The PRESIDING OFFICER. It cannot be offered until the time of the Senator from Alabama has been yielded or has expired.

Does the Senator from Texas yield back his time?

Mr. TOWER. I am prepared to yield back the remainder of my time so that the Senator from Indiana can offer his amendment.

Mr. SPARKMAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment.

Mr. BAYH. Mr. President, I send to the desk an amendment on behalf of Senator Weicker, Senator Javits, Senator Stafford, Senator Gurney, Senator Stevenson, and myself, as a substitute to the amendment of the Senator from Texas.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

Beginning on page 1, strike out everything through line 12 on page 2, and insert in lieu thereof the following:

Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(k) Section 379e of the Agriculture Adjustment Act of 1938, as amended (7 U.S.C. 1379e), is amended by inserting '(a)' before the first sentence thereof, and is further amended by striking out in the last sentence thereof the words '1971, 1972, and 1973 crops of wheat' and inserting in lieu thereof '1971 and 1972 crops of wheat.' Section 379e of the Agriculture Adjustment Act of 1938 as amended, is further amended by adding a new subsection (b), as follows:

'(b) Notwithstanding section 379b of the Agriculture Adjustment Act of 1938, as amended, or any other provision of law, processors shall not be charged for domestic wheat marketing certificates for the 1973 crop of wheat. Any amount which a producer would have realized under law from the sale of his farm domestic allotment of wheat in the absence of the changes made in this chapter by subsection (k) of the Economic Stabilization Act of 1970 shall be paid to such producer as if such changes had not been made. The Secretary of Agriculture is authorized to issue such regulations as he determines necessary to carry out this subsection, and he is further authorized to use funds of the Commodity Credit Corporation for this purpose. There is authorized to be appropriated out of the sums in the Treasury not otherwise appropriated such sums as are necessary to carry out the provisions of subsection (k) of the Economic Stabilization Act of 1970, including payments to producers necessitated by it.' "

Mr. BAYH. Mr. President, I think we pretty well discussed a moment ago what we are trying to do. We are recognizing a significant problem that is confronted by the small bakers. The Senator from Texas desires to solve this problem and so does the Senator from Indiana, as do the others who join in this amendment.

The question is, from which direction are we going to approach it? Are we going to recognize the problem and change the basis for supporting the overall subsidy program and let this support come out of the general fund, or are we going to accept the proposal of the Senator from Texas, which would, by his own admission, result in a significant increase in the cost of bread?

That is specifically what it would do. My proposal by explicit language maintains the subsidy prices for wheat at the same level they are now. It just changes the basis of who is going to pay the bill. Should the program be financed entirely by taxpayers, including corporate taxpayers, rich, poor, at the progressive level which is established in the Federal income tax, or it be financed partly by a very regressive bread tax which makes the burden depend upon how much bread you eat? It seems to me we should not choose a regressive way to finance any program.

We are confronted with this unique problem right now, necessitated by the rather dramatic increase in the cost of wheat. The per-hundred-pound of flour has gone from $5.46 to $8 since July of 1972.

It seems to me that the most equitable way to deal with this matter if we deal with it right now is to adopt the substitute of the Senator from Indiana. If the Senator from Texas wants to withdraw his proposal and let the Agriculture Committee study the ramifications of this matter, I would prefer that.

My apologies to the Senator from Georgia, who was here a moment ago, and I wanted to get a chance to call him to the floor, because I would prefer to do this in a studied manner. But since the Senator from Texas is proposing his alternative now, I think it is only fair to the Senate to provide a more equitable proposal, a progressive rather than regressive proposal, than that offered by the Senator from Texas.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. YOUNG. I think it would be much more appropriate to bring up a proposal such as this before the Committee on Agriculture and Forestry. Our committee has been holding hearings for about 2 months now on the extension of the price support program. We had considerable testimony on wheat certificates. I think wheat certificates and production payments are much the same with respect to corn and feed grain and cotton. I think they should all be considered at the same time.

Bakers were represented there, and I questioned them as to whether they would reduce the price of bread, and how much, if the wheat certificate payment was removed. They testified that they would not reduce the price of bread a penny, not even a half cent.

Mr. BAYH. Did the Senator also ask the bakers what would happen if the amendment of the Senator from Texas were adopted?

Mr. YOUNG. No. I was not familiar with it at that time.

Mr. BAYH. I am convinced right now that it is a struggle to keep some of these independent bakers in business. I agree with the goal of the Senator from Texas. I think the bakers were probably being honest with the Senator from North Dakota in saying that it would be difficult, particularly for the small independents, to lower the price, even if the amendment of the Senator from Indiana and the Senator from Connecticut (Mr. Weicker) is approved.

On the other hand, I do not think anybody will argue—indeed, the Cost of Living Council has said in unqualified terms—that if the Tower amendment is adopted, there is no question that it is going to add 3 or 4 cents a loaf to the cost of bread.

Mr. President, I ask unanimous consent that the economic stabilization program of the Cost of Living Council, of March 17, be printed at this point in the Record.

There being no objection, the document was ordered to be printed in the Record, as follows:

Amendment To Permit Bakeries To Pass Through Increased Wheat and Flour Costs

The Cost of Living Council opposes all amendments to the Economic Stabilization Act, including those that point toward increased food prices. The Council is especially concerned about modifications in the Economic Stabilization Program that would lead to immediate pressures in food prices during this critical period of wage negotiations.

The controls program has been only one factor in the forces which have operated in recent months to limit increases in bread prices. Despite higher flour costs due to the tight international supply situation for wheat beginning in mid-1972, several large bread manufacturers have not raised selling prices. This action which has served to hold down prices of bread and other bakers products reflects both the rules of the Economic Stabilization Program as well as the long run trend on the part of some firms to try to expand market shares.

However, flour costs have risen from $5.46 per hundred pounds in July 1972 to around $8.00 recently. With inventories of lower priced flour pretty well depleted, a modification at this time in existing pricing rules of the Cost of Living Council to allow an automatic pass through of flour costs would result in a substantial increase in prices paid by consumers for bread. Prices for all bakery and cereal products at retail are only 1.6 percent above the July 1972 level. An allowance for an automatic pass through of material costs is estimated to result in a 3 to 4 cent increase, or an additional 10 to 15 percent increase in prices for bread in grocery stores.

For the above reasons, the Cost of Living Council opposes the amendment.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed at this point in the Record the cost of a bushel of wheat for the past 20 years and the comparative price of bread for each of those years.

There being no objection, the document was ordered to be printed in the Record, as follows:

U.S. WHEAT AND BREAD PRICES, 1945–72

Year	Wheat No. 1 DNS ordinary protein Minneapolis July–June (dollar per bushel)	White bread average retail price per pound in leading cities of United States January–December (cents)
1945	1.73	8.8
1946	2.30	10.4
1947	2.70	12.5
1948	2.26	13.9
1949	2.24	14.0
1950	2.34	14.3
1951	2.42	15.7
1952	2.39	16.0
1953	2.34	16.4
1954	2.49	17.2
1955	2.35	17.7
1956	2.31	17.9
1957	2.32	18.8
1958	2.09	19.3
1959	2.17	19.7
1960	2.12	20.3
1961	2.31	20.9
1962	2.34	21.2
1963	2.24	21.6
1964	1.74	20.7
1965	1.75	20.9
1966	1.95	22.2
1967	1.65	22.2
1968	1.54	22.4
1969	1.66	23.0
1970	1.74	24.3
1971	1.53	25.0

Sources: Wheat prices, Grain Market News, AMS, USDA. Bread prices, Bureau of Labor Statistics.

Mr. YOUNG. Presently, in a loaf of bread selling for 24 cents there is only 2½ cents worth of wheat. Reducing the cost of flour to the bakers would make very little difference in the price of a loaf of bread. Not more than a half cent.

The Price Administration, I understand, made a study of this, and they said that the increase in the price of wheat as a result of the sale of wheat to Russia and other exports would only justify a half cent in the cost of a loaf of bread. That was the result of their study.

Mr. BAYH. The Senator from North Dakota presents a very good picture of the 20-year plight of the farmer, which the Senator from Indiana, having had his feet in those shoes—and still having them there—is familiar with.

But although the increase in the various costs involved today only involve a small additional return to the farmer, the cost of bread will go up 3 to 4 cents if the amendment of the Senator from Texas is agreed to.

The amendment offered by Senator Weicker, myself, and others does not lessen the subsidy to the wheat farmer 1 penny. It prohibits a decrease. What it does is to eliminate the dependence on the certificate system. We say, "All right, if this is in the interests of all the country, then everybody ought to pay it equally. It ought to be paid at the rate that everybody including corporations pay Federal income tax. It should not be a 2 cent bread tax, which in essence is what it is now."

Mr. YOUNG. Does not the Senator think that the wheat certificate payment, which is a production payment, should be considered along with the future production payments for corn, feed grains, and cotton?

Mr. BAYH. I certainly do. And I would agree to withdraw my amendment if the Senator from Texas would withdraw his, so that the whole matter of how much the price of bread is costing to the housewife can be considered and reflected upon in the way in which the Agriculture Committee is looking at the whole farm program.

The only reason I am offering it at this time is this: As the Senator knows, we have offered this amendment and it is before the Senator's committee and is being studied. But it seems to me that we have to go one route or the other. If the Senator's committee decides to take the route of the Senator from Texas, I am willing to consider that; but right now we are foreclosed from that route.

Would the Senator from Texas care to withhold his amendment and let the Agriculture Committee consider this whole matter, and then make a determination as to which route we should pursue?

Mr. TOWER. Mr. President, in response to the Senator from Indiana, I am not prepared at this time to withhold my amendment because I believe the small bakers need immediate relief. Therefore, I think I must persist in this measure. Furthermore, at the appropriate time I intend to raise a question of germaneness on the amendment of the Senator from Indiana.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. TOWER. I yield 3 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. YOUNG. Mr. President, undoubtedly, the bakers need some relief. Their costs have gone up, but lowering the cost of wheat to the bakers would make practically no difference, one-half cent a loaf. Maybe they should be able to increase the cost of bread because of increases in the cost of transportation, labor, and other costs. I am not quarreling with that. But the claim that lowering the cost of wheat to the baker will reduce the price of bread to the consumer is not true. This is giving a false impression to the consumers of this Nation.

Over a number of years history has shown that when the price of wheat went down—at one time $1 a bushel—it did not reduce the price of bread even one-half cent a loaf.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BAYH. I concur in the picture the Senator is painting. If one looks at the 20-year increase in costs of those who manufacture the bread, it is up 125 to 140 percent, depending on which category one looks at. It has been a very small increase overall to the wheat producer. Mill flour went to $8 and I would bet that most of that did not go to the wheat farmer. But we have to look at the $2.50 increase in flour. It will cost about 3 cents or 4 cents a loaf to the consumer. I would rather repeal the bread tax, keep the prices where they are now and maintain the subsidy payment at exactly the same level so the wheat farmer would not be punished, but neither would the lady who goes in and buys a loaf of bread.

Mr. YOUNG. Reducing the price of wheat is not going to reduce the price of bread. There will be increases no matter what the Senator does.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Whose time are we on, my time or the time of the Senator from Indiana?

The PRESIDING OFFICER. The Senator from Texas.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. TOWER. I yield 2 minutes to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I just want to make the point in opposition to the amendment offered by my friend, the Senator from Indiana, that there is nothing in his amendment, as I read it, that would assure that the baker is going to get flour at a reduced cost even though the entire certificate cost is paid by the Government. It might reduce the cost of the flour processing by the miller, but there is no assurance in this amendment that it would be passed on to the baker in the form of reduced flour prices.

I have an estimate made by experts in the Library of Congress indicating the impact. The 75 cents the flour producer pays as his part of the wheat certificate only adds about nine-tenths of a penny to a 1-pound loaf of bread even if the entire matter were passed on. But I do not see anything in the amendment offered by the two Senators that is going to assure the small baker that he is going to get his flour at a reduced cost.

What I do see is his great trouble in connection with the present wheat program, a program that has been on the statutes for almost 10 years. I recall in 1964 when this program was devised carefully by the Committee on Agriculture, passed in the Senate and then in the House. We argued at great length about how we could protect the wheat farmer in assuring a fair price; all additional prices should come out of the Treasury or paid out of taxes, and we arrived at this compromise plan. So I think what we are doing in this proposal is acting very hastily to undo a good program which has been working effectively and which has insured the Nation an adequate supply of wheat at a reasonable cost.

I very much hope that the Senator from Indiana and the Senator from Connecticut would not press this amendment. It will play havoc with the wheat program and it does not have a guarantee that it will produce cheaper flour for the baker.

Mr. YOUNG. Mr. President, will the Senator yield to me for 1 minute?

Mr. TOWER. I yield.

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed in the RECORD certain questions and answers raised in the hearings by the Committee on Agriculture and Forestry, between the bakers and myself and other Senators.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senator TALMADGE. You have got to be competitive?

Mr. ROSENTHAL. We have to stay competitive, otherwise we are out of business. If we raise our bread two cents a pound, and Continental raises three-quarters of a cent a pound, they are not going to buy our bread, they are going to buy Continental's bread, and we are out of business.

The wheat certificate of 75 cents, we would like to point out that we are not against the farmer, and the farm economy. We are in favor of the strong farmer as far as his economic health is concerned. We feel it is important to the economy of the whole country. We all can remember when the farmers could not—were getting 40 cents for a bushel wheat. Some of us can remember that the farmer could not buy a darned thing, and there it was not any good for anybody. We are not against the farmer getting——

Senator YOUNG. Mr. Chairman—if you were interested in the farmer, why do you publish big ads in the newspaper blaming farmers, and blaming the price of wheat on the cost of a loaf of bread?

Mr. KELLY. Senator, could I respond?

Senator YOUNG. The Office of Price Administration I understand said you could only justify a half cent increase because of the increase in the price of wheat.

Mr. ROSENTHAL. Well, we would beg to differ with their figures. The Department of Agriculture, the Department of Agriculture has said a lot of things.

Senator YOUNG. Well, now, Mr. Chairman——

Mr. ROSENTHAL. We are not too happy with a lot of things they have said. I think they have misled us a great deal.

Senator TALMADGE. Senator Young?

Senator YOUNG. In the calendar year 1945 the average price of a number one dark northern ordinary protein Minneapolis was $1.73, and the price of bread for that year in the leading markets was 8.8 cents a loaf, less than 9 cents a loaf.

In 1971, or take 1970, the price of wheat in the same market was $1.74, only one cent higher, almost identically the same, and yet the price of bread had risen to 24.3 cents a loaf. Why don't you tell the public that wheat is not responsible for all of your costs? You continually blame the producer. You incite the consumer against the producers.

Mr. ROSENTHAL. No, sir.

Senator YOUNG. That is a devil's trick and you have been playing it for years.

Mr. ROSENTHAL. Senator, this is the first time that I have been here, and we are not against the producers, and we are not blaming the producers. We are here to ask that the 75-cent certificate that is placed on a bushel of wheat for domestic consumption be removed.

Senator YOUNG. I think you might make a good case since the price has gone up.

Mr. ROSENTHAL. If the farmer needs support, then we are ready to support him in that these funds be made available from the general Treasury, not a tax on a loaf of bread. That is what we are trying to say.

Senator YOUNG. This ad here which appeared in the Washington Post, and I will get the date——

Mr. KELLY. Also in the New York Times.

Mr. ROSENTHAL. I have a copy here.

Senator YOUNG. Wait a minute, let me say something first.

Mr. KELLY. I am sorry. I apologize.

Senator YOUNG. I am a member of the committee and I would like to say something.

Mr. ROSENTHAL. Surely.

Senator YOUNG. In this ad you blame the sale of wheat to Russia as the cause of all of our problems. Now, the sale of wheat to Russia was handled in the same way as the sale of wheat to all other countries. We exported this year about 1.1 billion bushels, and we sold about 400 million bushels of wheat to Russia, but the sales are all handled the same. Why do you single out the sale to Russia, because I assume, you believe, that you can appeal to the consumer better that way. You would be more effective.

Mr. ROSENTHAL. No, sir.

Senator YOUNG. In inciting consumers against farmers.

Mr. ROSENTHAL. Senator, we are in favor of the export program of commodities to all foreign countries, which our position paper states. It has been down here since December. We have been down six or eight times and we have called on a lot of Senators. I believe some of our people called on you, sir, and in our position paper it definitely states we are in favor of the export program. We are in favor of supporting the farmers, and so that they can make a profit. We are businessmen. We would like to make a profit in our business. Now, we do not want to go out of business, and we also would like to see the farmer stay in business and make a profit. That is our intention and that is our position, sir.

Senator YOUNG. Would you explain then why in 1945 the price of wheat was $1.73, and the price of a loaf of bread was 8.8 cents a loaf, and then wheat in 1970 was at $1.74, almost exactly the same price, but bread had risen 24.3 cents a loaf? Why this increase? Why don't you tell the public? There are probably good reasons for this increase in costs, but why don't you tell the public?

Mr. ROSENTHAL. Senator, I bought a Plymouth automobile in 1946 for about $700. I could not buy that Plymouth today for $700.

Senator Young. Yes, but looking——

Mr. Rosenthal. We know labor has increased, and many things have increased. We have kept the price of bread down, and we want to try to keep the price of bread down. We do not want the price of bread to rise because as far as we are concerned, it has been our experience that every time we raise the price of bread that we have been forced to do, to raise by increased costs of various kinds, we have sold less bread, and it is not good for our business and it is not good for the farmer, because we are going to use less flour when we sell less bread, so it is not to anybody's interest, and certainly not us.

Senator Young. If the Congress removes this 75 cents a bushel that the millers and the baker are paying now, how much will you reduce the price of a loaf of bread?

Mr. Rosenthal. We will not be in the position of having to raise it.

Senator Young. You would not reduce it any?

Mr. Rosenthal. It might. We are in a competitive market, Senator, and you know we compete with many bakers, and the super market has their own bakery with private label brands.

Senator Young. I know all of that.

Mr. Rosenthal. If the marketplace requires competition, and in competition we would have to reduce the price, we would reduce the price.

Senator Young. You cannot tell this committee then that you would reduce the price of bread any at all?

Mr. Rosenthal. I cannot tell what someone else's costs would be, sir.

Mr. Kett. Senator, the price of flour has gone up around $2. Now, if we get relief from the 75 cent certificate we will be back where we were before. There will be no benefit to us.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. TOWER. I yield 3 minutes to the Senator from Alabama.

Mr. ALLEN. Mr. President, I do not believe the substitute offered by the distinguished Senator from Connecticut and the distinguished Senator from Indiana is sound. The fact sheet they have circulated with regard to the substitute states that the Bayh-Weicker subsitute will not burden the Federal budget, and "the certificate taxes now paid by bakers amount to approximately one-tenth of 1 percent of the Federal budget."

According to my arithmetic, 1 percent of the Federal budget would be $2.5 billion plus and one-tenth of that would be $250 million. So this would, according to the figures submitted by the distinguished Senators, cost the American taxpayer a quarter of a billion dollars.

The fallacy in the position of those advocating the substitute is that this would be a cost to the taxpayers of a quarter billion dollars from now on. It would be a permanent loss of revenue, whereas we are hopeful that wage and price controls will not be with us forever. So, long after the wage-price controls have passed into history, this loss to the Treasury would go on and on.

Therefore, I do not believe we need a permanent tax repeal in order to take care of a temporary situation. I do not know that I am even for the Tower amendment, but I know the substitute is not sound, and I shall vote against it.

Mr. TOWER. Mr. President, the consent agreement under which we are operating provides that all amendments must be germane. I, therefore, raise a point of order that the amendment offered by the Senator from Indiana is not germane and is, therefore, out of order.

The PRESIDING OFFICER (Mr. Fannin). The Chair rules that it does introduce another subject, a new subject not contained in the amendment of the Senator from Texas, in that it refers to the Agricultural Adjustment Act of 1932. Therefore, the Chair sustains the point of order.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Is it possible for the Chair to reserve its ruling pending additional inquiries by the Senator from Indiana?

The PRESIDING OFFICER (Mr. Fannin). Yes; the Chair will, as a matter of accommodation, be pleased to suspend until that time.

Mr. BAYH. I appreciate the courtesy of the distinguished Presiding Officer.

The Senator from Indiana is not totally oblivious to the basis of the challenge. It seems to me—and I suggest this to our distinguished Presiding Officer—if we are talking about economic stabilization, which is what this whole debate is about, then this amendment is germane. I happen to represent wheat farmers, and so does the Senator from South Dakota and everybody else here, and all of us are concerned about the cost of wheat and we are concerned about the cost of bread, and the cost of steel, and everything else. The whole purpose of our being here today is to try to get on top of prices.

I suggest to the distinguished Presiding Officer that if we have a program called the Economic Stabilization Act and if we have a Cost of Living Council, which has indicated that if the Senator from Texas' amendment is successful the cost of bread will go up 3 or 4 cents then my amendment is germane. What could be more germane than controlling food prices? Let us not kid ourselves—anybody who votes for the Senator from Texas' amendment will have to go back to the housewife and say to her, "I helped raise the cost of bread 3 or 4 cents."

The Senator from Connecticut, the Senator from Indiana, and other Senators seek to assist the Senate and seek to assist the Economic Stabilization Act Amendments of 1973 to hold down costs, and that is very much a part of what we are doing, I suggest to the distinguished Presiding Officer.

The PRESIDING OFFICER. The Chair would like to respond to the distinguished Senator from Indiana.

Germaneness has always been construed strictly in the Senate. This is a highly technical area and it seems to introduce a new subject.

Mr. TOWER. Mr. President, inasmuch as the Chair has indicated what its ruling is going to be and time on the amendment has been yielded back, I am willing to yield time on the bill to the Senator from Connecticut and to the Senator from Indiana if they wish to pursue this matter a little further.

Mr. WEICKER. Mr. President, the Senator from Connecticut would request of the Chair an answer as to whether or not, if the substitute amendment offered by the Senator from Indiana and the Senator from Connecticut is not germane, it would follow that the amendment of the Senator from Texas is likewise not germane.

The PRESIDING OFFICER. The Chair has ruled that the amendment of the Senator from Indiana is not germane. It would appear that the amendment of the Senator from Texas is germane.

Mr. WEICKER. Could the Chair distinguish, then, as to the difference in the ruling on germaneness between the amendment of the Senator from Texas and the amendment of the Senator from Indiana and the Senator from Connecticut?

The PRESIDING OFFICER. The amendment of the Senator from Texas uses terms in connection with the Economic Stabilization Act, not the Agricultural Adjustment Act.

Mr. WEICKER. I am sorry. Could the Chair respond again? I did not hear the Chair's answer.

The PRESIDING OFFICER. It is cast in language which seems to be within the terms of the Economic Stabilization Act, and not the Agricultural Adjustment Act of 1938.

Mr. WEICKER. Does the Chair indicate, then, that in order to achieve that purpose, it is not permissible to have reference to any other act or any other law?

The PRESIDING OFFICER. Not if it appears to introduce a new subject, and under the Senate precedents germaneness is strictly construed.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Could I ask the distinguished Presiding Officer to speculate on the germaneness of another amendment? Inasmuch as he points out that we are dealing with technicalities here, if, instead of adding a section to the end thereof directly amending the Agricultural Adjustment Act, as the amendment which is presently before us does, would an amendment be germane if it empowered the Cost of Living Council to repeal the 75-cent wheat certificate?

The PRESIDING OFFICER. If there was something in the bill before the Senate dealing with that subject specifically.

Mr. BAYH. Of course, part of the measure before us deals with food prices. I read section 7, subsection (c)——

The PRESIDING OFFICER. The Chair would advise the Senate that both wheat and corn are both food items, and in the past the Senate has decided that an amendment dealing with corn was not germane to a wheat act.

Mr. BAYH. Neither corn nor wheat was considered as a foodstuff under the Economic Stabilization Act?

The PRESIDING OFFICER. That is just by way of pointing out how strictly the Senate has construed germaneness.

The Chair thinks that settles the question as far as the Chair's ruling is concerned.

Mr. BAYH. One additional parliamentary inquiry. If the amendment's wording were changed to give the power to the Cost of Living Council to repeal the 75-cent certificate on wheat, if in their judgment they felt that repealing that certificate would help them maintain control on the cost of bread and furthermore on the cost of living, would not that come within the interpretation narrowly defined by the Presiding Officer?

The PRESIDING OFFICER. The Senate has determined by unanimous consent that germaneness of amendments will obtain on this bill, and the Chair then would have to study the bill to see if it were germane to anything in the bill.

Mr. BAYH. I appreciate the courtesy of the Presiding Officer.

Mr. WEICKER and Mr. PROXMIRE addressed the chair.

Mr. WEICKER. Mr. President, may I direct a question to the distinguished Senator from Texas? I do not intend to appeal from the ruling of the Chair. Did the Senator from Texas indicate he would grant time under the bill?

Mr. TOWER. I will be glad to yield time on the bill if the Senator wants to discuss it further.

Mr. WEICKER. To discuss this amendment.

Mr. TOWER. Yes.

Mr. WEICKER. Mr. President, what is the present parliamentary situation? There is a point of order by the Senator from Texas.

The PRESIDING OFFICER. The point of order of the Senator from Texas has been sustained. The question now is on the amendment of the Senator from Texas.

Mr. TOWER. Mr. President, inasmuch as all the time has been yielded back on the amendment of the Senator from Texas, I shall be delighted to yield to the Senator from Connecticut time on the bill.

How much does he wish?

Mr. WEICKER. May I have 4 minutes?

Mr. TOWER. The Senator may have 5 minutes.

Mr. WEICKER. I thank my distinguished colleague from Texas.

Unfortunately, we are now in the position of having to pass upon the amendment of the distinguished Senator from Texas rather than have a constructive and positive alternative. What the distinguished Senator from Indiana said is true. Everybody in this room who votes for the amendment of the distinguished Senator from Texas votes for a 10 to 15 percent increase in the cost of bread to the consumer—that is it.

I was hoping that the offer made by the distinguished Senator from Indiana would have been accepted, whereby the whole matter would have hung in abeyance while the Committee on Agriculture and Forestry took a careful look at the overall situation.

The fact is that the very factor referred to in the amendment of the Senator from Indiana and myself was due to go out in July 1974, in any event. However, the fact remains that at the present time—and unfortunately so—it is the farmers of this Nation that are being looked to for the tremendous increase in the cost of the price of food.

I remember when this rise commenced that everybody was pointing the finger at the local food stores and the supermarkets. The answer is not that simple. It is clear that there was a series of price rises and that along the line probably the farmer and the middleman have to share in this responsibility, and maybe in the final step along the line the food stores would have to take their part of the responsibility. However, the fact is that it is the consumer who is getting soaked.

I am not prepared at this time to say that, with all of the other price increases that have occurred, the consumer should now have to absorb a 10- to 15-percent increase in the price of bread. It will be interesting to see how many of my colleagues are willing to take that particular step.

In the amendment of the Senator from Indiana, I thought we had some manner of compromise whereby the consumer would have been protected and the farmer would have been completely protected and the general taxpayer would have absorbed this general cost, as he has in most other instances, rather than single out this one instance.

Mr. BAYH. Mr. President, if the Senator would yield to me, I would point out that our effort has been to try to reconcile the seemingly diametrically opposed factors here. What the Senator from South Dakota pointed out is that we can provide no guarantee that the general cost of bread is going down. That is true. However, we can guarantee that the 57-percent increase in the price of wheat that has occurred since July 1972 will be passed on to the householder, resulting in an increased cost of 3 or 4 cents a loaf of bread if the Tower amendment is passed.

From talking to the bakers, I find that they suggest that our approach will make it possible to keep them from increasing the price of bread. They know more about that than we do. Also, there is the fact that the milling industry is very competitive. When we take away that 75 cents milling tax, each miller will be trying to make the market competitive and will come down 75 cents.

I think the junior Senator from Alabama is accurate in pointing out that this will cost a substantial amount of money. We estimate it to be $400 million. However, the question is whether the increased cost will come from the entire spectrum of taxpayers, with each taxpayer paying an amount of tax, depending upon the corporate rate or bracket in which he finds himself, or whether the burden of the program will continue to depend in part on the number of loaves a housewife buys.

If the amendment of the Senator from Texas succeeds, and even if it does not, the present program gives that tax to the individual according to the mouths he has to supply with bread. This in practice is highly regressive, since poor people spend a higher portion of their income on bread than do rich people.

Mr. TOWER. Mr. President, I yield 2 additional minutes to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I would say, in view of the comments of the Senator from Indiana, who certainly has as many farmers in his State as he has consumers as constituents, that those Senators in this Chamber that represent farmers had best beware or there will be a hue and cry across this Nation that will bring about controls.

We are trying to find a positive way out of this matter, because it has gotten to the point where food prices have certainly gotten out of hand. Certainly the passage of this amendment might be the straw that breaks the camel's back. And the resulting demands will result in controls being put on the farmers. That is what we are trying to avoid. However, I predict that if this price rise takes place in this staple in the diet of every man and woman, indeed a demand for those controls will be forthcoming and will probably have to be met as a matter of political survival.

I would hope that we would reject the amendment of the Senator from Texas which would mean that the Committee on Agriculture and Forestry would address itself, because our amendment has been ruled out of order, to this problem of affording the relief from the "bread tax" we have sought to do in our amendment.

Mr. SPARKMAN. Mr. President, I yield myself 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 2 minutes.

Mr. SPARKMAN. Mr. President, I think the problem is that the Committee on Agriculture and Forestry reported out legislation sometime in the past, and it was agreed to by Congress, to the effect that the payment to be made would be the difference between parity and the market price.

Mr. YOUNG. Mr. President, the last compromise was the difference between the average cash price for wheat for that year and parity.

Mr. SPARKMAN. The Senator is correct. Then the arrangement was for them to pass on whatever that price was to the individual.

Mr. YOUNG. The Senator is correct.

Mr. SPARKMAN. And what we are trying to do here or what is being attempted to be done here is to rewrite the whole provision. And it does not belong to us. It belongs to the Committee on Agriculture and Forestry.

I was going to suggest that we ought not to be dealing with this until the Committee on Agriculture and Forestry has had an opportunity to restudy this thing and decide it.

I want to say that it is my understanding that the price of this certificate tax is apparently passed on. I do not know the mechanism of it. However, that was my understanding. I believe it is something to which the Committee on Agriculture and Forestry ought to give very serious, careful, and early consideration.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield 3 minutes on

the bill to the Senator from North Dakota.

Mr. YOUNG. Mr. President, this wheat certificate provision became a part of the law when the price supports were reduced from about $2 to $1.25 a bushel. It was assumed then that the consumer should pay a part of the cost for the reduction in the wheat support price. They only had to pay on the part of the wheat consumed in the United States. The farmer got nothing more than the market price or the support price for the rest of it.

Mr. President, I would like to read into the Record questions and answers appearing in the hearings before the Committee on Agriculture and Forestry on the date of February 28, 1973. It reads as follows:

> Senator Young. In the calendar year 1945 the average price of a number one dark northern ordinary protein Minneapolis was $1.73, and the price of bread for that year in the leading markets was 8.8 cents a loaf, less than 9 cents a loaf.
>
> In 1971, or take 1970, the price of wheat in the same market was $1.74, only one cent higher, almost identically the same, and yet the price of bread had risen to 24.3 cents a loaf. Why don't you tell the public that wheat is not responsible for all of your costs? You continually blame the producer. You incite the consumer against the producers.
>
> Mr. Rosenthal. No, sir.

Mr. President, the price of a loaf of bread had risen from 8.8 cents in the calendar year 1945 to 24.3 cents a loaf in 1970. That is almost a 300-percent increase.

Yet the price of wheat was almost exactly the same—only 1 cent difference in all those years. So this business of blaming the price of bread on the price of wheat is just not true at all.

Mr. SPARKMAN. May I say to the Senator from North Dakota, I do not know where that price comes from, but when I go to the grocery store it seems to me I pay 36 cents a loaf for bread.

Mr. YOUNG. This is an average.

Mr. SPARKMAN. I see.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I had yielded to the Senator from North Dakota. Let him finish.

Mr. YOUNG. I yield.

Mr. WEICKER. Mr. President, I move that the amendment of the distinguished Senator from Texas be laid on the table, and the matter contained therein referred to the Committee on Agriculture and Forestry.

Mr. PROXMIRE. Mr. President, will the Senator withhold that motion to table until I can make one point?

Mr. SPARKMAN. Wait a minute; I have not yielded.

The PRESIDING OFFICER. Does the Senator from North Dakota yield for the purpose of the motion to table?

Mr. YOUNG. I yield for that purpose.

The PRESIDING OFFICER (Mr. Fannin). The Senator from Connecticut can move to table, or he can move to commit the bill, but he cannot move to commit an amendment.

Mr. TOWER. Mr. President, will the Senator withhold his tabling motion?

Mr. WEICKER. I withhold it.

Mr. SPARKMAN. May I ask the Senator from Connecticut a question? Did the Senator intend that as laying it on the table and killing it, or as opposing the amendment and having it referred to the Agriculture Committee?

Mr. WEICKER. I had the intention of referring this matter to the Committee on Agriculture and Forestry.

Mr. SPARKMAN. It is sometimes referred to in a different connotation. I thought that was what the Senator meant.

Mr. WEICKER. That is what I meant.

The PRESIDING OFFICER. A motion to commit an amendment is out of order.

Mr. WEICKER. What is the basis of the Chair's ruling? Because of the motion to table?

The PRESIDING OFFICER. Because a bill is before us, and this is an amendment to the bill. A motion could be made to recommit the bill, but not an amendment to the bill.

Mr. WEICKER. I understand.

Mr. SPARKMAN. Mr. President, the Senator from Connecticut can just simply file an amendment at the desk, and if it is properly drawn to belong to the Committee on Agriculture and Forestry, the Chair would refer it to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The Senator from Alabama is correct; that can be done.

Mr. TOWER. Mr. President, I would like to yield myself 1 minute on the bill, and then the Senator from Connecticut can make his motion. Indeed, he is free to make it now if he wishes.

Mr. WEICKER. No; I withhold it.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. TOWER. I simply want to say, yes, what the Senator from Texas proposes will raise the price of bread over the short pull. It will raise that price over the short pull, but it will also keep a number of bakers in competition, so that over the long pull it will tend to keep bread prices down in this country.

What we would do here, if we fail to adopt this amendment, is run the small bakers out of business, and it was not intended that the ruling and the implementation of authority by the Price Commission should be so rigid and arbitrary that it would drive vast numbers of people out of business.

Yes, we will have to pay a couple more cents for bread. We will have to pay to keep the competitive system going in the baking industry; either that, or we will drive the little guys out, and pretty soon all we will have is the big boys, and then when the controls go off, we will be paying through the nose for bread. We will only get it from a few suppliers. If we fail to adopt this amendment, we will see bread in short supply even while phase III is going on, and the bread will not be available in the right quantity, at whatever price the Cost of Living Council sets.

Mr. President, I hope we can get a vote on this.

Mr. SPARKMAN. Mr. President, I have promised to yield some time to the Senator from Wisconsin.

Mr. PROXMIRE. Two minutes.

Mr. SPARKMAN. I yield the Senator 2 minutes on the bill.

Mr. PROXMIRE. Mr. President, no one can say, whether we pass or do not pass the Tower amendment, that the small bakers will be driven out of business. Businessmen often make that kind of complaint. What we do know, as Senator Tower himself says, is that if we pass the amendment, we will have a 10- to 15-percent increase in the price of bread. What does the Cost of Living Council say about this? I think it is very impressive. Their statement is fairly short, and I shall read it:

> The Cost of Living Council opposes all amendments to the Economic Stabilization Act, including those that point toward increased food prices. The Council is especially concerned about modifications in the Economic Stabilization Program that would lead to immediate pressures in food prices during this critical period of wage negotiations.
>
> The controls program has been only one factor in the forces which have operated in recent months to limit increases in bread prices. Despite higher flour costs due to the tight international supply situation for wheat beginning in mid-1972, several large bread manufacturers have not raised selling prices. This action which has served to hold down prices of bread and other bakery products reflects both the rules of the Economic Stabilization Program as well as the long run trend on the part of some firms to try to expand market shares.
>
> However, flour costs have risen from $5.46 per hundred pounds in July 1972 to around $8.00 recently. With inventories of lower priced flour pretty well depleted, a modification at this time in existing pricing rules of the Cost of Living Council to allow an automatic pass through of flour costs would result in a substantial increase in prices paid by consumers for bread. Prices for all bakery and cereal products at retail are only 1.6 percent above the July 1972 level. An allowance for an automatic pass through of material costs is estimated to result in a 3 to 4 cent increase, or an additional 10 to 15 percent increase in prices for bread in grocery stores.
>
> For the above reasons, the Cost of Living Council opposes the amendment.

So I support the Weicker motion to lay the amendment on the table, and I hope it will be agreed to.

Mr. BAYH. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. I yield 1 minute to the Senator from Indiana.

Mr. BAYH. Mr. President, I hope all my Senate colleagues recognize that there is more than one way of skinning this cat. We recognize the plight of the small baker. That is why the Senator from Connecticut and I and several others have a bill now before the Committee on Agriculture which we believe would decrease the cost of flour on a permanent basis, and not simply during phase III.

We are going to be in the position, if the Tower amendment succeeds, of giving to the baking industry an increase of between 10 percent and 15 percent in the price of bread. I suggest that I do not know how in the world the Cost of Living Council is going to be able to deal with those in the labor force who have to buy bread which has just gone up 10 or 15 percent, and say to them, "You cannot have more than 5.5-percent increase in wages."

I say to my friends from States which

have large wheat acreages, more than Indiana, that I do not know how we are going to be able to maintain support for a wheat program 3 or 4 months after the cost of bread goes up 15 percent.

I think it is important that we realize the possible consequences of this amendment, which has a laudable purpose, but which, in my judgment, is the wrong vehicle for accomplishing that purpose.

Mr. WEICKER. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. I yield 1 minute to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I intend to pursue my motion to lay on the table the amendment of the Senator from Texas. There is no question about the fact that the point he raises is correct, that a lack of competition might eventually produce an increase in price, and there is also no question about the point made by the Senator from Indiana that this particular legislation will involve an increase in the price of bread.

So I think it best that we use this time to try to resolve the various parts of the puzzle into a harmonious whole, rather than have the consumer, the baker, and the farmer all pointing the finger at each other.

For that reason, I move to lay on the table the amendment offered by the distinguished Senator from Texas (Mr. Tower).

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Fannin). The question is on agreeing to the motion of the Senator from Connecticut (Mr. Weicker) to lay on the table the amendment of the Senator from Texas (Mr. Tower). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), the Senator from Minnesota (Mr. Mondale), and the Senator from Maine (Mr. Muskie) are necessarily absent.

I further announce that the Senator from Minnesota (Mr. Humphrey), the Senator from Wisconsin (Mr. Nelson), and the Senator from Rhode Island (Mr. Pastore) are absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The Senators from New York (Mr. Buckley and Mr. Javits), the Senator from Arizona (Mr. Goldwater), the Senators from Oregon (Mr. Hatfield and Mr. Packwood) and the Senator from Illinois (Mr. Percy) are necessarily absent.

The result was announced—yeas 54, nays 26, as follows:

[No. 45 Leg.]

YEAS—54

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brooke
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Dole
Domenici
Eagleton
Gurney
Hart
Hartke
Haskell
Hathaway
Huddleston
Inouye
Jackson
Kennedy
Magnuson
Mathias
McGovern
McGee
McIntyre
Montoya
Moss
Nunn
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Pa.
Stafford
Stevens
Symington
Tunney
Weicker
Williams

NAYS—26

Bennett
Brock
Curtis
Dominick
Ervin
Fannin
Fong
Griffin
Hansen
Helms
Hruska
Johnston
Long
McClellan
McClure
Metcalf
Pearson
Saxbe
Scott, Va.
Sparkman
Stevenson
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—20

Baker
Buckley
Cranston
Eastland
Fulbright
Goldwater
Gravel
Hatfield
Hollings
Hughes
Humphrey
Javits
Mansfield
Mondale
Muskie
Nelson
Packwood
Pastore
Percy
Stennis

So Mr. Weicker's motion to lay Mr. Tower's amendment on the table was agreed to.

Mr. GRIFFIN. Mr. President, for the information of Senators in the Chamber, I wonder whether I might——

Mr. TOWER. Mr. President, I yield to the Senator from Michigan such time as he may require.

Mr. GRIFFIN. I thank the Senator from Texas. I wonder whether I might inquire of the acting majority leader what he expects in terms of the program for the remainder of the day and tomorrow.

Mr. ROBERT C. BYRD. Mr. President, may I respond to the distinguished assistant Republican leader, by first asking whether any Senator has an amendment he would propose to call up this afternoon.

Mr. TOWER. I will call one up.

Mr. ROBERT C. BYRD. The Senator from Texas (Mr. Tower) has one amendment. Will that amendment require a yea-and-nay vote?

Mr. TOWER. I shall ask for a yea-and-nay vote, yes.

Mr. ROBERT C. BYRD. All right. Are there any other amendments which will be called up this afternoon? Apparently not. Then, may I say to the Senate, there will be one more rollcall vote this afternoon on the amendment to be proposed by the distinguished Senator from Texas (Mr. Tower).

There are several additional amendments which I had hoped would be called up today. To my surprise, I find that the authors of the amendments do not now plan to call the amendments up and did not initially plan to call them up until tomorrow. I do not find fault with that, except to say that no Senator was advised by the leadership that we would not go for a long day today. The whip notice last week indicated that there would be yea-and-nay votes today on amendments under a time limitation. The Senate was not in session last Friday, and Senators, I had hoped, would be ready to call up their amendments today so that we could complete action on this bill tomorrow.

In the hope that we may yet be able to complete action tomorrow, I should like now to ask unanimous consent that time on any amendment, with the exception of the so-called rent control amendment and the two amendments that may be proposed by the distinguished Senator from Wisconsin (Mr. Proxmire), be limited to 30 minutes rather than 1 hour, as was agreed to under the prior agreement——

Mr. GRIFFIN. That is 15 minutes to a side?

Mr. ROBERT C. BYRD. Fifteen minutes to a side, yes.

Mr. LONG. Mr. President——

Mr. STEVENS. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. I do not want to mislead the Senate, but I have an amendment which I may offer to the bill. If I do, I think it will be slightly controversial, so that I would not want to have someone caught in the situation of not having a time limit on the matter.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator that, under the agreement, Senators in control of the time on the bill may yield therefrom to any Senator on an amendment, so the Senator from Alaska might get additional time in that way.

Mr. STEVENS. I am not going to raise the question.

Mr. PROXMIRE. It is my understanding that the Senator from Alaska has been very gracious and thoughtful in pointing out that his amendment would provide for the Alaskan pipeline. I think we should at least have the usual half hour in opposition to it.

Mr. ROBERT C. BYRD. I assume that the amendment would be germane.

Mr. STEVENS. It does not quite provide for the Alaskan pipeline, but it could authorize action related to it.

Mr. ROBERT C. BYRD. Under the order, amendments that are not germane would not be in order.

Mr. STEVENS. I understand that.

Mr. GRIFFIN. The way he has drafted it, I think it will be germane.

Mr. ROBERT C. BYRD. Very well. Would the Senator want to retain the 1 hour on that amendment?

Mr. STEVENS. I am agreeable to any time. I do not want anyone to think I am taking the Senate by surprise.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on any amendment to the pending measure be limited to 30 minutes, to be equally divided as heretofore agreed to, with the exception of the amendment to be proposed by the distinguished Senator from Alaska (Mr. STEVENS), the two amendments to be proposed by the distinguished Senator from Wisconsin (Mr. PROXMIRE), and the so-called rent control amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, again I ask the question about amendments to such amendment. Would that be reduced to 15 minutes?

Mr. ROBERT C. BYRD. No. There would be 30 minutes on an amendment to an amendment.

Mr. TOWER. This only amends the existing consent agreement as it applies to all amendments other than the two amendments of the Senator from Wisconsin, the amendment of the Senator from New Jersey, and the amendment of the Senator from Alaska; and the already agreed on times would be applicable to the amendments that have been excluded from this agreement.

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Without objection, the request of the acting majority leader is agreed to.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. Since we are not going to complete action on this bill today, this early in the session, why do we not go home and come back to work tomorrow?

Mr. ROBERT C. BYRD. We still are going to have action on the Tower amendment.

It is still the hope of the leadership that the Senate can complete action on this bill tomorrow. May I now ask if Senators will be willing to agree to cutting the time on any amendment to an amendment to 20 minutes, rather than 30 minutes, the time to be equally divided in the usual form? I make that unanimous consent request, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That, effective on Monday, March 19, 1973, at the close of morning business, during the consideration of S. 398, a bill to extend and amend the Economic Stabilization Act of 1970, debate on any amendment (except the so-called Pre-Notification Amendment by the Senator from Wisconsin (Mr. Proxmire), on which there will be 2 hours; the so-called Freeze Amendment by the Senator from Wisconsin (Mr. Proxmire), on which there will be 3 hours; the so-called Rent Control Amendment, on which there will be 1 hour; and the so-called Alaska Pipeline Amendment by the Senator from Alaska (Mr. STEVENS), on which there will be 1 hour) shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment and the manager of the bill, the Senator from Alabama (Mr. Sparkman), unless the Senator from Alabama (Mr. Sparkman) is in favor of any such amendment, then the time in opposition thereto shall be controlled by the Senator from Texas (Mr. Tower), and that debate on any amendment to an amendment, debatable motion or appeal shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the author of the amendment in the first degree, unless the author of the amendment in the first degree is in favor of the amendment, in which case the time shall be under the control of the manager of the bill: *Provided,* That, no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Texas (Mr. Tower) and the manager of the bill, Mr. Sparkman: *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion or appeal.

Mr. ROBERT C. BYRD. I hope the Senator from Texas will present his amendment.

Mr. TOWER. Mr. President, I call up an unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, strike out lines 1 through 22.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, the purpose of my amendment is to knock out of the committee bill a provision that authorizes the President to ration oil and gas. This is a very far-reaching power that is being granted to the President, and it seems to be supported by many who are concerned that the President is exercising too much power at the moment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. SPARKMAN. This amendment was offered in the committee by Senator McINTYRE, on behalf of himself and Senator EAGLETON. I am asking Senator EAGLETON to manage the time on the majority side.

Mr. TOWER. Mr. President, the committee adopted an amendment which empowers the President to establish a system of priorities of use and to provide for systematic allocation of supplies of petroleum products in order to meet the essential needs of various sections of the Nation. While there can be national emergencies where Federal rationing programs become necessary, it would seem that in a peacetime period where the economic system is healthy and is capable of martialing the resources needed to meet the demands of its consumers and economic units, we should avoid the rather drastic step of rationing. The market price system has proven to be the best allocation device in history, and attempts to deal with shortages by intervening in that system with wage and price controls and/or rationing arrangements have traditionally resulted in worse shortages than were in existence to begin with.

We must face the basic economic fact of life in this country that rising market prices are the best means we have to bring about the investment needed to produce more of the goods and services that are in increasing demand. In the case of petroleum products, the best long range solution to any shortages that may develop is to allow the oil industry to earn market prices, which would be sufficient to justify extensive investment in exploration and in production facilities and to encourage investor capital to come to the firms in the industry. Rationing will effectively detract from the market price level and deter the investment that we want to encourage.

I have been somewhat amused that some of the very people who are advocating that we more narrowly proscribe the power of the President and more narrowly prescribe the power of the President in the matter of wage and price controls, and those who have argued that the President is usurping too much power from Congress and that the President acts with too broad discretion now want to give him the power to ration fuel.

A few years ago—1970, to be exact—the power to impose wage and price controls was delegated to the President by Congress, and ever since they have been griping about the way the President exercises that power. Now they propose to confer on him a very broad power indeed, and one that, quite rightfully, he does not want.

It occurs to me that some of those who are supporting the idea of rationing right now might at this point in time also declare that they will support incentive programs designed to stimulate domestic exploration and production in this country, to the extent that we will not be confronted with shortages that result from a diminution of domestic exploration and production and a growing reliance on foreign sources to meet our energy needs.

This is no way to deal with the problem—to give the President the power to ration. I think that this provision is one on which we should hold hearings. No hearings were held on this matter. This is something to which perhaps two or three committees should address themselves.

I am hopeful that the Senate will adopt this amendment, because it makes eminently good sense to me that we should do it and in the meantime bend our efforts to try to stimulate exploration, the discovery and the production of our domestic resources, so that we can retain a degree of self-sufficiency that does not force us to be so reliant on unreliable sources—and costly sources, I might add—that we are faced with fuel crises year after year after year.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. STEVENS. Mr. President, I agree with the Senator from Texas. I think the authority to allocate petroleum products at this time is unnecessary. It would depress the market to the extent that it would be counterproductive.

As I indicated, I have an amendment that I would like to send to the desk and have printed. In the event that the amendment of the Senator from Texas to delete section 2 fails, I would intend to call up this amendment. Since the section in the bill already provides that the authority is granted to the President to assure sufficient supplies of petroleum products to meet essential needs, this amendment simply says that he shall have any and all power necessary to insure the supply of petroleum products.

If we are in such a critical condition that we need to give the President unlimited authority to impose rationing, I suggest that we are then in such a situation that we need to give him unlimited authority to take any action necessary to alleviate the shortages. One of the things to be done would be to authorize the Secretary of the Interior to start the Alaskan pipeline, bringing 2 million barrels a day in 3 years to the South 48 States and making available 3 years later an almost unlimited supply of natural gas to the middle and western part of the United States.

I support the action to take this provision out of the bill because I do not think it is warranted under the conditions at this time. But if we are in such a situation that we are going to give the President wartime powers to allocate petroleum products and to ration petroleum products, we better declare war on the energy shortage and authorize the people in Alaska to start development in order to supply oil and gas to the South 48 States.

We have two-thirds of the estimated reserves of natural gas and one-third of the estimated reserves of oil, and nothing is being done now to move any of that gas or oil to the markets of this country. If we are going to recognize the shortage and give the President these unlimited authorities to ration within the shortages then, for God's sake, give him the authority to take the action to meet the needs.

I thank the Senator for yielding.

Mr. JOHNSTON. Mr. President, will the the Senator yield?

Mr. TOWER. I yield 4 minutes to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, when I came to this august body not too long ago, I thought the U.S. Senate always considered matters of this fundamental importance with the kind of seriousness and detail that they deserve. But as a member of the Committee on Banking, Housing and Urban Affairs, I would like to give my colleagues a little rundown on what happened on this very far-reaching amendment.

At a markup session, without one word of testimony, an amendment was offered to give the President authority to ration not just petroleum products but all scarce commodities. Someone else mentioned that that would go too far, and said, "Let's not go with all scarce commodities." Someone else said, "Let's limit it to fossil petroleum," and somebody else said, "petroleum products."

With that little consideration and no testimony we adopted an amendment to phase III which gives the President power to ration all petroleum products. It may be we need authority to ration gasoline and oil and natural gas, and all scarce commodities, but I plead with Members of this body that that is no way to adopt an amendment that is this far-reaching.

The Committee on Interior and Insular Affairs is considering the entire energy crisis with the deliberation and expertise that this body needs before acting in this kind of situation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. LONG. Is it not true that a rationing measure of this sort requires the kind of cooperation you get in wartime when patriotism moves everyone to cooperate and make it work? Does the Senator know of anything of this sort that has worked in peacetime?

Mr. JOHNSTON. No. I know that measures have been adopted in national emergencies and we are trying to get them off the books. We have a committee that is trying to extricate us from all of these emergency measures that were adopted in haste. Now, we are trying to get ourselves out of them.

It seems to me if we are going to have this kind of rationing, we should do this in great depth. For instance, is it necessary to have full rationing at the gas pumps? Perhaps we might allocate between various areas of the country and be sure that one area of the country, as opposed to another area of the country, is not treated unfairly. I do not know the solution, but I do know that the Senate needs to give greater consideration to the matter than to debate it for 20 minutes and then adopt the language in haste, without the kind of artful and in-depth consideration we should have.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. LONG. Is it not correct that when the price of a commodity is held down this tends to retard production because if there is no profit in it or a very small profit, that makes people produce less of it? Therefore, by holding the price down the supply is reduced, when what should be done is to increase the supply when it is short. An increase in price tends to bring about an increase in supply.

Mr. JOHNSTON. That is a basic law of economics.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. BIDEN. In the hearing held by the Committee on Banking, Housing and Urban Affairs initially it was stated that all scarce commodities would be determined by the President and that he could ration what he thought was a scarce commodity. I was the first to suggest, for the reason the Senator from Texas stated, that we would give the President too much authority. We amended that amendment to say petroleum products. I voted for that reluctantly, but I see no other way and I have heard no explanation on the floor of the Senate today to meet the immediate crisis that exists, even in my State of Delaware and more particularly in the New England States.

I heard the Senator from Alaska say that if we go with the pipeline, in 3 years there will be enough oil. I heard the Senators from Louisiana talk about the price of oil and that the way to insure competition and the way to insure that we will be able to get gas and oil that we need in our area would be to keep it open to a free market. I am not convinced that will meet our immediate need next month, or next winter, and for the life of this bill.

The question I have, and I would like to direct it to the manager of the bill, the Senator from Texas, is: Is my understanding correct that this, in fact——

Mr. TOWER. Mr. President, if the Senator will permit me to interrupt, I think he is against my amendment. Perhaps the manager of the bill should be the one to yield to the Senator from Delaware.

Mr. EAGLETON. I am glad to yield 2 minutes to the Senator from Delaware.

Mr. BIDEN. My question is: Would this amendment, were it to fail, and, in effect, the McIntyre amendment pass, which is to give the President the authority to ration petroleum, would that last only 1 year? Am I correct?

Mr. TOWER. The Senator is correct. The authority under the act is for a duration only from April 30 this year to April 30 next year. It would be 1 year.

Mr. BIDEN. That to me seems reason enough to support the McIntyre amendment and to vote against the Senator's amendment. Excuse me. I am giving credit to the Senator from New Hampshire. It was the amendment of the Senator from Missouri. I say that because I heard no other explanation that is going to meet the crisis within the next year. If anyone comes up with that explanation, I would be delighted to vote for the amendment of the Senator from Texas. But I would like to hear an explanation.

Mr. EAGLETON. Mr. President, section 2 of the bill was introduced for myself and Senators MCINTYRE, RANDOLPH, HART, BIBLE, MUSKIE, MONDALE, and EASTLAND. It would provide standby authority to the President to establish an Emergency Oil Allocation Board for the purpose of assuring an equitable distribution of petroleum products during periods of shortage.

There is already serious shortages of gasoline, heating oil, and diesel fuel in parts of the Midwest and Northeast. Thousands of small oil dealers and suppliers are threatened with bankruptcy because their supply of fuel has been dried up. Under this amendment, the Federal Government would be given the authority it now lacks, except in a case of declared national emergency, to assure continued competition in the petroleum industry and to see that all areas of the country receive an equitable share of the fuel available.

This amendment is not designed to favor independents over brand name dealers. Quite the contrary, it is designed to put an end to the favoritism that is so much in evidence today. I would anticipate that under any allocation system established, all dealers and suppliers—independent and brand name alike—would receive pro rata shares based on established records of past use.

The alternative to this kind of arrangement would be to allow the price system and the market power of certain major interests to determine who gets what share of available fuel. That system works fine during normal times. But in a period of shortages, I submit it is a policy which would make rich men of a few and beggars of the rest of us. It could also work a fundamental change on the market structure within the petroleum industry, almost assuring the demise of the independent dealer and supplier.

Mr. President, one change was made in my amendment by the committee and I would like to clarify the thrust of that change. As introduced the amendment provided for authority to allocate scarce commodities. This was narrowed by the committee to petroleum products, including crude oil.

The Senator from Texas, in his presentation, says that rising market prices should take care of the situation. I beg to differ. I believe what would happen if this amendment is not adopted, is that there will be rising market prices, and that we may have 60 to 70 cents a gallon prices. I do not think my amendment is a total curative, but I do not believe we should leave it to the suppliers to allocate gasoline to the different parts of the country. This is of vital importance. It should not be left to the few to distribute their harvest, as far as oil and gas are concerned. Rather than enhance competition, we would find competition strangled if it is left up to the big companies to decide who gets what, where, and how much I think this is the direct antithesis of competitiveness.

It was the Senator from Texas who brought up the previous amendment with respect to bread and who said there ought to be more competitiveness in the baking industry. He seems to have changed his stripes here, in that he is not so much for competition in the oil industry.

In the last analysis, it boils down to whether we want the big oil companies to have the sole say over who gets what, and I think that is the whole question.

Mr. McINTYRE. Mr. President, will the Senator yield me 3 minutes?

Mr. EAGLETON. I yield 3 minutes.

Mr. McINTYRE. I am very happy to be able to support the Senator from Missouri in retaining in the bill a section that we were able to have included in executive session. I think my colleagues should know that I think all of us share the concern expressed by my distinguished friend, the Senator from Louisiana, now presiding (Mr. JOHNSTON). All I want to stress is that the part of the bill that I am referring to does not require any action. All it says is that in the event that we should suddenly find ourselves in an emergency, with gasoline rationing coming around the corner or upon us, then we would not want to leave it to Atlantic-Richfield, or Sunoco, or Gulf, or the big ones, as I call them, to determine how that gasoline would be rationed; that we would leave it in the hands of the President of the United States.

To buttress this, in a recent Senate committee hearing on the question of crude oil and petroleum supplies, George Lincoln, who was in charge of the Office for Emergency Preparedness at that time, stated to the subcommittee that, in the absence of a national emergency, something like martial law, there simply was no authority to control and to establish guidelines, for rationing.

If you gentlemen of the Senate do not believe there is a good and strong possibility of gasoline rationing, you should read the Washington Post of this morning. How long have we of New England and other parts of this country tried to get rid of the mandatory oil import quota system? Today in an article in the Washington Post it reveals that the administration is thinking very clearly, even intimating, that we should get ourselves prepared for it; that we are going to move to a tariff status. Which, by the way, is something that we in the consuming States have been suggesting for a long time.

I say to any administration, whether it be Democratic or Republican, if we are moving toward a tariff system, it must be on the very real rationalization that there may be gasoline rationing this summer. This section asks nothing to be done, only that standby authority be given to the President of the United States to act in the event of an emergency.

Mr. HANSEN. Mr. President, will the Senator yield for a question?

Mr. McINTYRE. I am happy to yield as long as it is within the 3 minutes.

Mr. TOWER. Mr. President, on my own time, I ask one question. I will yield to the Senator from Wyoming.

The Senator from New Hampshire alludes to the Washington Post editorial of this morning.

Mr. McINTYRE. No; an article in that newspaper, not an editorial.

Mr. TOWER. The story had to do with the possible rationing of gas. Does the Senator know why the Washington Post says we are in this situation? Because of the artificial imposition we have had under which we have held down the price at the wellhead by law. I suppose the Senator would favor the deregulation of price at the wellhead?

Mr. McINTYRE. I do not know whether the Senator refers to an article or an editorial.

Mr. TOWER. Would the Senator support deregulation of price at the wellhead?

Mr. McINTYRE. I would not support anything that would or could not be substantiated as in the best interest of the country.

Mr. TOWER. The Senator would rather pay more for liquefied natural gas imported from Algeria?

Mr. McINTYRE. Notwithstanding the many arguments that may be made pro and con, this provision merely gives the President of the United States authority to act in the event of an emergency to ration gasoline this summer, which appears at this time to be very likely. That is all it does.

The PRESIDING OFFICER. The time of the Senator from Texas has expired. The Senator from Missouri has 6 minutes remaining.

Mr. TOWER. Mr. President, I yield time on the bill to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I ask the distinguished Senator from Missouri if it is his opinion that rationing of gasoline, and whatever other things may be rationed under this provision in the bill, is going to cure the basic shortage that faces this country. I would have to say that I quite agree with the present occupant of the Chair, Mr. JOHNSTON, that if people are so simplistic as to think that simply rationing of gasoline for this year is going to cure the problem, then they have not studied it very thoroughly. The Senator from Washington (Mr. JACKSON) has been holding hearings on this matter, and I cannot agree for one moment that it is all that simple.

So I would ask the Senator if he believes that this is going to straighten everything out, and that after we do this for 1 year all the problems will disappear.

Mr. EAGLETON. Of course, I do not think all the problems will disappear. The duration of this bill is for 1 year. What I am concerned about is an emergency situation that may arise in that year. No one is certain whether we may have gasoline rationing. No one knows. If it is needed, I would much prefer having it done by the President of the United States than by the president of Standard Oil. That is all the bill does. It says that the President can allocate these resources among different parts of the Nation, so that no one area is bereft of oil while another has a surplus. I do not want to leave it to the owners of the oil companies to decide which section needs and get fuels. I prefer to leave it to the President of the United States.

Mr. HANSEN. I ask one further question. I think the Senator from Washington (Mr. JACKSON) is clearly on record as indicating his grave concern for the defense posture of this country based upon our long-term supplies. In my mind, this amendment goes in exactly the wrong direction. It does not take the approach that we are going to do something about solving the problem; it simply says we are going to try to make the best of a bad situation which results from a policy of the Federal Power Commission, among other things, that has artificially depressed prices over the last 15 years. Anybody with a basic understanding of economics could have anticipated this, as many Members here on both sides of the aisle did anticipate, precisely what happened.

Mr. EAGLETON. Mr. President, may I respond to the Senator from Wyoming on the time of the Senator from Texas?

Mr. TOWER. The Senator may respond on his own time.

Mr. EAGLETON. Mr. President, how much time on the bill is left to the Senator from Alabama?

The PRESIDING OFFICER. Fifteen minutes are left on the bill itself and 5 minutes on the amendment.

Mr. EAGLETON. Mr. President, I agree in part with the Senator from Wyoming. I commend the Senator from Washington (Mr. JACKSON) for his longstanding and continued interest in the energy problem and crisis existing in our Nation. The Senator intends to hold hearings on the long-range problem.

However, we may have a crisis this summer. I hope to God that we do not.

But, it may well be that fuel will have to be allocated before we have a comprehensive energy policy on the books. I would put more trust in Richard Nixon to allocate this supply than in the president of Gulf or Standard Oil.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield to the Senator from New Hampshire.

Mr. COTTON. Mr. President, that would take us into next winter when the emergency will exist in our part of the country to get enough heat. So, let us not just be talking about next summer. We in New England are worried about next winter.

Mr. EAGLETON. Mr. President, let me respond by asking a question of the Senator from New Hampshire. What sections of the country are traditionally and historically most hit with a shortage of energy?

Mr. COTTON. One is New England.

Mr. EAGLETON. The other is the Midwest.

Mr. COTTON. Mr. President, its alright to talk about next summer but, we in New England would rather walk than freeze.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I would like to address a question to the manager of the bill. The Senator from Texas has made a valid point. I think, in saying that this amendment does delegate to the President of the United States, whoever may occupy the office, an extraordinary power over the American economy.

I would like to ask if in the exercise of that power it is contemplated by the committee that the President should hold public hearings as President Eisenhower did, for example, on the original oil import quota determination. I think that holding public hearings is an important administrative step in taking such extraordinary power.

Mr. EAGLETON. Mr. President, under the provision as it reads, the President would have the authority, if he saw fit to exercise it, to hold public hearings. However, he would not be obligated to do so any more than he was obligated to hold hearings before announcing phase I, phase II, or phase III.

Last week the President reimposed by executive order the price controls on all oil and petroleum products. He did not then hold hearings. He did what he considered to be wise and prudent under the circumstances.

Mr. MATHIAS. Mr. President, we would have a much more responsible exercise of extraordinary power if there were hearings on the various elements that are of public interest than we would if they were not permitted to express their opinions and support.

President Eisenhower did an amazingly extraordinary job of making such a record in his first determination of this matter.

In the event the motion to table this amendment does not prevail, I hope that the Senator will consider having a requirement, not a discretionary authority, but a requirement that this be done.

Mr. EAGLETON. Mr. President, I would hope that the Senator from Maryland might reconsider that. It might very well be that circumstances would be such that the President would have to move with great speed and he might not have time in which to hold hearings. It might be necessary that he act expeditiously than the Senator from Maryland contemplates.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. EAGLETON. Mr. President, I yield 1 minute to the Senator from Alaska.

Mr. STEVENS. Mr. President, I hope the amendment of the Senator from Texas is adopted. I sat in the other night on an off-the-record briefing of some people in the Government. I was told then that at the height of rationing in World War II, the rationing was only 20-percent effective. It would be very misleading to let the American public believe that the President could allocate supplies even if there were a shortage, that he would be able to set up the rationing procedure and the coupons and everything else that goes with it. It is entirely misleading. There is no ability to do that.

The situation can be controlled by supply and not by rationing. It can be done by making sure that the supplies are available to meet the demand.

Mr. TOWER. Mr. President, I yield 4 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 4 minutes.

Mr. ALLEN. Mr. President, I have been somewhat amused that some of the voices which have been most outspoken in criticizing the President for his alleged usurpation of the powers of the Congress are the very voices that are now advocating enforcing more powers into the hands of the President.

There have been no hearings on this bill. It is a matter of record. There is no record that the administration requests this power to be given to it. Under the bill, under the so-called Eagleton-McIntyre amendment, there is no request for this Presidential rationing. There is no request by the industry, by the jobbers, or by the public itself.

The distinguished Senator from Maryland (Mr. MATHIAS) was talking about the President holding hearings before putting in rationing. He did not hold hearings when he set up the wage and price regulation. He did not hold hearings when he went from phase I to phase II or when he went from phase II to phase III. No hearings were held on the devaluation of the dollar.

There will certainly be no hearings held by the President if this authority is given to him.

I have in my hand some 15 letters that I have received from jobbers in Alabama protesting this Eagleton amendment. I would like to read one of them into the RECORD, and I ask unanimous consent that the remainder of the letters and telegrams be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. Mr. President, this is a letter from Mr. Tom Jones, of Montgomery, Ala. He is a small jobber there. His letter reads:

DEAR SENATOR ALLEN: I have read in the paper and in the Congressional Record where the Senate Committee on Banking, Housing, and Urban Affairs has adopted an amendment to the Economic Stabilization Act which would establish priorities of use and the systematic allocation of supplies of petroleum products.

To protect my business I must oppose this amendment. Please do all you can on the floor of the Senate to see that it is referred back to the committee for public hearings.

In proposing the amendment, Senator Eagleton states in the Congressional Record dated March 6, page 6518, that he is proposing an amendment which "would provide authority to the President to establish an emergency resource allocation board . . ." but nowhere in Amendment No. 25 is there a provision for establishing this board. The amendment as adopted by the committee, should it be passed by the Congress, would have far-reaching effects on petroleum jobbers and marketers such as myself. It could take petroleum supplies, which I have a right to under contract, and allocate them to a marketer who has been buying on the open market without contract.

It appears that the amendment proposed by Senator Eagleton was hastily conceived and poorly drafted. It leaves many questions unanswered, such as the question of price should it become necessary to allocate petroleum products from one section of the country to another.

This has far-reaching implications; and I strongly feel it should be subjected to public hearings before it is considered by the Senate. I hope you will do everything you can to have this amendment remanded back to the committee so that all interested parties after studying it can testify and get their views on the record before the Senate acts.

Your consideration of this will be deeply appreciated.

Sincerely,

TOM JONES.

Why should we attach this provision on this bill? If the distinguished Senator wants a provision of this sort, let him introduce it as a separate bill. Then there can be adequate hearings before the committee.

There have been no hearings. Certainly what I have read into the RECORD is more of a hearing than the committee conducted on this important question.

Mr. President, I support the amendment offered by the Senator from Texas.

EXHIBIT 1

BIRMINGHAM, ALA.,
March 16, 1973.

Sen. JAMES ALLEN,
Capitol Hill, D.C.:

We understand that Senator Thomas Eagleton will introduce an amendment to the Economic Stabilization Act of 1971, that will guarantee supply to the independent segment of the oil industry and which will come up for a vote in the Senate on Monday, March 19, 1973. We feel this is of critical importance to both the private brand marketer and the public consumer and we urge your vote in favor of this amendment.

Respectfully,

J. J. FRANEY,
Executive Director, the Independent Oil Man's Association of Alabama, Inc.

MONTGOMERY, ALA., *March 16, 1973.*
Senator JAMES ALLEN,
Capitol Hill, D.C.:

It is my understanding that Senator Thomas Eagleton amendment to the Economic Stabilization Act of 1971 will come up for a vote Monday, March 19, 1973. This amendment is of critical importance to the continued existence of competitive market in the retail sale of gasoline to the consumer and of critical importance to the immediate survival of independent brand marketers. I would appreciate your favorable vote on this amendment.

Your truly,
CARL BOLCH, JR.,
OWC Limited.

FAYETTE, ALA., *March 16, 1973.*
Senator JAMES ALLEN,
Capitol Hill, D.C.:

We are informed that Senator Tom Eagleton's amendment to the Economic Stabilization Act of 1971 will come up for vote on Monday, March 19, 1973. This amendment is of critical importance to the continued existence of a competitive market in the retail sale of gasoline to the consumer, and critically important to the immediate survival of independent private brand marketers. We support that amendment and request urgently your support and favorable vote on it.

ATLANTIC OIL CO., INC.,
E. M. GRIMSLEY,
President.

JONES OIL CO., INC.,
Selma, Ala., March 15, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: I understand that Senator Eagleton has proposed through an amendment to Senate Bill 398, that all available petroleum supplies be pooled and rationed from this pool.

I am very much against this amendment, since my supplier and I have attempted to live up to our contractual obligations, and I object to my share of contracted products being sold to someone else who can use that product to my competitive disadvantage.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

Sincerely yours,
JONES OIL CO., INC.,
ROY S. JONES, SR.,
President.

EDDINS DISTRIBUTING CO., INC.,
Demopolis, Ala., March 14, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR JIM: I have just been advised that Senator Tom Eagleton of Missouri has introduced an amendment to Senate Bill 398 which is proposing that the available supply of Amoco gasoline be placed in a pool and rationed with all members of the industry.

I cannot conceive of anything as ridiculous and absurd to take away from me for the benefit of my competitors.

I have been in the gasoline business for 43 years of which 35 years have been with American Oil Company, and one of the big advantages being a jobber for American Oil Company is the fact that we had the only premium white gas in the United States. It has cost the company tremendous sums to build these refineries and be prepared to take care of their customers.

I hope that you will do everything in your power to defeat this, and because there is no justice in it.

For many years, the independents have had a tremendous advantage over the branded jobber, and now that our suppliers are cutting down on them, Senator Eagleton would like to take from the rest of us and give to them. It is simply following the same old pattern that is followed by most of the "Washington gang".

Sometimes I sit down here and wonder if there is any way in the world for our country to exist for any longer of time under our present form of government. Ninety percent of the senators and congressmen have been passing every act on what they could give away to get votes.

* * * * *

ALABAMA OIL CO.
OF MORGAN COUNTY, INC.,
Decatur, Ala., March 13, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: I am writing you to let you know that we of the Alabama Oil Company oppose the thing that Senator Eagleton of Missouri is proposing by an amendment to Senate Bill 398.

We and our Supplier have attempted to live up to our contractual obligations, and we object to our share of contracted products being sold to someone else who can use that product to our competitive disadvantage.

We know that this would seriously and adversely affect Amoco's supply of gasoline and other petroleum products to us as an Amoco Jobber. This of course then could jeopardize our investments we have in equipment and property.

Senator Allen, we are not opposed to the extension of the Economic Stabilization Act of 1970, but we are opposed to the extension of a supply windfall to other people at our expense.

Please give us your help to defeat this Amendment to Senate Bill No. 398.

Thank you,
ROY B. ODOM.

GLEN JORDAN PETROLEUMS, INC.,
Daphne, Ala., March 14, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: Please allow me this opportunity of expressing to you my opposition to the Amendment to Senate Bill No. 398 which will make the petroleum industry subject to allocation of supplies. My supplier and I have attempted to live up to our contractual obligations, and I object to my share of contracted product being sold to someone else who can use that product to my competitive disadvantage.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

Thank you for any consideration you might give to my feelings in this matter.

With kindest personal regards.

Sincerely yours,
H. G. JORDAN, *President.*

DEAN OIL CO.,
Cullman, Ala., March 15, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SIR: I am opposed to the Amendment to Senate Bill 398 which will make the petroleum industry subject to allocation of supplies. I object to my share of contracted product being sold to some one else who can use that product to my competitive disadvantage.

This is just not the American way of doing business. Never in my life have I heard of anything as preposterous as this bill.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

Yours truly,
AUSTIN DEAN,
Dean Oil Co.

E. S. WRIGHT, DISTRIBUTOR,
Red Bay, Ala., March 13, 1973.
Hon. JAMES B. ALLEN,
New Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: I am opposed to the Amendment to Senate Bill 398 which will make the petroleum industry subject to allocation of supplies.

My supplier and I have lived up to our obligation price-wise and I do not feel like it would be fair to take my allocation of gasoline and let my competitors have it to cut the price and keep the petroleum industry in a turmoil.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

Yours very truly,
E. S. WRIGHT.

LAMAR COUNTY DEMOCRATIC
EXECUTIVE COMMITTEE,
Sulligent, Ala., March 13, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR: I wish to take this opportunity to express my opposition to the Amendment to Senate Bill 398 which will make the petroleum industry subject to allocation of supplies.

My suppliers and I have attempted to live up to our contractual obligations, and I object to my share of contracted product being sold to someone else who can use that product to my competitive disadvantage.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense such as proposed by Senator Eagleton of Missouri.

I consider this matter to be of the utmost importance to myself and the customers I serve.

Thank you for past favors and hope to see you in the near future.

Sincerely yours,
JAMES H. MADDOX,
Chairman, Lamar County Democratic Executive Committee.

STERLING OIL CO., INC.,
Greenville, Ala., March 14, 1973.
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR: I am opposed to the Amendment to Senate Bill 398 which will make the petroleum industry subject to allocation of supplies. My supplier and I have attempted to live up to our contractural obligations, and I object to my share of contracted product being sold to someone else who can use that product to my competitive disadvantage.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

Yours very truly,
STERLING OIL CO., INC.,
STIRLING HAMILTON, SR.,
President.

CRENSHAW FOR WALLACE COMMITTEE,
LUVERNE, ALA., *March 13, 1973.*
Hon. JAMES B. ALLEN,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR: I am writing to you with regard to the amendment to Senate Bill 398 which, I understand, will place the petroleum industry under allocation of supplies. I am opposed to this amendment and object to my share of contracted product being sold to someone else and then that competitor use the product to my detriment. So far as the extension of the Economic Stabilization Act of 1970, we are not opposed to this but we are opposed to the extension of a supply windfall to other people at my expense.

As you know, we are the American Oil Jobber here in Luverne and have been with them since about 1922. There is simply no justice whatever in the proposed amendment to SB 398 and your efforts toward defeating it as it now stands will be more than appreciated.

I had the opportunity this past week to talk at some length to your ex-secretary, Mrs. Jean Robinson and she and I had a long talk about you . . . all good.

We hope that you will have the opportunity to be in our part of the state again soon and look forward to seeing you.

Sincerely,
Crenshaw for Wallace Committee.
J. D. Smyth, Jr.,
Coordinator.

Ernest W. Russell & Sons,
Lapine, Ala., *March 13, 1973.*

Hon. James B. Allen,
U.S. Senate, New Senate Office Building, Washington, D.C.

Honorable Allen: I am opposed to the amendment to Senate Bill 398 which will make the petroleum industry subject to allocation of supplies. My supplier and I have attempted to live up to our contractual obligations, and I object to my share of contracted product being sold to someone else who can use that product to my competitive disadvantage.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

Thanks.

Respectfully,
Ernest W. Russell.

Pell City Oil Co.,
Pell City, Ala., March 13, 1973.

Hon. James B. Allen,
U.S. Senate, New Senate Office Building, Washington, D.C.

Dear Senator Allen: Recently I have been advised of a proposed amendment to Senate bill 398 by Senator Eagleton of Missouri.

I would like to make my emphatic opinion on this amendment known to you.

I am opposed to the amendment to Senate Bill 398 which will make the petroleum industry subject to allocation of supplies. My supplier and I have attempted to live up to our contractual obligations, and I object to my share of contracted product being sold to someone else who can use that product to my competitive disadvantage.

In my opinion this amendment is contrary to our free enterprise system and would be a step to eliminate better products and pricing through competition.

I am not opposed to the extension of the Economic Stabilization Act of 1970, but I am opposed to the extension of a supply windfall to other people at my expense.

I would appreciate your consideration on this amendment and look forward to your reply.

Yours truly,
M. B. Lawley.

Mr. TOWER. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I would like to commend the distinguished Senator from Texas for offering his amendment. I agree completely that the solution lies in our taking steps that would assure that we have an adequate supply of energy so that there will not be a crisis.

It has been stated in testimony before the committee that we have a supply of between 500 and 1,000 years in the ground in this country which we have not been able produce.

By adopting the pending amendment, we delay the solution to the question of meeting the energy needs of this country.

The answer to the problem is an economic one. By putting in rationing, we simply postpone the day when we may have to face the economic reality of the difficulty of producing the energy available in this country. If we do this artificially, we will have immobilized the industry. And if we continue to do this, we will get in a worse and worse position.

Support for rationing is, to my mind, an admission of failure of our present energy policy and position. We ought to be taking steps to correct and change that policy, and not take steps to continue it in operation. Debating this bill merely postpones facing up to the problem. Sooner or later we are going to have to face these facts, and I believe we ought to face the facts, rather than waiting a year. I believe if we take action, we can avoid the need for rationing, and I believe if we have these provisions in the law we are simply going to postpone taking action.

Again I commend the Senator from Texas, and support his amendment.

[Mr. HANSEN assumed the chair as Presiding Officer.]

Mr. TOWER. Mr. President, I yield myself 1 minute on the bill.

The Senator from Missouri says the provisions of the bill include crude oil. It is not the understanding of the members of the committee that it included crude oil, but only petroleum products. I ask the Senator from Louisiana if that was not his understanding, because I believe he was in on the conclusion.

Mr. JOHNSTON. The fact of the matter is that the committee did not understand what it includes and what it does not include. I confess, as a member of the committee, that I did not understand either. I would say, based on the language, that it does not include crude oil, because crude oil is not a product, but a resource.

Mr. TOWER. It is a raw material.

Mr. JOHNSTON. A raw material. I do not know whether it would include natural gas, or liquefied natural gas; all of which, to me, is an excellent example of the haste with which the language was drawn.

I say the place to consider this is in a committee which can consider the language and refine it, and get exactly what we need, whether we need natural gas or whether we need crude oil. I would think any rationing scheme ought to include crude oil, because there is a real shortage in some refineries which cannot get crude oil today.

Let us go to the committee, and give this bill the kind of consideration and draftsmanship it ought to have.

Mr. TOWER. Mr. President, if all time has expired——

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. EAGLETON. I yield myself 5 minutes on the bill.

I would like to ask the Senator from New Hampshire (Mr. McIntyre), who offered this amendment on my behalf in the Banking, Housing and Urban Affairs Committee, was it his impression that the words "petroleum products" included crude oil?

Mr. McINTYRE. It certainly was. It originally started out as all commodities, and after discussion we agreed to restrict it to all petroleum products.

Mr. EAGLETON. All petroleum products?

Mr. McINTYRE. Right.

Mr. EAGLETON. But that was to be an inclusive term, to distinguish petroleum products from other nonpetroleum products?

Mr. McINTYRE. That is right.

Mr. EAGLETON. And crude oil is a petroleum product?

Mr. McINTYRE. I would hope so.

Mr. EAGLETON. Mr. President, I yield 3 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, it seems to me that those who would seek to strike from the bill this amendment offered by myself on behalf of the Senator from Missouri in committee would take us far afield.

There is no question here, to answer the Senator from Alabama, that we are trying to give away to the President certain prerogatives that all of us have beaten our breasts about over the past 10 years or so. We simply recognize that an emergency may occur. In fact, an emergency has been declared by the oil companies themselves, with a possible shortage of gasoline. The administration has mumbled about it. So it seemed very apropos that there be something in the bill to cover this emergency situation.

For example, if Senators are wondering about who is going to control the rationing, let me say that one of the principal truckers of the Northeast, St. Johnsbury Trucking Co., has been notified by its supplier, Mobil, that after March 31 no more diesel oil and gasoline will be allowed to it.

St. Johnsbury Trucking Co. is a very sizable trucking concern in the Northeast and New England. It has been told there will be no more after March 31 of this year.

So we already have the question of scarcity. I again want to emphasize to my colleagues in the Senate, do not be led astray by these arguments that we are giving up authority to the President, that we are diminishing our own standing. Actually what we are doing is trying to put in a stopgap measure.

I have heard certain remarks indicating that perhaps the President would not be fair in this, or go about doing this thing in a proper fashion. It seems to me me that granting Presidential authority is the correct course to put this question of rationing and allocation, to be fair to all concerned. The Office of Emergency Planning normally, in cases of emergency, has this authority. The Office of Emergency Planning functions directly under the President.

So, again, this may never come into being. We may not have a shortage, and I hope we do not. But certainly this part of the bill passed by the committee in executive session is a good part of the bill, and the amendment of the Senator from Texas should be defeated. I request unanimous consent that the letter I referred to from the St. Johnsbury Trucking Co. be placed in the record at this point and I thank the Senator from Missouri.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. JOHNSBURY TRUCKING CO., INC.,
February 26, 1973.

Brig. Gen. GEORGE A. LINCOLN, USA (ret.),
Director, Office of Emergency Preparedness, Washington, D.C.

DEAR GENERAL LINCOLN: St. Johnsbury Trucking Company is a publicly held, general commodity motor common carrier carrying approximately 40,000 shipments a week for approximately 25,000 customers a week in the ten northeastern states of our country, and also handles shipments on an interline basis going to various parts of the country and the world. Ninety-nine per cent of our shipments are less than truckload shipments with our freight consisting of all kinds of goods, including large amounts of hospital supplies, medicines, foodstuffs, and including large amounts of perishable foods, industrial goods, consumer merchandise and, generally, everything that the nation uses in our daily existence. We operate twenty-nine terminals.

We are faced with an emergency which could be disastrous to our customers, the general public. Our company has a written agreement with Mobil Oil Corporation which protected the price of fuel until the end of February 1973. The agreement stated, however, that they would bid for our business after February 1973, but that St. Johnsbury could refuse the product if the price was not agreeable. They have, however, written us that they do not want to continue to bid to provide product to our corporation. They explain that the reason for this is that they have no oil or gasoline to give us. We have over 1,000 power units and must have, to survive and serve the public, a source of fuel for our vehicles.

Our company has attempted, and is attempting, to find another supplier of petroleum products. We have been unsuccessful so far. I have ordered our attorneys to contact Mobil Oil, so that Mobil Oil would not shut off our supply and stop our company from functioning and serving the public. Upon our taking this action, Mobil Oil stated that they would supply us through March, but they have not agreed to honor their commitment to continue to supply us for any definite period after March 1973. Mobil takes the position that we must find another source of supply.

Mobil Oil did have the product to provide us when pressed. We want Mobil Oil to supply us for the next year, and feel that we have been a good customer who pay our bills on time and have an excellent reputation in all respects.

In addition, Mobil Oil is for the period of extension, until the end of March, raising the price of fuel—27.2% for diesel fuel and 32.0% for gasoline. This appears to be beyond the Phase 3 guidelines.

If we cannot find a supplier, and it appears at this time that we can not, our company would have to cease operating.

Can you advise me as to how to proceed, or what can be done by your office to force Mobil Oil to continue to supply product to our company? It is our opinion that if they are short of fuel they should cut down each customer's supply proportionally, and not cut some of their customers out completely. Would you please advise me on this emergency? It is, as you can see, very important to the general public and to all concerned.

Sincerely,
MARTIN N. ZABARSKY.

Mr. EAGLETON. Mr. President, I yield myself 2 minutes, to read into the RECORD a letter from the Society of Independent Gasoline Marketers of America, an organization of independent companies known as SIGMA, which represents the small gasoline dealers. This letter, addressed to all SIGMA members, reads as follows:

This amendment is of critical importance to the continued existence of a *competitive market* in the retail sale of gasoline to the consumer and critical importance to the immediate survival of independent private brand marketers.

SIGMA supports this amendment and asks that you wire or phone your congressmen immediately to enlist their support and favorable vote on this amendment.

Both the senator from Alaska (Mr. STEVENS) and the Senator from Texas (Mr. TOWER) have said on repeated occasions that this situation should be controlled by supply. The quesiton is, Who has the supply, and how is it going to be allocated? The supply is in the hands of the big oil companies, and if there is a shortage, then they have a life and death power over the independent oil dealers, and also a life and death power over the Midwest and New England, by controlling how much energy supplies will be given to those parts of the Nation.

I do not think they shoud have that life and death power. It is my judgment that it belongs in the hands of the President of the United States.

I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. JOHNSTON). All time having expired, the qustion is on agreeing to the amendment of the Senator from Texas (Mr. TOWER). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Minnesota (Mr. HUMPHREY the Senator from Wisconsin (Mr. NELSON), and the Senator from Rhode Island (Mr. PASTORE) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The Senators from New York (Mr. BUCKLEY and Mr. JAVITS), the Senator from Arizona (Mr. GOLDWATER), the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 30, nays 50, as follows:

[No. 46 Leg.]

YEAS—30

Abourezk
Allen
Bartlett
Bellmon
Bennett
Brock
Byrd, Harry F., Jr.
Cook
Curtis
Domenici
Ervin
Fannin
Gurney
Hansen
Hartke
Helms
Hruska
Huddleston
Johnston
Long
McClellan
Montoya
Nunn
Scott, Pa.
Scott, Va.
Stevens
Talmadge
Thurmond
Tower
Young

NAYS—50

Aiken
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Dole
Dominick
Eagleton
Fong
Griffin
Hart
Haskell
Hathaway
Inouye
Jackson
Kennedy
Magnuson
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Moss
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Sparkman
Stafford
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—20

Baker
Buckley
Cranston
Eastland
Fulbright
Goldwater
Gravel
Hatfield
Hollings
Hughes
Humphrey
Javits
Mansfield
Mondale
Muskie
Nelson
Packwood
Pastore
Percy
Stennis

So Mr. TOWER's amendment was rejected.

Mr. EAGLETON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HATHAWAY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EAGLETON. Mr. President, I have an amendment at the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. JOHNSTON). The amendment will be stated.

The legislative clerk read as follows:

On page 2, line 20, after the word "products" insert the word: "including crude oil"

Mr. EAGLETON. Mr. President, I will spend just 1 minute on the amendment and yield myself 1 minute for that purpose.

During debate on the previous amendment, some question was raised as to whether the present language in the bill, on line 20, included "crude oil." I asked the distinguished Senator from New Hampshire (Mr. MCINTYRE), who guided the amendment through the Committee on Banking, Housing and Urban Affairs, as to whether petroleum products, in his opinion, did include crude oil. He said that most certainly it did. My understanding also was that it did, but in order to clarify the situation and make it perfectly clear, to use the President's favorite phrase, this amendment would make it beyond a peradventure of a doubt.

Mr. TOWER. Mr. President, I yield myself such time as I may require to say that I will oppose the amendment but I shall not pursue any discussion of it, because I know that I am about to be "had." [Laughter.]

I yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Missouri (Mr. EAGLETON).

The amendment was agreed to.

ENERGY CRISIS

Mr. DOLE. Mr. President, I recently called the Senate's attention to the serious shortages of crude oil supplies and refined petroleum products, especially in the great agricultural area of the Midwest. These problems pose a serious threat to a broad section of the economy and would be serious, in any event;

However, they take on an even greater significance when it is realized that some of the most important links in our free enterprise system are being hit first and hardest.

Independent petroleum refiners, oil jobbers, and independent service station operators are all caught in a major supply shortage squeeze. The independent refiners cannot obtain enough crude oil to operate at capacity. Seven independent refineries in Kansas were recently reported to be producing 1,344,000 gallons under their capacity each day, and this production shortage hurts their overall operating efficiency. Jobbers who depend on these independent refineries are unable to meet their delivery obligations. The operators of independent service stations are unable to obtain sufficient gasoline and other fuel supplies to stay in business.

These businesses are not giants. They do not exercise immense control in the marketplace or employ thousands of people. But they are local operations, close to their communities and key elements in our free enterprise system. Taken individually, they do not wield great force, but, taken together, they are vital to the health of America's entire economy.

They are even more important in light of their role in the agricultural sector of the economy, for they provide much of the fuels farmers depend upon for their tractors, combines, and trucks. Farmers rely on them—depend on them. And without these fuels, our agricultural production will grind to a halt. And when agricultural production declines, food prices will rise, and every American consumer will be affected.

An independent industry, small businessmen, farmers, and consumers have the greatest possible stake in this crisis, and steps must be taken to effect a solution.

• Crude oil is the basic ingredient in the crisis and in any solution. At the moment we are facing shortages in total amounts of crude oil available for all those who could utilize it. Perhaps over the long run economic forces will adjust the demand and an equilibrium can be achieved. But we cannot wait for these forces to work. Steps must be taken immediately if a major energy-food-cost of living crisis is to be averted.

I have heard from citizens of Kansas, refiners, jobers, and retailers, farmers and concerned people who see the handwriting on the wall as shortages grow and the demands of a record plowing season draw near. They are worried. They do not see how the situation can be improved without decisive action.

I believe steps must be taken—and soon—to meet this crisis before it grows and spreads. Thus, I support the provision of Economic Stabilization Act amendments which give the President authority to allocate petroleum products in times of shortages in order to assure that equitable distribution patterns and competition will be maintained.

I believe that the interests of the free enterprise system, the independent small businessman, the farmer, and the American consumer are primary and must be safeguarded in this crisis and our attempts to resolve it.

Mr. MATHIAS. Mr. President, I have an amendment at the desk which I ask be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 18, after the word "provide" insert the words: "after public hearing, conducted with such notice, under such regulations and subject to such review as the exigencies of the case may, in his judgment, make appropriate".

Mr. MATHIAS. Mr. President, I yield myself 1 minute to say that this is a very simple amendment. It provides that before invoking the power to ration, the President shall hold public hearings so that all interests may be represented, and so that the public especially can be heard. That means producers, consumers, and the middleman—the whole of the national interest which is involved in the proceeding.

The amendment provides that the President, in exercising this duty, shall hold a public hearing and may recognize the overriding public interest in time and that, therefore, he may provide by regulation for the notice of, for the review of, and for the conduct of a hearing.

This is a somewhat extraordinary situation but I do not think we should ignore the fact that even the presidential power should be conducted with due regard to the interests of the public. I think therefore, that the requirements of a public hearing will be a valuable addition to the bill.

Mr. EAGLETON. Mr. President, I yield myself such time as I may require. I believe that I comprehend the thrust of the amendment as offered by the Senator from Maryland but let me inquire of him as to some of the specifics.

First, if this law passes and is signed by the President, is it necessary for him to issue regulations before he can begin to implement this section of the law?

Mr. MATHIAS. I would anticipate that he would, in each case of exercising his power, set forth the regulations under which he was going to hold the hearings. But the only requirement would be that he should hold a public hearing.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it may be in order now to order the yeas and nays on the amendment which will be proposed by the distinguished Senator from South Dakota (Mr. McGOVERN). It will be laid before the Senate and made the pending amendment at the close of business today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGOVERN. Mr. President, I ask for the yeas and nays on that amendment.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, let me ask this question of the Senator from Maryland. Assuming it is July of this year, assuming that the Presidential advisers on energy matters come to him and say, "Mr. President, we have a real crisis immediately upon our hands. In order properly to allocate oil and gas, we are going to have to implement rather promptly some rationing this summer, posthaste." Could the President then announce to the public that this is what he is going to do, and set up a hearing 48 hours or 72 hours from the time he is going to give a speech to the country on the subject, so that the people are heard at the hearing and the next day a binding order is issued? Could the President do that if the exigencies and circumstances were as I have just described them?

Mr. MATHIAS. If that were the President's judgment and if the President was prepared to stand on it and lay out the facts and lay out the situation for the public as he saw it, then I think that would be exactly the way it would work.

Mr. EAGLETON. There would be no appeal from the President's order unless, by some regulation he designed it that way?

Mr. MATHIAS. That is right. So that, in effect, we are carving out an exception from the normal administrative procedures.

Mr. EAGLETON. So it is pretty much up to the President, under the Mathias amendment, as to what procedures he will use in holding the public hearings, or giving notice, or what appeals process there would be from the final order?

Mr. MATHIAS. Because, as the distinguished manager of the bill has pointed out, no one can know how fast this kind of emergency can come down the road. Therefore, I think that an exception to the normal administrative procedures is in order. But I also think that this at least provides some clear standards of responsibility in exercising the extraordinary powers we are discussing.

Mr. EAGLETON. With the understanding which has just been elicited in this colloquy between the Senator from Maryland and myself, I have no objection to the amendment as offered by the Senator from Maryland.

Mr. President, I yield back the remainder of my time.

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Maryland (Mr. Mathias).

The amendment was agreed to.

AMENDMENT NO. 40

Mr. McGOVERN. Mr. President, I call up my Amendment No. 40 and ask that it be made the pending business.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

After section 5, add the following new section and renumber the other sections accordingly:

IMPOUNDMENTS

Sec. 6. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(k) The authority granted to the President under this title shall become null and void in the event that the President, after the date of enactment of this subsection, withholds or reserves or causes to be withheld or reserved with excess of 5 per centum of any obligational authority provided by law or of any funds appropriated under such authority."

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, I do not intend to discuss the amendment tonight. It is my understanding that it will be the first order of business when we proceed with the bill on tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against the amendment for the remainder of the day and that no time be charged against the bill for the remainder of the day. There will be no more votes today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, reserving the right to object—and I do not particularly want to object—about how much longer will we be in session? How long does the Senator want to proceed?

Mr. McGOVERN. I do not intend to discuss the measure tonight.

Mr. TOWER. Therefore, we will consider that the time is not running on the amendment or on the bill?

Mr. ROBERT C. BYRD. Yes.

AMENDMENT NO. 48

Mr. MOSS. Mr. President, I am submitting today an amendment to the Economic Stabilization Act that would freeze all retail food prices for a period of 90 days. This action has become imperative in view of the further increases that are predicted for the next few months and the administration's lack of interest in halting this record-breaking inflationary spiral. It may be true, as President Nixon predicts, that increases in supply eventually will bring a stop to the rise in food prices. But we cannot afford to sit back until the market works its magic. There are several compelling reasons why we need a temporary freeze in prices until the shortage in supply has been corrected.

First, even by the President's own estimates, food prices will continue to rise "for some months to come." So while the administration plays its waiting game, the American housewife will continue to pay more and more each time she goes to the supermarket. In fact, the administration tells us that we can expect prices to rise even more sharply in the near future than they have over the past several months. For the hard-pressed consumer, this is a dismal forecast, indeed.

Second, even if food prices eventually "peak out" they probably will do so at a level that is intolerable for families of low and moderate income. These are the families that must devote most of their monthly budget to the basic essentials. Rising food prices have already put their modest incomes under a great deal of strain. Further sharp increases, which the President apparently sanctions, undoubtedly would cause considerable hardship on a large scale. We cannot allow an essential commodity such as food to rise to price levels that are beyond the reach of many Americans.

Third, there is simply no assurance that food prices eventually will level off, even some months from now. The President's long-range forecast is based on the assumption that, in a seller's market, supply will rise to meet demand and put a stop to further increases in price. But it is not at all clear that supply will respond so readily. Moreover, this forecast ignores the possibility of further shortages in world markets. At best, the President's so-called plan is a gamble at the expense of household consumers.

Finally, a continued rise in food prices over the next several months will serve to build further inflationary pressures in the remainder of the economy. Under phase III of its economic game plan, the administration relies mainly upon voluntary restraint to hold the line on prices and incomes. But surely the administration cannot reasonably expect labor unions, for example, to moderate their wage demands during a period of soaring prices. Such an expectation would fly in the face of a commonsense as well as common fairness.

In the next several months union contracts concerning more than 4 million workers will be up for negotiation. If food prices continue to climb, these increases will be reflected in the new wage agreements, which in turn will drive prices even further into the stratosphere. If past experience is any guide, the Nixon administration will eventually resort to its favorite anti-inflationary devices—massive restrictions on credit, curbs on growth, and deliberate creation of unemployment. Congress cannot stand aside and allow this familiar pattern to repeat itself.

I am fully aware of the various arguments that will be brought out against a temporary freeze in food prices, but I believe that upon careful examination they are not persuasive.

A freeze would not, as some hold, lead to a serious squeeze on retailers. Under certain circumstances a freeze might put undue pressure on retailers, but at the present time it appears that prices at the farm level have begun to level out, so retailers should be able to withstand pressure from below.

A temporary freeze may cause some products to be taken off the market shelves for a brief period, but it would not lead to long-term shortages. We will simply have to live with the fact that some retailers will market, say, only those cuts of meat that give them a large profit margin. I believe that most consumers would prefer some restrictions on variety to continuing spiraling prices.

There is some fear that controls on food prices eventually lead to blackmarketing and rationing. There may be some substance to this fear in the long run, but black markets and rationing would not result from a freeze of only 90 days.

Finally, it is difficult to see how a temporary freeze would hurt the American farmer. Even assuming that backward pressure from the freeze would hold down farm prices, this would by no means be a disaster for the farmer.

Farm income—the money received by the farmer for his products—has risen 22 percent in 1 year. The income of farmers jumped to 85 percent of parity in 1972, up from 74 percent in 1971. Net farm income for 1972 was $19.2 billion; for 1971, it was $16.1. Back in 1967, the figure was only $14.2. Increases in farm income the past 2 years have certainly been justified, but I do not believe we can afford further sharp increases at the expense of the household consumers.

In sum, Mr. President, the arguments for this amendment are overwhelming. Whatever short-term difficulties may result from a freeze are vastly outweighed by the long-term necessity of bringing inflation under control. Food prices are a critical area and the next few months will be a critical period of time. We will have no hope—short of another recession—of stopping inflation unless we act now to control food prices.

I send my amendment to the desk and ask that it be printed in the Record.

The PRESIDING OFFICER. The amendment will be received and printed and will be on the table; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

Amendment No. 48

At the end of the bill, add the following new section:

NINETY-DAY RETAIL PRICE FREEZE

Sec. 9. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Ninety-day retail food price freeze

"Immediately upon the enactment of this section, the President shall issue an order stabilizing retail prices of food products for a period of ninety days from the date of enactment of this section, at levels not greater than the highest levels pertaining to a substantial volume of actual transactions by each business enterprise or other person during the two-month period ending March 1, 1973, for like or similar products. If no transactions occurred during the two-month period referred to in the first sentence of this section, the level established under this section shall be the highest applicable level in the nearest preceding two-month period in which such transactions did occur."

ORDERS FOR RECOGNITION OF SENATORS AND FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, immediately following the remarks of the distinguished assistant Republican leader, the distinguished Senator from Wisconsin (Mr. NELSON) be recognized for not to exceed 15 minutes; that he be followed by the distinguished Senator from Connecticut (Mr. WEICKER) for not to exceed 15 minutes; that he be followed by the junior Senator from West Virginia for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 3 minutes each, at the conclusion of which the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

Mr. TOWER. Mr. President, reserving the right to object, may I ask the distinguished acting majority leader whether it would be possible for us to come in a little earlier and get to work on this bill?

Mr. ROBERT C. BYRD. I wish it were, and normally I would favor that. But the distinguished Senator from Alabama (Mr. SPARKMAN) has suggested that we not come in tomorrow until noon. He made some reference to a committee hearing in discussing the matter with me a little while ago.

Mr. TOWER. I wonder whether the distinguished acting majority leader would indicate that we might stay in a little late tomorrow evening.

Mr. ROBERT C. BYRD. Yes, I think we should, in deference to the distinguished Senator, who has tried his best, and I am referring to the distinguished Senator from Texas (Mr. TOWER), the ranking minority member. He has tried hard—and so has the able manager of the bill—to move the bill along today. He has offered several of his own amendments, which I think was very gracious of him to do, especially in view of the fact that other Senators were reluctant to offer theirs. I would hope that we would stay in late tomorrow evening.

Mr. TOWER. And try to finish the bill.

Mr. ROBERT C. BYRD. And complete action on the bill, if possible. In that event, it may be possible that we would not be in session on Wednesday. I say it may—and I emphasize may—be possible that we would not be in session on Wednesday if we could complete action on this bill tomorrow evening.

Mr. TOWER. I suggest to the Senator from West Virginia that that might serve as an incentive.

Mr. ROBERT C. BYRD. It often does, but I do not want to be bound by that statement. If the Senate has business to transact, I am sure that we want to come in on Wednesday.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The Senate continued with the consideration of the bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

Mr. ROBERT C. BYRD. Mr. President, the pending question before the Senate is on the adoption of Amendment No. 40, offered by Mr. MCGOVERN. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. That will be the pending question on tomorrow, at such time as the unfinished business is laid before the Senate?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PLACE A BILL ON THE CALENDAR UNDER SUBJECTS ON THE TABLE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 68, S. 837, the bill to amend the Foreign Assistance Act of 1961, and for other purposes—in view of the fact that the matter already has been resolved by way of the continuing resolution—be carried on the Calendar under Subjects on the Table.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 o'clock meridian. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. GRIFFIN, Mr. NELSON, Mr. WEICKER, and Mr. ROBERT C. BYRD. Thereafter, there will be a period for the transactions of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes each. At the conclusion of the period for the transaction of routine morning business, the Senate will resume its consideration of the unfinished business, Calendar No. 70, S. 398, the bill to extend and amend the Economic Stabilization Act of 1970.

The pending question will be on the adoption of Amendment No. 40 by Mr. MCGOVERN, on which there is a 30-minute time limitation and on which the yeas and nays already have been ordered. There will be several yea-and-nay votes tomorrow. It is hoped that the Senate will be able to complete action on S. 398, in which event the Senate will be in session until a later hour.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock meridian tomorrow.

The motion was agreed to; and at 6:12 p.m., the Senate adjourned until tomorrow, Tuesday, March 20, 1973, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate on March 16, 1973, pursuant to the order of March 15, 1973:

DEPARTMENT OF STATE

Jack B. Kubisch, of Michigan, a Foreign Service officer of class 1, to be an Assistant Secretary of State.

DEPARTMENT OF DEFENSE

William W. Woodruff, of Virginia, to be an Assistant Secretary of the Air Force, vice Spencer J. Schedler, resigned.

Hadlai A. Hull, of Minnesota, to be an Assistant Secretary of the Army, vice Eugene M. Becker, resigned.

Carl S. Wallace, of Virginia, to be an Assistant Secretary of the Army, vice Hadlai A. Hull.

DEPARTMENT OF STATE

G. McMurtrie Godley, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

IN THE NAVY

Rear Adm. Wiliam R. St. George, U.S. Navy, having been designated for commands and other duties of great importance and responsibility determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Adm. Walter D. Gaddis, U.S. Navy, having been designated for commands and other duties of great importance and responsibility determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Adm. Robert B. Baldwin, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Executive nominations received by the Senate March 19, 1973:

DEPARTMENT OF LABOR

William H. Kolberg, of Maryland, to be an Assistant Secretary of Labor, vice Malcolm R. Lovell, Jr., resigned.

SOCIAL AND REHABILITATION SERVICE

James S. Dwight, Jr., of California, to be Administrator of the Social and Rehabilitation Service, (new position.)

HOUSE OF REPRESENTATIVES—*Monday, March 19, 1973*

The House met at 12 o'clock noon.

Rev. Edward G. Latch, D.D., offered the following prayer:

Come ye, let us go up to the mountain of the Lord that He may teach us His ways and that we may walk in His paths.—Isaiah 2: 3.

Almighty and everlasting God, who art the Lord of love and the light of life, we bow our heads and open our hearts unto Thee at the beginning of another week together. As we live through these days of Lent may we be conscious of Thy presence and be every ready to do Thy will and to obey Thy commandments. Help us by prayer and self-denial to receive strength for daily tasks and be given wisdom to walk worthily in Thy winsome ways.

In the anguish of anxiety, in hours of haste, in times of temptation, in ways of weakness, and in solitude of spirit stir us to lift our eyes unto Thee and to keep our minds stayed on Thee that peace and patience may come anew into our hearts. So may we sincerely love our country and surely serve our people; through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed bills, joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 84. An act for the relief of Mrs. Naoyo Campbell;

S. 89. An act for the relief of Kuay Ten Chang (Kuay Hong Chang);

S. 278. An act for the relief of Manuela C. Bonito;

S. 280. An act for the relief of Leonor Lopez;

S. 464. An act for the relief of Guido Bellanca;

S. 502. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes;

S. 537. An act for the relief of Mary Danos Nayak;

S. 666. An act for the relief of Slobodan Babic;

S.J. Res. 11. Joint resolution to pay tribute to law enforcement officers of this country on Law Day, May 1, 1973; and

S. Con. Res. 13. Concurrent resolution authorizing the printing of additional copies of Senate hearings on the sudden infant death syndrome.

RESIGNATION FROM U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER laid before the House the following resignation from the U.S. Delegation of the Canada-United States Interparliamentary Group.

WASHINGTON, D.C.,
March 19, 1973.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It is with the deepest regret that I write to advise you that I find it necessary to resign from this year's Canada-U.S. Interparliamentary Conference. This action is necessary because of several complications arising from my recent surgery. My complete recovery does not appear to be progressing as rapidly as I had originally hoped, and it will be several weeks yet before I will be able to resume a full-time schedule of activities.

Consequently, I felt it best at this time to advise you of these circumstances in order that you may appoint another House Member to replace me in the United States delegation.

I am indeed very sorry that I will not be able to participate in these important meetings in April. Thank you very much for your understanding of my situation.

With warmest regards,
Sincerely,
JAMES HARVEY.

APPOINTMENT AS MEMBER OF THE U.S. DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section I, Public Law 86–42, the Chair appoints as a member of the U.S. Delegation of the Canada-United States Interparliamentary Group the gentleman from Vermont, Mr. MALLARY, to fill the existing vacancy thereon.

JUDGE AND MRS. EUGENE BLACK CELEBRATE 70TH WEDDING ANNIVERSARY

(Mr. PATMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on March 15, a great gentleman, able jurist, and my distinguished predecessor in the Congress, Judge Eugene Black and his lovely wife celebrated their 70th wedding anniversary. This is indeed a wonderful and rare milestone, and while no Member of this Congress served during his tenure—March 4, 1915, to March 3, 1929—many know of his long years of outstanding service on the U.S. Tax Court.

Mr. Speaker, Mrs. Patman and I would like to add our personal congratulations to Judge and Mrs. Black. There are very few people who attain the great distinction of celebrating their 70th anniversary, which is really a diamond-studded occasion.

For the interest of these Members and their many friends, I include the following press release on this momentous occasion, issued by the U.S. Tax Court, March 15, 1973:

Judge and Mrs. Eugene Black will celebrate their seventieth Wedding Anniversary March 15 at their home in Washington, D.C. with a family dinner party for their children, grandchildren and great grandchildren. They were married March 15, 1903, in Blossom, Texas; Mrs. Black was formerly Miss Mamie Colemen. They moved to Clarksville, Texas shortly after their marriage and lived there until they moved to Washington.

Judge Black was born on July 2, 1879 in Blossom, Texas. In 1905, he obtained his LL.B. from Cumberland University, Lebanon, Tennessee and was admitted to the Texas Bar later that year. He practiced law at Clarksville, Texas from 1905 to 1915. He was elected a Representative to Congress from the First Congressional District of Texas in 1914 and served in that capacity from March 4, 1915 to March 3, 1929. On November 5, 1929 he was appointed to the U.S. Board of Tax Appeals (now the U.S. Tax Court) by former President Herbert Hoover. He was reappointed for two succeeding terms and had served as Chairman (now Chief Judge) from 1933 to 1937. Judge Black received an honorary degree of Doctor of Laws from Cumberland University in 1937. He retired from the Tax Court on November 30, 1953 but served under recall until March 31, 1966.

Judge Black (Retired) had served the United States Tax Court continuously for over 37 years. As a token of respect and admiration, the Judges of the Tax Court have presented to Judge Black a picture of an oil-portrait of the Judge which hangs in the Judges' Conference Room at the Court. The portrait was made when Judge Black was still active as a Judge of the Court.

OUTRAGEOUS

(Mr. WYMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYMAN. Mr. Speaker, it is outrageous that this Congress has failed to reduce the emissions requirements of the 1970 Clean Air Act to a level compatible with public health, industrial capability, and sensible energy conservation at this time of energy crisis.

The American motorist is being forced to suffer from this congressional persistence in an unreasonably high emissions requirement. He will have to pay several hundred dollars more for his new 1975 car for gadgetry that will make his engine get a whopping third less mileage. For what? For going the last 6 percent in emissions requirements that nobody honestly needs to stay healthy.

In the process U.S. cars in just 2 years will burn up 3 million barrels more of oil every single day because of these standards, adding enormously to our oil and balance-of-payments deficit. This is the equivalent of the entire Alaskan pipeline flow when constructed.

Such requirements are sheer stupidity in a nation that has many areas having no clean air problem whatsoever with or without any emissions requirements much less 90-percent pollution free. It is a criminal waste of energy and a horrendous burden on both industry and consumer alike.

My bill, H.R. 4313, will reduce emissions requirements from 96 to 90 percent. This is all we need, all the Nation honestly requires and all the motoring public should be forced to endure. It should be enacted without further delay.

IN THE MATTER OF COMMON CAUSE, ET AL., AGAINST W. PATRICK JENNINGS, CLERK, U.S. HOUSE OF REPRESENTATIVES, ET AL.

Mr. McFALL. Mr. Speaker, I offer a privileged resolution (H. Res. 313) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 313

Whereas in the case of Common Cause, et al. against W. Patrick Jennings, Clerk, U.S. House of Representatives, et al. (civil action numbered 2379–72) pending in the United States District Court for the District of Columbia, a notice of taking of deposition was issued by the said Court and served upon W. Pat Jennings, Clerk of the House of Representatives, directing him to appear at the office of counsel for plaintiffs at 10:00 antemeridian on the 15th day of March, 1973, as if under cross-examination for the purposes of discovery, and to bring with him certain documents in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary course of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the House; be it further

Resolved, That when the said court determines upon the materiality and the relevancy of the papers and documents called for in the notice of taking of deposition, then the said court, through any of its officers or agents, be authorized to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House, to take the deposition of W. Pat Jennings, Clerk of the House, as specified in the notice aforementioned, and to take copies of those requested papers and documents which are in possession or control of the said Clerk; and the Clerk is authorized to supply certified copies of such documents or papers in his possession or control that the court has found to be material and relevant and which the court or other proper officer thereof shall desire, so as, however, the possession of said documents and papers by the said Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under the said Clerk; and be it further

Resolved, That as a respectful answer to the notice of taking of deposition a copy of these resolutions be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on March 15, 1973, the President approved and signed a bill and joint resolution of the House of the following titles:

H.J. Res. 334. Joint resolution to provide for the designation of the second full calendar week in March 1973 as "National Employ the Older Worker Week."

H.R. 3694. An act to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended; and

REPORT ON NATIONAL PROGRESS AND SPACE ACTIVITIES DURING 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–63)

The SPEAKER laid before the House the following Message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations:

To the Congress of the United States:

I am pleased to transmit a report of our national progress in aeronautics and space activities during 1972.

The Apollo program was successfully concluded with the flights of Apollo 16 and 17. These missions were designed to obtain maximum scientific return and provided almost half the lunar exploration time in the Apollo program. Though it is far too early to attempt a definitive assessment of the value of this program, it is clear that one result will be a quantum jump in both our scientific knowledge and our technological expertise.

Our unmanned satellites include a variety of vehicles ranging from meteorological, navigational, and communication satellites to a new experimental spacecraft providing information on our resources and environment. Increasing practical applications for satellite technology confirm the immediate value of our efforts in space, while observatory satellites and others carrying specialized scientific instruments provide accurate and dependable data never before available to scientists on earth.

The conclusion of the Apollo program marks only another step in this Nation's push into space. In the current year we expect to launch Skylab, which will permit extended experimentation in a manned vehicle. After Skylab, a joint mission by this Nation and the Soviet Union will rendezvous and dock two spacecraft, helping to link our two space efforts in a mutually productive manner. The space shuttle presently under development will make the launching of satellites and laboratories less expensive and more productive. The shuttle will be augmented by the sortie laboratory which the Western European countries intend to develop as part of our joint cooperation in space.

The past year has also seen advances in aeronautical research and development. It should be emphasized that work in this field is particularly vital if America is to maintain its leadership in the development and production of civil and military aircraft and engines.

Our efforts in aeronautics and space will continue through programs balanced at levels which will allow us to meet demands in these and other important domestic and foreign areas.

RICHARD NIXON.

THE WHITE HOUSE, *March 19, 1973.*

THE WOOD FIBER CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WYATT) is recognized for 60 minutes.

Mr. WYATT. Mr. Speaker, we have a genuine crisis in the United States today because of the rapid escalation of the prices during the past months of lumber, plywood, and wood products. Accompanying this rise has been the increase in the price of timber and logs.

As a Congressman from the State of Oregon, the No. 1 producer of commercial wood fiber in the United States, I have been acutely aware of the crisis as it has been developing.

We have many visiting homebuilders in Washington this week, and I am certain that all of my colleagues will be even more aware of the rise in prices in the area of wood products before this week has passed. Therefore, it is important at the outset to examine what has happened, what the present situation is, and what the options are by way of solutions.

During the next 2 weeks I intend to discuss in considerably more detail different aspects of the problem. My purpose today is to draw an outline, perhaps more in generalities, to engage in discourse with interested colleagues on this matter, and to attempt to focus attention on some obvious courses of action which are presently available to us.

During calendar 1972, the home building industry responded to Federal Government goals by commencing 2.4 million new housing starts, the highest number in the history of our country. You may recall that in 1968 the Congress established a target of 2.6 million new starts per year for a 10-year period. We never have achieved this goal, but came the closest in 1972. Other construction boomed in 1972, and as a result, the demand for the domestic use of wood fiber in the United States was at an alltime high.

Meanwhile, in Japan, Prime Minister Tanaka, as a very important part of his program for domestic progress in Japan, established a national policy requiring the construction of 2.4 million housing units. Since Japan's population is about half that of our country, this would be the equivalent in the United States of nearly 5 million units. Japan began serious preparations for this construction boom and increased its purchase of wood fiber in many parts of the world.

In 1972 the United States exported 2.78 billion board feet of round logs; 91 percent of these exports went to Japan. Bidding for logs in the United States, particularly along the west coast reached astronomical proportions. Last year, roughly one-half of Japan's imported wood fiber came from the South Seas area. The balance came principally from the United States, Canada, and the Soviet Union. Canada prohibits the export of logs, except under very strict conditions. Japan buys about 75 percent as many logs from Siberian woods as it does from the west coast of the United States.

Because of this developing crisis, I flew to Japan in the middle of last month, and spent 3 days in Tokyo, talking with Japanese Government officials and with private trading companies interested in and in most cases engaged actively in the importation of logs into Japan. I found no evidence that the Japanese intended to increase its imports of logs from the United States, but it is obvious that they intend to continue on about the same level as 1972.

It appeared clear to me that the Japanese Government would not, and in fairness, could not limit its imports of logs. After all, our government has been pressing the Japanese for months to step up all of its imports from the United States. The Japanese have a voluntary association of log importers. It consists of approximately 40 members, including about 10 very large ones. Because it is a voluntary association, it cannot enforce any agreement to moderate the imports of logs. Therefore, it appears unlikely that we can expect any action in Japan to relieve this problem. If action is taken to force a reduction of log exports from the United States, it will be done in the United States, either by legislation, or by executive action.

My feeling is that we should immediately embargo shipment of logs grown on Federal lands into the export trade. This is a small step but one which can be done without delay. In addition, I would advocate immediate executive investigation, and legislative hearings to attempt to pinpoint so far as possible how near our mills have been running to capacity, and how much more manufacturing of our logs can be done, and to attempt to determine what cause and effect there may be in the rise of lumber and plywood costs as associated with log exports.

It is a fact that the price of lumber and plywood has about doubled in the past year. On the surface, it appears that the big increase in the cost of logs is directly related to this rise, but full hearings should help resolve this question with near certainty.

The mills in the Northwest have a very limited supply of logs remaining for manufacture. They are concerned about having a log supply in the pipeline for the future. Some mills have been tempted to sell their cold decks of logs, rather than to continue manufacture, because of the enormous prices being paid.

The export of logs is not the only problem we have, and may not even be the most important.

Some mills have had to reduce shifts, and to cut back production because they have already felt the log supply squeeze. I am concerned about maintaining, and even increasing the capacity of our sawmill industry. We cannot afford to lose jobs in this industry. There are 83,000 jobs in the forest products industry in Oregon alone. These generate double that number of other jobs. The cash the forest industry brings into our State is nearly $2 billion per year. Forestry, plus the other soil crops of agriculture, is the basic foundation of Oregon's economy. Including families, our forests support 44 percent of Oregon's population.

My immediate concern is maintaining these jobs. But we must look far beyond today's problems and take a long look into the future. We have had ups and downs in the wood fiber industry every few years since I can remember. The industry does not like the feast or famine situation any better than anyone else. And the industry knows better than anyone else that it cannot indulge in the turn of the century practice of cutting and running. Any of us knowing anything about the forests realize that the most important single factor in the management of our forests is the principle of sustained yield. We must not cut more than we grow each year. The industry knows this, and knows that it will be out of business ultimately unless this principle is adhered to strictly.

This is the reason that I have been long advocating a sensible program to increase the reforestation of America and on a crash basis compared to the present snail's pace. We need a quantum jump in reforestation efforts and in intensive management of our Nation's wood supply if we are to meet both today's and tomorrow's needs.

By way of example, the Forest Service has estimated that it will take about 50 years to complete the reforestation job of the 4.8 million acres of commercial timber land in the national forests alone at the present rate. Last year the budget request for reforestation on Forest Service land was $18 million. The Appropriations Subcommittee on which I serve, and chaired by our very able colleague from Washington, JULIA BUTLER HANSEN, added $3 million. This money was impounded by OMB despite the emergency in this industry. About 1 year ago, the President requested an immediate program of cutting 300 million additional board feet of salvage timber—otherwise subject to deterioration and loss because of disease, insects and rot—but the Forest Service was never provided with the $2½ million required to finance this sales program.

The important point to emphasize here is that trees are a renewable natural resource For every dollar invested in reforestation and intensive management, the Federal Government receives several dollars in return. It is good business for the Federal Government just like it is good business for private industry. Trees are a crop. If you don't plant and manage, you have no crop. Trees are green gold because they are a renewable resource. It makes no sense whatsoever to have a gold mine which is continuously renewable, and to fail to mine it.

Almost 2 years ago I outlined in general terms a national commitment which we can still make which, if adopted, can still provide an answer to the worldwide wood fiber shortage which we now have, and which is absolutely certain to become worse as the standard of living improves and the population of the world increases.

I called my program "The Real Greening of America." My proposal in short is the adoption of a concept of total reforestation, and that we aim our program for the successful achievement of this goal in a 10-year period.

I would suggest that the program be divided into four separate parts. First, that we commit ourselves and the necessary dollars to forest every acre of federally owned land capable of high-growth trees. These lands would include our national forests, public domain lands, lands managed by the Bureau of Indian Affairs and all other Federal Government agencies. This would require the announcement of a policy and a program, and then its implementation by the allocation of sufficient dollars to finance it. The Federal Government would, by way of example, lead the way to this program.

Second, the Federal Government would intensify its cooperative efforts with State and local governments to see that the same result is accomplished on all non-Federal lands. This concept would include furnishing seedlings, education, encouragement, technical assistance, and perhaps, through direct aid or through the Youth Conservation Corps, some of the manpower to see that this job is accomplished.

Third, is in the area of the third forest where a great total land area of small wood lots and timber-capable lands remain unused. Here the Federal Government, by use of various incentives possibly including tax devices, free seedlings and technical assistance could see that a maximum effort would be made to return these lands to productive use for the common good.

Besides replanting I would propose that in all three of the areas I have outlined here—the Federal area, the State and local area, and the private area—that wholesale programs of thinning and salvage be undertaken for the maximum use of these lands and to discourage timber insects and disease.

Finally, the last part of my proposal involves the reforestation of the cities of America. You all know how barren Tokyo and Berlin were left immediately following World War II. Many of you, I am sure, have seen what has been done in these cities in the last 25 years, and in many other war-ravaged areas of the world. You also know what has been done in most of the suburban developments of America. You have seen developers bulldoze areas naked, lay out the streets and sewers and then start construction minus trees. There are a few exceptions to this practice, but they remain the exceptions in the development of the suburbs of this country.

We must make ornamental seedlings available to cities for this use in making parking lots and other center strips decorative for park and private use. We must help the horticultural industry to meet the needs in our cities for varieties of ornamental trees suited to each geographical area. Each tree planted is a small oxygen factory. Each tree planted in America will contribute to the beauty of our environment. Each tree will help absorb the increasing noises of the urban environment.

In my judgment, and based on preliminary estimates, the program I have presented in rough outline would command an investment of an average of $250 million per year for 10 years. It may be grandiose in concept but clearly something like this commitment is required, and immediately, if we are to satisfy the multiple purposes for which we manage our forest lands and if we are to leave our children a United States of America as rich in natural resources and beauty as the great country which we ourselves inherited.

During the next 2 weeks I intend to discuss various aspects of the problem in a series of one minute speeches. I urge my colleagues to join me in a careful examination and evaluation of this important problem.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my colleague, the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. I thank the gentleman for yielding.

Mrs. GREEN of Oregon. Mr. Speaker, I welcome the opportunity to join my distinguished colleague from Oregon—Congressman WYATT—in expressing deep concern over the national crisis on lumber shortages and spiraling prices. I am extremely interested in the recommendations my colleague is making today. May I also take this opportunity to express the admiration and appreciation countless Oregon citizens have for the outstanding leadership you have given not only this year, but throughout your congressional service in trying do everything possible to bring about improved forest management. I particularly agree with your demand for a "quantum jump," as you just phrased it. The forest products industry is really the lifeblood of our economy in the State of Oregon. The current situation is working a real hardship on not only Oregon but the national homebuilding industry and the consumers as well. The shortage of housing units for the elderly especially is critical. The elderly citizens, of low income, find previous promises for low rent units—now hollow promises. No doubt Japanese competition has played a role in prompting this critical situation. I am not yet persuaded that the suggestion, by some, of a complete embargo on all log exports is the answer. May I suggest, though, that this be weighed with other factors, particularly forest management, which may have contributed greatly to the severe shortage price crunch.

First, I would like to emphasize something which, in my belief, has been discussed all too casually within the Halls of Congress. That is, the estimate by the U.S. Forest Service that the current annual loss of merchantable timber in our national forests due to insects, disease, fire, and so forth, is 10 billion board feet. This is approximately 7 billion board feet more than our exports to Japan in 1972. In the State of Oregon alone, about 4 billion feet of saw timber die annually—more than a billion more than last year's sale to Japan.

Last year, about this same time, attention was focused in this Chamber on the particularly urgent need for replanting some 5 million acres of national forest lands which had been damaged or else were marginal to begin with when first acquired by the Forest Service. Attention was focused on U.S. Forest Service statistics indicating that in 1 year only 11.5 billion board feet had been harvested from our national forests. At that time the Congress took steps to provide for accelerated programs of tree planting on national forest lands in critical need for reforestation. I actively supported this endeavor. In light of the fact that replanting efforts are still woefully behind schedule, it is incomprehensible to me that the administration has seen fit to freeze these critically needed funds for accelerated reforestation.

Going back to the 10 billion board feet annually lost in our national forests—when asked by the chairman of the then Senate Banking and Currency Committee in hearings 3 years ago what was needed to salvage the mortality, the Chief of the Forest Service responded, "an adequate road development program." He estimated that with accessibility half of the 10 billion board feet could eventually be salvaged. Many of my colleagues are aware of the current problem resulting from the 430,000-acre infestation of the Douglas Fir Tussock moth in northeastern Oregon and southeastern Washington.

In an environmental statement filed by the U.S. Forest Service, that agency recommended three measures to minimize losses from this timber killing moth: First, intensive salvage logging; second, aerial spraying; and third, reforestation. It is my understanding, though, that salvage logging will occur on well less than half the affected acreage because so many of the lands are inaccessible. At the same time, the administration has requested a $105 million cutback in forest development road and trail authorizations for fiscal years 1974 and 1975—before the national forest transportation system has been completed.

On another point—the Forest Service has an annual allowable cut of 13.631 billion feet which experts agree is consistent with good timber management and ecology. In the new budget request for fiscal year 1974, the President has requested operating funds for only 10.8 billion. This is approximately 3 billion less than the annual allowable cut or equal to our exports to Japan last year.

These are but a few of the forest management decisions by the Executive which affect our supply of timber. Obviously, a more soundly managed forest cannot eliminate all—or even most—of the causes of recurring lumber shortages. But it should go a long way in alleviating these shortages.

One final note—I believe it is a real tragedy that we still do not have a specifically stated national land use policy. I commend my colleagues in this body and the other for the efforts that have been made and the work that is underway now. We have seen all too frequently the consequences of our hodgepodge approach to land management in the past, and I am hopeful that we will move swiftly during this Congress in enacting a comprehensive land use policy.

Again I wish to express my appreciation to my colleague, the gentleman from Oregon, for his eloquent statement, and his leadership.

Mr. WYATT. Mr. Speaker, I thank my colleague, the gentlewoman from Oregon (Mrs. GREEN) for her generous remarks, and for her past strong support in this area, and for her continued support.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. WYATT. Mr. Speaker, I certainly do yield to my distinguished colleague, the gentleman from Flordia (Mr. SIKES).

Mr. SIKES. Mr. Speaker, I applaud my distinguished colleague, the gentleman from Oregon (Mr. WYATT) for the excellent statement he has made, and I find myself in strong support of his statement. I compliment the gentleman on his broad and expert knowledge in this very important field. I share the gentleman's interest in Federal forestry programs. He and I have long worked closely together in this field. I shall support the gentleman's efforts and I concur in his aims toward the realization of the problem which he has so well outlined.

Mr. Speaker, The problem of lumber scarcity and high prices has struck home forcefully in recent months. Most observers feel that unless our country can grow more trees on less land the problem will steadily worsen.

There are many here who have warned of the likelihood of this development. We have pointed to the fact that the amount of productive land which is devoted to growing timber is steadily shrinking. We have sought to impress our colleagues and our Nation with the fact that timber production by United States forests is far less than it should be. We have sought to improve this situation by passage of legislation to encourage production. Now a new factor has entered into the picture. Foreign buyers are outbidding domestic users of important stocks of U.S.-grown timber.

All of this is taking place at a time the Nation's timber needs are increasing and we are becoming more dependent on imported lumber.

Now what is it that can be done?

Because of the concern expressed by people in my own State on lumber scarcity and high prices, I have made a number of inquiries seeking to determine what action now is being taken by Government to cope with the problem. Regretfully I must state that all I have been able to learn from Government agencies about their efforts toward coping with lumber scarcity and high prices is that they are just as confused as the industry and apparently they are about as helpless to deal with it. The Cost of Living Council says the lumber sector of the economy is the voluntary classification and the industry is expected to self-administer the standards which were outlined for phase III. All that means is that the controls are off. The Cost of Living Council also says they are engaged in a thorough study of the lumber industry and wood products problem. Study is a bad word on Capitol Hill. Essentially it means nothing is being done.

The National Association of Homebuilders has recommended that an embargo be placed on log exports. This comes under the Department of Commerce. That agency is conducting a study on export control but no decision on action has been reached. In other words, more of the same.

The Government agencies state that supply in the lumber industry has not been able to keep up with the demand caused by increased housing starts and by exports. This we already knew.

I am also told that the President knows about the problem and is concerned. I know the President's problems are many and they are great. He cannot be expected to know all of the details of all of them, but surely there are those entrusted with authority who can do more than is being done now.

There should be government-to-government discussions on import and export policy and there should be Government-to-industry and Government-to-consumer discussions in an effort to alleviate the domestic aspects of the problem.

We in the Congress passed last year one of the most significant forestry legislative packages in history. It provided the framework for very substantial expansion of most of the programs which assist in timber management and production. It is being implemented only to a small degree. The Congress last year approved a rural development plan which will offer side benefits of significant encouragement to timber production and sound use. Very little is being done today to implement that act. It will receive modest implementation in the fiscal 1974 budget year if Congress approves the program which has been submitted. A vigorous effort should have been put in motion simultaneous with the signing of the bill.

There is also before us a bill which can be truly important in helping to stimulate timber production. This is the forestry incentives bill, a bill which passed the Senate in the last Congress but which we were unable to get favorably reported from the House Committee on Agriculture. That bill is again awaiting action by the committee. The administration has not given its support to the measure despite the fact that officials of the Forestry Service plead in private for its passage.

Let me look back in history. Four years ago an attempt was made by responsible Members of the House to pass legislation to assure a continuous supply of wood building materials to the Nation. It will be recalled by my colleagues that the House of Representatives, responding to on outcry from those opposed to forest management, declined to grant the reforestation bill a rule. It was never debated and the country is the poorer for that fact since it did not become the law of the land.

Since that time the southern forest products industry, with the cooperation of the States and the Forest Service has conceived a plan to enhance growth on private timberlands in the South. It is called the "Third Forest" and has received widespread approval for its vision and measurable benefits. It will grow trees and, in view of the persistent failure to grow trees on the National Forests of the West, it is becoming increasingly urgent for the South to prepare to assume its inevitable role as "the woodbox of America." We in the South are out to grow all the trees our fertile commercial forest acres can produce. And we had best do it as quickly as possible if we are to deliver pulpwood and sawtimber in sufficient quantities to meet high levels of demand for paper, cartons, and houses and schools and all the other thousands of products we must have.

Regardless of the productivity of our pine forests, however or of the beautiful hardwood forests of such importance to the furniture industry in our Appalachian Region, the Nation is clearly going to have to depend in considerable measure upon reliable wood supplies from the Federal forests which have been woefully neglected for too long.

It is high time that the scientific foresters be backed up on public lands with the commitment of funds for accelerated timber growth and efficient management of this national resource.

The Nation has waited much too long to undertake a comprehensive, large-scale attack on the problem of inadequate lumber supply. We have warned of the threat. Now the problem is here. It will become worse before it can be overcome. It is time for action.

Mr. WYATT. Mr. Speaker, I thank my colleague, the gentleman from Florida (Mr. SIKES) who has been a leader in this area over the years, and with whom I have cosponsored measures in the past that would have helped to alleviate the situation we find ourselves in right now.

Mr. SHOUP. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I am delighted to yield to my colleague, the gentleman from Montana (Mr. SHOUP).

Mr. SHOUP. Mr. Speaker, I would like to join the gentlewoman from Oregon (Mrs. GREEN) and my colleague, the gentleman from Florida (Mr. SIKES) in commendation of the gentleman from Oregon (Mr. WYATT) for the lead he has taken in the problem that faces this country in the price of wood products, and also the supply of these wood products. I would like to join in the gentleman's remarks.

I would also like to state that I have joined with the gentleman from Florida in the introduction of a forestry conservation bill which I think goes hand in hand with the remarks that have been made by the gentleman from Oregon.

I would ask the gentleman one thing: I noticed that throughout the gentleman's comments at no time did the gentleman recommend price controls as a solution to this problem. Am I correct in the assumption that the gentleman agrees that price controls at this time would be nothing more than useless in that we do not have a sufficient supply of wood products to meet the demand?

Mr. WYATT. I think, I will say to my distinguished colleague, that I can see no step the Federal Government could take that would more rapidly bring to a screeching halt the progress that we have made in home construction during the past months than that.

We have a situation, as my colleague well knows, I am sure, where we have imports on manufactured wood products from Canada coming into this country completely free of price controls, and which effectively set the market on such wood products that come into this country.

Such controls in the past have not been effective, and I think they would stifle construction and certainly could bring home construction to a terminal period at this stage of our country's history.

Mr. SHOUP. I certainly agree on that.

Mr. Speaker, I would point out that the age-old forces of supply and demand, although sometimes distorted through outside pressures, are still the dominant factors in the current price structure. With this in mind when we discuss problems in the timber industry we must always return to current and projected needs for wood fiber. We are not meeting those needs today and the outlook is far from encouraging.

In the West both my colleague, the gentleman from Oregon, and I are concerned with softwood timber. Here is what the projected demand for the year 2000 looks like:

First, demand for saw logs will double; second, demand for veneer will triple; and third, demand for pulpwood will quadruple.

There are several areas to be explored in efforts to meet these projected needs; available lands, timber harvesting and management.

It appears that we are faced with definite limits on available land for timber production. Withdrawals of public lands for study and for designation as wilderness, use of forest lands for highway construction and recreational uses has already had an impact. Timber sales and resultant harvests are down in many areas. We must look to better management of the available land.

A virtually untapped source of wood fiber is salvage and thinning. Improved technology will allow us to utilize diseased trees, those that have been killed by bug infestation and trees removed in thinning operations. We have to utilize these trees and develop better methods of removing them from the forest. Aerial logging will most certainly fit into this picture of better harvest methods.

We must manage our forest more intensively. Reforestation must get the attention and assistance that it needs so badly. When we grow a tree, we must use it. In the face of our growing needs for wood fiber, we can no longer leave a third of each tree in the forest.

It is essential that we review our wood fiber need, set aside lands for growth of the trees we need and then manage them in a businesslike manner. I am convinced that if all concerned are made aware of our needs and our problems, we can produce the needed wood fiber and maintain a healthy and livable environment.

Mr. Speaker, I would again like to commend the gentleman from Oregon (Mr. WYATT) in taking the lead in this matter.

Mr. WYATT. I want to thank my colleague, the gentleman from Montana (Mr. SHOUP). I have long known of the gentleman's very intense interest in this subject, and the great deal of activity the gentleman has engaged in to help alleviate the situation.

Mr. BLACKBURN. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my colleague, the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman from Oregon yielding to me, and I thank the gentleman for bringing this matter to the attention of the House.

I think the gentleman from Oregon recalls that some 4 years ago a number of us cosponsored the Timber Supply Act, which I felt would have taken a great step forward in bringing about better management of our national forest assets.

Unfortunately, under the emotional mood of the times we were unable to get it passed; but I do think that it is essential that at this time of ever-increasing prices and at this time when our national forests are continually being depleted and we are not plowing back in the resources that are needed to restore these forests to their former place in our national heritage, we need to give attention to this problem.

I do want to reserve any personal commitments about any export ban on lumber to Japan. My committee, the Subcommittee on International Trade, is going to begin hearings this week in which we are going to start investigating this very matter. We may very well find that the Japan exports are not the source of the problem to the degree that some of us might have thought.

Again I thank the gentleman for bringing this matter to our attention, and I congratulate him.

It was my privilege in May 1969 to appear as the first witness before the Subcommittee on Forests of the House Agriculture Committee in support of H.R. 10961, which I sponsored, and several other bills "to provide for the more efficient development of national forest commercial timberlands, to establish a high timber yield fund." That bill was subsequently substantially revised by the subcommittee, reported out by the full committee, and seemed to be moving toward passage by the House.

The distinguished Members of the House may recall that the Earth Day movement had begun and there was a real or contrived revulsion to using natural resources for the benefit of man. The House declined to grant the National Forest Timber Conservation and Management Act a rule. There was no debate and, when the bottom fell out of the housing market, the need for growing timber on the national forests was forgotten—by all except those industries dependent upon an assured source of raw material.

Here we are 4 years later facing extremely high lumber and plywood prices. Here we are faced with the prospect that more of our citizens will be denied the decent place to live which we so piously identified as the right of every citizen in the Housing Act of 1968. Here we are wringing our hands because roofs, and siding, and floors, and doors, and windows, and framing and sheathing and moldings and the myriad other wood products derived from trees are in short supply. We ought to know whose fault it is. And having agreed that the Congress and successive administration have failed to keep their faith with the people and have denied them the richness of their own forest property, we should undertake to correct that situation and do it quickly.

My support of timber growing as a means to overcome deficiencies in wood product supply stemmed from my membership on the Banking and Currency Committee. In 1969, we conducted a thorough investigation of the causes for the sharp rises of the prices for lumber and plywood. Then, as today, the homebuilders and other major consuming groups were making charges that manufacturers, wholesalers and retailers were driving prices up to their own advantage.

Our careful investigation at that time, confirmed by a similar investigation by the Senate Banking Committee, revealed conclusively that the root of the problem was the failure of the Forest Service of the Department of Agriculture to realize optimum growth of timber on the lands under its charge. The reason for that deficiency could not be attributed to unwillingness on the part of the foresters but rather to the fact that the Congress simply had not provided an appropriate means for timber sale dollars to be reinvested in tree growing.

I am not prepared at this time to submit legislation in that direction. I am prepared, however, to state without fear of contradiction by any reasonable person that the only way we can have adequate supplies of wood products for lumber, plywood—and for pulp and paper and containers and flexible packaging materials—is to grow more timber on all of the commercial forest lands suitable for growing trees.

I want to commend my colleague from the State of Oregon, Congressman WYATT, for his leadership in this great challenge and to offer assurances that I will do all I can do to persuade members on my side of the aisle that we can no longer indulge in the folly of permitting our national forests to decline in importance as a source of natural resources our people so badly need.

Mr. WYATT. I thank my colleague from Georgia.

I only mention two things. First, I think it is important to distinguish between the problem involved in the export of unmanufactured round logs to Japan, or out of the United States, and manufactured wood products which are processed in this country.

With respect to the gentleman's comments about the Timber Supply Act which was defeated here on the floor of the House, I think one important thing should be observed at this point, and that is that at that time there was a great deal of emotion, and there was almost unanimous opposition from conservation groups, to the trust fund theory of funding our Federal lands. At this time I am asking that we appropriate adequate funds out of the general treasury for reforestation and for intensive management of our great forest resources.

This is an approach, I believe, that will have the wholehearted support of conservation groups, as against the opposition produced the last time around.

I thank the gentleman.

Mr. VEYSEY. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my colleague, the gentleman from California.

Mr. VEYSEY. I thank the gentleman for yielding.

I want to thank my colleague, the distinguished gentleman from Oregon (Mr. WYATT) for bringing this important matter to the attention of this body. I think that he has devoted an exceptional amount of time and effort to the study of this problem of maintaining our forests and maintaining a satisfactory supply of lumber to meet our needs, not only as a service to his district but also as a service to this Nation.

His recent trip to Japan to study the export situation, I think, led him to some very interesting conclusions there.

I have the good fortune to share a seat on the Interior Subcommittee of the Committee on Appropriations, where I have been exposed, along with my colleague (Mr. WYATT) to the proposed budget for the Forest Service for this next year. My concern about the type of budget that has been presented to us has led me to do some investigation about that, and I have some interesting figures that I should like to report at this time. The Congressional Research Service of the Library of Congress tells me that the budget that has been suggested to us is not the "optimum budget" as they see it for the development of maximum timber sales and for maximization of our assets in the national forests. The budget allocation of $36.8 million for timber sale preparation and harvest administration would be beneficial in accordance with their views. This would be a $4½ million increase, but would enable the agency to sell 1.1 billion board-feet more timber than the budget plan presently calls for, and we certainly at this time are in need of that additional amount of lumber falling into our supply channels, in view of the rapidly rising prices caused by a short supply.

This would advance gross revenues by $40 million, so it would not be a net outlay on the part of the Federal Government. It would raise revenues from sales to $430 million and the net revenue therefore after deducting net cost and the 25-percent payment that goes back to the counties, by about $25 million of net increase to the Federal Government. I am not a big spender, but this seems to me to be a prudent additional expenditure that could be made that would bring back several fold in return for the dollars laid out.

Likewise the Congressional Research Service points out that the proposed budget for reforestation is $8.5 million below the 1973 budget and $16 million below what they term the optimum level. They would set that at $37 million, the optimum level compared to $21.1 million in the present budget request.

Of course this money would not be returned to the Federal Government at any shortrun period, but it would be many years down the road, but surely it would be consistent with the gentleman's plan for rebuilding and enhancing our national forests. However, the Congressional Research Service does point out that this additional expenditure for reforestation would be more than paid for out of the additional returns from timber sales which I have earlier mentioned.

I thank the gentleman for bringing this matter to the attention of the House and for giving me the opportunity to make this additional note.

Mr. WYATT. I thank my friend, the gentleman from California. I think he has pointed up a very important fact of life that is not recognized generally in the Congress or elsewhere, which is that appropriations for the regeneration of renewable natural resources, such as we have here, should be on a completely different basis from other appropriations which represent a net outlay to the Federal Government. I am talking about appropriations for foreign aid and welfare and various other things which are a one-way street. This is not a one-way street, yet it is treated that way by the Office of Management and Budget.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, Idaho has much to offer the Nation, including a large amount of wood products on a continuous basis. We could do more if the Federal Government would regularly sell the allowable cut of timber from the national forests.

Although established by law to provide a supply of timber to meet the needs of the citizens, the national forests are not meeting that responsibility. There is no question about the current needs. The Forest Service's own allowable cut figures show what should be done. The record shows how far we are from accomplishing that goal.

These allowable cuts for sawtimber have totaled nationally more than 11.5 billion board feet per year. The programed—financed—level has been less in recent years. In fiscal year 1971, the Forest Service sold less than 9.7 billion, and in fiscal year 1972, less than 9.3 billion board feet. Sales in the last year were below the financed level by more than a billion board feet and 20 percent below the allowable cut.

The problem is even worse in region 4 of the Forest Service. That area includes much of Idaho. For example, only 471 million board feet were sold there in fiscal year 1971. The allowable cut is 740 million. The deficit in the 1 year was nearly 35 percent of the allowable cut.

There has been much concern expressed in the past about overcutting our forests. Such practice should be deplored. However, it is equally deplorable to undercut grossly the commercial forests. By so doing, the unused timber-growth potential of these lands is lost forever. Further, overmature timber is permitted to deteriorate when it should be converted to products needed by man. It is time we applied sound principles of forest management to the national forests and regularly harvest the allowable cut.

Mr. Speaker, last Friday I received the following letter from a lumberjack in Orofino, Idaho, who states the problem far better than I can. I include his letter in my remarks at this time:

> DEAR CONGRESSMAN SYMMS: This is an appeal to you to do whatever you can to help this timber sales problem.
>
> I am 47 years old and have worked and lived in these wooded hills of the Clearwater Forests all my life. I have lost my job two times in the past year. My last employer put up with me for 11 years and then he had to shut down because of the timber shortage and of course increased costs to his business because of various ecological reasons.
>
> I am not a learned man of means, just a working wage earner like most of my fellow workers (several hundred) who are losing or lost their jobs. I have never been fired from any job and could furnish references.
>
> Timber and lumber is the main base for all our economy here in north central Idaho. Mining is nil and farming is so-so. Most of us lumberjacks own our homes and do not want to move to another area and some *cannot*.
>
> I cannot see why the allowable cut of timber can't be maintained. I also realize that we must have a balance. This drastic cutback of federal timber sales is really hurting. Here is a clipping from the Lewiston paper. Maybe it can tell you more. Six sawmills already have closed since last June. If the Big Company starts shutting down—like they told us 2 weeks ago (Ahoahlsa Unit) this would affect another 150 men and families. Surely something can be done. Also, the Dworshak Dam construction is mostly done and people who really want to work cannot.
>
> I want you to give this a full going over. I and we would appreciate anything you can do to solve this.

(Mr. SYMMS asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. WYATT. Mr. Speaker, I thank my colleague from Idaho for his excellent statement and contribution to this dialog.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my colleague from California (Mr. GUBSER).

Mr. GUBSER. I would like to commend the gentleman from Oregon for bringing this very important matter to the attention of the House.

I must confess at the outset that I know little or nothing about forest management, but I do know the effect that these skyrocketing lumber prices are having upon the building industry and upon the consumers of this Nation.

I really rise not to contribute to the fine points the gentleman from Oregon already has made but to seek information. I note consistent reference throughout this dialog this afternoon to the "allowable cut" on public lands. As I understand it, that is about 13.6 billion feet annually.

I would like to know for my own education just how the allowable cut figure is arrived at and if that figure represents sound forest management and is consistent with ecologic principles and whether or not automatic opposition to the allowable cut figure for conservation reasons is well founded.

Mr. WYATT. I would say to my colleague from California that his question as to how sound the present allowable cut figure is with regard to the national forests is a subject that is much debated.

The professional foresters I have talked to feel that it is a very, very conservative figure and that the real figure should be higher; further, that figure should relate at all times to the annual growth in the national forests.

I personally believe, from having sat on the Interior Subcommittee which funds the Forest Service—and this is my fifth year—we have heard testimony from the Forest Service, and I do feel that the allowable cut figure which they have testified to is a conservative figure. I do not feel that we are overcutting the national forests.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield to my colleague from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I think, to add to this, I would ask if the gentleman in the well, Mr. WYATT, would agree or disagree with the point I make:

That is, the question of allowable cut conceivably could have a number of variables. One of the most important would be the manner in which the so-called timberlands are managed and whether or not we have the kinds of intensified forest management, the increase of tree plantings at this point in the growing cycle which could conceivably affect the overall allowable cut on a given piece of land.

We have some areas that lend themselves to very rapid growth and intensified reforestation, so this is intself could provide for increasing the allowable cut, so long as it was known there were trees to be grown now for future use.

Mr. WYATT. I would say to the gentleman that he is absolutely right in that there are variables. There are many variables that go into the construction of this so-called magic figure of the allowable cut. Certainly at the very heart of these variables is the intensive management, the thinning and salvaging that is done, and the reforestation, certainly. These are examples of the type of intensive management which permits accurate calculations as to what the allowable cut should be, at all times not exceeding annual growth in our forests.

Mr. GUBSER. Mr. Speaker, will the gentleman yield further?

Mr. WYATT. I yield further.

Mr. GUBSER. Having had considerable experience in the agricultural field, I know that frequently one gets a much better yield if one thins out the plant population. Is this true in forest management, that allowing forests to become too thick will actually impede the growth and destroy some of the beauty of the forests and let it more or less rot on the ground?

Mr. WYATT. The gentleman is correct. One of the important tools of good management of the forests of this country is the practice of thinning, because if we have too many trees growing too close together, none of them prosper. Everyone has seen what happens in his own yard as applied to flowers and small shrubs.

One of the important tools of management is a proper thinning program, and this thinning program can accelerate the growth of produce wood fiber. This is related also to the species of tree in the various geographical areas we are talking about. Some require more thinning and others require less.

Mr. GUBSER. At this risk of trying to put words in the gentleman's mouth, would the gentleman say that this statement is true: That cutting the full 13.6 billion feet which is represented in the allowable cut is actually a pro-conservation act rather than anticonservation act?

Mr. WYATT. Having seen some areas in this country with my own eyes where there has been no cutting at all, and having seen other areas where there has been intensive cutting and replanting and intensive management, I would have to agree with the gentleman 100 percent. It certainly makes no sense at all, when we are in this area of wood fiber shortage worldwide as well as in this country, to just permit trees to rot and become subjects of attack by disease or insects.

Mr. GUBSER. Then if I may summarize what I believe is the main thrust of what I have heard here today—unfortunately, I was not here at the beginning—if a dedicated effort toward reforestation were to be made and if we were to fund that effort properly we would have real conservation, and we are not making a pro-conservation move if we cut down on the allowable cut?

Mr. WYATT. That is absolutely correct.

Mr. GUBSER. I thank the gentleman.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my colleague from Idaho.

Mr. SYMMS. In further answer to the question of the gentleman, I believe it is of interest to note that in my State of Idaho we are losing more timber to insects and pests than we are to chain saws. An acre of well-managed forest produces 4 tons of oxygen and 4 tons of wood per year, and soaks up 6 to 8 tons of carbon dioxide. This is in line with the question of the gentleman.

What will happen, if we allow the trees to rot and to fall, is that they go past the balance and start using nitrogen and taking oxygen, in the process of breaking down the wood.

So we are going backward on our environmental program by not cutting the timber.

I have personally been a tree grower and an orchard grower all my life. We plant a peach orchard every 20 years to replace the old one; we plant an apple orchard about every 40 years to replace the old one. But yet plans have to be made for the replanting of forests, and I think it is very interesting that in developing the forest programs we have to fertilize the timber and consider all the other factors and up the allowable cuts, and thereby we are helping the environment and helping the overall game management.

Mr. Speaker, this is the story that sadly has not been told much, and the story needs to be told over and over again.

Mr. Speaker, I commend the gentleman from Oregon (Mr. WYATT) for taking time to present this special order today.

Mr. WYATT. Mr. Speaker, I appreciate the remarks of my colleague, the gentleman from Idaho (Mr. SYMMS).

I can furnish figures indicating that we have an annual loss of wood fiber in the United States in the area of approximately 10 billion board feet. Putting this in perspective, the exports of logs from the United States in 1972 were at an all-time high of 2¾ billion board feet.

If we can do anything to salvage our losses, the losses just from disease and insects, we will be taking a great step forward to supply the fibers which are now in short supply—and they are in short supply—thereby driving the price of wood up.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from California (Mr. GUBSER).

Mr. GUBSER. Mr. Speaker, I cannot help but move in here to clinch the point the gentleman from Idaho (Mr. SYMMS) has made.

The gentleman from Oregon (Mr. WYATT), mentioned the loss of board feet annually to insects and disease. I would like to take a little issue with putting it that way, because that sounds a little commercial. It sounds like it is so much lumber, so much wealth that has been lost. But I would like to convert that, if I could do it fast enough, into the figures given by the gentleman from Idaho.

Mr. Speaker, that represents a loss of so many tons of oxygen into the air and it represents a misuse of many of the things which contribute to a better environment. I think if we worded it that way, it would be much more meaningful than just using the term, "board feet."

Mr. SYMMS. Mr. Speaker, will the gentleman yield further?

Mr. WYATT. I yield to the gentleman.

Mr. SYMMS. Mr. Speaker, I think the gentleman is right. This is affecting the people all over America who would like the opportunity to live in a wooden house.

To go further, the tree converts carbon dioxide, water, and solar energy into wood fiber products. When we go into the employment of a steel mill, we have to burn up oxygen and go the other way, so we have a building product that we are wasting when we listen to people who are suggesting in their "ecologomania" that we should not allow people to go in and cut the timber. I think this is the point that needs to be made.

Mr. WYATT. Mr. Speaker, I think my colleague's point is well taken.

We hear a lot about wood fiber substitutes, about the desirability and advisability of using these substitutes for wood, so we will not require so much wood products.

Mr. Speaker, what many people do not realize is that by using these substitutes, we are using a finite resource. There is only a certain amount of it left. Some day our children and their grandchildren will run out of these substances. Also, in order to convert these finite substances to something we can use for homebuilding or other construction, we must use very large amounts of energy. Of course, I do not have to emphasize the fact that we do have, at the present and in the future, an energy crisis in this country, a crisis which is not affected at all by the use of wood in homebuilding and other construction.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to the gentleman.

Mr. DON H. CLAUSEN. Mr. Speaker, first of all I want to commend the gentleman from Oregon (Mr. WYATT), for having taken this special order, and I wish to associate myself with his remarks.

Let me just build very briefly on what I think is a very significant point which has been made as a result of this colloquy between the gentleman from California (Mr. GUBSER), and the gentleman from Idaho (Mr. SYMMS), and the gentleman from Oregon (Mr. WYATT), wherein reference was made to the substitution utilizing these finite resources.

As the gentleman pointed out, there is a genuine wood fiber crisis, in addition to an energy crisis associated with oil consumption, and so forth. But I think the very significant point and a key point that needs to be made here is that with proper reforestation and proper land and timber management programs we are dealing with a renewable resource that can go forward forever and supply the housing requirements that are so definitely needed in all sections of the country.

So I think a very excellent point has been made as a result of this dialog, and I again commend the gentleman for taking this time on this special order.

Mr. WYATT. I thank the gentleman from California very much.

Mr. SYMMS. Mr. Speaker, will the gentleman yield further?

Mr. WYATT. I yield further to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I would like to add additionally to the remarks of both the gentlemen from California in pointing out that this is being done in many places. It is something that we have the technology to do today, to have good forest management.

Thirteen percent of the forests of the Nation are owned by the industrial lumber industry, of which 33 percent of all the fiber and wood are coming from that land on a sustained basis. It is my belief that we could do the same thing with our national forests if we would try to depoliticalize the Forest Service.

We have been hearing in the last 10 years some distorted pictures that have come back to Washington from some of the public hearings that have been held. And this is a message that I again want to commend my colleague, the gentleman from Oregon, for bringing this out to the Members of the House. We have been in many, many instances hearing of hearings that do not present the actual picture to the public concerning this problem—and anyone who has tried to buy a house in Virginia or in the northern district of Maryland ought to be aware that the price on wood products is too high.

Mr. WYATT. I thank the gentleman.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my distinguished colleague, the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Speaker, I want to commend my colleague, the gentleman from Oregon (Mr. WYATT) for having taken the leadership in what we realize is a most critical matter. I join in the thrust of the statements which he has made today, and which have been joined in by a number of our colleagues from other parts of the United States.

Mr. Speaker, I would like to emphasize two points particularly which have to a degree been already touched upon in this discussion. One of the points the gentleman from Oregon made was on the renewability of this unique resource.

Many of our resources that are being dealt with in construction of all kinds are basically nonrenewable, such as when we go into plastics, metals, and material after material, we are then talking about using up resources which are already in short supply.

The gentleman in the well also spoke very soundly about the energy crisis, and there we are talking again to a substantial degree about nonrenewable resources. And as has been said—and I add this primarily for the purposes of emphasis—when we deal with wood fibers we are dealing with a substance which, if properly used, is renewable, and thus can be of value ad infinitum to the people of this country. I think this is extremely important.

The second point which again has already been touched upon, and again I am commenting upon it merely for the purpose of emphasis, and that is the problem that when we talk about wood fiber and the need for doing something about our largest forests that people sometimes believe this is an area problem, but it is not. It is not a problem or a responsibility solely of the Northwest, and it is not a problem or a responsibility solely of the Southeast, and in other areas where trees actually grow in such abundance, but this is a national problem. And although we represent the area, as indeed we do, where the bulk of the supply must come from, the need is a nationwide need.

But that has already been commented upon by the gentleman in the well, and I, as I say, am making my comments merely for the purposes of emphasis.

If we do not, in the areas where trees grow, get the support we need from this Congress, from the administration, and from the people of the Nation to back up what we must do to protect our wood fibers, then it is the Nation that will suffer, and not just our particular areas.

Again, Mr. Speaker, I commend the gentleman in the well for what has been for a uumber of years, and is now, his continued leadership in a problem of critical importance to us, and to the Nation.

Mr. Speaker, my constituents reside in possibly the most richly forested congressional district in the Nation. Their future is inextricably bound up in the future of Oregon forests both public and private.

The district contains vast Federal timber stands, including national forests and Oregon and California Railroad grant lands under the jurisdiction of the Bureau of Land Management. The Fourth District of Oregon supports numerous small mills, most of which are substantially if not totally dependent upon public timber as a source of raw material.

Understandably, I have long been interested in intensive forest management on the Federal acreage in my district. And I have been part of numerous efforts in the Halls of Congress to increase and stabilize funding of our Federal timber managing agencies.

I must say, however, that the principles of intensive forest management have ramifications extending far beyond the southwest corner of Oregon. If it is true that our mill operators and their employees and our communities benefit from modern forestry in practice, it is equally true that home buyers in Chicago, New York, and Los Angeles benefit from a steady flow of wood building materials at reasonable prices.

In this regard, it is a fact that 75 percent of the lumber production in the West is consumed at points far removed from the producing region. Let us keep it flowing because we all have a stake in meeting the Nation's housing requirements.

As I see it we have at this time at least four direct pressures and one indirect pressure on the lumber and plywood market. One is the sudden price upswing when phase II controls were removed. The second is the static or decreasing timber supply picture arising in significant part because of environmental pressures. The third is an ever-increasing demand for lumber and plywood. The fourth is our export situation. The indirect pressure of very high concern today is the perennial short supply of freight cars. It is the combination of these factors which have so seriously impacted on our lumber and plywood supply and price situation. Let me address each of these major points.

First, I believe that a free market economy, controlled by supply and demand, is what we should be striving to reach and maintain in the lumber and plywood industry. Consequently, I would dislike seeing the reimposition of price controls on this segment of our economy. However, if the price and supply situation cannot be brought under control, there exists a real danger that controls of some kind will reappear on the scene.

Second, strong environmental pressures both to more soundly manage our forest lands and to specially designate unique areas as wilderness or some other classification are with us whether or not we like it. I believe these pressures are by and large good and should be welcomed. However, we must guard against those who would have us set aside excessive acreages as wilderness or in effect cut no more trees on our Federal lands.

There are areas which clearly should have some special designation and where no timber cutting should take place. There are other areas which should sustain both recreation and other multiple uses along with commercial harvesting operations. Finally, there are areas where timber harvesting is the highest use of the area and where we should concentrate our efforts in producing as much timber as technically possible. In all timber cutting we should insure that the most environmentally sound methods and practices are being used, but we cannot fall victim to the cry that we radically reduce the harvesting of our forests.

Third is the picture of timber supply. Timber supply has two parts—the short-range and the long-range aspects. In the immediate future timber supply can be aided by having as much as possible unregulated timber in salvage and removal of dead and dying put up for sale. Also, we must insure that the Federal agencies managing our timber resources, most particularly the Forest Service, have the funds and manpower to program sales for the full allowable cut. I am working with both the Forest Service and the administration to see that these goals are reached.

Our long-range timber supply picture must be improved through a commitment on the part of the Federal Government to increase the yield from our public forest lands and to both keep and bring back into timber production private timber lands. I am working on legislation to help accomplish both of these goals aimed at increasing our long-range timber supply picture. Unfortunately, such long-range goals, as necessary as they are, do nothing to alleviate the supply-price crunch of today.

Fourth and probably most crucial to the immediate problem is our log and lumber export situation. Exports of timber have increased drastically over the last year, reaching a total of approximately 2.8 million board feet. Every indication is that when figures are compiled for the first quarter of 1973 the runaway export picture will even be worse. From the best indications I get, as far as the demand of the Japanese is concerned, exports are no longer limited to logs, but since the beginning of 1973 lumber exports have also been rising drastically.

Our timber supply problem will not be solved miraculously by a total ban on log exports. To attack only log exports is to do nothing more than chip away at the tip of the iceberg. Legislation I am developing on timber supply will also deal with log exports where I see it necessary to: First, decrease the present 350 million board-foot limit on the export of Federal timber; second, put into effect strong and effective antisubstitution regulations.

I am still studying the entire picture with respect to private timber and am trying to determine the best course of of action we might take as to possible limits.

Some have chosen to ask the President and the Secretary of Agriculture to place an immediate embargo on all log and lumber exports. I have chosen not to support these efforts because I believe first there is no chance such an embargo will be put on and second to stir the fires with a plea for an embargo could potentially hurt our chances to get effective timber supply legislation and log export controls.

Adding to these direct pressures on the timber and lumber supply-price crunch is the indirect pressure of limited transportation services. Each year we suffer from a shortage of freight cars caused by the competition of forest products and agricultural goods for rail transportation. This normally barely tolerable situation is worsened by the recent grain sales to Russia which have heightened the freight car supply problem to crisis proportions.

The answer cannot and should not be sought in the Federal subsidization of freight car construction. The easy answer of looking to the Federal Government to solve the problem is surely not the best. Legislation is necessary which will encourage the rail lines to increase their rolling stock without the Federal Government—and that means taxpayers—paying for that increase.

I am presently deeply involved in the development of legislation in four fields: First, increasing timber supply from our Federal lands; second, encouraging higher yield management and increasing our timber-producing land base on private lands; third, limiting log exports; and fourth, increasing our freight car supply. All these areas I believe are deeply needful of our efforts here at the Federal level.

The hue and cry of today is for log export controls. To deal just with that issue would, I believe, be short-sighted in the extreme. I have been pursuing this whole issue in discussions with forest products industry representatives, high officials in the Forest Service and the Bureau of Land Management, and other experts in the field of exports and forest management. In the development of legislation, I am and will continue to seek the advice of other knowledgeable people. I am however fearful that we will lose the opportunity to do something really meaningful regarding our timber supply situation because we are all going so many different directions. I pledge my best efforts to make our congressional action a cooperative effort to solve this problem and I call upon my colleagues gathered here today to join me in that cooperative effort.

In conclusion, let me reiterate my concern: Any legislation we propose must be aimed at the larger timber supply picture. To move precipitously just to ban log exports is like cutting out the visible cancerous sore without attempting to deal with the deep cancer which produces that sore.

Mr. WYATT. Mr. Speaker, I thank my colleague, the gentleman from Oregon (Mr. DELLENBACK) for his comments. The gentleman has been a leader in this resource fight during his entire congressional career. The gentleman represents a district, unless I am mistaken, that has more commercial forestry land than any other congressional district. I appreciate the comments made by the gentleman.

Mr. SYMMS. Mr. Speaker, will the gentleman yield still further?

Mr. WYATT. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, one last point that I would like to make, and that is with respect to this subject of the coordination between good timber management and game management. This is often a misunderstood point.

My State of Idaho used to be famous for great elk hunting. It is interesting to note that that great elk herd in central Idaho came from the forest fire of 1911 which burned off millions of acres in Ahoahlsa, Idaho. The scrub brush was allowed to grow, and the elk did grow and proliferate in that area.

Every time we allow the forests to fall and the trees to fall it makes it more difficult for the deer and elk herds to survive. Timber management is a help to good game management.

There is presently a study under way to burn off 300,000 acres in the Kaniksu Forests in northern Idaho, Montana, and eastern Washington. I think the thought in this day and age of burning off 300,000 acres of timber in order to help game management, even makes our point better that what would make a lot more sense—to me anyway—would be to cut some timber so that people who need wood products could have it, and we could also get the same results as far as game management is concerned. This is, I think, another point that we should share with our colleagues, Mr. Speaker.

I thank the gentleman for yielding.

Mr. WYATT. I thank the gentleman from Idaho for his comments.

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to my colleague, the gentleman from Georgia.

Mr. BRINKLEY. A moment ago there was much made of the fact that the Southeastern United States was also a great timber producer, which is true. The State of Georgia, for example, in my district, the Third District of Georgia, produces a great deal of pulpwood. For this reason and others I am very much interested in what the gentleman from Oregon had to say. I wonder if he would care to comment on the role that pulpwood, that is, slashed pine and softwood, has to play in his efforts.

Mr. WYATT. I would say to my colleague from Georgia that certainly pulp is an integral part of our overall problem—not in the short supply presently that some of our construction lumber and plywood, for example, are. We all know that the demands for paper and all sorts of paper products have increased rapidly and certainly is going to increase substantially in the years ahead, so we must look to ways that we can increase the supply of pulp trees in the future.

I know the gentleman's concern in the State of Georgia, which does a great job of producing pulp timber and other varieties of timber.

Mr. BRINKLEY. I appreciate the comments of the gentleman. If the gentleman will yield further, we have some concern in our State over the long-range tax system which is being contemplated for capital gains tax on the cut timber, and we would just say, if we could, we think that the importance of pulp and other trees is great enough that reforestation needs to be encouraged in the form of taxation, or Government help, instead of there being a lack of incentive. We appreciate the remarks of the gentleman today.

Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman yielding and I would like to commend my good friend, Congressman WYATT, for securing this time in order that we might direct our attention to a very pressing problem in the construction industry.

I am sure everyone saw and read the article in yesterday's Washington Post which elaborated on the increasing costs of homes in that area. In my opinion, one reason for the tremendous jump in housing costs within the last year has been the steadily rising price of lumber.

A retail lumber dealer in my district was telling me only last week that he never knows from day to day what the price of lumber is going to be. He also mentioned that his inventory is well below the levels it should be in order to supply the builders in his area.

The man went on to say that the rising lumber prices leaves the building supply dealer in a very hazardous position since they are unable to make a price commitment for anything like the time it takes to build a house.

Of course, the lumber wholesaler is also facing the same problems that the retailer is since the cost of the raw product of timber is rising far too fast and too much.

Mr. Speaker. It is my understanding that the main cause of the recent increases in timber prices is the great demand for American timber in foreign countries, especially Japan.

I see no alternative but to limit the amount of timber we are exporting in order to insure that our needs in America are being met and also in order to bring some stability to the price of timber.

The people being hurt the most by this rising price of timber is the average American family trying to buy a home. In order to preserve the integrity of the housing market and help the wholesalers and retailers of lumber to stay in business, I urge quick action by the President or Congress or both to stabilize the price of timber and stop the inflationary spiral in the lumber and homebuilding business.

Mr. Speaker, in addition to the export limitation possibility, I would urge the Forest Service to take a more active interest in promoting better management of privately owned, small tree farms. Despite the comparatively small acreage—about 13 percent—the lands owned by the timber industry produce about a third of the Nation's annual harvest. Individual ownership, even with the valiant effort of the tree farm program, fall far below this productivity rate. Comparatively, the small ownerships are unmanaged but do possess substantial productive potential. These small tree farmers cannot afford to employ full-time foresters, but they could benefit from the advice and help of the U.S. Forest Service on how to maximize the use of their land and increase their potential timber production.

Mr. STEIGER of Arizona. Mr. Speaker, the Ponderosa pine timber stands on the national forests of Arizona, as well as the mixed conifer stands, are unique in the world and are important to the economy of the State and to the people who live and work in timber-dependent communities.

It is obvious to me that the Forest Service needs more money and manpower to engage in more intensive forest management, and not just in Arizona. By this I am not implying that the Forest Service has been derelict in facing its responsibilities—by no means—they just need help from the Congress.

There are forest land inventory projects under way on the Mogollon Rim and others in the Southwest are planned and I think this is an immense step in the right direction.

Primary use designations should be established and management should be adapted to what the land can sustain and produce. If the inventory determines that the land is best suited to watershed or game management, then those are the uses indicated. If the land can sustain a mix of uses, then that is all to the good also.

With well-funded intensive forest management—and the men of the Forest Service have the necessary know-how and our school of forestry is turning out able graduates—Arizona's timber industry and the men and women who work for it can be assured of stable and maybe increasing timber supplies. Our schools and counties will know that the 25-percent funding will continue and the communities and counties assured of economic stability. Action is needed and we should take it now.

Mr. VAN DEERLIN. Mr. Speaker, a review of my recent mail indicates we are long overdue in taking up an issue of critical concern—not just to building contractors, but to millions of Americans trying to acquire a home.

The Lion Property Co. in San Diego writes to me in part:

> It is ridiculous for the price of a dwelling unit we are constructing to be increased approximately $3,000 in six months, just for the cost of lumber. It is unbelievable that the cost would increase approximately $1400 per dwelling unit in one month, just for lumber.

Thompson Associates writes:

> On January 9, 1973, we received a quote for lumber for one house in our building program of $3,410.80. On February 14 we were requested to approve a new price before delivery would be made of $3,982.47, an increase of $571.67 or almost 17% in one month.

Hallcraft Homes, large builders, sends me an itemized breakdown of lumber costs for various types of homes, showing increases ranging from $487 to $1,053 per house in the past 6 months. The average increase in cost per house for lumber exceeds 45 percent.

Barrett Construction Co. writes:

> In the past few months lumber prices have increased to the point that we are paying from $1,000 to $2,000 more per single family residence than when we obtained lumber bids three or four months ago.

Other contractors and builders write to complain of increases ranging up to 65 percent in less than 6 months. In February of this year I wrote to the Secretary of Commerce to express my concern and to ask what steps were being taken to halt continued price increases of lumber.

The reply I received did little to raise hopes that effective relief would be forthcoming. In a two-page letter, a deputy assistant secretary acknowledged that a price increase had indeed taken place. Instead of outlining, as I had hoped, action to alleviate the hardships, the Secretary merely concluded:

> Let me assure you that the softwood logs and products matter is under careful study in the Department, and that we are watching the situation closely for further developments.

I find little here to warm my hands on. The Commerce Department's spectator sport is of little practical value to a young couple who find their dreams of buying a home suddenly disappearing because of a $3,000 additional cost, or to a contractor who finds that he may be forced out of business because suddenly increased costs of lumber have demolished his cost estimates.

I do not believe that we can sit on the sidelines, as the Department of Commerce is apparently prepared to do, and "watch for developments." If the Department is unwilling or unable to take action to remedy a situation becoming increasingly critical, then Congress must move to do so.

Mr. ULLMAN. Mr. Speaker, I would like to commend my colleague from Oregon for his fine discussion of the complex problems facing the future of our forest resources. I want to point out an example of how we need to get back on top of the management of our timberlands.

Residents of my district in northeastern Oregon are facing a crisis brought about by one of the most serious bug infestations in the history of the forests in that area. The Douglas fir tussock moth has laid waste in the last year to an estimated half million acres of commercial forest land and some experts are predicting that the epidemic may spread over a million acres if it is not controlled.

The remedy is intensive forest management and vigilance to minimize such outbreaks when they occur.

Moreover, the insects respect no political boundaries or property lines. State, Federal and private lands are being steadily devastated. I fear that insufficient funds will be available to stop the epidemic. And I fear that insufficient funds will be available to salvage timber which must be gotten out in the coming logging season before it is rendered useless.

The Douglas fir tussock moth strikes mature timber and new growth with impartiality. And this means, of course, that we will face the staggering task of reforesting those ravaged acres and that decades will pass before they become productive once more.

The Forest Service is already making a plea to the Environmental Protection Agency to use chemical and biological agents in an emergency control effort. But we need something more than emergency measures. We need to provide Federal timber managing agencies with a stable and dependable source of funding for research, timber management and reforestation to minimize the effects of unpredictable depredations by forest enemies.

Mr. DON H. CLAUSEN. Mr. Speaker, we are taking this special order today to shed some light on, and bring to the attention of our colleagues, a matter of great concern to many people involved in the forest products industry in my congressional district, the western tree producing States, homebuilders, and potential homeowners.

The matter I refer to relates to the log supply and demand question at home and in Japan.

Unless a reasonable solution is found, the economic ripple effect of this complex problem in our most basic industry, could create a great loss of jobs and a movement toward economic instability throughout the housing and forest products industries and our entire economy.

In recent weeks, I have met with and discussed this matter with the Department of Commerce; with Forest Service officials from the Department of Agriculture; with the labor and management people directly and indirectly involved in the forest products industry in my area of northern California; with national experts on forestry and forest products; with interested Members of the House and Senate from Idaho, Montana, Washington, Oregon, California, and many other States, and their staffs; and with White House trade negotiators.

It is clear from these many meetings that it is difficult to overstate the complexities of this problem or to understand fully the variety of possible ramifications this crisis can have.

Because the lack of consensus as to an appropriate solution has raised the emotional pitch of those concerned, the discussion has at times clouded the issues involved. I have, therefore, asked for this time, Mr. Speaker, in order to comment in what I hope will be a constructive manner on some of the points of agreement; on some possible policy changes that could be beneficial; and on the need to apply the adjective "preventive" to economics as well as to medicine.

First, it is obvious that the so-called Morse amendment which restricts the export of logs from public lands, must be extended and its prohibition made complete.

At the time we enacted the amendment a limitation of 350 million board feet seemed reasonable. Subsequent events, including local timber requirements, increasing domestic housing production and administrative difficulties, have shown all too well that the Morse amendment must totally eliminate the export of logs from Federal timberlands.

Therefore, I shall urge the Department of Agriculture not to permit the export from public lands of logs amounting to the full 350 million board feet permitted by the Morse amendment.

A reading of the amendment makes clear that this provision conveys a discretionary authority upon the Secretary of Agriculture and that he is not mandated to make available the full amount.

He, therefore, could anticipate congressional action to reduce the Morse amendment to zero by accomplishing the same goal through simple administrative decree. I hope he will do so and it is my understanding that this issue is currently being considered in the Department.

The amendment is due to expire at the end of this year so that now would seem to be an appropriate time to consider this issue and enact legislation effective immediately rather than waiting until late in the session.

Second, in the many meetings I have had in recent weeks on this subject, the point has been stressed and restressed that the Forest Service must be provided with sufficient funding to permit it to expand its public sales to a more realistic level and to operate its timber management activities in a more fluid manner as opposed to the "stop and go" procedures of recent years.

This improvement is fundamental and stems from the most basic economic doctrine of supply and demand. Proper and wise management of our renewable forest resources can provide a sufficient supply of forest products to meet the demand at a reasonable cost.

Accomplishing this will allow us to achieve the dual goal of meeting national housing construction goals and doing so with the construction of homes nearly everyone can afford.

Third, trees are a renewable resource. As contrasted with gold, or silver, or oil, or other finite assets, trees are readily replaceable and can be available in perpetuity, with proper forest management techniques and programs on public and private lands.

I do not want to suggest, however, that this will automatically or accidentally be the case. Only an intensive dedication to the principle of reforestation coupled with a positive method of financing these activities can bring success.

Accelerated reforestation provides vast benefits both in the short term and over the long range. Had we recognized this opportunity a couple of decades ago, we would today be enjoying realistic levels of supply and lower prices.

Fourth, while I am deeply concerned about the difficulties log exports are causing us, we must not lose sight of the fact that international trade and economic competition is a two-way street in which unilateral action of a negative character can be counterproductive and harmful.

While it is impractical to expect the Japanese to rescind a trade policy it finds highly beneficial, it is equally impractical and unrealistic to impose an inflexible, complete ban on log exports from the United States.

We would be losing economically if we did so since many of the exported logs are not commercially processable in this country and would not be utilized here. We would also invite some sort of economic retaliation from the Japanese and a deterioration of our potentially beneficial mutual trade relationship and commercial competition.

Imposition of a complete ban on exports is, of course, the immediate reaction to the crisis but the opportunity for reflection suggests to me at least that this course of action would not be successful. With the State of Washington and their very powerful chairman, Senators Jackson and Magnuson, being against a total ban on log exports, it is unrealistic to conclude that exports will be banned.

Fifth, we can, and should, take appropriate action to attempt to convince the Japanese that it is in their best interests to cooperate with us in working out a realistic solution. The President has expressed this view through his trade negotiator's recent visit to Japan and I intend to make this suggestion to the Japanese Ambassador to the United States.

Sixth, with the expectation that the Japanese will not be amenable to this suggestion, we should begin to work out administrative and/or legislative means to cause a reduction of log exports to tolerable levels, taking into consideration our own domestic log inventory requirements as a priority to be satisfied.

Meetings with those in the forest products industry in my congressional district have shown clearly the great danger with which the wood fiber crisis threatens our economy. Hundreds of jobs are in jeopardy as foreign shipments dry up sources of supply and deprive domestic manufacturers of the raw materials they must have.

We must not permit these jobs to be lost—or even threatened. I am deeply concerned that a man's productive economic existence could be attacked by our Government's support of policies just to insure a supply of logs to Japan.

I am doubly concerned because I know this threat is not necessary. Where there is a market for logs, does it not follow that there will be a market for lumber?

Did not this administration meet the wheat supply problem by increasing the acreage and production of that product? Is not the law of supply and demand the same for forest products as it is for wheat?

I think we can find the answers to these and other questions by summarizing some of the possible solutions to the log export crisis.

I would suggest for discussion purposes a level equal to two-thirds of the volume of log exports during calendar year 1972. This level would approximate the amount of our exports in 1971.

Log exports for January 1973 from the four Pacific coast States were 217.7 million board feet according to the respected Random Lengths market report. This represented a 42-percent increase over January of 1972 and a clear indication that the export crisis continues unabated.

Early, but responsible, action must be taken.

Seventh, we must encourage the Japanese to take manufactured wood from us in place of round logs. It is said that since standardized American lumber sizes are different from those in Japan that our mills cannot manufacture a product that could meet Japanese standards. I have been assured, however, by lumber industry experts that our mills could produce appropriate sizes for export.

In addition, we should be encouraging the Japanese to look into the possibility of changing their standard sizes and adopt American specifications and dimension standards.

California is first among the States as a consumer of wood products. It is second nationally in lumber production. The Nation and California need more wood to build more and better housing at reasonable cost. Timber and its products are of great importance to the citizens of our state and the Nation.

We can have more of this renewable resource right now if the funds, personnel, and moral support are given to the Forest Service to sell the allowable cut from the national forests. Nationally, the Forest Service has scheduled substantially less than the allowable cut for sale in the past 4 years. Actual sales have been 12 percent less than the programed amount nationally, creating an artificial shortage at a time of great demand.

Some California mills must quit this month because of shortages of timber. Mills dependent on national forest timber in California could currently increase their production an average of 19 percent, if the timber were available.

Current allowable cut levels would have permitted the Forest Service to sell nationally at least 6 billion more board feet over the past 4 years. That is enough wood for the construction of nearly 600,000 more homes.

Allowable cut standards are based on 10-year periods. Volumes not sold in 1 year should be added to offerings in subsequent years. If this were done, much of today's shortage would be relieved.

My comments today are designed to be a responsible effort to present a platform upon which a solution to this pressing question can be constructed. I am not wedded to the specifics of my proposals but I am committed to the proposition that domestic employment be protected and that we retain the capacity to meet our housing goals at realistic price levels.

Mr. WYATT. Mr. Speaker, I would conclude by merely saying that I am sure all of us who have engaged in this colloquy today recognize the great importance of managing the national forests and Federal timberlands for the multiple purposes which are designated by statute for the management of these lands.

We recognize the many, many other purposes other than the production of commercial timber. We are concentrating on that aspect of it today largely because of the crisis that appears to be on hand, and really is on hand because of the extremely high price of lumber and plywood at the present time.

I would conclude, then, by pointing out that the price, both of lumber and plywood, really is established by supply and demand. We cannot repeal the laws of supply and demand. One thing we can do is to increase the supply, and I would hope that this goal and this effort of focusing the discussion today upon the supply will unite forces who feel that we should have an increase in the supply.

I am talking about homebuilders. I think the environmentalists can and will join with us in this effort to reforest America.

I thank my colleagues who have engaged in this discussion today.

STATEMENT OF THE MAJORITY LEADER ON ANTI-IMPOUNDMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, both Houses of Congress are now considering their own versions of anti-impoundment legislation. The bills have the same end in mind: To restrain President Nixon's injudicious use of impoundment of funds and to reassert the congressional role in the funding and policymaking processes of this Nation.

The New York Times of Sunday, March 18, 1973, carried a thoughtful analysis of the bills and the approaches taken respectively by the House and the Senate. The Times concludes that the House bill, introduced by Chairman MAHON is probably the sounder vehicle.

But on one point the Times left no doubt: President Nixon seeks too much power—he moves too far toward one-man rule—with his grasping at the national pursestrings. The Times concludes that our case can best be argued not in ideological or narrow partisan terms but—and I quote:

> In terms of the enduring place of Congress in a stable constitutional order.

Since this editorial is of interest to the entire membership of the House, I insert it in full into the RECORD:

THE CASE FOR CONGRESS

The power of Congress to appropriate money and ultimately to control how that money is spent is the foundation of all legislative power. In the evolution of self-government, fierce battles were fought in England between the House of Commons and the king to determine financial control. In this country, Congressional supremacy on fiscal matters is clearly set forth in the Constitution and in the Federalist papers.

Against this background, President Nixon's resolute attempt to suppress programs of which he disapproves by impounding the money which has been appropriated to finance them is a profound challenge to Congress. If Congress supinely acquiesces in this audacious bid for increased power, then the near-dictatorship which a President now exercises in war and diplomacy will have been extended to the domestic sphere.

In response to this challenge, Congress is now considering two bills, one sponsored by Senator Ervin of North Carolina and the other by Representative Mahon of Texas. Both measures would require the President to report to Congress if he impounds all or part of an appropriation. Under the Ervin bill, the President would have to spend the money unless both houses of Congress affirmed his action within sixty days.

Under the Mahon bill, which has the backing of the House Democratic leadership, any impoundment would stand unless the appropriations committees reported out and both houses approved a concurrent resolution disapproving the President's action. In practice, if there were support for the President's action among influential members of those committees, they could sustain him simply by refusing to report out any resolution. Ordinary members could not obtain a vote unless the appropriations committees led the way. Since the appropriations committees, particularly in the House, tend to be conservative and in favor of holding down the budget, an impoundment would probably prevail unless there was very strong sentiment in Congress on a particular issue.

The procedures of the Ervin bill would properly and forcefully assert Congress' prerogatives. But there are two reasons, one institutional and one political, for favoring the more cautious approach of the Mahon bill. Institutionally, it makes sense to refer Presidential impoundments to a Congressional committee for study, and Appropriations is the logical committee.

Politically, it is clear that President Nixon is almost certain to veto any anti-impoundment bill. His veto can be overridden by the necessary two-thirds vote only if the bill attracts the support of fiscal conservatives in both parties. In that situation, Mr. Mahon is ideally suited to argue the case for Congress—not in ideological or programmatic terms as a liberal might—but in terms of the enduring place of Congress in a stable constitutional order.

U.N. SECURITY COUNCIL: DANGER AT PANAMA AND THE REMEDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, as the culmination of prolonged preparations on the part of the revolutionary Government of Panama, the U.N. Security Council held its first session on the isthmus on March 15, 1973, when the opening address was made by the Chief of Government and Commandant of the Panamanian National Guard, Omar Torrijos. In strongly worded remarks, this "sawdust" dictator made the following significant points:

1. Accused the United States of "perpetrating a blatantly colonial situation by refusing to surrender its control" over the U.S. Canal Zone territory.

2. Denounced U.S. presence in the Canal Zone as "neocolonialism".

3. Asked for "world moral support" in the struggle for Panamanian sovereignty over the U.S. Canal Zone.

4. Said that his people are reaching the "limit of (their) patience" and that if peaceful change was not permitted, Latin Americans would be forced to "carry out violent changes".

5. Stated that Panama will never be "an associated state, a colony or a protectorate" of the United States.

6. Expressed, for the first time, "his government's solidarity with Cuba".

Long anticipated by informed observers, the tenor of the Torrijos address was no surprise but it did confirm the accuracy of some of the main points in my February 8, 1973, address in the Congress on the "Crisis at Panama: A Three-Pronged Assault on the Canal Zone," which is commended for rereading by those concerned with the canal question.

Prior to the Security Council's first session at Panama my distinguished colleague from New York (Mr. MURPHY) and more than 60 other Members of this body on March 13, addressed a letter to the President of the United States warning him of the dangers and urging him to use his "high office to stop the deterioration of U.S. control and authority over the—Canal Zone and the Canal."

The White House reply on March 14, signed by Richard K. Cook, Deputy Assistant to the President, deplored any "uncontrollable demonstrations" against the Canal Zone as "most unfortunate," but was evasive on the crucial challenge to the continued undiluted U.S. sovereignty over the Canal Zone. It stated that the United States is "seeking a new treaty which, while responsive to Panama's aspirations, will accord to the United States the necessary rights to operate and protect the canal."

Mr. Speaker, the last statement is not a forthright declaration, but a carefully worded expression that serves to obscure the real intention of our faceless State Department planners and others to supplant the present workable canal treaty with a status-of-forces type that would surrender U.S. sovereignty over the Canal Zone to Panama, leaving the United States with responsibility for operating and defending the canal, but without requisite authority. Here it is pertinent to stress that the launching of the Panama Canal was the fulfillment of the age-long aspirations of the Panamanian people early in this century. It still is the primary reliance for the livelihood of an important sector of the Isthmian population. Truly informed Panamanians, who are friends of the United States in this matter, must not be betrayed in the manner that the people of Cuba were betrayed by the pretenses of a clique in our Government and its collaborators in the mass media that represented Fidel Castro as a bulwark of freedom and as an assured friend of the United States. Prior to that, the ideological predecessors of this same clique in the U.S. State Department were responsible for turning over East Europe to the Soviets and in 1948 for turning over China to the Red regime that brought about American disasters in Korea and Southeast Asia.

Just as Castro, after attaining political power, publicly admitted that he was a Communist and had always been one, on March 15, Tomar Torrijos, as previously stated, revealed "his government's solidarity with Cuba." With Red agents already ensconsed in the Panama Government could the significance of such confession by Torrijos be plainer? Certainly, we must not allow the successors of the State Department cliques and their associates, backed by the same elements in the mass media, to contrive the same type of betrayal at Panama as they did for Cuba.

In the light of the present news media emphasis in favor of surrender of the U.S. Canal Zone to Panama let us bear in mind that in the 1940's this same media proclaimed that Mao Tse-tung was simply an agrarian reformer and later broadcast that Castro was a dedicated champion of freedom. Are we to believe these same frauds now?

Let the following facts be heard around the Nation at this time:

First. The Canal Zone is the indispensable protective frame of the Panama Canal.

Second. The United States possesses the necessary sovereignty and jurisdiction over both and has title in perpetuity to all land and property in the zone territory.

Third. The Canal Zone was acquired under treaty negotiated pursuant to an act of Congress, but the Congress has not authorized any negotiations for its disposal.

Fourth. The taxpayers of the United States paid for the construction of the canal, which including defense, on June 30, 1971, represented an investment of $5,695,745,000.

Fifth. The United States has full sovereign rights, power, and authority in the Canal Zone and thus has been able to avoid the conflicts and recriminations that always accompany extraterritorial rights.

Sixth. The U.S. Constitution vests the power to dispose of territory and other property of the United States in the Congress, which includes the House of Representatives as well as the Senate.

Seventh. The House has repeatedly shown that it will never approve the surrender of the Canal Zone.

For fuller information concerning the United Nations Security Council meeting now in session at Panama City, attention is invited to a notable address by Senator STROM THURMOND in the CONGRESSIONAL RECORD of March 15, 1973, on pages 8084–8087. As to the future control of the Panama Canal we cannot afford to make the grave error of surrendering sovereignty over the Canal Zone for if we do, we shall lose the canal. Then who will operate this vital waterway?

The denial at the Panama meeting by the U.S. Ambassador to the United Nations of the right of the United Nations Security Council to intervene in Panama Canal affairs with an implied threat to use the veto clears away one obstacle in meeting the crisis on the Isthmus. To remove the others, I repeat what I have stated on other occasions as the principles that should govern our canal policies:

First. That the United States will not participate in meetings hostile to it on matters where the issue is a clearly defined historic right of U.S. sovereignty, which is not negotiable.

Second. That the current negotiations with Panama should be terminated immediately.

Third. That the United States should proceed, regardless of the Panama Government or the U.N., with the major modernization of the existing canal to provide for its needed increase of capacity and operational improvements under the maintenance provision of existing treaties, which authorizes "expansion and new construction" for the existing canal. CONGRESSIONAL RECORD, volume 84, part 9, page 9834.

Mr. Speaker, such policy declaration will carry forward the great work of Theodore Roosevelt who launched the Panama Canal, thrill the people of our country, appeal to important shipping interests that use the canal, and revitalize the Isthmus, with enormous benefits to the United States, other American countries, particularly Panama, and interoceanic commerce.

Because of their relevance to the current situation at Panama, I quote as parts of my remarks the previously cited letters and one by me to the President, with the reply thereto:

CONGRESS OF THE UNITED STATES,
Washington, D.C., March 6, 1973.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Because the forthcoming sessions of the U.N. Security Council in Panama during 15–21 March 1973 may be the occasion of a contrived explosive situation comparable to that of January 9–12, 1964, and suitable for use in a world-wide camapign of hostile propaganda against the United States, the Congress was circularized on January 24, the House addressed on February 8, and again circularized on February 19. Copies of the indicated papers are attached.

The position taken by Panama over a long period of time has two main points:

(1) That Panama's advantageous geographical location is its "greatest natural resource" and should be exploited to the maximum degree.

(2) That the sovereign control by the United States of the Canal Zone and its military presence on the Isthmus must be liquidated.

As to the first, because of Panama's strategic position it has always been, and always will be, a target for predatory attack, which fact makes its geographic position its greatest weakness requiring the presence of a strong power. Thus, the claimed advantages of such location are canceled by the grim realities involved.

In regard to the second point, the Canal Zone is the indispensable protective frame of the Canal. Although Panama wishes the United States to surrender its sovereignty over the territory, it also wishes our country to bear the burden of operating the Canal, which would place the United States in the untenable position of having grave responsibility without requisite authority. Removing U.S. Forces from the Isthmus would invite a takeover of the Canal as occurred at Suez soon after withdrawal of British Forces from the Suez Canal Zone.

Historically, U.S. Isthmian canal policy is based on two fundamental principles: the security of transit and the independence of Panama. The only way that Panama can remain independent is by continued U.S. presence on the Isthmus with retention of its full control over the Canal Zone and Canal with its Armed Forces defending it. Furthermore, the Congress has not authorized the disposal of any Canal Zone territory or other U.S. property in it.

When Secretary of State Hughes faced a situation on the Isthmus similar to that which you face, he called in the Panamanian Minister and warned him that it was "an absolute futility for the Panamanian Government to expect any American Administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the treaty of 1903." (*Foreign Relations*, 1923, Vol. III, p. 684.)

The feeling in the Congress on the Canal issue today is stronger than ever and the subject is covered with an extensive documentation. In view of all the facts, the only dignified course open for the United States at the forthcoming U.N. Security Council meeting in Panama, is for Ambassador Scali to take the floor immediately on the opening of the first session and announce that the United States does not recognize the jurisdiction of the U.N. Security Council over matters affecting the Panama Canal and therefore that it will not participate in these meetings. Any other course, including those outlined in Ambassador Scali's February 11 press interview on "Issues and Answers," is fraught with the gravest peril.

Respectfully yours,

DANIEL J. FLOOD,
Member of Congress.

THE WHITE HOUSE,
Washington, D.C., March 11, 1973.

DEAR MR. FLOOD: I wish to acknowledge and thank you for your letter to the President concerning the forthcoming meeting of the United Nations Security Council in Panama.

I wanted you to know that your letter will be called to the attention of the President and his advisers on foreign affairs as soon as possible. You may be assured your views will be accorded full consideration.

With cordial regards,

Sincerely,

RICHARD K. COOK,
Deputy Assistant to the President.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 13, 1973.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As Members of the House of Representatives concerned with the recent developments in Panama regarding the United States operation and control of the Panama Canal, we are writing this letter in the hope of alerting you to the feelings of many Members of Congress. Aside from the chronic problems attendant to the United States presence in the Canal Zone, we are currently concerned over the acute situation with which we are confronted as a result of the planned meeting of the United Nations Security Council in Panama from March 15–20, 1973. The Panamanians have gone on record to the effect that they will use this opportunity to influence world opinion and solicit Latin American support for their demands against the United States. As you may know, elements in the Panamanian Government are now making exorbitant and unacceptable demands on the United States in the form of a new treaty and have threatened reprisals of a violent nature if they do not achieve their goals.

In order to short-circuit the announced plans of the Panamanian extremists, we recommend that vigorous and immediate steps be taken by the United States to nullify the efforts of these radical groups in Panama. It should be made clear to Panama and the other nations involved in the Security Council meeting that the United States will not be intimidated by their actions and that we will stand by our treaty position which upholds our rights to operate, defend, and control the Canal, and that we will stand by our treaty position which upholds protect United States property and the lives of Zone inhabitants by whatever means necessary.

Looking beyond the March 15 meeting, we must impress upon the Panamanian extremists—and reaffirm for the majority of Panamanians who agree with the United States position—that we intend to continue the mutually beneficial relationship that has existed between our two countries for the past 70 years and that the best guarantee of Panama retaining her own sovereignty, security, high rate of economic development and, indeed, the best guarantee of Panama's own survival as a nation rests on the profoundly unique relationship that historically has existed between the Panama Canal Zone, the Republic of Panama, and the United States.

We, the undersigned, implore you to take cognizance of our concerns and to use your high office to stop the deterioration of United States control and authority over the Panama Canal Zone and the Canal.

Sincerely,

JOHN M. MURPHY,
Member of Congress.
(And some 60 other Members).

THE WHITE HOUSE,
Washington, D.C., March 14, 1973.

DEAR JOHN: The President appreciated your bringing his attention to your concerns about the effect of the forthcoming United Nations Security Council meeting upon the American position in the Canal Zone, as contained in the March 13 letter from you and several of your colleagues.

Uncontrollable demonstrations directed against the Canal Zone would be most unfortunate. U.S. officials have been in close consultation with representatives of the Government of Panama regarding measures to avoid such a serious deterioration in our relations with that country. The Panamanian government appears to be taking appropriate measures to prevent disturbances and to provide a hospitable and secure environment for the meeting. Our representative, Ambassador Scali, will be prepared to make a constructive contribution.

As you know, treaty negotiations were renewed with Panama in 1971, following a careful review of all aspects of the Canal issue, particularly American interest in the continued availability of an efficiently operated and secure canal serving the needs of this nation and world maritime commerce. The United States is seeking a new treaty which, while responsive to Panama's aspirations, will accord to the United States the necessary rights to operate and protect the Canal. President Nixon shares your concerns about the importance of guaranteeing the future security of required installations in the Canal Zone.

The President welcomes your views and the opportunity to consult with you in the future on Canal policy.

Sincerely,

RICHARD K. COOK,
Deputy Assistant to the President.

CAN AGRICULTURE SAVE THE DOLLAR?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ROSE) is recognized for 5 minutes.

Mr. ROSE. Mr. Speaker, I want to call to the attention of my colleagues an article that appeared in the March 15 issue of Forbes magazine, because it gives a good description of how agriculture can save the U.S. dollar.

The article follows:

CAN AGRICULTURE SAVE THE DOLLAR?

You are furious about mounting food prices and perplexed about Nixon's new farm policy, but the answer is very simple—oil.

How do oil and food mix? Bear with us for a moment while we explain. The U.S. has lost, probably forever, its edge over Western Europe and Japan in manufacturing efficiency and technology. At the same time, it is burning imported oil at an ever-mounting rate. Question: How do you pay for the oil if you can't export enough manufactured goods?

That's where farming comes in. The U.S. is fast exhausting its once-plentiful natural resources. But there is one natural resource that, if cared for, never becomes exhausted: farmland. The U.S. has the acreage, the climate and the potential surplus over its own needs to become the granary of the world—a world where both population and ability to pay are rising fast.

Thus do the facts fall into place. The Nixon Administration is betting on agriculture to save the dollar. For if oil is essential for industrial civilization, food is necessary for life itself. Food is, potentially at least, the most priceless of all natural resources.

The U.S. last year ran a balance-of-trade deficit of $6.8 billion. On top of the current woeful situation, the future seems impossibly bleak: By 1980, under not overly pessimistic projections, the U.S. could be laying out $18 billion to pay for imported oil, compared with a $4.2-billion payout in 1972. If things were to stay the same, this would imply a potential trade deficit of $20 billion and international bankruptcy for the U.S.

Agricultural exports already are one of the few bright spots in the U.S. trade picture. In fiscal 1973 (the year that ends June 30), the U.S. will export $11.1 billion worth of agriccultural products. It will import, estimates the Department of Agriculture, $6.8 billion. After subtracting $1 billion of foreign-aid type foodstuffs from the export total, that still leaves a healthy $3.3-billion cash trade surplus in agriculture—largely balancing the deficit in oil.

STEADY CLIMB

Of course, the current fiscal year is extraordinary because of the shipments of over $1 billion worth of grain to the Soviet Union. But the fact remains that agricultural exports have been rising steadily in recent years: from $5.7 billion in fiscal 1969 to $6.7 billion in 1970, $7.8 billion in 1971, $8.1 billion in 1972. This gain was in cash sales; government program sales have remained at the $1 billion level throughout.

Carroll G. Brunthaver, Assistant Secretary of Agriculture for International Affairs, says the trend will continue. "I won't predict 1980, that's too far ahead," says Brunthaver, "but I think we can get to $15 billion fairly quickly." To Forbes' central question: Can U.S. agriculture save the dollar? Brunthaver responds matter-of-factly: "Not all by itself, but it can go a long way."

The Japanese can manufacture as well as we can. They cannot farm as well as we can. The American farmer is not a lone man standing in the field. It would be more accurate to describe him as the human operative of a system of industry, technology, and capital that has taken the natural resource of the abundant land and made it yield a hundredfold. "Our advantages go back 100 years" says Brunthaver, a 40-year-old Ph. D. in agricultural economics from Ohio State. "They center in our educational system. Our farmers are educated. The infrastructure—the roads, railroads, irrigation systems—all are there. We have an organized market and an industrial complex that supports the farmer."

These investments may now be at the payoff stage. Growing income overseas means meat in the diet: That is the bright hope of the U.S. balance of payments.

Meat, that is, shipped as grain. Just as the U.S. raises more meat animals than anyone else, it also raises more of the feed grains that fatten these animals. Who can raise corn like the U.S.? For the protein supplement soybeans, the U.S. soil and climate are ideally suited, and the U.S. grows 70% of the world's supply. What, which we think of as a food grain, is also a feed grain around the world, and the U.S. stands ready even now to export up to 1 billion bushels a year of it. In short, it is foodstuffs for meat animals that is the U.S.' long suit in international trade. Remember, it takes eight pounds of feed to produce one pound of beef, seven to produce one pound of pork.

All this places in perspective several major recent actions of the Nixon Administration. Among them: parlaying with Russia or China; preparing for negotiations with Japan and the European Economic Community; fending off irate consumers about high food prices; devaluing the dollar. Agriculture is at the heart of every Administration major move of late.

Last year Presidential Assistant for International Economic Policy Peter M. Flanigan commissioned a report from the Department of Agriculture. That confidential report, entitled *Agricultural Trade and the Proposed Round of Multilateral Negotiations*, is now circulating in Washington and among agricultural businesses in the Midwest. The report examines the potential benefits to the U.S. from a general liberalization of agricultural trade and concludes at its most optimistic that the U.S. could achieve agricultural exports of $18 billion in 1980—with grains and soybeans comprising almost $12 billion of that—if all favorable factors came into play. In this scenario imports, led by dairy products, grow to $9 billion. But the nation would still be earning $9 billion net on agriculture.

Last month the President committed the Administration to ending direct crop subsidy payments for U.S. agriculture over the next four- or five-year period. Ended also will be the allotment program under which acreage was set aside to prevent price-ruinous surpluses. The U.S., which has some 340 million acres growing crops, has 60 million more acres in the set-aside program. This spring 40 million of those set-aside acres come into productive use—half will be producing more soybeans, corn, wheat, grain sorghums and other crops. The other half of the acreage will be used for grazing animals, thus effectively freeing more grain to the market.

Isn't this risky? Won't disastrous surpluses result? The Nixon Administration displays a blithe confidence that they will not. As Secretary of Agriculture Earl Butz put it last month: "We are gambling on the side of too much, rather than not enough."

The gamble is interesting, as it solves two problems at once for Nixon. By announcing the phasing-out of crop subsidies, and allowing expanding crop production, he can say at home that he is moving gradually to bring down food prices. By knocking out the U.S. subsidies to farmers, the Nixon Administration can approach the negotiations this fall with the Europeans with clean hands, as it were, and demand that they loosen their own protective subsidies to farmers. Those subsidies are now effective barriers to U.S. grain exports.

Furthermore, expanded production of U.S. grain will bring today's high market prices down to more reasonable levels. This will make all the more ridiculous the spectacle of the Europeans holding out low-priced U.S. grain while feeding their meat animals on home-grown, subsidized, high-priced feed—and feed comprises 75% or more of the cost of raising an animal. It will also keep American grain and soybeans attractive to the Japanese, with whom price has been a problem recently. The expanded production holds little danger of a ruinous U.S. surplus in the crop year beginning this spring.

Extraordinary export demand last year depleted U.S. grain reserves, and those stocks must be replenished. So Nixon has until the summer of 1974 to persuade the foreigners to buy more of the U.S. agricultural abundance.

Significantly perhaps, the U.S. was most reasonable in February's devaluation of the dollar. The whole thing was carried off relatively painlessly for Europe. No European country had to change its currency value, and thus Europe's internal balance of exchange rates was preserved. The feeling in the Administration is that Europe owes the U.S. something, preferably in agriculture.

The barriers are formidable. The only significant achievement of the European Economic Community to date has been the Common Agricultural Policy, which sets a high price level for crops grown inside the EEC and, through the use of a variable agricultural levy, holds out selected foreign crops—most particularly U.S. feed grains such as corn. Since this came fully into effect around 1966, the U.S. has lost $200 million to $300 million a year in feed grain exports to Western Europe—a market in which consumption of meat has expanded over 20%. On top of that, Britain, Ireland and Denmark, customers for $550 million worth of U.S. agricultural exports a year, have just entered the EEC, imperiling that steady export demand. The Administration feels that in the forthcoming negotiations, the U.S. had better recover that lost business and get a clear shot at future growth markets. The alternative? Fewer Volkswagens and French wines coming into the U.S.

Japan, on the other hand, is a good customer. U.S. agricultural exports to Japan this year will total $1.7 billion. And Japan is fast becoming a meat-eating nation, producing now 2.5 billion pounds of meat, compared with half a billion ten years ago. Most consumption is expected to double again in this decade. The U.S. problem here is economic: It must keep the price of its grains competitive to hold the market and to lessen the attraction for Japanese investment in growing soybeans and feed grains on Australian and Brazilian soil.

With the newly opened giant markets for U.S. grains in the Communist countries, the problem is going to be how to arrange hard currency purchases over the long term. The signs that the Russians, though, are serious about building up their livestock herds are growing. Russia has a five-year-plan objective of a 25% increase in meat production; in spite of a terrible crop year in 1972, it did not slaughter the livestock herds as it has done previously in crop-disaster years. The potential market for U.S. feed grains and soybeans in Russia and Eastern Europe is estimated by the Department of Agriculture, and independently by Minneapolis' giant grain dealer, Cargill, Inc., at 35 million to 40 million tons annually—easily a $2.5-billion annual market. The People's Republic of China import annually 4 million to 5 million tons of grain, mostly wheat. Initially a market for 1 million to 2 million tons annually, reckons Agriculture's Brunthaver.

India, even with the Green Revolution, is figured for frequent if not chronic shortfalls in wheat production. This year the shortfall is in the nature of 10 million tons, and the hard-pressed Indians are buying U.S. grain at current inflated market prices.

Of course, there are pitfalls to watch out for in these admittedly rosy projections of world demand for foodstuffs. Good weather conditions around the world would diminish U.S. wheat exports for a start. The Common-Market nations are not going to cower meekly under U.S. table-pounding in negotiations; Japan, with its Brazilian plans, could become a competitor in agriculture. Russia normally grows more wheat than even the U.S., and is a grain exporter itself. It also grows barley and can fatten its calves and hogs on that. So while demand for grains will grow, it will remain highly cyclical. But for all that, the U.S. does hold the trump cards, and chief among them is the soybean.

There are no trade barriers to soybeans in any country in the world; the problem is supply, not demand. The reason is simple. The soybean has a protein content of 40% compared with 8% for corn, 10% to 12% for wheat and about the same for oats and barley. The U.S. this year will export some $2.7 billion worth of soybeans and soybean meal and oil; it will export 475 million bushels out of a crop of 1.3 billion bushels. And, says the Department of Agriculture, to no one's disagreement: If we had 200 million bushels more, we could sell every one of them. That alone would make a $1-billion dent in our payment's deficit.

The rest of the world has a hard time growing soybeans. The soil and climate of Iowa and Illinois are particularly favorable to the bean. But that's corn country. Why doesn't the farmer simply switch from corn to soybeans? Because there is a wealth of technology behind corn; the yields get to 150 bushels an acre and above. Soybeans are now up to 28 bushels an acre in good times, and soybeans are not yet free of natural hazards that no longer bedevil corn, like proliferating weeds and difficulty in harvesting.

But the situation is changing. Soybeans, because of their higher price, are now the U.S.' No. One cash crop—totaling $4 billion in calendar 1972 compared with $3.3 billion for corn. The Administration is paying farmers out in the corn belt 15 cents a bushel —straight payout—just to plant beans on land that might be used for corn.

And the acreage is opening up for everything. Soybeans will be planted on from 7 million to 10 million previously idle acres this spring, bringing total soybean acreage up to 54 million-57 million acres. Corn will be expanded to 74 million acres, wheat to over 60 million. The production potential of this could be astounding. Hence the universal optimism of businessmen involved in agriculture.

Thomas Roberts Jr. is president of DeKalb AgResearch Co. in DeKalb, Ill. DeKalb is a corn seed supplier, developer of those hybrid seeds that make possible the incredible yields the U.S. gets in corn. Roberts expresses some fear that maybe things are going too far, too fast with the corn crop, but concludes: "This world demand thing is real. We are the lowest-cost suppliers. There are positive implications for American farmers in this. The productive potential of this country is just enormous." And Robert Perritt, vice president of Central Soya, the soybean processor and seller of feedstuffs, adds: "There is no part of the world that can begin to compete with us in this area. We are very effective." Chairman Dwayne Andreas of Archer-Daniels-Midland, the largest soybean processing firm, goes all out. "The soybean will be the savior of the dollar" he says. "The opening of trade with China and Russia is the greatest thing of the century; it has taken the farm economy out of jai."

DEFENSE TO OFFENSE

What do the Administration's new farm policies, hopes and expectations really mean for the rest of the business world? Who's helped? Who's hurt? For the answer, one must step back a bit and consider the profound changes in American agriculture contemplated by the new policies.

First of all, they are the reversal of approaches to farm policy dating at least to the 1930s and the Roosevelt Administration. Acreage was allotted then to prevent surpluses. Later during World War II, and again somewhat during the Korean War, it was opened up to get maximum production. But in the 1950s the open policies of Eisenhower's Secretary of Agriculture, Ezra Taft Benson, produced huge surpluses and ruinously low prices. The Democrats in the 1960s tried first to hold down the explosive productive potential of the U.S., then in 1966–67 to release it to prevent world hunger. But that release came just at the wrong time—at the onset of Asia's Green Revolution—and it was based on the prospects of the U.S. charitably feeding the world's developing nations.

The new policy is more realistic: It is based on selling for cash to those who have the money. Russia and China are in. India is out.

But an even more basic change is involved. This time we would not be so much selling grain as meat—in the sense that the grain would be converted into meat—for countries with a rising standard of living. For those who can't yet afford meat but need protein, there are soybeans.

The food business will, of course, always be cyclical. What this means is that if the U.S. wants to encourage agricultural expansion as a means of earning foreign exchange, it will have to protect the farmers against undue price fluctuation. As granary to the world, too, the U.S. will have to protect its customers against shortages and wild price escalations. One way to do this would be by government stockpiling in off years. Another way might be to try working out long-term supply contracts by which major customers might agree to take regular amounts—in return for being assured of a regular supply. Either way, the Government is in the business of holding reserves of the major commodities. As Senator Hubert H. Humphrey from the farming state of Minnesota put it: "The Government must share with the farmer the risks associated with these market uncertainties."

WHO IS HELPED?

The prospects arising from all this for fertilizer, herbicide, pesticide and farm machinery are glittering. Dean McKee, economist at Deere & Co., points out that farm machinery now takes 40% of the farmer's gross dollar *vs.* 30% formerly; with the farmer's dollar growing fast, the leverage can be considerable. Hence the recent full market in farm machinery stocks.

Another profound change will be in the shipping of the grain. With expanded crop production, and expanded export shipments, the movement of grain from the Midwest out to the ports will tend more to be a year-round affair than the peak-and-valley business it is now. The grain dealers are shouting at the railroads now to buy more grain-holding hopper cars, and the railroads are beginning to respond. Reports Edwin T. Ahnquist, president of Pullman-Standard: "For us, the covered hopper market looks good. We expect not only that greater amounts of grain will be shipped, but that an increasing percentage of it will travel in covered hopper cars."

Ralph Avery, head of grain marketing for the Burlington Northern, which is laying out $18 million above its previously planned capital budget for 1,000 covered hoppers, explains some of the economics. "The return on investment on jumbo covered hoppers can be over 30% annually. If we could run them anything close to 12 months a year, that's Utopia." As it is, grain cars work only about six months a year, which is hard on profits; in the grain shipment rush, owing to the Russian purchases, the port tie-ups have hurt the railroads, too.

What about the American consumer? With food prices up some 30% in five years and meat prices up 15% in the last two, he really is hurting. And he's mad. At everybody. The Government. The supermarket. The food processor. But the fact is this: Food prices can't respond to demand the ways cars and clothing do. This is especially true of meat prices, the cause of most consumer wrath. The meat bought at the supermarket today started its production cycle 19 months or more ago—when corn was sky-high because of the 1970 corn blight. The farmer kept his herds down and paid for those animals he did feed; the meat-eater pays now. In grain, reserve bins must be filled and export demand met before prices fall enough to yield lower retail prices. In fruits and vegetables, the better conditions for farm workers that many city folk support also mean higher prices.

But then, does the city-dweller really want a migrant worker's poverty subsidizing his breakfast grapefruit? So it looks like wait 'til next year, if ever, for lower food prices On major items like meat and grains, the Administration is gambling that prices will start down as the new acreage comes in, attracted by high prices.

Perhaps the rise in prices will level off, but if the Nixon gamble works, the American people will never again know food as cheap as they have had in recent decades. Again, because the Government will have to see to it that prices stay reasonably steady. Consumers may be angry at high food prices, until they get used to them. But farmers would never forgive a party that encouraged them to expand and then let their market collapse.

INTO THE ACT

In fact, the farmer is not going to be a passive element in all this: "There's nervousness on their part," concedes Carroll Brunthaver of Agriculture. Senator Humphrey says: "The Department is essentially right in asking for more production, but the Department is wrong in being unwilling to insure that farmer against risks. Now we insure practically everybody else—companies investing in Latin America, cost-plus contracts here at home. Then they come to the poor old farmer and they say, 'You play the marketplace.' He isn't big enough."

But what Forbes found among farmers in Bloomington, Ill. (see p. 32) was less nervousness than combativeness. Listen to Richard Rayburn, farmer: "Agriculture is the nation's largest business. And it is the largest single user of steel. Any business as large as that deserves more consideration than the tinkering being done to it. A management decision to change core or livestock population by 5% is a major management decision. This new farm program isn't making minor changes. We have the world's lowest cost of food. I don't think anyone would consider such a strong turnaround in any other industry. It would be like taking all the tariffs off automobiles, or all the restraints off longshoremen." He's saying: Sure, we're itching to expand, but don't try pushing us around.

PLANT CLOSINGS AND INDUSTRIAL MIGRATION FROM CITIES REQUIRES NEW FEDERAL LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. JAMES V. STANTON) is recognized for 30 minutes.

Mr. JAMES V. STANTON. Mr. Speaker, one of the most vexing problems facing those of us who represent urban areas are the plant closings and industrial migration of recent years. In addition to the misery it causes to the families of men and women who had worked in these establishments, this migration raises a serious question as to the economic viability of large cities. What is at issue is whether in the coming years the city will be able to provide a broad range of job opportunities to those who inhabit it, and whether through a healthy local economy, the city will have access to the tax revenues necessary for it to perform the broad range of services its citizens need and deserve. Traditionally, the Federal Government has for the most part shied away from any effort to encourage industry to locate in one area or another. But I believe that only through the commitment of Federal resources can this dangerous trend be halted, and so I am today proposing the Urban Employment Act of 1973, a piece of legislation which addresses itself to what I perceive to be the most important causes of industrial migration from the cities.

PLANT CLOSINGS: IMMEDIATE AND LONG RUN DIFFICULTIES

Almost without exception, the large cities of this country have over the past several decades seen a variety of their oldest and most established industries close their doors and move to new quarters in suburban or rural areas. Other industries, finding that they have suddenly fallen far behind their competitors, have either gone out of business or combined with a national company that has no use for the outmoded facility.

For Cleveland, our Regional Planning Commission has found that since 1963, 69 major manufacturing firms, defined as those employing 100 or more persons, have either closed or moved from the city, these firms having employed over 21,000 persons. More than one-third of this loss in firms and in employment has taken place in the past 2 years. Only 17 of the 69 businesses, employing 4,000 persons, moved to another location within the county, and so for the most part, these were a complete loss to the metropolitan area. The Greater Cleveland Growth Association has stated that, in the past decade, Cleveland lost 655 companies of all sizes, with a total job loss of over 80,000. Projecting into the future, an official of the Regional Planning Association has estimated that by 1976, another 5,000 jobs may be lost.

The results of this hardening of the industrial arteries are always the same, and each case has its share of horror stories. A man in his late fifties has not quite worked long enough to qualify for his pension, and so he receives zero from the fund. A young family is faced with the choice of uprooting themselves and following the company—at a loss in pay and seniority—or else going on the job market again to see if new employment can be found. For middle-aged workers especially, the task of finding a new job is very difficult.

While these immediate dislocations are very painful and difficult, they are not the full extent of the story. Each place of business is a vital part of the local economy, and from each is generated many streams of economic activity. A thriving factory calls upon other businesses for marketing, transportation, supplies, and other services, and its workers, with their paychecks, create a further demand for goods and services. Each factory lost is a body blow to the local economy, and nowhere is this loss more deeply felt than in our efforts to reduce unemployment. In all the large cities today, there is a vast number of people who seek work, but cannot find it. My own city of Cleveland in 1971 had an average unemployment rate of 11.8 percent—the highest among the 20 largest cities. How can we ever begin to reduce unemployment in the cities if the providers of employment—the factories and other places of business—are moving away?

We have in Cleveland and other large cities many fine vocational education and manpower development programs. They achieve their immediate purpose of imparting skills in the machine trades and other fields to young people, but these programs will in the long run fail if the jobs are not there. Again and again the Congress has expressed its commitment to the goal of providing a decent job for all Americans. To achieve this goal, we must now follow through on our original commitment and act to see that the jobs will be where the people are: in the large cities.

While unemployment in the cities is especially serious, industrial migration has contributed to other urban problems. Tax resources have been eroded to such an extent that we last year had no alternative but to pass legislation giving cities the resources to finance services that they traditionaly paid for out of their own revenues. School districts in many of the large cities have in recent months suffered strikes which dramatize the financial plight they now face. Although tax losses are difficult to estimate, one official of the city of Cleveland has estimated that the tax loss due to industrial migration has reached an annual rate of $4 million a year for the city and the school district of Cleveland.

URBAN EMPLOYMENT ACT OF 1973

Obviously, this problem is not merely of local concern, but of national concern as well. Urban areas in all parts of the Nation have common disadvantages from the viewpoint of those who choose sites for industrial location, and so these cities face common difficulties in retaining industry. Most have initiated vigorous programs to retain and expand their industrial base. In reviewing these local programs, I find that they are lacking not in energy or imagination, but, as in other areas, in money. Unlike other financial needs however, a Federal investment here will bring immediate results both in creating more jobs and in making the city self-sustaining to a larger degree.

As the vehicle for this investment, I am today introducing the Urban Employment Act of 1973. This legislation, which was drafted with the assistance of economic development officials in Cleveland and elsewhere, envisions the establishment within the Economic Development Administration of a two-pronged attack on the causes of industrial migration. Large cities would be eligible for grants and loans for the purpose of establishing land banks, and businesses would be offered long term, low-cost loans for the development of facilities within the cities.

First among the needs of industry is land. A growing business in particular looks for land on which to expand, and the cost of land in the city is astronomical. Land is in short supply, and that which is available usually has some type of structure on it which must be demolished, adding further to the cost. While in the city, the per-square-foot cost may be $1.75, $2, or more, the comparable cost in suburban and rural areas often is only one-half, or one-quarter of this amount.

Cities have attempted to meet this problem by establishing land banks, through which the city purchases land—usually in the form of large industrial parks—and then offers the land to industry at a competitive rate. But most cities in their present financial state cannot possibly afford the large initial investment required, and neither can they afford the loss involved in purchasing the land, preparing it, and then selling it at a rate comparable to the prices outside the city.

Thus the Urban Employment Act will offer, for the first time, Federal grants and loans for the establishment of land banks. All central cities of 100,000 or above in population are eligible for this assistance, and the loans can cover up to 90 percent of the costs—including those incurred in purchasing the land and in making it suitable for industrial development—while the grants may cover up to 25 percent of such costs. These loans will provide a ready source of capital, and the grants will be used mainly to make up any financial loss which the city may suffer in reselling the land. Before making any grant or loan, the Secretary must make a determination that the land being purchased is suitable for industrial development, that the costs incurred by the city are reasonable, and that the proposed project will assist in maintaining or creating employment opportunities. An authorization of $250 million a year for the next 5 years is provided.

The other major program established under the bill would provide long-term, low cost loans to private enterprise for purpose of developing industrial facilities within the city. A broad range of activities, including modernization of equipment, purchase of land, the building of new structures, or the improvement of existing ones, would be eligible for such assistance. These loans would be for up to 90 percent of the project cost. Any project for which assistance is sought must be located within the central city, must assist in alleviating unemployment, and must have the approval of the local economic development agency—$250 million per year for the next 5 fiscal years is authorized for this part of the legislation.

Mr. Speaker, insuring that job opportunities exist for all who seek employment is one of the most important efforts in which the Congress can be involved. As Daniel Moynihan has said:

> In America, what you do is what you are. To do little is to be little, and to do nothing. is to be nothing.

In a very real sense, we can act to see that all those in the city will have an opportunity to become "something." This is the significance of the legislation I propose today, and so I urge that Congress consider it, and act upon it.

SOCIAL SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Fraser) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, on February 15, the Department of Health, Education, and Welfare issued proposed regulations for the federally assisted social services program. If implemented, these new regulations will all but decimate nationwide efforts to combat welfare dependency and a wide range of other social ills.

HEW Secretary Caspar Weinberger indicated recently that some changes will be made in the February 15 regulations but, as yet, we have received no indication that any extensive revisions are being contemplated by Secretary Weinberger's department.

Because of the urgent need for action on this matter, 74 House Members have asked that the following resolution be considered at the Wednesday, March 21, meeting of the Democratic caucus:

Proposed Resolution on Social Services Funding for Consideration by the Democratic Caucus, March 21, 1973

Whereas, pursuant to the authority contained in Titles I, X, XIV, XVI and IVa of the Social Security Act, programs of social services have been initiated by state and local governments which have provided substantial assistance to the disadvantaged and have enabled large numbers of citizens to successfully remain off the public assistance roles and,

Whereas, in the 92nd Congress a ceiling of $2.5 billion was imposed upon federal reimbursement to the states and territories for such social service programs and,

Whereas, at the same time a formula for apportionment of said sum among the states and territories was established which fixes the sums to which each state is entitled, and

Whereas, the Department of Health, Education and Welfare has now proposed new, restrictive regulations which would destroy many useful programs of social services and would sharply reduce the effectiveness of others, and would shift substantial financial burdens to state and local governments, and

Whereas, the President has urged that Congress provide greater decision-making to state and local governments in the expenditure of federal funds

Now, therefore, be it resolved by the Democratic Caucus of the House of Representatives that the Committee on Ways and Means is respectfully requested to promptly report to the floor legislation necessary to enable state and local governments to continue existing programs of social services subject only to the limitations expressly enacted in the 92nd Congress.

List of Supporting Members

Bella Abzug, Joseph Addabbo, Glenn Anderson, Herman Badillo, Lee Hamilton, Yyvonne Burke, Philip Burton, Shirley Chisholm, William Clay, John Conyers.

James C. Corman, John Culver, Ronald Dellums, Ron de Lugo, Charles C. Diggs, Robert F. Drinan, Don Edward, Joshua Eilberg, Dante B. Fascell, William Ford.

Walter Fauntroy, Donald Fraser, Julia Hansen, Michael Harrington, Augustus Hawkins, Ken Hechler, Henry Helstoski, James Howard, Robert Kastenmeier, Edward Koch.

Robert Leggett, Torbert Macdonald, Lloyd Meeds, Ralph Metcalfe, Jonathan Bingham, John Brademas, George Brown, Parren Mitchell, John Moakley, William Moorhead.

Morgan Murphy, Lucien Nedzi, Claude Pepper, Bertram Podell, Melvin Price, Charles Rangel, Thomas Rees, Ogden Reid, Donald Riegle, Peter Rodino.

Fred Rooney, Edward Roybal, Patricia Schroeder, John Seiberling, Fortney Stark, Louis Stokes, W. S. Stuckey, James Symington, Frank Thompson, Robert Tiernan.

Lionel Van Deerlin, Lester Wolff, Andrew Young, Jerry Waldie, John Moss, Thomas Ashley, Henry Gonzalez, John Dent, Antonio Won Pat, Spark Matsunaga, Brock Adams, B. F. Sisk, Don Rostenkowski.

The American Public Welfare Association has estimated that 3.8 million people currently receiving federally aided social services will be deprived of these services if the regulations are adopted. At the same time, States will lose more than $1 million in Federal aid annually or 40 percent of the aid they are entitled to under the social services provisions of the 1972 Revenue Sharing Act, Public Law 92–512.

A more detailed analysis of the impact of the regulations is provided in the following staff memorandum prepared by the APWA:

American Public Welfare Association—Memorandum

March 9, 1973.

To: Guy R. Justis.
From: Jack Hilard, Jr.
Subject: Analysis and Observations—Questions—Questionnaire on Impact of Proposed HEW Social Services Regulations.

We have received as of this date partially or fully competed Questionnaires from 33 *states*. Although this only represents approximately 65% of the states, these 33 reporting states utilize approximately 73% of the federal money for Social Services and likewise represent approximately 73% of the population served by these programs.

On the basis of the data available and the projections for the other states not reporting, we are making the following observations about the overall fiscal and people impact:

1. FY 1973—FOURTH QUARTER (APRIL–JUNE)

33 States

1,092,250 people: $197,934,630.

All States (projected)

1,496,232 people: $271,141,959.

2. FY 1974—ANNUAL

33 States

2,798,038 people: $774,119,705.

All States (projected)

3,832,929 people: $1,060,437,951.

3. Both of the Fiscal impacts for FY 1973 (4th Quarter) and FY 1974 seem to indicate slightly more than 1 billion dollars will not be available to states for social service programs. (1974 FY projected for all states= $1,060,437,951; and 1973 FY (4th Quarter) projected for all states of $271,141,959 × 4= $1,084,467,836.

4. Assuming the ceiling of $2.5 billion as the maximum federal expenditure, and using the projected fiscal impact amounts, the annual federal matching money would not be greater than $1.4-1.5 billion.

5. The 1973 FY expenditures would probably exceed this expenditure level, due to the hold-harmless provision for the 1st quarter of the fiscal year.

6. If the regulations are implemented as proposed, the FY 1974 expenditure will probably not exceed the $1.4-1.5 billion level. (This would represent less expenditure of federal dollars than the Total Used in FY 1972 of $1.71 billion.)

7. The pattern of reducing federal matching funds to the FY 1972 level is illustrated further by some specific state impact examples:

	Actual fiscal year 1972	Estimate for fiscal year 1973	Estimate impact, fiscal year 1974	Revised estimate
(a) Arkansas	3, 273, 092	10, 500, 000	7, 000, 000	3, 500, 000
(b) Colorado	18, 908, 219	24, 097, 000	8, 040, 703	16, 056, 297
(c) Georgia	32, 415, 041	57, 524, 260	19, 000, 000	38, 524, 260
(d) Iowa	9, 536, 046	13, 500, 000	3, 106, 324	10, 393, 676

8. The total impact by dollars and people are probably the most accurate estimates that can be derived. If anything, they represent a slightly conservative amount. This is due to the inability of several states to provide unduplicated totals. When this occurred, the figures were used from the highest single impact Provision (usually the Definition of Potential Recipient) on the assumption that the same people and dollars would be reported under the other Provisions.

9. The categorical data is incomplete. Some states did not report by category for people and dollars, and others did not provide an unduplicated count. Therefore, the total figures for the categories are only for the states that reported them separately. If used, it should be prefaced with a qualifying statement, i.e., "At least 1,068,025 people in families will be deprived of social services in 1974 as a direct result of the HEW proposed regulations," or more than 150,000 blind and disabled individuals will not receive social services in 1974 as a result of the HEW proposed regulations.

The Department of Health, Education, and Welfare has received formal comments on the proposed regulations from a vast number of individuals and organizations—10,000 at last count.

One of the national organizations expressing concern about the regulations was the AFL–CIO. The following news release from the AFL–CIO contains the text of president George Meany's letter to HEW Secretary Weinberger.

NEWS FROM THE AFL–CIO

AFL–CIO President George Meany has registered sharp objections to proposed federal social service regulations published in the February 16 Federal Register.

Meany detailed his objections in a letter to HEW Secretary Caspar Weinberger dated March 7 that was released today. Meany said the regulations "would effectively reverse the Congressional intent of over a decade to alleviate the social and physical ills which lead people into poverty."

He urged Weinberger to withdraw the proposed regulations and recommended future proposals be "designed to assure adequate financing for day care and other needed services permitting private, state and local, and Federal cooperation on a practical basis."

The text of Meany's letter follows:

The AFL–CIO strongly objects to the Social Service Regulations appearing in the Federal Register on February 16, 1973. They would deny to large numbers of disadvantaged people needed services such as day care; prohibit private contributions as matching funds for Federally financed programs; significantly cut back on the scope of available services; hamstring the states by burdensome and unnecessary documentation and record-keeping procedures and, perhaps worst of all, eliminate the responsibility of states to meet Federal standards for the care of children.

The AFL–CIO has long supported the use of Federal funds to encourage states to provide the rehabilitation and preventive services necessary to reduce dependency. Implementation of the proposed regulations would effectively reverse the Congressional intent of over a decade to alleviate the social and physical ills which lead people into poverty.

The most shocking regulation is the one which removes any Federal responsibility over day care standards. Both in 1971 and 1972 we voiced our objections to the DHEW's attempts to weaken the 1968 Federal Interagency Day Care Requirements. Instead of strengthening the requirements, the proposed regulations would completely eliminate them just as the Department is completing a two-year study of how best to improve them. We urge the issuance of adequate day care standards, based on the Department's study, as soon as possible.

We are completely opposed to the proposed regulations which would deny all services to the working poor. The proposed regulations will severely limit the availability of day care and other services by sharply narrowing the eligibility requirements. The new level of income at which people will no longer be eligible for these services is, in most states, far lower than the poverty level. This will mean that large numbers of low income families will be completely shut out from Federally assisted day care and other programs.

We particularly object to the proposed regulation which eliminates private donations as a source of state matching funds for Federally financed programs. This change would seriously undermine the excellent private-public partnership approach to the solution of human problems and is certainly in conflict with the Administration's professed reliance on the voluntary sector.

We are equally opposed to the proposed regulations which would:

(1) Eliminate day care as a mandated service.

(2) Impose stringent restrictions on a state's ability to purchase service from another public or private agency.

(4) Threaten the existence of currently operating community-controlled day care programs by providing Federal funds only for state and local agencies which are not required to have any parent participation.

We urge you to withdraw these regulations, and strongly recommend that any future regulations in this area be designed to assure adequate financing for day care and other needed services permitting private, state and local, and Federal cooperation on a practical basis.

THE ROLE OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, Chicago recently played host to a regional meeting of Time, Inc.'s 50th Anniversary Editorial Project, "The Role of Congress." Charles O. Jones, of the University of Pittsburgh, calls upon the press to play a larger role in focusing attention on the Congress, rather than excluding it from coverage in favor of the President and his entourage. Jones emphasizes that Congress is not a side show and that it should be center stage in national politics. He suggests increasing the visibility of party leaders, and giving them more control of the legislative process. The professor also offers good suggestions to the press on how to assist in the "revitalization" of Congress. Henry A. Grunwald, managing editor of Time, Inc., was the moderator. I include the address and panel discussion in the RECORD.

THE ROLE OF CONGRESS

Mr. GRUNWALD. Ladies and gentlemen, and distinguished guests: My name is Henry Grunwald. I am Managing Editor of Time, and I am your host today.

Before I go any further, I have the great pleasure of being able to present to you a gentleman who has very graciously agreed to say a few words of welcome, the Governor-Elect of Illinois, Dan Walker. I am sure that I do not have to provide any details in introducing Mr. Walker to this audience. You are very familiar with him.

I would like to say one word about his biography; a fact, frankly, that I had not been familiar with, one that startled me. Dan Walker, once upon a time, went to the Naval Academy at Annapolis, and I could not help wonder what would have happened if he had decided to make the Navy his career. It appears to me that if, in the months ahead, the office of Governor of Illinois should prove troublesome to you, sir, you might take comfort from the fact that Admiral Zumwalt's job will be even tougher. Ladies and gentlemen, the Governor-Elect.

Mr. WALKER. Thank you very kindly, Mr. Grunwald.

It is a real pleasure to have the opportunity to welcome you here today. We in Chicago and in Illinois are very grateful to Time Inc. for choosing us as a place to help mark the 50th anniversary of TIME magazine. That organization and that magazine, as everybody here knows, has distinguished itself not only by its news coverage, but also for sponsoring and participating in educational events like this one.

I, for one, believe that more enterprises, including corporate enterprises, ought to consider even further than they are doing now what they can contribute to the communities in which they operate. One of the pressing needs in this country is for people in business to think about what they can contribute, not just what they can earn. More and more, when I view the very difficult tasks that I have lying ahead of me, I recall John Kennedy's Inaugural Address, when he said those famous words: "Ask not what your country can do for you. Ask what you can do for your country."

If that was an appropriate remark, and I believe it was, in 1961, then it is even more appropriate today. There are a lot of people who feel very disenchanted with our Government. There is a very deep feeling, and the word has been used repeatedly, of alienation on the part of the public toward our institutions of government. I think this is something that obviously has to disturb and concern all of us, whether we are involved in the Executive Branch, the Legislative Branch of Government, or whether we are just viewing it as interested citizens.

As the panelists discuss today the proper balance between the Executive Branch and the Legislative Branch of Government, I would hope that you would find a way to consider this sweeping alienation, to see if that kind of balance can have some impact on that problem. And I would hope that all of you would agree with me that the kind of alienation we are observing across the nation is a very ominous factor in a democracy.

But I hasten to say that the topic and the discussion are yours for today. I just want to venture this comment: please, panelists, leave some powers to the Executive Branch of the Government.

I am here to welcome you, and I do that warmly. Ours is the heartland state of the nation. Illinois contains, right within its borders, much of the diversity that, as TIME magazine has frequently pointed out over the years, is the very essence of our nation of America. Illinois salutes Time on its 50th anniversary, and I thank each and every one of you for participating here today.

Mr. Grunwald. Thank you for your very generous and warm introduction.

I would like to take a moment to explain just why we are here. As Mr. Walker has mentioned, of course, this is in a sense a birthday party, and it is one of a series of functions that we are holding to mark the 50th anniversary of TIME magazine and our parent company, Time Inc. Some of you may feel that this is a somewhat odd way to have a birthday party, to meet relatively early in the morning and talk about a serious subject like Congress. More conventionally, a birthday celebration should consist of champagne toasts, song, dance, and above all, congratulations.

We are not against any of this in its proper place, because my colleagues and I are admittedly proud and happy that what our founder, Henry Luce, used to call "this little magazine with the red border" has reached the half-century mark, and I must say that as I contemplate the national bicentenary approaching, it is rather awesome to contemplate that we have, as a magazine, been on this scene for fully one-quarter of our country's history.

I am also somewhat overcome when I contemplate this extraordinary century that we have lived through, and how much of it our magazine was fortunate enough to be able to witness and to report, and perhaps in a small way influence. We are proud that we have been able to help inform the American public and sometimes, I assume, to amuse it and occasionally even to annoy or provoke it. And we are pleased that we have been able to contribute at least a few new forms to American journalism.

However, having said all that, we still do not really feel in the mood for self-congratulation. We would rather celebrate by doing something useful and by performing a public service.

It was with this in mind that Hedley Donovan, the Editor-in-Chief of all of our publications, gave us a rather large assignment, which was to try to bring back to public view the vital importance the role Congress must play in the proper functioning of our Government. And if you agree with me that the hopes not only of our own people but also a great part of the world still hang on the right and proper function of that Government, then surely our assignment is well worth the effort, and your cooperation is particularly welcome and necessary.

There are many other problems besides Congress on the national agenda. But it seems to me that none of them stand a decent chance of solution unless Congress can play its proper part.

What has happened in the last few years is really a profound shift in the balance of American Government. Throughout the 19th century we had what Woodrow Wilson called congressional Government. Congress initiated legislation, formulated policy, and the President either approved or vetoed it. Today we have almost an exactly reverse situation, where the President initiates legislation and formulates national policy, and Congress usually just modifies, approves or rejects it.

I would like to add hastily that this did not happen because of a series of power-mad men in the White House. It happened because of some really very complex and staggering historic forces. Not did it happen because of any one individual. We are not taking aim at any particular President. In fact, we hope that President Nixon who, after all, is a lawyer, a strict constructionist and a former member of both houses of Congress, may take an interest in these proceedings at some point.

Most of you are familiar with the excellent working paper prepared for this session by Professor Charles Jones, from whom we shall hear in just a few moments. In that paper Professor Jones calls on the press to play a much larger part in drawing attention to Congress and perhaps to pay a little less attention to what he calls the "President and his court." You may have noted in that paper that Professor Jones chides us journalists because we apparently were unable to come up with a better sex symbol in national politics than Henry Kissinger. Professor Jones observes that no matter how unglamorous members of Congress may be, some surely have more sex appeal than Dr. Kissinger.

You see, the point is that as Kissinger has himself observed on many occasions, "power is a great aphrodisiac." He has also ruefully predicted that all those luscious young things he is always seen with around the world will stay interested in him only as long as he holds power.

This observation may seem frivolous to you and not quite pertinent, although I submit that it is, because even on a far more serious level, power is the issue, the tremendous appeal that presidential power exerts on the country and even the power held by those in the President's orbit. To see congressional power and presidential power in perspective and perhaps to help redress the balance between them, Professor Jones calls on the press and the public together to take the initiative, and that is precisely what we hope to do here today. With your help, we hope to do our share in rescuing Congress from anything like becoming the forgotten branch, to make its remarkable and unique responsibilities better understood, and to perhaps sketch out, if we can, a few possible solutions to its problems.

Now, may I introduce our first speaker, Professor Jones. In any list of congressional scholars, he surely stands at the very top. You have before you a small booklet that gives the credentials of our speakers, and you will see from it that Professor Jones has attended an extraordinarily interesting group of schools and that he has written widely on Congress. He happens to be at work at the moment on a book about air pollution, which seems to be somewhat out of his field, but then maybe it is not. Professor Jones certainly is one intellectual who does understand Congress. Gentlemen and ladies, Professor Jones.

Dr. Jones. While I am pleased to be at this distinguished gathering, I confess I have found my assignment somewhat frustrating. First, I was charged to discuss congressional leadership and proposed reforms. Well, I have a confession to make to you. I was born and raised in South Dakota, and there is a lot of evidence to suggest that this is not the year for anyone from South Dakota to be recommending change—even those of us who stayed in teaching.

A second frustration, is the Congress is just a damn difficult thing to describe and analyze. As the most democratic, representative, and powerful legislative body in the world, it is basically an untidy set of institutions. And when we go about changing Congress we are faced with the difficult challenge of trying to improve its capabilities without destroying its functions.

Let me say a bit more about the second frustration because it is central to what I state in my written paper. I once paraphrased Pogo for a title of an essay on Congress: "We have met the Congress and they is us." I like that because it emphasizes the representational aspects of Congress, suggesting that whatever is wrong with Congress may also reflect ills in the society. It also provides a standard for evaluating Congress and what it does. Congress should be "us" does not mean that it can resolve all the issues, any more than you and I can resolve all the issues that might divide us. We must be super-careful, then, not to base change simply on what one group in society may want at any one particular time.

So let's emphasize right off that Congress is not some side show. It is and should be center stage in national politics. Continuing the theatrical analogy at this point requires the imagery of a fantastic number of cues coming from the wings. It is almost as though a hundred dress rehearsals for the same play were occurring at once, with curtain time imminent.

All this describes Congress pretty much as a mess, and I can understand why some people do not want to become involved. It is easy to throw up your hands and/or make fun of the U.S. Congress. Lots of people do just that. But let me say this—those who do are really making light of themselves, the nation, and its problems. For Congress is an editorial on us; it is social commentary; it is a mirror with considerably less distortion than most of those we stare into.

I accept representation as an important function of Congress and I don't want it destroyed in the name of efficiency. But I do want Congress to be more effective. And I want that because I believe in a strong legislature. For example, when a presidential landslide occurs, I don't want to be forced to depend upon the humility of the President as a chck on Executive power—whether that President be Richard M. Nixon or Lyndon B. Johnson. I am non-partisan in my support of legislative power vis-a-vis the Executive.

How *can* Congress become more effective? Surely much depends on leadership. Presently Congressional leadership is diffused among committee and sub-committee chairmen, and party leaders.

Strengthening party leaders—increasing their visibility and providing them with more control of the legislative process—is one way to improve the effectiveness of Congress, in my view. I draw from Woodrow Wilson's classic treatise, *Congressional Government*, for the title of my paper. "Somebody must be trusted," Wilson said, "in order that when things go wrong it may be quite plain who should be punished." Party leaders in Congress presently don't have enough authority for us to hold them accountable for what goes on there. It is not simply a matter of the current stable of party leaders—though I count them all quite weak, and I think history will sustain that assessment. It is also a matter of what they can do in the present mode of accountability.

Now, in my paper I suggest some changes in Congress itself that may strengthen party leaders. But I caution that all reform proposals must be evaluated by a test of political feasibility since one of the stark realities is that "Congress may change, but it reforms itself."

I also suggest a number of changes outside Congress, particularly in coverage by the media. As Morris Udall has said in his most recent book, *Education of a Congressman*, "Congress will never reform itself through internal pressures alone."

Party leaders need attention and support among the public as a source of power with their colleagues. Some leaders have been able to attain this by sheer power of personality and skill—for example, Everett M. Dirksen, Lyndon B. Johnson and Sam Rayburn. The current group has not been so fortunate.

I hope the media can be persuaded to expand positive coverage of Congress. President Nixon has already indicated that he plans no dramatic new programs. Thus, it seems to be a good time for the media to focus on Congress. A period of consolidation is the perfect time to analyze the role of Congress as a prelude to increasing its effectiveness.

In reflecting on the qualities of the model congressional party leaders. I finally settled on what I might call the "intelligent partisan." By that I mean a person who combines conviction, common sense and ability. In my judgment such men as Robert A. Taft, Lyndon B. Johnson, Oscar W. Underwood, Thomas B. Reed, among others, fit the model of the "intelligent partisan." And in preparing for this meeting I reread sections of William A. Robinson's biography of Speaker Reed—certainly one of the most intelligent of partisans to lead the House of Representatives. Reed assumed the speakership in 1889 at a time when the House of Representatives had very nearly ceased to function due to procedural tie-ups. He took charge of the chamber and calmly enforced procedures designed to move it off dead center.

Later he modestly reflected: "Great events do turn upon one man. The House of Representatives was ready and ripe for change, and the people stood ready to approve. What all the world wanted was easy to do."

I believe a similar opportunity may be upon us. But those in Congress who want change need support from those outside who have studied history enough to know that if the legislature fails, democracy fails.

Thank you.

CONGRESS HAS THE POWER, DO WE HAVE THE WILL TO CONTROL FEDERAL SPENDING?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, I have requested a special order today and have asked several of my colleagues to join me in special orders to dramatize the importance of the primary issue before this Congress: That is control of the Federal budget. No issue affects more Americans than the manner in which the Federal Government spends tax dollars. The onus of responsibility for facing fiscal reality is upon each of us. I am grateful that my colleagues are willing to participate in this effort to serve notice to other Members of Congress and to the American people, that the dual plagues of higher taxes and inflation are not inevitable.

During recent weeks the furor has mounted over the administration's proposed budget, with its proponents describing it as a responsible and necessary effort to combat higher taxes and inflation and its critics citing it as an abject and callous disregard of Federal responsibility. In Congress the debate has often involved concern over supposed "usurpation" of congressional prerogatives by the executive branch. The fact that the administration has proposed the elimination or substantial modification of a vast number of categorical programs is taken as further evidence of this "usurpation."

The simple truth is that over the years—and especially within the past decade—Congress has failed to exercise the kind of restraint which is necessary if the fiscal integrity of the Federal Government is to be upheld. We have opposed higher taxes, and we have deplored inflation. At the same time we have proceeded to create and enlarge an array of programs which has hugely increased Federal spending. And we have done so knowing full well—although we have seldom admitted it—that all of this increased spending had to result eventually in higher taxes or more inflation.

Despite that reality, the Democratic leadership insists on bringing up legislation precipitously and with great rapidity for no other reason than to frustrate the attempts by those of us on both sides of the aisle and in the administration who believe that Congress should not be considering these bills without first giving consideration to an overall spending ceiling and reform of the congressional budget process. The first 15 bills on which this Congress will be acting, if passed, would result in an estimated 5 percent tax increase to pay for them. And we see no legislation introduced that might provide the needed revenue. The reason is clear. Who here in this Congress, running for election in his home State last year, campaigned on a platform of higher taxes or more inflation? And yet now that the election is over and we are back in Washington, some Members seem determined to push ahead with the same kind of Federal spending which we know will mean higher taxes or more inflation or both.

Fundamental national issues, such as maintaining a growing economy, halting inflation, keeping the budget under control, establishing national priorities, cannot be effectively dealt with under the present congressional structure. Congress still has the power but has abdicated its authority simply because it lacks the machinery to use its authority wisely. The top priority of this Congress is to develop a process which will allow us to get a handle on the budget, view it in totality, and establish a ceiling on the budget, before the usual rituals of log-rolling and pork-barreling begin to make their bid for what is available.

While the notion of impoundment does not sit well with me, I cannot in good conscience condemn an executive action which aims to achieve a result in the general interest which cannot in any other way be met. And clearly, budget responsibility cannot be achieved under current congressional processes.

I have cointroduced legislation which will help meet that challenge to Congress to reform its own fragmented approach to budgetmaking. The bill, originating in the Senate by Senator BROCK of Tennessee, would establish the machinery to enable Congress to arrive at its own spending priorities. Our bill would require not only Congress as a body, but each individual Member, to face up to the duty to curb spending and stop the steady erosion of budgetary power to the executive branch.

The bill covers five major points:

First. Designate a joint congressional committee to formulate a legislative budget and evaluate the Federal budget in terms of priorities.

Second. Require the projection of all major expenditures over a 5-year period.

Third. Require all major spending programs to be evaluated at least once every 3 years.

Fourth. Require consideration of pilot testing of proposed major Federal programs.

Fifth. Require all Federal expenditure programs to be appropriated annually by Congress.

Is it too much for the public to expect us to abandon our old ways—our assorted allegiances to pet programs and projects? A number of Members—on both sides of the aisle—have shown that we can and must face fiscal reality, that we can and must kick the habit and sacrifice self-interest in behalf of the Nation's good. The freshman Members of this Congress performed a valuable service by speaking, in a special order last week, of their and Congress responsibilities to act with fiscal responsibility. In the weeks and months ahead, in the votes on programs which we will be considering and, should it come to pass, on votes to override Presidential vetoes, let us hope that those advocating fiscal responsibilties will prevail. If we do not prevail, I fear we will witness more erosion of congressional influence. If we do prevail, however, it will be a significant step in returning the Congress it its proper role in the affairs of the Nation and assuring the people of this country that inflation and higher taxes can be avoided.

INTIMIDATION AND BLACKMAIL BY SELF-STYLED PROTEST GROUPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 5 minutes.

Mr. BLACKBURN. Mr. Speaker, I was startled and dismayed to have read in last Tuesday's edition of the Washington Evening Star and Daily News an account of a meeting which took place in the Old Senate Office Building the preceding day. That meeting suggests the extent to which public officials now engaged in the fight to hold down Federal spending may, as a result, be subjected to the intimidation and blackmail—the threats of disorder and violence—which have become the chief instruments of so many self-styled protest groups during the past decade.

This meeting was said to be one in a series designed to draw together a variety of such groups in a common front of opposition to the Nixon administration's declared desire to cut back on the vast array of wasteful Federal programs which have been enacted in recent years. The strategy outlined at the meeting is familiar. There will be a so-called spring offensive featuring the same kind of mass marches and demonstrations which these groups have used in the past to attract the attention of the media to themselves.

Mr. Speaker, while no one more ardently supports the constitutionally protected rights of free speech and assembly that I, it is only realistic to recognize what lies at the very heart of this spring offensive. These people know, just as every member knows, indeed as every reasonably well informed American knows, that violence is an almost inevitable corollary to, if not the conscious goal of, the kind of irresponsible protests which these groups state. Despite all the grave assurances of their leaders, their activities invariably result in violations of the law not infrequently accompanied by destruction of property and bloodshed.

That the plans for these demonstrations carry an implicit threat of disorder and violence is clear from the reported remarks of one leader at the meeting. He told his audience that the spring "is going to get hot" and that they "must use that heat." Mr. Speaker, that spokesman's imagery calls all too readily to mind the riots, chaos, and anarchy which have been visited upon American cities in recent years. It calls all too readily to mind another singularly "hot spring" when looters and arsonists ran rampant through the Nation's Capital and entire neighborhoods of of this city were engulfed in flame.

I do not wish to impugn the intentions or the sincerity of those members of responsible organizations who seek only to demonstrate in peace their concerns on issues of the day. But the history of recent years teaches us what we must now expect when masses of protesters take their dissent into the streets in an atmosphere made ripe for violence by predictions of "hot springs" and exhortation to "use that heat."

It is not surprising that many professional protesters would engage in such coercive tactics to influence the outcome of the present debate on fiscal responsibility. Indeed, it would be surprising if they did not band together to save those extravagant Federal programs in which they have so large a vested interest.

Mr. Speaker, the hard economic decisions which Members of Congress are going to be making in the weeks and months ahead are far too important for us to allow ourselves to be intimidated by irresponsible pressure groups. Let us keep the air clear and hope that, after almost a decade, the violent furies and passions which we have witnessed so often in recent years have now spent themselves and that the spring of 1973 will be more temperate than the practitioners of intimidation and coercion might wish.

FACTS BELIE CHARGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, despite the great gains which have been made by the present administration in effecting a constructive balance between the resources which we devote to military purposes and those which we devote to human needs, its critics continue to charge that unnecessary and undue emphasis is being placed on the former at the expense of the latter. They ignore the fact that this administration has brought an end to the excessively costly war in Vietnam. They ignore the fact that it has made massive reductions in uniformed personnel. They ignore the fact that it has negotiated historic agreements which will enable the major world powers, including the United States, to curtail the arms race. They ignore these and other military economies, just as they ignore the fact that expenditures for human needs have been dramatically increased.

Although these realities are clearly reflected by the administration's proposed budget, the critics are making the same old charge—about that very budget—too much for the military, too little for the people. But the facts belie the charge, and, when this debate is ended, the people are going to know the facts.

Since this administration took office the number of men and women in uniform has been reduced by one-third—from 3.5 million to 2.2 million—and we now have the smallest armed force since 1950. Defense spending today actually takes less out of the American economy than it has at any time in nearly a quarter of a century. Futhermore, more than half of the present defense budget is devoted to personnel costs—the price of instituting the all-volunteer force for which the American people have indicated they are willing to pay.

In short, the defense budget has been pared down to the absolute minimum. The fat is gone; only the muscle is left. To cut any farther would result in an unacceptable degree of military vulnerability.

Furthermore, additional reduction of the defense budget would seriously jeopardize future negotiations with the Soviet Union and China—negotiations which should result in even greater military savings through a continued lessening of world tension and additional limitations on the arms race, and in even greater non-military benefits through increased trade and cooperation in health, science and other fields. Just as the historic diplomatic triumphs of last year depended upon negotiation from strength, so the success of future diplomatic efforts will depend upon our maintaining a credible defense capability. That is precisely what President Nixon's defense budget does.

Now, let us compare defense spending with human resource spending 10 years ago and today. The 1964 defense budget provided for approximately $53.5 billion, compared to an allotment of less than $34.5 billion for human needs. Defense spending claimed 45.2 percent of the total budget, compared to 28.9 percent for human needs.

This administration's 1974 budget reversed this ratio, with just over $81 billion or 30.2 percent for defense and approximately $125.5 billion for 46.7 percent for human needs.

Whereas in the 1964 budget some 8.8 percent of our gross national product was allocated for defense purposes with only 5.6 percent for human needs, in President Nixon's 1974 budget 6.2 percent of the GNP is designated for defense spending with 9.5 percent for human needs.

And there can be absolutely no argument that there have not been tremendous increases in specific areas of social program spending during the past 4 years. Here are the facts:

Federal outlays which benefit the elderly will total $63.5 billion in 1974, an increase of 71 percent since 1970.

Federal food aid increased nearly 3½ times from $1.2 billion in 1969 to $4.1 billion in 1974.

Total Federal funds benefitting the sick have grown from $18.1 billion to $30.3 billion, or 67 percent, in the last 4 years.

Federal outlays for direct benefits to low-income persons increased 88 percent from $16.1 billion to $30.3 billion since the Nixon administration took office.

In 1969, outlays for income security programs were $37.7 billion; by 1974, they will have more than doubled, to $87.6 billion.

Outlays for special benefits for disabled coal miners—black lung—have increased from $10.4 million in 1970, the first year of the program, to an estimated $965 million in 1974.

Research on cancer and heart disease, the two greatest causes of death in the United States, has increased 117 percent since 1969 to a new total of $765 million.

Federal funds for drug abuse prevention and drug law enforcement programs have increased from $82 million to $785 million since 1969, a 10-fold increase.

Since 1969, funds for student grants and work-study have increased nearly four-fold by $700 million, with the numbers of awards increasing by more than 1.5 million.

Federal support for minority businesses, either in direct Federal funds or in Federal loan guarantees, will increase to $1,100 million in 1974, up from $700 million in 1972 and $200 million in 1969.

Outlays for all air, water, and other pollution control and abatement have increased from $.7 billion in fiscal year 1969 to $3.1 billion in fiscal year 1974. Outlays for waste treatment grants have increased from $135 million to $1.6 billion in these same years.

Federal funding for Indian programs in the Department of the Interior has more than doubled between fiscal years 1969 and 1974, going from $270 million to $618 million.

Loan and grant obligations under the USDA community development programs increased from $1.3 billion in 1969 to $2.9 billion in 1974.

To suggest, then, that the administration of the Republican President is against social programs, calloused toward human needs or stingy with spending to meet people's personal problems has to be inspired by motives other than accuracy. With the end of the war in Vietnam and tight restrictions on military spending—except in the human areas of more pay and allowances for manpower—priorities for Federal spending have truly been reversed by President Nixon.

Now, a way must be found to keep all Federal spending under control, to end deficits and to stop inflation. That may be a lot more difficult than perpetually increasing the outlays in the name of social concern.

These are the facts, and they accurately reflect the most basic goals of the present administration—to reorder our national priorities in accord with the realities of the 1970's and to make our Government a more responsive and effective servant of the people.

CURTAIL SPENDING TO CONTROL INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 5 minutes.

Mr. SYMMS. Mr. Speaker, I would like to note briefly one feature of the present debate over curtailment of Federal spending which seems to have eluded some of our colleagues and yet which may be of considerable significance to them when the time comes to return to the hustings and account for their votes. As representatives of that branch of the Federal Government which is supposed to be most responsive to the people, some Members of Congress are showing surprising ignorance of the public mood on this question.

Consider, for example, a poll taken by Lou Harris just 1 month ago which showed that the American people agreed—by a 59- to 28-percent margin—that "President Nixon is right in saying that inflation cannot be controlled unless Federal spending is cut to the bone." Evidently, the general public has a better grasp of the basic economic issue involved in the present debate than do many Members of Congress. Evidently, the people can recognize, if some of their representatives cannot, that continued escalation of massive Federal spending must lead to higher taxes, greater inflation, or both.

And the people reject these two alternatives. Specifically, they overwhelmingly endorse President Nixon's alternative—to put a realistic limit on Federal spending.

A Gallup poll of last December showed that by 54 to 39 percent the public backs the President on holding down spending and taxes as opposed to congressional efforts to devote even more money to social programs. And a Harris poll taken in mid-February revealed that—51 to 37 percent—the people agree that "Congress is wrong in opposing the President's spending program and should cooperate more with him."

Those in Congress who are ignoring this sentiment, those who are insisting on pursuing policies which will sustain inflation and require more taxes, are only contributing further to Congress' unfortunate reputation for fiscal irresponsibility. Ironically, some of these same Members are among those who speak out most loudly about the prerogatives of the legislative branch as opposed to the executive branch. And yet it has been their votes, inflating the Federal bureaucracy and requiring the ineffective expenditure of billions more of the taxpayers' dollars, which have so greatly detracted from the Congress' effectiveness—as has been documented by yet another Harris poll of last month which found the public giving Congress negative marks for its performance by a 45- to 38-percent margin, while giving President Nixon high marks by a margin of 59 to 40 percent.

Mr. Speaker, if these Members of Congress choose to ignore the will of the public—of, it might be added, a public all too well-informed on the issue of Federal spending—then I say they do it at their peril. If they choose to continue to vote in behalf of the special interests which are served by the myriad programs so haphazardly created in recent years, then I say again they do it at their peril.

It is too late in the game for them to hope that the public will forget who served the special interests at its expense. The people know the score, and they will settle accounts at the polls with those of their representatives who ignore it.

IMPOUNDMENT OF FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VEYSEY) is recognized for 5 minutes.

Mr. VEYSEY. Mr. Speaker, in the present, ongoing consideration of the administration's proposed budget and many of the various programs which it seeks to modify or eliminate, the proponents of continued irresponsible Federal spending have raised a number of false issues. Among them, in my opinion, is what they choose to identify as a constitutional crisis over the so-called impoundment of funds appropriated by Congress.

If, indeed, we are experiencing such a constitutional crisis, then it is one which the Nation has survived for a century and a half. In fact, it is a constitutional crisis extending all the way back to Thomas Jefferson, who was accused of the same thing with which President Nixon is now charged. I do not doubt that virtually every President has "impounded" funds. Certainly, every President who has held office in the past 25 years has done so.

President Truman withheld funds which Congress specifically provided for Air Force expansion and for construction of the aircraft carrier *United States;* President Eisenhower withheld funds specifically provided for an anti-ballistic-missile system; President Kennedy withheld funds specifically provided for the B–70 bomber; and President Johnson withheld funds specifically provided for a nuclear-powered frigate and for highway construction.

And yet the Nation has survived.

Mr. Speaker, it is difficult for me to reconcile the logic of those who criticize President Nixon for reserving Federal funds with the past habits of Congress itself. We will vote to limit the budget, to put a ceiling on the national debt, and then we will proceed to appropriate funds in excess of our own announced constraints. We cannot direct the President to hold overall spending to a certain level and simultaneously require that he make individual outlays which, in total, go beyond that level.

Clearly there must be a degree of Presidential discretion, and clearly there always has been.

Then, why are we hearing all of the talk about a constitutional crisis? Fundamentally, I believe it reflects a misplaced, if justified, concern on our part about congressional prerogatives—a concern which happens to coincide with the efforts of a strong President to effect basic and long-overdue governmental reform.

If the boldness of the President's proposals is a challenge to Congress, our best response would be to address ourselves constructively to the problems which have created the need for that reform. And, certainly, major among these is the problem of excessive, inflationary Government spending. Our best response, in fact, would be to exercise fiscal restraint right here in this House—at the very beginning of the Federal spending process.

Rather than spending our days in the tangle of an irrelevant "constitutional crisis," let us take the initiative in eliminating waste and in restoring to the Federal Government sound economic practices.

WILSON SPEAKS OUT ON TRIBAL SELF-GOVERNMENT AT WOUNDED KNEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. ABDNOR) is recognized for 5 minutes.

Mr. ABDNOR. Mr. Speaker, negotiations at Wounded Knee are still going on without much success. I am pleased to note that my colleague in the other body, Senator McGOVERN, has finally come out with a law-and-order stance at Wounded Knee that parallels the sentiments of my special order on Wounded Knee of last week.

As quoted in the Argus Leader on March 15, Senator McGOVERN was quoted as saying that "every reasonable effort at negotiation has failed. Every concession made by the Government has been matched with yet another American Indian Movement demand. We are at the point where we are either going to enforce the law, or we are not," he said.

As the Members of the House know, I concur with these sentiments and share the feelings of Mr. McGOVERN when he says that "the law must be enforced, and those who have broken the law must be arrested and pay the penalties under the law."

Dick Wilson, president of the Oglala Sioux tribal government, has been much maligned by AIM. In a letter to the Minneapolis Star he has spoken out on the history leading up to the establishment of a tribal government by legal and democratic means. I would like to take this opportunity to share this letter with my colleagues as a point of interest in reference to the present confrontation at Wounded Knee:

A Letter From the President of the Oglala Sioux

(Editor's Note: Following is a letter to The Star from Dick Wilson, president of the Oglala Sioux Tribe, with headquarters at Pine Ridge, S.D. Wilson has been sharply criticized by leaders of the American Indian Movement, who have occupied Wounded Knee, which is on the Oglala reservation. The letter presents Wilson's version of events leading up to the Wounded Knee occupation.)

To the Editor: During the last few days I have been reading what the white man's newspapers have been saying about the goings-on on our reservations. It has made me really wonder. Why don't the reporters try to find out what's going on before they start writing?

If you want to know what is going on at Wounded Knee now, you have to understand what has been happening to our people for the last hundred years. After the United States army invaded our country and our warriors finally had to surrender in 1877, the United States set up an occupation government for us.

We were run by the Bureau of Indian Affairs and on our reservation the superintendent was the mayor, the city council and the chief judge, all rolled in one. He really was a tin god. Yes, there were also some Indian spokesmen, but they were nothing but puppets.

Our occupation government lasted for a long time. More than 50 years passed before the first change came. Under the Indian Reorganization Act of 1934 we were finally given a chance to set up our own government. we did that by vote of the people in 1935. A majority of the people voted to set up our self-government but there was strong minority against it. A lot of people had been used to being run by the Bureau of Indian Affairs and wanted to keep it that way.

Our self-government was set up by a vote of 1,348 for and 1,041 against. The opponents of self-government, the people who preferred paternalism, have been agitating against our tribal government for a long, long time.

But our tribal self-government has existed since 1935. The people elected a president and a tribal council in accordance with our tribal constitution. The council passes ordinances and the president and his staff have to carry them out.

The present council and I, as president, were elected by the voters of the Oglala Sioux Tribe in the tribal election of December 1971. I received 1,554 votes and my opponent received 1,130 votes. We were the top two candidates in the primary, where there were six candidates. The councilmen were elected in the same election, each of them running from his district. We have no political parties in our tribe. Each candidate runs on his own.

Since we took office in 1972, the council and I have tried to run the affairs of the tribe to the best of our ability. It is a hard job. Our people have lots of problems and we need more help than we have been getting. But we have tried hard and we have tried to do our best. Everybody knows now who is in charge on this reservation.

Those who haven't liked the tribal government since it was set up are not just agitating against me personally but against a tribal government that takes charge. They really don't want their own people to run the affairs of the reservation. They believe in paternalism.

I believe in tribal self-government and Indian people speaking up for themselves. But I don't believe in taking hostages, in threatening lives. And I don't believe in disrupting government operations. I think that is plain stupid: it doesn't help a single Indian.

That's why I have been opposed to the AIM. Because I spoke my mind, the AIM people have been against me and have made threats against me and my family.

Some of the paternalists on our reservation who want to abolish the tribal government and go back to being run by the superintendent have linked up with the same people who tore up the Bureau of Indian Affairs in Washington. That is what has happened at Wounded Knee. Both sides have only one interest, to embarrass the tribal government of the Oglala Sioux Tribe.

But we are going to stick to our jobs. We are going to see to it that we have law and order on our reservation and we are going to do our very best to give our people a better life. What we are asking the newspapers to do is to be fair to us. Is that too much?

Dick Wilson.

LEGISLATION TO REPEAL THE 3-CENT-A-POUND MEAT TARIFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (St Germain) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, all of us here, along with housewives throughout the country, are well aware of skyrocketing food costs.

But, the point is driven home with tremendous force by the most recent Labor Department wholesale price index which shows that food prices rose in February at the alarming adjusted annual rate of 19.2 percent.

By any standard, that kind of advance in food prices, the highest for any single month since 1951—the days of the Korean war—cannot be tolerated. The burden simply is too great, especially for those of low or fixed incomes.

On March 15 I introduced a bill that is not offered as a palliative, but as a real contribution to attempt to lower some of the pressure on the cost of food.

My bill would eliminate: First, the 3-cent-a-pound duty now being charged against every pound of fresh, chilled, or frozen beef imported into this country; and second, the 2½-cent-per-pound duty now being levied on mutton.

Certainly, in the midst of a crisis in the cost of food, there can be no reason for this Nation to impose a tariff on meat at a time when meat is in such short supply that prices are out of reach of many families. And, the end is not in sight.

My interest in the Nation's meat supply goes back some years. I was among the first to urge the Nixon administration to broaden the meat import quotas so as to allow more meat to enter the country. I am happy to be able to compliment President Nixon on his earlier decision to lift meat import quotas completely for all of 1973.

Wise as that decision was, it is not enough.

This Nation must go further by wiping out the tariff which simply adds 3 cents a pound to the price of meat bought by consumers.

At this juncture, there can be no justification for continuation of that import duty. We badly need the meat being imported; we certainly need to do everything possible to curb the increase in prices.

In dealing with this question of the 3-cent-a-pound tariff on foreign meat, we must be aware that most of that meat is used for manufacturing meat. A study completed only last year by the U.S. Tariff Commission showed that 92 percent of imported meat is used for manufacturing purpose—hamburger, sausage, cold cuts. Only a very small portion, about 8 percent, is sold as table meat.

Those official figures demonstrate clearly that imported meat does no harm at all to American cattle producers, but that imported meat does help restrain the price of those great American staples—the hamburger, the hotdog, and sandwich meats.

I would hope this House would find it imperative that we act quickly to repeal the tariff on imported meat. It is high time to give some help to consumers. This is the time to translate our sentiments into very real action—by dropping a tariff which is helping no one and hurting everyone.

MASS TRANSIT AND THE HIGHWAY TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, this morning, the Transportation Subcommittee of the Committee on Public Works, of which I am privileged to be a member, began hearings on the 1973 highway bill.

While there are many issues and questions facing us in the consideration of this legislation, none is more critical than that of providing funds for mass transit, including the question of whether some portion of the highway trust fund should be made available for such purposes.

I include the text of my opening statement and of my bill, H.R. 5573, in the Record at this point:

Statement of Congresswoman Bella S. Abzug

We are this morning beginning hearings in preparation for the writing of legislation which I expect will mark a turning point in the history of Federal government involvement with transportation in America. We are on the threshold of realizing and acknowledging that that one aspect of transportation—roads and highways—cannot be considered or dealt with in a vacuum, but that we must consider all of our basic forms of public transportation on a coordinated basis.

The 1970 census showed that 73.5 percent of the American people—about 150 million of us—lived in urban areas; in addition, a substantial portion of the remaining 26.5 percent commute to and from urban areas to earn their living. As our nation has become more and more crowded, the use of the private automobile as a basic form of transportation in our urban areas has become increasingly inefficient and damaging to our environment It is now clear that the future of transportation in our urban areas must be in the form of such modes as bus and rail transportation.

We simply do not have room for all the cars.

Also, we cannot breathe the air. In Southern California, a serious attempt is now being made to cut back substantially on the availability of gasoline for private cars. The absence of mass transportation in and around our urban areas has led to such a glut of private cars on the road that even the commercial traffic for which the Interstate System was in large part built is unable to move expeditiously from place to place.

Thus, I believe that making a portion of the money in the Highway Trust Fund available for mass transit purposes will not only afford our urban areas the kind of transportation systems they need and want, but will also ease the congestion on highways in and around our cities.

Last year, the Senate passed a highway bill which would have opened up a portion of the Highway Trust Fund for urban mass transit purposes. The House did not see fit to concur in that judgment and the final bill, which would have permitted the expenditure of funds out of general revenue for mass transit capital expenditures, failed to pass on the last night of the 92nd Congress. Last week, the Senate acted on its version of the 1973 highway bill, once again deciding to permit the use of funds from the urban systems portion of the highway program, $850 million annually, for mass transit expenditures. It also voted to authorize the expenditure out of the general fund of nearly $4 billion for both capital and operating expenses for mass transit systems.

Now, it is our turn to work our will. I have introduced a bill, H.R. 5573, which would permit all Highway Trust Fund money other than that designated for the Interstate System to be used for mass transit purposes. This would make available some $3 billion annually out of the Highway Trust Fund for mass transit, as opposed to the $850 million which is provided for in the Senate bill. I repeat that this will *not* affect the $3.25 billion annually which is authorized for completion of the Interstate Highway System. But it *will* bring about a long overdue consolidation of the existing myriad of non-Interstate highway programs (such as primary, secondary, urban extension and urban systems), and will provide States and localities with the flexibility to plan rational, balanced transportation programs including mass transit.

In addition, H.R. 5573 contains an "urban pass-through" provision similar to that which I offered in committee and on the floor of the House last year. Under this provision, which appears as part of Section 10 of my bill, that portion of a State's non-Interstate funds which are attributable (on a straight population basis) to urbanized areas within the State shall be earmarked for expenditure in those urbanized areas. In any case where the local governments within the urbanized areas combined together under State law to create a metropolitan transportation agency, the funds earmarked for that urbanized area shall be made available directly to that metropolitan transportation agency. The creation of such agencies may be a difficult and time-consuming process, however, and will often involve the cooperation of two or more States. Therefore, I have also included a provision which assures all cities over 250,000 in population their fair share of the urbanized area's funds on a direct pass-through basis until the metropolitan agencies are created.

I note in connection with this provision that the bill which passed the Senate makes funds available, in the absence of a combination of the localities in the urbanized areas, only to cities with populations of 400,000 or more; thus, my bill would assure direct pass-through to substantially more localities than would the Senate bill, even in the absence of an agreement among municipalities for the creation of a metropolitan transportation agency.

I am pleased to note that the Administration, this year in the person of Secretary Claude Brinegar, is once again supporting the concept of making Highway Trust Funds money available for mass transit purposes. I do hope that this year they will really put some muscle behind their position.

I am also extremely pleased to note that our able and distinguished chairman, Congressman John Kluczynski of Chicago, has shown his capacity for statesmanship by coming around to my way of thinking about the use of Highway Trust Fund money for mass transit.

As I stated at the outset of my remarks, I believe that we stand at a turning point in the history of American transportation. I look forward to the coming week of hearings and the mark-up which will follow with great interest and anticipation.

H.R. 5573

A bill to allow States and localities more flexibility in utilizing highway funds, improve the efficiency of the Nation's highway system, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Highways and Related Transportation Systems Improvement Act of 1973".

FINDINGS AND PURPOSE

Sec. 2. The Congress finds that highway congestion, air pollution, and related safety problems are increasingly impairing the efficiency of the Nation's highway system; that the efficiency of the Nation's highway system can be improved by developing highway or related transportation systems which are tributaries to and supportive of highways; and that highways and related systems can be improved best by according to the States and local communities greater flexibility in the use of Federal assistance for highways.

DEFINITIONS

Sec. 3. Section 101(a) of title 23, United States Code, is amended as follows:

(1) After the definition of the term "forest highway", add the following new paragraphs:

"The term 'Governor' means the chief executive officer of the State.

"The term 'highway or related transportation service' means (1) the acquisition, construction, reconstruction, improvement, operation, or maintenance of highway, bicycle paths, pedestrians walkway, equestrian trail, traffic control, or public transportation systems, facilities, or equipment (including safety facilities and equipment); (2) planning, training, research, development, and demonstration activities for such activities, and highway safety program activities; and (3) beautification, relocation, and environmental protection activities associated with any activity set forth in clause (1) or (2) of this paragraph."

(2) After the definition of the term "maintenance", add the following new paragraphs:

"The term 'population' means the total resident population based on the most recent data compiled by the Bureau of the Census and referable to the same point or period of time.

"The term 'unit of general local government' means any city, municipality, county, town, township, parish, village, or other general purpose political subdivision of a State."

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

Sec. 4. Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1974, the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1975, and the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1976", and by inserting in lieu thereof the following: "the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1974, additional sum of $3,250,000,000 for the fiscal year ending June 30, 1975, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1976, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1977, the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1978, and the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1979."

INTERSTATE SYSTEM APPORTIONMENTS

Sec. 5. The Secretary is authorized to make the apportionment for fiscal years 1974 and 1975 of the sums authorized to be appropriated for such years for expenditure on the National System of Interstate and Defense Highways, using the apportionment factors contained in table 5, House Committee Print Numbered 92–29.

EXTENSION OF TIME FOR COMPLETION OF INTERSTATE SYSTEM

Sec. 6. (a) The second paragraph of section 101(b) of title 23, United States Code, is amended by striking out "twenty years" and inserting in lieu thereof "twenty-three years" and by striking out "June 30, 1976", and inserting in lieu thereof "June 30, 1979".

(b)(1) The introductory phrase and the second and third sentences of section 104(b)(5) of title 23, United States Code, are amended by striking out "1976" each place it appears and inserting in lieu thereof at each such place "1979".

(2) Such section 104(b)(5) is further amended by striking out the sentence immediately preceding the last sentence and inserting in lieu thereof the following: "Upon the approval by Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for the fiscal years ending June 30, 1976, and June 30, 1977. The Secretary shall make a revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1976. Upon the approval by Congress, the Secretary shall use the Federal share of such approved estimates in making apportionments for the fiscal years ending June 30, 1978, and June 30, 1979."

INTERSTATE SYSTEM ADJUSTMENTS

Sec. 7. (a) The fourth sentence of subsection (e)(2) of section 103 of title 23, United States Code, is amended to read: "The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph, except that the cost to the United States of the aggregate of all mileage designated in any State under the third sentence of this paragraph shall not exceed the cost to the United States of the mileage approval for which is withdrawn under the second sentence of this paragraph; such costs shall be that as of the date of the withdrawal."

(b) Paragraph (2) of subsection (e) of section 103 of title 23 of the United States Code is amended by adding at the end thereof the following: "The authority granted by this paragraph shall expire on the date of enactment of the Highways and Related Transportation Systems Improvement Act of 1973."

(c) Subsection (c) of section 103 of title 23, United States Code, is amended by adding the following:

"(4) In addition to the mileage authorized by the first sentence of paragraph (1) of this subsection, there is hereby authorized additional mileage for the Interstate System to be used in making modifications or revisions in the Interstate System as provided in this paragraph. Upon the joint request of a State Governor and the local governments concerned, the Secretary may withdraw his approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance with this title prior to the enactment of this paragraph, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System (including urban routes necessary for metropolitan transportation) or will no longer be essential by reason of the application of this paragraph and will not be constructed as a part of the Interstate System, and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by such route or portion thereof. After the Secretary has withdrawn his approval of any such route or portion thereof the mileage of such route or portion thereof and the additional mileage authorized by the first sentence of this paragraph shall be available for the designation of such interstate route or portions thereof within that State as provided in this subsection necessary to provide the essential connection of the Interstate System in such State in lieu of the route or portions thereof which were withdrawn. The provisions of this title applicable to the Interstate System shall apply to all mileage designated under the third sentence of this paragraph, except that the cost to the United States of the aggregate of all mileage designated in any State under the third sentence of this paragraph shall not exceed the cost to the United States of the mileage approval for which is withdrawn under the second sentence of this paragraph. Such costs shall be that as of the date of the withdrawal. Whenever the Secretary determines that such routes or portions thereof are not essential or whenever the amounts necessary for the completion of the substitute essential routes or portions thereof are less than the cost of the withdrawn route or portions thereof, the amounts remaining or the difference shall be transferred to and added to the amounts apportioned to such State and urbanized area, in which the segment was to have been constructed, for expenditure pursuant to chapter 6 of this title, except that the Federal share of project costs shall be the same as for the Interstate System."

REMOVAL OF DESIGNATED SEGMENTS OF THE INTERSTATE SYSTEM

SEC. 8. Section 103(g) of title 23, United States Code, is amended to read as follows:

"(g) The Secretary, on July 1, 1974, shall remove from designation as a part of the Interstate System each segment of such system for which a State has not notified the Secretary that such State intends to construct such segment, and which the Secretary finds is not necessary for continuity of traffic flows between cities. Nothing shall prohibit the consideration for substitution prior to July 1, 1975, of alternative segments of the Interstate System which will meet the requirements of this title. Any segment of the Interstate System, with respect to which a State has not submitted by July 1, 1975, a schedule for the expenditure of funds for completion of construction of such segment or alternative segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met, shall be removed from designation as a part of the Interstate System. No segment of the Interstate System removed under the authority of the preceding sentence shall thereafter be designated as a part of the Interstate System except as the Secretary finds necessary in the interest of national defense or for other reasons of national interest."

HIGHWAY BEAUTIFICATION

SEC. 9. (a) Section 131(b) of title 23, United States Code, is amended by inserting immediately preceding the penultimate sentence thereof the following: "Federal-aid highway funds appropriate to a State after the first expiration occurring after January 1, 1974, of a regular session of the State legislature shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to the State under section 104 of this title, until such time as the State shall provide for effective control, if the Secretary determines that the State has not made provision for effective control, of the erection and maintenance along the Interstate System and the primary system of outdoor advertising signs, displays, and devices, the advertising or informative content of which can be seen from the main traveled way of the system."

(b) Section 131(d) of title 23, United States Code, is amended by striking out "within six hundred and sixty feet to the nearest edge of the right-of-way" by inserting in lieu thereof "at any location".

(c) Section 131(m) of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out the provisions of this section, out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $2,000,000 for the fiscal year 1970, not to exceed $27,000,000 for the fiscal year 1971, not to exceed $20,500,000 for the fiscal year 1972, and not to exceed $50,000,000 for each of the fiscal years 1973, 1974, and 1975. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 3, 1967."

(d) Section 136(m) of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out this section out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $3,000,000 for each of the fiscal years 1970, 1971, and 1972, not to exceed $5,000,000 for fiscal year 1973, and not to exceed $7,000,000 for each of the fiscal years 1974 and 1975. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

NEW PROGRAM AUTHORIZATION

SEC. 10. Title 23, United States Code, is hereby amended by adding at the end thereof the following new chapter:

"Chapter 6.—HIGHWAYS AND RELATED TRANSPORTATION SERVICES IMPROVEMENT PROGRAM

"Sec.
"601. Creation of program.
"602. Authorization.
"603. Allocation formula.
"604. Comprehensive State and local transportation plans.
"605. Records, audit, and reports.
"606. Recovery of funds.
"607. Rules and regulations.
"608. Annual report.
"609. Relocation assistance.
"610. Highway safety programs.
"611. Labor standards.

"CREATION OF PROGRAM

"SEC. 601. There is hereby created a highways and related transportation services improvement program under which the Secretary of Transportation shall be authorized to apportion Highway Trust Funds to States and local governments to aid them in operating, maintaining, and making improvements to highways and related transportation facilities including public transportation services. Recipients are authorized to use funds received in accordance with this section for the construction of facilities and the acquisition of public transportation equipment for highways and related transportation services within the responsibilities of governmental and quasi-governmental agencies in urbanized areas if such activities are performed in accordance with a State or local transportation plan authorized in section 604.

"AUTHORIZATION

"SEC. 602. There are authorized to be appropriated for the highways and related transportation services improvement program, out of the Highway Trust Fund, $2,750,000,000 for the fiscal year ending June 30, 1974, and the additional sum of $3,250,000,000 for each of the fiscal years 1975, 1976, 1977, 1978, and 1979.

"ALLOCATION FORMULA

"SEC. 603. (a) For each fiscal year beginning after June 30, 1973, and ending prior to July 1, 1980, the Secretary, after consultation with the Secretary of the Treasury, shall apportion 90 per centum of the funds authorized to be appropriated under section 602 among the States as follows:

"(1) 50 per centum in the ratio which the population in urbanized areas in each State bears to the total population in urbanized areas in all States;

"(2) 25 per centum in the ratio which the population of each State bears to the total population of all States; and

"(3) 25 per centum in the ratio which the square root of the area of each State bears to the sum of the square roots of the areas of all States. No State shall receive less than one-half of 1 per centum of each year's total allocation to the States under this subsection.

"(b) The remaining 10 per centum shall be available for grants by the Secretary at his discretion for any highway or related transportation service he deems appropriate, but priority shall be given to assisting State, local, and regional government entities in developing and implementing comprehensive transportation plans, developing emergency systems to meet the ambient air quality standards of the Clean Air Act, constructing and improving bridges, financing research, development, and demonstration projects, and emergency relief repairs and reconstruction of serious damage resulting from natural disasters and catastrophic failures from any cause.

"(c)(1) Funds apportioned to a State pursuant to section 603(a)(1) shall be reapportioned by the State directly to urbanized areas within the State in the ratio which the population within the State of each urbanized area bears to the total population of all urbanized areas within the State.

"(2) Funds allocated to any urbanized area under section 603(c)(1) shall be available for expenditure in another urbanized area within such State only where the responsible public officials in both such urbanized areas agree to such availability.

"(3) Where the units of general purpose local government in any urbanized area shall combine together under State law to create a metropolitan transportation agency, with sufficient authority to develop and implement a plan for expenditure of funds allocated to such urbanized area pursuant to this section, funds allocated to such urbanized area under section 603(c)(1) shall be available to such metropolitan transportation agency for projects authorized by this chapter in accordance with a State or local transportation plan approved under section 604.

"(4) A transportation agency shall be considered to exist when an agency for the purposes of transportation planning has been created by the unit or units of general local government within the urbanized area which represent at least 75 per centum of the total population of the urbanized area and include the largest city. In addition each transportation agency shall have (A) representation in its executive management of the highest appropriate elected official of each participating unit of general purpose local government or, in the case of the District of Columbia, representation of the Commissioner; (B) a citizen advisory board composed of representatives of citizen groups; (C) planning authority for all urban surface modes of transportation: (D) proportional voting based on population; and (E) authority to develop the program of projects required under section 604, except that implementation of such projects may be carried out by units of local government.

"(5) Where the units of general local government in any urbanized area have not combined under State law to create a metropolitan transportation agency as defined in section 604(c)(4), a portion of the funds allocated to any such urbanized area under section 603(c)(1) shall be reallocated and available to any legally constituted municipality having a population of two hundred and fifty thousand or more within such urbanized area, in an amount which reflects the ratio which the population of each such municipality bears to the total population within the State of the urbanized area of which it is a part.

"(6) Where a State reduces its allocations to support highways or related transportation services of any local government below the level of assistance which the services within the jurisdiction of that local government received in the fiscal year ending immediately preceding the date of enactment of this section, that State shall have its allocations under sections 603(a)(2) and 603(a)(3) reduced by a like amount, unless the State can demonstrate to the Secretary special circumstances which warrant such reduction in assistance.

"(7) In the event that cooperation between the States is necessary in order to realize the full benefit of the provisions of this section, the consent of Congress is hereby given to the States to enter into appropriate agreements.

"COMPREHENSIVE STATE AND LOCAL TRANSPORTATION PLANS

"SEC. 604. (a) A State shall be eligible to receive its allocation pursuant to section 603(a) (2) and (3) for any fiscal year if it has a comprehensive State and local transportation plan approved by the Secretary under this section. Such plan shall:

"(1) provide for the development, maintenance, and operation of highways and related transportation services responsive to the needs of such State and its communities;

"(2) be coordinated with local community development plans and take into consideration the social, economic, and environmental impact of the available transportation alternatives and assure adequate citizen involvement in the planning process through public hearings and related activities;

"(3) include a program of projects to be undertaken with funds appropriated under 603(a) (2) and (3) such program to be submitted annually to the Department of Transportation;

"(4)(A) be approved by the Governor of each State and (B) be approved with any recommended revision by a similar procedure within a period of not more than two years from the previous approval or reapproval; and

"(5) be administered by a single State agency with authority for preparation and execution of such State's comprehensive transportation plan and for transportation policy and programs generally in such State.

"(b) State and metropolitan transportation plans shall show how they comply with the Clean Air Act.

"(c) The Secretary shall not finally disapprove any State or metropolitan plan submitted under this chapter, or any modification thereof, without first affording the State or metropolitan administering agency reasonable notice and opportunity for a hearing.

"(d) Not to exceed 3 per centum of the allocation of each State or urbanized area under this chapter may be expended for planning and administration of the planning program.

"RECORDS, AUDIT, AND REPORTS

"SEC. 605. (a) All funds allocated under this chapter shall be properly accounted for as Federal funds in the accounts of the recipients.

"(b) In order to assure that funds allocated under this chapter are used in accordance with the provisions of this chapter, each recipient shall—

"(1) use such fiscal and accounting procedures as may be necessary to assure (A) proper accounting for obligations incurred and payments received by it, and (B) proper disbursement of such amounts;

"(2) provide to the Secretary, on reasonable notice, access to and the right to examine any books, documents, papers, or records as he may reasonably require; and

"(3) make such reports to the Secretary as he may reasonably require.

"RECOVERY OF FUNDS

"SEC. 606. (a) If the Secretary determines after giving reasonable notice and opportunity for hearing that a recipient has failed to comply substantially with the provisions of this chapter he shall—

"(1) refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action will be instituted, or

"(2) notify the recipient that if corrective action is not taken within sixty days from the date of notification, funds allocated to it will be reduced in the same or succeeding fiscal year by an amount equal to the amounts which were not expended in accordance with the provisions of this chapter; or

"(3) take such other action as may be provided by law.

"(b) When a matter is referred to the Attorney General pursuant to subsection (a) (1) of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(c)(1) Any recipient which received notice of reduction of funds allocated under subsection (a)(2) of this section may, within sixty days after receiving notice of such reduction, file with the United States court of appeals for the circuit in which such recipient is located or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in litigation.

"(2) The Secretary shall file in the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless the objection has been urged before the Secretary.

"(d) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendations, if any, for the modification or setting aside of his original action.

"(4) Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that the same shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

"RULES AND REGULATIONS

"SEC. 607. The Secretary shall prescribe such rules, regulations, and standards as may be necessary to carry out the purposes and conditions of this chapter.

"ANNUAL REPORT

"SEC. 608. The Secretary shall make an annual transportation report to the President and the Congress pertaining to transportation requirements and to the effectiveness of programs authorized under this chapter.

"RELOCATION ASSISTANCE

"Sec. 609. Notwithstanding the provisions of section 211 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), no Federal contribution in addition to funds allocated under this chapter shall be provided for relocation payments and assistance for those displaced by transportation activities assisted under this chapter.

"HIGHWAY ASSISTANCE PROGRAMS

"SEC. 610. Nothing in this chapter shall be interpreted as repealing the requirements in section 402(a) of this title respecting the establishment by States of highway safety programs approved by the Secretary. For the purposes of the sixth sentence of section 402(c) of this title the phrase 'Federal-aid highway funds apportioned' shall mean funds apportioned pursuant to section 104(b)(5) of this title.

"LABOR STANDARDS

"SEC. 611. (a) The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Secretary shall not approve any such loan or grant without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

"(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

"(c) It shall be a condition of any assistance to mass transit systems under section 601 of this chapter that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements or otherwise; (2) the continuation of collective-bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to sections 5(2)(f) of the Interstate Commerce Act (49 U.S.C. 5(2)(f)). The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements."

Sec. 11. (a) Chapter 3 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 323. Application of Civil Rights Act of 1964; prohibition of discrimination on the basis of sex

"(a) Funds made available under this title shall be considered as Federal financial assistance within the meaning of title VI of the Civil Rights Act of 1964.

"(b) No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal assistance under this title or carried on under this title. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee."

(b) The analysis of chapter 3 of title 23, United States Code, is amended by adding at the end thereof the following:

"323. Application of Civil Rights Act of 1964; prohibition of discrimination on the basis of sex.".

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Holifield) is recognized for 5 minutes.

Mr. HOLIFIELD. Mr. Speaker, I was necessarily absent from the sessions of the House of Representatives last week on official business. Had I been present, I would have voted as follows:

On rollcall No. 44, "nay."
On rollcall No. 45, "yea."
On rollcall No. 48, "yea."
On rollcall No. 50, "yea."

THE ST. JOE RIVER

(Mr. SYMMS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SYMMS. Mr. Speaker, for a number of years there has been pressure to preserve certain portions of our Nation by setting them aside, as wilderness or wild rivers, so that future generations would be able to visit them and see how America looked in its original, unspoiled beauty. Sizable amounts have already been set aside, and more is being considered. At the present time there are already 3.2 acres of wilderness in Idaho for every citizen in the State.

I do not believe that it was ever the intent of the Congress to destroy people's jobs and to buy up their farms and ranches in order to return areas already developed to a wilderness condition. The St. Joe River in Idaho is an area which has already been substantially developed with roads, ranches, and farming operations. If this river were to be included in the wild river system, it would impose severe hardship on many people and industries who already have investments along the river in excess of $10 million. The restrictions imposed by a wild river classification would seriously endanger the economy of the entire area. The St. Joe river is a beautiful stream, and the ranchers and farmers who live along it have no intention of damaging or destroying this natural beauty. The people of Idaho believe that the land can be used without abuse, and that there is nothing wrong in having available access to some of this beautiful scenery.

Since the St. Joe is not now in a primitive condition, and reclassification to wild river status would not only be expensive to the American taxpayer but destructive to the people living in the St. Joe river drainage, I sincerely hope that it can be removed from this wild river study, so the people of that area can return to a normal, productive way of life. For this reason, I am today introducing the following bill. I also include in my remarks at this time the report I received when I was in St. Maries, Idaho, in February of the Ad Hoc Committee.

H.R. —

A bill to amend the Wild and Scenic Rivers Act to remove the St. Joe River in the State of Idaho from consideration for designation as a wild and scenic river

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) is amended by striking out "(22) Saint Joe, Idaho: The entire main stream." and by renumbering the succeeding paragraphs accordingly.

To Congressman Steve Symms—First Congressional District, State of Idaho—Recommendations of the Ad Hoc Committee for the Wild Rivers Study for the St. Joe River Drainage

The Ad Hoc Committee was appointed by Kenneth Norman, Forest Supervisor of the St. Joe National Forest with headquarters in St. Maries, Benewah County, Idaho to work with the Forest Service on the current Study. The Committee was composed of ten members representative of Lumbering, Mining, Railroads, Business and Environmental Interest Groups. On February 12, seven of the ten members were present at the meeting which made the following recommendations. Six of the seven members voted in favor of the recommendation with one negative vote being cast. The following is a copy of the recommendation:

We, the undersigned members of the Ad Hoc Committee, that were appointed to serve in a study of the St. Joe River in Northern Idaho to determine how much, if any, of that river should be included in the National Wild Scenic or Recreation Act do hereby request that the following statements be entered into the records of this study:

No. 1—Inclusion of the river, if approved, would impose severe Government regulations and restrictions on the use of privately owned land and greatly impair the operation of the many industries along the river which represent investments exceeding ten million dollars. The restrictions imposed on these industries could greatly endanger the economy of the area.

We oppose the constantly increasing encroachment by the Government at all levels upon the rights and privileges of private and corporate citizens.

No. 2—The undersigned feel that if controls are necessary that such controls can be administered by local government through County Comprehensive Planning Commissions which are now functioning in both Benewah and Shoshone Counties through which this river flows.

With many state laws now in effect we feel that any further laws on the Federal level is a duplication and very costly to the taxpayer. We much prefer local controls administered at the local level.

No. 3—We oppose the inclusion of the St. Joe because of the very high cost to the taxpayer in the procuring of easements and the placing of covenants over the land owned by some four hundred and fifty landowners along the river.

These easements would prove inflexible and would stop the development of many thousands of acres of land and would restrict or prohibit access by roads to areas for the economic benefit of all citizens.

No. 4—We oppose the classification of this river even through Federal owned land because it would jeopardize the movement of traffic, including logging through this corridor: Stopping the flow of natural resources to their point of manufacture and allowing them to die and become a loss to this nation is certainly not in the best effort of conservation.

No. 5—We oppose this proposal because it prevents the development of private lands by the owners for their highest and best use under the traditional system of free enterprise. Private development will eventually and surely increase the tax base of the local area whereas restricted development caused by rigid, inflexible regulations would decrease or severely limit the growth of the tax base.

No. 6—We oppose inclusion because as members of this study group, we know that it would freeze all controls for an indefinite period and could be changed only by Congressional Action, which is too rigid to allow for changes in economic needs of the area. Resources, such as timber and minerals would enjoy limited, if any, development since the logical way to reach these resources is by roads built along stream channels, a practice which would be prohibited or difficult under the Act. Development of resources would be more beneficial to all citizens of the Area and the U.S. than closing the Area for the use of a limited number of vacationeers.

No. 7—Many public meetings have been held in this area in the last two years in an effort to bring this to a Concerned people. As a whole we find our populace stunned over the possibility of what might happen to them if the river becomes part of the Wild and Scenic River system.

Because of this, we feel even more a deep responsibility to see that this does not happen.

We too believe in Conservation—the preservation of the rights granted by the Constitution—that is the right of proprietorship of our land without Federal intervention.

We as members of this Committee submit the above facts, in all honesty and with conviction, as a result of extensive study of the Wild Rivers Act, as it concerns the St. Joe River in the State of Idaho.

THE INTEREST RATE CONSPIRACY AND THE INACTION OF THE NIXON ADMINISTRATION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the latest prime rate increase illustrates the total ineffectiveness of the Committee on Interest and Dividends. It makes even more ludicrous Dr. Arthur Burns' much-publicized exchange of letters and telegrams with the banks last month.

No longer do we hear from Dr. Burns as the interest rates steadily climb upward. The prime rate now stands a full three-quarters of a point above that existing before the wage-price program went into effect in August of 1971 and, more importantly, all interest rates are pushing upward and are well above the precontrol figures. The prime rate has increased 12½ percent since the wage-price program went into effect and the administration continues to coddle its banker friends.

And once again, we will see the big banks move together on this increase and the Justice Department will sit idly by and make no attempt to prevent the financial institutions from manipulating the rates in concert.

Mr. Speaker, anyone capable of tracking an elephant in the snow ought to be able to spot the conspiracy to violate antitrust laws in the setting of the prime rate.

These latest interest rate increases will be a prime topic for the Banking and Currency Committee as it takes up the President's request for an extension of the Economic Stabilization Act. The administration has failed miserably to live up to the requirements of this act in controlling the cost of money and the Banking and Currency Committee is going to demand to know why the law has been flouted.

CONGRESSIONAL FUNDING OF PRESIDENTIAL ADVISERS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, included in the proposed 1974 budget of the U.S. Government is the sum of $121 million to fund the Executive Office of the President. Additionally, the budget proposes direct appropriations to the President of $1 million as an emergency fund for the use of the President and $350,000 for special expenses of management improvements. Essentially, it is proposed that this tax money be spent for the following expenses of the Government:

President's Salary and Expense Allowance	$250,000
Care, Maintenance, and Operation of the White House	1,370,000
Domestic Advisers	1,168,000
Economic Advisers	1,376,000
Environmental Advisers	2,466,000
International Economic Councilors	1,400,000
Leaders and Coordinators for Federal Drug Abuse Prevention Activities (Including Grants)	65,199,000
National Security Advisers	2,802,000
Policy Advisers and Coordinators for Nonmilitary Emergency Preparedness Activities	9,620,000
Supervisors and Coordinators for U.S. Foreign Trade Policies	1,550,000
Telecommunication Advisers (Including Contractual Research and Development)	3,270,000
Staff Assistance and Administrative Services—White House Staff	9,110,000
Staff Assistance for Budgetary, Management, and Other Executive Responsibilities	19,600,000
Development and Implementation of Improvements in the Management, Organization, and Operation of the Executive Branch	350,000
Special Assistance to the President	675,000
Staff Assistance on Special Problems	$1,500,000
Emergency Fund for Presidential Use	1,000,000

Mr. Speaker, this vast sum of tax money will pay the salaries of more than 2,000 employees who will assist and advise the President in one way or another. Are we in this Congress to authorize the use of tax moneys for these purposes and yet—at the whim of the President—to be precluded from asking these employees what is going on downtown?

The claim and belief that there is such a thing as executive privilege is simply a delusion dreamed up by Presidents and permitted by Congress.

As the elected President of the United States, President Nixon has a clear mandate. He is to be the leader of Government. In his wisdom, he is to propose those programs which he believes to be in the best interest of the people.

But, Mr. Speaker, the people—through their duly elected representatives—are to have the final say as to what programs are to be funded and how they are to be carried out. Once the people—through their representatives—make these decisions, the President's duty is clearly to carry out the will of the people.

Equally clear is the people's privilege to review the operations of their government—through use of their elected representatives—at any level and in any way they wish. For the President to prohibit this is to usurp the clear constitutional rights of the people.

The people—through their duly elected representatives—clearly have the power to protect their constitutional rights. Should the gentleman downtown become too arrogant in his illusions of executive privilege, then—come July 1st—the people's representatives will be fully justified in exercising the power of the purse. Money, and the lack of money, may be the only thing the gentleman clearly understands.

Funding for the Office of the President should be limited to the President's salary and expense allowance, and custodial care, maintenance, and operation of the White House. To the extent that Congress agrees that advisors for the President are necessary, we can provide the funding through the appropriate department and agency budgets.

Mr. Speaker, we can also legislate an end to the dream and illusion of executive privilege—if that is truly the wish of the people—by inclusion of a general provision in the appropriation acts to the end that—should an agency fail to provide a document requested by a duly constituted committee or subcommittee of Congress or should any of its officials or employees fail to appear and testify when requested by a duly constituted committee or subcommittee of Congress, then all appropriations to that department or agency would immediately cease to exist and all disbursing officers of Government would be legally precluded from further disbursement of funds on behalf of the department or agency involved.

Mr. Speaker, the people—through their duly elected representatives—have the means of enforcing their will. The question remains, however, do we have the determination?

RETAIL DRUG PRICE COMPETITION

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. ROSENTHAL. Mr. Speaker, I have released a comprehensive study of the prescription drug industry which shows that American consumers are forced to pay over a billion dollars annually in unnecessary prescription drug costs because of prohibitions on retail advertising, overproductive patent laws, exorbitant promotional expenditures by industry, and unreasonable markups.

In connection with release of the report, I introduced four pieces of legislation:

H.R. 5734 requires the open dating of all perishable prescription drugs, showing clearly on the dispensed product's label the date beyond which the potency is diminished or the chemical composition altered by age;

H.R. 5735 requires the labeling and advertising of prescription drugs by their established—generic—name and an end to all laws prohibiting generic substitution by pharmacists;

H.R. 5736 would end all State prohibitions on retail prescription drug price advertising and require the posting of prices for the 100 most commonly prescribed drugs;

H.R. 5737 would make compulsory the licensing of new prescription drugs during the 17-year patent period.

Because of the wide interest expressed in this report and the accompanying legislation by Members of the House as well as consumers across the country, I include this report in the RECORD so that copies may be available to everyone:

RX: RETAIL DRUG PRICE COMPETITION—A CONSUMER STUDY BY CONGRESSMAN BENJAMIN ROSENTHAL

(NOTE.—Charts and ads referred to not reproduced in the RECORD.)

FOREWORD

The economic concept that competition in the marketplace weeds out poor products and disreputable businessmen is largely a myth. Competition itself is stifled by economic concentration in many industries and the power of corporations to manipulate decision-making in the marketplace is enormous: advertising and mass media selling often rely on subtle deceptions and on imagery instead of substance, and many of today's products are too complex to be easily understood and evaluated by even the most sophisticated consumer.

Each of these forces is at work at all levels of the drug industry—one of the most powerful, influential and richest segments of the American economy. In fact, at a time of high unemployment and increasing health care costs for the American people, the drug industry is reaping astronomical profits. It is a unique industry whose products are in constant demand. It also may be the most closely controlled industry in the country. It is certainly over-protected, a situation that contributes strongly to its enormous profits.

The evidence is strong that the drug industry is more concerned with its own corporate economic health than with the American public's medical health. This is apparent in the priorities it sets for itself, spending hundreds of millions of dollars on advertising and promotion but only a fraction of that on research and quality control. Much of the research it does conduct is not aimed at finding new cures and treatments but at adapting existing drugs for competitive purposes.

Two major segments of the drug industry—the manufacturers and the retailers—may at times be on different sides of consumer issues, but neither is willing to subordinate its profit making in behalf of lower drug prices to consumers. As a general matter, they have opposed:

Permitting open price competition on retail prescription drugs;

Filling prescriptions with identical drugs that cost less than the heavily-advertised trademarked products;

Revealing to patients to shelf life of the drugs they are using; and

Halting monopolistic practices that keep prices high.

These are some of the topics covered in this report. It is the work of a summer task force of college students led by Joel Butnick and Georganne Daher. Assisting were Robert Arbeit, Barbara Joseph and Richard Slovak, summer interns working in my Queens, New York, congressional office, and Alan Cronheim, Susan Hands, Lynda Heer, Matthew Pinkus, Peter Rosenberg and Nick TeBordo, interns assigned to the Washington, D.C. office.

Their basic assignment was to examine prescription drug prices and study the question of drug price advertising (a practice largely prohibited throughout the country) and its potential importance to and effect on consumers. Since prescription drug price advertising is considered taboo by those who dominate the pharmacy profession, it is difficult to tell exactly what its impact on consumers would be, although their is evidence that in cities such as Miami and Philadelphia, where drug advertising is permitted, prices tend to be lower than in places where it is prohibited. Researchers surveyed more than 120 drug stores in Queens, New York, and in the Washington, D.C., metropolitan area during 1971 and 1972 to compare retail prescription prices under a variety of conditions. These findings also were compared with advertised prices, where the practice is permitted. Since no discussion of prescription drug price advertising can ignore other marketing and promotional practices, this study takes a close look at other aspects of the drug industry as well.

One comes away convinced that the consumer is the victim of singleminded concern for profit involving the entire drug consortium—and with the conviction that prompt action is needed to protect the consumer's economic well-being in the drug market-place.

CHAPTER I—THE PROBLEM

The American consumer spends up to $7 billion on prescription drugs every year—an annual bill of over $33 for each man, woman, and child.

There are several reasons for the high cost of drugs—the lack of open retail price competition, over-protective patent laws, needless and exhorbitant promotional expenditures, arbitrary pricing practices and unreasonable markups—but they all fall under one heading: Economic Profiteering.

It has become increasingly clear in the past few years that pharmaceutical manufacturers, whose profit rate is nearly double that of other U.S. manufacturers,[1] have victimized the consumer. Fiercely competitive, the drug manufacturers spend $1 billion or more annually touting their products to those who prescribe and dispense them. Joining in the battle to maintain high profits are the pharmaceutical organizations which expend enormous amounts of time, money and effort to prevent consumers from comparing the retail prices of prescription drugs. State pharmacy boards and supportive organizations, which formulate and vigorously enforce anti-advertising and anti-substitution laws, play the most significant role in keeping price information from the consumer.

Although they wrap themselves in the same cloak of piety which surrounds the medical profession, drug manufacturers and pharmacists more closely resemble business firms whose exclusive interest is profit. Excessive prices and monopolistic practices go hand in hand with the desire of most pharmacists to avoid retail price competition. Ultimately, this combination works a hardship on the sick and afflicted—all of us at one time or another.

There are signs that the drug industry itself is becoming aware of this situation. Major pharmaceutical firms have begun to stress their "low, generic prices," and a group of New York pharmacists recently expressed public alarm over the high price of drugs. Efforts at stabilization during the period of wage and price controls did nothing more than freeze prescription drug prices at unconscionable levels. During Phase III, prices are destined to go higher.

Retail price advertising—where it exists—reveals the immense disparity between prices for the identical drug and shows conclusively that where there is open price competition, the consumer pays less for the same product. Ironically, those drug products prescribed by the doctor and dispensed by the pharmacist are sold to them through the vigorous use of price advertising by drug manufacturers—a method relied on at the wholesale level but steadfastly opposed at the retail level.

The opposition to price advertising rests on self-serving, and, at best, fallacious reasoning. The widely publicized argument that pharmacists are professionals who, like doctors and lawyers, should not be compelled to advertise their prices, is specious. Unlike pharmacists, physicians and lawyers do not deal in a product. Only if the pharmacist performed an exclusive professional service as complex and individualized as that of a doctor or lawyer, might the analogy then be valid.

At one time pharmacists were viewed as physicians' associates, compounding drugs and advising patients. Today's pharmacist is a modern merchandiser, who dispenses everything from cosmetics to cigars. A physician who characterized the relationship between the doctor and the pharmacists as "remote and getting more so" recently stated: "In urban areas of the United States and Britain, few pharmacists know personally the physicians practicing in the area. In most cases the only contact is over the telephone and that is often through receptionists in the physician's office."[2]

Despite the claims and dreams of pharmaceutical organizations, the pharmacist does not perform a service requiring medical skill so much as he sells a mass-produced, fully compounded and often pre-packaged product. The pharmacist has no real control over the drugs which the doctor prescribes, but he is responsible for following the physician's directions as to drug type, brand (if prescribed), strength and dosage. Under law, he must also be certain that the drug is fresh (the date of potency loss is on the pharmacist's own package but he is not obligated to give that information to the consumer, nor does he usually volunteer it). Finally, he must accurately label the customer's prescription.

The responsibility for patient care is the obligation of the physician. In the words of a pharmacist, "It is the physician, not the pharmacist who writes the prescription. Instructing and counselling the patient is the obligation, duty, and responsibility of the physician, not the pharmacist."[3] Philadelphia pharmacist Edward Pastor states: "Drug interactions can be controlled only by the physician. A patient filling one prescription at Store A, a second at Store B and a third in another store or through daily interstate mail-orders can only be monitored by his physican." Pastor, who was largely responsible for overturning Pennsylvania's prohibition on prescription price advertising, also states: "By law, the pharmacist must fill the prescription as written. The penalty for not doing so in most states is loss of license." In view of these facts, he concluded that there is overwhelming evidence that no decrease in health care occurs with free price competition in the drug marketplace.

The effort to undermine the free enterprise system through prohibitions on retail price information has failed in a few places, most notably Massachusetts, Pennsylvania, Florida and Oregon, where it is presently legal to advertise retail prescription drug prices. It is the aim of this report to review the wide disparity in drug prices, to examine the role of the drug industry—at all levels—in certain aspects of advertising and competition and to report the results of surveys and questionnaires in this area.

CHAPTER II—QUESTIONNAIRE

In order to determine the attitudes of consumers toward their prescription drug buying habits, questionnaires were sent to 24,000 Queens, N.Y., households: approximately 2,000 persons responded. The questionnaire sought to examine the degree to which consumers are aware of drug price variations, the differences in price between brand name and generic prescription drugs; and to ascertain their opinions on the advertising of prescription drugs and the factors involved in their selection of a pharmacy. (See Appendix I.)

This sampling revealed that the average person fills ten or more prescriptions annually, seven of which are for the same drug. Some 75% have found price variation for the same prescriptions at different pharmacies. The degree of price variation was as follows: 39% of those responding found price variation to be in the 10% to 20% range; 50% found variation to be from 25% to 50%; and 11% found prices often vary from 50% to over 100%.

By a large majority, most consumers were found to fill prescriptions at the same pharmacy. The most important factors in choosing a pharmacy were ranked as follows: 44% based their choice on convenience, 38% on price, and the remainder looked for services offered by the pharmacy such as delivery, credit, record keeping and 24-hour service.

Most prescriptions prescribe brand name drugs, according to the response to the question "Do you know whether your doctor prescribes brand name drugs or drugs by their generic (chemical) name?" However, 30%

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[1] Drug manufacturers' average net profits after taxes are double the figure for all U.S. manufacturing corporations: in 1971 the return was 19.3% of net stockholders' equity compared to 9.7% for all U.S. manufacturing. *Prescription Drug Data Summary 1972*, Department of Health, Education, and Welfare, Social Security Administration, p. 24. "Despite the economic recession [of 1970] manufacturers of prescription and other professional [drug] products increased their profits by 12.1% over 1969. At the same time, taxes on this earning dropped 9.5%." Reported in *Drug Trade News*, September 20, 1971, pp. 1, 16.

[2] "Physician's Viewpoint" by Karl Neumann, M.D., *American Druggist*, July 12, 1971, p. 8.

[3] Letter from Edward Pastor, Philadelphia pharmacist.

stated that their physicians prescribe generically, and close to 35% responded that they did not know. A staggering 87% of those answering stated that they do not ask their physicians to prescribe generically. This figure suggests that most of the public is not even aware of the availability of lower cost generic drugs.

Half said they do not ask the price of a prescription before it is filled. Nine out of every ten respondents felt that prescription prices are prohibitively high; not one respondent said they are too low, although 10% expressed the view that they are about right.

95% of those respondent felt that prescription drug prices should be advertised in order to facilitate comparison shopping, equalize prices and provide the freedom of choice which is afforded in the purchase of nearly every other consumer product.

Many of the voluntary comments accompanying the questionnaire responses told of particularly unfortunate cases in which elderly persons on fixed incomes found that their savings were virtually wiped out by the high cost of long term maintenance drugs. Minority group members reported discriminatory practices in the quotation of prescription prices and the filling of prescriptions. Those in the medical and paramedical professions volunteered such information as the following, written by a New York City nurse:

"It is a fact that pharmaceutical companies realize at least 50%–100% profit on their products, and the local pharmacist realizes his cut of at least another 40%. Advertising of prescription drug prices is long overdue."

The following are some comments by persons answering the questionnaire:

Generic prescribing: "When you inquire as to what a drug is supposed to do you're stared in disdain—like you are a leper from outer space—intruding on the sanctity of their sacred domain."

Convenience: "I use my present pharmacy because it is close to home and open until 11:00 p.m. and with two small children I need access to a drug store."

"Usually prescriptions are required in a hurry which leaves little time to shop for price."

"I purchase at the store because it is easily accessible and they deliver."

Confidence: "The price is very important but the assurance of quality should be militantly regulated."

General: "Drugs are a big item for senior citizens and as necessary as food."

Price: "After walking out of a drug store having paid for a prescription you really feel sick."

"Prices for goods and services should be advertised so that one could compare costs more easily.'

"About two months ago, I conducted a survey on my own. I picked two drug stores in Manhattan near where I work and four which were convenient to home: all were equally convenient. For one package of Norlistrin 21, I found the following prices: $1.69, $1.79, $1.95, $2.50, $2.90, $3.50. My memory may not be exact, but the high and low prices stuck in my mind."

"I am of the opinion that all drugs are grossly over-priced."

"Cost should be lowered drastically—as soon as possible. The consumer gets taken every time."

"We are senior citizens and between the terribly high prices doctors charge and the prescriptions, our funds are rapidly being depleted."

"I believe that prices are too high and druggists charge different prices to people from different nationalities, especially if these people don't speak the language well."

"There is nothing non-professional about advertising or posting prices rather it is in keeping with the ethical standards of providing high value source of medicine."

"The widow living alone doesn't have a chance. The doctor and the druggist have her at their mercy. One prescription was $75 in a local pharmacy and $47.50 in a discount store."

"Lower middle income people definitely cannot afford prescription costs today. Prices of drugs are prohibitive."

"So few prescriptions are compounded today that I believe that it should be quite simple to advertise so that the average person could compare and know what he is buying. Also it is sometimes ¼ the price when obtained generically."

"On 9/7/71 I had a prescription for mycostatin vaginal tablets (15) filled in an independently owned pharmacy for $7.95 . . . the same disorder recurred on 2/9/72 and I had the prescription for mycostatin filled at a discount chain at $2.69."

"Prescription drugs are entirely too high and many a time needed but not bought because of cost."

"I am semi-retired and the very high costs of prescriptions are a tremendous burden."

"High costs tend to make people skimp on the prescribed dosage to economize."

"Since druggists mostly refuse to give the price in advance competition is all but gone."

"By advertising drug prices, the cost to the consumer of drugs prescribed would drop because of competition in the marketplace."

"As a diabetic I am taking D.B.I. pills which I paid $5.50 for 25 pills until I found out that the same pills were available at chain drugstores for $3.19 and five more pills."

"I have been charged different prices for the same prescription at the same store within a two-month period."

"Whatever you can do to reduce the price of drugs will be most appreciated. I am on social security and my income is very limited and the price of drugs is a very big drain on the budget."

"I have noticed that when I buy a prescription one week the price is lower, while another week the price rises. The pharmacist does not even have a definite price."

"I strongly feel that advertising costs of drugs would produce a competitive healthy market which gives the consumer knowledge of what drugs and what prices he should be buying."

"Yes, there should be some kind of control on drug costs and if the competitive atmosphere brought about by advertising could bring prices into line then I am for it."

CHAPTER III—DRUG PRICE SURVEY

Two separate surveys, 13 months apart, were conducted in Queens, New York, and in the Washington, D.C., metropolitan areas. Researchers visited 122 drug stores in an effort to determine retail pricing practices on three widely prescribed medicines.

All prescriptions used in the August 1972 survey were generically written. In other words, they identified the drug by its official or chemical name and not by any trade or brand name. This means the pharmacist could fill the prescription with any manufacturer's product.

The July 1971 prescriptions were evenly divided between those generically-written and those specifying a particular brand. In the latter category, the pharmacist has no choice of products; he must fill it with the specified manufacturer's drug.

Researchers did not have the prescriptions filled but asked the pharmacist for the price and the manufacturer of the product he intended to dispense. In the 1971 survey, prices for brand name products were frequently quoted in response to the generically-written prescriptions, a practice which tended to raise the average price for generic drugs.

Institution of the price freeze and subsequent Phase II economic controls in no way diminished the price disparities found in the previous survey. It was generally revealed, however, that few pharmacies complied with price posting requirements, and the prices of prescription drugs were as high and higher than the previous year's figures.

It is important to note (see Chapter VIII) that in most jurisdictions throughout the country the pharmacist is prohibited from filling a prescription with anything other than the drug specifically stated by the prescribing physician. Thus, if the doctor wrote on the prescription a specific brand name(such as Tetrex, the pharmacist has no choice but to dispense Tetrex by Bristol Labs. If, on the other hand, the physician simply designated the generic equivalent of Tetrex, tetracycline, the pharmacist has a broad choice of products, including brand-name ones and many at lower prices, from which to fill the prescription. One significant finding of this report is that when the pharmacist chose to fill a generic prescription with a generic (non-brand) drug, the purchaser was able to save substantially on the cost of medication. However, there were instances in which the pharmacist's freedom of choice resulted in the substitution of a higher priced brand product.

In 1971, researchers visited 36 pharmacies in the Washington, D.C., area (including Maryland and Virginia suburbs) and 23 pharmacies in Queens, New York. Researchers in 1972 went to 30 Washington area pharmacies and 33 in Queens.[1]

The three drugs[2] used in these surveys were:

Ampicillin trihydrate, a type of penicillin, and a trademarked equivalent, Polycillin by Bristol Labs.

Tetracycline, a widely used antibiotic, and a trademarked equivalent, *Tetracyn* by Roerig.

Chlopheniramine maleate, an antihistamine, and a trademarked equivalent, *Chlor-Trimeton* by Schering. (These were not used in the 1971 Queens survey.)

Ampicillin trihydrate

Washington: In 1971, prices for a prescription calling for 30 capsules (250 mg) ranged from $5.65 to $15.00 at 12 pharmacies. Although the highest and lowest quotations were both in response to the generically written prescription, the average price for the brand name product was $9.03, compared to $8.80 for the generic. (Researchers found that when presenting a generically-written prescription, the pharmacist frequently quoted a price for a higher cost brand-name drug. This resulted in generic prices appearing higher than if all price quotations were for generics.)

In 1972, researchers surveyed 10 pharmacies and found that the highest price for 56 capsules of Ampicillin was $17.95 in an independent pharmacy, where the pharmacist quoted a brand name product for the generic prescription. The lowest price quoted was $8.40 at a discount store.

Wholesale prices according to the *Blue Book* of 1971[3] for 30 capsules of this drug are $3.90 for the generic equivalent and $5.15 for the trademarked product. For 56 capsules, the wholesale price is $7.28 for the generic product.

New York: In 1971, researchers surveyed 11 pharmacies in Queens with prescriptions for generic ampicillin and were quoted 12 prices (two visits to one store) ranging from $4.95 to $9.00, an average of $6.55 for all stores. The distribution of these figures averages $6.02 in the white, middle income district of Queens (Flushing) and $7.30 in the racially mixed, low-to-middle income neighborhood of Corona. In the second visit to the same stores with prescriptions for Bristol's Polycillin, prices this time ranged from $6.95 to $9.90, averaging $8.78. This time the price spread between the two neighborhoods was closer—$8.61 in Flushing and $8.95 in Corona.

Footnotes at end of chapter.

In 1972, a total of 16 pharmacies were surveyed. The highest price quoted was $16.75 and the lowest was $6.50, quoted at three pharmacies. The average for this generic prescription of ampicillin was $9.20 for 56 capsules.

Tetracycline

Washington: Tetracycline wholesales generically at $.25 for the 30 capsules called for on the 1971 prescription (56 capsules were called for on the 1972 prescription). Retail prices quoted in 1971 ranged from $2.75 to $9.90. As was the case in the presciption of Ampicillin, the extremes in prices were both in response to the generically written presciption; however, the two highest prices quoted for the generic equivalent were, in reality, for brand name equivalents. As a result, the average generic price was $4.31, seven cents higher than the average brand price. The trademarked product, Tetracyn, wholesales for approximately $1.28 for 30 capsules. Either way, there is a considerable gap between wholesale and retail prices.

In 1972, ten stores revealed a wide assortment of brands and prices. The highest figure, $5.50, was quoted by two independent pharmacies in suburban areas, while the lowest price, $1.50, was given by a chain pharmacy in a suburban area. It is significant that prices were generally found to be much higher at pharmacies located in medical arts buildings. The average price for the generically written prescription of tetracycline was found to be $3.38.

New York: Prices quoted in the Queens area in 1971 for the generic drug (30 capsules, 250 mg) ranged from $1.95 to $5.95, averaging $3.44. The average price in Flushing was $2.81, compared to $5.13 in Corona.[4] The same stores were later presented prescriptions for the trademarked equivalent, Tetracyn. One pharmacy did not stock the drug. Seven prices were quoted varying from $2.00 to $4.29, averaging $2.91. Two pharmacies, both in Corona, quoted prices on another brand although it is illegal in New York for a druggist to substitute another brand for the one specified by the physician writing the prescription. One pharmacist would not reveal the product he would dispense to fill the tetracycline prescription.

The 1972 survey of Queens area stores revealed an average price of $3.81. The prescription called for 56 capsules of tetracycline, and at nine pharmacies, the highest price was found to be $4.95, while the lowest was $2.49.

It is interesting to note that on the same page of the *Blue Book* catalogue which lists generic tetracycline prices, Lederle had a large advertisement for its trademarked version of that drug.[5] The ad read: "Achromycin V tetracycline capsules. Now prices at 'generic' levels." A check of Achromycin V showed that it wholesales at $4.50 per 100 capsules, a decrease from the $11.22 of a few years ago, but still far above "generic" levels and even higher than Roerig's Tetracyn at $4.25 per 100.

Chlorpheniramine maleate

Washington: Prices for 25 tablets (4mg) of the antihistamine ranged from $1.20 to $2.43. The wholesale price for 25 tablets is 4c from Kasar Inc. Average prices in the survey were $1.78 for the generic drug and $1.56 for the brand name drug. This situation, in which the brand drug was less expensive than the generic product was atypical. The wholesale price for the brand name product was $0.61.

The Washington survey in 1972 revealed that both the highest and lowest prices for generically prescribed Chlorpheniramine were quoted at chain pharmacies. However, without exception, the pharmacists stated that they would fill the prescription with Chlor-Trimeton. The highest figure for this prescription of 60 tablets was $5.13, quoted at two pharmacies in the same chain, and the lowest price was $3.50, averaging $4.22 at the ten stores visited.

Although the Queens survey did not include this drug in 1971, it was used in 1972. The highest price, $4.95, was quoted for a generic equivalent of the drug by an independent pharmacy. The lowest fee, $1.95, was found at a discount pharmacy. The average of the prices at the seven stores surveyed was $3.85, $0.37 lower than the average Washington price.

These surveys show the wide variety of retail prices charged for otherwise identical drugs—in one case a markup in excess of 6,000%, but usually a matter of a few hundred percent. (See Appendices 2, 3, and 4.) It does not depict the true difference between generic and brand pricing—although it is accurate enough to lead to valid conclusions regarding the arbitrary price differences among prescription drugs—because several pharmacists quote prices for the more costly trademarked products when presented with generically written prescriptions.

Researchers found that when visiting more than one store of the same chain they were not always quoted the same price for the same prescription. They also found that a generically written prescription taken to a chain or discount store in a middle income neighborhood tended to yield the lowest price.

FOOTNOTES

[1] Two other recent surveys in New York City have shown similar results:

(a) A survey of 68 pharmacies in Queens conducted by a group of St. John's University students for Queens District Attorney Thomas J. Mackell found prescription prices "arbitrary and inconsistent." The researchers discovered that the poor pay more than the affluent to have identical prescriptions filled.

The report recommends that the government set price ranges for all prescription drugs and that the majority of these drugs be pre-packaged by the manufacturer in commonly prescribed quantities and accompanied by detailed instructions, a practice that has reportedly proved successful abroad.

(b) A survey of 504 Manhattan drug stores by medical and dental students in pharmacology courses at Columbia University revealed similar findings of wide variations in prices, arbitrary charges and inconsistent charges from customer to customer. Instances of quotations of prices well below the pharmacist's cost led study director Dr. Norman Kahn to observe that the druggist was inept or planning to illegally dispense manufacturer's product different from one specified on the prescription. Students also noted about 30 offers from pharmacists to partially fill a prescription in order to get the price down and attract business. Dr. Kahn said this amounts to tempting patients to discontinue therapy before the time determined by the physician. Details of the Columbia study are expected to be published in a professional medical journal. (Interview, Oct. 26, 1972).

[2] *Tetracycline* is the drug product most frequently prescribed generically; *Ampicillin* is second, according to industry surveys.

[3] American Druggist *Blue Book 1971*, published by the Hearst Corp., New York City, is one of several industry price guides and its quotations are considered approximations. Because of the many factors influencing wholesale prices—promotional deals, quantity orders, extent of manufacturer's line carried, method of purchase (from jobber vs. manufacturer), the purchaser's relationship with the supplier, competitive practices, etc.—the prices quoted here should be considered generally higher than those actually paid by the druggist. Nonetheless, they provide a point of reference for comparing wholesale and retail prices. The HEW prescription drug study found substantial differences in the prices at which drug products are offered to community pharmacies and to hospitals and government agencies as well as in the prices at which they are sold to American and foreign purchasers.

[4] This figure is not totally reliable because only three stores were surveyed in Corona, compared to eight (8) in Flushing. It is worth noting, however, that the lowest price in Corona equaled the highest in Flushing.

[5] *Blue Book 1971*, p. 37.

CHAPTER IV—FACTORS INFLUENCING DRUG PRICING

Shopping for prescription drugs is unlike shopping for any other consumer product. The customer has been conditioned to avoid comparing prices and never to ask the prices of the drugs he orders. There is usually a sense of urgency involved in having a prescription filled. Patients concerned about their health rarely make the purchase of a prescription contingent on its cost, nor do they usually have the time or transportation to shop comparatively.

That prices do differ—dramatically—from store to store is undeniable, and this study examines the underlying factors of that price variation. It is one of the contentions of this report that the consumer should not bear the burden of price investigation completely on his own. As a spokesman for the National Association of Chain Drug Stores stated: "The problem is to incorporate the pharmacy industry into an operation wherein the consumer is not a second class citizen who feels that he must ask the prices of prescriptions, sometimes with little or no hope of further illumination from the pharmacist."[1]

It has become increasingly apparent that pharmacists, as well as consumers, are concerned about astronomical drug prices. Early in the summer of 1971, a group of New York City pharmacists called on President Nixon to impose price controls on prescription and over-the-counter drugs. This was prior to the President's announcement of the Wage and Price Freeze which took effect in mid-August of 1971. The vague outlines of that program stipulated that stores with more than 60 employees or which grossed $200,000 or more annually had to post the prices of their 40 most purchased products in each department. Prescription drugs were included in the category, despite vigorous industry efforts to have them exempted. The effect of price posting, however, was of dubious benefit to the consumer. Most pharmacies are independently owned and operated (by a ratio of 7 to 1) and consequently do not employ 60 people. Not only did these stores not have to post their prices, but they were saved from explaining their pricing practices to the public.

There is a sign that the industry's attitude toward posting may be changing, however. A study conducted for APhA by the Institute for Motivational Research recommended the association endorse prescription price posting in pharmacies because consumers want it. More than half of the 501 persons interviewed in 40 cities for the study said they would welcome price posting. In selecting a pharmacy, they said "lower price" was second only to "professional service" and by only a slim margin of 17.6% to 18.4%. The head of the study group said consumers rarely make prescription price comparisons and they tend to put a portion of the responsibility for prescription prices on the physician who selected the drug and the manufacturer who set the cost of the druggist.[2]

Many pharmacists vigorously protest any criticism of high drug prices. Invariably they point to the higher price of medical care and bring up Bureau of Labor Statistics figures which show prescription prices going down during the Sixties while other prices went up. The validity of the BLS figures

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Footnotes at end of chapter.

has been questioned on the following grounds:

1. An inadequate number of products in the sample;

2. An over-emphasis in the sample on products that have fallen sharply in price, and

3. Failure to include the new and costly products which replace older, less expensive drugs.

The average prescription price has been going up at the rate of about 2% per year during the past decade, according to the HEW drug study.[3] The average retail prescription price charged in 1971 was between $3.78 and $4.21, according to industry surveys. Ten years earlier the price range was $2.97 to $3.27.[4]

The following resolution, adopted by the Long Island City Pharmaceutical Society, illustrates the widely substantiated opinion that prescription drug prices are too high and can be controlled, if not by executive action, then by allowing prices to be advertised: "Whereas wholesale costs of prescription drugs, patent and proprietary medicines have continually spiraled upward at an alarming rate during the past two years, we, the members of the Long Island City Pharmaceutical Society, request that price controls be established on these commodities and a letter directed to the President of the United States be sent recommending the prompt enactment or decree establishing these controls."

Lawrence H. Carter, president of the 75-member association stated that he believed his was the first pharmaceutical group to request such action. Perhaps it is the fault of our pharmacy leaders not to have made this request sooner, but any additional delay will be catastrophic for the general public." Carter's letter to Mr. Nixon which accompanied the resolution said: ". . . Wholesale prices continue to spiral upward at an alarming rate. Many manufacturers are now on their fourth round of price increases in the past two years. . . . While some increases may be necessary, many manufacturers have raised prices astronomically and we . . . feel this is totally unwarranted. Drug manufacturers, as we of the pharmacy profession, have a responsibility to the public. Mr. President, we implore you to enact wholesale price controls on prescription and related items before continued inflationary pressures price these commodities beyond the means of the average public. . . ."

Retailers generally tend to disclaim any responsibility for drug prices, contending that their prices represent only a reasonable markup over their wholesale cost. The reasonableness of the markup is debatable, especially in light of the fact that retail prices for identical drugs vary dramatically among like stores in the same neighborhood. The essential elements of these differences relate to the costs to retailers of trademarked drugs versus their generic equivalents, and the fact that some pharmacies, due to differences in overhead, services and efficiency of operation, are able to charge less for the same drug product.

The pharmacists and drug store operators who fight so vigorously against retail prescription drug price advertising frequently are the victims themselves of over-pricing by the large pharmaceutical manufacturers. Small independent druggists fear competing with mass merchandisers, a competition which they feel would develop if price information were readily available to consumers. However, the small proprietor usually has two strong advantages over his larger counterparts—convenience and more personalized service. He is more likely to be located near the doctor's office or in a residential neighborhood.[5] Many alert consumers recognize this and are willing to pay for the convenience and personalized service of the neighborhood pharmacy, but they do so knowing that prices are probably higher.

There are numerous channels through which the influence of pharmaceutical manufacturers is exercised and results in higher prices to the public. One widely used method is advertising in pharmacy journals, periodicals and other literature. These publications, whose backers rigidly oppose retail drug price advertising, rely heavily on wholesale drug price advertising from manufacturers as a major source of their revenue. They apparently see no conflict because their publications are not distributed to the general public, from whom they want to conceal price information. Advertisements in medical journals represent a significant method of influencing the doctor's prescribing habits. According to Dr. Richard Burack, author of *The Handbook of Prescription Drugs*, "Probably the shrewdest and most effective means by which the big pharmaceutical corporations perpetuate their hold over doctors and patients is through the *Physicians' Desk Reference* (PDR). Although some doctors may not think of it in terms because its format and veneer give it a clearly authoritative appearance, PDR is in fact composed of advertising."[6]

The PDR is a catalogue of prescription drugs which illustrates them and explains their usage. It is distributed without charge to most doctors and is found in every hospital. The PDR states that its contents have been obtained through the "cooperation" of drug manufacturers, through whose "patronage" its publication is made possible. Dr. Burack states: "This is euphemism. Drug houses buy space in the PDR and publish what they wish to publish."[7] Contrary to its supposed purpose, the Handbook is incomplete because it mentions only a few generic names for widely consumed basic drugs. Furthermore, the widespread use of this volume serves to conceal from practicing doctors the existence of numerous other manufacturers who very often can supply the same drugs at lower cost. The higher price of these drugs is, therefore, passed on to the patient, who is caught unaware in this web of economic profit.

The pricing factors discussed above are not necessarily all-inclusive. However, there is ample evidence to show that the lack of a free flow of information from manufacturers to doctors and pharmacists results in arbitrary and unjustifiable markups in the prices of prescriptions purchased by the consumer.

Prices vary not only from store to store, but can even vary from customer to customer at the same store. Simply because prices are not posted or advertised, the clerk or pharmacist can arbitrarily change the price on the basis of the customer's age, sex, race or appearance.[8] There are very few, if any, checks on this practice. It is also common knowledge (substantiated by reporters) that prescription prices at some stores are negotiable. A customer who tells the pharmacist that the competition offered a lower price than the one just quoted is more likely to have his bill reduced than the person who says nothing.

Retail prescription drug pricing is based on a number of fixed costs, as well as variable and arbitrary factors. The primary influence on a pharmacist in determining cost is the wholesale price of the drug. (The larger retailers purchase directly from the manufacturers; smaller stores must go through the more expensive middlemen.) Added to this fixed cost are the overhead costs of operation of the pharmacy, the cost of services offered and the desired profit.

Survey such as this one and others have revealed a tendency for prices to be higher in low income neighborhoods. Pharmacists confirm this finding but claim that there are valid reasons for this situation: business costs are frequently greater, insurance is more difficult to get, and it is often a problem to hire people for these areas. Large losses due to shoplifting, robberies and burglaries have forced some pharmacists to stop selling prescriptions in high crime areas because they fear that their supply of narcotics is too tempting an invitation to addicts.

The poor often pay more for another reason. Most poor people do not enjoy the mobility of the more affluent consumer who has a car and can shop around for the best price. Consequently, the poor have become a captive audience for the dwindling number of merchants in their neighborhoods. The lack of competition in these areas sends prices upward for all commodities, not only medicine. This situation is further hampered by the scarcity of chain and discount drugstores in these areas.

FOOTNOTES

[1] Robert J. Bolger, Executive Vice President, telephone conversation, 6/30/72, NACDS.

[2] *American Druggist*, November 27, 1972, p. 13ff.

[3] *The Drug Users*, Task Force on Prescription Drugs, HEW Feb. 7, 1969, p. 15-16. One reason for this is, reportedly, the increasing size of the prescription itself.

[4] *Prescription Drug Data Summary*, 1972, p. 33.

[5] Of the 51,476 community pharmacies in the United States in 1969, independents outnumbered chains by better than seven to one (45,093 independents; 6,383 chain pharmacies). *Prescription Drug Summary*, HEW, p. 29.

[6] Pantheon Books, New York, New York, 1967, p. 17. Dr. Richard Burack, *The Handbook of Prescription Drugs*.

[7] *Ibid.*

[8] In response to the Rosenthal questionaire, one person wrote: "I am a law student, but I have worked in a small, independently-owned drugstore. The prescription prices are made on the spot, according to the appearance of the customer, how often they frequent the store, how knowledgeable they are of prices and drugs and how business has gone that day."

CHAPTER V—THE PRESCRIPTION DRUG ADVERTISING CONTROVERSY

The opportunity to make an informed choice in the purchase of products which are as necessary to the health of the individual as prescription drugs is a basic right However, monopolistic drug patent laws, captive pharmacy boards, pressure from pharmaceutical manufacturers and the groundless fears of pharmacists over prescription drug price competition have effectively thwarted the consumer's freedom of choice. The culmination of this closed economic system is the statutes and regulations in 37 states which presently prohibit price advertising. There appears to be no similar hesitancy toward saturating the media with millions of dollars worth of advertising touting the doubtful virtues of over-the-counter (OTC) drugs.

An example of this double standard can be found in two separate ads placed by Drug Fair[1] in the March 26, 1972, issue of the Washington *Post*. (See Appendix 5.) A full-page ad (page A-30) asked in bold type "Should prescription drugs be advertised?" and answered itself: "Our society needs to have drugs be promoted like a glassblower needs hiccups. . . . Drugs need de-emphasis, not publicity." This "noble" thought was exploded by a 16-page advertising supplement Drug Fair put in the same issue, touting a variety of over-the-counter drugs such as cough mixtures, eye drops, mouthwash, saccharin and a line of vitamins. Such action exposes the hypocrisy of Drug Fair's professed concern for protecting society.

This "interest" in the public welfare is little more than a facade for concealing the real motive—a desire to avoid price com-

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Footnotes at end of chapter.

petition in the sale of highly lucrative and often over-priced prescription drugs.

Resistance to advertising prices has another purpose as well. It also conceals the fact that prices are not consistent at all stores in the chain throughout the area. The practice is sometimes called "zone pricing." The companies give two basic reasons: (1) higher cost of doing business in some areas (because of crime, insurance, etc.) drives prices up there, and (2) tough competition from a nearby store (usually a discounter) tends to keep some prices down at selected stores.

The latter factor is especially prevalent in the case of birth control pills. Representatives of two Washington, D.C., area chains said the pill is the most highly competitive prescription product today and most of their stores sell it at cost or below, especially in college neighborhoods.

John McHugh, director of professional services of People's Drug Stores in the Washington area, said his chain does not have "zone pricing" but does make "some local competitive exceptions" to chain-wide basic prices on a store-by-store, item-by-item basis.

Every facet of the drug industry, from the largest pharmaceutical manufacturer to the owner of a small pharmacy, makes use of the media to merchandise its products. The situation has reached the point where every emotional problem and ache and pain, real or imaginary, is subject to some pill or medicine. It has become increasingly difficult for parents to warn their children of the evils of drug abuse when the young see, on television and in their own homes, adults popping pills into their mouths almost like candy.

One recurring argument offered by pharmacists who oppose the advertising of prescription prices is that such action would contribute to the already dangerous saturation of the media with irresponsible advertising. FDA Commissioner Charles C. Edwards recently observed, "We are a drug culture society," adding, "psychiatrists, sociologists, psychologists—all share with us a deep concern that this trend, this attitude may be one of the causative factors in our drug abuse problem." He further stated: "The tremendous wave of advertising over the media, especially TV, [has] created an environment in which the consumer feels that reaching for a pill, tablet or capsule is a panacea for all of his ills." [2]

In view of this argument, it is fallacious to assume that prescription drug price advertising is a link in the drug abuse chain. Not only are prescription drugs products whose access, content and use are tightly controlled, but it taxes the boundaries of rationality to imply that informing consumers of prices, as opposed to therapeutic efficacy, could lead them irreversibly down the path of drug abuse.

According to officials in the Justice Department,[3] which supports the advertising of prescription drugs, "One of the main problems in regard to prescription drugs is that the other side (pharmaceutical manufacturers) relies on euphemism, that is, using the term drug as an illicit substance. They latch on to the need to control 'dangerous and addicting drugs' (those requiring a prescription) and on this basis, they are not inclined to favor informing the consumer as to the prices he must pay." In this situation, it was stated, the Justice Department does not wish to thwart the efforts of organized pharmacy, or to ease in any way the passage of laws which would facilitate illicit drug traffic, only those which would serve the purpose of informing the consumer. The first objective, therefore, is to try to prevent drug manufacturers from preverting concern for illicit drug traffic into a restrictive economic profits game.

It is a recommendation of this report that restraint is urgently needed in the presently irresponsible advertising of claims for nonprescription drugs in the mass media as well as in trade and professional publications. If self-restraint is not forthcoming, it may best serve the public interest for the Congress and appropriate federal agencies, such as the Federal Communications Commission, the Federal Trade Commission and the Food and Drug Administration to act to control the often deceptive advertising tactics of pharmaceutical firms and allow the free dissemination of price information to the public.

FOOTNOTES

[1] A large Washington, D.C, area drug chain.

[2] Testimony before the Monopoly Subcommittee of the U.S. Senate Small Business Committee, July 21, 1971.

[3] Telephone conversation with Mr. Richard Bernstein, Antitrust Division, Justice Department, July 6, 1972.

CHAPTER VI—THE DRUG INDUSTRY

The drug industry in the United States occupies a uniquely secure position. Demand for pharmaceutical products continues to grow as new scientific discoveries are made, and as the cures for more diseases are unearthed. Concomitant with the drug industry's rapid rate of growth over the past 25 years has been the astronomical increase in the profit margins of these firms.

The central issue over which controversy continues to be generated is drug pricing practices. The industry has sought to wrap itself in a cloak of righteousness, preying on consumers' fears about their health. A common but widely disproven claim of some major drug manufacturers used to justify their higher prices is that manufacturer's size is equal to product quality—but there exists a wide price gap among large firms as well. (See Appendix 6.)

A chief economist of the Federal Trade Commission has expressed the belief that where price competition exists in drug firms it is ineffective:

"And even where there are relatively many sellers, as well as potential sellers—for example, in the case of unpatented drugs sold under generic names—effective price competition often is muted by vast advertising, promotion, and other selling efforts which differentiate in the minds of consumers the products of the largest manufacturers selling under their own brand or trade names from those of other manufacturers. Hence, manufacturers selling chemically identical drugs under generic names frequently have difficulty in selling them at any price." [1]

Americans spent approximately $7 billion on prescription drugs in 1971. This includes $4.4 billion at retail pharmacies, the remainder being purchased from hospitals, nursing homes, government, physicians, and others outside the retail marketplace. Data for per capita consumer expenditures used in this report are based on the $4.4 billion retail sales figure found in the HEW task force study.[2]

The drug manufacturers reported sales in 1970 of $4,321,900,000 for prescription drugs in the United States. Added to this is approximately $3 billion more in veterinary products, exports and over-the-counter drugs. For the purposes of this report, the $4.3 billion figure will be used for manufacturers' sales.[3]

Out of that $4.3 billion, the drug makers spent more than $1 billion (about 25%) on promotion, $132 million (3%) on quality control, about $280 million (6.5%) on research and development, including only 1% for basic research.[4]

The billion-dollar-plus promotion budget figure is based on studies by the Social Security Administration, Food and Drug Administration, Congressional investigators, and others. (See Appendix 7.) The industry protests that the figure is only about half that amount, but veteran observers express little faith in these sources.

The drug industry "spent more than $1 billion on all forms of promotion," according to T. Donald Rucker, then head of the Social Security Administration's drug study unit. He gave the following breakdown in a March 8, 1972, speech to a drug wholesalers convention in Las Vegas: "$700 million for all costs associated with detailing, including sampling; $167 million for professional journal and direct mail advertising; $150 million for other direct and indirect forms of promotion (educational films, pamphlets, seminars, plant tours, hospitality and displays at conventions, etc.); $3 million for institution ahd institutional promotion." He added that "more than 85% must be classified as an economic waste."

The result, he said, is "product prices are inflated unnecessarily by some 25%."

These high promotional expenditures have paid off for the large manufacturers by developing a high degree of product loyalty. Rucker said this loyalty "often has been a dominant factor enabling pharmaceutical manufacturers to exercise control over drug prices."

The director of FDA's Division of Drug Advertising, H. W. Chadduck, has estimated "total promotional expenditures in this area" at 25% of sales.[5]

Former FDA Commissioner James L. Goddard estimated that drug manufacturers were spending about $4,500 in 1968 on advertising and promotion for each of the approximately 200,000 prescribing physicians in the United States.[6]

The PMA represents 115 companies which account for approximately 95% of the prescription drugs sold in this country. These companies conduct nearly all of the industry's research and development, according to the HEW study:

"Just as they account for the overwhelming proportion of sales, they conduct essentially all of the industry's research, they control the overwhelming proportion of drug patents, they conduct the most vigorous promotion of their products, they compete vigorous—usually on the basis of innovation and quality and rarely on the basis of price—for the favor of the medical profession, and they achieve the industry's highest rates of profit." [7]

The remaining 5% of the nation's prescription drugs are produced by an estimated 700 small companies which control few drug patents, do little or no research, compete on price as well as quality, engage in minimal promotion and realize relatively low rates of profit.[8]

When an industry spends one-and-a-half times as much money on advertising and promotion as it does on research and quality control combined, it is easy to get the impression that its principal concern is not for the health of the American people, but for corporate success. This money—approximately $1 billion—is being spent not to aid the consumer or to make him healthier, but to beguile him and his doctor and to fight his attempts to get a better buy for his money.

Expenditures for drug promotion are excessive and add needlessly to the price consumers must pay, declared the HEW Task Force. Intense competition among companies promises "a greater share of a relatively limited market and richer profits for the successful competitor"—but it has "little to do with normal price competition in the retail marketplace, with the promise of eventual price savings to the consumer," concluded the report.[9] Congressional studies have uncovered a long history of misleading and deceptive prescription drug advertising.

The question of drug prices was a principal concern of the late Senator Estes Kefauver, beginning in 1959. Over the years, Ke-

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Footnotes at end of chapter.

fauver held comprehensive hearings on the drug industry which were widely publicized and increased public concern. His probing of the complex price issue virtually opened the tight little world of U.S. medicine. As he so aptly stated: "The problem for the drug companies is that their involvement can be expressed in dollars and cents and is thus relatively easy to understand."

One indirect result of the wide publicity given the drug industry in the Kefauver hearings was an increase in the skeptical public attitude toward an industry once thought to be sacrosanct. According to the most recent findings of the Opinion Research Corporation, Princeton, N.Y., the drug industry has "continued its downward trend in terms of public favorability." In 1969, the research firm found that 51% of the public had basically favorable attitudes toward the prescription drug industry. In the latest study, it was revealed that only 37% of the public had attitudes favorable to the drug industry.[10]

Findings like these plus efforts by consumers to remove restrictions on drug price advertising are apparently beginning to worry the pharmacy establishment.

Kenneth E. Tiemann, an APhA trustee, rhetorically posed the following question at the association's house of delegates meeting in late 1972:

"Realizing that the giving of prescription price information is essential to the building of an image and getting consumer groups off our backs, should we possibly advocate the repeal of laws that prohibit price advertising, since they are being used as a sword against us?"

The authoritative magazine American Druggist noted that although Tiemann worded his statement as a question, "this was apparently advanced as a proposal." He predicted that in nearly every state where drug price advertising is prohibited now, legislation will be introduced to remove those barriers.

"Because of a small percentage of pharmacists in this country who refuse to give prescription price information and who refuse to use proper discretion in the pricing of prescriptions," Tiemann stated, "we as a profession are being subjected to ever more image-destroying publicity in the public mind." [11]

The final outcome of the Kefauver hearings in terms of legislation was the Kefauver-Harris Amendments of 1962 to the Federal Food, Drug and Cosmetic Act. Among other things, this legislation authorized FDA to establish simple useful names for drugs, to be proposed by the United States Adopted Names (USAN) Council.

In the course of that Congressional investigation it was pointed out that the market structure, which uniquely allows for great disparities in price, is the basic determinant of the behavior of the drug industry. Manufacturers, as has been noted, spend at least $1 billion a year on advertising. Their purpose is twofold: to instill confidence in physicians and pharmacists for their products and to insure the specific market they have carved out for themselves. (See Appendices 8 and 9.) *The market is also unique in that the people who pay for and consume pharmaceutical products are not the ones who must be persuaded*. Senator Kefauver once remarked, "He who orders does not buy, and he who buys does not order." This is an important asset to the manufacturer, who is well aware of the nature of medical science and seeks to create physician confidence in the company's product through the use of brand names which are short and recognizable. Since he does not pay, cost usually is of little or no importance to the physician.

Larger drug manufacturers contend that their prices are a result of better quality control, higher marketing costs and expenses for continuing research and development. These contentions are valid in part, although the federal government does contribute to the costs of research. One result of this research is the improved treatment of diseases and other ailments with drugs.

On the other hand, the HEW Task Force on Prescription Drugs concluded. "Much of the drug industry's research and development activities would appear to provide only minor contributions to medical progress." [12] The other reality, in terms of economics, is the extremely comfortable state of the industry and its consistently high profit margins. (See Appendix 10.)

Drug industry profits continued to gain in 1971 despite the continuing recession nationally. The annual financial survey by Product Management Magazine (formerly Drug Trade News) showed a 10.8% increase in sales for prescription and other professional products and after-tax earnings of 10.1%. Diversified drug companies fared nearly as well. Sales were up 9.6% and profits up 9.2% over the year before. Top earnings gainers in the former category were Deseret with 108.8%; Barry-Martin Pharmaceuticals, 102.9%; and Cutter Labs, 43.1%.[13]

A survey of corporate performance for the third quarter of 1972 by Standard & Poors shows drug industry profits up 16% from the year before for a profit margin of 9.8%. Return on equity was 19.2%. The price-earnings ratio for stock of the 29 companies listed was an impressive 32-to-1; the only industry doing better was Photo & Optical with 37-to-1.[14]

The Federal Trade Commission reports drugs and medicines are the most profitable manufacturing industries. In a report on rates of return in selected manufacturing industries, drugs and medicines showed an after-taxes rate of return on stockholders' investment of 19.6% for 1970, the latest date available. In its survey of the dozen largest firms in each industry category, the FTC found none of the top 12 drug and medicine manufacturers showed any losses; in fact, none had a rate of return under 14.5% and seven of the 12 were over 20%.

The companies and their 1970 rates of return were: Abbott Laboratories 16.3%; American Home Products Corporation 27.6%; Lilly & Company 22.2%; Merck & Company, Inc. 25.2%; Pfizer, Inc. 15.4%; Richardson-Merrell, Inc. 14.5% Schering Corporation 22.8%; Searle & Company 29.2%; Smith Kline & French Laboratories 23.7%; Sterling Drug, Inc. 20.3%; Upjohn Company 14.6%, and Warner-Lambert Pharmaceutical Company 15.0%.

The HEW Task Force Study reported the industry's average net profits after taxes (as a percentage of net stockholders' equity) was 19.3%, nearly double the rate (9.7%) for all U.S. manufacturing corporations.[15]

The HEW Task Force on Prescription Drugs in its 1968 report, The Drug Makers and Drug Distributors, enumerated a list of significant factors which are expected to influence the future growth of the drug industry.[16] It concluded:

1. A steady increase in the number of people in the United States and their anticipated growing affluence will maintain the growing demand for prescription drugs.

2. The proportion of Americans over the age of 65, whose drug purchases are higher than average, is expected to increase more rapidly than the population as a whole, contributing to an increased demand for maintenance and other prescription drugs.

3. Higher health standards and living conditions in other parts of the world, especially in the developing nations, are expected to create important new markets for the prescription drug industry, including the American companies which are already developing foreign markets.

4. Drug research may be expected to yield new products which will make possible the control of conditions or diseases which are currently uncontrollable. Although such breakthrough developments will probaby be infrequent, they, too, will contribute to increasing demands for pharmaceutical products.

5. Through broader health insurance coverage and increasing outlays for medical care by governmental agencies, more people will be able to pay for the drugs they need.

6. Unlike other industries, the drug industry will presumably continue to be protected from the economic changes of the business cycle, as the need for drugs is relatively unaffected by swings in the nation's economy and drug consumption is rarely postponed.

Setting drug standards: USP and NF

Not only does the consumer exercise no control over the manufacturing, patenting or prescribing of the drugs he buys, but the official compendia which indicate the standards of purity, quality and strength of drugs are published by two private, professional organizations. The United States Pharmacopeia (USP), published by the U.S. Pharmacopeial Convention, and the National Formulary (NF), published by the American Pharmaceutical Association, are the compendia used by most physicians. They specify the chemical identity and purity of selected, therapeutically-important drugs and methods for assuring that the finished product is of the highest quality. The drug standards set by USP and NF are legally enforced by FDA.

The unique arrangement makes the United States *the only country in the world in which the setting of drug standards enforced by the government remains in the hands of private organizations.*

The USP and NF, together with the American Medical Association, act through a coordinating group called the United States Adopted Name Council to propose generic names for drugs. FDA has the final word on selection, and the word is usually one of approval.

Drug Prices in the United States and Abroad

It is common knowledge that there are tremendous differences in prices for the same prescribed drug in this country and abroad. A 1971 study released by the Department of Health, Education, and Welfare to update a 1967 investigation by the Task Force on Prescription Drugs showed that manufacturers of 20 popular prescription drugs charge U.S. druggists higher prices than they do druggists in eight other nations: Ireland, New Zealand, United Kingdom, Italy, Brazil, Australia, Sweden and Canada.

Edmond N. Jacoby and Dennis L. Hefner, authors of the HEW study, acknowledge that their findings do not measure the extent that economic factors such as labor costs and the size of markets influence price. They state further: "General knowledge of the problem suggests that it would be unwise to assume that price discrimination is a minor factor . . . the study shows that prices in the U.S. are generally higher than in any other country, according to comparative studies." [17]

The governments of six of the nations studied play an official role in the cost of pharmaceuticals. Australia and Ireland pay a part of the retail price of prescription drugs. In Sweden, payment is assumed for half of the first $3 and for everything over that amount. Ireland's system is scaled to the patient's income, and the Australian method of payment assumes all costs except a nominal co-payment fee. Significantly, all three of these countries do pay the total cost for medicines needed in the treatment of chronic diseases. The United Kingdom and Italy pursue a policy of full retail price payment for medicines. The sixth country, New Zealand, pays for filling prescriptions with the least expensive brand of a drug.

A Philadelphia druggist who has been

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looking into the legality of importing American drugs made at plants in the West Indies found that for the same drug, Stelazine (Smith, Kline, and French), West Indies' pharmacists are charged $2.60 (100 mg) compared to the $6.70 Philadelphia pharmacists must pay for the same quantity.

Although local economic conditions may account for part of the cost difference, they are not the complete explanation for the wide gap in percentage markup. (See Appendix 11.)

Disparities in prescription drug prices are as much a function of buying branded drugs as of importing them from foreign manufacturers. Every year, the Department of Defense and the Veterans' Administration accept bids from manufacturers on the drugs they purchase. DOD and VA buy *all* of their drugs by generic name and the lowest responsible bidder is awarded the contract. Examples of the methods through which U.S. government agencies are able to purchase prescription drugs at lower prices than the U.S. public are numerous. In one case, a contract for tetracycline was awarded in 1971 to an Italian manufacturer, Carlos Erba of Milan. A significant factor in this decision was that such contracts may be awarded by DOD to foreign firms only if the acquisition cost is at least 50% less than the lowest bid from a responsible domestic manufacturer.

In domestic contracts, price variation is nearly as extreme. The VA purchased 38,592 bottles of tetracycline (250 mg, 100 capsules) in FY 1971 from Rachelle Labs Inc. of Long Beach, California, for $1.44 each. Rachelle sells them to druggists for $3.70 each, according to the 1971 Blue Book. True, retail drug stores do not purchase in quantities as large as the government, but that alone hardly seems sufficient reason for a 250% price difference. Some observers have suggested that DOD and VA pay very little while the general public makes up the slack. The prices for these drugs sold by competitive bid can vary considerably in relation to the costs to retailers. A District of Columbia drug store owner informed researchers for this study that Serpasil (reserpine) was sold to retailers in the Washington area for $33.15 (1000 capsules) and to the government for $1.60 (1000 capsules).[18]

Disparities obviously exist. The price paid by American consumers for a prescription drug may often be ten or even several hundred times as much as its cost to produce. The consumer is hopelessly trapped between an urgent need for the drug and a lack of open price competition in the retail marketplace.

Patents and patent protection

One aspect of the market structure which is a basic factor in the high price of prescription drugs in the United States is the patent system. Most prescription drugs developed in this country are covered by 17-year patents which give the manufacturers a monopoly on their drug products and allow them to set any price they wish without fear of competition. The rationale for this protection is that research and development costs require a compensatory period of competition-free sales.

Manufacturers contend that even during the 17-year period, originally designated as a period in which to recoup losses, their prices are fair and reasonable. The hollowness of this argument can be seen in what happens when a patent expires and a manufacturer is faced with competition—the price drops dramatically.

For example, Upjohn has reduced the price of its brand of tetracycline, Panmycin, by 73% since 1966, when its patent expired—from $14.94 per hundred to $3.94 in 1971. Smith, Kline, and French dropped its price of Thorazine (50 capsules, 30 mg) by approximately 16% when its patent expired in 1970.[19]

Frequently the patent period outlasts the marketability of the product. Occasionally, the company owning the patent improves or otherwise changes the basic drug so that it is subject to a new patent, thereby prolonging the manufacturer's monopoly.

Aside from the serious moral question of whether it is proper to give a private manufacturer a monopoly on a product of life and death importance and thus the right to charge any price he wishes, "the built-in 17-year patent monopoly on drug products," according to Philadelphia pharmacist Edward Pastor, "forces the poor, aged and sick American patient to pay unconscionably outrageous prices for his prescription."[20]

The government, however, has statutory immunity from this problem. For example, the Department of Defense, which spends in the neighborhood of a quarter of a billion dollars annually on drugs and biologicals turns, at times, to unlicensed domestic or foreign manufacturers because their prices are often half those charged by the domestic patent holders and their licensees. The government then has to pay a reasonable royalty to U.S. patent holders. Consumers, however, don't have this advantage and, therefore, pay more.

A recent survey of world patent practices[21] shows that 54 of 80 nations studied deny patent protection for pharmaceuticals. These include Canada, Japan, Switzerland and the Scandinavian countries. In addition, Italy and Turkey deny patents for processes used in the manufacture of pharmaceuticals.

The United States, Belgium and South Africa are the only major nations, according to the survey, "in which it is believed one can obtain claims to medical processes for the treatment of man."[22]

The HEW Task Force on Prescription Drugs, reported:

"Patents play a prominent role in each of the two main features of competition in the prescription drug industry: first, rivalry in the development of new drugs and drug products; and second, in the promotion and advertising of exclusive specialties. It is the exclusive property rights afforded by patents, and the commercial benefits derived from them, that developed the first of these rivalries and set the stage for the second."[23]

Whoever holds the patent on a product in the United States, controls its manufacture, distribution and sale. If a competitor develops a new process for producing the same product, he is prohibited by the patent law from manufacturing or selling that product, even if he can make it better, more inexpensively and more efficiently. It is self-evident that this runs counter to the basic philosophy behind U.S. patent law—the promotion of science and the useful arts—and it discourages research on processes.

It is undeniable that the developer of a new manufacturing process for a therapeutic drug should be entitled to patent it under a reasonable royalty arrangement and to secure a license for the patent at a reasonable rate. However, an equally valid observation is that a limitation on or abolition of patent protection would directly promote price competition and maximize product rivalry.

University of Houston economist Henry Steele advocates eliminating drug product patents and ordering compulsory licensing of drug process patents at reasonable royalty rates. He also advocates a total ban on trade names for drugs, with the requirement that drugs be identified, labeled, advertised and sold only by use of their generic name and the name of the manufacturer.[24]

The drug industry contends that without the incentive of patent protection many of the new drugs developed in recent years would not have been discovered. This argument is not totally without merit, and a reasonable period of patent protection may be necessary to encourage the development of new drugs and to give the manufacturer an opportunity to earn back his investment (at a reasonable rate of profit, as opposed to the present levels).

Most patent drugs tend to pay for themselves in their first three years on the market: "In the industry characterized by rapid product turnover and a high rate of obsolescence, three years of exclusive patent protection is said to be a reasonable period to recoup research and marketing investments and to make a profit," according to the HEW drug study. "Numerous studies—including one by Arthur D. Little, Inc.—have shown that the greatest portion of sales of a new prescription drug product is likely to occur in the first few years after its introduction, even though many such products continue to sell and generate profits for many years after the patent has expired."[25]

With the publication of this report, legislation is being introduced to provide for compulsory licensing of prescription drug patents. (Other legislation also being introduced is discussed in the chapter on Recommendations.) Under this bill, when a company has applied for a license under a drug patent and it is not granted within 90 days, it could apply to the Federal Trade Commission to order such licensing. If the price charged or quoted to druggists by the patent holder is more than 500% of the cost of production for the drug in finished form, the FTC could order a hearing on the application.

The Commission could then order the granting of an unrestricted license to make, use and sell the drug. It could even order granting an unrestricted trademark license if it feels that is necessary to foster competition.

No such orders could be issued within the first year of the patent and might be delayed up to five years after issuance, if necessary. The licensee would be required to pay the original patent holder a royalty, not exceeding 8% of gross sales. If a patent holder refuses to issue a license to FTC orders, he could have his patent cancelled.

This bill would permit major recovery of the investment by the patent holder and help foster price competition among the rival companies. Consumers would benefit by the arrangement and so would manufacturers except that the latter's excessive profits would be replaced by reasonable profits.

Senator Estes Kefauver, after holding extensive hearings over a decade ago on drug prices, concluded: "Free competition has been hampered by patent monopoly control of prescription sales." Reform of drug patent laws is needed, he added, because of the fact that "by any test and under any standard, prices and profits in the ethical drug industry are excessive and unreasonable."

He continued:

"Alone among the industrialized nations of the world, we grant product patents on drugs with no provision for compulsory licensing or any other protection to the public interest. Since drugs are vital to the health of the nation, we must recognize that some limitations on patent monopolies are justified by the captive position of the users and the relationship of drugs to public health."[26]

The HEW Task Force adds:

". . . it has been argued that drug makers should not be allowed to use trademarks and patents in a way that would give them control of the drug markets both at the retail and manufacturing level. It has been asserted that exclusive patents, combined with multi-million-dollar drug advertising campaigns, can keep new or small companies out of the high profit circle and effectively stifle price competition in the marketplace."[27]

The exclusive vacuum created by the patent structure has helped to keep the prices

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Footnotes at end of chapter.

of certain drugs at a high level. Drug manufacturers argue that patent protection provides the incentive for competition in the research and development of new drugs. However, such protection stifles competition in price. This was the conclusion of a former FTC economist who stated that "Concentration in the production of drugs is high because of the patent privilege." [28]

FOOTNOTES

[1] *The Drug Makers and Drug Distributors,* Task Force on Prescription Drugs, Background Papers, Health, Education and Welfare, December, 1968, p. 39.

[2] *Prescription Drug Data Summary 1972.*

[3] The Pharmaceutical Manufacturer's Association (PMA), which represents 95% of the U.S. drug makers, estimates in its annual survey report 1971–72 that 1972 domestic pharmaceutical sales were $5.3 billion and foreign sales $2.7 billion.

[4] National Science Foundation's report, *Research and Development in Industry 1970,* showed funds for R & D performance as a percentage of net sales were 6.5% in 1970. In dollars, this was set at $486 million, which would mean about $7.5 billion total sales. The report showed that $486 million included $75 million for basic research, which would equal about 1% of net sales (p. 84). In contrast, PMA reports the industry spent $577 million on human-use R & D in 1971 in this country; industry observers feel that figure is inflated by the inclusion of some marketing expenses.

[5] "In Brief Summary: Prescription Drug Advertising 1962–71," by H. W. Chadduck, *FDA Papers,* February, 1972, p. 13.

[6] *Regulation of Prescription Drug Advertising.* Report of House Government Operations Committee, Washington, D.C., December 10, 1970, p. 2.

[7] *Final Report,* Task Force on Prescription Drugs, Department of HEW, February 7, 1969, p. 7.

[8] *Ibid.*

[9] *Final Report,* op. cit., p. 9.

[10] *American Druggist,* August 7, 1972.

[11] *American Druggist,* August 27, 1972, p. 26.

[12] *Final Report, op. cit.* p. 8.

[13] *Product Management,* October 1972, p. 41ff.

[14] *Business Week,* November 11, 1972, p. 87 ff.

[15] *Prescription Drug Data Summary,* 1972, Dept. of HEW, p. 24.

[16] *The Drug Makers and Drug Distributors,* Task Force on Prescription Drugs, Background Papers, Health, Education and Welfare, December 1968, p. 50.

[17] Edmond N. Jacoby and Dennis R. Hefner in their report to HEW on prescription drugs.

[10] *Blue Book,* 1971 lists CIBA's price of 1000 capsules (0.25 mg) of Serpasil at $39.50, and the same product generically as reserpine, from APC for $1.60, a difference of more than 2469%!

[19] *Handbook on Prescription Drugs,* Richard Burack, M.D., Pantheon Books, New York, 1967, p. 88, and *Blue Book* 1970, 1971.

[20] Personal letter to Congressman Rosenthal.

[21] *World Patent Law and Practice* by J. W. Baxter, Matthew Bender & Company, Inc., New York, 1971, pp. 230–232.

[22] *Ibid.*

[23] *The Drug Makers and Drug Distributors, op. cit.,* p. 37.

[24] *Ibid,* p. 42.

[25] *Ibid,* p. 43.

[26] *Congressional Record,* April 12, 1961, Vol. 107, 87th Congress.

[27] *Drug Makers and Drug Distributors,* p. 30.

[28] *Ibid,* p. 39.

VII.—PHARMACIES AND PHARMACISTS

The final link in the prescription drug supply chain to the public is the retail pharmacy and the pharmacist. The most common is the independent, neighborhood drug store, which outnumbers chain stores nationally by better than seven to one.[1] Sizes and types of pharmacies vary widely. It is rare to find one that is solely in the business of dispensing drugs. Most more closely resemble a general store, selling a broad variety of products unrelated to health and medicine. The pharmacy today without a lunch counter, garden supply display, auto parts center and clothing department is more the exception than the rule, especially in the case of chain pharmacies, where prescription drugs constitute about 11% of the sales volume.[2]

The role of the prescription counter in the drug store's overall profit picture depends on a number of different factors. Drugs are traditionally high markup items and are counted on to supply a significant portion of a retailer's profits. The type of store (independent, chain, discount), the location (inner city, suburbs, medical arts building), proximity to competition, type of operation (discount, drugs only) and services offered (home delivery, 24-hour operation, credit) are all variable factors in the determination of the prices of the store's products. Since most nonprescription drug products are advertised, the consumer has a chance to shop comparatively; but in the case of prescription drug products, the pharmacist has a relatively free hand in charging whatever fee he wishes.

It has been stated that drug products are a rather unique commodity because they are usually purchased with some degree of urgency. However, consumers should not be blind to the fact that they can get a better buy with a little comparison shopping. Most druggists will quote prices for a prescription before it is filled (they are required to do so in New York); a very few will even quote prices on the phone.

Consumers in 1971 had 2.2 billion prescriptions filled. Just over 31% were for hospital inpatients. The remainder were accounted for as follows: independent commercial pharmacy 42.7%, chain pharmacy 6.9%; other retail outlets (department stores, supermarkets, etc.) 6.8%, hospitals (outpatient pharmacies) 7.7% and dispensing physicians 4.8%.[3]

HEW estimated the number of resident pharmacists in the country in 1971 at 129,287. The vast majority worked in community pharmacies (45,889 owner/partners and 60,505 employees for a total of 106,394) 11,840 were in hospital pharmacies, 6,307 in teaching and government and 4,745 in manufacturing and wholesaling.[4]

Drug substitution

In nearly every state, the pharmacist is forbidden to fill a prescription with anything other than the exact branded item specified by the physician. The HEW Task Force reports:

"Substitution of a drug or brand of drug different from that prescribed by the physician is specifically prohibited in the pharmacy laws or rules and regulations of 47 states, but there are no written rules against it in the District of Columbia, Alaska, Missouri or Vermont. In the District and Vermont, however, the license of a pharmacist may be revoked for substitution, on the grounds that it is unethical conduct." [5]

Maryland enacted a law in 1972 that permits the pharmacist to substitute a generic equivalent for the brand stated on the prescription unless the prescribing physician specifically prohibits it. The law, to take effect in early 1973, requires the pharmacist to notify the practitioner in writing within 48 hours of the product substituted. The pharmacist is required also to pass on any savings to the consumer.

Substitution already exists widely in practice, if not in law. It is not uncommon for a pharmacist, when presented with a prescription for a drug he does not have in stock, to call the prescribing doctor and ask for a substitution or suggest to the doctor that he be allowed to use a drug already on hand.

Substitution is presently prohibited where the doctor prescribes a specific brand; however, when he writes the prescription generically, the pharmacist is free to use (i.e. substitute) any manufacturer's generic equivalent. This situation offers a mixed blessing. On the one hand, there is an opportunity to save the consumer some money. However, there also is potential for abuse because the pharmacist with a generic prescription is in a position to dispense the item on his shelf with the largest profit margin, usually a brand-name equivalent.

Generic prescribing, on the other hand, permits the druggist to carry a smaller inventory, thus reducing his expenditures and, theoretically, permitting him to pass some savings on to the consumer. However, it has been shown that a pharmacy usually purchases those products with the highest turnover. These tend to be the higher priced brand name drugs more frequently prescribed by physicians than lower cost products of equal quality but less well-known because not as much money and effort has been spent promoting them.

Another factor in the issue of substitution is the method a pharmacist uses to set his retail prices. A few are beginning to use a flat dispensing fee in place of the usual percentage markup. The two systems differ primarily in terms of philosophy. The flat fee is meant to level off the costs between higher and lower priced drugs.

The pharmacist will add the fee, based on what he considers his expenses in filling the prescription, to his cost for the drugs he dispenses instead of pricing them by percentage markup from the wholesale cost. The HEW Task Force reports:

"There is some fear that the use of dispensing fee will greatly increase the total costs to long-term users of low cost medications, who under the markup system would normally receive prescriptions below actual dispensing costs. . . . These patients may be properly served in appropriately selected cases if physicians can be induced to prescribe in larger quantities; thus the patient would pay one dispensing fee for a medication which would last several months, instead of several fees for smaller quantities of the medication prescribed a number of times." [6]

The use of the dispensing fee is not without pitfalls for the consumer when the pharmacist has the option of substituting drugs. If his markup is based on a percentage of the product's wholesale cost, he could be inclined to use the higher cost, and, therefore, higher profit item. But if he charges a fixed fee, regardless of the wholesale price, he might be more likely to stock lower cost items since he would be making the same profit but have less capital tied up in stock.

Repeal of anti-substitution restrictions, a movement gaining popularity among some pharmacists and the public, would necessarily have to be tied to some method of protecting consumers against abuses in order to be fully effective. For example, a pharmacist may fill a generically-written prescription with a brand name drug for several reasons:

1. He does not have the drug in its generic form. (One Washington, D.C. chain store druggist reported that when he is out of the generic but does have the brand version, he will ask the patient if he approves, and then charge the generic price.)

2. He prefers to dispense the drug of a manufacturer in whom he has confidence.

3. He is seeking a greater profit.

Pharmacists and physicians are sharply divided on the issue of substitution, as they are on the issue of drug price advertising. Most

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druggists would prefer that the prohibitions be lifted, giving them discretion over the manufacturer of a drug product when the prescription calls for a multi-source item. Doctors, on the other hand, vigorously oppose this as a usurpation of their role in specifying the exact medication they want for a patient. As in the case of price advertising, lines are drawn between pharmaceutical companies and organizations, such as the National Pharmaceutical Council (NPC), and independent retailers and laymen. The NPC, composed of the 25 largest pharmaceutical manufacturers, actively opposes drug substitutions as "destructive to pharmacy" and "deceitful to physicians."[7] The group is further dedicated to the use of brand name products only, claiming that they are the safest and most effective drugs.

Although NPC's concern for the medical care of the American public is their stated goal, their alignment with that segment of the pharmaceutical and medical profession which constantly opposes consumer-oriented programs casts serious doubt on their motives.

Brand versus generic prescribing and advertising

Closely related to the issue of substitution and an integral factor in the price of prescriptions is the question of brand vs. generic superiority. The development of a brand name occurs when the larger drug houses register a trademark name for the new drugs they develop. The same practice is followed when they begin to market a drug developed by another company but for which the original 17-year patent has expired. Smaller manufacturers will, most ofen, market their product by the generic name.[8] Since these small companies do not undertake the expensive tasks of researching, developing and advertising new drugs, the prices at which they sell their products are generally lower.

Most of the uncertainties about generic drugs center around their equivalency in both quality and therapeutic effect. Brand name advocates contend that their drugs are of higher quality and are subject to more quality tests and controls. There is no convincing evidence to show that they do the job any better.

It is often difficult to tell who made a drug, despite the name of the manufacturer on the product. This is because one producer frequently provides a large number of firms with the same drug, which is then marketed under a variety of brand and generic names.

Doctors today often find it difficult to assess the quality of drugs available because experience with a given drug is usually limited.

Evidence of this problem, according to Dr. Henry E. Simmons, director of FDA's Bureau of Drugs, "is the fact that some professionals will prescribe the highest-price product when the same product is being offered at a substantial savings by equally large or experienced firms." Further evidence, he added, is that doctors often are unaware that their patients are "paying a higher price for a brand name drug when the same drug manufacturer offers the same drug at a lower price generically.

"Some seem to mistakenly think that 'big manufacturer' or 'brand name' is good, while 'smaller manufacturer' or 'generic name' is of necessity bad. *This impression is just not borneout by the facts today.*" [Emphasis added][9]

From a pharmacological perspective, the inert ingredients which go into the finished product may or may not effect the performance of the drug (although they are not supposed to). According to the brand name advocates, the inactive ingredients in a drug compound do make a difference. Dr. Alfred Gilman, a pharmacologist, remarked in 1967 in a letter to Senator Russell B. Long, chairman of the Senate Finance Committee, that he was "appalled by statements which implied that cheaper marketed generic drugs are equivalent merely because of chemical analysis."

This argument may be shown to be tenuous in the face of contradictory testimony from experts who believe that the factors of dissolution and release of medication are of little consequence in the performance of a drug.

William Apple, executive director of the American Pharmaceutical Association, stated in testimony before the Senate Finance Committee in 1967: "Authorities in the medical and pharmaceutical sciences seem generally agreed that the likelihood is remote that a drug product meeting established standards under federal drug laws will not perform clinically as expected."

It is not the purpose of this report to make scientific judgments regarding the question of generic vs. brand superiority. Suffice it to say that the Food and Drug Administration does recognize as safe and effective generic drugs which comply with its minimum standards, and the Defense Department and Veterans' Administration purchase their drugs by generic name.

Usually a physician will prescribe a drug with which he is most familiar and in which he has confidence. It is generally true, however, that the typical clinician has very little first-hand knowledge of the performance weaknesses and strengths of generic versus brand name formulations. What second-hand knowledge he has is probably derived from information furnished through "detail men" from large drug houses. "Prescribing physicians are still exposed far too often to drug promotional ads designed primarily to promote sales rather than to provide the physician with the full facts necessary for the rational selection and use of drugs," reported the Committee on Government Operations' Intergovernmental Relations Subcommittee.[10] It further stated: "While blatant misrepresentations and omissions have become less frequent, they have often been replaced by more subtle attempts to convey misleading messages."

"Prescription drugs occupy an unusual position in the marketplace because such drugs are ordinarily selected by the physician who prescribes them rather than the person who purchases or uses them" the report concluded. "Consequently, the prescription drug promotional effort is directed to the physician rather than the consumer."[11]

As a general rule, very few doctors prescribe generically, even though patients could often save a considerable amount of money if prescriptions were written that way. According to a spokesman for the National Association of Chain Drug Stores, "The first place where the consumer should receive prescription price information is in the physician's office. The physician should be responsible for informing his patient of the general price range and generic names of the drugs he has prescribed."

Through their concentrated advertising to physicians and pharmacists, pharmaceutical manufacturers have successfully implanted the notion that brand name means quality. Although the trend in recent years has been toward an increasing number of generically-written prescriptions, an estimated 90% of prescriptions written today specify a trademarked drug product.

With a growing number of major drug manufacturers marketing their own so-called generic lines, it is interesting to note the position of the Pharmaceutical Manufacturers Association, as stated by its President, C. Joseph Stetler: "We do not claim that the existence of a trademarked name gives assurance of superior quality, nor do we contend that a drug product which happens to be sold under the official name of its active ingredient is automatically suspected of poor quality. Since the majority of such generically labelled products are made by PMA firms, it is obvious that we would not take such a position." In response to a question concerning the rising competition between generic drug houses and brand manufacturers, he answered, "We do not contend that there is a considerable difference among manufacturers in the degree of skill and devotion to consistent built-in quality, and we do contend that prescribers and dispensers should have knowledge of and confidence in the sources of the drugs they choose. As for the new kind of competition involved in the emergence of branded generics, if the question means an intensification of price competition, this would be a change only of degree, because we have had price competition all along."[12]

Pharmacists express mixed feelings about the generic drug controversy. None appear opposed to dispensing generic drugs, although most are more familiar with the brand name products. This is largely due to the fact that small drug manufacturers do not indulge in large advertising and promotion campaigns.

Advocates of generic prescribing contend it could have hundreds of millions of dollars annually in prescription costs for the elderly alone and millions more for the rest of the population. Critics counter that only 20–25% of all the prescription drugs on the market would be affected because the rest are under patents and not available generically. This is borne out to some extent by the HEW Task Force on Prescription Drugs, which discovered that of the 409 drugs dispensed most often to the elderly in 1969, lower-priced generic equivalents were available for only 67.[13]

Drug costs

The burden of high prescription drug costs falls most heavily on the elderly and others on fixed incomes. Although only about 10% of the population is 65 or older, this group accounts for 25% of all retail prescription drug expenditures.[14] In 1971 these expenditures totaled $1.2 billion. The average per capita expenditure on drugs by the elderly was $52.49, nearly triple the cost for persons under 65 ($18.12 per capita).[15]

The HEW Task Force on Prescription Drugs found that generic prescribing for 67 of the drugs most frequently dispensed for the elderly could have reduced the acquisition cost—the wholesale cost to the retailer—from nearly $74.9 million to $33.4 million, representing a potential savings of $41.5 million or 55.3% at the wholesale level. The savings to consumers would depend on the markup established by the pharmacist.[16]

If the retail markup were set so that the pharmacist would receive the same gross profit on generic prescriptions, the total retail price for those drugs would drop from $150 million to $108 million, a savings to elderly consumers of $41.5 million or 27.7% on the 63 drug products most frequently dispensed and available generically.[17] (See Appendix 12 for a generic vs. brand price comparison of 63 of those drugs.)

The American population as a whole spent $4.4 billion on prescription drugs ($20.89 per capita) at retail outlets, according to HEW; *Product Management* magazine put the figure at $5 billion for 1971. Just a decade earlier, Americans spent only $2.2 billion ($12.05 per capita) on prescription drugs and in 1950 the figure was $1 billion ($6.74 each).[18]

In an attempt to facilitate generic prescribing and dispensing, Massachusetts adopted a Formulary Act in 1970 which requires that all prescriptions written for brand name drugs include the generic name as well, if available.[19] If the prescription fails to list the generic equivalent, it becomes an illegal prescription, one which technically should not be filled by a pharmacist. Under this act, physicians may prescribe formulary drugs

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by generic name only or by brand name and generic name. If a doctor insists on a particular brand name drug, he can include on the prescription the phrase, "no substitutes" or "brand only" or add the name of the manufacturer.

Dr. Richard Burach, chairman of the Massachusetts Drug Formulary Commission stated, "The Formulary Commission urges physicians not to use this alternate mechanism indiscriminately. . . . It is the responsibility of the physician to be certain that a clinical impression that he may have of the superiority of any brand name drug over its generic counterpart is substantiated by factual, clinical evidence that is current and authoritative." [20]

Some physicians, especially those in group practices, are beginning to use prescription blanks that call for generic filling unless specified otherwise. Group Health Association (GHA) of Washington, D.C., uses prescription blanks which permit the physician to check a box specifying: "Dispense any manufacturer's product of same established name" or "Dispense specified brand only."

The action taken in Massachusetts and by GHA is exemplary and is a move in a positive direction to help consumers know more about their drug costs. Although drug substitution by itself is no panacea it can result in significant dollar savings for consumers.

FOOTNOTES

[1] *Prescription Drug Data Summary 1971*, U.S. Department of Health, Education, and Welfare, Washington, D.C., 1971, pp. 29–30.

[2] *American Druggist*, May 29, 1972, p. 17.

[3] *Prescription Drug Data Summary 1972*, Department of HEW, Washington, D.C., Table IV–2, p. 27.

[4] *Ibid.*, Table IV–1, p. 26.

[5] *The Drug Makers and the Drug Distributors*, HEW, December 1968, p. 80.

[6] *Ibid.*, p. 67.

[7] *This is NPC*, pamphlet published by National Pharmaceutical Council, Inc., Washington, D.C.

[8] Also known as the United States Adopted Name (USAN) because it is officially adopted by the Secretary of Health, Education and Welfare on the advice of the USAN Council, a coordinating group composed of representatives from the American Medical Association, the U.S. Pharmacopeia, the American Pharmaceutical Association, as publisher of the National Formulary, and the Food and Drug Administration.

[9] *American Druggist*, November 27, 1972, pp. 24–25.

[10] Report of Committee on Government Operations, Intergovernmental Relations Subcommittee. "Regulation of Rx Drug Advertising," December 10, 1970, p. 16.

[11] *Ibid.*, p. 2.

[12] *Drug Trade News*, Vol. 47, No. 15, July 24, 1972. Medical Econ. Co., Oradell, New Jersey.

[13] *The Drug Users*, Task Force on Prescription Drugs, Background Papers, Health, Education, and Welfare, October 1, 1968, pp. 81–82.

[14] *Final Report*, HEW Task Force on Prescription Drugs, p. 1.

[15] *Prescription Drug Data Summary 1972*, Department of HEW, Social Security Administration Office of Research and Statistics, pp. 6–7.

[16] *The Drug Users, op. cit.*, p. 36.

[17] *Ibid.*, p. 83.

[18] *Prescription Drug Data Summary 1971, op. cit.*, pp. 4–5.

[19] Massachusetts General Laws Annotated, Chapter 17, Section 13, and Chapter 112, Section 12D; Chapter 717 Massachusetts Statutes 1970.

[20] "Drug Substitution Approved by AMA," Article in *Drug Trade News*, July 12, 1971, p. 2.

CHAPTER VIII—RETAIL ADVERTISING PRACTICES AND PROHIBITIONS

The consumer is at a distinct economic disadvantage in the retail prescription drug market as a result of strong and effective anti-competitive industry practices.

Meaningful price competition, which is available throughout our market system on almost all products and services, is seen as anathema by those associated with drug retailing—even though competition exists there at the wholesale level. All kinds of reasons are given—professional ethics, prevention of drug abuse, difficulty in consumer understanding, complexity of factors involved—but none stands up under close scrutiny. The fact is that those druggists who control the profession—the independents—believe they would have great difficulty competing with the chains and discounters if consumers could compare prices of prescription drugs as easily as they do OTC drugs, groceries, clothing and nearly all other consumer products.

Laws and regulations in 37 states forbid advertising prescription drugs by price or name: 17 by statute (Alaska, Arizona, California, Connecticut, Georgia, Louisiana, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Virginia and Wyoming) and 20 by regulation (Alabama, Arkansas, Colorado, Hawaii, Illinois, Indiana, Kansas, Maine, Minnesota, Mississippi, Nebraska, New York, North Carolina, Rhode Island, South Dakota, Texas, Vermont, Washington, West Virginia, Wisconsin). (See Appendix 13.)

In three of these states (New Mexico, Ohio and Washington) advertising is not specifically banned but rendered impractical by numerous restrictions—to the point of being considered effectively prohibited.

Drug stores in 10 states may not advertise the fact that they have discount prices. Statutes in California, Maryland and New Jersey and regulations in Colorado, Louisiana, Maine, Massachusetts, Mississippi, New York and Wisconsin prohibit the use of such terms as "discount," "cut rate" or word with a similar connotation in connection with prescription drugs.

The legal status of such restrictions, especially those which are not by statute but are promulgated by state pharmacy boards, is at this time unclear and is being tested in the courts.

Court challenges are pending in at least 11 states (Connecticut, Hawaii, Illinois, Maryland, Mississippi, New Jersey, New Mexico, New York, North Carolina, South Dakota, Wisconsin). Recent challenges have succeeded in Florida, Pennsylvania, Oregon and have failed in New Jersey and New Mexico, though new suits are pending there.

Maryland's prohibition on retail prescription drug price advertising was declared unconstitutional on Dec. 6, 1972, by Judge Joseph L. Carter of Baltimore's Superior Court. The restriction, he ruled, violated the due process clause of the Fourteenth Amendment of the U.S. Constitution.

"The portion of society most injured by such prohibitions is the elderly living on a low income from Social Security and/or pensions," he stated. "The lifting of advertising restrictions can only further alleviate the inflated prices of prescription drugs. . . ."

Judge Carter found "The pharmacist is both a professional and a retailer. His functions include not only the compounding of drugs in filling prescriptions, but such commercially oriented endeavors as merchandising and marketing." This led him to conclude that the ban on drug price advertising does not relate to the pharmacist's status as a professional but rather to his retail activities. "When the regulation of pharmacy extends beyond the qualifications of pharmacists and the safety of the products, and encompasses the commercial aspects of the profession," he wrote in his opinion, "serious questions of constitutional validity arise."

The ruling is not binding statewide until affirmed by the Court of Appeals. An appeal was filed in early February by attorneys from the state's Department of Health and Mental Hygiene, who contend Judge Carter's decision dealt only with the civil statute and ignored a criminal statute prohibiting the advertising of controlled substances and prescription drugs.

In New York, Governor Nelson Rockefeller has submitted legislation to legalize drug price advertising.

On September 22, 1972, Congressman Rosenthal, acting with the New York Consumer Assembly and Ms. Etta Ringel, a Medicare patient, filed suit in New York State Supreme Court to have the state's prohibition on prescription drug price advertising declared unconstitutional. Named as defendants are the State Board of Regents and the State Board of Pharmacy. The Regents, with the assistance and advise of the Pharmacy Board, promulgate rules governing the pharmacy profession, including the prohibition on retail drug price advertising.

The suit contends that the Regents' promulgation of such rules exceeds the authority granted them by the legislature and constitutes "an unreasonable exercise of the state's police power, bearing on rational or substantial relationship to the public's health, safety and welfare."

Similar suits were filed in New York, New Jersey and Connecticut by Pathmark, one of the largest supermarket and pharmacy chains in the East. Governor Thomas Meskill of Connecticut announced support for the suit and said he would ask his state's legislature to repeal its anti-advertising law.[1]

Not all states with "no-ad" laws and regulations enforce them. The Michigan attorney general, according to the American Pharmaceutical Association, has said he will not defend pharmacy board enforcement against drug price advertising.

A drug advertising ban proposed by the Missouri Board of Pharmacy was declared invalid by the state attorney general because "It is difficult to understand how the public welfare can be prejudiced by the dissemination of truthful information concerning the name, nature and price of drugs which can be purchased only upon proper prescriptions." [2]

Ohio has permitted drug price advertising but, in recent years, very little, if any, such advertising has been placed. In 1971, the pharmacy profession won a two-year battle when the Ohio State Legislature enacted a law making it impossible as a practical matter for a pharmacy to advertise any prescription drug.

The original language of the legislation, as proposed by the Ohio State Pharmaceutical Association (a trade organization for pharmacists) and the State Pharmacy Board, called for a total advertising prohibition. Only vigorous lobbying by the state's advertising media and the Newspaper Publishers Association prevented a complete ban. The bill had the support not only of the pharmacy groups, drug manufacturers and state pharmacy board, but also of the state's leading drug chains, including the discounters.

All in all, it was a defeat for consumers and for the free enterprise system of open competition in the marketplace.

One of the most widely publicized cases in which a pharmacy chain challenged the general ban against price advertising involves Osco Drug, Inc., a Chicago-based chain which operates 177 stores in 18 states, including 84 in the Chicago area. In October 1971 Osco began posting the prices of the 100 most

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Footnotes at end of chapter.

commonly prescribed drugs in all stores. Within a few weeks, Osco found itself under the gun of the pharmacy establishment on all sides.

Following Osco's fight to be seen and heard by the consumer, the chain was the target of implicit and overt harassment. An affidavit filed in North Dakota's federal court described the harassment Osco had received there and in other states. Rival pharmacists phoned Osco's director of professional services and called him a "traitor." Most pharmacists, departing from ethical standards, stopped giving Osco pharmacists the prescriptions of customers who wished to transfer their patronage. The affidavit made public Osco's fears that newly registered pharmacists and graduating pharmacy students would shy away from jobs at Osco lest they jeopardize their professional standards and licenses. The court was told that professors and other prominent members of the pharmaceutical community had made possibly damaging remarks about Osco's possible loss of license in order to turn students of pharmacy from the company.

Richard G. Cline, president of the chain, contends that price posting does not constitute advertising and is therefore not illegal. "What we're trying to do is let the marketplace operate freely," he explained, and "allow competitive forces to play." Despite opposition from independent drug retailers, customer response has been favorable, he reported.

Support for Osco's position has come from the U.S. Justice Department's Antitrust Division. Then Assistant Attorney General Richard W. McLaren, in response to a letter from Cline in late 1971, stated that he was "pleased to learn of the initiation of a program with the apparent potential to effectively provide much-needed price information in this area."

The Justice Department has repeatedly stressed that laws prohibiting drug price advertising should be repealed. In a research paper and policy statement to the Council of State Governments, it stated the following:

"Competition is our basic national policy. It has proven to be the most effective spur to business efficiency, innovation, and low prices. Prohibitions on drug advertising represent departures from this national economic policy. . . . The Department of Justice believes that the major effect of legislation or regulations prohibiting price advertising of prescription drugs is to reduce retailer incentives to engage in price competition *with resulting higher costs to the public*." [Emphasis added]

The report concludes:

"Accordingly, it is the Department's view that existing state legislation or regulations which prohibit or restrict price advertising of prescription drugs may well be averse to the public interest. Since such restrictions appear to be unnecessary to protection of the public and result in unjustifiable expenditures by consumers, the Department feels they should be eliminated." [3]

Unfortunately, the Justice Department's sympathy for the consumer does not extend far enough for it to actively prosecute pharmacy boards or support legislation designed to do exactly what it advocates, that is, remove all prohibitions on prescription drug advertising. Such legislation was introduced by Congressman Rosenthal in the 92d Congress (H.R. 4423, the Prescription Drug Advertising Act of 1971) and is being reintroduced in the 93d Congress.

There is ample evidence that support for such legislation as this covers a broad spectrum of organizations and interest groups. The Pharmaceutical Manufacturers Association has repeatedly advocated abolishing state laws and regulations against prescription drug advertising. Pharmacies would be encouraged to advertise the prices of prescription drugs, PMA contends, as a means of fostering price competition at the local level and helping reduce retail costs of prescriptions.

Legal precedent for the abolition of anti-advertising laws is also well established. In 1971, appellant Edward Pastor, a Philadelphia pharmacist, was upheld in his effort to advertise prescription drug prices. The Pennsylvania State Board of Pharmacy at that time urged the Superior Court of Pennsylvania to prohibit drug price advertising for these reasons: prohibiting advertising of narcotics and dangerous drugs keeps them out of the public eye; price advertising encourages consumers to shop comparatively, making it harder for a physician to "monitor" the drugs his patient is taking; price advertising will encourage retailers to buy unusually large quantities of drugs, resulting in faster deterioration of unused drugs on the pharmacist's shelf.

Pastor argued that this prohibition in the Pharmacy Act was unconstitutional because it contravened the due process clause of the Fourteenth Amendment of the Constitution. The court ruled in his favor on January 7, 1971.

Pennsylvania, Florida and Massachusetts began to permit price posting in 1971 and the result appears to be lower retail prices for consumers in Philadelphia, Miami and Boston. In comparing drug prices in the states allowing advertising with those which have rules preventing such action, Pastor concluded:

"The Philadelphia patient pays an average of 34% less for his prescription than does the New York City patient. The patient in Miami, Florida, pays an average of 29% less than does the patient in New York. The reason can only be attributed to the competition created by advertising. . . . There can be no question, but that *prescription prices are sharply reduced in areas permitting advertising*." [4]

Advertisements run in the spring and summer of 1971 by Pastor and two unrelated pharmacies with the same name, U.S. Drug Company, (Wilmington, Delaware, and Hallandale, Florida) offer illustrations:

1. Advertised prices for 100 tetracycline capsules (250 mg) ranged from $1.93 to $2.97, all of which are substantially lower than those figures quoted in the Rosenthal survey. For less than one third the quantity (30 capsules) the average price for generic tetracycline was $3.44 in New York City pharmacies and $4.31 in Washington, D.C. (See Appendix 14 for sample ads and Appendix 15 for comparison of advertised and non-advertised prices.)

2. Another example of reduced costs may be seen in the case of the antihistamine chlorpheniramine maleate. The Rosenthal survey showed that this drug was available in Washington, D.C., area pharmacies in generic form at an average price of $1.78 for 25 4-mg tablets. The Florida pharmacy advertised 100 tablets of the same dosage for 19 cents. The brand name equivalent, Chlor-Trimeton, averaged $1.56 for 25 tablets in the Rosenthal survey. Advertised prices for *four times that quantity* ranged from $2.43 to $2.77.

3. In the case of ampicillin, 30 capsules of that drug (250 mg) averaged $8.80 in Washington stores and $6.55 in New York City pharmacies in the Rosenthal study; a Philadelphia pharmacy advertised 100 capsules for $14.97.

The president of U.S. Drug of Hallandale, Fla., Bernard B. Applebaum, reported that response to his company's advertising "has been without a doubt overwhelming. Our customers are glad we are not operating behind an unforeseen price. The people know what they are paying for their medication when they give our pharmacist their prescription." [5]

According to the rules of many state pharmacy boards, price advertising is prohibited under the heading of "Unprofessional Conduct." The New York state regulation [6] reads as follows:

"Unprofessional conduct in the practice of pharmacy shall include . . . advertising and/or displaying signs which in any manner tend to deceive or mislead the public."

Certainly the advertising of prices of prescription drugs cannot be construed to mislead the public; on the contrary, the revelation of prices, in allowing more freedom of choice in filling a prescription and lowering prices, would be a positive step toward equalization of fees, thus relieving the plight of millions of Americans who unknowingly pay outrageous amounts for the maintenance of their health.

Even in states where advertising is legal, the pressures are strong not to do so. A District of Columbia pharmacist reported that one of his outlets was directed by the Board of Pharmacy to move a large sign reading "Discount" because it was too near the prescription counter.

In general, state pharmacy board members are independent pharmacists appointed by the governor. Only two states—California and Massachusetts—have public members on their boards. For business purposes, independents prefer to have pharmacies operate under a system of "price maintenance," thereby limiting the information to the public and keeping the issue of drug prices from the public eye.

There are numerous examples of how pressure is wielded on state legislatures to enact pro-pharmacy legislation. In New Jersey, consumers are "protected" by a 1965 "Ethics Law" under which there is no legal way for the consumer to learn the price of his prescription before it is filled. Pharmacists are not only prohibited from advertising prices, but they are also barred from quoting prices over the telephone, and even in person, unless the customer is about to have his prescription filled. Sidney Greenblatt, secretary of the New Jersey State Board of Pharmacy, calls the measure "a consumer protection law." A more accurate description would be a "pharmacist protection law."

The city of Boston, recognizing the problem of price disparity, has taken positive action to provide consumers with extensive price information. Regulations of the Boston Department of Health and Hospitals require pharmacists to post the prices they charge for approximately 200 of the most frequently prescribed drugs. Although three Boston pharmacy owners brought suit against the city over the regulation, the State Supreme Court affirmed a lower court ruling and it went into effect in late June 1971. A similar measure has been introduced in the Massachusetts legislature, which, if enacted, will make price posting mandatory throughout the state.

The regulation grew out of a survey conducted by Albert Judd, planning and research officer of the Boston Consumer's Council, which "claimed to find that pricing of prescriptions by Boston pharmacists was 'irrational' . . . and that consumers need the kind of guidance they will presumably get from the posted price listing." [7]

Compliance with the Boston price posting regulation, according to Samuel B. Spencer, executive director of the Consumer's Council, is almost 100%.[8] Although he reported that impact was difficult to measure in some cases, one immediate effect was that pharmacies which had been overcharging for their prescriptions "substantially dropped" their prices.

The price chart distributed to Boston pharmacists contains explicit directions for the posting of drug prices, and the city's 225

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pharmacies presently list the prices of 190 frequently prescribed drugs. There are three price listings for each drug according to quantity, and suggestions as to the method of comparison shopping that will best allow consumers to evaluate the reasonableness of the prices at each pharmacy.

It appears that the removal of prohibitions on retail prescription price advertising alone will not be sufficient to foster open price competition in the drug marketplace. Experience has shown that where such restrictions were removed, advertising did not necessarily follow. This is believed to be largely due to pressures from the pharmacy establishment, using pharmacist-employees to influence their employers. Academic pharmacists work hard to indoctrinate their young students against retail price advertising (but they are strangely silent when it comes to wholesale advertising including some so blatant as to show the manufacturer's product in the window of a cash register). Therefore, it will be necessary to make price posting mandatory, as is done in Boston. Posting has the additional value of informing the consumer of the price when he walks in the drug store. The disadvantage, of course, is that he cannot do his comparative shopping in his own home, as he can when advertising is permitted. Taken together, though, advertising and posting complement each other very well and would be of immense value to the consumer.

Price posting, as was required under Phase II economic controls, did not prove very effective because of broad exemptions and lack of adequate enforcement. Early in 1972 when the Price Commission suggested pharmacies post their base prices like other retailers, the American Pharmaceutical Association denounced it as "Police state" tactics that engendered a "vigilante system on enforcement."

But when the tables were turned and some pharmacists began violating APhA cannons forbidding advertising, they were hounded by their fellow pharmacists, including other retailers, educators and public officials in what *Consumer Reports* termed "vigilante tactics with a vengeance."[9] The prime targets of these were Osco and its pharmacists.

The Department of Health, Education and Welfare, in its Task Force findings, has suggested that there exists a definite need for prescription pricing information of both brand name and generic drugs to be made readily available to physician and patient alike.[10]

Through the kind of legislation proposed in Chapter XI of this study, the essential need of the consuming public to be provided with necessary price information can be accomplished.

"If the patient is to maintain the right to select a pharmacy, he also has a right to know the prices it charges and to compare these with other prices," declares the HEW report. It calls on medical associations, pharmacy associations and consumer groups to work together at the local level to develop mechanisms whereby patients may obtain long-term information on local prescription prices, especially for maintenance drugs.[11]

The conclusion reached in a study on drug advertising reported in *Consumer Reports* is especially applicable as a summation of the findings and spirit of this report:

"All in all, here is a case where honest-to-goodness price advertising is much needed. Only the law stands in the way."[12]

FOOTNOTES

[1] *American Druggist,* October 2, 1972, p. 27.

[2] *Market Restraints in the Retail Drug Industry,* F. Marion Fletcher, University of Pennsylvania Press, Philadelphia, 1967, p. 232.

[3] Research Paper and Policy Statement of the United States Department of Justice Regarding State Restrictions on the Advertising of Retail Prescription Drugs, Summer 1971, pp 1–3, 8.

[4] Personal letter to Congressman Rosenthal from Edward Pastor, July 26, 1971.

[5] Personal letter to Congressman Rosenthal.

[6] Section 63.3 of the *Regulations of the Commission of Education,* June 1, 1972.

[7] "Boston Pharmacies Must Post Rx Prices," *American Druggist,* July 12, 1971, p. 30.

[8] Personal Interview.

[9] *Consumer Reports,* March 1972, p. 136 ff.

[10] *The Drug Users, Ibid,* Chapter 5.

[11] *Final Report, Task Force on Prescription Drugs,* H. E. W., Washington, D.C., February 17, 1969, p. 18.

[12] April 28, 1970, p. 279.

CHAPTER IX—SUMMARY OF FINDINGS AND CONCLUSIONS

The problems

Americans spend some $7 bililon a year on prescription drugs, and the evidence is strong that they are being overcharged, on the average, by at least 25%.

For each dollar the drug manufacturers grossed on national sales in 1971, they spent a penny on basic research, three cents on quality control and 25 cents on advertising, promotion and marketing.

The high cost of drugs is due primarily to a lack of open retail competition, overprotective patent laws exorbitant promotional expenditures, arbitrary pricing practices, unreasonable markups and inefficient management. They can all be summed up in a single term: Economic self-interest.

The drug makers are earning profits at a rate nearly double that of other U.S. manufacturing corporations. Their enormous profits are due largely to the fact that they are over-protected by government.

Because prescription drug prices are not posted or advertised, clerks or pharmacists can and do sometimes change the price on the basis of the customer's age, sex, race or appearance. At some stores prescription prices are even negotiable.

The retail drug market is unique in that the people who pay for and consume the pharmaceutical products are not the ones who must be persuaded by the industry's advertising and promotion.

The consumer is at a distinct economic disadvantage in the retail prescription drug market as a result of strong and effective anti-competitive laws and industry practices.

Another factor keeping retail prices high is the lack of concern shown by physicians for the price their patients will have to pay for the medicine they prescribe.

The pharmacy establishment's opposition to retail drug price advertising stems from a fear of price competition, despite pious pronouncements to the contrary.

Only two of the 50 states—California and Massachusetts—have public members on their state pharmacy boards.

A survey of 122 drug stores in Queens, N.Y., and the Washington, D.C., area revealed the following:

For one drug, tetracycline, which wholesales for $.52, retail prices quoted ranged from $1.95 to $9.90.

For another drug, ampicillin, which wholesales for $3.90, retail prices ranged from $4.95 to $15.00.

For a third drug, the antihistamine chlorpheniramine maleate, which wholesales at $.04, retail prices ranged from $1.35 to $2.43.

The drug makers spend over $1 billion a year on promotion. These expenditures are excessive and add needlessly, but enormously, to the price consumers pay.

Questionnaire

Questionnaires sent to 24,000 Queens, N.Y., households revealed.

Nine out of ten persons responding felt prescription prices are prohibitively high;

95% said prescription drug prices should be advertised in order to facilitate comparison shopping, equalize prices and provide the freedom of choice which is available in the purchase of nearly every other consumer product;

Most persons apparently are unaware that they could save money by asking their doctors to prescribe their medicine generically;

Half said they did not even ask the price of the prescription before it is filled, a practice which could result in considerable savings;

Most persons had 10 or more prescriptions filled annually, seven of them for the same drug.

Three out of four of those responding found prices on over half of their prescriptions vary from store to store by at least 25%;

Most use only one pharmacy, picking it on the basis of convenience first then price (services are a minor factor in the choice of the pharmacy).

Drug price survey

Two separate surveys of 122 drug stores in Queens, N.Y., and in the Washington, D.C., area revealed a wide disparity in retail prices charged for identical drugs. Excessive markups also were found; in one case a drug was priced at 6,000% over the pharmacist's cost, but in most cases the markups were in the neighborhood of 100%.

Consumers pay considerably less for their prescriptions if they are written for a generic drug and if the purchaser is able to do some comparison shopping.

Without asking consumers, pharmacists frequently substitute more expensive brand name drugs when the prescription calls for a generic drug. Such substitution, now permitted in most, if not all, states must be prohibited to prevent this kind of abuse.

Prices for the same drug vary not only from store to store, but even from customer to customer at the same store. This is possible because prices are not advertised and are rarely posted.

Similar surveys in other cities, by consumer groups and the news media, showed similar results.

Factors influencing drug pricing

Prescription drugs are perhaps the only major consumer product on the market today for which there is no convenient method of retail price competition. This is no accident. Over the years the consumer has been conditioned to believe that money should be no object where his health is concerned; but in reality, at least as far as prescription drugs are concerned, cost bears little or no relationship to quality. The identical drug can cost $1 or $10 or even more, depending on the manufacturer and the seller.

Along with just about everything else they buy, the poor also pay more for their prescriptions. This is often because there are fewer pharmacies in low-income areas, store insurance is harder to get there, it is difficult to hire a pharmacist to work in those areas and crime is a major problem. Equally important is the fact that the poor do not enjoy the mobility of the more affluent customer who has a car and can shop around for the best price.

The retailers who fight so vigorously against prescription drug price advertising frequently are the victims themselves of over pricing by large pharmaceutical manufacturers, but they apparently fear the giants more than they care about their customers. Small independent druggists fear competition with mass merchandisers; the chains and discounters fear competition with one another, and they all believe that prescription drug advertising would foster such competition.

Prescription drug advertising controversy

Because the pharmacy establishment dominates the pharmacy regulators, the pharmacy boards and commissions of the various states promulgate rules not in the consumer's interest.

Pharmacists argue against advertising, contending that it would lead to drug abuse. This is simply not so. Prescription drugs are products whose access, content and use are tightly controlled and will continue to be tightly controlled whether there is retail price advertising or not. Moreover, it taxes the boundaries of rationality to imply that informing consumers of prices could lead them irreversibly down the path of drug abuse.

Pharmacists also oppose advertising prices of their products on the grounds that they are professionals like doctors and lawyers. This argument is based on fallacious reasoning. Pharmacists do perform an invaluable service that requires great care. But they do not perform a professional service as complex and individualized as that of a doctor or lawyer. In fact, the pharmacist does not perform a professional service so much as he sells a mass-produced, fully compounded and pre-packaged product. Less than 5% of the prescriptions require him to compound any medicine.

Those prescription drug products dispensed by the pharmacist are sold to him through the vigorous use of price advertising and promotion, methods he relies on at the wholesale level but steadfastly opposes at the retail level.

The drug industry

One of the most significant factors contributing to the high price of prescription drugs in this country is the patent law. When the 17-year patent protection period for a new drug ends, prices tend to drop dramatically. Until that time, however, the manufacturer has a monopoly on production and distribution. A recent survey of world patent practices shows that 54 of 80 nations studied denied patent protection for pharmaceuticals. This often contributes to the tremendous differences between drug prices in this country and elsewhere.

The drug industry contends that without the incentive of patent protection many of the new drugs developed in recent years would not have been discovered. There is a need for a degree of patent protection, but the 17-year monopoly seems excessive. The answer lies in compulsory licensing of prescription drug patents.

A study by the Department of Health, Education and Welfare concluded that "much of the drug industry's research and development activities would appear to provide only minor contributions to medical progress."

Pharmacies and pharmacists

Independent neighborhood pharmacies outnumber chain stores by seven to one and filled more than 43% of the prescriptions consumers purchased in 1971. Chain stores filled 7% and other retail outlets accounted for another 7%. (Hospitals filled 38% and physicians 5%.)

The owners of independent drug stores and the pharmacists who work there are the dominant influences in the profession and its policies. They are a strong lobbying power in the nation's state houses and in the Congress.

They have been able to have retail prescription drug price advertising banned in more than two-thirds of the states.

They have not been as successful, however, in overturning anti-substitution laws which forbid pharmacists from filling a prescription with anything other than the exact branded item specified by the prescribing doctor. However, when no brand is specified by the doctor, the pharamacist is free to substitute any manufacturer's generic equivalent:

"This situation offers a mixed blessing. There is a potential for abuse because the pharmacist with a generic prescription is in a position to indulge in price gouging by using the item on his shelf with the biggest profit margin.

"Generic prescribing, on the other hand, permits the druggist to carry a small inventory, thereby reducing his expenditures and, theoretically, permitting him to pass some savings on to the consumer."

Critics of generic prescribing contend that only 20–25% of all prescription drugs on the market could be effected because the rest are under patents and not available generically. Nonetheless, there is great potential for savings.

The burden of high prescription costs falls most heavily on the elderly and others on fixed incomes. Although, only about 10% of the population is 65 or older, this group accounts for about 25% of all prescription expenditures; in 1971 that amounted to about $1 billion.

Generic prescribing for 67 of the drugs most frequently dispensed for the elderly in 1970 could have reduced the wholesale cost to the retailer from nearly $74.9 million to $33.4 million, according to an HEW study. If retail markups were set so that the pharmacist could receive the same gross profit on generic prescriptions as on brand name ones, the total *retail* price for those drugs would drop from $150 million to $108 million, a savings to elderly consumers of nearly 28%, according to HEW.

Drug substitution is no panacea for the consumer but is an important step forward. As long as anti-substitution laws exist, there is little prospect for passing on to the consumer the benefits of price competition in the drug field.

Closely related to the issue of substitution and an integral factor in the price of prescriptions is the question of brand vs. generic superiority. Enormous promotion budgets are more responsible for the popularity of trademarked drugs than any superiority of either quality or therapeutic effect. In fact, there is no convincing evidence to show that brand-name drugs do the job any better than the lesser-known generics.

Retail advertising practices and prohibitions

Statutes and regulations in 37 states forbid advertising of prescription drugs by price or name. Court challenges are pending in at least 11 of these states on issues of advertising and/or posting. Recent challenges have succeeded in three states (Florida, Pennsylvania and Oregon) and have failed in two more (New Jersey and New Mexico) though new suits are pending there. The legal status of such restrictions, especially those not by statute but by state pharmacy board regulation, is at this time unclear and is being tested in the courts.

Federal legislation to permit drug price advertising is being introduced in Congress with publication of this report. (See chapter X.)

Drug price advertising can be extremely useful mechanism for the consumer in two respects:

1. Information regarding drug prices would be readily available and allow more freedom of choice in getting a prescription filled, and

2. Increased price competition would push prices lower.

In Philadelphia, where drug price advertising is permitted and practiced, a survey showed that the consumer pays an average of 34% less for precriptions than the patient in New York City, where advertising is still illegal.

The removal of prohibitions on retail prescription price advertising alone will not be sufficient to foster open price competition in the market-place. Experience has shown that where such restrictions were removed widespread advertising did not necessarily follow. This is believed to be largely due to the pressures from the pharmacy establishment. Therefore, it appears necessary to make price posting mandatory, in addition to permitting advertising at the discretion of the pharmacy.

Posting has the additional value of informing the consumer of the price when he walks into the store; the disadvantage, of course, is that he cannot do his comparative shopping in his own home, as he does with other advertised products. Taken together, though, advertising and posting complement each other and would be of immense value to the consumer.

CHAPTER X—RECOMMENDATIONS

In order to fully implement the consumer's right to be informed of the prices of the prescription drugs he uses, this study recommends the following:

A. Enactment of legislation (details on next page) requiring:

1. An end to all blanket prohibitions on retail prescription drug price advertising.

2. The mandatory posting of prices for the 100 most commonly prescribed drugs.

3. The open dating of all perishable prescription drugs, showing clearly on the dispensed products' label the date beyond which the potency is diminished or the chemical composition is altered by age.

4. Labeling and advertising of prescription drugs by their established name, and an end to all antisubstitution laws.

5. Compulsory licensing of new prescription drugs during the 17-year patent.

B. The drug industry and appropriate federal regulatory agencies should take necessary action to curtail deceptive drug advertising claims in the popular media as well as trade and professional publications, especially for over-the-counter drugs.

C. Consumer advocates should be named to pharmacy boards and commissions in all states and the District of Columbia.

D. As noted in this study, the Department of Justice has termed most drug ad restrictions "unjustified" and has called on the states to repeal them. The Secretary of Health, Education and Welfare and the President's consumer advisor also have endorsed such a move. Therefore, the administration is strongly urged to support legislation prohibiting drug price advertising restraints and to initiate anti-trust proceedings to eliminate the barriers to price competition. The states and their pharmacy boards are likewise urged to voluntarily remove these anticonsumer restrictions.

E. The pharmacy profession is urged to remove voluntarily all barriers to adequate consumer information by adopting the reforms called for in this report.

Legislation

The Prescription Drug Information Act

This legislation has two purposes. It will make prohibitions against the advertising of prescription drug prices an unfair act or practice in commerce, and it will require drug stores to post the current prices of their 100 most commonly prescribed drugs. Posting would complement advertising by countering peer pressures on pharmacists not to advertise and by fostering competition through comparison shopping.

The Prescription Drug Freshness Act

This bill requires open-dating for drugs. Any drug that does not have an indefinite shelf life must be prominently labeled as to the date beyond which its potency or efficacy becomes diminished. This is already done at the wholesale level and should be done for the consumer as well.

The FDA has expressed concern over reports that over-aged drugs are sometimes sold to consumers and that consequent deterioration may be responsible for some injuries and deaths.

There is no defensible reason why this information should be denied the consumer.

There is an obvious and serious potential health hazard involved since these are the dates beyond which the effectiveness or potency of the drug diminishes below that specified by the manufacturer.

Opponents of this proposal contend it would encourage self-diagnosis; there is no evidence to support that position. However, it would have the additional benefit of preventing needless duplicate purchases by a consumer who may need the same drug prescribed once again by the physician.

The Prescription Drug Labeling Act

This bill would require that in labeling and advertising of certain drugs sold by prescription, the "established" or generic name must appear each time the proprietary or brand name is used. It would also give the consumer and the pharmacist the option of filling the prescription with the generic equivalent. Where there is such substitution, it must not be done to sell a higher-priced product but to save money for the consumer.

The Prescription Drug Patent Licensing Act

When a company has applied for a license under a drug patent and it is not granted within 90 days, the company could apply to the Federal Trade Commission for an order requiring such licensing. If the price charged or quoted to druggists by the patent holder is more than five times the cost of production, the FTC could order a hearing on the application. It could then order the granting of an unrestricted license to make, use, and sell the drug. That order could include granting an unrestricted trademark license, if the FTC feels that it is in the interest of competition.

CHAPTER XI—HOW TO GET THE BEST RX BUY

Consumers need not wait until all anti-advertising laws are repealed and meaningful price posting becomes a reality in order to avoid paying excessive prices for the medicine they need. Here are some things that can be helpful:

Consumers

1. Let your doctor know you want to get the best buy for your money.

a. Ask him to prescribe the medicine generically.

b. If you are going to be on the medication for a long time, ask him to prescribe it in a large quantity so you don't have to make repeated and costly trips to the pharmacy; after all, it costs the pharmacist more to dispense 50 capsules four times than to sell you 200 at one time.

c. Ask him to suggest a pharmacy with low prices.

d. If the prescription is small, ask the doctor if he has some office samples he can give you instead.

2. Shop around.

a. Ask the pharmacist what he will charge before you have your prescription filled; if he won't tell you or you think his price is too high, try somewhere else.

b. Look for the services you want, such as convenience, credit, delivery, 24-hour service, patient profile records. If that's what you're looking for, you can expect to pay extra for it; if you want the lowest possible price, expect bare bones service (in some stores that means never even seeing the pharmacist, only a clerk).

c. It may be a good idea to get two prescriptions from your doctor for the identical medication; have one filled at the discount store (if the price there is lowest) and leave another at a pharmacy that delivers, just for emergencies.

d. Ask for Medicare, senior citizen and similar discounts if you think you're eligible, but wait until the standard customer price has been quoted.

Doctors

1. Survey pharmacies in your area for prices of commonly prescribed drugs.

a. Check with patients about where to find best buys.

b. Ask drug company representatives for precise information on wholesale prices; most can also provide helpful information on retail prices in the area.

c. Pass this information on to patients.

2. Prescribe generically and in quantity, where possible.

a. Write the prescription generically so that the patient can purchase the medication you specify at the lowest possible price.

b. If the patient is going to be on the medication for a long time, consider writing the prescription for a large amount. The savings (in money and bother) can be significant.

c. Prescribe standard quantities (the Physicians' Desk Reference has this data) and, where appropriate, economical dosage forms. This is especially important for elderly persons who have fixed incomes and must take maintenance drugs. If (the patient's dosage form is increased by his physician—e.g., from 250 mg to 500 mg—he would be better off economically to get a new prescription for the larger dosage form than to continue taking the old medicine but doubling the quantity to get the same dosage.)

3. If the medication is too costly for the patient, Medicaid may help if the patient is eligible.

a. If not, some pharmacists may be willing to help a needy customer, if the doctor alerts them.

b. There is a code between physicians and pharmacists to do this: PP on a prescription means "poor patient" and ARB means "any reliable brand." So warned, the pharmacist can adjust his price or substitute a lower-cost drug.

4. Write prescriptions legibly.

Pharmacists

1. Post your prices and quote prices over the phone or in person for the consumer shopping for the best buy.

a. Don't overlook an opportunity to sell yourself and your service. Explain clearly to customers just what professional services you offer and what they cost.

b. In other words, justify your charges, don't conceal them. The best way to do this maybe on a sign prominently displayed near the pharmacy counter.

2. When a customer brings in a prescription for a high-price trademarked drug, suggest a generic substitution and call the physician for permission.

a. When the customer already has a generic prescription, fill it with the lowest cost product available.

b. In either case, pass the savings on to the customer.

3. Use your influence in the pharmacy profession to voluntarily remove the barriers to adequate consumer information such as restrictions on retail price advertising. You can also begin by labeling your prescriptions with the generic name of the drug and the date beyond which it should not be used.

APPENDIX I

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR FRIEND: The cost of prescription drugs is a serious problem for many persons. In conjunction with a study I am conducting concerning retail prescription pricing practices, I am sending this questionnaire to a select group of residents of Queens. Your answers will be of great value.

1. How many prescriptions have you had filled in the past year? (14.9%) 0–5; (25.5%) 5–10; (22.3%) 10–20; (38.4%) Over 20.

How many of these prescriptions are for the same drugs? 7.

3. Of the number of prescriptions filled for the same drug, have you found much variance in price at different stores? (78.6%) Yes; (21.4%) No.

What percentage difference have you found? (38.5%), 10–20) (50%) 25–50; (5.8%) over 100.

4. Do you generally have prescriptions filled at the same pharmacy? (79.3%) Yes; (20.7%) No.

5. What factor is most important to you when choosing a pharmacy? (43.6%) Convenience; (37.6%) Price; (12%) Services (such as delivery, credit, etc.); (6.8%) Other (specify.

6. Do you know whether your doctor prescribes brand-name drugs or drugs by their generic (chemical) names? (36.1%) Brand name; (30.1%) Generic name; (33.7%) Don't know.

Do you ever ask him to prescribe generically? (13%) Yes; (87%) No.

7. What kind of pharmacy fills your prescriptions? (65%) Independently owned, small; (8.8%) Chain drugstore; (22.9%) Discount drugstore; (3.29%) Pharmacy counter in any other store.

8. Do you ask your druggist the price of a prescription before you have it filled? Yes (45.1%); No (54.9%).

9. Do you feel prescription costs are (a) too high 91%; (b) about right 9%; or (c) low 0%?

10. Would you like to see prescription prices advertised so you could compare costs more easily? (95%) Yes; (5%) No.

Please return this questionnaire as soon as possible using the self-addressed mailer on the other side. Thank you for your help.

Sincerely,

BEN ROSENTHAL.

APPENDIX 2—DRUG PRICE SURVEY RESULTS

In the 1971 portion of the survey, two types of prescriptions were used. One was written generically and the other specified a brand name product. Prices quoted in response to the generic prescriptions were not necessarily for non-trademarked products but were frequently for higher-cost brand name drugs. This had the effect of making generic prices appear higher than they should. To prevent this type of consumer abuse, consumers should specify they want the lowest cost equivalent product available. In addition, legislation permitting generic prescribing and abolishing anti-substitution restrictions should contain a provision guaranteeing that when substitution is made it must be with a lower-priced product.

Wholesale price data is from the 1971 American Druggist *Blue Book*.

TETRACYCLINE, 1972—56 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$6.00	$5.50
Lowest	$2.49	$1.50
Average	$3.81	$3.38
Wholesale	$0.98	$0.98
Stores	9	10
Average markup (percent)	289	245
Prices quoted	$2.49	$1.50
Do	$2.85	$1.88
Do	$3.34	$1.95
Do	$3.39	$2.13
Do	$3.55	$2.18
Do	$3.79	$3.28
Do	$4.00	$4.45
Do	$4.95	$5.45
Do	$6.00	$5.50
		$5.50

AMPICILLIN, 1972—56 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$16.75	$17.95
Lowest	$5.95	$8.40
Average	$9.20	$11.60
Wholesale	$7.28	$7.28
Stores	16	10
Average markup (percent)	26	59
Prices quoted	$5.95	$8.40
Do	$6.50	$9.09
Do	$6.50	$9.33
Do	$6.50	$9.35
Do	$6.75	$9.99
Do	$7.85	$11.20
Do	$7.95	$11.20
Do	$7.95	$12.95

AMPICILLIN, 1972—56 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Prices quoted (Continued)		
Do	$8.00	$16.80
Do	$8.50	$17.95
Do	$9.20	
Do	$10.00	
Do	$10.00	
Do	$11.50	
Do	$12.50	
Do	$14.00	
Do	$16.75	

CHLORPHENIRAMINE MALEATE, 1972—60 TABLETS, 4 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$4.95	$5.13
Lowest	$1.85	$3.50
Average	$3.85	$4.22
Wholesale	$0.10	$0.10
Stores	7	10
Average markup (percent)	3,750	4,120
Prices quoted	$1.85	$3.50
Do	$1.95	$3.75
Do	$2.85	$3.95
Do	$3.75	$3.95
Do	$3.79	$4.00
Do	$3.85	$4.00
Do	$3.95	$4.00
Do	$4.95	$4.83
Do		$5.13
Do		$5.13

TETRACYCLINE, 1971—30 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$5.95	$9.90
Lowest	$1.95	$2.75
Average	$3.05	$3.53
Wholesale	$0.52	$0.52
Stores	11	5
Average markup (percent)	562	729
Prices quoted	$1.95	$2.75
Do	$2.10	$2.90
Do	$2.29	$2.90
Do	$2.45	$2.90
Do	$2.95	$9.90
Do	$2.95	
Do	$3.25	
Do	$4.50	
Do	$4.50	
Do	$4.95	
Do	$5.95	

TETRACYN (ROERIG), 1971—30 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$4.29	$5.00
Lowest	$2.00	$3.00
Average	$2.91	$4.24
Wholesale	$1.28	$1.28
Stores	10	6
Average markup (percent)	127	231
Prices quoted	$2.00	$3.00
Do	$2.29	$3.00
Do	$2.45	$3.35
Do	$2.45	$3.35
Do	$2.75	$3.50
Do	$2.95	$5.00
Do	$3.00	
Do	$3.25	
Do	$4.50	
Do	$4.95	

AMPICILLIN, 1971—30 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$9.00	$15.00
Lowest	$4.95	$5.65
Average	$6.50	$8.80
Wholesale	$3.90	$3.90
Stores	11	6
Average markup (percent)	68	126
Prices quoted	$4.95	$5.65
Do	$4.95	$6.00
Do	$5.47	$6.04
Do	$5.89	$8.43
Do	$5.95	$11.65
Do	$6.00	$15.00
Do	$6.29	
Do	$6.50	
Do	$7.95	
Do	$8.00	
Do	$8.09	
Do	$9.00	

POLYCILLIN (BRISTOL), 1971—30 CAPSULES, 250 MG.

	Queens, N.Y.	Washington, D.C.
Highest	$9.95	$10.00
Lowest	$6.95	$8.05
Average	$8.78	$9.03
Wholesale	$5.15	$5.15
Stores	10	6
Average markup (percent)	70	75
Prices quotes	$6.95	$8.05
Do	$7.00	$8.40
Do	$8.09	$9.14
Do	$8.95	$9.14
Do	$8.95	$9.45
Do	$9.00	$10.00
Do	$9.00	
Do	$9.19	
Do	$9.90	
Do	$9.90	
Do	$9.95	

CHLORPHENIRAMINE MALEATE, 1971—25 TABLETS, 4 MG.

	Queens, N.Y.	Washington, D.C.
Highest		$2.43
Lowest		$1.35
Average		$1.79
Wholesale		$0.04
Stores		6
Average markup (percent)		4,375
Prices quoted		$1.35
Do		$1.50
Do		$1.70
Do		$1.70
Do		$1.98
Do		$2.43

[1] Not surveyed.

CHLORTRIMETON, 1971—25 TABLETS, 4 MG.

	Queens, N.Y.[1]	Washington, D.C.
Highest		$1.90
Lowest		$1.20
Average		$1.56
Wholesale		$0.61
Stores		6
Average markup (percent)		156
Prices quoted		$1.20
Do		$1.38
Do		$1.43
Do		$1.70
Do		$1.75
Do		$1.90

[1] Not surveyed.

APPENDIX 3

DRUG PRICE SURVEY RESULTS, 1971: QUEENS, N.Y.

Name, address, and price per prescription

Tetracycline, 30 capsules, 250 mg.:

Jewel Pharmacy & Surgical Company (Rondex), 46–27 Kissena Blvd., Flushing, $2.95.

Kissena Pharmacy (would not say), 143–12 45th Ave., Flushing, $4.95.

Jo-Mar (Aberdeen), 44–45 Kissena Blvd., Flushing, $2.29.

King's Pharmacy (would not say), 44–03 Kissena Blvd., Flushing, $2.95.

Carlyle Drugs (Bristol), 44–08 Kissena Blvd., Flushing, $4.50.

Park Lane Chemists (Blue Quartz), 42–95 Main Street, Flushing, $1.95.

A.C. (Pure-Pak), 41–99 Main Street, Flushing, $2.10.

Post Pharmacy, Inc. (Heather), 41–56 Main Street, Flushing, $3.25.

Plaza-Rexall Pharmacy (Rondex), 40–42 Main Street, Flushing, $2.45.

Plaza Pharmacy (would not say), 39–19 103rd, Corona, $5.95.

Cut-Rate (would not say), Northern Blvd and 101st, Flushing, $4.50.

Tetracyn (Roerig), 30 capsules, 250 mg.:

Jewel Pharmacy & Surgical Company (Roerig), 46–27 Kissena Blvd., Flushing, $2.45.

Jo-Mar (Roerig), 44–45 Kissena Blvd., Flushing, $2.29.

King's Pharmacy (Roerig), 44–03 Kissena Blvd., Flushing, $2.00.

Carlyle Drugs (Bristol)[1] 44–08 Kissena Blvd., Flushing, $4.50.

Park Lane Chemists (Roerig) 42–95 Main Street, Flushing, $2.45.

A. C. (Roerig) 41–99 Main Street, Flushing, $3.00.

Post Pharmacy, Inc., (Roerig) 41–56 Main Street, Flushing, $3.25.

Plaza-Rexall Pharmacy (Roerig) 40–42 Main Street, Flushing, $2.95.

Plaza Pharmacy (Spencer-Mead)[2] 39–19 103rd, Corona, $4.95.

Cur-Rate (would not say) Northern Blvd. & 101st, Flushing, $2.75.

Ampicillin 30 capsules, 250 mg.:

Hunter Garden, Inc. (Parke-Davis) 147–48 Northern Blvd., Flushing, $6.00.

Caesar Chemists (Bristol) Parsons & Northern Blvds., Flushing, $8.00.

North Bowne (Rugby) 141–02 Northern Blvd., Flushing, $5.95.

Main Street Pharmacy (Beecham) Main Street & Northern Blvd., Flushing, $6.29.

Foods Plus (Squibb) 37–09 Main Street, Flushing, $5,47, $5.89.[3]

Lewis Pharmacy (Penbritin) 136–98 Roosevelt Ave., Flushing, $7.95.

Kleins (Spencer-Mead) 136–20 Roosevelt Ave., Flushing, $4.95.

Genovese Drug Stores, Inc. (Penbritin) 136–51 Roosevelt Ave., Flushing, $8.09.

Centro de Medicos (Spencer-Mead) Roosevelt Ave. & 104th St., Corona, $4.95.

Square Pharmacy (Squibb) 103–04 Roosevelt Ave., Corona, $9.00.

Unnamed store (Beecham) Roosevelt Ave., Corona, $6.50.

Polycillin (Bristol) 30 capsules, 250 mg.:

Hunter Garden Drugs, Inc., (Bristol) 147–48 Northern Blvd., Flushing, $8.95.

Caesar Chemists (Bristol) Parson & Northern Blvds., Flushing, $9.00.

North Bowne (Bristol) 141–02 Northern Blvd., Flushing, $8.95.

Main Street Pharmacy (Bristol) Main Street & Northern Blvds., Flushing, $6.95.

Foods Plus (Bristol) 37–09 Main Street, Flushing, $9.19.

Lewis Pharmacy (Bristol) 136–98 Roosevelt Ave., Flushing, $7.00.

Genovese Drug Stores, Inc. (Bristol) 136–51 Roosevelt Ave., Flushing, $8.09.

Centro de Medicos (Bristol) Roosevelt Ave. & 104th St., Corona, $9.90.

Square Pharmacy (Bristol) 103–04 Roosevelt Ave., Corona, $9.00.

Unnamed store (Bristol) Roosevelt Ave., Corona, $9.90.

DRUG PRICE SURVEY RESULTS, 1972: QUEENS, NEW YORK

Tetracycline 56 capsules, 250 mg.:

Forman Pharmacy, 179–01 Union Turnpike, Flushing, $4.95.

Surrey-Pike Pharmacy, 179–02 Union Turnpike, Jamaica, $6.00.

Post Pharmacy, 41–56 Main Street, Flushing, $4.00.

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[1] To substitute a branded product other than that specified by the prescribing physician (in this case, Tetracyn by Roerig) is illegal in New York. Prescriptions in this study, however, were not filled since only price quotes were requested; nothing illegal was done by the pharmacists here.

[2] *Ibid.*

[3] Two researchers for this study visited this store and each was quoted a different price for the identical prescription.

Courtesy Drugs, 40–06 Main Street, Flushing, $2.85.

Whelan's, 39–07 Main Street, Flushing, $3.34.

North Main Pharmacy, 137–06 Northern Blvd., Flushing, $3.55.

Foods-Plus Products, 37–09 Main Street, Flushing, $3.79.

Genovese Drug Stores, 136–51 Roosevelt Ave., Flushing, $2.49.

CVS Pharmacy, 40–13 Main Street, Flushing, $3.39.

Ampicillin, 56 capsules, 250 mg.:

RXD Prescription Center, 95–05 57th Ave., Rego Park, $8.00.

Franklin Pharmacy, 95–19 57th Ave., Elmhurst, $11.50.

Sherwood Drugs, 97–21 57th Ave., Forest Hills, $7.95.

Wolin's Pharmacy, 96–02 Roosevelt Ave., Corona, $5.95.

Mishkin's Store, 37–26 Junction Blvd., Corona, $8.50.

Junction Pharmacy, 38–10 Junction Blvd., Corona, $6.50.

Hilltop Pharmacy, 167–23 Union Turnpike, Flushing, $10.00.

Salzman Chemists, 149–19 Union Turnpike, Flushing, $7.95.

Rexall Drugs, 79–07 Main Street, Flushing, $6.75.

Dorsey Drugs, 71–44 Main Street, Flushing, $16.75, $14.00.[4]

Belle Drugs, 72–48 Main Street, Flushing, $10.00.

Whelan's Drug Co., 71–55 Kissena Blvd., Flushing, $9.20.

Regency Drug Store, 77–39 Vleigh Place, Flushing, $12.50.

Norden Chemists, 79–01 Main Street, Flushing, $6.50.

Art Chemists, 59–25 Kissena Blvd., Flushing, $6.50.

Campus Drugs, 59–04 Kissena Blvd., Flushing, $7.85.

Chlorpheniramine Maleate, 60 tablets, 4 mg.:

Estrin Pharmacy, 48–01 Bell Blvd., Bayside, $3.95.

Bell Blvd. Pharmacy, 47–48 Bell Blvd., Bayside, $3.75.

Bayside Pharmacy, 42–35 Bell Blvd., Bayside, $4.95.

Bay Ter Chemists, 40–05 Bell Blvd., Bayside, $3.85.

Oakland Pharmacy, 61–28 Springfield Blvd., Bayside, $1.95.

Springfield Drug Inc., Springfield Blvd., Bayside, $3.79.

Salida Drug Co., 210–17 Horace Harding Expwy., Bayside, $1.85, $2.85.[5]

Appendix 4

DRUG PRICE SURVEY RESULTS, 1971: WASHINGTON, D.C., AREA

Name, address, and price per prescription

Tetracycline, 30 capsules, 250 mg.:

People's Drug Stores, 3471 N. Fairfax Dr., Arlington, $2.90.

People's Drug Stores, 7 Dupont Circle N.W., D.C., $2.90.

Drug Fair, 2901 S. Glebe Rd., Arlington, $2.75.

Georgetown Pharmacy, 1344 Wisconsin Ave., N.W., D.C., $2.90.

Community Pharmacy, 1130 Maryland Ave., N.E., D.C., $9.90.

Tetracyn (Roerig) 30 capsules, 250 mg.:

Drug Fair, 1201 E St., N.W., D.C., $3.35.

Drug Fair, 2207 N. Pershing Dr., Arlington, $3.35.

People's Drug Stores, 433 L'Enfant Plaza, D.C., $3.50.

Dart Drugs, 18th & I St., N.W., D.C., $3.00.

Dorchester Pharmacy, 2480 16th Ave., N.W., D.C., $5.00.

Matthews Apothecary, 2202 Georgia Ave., N.W., D.C., $3.00.

Ampicillin, 30 capsules, 250 mg.:

People's Drug Stores, 801 N. Capitol St., D.C., $8.43.

People's Drug Stores, Town Center Shopping Center, D.C., $6.04.

Dalmo Discount Center, 1213 F St., N.W., D.C., $6.00.

Drug Fair, Laurel Montpelier Shopping Center, Md., $5.65.

Beacon Pharmacy, 4th & Rhode Island N.E., D.C., $15.00.

Robinson's Apothecary, 922 E. Capitol St., D.C., $11.65.

Polycillin (Bristol), 30 capsules, 250 mg.:

People's Drug Stores, 717 14th St. N.W., D.C., $9.14.

Rodman's Discount Store, 10362 Lee Highway, Fairfax, $8.40.

Drug Fair, 1245 Pennsylvania Ave., N.W., D.C., $8.05.

People's Drugs, 2271 Bel Pre Rd., Silver Spring, $9.14.

Tschiffely Bros., Druggists, 1218 Connecticut Ave., N.W., D.C., $10.00.

Morton's Rexall Pharmacy, 301 Pennsylvania Ave., S.E., D.C., $9.45.

Chlorpheniramine Maleate, 25 tablets, 4 mg.:

Drug Fair, 1701 K Street N.W., D.C., $1.70.

Drug Fair, 8555 Georgia Ave., Silver Spring, $1.70.

People's Drug Stores, 6213 Georgia Ave., N.W., D.C., $2.43.

Dart Drugs, 11th & E St., N.W., D.C., $1.98.

Eyres Pharmacy, 1932 Nichols Ave., S.E., D.C., $1.50.

Woodlawn Pharmacy, 1219 N. Glebe Rd., Arlington, $1.35.

Chlortrimeton, 25 tablets, 4 mg.:

Dart Drugs, 1111 G St., N.W., D.C., $1.43.

Dart Drugs, 1901 Michigan Ave., N.E., D.C., $1.38.

Drug Fair, 1815 Connecticut Ave., N.W., D.C., $1.70.

Rodman's Discount Center, 5100 Wisconsin Ave., N.W., D.C., $1.20.

Chevy Chase Pharmacy, 5636 Connecticut Ave., N.W., D.C., $1.75.

The Apothecary, 5415 Cedar Lane, Bethesda, $1.90.

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Tetracycline, 56 capsules, 250 mg.:

People's Drug Stores, Tyson's Corner Center, McLean, $1.50.

Dart Drugs, Tyson's Corner Center, McLean, $2.18.

Dart Drugs, Chain Bridge, $2.13.

People's Drug Stores, Chain Bridge, $1.88.

Drug Fair, 1312 Chain Bridge, $1.95.

McLean Medical Building, 1515 Chain Bridge, $4.45.

Georgetown Pharmacy, 1344 Wisconsin Ave., N.W., D.C., $5.45.

People's Drug Stores, 1403 Wisconsin Ave., N.W., D.C., $3.28.

Pearson's Pharmacy, Wisconsin & Calvert, N.W., D.C., $5.50.

Chevy Chase Pharmacy, Wisconsin & Northampton, Chevy Chase, $5.50.

Ampicillin, 56 capsules, 250 mg.:

People's Drug Stores, 3400 Wisconsin Ave., N.W., D.C., $9.99.

McLean Drugs, Wisconsin & Weazey St., N.W., D.C., $17.95.

People's Drug Stores, 4000 Wisconsin & Albemarle, $9.33.

Drug Fair, Westbard Ave., Bethesda, $9.00.

Rodman's Drug, 5100 Wisconsin Ave., D.C., $8.40.

People's Drug Stores, 21 Wisconsin Circle, Chevy Chase, $11.20.

Dart Drugs, Old Georgetown Rd. & Commerce La., D.C., $9.09.

Bethesda Medical Building, Woodlawn Street, $9.35.

Governor's Pharmacy, Battery Lane, Bethesda, $16.80, $11.20.[1]

Glen Echo Pharmacy, Goldsboro Rd., Bethesda, $12.75.

Chlorpheniramine Maleate, 60 tablets, 4 mg.:

People's Drug Stores, Pennsylvania & 7th, S.E., D.C., $4.83.

People's Drug Stores, 2529 Pennsylvania, S.E., D.C., $5.13.

Leader Drug's, 3240 Pennsylvania, S.E., D.C., $3.95.

Fairfax Village Pharmacy, 3829 Pennsylvania, Fairfax, $4.00.

Drug Fair, 7953 Annapolis Road, $4.00.

Dart Drugs, 8315 Annapolis Road, $3.50.

People's Drug Stores, 9520 Georgia Ave., Silver Spring, $5.13.

Drug Fair, 8555 Georgia Ave., Silver Spring, $4.00.

Bemar Pharmacy, 9330 Georgia Ave., Silver Spring, $3.95.

Brenner's Pharmacy, 9400 Georgia Ave., Silver Spring, $3.75.

(Appendix 5 not reproduced in the RECORD.)

Appendix 6

COMPARATIVE DRUG PRICES

The following data, compiled from the 1972 Red Book, shows the wide variety of wholesale prices at which three widely prescribed drugs are available.

Name of drug, company, and price

(250 mg/100 caps)

Tetracycline: American Pharmaceutical Co., $2.82.

Tetracycline: American Quinine Co., $2.10.

Tetracycline: BBC Labs, $2.95.

Tetracycline: Barre Drug Co., Inc., The, $2.80.

Tetracycline: Barry-Martin Pharmaceuticals, Inc., $4.40.

Tetracycline: Bell Pharmacal Co., $3.50.

Tetracycline: Bowman Pharmaceutical, $3.10.

Bristacycline: Bristol Labs, $4.17.

Tetracycline, Burrough Bros. Pharmaceuticals, Inc., $4.75.

Tetracycline: Carroll Chemical Co., The, $2.25.

Tetracycline: Columbia Medical Co., $2.10.

Tetracycline: Docra Pharmaceutical Co., $7.50.

Tetracycline: Faraday Laboratories, Inc., $3.25.

Tetracycline: Interstate Drug Exchange, Inc., $1.75.

Tetracycline: Jenkins Labs., Inc., $3.50.

Tetracycline: Kasar Laboratories, $3.15.

Tetracycline: Lannett Co., Inc., The, $6.00.

Achromycin V: Lederle Labs, $4.50.

Tetracycline: Lit Drug Co., $37.20.

Kesso-Tetra: McKesson Labs, $4.25.

Tetracycline: Penhurst Pharmacal Co., $2.50.

Tetracycline: Pharmex, Inc., $2.95.

Tetracycline: Premo Pharmaceutical Labs., Inc., $4.25.

Tetrachel: Rachelle Labs., Inc., $3.55.

Tetracyn: Roerig, J.B., Co., $4.25.

Tetracycline: Richlyn Labs, $3.20.

Tetracycline: Robinson Laboratory, Inc., $3.50.

Tetracycline: Sheraton Labs., Inc., $3.75.

Tetracycline: Stanlabs, Inc., $4.50.

Tetracycline: Stayner Corp., $3.25.

Tetracycline: Sterimed Brand, $2.40.

Tetracycline: TMCO Pharmaceuticals, Inc., $3.00.

Tetracycline: Towne Paulsen & Co., Inc., $3.35.

Tetracycline: Tracy Pharmacal Co., $6.50.

Tetracycline: Ulmer Pharmacal Co., The, $3.00.

Tetracycline:. United States Pharmacal Co., $5.50.

Panmycin Hydrochloride: Upjohn, $3.94.

Tetracycline: West-Ward, Inc., $2.40.

Tetracycline: Zenith Laboratories, Inc., $2.75.

(5 mg/100 tabs)

Prednisone: American Pharmaceutical Corp., $1.35.

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[4] *Ibid.*

[5] *Ibid.*

[1] Two researchers for this study visited this store and each was quoted a different price for the identical prescription.

Prednisone: Approved Pharmaceutical Corp., $1.10.

Prednisone: Arcum Pharmaceutical Corp., $8.50.

Prednisone: BBC Labs, $1.40.

Prednisone: Barre Drug Co., Inc., The, $1.15.

Prednisone: Barry-Martin Pharmaceuticals, Inc., $1.50.

Prednisone: Bell Pharmacal Co., $2.20.

Prednisone: Blaine Co., $1.50.

Prednisone: Bowman Pharmaceutical, $1.35.

Prednisone: Burrough Bros. Pharmaceuticals, $1.80.

Prednisone, CMC-Consolidated Midland Corp., $0.90.

Prednisone: Canfield, C.R. & Co., $1.37.

Prednisone: Carroll Chemical Co., The, $0.95.

Prednisone: Columbia Medical Co., $1.10.

Prednisone: Corvit Pharmaceuticals, $1.25.

Prednisone: Daniels, Robert, & Co., Inc., $1.25.

Prednisone: Dunhall Pharmaceuticals, Inc., $3.15.

Prednisone: Faraday Laboratories, Inc., $1.20.

Prednisone: Hall, Don, Labs, $2.00.

Prednisone: Kirkman Labs., Inc., $1.50.

Prednisone: Lannett Co., Inc., The, $1.20.

Prednisone: Lemmon Pharmacal Co., $2.30.

Prednisone: Lit Drug Co., $10.98.

Prednisone: McKesson Pharmaceuticals, $1.60.

Deltra: Merck Sharp & Dohme, $2.20.

Prednisone: Penhurst Pharmacal Co., $0.95.

Prednisone: Pharmex, Inc., $1.60.

Prednisone: Premo Pharmaceutical Labs., Inc., $1.50.

Prednisone, Progress Labs., Inc., $1.80.

Prednisone: Purepac Pharmaceutical Co., $1.20.

Prednisone: Robinson Laboratory, Inc., $1.75.

Prednisone: Rowell Laboratories, Inc., $1.88.

Prednisone: Stanlabs, Inc., $1.40.

Prednisone: Stayner Corp., $1.70.

Prednisone: Supreme Pharmaceutical Co., Inc., $1.00.

Prednisone: Towne, Paulsen & Co., Inc., $1.65.

Prednisone: USV Pharmaceutical Corp., $2.64.

Prednisone: Ulmer Pharmacal Co., The, $1.25.

Prednisone: West-Ward, Inc., $1.20.

Prednisone: Winsale Drug Co., $0.85.

Prednisone: Zemmer Co., Inc., The, $0.80.

Prednisone (Deltasone): Upjohn, $2.82.

(0.1 mg/1000 tabs)

Reserpine: American Pharmaceutical Co., $1.32.

Reserpine: American Quinine Co., $1.30.

Reserpine: Approved Pharmaceutical Corp., $1.26.

Reserpine: Arcum Pharmaceutical Corp., $2.00.

Reserpine: BBC Labs, $2.00.

Reserpine: Barry-Martin Pharmaceuticals, Inc., $1.75.

Reserpine: Bell Pharmacal Co., $2.00.

Reserpine: Blue Cross (Halsey), $1.25.

Reserpine: Burroughs Bros. Pharmaceuticals, Inc., $2.00.

Reserpine: CMC-Consolidated Midland Corp., $1.75.

Reserpine: Carroll Chemical Co., The, $1.00.

Reserpine: Columbia Medical Co., $1.25.

Serpasil: Ciba Pharmaceutical Co., $23.50.

Reserpine: Corvit Pharmaceuticals, $2.00.

Reserpine: Daniels, Robert, & Co., Inc., $1.30.

Reserpine: Faraday Laboratories, Inc., $1.25.

Reserpine: Gotham Pharmaceutical Co., Inc., $2.40.

Reserpine: Harvey Labs., Inc., $2.00.

Reserpine: High Chemical Co., $2.90.

Reserpine: Horton & Converse, $1.75.

Reserpine: Kasar Laboratories, $1.25.

Reserpine: Lit Drug Co., $2.06.

Reserpine: McKesson Pharmaceuticals, $2.75.

Reserpine: Moore, H. L., Drug Exchange, Inc., $0.75.

Reserpine: Noyes, P. J., The, Co., $8.00.

Reserpine: Pharmex, Inc., $1.75.

Reserpine: Progress Labs., Inc., $2.50.

Reserpine: Queen City Pharmacal Co., $3.75.

Reserpine: Raway Pharmacal Co., $2.90.

Reserpine: Robinson Laboratory, Inc., $1.80.

Reserpine: Sheraton Labs., Inc., $2.00.

Reserpine: Stanlabs, Inc., $1.85.

Reserpine: Stayner, Corp., $2.00.

Reserpine: Sterimed Brand, $1.38.

Reserpine: Supreme Pharmaceutical Co., Inc., $1.15.

Reserpine: Towne, Paulsen & Co., Inc., $2.86.

Reserpine: Truxton, C. O., Inc., $1.20.

Reserpine: Ulmer Pharmacal Co., The, $1.65.

Reserpine: Vita-Fore Products Co., $0.95.

Reserpine: West-Ward, Inc., $1.60.

Reserpine: Winsale Drug Co., $1.10.

(Appendixes 7–9 not reproduced in the RECORD.)

APPENDIX 10

MAJOR DRUG PRODUCERS AND THEIR PROFITS

[Dollar amounts in thousands]

Producer	Sales	Assets	Profits	Profit percent of stockholder equity
American Home Products	$1,429,355	$925,462	$160,021	26.7
Warner-Lambert (Parke-Davis)	1,346,054	1,085,744	108,095	14.5
American Cyanamid	1,283,485	1,281,238	94,111	11.1
Bristol Myers	1,066,410	796,431	75,767	17.8
Pfizer	951,544	1,036,564	90,585	15.1
Squibb	830,196	780,663	63,450	14.7
Merck	828,515	709,224	127,176	24.4
Eli Lilly	723,347	787,301	96,149	18.7
Sterling Drug	652,371	457,760	63,079	18.8
Abbott Labs	$458,105	$464,605	$23,378	8.7
Upjohn	438,387	421,181	39,787	13.5
Schering-Plough	436,841	378,362	59,185	21.5
Richardson-Merrell	408,520	374,297	29,817	12.3
Smith Kline & French	357,153	297,325	44,871	21.5
Morton Norwich	345,634	366,431	21,785	11.6
Kendall	294,388	194,428	11,547	9.8
Baxter Labs	242,146	368,554	18,177	10.8
G. D. Searle	226,891	253,772	36,004	25.5

NOTES

The 10 companies with the highest return on sales include 5—G. D. Searle, Merck, Schering-Plough, Eli Lilly, and Smith Kline & French Labs—in the pharmaceutical group.

Pharmaceuticals overall have the 2d highest return on stockholders equity, 15.1 percent.

Individually, G. D. Searle is 6th in the top fortune 500 at 25.5 percent, Merck is 7th at 24.4 percent, and Upjohn, Smith Kline & French are close behind with 21.5 percent each.

The industry posted a 9.8-percent gain in sales over 1970. All companies increased sales over the previous year, and all showed profit. No losses.

Some firms, such as American Home Products and American Cyanamid, manufacture other products in addition to pharamceuticals.

Source: Fortune magazine, May 1972.

APPENDIX 11

DRUG PRICE COMPARISON: UNITED STATES AND ABROAD

The products used in this chart were taken from a study done in 1970 by the Social Security Administration to show the great variation from country to country for a single drug product by the same company.

The prices stated refer to those paid to the manufacturer by the retailer for 100 tablets or capsules.

Drug: *Ampicillin* (250 mgs.)
Company: Bristol Laboratory.
US—$21.84.
Ireland—$9.31.
New Zealand—$11.30.
United Kingdom—$8.23.
Drug: *Erythomycin* (250 mgs.)
Company: Abbott Labs.
US—$26.12.
Brazil—$11.92.
Ireland—$8.56.
United Kingdom—$10.02.
Drug: *Diazepam* (5 mgs.).
Company: Roche.
US—$8.03.
Italy—$3.42.
New Zealand—$2.72.
Ireland—$2.46.
Drug: Trifluoperazine HCl (5 mgs.).
Company: Smith, French and Kline.
US—$9.75.
Brazil—$2.42.
Ireland—$2.78.
United Kingdom—$2.59.
Drug: Glutethimide.
Company: Ciba.
US—$8.00.
Ireland—$.92.
United Kingdom—$1.00.
New Zealand—$1.23.

A comparison of U.S. and foreign prices for two drugs marketed by Smith, Kline & French was prepared by Philadelphia pharmacist Edward Pastor.

Thorazine [1] (50 tablets, 30 mgs.) is sold to:
U.S. pharmacists for $3.03.[2]
French pharmacists for $0.51.
German pharmacists for $0.94.
British pharmacists for $0.77.
Stelazine (1000 tablets, 1 mg.) is sold to:
U.S. pharmacists for 63.50.
Antigua pharmacists for $26.03.
(1000 tablets, 2 mgs.):
U.S. pharmacists for $82.00.
Trinidad pharmacists for $34.13.
(1000 tablets, 50 mgs.):
U.S. pharmacists for $88.00.
Barbados pharmacists for $39.50.

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[1] Developed by Rhone-Poulenc of France and exclusively licensed to SKF.

[2] *Blue Book 1971* lists $4.20.

APPENDIX 12

COMPARISON OF BRAND VERSUS GENERIC PRICES

Brand name	Price	Generic name	Price	Difference
Achromycin	$2.56	Tetracycline hydrochloride	$0.66	$1.90
Achromycin V	2.39	Tetracycline hydrochloride	.66	1.73
Atarax	2.38	Hydroxyzine hydrochloride	2.31	.07
Butisol sodium	1.14	Butabarbital, sodium	.10	1.04
Chloromycetin	5.11	Chloramphenicol	3.04	2.07
Chlor-Trimeton	.71	Chlorpheniramine maleate	.15	.56
Cort-Dome	1.71	Hydrocortisone	1.08	.63
Coumadin	2.31	Sodium warfarin	1.55	.76
Crystodigin	.41	Digitoxin	.09	.32
Decadron	3.10	Dexamethasone	1.36	1.74
Delta dome	1.00	Prednisone	.29	.71
Demerol	.57	Meperidine	.43	.14
Dexamyl	2.80	Dextroamphetamine sulphate amobarbital.	.94	1.86
Dexedrine	2.71	Dextroamphetamine sulphate	.19	2.52
Digifortis	.54	Digitalis	.06	.48
Digitora	.22	Digitalis	.06	.16
Dilantin	1.02	Diphenylhydantoin	.43	.59
Elixophyllin	1.38	Theophylline	.97	.41
Empirin compound	.78	APC/Codeine	.60	.18
Epitrate	2.34	Epinephrine bitartrate	1.19	1.15
Equanil	2.70	Meprobamate	1.01	1.69
Equanitrate	4.24	Meprobamate pentaerythritol tetranitrate.	3.34	.90
Esidrix	1.97	Hydrochlorothiazide	1.96	.01
Hydrodiuril-Ka	2.18	Hydrochlorothiazide potassium chloride.	2.05	.13
Hydropres	3.37	Hydrochlorothiazide, reserpine	2.21	1.16
Isopto Carpine	1.13	Pilocarpine	.87	.26
Isuprel mistometer	2.50	Isoproterenol	2.49	.01
Kenacort	3.82	Triamicinolone	2.93	.89
Lanoxin	.48	Digoxin	.09	.39
Luminal	.14	Phenobarbital	.07	.07
Mandelamine	1.71	Methenamine mandelate	.58	1.13
Mebaral	.68	Nephobarbital	.18	.50
Meprospan	$3.49	Meprobamate	$1.01	$2.48
Metandren	2.59	Methyltestosterone	.04	2.55
Milpath	3.67	Meprobamate tridihexethyl chloride	3.44	.23
Miltown	2.75	Meprobamate	1.01	1.74
Miltrate	3.66	Meprobamate pentaerythritol Tetranitrate.	3.34	.32
Naqua	1.68	Trichlor methiazide	1.47	.21
Naturetin	2.19	Bendroflumethiazide	1.85	.34
Nembutal	.46	Sodium pentobarbital	.12	.34
Nitrobid	2.07	Nitroglycerin	.08	1.99
Noctec	1.08	Chloral Hydrate	.29	.79
Norpramin	3.02	Desipramine	2.91	.11
Pavabid	4.37	Papaverine	3.26	1.09
Pentids	1.99	Penicillin G. Potassium	.23	1.76
Pentritol	4.15	Pentaerythritol tetranitrate	.10	4.05
Penn-Vee-K	2.62	Potassium phenozymethyl Penicillin.	2.43	.19
Peritrate	2.42	Pentaerythritol tetranitrate	.10	2.32
Peritrate-SA	3.37	Pentaerythritol tetranitrate	.10	3.27
Phenaphen w/Codeine	.85	Aspirin Codeine hyoscyamine Sulphate phenobarbital.	.56	.29
Polycillin	4.49	Ampicillin	4.48	.01
Premarin	2.85	Conjugated estrogens equine	2.25	.60
Prolixin	1.91	Fluphenazine	1.53	.38
Purodigin	.34	Digitoxin	.09	.25
Pyribenzamine	1.00	Tripelennamine hydrochloride	.17	.83
Raudixin	3.12	Rauwolfia serpentina	.12	3.00
Seconal sodium	.49	Secobarbital	.12	.37
Serpasil	2.04	Reserpine	.05	1.99
Teldrin	1.40	Chlorpheniramine maleate	.15	1.25
Tetracyn	2.60	Tetracycline hydrochloride	.66	1.94
Tetrex	2.82	Tetracycline phosphate complex	2.41	.41
Trasentine	2.24	Adiphenine	2.10	.14
Vioform hydrocortisone	2.86	Hydrocortisone, iodochlorhydroxyquin.	1.83	1.03

Note: Prices of 63 drugs commonly prescribed for the elderly and for which both brand name and generic equivalents were available. Prices quoted are average acquisition cost to retailer, for average prescription.

Source: The Drug Users, Task Force on Prescription Drugs, p. 140 ff.

APPENDIX 13

Rx ADVERTISING RESTRICTIONS

Prohibitions			
Statute	Regulation	None	Pending litigation
Alaska.	Alabama.	Delaware.	Connecticut—Supermarket General Corp. (Pathmark) v. Board of Pharmacy.
Arizona.	Arkansas.	District of Columbia.	Hawaii.
California.	Colorado.	Florida.	Illinois—Osco Registered Pharmacists v. Department of Registration and Education of the State of Illinois.
Connecticut.	Hawaii.	Idaho.	Maryland—Baltimore White Cross Corp. (Revco) v. Commissioners of Pharmacy. Sav-A-Lot, Inc. v. Commissioners of Pharmacy (in this case, a Baltimore court ruled the law unconstitutional in late 1972, but the State is appealing).
Georgia.	Illinois.	Iowa.	Mississippi.
Louisiana.	Indiana.	Kentucky.	New Jersey—Supermarket General Corp. v. Board of Pharmacy.
Maryland.	Kansas.	Missouri.	New Mexico.
Massachusetts.	Maine.	Montana.	New York—Suits pending against Board of Regents: 1. Benjamin S. Rosenthal and Ms. Etta Ringel and the Consumer Assembly of New York. 2. Supermarket General Corp. 3. Eric G. Urowsky.
Michigan.	Minnesota.	New Hampshire.	North Carolina—Revco Southeast Drug Centers, Inc. v. Board of Pharmacy.
Nevada.	Mississippi.	Oregon.	South Dakota—State Board of Pharmacy of the State of South Dakota v. Osco Drug, Inc.
New Jersey.	Nebraska.	Pennsylvania.	Wisconsin—Osco v. State Board of Pharmacy.
New Mexico.	New York.	South Carolina.	
North Dakota.	North Carolina.	Tennessee.	
Ohio.[1]	Rhode Island.	Utah.	
Oklahoma.	South Dakota.		
Virginia.	Texas.		
Wyoming.	Vermont.		
	Washington.[1]		
	West Virginia.		
	Wisconsin.		

[1] While price advertising is not specifically prohibited it is made impractical and the effect of these State measures is to ban it.

Rx ADVERTISING RESTRICTIONS

State	Form	Litigation	Notes
Alabama	Regulation	None	Pharmacy Board actively working against the advertising of prescription drugs, act 205, sec. 3.
Alaska	Statute	do	Statute is new—it replaces old territorial law. Alaska Statutes, sec. 08.80.420(b).
Arizona	do	do	ARS—1956—revised Aug. 11, 1970, p. 221.
Arkansas	Regulation	do	Arkansas State Board of Pharmacy (regulations).
California	Statute	do	1 of only 2 States with public member on board. Business and Professions code 651,651.3.
Colorado	Regulation	do	Colorado State Board of Pharmacy rules and regulations, regulations 3, 5, 6.
Connecticut	Statute	Suit pending	Governor agrees with Pathmark suit. He asked legislatute to repeal statute, Connecticut General States Statute, ch. 382, "The Pharmacy Act."
Delaware	None	None	Seeking legislation to add consumer to pharmacy board.
District of Columbia	do	do	Congress must change the law for a public member to sit on the board. Mandatory price posting legislation pending.
Florida	do	do	Law declared unconstitutional in 1971.
Georgia	Statute	do	Georgia General Statutes.
Hawaii	Regulation	Suit pending	Board rules and regulations, ch. 18, sec. 15.
Idaho	None	None	
Illinois	Regulation	Suit pending	Rules and Regulations Administration of Illinois Pharmacy Laws, reg. V(21); board considering public member. Up to legislature to provide for public member.
Indiana	do	None	Compilation of laws regulating the practice of pharmacy, in the State of Indiana, regulation 20.
Iowa	None	do	Currently preparing a statute much like Illinois—not fully drafted. Considering increasing board to 5 members including 2 public members.
Kansas	Regulation	do	May be new legislation. Kansas Pharmacy Law Rules and Regulations [68–2–17] January 1968.
Kentucky	None	do	
Louisiana	Statute	do	Louisiana General Statutes, sec. 1225.
Maine	Regulation	do	Laws relating to apothecaries title 32, 22 and the rules and regulations.

Rx ADVERTISING RESTRICTIONS—Continued

State	Form	Litigation	Notes
Maryland	Statute	Suit pending	As of Dec. 1, 1972, new law permits substitution of generic drug for name brand—savings must be passed on to consumer—enforcement procedures still shaky. Bill in House would permit prescription drug price advertising art. 43, sec. 266A(c)(4), Annotated Code of Maryland.
Massachusetts	do.	None	Boston requires pharmacies to post the prices of 200 frequently prescribed drugs. Legislature has bill which would require price posting across the State. Massachusetts's Board of Pharmacy has 1 public member. Commonwealth of Massachusetts Pharmacy Law (sec. 46, ch. 94C). With California, 1 of only 2 States with public member on pharmacy board.
Michigan	do.	do.	Board expressed support for the addition of consumer representative on board, legislation expected on this matter. Michigan General Statutes.
Minnesota	Regulation	do.	Regulations of the State Board of Pharmacy, Regulation No. 37.
Mississippi	do.	Suit pending	State of Mississippi pharmacy laws, art. IV 1., p. 48.
Missouri	None	None	
Montana	do.	do.	
Nebraska	Regulation	do.	Posting of Rx prices is not considered advertising. Board proposes its own composition to include 1 hospital and 3 community pharmacists plus 1 consumer member. Statutes, Rules and Regulations Relating to Pharmacy (sec. 71–148).
Nevada	Statute	do.	Nevada Pharmacy Law 639.261–639.288.
New Hampshire	None	do.	Commission of Pharmacy and Practical Chemistry—Controlled Drug Act 1972.
New Jersey	Statute	Suit pending	State of New Jersey, sec. 45, 14–12 Pharmacy Act.
New Mexico	do.	do.	Law tested and upheld previously. New Mexico Laws and Regulations Drug and Cosmetic Act (1972), sec. 54-6-36 (K).
New York	Regulation	do.	Bill in Assembly to allow Rx advertising. Regulations of the Commissioner of Education on Unprofessional Conduct [sec. 63.3].
North Carolina	do.	do.	Code of professional conduct North Carolina Board of Pharmacy.
North Dakota	Statute	None	Posting presently—North Dakota Century Code—sec. 43-15-10 (1.6).
Ohio	do.	do.	Ohio Pharmacy Practice Act, sec. 4729.36.
Oklahoma	do.	do.	Board took administrative action against some pharmacies that advertised prices. Attorney general says price posting must be allowed (59 O.S. 1961 736.1).
Oregon	None	do.	Regulation was overturned in 1965.
Pennsylvania	do.	do.	Board coming out with new regulations which will set some sort of guidelines. Earlier law overturned in 1971 by State Supreme Court.
Rhode Island	Regulation	do.	Pharmacy—General Laws of Rhode Island, ch. 5-19, rule No. 11.
South Carolina	None	do.	
South Dakota	Regulation	Suit pending	South Dakota House considering 2 bills which essentially would allow advertising. State Board of Pharmacy Rules and Regulations, sec. E, No. 13.
Tennessee	None	None	
Texas	Regulation	do.	Texas Pharmacy Regulations, sec. 5(i), p. 23.
Utah	None	do.	
Vermont	Regulation	do.	Attorney general says Rx advertising can't be prohibited. Board planning on revamping regulation. Plan to put consumer on board. Mandatory price posting law isn't enforced strongly at the moment.
Virginia	Statute	do.	Seeking to appoint consumer member. Board encourages price information. In 1971 Federal District Court upheld the board against Revco. Commonwealth of Virginia, Drug Control Act (1970).
Washington	Regulation	do.	Board allows ad in public media but makes it impractical. Washington State Board of Pharmacy Regulations. WAC 360-24-040.
West Virginia	do.	do.	West Virginia Board of Pharmacy Regulation.
Wisconsin	do.	Suit pending	Pending bill bans pharmacy board from adopting or enforcing rules prohibiting RX price ads. Dane County Circuit Court declared board's regulation invalid. Board is waiting for attorney general's decision to appeal. Regulation of Pharmacy Examing Board, Phar. 1.17 and 1.18.
Wyoming	Statute	None	Pharmacy Laws of the State of Wyoming, sec. 23.1C, p. 4.

Source: Survey of State pharmacy boards conducted between July and October 1972.

(Appendix 14 not reproduced in the RECORD.)

APPENDIX 15

ADVERTISED VS. NONADVERTISED PRICES: A UNIT PRICE COMPARISON PER CAPSULE AND PER TABLET

[Amounts in cents]

	No advertising, Rosenthal Survey		Advertising, newspaper advertisements				
	District of Columbia	New York	Delaware A[1]	Philadelphia A[2]	Philadelphia B[3]	Florida[4]	District of Columbia[5]
Ampicillin (250 mg.):							
30 caps	29.3	21.8					
56 caps	20.7	16.4					
100 caps						15.0	14.7
Tetracycline (250 mg.):							
30 caps	14.4	11.5					
56 caps	6.0	6.8					
100 caps			2.9	3.0	2.9	1.9	3.3
Chlorpheniramine maleate (4 mg.):							
25 tabs	7.2						
60 tabs	7.0	6.4					
100 tabs						.2	
Chlortrimeton (4 mg.):							
25 tabs	6.2						
100 tabs				2.8	2.7	2.4	

[1] U.S. Drug Co., Wilmington, Del. (Phil. Eve. Bulletin).

[2] Key Pharmacy Inc., Philadelphia, Pa. (Phil. Sun Bulletin) May 16, 1972.

[3] Pastor's Philadelphia (Phila. Inquirer) Sept. 23, 1971.

[4] U.S. Drug Co., Hallandale, Fla. (Miami Herald).

[5] Dart Drug Co., Washington, D.C. Mar. 9, 1972. Believed to be one of only few such ads in Washington area.

STRIP MINING

(Mr. HECHLER of West Virginia asked and was given permission to revise and extend his remarks, and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, I submit the following documents for the RECORD:

THE HILLS OF APPALACHIA ARE BLEEDING

(Statement of Rep. KEN HECHLER (Democrat of West Virginia), Senate Committee on Interior and Insular Affairs, March 13, 1973)

The hills of Appalachia are bleeding.

Strip mining for coal has gouged deep and gaping gashes. The guts of our once-proud mountains have been ripped out and dumped into the gullies. When you fly over the Appalachian area, you see entire mountain-tops which have been scalped off. Other hills have been literally peeled all the way around like an apple. Thousands of miles of ugly highwalls stand starkly against the horizon. Once clear streams take on a yellow or orange hue, or become sluggish with silt and sediment and thus are prime candidates for flooding.

When trees and topsoil are uprooted, and the overburden pushed down the hillsides, these whole areas are vulnerable to more erosion and landslides.

Right above the coal is a layer of pyrite. Either rain or ground water quickly reacts with the pyrite or acidic oil and oxygen to produce sulfuric acid in the streams and people's water supply. Fish and plant life can't survive in these conditions. And who wants to live where your water supply is unfit to drink, where the streams you fished or swam in as a youngster are polluted, where your very home is in danger from boulders, blasting and bull-dozers?

THE HUMAN SUFFERING

Too much of the argument over strip mining has centered on economics and technology. Not enough emphasis has been placed on the terrible suffering of those human beings who try to survive in strip-mined areas. It's about time this Congress listen to people like Mrs. Bige Richie of Knott County, Ky., whose baby's grave was ruthlessly violated, the casket thrown over the hill and piled over with boulders and dirt by the strip miners. It's about time the Congress listen to Mr. and Mrs. Harvey Kincaid of Fayette County, W. Va., who say that "when the rains come and there isn't anything to stop the drainage, the mountains slide and the spoil banks fall down to the next highwall, and so on until the whole mountain slides."

In Amherstdale, W. Va., the people in Buffalo Creek hollow used to worry about the mud and rock-slides which came down from the strip mines high on the mountain above, but this memory was wiped out on February 26, 1972, when a coal company slag pile burst and released a 30-foot wall of water which killed 125 people in the Buffalo Creek, Valley. Only a major tragedy not directly caused by strip mining enabled the people to forget the terrible conditions caused by strip mining. It is about time the Congress listened to people like Glen Holiday of Stotesbury, W. Va., who had a hole torn in his roof by a 16-inch boulder unleashed by a nearby strip mining operation.

WE HAVE THE POWER TO DECIDE

We sit here in Congress, and listen attentively to the lobbyists who tell us how much money they would lose if they had to stop passing on the social costs of strip mining to future generations. They come in with their briefcases and in their best polished manner they prove conclusively that mankind is caught in some kind of a trap which forces us to keep on ripping up our land. As human beings, we must have the will to decide our own destiny.

We started regulating the strip mining of coal 36 years ago in West Virginia, with a law which everybody said had "teeth" in it. Every State has had the same experience: the State legislature passes a law which everybody can "live" with. This means that if there are not enough loopholes in the law, the coal industry makes sure that enforcement is ineffective.

I know that this committee is determined to act in the public interest. But I submit to you that it is almost too late to save the land and the people in the Appalachian region where I live. Most of the strip mine regulation bills before this committee are so weak on their very face, so shot through with loopholes, so lacking in public participation, and so namby-pamby in their enforcement procedures that they will do little more than raise false hopes.

A REVOLUTION BREWING

With all the emphasis at my command, I report to this committee that a revolution is brewing in Appalachia. The people are not going to stand by any longer while strip miners rip up their homeland. The people have been waiting with rising impatience for Congress to act to stop this wholesale destruction of the forests, soil, hills, streams, and the homes of the people. If Congress just passes one of these innocuous bills designed to quiet the public outcry while meeting the demands of the National Coal Association and the American Mining Congress, then there'll be a Boston Tea Party which won't be a tea party. And in the western states of Colorado, Wyoming and Montana, where billions of tons of strippable coal reserves are being eyed eagerly by the strip miners, I am sure the people in those states are determined that they not be turned into instant Applachias.

STRINGENT PERFORMANCE STANDARDS

On February 15, 1973, President Nixon sent a message to Congress which outlined his proposals for natural resources and the environment. The rhetoric of that message was exemplary. I applaud the President's statement which included these phrases:

"Surface and underground mining can too often cause serious air and water pollution as well as unnecessary destruction of wildlife habitats and aesthetic and recreational areas. New legislation with stringent performance standards is required to regulate abuses of surface and underground mining in a manner compatible with the environment."

The key issue which confronts the Congress is whether "stringent performance standards" are indeed included in the legislation proposed and enacted.

Many years ago, Alexander Pope wrote this couplet:

"For forms of government let fools contest
Whate'er is best administered is best."

DEPARTMENT OF THE INTERIOR HAS BAD ENFORCEMENT RECORD

I contend that the Department of the Interior has proven by its miserable record of non-enforcement of its own strip mining regulations on public and Indian lands that it is incapable of applying "stringent performance standards". To document my contention, I cite the August 10, 1972 Report of the General Accounting Office, entitled "Administration of Regulations for Surface Exploration, Mining and Reclamation of Public and Indian Coal Lands."

Coal prospecting permits or strip mining leases have been issued by the Department of the Interior on 1.6 million acres of public lands and 700,000 acres of Indian lands. Under Interior's 1969 regulations, the Department is supposed to conduct "technical examinations" of the effects that the proposed mining operations will have upon the environment, and as a basis for formulating appropriate reclamation requirements. The GAO concluded that "the regulations (of the Department of the Interior) if properly implemented, should help in protecting environmental values."

TECHNICAL EXAMINATIONS NOT MADE

Although the regulations had been in force for more than three years, the GAO found that out of 65 permits and coal leases granted, the required technical examinations had not been conducted for 35 of the 65 operations. The GAO Report also found that some coal operators were proceeding "without approved exploration plans—an essential element of control in protecting the environment—and some plans had been approved without technical examination." The GAO Report also concluded: "Some compliance and performance bonds covering the requirements, including reclamation, of leases or permits had not been obtained from the operators. The amounts of some of those that had been obtained were not sufficient to cover the estimate cost of the reclamation requirements of the permits or leases." The GAO Report also concluded that "some of the reports required to be submitted by the operators to the Department at various stages of the operations on such matters as grading and back-filling, planting and abandoning operations had not been submitted."

The GAO had this to say in its August 10, 1972 Report on the implementation of the National Environmental Policy Act of 1969 so far as strip mining on public and Indian lands was concerned:

"The Department's regulations require consideration of the ecological factors for coal permits and leases issued on Indian and public lands. To implement the environmental Act, the Council on Environmental Quality requires that each Federal agency prepare formal procedures for the preparation of environmental impact statements. The Bureau of Land Management procedures do not comply with the Council's implementing guidelines because they do not outline the criteria to determine when and under what circumstances environmental impact statements should be prepared. . . . The Bureau of Indian Affairs has not developed any procedures for the preparation of environmental impact statements under the Environmental Act. . . ."

INTERIOR DEPARTMENT DODGES RESPONSIBILITY

You would think that when a GAO Report, fully documented, arrives at such devastating conclusions, then there would be very definite steps to correct these shortcomings by the Department of the Interior. Instead, the Department of the Interior made an incredible series of responses to the GAO Report in a statement on October 11, 1972. Here is an excerpt of the essence of the response by the Department of the Interior, which contended:

" . . . that the GAO Report was not in all cases factual and accurate. After reviewing the report, it is my opinion that its findings were more representative of clerical shortcomings than dereliction of this Department's responsibility to properly administer the public lands.

". . . we agree with GAO's lead finding and conclusion that 'the Department's regulations, if properly implemented, should help in protecting environmental values.' We believe that significant strides have been made in the past three years in implementing the regulations and that we now have fully implemented these regulations."

A number of developments followed the October 11, 1972, effort of the Department of the Interior to shrug off these criticisms of its own strip mining and reclamation regulations on public and Indian lands. On October 27, 1972, the Chairman of the Council on Environmental Quality, Hon. Russell Train, wrote to the Secretary of the Interior as follows:

"We recommend that the Department give serious consideration to the adoption of regulations that would strengthen its ability to more effectively manage the coal resources on public lands. . . . In light of the GAO Report . . . we urge you to accelerate completion of that analysis and preparation of an environmental impact statement on your overall coal leasing program."

On November 3, 1972, a letter from the Administrator of the Environmental Protection Agency, Hon. William D. Ruckelshaus, stated:

"We have found the GAO Report to be a useful analysis of management problems that have contributed to the continued degradation of public lands and resources from mining operations and mineral explorations . . ."

GAO REITERATES ITS CRITICISMS

But the crowning blow to the contention of the Department of the Interior that the GAO Report was factually inaccurate and due to clerical errors came in a follow-up report released by the GAO on January 31, 1973. The GAO had been asked to comment on the Department of the Interior's contentions, and the January 31, 1973 GAO Report concluded:

The Bureau of Land Management's May 4, 1972 procedures "do not provide adequate criteria to determine when and under what circumstances BLM should prepare individual environmental impact statements" pursuant to the National Environmental Policy Act;

BLM "has not yet issued" an environmental impact statement on the overall coal leasing program, despite the plea of the Chairman of the CEQ on October 26, 1972;

That after BLM issues this long-delayed statement, "criteria will be necessary to identify those actions which qualify as exceptions to the program and which justify individual statements";

That if the "Department's policy is" not to require site examinations in all cases, it should state "the specific circumstances under which site examinations would not be required and . . . the documentation required to support such determinations."

MISERABLE RECORD OF NONENFORCEMENT

I have reviewed in some detail this little exchange between the Department of the Interior and the General Accounting Office, for two reasons; first, to demonstrate that the Department of the Interior is apparently not very enthusiastic about enforcing its own regulations to protect public and Indian lands against the damage caused by the strip mining of coal, or to enforce adequate reclamation; second, if the Department of the Interior is demonstrably weak in protecting public and Indian lands, how could this Department be expected to enforce what the President terms "stringent performance standards" on nonpublic lands?

The inescapable conclusion is that the Department of the Interior has shown by its past performance that it is not likely to enforce any strip mining law aggressively. For this reason, I strongly recommend that jurisdiction over enforcement of strip mining be placed in the Environmental Protection Agency.

WHY EPA MUST CONTROL STRIP MINING

The Department of the Interior is basically a management agency; it manages lands and resources. It is also committed as a national policy to the development of higher production of minerals, an objective which I support only when it can be achieved without the excessive amount of damage to our other great resources—the soil, timber, water supply, human beings and other affected resources. The Environmental Protection Agency is not a management agency like the Department of the Interior; it is an agency which is occupied with setting standards and regulations, a function EPA already performs in the case of control of air and water pollution and the control of pesticides.

Many of the environmental problems associated with coal mining relate to air and water pollution, so it is logical and reasonable for EPA to have this function. I might add also that the Environmental Protection Agency, unlike the Department of the Interior, already has on board the necessary personnel highly trained in measuring environmental effects and setting the kind of stringent performance standards which the President called for.

REPRESENTATIVE DINGELL'S DEVASTATING ANALYSIS

An excellent analysis of the administration strip mining bill was made by my colleague from Michigan, Rep. John D. Dingell, on February 21, 1973. This is a devastating point-by-point analysis which should be carefully considered by this committee when drafting any legislation on surface mining, and I ask that Rep. Dingell's analysis appear along with my remarks.

Perhaps the most striking defect in the administration bill, which has been introduced as S. 923, is the lengthy period allowed before any regulations become effective. Over two years has now passed since I introduced my first bill in the House of Representatives to abolish the strip mining of coal. When hearings were held on this bill, some of my colleagues berated me for wanting to bring strip mining to a grinding halt without an adequate phase-out period to enable deep mining to take up the slack. My critics pointed the finger at me as though I was the cause of the energy crisis. Yet fully eighteen months have elapsed since the first House and Senate hearings on that bill in 1971, and unregulated strip mining proceeds apace.

UNCONSCIONABLE DELAY UNDER ADMINISTRATION BILL

The administration bill provides an unconscionably long period of delay before regulations become effective. Let us assume that the Congress enacts legislation by October 1, 1973, which would require a remarkable burst of speed to accomplish. The states are allowed a two-year period from the passage of the bill to develop and submit their proposed regulations. Then the Department of the Interior must approve these regulations, which presumably could be done within six months, carrying us forward to March 1, 1976. Within one year after approval of the State regulations, active mining operations must obtain permits. This brings us to March 1, 1977. But even this date can be extended to March 1, 1978, by the provision in the administration bill which provides that the permit "may allow" the strip mine operator up to two years after the approval date "to come into compliance with performance standards." Now take the small strip-mine operator who produces less than 10,000 tons annually; he is allowed a total of five years after approval of the performance standards to be exempted from the performance standards.

What this amounts to is a free and unregulated license to strip away unmolested until about March 1, 1978, for the large strip miner, and March 1, 1981, for those strippers who produce less than 10,000 tons a year. And when any company sees liberal deadlines chalked up in bold letters like that, you can bet your D–9 dozer it will look like the Oklahoma land-rush to rip off the land before the performance standards become fully effective.

THE SKY-ROCKETING RATE OF STRIP MINING

The strip mining of coal has been sky-rocketing upward at an alarming rate. In 1969, 38 percent of all coal was stripped and auger-minded; in 1970, that percentage was 44 percent; in 1971, for the first time in history, more coal was strip-minded and auger-mined than deep-mined. The 1972 figures show that total coal production increased to 590 million tons from the 1971 figure of 552 million tons. Of the 590 million tons, 52 percent was strip-mined and auger-mined in 1972, a record high in both percentage and tonnage. 4,650 acres a week are being ripped up by strip-mining. Already, the strip miners have gouged out the equivalent of a band of land a mile wide between New York and San Francisco.

It is interesting to note that more than 24 percent of the grand total of strip-mined production in this country has occurred since 1968. Because of the huge strippable reserves in Wyoming, Montana, Colorado and the west, and the likelihood that the new strip mining laws will stimulate a last minute rush to strip before regulation becomes effective, we can look for a sharp increase in strip mining and its effects in 1973 and 1974.

UNDERGROUND AND STRIPPABLE COAL RESERVES

How much tonnage of coal are we actually talking about when we consider deep mining and strip mining? The Bureau of Mines estimates that there are 45 billion tons of strippable coal left which can be recovered economically with the use of current technology. Approximately 356 billion tons of deep-minable coal reserves are available which can be recovered economically with the use of current technology.

So what we are really talking about here is the environmental damage caused by only one-eighth of the total amount of coal available in the nation. I have never been able to figure out why, if there is an energy crisis and a lot of argument over whether or not reclamation will or will not work, we don't just go ahead and abolish strip mining and meet the energy crisis with deep-mined coal. Underground mining also employs many more people per ton of coal mined.

SAFETY RECORD IN UNDERGROUND MINES

To be sure, there are more accidents in deep mines, but a close look at the records of the major companies proves that this does not have to be the case. U.S. Steel which operates only captive mines and produces 99% of its coal through deep mining has by far the best safety records of any coal company. Similarly, Bethlehem Steel which operates largely deep mines, ranks second in injuries and third in fatalities. This shows clearly that if a commitment is made to safety, deep mines can become safe. Here is the data on the ten biggest producers from 1968 to 1971:

(The Number in Parentheses Indicates the Ranking of the Company in Total Production)

U.S. Steel mines (4)	2.72
Bethlehem Steel mines (10)	12.27
Consolidation Coal (2)	18.68
General Dynamics mines (6)	38.74
Peabody Coal (1)	46.91
Old Ben Coal (9)	47.40
Amax Coal (8)	48.23
Pittston (5)	56.57
Eastern Associated Coal (7)	62.51
Island Creek Coal (3)	72.13

The differences are less marked but still significant when fatality rates are compiled.

Fatalities per million man-hours

U.S. Steel mines (4)	0.28
Amax Coal (8)	0.35
Bethlehem Steel mines (10)	0.44
Eastern Associated Coal (7)	0.53
General Dynamics mines (6)	0.72
Island Creek Coal (3)	0.85
Peabody Coal (1)	0.94
Old Ben Coal (9)	1.07
Pittston (5)	1.10
Consolidation Coal (2)	1.52

Particular note should be made of the Peabody figures: 80% of their coal production comes from surface mining, and their accident record isn't so hot. When you couple the good record of the captive mines with the fact that abolition will mean the easing of competitive pressures on presently marginal deep mines thus allowing them to make the necessary financial commitment to safety, you can see that underground mining can become a much safer occupation.

LOW SULFUR STRIPPABLE COAL

How much of the 45 billion tons of strippable coal is low sulfur? That's an important question in the light of tightening air pollution laws which have agitated the coal industry and the electric utilities who burn coal. The Bureau of Mines informs me that 32 billion of the 45 billion tons are low sulfur. Where is this low sulfur coal located? I am informed that 30 billion tons are located in the western states, and about 2 million tons in the east.

In contrast, deep mine low sulfur reserves number 221.5 billion tons with a full 61.2 billion available in the East.

STRIP MINING AND ELECTRICITY

In a very extensive study of the relation of surface mined coal to the production of electricity, Bruce Driver of the Environmental Policy Center drew the following conclusions based on Bureau of Mines data:

1. Most of the surface-mined coal burned to produce electricity has been area-mined. Only one state (North Carolina) has relied

on contour-auger-mined (steep-slope) coal for more than 40% of its electric power. Only two states relied on contour-auger coal for as much as a third of the electricity generated within these states (North Carolina and West Virginia).

2. An examination of low-sulfur deep mine reserves on a state by state basis indicates that there are more than ample low sulfur deep mine reserves to take the place of all surface-mined coal used to produce electricity for many hundreds of years, assuming *present* economic and technological conditions, and assuming that national energy demand levels continue to grow and that the use of surface-mined coal would continue to grow were its supply left unregulated or uncontrolled.

3. Deep-mined low sulfur reserves exist near those areas which would be most affected by a termination of all surface-mined supplies or of contour-auger-mined supplies. For example, the states of Michigan, Ohio, West Virginia, Pennsylvania, Virginia, the Carolinas, Tennessee, and Alabama are the states most reliant on contour-augered coal for the production of electric power. About seven-eighths of all contour-augered coal burned to produce electricity in the United States is burned in these nine states; this amounts to about 70 million tons. These nine states and states adjacent to them contain about 18.7 billion tons of low sulfur deep-mine coal or about 267 times the amount of contour-mined coal burned to produce electricity in these states in 1970. These 18.7 billion tons are minable under present economic and technological conditions. Much of this coal has a low or medium ash content. The major competing use for this coal is in the coke and gas plant industry to which about 90 million tons of coal were shipped in 1970 from the mining districts which contain the 18.7 billion tons. It is believed that much of the 18.7 billion tons is high metallurgical quality coal. But even were it to be assumed that all 90 million tons of coal shipped to coke and gas plants in 1970 had to be mined from the 18.7 billion tons of low sulfur coal, were contour and auger-mining phased out, there would still be about 117 years worth of supplies of this coal in the eastern states for the coke and gas industry as well as for the electric utility industry.

4. The costs of a switch to low sulfur deep-mined coal are not prohibitive. Capital costs may be much less than has been recently suggested by the National Coal Association. Based on Bureau of Mines FOB mine values of coal shipped to electric utilities, and calculated under conservative assumptions, the cost of power to consumers of a switch to deep mine coal from contour-augered coal would be in the neighborhood of $100,000,000 or less than 50/year/individual, assuming that *all* additional costs are passed on to the consumer.

TVA'S STRIPMINE CONTRACTS RAVAGE THE LAND

Last year, I asked the General Accounting Office to review what the Tennessee Valley Authority was doing in its strip-mine contracts to insure that the soil, streams, forests and hillsides of Kentucky, Alabama, Tennessee and Illinois were being protected. In a report which the GAO made on August 9, 1972, there were many horror stories of landslides, stream pollution, and failure of the TVA itself to enforce its own reclamation regulations. By now this is a familiar story in every state which has a strip mine reclamation law, and in every Federal agency which is making weak festures toward enforcing its own strip mining reclamation regulations. TVA is the Nation's largest producer of electric power, and its largest consumer of coal. Franklin Delano Roosevelt and George Norris would be turning over in their graves if they knew the extent of the destruction wrought on the land by an agency which Roosevelt and Norris designed to save the land.

Aubrey Wagner came up to the Capitol and asked to have lunch with me to demonstrate that TVA was toughening its environmental regulations, and cracking down on its strip-mine contractors. "Why we even cancelled a contract last week," Mr. Wagner protested. "Big deal," I answered, "one cancelled contract after the thousands of acres you have ripped up and the landslides and pollution you have caused in the name of getting cheaper power."

TVA PURCHASES DEEP-MINED COAL

I am certain that as a result of the GAO Report, as a result of the agitation by the public in TVA strip-mined areas, yes by the "emotionalism" of some environmentalists who are blamed for causing the energy crisis, that TVA is starting to mend its ways ever so slightly. This year the TVA went west to get some of this great supply of strip mined coal. But on November 12, 1972, came a shocker of an announcement by TVA that "experimental use of this type of coal (western sub-bituminous) at the Johnsonville Plant has shown major operating problems in addition to the very high transportation cost involved." Because of the very high water content of the western coal, it gummed up the Johnsonville Plant. A massive drying plant might be one answer, but this would result in reducing the mass during the drying process and thus the sulfur content would rise to unacceptable levels. So the upshot of all this is that TVA signed a long-term contract with the Old Ben Company for 2,192,000 tons of deep-mined Indiana coal. Because most eastern plants are built to burn local eastern coals, similar problems to those experienced by TVA can be expected with any other attempts to burn western coals in most eastern and southeastern power plants.

When Dr. William H. Miernyk of the Department of Economics of West Virginia University testifies before this committee, he will point out that strip mining in Appalachia is a short-term proposition, that the abolition of strip mining will not provoke the kind of economic disaster predicted by the National Coal Association, and strip mine abolition will force a conversion to deep mining which will produce more employment and income in the long-run because there are more deep minable reserves.

SLOPE LIMITATION ON STRIP MINING

You will recall there was a great furore last October when the House Interior Committee reported out a bill, H.R. 6482, which in effect included an attempted slope limitation. That bill was passed overwhelmingly by the House of Representatives, 265–75, and I was proud to vote for it although it did not go as far as I would have liked—abolition.

I confess I have not yet had a chance to read the entire report prepared by the Council on Environmental Quality for this committee, but some of the factual data intrigues me. In speaking about the problems of strip mining in Appalachia, the CEQ Report zeroes in on the effects of a slope limitation on strip mining in this area, and here is their significant concluson:

"Because the overwhelming majority of U.S. reserves are recoverable only by underground mining and because of large and as yet untapped reserves in the West, the loss of reserves from a slope and a prohibition represents only about one percent of the total reserves."

It seems to me that if we are only talking about a paltry one percent of the total reserves, it is a crying shame that we have to proceed with the final destruction of Appalachia for the sake of one percent of the coal. I appeal to this committee to save our bleeding hills by writing into this legislation a very firm slope limitation. We are completely fed up with keeping the lights burning for the rest of the nation, while our soil washes down the rivers to the sea, our hills and forests are raped, our streams polluted, and our deep-mining industry suffers.

STRIP MINING THREATENS TOURISM

West Virginia and the Appalachia Region have vast tourist and recreation potential which strip mining threatens. In West Virginia, approximately 19,000 men and women are employed in the tourist industry directly, as against about 4,000 directly employed in strip mining. A recent study entitled "Opportunity Costs of Land Use: the Case of Coal Surface Mining" by Robert Spore, an economist at the Oak Ridge National Laboratory, has found that the value of strip mining all the coal along the Big South Fork of the Cumberland River in Eastern Kentucky and Tennessee would total $13,905,000 while the recreational value of this area totalled $42,620,000. In short, the costs in terms of lost opportunities for recreation and tourism would be more than three times the value of all the coal in the area. All of this economic and recreational benefit to the people would be lost forever if stripping were permitted. This pattern of lost opportunities is already the rule in some parts of Appalachia—only abolition will stem the tide.

I recall that when economic development programs were first proposed in the late 1950's, there were those who opined that the "ghost towns" of the old silver mining days made great tourist attractions. There are certainly some curiosity-seekers who may travel in the future to gaze on the massive and suicidal destruction which mankind has wrought through strip mining, but the ghoulish and macabre Charles Addams "characters" scarcely constitute working majorities of the populace.

RECLAMATION IN GREAT BRITAIN AND GERMANY

There have been many studies of reclamation in Germany and in Great Britain, where strip-mined coal constitutes less than 10 percent of the total coal production, in contrast to over 50 percent in the United States. There are some clear-cut differences between the land use ethics of Great Britain and Germany, where long and careful public planning precedes any attempt at strip mining—the pell-mell rush to strip which occurs in this country is unknown in Europe. Under our cowboy capitalist approach to mining, we have placed heavy emphasis on how you extract the minerals from the ground in the quickest and cheapest fashion. Coming from a state which specializes in extractive industry, I regret we also have a few extractive politicians who take out more than they put in, with very little reclamation, but that is another story. Throughout the mining industry, "reclamation" has become a recent craze, but it is sharply different in outlook than in Great Britain and Germany where true reclamation means reforestation and a thorough and intelligent restoration of the land. All too often aesthetics are the ruling yardstick of reclamation success in this country.

The extensive study, "Surface Mining and Land Reclamation in Germany", by E. A. Nephew of the Oak Ridge National Laboratory indicates that costs of reclamation in Germany amount to between $3,000 and $4,500 per acre, while in Great Britain they may run as high as $7,179 per acre but average out close to $4,000 an acre. (The cost per ton ranged from 63 cents to $4.24/ton and averaged $1.35/ton for all British reclamation efforts.) The topsoil and subsoil is carefully segregated, and later replaced, and rehabilitation of the land by experts in agriculture and forestry may take as long as five years following the mining operation.

DISMAL RECORD OF RECLAMATION IN UNITED STATES

The record for reclamation in this country is a dismal one. This is not due entirely to the lack of effort on the part of those operators and specialists charged with reclamation. There are a number of very serious problems with reclamation in this country which are not encountered in Germany and Great Britain. The critical environmental variables for reclamation are slope, sulfur content of coal and shales, acid-alkali balance in spoils, amount of rainfall, depth and thickness of the coal seam, and amount and quality of the topsoil. In Appalachia, the combination of steep slopes, pyritic shales, heavy rainfall and thin topsoil combine to create monumental problems of erosion, sedimentation, landslides and acid drainage. The relatively flat, acid-free lands of Germany and Britain present no such difficulties.

Dr. Robert L. Smith, Professor of Wildlife Biology, Division of Forestry, West Virginia University, who will testify before this committee, recently stated: "In the southern mountains, it is obvious to anyone who views strip mine reclamation that reclamation is not successful, nor is the land being restored. It is impossible to put the excavated material back and to re-establish any semblance of previous ecological conditions." Dr. Smith points out that hydroseeding and heavy fertilization can produce some vegetation, but this is generally short-lived. He states that "on no slopes can grass stabilize the soil. Reforestation is not even attempted on the steep slopes."

ACID DRAINAGE PROBLEMS

In flatter areas, vegetation can be partially successful and could be a step in the process back to forestation. However, the basic problem with flat land reclamation in the East and the Midwest remains that of controlling acid drainage. Dr. Moid Ahmad of Ohio University, an eminent hydrologist, has shown conclusively, that so long as acid-causing pyrites are present in the overburden, no reclamation procedures can successfully stop acid drainage. Vegetation in no way insures an end to the acid drainage problem. A 1970 study conducted by Dr. Sutton of the Ohio Department of Natural Resources entitled "Reclamation of toxic coal mine spoil banks" has found that even the heavy use of fertilizers was ineffective in neutralizing acidity. Lime applied at a rate of 42 tons per acre was ineffective. Unless the acid can be eliminated, vegetation will decline and reclamation will be reversed thus creating a new orphaned land, complete with all the original environmental problems of unreclaimed land.

A 1971 Case Western Reserve University study entitled "Ecological Effects of Strip Mining, A Comparative Study of Natural and Reclaimed Watershed" compared two watersheds in Belmont County in southeastern Ohio, one of which had not been stripped, the other which had been stripped and reclaimed in 1968 by the Hanna Coal Company. The report states:

"The water draining from the mined and reclaimed watershed is highly acidic, having an average pH of 3.5. In contrast, the water draining from the natural system is neutral or slightly basic, having an average pH of 7.9. . . . In the affected system, Fe (iron) was found in concentrations greater than 400 times that found in the natural system, SO_4 (sulfate) averaged 56 times that of the natural system, K (potassium) 2.8 times, Ca (calcium) nine times, Mg (magnesium) 30 times, Mn (manganese) over 1,320 times, and Al (aluminum) was found to be over 3,000 times that of the natural system. These large amounts of ions produced high concentrations of dissolved solids. Average dissolved solids of the affected systems were 90 times that of the natural system."

CHEMICALS RELEASED BY STRIP MINING

The report drew the following conclusions:

"1. Three years after reclamation one finds that the affected area cannot support plant or animal life.

2. Geologic formations high in sandstone must be reclaimed by better methods or should not be strip-mined at all.

3. The acid condition produced by strip mining releases amounts of minerals and nutrients which are toxic to plant-life.

4. The highly dissolved chemical load entering Piedmont Lake from the affected area is rapidly increasing the eutrophication processes in the lake, and thus it is altering and destroying lake habitats.

HIGH COST OF "RECLAMATAION"

In short, good reclamation like that found in Germany can only be accomplished on flat areas free of pyritic and other acid-causing materials. *And*, this can only be accomplished through careful, comprehensive land use planning, strict performance standards for the reclamation process, full public access to the planning process, a continuing program or revegetation and forestation over a five to ten year period after completion of initial reclamation efforts, and above all a major commitment of money in the neighborhood of $4,000 per acre such as the Europeans have put forth.

Nephew sums up the German approach philosophically:

"Probably the most compelling reason for farmland restoration, however, is the prevailing conviction that to allow valuable soil to be irrevocably destroyed by a strictly temporary land use—mining—would represent extreme folly."

NO SUCCESSFUL RECLAMATION IN THE WEST

We have examined the lands of the East and Midwest; what are the prospects for good reclamation in the flat lands of the West where massive stripping has been planned. Conditions in the West are vastly different from those in the East and Midwest, and also from those in Germany and Britain. Rainfall in Montana, Wyoming and the Dakotas is scarce; the area is dry grazing land with a very thin topsoil cover. Unlike the fertile Rhineland valley soil, Western soils are heavily sodic, alkaline or saline. According to the Department of Agriculture, when disturbed these soils become virtually impermeable to water, quite unstable, and very unfertile. Erosion problems become quite serious and grading spoil piles merely packs the soil producing clay pan which tends to hold water on the surface. No successful reclamation has been demonstrated in the West.

In a recent public statement, Dr. Robert Curry, an environmental geologist at the University of Montana and an acknowledged expert on western soils and geology, underlined the lack of experimental success in reclamation attempts in the West. He postulated natural recovery times of more than 100 years for stripped areas in the West.

In sum, meaningful reclamation such as that found in Britain and Germany is not possible to any extent in this country. The problems of acidic, saline and sodic soils, and the problem of steep slopes are truly insurmountable. Moreover, vesting enforcement authority in the Department of Interior insures that any substance that might appear in a regulatory bill will be completely gutted.

For all of these reasons, the conclusion is inescapable: the only answer is to abolish the strip mining of coal.

H.R. 1000

A bill to provide for the control of surface and underground coal mining operations which adversely affect the quality of our environment, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Environmental Protection and Enhancement Act of 1973".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares—

(1) that there are coal mining operations on public, private, and Indian lands in the Nation which adversely affect the environment by destroying or diminishing, for an indefinite period, the availability of public, private, and Indian lands for recreational, commercial, industrial, agricultural, and forestry purposes, by causing erosion, landslides, and subsidence, by contributing to floods and the pollution of waters and air, by destroying fish and wildlife habitate and forests and otherwise impairing natural beauty, by frustrating efforts to conserve soil, water, and other natural resources, by destroying public and private property, and by creating hazards to life and property;

(2) that the public has a right to expect that the Federal Government, the States, and local government will utilize all practicable means and measures to protect and enhance the quality of our environment;

(3) that the integrity, productivity, and beauty of the land surface must be protected for the growing requirements of present and future generation;

(4) that the reserves of all needed grades of coal in the United States are sufficiently extensive to permit rigorous protection of the land surface in ways which will stimulate the development and utilization of nondestructive and efficient mining technologies while preserving our capacity to supply coal for the needs of society; and

(5) that coal mining operations are activities affecting interstate commerce which can contribute to the economic well-being, security, and general welfare of the Nation where conducted in a manner that will protect and enhance the quality of the human environment.

(b) It is, therefore, the purpose of this Act to provide for participation by the Federal Government with State and local governments, private individuals, and other interested persons in a comprehensive program to prevent further damage to the lands, waters, and natural resources of the Nation from unregulated or inadequately regulated surface and underground coal mining operations, to stabilize lands damaged by surface coal mining, to promote an effective continuing conservation land-use and management program for the coal mining industry, and to assist any worker adversely affected by this Act.

ADMINISTRATION OF ACT

SEC. 3. Except as specifically provided in this Act, the Administrator of the Environmental Protection Agency (hereinafter called "Administrator") shall administer this Act.

PUBLIC PARTICIPATION

SEC. 4. Public participation in the development, revision, and enforcement of any regulation, standard, or guideline promulgated under this Act, and in the administration of this Act, shall be provided for, encouraged, and assisted by the Administrator and the States.

COAL MINES SUBJECT TO ACT

SEC. 5. Each coal mining operation, the products of which enter interstate commerce, or the operations or products of which indirectly or directly affect interstate commerce, and each operator of such mining operation, shall be subject to this Act.

DEFINITIONS

SEC. 6. For the purpose of this Act—

(a) The term "coal" includes bituminous coal, lignite, and anthracite.

(b) The term "surface coal mining" includes (1) all or any part of the process followed in the extraction of coal from a natural coal deposit after removing the overburden therefrom or in the extraction of coal by the auger method or any similar method which penetrates a coal seam and removes coal therefrom directly through a series of openings made by a machine which enters the coal seam from a surface excavation; (2) the removing of overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit; (3) any area of land from which coal is extracted by surface coal mining, including private ways and roads within or pertinent to such area; and (4) land, facilities, processes, and spoil banks resulting from, or used in, extracting coal from natural deposits by such mining, including land used for the deposition of coal wastes from surface coal mining operations.

(c) The term "overburden" means all of the earth and other materials removed or excavated for the purpose of exposing a coal seam in order to surface mine the coal, and includes earth and other materials removed from their natural state in the process of surface coal mining

(d) The term "spoil bank" means any deposit of removed overburden, waste, culm banks, or other similar material from either surface or underground coal mining operations.

(e) The term "area of land affected" means (i) the land from which coal is removed by surface coal mining, (ii) any land in which the natural land surface has been disturbed as a result of, or incident to, surface coal mining activities, and (iii) any land on which are conducted the surface activities associated with underground coal mining, and includes but not limited to, private ways and roads appurtenant to any such land, and refuse banks, spoilage banks, culm banks, tailings, repair areas, storage areas, processing areas, shipping areas, and areas on which structures, facilities, equipment, machines, tools, or other materials or property which result, or are used in, any coal mining operation are situated.

(f) The term "operation" means all activities relating to the actual exploration and extraction of coal from a single tract of land or contiguous tracts of land.

(g) The term "operator" means any person engaged in a coal mining operation who removes or intends to remove coal from the earth by surface or underground coal mining operations, or who removes more than two hundred and fifty tons of overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit.

(h) The term "person" includes corporations, companies, associates, firms, partnerships, societies, joint stock companies, and individuals.

(i) The term "stabilization" or "stabilize" means the process of preventing an area of land affected by surface coal mining from contributing to erosion, landslides, subsidence, floods, and the pollution of waters and air, and enabling such area to be used for the same purpose for which it was used prior to the beginning of such mining or to a higher and better purpose.

(j) The term "backfilling to approximate original contour" means the stabilization achieved by beginning at or beyond the top of the highwall and sloped to the toe of the spoil bank at a maximum angle not to exceed the approximate original contour of the land, with no depressions to accumulate water and with adequate provision for drainage.

(k) The term "contour" shall mean the surface coal mining of a seam of coal upon a natural downslope in excess of 14 degrees from the horizontal adjacent to the outcropping of a seam of coal.

(l) The term "commerce" means trade, traffic, commerce, transportation, or communication between any State, the Commonwealth of Puerto Rico, the District of Columbia, or any territory or possession of the United States and any other place outside the respective boundaries thereof, or wholly within the District of Columbia or any territory or possession of the United States, or between points in the same States, if passing through any point outside the boundaries thereof.

(m) The term "underground coal mining" means those coal mining operations carried out beneath the surface of any land or water area by means of shafts, tunnels, or other underground mine openings for the purpose of extracting coal.

GENERAL POWERS OF THE ADMINISTRATOR

SEC. 7. The Administrator, according to the provisions of this Act, shall—

(1) prescribe, in accordance with the provisions of section 553 of title 5, United States Code, such rules and regulations as may be necessary to carry out his functions under this title;

(2) make investigations or inspections necessary to insure compliance with this Act and the rules and regulations adopted pursuant thereto;

(3) conduct public hearings;

(4) issue cease-and-desist orders to halt violations of this title;

(5) order the revocation, suspension, or modification of any permit for failure to comply with any of the provisions of this title or any rule and regulation adopted pursuant thereto;

(6) appoint such advisory committees, the majority of whose members shall have no interest in coal mining operations, and the meetings of which shall be open to the public, as may be of assistance to him in the development of programs and policies;

(7) review and vacate or modify orders and decisions issued by him;

(8) perform such other duties as are provided by this Act; and

(9) publish all findings and determinations required to be made by the Administrator under this Act.

ANNUAL REPORT

SEC. 8. Not later than April 1 annually, and at such other times as he deems necessary, the Administrator shall submit to the Congress a comprehensive report concerning activities conducted by him under this Act. Among other matters the Administrator shall include in such report, such recommendations for additional legislative action as he deems necessary or desirable to accomplish the purposes of this Act and the identification of any duty required by this Act that was not performed and the reasons why.

TITLE I—ENVIRONMENTAL PROTECTION COAL MINING LIMITATIONS

SEC. 101. (a) No surface coal mining shall hereafter be conducted in any area of the national wildlife refuge system, the national park system, or the national forest system. No underground coal mining shall be permitted in any designated wilderness area or in any area under study as a wilderness area.

(b) No operator shall begin or renew any surface coal mining operation in any State on or after the effective date of this Act.

(c) No operator shall conduct contour surface coal mining operations in any State on and after the effective date of this Act.

(d) Any operator who, on the effective date of this Act is actively carrying out surface mining operations, other than contour surface coal mining, may continue to do so as provided in this Act (i) if such operator obtains a permit under this title within six months after such date, and (ii) if the Administrator determines that such mining (A) is not in violation of, or will not result in any violation of, any provision of the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, or the Refuse Act of 1899 or any regulation promulgated pursuant to those Acts, and (B) does not cause, or will not result in, irrevocable or lasting injury to the public health or welfare, or damaging flooding or destruction of agricultural land, or dislocation or disturbance of surface or subsurface streams, or destruction of, or damage to, historic values, or destruction or damage to valuable recreational or wildlife areas, or destruction or damage of contiguous areas. Any permit issued to such operator shall be for a term of not to exceed twelve months and shall not be renewable: *Provided*, That the term of such permit shall not extend beyond eighteen months after enactment of this Act.

PERMIT APPLICATION; NOTICE; PUBLIC HEARING

SEC. 102. (a) Within two months after the effective date of this Act, no operator shall engage in surface or underground coal mining operations if he has not applied for a permit under the provisions of this Act. No operator shall hereafter engage in such operations if the Administrator denies a permit under this Act.

(b) Applications for a permit shall be made in writing to the Administrator upon forms prepared and furnished by him. Each application shall include, among other things, the following:

(1) the names and addresses of (A) the applicant; (B) all present legal owners of the property (surface and mineral) to be mined; (C) any purchaser of the property under a real estate contract; (D) the operator; and (E) if any of these be business entities other than a single proprietor, the names and addresses of the principal officers and resident agent shall be included;

(2) a description of the type of coal mining operation that exist or is proposed;

(3) the anticipated or actual starting and termination dates;

(4) in the case of a surface coal mining operation, the written statement of the owner of the surface of the land upon which the applicant proposes to engage in such operation, in a form approved by the Administrator and executed by such owner after the date of enactment of this Act, showing that such owner consents to such operations and the entry of such operator over and across such land for this purpose and to carry out fully the terms, conditions, and requirements of any permit and approved stabilization plan (such statement shall be in addition to any legal document the applicant may possess concerning his title or lease to the case);

(5) the name and address of the owners of all surface area within five hundred feet of any part of the area of land affected by such operations;

(6) a statement of any coal mining permits held by the applicant and the permit numbers;

(7) the names and address of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially, either alone or with associates, 10 per centum or more of any class of stock of the applicant;

(8) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant or any person required to be identified by the Administrator has ever held a coal mining permit or license issued by any agency of the Federal Government or any State which permit or license has been suspended or revoked; and

(9) a statement of whether the applicant has ever had a coal mining bond or similar security deposited in lieu of bond forfeited.

(c) The application for a permit shall be accompanied by a map in duplicate, prepared and certified by a registered professional engineer or registered surveyor, on a scale of not less than four hundred feet to the inch or two copies of an enlarged United States Geological Survey topographic map showing all information pertinent to the successful coal mining of such area or areas under the provisions of this title, including, but not limited to, the results of test borings which the operator has conducted at the site of the proposed operation and include, when appropriate, the nature and depth of the overburden, the quantities and location of subsurface water, the thickness of the coal seam, an analysis including acidity of the coal seam, an analysis of the acidity of other surrounding strata, the crop line of the coal seam, and the location of the test boring holes; the names and locations of all known streams, creeks, or other bodies of water, existing and proposed roads, railroads; utility lines and rights-of-way, buildings; cemeteries; and oil and gas wells on the area of affected land and within five hundred feet of such area, the location of proposed waste or refuse areas; and the drainage plan on, below, above, and away from the area of affected land, including subsurface waters above the seam of the coal to be removed and indicating the directional flow of water, constructed drainways, natural waterways used for drainage, and the stream of tributaries receiving or to receive this discharge. Aerial photographs of the tract of land to be affected are acceptable if the photographs provide such pertinent information. The map shall also identify the area, show the probable limits of adjacent mining operations, whether active or not, and such other data as the Administrator may require.

(d) An application for an original permit, and for any renewal of such permit, shall be accompanied by a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the coal mining operation for which such permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate the Federal Government and persons damaged as a result of coal mining and reclamation operations and entitled to compensation under applicable provisions of State law. Such policy shall be for the term of the permit plus not less than eighteen months thereafter.

(e) The original application for permit shall be accompanied by a fee of not less than $500.

(f) The applicant for a permit to conduct a coal mining operation shall submit to the Administrator a copy of his advertisement of the ownership, precise location, and boundaries of the site intended to be mined. Such advertisement shall be placed in a newspaper of general circulation in the locality of the proposed coal mining at least once a week for four successive weeks. In addition, the applicant shall also submit as part of his application copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or companies in whose watershed the mining will take place, notifying them of his intention to mine a particular tract of land.

(g) Upon receipt of an application, the Administrator shall determine the amount of bond per acre that a surface coal mining operator shall furnish before a permit is issued. The amount of bond shall be stated in the published notice of the application and be sent to the applicant.

(h) If the application and map are proper in all respects, the Administrator shall publish a notice thereof in the Federal Register and in a newspaper of general circulation in the locality. Any person or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed mining with the Administrator within thirty days after the last publication of the above notice.

APPROVAL OF PERMIT APPLICATION: PUBLIC HEARING

SEC. 103. (a) Upon the filing of an application as required in section 102 of this title, the Administrator shall investigate and may approve or disapprove the application for a permit.

(b) (1) No permit application shall be approved unless the Administrator finds, on the basis of the information set forth in the application or from information available to him, and made available to the applicant and the public, or obtained at a public hearing, that the applicable requirements of this title and the rules and regulations adopted thereunder will be observed, and that, in the case of a surface coal mining application, there is probable cause to believe that the stabilization of the area of affected land can be achieved.

(2) If the Administrator finds, in the case of a surface coal mining permit application, that the overburden of a part of the area of land described in the application, but not all, is such that deposits of sediment in streambeds, landslides, or acid or mineralized water pollution in violation of State and Federal water quality standards, requirements, or limitations whichever is higher, cannot feasibly be prevented or controlled, he may permit such mining, but he shall delete such part of the land described in the application upon which such overburden exists.

(3) If the applicant is a partnership or corporation, no permit application shall be approved under this title if the Administrator finds that any officer, director, or an owner of a majority interest of the partnership or corporation—

(A) is presently ineligible to obtain a permit or license to conduct a coal mining operation under the law of the State in which the proposed mining is to be conducted;

(B) has had a permit revoked by the Administrator under this title; or

(C) has violated, and continues to violate, any law, rule, or regulation of the United States, or of any department or agency of the United States, pertaining to coal mining operations or stabilization.

Except that any such applicant with respect to whom any officer, director, or owner of a majority interest therein has had such a State permit or license revoked under State law, or has been denied such a State permit or license, prior to the effective date of this Act, shall not be precluded, by reason of such revocation or denial, from obtaining a permit under this title if it is currently eligible under this title to receive a permit; or any such applicant with respect to whom any officer, director, or owner of a majority interest therein has had a permit revoked by the Administrator under this title shall be ineligible to receive any additional permit until the end of three-year period beginning on the date of such revocation and only if the Administrator is satisfied that such applicant has taken the necessary steps to rectify the situation which gave rise to the revocation.

(4) No permit application shall be approved if the Administrator finds that any officer, director, or an owner of a majority interest of an applicant corporation or partnership is or has been an officer, director, or owner of a majority interest of any other corporation or partnership which—

(A) is presently ineligible to obtain a permit or license to conduct a coal mining operation under the law of the State in which the proposed mining is to be conducted;

(B) has had a permit revoked by the Administrator under this title; or

(C) has violated, and continues to violate, any law, rule, or regulation of the United States, or of any department or agency of the United States, pertaining to coal mining operations or stabilization.

Except that any such applicant corporation or partnership having such an officer, director, or majority owner who has had such a State permit or license revoked under State law, or who has been denied such a State permit or license, prior to the effective date of this Act, shall not be precluded, by reason of such revocation or denial, from obtaining a permit under this title if it is currently eligible to receive such a permit; or any such applicant corporation or partnership having such an officer, director, or majority owner who has had a permit revoked by the Administrator this title shall be ineligible to receive any additional permit until the end of the three-year period beginning on the date of such revocation and only if the Administrator is satisfied that such officer, director, or majority owner has taken the necessary steps to rectify the situation which gave rise to the revocation.

(5) All findings under this subsection shall be in writing and made available to the public.

(c) No permit application shall be approved for the purpose of coal mining of any area of land or the creation of spoil banks thereon which is within five hundred feet of any public road, or body of water, stream, or lake to which the public enjoys use and access, or to mine any area of land within one mile of other publicly owned land if mining of the area will adversely affect the publicly owned land: *Provided,* That in the case of any area within the national park system, the national wildlife refuge system, the national forest system, or a reservoir or dam site administered by the Corps of Engineers, the Administrator, at the request of the appropriate Secretary having jurisdiction over such area, shall require that mining not take place within up to three miles of such area.

(d) No permit application shall be approved if mining the area will adversely affect any publicly owned park, recreation area, refuge, or reservoir or dam site, unless screening and other measures approved by the Administrator are used, and the permit application shall so provide.

(e) No permit application shall be approved under this title if—

(1) the applicant is presently ineligible to obtain a permit or license to conduct a coal mining operation under the law of the State in which the proposed mining is to be conducted;

(2) the applicant has had a permit revoked by the Administrator under this title; or

(3) the applicant has violated, and continues to violate, any law, rule, or regulation of the United States, or of any department or agency of the United States, pertaining to coal mining operations or stabilization.

Except that any applicant who has had such a State permit or license revoked under State law, or who has been denied such a State permit or license, prior to the effective date of this Act, shall not be precluded, by reason of such revocation or denial, from obtaining a permit under this title if he is currently eligible under this title to receive a permit; or any person who has had a permit revoked by the Administrator under this title shall be ineligible to receive any additional permit until the end of the three-year period beginning on the date of such revocation and only if the Administrator is satisfied that such person has taken the necessary steps to rectify the situation which gave rise to the revocation.

(f) No permit application shall be approved unless the plan of operation and, in the case of surface coal mining, stabilization required under this title is approved. The Administrator may approve a stabilization plan that complies with the requirements of this Act.

(g) (1) The Administrator shall notify the applicant by registered mail within thirty days after the expiration of the period established for receipt of written comments, unless a hearing or appeal is in progress, whether the application has been approved. If the Administrator fails to notify the applicant within the prescribed period, the applicant may request in writing a public hearing which shall be held within thirty days after receipt of the request.

(2) If written objections, including a request for a hearing, are filed after notice, the Administrator shall then hold a public hearing in the locality of the proposed mining within thirty days of the receipt of such objections. The date, time, and location of any public hearing held under this section shall be advertised by the Administrator in a newspaper of general circulation in the locality

for seven successive days and in the Federal Register. At such public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws.

(3) The Administrator shall make findings of fact and issue his decision, together with such findings, on the application for a permit not less than thirty days after the conclusion of such hearings unless all parties to the hearing agree to extend the period. The findings and decision shall be public.

(4) Any decision of the Administrator under subsection (f) (3) of this section shall be subject to judicial review in accordance with the provisions of section 106 of the Federal Coal Mine Health and Safety Act of 1969 (U..S.C. 816).

(h) Within thirty days after the effective date of this Act, the Administrator shall publish a permit form setting forth general conditions necessary to carry out the purposes of this Act. At the time of approval of an application for a permit, the Administrator shall prescribe such special conditions as he deems appropriate.

(i) Permits issued under this title for underground coal mining operations shall be effective for five years, unless revoked or suspended prior thereto.

STABILIZATION PLAN

SEC. 104. A stabilization plan shall accompany every application for a permit for surface coal mining and it shall be made available to the public and be approved in the same manner as a permit. In any stabilization process the prime consideration shall be the maintenance of the maximum ecological value. The application shall include—

(a) a statement (1) of the highest and best use to which the land was put prior to the commencement of surface coal mining; (2) of the use which is proposed to be made of the land following stabilization; (3) of the manner in which mining operations will be conducted and whatever actions will be taken to prevent adverse environmental effects; and (4) that proper consideration has been given to insure that the plan is consistent with local environmental conditions and current mining and stabilization technologies;

(b) provisions that allow the plan, prior to approval and after consultation with the operator, to be subject to modification by the Administrator to avoid conflicts with State and Federal laws, and in accordance with this Act;

(c) provisions to maintain and improve the quality of water in surface and ground water systems; by, wherever applicable (1) diverting surface drainages to prevent contamination of water from, or inflow to, unstabilized mined areas or active mine workings, (2) properly treating drainage from mine workings, spoil or waste accumulations, and leaching operations where needed, (3) casing or sealing boreholes and wells, to insure overlying ground stability, (4) conducting surface coal mining or dredging so as to minimize slope failures and the adverse effects of highwalls and spoil banks, and (5) such other measures as may be technically feasible;

(d) provisions to return all mined areas to a condition that will not be injurious to public health and safety and that will be suitable for future productive use consistent with surrounding conditions;

(e) provisions to (1) stabilize mined areas and waste accumulations to prevent or control erosion and prevent attendant air and water pollution; (2) screen the view of operations and waste materials from surrounding areas; and (3) preserve top soil and use the best available other soil material from the mining cycle to cover spoil material;

(f) provisions to insure that no part of the operation or waste accumulations will be located outside of the permit area, that all environmental damage will be contained within the permit area and that suitable restitution will be made for damage to offsite property;

(g) an estimate of the time schedule of the completion of all stages of stabilization;

(h) a description of the steps to be taken to insure that the surface coal mining operation complies with all applicable air and water laws and regulations and health and safety standards;

(i) a statement of the engineering techniques and the character and description of the equipment, a plan for the prevention of harmful surface water drainage and of water accumulation in the working area, a plan for backfilling, soil stabilization and compaction, grading, resoiling, and revegatation in order to eliminate water or soil pollution, erosion, or flooding, and a detailed estimate of the cost per acre of the stabilization;

(j) a statement of the intended future use or uses of the affected area, which may include water impoundments, water-oriented real estate developments, recreational area development, commercial or industrial site development, sanitary land fill, or agricultural development, including forage or other crops, and a complete description of the manner in which the intended use will be achieved; and

(k) provisions for approval by the Administrator of any proposed stabilization contract and of the reclamation work.

POSTING OF BONDS

SEC. 105. (a) After a permit application has been approved for surface coal mining but before such a permit is issued, the applicant shall file with the Administrator the bond for performance, on a form prescribed and furnished by the Administrator, payable to the United States and conditioned that the operator shall faithfully perform all the requirements of this Act. The amount of the bond required for each permit shall depend upon the stabilization requirements, and shall be determined by the Administrator. The amount of the bond shall be sufficient to assure the completion of the stabilization plan, even in the event of forfeiture and in no case shall the bond be less than $5,000 or $500 per acre in the aggregate, whichever is greater. Liability under the bond shall be for the duration of the coal mining operation and for a period of five years thereafter, unless released sooner as provided in this title. The Administrator may release portions of the bond in compliance with this title as stages of the stabilization plan are successfully completed, so long as the remaining balance of the bond is sufficient to assure the completion of the remaining stages of the uncompleted plan. The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, negotiable certificates of deposit having a par value equal to or greater than the amount of the surety bond and issued by any bank organized or transacting business in the United States.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If one or more negotiable certificates of deposit are deposited with the Administrator in lieu of the surety bond, he shall require the bank which issued any certificate to pledge securities of the aggregate market value equal to the amount of such certificate or certificates, which is in excess of the amount insured by the Federal Deposit Insurance Corporation. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the Administrator shall immediately place the deposit with the Secretary of the Treasury, who shall receive and hold the deposit in safekeeping in the name of the United States, in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury, on the written order of the Administrator, the whole or any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called, the operator may request that the Secretary of the Treasury convert the securities into other acceptable securities by the operator, and the Secretary of the Treasury shall do so.

(d) In addition to the bond or deposit, before a permit is issued, the applicant shall pay a special stabilization fee of $200 for each acre of land to be affected in the surface coal mining operation which fee shall be placed in the Coal Mine Lands Stabilization Fund established by this title.

(e) After the permit application has been approved, the bond or deposit filed, and the fees paid, the Administrator shall issue a permit to the applicant. Within ten days after the issuance the Administrator shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

STABILIZATION FUND

SEC. 106. (a) There is hereby created in the Department of the Treasury a revolving fund to be known as the Coal Mine Lands Stabilization Fund (hereinafter referred to in this title as the "fund").

(b) There is authorized to be appropriated to the fund initially the sum of $100,000,000, and such other sums as may thereafter be appropriated by the Congress.

(c) Moneys in the fund may be expended by the Chief of the Corps of Engineers for the purposes indicated in section 107 of this title.

(d) Fees and penalties which have been collected and any bond or deposit which has been forfeited under this Act shall also be deposited in the fund.

(e) Moneys derived from the sale, exchange, lease, or rental of stabilized land acquired by the United States shall be deposited in the fund.

(f) Moneys derived from any user charge imposed upon stabilized land acquired by the United States used for recreation purposes, after expenditures for operation, development, and maintenance have been deducted, shall be deposited in the fund.

ACQUISITION OF ABANDONMENT SURFACE COAL LAND

SEC. 107. (a) The Chief of the Corps of Engineers may acquire by purchase, donation, exchange, or otherwise land, which has been affected by surface coal mining operations, has not been fully stabilized prior to the effective date of this Act, and has been abandoned or is declared inactive as determined by him. Title to all lands acquired shall be taken in the name of the United States, but no deed shall be accepted or purchase price paid until the title thereof is approved by the Attorney General of the United States. The price paid for land under this section shall not exceed the fair market value taking into account the unstabilized or partially stabilized condition of the land. Prior to making any acquisition of land under this section, the Chief of the Corps of Engneers shall (1) make a complete and thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall generally determine which tracts present the greatest adverse effect to the public together with his reasons, and (2) determine the cost of such acquisition and stabilization and the benefits of the public to be gained therefrom. Such findings shall be in writing and made available to the public. When Chief of the Corps of Engineers takes action to acquire an interest in land or mineral rights, and cannot reach an agreement with the persons who hold such interest or right as to what constitutes just compensation, or he cannnot determine what person or persons hold title to such interest or rights, he shall request the Attorney General to file a condemnation suit and may take such interest or rights immediately upon payment by the United States either to such person or into the appropriate court such amount as he shall estimate to be the fair value of such interest or rights, except that he shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(b) The Chief of the Corps of Engineers shall prepare plans and specifications for the stabilization of lands (including any waste or refuse storage area) to be acquired under this section. In preparing a plan of stabilization the Chief of the Corps of Engineers, shall utilize, with or without reimbursement, the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the stabilization program required under this section.

(c) The Chief of the Corps of Engineers shall stabilize directly or by contract the lands (including any waste or refuse storage area), according to the prepared plans, as moneys become available to the fund, except that no such moneys shall be committed for the acquisition or stabilization of such lands until the Chief of the Corps has made such plans public and provided an opportunity for comment thereon, including an opportunity for public hearings.

(d) Administration of all lands stabilized under this section shall be in the Chief of the Corps until disposed of by him as set forth in this title.

(e) The Chief may use moneys from the fund for the engineering, administrative, and research costs necessary for stabilization of the lands.

(f) Moneys in the fund resulting from the forfeiture of surety bonds, or from other securities deposited by an applicant and not stabilized by him as required by this title, shall be used by the Chief of the Corps of Engineers first for stabilization of the land covered by the forfeited bond or deposit.

(g)(1) Where stabilized land is deemed to be suitable for commercial, industrial, residential, agricultural, or recreational development, the Chief of the Corps of Engineers may, after notice, sell such land by public sale under a system of competitive bidding, at not less than fair market value and under other such regulations as he may promulgate to insure that such lands are put to a proper use, as determined by the Chief of the Corps of Engineers. If any such land sold is not put to the use specified by the Chief of the Corps of Engineers in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, stabilized land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and stabilization of the land, as negotiated by the Chief of the Corps of Engineers, to be used for a valid public purpose, except that, if such land will be used by the State or local government solely for wildlife or park purposes, such land may be sold to such State or local government for an amount equal to the cost to the United States of the purchase of such land. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Chief of the Corps of Engineers in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(h) The Chief of the Corps of Engineers may direct that stabilized land may be improved for water-based or other recreational purposes, and that a reasonable user charge shall be imposed by him. Revenue derived from such stabilized lands shall be used first to assure proper maintenance of such stabilized lands, and any remaining moneys shall be deposited in the fund.

(i) To the extent that the Chief of the Corps of Engineers stabilized any land abandoned or declared inactive by reason of this title, he shall take appropriate action against the operator who, on the date of enactment of this Act, was conducting surface coal mining operations on such land to recover the actual costs to the United States of such stabilization. Such operator shall be liable for such costs for a period of seven years from the date of enactment of this Act. The Federal district court where such land is situated shall have jurisdiction over any such action.

RECLAMATION CONTRACT

SEC. 108. The Chief of the Corps of Engineers shall award each proposed stabilization contract to the lowest qualified bidder after sealed bids are received, opened, and published at the time and place fixed by the Chief of the Corps of Engineers and notice of the time and place at which the bids will be received, opened, and published, has been advertised at least once at least ten days before the opening of the bids, in a newspaper of general circulation in each county in which the area of land to be reclaimed under such contract is located. If no bids for the advertised contract are received at the time and place fixed for receiving them, the Chief of the Corps of Engineers many advertise again, but he may, if he deems the public interest will be best served thereby, enter into a contract without further advertisement for bids. The Chief of the Corps of Engineers may reject any or all bids received and may fix and publish again notice of the time and place at which new bids for the contract will be received, opened, and published.

ADDITIONAL CONTIGUOUS LAND BOND

SEC. 109. (a) The operator shall, prior to commencing mining on any additional contiguous land exceeding the estimate in the application for a permit, file with the Administrator an additional bond under the same requirements as the original bond and an additional fee of $100 per acre, and all additional information which would have been required for the additional land if the land had been included in the original application for permit.

(b) If all the requirements imposed on the issuance of the original permit are met by the application for the additional land, and if the total amount of the additional acreage does not exceed 10 per centum of the original permit acreage, the Administrator shall promptly issue an amended permit. The Administrator shall, within ten days after issuance, notify the appropriate State and county auditor of the amended permit.

(c) If the total amount of the additional acreage exceeds 10 per centum of the original permit acreage, the operator shall file for a separate and new permit for the operation.

PERMIT RENEWAL

SEC. 110. Any operator who holds a permit issued under this title to conduct underground coal mining operations and who wishes to continue such operations beyond the original permit period shall apply to renew his permit within ninety days prior to the anniversary date of the permit issuance. An additional fee of $100 and a new map which outlines the area to be affected shall be filed with such application. Each renewal application shall be in a form prescribed by the Administrator and shall update the information provided in the original permit application. The Administrator shall approve the renewal application in accordance with procedures established by this title for approval of the original application.

REVOCATION AND SUSPENSION

SEC. 111. (a) The Administrator shall revoke or suspend any permit if, after notice and an opportunity for a public hearing, he determines that the operator has violated any provision of this title or any rules and regulations issued under this title.

(b) If the Administrator suspends or revokes the permit of the operator, he shall issue an order requiring the operator to immediately cease coal mining operations at that operation and, in the case of a revocation, shall declare as forfeited any performance surety bonds for the operation. Where a permit is suspended, the Administrator may, after notice and public hearing, terminate such order if all violations are abated and the Administrator determines such termination is in the public interest.

STABILIZATION OPERATIONS

SEC. 112. (a) Every surface coal mining operator shall stabilize the land affected by his mining. Every surface coal mining operator shall, in the process of mining—

(1) remove the topsoil from the land in a separate layer and segregate the topsoil in a separate pile so that the soil is kept in a usable condition for sustaining vegetation;

(2) backfill the operation so that the approximate original contour of the area of land affected is stabilized. There shall be no depressions in the contour to hold water which may produce siltation, highly mineralized drainage, or acid drainage. On natural slopes greater than 14 degrees or if the original contour of the area of land affected was such that soil erosion, slides, acid drainage, highly mineralized drainage will probably, in the opinion of the Administrator, occur before the planned vegetation will grow, the operator shall backfill and grade according to a plan of terracing and drainage that will eliminate the probable damage;

(3) backfill, grade, replace the topsoil which has been segregated unless a layer of soil which has been uncovered which is better able to support vegetation has been approved by the Administrator as a substitute, and plant stable and diverse vegetative covering as approved by the Administrator, or his regulations and rules. A quick growing temporary covering may be used, but such covering does not release the operator from his obligation to provide a stable and diverse vegetative covering. The process of reclamation shall progress as the mining progresses, as soon as practicable after the ex-

traction of the coal. All backfilling, grading, and resoiling shall be completed before the necessary equipment is moved from the area unless prior approval is received from the Administrator; and

(4) bury under adequate fill any toxic material, roof coal, pyritic shale, or material determined by the Administrator to be acid-producing, toxic, or creating a fire hazard or serious thermal problem. The operator shall remove or bury any metal, lumber, equipment, or other refuse resulting from the mining. The operator shall compact all fill in refuse disposal areas, so that underground air pockets are eliminated, and all combustible material shall be placed so that they will not ignite.

(b) The purpose of this section is to restore the area of land affected to the same or an equally useful purpose as before any mining. Any method of stabilization other than provided in this section may be proposed to the Administrator and shall be used only if he so approves. The Administrator may approve an alternative plan if the plan does not violate the purpose of this section.

(c) Throughout the mining process, the operator of an underground or surface coal mining operation shall prevent water pollution by siltation, acid drainage or excessive mineralization of surface or subsurface water.

DUMPING WASTE MATERIALS

SEC. 113. No coal mining operator shall throw, dump, pile, or otherwise place or permit the throwing, dumping, piling, or otherwise placing of any material of any type outside the area of land which is under permit, nor place any material in such a way that normal erosion, slides brought about by natural physical causes, or rain will permit the material to go outside the area of land which is under permit, nor place such material in a way that normal erosion, slides brought about by natural physical causes, or rain will permit the material to be deposited or discharged into any waterway. This prohibition includes the deposit of material on public highways from trucks hauling material from the operation.

USE OF EXPLOSIVES

SEC. 114. (a) Explosives may be used for the purpose of blasting in connection with any surface coal mining operation only in accordance with regulations of the Secretary of the Interior issued under this Act within sixty days after the effective date of this Act, or of a State if those regulations are determined by the Secretary of the Interior to be consistent with the purposes of this Act.

(b) No blasting shall be done—

(1) where the course or channel of any surface or subsurface stream will be changed as a probable result of the blast; or

(2) where the banks of a stream will be ruptured permitting water to enter the strip mining pit; or

(3) where vibration or concussion will be felt beyond the licensed area unless prior written consent of the property owner or owners (where such vibrations or concussions will be felt) has been obtained; or

(4) where the stability of the roof strata of an operating underground mine or the watercourses entering such a mine will be adversely affected as a probable result of the blast.

(c) Before an explosion is about to be set off, sufficient warning shall be given so that any person approaching the area shall be given ample time to retreat a safe distance. Any public highway or entrance to the operation shall be barricaded and guarded by the operator if the highway or entrance is located within one thousand feet of any point of the blasting site.

(d) Before an explosion is to be set off within one thousand feet of occupied buildings or dwellings, any person within the area shall be notified, in a manner approved by the Secretary of the Interior within twenty-four hours prior to the blast. The Secretary shall designate the time period during which such blasting may be done. Any blasting shall be done between the hours of sunrise and sunset.

(e) The Director or the Commission may prohibit blasting in specific areas where the safety of the public or private property is endangered.

IDENTIFICATION OF MINING OPERATIONS

SEC. 115. (a) The operator shall conspicuously maintain a sign at each entrance to the operation which clearly shows the name, business address, and phone number of the operator and the permit number of the operation. The sign shall be at least three feet in size and shall be clearly visible.

OPERATOR'S PROGRESS REPORT

SEC. 116. (a) Within ninety days after the commencement of surface coal mining operations and each ninety days thereafter unless notified or waived by the Administrator, the operator of a surface coal mining operation shall file a report with the administrator on a form provided by him that accurately states the amount of coal produced, the number of employees, the days worked, the number and location of acres of land mined, number and location of acres of the land stabilized, and a description of the progress made toward the completion of the reclamation plan. An annual report with the same type of information shall be filed with the Administrator not later than the twenty-fifth day of January of each year for the previous year.

(b) Progress maps contained information specified by the Administrator may be required from the operator by him upon thirty days' notice. All such reports and maps shall be available to the public.

RELEASE OF BOND

SEC. 117. (a) Where the stabilizing of the mined area has been successful, as determined by the Administrator, the operator may file a request, on a form provided by the Administrator, for release of bond. The request shall state—

(1) the location of the area and number of acres;

(2) the permit number;

(3) the amount of bond; and

(4) the type and date of the reclamation activities.

(b) An inspection and evaluation of the reclamation of the area shall be made within ninety days after the request. If the Administrator finds that the stabilization meets the requirements of this Act, he shall, subject to the provisions of this section, send by registered mail to the operator a release of the bond or other security covering the area of stabilized land. He shall also at the same time send a copy of the release to the Secretary of the Treasury. Upon presentation of the release to the Secretary of the Treasury by the operator to whom it was issued, the Secretary of the Treasury shall deliver to the operator or his authorized agent the amount of bond or other security released by decision of the Administrator.

(c) If the Administrator does not approve of the stabilization performed by the operator, he shall notify the operator by registered mail within ninety days after the request is filed. The notice shall state the reasons for unacceptability.

(d)(1) The application for bond release shall contain a copy of an advertisement placed in a newspaper of general circulation in the locality of the surface coal mining. Such advertisement shall contain a notification of the location, of the area and number of acres, the permit number, the amount of bond, and the type of stabilization and the degree of success. In addition, the applicant shall also submit as part of his request copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or companies in whose watershed the mining will take place, notifying them of his intention to seek release from bond.

(2) Any person, or the officer or head of any Federal, State, or local government agency or authority shall have the right to file written objections to the proposed release from bond to the Administrator within thirty days after the last publication of the above notice. If written objections are filed, the Administrator shall then hold a public hearing in the locality of the mining operation proposed for release from bond within sixty days of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the Administrator in a newspaper of general circulation in the locality for seven successive days. At this public hearing, the applicant for release from bond shall have the burden of establishing that his request is in compliance with the applicable State and Federal laws.

(3) The Administrator, or his designate, shall make his decision on the request for release from bond not less than sixty days after the record of the hearing is transcribed.

(4) Any person who is aggrieved by the decision of the Administrator, or his designate, shall have the right of judicial review as provided by this Act.

(5) No bond shall be released except under the provisions of this section.

INSPECTORS

SEC. 118. (a) The Administrator shall determine the number of coal mining inspectors needed to implement this title, and shall appoint them subject to the provisions of title 5 of the United States Code, governing appointments in the competitive service. Each inspector shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to the classification and General Schedule pay rates. The qualification and training provisions of section 505 of the Federal Coal Mine Health and Safety Act of 1969 shall be applicable here.

(b) A coal mining inspector when making any necessary survey and inspection of coal mining operations under this title shall, at the request of the Secretary of the Interior, administer and enforce all Federal coal mine health and safety laws, rules, and regulations and shall perform such other functions as prescribed by the Administrator.

INSPECTIONS

SEC. 119. (a) Inspectors appointed under this title shall visit each surface coal mine operation subject to this title, a minimum of twice monthly, and underground mining operations, a minimum of four times a year, on an irregular basis and without prior notice to the operator or any of his employees. The Administrator shall establish a system of continual rotation of inspectors so that an inspector does not visit the same operations only.

(b) Any inspector shall be admitted to any coal mining operation and shall be allowed to inspect the operation for the purpose of determining compliance with this Act, the rules and regulations of the Administrator, and the terms and conditions of any permit. Each inspector, upon detection of each violation, shall forthwith inform the operator in writing, and shall report in writing any such violation to the Administrator.

The Administrator shall as soon as possible notify the operator by registered mail of each violation and shall include with the notice a list of requirements determined by the Administrator to correct the violation, including the time period within which to meet the requirements. If at the end of the period, the requirement has not been met and the operator continues to fail to comply, the inspector shall notify the Administrator, who shall fix the time and place for a hearing to suspend or revoke the permit of the operator within thirty days of the end of the period. The Administrator shall send notice of the hearing by registered mail to the operator at least ten days before the hearing.

FORFEITURE OF BOND

SEC. 120. The Administrator shall notify the Attorney General of the United States of any forfeiture of performance surety bonds, and the Attorney General of the United States shall collect the forfeiture without delay and deposit it in the fund.

SUCCEEDING OPERATORS

SEC. 121. If an operator succeeds another at any uncompleted operation, by sale, assignment, lease, or otherwise, the Administrator may release the first operator from all liability under this Act only if both operators have complied with the requirements of this Act and the successor operator assumes full liability for stabilization procedures established therefor.

INSPECTION, MONITORING, AND ENTRY

SEC. 122. (a) For the purpose (i) of carrying out the provisions of this Act, or (ii) of determining whether any person is in violation of any provision of this title—

(1) the Administrator may require the operator of any coal mining operation to (A) establish and maintain such records, (B) make such reports, (C) install, use, and maintain such monitoring equipment or methods, (D) sample such emissions (in accordance with such methods, at such locations, at such intervals, and in such manner as the Administrator shall prescribe), and (E) provide such other information as he may reasonably require; and

(2) the Administrator or his authorized representative, upon presentation of his credentials—

(A) shall have a right of entry to, upon, or through any coal mining operation and any premises in which any records required to be maintained under paragraph (1) of this subsection are located, and

(B) may at reasonable times have access to and copy any records, inspect any monitoring equipment or method required under paragraph (1).

(b) Any records, reports, or information obtained under subsection (a) shall be available to the public, except that upon a showing satisfactory to the Administrator by any person that records, reports, or information, or particular part thereof, to which the Administrator has access under this section if made public, would divulge methods or processes entitled to protection as trade secrets of such person, the Administrator shall consider such record, report, or information or particular portion thereof confidential, except that such record, report, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act.

CITIZEN SUITS

SEC. 123. (a) Any person may commence a civil action on his own behalf—

(1) against any person, including (i) the United States, and (ii) any other governmental instrumentality or agency (to the extent permitted by the eleventh amendment to the Constitution), who is alleged to be in violation of this title, or

(2) against the Administrator and the Chief of the Corps of Engineers where there is alleged a failure of the Administrator or the Chief to perform any act or duty under this title which is not discretionary with the Administrator or the Chief.

(b) The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce this title, or to require the Administrator or the Chief to perform such act or duty, as the case may be.

(c) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or the common law to seek enforcement of this title or to seek any other relief, including relief against the Administrator or the Chief or any State agency.

APPEARANCE

SEC. 124. The Administrator shall request the Attorney General to appear and represent him in any civil action instituted under this Act to which the Administrator is a party. Unless the Attorney General notifies the Administrator that he will appear in such action, within a reasonable time attorneys appointed by the Administrator shall appear and represent him.

FEDERAL PROCUREMENT

SEC. 125. (a) No Federal agency may enter into any contract for the procurement of goods, materials, and services with any operator who is convicted of any offense under this title to perform such contract at any coal mining operation at which the violation which gave rise to such conviction occurred. The prohibition in the preceding sentence shall continue until the Administrator certifies that the condition giving rise to such a conviction has been corrected.

(b) The Administrator shall establish procedures to provide all Federal agencies with the notification necessary for the purpose of subsection (a).

(c) In order to implement the purposes and policy of this Act, the President shall, not more than ninety days after enactment of this Act, cause to be issued an order (1) requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of the Act in such contracting or assistence activities, and (2) setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

(d) The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the United States and he shall notify the Congress of such exemption.

(e) The President shall annually report to the Congress on measures taken toward implementing the purpose and intent of this section, including but not limited to the progress and problems associated with implementation of this section.

GENERAL PROVISION RELATING TO ADMINISTRATIVE PROCEEDING; JUDICIAL REVIEW OF REGULATIONS

SEC. 126. (a) For the purposes of obtaining information, or conducting investigations or public hearings under this title, the Administrator may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and he may administer oaths. Upon a showing satisfactory to the Administrator by such owner or operator that such papers, books, documents, or information or particular part thereof, if made public, would divulge trade secrets or secret processes of such owner or operator, the Administrator shall consider such record, report, or information or particular portion thereof confidential, except that such paper, book, document, or information, may be disclosed to other officers, employees or authorized representatives of the United States concerned with carrying out this title, or when relevant in any proceeding under this title. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Administrator to appear and produce papers, books, and documents before the Administrator, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof. A verbatim transcript shall be made of all hearings held pursuant to this title.

(b) (1) A petition for review of action of the Administrator in promulgating any regulation under this title may be held only in the United States Court of Appeals for the District of Columbia. Any such petition shall be filed within thirty days from the date of such promulgation or after such date if such petition is based solely on grounds arising after such thirtieth day.

(2) Action of the Administrator with respect to which review could have been obtained under paragraph (1) shall not be subject to judicial review in civil or criminal proceedings for enforcement.

(c) In any judicial proceeding in which review is sought of a determination under this title required to be made on the record after notice and opportunity for hearing, if any party applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Administrator, the court may order such additional evidence, and evidence in rebuttal thereof) to be taken before the Administrator, in such manner and upon such terms and conditions as to the court may deem proper. The Administrator may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original determination with the return of such additional evidence.

EMPLOYEE PROTECTION

SEC. 127. (a) No person shall discharge or in any other way discriminate against or cause to be discharged or discriminated against any employee of a surface mine or any authorized representative thereof by reason of the fact that such employee or representative (1) has notified the Administrator or his authorized representative of any alleged violation or danger, (2) has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or (3) has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any such employee or representative who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such violation occurs, apply to the Secretary of Labor for a review of such alleged discharge or discrimination. A copy of the Application shall be sent to such person who shall be the respondent. Upon receipt of such application, the Secretary of Labor shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to enable the parties to present information relating to such violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall make findings of fact. If he finds that such violation did occur, he shall issue a decision, incorporating an order therein, requiring the person committing such violation to take such affirmative action to abate the violation as the Secretary of Labor deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative to his former position with back pay. If he finds that here was no such violation, he shall issue an order denying the application. Such order shall incorporate the Secretary's findings therein. Any order issued by the Secretary under this paragraph shall be subject to judicial review in accordance with section 126(b) of this title. Violations by any person of subsection (a) of this section shall be subject to the provisions of section 130 of this title.

(c) Whenever an order is issued under this section, at the request of the applicant, a sum equal to the aggregate amount of all costs and expenses (including the attorney's fees) as determined by the Secretary of Labor to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the person committing such violation.

INJUNCTIVE RELIEF

SEC. 128. In addition to any other remedy at law or in equity under the provisions of this title, the Attorney General of the United States may, at the request of the Administrator, apply to an appropriate United States district court for relief by injunction to enforce compliance with, or restrain violations of, any provisions of this title or any rule, regulation, decision, or order made pursuant thereto.

ACTION FOR DAMAGES

SEC. 129. Any resident of the United States who is injured in any manner through the failure of any operator to comply with the provisions of this title, or of any regulation, order, license, or plan of reclamation issued by the Secretary, may bring an action for damages (including attorney fees) regardless of the amount involved, in an appropriate United States district court.

CIVIL PENALTY

SEC. 130. The operator of a coal mining operation respecting which a violation of any provision of this title or regulation or permit condition occurs shall be assessed a civil penalty by the Administrator of not to exceed $10,000 for each violation. Such penalty shall be applied in the same manner, and under the same procedure, as those penalties under section 109 of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 819).

JUDICIAL REVIEW

SEC. 131. (a) Any order or decision issued by the Administrator under sections 111 and 117 of this Act shall be subject to judicial review in the same manner, following the same procedure, as a decision of the Administrator is subject to judicial review under section 106 of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 816). The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the order or decision of the Administrator.

(b) All notices, orders, and decisions of the Administrator under this title shall be posted in the same manner, under the same procedure, to assure complete access to them by the workers in such mine, as notices, orders, and decisions of the Secretary of the Interior are posted under section 107 of such Act (30 U.S.C. 817).

STATE ENFORCEMENT

SEC. 132. (a) Nothing in this title shall preclude or deny the right of any State or political subdivision thereof to adopt and enforce standards or regulations relating to the conduct of surface and underground coal mining operations and stabilization, except such State or political subdivision may not adopt or enforce any such standard which is less stringent than the corresponding Federal standard or regulation then being enforced under this title in such State by the Administrator, and except further that if any State regulation or standard is more stringent than a corresponding Federal standard or regulation established by or under this title, such State standard or regulation shall not be repealed or changed to conform to the Federal standard or regulation.

(b) The Secretary shall report to the Congress each year on the effectiveness of State legislation with respect to coal mining operations subject to this title.

FALSE STATEMENTS

SEC. 133. Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or by both.

STUDY OF MINING REGULATIONS OR CONTROLS

SEC. 134. The Administrator shall conduct a full and complete study and investigation of regulations or controls that are necessary and appropriate to assure that all mining activities, whether surface mining or below surface mining, of all natural resources in the United States can be carried on efficiently with the least possible damage to the environment in the area affected by such mining operations. He shall report to the Congress the results of such study and investigation, together with any recommendations of the appropriate administrative or legislative actions that should be taken based on his findings, as soon as possible after the date of the enactment of this Act, but in no case later than the end of the eighteen-month period beginning on the date of the enactment of this Act.

EFFECTIVE DATE

SEC. 135. This Act shall take effect six months after its date of enactment, except that the Administrator and the Secretary of Labor shall begin immediately after enactment to prepare and carry out any function which will facilitate prompt and effective administration and enforcement of this Act and funds shall be made available for this purpose.

AUTHORIZATION

SEC. 136. There are authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this title in addition to the sums authorized to be appropriated under section 106 of this title.

TITLE II—ASSISTANCE TO WORKERS

AUTHORITY

SEC. 201. The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this title and shall pay or provide such assistance to applicants who are so entitled.

PART A—READJUSTMENT ALLOWANCES

QUALIFYING REQUIREMENTS

SEC. 210. (a) Payment of a readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the thirtieth day after the date of the enactment of this Act, subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act,

(2) before the expiration of the two-year period beginning on the day on which an individual becomes an "adversely affected worker" as defined in section 247(i).

(c) Such worker shall have had in the one hundred and fifty-six weeks immediately preceding such total or partial separation, at least fifty-two weeks of employment in a coal mine at wages of $15 or more a week, or if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

WEEKLY AMOUNTS

SEC. 211. (a) Subject to the other provisions of this section, the readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 90 per centum of his average weekly wage or to 90 per centum of the average weekly manufacturing wage, whichever is greater.

(b) Any adversely affected worker who is entitled to readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a readjustment allowance in an amount (computed for each week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of readjustment allowance payable to an adversely affected worker under subsection (a) or (b) for any week shall be reduced by any amount of unemployment insurance which he has received with respect to such work.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 221) to a readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of readjustment allowance otherwise payable to him under section 212(a) when he applies for a readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a readjustment allowance and is determined to be entitled to such allowance, a readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (a), and as a readjustment allowance would exceed 85 per centum of his average weekly wage, his readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a readjustment allowance, or

(B) he makes application for a readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 246, to the extent such payment does not exceed the amount of the readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

TIME LIMITATIONS ON READJUSTMENT ALLOWANCES

Sec. 212. (a) Payment of readjustment allowances shall not be made to an adversely affected worker for more than one hundred and four weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than twenty-six additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than thirteen additional weeks to an adversely affected worker who had reached his sixtieth birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a readjustment allowance shall not be paid for a week of unemployment beginning more than three years after the beginning of the appropriate week. A readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than four years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a readjustment allowance following his most recent partial separation.

APPLICATION OF STATE LAWS

Sec. 213. Except where inconsistent with the provisions of this title and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Part B—Training

IN GENERAL

Sec. 220. (a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon readjustment allowances under this title, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this title, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers shall also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $10 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm in order to preserve or restore the employment relationship between the workers and the firm.

(c) The Secretary of Labor is authorized to transfer funds appropriated to carry out this title to other appropriation accounts to be used to defray the costs of providing testing, counseling, training, and placement services under other Federal laws, as authorized by subsection (a).

Part C—Relocation Allowances

RELOCATION ALLOWANCES AFFORDED

Sec. 230. Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this part.

QUALIFYING REQUIREMENTS

Sec. 231. (a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide officer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 211 (c) and (e)), to a readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

RELOCATION ALLOWANCE DEFINED

Sec. 232. For purposes of this subchapter, the term, "relocation allowance" means—

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to three and one-half times the average weekly manufacturing wage.

Part D—General Provisions

AGREEMENTS WITH STATES

Sec. 240. (a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this title, (2) where appropriate, will afford adversely affected workers who apply for assistance under this title testing, counselling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this title.

(b) Each agreement under this part shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this part shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this title.

PAYMENTS TO STATES

Sec. 241. (a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 240(1) the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this title, and (2) the sums reimbursable to a State pursuant to section 211(g). The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter. Sums reimbursable to a State pursuant to section 211(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this part, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this part may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this title.

LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS

SEC. 242. (a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this part, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

RECOVERY OF OVERPAYMENTS

SEC. 243. (a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this title to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amounts by deductions from any allowance payable to such person under this title. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

REVIEW

SEC. 244. Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this title, determinations under this title as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this title, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 245. There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this title in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

DEFINITIONS

SEC. 246. For purposes of this title—

(1) The term "adversely affected worker" means an individual who the Secretary determines, by reason of the requirements of title I, has been totally or partially separated from employment in a surface or underground coal mining operation.

(2) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this title is furnished.

(3) The term "average weekly wage" means one-half of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first four of the last five completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(4) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the fifty-two weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (3).

(5) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 60 per centum or less of his average weekly hours in employment and his wages reduced to 75 per centum or less of his average weekly wage in such employment.

(6) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(7) The term "State agency" means the agency of the State which administers the State law.

(8) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(9) The term "total separation" means the layoff or severance of an individual from employment.

(10) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(11) The term "week" means a week or defined in the applicable State law.

(12) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 per centum of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 per centum or less of his average weekly hours.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT OF 1973 (TO ABOLISH STRIP MINING OF COAL IN THE UNITED STATES)

H.R. 1000, H.R. 2251, H.R. 2677.

Consponsor by States, February 2, 1973

CALIFORNIA

Rep. Glenn M. Anderson (D).
Rep. George E. Brown, Jr. (D).
Rep. James C. Corman (D).
Rep. George E. Danielson (D).
Rep. Ronald V. Dellums (D).
Rep. Don Edwards (D).
Rep. Robert L. Leggett(D.).
Rep. Paul N. McCloskey, Jr. (R).
Rep. John E. Moss (D).
Rep. Thomas M. Rees (D).
Rep. Edward R. Roybal (D).
Rep. Fortney H. Stark (D).
Rep. Lionel Van Deerlin (D).
Rep. Jerome R. Waldie (D).

CONNECTICUT

Rep. William R. Cotter (D).
Rep. Ella T. Grasso (D).

FLORIDA

Rep. Dante B. Fascell (D).
Rep. William Lehman (D).

GEORGIA

Rep. John W. Davis (D).

HAWAII

Rep. Patsy T. Mink (D).

ILLINOIS

Rep. Ralph H. Metcalfe (D).
Rep. Sidney R. Yates (D).

INDIANA

Rep. John Brademas (D).
Rep. J. Edward Roush (D).

MAINE

Rep. Peter N. Kyros (D).

MARYLAND

Rep. Clarence D. Long (D).
Rep. Parren J. Mitchell (D).
Rep. Paul S. Sarbanes (D).

MASSACHUSETTS

Rep. James A. Burke (D).
Rep. Silvio O. Conte (R).
Rep. Harold D. Donohue (D)
Rep. Robert F. Drinan (D).
Rep. Michael Harrington (D).
Rep. Margaret M. Heckler (R).
Rep. John Moakley (D).
Rep. Gerry E. Studds (D).

MICHIGAN

Rep William D. Ford (D).
Rep. Lucien N. Nedzi (D).
Rep. Don W. Riegle, Jr. (D).

MINNESTOA

Rep. Donald M. Fraser (D).
Rep. Joseph E. Karth (D).

NEW JERSEY

Rep. Henry Helstoski (D).
Rep. Charles W. Sandman, Jr. (R).

NEW YORK

Rep. Bella S. Abzug (D).
Rep. Joseph P. Addabbo (D).
Rep. Herman Badillo (D).
Rep. Jonathan B. Bingham (D).
Rep. Shirley Chisholm (D).
Rep. Edward I. Koch (D).
Rep. Norman F. Lent (R).
Rep. Peter A. Peyser (R)
Rep. Otis G. Pike (D).
Rep. Bertram L. Podell (D).
Rep. Charles B. Rangel (D).
Rep. Ogden R. Reid (D).
Rep. Angelo D. Roncallo (R).
Rep. Benjamin S. Rosenthal (D).
Rep. Lester L. Wolff (D).

NORTH CAROLINA

Rep. Richardson Preyer (D).

OHIO

Rep. Thomas L. Ashley (D).
Rep. Charles A. Mosher (R).
Rep. John F. Seiberling (D).
Rep. Louis Stokes (D).
Rep Charles A. Vanik (D).
Rep. Charles W. Whalen, Jr. (D).

PENNSYLVANIA

Rep. William A. Barrett (D).
Rep. Edward G. Biester, Jr. (R).
Rep. Joshua Eilberg (D).

Rep. William J. Green (D).
Rep. William S. Moorhead (D).
Rep. Robert N. C. Nix (D).
Rep. Lawrence G. Williams (R).

SOUTH CAROLINA

Rep. James R. Mann (D).

TENNESSEE

Rep. Richard H. Fulton (D).

TEXAS

Rep. Bob Eckhardt (D).
Rep. Henry B. Gonzalez (D).

WEST VIRGINIA

Rep. Ken Hechler (D).

WISCONSIN

Rep. Les Aspin (D).
Rep. David R. Obey (D).
Rep. Henry S. Reuss (D).

HOUSEHOLD TRASH RECYCLING PROGRAM

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, it was announced recently that a household trash recycling program would be instituted in the St. Louis metropolitan area. One of the major participants in the program is the Granite City Steel Co., Granite City, Ill.

Under the program, Granite City Steel will purchase scrap metal and cans which will be charged into the company's two blast furnaces and made into new steel. This process represents the first on-going program of using cans in the blast furnaces.

Because of the widespread interest in the potential environmental benefits of recycling I include at this point in the RECORD the article in the March 12 edition of the Granite City Press Record concerning this program:

HOUSEHOLD TRASH RECYCLING PROGRAM

(By Gary Schneider)

Granite City Steel Co. has agreed to become one of the major participants in a program for the recycling of household trash from the St. Louis metropolitan area, H. M. "Pete" Love, president of Granite City Steel Co., announced at a press conference in St. Louis Thursday.

Under the program, the steel company will purchase scrap steel and cans from the St. Louis municipal incinerator and will use them to replace a portion of the iron ore normally charged in the two blast furnaces.

Although scrap cans have been used before in the basic oxygen furnace, the program will mark the first "on-going program of using cans in the blast furnaces," Love said. "This will not only save land on which the cans would have to be buried, but will conserve iron ore, a natural resource," he added.

The Granite City Steel participation is only one step in the household trash recycling project announced Thursday. Union Electric Co. in St. Louis is the other major commercial participant.

After the ferrous metals have been removed from the trash, Union Electric will take remaining shredded trash and will burn 10 to 20 tons per day in power plant boilers to produce electricity. The program to "convert our trash to kilowatts" has been operated at Union Electric on an experimental basis since April 1972.

Expansion of the experiment into a full-fledged pilot program was made possible by $520,000 in grants announced yesterday which will add two new pieces of equipment to the process, making both the burnable trash and the ferrous metals easier to recycle for both participating commercial companies.

The two new pieces of equipment are an air classifier which will remove the larger nonburnable pieces from the trash and other a shredder will further process magnetically separated steel cans to meet the size, density and cleanliness requirements for remelting in the Granite City Co. blast furnaces.

Both will be placed in operation at St. Louis' municipal incinerator where the trash is collected, sorted, the metal is shredded for recycling.

The trash is hauled by truck 18 miles to the Union Electric plant and the cars will be brought to Granite City, either by truck or by rail, whichever plan is found to be the most economically feasible.

Under the pilot program, 200 to 300 tons per day of scrap metal and cans will be fed into the blast furnaces by Granite City Steel Co. "We can take more than the tons being provided in the first phase if it is economical," Love said.

"If you could give us 100% of all cans in the St. Louis metropolitan area, we could handle them," he added.

Love told the Press-Record that the company expects to make less profit on steel produced using the cans than using iron ore but it has not been determined how much less. He said the cans are called "contaminated scrap" because they contain tin, mercury and other metals which reduce the refractory life of the company's blast furnaces.

"At present our blast furnaces have a life of about four years, then they cost $10 million to $12 million each to reline," Love indicated. The big question is how much will the use of cans instead of iron ore reduce the life of the furnaces, he said.

"As cans go more to tin free, this will open up the outer limits of what we can do, but either way, we will turn these cans into the finest pieces of Tiffany Steel that we make.

"We think we are going to put out more money than we make from the cans to help the environment. Another reason we are involved is the 'ban the can' legislation now being considered by many states. We feel we have a better way," Love stated.

Participants in Thursday's news conference, besides Love, were Victor Ziegler of Region VII of the Federal Environmental Protection Agency; Richard E. Paret, assistant vice-president of the American Iron and Steel Institute; G. Wayne Sutterfield, City of St. Louis refuse commisisoner, and J. F. McLaughlin, vice-president—power operations for Union Electric Co.

The grants for the new equipment are provided by the EPA, $347,000; the City of St. Louis, $148,000, and the American Iron and Steel Institute, $25,000. St. Louis has agreed to repay a portion of the EPA and AISI funds with revenues generated by the sale of the reclaimed steel cans.

Of the funds provided for the initial phases of the program, the EPA supplied $1,800,000, the city provided $450,000 and Union Electric Co. spent $550,000 on equipment.

Although Mayor A. J. Cervantes of St. Louis was unable to attend, a statement by him was presented to those participating in the program. The statement follows.

"This latest action by government and business working together has importance not only to the people of St. Louis, but to Americans everywhere and to people beyond our borders."

"Perhaps as significant as the pioneering approaches is the fact that the solutions we are creating come from the common concerns and efforts of both the public and the private sectors of our society. The City of St. Louis is pleased that these endeavors are making an important contribution in creating a better environment and in conserving scarce resources,

"We are anxious to share what we are doing and learning—just as we are equally desirous of benefiting from the progress being made by business and government in other parts of the nation in these critical areas that demand the best efforts of everyone "

BOB HARDY, VETERAN NEWSCASTER, PLEADS FOR RESPONSIBLE CITIZENSHIP

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, my good friend Bob Hardy, news director of KMOX radio, the CBS-affiliate in St. Louis, was the speaker at the annual McKendree College Appreciation Dinner held on February 17 in Lebanon, Ill.

While I could not attend the dinner, Dr. Eric N. Rackham, president of McKendree College, furnished me with a copy of Bob Hardy's address. Having read it I heartily commend to the Members of the House. It is one of the best statements I have seen on what this country has experienced in the last 10 years and what this country ought to do in the 1970's.

I include Bob Hardy's remarks at this point in the RECORD:

REMARKS OF BOB HARDY

The end of an era is upon us.

We have enjoyed . . . or hated, as the case may be . . . a decade of almost total irresponsibility. And the end is nigh. We have played with our destiny, our fate, like little children playing with toys . . . like a continuous game of hide and seek . . . with each of us taking a turn at being "it". We've acted as kids on a spree, no limits, no guidelines, no bedtime, no nothing. We've been as drunks on a binge, with money to blow, and booze to buy. But it's time now to grow up . . . it's time now to pay the piper, it's time now to stand up and be counted. It's no longer sufficient, to us personally or us collectively as a society, to sit back and take pleasure in being of the "silent majority". It's no longer acceptable to take and take and take and not put a little something back. The end of an era is upon us.

We have experienced what historians may well describe in some future time, as the making . . . or—depending on what we do now—the breaking . . . of the American people. These past ten years, the decade of the Sick Sixties and their impact into the 70's, have been a melange of broken traditions, of smashed and trampled pride, of glorified permissiveness. These have been the years of arrogance, or lawlessness, of to-hell-with-everything attitudes. This has been the decade of intimidation . . . usually excused with a peer group acceptance of "doing one's thing." These have been the years of militancy, of carelessness, of irresponsibility, and of "if it feels good, do it". No matter who or what that may hurt. Yes, the end of era is upon us.

How *do* you degrade a nation . . . and its people? Or do they do it themselves? That may also be a chore of future historians to decide. For we *are* degraded, not only in the eyes of our global neighbors but frankly, in our own eyes. I care not one iota what the "modernists" say . . . and I'm too young to be old-fashioned. But I *do* yearn for those aspects of a time gone by when good manners and respect for others were part of our national fabric. Don't tell me I'm not "with it", because I cringe at conversations laced with dirty four-letter words. Don't tell me I'm repressing myself and therefore causing myself great emotional anxiety because I don't and won't use that locker-room language in public. Don't tell me I'm not "hip" because I don't use drugs, or because I get a lump in my throat when I see our POWs salute our flag as they finally reach American soil. And don't tell me I'm some kind of right-wing Nazi nut, because I react angrily to those who say our draft dodgers and deserters ought to be given amnesty, and told to come home—that all is forgiven. And please . . . for God's sake, please . . . don't tell me that the whole problem centers on white racism . . . that if we could only solve that problem, we'd be in Utopia. That's a cheap shot, a "big-lie" generalization, and you know it as well as I do, and yet we let it go on and on . . . soaking it in, revelling in the pity and self-righteousness it brings . . . seeking the goat . . . blaming the problem on someone else . . . the mayor, the governor, the president, the government. Blaming . . . *some*body. Yes, the end of an era is upon us.

The time has come, ladies and gentlemen, to be citizens again. Not puppets on a string, not the manipulated, propagandized masses of non-capable thinkers we are so often taken for, by the so-called intellectuals of our society . . . but citizens . . . with all the rights . . . and *all the responsibilities* . . . that entails. And *that's* the word I've been reaching for . . . responsibility. The responsibility that goes with being a citizen. It doesn't mean leaving the decisions to someone else . . . it doesn't mean letting George do it . . . it doesn't mean "if it feels good, do it." It means what it's always meant, fulfilling *your* part of the bargain of a civilized society . . . rights, yes . . . but responsibility, absolutely. Freedom, yes . . . but responsibility, definitely.

Freedom. God, how we have heard of freedom in this past decade. Freedom to do one's thing . . . that, after all, we are told is a God-given right. But I submit to you that there are some personally-accepted responsibilities that go along with those God-given rights. And those responsibilities are the basis of law, the basis of an ordered society. Like it or not, we live in an ordered society, and there simply are certain rules by which we must live if we are to continue as a society. We have to know the limits of our so-called freedoms, simply because our freedoms interlock, and neither of us is more free than the other. . . . The time has come to put a little something back; the end of an era is upon us.

We have been bombarded by the destroyer of our ideals, our traditions. We have succumbed to his propaganda, his mind-molding techniques. We have listened, first with shock and anger, then with dismay, then confusion and self-doubt, then with parroted phrases. We've listened to the big lie so often in this decade, we not only believed it . . . we've repeated it . . . and torn ourselves apart in the process. To what do I refer? The best example I can give you is perhaps the all-encompassing example: The main line, as it were, from which all anti-American, anti-tradition, anti-everything we ever were . . . seems to come. The "shared guilt" complex with which we have all been imbued. The one that says John Kennedy was killed, not by a person, but by our blood-thirsty society. That Martin Luther King was murdered, not by a man, but by our racist society. That the Vietnam War existed not by treaty commitments, but because of our imperialistic society. That crime is high today, not because of new permissive attitudes toward criminals, but because of our violent society. Notice the repetition of the words "our society". And honestly now, how many times have you heard that over and over again? *Why* the criticism of "our society"? Why the criticism of our form of government, our laws, the things which we hold to be tradition and honorable? Why indeed?

Well, perhaps Richard Evans had the right idea. In one of his "Thought for the Day" broadcasts on KMOX Radio he wrote:

"It is a puzzling paradox that often those who enjoy the fruits of freedom work against the very freedom which has given them privilege and protection. Why should it be so?

"There may be many answers. And one answer may be that some people really don't know when they are well off. They are the chronic malcontents. It wouldn't matter what way of life they were privileged to partake of, they would always be dissatisfied and against whatever is. There are people like that, and it doesn't appear that anyone has ever been able to account for them.

"Then there are those who are sincerely deceived, those who accept the false assumptions of others, who haven't seen the whole picture, who haven't projected the pattern to its ultimate conclusion. Then there is another class of people who advocate the abolition of freedom, and who are not to be taken lightly.

"When they speak of leveling and regimenting men, they never see themselves as being leveled or regimented. They see themselves in preferential positions, as the leaders of movements. They see themselves not as of the mass of men, but as movers of the masses; not as being controlled, but as those who do the controlling.

"They may be sincere in believing that the failure of freedom would be a good thing, because, as they see it, it would not be their freedom that would be forfeited, but the freedom of others. They may reason that they have little to lose. If they win they will be masters. But if they fail in their fight against freedom, they will claim the privileges and protection of freedom. And free men in a free land will be lenient with them—or so they suppose."

Now it's true that this may be sheer conjecture . . . that we're battling windmills with this kind of theory. But frankly, I doubt it. I think we've been so negative for so long, that it's become a way of life. I think we've wallowed in faddist theology so much that we've begun to believe every contradiction that comes along . . . simply because it is a contradiction. I think we grab on to every cause that comes down the pike, because that's what we believe our society expects of us. And I believe that the reasons for our actions have been replaced by excuses for our actions. Abortions, birth control devices for kids, methadone maintenance for addicts, legalized marijuana, anti-hero worship. "Yes, yes", we cry out in great tumult. "It is our right—our civil right—our social right—our Constitutional right." Why doesn't someone cry out just as loudly . . . just once . . . "Bull"?! Why doesn't somebody, just once, challenge all this rhetoric? Why doesn't somebody, just once, label it for what it is . . . a copout? Let's face it. It's easier to break the law than to live within it. It's easier to break tradition than it is to live up to it. It's easier to be irresponsible, crude and ill-mannered, than it is to live up to our human potential. And it's easier to find excuses for all this, than it is to stand up for what we believe in. That's why all this is a cop-out . . . it's easier. And the lack of discipline as we see it today is a self-fulfilling prophecy. It feeds on itself . . . to the point where today we don't know whether lack of discipline is the cause . . . or the effect of our so-called progressive way of life. Are we more cynical and pessimistic today because society expects that of us, or is our society the negative environment it is, because we are more cynical and pessimistic. No matter, the net result is the same. Our kids rebel with drugs, beards, long hair, mouths and minds of filth . . . all geared to shock. We adults respond in much the same way with our own rebellion. Against laws and concepts and beliefs. We play with abortion, women's lib, religion, the occult, astrology . . . yes, play with it because change, we are told, is necessary. And change, translated to today's society, means breaking up, tearing down, anything that gives real meaning and depth to our lives. Replace, we are told . . . and I ask you, replace with what? Another fad, another answer that will last only until the next contradiction comes along? Do we really want to continue this way? Or has the end of an era really come?

We've been told over and over again that all the sickness of the 1960's has been attributed to the Vietnam War. The unholy war, the inhumane war, the undeclared war, the unjust war, the immoral war. Our great national discontent with that war was, we were told over and over again, the basis for everything we found wrong with the country. Well, the war is over. And the end of an era is here. Or is it? Is it really? Have we been so negative for so long that we no longer need a reason, for our sick cynicism? Or will the dissidents, to whom we give honor and glory, come up with a new excuse for villifying this country and its people . . . and will we accept that too? I have heard and seen and read news stories for months now, about the returning POW's, about how they would speak out against the war, about how they would criticize our involvement in Vietnam, about how they would be coming home, quitting the military, and joining the forces for change within our country, speaking out eloquently about how rotten and sick our nation has become. Well, it hasn't happened, and it looks like the media and the Jane Fondas are going to have to get a new approach. They will, I can guarantee that . . . but what worries me most is, will we—the citizens of this nation—rise to the bait again? Will we again look for *excuses* to dismiss our own inadequacies, rather than attempting to grow to something better? Will we again undermine our basic principles, rather than restore those beliefs of our lineage, and build on them? The end of an era poses some difficult questions. And I have some thoughts I'd like to share with you. I think it's time for an honest re-evaluation. And by that I mean a *personal* re-evaluation. I think it's time we all . . . each and everyone in a quiet and reflective way . . . looked deep inside ourselves and determined once and for all what it is we *really* believe. Not what some TV news analyst says we believe, not what some newspaper columnist says we believe, not what some wild-eyed radical says we believe, not what the propagandists and mind-molders, and cause-oriented headline grabber says we believe . . . but what we, personally, believe.

And with that thought in mind, some resolutions if you will. Let's from this point on, de-emphasize the negative aspects of our lives . . . as fashionable as it may seem to be these days to be critical of everything. Let's take the glamour out of being a dissenter; let's take the floodlights and cameras and tape recorders away from the agitators. We've *always* had agitators, but by God, we've never given them so much prime-time publicity as we have in recent years. Let's resolve to talk up instead of down. Granted, let's retain the right to criticize, to point up our own shortcomings, but let's stop this constant carping about every little thing that comes along. Let's stop this self-flagellation, this shared-guilt concept with which we've all been apparently brainwashed. By God, we must be doing something right. We have the highest productivity in the world, the greatest wealth, the most opportunities of any country in the world—past, present, or in the foreseeable future. Let's resolve to help the lowest up, rather than pull the highest down. Standards can be raised as well as lowered, you know. Let's be positive for a change. Let's concentrate for a change on what we *are* . . . rather than what some few misguided misfits *say* we are, and *let's stop* apologizing for it. Let's begin to recognize intimidation for what it is, a cheap threat designed to induce fear. And let's begin to recognize the *source* of that intimidation for what *it* is: the sick pronouncements of some self-appointed, antisocial malcontent who looks for excuses to justify his existence, and followers to give image and credence to his cause. We've played that game for a decade, we've copped out, we've allowed ourselves to be had, and in the course of it all, we've almost destroyed ourselves. And now, the era is passed.

Now it's time for one last, major decision. Our decision, to be made personally, and collectively: This is either the end of an era, or as I see it, the beginning of the end of a great nation. No more excuses; no more reasons, real or imagined. It's decision time, and we can't have it both ways.

Thank you.

FEDERAL LIBRARY AID

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, among the proposed budgetary victims of the Nixon administration is Federal aid to public libraries. I am taking this opportunity of bringing to my colleagues' attention the March 7 editorial that appeared in the Edwardsville, Ill., Intelligencer pointing out the deficiencies in the administration's justification for this action:

Federal Library Aid Is Important

One of the areas President Nixon would have his budgetary axe fall is on federal aid to public libraries.

That amounts to about $140 million a year. That averages about seven percent of the annual budget of U.S. libraries.

If Congress accepts President Nixon's proposal there would be no library aid appropriation beginning July 1.

About $100 million has been appropriated for library aid but not yet distributed.

The administration says libraries no longer need federal aid. According to the administration, libraries are not a federal concern and libraries willing to lobby for local federal revenue-sharing funds can still obtain federal aid.

Effective arguments against these contentions build a good case for a continuing of federal aid to libraries.

First, it is not true that federal aid—as a stimulus to state and local library aid—has brought libraries within the reach of all Americans.

Rural Americans can testify to that fact. An American Library Association survey indicates 20 million Americans do not have library facilities in their communities.

One obvious reply to that point is that many of those communities are not large enough to support a library. That is true. But expanding library book loan services or increasing the number of mobile book libraries can solve that problem.

However, such activities conflict with many libraries' taxing and service boundaries. That relates to the second argument that the federal government has no role in supporting libraries.

Most librarians point out that the majority of patrons' calls are for about 10 per cent of the books.

Development of more regional systems to circulate the other 90 per cent of books, rather than have each library attempt to stock them would be a more efficient and economic use of library resources.

Efforts such as that are obviously beyond the capacities of local and sometimes even state governments. It is a fertile area for the federal government.

Another point to consider is that federal aid to libraries, while averaging only about seven per cent of the library's annual budget, is a crucial amount of money.

Local library funding, heavily dependent on property taxes, usually is for the bare minimum cost of operation and stocking books everyone might want to read.

The federal money often goes for services that local government are often wary of funding—such as controversial books, services for non-readers and ghetto areas.

Most libraries cannot compete with other institutions for revenue-sharing funds.

Libraries are not usually thought of as "priority" funding areas alongside police and fire protection, tax relief and street and sewer repair—at least not until an individual needs information.

OEO HAS TO GO

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, it has come to my attention that OEO funds during the last Presidential election were used for political purposes in violation of the Economic Opportunity Act of 1964 as amended.

The Mercer County, Ohio, Community Action Commission's acting director, Mr. Lee Cass, has stated that he approved a "turn out the voter" program last November 7. He stated that employees would transport voters to the polls in their private automobiles, and his OEO-funded agency would reimburse each employee for mileage.

Such a proposal on the surface appears to be in the great American tradition of democracy and the open election.

The employees of the Mercer County Community Action Commission, however, are governed by the rules of their employer during working hours. The Economic Opportunity Act of 1964 therefore governs their actions. This act prohibits the expenditures of public money for political purposes.

To quote the act under title VI, part A, section 603(b) —

> Programs assisted under this Act shall not be carrieed on in a manner involving the use of program funds. The provision of services, or the employment of assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or non-partisan political activity or any other political activity associated with a candidate or contending partisan group, in an election for public or party office (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election.

The act therefore clearly states that no employee of OEO can provide transportation in any form to voters during an election.

This situation is just one more example of how employees of OEO used public funds for their own individual and particular political adventures. Such activities took funds away from the poor and directed them toward political causes which had very little, if any, effect on the day-to-day living conditions of the poor.

Situations such as this greatly support the President's program to restructure OEO.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Brinkley), to revise and extend their remarks, and to include extraneous matter:)

Mr. O'Neill, today, for 5 minutes.

Mr. Flood, today, for 30 minutes.

Mrs. Griffiths, today, for 5 minutes.

Mr. Gonzalez, today, for 5 minutes.

Mr. Rose, today, for 5 minutes.

Mr. James V. Stanton, today, for 30 minutes.

Mr. Fraser, today, for 5 minutes.

Mr. McFall, today, for 5 minutes.

Mr. Rosenthal, on March 20, for 60 minutes.

Mr. Mills of Arkansas, on March 21, for 60 minutes.

Mr. St Germain, for 5 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Holifield, for 5 minutes, today.

Mr. Denholm, for 60 minutes, March 21.

(The following Members (at the request of Mr. Symms) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 30 minutes, today.

Mr. Blackburn, for 5 minutes, today.

Mr. Brown of Ohio, for 5 minutes, today.

Mr. Symms, for 5 minutes, today.

Mr. Veysey, for 5 minutes, today.

Mr. Abdnor, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rosenthal, to revise and extend his remarks and to include extraneous matter in the body of the Record, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $3,230.

Mr. Hechler of West Virginia, to revise and extend his remarks and to include extraneous matter in the body of the Record, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,252.50.

(The following Members (at the request of Mr. Hunt), and to include extraneous matter:)

Mr. Steiger of Wisconsin in four instances.

Mr. McKinney.

Mr. Scherle in 10 instances.

Mr. Wyman in two instances.

Mr. Hunt in three instances.

Mr. Symms in two instances.

Mr. Cederberg.

Mr. Robert W. Daniel, Jr.

Mr. Whitehurst.

(The following Members (at the request of Mr. Symms) and to include extraneous material:)

Mr. Nelsen.

Mr. Cochran.

Mr. Railsback in five instances.

Mr. TAYLOR of Missouri in two instances.

Mr. CONTE.

Mr. HUBER.

(The following Members (at the request of Mr. BRINKLEY) and to include extraneous matter:)

Mrs. CHISHOLM.

Mr. ROSE in six instances.

Mr. MOAKLEY in two instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. CORMAN.

Mr. FAUNTROY in 10 instances.

Mr. ROY.

Mr. MANN in 10 instances.

Mrs. SCHROEDER.

Mr. MCKAY in two instances.

Mr. THOMPSON of New Jersey.

Mr. O'NEILL.

Mr. EILBERG in 10 instances.

Mr. DRINAN in two instances.

Mr. EDWARDS of California in two instances.

Mr. MOORHEAD of Pennsylvania in 10 instances.

Mr. JONES of Alabama.

Mr. ROSENTHAL in five instances.

Mr. COTTER.

Mr. DENT.

Mr. FULTON.

Mr. ECKHARDT in two instances.

Mr. DULSKI in five instances.

Mr. TAYLOR of North Carolina.

Mr. CHAPPELL.

Mr. HARRINGTON in two instances.

Mr. BINGHAM in two instances.

Mr. WILLIAM D. FORD in two instances.

Mr. PICKLE in five instances.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4278. An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

SENATE BILLS AND JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills and joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 84. An act for the relief of Mrs. Naoyo Campbell; to the Committee on the Judiciary.

S. 89. An act for the relief of Kuay Ten Chang (Guay Hong Chang); to the Committee on the Judiciary.

S. 278. An act for the relief of Manuela C. Bonito; to the Committee on the Judiciary.

S. 280. An act for the relief of Leonor Lopez; to the Committee on the Judiciary.

S. 464. An act for the relief of Guido Bellanca; to the Committee on the Judiciary.

S. 502. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

S. 537. An act for the relief of Mary Danos Nayak; to the Committee on the Judiciary.

S. 666. An act for the relief of Slobodan Babic; to the Committee on the Judiciary.

S.J. Res. 11. Joint resolution to pay tribute to law enforcement officers of this country on Law Day, May 1, 1973; to the Committee on the Judiciary.

S. Con. Res. 13. Concurrent resolution authorizing the printing of additional copies of Senate hearings on the sudden infant death syndrome; to the Committee on House Administration.

ADJOURNMENT

Mr. BRINKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 13 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 20, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

589. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report of independent research and development and bid and proposal costs covering fiscal year 1972, pursuant to section 203(c) of Public Law 91-441 (10 U.S.C. 2358, note); to the Committee on Armed Services.

590. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a supplement to the report of independent research and development and bid and proposal costs for fiscal year 1972; to the Committee on Armed Services.

591. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to strengthen education by consolidating certain elementary and secondary education grant programs through the provision of a share of the revenues of the United States to the States and to local educational agencies for the purpose of assisting them in carrying out education programs reflecting areas of national concern; to the Committee on Education and Labor.

592. A letter from the Acting Director of ACTION, transmitting a draft of proposed legislation to authorize appropriations for ACTION, and for other purposes; to the Committee on Education and Labor.

593. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend acts entitled "An Act authorizing the Secretary of the Interior to arrange with States and Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", and "To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes" and for other purposes; to the Committee on Interior and Insular Affairs.

594. A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act to provide for continuing authorization for appropriations; to the Committee on Interior and Insular Affairs.

595. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices; to the Committee on Interstate and Foreign Commerce.

596. A letter from the Secretary of Transportation, transmitting a report on intercity rail passenger service, pursuant to section 806 of the Rail Passenger Service Act of 1970, as amended (45 U.S.C. 645); to the Committee on Interstate and Foreign Commerce.

597. A letter from the Chairman, Federal Power Commission, transmitting a copy of a map entitled "Principal Electric Facilities in the United States, 1972"; to the Committee on Interstate and Foreign Commerce.

598. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Statistics of Privately Owned Electric Utilities in the United States, 1971"; to the Committee on Interstate and Foreign Commerce.

599. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of January 31, 1973, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

600. A letter from the Chief Justice of the United States, transmitting a list of members designated to serve on the Commission on Revision of the Federal Court Appellate System of the United States in accordance with the provisions of Public Law 92-489; to the Committee on the Judiciary.

601. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

602. A letter from the Secretary of Commerce, transmitting the Annual Report of the Maritime Administration for fiscal year 1972, pursuant to section 208 of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

603. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Environmental Quality, and for other purposes; to the Committee on Merchant Marine and Fisheries.

604. A letter from the Norfolk District Engineer, Corps of Engineers, Department of the Army, transmitting a copy of the final environmental impact statement for the Gathright Lake project in Virginia; to the Committee on Public Works.

605. A letter from the Chairman, Technology Assessment Board, Congress of the United States, transmitting the First Annual Report of the Congressional Office of Technology Assessment, pursuant to section 11 of Public Law 92-484; to the Committee on Science and Astronautics.

606. A letter from the Administrator of Veterans' Affairs, transmitting a report on cases involving administrative error in which equitable relief was granted during calendar year 1972, pursuant to 38 U.S.C. 210(c)(3)(B); to the Committee on Veterans' Affairs.

607. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend chapter 39 of title 38, United States Code, to provide the same eligibility criteria for automobiles and adaptive equipment for Vietnam era veterans as are applicable to veterans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

608. A letter from the Secretary of Labor, transmitting a report on the impact of extending unemployment insurance coverage to agricultural labor; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

609. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during February 1973, pursuant to 31 U.S.C. 1174; to the Committee on Government Operations.

610. A letter from the Comptroller General of the United States, transmitting a

report on U.S. interests and activities in Nepal; to the Committee on Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4, of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 5768. A bill to add a new title XX to the Social Security Act to provide for a minimum annual income of $3,750 in the case of single individuals and $5,000 in the case of married couples; to the Committee on Ways and Means.

By Mr. ASHLEY (for himself, Mr. St Germain, and Mr. Rees):

H.R. 5769. A bill to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand; to the Committee on Banking and Currency.

By Mr. ASPIN:

H.R. 5770. A bill to provide for election reform; to the Committee on House Administration.

By Mr. BROYHILL of Virginia:

H.R. 5771. A bill to provide for the restoration of medical and dental care to military widows whose remarriage has been terminated; to the Committee on Armed Services.

H.R. 5772. A bill to amend section 8332, title 5, United States Code, to provide for the inclusion in the computation of accredited services of certain periods of service rendered States or instrumentalities of States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL (for himself, Mr. Frey, Mr. Haley, Mr. Sikes, Mr. Fuqua, Mr. Bennett, Mr. Gunter, Mr. Young of Florida, Mr. Gibbons, Mr. Bafalis, Mr. Rogers, Mr. Burke of Florida, Mr. Lehman, Mr. Pepper, and Mr. Fascell):

H.R. 5773. A bill to establish the Spessard L. Holland National Seashore in the State of Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DIGGS:

H.R. 5774. A bill to require the President to notify the Congress whenever he impounds funds, or authorizes the impounding of funds, and to provide a procedure under which the House of Representatives and the Senate may disapprove the President's action and require him to cease such impounding; to the Committee on Rules.

By Mr. DOWNING (for himself, Mr. Whitehurst, Mr. Jones of North Carolina, Mr. Jones of Alabama, Mr. Pepper, and Mr. Fascell):

H.R. 5775. A bill to direct the Secretary of Health, Education, and Welfare to continue to operate and maintain the hospitals and other health care delivery facilities of the Public Health Service to assure that persons entitled to care and treatment at such facilities will continue to receive care and threatment there; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNING (for himself, Mr. Wydler, and Mr. Eckhardt):

H.R. 5776. A bill to amend the Merchant Marine Act, 1936, to expand the mission of the U.S. Merchant Marine Academy and to change the name of the Academy to reflect the expanded mission; to the Committee on Merchant Marine and Fisheries.

By Mr. ECKHARDT (for himself and Mr. Moss):

H.R. 5777. A bill to protect hobbyists against the reproduction or manufacture of certain imitation hobby items and to provide additional protections for American hobbyists; to the Committee on Interstate and Foreign Commerce.

By Mr. EVINS of Tennessee:

H.R. 5778. A bill to provide for extra compensations to members of the Armed Forces of the United States who have been held as prisoners of war; to the Committee on Veterans' Affairs.

H.R. 5779. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of small business investment companies and shareholders in such companies; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 5780. A bill to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5781. A bill to further the purposes of the Wilderness Act of 1964 by designating certain lands for inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5782. A bill to amend title 38 of the United States Code to provide that the proceeds of National Service Life Insurance and U.S. Government Life Insurance be paid, under certain circumstances, to the estate of the insured if payment thereof to the estate of the beneficiary would escheat; to the Committee on Veterans' Affairs.

H.R. 5783. A bill to amend chapter 35 of title 38 of the United States Code to provide educational assistance thereunder to war orphans and widows for farm cooperative training; to the Committee on Veterans' Affairs.

H.R. 5784. A bill to amend titles 37 and 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age 60, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON (for himself, Ms. Abzug, Mr. Badillo, Mr. Burton, Mrs. Chisholm, Mr. Cronin, Mr. de Lugo, Mr. Drinan, Mr. Eilberg, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Miss Jordan, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of New York, and Mr. Nedzi):

H.R. 5785. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. Owens, Mr. Price of Illinois, Mr. Podell, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Sarbanes, Mrs. Schroeder, Mr. Stokes, Mr. Stark, Mr. Tiernan, Mr. Waldie, Mr. Wolff, Mr. Won Pat, and Mr. Yatron):

H.R. 5786. A bill to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HICKS:

H.R. 5787. A bill to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces; to the Committee on Armed Services.

By Mr. HUTCHINSON.

H.R. 5788. A bill to amend the National Flood Insurance Act of 1968 to extend coverage under the flood insurance program to include losses from the erosion and undermining of shorelines by waves or currents of water; to the Committee on Banking and Currency.

H.R. 5789. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HUTCHINSON (for himself and Mr. Vander Jagt):

H.R. 5790. A bill to amend title 28, United States Code, to permit the U.S. District Court for the Western District of Michigan to hold court at Muskegon, Mich.; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself and Mrs. Burke of California):

H.R. 5791. A bill to provide that certain meetings of each Government agency and each congressional committee shall be open to the public, and for other purposes; to the Committee on Rules.

By Mr. KETCHUM (for himself and Mr. Collier):

H.R. 5792. A bill to amend the Internal Revenue Code of 1954 to provide that amounts paid to certain related individuals shall be allowable as a deduction under the provision permitting a deduction for dependent care service necessary for gainful employment; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Annunzio, Mr. Bevill, Mr. Brooks, Mr. Clay, Mr. Donohue, Mr. Duncan, Mr. Findley, Mr. Frenzel, Mrs. Green of Oregon, Mr. Gunter, Mr. Hays, Mr. Heinz, Mr. Holifield, Mrs. Holt, and Mr. Hungate):

H.R. 5793. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. McCollister, Mr. Moorhead of California, Mr. Murphy of Illinois, Mr. Owens, Mr. Quie, Mr. Reid, Mr. Riegle, Mr. Robison of New York, Mr. Roncallo of New York, Mr. Roy, Mr. Ryan, Mr. Sarbanes, Mr. Shoup, Mr. Steele, Mr. Thompson of New Jersey, Mr. Treen, and Mr. Whitehurst):

H.R. 5794. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 5795. A bill to amend title 32, United States Code, to provide that Army and Air Force National Guard technicians shall not be required to wear the military uniform while performing their duties in a civilian status; to the Committee on Armed Services.

H.R. 5796. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MADIGAN:

H.R. 5797. A bill to amend chapter 15 of title 38, United States Code, to provide for the payment of pension of $125 per month to World War I veterans, subject to a $2,400 and $3,600 annual income limitation; to provide that retirement income such as social security shall not be counted as income; to provide that such pension shall be increased by 10 percent where the veteran served overseas during World War I; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 5798. A bill to provide for project grants for the development and demonstration of programs for rehabilitative and habilitative care of the aged, blind, and disabled patients of long-term health care facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Texas:

H.R. 5799. A bill to amend the Agricultural Act of 1970; to the Committee on Agriculture.

By Mr. RAILSBACK:

H.R. 5800. A bill to provide price support for milk at not less than 85 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. RAILSBACK (for himself and Mr. Cohen):

H.R. 5801. A bill to amend title 28, United States Code, to prohibit Federal judges from receiving compensation other than for the performance of their judicial duties, except in certain instances, and to provide for the disclosure of certain financial information; to the Committee on the Judiciary.

By Mr. RARICK (for himself, Mr. Rangel, Mr. Evins of Tennessee, Mr. Denholm, Mr. Bevill, Mr. Del Clawson, Mr. Danielson, Mr. Ware, Mr. Cronin, Mr. Moorhead of California, Mr. Price of Illinois, Mr. Dulski, Mr. Fulton, Mr. Melcher, Mr. Roncallo of New York, Mr. Quillen, Mr. Rose, and Mrs. Burke of California):

H.R. 5802. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 5803. A bill to stabilize prices; to the Committee on Banking and Currency.

By Mr. RINALDO:

H.R. 5804. A bill to amend the Internal Revenue Code of 1954 to provide for the licensing of, and for certain other regulations with respect to, persons in the business of preparing tax returns; to the Committee on Ways and Means.

By Mr. ROGERS:

H.R. 5805. A bill to amend Public Law 91-508 to limit the disclosure of bank records by financial institutions, and for other purposes; to the Committee on Banking and Currency.

H.R. 5806. A bill to provide for the appointment of two additional district judges for the Southern District of Florida; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 5807. A bill to amend the Federal Unemployment Tax Act to provide that in the case of maritime service on American vessels unemployment compensation shall be computed and paid under the laws of the State in which the individual resides; to the Committee on Ways and Means.

By Mr. JAMES V. STANTON:

H.R. 5808. A bill to amend the Public Works and Economic Development Act of 1965 to establish a program to assist municipalities and businesses in urban industrial development, and for other purposes; to the Committee on Public Works.

By Mr. STEED (for himself, Mr. Camp, Mr. Jarman, and Mr. McSpadden):

H.R. 5809. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Sac and Fox Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5810. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Sac and Fox Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEIGER of Wisconsin:

H.R. 5811. A bill to provide that respect for an individual's right not to participate in abortions contrary to conscience be a requirement for hospital eligibility for Federal financial assistance; to the Committee on Interstate and Foreign Commerce.

H.R. 5812. A bill to amend the Internal Revenue Code of 1954 to increase, over a 3-year period, the corporate surtax exemption from $25,000 to $100,000; to the Committee on Ways and Means.

By Mr. STEIGER of Wisconsin (for himself, Mr. Eilberg, Mr. Harrington, Mr. McDade, Mr. Madigan, Mr. Mazzoli, Mr. Podell, Mr. Preyer, Mr. Roybal, Mr. Stokes, Mr. Veysey, Mr. Won Pat, and Mr. Young of Illinois):

H.R. 5813. A bill to provide postservice educational benefits for those who have participated in community service programs; to the Committee on Education and Labor.

By Mr. SYMMS:

H.R. 5814. A bill to amend the Wild and Scenic Rivers Act to remove the St. Joe River in the State of Idaho from consideration for designation as a wild and scenic river; to the Committee on Interior and Insular Affairs.

By Mr. THORNTON:

H.R. 5815. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Camden, Ark., for airport purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VEYSEY:

H.R. 5816. A bill to amend section 142 of title 23 of the United States Code relating to urban highway public transportation; to the Committee on Public Works.

By Mr. VEYSEY (for himself and Mr. Coughlin):

H.R. 5817. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance under the veterans' pension and compensation programs or any other Federal or federally assisted program) will not have the amount of such aid or assistance reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WINN:

H.R. 5818. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. ROGERS:

H.J. Res. 441. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. RODINO:

H. Con. Res. 156. Concurrent resolution to provide for the printing of 1,000 additional hearings entitled "Corrections, Federal and State Parole Systems", parts VII-A and VII-B, Serial 15, 92d Congress; to the Committee on House Administration.

By Mr. TREEN:

H. Con. Res. 157; a resolution relating to the U.S. fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. CRANE (for himself, Mr. Rarick, Mr. Burgener, Mr. Casey of Texas, Mr. Goodling, Mr. Henderson, Mr. Hinshaw, Mr. Myers, Mr. Shoup, and Mr. Taylor of Missouri):

H. Res. 314. Resolution to authorize the sale of U.S. gold to American citizens; to the Committee on Banking and Currency.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

85. By the SPEAKER: Memorial of the Legislature of the State of South Carolina, relative to a Federal forestry incentives program; to the Committee on Agriculture.

86. Also memorial of the Legislature of the State of Oklahoma, relative to Americans who fought in Vietnam; to the Committee on Armed Services.

87. Also, memorial of the Legislature of the State of Maine, relative to a full accounting of prisoners of war and persons missing in action; to the Committee on Foreign Affairs.

88. Also, memorial of the Legislature of the Territory of Guam, relative to the public indebtedness of Guam; to the Committee on Interior and Insular Affairs.

89. Also, memorial of the Legislature of the State of Oklahoma, relative to the content of television programs; to the Committee on Interstate and Foreign Commerce.

90. Also, memorial of the Senate of the State of Arizona, relative to restrictions on sale of certain ammunition; to the Committee on the Judiciary.

91. Also, memorial of the Legislature of the State of Idaho, requesting Congress to propose an amendment to the Constitution of the United States reaffirming the right of the various States to regulate abortions; to the Committee on the Judiciary.

92. Also, memorial of the Legislature of the State of Maine, requesting Congress to propose an amendment to the Constitution of the United States relative to abortion; to the Committee on the Judiciary.

93. Also, memorial of the Legislature of the State of Mississippi, requesting Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States relative to voluntary prayer in public buildings; to the Committeee on the Judiciary.

94. Also, memorial of the Legislature of the State of Nebraska, withdrawing its ratification of the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

95. Also, memorial of the Legislature of the State of Tennessee, relative to the observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

96. Also, memorial of the Legislature of the State of Alaska, relative to Federal highway trust funds; to the Committee on Public Works.

97. Also, memorial of the legislature of the State of Idaho, relative to size and weight limitations on trucks on the Interstate Highway System; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON:

H.R. 5819. A bill for the relief of Basilia Bravo Gigante; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 5820. A bill for the relief of Lucie Stein; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

65. By the SPEAKER: Petition of the Congress of Micronesia, Trust Territory of the Pacific Islands, relative to granting the Congress of Micronesia a role in the selection of the High Commissioner of Micronesia; to the Committee on Interior and Insular Affairs.

66. Also, petition of Steny H. Hoyer and 32 other members of the Maryland State Senate, Annapolis, Md., relative to school busing; to the Committee on the Judiciary.

67. Also, petition of Ernest L. Fulford, Pawtucket, R.I., and others, relative to protection for law enforcement officers sued for damages in Federal court resulting from the performance of their duties; to the Committee on the Judiciary.

68. Also, petition of S. Leon Levy, Washington, D.C., relative to amending the Rules of the House of Representatives; to the Committee on Rules.

69. Also, petition of the council of the city and county of Honolulu, Hawaii, relative to protection of Hawaiian pineapple production; to the Committee on Ways and Means.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

> (b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the fourth calendar quarter 1972:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees*. An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Randolf H. Aires, 12. . Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., 925 South Homan Avenue, Chicago, Ill. 60607.

A. American Academy of Family Physicians, 215 Volker Boulevard, Kansas City, Mo. 64112.

A. American Physicists Association, P.O. Box 19343, Washington, D.C. 20036.

A. Judith A. Assmus, 1763 R Street NW., Washington, D.C. 20009.

B. Washington Research Project Action Council, 1763 R Street NW., Washington, D.C. 20009.

A. Nicholas R. Bach, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint and Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

A. Donald Baldwin, Donald Baldwin Associates, 1625 I Street NW., Washington, D.C. 20006.

A. Berl Bernhard, 1660 L Street NW., Washington, D.C.

B. The Common Fund, 635 Madison Avenue, New York, N.Y. 10022.

A. Lawrence E. Bruce, Jr., 1125 15th Street N.W., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

A. Marguerite E. Bryan, 400 First Street NW. Suite 700, Washington, D.C. 20001.

B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, 400 First Street NW., Suite 700, Washington, D.C. 20001.

A. Robert D. Buehler, 1800 K Street NW., Suite 929, Washington, D.C. 20006.

B. The B. F. Goodrich Co., Akron, Ohio 44318

A. Business-Consumer Protection Bureau, 624 Market Street, McKeesport, Pa.

A. Monroe Butler, 1801 Avenue of the Stars, Suite 1106, Los Angeles, Calif. 90067.

B. The Superior Oil Co., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

A. R. Michael Cole, 2100 M Street NW., Washington, D.C. 20037.

B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.

A. Charles F. Cook, Jr., 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Mitchell J. Cooper, 1001 Connecticut Ave., Washington, D.C. 20036.

B. Uniroyal, Inc., Naugatuck, Conn., Converse Rubber Co., Malden, Mass.

A. Council for the Advancement of the Psychological Professions & Sciences, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. W. J. Crawford, Post Office Box 2180, Houston, Tex. 77001.

B. Exxon Co., U.S.A., Post Office Box 2180, Houston, Tex.

A. David H. Dabney, 724 14th Street NW., Apt. No. 338, Washington, D.C. 20005.

B. Mass Participation Lobbyists Association, 724 14th Street NW., Apt. No. 338, Washington, D.C. 20005.

A. Thomas A. Daly, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C.

B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Marcia K. Docter, 1707 H Street NW., Washington, D.C. 20006.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Norman E. Duncan, 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. J. Frederick Durr, 1900 South Eads Street, Box 836, Crystal City, Arlington, Va. 22202.

B. National Association of Farmer Elected Committeemen, 1900 South Eads Street, Box 836, Crystal City, Arlington, Va. 22202.

A. Russell G. Ernest, 1025 Connecticut Avenue NW., Apt. No. 1014, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Penelope S. Farthing, 1616 H Street, NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

A. Martin E. Firestone, Finkelsteon & Firestone, 1725 K Street NW., Suite 703, Washington, D.C. 20006.

A. Carl J. Fleps, 1000 16th Street NW., Washington, D.C. 20036.

B. The Greyhound Corp., Greyhound Tower, Phoenix, Ariz. 85077.

A. John David Hancock, 245 Second Street NE., Washington, D.C. 20002.

B. National Council To Repeal the Draft, 245 Second Street NE., Washington, D.C.

A. Barbara W. Harris, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Otto R. Harrison, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Exxon Co., U.S.A., Post Office Box 2180, Houston, Tex.

A. Sidney G. Hawkes, 800 17th Street NW., Suite 501, Washington, D.C. 20006.

B. The Mead Corp., 118 West First Street, Dayton, Ohio 45402.

A. Dale Curtis Hogue, 1100 17th Street NW., Washington, D.C. 20036.

B. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif. 91734.

A. Richard P. Hunt, 7618 Hanley Road, Tampa, Fla. 33614.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Janice C. Johnson, 1625 I Street NW., Washington, D.C.

B. American Osteopathic Association, 1625 I Street NW., Washington, D.C.

A. Allan R. Jones, 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Charles C. Keeble, Post Office Box 2180, Houston, Tex. 77001.

B. Exxon Co., U.S.A., Post Office Box 2180, Houston, Tex. 77001.

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B. Exxon Co., U.S.A., Post Office Box 2180, Houston, Tex.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.

B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga., 30318.

A. Martha Knouss, 2100 M Street NW., Washington, D.C. 20037.

B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.

A. Norman G. Kurland, 2027 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Nick L. Laird, 1700 K Street NW., Washington, D.C. 20006.

B. Shell Oil Co., Post Office Box 2463, Houston, Tex. 77001.

A. Robert W. Lee, 1028 Connecticut Avenue NW., Apt. 1004, Washington, D.C. 20036.

B. The John Birch Society, Inc., 395 Concord Avenue, Belmont, Mass. 02178.

A. Charles R. Lewis, Post Office Box 7, Charleston, W. Va. 25321.

B. West Virginia Railroad Association.

A. Harrison Lewis, 1725 K Street NW., Washington, D.C.

B. Outdoor Advertising Association of America, Inc., 1725 K Street NW., Washington, D.C.

A. Robert G. Lewis.

B. The Farmers' Educational and Co-Operative Union of America, Post Office Box 2251, Denver, Colo.

A. Frances Lilienfeld, 734 Ocean Avenue, Brooklyn, N.Y.

B. A. Curtis Kelley, Real Estate, 11501 Boulevard, Haven Beach, N.J.; Max X Sacks, Hotel Irvington, Lakewood, N.J.

A. Ben J. Man, 400 First Street NW., Suite 700, Washington, D.C. 20001.

B. Marine Engineers' Beneficial Association, District No. 1, Pacific Coast District, 400 First Street NW., Suite 700, Washington, D.C. 20001.

A. D. E. Marable.

B. National Association of Manufacturers, 277 Park Avenue, New York, N.Y.

A. Marine Engineers' Beneficial Association, District No. 1, Pacific Coast District, 400 First Street NW., Suite 700, Washington, D.C. 20001.

A. Barry D. Matsumoto, 1730 Rhode Island Avenue NW., Suite 204, Washington, D.C. 20036.

B. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif. 94115.

A. Joseph B. McGrath, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Harry C. McPherson, Jr., 1660 L Street NW., Washington, D.C.

B. The Common Fund, 635 Madison Avenue, New York, N.Y. 10022.

A. George G. Mead, 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. A. S. Mike Monroney, 1701 K Street NW., Suite 1000, Washington, D.C. 20006.

B. Osage Tribal Council, Pawhuska, Okla. 74056.

A. John R. Murray, 1725 K Street NW., Washington, D.C.

B. Outdoor Advertising Association of America, Inc., 1725 K Street NW., Washington, D.C.

A. George E. Myers, 1730 Rhode Island NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

A. National Council to Repeal the Draft, 245 Second Street NE., Washington, D.C. 20002.

A. Navajo Tribe, Window Rock, Navajo Nation, Ariz. 86515.

A. J. T. Nelson, Gibson Island, Md. 21056.

B. Household Finance Corp., Prudential Plaza, Chicago, Ill. 60601.

A. Richard Ney, Watergate South, 700 New Hampshire Avenue NW., Washington, D.C. 20037.

B. American Academy of Family Physicians, 215 Volker Boulevard, Kansas City, Mo. 64112.

A. Dallin H. Oaks, Provo, Utah 84601.

B. Brigham Young University, Provo, Utah 84601.

A. W. Brice O'Brien, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Outdoor Advertising Association of America, Inc., 1725 K Street NW., Washington, D.C.

A. Juris Padegs, 127 East 59th Street, New York, N.Y. 10022.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Lew M. Paramore, Post Office Box 1310, Kansas City, Kans. 66117.

B. Mo-Ark Basins Flood Control and Conservation Association, Box 1310, Kansas City, Kans. 66117.

A. Daphne Philos, 3150 Spring Street, Fairfax, Va. 22030.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 910 17th Street NW., Washington, D.C. 20006.

B. Investment Counsel Association of America, Inc., 127 E. 59th Street, New York, N.Y. 10022.

A. William H. Press, 1629 K Street NW., Washington, D.C. 20006.

B. Acacia Mutual Life Insurance Co., Washington, D.C.

A. David J. Reedy, 6S430 Huntington Circle, Naperville, Ill. 60540.

B. National Advertising Co., 6850 Harlem Avenue, Argo, Ill. 60501.

A. Valerie G. Schulte, 1660 L Street NW., Washington, D.C.

B. The Common Fund, 635 Madison Avenue, New York, N.Y. 10022.

A. J. Richard Sewell, 1725 I Street NW., Washington, D.C. 20006.

B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.

A. Charles W. Shaeffer, 127 East 59th Street, New York, N.Y. 10022.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. Inter-County Title Co., 451 Main St., Placerville, Calif. Title Insurance Co., 164 St. Francis Street, Mobile, Ala.; Independent Metropolitan Title Agents of Texas, Inc., 701 Elm Street, Dallas, Tex.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

A. Donald E. Smiley, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Exxon Co., U.S.A., Post Office Box 2180, Houston, Tex.

A. Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

A. Southern Furniture Manufacturers Association, Post Office Box 951, High Point, N.C. 27261.

A. Henry Stoner, 406 South Pershing Avenue, York, Pa. 17403.

A. Glenn A. Swanson, 818 18th Street NW., Washington, D.C. 20005.

B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.

A. Thomas C. Williams, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Football League, 410 Park Avenue, New York, N.Y. 10022.

A. Wilmer, Cutler & Pickering, 900 17th Street NW., Washington, D.C. 20006.

B. American Basketball Association, 1700 Broadway, New York, N.Y.

QUARTERLY REPORTS*

***All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.**

The following registrations were submitted for the fourth calendar quarter 1972:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

NOTE ON ITEM "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)
6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year
8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures
9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year
11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. John G. Adams, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Midland Enterprises, Inc.

A. Clarence G. Adamy, 1725 I Street NW., Washington, D.C.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.
D. (6) $9,547.60. E. (9) $9,547.60.

A. Aircraft Owners & Pilots Association, P.O. Box 5800, Washington, D.C. 20014.

A. Alderson, Catherwood, Ondov & Leonard, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.
D. (6) $665. E. (9) $47.94.

A. Willis W. Alexander, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Donna Allen, 3306 Ross Place NW., Washington, D.C. 20008.
B. National Committee Against Repressive Legislation, 555 North Western Avenue, Los Angeles, Calif. 90004.
D. (6) $1,040. E. (9) $1,555.27.

A. Amalgamated Transit Union, National Capital Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. American Automobile Association, 1712 G Street NW., Washington, D.C. 20006.

A. The American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,677.55. E. (9) $1,677.55.

A. American Committee for Flags of Necessity, 25 Broadway, New York, N.Y. 10004.
D. (6) $919.95. E. (9) $919.95.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill., 60611.
D. (6) $4,592.16. E. (9) $4,592.16.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $40,500. E. (9) $40,500.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th street NW., Washington, D.C. 20006.
E. (9) $55,698.69.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,905.97. E. (9) $1,886.65.

A. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $69,654.17. E. (9) $500.79.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $2,719.25. E. (9) $3,346.80.

A. American Humane Association, 5351 Roslyn Street, Post Office Box 1266, Englewood, Colo.
E. (9) $1,500.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
E. (9) $2,428.35.

A. American Israel Public Affairs Committee, 1341 G Street NW., Washington, D.C. 20005.
D. (6) $4,708.26. E. (9) $3,172.16.

A. American Justice Association, Inc., Defense Highway, Gambrills, Md. 21054.
D. (6) $2. E. (9) $2.

A. American Land Title Association, 1828 L Street NW., Suite 303, Washington, D.C. 20036.
E. (9) $825.73.

A. American Life Convention, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $602.20.

A. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.
E. (9) $400.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
E. (9) $11,853.70.

A. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $2,760.

A. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
E. (9) $1,346.20.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. American Parents Committee, Inc., 15 E Street NW., Washington, D.C.
D. (6) $2,957.35. E (9) $12,062.83.

A. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $3,154. E. (9) $9,512.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $7,191.28. E. (9) $7,191.28.

A. American Postal Workers Union AFL-CIO, 817 14th Street NW., Washington, D.C.
D. (6) $1,208,814.03. E. (9) $48,881.91.

A. American Pulpwood Association, 605 Third Avenue, New York, N.Y. 10017.

A. The American Society of Radiologic Technologists, 645 North Michigan Avenue, Suite 620, Chicago, Ill. 60611.
D. (6) $696.03. E. (9) $1,318.04.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $300. E. (9) $106.37.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $52.59.

A. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28202.
D. (6) $17,279.62. E. (9) $17,279.62.

A. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $35,348.13.

A. American Veterinary Medical Association, 1522 K Street NW., Suite 828, Washington, D.C. 20005.

A. The American Waterways Operators, Inc., 1250 Connecticut Avenue, Suite 502, Washington, D.C. 20036.
D. (6) $81,602.66. E. (9) $3,522.

A. Ted E. Amick, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $750.

A. George W. Apperson, 689, 100 Indiana Avenue NW., Suite 1403, Washington, D.C. 20001.
B. Amalgamated Transit Union Local Division 689, 100 Indiana Avenue NW., Suite 1403, Washington, D.C. 20001.

A. Clarence A. Arata, Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $12,500.

A. John C. Archer, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
E. (9) $300.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Suite 800, Washington, D.C. 20006.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $125. E. (9) $1.

A. Arkansas Railroads, 1100 Boyle Building, Little Rock, Ark. 72201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Fairchild Camera and Instrument Corp., 464 Ellis Street, Mountain View, Calif. 94040.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Floor Covering Group, 919 Third Avenue, New York, N.Y. 10022.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Puerto Rican Government, Economic Development Administration, G.P.O. Box 2350, San Juan, P.R. 00936.

A. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $125. E. (9) $41.25.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Association for Broadcast Engineering Standards, Inc., 1730 M Street NW., Suite 700, Washington, D.C. 20036.

A. Association for the Advancement of Invention & Innovation, Suite 1007, Crystal Plaza I, 2001 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $1,775. E. (9) $4,087.94.

A. Association of American Railroads, American Railroads Building, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $4,354.20. E. (9) $4,345.20.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
E. (9) $305.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $1,000.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. Robert L. Augenblick, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $100. E. (9) $25.90.

A. Richard W. Averill, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, in care of Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $800. E. (9) $301.

A. Donald L. Badders, 910 South Michigan, Room 530, Chicago, Ill. 60605.
B. Standard Oil Co. (Indiana), 910 South Michigan, Chicago, Ill. 60605.

A. Michael H. Bader, 1730 M Street NW., Washington, D.C. 20036.
B. Association for Broadcast Engineering Standards, Inc., 1730 M Street NW., Suite 700, Washington, D.C. 20036.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
E. (9) $2,375.06.

A. John C. Bagwell, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.

A. Charles W. Bailey, 1990 M. Street NW., Suite 400, Washington, D.C. 20036.
B. National Right to Work Committee, 1990 M Street NW., Washington, D.C.

A. George F. Bailey, Jr., Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.

A. James F. Bailey, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $5,850. E. (9) $537.45.

A. Thomas F. Baker, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association.
D. (6) $20.43. E. (9) $2. .

A. Ernest L. Barcella, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

A. Thomas H. Barksdale, Jr., 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $1,925. E. (9) $203.

A. Robert C. Barnard, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert C. Barnard, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert C. Barnard, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Arthur R. Barnett, 1140 Connecticut Avenue, NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $165.50.

A. Irvin L. Barney, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States and Canada, 4929 Main Street, Kansas City, Mo.
D. (6) $3,600.

A. David S. Barrows, 214 Century Building, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200. E. (9) $557.48.

A. Weldon Barton.
B. The Farmers' Educational and Cooperative Union of America, Post Office Box 2251, Denver, Colo.
D. (6) $3,507.84. E. (9) $105.72.

A. Ross Bass Associates, 4000 Massachusetts Avenue NW., Washington, D.C. 20016.
B. Record Industry Association of America, 1 East 57th Street, New York, N.Y.
D. (6) $6,250.

A. Lucius D. Battle, 950 L'Enfant Plaza South SW., Washington, D.C. 20024.
B. Communications Satellite Corporation, 950 L'Enfant Plaza South SW., Washington, D.C. 20024.

A. Batzell & Nunn, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.

A. David Baumhart, Post Office Box 553, Lorain, Ohio 44052.
B. Green Olive Trade Association, 82 Beaver Street, New York, N.Y. 10005.
D. (6) $100. E. (9) $14.53.

A. Daniel S. Bedell, 1126 16th Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $1,504.48. E. (9) $68.62.

A. John H. Beidler, 1126 16th Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $3,013.60. E. (9) $196.33.

A. Thomas S. Belford, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $175.

A. Winston Everett Bell, P.O. Box 1718, Las Vegas, Nev. 89101.

A. Thomas P. Bennett, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
B. The American Institute of Architects, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $3,607.48.

A. Reed A. Benson, 1028 Connecticut Avenue NW., Apt. 1004, Washington, D.C. 20036.
B. The John Birch Society, Inc., 395 Concord Avenue, Belmont, Mass. 02178.

A. Robert L. Bevan, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,200. E (9) $101.06.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,722. E. (9) $401.80.

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Lydia Bitter, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,250. E. (9) $5.70.

A. Brent Blackwelder, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $170.

A. Richard W. Bliss, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $475.

A. Jerald Blizin, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 150 East 42d Street, New York, N.Y.

A. Blumberg, Singer, Ross, Gottesman & Gordon, 245 Park Avenue, New York N.Y. 10017.
B. Cigar Manufacturers Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.
D. (6) $6,875.01.

A. Becky Bogard, 2600 Virginia Avenue NW,. Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $35.

A. Frederick C. Bond III, 1730 M Street NW., Washington,, D.C. 20036.
B. American Optometric Association, care of Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $10.90. E. (9) $11.10.

A. G. Stewart Boswell, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C. 28202.
D. (6) $916.66. E. (9) $20.03.

A. Albert D. Bourland, 1660 L Street NW., Suite 814, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $763.79.

A. Edward L. Bowley, 817 14th Street NW., Washington, D.C.

B. American Postal Workers Union, AFL–CIO.

D. (6) $7,040.28. E. (9) $632.60.

A. J. Wiley Bowers, 325 Pioneer Building, Chattanooga, Tenn. 37402.

B. Tennessee Valley Public Power Association, 325 Pioneer Building, Chattanooga, Tenn. 37402.

A. Joseph M. Bowman and Richard C. O'Hare 1511 K Street NW., Washington, D.C. 20005.

B. Merger Committee, National Basketball Association, 2 Pennsylvania Plaza, New York, N.Y.; Merger Committee, American Basketball Association, 1700 Broadway, New York, N.Y.

A. Wayne W. Bradley, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $814.38. E. (9) $261.88.

A. Charles N. Brady, 1712 G Street NW., Washington, D.C. 20006.

B. American Automobile Association, 1712 G Street NW., Washington, D.C., 20006.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $384.62. E. (9) $27.85.

A. Edward J. Brenner, Suite 1007, Crystal Plaza I, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

B. Association for the Advancement of Invention & Innovation, Suite 1007. Crystal Plaza I, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

A. Parke C. Brinkley, The Madison Building, 115- 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Association.

A. David A. Brody, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.

D. (6) $350.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.

B. Federation of American Hospitals, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.

D. (6) $4,500.

A. W. S. Bromley, 605 Third Avenue, New York, N.Y. 10017.

B. American Pulpwood Association, 605 Third Avenue, New York, N.Y. 10017.

A. William J. Brooks, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Joe B. Browder, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $280.

A. J. D. Brown, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20036.

D. (6) $300.

A. Brown, Vlassis & Bain, 222 North Central Avenue, Phoenix, Ariz. 85004.

B. Navajo Tribe, Window Rock, Ariz. 86515.

A. Brownstein, Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Council of Housing Producers, 10920 Wilshire Boulevard, Suite 308, Los Angeles, Calif. 90024.

A. Brownstein, Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Franchise Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Brownstein, Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mortgage Guaranty Insurance Corp., 600 Marine Plaza, Milwaukee, Wis. 53202.

A. Bryant Associates, Inc., Suite 907, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. St. Paul Title Insurance Corp., 1650 West Big Beaver Road, Troy, Mich. 48084.

D. (6) $50. E. (9) $38.66.

A. George S. Buck, Jr., P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $225. E. (9) $45.04.

A. Philip N. Buckminister, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chrysler Corporation, 12000 Oakland Avenue, Highland Park, Mich. 48231.

D. (6) $1000. E. (9) $239.45.

A. Bulgarian Claims Committee, care of Mr. Chaco Chace, 109–20 71st Road, Forest Hills, N.Y. 11375.

E. (9) $274.81.

A. Burley & Dark Leaf Tobacco Export Association, P.O. Box 860, Lexington, Ky. 40501.

D. (6) $18,360.46. E. (9) $587.28.

A. George Burnham, IV., 1625 K Street NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $266. E. (9) $287.

A. Charles S. Burns, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $975. E. (9) $281.36.

A. Charles S. Burns, 1620 I Street NW., Washington, D.C. 20006.

B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D. (6) $1,200. E. (9) $34.

A. David Burpee, Fordhook Farms, Dolyestown, Pa. 18901.

A. Busby, Rivkin, Sherman, Levy & Rehm, 816 Connecticut Avenue NW., Washington, D.C. 20006.

B. Automobile Importers of America, 816 Connecticut Avenue NW., Washington, D.C. 20006.

D. (6) $3,130.

A. Monroe Butler, 1801 Avenue of the Stars, Suite 1106, Los Angeles, Calif., 90067.

B. The Superior Oil Co., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Gordon L. Calvert, 425 13th Street NW., Washington, D.C. 20004.

B. Securities Industry Association, 425 13th Street NW., Washington, D.C. 20004.

D. (6) $4,000. E. (9) $1,200.

A. Donald L. Calvin, 11 Wall Street, New York, N.Y. 10005.

B. New York Stock Exchange, 11 Wall Street, New York, N.Y.

A. Carl C. Campell, Room 610, Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. National Cotton Council of America, Post Office Box 12285, Memphis, Tenn. 38112.

D. (6) $50.77.

A. Charles Argyll Campbell, 1615 H Street NW., Washington, D.C. 20006.

B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.

E. (9) $188.80.

A. Charles O. Campbell, 1712 G Street NW., Washington, D.C. 20006.

B. American Automobile Association, 1712 G Street NW., Washington, D.C. 20006.

A. Marvin Caplan.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.

D. (6) $3,101. E. (9) $136.04.

A. Ronald A. Capone, Kirlin, Campbell & Keating, Room 505, The Farragut Building, Washington, DC.

B. Committee of European Shipowners, 30–32 St. Mary Axe, London, E.C. 3, England.

D. (6) $3,250. E. (9) $126.88.

A. Michael H. Cardozo, Suite 370, 1 Dupont Circle NW., Washington, D.C. 20036.

B. Association of American Law Schools, Suite 370, 1 Dupont Circle NW., Washington, D.C. 20036.

A. Norval E. Carey, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa.

D. (6) $1,000. E. (9) $375.

A. Philip Carlip, 675 Fourth Avenue, Brooklyn, N.Y. 11232.

B. Seafarers International Union.

D. (6) $2,500. E. (9) $1,568.72.

A. Carolinas Association of Mutual Insurance Agents, Post Office Box 2776, Suite 706, Raleigh Building, Raleigh, N.C. 27602.

A. Elizabeth S. Carpenter, 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 150 East 42d Street, New York, N.Y. 10022.

A. Braxton B. Carr, 1250 Connecticut Avenue Suite 502, Washington, D.C. 20036.

B. The American Waterways Operators, Inc., 1250 Connecticut Avenue, Suite 502, Washington, D.C. 20036.

D. (6) $3,125. E. (9) $120.25.

A. Blue Allan Carstenson.

B. The Farmers' Educational and Cooperative Union of America, Post Office Box 2251, Denver, Colo.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $20.

A. Frank R. Cawley, Wilson Plaza Building, Suite 511, 2425 Wilson Boulevard, Arlington, Va. 22201.

B. Agricultural Publishers Association, Inc.

A. Frank R. Cawley.

B. Harcourt Brace Jovanovich, Inc., 1625 I Street NW., Washington, D.C. 20006.

A. Central America Cooperative Federation, Inc., Room 400, 908 16th Street NW., Washington, D.C. 20006.
E. (9) $595.

A. Justice M. Chambers, 2300 Calvert Street NW., Washington, D.C. 20008.
B. Swaziland Sugar Association, Post Office Box 445, Mbahane, Swaziland.
D. (6) $7,500. E. (9) $936.46.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.
B. Cordage Institute, 2300 Calvert Street NW., Washington, D.C. 20008.
D. (6) $937.50.

A. James W. Chapman, 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $1,411.

A. William C. Chapman, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $2,333.22.

A. Leslie Cheek III, 1025 Connecticut Avenue NW., Suite 515, Blake Building, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 515, Blake Building, Washington, D.C. 20036
D. (6) $1,500. E. (9) $250.

A. Lowell T. Christison, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, care of Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $59.40. E. (9) $36.85.

A. Albert T. Church, Jr., 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $52.50. E. (9) $4.45.

A. Cigar Manufacturers Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.
D. (6) $64,773.67.

A. Earl W. Clark, 100 Indiana Avenue, NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee.
D. (6) $825.

A. Richard W. Clark, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington D.C. 20037.
D. (6) $4,500. E. (9) $306.92.

A. Robert M. Clark, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $616.75.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cabot Corp., 125 High Street, Boston, Mass.; Chemplex Co., 3100 Golf Road, Rolling Meadows, Ill.; Copolymer Rubber and Chemical Corp., Box 2591, Baton Rouge, La., et al.
D. (6) $1,143.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Interbank Card Association, Suite 3600, 110 East 59th Street, New York, N.Y. 10022.
D. (6) $225.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Suite 224, Scarsdale, N.Y. 10583.
D. (6) $400.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. American Brands, Inc., 245 Park Avenue, New York, N.Y. 10017.
E. (9) $45.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Brown & Williamson Tobacco Corp., Louisville, Ky. 40201.
E. (9) $45.

A. Earle C. Clements, 1776 K Street, NW., Washington, D.C. 20006.
B. Liggett & Myers Inc., 630 Fifth Avenue, New York, N.Y. 10020.
E. (9) $45.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. Lorillard, Division of Loews Theatres, Inc., 200 East 42d Street, New York, N.Y. 10017.
E. (9) $45.

A. Earle C. Clements, 1776 K Street, NW., Washington, D.C. 20006.
B. Philip Morris Inc., 100 Park Avenue, New York, N.Y. 10017.
E. (9) $45.

A. Earle S. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. R. J. Reynolds, Inc., (Tobacco Division), Winston-Salem, N.C. 27102.
E. (9) $45.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.
D. (6) $60. E. (9) $12.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Basketball Players Association, 15 Columbus Circle, New York, N.Y. 10023.
D. (6) $2,000. E. (9) $400.

A. Larry D. Cline, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $40.20.

A. Coalition Against Strip Mining, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1,250. E. (9) $989.51.

A. Coalition for a National Population Policy, Suite 1010, Bender Building, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Grover C. Cobb, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $400.

A. Jeffrey Cohelan.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $900.

A. David Cohen, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $5,625. E. (9) $45.75.

A. Jerry Cohen, 470 Totten Pond Road, Waltham, Mass. 02154.
B. Ruetgerswerke Aktiengesellschaft, Frankfurt, West Germany.

A. Timothy A. Colcord, 1620 I Street NW., Suite 603, Washington, D.C. 20006.
B. National Bank Americard, Inc., 555 California Street, San Francisco, Calif. 94126.
D. (6) $8,373,24. E. (9) $9,069.62.

A. R. Michael Cole, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $2,113.62. E. $12.10.

A. Robert E. Cole, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Motor Vehicle Manufacturers Association, 320 New Center Building, Detroit, Mich. 48202.
D. (6) $500.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee of American Tanker Owners, Inc., 1 Chase Manhattan Plaza, New York, N.Y.
E. (9) $38.49.

A. William J. Colley, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $785. E. (9) $341.84.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Washington, D.C. 20006.
B. American Cylinder Manufacturers Committee, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $25.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Suite 622, Washington, D.C. 20006.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $500. E. (9) $475.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Suite 622, Washington, D.C. 20006.
B. Bicycle Manufacturers Association of America, Inc., 122 East 42d Street, New York, N.Y. 10017.
D. (6) $500. E. (9) $100.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Suite 622, Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
E. (9). $300.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Suite 622, Washington, D.C. 20006.

B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Suite 622, Washington, D.C. 20006.
B. Tool and Stainless Steel Industry Committee, 1625 I Street NW., Suite 622, Washington, D.C. 20006.
D. (6) $1,250. E. (9) $525.

A. James F. Collins, 1000 16th Street NW., Washington, D.C. 20006.
B. American Iron and Steel Institute, 50 East 42d Street, New York, N.Y.
D. (6) $500. E. (9) $125.

A. Paul G. Collins, 111 Westminster Street, Providence, R.I. 02903.
B. Industrial National Bank of Rhode Island, 111 Westminster Street, Providence, R.I. 02903.
D. (6) $68.75.

A. Colorado Railroad Association, 702 Majestic Building, Denver, Colo. 80202.

A. The Committee for Broadening Commercial Bank Participation in Public Financing, Care of Langdon P. Cook, 23 Wall Street, New York, N.Y. 10015.

A. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $6,925. E. (9) $6,706.75.

A. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $946,866.41. E. (9) $143,050.96.

A. Richard J. Congleton, 734 15th Street NW., Washington, D.C. 20005.
B. American Academy of Actuaries, 208 South LaSalle Street, Chicago, Ill. 60604.
D. (6) $900. E. (9) $147.10.

A. Richard J. Congleton, 734 15th Street NW., Washington, D.C. 20005.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $1,500. E. (9) $200.

A. Raymond F. Conkling, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $140. E. (9) $27.10.

A. Robert J. Conner, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $500. E. (9) $265.

A. John A. Connor, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
E. (9) $2.

A. Consulting Engineers Council/US, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $5,840. E. (9) $5,840.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.
B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Jack T. Conway, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $2,812.50.

A. Howard Lee Cook, Jr., 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $749.37. E. (9) $358.72.

A. Cook & Franke S.C., 660 East Mason Street, Milwaukee, Wis. 53202.
B. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Suite 101, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $270.48.

A. J. Milton Cooper, Suite 401, 1000 Vermont Avenue NW., Washington, D.C. 20005.
B. R. J. Reynolds Industries, Inc., Winston-Salem, N.C.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $3,750. E. (9) $1,314.49.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1025 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, 444 Madison Avenue, New York, N.Y. 10022.
D. (6) $6,000. E. (9) $11.50.

A. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $725.

A. Darrell Coover, 1625 I Street NW., Apartment No. 812, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $238.

A. James T. Corcoran, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Motor Bus Owners, 1025 Connecticut Avenue NW., Suite 308, Washington, D.C. 20036.
D. (6) $925. E. (9) $87.50.

A. Corcoran, Foley, Youngman & Rowe, 1511 K Street NW., Washington, D.C. 20005.
B. The Committee for Broadening Commercial Bank Participation in Public Financing, care of Langdon Cook, 23 Wall Street, New York, N.Y. 10015.

A. Corcoran, Foley, Youngman & Rowe, 1511 K Street NW., Suite 1120, Washington, D.C. 20005.
B. Glass Container Manufacturers Institute, Inc., 1800 K Street NW., Fourth Floor, Washington, D.C. 20006.
D. (6) $450. E. (9) $60.

A. Corcoran, Foley, Youngman & Rowe, 1511 K Street NW., Suite 1120, Washington, D.C. 20005.
B. Lee, McCarthy & DeRosa, 102 Maiden Lane, New York, N.Y. 10005.
D. (6) $750. E. (9) $100.

A. Allan D. Cors, 1629 K Street NW., Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.

A. Robert M. Coultas, Suite 508, 1612 K Street NW., Washington, D.C. 20006.
B. Institute for Rapid Transit, 1612 K Street NW., Washington, D.C. 10006.

A. Council of Profit Sharing Industries, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Council of State Chambers of Commerce, 1028 Connecticut Avenue, Washington, D.C.
D. (6) $310.53. E. (9) $310.53.

A. Raymond L. Courage, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Independent Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Paul L. Courtney, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Roger C. Courtney, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, care of Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $126. E. (9) $157.60.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. MGIC Investment Corp., 600 Marine Plaza, Milwaukee, Wis. 43201.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Association of Research Libraries, 1527 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. The National Collegiate Athletic Association, Midland Building, Kansas City, Mo. 64105.
D. (6) $660.

A. Roger M. Craver, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $147.79.

A. Robert W. Crawford, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $10,000.03. E. (9) $459.20.

A. W. J. Crawford, Post Office Box 2180, Houston, Tex. 77001.
B. Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex. 77001.

A. Hubert M. Crean, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $2,253. E. (9) $215.

A. H. C. Crotty, Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.

A. J. A. Crowder, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C.

D. (6) $1,500.

A. Culbertson, Pendleton & Pendleton, 1 Farragut Square South, Suite 800, Washington, D.C. 20006.

B. Canned & Cooked Meat Importers' Association, % Deltec International, Ltd., 2801 Ponce de Leon Boulevard, Coral Gables, Fla. 33134.

D. (6) $975. E. (9) $183.13.

A. William E. Cumberland, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $506. E. (9) $4,286.

A. Dan Curlee, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $6,411.70.

A. John T. Curran, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) $8,250. E. (9) $3,828.29.

A. Thomas A. Daly, 1101 16th Street NW., Washington, D.C. 20036.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.

B. Japan Lumber Importers' Association, Tokyo, Japan.

D. (6) $1,850.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.

B. National Office Machine Dealers Association, 2510 Dempster Street, Des Plaines, Ill. 60016.

D. (6) $1,000.

A. Jean Daugherty, 921 Washington Building, Washington, D.C. 20005.

B. National Federation of Independent Business, 921 Washington Building, 15th and New York Avenue NW., Washington, D.C. 20005.

D. (6) $1,500.

A. Philip J. Daugherty.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $2,910.50. E. (9) $61.05.

A. John B. Davenport, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $160.

A. Aled P. Davies, 59 East Van Buren Street, Chicago, Ill. 60605.

B. American Meat Institute, 59 East Van Buren, Chicago, Ill. 60605.

D. (6) $500. E. (9) $210.96.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. Bankers Life and Casualty Co., 4444 Lawrence Avenue, Chicago, Ill. 60630.

D. (6) $337.50. E. (9) $44.95.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

E. (9) $184.32.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. The Myron Stratton Home, P.O. Box 1178, Colorado Springs, Colo. 80901.

D. (6) $4,800. E. (9) $1,022.21.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. Northwest Industries, Inc., 400 West Madison Street, Chicago, Ill. 60606.

D. (6) $620. E. (9) $125.84.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. Sears, Roebuck and Co., 925 South Homan Avenue, Chicago, Ill. 60607.

D. (6) $17,650. E. (9) $20.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. Trans Union Corp., 111 West Jackson Boulevard, Chicago, Ill. 60604.

A. Charles W. Davis, One First National Plaza, No. 5200, Chicago, Ill. 60670.

B. United Insurance Co. of America, One East Wacker Drive, Chicago, Ill. 60601.

D. (6) $337.50. E. (9) $54.95.

A. Fred E. Davis.

B. National Association of Manufacturers, 277 Park Avenue, New York, N.Y. 10017.

D. (6) $500. E. (9) $486.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20006.

B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20006.

A. Walter L. Davis, 1775 K Street NW., Washington, D.C. 20006.

B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $750.

A. Charles W. Day, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $325. E. (9) $218.

A. Tony T. Dechant.

B. The Farmers' Educational and Cooperative Union of America, P.O. Box 2251, Denver, Colo.

D. (6) $3,000. E. (9) $58.24.

A. Richard A. Bell, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $150.

A. Ray Denison, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $6,580. E. (9) $264.96.

A. Claude J. Desautels Associates, Suite 711, RCA Building, 1725 K Street NW., Washington, D.C. 20006.

B. American Society of Composers, Authors and Publishers, One Lincoln Plaza, New York, N.Y. 10023.

D. (6) $6,000.

A. R. Daniel Devlin, 1000 16th Street NW., Washington, D.C.

B. Trans World Airlines, Inc., 10 Richards Road, Kansas City, Mo.

A. Ralph B. Dewey, 1150 17th Street NW., Suite 1109, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $615. E. (9) 423.20.

A. George S. Dietrich, 1730 M Street NW., Washington, D.C. 20036.

B. Association for Broadcast Engineering Standards, Inc., 1730 M Street NW., Suite 700, Washington, D.C. 20036.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Department of Water Resources, P.O. Box 388, Sacramento, Calif. 95802.

D. (6) $2,321.76. E. (9) $161.76.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Marysville Dam Committee, Post Office Box 1550, Marysville, Calif.

E. (9) $2.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Sacramento Yolo Port District, Post Office Box 815, West Sacramento, Calif.

D. (6) $1,042.91. E. (9) $52.91.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $42,242.96. E. (9) $42.242.96.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C. 20006.

E. (9) $3,660.

A. Steven P. Doehler, 1300 Connecticut Avenue NW., Washington, D.C.

B. National Association of Real Estate Boards, 1300 Connecticut Avenue NW., Washington, D.C.

D. (6) $3,000. E. (9) $23.50.

A. James F. Doherty.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $4,125. E. (9) $4,243.27.

A. Patrice M. Doherty, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C. 28202.

D. (6) $600. E. (9) $125.

A. Robert C. Dolan, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Electric Companies, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $253. E. (9) $191.39.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. James C. Donald, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.

B. The American Institute of Architects, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,200. E. (9) $3,777.44.

A. Gary W. Donnelly, 1315 16th Street NW., Washington, D.C. 20036.

B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.

E. (9) $67.75.

A. James A. Dorsch, 1701 K Street NW., Washington, D.C.

B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. C. L. Dorson, Room 1128, Warner Building, 501 13th Street NW., Washington, D.C. 20004.
B. Retirement Federation of Civil Service Employees of the U.S. Government, Room 1128, Warner Building, 501 13th Street NW., Washington, D.C. 20004.
D. (6) $3,427.34. E. (9) $270.

A. Mitchell Dorson, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $600.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Advance Schools, Inc.; 5900 Northwest Highway, Chicago Ill.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Newspaper Committee for Cablevision, David R. Bradley, News Press & Gazette Co., 9th and Edmond Streets, St. Joseph, Mo.

A. F. Raymond Downs, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Harry J. Doyle, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, care of Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $174.44. E. (9) $138.90.

A. Robert H. Doyle, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $3,693.05.

A. Dean W. Drulias, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, care of Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $36. E. (9) $61.29.

A. Franklin B. Dryden.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y.
D. (6) $4,004. E. (9) $1,573.45.

A. William DuChessi, 1126 16th Street NW., Washington, D.C. 20036.
B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.
D. (6) $1,475. E. (9) $100.

A. M. L. DuMars, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $60.

A. Pauline B. Dunckel, 1901 North Fort Myer Drive, Suite 900, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Louise C. Dunlap, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $904.

A. Bruce Dunton, 1126 16th Street NW., Washington, D.C.
B. Textile Workers Union of America, 99 University Place, New York, N.Y. 19993.
D. (6) $3,285. E. (9) $100.

A. J. D. Durand, 1725 K Street NW., Washington, D.C. 20006.
B. Association of Oil Pipe Lines, 1725 K Street NW, Washington, D.C. 20006.
E. (9) $305.

A. J. Frederick Durr, 1900 South Eads Street, Box 836, Crystal City, Arlington, Va. 22202.
B. National Association of Farmer Elected Committemen, 1900 South Eads Street, Box 836, Crystal City, Arlington, Va. 22202.
E. (9) $28.75.

A. Henry I. Dworshak, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,075.

A. Robert E. Early, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,250.

A. Roy W. Easley, 1735 DeSales Street NW., Washington, D.C. 20036.

A. Arthur B. Edgeworth, Jr., 812 Pennsylvania Building, Washington, D.C. 20004.
B. United States Savings and Loan League, 11 East Wacker Drive, Chicago, Ill.
D. (6) $437.50.

A. Hallett D. Edson, 956 North Monroe Street, Arlington, Va. 22201.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $1,400.

A. E. Neel Edwards, Jr., 921 Washington Building, Washington, D.C.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C.
D. (6) $4,250. E. (9) $974.14.

A. Macon T. Edwards, Ring Building, Room 610, 1200 18th Street NW., Washington, D.C. 20036.
B. National Cotton Council of America, Post Office Box 12285, Memphis, Tenn. 38112.

A. Charles Ehrhart, 1800 K Street NW., No. 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $121.

A. J. C. B. Ehringhaus, Jr., 1600 South Eads Street, Arlington, Va., 22202.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Harmon L. Elder, 1900 L Street NW., Washington, D.C. 20036.
B. Wilson E. Hamilton & Associaties, Inc., 1900 L Street NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $55.41.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $443. E. (9) $269.50.

A. John M. Elliott, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Ruth Bowdey Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $2,160. E. (9) $2,700.09.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $263.08.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $800. E. (9) $982.

A. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
E. (9) $625.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. Bob Hoffman, York Barbell Co., York, Pa. 17405.
D. (6) $1,625. E. (9) $234.90.

A. Grover W. Ensley, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $690.

A. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $7,026.10. E. (9) $7,047.42.

A. Glenn R. Erickson, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $550.

A. Russell G. Ernest, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Standard Oil Co. (New Jersey), 1251 Avenue of the Americas, New York, N.Y. 10020.

A. John D. Fagan, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the U.S.
D. (6) $2,575. E. (9) $22.

A. Robert R. Fahs, 1030 15th Street NW., Washington, D.C. 20005.
B. Cargill, Inc., 1200 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $2,500.

A. Clinton M. Fair, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $6,377.

A. Joseph A. Fanelli, 1511 K Street NW., Washington, D.C. 20005.
E. (9) $189.77.

A. The Farmers Educational and Cooperative Union of America, Post Office Box 2251, Denver, Colo.
D. (6) $55,687.62. E. (9) $24,324.93.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 810, Washington, D.C. 20036.
E. (9) $4,500.

A. Federation of American Scientists, 203 C Street NE., Washington, D.C. 20002.
D. (6) $32,235. E. (9) $7,209.55.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500 Guinness Tower, 1055 West Hastings Street, Vancouver 1. B.C., Canada.
D. (6) $8,499. E. (9) $185.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C. 20036.

B. Joint Committee of Printing and Publishing Industries of Canada, Fourth floor, 117 Eglinton Avenue East, Toronto 12, Canada.
D. (6) $999.99. E. (9) $56.

A. Francis S. Filbey, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $4,920.37.

A. Matthew P. Fink, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Thomas Fink, Room 610, Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. National Cotton Council of America, Post Office Box 12285, Memphis, Tenn. 38112.
D. (6) $180. E. (9) $23.

A. James W. Finley, 1015 18th Street NW., Suite 303, Washington, D.C. 20036.
B. Crown Zellerbach Corp., One Bush Street, San Francisco, Calif. 94119.

A. William J. Flaherty, 1221 Masachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.
D. (6) $6,725.63. E. (9) $125.

A. Florida Citrus Mutual, Post Office Box 89, Lakeland, Fla. 33802.
D. (6) $660.31. E. (9) $660.31.

A. Florida Citrus Production Managers Association, c/o C. D. Kime, Jr., Waverly, Fla. 33877.
D. (6) $152.10. E. (9) 152.10.

A. Florida Fruit and Vegetable Association, Post Office Box 20155, Orlando, Fla. 32814.
D. (6) $152.09. E. (9) $152.09.

A. John F. Fochtman, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $687.50. E. (9) $263.32.

A. Gordon Forbes, 207 Union Depot Building, St. Paul, Minn. 55101.
B. Minnesota Railroads Association.
D. (6) $500. E. (9) $563.80.

A. James W. Foristel, 1776 K Street NW., Washington, D.C., 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $781.25 E. (9) $229.87.

A. William C. Foster, Patton, Boggs, Blow, Verrill, Brand, & May, 1200 17th Street NW., Washington, D.C. 20036.
B. Alyeska Pipeline Service Corp., Post Office Box 576, Bellevue, Wash.
D. (6) $2,221.25. E. (9) $751.78.

A. William C. Foster, Patton, Boggs, Blow, Verrill, Brand, & May, 1200 17th Street NW., Washington, D.C. 20036.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo.
D. (6) $750.

A. John G. Fox, 2000 L Street NW., Washington, D.C. 20036.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Robert W. Frase, 1826 Jefferson Place NW., Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1826 Jefferson Place, NW., Washington, D.C. 20036.

A. Robert M. Frederick, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $4,750.

A. James O. Freeman, 812 Pennsylvania Building, Washington, D.C. 20004.
B. United States Savings & Loan League, 1111 East Wacker Drive, Chicago, Ill.
D (6) $2,125.

A. Benjamin W. Fridge, 1900 South Eads Street, Arlington, Va. 22202.
B. National Rifle Asssociation of America, 1600 Rhode Island Avenue, NW., Washington, D.C. 20036.
D. (6) $4,375. E. (9) $1,155.03.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $500. E. (9) $53.85.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C.
B. National Tire Dealers and Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $270. E. (9) $4.

A. Friends Committee on National Legislation, 245 Second Street NE, Washington, D.C.
D. (6) $70,782. E. (9) $14,677.

A. Owen V. Frisby, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $382.50. E. (9) $2,571.17.

A. Frank W. Frisk, Jr., 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $100.

A. Gadsby & Hannah, 1700 Pennsylvania Avenue NW., Washington, D.C.
B. American Council of Independent Laboratories, Inc., 1026 17th Street NW., Washington, D.C. 20036.
D. (6) $250.

A. Gadsby & Hannah, 1700 Pennsylvania Avenue NW., Washington, D.C.
B. National Council of Professional Services Firms in Free Enterprise, 1100 Glendon Avenue, Los Angeles, Calif.
D. (6) $500. E. (9) $30.97.

A. James E. Gaffigan, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $184.60. E. (9) $34.40.

A. Robert E. Gallamore, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $1,518.75.

A. Nicole Gara, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
B. The American Institute of Architects, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. William B. Gardiner, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.
D. (6) $5,934.37.

A. John W. Gardner, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
E. (9) $1,728.68.

A. Edward V. Garlich, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $225. E. (9) $150.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $870.

A. George W. Gephart, Gas & Electric Building, Baltimore, Md. 21203.
B. Baltimore Gas & Electric Co., Gas & Electric Building, Baltimore, Md. 21203.

A. Walter Gerson, 1016 20th Street NW., Washington, D.C. 20036.
B. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $2,428. E. $425.

A. Wayne Gibbens, 1800 K Street NW., Suite 620, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $750. E. $171.94.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio 43215.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio 43215.

A. Dave Givens, 916 Nashville Trust Building, Nashville, Tenn. 37201.
B. Class I Railroad, Tennessee.

A. Henry H. Glassie, Edwin H. Pewett, Ray S. Donaldson, and William B. Beebe, 1819 H Street NW., Washington, D.C. 20006.
B. Eastern Meat Packers Association, Inc., 734 15th Street NW., Washington, D.C. 20005.
D. (6) $5. E. (9) $2.02.

A. Henry H. Glassie, Edwin H. Pewett, Ray S. Donaldson, and William B. Beebe, 1819 H Street NW., Washington, D.C. 20006.
B. The National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $7.76.

A. James M. Goldberg, 1616 H Street, NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. $350.

A. Don A. Goodall, 1625 I Street NW., Suite 614, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $88. E. (9) $39.

A. Vance V. Goodfellow, 828 Midland Bank Building, Minneapolis, Minn. 55401.
B. Crop Quality Council, 828 Midland Bank Building, Minneapolis, Minn. 55401.
D. (6) $5,625.

A. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.
B. Florists' Transworld Delivery Association, 900 West Lafayette Boulevard, Detroit, Mich. 48226.

A. Government Employee Council, AFL–CIO, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $13,383.14. E. (9) $5,839.80.

A. Cornelius R. Gray, 1712 G Street NW., Washington, D.C. 20006.
B. American Automobile Association, 1712 G Street NW., Washington, D.C. 20006.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

A. Virginia M. Gray, 3501 Williamsburg Lane NW., Washington, D.C. 20008.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
E. (9) $28.57.

A. Samuel A. Grayson, 611 Idaho Building, Boise, Idaho 83702.
B. Union Pacific Railroad, 1416 Dodge Street, Omaha, Nebr. 68102.

A. William G. Greif, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. Fred J. Greiner, 910 17th Street NW., Washington, D.C. 20006.
B. Evaporated Milk Association, International Association of Ice Cream Manufacturers, Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $9,268.27.

A. James J. Gudinas, 1712 G Street NW., Washington, D.C. 20006.
B. American Automobile Association, 1712 G Street NW., Washington, D.C. 20006.

A. Kenneth J. Guido, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $825.

A. R. William Habel, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $2,880. E. (9) $135.23.

A. Matthew Hale, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $100.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. J. G. Hall, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $4,500. E. (9) $2,052.45.

A. Keith Halliday, 1725 K Street NW., Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Hamel, Park, McCabe & Saunders, 888 17th Street NW., Washington, D.C. 20006.
B. Labor Law Study Committee, 888 17th Street NW., Washington, D.C. 20006.

A. Hamel, Park, McCabe & Saunders, 888 17th Street NW., Washington, D.C. 20006.
B. National School Supply & Equipment Association, 79 West Monroe Street, Chicago, Ill. 60603.

A. Hamel, Park, McCabe, & Saunders, 888 17th Street, NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 845 Third Avenue, New York, N.Y. 10022.

A. Harold F. Hammond, 1101 17th Street NW., Washington, D.C. 20036.
B. Transportation Association of America.
D. (6) $156.75. E. (9) $90.

A. Robert B. Harding, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., Post Office Box 800, Rosemead, Calif. 91770.
D. (6) $100. E. (9) $81.86.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1133 15th Street NW., Washington, D.C. 20005.
B. National Association of Manufacturers, 277 Park Avenue, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $796.33.

A. Andrew E. Hare, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $18.60.

A. Bryce N. Harlow, 1801 K Street NW., Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $75. E. (9) $306.16.

A. Thomas E. Harman, 1025 Connecticut Avenue NW., Suite 515, Blake Building, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 515, Blake Building, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. William B. Harman, Jr., 1701 K Street NW., Washington, D.C. 20006.
B. American Life Convention, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $320. E. (9) $74.25.

A. John H. Harper, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $132. E. (9) $500.

A. Barbara W. Harris, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW, Washington, D.C. 20001.
D. (6) $3,423.06.

A. Otto R. Harrison, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex.

A. Rita M. Hartz, 1737 H Street NW., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $5,913.60. E. (9) $800.

A. Clifford J. Harvison, 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Walter A. Hasty, Jr., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $3,880.50. E. (9) $781.92.

A. Paul M. Hawkins, 1701 K Stret NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $163.13. E. (9) $81.34.

A. Hays & Hays, Warner Building, Washington, D.C.
B. Motor Commerce Association, Inc., 4004 Versailles Road, Lexington, Ky.

A. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $4,934.03. E. (9) $4,934.03.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $300. E. (9) $26.10.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y.
B. American Parents Committee, Inc., 15 E Street NW., Washington, D.C.

A. John F. Heilman, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.
D. (6) $4,125.

A. Robert B. Heiney, 1133 20th Street NW., Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $875. E. (9) $1,152.23.

A. Phil D. Helmig, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $150. E. (9) $150.

A. Leslie P. Henry, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. Richard A. Henneges, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 155 East Superior Street, Chicago, Ill.
D. (6) $2,933. E. (9) $31.21.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y.
D. (6) $1,125. E. (9) $333.75.

A. Andrew I. Hickey, Jr., 1133 15th Street NW., Washington, D.C. 20005.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $8,875. E. (9) $342.08.

A. M. F. Hicklin, 720 Bankers Trust Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 720 Bankers Trust Building, Des Moines, Iowa 50309.

A. J. Thomas Higginbotham, 1725 K Street NW., Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $526.13.

A. J. Eldred Hill, Jr., 720 Hotel Washington, Washington, D.C. 20004.
B. Unemployment Benefit Advisors, Inc.
D. (6) $2,000. E. (9) $2,000.

A. James J. Hill, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Harry R. Hinton, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $662.50. E. (9) $290.91.

A. James D. Hittle, 1800 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.
E. (9) $97.56.

A. Lawrence S. Hobart, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $220.

A. Claude E. Hobbs, 1801 K Street NW., Ninth Floor, Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westington Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $900. E. (9) $195.

A. Leo D. Hochstetter.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Ralph D. Hodges, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association.

A. Thomas W. Holland, 1629 K Street NW., Suite 603, Washington, D.C. 20006.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $923.12. E. (9) $160.25.

A. Thomas P. Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Lee B. Holmes, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street N.W., Washington, D.C. 20005.
D. (6) $3,178. E. (9) $17,819.

A. John W. Holton, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1750. E. (9) $31.75.

A. The Hormel Foundation, Austin, Minn. 55912.
E. (9) $712.94.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.
B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.

A. Thomas Howarth, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Companies, Allstate Plaza, Northbrook, Ill. 60062.

A. Howrey, Simon, Baker & Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Power Tool Institute, 604 Davis Street, Evanston, Ill.
D. (6) $400. E. (9) $400.

A. Charles L. Huber, 1221 Massachusetts Avenue, NW., Washington, D.C. 20005.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky.
D. (6) $8,703.75. E. (9) $491.27.

A. William J. Hull, 1660 L Street NW., Apt. 205, Washington, D.C. 20036.
B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 1660 L Street NW., Apt. 205, Washington, D.C. 20036.
B. Improvement Association, Inc.

A. Gregory A. Humphrey, 1012 14th Street NW., Washington, D.C. 20005.
B. American Federation of Teachers, AFL–CIO, 1012 14th Street NW., Washington, D.C. 20005.
E. (9) $225.63.

A. David J. Humphreys, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Recreational Vehicle Institute, Inc., 2720 Des Plaines Avenue, Des Plaines, Ill. 60018.
D. (6) $11,250. E. (9) $62.70.

A. Richard M. Hunt, 1660 L Street NW., Washington, D.C. 20036.
B. NL Industries, Inc., 111 Broadway, New York, N.Y. 10006.

A. James L. Huntley, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $6,207.86. E. (9) $892.97.

A. Philip A. Hutchinson, Jr., East Benning Road, Galesville, Md. 20765.
B. Committee on Federal Procurement of A/E Services, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Elmer P. Hutter, Post Office Box 2255, Washington, D.C. 20013.
D. (6) $5.

A. Elmer P. Hutter, Post Office Box 2255, Washington, D.C. 20013.
B. Daniel Smith, Washington, D.C.
E. (9) $211.

A. Lester S. Hyman, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Midland Enterprises, Inc.

A. Frank N. Ikard, 1801 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. Bernard J. Imming, 777 14th Street NW., Washington, D.C. 20005.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C. 20005.
D. (6) $312.50. E. (9) $38.97.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $7,645.34. E. (9) $7,645.34.

A. Institute for Rapid Transit, 1612 K Street NW., Washington, D.C. 20006.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $9,349.43.

A. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue, Washington, D.C., 20006.
E. (9) $4,306.80.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $21,283.96.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $595.37.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.
D. (6) $5,090.74. E. (9) $10,045.20.

A. Ronald A. Jacks, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Chas. E. Jackson, 1200 18th Street NW., Suite 1112, Washington, D.C. 20036.

A. Robert C. Jackson, 1150 17th Street NW., Suite 1001, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $2,750. E. (9) $39.91.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. Bank of America N.T. and S.A., Bank of America Plaza, San Francisco, Calif. 94137.

A. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif. 94115.
E. (9) $500.

A. Jersey Central Power & Light Co., Madison Avenue at Punch Bowl Road, Morristown, N.J. 07960.
E. (9) $650.

A. H. Bradley Johnson, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $975.

A. Hugo E. Johnson, 514 Bulkley Building, Cleveland, Ohio 44115.
B. American Iron Ore Association, 514 Bulkley Building, Cleveland, Ohio 44115.

A. Jess Johnson, Jr., 1700 K Street NW., Washington, D.C. 20006.
B. Shell Oil Co., One Shell Plaza Post Office Box 2463, Houston, Tex., 77001.
D. (6) $500.

A. Reuben L. Johnson.
B. The Farmers' Educational and Co-Opertive Union of America, Post Office Box 2251, Denver, Colo.
D. (6) $4,430.59. E. (9) $29.97.

A. Charles N. Jolly, 1775 K Street NW., Suite 315, Washington, D.C. 20006.
B. Miles Laboratories, Inc., 1127 Myrtle Street, Elkhart, Ind. 46514.
D. (6) $142. E. (9) $46.10.

A. Charlie W. Jones, 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $285. E. (9) $75.

A. Daniel Jones III, Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C., 28202.
D. (6) $90. E. (9) $30.

A. L. Dan Jones, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $4.88.

A. Oliver H. Jones, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $719. E. (9) $8,836.

A. Carl D. Jordan, 408 East Maple Street, Fremont, Mich. 49412.
B. Gerber Products Co., 445 State Street, Fremont, Mich. 49412.
E. (9) $50.

A. Francis M. Judge, 1615 H Street NW., Washington, D.C. 20006.
B. Chamber of Commerce of the USA, 1615 H Street NW., Washington, D.C. 20006.

A. Mrs. Fritz R. Kahn, 9202 Ponce Place, Fairfax, Va. 22030.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $23.25.

A. Carleton R. Kear, Jr., 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $170.

A. William J. Keating, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.

. Howard B. Keck, 1801 Avenue of the Stars, Los Angeles, Calif. 90067.
B. The Superior Oil Co., 1801 Avenue of the Stars, Los Angeles, Calif. 90067.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite, 1110, Los Angeles, Calif. 90067.
B. The Superior Oil Co., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.
E. (9) $275.

A. Charles C. Keeble, Post Office Box 2180, Houston, Tex. 77001.
B. Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex. 77001.

A. John G. Keller, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Humble Oil & Refining Co. (a Delaware corp.), Post Office Box 2180, Houston, Tex.

A. James C. Kelley, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Francis A. Kelly, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
B. The American Institute of Architects, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Harold V. Kelly, 720 Hotel Washington, Washington, D.C. 20004.
B. Unemployment Benefit Advisors, Inc.
D. (6) $1,000. E. (9) $1,000.

A. John T. Kelly, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association.

A. George Kelm, One First National Plaza, Suite 5200, Chicago, Ill. 60670.
B. The Myron Stratton Home, Post Office Box 1178, Colorado Springs, Colo. 80901.
D. (6) $4,800. E. (9) $1,022.21.

A. R. G. Kendall, Jr., Montgomery, Ala.
B. Alabama Railroad Association, Montgomery, Ala.

A. I. L. Kenen, 1341 G Street NW., Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street NW., Washington, D.C. 20005.
D. (6) $833.32.

A. Harold L. Kennedy, 420 Cafritz Building, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $374.20.

A. Jeremiah J. Kenney, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $30.84.

A. Thomas P. Kerester, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp. Pittsburgh, Pa. 15230.
D. (6) $875. E. (9) $150.

A. Mrs. Walter G. Kimmel, 1715 25th Street, Rock Island, Ill. 61201.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $638.79.

A. Charles L. King, 1701 K Street NW., Washington, D.C. 20006.
B. American Life Convention, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $48.

A. Gibson Kingren, 900 17th Street NW., Washington, D.C.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $1,125. E. (9) $577.75.

A. John M. Kinnaird, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $2,344.88. E (9) $724.89.

A. Ernest A. Kistler, 901 Hamilton Street, Allentown, Pa. 18101.
B. Pennsylvania Power & Light Co., 901 Hamilton Street, Allentown, Pa. 18101.
D. (6) $125. E. (9) $345.32.

A. James D. Kittelton, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $725.

A. Ralph W. Kittle.
B. International Paper Co., Room 700, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $100.

A. Douglas E. Kliever, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Paul R. Knapp, 1511 K Street NW., Washington, D.C. 20005.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $875.

A. Keith R. Knoblock, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $575.

A. Martha Knouss, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., 925 South Homan Avenue, Chicago, Ill. 60607.
D. (6) $250. E. (9) $25.

A. Bradley R. Koch, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Robert M. Koch, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $62.

A. Horace R. Kornegay, 1776 K Street NW., Suite 1200, Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Suite 1200, Washington, D.C. 20006.

A. Paul A. Korody, Jr., 1725 I Street NW., Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
E. (9) $300.

A. June Kysilko Kraeft, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $144.50.

A. Lawrence E. Kreider, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Germaine Krettek, 110 Maryland Avenue NE., Suite 101, Washington, D.C. 20002.
B. American Library Association, 50 E. Huron Street, Chicago, Ill. 60611.
D. (6) $535.

A. William J. Kuhfuss, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $1,000.

A. Lloyd R. Kuhn, 1725 De Sales Street NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.
D. (6) $7,631.50. (9) $1,820.40.

A. Labor Bureau of Middle West, 1155 15th Street NW., Washington, D.C. 20005.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,964. E. (9) $4,275.

A. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $13,953.29.

A. A. M. Lampley, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $150.

A. Asger F. Langlykke, 1913 I Street NW., Washington, D.C. 20006.
B. American Society for Microbiology, 1913 I Street NW., Washington, D.C. 20006.

A. James J. LaPenta, Jr., 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
E. (9) $210.27.

A. Reed E. Larson, 1990 M Street NW., Suite 400, Washington, D.C. 20036.
B. National Right To Work Committee, 1990 M Street NW., Washington, D.C.

A. Glenn T. Lashley, 1712 G Street NW., Washington, D.C. 20006.
B. District of Columbia Division, American Automobile Association, 1712 G Street NW., Washington, D.C. 20006.

A. Robert B. Laurents, 7205 Reservoir Road, Springfield, Va. 22150.
B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $950.

A. Donald F. Lavanty, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.
D. (6) $1,175.58. E. (9) $781.35.

A. George H. Lawrence, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $440. E. (9) $125.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, Inc., 230 Southern Building, Washington, D.C. 20005.

A. Lee, McCarthy and DeRosa, 102 Maiden Lane, New York, N.Y. 10005.
E. (9) $850.

A. Legislative Committee of the Committee for a National Trade Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $18. E. (9) $228.

A. Donald Lerch & Co., Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Shell Chemical Co., 2401 Crow-Canyon Road, San Ramon, Calif.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Midland Enterprises, Inc.

A. S. R. Levering, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $923.

A. Morris J. Levin, 1620 Eye Street NW., Washington, D.C. 20006.
B. Association of American Railroads, American Railroads Building, Washington, D.C. 20006.
D. (6) $1,000.

A. Harry LeVine, Jr., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.

A. Charles R. Lewis, Post Office Box 7, Charleston, W. Va. 25321.
B. West Virginia Railroad Association.
D. (6) $3,333.34.

A. J. Stanly Lewis, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,912.

A. Herbert Liebenson, 1225 19th Street NW., Washington, D.C. 20036.
B. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $4,500. E. (9) $1,200.

A. Bella L. Linden, 110 East 59th Street, New York, N.Y. 10022.
E. (9) $628.95.

A. Lester W. Lindow, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Lindsay, Nahstoll, Hart, Duncan, Dafoe & Krause, 1331 S.W. Broadway, Portland, Oreg. 97201.
B. Master Contracting Stevedore Association of the Pacific Coast, Inc., San Francisco, Calif.

A. Lindsay, Nahstoll, Hart, Duncan, Dafoe & Krause, 1331 S.W. Broadway, Portland, Oreg. 97201.
B. National Maritime Compensation Committee, 1331 S.W. Broadway, Portland, Oreg. 97201.

A. John E. Linster, 200 Westwood Drive, Wausau, Wis. 54401.
B. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
D. (6) $500.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos.
D. (6) $200. E. (9) $117.04.

A. Laurence London, 25 Broadway, room 1012, New York, N.Y. 10004.
B. American Committee for Flags of Necessity, 25 Broadway, New York, N.Y. 10004.
D. (6) $200.

A. Sheldon I. London, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishing Association, 1150 Merchandise Mart, Chicago, Ill., 60654.
D. (6) $200.

A. Philip J. Loree, 25 Broadway, room 1012, New York, N.Y. 10004.
B. American Committee for Flags of Necessity, 25 Broadway, New York, N.Y. 10004.
D. (6) $300.

A. James F. Lovett, 1801 K Street, NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $700. E. (9) $200.

A. Otto Lowe, 888 17th Street, NW., Washington, D.C.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $1,050.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $1,550.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Cominco American Inc., West 818 Riverside, Spokane, Wash. 99201.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Ebasco Industries, 345 Park Avenue, New York, N.Y. 10022.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Jersey Central Power & Light Co., Madison Avenue, Morristown, N.J. 07960.
D. (6) $650.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pacific Northwest Power Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $133.75. E. (9) $0.89.

A. William George Lunsford, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,764.

A. Shane MacCarthy, 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, 1730 North Lynn Street, Arlington, Va. 22209.
D. (6) $950. E. (9) $1,231.

A. Thomas J. Mader, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $300.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C. 20006.

A. Andre Maisonpierre, 666 11th Street, Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.
E. (9) $505.

A. Elizabeth Mallory, Box 718, Union Station, Endicott, N.Y. 13760.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
D. (6) $211,811.83. E. (9) $638.79.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $6,875. E. (9) $105.55.

A. Mike Manatos, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $46.03. E. (9) $261.50.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $285. E. (9) $75.

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Rodney W. Markley, Jr., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

A. Ralph J. Marlatt, 640 Investment Building, 1511 K Street NW., Washington, D.C. 20005.

B. National Association of Mutual Insurance Agents, 640 Investment Building, 1511 K Street NW., Washington, D.C. 20005.

E. (9) $1,290.

A. William J. Marschalk, 1300 Connecticut Avenue, Washington, D.C.

B. National Association of Real Estate Boards, 155 East Superior Street, Chicago, Ill.

D. (6) $3,500. E. (9) $24.

A. Winston W. Marsh, 1343 L Street NW., Washington, D.C.

B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C.

A. J. Paull Marshall, Suite 212, 300 New Jersey Avenue SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $59.61. E. (9) $280.

A. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Richard E. Martinez, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Jack A. Potter, 820 First National Bank Building, Peoria, Ill. 61602.

D. (6) $549.68. E. (9) $691.85.

A. Mike M. Masaoka, 2021 L Street NW., Washington, D.C. 20036.

B. Association on Japanese Textile Imports, Inc., 551 Fifth Street, New York, NY. 10017.

D. (6) $1,000.

A. Mike M. Masaoka, 2021 L Street NW., Washington, D.C. 20036.

B. West Mexico Vegetable Distributors Association, Post Office Box 848, Nogales, Ariz. 85621.

D. (6) $500.

A. Walter J. Mason, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

B. Building and Construction Trades Department, AFL–CIO, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $5,500.27. E. (9) $670.

A. P. H. Mathews, 300 New Jersey Avenue SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $329.25. E. (9) $326.03.

A. John J. L. Matson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.

D. (6) $400.

A. Charles D. Matthews, 1100 17th Street NW., Washington, D.C. 20036.

B. National Ocean Industries Association, 1100 17th Street NW., Washington, D.C. 20036.

A. Charles E. Mattingly, 1608 K Street NW., Washington, D.C.

B. American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $4,200. E. (9) $180.67.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.

B. Brass and Bronze Ingot Institute, 300 West Washington Street, Chicago, Ill. 60606.

A. C. V. & R. V. Maudlin, 1111 E Street, NW., Washington, D.C. 20004.

B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. Albert E. May, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

B. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.

D. (6) $88.50. E. (9) $13.90.

A. Arnold Mayer, 100 Indiana Avenue NW., room 410, Washington, D.C. 20001.

B. Amalgamated Meat Cutters & Butcher Workmen of North America (AFL–CIO), 2800 North Sheridan Road, Chicago, Ill. 60657.

D. (6) $5,675. E. (9) $260.

A. Anthony Mazzocchi, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) $2,035. E. (9) $227.50.

A. William J. McAuliffe, Jr., 1828 L Street NW., Suite 303, Washington, D.C. 20036.

B. American Land Title Association, 1828 L Street NW., Suite 303, Washington, D.C. 20036.

A. Michael J. McCabe, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Michael J. McCabe, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. John A. McCart, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Government Employes Council, AFL–CIO, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,350.30.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. The Coca-Cola Co., Post Office Drawer 1734, Atlanta, Ga. 30301.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y. 10023.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. The Magnavox Co., 1700 Magnavox Way, Fort Wayne, Ind. 46804.

D. (6) $2,860.31. E. (9) $73.30.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. Montgomery Coca-Cola Bottling Co., Inc., North Perry & Jefferson Streets, Montgomery, Ala. 36103.

D. (6) $1,635. E. (9) $9.74.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. Alfred P. Slaner, 640 Fifth Avenue, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.

B. Tidewater Marine Service, Inc., 3308 Tulane Avenue, New Orleans, La. 70110.

D. (6) $513.13. E. (9) $19.85.

A. E. L. McCulloch, Room 819, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.

D. (6) $284.60. E. (9) $81.50.

A. Albert L. McDermott, 777 14th Street NW., Washington, D.C. 20005.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $417.10. E. (9) $167.15.

A. J. Patrick McElroy, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $575.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.

B. The Montana Power Co., Butte, Mont. 59701.

E. (9) $35.67.

A. Barbara D. McGarry, 15 E Street NW., Washington, D.C.

B. American Parents Committee Inc. 15 E Street NW., Washington, D.C.

A. J. Raymond McGlaughlin, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.

D. (6) $7,080.

A. Marshall C. McGrath.

B. International Paper Co., 1620 I Street NW., Room 700, Washington, D.C. 20006.

D. (6) $660. E. (9) $95.56.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $6,580. E. (9) $355.39.

A. Clarence M. McIntosh, Jr., 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $2,067.63.

A. C. A. Mack McKinney, 933 North Kenmore Street, Suite 317, Arlington, Va. 22201.

B. National Headquarters, Marine Corps League, 933 North Kenmore Street, Suite 317, Arlington, Va. 22201.

A. C. A. Mack McKinney, 1200 North Courthouse Road, Box G4, Arlington, Va. 22201.

B. Noncommissioned Officers Association of U.S.A., Post Office Box 2268, San Antonio, Tex. 78298.

D. (6) $1,890. E. (9) $1,385.30.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20006.

B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20006.

D. (6) $230.

A. William F. McManus, 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 570 Lexington Avenue, New York, N.Y. 10022.

D. (6) $300. E. (9) $130.40.

A. C. W. McMillan, Suite 1015, National Press Building, 14th and F Street, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,200.

A. Charles R. McNeill, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $3,241.45.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., 12 South Twelfth St., Philadelphia, Pa., Great Lakes Dredge & Dock Co., 228 North LaSalle Street, Chicago, Ill.; Dunbar & Sullivan Dredging Co., 22720 Michigan Ave,. Dearborn, Mich.
D. (6) $5,150. E. (9) $1,822.43.

A. Harry C. McPherson, Jr., Suite 1100, 1660 L Street NW., Washington, D.C. 20036.
B. Montgomery Ward, Inc., 619 West Chicago Avenue, Chicago, Ill. 60607.
D. (6) $500.

A. George G. Mead, 621 Pershing Drive, Silver Spring, Md. 20910.
B. The American Society of Radiologic Technologists, 645 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $787.50. E. (9) $271.36.

A. Medical-Surgical Manufacturers Association, 342 Madison Avenue, New York, N.Y. 10017.
E. (9) $1,772.97.

A. Carl J. Megel, 1012 14th Street NW., Washington, D.C. 20005.
B. American Federation of Teachers, AFL–CIO, 1012 14th Street NW., Washington, D.C. 20005.
E. (9) $7,580.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, Federation of Trades and Labor Unions, 815 16th Street NW., Washington, D.C.
D. (6) $6,878.50. E. (9) $298.50.

A. William A. Meissner, Jr., 6200 Massachusetts Avenue NW., Washington, D.C. 20016.
B. Rudolph Wolff & Co., 80 Wall Street, New York, N.Y. 10005.
D. (6) $3,500. E. (9) $294.56.

A. Ellis E. Meredith, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. National Association of Secondary Material Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. Stewart Title Guaranty Co., P.O. Box 2029, Houston, Tex. 77001.

A. Lawrence C. Merthan, 1425 K Street NW., Washington, D.C.
B. Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C.

A. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.

A. George F. Meyer, Jr., 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $392.

A. James G. Michaux, 777 14th Street, Washington, D.C. 20005.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. A. Stanley Miller, 1629 K Street NW., Washington, D.C. 20006.
B. American Committee for Flags of Necessity, 25 Broadway, New York, N.Y. 10004.
D. (6) $100.

A. Anne Miller, Suite 907, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bryant Associates, Inc., Suite 907, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $75. E. (9) $138.10.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Dallas, Tex., Chamber of Commerce.
D. (6) $195. E. (9) $77.80.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Texas.
D. (6) $262.50. E. (9) $11.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texas Gulf, Inc., 200 Park Avenue, New York, N.Y.
D. (6) $225. E. (9) $135.06.

A. Edwin Reid Miller, 1815 Capitol Avenue, Omaha, Nebr. 68102.
B. Nebraska Railroad Legislative Committee, 1815 Capitol Avenue, Omaha, Nebr. 68102.
D. (6) $6,049.98.

A. Joe D. Miller, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $291.67.

A. Joseph L. Miller, 1612 K Street, NW., Washington, D.C. 20006.
B. The Hormel Co., National Parking Association, Northern Retail Association.
D. (6) $4,000. E. (9) $400.

A. Luman G. Miller, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.
B. Oregon Railroad Association, 620 South west Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. Jack Mills, 1776 K Street, NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Seymour S. Mintz, William T. Plumb, Jr., and Arnold C. Johnson.
B. Hughes Tool Co., Houston, Tex.

A. Willis C. Moffatt, Post Office Box 829, Boise, Idaho 83701.

A. Michael Monroney, 1701 K Street NW., Suite 1000, Washington, D.C. 20036.
B. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
D. (6) $200.

A. Montgomery Ward & Co., Inc., 1660 L Street NW., Suite 1001, Washington, D.C. 20036.

B. Montgomery Ward & Co., Inc., Post Office Box 8339, Chicago, Ill. 60680.
D. (6) $750. E. (9) $650.

A. G. Merrill Moody, Suite 212, 300 New Jersey Avenue SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $17.51. E. (9) $13.63.

A. O. William Moody, Jr., 815 16th Street NW., Room 501, Washington, D.C. 20006.
B. Maritime Trades Department, AFL–CIO, 815 16th Street NW., Room 501, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $1,011.38.

A. Donald L. Morgan, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Jo V. Morgan, Jr., 815 15th Street NW., Washington, D.C. 20005.
B. The American Humane Association, Post Office Box 1266, Denver, Colo. 80201.
D. (6) $1,500.

A. Morison, Murphy, Abrams & Haddock, Suite 900, 1776 K Street NW., Washington, D.C. 20006.
B. National Committee for Civil Airlift.

A. Morison, Murphy, Abrams & Haddock, Suite 900, 1776 K Street NW., Washington, D.C. 20006.
B. The Sperry & Hutchinson Co., 330 Madison Avenue, New York, N.Y. 10017.

A. James M. Morris, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $2,255.21.

A. James G. Morton, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $2,500. E. (9) $100.

A. Jack Moskowitz, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $5,625. E. (9) $193.83.

A. Lynn E. Mote, 1133 15th Street NW., Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. John J. Motley.
B. National Federation of Independent Business, 921 Washington Building, 15th Street and New York Avenue NW., Washington, D.C. 20005.
D. (6) $3,000. E. (9) $278.

A. Motor Commerce Association, Inc., 4004 Versailles Road, Lexington, Ky.
E. (9) $100.

A. John J. Murphy, 416 Shoreham Building, 806 15th Street NW., Washington, D.C. 20005.
B. National Customs Service Association.

A. Richard E. Murphy, 900 17th Street NW., Washington, D.C. 20006.
B. Service Employees International Union, AFL–CIO, 900 17th Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $100.

A. Richard W. Murphy, 1200 18th Street NW., Suite 1109, Washington, D.C. 20036.

B. Merck & Co., Inc., Rahway, N.J. 07065.
D. (6) $400.

A. D. Michael Murray, 1920 L Street NW., Washington, D.C. 20036.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $414.37. E. (9) $714.37.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $185.

A. John J. Nangle, 1625 I Street NW., Suite 812 Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $586.

A. Augustus Nasmith, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
B. Associated Railroads of New Jersey, Pennsylvania Station, Raymond Plaza, Newark, N.J. 07102.
D. (6) $41.25.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

A. National Air Carrier Association, 1730 M Street NW., Washington, D.C. 20006.
D. (6) $875. E. (9) $875.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.
D. (6) $20,120.50. E. (9) $9,233.

A. National Association of Electric Co's., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $1,085.32. E. (9) $8,093.97.

A. National Association of Farmer Elected Committeemen, 1900 South Eads Street, Box 836, Arlington, Va., 22202.
D. (6) $1,431.54. E. (9) $1,431.54.

A. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $500.

A. National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $13,817.19.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $677,358.45. E(9) $31,190.52.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
E. (9) $30.

A. National Association of Mutual Insurance Co's., 2511 East 46th Street, Suite H, Indianapolis, Ind. 46205.

A. National Association of Mutual Savings Bank, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,791.75. E. (9) $2,791.75.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $5,192. E. (9) $5,192.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $9,377.28. E. (9) $8,593.11.

A. NBA Players Association, 15 Columbus Circle, New York, N.Y. 10023.
D. (6) $2,096.04. E. (9) $2,096.04.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300. E. (9) $300.

A. National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $681,334. E. (9) $4,229.77.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $394,267.86. E. (9) $3,551.30.

A. National Commission Against Repressive Legislation, 555 North Western Avenue, Los Angeles, Calif. 90004.
D. (6) $1,555.27. E. (9) $1,555.27.

A. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill., 60611.
D. (6) $211,811.83. E. (9) $638.79.

A. National Cotton Council of America, Post Office Box 12285, Memphis, Tenn. 38112.
D. (6) $12,728.82. E. (9) $12,728.82.

A. National Counsel Association, 421 New Jersey Avenue SE., Washington, D.C.
B. Cenco Instruments Corp., 2600 South Kostner Avenue, Chicago, Ill.
D. (6) $2,475. E. (9) $383.93.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C.
B. Committee for the Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C.
D. (6) $555.55. E. (9) $204.29.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C.
B. ELBA Systems Corp., 5909 East 38th Ave., Denver, Colo.
D. (6) $750. E. (9) $79.93.

A. National Council for a Responsible Firearms Policy, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,678.50. E. (9) $15.

A. National Cystic Fibrosis Research Foundation, 3379 Peachtree Road NE., Atlanta, Ga. 30326.
E. (9) $752.76.

A. National Electrical Contractors Association, Inc., 7315 Wisconsin Ave., Washington, D.C. 20014.

A. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y. 10017.

A. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $261,012.47. E. (9) $21,777.97.

A. National Federation of Independent Business, Inc., 920–922 Washington Building, Washington, D.C.
D. (6) $9,991.92. E. (9) $9,991.92.

A. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $134,102.10. E. (9) $11,220.

A. National Home Furnishings Association, 1150 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $200.

A. National Institute of Locker & Freezer Provisioners, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $1,090.25. E. (9) $88.61.

A. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
D. (6) $31,661.80. E. (9) $31,661.80.

A. National Livestock Feeders Association, Inc., 309 Livestock Exchange Building, Omaha, Nebr. 68107.
D. (6) $2,132.21. E. (9) $2,132.21.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $4,569.58. E. (9) $4,569.58.

A. National Rehabilitation Association, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $20,593. E. (9) $1,391.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. National Right to Work Committee, 1990 M Street NW., Washington, D.C. 20036.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
E. (9) $1,866.18.

A. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $2,562.52.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $13,478.93.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $19,693.92.

A. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C.
D. (6) $274. E. (9) $274.

A. The Nation-Wide Committee on Import Export Policy, 815 15th Street NW., Suite 711, Washington, D.C. 20005.
D. (6) $11,875. E. (9) $9,742.35.

A. Navajo Tribe, c/o Controller, Window Rock, Ariz. 86515.

A. Alexander W. Neale, Jr., 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $1,290.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. Southern California Edison Co., Post Office Box 800, Rosemead, Calif. 91770.
D. (6) $150. E. (9) $60.68.

A. Allen Neece, Jr., 512 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $300.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,934.

A. George R. Nelson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $138.86.

A. Robert B. Neville, 1155 15th Street NW., Suite 505, Washington, D.C. 20005.
B. National Restaurant Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $750.

A. Louis H. Nevins, 908 Colorado Building, Washington, D.C. 20005.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,656.25. E. (9) $234.47.

A. E. J. Newbould, 1130 17th Street NW., Washington, D.C. 20036.
B. National Clay Pipe Institute, 350 West Terra Cotta Avenue, Crystal Lake, Ill. 60014.
D. (6) $150.

A. Charles E. Nicholas, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $975. E. (9) $699.20.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,025. E. (9) $643.66.

A. Patrick J. Nilan, 817 14th Street NW., Washington, D.C.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C.
D. (6) $7,600.45. E. (9) $647.50.

A. NL Industries, Inc., 111 Broadway, New York, N.Y. 10006.

A. Stanley D. Noble, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Council of Profit Sharing Industries, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Charles M. Noone, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $435.94.

A. Robert D. Nordstrom, 1133 20th Street NW., Washington, D.C. 20036.
B. National Canners Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Robert H. North, 1105 Barr Building, Washington, D.C.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C.

A. Lawrence J. O'Connor, Jr., 1801 K Street NW. Suite 1021, Washington, D.C. 20006.
B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.
E. (9) $251.22.

A. O'Connor, Green, Thomas, Walters & Kelly, 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.
B. American Transit Association, 465 L'Enfant Plaza West SW., Suite 2900, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $147.50.

A. O'Connor, Green, Thomas, Walters and Kelly, 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.

A. O'Connor, Green, Thomas, Walters and Kelly, 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.
B. Upper Mississippi Towing Corp., 7703 Normandale Road, Room 110, Minneapolis, Minn. 55435.
D. (6) $2,500. E. (9) 134.99.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.
B. American Trucking Associations, Inc. 1616 P Street, NW., Washington, D.C. 20036.
D. (6) $300.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Philippine Sugar Institute.
D. (6) $500. E. (9) $250.

A. Jane O'Grady, 815 Sixteenth Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing Workers of America, AFL-CIO, 15 Union Square, New York, N.Y. 10003.
D. (6) $4,269.98. E. (9) $1,306.62.

A. Richard C. O'Hare, 1120 Investment Building, Washington, D.C. 20005.
B. Harness Tracks of America, 333 North Michigan Avenue, Chicago, Ill. 60601.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio 43215.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. Edward W. Oliver, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union AFL-CIO. 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Samuel Omasta, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.
E. (9) $59.75.

A. Charles T. O'Neill, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $243.91.

A. J. Allen Overton, Jr., 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,375.

A. Edward J. Panarello, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $5,641.01. E. (9) $1,018.36.

A. Lew M. Paramore, Box 1310, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control and Conservation Association, Box 1310, Kansas City, Kans. 66117.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $178.27.

A. Kenton H. Pattie, 3150 Spring Street, Fairfax, Va. 22030.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $1,138.70.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.
D. (6) $400.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine & Boat Manufacturers, 537 Steamboad Road, Greenwich, Conn. 06830.
D. (6) $1,800.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. Fort Belknap Assiniboine Treaty Committee, Post Office Box 1475, Harlem, Mont. 59526.
D. (6) $937.50.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. International Snowmobile Industry Association, 5100 Edina Industrial Boulevard, Minneapolis, Minn. 55435.
D. (6) $3,200.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. The Nestle Co., 100 Bloomingdale Road, White Plains, N.Y. 10605.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $2,000.

A. Peabody, Rivlin, Gore, Cladouhos & Lambert, 1730 M Street NW., Suite 707, Washington, D.C. 20036.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. John J. Pecoraro, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,294.86.

A. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
E. (9) $1,285.70.

A. D. V. Pensabene, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $50. E. (9) $25.

A. J. Carter Perkins, 1700 K Street NW., Washington, D.C. 20006.
B. Shell Oil Co., One Shell Plaza, Houston, Tex. 77002.
D. (6) $1,000.

A. J. Hardin Peterson, Sr., Post Office Drawer BS, Lakeland, Fla. 33802.
D. (6) $964.50. E. (9) $10.21.

A. Kenneth Peterson, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $5,978.00 E. (9) $306.30.

A. Richard W. Peterson, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Walter T. Phair, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) $150. E. (9) $200.

A. Roger J. Phaneuf, 1825 K Street NW., Washington, D.C. 20006.

B. United Air Lines, Post Office Box 66100, Chicago, Ill. 60666.

D. (6) $800. E. (9) $93.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,125.

A. Franklin A. Pickens, P.O. Box 1552, Odessa, Tex. 79760.

B. Texas Railroads.

D. (6) $1,140. E. (9) $315.64.

A. John K. Pickens, 201 North Washington Street, Alexandria, Va. 22313.

B. American Nursing Home Association, 1025 Connecticut Avenue NW., Suite 607, Washington, D.C. 20036.

E. (9) $900.

A. Pierson, Ball & Dowd, 1000 Ring Building, Washington, D.C. 20036.

B. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C. 20036.

D. (6) $3,333.33. E. (9) $99.23.

A. James H. Pipkin, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.

D. (6) $350. E. (9) $810.

A. Plains Cotton Growers, Inc., 1720 Avenue M, Lubbock, Tex. 79401.

D. (6) $4,564.39. E. (9) $1,350.

A. Ramsay D. Potts, 910 17th Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $375.

A. William J. Potts, Jr., 1730 M Street NW., Washington, D.C. 20036.

B. Association for Broadcast Engineering Standards, Inc., 1730 M Street NW., Suite 700, Washington, D.C. 20036.

A. Richard M. Powell, 1210 Tower Building, Washington, D.C. 20005.

B. International Association of Refrigerated Warehouses, 1210 Tower Building, Washington, D.C. 20005.

A. William I. Powell, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $2.10.

A. Carlton H. Power, 1918 North Parkway, Post Office Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, Post Office Box 12285, Memphis, Tenn., 38112.

D.(6) $338.94. E. (9) $45.79.

A. William C. Prather, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States Savings and Loan League, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $475.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Registered Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $296.35.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $753.73. E. (9) $753.73.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Joseph E. Quin, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $720.

A. William A. Quinlan, Route 8, Box 238, Annapolis, Md. 21401.

D. (6) $572. E. (9) $160.16.

A. Thomas H. Quinn, 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.

B. Committee for Study of Revenue Bond Financing, 1200 18th Street NW., Washington, D.C. 20036.

D. (6) $1,666.50. E. (9) $292.30.

A. James H. Rademacher, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $1,996.80.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $42.18.

A. Raymond Raedy, 1701 K Street NW., Washington, D.C.

B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.

A. Railway Labor Executives Association, 400 First Street NW., Washington, D.C.

D. (6) $8,692. E. (9) $8,692.

A. Alan T. Rains, 777 14th Street NW., Washington, D.C. 20005.

B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C. 20005.

D. (6) $450.

A. D. Michael Rappoport, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $90. E. (9) $47.47.

A. G. J. Rauschenbach.

B. Communications Satellite Corp., 950 L'Enfant Plaza South SW., Washington, D.C. 20024.

D. (6) $1,000. E. (9) $710.

A. Thomas D. Ray.

B. National Federation of Independent Business, 921 Washington Building, 15th Street and New York Avenue NW., Washington, D.C. 20005.

D. (6) $2,450. E. (9) $219.35.

A. Dwight C. Reed, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association.

D. (6) $23.43. E. (9) $5.

A. David J. Reedy, 6S430 Huntington Circle East, Naperville, Ill. 60540.

B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.

D. (6) $900.

A. Lawrence D. Reedy, 602 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $1,250. E. (9) $600.

A. Robert S. Reese, Jr., 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. John T. Reggitts, Jr., 95 Boonton Avenue, R.D. No. 2 Boonton, N.J. 07005

A. Barbara Reid, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $345.

A. John A. Reilly, 59 Maiden Lane, New York, N.Y. 10038.

B. Estate of Bert N. Adams, 1461 West 16th Place, Yuma, Ariz., Emma Giambald, 1461 West 16th Place, Yuma, Ariz., George Hallingby, 4104 Chestnut Drive East, Forest Hills, Holiday, Fla.

E. (9) $25.

A. W. W. Renfroe, 101 East High Street, Lexington, Ky. 40507.

B. Kentucky Railroad Association, 101 East High Street, Lexington, Ky. 40507.

A. Retired Officers Association, 1625 I Street, NW., Washington, D.C.

D. (6) $7,892.

A. Retirement Federation of Civil Service Employees of the U.S. Government, Warner Building, Suite 1128, 13th and E Streets NW., Washington, D.C. 20004.

D. (6) $13,587.35. E. (9) $8,678.19.

A. James J. Reynolds, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

D. (6) $1,875. E. (9) $394.

A. Austin T. Rhoads.

B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.

D. (6) $350. E. (9) $277.36.

A. Thomas J. Rice, 1130 17th Street NW., No. 430, Washington, D.C. 20036.

B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Maxwell E. Rich, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $625.

A. Harry H. Richardson, 335 Austin Street, Bogalusa, La. 70427.

B. Louisiana Railroads, 335 Austin Street, Bogalusa, La. 70427.

A. Stark Ritchie, 1801 K Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.

A. William Neale Roach, 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $3,939. E. (9) $564.33.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Kenneth A. Roberts, 888 17th Street NW., Washington, D.C. 20006.
B. Proprietary Association, 1700 Penn Avenue NW., Washington, D.C.
D. (6) $100.

A. William S. Roberts, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $55.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $185.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
E. (9) $2.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Registered Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $729.20.

A. Frank W. Rogers, Suite 793, 1801 K Street NW., Washington, D.C. 20006.
B. Western Oil and Gas Association, 609 South Grand Avenue, Los Angeles, Calif. 90017.
D. (6) $750.

A. Walter E. Rogers, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Independent Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $1,000.

A. John F. Rolph III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $275.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo Avenue, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S. A. de C.V., Balderas 36, Mexico, D.F., Mexico.
D. (6) $3,600. E. (9) $1,800.98.

A. Robert J. Routier, 1701 K Street NW., Washington, D.C. 20006.
B. American Life Convention, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Royall, Koegel & Wells, 1730 K Street NW., Suite 1009, Washington, D.C. 20006.
B. The Associated Press, 50 Rockefeller Plaza, New York, N.Y.

A. Royall, Koegel & Wells, Suite 1009, 1730 K Street NW., Washington, D.C. 20006.
B. The Deltona Corp., 3250 Southwest Third Avenue, Miami, Fla. 33129.
D. (6) $623.75.

A. John Forney Rudy, 1800 K Street NW., Suite 622, Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., Akron, Ohio 44316.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $343.08. E. (9) $151.81.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Apt. 514, Washington, D.C. 20036.
B. The American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $750. E. (9) $927.55.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $672.17.

A. Ella Marice Ryan, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $100. E. (9) $74.25.

A. William H. Ryan, Machinists Building, Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,400. E. (9) $480.

A. Francis J. Ryley, 500 Title and Trust Building, Phoenix, Ariz. 85003.
B. Standard Oil Co. of California, Shell Oil Co., Mobil Oil Corp.

A. Sachs, Greenbaum and Tayler, 1620 I Street NW., Washington, D.C. 20006.
B. Ontario Corp., 1200 West Jackson Street, Muncie, Ind.
D. (6) $460. E. (9) $72.08.

A. Sachs, Greenbaum and Tayler, 1620 I Street NW., Washington, D.C. 20006.
B. York Bag Co., Ltd., 3577 Dundas Street West, Toronto, Ontario, Canada.
E. (9) $157.60.

A. Raymond L. Schafer, Room 610, Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. A. Cleve Schneeberger, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Portland Cement Association, Old Orchard Road, Skokie, Ill. 60076.

A. Donald H. Schwab, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the U.S.
D. (6) $1,821.88. E. (9) $63.55.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $5,000.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 1209, Washington, D.C. 20036.
B. Jefferson Pilot Corp., P.O. Box 21008, Greensboro, N.C. 27402.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Washington, D.C. 20036.
B. Provident Life & Accident Insurance Co., Chattanooga, Tenn. 37402.

A. Durward Seals, 777 14th Street NW., Washington, D.C. 20005.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C. 20005.
D. (6) $231.25. E. (9) $33.45.

A. Kay Sealy, 900 Southwest Tower, Houston, Tex. 77002.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.

A. Earl W. Sears, Post Office Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $196.50. E. (9) $10.26.

A. Ronald C. Seeley, 1357 Nicolet Place, Detroit, Mich. 48207.
B. Estate of Bert N. Adams, 1461 West 16th Place, Yuma Ariz.; Emma (Adams) Giambaldi, 1461 West 16th Place, Yuma, Ariz.; George Hallingby, 4104 Chestnut Drive East, Forest Hills, Holiday, Fla.
E. (9) $115.40.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., 925 South Homan Avenue, Chicago, Ill. 60607.
D. (6) $50. E. (9) $15.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $900. E. (9) $450.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
D. (6) $16,649.08. E. (9) $711.67.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Children's Hospital of the District of Columbia, 2125 13th Street NW., Washington, D.C.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. El Paso Natural Gas Co., El Paso, Tex.
E. (9) $200.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y. 10022.
D. (6) $225. E. (9) $15.

A. Jane M. O. Sharp, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Council for a Livable World.
D. (6) $4,500.

A. Shaw, Pittman, Potts & Trowbridge, Barr Building, 910 17th Street NW., Washington, D.C. 20006.
B. Doubleday & Co., Inc., 277 Park Avenue, New York, N.Y. 10017.

A. Laurence P. Sherfy, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $1,175.

A. Edward L. Shields, 666 11th Street NW., Washington, D.C. 20001.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.
E. (9) $930.

A. Harvey A. Shipman, 1725 K Street NW., Suite 1103, Washington, D.C. 20006.

B. Penn Central Transportation Co., Six Penn Center Plaza, Philadelphia, Pa. 19104.

A. Lucien J. Sichel, 1730 M Street NW., Washington, D.C.

B. Abbott Laboratories, North Chicago, Ill. 60064.

A. David Silver, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $58. E. (9) $36.47.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

E. (9) $373.39.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee.

D. (6) $825. E. (9) $62.

A. Marcus W. Sisk, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Marcus W. Sisk, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Carstens Slack, 1825 K Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. William L. Slayton, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.

B. The American Institute of Architects, 1785 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,500.

A. Stephen Slipher, 812 Pennsylvania Building, Washington, D.C. 20004.

B. United States Savings & Loan League, 111 East Wacker Drive, Chicago, Ill.

D. (6) $3,750. E. (9) $13.

A. Smathers & Merrigan, 888 17th Street NW., Washington, D.C. 20006.

B. American Horse Council, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $6,250. E. (9) $1,611.55.

A. Smathers & Merrigan, 888 17th Street NW., Washington, D.C. 20006.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $12,500. E. (9) $43.53.

A. Donald E. Smiley, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex.

E. (9) $282.09.

A. Arthur J. Smith, 1700 K Street NW., Suite 300, Washington, D.C. 20006.

B. Shell Oil Co., Post Office Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Everard H. Smith, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $270. E. (9) $194.48.

A. Gordon L. Smith, 1145 19th Street NW., Washington, D.C. 20036.

B. Edward Gottlieb & Associates, Ltd., 485 Madison Avenue, New York, N.Y. 10022.

E. (9) $22.50.

A. Robert Wm. Smith, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $187. E. (9) $123.

A. Wallace M. Smith, 425 13th Street NW., Washington, D.C. 20004.

B. National Association of Mutual Insurance Cos., 2511 East 46th Street, Suite H, Indianapolis, Ind. 46205.

D. (6) $350. E. (9) $234.47.

A. Wayne H. Smithey, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $710. E. (9) $264.20.

A. Arthur V. Smyth, 1625 I Street NW., Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 28401.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C., 20036.

B. Burley and Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky. 40501.

D. (6) $550. E. (9) $37.28.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C.

B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.

D. (6) $2,102.

A. J. R. Snyder, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) $225.

A. Society for Animal Protective Legislation, Post Office Box 3719, Georgetown Station, Washington, D.C. 20007.

D. (6) $2,234.25. E. (9) $2,201.46.

A. Carl A. Soderblom, One East First Street, Room 803, Reno, Nev. 89501.

B. Nevada Railroad Association, One East First Street, Room 803, Reno, Nev. 89501.

A. Charles B. Sonneborn, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Association of Blue Shield Plans, 211 East Chicago Avenue, Chicago, Ill. 60611.

D. (6) $125. E. (9) $70.

A. Jerome N. Sonosky, Gerald E. Gilbert & Alvin Ezrin, Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. American Physical Therapy Association, Washington, D.C.

A. J. Taylor Soop, 400 First Street NW., Washington, D.C. 20001.

B. International Brotherhood of Electrical Workers, O'Hare Office Building, Suite 400, 10400 West Higgins Road, Rosemont, Ill. 60018.

D. (6) $1,125.40.

A. Frederick F. Spalding, Rural Delivery, No. 3, Box 96, Annapolis, Md. 21403.

A. William W. Spear, 1000 16th Street NW., Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 910 South Michigan Avenue, Chicago, Ill. 60605.

D. (6) $1,399. E. (9) $6.93.

A. Frank J. Specht, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. William C. Spence, Box 683, Houston, Tex. 77001.

B. Columbia Gulf Transmission Co., Box 683, Houston, Tex. 77001.

D. (6) $250.

A. Larry N. Spiller, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. Consulting Engineers Council United States, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) $1,500. E. (9) $50.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.

E. (9) $90.

A. John M. Stackhouse, The Madison Building, 1155 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Association.

A. Lynn Stalbaum, 400 World Center Building, 918 16th Street NW., Washington, D.C. 20006.

B. Central America Cooperative Federation, Inc., Room 400, 918 16th Street NW., Washington, D.C. 20006.

D. (6) $525.

A. Standard Oil Co. (Ohio), 1801 K Street NW., Suite 1021, Washington, D.C. 20006.

E. (9) $251.22.

A. Melvin L. Stark, 1025 Connecticut Avenue NW., Suite 211, Blake Building, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 211, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $350.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Council for a Responsible Firearms Policy, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Green Olive Trade Association, Inc., 82 Beaver Street, New York, N.Y. 10005.

D. (6) $500.

A. B. H. Steuerwald, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Railroad Signalmen, 2247 West Lawrence Avenue, Chicago, Ill.

A. Wynne A. Stevens, Jr., 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $870.

A. Travis B. Stewart, 1775 K Street NW., Washington, D.C. 20006.

B. Hoffmann-La Roche Inc., 340 Kingsland Street, Nutley, N.J. 07110.

D. (6) $500. E. (9) $100.

A. Francis W. Stover, 200 Maryland Avenue N.E., Washington, D.C. 20002.

B. Veterans of Foreign Wars of the U.S., 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $6,039.35. E. (9) $346.65.

A. William M. Stover, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $1,000. E. (9) $100.

A. Herald E. Stringer, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $5,910. E. (9) $1,057.09.

A. John Stringer, 666 11th Street NW., Washington, D.C. 20001.

B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.

E. (9) $1,325.

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Footwear Group, American Importers Association, New York, N.Y.

A. Stitt, Hemmendinger & Kennedy, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Japan Iron & Steel Exporters' Association, Tokyo, Japan.

A. Michael E. Strother, 1315 16th Street NW., Washington, D.C. 20036.

B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C. 20036.

E. (9) $61.50.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.

B. U.S. Savings & Loan League, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $2,250.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.

D. (6) $600.

A. G. Don Sullivan, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $575.

A. Irving W. Swanson, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $7,500.

A. John R. Sweeney, Solar Building, 1000 16th Street NW., Washington, D.C. 20036.

B. Bethlehem Steel Corp., 701 East Third Street, Bethlehem, Pa. 18016.

D. (6) $350. E. (9) $249.70.

A. Charles P. Taft, 1028 Connecticut Avenue NW., Washington, D.C. 20036.

B. Legislative Committee, Committee for a National Trade Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.

A. Charles C. Talley, 100 Angus Court, Charlottesville, Va. 22901.

B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. L. D. Tharp, Jr., 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Independent Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $300.

A. William D. Thompson, 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $1,981.20.

A. Cyrus C. Tichenor III, 8607 Queen Elizabeth Boulevard, Annadale, Va. 22003.

B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.

D. (6) $5,250. E. (9) $771.97.

A. Paul J. Tierney, 1101 17th Street NW., Washington, D.C. 20036.

B. Transportation Association of America.

A. E. Linwood Tipton, 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers and Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Tobacco Associates, Inc., 1101 17th Street NW., Washington, D.C. 20036.

E. (9) $2,350.

A. H. Willis Tobler, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $1,000. E. (9) $183.93.

A. David R. Toll, 1140 Connecticut Avenue, Suite 1010, Washington, D.C. 20036.

B. National Association of Electric Company, 1140 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $469.67. E. (9) $396.54.

A. John P. Tracey.

B. American Bar Association, 1705 DeSales Street NW., Washington, D.C. 20036.

D. (6) $400. E. (9) $50.

A. Transportation Association of America, 1101 17th Street NW., Washington, D.C. 20036.

A. Glenwood S. Troop, Jr., 812 Pennsylvania Building, Washington, D.C. 20004.

B. United States Savings & Loan League, 111 East Wacker Drive, Chicago, Ill.

D. (6) $5,625. E. (9) $2.30.

A. Galen Douglas Trussell.

B. National Association of Manufacturers, 277 Park Avenue, New York, N.Y. 10017.

D. (6) $792. E. (9) $583.71.

A. John D. Tyson.

B. International Paper Co., 1620 I Street NW., Room 700, Washington, D.C. 20006.

A. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

E. (9) $9,969.20.

A. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C. 20005.

D. (6) $2,329.36. E. (9) $2,329.36.

A. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

E. (9) $280.46.

A United States Savings & Loan League, 111 East Wacker Drive, Chicago, Ill.

E. (9) $52,610.10.

A. Universal Development Consultants Inc., 425 13th Street NW., Washington, D.C. 20004.

B. Mortgage Bankers Association of America.

D. (6) $550. E. (9) $83.20.

A. David E. Ushio, 1730 Rhode Island Avenue NW., Suite 204, Washington, D.C. 20036.

B. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif. 94115.

D. (6) $500.

A. Lois Van Valkenburgh, 1673 Preston Road, Alexandria, Va. 22302.

B. Citizens Committee for UNICEP, 20 E Street NW., Washington, D.C. 20001.

A. John A. Vance, 1150 17th Street NW., Suite 1109, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $1,092.50. E. (9) $932.36.

A. Theodore A. Vanderzyde, Machinists Building, Washington, D.C. 20036.

B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,400. E. (9) $480.

A. Ted Van Dyk Associates, Inc., 1720 I Street NW., Suite No. 400, Washington, D.C. 20006.

B. United Air Lines, Post Office Box 66100, Chicago, Ill. 60666.

E. (9) $841.78.

A. John W. Vardaman, Jr., 839 17th Street NW., Washington, D.C. 20006.

D. (6) $6,500. E. (9) $37.

A. Richard E. Vernor, 1701 K Street NW., Washington, D.C. 20006.

B. American Life Convention, 211 East Chicago Avenue, Chicago, Ill. 60611.

D. (6) $127. E. (9) $32.95.

A. Veterans of World War I of the USA, Inc., 916 Prince Street, Alexandria, Va., 22314.

D. (6) $140,305.10. E. (9) $139,879.71.

A. L. T. Vice, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

E. (9) $210.

A. Walter D. Vinyard, Jr., 1025 Connecticut Avenue NW., Suite 515, Blake Building, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 515, Blake Building, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $250.

A. Bruce E. Vogelsinger, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. Consulting Engineers Council/US, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) $1,350. E. (9) $50.

A. Donn L. Waage, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Registered Bank, Holding Companies, 730 15th Street NW., Washington, D.C. 20005.

D. (6) $157.25. E. (9) $56.25.

A. Paul A. Wagner, 1126 16th Street NW., Washington, D.C. 20036.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers, 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $1,065.80. E. (9) $64.13.

A. E. F. Waldrop, Jr., Suite 212, 300 New Jersey Avenue SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.

B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Jack A. Waller, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Assocation of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,869.

A. Franklin Wallick, 1126 16th Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Solidarity House, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $1,345.40. E. (9) $372.68.

A. William A. Walton, 800 Merchants National Bank Building, Eighth and Jackson Streets, Topeka, Kans. 66612.
B. Kansas Railroad Committee, 800 Merchants National Bank Building, Eighth and Jackson Streets, Topeka, Kans. 66612.

A. Richard D. Warden, 1126 16th Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $2,573.46. E. (9) $149.

A. Washington Consulting Service, 1435 G Street NW., Suite 1032, Washington, D.C. 20005.
B. American Occupational Therapy Association, 6000 Executive Boulevard, Suite 200, Rockville, Md. 20852.
D. (6) $450. E. (9) $340.

A. Washington Consulting Service, 1435 C Street, NW., Washington, D.C. 20005.
B. Rehabilitation Institute of Chicago, 401 East Ohio Street, Chicago, Ill. 60611.
D. (6) $900. E. (9) $850.

A. George B. Watts, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $300.

A. Ray Wax, 1900 South Eads Street, Box 836, Arlington, Va. 22202.
B. National Association of Farmer Elected Committeemen, 1900 South Eads Street, Box 836, Arlington, Va. 22202.
E. (9) $48.90.

A. Herman Webb, 400 First Street NW., Washington, D.C. 20001.
B. International Brotherhood of Electrical Workers, O'Hare Office Building, Suite 400, 10400 West Higgins Road, Rosemont, Ill. 60018.
D. (6) $525.

A. Clarence M. Weiner, 575 Madison Avenue, New York, N.Y. 10022.
B. Cigar Manufacturers Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.
D. (6) $9,999.99.

A. F. Paul Weiss, 1825 K Street NW., Washington, D.C. 20006.
B. United Air Lines, Post Office Box 66100, Chicago, Ill. 60666.
D. (6) $850. E. (9) $94.

A. Frank J. Welch, 3724 Manor Road, Chevy Chase, Md. 20015.
B. The Tobacco Institute, Inc., Suite 1200, 1776 K Street NW., Washington, D.C. 20006.

A. Fred M. Wertheimer, 2100 M Street NW., Washington, D.C. 20037.
B. Common Cause, 2100 M Street NW., Washington, D.C. 20037.
D. (6) $6,600. E. (9) $143.

A. Terrell M. Wertz, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,750. E. (9) $114.97.

A. West Mexico Vegetable Distributors Association, Post Office Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Wheeler, Van Sickle, Day & Anderson, 25 West Main Street, Madison, Wis. 53703.
B. Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Oil Co., 240 Radnor Chester Road, St. Davids, Pa. 19087.
D. (6) $4,000. E. (9) $1,725.

A. Thomas E. Wheeler, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $102.21. E. (9) 160.20.

A. John S. White, 420 Cafritz Building, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $472.48.

A. John C. White, Room 1008, 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., Room 1008, 1101 17th Street NW., Washington, D.C. 20036.

A. Robert L. White, 7315 Wisconsin Avenue, Washington, D.C. 20014.
B. National Electrical Contractors Association, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Douglas Whitlock II, 1660 L Street NW., Suite 1005, Washington, D.C. 20036.
B. Zale Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $150.

A. Claude C. Wild, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $1,000. E. (9) $250.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 360 Lexington Avenue, New York, N.Y. 10017.
E. (9) $466.20.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $56.84.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. Bonneville International Corp., 136 East South Temple Street, Salt Lake City, Utah.
E. (9) $70.43.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.
E. (9) $3.95.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 East Elizabeth Street, Bethlehem, Pa.
E. (9) $2.23.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $168.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. Crow Creek Sioux Tribe, Pierre Agency, Pierre, S. Dak.
E. (9) $17.20.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. Estate of Albert W. Small, c/o Mrs. Albert W. Small, 5803 Green Tree Road, Bethesda, Md.
E. (9) $23.99.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, Post Office Box 817, Hoopa, Calif.
E. (9) $32.94.

A. Wilkinson, Cragun & Barker, 1616 H Street N.W., Washington, D.C. 20006.
B. National Association of Insurance Agents, Inc., 85 John Street, New York, N.Y. 10038.

A. Wilkinson, Cragun & Barker, 1616 H Street N.W., Washington, D.C. 20006.
B. Quinaielt Tribe of Indians, Taholah, Wash.
E. (9) $49.96.

A. Wilkinson, Cragun & Barker, 1616 H Street N.W., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $36.83.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.
D. (6) $6,500. E. (9) $37.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Bankers Association of Puerto Rico c/o Wender, Murase & White, 350 Park Avenue, New York, N.Y. 10022.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. C. Brewer & Co., Post Office Box 3470, Honolulu, Hawaii.
D. (6) $1,000. E. (9) $400.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. International Utilities Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
E. (9) $400.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. National Council for Health Care Services, 407 N Street SW., Washington, D.C.
D. (6) $1,000. E. (9) $400.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.
B. Ward Industries, Inc., P.O. Box 849, Conway, Ark. 72032.
E. (9) $400.

A. Francis G. Williams.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
E. (9) $3.

A. Harding de C. Williams, 1825 K Street N.W., Washington, D.C. 20006.
B. Del Monte Corp., 215 Fremont Street, San Francisco, Calif. 94119.
D. (6) $500. E. $50.

A. Harry D. Williams, 1660 L Street NW., Suite 204–05, Washington, D.C. 20036.
B. Ashland Oil, Inc., Post Office Box 391, Ashland, Ky. 41101.
D. (6) $250.

A. Robert E. Williams, 1825 K Street NW., Washington, D.C. 20006.
B. United Air Lines, Post Office Box 66100, Chicago, Ill. 60666.
D. (6) $1,250. E. (9) $252.71.

A. Thomas C. Williams, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Football League, 410 Park Avenue, New York, N.Y. 10022.
D. (6) $500. E. (9) $15.50.

A. John C. Williamson, 1300 Connecticut Avenue NW., Washington, D.C.
B. National Association of Real Estate Boards, 1300 Connecticut Avenue, Washington, D.C.
D. (6) $8,000. E. (6) 17.80.

A. Wilmer, Cutler & Pickering, 900 17th Street NW., Washington, D.C. 20006.
B. Oil Investment Institute, 2500 Dunstan, Suite 605, Houston, Tex. 77005.

A. W. E. Wilson, 623 Ockley Drive, Shreveport, La. 71106.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
D. (6) $1,200. E. (9) $85.70.

A. Richard F. Witherall, 702 Majestic Building, Denver, Colo. 80202.
B. Colorado Railroad Association, 702 Majestic Bldg., Denver, Colo. 80202.

A. Peter L. Wolff, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Law Schools, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

A. Nathan T. Wolkomir, 1737 H Street NW., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $9,245.60. E. (9) $620.83.

A. William E. Woods, 440 National Press Building, Washington, D.C. 20004.
B. National Association of Retail Druggists, One East Wacker Drive, Chicago, Ill. 60601.
D. (6) $750. E. (9) $150.

A. Albert Young Woodward, 815 Connecticut Avenue NW., Washington, D.C.
B. The Signal Companies, Inc. 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Albert Young Woodward, 815 Connecticut Avenue NW., Washington, D.C.
B. The Flying Tiger Line Inc., Los Angeles International Airport, Los Angeles, Calif.

A. Perry W. Woofter, 1801 K. Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $413.

A. George M. Worden, 1425 K Street NW., Washington, D.C.
B. Hill and Knowlton, Inc., 150 East 42d Street, New York, N.Y. 10017.

A. Gerald L. Wykoff, 7315 Wisconsin Avenue, Washington, D.C. 20014.
B. National Electrical Contractors Association, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Wyman, Bautzer, Rothman & Kuchel, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Alaska Federation of Natives, Inc., 1675 C Street, Anchorage, Alaska 99501.

A. Wyman, Bautzer, Rothman & Kuchel, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Copyright Owners Negotiating Committee, c/o Phillips, Nizer, Benjamin, Krim & Ballon, 477 Madison Avenue, New York, N.Y. 10022.

A. Wyman, Bautzer, Rothmam & Kuchel, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Embassy of the Government of the Republic of Korea, 2320 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Wyman, Bautzer, Rothman, & Kuchel, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Association of Motion Picture & TV Producers, 8480 Beverly Boulevard, Los Angeles, Calif., Hollywood A.F.L. Film Council 7715 Sunset Boulevard, Hollywood, Calif., Screen Actors Guild, 7750 Sunset Boulevard, Hollywood, Calif.

A. Wyman, Bautzer, Rothman, & Kuchel, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Merger Committee NBA, c/o Abe Pollin, 6101 16th Street NW., Washington, D.C., Merger Committee ABA, c/o H. Wendell Cherry, 601 Portland Federal Building, 200 West Broadway, Louisville, Ky.
D. (6) $100.

A. John H. Yingling, 905 16th Street NW., Washington, D.C. 20006.
B. First National City Bank, 399 Park Avenue, New York, N.Y. 10022.
D. (6) $200. E. (9) $227.95.

A. Kenneth Young, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $6,944. E. (9) $264.10.

A. Albert H. Zinkand, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Getty Oil Co., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Charles O. Zuver, 120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $86.47.

***All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.**

The following reports for the third calendar quarter of 1972 were received too late to be included or were not included in the published reports for the third quarter.

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $10,058.09. E. (9) $10,058.09.

A. Paul W. Airey, 4517 Sunset Drive, Panama City, Fla. 32401.
B. Air Force Sergeants Association, Inc., 1501 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Nicholas E. Allen, 444 Shoreham Building, Washington, D.C. 20005.
B. Music Operators of America, Inc., 228 North LaSalle Street, Chicago, Ill.
D. (6) $450. E. (9) $154.72.

A. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.
D. (6) $24,487.20. E. (9) $24,487.20.

A. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,799.50. E. (9) $3,258.53.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $8,523.34. E. (9) $8,523.34.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
E. (9) $2,382.09.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $27,419.75. E. (9) $27,419.75.

A. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $31,607.88. E. (9) $31,607.88.
A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $7.

A. American Veterinary Medical Association, 1522 K Street NW., Suite 828, Washington, D.C. 20005.
E. (9) $225.

A. American Vocational Association, 1510 H Street NW., Washington, D.C. 20005.
D. (6) $1,450. E. (9) $1,444.

A. William C. Anderson, 425 13th Street NW., Washington, D.C.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $2,175. E. (9) $23.13.

A. Robert E. Ansheles, Suite 718, 1028 Connecticut Avenue NW., Washington, D.C. 20036
B. CITC Industries, Inc., 1 Park Avenue, New York, N.Y. 10016.
D. (6) $200. E. (9) $93.27.

A. Robert L. Augenblick, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $188. E. (9) $8.

A. Gary D. Avery, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $210. E. (9) $26.72.

A. John C. Bagwell, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.

A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C 20036.

A. Peter M. Balitsaris, 1625 L Street NW., Washington, D.C. 20036.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $2,575. E. (9) $118.88.

A. Davis M. Batson, 1155 15th Street NW., No. 611, Washington, D.C. 20005.
B. Ethyl Corporation, 1155 15th Street NW., No. 611, Washington, D.C. 20005.
D. (6) $300.

A. C. Thomas Bendorf, 1620 I Street NW., Suite 505, Washington, D.C. 20006.
B. American Trial Lawyers Association, Cambridge, Mass. 02138.
D. (6) $1,500. E. (9) $150.

A. Arthur A. Benson II, 1024 Commerce Tower, Kansas City, Mo. 64105.
B. Save Our Soil, Inc., Pattonsburg, Mo. 64670.
D. (6) $1,552.50. E. (9) $1,403.99.

A. Max N. Berry, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Austrian Trade Delegate in the United States, 845 Third Avenue, New York, N.Y. 10022.

A. Max N. Berry, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $400. E. (9) $59.47.

A. William Blum, Jr., 700 Federal Bar Bldg., 1815 H Street NW., Washington, D.C. 20006.
B. Committee for the Study of Revenue Bond Financing, Care of William A. Geoghegan, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $833.33. E. (9) $163.05.

A. Melvin J. Boyle, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $6,333.

A. George E. Bradley, 1341 G Street NW., Washington, D.C. 20005.
B. Organization of Professional Employees of USDA, 1341 G Street NW., Washington, D.C. 20005.
D. (6) $420. E. (9) $25.

A. Cyril F. Brickfield, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Association of Retired Persons/National Retired Teachers Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $35.30.

A. Brotherhood of Railway Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $24,395.91. E. (9) $24,395.91.

A. W. F. Broxterman, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison.
D. (6) $1,615.43. E. (9) $41.10.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $1,000. E. (9) $580.45.

A. Bulgarian Claims Committee, care of Chaco Chase, 109–20 71 Road, Forest Hills. N.Y. 11375.
E. (9) $5.57.

A. Lowell A. Burkett, 1510 H Street NW., Washington, D.C. 20005.
B. American Vocational Association, 1510 H Street NW., Washington, D.C. 20005.
D. (6) $940.

A. David Burpee, Fordhook Farms, Doylestown, Pa., 18901.

A. Canal Zone Central Labor Union-Metal Trades Council, AFL–CIO, Post Office Box 471, Balboa Heights, C.Z.
D. (6) $1947.34. E. (9) $1125.65.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $2,250.

A. Albert T. Church, Jr., 1625 K Street NW., Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K. Street NW., Suite 1000, Washington, D.C. 20006.
D. (6) $52.50. E. (9) $1.34.

A. Citizens Committee on Natural Resources, 1346 Connecticut Avenue NW., Suite 712, Washington, D.C. 20036.
D. (6) $5,900. E. (9) $7,567.88.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee.
D. (6) $825. E. (9) $158.81.

A. Coalition Against Strip Mining, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,700. E. (9) $2,069.47.

A. Carl A. S. Coan, Jr., 1625 L Street NW., Washington, D.C. 20036.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $6,562.49. E. (9) $1,128.55.

A. Robert E. Cole, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Motor Vehicle Manufacturers Association, 320 New Center Building, Detroit, Mich. 48202.
D. (6) $500.

A. Collier, Shannon, Rill & Edwards, 1625 I Street NW., Washington, D.C. 20006.
B. American Cylinder Manufacturers Committee, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $50.

A. James F. Collins, 1000 16th Street NW., Washington, D.C. 20006.
B. American Iron & Steel Institute, 50 East 42d Street, New York, N.Y.
D. (6) $500. E. (9) $125.

A. T. Neal Combs, 1822 Jefferson Place NW., Washington, D.C. 20036.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
E. (9) $5.

A. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $7,243.16.

A. Robert J. Conner, Jr., 1100 Connecticut Avenue NW., Washington, D.C.
B. Chrysler Corp., 12000 Oakland Avenue, Highland Park, Mich. 48231.
D. (6) $500. E. (9) $335.

A. Consulting Engineers Council/U.S., 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $5,840. E. (9) $5,840.

A. John A. Couture, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $4,406.27. E. (9) $172.24.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $5,102.86. E. (9) $576.12.

A. C. Richard Crockett, 1501 Tower Building, Little Rock, Ark. 72201.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
E. (9) $10,309.72.

A. Daniels & Houlihan, 1819 H Street NW., Washington, D.C. 20006.
B. National Office Machine Dealers Association, 2510 Dempster Street, Des Plaines, Ill. 60016.
D. (6) $1,500. E. (9) $24.50.

A. John C. Datt, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.
D. (6) $1,375. E. (9) $21.84.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. D.C. Transit System, Inc., Washington, D.C.
D. (6) $6,000.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Guild of Prescription Opticians, Inc., 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. Air Transport Association, 1000 Connecticut Avenue NW., Washington, D.C.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. Association of Plaintiffs Trial Attorneys of Metropolitan Washington, D.C., Inc., 910 17th Street NW., Washington, D.C. 20005.
D. (6) $1,500.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Quinn, Riddell, Taylor & Davis, 723 Washington Building, Washington, D.C. 20005.
B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. Vincent A. Demo, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $6,875. E. (9) $3,080.

A. Franklin W. Denius, Post Office Box 1148, Austin, Tex. 78767.
B. Texas Electric Service Co., Post Office Box 970, Fort Worth, Tex.; Dallas Power & Light Co., Dallas, Tex.; Texas Power & Light Co., Dallas, Tex.
E. (9) $913.51.

A. Leslie E. Dennis, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railway, Airline and Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $850. E. (9) $495.

A. C. H. DeVaney, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.
D. (6) $2,175. E. (9) $97.98.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Advance Schools, Inc., 5900 Northwest Highway, Chicago, Ill.
D. (6) $2,035.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Newspaper Committee for Cablevision, News Press & Gazette Co., Ninth and Edmond Streets, St. Joseph, Mo.

A. William DuChessi, 1126 16th Street NW., Washington, D.C.
B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.
D. (6) $1,475. E. (9) $100.

A. Bruce Dunton, 1126 16th Street NW., Washington, D.C.
B. Textile Workers Union of America, 99 University Place, New York, N.Y. 10003.
D. (6) $900. E. (9) $100.

A. Hope Eastman, 410 First Street SE., Washington, D.C. 20003.
B. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.
D. (6) $24,487.20. E. (9) $24,487.20.

A. Harmon L. Elder, 1900 L Street NW., Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 1900 L Street NW., Washington, D.C. 20036.
D. (6) $250. E. (9) $57.70.

A. D. A. Ellsworth, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $5,514. E. (9) $1,594.14.

A. Glenn R. Erickson, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $270. E. (9) $750.

A. Ethyl Corp., 1155 15th Street NW. Apt. No. 611, Washington, D.C. 20005.
E. (9) $300.

A. Edward R. Fellows, Jr., 1200 17th Street NW., Suite 500, Washington, D.C. 20036.
B. National League of Insured Savings Associations, 1200 17th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $820. E. (9) $108.60.

A. Francis C. Fini, 1501 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Air Force Sergeants Association Inc., 1501 Pennsylvania Avenue SE., Washington, D.C. 20002.

A. David M. Fleming, 1155 15th Street NW., Washington, D.C. 20005.

A. Roger Fleming, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.
D. (6) $1,775. E. (9) $65.28.

A. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.
D. (6) $5,600.

A. Ronald C. Frankis, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,238.48. E. (9) $110.

A. Owen V. Frisby, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $765. E. (9) $2,983.64.

A. Gas Supply Committee, 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $40,500. E. (9) $2,036.03.

A. Leo J. Gehrig, One Farragut Square South, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill., 60611.
D. (6) $1,597.08. E. (9) $235.58.

A. Walter Gerson, 1016 20th Street NW., Washington, D.C. 20036.
B. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $2,428. E. (9) $425.

A. The Glenmede Trust Co., 1529 Walnut Street, Philadelphia, Pa.
E. (9) $63,543.08.

A. James M. Goldberg, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $750.

A. John Goldsum, Post Office Box 1148, Austin, Tex. 78767.
B. Texas Electric Service Co., Post Office Box 970, Fort Worth, Tex., Dallas Power & Light Co., Dallas, Tex.; Texas Power & Light Co., Dallas, Tex.
E. (9) 3,009.05.

A. Vance V. Goodfellow, 828 Midland Bank Building, Minneapolis, Minn. 55401.
B. Crop Quality Council, 828 Midland Bank Building, Minneapolis, Minn. 55401.
D. (6) $5,625.

A. Dale Greenwood, 302 Hoge Building, Seattle, Wash. 98104.
B. Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98014.

A. James M. Hacking, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Association of Retired Persons National Retired Teachers Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. Hoyt S. Haddock, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
E. (9) $53.20.

A. John F. Hall, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $883.53.

A. Franklin Hardinge, Jr., 1444 Wentworth Ave., P.O. Box R, Pasadena, Calif. 91109.
B. California Savings and Loan League, 1444 Wentworth Ave., P.O. Box R, Pasadena, Calif. 91109.
D. (6) $1,800.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die and Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Donald L. Harlow, 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association Inc., 1501 Pennsylvania Avenue, SE., Washington, D.C. 20003.

A. Rita M. Hartz, 1737 H Street NW., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $5,068.80. E. (9) $364.

A. Kit H. Haynes, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.
D. (6) $2,133. E. (9) $46.90.

A. M. F. Hicklin, 720 Bankers Trust Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 720 Bankers Trust Building, Des Moines, Iowa 50309.

A. Ralph D. Hodges, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association.

A. Thomas P. Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Valerie Howard, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
E. (9) $495.48.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Howrey, Simon, Baker & Murchison, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Power Tool Institute, 604 Davis Street, Evanston, Ill.
D. (6) $250. E. (9) $250.

A. Peter W. Hughes, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Association of Retired Persons/National Retired Teachers Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $825.50.

A. Gerald W. Hyland, 1730 Rhode Island Avenue, Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1, 152.31. E. (9) $143.67.

A. Bernard J. Imming, 777 14th Street NW., Washington, D.C. 20005.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C. 20005.
D. (6) $312.50.

A. INA Corp., 1600 Arch Street, Philadelphia, Pa.
E. (9) $50.

A. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $1,750.70.

A. Ardon B. Judd, Jr., 1100 Connecticut Avenue, Washington, D.C. 20036.
B. Dresser Industries, Inc., 1100 Connecticut Avenue, Washington, D.C. 20036.

A. James J. Kennedy, Jr., 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railway, Airline and Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $5,294.40. E. (9) $1,360.

A. Peter M. Kirby, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association.
D. (6) $750. E. (9) $806.30.

A. Robert E. Kline, Jr., 409 LaSalle Building, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bowling Proprietors Association of America, Inc., West Higgins Road, Hoffman Estates, Ill. 60172.
D. (6) $416.67. E. (9) $122.16.

A. James D. Klink, Suite 500, 1200 17th Street NW., Washington, D.C. 20036.
B. National League of Insured Savings Associations, 1200 17th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $500. E. (9) $43.85.

A. Laurence F. Lane, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Association of Retired Persons/National Retired Teachers Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $56.70.

A. Asger F. Langlykke, 1913 I Street NW., Washington, D.C. 20006.
B. American Society for Microbiology, 1913 I Street NW., Washington, D.C. 20006.

A. Charles W. Lee, Room 211, Congressional Hotel, 300 New Jersey Avenue SE., Washington, D.C. 20003.
B. Committee for Full Funding of Education Programs, 300 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $75. E. (9) $50.

A. Legislation for Animal Wards, 2225 Observatory Place NW., Washington, D.C. 20007.
D. (6) $698. E. (9) $858.

A. Liberty Lobby, Inc., 130 Third Street SE., Washington, D.C. 20003.
D. (6) $14,959.82. E. (9) $17,625.75.

A. J. Patrick Logue, 100 935 North Van Dorn, Alexandria, Va.
B. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $3,203.06.

A. Zel E. Lipsen, Suite 809, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Joseph V. Machugh, 225 A Street NE., Washington, D.C. 20002.
B. Menswear Retailers of America, Room 890, National Press Building, 14th and F Streets NW., Washington, D.C. 20004.

A. Ben J. Man, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,008.06. E. (9) $212.37.

A. Elizabeth Mallory, Box 718, Union Station, Endicott, N.Y. 13760.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
D. (6) $34,739.50. E. (9) $475.84.

A. John J. L. Matson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. Albert E. May, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $88.50. E. (9) $1.75.

A. Anthony Mazzocchi, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,035. E. (9) $227.50.

A. Michael J. McCabe, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Michael J. McCabe, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co's., Allstate Plaza, Northbrook, Ill. 60062.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Barbara D. McGarry, 20 E Street NW., Washington, D.C.
B. American Parents Committee Inc., 20 E Street NW., Washington, D.C.

A. Peter E. McGuire, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $2,036. E. (9) $1,491.79.

A. Clifford G. McIntire, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.
D. (6) $2,750.

A. William F. McKenna, 1200 17th Street NW., Suite 500, Washington, D.C. 20036.
B. National League of Insured Savings Associations, 1200 17th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $219.

A. William F. McManus, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y. 10022.
D. (6) $700. E. (9) $420.

A. George G. Mead, 621 Pershing Drive, Silver Spring, Md. 20910.
B. The American Society of Radiologic Technologists, 645 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $746.65. E. (9) $406.28.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. National Association of Secondary Material Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $2,083. E. (9) $68.90.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. Stewart Title Guaranty Co., Post Office Box 2029, Houston, Tex. 77001.

A. Joseph L. Miller, 1612 K Street NW., Washington, D.C. 20006.
B. Maytag Co., Northern Textile Association, National Parking Association.
D. (6) $4,000. E. (9) $400.

A. Lester F. Miller, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $436. E. (9) $12.

A. Clarence Mitchell, 422 First Street SE., Washington, D.C. 20003.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. A. S. Mike Monroney, 1701 K Street NW., Suite 1000, Washington, D.C. 20036.
B. Boothe Airside Systems, Inc., 555 East City Line, Bala Cynwyd, Pa. 19004.
D. (6) $100. E. (9) $71.70.

A. Charles Morgan, Jr., 410 First Street SE., Washington, D.C. 20003.
B. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.
D. (6) $24,487.20. E. (9) $24,487.20.

A. John Morgan, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
E. (9) $532.82.

A. Lynn E. Mote, 1133 15th Street NW., Washington, D.C. 20005.
B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. David J. Muchow, Smathers & Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. National Association of Secondary Material Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $2,083. E. (9) $68.90.

A. J. Walter Myers, Jr., 4 Executive Park East NE., Atlanta, Ga. 30329.

A. Walter Myers, Jr., 4 Executive Park East NE., Atlanta, Ga. 30329.
B. Forest Farmers Association, 4 Executive Park East NE., Atlanta, Ga. 30329.

A. National Associated Businessmen, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,035.40. E. (9) $1,072.03.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $15,466.77.

A. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $93,518.68. E. (9) $34,213.99.

A. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
D. (6) $1,956.16. E. (9) $1,956.16.

A. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
D. (6) $34,739.50. E. (9) $475.84.

A. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $280,749.73. E. (9) $19,950.21.

A. National League of Insured Savings Associations, 1200 17th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $7,056. E. (9) $2,437.18.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
E. (9) $2,279.12.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $9,321. E. (9) $4,670.

A. National Student Lobby, 413 East Capitol Street SE., Washington, D.C. 20003.
D. (6) $4,081.36. E. (9) $3,813.46.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,057.64. E. (9) $6,085.04.

A. Navajo Tribe, c/o Controller, Window Rock, Ariz. 86515.

A. Ivan A. Nestingen, 1000 Connecticut Avenue NW, Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $300. E. (9) $260.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $42,500. E. (9) $14,546.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $1,875. E. (9) $464.42.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Robert D. Nordstrom, 1133 20th Street NW., Washington, D.C. 20036.
B. National Canners Association, 1130 20th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $100.

A. Claude E. Olmstead, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $440. E. (9) $16.

A. Layton Olson, 413 East Capitol Street SE., Washington, D.C. 20003.
B. National Student Lobby, 413 East Capitol Street SE., Washington, D.C. 20003.
D. (6) $250.

A. Organization of Professional Employees of the U.S. Department of Agriculture, 1341 G Street NW., Washington, D.C. 20005.
D. (6) $1,843.76. E. (9) 1,125.43.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.
B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Lew M. Paramore, Post Office Box 1310, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control and Conservation Association, Post Office Box 1310, Kansas City, Kans. 66117.

A. Patton, Boggs, Blow, Verrill, Brand & May, 1200 17th Street NW., Washington, D.C. 20036.
B. Fort Belknap Assiniboine Treaty Committee, Post Office Box 1475, Harlem, Mont. 59526.
E. (9) $11.86.

A. Peabody, Rivlin, Gore, Cladouhos & Lambert, 1730 M Street NW., Suite 707, Washington, D.C. 20036.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Peabody, Rivlin, Gore, Cladouhos & Lambert, 1730 M Street NW., Suite 707, Washington, D.C. 20036.
B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504.

A. Pepper, Hamilton & Scheetz, 123 South Broad Street, Philadelphia, Pa.
B. The Glenmede Trust Co., 1529 Walnut Street, Philadelphia, Pa.
D. (6) $61,000. E. (9) $1,646.13.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $2,500. E. (9) $1,709.17.

A. Franklin A. Pickens, Post Office Box 1552, Odessa, Tex. 79760.
B. Texas Railroads.
D. (6) $1,140. E. (9) $366.35.

A. Pierson, Ball & Dowd, 1000 Ring Building, Washington, D.C. 20036.
B. Committee for Study of Revenue Bond Financing, 1000 Ring Building, Washington, D.C. 20036.
D. (6) $3,333.33. E. (9) $60.58.

A. Political Action Committee for Engineers and Scientists, Suite 809, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Frederick T. Poole, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.
D. (6) $458. E. (9) $62.93.

A. Earl G. Quinn, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
E. (9) $311.

A. Ragan & Mason, 900 17th Street NW., the Farragut Building, Washington, D.C.
B. Atkins, Kroll & Co., Ltd., 417 Montgomery Street, San Francisco, Calif.
D. (6) $1,500. E. (9) $0.30.

A. Ragan & Mason, 900 17th Street NW., the Farragut Building, Washington, D.C.
B. The Department of Tourism, Hamilton, Bermuda.
D. (6) $1,666.

A. Ragan & Mason, 900 17th Street NW., the Farragut Building, Washington, D.C.
B. Island Equipment Co., 3300 Northeast Yeon Avenue, Portland, Oreg.
D. (6) $1,500. E. (9) $0.30.

A. Ragan & Mason, 900 17th Street NW., the Farragut Building, Washington, D.C.
B. Sea-Land Service, Inc., Post Office Box 1050, Elizabeth, N.J.
D. (6) $900.

A. Rial M. Rainwater, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $408. E. (9) $13.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.
D. (6) $9,116.19. E. (9) $25,797.35.

A. John T. Reggitts, Jr., R.D. No. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Research To Prevent Blindness Inc., 598 Madison Avenue, New York, N.Y.

E. (9) $2,500.

A. William L. Reynolds, 1200 17th Street NW., Washington, D.C. 20036.

B. National League of Insured Savings Associations, 1200 17th Street NW., Suite 500, Washington, D.C. 20036.

D. (6) $680. E. (9) $60.

A. Mark Richardson, 1611 North Kent Street, Arlington, Va.

B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va.

D. (6) $270. E. (9) $250.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. The Kellogg Co., Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. Volume Footwear Retailers of America, 51 East 42d Street, New York, N.Y. 10013.

A. John Riley, 1625 L Street NW., Washington, D.C. 20036.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $703.12. E. (9) $98.57.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $185.

A. James A. Rock, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.

D. (6) $203. E. (9) $1.21.

A. Nathaniel H. Rogg, 1625 L Street NW., Washington, D.C. 20036.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $2,250. E. (9) $60.78.

A. John F. Rolph III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. The American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $150.

A. Ross, Marsh & Foster, 730 15th Street NW., Washington, D.C. 20005.

D. (6) $1,887.50.

A. Arlie Schardt, 410 First Street SE., Washington, D.C. 20003.

B. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.

D. (6) $24,487.20. E. (9) $24,487.20.

A. Hilliard Schulberg, Suite 304, 1900 L Street NW., Washington, D.C.

B. National Liquor Stores Association, Inc., Suite 304, 1900 L Street NW., Washington, D.C.

D. (6) $225. E. (9) $45.

A. Hilliard Schulberg, Suite 304, 1900 L Street NW., Washington, D.C.

B. Washington D.C. Retail Liquor Dealers Association, Inc., Suite 304, 1900 L Street NW., Washington, D.C.

D. (6) $555. E. (9) $80.

A. W. O. Senter, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Gas Supply Committee, 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $675.40. E. (9) $47.83.

A. Leo Seybold, 1709 New York Avenue NW., Washington, D.C.

B. Air Transport Association.

D. (6) $1,479. E. (9) $182.33.

A. Norman R. Sherlock, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association.

D. (6) $865. E. (9) $745.10.

A. Dale Sherwin, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.

D. (6) $2,000. E. (9) $45.38.

A. A. Z. Shows, Suite 904, 2600 Virginia Avenue NW., Watergate Office Building, Washington, D.C. 20037.

D. (6) $3,000. E. (9) $3,121.28.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. AFL–CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

E. (9) $76.01.

A. Julian H. Singman, 724 14th Street NW., Washington, D.C. 20005.

B. International Longshoremen's Association, AFL–CIO, 17 Battery Place, Suite 1530, New York, N.Y. 10004.

D. (6) $5,001.

A. Hall Sisson, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

E. (9) $3,011.87.

A. Carstens Slack, 1825 K Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Smathers & Merrigan, 888 17th Street NW., Washington, D.C. 20006.

B. Committee of American Tanker Owners, 1000 Connecticut Ave. NW., Washington, D.C. 20036.

D. (6) $6,250. E. (9) $83.80.

A. Spencer M. Smith, Jr., 1709 North Glebe Road, Arlington, Va. 22207.

B. Citizens Committee on Natural Resources, 1346 Connecticut Avenue NW., Suite 712, Washington, D.C. 20036.

D. (6) $2,040.10. E. (9) $2,169.29.

A. Larry N. Spiller, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. Consulting Engineers Council/U.S., 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

D. (6) $1,500. E. (9) $50.

A. J. Gilbert Stallings, 1776 K Street NW., Washington, D.C. 20036.

B. INA Corp., 1600 Arch Street, Philadelphia, Pa.

D. (6) $50. E. (9) $50.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Green Olive Trade Association, Inc., 82 Beaver Street, New York, N.Y. 10005.

D. (6) $500.

A. Sutherland, Asbill & Brennan, 1200 Farragut Building, Washington, D.C. 20006.

B. Estate of Margaret Solomon, c/o Franklin C. Latcham, One Post Street, San Francisco, Calif. 94104.

A. Ivan Swift, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

E. (9) $1,287.92.

A. J. Woodrow Thomas Associates, Inc., 734 15th Street NW., Suite 600, Washington, D.C. 20005.

B. Hart Metals, Inc., Tamaqua, Pa. 18252.

D. (6) $2,250.

A. J. Woodrow Thomas Associates, Inc., Suite 600, 734 15th Street NW., Washington, D.C. 20005.

B. REA Express Inc., 219 E. 42d Street, New York, N.Y. 10017.

D. (6) $1,500.

A. Tobacco Associates, Inc., 1101 17th Street NW., Washington, D.C. 20036.

E. (9) $2,374.

A. Patrick F. Tobin, 1341 G Street NW., Room 304, Washington, D.C. 20005.

B. International Longshoremen's & Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.

D. (6) $3,645.

A. John P. Tracey.

B. American Bar Association, 1705 DeSales Street NW., Washington, D.C. 20036.

D. (6) $400. E. (9) $50.

A. J. P. Trainor, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood or Railway, Airline & Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.

D. (6) $3,132. E. (9) $1,404.38.

A. W. M. Trevarrow, 601 National Press Building, Washington, D.C. 20004.

B. American Motors Corp., 14250 Plymouth Road, Detroit, Mich. 48232.

D. (6) $3,750. E. (9) $156.

A. Matt Triggs, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 West Touhy Avenue, Park Ridge, Ill.

D. (6) $2,525. E. (9) $33.97.

A. Bruce E. Vogelsinger, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.

B. Consulting Engineers Council/U.S., 1155 15th Street NW., Suite, 713, Washington, D.C. 20005.

D. (6) $1,350. E. (9) $50.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.

B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. DeMelt E. Walker, 1730 Rhode Island Avenue NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

D. (6) $796.64. E. (9) $21.35.

A. Thomas G. Walters, 1909 Q Street NW., Washington, D.C. 20009.

B. National Association of Retired Federal Employees, 1909 Q Street NW., Washington, D.C. 20009.

D. (6) $2,884.62. E. (9) $6,005.63.

A. Richard D. Warden, 1763 R Street NW., Washington, D.C. 20009.

B. Washington Research Project Action Council, 1763 R Street NW., Washington, D.C. 20009.

D. (6) $4,516.65.

A. James A. Warren, 5500 Friendship Boulevard, Chevy Chase, Md. 20015.

B. REA Express, Inc., 219 East 42d Street, New York, N.Y. 10017.

D. (6) $450. E. (9) $150.

A. Washington Research Project Action Council, 1763 R Street NW., Washington, D.C. 20009.

E. (9) $9,628.55.

A. George D. Webster, 1822 Jefferson Place NW., Washington, D.C. 20036.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $5,600. E. (9) $4.95.

A. Fred W. Wegner, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Association of Retired Persons/National Retired Teachers Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. Bernard J. Welch, 1800 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., 1800 K Street NW., Washington, D.C. 20006.
E. (9) $133.76.

A. Thomas E. Wheeler, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $65.24. E. (9) $172.32.

A. Bryan K. Whitehead, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railway, Airline and Steamship Clerks, 6300 River Road, Rosemont, Ill. 60018.
E. (9) $568.39.

A. Nathan T. Wolkomir, 1737 H Street NW., Washington, D.C. 20006.
B. National Federation of Federal Employees, 1737 H Street NW., Washington, D.C. 20006.
D. (6) $7,924.80. E. (9) $947.16.

A. Burton C. Wood, 1625 L Street NW., Washington, D.C. 20036.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C. 20036.
D. (6) $4,968.77. E. (9) $846.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. John L. Zorack, 1709 New York Avenue NW., Washington, D.C.
B. Air Transport Association.
D. (6) $1,415. E. (9) $185.53.

EXTENSIONS OF REMARKS

TRIBUTE TO HON. GEORGE P. MILLER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. WILLIAM D. FORD. Mr. Speaker, today I was given the great honor and privilege to present a resolution of commendation to the Honorable George P. Miller on behalf of the Alameda County, Calif., Board of Education. This resolution pays tribute to our former colleague for his many years of service and dedication to the citizens of the Eighth Congressional District of California.

Those of us who have known George Miller during his career in the House of Representatives are very pleased to see this recognition given to his many achievements.

As chairman of the House Committee on Science and Aeronautics, he is, of course, remembered for his skillful leadership in promoting legislation to support this country's space exploration efforts. But perhaps his most significant accomplishments were the result of his unique understanding of the increasing role that scientific and technical information would come to play in solving many of our problems here on earth. Because of this belief, he was unequalled in his efforts to secure the passage of major scientific and education legislation.

I believe that the resolution adopted by the Alameda County Board of Education summarizes quite well the many contributions of one of our most distinguished legislators, and I include the text of this resolution for the RECORD:

ALAMEDA COUNTY BOARD OF EDUCATION TRIBUTE TO THE HONORABLE GEORGE P. MILLER

Whereas, the Honorable George P. Miller has served the people of the 8th Congressional District of California since 1945 as a member of the Congress of the United States; and

Whereas, under his leadership as the Chairman of the Committee on Science and Astronautics, this Nation has achieved world leadership in space exploration; and

Whereas, Congressman Miller has served as the special Congressional Advisor to the United States Ambassador to the United Nations for peaceful uses of outer space; and

Whereas, Congressman Miller has consistently authored, worked for, and supported legislation which has had a profound effect upon public education in this Nation; and

Whereas, his devotion to service, his foresighted leadership and interest in education, space exploration, and science has brought great credit to this Nation; Now, therefore be it

Resolved, That the members of the Alameda County Board of Education do and they hereby join in commending the Honorable George P. Miller for his leadership and devoted service to this Nation and to the County of Alameda in particular.

Passed and adopted by called vote this fourth day of January, nineteen hundred and seventy-three:

ROBERT CLAYWORTH,
President.

REGULATION OF SURFACE MINING

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, March 19, 1973

Mr. METCALF. Mr. President, this week the Committee on Interior and Insular Affairs held hearings on two proposals pertaining to regulation of surface mining, S. 425 introduced by Senator JACKSON and others, and S. 923, the administration's proposal.

Surface mining has been the subject of legislation for several years. Extensive hearings were held in the 92d Congress.

Mr. President, there is great demand for more coal development and the regulation of surface mining has become an urgent national priority. It is my No. 1 legislative priority.

Total coal reserves in the Nation have been estimated to be 1.3 trillion tons, with strippable reserves in Montana calculated to be more than 30 billion tons. The Fort Union formation, much of which lies in Montana, is perhaps the largest coal basin in the world, containing 40 percent of the U.S. reserves.

The Montana Bureau of Mines and Geology indicates that 1973 coal production in Montana will be about 16 million tons and will be expanded to more than 20 million tons annually by 1975. By 1980, 7 short years, coal production in Montana may be 75 to 80 million tons.

Mr. President, there are many unanswered questions about surface mining and the possible adverse effects on our air, water, and land. These questions which affect our social, economic, and environmental areas must be answered in order to properly control coal mining.

The people of Montana want and need the best surface mining reclamation law possible. Senator MIKE MANSFIELD, Congressman JOHN MELCHER of Montana's Eastern Congressional District, and I will do everything we can to insure early enactment of such legislation.

In Montana, Gov. Tom Judge has provided active leadership for the enactment of the strongest State surface mining reclamation law in the history of the Nation and a power facility siting law. He has proposed legislation to establish a resource indemnity trust fund and to increase the tax on coal so that Montana can conduct the planning and research necessary to have proper and acceptable methods of coal development. I commend the Governor and the Montana Legislature for their hard work and successful efforts toward the enactment of legislation to solve the problems associated with surface mining.

Mr. President, no testimony more eloquently describes the absolute need to enact a strong Federal surface mining reclamation legislation than the statements of three of my fellow Montanans: Senate Majority Leader MIKE MANSFIELD; Congressman JOHN MELCHER; and Gov. Tom Judge. I wish to associate myself with their remarks and share them with my colleagues in Congress.

I ask unanimous consent that their testimony to the Senate Committee on Interior and Insular Affairs be inserted in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MIKE MANSFIELD MINING RECLAMATION LEGISLATION

Mr. Chairman, I am delighted to be here this morning to testify in behalf of what I consider to be one of the most important pieces of legislation introduced thus far in the 93rd Congress—S. 425—a strong Federal surface mine reclamation law which will supplement and support efforts underway in several States. The First Session of the 93rd Congress is off to a good start and the legislative process is moving faster than it has for sometime. We have much to do and one of the first matters of concern is the so-called "energy crisis"—how it can be alleviated and how we can protect those that have the vast energy resources necessary to meet these energy demands. I hope that the Senate Committee on Interior and Insular Affairs will be able to give immediate attention to S. 425 and its amendments after the conclusion of these hearings. This is a matter which must be brought before the Senate in the near future.

My State of Montana has a great stake in what happens to the vast resources of low-sulfur coal in the West. The potential and the hazards are astounding. I am indeed proud of my fellow Montanans because they are alerted to what the future portends. We, of the Big Sky Country, have made it abundantly clear that we are not interested in becoming another Appalachia with the problems and devastation associated with unregulated surface coal mining.

I am delighted to report that under the leadership of our new Governor, Tom Judge, the Legislature of Montana is considering, and will adopt, several strong measures designed to insure preplanning, reclamation, plant siting, and orderly development of coal resources. In addition, it is hoped that the State will adopt measures protecting the individual landowner who does not wish to be swallowed up by large corporate interests. Governor Judge is here this morning and will present testimony on what the State of Montana is doing and how best the Federal government can supplement and support these efforts. In the history of our Nation, far too often the less populated and rural states have found themselves "after the fact". Fortunately, today, Montana is aware of potential dangers of unregulated surface mining and is taking appropriate measures.

Mr. Chairman, I am somewhat dubious about the current "energy crisis " There are shortages of fuel in certain urban areas but I am not convinced that the answers are as simplistic as some would like us to believe. The low-sulfur coal fields of the West aren't necessarily the answer for the next twenty years. These coal deposits may be the easiest solution but we are not going to stand by and let the large fuel corporations dig up Eastern Montana until the reserves are exhausted or they have discovered an alternative.

First of all, we should look at some of the causes of the "energy crisis"—too little concern with conservation of energy; concentration on production of high-profit fuels such as gasoline. Why haven't we encouraged the production of engines that utilize about half as much gasoline? I understand they are available in foreign nations, where automobile and fuel energies are conserved.

The Federal government should be channeling more money into research and development of alternative sources of energy such as magnetohydrodynamics (MHD). It is working in Russia. Why can't the process be developed here? It provides better utilization of coal, takes much less water, and pollution is at a minimum when compared to existing gasification plants. The Federal government should be moving with dispatch in constructing a National Grid System which will connect all major power generating systems in the Nation, enabling better utilization of power resources. We should be planning the installation of addition generators at several of our large hydroelectric projects. Responsibilities for the "energy crisis" and its solutions are multi-faceted and I am opposed to any simplistic answer such as immediate, unregulated coal surface mining in Eastern Montana.

I see no need to rush into coal development in the West. We need extensive preplanning, strong reclamation requirements with appropriate enforcement, at both State and Federal levels. We need to know whether reclamation can succeed in Eastern Montana. There must be more than "roadside" reclamation. The National Academy of Science is now conducting an intensive study of the environmental implications of surface mining for coal in the western United States and the existing capability for rehabilitating the land, if it is mined. Even this prestigious group does not have the answers to many of the questions that plague those of us that are concerned. The Academy will not have its recommendations available before June, at the earliest.

The rights of the individual who owns the surface of the land must be given consideration. I still believe that if a man wants to be a rancher he should be able to do so except under very unusual circumstances and I am not aware of any in Eastern Montana. There are hundreds of thousands of acres in the eastern half of Montana, and there are portions of my State which obviously are not compatible with surface mining methods and reclamation; they should be left untouched

Members of this Committee are aware that Montana is a State with a great heritage in mining. Mining was the incentive to settlement of the Lewis and Clark Country. Extractive minerals are the source of considerable wealth in the area. Until the 1970's we were concerned with deep, shaft mining which disturbed very little of the surface. Now we are faced with surface mining which strips away the topsoil and the surface to varying depths making thousands of acres useless and unproductive.

At the present time we have limited surface mining in Eastern Montana, it is not, as yet, of sufficient magnitude to generate deep concern. The reclamation procedures are yet unproven. A major utility is constructing a power plant at the site of its deposits. Two and possibly four plants are proposed for the future. They are presented as necessary to the electric energy needs of the area. Admittedly, their utilization of water resources and pollution will be insignificant if monitored. What concerns me, and many of my fellow Montanans, is what is forecast for the future.

Large acreages of the subsurface mineral rights have been leased in Eastern Montana. There is a flurry of leasing activity. They are anxious to have Federal and State lands opened up. The lease holders are generally large corporate interests, with little or no concern about Montana. They tell us little beyond their immediate leasing requirements. They will mine, export the coal or construct complex gasification plants. The latter is frightening. The consumption of coal, the pollution, and the associated socio-economic problems are of great concern.

What is contemplated in the next twenty or thirty years? Too little information is available—no one wants to commit themselves. The now notorious North Central Power Study projected a series of some 50 gasification and generator plants with a 50,000 megawatt production level in Eastern Montana. The pollution would be unbelievable and reclamation would be of little consequence as nothing could grow anyway. Just recently new rumors have been circulating. A large corporation has made inquiries at the State level as to how they would like to see Eastern Montana grow with a new city of 200,000 inhabitants or ten cities with 20,000 citizens each! Predictions of this nature scare me. Montana is not prepared for this kind of boom and the many problems it brings. The most frightening aspect of such development is its temporary nature. What happens after the coal is extracted and the energy companies turn to other sources? Montana is left with the scarred earth, mass unemployment, and a depressed economy. If we can't get some guarantees that this development is going to last more than twenty years, it is not worth tearing up the State. As a Nation, we should have learned from Appalachia. This is not going to happen to Montana if I can help it.

Let us not hurry in the development of these coal deposits. We need extensive preplanning. We must have strong protective laws at the State and Federal level. We must have financial support at the State level for proper enforcement. We need an open discussion about where we are going. All of this should before any further coal development. In fact, a moratorium may be the answer until all of the guarantees and proper mechanisms are in their place. The future well-being of Montana and its citizens are deserving of every consideration above and beyond the almighty profit motive.

Thank you, Mr. Chairman, and I look forward to the early recommendations of this Committee.

TESTIMONY OF GOV. THOMAS L. JUDGE, MONTANA

Mr. Chairman, members of the committee—I appreciate this opportunity to present testimony on a matter of critical importance to the State of Montana.

Our fundamental objective in Montana is to protect the natural qualities of life that make our State a good and decent place to live, and at the same time provide employment opportunities and security for our people.

Eastern Montana was once a remote and forgotten area, lost in the vast interior of this country . . . a land of prairies, mountains, and pine hills . . . a land changed primarily by the passage of time.

Now, suddenly, Eastern Montana is the focus of national attention because of unprecedented demands for energy. There are an estimated 30 billion tons of strippable low-sulphur coal buried beneath our plains. And the industrial development based on this energy source could be one of the largest in the world.

Nearly a year ago, Mr. William Ruckelshaus, Administrator of the Environmental Protection Agency, pointed out the urgency of problems of Eastern Montana coal development. He said, "Both state and federal representatives agree that existing coal development in the region is creating problems for which solutions have yet to be demonstrated. Increased development can only compound these problems."

There is no question that substantial development has occurred in Montana, and it is accelerating at a precipitous rate. In 1969, one million tons of coal were mined. By 1975, 20 million tons is a conservative estimate of production.

Also in 1969, electrical generation by coal fired plants was 249 megawatts. By 1976, that total will have increased almost four times. And by 1980, there is a strong possibility that 4,000 megawatts capacity will be installed.

In addition, a one billion cubic feet per day gasification plant may be on line.

Applications for leases have been made for well over a million acres of state, private and Indian land in 12 of 22 counties in the Montana coal region. This figure does not include land owned by the Burlington Northern Railroad, where substantial coal deposits are located.

The area of land leased or proposed for leasing at the present time is equal in size to the State of Delaware.

The lease agreements make sinister reading for anyone who is concerned about preserving the land. For example, one agreement on file with the Montana Department of Lands assures the following rights: "including strip mining together with exclusive right to use and/or destroy so much of said lands as may be reasonably necessary in carrying out such exploration and mining full right."

There is a much publicized energy crisis in this country. Consumptive demands for power have resulted in shortages as limited energy reserves have been exhausted. And decisions at the national level have apparently assigned a high priority to coal development as a method of solving the energy crisis.

This creates a second crisis—impending environmental destruction in the region where the coal is mined and converted into energy.

I believe it would be contrary to the national interest to temporarily solve the energy crisis and at the same time create an accumulation of permanent environmental problems in Montana and the other coal states. There is also a fundamental inequity in requiring our state to make unreasonable sacrifices to solve a problem of national and global dimension.

Montana has three alternatives in the development of its coal reserves.

1. We can allow continuation and expansion of the haphazard development we have experienced in the past with all of the destructive effects.

2. We can initiate a comprehensive research and planning program to develop the information necessary for intelligent resource decisions and enact laws sufficiently stringent to protect the value of the land and the quality of the air and the water.

3. Or we can severely restrict or prohibit all further strip mining in Montana.

The first alternative, continued haphazard development, is totally unacceptable to the people of Montana. Since the coal region of Montana is primarily agricultural, uncontrolled destruction of the land and pollution of the air and water would have disastrous effects on the economic and social structures that have existed there since the time of the homesteaders.

The second alternative, comprehensive research and planning and strong controls, is the coal development policy *we* are attempting to implement.

In the State of the State Message I delivered to the Montana Legislature I urged passage of the strongest strip mine reclamation law in the history of this country. A bill meeting this criterion has been passed by the Legislature and I will sign it into law on my return to Montana.

I also recommended a power facility siting law to give the state the authority to regulate the location of generation and conversion plants, transmission lines, rail spurs and associated installations.

This bill, also the strongest in the country, has been passed and will be signed into law this week.

In addition, we have proposed an increase in the tax on coal and a Resource Indemnity Trust Fund to provide Montana with a more equitable return from the resource wealth that is removed from the land.

Last month we requested federal assistance to conduct the planning and research necessary to allow coal development to proceed in a manner acceptable to the people of Montana.

These programs and policies are the result of an irrevocable commitment that Montanans have made to preserve their state from unnecessary degradation and exploitation.

If the terms of this commitment cannot be met in any other way, we are left with the third alternative—severe restriction or prohibition of all further strip mining in Montana.

To this point Montana has stood virtually alone in its efforts to control coal development; to make it possible to alleviate the energy crisis without creating an industrial wasteland on the Great Plains.

I commend the members of Congress and this committee for their expression of concern regarding western coal development and for assuming leadership in establishing minimum standards of uniformity in surface mined land reclamation.

You are in the process of considering two surface mine regulation bills.

I consider one of these proposals, Senate Bill 923, grossly deficient and incapable of meeting present and future needs in surface mined land reclamation.

The other proposal, Senate Bill 425, is a sincere attempt to establish the regulations, and provide the assistance and coordination, essential to effectively reduce the ravages of strip mining.

This legislation will establish a framework for the promulgation of minimum standards of uniformity in the regulation of surface mining operations.

This bill will provide funding for land use planning to the states and create an Office of Land Use Policy, Reclamation and Enforcement.

It will establish generally adequate criteria for permits for surface mining and reclamation operations.

It will create a fund for acquisition and reclamation of abandoned and unreclaimed mined sites.

And it will protect the rights of the surface owner of proposed mining sites.

I also agree completely with the stated intent of the bill that, "because of the diversity of physical conditions in areas subject to mining operations, the primary governmental responsibility for controlling surface mining and reclamation operations subject to this act should rest with the States.

A major objection to this act, however, is that the state has absolutely no legal authority to regulate strip mining and reclamation on any Federal land unless delegated that authority by the Secretary of Interior, under Section 216.

The argument that if the state statutes are stronger, the Federal Government will delegate authority to the state, is not valid in all cases. Section 409 (a) stipulates that no state law shall be superseded "except insofar as such state law or regulation is inconsistent with the provisions of the act."

Section 205 (d) (2) provides that any state statutes or regulations which interfere with the Federal Program are preempted by the Federal Program. If the Federal administration policy is one of development at any cost, stringent state provisions could be found inconsistent with the provisions of the act and/or Federal program.

A great deal of mining in Montana occurs on Federal land. It is in our best interests to have the state control that mining. We believe that nationwide minimum standards should be set, but in no case should a state that wants to enforce stricter laws be unable to do so on all of the lands within its boundaries.

Fundamentally, we disagree with the broad powers given to the President to suspend the requirements of this act. It is very difficult to conceive a national emergency or critical power shortage of the magnitude that would warrant such an action, since coal and mineral development is proceeding rapidly today. However, should such an emergency occur, provision should be made that when the problem has been alleviated, adequate reclamation will proceed.

We also have reservation as to the desirability of placing the administrative authority with the Department of the Interior. Up to this point all laws which deal with environmental degradation, such as the air and water pollution standards, have been placed under the administration of the Environmental Protection Agency. This law also properly belongs under the Environmental Protection Agency.

There are areas in this law that I believe do not respond to important needs in Montana and the nation.

Our state is unique. It is one of the last frontiers of prime agricultural, scenic and recreational land in the country. These values must be preserved and restored. And if we fail, the wonder of the land will be lost forever and Montana, as millions know it, will become a memory just like all of the other good things that are gone.

To protect this priceless land resource we need strong, specific minimum standards for the entire country. And I believe Senate Bill 425 can provide a sound basic framework to make it possible to achieve this objective.

Surface mine reclamation is only a piece of the huge energy puzzle.

To this point the administration has made only rhetorical commitments to solving the nation's problems in this area.

And if we are to avoid the catastrophic consequences of an industrial giant suddenly immobilized by a power void, we must act now.

We must balance distorted national priorities and modify consumer demands for energy.

We must appropriate funds for extensive research into this problem.

We must strictly enforce the regulations and laws needed to solve the energy crisis.

And we do not have much time.

TESTIMONY OF CONGRESSMAN JOHN MELCHER

Urgent Need for Federal Coal Strip Mining Regulations

Mr. Chairman: Our history books are filled with supposed instances of "man triumphing over nature." But it has been shown that victories over nature are seldom more than temporary.

You can chop down only so many trees, drain so many rivers, denude so much land before nature turns on you. We have seen this with increasing frequency in recent years.

Fortunately, man can and often does learn from his mistakes. Accordingly, we have turned the corner with excellent beginning legislation for cleaner air and cleaner water. Now it is the turn of maintaining the integrity of the land that is being strip mined for coal.

The legislation now before us represents a milestone in the growing concern of the American public for its land. I hope that it is only the beginning of steps to extend ironclad protection for our coal-bearing lands.

As the so-called energy crisis grows, so does the demand for coal. After ravaging countless acres in the Mid-West and East, strip miners are turning their attention to virgin lands in the West where vast amounts of coal lie near the surface. We are determined that the mistakes made elsewhere are not going to be repeated in our part of the country.

Legislation is badly needed. We need a strong national strip mining reclamation bill similar to, and in some respects stronger than, the bill passed by the House of Representatives last October 11 by a vote of 265 to 75. We need a bill which says to mint operators "If you can't take care of the land, don't touch it."

The bill recently transmitted by the Administration certainly is not the answer. It is a retread of last year's recommendation—a gutless bill which lacks any conviction of commitment to the land. Among its provisions are these weaknesses; reclamation requirements could be delayed up to three years or even longer. It lacks specifics to demand complete reclamation. It would be weak, ponderous, and slow in enforcement. In no way does it assure the detailed requirements for revegetation that are vital to reclaiming strip mined land in the West after the coal is gone.

In trying to walk the line between the mine operators and the ecologists, the President has fashioned a "business as usual" bill in disguise. The public won't buy it. And the Congress won't buy it.

There are several ingredients which must be present in a good bill.

First, it must cover all the lands in our 50 States, whether they be privately owned, Federal owned, State-owned or Indian lands. As the Woody Guthrie song says "this is your land, this is my land." Minimal land restoration standards should know no boundaries.

Reclamation must be defined as compete

restoration of the land to as good or better condition than it was before mining.

Top soil must be saved and segregated to be available for resurfacing later. Reclamation requirements must be specific. Slope back fill, grade, and other requirements must be put down in black and white to avoid those sterile legal arguments whose only purpose is to delay and avoid reclamation.

Prospective mine operators must come to the Secretary of the Interior with a valid convincing reclamation plan which guarantees successful revegetation of the land. In the West, this would entail at least two or three years of proven re-growth to make certain it is permanent.

Progress reports on reclamation must be timely and be substantiated by inspections to prove the plan is being followed.

The Secretary of the Interior must have and use the power to ban strip mining in areas where reclamation cannot be proven, or where irrevocable damage to the environment might result, or where the mining would infringe in any way on public roads, streams, public parks, etc.

The bill should represent our best judgment of uniform care for our land. But it should allow for precedence of State law whenever that law is stronger.

A strong national law should provide protection for water tables and water quality. This is of critical importance for my District where our mountain waters run clear and deep but we receive only about 12 inches of rainfall per year on the plains. We must see that mining does not take water required for other important uses and we must also see that strip mining does not damage aquifers or surface water supplies.

The bill should have strong bonding requirements—much stronger, I might add, than the minimum $500 per acre included in last year's House bill. Five times that would be more appropriate. Bonding is our surest guarantee that there will be resources for reclamation should a company prove negligible or incapable of the task.

The bill should contain ironclad assurances that violations by any operator anywhere in the United States will count against his operations elsewhere. To do this, it must establish the principle of strict accountability and enforce disclosure of parent-subsidiary relationships of mining companies, interlocking directorates, etc.

Your expertise in this field can make a unique contribution to drafting legislation that will require identification and responsibility of the coal mining companies, regardless of being a separate corporate entity, if it is a part of a complex conglomerate. As William Shakespeare said "a rose by any other name smells as sweet." So, too, the satellites of a conglomerate smell and behave as does the parent or conglomerate of which it is a part, and conglomerates should not be allowed to escape responsibility for past delinquencies by taking out a new charter for a new subsidiary. Your work on identification of "who owns America," Mr. Chairman, can serve well in the preparation of a section in the bill to prevent avoidance of responsibility by hiding behind the complexities of conglomerate ownership. It is particularly significant in enforcement of reclamation requirements because failure of one company or subsidiary in one area of the country should revoke permits for strip mining held by associated companies in other areas of the country. That is one of the advantages of a federal law. We can put federal teeth into the enforcement of strict reclamation requirements.

Surface ownership rights must not be neglected or ignored in the bill. A citizen's right to bring legal action to make enforcement of reclamation by the Secretary of Inetrior in any area must be included in the bill.

In summary, Mr. Chairman, we need a strip mining bill which is national in scope, specific in detail, strict in its reclamation requirements and swift in its punishment of violations. I am confident this Committee can write such a bill, and am hopeful that we can get it through Congress and cleared for the President's signature before the summer is out.

RED AGGRESSION CONTINUES IN SOUTH VIETNAM

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RARICK. Mr. Speaker, continued Communist aggression in South Vietnam goes on.

Obviously, the Reds are acting like Reds and the Americans are acting as the Reds expect us to—we have turned off the war just like we turn to another TV channel.

I include a news clipping:

[From the Sunday Star News (D.C.) Washington, D.C., Mar. 18, 1973]

RED DRIVE PREDICTED

(By Dennis Neeld)

SAIGON.—South Vietnamese military sources yesterday forecast a major Communist offensive once U.S. troops have all gone home but indicated President Nguyen Van Thieu's regime would attempt to block it without further American intervention.

Echoing similar charges by President Nixon, a Saigon command spokesman claimed that since the Jan. 28 cease-fire, Communist-led forces have infiltrated "several hundred tanks and scores of thousands of troops" into South Vietnam, apparently in preparation for the new assault.

Lt. Gen. Tran Van Tra, chief Viet Cong delegate to the four-party Joint Military Commission, labelled Nixon's charges groundless. He countercharged that the United States was illegally introducing weapons and ammunition into South Vietnam.

Lt. Col. Le Trung Hien, the Saigon command's chief spokesman, called the reported Communist infiltration a "significant and serious violation" of the cease-fire agreement.

He said South Vietnam still relied on the International Commission of Control and Supervision to halt the infiltration but added: "When we realize that the ICCS is not effective, we will act by ourselves."

Hien noted that since the cease-fire, South Vietnam had never asked the United States to use its air power.

"Until the moment we realize that the violation can no longer be tolerated, we will not act," he said. "Until this moment we have taken no action.'"

The spokesman told a daily press briefing that the Communist infiltration had first been detected by the United States and later confirmed by South Vietnamese intelligence.

He refused to say in which areas the fresh Communist forces were concentrated or to discuss their intentions but other military sources reported the North Vietnamese were making further infiltrations in preparation for an offensive after the final U.S. troop withdrawal, scheduled for March 28.

The sources said the Communist realized that once American troops went home it would be difficult to bring them back and U.S. public opinion probably would not tolerate a resumption of bombing.

At a news conference Thursday, Nixon warned the North Vietnamese not to "slightly disregard" the U.S. expression of concern about the reported infiltration and referred to his "actions over the past four years."

(Communist artillerymen firing captured American-made howitzers bombarded a South Vietnamese camp north of Saigon last night, military spokesmen said, according to United Press International.)

(Five government soldiers were wounded at the Tong Le base camp, about 53 miles north of the capital, when 64 rounds of 105mm artillery and mortar fire pounded the area, the Saigon command reported.)

[From the Washington Evening Star, Mar. 19, 1973]

UNITED STATES CITES "EVIDENCE" OF ARMS VIOLATION

(By Oswald Johnston)

The United States now has "convincing evidence" that the North Vietnamese are moving war supplies into South Vietnam by way of the Ho Chi Minh trail, the State Department said today

In the first public claim by a US official that the heavy flow of material which has been reported on the trail in recent weeks is actually flowing into South Vietnam, State Department spokesman Charles B Bray III accused the North Vietnamese of avoiding the controlled entry points set up in the Jan 27 cease-fire agreement

Bray confirmed that the question of North Vietnamese violations of the cease-fire agreement and its strictures on supplying war goods to South Vietnam has been brought up in the four-party Joint Military Commission in recent days.

"But we do not think the dialogue has been satisfactory from our point of view," Bray added He declined to give any details

President Nixon last week pointedly warned Hanoi not to take lightly US complaints that material was coming down the trail in violation of the cease-fire agreement

Nixon's remarks carried an implicit threat of US military force should be violations persist, and he left little doubt that it was being assumed the material was destined to reinforce Communist troops in South Vietnam

Bray's statement today, however, was the first unequivocal declaration from Washington that there was hard evidence that the supplies moving down the trail were actually coming into South Vietnam

Bray refused to characterize the source of this intelligence however, and would not say if it originated with the South Vietnamese or came from US air reconnaissance of the trail area

Reports of substantial movements of more than 300 tanks and armored vehicles and up to 30,000 troops down the Ho Chi Minh trail have been current for several weeks.

Until the administration decided to repeat them publicly last week, however, officials in the State Department and Pentagon alike seemed doubtful about when some troops movements actually had taken place, and pointed out that many of the reports had originated with South Vietnamese intelligence.

It was still not clear today whether the movements of supplies and men the administration is complaining about began after the Jan 27 cease-fire or whether they merely continue a movement begun many weeks before

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STATEMENT BY HARRISON H. SCHMITT, ASTRONAUT, BEFORE LEGISLATURE OF NEW MEXICO

HON. PETE V. DOMENICI

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Monday, March 19, 1973

Mr. DOMENICI. Mr. President, one of my fine fellow New Mexicans, Astronaut

Harrison H. Schmitt, recently had occasion to speak before the legislative body of our State.

Dr. Schmitt spoke on the importance of continuing our basic research program, a subject to which I had addressed myself before the Senate on March 14. Both of us believe that our State of New Mexico will play an important role in the technological advancement of our Nation and we are working to see that that role is enhanced.

But Dr. Schmitt, as an astronaut with the National Aeronautics and Space Administration, and myself, as a U.S. Senator, also have a national interest in seeing that scientific research and development are continued to further the technological advancement of this country.

I believe Dr. Schmitt's ideas on the present and future status of science and technology are particularly insightful, and I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY DR. HARRISON H. SCHMITT, NASA ASTRONAUT

Mr. Speaker, Governor King, members of the legislature, ladies and gentlemen.

I was deeply honored by your invitation to speak before the legislature of my native state. Although my travels have kept me away except for the briefest of visits, I have always remained a citizen of this special state . . . at least a citizen of the heart.

New Mexico has played a continuing role in the technological advancement of our Nation. This state contributed no small part of its land, its people, and its resources to the two most far-reaching scientific revolutions to this date in history: the harnessing of atomic energy and the exploration of space. The milestones of its contributions range from that morning even I remember when an atomic device was tested near Alamogordo, through the last decade of testing of Apollo hardware at the White Sands test facility, to the Geological Training of Astronauts in areas spread across the state from the Grand Canyon of the Rio Grande to the volcanic fields of the southern border regions. The versatile capabilities of this state have helped pave the way for mankind's greatest adventure, past and future.

Having made these sacrifices of time and treasure, what has New Mexico specifically and the Nation in general gained in return? I would like to speak to this point within the context of the exploration and utilization of outer space.

First, I believe, there is the realization that there are categories of fundamentally technological problems within a state, a region, or the nation that cannot be met initially by the private sector of our society. These are areas requiring high-risk research and development. They are high-risk because of great uncertainties in the best technological path to pursue, because of prohibitive cost, or because of legal restrictions on joint research and development ventures within a given industry. However, high-risk does not mean our society can afford to ignore the need for solutions to such problems.

The Apollo program is an extreme example of high-risk research and development that was required to reach a national and human goal of exploration, spurred by our international responsibilities as the leader of the free world. Apollo was the first example, having basically peaceful motivations, of a project where "it cannot be done" was not an acceptable answer. "It will be done" was the driving force behind the solution of all problems faced on our national pathway to the moon. The motivation and imagination generated by such a management environment has no precedent in peacetime, or possibly even in wartime.

Smaller scale and more immediately practical examples of high-risk research and development have come from the National Aeronautics and Space Administration. The development of communications satellites which, now that development is complete, have been transferred into the private sector of the society. The development of weather observation satellites whose operations are now entirely the responsibility of an agency independent of NASA.

There are many present examples of problems which require rapid solutions but which are beyond the risk-taking potential of industry and thus require concentrated governmental attention until those solutions have been found. The most obvious example may be the popularly termed "energy crisis." This crisis is often placed in terms of projected energy requirements versus projected fossil fuel resources, or projected pollution effects through the production of energy from fossil fuels, or projected balance of payment deficits because of fossil fuel imports. One might also argue that we are destroying national resources in fossil fuels which will be of much greater importance to our future well-being than they are now as an energy source. However, no matter how it is stated, the basic problem is that we as a nation must change, over a very few years, from the production of ninety percent of our energy from fossil fuels to the production of ninety percent of our energy by other means. The statement "it cannot be done" is again not an acceptable answer.

New Mexico almost certainly will be in the forefront of our national efforts to overcome the energy crisis. This State's natural resources of sun and uranium will be major contributors to alternative sources of energy. This State's traditions of housing and manning centers of national research and development and the existence of available facilities and technical manpower should argue strongly for continued involvement. You should not wait to be asked, however.

Not all high-risk research and development need be carried out in the national arena. An example involving New Mexico, west Texas, and Arizona as a region exists in the problem of smelter pollution. My father had more to do than most with the development of the mining industry in the southwest, and therefore my emotional ties with that industry are very strong. However, smelter pollution is clearly endangering the health of the citizens and produce of this region. It is also seriously degrading the natural beauty of one of our planet's most magnificent scenic areas. A regional governmental research and development effort may be required if we are going to see a solution to this problem and continue to enjoy the economic benefits of the mining industry.

Another legacy of Apollo is its illustration of the need to clearly define and limit the scale or size of a problem in management, whether technological or sociological. There is a limit to the number of variables with which even the best of managers can cope. The limit is an expanding limit, of course, as experience grows and management techniques are streamlined. However, for the present time, Apollo would seem to represent about the upper limit of management complexity which can be handled by one man or woman in whom final responsibility must rest. If this is true, it is clear that as a Nation we are attempting to solve many combined technological and sociological problems whose scale may be beyond our present abilities in management.

One example of this problem is in the management of our environment. Most environmental problems in this country have clear regional limits, based for the most part on geography. The environmental problems of the southwest bear only peripheral resemblance to the environmental problems of the northeast, and so on. Climate, geology, population distribution, and industrial tradition have regional limits, and to attempt to manage environmental problems nationally may well be beyond our present capabilities.

A more reasonable approach may be to define our environmental problems geographically and manage the solutions of these problems through state level cooperation. National governmental efforts could then concentrate on providing services that the states cannot provide for themselves, such as remote sensing data, weather forecasting, regional geological mapping, and the like.

An example of potential state level cooperation familiar to most of you is the Rio Grande regional environmental program. This consortium of federal and state agencies and research organizations is attempting to set up a program for the long-term planning of the use of land and water in the Rio Grande watershed from Colorado to West Texas. Let me suggest that the management and funding of this program is properly at the state level of government and that New Mexico should assume the lead in this effort. The people of New Mexico will clearly be the major beneficiaries of the success of such a program.

I am happy to add that the manned spacecraft center through its White Sands Test Facility will continue to contribute all possible remote sensing data and managerial assistance to this modern look at the historic Rio Grande.

Now I would like to change my subject. I would like to talk in general terms about the historical significance of Apollo; the successful scientific, national, and human effort to place men on the moon and return them safely to earth. How will the history of science, the history of our nation, and the history of mankind view our sacrifices and our achievements?

Science will view the Apollo explorations as a truly unique occurrence in history, for, at their conclusion, we can claim to have in hand, if not already in our minds, a first-order understanding of a second planet. This is no mean accomplishment.

The revolution in scientific thought about the earth and the solar system which will grow from our lunar understanding has just begun. Already we can use hard facts about the moon's history to speculate about the early history of the earth and how that history influenced the distribution of resources available to us.

It is doubly remarkable that the revolution induced by lunar science should come on the heels of a continuing, independent revolution brought about by sudden terrestrial insight into the origin of continents and the ocean floors. The interaction of knowledge from both sources will enhance our studies and use of the earth for centuries.

The debt that science owes to the men and women of Apollo is incalculable. In a major national effort whose origins were far from scientific, science has become a major beneficiary. Through science, our children on this planet and eventually our children elsewhere in the solar system will be the final beneficiaries.

The history of our *Nation* will record that with Apollo we became the first truly spacefaring Nation in history. This is no mean accomplishment. . . . That the only nation with sufficient power and idealism to protect the fragile seed of individual freedom should take this position in history will, I believe, have implications far beyond the missile race which gave birth to Apollo. However imperfectly we may do so, we have and still do protect the seed of freedom.

This duty to mankind we inherited from the British nation at some vague time early in this century. Now we have begun to carry that seed into the solar system and into the universe where some day it may be safe from earthly folly. For us to cease to be the leading spacefaring Nation on Earth would be equivalent to the British ceasing to be the leading seafaring nation during previous centuries. Had they done so, our Nation probably would not have survived, or if it had, only under conditions much different than now. In a comparable way, the debt that the nation will owe to the men and women of Apollo is for a gate and pathway into the future. Let us hope we use that gate and pathway vigorously.

Possibly more important than any of these specific histories will be the view of Apollo in the general history of mankind. I believe that two-hundred, five-hundred, a thousand years from now, historians will write of the decade of Apollo as a single, discrete event; an event that marked mankind's first revolutionary step into the universe. Man's distant future ceased to be paced solely by biological evolution and became clearly controllable through technological evolution. With a shield of life around him, man has tentatively stepped from his home toward the frontiers of the universe. This is no mean accomplishment.

PERSONAL ACCOUNTABILITY IN FINANCIAL MANAGEMENT

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, March 19, 1973

Mr. METCALF. Mr. President, our country has much to be grateful for to Vice Adm. Hyman G. Rickover, for the many services he has performed for our country over many years. Of course, we all know him from his hard work in developing our nuclear Navy—from the first atomic submarine, the *Nautilus*, through our fleet of Polaris submarines, to nuclear-powered surface ships. But Admiral Rickover has also made substantial contributions to our country in other fields, such as education, energy, and Government contracting. Largely through the admiral's efforts, we in Congress became aware of the need for cost accounting standards on defense contracts. As a result, we passed legislation which established the Cost Accounting Standards Board, under the able leadership of the Comptroller General. This Board is now issuing cost accounting standards. Many thanks are due to Admiral Rickover for his efforts in this regard.

Because of his extensive experience in managing the naval nuclear program and his concern for proper contracting and financial safeguards in the expenditure of the tax dollar, Admiral Rickover was invited to address the Financial Management Conference on January 31, 1973. This is a conference sponsored by the joint financial management improvement program, a group headed by the Comptroller General, the Secretary of the Treasury, the Chairman of the Civil Service Commission, and the Director of the Office of Management and Budget. The purpose of this group is to promote improved financial management in Government. At this conference, Admiral Rickover spoke on the subject of "Personal Accountability in Financial Management." The theme of his address is that Government employees involved in financial matters must start doing their jobs, that there are no simple solutions and that personal accountability is essential to proper financial management. I find Admiral Rickover's address to be timely and appropriate, not only in the field of financial management, but in other areas as well. I ask unanimous consent that it be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Personal Accountability in Financial Management

(By Vice Adm. H. G. Rickover)

I was honored when the Comptroller General extended to me the invitation on behalf of himself, the Secretray of the Treasury, the Chairman of the Civil Service Commission, and the Director of the Office of Management and Budget to address this Conference.

I have been fortunate to know the Comptroller General for many years. He is a dedicated public servant who handles a most difficult job with objectivity and integrity. He exemplifies the maximum: "Goodness civilizes the intelligence."

Although I know that high-minded speechmaking will not solve anything, I hope that my experience of more than 50 years of Government service—30 of which have been spent at the head of large defense programs—may help. For in this time I have encountered many problems which point to the need to improve Government financial management.

Often the problems are recognized and well-publicized, but are condoned on one of the following theories: "it has always been that way," "it is too big a problem for me to tackle," "it is not in my job description," "the management wants it that way," or some other pointless and self-serving excuse.

If we do our jobs with determination, each of us can bring about needed improvements in Government financial management. Not to do so is to evade our responsibility as responsible officials and as citizens. Or as Thomas Carlyle wrote: "Do the duty that lies nearest thee."

Although each of you faces problems and pressures, the public nevertheless looks to you to establish discipline in financial undertakings and in accountability for expenditure of funds and performance of work. As the conscience of Government, you are required to sort out solutions from a range of alternatives and to set priorities. Your responsibilities also provide you the opportunity to make a lasting contribution to responsible Government.

All of us know of the public skepticism that is assuming massive proportions—a skepticism based on concern for our institutions and the Government's ability and willingness to keep its house in order. There is also growing awareness of how little control Congress and the executive branch exercise over federal expenditures. Cost overruns, waste and inefficiency, undue industry influence in rule-making and enforcement—all tend to undermine public confidence in Government management of its financial affairs. This loss of confidence has spread to other functions of Government and contributes to disillusionment and to low regard of the federal bureaucracy.

Improving financial management is an important step in the betterment of Government. Knowing what needs to be done is the easy part; getting it done is the challenge. Nor are good ideas automatically adopted; they must be driven into practice with a sense of courageous impatience. And once implemented, they can be easily overturned or subverted through apathy or lack of follow-up. Too often we paper over good issues, not because they do not exist, but because it is comfortable not to face them.

Worthwhile things are rarely accomplished without hard work. In the early days of nuclear power, for example, there was considerable resistance within the Navy to building a nuclear submarine. It was thought that since the state of the art had been adequate for World War II operations, there was no need for such a ship. Only after much frustration and hard work was approval obtained to build the first nuclear submarine—the NAUTILUS. Twelve years after the NAUTILUS went to sea the nuclear submarine had become the mainstay of our nation's strategic deterrent.

Ten years ago I encountered similar apathy and resistance when I pointed to the need for cost accounting standards in defense contracting. Contractors were able to charge costs in almost any way they wished by justifying them under the gimmick of "generally accepted accounting principles." It was virtually impossible for the Government to determine the actual cost of making defense equipment or how much profit contractors were making without spending months reconstructing contractor records.

There was no support in the Department of Defense or elsewhere in the executive branch for establishing cost accounting standards. But despite this apathy and opposition, I kept on, year after year, testifying to Congress about the need for these standards.

In 1968, Congressmen Patman and Gonzales and Senator Proxmire took the initiative and introduced legislation requiring establishment of cost accounting standards for defense contracts. The defense industry, the accounting profession, the Department of Defense and the rest of the executive branch were all opposed. As a result, the legislation finally enacted merely called for the Comptroller General to *study* the need and feasibility of establishing such standards.

After a two-year study, Mr. Staats reported that standards were *feasible* and necessary. Then, and only then, was it possible to overcome the opposition. Congress promptly enacted legislation establishing the Cost Accounting Standards Board.

The Board has begun to issue its standards. Although only a small part of the job has been done, these have already had a far-reaching effect. The requirement that defense contractors disclose their cost accounting practices and follow them consistently provides a basis for open and fair dealings with the Government. Even nondefense agencies have now invoked the Board's standards for their negotiated contracts. The idea of setting standards has spread also to the field of financial accounting where the accounting profession recently established a full-time Financial Accounting Standards Board.

Reform does not come easily. In cost accounting it took a tremendous amount of time and determined effort merely to reach the stage where the Comptroller General was asked to look into the problem. Had we listened to the so-called accounting experts or given up during the years when there was no progress, there would still be no Cost Accounting Standards Board.

The great flaw in our system of Government is not the temptation it offers the strong man, but the latitude it allows the weak man to do less than is necessary. Repeatedly I have found deficiencies in the management of Government financial affairs, yet little evidence that those responsible were trying to correct them. Government financial managers are often willing to accept and even adapt to situations they know to be wrong. Their tendency has been to wait for someone else to take action or to seek refuge in the sanctuary of negative consensus.

Take Government accounting practices. I am still unable to rely on the Navy's accounting system for information about the funds for which I am responsible. For this reason I have had to develop my own procedures. Those who have no other means than to rely on data from present systems frequently find themselves working with misinformation. You may have read recently of overexpenditures in appropriations. This was attributed to inadequate financial management and control systems. Yet, to preclude that very situation the 1950 Budget and Accounting Procedures Act provided that agency accounting systems must comply with standards set by the Comptroller General. I understand that the civil agencies have made progress in the last few years. However, today—23 years after the Act was passed—more than ⅓ of their accounting systems have not been approved. In the Department of Defense, which has more accounting systems subject to approval than the rest of the Government combined, 95 percent are still not approved.

The lack of approved and effective accounting systems—so many years after the legal requirement was established by Congress—is a glaring deficiency, and one which has been entirely within the capability of the agencies represented here to correct. If this conference is truly interested in improving financial management in Government, it should resolve, prior to adjournment, to establish, *in 1973*, approved accounting systems. The Office of Management and Budget could assure this improvement by requiring each agency to show in its annual budget submission whether or not its accounting systems have been approved. In any event, this is a problem that must be corrected without further wavering.

For the past several years I have also looked into the Navy's administration and financial management practices at major private shipyards. Nearly all work at these yards is under Government contract awarded with little or no competition. Despite the presence of 300 to 400 Government representatives, including 10 to 20 auditors, at each yard, I found there was no effective surveillance of contractor financial operations for expenditure of Government funds. There were numerous deficiencies in procurement, cost control, and accounting practices—all contributing to unnecessary high costs. The Government officials responsible for administering these contracts excused their inaction by stating that they were relying on the *contractor* himself to perform these functions. They used an army of words to justify their static position. Eventually, senior Washington officials intervened and issued instructions to exercise close surveillance of contractor operations. Only after this, was some effort made locally to correct deficiencies.

It is difficult to overcome years of inaction. Many Government representatives are reluctant to identify and raise controversial issues with contractors. Somehow they are blinded by the small amount of effort it takes to isolate oneself from anything that isn't particularly appealing. Some spent more time trying to get people to love them than trying to achieve something. Others, have essentially become clerks instead of professionals; having no convictions, they are slow to speak up because they doubt their ability to defend their position.

Too readily we accept conclusions that contradict common sense. This attitude is not unique to the Navy or to shipyards or, for that matter, to contract administration. Time and again, in all areas of private and public life, poor performance is accepted as the norm.

I have seen some Government agents who represent business interests to the Government with far more eloquence and determination than they use to represent the Government's interests to business. The innocuous documents they write to contractors are no more likely to receive a satisfactory and responsive reply than St. Paul's epistle to the Romans. For my own part I believe it is better to be respected and disliked than to be weak and liked.

Auditing is another area that needs strengthening. A good audit should identify significant items warranting management attention and then suggest a practical solution. However, most audits focus on trivial matters and do not give a representative an accurate view of actual performance. For example, a recent audit of Government contract administration at one shipyard contained 80 recommendations. Only 16 of these related to how well the Government contract administration office was carrying out its primary functions. Sixty-four dealt with internal administrative matters—items of minor importance that, if adopted would not disrupt the normal placid way of doing business.

I mentioned major contract administration deficiencies at shipyards which I myself found and reported to my superiors. Audits made prior to my investigations, including reviews by Navy, Defense Department, and even General Accounting Office auditors, had not revealed the extent of these deficiencies. Although the auditors did uncover significant deficiencies, they did not take the measures necessary to get them corrected. In many cases they believed that their responsibility extended only to *reporting* the problems, but not for seeing that they were corrected. They took the narrow view that anything not specifically listed in their job description required no action by them.

Much also remains to be done in the procurement area. Defense contractors, including steel companies, computer manufacturers, forging and nickel supplies, routinely refuse to provide the cost or pricing data required by the Truth in Negotiations Act. Rather than face up to the disagreeable problem of taking on large and recalcitrant companies, some procurement officials maintain their peaceful way of life by simply not enforcing the Act.

Procurement rules need to be rewritten to reflect that competition in defense procurement is the exception, not the rule. The ineffective Renegotiation Board and its cursory renegotiation practices need overhauling to provide a curb on excess profits. The Department of Defense needs a better profit reporting system—one that covers actual profits on *all* major contracts and subcontracts, not just on cost reimbursement and incentive type prime contracts.

We also need better procedures for discouraging and for defending against unwarranted contractor claims. Because of the small number of Government personnel available to fight the growing number of claims, I have recommended hiring outside legal talent.

Another area requiring improvement, one being considered by this conference, is productivity. The most significant step which could be taken to effect improvement is simply to get each Government official at headquarters and in the field to do his job and look after Government funds as conscientiously as if he were running his own business or spending his own money.

In case after case, the problems I find are consequential to a Government employee not carrying out his assigned responsibility. Too frequently he accepts unbusinesslike situations which he would not tolerate in his personal affairs.

I must also warn about relying on so-called management systems to measure and enhance productivity in the Federal Government. There is a perennial resurgence of interest in various esoteric management systems and concepts intended to measure and improve productivity of Federal employees. Over the years I have seen the introduction of these systems in the Department of Defense and the rest of the Federal Government, as well as in industry. They promise a cheap, easy way to do a difficult job. My experience with these expensive and time-wasting systems is that they do little or nothing to help management identify or solve problems. Rather, their paper-work results delude management with the mirage that problems are being solved when in reality they are not. In fact, the proliferation of management systems within the Department of Defense has contributed significantly to spiraling defense costs and to delays in weapons acquisition.

One program made a reputation for developing a major improvement in management information systems. The innovation was heralded far and wide as a means by which cost and schedules could be controlled. Later investigation disclosed it had not been used by the program itself or by its contractors; that it pretended to indicate that the program was under close control, but that it actually served to prevent outsiders from questioning progress.

The examples I have given illustrate fundamental deficiencies in all financial accounting. There are others I have not touched on. No doubt, you can think of analogous problems in your own areas of competence. The essential point is that each of you should recognize your responsibility, not only to find the problems, but also to *correct* them. You must start placing this responsibility before other obligations; before personal ambition or comfort.

One often hears the phrase "I am not responsible." This has become a standard response in our society to complaints of a breakdown in a system. The person using the excuse actually means "I cannot be held *legally* liable." But I see it another way. The man who takes such a stand is truly *not* responsible; in other words, he is *irresponsible*.

As a financial manager, there are three questions you should ask yourself:

First, "Would I do this if I were spending my own money?"

Second, "Given the need, is there a better way to do it?"

Third, "Am I working for the U.S. Government or for industry?"

Financial management is a good place to start in restoring public confidence in Government. It does not require a great deal of insight to see the problems. But it takes willingness, indeed determination, to try to solve them. In this regard, even one individual can set an example which can result in a far-reaching benefit. In the process, the individual himself will discover the pleasure of being creative, of challenging and improving the system.

To find an undeveloped situation, to see the possibilities, to identify yourself with something worth doing, to put yourself into it and stand up for it—that is a satisfaction in comparison with which superficial pleasures are trivial. But to accomplish this you must fight apathy in yourself as well as in others, and apathy is the largest single stumbling block to efficient Government.

Throughout history it has been the inaction of those who were in the position to act, the indifference of those who should have known better, the silence of the voice of justice when it mattered most, that has made it possible for evil to triumph. Some in positions of authority are overly obsessed with the contemporary weakness for trying to see the other side's point of view, relying extensively on the debate technique that it is right to take both sides of any issue, without having convictions of their own based on facts, experience, and judgment. They also possess the romantic ability to hold fast to beliefs and policies that run directly contrary to the evidence before them. By means of these beliefs they are able to find intellectual escape from the inevitability of struggle and absolve themselves from the painful experience before them.

Every individual must have a purpose outside his own interests if he is to play a useful part in his society and if he is to survive. But it is obvious that many individuals have become lost in their life and have forgotten the purpose for which they were created and for which they are being paid.

If we do not work to serve our society, what other purpose do we then have? It lies with each of us to determine whether, when he becomes old, he will have to regret his wasted years. I often remember Caryle's simple bookplate. I saw it when I was young, and it left a deep impression on me. It shows a lighted candle beneath which stands the words:

"I burn that I may be of use."

DECEIT AND HYPOCRISY ON THE PART OF HOWARD PHILLIPS, ACTING DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mrs. CHISHOLM. Mr. Speaker, as a member of the Subcommittee on Equal Opportunity, I feel an obligation to lay out a part of the sorry record, some of the facts, on the manner in which the OEO Acting Director, Howard Phillips on behalf of the administration, has been handling some OEO agencies these past few months. Mr. Phillips, as revealed in his testimony before the Subcommittee on Equal Opportunity, now denies many of his earlier statements made in interviews with various representatives of the media, including the charge that OEO was based on Marxist principles and has only worsened the conditions of the poor.

After receiving large numbers of letters and listening to many complaints from OEO grantees and the people they serve in New York and throughout the United States, I have concluded that I should follow the advice of an earlier administration official who urged the American people to pay less attention to what we say and more to watching what we do.

In our hearing, we questioned Howard Phillips on many points, and found his answers—generally—were evasive and misleading. He attempts to convince us that he is conducting OEO affairs in a just and orderly fashion, while he is in the process of dismantling the agency.

The facts I find indicate that Mr. Phillips' administration of OEO is a study in maladministration.

Mr. Nixon has announced his intention to abolish OEO, as a magnanimous gesture, assured this body, that the OEO Indian, migrant and farmworker, and a few other programs would be allowed to continue but would be transferred to other Federal agencies.

Mr. Phillips assured the members of the Subcommittee on Equal Opportunity this week that the Indian and migrant farmworker programs would continue operating and would be transferred to the Department of Labor and Department of Health, Education, and Welfare by June 30, 1973.

After extensive research on what has been happening with the OEO migrant and seasonal farmworker grantees which are funded through title III–B of the Office of Economic Opportunity, I submit that Mr. Phillips has no intention of allowing more than a handful of the 70 or more III–B grantees to survive so that they can continue their operations under the Department of Labor. My review of Mr. Phillips' action these past few weeks, take as the entitled "Status Report on OEO Migrant and Seasonal Farmworker Grantee Funding" confirms, reveals that 39 of 70 grants that were due to be refunded by OEO between September 1, 1972, and March 1, 1973, have not received their money.

I offer a copy of this table for the RECORD:

STATUS REPORT ON OEO MIGRANT AND SEASONAL FARMWORKER (TITLE III–B) GRANTEE FUNDING, MAR. 1, 1973

Grantee	Amount	Scheduled funding date	Months in arrears	Status	Problem
1. Program funding, New York	$262,500	Sept. 1, 1972	6	Grant approved no funds released	Grantee borrowed $200,000—will close Mar. 1 fi funds not released.
2. Arkansas Council for Farmworkers, Arkansas	237,896	do	6	do	Grantee borrowed $50,000 will close Mar. 1 if funds not released.
3. New England Farmworkers Council, Massachusetts.	83,200	Oct. 1, 1972	5	do	Grantee operating on borrowed funds will close down if funds not released now.
4. Community Action migrant program, Florida	400,000	Dec. 1, 1972	3	do	Grantee operating on borrowed funds—will close Mar. 1 if funds not released.
5. Farmworker Corp. of New Jersey	304,617	Jan. 1, 1973	2	do	Grantee operating on borrowed funds—will cease operations Mar. 1.
6. United Migrants for Opportunity, Michigan	262,500	Nov. 1, 1972	4	Emergency food and medical services grant approved—no funds released.	No emergency food funds available since January.
7. United Migrants for Opportunity, Michigan	450,000	Feb. 1, 1973	1	Grant pending	Without refunding, grantee will close Mar. 1.
8. Rural Missouri, Missouri	349,999	Dec. 1, 1972	3	do	Grantee operating on non-OEO funds—will close Mar. 1.
9. Bakersfield Target Antipoverty Council, California.	152,000	do	3	do	Grantee borrowed $45,000 day care operations to cease in February.
10. Northwest Rural Opportunities, Washington	325,000	Jan. 1, 1973	2	do	Grantee has depleted funds—operations ceased.
11. Utah Migrant Council, Utah	135,000	Feb. 1, 1973	1	do	Funds depleted—State released—no operations.
12. Elk and Duck River CAA, Tennessee	137,500	do	1	do	Funds depleted Feb. 2—operations ceased.
13. Illinois Migrant Council, Illinois	405,000	do	1	do	Funds depleted—operations closed Feb. 28.
14. Associated Migrant Opportunities Services, Indiana.	216,000	do	1	do	Funds depleted—operations ceased Feb. 16.
15. Migrant & Seasonal Farmworkers Association, North Carolina.	385,000	Nov. 1, 1972	4	Emergency food-application pending since July 1, 1972.	Funds depleted since December 1972.
16. Migrant & Seasonal Farmworkers Association, North Carolina.	762,500	Mar. 1, 1973	0	Grant pending	Grantee closing down operations slowly, funds will be depleted by April.
17. HELP, New Mexico	675,000	do	0	do	Funds depleted by April and operation will have to cease.
18. Trabajadores Adelante, California	250,445	Feb. 1, 1973	1	do	$20,000 to cover present expenses, will close by March 1 if funds not released.
19. Costal Bend Migrant Council, Oregon	587,000	Mar. 1, 1973	0	do	Funds depleted March 1 operations will have to cease.
20. Valley Migrant Council, Oregon	299,999	do	0	do	All funds will be depleted March 1—begin phase out.
21. MET, Inc., Texas	500,000	Sept. 1, 1972	0	Grant pending, no funds released	If funds not rec'd by March 1—termination process will begin.
22. Florida State Department of Education, Florida	525,000	Mar. 1, 1973	0	Grant pending	If funds not received by March 1, termination process will begin.
23. United Migrants for Opportunity, Wisconsin	900,000	Feb. 1, 1973	1	do	Carryover is sufficient to operate until Mar. 1, 1973.
24. HELP, Inc., New Mexico	30,000	Mar. 1, 1973	0	Grant pending for senior citizens	Funds depleted by Mar. 1, 1973—no prospects.
25. La Raza Unidas de, Ohio	117,000	Jan. 1, 1973	2	Grant pending	Funds depleted March 1, no prospects for borrowing funds.
26. SW Oklahoma Community Action Group, Oklahoma.	75,000	Mar. 1, 1973	0	Grant pending, no funds released	$5,000 remaining March 1, will be forced to close.
27. University of Nebraska, Nebraska	128,022	do	0	Grant pending	Difficult for university to contract for services unless funds are released. Will be forced to terminate.
28. Southern Colorado State College, Colorado	123,832	do	0	do	Difficult for college to contract and community services—will terminate project.
29. University of Texas at El Paso, Tex	121,048	do	0	do	Difficult for university to contract and commit services—will terminate.
30. University of Wisconsin	133,452	do	0	do	Will terminate.
31. California State Polytechnic College, California	123,098	do	0	do	Difficult for college to contract and commit services, will terminate.
32. University of Oregon	128,734	do	0	do	Difficult for university to contract and commit services, will be forced to terminate.
33. Colorado Migrant Council, Colorado	529,913	do	0	do	Carryover for 6 weeks, forced to cease options and release staff.
43. Associated City-County Economic Development Corp. of Hidalgo County, Tex.	500,000	do	0	do	Funds to operate 4 weeks, will be forced to close down.
Total	10,616,255				

In examining this status report, you will find that Mr. Phillips has not allowed funds to be released to these grantees, some of which have been approved and were due to be refunded more than 6 months ago and most of which will have run out of funds and ceased to operate as of March 1, 1973. Fortunately, due to the dedicated and capable personnel in these grantees, some of them have continued to provide the needed services to migrant and farmworkers in their areas by borrowing funds, cutting back on staff and services, or continuing work with no pay. In other cases, unfortunately and regrettably, the grantees have been forced to lay off their entire staff and to cease operations completely.

The results of Mr. Phillips' actions, in terms of the migrants and seasonal farmworkers, are irresponsible, illegal, and morally rotten.

Through all these months, these farmworker grantees have been led to believe they would be refunded. They were further misled by OEO press releases and the President's budget message. Instead, these grantees have been forced to close day care facilities for thousands of children, cut off stipends to hundreds of manpower trainees, abandon numerous families involved in self-help housing projects with no means of finishing their homes, causing unnecessary suffering for many farmworker families.

Words to describe this kind of action are difficult to come by and use publicly. This action or inaction is in defiance of the law and Congress. It must be particularly gratifying to Mr. Phillips that he has successfully withheld the entire $2 million allocated in fiscal year 1972 for emergency food and medical services.

Mr. Speaker, enough of what Mr. Phillips says, and we have had quite enough of what he does or fails to do, I demand that the President dismiss him immediately, and appoint a man who will carry out the law enacted by this Congress. I want those migrant projects funded according to law—here and now.

HARRINGTON METHODOLOGY ON THE BUDGET

HON. JOHN MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. MOAKLEY. Mr. Speaker. many Members of Congress are deeply concerned about the proposed budget cutbacks and their effect nationally. Many of us are equally disturbed about the likely impact of the cuts on our congressional districts and on the lives of the men and women we represent.

My colleague from Massachusetts, MICHAEL HARRINGTON, has undertaken an unprecedented, detailed analysis of the impact of the proposed budget on his district and has held local hearings on the effects the budget would have.

He has made available the methodology he developed for translating cuts in national programs into precise impacts on his district. I deeply appreciate Mr. HARRINGTON's willingness to share this information and insert a revised statement of his methodology at this time:

HARRINGTON METHODOLOGY ON THE BUDGET

I. ASCERTAINING TERMINATED PROGRAMS AND THOSE SIGNIFICANTLY CUT

(a) Using the Federal Budget for FY 74 and its Appendix, we determined which programs were being terminated and which were being cut significantly. This is a page-by-page process of examining each program.

(b) If terminated programs are supposedly being replaced by revenue sharing, the fact was noted, but the program was still included as terminated. Where possible, the totals for these programs were summed and compared to the total proposed revenue sharing figure. This difference was noted.

(c) Some programs given in the Budget are "transferred" to other agencies. This too was noted but particular attention was paid to whether or not additional funds had been allocated to the new agency to cope with the additional programs.

II. SIGNIFICANCE TO THE STATE, COUNTY, AND CONGRESSIONAL DISTRICT

(a) Using the Federal Outlays book prepared by the Office of Economic Opportunity we determined what money had entered the state in 1972 outlays. (This is the most recent edition and should not be considered comprehensive.) Figures are given for the state, counties, and cities and towns with populations of 25,000 or more. We used this as an indication of which of the terminated programs were important to our Congressional District.

(b) To determine the general magnitude of the problem and to develop a manageable list of major programs being reduced or terminated in the District, the national percentage cuts (derived from the Budget Appendix and available from Congressman Harrington) for all programs in Massachusetts were applied to estimated Federal Outlays for the District. This involved the necessary assumption that any change in a Budget line-item will apply across-the-board. This allowed development of a table estimating the line-item impact of the Budget on the State, County, Congressional District, and cities and towns (population of 25,000 or greater). The exercise then became a race to replace these estimated with "harder" figures. (The Federal Outlay book does not reflect all expenditures in any given area. This caveat must be noted. The statistical estimate will therefore be a minimum in almost every instance.)

(c) Using this information, we decided to concentrate on: 1) those programs of large dollar cuts since clearly an economic effect existed, and 2) those programs that appeared to be widespread over the District. In fact, this included almost all programs of a substantial nature, and excluded most of the cuts in administration.

III. INFORMATION GATHERING

(a) We used a two-pronged attack: 1) gathering information on a state level—approaching state agencies and/or the regional or state offices of the Federal Government, and 2) collecting information from the cities and towns in our District.

1. Staff members and knowledgeable volunteers contacted the state agencies and/or Federal Government we understood to be knowledgeable about funding throughout the state.

This occasionally happened by chance. People called our office for information about the cuts or to register their opposition to them. We in turn asked them for their help.

We used two types of volunteers: (a) those from projects or programs within our District that were being severely cut back, and (b) people from voluntary or charitable agencies concerned about budget cuts. These people had a storehouse of information and often knew of planned programs that now had no chance of being initiated.

2. We developed a check-list to solicit facts about each line-item locally. A poll developed in the District will be available from Congressman Harrington once finalized and tested. A description of each significant line-item for which there were expenditures in Massachusetts and which we found necessary to communicate with state and local officials is now available.

3. We used interested volunteers to poll each city and town using the check-list. They tried to fill in a chart showing 1973 spending levels, employees, and recipients of services, and their projected demand for 1974 had no cuts been made.

Initial contact was made with each city and town by inviting a representative of their governing bodies to attend a meeting at which the purpose of the project was explained.

In some instances sufficient information was provided by these town officials so that no further information was needed.

In most instances, volunteers returned to the towns to interview town accountants, federal funds coordinators (in the larger cities), school superintendents, directors of directly funded programs. In small towns usually the school superintendent and a town official could provide us with comprehensive information.

(b) Interns and volunteers contacted all state and local agencies administering federal program funds for similar information.

(c) This two-pronged attack did not completely cover all program cuts. Many funds go directly to institutions or individuals. Two areas of significance in this category are: hospital programs and higher education programs, including financial aid. Again, after an initial evaluation of the effects of the 1974 proposed Budget was made we contacted colleges on a somewhat individual level, and used a knowledgeable volunteer to gather information on health care.

IV. THE HEARING

(a) Advance notice of the hearing was made in all local press, telling the public of the particulars of the hearing and the intention of the hearing.

(b) Witnesses were recruited from a list of recommendations made by both groups of volunteers. These included:

1. administrators of services—the director of a council on aging, an EEA director, a CAP director, a Model Cities director, a college president;
2. participants in services—a superintendent of schools, a different college president, a minister whose church runs several Federally-sponsored programs, a city mayor, a town manager; and
3. recipients of services—a college student, a financial aide, a labor official.

(c) A press package was given out at the hearings with a description of the specific local impact of cuts in all areas of federal domestic programs in our District.

IN DEFENSE OF HUMAN RESOURCE PROGRAMS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. EVINS of Tennessee. Mr. Speaker, Mrs. Harriet Haynes, a responsible constituent of Murfreesboro, Tenn., recently wrote me an excellent letter in defense of the effort to eliminate poverty in the United States.

Mrs. Haynes is associated with the Community Action Agency, and her letter is deserving of wide circulation and attention and I am pleased to call it to the attention of my colleagues; the Department of Health, Education, and Welfare; the press; and others:

MURFREESBORO, TENN.,
March 8, 1973.

Congressman JOE L. EVINS,
U.S. Congress,
Sam Rayburn Office Building,
Washington, D.C.

DEAR CONGRESSMAN EVINS: My seven years of administering funds for a Community Action Agency have given me the highest regard and respect for Human Resource Programs, and for the men in government who believe in them.

Why shouldn't poverty stricken people be turned from liabilities into assets? This is the story of America, and the story that makes us tear-proud when we see a high school drop-out passing both her high school diploma equivalency test and Civil Service examination through our Neighborhood Youth Corps Program.

In Tennessee we are so fortunate because Governor Dunn is a believer in Human Resources.

It has been my privilege to be in administration of OEO programs since August of 1965. I have witnessed poverty and deprivation that can't be touched by "creating a job market in which the poor can find employment" (Secretary Weinberger, Meet The Press, February 25th). A job market cannot affect homes saturated with human waste . . . young women (Neighborhood Youth Corps) subjected to incest within their homes . . . a Head Start child with both the parents in jail for car theft . . . a mother of twenty-six (26) children . . . ad infinitum.

The fifteen percent (15%) allowable for administration by the Economic Opportunity Act of 1964, as Amended, has—

Made tax-payers out of non-professional, low-income as employees.

Made Affirmative Action come alive.

Caused public officials to learn that poverty begins at home.

Mobilized hundreds of thousands of dollars in goods, services, volunteerism to be used in the fight on poverty and human degredation.

Coordinated, linked, introduced agencies to each other at the local level.

Galvanized elected officials into improvement of health and housing standards.

"Cooled off" summer violence through Neighborhood Youth Corps programs for summer employment.

Exposed rural areas to urban advantages.

Human Resource Programs need all our support.

Very sincerely,
MS. JAMES B. HAYNES.

FIGHTING BUREAUCRACY AND REDTAPE

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, occasionally those of us who are committed to fighting bureaucracy and redtape make remarks which can be interpreted as criticism of those dedicated people who locally administer our overregulated programs.

Recently, the people in the Bureau of Social Services in the city of Chesapeake sent a letter to the President, which, I feel, expresses the frustration of dedicated individuals everywhere who are entangled in a regulatory morass not of their own making and then blamed when the programs do not work as well as we, here in Washington, had promised they would.

I think the central governmental problem of the decade of the 1970's is to rethink the division of powers between the different levels of government. We must avoid the situation where one level has operating authority while another level is constantly peeking over the shoulder of the first. The present overlapping authority wastes the talents of dedicated people in both levels.

I would like to insert excerpts from their moving letter into the RECORD as a reminder that it is we in Washington who must bear the responsibility if dedicated people across the Nation are unable to untangle the programs which we have written into law.

CITY OF CHESAPEAKE,
BUREAU OF SOCIAL SERVICES,
Chesapeake, Va., February 28, 1973.

The PRESIDENT,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: We would like to inintroduce ourselves to you. We are the staff members of the Chesapeake Social Service Bureau, Chesapeake, Virginia. We are a composition of people of various heritages; Greek, Italian, Jewish, Puerto Rico, Oriental, Blacks and Whites working together to help our fellow citizens.

We work in the City of Chesapeake, Virginia. The City is a mixture of rural, urban and suburban areas. Our city is characterized by small pockets of concentrated population. Many of these pockets are vestiges of communities of the past that grew around crossroads, stores and churches. At one time self-sufficient and able to provide the bulk of their needs, these communities are now primarily residential and most goods and services are available only outside their general area. Chesapeake has a land area of 353 square miles and has a population of 92,000. Fifteen year projections are for a population of 172,000 by 1985.

The Chesapeake Social Service Bureau is the only city-wide Social Service Agency, private or public, oriented to provide Human Services. In meeting its responsibilities as provided by Federal and State statute, the Social Service Bureau administers the following programs of assistance and services: Aid to Dependent Children, Aid to the Blind, Aid to the Permanently and Totally Disabled, Old Age Assistance, General Relief, Medicaid, the Food Stamp Program; Social Services for the local Juvenile and Domestic Relations Court, Counseling and Referral services, The Work Incentive Program, Child Protective Services, Adoptions, Foster Care and Shelter Care.

Additional Services this agency provides for citizens of Chesapeake include: Homemaker Services, professional family counseling, Renaissance Drug Program, Vocational Rehabilitation Program, Youth Communications and Counseling Program, using professional athletes to work with youth, a program for Senior Citizens, and a Virginia Polytechnic Institute Home Demonstration Program.

We take great pride in our operations of these programs and in serving people of all races, creeds, and income levels.

It is because of this pride and dedication to our job that we want to take this opportunity to take exception to and voice our feelings about your speech on Human Resources that was carried in our local newspaper (Virginian-Pilot, Ledger-Star) on Saturday, February 24, 1973.

As staff members of a local agency, for years we have taken criticism from the Federal level: Congress, Supreme Court, and the President's office. We strongly feel that we can no longer sit back and take this unjust criticism any longer, and that our voice must be heard.

We are concerned about the fact that the President and the Department of HEW can sit in their "ivory towers" and pass judgment on local Welfare Departments. We do not comprehend how this can be done without understanding local operations, philosophy, and feelings.

It must be remembered that Human Resources in local Social Service Bureaus is divided into two separate programs—income maintenance and social services. These two programs do work together in that Social Services strive to help families function and stay together during times of trouble and crisis and income maintenance is one method of helping many families reach this goal. However, while these two programs may complement each other, there seems to be a tendency now to disregard the distinct characteristics and functions of each program.

In Chesapeake, we are concerned with delivering human services and being accountable for the services delivered and how the money provided for these programs and services are used in meeting people's needs. In your speech you mentioned that by the time the funds filtered down through the layers of bureaucrats, consultants and social workers, those needy of them were not receiving what they should. We strongly resent this unfounded statement and we know of no one that is "getting fat off poverty programs at the local level.

If there is a "welfare mess" it is not caused at the local level. The so called "welfare mess" is not a result of the Public Assistance and Social Service Programs but rather a result of the bureaucracy by which the extremely complex rules and regulations governing these programs are developed and mandated. To us on the local level it really does look like the federal right hand does not know what the left hand is doing!

To us, there appears to be an attempt through policy restrictions to prevent welfare departments from effectively administering the public assistance programs. Since 1968 we have had to take the applicant's word on his situation when he applies for assistance. This policy is based more on concept that a "prudent" person could distinguish discrepancies! We could not verify any information. (Now we can verify income and resources.) We have only 30 days to determine an applicant's eligibility, and if a client receives money he is not entitled to we have no refund procedure or authority to make the client return the money.

In January, 1974 the Social Security Administration will take over the function of determining eligibility of those applying for the Adult Public Assistance Categories and administering these programs. They will be able to verify all information, have authority to make clients refund money they were not entitled to, and will not have a 30 day deadline to make a decision on the eligibility.

It is no wonder the Social Security Administration may be able to administer the programs more effectively. All these preventive restrictions placed on us from Federally mandated policy make it impossible to administer programs as effectively as we would like to.

We would also like to bring to your attention that when the Social Security Administration begins to administer these programs it will not reduce the expense of operating local Welfare programs. We will have the same number of cases and the same amount of work. The local agency will still be responsible for determining eligibility for Medicaid on the Adult Categories, will be responsible for providing assistance to the spouses and determining their eligibility for assistance. Also, we will be responsible for the Supplementation Program.

Therefore, instead of making things less complex, less expensive and less time consuming, there will be two divisions under HEW, Social Security and Public Welfare, duplicating efforts, doubling caseloads, work, and expense. Instead of one complicated bureaucracy to contend with there will be two.

It seems to us so much more practical and it makes so much more sense to let the Welfare Departments which are already doing the job continue and for the Federal level to remove the restrictive policies that prevent us from doing the very things the Social Security Administration will be allowed to do.

If reforming the present welfare system will continue to be one of your major goals, we suggest an in-depth examination into some of the reasons reform is needed. We feel this should start at the Federal level where policy is developed, looking at the reasons these policies are not successful.

Your statements have led is to believe that the administrators at the Federal level need more information and understanding of the situations that develop due to their policies. In the complex age in which we live it is no longer possible to hand down mandates without involvement at all levels because it is not humanly possible for any one person or organization to have all the facts and answers.

The local welfare departments only administer what HEW and the Virginia State Department of Welfare and Institutions mandates to us.

We feel we can provide valuable and needed information to help you and HEW have a better, more realistic understanding of what the real welfare situation is all about. Therefore, we extend to you and/or your Secretary of HEW, an invitation to visit the Chesapeake Social Service Bureau at your convenience so that we could have a personal exchange of information and concerns.

We care enough to voice our concerns to you, we hope that you will care enough to hear us and learn more of our concerns.

Sincerely,

THE STAFF.

BUSING, TRUE OR FALSE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. WHITEHURST. Mr. Speaker, in the Washington Post of Friday, March 16, 1973, I found a column written by Mr. William Raspberry which presents a moderate, balanced, and clearly nonracist view of the problem of the busing of schoolchildren for the sole purpose of creating an artificial racial balance.

Let me commend this fine article to my colleagues. It does a great deal to put the question of busing in its proper perspective.

BUSING, TRUE OR FALSE

(By William Raspberry)

The U.S. Civil Rights Commission wants to believe that opposition to public school busing has its almost exclusive source in ignorance and bigotry.

And so it reads the results of a recent public opinion poll to "prove" exactly that.

It finds bigotry (and insincerity) in the fact that two-thirds of those polled say they favor integration as a national objective, while only 21 per cent offer general support for busing.

It finds ignorance in the fact that most of the respondents missed most of seven true-false questions about busing.

And it finds hope in the fact that the people who did best on the true-false questions tended to favor busing more than those who scored poorly.

With that sort of interpretation, it is perfectly natural to conclude that the way to sell busing to the American people is to inform the ignorant, expose the insincere and isolate the bigot.

Well, maybe. But the commission's conclusions don't necessarily flow from the Opinion Research Corp. poll.

I have a suggestion. Let Opinion Research put a pair of questions to the staff of the Civil Rights Commission: (1) As a national objective, do you favor racially integrated neighborhoods, that is, neighborhoods populated by both blacks and whites together? (2) Would you favor laws or court orders requiring that families residing in neighborhoods that are too white or too black be forcibly relocated to other neighborhoods in order to achieve neighborhood integration?

My guess is that the staffers would say Yes to Question No. 1 and No to Question No. 2. Yet, when the questions were put not in terms of neighborhoods but of schools and evoked the same yes/no responses, the Commission read it as bigoted and insincere.

The ignorance test involved questions relating to the status of court decisions, the approximate percentages of children now being bused for desegregation, the impact of desegregation on white students' test scores, the comparative safety of riding a bus or walking to school and the relative cost of busing.

Most people missed most of the questions, although nearly half answered correctly that busing is safer, statistically, than walking to school. But what does that mean? Except for one question, the impact of desegregation on white test scores, it's hard to see how informing the ignorant—that is, teaching people the right answers—would make the slightest difference in their attitude toward busing.

The Civil Rights Commission, needless to say, feels otherwise.

"Too often public officials, educational leaders and members of the mass media have, unthinkingly, accepted the criticisms and passed on the slogans of busing opponents without troubling to examine the evidence."

And the people, in their ignorance, have rejected busing.

Well, maybe the people aren't so ignorant after all. Some people are against busing because they are opposed to integration; no doubt about it. But some are opposed to busing because they are opposed to busing; because they think there is social and educational validity to the neighborhood school; because they believe that there isn't anything at the end of an unnecessary bus trip to justify the economic, social and educational costs.

Desegregation is a racial issue, but it is a tragic mistake to suppose, as the Civil Rights Commission and perhaps the NAACP apparently suppose, that opposition to busing is a bigoted position.

Such a supposition might explain why, in the recent poll, only 17 per cent of the white respondents said they would be willing to send their children to a better school in a neighborhood where most residents were of the other race. But now explain why only 49 per cent—less than half—of the nonwhites questioned said they would be willing to send their children to that better school?

"The public is clearly confused," the Commission asserts. "The people have been misled. They believe, for example, that the Constitution should not be amended to limit desegregation [favored by only 30 per cent] but that it is all right for Congress to restrict the courts' power to order busing [57 per cent]."

Only lawyers immersed in civil rights and constitutional law would be confused by that seeming contradiction.

The poll results, taken altogether, seem to me to make a clear (and not at all discouraging) declaration of what Americans, black and white, see as a reasonable racial posture:

There should be no return to racial segregation. Racial integration, in fact, remains an important national goal. But it is not the *overriding* goal, to be achieved no matter what the cost. And you don't have to be a separatist, a bigot or a Tom to feel that way.

LYNDON JOHNSON

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. REES. Mr. Speaker, all of us mourned the death of President Lyndon Johnson. Whether we agreed with him or not, we were continously impressed with his boundless energy in assuming the great responsibilities which he had, not only as President of the United States, but as Senate majority leader and before that as a Member of the House. It is tragic that the impossible situation of Vietnam has blurred our vision of the accomplishments and the greatness of this man. The ideals he fought for as an officeholder, he also fought for as a retired President.

In his last speech in Austin, Tex., in January, speaking not from prepared notes, but from his heart, he again reached the conscience of Americans:

> To be black—to one who is black—is to be proud, to be worthy, to be honorable. But to be black in a white society is not to stand on level ground. While the races may stand side by side, whites stand on history's mountain and blacks stand in history's hollow. Unless we overcome unequal history, we cannot overcome unequal opportunity. That is not—nor will it ever be—an easy goal to achieve.

Much of what has been done during the last 20 years to bring our country together and to mold our citizenry into a cohesive whole bears the mark of Lyndon Johnson. He shall not be forgotten, for the good that he accomplished will long remain with us.

THE SPESSARD L. HOLLAND NATIONAL SEASHORE

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. CHAPPELL. Mr. Speaker, I have today introduced a bill to create the Spessard L. Holland National Seashore Park in the State of Florida. Our State is justifiably proud of the record of service of this outstanding American who rose from local and State offices to the office of Governor and finally to become one of the truly outstanding Members of the U.S. Senate.

In introducing this bill, with the support of the entire 15 member Florida House delegation, and suggesting it be named in honor of Senator Holland, I do so with a profound sense of history. The creation of a national park is a step to be taken in careful deliberation by this body. The safeguarding of public lands by the government is a solemn responsibility. It is in keeping with this responsibility that it seems appropriate to dedicate the park in the name of Senator Holland.

This park long was his dream, just as it has been the dream of so many of us who have seen these magnificent acres and have told ourselves they must be protected at all cost. This area includes 20 miles of oceanfront and Intercoastal Waterway extending from Bethune Beach in Volusia County south to an area bordering the Kennedy Space Center.

I anticipate early consideration of this measure, Mr. Speaker. House Interior and Insular Affairs Committee Chairman James Haley has joined me as a co-introducer and his interest in this park now is amply demonstrated.

Quite possibly we have a unique situation here. All of the land to be encompassed by this park now is held either by the State of Florida or by the Federal Government. Part of the land now is on the Kennedy Space Center Reservation. Thus, acquisition costs could be little or nothing, making this park one of the least expensive and most valuable in the entire national park system.

Hopefully, means can be found to have the State of Florida donate its title interest in the property. The important thing now is to create the national park and press for early resolution of other problems.

I, therefore, urge speedy and favorable consideration of this bill for the sake of the people of this country and for future generations.

SOVIET INTEREST IN ASTRONOMY

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RARICK. Mr. Speaker, the Soviets now announce they have published an atlas dealing in astronomy.

Apparently, the Communists are going all out to exploit astronomy. Thus far, the U.S. participation has been $1,391,000 in a grant for the Copernicus celebration in Red Poland, studies at Harvard University, and the present United States/U.S.S.R. Commission on Scientific, Technical Cooperation in Washington, D.C.

I insert newsclippings and a National Science Foundation release:

[From the Washington Post, Mar. 17, 1973]

SOVIETS PUBLISH ATLAS OF STARS

MOSCOW, March 15.—Soviet astronomers, with help from Harvard University, have published an atlas showing the distinguishing features of 4,512 variable stars, the Tass News Agency said today.

Tass said the atlas is based on photos of the sky taken by astronomers at three Soviet observatories and at Harvard. The work took 10 years, it said.

[From the Washington Evening Star and Daily News, Feb. 21, 1973]

CENTER TO HONOR COPERNICUS' BIRTH

WARSAW.—U.S. Ambassador Richard T. Davies has given the Polish government the first installment of $1,391,000 being given by the United States for an astronomy center to mark the 500th anniversary of the birth of Polish astronomer Nicolus Copernicus.

The check was presented to Wlodzimierz Trzebiatowski, president of the Academy of Sciences. The gift will pay for a building to house a center for the study of astrophysics and related branches of physics, an embassy spokesman said.

The center will be equipped by the academy. Construction is to start in June.

Copernicus promulgated the theory that the earth and planets move about the sun. He was born in Torun, about 120 miles northwest of Warsaw, on Feb. 19, 1473.

UNITED STATES-U.S.S.R. COMMISSION ON SCIENTIFIC, TECHNICAL COOPERATION TO MEET MARCH 19–21

The first meeting of the U.S.-U.S.S.R. Joint Commission on Scientific and Technical Cooperation will be held in Washington, D.C., March 19–21, Dr. H. Guyford Stever, Director of the National Science Foundation and U.S. Chairman of the Commission, said today.

President Nixon has designated Dr. Stever to replace former Presidential Science Advisor, Dr. Edward E. David, Jr., as U.S. Chairman of the Commission. The Soviet Chairman of the Commission is Academician V. A. Kirillin, Chairman of the U.S.S.R. State Committee on Science and Technology and First Deputy Chairman of the Council of Ministers of the Soviet Union. However, the Soviet delegation to this meeting of the Commission will be led by Acting Chairman V. A. Trapeznikov, replacing Kirillin who will be unable to attend because of illness. Academician Trapeznikov is First Deputy Chairman of the U.S.S.R. State Committee for Science and Technology (SCST).

The Joint Commission was established under the U.S.-U.S.S.R. Agreement on Cooperation in the Fields of Science and Technology signed during President Nixon's visit to Moscow last May. Its purpose is to encourage and develop scientific and technical cooperation between the two countries for their mutual benefit. The cooperative effort is also expected to contribute to the strengthening of relations between the two countries.

Since the signing of the agreement, working groups have been active in developing specific project proposals, and agreement has been reached on six general areas in which to explore possibilities for cooperative research. They are energy, computer applications to management, agricultural research, microbiological synthesis, chemical catalysis, and water resources. The Commission will consider the proposals of the working groups in these areas and will select specific cooperative projects for implementation.

Under the Scientific and Technical Cooperation Agreement, forms of cooperation may include:

Exchange of scientists and specialists;

Exchange of scientific and technical information;

Joint research, development and testing, and exchange of research results and experience between scientific research institutions and organizations;

Organization of joint courses, conferences, and symposia;

Rendering of help, as appropriate, on both sides in establishing contacts and arrangements between United States firms and Soviet enterprises where a mutual interest develops; and

Other forms of scientific and technical cooperation as may be mutually agreed.

Dr. Stever said, "Proposals formally accepted as cooperative projects will be announced when the Joint Commission concludes its work March 21. This cooperation will provide broad opportunities for both nations to combine efforts in addressing major scientific and technical problems of common concern."

The American members of the Joint Commission are:

Dr. Stever, Chairman; Dr. James B. Fisk, Chairman of the Board, Bell Telephone Laboratories; Dr. Harvey Brooks, National Academy of Sciences and Harvard University; Herman Pollack, Director of the State Department's Bureau of International Scientific and Technological Affairs; Dr. Eugene Fubini, E. G. Fubini Consultants, Ltd.; Dr. Clarence Larson, Commissioner, Atomic Energy Commission; and William Letson, General Counsel, Department of Commerce.

Other Soviet Members of the Commission are:

N. M. Zhavoronkov, representing the U.S.S.R. Academy of Sciences; N. F. Krasnov, First Deputy Minister of Higher and Secondary Specialized Education; and D. N. Pronskiy, Director of the SCST Department of Foreign Relations.

PRESIDENT'S CRIME PLAN

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. HUNT. Mr. Speaker, on Wednesday last, the President laid before Congress his program to attack crime. I feel that it is not only sound but much needed. Hopefully Congress will agree.

The President said, and I quote—

> The only way to attack crime in America is the way crime attacks our people—without pity.

Now we are all aware that some of our more liberal colleagues seem to feel that the perpetrators of crime deserve our pity. They are quick to say that the death penalty is not a deterrent to crime. Let me point out now and for the RECORD, that there is no proof whatsoever that it is not.

Last week in Washington 25 persons were pistol whipped while being held hostage by five thugs, two of whom were free on bond after pleading guilty of being accessories before the fact in connection with what police called a drug-related slaying near Bowie last September. After pleading guilty no less—when will it end?

When will it finally settle in that we need, for the good of the majority of American citizens, to keep murderers, rapists, drug addicts and pushers, robbers and other misfits off our streets?

The President was absolutely right when he said that the permissiveness in our society was responsible for the increase in crime during the last decade.

Disturbing as it is, this permissiveness runs through every segment of our society—in the home, in the courts, in the schools, on television and in the movies and right here in the Congress of the United States.

It is time now for the Congress to assert its leadership role and take quick and positive action on these very excellent proposals.

CARL ROWAN ON WATERGATE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. BINGHAM. Mr. Speaker, recently I heard on my car radio the distinguished commentator Carl Rowan speaking about the Watergate case and its relation to the first amendment. Mr. Rowan's statement was so pungent and so powerful that I obtained the text of it, which I share herewith with my colleagues and other readers of the CONGRESSIONAL RECORD:

> Sordid revelations of high-level corruption are popping up faster these days than we can absorb them.
>
> But one thing is clear: what we used to call "the Watergate caper" was only *part* of the dirtiest, most sinister power-grab operation in the history of American politics.
>
> And to think that we might know nothing about it but for the dedication-to-job of Frank Wills, a poorly paid security guard at the Watergate! He helped police to catch Republican burglars and buggers red-handed, and that opened a Pandora's box of sleazy, unlawful deals.
>
> This country also owes monumental debt to some dedicated newsmen—especially Bob Woodward and Carl Bernstein of the Washington Post.
>
> Senate testimony by acting FBI Director L. Patrick Gray shows that these two men did a phenomenal job of digging out the dirt that the White House was trying desperately to hide.
>
> Take note that as these reporters linked President Nixon's appointments secretary, his private lawyer and other Nixon aides to the scandal, indignant denials oozed out of the White House. The Washington Post was accused of printing "political garbage" and "stories based on hearsay, character assassination, innuendo or guilt by association."
>
> Gray's testimony shows that the reporters were right, and that the White House aides and Mr. Nixon's political lieutenants were lying, knowingly or unknowingly.
>
> That is the kind of reporting that glorifies and justifies the First Amendment. Very clearly, without the protection of this amendment, *you* would know nothing about this cesspool of corruption. And this society would be well on the road to decay.
>
> This is Carl Rowan.

ABORTION

HON. K. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. McKAY. Mr. Speaker, the recent Supreme Court ruling on abortion was discouraging to me and to many of the people in Utah. It is discouraging both because of its direct consequences on human life and because of its contribution to a growing callousness toward the value of a human being. Utah is a State with a heritage of respect for human life and with a goal of creating happier and more secure families. A policy of wholesale abortions is not compatible with our goals.

Mr. Speaker, I am opposed to abortion on demand. It is my belief that human life is sacred, and abortion takes this life. Those who support the Court's abortion decision have gone to great lengths to deny that a fetus is a human being, or to establish a clinical definition of the point at which a fetus becomes a human being. Their efforts have been unsuccessful. But anyone who has ever witnessed the birth of a child would be hard pressed to deny that 5 minutes earlier that child was anything but a living human being. And if this is true, at what point was it not a living being? Such point has never been clearly defined.

Congress currently has before it a number of proposed amendments to the Constitution which would deal with the problem created by the Supreme Court ruling. While I am deeply troubled by this ruling, I shall examine critically any such constitutional amendment, and I will expect the Judiciary Committee to be very careful about the phrasing of the amendment. While I believe the Supreme Court decision should be reversed, and a constitutional amendment may be the only way to do that, I must reserve the right to vote against a particular amendment if it is not drafted carefully. Constitutional amendments have the inherent potential to create a broader impact than intended, and to influence more than simply the issue at hand. But in this case, because of the critical nature of the question, I will support a suitably worded amendment.

CONGRESSMAN DRINAN STRONGLY PROTESTS NEW SOCIAL SERVICE REGULATIONS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. DRINAN. Mr. Speaker, in recent weeks my office has been nearly buried under an avalanche of mail protesting the new social service regulations proposed by the Department of Health, Education, and Welfare in the Federal Register of February 19, 1973.

It is little wonder that there has been such a massive protest. These regulations, originally scheduled to go into effect today, would have had a devastating effect upon the quality and quantity of needed social services throughout the Nation.

I am pleased to have received so much mail on this subject and I hope that I receive an even larger flood of protesting mail—especially if this mail comes to the attention of the bureaucrats responsible for these ill-conceived regulations.

In title III of the Revenue Sharing Act, Public Law 92-512, Congress passed a ceiling of $2.5 billion on HEW social service expenditures. While this ceiling—which has effectively reduced fiscal 1973 social services expenditures under the 3-to-1 matching grant formula by over $2 billion—has admittedly hurt many social service programs, nonetheless in the view of many this ceiling was a legitimate necessity in light of the spiralling costs fo social services and the admittedly limited resources of the Federal Government. I for one do not like this $2.5 billion ceiling, but I am prepared to live with it.

I am not prepared to accept the massive cut in social services spending, in addition to the billions already lopped off, that these new regulations will require.

The legislative history of Public Law 92-512 clearly supports the contention that Congress did not intend to emasculate social service programs. But these new regulations would have the result of further reducing Federal social service expenditures by between $700 and $1 billion—perhaps more—from the already tight $2.5 billion level. These are not abstract figures. Each dollar lost represents a violation of congressional intent, so characteristic of this administration, and even more important, more hardships for the poor, for children, for the elderly, and for the handicapped.

The central fallacy of these proposed regulations is that they are entirely self-defeating. This administration has espoused for the social service program the commendable goal of "self-sufficiency." Unfortunately this noble sentiment has not been extended on any more than a rhetorical level, as once again the administration is playing a slight-of-hand game with the welfare of millions of Americans. While claiming to support self-sufficiency, these regulations would in fact sabotage for many any real hope of personal stability and financial self-support.

By cutting back on the overall level of social services and by drastically restricting eligibility for services, these regulations will have the result—which should be undesirable to everyone of increasing the already crowded welfare rolls.

The working poor will be particularly hard hit. They will be denied the baseline social service support that in many cases provides the necessary prerequisites for genuine "self-sufficiency." They will be forced to give up thier jobs to maintain eligibility for programs they and their families often cannot do without.

If I may be permitted to quote from the one-time guiding light of this administration's social policy. Ambassador Moynihan, I think it altogether appropriate to label these proposed regulations a "maximum feasible misunderstanding"—of both the mandates of Congress and the realities of social service needs and goals.

Of late, the administration and HEW have taken to hinting that the withering criticism of these foolish and reprehensible regulations is having an effect. Appearing before the Education and Labor Commitee of this House, HEW Secretary Weinberger announced the withdrawal of the proposed ban on using charitable contributions as the State share of that matching grant. In addition, it has been reported that criticisms of the remaining regulations will be received "sympathetically," and that new regulations will be introduced at some point in the next month or two.

While I commend the administration for removing the restriction on charitable contributions—which was surely one of the most objectionable of the proposals—I nonetheless must cast a few stones at the illusion of responsiveness that the administration purports to have.

What concerns me is that this initial retreat is to be used as a device to defuse the broader criticism leveled at the regulations, and that the remaining regulations will stand more or less as they are now proposed. The sacrifice of one regulation as a "conciliatory gesture" is in my view insufficient.

I hope that administration and HEW officials take the time to read the many letters I am sure they have received protesting these regulations. I am certain they will at least see, if not understand, the promise of failure that these regulations hold forth.

And I hope that my fellow Members of Congress will not take the bait offered and allow the issue to quietly seek the political graveyard. On Wednesday the House Democratic Caucus will be considering the social service regulations. I urge my Democratic colleagues to support the affirmative measures to correct these regulations that will be offered at the caucus. I urge Republican Members to write the administration and join their voices in the deserving protest.

Most of all, I urge the many Americans who have voiced their objections to these ill-begotten regulations to continue to keep the pressure on.

Mr. Speaker, at this point I would like to include in the RECORD the text of a letter I recently sent to Mr. Philip Rutledge, the Acting Administrator of the Social and Rehabilitation Service of HEW. While this letter does not cover all of my particular objections to the proposed regulations, it does deal with the issues of broadest concern to myself and to my constituents in Massachusetts, who stand to lose $35 million in social service funding, affecting some 70,000 needy individuals and families. The text of the letter follows:

MARCH 16, 1973.

Mr. PHILIP RUTLEDGE,
Acting Administrator, Social and Rehabilitation Service, Department of HEW, Washington, D.C.

DEAR MR. RUTLEDGE: I am writing to protest the proposed HEW social service regulations published in the Federal Register on February 16, 1973.

It is my view that the general effect of the proposed regulations would be self-defeating to the goals expressed for social service programs by the Administration and by Congress. By sharply reducing the availability of services through funding limitations and excessively restrictive eligibility criteria, these regulations would have the counterproductive result of virtually forcing many of the "working poor" back into the already crowded welfare rolls.

In addition, these regulations would reduce Federal social service expenditures under the 3-to-1 matching grant formula significantly below the $2.5 billion spending ceiling established by Congress in Title III of Public Law 92–512. The $700 million to $1 billion reduction in Federal spending that the proposed regulations entail is clearly beyond the scope of Congressional intention or authorization. The legislative history of the spending ceiling supports the contention that Congress plainly intended that the full $2.5 billion amount be expended. Nowhere is broad license given to the Department of HEW to severely restrict and disrupt the existing basic structure of social service programs.

While I have many objections to the proposed regulations, I wish to point out a few that I believe to be particularly harmful:

BAN ON PRIVATELY DONATED FUNDS

Under present law the state share of 25% of the cost of services may be fulfilled by using privately donated funds—usually from charitable organizations. The proposed regulations prohibiting the use of donated funds as the state share would have the result of eliminating approximately $150 million in social service expenditures while terminating many successful local programs.

This proposed regulation is contradictory to the Administration's publicly expressed support of increased public/private cooperation and local initiative. It is also in direct opposition to a letter of October 13, 1972, from HEW Secretary Elliot Richardson to Chairman Wilbur Mills of the House Ways and Means Committee, in which Secretary Richardson strongly supported the private donations mechanism, stating that "partnership between private donations and public agencies should be encouraged rather than discouraged."

RESTRICTED ELIGIBILITY FOR SERVICES

The proposed eligibility requirements are excessively restrictive. By eliminating virtually all past and potential public assistance recipients from eligibility for social service programs, the regulations go far beyond the intentions of Congress and far beyond what is either necessary or desirable.

The new regulations narrow the availability of services to those past recipients who received welfare within the previous three months (as opposed to two years under current law), and to potential recipients likely to become dependent in six months (five years under current law), as long as their income does not exceed the arbitrary level of one-third higher than the state's AFDC payments. As a result of these regulations, most of the "working poor" will not be allowed to receive services at all. In many cases these services provide the baseline support necessary for past and potential recipients to achieve a measure of financial stability and self-sufficiency.

There is every reason to believe that the result of these ill-conceived regulations will be a substantial increase in the welfare rolls, since many "working poor" will be forced to forfeit their jobs to maintain eligibility. In addition, the proposed administrative requirements for redetermination of eligibility promise a bureaucratic nightmare that is wholly unnecessary and inappropriate.

CHILD CARE

Child-care programs will be particularly hard-hit by the eligibility regulations. Denial of child-care services to the broader range of past and potential recipients will mean the loss of this often essential service to over 350,000 children and their families, according to an estimate of the Office of Management and Budget.

The proposed elimination of Federal child-care standards is also ill-advised. While there may be some need for revision of Federal day-care standards so as to bring the cost of child-care services to a more manageable level, I believe that it is precipitous and unresponsive to the legitimate concerns of parents to wholly do away with Federal responsibilities in assuring proper child-care.

In addition, the proposed elimination of child-care as an acceptable nonemployment-related "optional service" again demonstrates a substantial indifference on the part of HEW to the realities of social service needs and goals. Nonemployment-related child-care is a critical factor in enabling families to sustain self-sufficiency. Yet this regulation would deny child-care services to an estimated 250,000 children in the coming fiscal year. It is my view that child-care, and legal services as well, should be included in the acceptable "optional service" category.

OTHER PROPOSED REGULATIONS

Finally, I would like to draw attention to the proposed ban against the use of "in-kind" contributions as the state share of the grant, and to the proposed elimination of the system of fair hearings and appeals currently required in cases of denial or exclusion from programs. The former regulations would mean an arbitrarily increased financial burden upon the state with the strong likelihood of reduced services as a result, while the latter regulations would deny recipients the right to equitable protection of their interests. Both of these regulations would be retracted.

In sum, the proposed regulations would have a devastating effect upon both the quality and quantity of social services throughout the nation. In virtually every case, these proposed regulations go beyond the scope of Congressional intent and in some cases clearly contradict Congressional action. The effect of these regulations, if put into effect, will be to defeat the avowed purpose of the social service network—self-support.

My own state of Massachusetts stands to suffer heavily from these regulations. It has been estimated that the regulations will increase the cost to the state of providing a bare bones level of social services by $35 million. Massachusetts has the unfortunate choice of either raising taxes to meet this demand or of turning its back on the handicapped and the poor. A total of 70,000 Massachusetts citizens—not only public assistance recipients but the working poor, the elderly, families and children, and the handicapped—will suffer if these regulations take effect.

I urge you in the strongest possible terms to correct the gross inadequacies of these regulations.

I look forward to your response.

With all good wishes, I am

Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

IS REVERSE DISCRIMINATION JUSTIFIABLE

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. HUBER. Mr. Speaker, I would like to share with my colleagues the views of one of the major newspapers in my 18th District, the Detroit News, on a question often pondered but less frequently voiced publicly: "Is discrimination ever justified against a person belonging to a majority group in favor of one belonging to a minority group?"

The complete editorial from the March 1, 1973, issue follows:

IT'S REVERSE RACISM

Most Americans today agree that it is wrong to discriminate against a person because he belongs to a minority. Having groped its way through a century of hate and prejudice to that enlightened conclusion, society suddenly finds itself faced by the question in reverse:

Does the fact that a person belongs to a majority group justify discriminating against him in favor of minorities?

That question arises in general from the theory of racial quotas and in particular from what may prove to be a historic court suit in the state of Washington.

Marco De Funis, a Phi Beta Kappa and a magna cum laude university graduate with high scores in his aptitude test, applied for admission to the University of Washington Law School. He was rejected. De Funis, a white, hired a lawyer and went to court, contending that 38 students of minority races had been accepted, though less qualified academically than he.

The trial judge agreed that De Funis had been denied equal protection of the law. Now before the Washington State Supreme Court, the case may well end up finally before the United States Supreme Court. If it does, the highest court may find itself writing a significant corollary to previous decisions upholding the civil rights of minorites.

The practice against which De Funis complains has become widespread among the nation's colleges and universities. In order to enroll larger numbers of minority students, these instiutions have created special criteria—or, to put it more directly, have lowered their academic requirements for minority applicants. As a result, a black with inferior qualifications may be accepted over a white with excellent credentials.

Those who defend this practice do so on the grounds of overriding social interest. They believe such favoritism is justified by the wrongs suffered by minorities in the past

The University of Washington Law School argues that its policy helps fulfill the need for larger numbers of minority lawyers.

This point of view evades the question of equal justice here and now under the law.

Perhaps academic qualifications should not be the sole test of whether an applicant should be accepted for college. But whatever the standards, they should be applied equally without regard to race, color or creed.

In the words of Paul Hartman, director of the law department of the Anti-Defamation League of B'nai B'rith in New York: "Any action where a less-qualified student is taken over a better-qualified student is reverse racism and discrimination." This from the spokesman of a minority which once suffered from discrimination because it was superior in qualifications, rather than inferior, to the majority.

Certainly there should always be the assumption that a person accepted for graduate school—law school, for example—will be highly qualified by aptitude and previous academic achievement. How much of a favor can it really be to a minority student to thrust him, despite inferior achievement in less demanding work, into the very demanding regimen of graduate study?

We hold to two principles—one, equal treatment for all; two, the maintaintence of high standards for higher education. At the same time, we realize the crying need for more advanced education among minorities.

However, unless it intends to destroy the worth of higher education by reducing its standards, society must look to other remedies than quotas. Perhaps there is no swift and easy way. Perhaps the answer lies in the long and arduous process of improving education in all public schools to the point where blacks as a whole can finally apply for college admission on equal footing.

ABE VICKTER: A DISTINGUISHED CITIZEN

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. CORMAN. Mr. Speaker, on March 22, a testimonial dinner is being given for Abe Vickter, a leading citizen of California's San Fernando Valley for the past 30 years.

Abe Vickter's charitable and civic contributions to the welfare of children and youth cannot be praised too highly. He has served in numerous organizations where his tireless efforts have brought previously unknown comfort to the lives of many children. Abe has worked to this end as a master mason for the Scottish Rite Temple, a shriner, and an Ambassador of Al Malaikah; in the Creston Club which supports underprivileged children, with B'nai B'rith King Solomon Lodge; and the City of Hope. He has also served on many other community boards promoting the welfare of children.

Abe Vickter is one man of whom we can confidently say he is a citizen. He is the epitomy of what the word "citizen" is meant to be. Abe is a person who gives of himself to his friends, his family, and his community in equal measure. He is a person who truly fulfills his responsibilities as a member of society and goes many steps further.

As a personal friend of Abe Vickter for the past 20 years, I can testify to his consistent personal integrity and outstanding service to San Fernando Valley. I am sure that residents of the valley join me in expressing our thanks to Abe for this service.

ONE FOR THE PEOPLE

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. CEDERBERG. Mr. Speaker, it is highly fashionable these days to join in the carping criticism of the President on a broad range of so-called crisis of power between the executive and the legislative, between the press and the President, between any number of protesters and the Chief Executive. None of us would deny that every segment of our society is challenged by the times to reexamine itself and to take those steps which will genuinely lead to a betterment of our society.

It is personally dismaying to me, however, that in the Halls of the great body we find a type of criticism which is neither healthy nor constructive. On the day the President presented his fiscal 1974 budget I pointed out that we in the Congress must face up to the challenge of living within our means, or face the American people squarely and tell them that we cannot, and vote for a tax increase. Along these lines, I would like to bring to the attention of my colleagues a perceptive commentary on the situation from this month's issue of Government Executive. The author points with critical accuracy to the challenge which we face—and to the consequences of our not facing the issue squarely. I commend the following to my colleague's closest attention:

ONE FOR THE UNDERDOGS

(By C. W. Borklund)

Around Government an ancient adage says, "There's nothing so frustrating as being right and being out of power." Except that it does give newspapers lots of stories they wouldn't otherwise have, it is an aggravation for those forced to the sidelines.

Take the sad case of the anti-Vietnam war protester in Phoenix on Presidential Inauguration Day. He tried to organize a massive demonstration there like his brethren were trying to do in Washington. Only a couple of thousand people showed up and most of them were just curious spectators.

The poor guy groused—and was widely quoted locally—on how tough it had gotten lately to generate much interest in antiwar marches when the war itself was about to end. We think it a pity that these self-styled "peaceniks" don't have a war to demonstrate against. Clearly, in his pursuit of a "Generation of Peace," President Nixon risks losing the support of this unhappy minority.

Then, too, we have the agitated White House Press correspondents. For a long time, even many of them noted, privately, that Presidential press conferences were mostly bland, full of inconsequential jabber over relatively unimportant things. So, when the President suspended scheduling them—mainly to avoid jeopardizing the sensitive Paris peace negotiations—did the reporters applaud his move? Not on your tintype.

Pundits by the score blazed away at this callous disregard for the public's right to know and pontificated at length on the implications in Nixon's behavior. So did some Congressmen, implying in the process that they were objecting on behalf of the entire Capitol Hill constituency. The most entertaining of the lot, to us, were the characters who contended that, coming off his landslide electoral vote, Nixon intended over the next four years to sit in his oval throne room and run the country as he, alone, saw fit, ignoring the Congress and everybody else. As though any man, in this democracy, could get away with that kind of behavior.

Then, there is the Congress itself, or at least some noisy parts of it. They have been growling nastily and with increasingly heightened anxiety—as they very well should—about their power and influence in governmental affairs being usurped by the Executive Branch and the Supreme Court.

They suggest it's all the fault of the claimed usurpers. We suggest that the Congress, which has a reputation for not being very honest with the people, is not being very honest with itself. Government, like nature, abhors a vacuum. Under the pressure of national problems crying for solutions, to the extent that Congress has lost in practice its Constitutionally granted authority, it's because it hasn't performed.

The committee system the Congressmen created at the turn of the century, and have embellished since, is obviously not relevant to the environment they face. Neither is the Executive Branch setup, but at least Nixon is doing something about it, with or without Congressional approval. Congressmen, too many of them anyway, can't even seem to get around to agreeing to grapple with the managerial zoo they have imposed on themselves.

And, if Gallup polls are to be believed, one man, the President, is better tuned than the Congressmen to the majority public attitudes on Government spending, taxes, the schools, welfare programs, military spending and foreign policy. We believe, until they give us some specific evidence to the contrary, that his near-demagogic critics on Capitol Hill aren't what they huff and puff they are.

What is really going on in this allegedly estranged relationship between the White House and Congress is not that the President is disparaging the will of the people when he makes his contrary-to-Congress decisions. What the gripers are really confessing when they blaze away at him is that those programs he's stepped on don't have the votes to override him.

Unfortunately for that majority of the public seeking to maintain the courage of its convictions, what makes newspaper news is not the guy who crosses the street safely but the guy who starts across the street and never makes it. Thus, the critics get a whole raft of publicity, and on sheer volume alone the impression is left in a lot of minds that the President is standing alone against an avalanche of bitter and inflamed opposition.

As the man said, there is nothing so frustrating as "being right" and being out of power. But, more to the point, we harken back to the advice of the late President Lyndon Johnson about a month before he died. His request of the Nation, and of its elected leadership regardless of political party, in simplest terms: when a President is once elected, give him a chance to work his programs.

Only the Nation suffers if his every attempt to step forward is buffeted by a shove backward. The current squirreling around in debate, contradiction and indecision may produce a lot of headlines and release some pent-up emotion but it hardly helps the country keep moving. As the head of the World Bank, Robert McNamara, once said, "*No* decision *is* a decision, a decision to do nothing—and that is usually the worst decision you can make."

We are not suggesting that Congress become what it fearfully calls "a rubber stamp." What we are urging is that the critics take the acrimony out of their politics for a while; and at least wait until a White House decision is proven wrong before they claim it is.

THE PRESIDENT'S BUDGET REDUCTIONS AND THEIR IMPACT ON CITIES AND TOWNS

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. COTTER. Mr. Speaker, the President's fiscal year 1974 budget and the impoundments and program reductions involving fiscal year 1973 funds have created considerable confusion and concern among municipal officials. To better understand what impacts these changes—proposed and actual—would have, I asked officials from First Congressional District towns in Connecticut to give me an analysis of the effects they perceive.

By far the most comprehensive report came from the capital city, Hartford, which has the bulk of the HUD, OEO, educational title I, and model cities activities and funds that come into my district. The responses from the suburban towns, while not of the same magnitude, indicate that the administration's budget policies have an impact beyond the city limits.

I want to share with you some of the responses I have received to date, because I believe they illustrate the quandary the President's policies have created for towns and cities:

TOWN OF EAST HARTFORD,
East Hartford, Conn., February 13, 1973.

Hon. WILLIAM R. COTTER,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE COTTER: In response to your request for an analysis of the program impacts of the President's budget for FY–1974 and the recent HUD "freeze", I can give you the following information.

The President's actions and budget proposals for HUD programs are of the greatest concern to me. In particular, East Hartford will be strongly affected by the freeze in housing modernization funds. A much needed modernization grant for one of the Town's low-income housing projects has recently been cut from $495,000 to $151,000 because of the freeze. The impact of this may not be serious in the short run, but over a long term, climbing maintenance costs caused by the lack of modernization will cause severe financial problems for the Housing Authority. East Hartford currently has HUD commitment for ninety (90) units of elderly housing at a cost of $2,272,000, and these funds seem secure at this time. Needless to say, without Federal financial assistance in the future, no more public housing would be built in East Hartford.

Development of three town parks will be halted by the freeze. Purchasing a number of acres for parkland would also be delayed. Open space funds were to have been sought in FY 73/74 for these projects.

Because the Metropolitan District Commission (MDC) handles East Hartford's sanitary sewers and water supplies, it should be contacted to determine the effect of the HUD water and sewer program freeze.

The Urban Community Development Special Revenue Sharing, which the President proposes, is a step in the right direction. His proposal would lend flexibility and give control to municipalities, but my chief concern is that adequate monies be budgeted to permit community development to continue. In East Hartford, for example, any future urban renewal projects and open space acquisitions will be major expenses. Urban Development Revenue Sharing may be adequate to permit the Town to handle smaller planning and development projects, but it will be impossible to implement major programs with a relatively small annual grant. such as EEA, OEO, and MDTA, will not adversely affect East Hartford because relatively few residents have participated in these types of programs.

I hope that this brief synopsis of FY–74 cutbacks and HUD freeze effects will be of assistance to you in formulating your positions on these issues. If you need further information, please do not hesitate to contact me.

Very truly yours,
RICHARD H. BLACKSTONE,
Mayor.

TOWN OF WETHERSFIELD,
Wethersfield, Conn., February 9, 1973.

Hon. WILLIAM R. COTTER,
Cannon Building,
Washington, D.C.

DEAR MR. COTTER: In answer to your request for information regarding the President's Budget FY '74, and its impact on the Town of Wethersfield, we have compiled the following information:

1. Under the President's proposed budget, our Town will be affected adversely by the elimination of EEA. At present, we employ seven people as Public Employment Participants. Each of them performs a valuable function and is making a significant contribution to the Town. Three of them work in Town administration, four for the Board of Education. In FY '73, the Town allocated $7,223, the Federal government $65,007 for this program. With the Federal share removed, it would be impossible for us to retain all these people thereby returning to the ranks of the unemployed three or four capable, desirable employees.

2. With the present "freeze" being implemented by HUD, we have reached a standstill on our programs of Historic Preservation and Open Space Land Acquisition. As you know, Wethersfield was founded in 1634. As one of America's oldest and most picturesque Towns, we are striving constantly to maintain whatever is of historic value without sacrificing programs that fulfill current priority needs. This month, we had hoped to file an application for restoring and relocating our last remaining brick, one room schoolhouse. This project would have required approximately $20,000 from HUD. The "Freeze" was instituted and we were told to delay our application indefinitely. Several years ago, we purchased with matching funds from HUD, an historic, scenic reservoir as part of our Open Space Acquisition, and to help preserve some undeveloped land in our densely developed urban area. Twenty acres could be restored to become a usable body of water if sorely needed dredging can begin. An application we submitted to HUD for $50,000 to be matched by the Town has been "frozen".

At the present time, HUD is in possession of another application for $20,000 to help us acquire land which is the sole remaining access from Town roads to the Great Meadows surrounding the Connecticut River. This, too, is part of our Open Space Acquisition Program affected by the "freeze".

3. As our population has grown, our need to expand our Library facilities has intensified, even to meet necessary State requirements that qualify us for State subsidies. Since this expansion represents such a large capital expenditure, we had contemplated it

only in conjunction with Federal assistance. Now this is in jeopardy.

4. Our Recreation and Parks Program would be affected, in particular, by present budgetary proposals. Recommended projects for this Department in FY '74 had included improvements in dam control, resurfacing playground areas, erecting outdoor athletic facilities, developing nature trails, etc., for a total of approximately $156,000. All of these programs would have been considered eligible for funds under the Open Space Land Program. In a letter sent to us by HUD Area Office in Hartford, Program Manager Bernard Cameron stated that these programs were eligible but that, "The HUD Area Office is no longer accepting applications for any open space program activities until further notice."

The impact of these alterations, as outlined above, will be considerable if they are implemented. We will have to reduce our programs or face imposing a significant increase in taxes just to complete these open space and capital improvement projects.

Finally, we feel grave concern for the Board of Education. At present, the Board is receiving more than $100,000 as part of an Incentives Program in Education. Under Title II, Library money is in jeopardy. Under Title I, approximately $22,000 that is designated for Wethersfield has been assigned to the City of Hartford to help support Project Concern under provisions for the educationally and economically deprived. Also, NEDA is being phased out. In this whole area, we feel we will suffer significant losses under Titles I, II, and III as specified.

We hope this compilation helps you in your deliberations over the President's Budget. From the point of view of the Town of Wethersfield, many valuable programs will be sacrificed or harsh tax increases will result if this entire Budget is implemented as proposed.

Sincerely yours,

Ralph A. DeSantis,
Town Manager.

Town of Berlin,
February 21, 1973.

Hon. William R. Cotter,
U.S. Representative,
House Office Building,
Washington, D.C.

Dear Congressman Cotter: In reply to your letter of January 29, 1973 I am enclosing a copy of a memorandum from Clifford A. Landry, our CDAP Director, indicating the impact that the President's cutbacks will have on various Federal programs in the Town of Berlin.

Best personal regards.

Very truly yours,

Arthur B. Powers,
First Selectman.

Impact of President's Budget Cut for Fiscal Year 1974 and Related Presidential Actions

The results of a telephone survey made by myself to the various offices are indicated below as to the impact upon the Town of Berlin as related to Federal cutbacks.

1. Mattabassett Sewer District—no impact indicated.

2. Berlin Interceptor—no impact indicated.

3. Solid Waste Project, Regional Planning—no impact indicated.

4. Criminal Justice, LEEA—no impact indicated.

*5. HUD—Open Space Acquisition—Cut program.

*6. HUD—Park Development—Cut program.

7. Flood Control—Boston Office—no impact indicated.

It appears that most of HUD's programs are feeling the greatest impact of the Presidential Cutback. Low and Moderate Income Housing, Redevelopment, and Open Space Programs indicate no funds available.

Town of Newington,
Newington, Conn., February 23, 1973.

Representative William R. Cotter,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

Dear Congressman Cotter: In response to your letter of January 29 concerning the effect of proposed program curtailments in the President's FY '74 Budget and of "freezes" on the FY '73 appropriations we have surveyed the impact on Newington. Our reply must be qualified as being our impressions of program cutbacks based upon information obtained from the news media and professional journals. We have not studied the President's Budget in depth.

The greatest immediate impact will result from the termination of the Emergency Employment Act—Public Employment Act Program. The Town presently has 7 EEA—PEP employees. Although some transitioning of these jobs to permanent status was contemplated during the next fiscal year, the Town is and would remain largely dependent upon the Federal program to provide for these important employees. The cost of absorbing all the salaries involved into the local budget would cost local taxpayers $67,000 for the next fiscal year. Given the tight fiscal situation which we face, most of the people now employed will probably be laid off and return to the unemployment compensation roles while the Town tries to make do through curtailment of services.

If Title I education funds are subject to the cutbacks as we have heard they are, Newington's schools will have a loss of $17,000–$18,000 and the Superintendent of Schools advises that this would mean the end of the Summer School program unless the aid loss were made up by local tax dollars.

Also in the area of education, if the City of Hartford is forced to abandon Project Concern because of Federal Aid cutbacks, then the Town of Newington will have to forego approximately $50,000 in tuition paid by the City to Newington for accepting Project Concern children.

Although there is no fiscal impact upon the Town government, a project having great significance to the Town appears to be caught in the HUD "freeze". The Newington Jaycees were well along in planning an elderly housing project under the "236" Program. Now it appears that at least eighteen months will pass before the Jaycees can proceed and the future is in doubt beyond that time.

While no application of the Town's got caught in the HUD "freeze" it has thrown our planning for such things as open space acquisition into considerable disarray. A delay in acquisition of some important parcels of land will cause costs to be much higher later on because of the steady inflation in the price of land.

Thank you for your concern for the Town's needs.

Very truly yours,

Peter M. Curry,
Town Manager.

Town of Manchester,
Manchester, Conn., February 27, 1973.

Hon. William R. Cotter,
House of Representatives,
Washington, D.C.

Dear Bill: Some time ago you asked us for the impact of various federal programs on the Town of Manchester. The following list is our best judgment of this:

Emergency Employment Act, $303,139.
Economic Development, $2 million.
Public Works Impact Program, $1.2 million.
Elderly Housing, $1.5 million.
Neighborhood Facilities, $½ million.
Basic Water & Sewer Facilities $½ million.
Neighborhood Development Program, $2 million.

I hope that Congress is able to convince the President that local government faces a very serious crisis if his projected programming prevails.

Sincerely,

Robert B. Weiss,
General Manager.

Town of Windsor,
Windsor, Conn., March 1, 1973.

U.S. Congressman,
Cannon House Office Building,
Washington, D.C.

Dear Mr. Cotter: I am writing in reference to your recent letter to Mayor Philip Lord regarding the impact of the proposed reduction in the allocation of Federal funds to the Town of Windsor.

The most immediate impact will be experienced in our Emergency Employment Act program. The Town of Windsor currently has seven employees funded by this act. Should funding of this program cease, it is almost a certainty that these employees will be laid off. Of these seven employees, five are veterans and three of the five are Vietnam era veterans. In addition, the Board of Education through the Town of Windsor has four employees whose positions are also funded by this act. Two of these employees are veterans and are almost certain to suffer the same fate as the Town's employees should this funding be terminated.

I trust this will provide the information which you are seeking; however, should you have any further questions, please do not hesitate to contact either Mayor Lord or myself.

Very truly yours,

Albert G. Ilg,
Town Manager.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. SCHERLE. Mr. Speaker, for more than 3 years, I have reminded my colleagues daily of the plight of our prisoners of war. Now, for most of us, the war is over. Yet despite the cease-fire agreement's provisions for the release of all prisoners, fewer than 600 of the more than 1,900 men who were lost while on active duty in Southeast Asia have been identified by the enemy as alive and captive. The remaining 1,220 men are still missing in action.

A child asks: "Where is Daddy?" A mother asks: "How is my son?" A wife wonders: "Is my husband alive or dead?" How long?

Until those men are accounted for, their families will continue to undergo the special suffering reserved for the relatives of those who simply disappear without a trace, the living lost, the dead with graves unmarked. For their families, peace brings no respite from frustration, anxiety, and uncertainty. Some can look forward to a whole lifetime shadowed by grief.

We must make every effort to alleviate their anguish by redoubling our search for the missing servicemen. Of the incalculable debt owed to them and their families, we can at least pay that minimum. Until I am satisfied, therefore, that we are meeting our obligation, I will continue to ask, "How long?"

MR. GLENN BAINBRIDGE

HON. RICHARD H. FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. FULTON. Mr. Speaker, Mr. Glenn Bainbridge, a man who became a legend in his time in the field of imaginative ideas and concepts for urban development, died last week at the age of 72.

Glenn Bainbridge was a quiet man with big ideas and an efficient knack for seeing them carried out. His profession was as a realtor. He was a man who, in this capacity, sold more than $50 million in real estate in downtown Nashville.

But real estate was only his profession. He used it as the basis for his vocation which was creative building; the formulation and formation of a new form of government, the formulation and formation of new concepts for downtown urban commerce, industry, and dwelling.

He was an innovator and lived to realize the completion of many of the concepts and ideas which he conceived, launched, and for which he labored.

Mr. Glenn Bainbridge was also my friend and I was proud to be included among the legion of persons who were friends of this gentleman.

At the death of Mr. Bainbridge both Nashville newspapers published editorials in his honor and I have requested permission to have these editorials placed in the Record at this point. "Glenn Bainbridge" from the March 15, 1973, edition of the Nashville Banner, and "Mr. Bainbridge Will Be Missed" from the March 15, 1973, edition of the Nashville Tennessean. I commend them to the consideration of my colleagues.

The editorials follow:

Mr. Bainbridge Will Be Missed

Mr. Glenn Bainbridge was not only a realtor who dealt in downtown real estate, he was a man who believed firmly that central cities can survive and be great.

He was a long-time champion of the Metro form of government although he had served for years on the Davidson County Quarterly Court. He was something of a one-man Chamber of Commerce for the downtown area. Years ago he described his vision of what downtown Nashville would be in the 1970s and '80s. Today, the area is remarkably similar to what Mr. Bainbridge pictured 20 years ago, and is still changing.

Mr. Bainbridge will be remembered for many things, not the least being his many efforts in behalf of the community, for being a kind of catalyst in downtown real estate development, and for an unshakable faith in his home town.

Glenn Bainbridge

Glenn Bainbridge, who died yesterday, surely was one of the best-known men in Nashville. As a real-estate man and authority on downtown property, he was involved in many significant business affairs over the years. As a progressive and civic-minded citizen, he did much for his fellow townspeople.

Competent, discerning, sincere, cordial, Mr. Bainbridge was an innovator with remarkable insight; he unhesitatingly envisioned, but he was no visionary. Many of today's realities—Metropolitan Government among them—were advocated by him long before they came about. As a magistrate 13 years ago, he began action toward construction of the government center now under way on Public Square.

Other Glenn Bainbridge visions may still become actualities, perhaps including his idea for extending Capitol Boulevard southward to Broadway. In making his proposals, and in his other endeavors, he demonstrated concern for his community that entitled him to the popular esteem he enjoyed.

MILTON K. CUMMINGS MADE A DIFFERENCE FOR PEOPLE

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. JONES of Alabama. Mr. Speaker, the fact that it is the people who make the difference in the kind of life we experience was brought sadly to my mind last week with the passing of a dear friend and companion through the years.

Through his constant efforts and encouragement, Milton K. Cummings made a difference in the lives of all who had the privilege of knowing him and in the lives of countless thousands more who never even suspected he existed.

At times during his life he was intimately and personally acquainted with poverty, joblessness, disadvantage, and handicap. Yet, he overcame these conditions to a greater degree than most men even dream and unstintingly devoted his energies and resources to helping others who wanted to climb a little higher.

His counsel, advice, and companionship will be greatly missed by me and others.

With his wife and daughters, I share a deep sense of personal loss at Milton's passing.

As a part of my remarks, I include two items which expand upon the remarkable life of Milton Cummings. First is an editorial from the March 9, Huntsville, Ala., Times on his death and the second is an article from the Nashville Tennessean of January 19, 1964:

[From the Huntsville (Ala.) Times, Mar. 9, 1972]

Milton Cummings

Personal success stories can take many forms: The climb from the bottom of the ladder of achievement in one's chosen field. The ascent from modest means to the attainment of great wealth. The overcoming of a physical handicap to lead a normal and productive life.

The life story of the late Milton K. Cummings embraces all those successes, and more. Perhaps the greatest success of this cotton-broker-turned-aerospace-industrialist came in helping others.

A humanitarian in the truest sense, Mr. Cummings cared about people, not in abstract terms but as individuals. His concern for people—the poor, the jobless, the disadvantaged minorities, the physically and mentally handicapped—manifested itself in the time and energy and talent and money he devoted to helping them at the local, state and national levels.

His community leadership covered a wide range of efforts—from providing food, clothing, furniture and toys for the needy through Christmas Charities; to launching the surplus commodities program in this country; to spearheading employment programs for blacks and the physically handicapped; to setting up the local anti-poverty agency; to playing a leading role in the establishment of the nUiversity of Alabama Research Institute and its neighboring Research Park here.

Milton Cummings may have articulated his personal creed best when, a few years ago, he told a newspaper interviewer: "I believe this: We *are* our brother's keeper."

It is a credo that was reflected in countless ways in his own life.

In one of his last public expressions—a letter to the editor of *The Times* published a few weeks ago—Mr. Cummings lamented that many people were jobless and "in need of food and shelter," and he pleaded for the establishment nationally of "some type of work opportunity program that would serve all our people."

To the end, his concern—for *people*—was there. We are all diminished by his death.

[Reprint from the Nashville Tennessean magazine, Jan. 19, 1964]

New Throne for a Cotton King

(By Louise Davis)

Why success yanked Milton K. Cummings out of the crowd and set him at the top of North Alabama's industrial heap is a mystery to him.

But he can pinpoint almost to the minute the melodramatic turning point in his fortune.

It was late one night in 1936 when he was summoned to the bedside of his employer, a Huntsville cotton merchant named Shelby Fletcher, who was dying of a heart attack.

Hurriedly, in the presence of a lawyer, the stricken man dictated his will, and Cummings hopped downstairs to type it. When Fletcher had signed it, he died.

And Cummings was heir to $5,000, the nest egg out of which he built a multi-million dollar fortune and the biggest industry in North Alabama.

But the genius of Milton Cummings—the ability that has made him a symbol of the "New South"—is his skill in switching from a way of life that was to the way of life that is.

His transition from the cotton business to space engineering (he is head of Brown Engineering Company in Huntsville, chief supplier to NASA at Redstone Arsenal) is a model for businessmen of the South, bankers says.

His awareness of the businessman's obligation to participate in government, his sense of duty toward training workers of his region for new type jobs has set him apart.

"Milton Cummings personifies what has happened in the South in the last generation," Sam Fleming, president of Nashville's Third National Bank, said.

"He changed from cotton to a business with a future when the time for change came. He has ability and courage. He is quite a man."

Cummings himself, who has been called the Number One citizen of Huntsville, views his 52 years as a great gift, given to him to prove a greater philosophy. That despite the fact he lost one leg to osteomyelitis when he was four years old and had to learn to walk with an artificial leg.

"I am perhaps the happiest, the most grateful man in the world—grateful to friends and to God," he said recently in the sparkling white office of his space-keyed building at the outskirts of Huntsville. "There is no way I could duplicate my career without the support of both of them."

His boyhood struggles tied him close to laborers. He talks their languages, encourages their friendship, winning the affection and support of employees of all ranks.

"I see so much suffering," he said. "I know the problems of the poor.

"Why I should be pulled out of their midst, I don't understand. Why I should be afflicted with the loss of a leg, or blessed with a prosperous cotton business, and then this business, I don't understand."

But he makes it his business to understand all that is going on about him. He reads every news magazine and reliable newspaper he can get his hands on, analyses the influence on business of scientific, social, political developments.

Getting outside his own mind, setting aside his own opinions is the great trick in making a decision, he said.

"That is one of the things that Mr. Fletcher, my benefactor and first employer, taught me," Cummings said. "He taught me to be realistic, to be conscious of what other people are thinking and doing, to set aside my own personal opinion and try to assess the present situation.

"Having assessed it, I try to set a sound policy for the future and take a financial position to support that decision."

Scientist Wernher von Braun, citing Cummings' impact on the region, particularly his help in establishing the Alabama Research Institute in Huntsville, called it an example of "the most inspiring thing the Free World can display."

Vice-President Johnson asked Cummings to take the lead in a new approach to equal employment opportunities. Auburn University last year cited him for his contribution to "Alabama and the nation as industrialist, civic leader and humanitarian."

Cummings, whose father and grandfather grew up in Huntsville, was born in Gadsden, Ala., in 1911. His family soon moved to Texas, his mother's native state. There he suffered osteomyelitis and had one leg amputated just below the knee. When the family moved back to Huntsville and he was still on crutches, he ran errands for his father, who worked for a cotton merchant.

"It was the crutches that made Mr. Fletcher notice me," Cummings said. "When I graduated from high school, when I was 16, in 1928, he offered me a college scholarship, including all expenses paid at Harvard Medical School or wherever I chose to go."

Cummings had thought he would like to be a doctor, and the offer was tempting. But he turned it down.

"I told Mr. Fletcher my parents had taken care of me as a crippled child, and now it was my obligation to take care of them. I thought I had to start making money right then."

Fletcher gave him a job as clerk in his cotton business in the fall of 1928. He made $75 a month.

Cummings learned the dramatic lessons of the Depression. People he had known as leading citizens of the town, some of them wealthy when he was in high school, were in the bread line four years later.

In 1936, with his $5,000, the young man went into the cotton business for himself at age 25. He soon became the most successful cotton merchant in the area, buying cotton from farmers and selling it to mills.

By 1953, Cummings decided the cotton business was a thing of the past, and he got out of it.

"I didn't feel that President Eisenhower, Secretary Benson or the American farmer really understood the agricultural problems of the day," Cummings said. "Their policy showed they favored lower farm prices and uncontrolled production, inviting disaster for cotton, and for farmers in general."

He devoted the next four years to managing his investments in the stock market, with "highly satisfactory results."

But there was something arid about that sort of success. He missed working with other men.

And while his own fortune climbed, a struggling Huntsville firm, Brown Engineering, floundered. In 1957, housed in an old cotton mill in a shabby part of town, the company had 212 employees and was practically bankrupt.

In 1958 board members asked Cummings to take over the presidency for three months—long enough to save the company until they could find a man with engineering experience.

Cummings accepted the challenge, breathed such life into the business that board members asked him to take over the job as permanent president.

Cummings was fascinated by the possibilities. He built it into "the most diversified, largest machine shop in the South for the space program." The company designs and builds over 1000 of the component, custom-built parts parts that go into space vehicles for NASA.

Cummings poured more than $1 million of his own money into the sick business, and the loans he made outreached Huntsville and Nashville banks and made him a steady customer at New York's largest.

By 1961 he had begun construction of three new buildings for office space, laboratories, machine shops and testing areas that are now spread out over an 80-acre site.

Cummings still shakes his head at the unlikely position he is in—he, with only a high school education, head of a vast engineering company.

His method is to seek out the best man for each job—including scores of Ph. D.'s—and concern himself with making the financial end of the operation click. He takes pride in the fact that the average age of his employes is 32.

A former championship tennis player (he won state competitions regularly and gave demonstrations of his tennis playing skill at army hospitals during World War II to show amputees they "had nothing to fear"), he still plays an excellent game of golf.

But the challenge of business has almost crowded golf off the schedule.

"You couldn't be exposed to something like this and enjoy a yacht in Florida. Brown Engineering is a part of me now. I wouldn't be happy anywhere else."

He is in the thick of so many fund-raising drives, local and national campaigns for improving health, education and employment in his region that two typed pages won't hold the list.

But his devotion to the Presbyterian church, as deacon for 23 years and, later, as elder, has been the pivot.

This business success itself is proof of the practical wisdom of Christianity, he is convinced.

"There never has been a time that I put public interest above my own that I did not gain," Cummings said. "Dollars should be the by-products of good service.

"I believe this: We are our brother's keeper."

When the then Vice-President Johnson last spring notified all companies with government contracts that they were to make a survey of practices regarding employment of Negroes, Cummings grabbed the bull by the horn.

He not only made the requested survey and listed all of the methods his company is taking to help train and make employable more Negroes. He banded together 15 business firms—government contractors, for the most part—to take positive action to give Negroes equal opportunity for employment.

The report was completed Nov. 20, and two days later, at the very hour of President Kennedy's assassination, Cummings was in Vice-President Johnson's office submitting the 30-page report and dicussing it with one of Johnson's assistants.

"Johnson became President while I was in his office," Cummings said, glancing at the one portrait in his office: an autographed photograph of President Kennedy.

But Cummings' zeal in providing equal job opportunities for Negroes has stirred the wrath of many conservative Alabamans—Gov. George Wallace in particular.

Cummings is accustomed to political blasts against him on front pages. He thrives on political fights—once even served out an unexpired term in the state legislature.

Part of his value to North Alabama is as liaison man between Huntsville and Washington.

Business takes him to Washington about once a month, and to "The Cape" (Kennedy now, Canaveral before) about once every three months. His company has offices at "The Cape" as well as at Houston and Huntsville.

He is as much at home in the Senate dining room in Washington (with his good friend, Sen. John Sparkman of Huntsville) as he is in the Huntsville Country Club.

His friendship with Senator Sparkman is so close that the senator and his wife and daughter spent the night at the Cummings' stately, white-columned home to hear election returns when Sparkman ran for the vice-presidency, with Adlai Stevenson, in 1952.

"Life Magazine was there to cover the victory party," Cummings said. "Of course, it never happened."

"Milton likes to work in the background in politics," Mrs. Cummings said. "He loves entertaining friends—politicians, company people—here at home. There is hardly a day that he doesn't bring somebody home to lunch."

Last summer, when Auburn University gave him an honorary Ph.D. degree in recognition of his work for the improvement of the region, two plane loads of Huntsville business men flew down for the ceremony, and dozens of others drove there.

Nothing in his career—not even the transformation of Brown Engineering from a $130,000 business in 1958 to a $5,200,000 business today—has made Cummings prouder.

The president's office, the office of the crippled boy who turned down a chance at becoming a doctor so that he could support his parents, has a new title on the door: Dr. M. K. Cummings.

IT'S A RAW DEAL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. MOAKLEY. Mr. Speaker, it is perfectly clear to all of us that the President intends to dismantle all the great social programs of the past 40 years.

We have had the New Deal of Franklin Roosevelt; we have had the fair deal of Harry Truman; and now, my friends, we have the "raw deal" of Richard Nixon.

I say it is a "raw deal" when nearly 100 vital domestic programs are to be scrapped or crippled. There will be housing cutbacks, health cutbacks, education cutbacks, and all this at a time when our involvement in Vietnam is ending and we thought there would be Federal funds released to revitalize our decaying cities, to provide employment, to initiate national health care—in short, to upgrade the quality of life for all our people.

It is a "raw deal" when those who have worked the hardest in our society should have to pay the most—and the favored few who have benefited the most do not pay their fair share.

And you know it is a "raw deal" when Nixon's budget proposals mean that our elderly will pay twice as much tomorrow on medicare hospitalization as they do today.

The Nixon budget would slam the door on hospital construction and would kill at least four major health programs: vital medical research, children's mental health programs, regional medical programs, the fight against alcoholism. It is sheer lunacy to eliminate training grants for young scientists earmarked for the conquest of cancer and other serious disease. Now, my friends, I submit this is drastic surgery on desperately needed health-care programs.

And, of course it is a "raw deal," when veterans programs are slashed, when Federal funds for low and moderate-income housing are wiped out, when 180,000 badly needed jobs are eliminated.

So what does the Nixon budget mean for you? Does it at least mean no new tax hike? What the President is not telling you—is that while that Federal tax bill may stabilize for a year, someone is going to have to foot the bill at the State and local level to fill the gaps created by the Nixon cut-backs. And that someone is the hard-pressed working man—the average guy who has a little property on which he pays an exorbitant property tax—the bus driver, the shopkeeper, the policeman, the skilled laborer—who has worked since his early teens and has raised a family and built a decent life for his children. Now it is his parents facing old age who are told that their medicare bills will double. It is his son just returned from Vietnam who will be deprived of the generous benefits the GI bill provided other fighting men. It may be his neighbor who is unemployed and has no manpower training programs available to put him back on the job. It may be his children who depend on loans and scholarships to continue their education who will suffer when the Federal Government denies them higher education assistance.

And it is probably his wife who complains about the spiraling cost of food. There has been an almost incredible jump in wholesale food prices—6.8 percent in December alone—the highest in 26 years. But the President has said that:

> The American plate is too full.

Well, let him try to feed a family of five or six at today's prices. Maybe he should get out of the White House for a visit to the neighborhood supermarket and see how full his plate would be on the average worker's paycheck.

Cutting veterans' benefits for amputees—and Federal aid to education—and assistance to the elderly is just not the way to hold the line on taxes because it creates new demands and new bills to pay at the local level.

But there are two sure-fire methods of achieving that goal—and everyone in Washington from the President on down knows it. The first is to cut the tax loopholes that profit only the rich. It would amount to $77 billion in savings that could provide jobs, and day care, and housing assistance, and scores of other needed public programs. While it slashes vital human needs, the Nixon budget has no proposals to close loopholes and end tax giveaways but rather continues to provide subsidies for such luxury items as executive jet planes and the business lunch.

The second method for holding taxes down—is to trim the waste and cost overruns out of that giant defense budget. But while our diets are being drastically reduced and needed domestic programs literally starved, the only agency to be spared—the military—will be fattened needlessly. President Nixon wants to spend $79 billion for defense in the first post-Vietnam war fiscal year—an increase of $4.2 billion over this year's defense expenditures. He wants $10 billion more for military and other foreign aid plus $8 billion for new Pentagon spending—and he may ask for an additional $7½ billion for the two Vietnams. While scuttling our vital social programs, he demands an increase in the already swollen Pentagon budget—and for a vastly expanded White House staff.

We have all been victims of these distorted social priorities. It is a national disgrace that we have allowed a tragic and senseless war drain our human and economic resources—and turn our cities into veritable wastelands. It is a national disgrace that big business and the military get richer at the expense of human and social needs. And I say that it is a national scandal that all the great social gains of the past decades—the public service programs of Roosevelt, Truman, Kennedy, and Johnson are being dismantled and destroyed by a callous and uncaring administration.

One thing is perfectly clear in all this. Dick Nixon has a budget for big business. It is a budget that punishes the poor and rewards the rich. It comforts the comfortable and afflicts the weak. It is characterized by lopsided priorities, broken promises, and a cynical disregard for economic and social justice.

It is a battle of the budget, but it is also a war against the American people. For the President's plan means substantially less education, fewer jobs, more pollution, more illness. It hurts alike the working poor and the middle class, the elderly and the young, the handicapped and the taxpayer.

In Washington, the battle lines are drawn—with the Congress on one side, acting now as the people's advocate—and on the other, a President who has been carried away by his so-called mandate and his panoply of palace hangers-on. But Mr. Nixon has no mandate to balance his budget at the expense of the disadvantaged.

A recent Harris poll shows overwhelming public support—two-thirds of all those sampled—for medicare, Headstart, the Job Corps, and programs for child education and day care. But these findings show no mandate whatsoever for a retreat from the social gains of the Kennedy-Johnson era. Rather it shows broad sentiment for curtailing military procurement, and eliminating subsidies for the rich.

The big question is what are we going to do about it. I can tell you one thing: this Congress is not going to sit back and let the White House meat-axe all our people programs without a fight. Nixon calls himself an activist President—well, this 93d is an activist Congress. Its commitment is to salvage the vital programs from wholesale demolition: to ensure needed health care and child care centers, decent housing and essential tax reform, to provide mass transit, veterans benefits, consumer protection, and environmental safety, and to prohibit the President from impounding funds earmarked for these necessary programs. This new Congress is different—it is going to be a do-something Congress. I think it will try to close the tax loopholes of the rich and privileged—and open the doors of hope for the poor, the sick, the elderly. With your support here at home and in other communities across America we can win the battle of the budget and tell the President and Haldeman and Erlichman that this country belongs to the people and not to any privileged elite.

And if we lose this battle it will not be for lack of trying. And if we win—it will be a victory for the working-man, the housewife, the small businessman, the veteran, the old and the young for—they are the battle-ground of the seventies.

I would like to end by reading a very moving letter from a mother in my district expressing her anguish over the Nixon cutting of day-care. This is an example of the "raw deal" treatment of the present administration—and the best reason I know for winning that battle of the budget.

> DEAR MR. MOAKLEY: I never will understand how a person can have power and use it to take away another person's self-respect, pride and the feeling that they are maybe finally accomplishing something with their life. To people like you it is not important to finally get off welfare, that "sticky" *label* placed on people like myself who are alone and do need some help to steadfastly get on their feet and stay there, mentally and financially.
>
> How can someone in your position determine when and how a person can make it financially? I wish you yourself could tell me how a mother working and bringing home $81.00 weekly with $200.00 monthly bills, can afford to pay for child-care services. I finally was at a point in my life wherein with my daughter going to a fine school, my having a good job, I felt mentally sound. Do you realize what a relief that can be? Now the rug gets pulled out from under me and others like me as usual. Mr. Moakley, I could not go through the hassle of welfare, mentally I could not do it. So please listen to the plea of the people who are trying, really trying to help themselves.
>
> Won't you please help them also?

I hope to God we can help them.

QUESTIONNAIRE FOR THE 10TH DISTRICT OF TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. PICKLE. Mr. Speaker, the Federal Government is involved to an unprecedented extent in the daily lives of all Americans. Whether we look at the highways we use, the taxes we pay, or the laws we observe, we are looking at an extension of the Federal Government that shapes our lives.

But while evidence of the Federal Government's vast involvement is easy to find, evidence that the people's will is expressed in Government programs is not clear cut. The Government is getting closer to the people all the time, but it is not paying as much attention as it should to their wants and needs.

This is a sad commentary on the state of our democracy, for, when there is little citizen input, the democratic principles of the Nation are being subverted. We have seen how, recently, the President and his staff, as have other administrations, have taken it upon themselves to decide what is best for the country, and how these actions have resulted in decisiveness on Capitol Hill, lack of needed services throughout the Nation, and a general feeling of confusion and some distrust for Government on the part of the American people.

As elected representatives of the American people, we are struggling against the President's actions, telling him what the people want and how best to serve them. That is our job in the House of Representatives, and to perform it well, we must constantly seek the ideas and opinions of our constituents. We must not assume that we know altogether how our people feel about the important issues of the day, we must know as best we can ascertain.

As a means of gathering information about the opinions of my constituents in the 10th District of Texas, I am mailing out a questionnaire to almost 200,000 households in the district. The questionnaire, reproduced below, will ask for opinions on a wide range of topics—from the cost of living to foreign military assistance—and the replies I receive will help me better serve my people in the Congress.

As the questionnaires come back to my office, they will be tabulated for the district as a whole and on a county-by-county basis, and the responses will be compared with results of recent nationwide polls on similar topics. When this project is finished, I intend to share the results with you through the pages of the RECORD as well as through my votes in committees and on the floor of the House.

LEGISLATIVE QUESTIONNAIRE

(The following were to check a preference:)

1. The Administration is proposing the "re-building" of North Viet Nam. What amount of American resources should be allocated?

a. less than $1 billion.

b. no more than $5 billion total.

c. nothing at all.

d. whatever it takes to complete the job.

2. This year the Federal Government is spending about $84 billion on national defense. Should the budget for next year be:

a. increased.

b. remain the same.

c. reduced.

3. If your "buying power" has decreased during the last year, which of the following factors contributed most to this situation?

a. unemployment.

b. reduced income.

c. higher prices.

d. rising prices.

4. If the Federal Government has to raise money to meet the needs of the nation, how should it be done?

a. by a national sales tax (value-added tax) on most things you buy.

b. by increasing the present federal income tax rates.

c. by reforming the federal tax system to do away with the direct and indirect special tax treatment granted to individuals, businesses, and industries.

d. by a national lottery.

5. Do you believe the Administration's economic policy (Price Control Commission) to combat inflation is working to:

a. hold down price increases?

b. hold down wage increases?

6. What budget items should be cut?

a. defense.

b. human resources.

c. social assistance.

d. all categories.

7. What do you think the Federal Budget should be?

a. below $250 billion.

b. below $300 billion.

c. below $275 billion.

(The following were yes, no, undecided choices:)

8. Would you favor the creation of a National Commission composed of business and labor leaders, as well as Members of Congress, to develop a system to avoid prolonged transportation strikes?

9. Do you favor the government's taking over the operation of the Penn Central Railroad?

10. The high cost of auto insurance and the difficulty of obtaining adequate damage compensation affects every American who drives. Should Congress move toward establishing a national system of "no-fault" auto insurance?

11. Because of present economic conditions, it has been proposed that the U.S. significantly modify its trade policy dating back to the 1930's by relying on automatic quotas rather than tariffs to restrain foreign imports. Do you favor such a proposal?

12. Should the Federal Government guarantee a minimum income of $2400 per year to every family?

13. Should the minimum wage be increased up to $2.00 or $2.25 per hour?

14. Should the Federal Government substantially increase funds in support of public schools?

15. Should parents of students attending parochial and private schools be permitted to deduct tuition from their income tax payment?

16. Are you or a member of your family personally afraid of crime in your area?

17. Handguns are used in assaults and robberies more often than any other weapon. Should the Federal Government take steps to restrict the sale of handguns (Saturday night specials) and provide tighter control of handguns?

18. Do you think a federal law should be enacted to provide financial compensation for innocent victims of crime?

19. As a means of providing mothers with an opportunity to be self-supporting, do you favor the proposal that the Federal Government fund day care and child development programs for pre-school and school-age children?

20. Do you favor the busing of school children to achieve racial balance and equal educational opportunities?

21. Health care costs have increased dramatically in recent years to the level where paying for adequate health care is beyond the reach of many people. Should the Federal Government provide a National Health Program to cover all Americans?

22. Do you favor continuation of the draft after its proposed expiration date of June, 1973?

23. Do you feel that our present laws and practices discriminate unfairly against women, particularly in employment?

24. Should the United States increase its armament support to Israel over the current level?

25. Do you favor a new law to ease court restrictions on wiretapping?

26. Do you favor stronger anti-pollution laws?

27. Do you think the Federal Government's budget is the cause of inflation?

28. Do you think the nation faces an energy crisis or a shortage of gas, coal, or electricity?

29. Should the President be able to impound funds which have been legally appropriated by Congress?

30. Is devaluation of the American dollar abroad a desirable step toward fiscal responsibility?

31. Do you feel that your postal service has worsened over the past few years?

32. The federal deficit was about $90 billion during the past four years. Do you think revenue-sharing instead of federal grants will decrease this amount?

THERE IS NO ANTI-IRISH SENTIMENT IN TEXAS

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ECKHARDT. Mr. Speaker, five individuals—Irish-Americans—were subpenaed to appear before a grand jury in Fort Worth investigating possible violations of Federal firearms statutes. The five individuals are residents of New York, and the subpenas were delivered to them in New York.

The individuals were offered grants of immunity from prosecution if they would answer questions concerning alleged gunrunning of arms from Mexico to Ireland. They refused to answer for fear that they could be extradited for prosecution by Great Britain. The U.S. District Court for the Northern District of Texas found that the individuals had not sufficiently shown the possibility of foreign prosecution arising from the grand jury proceedings, and they were held in contempt. The contempt order was upheld by the Fifth Circuit of the U.S. Court of Appeals and certiorari was denied by the U.S. Supreme Court. The individuals are now serving a 4½-month contempt sentence.

JUSTICE DEPARTMENT JUSTIFICATION

The Department of Justice claims that the Treasury Department had information to the effect that individuals from New York City, using aliases, were attempting to arrange purchases of large numbers of illegal weapons from Mexico for shipment to Ireland. The arrangements for the purchase are alleged to have been made in Forth Worth. Such acts would constitute violations of the Gun Control Act of 1968, the Organized Crime Control Act of 1970, and the Foreign Agents Registration Act. Since the alleged crime was committed in the Fort Worth area, the Justice Department claims that the grand jury location of Fort Worth is justified.

Grand juries investigating the same subject have been impaneled in San Francisco and New York and indictments have been returned.

ALLEGED HOSTILE ENVIRONMENT

On Tuesday, March 13, a hearing was held pursuant to a resolution of inquiry introduced by Representative BELLA ABZUG of New York. Senator EDWARD KENNEDY testified at the hearing taking this position:

First, the only Texas link to the incident was a "rumor that the Justice Department has been informed by the Government of Great Britain that the Irish Republican Army in Ulster has in some fashion attempted to purchase arms in Texas."

Second, that—

> The convening of the grand jury in Texas may have had a great deal less to do with effective law enforcement than it did [with the fact that] nearly 400,000 first and second generation Irish Americans [live] in New York State . . . but only 12,000 [live] in Texas . . .

Though I agree with Senator Kennedy in many things including his objection to widely ranging "kangaroo" grand juries, I do not think that an implication that somehow Irishmen are likely not to receive a fair trial in Texas should be left unchallenged.

IRISH INGRAINED IN TEXAS HISTORY

We may not be able to claim as many first and second generation Irish in the State of Texas as can be claimed for the State of New York. What is far more important as far as Texas is concerned, however, is that the Irish heritage is deeply ingrained in Texas history. Texans constitute a fircely loyal family who will not turn against those who are part of that family heritage—especially those who have shed blood in the effort to build Texas.

And the Irish are an integral part of the building of Texas. Irish were among the very first Anglo settlers to go to Texas, they were actively involved in the Texas Independence movement, and were heroic soldiers in the war between the States. But, by 1900, the Irish had intermarried with other nationality groups to the extent that they were well assimilated into the population. This, of course, is further evidence that there is not now and never has been discrimination against the Irish in Texas. Indeed, these "assimilated" Irishmen are proud of their Irish antecedents and maintain an adherence to their Irish culture. There are some areas in Texas even today, such as Refugio-San Patricio, where distinctly Irish families are very much in evidence as the major landowners and leaders of the communities. The implication that Texans, untold numbers of whom claim Irish blood, would be prejudiced against the Irish is patently "absurd," as several Irish Texans have commented this week.

I submit here a brief list of Texas Irish names prominent in Texas history. Anyone who is familiar with that history will readily recognize that the Irish were a part of the events important in Texas.

IRISH PIONEERS

Hugo Oconór, "probably Irish by birth," was called the Red Captain by Texas Indians. He came to Texas to investigate trouble between Governor Angel de Martos y Navarrete and Rafael Martinez Pacheco. He became governor ad interim of Texas in 1767 and provided protection to San Antonio against raiding Indian parties. His return to Mexico in 1770 is said to have caused "general regret to officers, soldiers, and citizens."

Philip Nolan, of Belfast, Ireland, was said to be the first Anglo American to map Texas. He was a horse trader who spent much of his time around Nacogdoches. He was killed in an engagement, probably near the present site of Waco when a Spanish force was sent to arrest him in 1801. They feared he and his Indian allies wanted to expel the Spanish from Texas.

IRISH COLONIZATION

James Power and James Hewetson formed a partnership to establish a colony in Texas. Mexico granted them land between the Lavaca and Guadalupe Rivers, plus land near the Nueces River. In 1833, they brought 350 Irish immigrants to settle the land where the towns of Refugio and San Patricio are now located.

James Power who was born near Ballygarrett, County Wexford, Ireland, did most of the active work of forming the colony. Later, he served as a member of the General Council, represented Refugio at the Convention of 1836, signed the Declaration of Independence, and served on the committee which formulated the Constitution of the Republic of Texas. It is said that "one of his greatest political contributions to the Republic was his use of his influence to seat Sam Houston at the Convention of 1836."

James Hewetson from Thomastown, Kilkenny County, Ireland, accompanied Stephen F. Austin on his first visit to Texas in 1821. He lived in San Antonio for a short while, and ultimately settled in Mexico.

John McMullen and James McGloin formed a partnership to obtain an impresario contract from Mexico. In 1828, they received permission to settle two hundred families along the left bank of the Nueces River.

John McMullen was born in Ireland and lived in Baltimore, Md., briefly. He personally accompanied the first group of 58 Irish colonists from New York to Texas in 1829 and established San Patricio in October, 1831. Upon impeachment of Governor Henry Smith, he served as chairman pro tempore of the General Council of the provisional government. In 1844, he settled in San Antonio where he became a merchant and served as an alderman. McMullen County in South Texas is named after him.

James McGloin was born in County Sligo, Ireland. According to the Handbook of Texas:

> McGloin never became prominent in the political affairs of Texas, but he was always influential among the Irish colonists on the coast, guiding them wisely during the Texas Revolution and reorganization.

William Kennedy of Dublin, Ireland wrote a two-volume work, "The Rise, Progress, and Prospects of Texas" which is credited with having stimulated the movement of settlers to Texas.

Thomas O'Connor from County Wexford, Ireland, received a land grant from Mexico. Upon his death, he had "under fence" over 500,000 acres of land in Refugio, Goliad, Aransas, San Patricio, Victoria, McMullen, and La Salle counties.

Samuel McKinney of County Antrim, Ireland moved to Texas to become President of Austin College, an office he held from 1850 to 1853 and from 1862 to 1871. The incorporators of Austin College were Sam Houston, Abner S. Lipscomb, and Henderson Yoakum.

Stephen Powers was born in Maine of Irish parents. He served as mayor of Brownsville in 1849, 1859, and 1860. He was a representative in the 13th Texas Legislature, and a senator in the 17th Texas Legislature.

AT TEXAS INDEPENDENCE

As many as 25 Irishmen may have signed the Goliad Declaration of Independence. Four signed the actual Declaration of Independence, 11 died at the Alamo, 14 at Goliad with Fannin's troops and 100 were listed in the rolls of San Jacinto, one-seventh of the total force.

Francis Moore was born in Massachusetts of Irish heritage. In 1836, he went to Texas and served as a surgeon in the Texas Army. He bought an interest in the Telegraph and Texas Register, a Columbia newspaper, and moved to Houston in 1837 where he continued to publish. He became mayor of Houston in 1838 and served additional terms as mayor in 1843, 1849 and 1852. Moore published several articles on Texas geography and a book, "Description of Texas." He was a stockholder in the San Saba colonization company and promotor of Houston and Texas Central Railroad. During the fourth, fifth, and sixth Texas Congresses—1839–42, he represented Harris, Liberty, and Galveston Counties.

Thomas William Ward, of Ireland, was the second commissioner of the Texas General Land Office. During the conflict with Mexico, he served as a member of the New Orleans Greys. Following the loss of a leg in the siege of Bexar, he recruited volunteers for the Texas army and served with them under Gen. T. J. Rusk. After the battle of San-Jacinto, he became an architect and contractor in Houston where he built the national capitol. In 1841, while firing a cannon in celebration of Texas independence, he lost his right arm. He also served as postmaster of the Republic; chief clerk of house of representatives during the Fourth Congress; mayor of Austin in 1840, 1853, and 1865; and customs collector in Corpus Christi under President Andrew Johnson. Ward County is named after him.

Peter Gallagher of Westmeath County, Ireland, located in San Antonio in 1837. He participated in Texan Santa Fe Expedition and joined the Texas Rangers in 1842. He engaged in the mercantile business in San Antonio from 1846–50 and served as chief justice of Bexar County from 1861 to 1864. Later, a land developer in the Fort Stockton area, he helped organize Pecos County in 1877.

CIVIL WAR PROWESS

Richard W. Dowling of Galway County, Ireland, moved to Houston, via New Orleans. Early in the Civil War, he volunteered for the Confederate Army. In 1863, he disobeyed orders to disable the cannon at Sabine Pass. Instead, Dowling and his Davis Guards—42 Irish—repulsed an attacking Federal fleet, and won the battle of Sabine Pass, the most spectacular military engagement in Texas during the Civil War. At the battle of Sabine Pass, 20 Federal vessels with 5,000 troops sought to capture the pass. In 45 minutes, the 42 Irish, armed principally with six cannons, had killed 19, wounded nine and taken prisoner 315 of the Federal troops. The Confederates had captured two steamers, and their loss was strictly and positively nobody hurt. After the war, Dowling returned to Houston and opened an amusement house. He is said to have organized the first oil company in Texas.

WHEN AMERICAN BUSINESS PROSPERS—AMERICA MOVES FORWARD

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. COLLINS. Mr. Speaker, Saturday afternoon while sitting around my office, I had an opportunity to catch up on my reading stacked up this week on my desk. One report I found most interesting was the 1972 Annual Report of the United States Steel Co.

This report had one major impact on me—that when industry is prospering, our country moves forward. The comparable data shown were for the years 1957 through 1972. In 1957, United States Steel's sales were $4.413 billion and they were up to $5.429 billion in 1972.

But in 1972, the company made a profit on these increased sales of only 2.9 percent where the profit margin was 9.5 percent back in 1957.

Here was the bad news for the Government. United States Steel paid $525 million in taxes back in 1957, but only $197 million last year. When United States Steel makes a profit, over half of it is paid in taxes to help us with Government expenses.

United States Steel debt is also up as interest expense has climbed from $7 million to $67 million.

Back when they made a good profit, United States Steel was able to invest $233 million in plant improvements, but last year they only had $70 million to invest on a better factory.

The competitive opportunities have declined, which was evident by the doubled labor cost. Hourly employment cost in 1957 was $3.71, but it had skyrocketed to $7.34 by 1972.

The biggest disappointment was to see fewer jobs as the U.S. Steel profit margin declined. In 1957, there were 271,037 employees in the company but in 1972 the number had dropped to only 176,486.

Both big Government and big labor have an interest in the future of business. Prosperity for business means more tax revenue for the Government's treasury. A stronger, prosperous business means more job opportunities for labor.

THE CONSUMER'S INTEREST IN THE FEDERAL POWER COMMISSION

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. VANIK. Mr. Speaker; today I took the opportunity to testify before the Senate Commerce Committee concerning the confirmation hearings on Mr. Robert Morris of California to be a member of the Federal Power Commission. Because of the growing importance of this Commission to the American consumer, I would like to include the text of my remarks in the RECORD.

It would be my hope that there would be a growing concern and commitment in the Congress for increased consumer representation on the various regulatory agencies of the Federal Government.

The full text of my remarks follow:

STATEMENT OF CONGRESSMAN CHARLES A. VANIK

Mr. Chairman: I appreciate this opportunity to appear before your Committee to make a statement concerning the appointment of Mr. Robert Morris of California as a member of the Federal Power Commission.

I have no information or knowledge about Mr. Morris, his reputation or his professional status which is not already in the record. I have never seen or met the gentleman—I do not know him.

However, it does concern me that he comes to public responsibility on the Federal Power Commission with his principal legal background being 15 years service in a law office in San Francisco which has represented Standard Oil of California.

From the circumstances of his background and appointment, I am uncertain that he possesses that degree of objectivity we should require of a Federal Power Commissioner. It is my hope that your Committee will resolve this doubt which is shared by the energy consumers of America.

In view of the current energy crisis, appointments to the Federal Power Commission must be totally committed to the public sector. They must be men and women who have the full faith and confidence of the American citizen—the consumer. Our representatives must be of unquestionable loyalty to the public interest, with no other masters.

In behalf of my community of energy consumers, I hope that your Committee will make a full and complete inquiry of this vital issue.

I am concerned with the recent trend in Commission action in the area of natural gas pricing—actions which, in my opinion, violate the Congressional mandate as established under the Natural Gas Act.

THE NATURAL GAS ACT AND THE CONSUMER

In 1938, Congress, as the trustees of the public interest, saw the necessity of regulating the natural gas pipelines in order to safeguard the American consumer. Under Section 1 of the Natural Gas Act ("Necessity for Regulation of Natural Gas Companies") Congress clearly stated the motivation behind establishing a body to oversee the sale and distribution of natural gas:

> It is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulations in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

In 1954 under the instigation of the Wisconsin Power Commission, the Supreme Court declared in the now-famous *Phillips* decision that the Federal Power Commission had authority to regulate the price of natural gas at the wellhead. That decision reaffirmed the responsibility of the Commission to protect the public interest. To quote from the Court's decision, "Protection of the consumers against exploitation at the hands of the natural gas companies was the primary aim of the Natural Gas Act."

For more than a decade the Commission struggled to construct a workable regulatory scheme. Despite the clumsiness of some of these efforts, the fundamental commitment of the Commission to regulate for the consumer was continuing and unmistakeable. In the *CATCO* case of 1959 the Commission declared, "the (Natural Gas) Act was so framed to afford the consumer a complete, permanent and effective bond of protection from excessive rates and charges."

The intent of Congress in framing the Natural Gas Act is clear. Yet, in recent years we have seen an erosion of the Commission's commitment to the American consumer. This shift has come about, not from any proof that regulation is in itself unworkable, but because the composition of the Commission has changed. The names of the players are important; it is the Commissioners who ultimately determine policy and interpreted the Commission's responsibility to the public.

In the last few years, a new set of faces has arrived at the Commission. With these changes, the interpretation of the responsibility to regulate has shifted away from the consumer and toward the powerful gas (and, therefore, oil) industry. The essential notion of public interest has been gutted.

CURRENT ISSUES BEFORE THE FPC

There are many issues which confront the Commission—issues which are highly complex—that have not, in my opinion, been aired completely by the Commissioners. I would only like to point out that these issues are controversial and that they deserve a complete exposure before any decision is made.

DEREGULATION—THE ENERGY CRISIS

For example, we are hearing a rising clamor for the deregulation of all gas prices. This is not a new controversy. In 1956 the oil industry pushed through Congress legislation to limit Commission authority over the setting of natural gas prices. President Eisenhower vetoed the legislation when it became known that the industry had tried to influence improperly the vote on the bill.

With the veto of that legislation, industry hopes to free natural gas pricing from regulation through legislation effectively perished. The industry has turned to more covert and insidious means to influence government policy. Secret campaign contributions, the excessive numbers of industry men in government, the unwillingness to disclose complete and accurate industry data, all are indications of the industry's attempt to maneuver government policies their way.

And to a great extent they have succeeded. The entire "energy crisis" is an "accepted" myth constructed to justify the continuation of the costly policies of the past. We have an energy problem and these problems are largely the man-made problems of distribution. Industry has failed to supply our needs. This failure is in the industry interest, however, as it serves to underline the case for additional subsidies.

In terms of natural gas, the industry has designed an elaborate case for higher prices. They claim a dwindling reserve of natural gas and an insufficient source of capital to increase the search for it. In truth, however, the industry has to a large extent manufactured this crisis through a reluctance to fulfill its responsibilities to the American consumer.

Let us examine more closely the first major contention of the industry: that the price of natural gas should be deregulated to spur greater exploration. In looking at the capital expenditure patterns of the major oil companies, it is clear that what is needed is not increased tax incentives to domestic exploration so much as the removal of the tremendous incentives to invest abroad.

FOREIGN INVESTMENT

The financial analysis of Chase Manhattan's Group of the largest oil companies illustrates the magnitude of the capital shift away from domestic exploration. In 1963 the exploration efforts of the Group focused in the United States: of a total outlay of $5,528 million for capital and exploration expenditures in 1963, 70.4% was allocated for domestic exploration and 29.6% for foreign. By 1971, this pattern had dramatically shifted. Of a total worldwide expenditure of $13,778 only 48.5% was expended in domestic exploration, while 51.5% was devoted to foreign production. This is production which, because of the import controls on petroleum, can hardly be expected to aid the American consumer. Higher prices for natural gas will only turn over windfall profits to the oil companies. As a more efficient and economical approach we should eliminate those tax preferences—such as the foreign tax credit and deferral—which misallocate resources and encourage the exportation of capital.

Taxation is an important instrument of government policy. But I have heard little mention of it from the officials responsible for regulating the natural gas industry in the public interest. Instead, we hear only the echoes of industry for higher prices.

ACCURACY OF STATISTICS

Another feature of industry foot-dragging is their publication of unreliable reserve statistics. Four years ago, there was no natural gas crisis. Then, all of a sudden, we see in the FPC annual report for 1969, the year of depletion allowance changes, that reserve additions had dropped by 37%! Considering the time lag in exploration, this precipitous drop can only lead us to suspect the manipulation of reserve statistics by the industry.

Manipulation is not surprising. There are strong disincentives to the accurate estimation of reserves. In terms of tax, local *ad valorem* taxes are commonly imposed on the basis of reserve statistics and property values. Lower reserves translates directly into lower values and lower taxes. But the conservative estimation of reserves also fuels the already roaring fire underneath the "energy crisis." Here the stakes run into the billions of dollars.

After the landmark decisions in the Permian Basin and Southern Louisiana rate cases, the Federal Power Commission showed a growing reluctance to face up to industry challenges. In the face of a wavering Commission, the incentive to underestimate reserves and even withhold gas from commitment to interstate pipelines has grown stronger. Both these actions serve to create the illusion of a crisis in the hope of future higher prices. The industry is, in effect, holding the American consumer ransom with its continual cries of shortage.

The American people need the Federal Power Commission to protect them from these manipulations of industry. Congress saw that need in 1938, and today we must see it again. The role of the Commission is essentially adversary, but in the last few years it has become merely a soundbox for industry spokesmen. The entire controversy over deregulation reveals how flimsy the regulatory function of the Commission has become.

In an effort to determine the extent of the Nation's natural gas reserves, the Commission undertook in 1971 the Natural Gas Survey. Although the entire survey can be questioned on the basis of the overwhelming industry representation at every level of organization, as a part of the Survey the report concluded that deregulation was necessary to correct the supply-demand imbalance of natural gas. However, David Schwartz, Assistant Chief of the Office of Economics, FPC, indicted the report for its lack of independence. Mr. Schwartz states in his dissent that the report failed to comprehend the full range of Commission responsibilities:

> Fundamentally, I disagree with the perspective of the majority report because I think it is premised on a "private interest" orientation and not on the public interest standard which must motivate the Commission's regulatory activities under the Natural Gas Act.

But it is on such studies which the Commission relies to set policy to protect the public interest.

CONCLUSION

The energy crisis is a real and critical problem. The public must be prepared to support policies to meet the problem. They need facts—true facts as to resources, reserves, and current developments. In these times, they need representatives in the Federal Power Commission, in the Interior Department, and in the AEC in whom they can have full confidence and trust.

AUDUBON SOCIETY TESTIMONY

HON. SILVIO O. CONTE

OF MASSACHUSETTES

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. CONTE. Mr. Speaker, the National Wool Act, which authorized Federal subsidy payments to woolgrowers of $112 million in 1971, expires on December 31, 1973.

The Wool Act establishes another agricultural give-away program that fleeces the consumer. Under the act, wool prices are supported at the absolute support levels of 1960: 72 cents per pound for shorn wool and 80.2 cents per pound for pulled wool and mohair.

In 1971, the market price of shorn wool fell to 19.4 cents a pound, and for each pound sold at this price the Federal Government kicked in a subsidy of 5.6 cents. That constituted a subsidy of 271 per cent.

Today, in hearings before the House Merchant Marine Commitee on predator control legislation, the National Audubon Society presented testimony showing that the woolgrowers are heavily subsidized. Many of the woolgrowers who are complaining the loudest about their losses to coyotes and other predators are receiving the biggest handouts from the Federal Government.

To bring this problem to the attention of my colleagues, I insert at this point in the Record a copy of the Audubon Society's testimony:

STATEMENT OF NATIONAL AUDUBON SOCIETY

Federal subsidies to sheep and goat raisers in the form of price supports, predator control and savings from low grazing fees charged for use of the public lands amounted to at least $128,740,000 [1] in 1947, according to research we have done on the economics of the wool industry, particularly as it relates to predator control.

In other words, this is what the industry is costing the tax payers in one year alone, in addition to more intangible losses such as the destruction of bald and golden eagles and other species of wildlife.

With all this federal handout, the wool and goat raisers still claim they are being put out of business by coyotes as a result of last year's ban on the use of predator poisons. The wool growers want the government to let them continue to overgraze the public lands for a pittance and to continue poisoning the public's wildlife.

Here are some of the ways in which the federal government protects and subsidizes the sheep and goat industry:

WOOL AND MOHAIR INCENTIVE PAYMENTS

Price supports (called incentive payments), tied to current market prices, are authorized by the National Wool Act of 1954, which declares that it is "the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately 300 million pounds of shorn wool . . ."

When wool prices are low, such as in 1971 when they fell to an average of 19.4¢ per pound, incentive payments are commensurately high. For instance, in 1971 subsidies of 271.1% were paid to bring the price of wool up to the 72¢ per pound level set by the Act.

But large producers are getting the lion's share of the subsidies, not only because they control such a large share of the sheep, but also because of the peculiar way in which wool incentive payments are calculated. For instance, six per cent of the Wyoming wool growers control one-half of all the sheep in the state; fifteen per cent control about three-quarters of the sheep in the state.

Instead of simply making up the difference between market price and the incentive price, the higher the market price a producer receives, the higher his incentive payment. For example, the wool grower who sold 1000 pounds of wool at 40 cents per pound in 1971 got an incentive payment of $1084.40; whereas the grower who sold his wool for 20 cents per pound (which happens to be the average price that year) received an incentive payment of $542.20.

The reason for this difference, according to the Department of Agriculture, is to "encourage producers to improve their wool and to get the best price possible in the market place." However, this system would seem to work in favor of the big producer who could take advantage of economies of scale and would be better able to market his wool at a higher price.

In Colorado, for marketing year 1971, 2163 ranches received a total of $6,591,731 in wool and lamb payments. Of these 2163, 77 ranches received payments of $2,344,729. Thus, 3½% of the ranches received 35.5% of the payments. However, since the 77 ranches are almost surely owned by fewer than 77 individuals, even less than 3½% of the sheep men actually received more than one-third of the subsidies

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[1] This figure includes $112,223,968 in wool and mohair price supports; $14,816,000 savings on grazing fees; and $1,700,000 for federal coyote control in the western states. All figures are based on USDA and USDI statistics.

The same holds true in Wyoming, where 2161 ranches received a total of $10,426,207. Of this, 69 ranches received $2,201,844. In other words, 3% got 21% of the subsidies.

Many of the wool growers who complain the loudest about predators are receiving very large subsidies from the government. Here is a sampling of the wool and unshorn lamb payments to needy woolgrowers for marketing year 1971.

Wealthy Wyoming rancher Van Irvine, who was implicated in the thallium poisoning of 22 bald and golden eagles, received $219,488.39 for three ranches owned by him and his family. Since the USDA's subsidy lists give ranch names, rather than owner's names in some cases, it is possible that Irvine received additional subsidies for other ranches which could not be identified as his.

Because of a technicality, Irvine was not charged under the federal Bald Eagle Protection Act, (it has since been amended) but he pleaded no contest to 29 counts of violations of the state game laws concerning eight antelopes which were shot, injected with heavy doses of thallium sulfate and set out as bait. Irvine receive the minimum fine, $675, from the Justice of the Peace Court in Casper.

Herman Werner, Irvine's ex-father-in-law, who has been charged in federal court with the helicopter killing of 363 golden eagles, 3 bald eagles and 7 Canada geese, received at least $110,152.50 in 1971 subsidies. Although the eagle shooting was brought to light in the summer of 1971, Werner has still not been tried.

William I. Moore, a stockholder in the Buffalo Flying Service which was hired to shoot the eagles, entered a plea of no contest for the service for 1 of 75 counts. The Service was fined $500, and the other 74 counts suspended. Moore's Seven Up Ranches, Inc. received $67,795.22 in subsidies.

A defendant in a related eagle shooting case, Dean Visintainer of Craig, Colorado, pleaded guilty to 62 counts and was fined $1700 and placed on probation for six months. (At the time of the offenses, the Bald Eagle Act provided for a fine of up to $500 and/or six months in jail per offense, so Visintainer's fine could have been $31,000.) The Visintainer Sheep Company received $46,083.59. In 1972, Visintainer was a nominee for Wool Grower of the Year.

Vern Vivion, immediate past President of the National Wool Growers Association, which lobbies for higher tariffs, use of predator poisons and low grazing fees, also received a fat government check in 1971. The Leo Sheep Company, a family corporation of which Vivion is vice president, received $116,006.55. It is believed that Vivion also has sheep holdings in Colorado, but this could not be positively determined from the subsidy lists. Clarence A. Brimmer, Attorney General for the State of Wyoming, is Secretary-Treasurer of the Leo Sheep Company.

Clarence Quinlan, a sheepman and longtime Colorado State legislator who watches out for wool growers' interests, is President of Quinlan Ranches, Inc. which received $46,638.33.

Among the dedicated believers in predator poisons is the McIntyre family of Hotchkiss County, Colorado who received $42,502.30.

The Shamrock Ranch in Wyoming, owned by Joseph and John Burke, received $62,203.33. Both are active in the Wool Growers Association and dyed-in-the-wool coyote haters.

Lawrence J. Geraud, president of the Fremont Sheep Company in Wyoming, which received $156,965.93 (the second largest single payment in the state), recently appeared before the Fremont County Commissioners to make a plea for the county to continue to contribute $15,000 to a county predatory animal control fund.

The above sampling includes only payments for wool and unshorn lamb, not the other savings and subsidies which the wool growers get.

Since the National Wool Act as most recently amended in the Agricultural Act of 1970 set the support price level through the marketing years ending December 31, 1973, presumably renewal of the Act will be considered by Congress this year when it considers the whole agricultural program.

TARIFFS

Funds for incentive payments are derived from wool tariffs. Up to 70% of the accumulated total of funds from wool tariffs collected may be used for incentive payments. Thus, in a year when incentive payments are high, but tariff receipts are low, the carryover is available to make up the difference.

Since the domestic sheep industry does not produce enough wool to satisfy American demands, and American wool is poorly prepared and often inferior to foreign wools, the tariff does not keep foreign wool out. It merely raises the price for the consumer and probably makes it more difficult overall for wool to compete with cheaper synthetic fabrics.

The tariff on woven wool fabrics valued at over $2.00 per pound is 37.5¢ per pound plus 38% ad valorem. This adds $1.13½ to the price of each pound of this type fabric, which is passed on to the consumer.

As pointed out in an article by Carl J. Nasady, Senior Advisor, North Central Wool Marketing Corporation, in the National Wool Grower magazine, "Our domestic wool is probably the poorest prepared of any wool in the world. This is a problem that must be corrected if we are to successfully compete with manmade fibers or imported raw wool. On wool preparation we can only go in one direction, and any change will be the better."

Despite the stated policy in the Wool Act to produce more wool for "national security and the general economic welfare," the industry exports varying quantities of wool. For example, in 1970, 200,000 pounds of apparel quality wool were exported, while 79,809,000 were imported.

IMPORT RESTRAINTS

In addition to tariffs, the United States has recently negotiated a number of voluntary agreements with foreign nations to limit the amount of wool and manmade fabrics which they may export to this country. Not surprisingly, the wool industry strongly favors such agreements.

GRAZING FEES

One of the biggest bonanzas to the sheep industry is the low grazing fees charged for the use of the public lands. (Very few goats are raised in the public lands states.) Forty per cent of the nation's sheep graze for some part of each year on the public lands, depending on terrain, climate and other factors.

The federal government did not even start charging grazing fees until 1936, when they were set at 5¢ per animal unit month. (There is one grazing fee for cattle and sheep, but one cattle AUM is equivalent to five sheep AUMs. In other words, it costs the same to graze five sheep as one cow.)

Since 1936, over the loud protests of the livestock industry and its friends in Congress, grazing fees have inched upwards and were recently set at 78¢ per AUM for 1973 on public domain lands. An inter-departmental study in the 1960's recommended raising the fee to $1.23 plus an inflation and forage value factor over a ten-year period. One third of the grazing fee is used for range improvements which benefit the grazier, such as fence building.

Over the years, approximately 74,825 miles of fence have been constructed on the public domain lands, according to the Bureau of Land Management. Since 1959, 9,903 miles have been constructed and the Bureau estimates that the "greatest percentage" of these would have been constructed through cost-sharing rather than completely with private funds.

As with the incentive payments, big producers benefit most from using the public lands. In 1969, the Bureau of Land Management had 14,419 grazing permittees in the grazing districts. But 52% of all BLM forage was allotted to only 5% or fewer than 700 ranchers.

In Congressional testimony in 1969, then-Director of the Bureau of Land Management Boyd L. Rasmussen explained another interesting aspect of public land use by graziers. "Public domain land grazing permits are transferable. The term 'permit value' refers to the cost of acquiring the grazing privilege in a private transaction. It is a transaction between individuals which does not involve the federal government. In other words, it is the price one rancher pays to another to acquire his grazing privilege. One-third of the BLM permits are held today by their original owner. The value of the permit has increased in price through the years.

"The 1966 survey indicated that the average permit value paid in private transactions pertaining to BLM lands was $14.41 per animal unit month. The livestock users ask that the annual interest cost of holding the permit be included as an operating cost in determining the grazing fee."

The livestock interests did not succeed in having the interest cost considered as an operating cost when the fee was set, but other costs including moving animals, lost animals, herding, salting and feeding were deducted before the fee was set.

Thus, in addition to saving the graziers money by low fees, grazing permits in themselves have value to the ranchers who hold them.

A more realistic price for the actual cost of grazing livestock is $4.15 per AUM, which according to the USDA Statistical Research Service is the average fee for grazing each head of cattle on private land per month during 1972 in the mountain states; for 1971 the average fee was $3.97.

With these figures it is possible to come up with an estimate of the savings to graziers who used and sometimes abused the public lands in 1971:

Bureau of Land Management lands had approximately 4,500,000 sheep and goats at 64¢ per AUM. Using a conservative figure of four months, the savings would be $10,988,000.

Forest Service lands had approximately 1,500,000 sheep and goats at 78c per AUM. Again using four months, the savings would be $3,828,000.

Thus, we can estimate that grazers saved a total of $14,816,000 by using public domain and forest service lands in 1971. Graziers contend that it costs them more to run their sheep on public than on private lands because of various federal restrictions, and indeed such restrictions may have a tendency to curtail some bad grazing practices.

Since graziers constantly complain about high grazing fees and indeed have sometimes been successful in delaying the increases, perhaps it would be better to allow them the privilege of using the public lands by competitive bids for forage and let the market set the price. Not surprisingly, when competitive bidding is used, market prices bring the fee up to and higher than the $3.97 fee used here.

In a statement which seems to sum up their attitude very accurately, Vern Vivion, immediate past president of the National Wool Growers Association, recently said, "Fees for public grazing are a valuable source of revenue to the United States government and help defray the cost of maintaining our parks and forests, but if we are entitled to graze on public lands we are also entitled to federal protection from predators."

Total receipts to the government from BLM grazing fees for all livestock were $7,549,969 in 1971. Forest Service grazing receipts were $4,774,000.

PREDATOR CONTROL

Government financed predator control is itself a direct subsidy to the wool industry, as well as a classic example of a government agency working at cross-purposes. While the Interior Department's Division of Wildlife Services is charged with killing predators, which have sometimes included endangered species killed "inadvertently", on the other hand the Department's Office of Endangered Species is trying to conserve endangered wildlife. The inadvertent death of rare and endangered wildlife. The inadvertent death of rare and endangered species is one of the reasons that conservationists object so strenuously to the use of predator poisons, which are non-selective as to what they kill.

According to Vern Vivion, "Over the years control methods using toxic chemicals on Federal, State and private lands have not caused the decline of a single species of wildlife—endangered or otherwise!"

However, depending on what is meant by "decline" the fact of the matter is that endangered species such as the black-footed ferret, the red wolf, the California condor and the bald eagle have been killed by predator poisons, shot and trapped, or killed as a result of prairie dog poisoning campaigns. Although not on the official "endangered species list," other species such as the mountain lion and bears have been killed in substantial numbers, although mostly by shooting or other non-poisonous methods. Considering that the population of the California condor is estimated at about sixty birds, the loss of even one is a serious matter and surely a "decline."

In 1971, the estimated expenditure of the Interior Department for protecting sheep from coyotes in the western states was about $1,700,000. In addition, state and local government funds are used for predator control, and the sheepmen themselves put up money to kill predators. But they continually complain that the federal government must do more for them.

The wool growers claim that the ban on the use of predator poisons has caused their losses to skyrocket, but their claims of losses are just that—claims, unsubstantiated by hard evidence. Scientific studies have invariably shown that actual losses are far less than ranchers' estimates.

The Wyoming Wool Growers Association claimed that 88,600 sheep were killed by coyotes in 1971. Losses confirmed by the Division of Wildlife Services for Wyoming from April 1-August 31, 1971—usually a period of high loss—were only 1,045 sheep and lambs. Even assuming that sheep were lost at the same rate for the rest of the year, the discrepancy in the figures is enormous. We would readily agree that some genuine losses to coyotes may not have been confirmed, but that in no way explains the vast difference in the two figures.

Loss figures are gathered by the Crop and Livestock Reporting Service, which mails out questionnaires to the sheep men. The large operators, may of whom complain the loudest about predators, are contacted by telephone or personal interview. Replies are kept confidential and in some cases destroyed following tabulation. In one such survey in Wyoming, 21% of the ranchers replied, and it is on the basis of these limited figures that the statistics are prepared. Since it seems logical that growers who, for whatever reason, are suffering heavy losses would be more likely to respond than growers whose losses are minimal, the sample is hardly scientifically chosen.

Undoubtedly, the sheep and goat industry has economic problems, such as competition from synthetics, marketing problems and increased operating costs—all unrelated to predators, but instead of concentrating on solving these problems, the sheep and goat raisers have made predators the scapegoat for the industry's ills.

Noted western historian J. Frank Dobey made the following caustic assessment of the sheep industry in his book *The Voice of the Coyote:*

"Coyotes are the arch-predators of sheep. Sheep are the arch predators upon the soil of arid and semi-arid ranges. Whenever they are concentrated on ranges without sufficient moisture to maintain a turf under their deepbiting teeth and cutting hoofs, they destroy the plant life . . . Unless long-term public good wins over short-term private gain and ignorance, vast ranges, already greatly depleted, will at no distant date be as barren as the sheep-created deserts of Spain.

"Metaphorically, the sheep of the west eat up not only all animals that prey upon them—coyotes, wildcats and eagles, especially—but badgers, skunks, foxes, ringtails and others. On some sheep ranges, wholesale poisoning and trapping have destroyed nearly all of them. The surface of the earth does not offer a more sterile-appearing sight than some dry-land pastures of America with nothing but sheep trails across their grassless grounds. The free enterprisers of these ranges, many of them public-owned, want no government interference; they ask only that the government maintain trappers, subsidies on mutton and wool, and tariffs against any competitive importation."

Whether the "long-term public good" wins remains to be decided.

HOW TO GET THE BEST RX BUY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ROSENTHAL. Mr. Speaker, last week I released a comprehensive report on retail prescription drug price competition. In addition, I introduced several pieces of legislation aimed at bringing competition to the retail prescription marketplace.

Consumers need not wait until all anti-advertising laws are repealed and meaningful price posting becomes a reality in order to avoid paying excessive prices for the medicine they need. Here are some helpful things consumers, their doctors, and pharmacists can do:

CONSUMERS

First, let your doctor know you want the best buy for your money.

Ask him to prescribe the medicine generically.

If you are going to be on the medication for a long time, ask him to prescribe it in a large quantity so you do not have to make repeated and costly trips to the pharmacy; after all, it costs the pharmacist more to dispense 50 capsules four times than to sell you 200 at one time.

Ask him to suggest a pharmacy with low prices.

If the prescription is small, ask the doctor if he has some office samples he can give you instead.

Second. Shop around.

Ask the pharmacist what he will charge before you have your prescription filled; if he will not tell you or you think his price is too high, try somewhere else.

Look for the services you want, such as convenience, credit, delivery, 24-hour service, patient profile records. If that is what you are looking for, you can expect to pay extra for it; if you want the lowest possible price, expect bare bones service—in some stores that means never even seeing the pharmacist, only a clerk.

It may be a good idea to get two prescriptions from your doctor for the identical medication; have one filled at the discount store—if the price there is lowest—and leave another at a pharmacy that delivers, just for emergencies.

Ask for medicare, senior citizen and similar discounts if you think you are eligible, but wait until the standard customer price has been quoted.

DOCTORS

Survey pharmacies in your area for prices of commonly prescribed drugs.

Check with patients about where to find best buys.

Ask drug company representatives for precise information on wholesale prices; most can also provide helpful information on retail prices in the area.

Pass this information on to patients.

Prescribe generically and in quantity, where possible.

Write the prescription generically so that the patient can purchase the medication you specify at the lowest possible price.

If the patient is going to be on the medication for a long time, consider writing the prescription for a large amount. The savings—in money and bother—can be significant.

Prescribe standard quantities—the Physicians' Desk Reference has this data—and, where appropriate, economical dosage forms. This is especially important for elderly persons who have fixed incomes and must take maintenance drugs. If the patient's dosage form is increased by his physician—for example, from 250 gm to 500 mg—he would be better off economically to get a new prescription for the larger dosage form than to continue taking the old medicine but doubling the quantity to get the same dosage.

If the medication is too costly for the patient, medicaid may help if the patient is eligible.

If not, some pharmacists may be willing to help a needy customer, if the doctor alerts them.

There is a code between physicians and pharmacists to do this: PP on a prescription means "poor patient" and ARB means "any reliable brand." So warned, the pharmacist can adjust his price or substitute a lower cost drug.

Write prescriptions legibly.

PHARMACISTS

Post your prices and quote prices over the phone or in person for the consumer shopping for the best buy.

Do not overlook an opportunity to sell yourself and your service. Explain clearly to customers just what professional services you offer and what they cost.

In other words, justify your charges, do not conceal them. The best way to do this maybe on a sign prominently displayed near the pharmacy counter.

When a customer brings in a prescription for a high-price trademarked drug, suggest a generic substitution and call the physician for permission.

When the customer already has a generic prescription, fill it with the lowest cost product available.

In either case, pass the savings on to the customer.

Use your influence in the pharmacy profession to voluntarily remove the barriers to adequate consumer information such as restrictions on retail price advertising. You can also begin by labeling your prescriptions with the generic name of the drug and the date beyond which it should not be used.

THE ORGANIZATION FOR REHABILITATION THROUGH TRAINING

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ANDERSON of California. Mr. Speaker, for 93 years the Organization for Rehabilitation Through Training has served humanity by teaching and training individuals throughout the world to become productive, contributing members of their societies and, at the same time, uplift the standards in their respective countries.

Each year more than 70,000 persons turn to this organization for a chance to realize aspirations limited only by their own desires, perservance, and talents. In fact, both the United Nations and our own Government have requested ORT to train persons in order to bring the promise of advancement to less-developed nations where technological skills are urgently needed.

As an indication of the international acceptance and recognition of the Organization for Rehabilitation Through Training, Swiss President Rufolf Gnagi, on May 25, 1971, presented the Cardinal Bea Award to ORT noting that it was deserving of such an award by virtue of its "eminent services in the advance of social justice and human progress organized in an efficient manner."

In addition, the General Assembly of the Council of Jewish Federations and Welfare Funds selected ORT as the 1971 recipient of its distinguished Schroeder Award "for outstanding contributions to international welfare."

And now, Mr. Speaker, on March 21, persons across our Nation will be recognizing the superior vocational and philosophical training provided by ORT and will be commending the many dedicated people who have served to make this organization a great instrument for alleviating the poverty, despair and insecurity that plagues so many of our fellow human beings.

While ORT is primarily involved in the Jewish communities, it has also ventured into areas such as Bamako, Mali, Chad, and Guinea to train the local teachers and technical administrators who, in turn, guarantee the endurance of a viable system of training in the area. In short, the ORT people are a catalyst for national development.

Yet, the Organization for Training Through Rehabilitation is much more than a program for teaching students a trade. Moreover, it prepares the student to meet the many challenges which confront a person during a lifetime.

Mr. Speaker, I hail this organization and its global achievements of the past 93 years. More importantly, I salute the men and women who have given their time, their money, and their hearts to build ORT into the tool for world peace and prosperity that it is today.

Special recognition and credit must go to the Women's American ORT's president, Mrs. David L. Goldring; the chairman of the national executive committee, Mrs. Jack Eisenberg; and the ORT day chairman, Mrs. Henry S. Pressman.

In addition, I am pleased that California's harbor region of the Women's American ORT is bringing the work of ORT to the knowledge of persons in our area with a commemorative luncheon on March 21.

Harbor region ORT women working for recognition of ORT day include Mrs. Louis Silberman, president; Mrs. Joseph Ruder, chairman of the executive committee; Mrs. Frederick Vogel, ORT day chairman.

There is one more vital link in the success of the harbor area's ORT day observance. That link is the leadership of the Pacific southwest district.

Mrs. Herman H. Rappaport, president; Mrs. Seymour Philips, executive committee chairman; Mrs. J. Lawrence Semar, ORT day chairman, have all worked on the regional level for ORT day.

Mr. Speaker, because of the collective efforts of these dedicated people and their vigorous support for the Organization for Rehabilitation Through Training, all of us can look to the future with optimism as the destiny of the peoples of the world is surely much brighter due to the existence of ORT.

FOOD FOR THE ELDERLY AT THE HUDSON GUILD

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Ms. ABZUG. Mr. Speaker, the March 15 issue of the Weekly Report of the Community Nutrition Institute includes a story on the cooperative approach to food for the elderly—CAFE—program operated by and for the elderly at the Hudson Guild's Fulton Center for Senior Citizens. This excellent program, which includes outreach activities to approach and aid the homebound elderly in the area, is funded under title IV of the Older Americans Act and has been in operation for 5 years.

This program is typical of the many successes under Great Society legislation, successes that are now under attack by the Nixon administration. It is hard for me to understand how anyone who reads the following article could support Mr. Nixon's efforts.

The article follows:

AGED CONTROL "CAFE" IN LOWER MANHATTAN

(By Patricia Brown Kelly)

Every weekday, except when he is in the hospital because of his heart condition, Michael DeFiorio walks several blocks with his wife to the Hudson Guild Fulton Center for Senior Citizens on Manhattan's Lower West Side. There, on the first floor of a housing project occupied mostly by seniors, the couple eats a well balanced lunch for 65 cents apiece.

The DeFiorios are in their 70s and are not well enough to shop and cook for themselves. Beside enjoying the walk and the people, Mr. DeFiorio says if he couldn't depend on the meal he gets at the center, he would have to go to a nursing home.

Evelyn Lesnow is a retired nurse whose income for a long time was about $100 a month. Miss Lesnow refused to accept public assistance or food stamps because she didn't want "charity." Debilitated from lack of nourishment, she could hardly stand up to prepare food that was brought to her occasionally. Finally, a senior "communicator" from Fulton Center, an older person trained to approach his or her isolated contemporaries, convinced Miss Lesnow to accept meals at home. Soon she may be well enough to come to the center for lunch, transported in the Center's minibus if she likes.

MULTI-SERVICE APPROACH

The DiFiorios and Miss Lesnow are typical of the elderly who participate in the Cooperative Approach to Food for the Elderly, or CAFE Co-op, as the Fulton Center food program is called. Every day about 160 persons over 60 years old eat lunch at the center; another 20 or so receive meals at home. A new breakfast program serves a 25 cent meal to 20 more seniors each day. The food program also offers occasional snacks for special events, such as a dance at the center.

One of the 23 original research and demonstration projects funded in 1968 under Title IV of the Older Americans Act, CAFE Co-op is based on the idea that seniors should control a program set up to feed them. Because of this orientation, and because the co-op grew out of a multi-service community center for senior citizens, it is today a comprehensive food program with personalized attention to the needs of each participant. In addition to nutritious meals and individualized service in a pleasant social setting, the program offers nutrition education, a special outreach effort, working opportunities for the elderly, and even a "scholarship" fund for seniors who need help paying for their lunches. Ancillary services at the center range from advice and help with Medicaid and Social Security to a variety of recreational activities.

The seniors who participate are retired truck drivers, seamen, housewives; they include widows, widowers and the unmarried or divorced. The average age is 73. Most are white, but there are some black and Spanish-speaking persons. About half live on incomes of less than $185 a month, but a smaller percentage receive public assistance or food stamps, although they are eligible for these programs.

The seniors' biggest expenditures are for rent—including utilities and telephones—and food. Housing costs are fixed; but food is a flexible item, and whether or not a senior has a healthful diet depends on what he can do, and what he chooses to do, with the money that's left.

To date, almost 500 seniors have put their food money into $5 shares and daily lunches at CAFE Co-op. Almost five years after its inception, the program continues to be influenced by two early decisions by members; hiring Gertrude Wagner as director and setting 50 cents as the cost to be spent on food per meal.

AGE AN ADVANTAGE

Ms. Wagner, a 73 year-old self-styled dietitian with wide experience in hospitals and camps, is largely responsible for shaping the food program. She thinks her age has been an advantage: "The seniors have identified with me. I can say 'we' and 'at our age,' and it has effect."

Every day Ms. Wagner produces a $1.90 meal for which seniors pay 65 cents (they voted to pay 15 cents extra to save for future program costs). Federal funds cover the remaining costs of 12 salaries, equipment, maintenance and supplies.

Ms. Wagner says she could not maintain a food program of CAFE's size and quality for anything under $50,000 a year. With the rising cost of raw food, she says she doesn't know how much longer she can stay within the 50-cent limit—the only Title IV program still doing so, she adds.

In a recent lunch, the pot roast alone cost 48.5 cents per serving. During a nutrition education class that day, co-op members talked about the rising prices of pot roast, poultry and ground meat and discussed alternatives for the co-op—serving a red meat meal once a week instead of twice or boycotting the Chelsea butcher shops one day a week.

Consumer action like this is not new to the co-op. Only Boston lettuce has been served since the farmworkers union's lettuce boycott began. Senior spokesmen from the center regularly send letters to state and federal representatives commenting on legislation related to the elderly.

The weekly nutrition education class usually draws an enthusiastic crowd of seniors who now are conversant with the relationship of niacin to cholesterol and the finer points of food legislation as well as with methods of supplementing their lunch at the center. The class has grown more sophisticated about nutrition over the past four years, and Ms. Wagner, the teacher, is pleased.

OUTREACH PROGRAM

Fulton Center's outreach program is of special importance to CAFE Co-op. Ten "communicators," seniors from various backgrounds who were trained to approach and assist the homebound elderly, last year canvassed Chelsea housing projects and residential hotels 15 separate times. They reached 735 seniors with information about Fulton Center's services, and they regularly assisted 155 individuals with shopping, escort services and other help.

The communicators identify senior citizens in need of home-delivered meals and encourage the mobile elderly to join the lunch program at the center. Through contacts with local hospitals, they are able to offer lunches—including special diets—to convalescents who might otherwise have to remain hospitalized or in custodial care. Each day, two communicators take meals to the homebound.

The communicators use a "multiple appeal" in approaching the elderly, says Teresa Gloster, who coordinates their work. "They try not just to respond to mundane needs but to encourage seniors to come here to use their abilities too."

Eating at the center offers special advantages. One participant told me, "I sit down here, start talking, and the first thing I know there's nothing left on my tray."

Not all the elderly are immediately happy at the prospect of being fed, however, especially if they view the meal as a handout.

"They will live in dignity, even if they starve," says Ms. Wagner, explaining a prevalent attitude.

Some of the not-so-elderly reject the center's programs because they associate them with severe old age and incapacitation.

"They won't admit they're seniors," says Ms. Wagner. "They say, 'I've heard about this place for years, but it didn't seem to be the place for me.'"

While the communicators often get seniors to the center, and activities like nutrition education and recreation classes fill long hours, the food portion of the program is what keeps seniors coming. Ms. Wagner has some definite ideas about why that program works. The lunch room scene looks relaxed, she agrees, but it looks that way because it is very well structured: "Each person knows what they're doing, but they can pitch in to do other things if necessary." Ms. Wagner personally dishes up broccoli or buses tables as needed.

The center director feels strongly that most seniors cannot be usefully employed in most kitchen jobs. Along with the difficulty of handling heavy equipment, the need for speed and efficiency in the kitchen often creates too much pressure for most elderly persons, she thinks. Furthermore, seniors can earn only a certain amount without risking the loss of their Social Security payments.

However, she rejects volunteer help for the kitchen. "It would not be cheaper in the long run," she says. "It would cost as much to supervise volunteers as to hire low-paid help."

In addition to herself, Ms. Wagner employs one senior as an administrative assistant and dining room hostess and another to serve beverages and set tables with butter and water. Some Co-op members serve as volunteer ticket sellers for the lunch program.

ELDERLY INVOLVED

The elderly get involved in other areas of the program through the co-op structure, she reported: "Seniors don't do the work here; rather, they hire the staff to do it."

Having a co-op in a community center is a double advantage. The center offers convenience and a ready clientele, and the co-op structure offers autonomy. CAFE Co-op is funded under Title IV through the end of March, and Ms. Wagner says she has been assured by the New York State aging office that the money will continue. She plans to apply for Title VII elderly nutrition funds when they become available.

CAFE could expand in a number of ways. Ms. Wagner says she could feed 200 people at the center every day—about 40 more than she feeds now—if she could afford to hire another kitchen aide. The home-delivered meal program could expand if there were another minibus available and more personnel to help deliver the lunches. CAFE could also prepare meals at the center to be transported to other feeding sites, such as churches. She also could use some new equipment.

"Many more need the program than we are serving," says Ms. Wagner. "It doesn't make sense—for us or for the taxpayers—to stop now."

CONSTITUTIONAL AMENDMENT WILL GIVE DISTRICT OF COLUMBIA RESIDENTS FULL VOTING RIGHTS IN HOUSE AND SENATE

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. FAUNTROY. Mr. Speaker, on March 14, I introduced in the House of Representatives a joint resolution amending the U.S. Constitution to give the long denied people of the District of Columbia full voting representation in the U.S. Congress. The constitutional amendment, which must be approved by two-thirds of the Members of both the House and the Senate and then ratified by three-fourths of the States, has several key provisions:

The District of Columbia would elect two Senators and as many House Members as it would be entitled to if it were a State.

Each Senator or Representative would possess the same qualifications as to age and citizenship and have the same rights, privileges, and obligations as other Senators and Representatives.

A vacancy in the representation of the District in the House or Senate would be filled in a special election by District of Columbia voters.

The amendment would have no effect on the provision in the 23d amendment for determining the number of presidential and vice-presidential electors the District is entitled to. Each District representative would be able to participate in the choosing of the President or Vice President.

That the District has no representation in the Congress is mockery of the democratic process. Citizens of the District carry all the burdens and obligations of national citizenship but they have no vote in Congress in establishing national policies. Even worse, while Congress sits as a local city council for the District, I, as the representative of over 700,000 people, have no vote, and only a small voice, in the decisions about the adoption of local legislation. The people of the District pay taxes of hundreds of millions of dollars each year, sent their sons and brothers to die in a useless Asian war, and serve as host to millions of Americans who each year visit Washington, the seat of Western democracy. But the people of the District, who are profoundly affected by the judgments of this Congress, are given only the smallest opportunity to shape these decisions. This is unjust and directly contrary to the principles upon which this Nation was founded and has existed for the last 180 years.

The first resolution calling for the required constitutional amendment was introduced in Congress in 1877. Since 1915, every President, both Democratic and Republican alike, has supported congressional representation for the District. In 1967, President Lyndon B. Johnson submitted a proposal calling for a single D.C. voting representative in the House and giving the Congress authority to establish additional Senators and Representatives by statute up to the number the District would have if it were a State.

This measure received full and thorough hearings before the House Judiciary Committee. The committee overwhelmingly approved and reported out a broader proposal than that submitted by the President constitutionally guaranteeing the District two Senators and as many Representatives in the House as it would have if it were a State. The House Rules Committee refused to send the bill to the floor and no further action was taken by the House. In the 92d Congress, the House Judiciary Committee again reported a broad proposal that was blocked by the Rules Committee.

Both in the 91st Congress and in the 92d, President Richard Nixon, carrying out the commitment made in his party's 1968 platform, urged the Congress to adopt a constitutional amendment granting voting representation to the people of this city.

It is difficult to conceive of any valid reason that the District of Columbia should be denied full voting representation in the Congress. Ten States are less populous than the District but are fully represented in the Congress: New Hampshire, Idaho, Montana, South Dakota, Delaware, Nevada, Vermont, Wyoming, Alaska, and North Dakota.

These States have 36 congressional representatives—20 Senators, and 16 Congressmen. It is amazing to consider that these 11 States possess 20 percent of the votes in the U.S. Senate. Yet the District has no voice in the Senate, voting or otherwise.

What is most tragic about this injustice is that numerous nations with their national capital under Federal jurisdiction grant representation in the national legislature to the inhabitants of that city. In the British Commonwealth, both Australia and India give voting representation to the people of the national capital. In Latin America, Argentina, Mexico, and Venezuela grant representation to the citizens of the capital city, which, like the District, are under Federal control.

It is difficult to see how we as a nation can proclaim our democratic institutions to the people of the world while a colonial refuge, such as the District of Columbia, exists—not in the far reaches of an empire, but at the seat of national government. This must surely shame the people of this Nation. I am convinced that if this Congress were to adopt a full representation proposal and submit it to the States, it would be overwhelmingly and speedily approved. The 23d amendment, giving D.C. residents a vote in Presidential elections, was approved in near record time of under 1 year.

Great strides have been made since the establishment of the American Republic toward expanding the right to vote to an ever-growing number of Americans. Beginning after the Civil War, the States ratified the 15th amendment prohibiting denial of the vote on the basis of race. The 17th amendment took from State legislatures and gave to the people the right to elect U.S. Senators. The 19th amendment eliminated sex as the basis for denying the vote. More recently, the 23d amendment gave residents of the District of Columbia the right to vote in Presidential elections, and the 24th amendment abolished the poll tax. The 1965 Civil Rights Act provided the weight of the Federal Government to enforce the protections provided under the 15th amendment, and the Supreme Court established the one-man one-vote principle in order to make the right to vote equal among all citizens. In the last session of Congress, additional historic steps were taken to provide 18-year-olds the right to vote by constitutional amendment. The denial of the right to representation to the people of the District stands out as a glaring piece of unfinished business in this Nation's drive toward a more perfect democratic government. It is this unfinished business that I am placing on the agenda of this Congress.

LEE HAMILTON'S MARCH 19, 1973, WASHINGTON REPORT ENTITLED "THE U.S. ENERGY SHORTAGE"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my March 19, 1973, Washington Report entitled "The U.S. Energy Shortage":

THE U.S. ENERGY SHORTAGE

"Popeye has run out of cheap spinach"—that's the way one government official summed up the nation's energy shortage.

The fact of the shortage, whatever its causes, can no longer be in doubt. "Power blackouts" like the one which crippled New York in 1965, frequent power "brownouts" on hot summer days, idle factories which force workers off their jobs, rationing of heating oil in some parts of the country, and Indiana farmers unable to get their wet grain dried are persuasive evidence that the nation has an energy problem.

This shortage should not be exaggerated. At present, fortunately, the nation is not about to run out of energy. The basic energy position of the U.S. is fairly good, and certainly no reason for panic. America is an energy-rich nation with reserves sufficient to meet present demands for oil for 65 years, gas for 50 years, coal for 300 years, and uranium for 25 years. Nevertheless, in the near future (though mid 1980's) none of the five domestic sources of primary energy will be adequate to meet all the nation's needs.

What has brought about our energy shortage? There are many factors, but the most important is the nation's gargantuan appetite for all kinds of energy. With less than 6 percent of the world's population, the U.S. consumed ⅓ of the world's energy production in 1972. And the appetite doubles every 15 years. Along with skyrocketing demand, the output of domestic fuels, especially oil and gas, has leveled off, coal production has declined, and the nation has failed to manage its energy resources well:

Price controls locked the price of heating oil at low summer levels, encouraging refineries to produce more gasoline, and the controls held natural gas down to artificially low levels, giving companies no incentive to explore for new gas fields;

Import restrictions have kept oil out of the U.S.;

Research for new energy sources has been reduced;

Investment of adequate capital to develop new resources has been discouraged;

Policy has failed to recognize the long lead time necessary to develop resources (it takes 3 to 7 years to bring in a new gas field and up to 10 years to build a nuclear energy plant);

Environmental concerns have forced cutbacks in polluting fuels, and stymied efforts to site power plants.

The essential step is to develop a comprehensive national energy policy to assure an adequate supply at reasonable prices without unacceptable abuse to the environment and without undue dependence upon one fuel or upon foreign nations.

In the years ahead, the nation will be considering several approaches as it grapples with a national policy to bring supply and demand into balance.

To reduce demand, the nation could:

Curb the rate of growth of energy consumption, for example, through voluntary conservation or higher taxes;

Minimize energy waste (one estimate is that this nation wastes about 50 percent of the energy produced). This involves everything from turning off the lights in an empty room to designing more efficient machines.

To increase supply, the nation could:

Develop present reserves of fuel more fully, for example the shale reserves and the oil in the outer continental shelf;

Encourage exploration for new energy reserves by removing federal price controls, changing tax laws, and increasing incentives;

Increase imports;

Substitute resources when possible—use crude petroleum for fuels rather than asphalt for road surfaces which could be made of concrete, for example;

Accelerate the research and development of alternate energy systems such as nuclear power, harnessing of sun, wind, sea, and geothermal power, and developing the fast breeder reactor and coal gasification;

Establish realistic environmental and health standards to minimize delays in fuel exploration and development to allow siting of power plants, and to ensure minimum damage to the environment.

PLEA AND THE OEO

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. HUNT. Mr. Speaker, last September 26, 1972, the bulletin of PLEA—Poverty Lawyers for Effective Advocacy—was sent out to all members. PLEA is an organization which is made up mostly of OEO legal services lawyers and is supported by dues which come from OEO funds. PLEA is therefore effectively supported by OEO.

The PLEA newsletter is not untypical of the activities of many OEO legal services projects. It is purely a political vehicle in violation of the Economic Opportunity Act of 1964 as amended title VI, part A, section 603(b) which states:

> Programs assisted under this Act shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate or contending partisan group, in an election for public or party office—(c) No part of any funds appropriated to carry out this Act . . . shall be used to finance directly or indirectly, any activity designed to influence the outcome of any election to Federal office.

The article which I am about to present, the PLEA bulletin, does violate these regulations without a doubt. This example of such obvious use of OEO funds for political purposes is one of the major reasons that the legal services program is being replaced by the proposed legislation for a Legal Services Corporation.

I insert for the record the following copy of the PLEA bulletin illustrating the illegal use of public moneys.

The copy follows:

PLEA Membership Meeting at NLADA Convention

(By Robert B. Curtis)

I have made arrangements to have a meeting of all PLEA members who are able to attend the National Legal Aid and Defender Association (NLDA) Annual Convention in November. I have reserved the Secretariat Room at the Diplomat Hotel, Hollywood Beach, Florida, for 6 P.M. on Friday, November 10, 1972. I hope as many PLEA members as possible can make it.

DEATH OF THE PROPOSED LEGAL SERVICES CORPORATION

By now I suppose all of you have heard of the demise of the Legal Services Corporation. On August 16, 1972, a Senate-House Conference Committee voted to delete Title IX, which provided for the legal services corporation, from the Economic Opportunity Act. Therefore, the Office of Legal Services will remain within the Office of Economic Opportunity for the present. Senators Mondale and Cranston, among others, have stated that they plan to revive the measure in the next session of Congress, but its successful implementation, even at that time, appears to be doubtful.

There can be no doubt that the Nixon Administration has no use for an independent, effective and progressive legal services program for the nation's poor. If he is re-elected, I fear that our cause will either be lost, discredited or severely damaged. For not only has the President and officials of his Administration sought to weaken the legal services' effort, they have also attempted to discredit it in the public mind. Vice-President Agnew has launched numerous public attacks aimed at discrediting some of our best legal projects, culminating with a very unscholarly and outrageous article in the current issue of the American Bar Association Journal. President Nixon, meanwhile, has seen to it that the position of Director of the Office of Legal Services has gone unfilled for almost a year now. It was mainly due to the threat of his veto that the Senate-House Conference Committee voted to delete the section providing for the legal services corporation. Nixon was not satisfied with virtually total control over the appointment of members of the Board of Governors of the corporation; he also insisted that the program and the activities carried on by legal services projects be so limited that under no circumstances could poverty lawyers effectively assist poor people without violating the law and jeopardizing their own jobs and the federal grants without which the projects cannot survive.

It is indeed a sorry day for our cause and that of the poor whom we represent. I fear the worst is yet to come—especially if Nixon is re-elected.

However, if that should come to pass, greater responsibility will fall upon PLEA and its membership to resist to the limits of our ability the attacks against us, the poor and the principles to which we have dedicated ourselves.

TRIBUTE TO CAPT. NEVILLE LEVY

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. HÉBERT. Mr. Speaker, New Orleans paid tribute to one of its outstanding citizens recently when the Military Order of the World Wars presented its Patriot of the Year award to Capt. Neville Levy, USNR, retired.

Perhaps the best way to bring to your attention who he is and what he means to the community is to insert at this point in the Record the principle address made by the Honorable Walter B. Hamlin, Chief Justice of the Louisiana Supreme Court, and the congratulatory messages he received.

I might add that the Adjutant General of Louisiana, Maj. Gen. O. J. Daigle, also presented Captain Levy with the Louisiana Distinguished Service Medal at the affair.

The White House,
Washington, February 20, 1973.
Capt. Neville Levy, USNR, Ret.,
New Orleans, La.

Dear Captain Levy: It is a great pleasure to add my congratulations to the many you will be receiving in the days ahead for the honor you have earned from the Military Order of the World Wars. Your fifty-nine years of dedicated services to our Nation, both as a Naval officer and a concerned, involved citizen, merit the highest praise. Well done!

With my best wishes,

Sincerely,

Richard Nixon.

The Secretary of the Navy,
Washington, February 12, 1973.
Capt. Neville Levy, USN, Ret.

Dear Captain Levy: On behalf of all the officers, men, and women of the United States Navy, whom you have most faithfully served for the past fifty-nine years, I am most pleased, as Secretary of the Navy, to extend to you our most sincere appreciation.

Few men have served their country as long, and none more faithfully or capably, as have you. Through three major conflicts and numerous minor crises your steadfast devotion to duty has been a shining example for all Navy men. Your distinguished record as a Naval officer on active duty is only equaled by the dedication to the Naval service you have exhibited since your retirement.

The New Orleans Chapter of the Military Order of the World Wars has once again dignified the award of Patriot of the Year by selecting you as this year's recipient of that great honor. I take great pride in joining your fellow citizens in extending to you the Navy's highest accolade, a most sincere "Well Done".

Sincerely,

John W. Turner.

Department of the Navy,
Washington, D.C., February 14, 1973.
From: Chief of Naval Operations.
To: Captain Neville Levy, United States Navy (Retired).
Subj.: Letter of Congratulations.

1. On behalf of all of your shipmates I wish to extend to you the Navy's most sincere congratulations for the distinction of being honored as the "Patriot of the Year" by the New Orleans Chapter of the Military Order of the World Wars.

2. Seldom does one have the opportunity or inclination to serve as long as you have done; never has one served more faithfully, with more dedication and drive, or more expertly than have you. The results of your singular efforts, both in time of war as an active duty officer, and in time of peace as a true citizen patriot, are manifest in the quality of our Navy today. Your contributions to the success of our efforts have been noteworthy and certainly give you cause for justifiable pride.

3. We join you in that pride, for all of us are proud to have served with you. I take great personal pleasure in extending to you, with respect and appreciation, your Navy's most sincere congratulations as you receive this most distinguished honor. With all the connotations the phrase implies to Navy men, please accept on our behalf a most heartfelt "Well Done."

E. R. Zumwalt, Jr.

U.S. House of Representatives,
Committee of Armed Services,
Washington, D.C., February 22, 1973.
Capt. Neville Levy, USN., Ret.,
New Orleans, La.

Dear Neville: Truly, it is with deep regret that I am unable to be personally with you tonight as you receive the "Patriot of the Year" award from the New Orleans Chapter of the Military Order of the World Wars.

As you know, I received this special honor last year and it is one of my most treasured possessions. If I were personally called upon to select the one individual who should receive it this year, his name would be Neville Levy.

No one could ever doubt your patriotism or your love of country, any less than they could ever doubt your loyalty and your devotion to your friends, or ever challenge your love and affection for your family.

All of these things add up to one word and that is Patriotism!

We need more men like you.

My warmest personal regards.

Sincerely,

F. Edw. Hébert.

Principal Address Delivered by Hon. Walter B. Hamlin, Chief Justice, Louisiana Supreme Court

Mr. Toastmaster, Members of the Levy family, Honored Guests, and Ladies and Gentlemen:

It is with a feeling of extreme pleasure that I appear here tonight at this excellent banquet honoring my old friend of many years, Captain Neville Levy.

I have known Captain Levy for more than 40 years, since we were both young men. Even then, there was something about him that attracted me to him. Even then, there was apparent evidence of leadership which he has displayed throughout his business and civic careers.

Our honoree was born in the City of New Orleans on August 14, 1892, son of Emanuel Levy and Selma Heidenheim. They were the finest parents anyone could wish to have.

Captain Levy was married to the former Helen Adler, also of New Orleans, who is now deceased. They have three children: Betty Nan, wife of Herman J. Obermaier; Suzanne, wife of John Ormond, and David Pokorny Levy.

After being educated in the public grammar and high schools of our City, Captain Levy attended Tulane University from 1909 to 1913 and graduated with a degree of Bachelor of Science and Mechanical Engineering in June of 1913. He served in World War I, and in the year 1921 he helped to organize the Equitable Equipment Company. He was a graduate of what is known as a "short course" at Annapolis. In 1921, he transferred to the United States Naval Reserve as a Lieutenant. He became Commanding Officer of the 1st Battalion of the U.S. Naval Reserve during the year 1930 and served in World War II, during which time he was promoted to Captain in the Naval Reserve. During all the time he was connected with the Naval Reserve he was instrumental in keeping the Naval establishment in New Orleans alive.

I distinctly remember on many occasions when he would entertain the personnel of battleships, cruisers and lighter ships of the Navy, arranging for their entertainment either at his home or at one of the public establishments in the City, defraying all of the expenses out of his own pocket. He arranged good public relations for the Navy.

I consider him to be one of our industrial leaders. His learning, industry and versatility would have taken him to the top of the membership of any calling of which he may have chosen to become a part. He has been the recipient of many honors, among them, the Times-Picayune Loving Cup and the Andrew Lockett Medal for Engineering Service from the Society of Louisiana Engineers.

It is not feasible here for me to even attempt to enumerate Captain Levy's honors, deeds of patriotism and his participation in civic movements on behalf of the administration of good and successful government of our City, State and Nation. They are too numerous, indeed. From my observations over the years, and as far as it is within my limited power to do so, his deeds can be summed up as follows:

He believes in thrift and economy in government and business and abhors extravagance; he has a deep sense of obligation, first of all to his own country; he is an old-fashioned, patriotic American. He has never believed that love of country, of family, of home, and of a Supreme Being is "corny"—to quote the word used by those who have lost their sentiment. He realizes that it is not the flag that floats above a people that makes a nation great; it is the people who make the flag great, and it is the leaders of the people, to whom they look for example and guidance, who make the people great. Captain Levy is such a leader. Witness his connection with the Greater New Orleans Bridge known to everyone here.

You could cloak many millions today in the flags representing oppressed peoples, and you would not have a "land of the free and the home of the brave." But assemble a few million such rugged souls, with proper leadership, as conquered the American wilderness, developed our farms, built our cities and tapped our mines, wrote and accepted our Constitution and Bill of Rights, and won our wars for us, and you will have one of our of all times greatest nations. Captain Levy is one of those rugged souls.

He has never hesitated to combat the weird and bizarre characters who have been in the past, and are still attempting to do away with our Constitution and our form of government. Popular applause or distaste has never had influence upon anything he did in point of good government; nor has he been solicitous of what men might say or think, so long as he felt that he kept himself exactly according to what he believed to be the rules of Right and was not falling short of his duty.

He knows that in all of our approaches to the end of keeping our nation intact, we must always remember that the course of Right will not die—it suffers eclipses but is born again; it may be ignored and trampled under foot, but it does not, therefore, cease to exist—and that all good souls recognize it as the only rule of life.

Our honoree has demonstrated by his public pronouncements that he feels that while a nation may wish to place Might upon the pedestal that others have raised to Right, this is a useless endeavor, and that the eternal hope of mankind will ever be the increasing power of more liberty, more brotherly love, and more justice.

Our honoree realizes that today we live in hectic times when we are menaced by forces from without no less than those from within, but he is working hard to keep a definite wave of hysteria from spreading over our country, threatening to destroy our basic concept of a government by laws and to substitute for it a government by men. Against this dangerous trend, he has not only been alert, but has been fearless to combat with all the strength and ingenuity at his command.

May I suggest at this time that freedom, my Fellow-Americans, is foremost in our minds and hearts this evening, as it is in the heart of our honoree. It is in the minds and hearts of all the peoples of the world who look to us as the last sanctuary of free men.

Since that first dawn when man stood before his Maker, all men have cherished this tremendous thing, this magnificent thing that makes a man a man—his freedom.

But what is this freedom?

What right have we to it?

Why are we unhappy unless we are free men?

This is why: Because we possess an intrinsic human dignity and inner majesty, which gives us an appetite and passion for freedom.

Man possesses human dignity because he is made in the image and likeness of God. This image is found personally in every man; each one possesses it entirely and individually. It is this image that makes man different. Without this image, man has no free will and consequently neither liberty nor the capacity for liberty.

My observations over a period of years have caused me to realize that any government which does not have as its basic ideal the enhancement of the life and possibility of individual, or which tends to destroy the individual genius of its people, is a force that is contrary to human nature and the natural instincts of men and is eventually doomed to failure.

The destruction of the genius of the individual cannot possibly lead to anything more than a feeling of futility in man's outlook on life, and this, of course, will inevitably result more and more in his disregard for the lives and happiness of others.

The concept of individuality has lead to a high sense of responsibility on the part of our people. As individuals practice and enjoy freedom, the more they desire that other people will be free. Freedom in our country has lead to a higher degree of tolerance than exists in any other nation in the world; it has made our nation the meeting place of the world's finest ideas and ideals; and, it has been the cause of the highest development of civilization.

The greater our intellect, the more desirous are we that we shall live in peace and charity with our people. History has proven that the minds of men are more apt to learn the truth when they are spiritually and intellectually free.

We must remember, however, that our heritage of liberty is handed down to us from generation to generation without any guarantee of survival unless each generation learns and realizes its debt to posterity. We must also remember that history records the many times that liberties of a free people in a democracy, even when once attained, have been lost.

Captain Levy believes in what I have just said and believes in peace.

What is the peace of which I am speaking?

Peace is more than the absence of war. It is tranquility of order; it is security, liberty—religious, political and economic freedom; it is life with honor. And because we are hungry and thirsty for that freedom, we must never cease our efforts until all these things are secure forever.

Knowing Captain Levy as I do, I have no hesitancy in making this statement tonight at this gathering in his honor.

History will record that the place Captain Levy has occupied and will continue to occupy in the affairs of our City, State and Nation will be very hard to surmount. Memories of the thousands of our citizens who have benefited by his patriotism and devotion to duty will be green for many years to come.

In conclusion, my friend, I join with those assembled here tonight in wishing you many more years of activity, happiness and good health.

ACCEPTANCE SPEECH OF CAPTAIN LEVY

Reverend Clergy, Distinguished Guests, My Companions of the Military Order of the World Wars, Ladies and Gentlemen,

To be named the Bicentennial Era, Patriot of the Year and that honor coming to me "back to back" with Eddie Hebert is humbling, overwhelming and deeply appreciated.

In acknowledging this recognition, I feel that I owe so much to so many.

No one stands alone in these times, and so all for whom I have worked, and all *with* whom I have worked should be here beside me, so you could see and judge the Americans that share this title "Patriot."

Our family has lived in New Orleans for well over a century. My forebears came from Western Europe seeking a better life. New Orleans has been good to me, and all that has justified this recognition in your eyes has resulted from my great desire to, in a measure, be worthy of the benefits derived from living in this community, blessed as it is with great tolerance and opportunity.

I feel strongly that along with many others who have served well their Cities, States and this Nation, that I am part of our Great National Spirit, perhaps "The Spirit of '76" adapted to the problems of the 20th Century.

I believe that the real challenge of the Bicentennial Era and the Celebration scheduled for 1976 is to engender anew our Great National Spirit, the spirit of the people, for the people and for this great land of ours.

The spirit of a great American Nation guided earlier Patriots as they moved across this continent, to the mountains, to the prairies, to the Rockies and to the Pacific.

The American Flag flying from its staff on the surface of the moon is proof positive, that our National Spirit is real and alive today.

Right at this moment I feel that this country is threatened in many ways, but to me no threat is so great as the threat to our own sense of Nationhood, and our spirit of Patriotism.

Let me hasten to qualify that, by saying to you that love of Country has inspired millions of Americans to deeds of battlefield courage in Vietnam and millions daily show their devotion by civic dedication in their lives.

But we do live in a period in which love of Country has been questioned, by those who make a career of abusing the United States and its society.

The printed and spoken assaults on faith in our Nation is unprecedented.

For those Americans who grew to manhood before World War II and earlier, the decline in patriotism in some sections of our society, in many of our universities, has been painful to watch. Nothing that has happened, justified the loss of National faith to the degree that we have observed.

The 1930's were harsh times. We managed to survive a long and severe depression, yet faith and courage was there.

That decade was followed by one of War, World War II, long and bloody, difficult in every sense of the word. But Americans stood the test, our Country emerged from World War II confident and united, the National Spirit still burned brightly.

The decade of the '50's brought success and prosperity, perhaps it was the beginning of "The Soft Life". We became the most affluent and comfortable nation in the world.

During this time we became excessively tolerant of those who lost faith in the United States.

Protests began.

They took on ugly forms, and we, the Patriots of the decade failed to restrain those who so openly rejected orderly processes of conduct, yes, and even the laws of the Country.

We entered the '60's.

We accepted luxury as a normal way of

life, and many forgot that survival requires a willingness to fight, and a fighting spirit.

Many affluent young people grew up believing that they were privileged almost to a divine degree.

Their verbal aggressions against the United States were allowed to pass, perhaps believing they would come to their senses.

Too late, we realized that students had assumed for themselves a privileged estate in society.

Actually in that decade the student population of this Country was the most uniformly affluent class in the Country, yes, perhaps in the world.

Intellectual pollution went pretty much unchecked during the 1960's. Many of our great universities gave position, status and recognition, to men who preached hate of our national way of life, and American principles.

This continues to some extent today. Hatred of the United States was subsidized, and made fashionable and glorified by the vocal radical sources in power.

This to a degree, hopefully to a lesser degree but sometimes I am not sure, exists, now, in the 1970's.

We must bring about a rebirth of Patriotism!

Nowhere in History can you find a sure formula for the success of a Nation.

The continuance of a Nation depends upon the clear vision, and the courage of its people, and the understanding of human nature.

Patriotism must be renewed in every generation!

If you believe as I believe, if you see as I see, then we must agree that we can't go on as we are and long survive. Any worsening of our internal strife, demoralization of our society, will prepare us for an easy take over by rival ideologies of the world, which are contrary to our American ways, and stand as enemies of our freedom and our civilization. We must listen to the lessons of history, or die by them.

Fortunately, we have millions of Americans in whom Patriotism still burns. All American youth has not succumbed to the mind pollution.

Youngsters have carried the burden of combat in Southeast Asia, with outstanding courage and soldierly dedication to duty.

These young men do not form the basis of our problem.

The real difficulty lies with that layer of Society which sympathizes with the hard core terrorists, and which find no fault with revolutionary talk, in fact, some seem to think it fashionable.

There are those, often affluent and well off, who profess to hate "The System", and it appears that they are waiting for the day to witness the humiliating downfall of the United States.

These are the "Anti-patriots", the indulgent and the dangerous elements, that even regard dynamite . . . planting as an acceptable form of political self expression, these permanent hybrid Americans who retain residence in our land but who reject America's value.

Our task as Patriots, is to root out the influence of this element, wherever it exists, and to separate such people from positions of power and influence.

We do have these people in our midst in considerable numbers. Dealing with them will not be easy, but it is the duty of Patriots to deal with them, and with all revolutionary sympathizers so that this Nation may long endure.

May this Bicentennial Era pick up momentum, and tempo, so that we may experience new devotion to our Country, and by 1976, assure ourselves that the "Spirit of '76" burns eternally in the breast of each of us.

In closing I again say to you, I accept this high honor that you have bestowed upon me with great humility, and pledge to you my efforts, so long as I may live, to be worthy of having been named "The Military Order of the World Wars, Bicentennial Era Patriot of 1972".

TENNESSEE HOUSE JOINT RESOLUTION SUPPORTS EXTENSION OF SOCIAL SERVICES UNDER THE SOCIAL SECURITY ACT

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the Tennessee General Assembly, in a joint resolution, recently petitioned and requested the U.S. Department of Health, Education, and Welfare to rescind and cancel its proposed revised regulations for important social services under titles I, IV–A, X, and XIV of the Social Security Act, and further, to continue present regulations as minimum guidelines for social services.

Because of the interest of my colleagues and the American people in this most important matter, I place the resolution in the RECORD herewith.

The resolution follows:

HOUSE JOINT RESOLUTION NO. 73

A resolution relative to the curtailment of social services under the Social Security Act by the Department of Health, Education and Welfare

Whereas, the revised regulations of the U.S. Department of Health, Education and Welfare under Titles I, IV–A, X, and XIV of the Social Security Act impose limitations on social services, the range of services and persons eligible for services; and

Whereas, the revised regulations effect an elimination of private donations as a source of state matching funds and establish severely restrictive income criteria for a potential recipient of the social services; and

Whereas, the proposed regulations in Titles IV–A and XIV of the Social Security Act will seriously curtail community programs offering services to the mentally retarded citizens of Tennessee; and

Whereas, such regulations establish the income criteria for eligbility of a potential receipient is an income not exceed 133⅓% of the State's public assistance payment and such payments in Tennessee are well below national poverty income level of $4,620; and

Whereas, in many counties of Tennessee, the programs under Title IV–A and XIV are the only resource to serve the retarded citizens; and

Whereas, such programs as the day care and training and adult activities for the developmentally disabled have allowed many family members with the opportunity to seek employment because of this service which provides qualified personnel to attend the needs of a retarded family member; and

Whereas, the developmentally disabled citizens of Tennessee who are now served under such programs will be forced out of training programs may be forced to seek other public assistance of either a financial nature or institutional care; and

Whereas, comprehensive social service programs have been providing an opportunity for a family to remain together while working toward goals of self-sufficiency and self-support; and

Whereas, the citizens of Tennessee have demonstrated their interest in obtaining services under these programs by raising local monies to match state dollars and the elimination of such local support for matching funds will abolish some community programs and may adversely affect the encouragement, support and responsibility which such community participation brings to the programs; and

Whereas, there are forty-four contracts for services for the developmentally disabled which are funded by seventy-five percent federal funds and twenty-five percent state and local funds; and

Whereas, the new guidelines will result in the loss of $4,098,979.43 in federal assistance; the loss of services to 2,500 clients benefiting from the programs; in unemployment for 300 persons; now, therefore,

Be it resolved by the House of Representatives of the Eighty-Eighth General Assembly of the State of Tennessee, the Senate concurring, That we request the U.S. Department of Health, Education and Welfare to rescind its proposed revised regulations under Titles I, IV–A, X and XIV of the Social Security Act and to continue its present regulations as minimum guidelines for the social services, the range of services and persons eligible for services.

Be it further resolved, That a copy of this Resolution be sent to the Secretary of Health, Education and Welfare, Caspar Weinberger, and the members of the Tennessee Congressional delegation.

FORT RILEY COMMENDED FOR CORRECTIONAL PROGRAM

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ROY. Mr. Speaker, I am pleased to call attention to the article which appeared in the Parade magazine yesterday concerning the Fort Riley rehabilitation program. I take great pride in the fact that Fort Riley is located within my district and that this program is consistent with its high standards of excellence. Army officials who developed this program deserve high praise.

I wish to commend Dr. William Lockhart of Kansas State University for his development of a high school education equivalency program which is a vital and successful contribution to this rehabilitation effort.

I believe that this rehabilitation program warrants the most serious consideration of all those interested in correction which is both compassionate and effective, and I invite, therefore, the attention of my colleagues to the article which follows:

A SUCCESSFUL PROJECT—HOW THE ARMY RETRAINS DESERTERS

(By Larry Jackson)

FORT RILEY, KANS.—At a time when the civilian prison system is under fire for its failure in rehabilitating inmates, corrections officials should take more than a passing glance at how the Army retrains prisoners here.

Take, for example, Private Ray Jones (not his real name), who deserted an Arizona missile base for three and a half years. Two years ago he sat in a stockade cell at a Southern military base facing a dishonorable discharge that could have ruined his life.

Jones never got that dishonorable discharge; the Army no longer automatically drums out "problem" soldiers. Instead, many, like Jones, are given a second chance by being sent to the Retraining Brigade at Fort Riley.

So far 24,820 "bad" soldiers have been rehabilitated here. Most have been absent without leave (AWOL), but some were murderers and drug pushers.

"AWOL was no life," says Jones, who labored on construction jobs in Knoxville, Tenn., got married and fathered a daughter while he was a deserter. "I worked during the day and stayed half awake each night waiting for the knock on the door . . ." That knock came shortly before Christmas, 1970.

HONORABLE DISCHARGES

Now he is happily employed as an Army truck mechanic and will be honorably discharged next June.

"If they hadn't put me through the program at Fort Riley I don't know where I would be now," said Jones. "If I were on the street with a bad discharge, chances are I'd be unemployed With a wife, child and another child on the way I'd probably have turned to no good. The Army gave me more than a fair shake, my friend."

Of the soldiers who have gone through the program, almost 60 percent have received honorable discharges or are now serving honorably.

Not all were originally sentenced to dishonorable discharges. Most were in a stockade for a short sentence and under the old Army system would have been sent back to duty when they completed their sentences. "But only to run afoul of military regulations again," says Col. E. L. King, commander of the Retraining Brigade.

He cited statistics showing that AWOL's generally have chronic problems they can't cope with. "The man has a problem at home, a financial burden or simply feels he can't adjust to the Army. Instead of facing up to his problems, he runs.

CLASSIC UNDERACHIEVERS

"A computer profile of AWOL's shows most are classic underachievers. They were failures in school or on the job. Many probably never finished anything in their lives. Our whole theory is to give our men a chance to be successful at something."

Their first chance for success is in a five-week basic training program during which they are confined in a barbedwire enclosure, much the same as a stockade. But the similarity ends there.

The men do not wear stockade garb; they march, attend classes and do calisthenics as they would at any basic training camp.

They even handle weapons. "I guess we are the only correctional facility in the world where the prisoners have guns and the guards don't," says Maj. William Newman, brigade executive officer. "But I guess we're unusual."

If the trainee (the Army avoids the term "prisoner") finishes the five-week program, he goes on to advanced basic training or on-the-job training in a military occupation. Intensive counseling is employed, with psychologists, chaplains and lawyers all trying to help.

SOLVE OWN PROBLEMS

"Don't get this program wrong," says King, "we don't solve the problem for the man. He has to do that for himself. We try to let him see for himself there are alternatives to going over the hill. There is a way for him to solve his problem by staying within the system."

Education plays a vital role because more than 80 percent of the trainees have not finished high school. Many of them—about 400 in 1972—received high school equivalency certificates at Riley and some even took college courses.

The equivalency courses have been so successful that some junior colleges and public school districts around the country have copied them. The secret, according to Dr. William Lockhart, the Kansas State University professor who developed the program, is a diagnostic test that checks 84 educational development areas. The computer readout shows each man's strengths and weaknesses.

The Fort Riley rehabilitation program is not without its failures, however. Last year more than 500 soldiers at Riley were thrown out of the Army because they were "unfit or unsuitable," says King. "The bulk of these were recalcitrant and would not adopt to the retraining regimen."

"No program can be 100 percent successful," says Maj. Gen. Lloyd B. Ramsey, Army Provost Marshal General, who heads the Army corrections system. "There are always going to be failures."

The most significant failures are the men who successfully complete the program and appear to be rehabilitated, but run into further trouble after they are reassigned to a regular Army unit. Ramsey feels many of the relapses are caused by the reluctance of some unit officers to accept a man as a rehabilitated soldier. Instead they harass him to the point where he goes AWOL again or breaks some other rule.

"We are always trying to educate our officers and non-commissioned officers that these men deserve a chance," Ramsey says. "But we are dealing with human beings and human prejudices."

Although some military men have not accepted the program, civilian corrections officials are generally enthusiastic.

NO LONG-TERM SENTENCES

Robert N. Woodson, director of the Kansas Department of Corrections, feels the program is "terrific, because there are no long-term sentences, which are detrimental to most prisoners. If you went through a traffic light and were sent to prison instead of being fined, you'd feel bitter. A man sent to jail for five years for burglary feels the same way."

Says George Bohlinger, warden of the Massachusetts Correctional Facility at Norfolk, Mass., and former director of the Institute for Correctional Administration at American University in Washington, D.C.:

"I wish we could do some of the things they are doing at Fort Riley in its short-term rehabilitation of prisoners. The civilian courts should follow the Army's model of quick restoration to the community. We'd love to run civilian prisons like that."

BROADCAST LICENSE RENEWAL

HON. HAROLD R. COLLIER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. COLLIER. Mr. Speaker, H.R. 2657, which I introduced on January 23, 1973, would, if enacted into law, amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses. Section 309(a) of the act would be amended by adding the following after the final sentence thereof:

> Notwithstanding any other provision of the Act, the Commission, in acting upon any application for renewal of license filed under section 308, may not consider the application of any other person for the facilities for which renewal is sought. If the Commission finds that the public interest, convenience, and necessity would be served thereby, it shall grant the renewal application. If the Commission determines after hearing that a grant of the application of a renewal applicant would not be in the public interest, convenience and necessity, it may deny such application, and applications for construction permits by other parties may then be accepted, pursuant to section 308, for the broadcast service previously licensed to the renewal applicant whose renewal was denied.

Enactment of H.R. 2657, or similar legislation pending before the Committee on Interstate and Foreign Commerce, would help members of the broadcasting industry to continue to improve the quality and scope of their service to their audiences. The commitment that they make goes beyond the 3-year period of their license, inasmuch as they have invested tremendous sums of money to acquire equipment and buildings and to hire well-qualified personnel.

While passage of my bill would go a long way toward establishing stability in the industry, it would by no means prevent anyone from contesting a station's license renewal. H.R. 2657 would merely prevent consideration of applications to take over a facility until after its license has been denied, if it is denied. There would be no limitation on the right of anyone to file in opposition to renewal of a license.

If the measure which I have introduced becomes law, broadcasting licenses would still have to be renewed every 3 years, but the station that has done a good job of serving the public interest would have nothing to worry about. On the other hand, one that had not performed creditably would have its license terminated. Broadcasters would still have to be on their toes.

Mr. Speaker, I hope legislation dealing with this important matter will soon reach the floor for action.

HISTORY SURROUNDS US

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. McKINNEY. Mr. Speaker, as we stand in this Chamber planning the future of the Nation, we all to often ignore the fact that we are conducting our business amid a setting steeped in history. I do not think that I have to go into any details of how this building, the U.S. Capitol, has stood as a symbol of working democracy since its cornerstone was laid back in 1793, but I do feel that the time has come when this history should be rediscovered.

During the past few years, the Architect of the Capitol, and the Congress itself have been seeking solutions to the problem of what to do with the West Front. Though I strongly share the concern over the fate of this portion of the building, I feel that this issue has diverted our attention away from other areas of the building.

In less than 3 years, this Nation will celebrate its 200th birthday, and in so doing, will be looking back on its history as a guide for directions to take in the future. The problem is, many millions of our citizens will arrive in Washington and proceed to Capitol Hill only to be greeted by a building, that though historical, fails to reflect that history as might be expected. I know that it has been quite necessary to adapt our Capitol over the years to accommodate a growing and expanded legislature, but I also think that the time has come when the true history of this building should be recognized.

I hope that many of my colleagues will agree with me when I ask that we broaden our scope of concern for this building. The West Front is an issue which will take years to resolve, the history I speak of is staring us in the face, I can see no reason why every effort cannot be made to tap this resource and make it available to the people before 1976. Perhaps my argument is given greater emphasis in a letter which Mr. Ronald Roloff of this city recently forwarded to The Washington Post. Though I cannot wholly agree with Mr. Roloff's comments on the West Front, I do think that he has captured the very essence of what could be done with this building.

Mr. Roloff's letter follows:

A PLAN FOR HISTORICAL RECONSTRUCTION OF THE CAPITOL

In general I agree with the position assumed in the March 4 editorial about extension of the west front of the Capitol ("An Addition That Doesn't Add Up"). I continue to lament, however, that in all discussions of this kind there seems to be a sad lack of distinction between what is historical and what is merely antique. I do not believe that every stone of the west front must be preserved precisely in its present external location simply because it has been there since 1825 or thereabouts. It seems to me that in that marvelous old crypt, the small rotunda near it, the winding stairs leading off amid those ancient stone walls, we have a goodly representation of the antique, with all its flavor. With such things happily preserved, I cannot become very excited about the preservation of some walls that are obviously of cheap construction and must sooner or later be replaced in some way.

What does disturb me is that there is so little in the Capitol that is identifiably historical. The old House chamber is now Statuary Hall, a mixtum confusum of various sculptures which doubtless impress the tourist but which obscure the fact that this was the House of Representatives during the first 50 years of the Republic. The old Senate chamber is not open to the public, and the last picture I saw of it showed a layout of card tables and folding chairs put up for a meeting of some kind. And where is the courtroom in which John Marshall and his associates built the law of the nation? It is somewhere in the building, but lost both to sight and to concern.

Since something of some kind must be done to the west front, practical men will come up with suggestions for additional meeting rooms or tourist lounges as useful adjuncts to the work. It seems to me that Congress would do itself great credit if instead of arguing such proposals it would approve the following plan. (1) From the level of Olmstead's great promenade up, simply restore the west front as it is. (2) On the ground level, below the top of the promenade, extend the building out all the way to the great staircases rising from the Mall level. On one side create a new Statuary Hall. (Let the architects use their imagination on that kind of project—something suitable for fifty separate states instead of the present melange which dignifies no one.) On the other side create space for whoever occupies the old Senate chamber and the old chambers of the Supreme Court before 1859.

Then have the Capitol Historical Society go to work. Go over to the National Portrait Gallery and get Samuel F. B. Morse's 1822 painting of the House of Representatives. Follow it exactly. The Smithsonian has some of the old desks and chairs. Duplicate them. Rebuild the gallery in the old Senate chamber. Get Henry Clay's desk from the Smithsonian and put it where it belongs. Let someone use his imagination on how the Supreme Court might have looked in 1830. Then we can take our tourists and even our congressmen and say to them: This is where Webster stood when he replied to Haynes. This is where Calhoun sat when he was Vice President. This is the bench from which Marshall and Taney presided. This is the chamber in which Thomas Jefferson was chosen president over Aaron Burr. These spaces are all there today; but they are literally trampled underfoot because they are not identified. Best of all, none of these spaces is presently used for anything that cannot find an equally adequate home somewhere else. I venture to suggest that after these areas are restored they will be pounced upon by various House or Senate committees and put to practical as well as historical use.

At a time when Congress is trying to find its identity in the face of growing executive influence, it seems to me that such a plan of historical reconstruction might serve not only to coalesce divergent interests and bring a happy solution to our building problem, but would serve to renew the faith of Congress in itself. The White House has its historical atmosphere continually renewed; even the State Department has embarked on an historical renovation that has dubious roots. Perhaps if Congress could restore its historical perspective it might revive its own self-awareness. In any case, we would have a Capitol where we could say. This happened here, and show the very spot. Such a program would transcend unless argument over whether or not this particular piece of granite must be preserved, and would enhance the national heritage of all Americans.

RONALD W. ROLOFF.

CACHE RIVER EULOGY

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. STEIGER of Wisconsin. Mr. Speaker, a considerable number of my constituents are concerned about the environmental implications of the U.S. Army Corps of Engineers' Cache River-Bayou DeView flood control project in Arkansas.

The Cache River Basin is regarded by many to be an irreplaceable element of the lower-Mississippi flyway. The basin's wetlands are reputed to be the most important wintering area for mallards and other waterfowl in North America. Andrew Hulsey, director of the Arkansas Game and Fish Commission, fixes the average winter mallard flock at approximately 500,000 birds. Other knowledgeable estimates range even higher.

It is feared that the corps' flood control project will destroy a considerable portion of the basin's wetland habitat. The future of the mallard and other waterfowl dependent on those wetlands is questionable unless the project is stopped or proper mitigation measures are undertaken.

Few in Wisconsin have been more dedicated to wetland preservation than Frank A. Zuern, principal of the Smith Elementary School in Oshkosh, Wis. He and representatives of the fifth grade at Smith school met with me to discuss the Cache River project. The students demonstrated sincere and knowledgeable concern about the implications of the project. I think Mr. Zuern and his students are to be commended.

I would like to submit for my colleagues consideration Mr. Zuern's thoughtful poem "Cache River Eulogy."

The poem follows:

CACHE RIVER EULOGY

(By Frank Arthur Zuern)

In the Arkansas air and the water so still
Listen!
Cache River and Bayou De View,
Hear the thrill of whistling wings in the gray morning chill!

I have not seen you
Nor shall I ever,
Nor will our children, nor theirs . . .
O free and wild-flowing river!

Now visionless minds
Cause the clanking machines
To dig at the bowels of the river,
Tearing its guts and spewing them out . . .
I watch . . . and I pray . . . and I quiver. . . .

While
Men's greedy eyes
Bulged with money they prize,
Their hearts their tongues beguiled:
"Who will trade cash for a river or two?"
"We will."

Generations shall come
And men will ask:
"Home did this blasphemy come to pass?"
Tell them: stupidity
By some men
In the bureaucracy
Of the democracy ground us up and spit us out . . .
Like crushed claim and crippled crayfish
Upon the spoil bank . . .
And while they stank . . .
Some "men" crawled away. . . .

Others decried the men
who caused the Corps' machines to clank and to yank
the bottom out of the rivers,
burying the graveled bars far from
the cool, rippling waters and the pulsing fins. . . .
that since ancient times propelled bodies
anxious with eggs and sperm,
  seeking that life-sustaining stone,
  only to find it buried. . . .
    and gone . . .

I hear America someday say:
  "Where were you
    and what did you do
    when they guttered the Cache
    and the Bayou De View?"

Yes!
I hear America someday say:
"Where were you and what did you do
when your leaders led you astray?"
turned their ear away
to hurry. . . . to bury. . . .
a river. . . . today . . .

In the Arkansas air and the water so still
Listen!
Cache River and Bayou De View,
Hear no thrill
of whistling wings in the gray morning chill!

OLDER AMERICANS ACT

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RAILSBACK. Mr. Speaker, everyone recognizes that senior citizens face some very real problems today. Nearly one-quarter of them have incomes which fall below the poverty level. The spiraling cost-of-living touches every aspect of their lives, and places an extremely heavy burden upon those who must depend on a fixed income. Health costs have soared nearly 175 percent in the past 19 years, which makes it difficult for most senior citizens to afford adequate medical care. Many older persons cannot drive, and public transportation is often difficult or too expensive. Housing is hard to find and even harder to maintain. And, it is depressing to note how many senior citizens face the tragic possibility of being instutionalized because they can no longer take care of themselves.

Therefore, it was of some encouragement that last Tuesday, the House of Representatives—with my full support—passed the Older Americans Act Amendments. I would like to take just a few moments to reflect upon the importance of this and other legislation for senior citizens.

From the very beginning of the Older Americans Act in 1965, its program has encompassed numerous services of great benefit to older Americans: transportation, nutrition, health, recreation, aid to the handicapped, and various means to prevent institutionalization. For example, the act in 1972 funded 300 projects to foster independent living; 428 transportation projects; 337 health related projects; 623 senior citizens centers; 21 model projects; 37 research and demonstration projects; 38 career training projects; 135 foster grandparent projects; nearly 600 Retired Senior Volunteer Program projects; and provided at least 60,000 senior citizens with meals. Surely such projects deserve our continued support.

After discussing the many problems of the aged with various senior citizens groups in my congressional district in Illinois, it became clear to me that we must not only fully support the Older Americans Act, but other legislation to assure those who contributed so much to our society that they will share in its fruits. It is for this reason that I have already introduced legislation this session to assist senior citizens with prescription drug costs and another bill that provides reduced airfares for them. In addition, within the next few weeks, I will be sponsoring legislation to provide property tax relief to senior citizens. We must remain dedicated to our older Americans.

FOOD PRICE PROTEST GROUPS IN 23 CITIES ENDORSE FIVE NATIONAL GOALS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ROSENTHAL. Mr. Speaker, the American consumer is now confronted by a national food price emergency. Food prices today in many major commodity areas—particularly meat—are the highest in our history. No amount of rhetoric by apologists for the food industry and no statistical sleight of hand and assurances of normalcy by the administration in Washington can alter the fact that millions of housewives can no longer feed their families three nutritious meals, 7 days a week.

The incredibly high price of food and the failure of the Federal Government to deal with the problem are a classic and tragic example of the powerlessness of consumers in the marketplace and before the Government.

As a reaction to skyrocketing meat and other food prices, consumers across our Nation are now engaged in boycotts and other direct action to bring prices down—and the ranks of the protesters are growing even more quickly than the price of food.

Consumers want to know why retail food prices in January increased by 2.7 percent—the largest increase since the Government began keeping records in 1947.

They want to know why, during the past year, wholesale prices for cattle are up 27 percent; flour up 37 percent; broilers up 52 percent; hogs up 66 percent; wheat up 64 percent; and eggs up 71 percent.

They want to know why, for the past 4 years, the Nixon administration's principal response to the food price dilemma has been the application of public relations gestures rather than effective action.

They want to know why previous national administrations have mismanaged the Nation's food marketing system.

They want to know why their representatives in Congress have failed to deal with the emergency.

Most of all, they demand to know when it will all end.

It is the view of many of the ad hoc groups protesting high prices across the country—and my own—that a long-term solution to the food price dilemma will never be achieved until government undertakes a major reform of the Nation's entire food-marketing system. It is an archaic and frequently inefficient system which permits economic concentration in key segments of the food industry—such as in meat packing and breakfast cereals. It is a system which avoids applying to the meat industry, the same antitrust policies that are applied to the economy at large. The now-defunct National Commission on Food Marketing, established by President Johnson in 1964 to investigate food costs, strongly recommended adjustments in the food-marketing system to meet new conditions as they arise. Unfortunately, these adjustments have not taken place. Nor have the many excellent recommendations of the Commission been implemented—thus, we find ourselves faced with a crisis in food prices unprecedented in our history.

It is also the opinion of these activist groups around the country that their protests at a local level will be taken seriously and translated into effective Federal action only if their movement has a national focus and rallies around a set of national goals and objectives. It was, in my view, the absence of such a national program that prevented the otherwise successful food boycotts in 1966 from having a lasting effect.

Accordingly, I am announcing today, that a large number of groups around the country protesting high meat and food prices—listed on the attached sheet—have endorsed the following five-point program of national goals:

First. A consumer boycott of all meat meat products—that is, beef and pork—during the first week in April—with additional boycotts thereafter, if the 1-week boycott does not achieve its desired result.

This first goal is directed toward lessening dramatically the demand for meat and thus, its price. While many other food commodities are unreasonably high in price, meat purchases represent 25 percent of the consumers' food dollar. It is our hope and expectation that if we can drive down the cost of meat—other commodity producers will get the message.

Second. An immediate freeze on meat prices at December 1972 price levels, when the average U.S. retail price for choice beef was 8 percent less than it is today.

A freeze on the price of meat at present levels is unacceptable because it would merely continue the hardship now being experienced by millions of families. Those who oppose a freeze on meat prices argue that such a plan would require meat rationing. But millions of consumers are already being forced to ration their purchasers of meat because of high prices. Frankly, even if a freeze did result in rationing, I believe that consumers would rather eat rationed quantities of meat at reasonable prices than little or no meat because of outrageously high prices.

Third. The establishment of a special congressional committee to investigate all matters pertaining to the cost of food and to make specific recommendations to Congress and the President for long-range solutions to high food costs.

We are convinced that there is a permanent solution to the food-price dilemma which will result, at one and the same time, in an abundant food supply at reasonable prices to consumers and a fair rate of return on invested capital to farmers. While the National Commission on Food Marketing studied this situation in 1965, their findings, conclusions, and recommendations require updating and, most importantly, implementation. A special congressional committee holds out the best chance at having needed reforms implemented by immediate legislative and administrative action.

Fourth. The repeal of the Meat Import Quota Act so as to permit foreign suppliers of lean beef to increase their production and importation into this country.

While the administration has suspended the Meat Import Quota Act for this year, foreign beef producers fear that these suspensions can be terminated at will and hence they refuse to increase their production of beef. The tragedy here is that lean imported beef is used in the production of hamburger meat, hot dogs, and sausage products which are consumed in large quantities by low-income people. Today in New York City, the price for a pound of hamburger meat averages around 99 cents a pound and hot dogs 97 cents a pound. These high prices make it difficult, if not impossible, for low income families to purchase what are ordinarily regarded as the lowest cost meat products available.

Fifth. A temporary suspension or restriction on the exportation from the United States of food commodities that are scarce here—so that excessive sales abroad will no longer increase the price of food to the American consumer.

According to Department of Agriculture projections, the United States will export in 1973 $1 billion—farm value—worth of meat to foreign nations and $4.7 billion farm value—in grain. The United States-Soviet grain deal and similar sales abroad represent a significant portion of the recent price increases in meat, milk, and bakery products. The ability of our producers to sell large quantities of commodities abroad, must necessarily increase prices here and will diminish the effect of boycott activities.

Mr. Speaker, these are our goals. We believe them to be fair and responsible. We know they are essential if American families are to be able to put food on their dinner tables once again. It is our hope that the buyers boycott of meat during the first week in April will provide the catalyst for Government and the food industry to take immediate and effective action in behalf of America's 210 million consumers. We hope that all consumers will join in this vital effort. If the Government and the food industry are not made to realize now by these actions that something must be done, then the American food shopper faces a bleak and dreary future.

The above-mentioned material follows:

THE FOLLOWING CONSUMER GROUPS HAVE ENDORSED THE 5 POINT SET OF NATIONAL GOALS

Lynn Jordan, Virginia Citizens Consumer Council, Springfield, Va. (703) 451–0707.

Judy Braiman, Consumer Association of New York, 109 Heather Drive, Rochester, N.Y., 14625 (716) 381–5958.

Mrs. Alberta Slavin, Housewives Elect Lower Prices, 631 E. Polo Drive, Clayton, Mo., 63105 (314) 535–4900.

Mrs. Valerie Simonian, Until Prices Drop, 164 Manchester Road, River Edge, N.J., 07661 (201) 261–1064.

Mrs. Judy Kowalik, Newburgh, N.Y. Housewives Against High Meat Prices, 46 Courtney Avenue, Newburgh, N.Y., 12550 (914) 561-0643.

Mrs. Rose West, Denver Housewives Against High Food Prices, 8361 E. Lehigh Drive, Denver, Colo., 80237 (303) 771–3529.

Dr. Alice Matthews, Jackson County North Carolina Women United Against Inflation, P.O. Box 92, Cullowhee, N.C. (704) 293–5663.

Mrs. Dianne Fulman, Save Cash Reduce Immediately Meat Prices, 2064 Main Street, Concord, Mass., 01742 (617) 369–1884.

Mrs. Juanita Williams, Ladies Against Meat Prices, East 29 14th Avenue, Spokane, Wash. 99202 (509) 838–5316.

Mrs. Sheri Weiler, Committee of Husbands and Wives for Lower Food Prices, Drummond Island, Mich. 49726 (906) 493–5394 or 493–5282.

Mr. Max Weiner, Philadelphia Consumer Education and Protective Association, Inc., 6048 Ogontz Avenue, Philadelphia, Pa. 19141 (215) 424–1441.

Mrs. Eve Widdows, Director, City of Yonkers Consumer Protection Office, Room 316, City Hall, Yonkers, N.Y. 10701 (914) 963–3980 ext. 359.

Mrs. Roberta Jellinek, Bowie Maryland Housewives Against High Food Prices, 12321 Chalford Lane, Bowie, Md. 20715 (301) 262–1280.

Rosemary Pooler, Director, Syracuse Consumer Affairs Office, Room 420, City Hall, Syracuse, N.Y. 13202 (315) 473–3240.

Mrs. Marian Furman, Pennsylvania League for Consumer Protection, 127 Locust Street, Harrisburg, Pa. 17101 (717) 233–5704.

Agnes Bryant, Coordinator, Consumer Research Advisory Council of Detroit, United Community Services Building, 51 West Warren, Detroit, Mich. 48201 (313) 826–1222.

Mrs. Rita Collins, Wisconsin Consumers League, P.O. Box 146, Greendale, Wis. 53129 (141) 271–5180.

Mrs. Diana Iredell, Maryland Citizens Consumer Council, 6005 84th Avenue, New Carrollton, Md. 20784, (301) 577-6526.

Shirley Goldinger, President, Consumer's Federation of California, 621 South Virgil Avenue, Los Angeles, Calif. 90005, (213) 388-7676 or 879–0154.

Mrs. J. Edward Jones, Texas Consumer Association, 7810 Baneway Drive, Houston, Tex. 77072, (713) 498-8236.

Mr. Don Elberson, Director, Consumer Assembly of Greater New York, 465 Grant Street, New York, N.Y., (212) 673–3900.

Florence Rice, Harlem Consumer Education Council, 1959 Madison Avenue, New York, N.Y., (212) 926–5300.

Councilwoman Linda Winikow, Town of Ramapo Consumer Protection Board, Town Hall Route 59, Suffern, N.Y., 10901.

Victor Gotbaum, President, Civil Service Employees Association, District Council 37, 377 Broadway, New York, N.Y. 10013.

EDUCATION: A LESSON FROM THE OZARKS

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. TAYLOR of Missouri. Mr. Speaker, for the enlightenment of my colleagues, I would like to direct their attention to a front page article of the March 15 Wall Street Journal, entitled "Hard Work U." The feature investigates the School of the Ozarks at Point Lookout, Mo.

I am proud to relate that this institution is located within my district, and that I have been afforded the opportunity and the pleasure of visiting its campus several times. On each occasion, I have been impressed that thrift and hard work are the driving forces of that school which is a beacon of learning to our hills.

Since its founding in 1906, by a Presbyterian preacher, the school has enjoyed continuing growth in its academic standards and physical facilities. This progress resulted from the efforts of individuals committed to the school's tradition of industry, not from the largess of the Federal Treasury.

Students earn their keep by working 4 hours daily after classes and between trimesters in profitmaking campus industries, including an airport, farms, summer theater, candy kitchen, taxidermy shop, and restaurant. They also help build dormitories and classrooms. If students shirk their chores, they flunk out.

The Seventh District is honored to have an academic community that teaches the virtue of labor, and has earned a national reputation for its spirit of enterprise. The article follows:

HARD WORK U.: AT SCHOOL OF OZARKS, THE STUDENTS FLUNK OUT IF THEY SHIRK CHORES; YOUTHS BUTCHER, MOP, BUILD AT TUITION-FREE COLLEGE; GRADES ARE IMPORTANT, TOO—SENIOR: "A SUPER NEAT PLACE"

(By Richard Martin)

POINT LOOKOUT, MO.—"Work is love made visible," says an old bronze plaque on the campus.

And they really seem to believe that here at the School of the Ozarks, one of the most unusual little liberal-arts colleges in the country.

Commitment to the good-old-fashioned work ethic, in fact, runs so deep here that honest toil is an integral part of the curriculum. Students don't pay room, board or tuition here, they work their way through college doing everything from typing tests and mopping floors to driving bulldozers, butchering hogs and selling orchids—and those who shirk their assigned campus jobs flunk out.

The college is an educational anachronism in some respects: It's a bastion of short hair, strict parietal rules and compulsory chapel twice a week; it's a place where the whole faculty teaches and good grades are important. But it's noteworthy in other ways, too: It's innovative and imaginative when it comes to finances and fund-raising; it's a pioneer at supplementing liberal-arts studies with practical vocational skills.

"The School of the Ozarks represents an idea whose time has come," says William W. Gordon, executive vice president of the Council for Financial Aid to Education Inc., a New York nonprofit organization set up to encourage contributions to higher education. "Integrating more occupational education with the liberal arts is an important new trend in higher education, and one that has been too long in coming."

"TREMENDOUSLY IMPRESSED"

On a recent visit to the school, "I sat in on some classes, and I was quite impressed," Mr. Gordon says. "The level of teaching isn't up to Stanford or Harvard or the University of Chicago, of course, but it is pretty good, and it's right up to date. I think they ought to throw off some of their parochialism and draw students from a wider area, but overall I'm tremendously impressed with the place."

School of the Ozarks, founded by a Presbyterian preacher in 1906, originally was a free boarding school where hillbilly youngsters came to learn to read and write and earned their keep by doing the chores and raising their own food. It evolved into a junior college by 1956, switched to a four-year curriculum in 1964 and became a fully accredited liberal-arts college in 1969.

But students still earn their keep, working four hours daily after classes during the 42-week school year and working full 40-hour weeks between trimesters during three of their 10 weeks off. That's a total of 960 hours a year. They earn credit, not cash, at a rate of $1.60 an hour, which means they work off 28 percent of the $5,374-a-year cost of housing and educating them.

Supervised by a small full-time staff, students still do most of the chores and produce their own meat and dairy products. They also build dormitories and classrooms and run a score of profit-making "campus industries," including an airport, farm, summer theater, candy kitchen, taxidermy shop and restaurant.

A TOURIST ATTRACTION

The school sits on a bluff above Lake Taneycomo in the scenic southwest corner of Missouri, and it's a minor tourist attraction. There's a big neon sign advertising the school on Highway 65, a miniature train to haul tourists around the 900-acre campus and a student-run gift shop selling fudge, fruitcakes, jams, candles, pottery, quilts and $100 nativity sets produced by the campus industries.

About 80 percent of the 1,074 students still come from the Ozark hills along the Missouri-Arkansas border, mostly from hardscrabble farms and towns with names like Blue Eye, Oscar and Owls Bend. The bulk of the other 20 percent are from rural areas of adjacent states. Most were B students in high school. They are admitted largely on the basis of need, and about three out of four applicants are turned away. In a survey of this year's incoming freshmen, 91 percent said they chose the school because they couldn't afford to go anywhere else. Only 30 percent said their family income was over $7,500, and just 17 percent said it was over $9,000.

They look and act and talk pretty much like college students anywhere. They have the usual array of pictures and campus heroes like W. C. Fields and Gloria Steinem in their cluttered dormitory rooms, and they have the usual gripes about food, faculty and administration. A few chafe openly at some of the rules (no beards, "tasteful" attire, 11 p.m. weeknight curfew, and 1 a.m. weekends, no smoking except in the dorms and the student union), but they abide by them. Students' cars are kept off campus in a fenced lot that's open on weekends and reluctantly unlocked weeknights for those with outside jobs.

"I LIKE IT HERE"

The isolation bothers some, A little cafe in a gas station across the highway from the main gate is the closest thing to an off-campus hangout. It's two miles to a bowling alley; six miles to a movie, dance hall or beer joint. The nearest city of any size is Springfield, 40 miles away. (But in nearby Branson, Alexander's drugstore still sells five-cent double-dip ice cream cones and 10-cent sundaes.) There isn't much to do on campus, besides work and study. Except for occasional old movies, guest lecturers and cultural offerings like the Memphis State String Quartet and Jose Greco's troupe, the main diversions are swimming, handball, tennis and pool.

Nevertheless, most students seem content. "I like it here," says Mike Friend, a freshman business major. "I didn't want to graduate from college with a big debt hanging over my head." Betty Jo Biggs, a senior psychology major, calls it "a super neat place to go to school." She adds: "I'm even glad we've got a dress code when I go somewhere else and see all the freaky looking guys with long hair and beards and the girls wearing curlers."

"Students dislike the stigma of going to a school for poor kids, even if they are poor," says Maxine Trimble, associate dean of students. "I think most of them really do love the school. It isn't wall-to-wall Camelot, but it's a nice place. I don't think they're ungrateful for the opportunity to be here."

It's a good think they aren't. "Ingratitude is one thing that absolutely outrages me," declares M. Graham Clark, the crusty, authoritarian, 64-year-old president of School of the Ozarks. He left a $40,000 job as an Atlanta insurance executive in 1946 for a $3,000 job as vice president of the school, and he has been here ever since.

He became president in 1952, and he gets most of the credit for transforming a seedy, second-rate high school into a burgeoning little college. He did it by traveling tirelessly to raise funds while running the school almost singlehandedly. He once crawled out from under a road grader he was repairing to greet a lawyer from a foundation. "That turned out to be worth about $500,000 to us," recalls Mr. Clark. "He'd never seen a college president working before."

He's an effusive gladhander and speechmaker, with a hill country joke or a Bible quotation for every occasion. He's also a tough administrator, who has two-way radios as well as telephones in his car and at his bedside to keep him in constant touch with every corner of the campus. The vice presidents call him "Godfather." ("Some guys around here won't even start a truck without an okay from him," says one.) "Sure I'm a dictator," drawls Mr. Clark. "But I'm a benevolent one."

He's paid $26,000 a year as president, less than some of the vice presidents make. "But I also have some wonderful fringe benefits, like free milk from our fine dairy and getting to travel all over the world to tell people about School of the Ozarks," he says.

Like many other private colleges and universities, the school is in deficit right now, borrowing from banks to pay current operating costs. The deficit was $451,000 last year. The school has assets of $24 million, though, including some 870 scattered areas of nearby farmlands, pastures and woods, and some common stocks that could be sold if the pinch gets too tight. "Right now we're better off holding those investments and borrowing at the prime rate," says Mr. Clark. "We obviously can't continue to operate this way indefinitely, but I'm convinced that God will provide."

He's also convinced that the Lord helps those who help themselves, judging from the magnitude of the school's fund-raising activities—an unceasing and highly successful campaign of personal entreaties backed by blizzards of direct-mail appeals. Individual contributors' cash gifts, bequests and private trust funds brought the school $2.4 million in cash last year, or two-thirds of its entire cash income. (Of the remaining $1.2 million, the school's $7.5 million endowment brought in $293,000 cash, campus industries netted $540,000, federal grants totaled $270,000 and foundations gave $82,000.)

Some 60,000 visitors last year trooped through the school's gift shop and museum or went to plays in the summer theater or heard concerts on the massive old Wurlitzer theater organ in the auditorium, and many of those visitors gave money to the school. "There's a 50–50 chance that anybody who visits this place will become a contributor," figures John P. Knox Jr., vice president for development, "especially people who grew up during the Depression and had to claw their way up. They come here and immediately identify with what we're doing and see the merit of it."

School officials say they never turn down a gift. "We'll take anything from flowers to broken down jalopies," says Mr. Knox. A retired orchid raiser gave them four greenhouses full of rare orchid plants last year. A milling executive has just built a replica of an 1850 water mill that's selling stone-ground corn meal to visitors and to bakeries in Little Rock and Springfield. The sprawling, three-story museum overflows with relics, artifacts and collections of things ranging from apothecary jars to vaudeville props, all given by hundreds of individuals.

"We'll build a school of horticulture complex around the orchid greenhouses and sell blooms," says Mr. Knox. "The orchids will attract people, just as the mill and museum do. These things all draw people of varied interests and keep them coming back."

Mr. Clark's physician gave the school its first plane seven years ago when Mr. Clark was driving a car 72,000 miles a year "selling the gospel of the School of the Ozarks." That led to a dozen more planes and a small campus airport that pumps 100,000 gallons of gas a year, has 3,000 takeoffs and landings a month during tourist season and offers flying lessons, rentals, charters and air-taxi service.

Corporate donors send the school vitamins, toothbrushes, mouthwash, foodstuffs and pharmaceuticals. Used clothing from church groups and sample merchandise and seconds from shoe companies and apparel makers come into the campus thrift shop, which sold or gave away 22,000 items to students last year, including 1,568 pairs of J. C. Penney display shoes that sold for $1 to $3 and some shopworn wedding gowns from an Iowa store that went for $3 each.

School officials are avid bargain hunters. "I've never seen anyone stretch dollars like they do; nothing is wasted," says Mr. Gordon of the Council for Financial Aid to Education. About 75% of the school's equipment, everything from lights and file cabinets to motorscooters and cement mixers, comes from government surplus sales. One end of the campus is a junkyard of trucks, busses and heavy machinery being cannibalized to keep generators, dredges and other equipment running.

Students in the machine shop built the campus fire engine last year. Students in the construction shops, aided and supervised by 50 staff tradesmen, are building a $1.1 million student union, a $1 million science building, a $135,000 horticulture building and a new museum wing. "It takes us longer, but we can pretty well count on a 25% saving on construction costs," says William D. Todd, vice president and dean of administration. He says the union will take two years to build, "twice as long as it would take an outside contractor."

"People who come here and see these things are impressed, and they're going to remember that they can get more for their dollars here than they can by giving them somewhere else," says Mr. Knox, who worked out what may be the ultimate in money stretching in arranging financing for the new student union.

He took $250,000 that alumni had raised for the $1.1 million building and invested it in bonds paying 7% interest. The government will pay two-thirds of the 9% interest costs on the $1.1 million bank loan under a Housing and Urban Development Department program. Income from a 500-seat public restaurant, a 12-unit motel and a bowling alley in the new union is expected to pay off the loan over a 20-year period, leaving the school with the alumni's original $250,000 still intact.

Campus industries that can't at least come close to covering the costs of employing students don't last long. A cannery and a sawmill were closed years ago, and the furniture factory no longer makes furniture—it refinishes pieces for dormitories and offices and makes walnut gun racks, picture frames and footrests instead.

"We used to be a big maker of church pews and other furniture for churches," says Mel

Walker, the manager. "But we finally swore off that business. Churches just aren't the world's best customers when it comes time to pay their bills."

The school is getting into the stained-glass business now. A banker who foreclosed on a stained-glass company in St. Joseph, Mo., "called me one day and asked if I'd like to have the inventory of glass and lead," President Clark explains. "He'd heard me talk somewhere, and he thought we could use it for a student industry." Pointing out a colorful grouping of stained-glass fish on a bookshelf in his office, he adds: "Some nut offered me $200 for that thing the other day. Why it's nothing but a few pieces of glass, a little bit of lead and some good imagination. We could sell a lot of little things like that in our gift shop."

The school offers majors in 22 academic fields. An accreditation committee of the North Central Association of Colleges and Secondary Schools, in April 1971, found "a lack of academic excitement" here, but said: "The faculty is generally competent, in some cases outstanding." There are 30 faculty members who have PhDs; the other 37 have master's degrees.

Nearly all faculty members carry 12-hour teaching loads, heavier than loads on most campuses. Most teach all three trimesters a year. Salaries range from $7,600 to $18,300.

There's a fat file of applicants for faculty jobs. "We've got a whole student body here that's well motivated and willing to work hard; you don't find students like that in a lot of schools," says Bob Hendrickson, chairman of the six-men English department. "I worked all during junior high and high school growing up in Tulsa, and I worked 40 hours a week to get through college, so I feel I can understand these kids' feelings and relate well to them," adds Mr. Hendrickson.

David B. Oliver, 30-year-old chairman of the two-man sociology department and a specialist on problems of the aging, turned down recent job offers "for considerably more money" from two big state universities and an Ivy League school. "I can do my research here and still have the contact with students that I like," he says. "Of course, people also like it here because it's not only a good place to teach other kids, it's a good place to raise your own."

The academic program is gradually becoming more vocationally oriented. "I don't want to see us throw out the true liberal-arts program, but getting a job nowadays with only a liberal-arts education gets to be a problem," says Mr. Clark. "When a student leaves here we want him to feel confident that there's a job waiting for him out there."

He says he'd like to "offer a degree in aviation-airframe-and-power-plant, mechanics, and I'd like to turn out real good computer programmers with degrees. Maybe we should even offer a degree in milling—not for a dusty man running a grinding machine, but for mill managers who would leave here knowing the business inside out."

Karl Jensen, a senior with a dual major in history and criminal justice, says his most meaningful learning experiences came not in the classrooms but on the jobs he held at the dairy, airport and fire department. He's chief of the 22-student fire company now, and he says: "I've learned to take responsibilities and have had the opportunities to take them that I just wouldn't have had anywhere else." He hopes to work his way through law school somewhere as a policeman or fireman.

About 12% of the students flunk out or drop out annually. "We get some whose parents or other relatives have pushed them into coming here, hoping that the school would do them some good, maybe straighten them out; they usually don't last long," says Howell Keeter, the associate dean who supervises the work program. The "junior blues" cause some attrition, too, says Wayne Huddleston, vice president for academic affairs. "That's when a kid running a crane or bulldozer realizes that with the skill he already has he can leave and make more money than he can by staying here and getting a degree."

Nearly 70% of the school's graduates in the past have become teachers, mostly in nearby rural districts. A smattering go into engineering, accounting, medicine and law. The rest go into business.

This year's campus recruiting schedule includes American Telephone & Telegraph's long-lines division, Brunswick, General Electric. S. S. Kresge, Southwestern Bell and Zenith in addition to a clutch of federal agencies and some local employers from Springfield. The school's graduates, "are probably the most industrious students I have come across," says Fred Bumgarner, a Southwestern Bell recruiter who has hired several in the past. "They rank with almost any we see in any other schools in Missouri."

Fred M. Morrow, superintendent of schools in Poplar Bluff, Mo., which has 300 teachers in 14 schools, says he has hired "six or seven" School of the Ozarks grads over the past few years. "They are hard workers who have learned a real sense of responsibility. We're very pleased with them," he says. "I wish my own kids would have had a chance to go there."

BEN ROGERS, POSTMASTER AND ACTIVE CITIZEN RETIRES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. EDWARDS of California. Mr. Speaker, on the occasion of his retirement as Postmaster of Milpitas, Calif., I would like to recognize an old friend and a dedicated citizen, Mr. Ben Rogers. In the many years that I have known Ben he has always been an eager and devoted participant in community activities. Serving as a board member of the United Fund and the Holy Ghost Fiesta, he has turned his numerous contacts into valuable supporters and fund raisers for these worthy causes. A charter member of both the Milpitas Development Association, now the Chamber of Commerce, and the Rotary Club, he has always been able to envision the continued growth and development of Milpitas, to work toward that goal and to convince others to do likewise.

However, the contributions Ben Rogers has made to the community are manifested most importantly in the work he has done on behalf of children. He has served on the board of trustees of the Eastside Unified School District and the Milpitas School District. He has been a devoted member of the Samuel Ayer Parent-Faculty Club and the board of judges for the Bank of America Achievement Award Scholarship fund. In addition to looking out for the welfare of children in these "official" capacities, Ben has been directly involved with the youngsters he knows and loves.

He is the founder of the Milpitas Little League program which has brought hundreds of boys the opportunity to participate in competitive sports. Milpitas certainly knows no more enthusiastic booster of sports program and of children themselves than Ben Rogers.

While he is retiring as Postmaster, I hope and expect that he will not be retiring from the many community projects and activities to which he has contributed so much and made so successful and from which so many people, particularly children, have benefited.

LAST ILLINOIS WAR DEAD FROM MACOMB

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RAILSBACK. Mr. Speaker, there are no words which can either express our very deep appreciation to the men who have served in Vietnam or express our sorrow to the families of those who did not return. In my congressional district in Illinois, it is particularly tragic and ironic that the first and last Illinois servicemen to be killed in Vietnam were from the same town—Macomb. As the Journal Star explained:

> It's an honor any city would be glad to do without.

Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

A DISTINCTION THAT GENERATES SADNESS, SYMPATHY: FIRST, LAST ILLINOIS WAR DEAD FROM MACOMB

MACOMB.—It's an honor any city would be glad to do without, a distinction that generates only sadnes and sympathy.

That is, the first and the last Illinois servicemen to be killed in the Vietnam conflict were Macomb men.

In 1962, Marine Sgt. Jerald W. Pendell was aboard a helicopter assigned to raid a suspected Viet Cong hideout in the jungle-covered mountains of central Viet Nam. The helicopter with eight Americans aboard crashed into the mountains, and Sgt. Pendell became the first statistic in Illinois on a list that was to continue for 11 more years.

Pendell came from a Marine family. His brothers Albert and Robert were both Marines, and Albert was killed in the Battle of Iwo Jima during World War II.

Sgt. Pendell left behind his wife, Donna, and their four children, his former wife Delores and their daughter Catherine, his mother Mrs. Richard Newell and brother Robert. Mrs. Newell and Robert Pendell still live in Macomb, as does his daughter Catherine Pendell and first wife, now Mrs. Robert Holmes. Donna Pendell has since remarried and lives with their four children in Sedalia, Mo.

Pendell was a graduate of Macomb High School and entered the Marines in 1955.

Robert Lee Frakes was a two-year-old toddler in Macomb when Sgt. Pendell entered the Marines. He was probably in fourth grade and reading about the faraway place of South Vietnam in his Weekly Reader when Pendell was killed in action.

Robert Lee Frakes, at age 20, was the last Illinois serviceman to die in the Vietnam conflict—he was killed January 26, 1973, one day before the much-acclaimed truce would take effect. The tragic coincidences do not stop there, however. Like Pendell, Army Spec. 4 Frakes was also aboard a helicopter which crashed in South Vietnam.

He was a crewman aboard an observation helicopter which was shot down by enemy gunfire about 100 miles east of Saigon.

The son of Mr. and Mrs. Ira Frakes of Macomb, Spec. Frakes joined the Army after graduating from Macomb High School in 1971.

His remaining family includes his parents and three brothers and two sisters. They gathered in the chill of early February in Oakwood Cemetery for Robert's full military funeral, watched as the flag was folded and given to them with the dignified bearing the Army affords its fallen men and listened as the notes of taps disappeared into the wind.

WOUNDED KNEE INDIANS HURT THEIR CAUSE

HON. ROY A. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. TAYLOR of North Carolina. Mr. Speaker, while we have much reason to be concerned about the past and present injustices accorded the American Indian, the far-out demands and illegal activities of the Firebrand American Indian Movement is no answer. Many reservation Indians feel that the explosive show at Wounded Knee is hurting their cause and will prove to be counterproductive, and they have no sympathy for it.

Last November, while the Bureau of Indian Affairs was under siege by this group, Noah Powell, the principal chief of the eastern band of Cherokee Indians, Cherokee, N.C., sent a telegram to Secretary of the Interior Rogers Morton, deploring the unlawful tactics of the group occupying these offices. Attached is an article by Columnist and Feature Writer John Parris, which appeared in the Asheville Citizen, Asheville, N.C., expressing Chief Powell's reaction to the present inflammatory gun-waving at Wounded Knee. I recommend this article to the attention of my colleagues:

[From the Asheville Citizen, Mar. 9, 1973]

CHEROKEE CHIEF FROWNS ON WOUNDED KNEE ACTION

(By John Parris)

CHEROKEE.—The leader of the most progressive Indian tribe in America doesn't approve of the uprising at Wounded Knee by a group of militant Indians bearing rifles and vowing to die unless they get their way.

Noah Powell, 65-year-old principal chief of the Eastern Band of Cherokee, voiced his disapproval here Thursday in an interview.

He said that the some 6,000 Cherokee who live on a 57,000-acre tribally-owned boundary here in the mountains are "not interested in what they are doing out there" and "we're not taking no part in it."

"We don't like the way things are being carried on by them," Chief Powell said. "To go at a thing with rifles and looting like they're doing—that's the wrong way. Those rifles aren't going to get you anywhere.

"I don't believe anything like what's happened at Wounded Knee could ever happen at Cherokee. I wouldn't ever want to see it happen here.

"The Cherokee from here are not going to demonstrate like some other tribes are doing. I don't want that and the people here don't want it.

"I'm proud of our people. We've always sat down and talked and negotiated. I know that we've always got along with the Bureau of Indian Affairs here. I don't have anything against the BIA here. We've always got along.

"We try to get what we want through peaceable means. We talk. We communicate. They work with us and they communicate."

Chief Powell said he didn't feel that the federal government had tried to destroy the Cherokees' heritage.

"They haven't prevented us from retaining our proud heritage or our culture. I do know that once Cherokee children were not allowed to speak their own language during school hours. That was back in the '20s when I was attending the school here.

"But that's past, gone, and forgotten. It only lasted for a short time. And over the years there have been efforts in the school to teach Cherokee."

As of right now, he explained, a teacher is employed in the school system to teach Cherokee boys and girls their native language which 25 years ago appeared headed for extinction.

"The teacher," he said, is G. George, a full-blooded Cherokee. And he's been teaching the language for the past five or six years. Before him there was Wattie Chiltoskie and Will West Long.

"For a time there I thought our language was going to run out and disappear. I'd hate to see it disappear. You know we're the only tribe that has it's own alphabet. It was invented by Sequoyah. That was back around 1819. And in no time almost every Cherokee could read and write in the Sequoyah alphabet."

He paused a moment, smiled and shook his head.

"We made our peace with history a long time ago," he said. "We put aside all the old hates. We forgot about all the broken treaties. We started looking ahead, not back.

"As a result, we have progressed and we are still going. We keep busy working and planning for tomorrow. I don't know of any tribe that has done as well. We've got our own police department, our own fire department, our own sanitary department. We have several prosperous tribal enterprises. And, as a whole, our people have prospered too. We all keep busy.

"We have looked to the future while retaining our love and appreciation for our heritage. Here at Cherokee the BIA acts more as an advisor than anything else. And I can't recall when we ever had any serious differences with the BIA.

"As I said before, we are not interested in what they are doing out there at Wounded Knee. And we want no part of it. Back when that militant group took over the Bureau of Indian Affairs building in Washington, I sent telegrams to the federal officials that the Cherokee was not involved and wasn't going to be involved."

Earlier, the Wounded Knee situation was discussed with Frell Owl, a native Cherokee who served as superintendent on several western reservations and who is one of the most respected members of the Cherokee tribe.

"I've talked with several of our full-bloods," he said, "and the consensus is that they don't approve of what they're doing out at Wounded Knee. I've heard no one here say they approve of the militant group's actions.

"It looks to me, from what I have read, that what is happening at Wounded Knee boils down to internal politics in the tribe. It has just come out that what the group wants is the ousting of the elected chief and a new election. They want the Secretary of the Interior to come in and remove the elected chairman of the council.

"Many of the people out there are non-reservation Indians who have ideas not hard-held by the reservation Indians.

"I am not sympathetic with the manner they are asserting themselves. I don't approve of the way they are protesting."

In contrast to what is happening in Wounded Knee, here in Cherokee the folks were busy from one end of the village to the other getting their shops and businesses in order for the coming tourist season when they expect to welcome some five million visitors.

And planners were meeting in the council house to discuss new and far-reaching educational programs not only for the Cherokee but for other southeastern tribes.

Down at the site of the old council house workmen were busy putting in a new million-dollar shopping center while up the way on the other side of the Oconaluftee River other workmen were busy putting up a new multi-million-dollar Cherokee high school.

To the Cherokee, their thoughts were on building for tomorrow, not on Wounded Knee.

FLYING HIGHER

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. GAYDOS. Mr. Speaker, it has come to my attention, as I am sure it has to others in Congress, that the U.S. Department of Agriculture in recent weeks has twice advised poultry farmers to cut back their broiler and turkey flocks to maintain the current high prices.

The advice came in a pair of "Voluntary Marketing Guides" issued by the Department and which usually are followed by the farm industry. One was released last January 11, a few days before President Nixon's phase III was announced. The second came in February. Both warned that poultry production is rising rapidly and that, despite booming consumer demand, the price structure could be pushed downward.

Of marked significance in this affair are reports that the Cost of Living Council which supposedly is fighting inflation in the supermarkets actually approved both "guides." I quote from a news dispatch by Robert Dietsch of Scripps Howard:

> Under White House-approved rules for Phase 3, such guides are supposed to be cleared with the Cost of Living Council, so all administration actions can be coordinated to keep a lid on food prices.

And later in the Dietsch report:

> The Cost of Living Council, after some thought, condoned both orders. So the outlook is for broiler and turkey prices to rise even faster.

Pity the poor housewife now struggling to keep her family fed on a budget that already is strained to the limit. Runaway beef, pork, lamb and fish prices had sent her searching for some relief at the poultry counters.

Now she faces a situation where her Government, while decrying rocketing living costs and going through the motions of fighting the increases, is seeking to send broilers and turkeys zooming, too.

I need not point out the contradiction of an Agriculture Department being in this position while, at the same time, announcing measures to increase wither phases of farm production. Nor do I need to raise the big question for the Cost of Living Council of why it approved the poultry guides. The host of harassed housewives will do this quite emphatically once the facts generally become known.

These figures have special relevance. Broilers were selling at 30 cents a pound in eastern wholesale markets 6 months ago. Today they are bringing more than 42 cents. Turkeys sold in the major markets at 45 cents a pound for hens and 43 cents for toms 6 months ago. Today these prices are 35 cents and 33.5 cents respectively. Thus the Agriculture Department's warning to cut back on production were given right in the midst of these sharp price increases.

I can appreciate the department's historic role of looking out for the food producers. Also, I can see that, perhaps, sudden boosts in demand for a product might generate in time a production surplus and a damaging price decrease. But it would take a person far removed from the realities of today's food price circumstances to believe that such a danger is imminent. The poultry industry right is enjoying one of its greatest periods of prosperity.

It seems to me that the Government and its various departments owe first concern to the victims of the food cost inflation and not to those who are making profits from it. And the victims now of course are the millions of hard-pressed Americans who are trying to stretch their dollars over today's prices and finding it increasingly difficult to do so. And yet we have the Agriculture Department, backed up by the Cost of Living Council, moving to send broilers and turkeys flying still farther out of reach. It does not make sense.

STEVE SYMMS: FORTHRIGHT NEW CONGRESSMAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. CRANE. Mr. Speaker, in recent years the trend in most political campaigns has been to turn away from basic American principles in favor of empty promises worded in the chic political rhetoric of the day.

It is this attitude among office seekers that has led to much of the current disillusionment of many people with politics and political candidates in general. How often do we hear the phrase "Not a dime's worth of difference" applied to the candidates for office of both parties?

Many of my associates express to me privately that they would like to be able to be more outspoken but they are afraid that it would cost them their election. However, last fall the people in the first congressional district of Idaho elected STEVE SYMMS to be their representative in this body. Mr. SYMMS campaigned in favor of individual liberty, personal freedom, private enterprise, and limited government using the slogan "Let us take a bite out of 'Big' Government."

So that all Members of Congress may be reminded of the fact that a campaign based on the principles of free enterprise and limited government can be highly successful, I am including in my remarks an article on the SYMMS campaign from the February 1973 issue of Battle Line published by the American Conservative Union. The text of the article is as follows:

STEVE SYMMS: APPLE GROWER TO U.S. CONGRESSMAN

(NOTE.—This month's issue inaugurates a new Battle Line feature designed to acquaint our readers with "the new breed" of outstanding conservatives now appearing in Congress.)

By all the precepts of "pragmatic" campaign strategy, a man like Steve Symms should never have even made it to Congress.

After all, how many candidates would have the nerve to appear on television munching an apple and telling the voters, "I'd like to take a bite out of Big Government"? How many candidates would have the brass to pass out free non-union salads at voter rallies? And, much more importantly, how many candidates would have the courage and ability to champion 14 carat libertarian economic principles as the central theme of a campaign for the U.S. Congress?

Symms, a former Idaho apple grower, has done it all with style—challenging two seasoned primary opponents, one no less than the Majority Leader of the state senate, trouncing them both, and then going on to victory in the fall election.

"Surprisingly, when I started out the one big single factor I had to overcome was the conservatives," Symms observes. "When I announced I was going to run, the conservatives were the biggest drawback and they were supposed to be my best supporters. They were so pessimistic. They said things like 'oh you can't do this; you can't do that; you can't say this; you can't win.' Even some of the well-known conservatives in Idaho put money in the primary in favor of the other candidates. Once we broke the pessimism; once they started to see that this guy really can say all those things and win, then our support really started to mushroom.

"I kept thinking. 'How refreshing it would be to have one political party that just wanted to know if it was right or wrong.'

"I kept saying, for example, that I was not only not in favor of raising the minimum wage, but I thought the minimum wage law should be abolished. This was absolutely unheard of in Idaho politics, but I never backed away from that position throughout the campaign. In fact I even made a T.V. spot about it in the primary pointing out I was in favor of expanding the employment of young people. I said if I am elected I will attempt to get Congress to repeal the laws which make it difficult for employers to hire young people.

"We also asked the people if they really wanted socialized medicine, and if they did, then who was going to hold the gun on a doctor's head and make him go practice medicine in an area where there is no one practicing and they need a doctor. We emphasized that socialized medicine is a compulsory system that takes away the liberty of the doctors. We said that doctors are people and should not be considered as resources that can be allocated like steel and iron and coal and so forth."

In the midst of the nation's continuing "eco-mania," Symms let the environment bandwagon pass him by. During the campaign, he said:

"Contrary to what most ecologists are saying today, the answer to a cleaner environment and better life style will come from the further development of technology, and not from laws which restrict research and development. Many of today's enthusiastic ecologists are attempting to drive us in the opposite direction and are willing to destroy the technology that we have in the mistaken belief that a more primitive society would be cleaner."

It is surprising that Symms' campaign was able to survive his brashness. For instance, consider how Republican liberals might react to a T.V. spot showing Symms hunting pheasants; knocking several birds out of the sky; and then turning around and saying, "I'm against gun control because I know that Americans have had three ways of protecting their freedom; the jury box, the ballot, and if those fail the cartridge box." There was pandemonium on the left.

A similar response occurred when Symms said Americans were getting so fed up with high taxes they were "ready for another Boston Tea Party." "I had to make a radio spot to clear that up," Symms said. "All I really had said is that our ancestors dumped tea in the harbor because taxes were too high, and there were too many regulations. I said if you send me back to Congress, I'll take the message back there that the people out in Idaho are about ready to do it again."

Symms does not suggest his kind of campaign will work everywhere, but does believe its style should be tried by others. "I definitely don't want to discourage people in other states from trying a campaign like mine," he said, "because I think it can be done, and it must be done.

It is plain that Symms took a bite out of Idaho politics, but Congress he concedes may be somewhat more difficult. "I'm not deluded enough to think that I can reorganize our government overnight," he said, "but I think some important progress can be made. I'd like to see the conservatives in Congress get organized in the way the radicals and liberals have so we can intellectually arm ourselves to go out and tell the story of free enterprise. As I see it, the biggest single weakness in our Republican party is that we are often unable to articulate the position of freedom and liberty so we often get on the defensive. I'd like to help show people that there is a better way. I think the truth is on our side and if we want to start pushing it, I can't think of a better place to start than right here in Congress."

GEORGE HANEY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RODINO. Mr. Speaker, in a great sense, all of us in this Chamber and every man and woman in each corner of the world share a common understanding. We all have lost or will lose someone close to us during the span of our lifetimes, be it mothers, brothers, sisters, sometime children, or close friends. And, as we look about us, often during a very happy and special occasion, we will quietly recall to ourselves the person who is not there. And, with all the happiness and laughter and joy, a slight feeling of sadness will exist, and perhaps, linger.

A few weeks ago, George J. Haney, an individual whose friendship and love I deeply cherished, passed away. I, as well as a great many in my community who had the privilege to know him well, intensely feel his loss. For George Haney was a man whose presence, warmth, and openness deeply affected all with whom he came into contact. He was a man who truly gave of himself, who stood forth for the principles and ideals in which he believed and who acted to insure that each of us would be given all possible opportunities to fulfill our dreams and to reach a sense of personal dignity and worth.

The multitude of awards and of recognition George Haney received during his 58 years of life need not be reiterated to fully capture the essence of the man. The prophet Micah perhaps best brings forward Mr. Haney's involvement and relationship with life with the words, "only to do justly and to love mercy and to walk humbly with thy God." The thrust of George Haney's beliefs and the challenges behind all of his goals were directed toward this end.

The following statement in New Jersey's Newark Star-Ledger of March 6, best describes the rich legacy George Haney has left for all of us to remember.

A HUMAN LEGACY

George J. Haney was an open man, a warm human being who was readily accessible for any cause that would help those in less fortunate circumstances, regardless of their coloration or ethnic background.

He had an infectious enthusiasm that was immediately apparent in any community undertaking in which he was active, he was not a joiner in the usual sense, merely lending his name or his presence to a worthwhile endeavor; he believed in becoming totally involved, even though it meant giving much of himself, in energy and personal resources.

George Haney, during a productive and rewarding lifetime, inhabitated two worlds—one the financial community in which he earned his livelihood, the other was a universe that contrasted sharply with this atmosphere of affluence—a community of the deprived, socially and economically.

It was typical of Mr. Haney's lifelong social commitment that he found greater rewards outside the material, remunerative returns of the financial world. Nor was it done without personal monetary sacrifice, but it was a price that he accepted with apparent equanimity, devoting an inordinate amount of his time to humanitarian projects, community service organizations and charitable activities.

His death, at age 58, represents a distinct loss to the community. But even deeper, in a personal sense, is the loss to thousands of persons whose lives were given a meaning by his presence as a humanist and a social activist. This is by itself a rich legacy, for it is measured in meaningful human terms, not by material values. It is a legacy that evokes, posthumously, a sense of pride and significant achievement.

OLD SOLDIER WILL MISS CAPTAIN HARRY

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. BREAUX. Mr. Speaker, Abe Gladstone, who celebrated his 84th birthday last October, is now the oldest living survivor of the artillery battery commanded by "Captain Harry" Truman during World War I. I would like to share with you his comments, as recorded in the Lake Charles American Press of December 27, 1972:

OLD SOLDIER WILL MISS CAPTAIN HARRY

(By Sam Tarleton)

"He was A-1. There never was another one like him and he always had a good word and smile for everyone. He was a man's man . . . and he never did have the big head."

That's how Abe Gladstone of 1617 Fourth St. in Lake Charles summed up the life of the late President Harry S Truman after hearing the news of his former artillery battery commander's death Tuesday.

Gladstone, who celebrated his 84th birthday Oct. 7, is now the oldest living survivor of Capt. Harry's battery, now that the former commander and 33rd President of the United States is dead.

Gladstone drove a team of mules which pulled the famed 75s under the command of Capt. Harry of Battery "D" of the 129th Field Artillery Battalion during World War I.

Gladstone, a member of that Kansas City National Guard Unit that was mustered into active service in 1917, was a mechanic. "But when we got to France, we didn't have any mechanized units to fix so they made me a wagoneer—or a utility man driving the teams, helping fire the 75s and whatever I could do," Gladstone said.

"We'll all miss him. He was a great soldier, a great man and a great president," Gladstone said.

"After the war, the men of Battery 'D' formed an association which still exists and meets twice each year. The first meeting is held on the Saturday nearest St. Patrick's Day and the second one on the Saturday nearest Armistice Day," Gladstone said.

Gladstone last saw Truman three years ago when he visited Independence, Mo. during their Kansas City reunion.

"We even had a few beer busts in the back of Capt. Harry's house in Independence, until 'Miss Bess' put a stop to it," Gladstone said with a grin.

Mrs. Truman "is a grand lady and most wonderful," he said.

In France "Capt. Harry looked after his men but didn't have a lot to say.

"Capt. Harry didn't tolerate soldiers who didn't do their jobs either. As though prophetic of a day in the Korean war when, as President, he would eventually remove Gen. Douglas MacArthur as commander, Truman showed a dislike for subordinates who didn't do the job he wanted done.

"He busted three or four first sergeants after he took over our battery. Capt. Harry was the third or fourth battery commander assigned to Battery 'D' and he stayed with us to the end," Gladstone recalled.

Gladstone, still active despite retirement several years ago, will miss the late president's funeral and regrets it to the point of shedding tears.

He is the chaplain of District 5 of VFW and never misses a meeting.

Gladstone was advised of Truman's death by special messenger from Ft. Polk, Tuesday, when an officer, dispatched through channels from Department of the Army headquarters brought him a message from Mrs. Truman.

It gave him the funeral schedule and offered to have an escort meet him if he could attend the funeral Thursday at 2 p.m. in the auditorium of the famed Truman Library.

Gladstone has 170,000 miles under his belt in his 1954 Ford and "just can't make it to the funeral."

"Battery 'D' may have catapulted Capt. Harry into successful politics when we all campaigned for him when he ran for district judge in Jackson County . . . and won.

"We worked for him and voted for him," the old National Guardsman said. "Now with the Captain gone there is a void that can never be filled.

"Capt. Harry had a few favorites but I wasn't one of them. But he was my favorite," he said, "and always will be."

"When he said anything he meant it," Gladstone concluded.

So Abe Gladstone will silently mourn the loss of his Capt. Harry . . . as will all other living members of old Battery "D."

"They'll never replace Harry Truman," he said with a throb in his throat.

CHILD-CARE CENTERS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mrs. SCHROEDER. Mr. Speaker, I recently received, among hundreds of others, the following letter from a mother in my district regarding child-care centers. Mrs. Bonzales eloquently describes the tragic dilemma many mothers face if the proposed social service regulations issued by the Department of Health, Education, and Welfare are not modified. This simply cannot be allowed to happen. The letter follows:

DEAR CONGRESSWOMAN PAT SCHROEDER: I'm writing this letter in hopes that it may help stop the cutting off of funds to the Mile Hi Child Care Association. My child is in a Mile Hil Day Care Center and I've never been so at ease and un-worried knowing that he is there, being cared for. I used to have a sister-in-law care for my little boy and I was always worried. I worried that maybe he had gotten out of the yard and had gone into the street, or that he had broken something of hers, and numerous other things that are no longer worries now that he is in the child care center.

The excursions the children go on are just great and very good for them. The breakfast program is also a wonderful thing, it saves the children from having to get up ½ hour earlier and the mother also. I think that the way it is now in regard to the teacher-baby-sitters having to be certified is giving our children more capable people to look after them and teach them things. If the above things I mentioned are stopped, the excursions, breakfast, and the teachers no longer having to be certified, I feel very strongly that the care the children are receiving now will be greatly retarded and be brought down to a very poor level.

I also have something to say about the requirements for receiving child care in the Mile Hi child care centers. Right now the centers give care to low income families who are not on welfare, to welfare recipients, and also to former welfare recipients up to 2 years. Under the new rules the criteria for letting in non-welfare children will be much more strict, and the children of former welfare recipients will only be cared for for 3 months after they get off welfare. All of the above things will hold people back from ever getting ahead. As an example let's say you have a low income mother who has her child in the center now and only has to pay a modest fee for the care, she is able to make it, to work to support her children and herself. But if the new regulations go through she may not be eligible for child care in the center thus she is forced to choose 1 of 3 alternatives: 1) leave her child alone 2) settle for very poor, maybe negligent care from neighbors or ads in the paper or 3) quit her job and be forced to go on welfare. And for the women who have been able to get off welfare and will no longer be eligible for the day care services, where will they take their children? Will they also be forced to quit their jobs to stay with their children and go back on welfare, and to keep the vicious circle going: Poverty breeds poverty.

These women want to give their children something more, they want to try to break the chain of poverty. They want to be able to tell their children your not a welfare child ! ! ! like I was all my life. I myself am a student nurse who has been on welfare as long as I can remember and I want my child to grow up with something to be proud of, and not be ashamed like I was to be on welfare. I want to be able to give him decent clothes for school, and a home with a yard in it. We all want what's good for our children and what will help them grow as decent people. The same as you do for your own children I'm sure. So won't you please do all you can to stop this terrible thing from happening. Our children need you to do all that you can . . . please . . . give them a chance. If the centers become a place for primarily welfare children, which they will if the new regulations go through, people will begin to say that's where all the welfare kids go, and believe me the centers will degenerate rapidly like most everything does where there is nothing but welfare recipients.

Very sincerely,

NANCY GONZALES,
Mother.

THE COURTS: VIEW FROM THE BENCH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RANGEL. Mr. Speaker, with all the rhetoric being bandied about concerning our criminal justice system, it is fortunate that men such as Harold A. Stevens continue to offer their lucid and intelligent observations on this compelling area of social concern. I submit for your attention and the attention of my colleagues an article that appeared in the January 24 edition of the New York Law Journal entitled: "The 'Image' of the Courts: A Blur of Fact and Fiction."

The article follows:

THE 'IMAGE' OF THE COURTS: A BLUR OF FACT AND FICTION

(By Harold A. Stevens)

The past twelve months have witnessed the continuation of a recent trend toward greater interest in the courts on the part of the public and the news media. During that period the courts have been designated a target for critical analysis and have been subjected to some old-fashioned muckraking. Some of the published reports have been fair commentary and worthwhile, some have been unfair and have cast the courts in a poor light.

This opportunity is seized to express a few observations concerning this new interest in court operations.

To those—lawyers and newspaper people alike—who are sincerely interested in improving court operations, welcome aboard. There is room for improvement just as in any large undertaking in the public and private sectors, and we are striving to achieve reform.

PROGRAM INITIATED

During the past four years we have undertaken a wide range of programs to improve the processing of cases, reduce delays and enhance the quality of justice in the courts. We have sought, often without purchasing power, business management advice from the private sector, and have secured special grants to try to make the best possible use of the meager space made available to dispose of almost a million cases each year in this city.

Contrary to the published assertions of some politicians, the resources given to the courts have not kept pace with the spiraling increase in caseloads. The City speaks of a doubling of the court's budget over the past five years, but any assessment of that budget reveals only a 20 to 25 per cent increase in pesonnel to handle a 60 to 70 per cent increase in cases. The job "freeze," from which all courts suffer, compounds the problem. Moreover, these statistics do not reveal the full picture since even prior to this five-year period, the courts were not receiving the resources required to do an adequate job.

Let us look first at that phase of court operations which is foremost in the public consciousness—the Criminal Courts. Common to all systems of criminal justice is the disposition of cases by the acceptance of pleas, thus avoiding a lengthy and time-consuming trial. This has come to be popularly referred to as "plea bargaining."

TRIAL FOR ALL?

Candor requires us to explain this concept of "plea bargaining" in terms of traditional underfinancing. Is it conceivable for the courts to provide hearings and trials in all cases? The police make some 94,000 felony arrests and seem to complain at the highest levels that there are not 94,000 felony trials.

The simple fact is that we have in this city the capacity to try felony cases in the hundreds, not the thousands. If our critics want a larger number of felony trials, they ought to support us when it comes time to plead our annual case with budget officials. The Police Department, particularly, might want to assist us in this regard, even to the point of declining additional manpower and facilities so that this money could be more evenly distributed throughout the criminal justice system. But, of course, that would not draw headlines and divert attention from police problems to the court.

I was somewhat puzzled to read in the press recently that the Police Commissioner proposed that police officers be excused from arraignments and placed, instead, on the streets. Having become accustomed to learning of police suggestions for court "reform" by reading about them in the press, I wondered whether the Police Commissioner gave serious consideration to the likely result his suggestion would have on further clogging of court calendars.

EARLY DECISIONS

We dispose of more than 30 per cent of our cases at the arraignment stage. Additionally, large numbers of defendants are released on their own recognizance and on low bail at that point. These are crucial decisions made with insufficient time and a lack of information. To excuse a police officer excuses the person who often has some intimate knowledge of important events. This knowledge is frequently of great value in the decision-making process to release defendants, to take reduced pleas or to dismiss complaints.

The courts do not exist only to serve the police or any special group. They serve the general public as well. The police represent only the first stage of the criminal process and the most complex part of the process—adjudication and rehabilitation—is yet to come.

The press reports stated that the Police Commissioner's idea was to be presented to the courts for discussion. Apart from this curious way of presenting ideas, as of this late date, neither I nor my staff have received any request from the Police Department for discussions on this subject.

LOW-BAIL PUBLICITY

Recently, a case received widespread attention after a judge's decision setting bail in the amount of $5,000 or $500 cash was criticized by the Mayor, the Police Commissioner and some political figures. After reading the press reports, and particularly the emotional outbursts of a few politicans, one could not help but wonder how many citizens recognized the purpose of bail within the criminal process. The fact that a police officer was one of the complainants contributed to the outrage expressed by the bail decision. It should be our obligation to support honest and reasonable interpretations of law by the judiciary.

It is well to remember that under our system of law, an accused is presumed innocent until convicted by due process of law. The rights of all men are worth protecting and the law looks, or should look, at persons in protecting those rights and not at employment. That the bail was adequate to insure availability is demonstrated by the fact that subsequent to indictment the accused appeared and posted the higher bail fixed by the court at that time.

Contrast this with the situation where a police officer is charged with the commission of a serious crime. The usual procedure is to release him on his own recognizance or on minimal bail precisely because he is a good risk to return to court and should not be punished until a determination is made of his guilt. It is difficult to justify a dual standard merely because one defendant is a police officer and another is not.

WOULD NEED CHANGE

If the public and the politicians want preventive detention—which would detain all suspects accused of assault or attempted homicide—then they ought to support a change in law. If such change in the law were upheld by the courts, any judge who acted contrary to the law would be subject to criticism.

But as the law now stands, it is not reasonable interpretation of the Constitution and case law to say that the sole purpose of bail is to ensure the return of the defendant. If the judge fixing bail is honestly persuaded that the defendant is apt to return to court it cannot fairly be said that he is wrong in setting a bail which results in the defendant's release prior to trial. The question is not whether another judge would have set a different bail, but whether the judge's decision was a reasonable exercise of his discretion.

The criticism was unwarranted in this highly publicized case for the accused did appear after indictment. Yet it is this kind of misunderstanding which leads to the popular impression that the courts are "coddling" criminals and, for some odd reason—in the words of the police commissioner several months ago—"must accept the giant share of the blame for the continued rise in crime."

PUBLIC MISLED

My purpose in this article is not to recriminate. It is to express concern that the public is not developing a fair impression from published reports. Some of the abusive letters received by me attest to this fact.

The public has not been told of the terribly complex decisions which are made daily in the courts, the poor conditions under which these decisions are made, or the many attempts made by all involved in the judicial process to compensate for the lack of adequate funds.

As stated heretofore, the courts welcome constructive criticism. We owe a responsibility to the people and we should be prodded to take whatever steps are necessary or possible to improve our services. But what is becoming a pastime is criticism which is either blatantly false or indiscriminately directed at all facets of the judicial process.

We are properly the subject of criticism when we have the means available to make the necessary changes but refuse to do so. Conversely, we should not be criticized for problems which are not within our present capabilities to solve.

BAR PROJECT

Recently the House of Delegates of the New York State Bar Association appointed a special committee to develop public support for efforts to improve court operations.

As noted by Robert MacCrate, the president of the State Bar Association, in announcing the formation of the Committee, the open and frequent criticism of the courts "imposes a special obligation on lawyers to determine the reasons for such criticism" and to recommend appropriate corrective action when the criticism is valid and defend the courts when the criticism is unfair.

We in the courts can ask for nothing more. This effort by the Bar is applauded and we welcome the recommendations for change and the answering of unfair criticism. Judicial responses to criticism are pigeonholed as being defensive of "the fraternity," for judges do not have the same credibility in this connection as the Bar would have in coming to the aid of the courts.

My full support is pledged to all constructive efforts to improve the quality of the administration of justice. One should agree also with Mr. MacCrate's observation that recommending change and answering unfair charges are a dual obligation of the Bar. All of us must work together to make the courts operate as fairly and efficiently as possible and to restore respect for the courts and confidence in judicial decisions which are essential for the preservation of our democracy.

DEMISE OF LEGAL SERVICES

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. DENT. Mr. Speaker, one of the programs of the war on poverty which has received overwhelming support from many important segments of our Nation, and which has brought hope, dignity, and renewed faith in a Government for all the people, is the Legal Services program. On several occasions the prestigious American Bar Association has endorsed the program's aims and accomplishments in assisting the poor and disadvantaged to secure their rights under law. A recent article in the Christian Science Monitor predicts the unfortunate demise of the Program through deliberate actions by the Nixon administration. The author, Prof. David L. Kirp of the University of California Graduate School of Public Policy, graphically describes the systematic undermining and dismantling of the program. This is another appalling example of this administration's disinterest in and disregard for the people who have the greatest need for our governmental resources. I am including the article for the information of my colleagues:

[From the Christian Science Monitor, Mar. 12, 1973]

DEMISE OF LEGAL SERVICES

(By David L. Kirp)

The heart of Legal Services' law reform and specialist efforts is the back-up center program. These dozen centers focus on issues ranging from consumer problems to the needs of the aged poor, developing litigation, strategic and model legislation designed to protect poor people against consumer fraud, arbitrary welfare cut-offs, job discrimination, and the like.

When Howard Phillips, acting director of the Office of Economic Opportunity, decided to scuttle law reform he began with the back-up centers.

These centers play an important role. They provide specialist help for busy neighborhood lawyers, who lack the resources needed to tackle major legal problems because they are constantly responding to the immediate demands of poor clients. That help involves the preparation of manuals, such as the Housing Law Center's landlord-tenant treatise, which aid attorneys with difficult and frequently encountered issues. It also involves participation in lawsuits which protect and expand the legal rights of the poor. Without such help, local attorneys say, they could not do their job. As the Wayne County, Michigan, Legal Services office writes: "Without the assistance of [such centers], we would be less able competently to advise and assist the thousands of poor people who seek such assistance from our office each year."

But back-up center work, undertaken at the behest of poverty lawyers and their clients, sometimes clashes with Nixon administration priorities. And that spells political trouble.

Consider, for instance, the plight of the Harvard Center for Law and Education. Over the past three years, the center has negotiated with the Office of Education to give poor parents some say in how federal funds, intended to benefit their children, are spent. It has challenged the common practice of labeling handicapped children as "ineducable," and excluding them from school. Most notoriously, in the administration's eyes, it has participated in lawsuits challenging Northern school desegregation.

Last June, the center refused to accept administration demands that it withdraw from all desegregation, student exclusion and civil liberties litigation. It viewed itself as serving clients' needs, not administration priorities; a Legal Services review, undertaken in November, gave the center high marks for its work. Yet when the center's grant expired this January, OEO sought a show-down. In the midst of a major Boston desegregation suit, OEO began giving the center month-to-month grants—keeping its financial security in doubt.

The Center for Law and Education is not the only back-up program to feel OEO wrath. The Employment Center, which has actively combatted job discrimination, received a 90-day grant which lapses in March. The Migrant Law Project, providing needed expertise to resolve the legal problems of a long-ignored group, got similar treatment.

While OEO officials claim that such short-term funding is consistent with the uncertain future of Legal Services, internal memoranda reveal that the real intent is to kill off back-up centers—and, with them, law reform—before the independent Legal Services Corporation proposed by the administration can begin to operate. Declares a Feb. 13 memo written by Marshall Boarman, the nonlawyer just appointed director of the Legal Services Planning Division: *"Steps [must be] taken now to wind down the back-up center program as it is presently constituted."*

OEO harassment is not limited to the back-up centers. Within the past month, the entire Legal Services central office staff and several regional directors have been fired, replaced with people hostile to the program. The program's new director, J. Laurence McCarthy, is an insurance executive who formerly chaired the Massachusetts Conservative Union. New recruits from Young Americans for Freedom—referred to as "the gauleiters" by Legal Services veterans—have been dispatched to watch-dog the operations of regional legal services programs. All travel funds have been cut off. And Legal Services offices now receive 30-day doles, instead of the customary one year grant, preventing them from meeting client needs. Suit was threatened by affected Legal Services offices. Mr. Phillips promised to review normal funding, except for back-up centers. But the effect of these moves remains: morale of the working attorneys has plummeted, and the beginnings of an exodus from the program is apparent. In California, 16 of 34 Legal Services offices either have shut down or will have to in the next few weeks.

What is most disturbing about this harassment is its seeming inconsistency with the President's wishes. The 1973 budget calls for the creation of a Legal Services Corporation, free from such political manipulation; just last month, the American Bar Association reaffirmed its support for the corporation.

If such in entity is established—and earlier efforts have floundered over disputes concerning who should appoint the board of directors—it, and not Howard Phillips and his associates, should determine the structure of Legal Services and the scope of government-funded law reform.

But unless the White House, which has not commented publicly on Phillips' tactics, or Congress, which is currently holding hearings on the issue, acts promptly to check this bureaucratic adventurism, legal services which meet the real needs of the poor may be a thing of the past.

BANGLADESH AND THE PAKISTANI POW'S

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. SIKES. Mr. Speaker, the Christian Science Monitor, in its edition of March 13, 1973, editorialized on the very crucial problem in the Indian subcontinent of the continued detention of 90,000 Pakistani soldiers and civilians held in Indian prison camps since December 1971. India's detention of the prisoners as hostages toward some future concessions by Pakistan is inexcusable. Yet world powers, including our own country, have done very little to induce India to act in a more civilized way toward these unfortunate prisoners. Appeals by Pakistan have been unheeded by both India and Bangladesh. It is to be hoped there will be a general awakening by the press to this unresolved problem. The nations of the world need to be reminded of what is happening.

The Monitor's editorial follows:

BANGLADESH AND THE PAKISTANI POW'S

With Sheikh Mujibur Rahman's election triumph in Bangladesh last week, the opportunity now exists for a new attempt to mend relations among the three nations of the Indian subcontinent.

The day after the massive public endorsement of his continued rule, Sheikh Mujib took a step in the right direction by proposing that the United Nations and the International Red Cross help in a population exchange between Pakistan and its former eastern wing. He wants to see the Bengali minority in Pakistan, said to number 300,000 to 400,000, exchanged for the Bihari minority now living in Bangladesh. Many of the Biharis were accused by the Bengalis of collaborating with Pakistan in the 1971 crisis which culminated in the Indo-Pakistani war over East Bengal and the emergence of the new state of Bangladesh. Both minorities have suffered considerable hardships in the aftermath of the war, and a population swap under UN auspices would solve an irksome problem for both sides.

However, at his postelection press conference, the Bangladeshi Prime Minister made no gesture over an issue far more crucial for Pakistan—the continued detention of some 90,000 Pakistani soldiers and civilians held in Indian prison camps since December, 1971.

India says it cannot release the prisoners without Bangladesh's agreement, and Sheikh Mujib up till now has held to the position that the prisoners cannot go home until Pakistan recognizes Bangladesh as a sovereign and independent state. Moreover, he wants some of the POWs tried on war crimes charges.

President Bhutto of Pakistan has been edging toward recognition of Bangladesh but is handicapped by the emotions the issue arouses among his people, and also by the danger of encouraging similar secessionist movements in other dissatisfied provinces. A conciliatory attitude on the POWs issue on the part of India and Bangladesh would smooth the way for him.

India has hinted that it was waiting for the Bangladeshi elections before making any attempt to break the deadlock. Now that the elections are out of the way and Sheikh Mujib has the assurance of massive public support, the time has come to move ahead.

The next step should be a summit meeting between the Bangladeshi leader and President Bhutto with the specific goal of normalizing relations between their countries and arranging for the POWs' release. This could well be followed by a three-way summit, including Indian Prime Minister Indira Gandhi, aimed at translating the current de facto peace on the subcontinent into permanent terms.

DISTRICT OF COLUMBIA MEDICAL SOCIETY PROGRAMS ARE MANY AND INCLUDE CONTINUING EDUCATION AS WELL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. FAUNTROY. Mr. Speaker, the District of Columbia Medical Society is an organization whose numerous activities in promoting good health care and emergency assistance often go unnoticed because we take them so much for granted. In one case, for example, the society has already initiated methods to assist those who are the victims of sexual assault through intelligent and compassionate recommendations which are both medically and legally sound. Additionally, the society has recognized the epidemic proportions of gun-related injuries and death in calling for strong controls over firearms. Perhaps, most important, are the programs of continuing education for physicians.

Medicine is an artful science which is foraging ahead at rates which must astound those who have been in practice for even a few short years. With the increasing need for more doctors comes a decrease in the amount of time which one can give to his personal study. As a result, the society has endeavored to ask that members join in a voluntary program of recording their involvement in continuing education and the society has also established an accrediting committee to recognize and approve education programs which are not surveyed by the accrediting committees of the AMA.

These are just a few of the programs which were brought to the attention of the public through the District of Columbia Medical Society news media luncheon. Many of the others are mentioned briefly in their news release, which I am appending in order that my colleagues may know what we in this city are trying to do to bring about adequate health care to all of our people.

The items follow:

The improvement of methods for helping sexual assault victims; the establishment of intensive care units for infant care in hospitals that do not now have them; cooperation with the City Council and the Metropolitan Washington Board of Trade in working for a stringent gun control law in the District; a voluntary program for members or the Society to record their involvement in continuing education activities; an understanding with the Maryland State Police for supplying emergency ambulance helicopter service in the District, and the creation of a Foundation to review professional services delivered by members of the Medical Society . . . were some of the subjects covered at a news media luncheon today sponsored by the D.C. Medical Society.

Dr. Irving Burka, President, told reporters: "Throughout the nation especially in large metropolitan areas, the incidence of rape has increased to the point where serious and concerted action in the treatment of sexual assault victims must be taken, Washington, D.C. is no exception with sexual assault cases responsible for 35–40% of reported crime."

Dr. Burka said that the Medical Society has proposed a 3-point program to Mayor Washington to help the victim in "a more civilized manner".

These points include:

1. We recommend that the Metropolitan Police Sex Assault Project Staff be expanded so that at least one trained professional person is available at all times. We believe that the work of the sex squad can be made more effective by augmenting it with at least one nurse who could, along with sex squad members, respond to the victim and take her to the nearest hospital.

2. We recommend that the emergency services of all hospitals in the Washington area be made available to treat rape victims. Separate physical facilities for conducting the physical examination of the rape victim should be provided. Further, we recommend that the examination be performed by a qualified physician in the field of obstetrics and gynecology and that qualified personnel in the field of psychology or social work be available at all times to help the patient with emotional problems.

3. We recommend that the U.S. Attorney's office take measures that will protect the integrity of the individual during cross examination especially in the case of children and adolescent victims.

In discussing gun control Dr. Burka said: "The question of gun control is much editorialized and talked about but the gun lobby appears to have for the time being effectively muzzled action in the Halls of Congress where action must be taken."

The Medical Society spokesman recalled that the Society had taken a firm position in regard to the control of firearms after a poll of its members had shown that approximately 99% voted in favor of more stringent gun control laws.

Dr. Burka also pointed out that the Society had introduced a revolution in the House of Delegates of the American Medical Association last June calling for a strong gun control law. Altho the resolution was dedefeated the House of Delegates expressed 'strong abhorrence and continued opposition to the use of a firearm in the commission of a crime and urged stricter enforcement of penalties for their use.'

Dr. Burka added: "In collaboration with the Metropolitan Washington Board of Trade and the City Council we plan to continue to work for gun control. A resolution will again be introduced before the House of Delegates of the AMA at its annual meeting this coming June."

In the area of continued education for physicians the President of the Medical Society said the subject of continuing medical education and its relevance to the practice of clinical medicine had been widely debated by physicians, laymen and legislators.

Dr. Burka revealed the Society had approved two significant actions designed to keep doctors abreast of developments in their particular area of medical practice.

1. As of January 1973 members of the Society are being asked to join in a voluntary program of recording their involvement in continuing education activities.

2. An accrediting committee on continuing acting has been established for the purpose of recognizing and approving education programs not now surveyed by the Accrediting Committee of the AMA.

Dr. Burka said continuing education for Society members will be on a voluntary basis for a 24 month period then become a requirement for Society membership after that.

Turning to child welfare in the District Dr. Burka said the Society is concerned over the large number of high risk infants born in the District. The infant mortality here is among the highest in the nation.

The Medical Society President revealed that all hospitals caring for new born infants that do not have intensive care units have been asked to establish them as soon as practicable.

Dr. Burka pointed out that lead poisoning, a preventable disease, is still very much a serious hazard in the District. He said there is a need for more funds to increase screening for children.

Dr. Burka asserted that the decrease in Federal aid is responsible for the loss of considerable health personnel in the school system of the District. He said the Society will request additional funds from Congress to rehire personnel and hopefully appoint a physician to visit every school on a regular basis.

Commenting on the requirement for mandatory sickle cell screening in the District Dr. Burka revealed the Society plans to endorse a proposal rescinding this regulation and place screening on a voluntary basis.

Dr. Burka also told reporters that the Medical Society's Committee on Aviation Medicine had worked out an agreement with the State of Maryland whereby its ambulance helicopter service will be available for accident emergencies inside the beltway during the time the District is working on its own over-all emergency medical program.

In talking about the Medical Foundation set up by the Medical Society under Public Law 92–603 passed by Congress late in 1972 which calls for "the effective, efficient and economic delivery of health care services etc. and the establishment of professional standards review organizations throughout the country (under section 249 F)" Dr. Burka said final papers for the D.C. Medical Society's Foundation will be presented to the Secretary of the Department of Health, Education and Welfare as the instrument for carrying out professional services review in the District of Columbia.

EDITORIAL SUPPORT FOR MAHON BILL ON IMPOUNDMENTS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. EVINS of Tennessee. Mr. Speaker, the New York Times on Sunday last carried an editorial supporting the bill introduced by Hon. GEORGE MAHON, chairman of the Committee on Appropriations, designed to curb the arbitrary and excessive impoundment of funds by the Executive.

Because of the interest in this matter by my colleagues and the American people, I place the editorial in the RECORD:

THE CASE FOR CONGRESS

The power of Congress to appropriate money and ultimately to control how that money is spent is the foundation of all legislative power. In the evolution of self-government, fierce battles were fought in England between the House of Commons and the king to determine financial control. In this country, Congressional supremacy on fiscal matters is clearly set forth in the Constitution and in the Federalist papers.

Against this background, President Nixon's resolute attempt to suppress programs of which he disapproves by impounding the money which has been appropriated to finance them is a profound challenge to Congress. If Congress supinely acquiesces in this audacious bid for increased power, then the near-dictatorship which a President now exercises in war and diplomacy will have been extended to the domestic sphere.

In response to this challenge, Congress is now considering two bills, one sponsored by Senator Ervin of North Carolina and the other by Representative Mahon of Texas. Both measures would require the President to report to Congress if he impounds all or part of an appropriation. Under the Ervin bill, the President would have to spend the money unless both houses of Congress affirmed his action within sixty days.

Under the Mahon bill, which has the backing of the House Democratic leadership, any impoundment would stand unless the appropriations committees reported out and both houses approved a concurrent resolution disapproving the President's action. In practice, if there were support for the President's action among influential members of those committees, they could sustain him simply by refusing to report out any resolution. Ordinary members could not obtain a vote unless the appropriations committees, particularly in the House, tend to be conservative and in favor of holding down the budget, an impoundment would probably prevail unless there was very strong sentiment in Congress on a particular issue.

The procedures of the Ervin bill would properly and forcefully assert Congress's prerogatives. But there are two reasons, one institutional and one political, for favoring the more cautious approach of the Mahon bill. Institutionally, it makes sense to refer Presidential impoundments to a Congressional committee for study, and Appropriations is the logical committee.

Politically, it is clear that President Nixon is almost certain to veto any anti-impoundment bill. His veto can be overridden by the necessary two-thirds vote only if the bill attracts the support of fiscal conservatives in both parties. In that situation, Mr. Mahon is ideally suited to argue the case for Congress—not in ideological or programmatic terms as a liberal might—but in terms of the enduring place of Congress in a stable constitutional order.

ENDORSES FOOD LABELING ACT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. ROSENTHAL. Mr. Speaker, recently a group of persons with allergies called the Environmental Health Association of Greater Washington wrote to me to express their support of H.R. 1650, the Truth in Food Labeling Act.

The association makes the point that most people used to frown upon those who went to health grocery stores as "food faddists" until they themselves became ill due to unlabeled ingredients in food products.

Their conclusion was that the Truth in Food Labeling Act, which I have introduced with over 70 cosponsors, is the only answer to this pressing problem.

As they pointed out, the scope of this problem extends beyond diabetics and allergetics. It encompasses all consumers because everyone faces the threat of becoming sick from unknown and unquantified food ingredients and preparations.

The association's letter, written by Mrs. Maureen Smith, editor of EHA's newsletter, The Ecologist, follows:

GAITHERSBURG, MD.,
February 9, 1973.

Hon. BENJAMIN S. ROSENTHAL,
House of Representatives,
Washington, D.C.

DEAR SIR: We take note of the fact that your labeling bill, H.R. 8670, has been changed to H.R. 1650.

Our organization, The Environmental Health Association of Greater Washington, is extremely concerned about the exact labeling of ingredients in our food. We are a group of people who suffer from allergies of a more or less severe nature and who have made a study of the problem for some years.

Since it is imperative for us to know exactly what is in our food, we can buy little food from the supermarket. We need to know the source of our sugar—some people are allergic to beets but not cane, and vice versa. Investigation has revealed these sugars are often mixed at the factory. We need to know the exact source of oils—any oil may be an offender and therefore a danger.

Most people know the prevalence of wheat allergy, but I would like to emphasize that there is just as much trouble from corn. Corn and wheat are grains of the same botanical family. Many cannot tolerate any of these grains at all. But corn is used in your sugar, table salt, tooth paste, frozen foods, and other table products; if you are interested, the corn industry will proudly send you a list of all the foods in which corn is found. We strongly feel they should be labeled so.

We are allergic to various additives and preservatives and other chemicals, and need to know exactly—in so far as it is possible—what we are eating. The "other chemicals" include the insecticides used in the raising of produce. We find that people are gradually learning about the chemicals used in the coloring of oranges, but they still do not realize our oranges are sprayed many, many times and the DDT or other pesticide begins to build up in the fruit from the blossom on. Then the whole orange is used to make frozen orange juice, though, rest assured, you can never wash off the pesticides as so many people think. Then, to contaminate it further, the juice is put into a can lined with plastic. Unfortunately, all plastics are far from inert, much evidence indicating the presence of a free molecule and many people are sensitive to them.

With the number of industrial, agricultural, and domestic chemicals geometrically increasing each year, is it any wonder that allergies also are increasing among the population?

Many of us used to look upon those who went to health food stores as "food faddists"—until we became ill. Now we are most grateful we have these stores. It is important now that the manufacturers realize the need for complete ingredient labeling. It is reported to be successful in Canada. We believe it will be here, also.

Sincerely yours,

MAUREEN SMITH,
Editor, The Ecologist.

OEO LEGAL SERVICES NEGLECT THE POOR

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. HUNT. Mr. Speaker, last week I pointed out in the RECORD some of the discrepancies in the legal services program of OEO. Today I point out once again proof that this program is not serving the needs of the poor.

I have discovered that a legal services program in New York State, the Legal Aid Society of Albany, brought a suit asking for $1.5 million in damages on behalf of the inmates of the Clinton Correctional Facility in Dannemora, N.Y. Named as defendants were Governor Rockefeller, commissioner of corrections services, Russell G. Oswald, and J. Edwin Lavallee, superintendent of the Clinton facility.

It certainly appears to me that such a suit has very little to do with poverty. I do not know what representing convicted criminals and providing legal assistance to the law-abiding members of our society have in common.

I submit the following article for the RECORD to show exactly where the efforts of the Legal Aid Society in Albany, N.Y., are directed:

LEGAL AID FILES SUIT FOR INMATES—ASKS $1.5 MILLION DAMAGES FOR CLINTON PRISONERS

(By Fred Ferretti)

A suit asking for $1.5-million in damages was filed yesterday on behalf of the inmates of the Clinton Correctional Facility in Dannemora by the Legal Aid Society in Albany.

The class action names seven inmates as plaintiffs, but includes all other inmates in the prison.

It alleges that prison officials there have maintained a continually escalating spiral of violence and reaction, with a "pattern of continual harassment and cruelty" aimed at provoking inmates to violence so that prison officials will have a basis for further punitive measures against them.

Named as defendants were Governor Rockefeller, Russell G. Oswald, Commissioner of Correctional Services; J. Edwin Lavallee, superintendent of the Clinton facility; two correction officers, and four guards by name and 25 other guards not listed by name.

The filing was made in the United States Court for the Northern District before Chief Judge James T. Foley. It seeks, initially, a restraining order against prison and state officials and asks Federal intervention.

The filing for compensatory and punitive damages is the first since the prisoner revolt at the Attica Correctional Facility Sept 9 to 13.

Last Monday, four city and state bar associations said they would appoint lawyers to represent prisoners in civil actions brought by Attica inmates. Their announcement came, they said, at the request of the Legal Aid Society.

The damages asked for were not the first to be demanded by a New York State prisoner. Last year, Federal District Judge Constance Baker Motley ruled in favor of Martin Sostre, an inmate at Green Haven Prison, who sued the state for violating his constitutional rights.

Last February Judge Motley's ruling—in which an award of $13,000 was made—was overturned by the United States Court of Appeals. The award of damages from Paul D. McGinnis, then Corrections Commissioner, was reversed, but compensatory damages from Green Haven's warden, Harold W. Follette were affirmed. However, Warden Follette died, and the Appeals Court ruling left open whether the money could be collected from his estate.

The Legal Aid brief follows continued reports of harassment of prisoners at the Clinton Correctional Facility. Letters from prisoners there have been mailed to lawyers and to newspaper offices alleging beatings, a lack of food and continued relegation of prisoners to solitary confinement.

The brief, filed on behalf of "at least 2,500 persons" all of whom are "black or Spanish-speaking adult citizens of the United States," asserts that Clinton's inmates have been "frequently beaten, gratuitously tear-gassed and threatened, harassed and subjected to racial slurs as a matter of routine."

The men, the brief states, were placed in Clinton's Unit 14, the solitary confinement area, in violation of their rights and without charges read to them or without having the opportunity to respond. Only nonwhite prisoners have been so treated, the brief asserts.

The brief says that on June 25 a disturbance occurred in Unit 14 "arising out of arbitrary mistreatment of prisoners."

"Since that time, physical abuse and threats thereof have intensified and become more frequent." . . . On or about Sept. 13, 1971, inmates of Attica Correctional Facility staged an uprising. Since that time brutality against inmates in Unit 14 has further intensified."

The brief says inmates have been beaten with fists and baseball bats, sprayed with scalding water and Mace, handcuffed repeatedly and denied access to attorneys.

Conditions in the cells of Unit 14 are "filthy," the brief alleges, and prisoners are permitted but one shower each week, and the cells are virtually heatless.

The suit asks that a declaratory judgment be issued saying that Clinton has violated the inmates' rights; that the prison officials be enjoined from further alleged mistreatment; that damages of $1.5-million be awarded and that the inmates be placed in protective Federal custody or removed to other state penal institutions.

PHILADELPHIA NAVAL SHIPYARD

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. EILBERG. Mr. Speaker, at a time when there are constant complaints about waste in Government with the Department of Defense emerging as the prime target for these charges I am happy to report that the Philadelphia Naval Shipyard has been cited as one of the most efficient and cost-cutting operations in the Nation.

The award given to the shipyard is in recognition of its long history of providing the Navy with new and renovated ships ahead of schedule and below estimated costs and its continuing efforts in this direction.

I insert the following:

PHILADELPHIA NAVAL SHIPYARD

The Philadelphia Naval Shipyard, under the Command of Captain J. B. Berude, continues to strive for improved performance in its quest for excellence, especially in the vital areas of Quality, Cost Reduction and Time.

In December of last year, the Shipyard was presented the Zero Defects Craftsmanship Award in recognition of continued Superior Performance reflecting High Individual Craftsmanship Standards resulting in Outstanding Improvements, from November 1970 to September 1972. The award comes from the Naval Material Command and is signed by the Chief of Naval Material Admiral Isaac J. Kidd, Jr.

To receive the award, the Shipyard must have earned the Achievement Award, which they did in November 1970, and exhibit sustained performance at the Achievement Award level or better for one year satisfying the following criteria: The program must show active participation by management; active participation by employees of the Shipyard; procedures for sustaining the program; a feature with documentation that identifies and removes the causes of errors; continual education of employees in the concepts of Zero Defects and evidence of activity, established performance goals, plotting of performance against these goals, and a means of displaying this progress.

In February of this year, Philadelphia became the first naval Shipyard to attain the cost reduction goal assigned by Naval Ship Systems Command for Fiscal Year 1973. The 4 million dollar goal, second largest among the ten naval shipyards, has been exceeded by nearly 1 million dollars. These cost reductions, validated by NAVSHIPS, are the result of intensified, improved or new management actions to reduce costs.

Finally, in the time category, the employees of the Philadelphia Naval Shipyard take great pride in having completed 19 ships ahead of schedule in 1972. The Shipyard has returned these ships to the line a total of 270 days early.

The Zero Defects Program is an effort to reverse the trend toward poor workmanship and unconcerned employees that has spread throughout the country. It appeals to the pride of the individual, makes each person his own severest critic, stresses attention to detail and the attitude of do it right the first time. One of the goals of the program is to develop pride in the Shipyard and the results show the success.

BERMUDA ASSASSINATION: A NEW AMERICAN CRISIS?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. RARICK. Mr. Speaker, the tragic murder of the British Governor of Bermuda, Sir Richard Sharples, and his Aide de Camp, Capt. Hugh Sayers, can be expected to precipitate events of vital interest to the American people.

To most Americans, Bermuda, a small series of Islands in the Atlantic, 508 miles east of Cape Hatteras, N.C., is as remote and distant as Africa or Asia. Most regret the assassination of Bermuda's Governor but pay no further consequence to acts of terrorism which are compelling the British to dissolve their empire and its stabilizing influence of European law and order.

One wonders what American reaction will be when independence and self-determination is granted Bermuda and the British influence is removed. What will be American public reaction when another "People's Government" representing 55,000 people is admitted to vote in the U.N.?

American reaction can be anticipated when independence is granted and Russian influence, including Soviet Naval vessels and aircraft occupy the vacuum left in Bermuda as a result of anti-British terrorism. Bermuda could become a potential Cuba in the Atlantic—a convenient refueling stop and rest and rehabilitation port for the Soviet fleet plying the waters off Washington, D.C., New York City, and our Atlantic Coast.

It is quite ironic that at a time when some in our Government advocate Atlantic Union to reestablish the United States as a European colony, the mother country is seriously planning the granting of independence to Bermuda.

Most Americans are envious of Bermudians for Bermuda has no income taxes—a workingman's heaven where the cost of government is borne by duties and import taxes. Bermuda is a quaint and attractive island where tourism is the principal source of income. Bermudans are most friendly and accommodating, but independence will destroy another tropical paradise.

Perhaps the difference between giving up Bermuda and regaining the United States as a colony under the Atlantic Union theory is that the United States would be beneficial for England without the loss of Englishmen.

Americans who are proud of the history of our country support independence from England—so long as it is not Rhodesian independence—but we must remember Americans won independence. History is proving that there is a difference between people earning freedom and simply being turned loose.

We cannot blame the retiring British for receding from their protectorate and abandoning their emigrants to the mercy of people who do not understand government. Bermuda to the British just isn't worth the sacrifice of British lives. Sir Richard and his aide de camp, Captain Sayers, make the third British officials mysteriously murdered in 6 months. The terrorist attacks against British rule in Bermuda are reminiscent of those in Africa, Asia, the Far East, and the Middle East where the British eventually withdrew, leaving the fate of their subjects to the new one-man, one-vote tyranny.

Impossible? Look at the statistics. Bermuda's population is three-fifths black, with a political party adhering to the black power movement of Marxist theories and a leader who admires Gueverra and frequents Cuba.

The day of Sir Richard Sharples assassination he was sharply criticized in their assembly by the PLP Party leader as a symbol of colonialism. Mrs. Sharples' eloquent statement following the death of her husband was:

> Sir Richard was very firm in his view that a steady progress toward independence should be made as soon as Bermudians themselves wished for it.

The handwriting is on the wall for Bermuda. And it presents a message to be read and heeded by Americans.

The article follows:

[From The Royal Gazette; Hamilton, Bermuda, Mar. 10, 1973]

"Symbol of Colonialism"—P.L.P. Launch Attack On The Governor

An attack on the Governor of Bermuda as "a symbol of Colonialism" came from the P.L.P. in the House of Assembly last night during the Budget debate.

Although some U.B.P. members questioned the relevance of the Governor's function in Bermuda life, the main onslaught came from the P.L.P. benches where members said the amount of $187,058 allocated in the Budget for the maintenance of the Governor and his staff was excessive.

Leader of the Opposition Mr. Walter Robinson proposed a reduction of the Governor's salary from $30,000 to $1,000 annually.

At the close of the debate, the Government Leader Sir Edward Richards said that in 25 years in the House he had never heard any criticism of the Governor be so outspoken or go to such lengths.

Mr. Robinson opened the item-by-item debate on the estimates which will occupy three days of next week by pointing to a figure of $60,000 for the Governor's housekeeping grant. This had gone up from $21,000 last year, he said.

"It may be that his illustrious predecessor did not complain about $21,000, but I think it is enough," said Mr. Robinson. He also asked how many people now employed at Government House were brought into the country by him. He understood a number of Bermudians were displaced from Government House staff, and some people had lost their jobs there.

"The time must come for the whole of this expenditure to go," he said. "The Government of Bermuda spends $187,000 on a symbol of Colonialism, so that some Governor can come out here to open hundreds of bazaars. His life must be a complete bore to him. I am looking forward to the day when we do not have a Governor to maintain in the style that this Budget suggests."

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[From the Royal Gazette, Hamilton, Bermuda, Mar. 13, 1973]

Murderers Attract Wide Attention in Papers in Britain and the United States

* * * * *

The tragedy was heavily featured in the inside pages of the Express which carried photographs of the Sharples family and Government House. Headed "Guns in the Sun", journalist Ivor Key wrote:

PEACEFUL

"Three Britons have been assassinated by gunmen in six months on the normally peaceful island.

"And Black Power could be responsible.

"For this British Colony, 20 square mile speck in the Atlantic, is a symbol of imperialism hated by the Black Power leaders of America and the Caribbean.

"Two thirds of the island's 55,000 population is black . . . and for years outsiders have been agitating that they should rise up and drive the white population which holds the economic power back to America and Britain.

"In a part of the world where independence is the cry the island—600 miles off the Carolina coast—sticks out like a sore thumb.

"Ironically the governing United Bermuda Party which is led by a Black Bermudian, Sir Edward Richards, is adamant that it doesn't want independence.

"However, the major Opposition, the Progressive Labour Party, led by Walter Robinson, did advocate independence in the last election seven months ago.

CONFLICT

"Racial, economic and political conflict has always been simmering on this coral island with which its rolling green hills and bright blue surrounding sea must be one of the most beautiful in the world.

"But murder has never previously been a symptom of the unrest.

"As early as 1965 though, scores of Bermudians were arrested when they rioted following a strike of the Bermuda Electric Light Company, one of the main employers.

"This was put down to labour strife, but three years later when hundreds roamed the streets looting and burning before an election, officials originally thought the Black Power movement may have been behind it.

"But a later commission decided it was caused by social unrest and because they said youngsters did not have much to do on the island.

"As a result several youth clubs were opened up (since then one has closed down because it was burnt to the ground).

"In 1970 a political movement calling themselves the Black Berets which consisted of about 100 young blacks came into the open after riots prior to the visit of Prince Charles.

"Some were arrested and fined in court.

ASSOCIATIONS

"The movement which was believed to have loose associations with Black Power leaders in America then either went to ground or disintegrated."

It went on: "Interestingly enough, it was Bermuda in which American Black Power Leader Roosevelt Brown chose to hold a conference in 1969.

"But rather than get the island agitating, it created little interest among Bermudians, who are more interested in their own problems than those of Watts and Bedford Stuyvesant.

"Nevertheless, there is the possibility a hard core of black militants are on the island who eye the land owned by whites, including many Americans, with envy.

"A policy of terror could have been conceived to whip up some feeling on the island.

Many terrorist campaigns have begun with assassinations of high Government officers like Sir Richard and the police dog.

SYMBOLS

"Both were appointed by Britain and were constant symbols of British rule on that island."

It ended: "For if black power is responsible, this vulnerable island could be heading for years of terror.

* * * * *

[From Royal Gazette, Hamilton, Bermuda, Mar. 14, 1973]

U.K. Press Carries Common Tributes

News following up events of the weekend murders was generally relegated to inside pages of foreign newspapers yesterday.

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Under front page headlines "Murder Squad Hold Bermuda Militants". The Daily Telegraph told how the round-up of Black Power militants in Bermuda continued.

* * * * *

The report went on: " . . . Bermudians are talking in terms of a wider plot to overthrow the white establishment in a colony which has a 62 percent black majority.

"Sir Richard himself is said to have sensed strong black resentment to his presence particularly among Negroes in their late teens and twenties—soon after his arrival in October."

* * * * *

It also quoted from the Royal Gazette and carried a picture showing Fiona Sharples leaving London's Hearthrow Airport.

Under the heading "Rumblings of Discontent under Bermuda Calm," The Guardian devoted several inches to Roosevelt Brown: "Mr. Brown, black, young and something of an enigma, looks up on himself as the island equivalent of his adored Guevara. He is a self-styled Marxist, a former member of the Bermuda Assembly, a youth leader, and a black militant, and is said to be a frequent visitor to Cuba."

Mentioning the PLP: the report continued "Brown is the party's resident extremist and the representative of much that has gone wrong or may yet go wrong.in Bermuda's otherwise tidily self-assured village life.

"Although the island has all the trappings of colonial democracy and the undisguised air of easy wealthy contentment, there are subterranean rumblings. Black is their colour, brown is their expression, and white prefers not to know."

THE LITTLE GUY'S SHARE OF TAX BURDEN GROWING

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. WILLIAM D. FORD. Mr. Speaker, despite the fact that the Nixon administration has proclaimed its economic policies a success, the lower income citizens and the poor in this country have been increasingly hit with a higher and higher burden of taxes. An editorial which appeared in the Detroit Free Press on March 9 provides a very clear analysis of the devastating effect that this administration's policies has had upon these citizens and I would like to insert this article in the Record for the benefit of my colleagues:

[From the Detroit Free Press, Mar. 9, 1973]

The Little Guy's Share of Tax Burden Growing

The importance of the tax upheaval which has been going on in this country for the past several years, and which is being accelerated by President Nixon's new economic policies, should not be underestimated.

It is a shift, as Robert Boyd of our Washington bureau pointed out the other day, which is not only moving the tax burden from the federal to the state and local governments, but even more importantly, is increasing the share of the total tax take paid by the lower-income and the poor while reducing the share paid by the middle-income and the rich.

In economic language—and philosophy aside—the tax system is becoming more "regressive" and less "progressive." It is putting a relatively greater load on those with the least ability to pay.

There seems no question that the shift is popular with Mr. Nixon's middle-class political base, those who said so volubly that they were fed up with paying taxes to support welfare chiselers. But it raises questions which the citizens of Michigan and every other state are going to have to answer. And it puts heavy new pressures on our state and local tax systems.

To oversimplify, federal income taxes on individuals and corporations which are based on ability to pay, have been cut $21.6 billion by Mr. Nixon. At the same time the flat-rate deductions for such items as Social Security and Medicare have been raised, which socks it harder to the guy who earns less than $10,800 a year.

Further, state and local taxes nationally rose by $35 billion from 1969 through 1972. In Michigan, according to the Citizens Research Council, they have more than doubled from 1960 to 1972.

And Michigan's taxes, like Social Security, are "regressive" in that they are not based on ability to pay. The tax on a $20,000 house is the same for a family making $50,000 as individuals and corporations which are taxes, also flat rate, bear more on the poor, relatively, than on the well-to-do.

When Mr. Nixon proposed revenue-sharing, the theory was that the federal government would collect "progressive" taxes and return them to the states to ease the load of "regressive" taxes. In theory it works. But Mr. Nixon has cut out all the first-year gains from revenue-sharing by eliminating or reducing many of the Great Society programs.

He has also proposed raises in the regressive taxes. Medicare patients, mostly elderly, will pay 10 percent of their hospital bills. Inflation, by no means under control, hits hardest at those on fixed incomes.

To some of Mr. Nixon's proposed changes we have offered our support and applause. We have never believed that the federal government should do for the people what the people are willing and able to do for themselves. But the lines are becoming muddy as the tax burden changes.

Nonetheless, it seems evident that if the President is going to "turn power back to the states," the states are going to have to assume it or forfeit their obligations to their citizens. This means coming to grips with financing it.

And in Michigan, with no way to levy progressive taxes to offset the cuts in federal progressive taxes, that means higher regressive taxes—an increase especially on those least able to pay.

It is popular, certainly. The voters of Michigan last fall rejected tax reform in favor of keeping our present flat rate system. But how long will it work in a society in which the rich get richer while the poor get poorer?

HOUSE OF REPRESENTATIVES—*Tuesday, March 20, 1973*

The House met at 12 o'clock noon.

Rev. Jerry D. Van Der Veen, Church of the Covenant, Hawthorne, N.J., offered the following prayer:

They that wait upon the Lord shall renew their strength; they shall walk and not faint.—Isaiah 40: 31.

Almighty, Eternal God, we humbly bow before Thee and with thankful hearts acknowledge that Thou art the source of all our blessings, even life itself.

We thank Thee for our health and strength.

May we realize that Thou art always with us, every moment of the day.

We pray for Thy blessing upon our country, the land that we love.

Bless the President and the Vice President. Be with the Speaker of the House. Give him wisdom, guidance, and strength to fulfill his calling.

We ask for every Congressman here present today that Thou wilt direct their decisions for the benefit of all our people.

We commend our Nation with all its problems and difficulties unto Thy sovereign care.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 583. An act to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the Rules of Evidence for United States Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedure and the Amendments to the Federal Rules of Criminal Procedure which the Supreme Court on November 20, 1972, ordered the Chief Justice to transmit to the Congress.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE PRIVILEGED RESOLUTIONS

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that the Committee on House Administration have until midnight tonight to file several privileged resolutions.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CLOSING OF THE REGIONAL HEALTH PROGRAMS

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, there is a ruthless determination about the administration's attacks upon the health programs of this Nation.

Fifty-six regional medical centers have been notified that funding will be halted after June 30. Mr. Speaker, the Congress has had no opportunity, to pass judgment on this proposal. The administration's action is presumptuous and arbitrary. It represents another instance of usurpation of power by the Executive.

The regional medical centers were established under the Johnson administration and charged with relaying new medical advances from the laboratories to the practicing physicians. This promising program is only one of several health programs marked for extermination by the Nixon administration.

The administration's action must urge the Congress once again to reassert its policymaking responsibilities. The American people must be protected from the arbitrary termination of health programs.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SUBSIDY PAYMENTS OF $20,000 OR MORE FOR 1972

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, later this week I will once again offer in the RECORD a massive compilation of facts that will document how deeply the big corporate farmers have dipped into the Federal till this past year.

It is time to publish the annual honor roll: the list of those farms that received subsidy payments of $20,000 or more under the Federal Government's cotton, feed grain, and wheat programs for 1972. Last year more than 10,000 farms qualified for this list.

In this time of skyrocketing farm prices and tremendous food exports, these subsidy programs are wasteful and outdated. They must be phased out.

Preliminary figures indicate that Federal subsidy payments under the feed grain program for 1972 will total $1.865 billion—a 77-percent increase over the previous year.

For all that flood of money, I cannot see a residue of benefit. In my district there are hundreds of dairy farmers who are in trouble because they cannot get enough feed grain. And what little supply they do get costs 50 percent more than just 4 months ago.

I hope my colleagues will study the list of subsidy recipients and ask whether these Federal handouts to big corporate farmers can be justified any longer.

FOURTH MANPOWER REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–64)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and ordered to be printed with illustrations.

To the Congress of the United States:

As required by section 107 of the Manpower Development and Training Act of 1962, as amended, I am sending to the Congress the fourth Manpower Report of my Presidency and the final one of my first Administration.

The report describes the acceleration of the economic recovery in 1972 and analyzes the significant decrease in rates of unemployment that occurred following a revitalization of labor demand under Phase II of our Economic Stabilization Program. Significantly, these overall employment gains have been achieved in the face of an unusually rapid expansion of the civilian labor force. I am especially gratified by the evidence that this Administration's intensive effort to improve the employment situation of Vietnam-era veterans has been increasingly effective in recent months.

In the course of a decade of experimentation, numerous federally sponsored manpower programs have been devised and executed in response to changing perceptions of national requirements. The experience of these 10 years has demonstrated conclusively that "national" manpower issues really have a sharply differentiated impact among the many States and localities and hence that the effect of many large-scale federally designed programs has been to unduly constrict States and localities, preventing them from directing resources to meet their problems.

In response to these findings, this Administration will take steps during 1973 and 1974 to institute a new program of manpower revenue sharing within the existing legislative framework. The new Manpower Report discusses this much-needed reform, which will permit States and localities to use manpower resources in a manner consistent with their requirements.

I commend this report to the careful attention of the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *March 20, 1973.*

CALL OF THE HOUSE

Mr. WYLIE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 51]

Anderson, Ill.
Badillo
Bafalis
Bell
Bergland
Biaggi
Brademas
Carey, N.Y.
Carney, Ohio
Chisholm
Clark
Clay
Conyers
Dellums
Diggs
Dingell
Dorn
Fascell
Findley
Ford, William D.
Frenzel
Froehlich
Hansen, Idaho
Harrington
Harsha
Harvey
Hawkins
Hébert
Hogan
Hosmer
Karth
King
Koch
Lent
McCormack
Milford
Minshall, Ohio
Mitchell, Md.
Moorhead, Pa.
Mosher
Nelsen
Nix
Patman
Peyser
Poage
Price, Tex.
Reid
Roncallo, N.Y.
Rooney, N.Y.
Steiger, Ariz.
Stephens
Stubblefield
Taylor, Mo.
Treen
Udall
Young, Alaska

The SPEAKER. On this rollcall 376 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FORT WORTH FIVE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HANLEY. Mr. Speaker, I would like to take a moment to share with you and my colleagues some observations about House Resolution 220 and others, requesting information about the Fort Worth Five. In the ongoing controversy over the contempt proceedings launched against Kenneth Tierney, Thomas Laffey, Thomas Reilly, Paschal Morahan, and Daniel Crawford, the point of this resolution has sometimes been overlooked. This measure is far from an attempt to pass judgment on the guilt or innocence of this group of men, but it is an effort to determine if there has been any politically motivated harassment of these men and also to see if the grand jury investigation could have been held just as easily in New York City. Since the early days of this country, we have striven to keep the power vested in the State from abusing the citizens it was designed to protect. It is a prime responsibility of this body to be constantly on the lookout for any acts taken by the State against its citizenry designed to intimidate rather than determine guilt or innocence. The action of the Department of Justice in convening the grand jury in Fort Worth, Tex., thereby considerably increasing the cost of defending these men, separating them from their families, friends, and lawyers, plus the reluctance on the part of the Justice Department to fully explain their actions seems to me to be sufficient basis for requesting this information. It is our job to see that these men are accorded the due process of law which every citizen is entitled to. When citizens from New York are hauled off to Texas and thrown into jail for invoking the fifth amendment we have no choice but to demand an explanation from the Government. I heartily endorse these resolutions.

PROVIDING FUNDS FOR COMMITTEE ON HOUSE ADMINISTRATION

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 249 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 249

Resolved, That effective January 3, 1973, the expenses of the investigations and studies to be conducted by the Committee on House Administration, acting as a whole or by subcommittee, not to exceed $450,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $65,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. HAYS (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the resolution be dispensed with and that the resolution be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, this resolution is the funding for the Committee on House Administration. There are 18 others to follow.

I can say to the Members that in every case the minority was asked when they came before the subcommittee as to whether they were satisfied or not, and in every case we had assurances that they were.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, in every case, in all 18 resolutions before us, I believe each of the ranking minority Members was asked specifically if he was satisfied with the staff allowed for the minority.

I can assure the Members that I am satisfied that there was not one person, one minority ranking Member, who left there saying that he was dissatisfied with the staff allowed.

I support this and the following resolutions.

Mr. HAYS. Mr. Speaker, the remaining resolutions will be handled by Mr. THOMPSON of New Jersey, chairman of the subcommittee.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding.

I notice the resolution calls for an additional expenditure of $50,000 for the first session of the 93d Congress. Could the gentleman just briefly tell us what the additional expenditure is for?

Mr. HAYS. This is an increase over last year of about 5 percent; a little more than 5 percent.

As the gentleman knows, we had a 5-percent increase in wages, so this is the amount which every committee has over and above its statutory allowance. I mean the amounts will vary, but that is over the statutory allowance for extra legal staff clerks, clerks of the subcommittees, minority staff.

Mr. WYLIE. This in substance is a cost-of-living increase; is that what the gentleman is saying?

Mr. HAYS. A $25,000 increase over last year amounts to that in this particular case.

May I say that in some of the committees which come later on the increase is much more than that, but in every case the committee felt it was justified.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. That increase applies only to statutory employees or applies to others?

Mr. HAYS. The increase applies to everybody on the Hill, subject to the approval of the committees, and every committee chairman did approve it. It was a statutory increase, and I think 95 percent of the Members approved it for the staffs of their offices.

Mr. GROSS. But provision is not made in any of these resolutions to pay statutory employees. Is that not correct? Or am I wrong?

Mr. HAYS. Well, that is correct. It is for employees over and above the statutory employees most committees are allowed.

Mr. GROSS. I thank the gentleman.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON ARMED SERVICES

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 264 and ask for its immediate consideration.

The Clerk read the reolution, as follows:

H. RES. 264

Resolved, That, effective January 3, 1973, the expenses of the investigation and study to be conducted pursuant to H. Res. 185, by the Committee on Armed Services, acting as a whole or by subcommittee, not to exceed $225,000 including expenditures for the employment of special counsel, consultants, investigators, attorneys, experts, and clerical, stenographic, and other assistants appointed by the chairman of the Committee on Armed Services, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of the Committee on Armed Services, and approved by the Committee on House Administration. Of such amount, not to exceed $12,500 shall be available for the employment of consultants and consulting organizations; but nothing in this sentence shall be deemed to prohibit the expenditure of all or part of such $12,500 to cover any other expenses for which payment may be made under this resolution.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Armed Services shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution established by the Committee on House shall be expended pursuant to regulations Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that the resolution be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution is to fund the Committee on Armed Services. It has a modest increase over its expenditure of the previous Congress, which is due again largely to the statutory 5.5 percent pay increase.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. How does the gentleman propose to go about calling up these resolutions? They are not being called in numerical order. Does the gentleman have a list of how they will be called?

Mr. THOMPSON of New Jersey. Yes. Would the gentleman like me to read the list?

Mr. GROSS. That would not be very helpful, but they will not be called in numerical order?

Mr. THOMPSON of New Jersey. They are being called actually in the order in which they were received by the committee.

Mr. GROSS. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON EDUCATION AND LABOR

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 181 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 181

Resolved, That, effective January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 175, by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $1,440,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Of such amount $90,000 shall be available for each of eight standing subcommittees of the Committee on Education and Labor.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this is for the Committee on Education and Labor, on which there is, as on all of these resolutions, complete agreement between the majority and the minority.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. For this committee I note there is a $190,000 increase over the first session of the last Congress, which is a little more than a cost of living increase.

Mr. THOMPSON of New Jersey. Yes. This is caused by the creation of a new subcommittee and by the expanded oversight responsibilities of the respective subcommittees.

Mr. WYLIE. The creation of a new subcommittee and staff of the subcommittee, is that what the gentleman is saying accounts for the increase?

Mr. THOMPSON of New Jersey. Yes. That represents $90,000 of the increase.

Mr. WYLIE. What is the name of the subcommittee?

Mr. THOMPSON of New Jersey. The subcommittee on Equal Opportunities, I believe it is, chaired by the gentleman from California (Mr. HAWKINS).

Mr. WYLIE. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 271 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 271

Resolved, That, effective January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 187 by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $291,500, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this is for the Committee on Merchant Marine and Fisheries, chaired by our distinguished colleague, the gentlewoman from Missouri (Mrs. SULLIVAN). Again, there was complete agreement between the majority and the minority.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON THE JUDICIARY

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 265 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 265

Resolved, That, effective January 3, 1973, the expenses of conducting the studies and investigations authorized by H. Res. 74 of the Ninety-third Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $536,217.75 including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants and consultants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman of such committee and approved by the Committee on House Administration. Not to exceed $20,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this is for the Committee on the Judiciary, chaired by the distinguished dean of the New Jersey delegation (Mr. RODINO.)

Again, there is complete agreement with the ranking minority member, the gentleman from Michigan (Mr. HUTCHINSON).

The amount was reduced slightly, because there was an expenditure for a computer in the committee. The committee has geared into the House computer now, and the subcommittee and the Committee on House Administration felt that reduction was justifiable.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio for debate only.

Mr. WYLIE. Did I understand the gentleman to say that the amount authorized here for the Judiciary Committee was decreased?

Mr. THOMPSON of New Jersey. The amount of the original request of that committee was decreased. No; there is represented an increase over the authorization of the last Congress.

Mr. WYLIE. I notice in the first session of the 92d Congress it was $350,000. This represents an increase of about $186,000 plus. Does the gentleman have the figures there as to the items that are represented?

Mr. THOMPSON of New Jersey. Once again there is a 5.5-percent increase for the creation of two new subcommittees, and there has been an increase in the minority staff.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Speaker, I say further that the Special Committee on Crime is being phased out, and their jurisdiction will be transferred to the Committee on the Judiciary, and the Special Committee on Crime alone used over $600,000 last year.

So in my judgment this is a fairly modest increase, with all the added duties the Committee on the Judiciary is going to take on.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. This is funding for two new additional subcommittees, plus their staffs?

Mr. THOMPSON of New Jersey. Plus a 5.5-percent increase for the staff, plus the increased minority staff.

Mr. GROSS. I thank the gentleman. Now, may I ask the gentleman further, in any or all of these resolutions that are to come up today—I understand the Committee on the District of Columbia resolution is to come up tomorrow——

Mr. THOMPSON of New Jersey. The resolutions on the District of Columbia, on Banking and Currency, and Internal Security, and one other will come up on Thursday, I believe.

Mr. GROSS. On Thursday, rather than tomorrow. Yes, I thank the gentleman for the correction.

Mr. Speaker, let me ask this: On all these resolutions for funding committees, each of them has the authority to travel to foreign countries, do they not?

Mr. THOMPSON of New Jersey. The gentleman is correct, yes. As I understand it, by the action taken a week or so ago, all but one committee has the foreign travel privilege.

Mr. GROSS. Then is there any provision made in any of these resolutions for the short-fall in the dollar, the 10 percent devaluation of the dollar, and therefore, the increased costs of foreign junketing? Is any of this increase attributable to that factor?

Mr. THOMPSON of New Jersey. No, we did not take that into consideration. We do not know from day to day or even from hour to hour what the exact value of the dollar is.

Mr. GROSS. Yes.

Mr. THOMPSON of New Jersey. So we took it at its old value.

Mr. GROSS. I am glad to hear that.

Mr. THOMPSON of New Jersey. So in a sense we are saving 14 percent approximately.

Mr. GROSS. Well, I do not know whether you are or not. I do not know whether you are saving 14 percent, or whether you will be back here next year authorizing funds to make up the short fall. Perhaps it will be in a supplemental appropriation.

The gentleman will not say that the Congress has quit junketing, would he?

Mr. THOMPSON of New Jersey. I do not know what the word, "junketing," means. I would expect that my friend, the gentleman from Iowa (Mr. Gross) is referring to travel outside the United States, using what is commonly known as counterpart funds.

The gentleman has received, for instance, from me in a number of instances postcards and small gifts which were paid for out of my own pocket.

Mr. GROSS. The gentleman from Iowa is always thankful for small favors. It is always nice to know where the gentleman is traveling.

Mr. THOMPSON of New Jersey. I always like to keep the gentleman from Iowa informed, and I assure him I shall when I travel abroad this year.

Mr. GROSS. The gentleman from Iowa particularly appreciates the scenic postcards that he gets.

Mr. THOMPSON of New Jersey. I thank the gentleman. If the gentleman is referring to that beautiful card of the fountain at Lake Lucerne, I understand.

Mr. GROSS. Yes, that is one of them. However, that is only one.

So there is no provision in any of these resolutions presently before us to take care of that?

Mr. THOMPSON of New Jersey. No, sir, not in a single one. I shall continue to pay for my messages and small presents out of my own pocket.

Mr. GROSS. Regardless of whether the dollar is going to be in inner or outer space in the next 48 hours?

Mr. THOMPSON of New Jersey. No one knows. So we can take that into consideration.

Mr. GROSS. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON FOREIGN AFFAIRS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 278 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 278

Resolved, That effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 267, Ninety-third Congress, incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed $607,500 including expenditures for the employment of experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Foreign Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution is for the Committee on Foreign Affairs chaired by the distinguished gentleman from Pennsylvania (Mr. Morgan).

Once again the ranking member of the committee is in complete agreement with this.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I am pleased that I asked the question that I did previously about the short-fall in the devalued dollar now that we are considering the financing resolution for the Committee on Foreign Affairs which is one of the real junketing committees in this Congress.

I thank the gentleman for yielding.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON PUBLIC WORKS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 285 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 285

Resolved, That, effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 228, by the Committee on Public Works, acting as a whole or by subcommittee, not to exceed $1,519,700, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $75,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a (i)); but this monetary limitation on the procurement of such service shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Public Works shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution is for the Committee on Public Works. There is an increase over the previous year caused again by the 5.5 percent pay raise, and by the creation of a new subcommittee, and by the increase in the minority staffing.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I notice that the requested authorization in the case of the Committee on Public Works is the largest single increase in any of the committees, to wit, $447,000 over the first session of the 92d Congress. Is that all reflected in the cost of living increase, one subcommittee and its staff?

Mr. THOMPSON of New Jersey. Mr. Speaker, I would reply to the gentleman from Ohio that not all of it is, it is also caused by the increased minority funding and by the determination by the chairman and the ranking member to do much more oversight in this session than in the past.

Mr. WYLIE. Much more oversight over what, if the gentleman knows?

Mr. THOMPSON of New Jersey. This committee has enormous responsibilities relating particularly to highway safety, to air and water pollution, and to transit problems and other matters.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

I do think we need some additional information in this case since it is a resolution that calls for $1,648,000,000 plus; is that correct?

Mr. THOMPSON of New Jersey. $1,519,700.

Mr. GROSS. For 1 year?

Mr. THOMPSON of New Jersey. For 1 year.

Mr. GROSS. For the life of me, Mr. Speaker, I do not understand what justifies this expense for one committee of the Congress for 1 year. And an increase of nearly a half million dollars for that period.

Mr. THOMPSON of New Jersey. Mr. Speaker, I would say to the gentleman from Iowa that the hearings on this committee were rather extensive, and were justified by the committee chairman and the ranking minority member. It represents also an increase again in minority staffing.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio (Mr. HAYS) the chairman of the Committee on House Administration.

Mr. HAYS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to say to the gentleman from Iowa that this committee came in with a much, much larger request than they were ultimately granted. A considerable part of that increase was because the chairman of the committee took seriously the Reorganization Act that said that 33 percent of all the employees on the committee should be given to the minority. Then he also took seriously the Democratic caucus action creating a staff for all of the subcommittees that they did not have in the last Congress.

We talked to the gentleman, who is a very distinguished and a very conservative man in fiscal affairs, and he then came in with a much lower figure, and one in which he agreed with the subcommittee chairman.

But I might add that this committee in the past Congress, as I understand it, did not have this subcommittee staffing or the minority staffing, as the subcommittee chairman stated, and this has been expanded.

As I told the gentleman the other day, if you want more minority staffing you will have to be willing to sit still and pay for it the same as we will if we give it to you.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. I appreciate the explanation by the gentleman, but I still do not have an answer. What was the appropriation for this committee in the first session of the 92d Congress?

Mr. THOMPSON of New Jersey. $1,072,000 in the first session.

Mr. GROSS. That is an increase of——

Mr. THOMPSON of New Jersey. Approximately $100,000. We consider it entirely justified, I might say.

Mr. GROSS. Is this kind of money spent on one committee to be used to promote dog tracks and facilities for dog tracks, and various other promotions of that nature?

Mr. THOMPSON of New Jersey. No.

Mr. GROSS. Or additional seats in the stadium?

Mr. THOMPSON of New Jersey. No. I think the gentleman from Illinois (Mr. GRAY), a senior member of the committee can better answer that than I.

Mr. GRAY. Will the gentleman yield to me?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Illinois.

Mr. GRAY. Since the gentleman from Iowa has mentioned the gentleman from Illinois' going to the dogs, I thought I should comment that the Subcommittee on Public Buildings and Grounds, on which I have the pleasure of serving as chairman, has one staff member at $12,000 per year; that is all.

Mr. GROSS. I am talking about the committee as a whole, and to what the committee is devoting its attention as a whole, not to any particular subcommittee. Let the record show that I did not say the gentleman from Illinois was going to the dogs. He made that admission on his own.

Mr. GRAY. Will the gentleman yield to me further?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Illinois.

Mr. GRAY. I am surprised that the gentleman from Iowa would criticize the dog racing bill. The gentleman knows that the R. F. K. Stadium is losing a million dollars a year. Also, there are $20 million in outstanding bonds not paid. The gentleman from Illinois, in talking about proposed dog racing, was merely laying out for consideration one possible source of revenue. I think the gentleman, if I could coin a phrase, is letting the tail wag the dog when he talks about this particular bill of $1½ million to fund the full committee, going to fund such studies as dog racing. It is not.

The gentleman from Texas (Mr. WRIGHT) is not here, but I can say that the Subcommittee on Investigations and Oversight of the Committee on Public Works is probably saving more money for the taxpayers than any committee in this Congress.

We have more than a $4 billion-per-year highway trust fund that we have to monitor with all funds going to the States.

We are now engaged in a very extensive study of highway safety; 56,000 people were killed on the highways of America last year; with hundreds of thousands of injuries.

We have some very expert people—former FBI agents and others—doing a Trojan job in the Committee on Public Works. It costs money to hire these people.

I think the gentleman can see, if we stop cheating in the highway construction program and save millions of dollars, the amount funded here for all the Committee on Public Works is infinitesimal compared to the money we are saving the taxpayers of this country.

Mr. GROSS. Mr. Speaker, will the gentleman yield for one observation?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. The fact is that the appropriations for this committee have been increased, and substantially increased, and I do not know that there has been any reduction in deaths on the highways. This, to me, seems to be something of a subterfuge in justification for this kind of an increase, to which I am vigorously opposed.

Mr. GRAY. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Illinois.

Mr. GRAY. I just make one more observation to my friend from Iowa. I would have to take exception to that last statement he made. We are saving lives. This committee has produced a very effective film that is now being shown in hundreds of theatres and television stations throughout the country on highway safety, on the drinking driver, on various aspects of highway safety. The House Committee on Public Works is actively engaged in a safety program nationwide. I think the gentleman would be proud of the work that this committee is doing if he would care to come down and see some of it.

Mr. WYLIE. Mr. Speaker, will the gentleman yield for an additional question?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. The gentleman mentioned the film which was put together by the Committee on Public Works, and it is an excellent film, but that was put together in the last Congress, was it not, out of appropriations of the last Congress?

Mr. GRAY. Will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Illinois.

Mr. GRAY. I thank the gentleman for yielding. We are continuing to update the film. We are asking various Members if they would like to come down and film their own comments as introductory remarks, and we can then disseminate this film all over the country. This takes additional money. The film, as I said, is being updated. Some of the money was spent in the last session and it is going to take some of the additional funds in this resolution to continue this good work. There are many, many other programs handled by the Public Works Committee.

Mr. WYLIE. Will the gentleman yield for an observation?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. What concerns me is that this committee of all the committees being considered today has jumped up to third place in the amount of money requested to run the committee. Not only has it jumped up to third place, but it also has a 33⅓-percent increase in the amount of money requested for 1 year. The reason for that increase is not reflected in the report.

Mr. THOMPSON of New Jersey. The gentleman from New Jersey can only respond that the justification by this committee was extensive, it was forceful, and it was a unanimous vote of the subcommittee and the full Committee on House Administration to report it out.

Mr. WYLIE. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the

Speaker announced that the ayes appeared to have it.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 372, nays 9, not voting 51, as follows:

[Roll No. 52]

YEAS—372

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Baker
Barrett
Beard
Bennett
Bevill
Biester
Bingham
Blatnik
Boland
Bolling
Bowen
Brasco
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keating
Kemp
Ketchum
Kluczynski
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mailliard
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills, Ark.
Mills, Md.
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Perkins
Pettis
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Saylor
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wydler
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—9

Ashbrook
Blackburn
Collins
Crane
Gross
Landgrebe
Symms
Treen
Wylie

NOT VOTING—51

Anderson, Ill.
Badillo
Bafalis
Bell
Bergland
Biaggi
Brademas
Breckinridge
Carey, N.Y.
Carney, Ohio
Chisholm
Clay
Conyers
Davis, Ga.
Dorn
Downing
Fascell
Findley
Ford, William D.
Frenzel
Froehlich
Hansen, Idaho
Harrington
Harvey
Hawkins
Hébert
Hogan
Hosmer
Karth
King
Koch
Lent
McSpadden
Melcher
Minshall, Ohio
Mizell
Moorhead, Pa.
Nix
Patman
Pepper
Peyser
Price, Tex.
Rees
Roncallo, N.Y.
Rooney, N.Y.
Stephens
Taylor, Mo.
Udall
Wilson, Charles, Tex.
Wyatt
Young, Alaska

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Anderson of Illinois.

Mr. Brademas with Mr. Harvey.

Mr. Biaggi with Mr. King.

Mr. Fascell with Mr. Balfalis.

Mr. Koch with Mr. Hosmer.

Mr. Nix with Mr. Pepper.

Mrs. Chisholm with Mr. Rees.

Mr. Moorhead of Pennsylvania with Mr. Wyatt.

Mr. Hawkins with Mr. Carey of New York.

Mr. Badillo with Mr. Conyers.

Mr. Carney of Ohio with Mr. Clay.

Mr. Dorn with Mr. Findley.

Mr. Downing with Mr. Lent.

Mr. Karth with Mr. Frenzel.

Mr. Melcher with Mr. Hansen of Idaho.

Mr. Bergland with Mr. Froehlich.

Mr. William D. Ford with Mr. Minshall of Ohio.

Mr. Harrington with Mr. Bell.

Mr. Hébert with Mr. Hogan.

Mr. Davis of Georgia with Mr. Mizell.

Mr. Udall with Mr. Peyser.

Mr. Breckinridge with Mr. Price of Texas.

Mr. Young of Alaska with Mr. Roncallo of New York.

Mr. McSpadden with Mr. Taylor of Missouri.

Mr. Stephens with Mr. Charles Wilson of Texas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON WAYS AND MEANS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 263 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 263

Resolved, That, effective from January 3, 1973, the expenses of the investigations and studies to be conducted by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $125,000 including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Ways and Means shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution relates to the Committee on Ways and Means, calling for $125,000, an increase of $5,000 over their traditional request, the reason being for the necessary addition agreed to by the committee's chairman, the gentleman from Arkansas (Mr. Mills), and by the gentleman from Pennsylvania (Mr. Schneebeli) for a professional staff.

Mr. Speaker, the Committee on Ways and Means has undertaken a tremendous responsibility in a complete revision and study of the tax laws. They have in excess of 125 witnesses to hear, and they need the additional staff assistants, professional assistants, very badly.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 277 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 277

Resolved, That, effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to rule XI (8) and H. Res. 224 of the Ninety-third Congress, by the Committee on Government Operations acting as a whole or by subcommittee, not to exceed $1,219,700, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, which shall be available for expenses incurred by said committee or subcommittee within and without the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $100,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Government Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution relates to the Committee on Government Operations chaired by the distinguished dean of the California delegation, the gentleman from California (Mr. HOLIFIELD).

Again it was agreed to completely by the ranking minority member. It calls for $1,219,700, again representing an increase caused by the staffing of subcommittees, the 5.5-percent pay raise, and an increase in the minority staff.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. As I understand it, this is an increase of $187,000. I know the chairman of this committee is very conscientious and I know he tries to keep costs in line. I wonder if we could have a brief explanation of the reason for this.

Mr. THOMPSON of New Jersey. Mr. Speaker, if I may, I will yield to the distinguished chairman of the committee for that purpose, the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Speaker, as the gentleman from California knows, in the last 2 years we have handled our funds in such a manner that we actually have refunded to the Treasury at the end of last year something like $162,000 and I believe a similar amount at the end of the prior year. However, we are asking for more money at this time. We plan to increase the staff in view of the heavier workload, and we have the recommendations of the Procurement Commission, which are now in our hands. We feel that we must have enough assistance to really process these recommendations. We believe that we can save several billion dollars. Our record in the last few years which we have presented to the Committee on House Administration shows the savings which we believe we can justify and document. Other savings that have resulted from the last 2 years of work, and some ongoing savings based on work done in previous years, amount to about $3 billion for the 92d Congress.

So we feel that any investment that we may make at this time in additional help is justified.

I might also say that we have been in my opinion generous in providing additional help to the minority over what they had before, and that is to the satisfaction of my colleague, the gentleman from New York (Mr. HORTON) who is now at the microphone on the other side of the aisle.

We believe that we will be able to make tremendous savings with this additional amount of money that we are asking for this year. I can assure the Members that it will be expended carefully, and if we do not use it all we will turn it back, as we have done in the last 2 years.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman from California for explaining his past record, and why and for what he thinks the present money is needed.

I would be interested in hearing from the minority.

Mr. THOMPSON of New Jersey. Mr. Speaker, I might make this one comment: that this committee I believe made the most extensive presentation of any of the committees, all of which were very thorough. Each and every subcommittee chairman was there, and my distinguished friend, the ranking member, the gentleman from New York (Mr. HORTON) was there.

I now yield to my distinguished friend, the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Speaker, I thank the gentleman for yielding.

I would first like to confirm the remarks that the chairman, the gentleman from California (Mr. HOLIFIELD) made, and agree with them.

This committee, as the gentleman from California knows, and as every Member of the House knows, is the committee that is responsible for oversight, and which is basically an investigative committee.

The chairman and I consulted before this proposed budget was submitted, and we spent many hours working together on the budget. It was the feeling of the chairman and also my feeling that the subcommittees ought to be more active than they have been in the past, and that they ought to have more minority staffing. At the present time on the minority side we have now authorized additional professional staffing which we believe will be adequate to handle the subcommittee work that we have. We have an increase of two professional members of the staff, and one clerical, as far as the minority is concerned. I talked this over with the ranking minority member on each of the subcommittees, and they were in accord with the requests that were made.

I feel that this is a very important committee. I support the amount that has been requested by the chairman, and hope that the House will approve it.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, if I understand the gentleman from New York correctly, then part of this additional increase in funding will go for minority staffing?

Mr. HORTON. Mr. Speaker, the gentleman is correct. As a matter of fact, the two professional staff members have been authorized with an amount for each of $25,000, which I think is very adequate.

Mr. ROUSSELOT. Mr. Speaker, I want to compliment the gentleman from California (Mr. HOLIFIELD) because I know that the gentleman has been conscientious each year in turning money back when that money has not been utilized. I hope that other committees could do the same.

I thank the gentleman for yielding.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON RULES

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 301 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 301

Resolved, That, effective January 3, 1973, in carrying out its duties during the Ninety-third Congress, the Committee on Rules is authorized to incur such expenses (not in excess of $5,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

Sec. 2. Funds authorized by the resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this is the traditional request by the Committee on Rules for the sum of $5,000. The distinguished chairman, Mr. Madden, and the distinguished minority ranking member, the gentleman from Illinois (Mr. Anderson), are in agreement.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 190 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 190

Resolved, That, effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 19, by the permanent Select Committee on Small Business, acting as a whole or by subcommittee, not to exceed $563,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $40,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the permanent Select Committee on Small Business shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution relates to the Select Committee on Small Business. Again we have agreement between the majority and the minority, the ranking minority member and the chairman. It represents a very modest increase, for an increase in the minority staff and the 5.5-percent pay raise.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 219 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 219

Resolved, That (a) effective January 3, 1973, the Committee on Standards of Official Conduct is authorized, in carrying out its functions and duties under the rules of the House, to incur such expenses, not to exceed $25,000, as the committee considers appropriate, including expenditures—

(1) for the employment of committee staff personnel; and

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)).

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

(b) Not to exceed $18,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but such monetary limitation shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this resolution relates to the Committee on Standards of Official Conduct. It represents no increase over the previous Congress and, again, there was complete agreement between the distinguished chairman, the gentleman from Illinois (Mr. Price), and the distinguished ranking minority member, the gentleman from Pennsylvania (Mr. Williams).

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE EXPENSES OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 303 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 303

Resolved, That effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 182, by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $1,180,000 including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 303 is for the Committee on Interstate and Foreign

Commerce. There is represented in it a modest increase, again due to increased minority staffing and the 5.5-percent pay raise. There was unanimity and agreement between the distinguished chairman and the distinguished ranking minority member.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 261 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 261

Resolved, That effective January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to House Resolution 180, by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $638,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $80,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee in House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 261 relates to the Committee on Post Office and Civil Service. Again, there was complete agreement on increasing the minority staff and on the need to give the employees the 5.5-percent pay raise.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE SELECT COMMITTEE ON THE HOUSE RESTAURANT

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 202 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 202

Resolved, That effective January 3, 1973, expenses incurred by the Select Committee on the House Restaurant, pursuant to H. Res. 111 not to exceed $33,500, including expenditures for the employment of clerical, stenographic, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

Sec. 2. The chairman of the Select Committee on the House Restaurant shall furnish the Committee on House Administration information with respect to the activities of the select committee intended to be financed from the funds authorized by this resolution.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 202 relates to the Select Committee on the House Restaurant, chaired by the distinguished gentleman from Illinois (Mr. Kluczynski). The amount is indeed modest in the light of the responsibilities of the committee. It was agreed to by the majority and the minority and represents simply the employment of two persons.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I would like to comment briefly. I would like to commend somebody for this resolution and for the decrease in the amount of money requested for this first session of the 93d Congress. I note there is a decrease of $9,500 in the requested authorization. I want to commend somebody wherever you are. This is the only committee which asks for a decrease, with the exception of the Armed Services Committee and the Agriculture Committee, and service has improved.

Mr. THOMPSON of New Jersey. Mr. Speaker, I thank the gentleman from Ohio for his comments.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING ADDITIONAL FUNDS FOR THE COMMITTEE ON EDUCATION AND LABOR

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 225 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 225

Resolved, That the expenses of a special investigation and study of welfare and pension plans to be conducted by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $220,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Such $220,000 shall be available and allocated to the General Subcommittee on Labor in connection with its present study and investiagtion of private pension and welfare funds pursuant to H.R. 2, H.R. 462, and related bills. Particular need has been demonstrated to continue a professional study of vesting, funding, portability, benefit insurance, fiduciary responsibility, adequate disclosure, and other aspects related to the effectuation of private pension and welfare plans as a meaningful supplement to the social security system.

The General Subcommittee on Labor, through the Committee on Education and Labor, shall report to the House as soon as practical during the present Congress the results of its investigation and study with such recommendations as it deems advisable.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Education and Labor shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, this request is for a special subcommittee of the Committee on Education and Labor, chaired by the distinguished gentleman from Pennsylvania (Mr. DENT), and the ranking minority member is the distinguished gentleman from Illinois (Mr. ERLENBORN). This subcommittee has undertaken a comprehensive review of the literally thousands of pension plans which exist in industry and elsewhere in the United States. It has a bipartisan staff. The increase is dictated by the determination of the distinguished gentleman from Pennsylvania to expedite the completion of the committee's work and of its study.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I notice that the requested authorization has more than doubled for this select subcommittee of the Committee on Education and Labor. This is in addition to the $1.8 million requested by the Committee on Education and Labor for its normal functioning, as I understand it.

Mr. THOMPSON of New Jersey. Yes. This select subcommittee's chairman is here and I will yield to him to describe its activities, but I yield now to the ranking minority member, the gentleman from Illinois (Mr. ERLENBORN), for debate only.

Mr. ERLENBORN. Mr. Speaker, I thank the gentleman from New Jersey for yielding.

Mr. Speaker, let me explain to my colleagues that we are asking for more money this year, but the study in the 92d Congress ran for only 1 year. The authorization came toward the end of the first session of the last Congress, and the study began really about January of 1972. As a matter of fact, those funds were insufficient. As the gentleman from Pennsylvania (Mr. DENT) will tell the Members, one of the people on the staff was on my payroll, rather than on the committee payroll, to conserve the study funds.

We also discovered that it was necessary to contract out some of the work. We had a computer study conducted by Professor Winkelvoss of Wharton School, which has recently been published by our subcommittee. I might point out something rather unique about our study; that is, that under the direction of our chairman, the distinguished gentleman from Pennsylvania (Mr. DENT), we utilized the computer facility we have in the House, rather than contracting that part of work. We had the computer programing done by the expert and we utilized our own computer facility in the House to actually conduct the study.

We believe there is a dire need for further contracting and for further work by the staff in the highly complex areas of vesting, funding, affordability, and termination insurance, where questions have been asked for years, but where very few answers have been forthcoming.

Computer studies are the only way, I believe, we can really get the answers we need to base a good bill upon, which I hope will come out of this.

Mr. THOMPSON of New Jersey. I would like to ask the gentleman a question. Approximately how many private pension plans are there in the United States?

Mr. ERLENBORN. Nobody knows exactly how many there are, but those that are required to report to the Office of Labor-Management and Welfare-Pension Reports of the Department of Labor number about 139,000. These are the plans which have 26 participants or more. Those with fewer participants are not required to report.

Mr. WYLIE. Will the gentleman yield for another question?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. Was this study authorized by a resolution of this House, or was the subcommittee and its functions established by the chairman of the Committee on Education and Labor? Why is the requested authorization to fund it not included in its authorization? Why is it a separate item?

Mr. THOMPSON of New Jersey. This subcommittee was constituted after hearings before the Committee on Rules, and it is authorized by the Committee on Rules and by the House.

Mr. WYLIE. A special subcommittee?

Mr. THOMPSON of New Jersey. Yes.

Mr. WYLIE. Is there any time limit on how long the subcommittee is to be in existence?

Mr. THOMPSON of New Jersey. Not to the knowledge of the gentleman from New Jersey.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. DENT. We anticipate that before the end of this year we will resolve the problem of the costing out, but the one phase that has us rather up a tree now is the reinsuring.

With the last money we had we resolved two issues. One was the vesting and the other was the funding.

Now we have before us three very serious questions: First, the reassuring; second, the compulsory maintenance of a fund by a pension plan by the employers; and third, affordability.

We expect to finish all the work before the 2 years is up.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 270 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 270

Resolved, That effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to House Resolution 253, by the Committee on Science and Astronautics, acting as a whole or by subcommittee, not to exceed $380,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $25,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Science and Astronautics shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, these moneys are for the Committee on Science and Astronautics chaired by the distinguished gentleman from Texas, the chairman of the Democratic caucus (Mr. TEAGUE).

He and his ranking member are in complete agreement. The minority is properly staffed and adequately staffed, and it is an amount not in excess of that used in the past.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON VETERANS' AFFAIRS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 149 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 149

Resolved, That effective January 3, 1973, the expenses of the investigation and study authorized by H. Res. 134 of the Ninety-third Congress incurred by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for the employment of experts, consultants, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on House Administration. Not to exceed $18,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. The official stenographers to committees may be used at all meetings held in the District of Columbia unless otherwise officially engaged.

SEC. 3. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 149 is for the Committee on Veterans' Affairs, chaired by the distinguished dean of the South Carolina delegation (Mr. DORN).

This is an extremely modest request of $150,000, the same as in the first session of the last Congress. The minority is suitably and adequately staffed, and there is complete agreement on it.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON AGRICULTURE

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 302 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 302

Resolved, That, effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 72, by the Committee on Agriculture, acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $12,500 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Agriculture shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the resolution and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 302 is for the Committee on Agriculture, chaired by the distinguished gentleman from Texas (Mr. POAGE). The ranking minority member is the distinguished gentleman from California (Mr. TEAGUE).

Initially the resolution was offered for a period of 2 years. It was reduced to a period of 1 year.

The gentleman from California (Mr. TEAGUE), and the gentleman from Texas (Mr. POAGE), are in complete agreement on this. Again, the minority is adequately staffed, and the gentleman from California (Mr. TEAGUE) is very satisfied.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Washington.

Mr. FOLEY. I should like to ask the distinguished chairman of the subcommittee if the request for the Committee on Agriculture reflects a request for appropriate positions to provide each subcommittee with the one staff person which the Democratic caucus indicated should be the standard in the House?

Mr. THOMPSON of New Jersey. In answer to that I may say to the gentleman it does not. There are 10 subcommittees of the Committee on Agriculture. The request does not represent an amount sufficient to fund each of those subcommittees with one professional, as the law calls for.

Mr. FOLEY. I would ask the distinguished chairman one further question, if he will yield further. In the event that an appropriate request is made for subcommittee staffing in accordance with custom and practice followed by most other subcommittees, would that be a matter for consideration by the gentleman's subcommittee?

Mr. THOMPSON of New Jersey. The answer is "Yes."

I might say for the benefit of Members of the House that it is a matter of policy between the majority and the minority on the Committee on House Administration at any time to entertain a money resolution, if that money resolution can be justified. It would receive suitable consideration.

Mr. FOLEY. I thank the gentleman.

Mr. THOMPSON of New Jersey. Many of these requests, although the amounts seem rather large, are barely adequate, and we would anticipate the real possibility of the justification of more moneys for extensive legislative purposes or otherwise, particularly for subcommittee staffing.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. WYLIE. I notice that this request actually represents a decrease of $100,000 compared to the first session of the 92d Congress. It is a decrease, actually. I believe perhaps we ought to find out from the distinguished chairman of the Committee on Agriculture how he did it.

Mr. THOMPSON of New Jersey. I can tell the gentleman. A mistake was made in the last Congress, and the initial resolution was for 2 years.

That, the gentleman from New Jersey confesses, was an oversight on his part, a misinterpretation of the law as I now understand it.

And so we simply cut it in half.

Mr. WYLIE. I understand that. Will the gentleman yield further for a question?

Mr. THOMPSON of New Jersey. Certainly.

Mr. WYLIE. But the expenditures are still less than the amount asked? This is for $150,000, which is $15,000 less?

Mr. THOMPSON of New Jersey. Yes. I will say for the chairman of the committee, the genteman from Texas (Mr. POAGE), that he watches his money with extreme care, and the gentleman has a long, long record of turning relatively modest amounts back. As a matter of fact, on December 31, 1972, the committee turned back $84,000.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield further to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. In view of the discussion the gentleman has just had with the distinguished Member on the minority side—and I might say I hope the chairman of the Agriculture Committee is in the Chamber—I would just like to say that as a member of the Committee on Agriculture, I would like to join in complimenting the distinguished chairman for watching committee expenses so carefully. Indeed, I think he watches them far too carefully.

In but two areas of its jurisdiction—food stamps and commodity programs—the Agriculture Committee has the responsibility for authorizing legislation that involves expenditures by the Treasury of the United States of something in excess of $6 billion a year. That yearly figure is more than 10 times greater than the total cost of the congressional branch of the Government.

Mr. Speaker, in my judgment, as a member of the Agriculture Committee, the present staff level of the committee is totally inadequate. The quality of the existing staff is excellent but I hope to persuade the chairman and the other members of the committee that some sharp increase in the number of staff employed by the committee is necessary for the proper functioning of its legislative and oversight responsibilities.

Mr. Speaker, I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several resolutions just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

FUTURE OF AMTRAK DEPENDS ON RESTORATION OF AMERICAN RAILROADS

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADAMS. Mr. Speaker, I have had an opportunity to review the Secretary of Transportation's report to the Congress on Amtrak. The informative and well-done report contains encouraging news for those of us who supported the Rail Passenger Service Act at a time when the end of all intercity rail passenger service seemed to be only a matter of time. I am glad to note that the Secretary of Transportation recommends the continuance of almost all the basic routes now operated by Amtrak and that the Administration will support additional funding to maintain this needed service. It is most significant that the report shows that train riders have increased by 11 percent, that revenues are increasing, and that Amtrak's deficit is decreasing. It is clear that the public will use efficient, well run train service. I believe that former Secretary John Volpe, now our Ambassador to Italy, should be particularly pleased with the recommendations to this report, for the creation of Amtrak owes much to his vigorous advocacy of intercity rail passenger service.

Not all the news about Amtrak is good, however. Within the past week there have been three accidents involving Amtrak trains. Two of these accidents were due to failure of track and roadbed. The most tragic was the derailment of the Broadway Limited in which one passenger was killed. The Super Chief was derailed in Kansas, fortunately with no reported injuries. These accidents dramatize one of the basic problems which Amtrak faces in trying to provide fast and efficient service. The track and roadbed over which its trains must operate in many areas is in such poor condition that trains must operate at slow speeds. The two derailments demonstrate that this poor state of repair not only hampers the efficiency of the trains, but can be a threat to safety. The DOT report analyzes the causes of late arrivals on Amtrak trains and shows that 46 percent can be attributed to track-related delays, such as "slow orders," maintenance of way work, or signal failures.

Amtrak is basically using existing technology and equipment. The improvement in ridership has been accomplished by doing the obvious: Refurbishing equipment, accepting credit cards, computerizing ticket systems, and just plain answering the telephone. However, Amtrak has not been able to escape from the shackles of the past. The increasingly poor maintenance of track and roadbed by the railroads directly affects the performance of Amtrak and its ability to attract customers, and any substantial new improvements mean we must improve the basic roadbed.

The problems that the physical condition of the railroads have created for Amtrak and its passengers underscores the need for a broad scale program to repair and restore these vital transportation arteries. The future of Amtrak depends on the basic health of the rail system it uses. I believe that the Congress should consider the legislative recommendation of DOT for the future of Amtrak within the context of an overall program.

The foundation for such a program is the Surface Transportation Act (H.R. 5385) which would provide the necessary capital from the private sector for investment by railroads in their basic plant. Government guarantee of loans will generate these financial resources for marginally profitable railroads. By using this basic investment these still solvent railroads can avoid the morass of bankruptcy in which the railroads of the Northeast are now mired.

As part of this broad approach, the Congress must shortly devise a solution to the railroad crisis in the Northeast. On February 28, I introduced the Essential Rail Service Act (H.R. 4897), which would establish a public corporation to acquire the rights of way of the bankrupt railroads in the Northeast. Privately owned rail carriers would continue to operate over the lines owned, restored, and maintained by the Northeast Rail Line Corporation and so could Amtrak. This legislation would meet head on the problem of deteriorating roadbed and facilities by providing a public mechanism for a Federal investment in essential rail systems. This investment would in part be recovered by user charges paid by private rail carriers using these lines. I am happy that many of my colleagues in the regions served by the Penn Central and the other bankrupt railroads see the merit in the concept of public ownership of rail rights of way. I am therefore reintroducing today the Essential Rail Services Act with the following cosponsors: Mr. BOLAND, Mr. BURKE of Massachusetts, Mr. HELSTOSKI, Mr. HOWARD, Mr. MOAKLEY, Mr. PODELL, Mr. THOMPSON, Mr. TIERNAN, Mr. STUDDS, and Mr. YATRON.

Piecemeal, short-term solutions to the problems of the railroads will no longer suffice. I believe that the Surface Transportation Act is the basis for a long-range solution which will preserve the solvency and viability of the privately owned railroad system, and the solution for the bankrupt railroads of the Northeast which face cessation of operations and outright liquidation if they are not successfully reorganized should be part of this solution.

There would be little purpose in continuing to fund Amtrak if there were no tracks left over which it could operate—and the Penn Central lines account for 15 percent of Amtrak's route miles and 40 percent of its passenger miles. The Essential Rail Services Act could be the means of saving rail service in the Northeast by a combination of Government ownership of rights of way and private operation of trains.

The early returns from Amtrak show that this experiment can be successful. However, a failure to deal with the basic problems of the railroad industry could end the successful revival of intercity passenger service. At a time of energy crisis, when gasoline shortages are already predicted for the summer travel months, the train becomes more than a luxury. It is a necessary alternative to the passenger car and a means of travel which should be preserved and expanded.

WHEAT CAPER STORY IS NOT ALL TOLD

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, last fall, at my request, the General Accounting Office undertook an inquiry into the U.S. sale of grain to Russia. The GAO gave us a very preliminary report on November 3 indicating that Department of Agriculture management of the export subsidy program was extremely careless and slipshod.

Last week, Comptroller General Elmer Staats appeared before the Senate Committee on Agriculture and Forestry and reviewed some of his agency's findings in regard to the Russian wheat transactions. He severely criticized the Department of Agriculture for its mismanagement of the wheat export subsidy program and its failure to advise American farmers—as it has a legal responsibility to do—of the world situation in regard to wheat so they could market their own wheat wisely.

The GAO reported that, and I quote—

> There were clear signals from overseas and other sources concerning Russia's poor crop prospects and the dominant U.S. wheat supply situation. But, this information was not effectively used in Agriculture's decisionmaking.

At another point, Staats told the Senators:

> In the sales of wheat to Russia, for example, Agriculture officials stated they did not know the magnitude of sales made and did not attempt to find out, even though such information obviously was of great importance to wheat sellers.

I want to deal at more length with the GAO findings, but, Mr. Speaker, I think this matter of what the Department of Agriculture knew and did not know about the size of the Russian wheat sales is of crucial importance, and needs to be explored considerably further than it has been by this Congress, if necessary. The Livestock and Grains Subcommittee of the House Agriculture Committee took a preliminary look at the deal last year. It is necessary that the subcommittee reopen those hearings, complete the record, dig out missing facts, and make a full report to the public.

It is incredible that U.S. Department of Agriculture officials, faced with a 900 million bushel wheat carryover, low grain prices, and an election coming up, had no curiosity whatever about the size of the Russian wheat sale. Can we really believe that line?

It is incredible that public officials—even those at the Department of Agriculture today—would make a commitment to provide export subsidies that might run into hundreds of millions of dollars without even making any inquiry whatever about whether 100 tons of wheat was involved, or 10 million tons. Can we really believe that line?

It is incredible that a private grain concern would enter into a contract for millions of tons of wheat on an oral commitment for export subsidies that would insure it against tens of millions of dollars in losses without advising that official whether one bushel or 1 billion bushels was involved.

That point was so incredible that I made some inquiry about it myself. By their own account, on July 5 Continental Grain Co. sold Russia 4 million tons of wheat, which is 150 million bushels, and has been described by the company as the largest single grain transaction in the history of the world. I was assured by Continental that the fact that huge quantities were involved was known to officials in the Department of Agriculture when the first sale was made in early July, and further that the FBI had information in that regard, in fact, a statement made during official investigation by FBI and interrogation of the grain companies.

Because I had requested the GAO inquiry, I relayed my information to the GAO. They requested any available information from the FBI but, unlike the White House, which had daily access to all the FBI's evidence in the Watergate case, the FBI refused to work with or give information to the GAO.

The GAO advised me that when they questioned the source of my information, they were advised that the company had made a statement to the FBI and, since litigation was pending, they could not answer the question directly.

The FBI has not denied to me that it has the statement in question, but denies me access to their transcript or any other records of their interview with the company and sale in question.

Parenthetically, Mr. Speaker, we need to find out why the White House is kept in touch daily with FBI investigations in which it is involved, but the FBI refuses to cooperate wth the GAO.

The Department of Justice has informed me that one reason that they cannot release their records to me is that one of the companies refused to discuss the grain sales with them unless assured of confidentiality; without that assurance they indicated they would just as soon wait to go before a grand jury.

We are confronted with the very odd situation that neither the GAO nor the Department of Justice can or will make a positive determination of the validity of my information—that officials of the Department of Agriculture were told and did know the magnitude of the sale involved at the time they agreed to underwrite and protect one of the big grain dealers with subsidies on a $1.63 to $1.65 per bushel wheat price.

There is work still to be done in connection with the Russian wheat deal.

Congress certainly needs to take a look at how export subsidies are mismanaged and mishandled.

And Congress needs to take a look at just how thorough the Federal Bureau of Investigation's inquiry into the Russian deal actually was.

A final determination on the point I have raised—the exact extent of USDA's information on the magnitude of the sale—is important for, if my information is correct, the subsequent public releases which USDA made, indicating to farmers and the public that there was nothing greatly abnormal about export demand—were not a result of stupidity and incompetence which USDA officials are pleading as their defense, but of dishonesty with the public.

Unable to get a positive answer in regard to how much information USDA was given on the size of the sale, the GAO confines itself to reporting that "Agriculture officials stated they did not know and did not attempt to find out" its size.

Even on that basis, Mr. Staats charged the Department, in his Senate appearance, with failure to exercise even the most rudimentary sort of good judgment and good management practices in its handling of the transactions.

The Department did not relay to farmers, ranchers, and the public what information it did have, or properly assess the information known to be available to it, the GAO charges. It made subsidy arrangements which permitted shrewd Russian traders to get a bonanza at a cost of several hundred millions of dollars to our farmers, consumers, and taxpayers. And it paid out subsidies without the most elementary sort of information or checking on claims.

Mr. Staats supported these statements in his Senate testimony, citing information about Russia's crop situation available to USDA, and stating:

> But this information was not effectively used or disseminated. Farmers were not generally provided timely information with appropriate interpretive comments to assist them in arriving at sound marketing decisions . . .

Mr. Staats continued:

> In the sales of wheat to Russia, for example, Agriculture officials stated they did not know the magnitude of sales made and did not attempt to find out, even though such information obviously was of great importance to wheat sellers. This coupled with an inaccurate assessment of Russian purchases, precluded Agriculture from realistically advising the public about wheat marketing prospects. Thus, Agriculture reports presented a distorted picture of market conditions.

As the price of wheat climbed during the summer months, the export subsidy also climbed. Its record high was 47 cents a bushel from August 25 to September 1, 1972, and in that period alone it will cost the U.S. Treasury $128 million to pay the subsidies registered.

Management improvements are needed and Mr. Staats outlined them. It behooves us here in the House to take seriously those recommendations to avoid what has been a totally incompetent operation on the part of the Department, which is trusted with the handling of billions of taxpayers' money available to the Commodity Credit Corporation.

Here are a number of corrections that Staats urges:

> A subsidy registration contract exists when wheat is offered for export and accepted by CCC. Exporters collect on subsidy registrations upon submitting documents that shipments have been made. An October 1967 change in the program's regulations allowed exporters to apply shipments to any open subsidy registration and to register for subsidy at any time, whether a sale had been made or not. Exporters choosing to register before or after making sales could gain or lose on the subsidy, depending on whether it went up or down.
>
> The speculative aspects of the subsidy registration system are illustrated by five examples noted where exporters delayed registering for up to 4 weeks after making sales. In these examples CCC will pay exporters subsidies totaling about $604,493, whereas had the exporters registered on the sales dates the subsidies would have totaled $286,188, or $318,305 less . . .
>
> To collect the carrying-charge increment, exporters submit evidence of shipment and certification of sale showing the sales contract date, amount, buyer, and shipping date. Records show that sales contracts cited as supports for payments frequently called for shipments within a few days. The registrations such shipments were applied to, however, were sometimes dated up to 7 months earlier, resulting in significant payments.
>
> Exporters view the carrying-charge increment as a cushion against possible losses or as additional profits. Two exporters estimated that they realized additional revenues of about 5 cents for each bushel exported. This compares with net profit in the trade of about 1.5 cents a bushel. In a cursory review of 1972 files, we found 28 instances totaling $360,000 where the sales contracts cited as support for payment called for shipment within a few days after the date of sale . . .
>
> The weaknesses we observed in the wheat export subsidy program are largely attributable to Agriculture's failure to develop a management evaluation system to ascertain whether subsidies involved in wheat exports were achieving program objectives effectively and economically.
>
> Attempts to evaluate the program have been made only during crises, such as after the sales to Russia, and then only on a lim-

ited basis. Officials claimed that the complexity of the program precluded effective examination. We recognize the complexities involved. Nevertheless, the substantial expenditures of Government funds to meet wheat export objectives compels Agriculture to assess program results. In its absence effective management actions are impaired.

Vital information on the operations of the subsidy program was generally unavailable. Agriculture had not deemed it necessary to develop information basic to program management. When data was available, meaningful summaries could be obtained only by manually reviewing voluminous files. This data void is crucial because, without key information, Agriculture is unable to make management decisions necessary to effectively and efficiently administer the subsidy program.

Beyond the very crucial point I have emphasized, there is a good deal of oversight work that needs doing to determine what reforms, if any, are being developed and instituted by USDA, or if it is letting the whole matter drop because no subsidies are being paid right now.

That is the old theory that the roof does not need repair when it is not raining, and is hardly an adequate excuse for ignoring what the GAO has found that needs reform.

The administration is clearly heading into a price war with other Nations for agricultural commodity export business. There will be export subsidies required again. When they are, USDA should be prepared to manage the program in a businesslike way.

REAP FOR THE RICH

(Mr. TEAGUE of California asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TEAGUE of California. Mr. Speaker, perhaps my colleagues will recall that several weeks ago I wrote to each of you pointing out that the REAP program has outgrown its original purpose and has more and more evolved into a subsidy operation rather than a program for conserving soil and water.

A recent article in the Chicago Tribune written by Bill Anderson has come to my attention. It points out some glaring abuses of the program, and I therefore commend this article for your attention.

U.S. Bounty Aids 252 "Rich" Farms

(By Bill Anderson)

Warrenton, Va.—This is where people come for the Gold Cup, an annual horse race on a huge estate in Fauquier County, a place near the Appalachian Trail and National Forests set in the rolling hills of the Blue Ridge Mountains.

There are about 600 farms in this large county, and most of them are larger than Chicago's Loop. The air is clean and fresh, and there is nothing here that remotely resembles poverty or the old dust bowl farming portrayed in "The Grapes of Wrath."

Yet, there are 252 farms in Fauquier County that will be greener this spring because the federal government spent $65,000 on them last year in a program that grew out of the plight of farmers during the dust bowl days. The federal dollars were part of a spending program of the Rural Environmental Assistance Program (REAP), currently the object of what amounts to a pilot fight between the executive and the legislative branches of the government.

The father of REAP was born in 1936 as a conservation program funded at $374 million. In the early days, the money went for soil saving projects of small farmers, water development, and tree planting. There are literally thousands of acres of land in the United States that are green today as a result of the program.

By 1944, as times changed, the program became strictly conservation. Spending continued at the rate of about 200 million dollars a year until 1970, when the executive branch began to run into budget problems. On Dec. 22, 1972, the Nixon administration terminated the funding (except for prior commitments) after it dropped to the $140 million level.

In essence, a large number of congressmen said: "You can't do this to us." The Washington Post, a newspaper highly critical of the Nixon administration, has given extensive coverage to the REAP issue. One story was headlined, "As Ye Sow, So Shall Ye REAP."

Since Fauquier County is only an hour and a half by auto from Washington, the Post has considerable influence in the county—as well as among prominent, politically-connected residents who live here. About 50 of the 252 farms receiving money from REAP last year are owned by people who live in Washington.

One of these places is owned by Mrs. Joseph W. Barr, wife of the former secretary of the treasury. Since 1968, Mrs. Barr has received $1,408 from the federal treasury to spend on her estate. The money spent on the 364-acre holding was for fertilizing, applying lime, and planting blue grass.

Mrs. Katharine Graham, publisher of the Post and owner of a 347-acre estate near Rectortown, has also been a federal recipient. Records provided to Jim Coates, a reporter for this column, showed that Mrs. Graham received $976 since 1968, a figure somewhat less than the average payment.

Mrs. Francis Gilbert, executive director of the Agriculture Stabilization and Conservation Service, which administers the program on a local level, said that the money for Mrs. Graham's estate was used for a variety of projects. In 1968, there was a federal allotment of $158 for the Graham estate for vegetation cover on 18 acres. Other money over the years went for thistle spraying and additional ground-covering projects.

"Whether you're rich or poor," Mrs. Gilbert said, "you'll still get rained on—and, no matter how prominent you are, your soil will wash away if there is no grass." The local director said the establishment of permanent vegetative cover was one of the most popular in the county. All together, REAP offers 16 grant categories ranging from animal-waste storage and diversion facilities to strip-cropping—a term used in connection with land contouring to avoid erosion.

Mrs. Gilbert explained, as did officials of REAP, that the programs are traditionally handled at the local levels in order to insure maximum benefits. The federal tax dollars are distributed first to the states and then down to the county levels. At the county level, three farmers are elected by the other farmers of the county to make the final disposition of the money.

The largest amount which was spent on a farm in Fauquier County last year was about $2,500. The average amount here last year was $260, slightly lower than the national average per grant. Next year there will be no money unless Congress is successful in overriding the administration's cutback.

GOVERNMENT STOCKPILE OF SURPLUS TIMBER

(Mr. WYATT asked and was given permission to address the House for 1 minutes and to revise and extend his remarks.)

Mr. WYATT. Mr. Speaker, President Nixon recently announced his intention to start reducing the Government's stockpiles of strategic industrial materials as an anti-inflation move.

In this time of record housing demand and consequent high levels of lumber and plywood prices, what could be more strategic than the vast Government stockpile of surplus timber to be found on our Federal forest lands?

Federal timberlands contain over 58 percent of our Nation's 1.9 trillion board feet of softwood sawtimber—trees of the type and size used to make products for homebuilding. Some 52 percent of this wood is on national forest lands.

Much of this wood is just going to waste—a tragic situation when demand for wood products is at record levels. The timber on Federal lands is mostly old growth which has reached or neared the end of its growth cycle and is now steadily declining in health as it approaches death by insects, disease, windthrow, wildfire, or just plain old age. Moreover, this old growth going to waste takes up valuable forest acreage that could be growing new trees for future generations. The growth rate per acre of trees on Federal land is only about half the rate now achieved on industrial forest lands. And the Chief of the Forest Service has publicly stated that the national forest timber harvest on a sustained-yield basis could be increased 50 percent given adequate funding for tree growing and intensification of forest management.

But, so far, funding has not even been enough to allow the Forest Service to sell all the timber it is authorized to sell each year, much less improve Federal forest management as is needed. During 1971 and 1972—the peak homebuilding years—Federal timber sales have declined significantly. In fiscal 1972 the volume of timber sold was 2.3 billion board feet below the allowable cut, and in fiscal 1973 sales are expected to be 2.7 board feet shy of the allowable level dictated by sound conservation.

The surplus wood needed to meet interim wood fiber needs now exists on Federal lands, stockpiled as old growth timber. And the management potential exists to perpetually renew this source of wood. The judicious conversion of this land from degenerating old growth to fast-growing, healthy young trees would not only ease current lumber and plywood supply and price pressures, but also promote the renewal and perpetuation of our Federal forests.

VOLUNTEER OF THE DECADE

(Mr. KAZEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KAZEN. Mr. Speaker, I am proud to call attention of the House of Representatives to a distinguished constituent who will be honored March 31 as "Volunteer of the Decade" by the Alamo Area Tuberculosis and Respiratory Disease Association. Victor Washington, now 69, is widely known in south Texas, and I salute the residents of San Antonio and the surounding area who will honor him.

Bill Graham, writing in the San Antonio Light, has described this man as a living legend, who for the past 40 years has done everything for anyone who needed any kind of help. There is statistical support for the statement.

Victor Washington became the first black deputy sheriff in Karnes County in 1958, but he has said that he never concerned himself with a person's race, color, or creed, nor has he known the meaning of discrimination. Since 1958, he has logged 157,400 miles in 22,050 trips to carry 9,000 indigent patients to the San Antonio State Chest Hospital for treatment. He has helped countless hundreds of resident aliens in naturalization procedures, acting as interpreter for many with his faultless Spanish. Since 1933, he has helped thousands of poor rural people with their social security papers.

The Honorable Ted Butler, district attorney of Bexar County and former county attorney and county judge in Karnes County, has called Mr. Washington a modern good Samaritan, who spent his years doing for others in return for a rare kind of contentment.

Mr. Washington and his wife, Jewel, were married in 1929. They have no children. He has a farm and a few cattle, but devotes much of his time to others.

Mr. Speaker, I am reminded of a line once used to describe Joe Louis, the great heavyweight boxing champion. Of Mr. Washington it can also be said, "He is a tribute to his race—the human race."

I am pleased to join in hearty congratulations to Mr. Washington at this recognition of his service to his fellow citizens of south Texas.

HEROIN TRAFFICKING ACT OF 1973

(Mr. FREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FREY. Mr. Speaker, today, at the request of the President, I am introducing the Heroin Trafficking Act of 1973.

President Nixon, in his recent statement on law enforcement and drug abuse prevention, voiced his concern over the problem of heroin trafficking. He called for legislation to provide tougher penalties for heroin traffickers and to require judges to consider the danger posed to the community by a person charged with heroin trafficking before releasing him into the community.

The records reveal that in a great many cases violators remain free. For instance, in a study of a series of cases of 422 violators, it was found that 71 percent were free for a period exceeding 3 months following their arrest, and nearly 40 percent of the total were free for over a half year.

Sentencing practices also have been found to be inadequate. Of a study of 955 convicted narcotic drug violators, a total of 27 percent received sentences other than imprisonment. Most of these individuals were placed on probation.

This is a tough bill, but considering the crime and human suffering caused by heroin addiction, I believe a tough bill is needed.

I commend the President for this legislation. And I would hope that many of my colleagues will cosponsor this legislation.

Title I of the proposed bill increases the penalties for heroin and morphine offenses. As explained more fully in the accompanying summary, title I would, in its major aspects:

Make mandatory, for a first offense of trafficking in, or illegally importing or exporting less than 4 ounces of a mixture or substance containing any amount of heroin or morphine, a sentence of not less than 5 years nor more than 15 years, and for a first offense of trafficking in, or illegally importing or exporting, 4 or more ounces of a mixture or substance containing any amount of heroin or morphine, a sentence for a term of years of not less than 10 years, or for life.

For heroin or morphine traffickers, illegal importers, or illegal exporters with prior heroin or morphine convictions, or for heroin or morphine traffickers, illegal importers or illegal exporters whose crimes are committed while they are released pending trial, appeal or sentencing on Federal heroin or morphine charges, make mandatory, regarding an offense relating to less than 4 ounces of a mixture or substance containing any amount of heroin or morphine, imprisonment for a term of years of not less than 10 years, or for life, and, regarding an offense relating to 4 or more ounces of a mixture or substance containing any amount of heroin or morphine, imprisonment for life with no parole.

Make mandatory, for one convicted of possessing 4 or more ounces of a mixture or substance containing any amount of heroin or morphine a sentence for a term of years of not less than 10 years, or for life.

For possessors of 4 ounces or more of a mixture or substance containing any amount of heroin or morphine, with prior heroin or morphine convictions, make mandatory a sentence of imprisonment for life with no parole.

Provide that, with regard to such mandatory sentences the imposition or execution of such sentences shall not be suspended, probation shall not be granted, and the Federal Youth Corrections Act shall not be applied.

Title II of the proposed bill deals with conditions of release of persons pending trial on heroin or morphine charges and upon conviction but pending imposition of sentence or appellate review for such offenses as title II would, in its major aspects:

Deny pretrial release to those charged with trafficking in heroin or morphine unless the judicial officer finds that release will not pose a danger to the persons or property of others.

Prohibit the release while awaiting sentence or during appellate processes of persons convicted of trafficking in or illegally importing or exporting heroin or morphine.

ARMY CREDIT CARD PROGRAM HEAVILY CRITICIZED BY GAO REPORT

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, the General Accounting Office will very shortly release the results of a report on the Army's Open Mess Centralized Club Card program which I asked the Comptroller General to investigate last August.

The report is so critical of the program that the Army, apparently sensing what the GAO would report, canceled the contract without waiting to see the final report. The Army terminated its 5-year contract with the Bank of America on March 1. The GAO report is not scheduled for general distribution until March 20.

I asked for the GAO report after it became increasingly difficult for me to get factual answers from the Department of the Army on how the program would be operated and after the program began how it was functioning. The responses to my questions from the Department of the Army completely ignored what was taking place in the program, but instead reflected what the Army was hoping would take place in the program.

PILOT PROGRAM STARTED FIRST

My concern about this program was first aroused in 1970 when the Army announced that it was seeking bids for a plan to establish a credit card system in its officer messes. The initial contract was for a 6-month period and was to cover only those officer messes in the Sixth Army area. Following the pilot program the Army would reevaluate the program and decide if it wanted to continue the program on a nationwide basis.

Both the pilot project contract and permanent contract were awarded to the Bank of America, even though the Bank was not the low bidder, but, in fact, was one of the highest bidders. The permanent contract was for 5 years with an estimated total cost of $3.9 million. Under the credit card program the Bank of America would issue a credit card that could be used only at officer messes. The Bank of America would be responsible for the collection of funds and the bookkeeping on the accounts. It would maintain a central account for the clubs and would also send funds to the Army Central Welfare Fund in Washington for investment.

When the Army first announced the program, one of the main reasons for using credit cards was to reduce the amount of cash involved in club transactions and thus cut down on the possibility of embezzlement. This decision followed closely the scandals that rocked Army clubs a few years ago in which large sums of money were diverted from the clubs. It was also felt that by pooling idle funds and sending money to Washington for investment that the messes could get a greater return on their money.

One of my earliest concerns about the program was that it would be taking funds out of a local community and sending them to Washington for investment and this would limit the lending power of some financial institutions in those affected areas. In addition, since some of the banks operating on military installations affected by this program are reimbursed for their losses by the Treasury Department, it might mean that the Treasury might have to increase their subsidy payments to these banks if the banks lost the mess funds.

DID RETIRED GENERAL HELP?

In addition, when the Bank of America was awarded the contract I strongly questioned whether or not the contract was awarded in a straight-forward manner. For instance, the Bank of America hired a recently retired general from the 6th Army headquarters shortly before it received the contract. I asked the GAO to see if the retired officer, Maj. Gen. Robert R. Linvill, helped secure the contract for Bank of America. General Linvill denied to the GAO that he had any involvement in helping Bank of America obtain the contract.

However, when General Linvill visited Washington in May of 1972 on Bank of America business he met with a number of officials in the Pentagon and following this wrote a detailed trip report to his superiors at the bank. Although the general and the bank denied that Linvill helped obtain the contract they refused to let GAO look at the trip report. In addition, now that the contract has been terminated, it was my understanding that General Linvill is no longer with the Bank of America.

While the GAO report does not meet the question of General Linvill's role in obtaining the contract head-on, it does raise grave questions about the procedures used in awarding the contract to the Bank of America and the results of the program once it was underway. The Department of the Army led me to believe that the Bank of America was one of the lowest bidders for both the pilot project and the permanent contract. The Army central welfare fund, the contracting office, was not bound to accept the low bid since appropriated funds were not involved but it would have seemed reasonable to follow low bid procedures as closely as possible. For instance, of the six final bidders for the permanent contract, Bank of America had the fifth highest bid. And it may well have been that the Bank of America was given inside information in order to enable it to obtain the permanent contract. In fact, the Bank of America was given preferential treatment in the awarding of the pilot contract. The GAO report indicates that the Army reduced the pilot contract from 2 years to 6 months after 9 of the 12 offerors had been eliminated without resoliciting offers on what was essentially a new procurement.

When it came time to award the permanent contract the GAO found that the Bank of America was the only firm solicited which could have been expected to meet the startup date for the permanent contract. And the Army's central mess fund would not give the firms soliciting for the permanent contract operating manuals developed during the club's pilot program even though those manuals would have helped them understand input and output technicalities wanted for the system. Of course, the Bank of America had these manuals and were aided by these documents in bidding.

ARMY NOT AWARE OF DEFECTS

Mr. Speaker, during the test program period it was brought to my attention that the program was not working satisfactorily and that many club managers were unhappy with the system. When I asked the Department of the Army about this, I received a letter from Assistant Secretary of the Army Hadlai I. Hull who reported to me that the system was successfully operated. It accomplished four of its five objectives to a high degree and the fifth to a limited degree. Of course this statement is in direct conflict with what the GAO found when it conducted its operation.

Mr. Speaker, the Army set the following criteria for the credit card program: First, reduce the high operating cost now incurred by each mess operated system; Second, enable productive use of otherwise idle money to mess checking balances; third, reduce use of currency in the open mess; fourth, provide mess member credit convenience at all Army open messes and not only at the home mess; fifth, apply internal management control more easily.

Remembering that the Army said that all but one of the objectives were met to a high degree, let us look at what the GAO discovered.

Before the pilot project began, the Army estimated that savings from the central card club program could offset about 80 percent of the contractors' charges. The Army's evaluation of the test program showed that only 34 percent of these charges would be offset. The GAO estimates that only 3 percent of the charges could be offset. And the system that was supposed to save clubs money actually cost one mess $300 more than the monthly cost of its former system. According to the GAO officials at two messes stated that they could automate their own accounts receivable system for substantially less than the Bank of America contract prices.

With regard to the productive use of idle money in mess checking balances, the GAO found that while the clubs were guaranteeing 6 percent return on their investment the Army's central mess fund was only able to return 5.88 percent during the period January 1 through September 30, 1972. This rate could have been achieved by most clubs by putting money into savings institutions in their own communities.

The third objective for the system was to reduce the use of currency in messes. However, during the pilot project period less than one-half of the club members charged sales. Cash sales increased 15 percent and charge sales decreased 4 percent.

The system was also designed to facilitate the use of intermess credit. During the test period, however, intermess transactions amounted to only one-half of 1 percent of the total monthly credit transactions.

And finally the system was designed to easily apply internal management controls. According to GAO various computer printouts have been generated by the new system which mess custodians found useful and acceptable as tools for internal controls. However, mess officials told us they were not as satisfied with controls under the new system as they had been under their former systems. One mess official stated that the club card program did not reconcile members' payments with intermess credit sales.

Thus the GAO found that the Army program did not meet a single one of the five established criteria. But even more shocking is the revelation by the GAO that even in the credit card program cost overruns have arisen. The Army estimated that the 5-year contract would cost about $3.9 million. The GAO found, however, that the contract would cost $5.1 million, a cost overrun of more than $1 million.

BANK HAD EXTRA INCOME

In addition to the $1 million discrepancy there was also a discrepancy in the payments to the Bank of America. Department of Army officials assured me that there would be no funds available for investment by the Bank of America and that all existing funds had to be sent to Washington for investment to the account of the clubs. However, the GAO found that from October 1972 through September 1972 an average daily amount of $31,000 was available for the Bank of America's use. While this is not a great amount, GAO points out that when the program was expanded to an armywide basis this amount would be increased substantially.

Mr. Speaker, it is unfortunate that the Army chose to go ahead with this program without fully evaluating the problems it could cause. This could have been avoided if the Army had listened to Maj. Gen. Leo Benade, Deputy Under Secretary of Defense who warned the Army about the dangers of this program.

General Benade in a lengthy memorandum to the Deputy Assistant Secretary of the Army for Manpower and Reserve Affairs pointed out the pitfalls of the program and strongly suggested that it not be put into practice.

It has now come to my attention, Mr. Speaker, that despite the Army's unhappy experience with the credit card program that the Navy is planning to launch its own credit card program. The Navy for some strange reason is planning a pilot program roughly for the same area that the Army used for its test. Of course, this area just happens to include the Bank of America. Under the Navy plan, clubs will be allowed to accept a commercial credit card with the contract going to the card that offers the lowest discount to the individual clubs. At first blush this seems reasonble, but the catch is that the Navy club members will have to pay 18 percent interest or more for credit purchases not paid during the first billing cycle. In short, the Navy will be putting its stamp of approval on an unconscionable 18 percent interest rate and this well could make the Navy the largest loan shark in the world. Perhaps the Navy would do well to consult with General Benade and follow his advice before taking this unfortunate step.

CONGRESSMAN ORVAL HANSEN OF IDAHO INTRODUCES H.R. 5859, PROVIDING EQUITABLE TREATMENT OF VETERANS ENROLLED IN VOCATIONAL EDUCATION COURSES

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 10 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, today I am introducing H.R. 5859, which provides for a more equitable treatment of veterans who are enrolled in vocational education courses.

The current law states that no educational assistance allowance shall be paid to any veteran enrolled in a course not leading to a standard college degree for any day of absence in excess of 30 days in a 12-month period, not counting weekends or legal holidays. It also provides that no allowance shall be paid to such veteran for any period until the administrator shall have received a certification as to his actual attendance. These provisions do not apply to veterans enrolled in courses which lead to a standard college degree.

The practical result of this differentiation, as interpreted by the Veterans' Administration, militates against justice and commonsense. For example, I received a letter from a young man who is a Vietnam veteran and who is enrolled in a vocational training course at the College of Southern Idaho. He informed me that during the 6-month period, covering the months of October 1970 through March 1971, he had 11 days of absences credited against his allowable 30 days even though the school was closed those days because of school holidays. When these school holidays are combined with legal holidays, it leaves few, if any, days that the Vo-Tech student can be absent from classes for personal reasons without subjecting himself to financial penalties. This unreasonable action in counting school holidays against permissible absences does not apply to students who pursue courses leading to a standard college degree.

Another unjust aspect of existing law is the requirement that the Vo-Tech veteran certify his actual attendance during the preceding month. Though this would seem to be a minor and reasonable requirement, in actual practice the paperwork involved in receiving and checking monthly certifications results in periodic delays in the issuance of the veteran's check. An example of the unfairness of this discriminatory procedure against Vo-Tech students was relayed to me in a letter from another young man who stated that he and other Vo-Tech students often do not receive their checks until the 27th of each month, whereas other veterans who are enrolled in the academic section of the same school regularly receive their checks by the 10th of the month. The writer also said that some of his fellow Vo-Tech students do not take full advantage of their veterans benefits because of the "abundant dosage of redtape."

Such ill-treatment is made even more deplorable because of the fact that vocational-type courses and degree courses, though historically taught at separate institutions with separate organizations and procedures, are today being combined in many school systems. A recent development in our educational system has been the development of the community colleges which offer both degree and nondegree courses on the same campus. When friends and possibly even roommates can attend the same school yet receive different treatment and different compensation from the Veterans' Administration, the psychological impact of the different standards is made even more acute.

As was so eloquently stated in an editorial last year in the Twin Falls, Idaho, Time-News—

> The military didn't give these veterans separate foxholes nor did the enemy label his bullets.
>
> The (Vo-Tech) veteran has earned the right to educational finance under the law and it should be the same to all veterans. There should be no discrimination just because one wants to learn how to repair an automobile and another wants to teach English.

I heartily concur with this, Mr. Speaker, and was accordingly distressed to read the adverse departmental report to an identical bill which I introduced in the 92d Congress. In its departmental report, the Veterans' Administration did not address itself to the equities involved, nor did it offer an adequate or rational explanation for a continuation of the discrimination. By its emphasis upon the financial cost of equalizing the treatment of our veterans, which it estimated at $6.2 million for the next 5 years, I feel that the VA has compounded an injustice with grievous insult.

In my service on the House Education and Labor Committee for the past 4 years, and as a member of the Republican Select Task Force on Education and Training, I have been deeply impressed by the need to encourage vocational education in this Nation. The value of occupational training cannot be overemphasized, Mr. Speaker. The evidence overwhelmingly indicates that our most pressing manpower needs in the 1970's will come in the subbaccalaureate skilled, technical, clerical, and para-professional occupations.

The need and importance of a revision of our national attitude toward vocational training was succinctly stated in the 1969 Annual Report of the National Advisory Council of Vocational Education. This report stated:

> At the very heart of our problem is a natural attitude that says vocational education is designed for somebody else's children . . . We have promoted the idea that the only good education is an education capped by four years of college. This idea, transmitted by our values, or aspirations and our silent support, is snobbish, undemocratic and a revelation of why schools fail so many students. The attitude infects Federal Government which invests $14 in nation's universities for every $1 it invests in the nation's vocational-education programs . . . The attitude must change. The number of jobs which the unskilled can fill is declining rapidly. The number requiring a liberal-arts college education, while growing, is increasing far less rapidly than the number demanding a technical skill. In the 1980's, it will still be true that fewer than 20 percent of our job opportunities will require a four-year college degree.

I believe that passage of my bill (H.R. 5859) would be a significant first step, Mr. Speaker, in rectifying a totally unjust situation, and would be a significant indication of Congress' willingness to recognize the contribution which vocational education students must make in America's educational future.

VEYSEY INTRODUCES HIGHWAY-ORIENTED MASS TRANSIT ACT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. VEYSEY) is recognized for 10 minutes.

Mr. VEYSEY. Mr. Speaker, yesterday I introduced legislation which could reduce air pollution in our metropolitan areas by major proportions in a minimum amount of time and with a minimum investment. This proposal would complement existing legislation which allows use of Federal highway trust funds for construction of bus lanes by extending those funds to cover the purchase of buses and related equipment.

This would give us a complete highway-oriented mass transit package and make it possible for smog-choked urban areas to take immediate positive steps to develop such systems.

The potential of highway-oriented mass transit has been grossly overlooked. While Government analysts have been climbing all over each other, each trying to develop a more sensational solution to the smog problem than the last, this machinery has been right under our noses.

The highways already exist, the rights-of-way exist, only minor construction is necessary, and pilot programs are working extremely well.

In the Washington, D.C., area, a small-scale bus priority system with limited facilities and publicity is already carrying nearly 10,000 passengers daily—eliminating over 7,000 automobiles, and tons of air pollutants each day. In San Bernardino another pilot project is highly encouraging, and in San Diego use of buses has doubled with only a decrease in fares and improved service.

Communities are sick and tired of the maddening freeway crawl to work each day. They are also sick and tired of air pollution. Further, the public readily accepts bus service when it is convenient. There is no more feasible or more practical way to effectively reduce vehicle miles traveled than bus mass transit.

By extending use of the highway trust fund to the purchase of buses and necessary machinery as well as to actual construction of the priority bus lanes and passenger services, we can make extensive bus service a reality for many commuter-clogged, pollution-smothered metropolitan areas.

For southern California this will be especially adaptable. Our sprawling far reaching metropolitan area of 10 million people does not lend itself to fixed rail transit. A sophisticated system of bus transportation on the other hand, would be a boon to our commuters, our health, and our way of life.

Further, it would put the impractical, unworkable proposal to ration gasoline on the back burner.

BETTER SCHOOLS ACT OF 1973

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BELL) is recognized for 15 minutes.

Mr. BELL. Mr. Speaker, I am today introducing, at the request of the administration, the "Better Schools Act of 1973." I am introducing the bill in part because my obligation as ranking Republican on the General Education Subcommittee of the Committee on Education and Labor includes the presentation of administration legislation. There is much in the bill which I favor, particularly the concept of consolidating a number of formula grant programs, many of which have resulted in more paperwork than money. There are also features of the legislation which I question, including, for example, the impact on programs such as adult basic education and services for migrant children, and the changes in title I which, although generally commendable, would continue to base State allocations solely on census information of poverty level families.

The administration is understandably anxious that the allocation and distribution methods contained in the bill be considered on their merits irrespective of funding levels. Whether this can be accomplished, however, is subject to question. I, for one, am deeply concerned about the overall reduction in elementary and secondary education spending reflected by the administration's budget for the Better Schools Act.

SUMMARY OF BETTER SCHOOLS ACT OF 1973

Appropriations for carrying out the bill would remain available for obligation and expenditure at the State and local levels for two years (§ 3).

The bill provides for allotment among the States of the funds appropriated (and for the uses which may be made of those funds) (§ 4). Appropriated funds are to be used for 5 purposes: education of the disadvantaged; education of the handicapped; vocational education; assistance for schools enrolling children who live on Federal property; and supporting materials and services. Any of the funds may be used for construction.

Funds allotted among the States are to be distributed within the State under section 5. The entire amount allotted to the State on the basis of children living on Federal property must be "passed through" to the local educational agencies in which those children live. The amount allotted to the State for the education of the disadvantaged must be distributed among local educational agencies by first paying to those agencies with 15% or 5,000 of their children from low-income families an amount equal to an expenditure index for the State multiplied by the number of such children. The remaining funds for the disadvantaged would be distributed among the other local educational agencies with the largest numbers or percentages of children from low-income families.

Thirty percent of each of the amounts allotted to any State for vocational education and education of the handicapped may be made available for other educational purposes (§ 7). The State may exceed these 30 percent limitations if it demonstrates to the satisfaction of the Secretary that doing so would further the purposes of the Act. The funds allotted to a State for supporting materials and services may be used also for vocational education and for education of the handicapped and the disadvantaged.

With respect to amounts allotted for the disadvantaged, each State and each local educational agency would be "held harmless" for fiscal year 1974 at 100 percent of the amount allotted to it for fiscal year 1973 under title I of the Elementary and Secondary Education Act of 1965.

States are required to provide equitable treatment of private school children in the activities carried out under the bill, but if they are unable to do so because of limitations of State law the Secretary is required to provide services to such children, paying the cost thereof out of the State's allotment (§ 8).

Amounts for the disadvantaged will be paid to any local educational agency only if that agency meets a "comparability" requirement—i.e., if the services provided in each of its schools with funds other than funds under this bill are determined by the State administering agency to be comparable to the services so provided in its other schools.

The Governor of each State would be the agency for administering the program within the State unless State law provides for a specified single State agency to administer the program. The State agency will develop a plan for the distribution of funds not "passed through" to local educational agencies, and for the expenditure of those funds. The distribution must be made on a basis which takes into account the relative needs of the local educational agencies in the State for the types of assistance for which the funds may be used, but in doing so the amount paid local educational agencies for education of the disadvantaged may not be taken into consideration. In developing the plan the agency must give an opportunity for comment thereon to interested persons, but there is no requirement of Federal review approval of the plan (§ 9).

Each State must provide education on a nondiscriminatory basis for children who live on Federal property (§ 10).

Revenues shared under the bill are subject to title VI of the Civil Rights Act of 1964 and title IX of the Education Amendments of 1972 (relating to discrimination on the basis of sex) (§ 13).

There is an advance funding provision (§ 14) and a provision for an annual report by the Secretary to the President and the Congress (§ 16).

There is also a provision permitting interstate agreements (§ 18), a provision concerning records, audits, and reports (§ 17), and a provision concerning remedies for noncompliance (§ 12).

COMPARISON 1973 VERSUS EDUCATIONAL REVENUE SHARING 1974

[Distribution of 3 percent to all other areas]

	Disadvantaged		SAFA		Handicapped		Vocational education		Support		Total	
	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing
Alabama	37, 500	38, 062	1, 248	845	2, 296	2, 840	8, 865	7, 632	10, 663	7, 277	60, 571	56, 655
Alaska	2, 781	2, 846	24, 594	16, 555	1, 191	268	884	721	958	687	30, 409	21, 076
Arizona	10, 413	10, 639	10, 898	10, 160	1, 217	1, 478	4, 334	3, 971	3, 805	3, 787	30, 667	30, 034
Arkansas	23, 122	23, 442	1, 581	1, 048	1, 724	1, 514	4, 880	4, 070	6, 056	3, 880	37, 363	33, 955
California	128, 309	128, 142	34, 469	31, 608	9, 909	15, 213	35, 465	40, 886	25, 534	38, 984	231, 686	254, 833
Colorado	12, 167	12, 376	3, 551	2, 947	2, 094	1, 792	5, 254	4, 815	4, 482	4, 591	27, 548	26, 520
Connecticut	13, 063	13, 263	2, 009	1, 745	2, 368	2, 340	5, 032	6, 289	4, 670	5, 996	27, 142	29, 634
Delaware	2, 918	2, 980	14	17	851	454	1, 315	1, 220	1, 487	1, 163	6, 585	5, 835
Florida	34, 727	35, 569	6, 977	6, 953	4, 229	4, 899	14, 062	13, 167	13, 943	12, 555	78, 938	73, 143
Georgia	43, 818	44, 500	2, 143	1, 770	2, 658	3, 726	11, 460	10, 015	14, 198	9, 549	74, 477	69, 560
Hawaii	4, 068	4, 137	8, 571	10, 185	651	627	1, 801	1, 670	2, 285	1, 593	17, 375	18, 207
Idaho	3, 697	3, 749	1, 490	1, 039	610	606	2, 099	1, 630	1, 977	1, 554	9, 873	8, 578
Illinois	74, 316	75, 396	5, 532	4, 669	7, 944	8, 711	18, 982	23, 411	17, 935	22, 322	124, 708	134, 510
Indiana	20, 537	20, 885	1, 212	1, 035	4, 055	4, 220	11, 157	11, 341	10, 227	10, 814	47, 189	48, 295
Iowa	16, 184	16, 408	210	113	1, 863	2, 261	6, 246	6, 076	6, 696	5, 793	31, 198	30, 651
Kansas	10, 247	10, 630	5, 163	4, 544	1, 959	1, 740	5, 055	4, 676	4, 621	4, 458	27, 045	25, 848
Kentucky	34, 353	34, 782	96	71	2, 136	2, 569	8, 344	6, 903	9, 425	6, 582	54, 354	50, 908
Louisiana	33, 833	34, 679	875	802	3, 581	3, 166	9, 582	8, 508	12, 248	8, 112	60, 170	55, 267
Maine	6, 330	6, 423	2, 190	1, 761	987	789	2, 638	2, 121	2, 487	2, 022	14, 632	13, 116
Maryland	21, 668	22, 083	5, 797	5, 923	2, 765	3, 160	7, 613	8, 492	6, 244	8, 097	44, 086	47, 754
Massachusetts	26, 521	26, 897	5, 852	3, 588	5, 011	4, 284	10, 521	11, 513	10, 381	10, 978	58, 286	57, 260
Michigan	59, 373	60, 144	4, 091	4, 360	8, 008	7, 456	17, 577	20, 037	13, 926	19, 105	102, 975	111, 103
Minnesota	23, 883	24, 241	1, 459	1, 514	2, 606	3, 199	8, 303	8, 598	8, 764	8, 198	45, 015	45, 751
Mississippi	39, 259	39, 239	1, 555	935	1, 537	1, 932	5, 930	5, 192	8, 302	4, 950	56, 623	52, 848
Missouri	25, 392	25, 841	2, 869	2, 455	3, 564	3, 601	10, 006	9, 679	9, 316	9, 229	51, 147	50, 805
Montana	4, 125	4, 197	5, 126	3, 694	684	597	1, 970	1, 605	1, 720	1, 530	13, 625	11, 624
Nebraska	7, 942	8, 076	3, 293	2, 435	976	1, 179	3, 463	3, 169	3, 393	3, 022	19, 067	17, 880
Nevada	1, 228	1, 259	2, 326	2, 124	448	384	1, 124	1, 032	984	984	6, 111	5, 783
New Hampshire	2, 294	2, 334	1, 101	736	723	576	1, 887	1, 548	1, 760	1, 476	7, 764	6, 668

	Disadvantaged		SAFA		Handicapped		Vocational education		Support		Total	
	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing	1973	Revenue sharing
New Jersey	48, 887	49, 623	5, 695	4, 985	6, 021	5, 472	11, 663	14, 707	9, 742	14, 023	82, 108	88, 809
New Mexico	9, 148	9, 348	11, 387	9, 449	850	945	2, 904	2, 538	3, 096	2, 420	27, 685	24, 700
New York	213, 429	216, 246	6, 795	7, 242	14, 678	13, 269	28, 451	35, 661	28, 623	34, 003	291, 977	306, 421
North Carolina	56, 781	57, 468	2, 270	1, 774	4, 319	4, 028	13, 532	10, 825	15, 384	10, 322	92, 286	84, 417
North Dakota	5, 127	5, 185	4, 981	3, 029	657	533	1, 897	1, 433	1, 983	1, 366	14, 645	11, 556
Ohio	46, 538	47, 289	1, 690	1, 637	8, 523	8, 583	21, 453	23, 067	17, 831	21, 994	96, 036	102, 571
Oklahoma	18, 654	18, 929	5, 660	3, 877	1, 759	1, 947	6, 324	5, 232	5, 890	4, 989	38, 286	34, 975
Oregon	11, 071	11, 257	1, 425	1, 043	1, 936	1, 627	4, 796	4, 373	4, 092	4, 169	23, 320	22, 469
Pennsylvania	69, 630	70, 627	1, 063	1, 013	9, 256	8, 903	23, 500	23, 927	21, 191	22, 814	124, 640	127, 285
Rhode Island	5, 261	5, 345	2, 884	2, 539	897	683	2, 251	1, 834	1, 663	1, 749	12, 956	12, 150
South Carolina	32, 866	33, 293	2, 972	2, 171	2, 257	2, 191	7, 304	5, 888	8, 825	5, 614	54, 224	49, 156
South Dakota	6, 033	6, 120	4, 604	3, 297	746	570	1, 976	1, 531	2, 024	1, 460	15 383	12, 978
Tennessee	24, 233	34, 739	664	470	2, 616	3, 050	9, 991	8, 197	10, 532	7, 816	58, 036	54, 272
Texas	87, 259	88, 789	11, 704	8, 407	8, 226	9, 138	26, 106	24, 558	22, 224	23, 415	155, 518	154, 306
Utah	4, 640	4, 714	1, 958	1, 657	927	951	3, 150	2, 555	3, 326	2, 436	14, 001	12, 312
Vermont	2, 506	2, 544	6	7	916	356	1, 359	958	1, 249	914	6, 036	4, 778
Virginia	35, 203	35, 773	7, 050	5, 818	3, 269	3, 647	11, 049	9, 802	10, 763	9, 346	67, 334	64, 386
Washington	16. 081	16, 339	7, 708	7, 578	2, 600	2, 678	7, 120	7, 198	5, 575	6, 863	39, 084	40, 656
West Virginia	19, 394	19, 641	35	30	1, 256	1, 347	4, 586	3, 619	4, 690	3, 451	29, 961	28, 088
Wisconsin	19, 161	19, 517	976	615	3, 681	3, 659	9, 805	9, 834	8, 167	9, 377	41, 790	43, 002
Wyoming	1, 562	1, 594	1, 824	1, 226	487	280	1, 083	753	1, 068	718	6, 024	4, 572
District of Columbia	11, 185	11, 341	222	280	1, 102	500	1, 606	1, 343	1, 518	1, 280	15, 633	14, 744
All others	47, 135	46, 371	2, 133	1, 018	2, 919	4, 946	8, 513	13, 293	11, 032	12, 675	71, 753	78, 304
Total	1, 524, 061	1, 545, 711	231, 998	194, 794	158, 744	164, 878	437, 173	443, 110	418, 976	422, 501	2, 770, 949	2, 770, 992
COMPARISON 1973 VERSUS EDUCATIONAL REVENUE SHARING 1975												
Alabama	37, 500	37, 392	1, 248	913	2, 296	2, 823	8, 865	7, 586	10, 663	7, 233	60, 571	55, 945
Alaska	2, 781	4, 269	24, 594	17, 879	1, 191	267	884	716	958	683	30, 409	23, 813
Arizona	10, 413	15, 012	10, 898	10, 972	1, 217	1, 469	4, 334	3, 947	3, 805	3, 764	30, 667	35, 165
Arkansas	23, 122	21, 314	1, 581	1, 132	1, 724	1, 505	4, 880	4, 045	6, 056	3, 857	37, 363	31, 853
California	126, 309	122, 037	34, 469	34, 137	9, 909	15, 121	35, 465	40, 638	25, 534	38, 748	231, 686	250, 681
Colorado	12, 167	13, 887	3, 551	3, 183	2, 094	1, 781	5, 254	4, 786	4, 482	4, 563	27, 548	28, 200
Connecticut	13, 063	13, 319	2, 009	1, 885	2, 368	2, 326	5, 022	6, 251	4, 670	5, 960	27, 142	29, 741
Delaware	2, 918	4, 152	14	18	851	451	1, 315	1, 213	1, 487	1, 156	6, 585	6, 990
Florida	34, 727	53, 354	6, 977	7, 509	4, 229	4, 870	14, 062	13, 087	13, 642	12, 479	73, 938	91, 298
Georgia	43, 818	45, 414	2, 143	1, 911	2, 858	3, 704	11, 460	9, 954	14, 198	9, 491	74, 477	70, 474
Hawaii	4, 068	4, 597	8, 571	11, 000	651	618	1, 801	1, 660	2, 285	1, 583	17, 375	19, 458
Idaho	3, 697	3, 463	1, 490	1, 123	610	603	2, 099	1, 620	1, 977	1, 544	9, 873	8, 353
Illinois	74, 316	71, 914	5, 532	5, 043	7, 944	8, 658	18, 982	23, 269	17, 035	22, 187	124, 708	131, 072
Indiana	20, 537	23, 166	1, 212	1, 118	4, 055	4, 194	11, 157	11, 272	10, 227	10, 748	47, 189	50, 500
Iowa	16, 184	14, 920	210	122	1, 863	2, 247	6, 246	6, 039	6, 696	5, 798	31, 198	29, 087
Kansas	10, 247	12, 180	5, 163	4, 908	1, 959	1, 729	5, 055	4, 647	4, 621	4, 431	27, 045	27, 896
Kentucky	34, 853	28, 652	96	77	2, 136	2, 553	8, 344	6, 861	9, 425	6, 542	54, 354	44, 685
Louisiana	32, 883	52, 018	975	866	3, 581	3, 147	9, 582	8, 456	12, 248	8, 063	60, 170	72, 551
Maine	6, 330	6, 174	2, 190	1, 902	987	784	2, 638	2, 108	2, 487	2, 010	14, 632	12, 978
Maryland	21, 668	27, 637	5, 797	6, 397	2, 765	3, 141	7, 613	8, 440	6, 244	8, 048	44, 086	53, 662
Massachusetts	20, 521	25, 037	5, 852	3, 875	5, 011	4, 258	10, 521	11, 443	10, 381	10, 911	58, 286	55, 524
Michigan	59, 373	51, 345	4, 091	4, 709	8, 009	7, 411	17, 577	19, 916	13, 926	18, 990	102, 975	102, 371
Minnesota	23, 883	23, 835	1, 459	1, 636	2, 606	3, 180	8, 303	8, 546	8, 764	8, 148	45, 015	45, 345
Mississippi	39, 299	35, 563	1, 555	1, 010	1, 537	1, 920	5, 930	5, 160	8, 302	4, 920	56, 623	48, 973
Missouri	25, 392	29, 923	2, 869	2, 651	3, 564	3, 580	10, 006	9, 620	9, 316	9, 173	51, 147	54, 947
Montana	4, 125	4, 803	5, 126	3, 990	684	594	1, 970	1, 595	1, 720	1, 521	13, 625	12, 503
Nebraska	7, 942	8, 893	3, 293	2, 630	976	1, 172	3, 463	3, 150	3, 393	3, 003	19, 067	18, 848
Nevada	1, 228	1, 888	2, 326	2, 294	448	382	1, 124	1, 026	984	978	111	6, 567
New Hampshire	2, 294	2, 641	1, 101	794	723	572	1, 887	1, 538	1, 760	1, 467	7, 764	7, 013
New Jersey	48, 987	42, 336	5, 695	5, 384	6, 021	5, 439	11, 663	14, 618	9, 742	13, 938	82, 108	81, 714
New Mexico	9, 148	13, 304	11, 387	10, 205	850	939	2, 904	2, 523	3, 096	2, 406	27, 385	29, 377
New York	213, 429	187, 523	6, 795	7, 821	14, 678	13, 189	28, 451	35, 445	28, 623	33, 797	291, 977	277, 775
North Carolina	56, 781	45, 742	2, 270	1, 916	4, 319	4, 004	13, 532	10, 760	15, 384	10, 259	82, 286	72, 681
North Dakota	5, 127	4, 496	4, 981	3, 271	657	530	1, 897	1, 424	1, 983	1, 358	14, 645	11, 080
Ohio	46, 538	49, 993	1, 690	1, 768	8, 523	8, 531	21, 453	22, 927	17, 831	21, 861	96, 036	105, 081
Oklahoma	18, 654	18, 313	5, 660	4, 187	1, 759	1, 935	6, 324	5, 201	5, 890	4, 959	38, 286	34, 595
Oregon	11, 071	12, 380	1, 425	1, 127	1, 936	1, 617	4, 796	4, 346	4, 092	4, 144	23, 320	23, 615
Pennsylvania	69, 630	66, 405	1, 063	1, 094	9, 256	8, 849	23, 500	23, 782	21, 191	22, 676	124, 640	122, 806
Rhode Island	5, 261	5, 588	2, 884	2, 742	897	678	2, 251	1, 823	1, 663	1, 738	12, 956	12, 570
South Carolina	32, 866	28, 446	2, 972	2, 345	2, 257	2, 177	7, 304	5, 852	8, 825	5, 580	54, 224	44, 400
South Dakota	6, 033	5, 822	4, 604	3, 560	746	566	1, 976	1, 522	2, 024	1, 451	13, 383	12, 922
Tennessee	34, 233	33, 695	664	508	2, 616	3, 031	9, 991	8, 147	10, 532	7, 768	58, 036	53, 150
Texas	87, 258	101, 908	11, 704	9, 080	8, 226	9, 082	26, 106	24, 409	22, 224	23, 273	155, 518	167, 752
Utah	4, 640	4, 809	1, 958	1, 789	927	545	3, 150	2, 539	3, 326	2, 421	14, 001	12, 594
Vermont	2, 506	2, 501	6	7	916	354	1, 359	952	1, 249	908	6, 036	4, 723
Virginia	35, 203	37, 957	7, 050	6, 284	3, 269	3, 625	11, 049	9, 742	10, 763	9, 289	67, 334	66, 898
Washington	16, 081	17, 177	7, 708	8, 185	2, 600	2, 662	7, 120	7, 154	5, 575	821	39, 034	41, 999
West Virginia	19, 394	16, 415	35	33	1, 256	1, 339	4, 586	3, 597	4, 690	3, 430	29, 961	24, 814
Wisconsin	19, 161	23, 671	976	664	3, 681	3, 637	9, 805	9, 775	8, 167	9, 320	41, 790	47, 067
Wyoming	1, 562	2, 134	1, 824	1, 324	487	279	1, 083	749	1, 068	714	6, 024	5, 200
District of Columbia	11, 185	10, 382	222	302	1, 102	497	1, 606	1, 335	1, 518	1, 273	15, 633	13, 788
All others	47, 155	46, 091	2, 133	1, 100	2, 919	4, 916	8, 513	13, 213	11, 032	12, 598	71, 753	77, 918
Total	1, 524, 061	1, 536, 371	231, 998	210, 378	158, 744	163, 879	437, 173	440, 426	418, 976	419, 941	2, 770, 949	2, 770, 992

THE ROLE OF CONGRESS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, Senator WILLIAM SAXBE of Ohio recently spoke at a Chicago meeting on congressional reform as a part of Time, Inc.'s 50th anniversary editorial project, "The Role of Congress." Henry A. Grunwald, managing editor of Time, Inc., moderated the meeting. I am introducing this panel discussion into the RECORD:

Mr. GRUNWALD. Our next speaker is Senator William Saxbe of Ohio. Senator Saxbe came to Washington in 1969 as a seasoned leader of his state. As a freshman Senator he had a cause: to improve the relationships of Congress and the voters and of Congress and the Executive Branch.

I think it is fair to say that he was something of a surprise on Capitol Hill, not to say a shock. He was blunt, forthright and independent. His voting positions have often been lonely, his stands on various issues searching and sometimes contradictory.

He opposed President Nixon in his nomination of Judge Haynsworth, but supported Harrold Carswell, if somewhat reluctantly. He backed the SST but voted against the ABM. He voted for Cooper-Church, but against Hatfield-McGovern.

He once said, early in his senatorial days, that he was bored by Washington and unhappy with the way the Senate operated, but his presence in the Capitol has made it a much less boring place, and also, thanks to some of the practical reforms that he was able to carry through, a considerably more efficient one.

Not least, Senator Saxbe is a leading exponent on the Hill and elsewhere of witty one-liners. I have done a little research on this and I find that many of them are perhaps a little too partisan for me to repeat here, but I recall one that is apt and characteristic. In summing up his own posture the Senator once observed, "You don't have to be a bug on a windshield to prove that you have guts." Ladies and gentlemen, Senator Saxbe.

Sen. SAXBE. Thank you, Mr. Grunwald, Neil MacNeil, Dr. Jones, and I hope my colleague, Fritz Mondale, will be here shortly. I, too, want to join in the congratulations to Time for its 50th anniversary, and certainly it is a pleasure for me to participate in this meeting, because if anyone has been critical of our behavior in Congress for the last two years, I have been in the forefront, and I think it is very worthwhile to get civic leaders from all over the country, and leaders in the media, to discuss these problems.

I was very disappointed in the minor reforms that we were able to put through in the day-to-day operation of the Senate, and we did save considerable time only to waste it some place else. I have been disappointed in many of these areas, so to try to talk to people on the outside may be more effective than talking to the people on the inside.

Dr. Jones' article, which was to be the provocation for further discussion, was to me just that, a provocation, even though it started off with a quote from Woodrow Wilson that said that we have to trust Congress more so we can have somebody to blame. Even Wilson did not go so far as to say that we have to have somebody that we can say is doing a good job occasionally.

The general decline of Congress has been just exactly that, and as Dr. Jones said, Congress is us, it reflects the people, and it has developed into what people expect it to be. It has developed into an institution, as my friend Senator Mathias has said, that is impotent and antiquated, simply because it has not responded to the demands of the Government. Congress has not laid the groundwork that it could have. It has the power and the money to do so, so it can respond to these demands, and it shows no indication of doing that in the future.

Congress has declined into a battle for individual survival. Each of the Congressmen and each of the Senators has the attitude: "I've got to look out for myself." If you remember the old, best advice you ever had in the army, it wound up with: "Never volunteer." This applies to Congress, and so we have very few volunteers. Most of them are willing only to follow those things that will protect them and give them the coloration which allows them to blend into their respective districts or their respective states. If you don't stick your neck out, you don't get it chopped off.

I also have been amazed at the leadership that has evolved in Congress, leadership that allows people to do their own thing. Each Senator can choose what he wants to do, pretty much. He can hold up bills, he can reserve time, he can say, "I'm not going to be here until next Tuesday, hold up the budget until next Tuesday." And it is held up until next Tuesday.

Mike Mansfield is the original nice guy. Everybody likes Mike Mansfield, and I am sure that he is secure in his re-election in Montana, as long as he wants to run, and I admire him very much. But at the same time, leadership—no.

The power to inspire, the power to drive, is not there, and we have a minority, if anything, in a weaker position because the minority is split so widely between Senator Javits and from his own state, Jim Buckley, that Hugh Scott has little alternative but to wheedle what little bit he can from them in the matter of cooperation.

Then, of course, we have an Administration that is not worried about Congress. I think it is pretty indicative of what is happening when you see that they are laying great plans, hiring and firing the chief help, and not even consulting Congress on what the program is going to be.

Now, I think I have some little experience in this. I have served as speaker of a house where we had a Democratic Governor, I was a Republican speaker, and I have found in my direct experience that a program is essential. In other words, if you are going to buck a strong Executive, you have to have some idea of what you want to do, where you are going to go, and you have to have support of the media in this program. You have to sell it, just like you are selling a life insurance program or anything else; you have to sell your program if you are going to buck an Executive.

This is not apparent in Washington. I do not know whether it is possible to put such a thing together. I think it is, but the others who have been there longer say: "No. You just go back and hide and you will get reelected."

Now, one of the problems with the media is that they are hostile to almost every individual Congressman or Senator. You never take a trip, you take a junket. In Ohio, anyway, they publish regularly the expenses of your office, as though this were some kind of an underhanded trick to take money from the government, and if you have 28 people on your payroll, obviously 27 of them are unnecessary. The fact that you get 5,000 letters a day is never printed.

You are also accused of riding a gravy train when it comes to a retirement program, and yet the retirement program of almost any executive in any one of your organizations is more attractive than that of Congress. We pay 8% off the top of our salaries into retirement. They also make great to-do of the fact we get free medical care. Well, we get it by joining Blue Cross.

This kind of thing is published regularly to show how inadequate you are to represent the great State of Ohio, or wherever you might be from.

Also, we gobble up our politicians faster than we can produce them. We have to have something to make sport of, and in this country, since the days of Will Rogers, and even before, it has been the politicians. Even bad-tempered Charles Dickens visited our country in 1842 and was impressed by our jails and hospitals but distressed by our newspapers and politicians. His sour concluding remarks included these gems: "You (Americans) carry . . . jealousy and distrust into every transaction of public life. By repelling worthy men from your legislative assemblies it has bred up a class of candidates for the suffrage who . . . disgrace your institutions and your people's choice . . . For you no sooner set up an idol firmly than you are sure to pull it down and dash it into fragments . . . Any man who attains a high place among you, from the President downward, may date his downfall from that moment; for any printed lie that any notorious villain pens . . . appeals at once to your distrust and is believed . . . Is this well, think you, or likely to elevate the character of the governors or the governed among you?"

Well, that was in 1842, so those of you who wish to make a tirade on the evils of the times can look back with some comfort to the fact that it has not changed a great deal.

But I say that it is a problem today because the legislature has not produced the leaders that you expect it to produce, because you have given no aid and comfort to the leaders, no support, no encouragement for people to get in, nor to stay.

If Time in this 50th anniversary effort can do any one thing, it is certainly to encourage the media to pay attention to Congress. This is not to demand perfection among your lawmakers, unless you are free from guilt yourselves. But it is to recognize that they are average people, and to recognize that there are some who are doing their level best to try to operate in this show window of national politics. Only too often they are thoroughly damned, held up to ridicule. The statement: "If you don't like the heat, stay out of the kitchen," does nothing to encourage those people to stay. If we are going to turn around the legislative attitude, we have to encourage leaders.

Dr. Jones said that strong men can rise above the prevailing customs, or the prevailing attitudes, as Reed did. But to develop strong men in the Legislative Branch requires support and requires time for them to mature and develop.

If we are going to have our elective officeholders spending 75% of their time just on getting re-elected, as they are today, we are not going to be able to develop the kind of leadership that we must have if we are going to strengthen and develop Congress.

Now, I am very pleased to take part in this. I am interested in talking about it on a discussion basis, and I look forward to any of your questions. Thank you very much.

Mr. GRUNWALD. Thank you, Senator Saxbe.

Our next speaker is a journalist who is most emphatically not hostile to the Congress or the Congressmen. Moreover, he is a journalist who never takes a junket; he only takes trips.

If I may make a personal remark, over the many years I have known Neil MacNeil, and, incidentally, admired him as much as any member of our team, he has also always berated me personally for not paying enough attention to Congress. As you can see, he has finally carried the day.

He has been our congressional correspondent for 15 years, and he is as zealous in that task today as he was when he first started it. He has written widely on Congress and talked about it. He will now deliver a short talk of his own, and then lead us in a panel discussion with respect to what has been said. Neil MacNeil.

Mr. MACNEIL. Thank you, Henry.

I was struck especially by Dr. Jones' theme that somebody must be trusted, and his suggestion that these be the leaders of Congress. This, as Dr. Jones states, is an idea that cuts across the grain of the founding fathers who, in drafting the Constitution in 1787, devised every means they could find to do just the opposite.

They devised a system of institutional checks and balances, a government of laws, not men, and they had more than casual reasons for doing so, as even a glance at the debates of the state ratifying conventions will show. In those conventions the fear was expressed over and over that the Federal Government would, in one delegate's words: "Swallow up the liberties of the people." The people then had some experience in dealing with the British King and the British Parliament that left them short on trust.

We, too, have had experience that should leave us with some skepticism in trusting the leaders of Congress who have allowed and even cooperated in bringing about the present imbalance between the Legislative and Executive Branches of the Government.

It was President Andrew Jackson who first voiced the claim that the President was the representative of the whole American people—a proposition hotly contested by the then leaders of Congress. In the decades after Jackson, Congress not only maintained its coequal status within the Government but for extended periods actually dominated the federal decision-making process.

Today the leaders of Congress acknowledge, as they have for the past 40 years, that the President is the policymaker in America. Not just in foreign affairs and the unhappy business of making war, but also in the domestic field as well. The basic change took place, as I understand it, under President Franklin Roosevelt, although there were precedents for what he did running back to the administrations of Jackson, Lincoln, Cleveland, McKinley, Theodore Roosevelt, and Wilson.

During World War II, Franklin Roosevelt created what was called a bipartisan foreign policy on the thesis that the country in foreign matters should speak with a unified, single voice to the outside world. The consultations by President Roosevelt with such Republican Senators as Arthur Vandenberg were real and meaningful, but they have not been so with any of the Presidents since Roosevelt. Truman did not consult with the leaders of Congress on sending troops into Korea—nor did Eisenhower on sending American troops into Lebanon, nor did Kennedy on quarantining Cuba, nor did Johnson on the Viet Nam War decision, nor has Nixon.

Repeatedly the leaders of Congress have complained over these years that they would like to be in on some of the takeoffs in these ventures as well as the crash landings. But they have acquiesced.

And although the leaders of Congress now know that a bipartisan foreign policy does not exist, they shrink—all of them—from saying so, and they shrink from acting to insist that Congress be heard in this critical area of national policy. Right now in Paris, President Nixon is negotiating an end to the Viet Nam War without consulting Congress and with no plans to submit the settlement to Congress, although he is apparently committing Congress to appropriate billions of dollars to rebuild that war-ravaged land.

It was under Franklin Roosevelt also that the leaders of Congress—those of the President's political party—became the political lieutenants of the President. Since Roosevelt's time, the leaders of Congress have come to the White House week after week to receive his orders. They have become the President's leaders *in* Congress rather than the leaders *of Congress*. The President expects and normally receives compliance from them.

The full blame, of course, should not be visited on the congressional leaders alone for a President's overwhelming dominance of the Government, for the compliance has come as well from the rank-and-file members of both chambers. I agree with the implicit suggestion in Dr. Jones' paper that the leaders of Congress will lead where their members want them to lead. The problem, as I see it, is to instill within the membership of Congress a sense of the integrity of Congress as a coequal branch of Government, a sense that they are, as a whole, representatives of the whole people, a sense that they must be a coequal partner in the policymaking process.

There are grounds now to suggest that this can be done. Even as we meet here there are hearings under way in Washington, under the bipartisan leadership of Senators Adlai Stevenson of Illinois and Charles Mathias of Maryland, aimed at just this goal.

Just last week, President Nixon impounded another $6 billion of congressional appropriations, again frustrating, as many Presidents have frustrated, the Congress's constitutional powers of the purse. There is a growing sense within Congress that Congress simply cannot tolerate much longer this negation of its law-making powers.

Only a few weeks ago, the Senate rejected the President's unprecedented request that he be given unlimited power over present federal spending—although it must be said that the House of Representatives tamely acquiesced to that request.

As a representative body, the Congress is confronted with incredibly difficult problems.

But unless it equips itself for the task and unless it develops within itself the resolve to act for the whole people, the Congress may become what Senator Mathias the other day suggested it might become, a "vestigial ornament" of government like the Roman Senate in its final days, to be used or ignored as the Executive pleases.

We all know what happened to the Roman Republic after the denigration of the Roman Senate. Thank you.

Mr. MacNeil. To start the panel discussion, I would like to ask Senator Saxbe, if I may, if he will tell us just how easy it is for a Senator of the President's party to resist the President's requests and his pressures, like the request on the unprecedented power over the purse. It sees to me that this is a critical area, and Senator Saxbe had great experience in it, and has in fact resisted some of the most difficult of the President's pressures on him in such votes as the ABM.

Sen. Saxbe. Well, I guess "pressure" to me is different from "pressure" to other people, because the media kept calling me up on the ABM thing and saying: "How much pressure are you getting?" And I told them, "well, I didn't think I was getting much pressure."

"Well, has the President called you?" they would ask. "Yes. The President has called me," I'd reply.

"Well, isn't that pressure?"

I said: "Having been in the Legislature and Speaker and Attorney General, I begin to consider it pressure when somebody calls you up and threatens to come around and beat you up."

In the game of politics, pressure can be, of course, applied in many different ways, especially if you are ambitious, because you get along by going along. This is the unwritten law of Congress, and if you don't go along and if you don't compromise, you don't survive, and survivability is the great pressure area of today's Congress.

It is not what you do; it is how well you adopt the protective coloration that makes you reflect your state or your district.

I think that the biggest weakness that is apparent today, and one that I am sure Congress has contributed to most, is the fact of complete fiscal irresponsibility. They will not pass new tax bills. They will avoid them.

In the last three years we have lowered taxes by $45 billion, at the same time we have increased expenditures by $179 billion. We are running deficits of $30 billion, $35 billion and this year $40 billion, and the question is, will we ever pass another tax bill?

Why should we? We are getting along so well just running on a deficit. It comes out in inflation.

Now, this type of irresponsibility results from the fact that you always get patted on the back when you spend money, and you always catch hell when you increase taxes, so why not just stick to the things that get you the pat on the back? This is so basic that I do not know why anybody ever did not think of it before, but Congress seems to have adopted this.

Now, the Administration, with its $250 billion limitation, did offer some glimmer of hope, so what little power we had, we're like a fiscal junkie who says, "My God, we can't quit, see if you can't make us quit."

With reference to the $250 billion, as Neil MacNeil says, it was a sellout of our powers, nevertheless it was our only hope for salvation, that we might stop spending money. It did not go through, but we are going to see the same thing again. We are going to see increased expenditures with no increase in taxes, and this to me is a disastrous course. But as long as we have the printing press, we can go along and we will just increase this debt until it becomes a trillion dollars, and then we will print a trillion dollar bill and it is all solved.

This sounds so ludicrous, but it is exactly the course we are headed on. The taxes come through inflation and it comes out of your hide, because it is the poor and the old and the weak who cannot protect themselves from inflation. I can't say more than that on that subject.

HEARINGS POSTPONED

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Eilberg) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to advise the House that the hearings that subcommittee No. 1 had scheduled for March 21 and 22, 1973, to consider legislation which would establish a preference system for immigrants from the Western Hemisphere, have been postponed for 1 week. The hearings will be held on March 28 in room 2237 and on March 29 in room 2226, Rayburn House Office Building. The hearings will commence at 10 a.m. This announcement will supersede the announcement that appeared on March 5, 1973.

NUTRITIOUS, LOW-COST MEATLESS MENUS

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. Cotter) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, the April 1–7 meat boycott and grocery checkout slip mail-in to the White House which I announced here 3 weeks ago is sweeping the country. Last Friday night, for instance, the network news programs devoted considerable time to the boycott.

President Nixon and Mrs. Virginia Knauer say they oppose the boycott but suggest that homemakers shop carefully and avoid higher priced items such as meat. If that is not boycotting, I do not know what is. The President does not believe that boycotts can be effective.

Well, I think there is some pretty solid evidence right now that the April 1–7 boycott can, in fact, be effective. Just this morning the Wall Street Journal's Commodities Report contained the following item:

> Sharply expanded supplies and *reports of growing consumer resistence* to record high meat prices curtailed demand for livestock, and prices dropped 25 cents to as much as $1 per hundred pounds.

If the market is perceiving a drop in demand as a result of individual decisions not to buy meat it should logically respond even more vigorously to an organized and unified boycott during an identifiable period of time, April 1–7.

So much for the effectiveness of the meat boycott.

Many of the calls I have received from people about the boycott concern menus for nutritious meatless meals. For the benefit of my colleagues and others who are participating in the boycott I offer the following suggestions for nutritious, low-cost, meatless menus for the week of April 1–7. I am indebted to the Virginia Citizens Consumer Council, and the U.S. Department of Agriculture for these suggestions:

SUNDAY

Breakfast

Stewed Prunes, Farina, Rye Bread Toast, Coffee/Milk.

Lunch

Spaghetti with Tomato Sauce, Fresh Fruit and Cottage Cheese, Coffee/Tea/Milk.

Dinner

Lentil Soup, Lasagna without Meat, Onions Quiche, Whole Wheat Bread, Ice Cream, Coffee/Tea/Milk.

MONDAY

Breakfast

Grapefruit Half, Oatmeal, Whole Wheat Toast, Coffee/Milk.

Lunch

Tomato Soup, Egg Salad Sandwich, Pears, Coffee/Tea/Milk.

Dinner

Cheese Souffle, Buttered Cauliflower, Marinated Kidney Bean Salad, Biscuits, Chilled Purple Plums, Coffee/Tea/Milk.

TUESDAY

Breakfast

Orange Juice, Pancakes with Syrup, Coffee/Milk.

Lunch

Pea Soup, Chef Salad with Garbanzo Beans, Apple Sauce, Coffee/Tea/Milk.

Dinner

Cheese Blintzes with Sour Cream, Raw Vegetable Tray, Fruit Salad, Chocolate Cake, Coffee/Tea/Milk.

WEDNESDAY

Breakfast

Orange Juice, Granola, Poached Egg on Toast, Coffee/Milk.

Lunch

Vegetable Soup, Cheese Omelet, Vanilla Pudding, Coffee/Tea/Milk.

Dinner

Eggplant Parmigiana with Motzarella Cheese, Garlic Bread, Green Salad, Coffee/Tea/Milk.

THURSDAY

Breakfast

Pineapple Juice, Cream of Wheat, English Muffin, Coffee/Milk.

Lunch

Onion Soup, Peanut Butter and Jelly Sandwich, Apples, Coffee/Tea/Milk.

Dinner

Welsh Rarebit, Green Beans with Cashews, Coleslaw, Spice Cake, Coffee/Tea/Milk.

FRIDAY

Breakfast

Orange and Grapefruit Sections, French Toast with Syrup, Coffee/Milk.

Lunch

Pizza, Sliced Carrots and Celery, Chilled Apricot Halves, Coffee/Tea/Milk.

Dinner

Vegetable Chow Mein with Cashews, Brown Rice, Green Salad with Cheese Cubes, Coffee/Tea/Milk.

SATURDAY

Breakfast

Grapefruit Juice, 2 Scrambled Eggs, Toast, Coffee/Milk.

Lunch

Tomato Soup, Grilled Cheese Sandwich, Pineapple-Gelatin Salad, Coffee/Tea/Milk.

Dinner

Meatless Minestroni, Manicotti, Broccoli with Vinaigrette Sauce, Italian Bread, Biscuit Tortoni, Coffee/Tea/Milk.

Agriculture Department Home and Garden Bulletins no. 43 ("Money Saving Main Dishes") and no. 183 ("Your Money's Worth in Foods") may also prove helpful to your constituents.

PANAMA RELATIONS REVIEWED

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in the crescendo of propaganda now being featured in the mass news media in relation to the meeting of the U.N. Security Council in Panama, there have been some revelations of significance. For example, there was the news story by Jeremiah O'Leary in the February 21, 1973, Evening Star of Washington on "Panama Relations Reviewed on Hill."

Because some of its points require clarification, I wish to list and comment on them:

First. That the chairman of the House Subcommittee on Inter-American Affairs in hearings on February 20 suggested that Members of the Congress be invited to take part in the stalemated negotiations on the future of the Panama Canal.

Comment: The executive branch of our Government, through inept conduct of policy, caused the situation at Panama. I see no reason why the Congress should assume a burden for which it was not responsible.

Second. That the chairman of the subcommittee stated that any new treaty with Panama would require enabling legislation and ratification by both Houses of the Congress.

Comment: Article IV, section 3, clause 2, of the U.S. Constitution vests the power to dispose of territory and other property of the United States in the Congress, which includes the House as well as the Senate.

Third. That Deputy Assistant Secretary of State Robert A. Hurwitch testified that he had good reason to anticipate no violence during the March 15–21 U.N. Security Council sessions in Panama.

Comment: This may be a valid assumption but the reason for it is that the plans for violence were so effectively upset in my address in the Congress on February 8, on "The Crisis at Panama: A Three-Pronged Attack on Canal Zone" that the radical strategists changed their program.

Fourth. That Mr. Hurwitch stated the bilateral talks have been suspended since January.

Comment: They should be terminated for the simple reason that there is nothing to negotiate.

Fifth. That he said the defense of the canal must be geared to counter sabotage or some kind of uprising in Panama itself.

Comment: The Panama Canal organization and our Armed Forces on the Isthmus have had extensive experience in protecting the canal against sabotage and in 1964 against mob invasion.

In order that the Congress may have the benefit of the indicated news story, I quote it as part of my remarks:

[From the Evening Star and Daily News, Feb. 21, 1973]

PANAMA RELATIONS REVIEWED ON HILL

(By Jeremiah O'Leary)

Chairman Dante Fascell of the House Inter-American Affairs subcommittee has suggested that members of Congress be invited to take part in the stalemated negotiations between Panama and the United States on the future status of the Panama Canal.

The Florida Democrat broached the idea yesterday while questioning Robert A. Hurwitch, deputy assistant secretary of State for inter-American affairs, on the Panamanian situation and the Cuban hijacking agreement. He said any new treaty with Panama would require enabling legislation and ratification by both houses of Congress and suggested that participation in operation of the canal or application of Panamanian police powers and justice to the American enclave.

NONCOMMITTAL RESPONSE

Hurwitch was noncommittal on the Fascell suggestion.

He was questioned closely by subcommittee members on whether the United States expects violence when the United Nations Security Council meets in the Isthmian republic March 15–21. Hurwitch testified he had good reason to anticipate no violence. He dodged questions about whether he had such assurances from Panama's strongman, Brig. Gen. Omar Torrijos, but indicated he was nearly certain Panama was not interested in a violent confrontation.

"We had reservations about the U.N. meeting being held in Panama but we're not sulking," Hurwitch declared. "We believe the rhetoric could get out of hand, not necessarily by Panama but by some of our not-so-good friends at the expense of the U.S. We felt the atmosphere would not be conducive to the talks."

The bilateral talks, he said, have been suspended since January when a Panamanian official publicized the secret positions of both governments. Washington informed Panama how it felt about that, Hurwitch said. Now, he said, the United States is so caught up in preparations for the Security Council meeting that negotiations probably will not resume until afterward.

AGREED IN PRINCIPLE

He said the United States has agreed in principle to almost all aspects of the new treaty but that now the problem lies in specifics, such as the time schedule for handing over portions of the zone and giving up police and court powers. The defense of the canal, he said, obviously must be geared either to counter sabotage or some kind of uprising in Panama itself. There is not enough U.S. manpower there to prevent sabotage, he added, and the Guardia Nacional is better equipped to handle local uprisings.

On the Cuban situation, Hurwitch said the recent hijack agreement has changed nothing about U.S. conditions for normalization of relations. He said Havana is still unremittingly hostile to the United States. There was never any indication given by the Cubans to the Swiss go-betweens of any change of mind, Hurwitch said.

The U.S. position, he said, is generally that we are willing to have relations with other countries if they are willing. Cuba has not abandoned its anti-U.S. policy, he added, and is still training Latin subversives for activities against the governments of other hemisphere countries.

THE SHORTCOMINGS OF PHASE III

The SPEAKER. Under a previous order of the House, the gentleman from Rhode Island (Mr. TIERNAN) is recognized for 5 minutes.

Mr. TIERNAN. Mr. Speaker, when Treasury Secretary Schultz introduced phase III of the President's war on inflation, last January, he and other administration spokesmen praised it as the end of the constricting wage and price regulations of phase II, and the beginning of a new era of labor—business cooperation and self discipline.' Many of us at that time had serious doubts about the program, about whether the Administration was too hasty in removing the wage-price controls and whether it was serious in stepping down hard on inflationary increases in wages and especially prices. The administration tried to allay our fears with talk of swinging the stick of price or wage rollbacks. Our misgivings remained, however, and now it appears that they were justified.

Phase III is slipping badly. It is obvious that in a normal economic situation wage and price controls are galling, time-consuming and inefficient. It is equally obvious in such an economic situation that business and labor should have the self-discipline and foresight to work against inflation outside of Government regulation.

But we are not in a stable economic situation. The wholesale price index rose at a 1.9 percent clip in February, the highest in 22 years. Food and farm wholesale prices rose in February 3.2 percent. Over the past 3 months, the annual rate of increase for wholesale food has been 56 percent. The voluntary controls which are the basis of phase III are just not working.

However, Mr. Dunlop and Mr. Shultz are showing a definite reluctance to use the much heralded stick in the closet to roll back price increases.

The time has come to do away with phase III. It is really now or never, for perhaps now the new inflationary spiral may be nipped in the bud; too long a delay means we will once again be on the escalator to ever higher prices and wages.

What is needed is a system of clear-cut regulations and guidelines. The ambiguities of phase III have no place now. Moreover, the Government must show that it will firmly back up its guidelines. The stick in the closet has shown an alarming propensity for staying in the closet; it must now be wielded with determination and vigor.

Right now, the critical areas are prices and food production. Definite price ceilings should be reinstated, and strictly enforced. If this means bringing back the sometimes cumbersome machinery of phase II, so be it. If it means a tighter squeeze on profit margins, also so be it. The need is great, and business after the boom year of 1972 can well afford it.

Food prices are the most obvious signs of the new inflation, and in many ways the most painful. The time has come for price controls on farm products. As distasteful as they may be, price controls on agricultural products are a necessarily drastic measure to handle a drastic situation.

If food prices keep taking a larger and larger chunk of the workingman's wage, how can we deny his union the right to demand raises to compensate? Some labor leaders have already declared that they cannot follow the 5.5 percent guideline. The situation is critical because 4.7 million workers will come up for contract talks this year. To avoid ruinous strikes or inflationary wage increases it is necessary that action be taken now.

It is too bad that phase III has failed. The concept of voluntary controls in a free market is, of course, much more pleasing than that of governmental regulation; unfortunately it has proved to be much less effective. The administration must now show the integrity and courage to admit the failure of phase III and take the necessary measures to combat inflation.

Business Week magazine apparently shares our concern about phase III. Although initially welcoming it, Business Week now regards the shortcomings of phase III as unavoidable and beyond reasonable hope of correction. Business Week illustrates the failures of phase III with its editorial of March 10, and makes suggestions for a new program to fight the inflation. These suggestions merit close attention; therefore, I would like to submit this constructively critical editorial for the RECORD:

[An editorial from the March 10, 1973 issue of Business Week]

PHASE III CONTROLS: TOO VAGUE, TOO NARROW, TOO WEAK

A scant two months after President Nixon's abrupt announcement of Phase III, the whole system of wage and price controls is on the verge of collapse. What began as a well-conceived effort to put some flexibility into the rigid rules of Phase II and move the economy back toward the discipline of the marketplace threatens to end in disaster.

The consumer price index shot up 0.5% in January, an annual rate of 6% in family living costs. The wholesale index for food and farm prices soared 2.9%, promising yet more trouble when these increases work their way through to the supermarket checkout.

Labor leaders are openly scornful of the idea that 1973 wage increases can be held to the 5.5% guideline of Phase II. They are talking of 7.5%, and 8% and even more.

In the international money markets, new raids on the dollar—triggered by growing mistrust of Phase III—have already forced the President to declare another 10% devaluation. The international payments system has broken down completely, and the world faces the disconcerting prospect of floating currencies and monetary chaos for an indeterminate period.

The stock market dropped 100 points in what was largely a vote of no confidence.

Whatever its theoretical merits, Phase III is a failure. And the nation simply cannot afford a failure of wage and price controls. Instead of applying patches like this week's new oil regulations, the President should terminate Phase III and replace it with a new set of controls that will work.

METAPHORS ARE NOT ENOUGH

Above all, these new rules must be clear, explicit, and backed by a firm determination to make them stick. Phase III suffered from bad luck and bad timing, but its fatal flaw was ambiguity. The country waited for clarification, and clarification never came. Administration spokesmen—Treasury Secretary George Shultz, Phase III administrator John Dunlop, and the President himself—all spoke in metaphors. Presumably the clampdown on oil was designed to demonstrate that there really is "a stick in the closet," but the implication is that it will be used only in special situations and then applied lightly.

Essentially, this is the approach of the mediator rather than the controller. A mediator does not lay down the law to anyone. He shuttles back and forth between the parties to a dispute, sympathizing with both and looking for acceptable compromises.

John Dunlop used this technique successfully in the construction industry to bring wage increases to acceptable levels. But what worked in a particular industry over a period of time will not work in an economy facing an immediate inflationary threat. The U.S. cannot mediate with the forces of inflation. It must control them.

For that reason, the Administration must make it clear that there is nothing "voluntary" about the new rules. And it must spread its enforcement net wide enough to ensure compliance by small producers and small labor groups as well as large. The idea that an economy can be managed by applying pressure at a few key spots in big companies and big unions may be workable when the system already is more or less in balance. It is an evasion of the issue—a cop-out—when an inflationary explosion is impending.

THE URGENT PROBLEM OF PRICES

The immediate focus of the new program must be prices. This is the critical area now. The showdown with labor over wage increases will come later. And the controllers will have no hope of winning that showdown without a clean record on prices in the months just ahead.

To control prices there must be clear rules on figuring ceilings and determining what costs can be passed through. There must also be an enforcement apparatus. This means bringing back some of the galling, time-consuming paperwork of Phase II—the reporting and substantiation of price increases. It may also mean a tighter squeeze in profit margins.

All this will be painful for business, but with the economy going into its second year of rapid expansion and with profits still gaining, business cannot plead hardship as it legitimately could in 1971.

Like it or not, the Administration should also expand its price controls to include changing hands for the first time. From the beginning, the exemption of farm prices has been the great weak spot in the control system. Unless the President plugs this hole, he cannot hope to make the rest of the control machinery work.

The best approach to the farm price problem would be to set ceilings, based on the record highs of the past year, and reinforce them by a vigorous program aimed at increasing supplies in the 1973 crop year. Any controls on farm prices involve the risks of shortages and black markets—as well as the political protest from the farm bloc Congressmen. But for the short term, controls are the only way to keep farm prices from dragging the whole economy into more inflation.

If the Administration can make controls stick on prices—especially on food prices, which are more than 20% of the consumer price index—it can reasonably say to labor that the 5.5% guideline is the limit for 1973 wage increases. And that is what it must

> do if the U.S. is to come out of the year with inflation at last winding down.
>
> This is a crucial year for wage bargaining. It marks the start of a new cycle, with such key industries as rubber, electrical manufacturing, and autos writing new contracts. From the start, the basic strategy of the controls program has been to steer these pattern-setting contracts toward noninflationary settlements. Now, at the critical moment, the U.S. needs controls that work.

REVENUE SHARING FOR CRIME CONTROL

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. JAMES V. STANTON) is recognized for 30 minutes.

Mr. JAMES V. STANTON. Mr. Speaker, the legislation that established a Law Enforcement Assistance Administration in the Department of Justice expires on June 30, and one of the important tasks confronting Members of Congress in the next few months will be consideration of bills giving this embattled agency a new lease on life. The administration has submitted to Congress H.R. 5613, the so-called Law Enforcement Revenue Sharing Act. An alternative proposal, having bipartisan support, of which I am the author and of which the Honorable JOHN SEIBERLING of Ohio is the principal coauthor, is H.R. 5746, the Emergency Crime Control Act of 1973.

We view our bill as more realistic, Mr. Speaker, because it zeros in on places around the country where two-thirds of the crime occurs—the large urban-suburban areas. Ours, too, is a revenue-sharing bill. As a matter of fact, if we move far enough along on the road to revenue sharing—as far as the administration and Congress already have taken us in the General Revenue Sharing Act of 1972, and as far as President Nixon would have us come with most of his special revenue-sharing proposals—we arrive, Mr. Speaker, not at the administration's bill, but rather at the Stanton-Seiberling bill. Under the administration bill, the process of revenue sharing reaches a sort of dead end in the State capitals. The Stanton-Seiberling bill keeps Federal funds for crime control on the move, so to speak. It routes the aid from Washington to the State capitals, and then on to what we define as "high crime urban areas."

Mr. Speaker, you and others here of course are aware of the running controversy that began with the establishment of LEAA in 1968. Some Members of Congress wanted State-oriented legislation. Others wanted a city-oriented bill, with aid dispensed on a project-by-project basis. H.R. 5746 resolves this question with an even-handed approach. It does away with categorical aid, whether it be to States or cities. Our bill accords block grants to the States, to be used by each State for its own needs and for giving guidance and assistance to areas of relatively light population and comparatively low-crime rates. The legislation also retains fund pass-through provisions for these areas. And the bill also awards block grants to the "high crime urban areas"—the large county-city-urban complexes where the streets are particularly unsafe.

UNSAFE STREETS

The fact that the streets still are unsafe is a point that would seem to require no emphasis. However, after reviewing Attorney General Kleindienst's incredible testimony last Thursday before House Judiciary Subcommittee No. 5, I must say that rebuttal is necessary, for the record. The fact is that, after four and a half years, the LEAA still is not effective. We must restructure that agency's program in a way that would have it perform much better—not only to safeguard the $2.5 billion investment that the taxpayers have already made in LEAA, but also to justify any new expenditures on behalf of a program that heretofore has accomplished little more than to spawn a giant new bureaucracy in Washington, and a second generation of smaller bureaucracies at the multistate regional level, at the State level, and at the substate regional level.

If the present LEAA program were as effective as Mr. Kleindienst would have us believe it is—and we must keep in mind that the administration's proposal really does not alter that program a great deal—then we would not have the Gallup organization rating crime, only last January, as the worst urban problem. Dr. Gallup reported that the "fear of crime has pervaded all levels of U.S. society," and that it heads "the list of concerns of residents of cities and communities of all sizes across the Nation." He continued—and I quote:

> Half of all persons interviewed (51 per cent) think there is more crime in the areas where they live than there was a year ago . . . A comparison of current survey findings with those . . . in early 1972 shows increasing pessimism. At that time, a considerably smaller proportion of citizens (35 per cent) . . . said crime was on the increase.

Mr. Speaker, I have checked with the Gallup organization to determine how these findings were made. I think it is significant that, when interviewers asked the question—"What do you regard as your community's worst problem?"—they did not hand the subjects a check list. Twenty-one percent—spontaneously—ventured that crime was the worst problem, an additional 10 percent said it was drugs and an additional 6 percent said it was juvenile delinquency. Other problems cited, but not nearly as frequently as crime and problems associated with it, were traffic, high taxes, pollution, and so forth.

Similarly, Mr. Speaker, a recent survey by Life magazine, with 43,000 readers who "approximate the national population distribution" responding, produced these findings: 78 percent sometimes feel unsafe in their own homes; 80 percent in big cities are afraid in the streets at night; 43 percent of families were crime victims last year; 30 percent keep a gun for self-defense; 41 percent say their police protection is inadequate; and 70 percent would pay higher taxes for better protection.

I submit, Mr. Speaker, that these are the people whom we represent, and it is their feelings, rather than Mr. Kleindienst's statistics, that more likely reflect the true situation. At the Judiciary Committee hearings, the Honorable Peter Rodino, the distinguished chairman of that panel, offered statistics that were less cheerful than those presented by the Attorney General. I will not attempt to reconcile the opposing figures. But I would like to make two points.

First, statistical trends mean nothing to the man or woman on the street. Only the overwhelming number of crimes has meaning. I present here an excerpt from an article in the Cleveland Plain Dealer of November 28, 1972. It is self-explanatory. I quote:

> Although crime in Cleveland is down 7.2% for the first nine months of this year—(a figure which itself, incidentally, has been challenged)—the crime rate is five times what it was 10 years ago. Cleveland police reported 9,054 felonies in 1962. Last year there were 46,295. There are already 30,353 marked up for the first nine months of this year. Homicides are up 19.1%. Rape is up 12.2%. Robberies decreased 6.3%, but there were 3,939 committed. There were also 1,468 assaults.

Second, I wonder whether Mr. Kliendienst is so certain of his statistics that he personally would want to venture out alone at night on the streets of Washington, which, statistically, he says, are much safer. I wonder whether he would care to walk the streets of Cleveland at night—or the streets of some other city. I do not think he would. I do not think you would. I know I would not—and neither do most of my constituents.

I say these things because I think it is vitally important that we begin here by rejecting bland assurances of progress, and that we draft new legislation that will protect and reassure our constituents. I am convinced that meaningful reform of LEAA can be achieved only through an honest appraisal of where we stand, and through some fresh thinking on where we ought to go.

LOCAL OFFICIALS KNOW BEST

With all due respect, Mr. Speaker, to our own past efforts and those of two administrations, we ought to begin by acknowledging that we in Washington, after all, do not know the answers. After four and a half years of the LEAA program—and $2.5 billion later—we still do not know what causes crime—or, once crime occurs, how to cope with it in a manner that best serves the interests of society. These answers so far have eluded not only the Federal Government but also, we must confess, the 50 State governments.

It really is not surprising that this is so. Because of their limited jurisdictions, Federal and State officials concerned with law enforcement and administration of justice have had little or no experience in dealing on the streets with the kinds of crime that frighten people most—the muggings, the robberies, the rapes and other assaults. An infusion of Federal funds and the establishment of new bureaucracies has not measurably increased the capability of the Federal and State governments. This failure was inevitable. For we must keep in mind, after all, that we have not increased the operational responsibility of the Federal and State officials. It is the local officials who have remained on the front line in the fight against crime. In the year 1973, we still look to our city and suburban police, to our sheriff's deputies, our trial judges, our prosecutors, our probation officers, our Mayors, our county commissioners, our city and suburban councilmen, for immediate assistance when crime threatens, and when crimes occur.

H.R. 5746 accepts this reality. It recognizes that we do not want to change our laws to create, in a democratic society, new institutions that might start a trend toward centralization of police powers and functions at the National or State levels. We want this power dispersed—to be exercised, at it always has been in the United States, locally—by public officials who, for the most part, are elected by the people. We do not want to arm faceless bureaucrats with control of the police, nor do we want to trust them to dispense justice.

Our bill, then, provides the local officials who have such responsibility—and who, we insist, must keep it—with adequate financial assistance to carry out this mission. Our rationale is that somewhere out there in the big cities, there must be people with brains, experience, and motivation sufficient to deal with crime at least as successfully—or no worse—than it is now being dealt with under State and Federal overseers. And if these local officials fail, H.R. 5746 will no longer permit them to pass the buck on upto the State and Federal Governments, as the habit has been of late. Rather, they would have to answer for it at the polls.

What I am preaching here, of course, is decentralization—the philosophy underlying revenue sharing. As Alice Rivlin of the Brookings Institution points out, there has been a "conversion of liberals" to this concept, because of "a new realism about the capacity of a central government to manage social action programs effectively." She adds, though, that we are not ready to give up entirely on the notion that there ought to be a Federal role, and that the States should not end up with everything—because "within States, resources are frequently concentrated where the problems are least acute." She continues:

> The intervention of the federal government is required to channel resources to areas of need, a task that, fortunately, it is well equipped to handle. Two activities that the federal bureaucracy carries out with great efficiency are collecting taxes and writing checks. . . . Since the federal government is good at collecting and handing out money, but inept at administering service programs, then it might make sense to restrict its role in social action mainly to tax collection and check writing and leave the detailed administration of social action programs to smaller units. This view implies cutting out categorical grants-in-aid with detailed guidelines and expenditure controls. . . . Lower levels of government would receive funds through revenue sharing or bloc grants for general purposes.

As to accountability, Mrs. Rivlin holds—and I agree with her analysis—that we ought to state it not "in terms of inputs—through detailed guidelines and controls on expenditure"—but, rather, through outputs. In other words, our local law enforcement and criminal justice officials should be held accountable afterwards, in terms of their performance in bringing crime under control.

This is the kind of program contemplated by H.R. 5746. Through this legislation, as I envision it, the role of the Federal Government would be to give financial support, to engage in broad research into the causes of crime and means of coping with it, to disseminate nationally information about successful programs in specific places, and to perform such other functions as gathering statistics and assuring their veracity. The States would have the role of assisting smaller communities, coordinating crimefighting efforts within the States, and operating the one major program for which States have primary responsibility, that being the prison program. And the role of the cities, suburbs, and counties would remain what it now is—conducting the operations in the war against crime, but better armed financially to use the resources of the police, the courts, and a mix of social programs.

A PROGRAM CHOKED BY REDTAPE

I submit, Mr. Speaker, there is another important reason for directing money quickly to the "high crime urban areas" in the form of block grants. The reason is that the pipeline for Federal assistance funds is so clogged with redtape that much of the money still is stuck there, four and a half years after the establishment of LEAA. We are in a position where the President has asked for money, Congress has appropriated it, LEAA has put it in the pipeline—but incredibly large amounts of it have moved not at all, or hardly at all. If the money leaving Washington is intercepted in the State capitals, becoming unspeakably tardy in reaching the large cities where most of the crimes are being committed, then what good is the money?

Late in 1971, when I first called attention to this fact on the House floor, I reported the General Accounting Office had informed me that fiscal year 1971 ended with 92.1 percent of the funds appropriated for that year still being held in State capitals. The money had not been spent because it had not been forwarded to the cities. Ten States had made no distribution at all of 1971 funds—Alabama, Alaska, Connecticut, Florida, Hawaii, Minnesota, Nevada, Oregon, South Dakota, and Virginia. Furthermore, more than half of the fiscal 1970 money still had not been spent at that time.

I have had the Comptroller General run a more recent check for me. Here are some of his findings—as of September 30, 1972, 3 months after the close of fiscal year 1972:

Nearly 20 percent of the LEAA's fiscal 1970 funds still had not been disbursed to local governments by the State of New York. The figure for California exceeded 20 percent. For Alabama and Hawaii, it exceeded 10 percent.

As to fiscal 1971 funds, more than half of them—and I cite here only a few examples—were still being held in the State capitals in Illinois, Virginia, Alabama, and Washington State, and nearly half had not moved from the State capitals in Pennsylvania, Florida, and Wisconsin.

As to fiscal 1972 funds, more than 90 percent of the State's allocation still had not been distributed to the cities in Connecticut, New Jersey, Maryland, Virginia, Kentucky, California, Oregon, and Washington State—again, to cite only a few examples.

Furthermore, I learned from the Comptroller General that as of a few weeks ago, some $12 million had to returned to the LEAA in Washington by various States because redtape had prevented the States from spending the money fast enough, and the spending deadline had lapsed.

H.R. 5746 would purge the LEAA program of most of this redtape by doing away with the requirements for separate applications, planning papers, and justification papers for each law enforcement and criminal justice project. The State capitals and the "high crime urban areas" would receive lump sums of cash from LEAA, and they would draw on these sums as they see fit. The makework of paperwork would come to an end.

ANALYSIS OF STANTON-SEIBERLING BILL

I would like to move now to a brief analysis of the Stanton-Seiberling bill. However, I must point out that the bill, reintroduced this year, was drafted for the 92d Congress—at a time when the legislative authorization for LEAA was not about to expire, as it is now. Therefore, the bill as presently written retains certain cash-match and other provisions which, in my opinion, should not be in the law at all. If I were redrafting the legislation today, it would emerge as a clean revenue sharing bill. I have not done so only because I know the Judiciary Committee will likely start from scratch to mark up new legislation. Therefore, I offer H.R. 5746 primarily as a legislative vehicle. It has not been updated, but its central provisions do point the way to true revenue sharing for law enforcement.

These are the provisions:

First, the bill seeks to establish new entities for LEAA purposes, termed high crime urban areas. These are defined as "any city with a population of not less than 250,000 and any counties, boroughs, or parishes, if any, with respect to which such city substantially uses or shares services relating to law enforcement." In virtually all cases, we are speaking of large cities, their suburbs and the countries in which they are situated.

The figure of 250,000 obviously is arbitrary, but it was selected for two reasons. First, I believe it is necessary to concentrate LEAA funds in areas of great need rather than to spread this money around the country in a "thin dew," as one writer has described it. Second, it happens that metropolitan areas of this size are precisely the ones that need this assistance most. These areas, while accounting for only 20 percent of the Nation's population, experienced 40 percent of the serious crime in the United States in 1971. The average serious crime rate for these cities was 55 per 1,000 population, compared with 22 per 1,000 for the rest of the Nation. Also, these cities, when combined with their surrounding metropolitan areas, account for 66 percent of the Nation's serious crime.

The reason for including counties—not merely cities—in the so-called high crime urban areas is that, in most jurisdictions the city controls the police force alone, while the county operates the courts and correctional facilities. No comprehensive programs could be launched were the courts and correctional officials not brought into the planning and operation.

In this connection, I would like to point out, Mr. Speaker, that my city, Cleveland, was chosen by LEAA as one of the eight so-called special impact cities, which are receiving special LEAA grants of $20 million apiece over 3 years. Despite the generosity of the Justice Department for my bailiwick, I am critical of this program because the money is given only to the city, with the suburbs and the county being frozen out. I doubt that an effective crime-fighting program can be mounted in Cleveland for this reason. I have other criticisms of the Cleveland program which I shall be inserting soon in the RECORD. But at this point, Mr. Speaker, I would like to point out that H.R. 5746 covers all the large cities, not merely eight, and it covers them as a matter of right. They are not selected for special favors by the political process, and no one would be able to level that accusation.

Second, the bill asserts that each high crime urban area shall constitute a separate regional planning unit. This would preclude its becoming submerged in any larger intrastate region that might exist for LEAA purposes inside the State. In this connection, Mr. Speaker, I would like to point out that this provision of H.R. 5746, as are most of the other key provisions, is consistent with the plan initiated in Ohio by Gov. John Gilligan, who has launched a program of dispensing block grants of LEAA funds to the State's six largest metropolitan areas.

Third, the bill provides that receipt of the block grant by "high crime urban areas" hinges only on two simple conditions. One is that the area would have to submit a plan for use of the money, although there would be no requirement for awaiting review and approval of the plan. To impose such a requirement would serve only to retard the flow of funds. The second is that a criminal justice coordinating council would have to be established in the area, and notification would have to be given of its existence. The Council would consist of representatives of the city, suburban, and county governments—officials representing the police, the courts and corrections—and it would have complete control over all LEAA money allocated to the area. Its existence would assure a coordinated, comprehensive attack on the crime problem. Until such a council is organized, the "high crime urban area" would be ineligible to receive the LEAA block grant.

Fourth, the bill states it is the intention of Congress that the block grants be used in addition to, rather than in lieu of, any funds budgeted locally for crime control and the administration of justice.

Fifth, the bill allocates to each "high crime urban area" a sum of money based on the area's population and crime rate, under a formula that weights the crime factor twice as heavily as population. For example, my Cuyahoga County has 16 percent of Ohio's population but more than 23 percent of its crime. Therefore, the formula would dictate for Cuyahoga County a block grant equal to 21 percent of the money allocated to Ohio by LEAA for distribution to local governments and combinations thereof.

Sixth, the bill does not change the formula under which States are allotted LEAA money, Population is the principal criterion for this purpose. Nor does it interfere otherwise with the pass-through of LEAA funds received by the State, to smaller units of local government.

This completes my presentation today, Mr. Speaker. I will have more to say on this important topic in the weeks to come.

EMERGENCY EROSION LEGISLATION

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, last week I addressed this Chamber on the growing crisis in the Great Lakes region. The record-high water levels that I spoke of then have not receded. The lakes continue to rise. Hardly a day goes by when the waters of Lake Michigan do not claim as their own more valuable shore property. Our newspapers are filled with photographs of lakeside homes whose once serene surroundings have turned into nightmares for all their residents. Yes, the lake continues to rise, slowly washing away the remaining land that once separated the water from the homes that rim its edge. From Michigan to Wisconsin, the damage from the high waters of the lake are presently being counted in terms of millions of dollars.

The answers to this problem are as complex as its origins. Flood control programs and water diversion techniques take years to implement. They are indeed the answer, but their implementation provides us little comfort at the present time. We need to provide disaster relief for those persons who have already lost their homes and immediate aid to those who are now in present danger of losing them.

It is for this reason that I have today introduced four separate pieces of legislation to provide—immediate relief to those areas that are most seriously affected by the high water and—long-range planning that will be necessary to avert such damaging water levels in the future.

These four bills have been introduced on the Senate side by my colleague from Illinois, Senator ADLAI STEVENSON. They are designed to complement the legislation that I introduced last week to divert a larger quantity of Lake Michigan's water into the Illinois Waterway. They are an attempt to combat erosion today, while the diversion legislation is an attempt to take away the cause of the erosion in the future.

I would like to insert a short summary of each of these pieces of legislation in the RECORD at this point for my colleagues attention:

First. A bill giving the Army Corps of Engineers emergency erosion control authority comparable to its present flood control authority. Under present law, the corps has been faced with either characterizing erosion as flooding, or refusing to do any emergency work while shorelines wash away. Under this bill, the corps would be authorized to repair, construct, or modify erosion control structures in Lake Michigan and elsewhere on an emergency basis.

Second. An amendment to the Disaster Relief Act of 1970, to include erosion among the specified natural disasters which qualify for low-interest loans and other forms of disaster assistance. Under this bill, communities where life or property is endangered by severe erosion would be eliigble for Federal assistance on the same basis as areas stricken by floods, hurricanes, earthquakes, and other natural disasters specified in the present law.

Third. A bill to provide Federal reimbursement under the Rivers and Harbors Act of 1968 for the prevention or repair of shore damages caused by erosion attributable to Federal navigation structures. Under the present reimbursement provisions of the Rivers and Harbors Act section 111, the Army Corps of Engineers must complete a study ascertaining Federal fault before construction can be undertaken for the "prevention or mitigation" of shoreline damage. Under this amendment, individuals and communities could go ahead with projects for the protection or restoration of shorelines without waiting for completion of the Corps of Engineers' study and would be eligible for reimbursement for projects which are consistent with the study's final recommendations .

Fourth. A bill authorizing a study of Lake Michigan to determine causes and means of preventing erosion. This study would be carried out under the Coastal Zone Management Act of 1972 by the National Oceanic and Atmospheric Administration. Specifically, the study would be aimed at determining whether breakwaters designed to protect the Lake Michigan shoreline have instead contributed to its erosion.

Mr. Speaker, I feel that these measures will give those embattled residents of the lakeshore hope both for the present and in the years to come. This Stevenson-Rostenkowski legislation will allow the Army Corps of Engineers to use their experience, expertise, and considerable resources to combat the present crisis. The corps are prepared to help if only they are given the authority.

Qualification for low-cost disaster loans and the possibility of eventual reimbursement of expenses are two more aspects of this legislative package that give lakeshore residents hope for the future.

Finally, the study provided for in the fourth piece of legislation will hopefully provide us with the long-range answers as to which method of flood control or water diversion would be in the best interest of all those who share Lake Michigan as their turbulent neighbor.

LYNDON BAINES JOHNSON: A TOWER OF STRENGTH

The SPEAKER. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, Dante wrote:

> Be as a tower, that, firmly set
> Shakes not its top for any blast that blows.

The age which seems to be passing into history has been an age of strong men. Strong men inevitably polarize public opinion. They arouse bitter antagonism or strong loyalties. The antagonists are seldom sure whether their opposition is directed against the man or against his acts.

But, says Walter Lippmann:

> The man must die in his appointed time. He must carry away with him the magic of his presence and that personal mastery of affairs which no man, however gifted by nature, can acquire except in the relentless struggle with evil and blind chance. Then comes the proof of whether his work will endure, and the test of how well he led his people.

The towering figure of Lyndon Johnson has passed untimely from the scene. No longer can his physical presence create passionate resistance or blind acceptance. Already there is beginning to emerge a clearer picture of the relentless pressures which brought American society to the boiling point in the age of Johnson. In the words of Lowell:

> It is out of that inaccessible tower of the past that Longing leans and beckons.

For Longing must understand and evaluate the stresses of the era in which President Johnson moved and which he in large part, resolved and restructured into a viable society. In the half century which covered the career of Lyndon Johnson, the fountains of the great deep were broken up, and new ideas surged to the surface. Those ideas were in conflict with the social and economic wisdom of the past. Were they indeed evil, as many argued, or were they an enlargement of the American dream?

The world in which our children are born today is almost as far removed from the world which their grandparents knew and endured or loved, as the case may be, as are the Middle Ages of European history. Is it necessary to itemize the social changes which are firmly established in everyday life—civil rights, social security, the extension of the franchise, distribution of the products of industry? Or achievements in the world of science and industry? Or in the field of health service? I would not so fret you.

If, however, full and complete lists of all changes which have come to benefit men of all ranks and classes were made, it would be found, I believe, that Lyndon Johnson's name would be found in undeviating support of all.

> Wise statesmen are those who foresee what time is bringing, and endeavor to shape institutions and to mold men's thoughts and purposes in accordance with the change that is silently surrounding them.—Morley

Such a leader lifts his times out of the limits of the night and brings them into the light of true acceptance of our common humanity. "To endure is greater than to dare," writes Thackeray. "To tire out hostile fortune; to be daunted by no difficulty; to keep heart when all have lost it; to go through intrigue spotless; to forego even ambition when the end is gained—who can say this is not greatness?" "Amid life's quests, there seems only one worthy one: to do men good."

This is the tribute I would offer with the utmost sincerity to the memory of President Lyndon Johnson whose name will illuminate the proudest pages of history as the years pass into centuries. I am honored to have been a member of Lyndon Johnson's host of admirers. I am proud that I have been privileged to support him in his efforts to build a better America.

Lyndon Johnson is no longer with us in the flesh. But his warm personality hovers over us like a protecting spirit. I was his friend, and I did not have to guess it. Perhaps the surest evidence of greatness is the ability to win a wide circle of enduring friends. To such a circle I am happy to belong. When all animosities have been dissolved by time, I am sure that circle may include most loyal Americans.

HAWAII PINEAPPLE INDUSTRY

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the Hawaii pineapple industry as we know it is on the verge of extinction.

Twenty years ago Hawaii had nine pineapple companies, but this number has dwindled at an accelerating pace. Today there are only four left. The demise of another within a year has already been announced. Most recently, one of the remaining three said it will discontinue its operation on the island of Molokai by 1975 or 1976. Another of the three also announced it will terminate its activities on Molokai, leaving the island virtually without any industry of any kind.

The handwriting is on the wall, and we must anticipate that in a very short time there will be no pineapple canning industry left. The only thing remaining will be fresh pineapple, which will be grown on a limited basis.

In 1950, Hawaii had 72 percent of world pineapple production. Now we have less than half that figure.

Simply stated, Hawaii's pineapple industry has declined while competitive pineapple industries in other parts of the world have grown and flourished. While Hawaii's pineapple wages are quite high and compare with as little as 8 cents an hour in Taiwan and the Philippines, Hawaii's pioneering emphasis on mechanization has at least reduced the impact of the wage differential.

The sad truth is that much of the reason for the decline of Hawaii's pineapple industry is the artificially low import duty levied by the United States against foreign pineapple. The present tariff rates were established years ago when foreign pineapple was not a factor in world trade, but they no longer reflect the present balance of competition. In 1930 there was a duty of 2 cents per pound on pineapple and 70 cents per gallon on pineapple juice. This was reduced over the years to three-fourths of a cent per pound—January 1, 1948, GATT, Geneva—and 5 cents per gallon on concentrated canned pineapple juice. Currently, the tariff on pineapple is the equivalent of approximately 6.6 percent ad valorem. This compares with such extremely high protectionist rates as 24.6 percent imposed by the European Common Market to protect such areas as Martinique and the Ivory Coast; 55 percent imposed by Japan in favor of Okinawan production; and similar barriers elsewhere.

The success of Hawaiian pineapple products in the U.S. marketplace depends on the decisions made by millions of shoppers in supermarkets across our land. When shopping, the consumer compares the price and amount of pineapple available with the price and quantity of other fruit products on the shelves. All too often Hawaiian pineapple can be undersold, because of the lack of tariff protection as compared with that for other fruits which compete with imported products. The existing import duty on canned citrus fruits, canned apricots, and canned dates, is 35 percent ad valorem, as against only 6.6 percent ad valorem equivalent for pineapple. Similarly, Hawaiian canned concentrated pineapple juice receives only 5 cents per gallon of protection from imports, compared with 35 cents a gallon protection for orange and other citrus concentrated juices. There is no logical reason why pineapple should have lesser protection than its principal competitors in the marketplace.

To remedy this situation, I am introducing legislation today to convert the tariff on pineapple to an ad valorem system, with the rate set at 35 percent for canned fruit, the same as exists with respect to competitive food products. My bill also increases the duty on concentrated pineapple juice imports to 35 cents per gallon from 5 cents, again to put pineapple in line with competing fruit juices.

The overall effect would remove some of the subsidization we now give to foreign-produced pineapple in the form of artificially and arbitrarily low U.S. tariffs. It would enable Hawaiian pineapple to compete on a par with foreign pineapple for a better share of the U.S. market.

Enactment of this legislation is vital to protect and preserve our pineapple industry in Hawaii. Without this protection, we run the risk of losing an industry which employs 6,000 full-time, year-round and 12,000 part-time workers. The pineapple industry is the second largest agricultural industry in Hawaii, and all steps must be taken to prevent its artificially induced demise.

I hope that early action is taken on this important legislation.

EMERGENCY LEGISLATION TO SAVE THE ANTIPOVERTY PROGRAM, MARCH 20, 1973

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, 22 Members of the House have today joined me in cosponsoring emergency legislation to continue the Nation's antipoverty program.

This legislation is necessary because of the President's announced intent to abolish the Office of Economic Opportunity, the agency created by Congress to combat poverty because other agencies were not doing this job.

In proclaiming the demise of OEO, the administration directed that all community action agencies begin to dispose of their property such as desks, typewriters, and other office equipment. On March 14, I introduced H.R. 5618 to direct that all OEO grantees be permitted to retain such equipment if they continue functioning as nonprofit corporations pursuing the same programs using funds from local or other sources. Later that day, I am advised, the national headquarters of OEO issued new instructions to regional offices on steps to implement their dissolution, including revised regulations on the disposition of property.

In brief, the OEO grantees are being given four options on property: Retain it in a continuing antipoverty program funded by other Federal sources; transfer it to a public or private nonprofit agency pursuing antipoverty programs; purchase it from the Government at the fair market value; or declare the property excess and turn it over to the General Services Administration for disposal. I am attaching the text of this new OEO Instruction 6730.3, dated March 15, 1973, at the conclusion of my remarks.

It appears that if grantees continue functioning in pursuit of the same antipoverty goals, using non-OEO funds, they can continue using their office equipment. But this is permissive authority being granted at the discretion of OEO, and it can be withdrawn in the same manner. I feel it is essential that statutory protection be granted to OEO agencies at the local level so they will not have all their desks, typewriters, filing cabinets, and other equipment withdrawn by Washington.

Second, the new OEO directive does not provide for the continued use of excess property received by grantees. Most of this is vehicles, the title to which remains in OEO. I am advised by the General Services Administration that these vehicles and other excess property will have to be returned to GSA through the OEO. Thus, without this legislation grantees in any event will be deprived of all the assistance they have received under the excess property program.

Under the initial OEO directive, grantees would have been without the means of continuing their programs even if they obtained local funding as outlined by President Nixon. All their means of operation would have been turned over to GSA for disposal. To continue the program, all new office equipment would have to be purchased, at prohibitive expense. Thus, the promise of continuation with local funding would have an empty hope barren of potential for fulfillment.

The new OEO instruction follows:

MARCH 15, 1973.

OEO INST. 6730–3

Outstanding loans should be liquidated.

5. Personal property:

A. Inventory.—Grantees will inventory all Section 221 non-expendable property on hand at least 150 days prior to grant termination. Inventories will be submitted to the OEO Property Administrator, or his successor, at least 120 days prior to grant termination. Inventories will separate into (a) grantee's purchased property, (b) Federal excess property, (c) "In-Kind" property and will also provide: (1) item description including serial numbers, (2) quantity, (3) acquisition cost per unit, and (4) total acquisition cost. No inventory is required for expendable property.

Grantees must also submit a separate motor vehicle inventory with the property inventory which will provide the following information: (1) make, model, year; (2) identification number; (3) tag number; (4) mileage; (5) acquisition cost, if applicable; (6) whether purchased, leased commercially or leased from GSA. Copies of the state registration form for each vehicle will be submitted with the vehicle inventory.

B. Definitions:

1. Expendable property.—consumable supplies and materials having a utilization of less than one year.

2. Non-expendable property.—Non-consumable supplies or materials, having a service life in excess of one year; is either complete within itself or is a major component of another item of property.

3. Federal excess property.—Non-expendable property acquired through GSA as excess. Title to the property is vested in the Government. Such property includes property transferred from one grant to another if the government has taken title to effect the transfer.

C. Disposition:

1. Expendable property.—Expendable property will be: (a) retained for use if the grantee's activity will continue to operate with funds from another source; (b) donated by the grantee to a local public or private non-profit organization benefiting low-income people; (c) scrapped if it cannot otherwise be used.

2. Non-expendable property purchased with project funds or received as in-kind contributions:

(a) The grantee will submit to the OEO Property Administrator, or his successor, a written recommendation for disposition of non-expendable property purchased with project funds no later than 120 days prior to grant termination. Those grantees proposing to continue to operate with funding from other sources and requesting continued use of the property must provide a written statement from those funding sources indicating the approximate level of funding to be provided and a brief description of the programs to be continued. The proposal should indicate the property, if any, which would be excess to the needs of the continuing program.

(b) The OEO Property Administrator, or his successor, is hereby authorized to approve disposition of property purchased with grant funds in any of the following ways:

Allow grantee to retain for use in a continuing Federal Program serving low-income persons in the community.

Instruct grantee to transfer the property to a public or private non-profit agency serving low-income people in the community.

The grantee may purchase the property from the Government at the fair market value. (Neither OEO grant funds nor non-Federal share contributions may be used for such purchases.)

Declare the property excess and turn it over to GSA, PMDS, for disposal.

D. Leased property.—Leases and lease/purchase contracts should be cancelled in accordance with the grantee's phase-out plan and the property returned to the vendor. Property should be purchased under lease/purchase contracts only if the remaining amount due is insignificant relative to the value of the property.

E. Assistance.—Contact the OEO Regional Property Administrator or his designee for assistance in property matters.

6. Real property:

A. Real property purchased with grant funds.—All real property obtained as a result of 221 funding must be reported to the OEO Property Administrator, or his successor, for disposition instructions.

B. Leased real property.—Grantees which do not plan to continue to lease property must give notice of termination to the Lessor in accordance with the terms of the lease agreement. In cases where the lease term extends beyond the phase-out date of the program, suitable settlement arrangements should be made.

C. Government-owned real property.—All grantee-utilized Government-owned Real Property will be reported by the grantee to the OEO Property Administrator, or his successor, for disposition instructions.

7. Records disposition:

All records must be retained by the grantee for three years from the date of termination of Section 221 funding, including financial records as defined in OEO Instruction 6801–1. The 5-year retention requirement of 6801–1 is reduced to three years. Grantees are given the option of indexing and retaining records, or indexing and forwarding records to the OEO Regional Office, or its successor, for turnover to the appropriate Federal Records Center. If the grantee elects to forward records to the Federal Records Center, contact OEO or its successor agency for additional instructions.

The grantee must also comply with applicable state and local statutes relative to records maintenance.

If the grantee elects to retain its records, it must notify OEO or to its successor, of the location of the stored records and authorize OEO, or its successor, in writing to enter the storehouse to review or copy necessary records.

PRESIDENT'S DAY AND THE PERPETUAL CALENDAR

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, on Monday, February 19, we observed Washington's Birthday, which followed the Lincoln's Birthday observance on February 12. In 1971, Washington's Birthday was on February 15, and in 1972, it was on February 21. But, lest there be surprise at this. we have Dr. Willard E. Edwards, of Honolulu, Hawaii, to remind us that Washington's birthday was changed during our first President's lifetime.

Notes Dr. Edwards:

Our present calendar was last changed when George Washington was 20 years old. His 20th birthday anniversary was on February 11, 1752, but his 21st was on February

22, 1753. The calendar was changed in September, 1752, by dropping 11 days, and George had to wait until February 22, 1753, before he was legally 21 years old.

In his family bible, his birth date reads February 11, 1731/32. The reason is that it was still the year 1731 in England, where the year began on March 25; but it was already 1732 in Scotland, where the year began on January 1. Scotland had changed to January 1 in 1600, but England didn't change until 1752. That was 170 years after Pope Gregory changed the year's beginning in 1582. He dropped 10 days from the calendar at that time also.

Dr. Edwards is author of "The Perpetual Calendar" as well as the concept of President's Day, which was designated in the State of Hawaii as February 19, starting in 1953. He reports that most States observed Washington's birthday—anniversary—this year on Monday, February 19, but Louisiana, South Dakota, West Virginia, and Wisconsin still observe it on February 22, while Utah and Wyoming joined Hawaii in observing President's Day on February 19. Ohio and South Dakota observed Washington-Lincoln Day on February 19.

In the perpetual calendar, as proposed by Dr. Edwards, each day of the year would always fall on the same day of the week. Each month has 30 days, except March, June, September, and December which each have 31. The first day of each year would be Monday, New Year Day, a day apart from any year, falling between December 31 and January 1. Every fourth year, Leap Year Day would be observed as a day apart from any year, falling between June 31 and July 1. In this way, the calendar would be perpetual.

Dr. Edwards, whose address is 1434 Punahou Street, Honolulu, Hawaii 96822, has also prepared an article on "New Year Days are Anniversaries" which describes in an interesting way how the year 1 B.C. should be called the Zero year, and that an error was made when our calendar was set by a Scythian monk in the sixth century. The article also includes a chart showing the years at the start of the Christian Era and comparing them with years of the present decade. Commenting on this article, Director L. B. Aldrich of the Smithsonian Institution's Astrophysical Observatory of Washington, D.C., commented:

> Your device for correcting the mistake of having no zero year in the transition from B.C. to A.D. is essential in determining elapsed time between B.C. and A.D. dates.

I am inserting the article at the conclusion of my remarks.

To implement Dr. Edwards' proposal, I introduced H.R. 9069 in the 92d Congress. I am introducing a successor legislation today for consideration in the 93d Congress.

The article follows:

"NEW-YEAR DAYS ARE ANNIVERSARIES" OR "THIS IS OUR 1974TH YEAR"

(By Willard E. Edwards, Litt.D., originator of "The Perpetual Calendar")

Many of us think of New-Year Day as the birth of the newly-numbered year, and are thinking of this year as the 1973rd. But this is a misconception. Of course last New-Year Day was the start of a new year. But it was really the start of the 1974th year of the Christian Era, not that of the 1973rd.

January 1, 1973 was the *anniversary* or *end* of the first 1973 years, exactly as a person's 73rd birthday anniversary marks the completion of 73 years of life. A truthful woman says she is 73 all during her 74th year (the year before her 74th birthday anniversary). And so we are recording the events of this year as occurring in 1973. The Christian Era will become 1974 years old on New-Year Day 1974.

HOW A MISCONCEPTION STARTED

Let's see how the misconception of looking at New-Year Days as birthdays started. It began away back in the 6th century. Previous to that time, the year began with January 1. Then, about A.D. 525–532, a Scythian monk named Dionysius Exiguus introduced the system of counting years of a Christian Era from the *Incarnation* of Christ. He calculated his New-Year date as March 25, 733 A.U.C., the date of the Vernal Equinox at that time; and March 25 is still celebrated as "Annunication Day" or "Lady Day."

A.U.C. is from Ab Urbe Condita, or Anno Urbis Conditae, and means dating from the founding of the city of Rome. See the two dating systems on the accompanying chart.

Dionysius added the human gestation period to the date of Spring (March 20 in his time) and got December 25, 525 A.D. as the 525th anniversary of the Nativity. And December 25 has been celebrated as the date of Christmas ever since. But adding the gestation period to March 25, 753 A.U.C. put the Nativity at *the end* of December. Some chronologers want to start the Chris-Era from this date, and, like an Oriental custom, call Jesus a year old at birth.

Unfortunately, Dionysius made a mistake of 4 years in calculating the beginning year of the Christian Era. King Herod, who ordered the Biblical Massacre of the Innocents, died in 750 A.U.C. And since Jesus is reputed to have escaped this massacre, he was living before Herod died. His birth is therefore now placed at the end of 749 A.U.C. (the end of December, 4 B.C.). This became an anachronism when the calendar year was not changed after the error was recognized.

Dionysius decided to call March 25, 754 A.U.C. the start of the first *anniversary* year of the Christian Era. He called this year "A.D. I" (Roman numeral I). He called the previous year (753 A.U.C.) "Anno ab incarnatione Domini primo," for "the *first* year of our Lord *from* the Incarnation." This was shortened to "A.D. primo." Roman chronologers at that time were handicapped by the concept of zero not yet having been introduced into their mathematical notations. But 753 A.U.C. should now be called "A.D. zero."

If the Incarnation had occurred on January 1, 753 A.U.C., the year one of the Christian Era would in reality have begun on January 1, 754 A.U.C. However, the beginning of the Christian year was moved again, from March 25 back to January 1 in 1582, in all Catholic countries. It was so moved in England and in America in 1752, when George Washington was 20 years old.

Scotland had changed the year's beginning to January 1 in 1600, but England didn't change until 152 years later. That was 170 years after Pope Gregory had both changed the year's beginning and dropped 10 days from the calendar (in order to have Spring start on March 21). When Washington was born, it was still the year 1731 in England, where the year began on March 25. It was already 1732 in Scotland. That's why Washington's birth date was recorded as February 11, 1731/1732. See his family Bible at Mount Vernon, Virginia.

Washington's 20th birthday anniversary was on February 11, 1752, but his 21st was on February 22, 1753. The calendar was changed in September 1752 by dropping 11 days, and George had to wait until February 22, 1753 before he was legally 21 years old.

But moving the beginning of the year caused the mistaken conception of the Christian Era beginning with the *Nativity* instead of the Incarnation; and the year 753 A.U.C. (really *"A.D. primo"*) became incorrectly shown as "the year *one B.C.*"

CORRECTING THE MISCONCEPTION

English astronomers Maskelyne, Herschel and others attempted to correct the previous misconception. They accepted "Anno Domini primo" as "the zero year A.D." This is shown by referring to the accompanying chart. When we count the years backward, the correct number of any year is always one less than the number of the year which followed it in time. The year one, less one, is zero. Therefore, the old year "1 B.C." is correctly renumbered "A.D. zero." Similarly the old year 2 B.C. is correctly renumbered as 1 B.C., the old year 3 B.C. as 2 B.C., etc.

Thus B.C. years may be numerically added to A.D. years to find the correct elapsed time between them. Elapsed time from January 1, 3 B.C., the day following the reputed birth date of Jesus under the correct count, to our 1973 New-Year Day anniversary is 1976 years.

The correct assignment of "the zero year" between 1 B.C. and A.D. 1 is not simply a convenience; it is a mathematical necessity. We must also have a zero degree on thermometer scales to show that the rise in temperature from −3 to +73 is 76°.

ZERO IS A REAL NUMBER

To say that we had no actual A.D. year called "the zero year" does not mean anything. We had no A.D. years at all until A.D. reckoning was introduced by Dionysius in the 6th century. But since we go back in history to renumber our years, the numbering should be rational and mathematically correct, as Dionysius intended it to be.

Zero is a perfectly good number, even though it may seem somewhat confusing to those who are not mathematicians. Some of us simply think of it as meaning "nothing," or the absence of quantity. But zero has many common uses, the most common being "in place of any other number," as in 1903. Zero is a real number, 1 less than 1. It is correctly shown as the first Arabic numeral (0, 1, 2, 3, etc.). Zero is the point of departure in reckoning, and its position after 9 on telephone dials is numerically incorrect.

We use zero in the measurement of elevations, bearings, and temperatures; and as the first figure on our balances, meters and scales. The first or prime meridian through Greenwich is "the zero meridian." We speak of "the zero hour," and midnight is expressed as 0000 in the 24-hour system of reckoning time. We do not say it is 1 o'clock or 0100 until 60 minutes after midnight.

Also, the first day of the year could be called "the zero day," "January 0," or just "New-Year Day," a holiday apart from any week, as in "THE PERPETUAL CALENDAR." This "New-Year Day" holiday, followed by 52 even weeks, in 4 equal quarters, would allow "THE PERPETUAL CALENDAR" to become fixed for all time. This is proposed as a new international standard civil calendar, along with the Metric System and worldwide decimal currency.

We went into a zero-ending year at the start of the 20th century in going from 1899 to 1900, and January 1, 2000 will begin the 21st century. Let us subtract 1970 from each of the years shown on the last line of the accompanying chart. We then get the years for the start of the Christian Era, including A.D. zero. This alone proves their correct numbering.

THE DIFFERENCE BETWEEN ORDINAL AND CARDINAL NUMBERS

We should not confuse the counting of objects with the recording of time or measurements. Suppose we place a book on an empty shelf. It is the *first* book placed, as well as the quantity *one* on the shelf. But in measurements, there is a difference between "first" (an ordinal number) and "one" (a cardinal number).

Ordinal numbers show the orders in a series (1st, 2nd, 3rd, etc.) whereas cardinal numbers express how many (1, 2, 3, or I, II, III, etc.). The *first* inch of an engineer's scale is the inch of *zero* measurements; 0.1, 0.2, 0.3, etc. The *second* inch is the inch of *ones;* 1.1, 1.2, 1.3, etc. We count our wedding anniversaries, length of time in business, age, and centuries likewise.

The years of the 20th century are those of the 19 hundreds (1900–1999); of the 2nd century, those of the one hundreds (100–199). And the years of the 1st century are those of the zero or no hundreds (0–99).

We should not confuse any part of "the 1st year A.D." (A.D. zero, or 753 A.U.C.) with "the 2nd year A.D." (A.D. one, or 754 A.U.C.). Our year "A.D. 1" (2nd year) could not have started until the 12th month of "A.D. 0" (1st year) had been completed. But, unfortunately, the phrase "Anno Domini primo" (for the 1st year A.D., an *ordinal* number) came to be taken for "A.D. I" (the 2nd year A.D., with the Roman *cardinal* numeral one). This has caused confusion ever since as to when the Christian Era began.

NEW-YEAR DAYS ARE ANNIVERSARIES

During its 73rd year, a business is spoken of as being 72 years old. At the *end* of its 73rd year it becomes 73 years old. It is then beginning its 74th year. This year of 1973 is our 1974th year. Throughout this year we will call it 1973. It becomes 1974 years old on January 1, 1974. If we count New-Year Days the same as we count wedding, business, and birthday anniversary days, the past misconception will disappear. And of course we have only one real *birth*day. All the others that we call "birthdays" are simply "birthday anniversaries."

Accepting the year preceding the year A.D. 1 as "the year A.D. zero" is the accurate, consistent, rational, and uniform way of recording the beginning of the Christian Era. Instead of perpetuating an ancient misconception, let's correct it like intelligent and rational people. Let's remember New-Year Days for what they are, anniversaries of the approximate beginning of the Christian Era. On New-Year Day 1974 we shall have our next anniversary. It should be thought of and recorded as the 1974th. A chart showing correct time recording, as accepted by astronomers and modern chronologers, follows:

CORRECT TIME RECORDING, AS ACCEPTED BY ASTRONOMERS AND MODERN CHRONOLOGERS

(B.C.)				(A.D.)					
−4	−3	−2	−1	0	1	2	3	4	5
749 A.U.C. −4 4th yr. B.C. yr. 4 B.C. ★	† 750 A.U.C. −3 3d yr B.C. yr. 3 B.C.	751 A.U.C. −2 2d yr. B.C. yr. 2 B.C.	752 A.U.C. −1 1st yr. B.C. yr. 1 B.C.	753 A.U.C. 0 1st yr. A.D. yr. A.D. 0 •	754 A.U.C. +1 2d yr. A.D. yr. A.D. 1	755 A.U.C. +2 3d yr. A.D. yr. A.D. 2	756 A.U.C. +3 4th yr. A.D. yr. A.D. 3	757 A.U.C. +4 5th yr. A.D. yr. A.D. 4	

START OF CHRISTIAN (OR COMMON) ERA (INCARNATION)

YEARS OF THE 20TH CENTURY ARE CONTINUOUS FROM JAN. 1, 1900, THROUGH DEC. 31, 1999

(197th decade)				(198th decade)					
Jan. 1, 1966	Jan. 1, 1967	Jan. 1, 1968	Jan. 1, 1969	Jan. 1, 1970°	Jan. 1, 1971	Jan. 1, 1972	Jan. 1, 1973	Jan. 1, 1974	Jan. 1, 1975
1967th yr. A.D. 1966	1968th yr. A.D. 1967	1969th yr. A.D. 1968	1970th yr. A.D. 1969	1971st yr. A.D. 1970	1972d yr A.D. 1971	1973d yr. A.D. 1972	1974th yr. A.D. 1973	1975th yr. A.D. 1974	

★Supposed birth of Christ.
†Death of King Herod.

•Birth of Christ first calculated by Dionysius.
°Beginning of the 198th decade of the Christian era.

CONSUMER PROTECTION AGENCY

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, the need today for consumer protection is very great and every effort must be made to equalize the power of the consumer with that of advertisers, market analysts, and product manufacturers. One means would be the establishment of the Consumer Protection Agency—CPA—a concept already provided for in H.R. 2412, which I cosponsored with the gentleman from New York (Mr. ROSENTHAL) in January.

The CPA will receive, evaluate, develop, act on, and transmit, complaints to the appropriate Federal agencies or non-Federal sources concerning actions or practices which may be detrimental to the consumers' interest.

The CPA will also conduct and support studies and investigations concerning the interest of consumers. It will provide public information, statistics, and any other data concerning the functions and duties of the Agency, the problems encountered by consumers generally as well as the practices of Federal, State, and local governments, which affects consumers.

The Administrator is given the power, to the extent required by health or safety of consumers or to discover frauds, to obtain information from industry in the consumers' interests.

The CPA will support and encourage testing of consumer products and research for improving consumer services, although the Agency will remain neutral and not declare one product better than another. To assure fairness to all parties, the Agency will not release any information until notice and opportunity for comment are given to all interested parties.

One cannot overstate the importance and the need for an agency such as the CPA. The public is highly vulnerable to frauds, shoddy products, and poor service. If nothing is done, consumers will continue to fall into the traps set by lawless businessmen, to their own detriment as well as the detriment of honest fair-dealing businessmen.

In addition to this legislation providing for the Consumer Protection Agency, I have introduced today the following legislation which would further protect the interests of consumers.

The Truth in Food Labeling Act would require food makers to show on their labels all ingredients by their percentages. The need of this type of labeling is great. Over one-third of American consumers' food needs are affected by nutritional requirements as well as allergies and religious considerations. Quite simply, the American consumer has the right to know what he is eating.

The Nutritional Labeling Act would require food producers to label their products with the following information: first, nutritional statements including fat content, vitamin and protein values, fats and fatty acids, calories, and other nutritional data; second, the net weight and drained weight of canned or frozen products packed in a liquid medium; and third, the major ingredients by percentage weights in any combination food item.

Food labels, today, provide little or no information on the nutritional value of the products although this is vital to the consumers' health. Many of the foods Americans eat do not have the nutritional values expected of them.

The Open Dating Perishable Food Act would require that all packaged perishable foods be prominently labeled to show clearly the date beyond which the product should not be sold and the optimum storing conditions at home. Safe over-age products may be sold as long as they are separated and clearly identified as being beyond the expiration date.

There is evidence that a significant number of perishable products are being offered for sale to the public after the time they have begun to spoil. Open dating will give the consumer help in the selection of packaged goods and help in storing these products at home.

The Consumer Food Grading Act sets up a uniform system of quality grade designations for consumer food products based upon quality, condition, and nutritional values.

Currently there is no consistent and uniform system for determining and labeling the grades of food products. Hence, grade A on different products means different things and the consumer has no way of knowing those differences.

The Honest Label Act would require labels on foods, drugs, and cosmetics, to contain the name and place of business of the true manufacturer, packer, and distributor.

Such information would not only aid the consumer in the knowledge of who actually made the product, but, it would aid the Government and industry in the event of a recall by permitting quick and easy identification.

The Unit Pricing Act requires the disclosure by retailers of the unit price of packaged consumer commodities.

It is extremely difficult for consumers to compare the prices of two or more packages of the identical product to determine the real cost and best buy. Recent studies have shown that unit pricing provides valuable, objective price data which can save consumers as much as 8 percent on their total food bill.

The meat price freeze would stabilize the price of meats for 45 days at November 1972 prices and require the President to submit to Congress a plan for insuring an adequate meat supply, reasonable prices, and a fair return on invested capital to farmers, food producers, and food retailers.

The lack of control on meat prices while other products are controlled has sent costs soaring. Inflation cannot be controlled if such a major item in the American budget is allowed to go unchecked.

The meat quota repeal calls for the repeal of the Meat Quota Act of 1964 to increase the supply of lower cost meats.

This is an essential first step in reducing high meat prices. A permanent repeal would help foreign suppliers plan better to meet American market needs.

The Performance-Life Disclosure Act requires manufacturers of durable consumer products, including appliances and electric items, to disclose on a label, the expected performance life of the product under normal operating conditions. It also requires the date of loss of performance on items such as film or batteries.

Knowing the life expectancy performance of a product, consumers will be better equipped to decide on the best buy for their money.

The Appliance Dating Act requires that all manufactured goods carry a date of manufacture.

This would assure the consumer that he is buying the newer model of the most current design which has been advertised.

The Sales-Promotion-Game Act prohibits manufacturers, producers, or distributors, from requiring or encouraging any retail seller to participate in promotional games. It also prohibits the retailer from engaging in his own promotional games.

Promotional games entice the consumer into basing his purchase on the item with the best prize rather than the item with the most quality. The cost of such games is unknowingly passed on to the consumer whether he enters the contest or not.

The Intergovernmental Consumer Assistance Act provides for Federal grants and technical assistance in the establishment and strengthening of State and local consumer protection offices.

SEX-LABELED CLASSIFIED JOB ADVERTISING

(Mrs. GRIFFITHS asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. GRIFFITHS. Mr. Speaker, at this time, I would like to insert into the RECORD a brief I submitted along with Phineas Indritz, Elizabeth Boyer, Marguerite Rawalt, the Honorable MARGARET M. HECKLER and the Honorable DONALD M. FRASER in the case of Pittsburgh Press Co. against Pittsburgh Commission on Human Relations, et al., No. 72–419. The case dealing with the question of sex-segregated job ads and the "freedom of speech and press" argument of the Pittsburgh Press is expected to be heard today before the U.S. Supreme Court. The brief follows:

[No. 72–419, October Term, 1972]

PITTSBURGH PRESS COMPANY V. THE PITTSBURGH COMMISSION ON HUMAN RELATIONS, ET AL.

Joint Brief of Amici Curiae: American Veterans Committee, Inc.; Women's Equity Action League Legal Defense and Educational Fund, Inc.; National Association of Women Lawyers; League of Women Voters of the United States.

INTEREST OF THE AMICI CURIAE

The American Veterans Committee, Inc. (AVC) is a nationwide organization of veterans who served honorably in the Armed Forces of the United States during World War I, World War II, Korean Conflict and Vietnam Conflict, and who have associated themselves, regardless of race, color, religion, sex, or national origin, to promote the democratic principles which they fought to preserve. AVC was founded in 1943 and its membership includes both men and women who participate in AVC's affairs in full equality.

The Women's Equity Action League Educational and Legal Defense Fund, Inc. is the legal-aid arm of the Women's Equity Action League (WEAL), a nationwide organization of women and men, chiefly business and professional, organized "to promote greater economic progress on the part of American women and to press for enforcement of existing anti-discriminatory laws in behalf of women; to seek reappraisal of federal, state and local laws and practices limiting women's employment opportunities, and to combat job discriminations against women by all lawful means."

The National Association of Women Lawyers is a nationwide bar association of women judges and lawyers, organized in 1899 to "promote the welfare and interest of women lawyers; to maintain the honor and dignity of the profession of the law; to aid in enactment of legislation for the common good; and in the administration of such laws, to secure justice for all." NAWL has worked for many years to advance the legal and economic status of American women by expanding their opportunities to study and practice law, including aiding all women to establish and maintain their constitutional and statutory rights.

The League of Women Voters of the United States is a nonpartisan voluntary organization, open to all women citizens 18 years or older, which promotes informed and active participation by all citizens in government and politics. The League has 160,000 members in more than 1360 local leagues throughout the United States, Puerto Rico and the Virgin Islands.

The *amici* file this Joint Brief because they believe that sex segregation, like race segregation, of job ads produces many harms. *E.g.*, it reinforces ancient prejudices and stereotypes; obstructs equality of work opportunity; impedes numerous job seekers, including members of the *amici* organizations, in their search for employment; frustrates the objectives of fair employment laws; and undermines the national goals of maximum employment and maximum production.

THE FACTS

In October 1969, the City of Pittsburgh's Human Relations Commission began investigation of charges that the Pittsburgh Press Company was violating the City's Human Relations Ordinance[1] by printing its classified job ads with sex-discriminatory labeling. The company publishes the Pittsburgh Press, a newspaper which has a circulation of about 350,000 daily and 750,000 on Sunday in the metropolitan area of Pittsburgh, Penn., and is the Nation's 12th largest newspaper in classified advertisements. The company also processes job ads as agent for the Pittsburgh Post-Gazette, which has a circulation of about 231,000 daily.

Prior to October 1969, the company printed many of its job ads with sex designations within the ad. Although the job ads were classified alphabetically by occupation, they were segregated in columns captioned "Male Help Wanted," "Female Help Wanted," and "Male-Female Help Wanted." After conferences between the company and the Commission in October 1969, the company abandoned sex designations within the body of the job ad, and changed the column headings to "Jobs—Male Interest," "Jobs—Female Interest," and "Male-Female Help." It also printed a statement (at the beginning of the "male" ads and at the beginning of the "female" ads) asserting that the job ads are thus segregated "for the convenience of our readers."[2]

In printing its job ads, the company made no inquiry as to whether the employer was exempt from the Ordinance, or whether the Commission had exempted the occupation or position by a certificate of exemption under section 7(d) of the Ordinance, as one which "reasonably requires the employment of a person or persons of a particular . . . sex."

After due hearing, the Commission ruled that the company's current method of printing its classified job ads violates the Ordinance. The Commission's reasoning was as follows:

1. Section 8(e) of the Ordinance makes it an unlawful employment practice for any employer, employment agency, or labor organization to "publish or circulate, or to cause to be published or circulated, any notice or advertisement relating to employment or membership which indicates any discrimination because of race, color, religion, ancestry, national origin, place of birth, or sex"; and

2. Section 8(j) of the Ordinance makes it an unlawful employment practice for "any person, whether or not an employer . . . to aid, incite, compel, coerce or participate in the doing of any act declared to be an unlawful employment practice, or to obstruct or

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Footnotes at end of article.

prevent any person from . . . complying with . . . this Ordinance . . ."

3.The company's "classification system of employment advertisements with captions containing designations as to sex" aided or compelled the advertiser to cause publication of job ads indicating sex differences in jobs, without a certificate of exemption for the advertiser or position, and thus violated section 8(j) of the Ordinance.

The Commission issued a cease-and-desist order that the Company's classification system of employment ads shall contain "no reference to sex". The company appealed to the Pennsylvania Court of Common Pleas of Allegheny County, which affirmed the Commission's order. On further appeal, the Commonwealth Court of Pennsylvania modified the Commission's order to require the company to exclude "all reference to sex in employment advertising column headings except as may be exempt under said Ordinance, or as may be certified as exempt by said Commission." 4 Pa. Cmwlth. 448, 287 A. 2d 161. (1972). The Pennsylvania Supreme Court, without opinion, denied the company's petition for allowance of appeal. This Court granted the company's petition for certiorari on December 4, 1972.

SUMMARY OF ARGUMENT

Sex segregation, like race segregation of classified job ads reinforces prejudice and frustrates the objectives of a fair employment law. Many newspapers recognize this and have switched to classifying their job ads solely by occupation. Sex segregation of job ads does not serve the convenience of the job seeker. On the contrary, it discourages job seekers, is harmful to employers' and employment agencies' efforts to comply with the law, fosters substantial sex discrimination in employment, and impairs the earning ability of many women (and also of men). The City Council's prohibition against discriminatory job advertising, as applied to the Petitioner newspaper company, simply regulates the commercial activity of selling advertising space. The prohibition is rationally related to the valid objective of stopping unlawful discriminatory practices, imposes little or no burden on the newspaper, and does not abridge its freedom of speech or press. It is therefore a valid legislative enactment. The Petitioner's "due process" argument misapprehends the basis of the lower court's order, and the Petitioner was not denied due process.

I. THE STATUTORY PROHIBITION AGAINST DISCRIMINATORY JOB ADS IS RATIONALLY RELATED TO THE LEGISLATIVE OBJECTIVE OF STOPPING UNLAWFUL DISCRIMINATORY EMPLOYMENT PRACTICES AND IS THEREFORE A VALID LEGISLATIVE ENACTMENT

The basic purpose of the Pittsburgh Ordinance is to eliminate discrimination based on race, religion, sex, etc., in employment, housing, and public accommodations. It is now indisputable that, under our Constitution, a government may "choose to put its authority behind one of the cherished aims of American feeling by forbidding indulgence in racial or religious prejudice to another's hurt," *Railway Mail Ass'n.* v. *Corsi,* 326 U.S. 88, 98 (1945) (Frankfurter, J.), and that unless restricted by State law such legislation is within the police power of a municipality. *District of Columbia* v. *Thompson Co.,* 346 U.S. 100, 109 (1953); *Bob-Lo Excursion Co.* v. *Michigan,* 333 U.S. 28, 34 (1948). This Constitutional policy against invidious discrimination is not restricted simply to discrimination based on race or religion—it applies also to discrimination based on sex. *Reed* v. *Reed,* 404 U.S. 71 (1971); *Phillips* v. *Martin-Marietta Corp.,* 400 U.S. 542 (1971); *Weeks* v. *Southern Bell Tel. & Tel. Co.* (CA 5) 408 F. 2d 228 (1969) and 467 F. 2d 95 (1972).

Furthermore, in legislating against such discriminatory activities, the legislature may prohibit or regulate advertising practices which the legislature reasonably and rationally believes will promote or exacerbate the problems against which the legislation is validly directed *Railway Express Agency* v. *New York,* 336 U.S. 106, 108–109 (1949); *Williamson* v. *Lee Optical Co.,* 348 U.S. 483, 491 (1955); *Head* v. *New Mexico Board of Examiners,* 374 U.S. 424 (1963).

Accordingly, Congress, many States, the District of Columbia, Puerto Rico, and various municipalities, including Pittsburgh, have enacted laws and ordinances which prohibit discrimination in employment based on "race, color, religion, sex or national origin", and most of these, including the Federal Civil Rights Act of 1964 (Section 704(b) of Title VII; 42 U.S.C. 2000e-3(b)) prohibit discriminatory job advertising.[3]

The Pittsburgh Ordinance, like the other laws and ordinances, draws no distinction between the word "sex" and the words "race, color, religion or national origin", unless it is shown in "certain instances" that the factor of sex[4] is a bona fide occupational qualification (BFOQ) "reasonably necessary to the normal operation of that particular business or enterprise". (42 U.S.C. 2000e-2(e); sec. 7(d) of the Pittsburgh Ordinance). However, the BFOQ exception is so narrowly limited that hardly any job may lawfully be restricted to one sex on that basis. Thus, the Guidelines of the Equal Employment Opportunity Commission (EEOC) specifically declare that the BFOQ exception does not warrant sex discrimination in employment "based on assumptions of the comparative employment characteristics of women in general" (e.g. turnover rates), or "on stereotyped characterizations of the sexes" (e.g., assembling skills, aggressiveness), or "because of preferences of coworkers, the employer, clients or customers."[5] Indeed, the EEOC recognizes sex as a BFOQ only where it is essential for authenticity (e.g., actor, actress),[6] or required under current community standards of morality or propriety (e.g., ladies' or men's room attendant, fitter of feminine intimate apparel),[7] or for performance of the job (e.g., wet-nurse).[8]

The EEOC initially allowed sex headings on classified job ad columns (31 F.R. 6414, April 28, 1966). But after conducting extensive hearings in May 1967 and experiencing the discriminatory effects of such sex headings, the EEOC amended its Guidelines on sex discrimination in August 1968 (33 F.R. 11439) to prohibit the "placement of an advertisement in columns classified by publishers on the basis of sex, such as columns headed 'Male' or 'Female'. . ." (29 C.F.R. 1604.5, as reaffirmed on April 5, 1972, 37 F.R. 6835).[9] Shortly thereafter, a Federal court ruled that this EEOC Guideline "represents a reasonable interpretation of section 704(b) of Title VII." *American Newspaper Publishers Association* v. *Alexander,* 294 F. Supp. 1100, 1103 (D. D.C. 1968). The Labor Department's Office of Federal Contract Compliance, which administers Executive Orders 11246 (30 F.R. 12319) and 11375 (32 F.R. 14303) prohibiting discrimination in employment by those holding Federal contracts, issued Sex Discrimination Guidelines in June 1970 containing an identical prohibition. 41 C.F.R. 60–20.2(b); 35 F.R. 8888.

The Civil Rights Act of 1964 prohibits discriminatory job advertising solely by employers, employment agencies and labor organizations.[10]

However, the City of Pittsburgh's ordinance, like the laws and ordinances of many States and other municipalities, went further than the Federal statute, by prohibiting *any person* from aiding, coercing or participating in publication of the discriminatory job ad. As shown in Part I, A and B, below, this is a reasonable and rational prohibition directly related to the proper statutory objective of eliminating discrimination in employment and is therefore a valid legislative enactment. (Parts II and III deal separately with the Petitioner's First Amendment and Due Process arguments.)

A. Employment advertising under sex-labeled headings reinforces sex prejudice and frustrates the objectives of a fair employment law

Help-wanted classified advertisements in newspapers constitute a major vehicle for bringing together the job and the job-seeker. They are the single most comprehensive information source on current job openings and the most productive of advertising media for filling most types of positions.[11] It is now generally accepted that racial or religious labeling of jobs ads (*e.g.,* "whites only", "blacks need not apply", "no Jews", "colored jobs", "Italian-Americans not acceptable", etc.) impairs the equal employment opportunities of those excluded. Indeed, the Petitioner's Brief (p. 26) states: "We do not contend that employment opportunities are *generally* classifiable along racial or nationality lines." But the Petitioner then goes on to say: "On the other hand, the Press believes that the employment patterns in this country *generally* reflect job interest and qualifications along sex lines." (Emphasis by Petitioner.)

We believe that the law was specifically intended to counteract such stereotypes and resulting discrimination in employment, based on sex as well as on race or national origin.

Sex designations, whether in the ad, or as captions on the columns of classified job ads segregated by sex, channel applicants into the jobs labeled for their respective sex. The long standing customs and stereotypes about "men's work" and "women's work", and the traditional prejudices limiting women to the less rewarded and less rewarding kinds of work, reinforce the ads' message of sex selection. The heading "male" or "men wanted" clearly conveys only one meaning—that the advertiser of the jobs under that heading wants men only. Similarly, the heading "female" or "women wanted" clearly says that the jobs in the ads under that heading are for women only.

Nor does the Petitioner's "Notice to Job Seekers" (ftnt. 2, *supra*), proclaiming that the job seeker "should assume that the advertiser will consider applicants of either sex", lessen the message of sex discrimination. In *Hailes* v. *United Air Lines,* 464 F. 2d 1006, 1009 (CA 5, 1972), the Court ruled:

"Despite the fact that the ad states that United is an Equal Opportunity Employer, the tendentious selection of the feminine term, 'stewardess', *and the placing of the ad in the 'Help Wanted—Female'* column without a corresponding ad in the 'Help Wanted—Male' column *so plainly indicates a preference for females it cannot be neutralized* by the self-conferred title of 'Equal Opportunity Employer'" (Emphasis supplied).

It is plain that placing an employment ad under a sex-segregative heading negates any assurance to the job seeker that the advertiser will consider him or her for employment without regard to his or her sex.

Furthermore, several studies show that the job seeker is substantially deterred from reading the job ads in columns whose headings refer to the other sex, and that the better jobs (in pay, fringe benefits, opportunity for advancement, etc.) are generally listed in the "male" columns.[12] Indeed, the Court of Common Pleas found, on the basis of evidence presented to the Pittsburgh Commission on Human Relations in this case, "that the more attractive employment opportunities consistently appear in the male classification" and "that the classification system used by the [Pittsburgh] Press discourage [sic] women from application for jobs classified for male interest." (App., Pet. for Writ of Certiorari, p. 33a).

Thus, the presence of sex preferences in

Footnotes at end of article.

a newspaper's classified job ads reinforces traditional prejudices and stereotypes about the kinds of jobs that are suitable for men and those suitable for women, and makes it harder for the community to accept and comply with the nondiscrimination policy of the law. As this Court pointed out in *Anderson* v. *Martin,* 375 U.S. 399, 402 (1964), the label "furnishes a vehicle" both for arousing prejudice and for stimulating discriminatory action.

The Economic Report of the President (H. Doc. 93–28), transmitted to Congress on January 31, 1973 (Congressional Record, page 2618), noted that the goals of "maximum employment" and "maximum production" of the Employment Act of 1946 (60 Stat. 23, 15 U.S.C. 1021) apply "equally to men and women". Chap. 4, p. 89. However, it stated:

"Although the goals apply equally to men and women, some of the obstacles to their achievement apply especially to women. Women have gained much more access to market employment than they used to have, but they have not gained full equality within the market in the choice of jobs, opportunities for advancement, and other matters related to employment and compensation. To some extent the cause of this discrepancy is direct discrimination. But it is also the result of more subtle and complex factors originating in cultural patterns that have grown up in most societies through the centuries. In either case, because the possibilities open to women are restricted, they are not always free to contribute a full measure of earnings to their families, to develop their talents fully, or to help achieve the national goal of "maximum production." [p. 90].

"Women have generally experienced more unemployment than men and this differential has been more pronounced in recent years . . . [p. 96]

". . . The unemployment of women who seek work is costly, to themselves, their families, and the Nation. Our goal should be to reduce this unemployment wherever that can be done by means which are not themselves more costly." [p. 99].

The discrimination inherent in sex-segregated job ads has been a major influence in maintaining the sex-based discriminations which still pervade our country, despite the promise of the Equal Pay Act of 1963 (77 Stat. 56, 9 U.S.C. 206(d)), prohibiting sex discrimination in wage payments, and Title VII of the Civil Rights Act of 1964 (78 Stat. 241, 42 U.S.C. 2000e), prohibiting discrimination in employment on the basis of race, color, religion, sex or national origin. About one-fourth of all employment discrimination complaints received by the EEOC are sex-based.[13] These discriminations are largely responsible for the earnings gap between the 36,132,000 male, and the 15,476,000 female, full-time, year-round workers, as shown by the following earnings data reported for such workers during 1970 by the Labor Department, Employment Standards Administration, Women's Bureau: [14]

TABLE I.—MEDIAN EARNINGS, 1970

	Men	Women	Women's earnings as percent of men's
All workers	$8,966	$5,323	59.4
Professional and technical	11,806	7,878	66.7
Nonfarm managers, officials, proprietors	12,117	6,834	56.4
Clerical	8,617	5,551	64.4
Sales	9,790	4,188	42.8
Service (excluding household)	6,955	3,953	56.8

This gap is also shown in the distribution of such workers in 1970 by earning levels, as follows:

TABLE II

[In percent]

	Men	Women
Earning less than $7,000	30.1	73.9
Earning $15,000 or over	13.5	1.1

This gap is not due to differences in education or qualification, but exists at every level of educational background as follows:

TABLE III.—MEDIAN EARNINGS, 1972

Years schooling completed	Men	Women	Women's median income as percent of men's
Elementary schoo	$7,535	$4,181	55.5
High school:			
1 to 3 years	8,514	4,655	54.7
4 years	9,567	5,580	58.3
College:			
1 to 3 years	11,183	6,604	59.1
4 years	13,264	8,156	61.5
5 years or more	14,747	9,581	65.0

This gap, says the Labor Department, is not necessarily due to women "receiving unequal pay for equal work," but rather because "women are more likely than men to be employed in low-skilled, low-paying jobs." (*Ibid.*, p. 4). The immensity of this sex-based discrimination is dramatized by the above figures which show that in 1970 males who dropped out of high school after their first, second or third year had higher median annual earnings ($8,514) than women with four full years of college education ($8,156), and males with only an elementary school education had higher median annual earnings ($7,535) than females with 1–3 years of college education ($6,604).

By channeling women into the lower paying jobs and reinforcing sex prejudice in employment, the sex-segregated job ads frustrate the basic objective of the fair employment laws.

The situation is similar to that which existed, not long ago, in interstate transportation. Although this Court had repeatedly ruled that racial segregation on common carriers in interstate transportation was illegal,[15] the continued widespread use of "white only" and "colored only" signs in railroad and bus stations made this Court's decisions "only a promise to the ear to be broken to the hope, a teasing illusion like a munificent bequest in a pauper's will." *Edwards* v. *California,* 314 U.S. 160, 186 (1941). Effective desegregation in interstate transportation facilities began only when the Interstate Commerce Commission issued its regulations in September 1961 (49 CFR 180a.1–10) requiring motor common carriers to display nonsegregation signs and to refrain from using terminals having signs specifying race segregation practices. *Georgia* v. *United States,* 201 F. Supp. 813 (D.C. N.D. Ga. 1961), *affd.* 371 U.S. 9 (1962).

The legislature could reasonably believe that discriminatory job ads promote discrimination in employment, and its determination to prohibit the publication of such ads is a reasonable and rational means for effectuating the proper legislative objective of reducing job discrimination.

B. There is no merit in the petitioner's suggestion that sex-segregated job ads promote the convenience of the job seeker

The company attempts to justify its sex-segregated job ads policy by contending (p. 10, Petitioner's brief on Petition for Writ of Certiorari) that its sex-segregated column headings "are solely a reflection of what it believes to be in furtherance of the most convenient classification for its readers, what is preferred by its readers, and is [sic] a classification which has a rational basis in that it merely reflects the present dominant employment interest patterns of the sexes."

It was only a short time ago that many newspapers in this country arranged their classified ads on jobs and housing under race labels, and offered precisely the same argument (substitute "race" for "sex") to justify their race-segregated classified ads. Such argument was without merit then, and it should be summarily rejected in this case.

There is much similarity between race discrimination and sex discrimination in employment. The attitudes underlying both types of discrimination have generally reflected the ancient canard about the "inferiority" of women and Negroes (or Oriental, or other proscrobed races).[16] Both women and racial minorities are "easily identifiable groups which have at times required the aid of the courts in securing equal treatment under the laws." *Hernandez* v. *Texas,* 347 U.S. 475, 478 (1954). Both are grossly under-represented in Federal, State, and local formal decision-making processes, leaving both easy targets of public and private discrimination. The history of both women and racial minorities has been marked by unduly slow progress toward legal, economic, and political equality, often in the face of considerable resistance from the dominant group. The result has been that women and racial minorities have often been consigned to the bottom of the economic ladder, in the lowest paying, least satisfying, jobs.

The similarity between race discrimination and sex discrimination was pithily stated by the Supreme Court of California in *Sail'er Inn, Inc.* v. *Kirby,* 5 Cal. 3d 1, 18–20, 485 P. 2d 529, 540–41 (1971):

"Sex, like race and lineage, is an immutable trait, a status into which the class members are locked by the accident of birth. What differentiates sex from non-suspect statuses, such as intelligence or physical disability, and aligns it with the recognized suspect classifications is that the characteristic frequently bears no relation to ability to perform or contribute to society. . . . The result is that the whole class is relegated to an inferior legal status without regard to the capabilities or characteritsics of its individual members. . . . Where the relation between characteristic and evil to be prevented is so tenuous, courts must look closely at classifications based on that characteristic lest outdated social stereotypes result in invidious laws or practices.

"Another characteristic which underlies all suspect classifications is the stigma of inferiority and second class citizenship associated with them. . . . Women, like Negroes, aliens, and the poor have historically labored under severe legal and social disabilities. . . . They are excluded from or discriminated against in employment and educational opportunities. . .

"Laws which disable women from full participation in the political, business and economic arenas are often characterized as "protective" and beneficial. Those same laws applied to racial or ethnic minorities would readily be recognized as invidious and impermissible. The pedestal upon which women have been placed has all too often, upon closer inspection, been revealed as a cage. We conclude that the sexual classifications are properly treated as suspect, particularly when those classifications are made with respect to a fundamental interest such as employment."

The President's Task Force on Women's Rights and Responsibilities, citing Census Bureau data, stated in its Report of April 1970, "A Matter of Simple Justice," p, 18:

"Sex bias takes a greater economic toll than racial bias. The median earnings of white men employed year-round full-time is $7,396, of Negro men $4,777, of white women $4,279, of Negro women $3,194. Women with some college education both white and Negro, earn

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less than Negro men with 8 years of education.

"Women head 1,723,000 impoverished families, Negro males head 820,000. One-quarter of all families headed by white women are in poverty. More than half of all headed by Negro women are in poverty. Less than a quarter of those headed by Negro males are in poverty. Seven percent of those headed by white males are in poverty." [Footnotes omitted].

Sex-segregated job ads, like race-segregated job ads, do not promote the convenience of the job seeker, except in a community dedicated to unequal job opportunities. This has been amply demonstrated by experience with regard to racial discrimination in employment. It is equally true with regard to sex discrimination.

First. Grouping job ads by sex promotes only the continuance of the tradition that the jobs listed as "Male interest" are not intended for women, and vice versa. It does not promote the convenience of the man or woman who is seeking a job (e.g., as bookkeeper, plumber, cook, welder, printer, secretary, accountant, or other jobs that can be performed by men and women alike and for which sex is not a bona fide occupational qualification). The job seeker's interests would be promoted far more by grouping the ads solely by job category—so that he or she can pursue all opportunities for the kind of job he or she wants—rather than by a sex label which automatically discourages persons of the other sex from reading the job ads under such sex label. Indeed, if the job seeker, following the Petitioner's suggestion to "assume that the advertiser will consider applicants of either sex" ("Notice to job seekers," ftnt. 2, *supra*), consults both the "Male" and "Female" columns, what then is the point of the sex-segregated job columns?

The grouping of ads alphabetically by occupation without sex-segregated headings is better for the job seeker even in the infrequent case where (a) an employer or employment agency is exempt from the Ordinance, or (b) the position is exempted because it "reasonably requires the employment of a person or persons of a particular . . . sex" (Ordinance, sec. 7(d)). In such cases, the exempted ad, printed with others arranged alphabetically by job title, need simply include the sex designation in the body of the ad. The job seeker could check all ads for the occupation he or she seeks (for bookkeeper, plumber, cook, nurse, etc.) in one place, including the exempted jobs, rather than have to check for such ads in 2 or 3 separate columns.

Furthermore, many (but not all) employers and employment agencies now place duplicate job ads in both the male and female columns in order to avoid a judgment that they discriminate on the basis of sex. *Cf. Hailes* v. *United Air Lines, supra*. The job seeker who wants to check on all jobs for which he or she may be interested in applying must therefore look through longer series of ads in both columns. The Petitioner's assertion that the sex labeled columns serve the "convenience" of the job seeker is therefore quite hollow. Only when all advertisers duplicate their job ads would sex-segregated columns reduce the job seeker's reading burden.

It is, of course, apparent that such duplication in 2 or 3 columns imposes extra expense on those employers and employment agencies that desire to reach both male and female job seekers without discrimination,[17] and that they would be better served if all job ads were arranged alphabetically by job category without sex segregation.

Second. The Court of Common Pleas below found that the evidence presented to the Pittsburgh Human Relations Commission "clearly established that it is not the preference of the reader, but the preference of the prospective employer which dictate [sic] ad placement under one caption or another" and "that the system which the Press seeks to sustain does aid in discrimination in employment based upon sex, and not based upon difference in treatment sanctioned by the law." App., Pet. for Writ of Certiorari, pp. 33a, 34a. The Commonwealth Court below found (*Ibid.*, p. 58a): "The record clearly demonstrates that this sex segregated system of want ad column classification is geared primarily to the interests and desires of employers."

In providing to employers and employment agencies the means of violating the law's prohibition against publishing sex discriminatory job ads, the Petitioner supports a widespread system of violations by such job advertisers. The multiplicity of such violations imposes on the meagerly staffed City, State and Federal commissions and administratively impossible burden of law enforcement. The only effect remedy available to the law is to prevent the central figure—the newspaper—from aiding, inciting (and indeed often coercing) the employers and employment agencies to publish the discriminatory job advertisements which undermine the law's basic purpose of combatting discrimination in employment.

Third. The Petitioner's contention assumes that the newspaper's ad-takers or management know (a) what jobs are preferred by its readers, and (b) what are the "dominant employment interest patterns of the sexes". We submit that they are not so prescient. According to Census Bureau publications,[18,19] there were, in 1970, 49,549,239 males, and 30,501,807 females, in the civilian labor force, 16 years old and over, of whom 47,623,754 males, and 28,929,845 females, were employed. Their jobs refute much of the mythology about the "employment interest patterns of the sexes." In large numbers, women now work in traditional "men's jobs," and men now work in traditional "women's jobs." Some examples are:

TABLE IV.—*Female workers*

(*Number of female workers*)

Engineers	19, 577
Lawyers	12, 311
Physicians, dentists, optometrists, veterinarians, etc	45, 664
Clergymen*	6, 237
Urban and regional planners	1, 099
Engineering and science technicians	87, 837
Draftsmen*	22, 257
air traffic controllers	1, 370
Airplane pilots**	710
Flight engineers	164
Mail carriers, post office	19, 566
Insurance adjusters and investigators	25, 570
Blacksmiths	249
Boilermakers	371
Bulldozer operators	1, 135
Carpenters	10, 078
Cranemen*, derrickmen*, and hoistmen*	1, 939
Electricians	8, 616
Electric power linemen*, and cablemen*	1, 444
Excavating, grading and road machine operators, except bulldozers	2, 495
Forgemen* and hammermen*	724
Locotive engineers	392
Locomotive firemen*	151
Machinists	11, 754
Automobile mechanics	11, 045
Automobile body repairmen*	1, 332
Heavy equipment mechanics, including diesel	10, 713
Data processing machine repairmen*	864
Railroad and car shop mechanics and repairmen*	510
Metal molders	5,749
Construction and maintenance painters	13, 303
Plumbers and pipefitters	4, 110
Pressmen* and plate printers	13, 346
Sheetmetal workers and tinsmiths	2, 898
Shipfitters	123
Shoe repairmen*	6,343
Stone cutters and carvers	445
Structural metal craftsmen*	868
Telephone installers and repairmen*	8, 285
Telephone linemen* and splicers	756
Blasters and powdermen*	311
Chainmen,* rodmen,* and axmen,* surveying	163
Drillers, earth	3, 405
Furnacemen,* smeltermen* and pourers	2, 761
Garage workers and gas station attendants	12, 084
Meatcutters and butchers	28, 054
Metal platers	2, 828
Mine operatives	3, 359
Drill press operatives	14, 831
Lathe and milling machine operatives	7, 566
Punch and stamping press operatives	48, 377
Riveters and fasteners	10, 941
Sailors and deckhands	466
Stationary firemen*	4, 813
Welders and flamecutters	31, 273
Boatmen* and canalmen*	324
Bus drivers	66, 000
Deliverymen* and routemen*	19, 691
Railroad brakemen*	537
Railroad switchmen*	867
Truck drivers	20, 120
Construction laborers, except carpenter helpers	9, 571
Fishermen* and oystermen*	1, 147
Freight and material handlers	38, 760
Longshoremen* and stevedores	705
Lumbermen,* raftsmen* and woodchoppers	1, 766
Janitors and sextons (Does not include cleaners and charwomen)	156, 755
Busboys*	13, 528
Crossing guards and bridgetenders	23, 919
Firemen,* fire protection	1, 976
Guards and watchmen*	16, 262
Policemen* and detectives	13, 098

*All these "men" were females.

**On January 10, 1973, the Navy announced selection of 8 women to begin flight cadet training to become pilots of Navy transport planes and helicopters. *Washington Post*, p. A–7 (Jan. 11, 1973).

TABLE V.—*Male workers*

(Number of male workers)

Dietitians	3, 222
Registered nurses	22, 332
Secretaries	64, 066
Stenographers	8, 082
Typists	56, 834
Decorators and window dressers	29, 709
Dressmakers and seamstresses,* except factory	4, 706
Milliners	183
Sewers and stitchers	54, 686
Weavers	23, 461
Chambermaids* and maids*, except private household	10, 107
Cooks, except private household	305, 492
Lay midwives*	138
Practical nurses	8, 485
Airline stewardesses*	1, 364
Child care workers, except private household	9, 196
Hairdressers and cosmetologists	46, 663
Housekeepers, except private household	29, 076

*All males the word notwithstanding.

These samplings show that the "employment interest patterns of the sexes" are far more varied than the traditional stereotypes. They also show that the assumptions underlying the newspaper company's efforts to di-

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Footnotes at end of article.

rect job seekers into particular kinds of employment are contrary to the employment interests of large numbers of men and women (just as the race-segregated job ads formerly prevalent were contrary to the employment interests of many whites and Negroes.)

This is being increasingly understood by newspapers throughout the country. The following newspapers, which formerly published sex-segregated job ads, now print "help wanted" columns without sex segregation of the job ads: [20]

TABLE VI—*Newspapers no longer printing sex-segregated classified job ads*

Albany Times Union
Atlanta Constitution
Baton Rouge (La.) State Times
Bergen (N.J.) Record
Bismarck (N. Dak.) Tribune
Boston Globe
Charleston (W. Va.) Gazette
Chicago Sun Times
Cleveland Plain Dealer
Cleveland Press
Commercial Appeal (Tenn.)
Dayton Daily News
Deseret (Utah) News
Des Moines Register
Detroit News
Florida Times Union
Honolulu Star Bulletin
Houston Post
Indianapolis News
Kansas City Star
Los Angeles Times
Miami Herald
Minneapolis Star Tribune
Newark Evening News
Newark Star Ledger
Newsday (L.I., N.Y.)
New York Daily News
New York Law Journal
New York Post
New York Times
News and Courier (Charleston, S.C.)
Oakland (Calif.) Tribune
Omaha World Herald
Oregonian
Portland (Maine) Press
Providence (R.I.) Journal
Red Bank (N.J.) Daily Register
St. Louis Post Dispatch
St. Petersburg Times
San Francisco Chronicle
Seattle Times
Tampa Tribune
Times Picayune (La.)
Virginia Pilot (Norfolk, Va.)
Waco (Tex.) Tribune-Herald
Wall Street Journal
Washington Evening Star
Washington Post
Wilmington (Del.) Evening Journal

The lesson of these facts is clear: The sex-labeled headings on job ad columns simply permit (or force) the advertisers to sex-label their help-wanted ads to see defiance of the nondiscrimination law. Such classified ads aid and coerce the commission of the unlawful employment practices prohibited by the Ordinance.

II. THE PITTSBURGH ORDINANCE AS ENFORCED BY THE COURT BELOW—REQUIRING THE PETITIONER TO CEASE SEX-SEGREGATED LABELING FOR JOB ADS IN ITS NEWSPAPERS UNLESS THE ADVERTISER OR POSITION IS EXEMPT UNDER THE ORDINANCE—REGULATES THE COMMERCIAL ACTIVITY OF SELLING ADVERTISING SPACE, IMPOSES LITTLE OR NO BURDEN ON THE PETITIONER, AND DOES NOT ABRIDGE FREEDOM OF SPEECH OR OF THE PRESS WITHIN THE MEANING OF THE FIRST AMENDMENT

The basic purpose of the Pittsburgh Ordinance is to eliminate discrimination based on race, religion, sex, etc., in employment, housing, and public accommodations. To accomplish this purpose, the Ordinance forbids those subject to its nondiscrimination requirements from publishing or circulating, or causing to be published or circulated, a discriminatory notice or advertisement relating to those matters. This prohibition was made in the belief that such discriminatory advertisements provide a major vehicle for accomplishing the forbidden acts of discrimination.

This prohibition against publication or circulation of discriminatory advertisements is not loosely or vaguely worded. On the contrary, it is precisely stated in section 8(e) as to unlawful employment practices; in section 9(d) as to unlawful housing practices; and section 10(a)(2) as to unlawful public accommodation practices. And sections 8(j), 9(g) and 10(b) of the Ordinance prohibit "any person" from aiding, inciting, compelling or participating in such respective unlawful practices.

Nor is the Ordinance aimed solely at publication in the media (i.e., newspapers, magazines, radio, or television). It precludes "any person" from publishing the discriminatory notice or advertisement, whether in a general newspaper or on his own. Indeed, it is not aimed at *any* function of a newspaper except when the publisher of the newspaper (a) acts discriminatorily in the role of an employer, employment agency or labor union, or landlord or seller of housing, or owner of a publicly available auditorium; or (b) publishes a discriminatory notice or advertisement relating to the forbidden employment, housing, or public accommodations practice.

Nothing in the Ordinance or the order of the court below touches even a scintilla of the Petitioner's freedom of speech or press. The Petitioner is in no way prohibited or hindered in publishing editorials, news articles, comments, cartoons, statements, or any other format for expressing its views, or the views of its "Editor, Business Manager and Classified Ad Manager" (Petitioner's Brief, p. 11), or its writers or readers, on any subject. It is free to expound on what jobs should be held by men or by women, or whether sex discrimination in employment is good or bad, or whether laws barring such discrimination should be expanded or repealed, or the soundness of the court's order requiring it to eliminate sex-segregated column headings in its job ads, or any other topic.

Furthermore, the Ordinance places virtually no burden on a newspaper which, like the Petitioner, publishes classified job ads. Classifying the job ads by occupation is surely not burdensome. The Petitioner does so now. Even if a prospective advertiser insists on having a job ad printed with a sex designation, or under a sex-labeled heading, the newspaper is not obliged to exercise any burdensome judgment. It need only require the prospective advertiser to produce a certificate of exemption from the Human Relations Commission under section 7(d) of the Ordinance, and the newspaper may then print the job ad with the sex label.

The Ordinance is thus narrowly drawn to deal with the evil of promoting discrimination based on race, religion, sex, etc., *in the context of a commercial advertisement* which seeks to fill a particular job, or to sell or rent a particular house or apartment, or to restrict admission into a particular place of public accommodation. It does not cut down in any way the newspaper's right or ability to express its views for or against the merits of the anti-discrimination requirements of the law.

Even if the Ordinance somehow burdened the Petitioner, "It is clear that the First Amendment does not invalidate every incidental burdening of the press that may result from the enforcement of civil or criminal statutes of general applicability." *Branzburg* v. *Hayes,* 408 U.S. 665, 682(1972). This Court has repeatedly held that the First Amendment does not immunize the press from laws of general application, such as the National Labor Relations Act,[21] the Fair Labor Standards Act,[22] the Sherman Anti-Trust Act,[23] and nondiscriminatory tax laws not directed against the expression of views.[24] Lower Federal courts have ruled similarly in cases upholding laws prohibiting the publishing of advertisements which directly promoted a particular existing lottery (but not inhibiting free expression of ideas as in editorials, etc.),[25] and laws prohibiting "blockbusting" advertising, *i.e.,* making representations regarding entry of persons of a particular race, religion or national origin into a neighborhood in order to induce sales or rentals of dwelling units.[26]

In particular, the Petitioner's attempt to invoke the First Amendment as a shield against the Ordinance fails to recognize the solid demarcation between the expression of ideas protected by the First Amendment, and conduct in operating a publishing business in a wholly commercial context which that Amendment does not immunize from governmental regulation.

There is a world of difference, so far as the First Amendment is concerned, between "communicating information . . . and opinion" and "purely commercial advertising." [27] Thus, while the First Amendment protects from governmental regulation an editorial or a panel debate on the merits of cigarette smoking, it does not immunize against a statute prohibiting the advertising of cigarettes for sale.[28]

The principal purpose of classified ads in newspapers is not to express the newspaper publisher's belief, or even the belief of its advertisers, about the social utility of sex discrimination in employment. Instead, the job ads are intended solely to solicit employees for the advertisers, and money for the newspapers.[29] Hence, they are wholly unlike the advertisements and books involved in the cases which the Petitioner's Brief (p. 16) cites as granting First Amendment protection to commercial publications. In *New York Times* v. *Sullivan,* 376 U.S. 254, 266 (1964), the full-page advertisement in the New York Times protesting police brutalities against Negroes in Alabama "communicated information, expressed opinion, recited grievances, protested claimed abuses, and sought financial support on behalf of a movement whose existence and objectives are matters of the highest public interest and concern." In *Smith* v. *California,* 361 U.S. 147 (1959), the imposition of absolute criminal liability on the sale of obscene books, regardless of *scienter,* would have inhibited distribution of, and public access to, constitutionally protected books and literature as well as obscene material. No such *in terrorem* effect results from the Pittsburgh Ordinance's prohibition against sex-segregating job ad columns.

We believe that the proper line between constitutionally protected free speech and commercial discriminatory advertising which the legislature may prohibit was correctly drawn in Senior Circuit Judge Sobeloff's unanimous opinion in *United States* v. *Hunter,* 459 F.2d 205 (CA 4, 1972), *cert. den.* 93 S. Ct. 235 (October 16, 1972), under reconsideration in No. 72–146. In that case, a newspaper published a classified advertisement to rent an apartment in a "white" home. Section 804(c) of the Civil Rights Act of 1968 (42 U.S.C. 3604(c)) prohibits publication of any advertisement concerning sale or rental of a dwelling which indicates "any preference, limitation, or discrimination based on race, color, religion, or national origin . . .", and thus, except as to sex, is virtually identical with section 9(d) of the Pittsburgh Ordinance. Judge Sobeloff's opinion flatly rejected the newspaper's contention that the First Amendment precluded applying section 804(c) to a newspaper. The *Hunter* case involved a Federal statute and race discrimination in a housing ad, while this case involves a local ordinance and sex discrimination in job ads. But there is no

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Footnotes at end of article.

difference in principle. Judge Sobeloff's view that the First Amendment does not immunize a newspaper from a statute prohibiting publication of discriminatory classified ads is equally applicable to the First Amendment contention in this case.

We believe that the Petitioner's First Amendment argument in this case is so insubstantial as to verge on the frivolous.

II. THE ORDER OF THE COURT BELOW DID NOT VIOLATE DUE PROCESS AND THE PETITIONER'S DUE PROCESS ARGUMENT MISAPPREHENDS THE BASIS FOR THAT ORDER

The Petitioner's contention that its right to due process of law was violated by the court below is based on something that court did not do. According to Petitioner, the court below ruled that the Petitioner's sex-labeling of job ads "aided an employer in discrimination in hiring . . . without proof that an adviser discriminated in hiring" (Pet. Brief on Petition for Certiorari, p. 14). At another page (p. 16), the Petitioner says that it was "found as aiding in the discrimination in hiring of women without knowledge that any advertiser has in fact used its classified advertisements as a device to deny women equal consideration for employment positions."

But that isn't what the Court below ruled.

The Petitioner's argument misapprehends the basis for the order of the court below. That court didn't say that Petitioner had "aided an employer in discrimination in hiring." It ruled only that the Petitioner had aided an employer in doing one particular act—publishing a job ad which indicates sex discrimination—which the statute "declared to be an unlawful employment practice."

Section 8 of the Ordinance has 10 subparagraphs—(a) through (j)—defining various kinds of unlawful employment practices. One of these occurs when an employer, employment agency, or labor organization causes to be published or circulated a notice or advertisement relating to employment or membership which "indicates" any discrimination because of race, religion, sex, etc. (Subparagraph (e), which is modeled on section 704(b) of the Civil Rights Act of 1964, 42 U.S.C. 2000e–3(b)). Subsection 4(b) of the Ordinance defines discrimination as constituting "any difference in treatment based on" race, sex, etc. Thus, the unlawful employment practice specified in subsection (e) is the act of causing to be published or circulated a notice or advertisement which "indictes" a "difference in treatment" based on race, sex, etc. It is that practice which the newspaper aided, and thereby violated subsection 8(j) of the Ordinance, which forbids "any person" to aid or compel "the doing of any act declared to be an unlawful employment practice."

It was unnecessary for the Commission to prove that an advertiser had engaged in *other kinds of unlawful employment practices* (such as refusing to hire or to promote, or otherwise discriminating against, any employee or prospective employee because of race, sex, etc.) in order to hold that the Petitioner violated subsection (j) by aiding in "the doing of" the unlawful employment practice defined in subsection (e). The Commission's finding that the Petitioner aided advertisers in committing the unlawful employment practice defined in subsection 8(e) was fully in accord with the plain structure and purpose of the Ordinance, and the Petitioner had full notice and opportunity to contest the charge. Hence, the order of the court below did not violate the Petitioner's rights to due process of law.

CONCLUSION

The ruling of the court below—that the Petitioner violated section 8(j) of the Pittsburgh Ordinance by aiding the commission of an unlawful employment practice prohibited by subsection (e), namely, publishing a job ad which indicated difference in treatment in employment based on sex, with respect to jobs not exempt under the Ordinance—was constitutional and correct, and should be affirmed.

Respectfully submitted.

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February 15, 1973.

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FOOTNOTES

[1] The City's Human Relations Ordinance, which established the Human Relations Commission in the Office of the Mayor, prohibits specified acts of discrimination on the basis of race, color, religion, ancestry, national origin, place of birth or sex, in connection with employment, housing, and public accommodations. (Ordinance 75, approved Feb. 28, 1967 (68 City Clerk's Records 511), as amended by Ordinance 395, approved July 7, 1969 (70 *Ibid.* 691), which added the prohibition against sex discrimination.) The Commission administers and enforces the Ordinance by several methods which are now customarily used by numerous State and local human relations commissions throughout the country; namely, studying human relations problems, issuing reports and publications, making recommendations to the Mayor and City Council, investigating and conciliating complaints of practices defined in the Ordinace as ulawful, certifying exemptions from the Ordinance, holding public hearings, making findings, and issuing cease and desist orders. If the Commission is unable to conciliate the case, it certifies violators of the Ordinance or the Commission's orders to the City Solicitor who then institutes court proceedings to secure enforcement or compliance or to impose a fine of not more than $300.

[2] The full statement read:

"Notice to Job Seekers—Jobs are arranged under Male and Female classifications for the convenience of our readers. This is done because most jobs generally appeal more to persons of one sex than the other. Various laws and ordinances—local, state, and Federal—prohibit discrimination in employment because of sex unless sex is a bona fide occupational requirement. Unless the advertisement itself specifies one sex or the other, job seekers should assume that the adviser will consider applicants of either sex in compliance with the laws against discrimination."

[3] At least 33 of the 37 States, the District of Columbia and Puerto Rico which prohibit sex discrimination in employment also prohibit sex discriminatory job advertising. See Appendix of this Brief, *post;* and U.S. Dept. of Labor, Women's Bureau, "Laws on Sex Discrimination in Employment" (1970), suplemented to May 1, 1972. Hundreds of cities and counties have human relations commissions operating under a wide variety of nondiscrimination ordinances, many of which prohibit sex discrimination in employment, including sex discriminatory advertising. Examples of the latter are: New York City Administrative Code, Law on Human Rights, as amended May 1972, sec. B1–7.0, ¶¶ 1(d), 1a(d) and 6; Minneapolis, Minn., Ord. adopted Nov. 23, 1971; Baltimore Ord. 103, 1963–64, as amended, sec. 10 (3)(iii); and the Pittsburgh Ordinance in this case.

[4] Religion and national origin (but not race or color) may also be a BFOQ.

[5] 29 C.F.R. 1604.2; 37 F.R. 6835 (April 5, 1972).

[6] *Ibid.*, sec. 1604.2(a)(2). The EEOC Guidelines are accorded great weight. *Griggs* v. *Duke Power Co.*, 401 U.S. 424, 433–434 (1971); *Phillips* v. *Martin-Marietta Corp.*, 400 U.S. 542, 545 (1971) (Marshall, J.); *Weeks* v. *Southern Bell Tel. & Tel. Co.*, 408 F.2d 228, 235 (CA 5, 1969); *Bartmess* v. *Drewrys U.S.A.*, 444 F.2d 1186, 1190 (CA 7, 1971); *Rosenfeld* v. *So. Pac. Co.*, 441 F.2d 1219 (CA 9, 1971); *Local 189, United Papermakers, etc.* v. *United States*, 416 F.2d 980, 997 (CA 5, 1969).

[7] EEOC, "Toward Job Equality for Women," p. 5 (1969).

[8] See *Diaz* v. *Pan American Airways, Inc.*, 441 F.2d 385 (CA 5, 1971), *cert. den.*, 404 U.S. 959 (1971) (female sex not essential for job of flight cabin attendant, *i.e.*, stewardess).

[9] The Pennsylvania Human Relations Commission, which administers the State's Human Relations Act (43 Purdon's Penn. Stats. Ann. sec 955) issued the following Guideline (1 Pa. Bull 2359, sec 2; CCH-Employment Practices Guidelines ¶27,296.02(A)):

"Sec. 2. Discrimination in Employment.—(A) §5(b)(2) provides that it shall be an unlawful practice to publish any advertisement indicating any preference, limitation, specification or discrimination based on sex. The placement of an advertisement seeking applicants for employment in a classified advertisement section under "Help Wanted—Male," or "Help Wanted—Female Interest" or similar columns with a sex designation is considered to be a violation of §5(b)(2) if an employer is covered by the Act and has not received a bona fide occupational qualification exemption from the Commission.

"The mere fact that the newspaper or magazine publishing such advertisements publishes a disclaimer provision advising that applicants of one sex should assume that applicants of either sex will be considered for employment is not considered by the Commission to a defense to a complaint alleging a violation of §5(b)(2)."

[10] Efforts to apply the advertising prohibition to newspapers on the theory that printing classified job ads makes them employment agencies have had mixed results. *Cf. Brush* v. *San Francisco Newspaper Printing Co.*, 315 F. Supp. 577 (D.C. N.D. Calif. 1970), *aff'd.* 469 F.2d 89 (CA 9, Sept. 19, 1972). *Pet. for cert.* pending No. 72–880; *Morrow* v. *Mississippi Publishers Corp.*, 5 FEP Cases 287 (D.C. S.D. Miss., Nov. 27, 1972).

[11] Testimony of Frank Coss, Federal Communications Commission Docket 19143, August 1, 1972 *re* Bell Telephone Company discriminatory employment practices (See Cong. Rec. of Feb. 17, 1972, pp. E1243–E1272). See ftnt. 20, *infra*.

[12] Hearings on Section 805 of H.R. 16098 before Special Subcommittee on Education of House Committee on Education and Labor, 91st Cong.. part 2, pp. 889–896 (1970); Pennsylvania Department of Public Instruction, "Training the Woman to Know Her Place: The Social Antecedents of Women in the World of Work" (1971); Testimony of Frank Coss, *supra*, ftnt. 11; Testimony of Dr. G.H.F. Gardner, Hearings on Sex Discriminatory Guidelines of Office of Federal Contract Compliance, August 6, 1969.

[13] Equal Employment Opportunity Commission, 6th Annual Report (F.Y. 1971), p. 1.

[14] Fact Sheet on the Earnings Gap. Dec. 1971 (rev.), based on Bureau of the Census Current Population Reports (P–60).

[15] *Mitchell* v. *United States*, 313 U.S. 80 (1941); *Morgan* v. *Virginia*, 328 U.S. 373 (1946); *Henderson* v. *United States*, 339 U.S. 816 (1950).

[16] *E.g.*, Gunnar Myrdal, *An American Dilemma*, Appendix 5, pp. 1073–1078 (1944); H.M. Hacker, "Women as a Minority Group," 30 *Social Forces* 60 (Oct. 1951) (reprints available from U.S. Women's Bureau).

[17] In this case, the Court of Common Pleas found: "The evidence before the Commission establishes that at least one customer had increased costs of advertising because of duplication of ads in both male and female

columns." App., Pet. for Writ of Certiorari, p. 33a.

[18, 19] *1970 Census of Population,* PC(1)-C1, General Social and Economic Characteristics, U.S. Summary, Table 112, p. 1–418 (June 1972); *Ibid.,* PC(2)-7C, Occupation by Industry, Table 8, pp. 241–247 (October 1972).

[20] Some of these newspapers changed voluntarily before, and some after, the EEOC in 1968, and then various State commissions, adopted Guidelines prohibiting placement of job ads in sex-labeled classified ad columns. See text and ftnt. 9, *supra;* and Appendix of this Brief, *post.* Others changed pursuant to orders from State Commissions. *E.g., Hinfrey* v. *Red Bank Register* (E13BS–4806, N.J. Dept. of Law & Pub. Safety, Div. on Civ. Rts., Oct. 27, 1971); *Commission* v. *Evening Sentinel* (FEP-Sex 1-5, 29-1, Conn. Comm. Hum. Rts., June 30, 1972); Order, Iowa Civ. Rts. Comm., Labor Rel. Rep., FEP 451:407, 1972. Some may have been persuaded by economic or other reasons. *E.g.,* the Bell System telephone companies in July 1971 adopted a policy not to place classified job ads solely in Male- or Female-headed columns and to try to persuade newspapers to provide job ad columns without sex segregation. AT&T letter, July 9, 1971, Bell Exh. 1, Attachment C, FCC Docket 19143. This policy was ratified in the consent order of January 18, 1973 whereby the EEOC Labor Department and the American Telephone and Telegraph Co. agreed on new nondiscrimination affirmative action programs, including $15 million back-pay to minorities and women previously subjected to racial or sex discrimination. *EEOC* v. *Bell System,* CA 73–149, U.S. Dist. Ct. E.D. Pa.

[21] *Associated Pres* v. *NLRB,* 301 U.S. 103 (1937) ("The publisher of a newspaper has no special immunity from the application of general laws." P. 132).

[22] *Oklahoma Pres Publ. Co. Walling,* 327 U.S. 186 (1946); *Mabee* v. *White Plains Publ. Co.,* 327 U.S. 178 (1946) ("As the press has business aspects, it has no special immunity from laws applicable to business in general." P. 184).

[23] *Associated Press* v. *United States,* 326 U.S. 1 (1945); *Lorain Journal Co.* v. *United States,* 342 U.S. 143 (1951) (upheld injunction forbidding publisher to discriminate as to *arrangement and location of advertisements* by an advertiser who also placed ads in other media. P. 157); *Indiana Farmer's Guide Publishing Co.* v. *Prairie Farmer Publishing Co.,* 293 U.S. 268 (1934).

[24] *Murdock* v. *Pennsylvania,* 319 U.S. 105, 112 (1943); *Grosjean* v. *American Press Co.,* 297 U.S. 233, 250 (1936).

[25] *New York State Broadcasters Assn.* v. *United States,* 414 F. 2d 990, 997 (C.A. 2, 1969), *cert. den.* 396 U.S. 1061 (1970).

[26] *United States* v. *Bob Lawrence Realty,* 313 F. Supp. 870, 872 (D.C. N.D. Ga. 1970) ("It is evident that the statute does not make mere speech unlawful. What it does make unlawful is economic exploitation of racial bias and panic selling. We conclude that the statute is one regulating conduct, and that any inhibiting effect it may have on speech is justified by the Government's interest in protecting its citizens from discriminatory housing practices and is not violative of the First Amendment."); *United States* v. *Mitchell,* 327 F. Supp. 476, 486 (D.C. N.C. Ga. 1971); *United States* v. *Mintzes,* 304 F. Supp. 1305, 1312 (D.C. D. Md. 1969).

[27] *Valentine* v. *Chrestenson,* 316 U.S. 52, 54 (1942); *Bread* v. *Alexandria,* 341 U.S. 622, 641–645 (1951) (soliciting magazine subscriptions); *Citizen Publishing Co.* v. *United States,* 394 U.S. 131, 139 (1969) ("Neither news gathering nor news dissemination is being regulated by the present decree. It deals only with restraints on certain business or commercial practices" of newspapers.)

[28] *Capital Broadcasting Co.* v. *Acting Attorney General,* 405 U.S. 1000 (1972), *affg.,* 333 F. Supp. 582 (D. D.C. 1971); *Banzhaf* v. *FCCC,* 405 F.2d 1082, 1101–1102 (D.C. Circ. 1968), *cert. den.* 396 U.S. 842 (1969) ("Promoting the sale of a product is not ordinarily associated with any of the interests the First Amendment seeks to protect. As a rule, it does not affect the political process, does not contribute to the exchange of ideas, does not provide information on matters of public importance, and is not, except for the admen, a form of individual self-expression. It is rather a form of merchandising subject to limitation for public purposes like other business practices.")

[29] According to data from Media Records 16, 18, *Classified Advertising of the First Fifty Sunday and Morning Newspapers* (1970): ". . . Published lineage figures for the first eleven months of 1970, for example, were $16,673,673 for the morning Los Angeles Times and $10,973,049 for its Sunday paper. A rule of thumb sets help-wanted advertising at approximately one-third of a newspaper's total commercial lineage. . . " Boyer, "Help-Wanted Advertising—Everywoman's Barrier," 23 Hastings, L.J. 221, 223, ftnt. 7 (Nov. 1971).

APPENDIX—STATE FAIR EMPLOYMENT LAWS PROHIBITING SEX DISCRIMINATORY ADVERTISING

Alaska, Stats. § 18.80.220(a)(3); CCH-*Employment Practices Guide,* ¶ 20,218.

Arizona Rev. Stat. § 41–1462(3); CCH–EPG, ¶ 20,405.

California, Labor Code, Part 4.5, § 1420(d); CCH-EPG, ¶ 20,881.

Colorado Rev. Stats. § 80–21–6(7)(c); CCH-EPG, ¶ 21,006.

Connecticut Gen. Stats. § 31–126(f); CCH-EPG, § 21,205.

District of Columbia Police Regs., Art. 47, § 4(d)(ii); CCH-EPG, ¶ 21,604.

Hawaii Rev. Stat., Tit. 21, § 378–2(3); CCH-EPG ¶ 22,002.

Idaho Code, § 67–5909(4); CCH-EPG ¶ 22,209.

Illinois Rev. Stat. ch. 48, § 851–867 (1971) and Commission Guidelines of Nov. 3, 1971, Art. IV(B), CCH-EPG, ¶ 22.497.04.

Iowa Code Ann. Tit. 40, § 601A.7.1(c); CCH-EPG ¶ 22,807, and Commission Guidelines of Nov. 5, 1970, § 1.1 and 1.2, CCH-EPG ¶ 22,875.

Kansas Stats. § 44–1009(a)(3); CCH-EPG ¶ 23,008; and Commission Guidelines of Oct. 21, 1972, § 21–32–8, CCH-EPG, ¶ 23.093.08.

Kentucky Stats. § 344.080; CCH-EPG ¶ 23,208.

Maryland Code Ann., Art. 49B, § 19(e); CCH-EPG ¶ 23,812.

Massachusetts Gen. Laws, Ch. 151B, §4(3); CCH-EPG ¶ 24,005 and Commission Guidelines Art. B, CCH-EPG ¶ 24,051.11.

Michigan Comp. Laws, § 423.303a(d); CCH-EPG ¶ 24,203a.

Minnesota Stats. § 363.03 Subdiv. 1(4)(b); CCH-EPG ¶ 24,403 and Commission Guidelines eff. June 22, 1971 § 6; CCH–EPG ¶ 24,-490.06.

Missouri Rev. Stat. § 296,020(3); CCH–EPG ¶ 24,802.

Nebraska Rev. Stat. § 48–1115; CCH–EPG ¶ 25,115.

Nevada Rev. Stat., § 613.340.2; CCH-EPG ¶ 25,204.

New Hampshire Rev. Stat. Ann., §354-A:8.3; CCH-EPG ¶ 25,408.

New Jersey Rev. Stat., § 10:5-12.C; CCH-EPG ¶ 25,614.

New Mexico States. § 4-33-7(d); CCH-EPG ¶ 25,807.

New York Consol. Laws, Executive Law, § 296-1(d) and 1-a(d); CCH-EPG ¶ 26,007.

Oklahoma Stats. § 25-1306; CCH-EPG ¶ 26,-861.

Oregon Rev. Stat. § 659.030-(3); CCH-EPG ¶ 27,007.

Pensylvania Purdon's Penn. Stat. Ann., Tit. 43, § 955(b)(2); CCH-EPG ¶ 27,204 and § 2 of Commission Guidelines as amended Dec. 25, 1971 (1 Pa. Bull. 2359), CCH-EPG ¶ 27,-296.02.

Puerto Rico, Act 100 of June 30, 1959, as amended by Act 50, Laws 1972, sec. 1-A.

Rhode Island Gen. L., § 28-5-1(d)(4); CCH-EPG ¶ 27,507.

South Dakota Comp. L., § 20-13-13(4); CCH-EPG § 27,806.

Utah Code Ann. § 34-35-6(d); CCH-EPG ¶ 28,106.

Vermont Stats. Ann., Tit. 21, § 495(2); CCH-EPG ¶ 28,201.

Washington Rev. Code, § 49.60.180(4) and 49.60.200; CCH-EPG ¶ 28,518 and ¶ 28,520.

West Virginia Code, § 5-11-9(b)(2) and (d)(4); CCH-EPG ¶ 28,709.

WILLIAM BENTON

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on early Sunday last one of the great men of America passed away, William Benton, at age 73. William, or Bill, Benton as he was called by his friends, was one of those rare human beings blessed with versatile genius which led him to leadership in at least five meaningful fields of life. He achieved outstanding success in business even while he was yet a young man and with enviable ease he continued to add to his fortune as the years went by. He told me one time he wished it were as easy for to succeed in politics as it was for him to make money. But the businesses he built or bettered also made an increasingly valuable contribution to his country. Yet he was known to be indifferent in a way to money and always seemed to many of his friends to be playing the game of business for the thrill of it rather than to gratify a burning desire for money which actuates so many men. He was one of the earliest to conceive of modern advertising methods and to master modern advertising techniques, both no doubt attributable to his rare insight into the thinking and the feeling of people.

He achieved distinction as vice president of the University of Chicago to which he rendered an immeasurable contribution at the invitation of his old college friend and classmate, Robert M. Hutchins. He was always at heart an educator and his genius in salesmanship enable him to sell education and indeed a great university.

I first came to know Bill Benton as Assistant Secretary of State for Public Affairs in 1945 when I was a member of the Foreign Relations Committee of the U.S. Senate. Our acquaintance and cooperation at that time deepened into what became for me and will ever remain one of my most cherished friendships. As Assistant Secretary he organized the Voice of America broadcast and was active in the establishment of the United Nations Educational, Scientific, and Cultural Organization. Under the Johnson administration he became a U.S. member of the UNESCO with the rank of Ambassador. His imprint will ever last upon our State Department, upon the United Nations, and especially upon UNESCO which meant so much to him.

I served a part of 1949 and through 1950 with Bill Benton in the Senate. In this body, as in every area into which his restless energy moved him, he immediately distinguished himself. His keen intelligence, his indefatigable labor, his deep dedication to the public interest, and his burning concern for what was wholesome and decent and would be meaningful to the needy of our country brought him into a most active role as a Senator. He fought against discrimination of any kind that strangled the legitimate aspirations of people. He fought for measures that would make America better and stronger. He was in the Adlai Stevenson public image and character. He exhibited in the Senate the courage that was one of his great attributes—the kind of moral courage that induced him as the first Senator to denounce and to propose censure for Senator Joseph McCarthy, who at that time was at the height of his evil power. Senator Benton's defeat in 1952 was largely due to the enmity of Senator McCarthy. Yet, Senator Benton's resolution ultimately led to Senator McCarthy's censure in 1954.

Senator Benton achieved eminence and wealth also as a publisher of "Encyclopaedia Brittanica" and of the 54-volume "Great Books of the Western World," of the 10-volume set called "Gateway to the Great Books," and many other works. As a publisher he was again the dynamic educator and salesman—bringing profound knowledge within the reach of the masses of the people and persuading them to take it.

A few words cannot describe this versatile man. His genius was reflected in his numerous activities in which he so easily excelled. He was indefatigable in labor, unswerving in the pursuit of high principle and deep conviction, brave in attacking without a thought of self or consequence what his conscience told him was wrong or foul or corrupt. The good deeds he did, the help he bestowed upon innumerable individuals, the support he gave to countless causes, the encouragement he gave to those struggling to achieve worthy ends will never be known because in a high sense, as was said of the Master Bill Benton "went about doing good."

He loved the Democratic Party and immeasurably served it. He loved art and was its generous patron and wise connoisseur. He loved education and he taught in educational institutions, through books, writing, and the media. He built great edifices of business. He created and developed institutions meaningful to America and to the world. This kindly, gentle, modest man was blessed with some sort of magic that enabled him to rise from his humble beginning to walk with and among the great doers and builders and thinkers and feelers of the world. Bill Benton made this country better by having labored in it a long lifetime and by the love that he gave it. Every man who had his friendship was fortunate because the friendship of Bill Benton was something to treasure and to cherish. As his friend said of Hamlet when he passed away, we say to Bill:

Goodnight sweet prince and may flights of angels sing thee to thy rest.

Mr. Speaker, the New York Times account of Bill Benton's life and career tells more fully the thrilling story of Bill Benton. I include this account in the Times of March 19 following my remarks:

WILLIAM BENTON DIES HERE AT 73; LEADER IN POLITICS AND EDUCATION

(By Alden Whitman)

Former Senator William Benton of Connecticut, publisher of the Encyclopedia Britannica and onetime Assistant Secretary of State, died early yesterday in his sleep in his apartment at the Waldorf Towers Hotel. He would have been 73 years old on April 1. His home was in Southport, Conn.

Mr. Benton had been released from Lenox Hill Hospital on Feb. 26 after recovering from pneumonia.

A man who never seemed to operate at less than full tilt, William Burnett Benton crammed at least five careers into his 70 years. He was, at various times, an advertising executive, a university vice president, a public servant and Senator and the head of a vast publishing empire. In all these careers, except politics, he wielded the Midas touch.

One example of Mr. Benton's business acumen was the Muzak Corporation, which he picked up in an idle moment in 1939–40, when he was still with the University of Chicago. After expanding the company's operations and taking several millions out of it in dividends, he sold it in 1957 for $4.35 million. But despite his undoubted feel for the marketplace, Mr. Benton preferred to regard himself (and to be regarded) as a serious and dedicated educator and statesman.

In this respect he was chairman of the company that published and sold the Encyclopaedia Britannica, from which he and his family made a great deal of money, much of it given to the William Benton Foundation. At the same time the company enriched the University of Chicago, a contractual beneficiary, by more than $25 million in 25 years.

A friend and business partner was astonished by the ease with which Mr. Benton made money, remarking that he "completely lacks the acquisitive instinct" and adding:

"You never saw a businessman spend less time thinking about money."

ANOTHER VIEWPOINT

Another associate of 20 years disagreed, saying:

"It's like a fellow playing 40 games of chess simultaneously. You could say you never saw a fellow spend so little time on a game of chess. But that wouldn't be the whole story."

In politics, which engaged Mr. Benton from 1945, he was a liberal Democrat, whose record as Senator from Connecticut was highlighted by opposition to Senator Joseph R. McCarthy, the Wisconsin Republican and anti-Communist crusader.

In 1951, when Mr. McCarthy was at the apogee of his influence, Mr. Benton introduced a resolution that, in effect, denounced his colleague as a liar and a thief and as unworthy to sit in the Senate. Hearings on this resolution led ultimately to Mr. McCarthy's censure in 1954, but by that time Mr. Benton was out of the Senate, having been defeated at the polls in 1952. Mr. McCarthy's enmity was generally credited with helping in the defeat.

He tried several times thereafter for office, but, as one biographer put it, he was "never really one of the boys." Mr. Benton it was said, "simply does not react" to a person and an ambiance, and could rarely bring himself to utter a flattery. Less kindly observers said that he was such a fountain of ideas that he did not listen to the notions of others and was inclined moreover to be vain-glorious.

SON OF A CLERGYMAN

Mr. Benton's background was religious and educational. Born April 1, 1900, in Minneapolis, he was the son of Charles William Benton, a Congregationalist clergyman and college professor, and the former Elma Hix son, a country school superintendent. His father died when he was 13, and his mother took the family to Montana to clear ground for a homestead.

Bill Benton entered Yale on his second attempt and graduated in 1921. He worked his way through as a high-stake auction bridge player. While denying reports that he cleared $25,000 a year, he told a friend that "it's a demonstrable fact that for 10 years I was one of the 10 or 20 best card players in the world."

On graduation he turned down a Rhodes Scholarship for a job as an advertising copywriter. This horrified his mother, who wrote her son, "If you won't go into a respectable profession, can't you at least be a lawyer?"

In advertising, he rose to become assistant general manager of Albert Lasker's Lord & Thomas agency in Chicago. He was earning $25,000 a year when he left in 1929 to join Chester Bowles in forming Benton & Bowles with a capital of $18,000. This agency, New York-based, attained annual gross billings of $18-million by 1935, of which Mr. Benton's share was $250,000—a huge sum in the Depression.

MADE USE OF RADIO

Pioneering in market research and the use of radio as an advertising medium, Mr. Benton was in part responsible for the Maxwell House "Showboat," the Palmolive "Beauty Box," "Gang Busters" and Fred Allen's "Town Hall Tonight." He has been credited with introducing the studio audience and signs to direct it to laugh or applaud, as well as commercials with sound effects.

"Up to then, you'd always had a commercial announcement, somebody stopping the show and talking, as though he were reading from a magazine," Mr. Benton recalled. "I staged commercials, you could hear the spoons, people clinking cups of coffee, everything acted out. It was revolutionary; it was like the first girl standing on her head on the back of a horse."

It was Mr. Benton, impressed with the local "Amos 'n' Andy" comic show in Chicago in 1929, who initiated its sponsorship on a national network by Pepsodent that made the show's characters, played by Freeman Gosden and the late Charles Correll, household words.

Mr. Benton had determined to quit advertising when he was 35, and in 1935, he did, having by that time made $1-million. Almost immediately, however, Robert M. Hutchins, his Yale classmate and president of the University of Chicago, persuaded him to become a vice president of the school. He held that post from 1937 to 1945 and helped the university pioneer in educational radio and educational movies. His radio program, "The University of Chicago Round Table," won several awards as an adult education show.

With characteristic self-regard, Mr. Benton appeared on the show, talking about the common man, censorship, cartels, foreign relations and other topics on which he was able to brief himself with remarkable thoroughness.

"COOKING UP THINGS"

At Chicago, Mr. Benton was, in effect, advertising a university. "Bill was what an engineering concern would call research and development," Mr. Hutchins said. "We worked on cooking up things, all kinds of measures, some of them successful, some of them abortions."

One of his greatest successes turned out to be the Encyclopaedia Britannica, which had been bought from its British owners after

World War I by Sears, Roebuck & Co. in 1943 the mail-order house wanted to get rid of the publication and offered it to the university. Mr. Benton put up $100,000 in working capital for the acquisition and gave the school a beneficiary interest in the profits.

The salesmanship methods that Mr. Benton employed over the years to push the encyclopedia and its associated enterprises—chiefly classroom films, a yearbook, a junior encyclopedia, an atlas and a dictionary—have been much criticized as "hard sell." But there has been little question that they produced results. Nevertheless, in the judgement of a number of experts, the informational quality of the Britanica was greatly diluted under Mr. Benton's management. And at least one editor resigned in a huff over the volumes' contents.

PUBLISHED "GREAT BOOKS"

Mr. Benton not only defended the Britannica, but also expanded its related business by publishing the 54-volume "Great Books of the Western World" series and a companion 10-volume set called "Gateway to the Great Books." In 1964 the Britannica company acquired the G. & C. Merriam Company, which publishes Webster's Dictionary.

Administering his publishing realm, Mr. Benton was accustomed to flying 75,000 miles a year to ginger up his underlings and to dictating up to 8,000 words a day of ideas and suggestions for his aides to execute. Recipients of these memos were amazed (and sometimes numbed) by their author's fecundity and circumlocutions.

In 1971, in a joint venture with the Tokyo Broadcasting System, Mr. Benton began publishing an international encyclopedia in Japanese.

He edged into public service in 1939 as an adviser to Nelson A. Rockefeller, then Coordinator of Inter-American Affairs. Out of this, and an interest in economics as a founder of the Committee for Economic Development came his appointment in 1945 as Assistant Secretary of State for Public Affairs.

As Assistant Secretary, his post for two years, he organized the Voice of America broadcasts and was active in the establishment of UNESCO, the United Nations Educational. Scientific and Cultural Organization. During the Johnson Administration he was chief United States member of the UNESCO executive board with the rank of Ambassador.

He served last year on the educational platform committee at the Democratic Convention in Miami.

APPOINTED BY BOWLES

Mr. Benton became a Senator by courtesy of his old business partner, Chester Bowles, who was Governor of Connecticut in 1949. Mr. Bowles appointed him to fill a vacancy and then he won an election in 1950 for the rest of the term. His Senate record included a plea for a Fair Employment Practices Commission and a fight against the McCarran Immigration Act as restrictive of the people of eastern and southern Europe. He voted for the legislation, however, when his appeals against it proved futile.

Out of office after 1952, he was identified with the Adlai E. Stevenson wing of the Democratic party and campaigned for Mr. Stevenson in 1956 and supported him again in 1960. The two were warm friends, and Mr. Stevenson was a frequent guest at Mr. Benton's home in Southport, Conn.

From his student days, when he was editor of The Yale Record, Mr. Benton was interested in art and in his friend Reginald Marsh in particular. By 1954, when Mr. Marsh died, Mr. Benton has collected hundreds of his paintings, which centered on the vulgarities and vagaries of American life. March, who has come to be recognized as a major artist, forms the richest part of Mr. Benton's collection, which also includes works by Ivan Albright, Jack Levine, Bellows Hassam and Kuniyoshi.

In 1972 the University of Connecticut named the William Benton Museum of Art in Mr. Benton's honor. Later that year he gave his collection of Albright's medical sketches to the University of Chicago Medical School. In the same year he was named Chubb Fellow at Yale.

Mr. Benton married Helen Hemingway, a Connecticut schoolteacher, in 1928. Also surviving are two sons, Charles and John; two daughters, Mrs. Helen Boley and Louise, and eight grandchildren.

ADDRESS OF MR. VERNON E. JORDAN, JR.

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.

Mr. PEPPER. Mr. Speaker, on Friday last, before the National Press Club, Mr. Vernon E. Jordan, Jr., executive director of the National Urban League, delivered a very penetrating and moving address on what the program being put into effect and proposed by the Nixon administration is doing to the black and the poor white people of this country.

Mr. Jordan is naturally aroused by what the administration is doing to deprive these people of services and aid which are so meaningful in their lives. He pointed out vividly how not only the black but the lower income and the poorer white people, more numerous than the blacks affected, are the victims of the administration's policy of drawing back the Federal Government from the help that has been extended.

The devious excuses made by the administration for dismantling the programs which have been built up over the years to help people in need are eloquently pointed out by Mr. Jordan. I believe every Member of the Congress will profit by reading his able address, and I hope it may so stir the conscience of the Congress and the country as to lead to a determined effort in the Congress and throughout the Nation not only to retain but to expand the present program, and to see to it that it is so administered as to accomplish efficiently the objectives it was designed to achieve.

Mr. Speaker, I ask that Mr. Jordan's moving address appear in the Record following my remarks.

BLACKS AND THE NIXON ADMINISTRATION: THE NEXT 4 YEARS

(Address by Vernon E. Jordan, Jr.)

In his Budget Message to the Congress, the President once again called for "a new American Revolution to return power to the people." But the Message itself, and the provisions of a federal budget that hacks away at social spending with ruthless intensity, can only be seen as the first shots of a counter-revolution designed to destroy the social reforms of the 1960s.

Indeed, the proposed budget is the blueprint for the conversion of a national policy of "benign neglect" into a policy of active hostility to the hopes, dreams and aspirations of black Americans.

I do not believe this policy is intentional, nor do I believe that it is the product of conscious, anti-black, anti-poor reasoning. Rather it is the by-product of a view of society and of the proper role of government that is incompatible with the implementation of the precious rights won by minorities in recent years. The yawning gap between the philosophy of decentralized government marked by a passive domestic role for the federal Administration, and the effects of such a system on poor people and minorities vividly illustrates how honorable intentions can have disastrous results.

I am reminded of the famous lines by T. S. Eliot: "Between the idea and the reality/ Between the motion and the act/Falls the shadow." Today that shadow falls on black Americans, minorities, and on the overwhelming numbers of poor people who are white. It is they who are being asked to carry the burdens imposed by the impending massive federal withdrawal from moral and programmatic leadership in the domestic arena. The shadow that falls upon them is deep and its darkness spreads a blight across our land.

The Administration's domestic policy, as revealed in its budget proposals and in a flurry of public statements, encompasses on the one hand, sharp cuts in spending on social services, and on the other, a massive shift in resources and responsibility from Washington to local governments. These are the two prongs of a pincer movement that entraps millions of Americans.

A brief examination of just a few of the federal actions both proposed and already taken, are enough to indicate that urban America is well on the way to becoming a free fire zone doomed to destruction by the very forces it looks to for salvation.

In employment, the Emergency Employment Act will be phased out, ending public service jobs for about 150,000 state and city employees, some forty percent of whom had been classified as disadvantaged. Job-creation and training programs already crippled by the refusal to spend appropriated funds, will be cut sharply. A wide variety of federally-backed summer and youth employment programs will be dropped, and special programs for high unemployment areas will be eliminated.

In housing, a freeze has been imposed on federally-subsidized housing affecting hundreds of thousands of low-income families and robbing construction workers of jobs.

In education, federal programs to provide compensatory educational services to disadvantaged children, and important vocational education programs will be dismantled, while day care student loans, special school milk programs and aid to libraries will be eliminated or reduced to a small fraction of their former size.

In health, 23 million aged and handicapped people will have an extra billion dollars torn from them in higher Medicare charges and lessened coverage, while funds for the successful community mental health centers and for new hospitals will be eliminated.

In addition to this listing of horror stories, there are further atrocities—the mismantling of the Office of Economic Opportunity and abolition of its over 900 community action programs; the end of the Model Cities program, and the effective end of urban renewal and a host of other federal programs of community development.

A number of arguments have been advanced to justify the far-reaching changes the new American counter-revolution seeks to establish. Taken together, they recall Horace Walpole's comment about the world: that it "is a comedy to those that think, a tragedy to those that feel."

It is said, for example, that the budget cuts are necessary to avoid new taxes and to control inflation. This neatly avoids mention of the imposition of a sharply increased social security payroll tax that falls disproportionately on the same low-income families that will be hurt most by social service cutbacks. I accept the need for a ceiling on federal expenditures, but I cannot accept the faulty priorities that raise military expenditures by just under five billion dollars while slicing funds for the poor and for the cities. The cost of one Trident Submarine would pay for the public service employment program. The requested increase in funds for the F–15 fighter is about equal to the amounts cut from manpower training funds. Federal disinvestment in human resources reflects an irrational choice of priorities.

Another reason for the cuts is the overly-optimistic view that many of the federal programs are no longer needed. The President himself seemed to be making this point in his Human Resources Message when he said: "By almost any measure life is better for Americans in 1973 than ever before in our history, and better than in any other society of the world in this or any earlier age." And the theme was repeated in the Message dealing with cities, which declared that "the hour of crisis has passed."

I cannot agree. I believe, instead, that the hour of crisis is upon us, and is intensified by the federal withdrawal from urban problems. I would hate to have to explain to a poor black family in Bedford-Stuyvesant that's chained to an over-crowded slum apartment because of the housing subsidy freeze that this is really the best of all possible worlds. I would hate to have to explain to a poor black farm worker in Mississippi that the record gross national product means he's living in a golden era. And I would hate to have to explain to an unemployed Vietnam veteran who can no longer enter a federal manpower training program that he is being adequately repaid for his sacrifices.

Life in 1973 may be better for some people, but it is not better for black Americans. We are afflicted with unemployment rates more than double those for white workers. Black teenage unemployment is near 40 percent. Unemployment and under-employment in the ghettos of America is from one-third to one-half of the work force. The total number of poor people in this country has risen sharply in the past several years. No. This is no Eden in which we live and we cannot complacently agree that there is no longer a need for federal social service programs.

Another justification for ending some programs is arrived at by a method of reasoning I confess I am unable to comprehend. Such programs, it is said, have proved their worth and therefore the government should no longer operate them. Since they are so good, someone else should do them. I can only suppose that the next step will be to tell the Joint Chiefs of Staff that the armed forces have done such a good job that the federal government will stop funding them.

Another argument—a serious one of some substance—is that some programs have not worked and therefore should be abandoned. Such programs fall into two categories—those that appear to neutral observers to have accomplished their goals, and those that clearly have not been as effective as they should have been.

It is inaccurate and unfair to suggest that the community actions programs or the Model Cities programs, to take two important examples, have failed. There is every indication that they have brought a new sense of spirit and accomplishment to many hundreds of cities. By fully involving poor people in the decision-making process they have contributed significantly to urban stability and to individual accomplishment. Federal evaluation studies endorse this view. Local political leadership has also insisted that the programs are successful. For years, the agony of the Vietnam War was justified on the grounds that we had made a moral commitment to the people there. Can we now abandon the moral commitment to our own cities and to our own people?

Some federal programs have been clear disappointments. Some of the housing subsidy programs, for example, were sabotaged not by poor people seeking a decent home, but by some speculators in league with some federal employees. Thus, although thousands of families have been sheltered by these programs; although scandal-free housing has been produced by effective non-profit organizations and although the need for low- and moderate-income housing is pressing, federal housing subsidies have been frozen and appear on their way to an early death. The victims of federal housing failures are being punished doubly—once by ineffective program control, and again by the moratorium on all housing subsidies. Ending all housing programs because some have shown signs of failure makes about as much sense as eliminating the Navy because some new ships have had cost over-runs.

The final justification of the Administration's policies, and the core of the new American counter-revolution, is that federal funds will be transferred to local governments in the form of bloc grants in four major areas—community development, education, manpower and law enforcement. It is proposed that the federal government end its categorical grant programs administered, financed and monitored by federal agencies and that local governments should now decide whether to spend federal monies on job-training or on roads, on compensatory education in the ghetto or on a new high school in the suburbs. This has been called "returning power to the people."

To black Americans, who historically had no choice but to look to the federal government to correct the abuses of state and local governments, that is very much like hiring the wolf to guard the sheep. It is axiomatic in American political life, with some exceptions, that the lower the level of government, the lower the level of competence and the higher the margin for discrimination against the poor and the powerless.

The power that has accrued to the central government is due to the failure of localities to be responsive to the needs of all but a handful of their constituents. Black Americans have looked to the federal government to end slavery, to end peonage, to restore our constitutional rights and to secure economic progress in the face of discrimination. Yes, we looked to Washington because we could not look to Jackson, to Baton Rouge or to Montgomery. White people looked to Washington too, for the federal programs that helped many of them survive the Depression, helped them move to suburbia and helped them to prosper economically. Now that Washington has finally embarked on programs that hold out some hope for minorities, we are told instead to look to local governments notorious for their historic insensitivity to the needs and aspirations of blacks and the poor.

Before falling prey to the siren song of local infallibility, the Administration should examine the use local governments are making of general revenue sharing grants already distributed. News reports from across the country repeat the same dismal story—federal money used to build new city halls, to raise police salaries, and to cut local taxes. All this is taking place at a time when school systems are falling apart, housing is being abandoned, and health needs are unmet. The record does not inspire confidence that lost federal social service programs will be replaced with effective local ones.

General revenue sharing is a fact. It is a reality. Thirty billion dollars is in the pipeline for state and local governments. Rather than throw still more money at local governments at the expense of federal programs with proven track records, the Administration should be developing performance standards and effective compliance mechanisms that assure these local programs will work. Folding—or rather, crumbling—federal social service programs into no-strings-attached special revenue sharing packages seems to me to be a prescription for disaster.

Black Americans have been assured that anti-discrimination regulations will prevent local abuses. While the Treasury Department's guidelines have been revised and strengthened, we still cannot take heart from such assurances. They come just a few weeks after the Civil Rights Commission reported the persistence of "inertia of agencies in the field of civil rights," and after the government was subjected to a federal court order to enforce the laws against school segregation It is hard to imagine that the politically-charged decision to withhold funds from states or cities that discriminate will be made. And without federal standards assuring that funds will be used in behalf of poor people in need of job-training, public housing, and special school and health programs, the money will once again find its way into the pockets of entrenched local interests.

The proposed special revenue sharing approach breaks faith not only with poor people, but with local governments as well. What Washington gives with one hand it takes with the other. Mayors who once hungered for no-strings-attached bloc grants are now panicked by the realization that the funds they receive will be inadequate to meet the needs of their communities and will be less than their cities get in the current categorical-aid programs. In addition, there is the probability that future special revenue sharing funds will continue to shrink. Rather than shifting power to the people, the new American counter-revolution creates a vacuum in responsible power.

We must not forget, as so many have, that federal programs today do embody local initiatives and local decision-making. The myths of the Washington bureaucrat making decisions for people 3,000 miles away is false. The money often comes from the federal Treasury. The broad program goals and definitions of national needs come, as they should, from the Congress. But the specific program proposals, their implementation, and their support come from local governments, citizens and agencies. Those federal dollars that are now deemed tainted actually enable local citizens to meet local problems under the umbrella of national financial and moral leadership. To shift the center of gravity away from national leadership is to compound the drift and inertia that appear to categorize our society today.

It is in this context that the blast of white silence is so puzzling. Far more white people than blacks will be hurt by the budget cuts. Yet the responsibility for calling attention to their impact falls increasingly on black leadership. There are three times as many poor white families as there are poor black families. The majority of people on welfare are white. Of the black poor, more than half don't get one devalued dollar from welfare. Two-thirds of the families who got homes through the now-frozen 235 subsidy program were white. The majority of trainees in manpower programs, and three-fourths of the people who will lose their jobs under the public employment program are white.

But because black Americans have been the most vocal segment of the population in urging social reforms, there is the mistaken impression that only blacks benefit from them. The Battle of the Budget is a larger-scale replay of the fight for welfare reform waged—and lost—last year. Then, as now, black leadership was out front in favor of a living guaranteed income for all. But we had few white supporters, although many more white people than black would have benefited. It is reasonable to ask, had we won that struggle would all of those poor white people have returned their income supplement checks? And it is fair to ask today that white people join us in the struggle to preserve the social services of the federal government that enable them, too, to survive.

The silent white majority that has been the prime beneficiary of the programs of the 1960s and is today the group most in need of further federal services will have to speak up. They are not stigmatized, as are blacks, by charges of special pleading by special Americans looking for special treatment. And their representatives in the Congress will have to act, too. They cannot complacently watch their constituents' welfare being trampled on, nor can they accept the shrinkage of their rightful constitutional role in our system of government.

Already. there have been signs that some Congressmen whose votes helped to pass progressive legislation a few short years ago are now of a mind to compromise with Administration power, to compromise the jobs and livelihood and needs of their constituents, to compromise the power of the Congress to control the purse and to influence domestic policies, and finally, to compromise their own principles. If this is so, it will be tragic for the Constitution, tragic for the country, tragic for the poor people, and tragic for the hertage of liberalism.

The gut issues of today—better schools, jobs and housing for all, personal safety and decent health care—are issues that transcend race. So long as they are falsely perceived as "black issues," nothing constructive will be done to deal with them. White America must come to see that *its* cities, *its* needs and *its* economic and physical health are at stake. The needs of blacks and whites are too strongly intwined to separate. As Whitney Young used to say, "We may have come here on different ships, but we're in the same boat now."

So White Americans must join with black people to rekindle the American Dream, and to sing, in the words of Langston Hughes:

"O, let America be America again—
The land that never has been yet—
and yet must be."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Lent (at the request of Mr. Wydler), for today, on account of official business.

Mr. Gray, for March 21, 22, 23, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 20 minutes, today, and to revise and extend his remarks.

(The following Members (at the request of Mr. Conlan) to revise and extend their remarks and include extraneous matter:)

Mr. Hansen of Idaho, for 10 minutes, today.

Mr. Veysey, for 10 minutes, today.

Mr. Bell, for 15 minutes, today.

Mr. Saylor, for 60 minutes, on March 21.

(The following Members (at the request of Mr. Rose) to revise and extend their remarks and include extraneous matter:)

Mr. McFall, for 5 minutes, today.

Mr. Eilberg, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Tiernan, for 5 minutes, today.

Mr. James V. Stanton, for 30 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Corman, for 60 minutes, on April 16.

Mr. Staggers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. Griffiths and to include extraneous matter, notwithstanding the fact that it exceeds 6¼ pages of the Congressional Record and is estimated by the Public Printer to cost $1,062.50.

Mr. Gross to revise and extend remarks he made on the various resolutions.

Mr. Thompson of New Jersey to revise and extend remarks he made on the various resolutions.

(The following Members (at the request of the Mr. Conlan) and to include extraneous matter:)

Mr. Johnson of Colorado.
Mr. Gubser.
Mr. Cochran.
Mr. Hanrahan.
Mr. Del Clawson.
Mr. Crane in five instances.
Mr. Whitehurst.
Mr. Bray in two instances.
Mr. Hastings.
Mr. Kemp in two instances.
Mr. Whalen.
Mr. Heinz.
Mr. Erlenborn.
Mr. Young of Illinois.
Mr. McCloskey.

(The following Members (at the request of Mr. Rose) and to include extraneous material:)

Mrs. Griffiths.
Mr. Corman.
Mr. Gonzalez in three instances.
Mr. Roy.
Mr. Rarick in three instances.
Mr. Vanik in two instances.
Mr. Kastenmeier.
Mr. Stark.
Mr. Studds.
Mr. Van Deerlin in two instances.
Mr. Fraser in five instances.
Mr. Hungate in three instances.
Mr. Symington.
Mr. Rodino.
Mr. McKay.
Mr. Reid.
Mr. Harrington in two instances.
Mr. Patten in two instances.
Mr. Zablocki in three instances.
Mr. Pickle.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 583. An act to promote the separation of constitutional powers by suspending the effectiveness of the Rules of Evidence for United States Courts and Magistrates, the Amendments to the Federal Rules of Civil Procedures, and the Amendments to the Federal Rules of Criminal Procedure transmitted to the Congress by the Chief Justice on February 5, 1973, until approved by act of Congress.

ADJOURNMENT

Mr. ROSE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 21, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

611. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that various appropriations for the fiscal year 1973 have been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations in order to permit payment of pay increases granted pursuant to law, together with a list of the appropriations affected, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

612. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize travel and transportation allowances to certain members of the uniformed services stationed outside the United States for dependents' schooling, and for other purposes; to the Committee on Armed Services.

613. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes; to the Committee on Foreign Affairs.

614. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to extend the period within which the President may transmit to the Congress plans for the reorganization of agencies of the executive branch of the Government, and for other purposes; to the Committee on Government Operations.

615. A letter from the Attorney General, transmitting a draft of proposed legislation to assure the imposition of appropriate penalties for persons convicted of offenses involving heroin or morphine, to provide emergency procedures to govern the pretrial and post trial release of persons charged with offenses involving heroin or morphine, and for other purposes; to the Committee on Interstate and Foreign Commerce.

616. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 502(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

617. A letter from the Secretary of Transportation, transmitting the second annual report on the special bridge replacement program authorized by the Federal-Aid Highway Act of 1970, pursuant to 23 U.S.C. 144; to the Committee on Public Works.

618. A letter from Administrator of Veter-

ans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code to require that certain veterans receiving hospital care from the Veterans' Administration for nonservice-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts with respect to such care; to prohibit the future exclusion of such coverage from insurance policies or contracts; and for other purposes; to the Committee on Veterans' Affairs.

Received From the Comptroller General

619. A letter from the Comptroller General of the United States, transmitting a report on the need for the Forest Service and the Bureau of Land Management to take additional actions to minimize the adverse environmental impacts of timber harvesting and road construction on Federal forest land; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MATSUNAGA: Committee on Rules. House Resolution 315. Resolution providing for the consideration of H.R. 5446, a bill to extend the Solid Waste Disposal Act, as amended, for 1 year (Rept. No. 93–79). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 316. Resolution providing for the consideration of H.R. 5445, a bill to extend the Clean Air Act, as amended, for 1 year (Rept. No. 93–80). Referred to the House Calendar.

Mr. MILLS of Arkansas: Committee on Ways and Means. H.R. 3153. A bill to amend the Social Security Act to make certain technical and conforming changes (Rept. No. 93–81). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 5610. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes (Rept. No. 93–82). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Committee on House Administration. House Resolution 291. Resolution to provide funds for the expenses of the investigations and studies authorized by House Resolution 163 (Rept. No. 93–83). Referred to the House Calendar.

Mr. THOMPSON of New Jersey: Committee on House Administration. House Resolution 306. Resolution to provide funds for the expenses of the studies, investigations, and inquiries authorized by House Resolution 18 (Rept. No. 93–84). Referred to the House Calendar.

Mr. THOMPSON of New Jersey: Committee on House Administration. House Resolution 307. Resolution to provide funds for the expenses of the investigations and studies authorized by House Resolution 162 (Rept. No. 93–85). Referred to the House Calendar.

Mr. THOMPSON of New Jersey: Committee on House Administration. House Resolution 308. Resolution authorizing the expenditure of certain funds for the expenses of the Committee on Internal Security (Rept. No. 93–86). Referred to the House Calendar.

Mr. THOMPSON of New Jersey: Committee on House Administration. House Resolution 309. Resolution to provide funds for the Select Committee on Crime for studies and investigations authorized by House Resolution 256 (Rept. No. 93–87). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 5821. A bill requiring congressional authorization for the reinvolvement of American forces in further hostilities in Indochina; to the Committee on Foreign Affairs.

By Mr. ADAMS (for himself, Mr. Boland, Mr. Burke of Massachusetts, Mr. Helstoski, Mr. Howard, Mr. Moakley, Mr. Podell, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Studds, and Mr. Yatron):

H.R. 5822. A bill to create a not-for-profit corporation to acquire and to maintain rail lines in the Northeast region of the United States; to provide financial assistance for the acquisition, rehabilitation, and maintenance of such rail line, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL (by request):

H.R. 5823. A bill to strengthen education by consolidating certain elementary and secondary education grant programs through the provision of a share of the revenues of the United States to the States and to local educational agencies for the purpose of assisting them in carrying out education programs reflecting areas of national concern; to the Committee on Education and Labor.

By Mr. BINGHAM:

H.R. 5824. A bill to permit State and local officials to elect to use funds from the highway trust fund for purposes of urban or rural mass transportation; to the Committee on Public Works.

H.R. 5825. A bill to establish a National Surface Transportation Trust Fund, and for other purposes; to the Committee on Ways and Means.

By Mr. BLACKBURN (for himself, Mr. Goodling, Mr. Bafalis, Mr. Crane, Mr. Treen, and Mr. Fountain):

H.R. 5826. A bill to protect the freedom of choice of Federal employees in employee-management relations; to the Committee on Post Office and Civil Service.

By Mr. CLARK:

H.R. 5827. A bill to amend the Internal Revenue Code of 1954 to provide that certain bond interest received by individuals 65 or over shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS:

H.R. 5828. A bill to provide for the development of a uniform system of quality grades for consumer food products; to the Committee on Agriculture.

H.R. 5829. A bill to amend the Economic Stabilization Act of 1970, to stabilize the retail prices of meat for a period of 45 days at the November 1972, retail levels, and to require the President to submit to the Congress a plan for insuring an adequate meat supply for U.S. consumers, reasonable meat prices, and a fair return on invested capital to farmers, food processors, and food retailers; to the Committee on Banking and Currency.

H.R. 5830. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of Government, by providing Federal cooperation and assistance in the establishment and efficiency of Government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; to the Committee on Government Operations.

H.R. 5831. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on all foods to disclose each of their ingredients; to the Committee on Interstate and Foreign Commerce.

H.R. 5832. A bill to require that certain processed or packaged consumer products be labeled with certain information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5833. A bill to amend the Fair Packaging and Labeling Act to require certain labeling to assist the consumer in purchases of packaged perishable or semiperishable foods; to the Committee on Interstate and Foreign Commerce.

H.R. 5834. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on certain package goods to contain the name and place of business of the manufacturer, packer, and distributor; to the Committee on Interstate and Foreign Commerce.

H.R. 5835. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5836. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

H.R. 5837. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of unit retail prices of packaged consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5838. A bill to amend the Federal Trade Commission Act to make sales promotion games unfair methods of competition; to the Committee on Interstate and Foreign Commerce.

H.R. 5839. A bill to repeal the meat quota provisions of Public Law 88–482; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 5840. A bill to amend the Military Personnel and Civilian Employees' Claim Act of 1964, as amended, with respect to the settlement of claims against the United States by civilian officers and employees for damage to, or loss of, personal property incident to their service; to the Committee on the Judiciary.

H.R. 5841. A bill to amend the Internal Revenue Code of 1954 to disallow deductions from gross income for salary paid to aliens illegally employed in the United States; to the Committee on Ways and Means.

By Mr. DANIELSON (for himself, Mr. Flowers, Mr. Mann, and Mr. Sandman):

H.R. 5842. A bill to amend the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, with respect to the settlement of claims against the United States by military personnel and civilian employees for damage to, or loss of, personal property incident to their service; to the Committee on the Judiciary.

H.R. 5843. A bill to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections; to the Committee on the Judiciary.

H.R. 5844. A bill to amend section 2734a of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of armed forces, and for other purposes; to the Committee on the Judiciary.

By Mr. de la GARZA (for himself, Mr. Young of Texas, and Mr. Kazen):

H.R. 5845. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River project, Texas., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H.R. 5846. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H.R. 5847. A bill to amend the Federal Trade Commission Act by providing for temporary injunctions or restraining orders for certain violations of that act; to the Committee on Interstate and Foreign Commerce.

H.R. 5848. A bill to amend the Federal Water Pollution Control Act to authorize certain grants for assisting in improved operation of waste treatment plants; to the Committee on Public Works.

H.R. 5849. A bill to amend title 23 of the United States Code with respect to highways, roads, and trails constructed on public lands; to the Committee on Public Works.

H.R. 5850. A bill to amend the Federal Water Pollution Control Act to require persons operating sewage treatment works be licensed; to the Committee on Public Works.

By Mr. DONOHUE:

H.R. 5851. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension; to the Committee on Veterans' Affairs.

By Mr. EVANS of Colorado (for himself, Mr. Moakley, Mr. Burton, Mr. Flood, Mr. Roybal, Mr. Harrington, Mr. Hawkins, Mrs. Hansen of Washington, Mr. Fraser, and Mrs. Burke of California):

H.R. 5852. A bill to establish a comprehensive system for regulation of weather modification activities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FORSYTHE (for himself, Mr. Anderson of Illinois, Mr. Bafalis, Mr. Bevill, Mr. Burgener, Mr. Cleveland, Mr. Collins, Mr. Downing, Mr. Eilberg, Mr. Henderson, Mr. Jones of North Carolina, Mr. Kemp, Mr. Moakley, Mr. Podell, Mr. Rhodes, Mr. Steele, Mr. Steiger of Wisconsin, Mr. Treen, and Mr. Won Pat):

H.R. 5853. A bill to amend title 37, United States Code, so as to extend from 1 to 3 years the period that a member of the uniformed services has following his retirement to select his home for purposes of travel and transportation allowances under such title, and for other purposes; to the Committee on Armed Services.

By Mr. FORSYTHE:

H.R. 5854. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. GRAY:

H.R. 5855. A bill to establish the William Jennings Bryan National Memorial; to the Committee on Interior and Insular Affairs.

H.R. 5856. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 5857. A bill to amend the National Visitor Center Facilities Act of 1968, and for other purposes; to the Committee on Public Works.

H.R. 5858. A bill authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works.

By Mr. HANSEN of Idaho:

H.R. 5859. A bill to provide equitable treatment of veterans enrolled in vocational educational courses; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON:

H.R. 5860. A bill to amend the Internal Revenue Code of 1954 to permit the deduction without limitations of medical expenses paid for certain dependents suffering from physical or mental impairment or defect; to the Committee on Ways and Means.

By Mr. HASTINGS:

H.R. 5861. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the disclosure of ingredients in the labels of all foods; to the Committee on Interstate and Foreign Commerce.

H.R. 5862. A bill to amend the Communications Act of 1934 to provide for loan assistance to certain cable television systems; to the Committee on Interstate and Foreign Commerce.

By Mrs. HOLT:

H.R. 5863. A bill to assure the continued dedication of the United States to quality education and the neighborhood school concept; to the Committee on the Judiciary.

H.R. 5864. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of certain increases in monthly social security or railroad retirement benefits; to the Committee on Veterans' Affairs.

By Mr. JONES of Oklahoma:

H.R. 5865. A bill to amend section 210 of the Flood Control Act of 1968; to the Committee on Public Works.

By Mr. KASTENMEIER (for himself, and Mr. Brown of California, Mr. Burton, Mr. Conyers, Mr. Derwinski, Dr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fish, Mrs. Green of Oregon, Mr. Harrington, Mr. Helstoski, Mr. Koch, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Rees, Mr. Reuss, Mr. Studds, Mr. Symington, Mr. Waldie, Mr. Won Pat, and Mr. Wright):

H.R. 5866. A bill to authorize the President, through the temporary Vietnam Children's Care Agency, to enter into arrangements with the Government of South Vietnam to provide assistance in improving the welfare of children in South Vietnam and to facilitate the adoption of orphaned or abandoned Vietnamese children, particularly children of U.S. fathers; to the Committee on Foreign Affairs.

By Mr. LITTON:

H.R. 5867. A bill to amend the Internal Revenue Code of 1954 to prohibit inspection of income tax records by the Department of Agriculture and to allow certain limited information from such records to be furnished to the Department; to the Committee on Ways and Means.

By Mr. MATSUNAGA (for himself, Mr. Addabbo, Mr. Adams, Mr. Bennett, Mr. Bevill, Mr. Bingham, Mr. Brasco, Mr. Broyhill of North Carolina, Mr. Burton, Mr. Carney of Ohio, Mr. Casey of Texas, Mrs. Chisholm, Mr. Del Clawson, Mr. Collier, Mr. Conlan, Mr. Coughlin, Mr. Cronin, Mr. Dominick V. Daniels, Mr. Danielson, Mr. Denholm, Mr. de Lugo):

H.R. 5868. A bill to authorize the Secretary of the Navy to construct and provide shoreside facilities for the education and convenience of visitors to the U.S.S. *Arizona* Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. MATSUNAGA (for himself, Mr. Dent, Mr. Derwinski, Mr. Dorn, Mr. Downing, Mr. Esch, Mr. Evins of Tennessee, Mr. Fisher, Mr. Gerald R. Ford, Mr. Frelinghuysen, Mr. Fuqua, Mr. Giaimo, Mr. Goldwater, Mrs. Grasso, Mr. Hanna, Mrs. Hansen of Washington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hinshaw, and Mr. Holifield):

H.R. 5869. A bill to authorize the Secretary of the Navy to construct and provide shoreside facilities for the education and convenience of visitors to the U.S.S. *Arizona* Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. MATSUNAGA (for himself, Mr. Hosmer, Mr. Hungate, Mr. Hunt, Mr. Johnson of California, Mr. Kemp, Mr. Kyros, Mr. Lehman, Mr. McCormack, Mr. McKinney, Mr. Mann, Mr. Meeds, Mr. Melcher, Mr. Minish, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Moss, Mr. Nichols, Mr. Obey, and Mr. Pepper):

H.R. 5870. A bill to authorize the Secretary of the Navy to construct and provide shoreside facilities for the education and convenience of visitors to the U.S.S. *Arizona* Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. MATSUNAGA (for himself, Mr. Pickle, Mr. Podell, Mr. Rarick, Mr. Rees, Mr. Rhodes, Mr. Rodino, Mr. Roe, Mr. Roncallo of New York, Mr. Rosenthal, Mr. Roy, Mr. Sarasin, Mr. Sarbanes, Mr. Saylor, Mr. Seiberling, Mr. Shoup, Mr. Sisk, Mr. J. William Stanton, Mr. Steele, Mr. Stratton, and Mrs. Sullivan):

H.R. 5871. A bill to authorize the Secretary of the Navy to construct and provide shoreside facilities for the education and convenience of visitors to the U.S.S. *Arizona* Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. MATSUNAGA (for himself, Mr. Symms, Mr. Teague of Texas, Mr. Thone, Mr. Towell of Nevada, Mr. Treen, Mr. Vander Jagt, Mr. Veysey, Mr. Walsh, Mr. Whitehurst, Mr. Widnall, Mr. Wiggins, Mr. Wolff, Mr. Won Pat, Mr. Wright, and Mr. Young of Florida):

H.R. 5872. A bill to authorize the Secretary of the Navy to construct and provide shoreside facilities for the education and convenience of visitors to the U.S.S. *Arizona* Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. MATSUNAGA:

H.R. 5873. A bill to amend section 552 of title 5, United States Code, known as the Freedom of Information Act; to the Committee on Government Operations.

By Mr. MILLS of Arkansas (for himself and Mr. Schneebeli):

H.R. 5874. A bill to establish a Federal Financing Bank, to provide for coordinated and more efficient financing of Federal and federally assisted borrowings from the public, and for other purposes; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 5875. A bill to amend title 18 of the United States Code to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State, and for other purposes; to the Committee on the Judiciary.

By Mrs. MINK (for herself, Mr. Badillo, Mr. Bell, Mr. Breckinridge, Mr. Brown of California, Ms. Burke of California, Mrs. Chisholm, Mr.

Forsythe, Mr. Harrington, Mr. Helstoski, Mr. Leggett, Mr. McCloskey, Mr. Mitchell of Maryland, Mr. Moss, Mr. Nedzi, Mr. Nix, Mr. Podell, Mr. Roe, Mr. Sarbanes, Mr. Stark, Mr. Thompson of New Jersey, Mr. Tiernan, and Mr. Young of Georgia):

H.R. 5876. A bill to amend the Economic Opportunity Act of 1964 to provide that when Federal assistance to a community action program is discontinued, Federal property used for the program shall be transferred to the organization continuing the program; to the Committee on Education and Labor.

By Mrs. MINK:

H.R. 5877. A bill to increase the rates of duty on prepared and preserved pineapple and concentrated pineapple juice; to the Committee on Ways and Means.

By Mr. PERKINS (for himself and Mr. Carter):

H.R. 5878. A bill to amend section 5(c) of the National Trails System Act to provide for the study of the Daniel Boone Trail to determine the feasibility and desirability of designating such trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. QUILLEN:

H.R. 5879. A bill to repeal the bread tax on 1973 wheat crop; to the Committee on Agriculture.

By Mr. RARICK (for himself, Mrs. Hansen of Washington, Mr. Foley, Mr. Vigorito, Mr. Melcher, Mr. Gunter, Mr. Thone, and Mr. Symms):

H.R. 5880. A bill to provide that amounts appropriated by the Congress for the State-Federal Cooperative Forest Fire Control program shall be expended for that purpose; to the Committee on Agriculture.

My Mr. RINALDO:

H.R. 5881. A bill to amend title 39, United States Code, to permit the attendance, without loss of pay or deduction from annual leave, of certain U.S. Postal Service employees at funerals of honorably discharged members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.R. 5882. A bill to amend title VII of the Civil Rights Act of 1964 to protect the employment rights of the elderly; to the Committee on Education and Labor.

H.R. 5883. A bill to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5884. A bill to designate certain lands as wilderness for inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5885. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data; to the Committee on Interior and Insular Affairs.

By Mr. ROBISON of New York (for himself, Mr. Harrington, Mr. McFall, Mr. Ashley, Mr. Shriver, Mr. Skubitz, Mr. Collins, and Mr. Devine):

H.R. 5886. A bill to reestablish and extend the program whereby payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS:

H.R. 5887. A bill to amend title 10 of the United States Code in order to make certain totally and permanently disabled World War II servicemen and their dependents eligible for CHAMPUS medical benefits; to the Committee on Armed Services.

By Mr. ROSTENKOWSKI:

H.R. 5888. A bill to amend 33 U.S.C. 426 for the purpose of authorizing the Army Corps of Engineers to undertake emergency erosion control projects; to the Committee on Public Works.

H.R. 5889. A bill to amend the Disaster Relief Act of 1970 for the purpose of making clear that disaster assistance is available to those communities affected by extraordinary shoreline erosion damage; to the Committee on Public Works.

H.R. 5890. A bill to amend 33 U.S.C. 426 for the purpose of providing the right of reimbursement to local interests for undertaking repair of shore damages attributable to Federal navigation works pursuant to section 426i; to the Committee on Public Works.

H.R. 5891. A bill to amend the Costal Zone Management Act of 1972 for the purpose of determining the causes and means of preventing shoreline erosion; to the Committee on Merchant Marine and Fisheries.

By Mr. ROY:

H.R. 5892. A bill to amend section 6103 of the Internal Revenue Code of 1954 relating to inspection of income tax returns filed by persons having farm operations; to the Committee on Ways and Means.

By Mr. SCHNEEBELI (for himself, Mr. Goodling, and Mr. Eshleman):

H.R. 5893. A bill to amend title 32, United States Code, to provide that Army and Air Force National Guard technicians shall not be required to wear the military uniform while performing their duties in a civilian status; to the Committee on Armed Services.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 5894. A bill to amend the Communications Act of 1934, as amended, with respect to commissioners and Commission employees; to the Committee on Interstate and Foreign Commerce.

H.R. 5895. A bill to increase benefits provided to American civilian internees in Southeast Asia; to the Committee on Interstate and Foreign Commerce.

H.R. 5896. A bill to amend subsection (b) of section 214 and subsection (c)(1) of section 222 of the Communications Act of 1934, as amended, in order to designate the Secretary of Defense (rather than the Secretaries of the Army and the Navy) as the person entitled to receive official notice of the filing of certain applications in the common carrier service and to provide notice to the Secretary of State where under section 214 applications involve service to foreign points; to the Committee on Interstate and Foreign Commerce.

H.R. 5897. A bill to amend the Communications Act of 1934, as amended, with respect to penalties and forfeitures; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN (for herself and Mr. Mailliard):

H.R. 5898. A bill to amend the Merchant Marine Act, 1936, to provide authority to the Secretary of Commerce to issue permits to construct, operate, and maintain certain offshore port and terminal facilities; to the Committee on Merchant Marine and Fisheries.

By Mr. SYMINGTON (for himself, Mr. Clay, Mr. Ichord, Mr. Madden, and Mr. Mollohan):

H.R. 5899. A bill to amend title I of the Housing Act of 1949 to permit a city whose population falls to below 50,000 to convert any outstanding urban renewal projects from a two-thirds to a three-fourths capital grant formula; to the Committee on Banking and Currency.

By Mr. UDALL:

H.R. 5900. A bill to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5901. A bill to provide for compensation when certain leases or permits for the use of public lands are terminated, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VANIK:

H.R. 5902. A bill to provide for the recycling of used oil and for other purposes; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California:

H.R. 5903. A bill to provide for the establishment of a national cemetery in Los Angeles County in the State of California; to the Committee on Veterans' Affairs.

By Mr. WOLFF:

H.R. 5904. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ZWACH:

H.R. 5905. A bill to amend the Lead-Based Paint Poisoning Prevention Act; to the Committee on Banking and Currency.

By Mr. CONABLE:

H.J. Res. 442. A joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. MANN:

H.J. Res. 443. Joint resolution to pay tribute to law enforcement officers of this country on Law Day, May 1, 1973; to the Committee on the Judiciary.

By Mr. MATHIAS of California (for himself, Mr. Johnson of California, Mr. Don H. Clausen, Mr. Sisk, Mr. Ketchum, Mr. Teague of California, and Mr. Hosmer):

H.'J. Res. 444. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project; to the Committee on Interior and Insular Affairs.

By Mr. ROE:

H.J. Res. 445. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1973, as "National Historic Preservation Week"; to the Committee on the Judiciary.

H.J. Res. 446. Joint resolution to authorize the President to proclaim the last Friday of April of each year as "National Arbor Day"; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 447. Joint resolution providing for the designation of the first week in May of each year as "Be Kind to Animals Week"; to the Committee on the Judiciary.

By Mr. HASTINGS:

H. Con. Res. 158. Concurrent resolution relating to a national Indian policy; to the Committee on Interior and Insular Affairs.

By Mrs. HECKLER of Massachusetts:

H. Res. 317. Resolution amending the Rules of the House of Representatives to redesignate the Committee on Banking and Currency as the Committee on Banking, Housing and Urban Affairs; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

98. By the SPEAKER: Memorial of the Legislature of the State of Vermont, ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

99. Also memorial of the Legislature of the State of Idaho relative to the capital gains treatment of income from the cutting of

timber; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY of New York:

H.R. 5906. A bill for the relief of Salvatore Carollo and his wife, Antonina Carollo; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 5907. A bill for the relief of Capt. Bruce B. Schwartz; U.S. Army; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

70. The SPEAKER presented a petition of Richard L. McCormack, et al., Lorain, Ohio, relative to protection for law enforcement officers sued for damages in Federal court resulting from the performance of their duties; to the Committee on the Judiciary.

SENATE—*Tuesday, March 20, 1973*

The Senate met at 12 o'clock meridian and was called to order by Hon. JOSEPH R. BIDEN, JR., a Senator from the State of Delaware.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, who has promised that wherever two or three are gathered together in Thy name, there Thou art in the midst of them, we lay hold upon that promise for, though like sheep, we may have gone astray and turned to our own ways, Thou hast not forsaken us. In our human weakness and need, grant us a sense of Thy real presence. Bestow Thy blessing upon the members of this body, its officers and its servants, that each of us may be better than we are, wiser than we know, and stronger than we dream, serving this Nation aright and ever advancing Thy kingdom.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 20, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOSEPH R. BIDEN, JR., a Senator from the State of Delaware, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BIDEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, March 19, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees, with the exception of the Committee on Commerce, may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries.

MANPOWER REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. BIDEN) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

As required by section 107 of the Manpower Development and Training Act of 1962, as amended, I am sending to the Congress the fourth Manpower Report of my Presidency and the final one of my first Administration.

The report describes the acceleration of the economic recovery in 1972 and analyzes the significant decrease in rates of unemployment that occurred following a revitalization of labor demand under Phase II of our Economic Stabilization Program. Significantly, these overall employment gains have been achieved in the face of an unusually rapid expansion of the civilian labor force. I am especially gratified by the evidence that this Administration's intensive effort to improve the employment situation of Vietnam-era veterans has been increasingly effective in recent months.

In the course of a decade of experimentation, numerous federally sponsored manpower programs have been devised and executed in response to changing perceptions of national requirements. The experience of these 10 years has demonstrated conclusively that "national" manpower issues really have a sharply differentiated impact among the many States and localities and hence that the effect of many large-scale federally designed programs has been to unduly constrict States and localities, preventing them from directing resources to meet their problems.

In response to these findings, this Administration will take steps during 1973 and 1974 to institute a new program of manpower revenue sharing within the existing legislative framework. The new Manpower Report discusses this much-needed reform, which will permit States and localities to use manpower resources in a manner consistent with their requirements.

I commend this report to the careful attention of the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *March 20, 1973.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. BIDEN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

THE PROGRAM

The ACTING PRESIDENT pro tempore. Does the distinguished Republican leader desire to be heard?

Mr. SCOTT of Pennsylvania. Mr. President, I had intended to dedicate my time to silence for the betterment of the Nation, but I understand that the distinguished acting majority leader is prepared to reply to a query from me as to the state of the business in the Senate.

Mr. ROBERT C. BYRD. Mr. President, may I say to the very distinguished Republican leader that if the Senate completes action on the bill to extend the Economic Stabilization Act today, and if an agreement can be secured with respect to time on the rural water and sewer grant program, the Senate would go over until Thursday upon this close of business today.

The reason, I say, is that the calendar does not have on it the bills which have been sufficiently cleared for action to necessitate a session of the Senate tomorrow. There are bills on which committees have acted and which may be reported to the Senate this week.

In this category are the four crime victim bills which may be reported tomorrow.

It is my understanding that the gold revaluation measure possibly could be reported tomorrow, or Thursday.

The omnibus health program extension bill will not be reported before Friday, and of course it could not be taken up until sometime next week.

The interest equalization tax bill also would not be reported to the Senate before Thursday or Friday.

Then there is the voter registration bill expected to be reported late this week or early next week.

So, in view of the schedule of actions in reporting these bills, I think that what I have said with respect to going over tomorrow would be justified in the event that action is completed, as I have said, on the unfinished business today.

Mr. SCOTT of Pennsylvania. I thank the distinguished acting majority leader. I should like to mention that while the devaluation bill does not contain a certain provision, it is because I understand the distinguished Senator from Alabama (Mr. SPARKMAN) has given assurance to the distinguished Senator from Missouri (Mr. SYMINGTON), and I have passed the same information over to the distinguished Senator from Colorado (Mr. DOMINICK), that the amendment which interests them, which would permit American citizens to buy gold, which Americans are not permitted to buy now, although any other citizen of any other country in the world can buy gold—was raised.

The distinguished Senator from Alabama (Mr. SPARKMAN) has indicated his committee will hold hearings on such a measure at a later date without a commitment as to what action the committee might take. But, as one who believes that Americans should have the same right to buy gold as the people of other countries, I thought we should put this in the RECORD because it might satisfy the curiosity of other Senators as to what is happening.

Mr. ROBERT C. BYRD. Yes. I thank the distinguished Republican leader. By way of a postscript to my reference to the unfinished business, it will necessitate, I think, the Senate's staying in quite late—reasonably late, may I say—if the Senate is to complete action on the bill today.

Mr. TOWER. Mr. President, will the distinguished Senator from West Virginia yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Does the distinguished Senator from West Virginia anticipate that the revaluation of gold will come up this week, or will it not be taken up until next week?

Mr. ROBERT C. BYRD. I would not anticipate that it would be taken up this week. I understand that the report will not be filed before Wednesday or Thursday so I doubt that it would be available for action this week.

Mr. SCOTT of Pennsylvania. Mr. President, I yield back the remainder of my time.

CANADA-UNITED STATES INTERPARLIAMENTARY MEETING—APPOINTMENTS BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. BIDEN). The Chair, on behalf of the Vice President, pursuant to Public Law 86–42, appoints the following Senators to the Canada-United States interparliamentary meeting, Washington, D.C., April 4–8, 1973: the Senator from Wyoming (Mr. McGEE), chairman; the Senator from Maine (Mr. MUSKIE); the Senator from Louisiana (Mr. JOHNSTON); the Senator from South Dakota (Mr. ABOUREZK); the Senator from Iowa (Mr. CLARK); the Senator from Delaware (Mr. BIDEN); the Senator from Vermont (Mr. AIKEN); the Senator from New York (Mr. JAVITS); the Senator from Nebraska (Mr. CURTIS); the Senator from Alaska (Mr. STEVENS); and the Senator from Ohio (Mr. SAXBE).

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the distinguished Senator from Michigan (Mr. GRIFFIN) is now recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. TOWER. Mr. President, I ask unanimous consent that the minority counsel for the Committee on Banking, Housing and Urban Affairs, Michael E. Burns, be permitted the privilege of the floor today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Wisconsin (Mr. NELSON) is now recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the quorum be without prejudice to the distinguished Senator from Wisconsin (Mr. NELSON); and I ask unanimous consent, further, that the time which had been allotted to the distinguished assistant Republican leader under the order be utilized for such a quorum and, if necessary, that any additional time for such quorum be taken out of the order allotted to me.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

THREE ARTICLES IN THE APRIL PROGRESSIVE MAGAZINE

Mr. NELSON. Mr. President, I have just had an opportunity to read three articles in the Progressive magazine, a distinguished journal of opinion, which is published in Madison, the capital city of my home State of Wisconsin. These articles present dramatic and deeply disturbing material and charges about the policies, practices, and procedures of one of the great industries of our country, the oil industry. These articles were written by unusually competent and qualified men, one of them, our former and still much valued colleague, Fred Harris. The second is Philip M. Stern, whose books on taxation, and especially taxation loopholes, and on other subjects, have won widespread acclaim, and, to the best of my knowledge, have never been challenged on factual grounds, however much some critics might disagree with some of his viewpoints. The third author is Laurence Stern, the able, award-winning writer for the Washington Post, who has previously written on the oil industry.

The overall title of the three-part presentation in the Progressive is "The Power of Oil." The three independent articles are entitled:

"Oil: Our Private Government," by Laurence Stern.

"Oil: How It Raids the Treasury," by Philip Stern.

"Capitalism Betrayed in Its Own Camp," by Senator Harris.

The issues raised in these articles are not only of great concern to all of us in the Congress and indeed all citizens of America, but they come at a most vital and timely moment when the House Ways and Means Committee is embarked on a major exploration of tax loopholes—the total potential yield of which is bitterly debated—and the Senate Finance Committee also will soon be deeply involved in these matters.

Moreover, the presentation in the Progressive takes on further significance in view of the widespread debate over the energy crisis.

These articles represent a significant challenge to the oil industry on many important points involving major public policy questions. I am sure the oil industry would not wish to ignore the challenge of these articles. There is always more than one side to all important issues. In order to assure that the record will be balanced I will ask for the comments of leading oil executives on the issues raised in these articles and submit their responses for printing in the RECORD.

If in fact it is a true picture of the oil industry that emerges from a reading of these articles in the Progressive magazine, it is a picture of what could well be the most privileged, the most nearly monopolistic, and politically the most powerful industry in the country.

What Members of the Congress and the administration must decide is:

First, is this picture accurate or inaccurate? Congressional hearings could help answer that question. And if the answer is affirmative, the next step would be to explore, without delay, what legislation should be enacted, and what administration actions might be taken to protect the public interest.

Senator Harris, an Oklahoman who knows the oil industry firsthand, states in his article, "Capitalism Betrayed in Its Own Camp," that—

> The oil and gas industry is a shared monopoly. Standard Oil of New Jersey, Mobil, Texaco and Gulf accounted for 55.4 percent of all petroleum sales in 1970. Jersey Standard alone controlled nearly twenty percent of sales. In particular areas or regions, the company names are somewhat different, but a few of the major companies nevertheless control the market.

One result of this noncompetitive marketing system, Mr. Harris contends:

> Is that the 211,000 filling station operators for major oil companies have an extremely precarious economic existence. The turnover rate of dealers in the gasoline industry is far higher than in comparable industries—as many as forty percent of the dealers in some markets change jobs every year.

Mr. Harris says:

> The main crisis in energy is that energy sources are monopolized. The twenty-five largest oil companies are involved in natural gas. Eighteen of them have invested in oil, shale, and uranium. Eleven are in coal. Seven are in tar sands. Six of the ten largest oil companies are involved in all four major domestic fuels—oil, gas, coal, and uranium.

In short, Senator Harris contends:

> The giants have taken over the oil industry and plan to dominate other fields of energy as well. These oil giants are also the beneficiaries of multi-billion dollar tax exemptions according to Philip Stern in another Progressive article, "Oil: How It Raids the Treasury."

Philip Stern quotes figures on five of the giants—Gulf, Texaco, Mobil, Standard of California, and Standard of New Jersey—which show that for the year 1971, on a combined profit of $7,389 million, these companies paid only 5 percent in Federal taxes. Stern asserts that if they had been paying a share comparable to American corporations as a whole, or two-fifths of their net income in taxes, these five companies, taken together, would have paid $2½ billion more in taxes than they did under our present laws.

One of the ablest of our Washington newsmen, Laurence Stern of the Washington Post, rounds out the Progressive's series of reports on the oil industry. He describes some of the major links between the Government and the oil industry.

The State Department also "has serviced the needs of the American oil majors," Laurence Stern writes in his article, "Oil: Our Private Government."

The President's energy message, Stern reports, may—

> Ratify some of the most insistent demands of the major oil companies, foremost among them may be federal abolition of regulation of interstate natural gas prices.

All in all these articles raise major questions which must be addressed by the Congress and the public.

Mr. President, I ask unanimous consent to have printed in the RECORD the three articles to which I have referred.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

OIL: OUR PRIVATE GOVERNMENT

(By Laurence Stern)

THE LEWIS FLAGG AFFAIR

The deed was done in one of those obscure back wards of the Federal bureaucracy, the Oil Import Appeals Board. The subject (or victim) was one of the legion of nameless and faceless officials, an Interior Department career lawyer named Lewis Flagg, the Board's chairman since 1969 and one of the highest ranking black officeholders in the Department.

On February 9 of this year, Flagg was informed by letter over the signature of his boss, Interior Secretary Rogers C. Morton, that he was being removed from his job and transferred back to a lower position within the Department.

"I don't know what it was all about," Flagg said the day the fateful letter arrived at his agency's suburban Virginia headquarters, to which it had been exiled by the Administration after an unsuccessful effort last year to abolish it altogether. "The Secretary's letter said I argued with other members of the Board. We had open discussions. We have to in this business."

Senator Thomas J. McIntyre, New Hampshire Democrat, mindful of his own troubled constituency of oil consumers, put a different construction on the affair in a letter to Treasury Secretary George P. Shultz.

"The Chairman of the Board, Mr. Lewis Flagg, has been the subject of criticism from certain segments of the petroleum industry for some time over the performance and manner in which the Board operates. The major integrated oil companies have for several years complained that the Oil Import Appeals Board was too liberal in its granting of hardship quota allocations to the independent segments of the oil industry.

"The recent decision to remove Mr. Flagg as Chairman of the Board is, in my opinion, a direct result of his continuing attempts to maintain within the petroleum industry the ability of small and medium-sized businesses to prosper and compete with their larger rivals."

Secretary Morton never elaborated on the reasons for the dismissal. But oil industry analysts noted that Flagg's removal came less than a week after he granted a hardship allocation of 242 mililon gallons of gasoline to some three dozen small distributors who, unlike the big companies, had no access to foreign supplies or to refinery capacity.

The suspicions voiced by Interior's "bias in favor of the economic welfare of the large, integrated companies" is by no means unique or far-fetched. The Administration has done nothing to dispel that assumption.

The event passed with barely a ripple in the press or on television. Certainly it was not Teapot Dome, but the Lewis Flagg affair, with its Kafka-like overtones, served well to illustrate the day-to-day pressure of oil's influence within our Government institutions.

ANATOMY OF THE OIL ESTABLISHMENT

The Lewis Flagg affair is neither an accident nor an aberration. The Federal energy bureaucracy, to paraphrase an ancient adage, abhors a maverick. The Interior Department has behaved through the years as the chief Government patron of the major oil companies. Its top layer of officialdom at the Assistant and Deputy Assistant Secretary level has long tended to be composed of men with private oil company backgrounds and attitudes.

President Nixon's chief energy adviser until recently, Peter Flanigan, came under criticism himself during his first year in the White House for supporting a subsidy to a tanker line he helped to organize before joining the Administration. Recently-retired Assistant Secretary of the Treasury Charls E. Walker, brother of recently-departed Federal Power Commissioner Pinkney Walker, was reported to be representing oil interests here, particularly in the campaign for decontrol of natural gas prices.

Interior Department officials sit with oil company executives on committees of the National Petroleum Council (NPC), which together with the American Petroleum Institute (API), form the bicameral legislature of the private government of oil. The basic flow of data upon which the Government must depend for its decision-making on petroleum matters is provided by the committees of the API and NPC. It is a tradition that is regarded as friendly or wholly incestuous, depending on your point of view. Only within the past few years has the Federal Power Commission embarked on its own survey of natural gas reserves.

Interior is not the only Federal agency that has serviced the needs of the American oil majors. In 1971, the State Department undertook a major act of diplomatic intervention in behalf of the multi-national oil companies and the Organization of Petroleum Exporting Countries (OPEC), the Middle East producing nations, and helped to create an international oil cartel that may have provided substantial impetus to the energy crisis in the United States. The results of that intervention were described at length by Massachusetts Institute of Technology professor of economics M. A. Adelman in a recent issue of *Foreign Policy* magazine.

The oil industry nurtures its warm ties of community in Washington with many tender attentions, not the least of which is money. It was hardly surprising that the controversial $89,000 which was "laundered" through a Mexico City bank in the Watergate case was part of a $100,000 contribution to President Nixon's reelection committee by Texas oil man Robert H. Allen, president of Gulf Resources and Chemical Company. Allen asked for his money back only recently, after the wave of publicity surrounding his donation.

The *Chicago Tribune*, in a survey of campaign contributions lists, determined that some $2 million in large contributions (more than $50,000) was donated to President Nixon's campaign by a dozen contributors, all of whom were executives or major stockholders in petroleum and related industries. Chief among them was Richard Mellon Scaife, chief heir to the Mellon fortune and a principal stockholder in the Gulf Oil Corporation. Scaife gave $1 million.

The stakes in this year's energy debate are bigger than ever. President Nixon's forthcoming energy message could prove to be the most important executive action in petroleum policy since President Eisenhower proclaimed mandatory import quotas in 1959.

Reports are circulating in the Washington oil grapevine that the energy message has been redrafted three times. It was due originally in February.

One Administration source who has closely followed the deliberations maintained that the early versions were rejected because they were "too loaded in favor of the vested interests." But there was also intelligence that the energy message will ratify some of the most insistent demands of the major oil companies, foremost among them being an end of Federal regulation of interstate natural gas prices.

From the viewpoint of its impact on the consumer pocketbook, the abolition of regulation is probably the single most important issue in the current energy reappraisal. One Government specialist estimated that a thirty-cent-per-1,000-cubic-feet increase in the price of natural gas would increase the bills of consumers by $6.6 billion. It would increase also the value of the potential domestic reserves in the country conservatively estimated at 1,000 trillion cubic feet, by $300 billion, a bonanza that presumably would go to the major companies which always seem to end up with control of our fuel reserves.

The last time Congress passed legislation to decontrol natural gas prices was in 1956. But President Eisenhower vetoed the bill then because of unseemly lobbying by two oil company attorneys who tried to win the favor of the late Senator Francis Case, South Dakota Republican, with an envelope containing twenty-five $100 bills. This year all segments of the industry are more ebullient than they have been for years in their hopes that a bill wiping out regulation will pass Congress. The rosy prognosis results from the advent of The Energy Crisis.

THE SELLING OF THE ENERGY CRISIS

The American reading public loves nothing better than an impending apocalypse and so it was quick to embrace and accept The Energy Crisis. At the same time, the oil industry, with its financial resources and public relations skills, adroitly took the initiative in molding the public perception of the crisis; its origins, its nature, its solution.

During 1972, the American Petroleum Institute, chief lobbying and public relations organization of the oil industry, conducted a blitz advertising campaign on television and in mass circulation magazines which by API's own estimates cost $3 million. The keynote was the slogan, A NATION THAT RUNS ON OIL CAN NOT AFFORD TO RUN SHORT.

The standard API pitch was that the energy crisis resulted not only from growing demand and limited petroleum reserves but also oppressive environmental restrictions, adverse tax treatment, and maintenance of Federal controls over the interstate price of gasoline. The combination of these things, API insisted, was sapping the incentives for new investment in exploration, drilling, and refining—and therefore contributing to The Energy Crisis.

The solution to the crisis, it would seem, is to grant the companies what they want in the conviction that what is good for the oil industry is good for the country. As Mobil put it in one of the series of advertisements running opposite the editorial page of *The New York Times*, "Oil companies knew the shortage was coming, they knew how it could be averted. For the past twenty years we have told everyone who would listen what we knew, but we failed to convince policy makers to take the necessary steps."

API's president, Frank Ikard, a former Texas Congressman, put the case more forcefully to the Association's annual meeting in Chicago last November: "If the American people are to make the right decisions (on energy policy)—and some of these decisions will be made in the next few weeks or a month—it behooves us all to set the record straight. In short, we've got to get with it."

When the heating oil shortage hit the Midwest and Eastern states this past midwinter, it was sufficiently apparent to shivering school kids and factory workers that a crisis of sorts was at hand. The oil company blamed the conditions on misguided Government policy, on environmentalists, and on other assorted scapegoats, but there was no suggestion that the shortages might have been the result of the policies that grew out of the industry's desire to maximize profit.

But this was the argument that eventually was made by spokesmen for consumer groups, which were late to react and slow to make public the underlying meaning of the mid-winter fuel shorages.

"The 'energy crisis' could well serve as a smoke screen for a massive exercise in picking the pockets of the American consumer to the tune of billions of dollars a year," charged S. David Freeman, Director of the Ford Foundation's Energy Policy project and a former White House energy adviser, in an address to the Consumer Federation of America. "Energy is going to cost much more in the future . . . yet I hear few voices in Government raised to assert the consumer's concern in this critical area." Congress was also slow to respond. It was not until after schools, factories, and homes were without heating that the Senate Interior Committee began asking questions.

Called before the Committee, the then Director of the Office of Emergency Preparedness, General George Lincoln, ruefully admitted that he had been misled by the major oil companies. He had been assured by the industry, Lincoln testified, just before going into retirement, that there would be enough heating oil to last through the winter.

In fact, the country had been lucky in the past winter. It was exceptionally mild. Had it been normal or severe, the heating oil shortage could have turned sections of the East and Midwest into disaster areas.

As early as March of last year, however, there were signs that the inventory of heating oil was sagging to the danger point. But the refineries churned out gasoline instead, since it provided a more profitable return than heating oil under the Nixon Administration's Phase II controls. And so the American fuel balance was so out-of-line that we have the spectacle of gasoline price wars during the summer of 1972 while oil stocks were sinking below the point of peril.

And through it all, the Administration kept the gate tightly shut on foreign oil imports. The industry's vaunted system of administered supply and demand was finally on the verge of breaking down. By January of this year, the White House finally had to step in and make the unheard of move of lowering the import barriers which were established ostensibly in the interest of national security.

As the Administration ponders the final redraft of President Nixon's energy message, it might do well to recall Freeman's words to the Consumer Federation of America: "Thus far, the energy crisis is a self-inflicted wound . . . three years ago, the President's own Cabinet task force recommended that he scrap the present oil import quota system. The winter's so-called 'energy crisis' was manufactured right here in Washington. It could have been averted with a stroke of the President's pen."

The chief benefit of The Energy Crisis is that everyone is now talking about a national energy policy: producers, consumers, and the Administration. In the past, our energy policies, such as they were, have been dictated piecemeal by the Supreme Court, the Congress, the Federal Power Commission, and, most abidingly, by the energy producers, the nation's major oil companies.

It now appears likely that the energy debate will be an important ingredient in American policitics, stretching perhaps through the rest of this century. And the decisions that are being made inside the White House right now could well constitute Richard Nixon's Seventh Crisis.

OIL: HOW IT RAIDS THE TREASURY

(By Philip M. Stern)

Haroldson Lafayette Hunt, of Dallas, Texas, starting with a borrowed $50 for a broken-down oil-drilling rig, managed with the help of Lady Luck (and a not insignificant assist from the U.S. tax laws) to build himself up from a barber/ranch hand/lumberjack to an oil tycoon worth between $2 and $3 billion, with an income estimated (in 1957) at roughly *a million dollars a week*.

Despite his prodigious wealth, however, Hunt seems almost a pauper when compared with fellow oilman Jean Paul Getty, who once estimated the worth of his holdings at several billion dollars yet then added, "But remember, a billion dollars isn't worth what it used to be." Getty's income has been estimated at $300,000 a day.

With incomes, respectively, of roughly $50 million and $100 million a year, the Messrs. Hunt and Getty might have been expected to pay to the U.S. Treasury, under the tax laws prevailing in the early Sixties, taxes of $45 million for Hunt and about $88 million for Getty.

Yet, according to what President John F. Kennedy privately told two U.S. Senators, *Messrs. Getty and Hunt each paid income taxes amounting to only a few thousand dollars a year!*

While H. L. Hunt and Jean Paul Getty could hardly be called your typical oil tycoons, they are far from unique. Consider these cases:

A Mr. D (cited in a Treasury Department study which by law was obliged to clock his name), who, in 1960, had an income ("total reported economic income," in Treasury's words) of *more than 26 million dollars*—and not only wholly escaped all Federal taxation, but even managed to file a Federal tax return showing a *loss* of $846,330, much of which could be helpfully used to shield future-year income from taxation.

A Mr. B, who had total income in the four years 1958–1962 of $9,419,000, *but paid no income taxes in any of those four years.*

One oil and gas operator, of whom Government officials speak privately, who over a twelve-year period sold at least $50 million worth of oil, at times enjoyed an annual income of more than $5,500,000—yet *paid not a penny of income tax for the entire twelve years.*

The tax law is also strikingly gentle toward the major oil companies, for whom a tax as high as ten per cent would be extraordinary. In 1971 when American corporations as a whole were paying about two-fifths their net income in taxes, this is what the tax law permitted the largest oil companies to pay—and what that cost the U.S. Treasury (i.e., all the rest of the taxpayers):

Company	Before-tax profit (billion)	Percent paid in U.S. taxes (percent)	Approximate loss to U.S. Treasury [1] (million)
Gulf	$1.324	2.3	$500
Texaco	1.319	2.3	495
Mobil	1.153	7.4	375
Standard (California)	.856	1.6	330
Standard (New Jersey)	2.737	7.7	885
Total	7.389	5.0	2,585

[1] Difference between what U.S. Treasury did collect from these companies and what it would have collected had these oil companies paid 40 percent of their profits to the U.S. Treasury, as was true of U.S. corporations as a whole.

The same tax laws that permitted these companies virtually to escape paying taxes to the U.S. Government (at the expense of the U.S. Treasury) simultaneously encouraged those companies to pay enormous amounts to foreign governments.

It is clear, from all the foregoing, that the Congress of the United States has looked upon the oil industry and its investors with a kindly beneficence by writing into the tax law a number of special features that will be explained momentarily. For the rest of the U.S. taxpayers, it has been an expensive beneficence: according to one estimate, it has cost the grand total of $140 *billion* since Congress first inserted these special features into the law. Even today, they are costing the U.S. Treasury (i.e., the taxpayers) about $1.6 billion every year. That $1.6 billion of tax subsidies—most of which goes to the huge oil companies and to very rich oil investors—amounts to:

Nearly four times the amount devoted to the "Head Start" program for preschool children.

Twenty-one times the funds for the Neighborhood Youth Corps.

Eight times as much as is spent for on-the-job training of veterans.

Eighteen times the Federal support for the arts and humanities.

There are two basic provisions of the law that account for these billions of "tax welfare" to the oil industry. One is called "percentage depletion"; the other involves something intriguingly labeled "intangible drilling expenses." (The expenses may be "intangible," but the tax benefits are tangible in the extreme.)

For those who enjoy its benefits, percentage depletion is a most pleasant experience. To appreciate just how pleasant, imagine how you would feel if the Government were to say to you, the earner of $10,000 annually, "We think you are such a nice fellow that we will just forget about $2,200 of your income, for tax purposes. That is, when you make out your tax return, just act as if the

$2,200 didn't exist." Chances are you'd feel pretty pleased. Chances are, too, that you would feel absolutely overjoyed if you were told that this would be no one-year temporary phenomenon—that it would last just as long as you went on earning your annual $10,000.

That's pretty much the way percentage depletion works. To all those who receive income from oil and gas ventures, Congress has said, in effect, that in making out their tax returns they may just forget about twenty-two per cent of all their oil and gas income. Congress has, in short, placed that twenty-two per cent of everyone's oil and gas income out of the reach of the tax collector. It is tax-free income. And that tax-free privilege goes on, without limit, as long as the oil or gas well keeps on producing oil.

There is one limitation: in any year, the depletion deduction can't be more than half the net profit from a person's (or company's) oil and gas properties. But that limit has not prevented a dramatic rise in the amount of tax-free income from the "depletion allowance." According to the latest available figures, depletion deductions by corporations (which take the lion's share of such deductions) had climbed from just over $3.2 billion in 1960 to $5.5 billion in 1968.

In addition to this depletion allowance, oil companies and investors are allowed large and immediate tax deductions of their so-called "intangible drilling expenses" in a manner not permitted other taxpayers. For *individual* oil investors (as distinct from the major oil companies), this can be a far more important tax favor than the depletion allowance. It is especially handy for those with an apparent aversion to paying *any* Federal income taxes—ever. One oilman has given standing instructions to his tax attorney to "drill up" any potentially taxable income that may loom on his financial horizon. Others are said to guide their drilling decisions with the aid of computers, which make monthly calculations as to income needing "shelter" from Internal Revenue.

When Congress enacted the so-called "minimum tax" in 1969, with the supposed object of putting an end to total tax avoidance of this sort, the legislators took pity on the oilmen who were using "intangible" deductions as a means of paying zero tax. They did so by exempting "intangibles" (although not the depletion deductions) from the effect of the new tax. As a result, the tax avoiders can still manipulate the system so as to pay no tax. (Use of the "intangible" deductions could, however, increase somewhat the percentage depletions that *are* subject to the "minimum tax.")

In a sense, this "intangible drilling expense" deduction adds insult to injury to the Treasury, since it enables oil investors to use their tax savings (i.e., use what would otherwise be Uncle Sam's money) to help them buy more oil holdings, generate even more tax-favored income, and thus make an even larger dent in the U.S. Treasury.

Percentage depletion applies not just to oil and gas but to more than 110 other minerals, and this special deduction alone costs the U.S. Treasury an estimated $1.3 billion per year. In addition, the special "intangible drilling expense" deductions cost about three-fourths of a billion dollars each year, so the total cost of the tax preferences enjoyed by the mineral industries exceeds $1.6 billion.

This prodigious drain on the Federal Treasury is frequently defended as an indispensable incentive to the costly and high-risk exploration for oil and gas. Some find this argument less than convincing. Their doubts are caused by facts such as these:

The "incentive" offered to comparatively low-risk drilling (in the midst of already-proven wells) is just as generous as that available to high-risk "discovery drilling."

That same "risk incentive" is even offered to those who take no risk whatever (namely, the passive landowners who simply permit the risk-taking driller to drill on their land).

The more costly of the two tax "incentives," percentage depletion, taken by itself (i.e., leaving aside the "intangible drilling" feature of the law), does not reward the person who drills and finds no oil but only rewards those who *have found* the oil and who extract the already-found oil from the ground.

What are the reasons for and against the depletion allowance? To become acquainted with them, one might eavesdrop on a hypothetical discussion between an Oilman and a querulous Taxpayer:

OILMAN. When will everybody learn that oil is different from anything else? Every time you lift a barrel of oil out of the ground, there's one less barrel left, and there's not a thing you can do about it.

Suppose I own just one well, and I'm pumping it at a rate that will dry it up in ten years. Every year, my property gets smaller by ten per cent. At the end of the ten years, it's disappeared, vanished, it doesn't exist—and I'm out of business.

You've heard oil called a "wasting asset"? Well, that's why.

TAXPAYER. But isn't *everything* a wasting asset? I mean, a machine doesn't last forever. And once it's worn out, it's just as useless as a worn-out oil well, and there's "not a thing you can do" (to use your words) to get it back. As far as its usefulness is concerned, it might just as well have "disappeared—vanished."

OILMAN. Sure, but you know perfectly well that the tax laws let the machine owner "write off" or depreciate that machine, so that when it's worn out he'll have the money to go out and buy a new one. That's basically what depletion is for the oil industry; it's supposed to give me the money to go out and find a new well to replace my worn-out well.

TAXPAYER. Now, just a minute. First you told me that when a well was used up, there wasn't a thing you could do about it. Now you're saying you need the depletion allowance to go out and look for a new well. What's the difference between that and going out and buying a new machine?

Besides, if we're going to start giving special tax treatment for "irreplaceable" assets, why leave out Raquel Welch and Willie Mays? You can go out and find yourself a new oil well. But what about them, when they grow old? All the money in the world won't buy them back their youth or their beauty. Why not give them a depletion allowance?

OILMAN. Oh, come on now. You can't be serious.

TAXPAYER. Sir, when it comes to potential discriminations against the beauteous Raquel Welch, I am indeed serious. But let's go back for a minute to the oil well-versus-machine example we were talking about. Let's say a toolmaking company buys a new lathe. Under *depreciation*, the toolmaker can never deduct more than the *original cost* of that lathe. But your *depletion* deductions go on as long as your well keeps producing—even though you may deduct one hundred or two hundred times your original cost. How come?

OILMAN. Well, for one thing, the toolmaker can count on his lathe lasting a certain number of years. But I never know for sure how long my oil well is going to produce. It may give out next year.

Besides, I have no way of knowing how much it's going to cost to find new oil. I may hit five or ten or twenty dry holes before I strike a new well—and I might never hit a producing well.

TAXPAYER. But on both scores the toolmaker is in essentially the same boat. For one thing, a new kind of automated lathe might suddenly come along and make his present machine as obsolete and useless as your suddenly worn-out well. For another, he can't tell how much it's going to cost him to replace his lathe—and even if it turns out to cost him twice as much, *he only gets to deduct his original cost.* I still don't see why you oilmen should be special and get deductions for more dollars than you put in.

OILMAN. Obviously you're not aware that our depletion deductions are less than our outlays. Why, in the late Fifties, for instance, we were laying out $1.18 a barrel looking for new oil—but getting only eighty cents a barrel in depletion deductions.

TAXPAYER. But you're no worse off than any other industry. Nobody gets deductions equal to their *replacement* costs, which is what you keep talking about. Besides, you're leaving out half the picture. You get back your money *once* through your "intangible drilling" and development expense deductions, and then *again* through your depletion deductions. Why the *double* deduction when everyone else only gets one?

OILMAN. There is no double deduction. You see, the depletion allowance is to compensate a man for the fact that his oil is disappearing, and the intangible expenses you mention are to cover the cost of drilling and putting up a well and getting it into production.

TAXPAYER. Well, the Supreme Court doesn't agree with you. It ruled that depletion is supposed to cover both, and another court ruled that the "intangible" deduction is a "special favor."

OILMAN. You know, you keep harping on this "special treatment" theme, but all depletion does is put us on the same footing as everybody else. You see, when I find new oil, I'm creating *new* capital, and when I sell it, all I'm getting is a "return of capital." Other people don't pay taxes on that—why should we?

TAXPAYER. Well, it seems funny to me that when you tell your *stockholders* about your oil sales you list the proceeds as income and profits. But all of a sudden, when you're telling the *tax collector* about them, they are magically transformed into a "return of capital." Some companies even keep two sets of books—one for their stockholders, showing the same kind of "original cost" figures that all other industries use, and another for the Government. In fact, the Internal Revenue Service reported that in 1964 the petroleum industry reported after-tax profits of $1.7 billion, *for tax purpose*—yet *on their own books of account* those same companies showed after-tax profits of $5 billion—*nearly three times as great.*

OILMAN. But that's done—sometimes *required*—in many industries. Besides, you people always forget the terrific risks we run when we look for oil and the fantastic money it costs us. And it's getting more expensive all the—

TAXPAYER. Let me stop you right there. Surely you're not suggesting that oil is the only risk-taking business. As a matter of fact, from one point of view, oil is one of the safest. The figures on business failures in *Dun's* magazine show that in every year from 1925 to 1954, oil had about the lowest rates of failures. In the mid-Fifties, the failure rate per 10,000 businesses was twenty in food, fifty in apparel, eighty-six in construction, over four hundred in retailing—*and only four in oil, gas, and mining!*

OILMAN. Now I've heard it all. Are you saying oil is a "safe" industry?

TAXPAYER. No, I'm not denying there are risks in oil, just as there are in every business. But if the oil industry is going to get a tax concession on the basis of its risks, then the only fair thing would be for the Government to try to measure the exact amount of risk in *every* industry—in fact, every individual business.

You know, you oilmen talk a lot about free enterprise. Why aren't you willing to rely on free enterprise to take care of the risk factor? Other industries assume that if risk is high, prices and returns on investment will reflect it. Why can't the oil industry stand on its own feet? How come it needs a subsidy?

OILMAN. What are you trying to do, make me mad or something? We oilmen are individualists. We get no subsidy; we want no subsidy.

TAXPAYER. Frankly, I don't see what else you can call it when U.S. corporations as a whole paid about forty per cent taxes in 1971, while five major oil companies paid about five per cent—for a tax saving, compared with other corporations, of two and a half billion dollars, for just five companies in a single year. (See table.)

OILMAN. I still can't seem to get you to realize the extent of the risk we take. In "wildcat" drilling, for instance, when you're exploring in a brand new field—eight out of nine tries turn out to be dry holes. It's true that drilling near proven oil pools, only one out of four is a dry hole.

TAXPAYER. You admit there are different risks involved in different kinds of drilling. Yet why does everybody get the same depletion allowance—whether his risk is high, low, or even zero?

As a matter of fact, most of the depletion deductions don't go to the small wildcatters, who are really risking their financial necks. They go to the giant corporations that take much smaller risks.

OILMAN. You'll have to prove that one to me.

TAXPAYER. All right. The latest available Government statistics on the subject show that in 1967 nearly ninety-two per cent of all depletion deductions were taken by the most colossal corporations in the country—those with assets of more than a quarter of a billion dollars. About $99.70 out of every $100 went to companies with assets of a million dollars or more—that's still a pretty big company. So how much did the smallest companies get? *Thirty cents* out of every $100 of depletion deuctions!

OILMAN. All right, everybody. All together. Let's all hiss the giant corporation and weep for the little fellow. Touching, very touching—but I didn't hear one statistic that had anything to do with the *riskiness* of an oil investment.

TAXPAYER. On the contrary, my statistics were right to the point. In the first place, one of your most ardent Senatorial supporters has said that the big oil companies do very little wildcatting. They buy a lot of their new oil *from* wildcatters as proven wells—so there's no risk there.

Secondly, the drilling they do is fairly conservative, and highly successful. Take the five largest oil companies. In 1958, they hit 3,447 *productive* wells against only 868 dry holes. That's a four-to-one ratio. Even the *worst* record among the forty top oil companies was 105 successes to 96 dry holes—a far cry from the eight-to-one odds you were talking about.

OILMAN. But depletion isn't for risk alone. Everybody's capital—the big fellow's just the same as the little guy's—is disappearing as the oil gets pumped out. But since you're talking about risk, let's concentrate on the small wildcatter, the guy who's *really* taking the risks. If you cut down on the depletion allowance, he just won't go out looking for new oil. He'll sell out to the major oil companies.

TAXPAYER. Now maybe we're getting somewhere. If it's the small wildcatter who's taking the risks and needs the help, let's by all means give it to him. *But let's make sure the help really goes to him,* and not to a lot of people who take no risk and need no relief.

The trouble with a tax deduction is that it's absolutely no good to the really small, hand-to-mouth wildcatter who doesn't have the outside income to offset against the deduction. Besides, why give a tax concession to a man who simply leases his *land* to an oil company, *risks nothing,* and then sits back and collects royalties? Or what if I buy an interest in a *proven* well? Where's my risk? And yet I may get more of a tax break than the wildcatter who risked his shirt.

OILMAN. But the oil industry is still less profitable than a lot of other industries, even *after* taxes.

Besides, what if there's a war? What if we get caught like Europe after Suez—suddenly deprived of our foreign oil supplies, just by the whim of some dictator?

TAXPAYER. Well, if we're going to give tax concessions to one industry solely on the ground that it's "war-essential," we ought to give it to all of them—airplane companies, electronics, and missile companies—there'd be an end to it.

Secondly, if the object is to make sure we have plenty of oil here at home in case of a war, percentage depletion is just 180 degrees wrong.

OILMAN. What do you mean? Why?

TAXPAYER. Because percentage depletion doesn't give you a single penny's benefit for *discovering* the oil. You only begin to get the advantages *when you begin drawing the oil out of the ground*—that is, when you begin using up the oil we might need in a war.

Besides, if we need every drop of our oil for defense, why do we limit the imports of foreign oil? Why not do just the reverse: rely mainly on foreign oil now and conserve our domestic supplies in case of a war?

OILMAN. Oh, sure—and shut down the American industry! Where do you think we'd get the skilled hands to start up our industry again if war did break out?

TAXPAYER. You seem to want it both ways. First you tell me we need lots of domestic oil in case of war, and then you say we should use up our oil here at home to keep our industry going.

Besides, if, as you say, all this foreign oil is going to be cut off from us in time of war, why give it *any* depletion allowance? What sense does it make to subsidize foreign oil, and then deny ourselves the use of it by import quotas?

OILMAN. You mean grant depletion on *domestic* oil but not on *American-owned* foreign oil? Why, Congress would never discriminate that way.

TAXPAYER. I beg your pardon, sir. Congress has done precisely that. In the case of some thirty-five minerals, it has drawn a clear distinction between the domestic and the foreign production. It could do the same with oil.

OILMAN. I think we'd better wind this up. Let me make two final points. First, the depletion allowance has become as much a part of the oil industry as the rotary rig. You wouldn't dream of depriving us of that important tool; don't deprive us of depletion.

Second, the depletion allowance has worked. Since it's been in effect, we've had fabulous discovery of oil, we have lower prices to the consumer on oil and gas—lower, in fact, than in 1926, when depletion began, despite huge cost increases since then. We have one of the greatest oil industries in the world. Why rock the boat? Why experiment with something you don't know will work? I say you can't argue with success.

TAXPAYER. Despite the last admonition, let me put in my final two cents.

Success? Yes. Discovery? Yes. But how much of it is due to the depletion allowance? After all, not a penny of the depletion allowance *as such* (leaving aside the "intangible" deductions) helps new *discoveries*. And most of it goes to people who are doing little or no *high-risk* exploration.

Let me remind you of the study commissioned by the Treasury Department that concluded that the billion and a half dollars of annual tax subsidies to the oil industry was resulting in only $150 million of new oil discoveries—which, with only a ten per cent return, means that the oil tax subsidies are ninety per cent waste.

That's one of the main troubles with a tax subsidy. So often it is extremely poorly aimed at its target objective. So if—and I emphasize "if"—the oil industry (or any other mineral industry) needs special Government help because of the risks of exploration, let the help come directly out of the Treasury. Let Congress appropriate the funds every year, as they do with the farm subsidy and other kinds of subsidies. That way, we could start from scratch and design a new subsidy that would be tailored to help the *real* risktaker: the explorer, the discoverer of oil. But as long as the subsidy is embedded in the tax laws, the billions lost to the Treasury will be unseen, unquestioned, and uncounted—until it's too late to retrieve the wasted money. A directly appropriated subsidy *would bear an annual price tag*. What's more, it would automatically be reviewed and debated every year.

You say we should continue depletion because it's always been there (which it hasn't) and has become part of the industry. Well, child labor and the twelve-hour day were also once part of American industry, but we abolished *them*.

In the annual debate that would take place if the oil subsidy were directly appropriated, there would be a chance to ask questions, such as: Does it make sense to give tax windfalls to people who risk little or nothing—such as those who buy *proven* oil reserves and the landowners who let others take the risk but reap the tax benefits? Does it make sense to spend billions to stimulate the search for more oil, when we are deliberately curbing oil imports—and when studies indicate a ninety per cent waste factor in the present tax subsidy?

I think the public deserves an airing of those questions.

OIL: CAPITALISM BETRAYED IN ITS OWN CAMP

(By Fred R. Harris)

Some Indian tribes once used petroleum as a medicine. And when I was young, we put kerosene—"coal oil," we called it—on cuts and scratches as a curative. We thought it had healing qualities.

Today the situation is reversed. Oil is making us sick—sick with pollution, to be sure, but also sick economically. Actually, the whole energy industry is itself sick with gluttony. It has devoured too much of the competition, too much of the market.

My family worked horses and mules when I was growing up. There were two kinds of animal. We called some "easy keepers," because in the wintertime when the grass was short, they stayed out in the pasture, rustling their own feed.

The other kind we called "barn horses." It was all you could do to get them out in the field to work in the morning. And the only time they showed much spirit was when you headed them back toward the barn at noon or at the end of the day. Then you almost had a runaway. In the wintertime they hung around the barn, wanting to be hand-fed.

A lot of "barn horses" were smart. Some of them learned how to open granary door latches. Sometimes they would get into the oats and eat so much they would founder. When that happened, we would have to dose them with something.

The energy industry in America is like a bunch of "barn horses." It has gorged itself to the point of foundering. And it needs a good dose of New Populism.

In the beginning, there was competition in finding, refining, and selling oil and gas. "Black gold" was a fabulous bonanza for those who found it, and a gambler could hit it big. But gamblers hate odds. Improved geology reduced the risks some. But that wasn't enough for the oilmen.

Economic and political power did a much better job. The oilmen said that a busy, growing nation needed the rapid discovery of new oil reserves to fuel its continued growth, and so there ought to be special incentive for oil exploration—that was the oil industry argument. And the Congress bought it.

The oil industry was voted a special tax benefit, now worth some $2 billion a year, through the oil and gas depletion allowance. People who discover oil, and investors who buy or people who inherit interest in an existing oil well, do not have to pay any tax at all on twenty-two per cent of their gross income from oil, up to a maximum of fifty per cent of profits. (Until 1969 the figure was 27.5 per cent.) One of the original arguments for the tax subsidy was that a part of gross income from oil production is actually a return of capital investment and is not really income. But that is just theory, because the exemption of this income from taxation is not limited to the amount of the actual capital investment. And it is not tied to the degree to which these special profits go back into new exploration, although the other argument for this loophole was that it would encourage the finding of new oil reserves. It is just a generous subsidy.

Oil companies are allowed a second lucrative tax advantage by being permitted to write off right away as expenses their intangible drilling costs, rather than have them treated as capital investment. This procedure, again, greatly reduces the part of their income that is subject to tax.

The discovery and production of crude oil, then, has become a special kind of tax-sheltered business in the United States. And the tax encourages high crude oil prices. So if an oil company is engaged in, say, both marketing and production, it is encouraged by the tax laws to charge as much of its costs and expenses as possible to its marketing arm and run up as high a rate of profit as it can in its production division.

But how can crude oil prices be kept high if there are special incentives for everybody to get into the business? That is a question the oil companies first began to ask themselves in the 1930s. They came up with a good non-competitive answer: proration—that is, limiting the production of oil by state law. One aspect of proration has a logical base in that a large underground pool of oil, when discovered, may actually belong to a number of owners. Unless restricted in some way, one owner could rapidly pump out the whole pool. Besides being greedy, this practice can also be wasteful. In the rush by one owner to get the oil out rapidly, to the exclusion of the others, the recovery potential of the pool—the possibility of extracting the maximum amount of oil discovered—can be seriously diminished.

The states set up proration procedures to protect the rights of the various owners of any discovered oil pool and to ensure that the best conservation techniques were used in production. But the procedures failed to stifle competition sufficiently to suit the oil industry. So the proration laws went a step further. The states set up procedures to determine how much crude oil could actually be sold at an established high market price. Then they put a lid on any production above that, halting extra production that would tend to bring the price down.

But what if one state was less restrictive than another? What if competition in one place undermined the lack of competition elsewhere? The oil companies had thought about that possible loophole, and they got the Congress to plug it up. Federal laws were passed to permit the states to agree among themselves on binding limits on crude oil production. And the Congress made it illegal to sell "hot oil"—that is, oil produced anywhere in exces of the proration limits—in interstate commerce.

The average citizen began to pay special tribute to the oil industry out of both pockets. Out of one pocket—his taxpayer pocket—he paid for the oil and gas depletion allowance and the intangible drilling cost write-off. In 1971 the eighteen largest oil companies paid only 6.7 per cent of their net income in Federal taxes—and the taxpayers had to make up the difference. Out of his other pocket—the consumer pocket—the citizen paid higher prices for the lack of price competition in crude oil production.

The gambler's odds were down much lower. But the fix was still not favorable enough to suit the oil companies. Some companies were explorers and producers. Some were refiners. Some were marketers. Such a competitive system still permitted too much risk. After all, if he were left alone, a refiner might buy from any one of several producers. A marketer might buy from several refiners. So the oil companies began to integrate vertically in order to control the flow of oil all the way from the wellhead to the gas pump.

John D. Rockefeller of Standard Oil had long since set the pattern for monopoly in the oil industry by driving some of his competition out of business and by buying out the rest. His career, repeated over and over, is a succinct history of the oil industry. Today the rate of concentration is faster than ever. Companies that produce their own crude oil enjoy increased control of the market and special tax advantages. So the Union Oil Company bought the Pure Oil Company and became the twelfth largest oil company in the country. The Federal Government's Antitrust Division, despite accurate warnings that this particular merger would start a new wave of similar concentration, offered no objection.

Then Getty Oil Company merged with Tidewater, Sun Oil, the thirteenth largest, and Sunray DX, the seventeenth largest oil company, combined. The fourteenth largest, Atlantic, bought the twenty-third largest, Richfield. In all, eight of America's largest oil companies disappeared after 1960. They merged with even bigger companies or were bought outright.

The abuses of the original Standard Oil Trust had produced the antitrust movement in the last century. The first landmark legislation was the Sherman Antitrust Act of 1890. But the Government's memory is short. And it has stood aside while oil companies have integrated "backwards" to the oil fields themselves—buying out other producers and refiners, building and buying pipelines to the oil fields. Nearly four cents out of every dollar the average consumer spends goes for oil and gas. But when he drives up to the pump, his money gives him no market power at all.

It is a seller's market, and the sellers control it. Did you ever wonder why a filling station sells only one brand of gasoline? The system does not always have to work that way, and it did not always. Originally an independent businessman could open up a service station, buy from any one of several refiners or wholesalers, and sell the product under his own name or whatever name or brand he wished. He could compete for customers by offering a better price and better service. But he can't anymore.

There was a time when the big companies owned their own outlets. Some states, beginning with Iowa, passed laws to restrict this kind of chain operation. The companies turned the restriction to their advantage. Although they still retained ownership of some of their best stations, they began to set up "independent" dealers on a franchised basis, either through sales commission contracts or, most often, through short-term leases of filling station facilities. Now a dealer will operate a single station for a huge oil company landlord, selling its one brand alone.

In this way the company gets a sure and exclusive outlet for its product. It also gets extra lobbying power, indirectly, because politicians tend to pay more attention to the entreaties of "independent" businessmen—at least publicly—and they tend to see gas station franchises as independent. And because it is extremely difficult for the filling station employes—who are few in number in relation to the number of separate dealers they work for—to get together and organize, the oil companies are effectively protected from unionization at the marketing level.

Suppose you want to open a new filling station and sell gasoline for two or four cents cheaper than the big company outlets. The gasoline is the same. You get it from the same refinery where the national brand name companies get theirs. You put a big sign out in front of your station calling attention to your lower price. And business begins to boom.

But not for long. A lot of people tried doing this following World War II, at the end of gasoline rationing. But the major oil companies would not allow the practice then, and they will not allow it now.

First of all, if you try to beat them, they will cut off your supply of gasoline. If they own the refinery, they will refuse to sell to you, until you bring your prices into line. If you are getting your wholesale gasoline from a refinery that does not control its own crude oil supply but has to buy crude oil from a major company, they will make the refinery quit selling to you. They can do this by threatening to cut off the supply of crude oil the refinery has to have in order to operate.

That is one way to stifle competition. Another way is for the company to buy you out or convert you to dealer status with them, selling their brand exclusively at their established price. And when you are a dealer who has gone through a price war with the majors, you are a lot more willing to sell out, or convert—or raise your price back up again.

The majors have what they call a one-cent differential. That is, they will not let an unbranded gasoline be sold at a price more than one cent cheaper than their own brands. They will give reduced price-war prices on wholesale gasoline to their own exclusive dealers or reduce their dealers' lease payments. Subsidizing their dealers' losses that way, they will cut retail gasoline prices, as low as necessary for as long as necessary to bring an independent to his knees.

The majors do not compete with *each other* on retail prices. Any time you see big signs out in front of their stations, calling attention to the price of gasoline, you can be sure that you are not getting a better price for long. The real story is that some gutsy independent entrepreneur is on his way to a bad beating.

Price wars not only reduce competition in marketing. They also encourage integration in production and refining. An independent refiner whose independent customer stations get into a price war will soon go under himself, or sell out. And even big oil companies that are only in marketing get the message, too: they must move to control their own crude oil production and refining if they are going to be able to equal the market power of their integrated competitors.

The idea of American mass marketing is that it should deliver a better-quality product to the consumer at a lower price. But the system certainly does not work that way in the gasoline industry. The product is virtually the same from one major brand station to another. And yet the majors have strongly resisted efforts to force them to tell the components of their gasoline—the octane content, for example. Additives are often valueless, except as advertising gimmicks.

An official of Phillips Petroleum, Stanley Learned, admitted in a Federal Trade Commission hearing that the majors exchange gasoline with each other, and he said that each company in effect puts in a pinch of something to make its gasoline distinctive. "We have an additive that allows us to advertise," he said. "I don't know whether it does anything for gasoline."

But what if a major oil company's *exclusive* dealer decides on his own to increase his sales volume by reducing the price of gasoline? He will have that enterprising thought knocked out of his head pretty rapidly. His short-term lease is likely to be canceled, and his rent may well be raised. Or company-owned stations can reduce their prices to undersell him. The maverick dealer gets the message pretty quick—or he goes under. The message is that the so-called independent dealer for a major company is an indentured servant.

The oil and gas industry is a shared monopoly. Standard Oil of New Jersey, Mobil, Texaco, and Gulf accounted for 55.4 per cent of all petroleum sales in 1970. Jersey Standard alone controlled nearly twenty per cent of sales. In particular areas or regions, the company names are somewhat different but a few of the major companies nevertheless control the market.

A lack of competition in the gasoline industry, as in other industries, results in excessive expenditures, too, for advertising and the promotion of products that are essentially the same and are sold at essentially the same prices. Each major company tries to tie you to its own credit card, which is generally not interchangeable with those of its competitors. This obviously is a wasteful and inefficient practice that runs up costs and increases the consumer's price. Half the cards issued are either used little or not at all, causing enormous and unnecessary extra bookkeeping and financial records.

In the past the majors have sometimes forced their dealers to use trading stamp promotions. The dealers bore most of the cost of trading stamps, and the dealers bear most of the cost of games and contests and special prizes and giveaway items. Consumers pay the rest of the cost. The company's profits go up through increased sales.

The law says that *forcing* a dealer to participate in such a promotional campaign is illegal. But Joseph E. Berger, a dealer for a major oil company, found out that the law is not enforced. He tired of losing money participating in the company's national promotion campaigns, so he threatened to quit sponsoring the promotions. He found out, quickly, what other dealers have found out: the company means business about promotion campaigns. Suddenly his lease was cut to six months, and he was forced out of business anyway, law or no law.

The dealer for a major company also has to carry for sale the company's tires, batteries, and accessories—known in the business as "TBA." Bob Michaud, a Texaco dealer in Maine, decided he did not want to carry Texaco's exclusive TBA line. He came to that decision for a good reason: he could get the same products at a cheaper price through local wholesalers. He was aware that the Supreme Court had ruled that no dealer could be forced to carry only his major company's preferred product. But Texaco trumped up another reason and canceled his lease nevertheless.

One result of this non-competitive marketing system is that the 211,000 filling station operators for major oil companies have an extremely precarious economic existence. The turnover rate of dealers in the gasoline industry is far higher than in comparable industries—as many as forty per cent of the dealers in some markets change jobs every year. Shell's turnover is twenty-six per cent, and the industry average is twenty-four per cent.

While dealers are being pressed to the wall, consumers are paying gasoline prices that are at least six per cent higher than they would be if marketing were competitive. And the big oil companies get bloated on the profits of protected integration, of cutting out competition all the way from the oil field to the filling station.

In late 1970 some large domestic oil producers arbitrarily raised the price of crude oil by twenty-five cents a barrel. But, you may ask, what is to keep foreign-produced oil from flooding into the United States and bringing down domestic prices? The oil companies thought of that question long before you did. For one thing, back in 1959, they got the President of the United States to institute oil import quotas by executive order. Backed up by no law, President Eisenhower simply *decreed* a mechanism for limiting oil imports to protect the domestic price. Its beneficiaries and their political allies sought to justify the system on the basis of national security. It was said that by restricting oil imports we would encourage the finding of more oil here at home; in wartime we would not be dependent on foreign oil. Actually, the decree did not do much for national security, but it certainly made the big oil companies more financially secure at the expense of domestic consumers.

President Nixon's Cabinet Task Force on Oil Import Control reported in 1970 that, but for these import restrictions, the U.S. domestic wellhead price for crude oil—$3 per barrel—would decline, over time, to around $2 per barrel. The President's hand-picked panel found that American consumers were paying $5 billion more each year for oil products than they would have to pay if imports were not restricted. Despite his pronouncements against inflation, President Nixon rejected the recommendations of his own task force for abandoning the oil import quota system.

Any President, by the stroke of a pen, could end the system. But the major oil companies are even prepared for that eventuality. Their trump card is a world oil cartel—they have been allowed to corner production, worldwide.

The arrangement goes back a long way. Standard of New Jersey, Royal Dutch-Shell, and Anglo-Persian (which became British Petroleum) entered into a kind of treaty back in 1928, dividing up the world market and agreeing against surplus production that might bring down the world price of oil. Since then the oil companies have become more devious in such violations of the antitrust laws, and the U.S. Government has become, if anything, more lax in enforcement. For example, seven major companies—Jersey Standard (now Exxon), Royal Dutch-Shell, British Petroleum, Mobil, Standard of California, Gulf, and Texaco—now control almost all of the production and marketing of Middle Eastern oil.

In 1971 oil cartel companies in the Persian Gulf countries agreed to an increased cost of four cents a barrel. But they were able to jump their selling price by twenty-eight cents a barrel in the Japanese market, because they control that market. By agreement, they sell *residual* fuel oil, which is used for heating, cheaper in Europe than they sell residual oil in the United States, keeping U.S. prices unnaturally high. In short, huge oil companies are allowed to make their own international prices and their own foreign policy.

Again, average Americans pay out of both pockets. They pay out of their consumer pocket in higher fuel prices. They pay out of their taxpayer pocket too, because, strangely enough, oil companies can deduct the U.S. depletion allowance from their *foreign* oil income. Don't forget, this provision was originally justified on the ground that it would spur the discovery of additional domestic oil reserves.

The oil companies are also allowed to reduce their U.S. income taxes by the amount of the tax payment they make to foreign governments. This payment was considered at first a royalty, that is, a justified business expense, not a *credit* against U.S. income taxes. But the oil companies found it enormously more advantageous financially to treat these foreign royalty payments, under agreements negotiated with the potentates of oil-producing countries, as taxes. They then got credit, not a less lucrative deduction from income, but a dollar for dollar credit against actual taxes that they would otherwise have to pay in the United States.

So, while we say that national security and national economic health depend upon finding and producing *domestic* oil, our policies actually give greater encouragement to foreign discovery and production. American oil companies, between 1959 and 1969, spent six times as much for foreign exploration as for domestic.

International oil companies based in the United States avoid taxes on about one-half of their profits through the depletion allowance and by writing off intangible drilling costs. They avoid taxes on three-fourths of the remainder of their income through the foreign tax credit. Five international oil companies headquartered in the United States earned nearly $30 billion between 1962 and 1968. But their total U.S. income tax payment for that entire period was only $1.4 billion—a rate of just 4.7 per cent.

The oil industry's plan is simple, and it has followed it to the letter:

It secures Federal subsidies: by the oil and gas depletion allowance; by the write-off of intangible drilling costs; and by the foreign tax credit.

It eliminates competition: by state proration, limiting domestic production; by exclusive dealership marketing; by merging with or buying competitors; by vertically integrating; and by international cartels and import quotas.

What is left? Competition from other fuels, you say. Again, the oil companies are ahead of you. There is an increasing demand for natural gas, but most domestic gas reserves are now owned by the major oil companies, including the same ones that control international oil. And the Federal Power Commission, which is supposed to regulate gas prices, is largely dependent upon the oil industry for information about reserves and the proper level of prices. In the spring of 1972 the FPC took the oil industry's word—"crisis" is the word—about a shortage in natural gas reserves and, in effect, took the lid off all gas prices. Oil does not have to compete with gas. Both are overpriced. And both fuel sources are owned by the same companies.

In some industries, *coal* should be directly competitive with oil and gas. And in the near future that competition ought to increase—to the benefit of the consumer—because of the new processes for converting coal into synthetic gasoline through "liquefaction" and into synthetic gas through "gasification." But you guessed it, the oil companies have already moved in. Gulf Oil bought Pittsburgh and Midway Coal Company. Continental, the ninth largest oil company, purchased Consolidation, the largest coal company. In the last ten years, seven of the largest independent coal companies have been purchased by non-coal companies. Four of these purchases were made by large oil companies that are also vertically integrated in the oil and gas business.

In addition, Exxon, Kerr-McGee, Atlantic Richfield, and Sun Oil own huge coal reserves. It is supposed to be against the law to buy up the competition, but these violations continue unabated.

It is not just the oil companies that are doing it. Copper companies, steel companies, and railroads, great users of coal and other fuels, are buying up coal companies and coal reserves—controlling their own supply, reducing competition.

Demand for coal has gone up at the rate of five percent a year during the last two years. Production has gone up at the same rate. But coal prices have increased an average of seventy percent. And they have more than doubled in some places.

In uranium it is pretty much the same. Oil companies own nearly half of all known uranium reserves in the United States. New Jersey Standard and Gulf are heavily involved in uranium and atomic energy. Kerr-McGee, by itself, owns nearly one-fourth of the total uranium milling capacity in the country.

The bill oil companies are moving in on *new* energy sources also. They are buying up the oil shale and tar sands in the Rocky Mountains and Canada. Underground steam (hot springs) looks promising as a new power source. So a few big companies, such as Union Oil, Signal, andf Getty, are rapidly gaining control of steam too, though much of it is under *public* lands in California and the other states in the West.

The main "crisis" in energy is that energy sources are monopolized. The twenty-five largest oil companies are all involved also in natural gas. Eighteen of them have invested in oil shale and uranium. Eleven are in coal. Seven are in tar sands. Six of the ten largest oil companies are involved in all four major domestic fuels—oil, gas, coal, and uranium.

The twenty largest oil companies each have more than $1 billion in assets. And seven of the twenty biggest industrial corporations in America are oil companies. You can make a chart showing competition and profits in the oil industry. The competition lines fall downward, *off* the chart. The profits line zooms upward—showing an increase of thirteen per cent in the first half of 1971 alone. Concentrated economic power means a redistribution of income and wealth in the wrong direction. It also translates into political power. The oil companies are trying to monopolize and dominate Government studies of how to solve the "energy crisis."

The "barn horses" have foundered, and we have got to make them well. We have got to get them out in the pasture, rusting for their own keep. That means ending the subsidies—all of them. It means ending the Government-imposed restrictions on competition. It means breaking up monopoly power; stopping vertical integration and exclusive dealerships; ending the international oil cartel; breaking up the big oil companies and their monopoly control of energy sources. It means less regulation; allowing competition between fuels; requiring pipelines to compete with pipelines carrying oil and gas, as the law requires, without discrimination among customers.

That is a hard message to get across. The big oil companies spend millions of dollars in tax-deductible advertising to tell us what a great job they are doing toward cleaning up the environment, while they are really continuing their usual practices. They spend millions more for tax-deductible advertising to convince us that we are well served by the present system of huge subsidies and no competition. Mobil, for example, runs newspaper advertisements headed, A STAGNANT ECONOMY IS THE WORST KIND OF POLLUTION. Its message really boils down to the claim that if the energy industry has to join the free enterprise system, economic growth will be killed.

This message is nonsense, of course. Many people—from members of Congress on down—have swallowed it because the oil industry is organized, politically as well as economically.

The oil lobbyists have long flooded the country with self-serving, one-sided information, playing upon "energy crisis" fears. If the public interest forces marshal and publicize the true facts, maybe soon the people will begin to realize that the real "energy crisis" is not lack of fuel but lack of free, unsubsidized competition.

Mr. McGOVERN. Mr. President, will the Senator from Wisconsin yield to me momentarily?

Mr. NELSON. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes remaining.

Mr. NELSON. Mr. President, I yield to the Senator from South Dakota such time as he may desire.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized.

A NATION THAT RUNS ON OIL NEEDS A NATIONAL ENERGY POLICY

Mr. McGOVERN. Mr. President, I congratulate my distinguished colleague, the Senator from Wisconsin (Mr. NELSON) for his perceptive statement on these three superb articles from the Progessive. I appreciate the fact that the Senator furnished me with an advance copy of the text of what he was going to say today. As he very properly pointed out this series of articles make a vital contribution to the public discussion of what has become known as the energy crisis.

We must not be deluded by the energy industry's call for a comprehensive energy policy. We have had an energy policy all along—at least a series of energy policies—but most of it has been written, not in Washington, but in Houston and Tulsa, as the Progressive points out.

We are told that the administration is about to send the Congress an energy message. Many reporters have predicted that it will recommend relaxation of air quality standards, to permit more burning of coal; deregulation of natural gas prices to permit the companies to charge what the traffic will bear; and increased mining of coal, which means more strip mining and, in the absence of effective legislation, more of our countryside laid waste.

Mr. President, I think that energy crisis is upon us. Progressive Magazine has performed a great service to the Nation in alerting us to the role the oil industry plays as an important part of the fuel sources of the Nation. For many years I have read this magazine with great profit. I think if I had to be limited to one multimagazine this is the one I would pick. Again, they have come forward with an important series of articles that I hope every Member of Congress will read.

The significance of these articles, among the torrent of words being written about energy in recent months, will become increasingly obvious as time goes on. Their content is prophetic, in the best traditions of this magazine which dates back to the days of the late Senator LaFollette of Wisconsin.

Two years ago last December, I told the Midwest Electric Consumers Association that this Nation had, despite a trillion-dollar economy and unparalleled technology, "blundered into a power and fuel emergency which threatens to damage each American citizen."

Now, more than 2 years later, thousands of American citizens have felt that damage. Children were denied schooling in some cities, factories were closed, and barges and planes did not run because they could not get adequate fuel.

As the situation has become worse, the Government has been sitting on its hands. It has continued on the same course that has created this emergency.

We are told that the question of oil import quotas, now "under final review" at the White House, will be one of the subjects of the energy message. Administration comments suggest strongly that only minor tinkering is in store for the import quota system. The President does not need to send us an energy message about the oil import quota system; he needs simply to sign his name to an Executive order which would abolish it for all time.

If the coming energy message were to recommend energy policy which would safeguard the interests of the consumer, the environment and the economy, it would be difficult for its draftsman to do better than to repeat the words of one of the President's former top advisers, S. David Freeman, who resigned as deputy director for energy and the environment of the White House Office of Science and Technology. His views are reported in the articles inserted in the RECORD today.

It is clear that the massive propaganda campaign of the energy companies is pointed at one goal: higher prices for all fuels. It is a sort of blackmail; what they are telling us is, "You give us sharply higher prices, and we will provide your fuel."

There are alternatives, I am pleased to note, to allowing the Nation's pockets to be picked. I have proposed some of those alternatives in legislation, and other Members of this body have made commendable and necessary proposals. Among those are:

First. Elimination of the oil import quota system. If some constraints are needed on foreign supplies, such as inhibiting the import of finished products to prevent the exporting of refinery jobs, a tariff can be applied selectively. I do not minimize the foreign policy problems that arise from dependence on foreign oil, but it seems far more dangerous to continue the "drain America first" policy in which we have been engaged since the Eisenhower years.

Second. Coupled with increased imports should be an effective program of developing a domestic fuel reserve program, including strategic storage of both crude oil and refined products. Western European countries, which are heavily dependent on imports, maintain a reserve of several months' supply, providing a buffer against unforeseen disruptions of supply.

Third. Stimulation of greater competition in the energy industry. The Federal Government should undertake a vigorous program of halting or rolling back monopoly trends which have proceeded at a frightening pace in the energy field. As former Senator Fred Harris points out, the "energy companies" exercise substantial control of not only oil, but natural gas, coal, uranium, oil shale, and tar sands. To paraphrase the current $3 million advertising slogan of the energy companies, "A nation that runs on oil can not afford to have its energy in the hands of a few people."

Fourth. More, not less, regulation of energy prices. Contrary to the energy industry's demands for deregulation of natural gas at the wellhead, we should seriously consider extending Federal regulation to intrastate as well as interstate gas sales. The 100 percent increase in natural gas prices, suggested by some in the industry, would add $6.6 billion to consumers' gas bills and increase the value of the companies' potential reserves by $300 billion.

Fifth. Establishment of a Federal fuels corporation. Today we have no independent idea of the cost of production of oil or gas. We have only the companies' word for it. We should creat a TVA-like Federal corporation to explore for and develop the abundant fossil fuel reserves which lie under publicly owned lands. It would give us a "yardstick" of the cost of production as well as permitting orderly creation of a strategic fuel reserve.

Sixth. A crash program of energy research. We must greatly accelerate research and development of new means of energy conversion that are environmentally acceptable. The government and the energy industry both have inveted far too little in the search for clean energy. The electric industry alone estimates that it will need to invest $32 billion in R. & D. by the year 2000, and like or greater amounts are needed to develop methods of nonpolluting use of oil and coal, and for such exotic energy sources as nuclear fusion and solar power.

Seventh. Construction of a national power grid. For the second year, Congress has before it a bill to authorize a national network of extra-high-voltage transmission lines to make the Nation's electric utility system more reliable, more efficient and less costly. The economic and environmental advantages of a national grid are compelling reasons for its quick enactment.

Eighth. While we work for more adequate, reasonably priced energy supply, we must greatly intensify energy conservation efforts. Far too much of today's American energy use is wasteful. It makes no sense for most people in major cities to drive to work in 300-horsepower automobiles, when, it has been estimated, energy for personal transportation could be cut by three-fourths if everyone rode buses. Giant office buildings have energy inefficiency designed into them. Many industrial practices have been designed around excessive energy consumption. Adequate Government measures—among them, a truth in energy law which would require disclosure of energy consumption of appliances and machinery—could do much to depress spiraling energy consumption.

Ninth. Reorganization of Federal responsibility for energy policy is long overdue. Forty-four agencies in the executive branch now administer specific energy programs; 20 more have an impact on the U.S. energy pattern. Thirty committees and subcommittees of the Congress, out of a total of 54, handle energy-related problems.

Tenth. Strip mine reclamation. Congress should move swiftly to enact tough and effective legislation which would require adequate reclamation of strip mined land, and prohibit absolutely the strip mining of land which can not be reclaimed economically.

Eleventh. The trans-Canada pipeline. We should enact the legislation which has been introduced to direct the executive branch to begin negotiations with Canada to build a route across that country to move oil from Alaska's Prudhoe Bay to the lower 48 States, and junk the plans to build the costly and environmentally unacceptable trans-Alaska pipeline. Consideration should be given to the proposal of the prime minister of British Columbia last week that the Canadian route be a combination of a pipeline and a railroad.

These eleven points certainly do not constitute a full inventory of our needs. But clearly they are among the steps which must be taken to bring order to the chaotic situation which threatens damage now to millions, not thousands, of Americans who have become more dependent on energy than any other civilization in history.

It was clear during the broadcast of last week's Public Broadcasting show "The Advocates," that the energy companies' program is more inflationary than any other policy currently debated.

Under cross-examination, the president of the Atlantic-Richfield Oil Co., one of the Nation's largest, conceded that his solution to the energy crisis would be increased fuel prices.

Asked whether an increase in fuel prices would not then result in an increase in the cost of every item the consumer buys, to reflect the higher cost of fuel used in production and marketing, the oil company executive answered, "That is right."

Mr. President, there may be justification for modest increases in the cost of some fuels, to reflect higher costs of production including better wages and adequate mine safety, among other things, but the Congress cannot permit the energy crisis to be used to create another crisis—one of picking the pockets of every American to provide windfall profits for the energy companies.

Mr. President, if you will permit another paraphrase, "A nation that runs on oil cannot afford to be robbed."

Mr. President, again I thank the Senator from Wisconsin for his leadership in this field and for calling the attention of the Senate to these articles.

Mr. TOWER. Mr. President, will the Senator from Wisconsin yield to me for a couple of minutes of comment?

Mr. NELSON. I yield.

Mr. TOWER. I thank the Senator. I might say that I agree with some of the things that the Senators from Wisconsin and South Dakota have said. I think at least we need a national energy policy. I think I know something about the effect of the regulation of natural gas, which has been held at artificially low prices. It is a tremendously popular fuel, because it is a low pollutant. The price has been held to such a low level that it cannot now be produced, and we have had to look to liquefied natural gas or, as in the case of Washington, to synthetic gas made out of naphtha.

Yesterday, interestingly enough, the Washington Post editorialized in favor of deregulating the price of natural gas, because already more is being paid for synthetic gas or LNG—three or four times as much as the regulated price of natural gas, if we compare the price of natural gas to synthetic gas, such as is being made in this area and that the utilities are producing now, or imported liquified natural gas.

I think my colleagues should give serious consideration to that matter. It is not a matter of lining some people's pockets, but it is a fact that exploring for that fuel is of a high risk nature and there has to be some incentive in it to attract risk capital.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for not to exceed 15 minutes.

THE NOMINATION OF L. PATRICK GRAY III

Mr. WEICKER. Mr. President, there are two matters that I would like to discuss this afternoon. One is the nomination of L. Patrick Gray, and the second is the accessibility of information to the Select Committee on the Presidential Campaign Activities, also known as the Watergate Committee.

First off, as to Pat Gray, on February 28 I appeared along with my colleague, Senator ABRAHAM RIBICOFF, before the Senate Judiciary Committee to introduce the President's nominee for the Director of the Federal Bureau of Investigation. I made the statement then that Pat Gray was a man of integrity, a man of compassion, a defender of the civil rights of every American, and one who had a firm belief in the spirit, not just the letter, of the Constitution.

Now, 20 days later, Pat's nomination appears to be in jeopardy, not because committee questioning proved him to be any the less than described before the committee, but because he is exactly as advertised. In his short term as Director, he has sought positive change, and though acclaimed by most members of that institution, and I think the public as a whole, there are those within the FBI and allies without who want to rap at Pat Gray because he spent his energies and his efforts as Acting Director in dealing with reality rather than with history.

And, on the other hand, there were those elements within our political structure that felt Mr. Gray did not represent enough change, there were those who objected to the fact that he was a friend of the President of the United States, and there were those who objected to the fact that he did have an affiliation with the Republican Party.

But, Mr. President, all these detractors, coming from different parts of the political spectrum, could not paint a different picture of the man, L. Patrick Gray, than was originally told to the Judiciary Committee by those of us who knew him.

When I left Pat Gray that first day, of committee hearings, I turned to him and said—

> Now show them how one solid Nutmegger is more than a match for 16 U.S. Senators.

He said he looked forward to that challenge. And I think he has met it, and met it to his honor and the honor of the State from which he comes.

But now that very integrity, that very impartiality, that very vigor which Pat has always used to determine the truth have created a new group of detractors. And it is probably this latest group which has the greatest chance of undoing his nomination.

The fact is that Pat Gray, did conduct a very thorough investigation into the Watergate incident. He was proud enough of that investigation to make it available to the U.S. Senate, to have all the facts laid before us. But there are wrongdoers within the executive branch who feel that such a Director of the FBI is not acceptable and, therefore, have seen fit to cut the ground from underneath him.

How can this man win? His offer before the Judiciary Committee, for each Senator to go down to the Federal Bureau of Investigation and see the FBI files on the Watergate investigation, has now been rescinded, retracted, by the Department of Justice.

So apparently, after all, Pat Gray was too much his own man. Now, in addition to those who objected to Pat Gray because he wanted change within the FBI, to those who objected to Pat Gray because he did not want enough change, to those who objected because he had a loyalty to the President of the United States and was a Republican, we now have a new group—those who fear the independence and integrity of this man from Connecticut.

Mr. President, I proudly introduced him on February 28 because he had these characteristics, and believe me today, I would reintroduce him to the Senate Judiciary Committee as the man best qualified to fill that position. I would hope that the Senate Judiciary Committee would get to the business, the main issue, Pat Gray, and confirm him.

Pat Gray has stood tall. He has answered the most intensive questioning. Even those that started out as his critics came to recognize the character of this man. Even those that questioned his independence and questioned his ability to perform for all of the American people now have to be convinced they were wrong. Let him be feared, not thwarted, by those who, because of his actions, might find themselves in the public light and under public judgment.

SUBPENA DUCES TECUM FOR PRODUCTION OF DOCUMENTS IN THE WATERGATE CASE

Mr. WEICKER. Mr. President, on Friday morning of last week, I telephoned the Acting Director of the FBI and informed him that in accordance with his offer made before the Senate Judiciary Committee, I wished to examine the FBI files on the Watergate matter. Specifically, I indicated that I would personally undertake this task at the offices of the Federal Bureau of Investigation on Saturady and Sunday, March 24 and 25. Director Gray responded that the files would be made available and that FBI personnel would attend to assist in my task.

Several hours later, in a meeting bebetween the Attorney General, Senator SAM ERVIN and Senator HOWARD BAKER, counsel to the majority, Sam Dash, and counsel to the minority, Fred Thompson, an agreement was arrived at which would restrict viewing of these same FBI files to those four individuals.

It is that agreement which cannot be permitted to stand because it would emasculate the function and effectiveness of the other Watergate committee members.

The Senate did not create a two-man committee with five spectators. On the contrary, Senate Resolution 60 provides for full participation by all committee members. Section 3(a)(11) empowers the select committee as an agency of the Senate to have access through the agency of any members of the select committee to any papers in the custody of any department of the executive branch having the power to investigate criminal activities. Senate Resolution 60 does not foreclose committee members from access to FBI reports. Instead access is assured for any members of the select committee.

In light of that language of the resolution, it is doubtful if even the majority of the committee could prevent other committee members from seeing these FBI reports.

The distinguished chairman of the select committee knows that a free press cannot function without access to information. He is chairing hearings at this very moment to safeguard the ability of reporters to gather news. The same is true of Senators. We cannot undertake a thorough investigation of the Watergate affair if we are limited in our access to information.

More important, however, than the legal interpretations of the Senate Resolution 60 is an understanding at the outset of the nature of the trust placed upon each member of this committee. I pointed out when named to the Watergate committee the importance of a result that would restore the faith of the American people in their political system and its participants.

Now, whether it is the President of the United States, White House personnel, the Federal Bureau of Investigation, the Attorney General, the Select Committee on Presidential Campaign Activities, or the Senate itself, insofar as this investigation is concerned, there can be no agreements, there can be no executive privilege, there can be no closed hearings. That is the nature of the trust that Watergate and the accumulation of "Watergates" over the past several years has thrust upon us.

In response to the restrictions placed upon me and also, I believe, in furtherance of the objectives of the U.S. Senate, I am today taking two initiatives.

First. Pursuant to section 3(a)(5) of Senate Resolution 60, I am asking the members of the select committee to authorize the issuance of subpenas duces tecum to the Attorney General and to the Acting Director of the FBI for the production of all reports, documents and other files in their possession which bear upon our committee's investigation.

Second. In light of the lack of cooperation as evidenced by first, the President's invocation of executive privilege and second, the countermanding of Acting Director Gray's offer to the Senate of producing FBI files, it is clear that the Senate of the United States will have to create its own investigative capability. The issue of integrity in Government is as important as any matter before this Chamber. I will therefore make available to the select committee additional investigative and legal personnel to assist in this endeavor.

In conclusion, let me say this. No agony over the failure of this Congress to pass a housing program, no agony over the failure of Congress to vote in a veterans' benefit, no agony over the failure of Congress to initiate a health plan or any of these other great issues of national importance will be as great as the agony of a nation living with and operating under a political system that it does not trust. That—and not the separation of powers—is the problem that confronts us all.

RESCISSION OF ORDER RECOGNIZING SENATOR ROBERT C. BYRD

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia is now recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my order be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes with statements limited therein to 3 minutes. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Connecticut (Mr. WEICKER) have any morning business?

Mr. WEICKER. I have no morning business.

QUORUM CALL

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. BIDEN) laid before the Senate the following letters, which were referred as indicated:

Report on Overobligation of Appropriations

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that certain appropriations had been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations, for the fiscal year 1973 (with an accompanying paper); to the Committee on Appropriations.

Report on Loan to Central Electric Power Cooperative, Inc.

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, on a loan to Central Electric Power Cooperative, Inc., of Cayce, S.C. (with an accompanying report); to the Committee on Appropriations.

Report of Defense Department of Independent Research and Development and Bid and Proposal Costs

A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), reporting, pursuant to law, on independent research and development and bid and proposal costs in the years 1971 and 1972 (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation From the Department of Defense

A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age 60 (with an accompanying paper); to the Committee on Armed Services.

Report on Export Control

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on Export Control covering the fourth quarter of 1972 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Maritime Administration

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration for fiscal year 1972 (with an accompanying report); to the Committee on Commerce.

Proposed Legislation From the Department of State

A letter from the Acting Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes (with an accompanying paper); to the Committee on Commerce.

Statistics of Privately Owned Electric Utilities in the United States, 1971

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a copy of the publication "Statistics of Privately Owned Electric Utilities in the United States, 1971" (with an accompanying document); to the Committee on Commerce.

Report on Intercity Rail Passenger Service

A letter from the Secretary of Transportation, reporting, pursuant to law, on intercity rail passenger service, dated March 1973 (with an accompanying report); to the Committee on Commerce.

Report on Impact of Extension of Unemployment Insurance to Agriculture

A letter from the Secretary of Labor, transmitting, pursuant to law, a report on the effect and impact of extending unemployment insurance coverage to agricultural labor, dated October 31, 1972 (with an accompanying paper and report); to the Committee on Finance.

Report of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report, "United States Interests and Activities in Nepal," Department of State, Agency for International Development, Peace Corps and U.S. Information Agency, dated March 16, 1973 (with an accompanying report); to the Committee on Government Operations.

List of Reports of the General Accounting Office

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for February 1973 (with an accompanying paper); to the Committee on Government Operations.

Proposed Legislation of the Department of the Interior

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend certain laws relating to Indians (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide for the creation of the Indian Trust Counsel Authority (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide for financing and economic development of Indians and Indian organizations (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the assumption of the control and operation by Indian tribes and communities of certain programs and services provided for them by the Federal Government, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to retain coverage under the laws providing employee benefits, such as compensation for injury, retirement, life insurance, and health benefits for employees of the Government of the United States who transfer to Indian tribal organizations to perform services in connection with governmental or other activities which are or have been performed by Government employees in or for Indian communities, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend acts entitled "An act authorizing the Secretary of the Interior to arrange with States or territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", and "To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes," and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation of the U.S. Water Resources Council

A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act to provide for continuing authorization for appropriations (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report and Opinion and Findings of Fact of U.S. Court of Claims

A letter from the Chief Commissioner, U.S. Court of Claims, transmitting, pursuant to law, their report and opinion and findings of fact in the case of H & H Manufacturing Co., Inc. v. the United States, (with an accompanying report and paper); to the Committee on the Judiciary.

Members of Commission on Revision of the Federal Court Appellate System of the United States

A letter from the Chief Justice, Supreme Court of the United States, transmitting, pursuant to law, a list of members of the Commission on Revision of the Federal Court Appellate System of the United States; to the Committee on the Judiciary.

Proposed Legislation for ACTION

A letter from the Acting Director of ACTION, transmitting a draft of proposed legislation to authorize appropriations for ACTION, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

Proposed Legislation by Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices (with accompanying papers); to the Committee on Labor and Public Welfare.

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to strengthen education by consolidating certain elementary and secondary education grant programs through the provision of a share of the revenues of the United States to the States and to local educational agencies for the purpose of assisting them in carrying out education programs reflecting areas of national concern (with accompanying papers); to the Committee on Labor and Public Welfare.

VA Report on Relief From Administrative Error

A letter from the Administrator, Veterans' Administration, transmitting, pursuant to law, a report covering certain cases recommended for equitable relief during calendar year 1972 (with an accompanying report); to the Committee on Veterans' Affairs.

Proposed Legislation by the Veterans' Administration

A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to require that certain veterans receiving hospital care from the Veterans' Administration for non-service-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts with respect to such care; to prohibit the future exclusion of such coverage from insurance policies or contracts; and for other purposes (with an accompanying paper); to the Committee on Veterans' Affairs.

A letter from the Administrator, Veterans, Administration, transmitting a draft of proposed legislation to amend chapter 39 of title 38, United States Code, to provide the same eligibility criteria for automobiles and adaptive equipment for Vietnam era veterans as are applicable to veterans of World War II and the Korean conflict (with an accompanying paper); to the Committee on Veterans' Affairs.

PROPOSED LEGISLATION BY COUNCIL ON ENVIRONMENTAL QUALITY

A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Environmental Quality, and for other purposes (with an accompanying paper); to the Committee on Public Works.

REPORT ON SPECIAL BRIDGE REPLACEMENT PROGRAM

A letter from the Secretary of Transportation, transmitting, pursuant to law, the second annual report on the Special Bridge Replacement program, dated December, 1972 (with an accompanying report); to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. BIDEN):

A joint resolution of the Legislature of the State of Alaska; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 31

"Joint resolution relating to the federal highway trust funds

"Be it resolved by the Legislature of the State of Alaska:

"Whereas the urban and rural street and highway needs of all of the states, and especially those of Alaska, far exceed available revenues under present funding; and

"Whereas the orderly improvement and development of the nation's road systems is essential to continued economic growth as well as for the many related benefits accruing therefrom, such as improved highway safety and the social and recreational values for which adequate highways are necessary; and

"Whereas the special taxes paid, in good faith, only by highway users for highway purposes have been withheld by the executive branch of our national government, contrary to congressional intent; and

"Whereas in addition there are concerted efforts being made constantly to divert and reduce these highway funds so that they may be utilized to finance mass transit systems and for other non-highway purposes;

"Be it resolved by the Alaska Legislature that the President of the United States is urged to take all immediate action to have the withheld federal highway trust fund money distributed to the states; and be it

"Further resolved that the Congress of the United States is urged to take any and all action necessary to preserve the federal highway trust fund money for highway uses only; and be it

"Further resolved that the Congress take immediate appropriate action to guarantee that highway trust funds, as well as other funds, allocated to the states by the Congress be paid promptly to them and to make clear and definite that the executive branch shall not withhold such allocated funds, in whole or in part.

"Copies of this Resolution shall be sent to the Honorable Richard M. Nixon, President of the United States; the Honorable Roy L. Ash, Director, Office of Management and Budget; the Honorable Carl Albert, Speaker of the House; the Honorable James O. Eastland, President Pro Tempore of the Senate; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U. S. Senators, members of the Alaska delegation in Congress."

A joint resolution of the Legislature of the State of Maine; to the Committee on Foreign Relations:

"JOINT RESOLUTION MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO OBTAIN A FULL ACCOUNTING OF POW'S AND MIA'S

"We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Sixth Legislative Session assembled, most respectfully present and petition the President and Congress of the United States, as follows:

"Whereas, the North Vietnamese and their allies have not as agreed, satisfactorily accounted for all prisoners of war or persons missing in action; and

"Whereas, the recent list of 555 prisoners of war released by North Viet Nam in response to agreement, does not include names of 56 known prisoners of war and is considered no more accurate than their earlier lists; and

"Whereas, the United States Government has received the names of only 7 of 317 servicemen known to be missing in Laos; and

"Whereas, the tragedy of leaving American prisoners behind previously experienced in Korea must not be repeated; and

"Whereas, approximately 1,400 families must not be abandoned to live in torturous anxiety as to the whereabouts of their loved ones; now, therefore, be it

"Resolved: That we, your Memorialists, respectfully recommend and urge the President and Congress of the United States to consider the feeling of this State expressed in the foregoing preamble as well as those of the Nation and to do everything within their power to obtain a satisfactory and complete accounting of all prisoners of war and persons missing in action; and be it further

"Resolved: That the Secretary of State be directed to transmit forthwith suitable copies of this Memorial to the President of the United States, to the Speaker of the House of Representatives and the President of the Senate of the United States Congress and to the Members of said Senate and House of Representatives from the State of Maine."

A joint resolution of the Legislature of the State of Maine; to the Committee on the Judiciary:

"JOINT RESOLUTION MEMORIALIZING CONGRESS FOR THE PURPOSE OF AMENDING THE U.S. CONSTITUTION RELATIVE TO ABORTION

"We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Sixth Legislative Session assembled, most respectfully present and petition your Honorable Body as follows:

"Whereas, medically and scientifically a human embryo or fetus exists as a living and growing human individual from the moment of conception; and

"Whereas, the moment of birth represents merely an identifiable point along the course of human development and not the beginning of human life; and

"Whereas, respect for human life has been a hallmark of civilized society for millennia; and

"Whereas, the Maine Legislature has supported and shown concern for the life of the unborn child by rejecting all attempts to liberalize, modify or change the State's abortion law; and

"Whereas, the United States Supreme Court by decision has ruled against the unborn; and

"Whereas, the Maine Legislature wishes to establish and define the rights of the unborn; now, therefore, be it

"Resolved: By your Memorialists, that the United States Congress propose an amendment to the Constitution of the United States to read:

"1. As used in the Fifth and Fourteenth Articles of Amendment to the Constitution of the United States, dealing with the deprivation of life, the word 'person' shall apply to every human being regardless of the stage of his biological development.

"2. Nothing herein shall prohibit any state from adopting such laws as are necessary to preserve the life of the expectant mother.

"3. Congress and the several states shall have the power to enforce this amendment by appropriate legislation; and be it further

"Resolved: That certified copies of this resolution be immediately transmitted by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to each Member of the Maine Congressional Delegation and to the Legislatures of each of the several states attesting the adoption of this resolution by the One Hundred and Sixth Legislature of the State of Maine."

A resolution of the Senate of the State of Maryland; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION NO. 8

"Senate Joint Resolution urging the Congress of the United States to take such action as is constitutional to preclude the transfer of students by massive busing within a school district for the purposes of effecting a racial balance

"Whereas, this General Assembly and the members thereof are committed to the protection of the Constitutional rights of all the citizens of Maryland; and

"Whereas, in 1954, the Supreme Court of the United States in the landmark case of *Brown vs. Topeka Board of Education* held that the maintenance of legally segregated schools was a violation of the U.S. Constitution; and

"Whereas, the busing of black students past the schools closest to their homes was the means of accomplishing the segregation of certain school districts; and

"Whereas, as a result of subsequent court decisions it was held that in order to preclude a segregated system of education, children should be assigned to the schools within which district boundary they resided; and

"Whereas, the neighborhood school can be and is a vital link in the lifeblood of every community and in most areas serves as an activity center for the community, as well as an educational institution; and

"Whereas, the mandatory transfer of students solely because of their race to achieve arbitrary racial quotas is as invidious today as it was prior to 1954; and

"Whereas, the Federal Courts have ordered the transfer of 32,823 students from their neighborhood schools in order to achieve racial quotas in certain schools; and

"Whereas, the effectuation of racial quotas in schools has no significant demonstrated effect on the quality of education in those schools or upon the achievements of the students of those schools; and

"Whereas, in the case of Prince George's County, the Federal Courts have ordered the transfer of approximately one-fifth of the school population in the middle of the school year which educators advised the Court would result in substantial educational detriment to all the students of the system, not to mention the intangible injury to students active in extra-curricular activities, and the emotional trauma of students having to reacclimate themselves to their school environment; and

"Whereas, a great majority of the people of Prince George's County, the State of Maryland, and the United States believe that the mandatory transfer of students to attain racial quotas or balance in schools is unwise in terms of community involvement in the educational process and educationally unnecessary in a quest for quality education for all our children; and

"Whereas, neither the Governor, the General Assembly, the local governing authorities, including the local boards of education, nor any other state or local organ of government has the power to negate or alter an order of a Federal Court; and

"Resolved by the General Assembly of Maryland, That they hereby urge the Congress of the United States to take such action as is constitutional to preclude the transfer of students by massive busing within a school district for the purposes of effecting a racial balance; and be it further

"Resolved, That copies of this Joint Resolution be forwarded to every member of the United States Senate and House of Representatives."

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 14

"A concurrent resolution applying to the Congress for a Convention to propose an amendment to the Constitution of the United States

"Resolved, That the Legislature of the State of Mississippi, pursuant to Article V of the Constitution of the United States, makes application to the Congress of the United States to call a convention for the proposing of the following amendment to the Constitution of the United States:

"ARTICLE —

"Nothing contained in this Constitution shall abridge the right of persons lawfully assembled, in any public building which is supported in whole or in part through the expenditure of public funds, to participate in voluntary prayer'; and be it further

"Resolved, That this application by the Legislature of the State of Mississippi constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1974, this application for a state application shall no longer be of any force or effect; and be it further

"Resolved, That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and since the power to use such right in full also carries the power to use such right in part, the Legislature of the State of Mississippi interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions; and be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, to each member of the Congress from this State and to each House of each State Legislature in the United States."

A concurrent resolution of the General Assembly of the State of South Carolina; to the Committee on Agriculture and Forestry:

"H. 1542

"A concurrent resolution expressing support of the South Carolina General Assembly for the enactment of a Federal forestry incentives program as expressed in H.R. 8 by Congressman Sikes of Florida and to memorialize the Congress of the United States to enact such legislation

"Whereas, almost two million acres of abandoned cropland and cutover unproductive woodland have been planted to forest trees during the past thirty years in South Carolina; and

"Whereas, incentive programs of Soil Bank and REAP have substantially contributed to this reforestation effort, accounting for approximately one million acres of the reforestation by private non-industrial owners; and

"Whereas, increased growth potential of commercial forest trees as shown by the 1968 Forest Survey has encouraged forest industry to invest new capital in the State for logging equipment, sawmills, plywood plants, hardwood manufacturers and pulp manufacturers, amounting to approximately two hundred fifty million dollars during the past five years; and

"Whereas, reduction of reforestation on small private ownerships will discourage new industry and could in fact result in decreased environmental protection and improvement; and

"Whereas, there are more than three million acres of unproductive cutover woodland owned by small private non-industrial owners which could contribute substantially to South Carolina's economy if reforested; and

"Whereas, forests are a renewable resource providing multiple benefits to everyone, such as watershed protection, wildlife habitat, recreation areas, esthetic improvement, etc., contributing to cleaner air and noise abatement; and

"Whereas, harvesting of mature forests, and using these products, can help relieve the energy crisis since building material from wood requires four to eight times less energy to manufacture than does steel and concrete and at the same time does not deplete a nonrenewable resource. Now, therefore,

"Be it resolved by the House of Representatives, the Senate concurring:

"That the General Assembly of South Carolina does hereby express its support for Federal legislation proposed (H.R. 8—Mr. Sikes, Florida) which will provide Federal funds for forestry incentive payments to non-Federal public and to non-industrial private landowners to do reforestation and other forest management practices, and it does respectfully request South Carolina's Congressional Delegation to work for implementation of such legislation.

"Be it further resolved that copies of this resolution be forwarded to each member of the South Carolina Congressional delegation, the President of the United States Senate and the Speaker of the House of Representatives in Washington, D.C."

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Veterans' Affairs:

"HOUSE CONCURRENT RESOLUTION No. 517

"A concurrent resolution memorializing the Congress of the United States to take immediate action to prohibit the Veterans Administration from cutting benefits presently available to United States veterans

"Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

"Whereas, the Disabled American Veterans is a national chartered veterans organization whose prime objective is looking after the best interests of our disabled veterans, their widows and orphans; and

"Whereas, the Department of South Dakota Disabled American Veterans operates under the same national charter authorized by the Congress of the United States; and

"Whereas, the Veterans Administration acting as an agency of the Executive Department of the United States government has proposed to change the rating schedule for disability compensation, to remove all burial benefits for all veterans, to cut medical research programs, to cut readjustment benefits and to decrease other benefits signed into law under H.R. 12828 and H.R. Res. 748 as recently as October 24, 1972; and

"Whereas, the Disabled American Veterans are chartered for the sole purpose of protecting and maintaining the benefits for veterans, widows and orphans who have served their country in time of need; and such action as is proposed by the Veterans Administration would be extremely detrimental to all veterans:

"Now, therefore, be it resolved, by the House of Representatives of the Forty-eighth Legislature of the state of South Dakota, the Senate concurring therein, that the Congress of the United States be memorialized to take whatever immediate action might be necessary to prohibit the Veterans Administration or any other person or agency of the Executive Branch of the United States Government from taking any administrative or other action to change or alter the present veterans benefits programs which have been enacted into law by the Congress and signed into law by the President of the United States, and

"Be it further resolved, that copies of this concurrent resolution be transmitted by the chief clerk of the South Dakota House of Representatives, the offices of the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, the members of the South Dakota Congressional delegation, the Governor of South Dakota and to the United States Administrator of Veterans Affairs."

A resolution of the Legislature of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 43

"Resolution relative to respectfully requesting the Congress of the United States to amend Section 11 of the Organic Act of Guam which prohibits public indebtedness of Guam in excess of ten percent of the aggregate tax evaluation of property in Guam

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the government of Guam is facing a fiscal crisis because of the ever-increasing demands for public services and capital improvements by a population increasing at a rate perhaps greater than that of any other American community, the median age of Guam's inhabitants being fourteen, over twelve years younger than that of the United States at large, and the number of immigrants coming to Guam from the surrounding nations of the Far East being so high as to substantially distort upwards the population growth curve, and while tax revenues of the government are increasing, the increase is not great enough to keep up with either the explosive population growth rate or the new demands made by an economy no longer able to depend upon military spending alone; and

"Whereas, in casting about for other means of financing capital improvements, particularly for public schools so badly needed in Guam, the Legislature has investigated the issuance of general obligation bonds of the territory but has found that the proviso in Section 11 of the Organic Act of Guam which limits such bonds to ten percent of the aggregate tax valuation of property in Guam effectively prevents the use of these bonds at all since any general obligation bond issue would have to be so small that it would not be worth the trouble and expense of arranging; and

"Whereas, since the territory wishes to stand on its own feet insofar as it is able to do so, it is hopeful that Congress will take a second look at this provision of the Organic Act and remove this artificial limitation so as to permit the people of Guam to issue general obligation bonds in reasonable amounts; now therefore be it

"Resolved, that the Twelfth Guam Legislature does hereby on behalf of the people of Guam respectfully request, petition and memorialize the Congress of the United States of America to amend Section 11 of the Organic Act of Guam to remove the provision therein that no public indebtedness of Guam shall be authorized in excess of ten percent of the aggregate tax valuation of property in Guam; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of the Interior, to the Speaker of the House of Representatives, to the President of the Senate, to the Chairmen of the Committees on Interior and Insular Affairs, U.S. Senate and House of Representatives, to the Washington Delegate and to the Governor of Guam."

A joint resolution of the Congress of Micronesia; to the Committee on Interior and Insular Affairs:

"House Joint Resolution No. 35

"A House joint resolution requesting that the President of the United States of America and the United States Congress grant a role to the Congress of Micronesia in selecting and appointing the High Commissioner

"Whereas, the time has come for Micronesians to participate in the selection of the head of the executive branch of their own government; now, therefore,

"Be it resolved by the House of Representatives of the Fifth Congress of Micronesia, First Regular Session, 1973, the Senate concurring, that the President of the United States of America and the United States Congress are hereby requested to grant a role to the Congress of Micronesia in selecting and appointing the High Commissioner; and

"Be it further resolved that certified copies of this House Joint Resolution be transmitted to the President of the United States, the Chairman of the United Nations Trusteeship Council, the President of the United States Senate, the Speaker of the House of Representatives of the United States Congress, the United States Secretary of the Department of the Interior, and the High Commissioner."

A resolution adopted by the Morehouse Parish Police Jury, of Bastrop, Louisiana, expressing opposition to the proposal of the United States to rebuild North Viet Nam; to the Committee on Foreign Relations.

A resolution adopted by the Catahoula Parish Police Jury, of Harrisonburg, Louisiana, expressing objection to the proposed rebuilding of the country of North Viet Nam; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. GOLDWATER (for himself, Mr. Beall, Mr. Brock, Mr. Buckley, Mr. Curtis, Mr. Dominick, Mr. Ervin, Mr. Fannin, Mr. Hatfield, Mr. Helms, Mr. Hollings, Mr. Hruska, Mr. Humphrey, Mr. Javits, Mr. Kennedy, Mr. Mansfield, Mr. McGovern, Mr. Moss, Mr. Packwood, Mr. Percy, Mr. Scott of Pennsylvania, and Mr. Thurmond):

S. 1296. A bill to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BIDEN:

S. 1297. A bill to amend the Disaster Relief Act of 1970 to provide for disaster assistance in the case of substantial economic loss resulting from other than natural causes. Referred to the Committee on Public Works.

By Mr. HATHAWAY:

S. 1298. A bill to provide public service employment opportunities for unemployed and underemployed persons, to assist States and local communities in providing needed public services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. SYMINGTON:

S. 1299. A bill to amend title I of the Housing Act of 1949 to permit a city whose population falls to below 50,000 to convert any outstanding urban renewal projects from a two-thirds to a three-fourths capital grant formula. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. EASTLAND (for himself, Mr. McClellan, Mr. Hruska, Mr. Cook, and Mr. Gurney) (by request):

S. 1300. A bill to assure the imposition of appropriate penalties for persons convicted of offenses involving heroin or morphine, to provide emergency procedures to govern the pretrial and post-trial release of persons charged with offenses involving heroin or morphine, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. INOUYE:

S. 1301. A bill for the relief of Mr. Keun Bae Kim. Referred to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 1302. A bill to provide increased unemployment compensation benefits for Vietnam era veterans. Referred to the Committee on Finance.

By Mr. PELL:

S. 1303. A bill to designate the first Saturday in November as the day for Federal elections. Referred to the Committee on Rules and Administration.

By Mr. STEVENS:

S. 1304. A bill to amend certain provisions of Title XI of the Organized Crime Control Act of 1970 relating to explosives. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. Gravel):

S. 1305. A bill to provide for the establishment of the post cemetery at Fort Richardson, Alaska, as a national cemetery. Referred to the Committee on Veterans' Affairs.

By Mr. STEVENS (for himself, Mr. Gravel, and Mr. Cannon):

S. 1306. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes. Referred to the Committee on Government Operations.

By Mr. STEVENS:

S. 1307. A bill to amend the Small Reclamation Projects Act of 1956, as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. BURDICK:

S. 1308. A bill to provide for the setting aside of convictions in certain cases and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BURDICK (by request):

S. 1309. A bill to provide for the setting aside of convictions in certain cases and for other purposes. Referred to the Committee on the Judiciary.

By Mr. TUNNEY:

S. 1310. A bill to provide for control of meat prices through limitation on exportation of meat products from the United States. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GRIFFIN (for himself, Mr. Allen, Mr. Sparkman, Mr. Cotton, and Mr. Cook):

S. 1311. A bill to amend the Communications Act of 1934 to provide that renewal licenses for the operation of a broadcasting station may be issued for a term of 5 years and to establish certain standards for the consideration of applications for renewal of broadcasting licenses. Referred to the Committee on Commerce.

By Mr. CASE:

S. 1312. A bill for the relief of Mrs. Barbara Joseph. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER (for himself, Mr. Beall, Mr. Brock, Mr. Buckley, Mr. Curtis, Mr. Dominick, Mr. Ervin, Mr. Fannin, Mr. Hatfield, Mr. Helms, Mr. Hollings, Mr. Hruska, Mr. Humphrey, Mr. Javits, Mr. Kennedy, Mr. Mansfield, Mr. McGovern, Mr. Moss, Mr. Packwood, Mr. Percy, Mr. Scott of Pennsylvania, and Mr. Thurmond):

S. 1296. A bill to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

ENLARGING THE GRAND CANYON NATIONAL PARK

Mr. GOLDWATER. Mr. President, I propose a bill today for myself and other Senators that would more effectively protect and secure for future generations that magnificent creation of God we call the Grand Canyon of Arizona. A companion bill is being introduced in the House of Representatives today by Congressman Udall of Arizona.

Mr. President, our legislation will return to the original grand scheme of President Benjamin Harrison, who in 1886, while a Senator, first attempted to create the Grand Canyon National Park as one vast entity encompassing the entire canyon and its principal side tributaries. It took 30 years until the plan of Benjamin Harrison finally became a fact in law with creation of the national park on February 26, 1919; and then it was emasculated, cut in size so that instead of becoming the Nation's largest park, it ranked eighth with 673,575 acres.

The bill we introduce today will almost double this size. It will brong together within a single park all of the canyon which is now divided among the existing national park and national monument, the Marble Canyon National Monument, and a part of the Lake Mead National Recreation Area, a boundary that will reach from the southern border of Glen Canyon National Recreation Area on the east to the Grand Wash Cliffs on the west.

The largest addition to the park is a sweep of land of approximately 331,500 acres within the canyon rim which stretches along the north side of the Colorado River from the present national monument to the Grand Wash Cliffs. In addition, the bill will place into the park an additional 36,280 acres in Kanab Creek and Lower Kanab Canyon, where the northern boundaries of the present national park and national monument meet, and 640 acres at Coconino Plateau which is near the southeastern tip of the park.

In all, the total acreage of the new park would become 1,196,925 acres. This would mean that the Grand Canyon National Park would jump from eighth to fourth place in size among all of America's national parks.

More significantly, it would mean that 273 river miles of the canyon would be protected within the new park. This is three times the 90 miles that are now within the national park.

Also, passage of the bill would mean that for the first time the Congress would recognize the concept that the entire area, above and below, that comprises the Grand Canyon, from Lees Ferry to the Grand Wash Cliffs, is one natural, geographic entity deserving of protection and interpretation as a whole. Although the bill does not extend the boundaries of the park into the Glen Canyon National Recreation Area, which was redefined by Congress only last year in Public Law 92-593 and already includes Lees Ferry, it does provide specific authority in section 6 for the establishment of an ecological "zone of influence" on the park which the sponsors of the bill fully expect will be drawn so as to cover the 4.5-mile gap of the Colorada River from Lees Ferry south to Navajo Bridge where the park boundaries will begin.

Mr. President, the "Grand Canyon zone of influence" to which I have referred is unquestionably one of the major features of the bill we are introducing. It is modeled from the suggestion of certain members of the Sierra Club for a "conservation zone" back from the rim of the canyon, which in turn was an improvement over an earlier idea of mine for a "scenic easement zone." The new "zone of influence" concept which I have finally settled on is put forward in the hope that all concerned groups, the conservationists, ranchers, and wildlife interests, can support this as a fresh approach to protecting the canyon's environs.

What section 6 does is to authorize and direct the Secretary of Interior to establish an area adjacent to or near the park, as enlarged by the bill, where he believes it is appropriate to have a coordinated protective management in order to safeguard against any new developments or activities which would impair the natural beauty, natural environment, or interpretative and recreational values of the park itself. The grazing of livestock, range improvement, hunting, and fishing would be uninterrupted in this area, but other activities which may have an adverse influence on the nearby canyon and park, such as mining and road construction, would be restricted.

While section 6 does not designate on a map, the precise area outside the park which must be included in the "zone of influence," it allows the Secretary of the Interior to define such zone as including any area where he feels unrestricted activities might injure the canyon or park proper. Accordingly, the zone which he proclaims might well be larger in fact than any zone which one or another group may now propose to draw on a map.

Mr. President, I might lay down as part of the legislative history at this point the expectation of the sponsors of the bill that the zone, when defined by the Secretary, shall include an area along the west rim of Marble Canyon and an area adjacent to the west bank of the Colorado River upstream from Navajo Bridge to Lees Ferry. Also, each of three portions of lands which are proposed for deletions from the existing Grand Canyon National Monument are expected to be included in the "zone of influence," notwithstanding their omission from the enlarged park.

These areas, which involve 5,380 acres at Slide Mountain, 23,700 acres at Tuckup Point, and 9,000 acres at Jensen Tank, lie back from the canyon rim and, for a long time, have been considered unnecessary to the proper management of the park. I can recall that, as far back as 1957, when I first introduced a park boundary bill on behalf of Senator Hayden and myself, most of this general region was marked for deletion from the monument.

Actually these plateau lands have been worked by ranchers for as long as anyone can remember and, as the oldest non-Indian people using these areas, I believe the cattlemen have equitable rights which should be met by returning the lands to the public domain.

Another important feature of the bill, which is related to the "zone of influence," is the authority granted by section 7 for the Secretary of Interior to enter into cooperative agreements between the U.S. Park Service and the U.S. Bureau of Land Management, the U.S. Forest Service, Indian tribes, State agencies, and other public groups relating to restrictions on new development in adjacent lands owned or administered by these other agencies and to the development and conduct of unified interpretative programs on such lands.

Also, in accordance with the urgings of conservation groups, the bill provides for the designation of a wilderness area in the Grand Canyon complex. Section 13 of the bill designates almost 513,000 acres as "wilderness" and over 86,000 acres as "potential wilderness additions" in the general area of the canyon and its surrounding environs.

Section 13 is identical to President Nixon's wilderness plan for the Grand Canyon complex which is contained in his message of September 21, 1972, except that his proposal is reduced by a small area of land which is located within lands recommended by this bill for transfer to the Havasupai Indians. Also, in recognition of the vigorous interest of the Hualapai Indian Tribe, the wilderness provision of my bill omits a sentence of the President's wilderness plan which would have repealed section 7, the reclamation provision in the act of February 26, 1919, establishing the original Grand Canyon National Park. Instead, the bill I am introducing today includes a provision, section 11, which states that nothing in the bill shall alter, repeal, or change in any way the existing status of either the earlier reclamation provision or a more recent one, section 605 of the Colorado River Basin Project Act, approved September 30, 1968. Section 605 provides that the Federal Power Commission shall not have authority to license construction and operation of a reclamation project on the Colorado River between Hoover Dam and Glen Canyon Dam without the subsequent approval of Congress. To repeat, my bill will not affect either section 7 of the 1919 law or section 605 of the 1968 law one way or the other.

It should be mentioned that in keeping with the President's wilderness message, the wilderness section of our bill will have no present effect on river trips through the Grand Canyon complex on the Colorado River. Limitations on the numbers of individuals taking such trips and on the use of motors are already in effect in order to protect the environment along the river, pending a major study of ecological changes of the river which boatmen have already begun and which Congress should finance to its conclusion on a top priority basis. These comprehensive regulations were announced only 3 months ago, on December 5, and I believe it is unnecessary to legislate on this matter while it is being resolved administratively.

Mr. President, this brings me to several important provisions of the bill which involve Indian peoples living within or adjacent to the Grand Canyon. First and foremost, the bill protects the existing legal rights of Indian tribes in and around the canyon.

The bill handles this by providing that no lands or interests in lands can be transferred or acquired from any Indian tribe against the will of its governing body. This safeguard is nailed down not only in the legislation itself but on the face of the map described in the legislation.

Section 5 of the bill is clearly headed, "Prohibition Against Taking of State or Indian Lands." This section prescribes that—

> No land or interest in land, which is held in trust for any Indian tribe or nation, may be transferred to the United States under this Act or for purposes of this Act except with the concurrence of such Indian tribe or nation.

Section 6, which provides for the Grand Canyon zone of influence, also includes the same express prohibition against the acquisition of Indian lands without the consent of the people affected.

The boundary map cited in the bill repeats this prohibition. Though the map proposes that the park boundaries be moved to the south bank of the Colorado River, adjacent to the Hualapai Indian Reservation, it specifically indicates that this change is "subject to concurrence of the Hualapai Nation."

Similarly, the map proposes that the park boundary be set at the east rim of the canyon adjacent to the Navajo Indian Reservation, but expressly states that this plan is "subject to concurrence of the Navajo Nation."

Other protections of Indian rights are contained in sections 3 and 8. Section 3, which is the operative provision enlarging the boundaries of the park, includes the phrase—

> subject to any valid existing rights under the Navajo Boundary Act of 1934.

Section 8(c), relating to Indian development projects, provides that no development shall be made in the south shoreline of the Colorado River—

> except with the concurrence of the Hualapai Tribe.

And guarantees that the tribe—

> shall have the exclusive right to develop the shoreline with the Reservation.

This is an appropriate time to describe section 8, which could be of considerable benefit to Indian peoples. It conveys new authority on the Secretary of the Interior to assist financially in the planning, development, and operation of Indian recreational and tourist projects near the peak which shall be run by and for the benefit of the respective Indian tribes. The section allows the Secretary to assist with technical construction advice and the training of Indian personnel as well as in the making of grants or loans.

It should be mentioned, Mr. President, that in keeping with the overriding emphasis of the bill on ecological protection, section 8 includes language calling for the written approval of the Secretary before any of these individual Indian development projects can get underway within 1 mile east of the east rim of Marble Canyon or 1 mile back from the south bank of the Colorado River.

Next, Mr. President, the bill includes a very significant proposal for restoring to the Havasupai Tribe of Indians some of their sacred and ancestral lands. This tribe of some 300 individuals includes the remaining descendants of a people who once lived on millions of acres in the Grand Canyon and the Coconino Plateau in northern Arizona. In fact, the eastern neighbors of the Havasupai, the Hopis, depict the Havasupais in their ancient tradition as the keepers of the Grand Canyon and its sacred places.

About the 1870's and 1880's, these people were driven off of the plateaus and eventually reduced to a tiny reservation isolated on the bottom of the Grand Canyon. Even then, the original reservation of 38,400 acres was soon afterwards reduced to 518 acres by an 1882 Executive order so that today there is only about one acre for each person to live and work on. Here the Supais are left with no economic land base and may pass into extinction absent the return of some of their essential plateau lands and sacred places.

Mr. President, I am impressed with the youth and vision of the new council members of the Havasupai Tribal Council. I believe these leaders have the energy and the will to guide the Havasupai back into a self-sustaining people with tribal control over their own lives.

The bill we are proposing would help this wonderful people to survive. They are the natives of the Grand Canyon and surely any bill relating to the ecology of the canyon should include protection for the human beings who live there.

The bill does not include all of the lands they are seeking, but it would restore to them roughly 170,000 acres joining the bottom reservation and all the waterfalls nearby to the southern plateau lands where the tribe has traditionally enjoyed free grazing permits from the U.S. Forest Service. The bill would also connect 14,700 acres of Tenderfoot Plateau lands on the east with 41,400 acres of Topocoba area lands on the west. The sites of the tribal power station at Long Mesa and the lone mule trail giving access into their canyon, located at Hualapai Hilltop, also would be added to the reservation completing the union of a single reservation of 169,000 acres.

This proposal covers most, but not all, of the restorations sought by the Havasupai people. I fully recognize that even this much may be difficult to obtain. Some environmentalists will want assurance that removal from the park of any of these lands will not cause disruption of the natural ranges of a band of bighorn sheep which now roam the rough countryside. Others will want guarantees that the abundant archeological resources in the canyon lands proposed for transfer to the Havasupai Tribe will continue to be protected properly. Others may be concerned that the bill could constitute a precedent for turning park-quality lands over to individual ownership.

These questions can and will be fully aired at hearings on the bill. I will only note for now that the boundaries which I have drawn follow closely to the lines recommended for omission from the new park in a late draft of the U.S. Park Service's own master plan for the Grand Canyon. Also, I would point out that the bill provides for a concession by the Havasupai people in order to acquire this additional land. The bill asks the Havasupais to give up their right, which now exists under law, of grazing within the boundaries of the park and of using parklands for agricultural purposes. Moreover, I will add that all of these reservation lands will be held in trust by the United States and will not in any way set a precedent for the transfer of parklands out of Federal into private ownership.

Finally, I should mention that the Secretary of Interior will possess authority under the bill to require detailed archeological surveys and salvage excavations before any proposed developments may occur that might affect cultural resources. His consent would also be required before any development of any kind could take place. To which I might add that the original inhabitants of the canyon lands are the Havasupais who can be expected to cooperate in every way possible to perpetuate their own cultural heritage.

To complete my summary of the bill's provisions, there is a section which preserves the existing grazing rights of cattlemen for a period of 10 years, or their own lifetimes, if longer, in any areas of the newly enlarged park where grazing is now legally occurring.

Finally, the bill includes a provision calling upon the Secretary of Interior to bring before the Federal Aviation Administration or the Environmental Protection Agency for action any concerns he has about the noise or disruption which may be caused by aircraft or helicopter activities in the air space above or below the Grand Canyon. The bill does not itself seek to legislate any new restrictions on these operations, but encourages the Secretary to utilize the existing laws in this field.

Mr. President, this bill marks my third effort at obtaining greater protection in law for the Grand Canyon. As I mentioned earlier, in January of 1957, I offered S. 693 of the 85th Congress for myself and Senator Carl Hayden. Then in 1969, I was joined by 26 other Senators in introducing S. 2360 of the 91st Congress.

Since then I and members of my staff have met and communicated almost continuously with numerous interested persons and groups trying our human best to arrive at a good bill that most everyone can support. For example, on July 30 of 1969, I held a working session on Grand Canyon Park legislation in my Senate office with Dan Poole of the Wildlife Management Institute, Charles Callison and Cynthia Wilson of the Audubon Society, Joe Penfolde of the National Resources Council, Ben Thompson of the National Recreation and Park Association, Barbara Meier of the Wilderness Society, Lloyd Tupling of the Sierra Club, and Tom Kimble of the National Wildlife Association.

Several more groups and persons have visited with me individually from time to time at my office and home to advise about their concepts for an improved park. Others, such as the Maricopa Audubon Society, Tucson Wildlife Unlimited, Inc., Arizona Cattle Growers Association, and Arizonans for Water Without Waste have consulted with me by writing of their suggestions. In addition, my staff lawyer has met with the Navajo tribal lawyer and other tribal lawyers on at least three separate occasions each.

Most recently, I have held two large open gatherings at my home in Phoenix to work out an acceptable and good bill. Among those attending were representatives of the Arizona Fish and Game Department, Arizona Wildlife Federation, Sierra Club, Grand Canyon Advisory Committee, U.S. Park Service, U.S. Forest Service, the river runners, Havasupai and Hualapai Indians, other Arizona congressional members, and others. A leading reporter of the local press was present at both meetings as well so that word of our discussions could get out accurately and completely to the general public, whom I wanted to know as much about the legislation as any of us in the meetings knew.

In short, I have tried my level best to develop a bill that will significantly improve the protection given by law to the Grand Canyon and at the same time be generally acceptable to most interested groups and persons. I realize that all will have to give a little in order to get an effective bill passed, but I firmly believe that if each of us will yield a little of our personal selfish wants, a successful bill will pass this session of Congress.

Mr. President, if it is the last thing that I do, I want to find proper protection for the whole wonderful thing known as the Grand Canyon—a protection that will guarantee it will not be molested and will remain forever as one of God's few practically untouched masterpieces.

Mr. President, I ask unanimous con-

sent that a copy of the Grand Canyon National Park Enlargement Act, which I am introducing, be inserted in the RECORD, together with a table of acreage computations.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 1296

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Grand Canyon National Park Enlargement Act."

DECLARATION OF POLICY

SEC. 2. It is the object of this Act to provide for the recognition by Congress that the entire Grand Canyon, from Lees Ferry to the Grand Wash Cliffs, including tributary side canyons and surrounding plateaus, is a natural feature of national and international significance. Congress therefore recognizes the need for, and in this Act provides for, the further protection and interpretation of the Grand Canyon in accordance with its true significance.

ENLARGEMENT OF GRAND CANYON NATIONAL PARK BOUNDARIES

SEC. 3. (a) In order to add to the Grand Canyon National Park certain prime portions of the canyon area possessing unique natural, scientific, and scenic values, the Grand Canyon National Park shall comprise, subject to any valid existing rights under the Navajo Boundary Act of 1934, all those lands, waters, and interests therein, constituting approximately 1,196,925 acres, located within the boundaries as depicted on the drawing entitled "Boundary Map, Grand Canyon National Park," numbered 113-20,000-G and dated February, 1973, a copy of which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) For purposes of this Act, the Grand Canyon National Monument and the Marble Canyon National Monument are abolished, and any lands formerly included within such monuments and not included within the Grand Canyon National Park or the Havasupai Indian Reservation, as enlarged by Act, may be utilized by the Secretary for exchanges for lands to be incorporated into such park by or under this Act. Lands not used for such exchange purposes shall be administered by the Secretary in accordance with the laws applicable to the public lands of the United States and section 6. The combined total acreage of such park as enlarged by subsection (a) and this subsection shall not exceed 1,200,000 acres.

ACQUISITION OF LANDS BY DONATION OR EXCHANGE

SEC. 4. (a) Within the boundaries of the Grand Canyon National Park, as enlarged by this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") may acquire land and interest in land by donation, purchase with donated or appropriated funds, or exchange; but not by condemnation.

(b) Federal lands within the boundaries of such park are hereby transferred to the jurisdiction of the Secretary for the purposes of this Act.

PROHIBITION AGAINST TAKING OF STATE OR INDIAN LANDS

SEC. 5. Notwithstanding any other provision of this Act, (1) no land or interest in land owned by the State of Arizona or any political subdivision thereof may be acquired by the Secretary under this Act except with the concurrence of such owner, and (2) no land or interest in land, which is held in trust for any Indian tribe or nation, may be transferred to the United States under this Act or for purposes of this Act except with the concurrence of such Indian tribe.

GRAND CANYON ZONE OF INFLUENCE

SEC. 6. (a) (1) In order to more effectively protect the scenic and ecological integrity of the Grand Canyon, the Secretary shall establish a Grand Canyon Zone of Influence, which shall consist of such area, adjacent to or near the Grand Canyon National Park, as enlarged by this Act, as he shall, from time to time, define by publication in the Federal Register and within which he determines that a coordinated protective management of the environs is necessary or appropriate to protect against certain activities which may have an adverse influence on the Grand Canyon National Park, as enlarged by this Act, or any portion thereof.

(2) The authority granted to the Secretary by paragraph (1) shall not be applicable to lands held in trust for any Indian tribe or nation, except with the concurrence of such Indian tribe or nation.

(b) On any Federal lands within the Grand Canyon Zone of Influence, defined by the Secretary pursuant to subsection (a),

(A) disturbance of vegetation shall be allowed only for purposes of prescribed burning, scientific investigation, and spot development for interpretation, wildlife management, and grazing and grazing-related range-improvement;

(B) the development of new roads and any other new construction shall be confined to that which is necessary for proper management, as determined jointly by the Secretary and the head of the agency exercising jurisdiction over the lands following public hearings;

(C) hunting and fishing shall continue to be permitted in accordance with applicable laws;

(D) no permit, license, or lease for prospecting, development, or other utilization of mineral resources shall be granted, and Federal lands, waters, and interests therein are hereby withdrawn from location, entry, and patent under the United States mining laws for such period as such area is defined as being within the Grand Canyon Zone of Influence; and

(E) grazing of livestock shall continue to be permitted.

(c) (1) Where non-Federal lands within the Grand Canyon Zone of Influence are within the boundaries of a national forest, the Secretary of Agriculture is authorized to acquire the same or any interest therein by purchase, exchange, or donation, but not by condemnation. No land or interest in land owned by the State of Arizona or any political subdivision thereof or any land or interest in land held in trust for any Indian tribe or nation may be acquired except with the concurrence of such State, political subdivision, or Indian tribe or nation. Property acquired pursuant to this paragraph within a national forest shall be administered as a part thereof, subject to the provisions of this section.

(2) Where non-Federal lands within the Grand Canyon Zone of Influence are surrounded by public lands of the United States administered by the Secretary through the Bureau of Land Management, the Secretary may acquire any such non-Federal lands or interests therein for inclusion within the Grand Canyon Zone of Influence in the same manner and subject to the same conditions as set forth in sections 4 and 5. Property acquired pursuant to this paragraph shall be administered in accordance with the laws applicable to the public lands of the United States, subject to the provisions of this section.

(d) Within the Grand Canyon Zone of Influence the Secretary shall negotiate cooperative agreements with other public bodies in accordance with section 7 relative to the protection of the canyon and park environs and to the development and operation of unified interpretative programs and facilities.

COOPERATIVE AGREEMENTS FOR UNIFIED INTERPRETATION OF GRAND CANYON

SEC. 7. In the administration of the Grand Canyon National Park, as enlarged by this Act, the Secretary is authorized and directed to enter into cooperative agreements with other Federal, State, and local public departments and agencies and with interested Indian tribes providing for the protection and interpretation of the Grand Canyon in its entirety. Such agreements shall include, but not be limited to, authority for the Secretary to develop and operate interpretative facilities and programs on lands and waters outside of the boundaries of such park, with the concurrence of the owner or administrator thereof, to the end that there will be a unified interpretation of the entire Grand Canyon.

DEVELOPMENT OF INDIAN RECREATIONAL AND TOURIST PROGRAMS

SEC. 8. (a) (1) The Secretary is authorized to enter into agreements with any Indian tribe or nation having lands within or near the Grand Canyon National Park, as enlarged by this Act, relating to the planning, development, or use of such lands or related waters, for recreational, historical, or cultural purposes with a view to insuring that any such program will be operated by or for the benefit of the members of the respective Indian tribe or nation.

(2) In carrying out the purposes of this section, the Secretary is authorized to provide to the Indian tribe or nation concerned financial assistance through contracts, grants or loans (including assistance relating to planning, designing, and operation of facilities), advice, construction supervision, and training of personnel in regard to any program established under this section.

(b) Lands held in trust for the Navajo Nation which are located within one mile east of the East Rim of Marble Canyon should not be further developed for tourism, recreation or other purposes under this section or otherwise without the written approval of the Secretary, provided however that this subsection shall not be construed as a restriction upon any valid existing uses by the Navajo Nation.

(c) No development shall be made under this section or otherwise in the shoreline adjacent to or within the Hualapai Indian Reservation except with the concurrence of the Hualapai Tribe. The Hualapai Tribe shall have the exclusive right to develop the shoreline within the Reservation, except that no such development may occur within one mile back from the South Bank of the Colorado River without the written approval of the Secretary.

PRESERVATION OF EXISTING GRAZING RIGHTS

SEC. 9. Where any Federal lands within the Grand Canyon National Park, as enlarged by this Act, are legally occupied or utilized on the effective date of this Act for grazing purposes, pursuant to a Federal lease, permit, or license, the Secretary shall permit the persons holding such grazing privileges to continue in the exercise thereof for a period ending on December 31 following ten years from the effective date of this Act, or for the life of the existing permittee, whichever is longer.

AIRCRAFT REGULATION

SEC. 10. Whenever the Secretary has reason to believe that any aircraft or helicopter activity or operation may be occurring or about to occur within the Grand Canyon National Park, as enlarged by this Act, including the airspace below the rims of the canyon, which is likely to cause an injury to the health, welfare, or safety of visitors to the park or to cause a significant adverse effect on the natural quiet and experience of the park, the Secretary shall, in conjunction with the Federal Aviation Agency, or the Environmental Protection Agency pursuant to the Noise Control Act of 1972, or both, submit to the responsible agency or agencies such complaints, information, or recommendations for rules and regulations or other actions as he believes appropriate to protect the public health, welfare, and safety or the natural environment within the park.

PRESERVATION OF EXISTING RECLAMATION PROVISIONS

Sec. 11. Nothing in this Act shall be construed to alter amend, repeal, modify, or be in conflict with the provisions of section 7 of the Act entitled "An Act to establish the Grand Canyon National Park in the State of Arizona," approved February 26, 1919 (40 Stat. 1175, 1178), and section 605 of the Colorado River Basin Project Act, approved September 30, 1968 (82 Stat. 885, 901).

HAVASUPAI INDIAN RESERVATION ENLARGED

Sec. 12. (a) To assist the Havasupai Indians in implementing their desire for a greater land base and an opportunity to control their own social and economic life, the Havasupai Indian Reservation shall, as of the date of enactment of this Act, consist of the existing reservations and the area within the boundaries designated for transfer to the reservation as depicted on the map referred to in section 3 of this Act, consisting of approximately 169,000 acres in the aggregate. The equitable title to the lands and interests in lands within that portion of the reservation so added by this Act is hereby conveyed to the Havasupai Tribe, and such lands and interests in lands, are hereby declared to be held by the United States in trust for the Havasupai Tribe of Indians in the same manner and to the same extent as other land held in trust for the tribe.

(b) In no event shall the water or water resources within the Havasupai Indian Reservation be transported outside of the Reservation as enlarged by this Act; nor shall the Secretary permit any use of the water resources of Havasu Creek which he determines will cause a significant adverse effect upon the scenic qualities of the Creek and the falls thereof, or the environmental quality of the area, subject to any existing water rights of the Havasupai Tribe.

(c) No development within such enlarged Havasupai Indian Reservation, including but not limited to, provision for any transportation system or road into the Grand Canyon and the construction of any pipeline system, shall be made without the written approval of the Secretary. Whenever the Secretary determines that any proposed development might affect any cultural resources within such enlarged Reservation, he may, in his discretion, require that detailed archeological surveys or salvage excavations, or both, shall be made before any such development may occur.

(d) The Executive order dated March 31, 1882, setting aside certain lands for the use and occupancy of the Yavai-Suppai Indians is hereby declared to be of no further force and effect, and section 3 of the Act of February 26, 1919 (44 Stat. 1177; 16 U.S.C. 223), is hereby repealed.

THE GRAND CANYON WILDERNESS

Sec. 13(a). In accordance with section 3(c) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132(c)), certain lands in the Grand Canyon National Park and Grand Canyon and Marble Canyon National Monuments (other than any lands which are transferred by section 12 to the Havasupai Indian Reservation), which comprise about five hundred and twelve thousand eight hundred acres, designated "Wilderness," and which are depicted on the map entitled "Wilderness Plan, Grand Canyon Complex," numbered EPD–WSC–113–20008–B and dated August 1972, which shall be known as the Grand Canyon Wilderness, are hereby designated as wilderness, and shall be administered by the Secretary in accordance with the provisions of the Wilderness Act. The lands which comprise about eighty-six thousand one hundred and fifty-six acres, designated on such map as "Potential Wilderness Additions," are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness: *Provided*, That within the wilderness area designated by this section, the Secretary (1) may pursue a program of prescribed burning, as he deems necessary, in order to preserve the area in its natural condition, (2) may undertake whatever activity he deems necessary in order to investigate, stabilize, and interpret, for the benefit of persons visiting that area, sites of archeological interest.

(b) A map and description of the boundaries of the areas designated in this section shall be on file and available for public inspection in the office of the National Park Service, Department of the Interior.

(c) As soon as practicable after this Act takes effect, a map of the wilderness area designated by this section and a description of its boundaries shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this section: *Provided, however*, That correction of clerical and typographical errors in such maps and descriptions may be made.

(d) The area designated by this section as wilderness shall be administered by the Secretary in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

AUTHORIZATION OF APPROPRIATIONS

Sec. 14. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) Any funds available for the Marble Canyon National Monument, the Grand Canyon National Monument, or that portion of the Lake Mead Recreation Area included within the Grand Canyon National Park, as enlarged by this Act, shall remain available until expended for purposes of such park.

ACREAGE TABLE

EXISTING AREAS

Grand Canyon National Park	673, 575
Grand Canyon National Monument	198, 280
Marble Canyon National Monument	26, 080
Total park acreage	897, 935

PROPOSED ADDITIONS

Marble Canyon East[1]	25, 600
Coconino Plateau	640
Lower Kansas Canyon	36, 280
Colorado Riverbed[2]	2, 700
Lower Grand Canyon	331, 500
Total additions	396, 720

PROPOSED DELETIONS

Tenderfoot Plateau	14, 700
Tuckup Point	23, 700
Jensen Tank	9, 000
Slide Mountain	5, 380
Marble Canyon West	3, 550
Topocoba	41, 400
Total deletions	97, 730

Proposed new park, 1,196,925 acres.

Havasupai Indian Reservation, total acreage, 169,000.

[1] Subject to concurrence of Navajo Nation.

[2] Subject to concurrence of Hualupai Nation.

By Mr. BIDEN:

S. 1297. A bill to amend the Disaster Relief Act of 1970 to provide for disaster assistance in the case of substantial economic loss resulting from other than natural causes. Referred to the Committee on Public Works.

Mr. BIDEN. Mr. President, I introduce for appropriate reference, a bill to amend the Disaster Relief Act of 1970 which would provide for disaster relief benefits in the case of disasters resulting from other than natural causes.

As the wording of the Disaster Relief Act is presently interpreted by the Office of Emergency Preparedness, it does not apply to accidents caused by man which may have as serious an impact on a community or area as any natural disaster.

The specific occurrence that demonstrated the need for this bill occured on Friday, February 2, 1973, when a freighter in the Chesapeake and Delaware Canal struck the only railroad bridge over the canal and cut the mail rail freight line to southern Delaware, the Eastern Shore of Maryland and the northern counties of Virginia.

The now unusable railroad bridge had been carrying an average of 315 cars per day. One of the most important products transported into the region by rail was feed grains for the Delmarva poultry industry which has annual sales exceeding $300,000,000 a year. Other important products are fertilizer to prepare the coming crop season; fresh foods for food processing plants; coal for power production; lumber; and commodities requiring specialized containers such as chemicals and syrups. Some steps have already been taken to utilize alternate means of transport but these are limited and often more expensive. It is projected that, under the worst possible conditions, unemployment due to the accident could reach 4,600 people in 90 days with an estimated weekly wage loss of $521,000.

The ultimate economic loss, and resultant human suffering are hard to predict yet. This disaster may have long-term consequences for business recovery and activity and future employment potentials.

It is my hope that situations such as this can be considered as a part of the review of the effectiveness of the 1970 Disaster Relief Act to be conducted this year.

Mr. President, I ask unanimous consent that the text of this bill; a memorandum to the General Assembly of Delaware entitled "Summary Status Report, Railroad Transportation Situation;" and an article from the Wilmington News of February 8 describing the problems created by this accident be printed at this point in the Record.

There being no objection, the bill, the memorandum and the article were ordered to be printed in the Record, as follows:

S. 1297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102(1) of the Disaster Relief Act of 1970 is amended by inserting after "or other catastrophe" the following: "(including any act or accident which results in the severance of one or more important means of transportation or communication to any geographic area, and which causes substantial economic injury to that area)".

STATE OF DELAWARE DIVISION OF EMERGENCY PLANNING AND OPERATIONS

Memorandum to: Members of the 127th General Assembly, First Session

Subject: Summary Status Report, Railroad Transportation Situation

Seventeen days into the start of a new administration, a freighter and a bridge threw Delaware into a crisis.

Governor Sherman W. Tribbitt, in one of his first acts as Chief Executive, declared a "State of Emergency" in Delaware. He proposed creation of the Delmarva Emergency Board, a tri-state, ad hoc committee to deal with the problems facing peninsula farmers, industry and businessmen as a result of the severing of the critical rail link over the Chesapeake and Delaware Canal.

The Governor called for a meeting in Washington of federal officials and top leaders of the three affected states.

Now, just one month later, a contract has been awarded for bridge repair and reconstruction has begun.

What happened in those crucial four weeks? How did Delaware approach the situation? What is the prognosis for the weeks ahead?

As you know, the crisis hit on the morning of Friday, February 2, when, in fog and rain, a westbound freighter owned by Calmar Lines of Baltimore, plowed into the railroad bridge spanning the C & D Canal.

A seaman from Seattle, Wash., who had been serving as lookout was killed in the collision.

Damage to the bridge severed the single stretch of track linking the peninsula to the mainland.

Seventy five percent of the rail freight service to the peninsula was terminated.

Much traffic on the canal itself was affected as well. Larger ships remain unable to take the shortcut from the Chesapeake Bay to the Delaware Bay until the repairs are completed on the Penn Central-owned bridge.

At Governor Tribbitt's direction, an initial assessment of the impact of the rail service cutoff was made by several cabinet members. They included Agriculture Secretary M. Martin Isaacs; Community Affair and Economic Development Secretary John D. Daniello; Highways and Transportation Secretary Clifton E. Morris; Labor Secretary J. Thomas Schranck; and Acting Secretary of Public Safety, Col. George J. Bundek.

The Secretaries presented Governor Tribbitt with their views on February 8, six days after the incident.

The Governor than appointed the five men to a special committee to recommend courses of action to relieve the economic hazards of the situation.

The Secretaries met on February 9 and 13 to evaluate information gathered from business, industry and private organizations such as the Delmarva Advisory Council and the Delaware State Chamber of Commerce.

The Governor was apprised of the results of those meetings, as well. Briefly summarized, these studies presented the following picture:

a. Before the accident, approximately 365 cars a day passed in and out of the peninsula via the bridge while another 138 entered or departed via the Cape Charles-Little Creek, Virginia Ferry. Of these, about 50 cars were thru traffic. That means the Delmarva peninsula lost 315 cars daily.

b. Major important commodities involved in this loss of rail transportation are feed grains and supplements, fresh food products for canneries, fertilizers, chemicals, coal, lumber, machinery, food components for General Foods and other significant items. The export production from peninsula industries is also impacted.

c. Potentially, we could anticipate approximately 4,600 unemployed within 90 days in the primary industries concerned, with an associated wage loss of $521,600 each week and a cumulative 90 day unemployment insurance cost of $993,600. This assessment does *not* include the peripheral adverse effects nor the long-term damage which unquestionably accompanies this curtailment of "hard-core" agricultural, business and industrial operations. It is emphasized, however, that this is a potential condition.

At the same time, contacts were made with the Director, Region III, Office of Emergency Preparedness (OEP), various other Federal agencies and the governments of Maryland and Virginia to make them aware of our circumstances. We also wanted to insure their assistance in a coordinated effort to expedite restoration of rail service and develop interim methods of transportation to avoid complete strangulation of our economy.

The result was the Washington meeting with the National Office of OEP on February 14, attended by Governor Tribbitt, selected members of his staff, Sens. William V. Roth, Jr., R-Del., and Joseph R. Biden, Jr., D-Del., Governor Marvin Mandel of Maryland, members of his staff and the Maryland Congressional delegation, and representatives of the Virginia State Government. Also in attendance were top level officials of the various Federal agencies who had responsibilities and authorities to help resolve our problem.

Because of the serious economic consequences of the rail cutoff and to afford unencumbered authority to act with the speed dictated by the situation, the Governor, on February 15, issued a proclamation of a "State of Emergency" for that portion of Delaware below the C&D Canal. Governor Mandel has done likewise for the Eastern Shore counties of Maryland.

As a result of the data by Governor Tribbitt and his group, Federal officials moved to expedite action to repair the railroad bridge as quickly as possible.

On Friday, February 16—two weeks after the collision—the Acting Director of OEP, Darrell M. Trent, advised Governor Tribbitt that the Corps of Engineers had been directed to assume responsibility for repair of the bridge and restore rail service at the earliest possible date.

Under the direction of Col. Carroll Strider, Philadelphia District Engineer, preliminary work on the bridge began on February 17 to remove damaged structure and further evaluate the extent of repair required.

On March 1, 1973, a contract was awarded to the Whiting-Turner Contracting Co. of Baltimore, Md., for repair of the bridge. The $1,325 million contract calls for emergency restoration of rail traffic over the bridge in 60 days, partial restoration of canal traffic in 105 days and complete repair within 225 days. The contract contained an immediate notice to proceed.

At the same time, he was working to insure the fastest possible repair of the bridge, Governor Tribbitt, in coordination with Governors Mandel of Maryland and Linwood Holton of Virginia appointed the Delmarva Emergency Board.

Chaired Highways and Transportation Secretary Morris, that board has the responsibility to:

a. Assure the Cape Charles-Little Creek rail ferry operation is expanded to peak capacity, increase truck transportation capabilities and explore ways to develop better use of Delmarva water port facilities.

b. Determine the relative economic impact of all agricultural, industrial, business, and utility enterprises, establish essential commodity volume requirements by time phase; assign movement priorities and mode of transportation; authorize embargo exceptions; issue shipping licenses to the claimant firms, acquire ICC clearances, and accomplish any other actions necessary to insure the best possible uses of available transportation resources, pending restoration of rail freight service via the C&D Canal.

The Delmarva Emergency Board is supported by four working committees composed of Federal officials and a tri-state membership from government and the private sector. Essentially, the committee do the detail work leading to decision or action by the Board—or the Governors—as required. The titles of the committees indicate their responsibilities:

a. Data Collection.

b. Economic Resources Priorities.

c. Transportation Capabilities and Control.

d. Fiscal and Legal.

The Emergency Board and its committees have been actively working to accomplish the objectives of their assignment. General sessions were held on February 19 and 28, also March 6, and will continue as often as required to meet the needs of the situation. Individual committees have been working independently to carry out their respective responsibilities and will continue to do so.

Efforts to increase movement over the rail ferry haven't been successful as desired. Mechanical problems with the equipment and weather have hampered operations. Efforts to secure additional equipment to date, have failed. Upgrading the ferry operation will continue to be a key goal.

The identification of essential commodities and their relative order of importance of the Delmarva economy is the other task of urgent priority at the moment. This has to be done to continue developing shipping priorities which will insure rail movement of those commodities which are critical to the needs of peninsula business and industry. A preliminary list has been submitted to the Penn Central Railroad for exceptions to the embargo and further expansion and refinement of these requirements is being pressed with all possible speed.

This summary has been prepared for your information in the hope that it will provide a general background to the rail transportation situation as it currently exists and the actions that are in progress to relieve this serious threat to the economy of our area. The Governor, has, and will continue to direct the efforts of the Emergency Board to achieve this objective.

INDUSTRIAL PROBLEMS MOUNT OVER DELMARVA RAIL CURB

(By Eleanor Shaw)

DOVER.—The closing of the only railroad bridge over the Chesapeake & Delaware Canal is having serious effects on Delmarva industry.

Gov. Sherman W. Tribbitt and Gov. Marvin Mandel of Maryland yesterday sent a joint telegram to President Nixon telling him that their states "face a disaster of unprecedented scope" with the severing of rail service and cutback in canal traffic.

They asked the President to intervene somehow to restore both services.

The bridge was seriously damaged Friday when a ship hit it. Latest estimates say repairs will take between 2-6 months.

That leaves the slow ferry barges which cross the lower Chesapeake Bay as the only rail link to the peninsula.

Several industries—the Du Pont Co. nylon plant in Seaford, Southern States Agricultural Cooperative and the Delmarva Power & Light Co.—all say they hope enough rail freight can be ferried to the peninsula to serve their needs.

If not, and it appears likely that the barge traffic will not be adequate, then those firms will join other major companies now looking for other means of transportation.

A Penn Central spokesman yesterday admitted "The problem is that there is an absolute limit on the amount of freight" that can be carried by the barges.

The barge route begins in Norfolk, Va. where rail cars are loaded onto barges. The number of cars per barge can vary, as can the number of trips per day a barge can make.

The train cars are removed from the barges at Cape Charles, then moved up the peninsula.

There has been an embargo on new rail shipments to the Delmarva area. The railroad spokesman said it probably will continue until the backlog of shipments already waiting for delivery is cleared up.

"It might be necessary to proceed under an order basis," he said.

One of the most seriously affected companies is General Foods in Dover, which uses about 40 rail cars daily to deliver supplies and ship out goods. Charles Donelly, spokesman for the plant, yesterday, said, "This will have a very serious impact on our operations."

While alternative shipping means are being considered, Donelly said he doubts trucking can take up the slack. If the repairs are not made soon enough, he said, "I'm sure it would mean a cutback" both in production and employment.

Standard Brands Chemical Industries, Inc., also of Dover, "virtually switched overnight" to tank trucks for its chemical transportation. Since only about two cars per day were used at the plant, its spokesman said, the changeover was not difficult.

Delmarva Power & Light, which serves the entire peninsula, is not facing an immediate crisis, according J. E. Hobbs, manager of operations for its southern division. Only the Indian River Generating Plant near Millsboro uses the railroad, he said, and that installation has about a 2-3 month stockpile of coal.

Hobbs added, though, "that if it's six months, obviously we're in trouble down here." The power company hopes to get some deliveries of coal—"even if it's only a dribble"—through Norfolk.

Southern States regional director Bill Smith yesterday said, "It will drastically affect our fertilizer and feed operations." Raw materials for blending these products are on hand at the 40 or so retail outlets, he said, but spring will produce a heavy demand.

By Mr. HATHAWAY:

S. 1298. A bill to provide public service employment opportunities for unemployed and underemployed persons, to assist States and local communities in providing needed public services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. HATHAWAY. Mr. President, I am introducing a bill to extend and amend the Emergency Employment Act of 1971. Although many of the most serious effects of the recession of 1970 have abated, there are still areas of grave weakness in the economy where unemployment remains at intolerably high levels. I refer especially to rural and center-city areas where recession strikes first, hardest, and lasts the longest.

The bill I am introducing is not a radical alteration of the present legislation but would make several improvements in its operation. As enacted by Congress almost 2 years ago, the Emergency Employment program had a 2-year life, and the President has made clear his intention to allow the program to lapse. My bill would keep the program in existence as long as the national unemployment rate exceeds 4.5 percent. Additionally, the funding would be directly related to the unemployment rate so that the program would automatically be expanded if the unemployment rate showed a sharp increase during any 12-month period.

The most viable alternative to welfare is jobs. And if, for some reason, the private sector is not producing enough jobs, then funds must be provided to put people to work. This bill would provide a continuing vehicle for providing those jobs and also assist hard pressed local communities meet the rising demands for services currently being placed upon them.

I ask unanimous consent that a copy of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1298

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Service Employment Act of 1973".

STATEMENT OF FINDINGS AND PURPOSES

Sec. 2. The Congress finds and declares that—

(1) continued intolerable levels of poverty in the Nation's cities and rural areas are in large measure the result of high levels of unemployment and underemployment in those areas;

(2) the Nation has failed to fulfill the commitment made twenty-five years ago in the Employment Act of 1946 to assure maximum levels of employment through public policy;

(3) the unmet need for adequate public services in urban and rural areas and the existence of unused and underused manpower resources in these same areas provide an opportunity for the Nation to solve both problems at the same time;

(4) high unemployment severely limits the work opportunities available to the general population, especially low-income persons, and migrants, persons of limited English-speaking ability, and others from socioeconomic backgrounds generally associated with substantial unemployment and underemployment;

(5) expanded work opportunities must keep pace with the increased number of persons in the labor force, including the many young persons who are entering the labor force, persons who have recently been separated from military service, and older persons who desire to remain in, enter, or reenter the labor force;

(6) with high unemployment, many low-income persons are unable to secure or retain employment, making it especially difficult to become self-supporting and thus increasing the number of welfare recipients;

(7) many of the persons who have become unemployed or underemployed as a result of technological changes or as a result of shifts in the pattern of Federal expenditures, as in the defense, aerospace, and construction industries, could usefully be employed in providing needed public services;

(8) it is appropriate to assist States and local communities to hire the unemployed to fill unmet needs for public services in such fields as environmental quality, health care and public health, housing and neighborhood improvements, recreation, education, public safety, maintenance of streets, parks, and other public facilities, rural development, transportation, beautification, conservation, crime and fire prevention and control, prison rehabilitation, and other fields of human betterment and public improvement.

It is therefore the purpose of this Act to provide such unemployed and underemployed persons with employment in jobs providing needed public services and appropriate training and related services.

DEFINITIONS

Sec. 3. (a) As used in this Act, the term—

(1) "Secretary" means the Secretary of Labor;

(2) "State" includes the several States and the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(3) "public service" includes, but is not limited to, work in such fields as environmental quality, health care, education, public safety, crime and fire prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, housing and neighborhood improvements, rural development, conservation, beautification, veterans outreach, and other fields of human betterment and community improvement;

(4) "health care" includes, but is not limited to, public health services and activities, preventive and clinical medical treatment, voluntary family planning services, nutrition services, and appropriate psychiatric, psychological, and prosthetic services;

(5) "veterans outreach" means the veterans outreach services program carried out under subchapter IV of chapter 3 of title 38, United States Code, with full utilization of veterans receiving educational assistance or vocational rehabilitation under chapter 31 or 34 of such title 38;

(6) "unemployed person" means—

(A) persons who are without jobs and who want and are available for work; and

(B) adults who or whose families receive food stamps or surplus commodities under the Agricultural Act of 1949 or the Food Stamp Act of 1964 or money payments under title I, IV, X, or XVI of the Social Security Act (1) who are determined by the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, to be available for work, and (2) who are either (i) persons without jobs, or (ii) persons working in jobs providing insufficient income to enable such persons and their families to be self-supporting without welfare assistance;

and determinations under clause (A) shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining persons as unemployed; and

(7) "underemployed persons" means—

(A) persons who are working part time but seeking full-time work;

(B) persons who are working full time but receiving wages below the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget.

(b) As used in section 11(c) of this Act, the term "area" means—

(1) where the applicant is an eligible unit of government or an Indian tribe, that geographical area over which the applicant exercises general political jurisdiction, or

(2) where the applicant is a public or private nonprofit agency or institution serving any area within the jurisdiction of an eligible unit of government, that geographical area over which such unit of government exercises general political jurisdiction

AUTHORIZED APPROPRIATIONS

Sec. 4. (a) There are authorized to be appropriated for each fiscal year ending prior to July 1, 1976, such amounts as the Congress may determine to be necessary for carrying out this Act.

(b) For the purpose of providing financial assistance for any fiscal year under this Act to enable eligible applicants to carry out public service employment programs, the Secretary is authorized, out of funds appropriated to carry out this Act, to obligate expenditures equal to the sum of the amounts determined in accordance with the following clauses:

(1) $500,000,000 when the Secretary determines that the rate of national unemployment (seasonally adjusted) equals or exceeds 4½ per centum for three consecutive months prior to any such determination, but no more than one determination may be made under this clause in any given twelve-month period; and

(2) $100,000,000 for each increment of one-half of 1 per centum by which the Secretary determines that the average rate of national unemployment (seasonally adjusted) for three consecutive months prior to any such determination exceeds the rate specified in clause (1), not to exceed an aggregate total under this clause of $250,000,000 in the first twelve-month period after enactment or $500,000,000 in any given twelve-month period thereafter.

(c) No further obligation of funds may be made under subsection (b) subsequent to a determination by the Secretary that the rate of national unemployment (seasonally adjusted) has receded below 4½ per centum for three consecutive months.

(d) Whenever the Secretary makes any determination required by subsection (b) or (c), he shall promptly notify the Congress and shall publish such determination in the Federal Register. At such time, the Secretary shall recommend to the Congress any further steps he deems appropriate.

FINANCIAL ASSISTANCE FOR PUBLIC SERVICE EMPLOYMENT PROGRAMS

SEC. 5. (a) The Secretary of Labor shall enter into arrangements with eligible applicants in accordance with the provisions of this Act for the purpose of providing financial assistance to public and private nonprofit agencies and institutions for the creation of jobs providing employment for unemployed or underemployed persons in carrying out needed public services.

(b) For the purpose of entering into arrangements with the Secretary under this Act, eligible applicants shall be—

(1) States, counties, cities, and other units or combinations of units of general local government which have established public service employment councils pursuant to plans approved by the Secretary under section 7 in order to carry out comprehensive public service employment programs; and

(2) other public and private nonprofit agencies and institutions (including community action agencies, model cities programs, community development corporations, Indian tribal organizations, and public service agencies and institutions of the Federal Government) when the Secretary determines that (A) the appropriate unit of government eligible under paragraph (1) of this subsection has agreed to such an arrangement, or (B) such unit has not submitted a plan under section 7 or an application for any fiscal year under section 8 which meets the purposes and provisions of this Act, or (C) an applicant described in this paragraph will carry out a public service employment program which more adequately meets the needs of a particular geographical area or community or population group in accordance with the purposes and provisions of this Act.

SPECIAL EMPLOYMENT AND ECONOMIC DEVELOPMENT ASSISTANCE

SEC. 6. (a) There is hereby established a special employment and economic development assistance program. The Secretary shall reserve 25 per centum of the appropriations under this Act for each fiscal year for the purpose of carrying out this section.

(b) The Secretary shall enter into arrangements with eligible applicants meeting the criteria set forth in subsection (d) in order to make financial assistance available, in accordance with the purposes and provisions of this Act, for the purpose of providing employment, for unemployed and underemployed persons residing in areas of substantial unemployment, in jobs providing needed public services, which shall be carried out, to the maximum practicable extent, within such areas.

(c) Recruitment of new section 6 public employment program enrollees shall emphasize young people, women, non-high-school graduates, older workers, and other groups experiencing abnormally high unemployment. Every program agent shall be required to submit an acceptable plan for recruiting from these groups before it is refunded for the fiscal year beginning July 1, 1974.

(d) For the purpose of this section—

(1) "area of substantial unemployment" means any geographical area of sufficient size and scope to sustain a public service employment program under this Act and which has a rate of unemployment equal to or in excess of 6 per centum for three consecutive months and such an area shall continue to be deemed an area of substantial unemployment until the rate of unemployment has been less than 6 per centum, on the average, for the succeeding twelve months; and

(2) "eligible applicant" means any unit or combination of units of general local government or any public or private nonprofit agency or institution or Indian tribal organization which serves an area of substantial unemployment.

(d) In determining the rate of unemployment for the purposes of section (c)(1), persons who were, at the time of their employment under this Act, being counted as unemployed in determining such rate of unemployment shall continue to be so counted if they continue in such employment.

(e) Whenever the Secretary makes any determination required by subsection (c)(1) of this section, he shall promptly notify the Congress and shall publish such determination in the Federal Register.

(f) The Secretary is authorized to use not to exceed 20 per centum of the amounts available for carrying out this section for any fiscal year to provide financial assistance for economic development, low-cost housing, public works, and economic opportunity programs designed to assist in the long-range improvement of the economy of areas of substantial unemployment. The Secretary may provide financial assistance under this subsection only in accordance with criteria which shall be prescribed by the Secretary of Labor with the concurrence, as appropriate, of the Secretary of Housing and Urban Development, the Secretary of Commerce, and the Director of the Office of Economic Opportunity.

(h) Only persons from areas of high unemployment within an area shall be employed under section 6. Persons from areas where unemployment is not above 6 per centum who are currently employed under section 6 shall be transferred to section 5 employment as rapidly as funds become available.

PUBLIC SERVICE EMPLOYMENT COUNCILS

SEC. 7. (a) Any State, county, city, or other unit or combination of units of general local government which desires to be an eligible applicant in order to enter into arrangements with the Secretary under any provision of this Act shall submit to the Secretary a plan for the establishment of a public service employment council which shall—

(1) provide that the chief executive officer or governing body of the unit or units of government establishing such council shall appoint the members of the council and shall designate one member to be chairman;

(2) provide that the council shall consist of an equal number of members representing each of the following groups—

(A) community organizations, including community action agencies, model cities programs, the public employment service, education and training institutions, veterans organizations, and business and labor;

(B) job and service providers, including health, education, environmental quality, child care, recreation, public safety, and social service agencies;

(C) organizations representing low-income persons and other significant segments of the population to be served in accordance with the purposes of this Act;

(3) provide that the chairman of the council shall, with the approval of the council, appoint a staff director who shall supervise professional, technical, and clerical staff serving the council;

(4) set forth procedures under which applications for financial assistance for any fiscal year will be submitted by the applicant which shall be responsible for planning and carrying out services for which financial assistance is provided under this Act, and under which appropriate arrangements will be made for the council's participation in the planning and development of such applications;

(5) set forth the council's plans for conducting, on a continuing basis, surveys and analyses of unemployment and underemployment and needs for public services in the geographical area served by the council, to be used in the development of applications for assistance under this Act;

(6) set forth arrangements assuring that community action agencies, model cities programs, and other appropriate community organizations, will be involved in the development of applications for financial assistance under this Act;

(7) set forth the council's plans for evaluating the effectiveness of programs for which financial assistance is provided under this Act and for periodically reporting full statistical data to the Secretary for such programs; and

(8) describe the geographical area to be served by the council.

(b) The Secretary shall approve plans submitted by units of government under subsection (a) which are consistent with the purposes and provisions of the title and meet the requirements of subsection (a). A plan submitted by a unit of government may be disapproved only if the Secretary, in accordance with regulations which he shall prescribe, has provided—

(1) written notice of intention to disapprove such plan, including a statement of the reasons therefor;

(2) a reasonable time to submit corrective amendments to such plan; and

(3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

(c) The Secretary shall make available not more than 1 per centum of the sums appropriated to carry out this Act for the purpose of paying such amounts as may be reasonably necessary to cover the staff and other administrative expenses of the councils established pursuant to subsection (a). The amount made available for the purposes of this subsection shall be allocated from the funds available to the Secretary under paragraph (2) of section 9(a).

APPLICATIONS

SEC. 8. (a) Financial assistance under this Act may be provided by the Secretary only pursuant to an application from an eligible applicant approved by the Secretary in accordance with the purposes and provisions of this Act. Such application shall set forth a public service employment program designed to create jobs providing employment for unemployed and underemployed persons in carrying out needed public services.

(b) An application for financial assistance for a public service employment program under this title shall include provisions setting forth—

(1) assurances that the activities and services for which assistance is sought under this title will be administered by or under the supervision of the applicant, identifying any agency or agencies designated to carry out such activities or services under such supervision;

(2) a description of the geographic area to be served by such programs, and a plan for serving on an equitable basis the significant segments of the population to be served, including data indicating the total number, and the number in each such segment, of unemployed and underemployed persons and their income and employment status;

(3) a description of the methods to be used to recruit, select, and orient unemployed and underemployed persons, including specific eligibility criteria, and programs to prepare such persons for their job responsibilities, including a description of the special methods to be used to acquaint such persons of limited English-speaking ability with the availability of such programs;

(4) a description of unmet public service needs and a statement of priorities among such needs;

(5) a description of jobs to be filled, a listing of the major kinds of work to be performed and skills to be acquired, and the approximate duration for which participants would be assigned to such jobs;

(6) the wages or salaries to be paid participants and a comparison with the prevailing wages in the area for similar work;

(7) the education, training, and supportive services (including counseling and health care services) which complement and enhance the work performed.

(8) the planning for and training of supervisory personnel in working with participants;

(9) a description of career opportunities and job advancement potentialities for participants;

(10) an indication of the full participation and maximum cooperation among local public officials, area residents, and representatives of private organizations in the development of the program and a description of their respective roles in the conduct and administration of the program;

(11) assurances that public service employment opportunities will be provided on an equitable basis among significant segments of the population of unemployed and underemployed persons whom it is the purpose of this Act to assist;

(12) assurances that priority in filling public service jobs will be given to unemployed or underemployed persons who served in the active military, naval, or air service (as that term is defined in title 38, United States Code) on or after August 5, 1964, in accordance with criteria established by the Secretary (and who have received other than dishonorable discharges); and that the applicant shall (A) in conjunction with the veterans outreach program, make a special effort to acquaint such individuals with the program, and (B) coordinate efforts on behalf of such persons with those authorized by chapter 41 of title 38, United States Code (relating to job counseling and employment service for veterans), or carried out by other public or private organizations or agencies;

(13) that agencies and institutions to whom financial assistance is made available under this Act have undertaken analyses of job descriptions and reevaluations and, where shown necessary, revisions of qualification requirements at all levels of employment, including civil service requirements and practices relating thereto, in accordance with regulations prescribed by the Secretary, with a view toward removing artificial barriers and achieving an equitable distribution of jobs for those whom it is the purpose of this Act to assist;

(14) assurances that due consideration will be given to persons who have participated in manpower training programs for whom employment opportunities would not be otherwise immediately available;

(15) assurances that the applicant will maintain or provide appropriate linkages with manpower programs for the purpose of (A) providing those persons employed in public service jobs assisted under this Act who want to pursue work with the employer, in the same or a similar field of work, with opportunities to do so and to find careers with maximum upward mobility in that field, and (B) providing those persons so employed who do not wish to pursue such work with opportunities to seek, prepare for, and obtain other work;

(16) assurances that all persons employed under any such program, other than necessary technical, supervisory, and administrative personnel, will be selected from among unemployed and underemployed persons;

(17) assurances that special consideration will be given to employing welfare recipients who want and are available for work and that appropriate linkages will be established and maintained with welfare agencies and with other programs making special efforts to assist welfare recipients to become self-sufficient;

(18) assurances that special consideration will be given to employing persons who have become unemployed as a result of technological changes or as a result of shifts in the pattern of Federal expenditures, including unemployed defense, aerospace, and construction workers; and

(19) such other assurances, arrangements, and conditions, consistent with the purposes and provisions of this Act, as the Secretary deems necessary, in accordance with such regulations as he shall prescribe.

(c) Programs assisted under this Act shall, to the extent feasible, be designed with a view toward enabling individuals to move into public or private employment or training not assisted under this Act, and toward—

(1) developing new careers, or

(2) providing opportunities for career advancement, or

(3) providing opportunities for continued training, including on-the-job training.

(d) An application, or modification, or amendment thereof, for financial assistance under this title, may be approved only if the Secretary determines that—

(1) the application is consistent with the purposes and provisions of this Act;

(2) the application meets the requirements set forth in this section;

(3) an opportunity has been provided to the appropriate community action agency, model cities program, and organizations representing significant segments of the population to be served in the area to be served to submit comments with respect to the application to the applicant and to the Secretary;

(4) the approvable request for funds does not exceed 90 per centum of the cost of carrying out the program proposed in such application, unless the Secretary determines that special circumstances warrant the waivers of this requirement.

Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services.

ALLOCATION OF FUNDS

SEC. 9. (a) The amounts appropriated under section 4 of this Act for any fiscal year shall be allocated by the Secretary in such a manner that of such amounts—

(1) not less than 80 per centum shall be apportioned among the States in an equitable manner, taking into consideration the proportion which the total number of unemployed and low-income persons in each such State bears to the total number of such persons, respectively, in the United States, but not less than $1,500,000 shall be apportioned to any State, except that not less than $1,500,000 shall be apportioned among the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(2) the remainder shall be available as the Secretary deems appropriate to carry out the purposes of this Act.

(b) The amount apportioned to each State under clause (1) of subsection (a) shall be apportioned among areas within each such State in an equitable manner, taking into consideration the proportion which the total number of unemployed and low-income persons in each such area bears to the total number of such persons, respectively, in that State.

(c) As soon as practicable after funds are appropriated to carry out this Act for any fiscal year, the Secretary shall publish in the Federal Register the apportionments required by subsection (a)(1) and (b) of this section.

TRAINING AND RELATED SERVICES

SEC. 10. For the purpose of providing training and related services, and the acquisition or the rental or leasing of supplies, equipment, materials, and real property necessary to enable persons to be employed in public service employment programs assisted under this Act, the Secretary shall utilize, in addition to any funds otherwise available under federally supported manpower programs, not to exceed 15 per centum of the amounts appropriated under this Act for each fiscal year.

SPECIAL PROVISIONS

SEC. 11. (a) The Secretary shall not provide financial assistance for any program or activity under this Act unless he determines, in accordance with such regulations as he shall prescribe, that—

(1) the program (A) will result in an increase in employment opportunities over those which would otherwise be available, (B) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of non-overtime work or wages or employment benefits), (C) will not impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed, and (D) will not substitute public service jobs for other federally assisted jobs;

(2) persons employed in public service jobs assisted under this Act shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similiar public occupations by the same employer;

(3) funds under this Act will not be used to pay persons employed in public service jobs under this Act at a rate in excess of $12,000 per year;

(4) all persons employed in public service jobs assisted under this Act will be assured of workmen's compensation, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent as other employees of the employer and to the same working conditions and pro-

motional opportunities as such other employees enjoy;

(5) the provisions of section 2(a)(3) of Public Law 89-286 (relating to health and safety conditions) shall apply to such program or activity;

(6) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

(7) not to exceed 10 per centum of the funds available for any program under this Act will be used for the acquisition or the rental or leasing of supplies, equipment, materials, or real property; and

(8) every participant shall be advised prior to entering upon employment, of his rights and benefits in connection with such employment.

(b) Consistent with the provisions of this Act, the Secretary shall make financial assistance under this Act available in such a manner that, to the extent practicable, public service employment opportunities will be available on an equitable basis among significant segments of the population of unemployed and underemployed persons whom it is the purpose of this Act to assist, giving consideration to the relative numbers of unemployed and underemployed person in each such segment.

(c) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under any program for which an application is being developed for submission under this Act, such organization shall be notified and afforded a reasonable period of time in which to make comments to the applicant and to the Secretary.

(d) The Secretary shall prescribe regulations to assure that programs under this Act have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and such other policies, consistent with the purposes and provisions of this title, as may be necessary to promote the effective use of funds.

(e) The Secretary may make such grants, contracts, or agreements, establish such procedures, policies, rules, and regulations, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including necessary adjustments in payments on account of overpayments or underpayments. The Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or any term or condition of assistance under this Act.

(f) The Secretary shall not provide financial assistance for any program under this Act unless he determines, in accordance with regulations which he shall prescribe, that periodic reports will be submitted to him containing data designed to enable the Secretary and the Congress to measure the relative and, where programs can be compared appropriately, comparative effectiveness of the programs authorized under this Act and other federally supported manpower programs. Such data shall include information on—

(1) characteristics of participants including age, sex, race, health, education level, and previous wage and employment experience;

(2) duration in employment situations, including information on the duration of employment of program participants for at least a year following the termination of participation in federally assisted programs and comparable information on other employees or trainees of participating employers; and

(3) total dollar cost per participant, including breakdowns, between wages, training, and supportive services, all fringe benefits, and administrative costs.

The Secretary shall compile such information on a labor market, State, regional, and national basis and shall include such information in the report required by section 13 of this Act.

(g) The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect thereto specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any applicant for participation in such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(h) The Secretary shall not provide financial assistance for any program under this Act which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be, in any way or to any extent, engaged in the conduct of political activities for purposes which contravene chapter 15 of title 5, United States Code.

(i) The Secretary shall not provide financial assistance for any program under this Act unless he determines that participants in the program will not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(j) Programs assisted under this title shall, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment and occupational advancement, including civil service requirements which restrict employment opportunities for the disadvantaged and for significant segments of the population whom it is the purpose of this Act to assist.

LEGAL AUTHORITY

SEC. 12. Rules, regulations, guidelines, and other published interpretations or orders issued by the Department of Labor, or any official thereof, in connection with or affecting the administration of any authority under this Act shall contain, immediately following each substantive provision of such rules, regulations, guidelines, interpretations, or orders, citations to the particular section or sections of statutory law or other legal authority upon which such provision is based.

SPECIAL REPORT

SEC. 13. The Secretary shall transmit to the Congress at least annually a detailed report setting forth the activities conducted under this Act, including information derived from evaluations required by this Act and information (1) on the extent to which participants in such activities subsequently secure and retain public or private employment or participate in training or employability development programs, and (2) the extent to which segments of the population of unemployed and underemployed persons are provided public service employment opportunities in accordance with the purposes of this Act.

TECHNICAL ASSISTANCE AND EVALUATION

SEC. 14. From funds available to the Secretary under paragraph (2) of section 9(a) for each fiscal year, the Secretary shall reserve such amount, not to exceed 1 per centum, as he deems necessary to provide for technical assistance to eligible applicants seeking to comply with the requirements of this Act and a continuing evaluation of programs assisted under this Act and their impact on related programs.

RESEARCH

SEC. 15. The Secretary shall carry out a program of research and pilot projects into alternative ways and means to reach full employment defined as job opportunities at adequate wages for all those able and willing to work, including analyses of structural and other barriers to achieving such full employment, including a comparative analysis of the employment and poverty experience of other countries. The Secretary shall transmit the results of research efforts under this section to the Congress and make them readily available to the general public. For the purposes of this section, not to exceed $50,000,000 shall be reserved from funds available to the Secretary under paragraph (2) of section 9(a) for each fiscal year ending prior to June 30, 1975.

LABOR MARKET INFORMATION

SEC. 16. (a) In addition to the monthly national unemployment statistics, the Secretary shall gather by survey and publish on a regular basis data on unemployment, underemployment, and job vacancies by State, labor market area, rural area, and city and poverty neighborhoods.

(b) For purposes of this section, underemployment shall include persons who have part-time work but desire full-time work, discouraged workers not in the labor force, and persons earning less than the Federal minimum wage. Separate data shall be collected and compiled showing the total number of persons earning wages at levels lower than that sufficient to provide an annual income at the level of the lower living standard budget for a family of four (adjusted for regional, metropolitan, urban, and rural differences), as determined annually by the Bureau of Labor Statistics of the Department of Labor.

(c) Vacancy data shall include information on (1) how many unfilled jobs are available in the economy, by industry and occupation, (2) what are the capability requirements of such jobs, (3) salaries, wages, and other benefits of such jobs, (4) where jobs are located, and (5) how many and what kind of jobs remain unfilled for sixty days and for ninety days. To develop such data, the Secretary is authorized to require that all job vacancies be reported to the Department of Labor.

(d) Not to exceed 1 per centum of the funds available to the Secretary under paragraph (2) of section 9(a) for each fiscal year shall be available for the purpose of carrying out this section.

ACCEPTANCE OF FUNDS

SEC. 17. The Secretary is authorized to accept and utilize in carrying out the purposes and provisions of this Act funds appropriated to carry out other provisions of Federal law if such funds are utilized for the purposes for which they are specifically authorized and appropriated.

EFFECTIVE DATE

SEC. 18. This Act shall be effective upon enactment and the determinations to be made under section 4(b) shall take into account the rate of unemployment for a period of three consecutive months even though all or part of such period may have occurred prior to the enactment of this Act.

By Mr. SYMINGTON:

S. 1299. A bill to amend title I of the Housing Act of 1949 to permit a city whose population falls to below fifty thousand to convert any outstanding urban renewal projects from a two-thirds to a three-fourths capital grant formula. Referred to the Committee on Banking, Housing and Urban Affairs.

URBAN RENEWAL GRANTS FOR CITIES WITH DECLINING POPULATIONS

Mr. SYMINGTON. Mr. President, I introduce today a bill to permit cities whose populations fell below 50,000 at the last census to convert outstanding urban renewal projects from a two-thirds to a three-fourths captial grant formula. The forerunner of this legislation, S. 2221, which I introduced in the last session, was included in the Housing and Urban Development Act of 1972, approved by the Senate on March 2, 1972. Unfortunately, however, the bill died in House committee.

Under the present capital grant formula, cities with populations below 50,000 pay one-fourth of the cost of urban renewal projects while those above 50,000 pay one-third of the cost of such projects. There are, however, at least five such cities which continue to pay one-third of the cost despite the fact that the population has declined well below 50,000.

The adoption of this proposal would bring five cities—University City, Mo.; Atlantic City, N.J.; East Chicago, Ind.; Jackson, Mich.; and Wheeling W. Va.—onto an equal footing with the other cities in the country with less than 50,000 residents.

I am pleased to announce that the bill is cosponsored by Senators Eagleton, Bayh, and Hartke.

We do not know at this time what action Congress will take on community development legislation in this session or what impact it would have on such urban renewal programs. Until changes are made in current programs, however, the present formulas will apply to on-going urban renewal projects. It is our hope, therefore, that the Congress will move quickly to enact this legislation.

The effect of the committee modification on my bill in the last session was to limit application to those cities below 50,000 population which experienced a substantial decrease under the 1970 census. This latter clause was interpreted in the committee report of S. 3248, the Housing and Urban Development Act of 1972, to mean a reduction in population of at least 5 percent.

The bill I am introducing this year conforms to the language approved last year by the committee and the Senate, and I ask unanimous consent that the text be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (i) of section 103(a)(2)(B) of the Housing Act of 1949 is amended to read as follows: "(i) a municipality having, at the time the contract or contracts involved are entered into, a population of fifty thousand or less according to the most recent decennial census, and a municipality, the population of which is in excess of fifty thousand at the time the contract or contracts are entered into, having a population at any time prior to the time the final grant payment is made pursuant to such contract or contracts which is substantially less than fifty thousand according to such census,".

Sec. 2. The amendment made by subsection (a) shall apply to contracts entered into under title I of the Housing Act of 1949 on or after the date of the enactment of this Act, and to any contract entered into under such title before such date if the final grant payment has not been made pursuant thereto before such date.

By Mr. EASTLAND (for himself, Mr. McClellan, Mr. Hruska, Mr. Cook, and Mr. Gurney) (by request):

S. 1300. A bill to assure the imposition of appropriate penalties for persons convicted of offenses involving heroin or morphine, to provide emergency procedures to govern the pretrial and post-trial release of persons charged with offenses involving heroin or morphine, and for other purposes. Referred to the Committee on the Judiciary.

THE HEROIN TRAFFICKING ACT OF 1973

Mr. EASTLAND. Mr. President, as I have said on numerous occasions, one of the worst menaces facing this Nation is the serious problem of heroin trafficking. If it is not checked, it will continue to undermine the strength of this country, destroying our young people particularly, and, at the same time, feeding the criminal syndicates that thrive on profits from heroin trafficking. Because I believe that the time has come to take strong measures to meet this serious problem, I am today introducing, on behalf of myself, Senator McClellan, Senator Hruska, Senator Cook, and Senator Gurney, by request, the Heroin Trafficking Act of 1973. The President, in his recent message to Congress, called for passage of this legislation as a major step toward curbing this horrible menace. The bill parallels a course that the distinguished senior Seantor from Florida and I had taken earlier this session in introducing similar legislation.

This bill provides for increased penalties for heroin and morphine offenses. It would make mandatory a sentence of 5 to 15 years for a first offense of trafficking in or illegally importing or exporting less than 4 ounces of a mixture or substance containing any amount of heroin or morphine. For the same offense regarding 4 or more ounces of such mixture or substance, it would make mandatory a sentence of from 10 years to life.

For a violator with a prior heroin or morphine conviction or one whose crime is committed while he is released pending trial, appeal, or sentencing on a Federal heroin or morphine charge, the mandatory sentence, regarding less than four ounces of a mixture or substance containing any amount of heroin or morphine, would be imprisonment for 10 years to life. For the same offense regarding four or more ounces of such mixture or substance, the mandatory sentence would be imprisonment for life with no parole.

This proposed legislation would make mandatory a sentence of imprisonment for 10 years to life for conviction of possessing four or more ounces of a mixture or substance containing any amount of heroin or morphine. If such possessor has a prior heroin or morphine conviction, there would be a mandatory sentence of imprisonment for life with no parole.

The bill provides that the imposition of execution of such mandatory sentences shall not be suspended, probation shall not be granted, and the Federal Youth Corrections Act shall not be applied.

Professional law enforcement officers are greatly concerned that many times, after dangerous and time-consuming investigations, successful arrests of heroin traffickers often fail to stop illicit heroin traffic. For example, in a great many cases, the individuals who play a part in the heroin traffic on a national and international level merely post bond and resume their activity within days and sometimes hours after their release.

The proposed bill also deals with conditions of release of persons pending trial on heroin or morphine charges and upon conviction, but pending sentence or appellate review. Unless the judicial officer finds that release will not pose a danger to the persons or property of others, pretrial release would be denied to those charged with a heroin or morphine trafficking offense. The bill would also prohibit post-trial release while awaiting sentence or during appellate processes of those who have been convicted of trafficking in or illegally importing or exporting heroin or morphine.

I would urge my colleagues to give this bill very careful consideration and to act on it with dispatch. We dare not vacillate in the face of spreading heroin addiction and its attendant problems.

Mr. President, I ask unanimous consent that a summary of the Heroin Trafficking Act of 1973 be printed in the Record at the conclusion of these remarks.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY

Section 1 of the draft bill provides that it may be cited as the Heroin Trafficking Act of 1973.

TITLE I—INCREASED PENALTIES

Title I of the draft bill would amend the penalty provisions of the Controlled Substances Act and the Controlled Substances Import and Export Act with respect to the penalties for heroin and morphine offenses.

Section 101. Under existing law, section 401(b)(1)(A) of the Controlled Substances Act, a person convicted of manufacturing, distributing, or dispensing, or possessing with intent to manufacture, distribute, or dispense a controlled substance in schedule I or II of the Controlled Substances Act which is a narcotic drug is subject to a sentence of not more than 15 years imprisonment, a fine of not more than $25,000, or both. A second offender, or person who had been convicted of another felony under a federal law relating to narcotic drugs, marihuana, or depressant or stimulant substances, would be sentenced to not more than 30 years imprisonment, or not more than a $50,000 fine, or both. A special parole term of three years would be added to the sentence of a first offender, and a special parole term of six years would be added to the sentence of a second offender.

Section 101 of the draft bill would amend section 401(b)(1)(A) to increase the penalties for manufacturing, distributing, or dispensing, or possessing with intent to manufacture, distribute, or dispense a mixture or substance containing any amount of heroin or morphine which is a controlled substance under schedule I or II. If the person was convicted of the offense with respect to less than four ounces of such mixture or substance, he would be sentenced to a mandatory minimum sentence of not less than five years nor more than fifteen years imprisonment, and could also be fined not more than $50,000 (proposed section 401(b)(1)(A)(i)(aa)). If the person was convicted of the offense with respect to four ounces or more of such mixture or substance, he would be sentenced to a mandatory minimum sentence of not less than ten years, or for life, and could be fined not more than $100,000 (proposed section 401(b)(1)(A)(ii)(aa)). If a person convicted of an offense involving less than four ounces had previously been convicted of a Federal, State or foreign felony relating to heroin or morphine controlled in schedule I or II, or committed the offense while released pending trial, appeal, or sentencing on a charge involving heroin or morphine controlled in schedule I or II, he would be subject to a minimum mandatory sentence of not less than ten years, or a life sentence, and could also be fined not more than $100,000 (proposed sections 401(b)(A)(i)(bb) and (cc)).

If a person convicted of an offense involving four ounces or more had previously been convicted of a Federal, State or foreign felony relating to heroin or morphine controlled in schedule I or II, or committed the offense while released pending trial, appeal, or sentencing, on a charge involving heroin or morphine controlled in schedule I or II, he would be subject to life imprisonment with no parole (proposed sections 401(b)(1)(A)(ii)(bb) and (cc)). No sentence under these provisions of section 401 (b)(1)(A) could be suspended, probation could not be granted, and the Federal Youth Corrections Act (chapter 402 of title 18, United States Code) could not be applied. The existing penalty structure would continue to apply to offenses relating to narcotic drugs in schedule I and II other than morphine and heroin, and the existing recidivist penalty would apply to a person convicted of an offense relating to those narcotic drugs after being convicted of an offense relating to heroin or morphine (proposed section 401(b)(1)(A)(iii)).

Section 102. Section 102 would add a new section 404A to the Controlled Substances Act which would provide that conviction of illegally possessing four or more ounces of a mixture or substance containing any amount of heroin or morphine would require a sentence of imprisonment for a term of years of not less than 10 years, or for life, with parole, and, in addition, a possible fine of not more than $100,000.

If the person had previously been convicted of a Federal, State, or foreign felony relating to heroin or morphine controlled in schedule I or II, or if the offense was committed while the person was released pending trial, appeal, or sentencing on a charge involving heroin or morphine controlled in schedule I or II, there would be a sentence of life imprisonment with no parole. Execution of a sentence imposed under these provisions could not be suspended, probation could not be granted, and the Federal Youth Corrections Act could not be applied.

Section 103. Existing law, section 406 of the Controlled Substances Act, provides that an attempt or conspiracy to commit an offense under the Controlled Substances Act is punishable by imprisonment or fine or both not exceeding the maximum punishment prescribed for the offense which was the object of the attempt or conspiracy. Because mandatory minimum sentences or mandatory life sentences would result from the amendments which would be made by this draft bill, this section would be amended to provide that the punishment for an attempt or conspiracy would be the same as would have been imposed upon conviction of the offense itself.

Section 104(a). Violations of the provisions of the Controlled Substances Import and Export Act relating to illegal importation or exportation, or manufacture or distribution with intent or knowledge of future illegal importation, of narcotic drugs in schedule I or II carry a penalty of up to fifteen years imprisonment or a fine up to $25,000, or both, under existing law (section 1010(b)(1)). Section 104 would amend section 1010(b)(1) to increase the penalties for illegal importation or exportation, or manufacture or distribution for illegal importation, of heroin or morphine. If the person was convicted of the offense with respect to less than four ounces of a mixture or substance containing any amount of heroin or morphine controlled in schedule I or II, he would be sentenced to a mandatory minimum sentence of not less than five years nor more than fifteen years imprisonment, and could also be fined not more than $50,000 (proposed section 1010(b)(1)(A)). If the person was convicted of the offense with respect to four ounces or more of such a mixture or substance, he would be sentenced to a mandatory minimum sentence of ten years, or for life, and could be fined not more than $100,000 (proposed section 1010(b)(1)(B)). Sentence could not be suspended, probation could not be granted, and the Federal Youth Corrections Act could not be applied. Existing penalties would continue to apply to other import-export violations relating to narcotic drugs controlled in schedule I or II (proposed section 1010(b)(1)(C)).

Section 104(b). Under existing law (section 1012(a)), a person convicted of an importing or exporting offense, if he has previously been convicted of a Federal, state or foreign felony relating to heroin or morphine controlled in schedule I or II, is punishable by twice the term of imprisonment, or twice the fine, or both, otherwise authorized. Section 104(b) of the draft bill would amend section 1012(a) of the Controlled Substances Import and Export Act to provide stiffer penalties if the narcotic drug involved in an offense is heroin or morphine. If a person convicted of an offense relating to less than four ounces of a mixture or substance containing any amount of heroin or morphine controlled in schedule I or II had previously been convicted of a Federal, state, or foreign felony relating to heroin or morphine, or committed the offense while released pending trial, appeal, or sentencing on a Federal charge involving heroin or morphine controlled in schedule I or II, he would be subject to a minimum mandatory sentence of not less than ten years, or a life sentence, and could also be fined not more than $100,000 (proposed sections 1012(a)(2) and (4)). If the offense related to four ounces or more of such a mixture or substance, the person would be subject to life imprisonment with no parole if he had previously been convicted of a Federal, state, or foreign felony relating to heroin or morphine, or if he committed the offense while released pending trial, appeal, or sentencing on a Federal charge involving heroin or morphine controlled in schedule I or II (proposed sections 1012(a)(3) and (5). Sentence for these offenses could not be suspended, probation could not be granted, and the Federal Youth Corrections Act could not be applied. Existing penalties would continue to apply to other repeat offenses relating to illegal exportation or importation, or manufacture or distribution for illegal importation, of narcotic drugs in schedule I or II, including such an offense which followed an offense relating to illegal importation or exportation of heroin or morphine.

Section 104(c). Section 104(c) would make the same change in the conspiracy and attempt provision of the Controlled Substances Import and Export Act (section 1013 (as made by section 103 of the draft bill in the conspiracy and attempt provision of the Controlled Substances Act (section 406).

Section 105. The Table of Contents at the beginning of the Comprehensive Drug Abuse Prevention and Control Act would be amended to reflect the addition of section 404A to the Controlled Substances Act by section 102 of the draft bill.

TITLE II—CONDITIONS OF RELEASE

Title II of the proposed bill would add new sections to the Controlled Substances Act which would govern conditions of release of offenders charged with or convicted of violations of certain laws relating to heroin or morphine.

Proposed Section 412. A judicial officer would be required, in setting conditions of pretrial release, under the Bail Reform Act of 1966, of a person charged under the Controlled Substances Act or the Controlled Substances Import and Export Act with an offense relating to heroin or morphine which is a controlled substance in schedule I or II, to consider the safety of others and their property and the safety of the community in addition to the consideration of risk of flight.

Proposed Section 413(a). Release pending trial would be denied, absent compelling circumstances, to certain categories of persons charged with a violation of section 401(a)(1), 404A, or 1010(a) of the Comprehensive Drug Abuse Prevention and Control Act of 1970, relating to heroin or morphine in schedule I or II. At the time of arraignment, a special hearing would be held to determine whether the accused: (a) has previously been convicted under either Federal or State law of a heroin or morphine trafficking offense; (b) is presently free on parole, probation, or other conditional release in connection with a conviction or pending charge for any previous Federal felony or state or foreign offense which would be a felony under Federal law; (c) is a non-resident alien; (d) was arrested while in possession of documentation necessary for international travel incorrectly identifying him or belonging to some other person; or (e) has been convicted of having been a fugitive under Federal or State law or is a person for whom an arrest warrant has been outstanding for more than sixty days.

In the event that the accused is not found to be in one of the above categories, release shall nevertheless be denied unless he can establish that his release will not further endanger the community.

Proposed Section 413(b). Appeals from orders denying pretrial release may be taken by the individual Appeals from orders granting pretrial release may be taken by the United States.

Proposed Section 413(c). The case of a person held in custody pursuant to this section would be expedited.

Proposed Section 414. A defendant could not be released while awaiting sentence or after having filed an appeal or a petition for writ of certiorari if he has been convicted of violating section 401(a)(1), 404A or 1010(a) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 with respect to heroin or morphine which is a controlled substance in schedule I or II.

Proposed Section 415. The term "judicial officer" is defined as any person or court authorized to admit to bail or otherwise release a person before trial or sentencing, or pending appeal, in a Federal court and any judge of the Superior Court in the District of Columbia.

Mr. GURNEY. Mr. President, I am pleased to join as a cosponsor of this comprehensive proposal to deal with the problem of drug abuse. The bill sets forth a firm, two-pronged approach for dealing with those convicted of offenses involving heroin and morphine.

First, the bill calls for specific mandatory sentences ranging from 5 years to life, and monetary fines of up to $100,000. Under this bill, a prison sentence may not be suspended, nor probation granted.

For those arrested and found to be in possession of less than 4 ounces of drugs, the penalty ranges from 5 to 15 years and up to $50,000 for the first conviction and 10 years to life with a fine of up to $100,000 for the second conviction.

For those in possession of 4 ounces or more, this first conviction brings 10 years to life and up to $100,000; and the second conviction means life imprisonment.

Similar penalties are outlined for exporting or importing heroin or morphine, and for conspiring to commit any of these crimes.

Second, the bill outlines procedures to be followed in determining pretrial and post-trial release. For example, release would be denied unless the judicial officer determines that such action will not pose a threat to other members or property of the community. For an individual on parole or probation, no release would be granted. Nor would release be granted to anyone awaiting sentence or appeal if he has been convicted of a crime involving heroin or morphine. The bill provides for appeal to such release orders.

On February 20, I introduced S. 918, which calls for a mandatory life sentence with no suspension or probation for those convicted of trafficking in narcotics. If the individual was between the ages of 16 and 19 at the time of conviction, he would be eligible for parole after serving 15 years.

My bill also provides similar penalties for those convicted of committing a violent crime after using a narcotic drug.

At the time I introduced that measure, I pointed out the fact that nearly half a million Americans, according to the Commission on Narcotic Drugs, are addicted to heroin. This includes a great many young people, most of whom are high school age. At least a million and a half young people between the ages of 12 and 18 have tried heroin.

I also outlined a number of laws and programs which we have instituted in the past few years to deal with drug abuse problems—at a whopping cost of nearly $785 million.

Most of these programs have made some progress—particularly in drug education and rehabilitation. We have still failed, however, to provide an effective deterrent to drug abuse and drug trafficking. And that is precisely why we still have a $10 billion drug business and a half a million heroin addicts in this country today.

In their annual crime report for 1971, the FBI pointed out that 63 percent of those arrested on narcotics violations were repeaters. Many drug pushers do not go to jail at all—and very few of those who do go serve a full sentence.

The answer is clear—we must institute, through strict criminal penalties, an effective and credible deterrent against drug abuse. And I believe this is an idea that is gathering a groundswell of support among the American people.

With the introduction in the New York State Legislature of the Rockefeller antidrug abuse proposal, which served as the basis for my own bill, it became apparent, through the numerous press statements and other news articles that this idea of mandatory sentencing has elicited strong support from many areas.

As a matter of fact, several bills calling for various minimum sentences have been introduced here in the Senate in the past few weeks.

While Congress does not make it a habit to establish such minimum sentences legislatively, I believe that the dangers of drug abuse, both existing and potential, warrant this action as President Nixon pointed out in his recent message to Congress:

> Sometimes it seems that as fast as we bail water out of the boat through law enforcement and rehabilitation, it runs right back in through the holes in our judicial system. I intend to plug those holes. Until then, all the money we spend, all the enforcement we provide, and all the rehabilitation services we offer are not going to solve the drug problem in America.

While I feel that this bill we are introducing today represents a sound approach toward dealing with drug abuse, I intend to persist in my efforts to enact the most stringent penalties possible, as I proposed in S. 918, in order to insure that new drug legislation will result in a credible deterrent. In this respect, I urge the committee to give ample and expeditious consideration to all pending legislation dealing with the establishment of mandatory penalties, blending together the best features of each, so that we can get on with this business of stopping drug abuse.

Mr. HRUSKA. Mr. President, I take pleasure in following the lead of the distinguished chairman of the Senate Judiciary Committee in sponsoring the Heroin Trafficking Act of 1973.

The problem of heroin and morphine abuse has become of great concern in our country. It is estimated that the retail sales of heroin reach as high as $3 billion per year. Our country now has the largest addict population in the world.

The Federal Government has taken strong and positive measures against drug abuse. Serious problems, however, remain unsolved. I commend President Nixon for proposing the Heroin Trafficking Act of 1973. This legislation will provide the Senate a workbase from which the issues of heroin and morphine trafficking can be discussed.

The proposed bill contains two titles. Title I provides for the use of minimum mandatory sentencing against those convicted of specific violations involving heroin and morphine.

The Controlled Substances Act of 1970 reformed the entire Federal penalty structure by providing judges with discretionary powers in sentencing. The administration bill, however, seeks to apply the minimum mandatory sentences to a very specific and select group of Federal crimes, those having to do with trafficking, importing, exporting, or possessing heroin or morphine.

This Senator's longstanding position has been to generally oppose the concept of minimum mandatory sentencing. It remains so today. The widely held view in rehabilitation and corrections is away from mandatory penalties, generally speaking.

Hence, it is with caution that we must proceed to consider legislation which calls upon the Congress to return to a system of mandatory sentencing. That caution is duly observed in the bill here introduced. There is sound justification for invoking mandatory penalties for violation of laws making illegal trafficking in heroin or morphine.

These are not crimes of passion. Rather, they are systematically and deliberately planned and executed. Such traffickers are experienced in evading law enforcement efforts. They are aware of the gravity of the offense and penalty. For those criminals we must provide adequate punishment. The trafficker's business is to peddle drugs and destroy lives. We must find further ways to stop this activity. Mandatory sentences may well be the way to provide effective deterrent force in such cases.

TITLE II

The second title of this bill provides for pre- and post-trial detention of those persons accused of specific heroin and morphine offenses. An additional feature provides that addicts could not be released pending sentencing or appeal of a conviction for any Federal offense.

The District of Columbia has operated with a detention provision since the passage of the Bail Reform Act of 1966. Additional features were enacted with passage of the D.C. Court Reform and Criminal Procedure Act. To my knowledge, these provisions have never been ruled unconstitutional. The experience in the District of Columbia may provide us with a good background to the problems of detention and its effectiveness.

There is a great body of evidence which shows that narcotic offenders are inclined to commit further crimes while on release either before trial or after conviction. The detention feature of the proposed bill is designed to protect the community from further crimes of this nature by such persons.

While it is not necessary to agree with all provisions and language in the bill, it is my judgment that its thrust is in the right direction and toward a most desirable result.

During hearings, which I do hope will ensue at an early date, the full scope and particulars can be thoroughly canvassed.

Mr. COOK. Mr. President, one of the greatest problems which confront America today is the epidemic of narcotic addiction which has gripped the Nation. Any effort which will successfully combat the predicament must include both treatment for addicts and the apprehension of illicit drug traffickers.

On February 6 of this year I introduced the Narcotic Addict Treatment Act of 1973. This legislation will simultaneously secure the legal basis for present and new treatment programs while serving to eliminate diversions of narcotic drugs into street traffic. As I mentioned before, however, there are two facets to this complex problem. In addition to the creation of comprehensive and effective treatment programs for narcotic addicts, more attention must be given to the apprehension and swift prosecution of illicit drug traffickers.

Thus, today I join with Senators EASTLAND, MCCLELLAN, and GURNEY in introducing, by request, the Heroin Trafficking Act of 1973. This legislation provides harsh penalties for those derelicts in our society who traffic in the most sinister of all drugs, heroin and morphine. I hope that these greedy, despicable individuals who are engaged in drug trafficking will take note that each of our three branches of the Federal Government is determined as never before to deal with drug pushers in the harshest manner. The legislation which is being introduced today is the initiation of an exhaustive effort by Congress to determine the most effective manner in which to deal with drug pushers who have made slaves out of thousands of our young men and women.

By Mr. EAGLETON:

S. 1302. A bill to provide increased unemployment compensation benefits for Vietnam era veterans. Referred to the Committee on Finance.

INCREASED UNEMPLOYMENT COMPENSATION BENEFITS FOR VIETNAM ERA VETERANS

Mr. EAGLETON. Mr. President, today I am reintroducing my bill to provide supplemental benefits to unemployed Vietnam era veterans which would guarantee them a minimum weekly benefit of $75 for up to 52 weeks. While the nationwide problem of unemployed veterans has improved considerably since I introduced my bill last year, there are still stubborn pockets of unemployment that deserve our concern and he proposed cutbacks in veteran's programs threaten to aggravate the problem.

As long as we have hard-core areas of veterans unemployment, I do not think we can take comfort in the fact that the national average of veterans employment is improving. We must continue to provide the proper support and assistance until there is a job for every veteran. I was pleased to hear the new Secretary of Labor, Peter Brennan, at his confirmation hearing, affirm his earlier statement that his "greatest concern as Labor Secretary would be unemployment, particularly the problems of jobs for Vietnam war veterans."

In January the unemployment rate for Vietnam era veterans was 5.9 percent—an increase from December's 5.8-percent rate. At the same time the unemployment rate for nonveterans in the same age group declined from 6.3 to 6.0 percent. Unemployment among Vietnam era veterans 20 to 24 years of age was running at 8.6 percent; unemployment among disabled veterans is estimated to be at least 14 percent, and may be higher; minority veterans in all age groups have significantly higher unemployment rates; and the total number of unemployed veterans is 302,000.

Recent administration actions will probably aggravate these statistics. The proposed $1 billion cutback for 1974 in the public employment program will hit Vietnam veterans hard, since they constitute 40 percent of the enrollees, or about 61,000 veterans. A severe cut has also been proposed in vocational training under the Manpower Development Training Act, under which another 40,000 Vietnam era veterans are enrolled. Funds have also been omitted for the $50 million program to provide part-time jobs with nonprofit groups and local governments for Vietnam veterans enrolled in school.

After World War II and the Korean war, special legislation was enacted by Congress to provide special unemployment compensation to veterans who had difficulty in finding work. The "52–20 Club" after World War II provided relief of $20 a week for 52 weeks for the unemployed veteran. The bill I am introducing today could be labeled the "52–75 Club" for today's unemployed veteran.

While expanding the unemployment benefits for veterans is only a stopgap measure until we can find a job for every veteran, it is a necessary step. Something must be done for the veteran who returns from service and finds himself unemployable. The veteran's service and sacrifice for his country combined with his unique adjustment problems to civilian life are sufficient to justify this program.

The problem with unemployment compensation as it now stands is twofold: First, there is a great variation in the dollar amount of benefits to which the veteran is entitled, depending on his State, although they are uniformly inadequate; and second, the period of entitlement is too short, usually 26 weeks. The following table shows the minimum and maximum amount of benefits for each State, along with the number of weeks for which a veteran is eligible for such compensation:

U.S. DEPARTMENT OF LABOR, MANPOWER ADMINISTRATION, UNEMPLOYMENT INSURANCE SERVICE

SIGNIFICANT PROVISIONS OF STATE UNEMPLOYMENT INSURANCE LAWS, JAN. 7, 1973 (BENEFITS)

[Prepared for ready reference. Consult the State law and State employment security agency for authoritative information]

State	Weekly benefit amount for total unemployment		Weeks of benefits for total unemployment	
	Minimum	Maximum	Minimum	Maximum
Alabama	$15	$60	11+	26
Alaska	18–23	60–85	14	28
Arizona	10	60	12+	26
Arkansas	15	67	10	26
California	25	75	12–14+	26
Colorado	14	87	8+10	26
Connecticut	15–20	92–138	22+	26
Delaware	10	65	16+	26
District of Columbia	14–15	110	17+	34
Florida	10	64	10	26
Georgia	12	60	9	26
Hawaii	5	93	26	26
Idaho	17	68	10	26
Illinois	10	51–97	10–26	26
Indiana	20	45–65	12+–6+	26
Iowa	10	68	10	26
Kansas	16	66	10	26
Kentucky	12	68	15	26
Louisiana	10	70	12	28
Maine	12	63	11+–25	26
Maryland	10–13	78	26	26
Massachusetts	12–18	83–125	9+–30	30
Michigan	16–18	56–92	11	26
Minnesota	15	64	13	26
Mississippi	10	49	12	26
Missouri	12	63	13+	26
Montana	12	52	13	26
Nebraska	12	60	17	26
Nevada	16	77	11	26
New Hampshire	14	75	26	26
New Jersey	10	81	12+	26
New Mexico	13	64	18	30
New York	20	75	26	26
North Carolina	12	60	26	26
North Dakota	15	62	18	26
Ohio	10–16	57–87	20	26
Oklahoma	16	60	10+	26
Oregon	20	62	11+	26
Pennsylvania	12–17	91–99	30	30
Puerto Rico	7	50	20	20
Rhode Island	12–17	79–99	12	26
South Carolina	10	59	10	26
South Dakota	12	55	11–18	26
Tennessee	14	57	12	26
Texas	15	63	9	26
Utah	$10	$81	10–22	36
Vermont	15	77	26	26
Virginia	20	70	12	26
Washington	17	78	8–23+	30
West Virginia	12	75	26	26
Wisconsin	22	90	14+	34
Wyoming	10	63	11–24	26

Mr. EAGLETON. As the table shows, there is a wide difference in the amount of unemployment compensation between each State, and a veteran receives whatever the level is in his State. Furthermore, the period of eligibility for unemployment benefits rarely exceeds 26 weeks, although a veteran's readjustment problems are more difficult than other recipients of unemployment compensation. In 1972 there were about 540,000 claims from veterans for unemployment compensation and as of December of 1972, 5,190 veterans had run out of employment benefits without being able to find a job. At this point a veteran's alternative is to go on welfare.

I believe that this country owes a greater obligation to those who were uprooted from civilian life and thrust into the Vietnam war at risk to their life and limb than to provide them with minimal unemployment compensation and then to let them go on welfare. For this reason, I am introducing this bill to provide unemployment compensation of $75 per week for 52 weeks as a stopgap measure until we can improve the employment opportunities available to these veterans.

I ask unanimous consent that the bill be printed at this point in the RECORD, along with an editorial from the Kansas City Star of March 17, 1973, entitled "Jobs Are Key to Veterans' Return."

There being no objection, the bill and editorial were ordered to be printed in the RECORD, as follows:

S. 1302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Veterans' Unemployment Assistance Act".

SEC. 2. SUPPLEMENTARY COMPENSATIONS FOR VIETNAM ERA VETERANS UNDER STATE AGREEMENTS.—(a) The Secretary is authorized on behalf of the United States to enter into an agreement with any State or State agency under which the State agency (1) will make, as agent of the United States, payments of supplementary unemployment compensation to any Vietnam era veteran in such State in accordance with the provisions of this Act, and (2) will otherwise cooperate with the Secretary, and with other State agencies, in making payments of supplementary unemployment compensation under this Act.

(b) Any such agreement shall provide that any determination by a State agency with respect to entitlement to supplementary unemployment compensation pursuant to an agreement under this section shall be made in accordance with the State unemployment compensation law and shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law.

(c) Each agreement shall provide the terms and conditions upon which it may be amended or terminated.

SEC. 3. UNEMPLOYMENT COMPENSATION IN

Absence of State Agreements.—(a) In the case of a Vietnam era veteran who is in a State which has no agreement under this Act with the Secretary, the Secretary, in accordance with regulations prescribed by him, shall, upon the filing by such veteran of a claim for supplementary unemployment compensation under this Act, make payments of supplementary unemployment compensation to him in the same amounts and for the same periods as provided for in this Act. Any determination by the Secretary with respect to entitlement to supplementary unemployment compensation under this subsection shall be made in accordance with the State unemployment compensation law of the State where the veteran is.

(b) In the case of a Vietnam era veteran who is in the Virgin Islands, the Secretary, in accordance with regulations prescribed by him, shall, upon the filing by such veteran of a claim for supplementary unemployment compensation under this subsection, make payments of supplementary unemployment compensation to him in the same amounts and for the same period as provided for in this Act. Any determination by the Secretary with respect to entitlement to unemployment compensation under this subsection shall be made in accordance with the unemployment compensation law of the District of Columbia insofar as such law is applicable.

(c) Any Vietnam era veteran whose claim for unemployment compensation under subsection (a) or (b) of this section has been denied shall be entitled to a fair hearing in accordance with regulations prescribed by the Secretary. Any fiscal determination by the Secretary with respect to entitlement to supplementary unemployment compensation under this section shall be subject to review by the courts in the same manner and to the extent as is provided in section 405(g) of title 42, United States Code, with respect to final decisions of the Secretary of Health, Education, and Welfare under subchapter II of such title.

(d) The Secretary may utilize for the purposes of this section the personnel and facilities of the agency in the Virgin Islands cooperating with the United States Employment Service under chapter 4B of title 29, United States Code. For the purpose of payments made to any such agency under such chapter, the furnishing of such personnel and facilities shall be deemed to be a part of the administration of the public employment office of such agency.

Sec. 4. Payments to States.—Each State shall be entitled to be paid by the United States an amount equal to payments of supplementary unemployment compensation made by such State under and in accordance with an agreement under this Act, and such payments shall be made subject to the same conditions and limitations which apply with respect to payments to States for compensation under section 8505 (b) through (h) of title 5, United States Code.

Sec. 5. Information.—(a) All Federal departments and agencies shall make available to State agencies which have agreements under this Act or to the Secretary, as the case may be, such information with respect to military service of any Vietnam era veteran as the Secretary may find practicable and necessary for the determination of such veteran's entitlement to supplementary unemployment compensation under this Act.

(b) Each State agency shall furnish to the Secretary such information as the Secretary may find necessary or appropriate in carrying out the provisions of this Act, and such information shall be deemed reports required by the Secretary for the purposes of paragraph (6) of subsection (a) of section 503 of title 42, United States Code.

Sec. 6. False Statements and Misrepresentations.—(a) If a State agency, the Secretary of Labor, or a court of competent jurisdiction finds that an individual—

(1) knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact; and

(2) as a result of that action has received an amount as supplementary unemployment compensation under this Act to which he was not entitled;

the individual shall repay the amount to the State agency or the Secretary. Instead of requiring repayment under this subsection, the State agency or the Secretary may recover the amount by deductions from supplementary unemployment compensation payable to the individual under this Act during a two-year period after the date of the finding. A finding by a State agency or the Secretary may be made only after an opportunity for a fair hearing, subject to such review as may be appropriate under section 2(b) of this Act.

(b) An amount repaid under subsection (a) of this section shall be—

(1) deposited in the fund from which payment was made, if the repayment was to a State agency; or

(2) returned to the Treasury of the United States and credited to the current applicable appropriation, fund, or account from which payment was made, if the repayment was to the Secretary.

Sec. 7. Regulations.—The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act. The Secretary shall, insofar as practicable, consult with representatives of the State agencies before prescribing any rules or regulations which may affect the performance by such agencies of functions pursuant to agreements under this Act.

Sec. 8. Nonduplication of Benefits.—(a) Notwithstanding any other provision of this Act, no payment shall be made under any agreement under this Act, or, in the absence of such an agreement, by the Secretary under this Act to a Vietnam era veteran—

(1) for any week or any part of a week he is eligible (or would be eligible except for the provisions of this Act or except for any action taken by such veteran under this Act) to receive unemployment benefits at a rate equal to or in excess of $75 per week under any Federal or State unemployment compensation law; or

(2) for any period in which he receives a subsistence allowance under chapter 31, or an educational assistance allowance under chapter 35 of title 38, United States Code.

Sec. 9. Effective Period.—Supplementary unemployment compensation may be paid pursuant to this Act for weeks of unemployment commencing on or after the sixtieth day after the date of the enactment of this Act, but no such compensation may be paid to any Vietnam era veteran for any week beginning on a date which is more than (1) three years after the sixtieth day after such date of enactment, (2) three years after the date on which such veteran is discharged or released from active duty if such discharge or release occurs after such sixtieth day. No benefit may be paid under this Act after a date which is three years after the date on which the Vietnam era is terminated pursuant to section 101(29) of title 38, United States Code.

Sec. 10. Definitions.—As used in this Act—

(1) The term "Secretary" means the Secretary of Labor of the United States.

(2) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(3) The term "State agency" means the agency of the State which administers its State unemployment compensation law.

(4) The term "State unemployment compensation law" means the unemployment compensation law of the State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

(5) The term "supplementary unemployment compensation" means cash benefits payable to Vietnam era veterans with respect to their unemployment in an amount necessary to increase the weekly benefit to which any such veteran is entitled under any State unemployment compensation law (including compensation payable pursuant to chapter 85 of title 5, United States Code, and extended compensation payable pursuant to the Federal-State Extended Unemployment Compensation Act of 1970) to a rate of $75 per week for a total of fifty-two weeks.

(6) The term "Vietnam era veteran" means a person who is a veteran within the meaning of section 101(2) of title 38, United States Code, who served on continuous active duty for ninety days or more during the Vietnam era as defined in section 101(29) of such title.

(7) The term "week" means a week as defined in the applicable State law.

Jobs Are Key to Veterans' Return

The Veterans Jobs Fair, which will be held Tuesday at the Exhibition Hall of Municipal Auditorium, will pull together young men in need of work and area employers and organizations that can accommodate them. It should be a happy and rewarding combination. Getting these veterans back into the mainstream of American life is a most important priority.

James A. Writerman, manager of the Missouri Division of Employment Security office here, analyzed the group of Vietnam-era veterans this way: "They represent one of the best supplies for the work force that an employer can use. They are the right age, well-motivated and anxious to get on with a career and a family."

Many of them entered the service from school, leaving them without job experience in the civilian labor market. It is difficult for them to compete with workers with more experience.

While the employment outlook has improved generally in the last several months, there still are some trouble spots. A recent study showed, for example, that the unemployment rate for veterans who are 20 to 24 years old was 9.7 per cent. The nonwhite rate for that age category was 18.5 per cent. The over-all civilian rate is about 5.5 per cent.

No employer can promise a job outright. But the response of employers demonstrates an awareness of concern for these ex-servicemen. Employment is at the heart of the resumption of their interrupted lives.

By Mr. PELL:

S. 1303. A bill to designate the first Saturday in November as the day for Federal elections. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILL AND AMENDMENT

AMENDMENT NO. 50

(Ordered to be printed, and referred to the Committee on Rules and Administration.)

Mr. PELL. Mr. President, I introduce for appropriate reference a bill to designate the first Saturday in November of every even-numbered year as the day for holding Federal elections.

I am also offering for appropriate reference an amendment to a bill S. 343, which was introduced on January 12, 1973, by my distinguished colleague from West Virginia, Senator Robert C. Byrd.

Mr. President, the percentage of votes cast during general election years has been diminishing. Registered voters are not going to the polls to cast their ballots for candidates of their choice.

Taking time off from the job, inconvenience, voter apathy, weather conditions, and many other excuses are offered to explain the poor showing at the polls.

Various election law reform bills have already been introduced this year for consideration by appropriate committees.

I believe that it would be of value to the Senate to include consideration of the month and day for holding elections. I believe we should consider whether a different day of the week than Tuesday, or an earlier month than November, or both, might motivate greater numbers of citizens to exercise the voting franchise.

For that reason the bill I introduce today would provide for Federal elections to be held on the first Saturday in November rather than the first Tuesday in November. This will allow us to consider the benefits of Saturday rather than Tuesday as election day.

In addition, I offer an amendment to Senator BYRD's bill, which proposes to advance the month for holding Federal elections from November to October. The passage of that bill would shorten the present overly long election campaigns and would have a salutary effect upon the results of voter participation. I believe it should be given favorable consideration.

The amendment I propose would follow Senator BYRD's proposal as to the month, but would make Election Day the first Saturday in October rather than the Tuesday next after the first Monday.

I believe this proposal would be a further inducement to all citizens to exercise the very important privilege of participating in the elective processes of the United States.

By Mr. STEVENS:

S. 1304. A bill to amend certain provisions of title XI of the Organized Crime Control Act of 1970 relating to explosives. Referred to the Committee on the Judiciary.

Mr. STEVENS. Mr. President, I am introducing a bill today to exempt commercially manufactured black powder as used in antique firearms or replicas thereof from title XI of the Organized Crime Control Act of 1970—Public Law 91-452. Muzzle loader shooters are among a minority of the sporting rifle enthusiasts in Alaska. They utilize historical rifles and pursue a hobby that entails great care and expense. This is a hobby with unique historical significance.

As America approaches its bicentennial birthday, Alaskans' thoughts are turning increasingly to the past for a preservation of the historical ideals upon which this Nation was founded. Yet few people actively practice any sport in a manner calculated to be as authentically historical as possible.

Among those who do are the muzzleloaders. These people shoot under conditions similar to those obtained during the Civil War and before. They gather several times yearly to shoot and discuss the fascinating details of their unique hobby. They manufacture and load their own ammunition. Some reconstruct their rifles themselves. They and their wives manufacture authentic uniforms of the times. They shoot at targets under carefully supervised safety conditions with all the authentic pageantry possible.

One of their safety precautions precludes the use of modern smokeless powders. Modern smokeless powders cannot be used in their antique firearms for, unlike black powder, modern smokeless powder produces dangerously high levels of pressure. This pressure may explode the weapons and could cause serious injury. Therefore, the only propellant they can use with any degree of safety is black powder.

Unfortunately, these legitimate sportsmen have been unable to obtain domestically manufactured black powder propellant. Only one domestic corporation produced black powder until 1971. This manufacturer then ceased production, until it recently resumed production of limited amounts to fulfill military contracts. However, this corporation has indicated that it does not intend to continue domestic production after March 1973. It will then attempt to sell its plant to the successful bidder on the new contracts.

Since June, 1971, the only source of commercial black powder available for sportsmen in the United States has been a plant in Scotland. All blackpowder available commercially for private individuals must be imported. Recently this producer in Scotland was also temporarily put out of production. No other plant is selling to muzzle loaders and other legitimate sportsmen because of the relatively small demand for black powder.

Mr. President, as you can see, importation and distribution of black powder has been severely restricted. Moreover, under title XI of the Organized Crime Control Act of 1970, no more than 5 pounds of black powder may be purchased at one time. This statute has severely curtailed legitimate muzzle loaders.

The theory behind the prohibition of title XI was that, because black powder was used in the making of pipebombs, it should be prohibited. However, several facts were not realized at the time the bill was passed.

The first fact is that black powder has seldom been used in bomb devices. From July 1, 1970 to December 31, 1971, only 3.87 percent of all American bombings involved black powder devices.

Second, homemade black powder is made from ingredients that can be purchased legally. Fertilizer, propane, and cotton are a few readily available potential bomb components. Even automobile gasoline can be used in bombs. These materials are not prohibited under title XI.

Commercial black powder, expensive and hard to obtain under any circumstances, even if legal, is not used by bombers. Homemade black powder, on the other hand, while suitable for bombs, is quite useless as a shooting propellant because quality and consistency are both vital for muzzle loaders.

Recently the Treasury Department conducted experiments with homemade bombs manufactured with common materials costing only $3. The principal ingredient was ammonium nitrate fertilizer, readily available in garden supply stores for approximately $4 per 80-pound bag or in bulk from farm suppliers for approximately $60 per ton. It is not licensed or restricted by any level of government.

To produce the same level of explosion as that which resulted from the bomb made by the Treasury Department with $3 worth of common materials would probably require at least $1,000 to $2,000 worth of commercial handloader's propellant or almost as much commercial black powder and an initiating charge of some type of high explosive. It would probably also require a skillful explosives expert.

Mr. President, if black powder must be regulated, a host of other materials should receive similar treatment. Playing cards, hand soap, sugar, and flour are but a few. Ammonium nitrate fertilizer, when mixed with fuel oil, creates a high explosive, presently used for 70 percent of the commercial blasting formerly done with dynamite. Yet fertilizer is not regulated. In fact, ammonium nitrate fertilizer may be mixed with other materials in such a way as to be detonated by nothing more than a firecracker, although the standard mix requires an explosive priming charge. The details of such a "high explosive" mixture are available in almost any public or college library.

Mr. President, my bill will exempt commercially manufactured black powder shooting propellants used in antique firearms or replicas. In addition, the bill defines the term "antique firearms or replicas." This definition refers to another section of law, 18 U.S.C. section 921(a) (16) and (4).

By this referral, it is my legislative intent as the author of this bill to define the term "antique firearm or replica" to include:

First, any firearm—including any firearm with a matchlock, flint lock, percussion cap, or similar type of ignition system—manufactured in or before 1898; and

Second, any replica of any firearm described in paragraph (1) if such replica—

Is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition, or

Uses rimfire or conventional centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade;

The term "antique firearm or replica" also includes signaling and line throwing guns, cannons exempt from the destructive devices category of the Gun Control Act of 1968 (P.L. 90-618, 82 stat. 1213), and similar devices whose safe operation is contingent on the use of blackpowder shooting propellant for signalling, target competition, sporting purposes, musical and special theatrical presentations and effects, historical reinactments and demonstrations, and research.

Such an exemption is both fair and equitable. I urge the Senate to give the bill immediate consideration.

Mr. President, I request unanimous consent to insert several items in the CONGRESSIONAL RECORD at this point:

The bill itself.

Exhibit 1—an article entitled "Relief In Sight for Blackpowder Buffs."

Exhibit 2—a table containing a statistical summary of bombings and bomb device fillers used by bombers.

Exhibit 3—several letters I recently received from sportsmen urging enactment of this bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1102(a) of Title XI of the Organized Crime Control Act of 1970 (PL–91–452 84 Stat. 922, 19 U.S.C. 845(a)) (relating to exemptions from certain provisions of Federal laws relating to explosives) is amended—

(a) by redesignating paragraph (6) as paragraph (7); and

(b) by striking out paragraph (5) and inserting in lieu thereof the following new paragraphs: "(5) commercially manufactured black powder as used in antique firearms or replicas thereof;

"(6) percussion caps, safety and pyrotechnic fuses, quick and slow matches, and friction primers; and"

SEC. 2. That Section 1102(a) of Title XI of the Organized Crime Control Act of 1970 (P.L. 91–452, 84 Stat. 922, 18 U.S.C. 841) is amended by adding at the end thereof a new subsection (o) as follows:

"(o) The term 'antique firearm or replica' means 'antique firearm' as defined in Section 921(a)(16) of Title 18 of the United States Code and also includes those items excluded from the term 'destructive device' in Subsection (4) of the same section."

Relief in Sight for Blackpowder Buffs

(By American Rifleman staff)

Severely limited by production capacity and harassed by restrictive regulations, the supply of sporting blackpowder in the United States approached its lowest ebb in many years this fall. But relief is in sight.

The sole factory producing blackpowder for U.S. sportsmen, which was disabled by an explosion last spring, has been repaired and now is back in operation. This plant, owned by Imperial Chemical Industries, Ltd. is at Stevenston, Ayrshire, Scotland. It manufactures the well-known Curtis & Harvey brand of blackpowder marketed by several U.S. and Canadian firms.

Hodgdon Powder Co., one of the U.S. distributors, received its first shipment from the rebuilt factory Oct. 10. The company expects two more freightcar loads in the near future. These early shipments will be used to fill back orders. Some shortages will continue, Bob Hodgdon predicted, until blackpowder trickles back into supply lines and all distributors satisfy orders that have piled up during the past few months.

Du Pont, for 170 years a major producer of U.S. sporting blackpowder and more recently the only U.S. producer, discontinued sporting blackpowder after its plant in Moosic, Pa. was damaged by an explosion in June, 1971. The plant has been restored to fulfill Du Pont's military contracts, which will lapse in March, 1973. As the military will require blackpowder for at least another three years, the Army Munitions Command has advertised for bids to operate the Moosic plant. So far 12 firms have bid on the government contracts. The Du Pont corporation is expected to sell the plant to the successful bidder. Its asking price is $300,000. The new proprietors would be left to decide whether to resume sporting blackpowder production.

Although blackpowder shooting has boomed in recent years with the increased availability of modern-made blackpowder arms, consumption has not been spectacular by industry standards. According to one trade estimate, U.S. sportsmen discharge no more than 200,000 pounds annually, a volume insufficient to keep sporting blackpowder in production.

Besides the Du Pont mill, the only other known U.S. blackpowder factory is owned by the Austin Powder Co., of Cleveland, Ohio, a long-time manufacturer of blasting explosives. The Austin plant has been inoperational, however, since an explosion ripped through its pack house in 1968. Austin has been importing its sporting blackpowder from the ICI factory in Scotland and marketing it through Red Diamond Distributing Co. of Knoxville, Tenn. An Austin official interviewed for this article gave the impression that the sporting blackpowder business was a relatively insignificant aspect of the firm's overall operations. For this reason Austin's plant may never be restored.

Despite the lack of interest by domestic manufacturers, three foreign producers have been exploring the U.S. sporting blackpowder market. An Australian firm has corresponded with at least one American distributor about the feasibility of selling its mixture here. Likewise, a South American firm is considering blackpowder exportation to the U.S. Perhaps even more optimistic is the report that a European company is giving thought to the construction of a blackpowder plant here. This would perhaps alleviate some of the burdensome aspects of the 1970 Federal explosives law, which was passed to curb bombings by extremists.

Under the law, importation and distribution of the nation's sporting blackpowder supply has been severely restricted. It set up a rigid system of licensing for practically all persons handling blackpowder: manufacturers, importers, dealers and users. Some gun shop owners, who had kept small quantities of blackpowder in their inventories, gave it up rather than pay the annual $50 dealer's license fee. The legislation also entangled sportsmen in a web of often impractical transportation and storage requirements.

Following the trend set by the Federal government, many States passed new explosives laws which further hindered blackpowder sportsmen. The New York State version, one of the nation's more oppressive, required an explosives license costing $10 each year for the purchase of any quantity of blackpowder. The legislation also barred persons under 18 from obtaining an explosive license and under some circumstances made a fingerprint check mandatory. Like the Federal law, it too regulated the storage and transportation of blackpowder.

Representatives of at least 10 blackpowder shooting organizations in New York State have won some concessions after two years of appeals. Although still saddled with the $10 license fee, sportsmen no longer have to pay a $5 magazine license fee and pass an annual magazine safety inspection, providing they do not transport or store more than five pounds of blackpowder. These gun enthusiasts received the State's first official acknowledgement that blackpowder has a sporting purpose. The sportsmen also had the portion of the law changed which barred those under 18 from using blackpowder. In future, youngsters 14–18 with a current State hunting license will be permitted to fire blackpowder arms under proper supervision.

Blackpowder shooters in other States are moving together to eliminate or modify legislation that lumps blackpowder in with all explosives. These devotees of burning sulfur await the day when black is bountiful.

EXHIBIT 2

STATISTICAL SUMMARY OF BOMBINGS AND BOMB DEVICE FILLERS USED BY BOMBERS

Bombings in the U.S. for the period of: July 1, 1970 to June 30, 1971[1]:

Total number of bomb devices (all types) 2,352; 100.0 percent.

Blackpowder devices (home-made and commercial) 96; 4.1 percent.

Devices employing materials other than blackpowder 2,256; 95.9 percent.

Bombings in the U.S. for the period of: July 1, 1971 to December 31, 1971[2]:

Total number of bomb devices (all types) 1,489; 100.0 percent.

Blackpowder devices (home-made and commercial) 53; 3.55 percent.

Devices employing materials other than blackpowder 1,436; 96.45 percent.

Bombings in the U.S. for the period of: July 1, 1970 to December 31, 1971[3]:

Total number of bomb devices (all types) 3,841; 100.0 percent.

Blackpowder devices (home-made and commercial) 149; 3.87 percent.

Devices employing materials other than blackpowder 3,692; 96.13 percent.

[1] Jane P. Morton and Gary S. Persinger, *Bombing in the United States:* July 1970–June 1971. International Assoc. of Chiefs of Police Research Division—Gaithersburg, Maryland. (Note: During this time period is when the ill-advised and infamous Title XI of the Organized Crime Control Act of 1970, PL 91–452, was being debated, enacted late in 1970 and put into effect on Feb. 12, 1971.)

[2] December 1971 Summary Report on Bombing in the United States: International Assoc. of Chiefs of Police Research Division—Gaithersburg, Maryland.

[3] Sources No. 1 and 2 were combined to give totals for an eighteen month period.

Use of Smokeless Powder as a Bomb Filler of the above same time periods:

July 1, 1970–June 30, 1971[1] 54; 2.3 percent.

July 1, 1971–December 31, 1971[2] 46; 3.1 percent.

July 1, 1970–December 31, 1971[3] 100; 2.6 percent.

A "State by State" Summary of Blackpowder used for bomb device fillers by bombers in the United States during the period of: July 1, 1970 through December 31, 1971[1]:

Alabama	1
Alaska	0
Arizona	15
Arkansas	0
California	46
Colorado	2
Connecticut	2
Delaware	0
Florida	5
Georgia	2
Hawaii	1
Idaho	1
Illinois	14
Indiana	3
Iowa	0
Kansas	5
Kentucky	0
Louisiana	2
Maine	0
Maryland	3
Massachusetts	1
Michigan	8
Minnesota	4
Mississippi	0
Missouri	7
Montana	0
Nebraska	0
Nevada	0
New Hampshire	0
New Jersey	5
New Mexico	0
New York	5
North Carolina	1
North Dakota	0
Ohio	6
Oklahoma	0
Oregon	1
Pennsylvania	4
Rhode Island	0
South Carolina	0
South Dakota	0

Footnotes at end of table.

Tennessee	0
Texas	2
Utah	0
Vermont	0
Virginia	2
Washington	1
West Virginia	0
Wisconsin	0
Wyoming	0
Washington, D.C	0
Total	149

The total number of devices employing Blackpowder for a bomb filler is 149 for the Eighteen Month Period: July 1, 1970 through December 31, 1971.

[1] International Association of Chiefs of Police Research Division—Gaithersburg, Md.

EXHIBIT 3

McKINLEY MOUNTAINMEN MUZZLE-LOADING RIFLE CLUB,
Eagle River, Alaska, October 27, 1972.

Re: H.R. 12406 to amend section 845 of Title 18 of U.S. Code

HON. TED STEVENS,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR STEVENS: In response to your letter of September 12, 1972, the McKinley Mountainmen Muzzle Loading Rifle Club supports introduction of H.R. 12406 into the United States Senate.

Please understand that only the commercially manufactured black powder and percussion caps relate *directly* to our club.

The safety and pyrotechnic fuses, quick and slow matches and friction primers do relate to muzzle loading shooters, but of a slightly different type. I do know that the Fifth Battery Michigan Light Artillery, of which my husband was a member for many years, has virtually given up demonstrating their Civil War vintage cannon because of hardships worked on them by recent and past gun-related legislation.

We support Mr. Richard Corrigan's stand. We agree with the information set forth.

As 1976 approaches, our club hopes to be instrumental in Alaska's Bicentennial celebration. I, myself, have been involved in muzzle loading shooting only since 1965. Since that time I have watched a change in the laws toward guns, which also affected muzzle loaders. There are new restrictions, prices of black powder have skyrocketed.

There are many, many people like my husband and myself and our fellow club members who use our guns only for legal, lawful endeavors. These gun/explosives laws are working a hardship on us. Please help us.

Respectfully,

CHERYL WORKMAN,
Secretary-Treasurer.

WARD COVE, ALASKA,
February 12, 1973.

Senator TED STEVENS,
U.S. Senate, Committee on Appropriations, Washington, D.C.

HONORABLE SENATOR STEVENS: I am a very dedicated blackpowder rifle and revolver fan and also a member of the National Muzzleloading Rifle Association. I would like to see you introduce a bill in the Senate that would remove some of the harsh restrictions that have been placed on blackpowder. It is my understanding that Representative Lee Hamilton of Indiana has introduced a blackpowder relief bill in Congress. But since we Alaskan's have no representative in Congress at this time I would like you to do whatever you possibly can to support the Blackpowder Hunter and shooter in Alaska.

Thank you.

Respectfully yours,

JACK R. MCELROY.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 1305. A bill to provide for the establishment of the post cemetery at Fort Richardson, Alaska, as a national cemetery. Referred to the Committee on Veterans' Affairs.

Mr. STEVENS. Mr. President, today I am introducing for myself and my colleague (Mr. GRAVEL) a bill to provide for the establishment of a post cemetery at Fort Richardson, Alaska, as a national cemetery.

This legislation was considered last Congress by the Senate Veterans' Affairs Committee during their study of the national burial policy for veterans. As other Senators will recall, that legislation passed both Houses but was the subject of a Presidential pocket veto. A comprehensive veterans burial policy bill was passed by the Senate earlier this month.

I have received assurances from the Veterans' Administration that the Fort Richardson Post Cemetery will be included in the study of post cemeteries required under that act. If favorable action is warranted after this study, the act empowers the Veterans' Administration to include the cemetery in the national system without the necessity of legislation.

However, as I indicated in the hearings before the Veterans' Affairs Committee, this bill is of extreme importance and interest to a large number of Alaska veterans. I am therefore introducing this bill now in order that the Fort Richardson Post Cemetery may be opened for veterans whether or not the National Cemeteries Act of 1973 becomes law.

Mr. President, I request unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1305

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to establish a national cemetery at Fort Richardson, Alaska. The Secretary shall include within the boundaries of such national cemetery the grounds presently set aside for use as a post cemetery at Fort Richardson and shall include within the boundaries of such national cemetery such other lands under his jurisdiction at Fort Richardson as he deems necessary or appropriate.

SEC. 2. The Secretary of the Army shall provide for the care and maintenance of the national cemetery established under authority of this Act.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. STEVENS (for himself, Mr. GRAVEL, and Mr. CANNON)

S. 1306. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes. Referred to the Committee on Government Operations.

Mr. STEVENS. Mr. President, today I am intorducing a bill to amend the Federal Property and Administrative Services Act of 1949 to rearrange the priority in section 203(j)(1) to permit the donation of excess surplus property to State and local agencies prior to the Agency for International Development.

The bill will permit the immediate utilization of much equipment which is now acquired by AID and stored for lengthy periods until acquired by a foreign government. It will also permit the donation of valuable equipment to local governments and State governments rather than to foreign governments which are often unable to use or maintain it. This will also permit a tax savings to the American people.

Considering the grave situations, both social and monetary, existing in many of our States, Americans should have the first option on the use of excess Federal properties. Our tax money purchased the equipment in the first place. It is both unfair and unwise to expect the American taxpayers to repurchase items identical to those already sitting in foreign warehouses awaiting overseas shipments.

The bill is quite similar to legislation which passed the Senate in the 90th Congress.

Currently, property greatly needed by local and State agencies is being acquired by AID to help develop foreign countries. According to AID's own figures, 43 percent of all property acquired in fiscal year 1971 was held in storage. Storing these materials serves no useful purpose and in fact only increases the cost of our foreign aid.

It is true that AID acquisitions are small in comparison to the total surplus equipment picture. However, AID, in pursuing its goal of helping foreign countries, acquires equipment most needed by State and local agencies.

For example, of the group and classes of Federal surplus classifications, there are five, which, according to HEW, contain equipment most sought after by State and local governments for use in education, health and safety. These classifications by order of a number of requests are:

First, motor vehicles (classification group 15):

Second, metal working machines (34);

Third, tractors (24);

Fourth, heavy equipment (38); and

Fifth, instrument and laboratory equipment (66).

Though these five groups contain the most desired equipment, requests are least likely to be filled due to the lack of supply. A significant factor in the inability of States and local governments to obtain these types of equipment is that during fiscal year 1971, 63 percent of all AID acquisitions were in these five categories. These are but five of the 90 categories from which AID has to choose.

Under section 608 of the Foreign Assistance Act of 1961, a ceiling of $45 million in total reserve acquisition was placed on AID. However, this ceiling applies to domestic procurements and not to overseas procurements. With the withdrawal of the United States from the armed conflict in Southeast Asia, there is a tremendous potential of surplus property which can be utilized by our State and local governments—property that can be utilized domestically now, not in the future by a foreign nation. Thus, there exists the necessity for this legislation now, more than ever.

At the suggestion of several agencies this bill has been amended from the legislation I previously introduced.

At the suggestion of the grand jury for the Third Judicial District, State of Alaska, I have amended the legislation to permit the donation of surplus property for the operation of any correctional institution. As the grand jury stated in its report of July 25, 1969:

> We found that the Adult Camp program could be greatly improved if federal surplus property were available for purchase by the Division of Corrections and the Grand Jury recommends that the state vigorously pursue action to obtain the necessary changes in the Federal Statutes so that the Alaska Penal System would be eligible for so-called State Surplus (i.e. Federal surplus equipment and supplies). The Alaskan Congressional Delegation should be encouraged in their efforts to have these changes made.

I have also made several minor technical changes in section 1 and added section 2 as a result of the departmental report of the Department of Health, Education, and Welfare. I believe this will clear up some latent ambiguity in the language of the legislation and also in the language of section 203(j).

I request unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 203(j)(1) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 335; 40 USC 484(j)), as amended, is further amended to read as follows: "Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to donate without cost (except for costs of care and handling and, with respect to excess property described herein, costs of transportation and repair) for use in any State for purposes of education, public health, civil defense, or the operation of any correctional institution, or for research for any such purpose any equipment, materials, books, or other supplies (including those capitalized in a working capital or similar fund) under the control of any executive agency which—

"(A) (i) shall have been determined to be surplus property; or

"(ii) shall have been determined to be excess property and is being held under section 608 of Public Law 87–195 (75 Stat. 424), approved September 4, 1961, as amended, which property shall be offered to designated State agencies, as herein defined, before being offered to any other eligible donee; and

"(B) shall have been determined under paragraph (2), (3), or (4) of this subsection to be usable and necessary for such purpose."

SEC. 2 paragraphs (3) and (4) of section 203(j) of such Act are each amended by striking out "surplus" the first time it appears.

By Mr. STEVENS:

S. 1307. A bill to amend the Small Reclamation Projects Act of 1956, as amended. Referred to the Committee on **Interior and Insular Affairs.**

Mr. STEVENS. Mr. President, today I am introducing a bill to amend the Small Reclamation Projects Act of 1956 to include my State of Alaska with the 17 Western States now eligible for benefits under this legislation.

As you know, the 1965 act provides Federal assistance for the construction of irrigation projects and the rehabilitation and betterment of existing projects. Under the act, Federal assistance can be given to a State or a department, agency, or political subdivision thereof and to conservation districts and similar organizations which have the capacity to contract with the United States under the Federal reclamation laws. The ability of the Federal Government to participate in irrigation projects under the act is subject to certain funding and cost limitations.

The application of the 1965 act to Alaska would have an extremely beneficial impact on our farm industry. For several years immediately prior to 1972, certain portions of the State of Alaska were ravaged by an extended drought. Federal funding is available to rehabilitate stricken areas once damage has occurred. However, little money is available from the Federal Government to assist Alaskan farmers in building irrigation facilities which are capable of preventing losses before those loses take place. This type of preventative relief is provided under the Small Reclamation Project Act, which was promulgated in response to similar problems experienced by farmers in the lower 48 States. For this reason, I believe that Alaska should be included with the other 17 Western States which are already eligible for benefits under the Small Reclamation Projects Act.

I request unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Reclamation Projects Act of 1956 (70 Stat. 1044), as amended, is hereby further amended as follows:

In the enabling clause, after the words "seventeen western reclamation States" add the words "and Alaska".

By Mr. BURDICK:

S. 1308. A bill to provide for the setting aside of convictions in certain cases and for other purposes. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, I introduce today, legislation to quiet old criminal records of rehabilitated Federal offenders, to prevent these records from being a bar to lawful employment, or to pursuing a trade or profession. This proposed legislation is a small step. It is, however, a vital step we must take because of its potential for facing the problem of recidivistic crime.

As chairman of the Subcommittee on National Penitentiaries, I have had some new opportunities to try to analyze not just prisons themselves, but the pressures and experiences of the men who come and go through the criminal justice system—to see what it is that makes so many of them come back. I am convinced that it has something to do with hope—not just the individual's hope for himself, but the hopes of all people.

When a judge pronounces sentence, it would seem that the law is saying to the offender: At some certain time, you will be returned to society with your debt paid. You should then be ready to assume an honest and upright life. But this is a fiction, because the debt to society continues to be collected.

I do not believe that the offender should forget what he has done, that is part of his rehabilitation. But there is a time when the records of his crime cease to have any value in determining his eligibility for employment, bonding, and licensing.

The criminal record that follows an individual for years and decades after his release prevents him from entering the economic community as a full partner. It destroys his hope that he may again earn the opportunity for advancement in his job or profession. The ex-offender's failures destroy society's hopes that offenders can be rehabilitated, and becomes a self-fulfilling prophecy.

The possibility that a past criminal record can be quieted would be an incentive to an offender to try harder to live lawfully. It would be the light at the end of the tunnel. It would also be a stern reminder of how much he stands to lose by returning to crime.

The idea of quieting old criminal records, of providing a final relief, is one this Nation has been growing toward in recent years. In its passage of the Youth Corrections Act in 1950, the Congress took a first step by recognizing the value of setting aside convictions of youthful offenders who have shown their readjustment and rehabilitation.

The 91st Congress established further precedents to the confidentiality of past criminal records. In the District of Columbia Court Reform and Criminal Procedures Act, Public Law 91–358, a method was set out for preventing the disclosure of juvenile records, except upon court order. In the Organized Crime Control Act, Public Law 91–452, individuals who cooperate by giving information cannot only have their past record quieted, but may be assisted by the Government to assume a whole new identity. In the Comprehensive Drug Abuse Prevention and Control Act, Public Law 91–513, it is possible to have the offense of possession of narcotics completely expunged.

The legislation being proposed today goes beyond the limited number of situations covered by these four enactments.

Many States have also recognized the problem of criminal records as a barrier to rehabilitation, and have passed varying statutes to meet the problems.

In a number of States, including North Dakota, it is possible for an offender, upon successful completion of probation, to have his case reopened and the court records appear that either there had been no conviction, or the charges were dismissed—see for example, North Dakota Century Code 12–53–18. This same type of provision exists in nine other States.

The statutes of four more States go further toward quieting the records of conviction as recognition of rehabilitation. The best known of these is the California statute. In addition, there are 13 States which provide a means of preventing misuse of records of arrest where there was no conviction.

There does not appear, however, to be any States that have brought these two facets together to achieve the degree of nullification required to affect employment, bonding, and licensing. From the study of case law and legal commentary regarding use of criminal records, it is obvious that an effective statute must go beyond anything we have at present. First, if recognition of rehabilitation is to have any significant impact, it must cover as many situations as possible—not just misdemeanors or juvenile crimes, but felonies in situations where the integrity of society would not be affected.

Second, the procedure for granting relief must be difficult so that the benefits will not be taken lightly by the applicant, the Government, or by society.

Third, the quieting of the record must be as complete as is possible, so as to accomplish what is to be accomplished. The means must be provided to stop the distribution of criminal records that have outlived their validity.

The answers to this last challenge can only be met by closing both routes of access to criminal records. First, the individual who has demonstrated his rehabilitation must be able to deny the existence of the record in situations involving employment, bonding, and licensing. Second, the agency which is considering the individual for employment, bonding, or licensing must have no other public or quasi-public means of obtaining the information.

The effect of a complete remedy would be great upon the rehabilitated offender, but, because of the safeguards built into the legislation, it would not have a negative effect upon those with whom he must deal. This quieting of certain criminal records would have no effect on law enforcement agencies, because no legitimate use in connection with investigating any crime or apprehending any alleged offender would be affected. The record of a previous offense would be available to the court to determine the proper sentence, if an individual did subsequently return to crime.

The likelihood that an offender who has earned this benefit will return to crime is not great. We need only look at the experience which the Department of Labor has had in underwriting money bond for former offenders who needed it to gain employment. The loss experience of offenders under this program has been less than commercial companies have with nonoffenders.

The effect of this on the ex-offender, however, would be great. He could be restored to hope—to the hope that he could seek and gain employment with promise for the future.

No one could be certain this is the only key to recidivism, but I do know that people without this hope are more likely to commit crimes, and that people who have hope are more likely to return to an honest and upright lifestyle. I believe that society deserves to hope that ways can be found to terminate the terrifying cycle of recidivism, and I believe that the setting aside of old criminal records has the potential of doing a part of the job. I ask unanimous consent that the bill and the sectional analysis be printed in the Record at this point.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 1308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 231 of title 13, United States Code, is amended by adding the following new section at the end thereof:

"Sec. 3657. Certificate setting aside conviction

"(a) Upon the unconditional discharge of an offender placed on probation under the provisions of section 3651 of this chapter, the court may, thereafter, in its discretion, set aside the conviction and issue to the offender a certificate to that effect.

"(b) In the case of an offender as to whom no sentence of imprisonment or period of probation is imposed, the court, after the expiration of two years from the date of conviction, in its discretion, may set aside the conviction and issue to the offender a certificate to that effect.

"(c) A conviction so set aside by this section or any other provision of title 18, United States Code, shall not constitute a conviction within the meaning of any law or regulation of the United States."

Sec. 2. Section 534 of title 28, United States Code, is amended to read as follows:

"§ 534. Acquisition, preservation, and exchange of identification records; appointment of officials

"(a) The Attorney General shall—

"(1) acquire, collect, classify, and preserve identification, criminal identification, crime, and other records; and

"(2) exchange these records with, and for the official use of the Federal Government, the States, cities, and penal and other institutions for law enforcement purposes.

"(b) The Attorney General may exchange such records with—

"(1) the officials of federally chartered or insured banking institutions to promote or maintain the security of those institutions; and

"(2) if authorized by State statute, officials of State and local governments for purposes of employment and licensing: *Provided, however,* that such exchange under this subsection shall be made only for the official use of any such official. The exchange of any identification or other record indicating that any person has been arrested on any criminal charge or charged with any criminal offense is hereby forbidden unless such record discloses that such person pleaded guilty or nolle contendere to or was convicted of such charge or offense in a court of justice.

"(c) The exchange of records authorized by this section is subject to cancellation if dissemination is made outside the receiving departments or related agencies.

"(d) The Attorney General may appoint officials to perform the functions authorized by this section."

SECTION-BY-SECTION ANALYSIS

Section 1. This section creates a procedure by which a Federal court may set aside convictions of certain offenders who do not qualify, because of their age, for the provisions of the Youth Corrections Act, which already provides for the setting aside of convictions. In addition, it defines the effect of a certificate setting aside a conviction.

(a) The court is empowered, in its discretion, to set aside convictions of offenders who successfully complete a period of probation.

(b) The court is similarly empowered to set aside convictions of offenders for whom no sentence of imprisonment or probation is imposed, but only after two years has elapsed from the date of conviction.

(c) A conviction set aside under this section shall not be considered within any meaning of the law.

Section 2. This section amends and reenacts Section 534 of Title 28, United States Code, giving the Attorney General authority to collect, classify, and disseminate criminal records.

(a) The Attorney General is required to make available such records to Federal, State and local authorities for law enforcement purposes.

(b) A discretionary power is vested in the Attorney General to exchange criminal records with banking institutions, for purposes of security, and State and local governments, for purposes for employment and licensing. The use of such records is limited to official purposes and only to those arrest records which show the disposition of a charge.

(c) Access to such records may be cancelled if unauthorized dissemination occurs.

(d) Provision is made for the employment of officials to carry out the duties of this section.

By Mr. BURDICK (by request):

S. 1309. A bill to provide for the setting aside of convictions in certain cases and for other purposes. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, legislation dealing with the setting aside of certain criminal convictions has been introduced today at the request of the Judicial Conference of the United States. I ask unanimous consent that the bill, together with the accompanying letter to the President of the Senate and the analysis be printed at this point in the Record.

There being no objection, the bill, letter, and analysis were ordered to be printed in the Record, as follows:

S. 1309

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 231 of title 18, United States Code, is amended by adding the following new section at the end thereof:

"Sec. 3657. Certificate setting aside conviction.

"(a) Upon the unconditional discharge of an offender placed on probation under the provisions of section 3651 of this chapter, the court may, thereafter, in its discretion, set aside the conviction and issue to the offender a certificate to that effect.

"(b) In the case of an offender as to whom no sentence of imprisonment or period of probation is imposed, the court, after the expiration of two years from the date of conviction, in its discretion, may set aside the conviction and issue to the offender a certificate to that effect.

"(c) A conviction so set aside by this section or any other provision of title 18, United States Code, shall not constitute a conviction within the meaning of any law or regulation of the United States.

"This act shall take effect immediately."

WASHINGTON, D.C.,
January 8, 1973.

Hon. SPIRO T. AGNEW,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of the Judicial Conference of the United States I am transmitting herewith a draft of a bill, approved by the Conference, to improve judicial machinery by providing for the setting aside of convictions in certain criminal cases not now eligible for such relief.

The bill would add a new Section 3657 to Chapter 231 of Title 18, United States Code. The bill is designed to allow for the setting aside of convictions in the cases of offenders who do not qualify because of their age at the time of conviction for the provisions of the Youth Corrections Act or the Young Adult Offender Act. Its purpose is to provide not only an incentive to the offender to refrain from further criminal conduct, but also to alleviate the severe, lifetime restrictions which are imposed on individuals convicted of a felony. As a practical matter, pardons and other executive clemency have been unavailable for many years to most individuals in need of such relief. Under the present system, and particularly with the increased availability of records and data on offenders, an individual often finds it impossible to be readmitted to society, even though no prison term is imposed.

The bill is designed to apply to certain special cases of offenders: Those who successfully complete a period of probation, as well as those whom the court decided did not require a period of supervision. This latter group would be eligible only after a period of time.

The relief is made discretionary on the part of the court.

The last paragraph of the bill attempts to define the effect which will be given to a certificate. As a result of our study of the effect of the certificate presently issued under the Youth Corrections Act, 18 U.S.C. 5021, it is clear that some definition of its effect is needed. The one chosen has the advantage of simplicity in language, but it leaves unresolved the question as to whether the setting aside actually expunges the record. One case under the Youth Corrections Act, *U.S.* v. *Tatum*, 310 F2d 854, does hold that this is the effect of the certificate. Other courts have not so held.

Representatives of the Judicial Conference or of this office will be glad to appear and testify at any hearing to be held by the Committee to which the bill may be referred, or provide any additional information that may be desired by Congress.

Respectfully submitted,
ROWLAND F. KIRKS,
Director.

ANALYSIS

The attached draft bill has been prepared for the use of the Probation Committee of the Judicial Conference. It is designed to allow for the setting aside of convictions in the cases of offenders who do not qualify because of their age at the time of conviction for the provisions of the Youth Corrections Act or the Young Adult Offender Act. Its purpose is to provide not only an incentive to the offender to refrain from further criminal conduct, but also to alleviate the severe, lifetime, restrictions which are imposed on individuals convicted of a felony. (See Vanderbilt Law Review, Collateral Consequences of a Criminal Conviction, October, 1970). As a practical matter, pardons and other executive clemency, have been unavailable for many years to most individuals in need of such treatment. Under the present system, and particularly with the increased availability of records and data on offenders, an individual often finds it impossible to be readmitted to society, even though no prison term is imposed. The Congress is presently considering several bills which relate to this matter: one, S. 2732 which would provide for expungement of the records, and also bills which would provide for non-disclosure of arrest records.

The bill is designed to apply to certain special classes of offenders: Those who successfully complete a period of probation, as well as those whom the court decided did not require a period of supervision. This latter group would be eligible only after a period of time.

The relief is made discretionary on the part of the court.

The last paragraph attempts to define the effect which will be given to a certificate. As a result of our study of the effect of the certificate presently issued under the Youth Corrections Act, 18 U.S.C. 5021, it is clear that some definition of its effect is needed. The one chosen has the advantage of simplicity in language, but it leaves unresolved the question as to whether the setting aside actually expunges the record. One case under the Youth Corrections Act, *U.S.* v. *Tatum,* 310 F2d 854, does hold that this is the effect of the certificate. Other courts have not so held, and California does not appear to recognize any effect of the Youth Corrections Act certificate.

By Mr. TUNNEY:

S. 1310. A bill to provide for control of meat prices through limitation on exportation of meat products from the United States. Referred to the Committee on Banking, Housing and Urban Affairs.

THE MEAT EXPORT CONTROL ACT OF 1973

Mr. TUNNEY. Mr. President, meat prices are soaring beyond the dinner tables of many Americans, and immediate action is needed to bring them within the average family budget.

That is why I am offering the Meat Export Control Act of 1973.

This bill sets a goal of less than 3.6 percent annual rate of increase in the average retail price of a broad range of meat products widely consumed by the American people.

It provides that whenever the annual rate of increase in this average ,price equals or exceeds 3.6 percent in any consecutive 3-month period beginning January 1, 1973, the President is required to ban the export of these meat products and of the intermediate meat products used in their manufacture or preparation.

It provides further that this export ban shall remain in force unless and until the annual rate of increase in this average price remains below 3.6 percent for a period of 6 consecutive months or the expiration of the act, whichever comes first. In the event that the Congress or the President imposes price controls on meat, the export ban cannot be lifted earlier than 6 months after removal of these controls.

Finally, this bill provides that in the event of a foreign emergency in which substantial human suffering can be relieved by the export of meat to the affected population, the President may waive for 30 days part of the export ban for the exclusive purpose of meeting such an emergency. If it appears necessary to continue this waiver beyond 30 days, the President must obtain permission from Congress no later than 5 days before the 30-day waiver terminates. If Congress is not in session at the time, the President may continue the waiver for more than 30 days, but no longer than 5 days after Congress reconvenes, unless Congress grants permission for a continuation. If Congress finds that no foreign emergency of the type described exists, it may, by majority vote of both Houses, invalidate the President's waiver at any time.

Mr. President, I am offering this bill, because it seems clear that unless we move quickly to protect American consumers, many of them will be completely priced out of the meat counters of our supermarkets.

The lead paragraph in a recent article in U.S. News & World Report began as follows:

> The high and rising cost of living has become the main topic of conversation—and a major cause of worry and criticism—for Americans everywhere. People explode in anger when they talk about the cost of food. Retail food prices are the number one concern, meats in particular. Nothing else is mentioned nearly as often.

We have had an almost incredible acceleration in meat prices over this last year. I fear that if we do not act now to protect domestic meat supplies, the situation will deteriorate even further. Consider the following facts.

In 1972, the United States exported more than 168 million pounds of red meat. While this represents only a small fraction of total domestic production, there are good reasons to expect that if we fail to act, greater and greater quantities of our already insufficient meat supplies will be sent abroad in the very near future.

Billions of American dollars are now held by foreign nationals and these dollars represent a tremendous claim on the output of the American economy. This fact, plus skyrocketing foreign demand for meat, plus the recent devaluations which have substantially cheapened the foreign price of American meat add up to a clear and present danger to American consumers.

My bill does not simply ban meat exports. It would prohibit meat exportation only when the market signals the existence of persistent shortages. It would automatically end the ban when the market indicates that domestic supplies are adequate to the needs of our people. If this seems like a policy of America first, well, so be it.

In addition to heading off the dangers of greater meat exports in the next 13 months, this bill will help ease meat prices right now. As economists have long known, the demand for food is relatively insensitive to changes in price. As a result, even small changes in supply have disproportionate effects on price. Prohibiting meat exports when prices are rising at an annual rate of 3.6 percent or more will bolster domestic supplies and help restore economic sanity to the meat counter.

Those who question this approach on the grounds that it might aggravate the balance-of-payments deficit should consider the underlying causes of our payments problem. Certainly one major source of our large payments imbalance has been the unusually high rates of inflation since 1965. With many key labor negotiations coming up in the next few months and with the cost of food, especially meat, rising at unprecedented peacetime rates, we may be locked into another wage-price inflationary spiral that would set our international trading position back for many years to come. If this measure contributes to lower meat prices, and there is reason to believe it will, the ultimate impact will be beneficial for the balance of payments and for the overall position of the United States in the world economy.

Before closing I must point out what may turn out to be the most compelling reason for supporting this legislation. Anyone who follows the press knows there is a substantial possibility that the President may do a flipflop and order comprehensive controls on food prices. Rather than obviating the need for this bill, such controls would make a ban on meat exports absolutely essential. Imagine what would happen to American meat supplies if the domestic price were held down by controls while foreigners were free to outbid domestic purchasers. I hardly need detail the shortages and black market dealings that will result if we do not have meat export controls to complement meat price controls.

There is no evidence that the administration will use its authority under the Export Administration Act of 1969, as amended, to protect consumers from disastrous effects of rising meat prices. The ball is in our court. The American people are hopping mad and getting angrier all the time. Congress can ignore their cries for relief, but only at its own peril.

I believe that expeditious Senate action on this proposal is imperative. I had planned to introduce this bill as an amendment to the Economic Stabilization Act extension, but because of difficulties arising out of the unanimous consent agreement of March 15, this proved not to be possible.

If appropriate, I will attempt to offer it as a floor amendment in the near future. Meanwhile, I would urge that early hearings be held in committee.

By Mr. GRIFFIN (for himself, Mr. ALLEN, Mr. SPARKMAN, Mr. COTTON, and Mr. COOK):

S. 1311. A bill to amend the Communications Act of 1934 to provide that renewal licenses for the operation of a broadcasting station may be issued for a term of 5 years and to establish certain standards for the consideration of applications for renewal of broadcasting licenses. Referred to the Committee on Commerce.

RENEWAL OF BROADCAST LICENSES

Mr. GRIFFIN. Mr. President, today for myself and Senators ALLEN, SPARKMAN, COOK and COTTON, I am introducing a bill to improve and expedite consideration by the Federal Communications Commission of broadcast license renewal applications. This is identical to legislation that I introduced in the 92d Congress.

First, the legislation would authorize the FCC to grant renewal licenses to TV and radio broadcasters for a period of up to 5 years. A first-time license, however, could be issued for only a 3-year period.

Second, the bill provides that once broadcaster seeking a renewal license can demonstrate that he has served the needs of his community, a competing applicant or other opposing party would then have the burden of proving that it would not be in the public interest for the FCC to approve the licensee's renewal application.

Third, the bill would direct the FCC to expedite its consideration of renewal licenses.

Unfortunately, as a result of FCC and Federal Court decisions in recent years there is too much confusion and uncertainty associated with licensing procedures. The confusion started in 1969 when the FCC refused to renew a license for a Boston station because the station was owned by a local newspaper, and not because of poor service to the community.

Subsequent controversy about the ruling led the FCC to issue guidelines which provided that if a renewal applicant could show that his program service had been "substantially attuned to the needs and interests of its area," he would be preferred over any competing applicant and his license would be renewed.

But in 1971, these guidelines were nullified by a Federal appeals court which held that licenses should not be given a preference over challengers unless it could be shown that the licensee's past performance measured up to some vaguely defined standard of "superior" service.

The effect of these decisions on the workload of the Commission and the broadcasters is clear. Since 1969 the annual number of petitions to deny a renewal license increased from 2 to 68 in 1972. At the beginning of 1972, less than 40 stations were operating on a deferred basis beyond the expiration date of their license because the FCC had not yet acted on their renewal aplications. In February of this year the number of stations operating on deferred status had increased to 141.

Now, it frequently takes as long as 2 years from the date of filing before the FCC acts on a license renewal application. Considering the fact that broadcasters must renew their licenses every 3 years, a heavy drain is placed on the resources of both the licensee and the FCC. The public interest would be better served if more of these resources could be directed into analyzing and meeting community needs.

The legislation I am introducing today would provide the FCC and the courts with standards for license renewals that are more realistic and more in keeping with the public interest. In the first place the licensee's past performance would be the primary consideration in a renewal proceeding. If the licensee can show that he has done a good job, his license should be renewed unless a challenger can prove that it would not be in the public interest to grant the renewal application.

Second, by providing for a 5-year renewal term, stations will be able to invest more of their time and money into serving local community needs. And the longer time frame will give the FCC a better basis for judging the licensee's performance at renewal time.

In keeping with the emphasis on performance, the bill would continue to limit to 3 years the term of a license issued for the first time. A newcomer without broadcasting experience in the community should be monitored more closely to see if he is living up to his promises.

Finally, the bill directs the FCC to devote more resources to license renewal proceedings in order to minimize unnecessary and costly delays. Because of the tremendous investments at public interest considerations the Commission should give priority attention to renewal cases.

Mr. President, enactment of this legislation would benefit both the public and the broadcaster by focusing attention on actual performance, rather than unsubstantiated promises. I urge that prompt consideration be given this matter in the current session of Congress.

Mr. President, I ask that the text of the bill, S. 1311, be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended by striking the second sentence and inserting in lieu thereof the following: "Upon the expiration of any license (other than a broadcasting license transferred or assigned during the immediately preceding license period), upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby."

SEC. 2. Section 309(e) of the Communications Act of 1934 (47 U.S.C. 309(e)) is amended by adding the following at the end thereof: "Notwithstanding the preceding sentence, in any hearing involving an application for renewal of a broadcasting license, if the applicant for renewal makes a prima facie showing that its broadcasting service during the preceding license period (1) has reflected a good-faith effort to serve, and demonstrated a responsiveness to, the needs and interests of its area, and (2) that the operation of the station has not otherwise been characterized by serious deficiencies, then the burden of proof with respect to any petition to deny such application or any other application for the same broadcasting service shall be upon the petitioner or competing applicant to show that it would not be in the public interest, convenience, and necessity to grant the application for renewal. The Commission shall give expeditious treatment to all proceedings involving an application for renewal of a broadcasting license and shall provide that any hearing shall be structured so as to proceed as expeditiously as possible."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 136

At the request of Mr. SCHWEIKER, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 136, a bill to authorize financial assistance for opportunities industrialization centers.

S. 423

Mr. RIBICOFF. Mr. President, due to a clerical error Senator HOLLINGS' name was added as a cosponsor of S. 425 rather than S. 423. I ask unanimous consent that Senator HOLLINGS' name be removed from the cosponsor list for S. 425 and added to the cosponsor list for S. 423, to establish a Department of Health.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 626, S. 627, S. 628, AND S. 629

At the request of Mr. MOSS, the Senator from Rhode Island (Mr. PASTORE) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 626, to provide increases in certain annuities payable under chapter 83 of title 5, United States Code; S. 627, to provide that the first $4,000 received as civil service retirement annuity from the United States of any agency thereof shall be excluded from gross income; S. 628, to eliminate the annuity reduction made in order to provide a surviving spouse with an annuity during periods when the annuitant is not married; and S. 629, to increase the contribution by the Federal Government to the costs of Federal employees' health benefits insurance.

S. 775

At the request of Mr. EAGLETON, the Senator from Kentucky (Mr. COOK), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 775, to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging.

S. 1033

At the request of Mr. PACKWOOD, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 1033, the Timber Export Administration Act of 1973.

S. 1285

At the request of Mr. MCGOVERN, the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1285, to prohibit the inspection of farmers' income tax returns by the Department of Agriculture for the purpose of gathering data for statistical purposes.

SENATE JOINT RESOLUTION 10

At the request of Mr. SCHWEIKER, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of Senate Joint Resolution 10, to amend the Constitution of the United States to provide voluntary nondenominational prayer in public schools and buildings.

SENATE JOINT RESOLUTION 24

At the request of Mr. MCINTYRE, the Senator from Maine (Mr. MUSKIE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Joint Resolution 24, to establish the fourth Saturday of each September as "National Hunting and Fishing Day."

SENATE CONCURRENT RESOLUTION 15—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO USE OF CERTAIN FACILITIES BY MEMBERS OF THE RESERVES AND NATIONAL GUARD

(Referred to the Committee on Armed Services.)

Mr. THURMOND. Mr. President, today the Nation is facing real problems in attracting and holding sufficient military personnel to insure a level of defense readiness necessary to provide for the national security.

The retention of military personnel of sufficient quality and in sufficient quantities is a matter which has received much attention by the responsible committees in the Congress.

Various incentives have been approved by the Congress aimed at attracting and holding both active military personnel and members of the Reserve and Guard.

Today I wish to address one facet of this problem—the retention of reservists and guardsmen. While many programs such as special pay, enlistment and reenlistment incentives and other inducements are under consideration there is one improvement that can be taken without any expense and with very little trouble.

That step involves the lifting of present restrictions on members of the Guard and Reserve when using post and base exchanges during inactive duty training periods at or near military installations.

Under present regulations these men have access to the exchanges but they are restricted from buying many items available to active force patrons. This restriction runs counter to the total force concept and serves as an unnecessary irritant to reservists who happen to have monthly weekend drills at or near military installations.

Mr. President, some oppose lifting this restriction. This opposition is based on possible overcrowding of the exchanges, adverse reaction from local merchants and problems which may result from a higher increase of volume at the exchanges.

OVERCROWDING

As to overcrowding, studies indicate there would be little overcrowding as reservists and members of the Guard on inactive duty training are currently using the exchanges except they are limited in their shopping to sundry items. Thus, the traffic would not increase significantly except that the Reservists may buy more and possibly be in the exchanges longer.

In considering the overcrowding argument it should also be remembered that Reserve personnel on inactive duty training would have very little time for shopping because of the increased training program requirements on weekend drills. This limited time to use the exchanges and the fact that reservists only drill one weekend a month indicates the modest expansion involved in this proposal.

"MERCHANT REACTION"

As to the "merchant reaction" argument, it would seem to me the impact would be slight in view of the relatively small number of Reservists and members of the Guard who are on inactive duty training schedules. In past years merchants have opposed expanding exchange privileges. However, with discount stores the exchanges today simply do not offer the value of past years. Further, this limited expansion really does not permit significant shopping but rather special item shopping because of the time element involved.

It is my view that our merchants would not see this very limited expansion of exchange privileges as a significant encroachment on their businesses. After all, they benefit, as do each of us, by these individuals who give of their own time each week or month to help support this Nation's defense requirements.

VOLUME PROBLEMS

Further, as the active forces grow smaller it would seem that the exchanges would welcome this small amount of business. The argument that this change would result in a big volume increase in business is simply not supported by the facts. Weekly buying involving one's family results in volume, but not one individual on one weekend a month whose time is restricted by training responsibilities.

In fiscal year 1972 the exchanges worldwide experienced a 2-percent drop in sales and a sizable drop in earnings. Thus, this change to make the Guard and Reserve more attractive may help the exchanges maintain an earnings rate which benefits all military personnel.

Mr. President, remember my proposal is merely to allow an expansion of already authorized shopping privileges. It does not open the exchanges to Reserve personnel at all times. Thus, this is a very limited step to remove an unnecessary and chronic irritant.

Even if there were small problems resulting from an increase in volume, the change would seem justified in that it would demonstrate to the members of the Reserve and Guard the basic equality of the Total Force Concept.

There has been opposition to an expansion of exchange privileges for Reservists and members of the Guard for many years. During the buildup for Vietnam, when hundreds of thousands were added to the military roster, one could see how problems may have resulted. However, today discount stores offer items just above cost and the exchanges do not offer even the regulars the advantages available at one time. Coupled with the general decline in regular and reserve forces, now may be the time to allow this limited expansion of exchange privileges as an incentive to our Reservists and Guard members.

Mr. President, with this view in mind, I am today offering a concurrent resolution for consideration of the Congress. While it is my hope the Secretary of Defense will consult with the Congress on a plan to make this change, I believe approval of this resolution will strengthen his hand in any implementation which may come about from such consultations.

The concurrent resolution is as follows:

S. Con. Res. 15

Resolved by the Senate (the House of Representatives concurring), That it is hereby declared to be the sense of the Congress that members of Reserve components of the Armed Forces of the United States and members of the National Guard, while performing inactive duty training at or near any United States military installation, should be extended the same privileges of use with respect to post and base exchange facilities as are extended to active duty personnel, and that the Secretary of Defense should take prompt action to extend such privileges to such members when they are performing inactive duty training.

NOTICE OF RESCHEDULING OF HEARINGS ON S. 798

Mr. BURDICK. Mr. President, the hearings of the Senate Subcommittee on National Penitentiaries on S. 798, the Community Supervision and Services Act, which were scheduled for Thursday, March 22, 1973, have been rescheduled for Tuesday, March 27, at 10 a.m. in room 4200 of the Everett Dirksen Office Building.

ANNOUNCEMENT OF HEARINGS ON STATE DEPARTMENT AUTHORIZATION LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, at the request of the chairman of the Committee on Foreign Relations, I announce that the committee will hold hearings on legislation to authorize appropriations for the Department of State, S. 1248 and S. 1171, on April 3, 4, and 5. The hearings will be chaired by Senator Pell. Anyone wishing to testify on these bills should contact the clerk of the committee, Mr. Arthur M. Kuhl.

ANNOUNCEMENT OF HEARINGS ON EXECUTIVE PRIVILEGE AND GOVERNMENT SECRECY

Mr. MUSKIE. Mr. President, beginning April 10, 11, and 12, the Subcommittee on Separation of Powers of the Committee on the Judiciary and the Subcommittee on Intergovernmental Relations of the Committee on Government Operations, with the participation of the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, will hold a number of days of hearings on Executive privilege and Government secrecy.

I ask unanimous consent that a news release announcing these hearings and containing a joint statement by the Senator from North Carolina (Mr. Ervin) and myself on their purpose be printed in the Record at this point.

There being no objection, the news release was ordered to be printed in the Record, as follows:

Ervin, Muskie, Kennedy Subcommittees Join for Executive Privilege, Secrecy Hearings

Senators Sam J. Ervin, Jr., and Edmund S. Muskie announced today that their two subcommittees will hold joint hearings, beginning April 10, 11, and 12, on Executive Privilege and Government Secrecy.

The Joint hearings will be conducted by the Judiciary Subcommittee on Separation of Powers, chaired by Senator Sam J. Ervin, Jr., D–N.C., and the Government Operations Subcommittee on Intergovernmental Relations, chaired by Senator Edmund S. Muskie, D–Maine, with the participation of the Judiciary Subcommittee on Administrative Practice and Procedure, chaired by Senator Edward M. Kennedy, D–Mass.

Announcing the beginning of the joint hearings, Senator Ervin and Senator Muskie issued the following joint statement: "Our subcommittees have before them measures to deal with an increasingly grave Constitutional dispute, the conflict between the President and the Congress and between the government and the ordinary citizen over access to information all of us should be sharing if our democracy is to function as it should. These hearings, initiated at the specific request of the Senate leadership, will give us and the country an opportunity to weigh the claims that are now in conflict.

"The Executive asserts an unrestricted 'right' to deny Congress and the public the testimony of Presidential advisers past and present, arguing that their views, to be developed and presented with the necessary candor, require eternal privilege. The Congress, concerned with developing the best-informed criteria for the national policy decisions the Constitution gives it to make, cannot do with less than full access to the testimony and documentation essential to the wise performance of its duty. The public, the ultimate referee of our decisions and those of the President, must have the knowledge on which to base its judgments.

"Our two subcommittees will be looking at legislative proposals which will restore to Congress its rightful role in the Separation of Powers doctrine. The time has come when the Congress must have the will to stop usurpations of its power by the Executive Branch of government. We feel that these hearings will be a step in that direction.

"We are fortunate in having the cooperation of Senator Kennedy and the Subcommittee on Administrative Practice and Procedure in this vital inquiry. We look forward to receiving the guidance of other interested members of the Senate and to undertaking the task they have given us."

The joint hearings are a continuation and extension of hearings begun in the 92nd Congress by Senator Ervin's Subcommittee on Separation of Powers, "Executive Privilege: The Withholding of Information by the Executive." The three subcommittees will be considering two bills on executive privilege and one bill to amend the 1967 Freedom of Information Act. The measures are S. 858, introduced by Senator J. William Fulbright (D-Arkansas), Senate Joint Resolution 72, introduced by Senator Ervin, and S. 1142, introduced by Senator Muskie. Other legislative proposals affecting Congressional and public access to official information are also expected to be introduced before the hearings open.

The opening three days of testimony will be held in the Judiciary Committe hearing room 2228, in the Dirksen Senate Office Building, beginning at 10 o'clock each morning, April 10, 11, and 12.

ANNOUNCEMENT OF HEARINGS BY COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Mr. MOSS. Mr. President, in continuation of our detailed investigation of NASA's authorization request for fiscal year 1974, the Committee on Aeronautical and Space Sciences will take testimony on April 4 from representatives of several organizations. I ask unanimous consent that this witness list be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

Committee on Aeronautical and Space Sciences

CONTINUATION OF HEARINGS ON S. 880, NASA AUTHORIZATION FOR FY 1974

Witness List for April 4, 1973

Leonard Woodcock, President, United Automobile Workers.

Karl G. Harr, Jr., President, Aerospace Industries Association.

James J. Harford, Executive Secretary, American Institute of Aeronautics and Astronautics.

General Clifton F. von Kann, Senior Vice President for Operations and Engineering, Air Transport Association.

(Note.—Additional routine morning business is printed later in the Record.)

ADDITIONAL STATEMENTS

AMBASSADOR DAVID BRUCE

Mr. HUMPHREY. Mr. President, President Nixon is to be commended for having selected Mr. David Bruce as the first official U.S. representative to the People's Republic of China.

Ambassador Bruce is one of the most talented and skillful diplomats that our country has produced in this century. He has served our Nation brilliantly in many critical assignments and sensitive situations. His years of experience have given him those unique qualities of wisdom and judgment which are so necessary in diplomacy.

The Government of the People's Republic of China should feel honored by the quality of our U.S. representative, and our country is indebted to David Bruce and his lovely wife, Evangeline, for being willing to undertake this all important mission.

The respected columnist and scholarly observer of the international scene, Mr. James Reston of the New York Times, has given us a thoughtful evaluation of President Nixon's appointment of David Bruce in his column of March 16. I ask unanimous consent to have the column printed as part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Gentleman From Virginia

(By James Reston)

It seldom happens in these hairy youthful days that anybody chooses a wise old gentleman for a critical job, but President Nixon has done it again by picking David Kirkpatrick Estes Bruce of Virginia to be the first official U.S. representative to the Communist Government of China.

At first glance, it seems a surprising appointment. Mr. Bruce is 75, and has already made more farewell appearances from public life than Leo Durocher or Mme. Schumann-Heink.

The Old Geezer network has been saying so-long to David Bruce for twenty years. Since he started in the Foreign Service in Italy in 1926, he has been given a farewell party when he retired as U.S. Ambassador to France in 1952; then again when he retired as U.S. Ambassador to the Federal Republic of Germany in 1959, and again when he retired as U.S. Ambassador to Great Britain in 1961.

After which he fixed up a retirement house on 34th Street in Washington, built a blind wing on it and let the ivy grow up to the roof, and kept a flat in London for his quiet repose. Whereupon he was called back to negotiate peace in Vietnam in Paris, without success, and finally he retired for good—still spare and handsome, white-haired, cautiously slow, but alert and elegantly courteous.

Now, suddenly he has been called back again to go to Peking, and he and his lovely wife, Evangeline, who was a student of Chinese history at Harvard with John Fairbank, have agreed to go, and it will not be easy.

Peking will not be like the Bruces' diplomatic life in the beautiful American embassies in London, Paris and Bonn, with their mansions and paintings and elegant diplomatic dinners, and easy access to prime ministers, chancellors and cabinet officers.

The United States Government still owns elegant houses in Peking, but they are being used now for other purposes, and all Western diplomats now work out of a new diplomatic "compound," which looks like a block of middle-class apartments in New York or Chicago.

Still, it would be hard to imagine a better American appointment to Peking. David Bruce is beyond personal ambition. He has gone through all the struggles of his own country. He has been a member of both the Virginia and Maryland Legislatures. He is almost precisely the age of Chou En-lai and a little younger than Mao Tse-tung, and if, occasionally, they want to talk about the fundamental questions of the coming world order, Bruce will be equal to their questions.

Mr. Bruce does not have the Chinese language, but he will have experts at his side. For more than a generation, the United States has been training men like Al Jenkins in the State Department and David Osborne in the U.S. mission in Hong Kong, who have devoted most of a lifetime to the study of China and its language and philosophy.

But David Bruce has the main thing. He has that gift of time and history, which Henry Kissinger used to such advantage in reaching an accommodation with Chou En-lai. And this may be very important in the next few critical years.

Most American Ambassadors these days seem unimportant. The jet airplane has reduced their power and ironically, they are in physical danger everywhere except in the Communist capitals. But the American envoy in Peking is still in a critical and powerful position, if he can talk honestly and privately to Chou En-lai. And Bruce can probably manage to do this better than most younger men.

It is interesting that President Nixon understood this point, and appointed a Virginia Democrat to the post. Mr. Bruce has opposed Mr. Nixon in the past, and was once in trouble with the Republican politicians for contributing money to the Democratic party. But Mr. Nixon has kept on appointing him, despite Mr. Bruce's Democratic party loyalties, and has now trusted him with the task of developing a new order between Washington and Peking in Asia.

Equally interesting is why David Bruce agreed to take on this hard job at 75, give up his dreams of a quiet life in Georgetown, Virginia and London. Maybe because, after his remarkable career, he was bored in retirement, but probably because he could not help it. He grew up in another age, when men did what the President asked them to do, even if they thought it was not wise or beyond your powers. So he is going to that compound on the verge of Peking, and everybody who knows him thinks he will be faithful to his assignment.

PENN CENTRAL PROBLEMS

Mr. PACKWOOD. Mr. President, as a result of Public Law 93-5, legislated last month just hours into the Penn Central strike, the administration is required to come up with recommendations for the restoration or preservation of rail transportation services in the Northeast. Whether we like it or not, Congress will be face to face with the overwhelming problems of the Penn Central again in the very near future.

Discussions of the Penn Central situation seem too frequently to be simplistic, emotional, and not particularly grounded in fact. It was therefore gratifying to read in the Washington Post of March 11, 1973, a thoughtful and well-balanced evaluation of the many and varied difficulties facing the Penn Central. I direct my colleagues' attention to this writeup, and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENN CENTRAL: THE ROAD TO NATIONALIZATION

(By Robert J. Samuelson)

The Penn Central is slowly—but inexorably—drifting toward nationalization.

Given the American genius for gimmicks, it may never be called that. Instead, there may be some Amtrak-like fiction. Amtrak—inheritor of the nation's intercity passenger trains—wasn't a formal nationalization. After an initial injection of federal money, it was supposed to make a profit and be self-sufficient. That's what the legislation said, but very few congressmen expected it to turn out that way, and it hasn't. In its first two years, Amtrak has spent nearly $2 for every $1 it's taken in, gobbling up almost $180 million in federal funds. Even if many of its present trains are eliminated, there's little prospect of Amtrak's ever weaning itself from an annual appropriation.

Congress, of course, isn't eager to go this route with the Penn Central, but it may have little choice. Last week, U.S. District Judge John P. Fullam, who's overseeing the Penn Central bankruptcy proceedings, in effect delivered an ultimatum: Either Congress makes some very drastic—and unpopular—changes that will allow the railroad to become a profitable private company or he may simply shut it down on Oct. 1.

As much as Congress would like to ignore Fullam, it can't. The Penn Central is virtually indispensable. A few statistics make this unmistakably clear. The railroad handles about 20 per cent of the nation's rail freight (and rail freight, in turn, amounts to about 40 per cent of all intercity freight). In 1971, that meant 80 million tons of coal, nearly 50 million tons of metals and ores, 20 million tons of food products, and 14 million tons of paper. The total is a staggering 260 million tons, which, as a practical matter, is probably too much to be shifted to trucks or other railroads.

These dry statistics, explain why Congress has always reacted so quickly to any real threat to the Penn Central's continued operation. Last month, for example, it took but a day to pass a joint House-Senate resolution halting a strike against the railroad. Little as Congress likes rescuing discredited enterprises, it likes even less shutting down the whole economy of the Northeast—the ports, the factories, and the power plants that are all dependent on continued service from the Penn Central. The first is distasteful, the second unthinkable.

And when Congress considers the unsavory choices presented by Fullam, it may decide that the only politically palatable alternative is some type of bastard-nationalization.

PLAN FOR SURVIVAL

Make no mistake about it: This would be a momentous step. Over the next five or ten years, the cost to taxpayers could run into the billions. Moreover, once the federal government effectively took charge of the nation's largest railroad—and probably four or five other bankrupt Northeast carriers, too—it would be increasingly vulnerable to pleas from other railroads, competing truckers or barge lines for federal assistance. Already, these three industries are pushing legislation to provide up to $5 billion in federally guaranteed loans.

The proverbial Pandora's box would be opened. And the special brand of American capitalist-socialism—in which firms nominally remain free, but the government controls all the crucial decisions—would have swallowed another major industry. The defense industry is already clearly in this orbit, as are the nation's shiplines and yards, which together receive $400 million a year in subsidies.

To appreciate Congress' dilemma, consider what the Penn Central trustees, appointed after the initial bankruptcy in June, 1970, think are the minimum requirements for making the railroad profitable again:

First, they say, they need a one-time gift of $600 million to $800 million in federal cash to modernize old-fashioned freight terminals and repair miles of neglected track. Only with these improvements, the trustees say, can the Penn Central improve its service sufficiently to attract enough new freight traffic to get into the black.

Next, they want the United Transportation Union to agree to eliminate one man—a man who isn't required for safety or workload considerations, the Penn Central says—on every freight train crew. Though the cuts would be made gradually by attrition, the change would ultimately mean a loss of 5,700; union jobs and a $100 million annual saving for the Penn Central. The UTU, naturally, hasn't accepted the proposal, and Congress—directly or indirectly—will probably have to settle the issue.

In addition, the trustees want to abandon service on 5,000 miles (out of a total of 20,000) of track which, they say, is lightly used and highly unprofitable.

Finally, they insist that Penn Central is still losing money on inter-city and commuter trains and that Amtrak and state and local governments must underwrite the deficits. These now amount to $88.2 million.

The average congressman isn't likely to vote the Penn Central a $600 million to $800 million blank check without questioning this master plan for survival. It is not a plan that would make the congressman very popular. First, there is no real guarantee that the $600 million to $800 million would do the trick, without additional federal payments later. Second, the rail unions would be furious: Not only would the 5,700 jobs at the Penn Central be lost but, once the larger crews are seen to be unnecessary, other railroads would press for similar reductions, imperiling thousands of additional jobs. Finally, freight shippers and towns along the 5,000 miles of threatened track would fight the master plan because they would see it, correctly as a scheme to get more subsidy for less service.

Suppose Capitol Hill won't buy the Penn Central's master plan? Instead, suppose Congress gives the railroad some money to keep it going, but conditions this cash with restrictions on the railroad's freedom to cut back on service or reduce freight crews. Then—unless the trustees' calculations are wildly inaccurate—the Penn Central would never be profitable again; it would have to be permanently subsidized at a much higher total cost. A lot of complicated, sophisticated schemes would be thrown up to disguise this, but most would be camouflage. The result would not be called nationalization, but that's what it would be.

A GAME OF BRINKMANSHIP

Congress invited this crisis upon itself. Nearly two years ago, the trustees indicated that the railroad could not become profitable again unless it could jettison—or receive direct subsidies for—unprofitable branchlines. unnecessarily large freight crews and deficit-ridden passenger service. Congress did nothing. Judge Fullam presumably drew the unavoidable lesson from this inactivity: Changes would never be made unless he provoked a crisis.

Anyone watching the Penn Central bankruptcy in Congress or the executive proceedings must have sensed that it would ultimately come to a court-manufactured crisis. For months, the trustees, undoubtedly with the tacit approval of Fullam, have been playing a deliberate game of brinkmanship, using creditors' "rights" to try to force some type of government action on the railroad. The Fifth Amendment of the Constitution says: "No person shall be . . . deprived of life, liberty or property without due process of law. In a speech last month George Baker, one of the railroads trustees, said: "Without government action one way or the other, the time beyond which the Penn Central cannot continue operations constitutionally will shortly be at hand. The writing was on the wall, but Congress, the White House and the Department of Transportation didn't want to read it.

Apart from Congress' inbred inability to act except under crisis conditions, other factors have indirectly conspired to bring about the current showdown. The public, for one, is clearly indifferent about the main business of the railroads carrying freight. An opinion survey by the railroad industry a few years ago turned up an interesting, though predictable, finding: Mention railroads, and two-thirds of the respondents immediately thought of passenger service, which, even before Amtrak, accounted for less than 5 percent of the industry's total revenues.

Also, the news media have failed to grasp what's been happening to the Penn Central. For the last two and a half years, we've been content simply to treat the Penn Central as a kind of public tackling dummy—a defenseless target for ridicule. The railroad, to be sure, offered ample opportunity, with countless examples of high comedy: Penn Central executives trying to organize (illegally and unsuccessfully) their own airlines; Penn Central executives being swindled out of $4 million by a slick Liechtenstein investor, and Penn Central executives dabbling in the stocks of companies controlled by the Penn Central. But by highlighting these foul-smelling episodes, we may have glossed over the longer-term, more significant story. Congress, too, is probably guilty of the same myopia.

SCENARIO FOR BANKRUPTCY

To understand how events have drifted this far, we have to step back a couple of years to June, 1970, and follow what's happened to Penn Central since it officially went "bankrupt."

Going bankrupt is usually a relatively straightforward way for a company to die. If it can't pay its debts—and the creditors aren't willing to wait—the company simply closes its doors. The assets (if there are any) are sold off, and the proceeds distributed to the creditors. Everyone goes away unhappy, but everyone goes away.

Not railroads. There is a special part of the bankruptcy laws which tries to reconcile the interests of the creditors, who want to get paid, and the public, which must continue receiving freight and passenger service. This section allows railroads to continue running; instead of being liquidated, they are supposed to be "reorganized" into profitmaking companies.

* * * * *

And presto, there is a new, viable company. So far, the Penn Central hasn't gotten much beyond step one; since June, 1970, it hasn't had to pay $250 million annually (about $200 million in suspended debt payments and the rest in local real estate taxes).

That, to be sure, is a tidy saving. And there have been improvements. The work force has dropped from 95,000 to 81,000. On-time performance of trains has risen, and shipper complaints of sloppy service have declined from about 60 a week before the bankruptcy to about 10. The railroad has even attracted additional "piggyback" traffic (truck trailers riding between major terminals on flat cars). But there have also been wage increases ($700 million worth, according to the Penn Central), inflation and Hurricane Agnes. When everything is added together, the Penn Central would have lost—if it had been paying all its costs—$222.8 million for 1972, an improvement over the 1971 deficit ($284.5 million) but still a monstrous loss.

MORE THAN MISMANAGEMENT

Against these demoralizing figures, the textbook begins to look out of date. The suspicion deepens when you examine closely the reassuring notion—deeply embedded in the popular consciousness—that the Penn Central went bellyup only as a result of mismanagement; the railroad, therefore, could be straightened out simply by running it correctly. You can forget that theory.

Not that the Penn Central didn't have enough mismanagement for most of the Fortune 500. Three massive, well-documented government reports turned up countless examples of misjudgment, deceit and ineptitude: The executives tried to diversify into nontransportation industries, draining away needed funds from railroad investment; there was inadequate planning for the 1968 merger between the Pennsylvania and the New York Central lines, resulting in congested freight yards and lost shipments; the railroad resorted to some fancy accounting to disguise just how bad things were. Change management, the critics said, and the problems were bound to disappear.

Unfortunately, time and events have not dealt kindly with this popular panacea. Under bankruptcy, the top management has been sanitized. Judge Fullam appointed bankruptcy trustees (there are now three) to run the Penn Central and must approve all their major decisions. Most of the railroad's top management has been sent to the showers—and some could ultimately end up in jail. The new executives came with good reputations from efficient (and profitable) railroads. Though the Penn Central may still not be the world's most efficiently run enterprise, time has only shown that its troubles are deeper than incompetence.

Anti-pollution laws have added to the railroad's woes. In the past five years, utilities have shifted away from high-sulphur "dirty" coal to cleaner-burning oil. Coal was the Penn Central's bread and butter, and the railroad's trustees estimate that the change has meant a loss of about 22 million tons annually, worth about $75 million in freight revenues. A healthy railroad could absorb that; the Penn Central can't.

But the railroad's real undoing has been the geography and history of the Northeast. Heavy industry, the prime candidate for rail transportation, isn't growing rapidly. Travel distances are relatively short, making the railroads especially vulnerable to truck competition. Freight yard costs—stemming from the necessity to make frequent interchanges at major cities—are high. The Northeast is a graveyard for railroads; six are in "reorganization." Total freight traffic in the East in 1970 wasn't what it was in 1955. And the problems won't go away no matter who owns the Penn Central—including the government.

COALITION OF INTERESTS

As the government ponders what to do about this mess, there will be much ferocious lobbying, and, once a decision is made, there will be inevitable cries of a "bailout" of the Penn Central. Though this is satisfying rhetoric, it's essentially misleading, because it obscures who's really being bailed out. The Penn Central is now simply a front for a variety of interests—unions, creditors, local governments and shippers—all vying for survival. Everyone wants a bailout of one sort of another:

1. The unions: The United Transportation Union, the largest operating union, has already said that it doesn't oppose nationalization. Why should it? The Penn Central not only wants to eliminate the UTU's 5,700 jobs, but if the 5,000 miles of track can be abandoned, there will be need for still fewer workers. The rail unions have never been known as weaklings on Capitol Hill, and, if the government comes in, there may be a way of preserving the 5,700 jobs and minimizing total abandonments.

2. States and localities: They want their real estate taxes resumed and abandonments—which would mean the end of relatively cheap freight transportation to remote and, in some instances, depressed, areas—minimized. Freight service along many of these lines may have to be subsidized, but most state and local officials would prefer the federal government to do the subsidizing.

3. Shippers along the 5,000 miles of threatened track: At first blush, the trustees' plans seem unnecessarily draconian, but there is one telling statistic: 80 per cent of the railroad's traffic comes from 11,000 miles of its network. There will, nevertheless, be genuine cases of hardship. The Penn Central has been slow and sloppy in presenting its cases for individual abandonments, and some shippers argue that they can't stay in business if they shift to more expensive truck freight. It's hard to tell how much of this is bluff, but one thing is certain. If service is to continue on the lightly traveled lines, it has to be subsidized by someone—either by other shippers in the form of higher freight rates or poorer service, or by the federal government, or by the affected communities (or states) and shippers themselves.

4. The creditors: The vocabulary of creditor lawyers includes a phrase—"erosion of the estate"—that's central to understanding the creditors' stake in government help. Under the bankruptcy laws, whenever the Penn Central gets enough money to start paying

someone again, it must first pay off certain expenses that have accumulated since bankruptcy: real estate taxes, post-bankruptcy loans (in this case, a $100 million loan guaranteed by the government); and lease payments for branch railroad lines that are part of the Penn Central's system but belong to other companies. If the railroad were ever to be liquidated—or, to be deemed liquidated as part of a government takeover—these payments, too, would come before reimbursement of the bondholders. So, the more "erosion" there is, the unhappier the creditors are. There has already been $500 million in erosion.

The bondholders interest is relatively simple: Let the government pump in some money to resume real estate taxes, allow adoption of the master plan, and get the railroad back on its feet as quickly as possible. If creditors can put aside nostalgic feelings about "private enterprise," a complete takeover might even be better. It is risky; the creditors' fortunes ride on how much the railroad is found to be worth in a condemnation proceeding. But, especially for creditors way down on the payoff list, the chances of squeezing a good settlement out of the government may be better than the prospects of realizing something from a revitalized Penn Central.

POLITICAL POISON IVY

Its little wonder that the Penn Central is political poison ivy, untouchable by almost everyone who is anyone in Washington. Given the conflicting interests, virtually anything the government does about Penn Central will offend powerful forces or create a public relations disaster. If Congress bows to the unions and the localities, it will have to contrive some sort of nationalization—but that also means paying off the creditors. No congressman in his right mind wants to wake up in the morning next to big banks and insurance companies. Yet here, for example, is a list of major insurance companies which hold nearly $400 million in defaulted Penn Central bonds:

	Millions
Aetna	$9.4
Connecticut General	31.4
Connecticut Mutual	10.0
Equitable	147.5
John Hancock	29.1
Mass Mutual	11.1
Metropolitan	69.9
Mutual Benefit	8.9
New England Mutual	10.1
New York Life	25.4
Penn Mutual	13.3
Prudential	35.4

On the other hand, going along with the Penn Central's master plan also benefits the creditors and risks alienating the unions and localities. So the only safe and cheap thing to do is nothing.

Unfortunately—as Fullam's decision last week indicated—it's a policy without a future. In the coming showdown, no one will win. Not the creditors, who will never get all their money back. Not the unions, because the number of jobs is slowly—but surely—shrinking. Not the localities, which are bound to lose some rail service. Not the federal government which, no matter how ingenious it is, will have to make a hefty investment in the Penn Central at some point.

But no one is playing this game to win. Everyone is simply playing to minimize his losses—shift them to someone else. And that someone will probably be the U.S. Treasury. When Congress comes nose to nose with the unpleasant realities of the Penn Central, it will probably take the least unpopular—and most expensive—way out. After all, it's only money.

NIXON'S PRESIDENCY: A CRISIS IN CONGRESS

Mr. BIDEN. Mr. President, the struggle for the Congress to regain an even footing in its constitutional relationship with the executive branch is a hallmark of this 93d Congress. Properly so.

Not that the struggle began in this Congress. It germinated in earlier Congresses. For a studious and judicious analysis of how far the Congress has retrogressed, I recommend Senator Frank Church's discussions of the matter—a speech entitled "Of Presidents and Caesars" and an article published in the Stanford University Law Review, "Impoundment of Appropriated Funds: The Decline of Congressional Control Over Executive Discretion."

I commend those who have initiated this vital struggle, because, although only 2 months a Senator, I am dismayed at the imbalance between the two branches. I willingly join my seniors in order to make any contribution they may wish me to make.

In the New York Times of March 5, 1973, there appeared an article by John Hebers which underscores the grave constitutional crisis—compounded by a willingness of the incumbent administration to exacerbate the crisis further.

Mr. Herbers warns us in his concluding sentence:

> In the past, once a President gained new powers, they remained for his successors.

Mr. President, I ask unanimous consent that the New York Times article, to which I have referred, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

(By John Hebers)

Washington, March 4.—"You just think we're dumb," Senator Clifford P. Case, Republican of New Jersey, told George P. Shultz, Secretary of the Treasury and Counselor to the President, during a recent hearing on Capitol Hill.

Senator Case was not only right about White House disdain of Members of Congress, he was also understating it.

"Congress is lazy, too," said a Presidential aide, pounding his fist on his desk for emphasis during a recent interview. "They work short hours. They don't know how to consult. They say they want to consult with the President, but then they come up here and don't say anything."

'They criticize us for not advising or consulting them in military matters," he continued. "But they canot keep a secret. If we tell them anything it is out within 30 minutes after they have gone back to the Hill."

That atittude toward Congress runs deep in the White House, and it underscores the seriousness of the constitutional struggle being waged between the executive and legislative branches of the Government as President Nixon, wielding perhaps more power than any President in history, moves into a second term with a landslide victory behind him.

At the heart of the contest is the President's recent move to reorder domestic priorities by impounding funds and liquidating some agencies despite Congressional mandates. But it also involves a general erosion of powers from the Congress to the Presidency, a process that has been under way for many years but has accelerated in the Nixon Administration.

A survey of a wide range of authorities on the Government during the last several weeks shows that, in the opinion of many, the struggle is so weighted to the side of the Presidency that if Mr. Nixon does not relax his demands—his aides insist that he will not—Congress could be left far weaker than it already had become when Mr. Nixon took office in 1969.

"We are now in the midst of a grave and domestic constitutional crisis brought on by the Administration's unilateral efforts to reorder our domestic priorities," said Senator Jacob K. Javits, Republican of New York, who actively supported Mr. Nixon's re-election. "This crisis covers every aspect of legislation pending in the Congress or which may be proposed."

SOME ADMINISTRATION CONCERN

On the other hand, there is concern within the Administration that the fight will become so embittered and members of Congress so enraged that they will find ways to upset the President's goals and priorities.

"I agree 100 per cent with what the President is doing," said a high Administration official. "But I fear the spending fight with Congress may go too far."

Nevertheless, beyond the immediate issues and priorities, what is at stake is whether Congress survives as a strong and effective branch of the Government and whether more power continues to accumulate in the Presidency without accompanying restraints and means of accountability to the public, according to many students of government.

Some contend that the erosion of Congressional authority to the Presidency already has gone further under President Nixon than is generally recognized. Following are some of the developments:

President Nixon broadened and institutionalized the war powers of his office by conducting the war in Southeast Asia at his pleasure under precedents and practices used by former President Johnson, but without as close consultation with Congress, which under the Constitution holds the authority to declare war. He also extended the practice of using executive agreements in foreign affairs in place of treaties, which require Senate approval. Thus, "an illegal war was ended by an illegal agreement," according to a Congressional staff member referring to the recent settlement of the war in Vietnam.

While the nerve ends of many members of Congress were still raw from the long and bitter fight on war powers, President Nixon served notice in his recent budget message that in order to control inflation and carry out his campaign pledge not to seek a tax rise, he would not fund some programs enacted by Congress and would curtail others, with Great Society social programs enacted under Democrats in the nineteen-sixties bearing the brunt of the cuts. This went further than any other President had in moving against Congressional power to spend.

Although his aides strongly deny it, it is the opinion of many nonpartisan authorities on the subject that President Nixon has broadened the use of executive privilege to protect himself and members of his Administration from Congressional and public inquiry.

Reorganization of the executive branch by the President has curtailed Congressional access and authority in some areas of the Government. For example, by increasing the budgetary controls by the executive branch over the regulatory agencies, a power that once rested solely with Congress, the Administration forced the Federal Trade Commission, through a cut of funds, to cancel a planned investigation in hospital and medical practices, according to the testimony of the former commission chairman, Miles W. Kirkpatrick.

In a number of little ways, the Nixon Administration has defied Congress. When the Senate Finance Committee wanted to conduct its own study of the welfare situation, the Administration would not let the committee use its computers and would make only that information available for the computers that the Administration wanted it to have.

President Nixon, who terms himself an activist in the Presidency and views the office as the chief representative of the public, said in his Jan. 31 press conference that Congress represented special interests while the President represented all of the people.

"The Interior Committee wants to have more parks and the Agriculture Committee wants cheap R.E.A. [Rural Electrification Administration] loans and the Committee on Education and Labor wants more for education, and each of these wants we all sympathize with," he said. "But there is only one place in this Government where somebody has got to speak not for the special interests which the Congress represents but for the general interest." That place, he said, is the White House.

LITTLE SOUGHT FROM CONGRESS

On the spending issue, President Nixon is in a unique position. He is the first President since the Federal budget became an important instrument in managing the economy—a development of the last two decades—to be caught in a position of having steadily rising Government costs collide head-on with his policy for controlling inflation. That policy is to hold spending to a budget level of $268-billion for the fiscal year beginning July 1, rather than raising taxes.

The fight with Congress is essentially over which branch of the Government will decide which programs will be cut and how much. Mr. Nixon has moved to do so by executive action while legislation contend that such power belongs to the Congress.

Further according to sources both in and out of the Administration, there is not much Mr. Nixon wants from Congress this year. His program is for contracting many Government services, not expanding them.

Charles L. Schultze, who was budget director under President Johnson and is now with the Brookings Institution, pointed out in an interview that other recent Presidents all wanted something from Congress in legislation, usually quite a lot.

"In the past," said Mr. Schultze, "funds would be impounded for a time, as Mr. Nixon is doing now, but they became a matter of negotiations between the President and Congress and eventually most of them would be released."

"For at least 15 years," he continued, "Presidents have been trying to get rid of the Rural Environmental Assistance Program or have it reduced, but they always gave in to Congress in the end because there was something they wanted from Congress. Now Nixon has simply cut it off and there is no bargaining position."

A TEST OF WILLS

The program, called REAP, which helps farmers reclaim land, has been costing more than $200-million a year. Congress, as a test of wills, is in the process of passing legislation that would force the President to spend the money, but White House sources say the President is confident that his opponents on the Hill can never muster the two-thirds vote in both houses needed to override his veto.

At the same time, the President's men are happily dismantling the Office of Economic Opportunity, the agency established by the Johnson Administration to help eradicate poverty, despite specific prohibitions in the law against doing so. White House lawyers say they are acting under other laws, delegations of power from Congress, that give the President authority to do so.

Nevertheless, Mr. Schultze and other experts agree that what Mr. Nixon is doing is boldly extending of power for the Presidency "in degree if not in kind." Mr. Schultze pointed out that the President's actions in impounding funds as Commander in Chief of the armed forces have far more precedent than impounding funds to eliminate entire domestic programs.

Thus President Jefferson's refusal to buy gunboats and President Truman's order to impound $700-million appropriated for the Air Force, examples cited by Mr. Nixon and his assistants, are not precedents at all for what is being done now, according to Mr. Schultze.

On the use of executive privilege, a debate has raged between the White House and Congress on whether Mr. Nixon has expanded that power, which most authorities agree is needed to protect the autonomy of the Presidency but is frequently used to hide waste, corruption or other misdeeds from the legislative branch.

A recent example of its use was the refusal by Air Force Secretary Robert C. Seamans Jr. to disclose the conversations he had with members of the White House in regard to the dismissal of A. Ernest Fitzgerald, who exposed the $2-billion overrun on the C–5A transport plane.

John D. Ehrlichman, assistant to the President for domestic affairs, said in an interview with U.S. News & World Report Feb. 18 that Mr. Nixon had adopted a procedure to minimize the use of executive privilege. He said that Mr. Nixon had invoked the privilege only three times in four years, whereas President Kennedy invoked in six times in three years.

"The President has been very openhanded in providing witnesses and documents to the Congress," he said.

Clark R. Mollenhoff, a former Nixon aide who is now Washington bureau chief for the Des Moines Register, has made a detailed study of the issue over a period of years. He contends that Mr. Nixon has broadened the use of executive privilege in several respects over practices of the Kennedy and Johnson Administrations, especially extending it to officials lower down the line.

"The President now says that all actions by White House officials can be treated as confidential and not subject to the subpoena process of the Congress or the courts," Mr. Mollenhoff wrote.

"The White House game plan has been to refuse initially all requests for information that are potentially embarrassing and to clothe all members of the White House staff with the 'executive privilege,'" he said. "If the issue becomes too hot to handle, as it did in the International Telephone and Telegraph case, the President will permit the White House officials to appear and answer questions in a manner as restricted as the practical political situation allows."

LAW IS PASSED OVER

President Nixon has extended powers over Congress in ways that have received little attention. After Franklin D. Roosevelt devalued the dollar during the depression, Congress passed a law in 1945 providing that only Congress could set the price of gold, the step involved in devaluation. Despite the law's explicit provisions, however, Mr. Nixon has twice devalued the dollar by executive action, and it drew no protest because of Congressional recognition that the world money markets should not be tipped off in advance as Congressional action would have done.

This is an example of how power has steadily accumulated in the Presidency. Over the years, Congress and the President have repeatedly waged war over constitutional authority, but most of the fights in the 19th century and well into the 20th involved Presidential revolt against Congressional dominance.

James A. Garfield in 1881, in fighting that dominance by refusing the advice of friends to compromise with a Senator on the appointment of the Federal collector of the Port of New York, said:

NEW POWERS STAY

"If it were a difference between individuals there could be some sense in such advice. But the one represents a whole independent function of the Government. The other is one-seventy-sixth of one-half of another independent branch of the Government with which compound vulgar fractions the President is asked to compromise."

Today it is Congress struggling to find ways to resist Presidential dominance.

In the past, once a President gained new powers they remained for his successors. Clinton Rossiter, the historian wrote during the Eisenhower Administration that "strong Presidents have been followed by weak ones; in the aftermath of every 'dictator,' Congress has exulted in the 'restoration of the balance wisely ordained by the fathers.' Yet the ebbs have been more apparent than real, and each new strong President has picked up where the last one left off."

Presidential scholars, who have educated millions of Americans on the need for a strong Presidency and are now frightened by the Nixon phenomenon, still by and large advocate a strong Presidency but want to keep a vital Congress as a check on the executive office.

Henry Steel Commager, asked for an answer to the current struggle, said, "One answer would be impeachment if the Congress had any guts, but it doesn't. The simple answer is to really assert the appropriation power."

But the question is whether the country would support the Congress even in that endeavor. The Nixon White House is confident that it would not.

TIMBER EXPORT ADMINISTRATION ACT OF 1973

Mr. PACKWOOD. Mr. President, during the next several weeks, the Congress will be considering legislation directed at restricting the level of exports of unprocessed softwood logs. This issue has been before the Congress, in one form or another, for many years. During the passage of time, many new Members have arrived to serve the Nation in the Senate and House of Representatives—Members who are seeking to better understand the elements and implications of this issue so that they might rationally pass judgment on the legislative proposals that will come before them.

I am convinced that only through a thorough knowledge of and appreciation for the facts in this issue will my colleagues join me in support of legislation, the Timber Export Administration Act of 1973 (S. 1033), that has been introduced by myself, Mr. CHURCH, Mr. CRANSTON, Mr. MCGOVERN, Mr. MONDALE, and Mr. TUNNEY.

Accordingly, I ask unanimous consent to have printed at the conclusion of my remarks an article written by Mr. Hal Mayhew, "Forest Products—Log Export Controversy." This article provides an excellent review of the history of log exports—one of the best and most succinct I have seen during my long association with the issue.

Mr. Mayhew is a forest products analyst currently writing for Herron Northwest, formerly with Crow's Digest, both highly respected industry trade publications. Mr. Mayhew's writings have served as a focus for better understanding of the trends in and implications of those trends on the forest products industry.

There being no objection, the article was ordered to be printed in the Record, as follows:

Forest Products—Log Export Controversy

The export of 2.78 billion board feet of logs from the Pacific Coast states in 1972, mostly to Japan, has raised serious political and economic questions, and the situation will have long range effects on the forest products industry regardless of how it is resolved. The peak demand for log exports coincided with the peak demand from the housing market in the United States, and the result has been a period of rapidly excalating building material prices and acute shortages.

The total of 2.78 billion in exports compares with shipments of 1.98 billion in 1971 and 2.45 billion in 1970. The dip in 1971 is explained by a slight slowdown in the pace of homebuilding in Japan, plus the belief by Japanese importers that more attractive prices might be had by delaying purchases until 1972. Late in 1972, however, it became apparent that the Japanese had a greater need for logs, and the importers were prepared to pay prices far above the level which could be paid by West Coast lumber and plywood producers. The result was a general spiral in log costs, and as Phase II controls were lifted in mid-Jan., prices have advanced sharply in softwood lumber and plywood.

The pressure on the part of home builders, mill operators and other interests to restrict or prohibit export of this badly needed raw material is not a new development. In 1968 the problems caused by log exports resulted in the passage of the Morse Amendment of the Foreign Aid bill, restricting log exports from Forest Service and Bureau of Land Management timberlands to 350 million board feet per year. This failed to stem the tide, and in mid-1972, the Senate Banking Committee held additional hearings on the subject. At these latter hearings, John McGuire, chief of the U.S. Forest Service testified that the nation faced a critical shortage of softwood timber during the 1970's, and various legislators were convinced that action was needed. No action was taken during 1972 because Congress was to adjourn before further hearings could be completed. Now the problem has worsened, and legislators are being pressed to take action.

There is every reason to believe that housing starts in the United States will remain close to or above the 2 million annual level in the balance of the 70's. There is also evidence that Japanese housing starts can be maintained at levels in excess of 1.8 million per year, and that the Japanese are in a financial position to increase their purchases of American logs unless some restriction is forthcoming. This sets up a situation which clearly leaves the cost and supply situation in softwood lumber and plywood in the United States at the mercy of a foreign government. Despite the balance of payments situation and the long term trading relationship between the two countries, we consider this to be an unacceptable situation.

Among the alternatives which the policy makers face in this particular situation, none are completely acceptable to the various private and public interests involved. We list below some of the solutions put forth, and the ramifications they involve.

The status quo, or a continuation of the 350 million board foot limitation on exports of federal timber, will obviously not solve the problem. Exports have grown rapidly since the Morse Amendment became effective in 1968, and it is clearly evident that a great deal of substitution is taking place. "Substitution" involves the exporation of private timber, while substituting national forest timber for use in domestic processing of lumber or plywood. The practice has resulted in a generally higher level of stumpage prices on federal timber, and a rapid increase in open market prices for manufactured products.

A temporary embargo, which could be put into effect by presidential order or congressional action, would not appear to offer any real help. It is quite likely that any potential exporter of timber from private lands, or from State of Washington lands where exports are not restricted, would simply wait out the embargo rather than take lower prices from domestic processors. On the plus side, an embargo might be valuable to gain time for extensive hearings on the subject, which in turn could lead to a permanent action.

A limitation on exports from private lands has been suggested, and a figure of one billion feet per year was put forth as a starting point. This solution obviously would be an improvement over unlimited exports from private lands, even though it would require some policing and would create problems in selecting individual firms who would have the right to export the prescribed volume.

A complete ban on all log exports, with some provisions for phasing out contracts now in effect, would appear to offer the best solution compatible with the housing needs and the timber supply situation in this country. It would, over the short term, eliminate a profit area for a number of timber owners now engaged in log exporting. But over the long term it would make more timber available for domestic use, and would help meet the critical housing needs in this country.

British Columbia, a Province which has shown dramatic growth in the manufacture of forest products and pulp and paper over the past twenty years, does not permit log exports unless the prospective exporter has three refusals from domestic processors. The B.C. mills, as a result of this policy, have developed a substantial export business in sawn lumber to Japan and other countries, at the same time meeting the needs for building materials within Canada. There is every reason to believe that U.S. mills, under a log export bank, could cultivate a market for sawn lumber exports which would balance out periods of slack demand within this country.

The four Pacific Coast states (including Alaska) are currently reporting dissimilar distortions because of varying policies or situations with regard to log exports. Some would be affected more than others by a total ban on exports. Alaska currently does not permit the export of logs, except for a small volume of Alaska Yellow Cedar which has a limited domestic demand. The result has been the development of a fairly substantial market for sawn lumber exports, even though many of these exports involve cants or squares with a very minimum of domestic manufacture. A ban on exports from the adjacent 48 states would likely increase this export market for Alaskan products and lead to a greater development of the industry in that State.

Washington freely permits export of state-owned timber, and there is a large acreage of land in this state in private ownership or managed by the Bureau of Indian Affairs. Out of the total 2.78 billion feet exported in 1972, over 1.9 billion came from Washington state, a ratio which has been fairly constant during the big growth in log exports.

Even though officials of the State Public Lands Commission are sympathetic to exports, there has been a steady closure of lumber and plywood operations over the past five years, a situation which has added to the high unemployment rate in the area. A ban on log exports, while cutting into state revenue over the short term, could result in a big gain over the long term as lumber and plywood facilities return to full production and new units are built to process the available logs. There is strong evidence that much production capacity is idle at this time because domestic operators have not been able to compete successfully with Japanese buyers.

Log exports from Oregon approached 730 million board feet in 1972, an uncomfortable figure in view of the dwindling supply of timber on private lands in this state. This high total, coupled with the reduced offerings of Forest Service timber for budgetary and environmental reasons, has resulted in sharply higher costs which can be passed along to the ultimate buyer at this time but which could cause problems in the future.

California log exports are less than 100 million board feet per year, mostly because the large private timber owners in that state need all of their resources to operate their production units.

If there is no action taken on the subject of log exports, and this is entirely possible in view of the balance of payments situation, we would expect dramatic changes in the domestic industry over the next few years. There is already a scramble on the part of the more aggressive companies to install every available improvement in sawmill machinery, including high-strain bandsaws and computerized equipment to get the maximum overrun from the available logs. There is also a tendency to bid high on exportable timber, with the expectation that losses in domestic manufacture can be offset by profits made in selling a large portion of the logs directly to Japan.

If some restrctive action is taken on exports, we do not feel that the earnings potential of the larger, publicly held paper and timber companies would be seriously jeopardized. Logs now being sold for export could still be sold for domestic processing at prices well above historical levels. The action would also have a stabilizing effect on building materials prices, and would solve many of the cost-control problems which have plagued home builders in the past several years.

POOR VOTER TURNOUT SPURS REGISTRATION BILLS IN CONGRESS

Mr. McGEE. Mr. President, the Committee on Post Office and Civil Service, in concluding its hearings on voter registration legislation Friday last, heard the absence of 44 million eligible Americans from voter registration lists described as "an acknowledged national scandal."

Indeed, it is a scandal. So, too, is the fact that but 54.4 percent of eligible persons voted in the 1972 presidential election.

Soon, the committee expects to report to the Senate legislation which aims at correcting this scandalous situation—a situation which my distinguished colleague from Tennessee (Mr. Brock) told us last week offers neither solace nor comfort to any party.

If we accept the notion that it is the right and duty of every citizen to participate in this Government of, by, and for the people, then we must see to it that every citizen has the opportunity to do so.

Mr. President, the Sunday Times-Dispatch of Richmond, Va., carried an excellent report by Bill Connelly, a staff writer for Media General News Service. While it would be possible to take some exception to Mr. Connelly's report, it does represent a good, objective presentation of the issue and a summary of recent testimony before the committee. I commend it to the attention of Senators and ask unanimous consent that the article be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Poor Voter Turnout Spurs Registration Bills in Congress

(By Bill Connelly)

Washington.—Stung by the news that only 56 percent of the nation's 139 million eligible voters bothered to cast ballots last Nov. 7, some members of Congress are seeking ways to encourage participation in national elections.

The voter turnout last fall was the worst in this country since 1948. Although 47 million Americans voted for President Nixon and 29 million voted for Sen. George S. McGovern, 62 million others of voting age did not vote.

Many theories are advanced to explain the poor turnout: Voters read the opinion polls and assumed Nixon was a shoo-in. Voters disliked both candidates. Voters were generally apathetic or alienated. Voters were scared away by complex ballots, new voting machines or long lines outside the polls.

But the fact is that most of the nonvoters were not even registered. A Census Bureau study showed that of those who were registered, 87 percent went to the polls.

Consequently, the current push in Congress is to find a simpler, more effective way of getting eligible citizens registered.

The measure with the broadest support right now is a bill introduced by Sen. Gale W. McGee, D-Wyo., to allow registration by post card for federal elections.

McGee's bill would create a voter registration administration within the Census Bureau. About 30 to 45 days before an election, the U.S. Postal Service would deliver registration cards to every household in the United States. The cards would be returned to local election officials, who would be responsible for verifying them. Stiff penalties are specified for fraud.

State election officials would be reimbursed for the cost of processing the cards. If a state chose to adopt the same system for its own elections, it could receive federal grants for up to 30 percent of processing costs, plus technical assistance.

The McGee bill was defeated in the Senate by four votes last year. But 12 senators were absent that day, including 10 who later said they supported the post card registration plan. McGee, chairman of the Post Office and Civil Service Committee, thinks the propects for Senate passage this year are excellent. Its prospects in the House are uncertain.

Among other things, the McGee bill now has the backing of more Republicans such as Bill Brock of Tennessee, who did not want to vote for it during the 1972 election year but is now enthusiastic about the idea.

Many senators have philosophical objections to a federal role in administration of elections, which has always been a state and local responsibility. Others complain that the post card system would invite widespread fraud and would be difficult to police.

The Justice Department came out against the bill Friday, complaining that post card registration could swell the rolls with ineligible people. The Census Bureau also has asked to be left out of the bill, for fear that administering voter registration would damage the agency's reputation for objectivity.

But McGee contends that there would be less opportunity for fraud. He is supported in that view by Randall B. Wood, former elections director for Texas, which has used a registration-by-mail system since 1941.

Wood said fraud usually results front conspiracy by election officials who can cheat under any registration system. But registration by mail can expand the electorate so much, he contends, that it is difficult for crooked officials to influence the outcome of an election.

"It is more difficult to influence the outcome with 200,000 people voting than with 10,000 people voting," he told a Senate committee.

Texas began registration by mail as a device to compel payment of poll taxes, which had to accompany the form. It continued the system after the poll tax was declared unconstitutional. Registration forms were printed in newspapers, distributed in supermarkets and drug stores.

North Dakota has no registration system at all—citizens simply sign affidavits at the polls—and officials there report no serious problem with fraud. Moreover, when the state discontinued registration in 1951 there was an increase of 14 per cent in voting.

"The real issue," said McGee, "is whether we are going to open our system or are going to continue to put roadblocks in the way of voters so that our participation rate is one of the most dismal in the world."

McGee noted that while only 56 per cent of eligible Americans voted in the recent election, Australia had 94 percent voting in its most recent election, West Germany 85 percent, England 80 per cent and Japan 74 per cent.

Of these countries, only the United States places the responsibility for registering on the citizen.

Elsewhere, it is the government's duty to see that eligible persons get on the rolls.

Richard M. Scammon, an elections analyst and former Census Bureau director, thinks automatic registration might substantially increase the voter turnout in this country. He supports the post card plan, but would prefer to require nothing more than that the citizen show up at the polls and sign a card.

Registration becomes a barrier to participation, in the view of critics, because many states or localities fail to provide convenient times and places for registering.

Civil rights leaders have asserted that some Southern communities, despite the Voting Rights Act of 1965, continue to discourage registration of blacks with complex or inconvenient registration systems.

Likewise, big-city political machines in the North have been accused of using registration and election procedures to limit the expansion of the electorate.

At McGee's hearings, few voices have been raised against the post card plan. But one elections expert, Richard Smolka of American University, contends that increased registration would not necessarily result in a larger turnout.

Smolka noted that the electorate already has been expanded enormously by adding 18- to 20-year-old voters, registering more blacks in the South (since the Voting Rights Act) and making other reforms—and yet the turnout percentage still is poor.

Nevertheless, McGee argues that the government should see that everyone eligible has the chance to vote—whether he does so or not. "I would like to see the day," McGee said, "when registering to vote is at least as important as paying your taxes."

A more limited registration proposal, introduced by Sen. Edward M. Kennedy, D-Mass., would provide grants to states that wanted to shift to computerized systems, try registration by mail or make other improvements. Participation by the states would be voluntary.

Bills have also been introduced to declare each biennial election day a national holiday to make it easier for workers to get to the polls.

Politically, some Republicans are wary of these registration bills. They reason that many nonvoting Americans are minority or lower-income citizens that probably would vote Democratic. But President Nixon's inroads with working class voters in 1972 have somewhat eased these fears.

SHIELD LAW FOR NEWSMEN UNNEEDED AND UNDESIRABLE

Mr. HELMS. Mr. President, much is being said these days—indeed, numerous proposals have been made—concerning the "need" for a so-called "shield law" for newsmen.

As one who has spent most of my life in the news business, I reject the notion that such protection for newsmen is either needed or desirable. In fact, Mr. President, the news people who now are crying for such special treatment would do well to ponder whether they are not asking for the handcuffs at some point down the road.

In any case, Mr. President, I simply cannot favor giving newsmen any right, protection, privilege, or immunity not enjoyed by all other citizens.

In that connection, I invite the attention of my colleagues to an excellent editorial published in the March 13 edition of the Salisbury, N.C. Evening Post, and I ask unanimous consent that this editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Immunity? Maybe Best To Stand Pat

Some members of the journalism profession are beginning to have second thoughts about the wisdom of legislation giving reporters immunity from being forced to reveal their news sources in a court of law.

Congress is currently considering such legislation. In fact, no less than 34 "shield" bills have been introduced in the House and Senate this session.

While many of the legislators—and all newsmen who have testified on the matter—favor blanket or absolute immunity, sentiment seems to be stronger for a law that would spell out a qualified or limited immunity to protect reporters from official "fishing expeditions" or the kind of legal harassment which has sent a number of them to jail in recent months.

Yet mindful of the proverbial camel which first stuck its nose into the tent, then took over the tent, some observers are asking whether there can really be such a thing as a little bit of government legislation in the area of freedom of the press.

"The more the newsmen are subject to legislative control, the more that will become regulatory control," Roger C. Cramton, assistant attorney general in the Justice Department, told a House Judiciary subcommittee.

"Step by step," he warned, "once you start down that road, what starts out as a privilege or favor to the news media ends up with some species of regulation."

Newsmen may view with a jaundiced eye such solicitude for themselves on the part of a government official. Much the same warning, however, has been voiced by at least one respected member of the fraternity, Vermont C. Royster, former editor of the Wall Street Journal.

The very word "immunity" leaves a bad taste in the mouths of many people, even though the law has always accorded such immunity to doctors, lawyers and clergy men.

But to compare reporters with these professionals is to get onto shaky ground, says Royster. Physicians, attorneys and priests don't write newspaper stories on the basis of what their clients tell them.

Even the idea of limited immunity may be a dubious one. To have any useful application, such a law would have to differentiate between those who are bona fide journalists and those who are not.

But how is this distinction to be made, and by whom? As of now, a journalist is anyone who says he is, and this may not be the worst kind of situation we could have.

For once we let the law decide WHO may write, we will have taken a very long step toward letting the law decide WHAT they may write.

Others will argue that the current wave of pressure against newsmen constitutes a clear and present danger to freedom of the press in America, and to the people's "right to know."

Nevertheless, the wisest course may be to rely on tradition rather than on new statutes, on increasing public understanding of the role and the needs of a free press in a free society rather than on a law or laws which would attempt to cover every conceivable circumstance.

Both freedom of the press and the profession of journalism have, after all, flourished for nearly 200 years under the First Amendment. And while this "blanket" may have had some worrisome holes punched in it lately and while it may seem a little threadbare and short in places, it still serves.

THE FARM SCENE

Mr. **BIDEN**. Mr. President, recently the Washington Star published a lucid and informative article on the subject of farm subsidies. I ask unanimous consent that the article, by Shirley Elder, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS AND THE FARM MYTH

(By Shirley Elder)

There is a myth in this country that the farmer is a good and simple man, drawing strength and character from the soil, living modestly on windswept plains, blue denim, brown land. It is the American way.

But the simple man has gone the way of all yesterdays. Farming is business. Farmers are not satisfied to work for small reward. They insist they are entitled to make money, send their children to college—just like the folks in the cities who buy their products.

Farm income today is higher than it ever has been. And that's where the current controversy begins. Food costs also are higher than they ever have been.

When food prices go up, everyone is affected. An army of irate citizens—all who do the shopping and all those for whom they shop—are instantly mobilize in protest. The farmer takes the blame.

SUBSIDIES WELL KNOWN

Few consumers know anything about farm problems. They may be vaguely aware that farmers get subsidies and that some of these are outrageous, like the wealthy cotton growers who receive thousands of dollars not to grow cotton. And they know that no noticeable subsidies come to the average consumer not on welfare.

The result right now is an increasing demand for an end to subsidies and an idea, fostered by the Nixon administration, that farmers should take their chances in the rough and tumble of the marketplace.

Congress must face that issue this year. Farm legislation expires Dec. 31 and preliminary hearing already have begun in the Senate. Agricultural Chairman Herman Talmadge, D-Ga., complained:

"Our responsibility for drafting new farm legislation this year comes at what is perhaps the worst psychological and political moment."

Talmadge noted the high food prices, high farm income, and Nixon's pledge to "get government out of agriculture." The House, he said, is now clearly controlled by congressmen from the cities and suburbs, not the farms, making it harder than ever to win approval of a new farm bill.

HEAVY PRESSURE FELT

"In other words," he said, "the pressures on us here today to do nothing—to let existing legislation expire and to eliminate permanent legislation on the books—is extremely great.

"Frankly, given today's climate, this course would seem to be politically expedient, and it would certainly save this committee a great deal of time and energy."

Time and energy will, indeed, be needed. And there will be a new farm bill but the form it will take is still uncertain. However, Congress is unlikely to abandon farm supports altogether. They've been around too long. Many consider them essential to a balanced food economy.

Farm spokesmen point out that subsidies are not simply handouts. They are complex laws designed to accomplish two objectives:

To preserve as such as possible that American myth of the family farm, an image tied to strength and individualism, Mom and apple pie.

Price supports enable smaller farmers to compete with their larger neighbors. Cut loose to battle in the marketplace, many simply would fold.

Statistics show that one-third of America's 3.1 million farms are very small, with sales of less than $1,500 a year; 56 percent are below $5,000 and 72 percent are below $10,000. Talmadge sees the result as "vast human turmoil" and alarmingly expanded welfare rolls.

To assure a steady supply of food despite the unsteadiness that comes from long growing periods, quick harvests and uncertain weather. With payments to farmers who leave some land idle, the government can influence production. Without payments, farm spokesmen warn, there would be a production boom that would flood the market, reduce prices and cut farm incomes.

Subsidies affect only cotton, wheat and feed grains (corn, sorghum, oats and barley) and are limited to $55,000 per crop on each farm. But the payment ceiling, enacted in 1970, hasn't really worked as a limit. The largest farmers simply sub-divided their operations and shared ownership so that more than one person could collect $55,000.

FIGURE PARED SLIGHTLY

In 1970, when there was no ceiling, the 98 largest farm operations collected $25 million. In 1971, with the ceiling, they collected $32.5 million. Had each remained a single farm unit, the total would have dropped to $5.4 million.

Such statistics shock the non-farmer and increase the demands for reform. One thing certain to emerge from the current Congress is an effort to cut the limit even further, perhaps to $20,000.

As a result of these incentives to leave land idle, however, a total of 98 million acres that might otherwise be planted in wheat, cotton and feed grains will not be farmed this year.

Apparently as part of the Nixon administration hopes for expanded exports, restrictions on 15 million of those acres have been relaxed.

Nixon and his Agriculture secretary, Earl L. Butz, speak often of the virtues of a free market, which would mean an end to subsidies. Congress probably is not willing to go that far but might trim support payments.

SIMPLIEST IS COMPLICATED

The support system is complicated in its simplest form. Take wheat. On wheat used for food, the federal government guarantees the farmer 100 percent of parity—a theoretical measure of well-being based on prices received by farmers and prices they pay—about $4.50 a bushel. If wheat is selling for $1.25, for instance, the farmer then would collect another $2.25 from the government. Of that, 75 cents comes from the processors.

Nixon has made no specific legislative proposal to Congress, and probably won't He has set out general philosophical guidelines, however, that make his position perfectly clear. Congress has to work from there.

The basic question becomes: Do you want to protect the small farmer? If so, he needs help. If not, abandon the old myths and face the reality that agriculture, like the manufacture of automobiles, will be consolidated into the hands of big business.

And if that happens, the small farmer will be adrift unless—and until—there are jobs available. He will go to the cities and, as Talmadge warns, onto the welfare rolls if there are no jobs.

Congress took a look at the problem last year and passed a Rural Development Act designed to pump money into rural communities in dozens of different projects to improve living conditions and provide work. But that law is barely under way, already underfinanced and only partially put into effect by the Nixon administration.

BENJAMIN A. TILFORD

Mr. **TAFT**. Mr. President, recently a great and warm friend and a leading citizen of southwest Ohio died. He left a host of friends, followers, and admirers. It is a great personal loss to me for he was a man of great wisdom on whose advice I often relied.

The eloquent address at his funeral was delivered by the distinguished Rev. Wilbur A. Page and tells beautifully of the virtues of this truly fine man. I ask that the eulogy be printed at this point in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

EULOGY OF BENJAMIN A. TILFORD

To all who are here mourning the passing of our esteemed brother, Benjamin A. Tilford, it is a profound privilege for me to call him my friend. I now think of the words of Solomon the wisest man of all time, found in the ninth chapter of Ecclesiastes and the tenth verse, "Whatever thy hand findeth to do, do it with all thy might; for there is no work, nor device, nor knowledge, nor wisdom, in the grave, whither thou goest".

In the light of the text, I would call Benjamin Tilford "A Wise Builder and Workman". Those who knew him, recognize by his labor, that he was indeed a wise builder.

He begged no man to love him, or to give him that he did not earn. He endeavored to so live that he could command the respect of all men. He believed in leaping in the dark, taking a risk, if it meant going forward.

He was not afraid to launch out into the deep and let down his net. Many could be economically secure, but they allowed that terrible monster called doubt and fear to betray them and they stood still. They spent their years waiting for luck to come their way. It is the duty of every man to exert all his powers and bring this to pass, not only for himself but for others. Some believe in the false doctrine, "If it is for me I will get it, if not I won't". This idea was far from Ben's thinking. His record as a wise builder and workman speaks for itself. He believed if a man never started he would never got anywhere.

Ben worked while it was day. He did not wait for the evening shadows of life to fall before he started to work and to build. Ben retired in honor and in security. He enjoyed life to the end and served his fellowman. Ben was known for his uprightness in dealing with men in business affairs. He had what it took to make a man whole. There was not a deceitful bone in Ben's body. If any man said anything he did not like, he would surely tell him about it face to face in no uncertain terms. Rank, position, nationality learned or unlearned, rich or poor, he feared none. Men with such noble traits as this can be called honorable men, trusted men, men with strength of character.

Ben was a man that would go an extra mile to help if need be. Such men are few and he was among the few. No man need not ever guess where Ben stood on any issue. He was not a pussyfoot, neither the kind that would throw a rock and hide his hand. "Esse Quam Videri" was his life's motto. He lived up to it to the square inch.

Ben was not a wanderer. He believed in the doctrine that the late Dr. Booker T. Washington advocated. "Let down your bucket where you are".

Ben moved into Kennedy Heights many years ago. Then a few country homes, cows in the meadow, pigs in the pen, chickens in the barnyard, vast fields growing up in weeds. Some were being farmed. Ben had a vision and believed that someday this would be a choice neighborhood; the empty fields would have houses on them; the small paths walking would be turned into streets. He stayed in Kennedy Heights, exercised patience, prepared himself by study and hard work, and when the clock of time struck the hour to build up Kennedy Heights Ben was ready. Today it is one of the wealthiest communities in our city. Many who never dreamed of living in a new house just built for them, the wisdom of Ben made it possible. Yes, Ben was a wise Builder and Workman.

Ben had Civic pride, race pride, patriotic pride. He loved his country and his city. He supported every organization of which he was a member. He was the first of our group to serve on the Board of Directors of the Cincinnati Zoo. He was not a parasite. He paid his full fare and met his obligations. What others were asked to give he gave.

Politically, he was a Republican and did not conceal it. He was on some of the important Committees and all held him in high esteem. He did not criticize any belong to another Party, but never allowed any to fault him for being a Republican. He worked untiringly for the Party, and once a year would give a lawn party for the candidates.

We served together on the Trustee Board of Crawford's Home. The city purchased our home. We only had one resident at the time. We decided to close the Homes, invest the money and wait for something worthwhile to come to pass and then again move forward. Ben was a good business man and he knew the fundamentals of sound business methods. He believed, "That all things be done decently and in order". Many disliked him for this strict rule he insisted on being in force. Some enterprises might be operating today as well as individuals, if they would have given a listening ear to his wise council. He was a fearless man. He believed his beliefs and doubted his doubts. He was like Cicero who said, "I care not what people say about me today, but I do care what they say about me six hundred years from today". This is the platform that Ben stood upon.

Ben was a good husband and good provider for his family. He loved home life. He always had an open door to his friends to come in and chat together. He was a good father to his children and grandchildren. He and his son Arnold, I would liken unto David and Solomon. He gave Arnold a good start and I am proud to say he has profited by his father's wise counsel. Now Arnold since Pop has fallen asleep I say unto you in military language, "Carry on", until your day is done. Children, he taught you to stand upon your feet and be right. Today all you children and grandchildren can rise up and call him "Blessed". I remember when his wife's mother came to live with him and Gertrude. He became a real son to her, and ably helped Gertrude in every way to make her happy and comfortable. This was the christian, human touch he possessed. He will in no wise lose his reward.

I remember when he was instrumental, through the kindness of the Honorable Chase M. Davies, in securing an organ for the church. I was present at the dedication. As an appreciation for such kindness the church has named their lower level The Chase M. Davies Social Hall. Ben was in the height of his glory that day. He loved to do such things not for himself but for others. His influence was far and wide.

I would liken him and Gertrude, his beloved companion, as to Acquilla and Priscilla. They were bound close together as one. They both understood each other. Now the wise workman and builder has lived his three score and ten years, and a few more, serving his day and generation, fallen asleep and has been gathered to his fathers.

I say of Ben, the man, the christian, the wise builder and workman, Ben the business man, Ben the civic minded citizen, Ben the father, the grandfather, the beloved husband and friend to all who knew him. All nature can rise up and see Benjamin A. Tilford was a man.

Peace be to his ashes and rest to his weary soul.

THE ROLE OF PRESIDENT THIEU IN INDOCHINA

Mr. McGEE. Mr. President, in last Friday's March 16, edition of The Baltimore Evening Sun, there appeared a column which raises a very significant point regarding the role of President Thieu as a potential stabilizing force in Indochina.

The editorial writer noted that:

> The Vietnam cease-fire was designed, on the American side at least, not so much to end the North-South struggle as to transfer the strugglers from the military arena to the politician, then to let the Vietnamese thrash out things for themselves.

As the editorial writer also notes, President Thieu has emerged as a very capable politician and, given the chance Washington wants to preserve for him, "may yet be the one to steer his country out of its long and bloody morass."

I find myself in full agreement with the conclusions of the column. For us to precipitously inject an ingredient of uncertainty into a very tenuous set of circumstances could very well lead to disastrous consequences not only for the United States, but also for the people of Indochina as well. What stability there is in the present situation must be given a chance to survive; and by all signs, the key to stability in South Vietnam is President Thieu.

I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOT LIGHTLY

The Vietnam cease-fire was designed, on the American side at least, not so much to end the North-South struggle as to transfer the struggle from the military arena to the political, then to let the Vietnamese thrash out things for themselves. This is easier agreed-to than done among peoples trained up to war instead of democracy, and so the present moment marks a difficult, perhaps transitional stage. Armed conflict mingles with political maneuver; each side loudly accuses the other of breaking the cease-fire; both are probably cheating a little or a lot. Up to now Washington has tended to the complacent view that all this will pass and that in the end the South Vietnamese will get down to settling the question of who runs the country in the good old American—that is, democratic—way. That view may still be valid, but yesterday President Nixon with studied casualness tossed in a new and distinctly chilling note.

He suggested at a news conference that Hanoi "should not lightly disregard . . . expressions of concern, when they are made with regard to a violation." And the possible violation, he made clear, arose from increasing reports that North Vietnamese are pouring men and supplies southward far beyond the limits established at Paris. The presidential warning was unmistakable: get back in line, he implied, else risk an American rejoinder on the order of revived B-52 raids, mining of Haiphong harbor or other strokes reminiscent of "my actions over the past four years."

Our guess is that Washington and Hanoi have now entered a war of nerves or, more specifically, of nerve vs. nerve. Hanoi pushes its military prongs farther than it should, uneasily aware that the American retaliatory power on hand is still formidable. Washington warns that it may resume operations, yet is uncomfortable in the knowledge that not all American prisoners are yet free of the Communist grip, also that most people here want the American part of the war ended. Neither side stands on the firmest ground, and the ironical result may be that the Thieu regime in Saigon emerges as a stabilizing force.

President Thieu has proved himself a hard-handed but durable politician. He commands an army said to be increasingly effective, and he is using it to consolidate political control of the mass of South Vietnamese villagers. Thieu is no longer the bad joke he once was and, given the chance Washington wants to preserve for him, may yet be the one to steer his country out of its long and bloody morass.

IT IS TIME FOR CLOSE LOOK AT SOME FARMERS' "FRIENDS"

Mr. HELMS. Mr. President, I am not one normally to acknowledge that I am naive, but I do confess a certain degree of mystification at the conduct of some who today pretend, often loudly and with such verbosity, that they are "the farmers' friends."

In my judgment, Mr. President, many who are engaging in such constant self-serving declarations are merely delaying the process of rendering legitimate assistance to the farmers. In all candor, there seems to be more interest in a political confrontation to hamstring the President than in establishing a common ground of cooperation and understanding between the executive and the legislative.

Let us, for example, consider the so-called REAP program—the rural environmental assistance program. The Administration has acknowledged that there are some worthy and desirable features of this program. Secretary Butz has made clear that he desires to preserve those features which are needed. But, speaking for the administration, he has also made clear that the existing program also contains outmoded and inequitable aspects which should not be continued as a burden upon the taxpayers.

Efforts were made recently in this Chamber, Mr. President, to bring the REAP into proper perspective. The distinguished senior Senator from Oklahoma (Mr. Bellmon), for example, offered an amendment which, had it been accepted by the Senate, would have made the REAP program palatable insofar as the junior Senator from North Carolina is concerned. The Senator's wise amendment was defeated, and I could not in good conscience support the bill when it was passed by the Senate.

So the political confrontation continues—and so does the stalemate. This is happening up and down the line. The nagging question persists: Is the Congress more interested in a political confrontation than in helping the people of America?

I invite Senators' attention to an article by Bill Anderson, published recently in the Chicago Tribune, and I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Bounty Aids 252 "Rich" Farms

(By Bill Anderson)

Warrenton, Va.—This is where people come for the Gold Cup, an annual horse race on a huge estate in Fauquier County, a place near the Appalachian Trail and National Forests set in the rolling hills of the Blue Ridge Mountains.

There are about 609 farms in this large county, and most of them are larger than Chicago's Loop. The air is clean and fresh, and there is nothing here that remotely resembles poverty or the old dust bowl farming portrayed in "The Grapes of Wrath."

Yet, there are 252 farms in Fauquier County that will be greener this spring because the federal government spent $65,000 on them last year in a program that grew out of the plight of farmers during the dust bowl days. The federal dollars were part of a spending program of the Rural Environmental Assistance Program (REAP), currently the object of what amounts to a pilot fight between the executive and the legislative branches of the government.

The father of REAP was born in 1936 as a conservation program funded at $374 million. In the early days, the money went for soil saving projects of small farmers, water development, and tree planting. There are literally thousands of acres of land in the United States that are green today as a result of the program.

By 1944, as times changed, the program became strictly conservation. Spending continued at the rate of about 200 million dollars a year until 1970, when the executive branch began to run into budget problems. On Dec. 22, 1972, the Nixon administration terminated the funding (except for prior commitments) after it dropped to the $140 million level.

In essence, a large number of congressmen said: "You can't do this to us." The Washington Post, a newspaper highly critical of the Nixon administration, has given extensive coverage to the REAP issue. One story was headlined, "As Ye Sow, So Shall Ye REAP."

Since Fauquier County is only an hour and a half by auto from Washington, the Post has considerable influence in the county—as well as among prominent, politically-connected residents who live here. About 50 of the 252 farms receiving money from REAP last year are owned by people who live in Washington.

One of these places is owned by Mrs. Joseph W. Barr, wife of the former secretary of the treasury. Since 1968, Mrs. Barr has received $1,408 from the federal treasury to spend on her estate. The money spent on the 364-acre holding was for fertilizing, applying lime, and planting blue grass.

Mrs. Katharine Graham, publisher of the Post and owner of a 347-acre estate near Rectortown, has also been a federal recipient. Records provided to Jim Coates, a reporter for this column, showed that Mrs. Graham received $976 since 1968, a figure somewhat less than the average payment.

Mrs. Francis Gilbert, executive director of the Agriculture Stabilization and Conservation Service, which administers the program on a local level, said that the money for Mrs. Graham's estate was used for a variety of projects. In 1968, there was a federal allotment of $158 for the Graham estate for vegetation cover on 18 acres. Other money over the years went for thistle spraying and additional ground-covering projects.

"Whether you're rich or poor," Mrs. Gilbert said, "you'll still get rained on—and, no matter how prominent you are, your soil will wash away if there is no grass." The local director said the establishment of permanent vegetative cover was one of the most popular in the county. All together, REAP offers 16 grant categories ranging from animal-waste storage and diversion facilities to strip-cropping—a term used in connection with land contouring to avoid erosion.

Mrs. Gilbert explained, as did officials of REAP, that the programs are traditionally handled at the local levels in order to insure maximum benefits. The federal tax dollars are distributed first to the states and then down to the county levels. At the county level, three farmers are elected by the other farmers of the country to make the final disposition of the money.

The largest amount which was spent on a farm in Fauquier County last year was about $2,500. The average amount here last year was $260, slightly lower than the national average per grant. Next year there will be no money unless Congress is successful in overriding the administration's cutback.

THE THREAT TO FAMILY TYPE AGRICULTURE

Mr. McGOVERN. Mr. President, the recommendations of this administration for new farm legislation which the Congress will consider this year very clearly would threaten the existence of the family farm as we know it especially in my State.

The administration's plan to terminate farm price stabilization programs and change the procedure for determining crop acreage bases would eliminate thousands of small farms.

The Senator from Georgia (Mr. Talmadge), chairman of the Committee on Agriculure and Forestry, has shared with the Senate a copy of the incisive analysis presented to the committee by Dr. Walter W. Wilcox of the Library of Congress, which details the effects of the administration's recommendations.

The Aberdeen American-News in South Dakota published a commendable editorial on March 10, 1973, which properly expresses concern over the administration's plan to throw all farmers, large and small, on the mercy of a market that is dominated by powerful economic interests which are frequently at variance with the needs of rural America. Mr. President, I ask unanimous consent that the editorial be placed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Marginal Farm Is Threatened

Current discussions about farm legislation and suggested changes are observed with interest by South Dakotans well aware of the complexities of agriculture.

There are few problems more complicated than those dealing with farming and complicated problems are not susceptible to simple solutions.

In neighboring Minnesota, the St. Paul Pioneer Press has thoughtfully analyzed some of the problems begging for solution.

It observes one of the problems with the Nixon administration's plan to phase out some major farm subsidies is that it does not give sufficient consideration to the differences that exist on American farms.

The three basic kinds of farms now drawing subsidies it points out, are large corporation farms, economically successful, family farms and marginal family farms. The Pioneer Press editor suggests "The corporation farms should not be entitled to subsidies which were designed originally to help the family farmer. Many successful family farms are sufficiently solvent to remain profitable in the event subsidy programs are reduced. It is the marginal family farm that stands to be hurt by the phase-out."

A study by Dr. Walter Wilcox, a veteran Library of Congress farm economist, prepared for the Senate Agriculture Committee is cited. It substantiates the Nixon program's threat to the small family farm. The question Congress must ask as it seeks to write a farm bill in 1973 is whether the small, marginal family farm is worth fighting the White House to preserve, the St. Paul editor says.

"It, in his opinion, is really a social rather than an agricultural problem. If the small farms that cannot survive without a subsidy program are cut off from government funds, the people living there will have no choice but to sell out and find other employment. Most often this means moving to the city and looking for work in an already crowded labor market. It means a new and often unsatisfactory life style for the farmer and his family. All too frequently it means an addition to the welfare rolls."

The St. Paul editor concludes: "Depending upon the complications that arise from displacement, it may be cheaper to subsidize the small farmer than to uproot him. Certainly he and his family will be happier if they can stay on the farm.

"What is needed is a farm program that takes these differences into consideration. The same set of regulations that works for the corporate farm won't be exactly right for the thriving family farm and certainly won't apply to the small, marginal family operation. The present subsidy program, devised during an agricultural crisis, and patched and jury-rigged ever since, needs an overhaul. But Congress and the administration should be careful not to kill the patients with the cure."

IN MEMORY OF MRS. ANNIE HOWELL KING OF AIKEN, S.C.

Mr. THURMOND. Mr. President, South Carolina and the Nation lost a dedicated citizen last January 27 when Mrs. Annie Howell King of Aiken, S.C., died following a brief illness.

This graceful lady was loved and respected by everyone who knew her. In each town there are a handful of people who excel in their devotion and service to their church, family, and friends. Mrs. King was just such an exceptional person.

She and her husband came to Aiken in 1934 to operate the Aiken Standard and Review newspaper. Following his death in 1951, she became the sole owner of the newspaper.

In the next few years Aiken grew rapidly and with the help of her two brothers, Albert T. Howell, Jr. and William G. Howell, she transformed the newspaper from a weekly to a daily.

Throughout this time of hard work Mrs. King never let anything interfere with her duties at the First Baptist Church of Aiken. A leader and officer in both the Baptist Women of Aiken County and the statewide Baptist Women's Missionary Union, she also found time to minister to the needs of those in the Aiken community who needed her help.

Through her thoughtfulness and generosity many lives were touched and strengthened. This deep desire to help others was also manifested in the operation of her newspaper where she zealously guarded an individual's right to privacy and fair play. The editorial columns of her newspaper were always open to differing opinion and she insisted upon objectivity in the news columns.

The honors and wide recognition which came to Mrs. King through the years were truly deserved. Twice she served as president of the Woman's Division of the South Carolina Press Association and was accorded the unusual honor of being named the South Carolina Press Woman of the Year on two different occasions, 1966 and 1969.

Mrs. King was also named woman of the year in Aiken on two different occasions, 1957 and 1965. In 1969 she was presented the key to the city.

In civic affairs her contributions were numerous. She served as president of the Aiken Pilot Club, the Aiken Business and Professional Women's Club, and the Aiken County American Legion Auxiliary. Mrs. King also served as director of many groups to include the Salvation Army, United Fund, and Aiken Chamber of Commerce.

Mr. President, the admiration in which Mrs. King was held was beautifully expressed by her close friend, Mrs. W. L. Kinney, Sr., of Bennettsville, S.C., in a memorial before the South Carolina Press Association. Mrs. Kinney, in her tribute, succinctly summed up her remarks by citing Proverbs: 31–25 "Strength and honor are her clothing."

Mr. President, I ask unanimous consent that the entire tribute by Mrs. Kinney titled, "Memorial to Mrs. Annie H. King" be printed in the RECORD at the conclusion of my remarks.

Also, I ask unanimous consent that three other articles be printed in the RECORD at the conclusion of my remarks. These articles include an editorial entitled, "Annie Howell King" published in the Aiken Standard, Aiken, S.C., on January 29, 1973; a news article entitled, "Mrs. Annie H. King, Newspaper Woman, Aiken Civic Leader Dies" printed in the Aiken Standard on January 29, 1973 and an editorial entitled, "Mrs. Annie H. King" published in the Augusta Chronicle, Augusta, Ga., on January 30, 1973.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORIAL TO MRS. ANNIE H. KING

(By Mrs. W. L. Kinney)

Mrs. Annie Howell King, 79, widow of Benjamin Josey King, died January 27, 1973 in Aiken County Hospital following a month's illness. Funeral services were held Sunday at 4 p.m. at First Baptist Church and burial followed in Bethany Cemetery.

Mrs. King was born in Southport, N.C., a daughter of the late Rev. Albert T. and Elizabeth Dasher Howell. She attended Coker College and graduated from Chowan College, N.C.

She went to Aiken in 1934 with her husband and together they operated the Aiken Standard and Review. Following his death in 1951, she was sole owner and publisher until 1968 when she sold the paper.

Few not actively associated with newspaper work can fully appreciate the accomplishments of this determined and compassionate woman during her management of the newspaper.

As Aiken mushroomed from winter resort village to boom town to thriving metropolis, her newspaper was transformed within a brief period from weekly to tri-weekly to daily.

Throughout the period of her management, she maintained a firm but gentle hand, performing with seeming ease a job that is a challenge to any professional person.

As a daily, the Aiken Standard and Review was a morning paper and it was not uncommon to find Mrs. King tirelessly "putting the paper to bed" in the early morning hours.

She was a pillar of strength to her family and friends and to several organizations to which she generously apportioned her time and talents.

Her steadfast devotion to her church is commemorated by the Annie H. King Sunday School class at First Baptist Church. She was long active in the Baptist Women's Missionary Union and served as vice-president of the state organization and past president of the Baptist Women of Aiken County.

Mrs. King was co-organizer of the Woman's Division of the S.C. Press Association and served as its president for two terms.

The S.C. Press Association named her Woman of the Year in 1966 and in 1969, she was recommended for National Press Woman of the Year. She was invited with twenty other publishers to have lunch with the late President John F. Kennedy at the White House.

Mrs. King was active in civic affairs and was a charter member and past president of the Aiken Pilot Club. She was a member of the Aiken Business and Professional Women's Club and named Woman of the Year by the club.

In 1965 Mrs. King was cited as Aiken Woman of the Year by the Chamber of Commerce and in 1969 was presented the Key to the City of Aiken.

She was a member and past president of the American Legion Auxiliary.

Few women have made such a contribution to journalism in South Carolina.

The S.C. Press has lost a devoted friend and the state a Christian woman of distinction.

Proverbs: 31–25.

"Strength and honour are her clothing."

[From the Aiken (S.C.) Standard, Jan. 29, 1973]

MRS. KING, NEWSPAPERWOMAN, AIKEN CIVIC LEADER, DIES

Mrs. B. J. (Annie Howell) King, of 537 Palmetto Lane, S.W., Aiken, owner of the Aiken Standard and Review from 1934 until 1968, died Saturday at the Aiken County Hospital after a four-week illness.

Funeral services were held yesterday at 4 p.m. at the First Baptist Church with the Rev. Dr. R. L. Cate officiating, assisted by the Rev. Dr. A. D. Howard and the Rev. John B. McCullough. Burial was in Bethany Cemetery.

Woman of the Year, Business Woman of the Year, Career Press Woman of the Year, and Two Thousand Women of Achievement were just a few awards the Southport, N.C., native earned during her life.

But in her own admission Mrs. King said she was proudest of the award presented to her by the City of Aiken in 1968—key to the city and a plaque.

She was the former Annie Howell, a daughter of the late Rev. Albert T. Howell, Sr., and Elizabeth Dosher Howell.

Mrs. King attended Coker College and was a graduate of Chowan College. She was married to Benjamin Josey King Oct. 11, 1920.

Mr. and Mrs. King came to Aiken in 1934 and were co-owners of the Aiken Standard and Review from 1934–51, becoming sole owner from 1951–68. At the time of her death she was co-owner with her brother, W. G. Howell, of King Printing Company.

She was an organizer of the women's division of the S.C. Press Association, serving actively as its president from 1948–1953.

Civic-minded, she lent her organizational talents to such clubs as the Aiken Pilot Club of which she was a charter member and past president and the Business and Professional Women's Club.

In a life devoted to civic service, offices Mrs. King held included being named twice president of the Women's Division of the S.C. Press Association, which she helped to form; past vice-president of Baptist Women's Missionary Union of South Carolina, past president of Baptist Women of Aiken County, and past president of the American Legion Auxiliary.

She was cited in 1945 as Aiken Woman of the year; in 1956 as S.C. Press Association Woman of the Year and in 1969 was recommended for National Press Woman of the Year by the S.C. Press Association, and invited with 30 other publishers to have lunch with the late President John F. Kennedy.

She was a member of the First Baptist Church, teacher of the Annie H. King Sunday School Class since 1935 and past president of the Pauline White, W.M.C., past president of the Aiken Assoc., W.M.U. and regional vice-president of the S.C. W.M.U.

Surviving are one foster daughter, Mrs. R. Thomas Adams, Jr., Aiken; two brothers, Albert T. Howell Jr., Ft. Pierce, Fla., Wilbur Gay Howell, Aiken; three nieces, Mrs. T. B. Willis, Wagener, Mrs. George Mehallis, Coral Gables, Fla., Mrs. James O. Hawkins, Aiken, five nephews, Wilbur Gay Howell Jr., Aiken, James K. Howell, Ft. Pierce, Carl Gaddy Jr., Raleigh, N.C., Robert Sidney Gaddy, Micro, N.C., Richard H. Gaddy, Grifton, N.C.; and six great nephews.

Pallbearers were William Kenny Jr., Ted Willis, Tom Willis, Tim Willis, George A. Townes III, Eugene K. Kneece Jr.

Honorary pallbearers were past and present deacons of the First Baptist Church, Sen. Strom Thurmond, Congressman W. J. Bryan Dorn, Edward H. Kenney, Mayor H. O. Weeks, Frank T. Galardi, G. O. Robinson, L. A. Garvin Sr., Dr. W. D. McNair Jr., Dr. J. E. Rountree, Dr. D. B. Pridges, John Busch, J. E. Ratfield, W. L. Kenny Sr., W. T. Slaughter, Dan Hamman, Victor Johnson and Dr. James Simons.

[From the Aiken (S.C.) Standard, Jan. 29, 1973]

ANNIE HOWELL KING

A host of Aiken County friends today mourns Annie Howell King, who for many years guided the destiny of this newspaper.

She came to Aiken in 1934 with her husband, Benjamin J. King, and together they operated the Aiken Standard and Review. Following his death in 1951, she was the sole owner and publisher until 1968, when she sold it to the present owners.

Few not actively associated with newspaper work can fully appreciate the accomplishments of this determined and compassionate woman during her management of the newspaper. As Aiken mushroomed from winter resort village to boom town to thriving metropolis, her newspaper was transformed within a brief period from weekly to tri-weekly to daily.

Throughout the period of her management, she maintained a firm but gentle hand, performing with seeming ease a job that is a challenge to any professional. As a daily, the Aiken Standard and Review was a morning newspaper, and it was not uncommon to find Mrs. King tirelessly "putting the paper to bed" in the early morning hours.

She was a pillar of strength to her family and to the several organizations to which she generously apportioned her time and talents. Her steadfast devotion to her church is commemorated by the Annie H. King Sunday School Class at the First Baptist Church. She held at one time or another a number of other responsibilities. She was long active in the Baptist Woman's Missionary Union, and served a term as vice president of the state organization. She also taught a Sunday School class for many years at the Aiken Nursing Home.

Mrs. King was a charter member and former president of the Aiken Pilot Club, and a member of the Aiken Business and Professional Women.

The South Carolina Press Association, in which she was active for many years, named her Woman of the Year in 1966. She was similarly honored by the Aiken Chamber of Commerce and the Aiken Business and Professional Women. She was presented the key to the city in 1969.

Few women have made such a contribution to journalism in South Carolina. Aiken County has lost a devoted friend.

[From the Augusta (Ga.) Chronicle, Jan. 30, 1973]

MRS. ANNIE H. KING

Few women have made the contributions to their communities that Mrs. Anne Howell King has made to Aiken and Aiken County. Yet, in her death, which occurred Saturday, not alone Aiken, but South Carolina as a whole is the poorer.

For 35 years, many of them with her late husband, Benjamin Josey King, this dynamic woman had published the Aiken Standard and Review, initially as a weekly newspaper and, from shortly after construction of the Savannah River Plant of the Atomic Energy Commission in the early Fifties, as a daily.

She was active in its management and operation until its sale approximately four years ago.

From the time, in 1934, when she and her husband purchased the Standard and Review, until her death, Mrs. King had devoted much of her time and virtually all of her energy toward local community projects and statewide journalistic efforts. She was an organizer of the women's division of the South Carolina Press Association and served as its president from 1948 through 1953. In 1966 she was selected South Carolina Press Association Woman of the Year and, in 1969, recommended by that organization for the title of National Press Woman of the Year.

Meanwhile, she found time for her beloved Aiken to help organize the Aiken Pilot Club and serve as its president, to work tirelessly as a member of the Business and Professional Women's Club and to serve those organizations, her church and the community so ably and unflaggingly that, in 1966, she was named Aiken Woman of the Year, B. & P.W. Woman of the Year, and was presented, in 1969, with the Key to the City of Aiken.

Throughout her journalism career, Mrs. King was, for us, a stout, but completely fair, competitor, a newspaper woman whom we could both admire and respect.

By her ability and her zeal, she has left a lasting imprint on her city and her state. We are sure both can say that it was good she came their way.

BLACKS AND THE NIXON ADMINISTRATION

Mr. HUMPHREY. Mr. President, on March 16, 1973, the executive director of the National Urban League, Vernon E. Jordan, Jr., delivered an excellent address at the National Press Club entitled "Blacks and the Nixon Administration: The Next 4 Years," this address spells out in clear terms the serious impact of budget cutbacks and program terminations planned by the Nixon administration, upon millions of Americans, white and black, who will see their recently awakened hopes in the future become lost in a fog of administration rhetoric.

I believe the importance of this address merits having it brought to public attention. Therefore, Mr. President, I ask unanimous consent that Mr. Jordan's remarks be printed at this point in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

BLACKS AND THE NIXON ADMINISTRATION: THE NEXT 4 YEARS

In his Budget Message to the Congress, the President once again called for "a new American Revolution to return power to the people." But the Message itself, and the provisions of a federal budget that hacks away at social spending with ruthless intensity, can only be seen as the first shots of a counter-revolution designed to destroy the social reforms of the 1960s.

Indeed, the proposed budget is the blueprint for the conversion of a national policy of "benign neglect" into a policy of active hostility to the hopes, dreams and aspirations of black Americans.

I do not believe this policy is intentional, nor do I believe that it is the product of conscious, anti-black, anti-poor reasoning. Rather it is the by-product of a view of society and of the proper role of government that is incompatible with the implementation of the precious rights won by minorities in recent years. The yawning gap between the philosophy of decentralized government marked by a passive domestic role for the federal Administration, and the effects of such a system on poor people and minorities vividly illustrates how honorable intentions can have disastrous results.

I am reminded of the famous lines by T. S. Eliot: "Between the idea and the reality/Between the motion and the act/Falls the shadow." Today that shadow falls on black Americans, minorities, and on the overwhelming numbers of poor people who are white. It is they who are being asked to carry the burdens imposed by the impending massive federal withdrawal from moral and programmatic leadership in the domestic arena. The shadow that falls upon them is deep and its darkness spreads a blight across our land.

The Administration's domestic policy, as revealed in its budget proposals and in a flurry of public statements, encompasses on the one hand, sharp cuts in spending on social services, and on the other, a massive shift in resources and responsibility from Washington to local governments. These are the two prongs of a pincer movement that entraps millions of Americans.

A brief examination of just a few of the federal actions both proposed and already taken, are enough to indicate that urban America is well on the way to becoming a free fire zone doomed to destruction by the very forces it looks to for salvation.

In employment, the Emergency Employment Act will be phased out, ending public service jobs for about 150,000 state and city employees, some forty percent of whom had been classified as disadvantaged. Job-creation and training programs already crippled by the refusal to spend appropriated funds, will be cut sharply. A wide variety of federally-backed summer and youth employment programs will be dropped, and special programs for high unemployment areas will be eliminated.

In housing, a freeze has been imposed on federally-subsidized housing affecting hundreds of thousands of low-income families and robbing construction workers of jobs.

In education, federal programs to provide compensatory educational services to disadvantaged children, and important vocational education programs will be dismantled, while day care student loans, special school milk programs and aid to libraries will be eliminated or reduced to a small fraction of their former size.

In health, 23 million aged and handicapped people will have an extra billion dollars torn from them in higher Medicare charges and lessened coverage, while funds for the successful community mental health centers and for new hospitals will be eliminated.

In addition to this listing of horror stories, there are further atrocities—the dismantling of the Office of Economic Opportunity and abolition of its over 900 community action programs; the end of the Model Cities program, and the effective end of urban renewal and a host of other federal programs of community development.

A number of arguments have been advanced to justify the far-reaching changes the new American counter-revolution seeks to establish. Taken together, they recall Horace Walpole's comment about the world: that it "is a comedy to those that think, a tragedy to those that feel."

It is said, for example, that the budget cuts are necessary to avoid new taxes and to control inflation. This neatly avoids mention of the imposition of a sharply increased social security payroll tax that falls disproportionately on the same low-income families that will be hurt most by social service cutbacks. I accept the need for a ceiling on federal expenditures, but I cannot accept the faulty priorities that raise military expenditures by just under five billion dollars while slicing funds for the poor and the cities. The cost of one Trident Submarine would pay for the public service employment program. The requested increase in funds for the F-15 fighter is about equal to the amounts cut from manpower training funds. Federal disinvestment in human resources reflects an irrational choice of priorities.

Another reason for the cuts is the overly-optimistic view that many of the federal programs are no longer needed. The President himself seemed to be making this point in his Human Resources Message when he said: "By almost any measure life is better for Americans in 1973 than ever before in our history, and better than in any other society of the world in this or any earlier age." And the theme was repeated in the Message dealing with cities, which declared that the hour of crisis has passed."

I cannot agree. I believe, instead, that the hour of crisis is upon us, and is intensified by the federal withdrawal from urban problems. I would hate to have to explain to a poor black family in Bedford-Stuyvesant that's chained to an over-crowded slum apartment because of the housing subsidy freeze that this is really the best of all possible worlds. I would hate to have to explain to a poor black farm worker in Mississippi that the record gross national product means he's living in a golden era. And I would hate to have to explain to an unemployed Vietnam veteran who can no longer enter a federal manpower training program that he is being adequately repaid for his sacrifices.

Life in 1973 may be better for some people, but it is not better for black Americans. We are afflicted with unemployment rates more than double those for white workers. Black teenage unemployment is near 40 percent. Unemployment and under-employment in the ghettos of America is from one-third to one-half of the work force. The total number of poor people in this country has risen sharply in the past several years. No. This is no Eden in which we live and we cannot complacently agree that there is no longer a need for federal social service programs.

Another justification for ending some programs is arrived at by a method of reasoning I confess I am unable to comprehend. Such programs, it is said, have proved their worth and therefore the government should no longer operate them. Since they are so good, someone else should do them. I can only suppose that the next step will be to tell the Joint Chiefs of Staff that the armed forces have done such a good job that the federal government will stop funding them.

Another argument—a serious one of some substance—is that some programs have not worked and therefore should be abandoned. Such programs fall into two categories—those that appear to neutral observers to have accomplished their goals, and those that clearly have not been as effective as they should have been.

It is inaccurate and unfair to suggest that the community action programs or the Model Cities programs, to take two important examples, have failed. There is every indication that they have brought a new sense of spirit and accomplishment to many hundreds of cities. By fully involving poor people in the decision-making process they have contributed significantly to urban stability and to individual accomplishment. Federal evaluation studies endorse this view. Local political leadership has also insisted that the programs are successful. For years, the agony of the Vietnam War was justified on the grounds that we had made a moral commitment to the people there. Can we now abandon the moral commitment to our own cities and to our own people?

Some federal programs have been clear disappointments. Some of the housing subsidy programs, for example, were sabotaged not by poor people seeking a decent home, but by some speculators in league with some federal employees. Thus, although thousands of families have been sheltered by these programs; although scandal-free housing has been produced by effective non-profit organizations and although the need for low- and moderate income housing is pressing, federal housing subsidies have been frozen and appear on their way to an early death. The victims of federal housing failures are being punished doubly—once by ineffective program control, and again by the moratorium on all housing subsidies. Ending all housing programs because some have shown signs of failure makes about as much sense as eliminating the Navy because some new ships have had cost over-runs.

The final justification of the Administration's policies, and the core of the new American counter-revolution, is that federal funds will be transferred to local governments in the form of bloc grants in four major areas—community development, education, manpower and law enforcement. It is proposed that the federal government end its categorical grant programs administered, financed and monitored by federal agencies and that local governments should now decide whether to spend federal monies on job-training or on roads, on compensatory education in the ghetto or on a new high school in the suburbs. This has been called "returning power to the people."

To black Americans, who historically had no choice but to look to the federal government to correct the abuses of state and local governments, that is very much like hiring the wolf to guard the sheep. It is axiomatic in American political life, with some exceptions, that the lower the level of government, the lower the level of competence and the higher the margin for discrimination aaginst the poor and the powerless.

The power that has accrued to the central government is due to the failure of localities to be responsive to the needs of all but a handful of their constituents. Black Americans have looked to the federal government to end slavery, to end peonage, to restore our constitutional rights and to secure economic progress in the face of discrimination. Yes, we looked to Washington because we could not look to Jackson, to Baton Rouge or to Montgomery. White people looked to Washington too, for the federal programs that helped many of them survive the Depression, helped them move to suburbia and helped them to prosper economically. Now that Washington has finally embarked on programs that hold out some hope for minorities, we are told instead to look to local governments notorious for their historic insensitivity to the needs and aspirations of blacks and the poor.

Before failling prey to the siren song of local infallibility, the Administration should examine the use local governments are making of general revenue sharing grants already distributed. News reports from across the country repeat the same dismal story—federal money used to build new city halls, to raise police salaries, and to cut local taxes. All this is taking place at a time when school systems are falling apart, housing is being abandoned, and health needs are unmet. The record does not inspire confidence that lost federal social service programs will be replaced with effective local ones.

General revenue sharing is a fact. It is a reality. Thirty billion dollars is in the pipeline for state and local governments. Rather than throw still more money at local governments at the expense of federal programs with proven track records, the Administration should be developing performance standards and effective compliance mechanisms that assure these local programs will work. Folding—or rather, crumbling—federal social service programs into no-strings-attached special revenue sharing packages seems to me to be a prescription for disaster.

Black Americans have been assured that anti-discrimination regulations will prevent local abuses. While the Treasury Department's guidelines have been revised and strengthened, we still cannot take heart from such assurances. They come just a few weeks after the Civil Rights Commission reported the persistence of "inertia of agencies in the field of civil rights," and after the government was subjected to a federal court order to enforce the laws against school segregation. It is hard to imagine that the politically-charged decision to withhold funds from states or cities that discriminate will be made. And without federal standards assuring that funds will be used in behalf of poor people in need of job-training, public housing, and special school and health programs, the money will once again find its way into the pockets of entrenched local interests.

The proposed special revenue sharing approach breaks faith not only with poor people, but with local governments as well. What Washington gives with one hand it takes with the other. Mayors who once hungered for no-strings-attached bloc grants are now panicked by the realization that the funds they receive will be inadequate to meet the needs of their communities and will be less than their cities get in the current categorical-aid programs. In addition, there is the probability that future special revenue sharing funds will continue to shrink. Rather than shifting power to the people, the new American counterrevolution creates a vacuum in responsible power.

We must not forget, as so many have, that federal programs today do embody local initiatives and local decision-making. The myth of the Washington bureaucrat making decisions for people 3,000 miles away is false. The money often comes from the federal Treasury. The broad program goals and definitions of national needs come, as they should, from the Congress. But the specific program proposals, their implementation, and their support come from local governments, citizens and agencies. Those federal dollars that are now deemed tainted actually enable local citizens to meet local problems under the umbrella of national financial and moral leadership. To shift the center of gravity away from national leadership is to compound the drift and inertia that appear to categorize our society today.

It is in this context that the blast of white silence is so puzzling. Far more white people than blacks will be hurt by the budget cuts. Yet the responsibility for calling attention to their impact falls increasingly on black leadership. There are three times as many poor white families as they are poor black families. The majority of people on welfare are white. Of the black poor, more than half don't get one devalued dollar from welfare. Two-thirds of the families who got homes through the now-frozen 235 subsidy program were white. The majority of trainees in manpower programs, and three-fourths of the people who will lose their jobs under the public employment program are white.

But because black Americans have been the most vocal segment of the population in urging social reforms, there is the mistaken impression that only blacks benefit from them. The Battle of the Budget is a larger-scale replay of the fight for welfare reform waged—and lost—last year. Then, as now, black leadership was out front in favor of a living guaranteed income for all. But we had few white supporters, although many more white people than black would have

benefited. It is reasonable to ask, had we won that struggle would all of those poor white people have returned their income supplement checks? And it is fair to ask today that white people join us in the struggle to preserve the social services of the federal government that enable them, too, to survive.

The silent white majority that has been the prime beneficiary of the programs of the 1960s and is today the group most in need of further federal services will have to speak up. They are not stigmatized, as are blacks, by charges of special pleading by special Americans looking for special treatment. And their representatives in the Congress will have to act, too. They cannot complacently watch their constituents' welfare being trampled on, nor can they accept the shrinkage of their rightful constitutional role in our system of government.

Already, there have been signs that some Congressmen whose votes helped to pass progressive legislation a few short years ago are now of a mind to compromise with Administration power, to compromise the jobs and livelihood and needs of their constituents, to compromise the power of the Congress to control the purse and to influence domestic policies, and finally, to compromise their own principles. If this is so, it will be tragic for the Constitution, tragic for the country, tragic for the poor people, and tragic for the heritage of liberalism.

The gut issues of today—better schools, jobs and housing for all, personal safety and decent health care—are issues that transcend race. So long as they are falsely perceived as "black issues," nothing constructive will be done to deal with them. White America must come to see that *its* cities, *its* needs and *its* economic and physical health are at stake. The needs of blacks and whites are too strongly intwined to separate. As Whitney Young used to say, "We may have come here on different ships, but we're in the same boat now."

So white Americans must join with black people to rekindle the American Dream, and to sing, in the words of Langston Hughes:

> "O, let America be America again—
> The land that never has been yet—
> And yet must be."

THE POSTAL SERVICE

Mr. GURNEY. Mr. President, on March 7, the Post Office and Civil Service Committee here in the Senate began an investigation of the Postal Service. I am one of the many Floridians who are hopeful that this investigation will help us find a solution to the problems that are plaguing the mails.

I submitted testimony to the committee as I am confident many of my colleagues will. I request unanimous consent that my testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, as a fellow politician who does give a damn about the Postal Service. I certainly welcome the opportunity to testify before this committee. I'd like to say that it is a pleasure, but no one can really take any pleasure out of what's happening to our Postal Service. To put it bluntly, America depends on the mail—and the mail is not getting through—not in reasonable time at least.

Letters from constituents in Florida—when they finally arrive—indicate that the problem is getting worse all the time. As I pointed out in a recent Senate floor statement, mail that used to arrive in a day or two, now takes four or five to reach its destination—if the recipient is lucky.

For instance, a dentist in Green Cove Springs, Florida, mailed a bill to a patient four blocks away. It arrived four days later, having been routed through a city some 60 miles away.

Then, there is a man in Lake Worth, Florida, who waited thirteen days for a letter from St. Petersburg and an unbelievable two weeks for a letter sent by a neighbor living a bare 75 feet away.

Isolated examples—hardly. I hear of cases like this every day. Not too long ago, for instance, it took a letter mailed from a downtown office 20 blocks away five days to reach my Senate office. Much of my mail from Florida takes the best part of a week to arrive. Even air mail special delivery is now a two day proposition delivery wise.

Even the mailmen are getting embarrassed about the delays. On January 22, 1973, Mr. Tony Montanez, the president of the Miami branch of the National Association of Letter Carriers, wrote me as follows:

"On or about Thursday, January 11, 27 trays and 2 sacks of 2nd and third class mail arrived at the Shenandoah Post Office. Above mail was not delivered until Tuesday, January 16, 1973. Saturday, January 7, 1973, abnormal amount of re-directs were left unprocessed until the 12th and 13th of January. On Thursday, January 10, 1973, sales advertisement from Winn-Dixie [Supermarket] arrived at the Shenandoah unit. The sale was to expire on Saturday, January 20th. We received reports that above mail matter was not delivered until Monday, January 22, two days after the expiration of the sale."

Obviously, the neighborhood mail carrier is not to blame for all this, but he is the one who gets the blame. It can't help morale, or efficiency, for the postman to go out knowing he will face a barrage of complaints, some of which are bound to be belligerent or hostile.

Finally, I'd like to comment on the proposal to return to the old postal system. I know some Members of Congress have suggested this, but I would hope that it would be considered only as a last alternative. The idea of a self-supporting, pay-as-you-go post office corporation is not bad; it's the implementation that has left something to be desired. Before going back to the old way, perhaps we should provide more competition, more incentive to provide good postal service than we have had heretofore. We have a lot invested in this new postal system; before we write it off as a lost cause we should explore every possible avenue for making it work.

However, in the final analysis, it is performance that counts. The old saying "the mail must go through" is more applicable today than ever. Business depends on the mail more now than ever before; so, too, does government—at all levels. We cannot have eight carloads of mail getting lost, at last Monday's Washington Star-News reported, nor can we have riders on horseback beating the mail from Philadelphia to Washington as occurred last fall. In short, Americans cannot afford a further deterioration of postal services and they have every right to expect an improvement.

As my distinguished colleague from West Virginia, Senator Byrd, stated recently, a big part of the problem comes about long before the neighborhood postman gets his hands on the mail. Citing an example with which I am familiar, Senator Byrd pointed out that a package being sent from Tampa, Florida, to Sarasota, Florida—a distance of 75 miles—actually goes 470 miles before reaching its destination. No wonder it's many days late in arriving and no wonder the recipient is ready to curse out the mailman when he comes to the doorstep.

The explanation for this delay is found inside the post offices. Mr. Stan Gold, president of the Miami local of the American Postal Workers Union, has informed me that the service is under manned at the postal clerk level. In an attempt to avoid giving employees the protection of pension and health plans, the service has hired great numbers of inexperienced, temporary personnel. And since this policy has not proved very successful, the permanent employees have been compelled to work as much as eleven hours a day, six days a week. It is easy to see why efficiency and morale among these individuals is at an all time low.

I don't think any of us had this type of thing in mind when the Postal Reorganization Act was being formulated. What we wanted to do was to make the postal service a self-supporting corporation that would provide better service at uniform rates. We were told it would take five years but now, after 40% of the allotted time has passed, things have gotten worse, not better. If the promise of the postal service corporation is to be fulfilled, we need to turn things around and do it quickly.

A look at some figures is illuminating. In 1960, we spent about $3.8 billion to operate the post office. In 1970, $7.6 billion. In FY 1971, we spent about $8 billion. Fiscal 1973 saw an $11 billion dollar cost figure. For Fiscal 1974, the total for postal operations will exceed $12 billion. Inflation accounts for part of the expense, pay raises for another substantial chunk. But, while costs climb service deteriorates, mainly due to cutbacks in personnel. These cutbacks are being made in the name of economy which I'm all for, but there is such a thing as false economy.

For the time being, at least, it seems to me we need all the help we can get to speed up the delivery process. Until such time as the new facilities and equipment are brought in, and service can be maintained at a high level, perhaps we should hold off on further cutbacks on personnel.

That's just one possibility; there are several others. Take, for instance, this business of guaranteed mail shipments. Up until last month, countless bags of mail were taken out to airports, let sit for up to eight hours, and then often returned to the originating post office for shipment by train or truck. Just recently, postmaster General Klassen took a step in the right direction by reducing the period the airline had to decide if they would ship the mail from eight to four hours but this is still not enough.

According to a recent Wall Street Journal article, the airlines are willing to negotiate on a contract that would guarantee that the mail would go out once it reached an airport. This certainly makes sense to me, as it would ensure that more mail went by air and that fewer delays in shipping would occur. I hope that the negotiations I understand are now going on between the Postal Service and the scheduled airlines will produce some sort of a workable agreement.

Another possibility would be to contract out more of our package deliveries. In view of the fact that one private company is already delivering over half the parcels shipped each year, there is every reason to believe that companies like United Parcel and Railway Express could take over more of the burden if the Postal Service is overloaded. In that way, the Postal Service could concentrate on those essential services no one else can now provide.

Still another thought would be to make greater use of air-taxi services. By using air-taxis as mail carriers, more cities could benefit from first class mail going by air and more deliveries could be made. Right now, I am told, there are 32 airtaxi routes in the Southern States alone. If this were to be expanded—again on a contract basis—service would surely improve.

Just holding these hearings, I think, has make a big difference. It has spotlighted the problem, focused public attention on it and encouraged those directly involved to come up with some answers. That's good, and I think that before these hearings are through, we will have some more answers. I certainly hope so, because I know from having talked to people down in Florida, that some answers are expected.

LEGALITY OF OEO TERMINATION

Mr. RIBICOFF. Mr. President, on January 26, President Nixon presented his proposed budget for fiscal year 1974. In his presentation, the President indicated that no funds would be requested for fiscal year 1974 for several programs administered by the Office of Economic Opportunity; that authority for other programs would be transferred from OEO to other Federal agencies; and that OEO itself would be abolished or discontinued.

In "The Budget of the U.S. Government, Fiscal Year 1974," the administration states that "certain functions of the Office of Economic Opportunity will be transferred to other agencies." In a chart on page 29, supra, containing a listing of full-time permanent positions in the Executive Office of the President for fiscal 1974, opposite the Office of Economic Opportunity is the figure "O." A footnote states: "Functions to be transferred and office abolished or discontinued." In the Budget itself, "appendix," pages 105–107, is a description of OEO functions for which no funding is requested or which are to be transferred to other agencies and the amounts of funds requested for each of the other agencies designated to carry on the functions received from OEO. No current programs would remain under the direct authority of OEO.

The administration's proposed actions with respect to the programs of the Office of Economic Opportunity raise serious questions concerning the administration's legal authority to transfer and terminate programs without the express consent of the Congress. These questions are entirely separate from issues concerning the wisdom of the actions as a matter of policy. For regardless of the merits of a particular policy, the Government's implementation of that policy must be in accordance with law.

On February 8, I wrote to Howard Phillips, Acting Director of the Office of Economic Opportunity, to ascertain the administration's legal basis for its actions with respect to OEO programs. On February 16, Mr. Phillips replied. The administration does not contend that there is legal authority in the Executive branch to transfer programs from one agency to another in the absence of affirmative legislation or the submission of a reorganization plan. It plans to transfer programs from OEO without such legislation or plan, and relies upon the authority of a section of the Economic Opportunity Act of 1964.

The administration's reply states that "no OEO program will be transferred within the purview of the Reorganization Act," but rather that programs would be "delegated" to other agencies under the authority of section 602(d) of the Economic Opportunity Act. That section states:

> Sec. 602(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the Office of Economic Opportunity and the furnishing of such information by such Office to such other agencies.

The administration thus deems its proposed actions "delegations" in order to avoid submitting a reorganization plan to Congress, in spite of the fact that its own budget refers to 'transfers." A transfer would require submission of a reorganization plan.

I have submitted the administration's legal justification to the General Accounting Office and the American Law Division of the Library of Congress. Both these agencies concur that the administration's proposals raise serious questions of legality that are not fully answered by Mr. Phillips' response of February 16.

I am sending the GAO and Library of Congress memorandums to Mr. Phillips and asking that the administration take the necessary steps to bring its actions into compliance with the law.

I ask unanimous consent that my correspondence with Mr. Phillips and the memorandums from the GAO and the Library of Congress be inserted at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

LETTER FROM SENATOR ABE RIBICOFF TO HOWARD PHILLIPS, DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY

FEBRUARY 8, 1973.

Hon. HOWARD PHILLIPS,
Director, Office of Economic Opportunity,
Washington, D.C.

DEAR MR. PHILLIPS: As you know, the Subcommittee on Executive Reorganization and Government Research has oversight responsibility concerning all executive branch reorganizations. At my direction, the Subcommittee staff has recently discussed with your staff several matters relating to the transfer and termination of certain OEO programs. Mr. Robert Trachtenberg, Deputy General Counsel, requested that these questions be submitted in writing to you. Accordingly, I submit the following questions and request answers to them by Thursday, February 15, 1973.

1. Please list each program authority to be terminated or transferred.

2. What will the effective date of each termination or transfer be?

3. What is the authority for each termination or transfer?

4. How will the program authorities which cannot be transferred under Section 28 of PL 92–424 be administered?

5. Do the provisions of the Reorganization Act, 5 U.S.C. 901, et seq., apply to any of these transfers? If not, why not? Do the provisions of Section 601(b) of PL 88–452 apply to any of these transfers? If not, why not?

6. How do you distinguish between these transfers and the transfer of VISTA to ACTION under Reorganization Plan No. 1 of 1971?

7. What is the legal difference between a transfer under 601(b) and a delegation under 602(d)?

8. When a program is delegated under Section 602(d), what authority or responsibility does OEO retain? Please supply copies of the delegations of Head Start to HEW and Job Corps to the Labor Department.

9. What is the authority for terminating the operation of the entire Office of Economic Opportunity?

10. Please submit any plans, documents, or orders concerning the proposed transfer or termination of the functions and authorities of OEO.

Sincerely,

ABE RIBICOFF.

LETTER FROM HOWARD PHILLIPS, ACTING DIRECTOR, OFFICE OF ECONOMIC OPPORTUNITY, TO SENATOR RIBICOFF

FEBRUARY 16, 1973.

Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of February 8, inquiring as to the Administration's plans to reform Federal anti-poverty activities. The Office of General Counsel, OEO, has prepared a memorandum responding to your questions, which I transmit herewith. If you require additional information, please let me know.

Sincerely,

HOWARD PHILLIPS,
Acting Director.

Date: February 16, 1973.
Reply to Attn. of: J. Alan MacKay, Acting General Counsel
Subject: To: Howard Phillips, Acting Director

Each question is started and answered in the order in which it was transferred.

1. Please list each program authority to be terminated or transferred.

Response: No program authority is being terminated. While funding under Section 221 of the Economic Opportunity Act for the core Community Action activities, as well as support for State Economic Opportunity Offices, the Senior Opportunities and Services program (SOS), and related training and technical assistance activities (T&TA) under section 230 will be local option in Fiscal Year 1974 and the F.Y. 1974 Budget requests no funding for them, the statutory basis for these activities will remain intact. States and local communities may continue to finance these activities with funds obtained through revenue sharing or with monies derived from other sources. As to program "transfers", it should be pointed out that no OEO program will be transferred within the purview of the Reorganization Act. More precisely, all OEO activities (other than the above listed activities for which no F.Y. 1974 funds are being requested) will either be delegated to other Federal agencies or will be undertaken under the legal authority of other Federal agencies. In both cases, the Budget requests the appropriation of funds directly to the receiving Federal agencies and funding is requested for all of these activities at the same or higher level than that requested for the Fiscal Year 1973.

2. What will be the effective date of each termination or transfer?

Response: A date certain has not been established for accomplishing the actions described above (which, as is indicated, do not constitute termination or transfers). It is anticipated that action will be taken after April 1, 1973, and no later than June 30, 1973.

3. What is the authority for each termination or transfer?

Response: Since no program authority is being terminated, the response is as set forth in answer to question No. 1 above. Pursuant to section 602(d) of the Economic Opportunity Act the following activities will be delegated to the Department of Labor:

1. Migrant and Seasonal Farmworker Program (title III–B)

2. Research in fields of manpower training and labor force participation (section 232).

OEO programs serving Indian people will be continued by the Department of Health, Education and Welfare in F.Y. 1974 and converted to a special emphasis (section 222(a) program funded directly to Indian tribal councils. OEO will delegate the necessary section 222(a) authority to HEW.

All projects funded either under existing grants or contracts or grants or contracts funded in F.Y. 1974 will be carried out pursuant to the delegations under section 602(d). (For your convenience, attached is a copy of the text of Section 602(d) of the EOA which authorizes delegation of the Director's functions.) There are some activities currently funded by OEO which will be carried out in F.Y. 1974 under the legislative authority of other agencies, where that authority has been determined to be broad enough to encompass the EOA authority, thus obviating the necessity for a delegation of authority by OEO. These activities are as follows:

1. Alcoholic counseling and Recovery Program: (Activities will be continued by National Institute for Alcoholism and Alcohol Abuse within HEW.)

2. Drug Rehabilitation Activities: (HEW's National Institute of Mental Health (NIMH) will continue these activities.)

3. Comprehensive Health Services and Family Planning: (These activities will be continued by HEW. Essential OEO health manpower activities will be supported within the Bureau of Health Manpower Education and in the National Institutes of Health.)

4. Housing R. & D. Activities: (The Department of Housing and Urban Development will utilize its R & D authorities to test ways to provide adequate housing for disadvantaged persons.)

With respect to the Emergency Food and Medical Services program, no funds are being requested for this program in F.Y. 1974, except that projects serving Indians and migrants will be continued from funds requested for direct appropriation to HEW and DOL.

4. How will the program authorities which cannot be transferred under section 28 of P.L. 92–424 be administered?

Response: The Director's functions under section 221 (providing financial assistance for local initiative programs) are not being delegated in view of the fact that no local initiative funds for Community Action Agencies are being requested for F.Y. 1974. Accordingly, there is no issue as to the administration of this activity. (It is anticipated that the General Services Administration will be delegated authority, under other provisions of the EOA, necessary for the orderly phaseout of activities previously funded under the EOA, but no section 221 functions will be included in this delegation.) With respect to Title VII (Community Economic Development), the Office of Minority Business Enterprise will request legislative authority to undertake the Title VII activities.

5. Do the provisions of the Reorganization Act, 5 U.S.C. 901, et seq., apply to any of these transfers? If not, why not? Do the provisions of section 601(b) of P.L. 88–452 apply to any of these transfers? If not, why not?

Response: The provisions of the Reorganization Act do not apply to the actions outlined above. The Reorganization Act is not the exclusive mechanism by which receiving agency can legally carry out program activities of another agency. The Reorganization Act, itself, (at 5 USC 901(b)) recognizes that the purposes of the Act may be achieved by means other than under the terms of the Act. It is believed that Section 602(d) grants to the President and to the Director of OEO ample legal authority to achieve the initiatives set forth in the Budget to the absolute exclusion of the Reorganization Act. That it was contemplated that programs may be transferred under law without regard to the Reorganization Act is buttressed by the provisions of 31 USC 581c (b). This law, much like the provisions of the Reorganization Act (5 USC 904(4)), authorizes the President to transfer appropriations from one agency to another pursuant to a transfer of programs such as in the case of a delegation of authority, the only fair reading of Section 601(b) of the EOA is to grant the President authority to reorganize at any time without regard to the time restriction contained in 5 USC 905(b) for submitting reorganization plans. Beyond this, it is difficult, indeed, to interpret this language as providing to the President the exclusive mechanism for achieving the decisions reflected in the Budget. The legislative history applicable to Section 601(b) certainly provides no support to such interpretation. Lastly OEO has entered into numerous delegation agreements over the past years of which the Congress was fully aware and which were not substantially different from those now proposed.

6. How do you distinguish between these transfers and the transfer of VISTA to ACTION under Reorganization Plan No. 1 of 1971?

Response: The VISTA transfer to ACTION is vastly distinguishable from matters at hand. To begin, in the VISTA case a new agency was being created. No new agency is being established under the F.Y. 1974 budget decisions. More important, however, is the fact that several agencies did not have the legal authority, as does OEO, to delegate the programs to be carried out by ACTION. Consequently, there existed no legal mechanism to move those programs to ACTION.

7. What is the legal difference between a transfer under 601(b) and a delegation under 602(d)?

Response: Section 602(d) authorizes another Federal agency to carry out the Director's functions under appropriate arrangements, and where the receiving agency requires powers granted to the Director to carry out such functions, it authorizes the delegation of such powers. Under this arrangement the head of the receiving agency conducts delegated activities under the authority of the EOA and in substitution for the Director. A transfer under section 601 (b), utilizing the authorities of the Reorganization Act, would have the same effect as a statutory redesignation of the agency having primary authority to administer the program. While it is true that no funds have been requested for OEO in F.Y. 1974, the OEO per se is not thereby abolished. It will remain as a statutory entity.

8. When a program is delegated under section 802(d), what authority or responsibility does OEO retain? Please supply copies of the delegations of Head Start to HEW and Job Corps to the Labor Department.

Response: The authority or responsibility OEO retains under a delegation varies largely according to the circumstances. In this connection, included are the requested delegated instruments, but also enclosed are delegation instruments pertaining to a delegation of authority from OEO to OMB under which OMB assumed the responsibility for the publication of the "Catalog of Federal Assistance Programs". It should be noted that OEO retained no responsibilities whatsoever with respect to the publication of the Catalog. It should also be noted that section 602(d) which authorizes the Director to delegate his functions to the heads of other Federal agencies does not require the Director to retain any authority over the conduct of the delegated functions. The section refers only to the maintenance of liaison and exchange of information between the agencies concerned.

9. What is the authority for terminating the operation of the entire Office of Economic Opportunity?

Response: The various authorities to carry out the F.Y. 1974 budget decisions have been fully discussed above. Moreover, there is no statutory provision which would legally prevent the actions being taken with respect to OEO and its programs. It should be mentioned, however, that consideration is being given to a plan under which a small OEO component would be retained within the Executive Branch to coordinate delegated programs and related activities.

10. Please submit any plans, documents, or orders concerning the proposed transfer or termination of the functions and authorities of OEO.

Response: Attached is a summary of the Budget decisions. Other than this document, no materials of the type requested exist.

"Sec. 602(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the Office of Economic Opportunity and the funishing of such information by such Office to such other agencies."

LETTER FROM ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES TO SENATOR ABE RIBICOFF

MARCH 7, 1973.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Subcommittee on Executive Reorganization and Government Research, Committee on Government Operations, U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of February 19, 1973, requested our views and comment on the February 16, 1973, response of the Acting Director of the Office of Economic Opportunity (OEO) to your February 8, 1973, inquiry in which several questions were set forth concerning the administration's plans for OEO.

It has been reported that the OEO is being phased out as an operating agency. In this connection, it is noted that the President's current budget submission requests no funds for OEO for 1974. See page 122 of the Budget of the United States Government, fiscal year 1974.

Central to the appropriateness of the administration's actions under section 602(d) of the Economic Opportunity Act of 1964, as amended, 42 U.S.C. 2942(d), is whether the delegation authority of that section can properly be used, in effect, to dismantle OEO. Section 602(d) authorizes the Director of OEO with the approval of the President to:

> * * * arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions * * * and, as necessary or appropriate, delegate any of his powers * * * and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the Office of Economic Opportunity and the furnishing of such information by such office to such other agencies * * *.

Initially the language of section 602(d) only contained the delegation and redelegation authority and it could be argued that this authority was never intended to be so broadly applied as to delegate entire programs. The transfer of substantially entire programs, however, prompted inclusion in the Economic Opportunity Amendments of 1966, Pub. L. 89–794, of the added liaison condition to these delegations. In this regard, the Committee report explaining the added liaison requirement reads as follows:

This amendment is designed to insure that all of the programs authorized by the act, whether emanating from the Office of Economic Opportunity itself, or delegated to another Federal agency, are operating as one in a single concerted, intermingled attack on the myriad problems of poverty.

The committee developed information which demonstrated that on both the regional and State levels staff personnel responsible for one area of activity under the act were unaware of what their counterparts operating other activities were doing. There appeared to be no single focal point in the field where the various programs under the act were coordinated. This situation if allowed to continue will not permit full achievement of the objectives sought.

The amendment calls for the establishment of close liaison between all concerned agencies at all levels, and provides that such liaison shall include the supplying, at all levels, to the Office of Economic Opportunity operational information by the agencies operating delegated programs.

It is felt that establishment of such procedures will allow for useful interchange of ideas, greater coordination of programs, and ultimately full implementation of the act. (Underscoring added.) See S. Rept. No. 1666, 89th Cong., 25–26.

In conference this requirement was amended to insure that with regard to furnishing information there would be a complete two-way exchange of information between OEO and the other Federal agencies. See H. Rept. No. 2298, 89th Cong., 36.

The only restrictions in the law on this broad delegation authority is found in section 28 of the Economic Opportunity Amendments of 1972, Pub. L. 92–424 which provides:

Notwithstanding the provisions of section 602(d) of the Economic Opportunity Act of 1964, the Director of the Office of Economic Opportunity shall not delegate his functions under section 221 (local initiative programs) and title VII (Community Economic Development) of such Act to any other agency.

With these two exceptions, under the literal language of section 602(d) the program functions of OEO have been delegated piecemeal to other agencies of the Government and in certain cases appropriations for such functions have been made by the Congress directly to such agencies. In addition to the congressional recognition of these delegations, it is arguable under the *Expressio Unius Est Exclusio Alterious* rule that in specifically reserving these two programs from delegation Congress has acknowledged that all other OEO functions can be delegated under section 602(d). It is recognized that application of this authority to the extent envisioned by the administration is at counter purpose to the congressional policy that OEO is to continue through fiscal year 1975 and to the acknowledged fact that congressional policy established in its enactments can only be changed by further enactments. In this context it should be recognized however that, along with the other provisions of OEO legislation, the delegating of section 602(d) remains congressional policy today although it was never contemplated that such authority would be used to dismantle OEO.

Accordingly, absent further congressional action to the contrary, it is our view that the legality of the delegations of individual programs or functions under section 602(d) cannot be questioned. Of course, the administration's failure to budget for the programs that cannot be delegated under section 602 (d) and any reduction in the 1973 programs is not in consonance with the OEO legislation. The Congress can of course fund these programs and specifically mandate their continuance through OEO or otherwise.

Having expressed these views it would serve no purpose, with one exception, to address the remaining issues raised in the February 16 response. That exception relates to the ninth response where it is stated that consideration is being given to a plan under which a small OEO component will be retained within the executive branch to coordinate delegated programs and related activities.

It is our view that the administration is legally required to retain an OEO organization. The delegation and redelegation authority of section 602(d) is subject to the assurance that maximum possible liaison between OEO and other agencies be maintained which shall include the furnishing of complete operational information by agencies to OEO and the furnishing of such information by OEO to the agencies. It will be manifestly impossible to carry out this requirement without an OEO.

As can be noted from the quoted language from S. Rept. No. 1666, 89th Cong., the liaison requirement of section 602(d) was added after a showing of need for a single focal point where various programs could be coordinated. With the large scale delegations now taking place it would appear to us to be mandatory that there be retained in OEO a sufficient operation to carry out the liaison required by section 602(d) as well as its other statutory responsibilities which are not delegated.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

ISSUES RAISED BY THE PROPOSED DISCONTINUANCE OF THE OFFICE OF ECONOMIC OPPORTUNITY

In answer to questions propounded by the Senate Subcommittee on Executive Reorganization, the Director of the Office of Economic Opportunity in essence denies that any "program authority is being terminated" or that any OEO program is being "transferred within the purview of the Reorganization Act." Rather, it is asserted, all OEO programs are to be "reform(ed)" in one of three lawfully supported ways: (1) by delegation pursuant to section 602(d) of title VI, P.L. 88–452, as amended, 42 U.S.C. 29 42(d); (2) by requesting no funding for certain programs in fiscal year 1974; or (3) by having certain programs carried out in FY 1974 under the legislative authority of other federal agencies where the authority of those agencies "has been determined to be broad enough to encompass the EOA authority, thus obviating the necessity for a delegation of authority (under section 602(d)) by OEO. The memorandum concludes that such actions will not result in the abolition of the agency since OEO will continue to remain a statutory entity: "while it is true that no funds have been requested for OEO in F.Y. 1974, the OEO per se is not thereby abolished. It will remain as a statutory entity."

However, in "The Budget of the United States Government, Fiscal Year 1974," pp. 28–29, it is noted—"the following actions are now being taken:

"Certain functions of the Office of Economic Opportunity will be transferred to other agencies of Government which have primary responsibility for similar social and economic activities."

In a chart on page 29, *supra,* containing a listing of full-time permanent positions in the Executive Office of the President for fiscal 1974, opposite the Office of Economic Opportunity is the figure "O". A footnote states: "Functions to be transferred and office abolished or discontinued". In the Budget itself, "Appendix", pp. 105–107, is a description of OEO functions for which no funding is requested or which are to be transferred to other agencies and the amounts of funds requested for each of the other agencies designated to carry on the functions recived from O.E.O. No current programs would remain under the direct authority of OEO under the scheme.

Thus, it would appear from the clear expressions of intent contained in the Budget, and the total nature of the dispositions described in the OEO memorandum (apart from the nomenclature attached to these dispositions) that the proposed actions effectively amount to an abolition of the Office of Economic Opportunity. In view of the legislative history of the Economic Opportunity Act of 1964, P.L. 88–452, as amended, and the presence of the Executive Reorganization Act, 5 U.S.C. 901–913, serious questions may be raised as to validity of the methods proposed to be utilized to effect that abolition.

In major part, the Executive intends to rely on section 602(d) to achieve the subject transfers. That section gives the Director of OEO authority to transfer existing programs to other Federal agencies subject to provisions to assure the maximum possible liaison between OEO and such other agencies. The section provides:

In addition to the authority conferred upon him by other sections of this chapter, the Director is authorized, in carrying out his functions under this chapter, to—

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this chapter and, as necessary or appropriate, delegate any of his powers under this chapter and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the Office of Economic Opportunity and the furnishing of such information by such Office to such other agencies;

That this section was not intended to authorize the transfer of all functions of OEO, since it assumes that OEO will still continue in the Executive Office of the President, appears confirmed by its legislative history. Thus, House Report No. 1458 states:

TITLE VI—ADMINISTRATION AND COORDINATION

Title VI establishes the Office of Economic Opportunity in the Executive Office of the President. The Office of Economic Opportunity would be headed by a Director, who would be appointed by the President by and with the advice and consent of the Senate. Authority to carry out the programs which would be created by the bill would be in the Director. The Director would be authorized, with the approval of the President, to delegate any of his powers under the bill. In line with this concept, the committee specifically provided language to insure the fullest utilization of all existing Federal agencies in carrying out the purposes of this act. It is, therefore, contemplated that the Director will coordinate the administration of the various programs so that the Department of Health, Education, and Welfare will be utilized in the execution of title I, part C, workstudy programs, title II, part

B, adult basic education program, and title V, work experience programs; the Department of Labor will be utilized for title I, part B, work-training programs; the Department of Agriculture will be utilized for title III, part A, special program to combat poverty in rural areas; and the Small Business Administration will be utilized in the administration of title IV, employment and investment incentives.

The Office of Economic Opportunity will administer the other programs authorized by the bill. (1964 Act)

Consequently, the basic statute itself does not authorize the action proposed by the Budget or the OEO memorandum. This conclusion is further supported by a section of the Report of the Senate Labor and Public Welfare Committee (S. Rept. 91–453, accompanying S. 3016, the Economic Opportunity Amendments of 1969 (P.L. 91–177)). That Report makes clear that while OEO was not intended to be a traditional operating agency, Congress did intend that it should develop programs until they joined a degree of maturity and then transfer them while maintaining maximum liaison with agencies to which the functions were delegated. This liaison provision, added on the Senate floor during debate on what eventually became the Economic Opportunity Amendments of 1966, P.L. 89–794, confirms the intent of Congress that section 602(d) was not meant to be a mechanism for abolition of the agency:

The question of "delegation"

OEO was not intended to be a traditional agency and there are many who feel that it should not retain responsibility for operating established programs on a permanent basis. In this view, if it were to become simply another permanent operating agency, it would lose its vital character as an innovator and as a goad, assigned to probe into new areas and to prod other agencies into action on neglected problems.

In any event, the committee is most insistent that the OEO continue to play a vigorous role in the Government-wide War on Poverty, both at the national level and at the local level through its community action agencies. The committee is determined that programs in which substantial human and financial resources have been invested be given time to prove their potential contribution. It is most anxious that the long neglected effort to eradicate poverty—whether conducted by OEO or any other agency—not suffer because of the competition for funds which always places great stresses on the executive branch. Within those limitations, the committee commends the administration for its expressed desire to make maximum use of the OEO as an experimental laboratory, to seek the most effective answers to the dilemma of poverty in an affluent nation, and then to establish on-going programs to put those discoveries into full effect.

The previous administration delegated certain OEO functions to other Federal agencies in accord with the Economic Opportunity Act. The present administration has extended this practice by delegating the OEO-operated Job Corps program to the Department of Labor, and the Headstart program to the Office of the Secretary of Health, Education, and Welfare.

The delegation of an OEO-operated program to another Federal agency inevitably causes concern among supporters of the program. Fears are aroused that the spirit of the program may be lost in the process, particularly the special sensitivity to the needs of the poor which has been emphasized in OEO programs. On occasions the program is delegated to an agency which has been judged delinquent in meeting the needs of the poor in the past.

The committee understands the basis for such concern. It took considerable testimony on ways of meeting this problem. In the end, the committee accepted the assurances of the administration that no further delegations are contemplated at this time, and that those delegations already ordered will be carried out with scrupulous regard for the law. In this connection, it is worth noting the language of the statute which provides that delegation shall be "subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of such information by such office to such other agencies."

The committee intends to maintain legislative oversight over the delegation of OEO programs to other agencies to make certain that the public investment in these programs is preserved, that they are not "swallowed up" in agencies which sometimes have been insensitive to the problems of poverty, and that the language in the delegation statute is complied with.

Congress has, on three occasions, expressly prohibited the Director of OEO from delegating certain specified programs under the authority of section 602(d): (1) the Legal Services Program, in the Economic Opportunity Amendments of 1969, P.L. 91–177, sec. 114; (2) programs under titles II, III, VI, and VII administered by the Director under the 1964 Act during fiscal year 1973 and 1973 (sec. 10 of S. 2007, 92nd Congress, 1st Sess., 1971 (vetoed by President Nixon); and (3) the community action agencies (sec. 221) and the community economic development program (title VII), in the Economic Opportunity Amendments of 1972, P.L. 92–424, section 28. In the enactment of these prohibitions there is no indication of a congressional belief that all functions could be transferred under section 602(d) so as to abolish OEO or that such prohibitions were necessary to prevent such a result. Rather, these prohibitions were adopted for reasons of policy respecting possible conflict of interest and the advantage of growth time for programs before a spin-off. Thus, the reason for the first prohibition was concern about conflict of interest by OEO attorneys in representing clients against government agencies should the Legal Services program be transferred elsewhere. It was felt that by retaining Legal Services in OEO possible conflict of interest problems and constraints on professionalism would be held to a minimum. See Senate Report 91–453 (1969). The provision of the 1971 bill was a result of a policy agreement between the Senate Committee on Labor and Public Welfare and the Administration. As illustrated by the following debate in the Senate from the Daily Congressional Record of September 8, 1971, (pp. 13910–13912) on S. 2007, among Senators Nelson, Taft, and Schweiker, the Administration had orally agreed to "spin-off" certain programs for OEO by legislation an not by use of the delegative authority.

When no letter was received from the Administrator to this effect, however, the Committee submitted what was to become section 10 of S. 2007 to prohibit the transfer or delegation of programs under titles II, III, IV, and VII of the Act over a two year period without legislative approval.

The foregoing debate in no way concedes use of the section 602(d) delegation authority to the point of abolition of the agency. Rather, it confirms anew the concept of OEO as a research and development agency transferring matured, developed programs to other agencies, while retaining a central liaison function after the transfer.

Little, if any, legal justification seems to exist for the proposed transfers of the Alcoholic Counseling and Recovery, Drug Rehabilitation and Redevelopment programs (OEO response to question #3) which is founded on theory that where the legislation authority of another agency is broad enough to encompass the particular OEO authority, no federal delegation by the Director is necessary. The proposition appears simply to ignore the plain mandate of section 602(d).

In sum, the proposed Executive actions, when viewed in their totality, would effectively result in the abolition of OEO; and although the delegation authority of section 602(d) is not scheduled to be used to effect each and every transfer, the manifest design of the Executive plan as evidenced in the Budget and the OEO memorandum is patently contrary to the underlying congressional intent as to how and when transfers were to be effected. It is arguable then that any use of the delegation authority for abolition purposes is tainted and unlawful.

Therefore, the relevant law respecting transfers or abolitions of agency functions which must be looked to in this situation is contained in the Executive Reorganization Act (5 U.S.C. 901–913), which provides in pertinent part:

Section 901(a): The President from time to time examine the organization of all agencies and shall determine what changes therein are necessary to accomplish the following purposes:

(2) to reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of the Government;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; . . .

(b) Congress declares that the public interest demands the carrying out of the purposes of subsection (a) of this section and that the purposes may be accomplished in great measure by proceeding under this subchapter, and can be accomplished more speedily thereby than by enactment of specific legislation.

Section 903(a): When the President, after investigation, finds that—

(1) the transfer of the whole or a part of the function thereof, to the jurisdiction and control of another agency; . . . is necessary to accomplish one or more of the purposes of section 901(a) of this title, he shall prepare a reorganization plan for the making of the reorganization as to which he has made findings and which he concludes in the plan, and transmit the plan . . . to Congress. . . .

Section 906(a): . . . a reorganization plan is effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the plan is transmitted to it. Unless, between the date of transmittal and the end of the 60-day period, either House passes a resolution stating in substance that the House does not form the reorganization plan.

That the Reorganization Act is applicable to the Executive Office of the President is demonstrated by Reorganization Plan No. 1 of 1973, submitted by the President (Daily Congressional Record, January 26, 1973, p. 2193, which, among other things, abolishes the functions of the National Aeronautics and Space Council.

With respect to remedying the situation, resort may be had to court actions or legislation. Since it is arguable that the proposed actions of the Executive is beyond the authority granted by Congress in the 1964 Act as amended, it may be contended that any such action would be an abuse of discretion (see, for example, *State Highway Commission of Wisconsin* v. *Volpe*, Civil Action No. 1616, U.S.D.C. Mo., June 19, 1972). The vehicle to test this theory could be a declaratory judgment action pursuant to 28 U.S.C. 2201–2202 and an order for a mandatory injunction. However, a court action at this time could be deemed to be premature. The changes proposed by the Executive would not finally go into effect as respects guidelines under existing statutes, until the last transfer has been made, and Congress may legislate with respect to them either before or after the end of this fiscal year to cancel them out if need be. No administration action has taken place yet and even if it had, opportunity should exist for Congress to deal with the problem itself. The nature of the proposed action is such as to leave remedial action first to the legislature. Congress, for example, can provide funds for community action programs since such has been authorized in P.L. 92–424. Abuse of administrative discretion, at this stage, can still be corrected by Congress.

Moreover, court action at this time might run into standing problems. That is, there may be difficulty in showing personal harm as well as harm to the community from the proposed administrative action. Administrative actions taken subsequent to action by Congress could provide a firmer foundation for litigation. It is suggested, therefore, that a more certain remedy at this point, and one that would enable Congress to clarify policy in this area, is through the legislation process.

The following legislative actions may be considered:

To prevent the transfer of any functions a bill might be introduced to delete section 602(d) from the Act. This could be made retrospective to cancel any transfers effected prior to enactment. This would remove all transfer powers from the Director of OEO. There would appear to be no constitutional prohibition against such a retrospective provision since no vested interest would be put in jeopardy. Also, the bill might contain a provision that directs the President to effect all changes in OEO through the processes of the Reorganization Act.

The bill might also contain a provision in mandatory language that monies appropriated pursuant to authorizations for programs administered under the 1964 Act, as amended, shall not be impounded, or, that such programs shall not be suspended or phased out, without congressional approval. Further, as an additional safeguard, a broad standing provision might be considered to allow for possibly litigation by affected persons in the event that the mandatory spending injunction is ignored.

MORTON ROSENBERG,
Legislative Attorney.

MARCH 2, 1973.

LETTER TO HOWARD PHILLIPS

MARCH 20, 1973.

Hon. HOWARD PHILLIPS,
Acting Director, Office of Economic Opportunity, Washington, D.C.

DEAR MR. PHILLIPS: Thank you for your letter of February 16, concerning the legal basis for the Administration's announced actions with respect to the Office of Economic Opportunity.

I have submitted your letter to the General Accounting Office and the Library of Congress for analysis of the legal arguments. Copies of their analyses are enclosed. These analyses confirm that serious legal problems concerning the Administration's proposed actions remain to be resolved. I urge you to study these memoranda closely and would like an explanation of what you propose to do to resolve this question.

Sincerely,

ABE RIBICOFF.

JASPER E. "JAP" PALLESEN

Mr. DOLE. Mr. President, farmers of Kansas and the United States have come to depend on the crop reporting forecasts and historical records of the Crop Reporting Service of the Department of Agriculture.

Throughout the development of this reporting service, it has contributed greatly to the economic stability of the Nation, as it enables farmers to appraise production records accurately based on historical data and has been of general public benefit in supplying projected production forecasts.

The diligence and accuracy with which this information has been compiled is based largely on the personnel involved. One of the leaders in this service has been the man who was in charge of the Statistical Reporting Service office in Kansas the past 15 years, Jasper E. "Jap" Pallesen.

He is known and respected throughout the State and the agricultural field as a man of integrity and dependability. His contribution to the general agricultural economy of the Nation has been great and a recent issue of the Topeka, Kans., Capital newspaper carried an editorial on the occasion of his retiring. I would ask unanimous consent that this editorial entitled "True Public Servant" be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRUE PUBLIC SERVANT

Jasper E. "Jap" Pallesen, who probably added more to the sum of knowledge of Kansas agriculture than any other man, has passed the responsibilities he discharged for 40 years for the U.S. Dept. of Agriculture to another and has retired.

A Nebraskan by birth, but a Kansan by choice, Pallesen headed the Statistical Reporting Service of the USDA for the last 15 years. He reveled in statistics and became a walking encyclopedia of Kansas crop and livestock production.

A quiet, accommodating man, Jap could extract life from a dull column of figures. He easily could translate them into an interesting, informative and readable story.

To him, the statistics reflected and projected trends in seeding, breeding, pricing and processing of farm products. Farmers relied completely on the statistics produced by the staff of enumerators and officeworkers serving under Pallesen.

Crop reporting was initiated at the request of producers who felt they were lagging buyers in information available. As a result, the complete reports of crop and livestock prospects and production were made available to all at the same time.

So important are the reports in the state and in the nation that they never are released until the stock and grain exchanges have closed. Often the findings of the reporting service exercise great influence on the markets.

Knowing this, Pallesen's guardianship of this public trust always was impeccably correct and above question. In truth, his career was one of true public service.

AN OPEN BUDGET OPENLY ARRIVED AT

Mr. HUMPHREY. Mr. President, the New York Times today published an editorial entitled "Open Budget," which describes the critical weaknesses of the Congress in dealing with the executive budget. As the editorial points out, the President's budget proposal, once it reaches Capitol Hill, is broken down into "large chunks which are assigned to a dozen separate Appropriations Subcommittees, whose decisions are usually conclusive."

The editorial notes that, despite the fact that these subcommittees do excellent work in their special areas, and have cut the President's budget requests by $20 billion in the last 4 years, they are narrowly focused, and not geared to making studied judgments on the unstated economic and social assumptions in the President's budget.

I am pleased that the New York Times editorial endorses the bill that Representative MOORHEAD and myself have introduced, the Fiscal and Budgetary Reform Act of 1973, S. 1030. This bill would assign to the Joint Economic Committee the resources to study the budget message and propose an overall budget ceiling within which the Appropriations Committees would work. Under this bill, an Office of Budget Analysis and Program Evaluation would analyze budget priorities. It would offer alternative budget strategies. It would independently evaluate existing programs for the Congress.

The bill would also open up the budget process within the executive branch.

Mr. President, I ask unanimous consent that the New York Times editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OPEN BUDGET

The struggle between President Nixon and Congress over the content of the budget has directed attention to a long-standing Congressional weakness. The House and Senate lack a regular system for viewing the budget as a total entity.

As matters now stand, the budget once it reaches Capitol Hill is broken down into large chunks which are assigned to a dozen separate Appropriations subcommittees, whose decisions are usually conclusive.

These subcommittees are often painstaking in their examination of specific programs. Contrary to the impression which the Administration is seeking to create of an irresponsible, free-spending Congress, the appropriations subcommittees have cut Mr. Nixon's budget requests in the last four years by a total of more than $20 billion. The huge deficits of the Nixon years have been Presidentially-submitted budget deficits.

The fact remains that the subcommittees are too narrowly focused; they tend to concentrate on waste and day-to-day weaknesses in the management of Federal programs. But a Federal budget is much more than an adding up of expenditures or an exercise in cost accounting. It represents a series of judgments about the nation's needs and priorities; it is a kind of social accounting that requires examination in the broad context of the economy's condition and prospects and the society's strengths and weaknesses.

Out of recognition that Congress needs better independent machinery for assessing the unstated assumptions in the President's budget, Senator Humphrey of Minnesota and Representative Moorhead of Pennsylvania have introduced the Fiscal and Budgetary Reform Act of 1973, giving the Joint Economic Committee the power to study the budget and propose an over-all budget ceiling within which the Appropriations Committees would work. The committee would have its own professional staff and its own computers to enable it to analyze budget alternatives for the Congress, much as the Office of Management and Budget analyzes them for the President.

The bill would also open up the budget process within the Executive branch. Agency heads would submit copies of their initial budget requests to the proposed Congressional Office of Budget Analysis as well as to the O.M.B. Governors and mayors would be permitted to testify; transcripts of all budget sessions would be made available to Congress and public.

Reforms of this kind may even surpass in importance the opening up of Congress' own committee hearings which has now begun in the House. An open budget openly arrived at would greatly enhance the education of Congress and the public about budget alternatives. It would correspondingly reduce the mystery which is now one of the chief props for the President's dominance in this field.

The joint study committee on the budget set up by the last Congress is examining ways to strengthen procedures on Capitol Hill to respond to the President's aggressive challenge. The Humphrey-Moorhead bill offers that committee a simple yet comprehensive plan which would gradually enable Congress to define its majority judgment on national priorities much more effectively than at present.

HUMANIZING THE EARTH

Mr. CURTIS. Mr. President, on December 29, Dr. Rene Dubos, the renowned scientist and author, delivered the 1972 B. Y. Morrison Memorial Lecture before the American Association for the Advancement of Science, convened here in Washington for its 139th annual meeting.

In his lecture, "Humanizing the Earth," Dr. Dubos noted that nature does not always know best. He said that man, using scientific knowledge, can manage the earth so as to create environments that are ecologically stable, economically profitable, esthetically rewarding, and favorable to the continued growth of civilization.

The Morrison Memorial Lectureship is presented by the Agricultural Research Service of the U.S. Department of Agriculture. The lectureship commemorates the work of an outstanding scientist. B. Y. Morrison, closely involved with the Department most of his life, was the first Director of the National Arboretum. During the past 5 years, Morrison Lecturers have discussed problems relating to the environment, and the lectureship has made possible an exchange of ideas with a cross section of the scientific community.

The fifth annual B. Y. Morrison Memorial Lecture is a particularly eloquent assessment of our environmental stewardship, and I respectfully request unanimous consent that it be entered in the RECORD.

There being no objection, the text of the lecture was ordered to be printed in the RECORD, as follows:

HUMANIZING THE EARTH

(By Dr. Rene Dubos)

How grey and drab, unappealing and unsignificant, our planet would be without the radiance of life. If it were not covered with living organisms, the surface of the earth would resemble that of the moon. Its colorful and diversified appearance is largely the creation of microbes, plants, and animals which endlessly transform its inanimate rocks and gases into an immense variety of organic substances. Man augments still further this diversification by altering the physical characteristics of the land, changing the distribution of living things, and adding human order and fantasy to the ecological determinism of nature.

Many of man's interventions into nature have, of course, been catastrophic. History is replete with ecological disasters caused by agricultural and industrial mismanagement. The countries which were most flourishing in antiquity are now among the poorest in the world. Some of their most famous cities have been abandoned; lands which were once fertile are now barren deserts.

Disease, warfare, and civil strife have certainly played important roles in the collapse of ancient civilizations; but the primary cause was probably the damage caused to the quality of the soil and to water supplies by poor ecological practices. Similarly today, the environment is being spoiled in many parts of the world by agricultural misuse or overuse, by industrial poisoning, and of course by wars.

The primary purpose of the recent U.N. Conference on the Human Environment, held in Stockholm last June, was to formulate global approaches to the correction and prevention of the environmental defects resulting from man's mismanagement of the earth. I shall not discuss the technical aspects of these problems but rather shall try to look beyond them and present facts suggesting that man can actually improve on nature. In my opinion, the human use of natural resources and of technology is compatible with ecological health, and can indeed bring out potentialities of the earth which remain unexpressed in the state of wilderness.

The disastrous ecological consequences of many past and present human activities point to the need for greater knowledge and respect of natural laws. This view is succinctly expressed by Dr. Barry Commoner in his fouthr law of ecology: "Nature knows best." I shall first discuss the limitations of this law.

When left undisturbed, all environments tend toward an equilibrium state, called the climax or mature state by ecloogists. Under equilibrium conditions, the wastes of nature are constantly being recycled in the ecosystem, which becomes thereby more or less self-perpetuating. In a natural forest, for example, acorns fall to the ground and are eaten by squirrels, which in turn may be eaten by foxes or other predators; the dead leaves and branches, the excrements of animals, are utilized by microbes, which return their constituents to the soil in the form of humus and mineral nutrients. More vegetation grows out of the recycled materials, thus assuring the maintenance of the ecosystem.

When applied to such equilibrated systems, the phrase "Nature knows best" is justified, but is in fact little more than a tautology. As used in this phrase, the word nature simply denotes a state of affairs spontaneously brought about by evolutionary adaptation resulting from feedbacks which generate a coherent system. There are no problems in undisturbed nature; there are only solutions, precisely because the equilibrium state is an adaptive state. But in a given area, there is usually more than one possible equilibrium state, and there is no evidence that the natural solution is necessarily the best or the most interesting solution. In fact, it is likely, as I shall illustrate later, that the symbiotic interplay between man and nature can generate ecosystems more diversified and more interesting than those occurring in the state of wilderness.

What is surprising is not that natural environments are self-sustaining and generally appear efficient but, rather, that many of them constitute clumsy solutions to ecological problems. Many of these solutions appear inadequate, even where nature has not been disturbed by man or by cataclysms, and therefore could have been expected to reach the optimum ecological state.

That the wisdom of nature is often shortsighted is illustrated by the many disasters that repeatedly affect plants and animals in their undisturbed native habitats. The repeated population crashes among animal species such as lemmings, muskrats, or rabbits result from the defectiveness in the natural mechanisms which control population size. These crashes unquestionably constitute traumatic experiences for the animals, as indicated by the intense behavioral disturbances which often occur among them long before death. The crashes constitute, at best, clumsy ways of reestablishing an equilibrium between population size and local resources. Judging from the point of view of lemmings, muskrats, and rabbits—let alone human beings—only the most starry-eyed Panglossian optimist could claim that nature knows best how to achieve population control.

Most surprising is the fact that, even without environmental changes caused by human interference or accidental cataclysms, nature fails in many cases to complete the recycling processes which are considered the earmarks of ecological equilibrium. Examples of such failures are the accumulation of peat, coal, oil shale, and other deposits of organic origin. These materials are largely derived from the bodies of plants and other living things that have become chemically stabilized after undergoing only partial decomposition. The very fact that they have accumulated in fantastic amounts implies that they have not been recycled. Paradoxically, man helps somewhat in the completion of the cycle when he burns peat, coal, or oil, because he thereby makes the carbon and minerals of these fuels once more available for plant growth. The trouble with this form of recycling is that the breakdown products of the fuels are so rapidly put back into circulation through air, water, and soil that they overload contemporary ecological systems.

The accumulation of guano provides another example of recycling failure on the part of nature. This material, now used as a fertilizer, consists of the excrements deposited by birds on certain islands and cliffs. For example, millions of sea birds use the Chincha Islands off the coast of Peru as a resting place and breeding ground; their droppings, accumulated through centuries or perhaps millenia, have formed layers of guano from 60 to 100 feet in thickness. Guano, being rich in nitrogen, phosphate, and potash, constitutes an ideal fertilizer, and its accumulation therefore represents a spectacular example of recycling failure. Here again, man completes the recycling process by collecting guano and transporting it to agricultural fields where it reenters the biological cycle in the form of plant nutrient.

Just as it is erroneous to claim that nature has no waste, so it is erroneous to claim that it has no junkyards. The science of paleontology is built from the wastes and artifacts casually abandoned by primitive man. Admittedly, the accumulation of solid wastes in technological societies is evidence of a massive failure of recycling for which man is responsible. But this ecological failure is the expression of behavioral characteristics that have always existed in human nature. Like the great apes, primitive man was wasteful and careless of his wastes, and we have remained so throughout history.

The solid waste problem has become grave in our times because we produce more wastes than in the past, and what we reject is commonly of a chemical composition not found in natural ecosystems. Nature does not know how to deal with situations that have no precedents in the evolutionary past. The solution to the problem of solid wastes, therefore, cannot be found in the ways of nature. It requires new technological methods and changes in the innate (natural!) behavior of man.

Hailstorms, droughts, hurricanes, earthquakes, volcanic eruptions are common enough to make it obvious that the natural world is not the best possible world; man is not responsible for these disasters, but he suffers from them as do other living things Of greater interest, perhaps, is the fact that nature is incapable, by itself, of fully expressing the diversified potentialities of the Earth. Many richnesses of nature are brought to light only in the regions that have been humanized: agricultural lands, gardens, and parks have to be created and maintained by human toil.

Until man intervened, much of the earth was covered with forests and marshes. There was grandeur in this seemingly endless green mantle, but it was a monotonous grandeur chiefly derived from immensity and uniformity. The primeval forest almost concealed the underlying diversity of the earth. This diversity was revealed by man in the process of producing food and creating his civilizations. Since an extensive analysis of the creative transformations of the earth by man would be impossible here, I shall illustrate it with one single example, namely, that of the part of France where I was born and raised.

Before human occupation, the Ile de France was a land without any notable characteristics. The hills have such low profiles that they would be of little interest without the venerable churches and clusters of houses that crown their summits. The rivers are sluggish and the ponds muddy, but their banks have been adapted to human use and their names have been celebrated so often in literature that they evoke the enchantment of peaceful rural scenes. The sky is rarely spectacular, but painters have created a rich spectrum of visual and emotional experiences from its soft luminosity.

Ever since the primeval forest was cleared by Neolithic settlers and medieval farmers, the province of the Ile de France has retained a humanized charm which transcends its natural endowments. To this day, its land has remained very fertile, even though part of it has been in continuous use for more than two thousand years. Far from being exhausted by intensive agriculture over such long periods of time, the land still supports a large population and a great variety of human settlements.

What I have just stated about the Ile de France is, of course, applicable to many other parts of the world. Ever since the beginning of the agricultural revolution during the Neolithic period, settlers and farmers have been engaged all over the world in a transformation of the wilderness. Their prodigious labors have progressively generated an astonishing diversity of man-made environments, which have constituted the settings for most of human life. A typical landscape consists of forested mountains and hills serving as a backdrop for pastures and arable land, villages with their greens, their dwellings, their houses of worship, and their public buildings. People now refer to such a humanized landscape as "nature," even though most of its vegetation has been introduced by man and its environmental quality can be maintained only by individualized ecological management.

Just as nature has not been capable by itself of giving full expression to the potential diversity of our globe, likewise it is not capable of maintaining man-made environments in a healthy state. Now that so much of the world has been humanized, environmental health depends to a very large extent on human care. Forests must be managed, swampy areas which are under cultivation must continually be drained, the productivity of farmlands must be maintained by crop rotation, irrigation, fertilization, and destruction of weeds. From historical times, the Campagna Romana has been infested with mosquitoes and devastated by malaria every time men have lacked the stamina to control its marshes. Similarly, farmlands that have been economically productive and esthetically attractive for a thousand years are invaded by brush and weeds as soon as farmers neglect to cultivate them. The rapid degradation of abandoned gardens, farmlands, and pastures is evidence that humanized nature cannot long retain its quality without human care.

It is true that many ancient civilizations have ruined their environment and that a similar process is going on now in certain highly industrialized areas, but this is not inevitable. Intensive agriculture has been practiced for a thousand years in certain lands without decreasing their fertility or ruining their scenery. Man can create artificial environments from the wilderness and manage them in such a manner that they long remain ecologically stable, economically profitable, esthetically rewarding, and suited to his physical and mental health. The immense duration of certain man-made landscapes contributes a peculiar sense of tranquility to many parts of the Old World; it inspires confidence that mankind can act as steward of the earth for the sake of the future.

Lands could not remain fertile under intense cultivation unless managed according to sound ecological principles. In the past, these principles emerged empirically from practices that assured the maintenance of fairly high levels of humus in the soil. But scientific knowledge of soil composition and texture, of plant physiology, and of animal husbandry is providing a new basis for agricultural management. During the past century, the sound empirical practice of the past have been progressively replaced by more scientific ones, which include the use of artificial fertilizers and pesticides. Scientific agriculture has thus achieved enormous yields of plant and animal products. Furthermore, experimental studies have revealed that many types of lands can remain fertile for long periods of time without organic manure, provided they are continuously enriched with chemical fertilizers in amounts and compositions scientifically determined.

Efficiency, however, cannot be measured only in terms of agricultural yields. Another criterion is the amount of energy (measured in calories) required for the production of a given amount of food. And when scientific agriculture is judged on this basis its efficiency is often found to be very low. Paradoxical as this may sound, there are many situations in which the modern farmer spends more industrial calories than the food calories he recovers in the form of food. His caloric expenditure consists chiefly of gasoline for powering his equipment and of electricity for producing chemical fertilizers and pesticides—let alone the caloric input required to irrigate the land and to manufacture tractors, trucks, and the multifarious kinds of machines used in modern farming.

Needless to say, modern civilizations would be inconceivable if the energy (calories) now required by agriculture had to come from human muscles instead of from gasoline and electricity. But it is a fact, nevertheless, that if fossil fuels were to remain the most important source of power, the sheer size of the world population would make it impossible to continue for long the energy deficit spending on which agriculture depends in prosperous industrialized countries. And there would be no hope of extending these modern agricultural practices to the developing countries, which constitute the largest part of the world.

No matter how the situation is rationalized, the present practices of scientific agriculture are possible only as long as cheap sources of energy are available. After the world supplies of fossil fuels have been exhausted, the modern farmer, like the modern technologist, will become ineffective unless energy derived from nuclear reactions, geothermal sources or solar radiation can be supplied in immense amounts at low cost. Thus, the future of land management is intimately bound to the development of new sources of energy, as are all other aspects of human life.

Of the 70 to 100 billion people who have walked the surface of the earth since *Homo sapiens* acquired his biological identity, by very far the largest percentage have lived on the man-made lands that have been created since the agricultural revolution.

In every part of the world, the interplay between man and nature has commonly taken the form of a true symbiosis—namely a biological relationship which alters somewhat the two components of the symbiotic system in a way that is beneficial to both. Such transformations, achieved through symbiosis, account in large part for the immense diversity of places on earth and for the fitness between man and environment so commonly observed in areas that have been settled and have remained stable for long periods of time.

Furthermore, the reciprocal transformations of man and environment have generated a variety of situations, each with its own human and environmental characteristics. For example, the agricultural techniques, social policies, and behavioral patterns in the various islands of the South Pacific are determined not only by geologic and climatic factors but even more by the cultural attitudes of the early settlers—Polynesians, Melanesians, or Indonesians—and then later of the Western and Oriental people who colonized the islands. Cultural attitudes, more than natural conditions, are responsible for the profound differences between Fiji, Tahiti, and the Hawaiian islands. The Pacific Islands were initially settled by different groups of people and, in addition to these early human influences, they exhibit today the more recent influences respectively of their English, French, or American colonizers.

The shaping of nature by culture can be recognized in many other parts of the world. As the process of humanization of the earth continues, however, it will increasingly be influenced by the fact that most of the globe will soon be completely occupied and utilized. This colonization process began, of course, long before the days of modern technology. But the difference is that men now occupy and utilize all land areas except those that are too cold, too hot, too dry, too wet, too inaccessible or at too high an altitude for prolonged human habitation.

According to the United Nation's Food and Agricultural Organization, practically all the best lands are already farmed; future agricultural developments are more likely to result from intensification of management than from expansion into marginal lands. There probably will be some increase in forest utilization but, otherwise, land use will soon be stabilized. In fact, expansion into new lands has already come to an end in most developed countries and is likely to be completed within a very few decades in the rest of the world. A recent FAO report states the probable final date as 1985.

The U.N. Conference on the Human Environment, therefore, came at a critical time in man's history. Now that the whole earth has been explored and occupied, the new problem is to manage its resources. Careful management need not mean stagnation. In many places as already mentioned, the interplay between man and nature results in a creative symbiotic relationship that facilities evolutionary changes. Man continuously tries to derive from nature new satisfactions that go beyond his elementary biological needs—and he thereby gives expression to some of nature's potentialities that would remain unrecognized without his efforts.

Man has now succeeded in humanizing most of the earth's surface but, paradoxically, he is developing simultaneously a cult for wilderness. After having been for so long frightened by the primeval forest, he has come to realize that its eerie light evokes in him a mood of wonder that cannot be experienced in an orchard or a garden. Likewise, he recognizes in the vastness of the ocean and in the endless ebb and flow of its waves a mystic quality not found in humanized environments. His response to the thunderous silence of deep canyons, the solitude of high mountains, the luminosity of the desert is the expression of an aspect of his fundamental being that is still in resonance with cosmic events.

As mentioned earlier, nature is not always a good guide for the manipulation of the forces that affect the daily life of man; but undisturbed Nature knows best—far better than ordinary human intelligence—how to make men aware of the cosmos and to create an atmosphere of harmony between him and the rest of creation.

Humanizing the earth thus implies much more than transforming the wilderness into agricultural lands, pleasure grounds, and healthy areas suitable for the growth of civilization. It also means preserving the kinds of wilderness where man can experience mysteries transcending his daily life, and also recapture direct awareness of the cosmic forces from which he emerged. It is obvious, however, that man spends his daily life not in the wilderness but in environments that he creates—in a man-made nature. Let me restate in conclusion my belief that by using scientific knowledge and ecological wisdom we can manage the earth so as to create environments which are ecologically stable, economically profitable, esthetically rewarding, and favorable to the continued growth of civilization.

THE CLUB OF ROME—THE NEW THRESHOLD

Mr. PELL. Mr. President, several years ago, a group of individuals from a variety of nations who shared a common concern about the future of our civilization and of our planet banded together to form the Club of Rome. I am proud to be a member of the organization.

The first major project sponsored by the Club of Rome was the construction of a world dynamics model by Prof. Dennis Meadows of MIT and an international team of scholars. The results of their study were contained in a volume called the Limits to Growth published a year ago.

Recently the club held a meeting outside Paris to discuss the "Limits to Growth" and the reaction it has stirred in the world community.

From that meeting, Mr. President, there issued a paper on the Club of Rome and its goals, prepared by the executive committee. The ideas and comments in this document, I believe, are sound and deserve the thoughtful consideration of all of us.

While there are some points with which all may not agree, I believe the general thrust and objectives of this paper is of vital interest and benefit to all mankind.

In the belief that my colleagues may wish to comment on this document, I ask unanimous consent that this document, entitled "The Club of Rome—The New Threshold," be inserted in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

THE CLUB OF ROME—THE NEW THRESHOLD

The purpose of this note is to recapitulate the concern and convictions of the members of the Club with regard to the present state **of world society, to assess** the position reached by our initial efforts, to discuss the strengths and weaknesses inherent in the nature and concept of the Club and to enumerate some of the problem areas which we feel demand urgent investigation.

THE PREDICAMENT OF MANKIND

The initial impulse of the Club was a common concern regarding the deep crisis faced by humanity—a crisis which we feel is different in kind from those of the past and which the societies of today are ill-equipped to face with their present attitudes, values, policies and institutions. Men everywhere are preplexed by a range of elusive problems—deterioration of the environment, the crisis of institutions, bureaucratisation, uncontrolled urban spread, insecurity of employment and loss of satisfaction in work, the alienation of youth, questioning of the values of society, violence and disregard of law and order, educational irrelevance, inflation and monetary disruption in the face of material prosperity, the unbridged gap between rich and poor within and between nations—to mention only a few.

These difficulties appear to be world-wide symptoms of a general but as yet little understood malaise. It is this cluster of intertwined problems which we term *the Problematique*. Their interactions have become so basic and are so critical that it is ever more difficult to isolate from the tangle of the problematique single major issues and to deal with them separately. To attempt to do so only seems to increase the difficulties in other and often unsuspected parts of the mass.

For the same reason no nation, not even the biggest, can hope to solve all its own problems since these involve other nations and interact with the global system as a whole. Interdependence is not, however, restricted to the political context; it also regards to energy resources, food and industrial raw materials, markets for products, transfer of new technology, even the explosion of violence. Beyond these material concerns, the problematique is all-pervasive, because human aspirations can no longer be bounded by a particular environment or culture. What we term *the Predicament of Mankind* is our own limited perception of many individual symptoms of a profound illness of society for which we are unable to prescribe an effective remedy in the absence of a reliable diagnosis.

THE CLUB OF ROME AND ITS FUNCTIONS

The Club of Rome, an informal association of some eighty-five individuals in more than thirty countries, crystallised around a mutual concern with the problematique and the need to delineate it and understand its nature. The totality of the membership meets only occasionally, on average once a year, but most of the individual members are in frequent contact with their colleagues. The Club emerged, somewhat hesitantly, at the end of an exploratory meeting held at the Accademia dei Lincei in Rome in 1968. Most of the (then very few) members met again in Vienna in 1969 at the invitation of the Austrian Chancellor, while the full membership was convened to a meeting in Bern, Switzerland in 1970 as guests of the Swiss Confederation and in Montebello, Quebec in 1971 as the guests of Canada. A full meeting of the Club took place at Jouy-en-Josas near Paris in January 1973, made possible by French industry, while a further meeting will be held in Tokyo in October 1973, preceded by a Technical Seminar, both supported by the Japanese members of the Club.

Chartered under the laws of Switzerland, with a membership at present limited to 100, the work of the Club is carried out by an Executive Committee, whose membership is at present: Frits Böttcher, The Netherlands; Alexander King, OECD, Paris; Saburo Okita, Japan; Aurelio Peccei, Italy; Eduard Pestel, Federal Republic of Germany; Hugo Thiemann, Switzerland; Victor Urquidi, Mexico; Carroll Wilson, United States of America.

As an informal association, with a minimum secretariat and without any staff or formal budget, the functions of the Club were conceived as essentially catalytic. It has the following main objectives:

To stimulate research and encourage the development of methods to elucidate and delineate the elements and interactions within the problematique, to understand better the workings of the world as a finite system and to suggest alternative options for meeting critical needs;

To provoke a dialogue with political decision-makers, industrialists, academics and many groups in many places, to arouse appreciation of the nature of the crisis and the need to consider new policies, attitudes and courses of action to ensure the continuity of mankind and to cultivate a new humanism conducive to world peace, social justice and individual self-fulfilment.

THE INITIAL PHASE

After an initial period of intense discussion among the few, original members of the Club, it was agreed that concern with the world problematique was its central feature. A series of conversations was therefore begun with political and intellectual leaders in many parts of the world, but very soon it was realised that policy and institutional change could only result from a more precise understanding of its nature and interactions. It was decided to attempt, by any appropriate methods which might exist or be developed, to quantify the scale and time dimensions of the world problematique and seek to identify the needs for revision of values and institutions which govern man's capability to adapt to change. It was understood that this would entail extensive research effort in which is virtually a new and unexplored field.

After prolonged search for a methodology which would embody both the scale and time dimensions of the world problematique, it was decided to invite the Systems Dynamics Group at the Massachusetts Institute of Technology, under Professor Jay Forrester, to undertake the construction of a world dynamics model, and the Volkswagen Foundation of Germany agreed to provide the necessary financial support. An international team, led by Professor Dennis Meadows, was formed to carry out this work.

The findings of this first project are presented in a book, entitled *The Limits to Growth*, by Meadows and co-workers and containing a commentary by the members of the Executive Committee. Initially published in the United States on 6th March, 1972, at the initiative of Potomac Associates, The Club of Rome has arranged for editions to appear in some twenty languages. As to date, the American, British, French. Italian, Dutch, German, Japanese, Danish, Norwegian, Swedish and Spanish editions have appeared and have been widely distributed, attracting exceptional press comment and generating much controversy.

A Technical Report, *Dynamics of Growth in a Finite World*, describing the work done at MIT, is now available. It contains full details of the assumptions made and an exposition of each of the inputs into the model. *Toward Global Equilibrium: Collected Papers* is another volume of studies in depth of population, natural resources depletion and other key variables of the model. Both books can be obtained from Wright-Allen Press, 238 Main St., Cambridge, Mass., USA.

Important as the MIT report is as a pioneering entry into the new field of investigating the world problematique, it by no means represents the totality of the Club's concern and approach. Much new research into global, regional and national systems is required, as well as extension towards the consideration of broader social and value issues and a penetration into some of the deeper problems of the human future. *The Limits to Growth* is not a statement of The Club of Rome credo, but a first hesitant step towards a new understanding of our world.

LIMITS TO GROWTH—INFLUENCE AND CRITICISM

It is difficult at this stage to assess the significance of the report. Reactions to the book, both positive and negative, have been remarkable, both in the United States and Europe and indicate that despite criticisms of its scientific accuracy and even its basic validity, it confirms the qualitative and intuitive conclusions of many. Many government departments and international organizations in different countries are discussing it and, in some cases, setting up models to test and extend it. Literally hundreds of conferences and seminars, round tables and public debates, television discussions and parliamentary questions have taken place on this subject. In several countries it has become a matter of party political controversy. It has been discussed by the boards of multinational corporations. It has become a matter of controversy between members of the Commission of the European Communities. An important *rencontre internationale* was organised in Paris by the French Minister of Finance, Monsieur Valéry Giscard d'Estaing, with the participation of leading world personalities with, as a key theme, 'where does growth bring us?'. It has been discussed by the Parliamentary Assembly of the Council of Europe. A paper prepared at the request of the Council of Eupore on *The Limits to Growth in Perspective* can be obtained by writing either to them or to The Club of Rome. In the paper a summary of the criticism is given in the form of 'point and counterpoint'. An interesting visual presentation of the ideas of The Club of Rome has been arranged in Rotterdam, in three beautiful and centrally located pavilions made available by the municipality. This exhibition was opened by the Queen in the presence of the Prime Minister and many other high officials. A more permanent and extended exhibition is now being planned. Most of the serious press, as well as the radio and television of many countries, have carried features on the growth issue or have taken sides in the debate.

Criticism of the report has come mainly from the traditional economists, from people who expect solutions to all the problems of the world from the cornucopia of science and technology and those who maintain that growth is an inbuilt characteristic of our system and that without growth, stagnation, decay and finally death will result. The reactions of the economists have been most violent and at times highly emotional, but there are signs in several places that many of the younger economists look upon the whole issue quite differently. Positive comments have come primarily from environmentally-oriented groups, political and social observers, and many of the commentators in the press, as well as from members of the general public.

It may be useful to comment on the nature of the main lines of criticism. Some of these are in fact criticisms of what the study does *not* set out to do. For example, both the work team and the Club stated clearly that it should not be regarded as a scenario for the future, but an analysis and projection of trends and their cross impacts to indicate the consequences of continuing with present attitudes and policies with the express purpose of inducing deliberate change in these attitudes and policies in order that the projected future shall never materialise. It is therefore a complete misunderstanding of the aims of the study to dismiss it on the grounds that projections of the future from the present are always falsified by time, by the appearance of new factors and discontinuities. The MIT model hopes indeed to pave the way for the introduction of such discontinuities, rather than to rely on the haphazard intervention of external events or natural catastrophe. Again, many berate the model for pretending to provide a basis for policy change, stressing as does the book itself that even, if current trends are true, they will never manifest themselves uniformly or simultaneously in the different environments of our heterogeneous world. This is true; the MIT model cannot in its present preliminary state provide a sure basis for policy change. It is, however, highly significant as a first attempt, crude and tentative as it may be, to look at the operation and interactions of a few of the more important and quantifiable variables of the world system. With our growing appreciation of the interdependence of peoples, such an approach, subject to validation, extension and refinement, provides a perspective against which regional or national systems can be studied and developed with a realism which can never emerge from approaches isolated from the current of global forces. We are, of course, fully aware of the need for studies of disaggregated projects within the world perspective.

We freely accept that there are many gaps and imperfections in *The Limits to Growth*, not at all surprising in a first pioneering attempt to probe into a new field of research. However, the book seems to us to be outstandingly important for three reasons:

It has been most timely and successful in focussing attention on essential problems which, irrespective of the validity of the detailed findings of the study, may determine the future of society, and in initiating a debate throughout the world on the dominant uncertainties of our times;

It has opened up a new field of extension of human knowledge, namely understanding of the operation of the world system as a whole, and in the process will inevitably have a considerable influence on the science of economics, despite current protests: some of the new approaches are mentioned below;

It gives a perspective and some base, albeit tentative, within which national efforts in science and technology can be reoriented towards the general well-being of our species.

UNDERSTANDING THE PROBLEMATIQUE—THE NEXT PHASE

As already said, the MIT research, while a magnificent pioneering effort, is only the first step in this important task of understanding the problematique, on which so much depends. It has already stimulated much new work, a few items of which are mentioned below. Members of the Executive Committee receive many communications from colleagues in different parts of the world, whether proposals for new research or requests for advice concerning the desirability of new approaches. It may be useful to summarize briefly a number of areas where, in the view of the Executive Committee, new research is urgently required, with indication of existing initiatives.

1. Refining, deepening, and extending the present model

There is an obvious need to reassess the validity and implications of the initial model, taking account of technical criticisms, new data and more accurate assumptions, as well as of adding new variables as and when these may become quantifiable. Professor Meadows, in his new location at Dartmouth, will no doubt be concerned with this. The Science Policy Unit of the University of Sussex, a British Government Department, the World Bank, a group of scientists at CERN and many others are attempting to repeat, modify or discredit the model. A Washington analyst, Michael Deutsch, is undertaking a thorough analysis of the MIT model and findings. We can only say that this will be an unending activity.

2. Disaggregations

It is evident that studies of a similar type, but confined to particular countries or regions, are required; and no doubt some of the above models will develop in this direction. A series of models of Japan as well as of world nonrenewable resources are in construction and one of West Germany in the enlarged European Community is contemplated by German scientists with a side study of the relationship of Europe to three large developing areas beset by serious population growth problems. Professor Timman of the Technical University, Delft, also intends to work on a project concerning a large area of the European Community where further growth may determine unmanageable crises. Such disaggregated models may well enable social and other factors to be taken into consideration and will throw light on the dependence of the industrialised countries on raw materials from abroad and particularly from the less developed countries. It is probable that many such national or sectoral models will be developed in the next few years.

3 New methodologies and steps toward practical action

Already many months before the appearance of the limits book, Professor M.D. Mesarovic of Case Western Reserve University in Cleveland, Ohio, and Professor E. Pestel of the Technological University of Hanover initiated a new research project entitled *Strategy for Survival* in order to provide a systemic policy instrument as an aid for the formulation of adaptive social, political and economic policies to combat the multivariant crises which are to be faced in different parts of the world in the coming years and decades. The decision tools to be developed by this project will be in the form of a set of interactive computer models which crisis-analysts and policymakers can use effectively. The thereby achieved provision for the heuristic uncertainty, impredictability and variability of human responses and actions is essential for an adequate realistic modelling of the dynamics of mankind's present situation and future development.

Hence, the construction of the model is based on the multilevel, hierarchical systems approach. In its present version the world model consists of seven interacting regions: (1) industrialised countries (free market), (2) industrialised socialist countries, (3) China, Mongolia, North-Korea, (4) Rest of Asia, (5) North Africa and Middle East oil countries, (6) Rest of Africa and (7) Latin America. Each of them is represented by a three-strata structure:

The causal stratum containing all processes whose future evolution is fully determined by internal dynamics, present conditions and external impulses. In addition to physical and ecological processes, the causal stratum contains other processes, for example, operational and short-term economic activities which through feedback-loops respond to immediate conditions and influences;

The decision-making stratum (goal seeking) representing the response of society and its institutions to everchanging crisis situations in an adaptive manner;

The norms-formulation stratum representing the values and needs which guide and constrain the goal-seeking processes.

In a recently completed Progress Report the feasibility of the project has already been demonstrated.

Even without the decision-making and norms-formulation stratum, the regional computer models, having been integrated into a single regionalised global model, will yield a deeper insight into the evolution of the *Predicament of Mankind* than was achieved by the limits model since it will indicate in a more realistic manner the time and nature of the specific different crises to be expected in the seven regions, and thus will, even in this preliminary stage, provide a scenario for realistic political, economic and technological alternatives in the various regions and their regional and global impact. The first results of this study were demonstrated on the computer at the recent meeting at Jouy-en-Josas with particular reference to energy problems. Members of the Club were impressed by the real possibility which this approach provides of enabling policy analysts to dialogue with the computer, present policy makers with sets of options, and test the consequences of alternative decisions.

4. Problems of development (and economic justice)

To some the MIT report appears to be a somewhat technocratic, defensive and even politically reactionary manifestation of the fears of over-industrialised countries. This is far from the intention of its authors and of The Club of Rome—which takes no sectoral approach on behalf of the affluent, industrialized countries but is concerned with the world situation and the human condition in the total sense. The limits book, it is freely admitted, makes all too clear the plight of the developing countries within our closed system, but it does at least pose the problems in an inescapable manner. It is urgent, however, that in a more disaggregated approach to the world problematique particular attention be given to the problems of the less developed countries in the context of our finite planet. This is inherent in the Mesarovic/Pestel model. The scientists at CERN hope to follow separately the evolution of the rich and the poor parts of the world and find out whether the present world organisation and wealth distribution confirms or worsens the predictions of the MIT model. The need to study separately the economic and social pathos of highly industrialised and underdeveloped regions is all too obvious when one remembers (to quote Barbara Ward) that a child born in the United States is likely to consume 500 times more material resources than one in poor areas of Africa or India.

Following the seminar held by The Club of Rome at Rio de Janeiro in July 1971, a group of Latin American scientists decided to undertake a study of the world from the point of view of the developing countries. A project was elaborated and is now in operation at the Fundacion Bariloche in Argentina. This study, known as *The First Alternative World Model*, is being undertaken by a team from a number of different Latin American countries, led by Dr. Amilcar O. Herrera. The project will include a thorough analysis and criticism of the MIT model and its implications from the point of view of the less developed countries and will then proceed with the building of a new model. A basic feature of this will be the working out of a welfare index which should be a minimum reasonable and attainable birthright of every inhabitant of the earth. Growth hypotheses will be developed to see how such a level could be achieved in 30–50 years, how the economic gap which separates developed from underdeveloped countries could be eliminated and to determine the extent to which these objectives are compatible with the limitations of the ecosystem.

5. The world population problems

Rapid increase in world population, especially in regions already ill-favoured, appears to us to be at the centre of gravity of the problematique and we feel that the establishment of wise policies for the stabilisation of population levels and the technical and educational measures which must accompany them are of top priority. We particularly welcome the activities of the United Nations in this field, which will culminate in a World Population Conference in 1974.

Following discussion by representatives of the Club with Mr. Rafael Salas of the United Nations Population Fund, a grant has been authorized by the latter of El Colegio de México for a study of critical areas in the population field, in preparation for the debates which will take place during the United Nations Population Year. This study will be supervised directly by Victor Urquidi and be developed in cooperation with outstanding experts in various parts of the world.

However, while there may be reason to hope that as a result of wise policies, economic improvement and natural causes, the growth of world population will be slowing down by the end of the century, it is generally considered that a further doubling will be inevitable, probably within the next 30–40 years. A special study is therefore being elaborated under the general guidance of Professor Jan Tinbergen. The project, called *Population Doubling Problems*, will be led by Professor Hans Linnemann of Amsterdam Free University. This study (not strictly a model) will investigate the ways and means required to accommodate the second wave of inhabitants of our planet and then to supply them adequately and decently with food, goods and services, without impairing the natural and human ecology. Its objectives are thus rather similar to those of the Bariloche project. Since some parts of the world are already achieving a population equilibrium, while others are in an explosive phase, this project will have to be disaggregated. While essentially economic in concept, it will include special studies, particularly with regard to food production and the possibilities of alternative, non-traditional food sources. The project will also attempt to identify various alternative 'solutions' and policy instruments. Although the work will be based in the Netherlands, coordinated studies will be undertaken in other European countries, such as Sweden, Belgium, and elsewhere. It is hoped that a series of deep complementary studies of population trends, looking towards a global population strategy, will also be undertaken, concerned not only with total population increase but also its concentration in urban areas.

6. Another kind of growth

The research areas described above have already attracted scientific interest and work has begun. There are, however, a number of fields related to the problematique where, although many specialised studies are in progress, little comprehensive work is planned as yet. One of these is the growth process itself.

One of the most striking features of *The Limits to Growth* is the demonstration of the possibility of creating an equilibrium state for the world, which would depend on population stabilisation and an end to undirected economic growth as we conceive it today. To many, this seems a bleak possibility. Economists tend to regard continuous growth as an essential concomitant to the operation of our present system, both market economy and Marxist. It is abhorrent to the industrialised countries which count on further growth to provide the resources for social development through education, health care, urban improvement, etc. It is equally menacing to the developing countries who see, in the suggestion that growth should be slowed, the end of development aid and prospects of continuing poverty and misery. The whole question of the growth process requires urgent study as well as what might be the nature of a world equilibrium state. Following the March 1972 meeting at the Smithsonian Institution of Washington, the Woodrow Wilson International Center has started an important investigation into *Aspects of Sustainable Growth* taking into account many of the preoccupations of The Club of Rome. It will pay serious attention to "qualitative" elements of growth and endeavour to identify social as well as economic indices of welfare and to quantify diseconomies. Many other institutions and international organisations are, of course, also attempting to measure social as well as economic costs and benefits, and some progress can be expected in relation to the development of acceptable social indicators and national welfare indices to complement Gross National Product as a measure of growth.

The concept of an equilibrium state of no-growth is ill-defined and easily misunderstood. The term is generally conceived as one of a static equilibrium which conjures up images of inertia, decay and boredom. On the other hand, various types of dynamic equilibrium can be postulated which would make possible social, cultural and quality developments—certainly no less rich than the material products of the quantitative growth of today. There is great need for deep study of the nature of possible alternative systems in dynamic equilibrium, the development of growth indices which, unlike GNP, distinguish between the purely material aspects and the quality elements and even within the purely material aspects of economic growth itself, there are wide variants of possibility which might well permit desirable and sustained growth, tolerable within planetary limitations and free from the undesirable features of our present economy of consumption and waste. The institution of new growth forms would, of course, necessitate radical changes in both government and industrial policy and would further have to be derived from new socio-economic theory. It is not inconceivable that a new school of quality entrepreneurs will arise as agents of such change. It is to be hoped that the work of The Club of Rome will stimulate serious studies on all these matters in the very near future.

7. The new research imperative

The findings of the initial project and the general approach of The Club of Rome have much significance for science policy and for the reorientation of research. As already stated, the present crisis in society cannot just be blamed on technology and on the science which gave it birth. It is rather man's wisdom which has been lacking, his lack of sense of direction in his probing for new knowledge and the absence of control and management of technology.

The time has come for a fundamental reassessment of science and technology, their place in society and the promise which they offer for the future. At a meeting of Ministers of Science of the OECD Member countries held at the end of 1971, there was unanimous agreement that scientific research and technological development held great promise for the future but that research programmes would have to be reoriented profoundly, particularly in the direction of solving social problems. It was agreed that science could no longer be regarded as an autonomous area of policy but as one which would have to evolve in articulation with economic, social and other aspects of national and global policy. But herein lies the difficulty. It takes a period of upwards of ten years between the initial comprehension of a new scientific concept or of a new research discovery and the first appearance of its application as a product on the market or as a social innovation. If this research is developed in relation to current social or economic policy, its results will always tend to come too late. We are likely to see this happen with regard to the impending energy crisis—with petroleum products becoming scarce and costly, yet alternative sources, such as those from breeder reactors and nuclear fusion, still in the future, and research on coal gasification and the like, which has been relatively neglected in the years of oil supremacy, being resuscitated with crisis priority too late to provide a solution.

In the field of science and technology, therefore, the needs seem to be:

A reassessment of technological potentialities vis-a-vis the problematique, reorientation of effort in many new directions apart from defence, national prestige and economic growth—which have been the main goals and money sources of research in recent years;

The creation of more dynamic research structures and non-institutionalised methods, the serious cultivation of the multidisciplinary approach which the multivariant nature of the problematique demands, with corresponding changes in the educational system;

The development of new methodologies of long-term scientific planning in an economic and social perspective;

Considerable effort to tackle problems in the social and service sectors and of the achievement of innovation in such areas where the incentives of the market play little part;

The development of a range of technological software to attack problems of society and government;

Comprehensive work on the assessment of social and cultural as well as economic consequences of new technological processes and fields, to ensure that alternative paths of development are selected which can be socially acceptable;

Assessment of the energy requirements of the new processes which, through substitution, recycling of materials, etc. may provide alleviation and partial solutions;

Study of global problems, not only in terms of the models and approaches outlined above, but in relation to the total use of resources, exploration of marine possibilities of new energy sources, etc.; also the establishment of a world conservation centre;

The establishment of a world industrial bank to ensure that major new technological developments, which in the next generation are in any case likely to be beyond the possibilities of the individual firm and the individual country, are made possible for mankind as a whole, avoiding wasteful duplication;

In technology, special attention to the development of new approaches and systems appropriate to the needs of an equilibrium society, such as pollution-free processes and anti-pollution devices; efficient materials, recycling processes, work on lower grade materials, the evolving of efficient labour-intensive industries.

The Executive Committee has invited Professor Dennis Gabor, assisted by Professor Umberto Colombo and in cooperation with some of the scientist members of the Club, to explore the possibility of setting up a high-level scientific group to determine some of the scientific research priorities, problems requiring immediate attention and those of phased research planning, to attack some of the more vulnerable points of the problematique.

8. The lemming syndrome

Evidence seems to be accumulating that social unrest and individual dissatisfaction reach a crisis level in biological systems, including that of homo sapiens, well before food runs out and material arrangements begin to crumble. This is already noticeable in some areas of exceptionally high population and industrial density. The great increase in world population to be expected in the next few decades, as well as the migration to cities, which will be speeded up as demands for food intensify and require a high capital intensive agriculture, will give rise to huge urban conglomerations which will multiply the psychological effects of overcrowding and proximity. We know little about this problem in depth; indeed it is not certain that it is a real phenomenon. It is, therefore, important to begin work on it in case, as is not improbable, it proves to be a major agent of disruption and chaos.

9. Social problems—The value system and survival

We have already stressed the importance, within the problematique, of social elements and social symptoms and have indicated how these were necessarily excluded in the initial world model of MIT. Indeed, until there is a more sure development of social indicators, the inclusion of such factors is extremely difficult. The importance of including social factors and consequences, however, cannot be overstressed.

It is naturally easier to include social variables within disaggregated models of particular countries or regions with a certain degree of cultural homogeneity than it is in the global approach. We are particularly glad, therefore, that our Japanese colleagues have already started work on a model of their society in which these factors will dominate and in which the significance of recent social events will be included. Interesting also is the new *Dematel* (decision making and trial evaluation laboratory) project of the Battelle Institute of Geneva which is conducting a survey by an intensive modification of the Delphi approach, of the relative gravity and interconnections of the various elements of the problematique as seen by decision makers in many parts of the world.

Many of the manifestations of the problematique are already causing people, and especially the young, to question the validity of our present socio-economic philosophy. Others, such as Dennis Gabor, remark that our present civilisation is based materially on the solid foundation of scientific technology and 'spiritually on practically nothing'. Over centuries, our society has ostensibly operated, albeit somewhat hypocritically, on the Christian ethic of 'love thy neighbour' and the hope of future salvation. This has been tempered, it is true, especially in the Protestant countries, by acceptance of the virtues of hard work and the respectability of success. Nevertheless, it constituted a *raison d'etre* for the individual and society. More recently, socialism raised the standard for the creation of heaven on earth, of equity and human betterment—at times with the fervour of a true religion. However, as affluence increased and the rationalism of science prevailed, faith in the traditional religions faded and social reform as a result of its own successes has less allure and indeed its cultural, and institutional manifestations seem strangely dim. So we are left with our material successes gone sour on us and with little motivation or collective emotional drive towards worthwhile goals for our race. Our rational-material, neochristian system of values including those of individual freedom and human dignity are questioned, with little in the way of an evolving replacement. Many of those who question our present values most bitterly are merely destructive in their approach. The Tolstoy reaction of 'back to nature' becomes ever more unrealistic as population increases and technology dominates.

For reasons already explained, the study on limits to growth was unable to include the values problem. However, the debate on the problematique may well generate a new search which the social scientists, including the behaviourists, have hardly dared to tackle.

In the meantime, as the crisis mounts, we may have to adopt a supreme ethic of survival for the human race and in our decisions measure the possible effects of alternative actions in the light of their possible positive or negative influences on the probability of survival, and at the same time consider the extent to which the quest for quality of life can pave the way towards a new system of values.

10. Man and his destiny

These comments on the need for a new value system lead to questioning of whether we are not indeed facing a deep and basically biological crisis of the human species. Until recently, the average man, fully occupied with his struggle upwards from subsistence, had little time to think. He was tranquilised by the conventional religions, kept docile by "bread and circuses" and, despite many notable exceptions, left the basic problems to priests and philosophers. Towards the end of the last century, with the rise of the physical sciences, a wave of materialism and rationalism intervened and began to question the traditional tenets. Freud, Marx and a host of others deepened the questioning, but recognition of the Darwinist principle of natural selection seemed to provide some keys. Survival for the fittest, leading to the evolution or annihilation of species, gave a tangible, if vague, hope for the future. The secularisation of society and of its purpose has now spread, with education and affluence, until in the rich industrialised countries it is now generalised and has become one of the causes of the contemporary questioning of our values. It is also a cause of present-day violence and crime, of the alienation of individuals from their society and of general aimlessness. On the other hand, it leads the young to seek new forms of religious satisfaction, to experiment with mysticism, to seek new and heightened perception through drug-taking on the part of those who feel alienated and distrust rational scientific approaches.

Organic evolution in fact holds little promise for the further evolution of man; its processes are too slow in the face of man's potential for self-destruction. His societies will either disrupt or he will design his own betterment long before nature can evolve a higher from for him. In the last 2000 years, man has developed his physical power and increased his information base to an incredible extent, but there is little sign that he has increased his wisdom or spiritual capacity during that period. He is presumably ity during planetary species aware of his own predicament and with the potentiality of self-development, yet the very forces in his nature which have raised him above the animals weigh against deliberate self-evolution The struggle to survive has cultivated aggressive characteristics, vanity, greed, desire for power, etc., which are not the elements or which to build the wisdom he now requires On the other hand, men have learnt to cooperate with one another and live in societies—however fragile—accepting collective values, and objectives. Our destiny is in our own hands: how can we learn to achieve it?

11. Institutions and policy making

We return now to more concrete matters. There is a growing awareness by many governments of the inadequacy of their structures and policy-making methods to face up to the problematique as well as a growing need to broaden and localise participation in decision making. Most governments are organised through a vertical hierarchy devised to meet the needs of earlier simpler times and ill-suited to face the "horizontal" nature of so many of the problems they face. The machinery of government gives little importance to the staff function found to be so important by the military and the large business corporations. Most integrative decision is with the Prime Minister or Cabinet, although coordination and decision on a horizontal basis is ever more required at many levels. The increased span and scale of governmental responsibility have multiplied the size and power of the bureaucracy which even at its most intelligent has the function of ensuring stability and continuity, and hence is inevitably resistant to change. Adjustment to rapidly changing events is thus inherently difficult. A further major difficulty arises from the four to five-year cycle of parliamentary elections in the democracies which, with the need for election or re-election, forces all political parties to concentrate on short-term issues which are the subject of public concern. This mattered little until recently when long-term problems ripened slowly. With present rapid rates of change—and of public perception of change, political, economic, social and technological—the so-called long-term often becomes actualised in five to ten years, that is in the next administration. This has the consequence of the recurrent emergency, of crisis management, and the ineffective handling, for example, of monetary problems, inflation, balance of payments difficulties, educational reform, etc., met all too often by instituting measures which are superficial and merely palliative, while avoiding the fundamental causes which lie within the problematique.

These are but a few of the difficulties of governments in facing complexity. They are leading to structural experiment and innovation, to the creation of "think tanks" and of centres for the study of alternative strategies and policies. There is need for much more intensive research on the policy-making process and for confrontation of experience if the problematique is to be coped with.

12. *The political consequences*

It is premature to discuss the political consequences of the type of situation which may arise if the tendencies of the MIT report are even approximately true. Abandonment of growth as a main objective and the evolution of new policies toward a dynamic equilibrium and quality of life runs counter to many of the principles inherent in both capitalism and Marxism. Among other consequences, the slowing down of growth would greatly accentuate our present problems concerning the distribution of wealth and also the posture and objectives of industry. Intrinsically, *The Limits to Growth* is a profoundly revolutionary document, not in the strict political sense, but through *la force des choses*. The Club of Rome is convinced that change is necessary and indeed inevitable but would not at this stage wish to take a political position. We do feel, however, that there is urgent need for all political parties and ideologies to analyse the political consequences of its message and for scholars to begin to consider the possible alternatives.

REASSESSMENT OF OBJECTIVES

The recent meeting of the Club in France—the first to be held since the publication of the MIT report—provided a useful occasion for members to reconsider its objectives and methods as well as for review of current activities and discussion of problem areas concerned with the problematique which demand immediate attention. The widespread public and political interest which the report has evoked, together with the extent of controversy has, quite naturally, identified The Club of Rome too exclusively with this first project. It is not generally recognised that "Limits" is a report *to* the Club, of the first major research which it has sponsored. It is not a report *of* The Club of Rome. An erroneous image of the Club has, therefore, formed as a group advocating zero growth. Again, the possible consequences of unregulated growth of the industrialised societies and, still more, those which would arise if growth were abruptly brought to a halt, has disturbed some of the less developed countries where, we have already said, the report is all too easily seen as a selfish proposal from the developed world which would still further aggravate the difficulties of the great mass of underprivileged on our planet.

Without in any way lowering our appreciation of the MIT team work, or our conviction of the reality and urgency of its warnings, the members of the Club recognised that it is a beginning and not an end and restated their concern for the wider aspects of the problematique. In particular it was agreed that The Club of Rome is:

Not a group of advocates of zero growth, although we feel strongly that the nature, tendencies, qualities and consequences of growth require deep and continued analysis and discussion;

Not a club exclusively devoted to problems of industrial societies, attempting to find solutions to the difficulties of affluence, but a group concerned with the world system as a whole and with the disparities which it includes;

Not a group of futurologists, but of individuals who realise the necessity of attacking, now, longer-term and fundamental problems which are difficult to approach with our present methods of government and which could give rise to irreversible situations;

Not a political organisation, either of the right or of the left, but a free assembly of individuals seeking to find a more objective and comprehensive basis for policy making;

Not a body devoted to public propaganda for change—although, should we succeed in better delineation of the elements of the problematique, we are convinced that our results should be made known universally through appropriate national and international organisations and media.

Having stated, therefore, what The Club of Rome is not, we reaffirm our role as a group of world citizens, sharing a common concern for the future of humanity and acting merely as a catalyst to stimulate public debate, to sponsor investigations and analyses of the problematique and to bring these to the attention of decision makers. To undertake such tasks, the Club must remain small, but not detached from public contact or become elitist. It should remain a club or non-organisation if it is to be quickly effective; should resist attempts to organise more formally with all the bureaucratic rigidities and lack of tempo which this might entail; and remain free from political affiliation.

Thus the concept of the Club as a non-organisation remains; its essentially catalytic function is its main asset which would be frittered away were it to accept continuing service or public relations functions which demand organisation, budgets and a full-time staff. At a recent meeting, the Executive Committee discussed whether the Club, having achieved its initial aims of generating the debate, securing some understanding of the nature and magnitude of the problematique, and having helped to open the door to the investigation of the workings of the world system, should not now disappear. We felt this to be premature, but we do think that it is a question which we should raise from time to time. There is still a need for a concerned but politically uncommitted group to raise questions and stimulate new studies. How then should our role be developed?

We feel that our task is essentially that of questioning, of formulating and delineating problems and of preparing for decision makers elements of information and experience as well as alternatives which will help them in making their decisions. Our function is advisory and not executive: we should be prepared to establish relations with decision makers similar to those of operational research units, providing alternative bases for decision, but never aspiring to the decision-making process ourselves. We may, of course, decide later to suggest alternative policies but not to indulge in political advocacy.

We do feel, however, that there is need for an equivalent of The Club of Rome at political level for senior ministers to meet from time to time—not to negotiate but to compare their experience with regard to future planning and their success and failure in facing up to the complex of problems with which the Club is concerned. This is the concept which we term *The World Forum.*

With its limited resources—particularly the time of its members—the Club is obviously unable to mount major campaigns of public debate and information on the problematique, although we regard it as important that this should be done. Our first project, having attracted so much attention in the press and on television, has ensured that this need is in fact being met spontaneously. Particularly encouraging has been the formation of national Club of Rome groups in Japan and the Netherlands. These groups, while in close touch with the Club itself, are completely autonomous and nationally based. We hope to see the arising of similar movements in some other countries such as Sweden, Denmark and Belgium and we hope that there can be spontaneous meetings of members of the Club within particular countries to that end. It is particularly to be hoped that, around Club of Rome projects, groups in which non-members of the Club can participate actively will form and operate across national frontiers. We are also on friendly relations with a number of national and international groups with objectives akin to our own such as the International Federation of Institutes for Advanced Study (IFIAS), the European Cultural Foundation, the World Law Fund, l'Institut de la Vie, le Groupe des Dix, and many others. A number of other associations—both national and international—are also in existence and pursuing aims similar to our own in a rational and purposeful manner. We shall seek contact and complementarity in our work with theirs.

And we hope that this paper will elicit interest, observations and suggestions from many more quarters.

THE INFLUENCE OF INTERNATIONAL FACTORS ON DOMESTIC PETROLEUM EXPLORATION

Mr. STEVENS. Mr. President, yesterday, March 19, 1973, Mr. Michael T. Halbouty gave an address on the "Influence of International Factors on Domestic Petroleum Exploration" before the Cosmos Club in Washington, D.C. This address traced the history of international exploration for oil since Colonel Drake discovered his famous well in 1859 in Pennsylvania. This address discussed the complex historical factors influencing the present international oil situation.

Our present energy crisis is critical. Domestic consumption is 16 million barrels per day. Domestic production is 11 million barrels per day. This requires the importation of 5 million barrels per day.

Back in 1956–58 15,000 independents were producing. Now there are less than 3,500. Independents, I am informed, have found 80 to 85 percent of the major discoveries in this country. The free enterprise system has permitted the United States to take the lead in oil exploration and development. At this critical time in our history, it is imperative that we continue to encourage the development of our domestic oil supplies.

But to do so, we will have to keep in mind the international historical factors which have created the present state of affairs.

I request unanimous consent that the address by Mr. Halbouty be printed at this point in the RECORD in its entirety.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INFLUENCE OF INTERNATIONAL FACTORS ON DOMESTIC PETROLEUM EXPLORATION

(By Michel T. Halbouty)[1]

PRE-INTRODUCTION

Domestic exploration has been declining for nearly two decades and, today, it is the

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Footnotes at end of article.

lowest in our history. This, in turn, has resulted in an energy crunch—or more seriously speaking—a pending energy crisis.

Many people, lately, in various capacities, have given their reasons for this dilemma in which this nation finds itself, and it is interesting to note that the major important factor—international developments—has not received and does not receive its due and proper consideration.

So, in order to present this address in proper perspective, I decided to go back to August 27, 1859, which is the discovery date of the famous Drake well, near Titusville, Pennsylvania, which marked the beginning of the petroleum industry in the world as we know it today, and to trace what has happened in international petroleum affairs from that date to the present—a time span of 115 years. The profound effect, that these affairs had on domestic petroleum exploration during hot-wars, cold-wars, and in-between floating periods of peace, is indeed remarkable.

What I have just stated to you is really a pre-introduction to the introduction. Now, I intend to go into the introduction of the presentation and then to the paper itself.

INTRODUCTION

There was a headline over a story in the Wall Street Journal on December 26, 1967, which read: "USSR Gets Foothold in Mideast Oil Output by Agreeing to Help Iraq to Develop Resources." [2]

The story went on to point out that the Soviets had achieved a breakthrough in access to Middle East petroleum. It added that the Russians had been given the right to explore and develop two important areas of Iraq, including the 32,000 square mile Rumailia district of southern Iraq on the Kuwait border.

Prior to 1960, this area had been held by the Iraq Petroleum Company, owned by a consortium of American, British, French, and Dutch interests.

This acquisition of Iraqi territory for petroleum exploration was the master stroke of a half-century of patient, persistent, and determined effort by the Communists to gain such a dominant foothold in Middle East oil. In this effort, the Soviets' planned program had included the Suez crisis of 1956–57 and the six-day Arab-Israeli war of 1967.

Last year the properties of the Iraq Petroleum Company were seized and nationalized by the Iraqi government which was the final step in a campaign which has been encouraged by the Communists and which now places them in a strong position in one of the important Middle East producing countries for the first time.

The Russians believe today, as they have believed since the establishment of the Soviet Union, that petroleum is the way to conquer the world.

Probably the most challenging question of the atomic age is, "What can the free world do about it?"

It is obvious that through the Arabs, the Soviets eventually intend to take over all of the oil holdings of the Middle East and northern Africa. With that control of petroleum, they will woo and probably eventually win most of Western Europe and much of Asia. The ultimate goal, of course, is the world.

For one to thoroughly comprehend the meaning of what I have just stated in the introductions, it is now necessary to understand the background which created the plight which faces this nation and all other petroleum "have-not" nations of the world.

EARLY PETROLEUM HISTORY

Since the day Colonel Drake brought in his famous well in western Pennsylvania in 1859, international factors have influenced domestic exploration in this country.

The Civil War

The Civil War, which started less than two years after that momentous discovery, is a good example. The Union was able to offset its world cotton trade loss with oil shipments. In fact, exports far exceeded domestic use of oil throughout the war. The war also received a great financial assist for the North through a $1 per barrel tax on oil for the duration. Oil also helped keep northern industry operating at a high level.

This condition led to constant exploration for more petroleum during the Civil War and a stepped-up program immediately after the war.

LIMITATIONS AND DECLINE OF U.S. SUPPLIES

Between 1859 and 1874 this country provided 90 percent of the world's oil. Between 1874 and 1883 our production was never less than 80 percent of the world total. In 1884, when the Baku fields in Russia started producing, this dominance began to dwindle. In fact, between 1898 and 1901 Russia was the world's leading oil producer. Spindletop, and the fields that followed it in the southwest, returned the United States to oil leadership in 1902. By 1914, the first year of World War I, the United States was producing five times as much oil as Russia.

International importance of petroleum

In the meantime, several international factors had come about to influence a stepped-up demand for oil exploration in this country. One factor was the dual recognition by the British that (1) oil was necessary to the operation of their navy, and (2) their navy was the backbone of the British Empire's world power leadership.

Of course, the United States and other navies of the world, as well as merchant marine units, had also started converting to oil. As early as 1916, the President of the Board of Trade in England told the House of Commons that England had to secure control of the world's supply of oil. In that year, the United States was producing 777,000 barrels of the world's 1.18 million barrels of oil daily, or approximately 66 percent.

Those were the days of repeated feast and famine in the domestic industry, variations that are the reason foreign countries were unable completely to rely on American oil. In order to safeguard their needs, British, Dutch and French companies were beginning to explore in the Middle East, Mexico, Venezuela, Colombia, and the Far East.

The seeds of oil policy problems, both national and international, were sown largely during the period between 1910–1916. American oil companies first started searching for oil on a worldwide basis in order to supplement and protect their foreign markets.

In the early 1910s, American oil companies received a considerable setback when the State Department served notice that all American nationals in alien countries would have to go on their own. This policy meant that Americans in countries such as Venezuela were left without government support behind them, and resulted in many valuable foreign oil properties passing into the hands of the British and the Dutch. The fact is that when World War I started in 1914, Americans were producing oil in only two foreign countries—Mexico and Rumania. Dependence of other countries on the United States for petroleum kept exploration activities at a very high level in this country.

It was World War I, incidentally which created the long prevailing Mid-East problem. The tremendous potential for discovery and development there created a rivalry between the great powers in their search for oil independence.

It was during the period of 1911–1914 that the British first recognized that they could not drive their ships at the desired 25 knots with any fuel except oil. Therefore, on July 17, 1913, Winston Churchill announced the British oil policy to acquire its own supply from sources under British control or influence. At that time, the Germans, French, Dutch, and Russians were entertaining similar thoughts. So that was the beginning of the departure of other countries from dependence on the United States for petroleum.

An example of the unreliability of United States' supply occurred in 1912 when this country was suffering one of its oil famines, which was ended abruptly by the discovery of Cushing Field in Oklahoma. Cushing established Oklahoma as the premier oil state and dropped crude prices from $1.05 to 55 cents per barrel. Within less than a year, Cushing began to decline and this country was in another state of oil famine, which proved the point that Churchill had brought out so eloquently: England, as well as other countries had to have its own supplies of petroleum; none could depend on supplies from the United States.

ERA DURING AND IMMEDIATELY AFTER WORLD WAR I

Drain on U.S. reserves

By the time we entered World War I in April 1917, petroleum had become "indispensable" to the world's activities, and a worldwide interest in exploration developed.

Despite its unreliability as a source of supply, this country provided for the Allies 90 million barrels of oil, or virtually all of the oil used in land, sea, and air operations in World War I.

During that war, the world was first warned by the *Petroleum World* of London that there was an impending shortage of petroleum.

Wide international interest in oil brought new interest in exploration for oil. The demand brought prices which attracted new risk capital in this country. Gasoline, in which sold for 13 cents per gallon in 1914, had doubled in price by May of 1917, and there were persistent rumors that these prices would go as high as 40 cents per gallon.

Fear of "running out of oil"

In the United States the shortage was acute. A. C. Bedford, President of Standard Oil Company of New Jersey, was appealing to every oil producer in the country to seek the utmost possible output of crude oil. He called such output a patriotic duty, adding "Frankly, there is no shortage of oil, simply a shortage of effort to get it out of the ground." [3]

As a result of pleas by Woodrow Wilson, the President of the United States, and Bedford, oil production was stepped up by almost 100,000 barrels per day which was actually a little more than one-tenth of production in that year. After the United States entered the war in 1918, and the demand for oil became virtually impossible to meet, the price of crude had advanced to $2.25 per barrel, up from $1.40, adding great stimulus to exploration.

After World War I, and during the period from 1919–1923, there were severe worldwide oil shortage scares which resulted in increased activity in all foreign fields in the search for oil.

It was during this period that Secretary of Commerce Herbert Hoover called leading oil company executives to Washington and told them to "get out and find some oil." He said that if we had to depend upon foreign sources, our own American companies should lead the exploration.

Britain and Holland were already strong in Mexico and had the cream of the concessions in Venezuela—thanks to the United States nonprotection policy which was established just before World War I.

United States shut out of foreign exploration

Although the United States was still supplying 72 percent of world production, American companies were excluded from oil rights in many countries, notably in the Middle East mandated nations through the

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San Remo Oil Agreement. The San Remo agreement was signed April 24, 1920, and under its terms, the British and French divided between themselves all the Middle East oil. The agreement barred the United States from participation.

U.S. Government urges American companies to foreign exploration

When this secret pact between our recent war allies was exposed, the United States Government adopted a hard petroleum open-door policy. Smarting under this snub from its two recent allies, the United States gave a strong shove to American companies to embark on petroleum expeditions all over the world.

American geologists became active in virtually every country believed to be favorable to oil. It may be interesting to note that, even today, much of the available knowledge of world-wide prospects in many undeveloped regions is contained in major company files as a result of this far-flung activity of the early 20s.

Rise of domestic demand and shortage scare

About this time, Navy Secretary Josephus Daniels went into a panic. He feared that the navy would run out of oil and America's first line of defense would be imperiled. He started a campaign for Government control and nationalization of oil, with the Shipping Board and the Department of Interior supporting his position.

These foreign forays, heavy imports from Mexico, and pleas for nationalization temporarily again dried up venture capital in this country and caused a drastic decline in exploration activity.

Also, at this time, Mexico's famous "golden lane" gushers started going to salt water, thereby dampening the pleas of independent producers for an oil import tariff.

Suddenly, because of this worldwide oil shortage scare, wildcat activity in this country picked up and, again, there was over production at home. Also, the British and the Dutch were increasing production steadily, despite the loss of their Russian properties shortly after the end of the war. They were highly active in Western Hemisphere development. It is interesting to note that although Russia expropriated all foreign oil interests under the new Bolshevik regime, Russia reached a low of 9.6 percent of world production.

At home, Dr. Van H. Manning, Director of the Bureau of Mines, was saying that within the next two to five years the oil fields in this country would reach their maximum production and from that time on, we would face an ever-increasing decline.

This caused the Council of National Defense, composed of most of the members of the President's cabinet, to advocate Government acquisition of Indian lands, with exploration for oil under Government control.

George Otis Smith, Director of the Geological Survey, warned that the United States would be out of oil in eighteen years, while the rest of the world would have an ample supply for the next fifty years. He said that in eighteen years this country would have to depend upon foreign sources or use less oil.

Professor Harold Hibbart of Yale University, in a talk before the American Chemical Society, said that our supply of crude oil would be entirely exhausted within thirteen years and that there was no solution in sight. He said he felt confident, however, that chemists would eventually solve this problem through painstaking research. I think it is interesting to note that crystal balls were not much better then than they are today.

Federal control of the industry was strongly advocated. It is likely that a national petroleum would have been authorized had not Wilson's Secretary of State, Bainbridge Colby, warned that foreign nations would refuse such a company the right to carry on business either in their countries or in countries under their influence.

Entry into Middle East

In order to impress the British and French with this country's' determination to have an open-door policy in the Middle East, the United States Government threatened to place an oil embargo on any country discriminating against American oil interests.

On January 19, 1921, the *Financial Times* was able to say: "It is now clear that the French government, like the British, aims at non-monopoly of the oil business. The policy of the open-door is to be adopted and as a result, the Royal Dutch group will be in a position to obtain concession from the French government."[4]

This was the first approach to the famous Red Line Agreement[5] which was consummated on July 31, 1928, with the organization of the Turkish Petroleum Company, which was composed of Anglo-Persian Oil Company, Royal Dutch-Shell Company, Compagnie-Francaise des Petroles, and Near East Development Company, each with 23.75 percent ownership, and Calouste Gulbenkian with the other 5 percent. It limited activities of the participants to specified Middle Eastern areas marked out by a red line on the map—hence it was referred to as the Red Line Agreement.

Toward the end of 1922, Sir Edward Mackay Edgar, British financier and industrialist, was telling his people that American demand for oil was so insatiable that a worldwide shortage was inevitable. "As for oil," he said, "America has already reached the importing stage. Our business, as Britons, is to sit tight on what we have and export all the oil, cotton, and metal possibilities in the non-American world. In that way, we shall do more than safeguard our position. We shall be able to supply America."[6]

OVERSUPPLY IN UNITED STATES

This statement by Sir Edward promoted the so-called John Bull scare. But the "John Bull scare" was drowned in a flood of oil by November 4, 1923. The ink was hardly dry on Senator LaFollette's report predicting that gasoline would go to $1 a gallon when successive discoveries in the Los Angeles Basin, at Elk Hills, Huntington Beach, and Santa Fe Springs, not only counteracted the decline of Mexico's "golden lane" fields, but, added to the discoveries at Hewitt, Tonkawa, and Burbank in Oklahoma, Smackover in Arkansas, and Big Lake in Texas, pushed the price of crude down from $2 per barrel in February to $1 in November. At the same time, gasoline fell from 21 to 13 cents a gallon.

These incidents also served to relax tensions between this country and its former allies. President Coolidge rescinded the exclusion of Roxanna Petroleum Company, which was controlled by Shell, from Indian lands in the United States.

And in 1928, by virtue of the terms of the Red Line Agreement and through a strong State Department determination to have American companies gain a foothold in the Middle East, the Near East Development Corporation, composed of five major American companies, gained a 23.75 percent interest in the Iraq Petroleum Corporation.

The period of 1929–1935 was concerned largely with the great depression in this country and efforts to bring about petroleum conservation. A phase of this conservation movement was the effort to establish worldwide proration on crude oil production.

The Federal Oil Conservation Board was stressing the international aspect of overproduction, and the API Committee on World Production and Consumption of Petroleum worked out a plan on the subject for its Board. The whole idea was killed when the Attorney General ruled that Americans would not participate.

Worry over worldwide petroleum supplies temporarily faded again into the background with the first giant discoveries in Venezuela and the East Texas field. These were the world's first million-barrel fields.

Independent agitation for import restrictions

In 1930, the Independent Petroleum Association of America (IPAA) was formed in Tulsa for the express purpose of working on the tariff on petroleum imports. The organization credited the new oil surplus in this country to imports from foreign fields.

International companies immediately began to voluntarily curtail imports in fear of the tariff or even a total embargo on foreign oil imports. In June 1932, an excise tax of 21 cents per barrel on foreign crude and $1.05 per barrel on gasoline went into effect.

WORLD WAR II AND POSTWAR YEARS

As World War II approached, oil took on a growing importance in international affairs. Germany, realizing it would probably be cut off from oil in the war it was planning, started the development of liquid fuel from coal. To a lesser extent, similar experiments were underway in England, France, and Belgium.

France developed a process of substituting alcohol for motor fuel through the restriction of petroleum imports and subsidies to grain producers. Rumania, which at one time sold oil all over Europe, was increasingly confining its markets to German and Italian outlets. By 1938, Mexico had expropriated foreign oil properties as Bolivia had done a year earlier, and other South American countries began to organize government-owned oil companies.

In the United States, domestic oil was flooding the market. In Bahrain, Saudi Arabia, and Kuwait, American oil companies were making sensational strikes.

Despite all of this, when the United States entered the war on December 7, 1941, petroleum was one of the few American industries prepared for the emergency. The industry was called upon to supply the bulk of the 100-octane gasoline, toluene, aviation lubricants, synthetic rubber materials, and other critical products.

Almost immediately after Pearl Harbor, the transportation bottleneck for petroleum shipments to the east coast became acute because of intensified German submarine activity.

The proposal to build the "Big Inch" and "Little Inch" pipelines brought on a genuine shortage scare for petroleum. In the Senate of the United States, there were cries that the British were not making oil available to the United Nations from Middle East sources.

In 1943, the Petroleum Reserve Corporation was formed for the purpose of putting the Government in the pipeline business to transport American oil from Saudi Arabia to the Mediterranean coast. The charter of this government corporation provided also for the building of refineries in foreign countries, and other activities.

It was again evident that the intent was for the United States Government to go directly into the foreign oil business. This brought about immediate and strong protest from the oil industry and precipitated the "great debate" on domestic oil policy.

It is interesting here to note that President Wilson's Secretary of State, Bainbridge Colby, who attacked the first attempts to nationalize the oil industry, came out of retirement to effectively attack this new attempt.

Oil Administrator Secretary Ickes, campaigning for the Government-built trans-Arabian pipeline, reviewed the old campaign, declaring, "We are running out of oil." The President, the Joint Chiefs of Staff, the Secre-

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Footnotes at end of article.

tary of the Navy, and the Secretary of War all joined in the chorus.

Eventually, Secretary Ickes' Petroleum Reserve Corporation project was killed by the National Oil Policy Committee. It is ironic to note that Ickes had appointed this committee (composed largely of oil men) to support him in his position.

Anglo-American treaty

The next step by Oil Administrator Ickes was an effort to bring about an Anglo-American oil agreement covering the Middle East and other foreign countries. This he did with the full blessing of the State Department.

In the meantime, in this country, the oil industry was hampered by an OPA price on oil and products, as well as a low priority for steel and steel products. In the meantime, tremendous oil discoveries were being revealed in the Middle East by the United States Petroleum Mission. Steel had been made available for the building of the trans-Arabian pipeline to deliver Texas Company and Standard of California oil to the Mediterranean.

The Anglo-American Treaty fight was to continue until well after the end of the war. In the midst of all of these debates, rationing of oil products, and strangulation by OPA, this country was supplying by far the greatest amount of oil to execute the war.

In the closing stages of the war, Soviet Russia was already making an attempt to secure oil concessions in Iran, but that country refused on the grounds that the Iranian public would consider that they had been granted under duress with foreign troops stationed in their country. Iran was backed by both the United States and Great Britain, and this issue threatened to grow into a Big Three crisis.

The issue actually was called a proving ground of allied oil policy, and the editor of one oil trade journal in this country viewed the situation as "a display of pressure politics by the Soviet government against foreign governments, possibly leading to serious activities for American oil companies now operating in the Near East."[7]

This, then, is the birth of the recent troubles in the Middle East, which erupted first with the Suez crisis, then with the Israeli-Arab war, and which led to the news story quoted earlier.

It seems obvious in looking back now that the international factors in which the domestic oil industry found itself in World War II were serious. The United States Government consistently refused to grant crude oil price increases and steel necessary to stimulate seriously needed wildcat drilling. It seems that the Government was deliberately trying to keep domestic exploration down while promoting Middle East oil development, despite the relative danger of take-over by the enemy.

At the same time, the Government was squandering good money promoting a synthetic fuel program, which failed; also the ill-fated army Canol project in Canada, and was keeping the lid on the Elks Hills Naval Reserves No. 1. In spite of this, it is to the remarkable credit of the domestic industry that production increased from 3.842 million barrels per day in 1941 to 4.695 million barrels per day in 1945.

As World War II ended, it was obvious that the world had for the first time in history become oil-conscious, far more so than after the first World War.

Soviet Russia recognizing the high strategic importance of oil, started occupying or taking over country after country in eastern Europe, including Rumania, Poland, Hungary, part of Austria, Yugoslavia, and Czechoslovakia, all-oil-producing countries, perpetrating a gigantic oil grab.

Russia prolonged the stay of her troops in Iran, then the largest oil producing country in the Middle East, precipitating the first United Nations crisis and thereby launching the cold war.

In the aftermath of World War II, the Truman Doctrine, the Marshall Plan, the Korean war, and the North Atlantic Treaty Organization were all part of an era of emergency. Each of them involved petroleum supply, refinery, pipeline, and marketing considerations that would, sooner or later, have significant influence on exploration in the United States.

Oil shortage of 1947–1948

So the United States, in the years immediately after World War II, faced the "cold war oil scare," which resembled to some extent the John Bull oil scare that followed World War I.

The State Department began attempts to revive the stalemated Anglo-American Oil Treaty, supported by the Joint Chiefs of Staff and members of the Army-Navy Petroleum Board. Attention was called to the fact that "Russia threatens Middle East oil," and Secretary of the Interior Krug revised the old "United States scarcity-foreign plenty" approach.

Although OPA price ceiling for controls was removed late in 1946, and, by the end of the year, crude prices had reached a fifteen-year high and domestic production and exploration were in high gear, the Marshall Plan backers in Congress suggested a Government policy aimed at saving domestic oil and drawing on Middle East oil as much as possible. Following that policy, of course, would have destroyed our domestic exploration and eliminated the independent.

Post-World War II demand in this country was little short of phenomenal. The Army-Navy Petroleum Board testified that the military services faced an acute shortage of aviation gasoline.

In spite of this, oil shipments were going to Russia, but criticism caused the Office of International Trade to reinstitute war-time controls on oil exports.

Behind all of this, it was obvious that the Government was promoting the Anglo-American Treaty which was actually already doomed.

Great expansion was going on in Venezuela and the Middle East.

The Red Line Agreement was almost quietly dissolved and the 50–50 profit sharing plan was initiated in Venezuela and spread to the Middle East. This increase in payments ended the honeymoon between the foreign countries and American companies.

"Sowing the petroleum" policy in Venezuela was announced as a plan to plow oil royalties and taxes back into public improvements, which was another method to milk more from the American companies. All of this had a slowing effect on domestic exploration. A series of situations, conditions, and events made things even worse.

IMPORTS AND CRISIS

In 1948, the United States lost its tremendous advantage of being a net oil exporter with the reversal of the historical west-to-east oil flow.

Korean war

In 1950, the outbreak of the Korean war created a new oil emergency, and exploration picked up rapidly, with great success.

Oil crisis in Iran-nationalization

In 1951, Premier Mossedegh nationalized Iranian oil. This constituted a serious threat to Korean oil supply, to NATO, and to the success of the Marshall Plan. This, too, was Soviet inspired, but the Foreign Petroleum Supply Committee's plan of action averted impending disaster.

Meanwhile, back home in 1952, the Select Senate Committee on Small Business released a staff report of the Federal Trade Commission titled "The International Petroleum Cartel," which had previously been classified, to stir up dissension and cast new suspicions on the vital oil industry. Huge foreign demand following on the heels of European recovery brought on a temporary supply problem.

In 1954, the Iranian oil consortium was formed with the backing of the State Department, and that was taken as an indication of the vital importance of Middle East oil to the free world. At about the same time, Americans moved into other areas of the Middle East, Africa, and South America in what has been described as the greatest search for oil in history.

This search inspired an editorial in one of this country's leading trade journals, which indicated that oil may lead to world freedom.

The editorial stated:

"The rapid, widespread expansion of American free enteprise oil operations over a huge portion of the globe may provide multitudes of people with greatly improved living conditions and thereby build a formidable barrier against the spread of Communism."[8]

We all probably felt like that. What we didn't realize, I am certain, was that Communism would be attracted to those areas of development in the Middle East and Africa.

This is all prologue to the two great crises that lay ahead in the Middle East, each of which would have profound influence over the pattern of domestic exploration.

Suez crisis

On July 26, 1956, one of the momentous international factors in this history of petroleum occurred when Egypt seized and closed the Suez Canal. England and France took steps to force the reopening, but their efforts were thwarted by Russia's offer to send volunteer forces to Egypt, and—later—on a threat of atomic repraisals against NATO nations. The issue was finally settled by Eisenhower's Middle East Doctrine.

Middle East crisis

Europe's Middle East oil supply was cut off. The Foreign Supply Committee became the Middle East Emergency Committee, and Soviet policy in the situation was described as an attempt to use Nasser-style Arab nationalism as a dagger to strike at the oil-jugular vein of the Western Alliance.

As oil was moved around the Cape to Europe, the Middle East Emergency Committee which actually consisted of American international oil companies, became the focal point of an industry intramural debate and controversy involving the imports issue. Independents demanded more pipeline connections. State proration policy, especially in Texas, drew fire when allowables were not raised to meet the crisis.

A 50-cent crude oil price increase stunned Washington and most of the major oil companies except Humble, which was the instigator of the increase. In Washington, a Massachusetts congressman called for an eleven-member National Petroleum Commission to take over all phases of the industry in the interests of national security and economy. Federal control of the petroleum industry became a by-word.

In the overall picture, the Mid-East Emergency Committee provided Europe with sufficient oil to prevent a million barrel daily shortage. When it was all over, the domestic industry in this country found itself unable to unwind its program with the necessary rapidity, and the result was an oil exploration and drilling depression from which we have not recovered to this day.

The impact of this crisis on domestic exploration and development was profound. For example, in an address before the Chicago Executive's Club in mid-November 1956,

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Footnotes at end of article.

Howard W. Page, Director of Standard of New Jersey, put his reasons for the action of the western nations, especially the United States, in the crisis rather tersely when he said:

"The importance of the Middle East lies in the fact that it is the greatest single reservoir of energy available to supply the growing needs of the entire Eastern Hemisphere outside the Iron Curtain. It is also important because it is testing ground for new nations. What happens there profoundly affects not only Europe, but Africa, the Far East, and even Latin America. And what happens in all these places affects America."[9]

As soon as the crisis ended, the politicians in this country opened all of the big guns in investigations, new proposals for federal control of the entire industry, and even a suggestion for internationalization of the entire western world petroleum industry.

The Russians sat by silently for a few months getting their first satellite into orbit, and then opened a new Middle East campaign, centering on Muscat, Oman, Syria, and Egypt. In the meantime, in this country, the crude oil buyers were putting purchaser proration into effect.

To try to keep things safe in the Middle East, the State Department was promoting the American International Companies toward increased imports of oil into this country, and by October 1957, Texas was on a twelve-day producing schedule, after three successive thirteen-day months. Domestic producers, many of whom had loans based on twice that many producing days, were facing financial disaster all over the country.

Then came announcements that it would be necessary to invest $60 billion in the oil industry in the next five years and that at least half of that would be invested abroad if we were to meet worldwide demand. Of course, domestic producers in this country, swimming in a sea of surplus oil, found this slightly difficult to understand.

To add fuel to the glowing fire of oil trouble, Russia stepped up the cold war in the Middle East and worldwide demand for oil suddenly took a temporary but highly significant downward turn. The Russians, turning their attention almost exclusively to the Middle East, put on a propaganda barrage, stressing Russia's military strength and technical superiority as indicated by Sputnik's flashing signals as it orbited the earth.

And skipping over an entire decade of international factors, we come to June 5, 1967, when, again, a third of the free world's petroleum supply was suddenly halted as Israeli and Arab guns flashed out in the historical six-day war.

The Soviets' and Arabs' determined effort to create a European oil famine failed. The United States supplied 90 million barrels over and above normal production during the crisis. That, interestingly enough, is exactly the amount of oil the United States had provided to win "the war to end all wars" in Europe between 1914 and 1918.

Throughout the entire crisis, the Soviets were telling the Arabs that Russia is their only real friend and that the United States and other western powers were friends of Israel and could not be trusted. Russia used every means to foment as much hatred as possible against the United States.

In the meantime, Russia was out in the marketplace offering to supply Soviet oil to help the poor, downtrodden Europeans. And, as strange as it seemed at that time, they found some takers. The Europeans were beginning to realize that the U.S. could not be depended upon in the future to meet another emergency.

FUTURE OUTLOOK

I think that it would be appropriate for me now to delve somewhat into the outlook for the future. However, before doing so I would like to stress the old adage that "the past is a prelude to the future." We have seen history repeat itself too many times to ignore this observation. The events of the past which I have related to you tonight might be an indication of what will probably happen in the future: that is, unless there are drastic changes soon in our government policies affecting energy supplies we will gradually lose our position as a great power in the world's political and economic arenas.

One thing is certain: we are entering the first phase of a serious energy crisis in this country. I can sum up the impact of this situation by quoting Joseph Kraft, columnist with the Washington Post, in his article of March 11, entitled "Energy Politics". He started his article by stating:

"Why do people babble endlessly about the energy crisis? Because at the heart of the babble there is a policy dispute," and he appropriately ended the article by stating, and I quote, "What all this means is that yakking about energy is not a shapeless babble. A great issue is emerging, and it is apt to dominate the politics of the next decade as a classic chapter of American history engaging interests, regions and men."

I thoroughly agree with Mr. Kraft. I would like to also add, not only will it dominate politics, it could change the complete lifestyle of this nation.

I want to emphatically state, as I have stated publicly before, that there are two great approaches, which would go a long way to solving the domestic energy shortage—one would be for all factions, especially our government, to encourage by proper incentives more domestic exploration for petroleum which, in turn, would result in greater production, and, secondly to immediately begin to provide long range planning through a meaningful energy policy for the domestic petroleum industry and certainly for the energy industry as a whole—irrespective of foreign sources and international politics.

Now for an outlook of the future.

I must begin by stating that the storage capacity of petroleum in the United States is virtually zero as compared with sixty days for Europe and approximately fifteen days for Japan.

Actually storage is only an insignificant safeguard—a back-up—for unexpected decrease of domestic production, but certainly more of a back-up for the unexpected cut-off from foreign sources.

The great concern of the have not countries which depend on a large amount of imports—and certainly the United States can be now considered to be a have not nation—is the apparent and unpredictable politically inspired cut-off. The United States is particularly vulnerable to a Middle East cut-off because of its partiality for Israel.

It is interesting to note that all Arab cut-backs so far have been aimed against Israel friends—in 1956, over the Suez Crisis, and in 1967, over the Six-Day War.

One inescapable conclusion is that in order for this nation of ours to maintain its rate of progress and to preserve the American way of life, the United States cannot afford to be on bad terms with the whole Arab membership of OPEC (Organization of Petroleum Exporting Countries)—this truism holds as an irrevocable fact no matter how much the individual Arab country in question may differ politically or ideologically within the Arab league. In other words, in the long run the Arabs are sticking together.

Those in the White House may well ask the question, "Can we still import our tremendous requirement in the 1980s if there is no resolution of the Arab-Israeli dispute by then?"

Frankly, it is a risk that this nation cannot afford to take. So far the Arabs have not exercised outright "political blackmail" on the United States to force their way, but we all know that the possibility is always present and can be used unexpectedly and be as sharp as the edge of the guillotine. The Russians are fully aware of this and it is no secret that they are continuously prodding the Arabs to use their most powerful weapon, which is oil, to punish the United States and other world powers friendly to the Israelis.

Because of this and other unstable international activities in the field of petroleum the western world is indeed in great jeopardy and will require strategic and expert diplomacy of the first magnitude to alleviate the serious situation which prevails. Unless some intelligent and effective diplomatic action is taken soon the Soviet Union's plan to conquer the world through the control of liquid energy will brush all past factors into a heaping pile of insignificance.

It is obvious that the Soviet Union is determined to control a large majority of the world's hydrocarbon reserves with the intention of dominating the present major source of energy until other sources, such as nuclear energy, are adequately developed.

This means that they are aiming at the jugular vein of the world's economy and especially that of the United States, which is energy based.

This plan of world control can be stopped, but only if the free world leadership—especially American leadership—recognizes the serious global implications which would arise out of the shortage of energy supplies.

However, I have faith that Americans will protect America—and that our scientific and technological know-how will meet the challenge of finding and creating sufficient energy to keep this great land of ours as free from dependence on potentially hostile sources as possible.

FOOTNOTES

[1] Consulting Geologist and Petroleum Engineer, Independent Producer and Operator.

[2] Wall Street Journal, December 26, 1967.

[3] Oil Trade Journal, August, 1917.

[4] Financial Times, January 19, 1921.

[5] The Red Line Agreement was consummated on July 31, 1928, with the organization of the Turkish Petroleum Company, which was composed of Anglo-Persian Oil Company, Royal Dutch-Shell Company, Compagnie-Francaise des Petroles, and Near East Development Company, each with 23.75 percent ownership, and Calouste Gulbenkian with the other 5 percent. It limited activities of the participants to specified Middle Eastern areas marked out by a red line on the map.

[6] New York American, December 14, 1922.

[7] Fanning, Ed., World Petroleum Policies, Pt. 6, p. 7 (Mona Palmer Publishing Corp., New York, 1957).

[8] Id. at Pt. 7, p. 8.

[9] The Lamp, Winter, 1956.

MORE FLAK OVER UTILITY ADS

Mr. METCALF. Mr. President, citizen efforts and actions by State utility commissions are at long last leading to curtailment of customer-financed utility advertising and promotion.

On February 6, I inserted in the CONGRESSIONAL RECORD, 3636–3637, an article from the January 15 issue of Electrical World dealing with utility advertising and the fairness doctrine. Electrical World followed up with an article in its February 15 issue on challenges to utility advertising and promotion practices in Ohio, Oklahoma, Wisconsin, and Illinois.

I am encouraged to believe that Consolidated Edison, under the leadership of Chuck Luce—and with continued gentle prodding from New York Public Service Commission headed by Joseph C. Swidler—will soon join that select group of electric utilities which spend more on research and development than they do on advertising and sales promotion.

The seven companies which were in this select group in 1971, as I reported on January 26, are New England Power, Pacific Gas and Electric, Illinois Power, Duquesne Light—Pennsylvania, Arizona Public Service, Commonwealth Edison—Illinois, and San Diego Gas and Electric.

Mr. President, I ask unanimous consent to insert at this point in the RECORD the February 15 Electrical World article, "More Flak Over Utility Ads," and an article entitled "Nesbitt Clobbers Utility Promotion, Some Advertising," which appeared in the February 10 issue of the Oklahoma Observer.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Electrical World, Feb. 15, 1973]

MORE FLAK OVER UTILITY ADS

Should a utility be allowed to advertise like everybody else? Should utility advertising costs be passed on to the consumer? Indeed, does advertising increase the use of electric power? And would regulatory restrictions on ads raise or lower profits of large utilities that now advertise heavily?

All these questions have been raised again recently as utilities asked for rate hikes; regulators clamped down on utilities because of gas and distillate-fuel shortages; consumer groups and environmentalists fired broadsides at utilities during regulatory hearings; the courts were thrown into one melee; and a Purdue University marketing study made claims that utility advertising has little effect on power use.

The so-called energy crisis seems to be the hub of all the to-do, and two incidents there stand out (1) a hard-fought battle now under way in Oklahoma, involving utilities, advertising media, the Oklahoma Corporation Commission, and the State Supreme Court; and (2) the Purdue study.

Also in the running is a petition before the Ohio Public Utilities Commission, charging that advertising by utilities is contributing to the power shortage ,and requesting a restraining order against 11 utilities. Only seven utilities were originally involved in a suit filed by the Nader-affiliated Ohio Public Interest Action Group—Cincinnati Gas & Electric Co., Ohio Edison Co, Ohio Power Co, Dayton Power & Light Co, Cleveland Electric Illuminating Co, Toledo Edison Co, and Columbus & Southern Ohio Electric Co. But the PUC added four others to the list.

Despite appeals for dismissal by the seven (Columbus & Southern Ohio filed separately since OPIAG offices are in its service area), the PUC hearing examiner reportedly recommended that the case should not be dismissed and that a hearing should be held. The group of six utilities claimed, in requesting dismissal, that OPIAG was not in their territories, that the PUC had already had an investigation under way, and that the legislature meant its statute to apply only to customer rates and services and not to company management policy.

In Wisconsin, John Neess, a University of Wisconsin zoology professor and director of "Wisconsin's Environmental Decade," told the Wisconsin Public Service Commission that removing advertising and public relations from a requested $10.3-million rate increase by Wisconsin Power & Light Co. would reduce the request and not pass on advertising costs to customers.

"The center of our case," Neess said, is that revenue "should be reduced by all operating expenses not directly related to providing electric, gas, or water services."

The Illinois Commerce Commission (ICC) sent questionnaires to all utilities asking for breakdowns on promotional, institutional, and image advertising. A petition by Northwestern University students asked the commission to disallow, for rate-making purposes, advertising aimed at increasing consumption of electricity or at conveying a favorable company image.

However, the petition favored publicity aimed at "efficient and conservative use" of power. Within the next two months or so, eight utilities in the state must submit a description of their advertising programs to the ICC.

In the Oklahoma battle, Oklahoma Gas & Electric Co., Public Service Co. of Oklahoma, other utilities, the State Home Builders' Organization, various charitable groups, and the advertising media are on one side, and the Oklahoma Corporation Commission and its staff are on the other.

The utilities and other groups affected by the OCC stand are appealing to the Oklahoma Supreme Court an OCC ban on utility advertising and promotional practices issued last Dec. 21. The matter went to the Supreme Court once, but was remanded to the commission.

Faced with the new appeals, the commission ordered the utilities to put up stiff $250,000 bonds for the first six months of the appeal period and $500,000 thereafter. Commission Chairman Charles Nesbitt said the bonds were fixed high purposely to speed the appeals.

The utilities curtailed their media advertising pending the outcome of a rehearing on Jan. 19. When the commission set the appeals bonds, it took requests for advertising exceptions under advisement.

PS of Oklahoma continued to advertise, but slanted its "country" newspaper ads toward energy conservation. Chairman Nesbitt and Commissioners Ray C. Jones and Rex Privett have stood solidly together on the ban. Privett, who is new on the commission, had not been seated when the ban was first applied.

The commission's staff said that the state's 11 major utilities spent $3.7-million in advertising and promotion during the year preceding last November's hearings. This included $500,000 in contributions. The commission also scheduled rate hearings starting the week of March 19 regarding the possible return of money to consumers who have had advertising expenses passed on to them. In remanding the case back to the commission, the state Supreme Court also issued a stay order that forbids any return of money to consumers at least until after the case is adjudicated.

The Purdue marketing study found that advertising merely calls attention to power production, rather than persuading, and that it does not influence the basic size of the demand for any product, including electricity. Restrictions on corporate advertising, the report claims, would merely increase the profits of any company that does a lot of advertising.

The findings seem to undercut contentions of environmentalists and no-growth advocates who claim utility advertising should be cut because it helps deplete energy resources and boosts the use of energy.

[From the Oklahoma Observer, Feb. 10, 1973]

NESBITT CLOBBERS UTILITY PROMOTION, SOME ADVERTISING

The greatest tragedy in all history is the murder of a beautiful theory by a gang of brutal facts.

Check the theories that may tumble in the memorable battle involving the status of public utility advertising in Oklahoma:

Theory One—That public utilities (as corporations) are entitled to First Amendment privileges and any attempt to regulate their advertising affairs, charitable contributions and promotional policies is unconstitutional. Nonsense.

Theory Two—That the Corporation Commission can legally or morally tell utilities what they can do with their profits. Nonsense.

Theory Three—That utilities, because they are quasi-public, cannot take issue with the government.

Luckily, nothing has withstood the test of time better in Oklahoma than the wisdom of Constitutional Convention delegates who prescribed a series of checks and balances in utility regulations. The current issue will be resolved by the State Supreme Court—and not as part of a quarrel between the Corporation Commission and utility companies.

The Corporation Commission (read that Charles Nesbitt, since the other two rolled over and played dead) began more than a year ago to look into advertising, charitable contributions and promotional practices of public utilities.

Proceedings were suspended for a year while Nesbitt took a fling at the U.S. Senate race, during which he received almost no backing from state newspapers, a prime beneficiary of utility advertising dollars.

The ill-fated race behind him, Nesbitt cranked out a blistering order on Dec. 21, "We spare you the legal hocus-pocus." It said no more advertising would be permitted except it be consumer or conservation oriented. Charitable contributions would have to come from profits. All promotional programs would be prohibited.

Promotions include such items as slipping the builder of a $25,000 house a check for $400 to go All-Electric. (We don't know what the gas company paid but it was probably fairly competitive.)

Now the case has wound up in the State Supreme Court, with utilities discontinuing almost all advertising despite a stay of the order won by the Oklahoma Press Association, which claimed the order was procedurally illegal.

Utilities claim they don't want to advertise and be in jeopardy. Cynics say they suspended advertising pending outcome of the suit to galvanize public support via newspapers and broadcasters. It worked. The media lost an estimated $100,000 in advertising in the first week.

Few people doubt that the Supreme Court will modify the order, particularly telling the commission that a corporation's profits are its own business, not Nesbitt's. Beyond that, most of the Nesbitt order is likely to stick.

So who is right and who is wrong in this tangled web involving millions of dollars?

Nancy Lewis of the Oklahoma Journal did a splendid regional survey on promotional practices and learned that Oklahoma is almost in a class by itself on promotional allowances. Officials of regulatory bodies in several states were downright shocked it was going on in Oklahoma.

There is no legal doubt that the Commission can establish legal parameters; the method is something else. It is one thing to bar institutional advertising from gross receipts, but where does Nesbitt get off telling shareholders they also can't do any from profits?

Competitive advertising ought to be barred but it will be tough. "Conservation" can be defined as cooking meals on gas, since it takes more gas to produce electricity for cooking a meal. It would be conservation for all night lights to be electric since gas lamps in the yard burn 24 hours a day, wasting a precious, declining commodity.

Consumer oriented advertising poses no problems. In fact OG&E has been on that track, probably sensing Nesbitt's state of mind a year ago when he ran up the red flag.

For some utility people to bad mouth conservation and consumer advertising indicates just how far off the track they've been or how uncreative their corporate brains are.

It is unlikely that utilities will end up having to tap stockholders for all charitable contributions. There is likely to be a compromise here, since it is not right to permit unlimited use of customer dollars for what a utility might think is charitable. Some judicious restraint is probably in the making in this area.

Undoubtedly some utilities have gone bananas on promotional allowances. We have a long list of horror stories in this field. The Corporation Commission is perfectly within its legal right to banish them—to the mighty applause of virtually every Oklahoman.

Utility advertising had gotten completely out of hand in Oklahoma and the utilities privately admit it. The great battle between the titans, OG&E and ONG, had to be one that neither could win. If Nesbitt hadn't intervened there would probably have been a class-action lawsuit reaching the same ends.

It is all well and good to refer to utilities as "investor owned," but that are quasi-public industries granted territorial exclusivity and a guaranteed rate of return. They must operate in the public interest or become arms of government. As bad as government messes up in the private sector, it's better to have sharply regulated semiprivate operations than ones operated by the government.

Nesbitt is correct in saying that it is one thing for a wholly private business to go into the self-congratulation business—it's simply not right in the utility business. Anyone who doubts his rationale should submit it to a vote of the people. Most citizens are more harsh in their judgment than Nesbitt.

A pathetic sidelight to the whole affair has been the reaction of some newspaper publishers whose tirades on the issue sadly reinforce our view that a segment of the press is no longer dedicated to the public interest.

Few papers will suffer more adversely than The Observer, yet we applaud any decision which brings a modicum of rationality back to utility practices on advertising and promotions. To hear some editors tell it, a corporation is suddenly entitled to the same rights as an individual under the First Amendment. They need a remedial course in government.

ANCHORAGE-FAIRBANKS RESOLUTION ON TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, due to the highly emotional nature of the subject and the importance of the current energy crisis, the facts concerning the trans-Alaska pipeline have not been clearly presented to many people. The Department of the Interior has recently published a revised fact sheet on the pipeline. I believe this will be useful to the general public.

I request unanimous consent that the fact sheet of March 1, 1973, of the Secretary of the Interior on the trans-Alaska pipeline be printed in the Congressional Record at this point.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Washington, D.C., March 1, 1973.

TRANS-ALASKA PIPELINE

In early 1968, oil was discovered on the North Slope of Alaska by companies exploring lands leased to them by the State of Alaska.

A consortium of oil companies applied to the Department of the Interior's Bureau of Land Management for permits to construct a pipeline system across public lands to transport oil from Prudhoe Bay on the Arctic Ocean to Valdez, an ice-free port on the southern coast of Alaska.

On May 11, 1972, Secretary of the Interior Rogers C. B. Morton announced his decision to grant right-of-way permits for the proposed Trans-Alaska Pipeline.

The announcement culminated an exhaustive and unprecedented three-year study of ways in which to safely transport the petroleum resources from the Alaska Arctic.

A Federal Task Force on Alaskan Oil Development, established by President Nixon in May 1969, proceeded to institute a Technical Advisory Board which, in turn, established the Menlo Park (Calif.) Working Group. That group embodied representation from a number of Federal agencies as well as the State of Alaska. The Working Group—in effect an advisory body to the Federal Task Force—created a number of subordinate working groups for the purpose of preparing the Environmental Impact Statement. In addition, the Working Group—

Prepared a six-volume Environmental Impact Statement, considered to be the most comprehensive and detailed study ever conducted under the National Environmental Policy Act. Preparation of the Statement required 18 months and involved consultation with and contributions from more than 20 Federal and State agencies;

Closely examined other alternatives, including possible Canadian routes, other transport systems and other sources for the energy;

Prepared, in three detailed volumes, an analysis of the economic and security aspects of the system;

Conducted a sweeping geologic and engineering analysis of the proposed pipeline system across Alaska; and

Developed the strictest environmental and engineering stipulations ever drafted to safeguard a project of this kind.

The Department is now organizing a professional Federal team which will validate designs submitted by the oil consortium, exercise continuing surveillance over construction to assure strict quality control of the pipeline system and minimum environmental disturbance.

Three significant and separate groups of public hearings were held on the proposed pipeline: The first, on August 29–30, 1969, in Fairbanks; a second series, nine in number, held by the House and Senate Interior and Insular Affairs Committees, and by the Fish and Wildlife Subcommittee of the House Merchant Marine and Fisheries Committee between August and September, 1969; and the third series, over a period of seven days in February 1971 was held on the preliminary environmental statement in Washington, D.C. and Anchorage, the hearings resulting in more than 12,500 pages of testimony.

On June 22, 1972, the Secretary of the Interior appeared before the Joint Economic Committee of Congress with a 20-page statement detailing the reasons for the decision to grant right-of-way permits for the proposed Trans-Alaska Pipeline.

A preliminary injunction which had prohibited issuance of permits for the pipeline since April 1970 was vacated on August 15, 1972; however, plaintiffs appealed the decision to the Court of Appeals. The Appellate Court held hearings on October 6, 1972 and announced its decision on February 9, 1973. The Court (6–1) ruled that because of the width limitations in Section 28 of the Mineral Leasing Act of 1920, the Secretary did not have authority to issue Special Land Use Permits for the space needed during construction of the pipeline; the Court (4–3) refused to consider whether the environmental impact statement complied with the provisions of the National Environmental Policy Act.

On February 28, the Secretary of the Interior called on the Justice Department to ask the Supreme Court to review the case and to decide on the merits both of the Mineral Leasing Act issue and the National Environmental Policy Act issue.

At the same time, the Secretary announced that he is recommending that Congress promptly enact legislation to eliminate the width limitations and to completely revise the statutes concerning rights-of-way not only for pipelines but also for transmission lines and other facilities which must cross federal lands.

CIVIL RIGHTS: END OF AN ERA?

Mr. HUMPHREY. Mr. President, since last November the U.S. Commission on Civil Rights has been without a Chairman. Moreover, recent policies and actions of the Nixon administration have raised grave concern among many citizens that progress toward establishing equal justice and opportunity for all Americans may be grinding to a halt.

I have written to the President, strongly urging him to nominate a Chairman of the Civil Rights Commission, and underscoring the importance of the Commission's latest report on the inadequacies of Federal civil rights enforcement efforts.

I deeply regretted the President's acceptance of the resignation of Father Theodore M. Hesburgh, whose distinguished service as Chairman of the Commission has earned him respect and admiration across the country. He has been a warm friend, for whose counsel and commitment I have always had the deepest respect.

Mr. President, I ask unanimous consent that the following items be included at this point in the Record: The text of my letter to the President; a statement on Father Hesburgh by the Reverend Paul Moore, Jr., Episcopal bishop of New York, and appearing in a November 1972, issue of the New York Times; a statement by the Commission on Civil Rights on its January 1973, report, entitled "The Federal Civil Rights Enforcement Effort—A Reassessment"; an article from the Washington Post of February 10, 1973, presenting the highlights of that report; and an editorial in the Washington Post of February 13, 1973, entitled "Civil Rights Enforcement: Highly Inadequate."

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., March 19, 1973.

The President,
The White House,
Washington, D.C.

Dear Mr. President: I am deeply concerned by the continued vacancy in the chairmanship of the U.S. Commission on Civil Rights.

I was encouraged, in your message of March 1, by your stated commitment to protect the civil rights of every American and by your indication that the Commission on Civil Rights will receive additional resources to carry out its new responsibility to promote equal opportunity for women.

The appointment of a vigorous chairman, however, is the most important resource the Commission can have, save only the strong moral leadership of the President himself. Clearly, the denial to the Commission of an effective chairman forestalls progress in its most important function, awakening the conscience of America to denials of human dignity under patterns and practices of discrimination.

Therefore, I urge you to submit this nomination without further delay for Senate consideration.

Like many Americans, I was profoundly disappointed by your acceptance last November of the resignation submitted at your request by Father Theodore M. Hesburgh. His distinguished service over 16 years as chairman of the Commission was viewed with constant deep respect and admiration across the nation. A gentleman of the highest integrity and absolute commitment to overcoming barriers to equal justice and opportunity for all Americans, Father Ted provided exactly the strength of leadership for civil rights that I continue to hope will be reflected throughout your Administration.

The January, 1973, report by the Commission, "The Federal Civil Rights Enforcement Effort—A Reassessment," makes it abundantly clear that despite some improvement, the federal enforcement effort remains inadequate. Strong leadership and direction are absolutely essential.

Moreover, people are expressing concern throughout the country, evident in the recent organization of a broad-based civil rights coalition, that current policies of your Administration demonstrate a retreat from federal leadership for equal opportunity.

The fears cited include your reduction in federal assistance for school desegregation. These Administration policies also include cutbacks in funding and freezes or terminations of programs that seriously will hurt minority groups in desperate need of decent housing, adequate health care, job opportunities, help to end the nightmare of poverty, and social services that help transform public dependency into self-sufficiency.

I respectfully urge you to re-evaluate such policies and to carry through the full responsibility for progress in civil rights that rests upon your office. You may be assured of my total support of efforts by your Administration to establish hope and opportunity for all Americans.

Sincerely,

HUBERT H. HUMPHREY.

[From the New York Times, November 1972]

FAREWELLS TO FATHER HESBURGH

(By Paul Moore, Jr.)

The President's request for Father Hesburgh's resignation from the Civil Rights Commission is one of the most alarming signs of the times.

Our nation has had its ups and downs, God knows; its swings from liberalism to conservatism, from activism to sleepwalking. But, usually, once a level of decency is won we hold on to it despite the political climate. Labor unions won the right of collective bargaining and now no one would dare question this right. The aging won Social Security and no one would think of removing it. I had believed that our minorities had won the right to equality of opportunity in the one-hundred-and-twenty-year struggle from the abolitionists to Dr. Martin Luther King.

It seems this is not so. Racism in virulent form is tearing the North apart as once it tore the South. Even here in New York the poison is deep. Selfishness and prejudice always lie just beneath the surface of human affairs. Thus it is essential for our leaders to reiterate the principles of justice and to act on them, so that at the very least, indulgence in prejudice brings a sense of shame, a sense of condemnation in the public eye.

Until recently such was the case and our people, little by little were being fooled, urged, cajoled into submerging greed and intolerance. For over twenty years the Federal Government in all three branches assumed this role and made common cause with minorities. Despite the inadequacy of implementation, I remember the sense of reassurance we felt in Mississippi, for instance, that the Federal Government was behind our efforts.

But now it seems we slide quickly away from the great partnership of the Federal Government with the poor; the seeming firm beachhead of the right of equality of opportunity is being lost. This is truly a terrible thing. Its symptoms are the political use of the busing issue, the cutback in social programs, the tragic plight of the O.E.O. Its results may have as deep an effect on the spirit of all our people as the Vietnam war—nor are the two issues separable.

At least until recently the Government had some built-in checks and balances to alleviate such a trend. With Father Hesburgh's resignation a strong voice within Government is silenced, a check to regression removed.

He represented one who seemed squarely in the center of the spectrum of America and he spoke from such a base. He represented a valued role for the churchman—separated from the state, able to criticize with total integrity and no ulterior motives the soft places in government's support of justice.

With Father Hesburgh's resignation we not only lose a respected public servant but are duly warned that for the first time in history we are retreating from a major gain in the understanding of what the United States stands for.

If our Government cannot endure such wise courage on a commission whose very function requires judgment on itself, we are in graver danger than I had imagined.

The vision of true conservatism, the conserving of the values of equality of opportunity and the equal worth of each human soul, is clouding. The dream of Dr. King becomes a nightmare as vicious racism erupts across the land, encouraged by politicians on all levels.

Thus we need the leadership of Father Hesburgh even more and I pray that he will continue to speak his mind and that America will listen. I pray that the present diminution of the values of our land will be reversed before we choke on the words of our National Anthem.

THE FEDERAL CIVIL RIGHTS ENFORCEMENT EFFORT—2 YEARS LATER

More than two years ago this Commission issued the first in a series of reports evaluating the structure and mechanisms of the Federal civil rights enforcement efforts. We undertook these studies because while there was an impressive array of Federal civil rights laws, Executive orders, and policies, the promise of equal justice for all Americans had not approached reality. We felt that the Federal Government was the single institution in our society possessing the legal authority, the resources, and—potentially, at least—the will for attacking social and economic injustice on a comprehensive scale.

In that report, the Commission identified weaknesses in civil rights enforcement which continue to permit such grievous wrongs as segregation in our schools, discriminatory housing and employment, disproportionate hardship to minorities in urban development and highway construction, and inequitable distribution of health services and other Federal benefits.

Today we are releasing a third follow-up report, which was submitted last September to the Office of Management and Budget for its use in reviewing budget submissions of the Federal agencies. Our basic conclusion is that the Federal effort is highly inadequate; that it has not improved as much as we would have expected since our last report in November 1971; and that strong leadership and direction are absolutely necessary to prevent a continuation of the ineffective enforcement program developed over the last nine years. We issue this report in the hope that our findings will be studied by the President, his agency heads, the Congress, nad the American people and that strong remedial action will be promptly undertaken.

Our findings are dismayingly similar to those in our earlier reports. The basic finding of our initial report, issued in October 1970, was that executive branch enforcement of civil rights mandates was so inadequate as to render the laws practically meaningless. Many deficiencies ran throughout the overall effort. We found, for example, that the size of the staff with full-time equal opportunity responsibilities was insufficient. At the same time, because of their low position in their organizational hierarchy, civil rights officials lacked authority to bring about change in the substantive programs conducted by their agencies. Moreover, it became abundantly clear that agency civil rights enforcement efforts typically were disjointed and marked by a lack of comprehensive planning and goals. Agencies failed to search our patterns of bias, preferring instead to respond to individual complaints. Even where noncompliance was plainly substantiated, protracted negotiations were commonplace and sanctions were rare. Finally, we found a lack of Government-wide coordination of civil rights efforts.

This deplorable situation did not develop accidentally. Nor were the Commission's findings a surprise to those knowledgeable about civil rights and the role of the Federal Government. The enforcement failure was the result, to a large extent, of placing the responsibility for ensuring racial and ethnic justice upon a massive Federal bureaucracy which for years had been an integral part of a discriminatory system. Not only did the bureaucrats resist civil rights goals; they often viewed any meaningful effort to pursue them to be against their particular program's self-interest.

Many agency officials genuinely believed they would incur the wrath of powerful members of Congress or lobbyists—and thereby jeopardize their other programs—if they actively attended to civil rights concerns. Moreover, since nonenforcement was an accepted mode of behavior, any official who sought to enforce civil rights laws with the same zeal applied to other statutes ran the risk of being branded as an activist, a visionary, or a troublemaker. Regrettably, there were few countervailing pressures. Minorities still lacked the economic and political power to influence or motivate a reticent officialdom.

In spite of these inherent difficulties, we knew that Government employees respond to direct orders. We were convinced that if our Presidents and their agency head and subcabinet level appointees had persisted in making clear that the civil rights laws were to be strictly enforced, and had disciplined those who did not follow directives and praised those who did, racial and ethnic inequality would not have been as prevalent as it was in 1970. Leadership—presidential, political, and administrative—and the development of realistic management processes are the keystones to a vigorous and effective

Federal enforcement effort. Our study concluded that this leadership unfortunately was lacking. Despite certain halting steps forward and a few promising public pronouncements, Presidents and their appointees seldom assumed their potential role as directors of the Government's efforts to protect the rights of minority Americans.

The Commission's two followup reports, issued in May and November 1971, found that some agencies had made some progress in improving their civil rights structures and mechanisms. Important action had been taken by such agencies as the Office of Management and Budget and the Department of Housing and Urban Development. But other agencies—such as the Federal Power Commission, the Department of the Interior, and the Law Enforcement Assistance Administration of the Department of Justice—had made almost no headway in developing the tools necessary to combat discrimination.

In this, our most recent assessment, we have found that the inertia of agencies in the area of civil rights has persisted. In no agency did we find enforcement being accorded the priority and high-level commitment that is essential if civil rights programs are to become fully effective. Significant agency actions frequently are accompanied by extensive delays—in the issuance of regulations, in the implementation of regulations, and, greatest of all, in the use of sanctions when discrimination is found. Innovative steps occur here and there, but they are uncoordinated with those of other agencies. For example, the Department of Housing and Urban Development and the General Services Administration have issued regulations implementing their 1971 agreement to assure availability of housing for lower-income families, open without discrimination, in any area in which a Federal installation is to be located. Neither agency, however, has undertaken the responsibility of devising an overall plan to see that every Federal agency assigns a high priority to this effort.

There is no Government-wide plan for civil rights enforcement. There is not even effective coordination between agencies with similar responsibilities in, for example, the employment area, where the Civil Service Commission, the Equal Employment Opportunity Commission, and the Office of Federal Contract Compliance share enforcement duties. The Equal Employment Opportunity Coordinating Council, created by Congress in March 1972 for this precise purpose, had not addressed any substantive issues in the first six months of its existence.

There have been some noteworthy actions, and the agencies which have instituted new and more effective compliance procedures should be duly recognized. For example, the Department of Housing and Urban Development has issued regulations requiring builders and developers, prior to the approval of HUD assistance, to demonstrate that they have undertaken positive actions to sell or rent to minorities. The Department of Health, Education, and Welfare performs special studies in the health and social services area, apart from its normal program of onsite civil rights reviews. These studies have examined such issues as language barriers to the delivery of services to non-English speaking minorities. The Department of Agriculture's Office of Equal Opportunity has been involved in extensive upgrading of its enforcement mechanism. This includes a system whereby the Department's constituent agencies are required to set goals for minority participation in their programs. The Environmental Protection Agency, although a relatively new agency, has demonstrated energy and creativity in its efforts to enforce the provisions of title VI of the Civil Rights Act of 1964 prohibiting discrimination in the distribution of Federal assistance. The Civil Service Commission, working with the language of an Executive order which Congress now has enacted into law, has begun to enlarge its equal opportunity staff and change its procedures.

For every step forward, however, numerous cases of inaction can be cited. The Department of the Interior has begun to conduct onsite reviews of the State and local park systems it funds, but it has not yet developed a comprehensive compliance program. It has not, for example, provided adequate guidance to these park systems concerning actions prohibited by Title VI. The Federal Power Commission still refuses to assume jurisdiction over the employment practices of its regulatees, despite a Justice Department opinion that it has authority to do so. The Interstate Commerce Commission has delayed a decision on the very same point for over 18 months.

The Federal financial regulatory agencies have not begun to collect racial and ethnic data. Neither have they made the necessary effort to use the traditional examination process to detect discriminatory lending practices barred by Title VIII of the Civil Rights Act of 1968. The Office of Federal Contract Compliance has been downgraded within the Department of Labor and its effectiveness has commensurately diminished. The Internal Revenue Service continues to construe in an unjustifiably narrow manner its duty to keep discriminatorily operated private schools from receiving tax-exempt status. Its school reviews have been perfunctory and its cooperation with the Department of Health, Education, and Welfare is almost nonexistent.

A year ago we noted some encouraging signs in the Department of Justice's coordination of the Title VI programs of the various Federal agencies. Now the Department's activities again have become lethargic. Evidence of this is the fact that proposed uniform amendments to agency Title VI regulations have not been issued more than five years after the need was recognized by Department officials.

Even among those agencies where we found improvements, serious problems persist. Some agencies still do not adequately review the recipients of their assistance. The Department of Housing and Urban Development, for example, conducted only 186 reviews of the 12,000 agencies it funded during Fiscal Year 1972. HUD has yet to set priorities for scheduling reviews. Even when reviews are conducted, there is reason to believe that they are often superficial. The Department of Agriculture reports that it reviewed more than 24,000 of its recipients last year. Yet only one instance of noncompliance was discovered—a remarkable, if not unbelievable record, considering the extensive discrimination which pervades federally funded agriculture programs.

Other agencies continue to utilize low standards. The Civil Service Commission refuses to validate its tests according to the standard used by the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance, and the Department of Justice and approved by the Supreme Court of the United States.

In one of the most important areas of national life—the provision of equal educational opportunities for our children, we now find lowered compliance standards for elementary and secondary schools and what appears to be the elimination of the threat of fund termination which has rendered the Department of Health, Education, and Welfare's enforcement program ineffective.

In the face of this dismaying picture, the Office of Management and Budget, the one Federal entity with authority over all agencies, has maintained its interest, but has not accelerated its civil rights efforts in keeping with the demonstrated need. Execution of OMB's civil rights responsibilities is left largely to the discretion of individual staff members. OMB has not established a full-time and adequately staffed civil rights unit with responsibility for interagency policymaking and monitoring. No one has been charged by the Director of OMB with the specific duty of holding the staff accountable for identifying and fulfilling the civil rights aspects of their assignments. The total potential of the budget and management review process for civil rights evaluation thus has not been realized.

This latest Commission study has reinforced the findings of the three preceding reports that the Government's civil rights program is not adequate or even close to it. This matter is of critical importance to the Nation's well-being, for we are not dealing with abstract rights, but with the fundamental rights of all people—a decent job, an adequate place to live, and a suitable education. Everyone must have the opportunity to share fully in the bounty of our society—not as stepchildren or wards of the Government but as dignified citizens of this, the greatest Nation on earth.

The Federal Government's constitutional and moral obligations are clear. The long-term stability of this Nation demands an end to discrimination, in its institutional forms as well as in its overt individual manifestations. Yet large-scale discrimination continues.

Our faith in the ability of even our imperfect democratic society to live up to its commitments when challenged to do so gives us hope that the future will be less bleak than are the past and present.

That challenge can only come from the aggressive leadership by those in government at all levels who have taken a solemn vow to uphold the Constitution. Historically, the Presidency has been a major focal point through which the power of the Nation as well as its conscience has been expressed.

If our hope for lasting peace among the Nations of the world requires a rapprochement with those Nations from which we have been estranged, then our hope for domestic tranquility between our diverse population requires no less. Presidential leadership has brought us far along the road toward the accomplishment of international understanding, cooperation and friendship with many of our hitherto implacable enemies. For this the Nation should be grateful. Presidential leadership has not yet been brought equally to bear on the creation of a similar situation within the Nation. Without the leadership of the President, this job not only becomes infinitely more difficult, but a steady erosion of the progress toward equal rights, equal justice and equal protection under the Constitution will occur. History suggests that so long as one man is not free the freedom of all is in jeopardy.

The first requirement of any such effort on the part of the Chief Executive and his appointees is that of an unequivocal, forceful implementation of all the civil rights laws now on the books.

In the past, the Government's vast resources frequently have been effectively marshaled to cope with natural disasters, economic instability, and outbreaks of crime. Can we afford to do less when dealing with this country's greatest malignancy—racial and ethnic injustice?

The answer is clearly "no." But days pass into weeks, then into months, and finally into years, and Federal civil rights enforcement proceeds at a snail's pace. It lacks creativity, resources, a sense of urgency, a firmness in dealing with violators, and—most important—a sense of commitment. Time is running out on the dream of our forebears.

While we do not feel that our efforts have thus far produced significant results, this Commission remains committed to reviewing periodically the civil rights enforcement activities of the Federal agencies. We are aware that there now are a number of new agency heads and that some steps have been taken in the six-month period since we completed this review. We intend, therefore, to complete another evaluation of the Government's efforts in six months.

But our activities in this field cannot begin to meet the need. Private groups and individuals must become more involved in monitoring the Federal Government's activities. This involvement may well lead, as it has in the past, to judicial and administrative proceedings seeking relief where Federal activities have been weak or ineffective. Such involvement most certainly leads to a more informed citizenry and a more responsive bureaucracy.

Every citizen has a right to expect that his or her Government will rededicate itself to the principle of equality and an effective program of enforcement to support that commitment. Without that commitment, this Nation will not keep faith with the clear mandate of the Constitution.

[From the Washington Post, Feb. 10, 1973]

Rights Panel Raps United States on Enforcement

(By Austin Scott)

The U.S. Commission on Civil Rights said yesterday that despite clear constitutional and moral obligations, the federal government's program to enforce its own civil rights laws is in chaos, "not adequate or even close to it."

In 425 pages of detailed examples, the commission said there has been a failure of leadership at almost every level of every federal agency, including the White House, to live up to its promises on equal rights and equal opportunities.

". . . Days pass into weeks, then into months, and finally into years, and federal civil rights enforcement proceeds at a snail's pace," the commission said.

"It lacks creativity, resources, a sense of urgency, a firmness in dealing with violators, and—most important—a sense of commitment. Time is running out on the dreams of our forebears."

The report is the final one under the chairmanship of the Rev. Theodore M. Hesburgh, who resigned last fall after 16 years on the commission.

The findings in this fourth report were "dismayingly similar to those in our earlier report," the commission said.

A few examples taken from its hundreds of pages of accusations:

The Federal Power Commission still refuses to enforce fair hiring standards for the industry it regulates, "despite a Justice Department opinion that it has authority to do so."

"The Interstate Commerce Commission has delayed a decision on the very same point for over 18 months."

Agencies that oversee the financial world ". . . have not begun to collect racial and ethnic data."

The Internal Revenue Service looks "in an unjustifiably narrow manner" at its job of keeping segregated private schools from getting tax exempt status. Moreover, there is almost no cooperation on that issue between IRS and the Department of Health, Education and Welfare.

HEW's efforts to provide equal educational opportunity have been made "ineffective" by "what appears to be the elimination of the threat of fund termination . . ."

In the Labor Department, the Office of Federal Contract Compliance ". . . has been downgraded . . . and its effectiveness . . . diminished . . ."

The report said the government appears to be more effective at coping with natural disasters, economic instability and outbreaks of crime than with "this country's greatest malignancy—racial and ethnic injustice."

It argued that "the long-term stability of this nation demands an end to discrimination."

President Nixon's leadership "has brought us far along the road" toward international cooperation with "many of our hitherto implacable enemies," it said, adding that presidential leadership "has not yet been brought equally to bear on the creation of a similar situation within the nation."

Without presidential leadership, the commission said, "a steady erosion of the progress toward equal rights, equal justice and equal protection under the Constitution will occur."

A little more than two years ago, in October, 1970, when the commissioner issued its first report on the federal effort, it said that "executive branch enforcement of civil rights mandates was so inadequate as to render the laws practically meaningless."

It added then that "this deplorable situation did not develop accidentally."

Now, the commission said, we have found that the inertia, of agencies in the area of civil rights has persisted.

The few innovative steps occurring "here and there" remain uncoordinated, it said, adding: "There is no government-wide plan for civil rights enforcement. There is not even effective coordination between agencies with similar responsibilities . . ."

Comments on specific agencies included:

Office of Management and Budget:

While OMB "made progress in institutionalizing its civil rights program . . ." it "has failed to take the most important step . . ." the report said.

"It has not created a civil rights unit with adequate authority for monitoring and giving direction to all its civil rights activities."

This is particularly important, the commission said, because as overseer of the federal budget, OMB has authority and control over all federal agencies except the White House.

Civil Service Commission:

While there is "modest improvement in employment practices of federal departments and agencies . . . the overall picture is still one of pronounced disparate treatment," the report said.

Minorities make up 15.2 per cent of the general federal work force, up from 14.7 per cent in 1970, it said. But in that two-year period, there was only one half of 1 per cent rise in the number of minority workers at the higher salary levels, and minorities make up less than 3 per cent of the workers at high policy-making levels.

The Civil Service Commission is one of the many agencies who have no minorities in high policy-making positions, the report said.

It praised "improved" procedures for handling the 4,828 complaints of race, sex or national origin discrimination filed in the first nine months of last year, but said those guidelines still need further strentghening.

It also noted "some improved steps" to recruit Spanish-surnamed Americans.

Housing and Urban Development.

One major weakness of HUD's affirmative marketing regulations is that "they do not apply to existing FHA-insured or FHA-subsidized projects . . .," despite statistics that show extensive segregation in such projects.

Complaint processing has also been slow, partly because of "the inefficiency of state and local fair housing agencies."

Of 1,057 complaints referred to state and local agencies in fiscal 1972, investigations were completed in only 164, the report said.

Equal Employment Opportunity Commission:

A number of "potentially effective" changes have been made in EEOC procedures, but their backlog of complaints continues to increase, the report said. The backlog was 23,642 complaints in September, 1971, 53,410 last June, and is expected to exceed 70,000 by next June.

Department of Labor:

The commission recommended some time ago that the Office of Federal Contract Compliance be removed from the Labor Department, and merged with the Equal Employment Opportunity Commission.

The latest review "confirms our earlier fear," it said. There are no adequate procedures to resolve compliance problems, and no effective means to evaluate "good faith" efforts by contractors, the report said.

Only $2.6 million has been requested for the OFCC in fiscal 1973, the report said, "the same as the 1972 level, which has been inadequate . . ."

Health, Education and Welfare:

Slapping sanctions on school districts that discriminate has been de-emphasized in favor of voluntary negotiations, the report said, "but there is no indication that this approach is succeeding." And with voluntary or court-ordered school desegregation, HEW cannot monitor without "substantial staff increases."

The report also said "There has been virtually no effort to prevent flow of federal funds to nonpublic schools which are engaging in discriminatory practices."

Hesburgh who was named to the chairmanship of the commission by President Nixon in 1969, had become in subsequent years an increasingly outspoken critic of the administration's attitudes on civil rights. When he routinely submitted his resignation along with other agency heads last November, it was the first one accepted.

Afterward, the Notre Dame University president said Mr. Nixon had spent no more than 15 minutes with the commission in the past four years.

[From the Washington Post, Feb. 13, 1973]

Civil Rights Enforcement: "Highly Inadequate"

In its new report on federal civil rights enforcement, the United States Commission on Civil Rights has painted a doubly dismal picture. In this, its third such report since the beginning of the first Nixon administration, the commission concludes that "the federal effort is highly inadequate." But it might just as well have said that the effort is *still* highly inadequate. And, therein lies the deep disappointment and the great sadness.

It has been five years since the publication of the Kerner report which painted a grim picture of where our society was headed unless urgent remedial steps were taken. Yet, we are still worrying about the essential commitment of the federal government in this crucial area. When the Kerner Commission told us how much trouble we were in, our greatest asset, as a society, was the array of civil rights laws and regulations already on the books and the broad ways in which those laws in conjunction with the activities of the federal government touch the country.

But in 1973 the Civil Rights Commission is telling us that despite a few bright spots, HEW is failing in its obligation to provide equal educational opportunity, the Federal Power Commission refuses to enforce equal hearing standards in the power industry, the Labor Department has downgraded the Office of Federal Contract Compliance, and on and on throughout the government.

The Commission noted that its earlier reports had been discouraging and said of the current report, "Our findings are dismayingly similar to those in our earlier reports." The report also contains a poignant appeal to the President to put energy and muscle into the program. Almost two and a half years ago, on the issuance of the first of these reports on the Nixon administration's efforts we tried to point out that the Commission's work was not a spear in the chest of this particular administration, but rather, a continuation of the valuable contributions the Commission had been making over the years and, at least in part, a reflection of the legacy which the administration had inherited. We said, "In this particular report commission has handed Mr. Nixon an invaluable case study of what has gone wrong in civil rights enforcement and how it can be set right. We hope he will receive it that way."

Well, from this report, we can see he didn't. There is no question that we are now seeing Nixon administration policies at work. And that is the most disappointing thing of all, for the commission is not, as it points out, dealing with abstractions, but rather with the grainy texture of American life. It is talking about the education of American children, the access to the employment market of American workers and the access to the housing market of American families. And thus, for all his glittering successes in the international field, Mr. Nixon is failing the country if, because of a failure of will on the part of his administration we are asked to tolerate human misery which, in some measure, we have the tools to alleviate.

In the last analysis, we believe that Mr. Nixon and his administration will be judged by the standard laid down by President Johnson in his last major public appearance: ". . . the essence of government lies with unceasing concern for the welfare, dignity, decency and innate integrity of life for every individual, regardless of color, creed, ancestry, sex or age." It is a high standard, but it is fair and President Nixon has clearly failed to meet it.

U.S. ENERGY CRISIS

Mr. HANSEN. Mr. President, as we emerge from the fuel shortages of this unusually cold winter into warmer weather, American motorists will be taking to the highways once again to witness the renaissance of spring. Demands for motor fuel will experience their seasonal surge. But this year there are prospects ahead for gasoline shortages. Regretfully, the warm spring air will not bring an end to our national energy crisis, but simply lead us into another phase of it.

As the energy crisis deepens the public demands for action will intensify. Those of us who have been privileged to participate in the Senate's national fuels and energy study will be asked to provide some of the answers. Several of us have been able to anticipate the growing demand for solutions and are persuaded that the proper remedial action should be patterned to comprehend the causes. We are confident that the public will demand no less from us. Accordingly we recognize that the more that is known about the problem, that is, why we are having an energy crisis, the more able we will be to find the right answers.

I have admired the objectively of my colleague, Senator PAUL FANNIN, of Arizona, who has articulated with an economy of words the most cogent and objective analysis of the causes of our energy crisis that I have ever read. I would think that my colleagues and the public at large would find it similarly informative, and accordingly request unanimous consent that the distinguished Senator's amendment be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DOMESTIC FUEL SHORTAGES

We continue our hearings today into the causes of the winter 1973 fuel shortages amidst mounting public pressure to assign the blame, to discover a culprit, and to find and implement an "easy answer."

During the first day of these hearings some of the testimony reflected the pressure to find a scapegoat. Three candidates were identified: the major international oil companies, the Mandatory Oil Import Program, and the failure of the government—particularly OEP and the Oil Import Appeals Board—to accurately predict and to take action to prevent this winter's fuel shortages.

Some witnesses called for abolishing the Mandatory Oil Import Program, while others proposed the granting of various preferences to different segments of the petroleum industry. Yet another witness suggested the development of a government corporation to produce oil and gas—a proposal which I feel would remove opportunities for the petroleum industry to respond to the problem.

Mr. Chairman, today I would hope we can focus on the real causes of the fuels shortage rather than search for scapegoats. Additionally, I would suggest that the shortage is such a complicated problem that there are no "easy answers"—a fact fully confirmed by the thousands of pages of testimony presented during nearly forty days of hearings we have held to date on the energy crisis.

Why are we short of natural gas and fuel oil this winter? To find the answer we must turn the clock back a decade or so to the decision of the Federal Power Commission to impose an area rate basis for the regulations of the wellhead prices of natural gas. This action followed the Supreme Court Decision in the Phillips case to regulate sales of gas between producers and interstate pipelines. The result of these decisions has been a decline in exploration and development activities for new gas with most of what new gas has been found sold in intrastate rather than interstate markets. About a decade ago the reserve to production ratio for natural gas was 20 to 1. Due to the decline in exploratory activity, it has now dwindled to about 10–1. Because of the artificially low gas prices demand for this premium fuel concomitantly has accelerated at the rate of about 10% a year. The interstate pipelines are now curtailing gas—mainly to interruptible customers. I will return to the extent and consequences of the gas curtailments after first examining other developments which cumulatively have contributed to the fuel shortages.

The reduction in percentage depletion following the Tax Reform Act of 1969 has added about $500 million annually to the industry's tax bill—enough to drill about 5,000 new wells.

Price controls over the past eighteen months added to rising costs have squeezed profits and limited expansion of exploration and development activities, as well as placing economic constraints on the amount of distillates produced by our refineries.

The new consciousness about cleaning up the environment and a host of policy decisions responding to this consciousness has placed an additional burden on efforts to supply adequate energy to meet growing demands.

The cancellation of the December 1971 Outer Continental Shelf lease sale, which threw the Interior Department's five-year leasing schedule out of kilter, was caused by litigation brought by environmentalists.

The failure to begin construction of the trans-Alaska pipeline, and the recent court ruling on right of way, resulted from litigation brought by environmentalists.

The failure to construct many new nuclear power plants on schedule resulted in part from litigation brought by environmentalists and by others concerned with plant safety. Other factors, too, caused additional delays.

Air pollution legislation, coal mine health and safety legislation on the Federal level and other environmental legislation at the State level has severely restricted the growth of coal in meeting our national energy requirements and forced greater reliance on oil and gas. Yet coal is our most bountiful indigenous source of energy.

Environmentalist resistance to new refinery construction plus exemption of residual fuel oil from the Mandatory Oil Import Program contributed to the export of domestic refinery capacity.

Clean air requirements for automobile fuel usage have lowered the mileage on gasoline and placed an added demand for 12 million additional gallons per day.

Mr. Chairman, in connection with this I would like to call attention to a full-page advertisement by Mobil Oil Company in yesterday's Washington Post. The ad is headlined: "The $66 billion mistake." Experts employed by Mobil estimate that the costs of meeting the auto emission standards set by Congress will be $100 billion for the decade beginning in 1976. If these standards were reduced to a more realistic level, such as those which were proposed by the State of California, the cost for the decade would be $34 billion. So we will be spending an estimated $66 billion to attain only a relatively small reduction in emission levels.

In our hearings we are concerned about fuel consumption. Mobil says that cars built to federal standards could consume as much as 15 percent more gasoline per mile than cars built to California standards. This 15 percent would require refining an extra 30 million barrels of crude oil in 1976 and an extra 150 million barrels a year by 1980.

Already we are hearing from car owners who say their 1973 models are getting 6 to 8 miles per gallon of gas. There is speculation that under 1976 standards cars may get 3 to 5 miles per gallon.

Mr. Chairman, I cannot vouch for the validity of the figures worked up by Mobil, but it does seem to me that such data should be evaluated. When a gasoline company suggested ways of cutting gasoline consumption, it should be heard.

Now let me return to the situation which led to the curtailment of natural gas delivery this winter.

Low wellhead prices will have caused by the end of this winter the curtailment of nearly 500 billion cubic feet of natural gas by interstate pipelines. As I earlier indicated, most persons affected by the curtailments are known as "interruptible" customers, those who can either do without gas for much of the duration of the winter months or who are able to switch to distillate heating oil, or both.

On a BTU equivalent basis, in order to replace with oil the amount of gas (500 billion cubic feet) to be curtailed this winter, it would take about 83 million barrels of oil.

Thus, it is understandable that OEP testified that the demand for distillates in the fourth quarter of 1972 was 13% above the previous year and that the demand for distillates in the first quarter of 1973 will be about 9% above last year's first quarter.

Even with restrictions on No. 2 heating oil imports temporarily lifted, it will still be difficult to find enough on the world market to supplement our domestic refinery outputs. And for that mattter a domestic and worldwide crude oil shortage places limits on the amount of heating oil and other distillates our refineries can produce this winter.

Causing further demands for fuel and thus compounding the shortage of fuels have been:

An unpredictably cold winter, 12% more severe than the 30-year normal;

The Midwestern crop drying problem caused by a late harvest due to unusually damp weather;

A 6-10% rise in the consumption of diesel fuel by railroads, barges and trucks;

And an upswing in economic activity, causing even greater demands for fuel.

The list could go on—but what must be remembered is that many factors have contributed to the fuel shortage this winter and that any attempt to attribute the cause to any single event, person, or policy not only reflects a lack of understanding of the problem but tends to further confuse the issue.

Having now woven our way through the labyrinth of contributory factors resulting in the present fuel shortage, it logically follows that we most avoid the temptation to seek simple solutions. No single government policy—no single stroke of the President's pen can cure our national fuel deficiency.

On the contrary, the solution lies in many new policies, some of which should result from this study, some of which we trust will result from the President's energy message. Other developments will result from marketplace decisions reflecting in part government policy decisions—new and old.

The government—including both the Congress and the Executive Branch—has a long way to go in ensuring that we have remedied the causes while effecting the cure. This calls for complete cooperation of Congress, the President and the Administration along with the energy industries and the general public.

ALEXANDER PETÖFI

Mr. BROCK. Mr. President, it has been 150 years since the greatest genius of Hungarian poetry, Alexander Petöfi, 1823–49, was born.

Petöfi's poems are eloquent proof of his patriotism and his great love of the simple people of Hungary. His great craving for political and personal freedom, for democracy and equality of opportunity for all, his ardent dislike of all tyrannies renders him a poet well known in other lands and tongues as well.

These poems are now translated into more than 40 languages and we have several English editions. However, over and beyond the richness of style, the immediacy of experience and the esthetic values inherent in his works, Petöfi has been particularly noted for his role in the ill-fated Hungarian war of independence and for the example which he has bequeathed to Hungarians and all freedom-loving peoples and individuals.

His was not only a written confession of faith, he had lived by his principles and died for them. His tragic end of falling on the battlefield at Segesvar in Transylvania against the numerically stronger Russian armies, rendered him into a folk hero whose memory kindled the ardor of the young demonstrators before his statue on October 23, 1956, in Budapest.

We in America cherish his memory, his dedication to the freedom of all peoples and hope that the noble principles which he espoused will remain forever in the hearts of his countrymen despite oppression and lack of freedom today.

SCHOOL OF THE OZARKS

Mr. EAGLETON. Mr. President, Mr. Richard Martin has contributed an excellent article to the Wall Street Journal concerning the School of the Ozarks in Point Lookout, Mo.

The School of the Ozarks is unique in its approach to postsecondary education. All students enrolled in the tuition-free school work during the school year and the summer in order to help pay their tuition. They raise their own meat and dairy products, build their own classroom facilities and dormitories, and run many campus industries for profit.

I know the campus community and all of Missouri are justifiably proud of the contribution this school is making in educating young people in the area.

Mr. President, I ask unanimous consent that Mr. Martin's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AT SCHOOL OF OZARKS, THE STUDENTS FLUNK OUT IF THEY SHIRK CHORES

(By Richard Martin)

POINT LOOKOUT, MO.—"Work is love made visible," says an old bronze plaque on the campus.

And they really seem to believe that here at the School of the Ozarks, one of the most unusual little liberal-arts colleges in the country.

Commitment to the good-old-fashioned work ethic, in fact, runs so deep here that honest toil is an integral part of the curriculum. Students don't pay room, board or tuition here, they work their way through college doing everything from typing tests and mopping floors to driving bulldozers, butchering hogs and selling orchids—and those who shirk their assigned campus jobs flunk out.

The college is an educational anachronism in some respects: Its a bastion of short hair, strict parietal rules and compulsory chapel twice a week; it's a place where the whole faculty teaches and good grades are important. But it's noteworthy in other ways, too: It's innovative and imaginative when it comes to finances and fund-raising; it's a pioneer at supplementing liberal-arts studies with practical vocational skills.

"The School of the Ozarks represents an idea whose time has come," says William W. Gordon, executive vice president of the Council for Financial Aid to Education Inc., a New York nonprofit organization set up to encourage contributions to higher education. "Integrating more occupational education with the liberal arts is an important new trend in higher education, and one that has been too long in coming."

TREMENDOUSLY IMPRESSED

On a recent visit to the school, "I sat in on some classes, and I was quite impressed," Mr. Gordon says. "The level of teaching isn't up to Stanford or Harvard or the University of Chicago, of course, but it is pretty good, and it's right up to date. I think they ought to throw off some of their parochialism and draw students from a wider area, but overall I'm tremendously impressed with the place."

School of the Ozarks, founded by a Presbyterian preacher in 1906, originally was a free boarding school where hillbilly youngsters came to learn to read and write and earned their keep by doing chores and raising their own food. It evolved into a junior college by 1956, switched to a four-year curriculum in 1964 and became a fully accredited liberal-arts college in 1969.

But students still earn their keep, working four hours daily after classes during the 42-week school year and working full 40-hour weeks between trimesters during three of their 10 weeks off. That's a total of 960 hours a year. They earn credit, not cash, at a rate of $1.60 an hour, which means they work off 28% of the $5,374-a-year cost of housing and educating them.

Supervised by a small full-time staff, students still do most of the chores and produce their own meat and dairy products. They also build dormitories and classrooms and run a score of profit-making "campus industries," including an airport, farm, summer theater, candy kitchen, taxidermy shop and restaurant.

A TOURIST ATTRACTION

The school sits on a bluff above Lake Taneycomo in the scenic southwest corner of Missouri, and it's a minor tourist attraction. There's a big neon sign advertising the school on Highway 65, a miniature train to haul tourists around the 900-acre campus and a student-run gift shop selling fudge, fruitcakes, jams, candles, pottery, quilts and $100 nativity sets produced by the campus industries.

About 80% of the 1,074 students still come from the Ozark hills along the Missouri-Arkansas border, mostly from hardscrabble farms and towns with names like Blue Eye, Oscar and Owls Bend. The bulk of the other 20% are from rural areas of adjacent states. Most were B students in high school. They are admitted largely on the basis of need and about three out of four applicants are turned away. In a survey of this year's incoming freshmen, 91% said they chose the school because they couldn't afford to go anywhere else. Only 30% said their family income was over $7,500, and just 17% said it was over $9,000.

They look and act and talk pretty much like college students anywhere. They have the usual array of pictures and campus heroes like W. C. Fields and Gloria Steinem in their cluttered dormitory rooms, and they have the usual gripes about food, faculty and administration. A few chafe openly at some of the rules (no beards, "tasteful" attire, 11 p.m. weeknigh curfew, and 1 a.m. weekends, no smoking except in the dorms and the student union), but they abide by them. Students' cars are kept off campus in a fenced lot that's open on weekends and reluctantly unlocked weeknights for those with outside jobs.

I LIKE IT HERE

The isolation bothers some. A little cafe in a gas station across the highway from the main gate is the closest thing to an off-campus hangout. It's two miles to a bowling alley; six miles to a movie, dance hall or beer joint. The nearest city of any size is Springfield, 40 miles away. (But in nearby Branson, Alexander's drugstore still sells five-cent double-dip ice cream cones and 10-cent sundaes.) There isn't much to do on campus, besides work and study. Except for occasional old movies, guest lecturers and cultural offerings like the Memphis State String Quartet and Jose Greco's troupe, the main diversions are swimming, handball, tennis and pool.

Nevertheless, most students seem content. "I like it here," says Mike Friend, a freshman business major. "I didn't want to graduate from college with a big debt hanging over my head." Betty Jo Biggs, a senior psychology major, calls it "a super neat place to go to school." She adds: "I'm even glad we've got a dress code when I go somewhere else and see all the freaky looking guys with long hair and beards and the girls wearing curlers."

"Students dislike the stigma of going to a school for poor kids, even if they are poor," says Maxine Trimble, associate dean of students "I think most of them really do love the school. It isn't wall-to-wall Camelot, but it's a nice place. I don't think they're ungrateful for the opportunity to be here."

It's a good thing they aren't. "Ingratitude is one thing that absolutely outrages me," declares M. Graham Clark, the crusty, authoritarian, 64-year-old president of School of the Ozarks. He left a $40,000 job as an Atlanta insurance executive in 1946 for a $3,000 job as vice president of the school, and he has been here ever since.

He became president in 1952, and he gets most of the credit for transforming a seedy, second-rate high school into a burgeoning little college. He did it by traveling tirelessly to raise funds while running the school almost singlehandedly. He once crawled out from under a road grader he was repairing to greet a lawyer from a foundation. "That turned out to be worth about $500,000 to us," recalls Mr. Clark. "He'd never seen a college president working before."

He's an effusive gladhander and speechmaker, with a hill country joke or a Bible quotation for every occasion. He's also a tough administrator, who has two-way radios as well as telephones in his car and at his bedside to keep him in constant touch with every corner of the campus. The vice presidents call him "Godfather." ("Some guys around here won't even start a truck without an okay from him," says one.) "Sure I'm a dictator," drawls Mr. Clark. "But I'm a benevolent one."

He's paid $26,000 a year as president, less than some of the vice presidents make. "But I also have some wonderful fringe benefits, like free milk from our fine dairy and getting to travel all over the world to tell people about School of the Ozarks," he says.

Like many other private colleges and universities, the school is in deficit right now, borrowing from banks to pay current operating costs. The deficit was $451,000 last year. The school has assets of $24 million, though, including some 870 scattered acres of nearby farmlands, pastures and woods, and some common stocks that could be sold if the pinch gets too tight. "Right now we're better off holding those investments and borrowing at the prime rate," says Mr. Clark. "We obviously can't continue to operate this way indefinitely, but I'm convinced that God will provide."

He's also convinced that the Lord helps those who help themselves, judging from the magnitude of the school's fund-raising activities—an unceasing and highly successful campaign of personal entreaties backed by blizzards of direct-mail appeals. Individual contributors' cash gifts, bequests and private trust funds brought the school $2.4 million in cash last year, or two-thirds of its entire cash income. (Of the remaining $1.2 million, the school's $7.5 million endowment brought in $293,000 cash, campus industries netted $540,000, federal grants totaled $270,000 and foundations gave $82,000.)

Some 60,000 visitors last year trooped through the school's gift shop and museum or went to plays in the summer theater or heard concerts on the massive old Wurlitzer theater organ in the auditorium, and many of those visitors gave money to the school. "There's a 50-50 chance that anybody who visits this place will become a contributor," figures John P. Knox Jr., vice president for development, "especially people who grew up during the Depression and had to claw their way up. They come here and immediately identify with what we're doing and see the merit of it."

School officials say they never turn down a gift. "We'll take anything from flowers to broken down jalopies," says Mr. Knox. A retired orchid raiser gave them four greenhouses full of rare orchid plants last year. A milling executive has just built a replica of an 1850 water mill that's selling stoneground corn meal to visitors and to bakeries in Little Rock and Springfield. The sprawling, three-story museum overflows with relics, artifacts and collections of things ranging from apothecary jars to vaudeville props, all given by hundreds of individuals.

"We'll build a school of horticulture complex around the orchid greenhouses and sell blooms," says Mr. Knox. "The orchids will attract people, just as the mill and museum do. These things all draw people of varied interests and keep them coming back."

Mr. Clark's physician gave the school its first plane seven years ago when Mr. Clark was driving a car 72,000 miles a year "selling the gospel of the School of the Ozarks." That led to a dozen more planes and a small campus airport that pumps 100,000 gallons of gas a year, has 3,000 takeoffs and landings a month during tourist season and offers flying lessons, rentals, charters and air-taxi service.

Corporate donors send the school vitamins, toothbrushes, mouthwash, foodstuffs and pharmaceuticals. Used clothing from church groups and sample merchandise and seconds from shoe companies and apparel makers come into the campus thrift shop, which sold or gave away 22,000 items to students last year, including 1,568 pairs of J. C. Penney display shoes that sold for $1 to $3 and some shopworn wedding gowns from an Iowa store that went for $3 each.

School officials are avid bargain hunters. "I've never seen anyone stretch dollars like they do; nothing is wasted," says Mr. Gordon of the Council for Financial Aid to Education. About 75 percent of the school's equipment, everything from lights and file cabinets to motorscooters and cement mixers, comes from government surplus sales. One end of the campus is a junkyard of trucks, busses and heavy machinery being cannibalized to keep generators, dredges and other equipment running.

Students in the machine shop built the campus fire engine last year. Students in the construction shops, aided and supervised by 50 staff tradesmen, are building a $1.1 million student union, a $1 million science building, a $135,0000 horticulture building and a new museum wing. "It takes us longer, but we can pretty well count on a 25 percent saving on construction costs," says William D. Todd, vice president and dean of administration. He says the union will take two years to build, "twice as long as it would take an outside contractor."

"People who come here and see these things are impressed, and they're going to remember that they can get more for their dollars here than they can by giving them somewhere else," says Mr. Knox, who worked out what may be the ultimate in money streching in arranging financing for the new student union.

He took $250,000 that alumni had raised for the $1.1 million building and invested it in bonds paying 7 percent interest. The government will pay two-thirds of the 9 percent interest costs on the $1.1 million bank loan under a Housing and Urban Development Department program. Income from a 500-seat public restaurant, a 12-unit motel and a bowling alley in the new union is expected to pay off the loan over a 20-year period, leaving the school with the alumni's original $250,000 still intact.

Campus industries that can't at least come close to covering the costs of employing students don't last long. A cannery and a sawmill were closed years ago, and the furniture factory no longer makes furniture—it refinishes pieces for dormitories and offices and makes walnut gun racks, picture frames and footrests instead.

"We used to be a big maker of church pews and other furniture for churches," says Mel Walker, the manager. "But we finally swore off that business. Churches just aren't the world's best customers when it comes time to pay their bills."

The school is getting into the stained-glass business now. A banker who foreclosed on a stained-glass company in St. Joseph, Mo., "called me one day and asked if I'd like to have the inventory of glass and lead," President Clark explains. "He'd heard me talk somewhere, and he thought we could use it for a student industry." Pointing out a colorful grouping of stained-glass fish on a bookshelf in his office, he adds: "Some nut offered me $200 for that thing the other day. Why it's nothing but a few pieces of glass, a little bit of lead and some good imagination. We could sell a lot of little things like that in our gift shop."

The school offers majors in 22 academic fields. An accreditation committee of the North Central Association of Colleges and Secondary Schools, in April 1971, found "a lack of academic excitement" here, but said: "The faculty is generally competent, in some cases outstanding." There are 30 faculty members who have PhDs; the other 37 have master's degrees.

Nearly all faculty members carry 12-hour teaching loads, heavier than loads on most campuses. Most teach all three trimesters a year. Salaries range from $7,600 to $18,300.

There's a fat file of applicants for faculty jobs. "We've got a whole student body here that's well motivated and willing to work hard; you don't find students like that in a lot of schools," says Bob Hendrickson, chairman of the six-man English department. "I worked all during junior high and high school growing up in Tulsa, and I worked 40 hours a week to get through college, so I feel I can understand these kids' feelings and relate well to them," adds Mr. Hendrickson.

David B. Oliver, 30-year-old chairman of the two-man sociology department and a specialist on problems of the aging, turned down recent job offers "for considerably more money" from two big state universities and an Ivy League school. "I can do my research here and still have the contact with students that I like," he says. "Of course, people also like it here because it's not only a good place to teach other kids, it's a good place to raise your own."

The academic program is gradually becoming more vocationally oriented. "I don't want to see us throw out the true liberal-arts program, but getting a job nowadays with only a liberal-arts education gets to be a problem," says Mr. Clark. "When a student leaves here we want him to feel confident that there's a job waiting for him out there."

He says he'd like to "offer a degree in aviation-airframe-and-power-plant mechanics, and I'd like to turn out real good computer programmers with degrees. Maybe we should even offer a degree in milling—not for a dusty man running a grinding machine, but for mill mangers who would leave here knowing the business inside out."

Karl Jensen, a senior with a dual major in history and criminal justice, says his most meaningful learning experiences came not in the classrooms but on the jobs he held at the dairy, airport and fire department. He's chief of the 22-student fire company now, and he says: "I've learned to take responsibilities and have had the opportunities to take them that I just wouldn't have had anywhere else." He hopes to work his way through law school somewhere as a policeman or fireman.

About 12% of the students flunk out or drop out annually. "We get some whose parents or other relatives have pushed them into coming here, hoping that the school would do them some good, maybe straighten them out; they usually don't last long," says Howell Keeter, the associate dean who supervises the work program. The "junior blues" cause some attrition, too, says Wayne Huddleston, vice president for academic affairs. "That's when a kid running a crane or bulldozer realizes that with the skill he already has he can leave and make more money than he can by staying here and getting a degree."

Nearly 70% of the school's graduates in the past have become teachers, mostly in nearby rural districts. A smattering go into engineering, accounting, medicine and law. The rest go into business.

This year's campus recruiting schedule includes American Telephone & Telegraph's long-lines division, Brunswick, General Electric, S. S. Kresge, Southwestern Bell and Zenith in addition to a clutch of federal agencies and some local employers from Springfield. The school's graduates "are probably the most industrious students I have come across," says Fred Bumgarner, a Southwestern Bell recruiter who has hired several in the past. "They rank with almost any we see in any other schools in Missouri."

Fred M. Morrow, superintendent of schools in Poplar Bluff, Mo., which has 300 teachers in 14 schools, says has hired "six or seven" School of the Ozarks grads over the past few years. "They are hard workers who have learned a real sense of responsibility. We're very pleased with them," he says. "I wish my own kids would have had a chance to go there."

THE RETURNING POW'S AND ART BUCHWALD

Mr. BROCK. Mr. President, we have had the great privilage in recent weeks to welcome home to their native land hundreds of brave and patriotic Americans who loyally served their Nation in time of war and, as a result, were captured, imprisoned and separated from their families for 4, 5, and 6 years or more. The occasion of their return inspired in almost every American, I am sure, feelings of thankfulness and of pride in men who have demonstrated so convincingly that the fiber of this Nation remains strong, that its heart remains great. If it was an occasion of joy, Mr. President, it was also one of dignified respect for these men who suffered so much for their country.

And yet I have read in this morning's Washington Post a supposedly humorous column by Mr. Art Buchwald which uses these men, these prisoners of war, as comic tools to titillate the bizarre tastes of the residue of its antiwar, antipatriot, anti-American readership. Mr. President, our Nation is large enough to afford jokes at its expense; our Government, this Congress, can afford jokes at its expense. Indeed, that is a great tradition in America. But it is not a tradition to play upon the suffering of brave and selfless individuals as a device to inspire laughter in those whose sense of humanity is so remote that they remain immune to that very suffering on the part of their fellow countrymen.

This column, Mr. President, appears in that portion of the Washington Post which its editors dubiously title the "style" section. It illustrates the extent to which journalism today cannot only lack style but also common good taste. Happily, most columnists do not indulge in this sort of thing, and, hopefully, the vast majority of our returned prisoners of war and their families will be spared this latest sampling of Mr. Buchwald's "humor."

THE FEDERAL TRADE COMMISSION AND CORPORATE SECRECY

Mr. JOHNSTON. Mr. President, on March 8 the Subcommittee on Monopoly and the Subcommittee on Retailing, Distribution, and Marketing Practices of the Senate Small Business Committee convened a joint public hearing on the subject of corporate secrecy and conglomerate mergers. Our notice of the hearing, which included some important background materials, appeared in the Congressional Record of February 28, at page 5780.

Prior to, during, and since the March 8 hearing, the two subcommittees have been shaping a detailed set of written interrogatories for the Federal Trade Commission. That document has now been completed and delivered to FTC Chairman Engman.

The general subject of the March 8 hearing was the FTC's power to collect and publish product-line and divisional information of giant corporations. The particular focus was the Commission's recently released staff report, Conglomerate Merger Performance: an Empirical Analysis of Nine Corporations.

Our interrogatories to the Commission are concerned with both the general and the particular subjects. We promised, both in the notice of the March 8 hearing and at the session itself, to publish in the Congressional Record either a summary or the full text of our questions to the FTC, when they had been completed and sent.

Because of the length of the 21-page questionnaire we delivered to Chairman Engman, it seems more appropriate to include in the Record only excerpts rather than the full text. Copies of the complete document may be obtained by writing to the Senate Small Business Committee, 424 Russell Senate Office Building, Washington, D.C. 20510, or by telephoning the committee's offices at 202–225–5175.

Our subcommittees' interrogatories to the FTC are especially timely for inclusion in the Record this week, because of their great pertinence to the debate on corporate secrecy and corporate disclosure in the economic stabilization program.

Accordingly, Mr. President, I ask unanimous consent to insert in the Record at this point excerpts from the letter sent on March 15 by Monopoly Subcommittee Chairman Gaylord Nelson and by me, as Marketing Practices Subcommittee chairman, to FTC Chairman Lewis A. Engman, and excerpts from the interrogatories that accompanied the letter.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C.

Hon. Lewis A. Engman,
Chairman, Federal Trade Commission, Washington, D.C.

Dear Mr. Chairman: As you know, the Subcommittee on Monopoly and the Subcommittee on Retailing, Distribution, and Marketing Practices of the Senate Small Business Committee began public hearings on March 8 on the subject of "Corporate Secrecy: Conglomerate Mergers." * * *

The Federal Trade Commission historically has been, and still is, the small businessman's best source of information about the operations of giant corporations. The Commission's several recent proposals to expand still further its service to small business and the economic community by collecting and publishing increasing amounts of data about the operations of large corporations, by product line, have our warmest commendation and support. A principal purpose of our present series of hearings is to obtain detailed information on those proposals and on the current status of each. We shall wish to give the proposals all the aid and encouragement we can.

The Nine Conglomerates study released by your Commission on January 3, 1973, is of particular interest and importance in our subcommittees' study of corporate giantism and corporate secrecy, and was the principal subject of our March 8 hearing. The strongest and clearest conclusion of the Nine Conglomerates study was that there is a serious information loss from the expansion of conglomerate corporations.

* * * * *

With that conclusion there can scarcely be any argument; yet there is an anomaly. The Commission's staff report reveals, on the face, that meaningful data were obtained from only a small fraction of the 348 companies whose acquisitions by the nine conglomerates were the subject of the empirical study. The report, on its face, also reveals a decision by the Commission to withhold all the individual-company data that were collected—data of precisely the type the report says is needed. Finally, Professor Boyle's article in the New York Law Journal suggests that the absence of individual-company data in the report was due to a promise to the corporations made by only one Commissioner possibly under mistaken or insufficient authority.

To clarify our understanding of these matters, and to provide a checklist of the various subjects in which we are interested, we have prepared four sets of questions to which we hope the hearings on which we have embarked may eventually provide answers. Copies of these four sets of questions are enclosed, captioned as follows:

Question No. 1.—Purposes of the Nine Conglomerates Study, and How They Were Met. (Preface, one general question, and seven particularized questions.)

Question No. 2.—Methodology of the Nine Conglomerates Study. (Preface, one general question, and 14 particularized questions.)

Question No. 3.—Information Obtained in the Study but Withheld from Publication. (Preface, one general question, and six particularized questions.)

Question No. 4.—Other Corporate Information-Gathering Activities of the Commission. (Preface, one general question, and eight particularized questions.)

While we have invited the witnesses at our March 8 hearing to answer, comment on, or suggest additions to these questions, it would appear that definitive answers to most of them can be provided only by your Commission.

Ordinarily, we would have asked the Commission Chairman or all Commissioners to be the first witnesses at such hearings as these. However, it was important for us to take Professor Boyle's testimony while he remained in private life, and he is going to join the staff of another Senate subcommittee within the next few days. Therefore, we arranged the first session to hear from him, along with others involved in the Nine Conglomerates study at the staff level in the

Commission. At the earliest mutually convenient date, we shall hope to hear from all present members of the Commission, and perhaps some former Members. Our staff will be in touch with your office about arrangements.

In the meantime, we should appreciate your consideration of the enclosed questions and your courtesy in providing, on behalf of the Commission, official written answers to as many of them as you can, as soon as you conveniently can.

We are already indebted for your interest in and aid to our work, as manifested by your cooperation in making Dr. H. Michael Mann, Director of your Bureau of Economics, available as a witness on March 8.

With best wishes,

Sincerely,

GAYLORD NELSON,
Chairman, Subcommittee on Monopoly.
J. BENNETT JOHNSTON,
Chairman, Subcommittee on Retailing, Distribution, and Marketing Practices.

Questions to Which the Subcommittee on Monopoly and the Subcommittee on Retailing, Distribution, and Marketing Practices of the Senate Small Business Committee Hope To Obtain Answers During Hearings on "Corporate Secrecy: Conglomerate Mergers," Beginning March 8, 1973

QUESTION NO. 1.—PURPOSES OF THE NINE CONGLOMERATES STUDY, AND HOW THEY WERE MET

Preface to question.—The report on the Nine Conglomerates study describes several hypotheses about conglomerates and congloerates mergers. The purpose of the study was to *test* those theories *empirically*. The need for such testing was stated by Commissioner Mary Gardiner Jones in her "Separate Statement" dissenting from the transmittal to the Congress of the first part of the FTC's study of mergers, of which the Nine Conglomerates report is the second part.

* * * * *

The various hypotheses to be tested are briefly identified in Chapter I of the staff report on Phase Two—the Nine Conglomerates study. Then, in Chapters III and IV, the report presents a series of tables, with interpretive text, showing the numbers of companies, from among the 348 acquired by the nine conglomerates in the nine-year period studied, from which some data had been obtained tending to substantiate or refute the several theories.

Following are two examples of the major theories about conglomerate mergers *and the numbers of companies, out of a possible 348 in the total sample,* from which the FTC study obtained data having some bearing on the correctness of the theories. This summary also shows whether the data were presented with or without identification of individual companies among the nine conglomerate acquirers and the 348 acquired firms.

[NOTE.—There follows a discussion, omitted in these excerpts, of the report's treatment of the subjects of synergism and advertising expenditures, with reference to tables 3–1, 3–2 and 3–3 of the report. The point is made that the report's conclusions on these theories were based on data obtained from only 100 of the 348 acquired companies in the sample.]

The Questions. In general, can it be said that the study achieved its purposes of empirically testing certain hypotheses about conglomerate mergers by collecting data relevant to the hypotheses from 348 companies acquired by nine conglomerates?

In particular, with reference to the two hypotheses and the tests thereof discussed above—

A. Synergism

Question 1–A–1. Why could not relevant data about each of these totally objective indicators of administrative-function and management changes have been obtained from *all 348* acquired companies in the sample?

Question 1–A–2. Were the 99 companies for which data were presented in Table 3–1 all among the 100 companies for which data were presented in Table 3–2 and on page 62?

Question 1–A–3. Could not these 99 or 100 companies have been further identified by products or industries, if not by individual-company names?

Question 1–A–4. If there had been such product-line or industry identification, what additional insights into the correctness of the theory being tested—"synergism"—might the report have provided?

B. Advertising Expenditures

Question 1–B–1. Why could or why did not the Commission obtain before-and-after data on advertising/sales ratios from more than 44 of the 348 acquired companies?

Question 1–B–2. How did two of the nine conglomerates escape providing any information whatever on this part of the empirical testing of theory?

Question 1–B–3. Would it be possible now for the Commission to provide, for publication in this record, a further tabulation showing how many of the 44 companies from which data were obtained on this subject were "dominant" and "non-dominant" companies in their industries, and showing how many companies of each of those types increased and decreased their advertising/sales ratios?

QUESTION NO. 2—METHODOLOGY OF THE NINE CONGLOMERATES STUDY

Preface to question.—The preceding questions (under Question No. 1) relate to the *purposes* of the Nine Conglomerates study and the extent to which those purposes were fulfilled by the method used for the testing of the hypotheses.

By this question and its subparts, we seek to elicit more details of the methodology itself, the reasons for its selection, the manner of carrying it out, and the problems that arose in carrying it out.

The Questions.—In general, was the method selected for the testing of the hypotheses a good and sufficient one, and the best of the alternatives available?

In particular—

Question 2–1. On page 24 of the report, we find three criteria established by the Bureau of Economics for inclusion of a conglomerate corporation in the sample. To be included, a conglomerate had to meet at least two of the three criteria. At the time the nine conglomerates of the sample were selected, about how many companies in the United States (total) could have qualified by meeting two of those three criteria? (Over 20? Over 100?)

NOTE:—The three criteria were: (1) each company selected should have sales of $1 billion or more; (2) each company selected should have made six or more acquisitions involving firms with assets of $10 million or more; and (3) the company should have engaged in a pattern of basically unrelated acquisitions.

Question 2–2. Was there prepared, at the time the sample was being selected, a list naming *all* companies in the United States that met two or three of the criteria, and indicating *which* two or three of the criteria each company met? If so, could we have, for publication in this record, a copy of that list?

Question 2–3. Why were only nine conglomerates selected for the sample?

Question 2–4. Having selected the nine conglomerates (and thereby the 348 acquired companies) that would be used as the sample within which empirical tests of hypotheses about conglomerates would be conducted, how did the Bureau of Economics (and the Commission, if the Commission participated in the decision) select the method or methods it would employ to gather the requisite information from the nine conglomerates?

NOTE.—By this question, we seek to elicit both official records and unofficial recollections of all witnesses having knowledge on the subject.

* * * * *

[NOTE.—Questions 2–5 through 2–8, inclusive, omitted from these excerpts, pertain to the questionnaires used in conducting the study of the nine conglomerates.]

Question 2–9. Were the questionnaires sent to the conglomerates entirely the work product of, and passed upon only by the Bureau of Economics, or did the Commission, or any Commissioner, participate in the drafting of, or pass upon, the form or forms of questionnaires used?

NOTE.—By this question, we seek to elicit fullest information on the extent to which the survey was conducted by the Bureau of Economics independently of the Commission or any Commissioner, and, if it was not, the nature of the Commission's or any Commissioner's participation. We are especially interested in knowing whether and to what extent the interchanges of opinion and the lines of control, as between the Bureau of Economics on the one hand and the Commission or any Commissioner on the other, conformed to or differed from usual Commission practice and procedure.

Question 2–10. Could we have, for publication in this record, a complete chronological list of the procedural steps taken within the Commission, in or out of the Bureau of Economics, involving the planning, conduct and completion of the Nine Conglomerates study?

NOTE.—The following question, 2–11, should be read in connection with and before answering this question. By this question, 2–10, we seek to elicit a complete list of events and decisions, in chronological order, involving the study *over-all*. (In the following question we ask for a comparable chronological list for each separate conglomerate.) In the list solicited by this question, please include the date and a description of each "event" (as defined in the note following the next question) that pertains to the entire study, or to two or more conglomerates, or to procedures and methods in general, rather than to a single conglomerate. This list should include *all* events of the types described in the note following the next question, unless the event only involved *one* of the nine conglomerates and is therefore reported on its individual list. In particular, we should like this general list to include notations identifying the dates and nature of policy meetings and discussions involving personnel of the Bureau of Economics and the Commissioners or members of their personal office staffs.

* * * * *

Question 2–11. Could we have, for publication in this record, nine complete chronological lists, one for each of the nine conglomerates, identifying and briefly describing *all* official events that occurred between or that involved both the Commission and the conglomerate during the course of the Nine Conglomerates study? The list for each conglomerate should, to the extent practicable, include identification of proceedings or transactions involving both the Commission and the conglomerate that occurred during the course of the study, *even though separate and apart from the study.*

NOTE.—By this question, we seek a complete catalogue of official documents and memoranda, not copies of the papers themselves. We should like to have identification of each date on which an event occurred, and a description of the event. As used here, an "event" would include but not be limited to correspondence of all kinds, such as questionnaires, letters and memos; meetings between Commissioners and representatives of the conglomerate; meetings between Commission staff personnel and representatives of the conglomerate; telephone conversations between Commission and conglomerate personnel of which official memoranda were retained; the filing of any legal papers in any court; the conduct of any legal proceedings, including formal hearings, meetings in judicial chambers, the entry of decrees, orders or opinions; the making of any formal or informal, written or unwritten agreements as to procedure for the furnishing of data and the treatment (in confidence or otherwise) of data furnished; and the making of a decision that the study, as to a particular conglomerate, was "completed." * * *

* * * * *

Question 2-12. We understand that the Commission maintains a daily log of the time spent on major projects by all personnel of the Commission, and that there accordingly exists a computerized record of the individual and aggregate personnel hours and days spent on the Nine Conglomerates study. Is this understanding correct? If so, could we have a printout showing the individual and aggregate man-days spent on the project and a tabulation of the total recorded cost of the Nine Conglomerates study to the Commission, itemized to the same extent that such records regularly are itemized for the Commission's own internal budgeting and auditing?

Question 2-13. Some of the theories about conglomerate mergers that were being tested by the Nine Conglomerates study were concurrently being tested in both public and private civil antitrust litigation. Indeed, some of the 348 acquisitions or mergers that were the subject of this study were the subject of civil antitrust actions filed by the U.S. Department of Justice under section 7 of the Clayton Act. Similarly, some of the same theories were the subject of both qualitative and quantitative discussion in the hearings and staff report on conglomerates of the House Judiciary Subcommittee on Antitrust. Why did the Commission's final staff report make no mention of the evidence pertinent to the theories being tested and to the Nine Conglomerates that was contained in the Justice Department and other litigation and in the House Subcommittee's study?

Question 2-14. Could we have, for inclusion in this record, a complete list of all litigation under the antitrust laws that involved or involves any of the 348 acquisitions or mergers that were the subject of the Nine Conglomerates study?

* * * * *

QUESTION NO. 3—INFORMATION OBTAINED IN THE STUDY BUT WITHHELD FROM PUBLICATION

Preface to question.—As pointed out in the earlier questions, the Commission not only failed to obtain essential data from many of the 348 acquired companies, it withheld from publication many of the data that it did obtain.

In an article in the *New York Law Journal* of January 29, 1973, Professor Stanley E. Boyle, consultant to the FTC and a principal author of the study, [wrote that data collected from the nine conglomerates showing rate of return of each business division, including the acquired companies, had been withheld from publication, due to an agreement with the companies made by one Commissioner, without informing staff or other Commissioners.]

The Questions.—*In general,* what is the nature and scope of information collected from the nine acquiring conglomerates and the 348 acquired companies of the study, but withheld from publication?

In particular—

Question 3-1. At some point in the Nine Conglomerates study, as is suggested by Professor Boyle's article and is apparent from the published report, a policy decision of major importance was made: to withhold from the public any individual-company data collected from or about any of the nine conglomerates and 348 acquired companies, with the sole exception of data already in the public domain. When, by whom, and for what reasons was that decision made?

Question 3-2. Under what authority, in statute or in Commission rules and regulations, was that decision made?

* * * * *

Question 3-3. Could we have, for publication in this record, a description date-by-date and conglomerate-by-conglomerate, of all correspondence and negotiations leading to, and deemed by the Commission to explain or justify, the withholding from the public of individual-company data collected in the study? The Commission's answer to this question could, most helpfully, include copies for the record of any written agreements with any or all of the conglomerates, by which they were assured that individual-company data would be withheld from the public.

* * * * *

Question 3-4. The published report contains tables in Chapter IV in which the number, market share and value of shipments of the products manufactured by the nine conglomerates are described in various statistical arrays. To the extent not covered by promises of secrecy, could we have computer printouts of individual-company data, identifying company names, products at the 5-digit SIC level, and values of shipments for all available years?

* * * * *

Question 3-5. The published report at no point names the 348 acquired companies that were its subject. Since those names presumably are in the Commission's possession, could they now be furnished to this subcommittee for publication by it? If so, we should like to have nine lists, one for each of the nine conglomerates, showing the names and other key data for each of the companies which it acquired and which were included in the study. The nine lists collectively should name 348 companies. It would be most helpful if the lists were organized with the acquired-company names at the heads of columns, and, in lines down the page, under each name, there were presented as many of the following items of information as can be made available to the public at this time.

(1) State (or country, if foreign) and year of incorporation.

(2) Symbol indicating whether the company, before acquisition, was public or closely held.

(3) Symbol indicating whether the company filed its own, separate annual (10-K) reports with the Securities and Exchange Commission before acquisition and/or after acquisition.

(4) City (cities) and state(s) or countries in which company's principal plants and offices are located.

(5) Company's total number of employees at time of acquisition and for all other years, before and after acquisition, for which you have that information.

(6) Name(s), SIC number(s) and value(s) of shipments for each industry in which company was engaged at time of acquisition, and the same data for all other years, before and after acquisition, for which you have that information. In any year for which more than one SIC is listed, please list them in the order of their importance to the company.

(7) Company's rank in its most important two SIC industries at time of acquisition.

(8) Company's rank in its most important two SIC industries three years after acquisition.

(9) Value of company's total assets at time of acquisition and for all other years, before and after acquisition, for which you have that information.

(10) Stockholders' equity in company at time of acquisition and for all other years, before and after acquisition, for which you have that information. (If the acquired company was merged, dissolved or otherwise legally discontinued but remained physically in existence and operation, as a division or otherwise, show pro forma stockholders' equity figures if available.)

(11) Price received by sellers of acquired company from acquiring company.

(12) Date of acquisition.

(13) Company's annual net sales for year of acquisition and for all other years, before and after acquisition, for which you have that information.

(14) Company's annual net profit *before* income taxes for year of acquisition and for all other years, before and after acquisition, for which you have that information. (Please list separately before-tax profit per books and per Federal income tax return.)

(15) Company's annual net profit *after* income taxes for year of acquisition and for all other years, before and after acquisition, for which you have that information. (Please list separately after-tax profit per books and per Federal income tax return.)

Where an item of the requested information exists or is believed to exist but was not obtained by the Commission, a symbol such as "N.O." (for "Not Obtained") should be used. Where an item of requested information does not exist or is not applicable, a different symbol, such as "N.A." (for "Not Applicable"), should be used. Where an item of information was obtained by the Commission but is withheld by reason of a promise of condentiality, another symbol, such as "S" (for "Secret") should so indicate.

We do not wish to receive any information that we cannot publish, but we would like to know the nature and extent of any such information obtained by the Commission.

Question 3-6. We understand that there was prepared an earlier, more detailed draft of the report on the nine conglomerates study. Could the subcommittees now have, for publication in this record, a copy of that draft? If not, we should appreciate having a copy of such parts, not included in the published report, as might now be published, a description of the omitted parts, and an explanation for their omission.

NOTE.—We hope to obtain, in response to this question, not only all profit data by divisions, subsidiaries, profit centers, product lines, etc., for the nine conglomerates, which were included in the original draft, but also any such data that can now be made available for publication which were not included in the unpublished draft.

QUESTION NO. 4.—OTHER CORPORATE INFORMATION-GATHERING ACTIVITIES OF THE COMMISSION

Preface to question.—Under section 6 of the Federal Trade Commission Act, the FTC has broad powers to collect information from "any corporation engaged in commerce, excepting banks and common carriers." The information may be collected by direct investigation (under section 6(a) of the Act), or by requiring the filing by corporations of "annual or special, or both annual and special, reports or answers in writing to specific questions" (under section 6(b) of the Act). Section 6(f) permits the FTC to publish any information so collected, "except trade secrets and names of customers, as it shall deem expedient in the public interest."

The Commission's exercise of these powers has provided the American public and small businessmen with some of the most significant information about the inner workings of giant corporations that has found its way into the public domain. However, the resistance by giant corporations and their skilled attorneys to the furnishing and publication of such information is very great, and is getting greater. To overcome that resistance, the Commission needs more encouragement and support from the public, and probably more funding from the Congress and the Administration, than it has received in recent years. The purpose of this question and its subparts is to elicit, for this record, some information about the types of corporate data-gathering that the Commission has done, as well as some that it has wished to do but has been frustrated from doing.

The Questions—In general, what types of giant corporation data has the Commission collected and published, what types has it collected and not published, what types has it wished to collect but been prevented from collecting, and what are the sources of resistance to the collection and publication of giant corporation data? Why does the public need more information about the inner workings of giant corporations than it is now getting?

In particular—

Question 4-1.—In the 1951 Corporate Pattern Survey, the FTC collected from the 1,000 largest manufacturing companies of 1950 information on their values of shipments of specific products from specific plants. A statistical report was published in 1957, giving results of the study by industries, but without any individual-company data. In September of 1972, when the information was 22 years old, the FTC published some of the individual-company data for some of the 1,000 companies. These questions arise:

(a) Why did the FTC wait 22 years to publish any of the individual-company data collected in the 1951 Corporate Pattern Survey?

(b) Why were the data published for only 979 of the 1,000 companies included in the 1951 survey?

(c) Why did the data that were published for the 979 companies include only company-total shipments values for each product line, with no plant or other geographical breakdowns?

(d) Why has the Corporate Pattern Survey, which collected value-of-shipments data by product line for the 1,000 largest manufacturing companies of 1950, never been repeated?

(e) In view of the economic and competitive importance of profit information by product line, why was not the 1951 Corporate Pattern Survey designed to elicit such information?

(f) And why is the new Corporate Pattern Survey, the FTC's proposed questionnaire for which is now pending at the Office of Management and Budget, designed to elicit only company-total shipments data, by product line, for the 1,000 largest manufacturers of 1967, and not designed to elicit either establishment data or profit data?

Note.—In question 4-1 and its subparts, we seek to elicit fullest available information on the reasons for and sources of *resistance* to publication of the 1950 data, to repetition of the survey for more recent years, and to expansion of the scope of the survey now contemplated for 1967.

Question 4-2. Would it not be beneficial and feasible for the FTC to conduct a Corporate Pattern Survey for every year in which the economic censuses are taken?

Question 4-3. Assuming that the FTC obtains approval of its proposed new Corporate Pattern Survey to collect data on product-line shipments for the year 1967, will it then make plans for and design a similar survey for the next economic censal year, 1972?

Question 4-4. Would it be feasible and desirable for a Corporate Pattern Survey collecting data for 1972 to be expanded in scope, to include profit information by product line as well as value-of-shipments information?

Question 4-5. What will be the FTC's policy on the publication of individual-company data collected in the new Corporate Pattern Survey covering the year 1967? For 1972 and future years?

Note.—It would seem to us to be desirable for the individual-company data to be published as soon as possible after they are collected even ahead of publication of any statistical summary and analysis of the data by the Commission. Whether that is or is not contemplated, an explanation of the policy would be appropriate in the answer to this question.

Question 4-6. On December 1, 1970, the FTC applied to the Office of Management and Budget (OMB) for clearance for a proposed survey report, to be required annually of all large manufacturing corporations. Called "FTC Form LB, Annual Receipts and Income, by Line of Business," its principal purpose was to remedy, at least once a year, the great and growing inaccuracies of industrial profit data in the *Quarterly Financial Report for Manufacturing Corporations,* (the *QFR*). In the *QFR,* a large corporation's *entire* sales and profit data are tabulated in only *one* industry, the company's most important single industry, even though that industry may account for well under a third of its total sales and total profits. As a result, with consolidated reports from so many conglomerate corporations included in the *QFR* data, the industrial information has become most unreliable. The proposed Form LB would have obtained an annual check on the extent of this unreliability, by gathering from the largest corporations sales and profit data by Standard Industrial Classification (SIC). However, following a meeting of a panel of the Business Advisory Council for Federal Reports with the OMB and FTC staff on January 21, 1971, in which predicted and predictable strenuous opposition from big business fully materialized, proposed Form LB was not approved. It is now being rumored that a revised version of the form may soon be approved, which leads to these questions:

(a) Can we have, for publication in this record, a copy of each proposed, revised Form LB that has been considered by the FTC and OMB subsequent to the original form, already published in this record, which was submitted for clearance in 1970?

* * * * *

(b) Is it contemplated that some version of Form LB will be cleared in time for collection this year of 1972 data? In time for collection next year of 1973 data?

(c) Could we have, for publication in this record, a list giving the dates and brief descriptions of principal meetings that have been held concerning proposed FTC Form LB, including interagency task force meetings, and especially including conferences between FTC personnel and industry representatives, and OMB personnel and industry representatives?

(d) Proposed Form LB, as originally submitted, contains an express promise to the corporations that would be required to complete and file the form: "It will not be made public." What are the Commission's reasons for giving a promise of secrecy for the individual-company data to be collected by this form?

(e) In brief summary form, what are the arguments advanced for and against the collection *and publication* annually of *individual-company* line-of-business sales and income data, by Standard Industrial Classification, from very large corporations, say those with annual sales of $200 million or more, or $100 million or more?

Note.—We should appreciate the courtesy of the Commission and any other witnesses providing answers to this question in naming the principal proponents of the pro and con arguments that are summarized.

Question 4-7. The Federal Trade Commission has proposed to expand the *QFR* to include data on mining and trade, as well as manufacturing, and to require corporations to exclude certain data from the consolidated quarterly reports they now file. Briefly, the data to be excluded would be the results of foreign operations and the results of certain regulated-industry operations, both of which are now more often than not included in the consolidated quarterly financial reports filed by corporations for tabulation in the *OFR*. At a meeting of a panel of the Business Advisory Council on Federal Reports (BACFR) with FTC and OMB staff personnel on October 5, 1972, industry spokesmen, predictably, expressed the usual adamant opposition to any meaningful breakdown of their financial data, even in the strictly confidential reports for the *QFR*. In brief summary, what are the arguments for and against the proposed new rules for consolidation of data in the *QFR* forms corporations file? And what is the current status of the FTC's proposed Forms MG and TR, the ones considered at the October 5, 1972, meeting?

* * * * *

Question 4-8. At the meeting of a BACFR panel mentioned in question 4-7, there was considerable discussion of the possibility that the *QFR* program might be transferred from the FTC to the Bureau of the Census. Business representatives at the meeting favored such a transfer, principally because of their concern that individual-company *QFR* data might somehow stray from the Bureau of Economics and its Division of Financial Statistics, which currently keeps such data under lock and key, into the hands of the regulatory bureaus of the Commission, where it might be used against them in enforcement proceedings. In brief summary, what are the arguments for and against transferring the *QFR* program and the FTC to the Department of Commerce? And what is the current status of the proposal to make such a transfer?

EARTH MONTH IN BALTIMORE

Mr. MATHIAS. Mr. President, every week the calendar recalls ancient man's reverence for the Sun and the Moon as we follow the steady cycle of Mondays following Sundays. Now it is clearly time for modern man to dedicate a span of time to Earth. In Baltimore Mayor Donald Schaefer will fulfill this need by proclaiming the period from March 20 to April 24 as International Earth Month.

But Baltimore's Earth Month will not be a pagan festival, but rather a rational appeal for harmony between man and nature. It will call for rationality in an urban setting where the environment is seriously challenged.

As we renew our dedication to a task that is basic to life itself, that of preserving our environment yet creating and maintaining full and productive lives, I believe the words of the scientist-philosopher Rene DuBos are particularly appropriate:

> To be compatible with the spirit of Western culture, conservation cannot be exclusively or even primarily concerned with saving man-made artifacts or parts of the natural world for the sake of preserving isolated specimens of beauty here and there. Its goal should be the maintenance of conditions under which man can develop his highest potentialities. . . . For animals as well as men, the kind of environment which is most satisfactory is one that they have shaped to fit their needs. . . . From man's point of view, civilized Nature should not be regarded as an object to be preserved unchanged, not as one to be dominated and exploited, but rather as a kind of garden in which human beings become what they want according to their own genius. Ideally, man and Nature should be joined in a nonrepressive and creative functioning order.

We must learn, as Dr. DuBos has so eloquently written, that the element of success in our struggle for survival lies in our ability to adapt ourselves to our environment without ignoring our needs. I applaud the enthusiasm of those who sponsor Earth Month because it is through their efforts that we will ultimately achieve a rational man-nature relationship.

I append here an announcement of principal Earth Month activities in Baltimore and ask unanimous consent that they be included in the Record.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

Earth Month, March 20 to April 24, 1973

A national first for the city of Baltimore and the State of Maryland—will be observed again this year from March 20th, 1:13 p.m. (the time of the Vernal Equinox), to April 24th.

International Earth Day—March 20, 1:13 P.M.—March 21, 1:13 p.m. with opening ceremony at Pier 1 aboard the U.S.S. Constellation, with the Major Theme: "Save Our Seas" at 1:13 p.m. March 20th.

Earth Hour—March 20th, 1:13 p.m.–2:13 p.m. Agenda as follows: Reading of the Earth Month Proclamation by Mayor Schaefer and short addresses by: John Ramsey (Director of Baltimore's Environmental Center), Bob Hieronimus (Coordinator of Earth Month and International Earth Day), the United Nations Association of Maryland (Youth & Senior Div.) and World Federalists (Youth & Senior Div.).

"Minute for Peace"—March 20th, 2:12–2:13 p.m., a minute of silent prayer and meditation, after which Church Bells will ring 2:13–2:18 p.m.

Earth Month—March 20th–April 24th.

International Earth Day will commence 1 month of activity during which schools, communities and churches will begin working on short and long-range projects improving our environment throughout the City and State.

Earth Week—April 18th–24th.

The final week of Earth Month will place the greatest emphasis upon closer coordinated projects with the Baltimore Environmental Center, located at 112 East 25th Street.

For further information, contact:

John Ramsey (366–2070), 112 E. 25th St., Baltimore, Md., 21218; or Bob Hieronimus (664–6959), 2405 Ruscombe La., Baltimore, Md., 21209.

"Most astronauts agree that there is an inevitable universal consequence of space flight perhaps best expressed by Ed Mitchell . . . 'You develop an instant global consciousness, a people orientation, an intense dissatisfaction with the state of the world and a compulsion to do something about it.' "

CANCER-CAUSING DRUGS IN OUR FOOD

Mr. RIBICOFF. Mr. President, through the creation of a National Cancer Institute and the appropriation of nearly $500 million in fiscal year 1973 the Congress has given the highest priority to the development of a cancer cure.

At the same time that the Government has been searching for a cure for cancer, however, government agencies have permitted the introduction into the food supply of substances which may themselves cause cancer.

There has been widespread controversy over the use of one particular cancer-causing drug, diethylstilbestrol—DES—but this controversy has obscured the fact that scores of other drugs suspected of causing cancer remain in the food supply.

To date, few drugs administered to food animals have been shown definitely to be carcinogenic—cancer-causing. Many more, however, are suspect carcinogens, and inadequate measures have been taken to explore the dangers these drugs may present. Meanwhile, these drugs have been used widely and consumers have borne the risk that the food they eat is unsafe.

I am releasing today an extensive examination of this subject, prepared by the FDA's own Director of Veterinary Medicine Research, which reveals that many suspected carcinogens are present in the food supply and illustrates the alarming dimensions of the problem. According to the FDA memorandum prepared September 27, 1972, and heretofore not made public, there are nine approved animal drugs for cattle classified by the FDA as possible carcinogens. For poultry, there are seven approved animal drugs classified by the FDA as possible carcinogens. For pork, three. For sheep, five, For milk, two, and for hens, four.

According to the summary, there are a total of 19 separate approved animal drugs that are suspected carcinogens; 23 separate animal drugs the residues of which could be a human hazard because of possible sypersensitivity, acute toxicity, and the development of resistant strains of bacteria. Seventeen animal drugs that leave toxic residues if abused or not withdrawn properly; five pesticides which if abused could lead to toxic residues in food producing animals; three pesticides that could lead to toxic residues in tissues as a result of contamination in the environment; and five specialized drugs that if abused would lead to potent residues having a possible physiological effect on human beings.

With respect to several of these suspected, cancer-causing drugs, the FDA admits that its current testing methods are inadequate. Yet, all these drugs remain on the market, subject to misuse, while consumers are exposed to serious risk. Until adequate testing methods are developed, there is no excuse for allowing these drugs to be used in animals produced for food.

Even when the FDA decides not to allow any residue of a drug to appear in food, the consumer has no guarantee of protection. For example, the hormone, melengestrol acetate—MGA—is licensed for use in heifers intended for human consumption. This hormone has been shown to cause tumors in test animals. The FDA has imposed a zero tolerance for MGA, permitting no residues in slaughtered carcasses.

The Department of Agriculture is responsible for testing meat to assure that no residues of MGA remain. Yet for more than 2 years there has been no monitoring program at all to detect MGA residues. During that time, MGA has continued to be licensed and used, while consumers have borne the risk that there are residues of MGA in their meat and that these residues may cause cancer.

On May 18, 1971, in response to a letter from me, the Secretary of Agriculture stated that "the validation of the MGA—testing—procedure has been given a high priority so that the Department may initiate a monitoring program at an early date." Now, almost 2 years later, there is still no monitoring program. One wonders what meaning the Agriculture Department attaches to the term "high priority."

This situation is especially disturbing now that DES has been banned from animal feeds, for it is possible that MGA will become more widely used as a substitute. As long as there is a strong possibility that MGA is a carcinogen, the FDA should not allow this to happen.

It is clear that Government regulation of animal drugs is not protecting American consumers. Substances classified as "suspect carcinogens" are allowed to remain in the food supply until there is absolute proof that they do cause cancer. Even then, the Government moves slowly to remove them. Animal drugs, the safety of which are in serious doubt, are given the benefit of every doubt, and little is done to investigate the risk they present to consumers. By the time corrective action is taken, it may be too late for millions of Americans. In the past several decades, the incidence of cancer has grown alarmingly at the same time that the use of animal drugs which are "suspect carcinogens" has proliferated. It is quite possible that there is a relation between these two developments.

Government regulation of animal drugs which pose a potential danger to human health must be dramatically improved. Several things must be done to make this improvement possible.

First, the responsibility for protecting consumers from potentially dangerous substances in food must be centralized in one Federal agency. In the past, fragmented regulatory authority has resulted in ineffective regulation.

FDA has responsibility to license animal drugs, establish regulations governing their use, and prescribe the level of sensitivity for tests to determine the presence of residues. The Department of Agriculture, however, has responsibility for conducting the tests and enforcing the regulations. In the case of MGA, regulations governing use and standards for testing have been established by the FDA, but the total failure by the Department of Agriculture to monitor animals for compliance has resulted in a failure to enforce any standard at all. With respect to DES, the divided authority has resulted in tardy attention to testing for DES residues resulting from implants. I shall be introducing legislation in the next several weeks to bring these functions together under a single authority with full responsibility for licensing, standard setting, testing, and enforcement.

Second, consumer representation must be strengthened. As long as consumers have no voice in regulatory decisions, their interests will continue to be ignored. S. 707, which I have introduced and which is cosponsored by 29 other Senators, would provide an effective consumer advocate for the first time. Hearings on this legislation will begin tomorrow.

Third, whatever Federal agency has regulatory responsibility must begin to enforce the law with the interests of consumers in mind. It is intolerable that "suspect carcinogens" remain in the food supply with no monitoring system to detect their presence. Consumers should not bear the risk of exposure to cancer while the Federal Government moves lethargically, if at all, toward the development of detection systems. Nor should they bear the risk when the standards that are eventually set are unenforceable. The Government must assure that any substance which may be present in food is harmless. There is no excuse for the presence of a "suspect carcinogen" in the food we eat.

No legislation that we pass can solve this problem unless that legislation is enforced vigorously. Consolidation of responsibility and creation of a consumer advocate may contribute to a solution, but in the final analysis, it will be up to the regulatory agency itself to decide, at last, that its primary job is consumer protection.

The FDA memorandum I am releasing today recognizes the failure of governmental regulation to protect consumers. It concludes with these words:

> Unless FDA resolves this drug residue problem, we will soon be in direct confrontation with Congress defending an untenable position. For FDA to ignore this problem would be disastrous.

I am writing tc the Secretary of Health, Education, and Welfare and the Secretary of Agriculture, calling upon them to withdraw approval for use in food animals of all suspect carcinogens and other potentially dangerous toxic drugs, until it is shown by convincing evidence that such drugs are not hazardous to human health.

I ask unanimous consent to have my letter to Secretaries Wendeeyer and Butz and the FDA memorandum inserted at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Letters to Secretaries Weinberger and Butz

March 20, 1973.

Dear Mr. Secretary: I have received a copy of a memorandum prepared on September 27, 1972 by the Director of the Food and Drug Administration's Bureau of Veterinary Medicine Research that illustrates the extent to which American consumers are being exposed to carcinogenic and toxic substances administered as drugs to food animals.

The situation that has been allowed to develop presents an intolerable risk to the American public, especially when no adequate monitoring system exists to detect the presence of many of these substances in human food. To protect the American consumer, approval should be withdrawn immediately for the use in food animals of all suspect carcinogens and other animal drugs which may be hazardous to human health until such substances are shown by convincing scientific evidence to be harmless to human health.

I would appreciate your prompt attention to this matter.

Sincerely,

Abe Ribicoff.

Department of Health,
Education, and Welfare,
September 27, 1972.

To: C. D. Van Houweling, Director, Bureau of Veterinary Medicine, VM-1.

From: Director, DVMR VM-400.

Subject: Review of veterinary drug residues and drug residue monitoring programs for food producing animals.

In light of recent developments in analytical techniques for recovering minute amounts of drug residue from tissues of treated food producing animals and birds, it becomes evident that a review of the entire problem of drug residues and monitoring programs by both FDA and USDA be undertaken at the earliest possible date. FDA has a continuing responsibility to assure the consumer that when properly used, approved veterinary drugs will not result in the presence of illegal residues in the tissues or products of food producing animals or birds. Existence of excessive or prohibited residues may constitute a public health hazard.

The current public interest aroused by the DES controversy dictates that FDA and USDA review the residue problem as a total concept so that screening methods, monitoring programs and necessary regulatory methods can be updated and made consistent with current scientific knowledge.

Monitoring the tissues of food producing animals and birds for drug residues must logically be done at the time of slaughter by USDA. However, in order for USDA to sample for tissue residues with confidence and with the greatest utilization of manpower, facilities, and funds, they must establish new sampling priorities and statistically valid sampling procedures for individual drugs. Examples of the types of information needed by USDA are: Public health significance of the drug, volume sold, geographical distribution, method of administration and drug characteristics. These types of information are generally available from FDA, and appropriate means for developing and conveying them to USDA should be developed.

In this context it is possible to address ourselves to several of the factors that will serve both USDA and FDA in carrying out a meaningful drug surveillance program. The following aspects will be considered in this memorandum.

I. An identification of those veterinary drugs that are presently being used in food producing animals (including fish).

II. Veterinary drugs that can produce tissue residues with possible public health significance.

III. A consideration of the adequacy of available tissue residue methodology for the various veterinary drugs.

IV. Summary of regulatory tissue methods *presently* available for inclusion into the APHIS/USDA tissue monitoring program.

V. Recommendations for action by FDA.

I. LIST OF DRUGS USED IN FOOD PRODUCING ANIMALS

If these drugs are misused, they may leave illegal residues in foods of animal origin.

A. Drug residues possible in *cattle tissue* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. Bacitracin
2. Chlorhexidine (2)
3. Chlormadinone acetate (being banned) (5)
4. Chlortetracycline (1)
5. Clopidol
6. Coumaphos (3)
7. Diethylstilbestrol (now banned except in implants) (5)
8. Dihydrostreptomycin (2)
9. Erythromycin
10. Estradiol benzoate (1), (5)
11. Ethoxyquin
12. Famphur (3)
13. Haloxon
14. Levamisole hydrochloride
15. Melengestrol acetate (5)
16. Medroxyprogesterone acetate (heifers and ewes only) (5)
17. Neomycin (2)
18. Oxytetracycline
19. Penicillin
20. Phenothiazine
21. Progesterone (heifers only) (5)
22. Promazine hydrochloride (drug withdrawn from use in food producing animals)
23. Ronnel (3)
24. Sulfachlorpyridazine (2)
25. Sulfadimethoxine
26. Sulfaethoxypridazine (1)
27. Sulfamethazine (3)
28. Testosterone (5)
29. Testosterone propionate (1), (5)
30. Tetracylcine
31. Thibendazole
32. Tylosin

Note (1), Residues also possible in calves

Note (2), Residues expected only in calves

Note (3), Residues not listed in 21 CFR 135g, but could give a residue if abused

Note (4), Drugs classified as not new animal drug

Note (5), Possible carcinogen

B. Drug Residues possible in *poultry tissue* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. 2-Acetylamino-5-nitrothiazole (2).
2. Aklomide (1).
3. Amprolium (1).
4. Bacitracin.
5. Buquinolate (1).
6. Carbomycin (1).
7. Chlortetracycline.
8. Clopidol (1).
9. Coumaphos (3).
10. Decoquinate (1).
11. Dinestrol diacetate (5).
12. Dimetridazole (2), (5).
13. 3,5-Dinitrobenzamide (1).
14. Erythromycin.
15. Estradiol monopalmitate (1) (5).
16. Ethopabate (1).
17. Ethoxyquin.
18. Furazolidone (5).
19. Hygromycin B.
20. Ipronidazole (2) (5).
21. Lincomycin (1).
22. Metoserpate hydrochloride (1) (3).
23. Monensin (1).
24. Nequinate (1).
25. Nicarbazine (1) (3).
26. Nihydrazone (1) (5).
27. Nithiazide (3).
28. Nitrofurazone (3) (5).
29. Novobiocin.
30. Nystatin (1).
31. Oleandomycin.
32. Ormetoprim (1).
33. Oxytetracycline.
34. Penicillin.
35. Racephinicol (1).
36. Reserpine (3).

37. Sodium sulfachloropyrazine (1).
38. Spectinomycin (1).
39. Streptomycin.
40. Sulfadimethoxine (1).
41. Sulfanitran (1).
42. Sulfaquinoxaline (3) (4).
43. Sulfomyxin
44. Tetracycline
45. Total arsenic
46. Tylosin
47. Zoalene

Note (1), Residues expected only in chicken tissue

Note (2), Residues expected only in turkey tissue or turkey eggs

Note (3), Residues not listed in 21 CFR 135g, but could give a residue if abused

Note (4), Drugs classified as not new animal drug

Note (5), Possible carcinogen

C. Drug Residues possible in *swine tissue* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. Bacitracin
2. Carbadox (FR approval notice in General Council's office now) (3)
3. Chlortetracycline
4. Clopidol
5. Dichlorvos
6. Erythromycin thiocyanate
7. Ethoxyquin
8. Furazolidone (3)
9. Hygromycin B
10. Levamisole hydrochloride
11. Lincomycin
12. Neomycin (1)
13. Nitrofurazone (1) (3)
14. Novobiocin (1)
15. Nystatin
16. Oleandomycin
17. Oxytetracycline (2)
18. Penicillin
19. Streptomycin
20. Sulfachorpyridazine
21. Sulfethoxypridazine
22. Sulfamethazine (1)
23. Sulfathiazole (2)
24. Tetracycline
25. Thiabendazole
26. Total arsenic
27. Tylosin

Note (1), Residues not listed in 21 CFR 135g, but could give a residue if abused

Note (2), Drug classified as not new animal drug

Note (3), Possible carcinogen

D. Drug Residues possible in *sheep tissue* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. Clopidol
2. Diethylstilbestrol (now banned except in implants) (3)
3. Estradiol benzoate (3)
4. Ethoxyquin
5. Haloxon
6. Levamisole hydrochloride
7. Medroxyprogesterone acetate (will be banned) (3)
8. Neomycin (1)
9. Oxytetracycline (1) (2)
10. Phenothiazine (1) (2)
11. Progesterone (3)
12. Tetracycline
13. Thibendazole
14 Zeranol (3)

Note (1), Residue not listed in 21 CFR 135g, but could give a residue if abused

Note (2), Drugs classified as not new animal drug

Note (3), Possible carcinogen

E. Drug Residues possible in *farmed fish tissue* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. Oxytetracycline
2. Sulfamerazine

F. Drug Residues possible in *milk* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. Bacitracin
2. Chlortetracycline
3. Clopidol
4. DDT, DDD, & DDE
5. Dihydrostreptomycin
6. Erythromycin
7. Ethoxyquin
8. Famphur (1)
9. Furaltadone (3)
10. Hydrocortisone
11. Lincomycin (1)
12. Medroxyprogesterone (3)
13. Methylprednisolone
14. Neomycin
15. Novobiocin
16. Penicillin
17. Phenothiazine
18. Polymyxin B (1)
19. Prednisolone
20. Prednisone
21. Ronnel (1)
22. Sulfadimethoxine
23. Sulfaethoxypridazine
24. Tetracycline (1)
25. Thiabendazole
26. Tylosin

Note (1). Residue not listed in 21 CFR 135g, but could give a residue if abused

Note (2). Drugs classified as not new animal drug

Note (3). Possible carcinogen

G. Drug Residues possible in *eggs* where a tolerance (or Zero tolerance) is listed in 21 CFR 135g.

1. Amprolium
2. Bacitracin
3. Buquinolate
4. Chlortetracycline
5. Dimetridazole (1) (3)
6. Erythromycin
7. Furazolidone (1) (3)
8. Hygromycin B
9. Nihydrazone (3)
10. Nitrofurazone (1) (3)
11. Novobiocin
12. Nystatin (1)
13. Penicillin
14. Reserpine
15. Streptomycin
16. Tetracycline (1)
17. Total arsenic
18. Tylosin

Note (1). Residue not listed in 21 CFR 135g, but could give a residue if abused

Note (2). Drugs classified as not new animal drug but where the residue pattern is not completely known

Note (3). Possible carcinogen

II. VETERINARY DRUGS THAT CAN PRODUCE TISSUE RESIDUES WITH POSSIBLE PUBLIC HEALTH SIGNIFICANCE

We believe BVM has a vital role to play in FDA as regards to the public health impact of veterinary drugs and their potential for leaving residues in food producing animals. We have specialized knowledge in the area of animal husbandry practices, and in the systems used in livestock marketing and processing. We also have a well established communication system established with the Meat & Poultry Inspection Services of USDA. It seems appropriate then that BVM should receive, evaluate and initiate field investigation of reports of violative drug residues received from USDA. We also believe that having this information in hand, BVM should continue its practice of developing the necessary regulatory programs incident to the misuse of veterinary drugs. With these conclusions in mind, as we addressed the total residue subject we attempted to go one step further, that is, we tried to rank veterinary drugs in order of decreasing public health significance. Had we concluded that this was properly within our total purview, and that we were qualified to do so, we would have prepared a priority list for USDA's monitoring program. This approach was abandoned when we recognized that the Bureau of Food is responsible for determining the toxicity of veterinary drug residues for man, and that they establish the period of time that drugs must be withdrawn from the diet or therapeusis of animals and birds. We note further, that if BVM is solely responsible for advising USDA on drug surveillance priorities we could conceivably issue recommendations that would fail to meet the mission of the agency. This would leave us in an untenable position. An example of our delimma surfaced when we tried to decide if the sampling of tissues for antibiotic residues should have a higher priority than certain Sulfa drugs. Recent considerations in the Bureau of Foods hold that the Sulfas are potential carcinogens. Another example would be in determining priorities for residues of antibiotics versus steroids or for substances that are both drugs and pesticides. Thus, we conclude that the Bureau of Foods must be consulted by BVM and they must ultimately be involved in establishing the priorities for any future drug surveillance program to be conducted by USDA and FDA.

Therefore, we are presenting seven categories of drugs that should be considered for inclusion in a surveillance program. With the exception of the first grouping we have not attempted to assign rankings to the categories. Quite obviously, category A is a critical class of drugs which we believe by anybody's evaluation must receive priority attention. Here again, we may have erred in our judgment by not placing the sulfonamides in this category. We believe B/F holds part of the answer to this question for this widely used class of veterinary drugs.

On the assumption that B/F will be consulted and that we will jointly develop a priority grouping of drugs for USDA's surveillance program, BVM should seriously consider the workup of related information that will make USDA's efforts meaningful. This would include information such as volume of drug sold each year, geographical distribution, species use, method of administration, etc.

Please note that we have included those drugs which could be expected as residues in milk and/or in eggs. These would be eliminated in our advice to USDA. We think it is useful however to have them included for possible attention in FDA regulatory programs.

A. *Those drugs having a zero residue tolerance because they are suspect carcinogens.*

1. Carbadox—in swine tissue (not yet marketed)
2. Chlormadinone acetate—in beef tissue (approval being withdrawn)
3. Dinestrol diacetate—in poultry tissue
4. Diethylstilbestrol—in beef and sheep tissue (implants only)
5. Dimetridazole—in turkey tissue
6. Estradiol benzoate—in beef and sheep tissue
7. Estradiol monopalmitate—in chicken tissue
8. Furaltadone—in milk
9. Furazolidone—in poultry and swine tissue
10. Iponidazole—in turkey tissue
11. Melengestrol acetate—in beef tissue (approved for use in heifers only, but must screen steers also because of reported abuse)
12. Medroxyprogesterone acetate—in beef and sheep tissue (approved for breeding cattle and ewes only)
13. Nihydrazone—in chicken tissue and eggs
14. Nitrofurazone—in poultry and swine tissue
15. Progesterone—in beef and sheep tissue (approved for heifers and ewes only)
16. Testosterone—in beef tissue
17. Testosterone propionate—in beef tissue
18. Zeranol—in beef and sheep tissue
19. Selenium, injectable

B. *Antibiotic residues that could be a human health hazard because of possible hypersensitivity, frank toxicity and development of resistant strains of organisms in the human bacteria florae.*

1. Bacitracin—in all animal tissues, milk and eggs (widely used)
2. Carbomycin—in chicken tissue
3. Chloramphenicol—in milk and animal tissue (not approved for use in food producing animals)
4. Chlortectracycline—in all animal tissue, milk, and eggs (widely used)
5. Dihydrostreptomycin—in calf tissue, milk and dairy products
6. Erythromycin—in all animal tissue except swine
7. Hygromycin B—in all chicken and swine tissue and eggs (widely used)
8. Lincomycin—in chicken and swine tissue
9. Monesin—in chicken tissue (70% of market)
10. Neomycin—in calf tissue and milk
11. Novobiocin—in all animal tissues, milk, and eggs
12. Nystatin—in chicken and swine tissues and eggs
13. Oleandomycin—in poultry tissue
14. Oxytetracycline—in all animal tissues (widely used)
15. Penicillin—in all animal tissues, and eggs (widely used)
16. Penicillin—in milk (knowledge of this residue is of high priority because of the known anaphylactic reaction of penicillin in some people)
17. Polymyxin B—in milk
18. Racephenicol—in chicken tissue
19. Spectinomycin—in chicken tissue
20. Streptomycin—in poultry and swine tissue and eggs
21. Sulfonmyxin—in beef tissue
22. Tetracycline—in all animal tissues, milk and eggs (widely used)
23. Tylosin—in all animal tissue, milk and eggs

C. *Toxic drugs that if abused and/or not withdrawn properly, could leave residues that are toxic but are not known to be carcinogenic.*

1. 2-Acetylamine-5-nitrothiazine—in turkey tissue
2. Arsenicals—in poultry and swine tissue (tolerance is on total arsenic). They are the most widely used.
3. 3,5-Dinitrobenzamide in chicken tissue
4. Levamisole hydrochloride—in beef, sheep, and swine tissue
5. Mithiazide—in chicken tissue
6. Ormetoprin—in poultry tissue
7. Phenothiazine—in beef tissue and milk
8. Sodium sulfachloropyrazine—in chicken tissue
9. Sulfachlorpyridazine—in beef and swine and milk
10. Sulfadimethoxine—in beef and poultry tissue and milk
11. Sulfaethoxpyridazine—in beef and swine and milk
12. Sulfamerazine—in trout
13. Sulfamethazine—in beef and swine tissue (widely used)
14. Sulfanitran—in chicken tissue
15. Sulfaquinoxaline—in poultry tissue
16. Sulfathiazole—in swine tissue (widely used)
17. Thiabendazole—in beef, sheep, and swine tissue and milk (widely used)

D. *Compounds that are pesticides as well as drugs which if abused could lead to toxic residues in food producing animals.*

1. Coumaphos—in beef and poultry tissue
2. Dichlorvos—in swine tissue
3. Famphur—in beef tissue and milk
4. Haloxon—in beef tissue
5. Ronnel—in beef tissue and milk

E. *Pesticides that are not approved animal drugs, but could lead to toxic residue in tissue from contamination in the environment.* Tolerances yet to be determined.

1. All carbamate pesticides
2. All chlorinated pesticides (DDT, DDD & DDE)
3. All organophosphate pesticides

F. *Specialized drugs, that if abused would lead to potent residues having a possible physiological effect.*

1. Hydrocortisone—in milk
2. Methylprednisolone—in milk
3. Prednisolone—in milk
4. Prednisone—in milk
5. Reserpine—in poultry tissue

G. *Less toxic drugs, that if use is abused could lead to over tolerance residues.*

1. Aklomide—in chicken tissue
2. Amprolium—in chicken tissue and eggs
3. Buquinolate—in chicken tissue and eggs
4. Clopidol—in chicken tissue and contamination in all other animal tissues
5. Chlorhexidine—in calves tissue
6. Decoquinate—in chicken tissue
7. Ethopabate—in chicken tissue
8. Ethoxyquin—in all animal tissue and milk
9. Nequinate—in chicken tissue
10. Zoalene—in poultry tissue

III. Adequacy of Regulatory Tissue Methodology for Drugs BVM Has Approved

A. Suspect Carcinogens

1. Chlormadinone Acetate—BVM is in the process of withdrawing this drug from the market.

2. Dinestrol Diacetate, Estradiol Benzoate, and Estradiol Monopalmitate—The *tissue method* in the CFR for all these drugs is the Umberger mouse uterine weight test. See comments below.

3. Progesterone—The *tissue method* in the CFR is the Hooker Forbes bioassay. See comments below.

4. Testosterone and Testosterone Propionate—The *tissue method* in the CFR for these two drugs is the chick comb bioassay. See comments below.

COMMENTS

The bioassay tissue methods listed above are all *inadequate* as regulatory methods because of:

(a) their non-specificity.

(b) the long assay time involved.

(c) the high cost per assay (when dealing with large number of samples).

RECOMMENDATION

(a) All of the NADA holders should be asked to develop a tissue method sensitive to ppb and specific for the parent molecule as well as the major metabolites (for example: estradiol is rapidly converted in the animal to estrone). The developed method should be able to be used in a monitoring program and legal action taken if a residue is found.

(b) The NADA holders should also be asked to furnish tissue residue data on the expected metabolites as well as furnish data on the normal background levels of these chemicals when the drug is not given.

(c) Confirmatory methods should also be developed now.

REMARKS

APHIS/USDA has Dinestrol and Estradiol coded as a residue on their coding sheet for their monitoring program, but this should be ignored.

They have not yet developed a tissue method for these two drugs and therefore are not actively screening for these drugs. They plan to modify the DES–CLC tissue method (USDA) for this purpose. They should be asked *to include estrone* and other metabolites as part of their developed method.

DNS has recently sent a letter to Schering Corporation asking them to develop a regulatory ppb sensitive tissue method (other than a bioassay) for Lipamone (Dinestrol Diacetate) that could be incorporated in a tissue monitoring program.

DNS has asked Syntex Laboratory to submit a progress report on the tissue method they are developing for Synovex S and H (Estradiol Benzoate, progesterone and testosterone). They are presently developing protein binding radioimmuno assays for tissues sensitive to 1 ppb residue of the drugs mentioned above. Also see DES for our comments on implants. The same conclusions would apply here.

5. Diethylstilbestrol—The present *tissue method* in the CFR is the Umberger mouse uterine weight test. This assay is inadequate as a regulatory method. Elanco has submitted an ec-GLC tissue method using an enzyme to free the bound DES and derivative formation of the cis and trans isomers. APHIS/USDA has modified Elanco's derivative formation step and is using their method in their monitoring program. Both methods are sensitive to 2 ppb. USDA's method is presently being rewritten for re-validation by USDA, BF and DEN-DO. Once USDA's method passes the validation study, an *adequate* regulatory tissue method for DES will be available.

RECOMMENDATIONS

From FDA's legal standpoint, a TLC or mass spec tissue confirmatory method needs to be developed. The GLC retention times alone do not identify the peak as DES. To fill this need, a modification of the following existing methods might suffice:

(a) DEN–DO's two dimensional TLC method for DES in feed

(b) BF mass spec method for DES in feed.

APHIS/USDA should be asked to use these confirmatory methods when they become available or ship FDA the sample reserve of samples found positive by GLC, so that we can confirm the findings.

REMARKS

DNS has evidence that some DES implants are palpable 120 days after implantation. This could be due to tissue encapsulation of the implant. We do not know if this means that the implant has quit releasing the drug to the blood stream or if the implant is still releasing the drug 120 days after implantation. More data is needed from the NADA holders of implant drugs to determine when the implant is totally disintegrated and at what time there is zero residue in the tissue. This information should be a factor in determining and publishing withdrawal periods for each implant where none exists now. If the implant is in fact encapsulated with tissue, the drug release rate must be known and a standard implant palpatation test must be agreed upon for use in the slaughter house.

6. Dimetridazole—On November 24, 1970, Salsbury Laboratories submitted a study that indicated that this compound produced tumors.

There is no available tissue regulatory method in the CFR. The firm has submitted a Ni^{63}-ec GLC tissue method sensitive to 2 ppb, but it failed FDA validation. There is a problem with the sample clean-up step which the firm is presently working on.

7. Iponidazole—The *tissue method* in the CFR for Iponidazole and its metabolite is an *adequate* regulatory method. This method would define zero tolerance at 4 ppb as determined from the available recovery data. APHIS/USDA has tried the method at Hofmann-LaRoche and found it satisfactory as a regulatory method.

RECOMMENDATION

APHIS/USDA should be asked to include this assay in their tissue monitoring program for turkeys. We need to develop now a confirmatory method for FDA legal action.

8. Furazolidone, Furaltadone, Nihydrazone and Nitrofurazone—There are *no available* regulatory tissue methods in the CFR for these drugs as of yet. Norwich has submitted a TLC method (using a Farrand Scanner to quantitate the TLC spots) for Furazolidone in poultry and swine tissue that is sensitive to 2 ppb, and a similar TLC method for Furaltadone in milk that is sensitive to 0.2 ppb.

Both methods are presently being validated by FDA and USDA. When these two methods are approved by FDA, the firm has indicated that they will incorporate nihydrazone and nitrofurazone analysis into these methods.

9. Melengestrol Acetate—The *tissue method* in the CFR is *inadequate* as a regulatory method because:

(a) it is only sensitive to 25 ppb

(b) the method is very time consuming and difficult to run.

(The DET–DO chemist who was part of the validation study took six months to get the method to work).

The method uses a TLC clean-up and FID–GLC determinative step.

REMARKS

Upjohn has submitted data showing that MGA induces tumors in female mice, but not at a dose below the 25 ppb level. Upjohn has submitted a shortened Ni^{63}-ec GLC tissue method sensitive to 25 ppb but BVM has not validated it yet. BVM has recently submitted the toxicity data to the National Cancer Institute and asked them to answer the following questions:

(a) Is MGA a carcinogenic substance?

(b) Is a 25 ppb sensitive tissue method adequate?

We have not received an answer yet.

In the meantime APHIS/USDA, with the highest priority, intends to use the Upjohn's shortened method (25 ppb sensitivity) in their monitoring program in about one month. They intend to monitor steer as well as heifers tissue for MGA. They suspect MGA is being used illegally as a substitute for DES in steers.

DNS has concluded that the withdrawal period should be extended to 13 days to prevent the occurrence of a residue in the tissue under present approved use. They base this on extrapolation of the available tissue residue data and half life of the drug, plus adding a margin of safety. Two to three days after MGA is withdrawn, all the heifers will come in heat. Presently, MGA has a 48 hour withdrawal period.

RECOMMENDATIONS

(a) We should ask Upjohn to submit a regulatory tissue method, sensitive to at least 5 ppb and after validation, have it published in the FR.

(b) Upjohn should be asked to submit tissue residue data that will more accurately determine the zero residue time.

(c) A more safe withdrawal period should be determined for this product to be used in the interim period until the NCI report is received.

(d) If MGA is not withdrawn from the market, a tissue confirmatory method should be developed.

10. Medroxyrpogesterone—The *tissue method* in the CFR is *inadequate* as a regulatory method because the described paper chromatography separation and U.V. determinative step is at best sensitive to 70 ppb.

REMARKS

The only approved use for this drug is on *breeding cattle and ewes* for the purpose of synchronization of estrus and ovulation There are no withdrawal periods for milk or for slaughter on the label. The term, *"breeding cattle,"* could be interpreted as meaning milking cows as well as beef heifers.

RECOMMENDATIONS

(a) We should review the available tissue and milk residue data and clarify the label accordingly.

(b) We should re-consider the need for a proper withdrawal period in light of present husbandry practices.

(c) A more sensitive regulatory tissue method should be developed.

(d) A confirmatory method should be developed.

11. Zeranol—The *tissue method* in the CFR (a TMS derivative formation and FID-GLC method) is *inadequate* as a regulatory method because:

(a) it is sensitive only to 20 ppb

(b) the sample clean-up is poor which causes a poor baseline in the GLC chromatogram. *This could lead to false positives.*

REMARKS

DNS has found that a 20 ppb residue generated by the CFR method is really 1 ppb as determined by the radioactive tracer study. At the present time APHIS/USDA is not developing a more sensitive regulatory tissue method for Zeranol. Our comments on DES implants also apply to this product.

RECOMMENDATIONS

(a) A more sensitive tissue method with a better sample clean-up step should be developed.

(b) A confirmatory method should be developed now.

12. Carbadox (has not been approved as yet)—The *tissue method* submitted in the NADA uses three columns and two TLC steps for clean-up and Ni^{63}–ec GLC determinative step after Methylation. This method is sensitive to 30 ppb. APHIS/USDA was part of the validation study and should be capable of running the method. However, in view of the recent DES policy decision that any residues of a carcinogen is prohibited, the *30 ppb sensitivity* level for carbadox appears grossly inconsistent

13. Selenium—*For those NADA's approved, regulatory tissue residue methods are not presently available.* Such methods would have to differentiate between the actual selenium background present in the tissue and the selenium level due to the approved dose form.

B. Antibiotic Residues

1. For twenty of the antibiotic drugs, the NADA tissue (also milk and eggs) methods use the microbiological inhibition assay for quantitation. Even though these methods use a variety of different test organisms, the individual methods are not each specific for one antibiotic residue. Even if one ran all twenty methods on an unknown tissue sample, you could not say what antibiotic was present if you found some positive responses.

APHIS/USDA in their antibiotic tissue monitoring program make use of resistant test organisms and penicillinase to help identify by deductive reasoning, any of five antibiotic residues (penicillin, streptomycin, erythromycin, tetracyclines, and neomycin). To identify a specific tetracycline presumptive, they use a TLC-bioautograph. To expand APHIS/USDA's screening procedure to other antibiotic residues would require new resistant test organisms not yet available and expomential expansion of the number of tests to be run for each sample. FDA has no active program for antibiotics in milk or eggs.

COMMENTS

What is needed is the development of a multiresidue screening procedure that includes all of the antibiotics used today in food producing animals. It must be able to measure the bound as well as the free antibiotic present in the tissue.

DVR is currently trying Lightbrown's (analyst *90,* 89 (1965)) Agar gel electrophoresis bioautograph procedure on total diet composit I and II samples. It is too early in the research to predict success or failure.

The TLC—bioautograph procedures listed in E. Stahl's book, "Thin Layer Chromatography—a Laboratory Handbook," 2nd Ed. 1969 pages 566–78, might be applicable as a screening method for antibiotic residues. If you can obtain separation, the TLC procedure may have some merits over electrophoresis.

Another problem that must be solved is the use of the proper sample handling technique that will assure that antibiotic activity in the tissue sample is not partially lost. The results of Dr. Huber's collaborative study (FDA contract #70–204) indicates that APHIS/USDA's sample handling technique results in significant loss of antibiotic activity.

RECOMMENDATIONS

(a) Development of multi residue screening procedures.

(b) Development of specific confirmatory tests.

(c) Develop sample handling techniques that will assure meaningful results.

(d) When adequate methodology is available, initiate FDA monitoring programs for antibiotic residue in milk and eggs.

C. Non-Carcinogen toxic drugs.

1. Arsenicals—The APHIS/USDA and Salsbury *tissue methods* are presently under AOAC collaborative study. APHIS/USDA is presently monitoring for arsenic by their method.

2. Aklomide and its metabolite, Sosium Sulfachloropyrazine, Sulfachlorpyridazine, Sulfadimethoxine, Sulfaethoxypridazine, Sulfamerazine, Sulfamethazine, Sulfanitran, Sulfathiazole and metabolites of 3,5-dinitrobenzamide.

The NADA tissue methods for all of the above drugs use the non-specific Bratton-Marshall colorimetric method. This method is *inadequate* as a regulatory method because of its non-specificity. APHIS/USDA also use this same method in monitoring tissue for this general class of compound (total sulfonamide). Further identity of positive finding are not used, making FDA regulatory action impossible.

RECOMMENDATION

A sensitive screening method should be developed that separates all of the sulfa drugs. Existing GLC, TLC or high pressure liquid chromatography determinative steps could fulfill this requirement but the proper extraction and clean-up steps would have to be researched.

3. 3,5-Dinitrobenzamide—The NADA *tissue method* (for the parent compound) uses a dimethyl sulfoxide-diethylamine colorimetric determinative step.

REMARKS

This color reagent, reacts with any meta-dinitro aromatic compound. This tissue method is *inadequate* when there are compounds present that have a similar functional group.

RECOMMENDATION

A more specific tissue method should be developed for this drug residue.

4. Phenothiazine and sulfaquinoxaline—adequate tissue methods are *not yet available.*

5. Thiabendazole and ormetroprian—The NADA tissue methods both use for fluorimetric determinative step. Both methods use different excitation and emission wavelengths, but for these methods to be adequate on an unknown tissue sample, it must be proven that all other compounds that might be present, would not also be measured and therefore give a false positive.

6. Levamisole and 2-acetylamino-5-nitrothiazole—The NADA tissue methods use a oscilloscopic polarograph for the determinative step. For these methods to be adequate on an unknown tissue sample, it would have to be proven that all other compounds present do not have the same functional group which would be measured by these methods.

RECOMMENDATION

More specific tissue methods should be developed.

D. and E. Pesticide Residues.

1. We should assure ourselves the APHIS/USDA tissue pesticide monitoring program includes coumaphos, dichlorvos, famphur, haloxon and ronnel.

2. We should assure ourselves that FDA's pesticide monitoring program on milk includes famphur and ronnel.

All of the above mentioned drug pesticide residues in (1) and (2) should be able to be detected by the FDA–PAMI and PHS pesticide analytical manual screening methods with the least amount of method development.

3. All of the other carbamates, organochlorinated and organophosphated pesticide residues should be screened for in tissue, milk and eggs. At the present time these contaminate pesticide residues have no FDA tolerances. These tolerances should be set by BF and BVM, so regulatory action can be taken on positive findings.

F. Specialized drugs, that if abused could lead to potential residues having a physiological effect.

1. Hydrocortisone in milk—The NADA residue method uses a isonicontinic acid colorimetric determinative step for quantitation.

2. Methyl prednisolone, prednisolone and prednisone in milk—The NADA residue method uses a porter-silber reagent colorimetric determinative step for quantitation.

COMMENTS

All four drug residues would quantitate by either of the two methods above. At the present time FDA is not screening milk for steroids.

RECOMMENDATION

Confirmatory methods, such as TLC, for each of the four drug residues need to be developed.

3. Reserpine—The NADA tissue method uses a fluorimetric determinative step for quantitation.

RECOMMENDATION

We must assure ourselves, that on an unknown tissue sample, *no* other substance present that can be induced to give fluorescence, will interfere in the method.

G. Less toxic drugs, that if abused could lead to overtolerance residues.

1. Amprolium, Aklomide, Ethoxyquin, Buquinolate, Decoquinate, Nequinate—All NADA tissue methods use a fluorimetric determinative step for quantitation.

RECOMMENDATION

We must assure ourselves that any of these drug residues (or any other substance present) will not interfere with the individual analysis.

2. Zoalene—The NADA method uses the 1, 3-diaminopropane colorimetric reagent for the parent compound and the Bratton-Marshall colorimetric reagent for the ANOT metabolite. Both methods are non-scientific.

RECOMMENDATION

Even though both methods have been collaborated by the AOAC, we are not assured that other substances present in the tissue do not interfere in the two methods when analyzing an unknown tissue sample. The specificity of the methods should be investigated.

3. Clapidol—The NADA tissue method uses a methyl derivative formation and FID–GLC determinative step for quantitation.

RECOMMENDATION

The NADA method is adequate but a confirmatory method needs to be developed.

4. Ethopabate—The NADA tissue method uses an ec-GLC determinative step for quantitation.

RECOMMENDATION

The NADA method is adequate but a confirmatory method needs to be developed.

5. Nicarbazin and Nithiazide are old drugs that are still used today. No drug residue tissue methods are available.

RECOMMENDATION

Because these are old drugs still used today without available tissue methods, we should re-review any tissue residue data and determine if present tolerances are adequate. We should also require the adequate tissue residue methods be developed for regulatory purposes.

6. Chlorhexidine—The NADA tissue method should be re-reviewed for specificity and its use as a regulatory method.

IV. SUMMARY OF REGULATORY TISSUE METHODS WE CAN SUGGEST TO BE ADDED TO APHIS/USDA'S TISSUE MONITORING PROGRAM

1. Of all the carcinogen drug residues listed in part IIA, we can only recommend that APHIS/USDA add Ipronidazole to their tissue monitoring program and that they continue monitoring for DES. In the meantime confirmatory methods for residues of both drugs must be developed. The seventeen remaining drug residues in part IIA can not be included in a monitoring program because of lack of adequate tissue methodology.

2. Of all the antibiotic drug residues listed in part IIB we can not even recommend one additional residue to APHIS/USDA's existing antibiotic monitoring program because of lack of adequate tissue methodology.

3. Of all the toxic drug residues listed in part IIC, we can not even recommend one additional residue to APHIS/USDA's existing tissue monitoring program because of lack of adequate methodology.

4. We can recommend that the pesticide residues listed in part IID and E can be added to APHIS/USDA's tissue pesticide monitoring program. They should be able to detect these residues with their present screening procedures with the least amount of method development.

5. We can not recommend the initiation of FDA compliance program for the specialized drugs in part IIF nor recommend any additions from this group to APHIS/USDA's tissue monitoring program due to lack of adequate methodology.

6. Of all the less toxic drugs listed in part IIG we can only recommend the addition of Clopidol and Ethopabate to APHIS/USDA's present tissue monitoring program. Confirmatory methods still need to be developed for both drugs.

V. RECOMMENDATIONS FOR ACTION BY FDA

1. BF with aid of BVM should assign surveillance sampling priorities of all veterinary drugs listed in Part I and II of this memorandum. Such a review should identify all those drugs that are suspect or known carcinogens and determine priorities on the basis of health hazard of illegal residues.

2. The *total* drug residue problem should be the subject of a staff paper that could address itself to the following points:

(a) Policy change in DNAD, requiring all future NADA tissue residue method to be regulatory, that is, specific, sensitive, accurate, precise and workable for monitoring programs which could lead to regulatory action.

(b) Formation of a coordination group in BVM on drug residue problems. We found that each part of the BVM staff had certain specific information on drug residues but were not informed of other actions or information of drug residues that were very pertinent on what they were doing. In this vacuum there is a lack of overall policy or control over the total drug residue picture.

(c) Even after we determine the priority of sampling based on health hazard of illegal residues, the U.S. Government still has the responsibility to the American public to monitor tissue, milk and eggs for *all* drug residues. If an overtolerance drug residue is not a health hazard, then we should consider revising the drug residue tolerance, FDA has published.

(d) Formation of scientific development group within FDA and/or USDA that would develop screening procedures for whole classes of drug residues so that *all* drug residues are detectable by the least amount of analytical time. The estimated time this group would need to develop the appropriate methods and its cost should be determined and presented to the Commissioner of FDA to be included in the budgetary process.

(e) Should industry or FDA develop confirmatory methods for all these drug residues?

(f) Because USDA has different objectives for their tissue monitoring program than what FDA expects such a monitoring program to be; we can (1) convince USDA to change their program to include our needs (2) we can start our own monitoring program, or (3) we can consider revoking all NADA's that have a tolerance in tissue and can not be properly monitored.

(g) Should BVM propose to withdraw those NADA's now that do not have adequate regulatory tissue methodology until the firms come in with adequate methodology?

(h) Should BVM require even more sensitive tissue regulatory methods for the carcinogens in light of available radio immuno assays?

3. This report should be the subject of an in-depth discussion of all BVM members who are involved in drug residues, before any of our recommendations are implemented.

Unless FDA resolves this drug residue problem, we will soon be in direct confrontation with Congress and the consumers defending an untenable position. For FDA to ignore this problem would be disastrous.

K. K. JOHNSON, D.V.M.

SENATOR PELL'S STATEMENT IN 1962 ON CONFIRMATION OF COMMISSIONER FARRELL OF THE IMMIGRATION AND NATURALIZATION SERVICE

Mr. PELL. Mr. President, it is with real sadness that I learned that President Nixon has with "special regret" accepted the resignation of Commissioner Raymond Farrell of the Immigration and Naturalization Service.

I can vividly recall on February 5, 1962, speaking on behalf of Commissioner Farrell's confirmation for this most important position. I ask unanimous consent at this time to insert in the RECORD at this point the statement that I made at that time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. PELL. Mr. President, I wholeheartedly approve confirmation of the nomination of Mr. Raymond Farrell for the position of Commissioner of Immigration and Naturalization.

First, let me say that I know Ray Farrell personally as a fine and honorable man. He was born in my own State of Rhode Island in the city of Pawtucket. He graduated from both Georgetown University and Georgetown Law School. Shortly after leaving Georgetown Law School, he was admitted to the District of Columbia bar and became a special agent of the Federal Bureau of Investigation on August 3, 1931. From 1932 to 1941 he worked for various Government agencies, such as the Public Work Administration, Interior Department, and the Federal Communications Commission. In 1941 he joined the Department of Immigration and Naturalization as a special inspector. Eighteen months later in 1942 he entered the Army Air Force, where he served as a major in Italy and received a bronze star for his work as an intelligence officer. On March 18, 1946, he returned to the Immigration Service, where he became chief of the New York investigation division. Because of the fine work he did in this capacity, he was appointed Assistant Commissioner in 1949 and once again he was promoted to Associate Commissioner for Operations in 1958.

I know that in his performance as Commissioner of Immigration and Naturalization, he will combine and practice those two necessary qualities that are so necessary and both

> of which he already possesses, a compassionate heart with a thorough knowledge of the law.
>
> Mr. President, I believe that President Kennedy most wisely made an excellent appointment in his selection of a career official, Ray Farrell, for this responsible post, and I congratulate the President on his choice.

Mr. PELL. Raymond Farrell is a brilliant career official who has been in the Federal Government for over 40 years and was selected by the late President Kennedy to be Commissioner of Immigration and Naturalization Service. His departure from public service will be a real loss to our Government, for, as I predicted a decade ago, he combined "a compassionate heart with a thorough knowledge of the law."

In my State of Rhode Island, we are particularly proud of Ray Farrell because he is a Rhode Islander, born in Pawtucket, who has maintained his residence and his ties with his home State through his years of service in the Federal Government here in Washington.

Mr. President, I could speak at great length as someone who is greatly interested in the plight of refugees and those from less fortunate nations, who desire immigration to our shores. No man in Government has more exemplified what America is all about than this man who was charged with the enforcement and administration of our immigration laws. It is written in the Bible, Micah 6: 8:

> What does the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God?

This is Ray Farrell. On March 31, 1973, his career as a public servant will come to an end, but his philosophy and his humanity will stand out like a beacon. I hope, Mr. President, that his successor will try to emulate the policies of compassion which he set forth as Commissioner of the Immigration and Naturalization Service.

THE IMPACT OF THE NIXON BUDGET ON MINNESOTA

Mr. HUMPHREY. Mr. President, I have addressed the Senate a number of times concerning the impact of the newly proposed Nixon budget on the people of this country.

I have labeled that budget a budget of domestic retreat. It fails to meet the needs of our people. It fails to add the extra element of compassion for those who have less. It is deceiving because tax increases at the State and local level will likely result, even in the face of the President's "no tax increase" pledge.

I have recently received from the Minnesota State Planning Agency a detailed estimate as to how the 1974 budget will impact my State.

The outlook is grim.

In agriculture, in education, in housing, in health, in poverty programs, the effect of the Nixon budget will be to cripple public services.

I have pledged to the people of my State that I will fight these cutbacks. I will not let a budget that means more comfort for the comfortable, more tax breaks for the special interest, and more broken promises for farmers and working Americans become a reality.

Mr. President, I ask unanimous consent that a publication from the Minnesota State Planning Agency be printed at this point in the RECORD.

There being no objection, the publication was ordered to be printed in the RECORD, as follows:

THE IMPACT OF THE PROPOSED FEDERAL BUDGET FOR FISCAL YEAR 1974

(CAUTION: The information contained in this report is preliminary and based on several different sources. It is subject to change as new information becomes available and it should be treated in that manner.)

INTRODUCTION

The move to "hold the line" on government spending, broadly hinted at in December and January, was revealed in its entirety within the Fiscal 1974 budget message, sent to Congress on January 29. The Administration presented a proposal for federal expenditures to not exceed a ceiling of $268.7 billion. Within this proposal, designed to reinforce the ceiling, were numerous program cancellations, suspensions, and consolidations, including three packages of specific "special revenue sharing" programs, for law enforcement, education and community development, as well as an additional proposal to lump manpower programs into a consolidated fund for distribution to state and local governments.

These four proposals would have a total value of $6.9 billion for the 1974 fiscal year. Specifically, the law enforcement plan would convert the block grant program of the Law Enforcement Assistance Administration into an $800 million fund. The proposal for education would consolidate 33 programs into a pool of $2.8 billion for "special revenues." The urban development plan advocates consolidation of the Urban Renewal, Model Cities, Water and Sewer, Neighborhood Facilities, and Rehabilitation Loan programs of the Department of Housing and Urban Development to provide $2.3 billion during Fiscal Year 1974. The manpower plan asks only for an extension of existing statutes, which would enable the Administration to consolidate more than a dozen categorical grant programs into a single fund.

The uncertain future of these special revenue sharing plans and the vagueness surrounding which programs may or may not be included makes it all but impossible to gauge the impact these program changes will have in Minnesota. Officials have stated that the $6.9 billion total to be expended is roughly equal to anticipated expenditures under the 70 separate programs being consolidated.

MAJOR PROGRAM FUNDING CHANGES PROPOSED IN THE ADMINISTRATION'S FISCAL YEAR 1974 BUDGET

The following chart indicates the major program changes in the Administration's proposed budget. The chart also indicates Minnesota's recent participation in the programs that are being affected by the budget changes.

	National fiscal year 1973 budget	National fiscal year 1974 budget	Change	Minnesota's fiscal year 1972 receipts
AGRICULTURE				
Department of Agriculture:				
Forest service roads	$163.	$97.0	—$63.	[1] $2.2
School milk program	97.	25.0	—72.	2.6
REAP	182.	10.0	—172.	3.9
Rural electrification	619.	375.0	—243.	21.5
Watershed and flood prevention	139.	111.0	—28.	.9
Resource conservation and development	21.	19.0	—2.	.5
ANTIPOVERTY				
Office of Economic Opportunity:				
Community Action	285.3	----------	—285.3	4.0
Migrants and Indians	36.3	40.0	+3.7	1.1
Health and nutrition	165.2	147.0	—18.2	.3
Community economic development	30.7	39.3	+8.6	----------
Legal services	73.8	71.5	—2.3	----------
General support	18.5	[2] 33.0	----------	[3] 1.1
COMMUNITY DEVELOPMENT				
Department of Housing and Urban Development:				
College housing	[4] 26.6	(5)	----------	.81
Model Cities	583.	(5)	----------	4.7
Neighborhood facilities	26.0	(5)	----------	1.1
Open space land	57.	(5)	----------	1.8
Water and sewer facilities	130.	(5)	----------	2.4
Urban renewal program	1,000.	137.5	—862.5	32.2
Rehabilitation loans	50.	(5)	----------	2.0
Community development training	----------	(5)	----------	----------
Housing payments	1,663.	Moratorium	----------	13.23
Department of Agriculture:				
Housing subsidies	$81.2	Term.	—$81.2	$8.7
Rural water and waste disposal	92.0	Term.	—92.0	.17
ECONOMIC DEVELOPMENT				
Department of Commerce:				
Economic development assistance	301.	Term.	—301.	4.
Regional development commission program	42.	Term.	—42.	2.5
EDUCATION				
Department of Health, Education, and Welfare:				
Higher education facilities construction	[4] —24.3	Term.	—24.3	.59
Opportunity grants	[4] 286.5	Term.	—286.5	6.7
College library resources	[4] 10.3	Term.	—10.3	.07
Library services—Interlibrary Coop	[4] —2.5	Term.	—2.5	----------
Higher education:				
U community services	[4] 9.3	Term.	—9.3	.18
Aid to land grant colleges	[4] 12.	Term.	—12.	6.0
Environmental education	[4] 1.8	Term.	—1.8	----------
ESEA:				
Title I	1585.	(6)	----------	22.5
Title II	90.	Term.	—90.	1.8
Title III	146.	(6)	----------	2.6
Title V	33.	Term.	----------	.61
Title VII	35.	$35.0	None	----------
Title VIII	8.5	Phaseout	----------	.47
Federally impacted areas	430.9	(6)	----------	3.8
NDEA, title III	1.5	Term.	—1.5	.05

Footnotes at end of table.

	National fiscal year 1973 budget	National fiscal year 1974 budget	Change	Minnesota's fiscal year 1972 receipts
EDUCATION—Continued				
Department of Health, Education, and Welfare—Continued				
Education for the handicapped	$37.	(6)		$0.69
Vocational education:				
Basic grants	457.	(6)		7.1
Research	36.	(6)		.17
Adult education	61.	(6)		.77
Education Professions Development Act	106.	$73.0		.13
Follow Through	57.	41.0	$16.	.62
Library services:				
Services	24	Term.	24.	.86
Construction	.712	Term.	.712	.18
HEALTH				
Department of Health, Education, and Welfare:				
Hill-Burton	175.	Term.	175.	1.5
Regional medical program	125.	Term.	125.	1.8
Training research scientists	150.	Term.	150.	15.

	National fiscal year 1973 budget	National fiscal year 1974 budget	Change	Minnesota's fiscal year 1972 receipts
MANPOWER				
Department of Labor:				
Public service employment	$1,250.	Term.	—$1,250.	$14.7
Work incentive program	290.	$530.0	+540.	2.5
JOBS				1.86
Special revenue sharing:	1,174.1	1,160.0	—14.	
Public service careers				.78
C.E.P				4.26
Grants to States				14.2
C.A.M.P.S				.24
MDTA institutional training				3.1
Neighborhood Youth Corps				6.8
Operation Mainstream				2.48
NATURAL RESOURCES AND ENVIRONMENT				
Department of Interior: Land and Water conservation fund	126.3	50.0	—76.3	4.38
Environmental Protection Agency: Office of Solid Waste Management Programs	30.	5.8	—24.2	.186
WELFARE				
Department of Health, Education, and Welfare:				
Public assistance	5,962.	5,370.0	—592.	105.0
Medical services	4,301.	5,235.0	+934.	68.7
Social services	2,444.	1,890.0	—554.	34.0

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[1] Fiscal year 1972 figures are used because fiscal 1973 figures are not yet available. It is anticipated that the 1973 receipts will not greatly differ from the 1972 receipts, except in cases where funds were impounded during the 1973 fiscal year.

[2] This sum is for the purpose of insuring "the orderly phaseout of outstanding grants and contracts of discontinued activities."

[3] Funds for Program Development.

[4] Funds expended during fiscal year 1972.

[5] To be included under Community Development Special Revenue Sharing.

[6] To be included in Education Special Revenue Sharing.

AGRICULTURE

The Administration has proposed a reduction in the budget of the Department of Agriculture from $10.1 billion in Fiscal Year 1973 to $9.6 billion in fiscal year 1974. The Administration claims that these cuts represent an actual savings of $2 billion. The major reduction in the budget for the Department of Agriculture would come from the Administration proposal for lower support payments and related activities. These reductions would cut the Commodity Credit Corporation budget from $3.4 billion in fiscal 1973 to $2.9 billion in fiscal 1974.

The following other major program reductions were proposed in the budget:

Forest Service Roads—Elimination of Forest Service road building activities related to timber production reducing the budget by $63 million, from $163 million in Fiscal Year 1973 to $97 million in fiscal 1974.

School Milk Program—Limitation on the school milk program of $25 million, reducing the budget $72 million.

Rural Environmental Assistance Program—Elimination of the Rural Environmental Assistance Program reducing the budget $172 million.

Water Bank Program—Elimination of the Water Bank Program reducing the budget $367,000.

Rural Electrification Administration—Elimination of the REA loans and Rural Telephone loans reducing the budget $216 million.

Soil Conservation Service—Reduction in the programs administered by the Soil Conservation Service, primarily in the Watershed and flood prevention program and Resource conservation and development program. Total reduction for SCS of $31.2 million, $355.9 million to $324.6 million.

Impact on Minnesota

The following outlays were made during Fiscal Year 1972 in Minnesota under the Department of Agriculture programs affected by the Administration 1974 budget.

Forest Services Roads	$2,204,081
School Milk Program	2,599,839
Rural Environmental Assistance Program	3,892,566
Water Bank Program	18,187
Rural Electrification and Telephone Loans	21,504,885
Watershed and Flood Prevention	225,859
Resource Conservation and Development	317,926

ANTI-POVERTY

The Fiscal Year 1974 budget provisions include abolishment of the Office of Economic Opportunity. The impact of this dismantlement is difficult to assess immediately, however, for many of the programs will be transferred to other administering agencies: the Department of Health, Education, and Welfare will administer Indian and Health programs; the Department of Labor will assume the O.E.O. Migrant programs; and the Office of Minority Business Enterprise will run the Community Economic Development programs. The burden to support the continued existence of the local community action agencies will fall to the state and local governments.

Besides these program transfers, the budget includes a proposal to establish a "Legal Services Corporation" with a recommended budget authority of $72 million for the 1974 Fiscal Year. The level of funding which will accompany the O.E.O. programs in their moves to other agencies is estimated at:

[In millions of dollars]

Program and administering agency	Fiscal year 1972	Estimate, fiscal year 1974
Community Action: Local option	$35.0	
Migrants and Indians: DOL, HEW	36.0	$40.0
Health and Nutrition: HEW	157.2	147.0
Community Economic Development: Commerce	26.0	39.3
Legal Services: New	67.7	71.5
Child Development, Research Evaluation: HEW, HUD	45.0	78.0
General Support: GSA	18.2	33.0

Impact on Minnesota

During Fiscal Year 1972, Minnesota received $7.37 million in O.E.O. monies. The bulk of these funds, about $4 million, were received for Community Action programs. For the entire state, the discontinuance of the Community Action program will affect 35 Community Action Agencies and approximately 875 persons currently employed by those agencies.

COMMUNITY DEVELOPMENT

Requested appropriations for the Department of Housing and Urban Development for Fiscal Year 1974 equal $2.68 billion, as compared with $3.83 billion in Fiscal Year 1972. The great decrease in the 1970 budget is primarily due to the virtual elimination of appropriations for community development programs. The following Department of Housing and Urban Development programs have been terminated:

College Housing
Model Cities
Neighborhood Facilities
Open Space Land
Water and Sewer Facilities
Urban Renewal Programs
Rehabilitation Loans
Public Facility Loans
Community Development Training
Supplementary Grants for New Communities.

Other H.U.D. programs that have been suspended, with a moratorium on funding, include the Department's four major subsidy programs: low-rent public housing, rent supplements, Section 235 subsidies for homeownership assistance and Section 236 subsidies for rental assistance.

In addition to the cutbacks in the Department of Housing and Urban Development, comprehensive changes within the Department of Agriculture will affect community development. Subsidized housing programs of the Farmers Home Administration were placed in a moratorium, including:

Farm Labor Housing Loans and Grants

Rural Rental Housing Loans and Cooperative Housing Loans.

In addition, the "Rural Water and Waste Disposal Grants" program is also being eliminated.

The impact of the H.U.D. cutbacks may not be severely felt in some areas for some time, due to outstanding obligations. Some $7.4 billion for Model Cities; $122.3 million for Neighborhood Facilities; $5.685 billion for Urban Renewal; $17.5 million for Rehabilitation Loans; $288 million for Open Space;

$390.9 million for Sewer and Water; $94.2 million for Public Facility Loans. The various assisted housing programs are expected to continue at an average annual national rate in excess of 250,000 units during the 18 month moratorium—same as the past 12 months—due to the gap between project approval and financial expenditures. The impact of the moratorium on Minnesota however, would be the loss of approximately 3,000 units under the 235, 236 and rent supplement programs and approximately 2,000 units under the public housing for the elderly and low income family programs. These programs would represent a loss of approximately $75 million in construction and related costs of new project approvals.

The Administration's rationale for such massive budget cuts may be seen as an impetus to force passage of a special Urban Community Development Revenue Sharing. This proposed revenue sharing fund will equal $2.3 billion, about $300 million over current outlays for the programs to be consolidated into the proposal; however, the increase will primarily reflect projects approved in prior years, but not yet funded.

Impact on Minnesota

In Fiscal Year 1972, Minnesota received approximately $58 million in H.U.D. funds under programs which have been either suspended or terminated:

Sewer and Water	$2,405,689
Model Cities	4,764,968
Open Space Land	1,795,010
Rehabilitation Loans	2,000,000
Urban Renewal	32,238,345
Community Development Training	61,398
Neighborhood Facilities	1,107,175
Housing Payments	13,238,345

The Farmers Home Administration Subsidized Housing Loans brought $8.7 million into the state in fiscal 1972; Rural Water and Waste Disposal Grants equalled another $169,600 in that same fiscal year.

The Housing Assistance Council has estimated that the Farmers Home Administration housing moratoriums over the 18-month period may equal as much as $21 million in Minnesota.

CRIMINAL JUSTICE

Funds requested for Fiscal Year 1974 for Criminal Justice activities total $2.6 billion, only $100 million higher than funding for fiscal 1973. By far the bulk of these monies will go to the Law Enforcement Assistance Administration. L.E.A.A. funds allocated for the fiscal year equalled $891 million, a $40 million increase over the previous fiscal year. The Administration is proposing that $800 million of this $891 million be channeled through special Law Enforcement Revenue Sharing, and through L.E.A.A. discretionary funding. The special revenue sharing will replace the Safe Streets Act authorizing L.E.A.A., which expires at the close of Fiscal Year 1973.

Impact on Minnesota

Minnesota received $11 million in grants for law enforcement assistance in fiscal 1972.

ECONOMIC DEVELOPMENT ADMINISTRATION

The Administration's budget includes provisions for the complete elimination of the Economic Development Administration of the Department of Commerce. Many of the programs that are presently administered by EDA will be blended into the Department of Agriculture and the Small Business Administration. The elimination of the agency will not terminate grants and loans that have already been made.

The basic programs that are administered by the Economic Development Administration are:

Grants and Loans for Public Works and Development Facilities—The purpose of this program is to assist in the construction of public facilities needed to initiate and encourage long-term economic growth in designated geographic areas where economic growth is lagging behind the rest of the nation.

Loans for Businesses and Development Companies—The purpose of this program is to provide low interest long term loans to help businesses expand or establish grants in redevelopment areas for projects that cannot be financed through private lending institutions.

Planning Assistance—The purpose of this program is to assist multi-county districts develop planning capability.

Technical Assistance—The purpose of this program is to solve problems of economic growth in EDA designated geographic areas and then areas of substantial need through feasibility studies, management and operational assistance, and other studies.

Public Works Impact Projects—The purpose of this program is to provide immediate useful work to unemployed and underemployed persons in designated project areas.

Under these programs the Economic Development Administration will administer $181 million in grants and $86 million in loans during fiscal year 1973.

The EDA programs that are being eliminated are being replaced in the program budget by the following program changes in other federal agencies:

The U.S. Department of Agriculture—The budget allows for the Department of Agriculture to provide $200 million in loans in fiscal year 1974 to communities with populations of less than 50,000 for commercial and industrial development. The USDA, under the proposed budget would provide $110 million in grants and loans for communities under 10,000 population for public facilities.

The Small Business Administration—The Small Business Administration under the proposed budget would increase its business loan programs by 30% to $600 million.

Bureau of Indian Affairs—The budget also provides for a Bureau of Indian Affairs program that will provide $25 million to Indians for projects similar to those provided by EDA.

The Administration's budget also proposes the elimination of federal involvement in all regional commissions except the Appalachian Regional Commission. The budget proposes a $10 million program which will support planning and management activities of commissions the states wish to retain. The fiscal year 1973 budget provided $44.5 million to the regional commissions.

Impact on Minnesota

During fiscal year 1972, Minnesota received approximately $4 million in grants and loans from the Economic Development Administration. The state also received $2.5 million in supplementary grants and technical assistance from the Upper Great Lakes Regional Commission.

The significance of these funds must be measured in terms of purpose of the programs involved. The main goal of both EDA and the Upper Great Lakes Regional Commission is to provide economic development and higher employment.

In Minnesota 27 counties qualify for full financial assistance under Title IV of the Public Works and Economic Development Act of 1965. An additional 23 counties qualify for just grants under Title I. Thirty eight counties in northern Minnesota are included in the Upper Great Lakes Regional Commission.

EDUCATION

Total federal education outlays will reach an estimated $13.8 billion in 1974, an increase of $247 million over estimated outlays for 1973. These outlays are within a $5.1 billion budget for the Department of H.E.W.'s Office of Education and National Institute of Education. In spite of a slight budgetary increase, many popular aid programs are being discontinued. The following specific higher education programs are being abandoned:

Higher Education Facilities Construction
Supplementary Opportunity Grant Program
College Library Resources
Library Services—Interlibrary Cooperation
Higher Education—University Community Services
National Defense Student Loans
Higher Education—Aid to Land Grant Colleges
Environmental Education

A major change for higher education is the Administration's reliance on student aids for financing higher education. A new Basic Opportunity Grant program will furnish $948 million to 1.5 million students. This program appears designed to absorb the cancellations of other major student assistance programs. Work-Study will continue, and a new Student Loan Marketing Association is expected to provide $1.6 billion in guaranteed loans. The higher education budget also calls for $100 million to strengthen developing institutions.

The shifts within education programs are part of an effort to establish an Education Special Revenue Sharing program. The Administration proposed $2.8 billion to support this revenue sharing to be spent in the following manner:

Compensatory education for the disadvantaged, $1.7 billion.

Education for the Handicapped, $37.5 million.

Vocational and adult education, $.526 million.

School assistance in federal affected areas, $.232 million.

Basic School Lunch Program, $.244 million.

(Money allocated for the various categorical grant programs which will probably be included under the E.S.R.S. totalled about $3 billion for Fiscal 1973)

Impact on Minnesota

Specific program cuts and cancellations in Minnesota are estimated as follows:

Program	Fiscal year 1972	Proposed fiscal year 1974 status
ESEA:		
Title I (disadvantaged)	22,500,000	(1)
Title II	1,814,858	(2)
Title III (innovative progress)	2,657,851	(1)
Title V (strengthen State depts.)	610,264	(2)
Title VII		
Title VIII	475,000	(3)
Federally Impacted Areas	3,855,000	(4)
NDEA Title III (Educational equipment)	50,000	(2)
Education for the Handicapped Basic Grants	691,697	(1)
Vocational Education:		
Basic Grants	7,139,138	(1)
Research	167,392	(1)
Adult Education	776,771	(1)
Education Professions Development Act	134,931	(3)
Follow Through	619,066	
Library Services:		
Services	864,552	(2)
Construction	177,882	(2)
Higher Education—Aid to Land Grant Colleges	240,657	(2)
National Defense Student Loans (Contribution to loan fund)	6,664,898	(2)
Education Opportunity Grants	4,267,327	(2)
Higher Education Facilities Construction subsidized loans	587,128	(2)
College Library Resources	72,790	(2)
Library Services—Interlibrary Cooperation	49,606	(2)
Higher Education—University Community Services	176,562	(2)
Enviornmental Education	5,140	(2)

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[1] Programs to be included in educational revenue sharing.

[2] Terminated.

[3] Programs to be phased out during fiscal year 1974.

[4] Aid to school in federally impacted areas—This program is being curtailed to allocate funds only to districts where parents both live and work on Federal property. This change accounts for approximately a 39-percent loss in the program, which is already being cut from the fiscal 1972 level.

Because of the uncertain status of the Education Revenue Sharing proposal, the loss or impact of many of these monies may not be entirely felt for some time. One of the most measurable program impacts, however, is the cancellation of the E.S.E.A. Title V program—Grants to Strengthen State Department of Education. The Minnesota Department of Education calculates that at least one-eighth of the four hundred employees supporting that program will be cut out, as well as the internal and external planning capability and the new programs initiation capability of the department. Other activities supported by that program, which must be absorbed by other funds or programming efforts, include the Educational Assessment Program, some fiscal research, some training efforts, and much of the data processing.

HEALTH

The Administration's budget in health program includes an overall increase, but at the same time eliminates four major health programs. The major increase in health programs is reflected for Medicare. The budget for the National Institutes of Health decreases more than $200 million—mostly due to the cut in training programs. The National Institute of Mental Health budget was increased mostly due to the fact that NIMH will pick up drug and alcoholism programs from the Office of Economic Opportunity.

Hill-Burton—The Hill-Burton program will expire at the end of fiscal year 1973. The current fiscal year obligations are estimated at $175 million.

Regional Medical Program—The Regional Medical Program will expire at the end of the current fiscal year. Estimated obligations for fiscal year 1973 are $125 million.

Community Mental Health Program—The new budget would phase out the community mental health center program. The budget proposes to continue to fund the existing 515 centers but would not provide funds to expand the number of centers to the original goal of 2000 across the county. Fiscal year 1973 obligations for construction, initiation and development is estimated at $11 million.

Training Research Scientists—The budget does not include funds for NIH programs for training research scientists. The research training prgorams had been running at about $150 million per year.

Medical Research—The budget proposes an increase in cancer research of $91 million, and an increase of $28 million for heart, lung disease research, but includes cuts in other medical research.

Medical Training—The budget proposes to reduce support for training nurses, veterinarians, optometrists, podiatrists, pharmacists, and public health personnel.

Impact on Minnesota

The following outlays were made during fiscal year 1972 in Minnesota under Health programs affected by the Administration's 1974 budget:

Hill-Burton Program, $1,536,112.

Regional Medical Program, $1,765,135.

Community Mental Health Centers, $1,682,749.

Community Mental Health Centers—There are currently no new Community Mental Health Centers planned in Minnesota that would receive federal funds. The existing centers will continue to receive funds for staffing.

Hill-Burton—The current state plan for the allotment of Hill-Burton funds proposes to pool the 1972 and 1973 fiscal funds due to the large size of two of the proposed projects. However, with the veto of the 1973 HEW appropriation bill, only funds for Fiscal 1972 have been spent. The following projects have been funded from the 1972 allocations:

Grants:

Hennepin County General Hospital, $1,634,998.

Metropolitan Medical Center, $596,331.

Riverview Hospital, Crookston, $184,762.

Courage Center, Golden Valley, $112,960.

Loans:

Metropolitan Medical Center, $4,883,305.

Linking Center—Hennepin County, General and Metro Medical Center, $4,382,028.

Review Hospital, Crookston, $791,200.

Courage Center, Golden Valley, $318,693.

Regional Medical Program—The Northland Regional Medical Program which is a totally federally funded program would be discontinued under the proposed budget. Their budget for a period from April 1, 1972 to April 30, 1973 is $1,936,698. They expect an additional $255,932 to complete the current present fiscal year. Currently, the program employees 19 full-time and 4 part-time core staff people plus a number of people at the University of Minnesota and the Mayo Clinic.

Medical Research and Training—The proposed cutbacks in Health Services and research traineeship will have a severe effect upon the University of Minnesota. The Administration program reflects no intention of continuing major federal support of biomedical research in areas other than heart and cancer and no intention of making funds available for the large research training grants program. Currently the Health Services of the University of Minnesota has a total of $11,692,255 in NIH research grants. The University also has $15,197,126 in NIH research training grants.

The President's proposed budget would reduce research funds in areas for which its University has developed special competence. The discontinuance of the research training grants would wipe out support for 301 scientists at the University. The program has produced 1,040 physicians in the last 20 years, 62.9% of whom fill full-time academic positions. The Administration budget proposes an 86% cut in the professional nurse training program. This means that 36 of the 40 graduate students currently under the program at the University of Minnesota would have to be dropped.

MANPOWER

For the broad range of manpower programs, the Administration is proposing expenditures of $4.8 billion in fiscal 1974 compared to an estimated $5.3 billion expended in fiscal year 1973. This 9.2% decrease in manpower funding is primarily reflected through the "phasing out" of the Public Service Employment Program, which has subsidized approximately 140,000 jobs in state and local governments during the past fiscal year. About $580 million is left over for the 1974 fiscal year to support the program in its final days. The P.E.P. program in Minnesota supported 1,787 participants at the state level and an additional 700 slots were available at the city and county level at the close of fiscal year 1972, after having received $14 million in federal support that year. The phasing out of the program would mean that, by the end of the fiscal year, Minnesota would lose at least the equivalent of that 1972 funding, or $14,735,900.

Other manpower programs may suffer a greater percentage decrease as the Administration seeks to implement a form of "special revenue sharing" which would absorb about $1.3 billion of the Department of Labor's $2.76 billion portion of the manpower budget. Outlays for about a dozen of the Department of Labor's categorical manpower grant programs will be lumped into this $1.3 billion general fund. These revenues will be managed under the 1962 Manpower Development and Training Act and the 1964 Equal Opportunity Act. Programs, such as On-the Job Training, Classroom Instruction and the Neighborhood Youth Corps will be discontinued as the budget instead proposes distributing approximately $880 million (75% of the $1.3 billion) to state and local government, giving them the option of directing the funds to specific programs as they choose. The "revenue sharing" monies are expected to support a total program enrollment at an average of 363,100 during Fiscal Year 1974, compared to 405,000 during Fiscal Year 1973. The remaining manpower revenues of the Department of Labor will probably continue to be channeled into specific programs. Outlays for the Work Incentive Program (WIN) under the Department of Labor are expected to increase to over $530 million from $290 million. The Job Corps and the J.O.B.S. programs are also expected to remain intact. Outlays for programs to enforce occupational safety and health laws will rise; the budget does expect, however, to decrease unemployment compensation expenditures by about $300 million.

Most manpower programs administered by agencies other than the Department of Labor anticipate holding even, or expanding slightly during the fiscal year. The Veterans Administration, for instance, has increased on-the-job training for returning veterans to a total of $203 million, up $29 million. The Equal Employment Opportunity Commission expects to spend $13 million more, a total of $43 million.

Impact on Minnesota

The net effect of the proposed manpower budget on Minnesota is difficult to gauge on a program-by-program basis, since the specific programs are being consolidated. Minnesota received $53.25 million for Department of Labor Manpower programs in fiscal 1972. The $1.3 billion proposed for revenue sharing is about a 15.7% cut in the specific programs.

Program	Fiscal year 1972 funds	Proposed fiscal year 1974 status
Public Service careers	783, 800	(1).
Public Service Employment Program.	14, 700, 000	Phased out.
Concentrated Employment Program	4, 260, 000	(1).
WIN	2, 570, 000	Increase.[2]
Grants to States	14, 280, 000	(1).
CAMPS	246, 000	(1).
JOBS	1, 860, 000	Maintained.[3]
MDTA Institutional Training	3, 190, 000	(1).
NYC	6, 800, 000	(1).
Operation Mainstream	2, 480, 000	(1).

[1] To be included in Special Revenue Sharing.

[2] National funding for WIN is proposed to increase over fiscal 1972.

[3] The basic JOBS program will remain intact; the JOBS optional program will be incorporated into the Special Revenue Sharing.

Minnesota anticipates receiving approximately $17 million under the manpower revenue sharing proposal, compared to an estimated $21 or $22 million received under the individual grant programs in fiscal 1972.

NATURAL RESOURCES AND ENVIRONMENT

Federal aid for environmental concerns and natural resources for Fiscal Year 1974 is estimated at $6.9 billion, a $700 million increase from Fiscal Year 1973.

Outlays for the Environmental Protection Agency will equal $2.1 billion, an increase of $980 million. Of these funds, $1.6 billion has been allocated for construction of waste treatment plants. Other water pollution programs will amount to $166 million. Outlays for various air pollution programs will be $160 million. The Solid Waste Control program is being cut to $5.8 million from a $30 million request during fiscal 1973.

The total budget for the Department of Interior is down to $2.5 billion, a decrease of $365.7 million from fiscal 1973. This reduction is reflected basically in funding for the Land and Water Conservation Fund, which is being sliced from over $200 million to $50 million for the 1974 fiscal year.

Impact on Minnesota

The effects of proposed natural resources funding on natural resources aid receipts in

Minnesota are profound. For Fiscal Year 1972, Minnesota received $4.38 million for L.A.W.C.O.N. and Outdoor Recreation Assistance. With the decrease in the L.A.W.C.O.N. budget, it is anticipated that the level of funds allocated to Minnesota under that program will drop to about $800,000.

Minnesota received $8 million from the Environmental Protection Agency during fiscal 1972, including $3.8 million for Construction Grants for Wastewater Treatment Works. The state anticipates an increase to $61 million for the 1974 fiscal year from the $40.6 million anticipated for Fiscal Year 1973, for such construction grants. However, these allotments represent a 50% decrease for Fiscal Year 1974 from the $122 million which would have been the state's share had the full Congressional appropriation under the Water Quality Act been released.

TRANSPORTATION

The budget proposals for transportation call for total funds at approximately the same level as for Fiscal Year 1973. However, the budget proposals attempt to change the balance of federally funded transportation activities in urban centers.

Federal Highway Administration—Highway Trust Funds—The proposed budget calls for the use of $4.6 billion of the highway trust fund. This is approximately the same level as fiscal year 1973, which means the administration intends to impound approximately $1.4 billion during fiscal year 1974.

The budget would eliminate some of the funding rigidity of the present categorical highway grants. Under the proposed budget, cities and states would be allowed to use some highway trust fund monies for urban highways or mass transit.

National Highway Traffic Safety Administration—The program funding level for highway traffic safety would increase $14 million to $169 million under the proposed budget for Fiscal Year 1974. Funds for state and community highway safety would remain about the same. The increase would exist in funds for research, development and demonstration projects.

Impact on Minnesota

The budget proposal for the use of highway trust fund money would mean that Minnesota would receive approximately the same amount of federal funds for highways as it received in Fiscal Year 1973; this would include the impoundment of approximately $20 million.

Since Fiscal Year 1967 the difference between the federal aid highway funds apportioned to Minnesota and the amount actually obligated has amount to $108.1 million.

Fiscal year	Apportioned	Obligated	Held back
1967	92.6	69.5	23.1
1968	102.3	88.8	13.5
1969	111.1	95.9	15.2
1970	119.4	108.1	11.3
1971	118.8	108.0	10.8
1972	103.1	90.7	12.4
1973	103.4	81.5	21.9
Total			108.1

WELFARE

The Fiscal Year 1974 budget for HEW proposes a cut in expenditure for public assistance from $14 billion to $12.7 billion. HEW expects to make this cut by implementing new regulations. These new regulations would limit federal financial participation in state welfare programs to eligible individuals. The new regulations are expected to reduce the HEW budget by $659 million.

Social Services—The department also plans to promulgate some new regulations for the social services program. These regulations would restrict social services spending to $1.8 billion in fiscal year 1974. That $700 million lowers the limits Congress imposed in September.

Maintenance Payments—On January 1, 1974 under the *supplementary security income* program enacted last year the Federal Government assumes full responsibility for providing basic assistance for the aged, blind and disabled. Federal outlays for benefits will total $1.7 billion for the second half of 1974, aiding about 6 million people. Additional payments of $150 million will be made to states assuring them that supplementing the federal benefit level need not require state outlays higher than in 1972.

Impact on Minnesota

Social Services

The proposed new regulations for the social services program will have a profound effect upon Minnesota. As of February 22, the estimated Federal social services funds to be spent in Minnesota in Fiscal Year 1973 is $34 million. The estimated expenditure of federal funds for Fiscal Year 1974 under the proposed regulations is only $12 million. If Minnesota is to continue to honor current public policy and laws relating to social services and only maintain the present service program level it will need approximately $22 million additional federal funds.

Maintenance Payments

The changes in the regulation for maintenance payment which will go into affect in January 1974 could have an affect upon Minnesota. Under the new proposed regulations an additional 64,000 aged would be eligible for old age assistance. Of these recipients approximately 52,000 would also then become eligible for the medical assistance program. This would cost the State government about $11 million.

AIDING OUR LIBRARIES

Mr. McINTYRE. Mr. President, few of our institutions have meant more to our democracy or our free way of life than our libraries. One of the first steps of dictators is to destroy libraries and burn books. Take away from us the wisdom, the enjoyment, the facts and figures which exist in our libraries and you take away a cornerstone of America.

Therefore, there has been considerable concern expressed—and I think rightly so—about the proposals to drastically restructure the programs of Federal aid to libraries. As I understand what is happening, we would completely cut off most categorical aid to libraries and would leave these vital institutions to fend for themselves in the street fighting over a share of revenue sharing.

All too often when discussing the impact of funding changes on programs we have to do it in nationwide terms. We therefore, talk in terms of cuts of millions of dollars nationwide, instead of the thousands of dollars, jobs, needs, priorities, and usefulness at the local level. I am particularly pleased that the library groups in New Hampshire have set forth in some detail exactly what the libraries of New Hampshire are able to do under existing funding, the impact of the proposed cuts in programs in terms of meeting needs, retaining specialists, and developing plans for the future.

Mr. President, I want my colleagues to have the benefit of these facts so that they can have a true picture of what happens when we act here in Washington. I ask unanimous consent that these reports on the library situation in New Hampshire be printed in the RECORD.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

REPORT ON EXPENDITURES OF FUNDS RECEIVED BY NEW HAMPSHIRE UNDER THE LIBRARY SERVICES AND CONSTRUCTION ACT, 1957–73

I. ACHIEVEMENTS IN NEW HAMPSHIRE UNDER THE LIBRARY SERVICES AND CONSTRUCTION ACT, 1957–73

1. The small, totally inadequate panel truck bookmobiles were replaced with custom-built bookmobiles with triple the book capacity in 1957 and 1958. These bookmobiles were again replaced in 1970 and 1971.

2. Funds available for the purchase of books for the bookmobiles has been doubled, and is still just barely enough to meet the increased demand for service.

3. Spoken word recordings have been added to the bookmobile collections.

4. The Exeter District office for bookmobile service to the southeastern area of the State was established in 1957, thus ensuring that all sections of the State received equal service.

5. Bookmobile service to schools was discontinued, thus ensuring a greater supply of books for public libraries.

6. Each of the four District Offices obtained a full-time professional District Library Consultant, whose services are available to the libraries of each District. A non-professional position of Bookmobile Supervisor freed the professional for consultant work, whereas he formerly spent most of his time actually on the bookmobile.

7. Establishment of Extension & Library Development Division at State Library to supervise District Offices and all consultant services to public libraries.

8. Establishment of North Country Libraries Film Cooperative with Maine and Vermont, which provides films for public libraries exclusively.

9. Publishing of "North Country Libraries" from 1957 through June of 1971. This bimonthly periodical went free to all librarians and trustees, and was issued in cooperation with Maine and Vermont.

10. Production of film "The Day the Books Went Blank" in cooperation with the other five New England States.

11. Establishment of bi-monthly book selection meetings throughout the State for the benefit of local public libraries.

12. Founding of New Hampshire Library Trustees Association.

13. Founding of Friends of New Hampshire Libraries.

14. Initiative supplied for founding of 63 local Friends groups.

15. Establishment of New Hampshire Library Council.

16. Employment for eleven years of professional public relations firm to promote libraries throughout the State. Received John Cotton Dana Publicity Award in 1959.

17. Publication of "Granite State Libraries" (formerly "Books and Libraries") for local librarians and trustees.

18. Publication of numerous handbooks, brochures, etc. to assist the local library.

19. Analytical study of library service in New Hampshire carried out by Department of Government at UNH.

20. Work of Governor's Committee for Better Libraries, whose report, "Libraries Are For People," formed the basis for legislative approval of the Statewide Library Development Program.

21. Establishment of four District Advisory Councils to advise State Library Commission.

22. Adoption of qualifications for public library membership in Statewide Library Development Program.

23. Initiation of Statewide Library Card in 1970.

24. Distribution of grant-in-aid to librar-

ies participating in the Statewide Library Development Program.

25. Innumerable workshops for local staff members.

26. Extension courses in "Public Library Techniques" to supplement the regular summer program at UNH.

27. Centralized catalog service for local public libraries, and provision of this service by contractual agreement to Maine and Vermont.

28. Centralized book ordering for local public libraries, since discontinued.

29. Increased staff and resources for central reference service from Concord.

30. In-depth surveys of over ten public libraries, with recommendations for the future.

31. Grants to 28 public libraries for construction projects.

32. Study by Arthur D. Little, Inc. concerning program for use of funds under Titles III, IV A, and IV B.

33. Establishment of library teletype network to speed interlibrary loan.

34. Strengthening of staff handling maintenance of Union Catalog so it can be kept current.

35. Purchase of copying machines and microfilm reader-printers for numerous public, academic, and special libraries in order to speed interlibrary loan system.

36. Annual grants to six libraries who consistently loan more books than they borrow under the interlibrary loan system.

37. Establishment of professional staff to aid in improvement of the six state institutions.

38. Annual book grants to the six institutions for improving their collections.

39. Availability of film service for the institutions.

40. Workshops for institutional library staff.

41. Special grants to institutions for such things as constructing new library at N.H. Hospital, furnishing new libraries at Laconia State School and Industrial School. Also funds to hire professional staff at Laconia and the Industrial School.

42. Establishment of talking book service branch for blind and handicapped readers.

43. Purchase and distribution of large-print books to libraries of the State.

44. Sustaining membership in New England Library Information Network.

45. Training of State Library staff at Ohio State University Planning and Evaluation Center for development of *Long-Range Program for Library Service in New Hampshire.*

46. Establishment of N.H. State Advisory Council on Libraries representing all types of libraries and user groups.

47. Issuance of Report and Recommendations of Ad Hoc Committee to Study the Functions of the New Hampshire State Library in 1973 after year-long study by Committee and six Subcommittees involving 38 persons.

48. Special project grants in 1971 and 1972 to ten local libraries administering projects to improve the quality of library services to inadequately served populations (such as disadvantaged groups), involving the cooperation of 43 libraries and many social agencies.

CURRENT IMPACT OF THE LIBRARY SERVICES AND CONSTRUCTION ACT IN NEW HAMPSHIRE IN FISCAL YEAR 1973

Federal funding under the Library Services and Construction Act

(Public Law 91–600, U.S.C. 351) will provide New Hampshire residents with the following services during the current fiscal year:

Bookmobile services will provide 313,000 volumes to local libraries for loan as supplementary reading materials to the State's 442,608 rural and suburban residents (72 bookmobile hours per week).

Institutional library services will be provided to the libraries in the six State supported health and correctional institutions serving 3,885 residents.

Library services for the blind and physically handicapped will provide 40,000 specialized reading materials and equipment to 6,431 residents.

Local libraries awarded special project grants in 1972 for developing programs for priority target populations will provide specialized services and materials for 17,000 urban and rural disadvantaged residents, 3,700 aging residents, 1,500 children with learning disabilities, and 7,000 residents of French Canadian heritage.

The State's total population of 737,681 will have available improved services resulting from:

Continuing education for 200 local library staff members in 125 public libraries.

Improved communications and public relations through the publication of *Granite State Libraries* circulated to all libraries and members of seven statewide library organzitions (circulation 2,000).

Centralized catalog card service for local public libraries.

Film services providing 3,500 films to local libraries and institutions.

Professional consultant services for local public libraries amounting to 248 hours per week.

Teletype network for interlibrary loan requests making it possible for any citizen in the State to have rapid access to all of the six million volumes in New Hampshire libraries.

In addition to these currently ongoing programs made possible through Titles I and III of the Act, Title II funds from 1965 to 1972 assisted 28 local communities in such construction projects as new libraries, renovations and additions .

The effect of total abolition of Library Services and Construction Act funds for fiscal year 1974 would mean the elimination of all of the above programs. The total population of the State would suffer a loss of library services as a result. The State library would find it necessary to discharge 24 employees. In short, Library service in New Hampshire would find itself at least at the level of 1956, if not worse.

Although the State and Local Fiscal Assistance Act of 1972 (Public Law 92–512) commonly referred to as the Revenue Sharing Act specifically includes libraries among the eight Priority Expenditures, and therefore would provide a funding source in lieu of LSCA for some of these services, these funds have not been forthcoming for New Hampshire libraries.

II. IDENTIFICATION OF PRESENT AND PROJECTED NEEDS, TITLE I—LIBRARY SERVICES

Statewide library development

In 1970 all but 5,914 or .8% of New Hampshire's 737,681 residents had public library services available locally. At present 189 of the 231 public libraries in the State are participating in the Statewide Library Development Program. To strengthen public library service statewide all public libraries in the State should participate. There is also a need to evaluate the services under the program to determine strengths and weaknesses and future directions in such areas as: broadening the organizational pattern to include all types of libraries eligible for affiliation; requiring accreditation of libraries; developing a standardized plan for service center services and accountability requirements; and centralized technical processing services.

The State Library presently provides consultant services by professionally-trained librarians to local libraries. These librarian-consultants are presently generalists whose advice and guidance are sought and appreciated by the smaller public libraries. The great need is for highly-trained specialist consultants to work with the larger public libraries and with other types of libraries. This solution was also recommended by the Governor's Committee for Better Libraries in 1961.

There is a need to evaluate present bookmobile services and to determine whether and where they are providing services according to the original intent of supporting small libraries by providing materials while the libraries built their collections locally.

There is a need to determine the areas of the State designated as urban and rural areas with high concentrations of low income families and otherwise disadvantaged persons and to devise action programs to provide services where they do not now exist.

State financial support of libraries

Under the Statewide Library Development Program, enacted into law by the General Court in 1963, every library participating in the Program is entitled to receive an annual grant-in-aid to improve its book resources. The smaller libraries, known as Affiliated Libraries, are eligible to receive up to $500. annually on a dollar-for-dollar matching basis. The larger libraries, known as Service Center Libraries, are eligible to receive, on the same matching basis, annual grants ranging from $2,500. to $10,000. depending on the population of the municipality. The purpose of this grant-in-aid program is twofold:

(1) to ensure that local libraries will maintain a basic reference collection sufficient to meet the most common needs of the community; (2) to reimburse the larger public libraries for making their services and resources available to citizens of the area needing more than can be found locally. Under the Program all participating libraries must honor the New Hampshire Statewide Library Card, which means that any citizen who is a registered borrower in good standing at any participating library can use this card at any other participating library. These grants are designed to reimburse local taxpayers for making local library facilities open to all citizens. To the present time legislative appropriations for the grant-in-aid program have made it possible to award only about 20% of the funds authorized; at the immediate present no State funds for grants are available. This lack of full funding seriously endangers the entire philosophy upon which the Statewide Library Development Program is based. At the present time, for example, three of the largest and strongest city libraries have withdrawn from the Program rather than accept the Statewide Library Card without the accompanying grant-in-aid. Actual experience with the Card may well force others to do likewise.

Statewide library resources

In 1970 public and college libraries in New Hampshire reported owning collections which totaled more than six million volumes. Of these holdings 2.6 million were in public libraries and the remainder in academic and state libraries. The largest book collection in the State is at Dartmouth College, with the State Library and the University of New Hampshire second and third in size. Only three public libraries had more than 100,000 volumes in 1970. These six libraries own nearly one half of the books in the State. The remaining libraries with smaller collections obviously have a high level of duplication with the result that the breadth and depth of publications needed by a modern society are lacking. There is a great need for the development of a formal statewide program which would eliminate unnecessary duplication and make possible wider acquisition of needed materials.

All libraries have specific responsibilities to their patrons which must be met but most libraries are finding that even those which can grow at a reasonable rate, cannot keep up with the increased pace of discovery of new knowledge and the resulting volume of publishing.

The State Library historically has served as *the* central reference resource for all the libraries of the State. Recent years have shown rapidly-increasing awareness and use of this program by public, academic, school, and special libraries—all of whom turn to the State Library for materials too specialized for local collections. This is one of the State Library's most essential and popular functions, and one which is keeping up with demand only with great difficulty. Lack of sufficient new books and other library materials is making it increasingly difficult to meet demands. Out of a total annual publication in this country of 40,000 new titles, the State Library is able to add only about 8,000 titles. If the expenditures for the Law Library Division are deducted as a specialized service of little significance beyond a limited clientele, the State Library's book budget is less than that of some of the city libraries, considerably less than that of the two State Colleges, and shockingly less than that of the University. All of these libraries turn to the State Library for assistance. Furthermore, there is nowhere in the State a significant public collection of library materials on business and technology. Such a collection should be available, and would be of great assistance in promoting the growth of the State's economy.

Rare books and many older publications relating to New Hampshire are found in many local libraries and the New Hampshire State Library. Over the years much valuable material, unrecognized as such, has been indiscriminately discarded or allowed to be ravaged through mistreatment or neglect. There is a need that these valuable materials be identified, that a record be made of them, and that their preservation be ensured. It is suggested that some public libraries would like the availability of a central depository for such material, and would like advice on the identification, value, and proper handling of rare volumes.

There are several well-developed school, college and university media centers throughout the State and public library interest in building non-print collections is increasing. There is a need for centralized information on these collections, their location and extent of holdings, and possible cooperative arrangements in their acquisition and use need to be investigated.

Since 1957 the State Library, in cooperation with the Maine State Library and the Vermont Department of Libraries, has operated the North Country Libraries Film Cooperative. This consists of a collection of films especially selected for use in public libraries, and the growth in its use has been spectacular. The result is that the three state library agencies are finding it more and more difficult to meet the demands because of the limited size of the film collection. It is also true that the original, rather informal arrangements for handling, ordering, booking, and repairing the films is proving inadequate for the increasing demands for service.

Possible cooperative arrangements with departments of education toward funding, increasing collections and serving schools as well as public libraries need to be investigated.

Personnel and library education

At the present time the State Library has a professional staff of twenty; to meet long-range needs and objectives toward providing significantly improved and expanded services would increase this staff by at least 70%. Of the 231 local public libraries only 13 employ professionally-trained librarians. The remaining public libraries are operated by community librarians dependent on the State Library for training. There are three needs apparent:

(1) Providing the means of educating more professionally-trained librarians for service in the public libraries of all communities of 10,000 population or more, plus the State Library; (2) providing formal courses and workshops to better train the many community librarians in the State; and, (3) providing opportunities for continuing education for the professional librarians in the State. Quality library service on all levels is only possible with well-trained and educated personnel.

At present, certification of librarians is on a voluntary basis, and is done on application of the individual. Requirements for qualification for affiliation with the Statewide Library Development Program is in a sense a regulatory system of certification for both librarians and libraries. However, many librarians are able to take only those courses in Public Library Techniques which are offered as extension courses, and so do not complete the program. Also, there is a great rate of turnover of librarians in local libraries.

The lack of any required qualifications for librarians in the small public libraries of the State is responsible for the great disparity in library services available in the small communities. Libraries affiliated with the SLDP are gradually overcoming this handicap, as new librarians are appointed, since the incoming librarian is required to take the courses in Public Library Techniques. The librarians of the unaffiliated libraries are not affected by these requirements. These needs apply also to the large public libraries in the State.

Statewide, there is a multitude of job titles in the field of librarianship. Among those positions which require training there is no standardized system of position classification or requirements, nor schedule of recommended compensation for meeting the training requirements at the various levels which do exist. In-service training programs within the State are practically non-existent. With the development of training programs such as the Public Library Techniques Program and, recently, the Library Technical Aides program which offers an Associate of Arts degree upon its two-year completion with opportunity to continue toward a Bachelor of Arts degree, a problem has arisen in many local libraries as to equitable placement and compensation. Guideline recommendations are lacking. There is a tremendous need that a career ladder complete with job classifications, training requirements, and recommended compensations, be developed. This should also provide for trainee programs at various levels.

Library services to institutions

Under the LSCA as amended, "Library services for the institutionalized" means the provision of library services to inmates, patients or residents of penal institutions, reformatories, residential training schools, orphanages, residential schools for handicapped persons, and other general or special institutions or hospitals operated or substantially supported by the State of New Hampshire.

State Library Services to the Institutionalized have made excellent progress toward fulfilling many of the needs cited in the Arthur D. Little Report of September, 1967.

The Division regularly serves six State institutions, all of which have arranged for some library facilities and/or staff. Five consistently use the bookmobile service. The Division provides workshop training of institutional staffs. While considerable progress has been made in improving physical facilities, personnel, resources, and services at these institutions, much remains to be done. It is unfortunate that these programs cannot legally be extended at this time to include such government institutions as county jails and county homes, and private institutions such as the Spaulding Youth Center. The program has been limited to aiding the library programs for residents, with little or no effort to assist the staffs in their specialized library needs. In some states, the State Library has legal responsibility for operating all library services in state institutions; in New Hampshire the State Library only administers federal funds to improve library services in them.

Needs are:

(1) The services should be made available to ALL social assistance institutions, (county homes, hospitals, nursing homes, etc.) whether such institutions are funded by state, local government or private agencies.

(2) Many institutions could arrange space (as the six now served have done) and some staffing of a library. The State Library would need to provide considerable training and consultant service, both to the institution and to public libraries of the area.

(3) Funds should be budgeted in each institution, regardless of size or population, for materials for both residents and professionals, with additional materials available through:

(a) Interlibrary loan.

(b) Bookmobile, or some form of delivery.

Library services to the handicapped

Under the Library Services and Construction Act, as amended, "Library services for the physically handicapped" means the providing of library services, through public or other nonprofit libraries, agencies, or organizations, to physically handicapped persons (including the blind and visually handicapped) certified by competent authority as unable to read or use conventional printed materials as a result of physical limitations.

Services now available are a centralized library of books on record, tape and tape cassette delivered by free mail to any eligible person in the State; a machine distribution agency; a volunteer register of available narrators; a copying program from tape to tape cassette or reverse; an occasional newsletter; displays and consultant services on request.

Over 6,000 New Hampshire residents are eligible for library services for the handicapped. These figures include persons with the following disabilities:

Blindness	1, 500
Visually handicapped	2, 000
Victims of crippling diseases	2, 500
Other	50
Total	6, 050

Persons needing these services are, necessarily, unable to use regular library service and/or material. Their confinement, as well as the circumstances causing that confinement, intensifies their need for good library service. Reports of National Accreditation Council for Agencies Serving the Blind and Visually Handicapped indicate cost per confined person may be as much as five to seven times that of the walk-in-library patron, yet cost per circulation is relatively low, since that person has more free time. Each person is a member of our statewide library community.

The first full year of State Library Services to the Handicapped greatly increased the number of persons served individually and through health care institutions and schools. At present, most individual handicapped receive materials by mail upon direct request to the Division of the Handicapped. Such persons could often be located by a local library staff. Therefore, it is logical to arrange service for them through request from local libraries; public, school, industrial or other. Defined needs are:

(1) Services to the handicapped should be available to ALL disabled persons, regardless of age, or period of reading disability.

(2) Equipment to use other materials than books need to be made available locally. Respositories at Service Centers would place both equipment and materials nearer the source of need, with an inventory of all equipment, and its location, filed with the State Library Service to the Handicapped. Training for the use of equipment would be necessary for key people, who might also deliver such equipment and instruct the user. Talking books, tapes, and such materials could be delivered by mail if the handicapped were homebound, by library visit, if not.

(3) Such an outreach program would require pertinent user's training for, and consultant service to, librarians.

(4) A concentrated public information program should accompany such training with continuing news items in BOOKS AND LIBRARIES for information and for use with patrons.

(5) A pilot project among contiguous libraries to demonstrate such a service program could be evaluated for techniques applicable on a statewide basis.

TITLE II. PUBLIC LIBRARY CONSTRUCTION

With the recent removal of the Supreme Court and the Law Library Division to new quarters and the subsequent renovation of the State Library building, facilities for services are presently adequate. However, there will be a future need for space for more books, and in addition, the approval of any substantial portion of the programs contained in this document will place added burdens on the building.

Most communities in this State have public library buildings. Also, most of these buildings are old-fashioned or inadequate in size. Some federal funds have been available since 1965 to assist 28 local communities in such construction projects as new libraries, renovations and additions. Some states supplement this federal money with state funds. In actual fact, federal funds have not proven an adequate incentive for most communities in this State which badly need improved public library facilities.

TITLE III. INTERLIBRARY COOPERATION

With the vast increase in demand for information of all kinds which has become evident in recent years, libraries have assumed great importance as repositories of information. It is no longer possible for a local library with a small collection, or for that matter any library, to meet all the needs of the citizenry without help from other libraries.

The interlibrary loan system

The State Library has for many years served as the center for interlibrary loan activity in the State. In this way, through the cooperation of all libraries, especially public and academic, all the resources of the State are available to any citizen through his own local library. The State Library maintains a Union Card Catalog of the nonfiction holdings of 40 large public and academic libraries. It also has an extensive collection of bibliographic resources which enables the staff to quickly identify and locate materials to be found at other locations in the country. All requests for interlibrary loan are sent to the State Library for verification, and then forwarded to the library holding the requested material. At the present time most such requests are received by mail, although thirteen libraries now have a teletype connection with the State Library.

The needs in this area of interlibrary loan are several: (1) More staff to handle interlibrary loan requests and maintenance of the Union Catalog; (2) Larger collection of bibliographic materials; (3) More rapid communication of requests by telephone and/or teletype; (4) Truck delivery service of materials being loaned; and (5) Possible conversion of the present Union Catalog to some automated retrieval system.

Intertype library cooperation

There is a good history of cooperation between the State Library, the statewide program of public library development, and the academic libraries. However, the school library role in statewide coordination of library activities needs study and recommendations for improvements.

III. EXPENDITURES OF FEDERAL FUNDS FOR LIBRARY PROGRAMS IN NEW HAMPSHIRE UNDER THE LIBRARY SERVICES AND CONSTRUCTION ACT

Title I. Public library services, 1957–73, total $2,213,016.

Title II. Public library construction, 1965–72 (no funds in 1973), total $1,095,346.

Title III. Interlibrary cooperation, 1967–73, total $252,826.

Title IV(A) (formerly, now in title I). Library service to institutions, 1967–73, total $242,620.

Title IV(B) (formerly, now in title I). Library service to institutions, 1967–73, total total $153,720.

Total, all titles 1957–73, $3,957,528.

The original legislation, known as the Library Services Act, was enacted by Congress in 1956. The first allotment of funds was made available for the last six months of fiscal 1957, ending June 30, 1967. The original Act limited the expenditure of funds to improving public library service in rural areas, i.e. communities of less than 10,000 population. The program initiated in 1957 involved opening the bookmobile office in Exeter, purchasing four new bookmobiles, increasing the number of books available from the bookmobiles, establishing the library film cooperative with Maine and Vermont, establishing the periodical "North Country Libraries," engaging the services of a professional public relations firm to improve the image of libraries.

In fiscal 1965 the title of the Federal legislation was changed to Library Services & Construction Act. The program previously carried on now came under Title I of this Act (Public Library Services), and the restriction concerning population was removed, thus making all areas of the State eligible to receive Services under the Act. A new Title II (Public Library Construction) was added at this time. Under Title II the State Library dispersed matching Federal dollars to local libraries erecting new buildings, or renovating or adding to older libraries. Since 1965 such grants have gone to the following 28 libraries: Salem, Meriden, Dover, Concord, Rye, Durham, Claremont, Newport, Keene, Bow, Somersworth, Bedford, Dublin, Francestown, Moultonborough, Franconia, Nashua, Tuftonboro, Harrisville, Canterbury, the State Library, Lincoln, North Hampton, Rindge, Londenderry, Nashua Chandler Library, and Laconia. The rules and regulations governing Title II have remained essentially unchanged during this period.

With the new legislation in 1965 the funds available under Title I for services to public libraries increased substantially. Since the Governor's Committee for Better Libraries had just finished its report, "Libraries Are For People," and since the legislature had just enacted the Statewide Library Development Program into law, the additional funds were used to begin implementing this new Program. Parts of the Program which were implemented at this time were: Establishment and staffing of Division of Extension and Library Development, addition of District Library Consultants and Clerk-Typists to each of the four District Offices, centralized book ordering and cataloging, establishment of District Advisory Councils.

In fiscal 1967 Congress added three new programs to the Act. Fiscal 1967 funds for these programs were limited in amount, and restricted to planning. Arthur D. Little, Inc. was engaged to propose a program for use of these funds. When actual operating funds became available for these new titles in fiscal 1968, the program outlined by the Little firm was carried out, insofar as funds were available to do so. Title III for Interlibrary Cooperation marked the first time that funds under this Act could be used to aid nonpublic libraries. In brief, the funds were used to staff the maintenance of the Union Catalog at the State Library, to purchase copying machines and microfilm reader-printers for various libraries, to establish a teletype network for interlibrary loans, and to award annual money grants to the six libraries contributing more books to the interlibrary loan system than they borrowed. This program is still continuing.

Under Title IV A (Library Service to Institutions) one professional librarian and one clerical employee were hired to help improve library service at the State Prison, N.H. Hospital, Laconia State School, State Industrial School, Glencliff, and the Soldiers' Home. A considerable amount of the grant is used to purchase books for these institutional libraries, the amount being apportioned according to their inmate population. Also certain sums are granted each year for special projects such as, the new libraries at the Hospital and the Laconia School; a half-time professional at the Industrial School, equipment, etc. This program is still continuing.

Under Title IV B (Library Service to the Handicapped) a Regional Library for the Blind and Handicapped has been established under the auspices of the Library of Congress. This new Division, partially funded with State funds, provides Talking Book service to the blind and handicapped of the State. The staff consists of one professional and three clericals. This program is still continuing.

Beginning in fiscal 1972 (July 1, 1971) there has been another change in the program. Titles I, IV A and IV B have now been combined into a new Title I. Titles II and III remain separate as before, with the exception that in the future no local matching funds are required for Title III funds. Although the three Titles have been merged into one new Title I, the State is still required to expend at least as much in fiscal 1972 for former Title IV programs as it did in the past.

It should be emphasized that all Federal funds obtained under this Act since the beginning have been disbursed by the State Library. Under Title I (Services) all funds have actually been spent by the State Library to improve its services to local libraries—none of it has been distributed directly as cash to any local library.

Under the new Act there is established the State Advisory Council on Libraries. The functions and responsibilities of this Council are as follows:

1. Advise the State agency on the development of the State plan, including the preparation of long-range and annual programs.

2. Advise the State agency on policy matters arising in the administration of the State plan.

3. Assist the State agency in evaluating library programs, services, and activities under the State plan.

IV. ALTERNATIVES TO FEDERAL FUNDING

Since libraries are included among the eight Priority Expenditures in the General Revenue Sharing Act, public libraries in New Hampshire have been encouraged to apply for a share of these funds at the local level. Hopefully some of the libraries will gain support from this funding source toward reinstating in part some of the services which have been made available through the State Library under LSCA funding.

Currently local public libraries are being polled to determine the prospect of receiving funds from this source. Of 93 questionnaire responses to date 6 libraries are hopeful of some financial support from this source in 1973 or 1974. The remaining 87 responses indicate that local revenue-sharing funds will not be available for library programs. It is stated most frequently that these funds have been earmarked for local capital expenditure projects or to reduce the property tax rate.

Revenue sharing funds are also being sought on the State level, as are State funds, for continuation of some of the direct services furnished by the State Library to local public libraries. Program priorities have been determined in conjunction with the local libraries in requesting alternative support from the State.

The effect of the proposed cuts in the New Hampshire State Library budget for the biennium 1974-1975 is as follows:

State funds:	
Fiscal 1974	$424,774
Fiscal 1975	425,226
Federal funds (LSCA):	
Fiscal 1974	519,290
Fiscal 1975	522,190
Other (contract for catalog card service with Maine and Vermont):	
Fiscal 1974	$17,500
Fiscal 1975	17,500

Over 40% of the State Library's budget (after deducting Title II Public Library Construction funds) comes from Federal funding under the Library Services and Construction Act. It is unlikely that the State can provide alternative funding to this extent in 1974 and 1975. The result will mean the elimination of many ongoing programs affecting the local libraries and their readers.

REPORT ON EXPENDITURES OF FUNDS RECEIVED BY HIGHER EDUCATIONAL INSTITUTIONS IN NEW HAMPSHIRE UNDER THE HIGHER EDUCATION ACT OF 1965, TITLES II, III, AND VI, AND THE HIGHER EDUCATION FACILITIES ACT, TITLES I AND II, AFFECTING LIBRARIES

I. Volumes held, data as reported in "Library Statistics of Colleges and Universities, 1962–63: Institutional Data" and "Library Statistics of Colleges and Universities, Institutional Data, pt. A, fail 1971"

College	Volumes held		Enrollment		Volumes per student	
	1962–63	1970–71	1962–63	1970–71	1962–63	1970–71
Belknap		21,000		523		47.3
Canaan		12,000		77		130.4
Colby Junior	31,651	42,114	550	607	57.5	62.6
Dartmouth	866,255	1,030,749	3,404	3,764	254.4	271.8
Franconia		21,000		364		54.0
Franklin Pierce		29,461		981		27.4
Mount St. Mary	21,561	33,093	283	257	76.1	134.0
New England Aeronautical		9,000		395		21.9
NEC	15,000	47,978	531	1,037	28.2	40.3
NHC		22,233		1,026		15.8
New Hampshire Technical, Concord		9,636		414		19.4
Notre Dame	11,921	24,772	281	361	42.4	56.4
Rivier	42,048	69,700	583	453	72.1	84.5
St. Anselm's	42,731	71,675	1,339	1,405	31.9	47.7
UNH	327,349	46,0126	3,890	8,279	84.1	53.2
UNH, Plymouth State	27,354	96,989	995	2,030	27.4	36.8
White Pines		8,254		90		86.0
Keene State	37,950		1,320	2,004	28.7	
Nathaniel Hawthorne				832		

II. Funds granted to New Hampshire institutions of higher education for library programs and development, fiscal year 1966 to fiscal year 1972, $4,365,872:

(a) HEA Title II–A: College Library Resources:

1966	$63,184
1967	238,615
1968	378,499
(UNH portion of NELINET Grant)	35,325
1969	117,971
1970	48,130
1971	56,655
1972	29,619
Total	968,003

(b) HEA Title II–B: Library Training and Research:

(1) 1971–72, $144,203, Merrimack Valley Branch, UNH.

(2) 1971, $110,000, New England Center for Outreach Leadership Network, serving all New England states but primary benefits to New Hampshire.

(3) Grants awarded for graduate professional library education by Library schools to individuals who have accepted positions in New Hampshire. Because of the method of disbursement of these funds, it is impossible to determine all persons and libraries affected without contacting every graduate library school. At least one person, an Assistant Librarian at Dartmouth College, has benefited from this program and would not have entered the profession otherwise.

(c) HEA Title III: Developing Institutions: $24,150 provided under this title for a library consultant to serve New Hampshire College and University Council libraries during fiscal year 1968.

(d) HEA Title VI–A: $0 recommended 1973. Also $0 for 1974 and terminated:

Lab equipment and CCTV

1966:		
Dartmouth	8,317	--
NEC	8,158	--
PSC	14,077	916
1967:		
Dartmouth	11,340	--
KSC	6,865	5,973
Nathaniel Hawthorne	11,999	--
NEC	1,730	--
PSC	10,000	--
Rivier	8,000	--
1968:		
Franklin Pierce	1,990	—
KSC	—	3,000
St. Mary	1,764	—
Nathaniel Hawthorne	13,223	—
Notre Dame	10,683	—
PSC	15,000	3,451
St. Anselm's	13,251	—
1969:		
Belknap	12,527	—
KSC	3,190	—
NE Aeronautics	21,897	—
NEC	—	371
Notre Dame	3,612	—
PSC	—	6,000
St. Anselm's	13,267	—
1970: Nothing.		
1971:		
Belknap	5,723	—
NHC	11,639	4,112
St. Anselm's	7,120	—
1972:		
NE Aeronautics	17,657	—
NHC	2,692	1,600
Notre Dame	1,489	—
PSC	14,711	—
St. Anselm's	10,657	4,578

(e) HRFA title I, category 104: Library buildings (undergraduate):

1967, $22,381, NEC.

1966, $159,436, NEC.

$737,456, UNH.

1967, $382,922, Franklin Pierce.

$272,778, St. Mary.

1969, $327,320, Nathanial Hawthorne.

1971, $338,303, NHC (multi-purpose building of which a significant portion was for library).

HEFA title I, category 103: Library buildings (community colleges):

1968, $247,537, NH Tech. Inst., Concord (multi-purpose significant portion for library).

1970, $76,419, $199,326, NH Tech. Inst., Concord, Belknap College (withdrawn and redistributed in part to NHC).

HEFA title III: Interest subsidy for library buildings;

1971, Franconia College, $11,379 (building renovation including library).

1971, Nathanial Hawthorne, $12,097.

1971, New Hampshire College, $24,673 (multipurpose building, about ¼ for library).

1971, St. Anselm's, $14,195.

III. What library programs have accomplished in New Hampshire:

Federal funds as listed above to developing institutions within New Hampshire have improved library collections and buildings to permit accreditation by the New England Association of Secondary Schools and Colleges, the National Council for Accreditation of Teacher Education, or other special accrediting agencies. Significant growth in higher education in New Hampshire occurred during this period and continues despite a downward trend in some other states. Strong library programs with adequate print and non-print resources are essential for institutions of higher education to offer quality educational programs. Ten New Hampshire colleges and universities united to form the New Hampshire College and University Council in 1966 to share resources and facilities, and large portions of the FY 67 and 68 HEA Title I–A Grants were awarded to its members for interlibrary cooperation. Each library elected a subject area in which it would develop a collection in depth, a system to avoid duplication of expensive but little used materials was initiated, very costly items were purchased cooperatively and placed on call in a central facility (University of New Hampshire), truck service to speed interlibrary loans among the ten campuses and the New Hampshire State Library twice weekly was initiated, plus several other less dramatic cooperative endeavors. These are strong programs on which the cooperating libraries and colleges depend. It is likely that additional New Hampshire colleges will join NHCUC as they become accredited, thus enlarging the total resources available to all.

Funds received for libraries under HEA and LSCA have been used to benefit all New Hampshire citizens. The Outreach Leadership Network at the New England Center, under which over 100 New England public librarians received training to "reach the unreached", was funded through an HEA Title II–B Grant LSCA Title III Grants to the New Hampshire State Library have provided teletype communications linking public and academic libraries throughout the state to improve interlibrary loan service. Title II–B Grant funds to the Merrimack Valley Branch of the University of New Hampshire for a library technician training program provides an educational option for persons in the Model Cities area while helping to meet staff needs in schools and public libraries.

IV. Needs still to be met by continuation on these programs: New Hampshire developing institutions' libraries continue to have collections that do not reach minimum standards of the American Library Association for colleges and research libraries, and may still lack adequate buildings. The University of New Hampshire struggles to serve its doctoral programs as well as being a resource for the rest of the state. The public colleges have limited funding resources, and the state taxes support level is highly inadequate. At the same time educational technology demands more and more diversification in library holdings; prices for all library materials continue to rise; enrollments increase; these are the needs that must be met and wtihout federal funds will probably not be met in New Hampshire.

V. How Federal money is spent for these programs in New Hampshire:

Federal money has been spent for buildings, individual and cooperative library purchasing of materials providing interlibrary network as above. A large proportion of New Hampshire population is both financially and culturally deprived, and their educational needs are being met through the development of public, academic, and school library programs together.

CCTV is in its infancy with HEA Title VI assisting many colleges to start programs that need more equipment and ties to become truly effective by providing broadcast facilities to link resources statewide. Federal money so far has started good programs that will wither unless support continues.

VI. Alternatives: Some colleges may be forced out of business, and others will be forced to delay activities, such as open-university programs which rely heavily on all kinds of libraries, that citizens need. It is unlikely that the State Legislature will assume the financial responsibility, and tuition at the public institutions is already the highest in the nation. Standards will drop, and New Hampsihre citizens will be cheated.

Prepared by: Janice Gallinger, College Librian, Plymouth State College, Councilor, American Library Association.

Schools, Libraries, and Title II, Elementary and Secondary Education Act

Since 1965, both public and private elementary schools have participated extensively in a state program provided by Title II of the Elementary and Secondary Education Act. Under the provisions of a State Plan developed in New Hampshire and approved by the United States Office of Education, New Hampshire's 43 supervisory unions have received funds to assist in the development of school libraries. Under the leadership of the New Hampshire State Department of Education these funds have been allocated on the basis of economic need and need for materials.

Allocation of funds is made to the supervisory union, an intermediate administrative unit. Materials purchased are the property of these supervisory union which, in turn, is responsible for making the library and media materials available to public and private elementary and secondary schools located within. There are approximately 374 public elementary schools, 100 public secondary schools, and 60 private elementary and secondary schools.

Funds allocated to New Hampshire supervisory unions since 1965 are as follows:

Year, regular, and special projects

1965	318, 537	-------
1966	319, 487	5, 347
1967	293, 607	23, 675
1968	129, 722	17, 747
1969	112, 866	12, 541
1970	226, 949	25, 217
1971	233, 454	41, 021
1972	242, 621	42, 608
Total	1, 877, 243	168, 156

In 1965, about 5% of New Hampshire's public elementary schools were equipped with school libraries or media centers. In 1972, approximately 60% of the public elementary schools are equipped with libraries. Another 10%, due primarily to smallness of size, participated in a shared library service program. Title II funds have stimulated and supported local funds in equipping library and media centers. A state program developed to bring all public elementary schools to a minimum level of standards as related to program, service, facilities, and staff, has also provided impetus to the most effective use of Title II funds. Several major needs remain including lack of complete collections and media materials as well as qualified staff.

At the state level, Title II funds have provided, for the first time, the services of a library consultant. This professional help has been available to assist local school personnel in planning, developing, and equipping school libraries. Modest resources have also been made available to assist in organizing in-service programs for libraries and library aides. In 1972, an instructional media consultant was also added to the staff with the help of Title II funds.

Special project funds from Title II have been made available on an annual basis to stimulate the growth and development of innovative or model elementary school resource centers and programs. Approximately 60 New Hampshire elementary schools have received special project funds to improve the use of media and library materials in the program of instruction. The special project grants have been made in the amounts of $2,000 to $3,000. Some examples include:

1. Multimedia resource centers.
2. Portable media stations.
3. Special collections for the handicapped.
4. Paperback collections to support instruction.
5. Special books for slow readers.
6. Films, tapes, and records.
7. Career orientation materials.
8. Resources for parents and teachers.

This information suggests but a few of the ways in which Title II funds have been effectively utilized in New Hampshire elementary and secondary schools. Over the life of the Title II program, we believe the funds have assisted in providing library and media materials to the public and private schools that serve our 170,000 students.

The elimination of Title II funds would mean not only the reduction of books, materials, and impetus for modernizing outdated library concepts, but also a lessening of the importance of libraries and media resource centers. At the present time, there is one Right-to-Read Center in New Hampshire. We hope others will develop. This stems from a national objective which emphasizes library services, reading and literacy.

The elimination or reduction of Title II funds would seem to present a contradiction to the national and state effort to accomplish a vital objective.

Frank W. Brown,
Chief, Division of Instruction.

REFORM OF THE SOCIAL SECURITY PAYROLL TAX

Mr. NELSON. Mr. President, once upon a time there was a country where many wealthy people paid no income tax at all. Yet this mythical country taxed 10 million working people officially classified as poor. This situation was so bad that a high Government official warned about a taxpayer revolt. Bestirring itself, this mythical government made many promises and passed new laws. Things did not improve. They became worse. The effective tax rate on large corporations continued to decline. The effective tax rate on wealthy individuals continued to decline while the tax burden on low- and middle-income individuals increased.

Of course, as must be obvious to all by now, the mythical government is the United States and I have been discussing our income and payroll tax system.

To some extent, a tax is a crime that has been legalized. It is the taking of a person's money which if it was not done by the Government would be forcibly resisted. This is why tax reform is really a moral issue. As Stanley Surrey said—

> Tax reform is not just a technical exercise to be engaged in by skilled experts. It is an effort to restore fundamental morality to a tax system by ending both its unfairness and the cynical way the tax game is played today by those with money and knowledgeable advisors.

It is clear that the tax system instead of being an equitable and fair means of raising necessary Federal revenue is, to an unwise extent, a device for granting privileges to the wealthy while penalizing the average American.

I, therefore, will introduce legislation next week making far and fundamental changes in the income and payroll tax system. This legislation, combining tax and payroll reform, will make both taxes sounder and fairer.

American workers with less take-home pay today than last year must find the statement, often repeated in Washington, "that there will be no tax increase this year if Congress controls the budget," singularly insulting. They might conclude, perhaps correctly, that sometimes Washington enacts laws absentmindedly. On October 30, 1972, President Nixon signed Public Law 92–603 drastically increasing the payroll tax—the tax financing the social security system—for most American workers.

On September 11 when this tax was being debated by the Senate, I stated—

> Unless Congress comes to its senses, the average American wage-earner will be faced with a monstrous increase in federal taxes. His wages frozen, inflation eating away the

> purchasing power of his dollar, the American worker can now expect a demoralizing cut in take home pay . . . Congress must face what is being proposed. Congress can no longer mindlessly approve more and more increases in the payroll tax. . . .

In an attempt to stop further increases in the payroll tax, I offered two tax reform amendments raising necessary funds by closing egregious tax loopholes. Unfortunately these amendments were defeated and today the American worker pays the price in the largest single increase in the history of the payroll tax. Some workers' taxes have increased by 35 percent this year.

Workers making $12,000 will pay $631.80 in payroll tax this year; about $12.15 each week. Next year, their annual payroll tax will be $702; $13.50 each week. In the 4-year period of 1971 to 1974 these workers' payroll tax will have increased by an astronomical 73.1 percent. In the same period, half of the full-time male workers' tax will have increased by 31.5 percent.

Mr. President, I ask unanimous consent that a table prepared by the Congressional Research Service of the Library of Congress showing the dollar and percentage increase in social security taxes from 1971 to 1974 be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY TAXES, 1971-74, EMPLOYER AND EMPLOYEE (EACH)[1]

Wages	1971 annual tax	1972			1973			1974		
			Increase over 1971			Increase over 1971			Increase over 1971	
		Annual tax	Amount	Percent	Annual tax	Amount	Percent	Annual tax	Amount	Percent
$3,000	$156.00	$156.00			$175.50	$19.50	12.5	$175.50	$19.50	12.5
$5,000	260.00	260.00			292.50	32.50	12.5	292.50	32.50	12.5
Medial annual earnings of full-time male worker [2] [3]	347.26	364.62	$17.36	5.0	434.83	87.57	25.2	456.53	109.27	31.5
$9,000 [4]	405.60	468.00	62.40	15.4	526.50	120.90	29.8	526.50	120.90	29.8
$10,800 [5]	405.60	468.00	62.40	15.4	631.80	226.20	55.8	631.80	226.20	55.8
$12,000 [6]	406.50	468.00	62.40	15.4	631.80	226.20	55.8	702.00	296.40	73.1

[1] The social security tax rate was 5.2 percent in 1971 and 1972. For 1973 and 1974, the rate will be 5.85 percent.

[2] In 1971 the tax applied to the first $7,800 of an individual's annual earnings.

[3] As estimated by the Social Security Administration (Office of Program Evaluation and Planning), the median covered earnings of males who work in covered employment in each calendar quarter of the year are: 1971, $6,678; 1972, $7,012; 1973, $7,433; and 1974, $7,804.

[4] The maximum amount taxed in 1972.

[5] The maximum amount taxed in 1973.

[6] The maximum amount taxed in 1974.

Mr. NELSON. Mr. President, tax increases of this magnitude for low- and middle-income workers threaten public acceptance of the entire social security system. Unquestionably, social security is one of the great achievements of the New Deal. Instead of facing destitution and despair, retiring Americans now are guaranteed some economic security. Today, nearly 28½ million people—one out of every seven Americans—receives monthly social security benefits.

Social security keeps about 12¼ million persons out of poverty. Without these benefits, millions of individuals would be forced onto the welfare rolls. Others would be required to depend upon relatives, many of whom would be financially hard pressed to provide economic assistance. And without these payments, the great majority of social security beneficiaries would not even achieve a moderate standard of living.

Social security constitutes the economic mainstay for the vast majority of older Americans. Approximately two-thirds of retired single workers and half of aged couples depend upon social security for more than 50 percent of their income. Social security benefits are almost the sole reliance—over 90 percent of total income—for 32 percent of retired single workers and 14 percent of retired couples.

Also social security is more than a system to pay retirement benefits. To a large extent, it is a program to provide economic security for the family. Some 23.5 percent of the more than 28 million beneficiaries are younger disabled workers and their wives or fatherless children and widowed mothers.

While we may be warmed by the achievements of social security, the task is not complete. More than 3 million elderly Americans still live in poverty. This figure is misleading because nearly 2 million older people are not classified as poor, simply because they live in families with income above the poverty level. Counting these persons, the number of older people living in poverty would be about 5.1 million, or almost one out of every four persons 65 or older.

There must be a drastic infusion of funds to rescue these senior citizens from a life of poverty. Retirement should be a reward, not a punishment. The present method of paying for social security, however, places an intolerable tax burden on the average wage earner. In trying to provide a decent retirement for the elderly, we should not place an indecent tax on the American worker. As Nelson Cruikshank, president of the National Council of Senior Citizens, said—

> While speaking for elderly citizens I do not believe they are to be considered a group set apart from the rest of the population in the sense that their needs are to be met at the expense of meeting the needs of others . . . proposals advanced to meet the needs of one (group) must be weighted in terms of their affects on all the others.

The present payroll tax, establishing a flat tax rate of 5.85 percent on earned income up to a fixed ceiling of $10,800 this year and $12,000 next year, is the most regressive tax in the Federal tax system. It makes no allowance for ability to pay, a fundamental principle of modern and equitable taxation. The first dollar earned by the poor man is taxed the same as that of a millionaire. In most cases, a secretary will pay a higher percentage of her income in payroll tax than her boss. A bachelor earning $25,000 and a married couple with five children earning $11,000 pay precisely the same payroll tax, despite the obvious difference in their ability to pay taxes. A family in which both husband and wife earn $8,000 will pay $200 more in payroll tax than a family where only the father earns the same income. Again, there is a major difference in tax burden which has no relationship to differences in ability to pay.

In addition to being regressive and inequitable, the payroll tax has cancelled to a large extent Federal income tax reduction. Congress enacted major reductions in individuals' income tax in 1964, 1969 and 1971. Despite these reductions, increases in payroll tax have caused the tax burden of low- and middle-income Americans to remain almost the same. For example, in 1963, a married worker, with two children and earning $10,000, paid payroll and income tax as equal to 15.45 percent of his income. Today, these taxes amount to 14.90 percent of his income, or a decline of less than 1 percent in his tax burden because of the 236.20 percent increase in payroll taxes. This family would pay more in payroll than income tax until their earnings exceed $7,075.

When the Nixon administration took office in 1969, one of its earliest acts was to provide income tax relief, through the low income allowance, to those living in poverty. This was to alleviate the anachronistic situation of families officially classified as poor paying taxes. By taxing the first dollar earned by the poor, the payroll tax defeats this commendable attempt to relieve their tax burden, creates a discentive for them to work, and seriously hinders their efforts to work their way from poverty. It is an anomoly that $321.75 will be paid in payroll tax on the $5,500 income of a family of six in 1973, even though this family is not required to pay income tax. Mr. President, in order that we may more clearly see the effect of the rising payroll tax on an average size family, I ask unanimous consent to insert in the RECORD at this point, a table showing the tax burden of a family of four with one wage earner at different income levels from 1963 to 1974.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INDIVIDUAL INCOME AND OASDHI TAXES FOR A FAMILY OF 4 WITH 1 WAGE EARNER BY INCOME LEVELS UNDER CURRENT LAW

	Income tax	OASDHI	Total	Percent of income
$3,000:				
1963	$60.00	$108.60	$168.60	5.62
1964	60.00	108.60	168.60	5.62
1965	0	108.60	108.60	3.62
1966	0	126.00	126.00	4.20
1967	0	132.00	132.00	4.40
1968	0	132.00	132.00	4.40
1969	0	144.00	144.00	4.80
1970	0	144.00	144.00	4.80
1971	0	156.00	156.00	5.20
1972	0	156.00	156.00	5.20
1973	0	175.50	175.50	5.85
1974	0	175.50	175.50	5.85
$5,000:				
1963	420.00	174.00	594.00	11.88
1964	321.00	174.00	495.00	9.90
1965	306.00	174.00	480.00	9.60
1966	306.00	210.00	516.00	10.32
1967	306.00	220.00	526.00	10.52
1968	333.25	220.00	553.25	11.07
1969	341.00	240.00	581.00	11.62
1970	200.90	240.00	440.90	8.82
1971	181.00	260.00	441.00	8.82
1972	102.00	260.00	362.00	7.24
1973	102.00	292.50	394.50	7.89
1974	102.00	292.50	394.50	7.89
$7,000:				
1963	780.00	174.00	954.00	13.63
1964	662.00	174.00	836.00	11.94
1965	603.00	174.00	777.00	11.10
1966	603.00	277.20	880.20	12.57
1967	603.00	290.00	893.00	12.76
1968	648.00	308.00	956.00	13.66
1969	663.00	336.00	999.00	14.27
1970	530.00	336.00	866.00	12.37
1971	497.00	364.00	861.00	12.30
1972	406.00	364.00	770.00	11.00
1973	406.00	409.50	815.50	11.65
1974	406.00	409.50	815.50	11.65
$10,000:				
1963	1,372.00	174.00	1,546.00	15.46
1964	1,200.00	174.00	1,374.00	13.74
1965	1,114.00	174.00	1,288.00	12.88
1966	1,114.00	277.20	1,391.20	13.91
1967	1,114.00	290.40	1,404.40	14.04
1968	1,198.00	343.20	1,541.20	15.41
1969	1,225.00	374.40	1,599.40	15.99
1970	1,122.00	374.40	1,496.40	14.96
1971	1,000.00	405.60	1,405.60	14.06
1972	905.00	468.00	1,373.00	13.73
1973	905.00	585.00	1,490.00	14.90
1974	905.00	585.00	1,490.00	14.90
$15,000:				
1963	2,616.00	174.00	2,790.00	18.60
1964	2,326.00	174.00	2,500.00	16.67
1965	2,172.00	174.00	2,346.00	15.64
1966	2,172.00	277.20	2,449.20	16.33
1967	2,172.00	290.40	2,462.40	16.42
1968	2,335.00	343.20	2,678.20	17.85
1969	2,389.00	374.40	2,763.40	18.42
1970	2,204.00	374.40	2,578.40	17.19
1971	1,996.00	405.60	2,401.60	16.01
1972	1,820.00	468.00	2,228.00	15.25
1973	1,820.00	631.80	2,451.80	16.35
1974	1,820.00	702.00	2,522.00	16.81
$25,000:				
1963	4,889.00	174.00	5,063.00	20.25
1964	4,369.25	174.00	4,543.00	18.17
1965	4,058.00	174.00	4,232.00	16.93
1966	4,058.00	277.20	4,335.20	17.34
1967	4,058.00	290.40	4,348.40	17.39
1968[1]	[1]4,362.35	343.20	4,705.55	18.82
1969[1]	[1]4,463.80	374.40	4,838.20	19.35
1970[1]	[1]4,102.05	374.40	4,476.45	17.91
1971	3,974.00	405.60	4,379.60	17.52
1972	3,890.00	468.00	4,358.00	17.43
1973	3,890.00	631.80	4,521.80	18.09
1974	3,890.00	702.00	4,592.00	18.36

[1] Includes surcharge on income tax.

Mr. NELSON. Mr. President, the increasing payroll tax places a disportionate and heavy tax burden on low- and middle-income workers and presents ample reason for reforming it.

The inequities of the payroll tax were not serious when this tax was first adopted. The tax was then very small. The tax rate applicable to workers was only 1 percent and the initial $3,000 wage base included all of the earnings of 95 percent of the workers covered. Since then, however, the form of the payroll tax has not changed substantially during a time of vast economic change creating serious inequities. The effective social security tax rate has been raised 11 times in the preceding 12 years.

Mr. President, I ask unanimous consent to insert in the RECORD at this time a table showing the rise in the social security tax from 1937 to 1977.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY WAGE BASE AND MAXIMUM TAX FROM 1937 TO 1977 [1]

	Wage base	Maximum tax of employee	Self-employed maximum tax
1937–49	$3,000	$30.00	(2)
1950	3,000	45.00	(2)
1951–53	3,600	54.00	$81.00
1954	3,600	72.00	108.00
1955–56	4,200	84.00	126.00
1957–58	4,200	94.50	141.75
1959	4,800	120.00	180.00
1960–61	4,800	144.00	216.00
1962	4,800	150.00	225.60
1963–65	4,800	174.00	259.20
1966	6,600	277.20	405.90
1967	6,600	290.40	422.40
1968	7,800	343.20	499.20
1969–70	7,800	374.40	538.20
1971	7,800	405.60	585.00
1972	9,000	468.00	675.00
1973	10,800	631.80	864.00
1974–77	12,000	702.00	960.00

[1] 1975 figures and afterwards exclude any increase resulting from rise in wages.

[2] Not covered by social security.

Mr. NELSON. Mr. President, the payroll tax achieved its present importance in the Federal tax system both recently and quickly from 1949. In that year, money collected by the payroll tax totaled $1,923 billion, while all other moneys collected by the Federal Government totaled $41,576 billion. In 1973 payroll receipts were $54,445 billion while other Federal revenues were $224.984 billion. In this period, therefore, the payroll tax has grown at an annual growth rate of about 17 percent raising its share of Federal revenue from 4 percent to more than 25 percent. According to current forecasts, by 1977 the payroll tax will yield more than $91 billion.

The payroll tax is, in fact, the most rapidly growing Federal tax. Social security taxes are now the second largest source of Federal revenue having passed, in a breeze, corporate taxes in fiscal 1969. This year it will raise $63.9 billion. Indeed, the most striking feature of the Federal tax system over the last 10 years has been the steady drop in the corporate income tax and the precipitous rise in the payroll tax. In the period of 1964–74, the corporate income tax declined from 20.85 percent of Federal revenue to 14.45 percent, while the payroll tax rose from 14.52 percent to 25.76 percent of Federal revenue.

The shift from taxes on corporations to taxes on individuals can be seen in the accompanying table. This gives the percentage of national income raised by different Federal taxes—the personal income tax, the social security tax, the corporate income tax, and sales and excise tax. The comparison is between 1961—before the Kennedy tax cuts—and 1972. The table shows that there is little change between 1961 and 1972 in the share of national income raised by the personal income tax, a significant drop in the corporate tax share, and a large increase in the payroll tax share.

Mr. President, I ask unanimous consent that the table I have been discussing be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PERCENT OF NATIONAL [1] INCOME RAISED BY FEDERAL TAXES

In percent]

	Personal income tax	Social security tax	Corporate income tax	Sales and excise taxes	Total Federal taxes
1961	8.7	3.9	4.6	2.7	20.4
1972	8.6	6.0	3.6	1.8	20.0

[1] National income at full employment.

Mr. NELSON. Mr. President, since the corporate income tax is one of the most progressive taxes, the net effect of these changes is a much more regressive Federal tax system.

The relentless slide to a regressive Federal tax system must be stopped. The social security tax should be changed so that limits on the ability of working Americans to pay will not deprive older Americans of needed increases in benefits. The payroll tax should be reformed, making it more progressive and equitable.

To achieve these ends, I will shortly introduce legislation making far and fundamental reforms in the payroll tax and the income tax. This legislation will make the following changes in the payroll tax:

First. Reduce the present employee payroll tax rate from 5.85 to 5.2 percent.

Second. Allow a deduction equal to the low-income allowance—$1,300—permitted for income tax purposes.

Third. Allow a deduction equal to the personal exemption—$750—permitted for income tax purposes.

Fourth. Phase out dollar for dollar the exemption and low-income allowance for families with income above the value of the exemption and low-income allowance. Families with income up to the exemption and low-income allowance would pay no tax, then the exemption and low-income allowance is phased out dollar for dollar of income.

Fifth. Allow the wage ceiling to remain the same as existing law.

Married couples filing jointly and single individuals would receive personal exemptions, and the full deduction for the low-income allowance; married wage earners filing separately would each be allowed $650 plus exemptions. The self-employed would receive personal exemptions and the low income allowance under the same rules applicable to employees. Neither the rate reduction nor personal exemptions and low income allowance would apply in the computation of the tax on employers.

The payroll tax would apply, as at present, only to "wages" and "self-employment income" as defined under the social security law. Other types of income would not be taxed. The present law excluding the earnings of Federal Government employees, most of whom are covered by the civil service retirement system and railroad workers, covered under the Railroad Retirement Act, continues unchanged.

Under this bill, all wage earners will pay less payroll taxes than they would under present law. Reductions in the payroll tax will range from 100 to 1 percent. No wage earner whose income is below the poverty level would pay any payroll tax. Under this bill, the payroll tax burden will reflect the varying ability to pay for all low- and middle-income Americans.

All families of four with earnings up to $8,600 would pay less payroll tax in 1973 than they did in 1972. No worker earning $9,000 or less will pay more than his 1972 payroll tax. A married wage earner with two children and earnings of $9,000 would pay $58.50 less than under present law. If this worker earned $11,000, his payroll tax would be $70.20 less than under present law. Since the earnings of husband and wife would be pooled in computing the tax, this plan would also end the discrimination against the two-earner family.

In recent years, Congress has discussed a variety of bills providing financial relief for the working poor. Unfortunately, no such legislation has been enacted. A glaring weakness of the present welfare system is frequently it provides no incentive to work. In many cases, people on welfare are better off than those who are working. The bill to be introduced next week is free of this kind of inequity. It provides substantial relief to millions of poor families who must be working in order to obtain help. This bill assists the poor working man, not the man who refuses to work.

This bill would provide relief to the working poor without establishing a large Federal bureaucracy, complex administrative procedures, or demeaning qualifying rules and regulations. One is automatically eligible if one works and the financial relief is focused on people with low and middle incomes. This bill would aid approximately 10 million poor working families and individuals; 60.1 percent of all four-member poor families could receive some financial assistance under this bill. These families could have as much as $251.55 more in income at the end of each year if this bill is enacted.

Mr. President, I ask unanimous consent to insert in the Record at this time, a table that compares the social security tax for a family of four with one wage earner under the present law and under this proposed legislation, and also a table demonstrating the proportion of poor persons who contribute to social security.

There being no objection, the tables were ordered to be printed in the Record, as follows:

1972 AND 1973 SOCIAL SECURITY TAXES FOR A FAMILY OF 4 WITH 1 WAGE EARNER, UNDER PRESENT LAW, AND UNDER THE NELSON REFORM PROPOSAL

	Present law			Nelson reform proposal, 1973[3]	
Wages	1972[1] tax	1973[2] tax	Percent change over 1972	Tax	Percent change over present law 1973
$3,000	$156.00	$175.50	+12.5	0	−100.0
$5,000	260.00	292.50	+12.5	$72.80	−75.1
$7,000	364.00	409.50	+12.5	280.80	−31.4
$8,600[4]	447.20	503.10	+12.5	447.20	−11.1
$9,000	468.00	526.50	+12.5	468.00	−11.1
$11,000	468.00	631.80	+35.0	561.60	−11.1

[1] A tax rate of 5.2 percent applies to annual earnings up to $9,000.

[2] A tax rate of 5.85 percent applies to annual earnings up to $10,800.

[3] A tax rate of 5.2 percent applies to annual earnings computed under the Nelson formula.

[4] For a 1-wage-earner family of 4, the value of the low-income allowance and personal exemptions terminates at this wage level.

POOR FAMILIES AND UNRELATED INDIVIDUALS PAYING SOME OASDHI TAX, CALENDAR YEAR 1970

[In thousands]

Family size	All poor families and unrelated individuals	Poor families and unrelated individuals paying some OASDHI tax	Percent of poor families and unrelated individuals paying some OASDHI tax
Total	10.236	3.963	38.7
1	5.014	1.204	24.0
2	1.950	636	32.6
3	857	460	53.6
4	731	440	60.1
5	574	399	69.5
6	395	273	69.1
7 and over	714	551	77.1

Source: Special tabulation prepared by SSA/ORS from the March 1971 Current Population Survey.

Mr. NELSON. Mr. President, the cost of the proposed bill is about $8 billion a year. Providing a low-income allowance and personal exemptions with the phase-out provisions will cost in the neighborhood of $4 to $4.2 billion, lowering the rate from 5.85 to 5.2 percent costs a little below $3.9 billion. The proposed bill provides that these funds be obtained from general revenue. Next week, I will discuss and introduce legislation making these broad-scaled changes in the payroll tax and reforms in the Federal income tax that will raise about $8 billion in additional Federal revenues.

This legislation combines tax reform and payroll reform making both taxes sounder and fairer. General revenue financing for social security benefits is not without precedent or logic. In the 1880's when the German Government took over voluntary mutual benefit schemes, it became a third party in contributing to a social insurance.

In the United States, general revenues are now being used to finance some aspects of the social security program. For example, the special payments being made to people age 72 and over who have not worked long enough in employment covered under social security to qualify for regular cash benefits are being paid from general revenues. In addition, the cost of providing hospital insurance protection for people who are age 65 and over and who are not eligible for regular social security cash benefits and one-half of the cost of the supplementary medical insurance program are being paid from general revenues.

There has been considerable interest in Congress in providing general revenue contributions for regular social security cash benefits. A most interesting example was the suggestion of the distinguished chairman of the Senate Finance Committee.

In the course of the Senate Finance Committee's consideration of the Social Security Amendments of 1965, Senator Russell B. Long proposed an amendment which would substitute a single and much broader system of health care aimed at covering catastrophic costs for the two complementary health care plans—parts A and B—contained in the House-passed bill, and in the legislation as it was finally enacted. Two-thirds of the cost of this program would have been paid from payroll taxes and one-third from general revenues. In a press release describing the amendment Senator Long said:

> My plan would also utilize, to a greater extent, general revenue financing. This is in recognition of the fact that workers who will enter the labor force in the future (and their employers) would have to pay at least 40% more in payroll taxes than would be necessary to finance their own costs if the benefits of the presently retired and current workers were paid for wholly under the payroll system. This "social" cost of establishing the system, I believe, is more appropriately borne by federal revenue.

Many of the advisory councils that have been appointed to study the social security program have recommended the use of general revenue financing.

In 1935, the Committee on Economic Security, in explaining its plan for contributory annuities, made the following statements in its report to the President:

> The allowance of larger annuities than are warranted by their contributions and the matching contributions of their employers to the workers who are brought into the system at the outset, will involve a cost to the Federal Government which if payments are begun immediately will total approximately $500,000,000 per year. Under the plan suggested, however, no payments will actually be made by the Federal Government until 1965, and will, of course, be greater than they would be if paid as incurred, by the amount of the compound interest on the above sum.

In recommending a Government contribution the 1938 Advisory Council said:

> Since the Nation as a whole will materially and socially benefit by such a program, it is highly appropriate that the Federal Government should participate in the financing of the system. With the broadening of the scope of the protection afforded, governmental par-

> ticipation in meeting the cost of the program is all the more justified since the existing costs of relief and old-age assistance will be materially affected.

The Advisory Council of 1948 made the following statement in its report:

> The Council believes that old-age and survivors insurance should be planned on the assumption that general taxation will eventually share more or less equally with employer and employee contributions in financing future benefit outlays and administrative costs. Under our recommendations, the full rate of benefits will be paid to those who retire during the first two or three decades of operation even though they pay only a fraction of the cost of their benefits. In a social insurance system, it would be inequitable to ask either employers or employees to finance the entire cost of liabilities arising primarily because the act had not been passed earlier than it was. Hence, it is desirable for the Federal Government, as sponsor of the program, to assume at least part of these accrued liabilities based on the prior service of early retirants. A Government contribution would be a recognition of the interest of the Nation as a whole in the welfare of the aged and of widows and children. Such a contribution is particularly appropriate in view of the relief to the general taxpayer which should result from the substitution of social insurance for part of public assistance.

Since 1948, we have added valuable but costly benefits under the system, including disability and medicare hospital benefits, charging the cost to current employers and employees.

The 1971 Advisory Council on Social Security, although it did not recommend the use of general revenue financing for the cash benefits of the social security program, it did recommend their use for the medicare program. In a minority statement included with the Council's report, five members of the 13-member Council recommended that one-third of the cost of the cash benefits program should be paid from general revenues.

In recommending a Government contribution for the medicare program, the 1971 Advisory Council on Social Security stated:

> The combined Medicare program should be financed with a general-revenue contribution equal to one-third of total program costs, with such share being lower than one-third at first and gradually increasing over a period of years to the one-third level.
>
> The Council believes that the cost of health insurance protection for workers who pay contributions that are less than the value of their benefit protection, should be met in part by the Nation as a whole through general revenues. If this cost is not met through general revenues, the regular worker and his employer, particularly the higher-paid regular worker, will be paying contributions in excess of the value of his protection in order to subsidize those who do not pay their own way.
>
> If there were no Medicare program, it is likely that the cost to the Government of necessary health care for the aged would be substantially increased, and these increased costs would have to be borne by all income-taxpayers. Since the Nation as a whole benefits from the Medicare program, the saving in general revenues that comes about from having such a program should be used at least in part to finance health insurance protection for those whose contributions do not cover the full cost of their protection.

In a minority statement, appended to the reports of the 1971 Advisory Council on Social Security, five Council members expressed the following views:

> There are compelling reasons why a contribution from general revenues should be made to the cash benefits program. In order to make the program fuly effective in its early years, full-rate benefits have been and are being paid to people who were already along in years when their work was first covered under the program. That is to say, workers retiring in the early years of the program, generally speaking, get the same benefits as they would get if the program had been in existence and they had been covered under it throughout all of their working life. Only a small part of the actual cost of the benefits being paid to these older people is met by the conributions they and their employers paid. The remainder is paid out of the contributions of current and future workers and their employers. The cost of paying full-rate benefits to older workers is about one-third of the cost of the program. This means that future workers and their employers will pay contributions which are about 50 percent higher than the benefits payable to these future generations. Thus a substantial part of the contributions to the program goes to meet the cost of getting the program started. If this cost were to be met by a Government contribution, all of the contributions paid by future generations of workers and their employers, would be available to furnish protection for them. The adoption of a financing policy calling for a general revenue contribution equal to the present employers and employee contribution rates—thus meeting one-third of the cost of the program through general revenues—would make possible an improved social security program without increasing payroll contributions. Such a general revenue contribution could finance nearly a 50-percent benefit increase.

It is time to implement more fully a sound principle of contributory social insurance which is widely accepted abroad, which was fully supported by the planners and the earlier advisory councils, and was recognized by Congress from 1944 to 1950. Only in this way, we will be able to insure a decent retirement for elderly Americans without placing an unfair burden on the present working generation of Americans.

Mr. President, I ask unanimous consent to insert in the RECORD at this time further material on this proposal.

There being no objection, the material was ordered to be printed in the RECORD as follows:

EXPLANATION OF NELSON PAYROLL TAX REFORM PROPOSAL

PURPOSE

The proposed legislation would make broad-scale improvements in the payroll tax for social security making it fairer and sounder. The present payroll tax, establishing a flat tax rate of 5.85 percent on earned income up to a fixed ceiling of $10,800 this year and $12,000 in 1974, is highly regressive. The regressive nature of the tax is due, in part, to the lack of any deduction for the size of the family. Among wage earners there are frequent major differences in the tax burden which has no relationships to differences in ability to pay.

Because the burden of the payroll tax is focused on the low and middle income worker, recent increases in the payroll tax—at a compound annual growth rate of more than 17 percent since 1949—have largely eliminated the tax relief Congress attempted to extend to these groups in 1964, 1969, and 1971.

PROPOSAL

To provide for a more equitable and progressive payroll tax, the proposed legislation would:

1. Reduce the present employee payroll tax rate from 5.85 to 5.2 percent.
2. Allow a deduction equal to the low income allowance—$1,300—permitted for income tax purposes.
3. Allow a deduction for employees equal to the personal exemptions—$750 per person—permitted for income tax purposes.
4. Families with income up to the exemption and low-income allowance would pay no tax, then the exemption and low-income allowance is phased out dollar for dollar of income.
5. Wage ceiling would remain the same as existing law.

EXPLANATION

The Nelson legislation would allow families to have personal exemptions and low-income allowances identical to those provided in the income tax code minus the difference between earnings and the exemption and low-income allowance, or zero whichever is greater. In other words, the family paying the payroll tax would receive the value of their exemption and low-income allowance provided by the income tax code less the amount by which their earnings exceed this value.

Married couples filing jointly and single individuals would receive personal exemptions, and the full deduction for the low-income allowance, married wage earners filing separately would each be allowed $650 plus exemptions. The self-employed would receive personal exemptions and the low income allowance under the same rules applicable to employees. Neither the rate reduction nor personal exemptions and low income allowance would apply in the computation of the tax on employers.

The payroll tax would apply, as at present, only to "wages" and "self-employment income" as defined under the Social Security law. Other types of income would not be taxed. The present law excluding the earnings of Federal Government employees, most of whom are covered by the Civil Service Retirement System, and railroad workers, covered under the Railroad Retirement Act, continued unchanged.

FORMULA

1. $v^* = v - (\text{earnings} - v)$, or zero, whichever is greater.

2. $\text{earnings} - v^* = $ earnings subject to payroll tax.

$v^* =$ value of low income allowance and exemption under the Nelson payroll proposal.

$v =$ value of low income allowance and exemption allowed under the income tax law.

Example

a. A family of four with one wage earner with earnings of $4,300 would pay no payroll tax.

Basic value of low income allowance ($1,300) and personal exemption (4x$750)	$4,300.00
Earnings	4,300.00
Earnings minus basic value ($4,300–$4,300)	0
Adjusted value of low income allowance and exemption ($4,300–0)	4,300.00
Earnings minus adjusted value ($4,300–$4,300)	0
Tax on adjusted earnings (5.2%x0)	0

B. A family of four with one wage earner with earnings of $6,450 would pay $223.60 in payroll tax.

Basic value of low income allowance ($1,300) and exemption (4x$750)	$4,300.00
Earnings	$6,450.00

Earnings minus basic value ($6,450–$4,300)	$2,150.00
Adjusted value of low income allowance and exemption ($4,300–$2,150)	2,150.00
Earnings minus adjusted value ($6,450–$2,150)	4,300.00
Tax on adjusted earnings (5.2%x $4,300)	223.60

C. A family of four with one wage earner with earnings of $8,600 would pay $447.20.

Basic value of low income allowance ($1,300) and exemptions (4×750)	$4,300.00
Earnings	8,600.00
Earnings minus basic value ($8,600—$4,300)	4,300.00
Adjusted value of low income allowance and exemptions $4,300—$4,300)	0
Earnings minus adjusted value $8,600—0)	8,600.00
Tax on adjusted earnings (5.2%× $8,600)	447.20

Benefits

All covered American workers will pay less payroll taxes than they would pay under present law.

All wage earners whose incomes are below the poverty level as implied by the income tax code would not pay any payroll tax.

The payroll tax burden will reflect the varying ability to pay for all low and middle income Americans.

All families of four with one wage earner with earnings up to $8,600 would pay less payroll tax in 1973 than they did in 1972.

No workers earning $9,000 or less will pay more than his *1972* payroll tax.

All workers earning above $9,000 will pay 11 percent less in payroll taxes than they would pay under present law.

The discrimination against families with more than one wage earner would end since their earnings would be pooled in computing the tax.

The use of exemptions and low income allowance makes the tax much more responsive to real differences in ability to pay. This proposal builds into the payroll tax the principles of equity and progress which are the foundation of any enlightened tax system.

Cost

The proposed legislation will cost $8 billion. Next week, Senator Nelson will introduce legislation making these broad-scaled changes in the payroll tax and reforms in the federal income tax that will raise approximately $8 billion in additional federal revenues. The legislation combining tax and payroll reform would make both taxes sounder and fairer.

General revenue financing for social security benefits is not without precedent or logic. General revenues are now being used to finance some aspects of the Social Security program. Many of the Advisory Councils that have been appointed to study the Social Security program have recommended the use of general revenue financing. The first Advisory Council on Social Security of 1937–38, which recommended the present basic plan stated:

"Since the nation as a whole materially and socially benefits by such a program, it is highly appropriate that the Federal Government should participate in the financing of the system. With the broadening of the scope of the protection afforded, governmental participation in meeting the costs of the program is all the more justified since the existing costs of relief and old-age assistance will be materially affected."

It is time to implement more fully a sound principle of contributory social insurance which is widely accepted abroad, which was fully supported by the planners and the earlier Advisory Councils, and was recognized by Congress from 1944 to 1950.

GEOTHERMAL ENERGY

Mr. BIBLE. Mr. President, this morning's edition of the Wall Street Journal contains a front page description of the growing interest the Nation's energy companies and public utilities are demonstrating in geothermal energy as a potentially invaluable resource for the generation of electric power. According to the article the geothermal reservoir beneath the Imperial Valley of California may alone provide 30 times the power generated by Hoover Dam.

The article is a good up-to-date report on geothermal developments and comes on the heels of the proposed National Energy Research and Development Act of 1973 introduced yesterday by Senator JACKSON and 27 cosponsors including myself. Title V of that legislation proposes the establishment of a Geothermal Energy Development Corporation to marshal the resources of both Government and industry for the harnessing of the Nation's geothermal power.

New technologies are needed to take full advantage of our geothermal resources and this article suggests very strongly that industry is ready, willing, and able to work with the Government to demonstrate the exploitability of the resource and to develop the technology needed to do so.

I ask unanimous consent that the article from the Wall Street Journal of March 20, 1973, entitled "Earth Power" be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EARTH POWER: STEAM BELOW GROUND SEEN GIVING BIG BOOST TO U.S. ENERGY SUPPLY

(By Earl C. Gottschalk, Jr.)

EL CENTRO, CALIF.—With its year-round growing season and irrigation from the Colorado River, the Imperial Valley of California is one of the richest agricultural areas in the nation. Lettuce, cabbage, sugar beets, alfalfa, and cotton thrive in the warm sunshine on land reclaimed from the desert.

But beneath the fertile soil is a far greater treasure—a vast reservoir of subterranean hot water that geologists say can provide 30 times the power generated by the Hoover Dam.

In a power-hungry nation racked by a shortage of natural gas and oil and worried about the safety of large atomic power plants, the relatively pollution-free geothermal power beneath the Imperial Valley looks like a godsend. Leading oil companies and utilities have stopped asking questions about how much geothermal power will cost and now are intensely engaged in a wildly competitive scramble to find and develop it.

Practically every major oil company, ready to apply drilling skills in a new area, has either acquired geothermal leases in the Imperial Valley, is negotiating for leases or is already drilling for hot water. Two major West Coast utilities, Southern California Edison Co. and San Diego Gas & Electric Co., have teamed with oil companies in the search for and development of geothermal power here. San Diego Gas will begin construction of a $3 million geothermal pilot power plant here in a few weeks; the utility has already budgeted $8 million to $10 million to acquire rights of way for power lines to transport the power 80 miles to San Diego.

BONANZA AHEAD?

Imperial County officials and landowners, seeing a bonanza of industrial development and other riches, couldn't be more delighted. Leasing fees for geothermal lands have shot up to as high as $10 to $15 an acre annually from about $1 an acre annually a few years back. Companies have already promised to locate here when the power is developed.

And what has happened here on private land is certain in a few months to be repeated in known federal geothermal prospects throughout the rest of the western U.S. as the federal government puts these lands up for lease for the first time. The Department of the Interior will lease 59 million acres of potential geothermal land in 14 states, of which about one million acres are pinpointed "prime" because natural steam vents or hot water pools have confirmed the existence of thermal wells there.

"It'll be a new gold rush," predicts one oil company executive. "No one is tipping his hand right now, but all the major companies have already leased private lands and many are drilling in California, Oregon, New Mexico, Arizona, Colorado, Utah and Idaho."

Geothermal energy isn't immediately going to solve the nation's energy shortage, but it may be a significant new source of power for the long run. A National Science Foundation report estimates that by 1985, geothermal resources in the U.S. have the potential of supplying 132 million kilowatts of electricity, and by the year 2000 they could provide 395 million kilowatts. The U.S. currently produces 350 million kilowatts, but it's estimated that power needs double every eight years.

AN OLDTIMER

Electric power now is being produced commercially from geothermal energy in seven countries, including New Zealand, Japan and the Soviet Union. In Italy, steam from a field near Larderello has been generating kilowatts since 1904.

Geothermal resources occur naturally in more than 80 countries in two basic reservoir forms: dry steam and hot water. Dry steam systems produce steam with little or no water, and the steam can merely be directed through turbines to generate electricity. In the more prevalent hot water systems, the hot water must either be pumped to the surface and turned into steam or run through a heat exchanger. The leftover hot water is reinjected into the ground or it can be desalinated and processed for mineral extraction.

In the U.S. there is only one commercial geothermal field now producing power. That is a dry-steam field at the Geysers, 75 miles north of San Francisco in Sonoma County. Here Pacific Gas & Electric Co., Northern California's big utility, has been buying steam since 1960.

A three-way combine of Magma Power Co., Union Oil Co. and Thermal Power Co. has drilled more than 80 steam wells in the mountainous steam field at the Geysers. The Geysers field currently produces 302,000 kilowatts of power. By 1975, Magma Power says, its capacity will exceed 600,000 kilowatts, or enough to supply the power needs of the city of San Francisco.

HUGHES INVOLVED, TOO

Another company active at the Geysers is a relatively new one, Pacific Energy Corp., which has an unusual backer—Hughes Aircraft Corp., the giant electronics firm owned by the Howard Hughes Medical Foundation (of which Mr. Hughes, the billionaire recluse, is sole trustee). Through a wholly owned subsidiary, Hughes Aircraft owns 58% of Pacific Energy's stock and has put about $3.7 million in the company to buy and develop geothermal leases at the Geysers.

Pacific Energy's chairman is John S. Callon, a Natchez, Miss., oil and gas man. Directors of Pacific Energy include Pat Hyland, general manager of Hughes Aircraft, and Jack Valenti, president of the Motion Picture Association of America and former aide to President Johnson.

Pacific Energy officials say they have a letter of intent from Pacific Gas & Electric to purchase electricity from the steam wells on Pacific Energy's leases, but Pacific Energy won't be seeing any profits until 1975 or 1976. Pacific Energy plans to bid on the federal geothermal land leases offered by the U.S. and is exploring elsewhere for geothermal deposits. To beef up its technical expertise, Pacific lured Robert Rex, a University of California geologist who is the leading expert on the Imperial Valley geothermal resources, to take a year's leave of absence to be vice president for exploration.

Signal Oil & Gas Co. is also negotiating with Pacific Gas & Electric to sell electricity from leaseholds at the Geysers.

But although the Geysers is the only field now producing electricity, the vast hot water deposits beneath the Imperial Valley are a far greater geothermal resource. Even though intense private activity has begun here, it's at the Mexican end of the valley that power is nearest to being produced.

The Mexican government is ready any day now to start up a 75,000-kilowatt geothermal generating station at Cerro Prieto, about 30 miles across the border from Calexico, Calif. Cerro Prieto is an extinct volcano; the molten rock lying beneath the surface around its base heats ground water that can be extracted, changed to steam and run through turbines.

At a recent United Nations conference, however, Mexican authorities conceded their plant won't be totally pollution-free. In addition to steam and water from the deep wells at Cerro Prieto, the Mexicans said there will be a discharge of sulfuric gas that could cause air pollution if prevailing winds fail.

DWINDLING ENTHUSIASM

People have long known that there were hot waters beneath the Imperial Valley because of hot mineral springs bubbing to the surface in many areas. There was drilling in the area as early as 1920, but the valley's recent history of geothermal exploration began in the early 1950s when Allen T. Van Huisen, drilling for oil, instead hit 500-degree hot water at 5,000 feet. Immediately, a land rush occurred, with companies like Standard Oil of California, Shell, Pure and Morton International leasing land.

The oil companies' enthusiasm dwindled, however, in the mid-to-late 1960s when they discovered that the hot waters were much saltier than they had expected and the brine corroded their pipes and turbine engine blades. Geothermal hopes were abandoned in the Imperial Valley.

But when the Mexicans found hot water that was only about as salty as sea water, interest began anew. Other wells in the Imperial Valley disclosed less-salty water. And by the early 1970s utilities like Southern California Edison and San Diego Gas & Electric found themselves in a bind. Antipollution forces were halting construction of their big power plants, and the utilities were so desperate for power they began to search for any new source. Shortages and rising prices of natural gas and oil and worries about the safety of atomic plants suddenly made geothermal power seem the most feasible new energy source.

The oil companies and utilities decided it now was worth their while to explore and develop the Imperial Valley. So the land rush has started all over again.

DRAFTY ROOMS, NO RECEPTIONISTS

The man who probably holds the key to development of the Imperial Valley's geothermal potential is the same man who developed the Geysers—a genial 76-year-old veteran of the geothermal business named Burton C. McCabe. Mr. McCabe operates Magma Power Co. out of an office in one of the oldest homes still standing in downtown Los Angeles—a Charles Addams-type house in which the company has several rooms on the second floor. The drafty rooms, with a few desks and filing cabinets, are a sharp contrast with the skyscraper offices of the giant oil companies and utilities that are Mr. McCabe's competitors and collaborators. There is no receptionist or battery of secretaries acting as buffers at Magma Power; you just walk in.

But appearances can be deceiving, and as Mr. McCabe likes to say, "Economic necessity makes strange bedfellows." San Diego Gas & Electric Co. is impressed enough with Mr. McCabe to put up $3 million to build a pilot plant in the Imperial Valley based on his Magamax closed-circuit process for extracting the heat from geothermal hot water to make electricity. The plant is expected to be completed by August, and if it works as San Diego Gas expects it to, geothermal development will receive a tremendous boost.

A San Diego Gas subsidiary has already given Magma $700,000 for drilling expenses on Magma Power's acreage in the Imperial Valley and has promised more. Magma holds 17,000 acres of leases in key spots in the valley. Magma also has geothermal leases elsewhere in California, Nevada and Oregon.

Standard Oil of California also has large acreage in the Imperial Valley, but the company is operating in secrecy and won't disclose how much acreage it has or how much it's spending on geothermal research and development. "We have considerable holdings," says Bob Greider, head of Standard's geothermal group. "We've acquired leases and drilled shallow and deep geothermal wells. We don't know if we have a commercial well or not."

THREE-WAY COMBINE

Another powerful combine with large holdings in the Imperial Valley is a three-way link-up of Southern California Edison Co., Southern Pacific Land Co. and Phillips Petroleum Co. The combine's first project is to see if it can produce electricity from the 30,000-acre Buttes geothermal field in the Imperial Valley. Southern Pacific Land is interested in the minerals in the hot water. The three partners also plan to explore for geothermal power in other areas of the U.S. including Southern Pacific holdings in Nevada and Utah.

Southern California Edison's subsidiary, Mono Power, is also linked up with Getty Oil Co. in a joint venture to drill for geothermal power in five western states.

Union Oil Co. of California is heavily involved in geothermal power—more so than any of the other major oil companies—with a 50% interest in steam-producing wells at the Geysers, geothermal wells in the Philippines, extensive holdings in the Imperial Valley and leases in New Mexico and Nevada. First reports of drilling in the Philippines are "encouraging," Union says.

Many problems remain to be solved before the promise of geothermal energy comes to pass in the Imperial Valley and the rest of the U.S. Although San Diego Gas is building a closed-system pilot plant to transfer the energy of hot water into electricity, no such plant is in operation now. Without a closed-system plant, the noise and fumes of other gases from the changing of water into steam cause a pollution problem.

There is also the problem of subsidence. The earth sinks when water is pumped out, so the water must be reinjected. At last one expert, Prof. Paul T. Grose of the Colorado School of Mines, thinks that reinjecting water into the earth might cause earthquakes.

Practically all geothermal experts disagree with this thesis. Kyushu Electric Power Co. in Japan reported no seismic activity from reinjection of water despite careful observation during four years in earthquake sensitive Japan. The U.S. Bureau of Reclamation will install a network of earthquake observation points in the Imperial Valley to monitor the seismic effect of geothermal drilling.

THE PROBLEM CREATED BY FPC REGULATION OF THE PRICE OF NATURAL GAS

Mr. TOWER. Mr. President, on the editorial page of the March 19 issue of the Washington Post there appeared a perceptive, objective view of the problem created by Federal Power Commission regulation of the price of natural gas. I have long maintained that regulation was the cause of gas shortages. By making the production of natural gas less profitable, the FPC, as the article points out, will in the long run drastically increase the costs of energy to the northeastern consumer. My bill, S. 371, to deregulate the price of natural gas at the wellhead, might result in some increased gas prices, but not nearly as much as the price of the synthetically produced gas or the imported gas being used to head off shortages. Even if the price of domestically produced natural gas were to double, it would still be less than half the price of synthetic or imported gas. I commend the Washington Post article to my colleagues, and respectfully request unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COCKPIT POINT AND THE PRICE OF GAS

The economics of natural gas has gone badly askew in this country. The latest illustration is the Washington Gas Light Company's plan to generate synthetic gas at Cockpit Point on the Potomac River. The company is, involuntarily, demonstrating that the federal government's misguided efforts to hold down the price of gas is going to cost the residential consumer a lot of money.

In deference to an obsolete view of the consumers' interest, the Federal Power Commission holds the price of natural gas low. But the FPC has jurisdiction only over gas that crosses state lines. As a result, producers are currently selling nearly all of their new production in the state of origin in order to avoid the FPC regulations. The principal states of origin are, of course, Texas, Louisiana and several of their neighbors, where gas is burned in great quantities as industrial boiler fuel because it is cheaper than the lowest grade of oil.

Washington Gas Light gets its gas from the pipelines that carry it here from the southwest. A year ago one of the lines cut back on its deliveries. That was the point at which Washington Gas Light announced that it could accept no new customers. Now another line has warned the company to expect a further cut next year. In response, quite properly, Washington Gas Light has drawn up a proposal to protect itself and its customers by making synthetic gas at Cockpit Point from naphtha.

The numbers are illuminating. The average cost of natural gas at the well runs about 20 cents per thousand cubic feet. The pipelines sell it to Washington Gas Light for 55 cents a thousand cubic feet. The Cockpit Point plant will produce the synthetic gas at $1.50 a thousand cubic feet. Because the FPC holds the price of natural gas too low, there is a shortage, and because there is a shortage, we must buy a synthetic substitute that costs three times as much. Who is saving money for whom?

The immediate effect of the synthetic gas on the customers' bills will be small. The plant is to produce only about 8 per cent of the company's requirements. Since most of the final retail price is in the distribution system, the average householder's bill will go up only about 3 per cent, the company says. But the pattern is obvious. As the older wells run out in the southwest, under present regulations the eastern cities like Washington must rely increasingly on expensive synthetics.

The solution is to deregulate the price of natural gas at the well. No one can forecast accurately how high the price might go if the regulation were lifted. Most specialists guess that it would go up to a level somewhere between twice and three times its present price—which is to say, between 40 and 60 cents a thousand cubic feet. Adding the cost of transporting that gas to Washington, the price would still be less than a dollar. It would still be one-third less than that of the synthetic gas produced at Cockpit Point.

Despite this strange and costly disparity, Washington Gas Light is undoubtedly well advised to proceed with the synthetic gas plant. While the deregulation of gas prices is now manifestly desirable, the legislation to accomplish it cannot be enacted quickly or easily. The public mistrust of the industry is strong and the need for safeguards is clear. The prospect now is for a prolonged period of debate and uncertainty. It the meantime the customers of Washington Gas Light will discover that, when artifically low prices create shortages, the remedy is remarkably expensive.

BRITAIN'S WHITE PAPER FOR NORTHERN IRELAND

Mr. KENNEDY. Mr. President, from the official summary I have seen, the white paper for Northern Ireland, announced today, is a small but constructive forward step in Britain's policy toward Ulster, and I welcome it as such.

But the proposals themselves are still far more shadow than substance. The new Northern Ireland assembly, based on proportional representation, is a hopeful beginning, but it cannot be allowed to become the high water mark of British policy. Almost all of the details of shared legislative and executive power in Northern Ireland are left for future resolution, including the status and powers of the Council of Ireland, on whose reality the hopes and dreams of the minority so much depend.

At least, however, a new foundation has been laid, and men of good will on both sides can now begin to build their future. If Britain and the people of Ulster use the opportunity to create a future of peace and even-handed justice in Northern Ireland, then the promise of the white paper will be met, and the legitimate aspirations of both sides, will be fulfilled.

Mr. President, I ask unanimous consent that the summary of the white paper may be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Britain's White Paper—A Summary

The White Paper on the future of Northern Ireland is being published today (20 March). It is entitled "Northern Ireland Constitutional Proposals", and is in six parts.

2. Part 1 "The Search for Consensus" takes as its starting point paragraph 79 of the discussion paper of October 1972, and reviews developments since its publication (entry into EEC of both Britain and the Irish Republic, the new anti-terrorist legislation in the republic, HMG's acceptance in principle of the Diplock report and the border poll.).

3. Part 2 "Conditions for a Settlement" sets out the basic conditions for a settlement, and outlines the obligations incumbent on citizens of Northern Ireland (and thus of the United Kingdom as a whole), whatever their views may be on the question of Irish unity. It sets out the background to the constitutional proposals—education, economic and social problems and the "urgent and compelling" problem of violence.

4. The essence of the White Paper is in part 3 "The Constitutional Proposals" which contains the framework for new constitutional arrangements. This envisages a New Northern Ireland Assembly of about 80 members elected by the single transferable vote system of proportional representation applied to the 12 Westminister constituencies. It provides that a comprehensive new constitutional bill for the Government of Northern Ireland will be presented to Parliament to replace the arrangements temporarily set aside by direct rule. There will be no increase in the present representation of Northern Ireland at Westminster. It envisages that the new arrangements will come into force in three stages, which are:

(I) Election of the new assembly;

(II) Development by the assembly of its own rules and procedures (see also para. 8 below);

(III) Discussions between representatives of the parties elected to the assembly and the Secretary of State on the method of choosing an executive.

5. The White Paper at this point states—and this is the heart of the matter—that it is HMG's view that the executive itself can no longer be solely based on any single party, if that party draws its support and its elected representation virtually entirely from only one section of a divided community.

6. When the Secretary of State is satisfied that the three stages have been completed as he would wish, appropriate powers (see para 9 below) will be devolved on the new assembly and executive.

THE EXECUTIVE

7. Members of the executive will be the political heads of departments who will also be the chairmen of the relevant assembly committees (see para 8 below). There will also be a central secretariat whose political head will lead the assembly and preside over the executive, but he will not have the status of prime minister, nor will the executive amount to a cabinet.

COMMITTEES

8. The functional committees formed from the assembly will have a membership reflecting the balance of parties in the assembly. Members of each committee will be brought into fullest consultation before any new law or policy relevant to their department's work is proposed to the assembly, and provision will be made for a "pre-legislation" stage to enable the committee to consider detailed proposals before presentation to the assembly as a whole.

LEGISLATIVE POWERS

9. The scheme for the legislative powers of the assembly will provide for "excepted matters" on which the assembly may not legislate in any circumstances (e.g. foreign affairs and the armed forces—matters which have always been outside the competence of the Northern Ireland Parliament), "reserved" matters, on which the assembly may not normally legislate, although in exceptional circumstances it will be possible for the United Kingdom Government to permit it to do so (e.g. matters within the field of law and order) and "transferred" matters on which the assembly will have unrestricted competence to legislate (e.g. employment, education, housing and regional development).

10. The assembly will be debarred from legislating in a manner which discriminates against anybody on political or religious grounds. Should it do so, or trespass upon "reserved" or "excepted" matters, there is an additional safeguard in that no legislative measure passed by the assembly will have the force of law unless it has received the approval of the Queen in council on the recommendation of the Secretary of State, which may be withheld.

OATH OF ALLEGIANCE

11. Members of the executive will be required to take some form of undertaking on assuming office but no oath of allegiance will be required from members of the assembly or from persons assuming any other office in central or local government.

THE SECRETARY OF STATE

12. There will continue to be a Secretary of State for Northern Ireland who will consult with the elected representatives to discuss devolution of powers, and thereafter (in addition to the watchdog role described in para 10) exercise direct ministerial responsibility for certain reserved matters which touch on Northern Irland, and at the same time represent Northern Ireland's interests in the United Kingdom cabinet.

SPECIAL POWERS ACT

13. The Special Powers Act will be repealed. It will be replaced by legislation to give effect to the recommendations of the Diplock Commission and to re-enact those regulations made under the special powers act which are still found necessary to deal with violence and subversion. This legislation will apply only to Northern Ireland and will be operative only for the period of such emergency and to the extent necessary to deal with it. There will also be legislation to provide financial arrangements so that Northern Ireland may accomplish, as rapidly as possible, once violence has ended, the task of physical reconstruction and rehabilitation created by the disorders of recent years, to create a sound base for the economy and to help Northern Ireland achieve those standards of living, employment and social conditions which prevail in Great Britain.

14. Part 4 "A Charter of Human Rights" summarises the various measures which have been taken and other steps which have been recommended and are under consideration to protect the rights of the individual.

15. Part 5 "Relations With the Republic of Ireland" provides that following elections to the Northern Ireland Assembly, HMG will invite the Government of the Irish Republic and leaders of the elected representatives of Northern Ireland to take part with them in a conference to discuss the three objectives set out in the chapter of the discussion paper entitled "The Irish Dimension". These are the formal acceptance of the present status of Northern Ireland, without prejudice to the possibility of subsequent change in that status if there is agreement to this by the people of Northern Ireland, effective consultation and co-operation in Ireland for the benefit of North and South alike, and the provision of a firm basis for concerted governmental control and community action against terrorism. These objectives (and most conveniently the second) could be achieved by the creation of a Council of Ireland which could involve HMG at Westminster if it is to deal with matters outside the competence of the new Northern Ireland executive.

16. Summing up, part 6 "Summary and Conclusion" of the White Paper states that:

"Under the proposed settlement, Northern Ireland will continue to have a greater degree of self-government than any other part of the United Kingdom. . . ."

"To all those who support the continued union with Great Britain, the proposals offer firm assurances that this union will endure and be defended, for as long as that is the wish of a majority of the people of Northern Ireland. . . ."

"To all those who seek the unification of Ireland by consent, but are genuinely prepared to work for the welfare of Northern Ireland, the proposals offer the opportunity to play no less a part in the life and public affairs of Northern Ireland than is open to their fellow-citizens. . . ."

"To all, whatever their religion or their political beliefs, the proposals extend effective protection against any arbitrary or discriminatory use of power".

THE NEED FOR REFORM OF THE FEDERAL ANTIPOVERTY EFFORT

Mr. TOWER. Mr. President, a recent news report revealing additional misuse of public funds by a so-called antipoverty agency gives further evidence of the wisdom which the administration is now exercising in its efforts to reform the Federal antipoverty effort. This case, like so many others, involves funds disbursed by the Office of Economic Opportunity and used to benefit not the poor people for whom they were intended, but rather an assortment of lawyers, bankers, and investors who managed to position themselves in the circuitous route along which so much antipoverty money has been permitted to flow.

I call the attention of my colleagues and of the taxpayers to an article appearing in last Wednesday's Washington Post which details this latest bizarre episode in OEO's peculiar history. The facts are not completely clear; the full story has not yet been revealed. The best that can be charitably said at this point is that the confusion which surrounds the case accurately reflects the ineptness which has characterized the use of Federal antipoverty money. A less charitable observation would be that it reflects once again how well-intentioned but ill-conceived Federal programs to help the poor have led only to corruption and demoralization.

During the past decade, the Federal Government sought to correct many inequities in American society through a vast range of programs involving massive expenditures of the taxpayer's money. Today, we are still paying the price, and the inequities remain. It is encouraging to find that past champions of these efforts are beginning to recognize that good intentions and noble goals are not enough—that the mere creation of more bureaus and agencies does not insure success. Hopefully, this recognition will be translated into responsible votes when these programs came up for renewal.

Hopefully, we will resist the temptation to engage in more loose rhetoric about the plight of the poor while we authorize and appropriate antipoverty funds only a small fraction of which will ever trickle down to the benefit of America's poor people. Hopefully, we have learned something from the experiment of the last decade and we will not be afraid to terminate or drastically modify those programs which have fallen so short of their goals. The time has come to stop piling Federal program upon Federal program, layer upon layer in the Washington bureaucracy.

Mr. President, I ask unanimous consent that the article to which I referred be included at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Antipoverty Group Lent Money to Company Its Officers Headed

(By Timothy S. Robinson)

Most of a $225,000 fund set up in 1971 with federal antipoverty money to aid minority businesses here has been lent to an organization whose officers are the same men charged with administering the fund, according to federal sources.

The Brookland Fund was approved by the United Planning Organization (UPO), which dispenses antipoverty money here, as a way to use money that would have had to be returned to the U.S. Office of Economic Opportunity if UPO had not found a use for it.

At least one member of the UPO board of trustees has claimed that UPO Director Jeanus B. Parks Jr. has not informed the board about the fund, or to whom it has lent money.

The board member, Carl A. Eklund, said at a board meeting last night that Parks had rejected previous requests for information concerning the fund. Parks denied Eklund's accusation, and the board went into executive session to discuss the fund and Eklund's charges.

Parks could not be reached for comment on the fund earlier yesterday, and other UPO officials have not responded to questions about it.

Last night, Parks charged at the open board meeting that The Washington Post had treated UPO unfairly in the past and had emphasized negative aspects of the agency's programs. "I have more important things to do now than responding to reporters' inquiries," Parks said in referring to agency attempts to find other funds to replace the more than $7 million in OEO money it is losing.

However, sources confirmed the existence of the Brookland Fund, and said that the FBI has been investigating it for several weeks.

Assistant U.S. Attorney Lester B. Seidel of the fraud unit, who has prosecuted cases dealing with poverty fund misuse here in the past year, said he was aware of a complaint about the fund, but would make no further comment.

An OEO spokesman in Washington said yesterday that the agency's inspections branch also was aware of the Brookland Fund and has investigated it, but that it did not see any ethical violations or improper conduct in the fund's administration.

The Brookland Fund was incorporated in D.C. on Sept. 29, 1971, as a nonprofit organization. According to its incorporation papers, the fund's primary objective was to benefit the metropolitan Washington area through increased employment, payroll, and business volume by assisting financial partnerships and associations of all kinds.

Members of its board of directors were listed as James W. Cobb, an attorney; William B. Fitzgerald, president of the Independence Federal Savings and Loan here; Howard C. Davis, a dentist and investor; LeCount R. Davis, a financial consultant; Lonnie Sanders, a former Washington Redskin back and now associated with a mortgage banking firm here, and William Simpson, owner of Billy Simpson's restaurant on Georgia Avenue NW.

At last night's board meeting, Parks indicated there were three additional board members representing UPO on the Brookland Fund. However, those members are not listed in the incorporation papers.

Brookland Enterprises, according to city records, was incorporated May 25, 1967, as a profit-making diversified investing firm. Its last annual report, filed Feb. 16, 1972, lists Cobb and Fitzgerald as the only directors, Simpson as president, Sanders as vice president, Howard Davis as secretary and LeCount Davis as treasurer.

Federal sources also said that the fund was kept in Independence Federal Savings and Loan for a time. Howard Davis is vice president of that bank, and Cobb is a member of its board of directors. Fitzgerald said yesterday that "less than $1,000" of the fund remained in his financial institution and that he did not know how much money was in other banks.

While exact figures were not available from federal agencies, banks or UPO, sources said most of the original $225,000 had been channeled directly to Brookland Enterprises, Inc.

Brookland Enterprises signed a lease in December, 1970, for the construction of a $2 million waterfront restaurant in the Southwest urban renewal area. The restaurant would be a three-story building on the Washington Channel across from Jefferson Junior High School, and is expected to seat 725 persons.

When asked about the two organizations, Brookland Fund and Brookland Enterprises, yesterday, Sanders and Simpson referred questions to LeCount Davis. Fitzgerald said Davis was in the hospital, and referred calls to Cobb, whose office said he could not be reached yesterday. Fitzgerald also said Parks at UPO would have the full details on the Brookland Fund operation.

After several attempts by Washington Post reporters to get information about the fund from UPO over the past month, Post attorneys wrote the UPO legal office on March 1 to formally request that the documents relating to use of public funds be released. The letter also asked several specific questions about the UPO organization in general and the Brookland Fund in particular.

Assistant UPO general counsel Samuel Sharp, to whom the letter was addressed, said in a telephone interview Friday that he had received the letter. "The general counsel's time is limited, (and) we've been working long hours through the weekend," Sharp said, adding he had not had time to respond to the questions yet.

An OEO spokesman in the agency's Philadelphia regional office said the fund was approved as a "revolving" fund. It would supply money to new projects and businesses, and the money would be returned to the fund if the new projects succeeded, according to the spokesman.

THE HIGH SCHOOL FOR HEALTH PROFESSIONS

Mr. TOWER. Mr. President, the March 12 issue of the American Medical News contained an article on the High School for Health Professions in Houston, Tex.

The High School for Health Professions is an innovative and experimental program which has been received with overwhelming enthusiasm by the students, their parents, and the faculty. It is being conducted by the Houston Independent School District and the Baylor College of Medicine to train high school students for careers in the health fields. Medicine is mixed with the traditional high school curriculum.

In view of our Nation's need to attract dedicated and capable students into the health professions, I commend this effort. I have some reservations in regard to the tendency to encourage students to specialize at such an early age; however, the article reveals that the faculty is aware of this tendency and is seeking to promote a well-rounded curriculum.

Mr. President, in order that my colleagues may review this interesting concept, I ask unanimous consent that the full text of the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Pre-Med Taught in High School

Ludi Jiminez, age 16, is a typical teenage student attending a most untypical high school.

She and 44 other sophomores in Houston, Tex., are being trained for careers in the health field under an experimental program co-sponsored by the Baylor College of Medicine.

The school, conducted in the classrooms and laboratories at Baylor, has proven a big hit with the students, their parents, and the faculty.

Medicine is mixed with the traditional high school curriculum. Thus, in the study of Shakespeare, the students might also discuss the health of the characters; in mathematics, they might probe medical cost problems; and in a foreign language, they might learn medical terminology.

Outside the classroom—in the laboratories, hospitals, and business offices—the students see how health professionals work and what is expected of them on particular assignments.

Miss Jiminez and her 44 classmates, all selected at random from the six regions comprising the Houston Independent School District, enrolled at Baylor last October, and, according to plans, will graduate in the summer of 1975. A second class of sophomores will enroll next fall.

The current class represents a cross-section of the school district. Selected from 300 applicants, the class includes 24 females and 21 males, and has 23 Anglos, seven Mexican-Americans, and 15 blacks. All applicants must have an interest in health, have a "C" average or better, and be at the sophomore level.

Classroom scheduling is somewhat different than the normal high school.

Efforts are made to hold the traditional courses in the morning, with afternoons set aside for lab work and teaching patient-care techniques.

There are no bells to signal the end of one class period and the beginning of the next and the teenage students do miss out on some of the usual extracurricular activities.

But, they don't seem to mind.

Ludi, who wants to be a pediatrician, said the Baylor program is showing her first-hand the life of a physician and other health workers. "I'm glad they started something like this," she told AMN. "The school is going to be a real success."

Mark Littlejohn, age 16, misses gym the most (facilities are not yet ready), but has taken up jogging instead. Noting that he always wanted to become a surgeon, Mark said he is not sure now, "because they are showing us so many different health opportunities."

Similarly, Serena Johnson, who wanted to enter hematology, has broadened her horizons through the school and is considering other career choices.

Kay Ann Reed, who wants to be a nurse, misses her old school friends and her role in student council the most, but said these losses are offset by "having the opportunity to see everything under a real setting. This is not TV stuff. It's the real thing. . . . I hope more kids have the chance I have."

Alice Patten, 15, also misses her school buddies and sometimes finds "the college kids here so much older." But Alice, who wants to become a general practitioner, "likes everything else about the school. . . ."

The "older kids," the Baylor medical students, have readily accepted their new classmates.

Two representative medical students, Dan Davis (fourth year) and Bob Parke (third year), praised the program.

Davis cited the range of choices the program opens up. "I think the way it is planned," he said, "it will enable the student to get out of the educational rat race whenever he wants to, because it's not just aimed at creating more doctors, but at training more people for allied health areas."

Parke was concerned that the program might "steal childhood from these kids." He warned that, "It's got to provide them with all of the real high school experiences. It can't ignore the personal aspects. I'd hate to see it create a bunch of teenage super-specialists."

However, he added that, "We need some changes in American education, and if this program can help these kids, then, fine, it's justifying its existence."

Joseph M. Merrill, MD, BCM executive vice president, stressed that, "This is no prep school for medicine. Of course, we want to recruit the best we can for the health professions and we think we do pretty well at this.

"The purpose of this school is to be a high school—to represent a cross-section of the school district. But if the school can develop a meaningful experience to life and if the students can gain this in a medical environment, then I think the program will have its worth."

The thrust of the school, said Robert E. Roush Jr., director of the college's Center for Allied Health Manpower Development, is "career education, not vocational education. We are trying to establish a career education model that will provide a student with a marketability that he can build on—either through further education or on the job. If we don't graduate these kids with a marketable skill, then our program has failed and they may as well have gone to a regular high school."

Integrating medicine into a normal high school curriculum is the task of a team headed by Perry Weston, principal of the high school, and Matthew W. Noall, PhD, associate professor of biochemistry at the college and coordinator for the biological sciences for the Center for Allied Health Manpower Development.

Weston, who doubles as a teacher of mathematics, has a staff or four full-time instructors and three part-time or hourly teachers. All but two have science backgrounds, and provide a medical perspective for the regular high school classes.

On the medical side of the program, current plans call for students in their first year to explore the various areas and ramifications of medicine; in the second year to select several areas for concentrated study; and in the third year to become even more selective, by concentrating in one or two areas of special interest.

According to Dr. Noell, there are three points to remember about this school. First, it is not a prep or vocational school but something in between. Second, the school is working from within the medical profession. And, third, it is not trying to displace any of the professional programs within the medical profession, but is supporting and trying to create further opportunities within the context of the medical framework.

"I believe," said Dr. Noall, "that we need something different from the general high school education of the past. We need to provide the students with more options. Frankly, I believe career-oriented high school programs are the wave of the future."

Weston noted that the program is a voluntary one, and that if a student decides "this is not for him, he can get out and return to his regular high school setting. But if he continues to the end, he can graduate with the normal academic requirements and enter college, or if he'd rather work, utilize those skills he has learned here."

Carlos Vallbona, MD, chairman of BCM's Dept. of Community Medicine, said the program "illustrates Baylor's effort to extend beyond the ivory tower and get to the health problems of the community."

Hebbel E. Hoff, MD, chairman of Baylor's Dept. of Physiology, added that the school provides "a mixture of the practical and theoretical, so that a student can get a true view rather than a hypothetical view of the whole medical scene."

Dr. Hoff said the program should be able to create career opportunities for the students: "There should be no dead ends here," he said. "We need to train these students to be able to do things as the issues arise. In a controlled environment, a person can choose what he wants to do. In medicine, the individual must act immediately as each issue arises. So book learning isn't the whole of it; experience means much."

Lewis A. Leavitt, MD, chairman of the Dept. of Physical Medicine, said the school offers a "logical way to have a student early in his educational process correlate his training toward a career."

In the opinion of Dr. Leavitt, "We need to get a student at an early level and through identifying and counseling direct him into a role where he can and should be productive. And, we need to look at the broader educational level. Most people think of medical education as producing doctors, dentists, pharmacists, and nurses. It's much broader than that. Students need to learn the whole spectrum of health care."

That's exactly the intent of the High School for Health Professions, said Roush. "We want the students to see everything and everybody in the health care field so that they can make a more rational career choice and judge for themselves the route they want to follow."

Like anything new and experimental, there are, as Dr. Noall puts it, "One or two thorns in this bed of roses." Weston added, "We are identifying the problems and have rectified some, while solutions to others will take a while."

Perhaps the biggest hurdle is finding classroom space. Currently, the classes are held in one or two rooms at the college. Next year, when the second class is admitted, plans are to use three portable classroom units to help ease the space load.

The long-range goal is a new building for the high school, but since that takes money, that creates another problem. Besides construction funds, money will have to be raised to hire additional faculty members and pay for increasing administrative expenses.

Baylor officials estimate current first-year operations will mount to $100,000. Baylor is assuming $35,000 of this total, with the Texas Education Agency of the HISD handling the balance.

The HISD also will pay for the installation of the portable units, but funds for construction of a new building apparently will have to come from private sources. As Roush puts it, "Public bond issues are hard to pass and federal funding for this is almost non-existent."

But if the school is to grow as planned to 650 to 700 students, the new structure will be a must. Roush points out, "We can't limit the number for very long. We're under pressure now to increase the enrollment. Everybody seems to want to be in this."

Dr. Vallbona saw another possible problem for the high school: "The possibility of polarizing these kids into science and medicine. I would like to see the school preserve a humanistic education (in literature, the arts, etc.). I don't believe the two approaches are incompatible."

And Dr. Hoff warned, "If this school is

treated totally as a vocational thing, it won't attract the better students. And what will happen if the school ends up like this is that it will start parceling the students out into little places where they fit."

Roush cited another problem, but one "so unique that every other school administration wishes it had it. That is," he said, "to sustain the enthusiasm of the students. Usually, the problem in most school districts is to generate student enthusiasm."

The enthusiasm of the students seems reflected in the parents and the general Houston populace. As Weston puts it, "The response has been so good and overwhelming it sometimes frightens us. People say that this can't fail—that it must succeed."

A parent of one of the high school students, in a letter to Michael E. DeBakey, MD, president of BCM, wrote in part:

"My son is a student there and absolutely loves it. He leaves home at 6:30 in the morning to catch a bus and returns in the evening at 6—and his interest and enthusiasm are so great that I have to make him quit studying at night and go to bed. There is hardly a day that goes by that he does not have some interesting happening to share with his father and I. His only worry is that something will happen to make the school close. . . .

"The other parents I talked to at a recent PTA meeting were of the same opinion as myself and we all feel that your foresight in giving our children this wonderful opportunity will pay dividends in the future to our society."

Ludi's parents say their daughter "just loves the school," adding, "We hope the program will grow so that more children will have the same opportunity."

Dr. DeBakey, who conducted informal summer sessions for high school students in recent years, said he is certain the current, broader program will succeed. "We feel," he said, "it will prove to be an effective program and if it is, it will be developed in other metropolitan areas."

Roush said there are three other programs in the United States that "might come close to ours" and adds that hardly a day goes by "without someone writing to us asking for information about our program and indicating a desire to start one of their own."

The three programs Roush cited include one in Los Angeles where high school students attend regular classes in the morning and are trained in local hospitals in the afternoon; a vocational educational after-school training program for Baltimore 12th graders supported by Johns Hopkins; and a medical technical institute working with Boston U. where 125 black, ghetto-area children are trained by black professionals in a program designed to carry from the third grade through the MD degree.

Dr. Hoff likens the Baylor program to a "yeast rising into dough where you can get to the top." His theory is to "catch them young. It's an advantage. Many people don't know what they're good for and wait too long, and, later, it costs too much to find out. On the other hand, if they had had an opportunity at an early age to lay a good foundation they then might be able to make a proper career choice."

Dr. Merrill concluded, "The only limitations to a program such as ours are where opportunities in the field no longer exist. And, as far as we can project, there will be more career opportunities of an ever more challenging nature in the health sciences."

SENATOR JENNINGS RANDOLPH ADDRESSES NATIONAL ENERGY FORUM 2

Mr. ROBERT C. BYRD. Mr. President, as a Senator from a coal-producing State, over the years, I have become increasingly concerned for the future of the coal industry. Historically, the Appalachian region has served as a critical link in our domestic capability to meet rising energy demands.

On many occasions, however, the short-term economic benefits derived by the coal-producing States have not fully reflected the long-term social and environmental costs accompanying these economic activities. Witness the scarred hillsides and polluted rivers as a consequence, for example.

In other words, although the coal-producing regions receive some economic benefits, the principal benefits from economic growth are derived by the consuming regions. The producing States have been called upon to accept many of the social and environmental costs, in the interests of overall national concerns.

As was pointed out Monday night by my West Virginia colleague, Senator RANDOLPH, in a banquet address to National Energy Forum 2, relationship between the energy supply regions and the consuming areas has changed. Our country is now in the situation that an increased reliance on imported oil and gas is inevitable. Unlike the past, as my colleague so aptly pointed out, it is no longer a matter of national interests versus State interests, but, rather, the national interests of foreign oil producing countries; principally OPEC—Organization of Petroleum Exporting Countries—States who have a monopoly on 75 percent of the known free world oil reserves. And these supplies are going to be developed consistent with the long-term national priorities of those producing countries.

Our principal alternative supplies must, therefore, rely on domestic resources—and our old standby, coal, is the key.

For many years, Senator RANDOLPH and I have stressed the neglect that coal has been subjected to in Federal energy programs and priorities. As a nation, we now find ourselves in the situation that coal is the essential ingredient for stable future energy supplies. Our country's technological capability must now after many years of neglect be marshaled to commercially demonstrate coal gasification, coal liquefaction, including solvent refined coal, and other environmentally acceptable means for the use of coal.

These points and several others were enunciated by our distinguished colleague from West Virginia, in his March 19, address at the Statler-Hilton Hotel last night. I ask unanimous consent that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

REMARKS BY SENATOR JENNINGS RANDOLPH

BIPARTISAN ACTION IS NEEDED TODAY TO ASSURE ENERGY'S FUTURE

It is gratifying to me to participate in these proceedings of National Energy Forum 2. Your theme, "Action Today for Energy Tomorrow", is pertinent. You have been concentrating appropriately and helpfully on the identification of options which hopefully could avert serious energy shortages.

This Forum also serves as preliminary preparation for the World Energy Conference next year. And rightly so.

I believe you will agree with me that too much talk and too little action in recent years have compounded the serious energy problems we now face. Government has failed to act in a timely manner. In turn, industry often has not undertaken long-term planning and has not cooperated sufficiently with such Federal policies as those established in environmental law. And, unfortunately all parties seem not to have taken the steps to advance technology as fast or as effectively as was anticipated.

In formulating and evaluating actions to assure sufficient energy to meet our national goals, we must exercise judgment and foresight. Reasonable and equitable relationships must also be maintained with the foreign producing countries and we must develop realistic roles for oil and gas imports in our energy system.

But our overriding consideration and effort must be to make our country vastly more energy self-sufficient. Failing to do this, we can expect to experience an overwhelming energy crisis; in relying on imports, we also may be creating a disasterous security problem for the United States of America.

You, and the governments and industries you represent, are alert to the economic implications of faltering energy supplies and, equally, you are aware of the need to achieve realism in our country's balancing of energy and environmental concerns. Doubtless, there are those among you who believe that the prevailing environmental uptightness will pass with time. I doubt if it will be soon. For it is not a matter of passing; rather, it is a matter of learning how to incorporate environmental and social concerns into management decisions by government and industry, alike.

Do not make the mistake of looking for an environmental scapegoat for our energy crisis. Environmental concerns are significant parts of the problem, but the crisis is a complex one. Hastily adopted environmental policies have expanded the problem and have made it even more complex. But the actions and inactions which have precipitated our energy dilemma were not all environmentally motivated. Perhaps the most significant factor contributing to the problem has been unrealistically low-prices for energy supplies, principally natural gas. I refer to prices which do not reflect the replacement costs of these non-renewable resources.

And I speak also of recent Price Commission rulings which did not allow energy producers the means to reflect increased costs associated with meeting environmental policies and increased wages. The Coal Mine Health and Safety Act also has added costs to coal production which should be taken into account in price management and price controls.

As difficult as it is to accept, we must give cognizance to the fact that the achievement of reliable and abundant energy supplies will bring about higher costs to producers and higher prices for consumers to pay.

THE CHALLENGE AHEAD

The consumption of energy is closely tied to a country's standard of living. As quality of life rises, so does the demand for energy. In the United States, for example, we consume more energy than the combined usage by Russia, Germany, Japan and Great Britain. They all aspire to our standard of living as do the producing countries themselves. Meanwhile, England is urging the Common Market countries to shape a unified energy policy in order to assure their fair share of limited oil supplies from Africa and the Middle East.

Russia, by policy objective, is the only industrialized nation that is self-sufficient in energy supplies. Meanwhile, the United States is embarked on a misdirected road toward cut-throat competition with Europe and Japan over limited supplies. I fear that an additional consequence will be severely strained relations with many of our former allies—and this is an added cost we cannot afford.

Consequently, as I have emphasized on frequent occasions, there is need for a National Fuels and Energy Policy which would recognize integral role that energy would perform in our economic future and in that of most other countries. Such a policy also is essential to our national quest for environmental quality. We must NOT have a situation where it is energy VERSUS environment. It must be energy AND environment.

Obviously, we can improve our domestic fossil fuel situation. The resource base is present to meet our energy needs until the time when more exotic energy sources, such as the nuclear breeder reactor or the fusion nuclear reactor or solar energy are developed to relieve our excessive dependence on foreign energy sources.

NEED FOR A NATIONAL ENERGY POLICY

The knowledge and understanding now exists to establish Federal and corporation policies which recognize the joint responsibility of industry and government to assure adequate energy supplies to meet national goals. In recent months, considerable national attention has been devoted to these issues. United States Senate concern now resides principally in The National Fuels and Energy Policy Study centered in the Committee on Interior and Insular Affairs, under the authority of Senate Resolution 45, which I cosponsored two years ago with Chairman Jackson of that Committee. We have high hopes that this Study will provide the foundation for comprehensive national fuels and energy policies.

On January 16, 1973, in Senate remarks, I enunciated 26 proposals for consideration in the development of a National Fuels and Energy Policy. The actions I proposed were not new; what was new was the attempt I made to provide a framework for evaluation of their relative merits as essential elements of national policy. My statement reflects that there are no simple, elementary solutions; to the contrary, the contributing factors are very complex and the solutions will be all the more so because they must be arrived at by men—with all their human weakness and all their wisdom—working in a spirit of compromise and concession.

Today, however, a prime difficulty appears to be too many leaders motivated by a desire to preempt the spotlight and to be credited with the "savior" role. Consequently, too little effort is being made to discuss and develop, in a spirit of compromise, a consensus on the various elements of a National Fuels and Energy Policy. Until this happens, the real development of such a policy will not occur.

As each day passes, conditions grow more unstable. This situation, I am sure, is recognized, even at the White House, where staff responsibility for energy is passed around quickly, like the hottest of hot potatoes. I am reminded of the words of Petronius Arbiter in 210 B.C. when, according to history, he said:

> "We trained hard . . . but it seemed that every time we were beginning to form up into teams we would be reorganized. I was to learn later in life that we tend to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralization."

Understandably, the dollar crisis has forced revision of the President's already-overdue energy message but there must be a cut-off date to stop delaying. We must begin taking positive actions. Both the President and the Congress must "bite the bullet" and the end result must soon be workable short-term fuels policies which will provide the foundation for a long-term National Energy Policy. We must adopt vigorous policies so necessary to the encouragement of a rebirth of America's domestic energy resources. Definite government actions are needed to replace our current drift toward almost total dependence on foreign energy supplies. The attendant cash flows for overseas petroleum will add to our country's staggering balance-of-payment problems and may cause further devaluation the dollar.

Our country's future dictates that solutions be formulated in the public bodies provided for by our Constitution. The Congress is responsible—and accountable—for the formulation of our country's priorities and programs. And the Executive must implement and administer them.

Almost three years ago the Nixon Administration was offered the opportunity to participate as a co-equal partner with the Congress in the formulation of a National Fuels and Energy Policy. I proposed a Commission which would have been composed of Executive Branch, Legislative Branch, and public members. It would have had the mission to jointly develop the foundation, if not the details, of a National Fuels and Energy Policy.

The President opposed legislation I offered to create such a Commission. I continue to believe the Administration made its biggest energy crisis mistake by its negative reaction. What, of necessity, should have been a bi-partisan effort has now become embroiled in the current Constitutional struggle between the Executive and Legislative branches. This is unfortunate—but it is happening.

This is a critical time in our Nation's history when coordinated actions are needed. Government, industry, and environmentalists seem to be too much embroiled in the midst of disputes over various aspects of existing law and much of the energy and/or the environmental legislation now pending before the Congress. We can do better and we *must* do better.

PRIORITIES OF OIL PRODUCING COUNTRIES

When speaking of national priorities for energy, however, we must also concern ourselves with the national aspirations of the oil producing countries. Their economic future rests predominantly on their development of non-renewable energy resources.

Yes, American society stands as a symbol of success to virtually every other nation. Our ability as a people, and as a Nation, to provide and sustain material prosperity is a goal actively sought by the world's developing nations. Our unparalleled prosperity was achieved, notwithstanding an unprecedented dependence on energy. Somehow, we managed to keep supplies adequate to meet energy demands. But this, unfortunately, is changing.

The Middle East oil-producing countries aspire to achieve our standard for their people. Their principal asset for realization of this objective is oil. Yet, as Saudi Arabia's Oil Minister, Shaykh Yomini, has pointed out, the producing countries are about to enter an era when their income revenues are in excess of what they can spend inside their own countries. Consequently, from the standpoint of their nationalism, they are being forced to reconsider the value of holding cash revenues, and realizing only interest on them, as compared with the future escalated value of oil left in the ground. With the periodic devaluation of the dollar that has taken place, this reassessment by the oil-producing countries is inevitable. It can be expected to lead to their adoption of production programs which insure that revenues are collected consistent with their national aspirations.

We need but look to Canada, our neighbor to the north, to understand the real importance of this situation. On February 16, 1973, Canada announced that it is curbing petroleum exports to the United States to protect its domestic supplies. This action is consistent with Canada's previous policy of exporting only excess crude oil supplies to the United States. Recent U.S. demands threaten their domestic energy supplies, particularly the use of crude oil for the production of gasoline and heating oil. In other words, although the United States is prepared to pay the going price, Canada does not find it in their national interest to increase our supplies.

A similar situation would exist in the Middle East should oil be worth more in the ground than dollars in the bank.

As the era of scarce energy dawns, the oil exporting countries will hold the trump cards. The producing countries can be expected to develop their non-renewable energy resources to reflect their long-term national priorities, rather than the priorities of the consuming countries. Such policies will harm the interest of the consuming countries, and of the oil companies, unless alternative domestic supplies are developed.

Yet, as the Vietnam conflict draws to a close, the remaining outstanding area of turmoil is the Middle East, where stability would assure a reliable flow of essential oil to the American economy. But that is an unstable area and I believe it is incumbent on the United States to accelerate efforts toward peace in the Middle East from whence we plan to import more and more petroleum products.

Some of the Nation's academic economists have suggested that a cut-off of middle eastern oil to the United States will not happen despite specific Arab threats to the contrary. They also have argued that Middle East oil is and will be cheaper than domestic oil. But last week it was higher priced, for the first time. And, our energy conservationists have argued that we should not "drain America dry". Many of them assert that we should buy as much foreign oil as we can.

As usual, realism is needed. The OPEC countries have a 75 percent monopoly on the known "Free World's" oil reserves and they have billions of dollars of excess capital. It also is estimated that by 1983 the OPEC countries will have acquired a 51 percent equity ownership of the operations of international oil companies in their territories.

While United States oil companies need United States Government support in their dealings with these oil producing countries, the greatest need is for a coherent energy resource strategy for our country for the next decade. The United States must undertake diplomatic approaches on our Nation's behalf, not just on behalf of the oil companies. Our government must insure stable supplies to meet our future energy requirements.

At home, we must develop alternative supplies to increase our flexibility in dealing with the oil exporting countries. This will involve costly, and unpopular, domestic decisions and the possibility of curbing domestic consumption. But, in recognizing the national interest of foreign suppliers, we will also help to guarantee that the United States has access to these important energy resources, especially from the Persian Gulf.

Our greatest challenge, however, may very well be our willingness to come to grips with the fact that never before, in the history of mankind, have so many wealthy, industrialized, and militarily powerful countries been at the potential mercy of the small, independent, and potentially unstable states. Yet, for the foreseeable future, these countries will provide the bulk of the fuel for Western Man.

Few of our traditional policies can accommodate this difficult situation in an era of intense nationalism. Never before has the need for new and imaginative foreign policies been more keen, and never before has the interdependence of the rich and poor, the small and large, and the weak and powerful states been so great. Consequently, we must take all possible steps to minimize our future dependence on these energy resources by the development of alternatives—at home.

ALTERNATIVE DOMESTIC SUPPLIES

It is generally recognized that our long-term national energy policy must stress increased reliance on domestic energy resources. However, energy is but a small part of the larger issue of people and their life-style, with all its ramifications: Land use, highways, mass transit, national security, economic growth, and mobility. Perhaps going along with these considerations are the location of future populations and our practical ability to extract, transport, and use energy resources in the quantities envisioned. For example, where are the tankers going to come from to meet projected imports?

For several years, I have been in the vanguard of the too few Members of the Congress urging more emphasis on the development of technologies to make coal a cleaner-burning fuel through better control of sulphur oxides emissions and more rapid development of gasification and liquification of coal.

To quote a recent Smithsonian article, "coal is cheap, hated, abundant, filthy and needed." However, there is a long list of energy projects that could be pursued by industry or government—or both as partners—to insure the viability of domestic energy supplies. Many of these could have been developed into commercial realities if industry had accepted the challenge, and if the Federal Government had been more alert and helpful. A "crash" program is now needed to achieve self-sufficiency, and at the top of the list are coal based technologies, such as the gasification of coal to supplement dwindling natural gas supplies, the development of low-Btu synthetic gas from coal for cleaner generation of electricity, the development of MHD processes for making power, the development of stack gas cleaning technologies for sulphur oxides, and the development of oil from coal.

Yet, the Administration's proposed 1974 budget for energy research and development reflects a token $61.6 million for coal technologies needed for the 1980's and 1990's and a flagrant $107 million increase to a gigantic $506 million for nuclear technologies for the 21st Century.

With coal and oil shale generally recognized as the principal domestic alternatives to petroleum imports, it is obvious that action, not rhetoric, is needed now to insure the future and essential role that these domestic resources can serve in our energy economy.

FEDERAL ENERGY RESEARCH CORPORATION

To spearhead this research effort, Senator Jackson, Senator Magnuson, and I introduced legislation today to create an Energy Research Corporation which would manage a $20 billion Federal program over the next 10 years, with the objective of domestic self-sufficiency.

Such a crash program would, of course, require massive cooperation from the private sector with the greatest expertise. Yet, most of the companies which possess the expertise on such technologies as synthetic fuels from coal are wary of joint government-industry projects for fear of losing title to their proprietary knowledge and developments. The result in the past has been unacceptable delays or even failures, and this situation must be corrected.

Admittedly, the past and present Federal funding on fossil fuel energy research has been even worse than inadequate. It has been tragically poor. For over 20 years the American people have subsidized nuclear power developed on the premise of abundant electric energy. Let us now apply this same concept and assure abundant supplies of domestic—not foreign—energy resources compatible with environmental requirements. It is unrealistic to continue to expect increased exploration for domestic oil and gas resources to carry the whole burden for possible success, even at higher prices. And, realistic domestic prices for petroleum products are obviously needed.

Above all, we have to be realistic about the value and price of natural gas relative to the competing price for other fuels. It seems to be a certainty that consumer demand for gas cannot be met except at a higher cost.

Therefore, we are faced with relaxing FPC controls on the price of gas. For some people this will be expensive—it will cost money. The alternatives, however, will either be no gas for some consumers or more expensive alternative fuels or even more expensive imported liquified gas.

The projected reliance on imported oil to fill short-falls in domestic supplies would be wrong if not so necessary under existing conditions. A more realistic policy for the 1980's and 1990's is to rely on coal gasification, coal liquefaction and derivatives of oil shale, as well as solar energy, to fill in this gap.

Many nations of the world have no choice but that of relying on imported energy. However, the United States, like Russia, has the potential for self-sufficiency if we are prepared to pay for it in dollars and some inconveniences—until more environmentally compatible energy technologies can be perfected.

A BALANCE BETWEEN ENERGY AND ENVIRONMENT

Without question, we have not done well in finding a suitable or equitable balance between energy and the environment, and I emphasize, "energy AND the environment." Rather, it seems that we have adopted a posture of environment VERSUS energy, to the very substantial disadvantage of domestic energy sources.

The answers, of course, are to be found, in part, in the administration of the oil import program and, in part, in the form of the Environmental Protection Agency's implementing guidelines and regulations for the Federal Clean Air Act as well as the resultant State standards. There also is a general lack of a definitive Federal policy for surface mine reclamation where we have problem areas, too.

From newspaper reports, I was encouraged to believe that the President's Environmental Message would recognize in some degree—hopefully, a substantial degree—the impact from implementation of many Federal environmental policies. For these policies have carried numerous of our country's energy problems to the rim overlooking the valley of chaos.

I endorse the statutory policy that protection of public health should not be subordinated to economic feasibility. And I would not want in any way to jeopardize the long-term success of Federal environmental policies. But it is obvious to me that short-term environmental concerns have dominated EPA's implementation of the Clean Air Act so dramatically that our country's energy requirements cannot be met until unrealistic environmental constraints are slowed down to reasonable time schedules.

After long deliberation in 1967, and again in 1970, the Congress enacted a Federal air pollution control policy that distinguishes between concerns for public health and concerns for welfare and rejected the concept of national emission standards. Yet, as so frequently has occurred in recent years, the Administration ignored the flexibility for implementation contained in the 1970 Clean Air Amendments and encouraged the States to adopt, in effect, national emission standards which bear no relationship to ambient air quality standards.

What appears to have happened is that the cumulative effect of the provisions of law, the regulations, the enforcement, and court decisions has moved us beyond the ability of known technology to keep pace. And, I was discouraged last month when the President's environmental message provided little recognition of this practical reality.

When both the 1967 and 1970 Clean Air Amendments were under consideration in the Senate Public Works Committee and in the Senate, I warned that this situation might develop with damaging consequences, not only for energy, but, also, for the success of environmental policies. Repeatedly, I offered amendments to increase authorizations for research and development. Most of my amendments were accepted and are now in the law, but the Executive Branch consistently has done too little toward the financing of this research on energy-related environmental control technologies and often has not come near to the utilization of appropriated funds.

The electric utility industry, until recent months, also did little to respond to statutorially mandated environmental policies. Long-time advocates of dilution and dispersion of air pollution emissions by tall stacks, rather than environmental controls, the electric utilities by their attitude pose very real problems.

So, the consequence is a badly out-of-balance condition of such proportions that our domestic coal industry—and the people involved in and depending on it—are in a tenuous position.

AUTOMOBILE

Any discussion of the energy crisis would not be complete without at least mention of the taxi and the passenger car, especially as it relates to the consumption of gasoline. For transportation consumes 25 percent of the Nation's total energy supplies.

We are familiar with reports of the decreased automobile performance associated with the particular air pollution control methods being employed. While this is true, the automobile industry has, in part, found a scapegoat for its own failures.

There is no secret about the fact that a lighter and smaller car consumes less fuel than its heavier, high-powered counterpart. It is also a matter of record that diesel engines are more efficient in fuel consumption than gasoline engines of the same size. But the development of the automobile in this country has not followed the pattern of either small size or diesel power and the reasons are clear—their motivation was profits rather than conservation of energy. However, conservation must have more consideration henceforth.

From 1960 to 1968, before the current air pollution standards came into being—and by industry design—the efficiency of operation of automobiles decreased almost 3 percent. This was due to such factors as increased weight, allegedly poor aerodynamic designs, more factory-installed air conditioning, and V–8 engines.

I also find it difficult to understand how our major automobile companies—General Motors, Ford, and Chrysler—keep complaining about the impossibility of the 1975 Federal automobile emission standards, while the Mercedes diesel and two small Japanese companies—Honda and Mazda—already have met the 1975 standards with long-known, but non-traditional, engine technologies. In addition, the National Academy of Sciences, in response to a Congressionally mandated study, concluded last month that four types of systems are available to meet the 1975 standards. Seemingly the auto manufacturers keep right on disagreeing with all excepting themselves.

What must be questioned are corporate policies that insist on using the traditional internal combustion engine and policies that have, according to the NAS, lead to the installation of the less effective—but more expensive—exhaust control systems. Has there really been adequate investigation of the other alternatives? Our country's quest for environmental quality is a joint, societal venture, which must not be allowed to be exploited for short-term economic gains.

EPILOG

Some people express the exaggerated opinion that we are at the point of breakdown, of disintegration, of finality. Others claim we are on the verge of a giant, creative leap forward into a new flourishing of man's spirit and the injection of new vigor into man's institutions. I subscribe in some degree—but only slightly—to both of these views. I believe that we are at a turning point, a fork in the long road of our destiny.

We have reached a point where we need each other in a cooperative way as never before. Certainly the tasks faced by government and industry, alike, are large.

America has yet to develop a perfect system, but we have come closer than most of the older nations on earth. As we near the third century of our Nation's success, it is time to turn our full attention and resources to the proper evaluation of our creation.

The struggle to keep our forefathers' concept of a prosperous people living in freedom has not been easy and in the years ahead the task will be even harder.

The challengeg is there—the question is one of acceptance and a solid commitment to meet our energy needs on schedule while, at the same time, meeting environmental responsibilities. We can do both if the approachment to solutions is reasonable and not fanatical. And, if you, and the interests you represent, counsel with the Congress *as well as* the Executive Branch, for both bodies are coordinate branches of the United States government.

WOUNDED KNEE—ANOTHER SIDE OF THE STORY

Mr. GRIFFIN. Mr. President, many Americans have been puzzled as well as concerned by what has been happening at Wounded Knee, S. Dak.

Judged by much of what we have been reading in the newspapers and seeing on television, it would be assumed that a group of Indians are making a valiant stand at Wounded Knee, with meager resources, for rights long denied them.

But, as it often turns out, there is another side of the story. According to the Detroit News, the leaders at Wounded Knee are hardly representative of American Indians. Furthermore, it will come as a surprise to many to learn that the occupation at Wounded Knee has been largely financed by Federal grants.

Mr. President, I ask that an article which appeared in the Detroit Sunday News of March 18, 1973, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

How Government Grants to Indians Financed Wounded Knee Takeover

(By John E. Peterson)

Minneapolis.—The Indian occupation of Wounded Knee, S.D., has been financed almost exclusively by federal money.

The Indians who took over the small reservation town have depicted themselves as an oppressed minority group seeking to focus national attention on a long list of grievances.

In point of fact, however, their actions appear to be the latest act in a play staged by a handful of militants and paid for by public money.

A two-week investigation by The Detroit News—starting in Washington and culminating in Minnesota—has unearthed these facts:

More than half of the 258 American Indian Movement (AIM) members and sympathizers holding Wounded Knee (as of Saturday) are employes of social welfare agencies financed primarily by federal grants.

AIM, far from being repressed by the government, has been granted directly and indirectly more than $400,000 in federal funds since its founding in 1968. The bulk of that money, federal investigators say, has been used in efforts to radicalize the American Indian—not improve his lot. AIM leaders, federal investigations reveal, spent huge amounts of federal funds to stage the take-over of the Bureau of Indian Affairs last fall and the current confrontation at Wounded Knee.

The leaders of AIM, almost to a man, had lengthy histories of convictions for such crimes as burglary, strong-arm robberies and assaults long before they organized the militant organization.

Less than 20 of the Indians now at Wounded Knee are Oglala Sioux, the tribe on whose reservation the confrontation is taking place, government investigators say. And the duly elected Oglala Sioux tribal council—by 14–2 votes—repeatedly has asked the federal government to evict the AIM group from its reservation.

"When AIM took over Wounded Knee three weeks ago (Feb. 27), the Justice Department was all set to move in and make arrests," a highly placed federal official said last week.

"But then AIM leaders threatened to call a press conference and disclose exactly how much financing they've had from the federal government in recent months. That's when the Justice Department backed off and tried to play for a standoff, hoping AIM would tire and leave of its own volition.

"What's happened is that AIM leaders have just dusted off and updated the old black militant tactic of intimidating government officials until they come through with grants," he said. "And so far, it's worked like a charm."

AIM, which began as an off-shoot of a Minneapolis anti-poverty program in 1968, was especially successful in procuring federal grants during the last year.

Last June 21, for instance, government files show that AIM received a $113,000 grant from the Office of Economic Opportunity (OEO).

Of that amount, $60,000 was for "survival" schools in Minneapolis, St. Paul and Milwaukee to "instill American Indian culture" in Indian children of grade school age. The other $53,000 was for an Indian community center in Milwaukee.

Early last fall, OEO investigators were dispatched to probe numerous complaints about the "survival" schools from local education officials in all three cities.

What was found was "an almost total absence of any academic standards" and "a sustained effort to brainwash the students into hating all non-Indian Americans, black as well as white," investigator said.

AIM leaders, the report noted, refused to provide any audit information on how the $113,000 had been spent.

AIM leaders also received $66,000 in "transportation" money from the OEO as inducement to leave the Bureau of Indian Affairs (BIA), which their followers had systematically vandalized and pillaged during a six-day take-over last fall.

"That was about six times the amount required to buy them all bus tickets back home," said an OEO official who vehemently disagreed with the decision at the time. "They were just handed the money in cash and no accounting was required."

An OEO grant for an additional $67,000—approved before the BIA take-over—was ordered frozen in a Minneapolis bank before AIM leaders arrived from Washington.

But AIM leaders Clyde Bellecourt and Dennis J. Banks, both Chippewas, used the announcement of the grant's approval to persuade the Upper Midwest American Indian Center (UMAIC) in Minneapolis to lend them nearly $30,000.

"We loaned them the money only because they offered the $27,000 grant as collateral, and we assumed they had it in their pockets." said Mrs. Emily Peake, UMAIC's director, a Chippewa and a spokeswoman for most of the 22,000 American Indians living in the Twin Cities area.

"Of all the money AIM has conned out of federal government. I'd be surprised if even a minute fraction ever trickled down to our people who really need it," she said.

"When they first started AIM, Clyde and Dennis were going around making statements about how it was going to be the Indian's Black Panthers," she said. "They've done a pretty good job in that respect, anyway."

Another person who agrees with Mrs. Peake's assessment is Richard Wilson, head of the Oglala Sioux tribal council and one of the main targets of AIM's wrath.

Wilson said AIM has made a half dozen threats on my life since I began speaking out against their extreme tactics.

Their lawlessness and violence give the rest of us (American Indians) a bad name. If the television boys would bother to look up their prison records, they wouldn't come in here glorifying them like they have.

"Banks and Bellecourt bear about as much resemblance to Sitting Bull as Al Capone did to George Washington," he added.

Bill Cuny, an Oglala Sioux who teaches elementary school in Rapid City, echoes Wilson:

"The Bellecourt brothers, Russell Means and Banks are urban Indians, bandits with braids. They can't speak for reservation Indians." The criminal records of AIM's national leaders, curiously, have been ignored by both the local and national press in recent months although they are a matter of public record in Minnesota's Hennepin County District Court.

Banks, Clyde Bellecourt and his brother, Vernon, all have served sentences in Minnesota penitentiaries for a variety of felony offenses, including burglary, aggravated assault and armed robbery.

A Minneapolis police official said Banks, 35, has been convicted 15 times on charges including assault and battery and burglary.

Clyde Bellecourt, 36, the official said, has an arrest record dating back to age 11. He was found guilty of armed robbery in 1954 and was sentenced to serve two to 15 years in prison. After parole, he was convicted of burglary in 1958, sentenced to five years in prison, paroled again and then was convicted of burglary once more in 1960 and paroled in 1964.

Banks is national field director of AIM and lives in Minneapolis, Clyde Bellecourt, also from Minneapolis, is executive director of the local chapter, one of the largest with more than 100 members. His brother, Vernon, also with a police record, is national co-director of AIM and also runs the Denver chapter.

AIM currently claims a membership of about 4,500 in 67 chapters in the United States and two in Canada.

Banks and Clyde Bellecourt had managed to stay out of trouble for several years when they joined the staff of the Citizen's Community Centers (CCC's) a Minneapolis anti-poverty program in 1967.

Although Banks and Bellecourt claim to

be co-founders of AIM, people close to the group, said the real impetus was provided by Douglas Hall, an attorney and former board chairman of the CCC's, and Matthew Eubanks, self-proclaimed leader of the Minnesota Black Panthers and one-time CCC executive director.

Hall and Eubanks were cited by OEO investigators as having stacked the CCC's board illegally in order to force out William White, a moderate black man as director and replace him with Eubanks in December, 1968.

The CCC's received about $400,000 a year in OEO money over a seven-year period. OEO investigators have never been able to determine how much actually went into services for Minneapolis' poor because no accurate bookkeeping was done.

But local government officials say CCC's services to the poor stopped completely in January, 1968, when Eubanks replaced White as executive director.

"Eubanks got his position by packing a board meeting with local Panthers—some of them armed—and forcing the board, which included former Mayor Arthur Naftalin, to remain in session until they fired White," said Mrs. Peake.

Eubanks' own version of what happened agrees with Mrs. Peake's, and a number of other informed sources say that story is correct.

A reporter for the Minneapolis Tribune who covered the CCC's meeting in those days, however, said he wasn't sure what happened "because they locked the press out. I do know that no one came out of the meeting until 5:30 the next morning," he said.

Whatever, Eubanks promptly shifted the focus of the CCC's from helping the poor to "politicizing" black students in elementary and high schools in the city's one small ghetto area.

CCC's staff members were cited for disrupting classes on so many occasions that the city's school board finally sought a restraining order against Eubanks.

Eubanks then organized a campaign, as he put it at the time, to "harass the police at every turn, break down their police-community relations program and make them targets of hate in the black community."

It was at about that time that Eubanks and Douglas Hall decided to organize a militant Indian group within the CCC's structure and chose Dennis Banks and Clyde Bellecourt to head it.

Eubanks unwittingly named the new group the Concerned Indian Americans, a name that was abandoned after several weeks when Hall returned from an out-of-town trip and pointed out that the group's acronym, CIA, might be confused with "the hated Central Intelligence Agency and turn off a lot of people."

Banks and Clyde Bellecourt then changed the name to the American Indian Movement and hired a six-member staff to begin recruiting with OEO money that had been earmarked for a Head Start program for preschool Indian children.

OEO began phasing out Minneapolis antipoverty program as early as 1970 because of its dissatisfaction with the lack of accountability, misappropriation of funds and the bad press militants like Eubanks, Hall and the AIM leaders were getting.

"There was a colossal amount of waste in most of the big city anti-poverty programs," an OEO official said last week, "but Minneapolis is probably the ultimate example.

"Here in one of the most affluent cities in the United States the federal government squandered nearly $25 million in seven years," he said.

"Only one-ninth of the Minneapolis population whose income places them below the poverty cut-off is black or Indian," he said.

"Yet 90 percent of that money was earmarked for services for minority citizens and eight-years later we end up with 25 percent more minority poor than when we started the program."

Despite the phasing out of the antipoverty program, OEO, the Department of Health, Education and Welfare (HEW) and the Department of Labor continued to fund AIM.

"We kept sending them funds for community actions programs," an OEO official said, sarcastically "and they kept giving us community action.

In 1970, AIM members took over the former prison island of Alcatraz in San Francisco Bay, blocked entrances to the Bureau of Indian Affairs and disrupted a conference of the National Congress of Indian Organizations sponsored by the OEO—which incidentally, paid for $30,000 worth of vandalism damage caused by AIM.

AIM was relatively dormant in 1971, but when Raymond Yellow Thunder, an Oglala Sioux was shot and killed in Gordon, Neb., in early 1972 AIM members moved in and demanded that local police turn over a white man accused of the crime for trial by an Indian jury.

After they tied up the town for more than a week with picketing and several violent confrontations, AIM members moved a few miles north to the Oglala Sioux reservation town of Pine Ridge, S.D., and did $50,000 worth of damage to the Crazy Horse Museum.

The reason for that destruction, Bellecourt said, was that the owner, even though he was married to an Oglala Sioux, was white.

In the fall, AIM took over a peaceful lobbying effort called "The Trail of Broken Treaties" from more moderate Indians and used it as a vehicle to occupy the Bureau of Indian Affairs in Washington.

When AIM members left with $66,000 in OEO money after six days they had destroyed or looted an estimated $3 million worth of the BIA's furnishings—including many irreplacable Indian artifacts and paintings.

Earlier this year, AIM members were behind disturbances in Rapid City and Custer, S.D., before moving into Wounded Knee in late February.

AIM's present tactics have been disavowed, by almost every recognized American Indian leader outside that organization in Minnesota and the Dakotas—another fact that had gone virtually unreported by the media.

"What AIM is trying to do is to move onto the reservation of a tribe that has given it little support and force the ouster of the tribal chairman," said Roger Buffalohead, acting chairman of the Department of American Indian Studies at the University of Minnesota.

"If AIM wins this confrontation and forces Wilson to resign," said Mrs. Peake, "they'll be able to gain control of every reservation in the country. The majority of the 800,000 or so American Indians will think AIM has government sanction.

"When you look at the federal money they've been able to get and practically burn up, it's not hard to believe that Indians believe that right now," she concluded.

THERE IS NO DISTORTION IN THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, my esteemed colleague, Mr. ERVIN, the distinguished Senator from North Carolina, presented on March 13 an extended discussion of the reasons the United States should not be a party to the Genocide Convention. Seven points were raised in this discussion, and I feel it my duty to rebut these seven points during the next several weeks and to demonstrate persuasively that we should indeed ratify this convention.

The first point raised by my distinguished colleague is an alleged distortion of the concept of genocide as embodied in the language of the convention. The discussion alleges that—

> This distortion and perversion of the plain concept embraced in the word "genocide" represents an effort on the part of the drafters of the convention to make punishable either in the courts of an adherent to the treaty or in an international tribunal . . . all of the acts enumerated in articles II and III of the convention. Since an intent to destroy a single person belonging to one of the four designated groups—national, ethnical, racial, or religious—would subject an official or individual to punishment, the treaty would make virtually every person in any nation adhering to it a potential victim of genocide as the meaning of that term is distorted and perverted by the convention.

In fact, Mr. President, this argument is a restatement of one commonly brought against the convention; namely, that the phrase "in whole or in part" contained in article II of the convention might be construed to make the killing of one or several members of any identifiable group an act of genocide.

Just as this argument has been raised many times, so it has been successfully rebutted each time. Article II defines genocide as the commission of certain enumerated acts "committed with the intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such." Diplomatic and legislative history shows that the addition of the words "in part" does not leave the convention open to the objection cited earlier.

The key to understanding the words "in part" is to remark that the article is referring at this point not to destruction of groups, but to the intention to destroy these groups. It is, therefore, clear that individual or isolated instances of killing would not come under the purview of the convention unless the intent to destroy a national, religious, ethnical, or racial group as such is proved. If such intent is not proved, the killing of isolated individuals cannot conceivably be regarded as genocide within the meaning of the convention. The distinguished Senator from North Carolina would have us believe that only annihilation of a group should qualify as genocide; the convention adds the important stipulation that acts done with such intent, even though not successful, should also qualify as genocide.

Mr. President, I believe this disposes of the first of the seven points against the Genocide Convention made by the distinguished Senator from North Carolina. In the next few days, I will continue to rebut the rest of these points, as part of my continuing efforts to persuade this body to ratify the convention without delay.

FOOD PRICE INCREASES

Mr. THURMOND. Mr. President, I rise today to discuss a topic of immediate importance and great concern to every American—the high cost of eating. In recent months, rapid increases in food prices, especially meat products, have forced the American consumer to tighten his belt buckle and pinch his pennies.

Many consumers across the Nation,

frustrated and helpless in the face of skyrocketing prices, are boycotting meats as a protest. Others are being forced to forgo purchasing meats altogether, and are relying on other protein sources such as fish and cheese. Although all consumers are feeling the effects of these high prices, the elderly and those living on fixed incomes are the ones most adversely affected.

Moreover, we are told that the situation is likely to get worse before it improves. The Labor Department predicts that food prices will advance a full 6 percent for 1973. If this prediction is accurate, this will be the greatest rise in prices since 1951, when prices soared 11 percent. A 6-percent increase this year would mean that food prices would have jumped 43 percent since 1962.

Mr. President, I believe there is one point on which we all agree—this is an intolerable situation. We all concur that steps must be taken to correct it, and the only question is how.

I believe that too many have been too quick to criticize. Some would have us believe that President Nixon is the culprit behind the rise in food prices. Some talk as if the President only had to wave the magic wand and food prices would revert to reasonable levels. But a close analysis of the matter clearly indicates that the events which caused this drastic increase are very complex and often unforeseeable. Although I do not have a simple solution, Mr. President, I would like to point out a few facts which may serve to put the matter into proper perspective.

First of all, let us look at the brighter side. The average American spent just about 16 percent of his total disposable income on food last year. This compares to 23 percent of income budgeted for food 20 years ago. So it can be said with some degree of academic preciseness that food is a better bargain today than in 1952.

But, practically speaking, this is little comfort to the consumer who has helplessly watched food prices soar in recent months. Last month alone, the national cost of food increased 2.3 percent, the largest monthly growth in 20 years. Wholesale prices climbed 1.9 percent last month. If the wholesale prices of processed and raw food continue to climb as they have this year, the annual rise will be more than 50 percent by December.

As I said, Mr. President, these increases are being brought on by many factors—some uncontrollable. To make my point, let me review briefly the circumstances which were primarily responsible for the beef price increases. In 1970, cattle supplies were already relatively low. Severe corn blights and droughts across the country rapidly increased the cost of feed. Farmers had to pass along this increase when the cattle were brought to market. Moreover, many were discouraged from building up their stock because the rising feed costs could eventually put them out of business. This was occurring when the Nation was generally experiencing an upturn in the economy. In other words, more people had more money to spend. As a result, consumer demand for beef was far greater than the supply and the cost of beef shot up.

The President is being urged to enact Federal price controls on all raw agricultural products. To his credit, he has wisely resisted this approach. Controls would not encourage producers to increase their supplies. Decreased supplies would be a real possibility and this would ultimately lead to even higher prices and the rise of the black markets.

Aside from this, the logistics of strict controls on raw products would call for thousands of inspectors scrutinizing thousands of farmers, producers, and distributors. Secretary of Agriculture Butz says this would be an impossible situation and I concur. It should be noted that controls were rather effective during World War II largely because of patriotic incentives. After the war, however, the controls lost their effectiveness.

I agree with the President's moves to keep close tabs on food as it goes through the processing and distribution channels. Food distributors and processors should be allowed to make an adequate profit. But the administration should be very adamant in demanding that the profit margins stay within bounds which would not contribute to further inflation and unnecessary price hikes. Controls are unnatural in our society and I look forward to the day when they can be lifted. But that day will come only when each individual and each company responds to economic pressures reasonably and in a manner which is in the best interest of all.

The fact that food is a necessity creates the economic condition where demand cannot exert the needed pressure on supplies in the short run. This situation suggests a void in the free enterprise market which must be filled by a strong, responsible Government. In this unique situation, we must all make sacrifices for the good of our economy.

I have today sent a telegram to President Nixon asking him to investigate and undertake a three-point plan to stave off this situation for the next 12 months. I suggested that his plan contain: First, a mandate to the Secretary of Agriculture to submit proposals to Congress which would have the effect of increasing the supply of foodstuffs; second, a mandate to the Director of the Cost of Living Council to promulgate stringent regulations to limit all unjustifiable increases in the cost of processing, transporting, and marketing foodstuffs and to use all available resources to monitor the adherence to these regulations; and third, a directive to the Adviser for Consumer Affairs to undertake an immediate program to educate the public on food-purchasing priorities which could reduce demand on scarce commodities.

I join the President in urging every American to participate in the fight against high food prices. As the administration attempts to increase the supply of food products, the consumer can help by decreasing his demand for scarce products. All of us—the farmer, the processor, the distributor, and the consumer—are in this fight together. Cooperation and understanding are the key to halting price hikes. We may have to make some sacrifices for the next few months, but we will all benefit in the end.

NATIONAL GROWTH

Mr. STEVENSON. Mr. President, our country has come late to the realization that haphazard growth and development threaten the quality of American life. Title VII of the Housing and Urban Development Act of 1970 set forth for the first time some guidelines for a national growth policy and mandated the President to submit a biannual report on growth to the Congress. The Housing Subcommittee on which I serve will soon commence hearings on housing and urban development legislation and it is likely that title VII will undergo review and strengthening. In this regard my distinguished colleague, Senator VANCE HARTKE, has recently published a comprehensive analysis of national growth policy in the Catholic University Law Review. Senator HARTKE's article will be of great assistance in the subcommittee deliberations and indeed ought to be required reading for anyone concerned with developing a more rational growth policy. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOWARD A NATIONAL GROWTH POLICY

(By Senator VANCE HARTKE)

Can one live in a society that is out of control? That is the question posed for us by the concept of future shock. For that is the situation we find ourselves in. If it were technology alone that had broken loose, our problems would be serious enough. The deadly fact is, however, that many other social processes have also begun to run free; oscillating wildly, resisting our best efforts to guide them . . . Urbanization, ethnic conflict, migration, population, crime—a thousand examples spring to mind of fields in which our efforts to shape change seem increasingly inept and futile.—A. Toffler, *Future Shock*, 446 (1970).

INTRODUCTION

Alvin Toffler describes "future shock" as the shattering stress and disorientation induced by too much change in too short a time.[1] But what awaits America in the wake of its exponential rate of change and growth is not only future shock, but the end of existence as we know it.

America is beset by a number of problems that continue to grow more rapidly than the government's ability to limit or contain them. Since 1900, the country has undergone a demographic revolution. In terms of total numbers, our population has increased from 76 million in 1900 to almost 205 million in 1970.[2] This represents an additional 129 million people that our society has been called upon to accommodate over the past 70 years. By the year 2000, the population will soar to between 270 and 320 million.[3]

More alarming is that America, as a metropolitan nation, will see an even greater population increase in the urban areas. By 2000, present trends will concentrate 83 percent of the population in the ten largest urban regions occupying one-sixth of the national land area.[4]

Can our society cope with these enormous increases in population and the resulting changes in settlement, land use and resource consumption?

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These massive increases and concentrations of population will test the nation's ability to preserve the quality of the environment and could nearly deplete our natural resources.[5]

Along with these problems, however, will come an even more serious threat—the increasing separation of black and white citizens in the nation's cities. In 1960, 78 percent of all minorities residing in metropolitan areas lived in the central city.[6] With a projected increase in dispersal of blacks, there will be some change in this concentration, but by 1985, three out of every four urban blacks will still live in the central city. In contrast, in 1960 almost one half of all whites in metropolitan areas resided in the central city. By 1985, seven of every ten whites in metropolitan areas are expected to live in the suburbs. Thus, the basic conclusion of the Kerner Commission Report—that "our nation is moving toward two societies, one black; one white—separate and unequal"—will have been proved accurate.[7]

The vast national expansion into the suburbs generating racial polarization in our metropolitan areas is not due solely to population increases and decreases but also to migration. This migration is reinforced by the relocation of many corporations and governmental facilities—and the jobs they bring—to the suburbs.[8]

The suburbs have also contributed to the disjointed growth of our metropolitan areas into increasingly segregated and financially unbalanced sectors through exclusionary zoning—precluding lower income people and other minorities.[9] Still another cause of this social and economic imbalance arises because local public services depend so heavily on locally raised revenues produced by locally applied taxes, principally the property tax.

Land use, especially in our metropolitan areas, is another example of tremendous waste and mismanagement. Even though "land is our most valuable resource," [10] long-term decisions in this field have been made on the basis of expediency and short-term economic considerations. Mountains have been carved by strip mines, wet lands dredged and filled, and suburban sprawl allowed to profligate. Once land is committed to a specific use—be it social, economic, or environmental—it may be impossible to use it differently in the future.

Today, the effects of the misuse of the environment and uncontrolled growth are only just beginning to be felt and understood. This country, its character, and its people have developed, in large part, because of our abundance of natural resources. Perhaps, then, our reckless growth and environmental misuse of our natural resources can best explain the source of the social problems that confront the nation today. Controlling the nation's growth is not only an end in itself, but the key to understanding the future of American domestic policy.

Only if we examine our past mistakes and try to understand the full ramifications of uncontrolled national growth, will we be able to bring sense to our government's domestic policies and practices. It is imperative that we act now to adopt a national growth policy which will both protect our heritage of irreplaceable values and provide guidance for future national development.

It is the purpose of this article to determine why the necessity for a comprehensive national growth policy has arisen and the shape that policy should take in guiding this nation's future.

EARLY HISTORY

To comprehend the dilemma the nation presently faces in an era of almost uncontrolled growth, an historical examination of how America planted the seeds for future chaos is necessary.[11]

The debate over national growth and development began with the controversy concerning the utilization of public lands in the Constitutional Convention of 1787 when the original states ceded their claims to western frontier land to the new central government.[12] The question presented was whether the ceded land, and any to be acquired later, would be used for the benefit of the separate states, the central government, or individual settlers. The resolution of this question would shape the character of American life.

The debate was prompted by various pressures upon the Congress during the critical period following the Revolution.[13] First, Congress, without means of securing revenue, had promised land to soldiers in payment for their services. Second, the national government desired to utilize the rich frontier territories in the public benefit, while providing adequate defense against the Indian tribes. Further, a uniform system of government was essential for the orderly maintenance of the newly-acquired lands. And, finally, the country was confronted with the pressures from immigration and inadequate housing in the nation's cities.

The result was the first rural development act, the Land Ordinance of 1785,[14] which provided for an accurate survey, recording, and uniform requirements for townships, in the first national attempt to distribute public land.

After the adoption of the Constitution, the federal policy towards national development was modified by the use of a credit financing system and by allowing money from land sales to be used by the newly created western states. Settlers were encouraged to purchase public lands in the belief that this would spur development and increase the value and utility of the remaining lands.[15] Subsequently, the national policy shifted from one of sale to private citizens, to one of donation of land to the new states. The new states, in turn, sold or ceded the land to private citizens. One result of this state administered program was the monopolization of vast tracts of land by private individuals. By altering the earlier policy of raising revenue to one of donation, Congress stimulated the development of educational and transportation systems.[16]

The vast flow of settlers to the West, however, still preceded the development of the country in the 1800's. Despite the need for Congressional initiative, legislation generally echoed what had already occurred rather than what was needed to shape a futuristic national development policy.[17]

However, sentiment was growing for a new policy. The southern system of free land grants and the apparent ease of New Englanders in acquiring land ownership resulted in much dissatisfaction with the early federal land programs.[18] Consequently, measures to prevent the common practice of intrusion onto public land before the land was surveyed and readied for sale were largely ineffectual and the federal government was often compelled to legitimize earlier trespasses upon its land.[19] The demand for systematic land reform continued to grow.

The reform took its shape in the Homestead Act of 1862,[20] which offered 160 acres of surveyed public land free to anyone who would reside upon it and farm it. Two underlying theories were central to the Homestead Act. First, [t]hat the free grant to actual settlers, in consideration of the expenses they incur in making settlements, . . . which are usually fully equal to their actual cost, and of the public benefits resulting therefrom, . . . is a wise and just measure of public policy. . . .[21]

And, further, [t]hat all men have a natural right to a portion of the soil; and that, as the use of the soil is indispensable to life, the right of all men to the soil is as sacred as their right to life itself. That the public lands of the United States belong to the people and should not be sold to individuals nor granted to corporations, but should be held as a sacred trust for the benefit of the people, and should be granted in limited quantities free of cost, to landless settlers.[22]

While homesteading did not preempt other federal land policies as its sponsors had hoped, it did result in grants to settlers of almost 300 million acres of public land and served as a major impetus to westward migration.[23]

Another key to the rapid development of the West—was the system of land grants to the railroads. The earliest railroad grants, including grants of land in aid of construction as well as rights of way or easements, were made directly to the states on behalf of the railroads.[24] Later, however, Congress determined that this indirect subsidy made federal control impractical, henceforth, grants were made directly to the railroad companies.[25] It seems clear that Congress, in its desire to develop the West, was overly beneficent to the railroads. In his famous novel, *The Octopus,* Frank Norris described the railroad's looting of the federal government's treasury and the ruin of many small farmers in the West.[26] The companies advertised extensively in Europe and the eastern United States encouraging many settlers to buy and develop lands in the West. The rail system which emerged united new undeveloped areas with the commercially established East, resulting in economic expansion on a national scale.[27]

The demand for reform increased and, in 1877, resulted in the Desert Land Act.[28] The Act gave the Secretary of the Interior the authority to withdraw irrigable land from disposal or market processes until irrigation works, financed by the Federal government, were constructed. Even though much of the land came into the hands of large growers, this was another incentive to development.[29]

Even at the height of economic pressure for increased land development on the frontier, a few voices were raised against the rapid depletion of the nation's resources and the need for better land management. Some were upset with the large private land holdings that had been carved out of the public domain.[30] Others were alarmed at the tremendous decrease in the amount of federal lands, with only half of the original public land under state or private control by 1900.[31]

Very little concern was given in our early "growth" policies to the specific physical characteristics of land or of its suitability for private uses. It had been assumed that the whole purpose was to transfer public lands to private hands as quickly as possible, with little attention given to the kind of private ownership that developed. The cycle of clearing land, cultivating it until it was exhausted, abandoning it, and moving westward to clear new land continued throughout the 1800's. The result was that vast areas of land were cleared, forests were destroyed, erosion occurred, and the seeds for environmental disaster planted. But the general public was quiescent, as yet unconcerned with the misuse of the land.[32]

Eventually, the growing public awareness of the disaster led to Congressional action. In 1891, the Forest Reserve Act [33] authorized the President to reserve from disposal public land wholly or partially covered by large stands of timber. The land disposal policy of the 19th century was further modified, if not eliminated, with the passage of the Taylor Grazing Act in 1934.[34] Aimed at alleviating the steady deterioration of western range land, it authorized the Secretary of the Interior to establish grazing areas on the remaining public domain and to issue permits for their use. More importantly, a subsequent amendment directed the Secretary to classify 150 million acres of public land according to their most suitable use.[35] Once classified, the land would be marked either for retention or

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disposal. The retained land would be subject to intensive control by the government, which was to consider the best utilization of the land in light of competing demands for its use.

In the East, modern urban land use regulation began in New York City in 1916, when Fifth Avenue merchants became alarmed at the pace of encroaching industrial development on the downtown shopping area.[36] As originally conceived, zoning was a radical departure from traditional notions about private property use, which previously had been limited by little more than the law of nuisance.[37] By 1922, reformers had persuaded the federal government to propose a Standard Zoning Enabling Act as a guide to the states.[38] Many states responded with alacrity by enacting laws which authorized local governments to classify and control land uses according to a comprehensive plan.[39] The main concern of these laws was to create local regulation with little state oversight. The constitutionality of the new technique was tested and upheld in 1926 by the United States Supreme Court in the historic case of *Village of Euclid v. Ambler Realty Co.*[40]

The nation did not experiment with national central planning until prompted by the depression eight years later. In 1934, an Executive Order [41] created the National Resources Board to: (a) gather, prepare, and provide the President with recommendations and information that would be helpful to the planned development and use of land, water, and other natural resources; (b) consult and cooperate with federal, state, municipal and private planning and research agencies in carrying out its duties; (c) make note of all proposed federal projects involving the acquisition of land and land research projects; and (d) in an advisory capacity, provide agencies with information or data pertinent to their projects. All executive agencies were to inform the Board of projects before actual work was undertaken.[42]

Advisory committees were formed and, on the national level, the Board began planning and coordinating a national public works program. The Board also considered population trends, how to deal with the redistribution of economic opportunities, and the future availability of water and mineral resources.

While planning for the use of various resources was included within the scope of the Board's activities, land planning was a major aspect. In an early report,[43] the Board's committee on land planning concerned itself with the retirement of submarginal lands, resettlement policies, programs for national parks, irrigation of western lands, wetlands, and the effect of tenancy as contrasted with ownership on land use patterns. In cooperation with the pertinent federal agencies, work was also done on agricultural land resources and requirements, soil erosion, forest resources and demands, government land policies and problems, open space preservation, and the general inadequacies of land use planning.[44] The activities of the Board were progressive, creative, and controversial.[45] Despite repeated statements that the Board's function and intent was to be only advisory, agencies of the federal government, then as now, jealously resisted coordination and interference with their own projects. The Board was dissolved in 1943.[46]

The National Resources Board had set a good example. Other agencies of the federal government soon acted upon some of its conclusions and crossed the traditional barrier of assumed state power by directly involving themselves in city and regional planning and building. Indeed, under pressure from the depression, both state and local governments invited such action. The Public Works Administration [PWA] not only financed construction of schools, sewerage systems, bridges, roads and dams, but also took over the construction of housing for low-income people.[47] PWA bought sites, drew plans, built the houses and, where necessary, used the politically acceptable power of eminent domain.

The Resettlement Administration initiated America's most far-reaching regional planning project in developing the Tennessee Valley Authority [TVA] to prevent floods, provide soil and irrigation control, furnish cheap power, and develop recreational facilities.[48] The TVA received the active support of state conservation, health, and highway departments.[49] Senators who historically had strongly expounded "states rights" defended federally-initiated public works, including housing.[50] The authority for such projects was assumed to proceed from the general welfare clause of the Constitution.

GROWTH OF LOCAL LAND USE REGULATIONS

In the years following the dissolution of the National Resources Board, most of the policy affecting national growth developed at the local level and dealt with "land-use" concepts.[51] States were primarily responsible for regulating development, although, in most cases, authority was delegated to local governments. Various tools, generally ineffective, were used at the local level in an attempt to control and guide development.

A major method of persuasion was the exercise of the state's police power in the form of a wide array of land use and development devices designed to protect the welfare of the general public by limiting the free use of private property rights. However, a fatal flaw of the police power is that it's application is subject to constant change, often resulting in limited, short-term results and effects.

Zoning was the primary police power used to control growth and development.[52] It classifies and segregates the land according to the permitted uses. Although it worked in well-established communities where there was little land speculation or pressure for new commercial facilities, it had less successs preserving open space and channeling growth.[53] While zoning could implement sound development plans, it usually was honored in its breach by the excessive granting of variances or amendments once the pressure of development became too intense.

Zoning was often employed to enforce racial or economic segregation and exclude undesirable industrial and commercial newcomers.[54] In such communities, this method of zoning was defended on the grounds that the development would cost more in municipal spending than it would pay in property taxes.[55] Quite often, then, apartments, public housing, and even one-family homes on small lots were proscribed.

Another tool for regulating growth was found in subdivision controls.[56] They comprise all of the local regulations and ordinances that inform the land owner what he can and cannot do in developing his land.[57] Often, these controls lead to both excessive economic benefits for the developer and unattractive developments with uniform setback and lot size, unimaginative street patterns, and little provision for open space or for commercial facilities within walking distance of homes.[58] However, subdivision controls could have been used to encourage cluster development, open space preservation, planned unit development, and other imaginative innovations which can bring a new sense of community and progress to an area. The flexibility of subdivision controls allows potential sophistication in the development of urban and suburban areas.[59]

Before water and sewer service can be extended to new housing developments, most regulatory bodies require certification that public capacities are adequate to supply the services and that equipment and other facilities on the property meet local specifications.[60] When combined with adequate control over the use of wells and septic tanks, these permits can dictate the direction and speed of urban growth. Nevertheless, sewer and water lines today are often installed, in a response to already uncoordinated and conceived development.[61]

Covenants, conditions, easements, and similar restrictions on property use comprise a special set of land use devices which traditionally have been employed by neighborhood and private groups to protect land from commercial, industrial, and undesirable economic or racial groups.[62] These devices can be tailored to specific goals, are well established in the law, and continue their effect, even if the property is sold.[63] With a national policy on growth, these private agreements might be given better effect.

Sometimes state governments and the federal government require permits for certain activities on land.[64] Although the control of individual land use decisions regarding private land is essentially local, and varies widely, these permits may influence major growth patterns and economic development. Federal permits are issued when public lands are involved. Leases, use permits, and licenses are granted to extract oil, gas, coal, and certain other minerals and for grazing, recreation, and timbering.[65] These permits not only affect the public lands but also may influence the use of nearby privately owned land. The permit power of the Army Corps of Engineers is an important tool in land use decisions affecting navigable waters across the country.[66] Some states have enacted legislation requiring permits for activities that might cause damage to wetlands or other critical environmental areas.[67]

The local property tax has long been another important influence on growth and development. An important factor in the decline of social services in some cities has been the loss of actual and potential tax revenue when residential, commercial, and industrial development relocate in the suburbs.[68] With strict zoning and subdivision controls, many suburban jurisdictions exclude all but those who will add more to their tax base than they will require in municipal expenditures. Rather than finance activity for the benefit of all people in an integrated urban complex, the property tax has encouraged local isolation from regional land use problem.[69] Although assessment procedures have improved in many municipalities, more reform is necessary for a fair distribution of the tax burden. At present, land and improvements in urban areas tend to be undervalued.[70] Consequently, land owners in urban areas are discouraged from restoring structurally sound buildings or replacing deteriorating ones with new structures, because such improvements will raise the taxes disproportionately. In developing urban fringe areas, low taxes on raw land have encouraged speculative purchase and leapfrog development.[71] Few regions have effectively exploited the interrelationships of zoning, subdivision controls, and other land use devices with property tax policy. The local property tax could be a constructive means to encourage cluster development and open space preservation. Special tax treatment for commonly owned open space and community facilities also encourages protection or enhancement of the land.

The central problem in employing these devices has been public distrust of planning. The public often fails to understand that a comprehensive plan is a living, changing mechanism, and not a static set of maps.[72] Many citizens believe that the planning process has ended when the municipality approves a master plan. A comprehensive zoning policy must accompany any master plan to efficiently effectuate its purposes. The period of time required to prepare land use plans for large metropolitan areas has caused

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many citizens to regard planning as an academic exercise. Often this feeling is only strengthened by those planners who ignore the opinions of local residents. However, growing numbers of cities and metropolitan regions have implemented innovative programs as planners begin to take greater cognizance of public attitudes and as planning is better understood by the citizenry.

Planning has also been criticized for its inability to influence important land use decisions. Although planning organizations are frequently pressured to conform their plans to unwise development, this is not necessarily the fault of the planning process. It may be caused, instead, by the inadequacy of institutional arrangements formed to implement the plan. In many localities, the planning function becomes little more than advisory, and the planning officials spend their time applying their own political pressure rather than planning.

Lastly, the planning itself is often inadequate. What should be "comprehensive" plans often deteriorate into a somewhat complementary set of specific functional planning goals for transportation, open space, schools, or some other single goal. In the process, rational perspective is lost and often inadequate, short-term solutions are proffered in place of more complex, long-range, comprehensive ones.

Most of these tools offer some promise of playing an integral part in the construction of a national growth policy. The deficiency in the techniques of local land use regulation has been a lack of commitment to their efficient, long-range, and comprehensive use. Unfortunately, the federal government's performance in this area has not been much better.

FEDERAL PROGRAMS IN AN ERA OF TRANSITION

Policies: Eisenhower to Johnson

In the early 1950's, there was a resurgence of activity identified with directing the nation's growth. When the Democratic Party captured control of Congress in 1954, Senator Paul Douglas, Chairman of the Joint Economic Committee, advocated the adoption of several growth measures: the establishment of a building program to improve the infrastructure and public services of communities with high unemployment; the creation of a federally supported industrial development corporation to supply inexpensive long-term credit to firms locating or expanding in these areas; the expansion of unemployment insurance coupled with measures for occupational retraining; and federal technical assistance for community planning of remedial measures. A bill incorporating these ideas was drafted in 1955 by Senator Douglas and others.[73] To gain additional political support, the bill also extended aid to low-income rural areas.

Despite this maneuver, the prospects for the legislation were dim. During periods of prosperity, there was little interest in the problem; and when unemployment was widespread, there was reluctance to allocate special resources for the poorest areas. Opponents felt these measures would simply sustain marginal economies and marginal firms and draw jobs away from other areas; instead, they preferred retaining measures and subsistence allowances to bring workers to new jobs.

Then, in 1956, largely because of increase in the already high levels of chronic unemployment in the depressed areas, the Council of Economic Advisors retreated from its previous position of opposition to one of measurement, development, and control of growth in specific areas.[74] Shortly thereafter, the Eisenhower Administration introduced a bill which provided for a revolving loan fund to assist new or expanding firms in depressed areas.[75] But both this bill and the one introduced by Senator Douglas were killed by the House Rules Committee. The same legislation came before Congress in 1957. Again, the bills were unable to muster support.

With the recession of 1957, however, interest in combating general unemployment was renewed. But, to the dismay of those who favored emphasizing the needs of the depressed areas, an attempt was made to substitute for their legislation a measure providing 2 billion dollars for the construction of community facilities throughout the country. After prolonged efforts and much maneuvering, the supporters of the Douglas bill were finally able to get their proposals through Congress[76]—only to have the legislation vetoed.[77]

The veto became a major issue in the 1958 Congressional campaign.[78] It was even partly responsible for the subsequent Democratic landslide, since there were mainly Democratic victories in the depressed area. This program was reintroduced at the next session of Congress, but, although trimmed down substantially in the scale of assistance offered, it was blocked, once again by a Presidential veto.[79]

By 1960, the issues had become prominent enough to play a role in the election of John F. Kennedy. The new President had long been a firm supporter of aid to depressed areas.[80] Kennedy was familiar with the depressed areas of Massachusetts, and the crucial primary campaign waged throughout West Virginia—one of the poorest states in the country—had profoundly sensitized him to the plight of families trapped in such environments. During the campaign, Kennedy pledged that, if elected, aid for depressed areas would receive first priority. Such legislation was, in fact, the first recommendation he submitted to the new Congress.[81] It was quickly passed in 1961 and differed only slightly from the original Douglas bill.[82] The program was assigned to a new agency, the Area Redevelopment Administration (ARA), within the Department of Commerce, with the expectation that both the Administrator of the program and the new Secretary of Commerce could be relied upon for vigorous support.

It had been a long struggle, lasting over five years, but now a bill to help the depressed areas had been enacted. Unfortunately, during that five-year period, the economic conditions at which the bill was directed had deteriorated.

Early Area Redevelopment Policies

The ARA was made responsible for determining area designations and grants of loans and subsidies and for administering all redevelopment programs. Since the budget and the legislation kept the size of its staff small, the ARA, whenever practicable, delegated key responsibilities to other agencies.

The new agency was given funds for inexpensive business loans.[83] These could be used to assist any businesses the ARA chose, provided that there was a reasonable assurance of repayment. To avoid charges of "pirating," the legislation limited the loans to firms which were not relocating from other areas and to firms whose expansion would not increase unemployment in the area of original location or in any other area where such entity conducts business operations.[84] These provisions restricted the loans largely to new activities or to firms establishing branch plants and to industries which were not operating below capacity because of growth prospects.

The ARA was also given funds for the construction of public facilities. Grants could provide up to 100 percent of the cost, if the ARA was satisfied that the projects could not be implemented without such assistance and that the communities involved were contributing as much as they could to the cost. The legislation required the communities to assess their future prospects, partly because the public facilities and training programs were supposed to be evaluated on the basis of these analyses. These assessments would be used in the preparation of an Overall Economic Development Program (OEDP), describing the main activities and trends of the area and its opportunities and problems.

In 1962, the ARA acquired responsibility for administering the Public Works Acceleration Act.[85] This was a short-term, anti-recession measure, effective until June, 1964, providing funds for public works projects. The main aim of this measure was speedy generation of the maximum number of jobs in the greatest number of areas suffering unemployment.

When the legislation was first introduced, about 70 depressed areas were intended to benefit from the program.[86] President Kennedy, however, thought the bill should also provide assistance for some 200 communities with stagnating economies. As part of the general effort to generate Congressional support, the criteria for eligibility were further relaxed. Eventually, the final version of the bill contained a clause which requested the ARA "to distribute the projects widely among the several States . . . in order that actual experience with this program may be had in as many States and in as many areas and under as many circumstances as possible."[87] Congress wanted to provide assistance for as many of the poorer communities with surplus labor as possible, not just the most needy; and the ARA wanted Congressional support. Therefore, all of the designated areas were made equally eligible. After two years of operation, the number of eligible areas exceeded 1,000 and these areas were distributed throughout the United States.[88]

The result was a scattering of resources over a large number of relatively small projects. Only 40 percent of total loan funds during the early years were invested in areas with excessive unemployment.[89] About two-thirds of the projects and investments made were allocated to smaller urban areas and rural communities with populations of less than 50,000.[90]

Despite the difficulties which were besetting the fledgling program, the ARA's primary aims were consistant with the goals set by President Johnson for his administration. Therefore, rather than eliminating the program, an attempt was made to modify the workings of the ARA through the passage of the Public Works and Economic Development Act of 1965.[91] As an expression of administrative confidence, appropriations for the ARA were more than doubled and its staff increased. In addition, ARA was given a new name—the Economic Development Administration (EDA).[92]

The most significant legislative changes to effect the nation's growth and development were in the definition and organization of the areas which might receive assistance. The new act set up larger districts and regions and reduced the number of designated areas. Equally important was the conscious attempt to devise a general development strategy. The administrators tried to persuade Congress that economic assistance was most effective "in areas which (were) in relatively better economic health."[93] A strategy based on a comparatively small number of growth centers was considered the key to spurring desired effects throughout an entire region.

The smallest planning unit under the 1965 Act was still the redevelopment area, with each state having at least one such area.[94] To be eligible for assistance, an area had to demonstrate substantial and persistent unemployment and either median family incomes not greater than 40 percent of the national median or a substantial loss of population due to lack of employment opportunities.[95] An area might also qualify for aid if it was experiencing severe economic distress or an abrupt rise in unemployment because of the closing or threatened closing

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of a major employment source. Finally, areas with substantial unemployment could also receive help even if not otherwise qualified.[96]

The multi-county Economic Development District (EDD) was the intermediate unit in this system. A microregional organization, the EDD was to serve as the basic unit for planning the growth of a depressed area within a state. Like the redevelopment area, it was responsible for preparing an OEDP and it could obtain financial assistance from the EDA for planning, organization, and staff. Each EDD included at least two redevelopment areas and an urban center of less than 250,000 people. The choice of an urban center was critical. It had to have sufficient population, resources, public facilities, industry and commercial services to ensure that its development could become relatively self-sustaining and that its growth would help alleviate distress in the redevelopment areas.

To supplement these units, the 1965 legislation also provided for the establishment of regional planning commissions for redevelopment regions involving several states.[97] The jurisdictions of the commissions were larger than those of the other administrative units, but the jobs were essentially the same: to evaluate the best investment and implementation growth strategies for their regions and to utilize effectively the technical assistance and economic subsidies made available to them through the EDA.[98]

Although EDA's dominant concern remained the depressed region, it also began to deal with poverty areas in the big cities. The agency financed some research on job creation strategies and methods by which federal policy could help distressed areas. It also urged its regional commissions to press for more federal spending in their regions and to recommend the most effective deployment of federal expenditures made available to them. It not only examined appropriate national policies for regional development, but even began to discuss building new cities or expanding existing ones.

Deficiencies

The inability of the old ARA to deal effectively with depressed areas on a county basis had led in a relatively short time to the creation of larger planning jurisdictions: the multicounty district and the multistate region. The central city had also been identified as a lagging region for which the tools of the 1965 Act might be used. In addition, the ARA-EDA had begun to accumulate evidence designed to persuade Congress that "separate and unrelated projects" did not work and that jobs could not "be brought to every village and hamlet in the United States." [99]

One problem facing the agency was the poorly defined relationships between the planning and the implementation mechanisms. The jurisdiction of the areas overlapped and the basis for resolving conflicts in development policies was obscure. The various limitations placed on the different organizations made them better able to discuss problems than to act on them. Even if imaginative plans were agreed upon, there were no adequate instruments, either public or private, to carry out development in the proposed growth areas.

Perhaps the most serious difficulty of all was the inability of the policymakers to attack the problems in the most critical areas—the metropolitan regions. The EDA was unable to extend aid to more than a few cities because the definition of a redevelopment area was still based on the existence of high unemployment; this definition, unfortunately, excluded most cities, where high unemployment in the business and industrial districts balanced low employment in the ghettos.[100]

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Nor was EDA able to come to grips with the issues raised by the migration of the black population from the South and the growth of ghettos in the central cities of the North. The failure to stress the interdependence of these issues led to the EDA's neglect of what might have been one of its most important responsibilities—the transformation of the economy of the Nation's most critical region, the deep South. Aside from the racial issue, it was the South's lack of prospects for the black worker—in agriculture and in the southern cities—which accounted for the black migration to northern cities.

Unfortunately, the desire to rise to the challenge was frustrated by the inability to do so. Little could be done, as long as the government's financial ability to act was substantially impaired by its growing commitment to the war in Vietnam. Nonetheless, key advisors of the administration, anxious to do something, turned their attention to the conditions of life in the ghettos. Such resources as were available were put into comprehensive programs for improving specific ghetto areas and to provide further incentives for building large subdivisions and new cities in the metropolitan regions. The Demonstration Cities and Metropolitan Development Act of 1966 [101] and the Housing and Urban Development Act of 1968 [102] were the principal new tools designed for these ends.

Under the Model Cities program authorized in the 1966 act, a city could experiment with solving the physical, economic, and human problems of the disadvantaged in one of its blighted areas. It could apply all of the tools and funds available under past and current legislation for planning, housing, urban renewal, job training, education, recreation, health, and welfare. The aim of the Model Cities program was to develop a broad, flexible approach utilizing existing agencies and shaped by the citizens directly affected. To encourage further experimentation, HUD financed studies by independent consultants to propose changes in every aspect of urban problems.[103]

In 1968, Congress expressly provided for enough federally guaranteed funds to cover major costs until the development could generate income from the sale of lots, homes, and non-residential properties.[104] Aside from the desire to attract private capital, the legislation had two other aims:

"To assure future outlets to the suburbs for the black population and other minorities and to provide additional ways of accommodating the vast increase of population that the cities would have to accommodate in the future." [105]

The programs were ambitious but were, nonetheless, overwhelmingly inadequate.

In response to these deficiencies, the Advisory Commission on Intergovernmental Relations [ACIR] [106] produced a classic work on growth and development policy that was to guide the advocates of such a policy for most of the next decade. The report was entitled, *Urban and Rural America: Policies for Future Growth*.[107] The Commission examined recent patterns of urbanization and economic development in the United States and the relationships between the two. Both private and public influences on the geographic distribution of economic activity were analyzed. The major consequences of the increasing concentration of population in metropolitan areas and the concomitant loss of population and industries in many nonmetropolitan areas were analyzed. Some of the limitations inherent in traditional patterns of urban development were explored. Special attention was directed at the potential of some of the newer types of large-scale development, particularly new communities, in the hope that they could inject a greater degree of order into the future growth of the nation's urban areas.

The Commission recommended the development of a national policy to deal with urban growth,[108] including a re-examination of multi-state regional planning areas and agencies, and a new and expanding role for state governments through the development of state urban development plans.[109]

The Commission also suggested a number of measures that should be considered as possible elements of national, state, and local urban growth policies including locational incentives for government and private facilities, assistance for large-scale urban and new community development, improved land use planning and regulation, and strengthening local government to deal with urban growth. The report stressed the necessity of including the private sector of the national economy in these governmental efforts.

An immediate and significant result of the ACIR report was the Intergovernmental Cooperation Act of 1968,[110] which sought to coordinate federal programs with state and local government planning. Two titles of the Act are noteworthy. Title IV encouraged the President to establish rules and regulations to coordinate grants from the various federal agencies to the local governments to make them more consistent with regional and local desires.[111] Title VIII, the Federal Urban Land-Use Act, required federal agencies to coordinate land acquisition, disposal, and change of use in urban areas with local plans.[112]

The Nixon Years

The new administration, searching for ripe ideas to implement, hit upon the formulation of a national urban policy as both a logical next step and as a means of underscoring the failings of the previous incumbents. Even a Republican administration, committed to the rhetoric of decentralization and minimum federal intervention in American life, was able to reconcile its traditional shibboleths with the demands of an urban strategy.

The Urban Affairs Council and Other Developments

The first act of the Nixon administration was the establishment of an Urban Affairs Council. Executive Order No. 11,452, issued on January 23, 1969, noted that:

"The American national government has responded to urban concerns in a haphazard, fragmented, and often woefully short sighted manner (as when the great agricultural migrations from the rural South were allowed to take place with no adjustment or relocation arrangements whatever). What we never had is a policy: coherent, consistent, positive as to what the national government would hope to see happen; what it will encourage, what it will discourage.

"Having a policy in urban affairs is no more a guarantor of success than having one in foreign affairs. But it is a precondition of success. With the creation of the Urban Affairs Council we begin to establish that precondition: the formulation and the implementation of a national urban policy." [113]

The Council, presided over by the President, included the heads of various federal agencies and departments. While it was committed to coordinate programs and to facilitate decentralization and intergovernmental cooperation, the functions of the new council were vague enough to provide ample scope for its efforts. The Executive Order had asserted that:

Policies concerning urban affairs shall extend to the relations of urban, suburban and rural areas, to programs affecting them and to the movement of population between them.[114]

It had further specified that the main function of the Council was to:

Assist the President in development of a national urban policy, having regard both to immediate and to long range concerns, and to priorities among them.[115]

This policy's architect in the early Nixon years was Presidential Counselor Daniel Moynihan, who had written a noteworthy article on the topic in early 1969. The article described the fundamentals of a national urban policy and propounded what became known as a ghetto dispersal policy.[116] The fundamental tenets of this program were the dispersal of both poor and blacks throughout metropolitan regions and the equalization of social services in urban areas. To accomplish this goal, fragmented governmental authority had to be reorganized and consolidated, fiscal vitality of urban government restored, and specific attention had to be given to migration and settlement policies. Moynihan's approach called for increased participation by state governments, better research on urban problems, and renewed concern for the quality of the urban environment.

Also incorporated into the Moynihan urban growth policy were the writings of Harvard economist John Kain. Two of Kain's articles were widely circulated in the White House and the Administration. His "Postwar Changes in Land Use in the American City" contended that the location of spatial distribution of employment is the most important determinant of urban form or structure and that changes in the location of industry are the principal determinants of change in urban form.[117] In "Alternatives to the Guilded Ghetto", Kain criticized many central city spending programs for relying on a false analogy of the ghetto to an underdeveloped country in need of economic development.[118] Kain maintained that nothing less than a complete change in the structure of the metropolis would solve the problem of the ghetto. He advocated drastically expanding the supply of low-income housing outside the ghetto

A third significant development, during this same period, was that the mounting concern about the growth of the nation's population won new adherents for an urban and national growth strategy. The National Committee on Urban Growth Policy recommended building 100 new cities of about 100,000 persons each and ten major metropolitan areas averaging about 1,000,000 persons in accordance with expected rapid growth in our urban areas.[119] Yet, if this proposal were accepted, it would only accommodate "a mere one-fifth of the expected thirty-year increase." [120]

In late 1969, the first "true" bill advocating the establishment of a national growth policy, the Balanced Urbanization Policy and Planning Act, was introduced by Senator Edmund Muskie on behalf of the Advisory Commission on Intergovernmental Relations.[121] Muskie placed the bill in perspective by stating that:

> This bill serves as a follow-up to Title IV of the Intergovernmental Cooperation Act of 1968 . . . which deals with coordinating intergovernmental policy and administration of development assistance programs. More directly, it addresses the problem of urban growth documented in the report of the Advisory Commission on Intergovernmental Relations on "Urban and Rural America: Policies and Future Growth" and in the survey of "The New City" by the National Committee on Urban Growth Policy.[122]

The bill sought to initiate a process at the national level for formulating a coordinated planning policy. It was also designed to establish a complementary program of comprehensive planning assistance and requirements.

Under Title II of the Muskie bill, the President would assume planning, programming, and coordinating responsibilities in the urban growth area. The President would be required to submit annually to Congress an urban growth report. The report would include a summary of the problems and proposals for achieving more orderly and balanced urban development. A Joint Urbanization Committee would also be established in the Congress to serve as a major focal point for legisltaive analysis of the President's report.

Title III sought to develop an intergovernmental system of planning and coordination that would buttress the development of a national urbanization policy. The title featured two significant innovations.

First, responsibility would primarily be placed upon the states but direct federal-local action would be permitted to localities and areawide jurisdictions if this responsibility was rejected by the State. Second, funds would be allocated on a formula basis rather than on a statewide distributive basis of project-by-project.

Title IV was designed to deal with the lack of both uniformity and clear definition of the numerous planning requirements found in federal grant-in-aid programs, and with the failure, in many instances, to identify the jurisdiction responsible for planning. In an attempt to bring some order out of the confusion in this planning requirement, Title IV would codify the definition of comprehensive planning and standardize the functional planning conformance requirements in five program areas—water, sewer, and other public works facilities; public health services; transportation; open space and recreation; and water resources.

The next step forward on the long road to a coordinated growth policy occurred on July 24, 1969 when the President issued Bureau of the Budget (now Office of Management and Budget) Circular No. A-95. The Circular was aimed at promoting more effective coordination of planning and development activities carried on or assisted by the federal government. The major device was encouragement of systematic communications among federal, state, and local governments carrying out related planning and development activities. The Circular accomplishes this by implementing Title IV of the Intergovernmental Cooperation Act of 1968,[123] Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966,[124] and Section 102(2)(C) of the National Environmental Policy Act of 1969.[125]

The essence of A-95 is its Project Notification and Review System (PNRS), an "early warning system," to facilitate coordination of state, regional, and local planning assisted under various federal programs.[126] Coordination is sought through review of applications for federal assistance by state, metropolitan, and regional clearinghouses.[127] While clearinghouses are expected to have comprehensive planning capabilities or direct access to such capabilities in order to identify the compatibility of proposed projects to statewide or areawide plans, the "clearinghouse" aspect is equally important. For instance, a project which is not inconsistent with existing comprehensive planning may be in conflict with the programs of a particular state or local agency.

Thus, when an applicant sends a notification to the state clearinghouse, the clearinghouse will not only examine it from the standpoint of state comprehensive planning, but will also forward a copy of the notification to any state agencies having programs that might be affected. Notification is also given to specific local governments and agencies with similar programs.[128]

Numerous federal assistance programs require, as a condition of the assistance, submission of state plans of action.[129] A–95 provides state Governors with an opportunity to review such plans. Thus permitting the Governor to relate development strategies among the various federally-supported state programs to each other and to any overall strategies developed through the state comprehensive planning process.

A–95 also attempted to offset a growing tendency among federal programs to promote the establishment of regional planning activities that were uncoordinated—both geographically and functionally. In nonmetropolitan areas, this had caused a serious drain on already limited planning resources. In metropolitan areas, it had intensified confusion and lead to general duplication of effort. By encouraging the states to develop subplanning areas, A–95 sets the stage for a more complete geographic coverage of the Project Notification and Review System.[130] Applicants for federal assistance for activities planned on a multi-jurisdictional basis must also coordinate their planning with related programs in the area. This, of course, involves an identification of related activities, organizations, and coordinative agreements.[131] Such identification is essential to any systematic planning program.

In 1970, the President issued an Executive Order to require the General Services Administration and executive agencies to be guided by the policies of Title VIII of the Intergovernmental Cooperation Act of 1968 in the acquisition and utilization of land.[132] These agencies and departments are responsible for constructing installations throughout the country for research, national defense, and other purposes. The largest facilities are frequently placed in areas where the impact on surrounding land values and usage can be severe. Under the Executive Order the need for development and redevelopment of areas and new communities and the impact on social and economic conditions in the area must be considered. Government facilities are consolidated, where possible, and consideration is given to the availability of adequate low and moderate income housing. Facilities must be located in consultation with the State and local governments concerned. Federal agencies must coordinate and consult with each other concerning land needs.

THE ENVIRONMENT AND NATIONAL GROWTH

In the last decade, the rationale for a national growth policy has been based not only on economic development, ghetto dispersal, and better government coordination but also on environmental concerns.

In May 1969, President Nixon established the first organizational entity charged with taking a broad overview of environmental problems— the Cabinet-level Environmental Quality Council, chaired by the President.[133] It was still felt, however, that the Executive Office needed an independent organization concerned exclusively with environmental problems to propose new approaches for dealing with them. The Cabinet-level Environmental Quality Council was abolished by Reorganization Plan No. 2 of 1970, and was replaced by a Domestic Council in the Executive Office of the President. On January 1, 1970, President Nixon signed the National Environmental Policy Act.[134] That act established a national policy on the environment, placed new responsibilities on federal agencies to take environmental factors into account in their decision-making, and created a Council on Environmental Quality in the Executive Office of the President.

The act charges the Council with assisting the President in the preparation of an annual environmental quality report and in making recommendations to him on national policies for improving environmental quality. It gives the Council responsibility for appraising the effect of federal programs and activities on environmental quality.

The National Environmental Policy Act also requires federal agencies to take several significant steps. One is to include—in every recommendation or report on legislation and on other major federal actions significantly affecting the quality of environment—a detailed statement concerning the environmental impact of the action, adverse impacts that cannot be avoided, alternatives to the proposed action, the relationship between short- and long-term uses, and any irreversible commitment of resources involved. The

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detailed statements will include the comments of state and local environmental agencies as well as appropriate federal agencies with environmental expertise. The statements will then be made available to the Council on Environmental Quality, the President, and the public.

On March 7, 1970, the President issued Executive Order 11, 514.[135] Together with the two public laws, it empowered the Council to recommend to the President and to federal agencies priorities in environmental programs. The Council must also promote the development of indices and monitoring systems and advise and assist the President and the agencies in achieving international environmental cooperation. Taken together, the legislation and the Executive Order grant a broad charter to the Council. They also provide a mandate for reform in the manner in which federal agencies make environmental decisions—from initial planning to implementation.

The Executive Order further requires that federal agencies continually monitor their own activities to enhance environmental quality. The agencies must issue timely public information and conduct hearings, where appropriate, on federal plans and programs with potential environmental impact.

The evironmental statements required of the agencies add a vital step to the decision-making process. Federal agencies must now give full consideration to the environmental implications of their actions. This will permit federal, state, and local agencies to review the implications of federal action before the project is undertaken.

Thus, the federal government has begun to address itself to the environment as integral aspect of national growth and development.

On July 4, 1970, the Nixon Administration issued its first major report on proposals for national goals and growth.[136] The report was the work of the National Goals Research Staff appointed by the President. The Staff sought to forecast future developments, assess longer-range consequences of present social trends, measure the probable future impact of alternative courses of action, estimate the actual range of social choice, and summarize results of related state and federal research activities. The study concluded that "the major lesson to be extracted from the substantive problems reviewed here is the high desirability of an explicit growth policy with a relatively long-term perspective.[137]

In May 1970, the Administration also pursued its own policy efforts by establishing the White House Domestic Council.[138] The Council's principle functions are to define policy issues and devise proposals for dealing with them; to assess national needs; to provide the President with prompt advice in times of domestic crisis; to help set national priorities for allocating resources; and to maintain a check on programs and recommend reforms as needed. While its sole statutory mandate is the preparation of an urban growth policy report,[139] the Domestic Council has been inept in its efforts to guide, report on, and plan for national growth. This unfortunate state of affairs can be largely ascribed to Daniel Moynihan's departure from the Executive Department[140] and the resulting leadership vacuum.

A Congressional contribution, at least for urban areas, was the Urban Growth and New Community Development Act of 1970,[141] establishing a broad framework for a "national urban growth policy." The act called for the issuance of a biennial Presidential Report on Urban Growth, while providing new incentives for the development of new communities and inner-city areas. This statute was a partial response to the fragmentary way in which separate, but related, federal policies are now developed and implemented. Congress specified that urban growth policy should:

a. encourage the balanced use of physical and human resources in urban regions;

b. foster economic growth to reverse trends of migration which reinforce disparities among such regions;

c. treat comprehensively the problems of poverty and unemployment associated with disorderly urbanization and rural decline;

d. encourage equal housing opportunities for all;

e. revitalize existing communities and encourage planned, large-scale urban new community development;

f. strengthen the capacity of government institutions to contribute to balanced urban growth;

g. facilitate increased coordination in the administration of federal programs to encourage desirable patterns of urban growth; and

h. encourage the prudent use of natural resources and the protection of the physical environment.

The President responded to the Congressional Growth Report requirement by creating the Domestic Council Committee on National Growth Policy. During the last months of 1970, there was extensive debate and discussion over the course such a program should take and whether it should include ghetto dispersal and metropolitan housing plans.[142]

However, with the departure of Daniel Moynihan, expertise and leadership were missing, and the essential elements—ghetto dispersal and metropolitan housing plans—were dropped as "politically dangerous." The resulting policy was a patchwork of growth-related legislative proposals.[143] This patchwork policy was presented in a memorandum to the President from the Committee in late 1970.[144] The memo discussed alternatives and new areas of discussion related to growth policy. It debated a regional development approach as manifested in the Appalachian Regional Development Commission with a "growth centers strategy," selecting about 100 smaller areas with potential for growth or a need for development. Also advocated were location incentives for private industry to guide growth, a national development bank, a preferential procurement policy for "proper development," a federal facilities location policy, grants to universities in underdeveloped areas, and public land disposal for new town development.

By early 1971, Senator Abraham Ribicoff of Connecticut was appalled at the Administration's "benign neglect" and failure to develop a growth policy keyed to ghetto dispersal, the linking of jobs in the suburbs to the unemployed in the city centers, and metropolitan housing opportunities. Ribicoff's response was the Government Facilities Relocation Act of 1971,[145] which would require that adequate housing be available for low and middle income employees, both black and white, before a federal or state facility, or a federal contractor, could locate or expand in the community. At the same time, he introduced the Urban Education Improvement Act of 1971[146] as an incentive to suburban school districts, which felt that the provision of low and moderate income housing in their areas would cause increased taxes for the maintainance of existing levels of governmental services—particular in the area of education.

The remainder of 1971 saw little implementation, but debate increased over the manner in which the nation should fulfill its national purpose, while controlling its growth.[147]

RECENT HISTORY

An increasing but disjointed concern for developing a national growth policy has arisen during the last year. In February 1972, the President transmitted the first biennial report on national growth.[148] The report was the first of a series required by law, marking a significant milestone in the everexpanding role of the federal government in this area. Nevertheless, it was met with unfavorable reviews.[149] The most common criticism was that the report failed to face up to the dire need for an evaluation of priorities establishing broad national goals. Instead, the report questioned the very advisability of a comprehensive national urban growth policy and presented recommendations which were no more than a listing of President Nixon's legislative proposals for the previous year. This, of course, does not constitute a coordinated national growth policy.

Although it provided descriptive data on the distribution of blacks in metropolitan areas and their concentration in central cities, the report was eloquently silent about the nation's failure to provide equality of freedom for blacks and other minorities. For obvious political reasons, it failed to mention this administration's non-leadership with respect to integrated suburban housing.

Another deficiency of the report was the manner in which it glossed over any substantive consideration of the gross inequities of income distribution and poverty. Certainly any concerted effort to coordinate growth policies must be addressed to these essential issues.

In respect to the nation's housing, it is significant to note that, although a number of references were made to housing, nowhere did the report treat the problems related to the supply and quality of housing and to major housing policy considerations in the private and public sector. This omission is even more disconcerting in light of the fact that the report was required by Title VII of the Housing and Urban Development Act of 1970. It may be inferred from this "benign neglect" that the Administration's housing stance will remain one of promising much and delivering little.

In general, the study may be characterized as recognizing some problematic aspects of national growth, but avoiding the major problems confronting the nation. Moreover, its initiatives are, without exception, too little, too late, and too subordinated to the shackles of its 18th and 19th century value system. Its proposals are consistent with the Administrations racist "Southern strategy," frontier psychology, big business orientation, and constitutional constructionism.

In early March 1972, the need for control of national, and even worldwide, growth was documented by the publication of *The Limits To Growth*.[150] The book, prepared by the Massachusetts Institute of Technology, is a computerized forecast of doom. Basing its findings on a computerized prediction, the model investigates the growth of five major world factors—population, pollution, resources, food supply, and industrial output—and concludes by forecasting a disastrous, overpopulated, undernourished, overindustrialized, and depleted society by the year 2100.

The report—perhaps overly pessimistic, perhaps overly optimistic—has awakened us to the fact that, even if we develop our own national growth policy, it may be too late. Even if we develop our own national growth policy, international pressures from uncontrolled growth may wreck havoc with our future national well-being.

In July 1969, President Nixon called for the creation of a national Commission on Population Growth and the American Future to study the potential effect of population growth.[151] The Congress responded by enacting legislation establishing the Commission.[152] After two years of concentrated effort, the Commission concluded that, "in the long run, no substantial benefits will result from further growth of the Nation's population, rather that the gradual stabilization of our population through voluntary means

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would contribute significantly to the Nation's ability to solve its problems. We have looked for, and have not found, any convincing economic argument for continued growth."[153]

Thus, the Commission endorsed and documented specifics for a foundation of a national growth policy.[154]

While the report could have served as a major force in the development of a population segment of a national growth policy, it was lightly treated and, in large part, refuted by the President. By early 1972, thus, President Nixon had failed to propose any new initiatives toward the development of a national growth policy and had, in fact, de-emphasized the concept. In late May of this year, however, a dramatic turnabout seemed to occur. Presidential aide John Ehrlichman, in a memorandum to all Cabinet officers, asked for their contributions and response to a long series of questions that might help the White House develop such a policy.[155] Apparently, Ehrlichman was considering new legislation for the 93d Congress, priorities for the fiscal 1974 budget, and the preparation of the 1974 growth report required by the 1970 Housing and Urban Development Act.

Another development that indicates a greater public awareness was manifested in the Third Annual Report of the President's Council on Environmental Quality.[156] The study included a section on enviornmental forecasting, Citing the groundbreaking work of the Club of Rome[157] and Report of the Commission on Population Growth and the American Future,[158] the study noted the dangerous possibility that all the endeavors to date to preserve the environment may be inadequate to abate catastrophic consequences.

In recent months, social critics have advocated means by which the public's attention would be focused on the long-run consequences of the nation's failure to develop priorities and to plan for future growth. Dr. Philip Hauser, a noted commentator, stated:

"The creation of a Council of Social Advisors (in the Executive Office of the President) and a Presidential Social Report would be the most effective way to focus public attention on the needs in the social areas and to obtain the commitment of the American people to social goals."[159]

In September, the Senate responded with the passage of the Full Opportunities and National Goals and Priorities Act of 1972.[160] This act will, for the first time, formulate national goals and objectives for a national growth policy. The act creates a Council of Social Advisors, much like the Council of Economic Advisors, endowed with the duty of creating a "national priorities report."[161]

Another legislative effort contributing to the piecemeal creation of a national policy was the Rural Development Act of 1972.[162] When coupled with the Agricultural Act of 1970,[163] this act planted the seeds of a national growth policy for our rural areas. The new act confers the major responsibility to coordinate rural development upon the Department of Agriculture and provides several new authorities that will help improve rural economic opportunities and community life. The result should reduce the isolation of rural America, bolster agriculture, and relieve urban congestion by reducing rural migration to cities and by encouraging a more balanced national growth.

One proposal advocated as a key to successful management of the nation's growth has been the orderly management of the public and private lands. Over the last two and a half years, Congress has addressed itself to the task of breaking new ground in developing legislation to plan and manage land use on more than a local scale. Senator Henry Jackson was the first to propose a "national land use policy" bill.[164] The bill was again offered in this Congress. The Senate Committee on Interior and Insular Affairs, chaired by Senator Jackson, sought to fashion legislation to improve land use planning and management capabilities of federal, state, and local government. The Committee reported an amended bill late in the second session,[165] S. 632, as reported, provided federal technical assistance and a grant-in-aid program to the individual states to assist them in developing and improving their capacity for planning and management. The act also provided important new authority designed to improve state and federal coordination. The administration of the act is given to the Secretary of Interior through a newly created Office of Land Use Policy Administration. He would be assisted in the review of state land use programs by the heads of other federal agencies which have programs with significant land use impacts and by the Secretary of Housing and Urban Development. A National Advisory Board on Land Use Policy, composed of high-level representatives of those agencies, would serve as a regular source of advice to the Secretary of the Interior and as a means of communication and coordination among the various agencies concerning federal interests in land use policy.

A major purpose of the act is to assist states in developing a state planning process. The state planning process, required within three fiscal years of enactment, consists of adequate funding, competent staff personnel, a data and information base, and an appropriate planning agency at the state level. After the state has developed a state planning process and capability, it must develop, within five years, land use programs which concentrate on four categories of "critical areas and use of more than local concern." These areas and uses are considered to be of statewide interest because decisions concerning them have impacts on citizens, the environment, and the economy totally out of proportion to the jurisdiction and the interests of the local decisionmakers, the local zoning body, or land use regulatory entity. Absent any form of state regulatory control or oversight, there may be no means of mitigating the adverse effects upon the regional, state, or national populace, economy, or environment which may result from decisions made upon purely local consideration. These four categories of areas and uses of more than local concern are: (1) areas of critical environmental concern (beaches, flood plains, wetlands, historic areas); (2) key facilities (major airports, highway interchanges, recreational lands and facilities, and facilities for the development, generation and transmission of energy); (3) development and land use of regional benefit; and (4) large-scale development (major subdivisions, new towns, or industrial parks).[166]

The federal review of state progress in developing a "planning process" and a "land use program" does not, for the most part, invite scrutiny of the substance of that process or program. The primary focus of the review is whether the state has authority to develop its planning process and develop and implement its land use program and whether it is making good faith efforts to do so. This is in keeping with the act's purpose to encourage better land use decision-making at the state and local levels, without providing substantial new land use decision-making authority on the federal level.

To encourage state governments to assume responsibility for the major land use activities occurring within its boundaries, the act creates two sanctions. First, grant-in-aid money authorized by the act may be withheld upon non-compliance. The second sanction is a phased withholding of funds under three other federal programs (airport development funds, primary and secondary federal-aid highway funds, and Land and Water Conservation Fund moneys).[167] This sanction may be invoked only after five fiscal years, and, when the state land use program again meets the requirements of the act, any funds withheld must be disbursed to the states. The three programs for which funds would be withheld are deemed to have the most significant long-range and irreversible impacts upon land use patterns because of the exceptional influence they have on public and private development.

The act also encourages coordinated planning and management of federal lands and adjacent non-federal lands. The federal, state, and local governments are required to provide for compatible land uses on adjoining lands under their respective jurisdictions. In addition, short term Ad-Hoc Joint Federal-State Committees composed of representatives of affected federal agencies, state agencies, local governments, and user groups may be established by the Secretary of the Interior to study general or specific conflicts between uses of federal lands and uses of adjacent non-federal lands. The Secretary is directed to resolve such conflicts, or, where he lacks the requisite authority, to recommend legislative solutions to Congress.

In the view of the Senate Committee on Interior and Insular Affairs, the Land Use Policy and Planning Act of 1972 was the best means to assist local, state, and federal governments in moving from an era of ad-hoc, case-by-case, crisis-to-crisis, land-use decision making to an era of long range planning and management.[168] But the act is patently inadequate. It does not mandate comprehensive regional or statewide planning. The Interior Committee maintained that "most states now lack and probably could not develop in less than five to ten years the capacity to undertake and implement a comprehensive planning effort for their land resource base."[169] The Committee's conclusion was: "Accordingly, S. 632 separates out the most critical and far-reaching of land use activities—those which provide the framework, the structure, and the major influences in shaping local, regional, and state land use patterns—and provides assistance to the states to focus available resources and planning expertise on such activities."[170]

The result, in essence, was a "cop-out." In the past, similar zoning and planning of our lands has proven inadequate on the local level. Why should it now succeed on the national level? Indeed, Senator Gordon Allot, ranking minority member on the Committee, has depicted the bill as a large dole to the states with little responsibility exercised in return.

"It is not the intent of the Committee that this proposal have the effect of transferring a significant measure of authority over what have traditionally been local and State decisions on certain land use matters to the Federal government."[171]

Yet, the bill, as reported, was still an evolutionary departure from the traditional practice of private and local control over the use of land. Passage of the legislation came only after the Senate had substantially weakened the reported bill by removing some of the proposed economic sanctions against the states (that would have withheld part of the federal highway, airport, and water conservation funds from states that failed to comply with the new land use program) and by reducing the financial scope of the program.

Senate passage of the bill came, but only after two days of haggling between Senator Jackson and Senator Edmund Muskie—who failed in his attempt to amend the bill by placing its administration under the White House Domestic Council. Senator Muskie was also perturbed that there were no limits, guidelines, or goals that defined a national land use policy. He argued that the bill had "no substance" and warned that it could result in "confusion, lack of guidance, and lack of leadership."[172] Legislation formulating

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a national land use policy for our public lands was even less successful in the Congress.[173]

The area of greatest potential accomplishment in the development of a national growth policy is in the field of housing. However, since the passage of the Housing and Urban Development Act of 1970,[174] no major housing legislation affecting national growth has emerged. Some critics believe that the failure to produce substantial changes in the federal law in the housing and urban development field after two years of struggle is linked to several factors: (1) usually close ties between the commercial interests which want to see programs essentially unchanged, and members of Congress responsible for drafting legislation; (2) failure of the Nixon Administration to promote and work for new housing and civil rights policies; and (3) the common background of many housing experts in Congress, in the Department of Housing and Urban Development, and in the housing industry.[175]

The struggle for a major housing bill came to a head in late September of this year. While, on March 2nd of this year, the Senate passed its version of the Housing and Urban Development Act of 1972,[176] the House Banking and Currency Committee did not report out its bill until too late in the Session for adequate consideration. Both measures provided for minor changes in the field, including block grants for certain community development programs and consideration of most of the Department of Housing and Urban Development's planning programs.

Both bills were notable for their exclusion of initiatives suggested in other legislation that would have mandated a better quality of national development and growth. One proposal would have created metropolitan and state housing agencies to program, but not develop subsidized housing.[177] Another proposal excluded from the bill was the creation of state metropolitan development corporations to develop the nation's decaying rural and depressed urban areas.[178] A third proposal would have aided in financing such development by creating an Urban Development Bank.[179] This provision would have broadened the source of funds and would have decreased the costs of capital funds for state and local government by providing long term development loans and technical assistance to help them meet the need for essential public works and community facilities including the acquisition of land.

CURRENT PROPOSALS

Current comprehensive proposals for a national growth policy are few. But even so, there is a broad diversity of opinion over the methods of controlling the Nation's growth.

One approach is embodied by the American Law Institute's Model Land Law Development Code.[180] The project is an attempt to provide states with model legislation that would supplant existing zoning programs and subdivisions controls by proposing a new framework for the organization of land development regulations. This framework would consist of a state land planning agency coupled with local land development agencies. This proposal would, however, only develop slight similarities among fifty state variations of a national growth policy.

A recent legislative proposal [181] by Senator Joseph Montoya of New Mexico seeks to promote a national policy by providing a "physical infrastructure" for growth through a national public works investment program. That program would also be keyed to regional development commissions and districts throughout the country. The Montoya proposal would establish a productive precedent by formulating guidelines for federal public works projects. This would be a first step in making the federal government the nation's principal developer.

Proposals for a national growth strategy have come from a multiplicity of sources. In January 1972, the American Institute of Architects (AIA) released a national policy statement called, "America At the Growing Edge: A Strategy for Building A Better America." [182] It urged that governments provide one million acres of land at an estimated cost of $5 billion for community development in both urban-core areas and the metropolitan periphery. The land would remain permanently under public ownership with development under the control of federal, state, and local governments. Certain portions of the land would be reserved for recreation, open space, and housing. Leasing, rather than outright sales, to private developers would occur after development plans had been made.

The proposed development of the land would set the pace and standards for a national growth policy through a special impact program involving 60 urban regions and accommodating a third of the nation's anticipated growth in the next 50 years. With the assumption that this growth will occur in urban areas, the statement urges that priority be given to rebuilding the inner city on a large scale. The building block of the enormous renewal plan proposed by the AIA is a "growth unit"—defined as a neighborhood ranging from 500 to 3000 housing units. The growth unit would also be large enough to encourage new technology in municipal services, while providing for the personalization of life found in small communities.

Although the start of a new growth unit program would begin, on vacant land, to provide relocation for those within an older neighborhood in need of rebuilding, the statement also calls for state control of building and zoning incentives for development in certain remote geographical areas, revenue sharing, and a public works investment program.

Herbert Franklin, one of the nation's leading urbanologists, has advocated, on behalf of the National Urban Coalition, a National Metropolitan Development policy.[183] The general policy goals would be: (1) to provide land for the development and redevelopment of metropolitan America at the appropriate scale, price, and location for equitable and efficient growth; (2) to provide services at high standards for the development process; (3) to conserve recreational land within, and at the fringe of, metropolitan growth areas; and (4) to articulate the physical standard at which metropolitan land should be developed and serviced. To spearhead acquisition of land and its development in line with the policy goals, Franklin argues for the creation of a new instrumentality of national government with counterparts on the metropolitan level—a Metropolitan Development Corporation (NMDC) and local Metropolitan Development Corporations (MDC's)—as its implementing bodies.

The most extensive and lucid legislative proposal pertaining to national growth policy in the Congress is a draft of a "Balanced National Growth and Development Act of 1972," to be introduced by Senator Hubert Humphrey.[184]

The bill is committed to an urban-rural balance in contrast to past initiatives which have concerned themselves primarily with the rapid growth of our metropolitan areas. But it also goes beyond a logical extension of past rural development legislation. The act would establish specific national goals for a national growth policy including levels of wealth, environmental quality, population, land use, transportation facilities, communications, and energy consumption for geographical regions of the nation. The act would also create an Office of Balanced National Growth and Development consisting of relevant members of the Cabinet and independent federal agencies. The Office would serve as the point of coordination and direction of all federal and federally assisted programs for growth planning and development.

The Office would also prepare an annual report on Balanced National Growth and Development mandated by the act to incorporate the reports required under Title VII of the Housing and Urban Development Act of 1970,[185] Title I of the Airport and Airway Development Act of 1970,[186] and Title IX of the Agricultural Act of 1970.[187]

A novel section of the act would have this new Office replace the ineffective Domestic Council, which has been stagnant since the departure of Daniel Moynihan from the White House.

The new version of the Domestic Council would be strengthened substantially by consolidating in one office all functions of the Office of Management and Budget under provisions of Title IV of the Intergovernmental Cooperation Act of 1968, Section 204 of the Demonstration Cities and Metropolitan Development Act, Section 102(2) of the National Environmental Policy Act of 1968, along with the new functions embodied in this act.[188]

The new Office in the White House would also become the nation's planning board. The bill proposes to consolidate many existing federal planning and planning assistance programs including a complete comprehensive planning and planning assistance package. With this new responsibility, the Office would establish new federal uniform planning requirements for states and regional bodies to qualify for grants for planning.

One seemingly complex, and perhaps duplicative, aspect of the Humphrey draft bill is the creation of an Intergovernmental Council on National Growth and the American Future. This section of the bill would replace the old, but most efficient group—the Advisory Commission on Intergovernmental Relations—with a newly-created, but somewhat more comprehensive entity in the hope that it can truly compel intergovernmental cooperation.

Further, the Humphrey bill would authorize the creation of a Joint Congressional Committee on Balanced National Growth and Development, a Congressional Office of Policy and Planning, a Foundation on National Growth and the American Future to spur, rather than compel, private participation, and an agency for population and demographic analysis within the Bureau of the Census.

The only legislation introduced in the 92d Congress specifically mandating the development of a national growth policy is the Hartke National Growth Policy Planning Act of 1972.[189]

This act calls for the formulation of a national growth policy to effectuate economic development, population control, housing distribution, the use of natural resources, the protection of the environment, and the location of government and corporate facilities in a manner and magnitude that will increase this nation's potential for survival. The act establishes a national growth policy planning board to coordinate the efforts of federal, regional, state, and local governments in controlling and managing growth. An effective research, planning, and coordinating agency on the national level is envisioned for the formulation of goals and guidelines for the nation's growth in the next century. The act also creates a program of federal financial and technical assistance to state and interstate agencies in developing statewide and regional growth policy planning as elements of a national policy.

In light of the increasing public frustration and concern about the lack of a con-

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certed national policy, it was felt that an effort should be made to renew the debate over the country's future growth. The National Growth Policy Planning Act was introduced to do just that.

The act, while unique in its creation, was deliberately simple in design. It was my belief that there must be some institution high enough in government, and yet somewhat removed from the typical bureaucracy, to continue planning and implementing a future vision for the nation, and that the public must be adequately informed of the mechanism to assuage possible fears of excessive government control often associated with proposals of federal "social planning."

I sought to accomplish this by emphasizing grants to state and regional authorities for growth policy planning and providing for extensive public participation in national planning. Indeed the success of a national growth policy will be dependent on the "soft" aspect of it—whether it is accepted by the people and the degree of their participation—rather than the "hard" aspect of guidelines, goals, and institutions.

The response to the bill was overwhelming,[190] but it was soon realized that the bill was too simplistic to cover such a complex and interrelated problem as the nation's growth. I will offer a comprehensive proposal in the 93d Congress. Others in the Congress have also started to respond.[191] Hopefully, together we can formulate a national growth policy.

PROPOSED NATIONAL GROWTH POLICY

The failing of Congressional legislative endeavors to date has been their narrow scope. Planning for the growth of the country encompasses a solution to the myriad of complex and interrelated problems that must be addressed by a comprehensive national growth policy.

Any truly constructive legislative effort must call for the development of a national growth policy at the highest level of government. Such a policy must be implemented by the Executive Office of the President and must replace the presently inefficient Domestic Council. A new Council on National Growth and Development would combine the responsibilities of the Council on Environmental Quality, the old Domestic Council, the Advisory Commission on Intergovernmental Relations, the Office of Management and Budget, the Department of Housing and Urban Development's comprehensive planning assistance program, the now-defunct Advisory Commission on Population Growth and the American Future, and the old National Goals Research Staff.

The Council would have the following functions: (1) setting national goals for growth and development including specific population policy goals; [192] (2) coordinating federal programs; (3) reviewing regional, metropolitan, and state growth policy initiatives for compliance with federal guidelines; (4) developing depressed areas of the country; (5) administering incentives to and sanctions on, local units of government to plan and manage growth; and (6) preparing an annual report on national growth and development.

Such "constructive" legislation should also provide grants-in-aid for the creation of federal but decentralized regional planning and development commissions much like the Appalachian Regional Development Commission.

While it is extremely difficult to limit or stop growth in certain areas, a more critical problem is the development of desolate areas and the redevelopment of areas that have been the product of national neglect.

A proposed national growth policy and development act would provide for the creation of a National Development Corporation (NDC). The NDC would have two main functions: (1) to coordinate the activities of metropolitan, regional, and state development corporations; and (2) to act as the developer of last resort where federal incentives and sanctions fail to spur action to provide the necessary facilities and conditions for the public health, safety, and welfare. Certain areas might be declared "national disaster development areas."

Another component of this congressionally shaped growth policy would concentrate on consolidating and simplifying a number of complex and overlapping programs of federal assistance to communities and neighborhoods.

A special emphasis should be placed on federal incentives for the creation of state and metropolitan housing agencies. This would provide not only a sufficient supply of housing for people of all incomes and lifestyles but also would facilitate racial integration of suburban and rural areas by the dispersal of housing opportunities.

To broaden the sources and decrease the cost of capital funds for state and local governments, I believe that an essential element of a "cost possible" national growth policy would be the creation of a national development bank with regional and urban branches.[193] The development bank be modeled after central banks throughout the world and similar to the World Bank. It would, however, be dissimilar from current banking practices in that its primary emphasis would be uplifting depressed areas rather than making profit.

As an integral component of a national growth policy, a metropolitan land bank should be created as an arm of the development bank and development corporations.[194] The urban land bank would provide metropolitan authorities with federal assistance in acquiring, managing, and disposing of land according to the preconceived metropolitan plan. The key benefits derived from this affirmative role would be the advance acquisition of land for public purposes, avoidance of the expenses of urban sprawl, and improved management and control of the land market. By providing an infrastructure for orderly urban development, the increased value of land caused by government activities could be recaptured and applied to the costs of the program.

Another area of tremendous potential concerns the location of federal and corporate facilities. Prior to the location of any federal facility or the initiation of an activity affecting national development, federal departments and agencies should be required to file a report with the Council on National Growth and Development. The report would be similar to the environmental impact statements required by the National Environmental Policy Act. The report would establish the proposed activity's consistency with a balanced national growth policy—its environmental and economic impacts and its general effect on regional development and the costs involved. Private corporations would also be required to comply with these standards.

Finally, federal procurement policies should be integrated into a scheme of national growth management. Regulations could be issued by the Council on National Growth and Development to assure that, in any federal procurement above certain prescribed amounts, consideration would be given to balanced national growth and development policies. And the regulations would also provide for the use of alternative sources of procurement if costs are not excessive. In this manner, the purposes of the act would be promoted and the criteria for determining such considerations would be established.

CONCLUSION

In *The Limits of Growth*, an interesting riddle is offered to illustrate the danger of inaction in developing a realistic growth policy:

"Suppose you own a pond on which a water lily is growing. The lily plant doubles in size each day. If the lily is allowed to grow unchecked, it would completely cover the pond in 30 days, choking off the other forms of life in the water. For a long time the lily plant seems small, so you decide not to worry about cutting it back until it covers half the pond. On what day will that be? On the twenty-ninth day, of course. You have one day to save your pond." [195]

Planning, coordination, and foresight are urgent and mandatory if we wish to check the exponential growth of a society almost out of control.

The sole hope of the future lies in a complete national commitment, from the highest level to the lowest. As we have seen, the early, "benevolent" history of land use policy failed miserably. Likewise, local sanctions were grossly inadequate. The efforts of three national leaders—Presidents Eisenhower, Kennedy, and Johnson—only confused the issue and provided short-term remedies for a long-term problem. The promises embodied by the Nixon Administration have proven false. Confusing structures and a myriad of committees have been created to combat a dilemma that should have received the highest possible federal priority. But a federal effort by itself it simply not enough. So too, action on the state and local level, by itself, cannot abate the crisis. National action, and only national action, will prove successful in devising and implementing a viable growth and development policy. Otherwise, we may have only one day to save ourselves and our country.

FOOTNOTES

*A.B. Evansville College; J.D. Indiana University Law School; United States Senator from Indiana. The author gratefully acknowledges the research and writing assistance of Bruce Johnson, Legislative Counsel to the Senator.

[1] A. Toffler, Future Shock 2 (Bantam ed. 1970).

[2] Population and the American Future: The Report of the Commission on Population Growth and the American Future 16 (1972) [hereinafter cited as Population].

[3] Id. at 24. These figures are based on the U.S. Bureau of the Census, Current Population Reports, Projections of the Population of the United States by Age and Sex: 1970 to 2000 (Ser. P–25, No. 470). See also Report of the National Goals Research Staff, Toward Balanced Growth: Quality With Quantity 186 (1970).

[4] Population, supra note 2, at 36–37.

[5] See generally Hearings on Effects of Population Growth on Natural Resources and the Environment, Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 1st Sess. (1969).

[6] Hodge & Hauser, The Challenge of America's Metropolitan Population Outlooks 1960–85, at 25–27 (1970). These overall figures obscure some striking regional differences. In the older cities of the Northeast and North Central Regions, blacks would continue to be very highly concentrated in the central cities, the percentages being 82 and 89 respectively, representing little change from 1960.

[7] National Advisory Commission on Civil Disorders, Report 1 (1968).

[8] See Equal Employment Opportunity Commission Memorandum, Employment Discrimination by Relocation of Plant and Corporate Headquarters (July 7, 1971); Suburban Action Institute, Open or Closed Suburbs; Corporate Relocation and the Urban Crisis (1970); Blumrosen, Duty to Plan for Fair Employment; Plant-Relocation in White Suburbia, 25 Rutgers L. Rev. 383 (1971); Sullivan, Regional Planning and Economic Dispersal Programs in Great Britain: The Exclusive Goal of Balanced Growth, 23 Stanford L. Rev. 903 (1971).

[9] Sager, Tight Little Islands: Exclusionary Zoning, Equal Protection and the Indigent, 21 Stanford L. Rev. 767 (1969); Sager, Exclusionary Zoning: Constitutional Limita-

tions on the Power of Municipalities to Restrict the Use of Land, a paper prepared for panel and workshop discussion at the June 8–11, 1972 American Civil Liberties Union Biennial Conference at the University of Colorado, Boulder, Colo.; Comment, Discriminatory Zoning: Legal Battleground of the Seventies, 21 Amer. U.L. Rev. 157 (1971). Note, Segregation and the Suburbs: Low Income Housing, Zoning and the Fourteenth Amendment, 56 Iowa L. Rev. 1298 (1971).

[10] Hearings On National Land Use Policy Before the Senate Comm. on Interior and Insular Affairs, 92d Cong., 1st Sess., pt. 1, at 98 (1971).

[11] See generally Senate Comm. on Interior and Insular Affairs, Land Use Policy and Planning Assistance Act of 1972, S. Rep. No. 92–869, 92d Cong., 2d Sess. 33–43 (1972).

[12] B. Hibbard, A History of Public Land Policies 7 (1960 ed.) [hereinafter cited as Hibbard]. See also, R. Robbins, Our Landed Heritage: The Public Domain 1776–1936, (1942), and generally E.L. Peffer, Closing of the Public Domain (1951).

[13] Hibbard 32–33.

[14] 28 J. Cont. Cong., 275 (1787). For an excellent treatment of the 1785 Ordinance, see V. Carstensen, The Public Lands (1968).

[15] Hibbard 83. See also C. F. Emerick, The Credit System and the Public Domain (1899).

[16] For a comprehensive analysis of Federal land policies in the 19th century, see H. George, Our Land and Land Policy (1901).

[17] See generally Hibbard, Chapter IV, at 56.

[18] Udall, Toward A National Land Use Policy for Urban America, 12 Ariz. L. Rev. 733–36 (1970). See also Bidwell & Falconer, History of Agriculture in the Northern United States, 1620–1860 (1941), and Gray, History of Agriculture in the Southern United States to 1860 (1931).

[19] Hibbard 171–98.

[20] 12 Stat. 392 (1862), as amended, 43 U.S.C. §§ 161–277 (scattered sections) (1970).

[21] Platform of the Free Soil Democrats (1848), cited in Hibbard at 357.

[22] Id.

[23] Hibbard 408–09.

[24] For a comprehensive treatment of western railroad growth, see V. Carstensen, The Public Lands 121–80 (1968) [hereinafter cited as The Public Lands].

[25] Id.

[26] F. Norris, The Octopus (1928).

[27] The Public Lands 135.

[28] 19 Stat. 377, as amended, 43 U.S.C. §§ 321–323 (1970). See also C. Haar, Land Use Planning 29 (1959), and R. P. Teele, Irrigation in the United States (1915).

[29] Hibbard 424–55.

[30] See M. Clawson & B. Held, The Federal Lands: Their Use and Management 27 *et seq.* (1957).

[31] *Id.*

[32] *Id.*

[33] 26 Stat. 1103 (1891), as amended, 16 U.S.C. § 471 (1964). See also J. Ise, United States Forest Policy (1920).

[34] 48 Stat. 1269 (1934), as amended, 43 U.S.C. § 315 (1970).

[35] 49 Stat. 1976 (1936), as amended, 42 U.S.C. § 315F (1970).

[36] For general information, see statement of Russell Train, Chairman, Council on Environmental Quality, Hearings on National Land Use Planning Before the House Comm. on Interior and Insular Affairs, 92d Con., 1st Sess., pt. 1, at 101 (1971).

[37] Id.

[38] R. Anderson, 4 American Law of Zoning, § 26.01 (1968).

[39] See note 36, supra.

[40] 272 U.S. 365 (1926).

[41] Exec. Order No. 7065, June 7, 1935.

[42] See D. Hagman, Urban Planning and Land Development Control Law 20 (1971) [hereinafter cited as Hagman].

[43] National Resources Board Report 89–252 (1934). See also Hagman 20.

[44] National Resources Committee, Land Planning Committee, Supplementary Report (various dates 1935–1938). See also Hagman 20.

[45] Hagman 20–21.

[46] The National Resources Board was created by Executive Order and, after some interim reorganization and change in name, was abolished by Congress by Act of June 26, 1943 Pub. L. No. 78–90, 57 Stat. 169.

[47] Franklin and Craig, USA: The Third Century—Guiding the Growth of a Metropolitan Nation (July 31, 1972) (A National Urban Coalition draft memorandum).

[48] Id.

[49] Id.

[50] Id.

[51] See *Senate Hearings, supra* note 10, at 99.

[52] See Report of the Nat'l Comm. on Urban Problems, Building of the American City, H.R. Doc. 91–34, 91st Cong., 1st Sess. (1968) [hereinafter cited as American City].

[53] See note 9, supra and Ross, Land Use Control In Metropolitan Areas—The Failure of Zoning and A Proposed Alternative, 45 S. Cal. L. Rev. 335 (1972).

[54] Id.

[55] Id.

[56] Council on Environmental Quality, The First Annual Report 186 (1970) [hereinafter cited as First CEQ Report].

[57] Id.

[58] Id.

[59] American City 23.

[60] First CEQ Report 196.

[61] American City 231.

[62] Haskell, Contractual Devices to Keep Undesirables Out of the Neighborhood, 54 Cornell L. Rev. 24 (1969).

[63] See generally C. Clark, Covenants and Interests Running With the Land (1947).

[64] First CEQ Report 188.

[65] Id.

[66] See, e.g., 16 U.S.C. § 797 (1971), 33 U.S.C. §§ 401, 403 (1970).

[67] Congressional Research Service-Library of Congress, For Senate Comm. on Gov't Ops., 92d Cong., 2d Sess., Toward A National Growth and Development Policy: Legislative and Executive Actions in 1970 and 1971 63–64, 70–72 (Comm. Print. 1972).

[68] Advisory Commission on Intergovernmental Relations, Metropolitan Fiscal Disparities 227 (1967).

[69] Id. See generally Advisory Commission on Intergovernmental Relations, Fiscal Balance in the American Federal System (1967).

[70] American City 241.

[71] Council Report 188-89.

[72] See note 11, supra at 35.

[73] The Depressed Areas Act, S. 2663, 84th Cong., 1st Sess. (1955). The bill provided for rapid tax amortization of new plants, including equipment and machinery, for firms in rural areas. It also set up two revolving funds: one for industrial and commercial loans for urban and rural areas, the other for the construction of public facilities. There were additional authorizations for grants to reduce the costs of public facilities and to finance job-training programs.

[74] *See generally* S. R. LEVITAN, FEDERAL AID TO DEPRESSED AREAS (1964) [hereinafter cited as Levitan] and Levin, *The Economic Development Districts—New Planning Regions,* 3 Urban Affairs Q. 80–102 (1968).

[75] L. RODWIN, NATIONS AND CITIES: A COMPARISON OF STRATEGIES FOR URBAN GROWTH 223 (1970) [hereinafter cited as Rodwin].

[76] Area Redevelopment Act of 1958, S. 3683, 85th Cong., 2d Sess. (1958), was signed on August 25, 1958 by the Vice-President and sent to the President.

[77] Presidential pocket veto, noted 104 CONG. REC. 19,588 (1958).

[78] RODWIN 224.

[79] Area Redevelopment Act of 1959, S. 722, 86th Cong., 1st Sess. (1959).

[80] RODWIN 224. In 1956, John Kennedy had steered the original Douglas bill through the Senate. In 1955 he had sponsored a version of the Trade Adjustment Act which contained some of the provisions of the second bill Douglas had introduced toward the closing days of the 84th Congress.

[81] Area Redevelopment Act of 1961, S. 1, 87th Cong., 1st Sess. (1961).

[82] Pub. L. No. 87–27, 75 Stat. 47 (1961), *as amended,* 42 U.S.C. §§ 2501–512 (1970).

[83] LEVITAN 123. The loans could cover 65 percent of the investment in land, buildings, and equipment; and interest was based on Treasury borrowing rates plus a small service fee and insurance charge. Applicants had to show that funds could not be secured from conventional sources. They also had to supply 10 percent of the needed capital. This "local participation" requirement was burdensome for it made repayment of the local investment subordinate to the repayment of the ARA loan, and in effect obliges the local community to support the program via a long-term deferred loan, if not a subsidy.

Public loans could be made for any purpose which might help to attract industrial and commercial firms. But for the public loans, too, there had to be evidence that the funds were not otherwise available at reasonable terms.

[84] *Id.* at 124.

[85] Pub. L. No. 87–658, 76 Stat. 541 (1962), *as amended,* 40 U.S.C. § 462, 42 U.S.C. §§ 1492, 2641–643 (1970). Congress coupled this authorization with standby authority for tax reduction in an attempt to provide immediate jobs in communities faced with substantial unemployment. One-third of the funds were for rural and small urban areas. Large areas were eligible if the unemployment rate exceeded 6 percent. Projects had to serve essential public needs and not conflict with local land-use plans. LEVITAN 152–54.

[86] *See* note 73, *supra.*

[87] Levitan 109. Eligibility depended on several criteria spelled out in the legislation. However, the administrator was also authorized to designate areas based on other criteria that might appear appropriate. For urban areas, eligibility was based on a sliding scale of excess unemployment above the national average. Rural areas were designated on the basis of income levels and manpower.

[88] Rodwin 227.

[89] Levitan 109.

[90] *Id.*

[91] Pub. L. No. 89–136, 79 Stat. 552 (1965), as amended, 42 U.S.C. §§ 3121–132 (1970). The most significant modifications of the machinery concerned loans and grants for public facilities, i.e.: 1) provision of 50 percent direct grants, plus as much as 30 percent more in supplementary grants for projects involving immediate economic benefits, such as water and sewer projects, and access roads for specific sites in industrial areas; 2) to enable EDA to assist projects not otherwise financially feasible, loans for the public works programs were more specifically designed to help the local community raise their matching share of the cost, "not an uncommon situation in areas requiring assistance the most—such as Alaska, the Cumberland Plateau, the Appalachian Highlands and the Missisipi Delta region." Statement of E. P. Foley, Hearings Before the Special Subcom. on Economic Development Programs of the House Comm. on Public Works, 89th Cong., 2d Sess. 10 [hereinafter cited as Foley].

[92] *Id.*

[93] Foley 10.

[94] The area could be either a county, a labor area as defined by the Department of Labor, a city of over 250,000 population, or an Indian reservation of at least 1,000 persons.

[95] Substantial unemployment was defined to be a 6 percent or higher annual average rate during the most recent calendar year and 50 percent above the national average for three of the last four years or 75 percent

above for two of the last three years, or 100 percent above for one of the preceding two years. Foley 16. Lack of employment opportunity was interpreted administratively to be a 25 percent or more net population loss and 50 percent or less of the national median family income. *Id.* at 16.

[96] See generally Rodwin 224.

[97] In addition to the regional commission for Appalachia which was set up under separate legislation (the Appalachian Regional Development Act of 1965), regional commissions were established for the Ozarks, the Four Corners Area of the Southwest, the Upper Great Lakes, New England, and Alaska.

[98] For example, the central office of EDA has contracted for a series of studies summarizing the state of the art of regional economic development. It has also contracted for the development of an information data system which will record and predict public investment expenditures on the county by county basis and it is compiling information on the many different types of federal programs which have a significant impact on regional economic development. Foley 23.

[99] Foley 24.

[100] *See* E. P. Foley, The Achieving Ghetto 112–15 (1958). As stated by the former head of the program, EDS's aim was "to provide opportunities at the major growth centers within a region [in order] to minimize the social cost of migration. From the standpoint of the individual, it is far better to move as far as 200 to 300 miles to a viable city within his region of birth than it is to migrate to a metropolis a thousand miles away." *See also* RODWIN 233.

[101] Pub. L. No. 89–754, 80 Stat. 1255 (1966), *as amended,* 42 U.S.C. §§ 3301–302 (1970).

[102] Pub. L. No. 90–448, 82 Stat. 476 (1968), *as amended,* codified in scattered sections of 5, 15, 18, 20, 31, 38, 40, 42, 49 U.S.C. (1970).

[103] Rodwin 257.

[104] *See* note 102, *supra.*

[105] Testimony of M. Zuckerman, Hearings before Subcomm. on Housing and Urban Affairs of the Senate Comm. on Banking and Currency, Proposed Housing Legislation for 1968, 90th Cong., 2d Sess., 749–805 (1968).

[106] The Commission was established in 1959. Pub. L. No. 86–380, 73 Stat. 703 (1959), *as amended* 42 U.S.C. §§ 1271–1279 (1970).

[107] Advisory Commission on Intergovernmental Relations, Urban and Rural America: Policies for Future Growth (1968).

[108] *Id.* at 72. The report concluded that "[w]hile the commission believes that the immediate needs of our troubled cities and metropolitan areas and poverty-stricken rural areas is pressing, attention must also be given to the longer range objective of encouraging urban growth patterns that will on the other hand conserve our natural resources, while providing maximum social and economic opportunity to all citizens. With the establishment of a national policy for guiding the location and character for future urban growth involving the three levels of government and the private sector, creative opportunities exist to provide alternatives to continued concentration of people in existing densely populated areas and to break away from the conventional thinking and approaches to urban development."

[109] *Id.* at 131.

[110] Pub. L. No. 90–577, 82 Stat. 1098 (1968), as amended, 42 U.S.C. §§ 4201–244 (1969).

[111] 42 U.S C. § 4231 (1968).

[112] 40 U.S.C. §§ 531–35 (1969).

[113] Exec. Order No. 11,452, 34 Fed. Reg. 1223 (1969).

[114] *Id.*

[115] *Id.*

[116] Moynihan, Toward a National Urban Policy, The Pub. Interest 3–20 (Fall 1969). See generally Lilley, Romney Faces Political Perils With Plan to Integrate Suburbs, 2 Nat'l J. 2251–253 (1970).

[117] J. Kain, Postwar Changes in Land Use in the American City (1969).

[118] J. Kain, Alternatives to the Guilded Ghetto (1969).

[119] Rodwin 224. *See also* National Committee on Urban Growth Policy, the New City (1969).

[120] Message from the President of the United States, Relative to Population Growth, House of Representatives, H.R. Doc. 91–139, 91st Cong., 1st Sess. 4 (1969). *See also* J. P. Pickard, Trends and Projections of Future Population Growth in the United States (1969).

[121] S. 3328, Balanced Urbanization Policy and Planning Act, 91st Cong., 1st Sess. (1969).

[122] 115 Cong. Rec. S. 16272–73 (daily ed. Dec. 10, 1969).

[123] *See* note 109, *supra.* Title IV, among other things, directs the President to "establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development." The basic objectives of this mandate center about the importance of sound and orderly development of urban and rural areas on the economic and social development of the nation. Section 401(b) of the Act requires that "all viewpoints—national, State, regional, and local—shall, to the extent possible, be taken into account in planning Federal or federally assisted development programs and projects.' Section 401(c) states, moreover, that "to the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional and local planning."

[124] *See* note 100, *supra.* Section 204 requires that applications for federal assistance to a wide variety of public facilities type projects in metropolitan areas must be accompanied by the comments of an area wide comprehensive planning agency as to the relationship of the proposed project to the planned development of the area.

[125] 83 Stat. 852 (1970). Section 102(2)(c) requires that federal agencies prepare statements evaluating the impact of any actions they may take that significantly affect the environment. Such statements are submitted to the Council on Environmental Quality. Provision is made for inputs to these environmental impact statements by State and local governments.

[126] *See* testimony of A. Weber, Associate Director: Office of Management and Budget, Executive Office of the President, Before U.S. Commission on Civil Rights, Washington, D.C,. June 16, 1971.

[127] The term, "clearinghouse" is used to fully reflect the functions of these agencies: (a) to identify the relationship of any project to statewide or areawide comprehensive plans: (b) to identify the relationship of any project to the plans or programs of particular state agencies or local governments.

[128] The Circular also covers HUD housing assistance and mortgage insurance programs for projects of certain minimum sizes:

In subdivisions, 50 or more lots;

In multi-family projects, 100 or more dwelling units;

In mobile home courts, 100 or more units; and

In college housing, accommodations for 200 or more students.

The review process under the PNRS has been different for these projects. Under HUD housing assistance procedures, a developer submits what is, in effect, a preliminary application to a HUD area or insuring office. The application contains a description of the project, detailed enough for HUD to evaluate it. Evaluation is made, and the developer is notified as to whether the project appears approvable for mortgage insurance commitment or other support. Even if FHA mortgage insurance is not going to be sought, some mortgage lenders will require a favorable FHA report before they will make a construction loan.

The A–95 review process for HUD housing programs has operated with respect to this pre-application phase and consequently covers not only projects which will be insured or supported by HUD but also some whose financing will be conventional.

Because of local zoning and subdivision controls or local comprehensive plan requirements, clearinghouse inputs may be minimal with respect to many or most individual projects except those of major size or strategic location. The primary value of notifications to clearinghouses is the intelligence they provide of emerging growth patterns that have to be considered in the areawide comprehensive planning process.

[129] *See, e.g.,* Department of Housing and Urban Development's Workable Program requirements, 42 U.S.C. § 1451 (1970).

[130] Similarly, the PNRS, by requiring clearinghouse review of projected planning and development activities, sets the stage for a systematic and continuous program of coordination.

[131] A–95 thus provides, in effect, an operational definition of planning coordination and identifies, but does not prescribe, organizations under which various agencies could be coordinated operationally and policywise while maintaining their own identities, if that is necessary.

[132] Exec. Order No. 11,512, 35 Fed. Reg. 3979 (Mar. 2, 1970).

[133] First CEQ Report 20.

[134] 83 Stat. 852 (1970), as amended, 42 U.S.C. § 4321 et seq. (1970).

[135] Exec. Order No. 11,514, 35 Fed. Reg. 4247 (Mar. 7, 1970).

[136] Report of the White House National Goals Research Staff, Toward Balanced Growth; Quality With Quantity (1970). The report was ordered by the President on July 13, 1969.

[137] Id. at 167.

[138] Reorganization Plan No. 2 of 1970, 3 U.S. Cong. & Admin. News 6315 (1970).

[139] Housing and Urban Development Act of 1970, Title VII, 84 Stat. 1770 (1971), as amended, 42 U.S.C..§§ 4501–550 (1972).

[140] Moynihan's departure was due, primarily, to his controversial proposals—particularly his ghetto dispersal program. See text with note 115, supra.

[141] See note 139, supra.

[142] Bonafede, Ehrlichman Acts as Policy Broker in Nixon's Formalized Domestic Council, 2 Nat'l. J. 1238 (1971).

[143] Some of the legislative proposals were: S. 2701, 91st Cong., 1st Sess., (Commission on Population Growth and the American Future; S. 1430, 92 Cong., 2d Sess., Dept. of Community Development); S. 992, 92d Cong., 2d Sess., (National Land Use Policy); S. 3248, 92d Cong., 2d Sess., (Community Development Block Grants); and H.R. 7211, 92d Cong., 2d Sess., (Public Land and National Land Use Policy, as it relates to public land disposal and new town development).

[144] Domestic Council Committee on National Growth Policy, Draft Memorandum For the President (November 20, 1970).

[145] S. 1282, 92d Cong., 1st Sess. (1971).

[146] Id.

[147] The House Committee on Banking and Currency assembled testimony on the manners in which housing production and demand and a "suitable living environment" are related to national development and growth. Papers submitted to Subcommittee on Housing Panels of the House Comm. on Banking and Currency on Housing Production, Housing Demand, and Developing a Suitable Living Environment, pts. 1 and 2, 92d Cong., 1st Sess. (1971). The committee also considered housing legislation that year, but no

major housing bill with provisions concerning a possible national growth policy passed. However, many bills were introduced in the 1st session of the 92d Congress. *See* S.J. Res. 52 (Comprehensive Planning and Open Space Land Grants); S. 580 (National Development Financing); S. 1958 (Domestic Development Bank); H.R. 3550 (National Development Act); H.R. 9688 (Housing and Urban Development Act). For a complete list, see Staff of Senate Comm. on Interior and Insular Affairs, National Land Use Policy: Background papers on past and pending legislation and the Roles of the Executitve Branch, Congress, and the States in Land Use Policy and Planning, 92d Cong., 2d Sess. (Comm. Print 1972).

[148] Domestic Council Commiteee on National Growth, Report on National Growth (1972).

[149] See, e.g., Statement of the Board of Governors of the American Institute of Planners, 118 Cong. Rec. S. 9148 (daily ed. June 12, 1972).

[150] D. H. Meadows, The Limits to Growth (1972). The Club of Rome, an internationally distinguished group of businessmen, economists, and scientists which sponsored the report, concluded with a number of postulates regarding the future of man's development. They were very pessimistic:

1. "We are convinced that realization of the quantitative restraint of the world environment and of the tragic consequences of an overshoot is essential to the initiation of new forms of thinking that will lead to a fundamental revision of human behavior and by implication of the entire fabric of present-day society;

2. "We are further convinced that demographic pressure in the world has already attained such a high level, and is moreover so unequally distributed that this alone must compel mankind to seek a state of equilibrium on our planet;

3. "We recognize that world equilibrium can become a reality only if the lot of the so-called developing countries is substantially improved both in absoute terms and relative to the economically developed Nations, and we affirm that this improvement can be achieved only through a global strategy;

4. "We affirm that the global issue of development is, however so closely interlinked with other global issues that an overall strategy must be evolved to attack all major probems, including in particular those of man's relationship with his environment.

5. "We recognize that the complex world problematique is to a great extent composed of elements that cannot be expressed in measurable terms. Nevertheless, we believe that the predominantly quantitative approach used in this report is an indispensable tool for understanding the operation of the problematique. And we hope that such knowledge can lead to mastering its elements.

6. "We are unanimously convinced that rapid radical redressment of the present unbalanced and dangerously deteriorating world situation is the primary task facing humanity. This supreme effort is a challenge for our generation. It cannot be passed on to the next. The effort must be resolutely undertaken without delay and significant redirection must be achieved during this decade.

7. "We have no doubt that if mankind is to embark on a new course, concerted international measures and joint long-term planning will be necessary on a scale and scope without precedent.

8. "We unequivocally support the contention that a brake imposed on world demographic and economic growth spirals must not lead to a freezing of the status quo of economic development of the world's nations.

9. "We affirm finally that any deliberate attempt to reach a rational and enduring state of equilibrium by planned measures, rather than by chance or catastrophe, must ultimately be founded on a basic change of values and goals at individual, national and world levels." *Id.* at 190-95.

[151] Population 3.

[152] Pub. L. No. 91-213, 84 Stat. 67 (1970), *as amended*, 42 U.S.C. § 4331 (1972).

[153] Population 4.

[154] More specifically, the Commission made concrete recommendations for carrying out that policy. Some of them were: 1) a stabilized population; 2) development of a set of national population distribution guidelines to serve as a framework for regional, state, and local plans and development; 3) regional, state and metropolitan-wide comprehensive planning to achieve a higher quality of urban development; 4) action to increase freedom of choice of residential location through elimination of current patterns of racial and economic segregation; 5) to anticipate and guide future urban growth, the Commissioner recommended comprehensive land use and public facility planning on an overall metropolitan and regional scale; 6) that governments exercise greater control over land-use planning and development; 7) to reduce restrictions on the entry of low and moderate incomes to the suburbs the Commission recommended that Federal and State governments ensure provision of more suburban housing for low and moderate income families; 8) to promote the expansion of job opportunities in urban places located within or near declining areas and having demonstrated potential for future growth, the Commission recommended the development of a growth center strategy; 9) The Commission recommended the establishment of State or regional development corporations which would have the responsibility and the necessary powers to implement comprehensive development plans either as a developer itself or as a catalyst for private development; 10) the Commission recommended the creation of an office of population growth and distribution within the executive office of the President; and 11) that State governments either through existing planning agencies or through new agencies devoted to this purpose to give greater attention to the problems of population growth and distribution.

[155] See Wall Street Journal, July 21, 1972, at 1, col. 3.

[156] Council on Environmental Quality, Environmental quality: The third annual report (1972).

[157] See note 149, supra.

[158] See population.

[159] S. Rep. No. 92–866, 92d Cong., 2d Sess. (1972).

[160] S. 5, 92d Cong., 2d Sess. (1972).

[161] See note 159, supra. The report would include: 1. An analysis in terms of national priorities of the programs in the annual budget submitted by the President, 2. an examination of the resources available to the nation, the foreseeable costs and the expected benefits of existing and proposed federal programs, and the resource and cost implications of alternative sets of national priorities, and 3. recommendations concerning spending priorities among federal programs and courses of action as to which program choices would best guide America's growth.

[162] Pub. L. No. 92–419 (1972).

[163] 84 Stat. 1358 (1970), as amended, 7 U.S.C. § 1305 (1970).

[164] S. 3354, 91st Cong., 2d Sess. (1970).

[165] S. Rep. No. 92–869, 92d Cong., 2d Sess, (1972).

[166] Id.

[167] Id. at 22.

[168] S. Rep. No. 92–869, supra note 165, at 20.

[169] Id. at 20.

[170] Id.

[171] Id.

[172] New York Times, Sept. 20, 1972, at 1, col. 5.

[173] Public Land Policy Act of 1972, S. 2450 92d Cong., 2d sess. (1972); National Resource Land Management Act of 1972, S. 2401, 92d Cong., 2d Sess. (1972); Public Land Policy Act of 1972, H.R. 7211, 92d Cong., 2d Sess. (1972); Hearings on Public Land Policy Act of 1971, Before the Subcomm. on the Environment of the House Comm. on Interior and Insular Affairs, 92d Cong., 1st Sess. (1971); Report to the President and the Congress by the Public Land Law Review Commission, One Third of the Nation's Land (1970); Hagenstein, One Third of the Nation's Land—Evolution of A Policy Recommendation, 12 Nat. Resources J. 56 (1972); Noone, Senate, House Differ on Approaches to Nation's Land Use Laws, 2 Nat. Journal 1192 (1972).

[174] See note 141, supra.

[175] See note 172, supra.

[176] S. 3248, 92d Cong., 2d Sess. (1972).

[177] See Housing and Urban Development Act of 1972 H.R. 16704, 92d Cong., 2d Sess. (1972).

[178] See Housing and Urban Development Act of 1972 H.R. 9688, 92d Cong., 2d Sess. (1972).

[178] See Housing and Urban Development Act of 1972 H.R. 13292, 92d Cong., 2d Sess. (1972).

[180] ALI Model Land Law Development Code (Tent. Draft 1971). See also Babcock, Comments on the Model Land Development Code, 1972 Urban L. Ann. 59 (1972).

[181] Public Works Development Act of 1972 S. 3381, 92d Cong., 2d Sess. (1972). See also Hearings on the Public Works Development Act of 1972, Before the Subcomm. on Economic Development of the Senate Committee on Public Works, 92d Cong., 2d Sess. (1972).

[182] American Institute of Architects, America At the Growing Edge: A Strategy for Building A Better America (1972).

[183] Supra, note 47.

[184] Staff of Senate Comm. on Agriculture, 92d Cong., 2d Sess., Draft Legislation (March 21, 1972).

[185] See note 141, supra.

[186] 84 Stat. 219 (1970), as amended, 49 U.S.C. § § 1701–703, 1711–727 (1970).

[187] See note 163, supra.

[188] See notes 110, 101, and 134, supra.

[189] S. 3600, 92d Cong., 2d Sess. (1972).

[190] Letters from mayors, governors, professors, housing and planning officials are on file in my Senate office.

[191] Hearings on National Growth Policy, Before the Subcomm. on Housing of the House Comm. on Banking and Currency, 92d Cong., 2d Sess. (1972), pts. 1 & 2; and Senate Comm. on Gov't Operations, Toward a National Growth and Development Policy: Legislative and Executive Actions in 1970 and 1971 (Comm. Print 1972).

[192] Dileo, Directions and Dimensions of Population Policy in the United States: Alternatives for Legal Reform, 46 Tulane L. Rev. (1971); Miller & Davidson, Observations on Population Policy Making and the Constitution, 40 G. W. L. Rev. 618 (1972).

[193] See Domestic Development and Bank Act of 1971, S. 1958, 92d Cong., 1st Sess. (1971); S. 3001, Federal Financing Bank Act of 1972, 92d Cong., 2d Sess. (1970); and title I of H.R. 13273, Small Communities Planning, Development and Training Act of 1972, 92d Cong., 2d Sess. (1972).

[194] Notes, Public Land Banking: A New Praxis For Urban Growth, 23 Case W. Res. L. Rev. 897 (1972).

[195] See Meadows, supra note 150, at 29.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there any further morning business?

The ACTING PRESIDENT pro tempore. Is there any further morning business? If not, morning business is concluded.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate the unfinished business, S. 398, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 70, S. 398, a bill to extend and amend the Economic Stabilization Act of 1970.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side on the bill or on the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 40

The pending question is on agreeing to the amendment, No. 40, of the Senator from South Dakota (Mr. McGOVERN). Who yields time?

Mr. McGOVERN. I yield myself such time as I may require.

My amendment No. 40 was read yesterday, so I shall not ask that it be stated again.

Mr. President, the growing list of Presidential impoundments threatens to make a mockery of our constitutional legislative process. While we debate and hold hearings on what should be done in the year ahead, the budget bureaucrats have already decided what will be done no matter what conclusions are reached by Congress.

Consider some examples: Last year the House and the Senate voted by margins of two-thirds or more that the Clean Water Act should be implemented, despite the President's veto. We overrode the veto, under a procedure explicitly stated by the Constitution.

Then the President overrode the Congress and impounded the funds, using a procedure I believe the Constitution abhors. Why would the framers bother to put in a means for overriding vetoes if the President can render it meaningless with a stroke of the pen?

Last year the President asked for authority to cut wherever he wanted in fiscal 1973 spending, to meet what he regarded as an appropriate budget ceiling. He refused even to tell the Congress what programs would be cut.

Congress refused to give him that broad authority. It was properly recognized as an unprecedented and unwarranted transgression against our power over the national budget.

So the President just took that power. One wonders why he bothered to ask.

At the same time long-standing programs which have been frequently reaffirmed by the Congress have been summarily canceled.

Last year Congress increased funds for the 2 percent rural electric loan program; today the program no longer exists. The same is true of other laws bearing on the vitality of rural America. It is true, as well, of portions of the 1968 Housing Act, and of a lengthening list of other programs which have been repeatedly reaffirmed and funded by the Congress. And in no case have these programs been given the fair hearing due process guarantees even to the condemned.

No one claims that impoundment was invented by this administration. But it is clear that this administration has escalated that doubtful strategy into a form of legislation an "item veto" which enables the White House to select which laws it will implement and which it will ignore.

Presidents have requested such power on several occasions in our history. It has never been granted. Now it is simply taken. And the President himself has announced that he will continue to use it whenever he sees fit.

Administration spokesmen defend impoundments in essentially two ways.

First, they say many of these programs should be abandoned on the merits—that they are not working as they should.

Well, if that is their judgment, then they have ample recourse. I know of no case in which administration witnesses have been denied an opportunity to come before a committee of Congress to urge that a program be repealed or reformed. On the contrary, the testimony of the executive branch is always sought and always welcomed when any program is under consideration.

Second, the administration argues that the President is obliged to impound funds because he must manage the economy prudently. It is said by those who subscribe to this school of thought, that Congress wants to spend excessively and irresponsibly, thus setting the stage for ruinous inflation.

That is too neat, Mr. President. It is a well-constructed picture of a wise and careful Executive systematically undoing the damage inflicted by big spenders on Capitol Hill. Thus we saw the President's top domestic advisor, John Ehrlichman, telling the Nation a week ago on ABC's "Issues and Answers" that the President must impound because the President knows better.

The only trouble with that picture is that it is completely false.

I suspect my colleagues will agree that whatever the circumstances, the country should not be governed under the doctrine that the President knows better. The principle of separation of powers is still vital to the survival of democracy, no less than when the Nation was founded.

But if that notion is repugnant to our principles, the repeated negative propaganda about the Congress should be no less repugnant to our respect for the truth and to our self-esteem as well.

I am frankly tired of hearing this argument that Congress is to blame for the enormous deficits of the past 5 years, though I think that it is a view that is held by a great many millions of Americans. The truth is that from the time this administration took office—fiscal 1969 through fiscal 1973—the Congress has cut administration spending requests by a grand total of $30.857 billion.

At the same time we have added to the budget, through backdoor and mandatory spending programs, a total of $30.475 billion that the administration did not request, as in the case of the social security increase last year.

Even if we stopped there, the net effect of congressional action on the budget over those 5 fiscal years has been a net reduction of roughly $400 million in national spending.

But it is not correct to stop there. For while the Executive has been cutting corporate taxes—and the accelerated depreciation range guidelines alone cut revenues by an estimated $4 billion in fiscal 1973—the Congress has been adding new taxes to finance a substantial portion of the additions we have made to the budget. For example, social security increases, which account for the largest single congressional addition since fiscal 1969, has been fully funded. In fact, the social security trust fund will carry a surplus of roughly $9.3 billion in fiscal 1973.

So under the unified budget concept, the net effect of congressional action has been to reduce by many billions of dollars the cumulative deficits we would have had if the administration's budgets had been left unchanged over the last five years.

Mr. President, I have several brief tables which spell out these figures in more detail, and I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McGOVERN. So there is no justification, either in law or in fact, for these wholesale Executive impoundments. They degrade the Congress and they defy the Constitution.

The question is, What can we do?

Simple protests and speeches decrying Executive actions have no effect, as we all know. The legislation under consideration by the Subcommittee on Separation of Powers is one answer, and I am pleased to cosponsor Senator ERVIN's proposal. It would prohibit impoundments without congressional approval.

We can also contest impoundments in the courts, and efforts of that kind are also underway.

Yet we need a workable interim answer.

Administration actions in the past few months indicate that they plan, in part through impoundments, to radically alter the role of the National Government in our society—and this in a matter of months. Decisions that are being made now will have a profound influence not only on the next fiscal year but for many on those issues, then we must deal with impoundments just as quickly as we can.

Further, if it is to be effective on an interim basis, I am convinced we must take anti-impoundment action which does not face a long struggle in the courts, and which is not vulnerable to challenges, such as the "political question" doctrine, which can delay or prevent a definitive judicial answer.

When we examine this issue closely, we find that there are few easy or moderate answers. The courts in the past have been loath to intercede in disputes between the Executive and the Congress. Hence, it is certainly possible that the courts will decline to decide the suit which has been joined by a group of congressional committee chairmen, on the grounds that it is a political question best decided by voters at the ballot box. Although it would be raised in a different context, it is conceivable that the same fate would befall Senator ERVIN's bill—assuming it receives the two-thirds margin of support needed to override a veto. But in any case, it will take many months to resolve the issue by those methods.

The pending amendment avoids these obstacles.

What I propose is that we give third parties—in this case workers and businesses which the administration intends to control under phase III—a clear and unmistakable legal right which can be exercised in court if the President continues to defy the Congress on the question of impoundments. If impoundments are made, the President's authority under the act would become null and void and any party against whom there was an attempt to enforce controls could use the language of the amendment as a defense. Since the amendment operates between the Executive and private parties, rather than between the Executive and the Congress, the political question problem would not arise.

I fully recognize that some Senators may have qualms about attaching such language to the Economic Stabilization Act amendments. But the same concerns could be raised in the context of any suitable legislation. The strategy I am suggesting will work only if we attach language of this kind to authority the President wants and fully intends to carry out. I recognize that there is no use in attaching an anti-impoundment amendment to a bill the President does not care about in the first instance. Otherwise, we can be certain that it will be either vetoed or ignored. And a President who is cutting back on government does not want much. We will have few opportunities of this kind.

I recognize, too, that some Senators may be concerned that this amendment may be construed as creating a right to impound where none exists. It is true that the amendment would not be operable, and the President's control authority would not be inoperable unless he impounded in excess of 5 percent of the funds in any program. However, section 5 of the bill itself would certainly apply to this amendment as well as to the rest of the Economic Stabilization Act. It provides that:

> Nothing in this title may be construed to authorize or require the withholding or reservation of any obligational authority provided by law or of any funds appropriated under such authority.

Hence, the amendment clearly would not create or affirm any authority to impound. Instead it would sharply restrict the impoundments the President would otherwise surely make regardless of what Congress says.

The 5-percent limitation would enable reasonable budgetary reserves such as those contemplated by the Antideficiency Act of 1950.

In sum, this amendment is a workable temporary answer to the very serious legal and practical problems raised by Executive impoundments.

It can go into play immediately while longer term solutions are under consideration.

And it can be effective. It has teeth, and it will assure that programs we adopt and the President signs into law cannot be discarded at the whim of the White House.

Mr. President, I found last year that although they may be uncomfortable to live with at times, the national polls are sometimes an accurate reflection of public attitudes. Therefore, I think it is significant that a recent Harris survey demonstrated that the majority of Americans who have an opinion support the Congress on this issue, despite unrelenting "education" the other way from the White House. In other words, the majority of the American people who express themselves want Congress to reestablish its control over the budget, rather than permitting that power to rest in the hands of one man at the White House level.

I suspect the American people will be still more sympathetic if we go beyond the talking stage, and elevate the impoundment issue from the level of acrimonious dispute to constructive action.

I urge adoption of amendment No. 40, as a practical means of bringing the anti-impoundment efforts of Congress into focus in a way that will be effective.

Mr. President, I reserve the balance of my time.

EXHIBIT 1

TABLE I.—*Congressional reductions from administration estimates*

Fiscal year:	
1969	$13.750
1970	5.436
1971	2.617
1972	2.993
1973 (preliminary)	6.061
	30.857

TABLE II.—*Congressional additions on backdoor spending*

Fiscal year:	
1969	$0.465
1970	5.340
1971	5.813
1972	0.200
1973	14.145
Total backdoor	25.963

TABLE III.—*Congressional additions on mandatory spending*

Fiscal year:	
1969	$0.272
1970	0.364
1971	2.539
1972	0.473
1973	0.864
Total mandatory	4.512

TABLE IV

Cuts in appropriations estimates	—$30.857
Backdoor spending additions	[1] +25.963
Mandatory spending additions	[1] +4.512
Net congressional action (1969–73)	0.382

[1] Congress has also provided funding for its additions. The roughly $30 billion in added social security and other backdoor and mandatory programs has been almost entirely made up by added tax levies to finance those programs. Social security and other trust funds have been running a substantial surplus ($9.328 billion in fiscal year 1973, $13.117 billion in fiscal year 1974).

Mr. TAFT. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. I would inquire of the Chair whether a point of order with regard to the germaneness of the amendment now before the Senate has been raised.

The ACTING PRESIDENT pro tempore. It has not been raised and would not be in order until the time had been consumed. Five minutes remain to the proponents of the amendment.

Mr. TAFT. Mr. President, another parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. How much time remains to the proponents of the amendment?

The ACTING PRESIDENT pro tempore. Five more minutes remain. Who yields time?

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. TAFT. The time is to be equally divided.

Mr. McGOVERN. Mr. President, I object to that, because I have only 5 minutes remaining. I think that if a quorum is to be called, it ought to be charged to the time of the Senator asking for a quorum.

The ACTING PRESIDENT pro tempore. Objection is heard. Who yields time?

Mr. TAFT. Mr. President, I suggest the absence of a quorum, the time to be charged to the opponents of the amendment.

The ACTING PRESIDENT pro tempore. Does the Senator from Ohio control that time?

Mr. TAFT. Yes.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Charles Waters and Mr. Dennis Moffett, of my staff, be granted the privilege of the floor during the consideration of the bill.

The PRESIDING OFFICER. On whose time is the Senator speaking?

Mr. TAFT. I will grant 1 minute to the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. TAFT. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, it has been my purpose to discuss, and I shall in a few minutes discuss, the question of the germaneness of the current amendment; but before doing so, let me just comment on the amendment and what the effect of it would be.

Phase III, as it presently exists under the Economic Stabilization Act, is the basic legislation giving to the President the authority and the power to impose limitations upon the inflationary trends in this country. This, I think, he has done very successfully in the past period during which the legislation has been in effect. Few Americans would question whether there is a need for such authority at this time. The figures themselves show clearly that there is such a need and Congress, acting responsibly, should provide the authorization.

The issue raised by the amendment is a different issue from that. The issue is one of the basic power of the President as compared to Congress' to withhold or not spend funds which have been authorized and appropriated for particular purposes by Congress.

It raises constitutional questions, issues which certainly I believe are worthy of debate and consideration by this body in great detail.

However, I should like to suggest, as a matter of wisdom and not as a matter of relevance, because as I will argue shortly, I think that the question of impoundments is very relevant and the need for impoundment, indeed, has been imposed by Congress, failure to discipline itself adequately enough insofar as the budgeting processes are concerned, that the budgeting and the appropriating of the funds go considerably beyond our resources coming from general revenues, and thus, the resulting deficit spending in which we find ourselves over a protracted number of years.

The issue, however, even though relevant, it seems to me is unfortunate to put it on this bill, which it seems absolutely clear to me, and I think the President has made that abundantly clear, if it is necessary to impound, he feels there is authority to impound under other legislation and, indeed, in carrying out his constitutional responsibilities, he really can do little other than impound, or watch the country go into bankruptcy with all the undesirable effect that would have on all the social welfare and other programs we have in this country.

So I think that the purposes of the amendment, while perhaps justifiable from the point of view of arguing the constitutional question, I should like to change the mechanism, and I have an amendment at the desk on that which is now pending, No. 46, on which I will speak later, but I believe that some procedure is necessary for this. But to put a flat prohibition on impoundment would, in my opinion, virtually assure a veto of the legislation because it would create conditions which, if this amendment were in the bill, would make it impossible for the President to act under the bill.

Indeed, the danger from inflation—I would go this far as to say that the danger from inflation to the country, if this impoundment prohibition is put in the bill, would be greater than the danger of not extending the Economic Stabilization Act at all.

Mr. SPARKMAN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I want to say this, that of course I have objected strongly to some of the impoundment by the President. I have not done it as to just everything, but I do feel that when he used impoundment to eliminate programs that Congress had authorized and which he had signed into law, well, I just felt that was going pretty far.

I am still hopeful that the President will release funds from time to time for the programs that are sorely needed. I have opposed the impoundment and the manner in which he has done it, for I do not believe this is the way to answer that problem.

Personally, I am very sorry that the Senator from South Dakota did undertake in this way to fight impoundment, by saying, in effect, that otherwise the whole Economic Stabilization Act can be knocked out. While I may be opposed to impoundment, I strongly favor our doing something to try to steady the economy. Goodness knows, it needs it. This is what the Senator from South Dakota proposes to do here, to cut off our nose to spite our face.

The PRESIDING OFFICER (Mr. HUDDLESTON). The time of the Senator from Alabama on the amendment has expired.

Mr. TAFT. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from South Dakota has 5 minutes on the amendment, and that is all the time remaining on the amendment.

Mr. TAFT. Has the time of the Senator from Ohio expired?

The PRESIDING OFFICER. Yes, it has.

Mr. TAFT. I thank the Chair.

Mr. McGOVERN. Mr. President, I want to make the point, in conclusion, about the amendment, with all due respect to the question raised both by the Senator from Ohio and the Senator from Alabama, that this is the proper vehicle on which to attach the amendment. The language of the bill now before us, as a matter of fact, refers specifically to the problem of impoundment.

Section 5 reads as follows:

> "(j) Nothing in this title may be construed to authorize or require the withholding or reservation of any obligational authority provided by law or of any funds appropriated under such authority."

That was written in committee by the committee, of which the Senator from Alabama is the chairman, relating to the problem of impoundment.

Beyond that, the original act which we are now modifying has language which reads as follows:

> Any person suffering a legal wrong because of any act or practice arising out of this title or any order or regulation issued pursuant thereto, may bring an action in the District Court of the United States without regard to the amount in controversy.

So the amendment relates to the enforcement issue in the act itself. The bill deals with inflation controls. That is really what we are talking about in the Economic Stabilization Act. The President has asserted that impoundments are made for the purpose of inflation controls. Therefore, both the amendment that I have offered and the bill itself deal with the single subject and that is, the President's authority to control inflation.

I quite agree with what both the Senator from Ohio and the Senator from Alabama have said, that it is very important our Government have the power to deal with the problems of inflation. But it is also important that we stay away from one-man rule in this country and that Congress have some voice in the manner in which public funds are expended. There is nothing in the Constitution that ever gave the President the authority to operate in an arbitrary or unilateral fashion without referring to the wishes of Congress.

If the control of inflation under this act is as important as the chairman of the committee, the Senator from Alabama (Mr. SPARKMAN), has said—and I believe it is important—then the President has a perfect "out" under the terms of this amendment, and that is, simply to stop the arbitrary impoundment of funds, and he will have all the authority that this act bestows upon him.

So I see nothing in the amendment except an effective effort to keep in it on the part of Congress and to take advantage of the first real vehicle we have had to deal with this problem of impoundment in a way that counts, and that is to set up an anti-impoundment provision in a bill that the President says is important, which is important to the country, and then we have the vehicle and the instrument we need to see that the powers of Congress are restored.

We can do that in an effort that is practical and effective under the terms of the amendment.

I hope very much that the amendment will be agreed to.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been used or yielded back, the question is on agreeing to the amendment.

Mr. TAFT. Mr. President, I raise a point of order against the amendment, on the basis that it is not germane, in accordance with the consent agreement, and I would like to be heard on the point of order.

The PRESIDING OFFICER. The Senator will be heard on the point of order.

Mr. TAFT. Mr. President, I do this with some reluctance and not out of any attempt to oppose the distinguished Senator from South Dakota in bringing this issue before the Senate.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield for a question.

Mr. ROBERT C. BYRD. On whose time is the Senator making his point of order?

The PRESIDING OFFICER. The time will have to come from the bill.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. TAFT. As I say, I raise this point of order with no desire to prevent the matter coming to an issue. As I stated earlier, I feel that the issue is an extremely relevant one to the whole question of the extension of the Economic Stabilization Act and the whole question of the need for controls and for some resolution by Congress, in a workable way, of the impoundment issue.

If the amendment goes to a vote, I shall, of course, oppose the amendment, because I do not believe that the amendment, in the approach it takes, is a workable way of handling the impoundment issue, but I do believe it is thoroughly relevant.

The question on which the point of order is raised relates solely to the issue as to whether or not the consent agreement in this particular case bans an amendment of this sort as being not germane.

Another reason, frankly, as to why this issue is raised is that pending before the Senate at this time—and they could be called up at any time—are amendments of the Senator from Wisconsin relating to the whole question of impoundment and a ceiling upon expenditures which, in turn, I think is very directly related to the whole issue, and an amendment by the Senator from Oklahoma, and an amendment by myself—all of which deal with the whole area of impoundment.

Some questions have been raised as to whether these amendments would be in order under the consent agreement if they are called up. It seems to me that they should be considered to be germane and in order, but there seems to be some doubt about this. For this reason, I have raised the issue at this time as to the amendment of the Senator from South Dakota.

It seems to me, as we see in the amendment of the Senator from South Dakota, that he attempts to deal with the withholding or reserving of an excess of 5 percent of any obligational authority provided by law or any funds appropriated under such authority.

This would go, insofar as carrying it out is concerned, a good deal beyond the provisions of the bill which are involved, as we see on page 3, starting on line 25, in which it is stated in the committee amendment, now part of the bill, that—

> Nothing in this title may be construed to authorize or require the withholding or reservation of any obligational authority provided by law or of any funds appropriated under such authority.

This definition or defining provision relates solely to this particular act. It does not relate to other acts to which the amendment of the Senator from South Dakota would definitely relate. It would be right across the board and would call into action, I believe, possibly the General Accounting Office as to a determination of whether the 5-percent requirement in the amendment of the Senator from South Dakota has or has not been used.

It might require a determination by the Office of Management and Budget, also, as to whether there had been any withholding or reservation in excess of 5 percent of the obligational authority provided by law.

These factors would certainly call upon other instrumentalities of Government over and beyond a mere interpretation of the law that the courts will have to make under the provision as it appears in the current bill.

For that reason, I think it is important that we have a ruling at this time, so that, when the issues arise on the amendments to be offered at a later time with regard to reservation and with regard to a ceiling or limitation upon expenditures, we have some precedent on which to base them.

On that, I rest my point of order.

The PRESIDING OFFICER. The Chair rules that the amendment is germane, subject to the provision in the bill relating to impoundment.

The question now is on agreeing to the amendment.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. SPARKMAN, I yield myself 1 minute from the bill.

The time for the vote on the amendment by Mr. McGOVERN has arrived. I ask the distinguished senior Senator from South Dakota if he would be willing at this time to call up a second amendment, which I understand he is ready to propose; that we ask unanimous consent to temporarily lay aside the pending amendment and proceed with the next amendment, possibly have a vote on the pending amendment—say, at 2 p.m.—with a vote on the second amendment to occur back to back thereafter.

Mr. McGOVERN. That is acceptable to me, Mr. President.

Mr. ROBERT C. BYRD. I thank the Senator.

The reason I make this proposal is that several committees are still meeting, conferences are occurring; and in order that they might not be interrupted in their continued hearings and meetings, I ask unanimous consent that the pending amendment be temporarily laid aside, that the Senator from South Dakota may be recognized to propose a second amendment; that the vote on the pending amendment occur at 2 p.m. today, to be followed by the vote on the second amendment, provided that time on that amendment has expired at that point.

Mr. TAFT. Mr. President, reserving the right to object, may I inquire what the time on the amendment about to be offered would be?

Mr. ROBERT C. BYRD. Thirty minutes on the amendment about to be offered.

The PRESIDING OFFICER. Fifteen minutes to each side.

Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The Senator from South Dakota is recognized.

AMENDMENT NO. 41

Mr. McGOVERN. Mr. President, I call up my amendment No. 41.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

> At the end thereof add the following new section:
>
> WAGE AND PRICE STANDARDS
>
> SEC. 9. Section 203 of the Economic Stabilization Act of 1970 is amended—
>
> (1) by adding the following new subsection, and renumbering the other subsections accordingly:
>
> "(b) In the event that the President issues any orders or regulations for the control of wages and salaries pursuant to subsection (a) of this section, such orders shall also provide for the control of the prices of the employer, and shall limit any increase in such prices to an amount sufficient to cover any projected increase in the net cost of producing the product or offering the service: *Provided, however,* That nothing in this subsection shall be used to hold prices for such employer below a level which would yield a profit margin of 7.5 per centum."
>
> (2) by adding the following new subsection and renumbering the other subsections accordingly:
>
> "(e) Notwithstanding any other provision of this title, no order, regulation, or standard may be issued pursuant to subsection (b) or (c) of this section which has the effect of increasing the rate of profit of the person or entity seeking a price increase to a level above the rate of profit such person or entity earned during the twelve-month period prior to May 25, 1970, or 7.5 per centum, whichever is higher.",
>
> (3) and by adding at the end of subsection (f) (redesignated subsection (h)) of that section the following:
>
> "(4) or which in the aggregate is equal to or less than the higher of—
>
> "(A) the sum of the increase in the cost of living and any increase in productivity since May 25, 1970, less any wage or salary increase since that time, or
>
> "(B) the amount of windfall profit the employer received from any increase in profit margins since May 25, 1970."

Mr. McGOVERN. Mr. President, while I share congressional anger over the proposed Nixon cuts in domestic programs and the ever increasing unconstitutional impoundments, I fear that the debate has obscured other interests of that vast majority of our citizens who earn their living in factories and on farms.

Many Americans have lost confidence in government largely because of two factors:

Working people have seen a severe threat to the prosperity they learned to expect and come to accept during the mid-1960's. Working families have seen gains in real income during the Kennedy-Johnson era eroded by inflation and higher payroll taxes.

Unemployment has risen substantially. Nearly 4½ million Americans cannot find work; over 2 million more can find only part-time work; millions more cannot find jobs suited to their training and their talents.

Second, working people have learned that the burden of Federal spending falls unequally upon them. During the last 4 years, individual income taxes have increased by $7½ billion, while corporate taxes have decreased by $4½ billion. The tax loopholes which benefit the affluent are not available to the average family.

I believe we can find the necessary public support to spend workers' and farmers' tax dollars on new Federal initiatives only when they are financed by fair taxes derived from adequate wages. We cannot ask our people to do justice to others when we deny justice to them.

Mr. President, the administration's recent request for a 1-year extension of the President's authority to impose wage-price controls presents Congress with the opportunity to do at least partial justice for working Americans.

Therefore, I have this amendment to the Economic Stabilization Act of 1970 which, if enacted, will restore an equitable balance between working people and their employers.

The need for such legislation is best demonstrated by a review of the economic history of the last 4 years.

The principal domestic problem facing Mr. Nixon in his first term was how to deal effectively with the inflationary pressures caused by the war in Indochina. By 1968, the costs of Vietnam were being paid not only from an escalated Federal budget but from the diminished earnings of labor. The war escalation of 1968 was accompanied by a 4.2 percent rise in the Consumer Price Index.

While unemployment remained stable in 1969, actually decreasing one-tenth of 1 percent, the Consumer Price Index shot up 5.6 points. Although we enjoyed our last budget surplus in 1969—$4.7 billion—the Nation was already caught in the spiral of inflation we had not seen since the Eisenhower years.

The debate swirled around who should pay the cost of controlling that wartime inflation.

The Nixon administration, on ideological grounds, applied the economics of the Hoover administration, attempting to restrain prices by raising unemployment.

The result was recession—a massive increase in both unemployment and inflation at the same time. Joblessness jumped toward 6 percent while the Consumer Price Index leaped 6½ points.

Many of us in Congress decried those primitive economic policies. We saw no need to throw millions of Americans out of work, particularly when increasing unemployment brought no relief from ever-increasing inflation. Rural States such as the one I represent were particularly hard hit; the gap between the prices farmers had to pay and the prices they were paid widened more and more.

As the pace of inflation and unemployment speeded up in 1969 and 1970, the President's congressional critics argued that temporary economic controls were the only way to break the wage-price spiral. Despite the President's continuing disagreement, we enacted standby controls which he could implement, should he change his mind.

The Economic Stabilization Act of 1970, as amended, delegated broad and sweeping powers to the President to "issue such orders and regulations as he deems appropriate" to stabilize all elements of the economy—not just wages and prices. While the act set certain standards for the President to follow, the authority we delegated him was nearly absolute.

Perhaps such a broad standby measure was necessary when the President was resistant to any specific plan of controls.

Perhaps some of us wrongly assumed that the President would implement controls in an even-handed manner.

In any case, the pressures on the White House to act mounted rapidly. Polls showed approximately two-thirds of the American people in favor of temporary controls; they also showed a commensurate decrease in the President's popularity.

So, in a stunning reversal of his prior position, the President finally unfolded a new economic policy in August 1971.

With a stroke of the pen, he devalued the dollar, froze wages, prices, and rents, and set up the machinery for future mandatory controls. However, he refused to touch profits and interest rates.

The Nation experienced a sense of relief that action had been taken at last. However, I joined with the spokesmen of organized labor—President Meany and others—in noting that the controls were less than even-handed.

While the controls restrained wages and slowed the price advance, the cost of controlling inflation was put unfairly on the wage earner.

The wages of workers were frozen at inflation-ravaged levels while corporate profits were permitted to soar to record highs.

The administration's bias toward big business led AFL–CIO President George Meany and other representatives of organized labor to walk off the Pay Board in protest.

What have phase I and phase II done for the workingman—or, more appropriately, what have they done to him?

The administration proudly points to the January unemployment figure of 5 percent, which is 1½ percent above the level of the first Nixon year. In human terms, that statistic means that there were nearly four and a half million workers who could not find jobs in January. In addition, there were 2 million workers who had to take part-time jobs because full-time work was not available. Although the administration does not collect hard statistics on the number of persons who are underemployed, the number clearly runs into millions.

For those fortunate enough to have jobs, the decline in real income had been arrested. But the net gains have been only marginal. Average weekly earnings have increased only $7.05 since the introduction of phase II controls, with an actual decline of $1.15 in January of this year. The 13-month rise of less than 5½ percent has been almost matched by a 4.6 increase in the consumer price index and increased payroll taxes.

But while workers' take-home pay remained virtually constant, corporate profits after taxes shot up 14 percent in 1971 and nearly 15 percent in 1972. Much of those gains were the result of Federal tax concessions to big business.

No one disputes the right of businessmen to earn equitable profits. What I do dispute is the inequity in the President's administration of phase II. The Nixon controls have prevented workers from sharing in the new affluence of their employers, even though their productivity has risen sharply. The burden on working people is thus doubly great—their take-home pay has stagnated, while consumer prices continue to rise in part because of the profits they are forbidden to share.

Many working men and women across the land are again growing restive because they fear that the proposed Nixon phase III guidelines will perpetuate the phase II imbalance of power between labor and management.

Many unions have called for an end to the controls on grounds that their members will do relatively better in their struggle against inflation under free and open collective bargaining.

I now fear that the economic expansion of the election year may, in the words of the Federal Reserve Board Chairman, "touch off a new round of inflation." The latest monthly increase in the wholesale price index was sharper than at any time in the last 22 years. And the consumer price index is never far behind.

Yesterday we saw the prime interest rate rise half a point to 6¾ percent. The stock market, reportedly in anticipation of renewed inflation, has fallen sharply.

As Chairman Burns has warned:

> The expanding demand for goods and services could begin to pull prices upward and thereby reinforce prevailing cost-push pressures.

That risk is increased by the President's proposed budget which calls for a $19 billion or 8 percent increase in Federal spending. I have, therefore, joined with other Senators in introducing legislation to keep Federal spending at $265 billion, about $4 billion less than the President proposes to spend. We can consider further spending when and if Congress raises further revenues by closing glaring tax loopholes.

We are thus faced with a painful choice. If inflationary pressures again explode without even standby authority to impose controls, the resulting inflation would fall hardest on working people. And if we merely extend the President's present powers we may do equal harm.

Therefore, I have concluded that we must insure that the stick in Mr. Nixon's closet is not again used disproportionately against average citizens. We must make sure that any controls which we adopt will be applied fairly.

The present situation is very different from the time we originally enacted the authorization for temporary controls.

The administration's economic record under both phase I and phase II, as well as the proposed phases III guidelines, signal what will be done in the year ahead unless the Congress amends the rules.

Working people will not be able to engage in free collective bargaining—their wages will not be permitted to increase by more than 5½ percent, no matter how much profit their employers make or how much their own productivity increases. That low standard could easily be substantially eroded by inflation.

While the administration has courted organized labor, it has not made any firm promise, nor taken any definite steps which working people can rely on, if Congress extends the act.

What I propose today is that the Congress adopt specific standards of fairness for the President to follow when and if he imposes wage-price controls. The present language of section 203(b) suggests certain general standards to be followed including that any action the President takes:

Be generally fair and equitable;

Take into account changes in productivity and the cost of living;

Provide for price reductions when production costs decrease; and

Call for generally comparable sacrifices on the part of the consumer, business, and labor.

Unfortunately, the President has not followed those standards. The cost of the fight against inflation has fallen principally upon the worker and the consumer. And the controls have actually resulted in artificially increasing business profits.

My amendment would help correct those inequities. It would explicitly require that the President follow the general standards now suggested in the act.

First, if the President decided to control wages, he would also be required to control the prices of the employer involved. In such cases, no price increase would be allowed except to reflect the net increase in the cost of production. Second, in any case no price increase would be permitted if it would leave a profit margin higher than the company enjoyed in the 12 months before the act was first adopted. However, the amendment would protect smaller firms by establishing a reasonable profit floor of 7½ percent.

And third, working people would be permitted to bargain for wage increases up to the sum of the increase in the cost of living and the increase in their own productivity—less any wage increased—since May 25, 1970, without the risk of such an agreement being set aside. Alternatively, workers could bargain freely for the amount of any windfall profit their employer received under phase I and phase II through increased profit margins.

In this way, all segments of the economy would bear equally the cost of controlling inflation.

The consumer would no longer be forced to underwrite increasing profit margins.

Business would for the first time be required to contribute its fair share, without being asked to reduce profits to unreasonably low levels.

And working people would be able to bargain freely for reasonable price increases—measured by objective economic standards.

This proposal would strengthen the fight against inflation. It would eliminate the most serious defect of the past—artificially high profit margins.

And most importantly, it will insure the average citizen the evenhanded treatment from Government they have a right to expect.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Ohio controls the time in opposition to the amendment.

Mr. TAFT. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. TAFT. Mr. President, the first part of the wage and price standards amendment substitutes a specific price standard for the general language of the original act. The problem with this specific standard is that its effect would be extremely uneven if it were applied to all segments of the economy. Certain industries and production processes have characteristics such as risk and turnover characteristics that lead to very different profit margins among industries. Applying a specific standard to all industries would consequently disrupt normal profit margins resulting from the diverse characteristics associated with each industry. In the food retail industry, for example, profit margins are typically very low compared to other sectors of the economy. Application of the specific standard provided in this amendment would substantially weaken our ability to control the margins of food wholesalers and retailers, sectors that continue to be subject to mandatory controls during phase III. Application of this same standard, on the other hand, to industries subject to a great deal more variability and output, risks, uncertainty, and turnover might well lead to a situation in which many industries would find it infeasible to continue operations. In such circumstances, firms in these industries would tend to discontinue operations further limiting supplies and driving prices up.

In the section dealing with profit margins, a profit margin test relating to a single 12-month period prior to May 25, 1970, is proposed. In the first place, many firms are on a fiscal year basis which does not correspond to that 12-month period. Such firms would have to recompute profit margins corresponding to the 12-month period by extrapolating on the basis of their fiscal year accounting methods. Moreover, since profits vary a great deal from year to year, utilizing only a single year for a profit margin test would permit some firms to achieve large profits while other firms would be unduly squeezed. The implementation of an averaging process corresponding to the fiscal years that firms normally use in their accounting practices such as was used both during phase II and phase III helps to avoid these inequities among firms and the burden of a great deal of paperwork by the business community.

In the section dealing with the wage standard, it is proposed that wage increases not be precluded which in aggregate are equal to or less than the sum of cost-of-living increases and productivity increases since May 25, 1970, or profit margins in excess of those for the 12-month period before May 25, 1970. The period since May 25, 1970, has been one of unusually rapid productivity growth. Consequently, unusually rapid increases in wages would be permissible under this standard. Since productivity growth varies over the short term, partly in response to cyclical levels of business activity, proceeding in this manner would result in variable rates of wage change that depended on average rates of productivity growth over the short term. Such a standard, consequently, would result in a situation in which at some time wage increases would increase rapidly in response to productivity growth and other situations in which wage increases would increase far less rapidly and might even decline as productivity growth slackened.

Prior to the establishment of the economic stabilization program, wages of workers have normally grown at a much more even pace than profits of firms. Profits increased more rapidly during periods of rapid productivity growth and increased less rapidly and in some instances fell dramatically when productivity growth declined. The standard proposed by this amendment would reverse these circumstances, and lead to wages that increased in response to short-term productivity growth while profits were stabilized. That is, the implication of this wage standard is that profits should be stabilized for business firms and workers should bear the brunt of changes in productivity growth rates by fluctuations in the rate of wage increase—an intention that I am sure must not have been included when the amendment was proposed.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, I suggest the absence of a quorum, to be taken equally out of both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 583) to promote the separation of constitutional powers by suspending the effectiveness of the rules of evidence for U.S. courts and magistrates, the amendments to the Federal Rules of Civil Procedure, and the amendments to the Federal Rules of Criminal Procedure transmitted to the Congress by the Chief Justice on February 5, 1973, until approved by act of Congress.

The enrolled bill was subsequently signed by the President pro tempore.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The Senate continued with the consideration of the bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

The PRESIDING OFFICER (Mr. Helms). Pursuant to the previous order, the Senate will now proceed to vote on amendment No. 40 of the Senator from South Dakota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), and the Senator from Minnesota (Mr. Mondale) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pastore) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. Hughes) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The Senator from New York (Mr. Buckley) is necessarily absent.

The result was announced—yeas 9, nays 82, as follows:

[No. 47 Leg.]

YEAS—9

Abourezk
Church
Hartke
Humphrey
Kennedy
McGovern
Metcalf
Moss
Nelson

NAYS—82

Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Inouye
Jackson
Javits
Johnston
Long
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Montoya
Muskie
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—9

Baker
Buckley
Cranston
Fulbright
Hughes
Mansfield
Mondale
Pastore
Stennis

So Mr. McGovern's amendment (No. 40) was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. Mr. President I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, after consultation with the Senator from South Dakota——

The PRESIDING OFFICER. The motion to table is not debatable. The question is on agreeing to the motion to table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, after consultation with the Senator from South Dakota (Mr. McGovern) I ask unanimous consent that the order for the yeas and nays on his next amendment be vacated.

Mr. ROBERT C. BYRD. The yeas and nays had not been ordered.

The PRESIDING OFFICER. That is correct.

The time has expired on the amendment offered by the Senator from South Dakota (Mr. McGovern). [Putting the question.]

The amendment was rejected.

Mr. BAYH. Mr. President, I ask for the yeas and nays.

Mr. CHILES. Mr. President, I offered yesterday my amendment to reinstate mandatory rent control. First, I call up the amendment for rent control.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page —, line —, inserting the following:

Sec. 2. The Economic Stabilization Act of 1970 is amended by adding the following new section:

"§ 203a. Rent stabilization

"(a) As used in this section 'rent' means the entire amount charged by the lessor to the lessee as a condition of occupancy and for the use of related facilities, including, but not limited to, charges for parking and the use of recreational facilities.

"(b) Notwithstanding any other provision of law, with respect to any lease of or implied contract for occupancy of a residence no person may charge a monthly rent which exceeds the highest monthly rent previously charged for the same residence plus—

"(1) 2.5 per centum thereof with respect to each consecutive twelve-month period beginning at the end of the preceding period of occupancy; and

"(2) the actual amount of any increase in tax, fee, or service charge levied by a State or local government after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence; and

"(3) an amount sufficient to compensate for necessary capital improvements and for increases in the actual cost of operation and maintenance.

"(c) In the case of any residence not leased for occupancy at any time during a forty-eight month period immediately preceding the entering into a lease of or implied contract for occupancy of such residence, the rent charged during the term of occupancy provided in such lease or implied contract shall not exceed the reasonable market value of the residence; and the rent charged during subsequent terms of occupancy shall be subject to the provisions of this section.

"(d) Any person who, pursuant to a lease or implied contract for occupancy entered into after January 11, 1973, charged and received from a lessee a rent in excess of the maximum amount permitted under this section shall refund to the lessee the entire aggregate amount received which constitutes such an excess, or, in the alternative, shall credit such amount on a prorated basis against the lessee's future rent payments over a period not to exceed twelve months or the duration of the lease, whichever is shorter: *Provided,* That no provision of this subsection shall constitute authority for the recission or modification of any lease or implied contract for occupancy except as to modification of the amount of rent to be charged pusuant thereto.

"(e) The provisions of this section shall apply to all residential rental units except single-family dwelling units.

"(f) Nothing in this section shall be construed to invalidate the provisions of any State or local rent control laws or regulations except to the extent that they operate to permit to be charged a monthly rent in excess of that permitted by this section.

"(g) In cases where the operation of this section would cause serious financial hardships to a lessor, exceptions therefrom may be granted by the President or his delegate upon application of any person claiming such hardship. Any interested or affected person shall be entitled to submit relevant evidence to the President or his delegate in connection with an application made by any other person pursuant to this section. Exceptions granted pursuant to this section may be made subject to such limitations as the President or his delegate may prescribe in each case.

"(h) No lessor shall take retaliatory action against any lessee who exercises any rights conferred upon him by this section or regulations issued pursuant thereto.

"(i) It shall be unlawful for any lessor to reduce services customarily heretofore provided by him to lessees, in consequence of the provisions of this section."

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, if I might have the attention of the assistant majority leader for a moment before time is yielded, according to the unanimous-consent agreement the so-called rent amendment has a 1-hour limitation. I do not know whether this is the so-called rent amendment that I am calling up, but I think if we could get straight the time that we have on the amendment, it might be helpful to Senators.

Mr. ROBERT C. BYRD. Mr. President, at the time the agreement was reached yesterday, the distinguished Senator from Florida was not on the floor. As I understand, he had indicated earlier in the day that he was going to propose a rent control amendment.

When I proposed the agreement on a rent control amendment, the agreement I had in mind was as to the amendment to be offered by the Senator from New Jersey (Mr. Case). Because of this misunderstanding, I would hope that the distinguished manager of the bill would agree to yield 15 minutes from the time on the bill to the distinguished Senator from Florida (Mr. Chiles), so that he will have the full 30 minutes on his side of his amendment.

Mr. SPARKMAN. I am very glad to yield that time to the Senator from Florida.

The PRESIDING OFFICER (Mr. Helms). Without objection, it is so ordered.

Mr. CHILES. Mr. President, I yield myself such time as I may need.

Mr. President, I introduced yesterday my amendment to reinstate mandatory rent controls, and to roll back the increases which have occurred since phase II ended January 11, 1973.

My amendment No. 42 permits a 2½-

percent annual increase in rent, and it continues the phase II formula of allowing additional increases to cover rising taxes and costs, as well as recovery of necessary capital improvement outlays. It provides for a rollback of rents raised since January 11. It forbids landlords to retaliate against tenants who seek protection against excessive rents, and it bars landlords from making up, through reducing services, what rent controls may deny them in the way of excessive profits.

The program of rent controls under phase II was not perfect, but, toward the end of the program I believe it was working pretty well. If my mail from Florida is typical, then the country as a whole was pleased with phase II rent controls, and dismayed by what happened when they were lifted.

Phase II did not burden landlords oppressively. It allowed moderate rent increases and it permitted landlords to pass on to their tenants increases such as taxes and service charges. But phase II also protected tenants, many of whom are now subjected to a squeeze from which they have no escape.

There seems to be evidence that before phase II got rolling, and before the kinks in the system were worked out, some landlords actually got rent increases, within the control guidelines, which for one reason or another they had not tried to impose before. Then the ending of mandatory controls in January gave landlords a new justification for further rent hikes. This goes to show that it is hard to get down off a set of controls without hurting people. It does not show that the controls were not needed in the first place, or that they should not be continued.

We have had a lot of unreasonable rent increases since January, coinciding unfortunately with the sharp rise in the cost of food. This is really hurting the elderly, people retired on a fixed pension or on social security. Many of them write me that the large rent increases they face now leave them unable to make ends meet. My amendment provides that these recent increases would be rolled back, to the extent that they go beyond the guidelines.

I do not want to deprive the rental industry of its fair profit, nor to drive new capital out of the rental construction market. There could not be apartments available for rent if building owners were unwilling to build and rent apartments. But I also do not want to see that large part of our society, which must use rental housing, subjected to unreasonable demands and costs. I want a situation in which a landlord can afford to rent decent, well-maintained space to an elderly couple or an individual on social security. And while I would not want them guaranteed that they could keep their apartment forever. I do understand how much harder it may be for them to uproot themselves, and seek cheaper accommodations elsewhere, than such a move might be for a young couple with good prospects for a rising income.

I am not afraid that landlords will decide, because of rent control, to go out of business: I think we can pass a rent control amendment to S. 398 which will not strike fear into the hearts either of the construction industry or of rental housing management. What I am afraid of is that when we fail to reactivate phase II rent controls, I will have to sign letters to people down in Miami or Tampa telling them that the laws of economics are against them. I do not want to have to tell the pensioner or the struggling veteran, with his first job, that Congress has decided he better pay up or move out.

In a given community where there is a certain percentage of vacant rental housing theoretically available, there are going to be many cases where that housing is not actually or reasonably available to the tenant, who must move or pay a greatly increased rent. This may be because available vacancies represent an unacceptable change of life-style for an elderly person; or a move too far from his job for a lower income worker. It may be that the landlord can afford to wait for a tenant willing to pay more, better than his present tenant can afford either to move or to pay the increase demanded. The law of supply and demand may very well work over the long haul to keep rents in general within reason: But since January 11 our experience shows that the many exceptions to this economic law are causing real hardship.

This is why I have proposed this amendment, which does not limit the application of rent control to areas where there is a certain low level of rental vacancies. My mail shows that landlords have raised rents—and that tenants are hurting—in areas where the "rental vacancy rate" rule says there should be no problem. I would rather go where the problems are, and fix them, than assume, as the Case amendment does, that there is no problem except in arbitrarily defined areas.

I think that, if there are economic reasons for a lack of properly priced rental housing, we should consider how those reasons can be overcome so that as soon as possible everyone can be decently housed, without a complex system of checking and reporting and enforcement of Government rules.

But, I also believe that it is a great injustice to those who can least afford more expensive housing, to tell them that they are the chosen victims of a decision to let the market seek its own level. I think that is what I will have to tell my constituents unless we enact an extension of phase II rent controls such as I propose today.

To overcome objections that rent controls discourage new investment in construction, or proper maintenance of existing facilities, my amendment specifically allows owners of new buildings to charge the rental market value. It allows landlords to pass through to their tenants actual increases in maintenance and operating costs. It aims not at the owner who conscientiously wants to make a living providing housing, but at the man who sees an opportunity to take advantage of his tenants and to make some unearned dollars.

And I want to point out here that if critics of rent controls believe construction of new rental housing is discouraged by rent controls, then the very last place in which controls should be imposed is the very place where there is the greatest shortage of rental housing. But that is just what amendment 22 proposed to the committee—by Senator Case—would do. I say that the object of the operation is not to use the absence of rent controls to encourage appropriate building and leasing; but to protect people threatened by rent rises they cannot meet, while we get about the business of adjusting the overall machinery so that housing is available at reasonable rates without Government controls.

I also understand that administration of rent controls prior to phase III consumed almost two-thirds of the manhours of the President's economic stabilization personnel. This is a startling statistic, in view of the wide sweep of economic stabilization measures which were undertaken. However, I believe it is true that much of this large output of effort in the rent control portion of the program went into setting up the machinery to cope with a problem which affects communities all across the country. Now that that machinery is in place—and I think it was functioning pretty well when phase II ended—it should operate much more economically in the future. The Internal Revenue Service has the capability to continue the good work it was doing up until January 11, in this field. My amendment would have the effect of rearming the IRS with the powers which made it effective in rent control under phase II.

When the President last January took mandatory restraint off rents, his action inspired a wave of rent increases which were not justified by rising costs. These are the increases which I want to roll back. Under the guidelines in my amendment, and in Senator Case's amendment, there will be every opportunity for landlords to obtain justifiable increases, but it will not be possible for them to go beyond the limits of reason penalizing especially the elderly, the retired person, the members of our society who are least mobile and most vulnerable to inflation. My amendment, unlike Senator Case's would help these people wherever they live, not just in certain areas. I hope Senators wil agree with me that in extending the Economic Stabilization Act, we should see to it that stability in rents is restored.

Mr. President, I think we should end controls in this area and in every other area as soon as we possibly can, but until we have turned the economy around and stopped the inflationary spiral, I think that we should certainly not remove controls from rents, because this affects and hurts those people that are the most punished by inflation and least able to cope with it, because they are on fixed incomes or on a fixed salary and do not adjust themselves to the inflationary spiral. They are the people who are being hurt so much as the grocery prices go up and everything else goes up that is not under controls. When we release rents and see the tremendous increases that have occurred since the controls were lifted in January, we understand the plight of these people.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. CHILES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. CHILES. I yield.

Mr. MATHIAS. I wish to ask the Senator a question. I am very sympathetic with the purpose of his amendment, and I agree with the premise he has laid down, that many people are suffering as a result of exaggerated rent increases. But I am wondering if there is any provision in his amendment for a public hearing on the part of the Government, either before rent controls are imposed or in the period immediately thereafter, so that all the factors may be considered and so that there can be a public record of the various interests that are involved, either beneficially or prejudicially.

Mr. CHILES. No, there is no provision for that in the amendment as it is now written.

Mr. MATHIAS. Would the Senator have any objection to including in his amendment some provision for public hearing, so that there can be a clear exposition to the public of just what is being done and the reasons for it?

Mr. CHILES. I would have no objection to a provision such as that, so long as we are going forward with the reestablishment of some controls.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. HUMPHREY. I hope the Senate will support this amendment. The explanation given to us by the Senator from Florida indicates that he has taken into consideration all the alleged problems that come under a rent control system; namely, the importance of new construction, the incentive for giving some flexibility to include within the rental structure increased costs, taxes, services, the products or the improvements in operation and maintenance. It is a sensible amendment.

All over the Nation, particularly where people on fixed incomes live—the elderly, and in this great metropolitan area of the District of Columbia and Virginia and Maryland, where a number of people live who are on salaries—they have suffered very serious rent increases. This is characterized all across the land, in every major city.

The senior Senator from Minnesota (Mr. MONDALE) and I have just returned from some hearings in Minneapolis, and a week ago I was in Saint Paul—the two largest cities of our State. We have been listening to the people; and if there is any one thing that is bothering a number of our people, it is the rise in the cost of living, first in food and second in rentals.

I vigorously support this amendment. Had I been here yesterday—I had to be in Minnesota for public hearings yesterday—I would have asked the opportunity to join the Senator from Florida in the sponsorship of this amendment. I think it is the most practical approach we have had presented to us. I commend him for his craftsmanship in designing this amendment and in his lucid and very revealing explanation of its purpose and its impact.

Mr. CHILES. I thank the distinguished Senator from Minnesota. I would be delighted to have him join as a cosponsor of the amendment.

Mr. HUMPHREY. I very much appreciate that.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHILES. I would like to reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Mr. President, representing the manager of the bill, I yield myself 2 minutes.

We are operating under a rule of germaneness, and I submit that nothing in this bill as it came to the floor has anything to do with mandatory rent controls. Therefore, I raise the point of order that the amendment is not germane.

The PRESIDING OFFICER (Mr. HELMS). The Chair rules that while the proponent of the amendment has time for debate remaining under control, it is not in order for another Senator to make a point of order against the amendment on the ground of nongermaneness nor while the mover thereof is addressing the Senate.

Mr. BENNETT. I will withhold my point of order, and then hope that the proponent of the amendment will use up his time.

The PRESIDING OFFICER. Who yields time?

If no one yields time, time runs equally against both sides.

Mr. TAFT. Mr. President, I ask unanimous consent that a member of my staff, Mr. Rodney Solomon, may remain on the floor during the discussion of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that time be charged equally against both sides.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CHILES. Mr. President, I yield back the remainder of my time, so that we can get to the issue in question.

The PRESIDING OFFICER. The Senator has yielded back his time.

Mr. BENNETT. I yield back my time in support of the bill.

Mr. President, I make the point of order that the amendment is not germane.

The PRESIDING OFFICER (Mr. HELMS). The amendment introduces new subject matter not covered in the bill and, therefore, is not germane.

Mr. HUMPHREY. Mr. President, is the point of order debatable?

The PRESIDING OFFICER. The Chair is advised an appeal would have to be taken in order to debate it.

The Chair advises the Senator from Minnesota that the agreement reads that debatable motions or appeals shall be limited to 20 minutes.

Mr. HUMPHREY. Mr. President, I appeal the ruling of the Chair.

The PRESIDING OFFICER. The appeal is noted.

Mr. HUMPHREY. Mr. President, the amendment before us relates specifically to the text of the bill that is being extended. S. 398, which is the bill before this body to which the amendment has been offered by the Senator from Florida, is a bill to extend, and I underscore the word "extend," and amend the Economic Stabilization Act of 1970. That language under any reasonable and sensible interpretation means two things: First, that we could either extend it, as it is, or second, amend it. When I say "it" I mean the act, Public Law 92-210, 92d Congress, S. 2891, passed December 22, 1971.

Title II of that act, section 203 bears the caption "Presidential Authority." Subsection (a) states:

> The President is authorized to issue such orders and regulations as he deems appropriate, accompanied by a statement of reasons for such orders and regulations, to—
>
> (1) Stabilize prices, rents, wages and salaries at levels not less—

Now, the amendment of the Senator from Florida relates directly to the basic legislation known as the Economic Stabilization Act adopted in this body in 1971. This amendment relates specifically to the whole subject of price and wage control, or what we call economic stabilization.

The bill before us, S. 398, is designed to extend and amend the Economic Stabilization Act. That Economic Stabilization Act, first in 1970 and in 1971, has within its text the subject not only of wages and prices, but also rents. As I understand it, there was an amendment discussed in committee on rents.

Mr. CHILES. The Williams amendment.

Mr. HUMPHREY. It was rejected on an 8-to-8 tie vote, which indicates the committee that has legislative jurisdiction over this legislation felt that the amendment was germane; otherwise why would it spend its time on discussion, and secondly, have a rollcall vote.

The unanimous-consent agreement cannot violate the rules of this body, nor can it alter substantive legislation. Substantive legislation under economic stabilization includes the word rent or rents. That is the legislation that is being extended and amended, and this amendment of the Senator from Florida falls within the context of an amendment or an extension of an act and it is incredible on its face that we can say this is not germane.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. The fact is that when the unanimous-consent agreement was drawn up, a rent control amendment was included in the unanimous-consent agreement. We discussed at length the Case amendment on rent controls.

If this kind of ruling is going to stand they are not going to get any more unanimous-consent agreements this year.

Mr. HUMPHREY. The Senator can rest assured that they will not. That is out.

Mr. PROXMIRE. They would not permit the Chiles amendment to be debated on the merits.

Mr. HUMPHREY. If the subject of rent controls which was discussed within the unanimous-consent request was germane then, it is germane now.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CHILES. The unanimous-consent agreement which is printed on the calendar for today states that there shall be time allotted, 1 hour, to the so-called rent amendment. How in the world, can the Senator tell me, can there be a so-called rent amendment, and then to have a holding that the amendment is out of order. The language to which I refer appears in the unanimous-consent agreement which is on the face of the calendar today. It is beyond me and it is impossible for me to comprehend how the will of this body can be thwarted to speak up or down on this amendment.

Mr. HUMPHREY. The Senator from Florida has brought forth the unanimous-consent agreement that was arrived at on March 19. One has only to read the agreement. I say to both the Parliamentarian and the distinguished officer of the Chair that it reads as follows: "the so-called Rent Control Amendment, on which there will be 1 hour;"

This is the so-called rent control amendment. This is not the Chiles rent control amendment, but it is rent control.

Mr. CHILES. Mr. President, if the Senator will yield, can the Senator tell me why it is not the so-called rent control amendment?

Mr. HUMPHREY. I just wanted more personal identification. I do not want to go along with some ambivalence or nonentity in the title.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. If the Senator will read the unanimous-consent request a little further on he will find this language:

> *Provided*, that, no amendment that is not germane to the provisions of the said bill shall be received.

I wish to say that I was taken off the floor recently under the provision of germaneness when I offered an amendment or tried to offer an amendment to a bill out of the Committee on Agriculture and Forestry in which I simply proposed that rural housing be covered by the Senate bill.

Now, rural housing is in the preceding legislation. There is no question about it. The Senator from Minnesota knows that. But it was not in the bill that was reported by the Committee on Agriculture and Forestry, and a member of the Committee on Agriculture and Forestry raised the question of germaneness. My amendment was ruled out.

I just cannot agree with the Senator in his argument that because it was in the bill two steps back the germaneness would go all the way back there. The language says germane to this bill, and this is the bill.

Let me say that when my rural housing went out I felt badly; it was difficult, but I took it. This is in accord with the rules of the Senate, and I think that we ought to abide by the rulings of the Chair.

Mr. HUMPHREY. Mr. President, there is a great deal of difference between an amendment on a rural housing feature or environmental bill——

Mr. SPARKMAN. Would the Senator say it depends upon whose ox is being gored?

Mr. HUMPHREY. No, it does not depend upon whose ox is being gored or whose house is being built, but this amendment was included within the basic context—at least the subject matter—of the unanimous-consent agreement. That within itself would make it germane. Secondly, it is not irrelevant to consider this amendment within the total concept of the basic Economic Stabilization Act, of which the bill before us is an extension and a provision for further amendment. I think the relevancy of that argument is obvious.

But more important, may I say most respectfully to this body and to our distinguished Presiding Officer, if the Case amendment on rent control is a germane amendment to the bill before us, without any regard to the basic Economic Stabilization Act, then the subject of rent control and whatever variation may be proposed by the Senator from Florida is likewise germane.

The germaneness of the subject of rent control was taken care of in the language which says—

> the so-called rent control amendment, on which there will be 1 hour.

Germaneness is presumed by the fact of the mention of the rent control amendment, because if a rent control amendment is germane under the unanimous consent, no matter who is its author, then a rent control amendment here offered by the Senator from Florida, with some understanding on the sharing of time with one of the other authors of the rent control amendment, is germane.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia. Who yields time?

Mr. HUMPHREY. I yield, of course, Mr. President, to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I was off the floor temporarily. Am I correct in understanding that a point of order has been made against the rent control amendment on the basis that it is not germane?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I would hope that the point of order would not be pressed. The leadership, in getting the agreement on yesterday, was not informed at that time that the rent control amendment was not germane. It is true that the agreement provided the no nongermane amendments would be in order, but the rent control amendment was specifically provided for in that unanimous-consent agreement, and while it is not germane, I would hope that the Members of the Senate would, under the circumstances, allow the Senator who is proposing his rent control amendment to get an up-and-down vote on his amendment.

The leadership did not enter into this agreement with any thought that it would put anything over on the membership and that we would slip a nongermane amendment in without Senators knowing about it. The leadership proposed the agreement in good faith, and I would hope that the point of order would be withdrawn.

The PRESIDING OFFICER. Will the Senator withhold? The time of the Senator from Minnesota has expired.

Mr. SPARKMAN. Mr. President, do I have time?

The PRESIDING OFFICER. The Senator from Alabama has 10 minutes.

Mr. SPARKMAN. Mr. President, let me say this to our leader. He referred to the nongermane provision being slipped over on Members of the Senate. As a matter of fact, when this unanimous-consent request was made, and all of these different ones were spelled out, this one was added. It was not slipped over; it was made part of the unanimous consent request, and it is in keeping with others that have been made.

I was taken off the floor the other day on the question of nongermaneness. I recognized the force of the ruling of the Parliamentarian. I did not argue it. I did not appeal from the decision of the Chair, because I knew it was right under the unanimous-consent request that had been agreed to.

I will say this to the Senator from West Virginia: I am afraid he is letting himself in for trouble in the future. If I ever have an amendment to a bill and the request is made that it must be germane, I am going to do one of two things—I am either going to object to it or I am going to insist that my amendment be named as one to be considered. I suppose every Senator in here would do the same thing, and I think it would cause considerable trouble.

Mr. ROBERT C. BYRD. Mr. President, first of all, the reference to slipping something over was not meant to apply to the Senator from Alabama——

Mr. SPARKMAN. And these other Senators. The request was made in the well of the Senate by the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, who has the floor?

Mr. SPARKMAN. I do. Does the Senator want me to yield to him?

Mr. ROBERT C. BYRD. I would be glad to have him do so.

Mr. SPARKMAN. I shall be glad to do so. How much time?

Mr. ROBERT C. BYRD. As much time as I need.

Mr. SPARKMAN. I have but 10 minutes.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 9 minutes.

Mr. SPARKMAN. Nine?

The PRESIDING OFFICER. Yes.

Mr. SPARKMAN. And the Senator from Texas wants some time. If the Senator will tell me how much time he wants, I will be glad to yield to him.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may speak for 3 minutes without the time being charged against either side.

Mr. SPARKMAN. Mr. President, I have the floor. Do I not?

The PRESIDING OFFICER. Yes.

Mr. SPARKMAN. Now I will yield 3 minutes to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator.

The reference which I made to "slipping something over" was applicable to myself, because I was the one who presented the agreement, and I just wanted Senators to know that I entered into that agreement and proposed it in good faith, and there was no effort on my part knowingly to make any nongermane amendment in order.

The second point I make is that the Senator is correct. When a point of germaneness is ordinary raised and the Chair rules that an amendment is not germane, I have no quarrel with that situation; but in some cases a unanimous-consent agreement is entered into specifiying certain amendments, and applying a broader limitation on those amendments, without the leadership's knowing at the time that those amendments might not be germane. The Senator knows how we enter into these agreements; the leadership works with the managers of the bill and with the leadership on the other side of them and we try to get a time limitation on them. A Senator says, "I have an amendment that does thus and so but I want additional time." We do not take the time—perhaps we should—to go to the Parliamentarian to see if that amendment will be germane. So try to get additional time on that amendment. But once we have accorded a Senator the additional time and included it in the agreement, I think that is an amendment that ought to be accorded a vote up or down.

This is not the first time this has happened, Mr. President. We have had agreements heretofore in which certain amendments not germane were specified, but we proceeded then to vote on those amendments. So this is not setting a precedent.

I think the suggestion I am making—to wit, that we allow the rent control amendment to come on in in view of the fact that it was explicitly provided for and thus excepted from the nongermane provision, not by intent, but in actuality that is what occurred—is not a precedent; in the past we have allowed such excepted amendments to be voted up or down even though they were not germane.

Am I correct, Mr. President?

The PRESIDING OFFICER. When the unanimous-consent agreement allows a specific amendment in addition.

Mr. ROBERT C. BYRD. So am I correct that this is the way we have handled such situations?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHILES. Mr. President, a point of inquiry.

Mr. ROBERT C. BYRD. Mr. President, I hope we would follow precedent and in this instance let the Senator have a vote up or down on his amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TOWER. Mr. President, will the Senator yield me 2 minutes?

Mr. SPARKMAN. I yield 2 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, it is my understanding that the amendment of the Senator from New Jersey (Mr. Case) on rent control was part of the agreement, and therefore it could be taken up under the rule of germaneness and voted on, for or against. It would seem to me, in the interest of orderly procedure, that we could take up the amendment of the Senator from New Jersey, and if the Senator from Florida sought to amend it with his own amendment, then it would be in order and it would be germane.

The PRESIDING OFFICER. That would be the interpretation of the Chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 more minute?

Mr. SPARKMAN. I yield.

Mr. ROBERT C. BYRD. The only reason why I made the reference to the specific amendment by the Senator from Florida was that the identification of his amendment comes under the so-called same definition that we used yesterday in getting the agreement. I was under the impression that he was going to be allowed an hour on his amendment yesterday, and, as I indicated, when we got the agreement I was under the impression that it was Mr. Case's amendment we were talking about as the rent control amendment.

So, perhaps the Senator from Florida would be willing to proceed as the Senator from Texas has suggested and offer his amendment to the amendment of the Senator from New Jersey, so that we could have an up or down vote on the rent control amendment in view of the fact that it was excepted from the germaneness provision.

Mr. SPARKMAN. Mr. President, I am willing to yield back the remainder of my time. I have no objection to the proceeding.

The PRESIDING OFFICER (Mr. Helms). Does the Senator from Minnesota insist upon his appeal?

Mr. HUMPHREY. Mr. President, would the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. Mr. President, I will not yield back the remainder of my time at this time. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, do I understand that the Senator from West Virginia asked the Senator from Florida if he would offer his amendment as an amendment to the Case amendment?

Mr. ROBERT C. BYRD. Mr. President, I thought that might be a way out of our dilemma.

Mr. CHILES. Mr. President, I want to ask the Senator from New Jersey whether, if the amendment is offered as a substitute to his amendment, he feels it would be fair. We would vote first on my amendment, and if it passed it would carry along with his amendment. If it failed, we would vote on the Case amendment.

Mr. CASE. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. Mr. President, I yield 1 minute to the Senator from New Jersey.

Mr. CASE. Mr. President, I want to accommodate everybody. I think we are in a bit of a box. I intend to vote for the Chiles amendment, and he intends to vote for mine.

I do not want any misunderstanding about individual views on this thing. I think that either one will do the job. If it will resolve the parliamentary tangle without setting a precedent, I would be glad to follow the suggestion of the acting majority leader with the understanding that my amendment might not be ruled out of order.

Mr. President, I ask unanimous consent that, whatever might be done, my amendment be considered in order.

Mr. ROBERT C. BYRD. Mr. President, I hope that the Senator will not insist on that. He can rely on the precedent and we can have a vote.

Mr. SPARKMAN. Mr. President, as far as I am concerned, I assure the Senator from New Jersey that I will not object.

Mr. CASE. Then it is satisfactory.

Mr. HUMPHREY. Mr. President, if it is agreeable with the principal sponsor of the amendment on which the ruling was made, I withdraw my appeal on the point of order provided that the Senator from Florida does not get washed out.

The PRESIDING OFFICER. The appeal is withdrawn. The bill is open to amendment.

Mr. BENNETT. Mr. President, all time has expired on the amendment; has it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BENNETT. Mr. President, I move that the amendment be laid on the table.

Mr. CHILES. A point of order.

The PRESIDING OFFICER. The amendment has been ruled out of order.

Several Senators addressed the Chair.

AMENDMENT NO. 22

Mr. CASE. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page , line , insert the following:

Sec. 2. The Economic Stabilization Act of 1970 is amended by adding the following new section:

"§ 203a. Rent stabilization

"(a) As used in this section—

"(1) 'rental vacancy rate' has the same

meaning as that adopted and employed by the Bureau of the Census in its Housing Vacancy Survey Reports for 1972.

"(2) 'low-vacancy State' means any standard metropolitan statistical area, as defined and officially recognized by the Bureau of the Census, having a rental vacancy rate lower than 5.5 per centum;

"(3) 'low-vacancy period' means, with respect to any standard metropolitan statistical area determined by the President or his delegate to have a rental vacancy rate lower than 5.5 per centum, the period beginning on the day following publication of such rental vacancy rate in the Federal Register and ending on the next following day of publication in the Federal Register of a rental vacancy rate in that standard metropolitan statistical area of 5.5 per centum or higher;

"(4) 'rent' means the entire amount charged by the lessor to the lessee as a condition of occupancy and for the use of related facilities, including, but not limited to, charges for parking and the use of recreational facilities;

"(5) 'standard metropolitan statistical area' means any area officially so designated and recognized by the Bureau of the Census.

"(b) The President or his delegate shall make semiannual determinations of the current rental vacancy rate in each standard metropolitan statistical area and shall cause the same to be published in the Federal Register within sixty days after the date of enactment of this section and thereafter on January 1 and July 1 of each year.

"(c) Notwithstanding any other provision of law, with respect to any lease of or implied contract for occupancy of a residence in a low-vacancy area entered into during a low-vacancy period, no person may charge a monthly rent which exceeds the highest monthly rent previously charged for the same residence plus—

"(1) 2.5 per centum thereof with respect to each consecutive twelve-month period beginning at the end of the preceding period of occupancy; and

"(2) the actual amount of any increase in tax, fee, or service charge levied by a State or local government and any necessary capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence.

"(d) In the case of any residence not leased for occupancy at any time during a forty-eight-month period immediately preceding the entering into a lease of or implied contract for occupancy of such residence during a low-vacancy period, the rent charged during the term of occupancy provided in such lease or implied contract shall not exceed the reasonable market rental value of the residence; and the rent charged during subsequent terms of occupancy shall be subject to the provisions of this section.

"(e) In any standard metropolitan statistical area which is a low-vacancy area at the first publication of rental vacancy rates pursuant to subsection (b), any person who, pursuant to a lease or implied contract for occupancy entered into after January 11, 1973, charged and received from a lessee a rent in excess of the maximum amount which would be permitted during a low-vacancy period shall refund to the lessee the entire aggregate amount received which constitutes such an excess, or, in the alternative, shall credit such amount on a prorated basis against the lessee's future rent payments over a period not to exceed twelve months or the duration of the lease, whichever is shorter: *Provided*, That no provision of this subsection shall constitute authority for the rescission or modification of any lease or implied contract for occupancy except as to modification of the amount of rent to be charged pursuant thereto.

"(f) The provisions of this section shall apply to all residential rental units except single-family dwelling units.

"(g) Nothing to this section shall be construed to invalidate the provisions of any State or local rent control laws or regulations which have been approved by the President or his delegate.

"(h) In cases where operation of this section would cause serious financial hardship to a lessor, exceptions therefrom may be granted by the President or his delegate upon application of any person claiming such hardship. Any interested or affected person shall be entitled to submit relevant evidence to the President or his delegate in connection with an application made by any other person pursuant to this section. Exceptions granted pursuant to this section may be made subject to such limitations as the President or his delegate may prescribe in each case.

"(i) No lessor shall take retaliatory action against any lessee who exercises any rights conferred upon him by this section or regulations issued pursuant thereto.

"(j) It shall be unlawful for any lessor to reduce services customarily heretofore provided by him to lessees, in consequence of the provisions of this section."

Mr. CASE. Mr. President, I modify my amendment on page 3 by adding on line 15 after the word "residence" a comma and the following: "and any reasonable increased costs of services and materials."

The PRESIDING OFFICER. The Chair is advised that it will take unanimous consent to modify the amendment.

Mr. CASE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. There has been a specific agreement on that amendment limiting debate thereon and that is action by the Senate thereon.

Mr. CASE. Mr. President, I ask unanimous consent that the amendment be modified as I have stated.

The PRESIDING OFFICER. Without objection, it is so ordered. Will the Senator send the modification to the desk so that it might be stated?

The legislative clerk read as follows:

On page 3, line 15, after the word "residence" add a comma and the following: "and any reasonable increased costs of services and materials."

The PRESIDING OFFICER. The amendment is accordingly modified.

Mr. CASE. Mr. President, the modification adds the words "and any reasonable increased costs of services and materials" to the language that is already there. This would allow, in addition to the 2.5-percent increase over 12 months, the actual amount of any increased tax fees or service charges rendered by the local government for any necessary capital improvement.

Mr. President, I do not think we need to belabor this greatly. My amendment differs, as has already been explained, from the Chiles amendment chiefly in that it is applicable not countrywide, but only where the vacancy rate is 5.5 percent or less.

That qualification applies in terms of the metropolitan standard statistical areas and affects therefore about one-third of those areas instead of the country as a whole, with something more than 50 percent of the population of the country and a fairly large percentage of rent payers.

In many States, rent increases as high as 75 percent have been reported since the end of the phase II rent control program. Phase II was halted by Executive order on January 11, 1973.

It was only near the end of phase II that rent controls began to be effective. In the initial control program the Price Commission's Rent Advisory Board allowed rents to increase under a series of very complicated formulas. Legal rent increases as high as 68 percent went into effect.

Rent payers were justifiably outraged by a control program that had the effect of raising, rather than controlling rents. After a long series of protracted negotiations and public hearings documenting the effect of these regulations, the Rent Advisory Board finally relented and began controlling rents in a manner fair both to the rent payers and the landlords alike.

Tenants who had been obliged to pay high rent increases in the first phase were assured by the IRS that when their lease was renewed, any increase would be held to 2.5 percent.

The heart of the formula finally permitted by the phase II program was to permit a 2.5 percent increase in rent over the prior year and to allow a landlord to pass through to the tenant any increase in taxes, municipal services, and capital improvements. In practice this meant real rent increases ranging between 4.5 and 7.5 percent.

Our amendment would reinstitute this formula. It is a fair formula because it allows reasonable increases but prevents exorbitant rent hikes which have such a drastic impact on working people, people on fixed incomes, and older citizens.

I do not advocate rent controls where the marketplace is really competitive and where moderately priced apartments are available for rent. An availability of apartments for rent does serve to help keep prices down.

However, there are many parts of the country where there are few if any available apartments. In such circumstances, the tenant is literally at the mercy of the landlord unless there is some intervention to prevent very high rent increases.

In New Jersey the vacancy rate for moderately priced apartments—apartments renting in 1970 at a price of $90 to $150—is 2.6 percent. This is an effective vacancy rate of zero when one accounts for normal turnover in apartment rentals.

The average rental vacancy rate in standard metropolitan statistical areas for the fourth quarter of 1972 was only 5.4 percent. In general, it is a fair assumption that when the availability of apartments falls below the average vacancy rate in metropolitan areas there is a strong tendency for rents to increase out of proportion to increases in costs.

Accordingly, my amendment calls for the application of rent controls wherever the vacancy rate falls below 5.5 percent in standard metropolitan statistical areas.

Our amendment to the Economic Stabilization Act specifically exempts new housing from economic controls. So it presents no barrier to an aggressive building campaign.

Moreover, the Federal control program is a short-term effort to control inflation. On a long-term basis those States where there is a shortage of housing and continuously rising rents will have to take action on their own to control prices. Meanwhile, however, continuation of Federal controls is essential to maintain a measure of stability until the States that need them have adopted control programs.

Last December, when it was indicated the phase II program would be modified, Senator Javits, Congressman Reid, and I sought to explain to the Price Commission the dangers inherent in ending the rent control program. We warned then that exorbitant rent increases would occur unless controls were extended. The Price Commisison did not respond.

Thousands of complaints have flooded the Cost of Living Council since the end of phase II. Moreover, most of the complaints thus far have come from tenants who have month-to-month leases. Those who have long-term leases now await their expiration fearfully.

In recent weeks we have made every effort—through correspondence, telephone calls, and personal meetings—to get the Cost of Living Council to respond to the need.

No affirmative action has been taken. While the Council has given the Internal Revenue Service the authority to hear complaints, there is no effective procedure to enforce a rollback and no guideline whatever on what is or is not a fair limit. Neither landlord nor tenant nor the IRS know what to do.

The tenant is encouraged to complain but is, at the same time, left with no protection against retaliation by landlords and eviction proceedings against them. Under phase II here were many unfortunate episodes of this kind but there was some small measure of protection afforded tenants whose complaints were investigated. There is no such protection under phase III.

Under the basic law the Cost of Living Council could impose rent controls. But this power has not been used and everyone from the President on down has refused to apply controls. The only viable alternative is to amend the Economic Stabilization Act and place an equitable statutory percentage ceiling and rent formula on apartment rentals in areas of scarcity.

I urge my colleagues to support this amendment.

Mr. President, since I have completed my statement, the Senator may want to make his motion at this time.

Mr. CHILES. Mr. President, the Senator would have to yield back his time before I could move to substitute my amendment.

Mr. JAVITS. Mr. President, I hope that the Senator will not do that until I have had an opportunity to speak.

Mr. CASE. Mr. President, I would not want to preclude the right of anyone to speak. I appreciate the Senator's reminding me of the rule.

This is terribly necessary in areas like New Jersey where the vacancy rate is for all practical purposes is nothing, because a vacancy rate of 3 percent or less is in effect no vacancy rate. It merely allows for the normal slippage of people who have to be constantly on the move. This applies to people who are very often movers in our part of the world and in the State of New Jersey in particular.

I might say to my colleagues that I do not like rent controls. I would much prefer that we did not have to have them. It involves another rigidity in our society and our economic system that is most unfortunate. However, we have no alternative, at least in those areas where the law of supply and demand will not produce any kind of equity and where, in effect, the owners of rental property have a monopoly situation going for them.

This situation makes it possible for them to raise rents anywhere up to 80 percent or more, as they have done in my State. We made a tremendous effort to get a reasonable solution to the rent control matter under phase II.

Finally, toward the end of that period, we managed to accomplish this. Now everything will be swept away by the stroke of a pen because the administration does not want to have rent control included in phase III.

The alternatives that have been suggested by the administration are completely unsatisfactory and will not be effective. I therefore urge my colleagues to support this amendment.

Mr. President, I am happy to yield to the Senator from New York if he will leave me 2 minutes at the end of his remarks.

Mr. JAVITS. Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty-six minutes remain.

Mr. JAVITS. Will the Senator yield me, say, 5 minutes?

Mr. CASE. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I will simply adopt what the Senator from New Jersey has said about his State for the New York suburban area. Long Island and other counties like Westchester, Dutchess, and Rockland, involving literally hundreds of thousands of people. I am sure that the same thing applies also to suburbs around other major metropolises which have similar problems, because this is not local, it is national in scope.

Mr. President, I understand the tradeoff in respect of rent control. The tradeoff is inadequacy of maintenance, lack of interest by the owner of the property in the improvement of the property, and depreciation of the property. In some cases in New York, we have had abandonment of properties which were marginal. This is very counterproductive, and the archetype example is Paris, which also went to the dogs because such strict rent control was continued over a long period of time.

Hence the proper, moderate method, Mr. President, is to apply rent control with reasonable flexibility to areas which reasonably have an emergency in terms of there being no competition. That is the only justification for the interposition of controls.

The next question and the proper one is. Why does not this legislature do it? In New York, the legislature has provided a great deal of local option. In other States, however, we have areas where the character of the legislature does not reflect, perhaps, a sentiment in the whole State which would be congenial to voting that kind of authority on doctrinaire though not necessarily local emergency grounds; hence it is not done.

But the national emergency problem—and this is a very pervasive problem, as Senator Case has said—in relation to amounts of available housing persists. So the solution Senator Case and I have come up with is an emergency application, the test being an emergency, to wit, so low a vacancy rate that there is no competition, so that rents do not have any kind of economic ceiling because of the competition which results.

And, indeed, even under those emergency conditions—if Senator Case has not already done it he will—we expect to accept an amendment of the Senator from Maryland (Mr. Mathias) providing that if the facts show that rents have not been adversely affected by the lack of competition, the President may withhold the control upon such a showing. So not only is the test one of actual emergency due to a low local vacancy rate, but of performance, because in some areas landlords may exercise restraint, and in some areas associations of landlords are trying to restrain the landlords, and if those efforts are successful, we are delighted, so long as the end result of performance obtains.

For those reasons I deeply believe the amendment suggested by the Senator from New Jersey and myself is exactly tailored with a scalpel, as such legislation should be, to the particular issue which we have to meet. I do not say this in derogation of Senator Chiles at all. The two amendments proceed upon different theories. But simply in terms of the way in which to approach this problem, I think this is the way in which to tailor an amendment particularly to the need.

Mr. President, I could give the Senate many horrible examples of putting elderly people out of their homes simply through rent increases, and their being unable to do anything about it. There are enormous percentages. I shall simply incorporate a number of documents in the Record on that score. We all know the stories and the figures. But the important things about the Case amendment, in which I have joined, is that it is tailored exactly to the need, that it is touched off by an emergency, and that it requires, when amended by the amendment of Senator Mathias, a performance standard.

For all those reasons, I hope very much that the Senator will give this very essential measure of relief to the millions of people who are located in these suburban communities.

Mr. CASE. Mr. President, did the Senator from Utah wish to use some time now?

Mr. BENNETT. I will follow the Senator.

Mr. CASE. Then I yield such time as he may desire to the Senator from Maryland, who wants to call up an amendment.

Mr. BENNETT. I see. I believe I control the time on the other side temporarily.

Mr. CASE. Does the Senator want to go ahead?

Mr. BENNETT. No, that is fine.

Mr. CASE. I yield 5 minutes to the Senator from Maryland.

AMENDMENT NO. 49

Mr. MATHIAS. Mr. President, I appreciate the Senator from New Jersey yielding me a few moments to discuss the amendment that I shall offer with respect to performance standards under the rent control proposal which the Senator from New Jersey and the Senator from New York have offered.

What we are proposing is that within the first 6 months after rent controls have been imposed under the provisions of this amendment, the President or his delegate would hold public hearings in the manner prescribed in section 207(c) with respect to the rental situation to which the order applies, and that he would try to find these standards or these factual situations upon which to base a judgment for the continuation of the order: The causes of the local vacancy rates in the area, the effect of such rates on rents charged in the area, the extent to which rent increases in the area which are reasonably attributable to the vacancy rate are causing hardship to tenants, and the effect of the rates upon the well-being of the area and of the national economy at large.

I think that the findings of fact which develop from such hearings could appropriately be published in the Federal Register.

The amendment further provides that notwithstanding any other provision, the prohibitions provided in the section would not be applicable in any standard metropolitan statistical area with respect to which the President determines, on the basis of facts developed in the hearings, that they are not required to carry out the purposes of the title.

What we are doing, in short, is simply provide for a means for the public to have a say, for the public to make a record, for the public to make sure that all the relevant facts are cranked into the machinery of government, and that what is done with due regard for all of the interests involved.

So I submit my amendment, and send it to the desk.

Mr. Mathias' amendment is as follows:

On page 3, line 1, strike out "Notwithstanding" and insert "Except as provided in subsection (k), notwithstanding".

On page 5, line 13, strike out the quotation marks.

On page 5, after line 13, insert the following: "(k)(1) During the first six months after the President or his delegate first determines that a standard metropolitan statistical area has a rental vacancy lower than 5.5 per centum, the President or his delegate shall hold public hearings in the manner prescribed in section 207(c) with respect to the rental situation in such area. Such hearings shall, among other relevant matters, seek to elicit facts showing (A) the causes of the low-vacancy rate in the area, (B) the effects of such rate on rents charged in the area, (C) the extent to which rent increases in the area reasonably attributable to such rate are causing tenant hardship, and (D) the effects of such increases on the economic well-being of the area and of the Nation. Findings of fact developed at any such hearings shall be published at the conclusion thereof in the Federal Register.

"(2) Notwithstanding any other provision of this section, the prohibitions provided in this section shall not be applicable in any standard metropolitan statistical area with respect to which the President or his delegate determines, on the basis of facts developed at hearings during the six-month period as provided in paragraph (1) of the subsection, conducted pursuant to this subsection, that such prohibitions are not required in order to carry out the purposes of this title. Any such determination shall be published in the Federal Register within ten days after the conclusion of the hearings upon which the determination is based."

The PRESIDING OFFICER. The Chair is advised that the Senator's time has expired.

Mr. CASE. Mr. President, I am very happy to accept this amendment, and I ask unanimous consent that I be permitted to amend my amendment to include it. As I understand it this amendment will allow the President to decontrol costs after the measure has been in effect for 6 months if hardship is not found in any individual standard metropolitan statistical area.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. Case's amendment (No. 22) as modified, is as follows:

On page , line , insert the following:

Sec. 2. The Economic Stabilization Act of 1970 is amended by adding the following new section:

"§ 203a. Rent stabilization

"(a) As used in this section—

"(1) 'rental vacancy rate' has the same meaning as that adopted and employed by the Bureau of the Census in its Housing Vacancy Survey Reports for 1972.

"(2) 'low-vacancy State' means any standard metropolitan statistical area, as defined and officially recognized by the Bureau of the Census, having a rental vacancy rate lower than 5.5 per centum;

"(3) 'low-vacancy period' means, with respect to any standard metropolitan statistical area determined by the President or his delegate to have a rental vacancy rate lower than 5.5 per centum, the period beginning on the day following publication of such rental vacancy rate in the Federal Register and ending on the next following day of publication in the Federal Register of a rental vacancy rate in that standard metropolitan statistical area of 5.5 per centum or higher;

"(4) 'rent' means the entire amount charged by the lessor to the lessee as a condition of occupancy and for the use of related facilities, including, but not limited to, charges for parking and the use of recreational facilities;

"(5) 'standard metropolitan statistical area' means any area officially so designated and recognized by the Bureau of the Census.

"(b) The President or his delegate shall make semiannual determinations of the current rental vacancy rate in each standard metropolitan statistical area and shall cause the same to be published in the Federal Register within sixty days after the date of enactment of this section and thereafter on January 1 and July 1 of each year.

"(c) Except as provided in subsection (k), notwithstanding any other provision of law, with respect to any lease of or implied contract for occupancy of a residence in a low-vacancy area entered into during a low-vacancy period no person may charge a monthly rent which exceeds the highest monthly rent previously charged for the same residence plus—

"(1) 2.5 per centum thereof with respect to each consecutive twelve-month period beginning at the end of the preceding period of occupancy; and

"(2) the actual amount of any increase in tax, fee, or service charge levied by a State or local government and any necessary capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, and any reasonable increased costs of services and materials.

"(d) In the case of any residence not leased for occupancy at any time during a forty-eight-month period immediately preceding the entering into a lease of or implied contract for occupancy of such residence during a low-vacancy period, the rent charged during the term of occupancy provided in such lease or implied contract shall not exceed the reasonable market rental value of the residence; and the rent charged during subsequent terms of occupancy shall be subject to the provisions of this section.

"(e) In any standard metropolitan statistical area which is a low-vacancy area at the first publication of rental vacancy rates pursuant to subsection (b), any person who, pursuant to a lease or implied contract for occupancy entered into after January 11, 1973, charged and received from a lessee a rent in excess of the maximum amount which would be permitted during a low-vacancy period shall refund to the lessee the entire aggregate amount received which constitutes such an excess, or, in the alternative, shall credit such amount on a prorated basis against the lessee's future rent payments over a period not to exceed twelve months or the duration of the lease, whichever is shorter: *Provided*, That no provision of this subsection shall constitute authority for the rescission or modification of any lease or implied contract for occupancy except as to modification of the amount of rent to be charged pursuant thereto.

"(f) The provisions of this section shall apply to all residential rental units except single-family dwelling units.

"(g) Nothing to this section shall be construed to invalidate the provisions of any State or local rent control laws or regulations which have been approved by the President or his delegate.

"(h) In cases where operation of this section would cause serious financial hardship to a lessor, exceptions therefrom may be granted by the President or his delegate upon application of any person claiming such hardship. Any interested or affected person shall be entitled to submit relevant evidence to the President or his delegate in connection with an application made by any other person pursuant to this section. Exceptions granted pursuant to this section may be made subject to such limitations as the President or his delegate may prescribe in each case.

"(i) No lessor shall take retaliatory action against any lessee who exercises any rights conferred upon him by this section or regulations issued pursuant thereto.

"(j) It shall be unlawful for any lessor to reduce services customarily heretofore provided by him to lessees, in consequence of the provisions of this section.

"(k)(1) During the first six months after the President or his delegate first determines that a standard metropolitan statistical area has a rental vacancy lower than 5.5 per centum, the President or his delegate shall hold public hearings in the manner prescribed in section 207(c) with respect to the rental situation in such area. Such hearings shall, among other relevant matters, seek to elicit facts showing (A) the causes of the low-vacancy rate in the area, (B) the effects of such rate on rents charged in the area, (C) the extent to which rent increases in the area reasonably attributable to such rate are causing tenant hardships, and (D) the effects of such increases on the economic well-being of the area and of the Nation. Findings of fact developed at any such hearings shall be published at the conclusion thereof in the Federal Register.

"(2) Notwithstanding any other provision of this section, the prohibitions provided in this section shall not be applicable in any standard metropolitan statistical area with respect to which the President or his delegate determines, on the basis of facts developed at hearings during the six-month period as provided in paragraph (1) of the subsection, conducted pursuant to this subsection, that such prohibitions are not required in order to carry out the purposes of this title. Any such determination shall be published in the Federal Register within ten days after the conclusion of the hearings upon which the determination is based."

Mr. CASE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HATHAWAY. Mr. President, I yield the Senator from Texas such time as he may desire.

Mr. TOWER. Mr. President, the committee rejected, by a tie vote of 8 nays to 8 ayes, an amendment to establish a statutory program of rent controls. The proposal would have required that the Cost of Living Council impose rent controls on those Standard Metropolitan Statistical Areas of the country which have a vacancy rate of 5.5 percent or less. Vacancy rates would be determined in semi-annual surveys. Under this program, rents could be increased by 2.5 percent per year, plus the amount of any necessary capital expenses, tax and other official charge increases. New construction would be exempted through the first rental; single family residences would also be exempt.

The committee refused to adopt the rent control amendment on two basic economic grounds:

First. Rent controls deter the investment of new capital in the construction of and rehabilitation of rental units, and thereby create further rental unit shortages and rent increase pressures;

Second. Rent controls normally do not allow adequate increases to cover capital and service maintenance and improvement costs, with the result that the quality of the existing rental stock and rental services declines relatively, and usually absolutely.

The adverse impact of rent controls on rental unit supply and quality are obviously not in the long-run interests of the affected tenants, and it was effectively the committee's judgment that such results should be avoided and other means of alleviating rent increase pressures on low- and middle-income tenants be explored. The problem is actually one of income transfer, which is a problem normally dealt with by tax-financed, direct governmental transfers to the affected individuals. In the case of rent controls, however, this transfer is made at the expense of the landlord-investor, and the effect of such an income transfer is simply to drive away investment that is badly needed in the rental housing sector.

The committee will be reviewing and probably recommending some revision of the present housing programs and policies of the Federal Government within a short time, which will have the goal of increasing the supply of and the quality of housing stock in this country, and its accessibility to all income groups. The present supply trend in housing units is favorable, with net additions to the Nation's housing stock, after household formations, running around a million per year on the average, not including the half-million mobile homes produced per year. The encouragement of this favorable supply situation, rather than its discouragement with rent controls, would help relieve any rent increase pressures that exist because of low vacancy rates.

The committee also took note of the fact that the Cost of Living Council has evaluated the rent increase situation around the country since phase III went into effect, and has determined that there is no national problem of excessive rent increases. There are a few areas of very tight housing markets, such as the Washington, D.C., area and the northern New Jersey area, where some increases have been substantial, but for the most part around the country increases have been modest and would be cost-justified under phase II rules.

Any severe local problem of rent increases due to very low rental vacancy rates could be handled, if desired, by State or local authorities, who would be the appropriate authorities to determine whether local priorities are such that long term investment in rental units should be sacrificed for the short-run cost-of-living restraint represented by rent controls. These authorities would also be the appropriate authorities to consider the alternatives of any special governmental income transfer programs to provide cash relief to affected tenants, in order to avoid the diseconomies resulting from attempting such an income transfer via rent controls.

Finally, the committee recognized that if, for any local or national emergency situation, the administration feels that the reimposition of rent controls locally or nationally is justified, the authority to so impose them still exists in the act, and the administration could exercise that authority at any time.

In view of the fact that that power does rest in the hands of the President, pursuant to the Economic Stabilization Act, I believe this amendment is not only unnecessary, but is inadvisable, as well.

I hope that the Senate will reject the amendment and allow the President the flexibility necessary to deal with this problem.

The PRESIDING OFFICER. The time of the Senator from Texas has expired. Who yields time?

Mr. HATHAWAY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Maine has 25 minutes remaining.

Mr. HATHAWAY. Does the Senator from Texas desire more time?

Mr. TOWER. The Senator from Utah wanted to address himself to this question, but I do not see him on the floor.

Mr. TAFT. Mr. President, will the Senator yield me a couple minutes?

Mr. HATHAWAY. I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, with some reluctance, I voted against the imposition of rent controls in areas with low vacancy rates. I was reluctant because I am fully aware that there have been many cases of excessive rent increases since phase III began in January.

Nevertheless, the past history of rent controls indicates that they are likely to cause more problems than they solve. In virtually every area which has experienced rent controls for a substantial period of time, the controls have resulted in reductions in maintenance, less investment in rehabilitation and new construction, tenant hoarding of rent-controlled apartments, eviction of those who threaten to complain of violations and even abandonment of units with marginal economic value. In addition, rent controls have proved so difficult to administer that this task consumed about sixty percent of the manhours of President Nixon's economic stabilization personnel.

Those who designed the rent control amendment attempted to eliminate some of these problems; for example, a pass-through of reasonable operating and maintenance expense increases would be allowed. It is also possible that some of the distortions I have mentioned might not become critical if the controls were of short duration. However, the likelihood that many of these problems would crop up, the tremendous administrative difficulties, and the distinct possibly that short-term rent controls would lead to an explosive rent situation once controls were again removed, brought me to the conclusion that the enactment of the rent control amendment would not be beneficial.

I have seen nothing in the studies since the committee hearings to convince me that there is any difference in the problem today. For that reason, I urge that the amendment be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 17 minutes.

Mr. CASE. I suggest the absence of a quorum. We are working with a technical change which we should propose.

Mr. TOWER. I suggest the absence of a quorum and ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I send to the desk an amendment to the Case amendment and ask that it be stated.

Mr. TOWER. Mr. President, a point of order.

The PRESIDING OFFICER. Until the time of the amendment under consideration has expired, another amendment is not in order.

Mr. TOWER. I am perfectly prepared to yield back the time, but I wish to make a point of order. I do not believe the amendment can be offered until the time on the amendment we are considering has expired.

The PRESIDING OFFICER. That is correct.

The Senator from New Jersey is recognized.

Mr. CASE. I yield to the Senator from New York (Mr. Javits), who has a suggestion for an amendment to my amendment to incorporate the substance of the Chiles amendment, producing a composite amendment, which I believe will meet the test of all of us.

Mr. JAVITS. Mr. President, in an effort to work out two problems, the Senator from Florida is prepared to propose an amendment which will do two things: One, make a test of whether there is a vacancy crisis in a given area and the insufficiency of the availability of low- or moderate-income housing as defined by the regulations, which is what, after all, we are shooting at. That takes care of the lower end of the scale. The upper end of the scale would be completely excluded from the operation of the amendment as to luxury housing as defined in given areas.

In that way, we narrow the target and serve the purpose of the amendment which the Senator from New Jersey and I have offered.

I hope very much that the Senator from New Jersey, on our joint behalf, may be able to accept and incorporate the amendment of the Senator from Florida (Mr. Chiles) on both those points into this amendment of ours.

Mr. CASE. Mr. President, I yield myself 1 minute to say that this amendment is entirely satisfactory to me and I ask unanimous consent that it may be incorporated in my amendment.

The PRESIDING OFFICER (Mr. Helms). Without objection, the amendment is so modified.

The modification is as follows:

On page 1 at line 7, delete the period and add the words: "but including only low and moderately priced rental units.".

On page 2 at line 2, delete the semi-colon and add: "among low and moderately priced rental units as defined by the Bureau of the Census;".

On page 2 at line 6, insert after "per centum" the words: "among low and moderately priced rental units as defined by the Bureau of the Census".

On page 2 at line 11, delete the semi-colon and add the words: "among low and moderately priced rental units.".

On page 3, line 3, after "residence", insert: "other than luxury residences as defined by regulations".

Mr. WILLIAMS. Mr. President, I am pleased to join the distinguished Senators from New Jersey (Mr. Case) and New York (Mr. Javits) as a cosponsor of the rent control amendment.

As a member of the Committee on Banking, Housing and Urban Affairs, I offered this amendment in committee when we considered the Economic Stabilization Act. Unfortunately, there was a tie vote of 8 to 8, and, consequently, the amendment was not accepted.

The amendment which we are again offering today provides that in every standard metropolitan statistical area in which there is a rental vacancy rate of less than 5.5 percent, Federal rent controls would go into effect. Allowable rent increases would be limited to 2.5 percent per year, and the landlord could also "pass through" the actual amount of any increases in State and local taxes and charges for capital improvements not previously charged to the lessee. In effect, no controls would be placed on newly constructed residences.

While under normal circumstances competition keeps rents at reasonable levels, where the rental market is tight—and a low vacancy rate is the best evidence of this—there is nothing to restrain landlords from increasing rents precipitously. Since housing is a necessity and since rent represents perhaps the major single expenditure of low- and middle-income individuals, I feel that it is imperative that reasonable controls be retained on this sector of the economy.

I have received numerous complaints of exorbitant rent increases from New York, New Jersey, the Washington metropolitan area, Florida, and California. Some of the increases have been as high as 80 percent, and in month-to-month tenancies the general run of increases has been 10 to 20 percent.

In the Northeast, the vacancy rate is 3.9 percent which is substantially lower than the national average of 5.6 percent, and the situation is particularly critical in many areas of New Jersey. In Newark, for example, the vacancy rate is 2.8 percent. In Trenton it is 3.2 percent, and in Paterson, Clifton, and Passaic the rate is 1.5 percent.

It is our senior citizens and those living on fixed incomes who are most seriously injured by jumps in the cost of living. Unfortunately, President Nixon has cut off funds that would increase the supply of housing for these low- and middle-income persons, and which would in turn eliminate the need for rent controls. While landlords must be insured a reasonable return on their investments, steps must be taken in areas where the supply of housing is limited to place limits on the amounts of rent that can be charged.

I feel that this amendment offers an approach which will prove equitable for landlords and which is an absolute necessity for tenants. I commend it to my colleagues.

Mr. DOMINICK. Mr. President, I plan to oppose the amendment offered by the distinguished Senator from New Jersey for two reasons. First, I believe that while rent controls might appear to benefit tenants, experience has shown that, in the long run, such controls affect tenants adversely by eventually causing shortages of rental units and deterioration of existing units. Second, I believe that adoption of this amendment would be an overreaction by the Congress; that is, we would be applying national controls to resolve problems of rent increases which appear to be isolated local problems that should be resolved by State or local authorities.

Most of us can recall the problems caused by rent controls imposed during World War II. There were serious shortages of rental units because few people would invest their money in the construction of such units when they knew it was unlikely they could get a reasonable return on their investment. Ironically, the shortages generally led to rent increases—the under-the-table variety—even as the rent controls were in effect. Tenants who were unwilling or unable to pay these illegal increases eventually found themselves evicted for one reason or another and replaced by those who would do so. I do not want to see a return to that sort of thing.

Now, let us examine the need for national rent controls. I am sure my colleagues are aware that the Cost of Living Council has looked into the rent increase situation since phase III went into effect, and found that with a few exceptions—notably here in Washington and in the northern New Jersey area—there is no national problem of excessive rent increases. For the most part, recent increases have been modest and would have been cost justified under phase II. If the Cost of Living Council is correct, and the excessive increases are isolated in a few areas, then I believe that this is a problem that can and should be handled by State and local authorities. These authorities are best equipped to determine whether the situation in their area warrants sacrificing long-term investment in rental units for the sake of short-run benefits to tenants brought about by rent controls.

Let us keep in mind that if, for any reason, the problem of rent increases should go beyond the control of State or local authorities, and an emergency situation should develop, the administration still has the authority to reimpose rent controls either on a local or national basis. If we pass the Economic Stabilization Act before us today, the administration could continue to exercise that authority at any time during the next 12 months.

In summary, Mr. President, I oppose this amendment because I believe rent controls would hurt tenants in the long run by eventually causing shortages of rental units and the deterioration of existing units, and because I believe the problem of excessive rent increases now occurring in a few isolated areas should be handled by State and local authorities, with the understanding that the administration could impose rent controls if and when such controls are required.

Mr. CASE. Mr. President, unless someone else has time he wants to yield, I shall be happy to yield back the remainder of my time. I want to point out that luxury apartments were exempted under phase II. These were apartments renting for $500 per month or more.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HATHAWAY. Mr. President, I

yield 1 minute to the Senator from Texas (Mr. TOWER).

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. TOWER. Mr. President, I want to ask my distinguished friend from New Jersey if he has a corrected copy of the amendment so that I can see how it reads.

I thank the Senator for letting me see it.

Now, Mr. President, I want to inquire whether the clerk has the amendment as it has been amended by the Senator from New York.

The PRESIDING OFFICER. That is correct.

Mr. TOWER. I thank the Chair.

Mr. CASE. Mr. President, with the understanding that the clerk has the correct amendment now, I am happy to yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from New Jersey (Mr. CASE), as modified.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Calfornia (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PASTORE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennesee (Mr. BAKER) is absent on official business.

The Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The Senator from Vermont (Mr. AIKEN) is detained on official business.

The result was announced—yeas 50, nays 38, as follows:

[No. 48 Leg.]

YEAS—50

Abourezk
Allen
Bayh
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Eagleton
Gravel
Gurney
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Pearson
Proxmire
Randolph
Ribicoff
Saxbe
Schweiker
Stevens
Stevenson
Symington
Talmadge
Tunney
Williams

NAYS—38

Bartlett
Beall
Bellmon
Bennett
Bentsen
Fannin
Fong
Griffin
Hansen
Hart
Hatfield
Helms
Hruska
Brock
Byrd,
Harry F., Jr.
Cotton
Curtis
Johnston
Long
McClure
Packwood
Pell
Percy
Roth
Scott, Pa.
Dole
Domenici
Dominick
Eastland
Ervin
Scott, Va.
Sparkman
Stafford
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—12

Aiken
Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Kennedy
Mansfield
Mondale
Pastore
Stennis

So Mr. CASE's amendment, as modified, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 20, 1973, he presented to the President of the United States the enrolled bill (S. 583) to promote the separation of constitutional powers by suspending the effectiveness of the Rules of Evidence for U.S. Courts and magistrates, the amendments to the Federal Rules of Civil Procedures, and amendments to the Federal Rules of Criminal Procedure transmitted to the Congress by the Chief Justice on February 5, 1973, until approved by act of Congress.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The Senate continued with the consideration of the bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

AMENDMENT NO. 35

Mr. PROXMIRE. Mr. President, I call up my amendment No. 35.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the bill, add the following:

PRENOTIFICATION, PRIOR APPROVAL, AND PUBLIC HEARINGS ON LARGE PRICE AND WAGE INCREASES

SEC. —. (a) The Economic Stabilization Act of 1970 is amended by adding after section 203 the following new section:

"§ 203A. Requirements with respect to major price and wage increases

"(a) Except as provided in subsection (b), a manufacturer or service organization subject to the reporting requirements under section 130.21(b) of the regulations of the Cost of Living Council in effect on January 11, 1973, shall with respect to any price adjustment subject to subpart B of part 130 of such regulations—

"(1) notify the President of any such adjustment not less than thirty days prior to the effective date of such adjustment, or, in the case of such an adjustment which took effect after January 11, 1973, but prior to the date of enactment of this section, not more than thirty days after such date of enactment;

"(2) obtain the prior approval of the President in the case of any such adjustment which takes effect after the date of enactment of this section and which, when added to all previous price adjustments of the manufacturer or service organization during its base period, will result in, or can reasonably be expected to result in, additional annual sales revenues in excess of $50,000,000;

"(3) rescind, not later than thirty days following the date of enactment of this section, any such adjustment which took effect after January 11, 1973, but prior to such date of enactment, to the extent such adjustment will result in, or can reasonably be expected to result in, additional annual sales revenues in excess of $500,000,000, unless such adjustment is specifically approved by the President;

"(4) obtain the prior approval oi the President in the case of any such adjustment which takes effect after the date of enactment of this section and which, when added to all previous price adjustments of the manufacturer or service organization during its base period, will result in, or can reasonably be expected to result in, additional annual sales revenues in excess of $100,000,000; and

"(5) rescind, not later than thirty days following the date of enactment of this section, any such price adjustment which took effect after January 11, 1973, but prior to such date of enactment, to the extent of such adjustment will result in, or can reasonably be expected to result in, additional annual sales revenues in excess of $100,000,000, unless such adjustment is specifically approved by the President.

"(b) The President may exempt from the requirements of clauses (1), (2), and (3) of subsection (a) any manufacturer or service organization which agrees not to increase the weighted annual average of prices for all its products or services by more than 1.5 per centum over prices authorized or lawfully in effect on January 10, 1973, and which agrees that any price adjustment which takes effect after the date of the exemption shall reflect increased costs and will be subject to the requirements of clauses (4) and (5) of subsection (a), and to comply with such additional terms and conditions as the President determines are necessary to achieve the purposes of this title, including limitations on the maximum allowable price adjustment for any specific product or service.

"(c) In reviewing requested price adjustments under clause (4) or (5) of subsection (a), the President shall hold public hearings as provided under section 207(c), except that if the President has held a public hearing with respect to a manufacturer or service organization, he need not hold a subsequent hearing with respect to subsequent adjustments by that manufacturer or service organization unless the cumulative total of such subsequent price adjustments would result in, or can reasonably be expected to result in, additional annual sales revenues in excess of $100,000,000. Such hearings shall examine the justification for all previous price adjustments by the manufacturer or service organization during its base period as well as the justification for the requested price adjustment.

"(d) No firm or association of firms shall put into effect after the date of enactment of this section any pay adjustment subject to part 130 of the regulations of the Cost of Living Council in effect on January 11, 1973, unless—

"(1) in the case of such an adjustment which affects at least five thousand employees, it notifies the President of the proposed adjustment not less than thirty days prior to the effective date of the adjustment; or

"(2) in the case of such an adjustment

which will result in, or can reasonably be expected to result in, the payment of more than $50,000,000 in additional wakes and salaries during the twelve-month period immediately following the effective date of the adjustment, it obtains the approval of the President prior to the effective date of such adjustment.

The President shall hold a public hearing as provided in section 207(c) in determining whether to grant approval of any such adjustment which will result in, or can reasonably be expected to result in, the payment of more than $100,000,000 in additional wages and salaries during the twelve-month period immediately following the effective date of such adjustment.

"(c) Nothing in this section prevents the President from imposing additional requirements on firms subject thereto under the authority contained in this Act.

"(f) As used in this section—

"(1) the term 'base period' means the twelve-month period immediately prior to the effective date of any price adjustment, or the period from January 11, 1973, to the effective date of such price adjustment, whichever is the shorter period; and

"'(2) any other term used in this section which is defined in a regulations issued under this title and effective on January 10, 1973, shall have the meaning provided in those regulations."

(b) Subsections (a) and (b) of section 208 of such Act are amended by inserting "section 203A or" after "violates".

(c) Section 218 of such Act is amended—

(1) by striking out "The" and inserting "Section 203A and the"; and

(2) by striking out "expires" and inserting "expire".

Mr. PROXMIRE. Mr. President, this is an amendment on which 2 hours has been allowed under the unanimous-consent agreement, but I will not take anything like that time. I think we can have a vote in a much briefer time. I certainly hope so.

Mr. ROBERT C. BYRD. Would the Senator be willing to agree to a lesser time?

Mr. PROXMIRE. No. I may do so a little later.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield briefly?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment by the distinguished Senator from Alaska (Mr. STEVENS) there be a time limitation of 20 minutes instead of an hour, the time to be equally divided.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Is this the amendment that in the view of Senator STEVENS would provide authorization for the Alaskan pipeline?

Mr. ROBERT C. BYRD. I have discussed this with the Senator.

Mr. PROXMIRE. I know, but those of us who very strongly oppose that, I wonder if we would be allowed enough time.

Mr. STEVENS. I might say to my good friend from Wisconsin that sage advice has been given about our inability to amend the Environmental Protection Act with this measure. Therefore, we are going to make a statement and withdraw the amendment.

Mr. PROXMIRE. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

Will the Chair put the question on the amendment of the Senator from Alaska?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the amendment I am offering now is an amendment that provides and requires prenotification by large firms and large unions before a price or wage increase can be put into effect. The firms must notify the President and the country that that price increase will be put into effect. It would apply to large unions with respect to wage increases. It would provide that if it is a very large increase—I am going to define large and very large in just a moment—the prior approval must be required and if it has an extraordinary economic impact then, in that event, there would have to be a public hearing.

Mr. President, I offer this amendment as a compromise between the phase II wage and price control system we had and the phase III system, because in the view of many people in this country phase III is too weak; it will not do the job; and we need something stronger. The fact that phase III is too weak has become clearer even today. Just yesterday we had the announcement that the prime interest rate was increased. One of the reasons the prime interest rate was increased is the anticipation by lenders that inflation is going to increase, and almost all economists agree that the anticipation of inflation is one of the most important elements in determining the interest rate. Lenders do not want to lend money for a long time at a lower rate if it is not going to be worth as much when it is paid back. We all know the stock market has gone down since phase III was announced. Hardheaded investors think that phase III is so weak it will lead to more inflation and a recession. We have indisputable evidence of what happened in December, January, and even February to wholesale prices. It is true that phase III was not responsible for wholesale prices in December, but most experts recognize that the move to a softer, weaker method of price control, in view of skyrocketing wholesale prices was a serious blunder. Wholesale prices went up more in each of those months than in any month in the last 22 years.

We should be aware that wholesale prices today must be reflected one way or another in retail prices in the future. What has been our experience is that the increase in wholesale prices has been far less than the ensuing increase in retail prices, so the bad news on the wholesale price front in the preceding 3 months means we will have a much sharper increase in consumer prices in April, May, and June, and the reaction of the housewife and of the businessman is going to be very serious. The businessman is going to regret very much the action by the Government in moving to a softer and easier wage and price control system.

Then we also have the devaluation of the dollar. I think that almost everyone recognizes that a very important element in the necessity to devalue the dollar was the loss of confidence by the able people overseas who had hundreds of millions, indeed billions of dollars and decided that the anti-inflation program in the United States was not working; that the move to phase III was a serious mistake.

Mr. President, there are good reasons why phase III is weaker. I am not just saying it on the evidence. Take a look at what it does. First, it is a voluntary system and not mandatory. Because it is voluntary and not mandatory and it is possible for both management and labor to decide if they want to go along with guidelines, it does not have the same force.

Second, no prenotification or prior approval is required, and because of this there is far greater incentive for a businessman who feels he can get away with it to increase prices. The reason is that no refunds will be required under phase III as they were under phase II. In the event there was an action by a businessman under phase II to increase prices, he could be held accountable for the increase and required to refund the increase to customers. Under phase III this is not the case. By increasing prices he cannot lose. He may not be caught and if he is, he will be required to reduce prices but he does not have to make a refund. He can hold onto the profit. It is clear that it is softer on the man who increases prices. In other words, phase III eased the profit margin guidelines. Under phase II, the profit margin guidelines provided that a man could just take the best 2 of the preceding 3 years in order to determine the profit margin basis for computing his price. Now, he can pick the best 2 of the preceding 5 years. That means that because he has greater option it is possible for him to increase prices under phase III where he could not in the past under phase II.

Further, all of us who have kept ambiguity surrounding the 5½ percent guideline. Is it firm or not? White House staff people, such as H. R. Haldeman, and others, say it is firm, but still others say that it is not. George Shultz feels he has an agreement with the Secretary of Labor that this is not going to be a rigid guideline; Secretary Shultz, the economic czar publicly says it is a rigid guideline.

At any rate it is clear we do not have anything like the clear, crisp understandable 5½ percent guideline we had under phase II. In addition we have the hard arithmetical fact that the enforcement staff has been cut in half. There were 3,000 employees working to enforce this measure and still many experts say they could not do the job. Now, there are only 1,500 Federal employees enforcing phase III.

Mr. President, this amendment would not restore all of this. It is proper for us to move away from controls. I do not think any of us like controls. The free enterprise system does not function as efficiently with these restraints; it is not as efficient; there cannot be the same flow of capital; businessmen cannot make the same decisions on how to operate efficiently and maximize profits. But there is a timing in these matters, especially when we have these terrific increases in prices, when the dollar is in trouble and it is clear we have sharp inflation in the next few months. This is not the time for us to proceed with the very broad and easy dismissal, in effect, of wage and price controls that phase III involves.

Mr. President, let me briefly try to explain what my amendment would do. It applies to big business; it applies to big labor, but not the overwhelming proportion of businesses that are small. These are not concentrated, and prices often are influenced by the prices of big business. The same is true with respect to wage rates.

The Wall Street Journal disclosed the other day that nonunion employees are unlikely under phase III to have wages increased by more than 5.5 percent. Under phase II they were below the guidelines. Union employees, however, were higher than the guidelines and under phase III there is every indication they are going to be substantially higher.

So, for this reason, it seems to me it is far less necessary to provide the same kind of controls for small business and for small labor—not that I have anything against either successful big business or successful big unions. I think they are fine and they are useful in the economy, but I think this is not the time to provide exemptions, which is in effect what we are providing for them.

This amendment says that, if a firm sells $50 million or more a year and increases its prices, it will have to notify in advance; except if it will sign an agreement beforehand that it will not increase prices more than 1½ percent, it will not have to notify in advance.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. TALMADGE. I hold in my hand a fact sheet which the Senator has placed on the desks of Senators, which indicates that the amendment applies only to firms, other than retailers or wholesalers, with more than $250 million a year in sales.

Does that mean retailers and wholesalers are exempt?

Mr. PROXMIRE. That is correct, and the reason for that is that all the testimony before the Banking, Housing and Urban Affairs Committee and the Joint Economic Committee was that retailers and wholesalers are highly competitive; that none of the examples of retailers or wholesalers could be put in the same category as the big steel companies, or the automobile companies, or some of the nonferrous industries.

Mr. TALMADGE. So the food chains would be exempt?

Mr. PROXMIRE. That is correct.

Mr. TALMADGE. One question further. Going down to the column which says that——

Mr. PROXMIRE. If the Senator will yield, I want to make a correction. I should say that under phase III machinery there is control over the food processors and distributors, so that, to the extent that they deal in food, they would be covered. This does not invalidate the guidelines for construction, or health, or food processors, but it adds additional restraints with reference to the concentrated forms of activity within the economy.

Mr. TALMADGE. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. TALMADGE. Under the column having to do with public hearing, I notice under phase II there was no provision for public hearing. Under phase III there was no provision for public hearing. Under the terms of the Senator's amendment 5 percent of the firms, I presume, will be required to hold a public hearing. How does the Senator arrive at that 5 percent and what would be involved in the public hearing?

Mr. PROXMIRE. First let me say that, under the wage and price stabilization bill we passed last year, we provided for public hearings, but we permitted exemptions under some circumstances. The language, however, certainly contemplated a number of public hearings would be held during the year. What happened was that there were literally no hearings on price increases. There was a public hearing in the automobile industry after a price increase was put into effect, but this provision in the law was ignored by the administration. My amendment mandates hearings in rare cases where price increases or wage increases exceeded $100 million, and under those circumstances public hearings would be held.

We calculated—we can do that on the basis of the experience we have had—that we can anticipate about 10 public hearings throughout the year on price increases and 12 to 18 public hearings on wage increases. We think this is a limited amount and it would require no detailed exposition of what the public hearings would include except it would provide for the opportunity for public witnesses to testify and for the public to be aware of the wage or price increase.

Mr. TALMADGE. What about the confidentiality of trade secrets being disclosed in public hearings?

Mr. PROXMIRE. That is provided, as I understand it, under the basic law, and that would not be touched by this amendment.

I think I have the language of the basic law before me. It read as follows:

> To the maximum extent possible, the President or his delegate shall conduct formal hearings for the purpose of hearing arguments or acquiring information bearing on a change or a proposed change in wages, salaries, prices, rents, interest rates, or corporate dividends, or similar transfers—

This is the basic law from which I am reading—

> which have or may have a significantly large impact upon the national economy, and such hearings shall be open to the public except that a private formal hearing may be conducted to receive information considered confidential under section 205 of this Title.

So there would be the same protection for management not to have secrets disclosed at public hearings.

Mr. TALMADGE. What worries the Senator from Georgia about public hearings is that we are being outtraded and outsold around the world, and our trade imbalances are growing annually. The Senator from Georgia would hate to think——

Mr. DOMINICK. Mr. President, will the Senator from Georgia use his microphone? I cannot hear him.

Mr. TALMADGE. What the Senator from Georgia is concerned about in public hearings is the fact that our competitors overseas might have easy access to trade secrets. As the Senator knows, we are being outtraded and outsold throughout the world and our trade deficits are growing year by year.

The Senator thinks the law provides adequate coverage?

Mr. PROXMIRE. Well, it provides the same coverage it did before.

Mr. TALMADGE. No more and no less?

Mr. PROXMIRE. Yes. The amendment of the Senator from Maine (Mr. HATHAWAY) went to that point more than my amendment. My amendment does not affect that, except public hearings are required before such increases. We have exactly the same protection we had in the law last year, and neither the administration nor management has indicated it is inadequate.

Mr. TALMADGE. I thank the Senator for yielding.

Mr. PROXMIRE. Mr. President, prenotification would be confined to firms that have sales of more than $250 million and have at least 5,000 employees. Prenotification with respect to wage increases in phase II was far more extensive. This was a moderate compromise between phase II and phase III. Phase II was far more extensive. It covered 3,000 firms. This amendment would cover only 543 industrial firms, only one-sixth as many, as far as prenotification is concerned.

Furthermore, this amendment would cover only 23 percent of total sales, whereas phase II covered one-half of total sales, about 50 percent.

Phase II affected some 17 million workers. My amendment would affect only 11.7 million workers. Phase II affected about 20 percent of the labor force. This amendment would affect only about 14 percent.

So, as I say, it tries to make the move toward decontrol somewhat more moderate and limited, in view of the terrific increase in wholesale prices and the devaluation of the dollar and the many other developments that have occurred since phase III went into effect.

As far as prior approval is concerned, it would be implemented when prices rose more than $50 million or when firms raised wages over $50 million. There again, in the event firms sign an agreement not to increase prices by more than 1½ percent, they would be exempted from prior approval or prenotification. Phase II required prior approval for over $100 million. My amendment would require prior approval for firms having sales over $250 million, plus the $50-million impact.

So again, my proposal would be far more limited, and I can dramatize and demonstrate that by indicating how many firms would be affected by the Proxmire amendment compared with phase II.

Under phase II, 5,726 firms were required to secure prior approval during the time phase II was in effect. Under my amendment, using the same figures as to the size of firms and increase in prices, it would be confined to only 30 firms. Also under phase II, 45 percent of the total sales were under prior-approval requirements. Under my amendment, only 5 percent of the total sales would be.

So as we calculate it, under the Proxmire amendment, it would result in only about 2 percent of the workload with respect to the number of firms, and, as far as the volume of sales is concerned, only about 11 percent, and there would be a dramatic reduction in paperwork.

Under phase II, 11,000 wage contracts were approved. Under my amendment only 34 wage contracts would be required to have approval.

Under phase II, some 17 million workers were covered with respect to wage increases. Under my amendment only 5.3 million workers will be covered.

Furthermore, I want to emphasize, Mr. President, that both prior approval and prenotification could be avoided under my amendment if the firm signed an agreement or abided by the guidelines and did not increase prices more than 1.5 percent.

With respect to public hearings, we have an additional provision that public hearings would be required when price increases or wage increases exceed $100 million. This is a very large increase and, of course, it has a real economic impact. It is likely to have a bellwether effect.

There was only one public hearing, and then only after heavy congressional pressure and then only after a lawsuit and only after action had been taken. It was not before the decision and, therefore, could not have that effect. The only way in which we will get public hearings in this matter is to provide for this kind of clear, understandable formula that when we have very important price increases that affect tens of millions of dollars of wage increases and affect thousands and thousands of workers, under those circumstances, there would be public hearings required.

As I say, under my amendment there would be about 10 public hearings on price increases and about 18 public hearings on wage increases.

This provision, it seems to me, is vital if the Wage-Price Stabilization Act is going to have any real bite or significance. Unless the public feels they have an effective wage-price control mechanism, there is unlikely to be any kind of cooperation in the enormous sector of the economy under control. If they know that the big unions and the big corporations are being kept in line, it is much more likely that we will get effective cooperation than if we have the feeling on the part of many people that the big corporations are able to get away with murder and the big unions are able to get away with murder, but the little guy is hit.

That feeling may or may not be justified. The answer is to let them know and give them the information. That is what my amendment would do. It would require prenotification and prior approval so that the public would know about it.

I do not know of any way in which to engender public confidence better than to give them the facts. Furthermore, the increases by big firms that involve the amounts I am talking about—$50 or $100 million in price—have a very serious inflationary impact. When labor unions negotiate a contract involving $50 to $100 million increase in wages, that has a serious, direct, and conspicuous impact on wages throughout the country.

If these things can be discussed, disclosed, explained, and justified in advance, there will be far greater cooperation and understanding. That is my third point. It will help convince the rest of the economy that they should cooperate.

Let me say that my amendment would, first, improve the effectiveness of phase III. It would do so because without this kind of provision we are likely to have the same kind of serious inflationary problems that we have had in the past with the wage-price spiral. Wages go up, because prices go up, and prices go up, because wages go up. Because the prices go up, the unions press for higher pay.

The way to avoid this spiral is to have a better mechanism. We can provide for a more effective Wage Stabilization Act if we provide for a somewhat more effective mechanism than has been provided by the administration.

Second, Mr. President, this amendment would provide for greater equity both in wages and in prices by stopping the excessive price increases before they are put into effect. Certainly if one believes that a price increase is excessive, it does not do him much good if it takes months and perhaps years before the administration is able to spot it and stop it, especially when there are no refunds. And that is the way it operates now.

What I would do to prevent that abuse would be to require prenotification so that it is possible to stop a violation of the guidelines before it occurs. Or, if they should be abridged, my amendment would require prenotification so that the public could be assured that it is justified. The same thing is true with respect to wage increases. It is almost impossible once wage increases have been permitted to roll them back and ask that wage earners refund part of their salary. We would be in trouble. We could imagine what would happen in that situation. We might have something close to a revolution on our hands. However, if the wage increase is prevented in advance, until justified, it could be workable and effective.

Most important of all, what this amendment tries to do is to restore confidence in phase III. I do not know how anyone with ears to hear or a brain to think can argue that phase III has been effective. There was a lot of argument about phase II. Many economists testified that it was not as effective as it should be. The one effective action we have had was phase I, the freeze.

Without going back to that, it seems to me that we could give phase III much more feasibility, practicality, and make it more workable if we were to provide that before they are allowed to increase prices that would have a serious economic impact, they should be required to provide notification and secure approval in advance.

I can anticipate that part of the disagreement with my amendment will be because it will be said that the big firms are not guilty of inflationary action because their increases were less than those in the other sectors of the economy.

I think we ought to recognize that what goes on in the latter phases of this kind of operation is that we have the very great power of large unions and we have the recognized and predictable impact that wage settlements by these large unions are likely to have.

We had in the beginning of phase II, as I recall, an increased wage of about 11 percent a year and for mine workers something like 15 percent a year. Some of that was catchup. Some of it was justified. We now have clear evidence that in the coming months the increases for union workers will be much above the guidelines. Indeed, Mr. Meany, the head of the AFL–CIO, who is a very realistic and capable man, said that the guideline was not rigid and that he would expect it to be somewhere near 7 or 8 percent. I am sure that he knew what he was talking about.

The reason why this amendment makes sense and the reason why Senators who vote against it, I think, will be making a serious mistake is because if they take a look at the wholesale prices and at what has happened over the past few months, I do not see how they can escape the conclusion that, absent some kind of action by the President, we will have very serious inflation in the next few months. And if we do, it will come at the worst possible time, because in the next 5 or 6 months we will have a determination of wages covering 4.5 million workers in the bellwether industries of this country.

If those increases shatter the 5-percent guideline—and there is every evidence that they will—they will be buttoned into the economy and will be inflationary for 3 years, because they are 3-year contracts.

In the event we have the kind of sharp inflation that we must expect in view of the wholesale price increases, it will be very hard to hold those settlements down in April, May, June, July, and into September without some kind of legislation of this sort. This amendment makes it clear that the Government and the public will be cooperating and that prior approval must be had, or we will have very serious difficulty with phase III. We are very likely to be on the road to much more serious inflation in the next 5 or 6 months than we had in the past.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I yield myself such time as I may require.

The proposition that is before us, at the request of the administration, is one that could provide for an orderly movement from mandatory controls under the phase II program to voluntary controls under the phase III program. It was stated to us time after time during the hearings on this bill that it was desired that we move back to a free market area as soon as we could, and that the best way to do it was through this intermediate setup which the administration has termed phase III.

The phase III program was outlined to us in a way that indicated to all of us that voluntary controls, if it is desired to call them voluntary controls, are a kind of intermediate control because the people who are subject to the controls are put under notice that if they violate the guidelines that are laid down by the Cost of Living Council, as someone said, they would be "clobbered," and someone else referred to a "shotgun in the closet."

In other words, it is not a situation of just turning things loose. Guidelines will be established, and those who are subject to the control, of such a degree as it is, will be expected to live up to those guidelines, and if they get out of step they will be brought to account.

Mr. President, as to the amendment offered by the Senator from Wisconsin, I know he is absolutely sincere in offering it and all of that, but I do not think there is any way of escaping the fact that it would necessitate the setting up of a huge bureaucracy in order to carry out the program as he would have it carried out. That is contrary, I believe, to what all of us wish.

Mr. President, I do not know whether phase III is going to work or not. But some of the best brains in the country, and certainly some of the best that came before us, definitely feel that it can be made to work, and that they intend to make it work. I believe we ought to give them that chance.

We were requested simply to extend the Economic Stabilization Act of 1970 as amended for a year. I wish we might have done that only, but the committee saw fit to add some amendment to the bill. Further amendments have been added here on the floor of the Senate. But up to this point, the bill, or at least the program that the bill provides for, remains essentially what the President requested. I believe he ought to be given the chance to work out this complex program of shifting us back to a free market or a free economy by steps—phase III would be another such step.

Mr. President, there is another point I wish to mention. The President has selected Mr. John T. Dunlop to be Executive Director of the Cost of Living Council. Mr. Dunlop came before our committee and testified. I believe that everyone felt that he was a man highly capable of performing this job, and I believe we can trust him to perform the job. I believe he indicated to us a toughness that will convince anyone acquainted with him or listening to him that he will do the job and do it well. I believe he ought to be given the chance, and I shall certainly hope that the powers we give to the President under this bill will be exercised in the way that will make the program work. I think it can be done.

I now yield the Senator from Texas such time as he may require.

Mr. TOWER. Mr. President, one of the basic assumptions underlying the prenotification amendment is that the price actions of the large firms in the economy are causing or contributing heavily to the recent, highly publicized increases in the wholesale and consumer price indexes. This simply is not so. The essential cause of these increases has been the relative scarcity of certain raw agricultural products, and to a certain extent to a scarcity of other nonfarm commodities, particularly oil, lumber, and nonferrous metals. These are commodity shortages, and are naturally reflected in higher prices. The mechanics of a free market economy are that rising demand or an inadequately growing supply will cause an increase in prices of the goods demanded, which in turn brings into the production process more resources devoted to such goods, which in turn brings more supply to the market and thereby tends to restore price equilibrium in the marketplace. This is what is occurring in the case of the above-mentioned commodities—the higher prices reflect an imbalance of supply and demand and only higher prices can bring about the satisfaction of the demand of the American people for these goods.

Wage-price controls cannot resolve the problem of shortages in the economy. Price controls can only serve to deter further resources from entering the production process, and the result will be a worsening of the shortage.

Of the seven "concentrated industries," only two have shown substantial rates of increase in wholesale prices in recent years. One industry is the nonferrous metals group, which had very high rates of increase before the freeze—on the order of 9 to 10 percent a year. These increases were basically due to the volatility of the prices of the metals involved and their relative shortage in a period of greatly increasing demand. Prices have in the last few months begun to increase again, partly due to the reduced value of the dollar abroad, and partly due to the continued strong demand trend in these metals. Rather than to take the Senate's time in reviewing this situation in detail, I will insert for the RECORD an article from the March 10, 1973, Business Week magazine describing the origins of these price increases, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ESCALATING PRICES OF NONFERROUS METALS

Like housewives surveying the latest supermarket prices, purchasing agents for the nation's industrial corporations have been rubbing their eyes in disbelief. The reason: one of the sharpest runups in metals prices in recent memory. Though almost all metals, including steel and scrap iron, have been moving higher, some of the most dramatic advances have been posted by the nonferrous group:

COPPER

The U.S. producer price of 60¢ per lb. now matches the historic high that copper touched in 1970 and is about 19% above the price prevailing just two months ago. The latest increase, the third this year, was a 4¢-per-lb. hike posted last week by Anaconda Co. and followed by all of the major producers. The move was triggered by the metal's behavior on the London Metal Exchange, where its price has been rising like a rocket; up from 53½¢ per lb. in the beginning of February to more than 67¢ early this week. With the U.S. a net importer of copper, domestic producers evidently felt they had little choice but to narrow the gap between free market prices and their own quotes.

The critical question, however, is whether the LME action is "merely a bubble caused by monetary uncertainty," as one observer puts it, or something more durable. There is little doubt that the latest exchange crisis has prompted many Europeans who are holding dollars to buy commodities as a hedge against devaluation, and that copper has found favor as a speculative vehicle. But other factors have also helped push the price up: an economic resurgence in the U.S., Europe, and Japan; recent buying by China; a refinery strike in Belgium; and a disruption in Zambian supplies caused by a border dispute with Rhodesia.

Some observers believe that once the monetary pot simmers down, the free market price will tumble, putting downward pressure on the U.S. producer quote. One bearish factor is the expected 8% rise in world copper production this year. Another is the fact that three-month futures contracts on the LME have been selling at a slight discount from prompt delivery prices, indicating that the market feels prices will be declining.

But others doubt that much price weakness is in the offing. "You can't just chalk this off to the monetary situation," says George H. Cleaver, metals analyst at Alliance One. 'There's a tremendous real demand for copper, with durable goods production in both the U.S. and Japan up at least 10% from year-ago levels and European consumption also rising." U.S. producers, in fact, report that their output for the first half of this year is already "practically sold out." And some observers think another price hike is not inconceivable.

ZINC

Monetary developments also may have affected zinc, but supply-demand factors are obviously behind the 1¼ cent-per-lb. hike posted by U.S. producers so far this year. With domestic zinc production declining because of antipollution costs, a long-term shortage of the metal has been exacerbated by a strong surge in demand. Under Phase II, domestic producers were forced to hold down prices even though fast-rising imports were commanding premiums of up to 2 cents per lb. Now, the industry has apparently interpreted Phase III as a green light to bring domestic and foreign prices into line. Since zinc prices have just been raised by foreign producers and imported zinc is now commanding at least 21 cents per lb., another hike in the domestic tab of 19¼ cents per lb. is probably in the offing.

LEAD

Though there is no shortage of lead, the economic recovery is also fueling higher prices for the metal. The producer quote now is 16 cents per lb., compared with 14¼ cents two months ago. Lead's future is somewhat clouded by government plans to reduce its use in gasoline, but the Environmental Protection Agency has indicated its scheduled phaseout may be delayed. Meantime, lead used in gasoline seems to have gone up last year with greater gas consumption. And auto batteries, the metal's single biggest market, are generating strong demand.

TIN

The action in tin is strictly the result of dollar devaluation. The price of the metal, which is not mined in the U.S., had been declining since last July—so much so that the International Tin Council had to impose export controls in January to shore up prices. When the U.S. repegged the dollar in February, however, Malaysia, the No. 1 tin producer, kept its currency at the old level. Thus, though tin prices have risen only slightly in terms of Malaysian dollars, in U.S. dollars they have jumped by close to 15%. And U.S. consumers are reportedly pressuring the General Services Administration to release tin from the government stockpile to dampen prices.

Other metals are riding the price escalator, as well. Silver, which sank to a low of $1.28 per troy oz. in late 1971, is now about double that price. Though consumption has been rising, the biggest price impetus in recent months has been speculation, as all the precious metals have risen in sympathy with gold.

Prices of aluminum have also been firming, though at a somewhat slower rate than some of its nonferrous cousins. Indeed, about the only major member of the family to buck the price trend is nickel, which has been in oversupply since 1970.

Mr. TOWER. The important fact here is that the price increases in nonferrous metals are not due to the cost-push phenomenon which wage and price controls are aimed at, but rather are a product of steadily increasing demand and international monetary developments, neither of which can be dealt with by the imposition of wage-price controls on large business firms. The only development that can meet this price increase situation satisfactorily is an increase in supply, which the President is attempting to do by selling the affected metals from our stockpile surpluses. This step, plus the increased production of such metals drawn forth by higher prices, will tend to bring supply into better balance with demand. Rigid wage-price controls on the nonferrous metals industry will not resolve this problem.

The second major industry experiencing rising prices has been the oil industry, and this too is a situation of high demand and inadequate supply, not a cost-push situation. Our national policy of restricting the incentives for oil and gas exploration and production here at home is the villain of this piece, not the Congress' favorite whipping boy, the oil industry. The recent increases in prices in this industry have been caused by the greatly increased demand for oil products and a reduced domestic capacity to supply that demand. We are importing oil and gas from foreign countries now at prices we could beat domestically if we had only followed rational, long-range oil and gas exploration and production policies here at home.

Wage and price controls on the oil industry will not resolve this problem over the long run. As a matter of fact, the foreign oil companies are telling us they are going to charge us much more. The President has imposed price controls on this industry, admittedly, within the last 2 weeks, to attempt to deal with a tremendous surge in prices, again partly due to demand and partly due to the international monetary situation. Such controls will not resolve the supply problem, however, which will only be met by allowing rising market prices to cause more capital to go into exploration, production, and refining.

In any event, any need seen by the Senate to take some immediate action in the way of controls in this area has been met by selective action of the Cost of Living Council; the Proxmire amendment will not add materially to the present attempt to deal with the oil price problem. In the nonferrous metals area, the action of the President in selling metals from the U.S. stockpile will help resolve that problem, and, again the Proxmire amendment will do nothing to improve that price situation.

Of the other five major industries: motor vehicles, chemicals, pharmaceuticals, electrical machinery and equipment, and iron and steel; the rates of price increase have been very restrained, and have largely been well under the national price increase figures. We are only targeting for a national price increase rate of 2½ percent, and these industries are largely meeting and even bettering that goal already. I submit for the RECORD a table showing the wholesale price performance of the seven major industries from 1969 on, which substantiates the proposition that these industries are not responsible for any significant cost-push price increases in recent years, and ask that this table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANNUAL AVERAGE OF THE WPI FOR SELECTED PRODUCTS

Date	Iron and steel (4.958[1])	Percent change	Nonferrous metals (3.193)	Percent change	Motor vehicles and equipment (6.621)	Percent change	Chemicals (5.716)	Percent change	Drugs and pharmaceuticals (0.781)	Percent change	Refined petroleum (3.281)	Percent change	Electrical machinery and equipment (4.227)	Percent change
1969	107.1	5.1	113.6	9.7	104.7	1.8	99.9	0.1	99.8	0.5	99.6	1.5	102.9	1.5
1970	115.1	7.1	125.0	10.0	108.5	3.6	102.2	2.3	101.1	1.3	101.1	1.5	106.4	3.4
1971	121.8	5.8	116.0	—7.2	114.7	5.7	104.2	1.9	102.4	1.2	106.8	5.6	109.5	2.9
1972	128.4	5.4	116.9	.7	118.0	2.8	104.2	0	103.0	.5	108.9	1.9	110.4	.8
1973:2	133.0	[2]3.7	121.0	5.2	118.2	.2	105.6	2.0	103.6	1.4	118.7	12.5	111.0	.9

[1] Percentage importance of the commodity group relative to all commodities in the WPI.

[2] Percentage change for February 1973 over the 12 preceding months.

Source: Cost of Living Council.

Mr. TOWER. Mr. President, in view of the fact that the so-called "concentrated industries" are not responsible for the increases in the cost of living which have concerned us in recent months, it would seem that the reversion of phase II-type controls for these industries would serve no useful purpose. We need a period of transition in order to get the Nation out from under controls and to restore economic freedom in this country, and I believe very deeply that to reject the major thrust of phase III by returning to mandatory controls on large economic units will be a serious policy mistake for Congress. A free market system is the best economic system we know of to get the maximum production and distribution of goods and services for the American people, and every time we attempt to restrict this system by artificial restraints such as wage-price controls we are imposing severe costs on the system and are impairing its ability to mobilize and efficiently utilize resources. It is time to go forward with phase III decontrol actions, rather than backward with the prenotification amendment.

I would like to point out just a few of the specific economic distortions that we will encounter if the prenotification amendment is adopted.

First. There will be a tendency for each affected firm to avoid any price reductions it would normally make, in order to avoid subsequently having to go through the proposed procedure in order to increase the price later if circumstances warrant.

Second. When a given price increase is contemplated by an affected firm, it will tend to bunch all of its potential price increases together, including some it might have postponed or even foregone altogether, so that it would only have to face the public spotlight once. This is an undesirable distortion of the natural timing pressures for price adjustments in the market.

Third. Some firms may resort to trimming back on product quality and services in order to keep cost increases from pushing them into price increase situations.

Fourth. Some firms will drop poorer profit items rather than to face the necessity of asking for price approvals, which only serves to reduce the supply of such items and to waste productive potential and existing investment.

Fifth. When price increase proposals are announced under the prenotification provision, the customers of such firms will frequently be forced to raid the existing inventories of such firms at preincrease prices, thus causing havoc for such firms and greatly distorting the future market conditions which would have supported the price increases. Unstable inventory movements in the major industries could cause serious problems throughout smaller industries across the economy.

Sixth. Where raw materials prices of a firm fluctuate substantially, delays in implementing price changes are unwarranted and will result in the firms involved absorbing substantial losses.

A word should be said about the profit picture of American businesses at this time. Profits, although recovering somewhat from the 1970 low point of the last 30 or so years, are still very low in relation to levels that we should have to encourage adequate capital investment in this country. I am introducing for the RECORD a table indicating the declining percentage of corporate profits as a proportion of gross national product in the last three decades.

I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

GROSS NATIONAL PRODUCT, EMPLOYEE COMPENSATION AND CORPORATE PROFITS

[Dollar amounts in billions]

Year	Gross national product	Compensation of employees	Compensation as percent of gross national product	Corporate profits after taxes	Corporate profits as percent of gross national product
1929	$103.1	$51.1	49.6	$8.6	8.3
1933	55.6	29.5	53.1	.4	.7
1939	90.5	48.1	53.1	5.6	6.2
1940	99.7	52.1	52.3	7.2	2.7
1941	124.5	64.8	52.0	10.1	8.1
1942	157.9	85.3	54.0	10.1	6.4
1943	191.6	109.5	57.2	11.1	5.8
1944	210.1	121.2	57.7	11.2	5.3
1945	211.9	123.1	58.1	9.0	4.2
1946	208.5	117.9	56.5	15.5	7.3
1947	231.3	128.9	55.7	20.2	8.7
1948	257.6	141.1	54.8	22.7	8.8
1949	256.5	141.0	55.0	18.5	7.2
1950	284.8	154.6	54.3	24.9	8.7
1951	328.4	180.7	55.0	21.6	6.6
1952	345.5	195.3	56.5	19.6	5.7
1953	364.6	209.1	57.0	20.4	5.6
1954	364.8	208.0	57.0	20.6	5.6
1955	398.0	224.5	56.4	27.0	6.8
1956	$419.2	$243.1	58.0	$27.2	6.5
1957	441.1	256.0	58.0	26.0	5.9
1958	447.3	257.8	57.6	22.3	5.0
1959	483.7	279.1	57.7	28.5	5.9
1960	503.7	294.2	58.4	26.7	5.3
1961	520.1	302.6	58.2	27.2	5.2
1962	560.3	323.6	57.8	31.2	5 6
1963	590 5	341.0	57.7	33.1	5.6
1964	632.4	365.7	57.8	38.4	6.1
1965	684.9	393.8	57.5	46.5	6.8
1966	749.9	435.5	58.1	49.9	6.7
1967	793.9	467.2	58.8	46.6	5.9
1968	864.2	514.6	59.5	47.8	5.5
1969	930.3	566.0	60.8	44.8	4.8
1970	976.4	603.8	61.8	40.2	4.1
1971	1,050.4	644.1	61.3	45.9	4.4
1972	1,152.1	705.2	61.2	52.6	4.6

Note.—There has been an upward trend in the share of the GNP going to employees and a downward trend in the share going to profits.

Source: Economic Report of the President, January 1973, pp. 209, 210.

Mr. TOWER. Mr. President, this table shows that the price increases that have occurred over this long period basically have not gone to increase the share of income going to businesses, but rather have gone to pay for increased labor and resource costs. In other words, corporations have not by and large been able to administer prices and obtain unjustified profits. If anything, profits are too low now to encourage the investment that we need to increase supplies of all of the goods and services that we need, in the quantities that we desire. The prenotification amendment would only serve to deter rational price adjustments that are needed to provide adequate production, profits, and investment, and should not be adopted by the Senate.

In summary, Mr. President, the committee, in considering the specific economic distortions involved in the prenotification amendment, the fact that the major industries have not been responsible for cost-push inflation or the recent increases in the wholesale or consumer price indexes, and the fact that profits in the United States are already too low for our long-run economic health, has rejected the prenotification amendment. I urge the Senate to support the committee in this very vital matter of economic policy.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 minutes.

Mr. PROXMIRE. Mr. President, I greatly admire the Senator from Texas. I think he has an excellent mind. He is a wonderful person, and we have gotten along very well on the Banking, Housing and Urban Affairs Commitee; but although he opposes my amendment I do not know of anybody who has made my case better for me than the Senator from Texas has this afternoon.

The gist of his case as I heard it—and I listened to it as carefully as I could—is that if we take phase II, the increase in prices in the concentrated sector has not been very big, and he is right; but it makes my case.

What I would do is go back to phase II for the concentrated sector. Let us see what happened in phase III. We have the figures for the month of February; that is all we have.

We find that chemicals and allied products—and this is a highly concentrated industry—had an annual increase in phase II of 2 percent in 1972. What happened under phase III? Prices went up 6 percent.

Take metals and metal products—iron and steel. Under phase II, 3.7 percent; the annual increase in February under phase III was 12 percent.

Nonferrous metals, 2.6 percent under phase II, which I would restore; 9.6 percent, in this concentrated industry, under phase III.

Metal containers—American Can is one of the really large companies—2.9 percent under phase II. What happened when they got under phase III? A 30-percent annual increase.

Take special industries, such as machinery and equipment, another area where we have concentration, the increase was 2.8 percent under phase II; a 16-percent increase in the annual rate under phase III.

Tobacco products: We know the great tobacco industry in this country, where there is a very heavy concentration of power. Under phase II the increase was 3.1 percent. Under phase III the increase has been 36 percent in the annual rate.

Mr. President, it seems to me these figures make the case. As the Senator from Texas said so well, under phase II the concentrated industries held firm and they did hold down their prices.

If they escape into phase III, we will have exactly what we feared the most, which is that they will use their concentrated great power, the labor unions will use their power, and we will be off to the races in an inflationary wage-price spiral that we are going to regret very much 5 or 6 months from now.

Mr. President, if the Senator from Alabama and the Senator from Texas are ready to yield back their time, I will yield back my time, and we can have a vote now.

Mr. SPARKMAN. Mr. President, I yield back——

Mr. GRIFFIN. Mr. President, will the Senator from Texas yield me 3 minutes?

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Michigan on the bill.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 3 minutes.

Mr. GRIFFIN. Mr. President, I should like to ask the distinguished manager of the bill a question. Would it not be true that if the Proxmire amendment should be defeated the administration could still institute prenotification and approval program similar to that which is required by the amendment?

Mr. SPARKMAN. Yes, it could do every bit of that. In other words, under the program that the administration presented to us and the legislation they presented to us, it is left up to the Cost of Living Council, with certain guidelines, to do these things. As I said, Mr. Dunlop has been chosen to head the Cost of Living Council, and I think he impressed the committee with his capacity and his toughness—I want to emphasize that.

Mr. PROXMIRE. Mr. President, will the Senator yield for a minute on that point?

Mr. GRIFFIN. I understand that to be the situation. Obviously, the administration did have a phase II program which required prior approval, and if phase III should not work as anticipated, the administration could reinstitute a phase II approved at any time. Am I correct in my understanding that a program requiring prenotification and approval, such as contemplated by the Proxmire amendment, could be instituted by the administration at any time?

Mr. SPARKMAN. That is the way I construe it as a part of the guidelines they are supposed to establish.

Mr. TOWER. Mr. President, if I may interject here, that is correct. What we are doing is extending the authority that existed under phase II. In other words, we are just extending the life of the act as it was in existence in 1970 with the amendments which were added in the last extension of the legislation.

Mr. GRIFFIN. Of course, I understood that to be the situation. However, I thought this point should be made clear in the RECORD.

In addition, I notice that under the Proxmire amendment as submitted, there would be the requirement of a public hearing in some situations, regardless of the percentage of increase involved. This would impose an unnecessarily rigid requirement on the Cost-of-Living Council in cases and situations where there would be no real need at all for hearings or for the bureaucratic apparatus that would be necessary to hold such hearings.

Frankly, I have some sympathy with the argument that the Senator from Wisconsin has made. I share his concern to a degree——

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. GRIFFIN. May I have 2 more minutes, please?

Mr. TOWER. I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 additional minutes.

Mr. GRIFFIN. Mr. President, I share his concern to a degree about the timing of phase III. I wonder how effective it will prove to be, but rather than trying to legislate a reimposition of phase II, I believe we should leave the responsibility where it would be under this legislation as reported.

Mr. President, I shall vote against the amendment, realizing that the administration may have to go even further than the Proxmire amendment if phase III is not successful.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require—to say in response to the Senator from Michigan, that he makes some very good points. This amendment does provide less flexibility. The administration could go on to what I propose, that is true, or something more comprehensive than I propose if they wish to do so.

The reasons I propose are twofold: One, the administration testified before the committee that phase III is what they wanted to do and that they had no intention of going to prenotification or prior approval. They did not make that as a final commitment, however. But that is what they said. Two, and this is most important of all, here is an area of congressional responsibility where we in the Congress should "bite the bullet." I understand that we must delegate authority to the President on military policy or foreign policy, but certainly with respect to the domestic economy we have had a chance to see how phase III works and I am asking for a moderate modification that would direct the administration to take the time with limited action which would be reasonable and moderate.

If we say we are leaving this to the administration in this area, it seems to me we will have given in on almost everything. So why not leave everything up to the President? Why worry about passing any legislation in these areas? Let us say that the President knows best, as he has his experts, that it is not up to us in Congress.

As a distinguished Senator said on television recently, with the attitude, "All we in the Senate would do is draw our breath and our salaries."

Mr. President, I am now ready to yield back my time.

Mr. SPARKMAN. Mr. President, I thought we had yielded back our time, but since the Senator from Wisconsin recalled his, I will recall mine and yield myself such time as I may require.

Mr. President, I want to say this, that in 1970 we enacted an Economic Stabilization Act, and in that act we gave the President the right to invoke controls, either voluntarily or mandatory, any time he wished to do so.

Now, talking about the President's making a definite commitment on this, when the President signed that bill—there were many other things in it, of course—he pointed out that we had given him the right to invoke those controls. He did not like it. He did not want it in the legislation. He said, "I have no intention of using them." Yet in August of 1971 he was indeed pleased to find that law available, and he froze wages and prices for a period of time.

He then went into phase II which provided mandatory controls. The only legislation that we enacted then was legislation more or less ratifying the setting up of the boards, commissions, and committees that had already been created. We provided a degree of review which again was in line with what the administration wanted.

When it was felt that it was time to move on from the restrictions of phase II, the President exercised that right and moved to phase III. He asked us to extend the Economic Stabilization Act in order that he might carry out the phase III program.

I do not feel that Congress should be writing a control act. Mr. President, I lived through price and wage controls in World War II and I know something about them. The distinguished Senator from Utah (Mr. BENNETT), now in the Chamber, was on the committee——

Mr. BENNETT. If the Senator will yield——

Mr. SPARKMAN. Not then—later——

Mr. BENNETT. I was trying to run a business then under the controls the Senator mentions.

Mr. SPARKMAN. And in Korea. I participated in the legislation which brought about those controls in World War II and I know the problem we had then. We enacted them in 1942. They did not come off until—well, most of them came off in 1946, but rent controls did not come off for years. We wrestled with that problem for years here before rent controls came to an end.

In 1950, Congress again enacted controls. They were not requested by the administration. We passed that act and now the Senator from Utah was with us at that time and he will remember that we passed that act in September of 1950 but we did not put it into effect. We again gave that power to the President on a discretionary basis. He could put those controls into effect when he saw fit. The Korean war was already going on. He did not put them into effect until January 1951. Those controls lingered with us a long time.

Having across-the-board controls is not a pleasant way of life, and I think in this case Congress made a wise decision when it made it dependent upon the President as to whether or not to invoke controls. I think Congress made a wise decision in connection with the initiation of phase II by ratifying what had been done during the freeze period and leaving it to the President and the boards and the committees he had appointed.

I think the wise thing for us to do now is to leave it up to the President to carry out this program. They have outlined it to us. They believe it will work. He has put a man in charge of a Cost-of-Living Council who I believe everyone who heard him when he testified before our committee felt that this is a man who really could do this job. I am in favor of leaving it to the President, to the people he has there, to the Cost-of-Living Council, and particularly to the man who directs the Cost-of-Living Council, Mr. Dunlop. I believe he will do what is necessary to make this program work, and I do not think we ought to be telling them just when to dot an "i" and when to cross a "t." We ought to leave it to them to decide if it is necessary to establish guidelines to do what the Senator from Wisconsin seeks to do in his amendment.

I think the Senate ought to reject the amendment, and I hope it is rejected.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and I ask that it be taken out of my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce

that the Senator from California (Mr. Cranston), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), and the Senator from Minnesota (Mr. Mondale) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pastore) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Mondale) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The Senator from New York (Mr. Buckley) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 41, nays 49, as follows:

[No. 49 Leg.]

YEAS—41

Abourezk
Allen
Bayh
Bentsen
Bible
Biden
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Eagleton
Gravel
Hart
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
McGee
McGovern
McIntyre
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Roth
Stevenson
Symington
Talmadge
Tunney

NAYS—49

Aiken
Bartlett
Beall
Bellmon
Bennett
Brock
Brooke
Burdick
Byrd,
Harry F., Jr.
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Griffin
Gurney
Hansen
Hartke
Hatfield
Helms
Hollings
Hruska
Johnston
Long
Mathias
McClellan
McClure
Metcalf
Percy
Randolph
Ribicoff
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Taft
Thurmond
Tower
Weicker
Williams
Young

NOT VOTING—10

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Mansfield
Mondale
Pastore
Stennis

So Mr. Proxmire's amendment No. 35 was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TAFT and Mr. MOSS addressed the chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

Mr. GRIFFIN. Mr. President, will the Senator withhold for a moment so that I may yield to the assistant majority leader on my time on the bill, for such time as may be required?

Mr. TAFT. I yield.

The PRESIDING OFFICER. Will the Senator allow the clerk to state the amendment first?

The legislative clerk read the amendment, as follows:

On page 4, at the end of line 3, strike the period and insert the following: ", but this provision shall not apply if expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government would otherwise exceed $268,700,000,000, and in that case, if the President makes reservations from expenditure and net lending, from appropriations or other obligational authority heretofore or hereafter made available in order to effectuate the provisions of this title, he shall transmit to the Congress a separate notification of each such reservation made with respect to any single budget account, together with a detailed justification therefore, within ten days from the date on which such reservation was made. If, during a period of thirty calendar days of session of the Congress following the date on which the notification is transmitted, there is passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve such reservation with respect to such account, the President shall within ten days make available for obligation the amount of funds reserved pursuant to this title with respect to such account. For the purposes of this paragraph, in the computation of the thirty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of the Congress sine die.

For the purposes of this section the term "budget account" means any appropriation account or other account granting obligational authority including, but not limited to, contract authority, authority to spend public debt receipts, and authority to spend agency debt receipts.

The provisions of sections 910–913 of title 5, United States Code, shall apply to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under this section in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reorganization plans; except that references in such provisions to a "resolution with respect to a reorganization plan" shall be deemed for the purposes of this section to refer to a resolution of disapproval under this section.

The President shall not establish separate ceilings on expenditures or net lending for any budget account which will prevent the obligation of all funds made available for obligation pursuant to this section.

Mr. GRIFFIN. Mr. President, with the indulgence of the Senator from Ohio, and while there are a number of Senators on the floor, and because there have been inquiries, I wonder if I could ask the distinguished acting majority leader if he plans to complete action on this bill this evening, and what the outlook is.

Mr. ROBERT C. BYRD. Mr. President, if I may have the attention of Senators, perhaps we can ascertain how many Senators plan to offer amendments.

Mr. President, may I have the attention of Senators?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, it was hoped that the Senate would be able to complete action on this bill today, in which event we would go over until the day after tomorrow, so as to allow committees to meet, and so on. We do not have other items on the calendar that would necessarily justify our meeting tomorrow if we are able to complete action on this measure today. However, the hour is somewhat late, and I know Senators would like to make plans if they are to have a late dinner. Therefore, I would like to ask Senators who have amendments to propose to so indicate, so we may get a reading.

There are seven amendments, as I understand it. Is that correct?

Mr. TAFT. Mr. President, if the acting majority leader would allow me, I believe that there is an amendment to the current pending amendment which will also be called up.

Mr. PROXMIRE. Mr. President, I have an amendment to the pending amendment.

Mr. ROBERT C. BYRD. May I ask if there is a willingness to cut down on the time on amendments? We have a 30-minute limitation on all amendments except that of the able Senator from Wisconsin (Mr. Proxmire).

Mr. PROXMIRE. Mr. President, I certainly do not intend to take the hour and a half on my side that is provided under my amendment, but I just cannot make the commitment now that I would be willing to reduce it by any amount. It would be less than an hour and a half. I wish I could assure the Senator further, but it all depends on what happens on these amendments.

Mr. ROBERT C. BYRD. Then, Mr. President, if we are to complete action on the bill, it looks at this point that it would be about 9 o'clock. What is the wish of Senators?

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SYMINGTON. I did not know we were going to try to complete this bill. There was a notice that the acting majority leader sent out. I have no criticism of that, but we came in at 12 o'clock today. Some of us have made plans. Since there are six or seven or eight amendments, I would hope we would not try to complete action tonight, but go over until tomorrow. Based on what I have heard, it might be 10 o'clock before we completed action.

Mr. ROBERT C. BYRD. Mr. President, may I hear what the manager of the bill and the ranking minority member have to say?

Mr. SPARKMAN. Mr. President, I would like to say this to the acting majority leader. It was announced yesterday that it would be the purpose to complete action on the bill today. Accordingly, I made plans for tomorrow.

Let me say that during the time I have been in Congress I have never asked that a bill be postponed or held up because of my wishes, and I do not ask it in this instance, but I believe if we could get hold of this matter and move it along, we could complete action by 9 o'clock. I do not think there is any question about it.

Mr. TOWER. Mr. President, if the Senator will yield, I would certainly like to see us finish this measure this evening, because a number of Senators have made plans on the prospect of finishing it tonight. Besides, I do not think all the time allowed is going to be used. I think a point of order will be made against one or more amendments, which will cut the time down.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Wisconsin if he would be willing to reduce the time on his amendment to 1 hour on his side and one-half hour on the opposing side?

Mr. PROXMIRE. Mr. President, I would like to accommodate the Senator. I think the Senator from Texas makes a good point in that we may have a point of order. I can say that if there is a point of order made against the McIntyre amendment, an appeal will be made and there will be debate on that. I think we are going to be here at least until 9 o'clock, if not later.

Mr. SPARKMAN. Mr. President, I would be glad to cut our time down to 30 minutes, and I think we can dispose of it in less time than that.

Mr. SYMINGTON. Mr. President, will the distinguished acting majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SYMINGTON. I read the RECORD this morning, which was the first I heard about this arrangement. I do not remember ever holding up the Senate, either. I was wondering, if we are going to stay in session late tonight, why we did not come in a little earlier than noon. Was there some problem about coming in earlier?

Mr. ROBERT C. BYRD. Yes. I discussed this with the distinguished manager of the bill yesterday, and I got the impression from him that, inasmuch as there were some committee hearings, or at least one he wanted to attend, he would prefer that we come in at noon today.

Mr. SYMINGTON. Is there any motion or agreement that we cannot vote while we are having committee hearings?

Mr. ROBERT C. BYRD. No, but he is the manager of the bill, and out of deference to the manager of the bill I did not ask that the Senate come in earlier.

Mr. SPARKMAN. May I say I did not limit it to my own consideration and my committee. I said it seemed to me so many committees would be holding hearings this morning that it would be difficult to come in before 12.

Mr. ROBERT C. BYRD. Mr. President, it would be my suggestion, with all due respect to my friend from Missouri—and I think I can appreciate his situation; I think he makes a very good point in justification of his viewpoint—but in deference to the manager of the bill, who has the burden of managing this bill, and the ranking minority member, I believe we ought to proceed and try to finish this bill, hoping Senators will not utilize all of their time. I will make every effort, as we go along, with the cooperation of the manager of the bill and the ranking minority member, and other Senators, to reduce time on all amendments so as to complete action on the bill today.

Mr. SPARKMAN. I think the acting majority leader can count on our cooperating with him fully.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TAFT. Mr. President, I yield myself such time as I may need.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that time on any rollcall vote during the remainder of today be limited to 10 minutes, with warning bells to sound midway.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, am I to understand now that the regulation is that we are going to have to finish the bill tonight? Is that what we are going to have to do?

The PRESIDING OFFICER. The Chair will say there is no order to that effect.

Mr. ROBERT C. BYRD. That is not the statement I made. The suggestion I made was that we proceed, in the effort to see if we can do that.

Mr. SYMINGTON. As I understand it, then, because of the fact that my distinguished colleague did not want to have the session start before 12 o'clock today and because he wants to finish the bill tonight, we did not start until 12 o'clock and now we are going to stay until the bill is finished, regardless of the hour. Is that correct?

Mr. ROBERT C. BYRD. No, I did not make such a statement. I sugested we move ahead in an effort to complete action on the bill, hoping we will.

Mr. SYMINGTON. Could I ask, for those of us who may have made previous plans, is there a time limit, so we could tell how late we will be? Supposing it runs until 11 o'clock. Will it run until 11 o'clock?

Mr. ROBERT C. BYRD. I hope not.

Mr. SYMINGTON. Can we have a definite time on how long we will stay?

Mr. ROBERT C. BYRD. I hope the Senator will not press me. I am trying to do the best I can, with the cooperation of Senators.

I ask unanimous consent, in accordance with the Senator's suggestion, that the final vote on passage of the bill occur no later than 9 o'clock tonight.

Mr. KENNEDY. Mr. President, reserving the right to object, what kind of assurance is there that those of us who have amendments will get consideration of those amendments?

Mr. ROBERT C. BYRD. There would be no assurance of time for debate. I was trying to accommodate myself to the suggestion of the Senator from Missouri.

Mr. KENNEDY. Mr. President, I think the suggestion of the Senator from Missouri is quite correct. I am pepared at any time to debate my proposal. However, before we get into this kind of a cutoff, I have a matter which will take time to explain.

I think the Senator from Missouri has made an excellent sugestion.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request.

Mr. SPARKMAN. Mr. President, is it not true, as a matter of fact, that on yesterday we were begging different Senators to offer their amendments?

Mr. ROBERT C. BYRD. Mr. President, the Senator is correct. On yesterday afternoon, we asked Senators to come forward and offer their amendments. I went personally to several Senators and asked them if they would present their proposals yesterday, but they wanted to wait until today.

It is perfectly all right with me if we adjourn and go over until tomorrow. However, many Senators have expressed the hope that we can finish the bill today. The Senator in charge of the bill on this side and the Senator in charge of the bill on the minority side have expressed their desire that the bill be finished today. I would like to accommodate myself to their desires. They have the burden of managing the bill.

Mr. PROXMIRE. Mr. President, there are 30 amendments. If we take 10 minutes to an amendment, that would be 5 hours. Tomorrow is Wednesday, in the middle of the week. I cannot understand why we cannot come in tomorrow.

ORDER FOR ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

Mr. SCOTT of Pennsylvania. Mr. President, reserving the right to object, and I will not object, but I make this statement merely for the purpose of calling to the attention of the acting majority leader that we have an agreement on this side that votes will not occur prior to noon without advance notice to the minority. We do want to be notified in advance, so that votes will not be had before noon.

Mr. ROBERT C. BYRD. Mr. President, I say in response to the distinguished minority leader that if we come in at 10 o'clock tomorrow morning, I would hope that we could get an agreement that certain amendments can be offered and debated and that we can have some votes tomorrow before noon.

Mr. SCOTT of Pennsylvania. Mr. President, I want the distinguished acting majority leader to know that I am prepared to come in tomorrow. I would hope that we could stay and finish the bill so that all Senators do not have to spend their time here. However, if we must, we will accommodate ourselves to whatever plane trips are planned tonight.

Mr. President, I point out that the distinguished acting majority leader knocked himself out yesterday in an effort to get Senators to come in with amendments today. We had a drought of amendments on yesterday, and we have a plethora of amendments today. And goodness knows what will happen. Perhaps we can agree on 20 minutes to each amendment. As happened once today, after a vote on an amendment, they agreed to withdraw the yeas and nays on the next amendment. However, if we do not finish, we will have to come in tomorrow. And if we do, we should know what the business will be and, if we can secure an agreement, what time the Senate will be voting.

Mr. ROBERT C. BYRD. Mr. President

it came as somewhat of a surprise to me on yesterday to find that word had somehow gotten around that there would not be votes on yesterday and that certain amendments would not be called up yesterday. I do not know who put that word out. I had indicated in the whip notice last Thursday that votes would be had on amendments Monday in the hope we would be able to finish the bill on Tuesday, today.

Somehow or other the word got around that we would have no votes on amendments yesterday, and 14 Senators on this side of the aisle were absent. I assume that they were so informed also. However, that word was not sent out by the leadership. We made every possible effort to get amendments called up on yesterday. We had only three amendments called up. Everyone wanted to hold back until today.

Mr. President, was the unanimous-consent request agreed to?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. KENNEDY. Mr. President, was there an objection to the last unanimous-consent request?

Mr. ROBERT C. BYRD. Mr. President, I withdrew the request the Senator has in mind. The last unanimous-consent request was that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. That request has been agreed to.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND FOR THE UNFINISHED BUSINESS TO BE LAID BEFORE THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the recognition of Senators under any orders that may have been previously entered, there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 3 minutes, at the conclusion of which the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, are we changing the ground rules and going over until tomorrow?

Mr. ROBERT C. BYRD. Not that I know of.

Mr. HUMPHREY. Mr. President, I thought I understood that. Some of us have arrangements that we have made for tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I would hope that we could finish tonight. I entered an order for 10 o'clock tomorrow in the event that we do not finish. If we do finish tonight, I would vacate the order to come in at 10 o'clock tomorrow.

Mr. HUMPHREY. Mr. President, I thank the Senator.

Mr. SPARKMAN. Mr. President, will permission be given to committees to sit in the morning?

Mr. TAFT. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. TAFT. Mr. President, I would be glad to yield to the Senator from Alabama for a question to the acting majority leader. However, I do not yield the floor.

Mr. SPARKMAN. Mr. President, I thank the Senator from Ohio.

Mr. President, I ask the leadership if committees will be permitted to sit on tomorrow. The Committee on Banking, Housing and Urban Affairs has a very important meeting tomorrow before the subcommittee of the Senator from New Hampshire (Mr. McINTYRE). I will point out to the Senate that we have hearings or executive sessions scheduled for every day. We need to meet at 10 o'clock every day.

ECONOMIC STABILIZATION ACT AMENDMENTS OF 1973

The Senate continued with the consideration of the bill (S. 398) to extend and amend the Economic Stabilization Act of 1970.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, may I make one last effort?

I ask unanimous consent that the time on any amendment, other than the amendment to be offered by the distinguished Senator from Wisconsin, be limited to 20 minutes, to be equally divided as heretofore agreed to.

Mr. TAFT. Mr. President, I would object.

Mr. MOSS. Mr. President, reserving the right to object, I have an amendment to offer on which I would need more time.

The PRESIDING OFFICER. Objection is heard.

The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, the amendment which I have introduced is for all practical purposes identical to amendment No. 46, which is a printed amendment.

Certain prior amendments have been advanced on which questions have been made and a point of order raised. Such questions may well be raised again.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Those who have conversations will please go to the cloakrooms.

Mr. TAFT. Mr. President, questions have been raised under the consent agreement as to the propriety of certain prior amendments. They may well be raised with respect to this amendment, but I think not properly so. Certain amendments have been made to amendment No. 46 in an attempt to clarify this situation.

This amendment attempts to amend section 5 of the bill, which appears on page 3 of the bill. Section 5 would change the Economic Stabilization Act by adding at the end thereof a new subsection which would state:

> Nothing in this title may be construed to authorize or require the withholding or reservation of any obligational authority provided by law or of any funds appropriated under such authority.

My amendment to this section of the bill would simply go on to provide that this section would not apply if the expenditures for the fiscal year ending June 30, 1974, under the budget would otherwise exceed $268.7 billion. It then provides a mechanism by which the President may make reservations and come to Congress, under provisions like those in the Reorganization Act.

It seems to me that the limitations in the consent agreement do not apply to this and that it is certainly a proper amendment and within the general subject of this portion of the bill.

I shall argue this further on this matter, if a point of order is made as to this amendment or as to amendments to this particular amendment.

It seems to me it is hard to see how there could be more appropriate legislation than the Economic Stabilization Act for an amendment to place a ceiling on Federal expenditures. The experience of the late 1960's indicates what happens when Government expenditures substantially exceed even full employment budget receipts. Most economists agree that this type of overstimulation of the economy was probably the most important reason that wholesale prices shot upward by more than 3 percent from 1967 to 1969.

We cannot let this happen again, particularly at a time when domestic price stability is vitally needed to help reverse the deteriorating competitive position of the United States in the international economy. We cannot permit the phase III effort in the private economy to be nullified by an irresponsibly high level of Government spending.

Yet there is considerable danger that this may happen. The President's proposed budget is a full employment budget, but it is still more than $19 billion below what the budget totals would have been if the programs currently in effect were allowed to grow at an unconstrained rate during fiscal 1973 and fiscal 1974. There are certain to be great pressures to spend at a rate exceeding that which the President has proposed. This simply cannot be done without fanning the fires of inflation, unless we increase taxes to pay for greater expenditures. In view of the tremendous public opposition to this move, I doubt seriously that such a tax increase is likely to be passed very quickly.

Therefore, I have come to the conclusion that a concentrated congressional effort to hold down the budget to the level proposed by the President is the only alternative to "government-pull" inflation. We may not agree with the President's priorities, but we should stick to the overall spending level which he proposes. The spending ceiling which I am proposing today would serve as a basis for focusing congressional efforts on that goal.

When the Banking, Housing and Urban Affairs Committee was considering the devaluation bill, and again today on the floor the senior Senator from Wisconsin discussed an amendment to set a budget ceiling of $265 billion for fiscal 1974. Despite my concurrence in the belief that budget control for the immediate future must be one of our highest priorities, I voted against this amendment in committee for two reasons.

First, the $265 billion figure may be unrealistically low. I hope not, but it is $3.7 billion below what the President wants to spend, which means that a total of $3.7 billion more in budget cuts than those proposed by the President would have to be made. Senators on both sides of the aisle have already expressed their disapproval with many of the proposed cuts and indicated their intention to restore these cuts. The only way to do this and still keep the budget in line would be to cut expenditures in some budget categories by much more than the President has requested. I believe that achieving a congressional consensus to make cuts of this type which are large enough to keep the fiscal 1974 budget within the President's proposed spending level is going to be an extremely difficult task. If we mandate an additional $3.7 billion of required cuts, this task will become even more difficult.

Nevertheless, the effort should be made despite its formidable nature if such an effort is likely to contribute significantly to inflation restraint. The administration does believe, however, that $268.7 billion can be spent without generating inflationary pressures. We should not complicate our job significantly by adopting a budget ceiling much lower than this figure unless we are extremely confident that the administration's assessment is wrong. I have not seen convincing evidence to this effect.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PROXMIRE. Mr. President, I have an amendment——

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. How much time have I used on this amendment?

The PRESIDING OFFICER. The Senator has used 15 minutes.

Mr. TAFT. I would inquire of the Chair further, since I have read only approximately three pages of print here, was the time taken out for the debate on the questions that were raised by unanimous consent?

The PRESIDING OFFICER. The Senator yielded time. Yes, the time was taken.

Mr. SPARKMAN. Mr. President, may I ask the Senator from Ohio how much time he requires?

Mr. TAFT. I would like 5 additional minutes.

Mr. SPARKMAN. Mr. President, I yield the Senator 5 additional minutes out of my time.

Mr. TAFT. I thank the Senator. Of course, a budget ceiling at the President's proposed level of spending would not prevent the Government from spending less than this amount. Congress could still limit the budget to $265 billion, or any other level below $268.7 billion, if it decides that this is desirable and it is able to agree upon cutbacks of sufficient magnitude.

In any event, my most serious objection to the amendment proposed in committee was based on its design rather than on the budget number. Congress rejected a proposed spending ceiling last fall because it would have given the President unlimited authority to make whatever fund reservations he believed were necessary to keep the budget within the limits required by the ceiling. A spending ceiling such as the one proposed last fall, or the one proposed by Senator PROXMIRE in committee, is a license to impound funds. The Office of Management and Budget can say that it must make impoundments to fulfill its constitutional obligation to faithfully execute the spending ceiling law. In fact, an OMB official indicated to my staff that in view of the uncertainty of appropriations totals until appropriations bills are actually passed, OMB might try to help effectuate a spending ceiling by reserving funds from the very beginning of the fiscal year. The lower the spending ceiling figure is set, the more massive these funds reservations are likely to be.

I do not believe that any spending ceiling should be enacted which could be used as a mechanism for a further erosion of congressional authority and responsibility. One of Congress' primary duties is to set the Nation's budgetary priorities. A congressional compromise of this function, in the name of controlling inflation or any other cause, would create a serious imbalance between the powers of the legislative and the executive branches.

My amendment would give Congress a proper participatory role in determining which fund holdbacks will be made to effectuate the spending ceiling, if such action proves necessary. The President would notify Congress within 10 days after he has held funds in reservation for this purpose. At that time he would supply Congress with a detailed justification for taking that action. Either House of Congress would then be able to override the fund reservation by passing a "resolution of disapproval" within 30 calendar days of that session of Congress, not including days on which either House is in adjournment sine die. If such a resolution were passed within this time, the President would have to release the funds in question.

A "resolution of disapproval" would be afforded expedited congressional treatment, so that a final vote on any such resolution could occur before the allowable time period expires. A motion to discharge a committee of its responsibility to consider the resolution, if made by a proponent of the resolution, would be in order 10 days after the resolution has been referred to committee. Debate on such a motion would be limited to 1 hour, and no amendments or motions to reconsider would be in order. Once the resolution is reported out of committee, a motion to consider it would be highly privileged and not subject to debate. Debate on the resolution would be limited to 10 hours, and a motion to recommit it would not be in order. Motions to postpone consideration of the resolution, and appeals relating to Senate or House procedural rules, would be decided without debate.

These are the same provisions as those in the Reorganization Act.

These provisions insure that the enactment of my spending ceiling amendment will not result in a surrender of congressional power to the executive branch. Yet the amendment will not lock OMB into an inflexible meat-ax approach to budget control. OMB could still propose to reserve funds in any manner it deems appropriate for complying with the ceiling, but Congress would have a chance to prevent the implementation of such proposals. Congress would be able to prevent OMB from using the budget ceiling as a pretense for making unjustifiably extensive fund reservations or major alterations in congressionally established priorities. At the same time, Congress' spending actions would clearly become more visible. As a result, it would assume more responsibility for these actions in the public's eyes.

It is true that much of the budget for the coming fiscal year can no longer be controlled by congressional decisions. If expenditures for uncontrollables are higher than predicted, it may be inevitable to avoid the need for adjustments in order to stick within the proposed budget ceiling, particularly since 75 percent of the budget is now considered uncontrollable. Congress should work with OMB to keep fully abreast of the actual rate of expenditures for uncontrollables, so that as much time and flexibility as possible will be available for making such adjustments.

Of course, our major effect on this year's budget totals will come through our actions on appropriations bills. I urge the Congress to act promptly on these bills in a manner which would leave no doubts that any fund reservations on the basis that the 93d Congress is spend-crazy is unjustifiable.

I do not believe that the budget ceiling approach should be the total and permanent answer to Congress' problems with budget control. It is essential that Congress move immediately to enact reform proposals which would end our fragmented method of considering the budget. If Congress would consider the budget as one unified document, it would be in a much better position to make responsible spending decisions than it is at the present time.

Nevertheless, the need to avoid inflationary Government spending is too great now to wait for comprehensive congressional reform. I believe that my amendment will prove to be a major step toward insuring that this need will be met, without further tipping the balance between Congress and the executive, during the interim period in which Congress considers more fundamental budget reforms.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Oklahoma.

Mr. BELLMON. Does the Senator yield

for the submission of a perfecting amendment?

Mr. TAFT. I yield to the Senator for that purpose.

The PRESIDING OFFICER. A perfecting amendment would not be in order until all time has been used or yielded back.

Mr. TAFT. Mr. President, I yield back my time on the amendment.

The PRESIDING OFFICER. The Senator from Alabama has the time.

Several Senators addressed the Chair.

Mr. SPARKMAN. Mr. President, may I ask this question? If the Senator from Oklahoma offers a perfecting amendment, what happens with respect to time on that amendment?

The PRESIDING OFFICER. There would be 20 minutes on the perfecting amendment, 10 minutes on each side.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. As I understand, a perfecting amendment would not be in order until all the time of the proponent of the amendment has expired. It has expired; I was talking on time on the bill.

The PRESIDING OFFICER. No, all time on the amendment, not just the proponent's time on the amendment.

Mr. TAFT. If that is the case, I would be willing to yield to the Senator for a comment, or to withdraw the amendment if he desires.

Mr. BELLMON. I do it, Mr. President, for the purpose of offering a perfecting amendment.

Mr. EAGLETON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. EAGLETON. I, too, wish to offer a perfecting amendment. All time on both sides, as I understand, has to be used or yielded back.

The PRESIDING OFFICER. The Senator is correct.

Mr. EAGLETON. Has all time been yielded back with respect to the opponents of the Taft amendment?

The PRESIDING OFFICER. The opponents of the amendment still have 2 minutes remaining.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I dislike doing this very much, because I certainly agree with the idea of setting an expenditure limit of $268.7 billion. I am very much in agreement with that objective, but I think it should be considered as separate legislation.

I, therefore, reluctantly, Mr. President, must raise a point of order. The amendment offered by the Senator from Ohio is not germane, and is, therefore, out of order.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Is it in order to raise a point of order at this point?

The PRESIDING OFFICER. It is. A point of order may be raised after the proponents' time is expired, and the proponents' time has expired.

Mr. TAFT. Mr. President, I would like to be heard on the point of order.

The PRESIDING OFFICER. The Chair will hear from the Senator from Ohio provided someone will yield time to the Senator for that purpose.

Mr. SPARKMAN. How much time does the Senator want?

Mr. TAFT. I would like about 3 minutes.

Mr. SPARKMAN. Mr. President, I yield the Senator from Ohio 3 minutes on the bill.

Mr. TAFT. Mr. President, the issue involved here is clearly whether or not this particular amendment is germane to the bill as it is before us, as set out in the unanimous-consent agreement.

There has been a prior ruling on a couple of amendments, to the effect that various amendments were not germane. I think I pointed out in my opening argument that I felt very clearly that this particular amendment, which modifies the language on page 3, line 25, by putting a modification upon the effect of that language in the event of a spending ceiling being exceeded, and then goes on to explain that, if that debt ceiling is exceeded, certain procedures may be taken by the President, nevertheless, to spend beyond that spending ceiling.

Mr. President, I wonder if the Parliamentarian would give me his attention on this matter. I am arguing a point of order.

It seems to me that nothing could be clearer as a modification of this particular language in section 5, than putting on a spending ceiling which places a condition on the effect of the section.

The McGovern anti-impoundment amendment was held to be in order at an earlier time, and I pointed out at the time that this ruling was perfectly appropriate.

Is the Parliamentarian aware of the section I am referring to? Has he the amendment before him?

The PRESIDING OFFICER. The Chair is aware.

Mr. TAFT. Mr. President, the McGovern amendment went even further by way of substance than my amendment, in that it put a complete limitation on impoundments. This goes far beyond the impoundment limitation section that is currently in the bill. Yet the specific subjective matter was impoundment, which is exactly the same as the subject of my amendment except that my language applies specifically and modifies specifically the language that is in the bill at the top of page 4.

The PRESIDING OFFICER. The Chair rules that the amendment is not germane, because besides dealing with impoundment, it deals with another subject matter, which is a budget limitation, and is not included in the committee bill.

The bill is open to amendment.

Mr. McINTYRE. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to state the amendment.

Mr. McINTYRE. I ask unanimous consent that the amendment not be read, but that it be printed in full in the RECORD.

The PRESIDING OFFICER. The amendment will be printed in full in the RECORD.

The amendment is as follows:

At the end of the bill, add the following new section:

CONTROL OF INTEREST RATES

SEC. 9. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. CONTROL OF INTEREST RATES

"(a) Immediately upon the enactment of this section, the President shall issue an order stabilizing interest rates at levels not greater than the highest levels pertaining to various types of categories of credit transactions charged by each business enterprise primarily engaged in lending during the thirty-day period ending March 16, 1973. If a business enterprise had no applicable credit transactions during such thirty-day period, the level established under this section shall be the highest applicable level in the next preceding thirty-day period in which such transactions did occur.

"(b) Orders and regulations issued by the President under this title may provide for such adjustments in the interest-rate levels established pursuant to subsection (a) as may be necessary to prevent gross inequities and to promote desirable levels of economic growth, but any such order or regulation shall provide for such adjustments only after public hearings conducted in the manner prescribed in section 207(c)."

Mr. McINTYRE. Mr. President, I yield myself 8 minutes of the 10 that I understand I have.

Mr. President, the amendment that I am now offering in simple terms puts interest rates under mandatory price controls. This amendment provides a new section to the Economic Stabilization Act instructing the President upon enactment to issue an order requiring that interest rate levels be no greater than the highest levels charged by business enterprises primarily engaged in lending during the 30-day period ending March 16, 1973.

If a business enterprise happened to have no credit transactions during that period, the levels would be established at the highest applicable interest rate in the next preceding 30-day period after the transaction, or otherwise the 30-day period ending February 16, 1973, and so forth.

The amendment also provides that adjustments in interest rate levels may be made to prevent gross inequities and to promote desirable levels of economic growth but that public hearings would be required before any such increases in interest rates could be granted.

I repeat, in simple terms, this amendment puts interest rates under mandatory price controls.

Do we need any further proof that action is needed than the record of three increases in the prime rate in just the last 3 months?

In late December, some banks raised their prime rate to 6 percent.

On January 4, those which had not gone to that level in December made the move to 6 percent.

On February 26, all went to 6¼ percent. And yesterday, Mr. President, some eight major banks raised their prime lending rate to 6¾ percent.

Now I see in this a disturbing pattern all too familiar to those of us who fought the battle of the skyrocketing prime rate back in 1969 and 1970.

Then, as now, the Nation relied on self-restraint by the banking industry.

We saw what happened then, Mr. President. Prime rates which finally soared to 8½ percent, the highest in modern history.

And then, as now, Mr. President, the banking industry assured us that increasing the prime rate for its best corporate customers would not affect home mortgage rates, consumer loans or the rates charged small business borrowers.

Let me recall for you what the distinguished senior Senator from Alabama and the chairman of the Committee on Banking, Housing and Urban Affairs said on June 16, 1969:

> There is simply no way of carrying this out for a particular class and not having it adversely affect housing, small business, consumers, generally—the ordinary people who have to depend on credit to carry them on. There are lots of them in this country, including the farmers, those who want to buy houses, small businesses, consumers, generally. They are bound to be adversely affected.

And then, Mr. President, my colleague from Alabama went on to say that he feared that wage and price controls would have to be imposed if the rise in interest rates were allowed to continue.

The prescience of this observation by the distinguished chairman of the Banking, Housing and Urban Affairs Committee was borne out in short order, Mr. President.

Not long after the prime rate hit that historic high of 8½ percent, the effective rate paid by small businessmen, consumers, farmers, and personal borrowers went to well over 10 percent in most cases, after computing the impact of compensating balances.

At that point, Mr. President, and with no signs of forthcoming cooperation by the banks which establish prime interest rate levels, Senators Dodd, RANDOLPH, and I introduced a bill to provide for the regulation of the maximum interest rates which may be charged by federally supervised banks.

When we introduced that legislation, Mr. President, I said, and I quote:

> Our officials concerned with the economic health of the Nation are powerless to act directly to curb this rate increase. The Secretary of the Treasury was not even consulted by the banks before they increased their rates.
>
> The bill being introduced would give the Federal government the authority to regulate interest rates. Thus our financial officials would be able, if they thought it necessary, to reduce the rates being charged to American consumers and businessmen.

Unfortunately, our bill did not pass at that time, Mr. President.

I emphasize that word "unfortunately" because I was as convinced then as I am convinced today that there are very few factors as closely related to the trend of inflation in our economy as the interest rates charged by commercial banks. And yet, in an age when the people of this Nation look to their Federal Government to put a stop to runaway inflation there is no other item so little under Federal guidance as commercial interest rates.

A little more than a year after we unsuccessfully introduced our bill to regulate maximum interest rates, Mr. Nixon imposed the wage and price controls Senator SPARKMAN foresaw.

And now, today, with most controls lifted in phase III, history is repeating itself, starting once more with a series of interest rate increases.

Accordingly, Mr. President, I have offered the amendment to roll back interest rates to the March 16 level, because I believe legislation is the quickest, most effective response that Congress can make to a situation this serious.

Let me now sum up the case for adoption of this amendment:

First. The rates which banks pay to their depositors are regulated by the Federal Government, but the price which borrowers pay is left to the discretion of the banks themselves.

Second. Yet few factors are so closely tied to inflationary trends as rising interest rates charged by commercial banks.

Third. Disclaimers to the contrary, history as recently as 1969 tells us that increases in the prime lending rate ignite increases in the interest rates on home mortgages, small business loans, consumer loans, and farm loans.

Fourth. Reluctance to legislate interest rate controls in 1969 was followed a year later by the imposition of wage and price controls to stem a runaway inflation.

Fifth. With most controls now removed, the 1969 pattern is repeating itself. We have seen three increases in the prime interest rate in the last 3 months.

Sixth. In the absence of voluntary restraint, legislation to roll back the most recent interest hikes is clearly in order.

The issue today is whether the Congress will take the step necessary to assure the American people that we are serious about holding down inflation or whether we are only willing to pay lip-service to this clear need.

I yield back the balance of my time.

Mr. BENNETT. Mr. President, of all the amendments offered to the bill, this is the most damaging. It could create havoc, not only in the United States but in the world outside.

I know that the Senator has as his objective control of the prime rate, but that is not what the bill says. The bill says it is limited to business enterprises primarily engaged in lending, but it refers to the highest levels pertaining to various types of categories of credit transactions; so he is putting a freeze not only on the prime rate, but on the mortgage rate, on the consumer rate, on every rate that can be categorized.

What would happen if this went into effect, assuming the continued existence of inflationary pressure? The banks would soon find that they had no customers. The first thing that would happen would be that the market would be flooded with commercial paper, which is the first refuge of a borrower who finds himself caught in a credit situation and that is not covered by this bill.

There is no limit on the amount of interest that can be charged for commercial paper, so the banks would just go out of the business of lending to big business. Big business would get its money at the rate and would have to pay for it. They would go the commercial paper route. A freeze of an interest rate in the United States, where rates are already lower than they are abroad, would mean that that much money available which might be for deposit and then relending in the United States would flow abroad. Our balance-of-payments situation is in terrible state now. It would be impossible if this limitation were put on it. The banks could not protect themselves.

Obviously, if the banks are not able to lend at the actual practical rate, and there are other people who will, then we will have a black market in interest. If this amendment were to go into effect, the bank might be limited to a particular rate. It could loan its money to a friend. Then that friend or black marketer could take the money to any level he pleased. Money and credit are so volatile that they will find their level regardless of what we try to do to dam them.

All this would do would be to take the American banking system out of the business of loaning money because, as I say, the people who need the money and the people who have the money to lend will both go where the practical interest rate is and not where there is a controlled interest rate.

By putting in this amendment, the Senator has avoided the most terrible situation of all, which would have been true with his original amendment. The Federal Government could not borrow money or go into the open market and pay a higher rate than it had paid the last time around. This would have made it impossible for the Federal Government to continue to manage its debt. He took care of that.

Let me repeat, by the language in the amendment he would freeze every level of interest rate applied to the various types of transactions by lending institutions and then, if the demand for money were strong enough, as I think it will be if we are going to continue to grow, all the lending businesses would move out of the banks and it would be accomplished by commercial paper. It would be accomplished in one way or another by a black market and we would have not only chaos but we would also have continued inflation, and we would also have a serious increase in our balance-of-payments deficit, as people took their money abroad where they could get higher interest on it, because of the issue of the freezing rate in which money is loaned, in effect freezing also the rates that can be paid for that money by those who try to gather it to lend it. This would apply also to savings and loan institutions and credit unions and to everyone else who is in a business enterprise engaged in lending.

I therefore believe that this is a very, very serious proposal, and I would hope that its author would withdraw it.

Mr. McINTYRE. Mr. President, how much time remains to me?

Mr. SPARKMAN. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. As eager as we all are to maintain fair interest rates and I mean by that, not rising interest rates, which should be avoided, of course, must we not recognize that this amendment flies in the face of the agreement worked out in the international monetary market just yesterday or the day before seeking to strengthen the dollar?

Mr. BENNETT. It could very well do. I do not know all the details of that agreement, but certainly our friends abroad would not be interested in supporting the dollar if, over here, we have completely frozen off credit markets.

There is one other point I should like to make, and I am glad the Senator from Alabama, the manager of the bill, interrupted me, because my mind turned over a cog, this will freeze interest rates at different levels in different institutions, which means that the man who charged the most in March will have the privilege of charging the most from here on out, and the man who is trying to keep the interest rates down will now find himself at a disadvantage, which is always the case whenever we freeze things.

Mr. JAVITS. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I am happy to yield to the Senator from New York.

Mr. JAVITS. Would the Senator tell us how this will affect the operations of the Federal Reserve Board in terms especially of its open market operations?

Mr. BENNETT. Well, since, apparently, it is the intention of the author not to interfere with the open money market, its effect might be minimal but it will make it impossible for the Federal Reserve Board to have any flexibility with respect to some lending rates in comparison with the primary rates that the banks might charge.

Mr. JAVITS. Would the Senator agree with me that there is a material difference here, which is one of quality. That is, where we are controlling an item of sale and the seller may have very real reasons to keep a work force going and keep a brand name current, while he has to sell his merchandise he would do his utmost to fly with a price limitation; but when we are dealing with money we are dealing with a subtle situation, not just in the local market but in the world market, which can be withheld without any great cost to the withholder, but is terribly disruptive to hear. One of the reasons we are so sensitive about putting controls at the production level on food—although I am for them—is that I realize the supply could dry up. This would be even more true with regard to money, and I would be worried by this kind of inflexible rollback.

Mr. BENNETT. It is very inflexible particularly to the financial institutions which are the backbone of our internal monetary system.

Mr. SPARKMAN. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. I believe that the Senator from New York has brought up a very important point. I do not think that the Federal Reserve Board would be able to operate its open market transactions if this becomes law.

Mr. McINTYRE. Mr. President, how much time do I have remaining, please?

The PRESIDING OFFICER (Mr. CLARK). The Senator from New Hampshire has 10 minutes remaining.

Mr. McINTYRE. I thank the Chair. I yield 2 minutes to the Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. Mr. President, I support the McIntyre amendment and do so with full knowledge of the problems described by the Senators from New York and Utah. However, I do not believe that they have carefully read the last paragraph of the Senator's amendment, or at least interpreted it the way I do. It is short and it states:

> (b) Orders and regulations issued by the President under this title may provide for such adjustments in the interest-rate levels established pursuant to subsection (a) as may be necessary to prevent gross inequities and to promote desirable levels of economic growth, but any such order or regulation shall provide for such adjustments only after public hearings conducted in the manner prescribed in section 207(c).

Mr. President, there has been a lot of mystery about interest rates. People say we cannot freeze them and that they have been exempted from mandatory controls in phase II. Nonsense. There is no reason why we cannot treat interest rates like any other price, especially as under the McIntyre amendment it provides for an escape clause. It is flexible. It would be proper for the President, after hearings, to provide a flexible range situation that can vary, and also have a rise if it is necessary for the balance-of-payment situation, or to promote economic growth. But what the Senator from New Hampshire is saying is that we should have a public hearing on the increases, and know why. It should be explained to us.

I do not see that this is such a radical or destructive proposal. It will not destroy the banks. What they have to do is to make a case before they can have any kind of sharp increase which would punish the homebuyer, the farmer, and so many others in our society.

Mr. McINTYRE. Mr. President, I want to point out to my distinguished friend, the Senator from Utah (Mr. BENNETT), when he talks about a freeze, that this is not a freeze. That has just been amplified by the Senator from Wisconsin. This is a mandatory control with an escape clause in public hearings. If the requested increase is justifiable, based on the record, then an increase could be granted.

Let me remind my good friends here that on Thursday, which is the day after tomorrow, the bankers have been summoned to Washington to meet with Arthur Burns of the Federal Reserve Board, and I think Manufacturers Trust, which is the fourth largest bank and the one which started this latest increase in prime interest rates, will be there.

Why, in view of the seriousness of inflation; in view of the fact that it is eating up our dollars and hurting people who are on fixed incomes, should the Chairman of the Federal Reserve Board have to be hat in hand? Why should not we in Congress consider what he really needs—a big stick to bring these people into line?

Every record shows that since December, January, February, and March they have raised the prime rate from somewhere in the vicinity of 5¾ to 6¾ percent, with a corresponding rippling effect.

I can think of nothing more than credit that is so inflationary and hits everybody's pocketbook.

I think it is very important that we get on record. If we are serious about stopping inflation in Congress and we are going to give it more than lip service, that is what we must do here today. I say Congress should take the steps necessary to assure the American people that we are serious about holding down inflation and are not willing to continue to pay lip service to this clear need before us.

Mr. BENNETT. Mr. President, I do not think the Senator from New Hampshire realizes the extent of the burden that the public hearing proposal would put on the country. I do not know how many banks there are—44,000; probably the same number of savings and loan associations.

He talks about each enterprise. He is not talking about the business enterprise that charges the highest rate. So, as I read this, before any lending institution could change any established rate, it would have to go through a public hearing process.

I am glad the Senator from New Hampshire mentioned Arthur Burns, the Chairman of the Federal Reserve Board, because what I have in my hand as the basis of the ad lib remarks I was making is a memorandum that I received this afternoon from Arthur Burns, and I will read it:

> The amendment to the Economic Stabilization Act proposed by Senator McIntyre in present circumstances could have the most serious consequences for the American economy. First a freeze on interest rates would probably lead to a massive outflow of dollars to foreign money markets where higher interest rates could be obtained.

And our big problem abroad is that too many dollars are there now.

> Second, financial institutions would reduce drastically their volume of lending. All businesses would suffer, and so too would home buyers and consumers needing credit.
>
> Third, a black market for credit would inevitably develop, and the interest rates that would need to be paid in that market would vastly exceed to highest rates experienced during the past decade.

There is another paragraph, which reads:

> The above comments are based on the assumption that Senator McIntyre's amendment would not apply to open market rates of interest. If that assumption is invalid, then the Federal Reserve would lose all control over the money supply and bank credit. The consequence could only be uncontrolled inflation.

Mr. President, I think I have made my point; and if the sponsor of the amendment is ready to yield back the remainder of his time, I will be glad to yield back mine.

Mr. McINTYRE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. McINTYRE. Let me sum up, Mr. President, and I will be happy to yield back the remainder of my time.

The rates on savings accounts which banks pay to their depositors are regulated by the Federal Government, but the price which borrowers pay is left to the discretion of the banks themselves. Yet, few factors are so closely tied to inflationary trends as the interest rates charged by commercial banks. They can disclaim all they want to the contrary, and the Senator from Utah can claim the London Bridge is falling down. Nevertheless, history, as recently as 1969, tells us that increases in the prime lending rate ignite increases in the interest rates on home mortgages, small business loans, and consumer loans.

I say it is time for Congress to stand up and put controls on prime interest rates.

I yield back the remainder of my time, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. SPARKMAN. I yield 3 minutes to the Senator.

Mr. TOWER. Mr. President, the amendment offered by the Senator from New Hampshire is not germane and therefore is out of order.

Mr. McINTYRE. Mr. President, do I have time remaining in which I may debate the issue of germaneness?

The PRESIDING OFFICER. Is the Senator from Texas making a point of order?

Mr. TOWER. I do raise the point of order.

The PRESIDING OFFICER. The Senator from New Hampshire has yielded back his time. Does the Senator from New Hampshire desire time to debate the point of order?

Mr. McINTYRE. First, I have to have a ruling from the Chair.

The PRESIDING OFFICER (Mr. CLARK). The Chair rules the amendment is not germane, there being nothing in the bill with respect to control of interest rates.

Mr. McINTYRE. I appeal the ruling of the Chair and ask for time to debate the issue.

The PRESIDING OFFICER. Ten minutes are allotted to each side on the appeal.

Mr. McINTYRE. Mr. President, I cannot think of a more shallow effort on behalf of the committee on which I serve than this repeated reliance on what is a sham, and that is the rule of so-called germaneness.

What we are doing here today, which the distinguished Senator from Texas well knows, is reenacting the Economic Stabilization Act of 1970, as amended. All one need do to find out how important interest rates are in this question—as to whether this is germane at this time—is to refer back to that bill, Public Law 92-210, and one will find that by definite implication, by the passage of this bill today, we are enacting and revivifying and putting new life into it effective May 1 of this year. It is pretty hard for me, as a Member of this great body, as a Senator from New Hampshire who is very concerned not only with the banking industry of America but also with the people who are being eaten alive by inflation, to believe that a technical rule would be brought to bear against an amendment with as much merit as the one I am offering here.

Section 202 of the law we are reenacting and putting into effect for another year reads:

> It is hereby determined that in order to stabilize the economy, reduce inflation, minimize unemployment, improve the Nation's competitive position in world trade, and protect the purchasing power of the dollar, it is necessary to stabilize prices, rents, wages, salaries, dividends, and interest.

Section 203 reads:

> (a) The President is authorized to issue such orders and regulations as he deems appropriate, accompanied by a statement of reasons for such orders and regulations, to—

Subsection (2) of that section reads:

> Stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth.

Is the distinguished Senator from Texas afraid that we might carry this, that the prime interest rates might find theselves tied down to what they should be tied down to? Their record is not so glorious that we have to consider them sacrosanct.

So I think that whether or not a particular bill which we have here fails to mention the word "interest" is a sham, because this is a bill which continues the real crux of the matter, which is the Economic Stabilization Act of 1970, as amended, which refers all over to stabilizing interest and controlling interest.

So, Mr. President, I would hope that in good conscience and justice that the technicalities offered by the committee leader on this bill would be overridden and that the ruling of the Chair would be overruled so that we may vote on the merits up and down on the question of mandatory controls on interest. I ask for the yeas and nays.

Mr. TOWER. Mr. President, if the Senator will withhold his request for the yeas and nays for one moment, I will withdraw the point of order that I raised, and we will subsequently move to table the amendment of the Senator from New Hampshire.

Mr. McINTYRE. Up and down?

The PRESIDING OFFICER. The Chair has already ruled on the point of order, and it would take unanimous consent to withdraw the point of order.

Mr. TAFT. Mr. President, will the Senator from New Hampshire yield?

Mr. McINTYRE. First, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McINTYRE. Does the Senator from Texas have the right to withdraw his point of order?

The PRESIDING OFFICER. He may do so with unanimous consent.

Mr. TOWER. Mr. President, I ask unanimous consent that I may withdraw the point of order.

Mr. McINTYRE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. TOWER. I withdraw my unanimous-consent request.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield to the Senator from Ohio.

Mr. TAFT. I thank the Senator for yielding.

Mr. President, I wish to take just one-half moment to say that while I do not agree with the substance of the Senator's amendment, his point on the point of order is extremely well taken. If the rule on germaneness under the agreement is such as demonstrated today in rulings by the Chair, the Senate had better do something about correcting it. Otherwise it is going to do nothing but frustrate this body in processing legislation. I cannot think of anything that would hold up the obtaining of unanimous-consent agreements more, particularly with respect to germaneness. The germaneness rule should be sensible and one that is broadly construed and not narrowly construed.

Mr. McINTYRE. I thank the Senator. This is a technical sham. That is why I think we should now turn it down.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McINTYRE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. McINTYRE. I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. I support the position of the Senator from Ohio and the Senator from New Hampshire. What they say is correct. There is no question but that the Price and Wage Stabilization Act not only mentions the interest rates but specifies them. The Senator is trying to provide for an amendment that affects interest rates.

The construction, as the Senator from Ohio pointed out, has been so narrow and limited that I would be disinclined to agree to any unanimous-consent agreement from now on if we are going to have this narrow construction in the future. Even though the Senator might have an important provision, he would be barred from providing amendments if the language is not mentioned in the bill itself. This language makes it impossible for me to agree to unanimous-consent agreements in the future. I hope that in this test vote, we will have now on the McIntyre amendment, whether Senators agree with it or not, we overturn the point of order so that we may vote on the merits.

Mr. McINTYRE. Mr. President, the yeas and nays are requested on the ruling of the Chair.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Chair state the question?

The PRESIDING OFFICER. The time has not been used or yielded back.

Mr. TOWER. Mr. President, how much time is remaining to the Senator from New Hampshire?

The PRESIDING OFFICER. One minute. The other side has 10 minutes.

Mr. McINTYRE. I yield one-half minute to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Stan Jones, a member of the staff, may be permitted on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Alabama yield back his time?

Mr. SPARKMAN. I yield back any time I may have.

Mr. McINTYRE. Will the Chair explain the vote to Senators?

The PRESIDING OFFICER. All time has been used or yielded back. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered.

Mr. TOWER. Mr. President, a vote of "aye" would be a vote to sustain the Chair?

The PRESIDING OFFICER. The Senator is correct.

Mr. McINTYRE. And a vote of "nay" would overrule the Chair?

The PRESIDING OFFICER. The Senator is correct.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), the Senator from Minnesota (Mr. Mondale), the Senator from Georgia (Mr. Nunn), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pastore), is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis), is absent because of illness.

I further announce that, if present and voting, the Senator from Georgia (Mr. Nunn) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The Senator from New York (Mr. Buckley), the Senator from Illinois (Mr. Percy), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 43, nays 44, as follows:

[No. 50 Leg.]

YEAS—43

Aiken
Allen
Bartlett
Beall
Bennett
Bentsen
Brock
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Long
McClellan
McClure
Metcalf
Packwood
Pearson
Randolph
Saxbe
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—44

Abourezk
Bayh
Bellmon
Bible
Biden
Brooke
Burdick
Cannon
Case
Chiles
Church
Eagleton
Fong
Gravel
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McGee
McGovern
McIntyre
Montoya
Moss
Muskie
Nelson
Pell
Proxmire
Ribicoff
Roth
Schweiker
Stevenson
Taft
Tunney
Williams

NOT VOTING—13

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Mansfield
Mondale
Nunn
Pastore
Percy
Stennis
Symington

The PRESIDING OFFICER. On this question the yeas are 43 and the nays are 44. The decision of the Chair does not stand as the judgment of the Senate.

The question is on agreeing to the amendment of the Senator from New Hampshire (Mr. McIntyre). On this question the yeas and nays have been ordered——

Mr. BENNETT. Mr. President, I move that the amendment be laid on the table, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from New Hampshire. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), the Senator from Minnesota (Mr. Mondale), the Senator from Georgia (Mr. Nunn), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pastore) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Georgia (Mr. Nunn) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The Senator from New York (Mr. Buckley), the Senator from Illinois (Mr. Percy), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The Senator from Alaska (Mr. Stevens) is detained on official business.

The result was announced—yeas 45, nays 41, as follows:

[No. 51 Leg.]

YEAS—45

Aiken
Allen
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Byrd,
  Harry F., Jr.
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Griffin
Gurney
Hansen
Haskell
Hatfield
Helms
Hruska
Javits
Johnston
Mathias
McClellan
McClure
Packwood
Pearson
Roth
Saxbe
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—41

Abourezk
Bayh
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Eagleton
Gravel
Hart
Hartke
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Long
Magnuson
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Tunney
Williams

NOT VOTING—14

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Mansfield
Mondale
Nunn
Pastore
Percy
Stennis
Stevens
Symington

So Mr. Bennett's motion to lay on the table Mr. McIntyre's amendment was agreed to.

AMENDMENT NO. 44

Mr. KENNEDY. Mr. President, I send to the desk amendment No. 44, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to state the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Kennedy's amendment (No. 44, as modified) is as follows:

On page 5, after line 9, insert the following:

"HEALTH INSURANCE PRICES

"Sec. 8. Section 216 of the Economic Stabilization Act of 1970 is amended by inserting after subsection (c) (added by section 7 of this Act) a new subsection as follows:

"'(d) For so long as the President maintains controls upon wages and prices in the health services field of either a mandatory or voluntary nature, the President shall transmit quarterly reports to the Congress not later than thirty days after the close of each quarter describing the rate of change in health insurance prices, the reasons for any such change (including an analysis of price changes for hospital and physician services, of changes in benefit packages, and of changes in health insurance administrative costs), the extent to which the change is commensurate with rates of increase permitted for physician and hospital services under regulations implementing this title, and the actions he has taken or recommends to the Congress to be taken to stabilize health insurance prices.'."

On page 5, line 11, strike out "Sec. 8." and insert "Sec. 9.".

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

In the legislation that we are considering here today, there are procedures provided by which the President will notify Congress quarterly about increases in various food prices. The amendment I have introduced would provide the same kind of reporting requirement for increases in health insurance.

There are more than 180 million Americans who are affected by increases in health insurance premiums. Increases in health care costs have far exceeded most other elements of the economy. There have been most dramatic increases in the costs of various insurance policies.

What we are interested in accomplishing by this amendment is to develop statistical information which will show the reasons for the increases in these health premiums. Many of the insurance companies say it is because they are providing more benefits. What we want here in Congress, I believe, is to determine for certain the reason and the justification for these increases. We are leaving the procedures by which this reporting will be developed completely to the President, but I do think that this amendment would give us in Congress a better handle on the whole subject of increased health insurance costs.

Mr. President, in recent years the cost of health insurance has risen precipitously. In the Government-wide Federal employees program, for example, premiums increased an average of 15.1 percent per year between 1966 and 1971.

Last year, even given the phase II controls, the Metropolitan Life group accident and health insurance program for employees of General Motors Corp. went up 29 percent. The Mutual of Omaha policy with the Teamsters Union of California rose 34.8 percent. Connecticut General's policies with Continental and Braniff Airlines rose 55 percent and 42.7 percent, respectively. The story is the same in industry after industry. More and more is being deducted from the taxpayer's paycheck to pay for health insurance. Both management and labor are paying more and more to cover negotiated health benefits.

Nor is the burden limited to large group health plans. In 1972, Mutual Life Insurance Co. of New York was granted an increase in their individual health insurance policy of 33 percent. When phase II ended, Metropolitan Life had pending a requested increase of 65 percent in their individual health and accident policies in New York. They were told to make their own determination of whether the increase was necessary.

Mr. President, these increases are far greater than the rate of increase in other areas of the economy. The rate of increase for health insurance even surpasses the 10.3-percent increase in spending for health services in fiscal year 1972.

The health insurance industry maintains that these radical increases are made necessary to cover expanded benefit packages as well as rising health service costs. Yet, according to the Social Security Administration, benefit payments by private health insurance carriers were up only 13 percent in 1972—the lowest increase in years. The combination of broadened benefits and higher health service costs simply does not seem to add up to the increases in health insurance premiums.

I might point out that the Social Security Administration indicates that the administrative costs of the private health insurance carriers were up 20 percent in 1972. That is double the increase in health services costs and one and one-half times the increase in the level of benefit payments.

The Social Security Administration also indicates this industry retained 19 percent more of premiums paid in fiscal year 1972 than in fiscal year 1971. They kept $2,100,000,000 in 1972, as compared to $1,685,000,000 in 1971.

Mr. President, I believe these facts warrant the closest review and scrutiny of health insurance prices during phase III. The President has indicated that he will retain controls on physician and hospital services under phase III. He has indicated no intention to maintain similar controls on the cost of health insurance. Indeed, phase II controls seem to have been only half-heartedly enforced. The list of Price Commission approved increases in this area is filled with enormous premium increases.

I do not agree with the President's decision on health insurance prices. On the other hand, I do not believe the Congress has enough hard information to insist on rigid controls on health insurance premiums.

The amendment I propose is aimed at assuring that the Congress is given hard information as the basis for possible action in the future. The amendment requires a quarterly report on price increases and their causes in this sector. It is directly analogous to the provision with respect to food prices that is already in S. 398 as reported by the committee.

Like food prices, health insurance premiums impact directly on the pocketbook of most Americans. In fiscal year 1972, over $19 billion flowed through the insurance industry.

I urge my colleagues to support this amendment in order that the Congress can have a clearer understanding of the reasons for health insurance premium increases.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SPARKMAN. Do I understand correctly that this amendment calls only for the reporting of information and statistics that will be gathered by the Government?

Mr. KENNEDY. The Senator is quite correct. There is no price ceiling in any part of this amendment. It is solely for gaining information in this particular field.

Mr. SPARKMAN. Mr. President, I will say that I have discussed this proposal with the Senator from Massachusetts, and I am willing to accept it.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. TOWER. I wonder if the Senator would accept an amendment, on page 1, line 6, to insert after the words "the President" the following language:

so long as controls upon wages and prices in the health services industry of either a mandatory or voluntary nature are maintained,

Mr. KENNEDY. I have already modified the amendment to include such language as requested by the Senator from Texas.

Mr. SPARKMAN. I had so understood.

Mr. KENNEDY. The effect of those lines would make the reporting procedure required as long as there are any controls on doctors' fees or hospital fees. The amendment has been so modified.

Mr. SPARKMAN. I yield the Senator from Texas such time as he may require.

Mr. TOWER. On behalf of the minority, I certainly am prepared, at least on my own part, to accept the amendment of the Senator from Massachusetts, after a voice vote.

Mr. SPARKMAN. I yield back my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. CLARK). All remaining time having been yielded back, the question is on agreeing to the amendment (No. 44, as modified) of the Senator from Massachusetts (Mr. KENNEDY).

The amendment was agreed to.

AMENDMENT NO. 43

Mr. RIBICOFF. Mr. President, I call up my amendment No. 43 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF's amendment (No. 43) is as follows:

On page 5, line 2, delete lines 1 through 9 and insert the following:

SEC. 7. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"Notwithstanding any other provision of this Act, the President shall impose mandatory price controls on all raw agricultural products and meat products at a level not to exceed the price level for each such product as of March 1, 1973.".

Mr. ROBERT C. BYRD. Mr. President, would the Senator indicate to me what this amendment is about?

Mr. RIBICOFF. Yes; this amendment provides for the extension of price controls to raw agricultural and meat products.

Mr. ROBERT C. BYRD. Mr. President, would Senators be amenable to cutting the time on this amendment to 20 minutes, rather than 30 minutes?

Mr. RIBICOFF. Yes, I am willing to do that.

Mr. ROBERT C. BYRD. I ask unanimous consent that the time on the pending amendment be 20 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. RIBICOFF. On this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

FOOD PRICE FREEZE

Mr. RIBICOFF. Mr. President, I am calling up this amendment to end the skyrocketing cost of food. I am pleased to be joined in this amendment by Senators PELL, PASTORE, and WILLIAMS.

This amendment to the Economic Stabilization Act would extend price controls to raw agricultural and meat products as well as to processing, wholesaling, and retailing. Phase I and phase II food price controls applied only to food products starting at the processing stage, and continuing through wholesale and retail distribution. Under phase III, raw agricultural products remain exempt from control although food processing and distribution remain under mandatory controls.

Under the terms of my amendment, prices for raw agricultural goods would be frozen at the March 1, 1973, level. Existing phase III controls on food processing and distribution would remain in effect under my amendment.

It takes no great expertise to recognize what housewives have known for some time: food prices are rising at rapid rates. In the last year the wholesale price of eggs has gone up 40 percent; wheat 57 percent, coffee 40 percent, cocoa 47 percent, and bacon 48 percent.

According to the Department of Agriculture, uncontrolled farm product prices, as of January 15, 1973, were 21 percent higher than a year before, even though the prices paid by farmers for commodities, equipment, wages, interest, and taxes had gone up only 9 percent. The lower increase in retail food prices during these 12 months, 7.6 percent, was only possible because food processors, wholesalers, and distributors absorbed some of the farm price rise.

The most recent survey of food prices shows that high prices are finally driving the Nation's consumers to protest by boycotting expensive products such as beef. A report in the Washington Post of March 15 reveals that, according to the National Association of Food Chains, beef sales dropped during February an average of 4 percent. Consumers are substituting fish and cheese for beef purchases and are increasingly unhappy about such forced choices.

Price controls are receiving increasing support as the way to attack this problem. On February 26, the AFL–CIO Executive Council called for controls on raw agricultural products. And on March 16, Mr. I. W. Abel, chairman of the AFL–CIO Economic Policy Committee, testified in favor of such controls before the Joint Economic Committee.

The President apparently is unwilling to make the effort necessary to halt food price inflation. In his February 21, 1973, radio address, he contended that increasing food imports and releasing food stockpiles would drive down prices later in the year. Such broad assurances are not sufficient to help the American family who is feeling the price pinch right now.

The administration would also have us believe that existing price controls are adequate to control food cost inflation. This is not the case. The fact is that price controls on food at the wholesale-retail level have been an abysmal failure.

In the last 6 months, the wholesale price index for farm products and processed foods increased at a rate of 30.8 percent, compared to 11 percent for all commodities. In the last 3 months food was up to 56 percent, compared to 18.6 percent for all commodities.

These statistics clearly indicate that the existing phase III controls on processing, wholesaling, and retailing must be extended to raw agricultural production at the farm level if we intend to halt the severe inflation in food prices. The farmer received 33.4 cents of every food dollar, the retailer got 33.1 cents, the processor gets 22.1 cents, the wholesalers 6.1 cents, and transportation firms 5.3 cents. With controls already in force for the middleman, over 80 percent of the price increases in food in the past year have gone to farmers, primarily large corporate farmers.

Freezing farm prices will not hurt the small farmer. The small farmer is no longer a major factor in American agriculture. Farming is now a major business.

Three-fourths of all farm sales are now made by 19 percent of all farmers. Owners of farms selling less than $5,000 in products received 83.5 percent of their total income from nonfarm sources.

The committee bill (S. 398) does not assure that food prices will be stabilized. Instead, it requires a quarterly report by the President to Congress describing the rate of change in food prices by category of food with accompanying reasons for the change.

The committee bill also requires the President to state the action he has taken to stabilize food prices. We have reached a crisis in food price inflation. What is needed are real controls, not Presidential reports.

Adoption of the amendment I introduce today to the Economic Stabilization Act will finally put some teeth into price controls and will assure every American consumer of a stable grocery bill during the 1-year extension of the act.

It is impossible for me to understand Mr. President, how we can possibly succeed in keeping the cost of living and inflation from rising to astronomical heights unless we freeze the prices of raw agricultural products and meats. How can we ask the working men and women of America to limit their wage increases to 5.5 percent, when they cannot go into their grocery stores and their supermarkets and pay for their weekly market basket?

Mr. PELL. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Rhode Island.

Mr. PELL. I am glad to support the amendment of the Senator from Connecticut. I think if we just think what is at the base of anyone's life, we find we are talking about food. When there is food, the family eats. That is the most essential thing for survival—more essential than shelter, clothing, or any other factor in the environment.

We are in a situation now where the factor that has gone up more than any other in the cost of living is food. If we could adopt this amendment, I believe it would provide some sort of ceiling for the chief problem that I believe plagues our housewives and our citizens more than any other single one, and that is the increasing cost of food.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the distinguished Senator from Vermont.

Mr. AIKEN. Am I correct in assuming that the Senator's amendment would apply to coffee, tea, cocoa, and copra?

Mr. RIBICOFF. That is correct.

Mr. AIKEN. How would you enforce the price controls in other countries?

Mr. RIBICOFF. We could not enforce the prices in other countries. We could make sure that what comes into the country is subject to price controls. In any event the bulk of the goods in American supermarkets are produced on American farms.

Mr. AIKEN. Would it apply to casein, which is used in paints and other such products?

Mr. RIBICOFF. There is no way that we can control those products outside the continental United States, but that does not prevent us from trying to stop the rising food prices of goods produced in the United States.

Mr. AIKEN. Would it include the products of the farm wood lot—lumber?

Mr. RIBICOFF. The price of what?

Mr. AIKEN. Fireplace wood, lumber, and logs.

Mr. RIBICOFF. No; the housewife does not have lumber in her food basket. I hope it does not reach the stage where sawdust gets to be a part of the ingredients of the American diet.

Mr. AIKEN. Just foods only, or raw agricultural products? I would say that 5,000 feet of hemlock logs would be an agricultural product.

Mr. RIBICOFF. I would be more than pleased to accept an amendment of the Senator from Vermont to extend it to raw agricultural products used for human consumption.

Mr. AIKEN. Well, the price of coffee has shot up in the last 3 weeks.

Mr. RIBICOFF. Coffee has gone up 40 percent. Cocoa has gone up 47 percent. Meats, eggs, bacon, and wheat, the basic ingredients of the typical American breakfast, are all skyrocketing. While there may be certain products that we cannot control, there is no excuse for us not to try to control the prices of foods that are grown on American farms.

Mr. AIKEN. Would the price of meat products apply to the meat products sold in restaurants to the consumer?

Mr. RIBICOFF. Yes; that is correct.

Mr. AIKEN. Would it include tips?

Mr. RIBICOFF. Would include what?

Mr. AIKEN. Would it hold down the cost of tips?

Mr. RIBICOFF. No. That is a service. That is a service that goes by the name of a gratuity. Nobody is trying to control gratituties. While I appreciate the sense of humor of my distinguished colleague from Vermont, it does not obviate the situation when we consider the high cost of food. It is not a laughing matter for the housewife who finds that the money her husband gives her to go to the market will not take care of the needs of her family.

Mr. AIKEN. I do not think the price of maple syrup is going up this year. It went quite high last year. But does the Senator from Connecticut understand that the cost of eating out is also charged to the farmer?

Mr. RIBICOFF. Well, I would say that except for the very wealthy, eating out is almost an impossibility today. I find today that most people, including myself, eat at home.

The average wage earner, the average individual, finds it absolutely impossible to make ends meet with the high cost of food—80 percent of which is attributable—to the farmer. One of the solutions proposed by the administration's Cost of Living Council is to eat less. My solution is to freeze all food prices.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. I have no more questions.

Mr. TALMADGE. Will the Senator yield to me?

Mr. SPARKMAN. Mr. President, how much have I remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. SPARKMAN. I yield 3 minutes to the chairman of the Agriculture Committee.

Mr. TALMADGE. I hope this amendment will not be agreed to. If it is, it will be counterproductive.

I think everyone remembers when we tried to control the price of food in World War II and during the Korean war. What happened? Black markets appeared, no food was on the shelves. Commodities were not available. It was necessary to find a bootlegger to buy food. That is what will happen in this situation.

We cannot repeal the law of gestation. It takes 9 months to produce a calf. It takes another year to fatten the calf for the market.

The cost of food is high in this country because a lot of people are eating most who never used to.

We are using $4 billion worth of food stamps, and putting meat on the table for people who never had it before.

In addition, our society is more affluent than it ever was before. A lot of commodities that used to be shipped into this country are being shipped to Europe, because they are paying higher prices than we are.

I know of nothing that would be more counterproductive than to try to regulate the prices of raw agricultural commodities, particularly when they fluctuate so severely.

We know what the farmer receives, only 33 cents, out of the food dollar.

We know how much wheat is in a loaf of bread that sells for a quarter—4 cents worth.

We know how much cotton is in a shirt that sells for $5—35 cents worth.

We are trying to impose a burden on the farmer, who is not responsible for these costs.

It spreads into other areas. The man who puts the milk on the supermarket shelf in Chicago earns more than the farmer who operates a dairy with an investment of half a million dollars, with no return for his labor.

No one likes high food costs. My wife complains about them every day. But do you know how much the cost of food has increased in this country since 1965? It will come as a shock—33 percent.

Do you know how much wages and income have increased since 1965? Sixty-four percent, which is just exactly twice as high.

It always amazes me that somebody will complain about the cost of a dozen eggs that sold, for more than 2 years, below the cost of production, but will not raise his voice about a bottle of beer that costs 50 cents.

Food in this country is the cheapest commodity on the face of the earth, and I will tell you why. Seventeen percent of the average factory worker's pay in America goes for food.

Do you know the next lowest country on the face of the earth? Canada, over 20 percent.

Do you know the next lowest? Great Britain. It is about 30 percent there.

Most of the countries of Europe pay about 50 percent of their take-home pay for food.

In the United States it is 17 percent.

In the Soviet Union it is 50 percent.

In many of the underdeveloped countries of this world it is as high as 90 percent.

I hope that we will not, in a moment when people are concerned about the price of food, do something so thoughtless that it will rise to haunt us. If we do, we will drive food off the shelves, and we will have food going into the black markets and peddled by bootleggers, instead of in legitimate circles.

The only way we can reduce the price of food is to produce more of it. Forty million more acres are going to be planted this year, than were planted last year.

Fifteen million more acres are going to be released and set aside to graze livestock.

The only way to bring the cost of food down is to produce more of it. What we should be doing, instead of blaming the poor old farmer for the high costs, is to blame the middleman. Last year in America housewives spent $116 billion for food.

Do you know how much of it went to farmers? Thirty-nine billion dollars.

Do you know how much of it went to the fellow that processed and marketed it? Seventy-seven billion dollars.

One-third goes to the farmer, two-thirds goes to the fellow that processes it and markets it.

Let us put the blame for these high costs on the poor fellow who only earns about three-fourths of what the nonfarmers earn.

Mr. SPARKMAN. Mr. President, does the Senator from New York desire time?

Mr. JAVITS. I would like 5 minutes.

Mr. SPARKMAN. Mr. President, may I ask how much time I have?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. SPARKMAN. Will the Senator from New York take 3 minutes?

Mr. JAVITS. Will the Senator give me 5 minutes, a minute or two of it on the bill?

Mr. SPARKMAN. I have only 7 minutes.

Mr. JAVITS. I wish to speak on the amendment.

Mr. SPARKMAN. I will yield the Senator from New York 5 minutes.

Mr. JAVITS. Mr. President, the Achilles heel of price controls is being touched on by this amendment. The Senator from Connecticut (Mr. RIBICOFF) and all of us know that if this amendment is carried, it is not going to become law as it is. It does not have provisions for correcting inequities. It does not have provisions for small factory farms, and it does not provide for many other things that would be necessary to control the prices of raw agricultural products.

It does not relate to the problem of the Senator from Vermont (Mr. AIKEN) of imports from abroad. Nobody is trying to put too much of a burden on the farmer; but the fact is that with the American markup system, we have an unregulated base as it goes through the market system to the places that are under control. That is the point not made here, that the control is basically ineffective, because the material fed into the system is not under control and is subject to all kinds of haphazard market forces, which is an enormous problem. There are lots of farmers, not only in feed grains but farmers who raise chickens and farmers who milk cows; and they are suffering terribly. They are getting squeezed because feed grains are so inordinately high and they cannot collect the money it takes at the other end. They could be benefited from controls, wisely administered.

The main point, as I read the Ribicoff amendment—and I shall support it—is that it is really a declaration of the intention of Congress that if we are going to have a system that will curb inflation through some form of price control, phases I, II, or III, we have got to control agriculture at the source or it is meaningless.

So as an expression of intent, I am sure that the Senator from Connecticut (Mr. RIBICOFF), who is an excellent lawyer, would himself admit that this is not a finished provision, but as an expression of the intent of the will of Congress that this shall be done, he is absolutely right. The President should do it, whether the amendment passes or not, under the general powers that he will have under the Economic Stabilization Act and, in addition, the marketing services of the country should be enormously strengthened.

I do not agree with those who laugh at Virginia Knauer. The consumer is the greatest fellow in the world for regulating prices. It is just as the television people tell us: we do not need television censorship, because all the television viewer has to do is to flick that switch and that is all the censorship we need. The same is true with prices.

I repeat and then I shall sit down, that this is the deepest and most exciting cause, the question of the uncontrollable price structure. Somehow, we have to get hold of it. If we adopt this amendment it will be a beginning, to show that we are not afraid of this particular kind of control, that we need it, but that it has to be fashioned properly. But, basically, in principle, it is right and I shall support it.

FREEZE ON FEED GRAINS

Mr. President, the Achilles heel of phase III is the ongoing rampant increase in food prices. It is my concern that this rampaging inflation in food prices threatens the whole economic stabilization program of the United States and may lead to the resurgence of inflationary pressures which are so disruptive to our national economy. Clearly, this extraordinary increase in food prices will impact the major labor negotiations coming up this year and bias these negotiations toward more inflationary settlements.

The administration has approached this problem from the short-term demand side by exhorting the American consumer to consume less of the higher priced agricultural products such as meat. On the supply side, import quotas have also been suspended on meat imports and programs are underway for the disposal of remaining Government grain stocks. Over the longer term, the Government has taken measures which should result in increased supplies of many price sensitive farm commodities with special reference of feed grains.

However, in my view these measures are inadequate since they do not address themselves to the short-term problem of rapidly increasing food prices. Disruptive short-term problems require a positive response otherwise they can get out of hand, and cause long-term injury to the American economy as a whole.

I, therefore, urge the President to use the authority he already has to clamp a 4-month freeze on feed grain prices at the point of initial sale. Such a freeze would not injure the farmer producing feed grains since there has been an enormous price increase for such feed grains over the past 6 months. A price freeze is not a price rollback and the American feed grain producer would continue receiving a price for his produce that insures a very healthy profit. However, the freeze while maintaining a good profit margin, would halt the relentless upward pressure of feed grain prices that have characterized the last 6 months and which will characterize the next 4 months.

In turn, this upward pressure of feedgrain prices has sharply pushed up the prices of beef, poultry, eggs, dairly products since such feed grain costs account for 65 to 80 percent of the cost of producing a pound of beef or a dozen eggs.

Also, if such a freeze on feed grain prices were imposed after the spring planting are in the ground, this would not have an adverse impact on future supplies. And with the increased planting that are now in the works, the temporary 4-month freeze could be lifted at the very time when the new harvest is coming in. Under these conditions talk of rationing is little more than scare tactics that are not germane to the temporary freeze measure I am advocating.

I do not favor an across-the-board control on raw agricultural food prices since they would be unfair. The unfairness would arise, because it would adversely impact those food producers who are dependent on raw agricultural inputs such as feed grains which already have increased enormously in price. In other words, high feed grain costs have already enormously increased the costs to the dairy farmer and poultry raiser in terms of producing milk, eggs, and poultry and a freeze extending to these areas could unjustly squeeze profit margins. The same consideration does not come into play in the feed grain area where prices and profit margins have skyrocketed in recent months.

In conclusion Mr. President, the administration must act now and impose the selective temporary freeze on feed grain prices. What is at stake is nothing less than the stability of the American economy.

I ask unanimous consent that an article from Business Week of March 20 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY THE FLOAT MAY WORK

When the badly shaken currency markets of the world reopen next Monday morning, they will be operating for the first time in 25 years without the discipline of officially fixed exchange rates. Successive waves of speculation against the dollar have overwhelmed the central bankers who tried to set specific rates on their currencies in terms of dollars. As a last resort, they have abandoned the commitment to defend official exchange rates, thus setting their currencies afloat.

This is a somewhat scary prospect for banks and businessmen who must make future commitments payable in marks, yen, francs, or pounds. But it is not necessarily bad. In the short run, it is the only way to deal with the immediate crisis. And in the longer run it could point the way to a more flexible, more effective international payments system.

The old system of fixed rates offered speculators a no-lose opportunity to bet against the dollar. If they bought marks and did not get the revaluation they expected, they could always get back into dollars at the same price. But with floating rates, the dollar can move up as well as down. It is possible for speculators to lose as well as win or draw.

After the initial shakedown, free market forces will tend to establish exchange rates that fairly reflect the relative trading strengths of the various nations. These rates can provide the starting point for agreement on a new international monetary system.

The danger is that central banks and finance ministries will try to manipulate the floating rates to gain a trade advantage—and that they will build protective tariff and quota walls around their economies to offset the effects of rate changes on trade. Step by step, this could lead the world into a trade war in which all nations would be losers.

In the months ahead, the U.S. will have to use all its bargaining strength to head off such a protectionist trend and steer the world toward a more realistic, workable set of rules for trade and money alike.

HOW TO CONTROL FARM PRICES

It is easy to understand President Nixon's reluctance to clamp down on farm prices. The area is littered with the bones of past price controllers. But does he have any choice? Farm prices are running up the cost of living, making a farce out of Phase III, and threatening to touch off an explosion of inflation. The Administration expects them to come down in the autumn, but that will be too late to make any difference in the crucial wage negotiations scheduled for the spring and summer.

Administration spokesmen say controls would lead to shortages, black markets, and rationing. These would be valid objections to permanent controls on farm prices. But that is not what the nation needs. It needs a short, tough program that will apply ceilings now and continue then until the 1973 crops are harvested.

It is not true that the President is powerless in this situation. He could, for instance:

Put ceilings on meat prices at retail, using recent prices as the standard. Given the concentration in food retailing and the nature of the processing chain for meats, this should quickly put an effective ceiling on the prices farmers get for livestock. And with beef and pork prices at all-time highs, there will be no reason for farmers to cut their herds.

Announce that controls will be applied at central markets to wheat and feed grains if these prices start rising again. Export prices need not be controlled. With the ports clogged already, there is little chance that supplies will be diverted overseas.

Revoke the January order that freed broiler producers from controls. Since most producers raise the chicken and process it before initial sale, the effect of the order was to remove one of the few controls that reached back to the producer level.

Make sure that the Agriculture Dept. does not use marketing orders to force up prices.

Just by themselves, these four steps would take a lot of the bounce out of farm prices. As part of a broader, tougher control system, they would give the country a fighting chance to stop the renewed inflation that is in the making.

Mr. SPARKMAN. Mr. President, I believe I am correct that I have how many minutes left? Two minutes?

The PRESIDING OFFICER (Mr. HOLLINGS). Two minutes remain to the Senator from Alabama.

Mr. SPARKMAN. I want to say just this——

Mr. AIKEN. Under the law which this Congress has enacted, the price of milk has to be increased to the farmer this coming month. I do not know how much it is, but I think the price is about 30 cents a hundred pounds over what it was on the 1st of March. The law requires milk to be supported at not less than 75 percent parity and as of March 1 the price was only 72 percent.

What the Senator from Connecticut is doing is canceling out, abrogating agricultural laws which are on the books and which this Congress has put on the books.

Another thing I did not make plain is that raw lumber is an agricultural product. To freeze the price of that raw lumber where it was on March 1, with the Japanese buying everything they can find in sight at any price, means that no one could afford to build a house with prices frozen at the March 1 level.

Mr. COOK. Mr. President, will the Senator from Alabama yield me 30 seconds?

Mr. SPARKMAN. Do I have 30 seconds?

The PRESIDING OFFICER. One minute remains to the Senator from Alabama.

Mr. SPARKMAN. I yield 30 seconds to the Senator from Kentucky.

Mr. COOK. I thank the Senator. I should like to make the point that the Senator from Vermont just made, that if we freeze the price of lumber at the first of March level—it has already gotten so high that the price of an average house has gone up $1,200 over last year—therefore I would suggest that if we freeze the price of raw agricultural products as of March 1, we will freeze that increase in, rather than to see productivity bring down the cost of lumber.

Mr. SPARKMAN. Mr. President, I yield myself 2 minutes on the bill to say that the Senator from Kentucky and the Senator from Vermont have both expressed the situation very well.

I want to add just this, that the testimony before the committee by people who will be in charge of carrying out the phase III program testified that it was virtually impossible to control raw products and that we had never placed controls on raw products.

Mr. AIKEN. I would say, to repeal legislation which has been put on the books by Congress relative to support prices for farm products, and particularly on milk, will distinctly make this proposed amendment nongermane or out of order. At least, it should be considered by the proper committee.

Mr. McGOVERN. Mr. President, the Ribicoff amendment would freeze raw agricultural prices at their March 1, 1973, level. I strongly oppose this amendment. What are the facts?

Parity, which is still a pretty good measurement despite Dr. Butz' objections, for 1972 stood at 74 percent of the 1910–14 base period, and 79 percent when Government payments were included.

The Moss amendment to freeze only retail food prices only for 90 days is the effective way; a total freeze on farm prices would insure depressed, rather than increased, supply of food and the resulting rationing and black markets that accompanied price controls during the Korean war.

Writing in the Evening Star and Daily News yesterday, Richard Wilson said that a series of five Federal orders during the Korean war cut meat prices 10 percent. In a few weeks there was a cattleman's revolt which closed down meat packing plants for lack of supplies. Feed lots emptied and black markets developed in Omaha and Chicago.

To freeze prices on the farm today would end any economic incentive for cattle feeders to expand production as rapidly as they can to take advantage of today's fair price levels and hopefully bring about stabilized prices later this year.

The Ribicoff approach unjustifiably singles out the farmer for blame when, as pointed out in the memorandum on the Moss amendment, the food processing and marketing industry has taken a great share of the increased retail prices, despite phase II.

It does little for the purchaser of a 1-pound loaf of bread, who paid 25 cents for that loaf of bread in December of 1972, to freeze the price of wheat. The wheat in that loaf of bread in December 1972 cost only 3.7 cents, but the retailer's spread amounted to 4.7 cents.

It is unfair to the farmer to freeze the prices he receives when, in many cases, his income still has not reached a fair price.

While the domestic wheat price is supported at 100 percent of parity, the nondomestic price last year was supported at only 41 percent of parity. Corn last year was supported at 68 percent of parity, oats at 54 percent, and rye at 56 percent. The Secretary recently announced a milk support at the minimum level allowed by law, 75 percent. Until these farm prices reach a level that is on a par with other segments of the economy, it is unfair to freeze farm prices.

What the farmer needs is more effective controls on the prices of the production items he must busy. Phase I and phase II controls were not evenhanded. While the administration kept a tight lid on wages, these industries which sell to the farmers, as well as other industries, were allowed in some cases to earn windfall profits. The Business Week survey showed that chemicals, as a group, increased profits by 29 percent from 1971 to 1972. The special machinery group, including farm, construction, and materials-handling industries, increased its profits by 71 percent from 1971 to 1972.

Over the past 25 years, the farmer has seen the price of motor vehicles such as tractors and trucks go up 103.4 percent, the price of seed increase 16.9 percent, the price of farm machinery 141 percent and interest costs go up 802.5 percent. Faced with cost increases such as this, it is not equitable to deny farmers the increased income necessary to have a minimum wage in today's economy.

I ask unanimous consent to have printed in the RECORD some tables from the Farmers Union and the Library of Congress which illustrate some of the arguments outlined above.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., March 1, 1973.

To: Hon. George McGovern
From: Senior Specialists Division
Subject: Information on the Wheat Certificate program and recent bread prices.

The attached information is in answer to the five questions in your letter of February 27.

The pages from Federal Wheat Commodity Programs deal with No. 1.

The chart "Average retail price of a 1–lb. loaf of white bread" answers No. 2 and No. 3.

Question four is partially answered by the table "Estimated retail and wholesale price of a 1–lb. loaf of bread, December 1972."

In December 1972 the cost of the wheat certificate program accounted for 0.9 cent in the cost of a loaf of bread.

JANICE E. BAKER,
Research Assistant in Agriculture.

AVERAGE RETAIL PRICE OF 1-LB LOAF OF WHITE BREAD

[In cents]

	December 1972	Annual 1972
Nationwide	25.0	24.7
New York City	30.2	30.3
Los Angeles	26.8	26.4
Chicago	25.5	24.6
Dallas	22.2	22.3
Washington, D.C	23.8	22.9

Estimated retail and wholesale price of a 1-lb loaf of bread, December 1972

[In cents]

Retail price	25.0
Retail spread	4.7
Wholesale price	20.3
Baker-wholesale spread	13.1
Cost to baker:	
All ingredients	7.2
Flour	4.9
Mill sales value of flour	4.7
Miller's flour spread	0.9
Cost of wheat to miller	3.8
Other spreads	1.7
Farm value:	
All ingredients	4.6
Wheat	3.7
Flour prices:	
F.o.b. mill	7.44
Delivered to bakers	7.81
Flour sales:	
Sold in bags	12.0
Price differential for bags	18.0
Wheat prices:	
Farm delivery point	2.33
Delivered to millers	3.15

FARM STATISTICAL REPORT

To: Farmers Union Co-Workers and Friends
From: Reuben L. Johnson

The attached Farm Statistical Review concerning United States Agriculture is intended to give you up-to-date resource material for speeches, articles, press releases, etc.

As you put this information to use we would appreciate thought being given to ways in which it can be improved.

SUPPORT PRICES FOR FARM COMMODITIES 1960, 1968, 1970, AND 1972

Supported commodities	Unit	Parity price 1972	1972 support	1972 support percent of parity	1970 support	1970 support percent of parity	1968 support	1968 support percent of parity	1960 support	1960 support percent of parity
Wheat	Bushels	$3.03	[1] $3.03	100	[3] $2.82	100	$2.63	100	[3] $1.78	75
			[4] 1.25	41	[4] 1.25	45	1.25	48		
Corn (No. 2)	do	2.00	[5] 1.35	68	[6] 1.38	78	1.35	77	1.06	65
Sorghum	Hundredweight	3.33	[7] 2.47	74	[6] 2.14	74	2.15	82	1.52	61
Barley	Bushel	1.58	[8] 1.18	75	[9] 1.03	71	.90	68	.77	61
Oats	do	1.00	.54	54	.63	66	.63	72	.50	60
Rye	do	1.60	.89	56	1.02	68	1.02	72	.90	60
Rice	Hundredweight	8.10	5.08	63	3.86	65	4.60	67	4.42	75
Soybeans (No. 1)	Bushels	4.17	2.25	54	2.25	60	2.50	76	1.85	64
Flaxseed	do	4.46	2.50	56	2.50	58	2.90	72	2.38	62

SUPPORT PRICES FOR FARM COMMODITIES 1960, 1968, 1970, AND 1972—Continued

Supported commodities	Unit	Parity price 1972	1972 support	1972 support percent of parity	1970 support	1970 support percent of parity	1968 support	1968 support percent of parity	1960 support	1960 support percent of parity
Cottonseed	Ton	$83.57	(9)		$37.00	49	$48.00	70	$38.00	57
Cotton (Upland)	Pound	.5516	[10] $0.345	63	[11] .3705	76	.3249	73	.322	83
Peanuts	Ton	380.17	279.00	73	255.00	75	240.25	77	201.24	79
Dry beans	Hundredweight	12.99	6.40	49	6.40	55	6.38	61	5.35	61
Milk, manufacturing	do	7.88	4.93	63	4.66	67	4.28	89	[12] 3.22	80
Butterfat	Pound	1.05	(9)		.715	74	.66	76	[12] .596	80
Tobacco, flue-cured	do	1.07	.727	68	.666	69	.616	71	.555	90
Wool	do	1.06	.72	68	.72	74	.67	78	.62	86

[1] Price support includes the $1.25 per bushel loan and purchase rate applicable to the entire production plus marketing certificates on 535,000,000 bushels of the 1972 crop equal to the difference between July 1972 parity price and the national average wheat price received by farmers during the 1st 5 months of the marketing year beginning July 1.

[2] Support for domestic food use—$1.25 loan rate plus certificate on 530,000,000 bushels to equal the parity price.

[3] All wheat.

[4] Support for wheat production not certificated.

[5] The payment rate for corn plus the national average market price received by farmers for corn during the 1st 5 months of the marketing year (beginning Oct. 1) for the crop cannot be less than (a) $1.35 per bushel, or (b) 70 percent parity of corn on Oct. 1, 1972, whichever is greater. Payment is available on 50 percent of corn base times farm yield. The preliminary payment of $0.40 per bushel is contingent on acreage set aside of at least 25 percent of the feed grain base.

[6] Included price-support payment for 1970 on ½ of base acreage as follows: corn, 30 cents; sorghum, 54 cents (hundredweight); barley, 20 cents; corn, grain sorghum and barley loan rates were $1.08 (No. 2), $1.61, and $0.83 respectively, 20 percent reduction from feed grains base required to qualify for payment.

[7] Total support for grain sorghum includes loan rate of $1.79 per hundredweight plus price support payment of $0.68 per hundredweight on ½ of base times farm yield.

[8] Loan rate of $0.86 per bushel plus $0.32 payment.

[9] No price support.

[10] Loan rate of $0.195 per lb. plus $0.15 payment.

[11] Included price-support payment of 16.80 cents per pound to qualifying producers (except 10-acre or under producers—or projected production from allotment of 3,600 pounds or under—received higher price without acreage reduction.)

[12] Support price for period Sept. 17, 1960 to March 9, 1961. Support from April 1 to Sept. 16, 1960, was $3.06 hundredweight for milk, and $0.566 a pound for butterfat.

[13] All wheat.

COMPARISON OF CONGRESSIONAL AUTHORIZED LEVELS OF PRICE SUPPORTS—1965 AND PRIOR ACTS WITH 1970 AGRICULTURE ACT

		Congressional directed range of support			1972 support	
		1965 and prior agricultural acts (percent)	1970 Agricultural Act			
Supported commodities	Unit		Loans and payments	Percent	Amount	Percent
Wheat, domestic certificate	Bushels	100	Domestic certificate [1] 1.25 loan certificate value	100	$3.03	100
Noncertificated	do	0–100	1.25 noncertificate	45	1.25	41
Corn (No. 2)	do	[2] 65–90	1.08 loan [3] .32 preliminary payment.		[4] 1.35	68
Grain Sorghum [5]	Hundredweight		1.73 Loan [6] .52 preliminary payment.		[6] 2.47	74
Barley [5]	Bushels		.81 loan	53.3	1.18	75
Oats [5]	do		.54 loan	55.5	.54	54
Rye [5]	do		.89 loan	57.4	.89	56
Cotton, upland	Pound	65–90	.195 loan [7] .15 payment.	66.7	[8] .345	63
Cottonseed	Ton	0–90	37.00	50.0	(9)	(9)
Rice	Hundredweight	65–90	65–90 (loan 5.07)	65	5.08	63
Soybeans	bushel	0–90	0–90 (loan 1.25)	56.5	2.25	54
Flaxseed	do	0–90	0–90 (loan 2.50)	55.8	2.50	56
Peanuts	Ton	75–90	75–90 (loan 268.50)	75	279.00	73
Dry beans	Hundredweight	0–90	0–90 (loan 6.40)	52.90	6.40	49
Milk, manufacturing	do	75–90	75–90 (support level 4.93)	85.0	4.93	63
Butterfat	Pound	75–90	75–90 (support Level 0.678)	69	(9)	(9)
Tobacco, flue cured	do	(10)	(10) (loan 0.694)	68.7	.727	68
Wool	do	(11)	(12) (loan 0.72)	71.3	.72	68

[1] (a) Domestic certificate wheat—100 percent of parity as of the beginning of the marketing year (July 1); (b) Noncertificate wheat—at level not in excess of 100 percent of parity as of the beginning of the marketing year, or not less than $1.25 per bushel, and taking into consideration competitive world wheat prices, the feed value of wheat in relation to feed grains, and the level at which price support is made available for feed grains. Price support includes $1.25 per bushel loan and purchase rate applicable to the entire production plus marketing certificates for the 1971 crop equal to the difference between July 1971 parity price and the national average wheat price received by farmers during the first five months of the marketing year.

[2] If acreage diversion program was in effect.

[3] The payment rate for corn plus the national average market price received by farmers for corn during the 1st 5 months of the marketing year for the crop cannot be less than (a) $1.35 per bushel, or (b) 70 percent parity of corn on Oct. 1, whichever is greater. Payment is available on 50 percent of corn base times farm yield. The preliminary payment of $.32 per bushel is contingent on acreage set aside of at least 20 percent of the feed grain base.

[4] Included price-support payment in 1972 on ½ of base acreage as follows: Corn, 40 cents; sorghum, 68 cents (hundredweight); barley, 32 cents; corn, grain sorghum, barley, oats and rye loan rates are $1.08, $1.79, $0.86, $0.54, and $0.89 respectively 25 percent reduction from feed grains base required to qualify for payment.

[5] Grain sorghums, barley, oats, and rye are supported at levels determined by the Secretary, taking into consideration feeding value relationships, and which are fair and reasonable in relation to loans and purchases made available for corn, and taking into consideration the feeding value of wheat in relation to feed grains.

[6] Total support for grain sorghum includes loan rate plus price support payment. Preliminary payment will be made available on 50 percent of grain sorghum base times farm yield at a rate comparable to corn preliminary payment.

[7] Loan rate: To cooperators shall be at such level as will reflect for middling 1-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States, 90 percent of the average world price for such cotton as determined by the Secretary, for the 2-year period ending July 31 in the year in which the loan level is announced. For 1971, the loan rate of 0.1950 cents per pound on a net weight basis is equivalent to 0.1870 cents per pound, gross weight, micronaire 3.5 through 4.9 at average location.

[8] Included price-support payment of 16.80 cents per pound earned on the farm's domestic allotment, which was 65 percent of the effective farm allotment. The loan rate was 20.25 cents per pound.

[9] No support program in effect in 1971 and 1972.

[10] Adjusted annually in accordance with changes between the 1959 parity index and the average parity index for the 3 years preceding the year for which support is being determined.

[11] Adjust annually by multiplying 62 cents by the ratio of the average parity index for the 3 preceding calendar years to the average parity index for the calendar years 1958, 1959, and 1960.

[12] Price support relationship to parity (see footnote 8) repealed. Price support will be $0.72 per lb. in 1971–73.

INDEX OF PRICES RECEIVED BY FARMERS, UNITED STATES

[Base period 1910–14=100]

Unit	Average 1947–49	Average 1969	Average 1970	Average 1972	Percentage change 1972 from 1947–49
Parity ratio [1]	108	74	72	74	
All farm products	271.0	274.0	280.0	319.0	+17.7
All crops	247.0	220.0	227.0	261.0	+5.7
Food grains	246.0	154.0	162.0	192.0	−22.0
Feed grains and hay	230.0	167.0	177.0	183.0	−20.4
Cotton	264.0	173.0	183.0	245.0	−7.2
Tobacco	384.0	594.0	604.0	685.0	+78.4
Oil-bearing crops	318.0	252.0	266.0	320.0	+.6
Feed grains	241.0	165.0	176.0	176.0	−27.0
Fruit	183.0	246.0	245.0	280.0	+53.0
Fresh market		243.0	243.0	298.0	
Commercial vegetables	249.0	298.0	294.0	329.0	+32.1
Fresh market		359.0	363.0	425.0	
Potatoes, etc.[2]	232.0	208.0	222.0	235.0	+1.3
Livestock and products	292.0	323.0	326.0	369.0	+26.4
Meat animals	334.0	400.0	405.0	492.0	+47.3
Dairy products	275.0	326.0	345.0	365.0	+32.7
Poultry and eggs	229.0	162.0	151.0	136.0	−40.6
Wool	259.0	226.0	194.0	208.0	−19.7
Retail food prices (1967=100)	73.5	108.9	114.9	123.5	+68.0

[1] Adjusted parity ratio which includes Government payments averaged 77 for year 1970 and 79 for 1972.

[2] Includes sweet potatoes and dry edible beans.

Source: "Agricultural Prices," USDA, monthly issues; Bureau of Labor Statistics.

PARITY RATIO AND INDEX OF PRICES PAID BY FARMERS—Continued

[Base period 1910–14=100]

Item	Average 1947–49	Average 1969	Average 1970	Average 1972	Percentage change 1972 from 1947–49
Parity ratio [1]	108	74	72	74	
All items	250	373	390	433	+73.2
Family living	244	351	366	401	+64.3
Food and tobacco	239	344	362	370	+54.8
Clothing	285	447	475	500	+75.4
Household operation	178	246	256	270	+51.7
House furnishings	256	282	291	299	+16.8
Building materials, house	339	503	498	535	+57.8
Auto and auto supplies	233	376	392	419	+79.8
Production items	237	304	314	350	+47.7
Feed	231	205	216	229	−3.0
Feeder livestock	348	436	450	544	+33.3
Motor supplies	140	190	193	203	+45.0
Motor vehicles, auto, trucks and tractors	290	545	567	610	+103.4
Farm machinery	239	509	537	576	+141.0
Farm supplies	235	286	293	303	+28.9
Building and fencing material	296	464	469	505	+70.6
Fertilizer	143	142	148	155	+8.4
Seed	242	254	266	283	+16.9
Interest [2]	79	569	611	713	+802.5
Taxes [3]	270	1,097	1,191	1,377	+410.0
Wage rates	430	1,010	1,083	1,249	+190.5

[1] Adjusted parity ratio which includes Government payments average 77 for year 1970 and 79 for 1972.

[2] Interest payable per acre on farm real estate debt.

[3] Farm real estate taxes payable per acre (levied in preceding year).

Source: "Agricultura Prices," USDA, monthly issues.

AVERAGE PRICES RECEIVED BY FARMERS FOR FARM PRODUCTS, UNITED STATES

Commodity	Unit	1947–49 crop average	Average 1969	Average 1970	Average 1972	Percent change 1972 from 1947–49
All wheat	Bushel	$2.05	$1.78	$1.93	$2.22	+8.3
Rye	do	1.64	1.00	.985	.936	−42.9
Rice (rough)	Hundredweight	4.98	4.95	5.17	6.60	+32.5
Corn	Bushel	1.56	[1] 1.28	1.47	1.55	−0.6
Oats	do	.804	.586	.626	.668	−16.9
Barley	do	1.32	[1] .927	[1] 1.02	[1] 1.35	+2.3
Sorghum, grain	Hundredweight	2.52	[1] 2.18	[1] 2.38	[1] 2.88	+14.3
Hay, all baled	Ton	22.80	24.70	26.00	39.20	+71.9
Cotton, upland	Pound	.293	[1] .3708	[1] .394	[1] .391	+33.4
Cottonseed	Ton	65.50	41.10	56.45	48.68	−25.7
Soybeans	Bushel	2.59	2.35	2.85	3.49	+34.7
Peanuts	Pound	.103	.123	.128	.145	+40.8
Flaxseed	Bushel	5.16	2.65	2.40	2.82	−45.3
Potatoes	Hundredweight	$2.43	$2.23	$2.21	$2.55	+4.9
Beans, dry edible	do	8.69	7.61	9.21	10.20	+17.4
Hogs	do	21.80	22.20	22.70	29.50	+35.3
All beef cattle	do	20.10	27.20	27.10	33.20	+65.2
Calves	do	22.50	31.50	34.50	43.90	+95.1
Lambs	do	21.90	27.20	26.40	28.70	+31.1
Milkfat, in cream	pound	.705	.689	.700	.694	−1.6
Milk, manufacturing grade	Hundredweight	3.63	4.45	4.70	5.09	+40.2
Turkey, live	Pound	.395	.224	.226	.222	−43.8
Eggs [2]	Dozen	.459	.400	.391	.315	−31.4
Wool	Pound	.469	.418	.355	.371	−20.9

[1] Includes average value of marketing certificate or price support payment.

[2] Average of all eggs sold by farmers, including hatching and sold at retail.

Source: "Crop Values and Agricultural Prices," USDA.

AVERAGE RETAIL PRICES OF DIFFERENT FOOD IN GROCERY STORES

Item	Units	Average 1947–49 (cents)	Average 1969 (cents)	Average 1972 (cents)
Cereals and bakery products:				
Flour, wheat	Pound	9.7	11.6	11.9
Bread, white	do	13.5	23.0	24.7
Rice, short grain	do		18.8	19.6
Dried beans	do	19.9	19.6	24.8
Meats:				
Beef:				
Rib roast	do	67.8	109.3	129.5
Round steak	do	83.8	126.7	147.7
Chuck roast	do	57.1	70.4	82.1
Hamburger	do	50.4	62.4	74.4
Pork:				
Pork chops (center cut)	do	74.5	112.2	124.6
Bacon, sliced	do	73.7	87.8	96.2
Ham, whole	do	66.3	72.8	78.2
Lamb chops	do	69.3	178.3	199.5
Chickens; Fryers, ready to cook	do		42.2	41.4
Dairy products:				
Butter	Pound	79.9	84.6	87.1
Cheese (American process)	½ pound	28.4	47.0	54.3
Milk, fresh (delivered)	½ gallon	41.6	62.9	69.0
Milk, evaporated (canned)	14½ ounces	13.7	17.6	20.0
Eggs	Dozen	70.5	62.1	52.4
Fats and oils:				
Shortening	Pound	41.1	27.5	32.4
Margarine, colored	do		27.8	33.1
Sugar	5 pounds	47.5	62.0	69.5
Index of retail food prices [1]		73.5	108.9	123.5
Index of prices received by farmers [2]		271.0	274.0	319.0
Index of prices received by farmers [1]		107.0	108.0	126.0
Retail cost of market basket of food		896.0	1,176.0	1,244.0
Marketing charges		448.0	696.0	767.0
Farmers received		448.0	480.0	477.0
Percent of consumer's dollar received by farmers (percent)		50.0	41.0	38.0

[1] 1967 equals 100.

[2] 1910–14 equals 100.

Source: "Bureau of Labor Statistics"; "Marketing and Transportation Situation," USDA.

ROSS NATIONAL PRODUCT HAS INCREASED 401.2 PERCENT SINCE 1947 WITH NONFARM GROUPS SHARING SUBSTANTIALLY IN THE INCREASE IN THE NATION'S GROWTH—BUT FARMERS NET INCOME HAS INCREASED BY ONLY 9 PERCENT 1972 OVER 1947

[In billions]

	1947	1965	1967	1968	1969	1970	1972	Percent change 1947–72
Gross national product	232.2	684.9	793.9	864.2	930.3	976.4	1,164.0	+401.2
Farmers' total net income [1]	[2] 17.1	14.0	14.2	14.7	16.8	16.8	18.8	+9.0
Farmers' total gross income	34.0	44.9	49.0	50.9	55.6	57.9	66.1	+94.4
Farmers' production expenses	16.8	30.9	34.8	36.2	38.8	41.1	47.3	+181.5
Interest received by creditors	8.2	38.7	48.0	52.9	59.3	65.8	74.3	+806.1
Dividends received by corporation stockholders	6.5	19.8	21.4	23.6	24.3	24.8	26.6	+309.2
Business and professional income	19.9	42.4	47.3	49.5	50.5	49.9	57.1	+186.9
Rental income of landlords	6.5	19.0	21.1	21.2	22.6	23.3	26.7	+310.8
Average weekly earning of all manufacturing workers [3]	59.92	107.53	114.90	122.51	129.51	133.73	159.08	+165.6

[1] Including Government payments.

[2] Net return of $17,100,000,000 in 1947 is selected as base of comparison because the parity ratio was 100 that year.

[3] Current dollars.

Note: Parity ratio 1972: unadjusted, 74; adjusted to include payments, 80.

Source: Economic Indicators, published by President's Council of Economic Advisers, December 1972.

BALANCE SHEET OF AGRICULTURE, UNITED STATES, JANUARY 1; SELECTED YEARS, 1956–73[1]

[In billions of dollars]

Item	1956	1960	1963	1966	1967	1968	1969	1970	1971	1972	1973
ASSETS											
Physical assets:											
Real estate	102.9	130.2	143.8	172.5	182.5	193.1	202.6	208.2	214.0	228.6	251.4
Nonreal estate:											
Livestock [2]	10.6	15.2	17.3	17.5	18.9	18.8	20.2	23.4	23.7	27.3	93.2
Machinery and motor vehicles	19.3	22.2	22.7	27.1	28.9	31.4	33.0	34.1	36.6	36.4	
Crops stored on and off farms [3]	8.3	7.7	9.3	9.7	10.0	9.6	10.6	10.9	10.7	11.8	
Household furnishings and equipment	10.5	9.6	9.0	8.6	8.4	9.0	9.6	9.7	9.8	10.3	
Financinal assets:											
Deposits and currency	9.5	9.2	9.2	10.0	10.3	10.9	11.5	11.9	12.4	13.1	26.0
United States Savings Bonds	5.2	4.7	4.4	4.1	3.9	3.8	3.7	3.7	23.7	3.7	
Investments in cooperatives	3.3	4.3	5.3	6.3	6.6	7.0	7.3	7.7	8.1	8.0	
Total [4]	169.6	203.1	221.0	255.8	269.5	283.6	298.5	309.6	319.0	339.2	370.6
CLAIMS											
Liabilities:											
Real estate debt	9.0	12.1	15.2	21.2	23.3	25.5	27.1	28.4	29.5	31.3	33.9
Non-real-estate debt to: Commodity Credit Corporation [5]	1.9	1.2	2.0	1.4	1.2	1.4	2.7	2.7	1.9	2.3	38.1
Other reporting institutions [6]	4.4	6.7	8.5	11.1	12.4	13.7	14.5	15.8	17.4	19.6	
Nonreporting creditors	3.5	4.8	6.0	7.9	8.8	9.8	10.3	11.2	12.3	13.7	
Total liabilities	18.8	24.8	31.7	41.6	45.7	50.4	54.6	58.1	61.1	66.9	72.0
Proprietor's equities	150.8	178.3	189.3	214.2	223.8	233.2	243.9	251.5	257.9	272.3	298.6
Total [4]	169.6	203.1	221.0	255.8	269.5	283.6	298.5	309.6	319.0	339.2	370.6

[1] For 48 States only, 1972 preliminary.

[2] Beginning with 1961, horses and mules are excluded.

[3] Includes all crops held on farms and crops held off farms as security for CCC loans.

[4] Total of rounded data.

[5] Nonrecourse CCC loans secured by crops owned by farmers and included as assets in this balance sheet.

[6] Loans of all operating banks, the production credit associations, and the Farmers Home Administration, and discounts of the Federal intermediate credit bank for agricultural credit corporations and livestock loan companies.

Source: The Balance Sheet of the Farming Sector, 1972; USDA.

SELECTED STATISTICS ON U.S. AGRICULTURE[1]

Item	Unit	1947–49	1950	1954	1960	1964	1968	1969	1970	1971	1972
Total population [2]	Millions	146.6	151.7	162.4	180.7	191.9	220.7	202.7	204.9	207.0	208.8
Index number	Percent of 47–49	100.0	103.0	111.0	123.0	131.0	136.9	138.3	139.8	141.2	142.4
Farm population	Millions	24.8	23.0	19.0	15.6	13.0	10.5	10.3	9.7	9.4	9.0
Percent of total		16.9	15.2	11.8	8.7	6.8	5.2	5.1	4.7	4.6	4.5
Farm output	Percent of 1967	73.0	73.0	79.0	90.0	94.0	102.0	103.0	102.0	111.0	112.5
Persons supplied per farmworker	Number	14.5	15.5	18.1	25.8	33.2	43.4	45.1	47.1	48.2	(3)
Output per man-hour [4]	Percent of 67–100	31.0	35.0	43.0	67.0	83.0	106.0	112.0	113.0	125.0	122.0
Prices received	Percent of 10–14	271.0	258.0	246.0	239.0	237.0	261.0	274.0	280.0	285.0	319.0
Prices paid	Percent of 10–14	250.0	256.0	278.0	300.0	313.0	355.0	373.0	390.0	410.0	433.0
Parity ratio	Percent	108.0	101.0	89.0	80.0	76.0	73.0	74.0	72.0	70.0	74.0
Value of agricultural exports [5]	Billion dollars	3.4	3.4	3.1	4.5	6.1	6.3	5.7	6.7	7.8	8.1
Farm debt [6]	do	9.2	10.7	16.9	23.7	33.0	49.0	51.9	55.4	59.2	64.6
Market basket:											
Retail cost	Dollars	896.0	878.0	939.0	996.0	1,009.0	1,119.0	1,176.0	1,223.0	1,244.0	
Farm value	do	448.0	415.0	405.0	393.0	377.0	441.0	480.0	476.0	477.0	
Marketing margin	do	448.0	463.0	534.0	603.0	632.0	678.0	696.0	747.0	767.0	
Farmers share	Percent	50.0	47.0	43.0	39.0	37.0	39.0	41.0	39.0	38.0	
Farm income: [2]											
Realized gross	Billion dollars	33.5	32.3	33.6	38.1	42.6	50.9	55.6	57.9	60.1	66.4
Production expense	do	17.9	19.4	21.6	26.4	29.5	36.2	38.8	41.0	44.0	47.2
Realized net	do	15.6	12.9	12.0	11.7	13.1	14.7	16.8	16.8	16.1	19.2
Realized net per farm	Dollars	2,682.0	2,277.0	2,503.0	2,962.0	3,802.0	4,809.0	5,654.0	5,374.0	5,581.0	6,797.0
Number of farms	Thousands	5,799.0	5,648.0	4,798.0	3,962.5	3,456.7	3,070.9	2,999.2	2,954.2	2,909.0	2,869.7

[1] Preliminary.

[2] Includes 50 States beginning 1960. Total population July 1 and farm population Apr. 1.

[3] Not available.

[4] Revised.

[5] Fiscal year ending June 30 of year shown.

[6] Outstanding on Jan. 1, excludes CCC loans.

Mr. SPARKMAN. Mr. President, I yield back all of my time.

The PRESIDING OFFICER (Mr. HOLLINGS). All time on this amendment has now expired.

The question is on agreeing to the amendment of the Senator from Connecticut (Mr. RIBICOFF).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), the Senator from Georgia (Mr. NUNN) and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PASTORE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Georgia (Mr. NUNN) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The Senator from New York (Mr. BUCKLEY), the Senator from Illinois (Mr. PERCY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 9, nays 78, as follows:

[No. 52 Leg.]

YEAS—9

Case
Hart
Javits
McIntyre
Moss
Pell
Ribicoff
Weicker
Williams

NAYS—78

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
Metcalf
Montoya
Muskie
Nelson
Packwood
Pearson
Proxmire
Randolph
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—13

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Mansfield
Mondale
Nunn
Pastore
Percy
Stennis
Symington

So Mr. Ribicoff's amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 48

Mr. MOSS. Mr. President, I call up my amendment No. 48.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MOSS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

At the end of the bill, add the following new section:

NINETY-DAY RETAIL FOOD PRICE FREEZE

Sec. 9. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Ninety-day retail food price freeze

"Immediately upon the enactment of this section, the President shall issue an order stabilizing retail prices of food products for a period of ninety days from the date of enactment of this section, at levels not greater than the highest levels pertaining to a substantial volume of actual transactions by each business enterprise or other person during the two-month period ending March 1, 1973, for like or similar products. If no transactions occurred during the two-month period referred to in the first sentence of this section, the level established under this section shall be the highest applicable level in the nearest preceding two-month period in which such transactions did occur."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I have discussed this with the distinguished Senator. I ask unanimous consent that time on this amendment be limited to 20 minutes, to be equally divided as heretofore agreed to.

Mr. MOSS. Mr. President, I had indicated that I would do my best to hold it down. I do not like to be confined. I will try to do it in that length of time. However, I recognize that there might be discussion on the other side that will prolong this matter a little.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr SPARKMAN I will make up the time it takes on this yielding.

Mr. MOSS. All right, I will withdraw my objection.

Mr. SPARKMAN. On this side, we certainly will stay within the time limit. If the Senator needs a little time beyond that, I will be glad to yield him brief time from the bill.

Mr. MOSS. I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that Mr. Richard Sorenson and Carl Brathwaite of my staff be allowed the privilege of the floor during the debate and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROSS. Mr. President, I ask unanimous consent that the name of the Senator from Indiana (Mr. Bayh) be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the Senate has just debated and voted upon the amendment of the Senator from Connecticut (Mr. Ribicoff), and in some sense it might be thought this amendment is similar to his. It is, however, quite different. The amendment on which the Senate just acted went back to the raw source of the production of raw materials, and it was obviously thought by the Senate that this could not be controlled. My amendment does not reach back that far.

The amendment I have offered would freeze the retail food prices for a period of 90 days. We are talking only about retail food prices. There are two major considerations that make such a temporary freeze compelling at this time, and they have been discussed. The administration has confessed its helplessness to control food prices for the next several months.

The President said that he expects food prices to continue to rise at least until the second half of the year, and his grim prospectus has been echoed by Secretary Butz and Mr. Stein of the Council of Economic Advisers. We have been told that food prices will not level off until the administration's efforts to increase the supply of farm products has created the desired effect.

Second, while food prices continue to soar in the months ahead, union workers will be sitting down with management to negotiate new contracts. Contracts covering 4.7 million workers will expire this year. With new contracts due in such vital areas as railroads, electric power, automobiles, trucking, and postal service, the next several months will be one of the most significant periods of collective bargaining in the history of the Nation.

There is an obvious danger that increased prices will be built into these new wage agreements. In fact, if the cost of living continues to rise at its current rate, we can hardly expect the unions to exercise restraint in their wage demands. Such an expectation would defy commonsense as well as all sense of common fairness.

The administration's waiting game on food prices is clearly a formula for perpetuating a dangerous inflationary spiral. It may be true that in the long run it will be possible to increase food production until the supply equals demand. But in this instance, the long run is much too long a time. At this critical juncture, we simply cannot afford any further increases in the price of food.

I believe it has become apparent that no action short of a freeze will bring food prices under control. The phase III regulations now in effect contain stronger controls on food than on other commodities, but wholesalers and retailers have been permitted to pass on price increases originating at the farm level. As a result, retail food prices rose by 2.3 percent in January alone. The more stringent phase II controls were also far less successful for food than for other commodities. In the last 6 months of 1972, retail food prices rose by an annual rate of 6.1 percent, while the prices of other commodities rose by 2.5 percent. Food prices were restrained successfully, however, under the phase I freeze.

From August to November, 1971, food prices were held down to an annual rate of increase of 1.7 percent.

I also believe that there are sound reasons for imposing a freeze that is temporary and that will apply only to prices at the retail level. If the current shortage in supply is indeed only temporary, we will require a freeze on prices only until supply increases to a level where market forces will act as a restraint on prices. In addition, any attempt to freeze food prices for a longer period may be self-defeating. We would run the risk that producers would cut back the supply of some commodities, creating serious food shortages.

The temporary freeze should be confined to retail prices because it could be administered most effectively at that level. It would be an enormous administrative task to monitor farm auctions throughout the country where the price of hogs, for example, changes from day to day. If we were thinking in terms of a longer period for controls, it might be desirable to find a strategic point in the distribution chain to intervene, but for a three month freeze such an undertaking does not appear to be necessary. In the past month, wholesale food prices have begun to plateau out, and a freeze on retail prices should provide sufficient backward pressure to stabilize prices at other levels.

A further advantage of a freeze at the retail level is that consumers would be able to significantly assist enforcement. By now, every housewife in the country is acutely aware of any movement in retail prices at the supermarket. Because of this consumer awareness, I am sure that no violations of the freeze would go unreported.

Mr. President, I am aware that even a 90-day freeze on retail prices might lead to some difficulties. We may find that some food products will be taken off the shelves for a brief period. I believe, however, that we will be able to live with whatever problems may result. As I pointed out in my statement yesterday in introducing the amendment, the short-term difficulties resulting from a freeze are vastly outweighed by the long-term necessity of bringing inflation under control. Food prices are a critical area and the next few months will be a critical period of time. We will have no hope—short of another recession—of stopping inflation unless we act now to control food prices.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. MOSS. I yield such time to the Senator as I have available.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. Mr. President, I am privileged to have the chance to join with my friend, the distinguished Senator from Utah as a sponsor of this amendment to place a 90-day freeze on retail food prices. I will not repeat the very astute assessment that the Senator has just made differentiating the previous amendment, well-intentioned as it was, from the present amendment, which I joined him in sponsoring.

The problem of increased food costs hardly needs to be articulated to any of us who have even the remotest communication with our constituents.

In the last few weeks I have had a chance to visit with housewives in Indiana and to get a pretty good idea of the great concern that the average Hoosier feels. I am sure this feeling is no more or less intense in any of the other States. However, the hard fact is that since the first of the year we have had a larger increase in the cost of food, groceries, than in any similar period in the last 20 years. This is not just normal attrition in take-home pay; it has gotten to the point that it is out of control and that is why I think this amendment is absolutely indispensable. We need to move now and we need to move quickly and emphatically. There have been several efforts made since phase I in 1971. There is no need to go into a great discussion about the relative merits of any of these phases, phase 1, phase II, phase III. The net effect so far as the market basket is concerned is that they have all failed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAYH. Mr. President, will the Senator yield to me for several more minutes.

Mr. MOSS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The time of the Senator has expired.

Does the Senator from Alabama yield time on the bill?

Mr. BAYH. Will the Senator yield to me for 3 minutes?

Mr. SPARKMAN. I yield 3 minutes on the bill.

Mr. BAYH. Mr. President, I watched the 7 o'clock news before coming to the Chamber, and the latest suggestion that has been made by the experts at the White House is that we should eat less, that Americans ought to eat less. That was actually proposed to be in the best interests of the country, that the real way to control inflation would be to eat less. That is the *n*th degree of ridiculousness.

The proposal before the Senate is no panacea, but it would provide immediate action, now. It would give us a chance to consider a longer range solution which will have to be enacted if we are to get on top of the increase in the price of food.

It is important to recognize that the increase in the cost of food is not a respecter or income levels. Any wage earner has to be aware of the fact that his paycheck this week is buying fewer groceries. Whether it is filet mignon or bologna, caviar or pickles, that paycheck is buying less today than it was last week and the week before, and unless we do something it will buy less next week.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield one minute to the Senator from Washington.

Mr. JACKSON. Mr. President, I want to ask the distinguished Senator from Utah how he would handle the retail situation in which the store owner faces a rise in prices in connection with his source of supply?

Mr. MOSS. I can answer that. I think it might be possible, in the 90-day period, that, before the 90 days have run, some of these supplies may begin to dwindle. I acknowledged in my statement there will be examples where we find some foods are becoming scarce. But the administration of this proposal is simple. It simply says that, as of the 1st day of March, the prices that were posted for the preceding 2 months will be maintained for 90 days——

Mr. JACKSON. What would we do about fresh fruits and vegetables, which fluctuate on a very wide seasonal basis? It would be conceivable, and I think probable, that the store operator would have to sell at a loss. Is not the thing to do here to have a freeze right across the board? I hope the Senator from Wisconsin will offer his amendment for a straight-across-the-board freeze. I will support it. But how does one face a retailer when he comes up and says, "Look, you put a freeze upon me, and did not put a freeze upon the things I have to buy."

How does the Senator handle that?

Mr. MOSS. The retailer has to sell everything he has in stock, and since every retailer is under the same price freeze——

Mr. JACKSON. But how would the Senator handle fresh fruits and vegetables? These are products that really gyrate. The price of those products would be frozen for the next 90 days, and in the next 90 days the cost may take a big jump. The Senator says he has to sell them at the March 1st price.

Mr. MOSS. It would be no higher than the price for the 2 months immediately preceding, and if he did not sell any in that time, then sometime when he sold those products.

This is the ideal time to impose a freeze on retail sales because it appears now wholesale prices have leveled out and are at a plateau. If they have, the retailer can take the freeze.

But as I pointed out—and my colleague from Indiana alluded to it—we are going to go into wage negotiations in which contracts for 4,700,000 workers are going to have to be negotiated this summer. If prices are still going up at that time, there is no way we are going to convince the labor unions to settle for a modest increase.

Mr. JACKSON. But is not the answer to have a freeze top to bottom? That is what I am suggesting. I cannot for the life of me understand——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JACKSON. Will the Senator yield me 1 minute, or a half minute?

Mr. SPARKMAN. I yield half a minute to the Senator.

Mr. JACKSON. For the life of me I cannot understand how to answer the constituent who wrote to me—and I am talking about the little store operator—"You have frozen everything as of this time. The cost of fruits and vegetables is skyrocketing. Yet you are asking me to sell at a loss." How would the Senator handle that?

Mr. MOSS. I would not expect him to sell at a loss. He would not have vegetables in the bin if he cannot buy any.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I think the Senator from Washington has raised some very pertinent points. I would add to the products he named, poultry and eggs. Eggs are obtained only when chickens lay them, and they do not always lay them with the same regularity. Not only that, but I am thinking of the little neighborhood grocery store where I trade. He cannot carry a large stock. He cannot get a stock there big enough so that he can just sit back and say, "I am all fixed. I do not have to be concerned about anything." He will buy only very limited amounts of eggs and of dressed poultry and of fruits and vegetables, such as the Senator from Washington mentioned, at a time.

Sometimes the retail industry is referred to as the food chains. Get away from the idea that this matter hits just the big food chains. It hits the neighborhood grocery store. It hits all of the small businesses that have to depend upon the products as they can get them and carry them in stock. They cannot afford to carry more than a small stock at a time. This proposal would ruin literally thousands of small grocery stores and small retail stores throughout this country.

I just cannot see the logic—the practicality—of a freeze across the board. I certainly think that the Cost of Living Council has the right to establish guidelines by which these products can be checked and controlled, but a blanket freeze such as this, even for the short time of 90 days—90 days might be just the right amount of time required to break these small grocery stores throughout the country, and perhaps retail establishments generally——

Mr. MOSS. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. MOSS. Does the Senator know how much the price of food went up in 1972?

Mr. SPARKMAN. Yes, I know in a general way, but I know that under phase III the Cost of Living Council is supposed to keep up with these matters, to establish guidelines and to work out a method of bringing them under control I think that is the logical way to do it, instead of coming in here with a blanket provision, such as this, that hits every little store in the country. I think it would be disastrous for the small stores of this country.

Mr. MOSS. Mr. President, if the Senator will yield, he says the Cost of Living Council ought to do this. The fact is they have not done it. In January alone the cost of food went up another 3 percent. It has not been done, and we simply have to take some stand legislatively right now and say there is a freeze.

Mr. SPARKMAN. Let me say phase III was not functioning on the first of January. Not only that; it was some time after that that Mr. Dunlop was appointed. He has not gotten his full credentials yet. They are waiting for this legislation. But I am confident he will do what needs to be done.

Mr. President, I am ready to yield back my time, if the Senator from Utah will yield back his time.

The PRESIDING OFFICER. The Senator from Utah has used his time.

Mr. SPARKMAN. I am willing to yield back my time.

Mr. McGOVERN. Mr. President, I support the Moss amendment to freeze temporarily retail food prices. Farmers are being blamed unfairly for the increase in the price of food. Yet the long-term increase in retail food prices has not been largely due to increased farm prices; the farmer's share of the food dollar 25 years ago was 50 cents, compared to last year's 39 cents and last month's 42 cents.

While farmers' net income rose only 9 percent in the last 25 years, farmers' gross production expenses increased 181.5 percent. Interest earnings of creditors increased 806.1 percent; dividends received by corporation stockholders increased 309.2 percent; business and professional income went up 186.1 percent; average weekly earnings of manufacturing workers went up 165.6 percent—Source: Farmers Union report adapted from December 1972 report of President's Council of Economic Advisers.

We should examine the rapid increase in retail food prices in light of the rather meager 9-percent increase in farmers' net income, to make it clear that while the farmer has had some justified price increases—really, just a catch up in cost of living for the farmer—the spread between the farm price and the retail price needs much more careful examination.

The Library of Congress recently prepared a study for the Senate Midwest Democratic Caucus which pointed out that, from 1953 to 1973, the farm value of a pound of choice beef increased from 50 cents to 82 cents, while the retail price went up from 68 cents to $1.22; the spread increased from 18 cents a pound to 42 cents a pound.

From 1953 to 1973, the farm value of a half gallon of milk went up from 22 cents to 31 cents; yet the retail price per half gallon of milk increased from 42 cents to 61 cents; the spread in this case increased from 20 cents to 30 cents.

Also instructive is the report of Business Week magazine on March 10, 1973, detailing the rapid increase in profits for American business during the administration's economic control program, which was inserted into the RECORD yesterday by Senator HUMPHREY.

Food processing and retailing industries, as a class, did quite well. The food industry composite showed an increase in after-tax profits last year of 9 percent from the previous year, and an increase of 15 percent from the last quarter of the previous year.

Some individual food corporations did even better, as the Business Week tables show: Allied Mills increased its profits from 1971 to 1972 by 302 percent; Iowa Beef Processors increased profits by 166 percent, and Kraftco was up by 100.6 percent; United Brands was up 111 percent. There were some which saw profits fall, to be sure, but the food industry as a whole was allowed to increase its profits sharply during phase II.

A 90-day freeze on retail food prices would be a temporary remedy. It would not, as I understand it, affect farm income, which only now is beginning to catch up to the increased income of many other segments of the population.

There is no intent in this amendment to control farm prices—only retail prices which have been allowed to increase beyond justifiable levels.

CONTROLLING FOOD PRICE INCREASES

Mr. MUSKIE. Mr. President, the time has clearly come for Government action to rescue the American family from their discouraging weekly task of shopping for food.

In the last 14 months the retail cost of a market basket of food produced on American farms has risen two-thirds what it rose in the preceding 10-year period.

Wholesale prices for farm products and processed foods have increased at an annual rate of 19.1 percent during the past 12 months; 30.8 percent during the last 6 months; 56 percent during the last 3 months; and 38.4 percent during February alone.

And there was more discouraging news today. The Cost of Living Council said the best we can hope for is that food price increases will taper off toward the end of the year, perhaps becoming steady by December.

The major component of food price increases in the last year has been meat, particularly beef and pork. For example, in 1972, all foods other than beef and pork rose 2.7 percent in price, while beef rose 9.4 percent last year and pork rose 15.8 percent.

No wonder housewives around the country are organizing meat boycotts. No wonder labor unions are threatening that they may be unable or unwilling to hold down their wage increase demands.

In the face of these protests we see a Presidential economic adviser saying "let them eat cheese."

We have a chance to act today, Mr. President. I support the amendment of the Senator from Utah (Mr. MOSS) to give the American family a 90-day reprieve from rising food prices.

There are dangers inherent in any Government attempt to control prices, Mr. President. In the case of food prices, mandatory controls might cause many food products to disappear from the shelves. Food processors might engage in false labeling, trying to pass off hamburger as ground round and sirloin as filet mignon. We might be trading current complaints about food prices for new outrages.

The amendment offered by our distinguished colleague from Utah gives us the opportunity to take immediate action by freezing retail food prices. But by limiting the freeze to 90 days and installing the freeze at the retail level, we do not commit ourselves to a politically appealing but potentially damaging courses of action which would create more problems than they solve.

Our action today will show the Nation that whether or not the President has the will to use his much-touted stick in the closet, the Congress can and will act to control outrageous food price increases.

Mr. MOSS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah for himself and the Senator from Indiana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), the Senator from Missouri (Mr. SYMINGTON), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. FULBRIGHT), are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PASTORE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The Senator from New York (Mr. BUCKLEY), the Senator from Illinois (Mr. PERCY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 21, nays 66, as follows:

[No. 53 Leg.]

YEAS—21

Abourezk
Allen
Bayh
Biden
Case
Hart
Hartke
Hathaway
Hollings
McGee
McGovern
McIntyre
Metcalf
Moss
Muskie
Pell
Ribicoff
Roth
Schweiker
Weicker
Williams

NAYS—66

Aiken
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cook
Cotton
Curtis
Dole

Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Haskell
Hatfield
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McClellan
McClure
Montoya
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Saxbe
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—13

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Long
Mansfield
Mondale
Pastore
Percy
Stennis
Symington

So the Moss-Bayh amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATHAWAY. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the bottom of page 4, add the following:

"(3) Immediately upon enactment of this subsection, the President or his delegate shall issue regulations defining for the purpose of this subsection what information or data are proprietary in nature and therefore excludable under paragraph (2), except that such regulations may not define as excludable any information or data which cannot currently be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a substantial product as defined in paragraph (1)."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have discussed this with the able author of the amendment and the manager of the bill. I ask unanimous consent that time on this amendment be limited to 10 minutes under the control of the author of the amendment and 5 minutes under the control of those in opposition.

The PRESIDING OFFICER (Mr. INOUYE). Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, yesterday committee amendment to the Economic Stabilization Act No. 6, which was the amendment I offered in committee, was amended by an amendment offered by the Senator from Texas (Mr. TOWER) to provide that any information or data reported to the Cost of Living Council which was proprietary in nature, relating to the amount or sources of its income, profits, and prices did not have to be revealed to the public under the triggering mechanism provided for in section 6.

To go back a step, section 6 originally required that tier 1 corporations, those making $250 million a year or more, when the price of any substantial product—and substantial is defined in section 6 to be 5 percent or more of the annual revenue of that particular corporation—if the price of such a substantial product was over the 1.5 percent guideline, that would automatically trigger the corporation into revealing to the public prices, costs, and profits now reported to Cost of Living Council.

This has been restricted by the amendment referred to before, that was offered by the Senator from Texas, so that a corporation would not have to reveal to the public, when this triggering mechanism occurred, any information that was "proprietary in nature."

The purpose of my amendment is simply to clarify what information shall be considered to be "proprietary in nature."

Obviously, if all information of these corporations was considered to be proprietary, then the whole effect of section 6 goes out the window. The purpose of section 6, of course, is to permit public disclosure, so that the general public will have access to information, so that when the price of a substantial product goes over the 1.5 percent level, the general public can complain and have a foundation upon which to base its complaint, namely, the information the corporations would have to reveal with respect to their prices, costs, and profits.

The definition of "proprietary in nature" which is called for in the amendment before us allows the President to issue regulations that define, for the purpose of this subsection, what "proprietary in nature" actually means. The only restriction being placed on the President's discretion with respect to such regulations is that such regulations shall not be any more confining than what the SEC currently calls for under sections 13 and 15 of the SEC Act and the regulations which promulgated thereunder which require the filing of form 10–K, by all publicly owned corporations. So the nature of the proprietary information would be so limited: If the SEC did not require such information to be filed, considering it to be proprietary, then that would hold here also.

This, of course, applies to single product companies. Under the SEC law and under the regulations requiring this disclosure, a single product company has to reveal its costs and its income with respect to the product that it is making. Large corporations also, or conglomerates, I should say, producing a variety of goods, also have to file. But they can file in such a way that it is very difficult, even impossible, for the public to determine just what the costs and profits are with respect to the individual products that the company is making.

For example, American Motors Co.—which is a billion-dollar company, by the way, and which would be required to report under this act—is a single-product company, because it is making automobiles only. It files on form 10–K all of the information that is required by that form, which includes its profits and its costs. General Motors, on the other hand, a $20 billion corporation making a large variety of items, does not have to disclose, for example, what the costs are, going into the Chevrolet or the Cadillac, and it does not even have to differentiate between the costs going into automobiles and the costs going into trucks, because under the SEC regulations only that amount of product that accounts for 10 percent of the total product would be considered as a single product and would require that filing. So this amendment would, in effect, put American Motors and General Motors on the same basis.

The same thing is true with respect to the Maytag Co., which makes home laundry equipment. Maytag is competing with General Electric and General Motors. But Maytag has to reveal all its costs and profits to the SEC, whereas its giant competitors, operating on a conglomerate basis, do not have to do likewise with respect to laundry equipment.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield to the Senator from Louisiana.

Mr. JOHNSTON. Is it true that no new forms are required by the amendment, but rather simply the making public of forms which would already be on file with the Cost of Living Council?

Mr. HATHAWAY. That is absolutely correct. No new forms would be required.

Mr. JOHNSTON. No additional redtape would be involved?

Mr. HATHAWAY. No additional redtape whatsover. And, of course, there are instances where the Cost of Living form, which is CLC–2, calls for cost and sales information, and differentiates between the costs of imported and domestic materials. That is not required by the SEC, and therefore the companies would not have to disclose that particular information to the public. So there are areas where the use of the SEC requirement would be quite restrictive.

I do not see why anyone is really objecting to this disclosure. As I have just mentioned, single product companies have to make the disclosure. We have, under section 6 of the Federal Trade Commission Act, given discretion to the Federal Trade Commission to go ahead and investigate every company in the United States with the exception of common carriers and public utilities, and the Federal Trade Commission has the discretion to reveal to the public what information it wants to reveal to the public, with the two exceptions of customer lists and trade secrets.

So really this amendment is much more restrictive than what the Federal Trade Commission, empowered by Congress, can do right now. What the amendment simply does is to require these large corporations to reveal their costs, profits, and prices to the public just as smaller single-product companies already have to do through the SEC.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield to the chairman of the committee.

Mr. SPARKMAN. Does the Senator's amendment take away any part of the Tower Amendment to the Senator's amendment that was agreed to yesterday?

Mr. HATHAWAY. No, it does not take away anything that the Tower amendment provides. It simply defines what "proprietary" in the Tower amendment means; so it may take away what was intended by the Tower amendment, but not spelled out specifically in the Tower amendment.

Mr. SPARKMAN. But the Tower amendment was to protect the proprietary point?

Mr. HATHAWAY. That is correct.

Mr. SPARKMAN. The Senator's amendment does not change that, but it simply provides that the President shall define what is proprietary?

Mr. HATHAWAY. That is correct.

Mr. SPARKMAN. The Senator says also that nothing can be required to be divulged beyond what is available to the public in the Securities and Exchange Commission?

Mr. HATHAWAY. That is correct, with respect to single product companies.

Mr. SPARKMAN. I thank the Senator.

Mr. HATHAWAY. Mr. President, I reserve the balance of my time.

Mr. SPARKMAN. Mr. President, I yield my time to the Senator from Texas.

Mr. TOWER. Mr. President, the objections to the original Hathaway amendment which were reflected in my amendment to exempt proprietary information from the scope of that amendment still apply to the revised public disclosure amendment. The effect of this amendment would be to nullify the action of the Senate yesterday in exempting proprietary information from the scope of the amendment.

It would effectively require disclosure of the same information which the Senate declined to require to be published when it adopted the Tower amendment yesterday. It would be incompatible with existing Federal law on confidentiality. This amendment would represent a major change in Federal policy regarding confidentiality of information, and not a single day, or even hour, of hearing was held on this subject before our committee, or, so far as I know, before any committee. We cannot act in such an uninformed manner on such an important subject.

I think, in that we are not totally informed on this matter, we should not attempt to redefine the laws relating to confidentiality and just undo what we did yesterday; having marched up the hill, we are asked to march down again.

I urge that the amendment of the Senator from Maine be rejected.

Mr. HATHAWAY. Will the Senator from Texas yield to me?

Mr. TOWER. I yield.

Mr. HATHAWAY. I do not know of any other definition of proprietary information. This is a problem we had in committee when the Senator from Wisconsin asked that proprietary information be excluded, and I was not willing to accept that amendment because I did not know of any definition of proprietary information.

This is simply an attempt to so define it. I do not recall the Senator from Texas, when he spoke on his amendment yesterday, defining what he thought was proprietary information.

Mr. President, in conclusion, I ask unanimous consent to have printed in the RECORD the following material, which bears on this subject: Section 13 of the Securities Exchange Act of 1934; SEC Form 10–K; an excerpt from the hearing by the Small Business subcommittee on Monopoly, of November 12, 1971, on Corporate Secrecy: Overviews; and item 1(c)(1) from 10–K Report of General Motors.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Periodical and Other Reports*

SEC. 13. (a) Every issuer of a security registered pursuant to section 12 of this title shall file with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate for the proper protection of investors and to insure fair dealing in the security—

(1) such information and documents (and such copies thereof) as the Commission shall require to keep reasonably current the information and documents required to be included in or filed with an application or registration statement filed pursuant to section 12, except that the Commission may not require the filing of any material contract wholly executed before July 1, 1962.

(2) such annual reports (and such copies thereof), certified if required by the rules and regulations of the Commission by independent public accountants, and such quarterly reports (and such copies thereof), as the Commission may prescribe.

Every issuer of a security registered on a national securities exchange shall also file a duplicate original of such information, documents, and reports with the exchange.

(b) The Commission may prescribe, in regard to reports made pursuant to this title, the form or forms in which the required information shall be set forth, the items or details to be shown in the balance sheet and the earning statement, and the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income in the differentiation of investment and operating income, and in the preparation, where the Commission deems it necessary or desirable, of separate and/or consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer; but in the case of the reports of any person whose methods of accounting are prescribed under the provisions of any law of the United States, or any rule or regulation thereunder, the rules and regulations of the Commission with respect to reports shall not be inconsistent with the requirements imposed by such law or rule or regulation in respect of the same subject matter, and, in the case of carriers subject to the provisions of section 20 of the Interstate Commerce Act, as amended, or carriers required pursuant to any other Act of Congress to make reports of the same general character as those required under such section 20, shall permit such carriers to file with the Commission and the exchange duplicate copies of the reports and other documents filed with the Interstate Commerce Commission, or with the governmental authority administering such other Act of Congress, in lieu of the reports, information and documents required under this section and section 12 in respect of the same subject matter.

(c) If in the judgment of the Commission any report required under subsection (a) is inapplicable to any specified class or classes of issuers, the Commission shall require in lieu thereof the submission of such reports of comparable character as it may deem applicable to such class or classes of issuers.

(d)(1) Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is registered pursuant to section 12 of this title, or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of this title, or any equity security issued by a closed-end investment company registered under the Investment Company Act of 1940, is directly or indirectly the beneficial owner of more than 5 per centum of such class shall, within ten days after such acquisition, send to the issuer of the security at its principal executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Commission, a statement containing such of the following information, and such additional information, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors—

(A) the background and identity of all persons by whom or on whose behalf the purchases have been or are to be effected;

(B) the source and amount of the funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading such security, a description of the transaction and the names of the parties thereto, except that where a source of funds is a loan made in the ordinary course of business by a bank, as defined in section 3(a)(6) of this title, if the person filing such statement so requests, the name of the bank shall not be made available to the public;

(C) if the purpose of the purchases or prospective purchases is to acquire control of the business of the issuer of the securities, any plans or proposals which such persons may have to liquidate such issuer, to sell its assets to or merge it with any other persons, or to make any other major change in its business or corporate structure;

(D) the number of shares of such security which are beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly, by (i) such person, and (ii) by each associate of such person, giving the name and address of each such associate; and

(E) information as to any contracts, arrangements, or understandings with any person with respect to any securities of the issuer, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or guaranties of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom such contracts, arrangements, or understandings have been entered into, and giving the details thereof.

(2) If any material change occurs in the facts set forth in the statements to the issuer and the exchange, and in the statement filed with the Commission, an amendment shall be transmitted to the issuer and the exchange and shall be filed with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(3) When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring,

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* 15 U.S.C. 78m.

holding, or disposing of securities of an issuer, such syndicate or group shall be deemed a "person" for the purposes of this subsection.

(4) In determining, for purposes of this subsection, any percentage of a class of any security, such class shall be deemed to consist of the amount of the outstanding securities of such class, exclusive of any securities of such class held by or for the account of the issuer or a subsidiary of the issuer.

(5) The Commission, by rule or regulation or by order, may permit any person to file in lieu of the statement required by paragraph (1) of this subsection or the rules and regulations thereunder, a notice stating the name of such person, the number of shares of any equity securities subject to paragraph (1) which are owned by him, the date of their acquisition, and such other information as the Commission may specify, if it appears to the Commission that such securities were acquired by such person in the ordinary course of his business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer nor in connection with or as a participant in any transaction having such purpose or effect.

(6) The provisions of this subsection shall not apply to—

(A) any acquisition or offer to acquire securities made or proposed to be made by means of a registration statement under the Securities Act of 1933;

(B) any acquisition of the beneficial ownership of a security which, together with all other acquisitions by the same person of securities of the same class during the preceding twelve months, does not exceed 2 per centum of that class;

(C) any acquisition of an equity security by the issuer of such security;

(D) any acquisition or proposed acquisition of a security which the Commission, by rules or regulations or by order, shall exempt from the provisions of this subsection as not entered into for the purpose of, and not having the effect of, changing or influencing the control of the issuer or otherwise as not comprehended within the purposes of this subsection.

(e)(1) It shall be unlawful for an issuer which has a class of equity securities registered pursuant to section 12 of this title, or which is a closed-end investment company registered under the Investment Company Act of 1940, to purchase any equity security issued by it if such purchase is in contravention of such rules and regulations as the Commission, in the public interest or for the protection of investors, may adopt (A) to define acts and practices which are fraudulent, deceptive, or manipulative, and (B) to prescribe means reasonably designed to prevent such acts and practices. Such rules and regulations may require such issuer to provide holders of equity securities of such class with such information relating to the reasons for such purchase, the source of funds, the number of shares to be purchased, the price to be paid for such securities, the method of purchase, and such additional information, as the Commission deems necessary or appropriate in the public interest or for the protection of investors, or which the Commisison deems to be material to a determination whether such security should be sold.

(2) For the purpose of this subsection, a purchase by or for the issuer or any person controlling, controlled by, or under common control with the issuer, or a purchase subject to control of the issuer or any such person, shall be deemed to be a purchase by the issuer. The Commission shall have power to make rules and regulations implementing this paragraph in the public interest and for the protection of investors, including exemptive rules and regulations covering situations in which the Commission deems it unnecessary or inappropriate that a purchase of the type described in this paragraph shall be deemed to be a purchase by the issuer for purposes of some or all of the provisions of paragraph (1) of this subsection.

OVER-THE-COUNTER MARKETS*

SEC. 15.(a) Issuer which has filed a registration statement containing an undertaking which is or becomes operative under this subsection as in effect prior to the date of enactment of the Securities Acts Amendments of 1964, and each issuer which shall after such date file a registration statement which has become effective pursuant to the Securities Act of 1933, as amended, shall file with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors, such supplementary and periodic information, documents, and reports as may be required pursuant to section 13 of this title in respect of a security registered pursuant to section 12 of this title. The duty to file under this subsection shall be automatically suspended if and so long as any issue of securities of such issuer is registered pursuant to section 12 of this title. The duty to file under this subsection shall also be automatically suspended as to any fiscal year, other than the fiscal year within which such registration statement became effective, if, at the beginning of such fiscal year, the securities of each class to which the registration statement relates are held of record by less than three hundred persons. For the purposes of this subsection, the term "class" shall be construed to include all securities of an issuer which are of substantially similar character and the holders of which enjoy substantially similar rights and privileges. Nothing in this subsection shall apply to securities issued by a foreign government or political subdivision thereof.

FORM 10-K—ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

GENERAL INSTRUCTIONS

A. Rule as to use of form 10-k

(a) Form 10-K shall be used for annual reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for which no other form is authorized or prescribed.

(b) Reports on this form shall be filed within 90 days after the end of the fiscal year covered by the report. However, all schedules required by Regulation S-X may, at the option of the registrant, be filed as an amendment to the report not later than 120 days after the end of the fiscal year covered by the report. Such amendment shall be filed under cover of Form 8.

B. Application of general rules and regulations

(a) The General Rules and Regulations under the Act contain certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on this form.

(b) Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Rule 12b-2 should be especially noted. See also Regulations 13A and 15D.

C. Preparation of report

(a) This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the report on paper meeting the requirements of Rule 12b-12. The report shall contain the item numbers and captions of all items but the text of such items may be omitted. The answers to the items shall be prepared in the manner specified in Rule 12b-13.

(b) Except where information is required to be given for the fiscal year or as of a specified date, it shall be given as of the latest practicable date.

(c) Attention is directed to Rule 12b-20, which states: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

D. Signature and filing of report

Three complete copies of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, and five additional copies which need not include exhibits, shall be filed with the Commission. At least one complete copy of the report, including financial statements, exhibits and all other papers and documents filed as a part thereof, shall be filed with each exchange on which any class of securities of the registrant is registered. At least one complete copy of the report filed with the Commission and one such copy filed with each exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.

E. Disclosure with respect to foreign subsidiaries

Information required by any item or other requirement of this form with respect to any foreign subsidiary may be omitted to the extent that the required disclosure would be detrimental to the registrant. However, financial statements, otherwise required shall not be omitted pursuant to this instruction. Where information is omitted pursuant to this instruction, a statement shall be made that such information has been omitted and the names of the subsidiaries involved shall be separately furnished to the Commission. The Commission may, in its discretion, call for justification that the required disclosurre would be detrimental.

F. Incorporation of certain information by reference

Attention is directed to Rule 12b-23 which provides for the incorporation by reference of information contained in certain documents in answer or partial answer to any item of a report.

G. Information as to employee stock purchase, savings and similar plans

Attention is directed to Rule 15d-21 which provides that separate annual and other reports need not be filed pursuant to Section 15(d) of the Act with respect to any employee stock purchase, savings or similar plan if the issuer of the stock or other securities offered to employees pursuant to the plan furnishes to the Commission the information and documents specified in the rule. If the registrant elects to follow the procedure permitted by Rule 15d-21, the information, financial statements and exhibits specified in paragraph (a)(2) of the rule shall be furnished on Form 11-K as an exhibit to the registrant's annual report. Such exhibit need not be signed, but the accountant's certificate accommpanying the financial statements included therein shall be manually signed.

H. Omission of information previously filed

(a) Except as provided in paragraph (b) below, the information called for by Part I of this form (Items 1 through 10) is to be furnished by all registrants required to file a report on this form. Part II (Items 11 through 15) may be omitted from the report by any registrant which, since the close of the fiscal year, has filed with the Commission a definitive proxy statement pursuant to

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*15 U.S.C. 78o.

Regulation 14A, or a definitive information statement pursuant to Regulation 14C, which involved the election of directors, or which files such a proxy or information statement not later than 120 days after the close of the fiscal year.

(b) If the information called for by Item 4, 5 or 9 would be unchanged from that given in a previous report, a reference to the previous report which includes the required information will be sufficient. Copies of such previous report need not be filed with the report currently being filed on this farm.

EDITOR'S NOTE.—An EDP attachment, for statistical purposes, shall be furnished by the registrant as an Exhibit I with the Form if the registrant completed any sales during the fiscal fourth quarter of unregistered equity securities and all debt securities in amounts over $100,000 and with terms of maturity exceeding one year (both conditions must be met) which were not registered under the Securities Act of 1933. These EDP attachments are to be used as blank forms to be filled in by the registrant. Exact copies may be duplicated by the registrant for this purpose, or copies will be furnished by the Commission or Appeal Printing Company upon request.

FORM 10-K—ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended ——; Commission file number ——; (Exact name of registrant as specified in its charter) ———; (State or other jurisdiction of incorporation or organization) ———; (I.R.S. Employer Identification No.) ———; (Address of principal executive offices) ———; (Zip Code) ———; Registrant's telephone number, including area code ———; Securities registered pursuant to Section 12(b) of the Act: *Title of each class* ———*; Name of each exchange on which registered* ———*;* Securities registered pursuant to Section 12(g) of the Act: (Title of class) ———; (Title of class) ———.

Indicate by check mark whether the registrant (1) has filed all annual, quarterly and other reports required to be filed with the Commission and (2) has been subject to the filing requirements for at least the past 90 days. Yes —. No —.

PART I: (SEE GENERAL INSTRUCTION H)

Item 1. Business.

(a) Identify the principal products produced and services rendered by the registrant and its subsidiaries, the principal markets for, and methods of distribution of, such products and services. Briefly describe any significant changes in the kinds of products produced or services rendered, or in the markets or methods of distribution, since the beginning of the fiscal year.

(b) If applicable and material for an understanding of the business, and with particular emphasis on significant changes and developments since the beginning of the fiscal year, briefly describe the following:

(1) Competitive conditions in the industry or industries involved and the competitive position of the enterprise.

(2) The dollar amount of backlog of orders believed to be firm, as of the end of the registrant's fiscal year, and as of the end of the preceding fiscal year, together with an indication of the proportion thereof not reasonably expected to be filled within the current fiscal year, any seasonal or other significant aspects of the backlog and the extent to which backlog is significant in the business of the registrant.

(3) The sources and availability of raw materials essential to the business.

(4) The importance and effect of all material patents, licenses, franchises and concessions held.

(5) The estimated dollar amount spent during the last fiscal year on material research activities relating to the development of new products or services or the improvement of existing products or services which was company-sponsored and on that which was customer-sponsored and indicating the approximate number of professional employees engaged full-time in each category of activity during such fiscal year; and,

(6) The number of persons employed by the enterprise.

(c) (1) *Information as to lines of business.* If the registrant and its subsidiaries are engaged in more than one line of business, state, for each of the registrant's last five fiscal years, or for each fiscal year ending after December 31, 1966, or for each fiscal year the registrant has been engaged in business, whichever period is less, the approximate amount or percentage of (i) total sales and revenues, and (ii) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal years accounted for—

(A) 10 per cent or more of the total of sales and revenues,

(B) 10 per cent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or

(C) a loss which equalled or exceeded 10 per cent of the amount of income specified in (B) above;

provided that if total sales and revenues did not exceed $50,000,000 during either of the last two fiscal years, the percentages specified in (A), (B) and (C) above shall be 15 per cent, instead of 10 per cent.

If it is impracticable to state the contribution to income (or loss) before income taxes and extraordinary items for any line of business, state the contribution thereof to the results of operations most closely approaching such income, together with a brief explanation of the reasons why it is not practicable to state the contribution to such income or loss.

Instructions. 1. If the number of lines of business for which information is required exceeds ten, the registrant may, at its option, furnish the required information only for the ten lines of business deemed most important to an understanding of the business. In such event, a statement to that effect shall be set forth.

2. In grouping products or services as lines of business, appropriate consideration shall be given to all relevant factors, including rates of profitability of operations, degrees of risk and opportunity for growth. The basis for grouping such products or services and any material changes between periods in such groupings shall be briefly described.

3. Where material amounts of products or services are transferred from one line of business to another, the receiving and transferring lines may be considered a single line of business for the purpose of reporting the operating results thereof.

4. If the method of pricing intra-company transfers of products or services or the method of allocation of common or corporate costs materially affects the reported contribution to income of a line of business, such methods and any material changes between periods in such methods and the effect thereof shall be described briefly.

5. Information regarding sales or revenues or income (or loss) from different classes of products or services in operations regulated by Federal, State or municipal authorities may be limited to those classes of products or services required by any uniform system of accounts prescribed by such authorities.

(2) *Information as to classes of similar products or services.* State for each fiscal year specified in (1) above the amount or percentage of total sales and revenues contributed by each class of similar products or services which contributed 10 per cent or more to total sales and revenues in either of the last two fiscal years, or 15 per cent or more of total sales and revenues if total sales and revenues did not exceed $50,000,000 during either of the last two fiscal years.

Instructions. 1. Paragraph (2) calls for information with respect to classes of similar products or services regardless of whether the registrant is engaged in more than one line of business as referred to in paragraph (1) above. However, this information may be combined where appropriate, with the response to paragraph (1).

2. Instruction 5 to paragraph (1) above shall also apply to paragraph (2).

(d) If a material part of the business of the registrant and its subsidaries is dependent upon a single customer, or a very few customers, the loss of any one of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, of any, to the registrant and the importance of the businesses to the registrant shall be stated.

(e) If the registrant and its subsidiaries engage in material operations in foreign countries, or if a material portion of sales or revenues are derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(f) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any cases where such information is necessary or appropriate for an adequate description of the business done or intended to be done.

ITEM 2. SUMMARY OF OPERATIONS

Furnish in comparative columnar form a summary of operations for the registrant, or for the registrant and its subsidiaries consolidated, or both as appropriate, for—

(a) each of the last five fiscal years of the registrant (or for the life of the registrant and its predecessors, if less), and

(b) any additional fiscal years necessary to keep the summary from being misleading. Where necessary, include information or explanation of material significance to investors in appraising the results shown, or refer to such information or explanation set forth elsewhere in the report. An analysis of retained earnings and other additional capital accounts shall be furnished for each fiscal year covered by the summary.

Instructions. 1. Subject to appropriate variation to conform to the nature of the business, the following items shall be included: net sales or operating revenues; cost of goods sold or operating expenses (or gross profit); interest charges; income taxes; income before extraordinary items; extraordinary items; and net income. If either the profit and loss or retained earnings statements required by the Instructions as to Financial Statements are included in their entirety in the summary of operations, the statements so included need not be included elsewhere in the report.

2. If a period or periods reported on include operations of a business prior to the date of acquisition or for other causes differ from reports previously issued for any period, the summary shall be reconciled as to sales or revenues and net income in the summary or by footnote with the amounts previously reported.

3. If appropriate, the summary shall be prepared to show earnings applicable to common stock. Per share earnings and dividends

declared for each period of the summary shall be included and the basis for the computation stated together with the number of shares used in the computation. The registrant shall file as an exhibit a statement setting forth in reasonable detail the computation of per share earnings, unless the computation is clearly set forth in answer to this item.

4. (a) If debt securities are registered under Section 12 of the Act, the registrant may, at its option, show in tabular form for each fiscal year the ratio of earnings to fixed charges.

(b) Earnings shall be computed after all operating and income deductions except fixed charges and taxes based on income or profits and after eliminating undistributed income of unconsolidated persons. In the case of utilities, interest credits charged to construction shall be added to gross income and not deducted from interest.

(c) The term "fixed charges" shall mean (i) interest and amortization of debt discount and expense and premium on all indebtedness; (ii) one-third of all rentals reported in the schedule prepared in accordance with Rule 12-16 of Regulation S-X, or such portion as can be demonstrated to be representative of the interest factor in the particular case; and (iii) in case consolidated figures are used, preferred stock dividend requirements of consolidated subsidiaries, excluding in all cases items eliminated in consolidation.

(d) Any registrant electing to show the ratio of earnings to fixed charges, in accordance with this instruction, shall file as an exhibit a statement setting forth in reasonable detail the computation of the ratios shown.

5. Describe any change in accounting principles or practices followed by the registrant, or any change in the method of applying any such accounting principles or practices, which will materially affect the financial statements filed or to be filed for the current year with the Commission and which had not been previously reported hereunder. State the date of the change and the reasons therefor. A letter from the registrant's independent accountants, approving or otherwise commenting on the change, shall be filed as an exhibit.

ITEM 3. PROPERTIES

State briefly the location and general character of the principal plants, mines and other materially important physical properties of the registrant and its subsidiaries, whether held in fee or leased, and if leased, the expiration dates of material leases.

Instruction. What is required is such information as will reasonably inform investors as to the suitability, adequacy, productive capacity and extent of utilization of the facilities used in the enterprise. Detailed descriptions of the physical characteristics of individual properties or legal descriptions by metes and bounds are not required and should not be given.

ITEM 4. PARENTS AND SUBSIDIARIES

(a) Furnish a list or diagram of all parents and subsidiaries of the registrant and as to each person named indicate the percentage of voting securities owned, or other basis of control, by its immediate parent if any.

Instructions. 1. The list or diagram shall include the registrant and shall be so prepared as to show clearly the relationship of each person named to the registrant and to the other persons named. If any person is controlled by means of the direct ownership of its securities by two or more persons, so indicate by appropriate cross reference.

2. Designate by appropriate symbols (a) subsidiaries for which separate financial statements are filed; (b) subsidiaries included in consolidated financial statements; (c) subsidiaries included in group financial statements filed for unconsolidated subsidiaries; and (d) other subsidiaries, indicating briefly why financial statements of such subsidiaries are not filed.

3. Include the name of the State or other jurisdiction in which each subsidiary was incorporated or organized.

4. The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

5. The names of consolidated wholly-owned multiple subsidiaries carrying on the same line of business, such as chain stores or small loan companies, may be omitted, provided the name of the immediate's parent, the line of business, the number of omitted subsidiaries operating in the United States and the number operating in foreign countries are given.

This instruction shall not apply, however, to banks, insurance companies, savings and loan associations or to any subsidiary subject to regulation by another Federal agency.

6. If the registrant owns directly or indirectly approximately 50 percent of the voting securities of any person and approximately 50 percent of the voting securities of such person is owned directly or indirectly by another single interest, or if the registrant takes up the equity in undisturbed earnings of any other unconsolidated person, such person shall be deemed to be a subsidiary for the purpose of this item.

ITEM 5. PENDING LEGAL PROCEEDINGS

Briefly describe any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or any of its subsidiaries is a party or of which any of their property is subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted and the principal parties thereto.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 15 per cent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceedings presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding Instruction 1 and 2, any material bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any material proceedings to which any director, officer or affiliate of the registrant, any security holder named in answer to Item 11(a), or any associate of any such director, officer or security holder, is a party, or has a material interest, adverse to the registrant or any of its subsidiaries shall also be described.

ITEM 6. INCREASES AND DECREASES IN OUTSTANDING SECURITIES

General Instruction. The information called for herein shall be given as to each "security" as defined in Section 2(1) of the Securities Act of 1933. If the information called for has been previously reported on Form 10-Q or some other form, it may be incorporated by a specific reference to the previous filing.

(a) Give the following information as to all increases and decreases during the fiscal year in the amount of equity securities of the registrant outstanding:

(1) The title of the class of securities involved;

(2) The date of the transaction;

(3) The amount of securities involved and whether an increase or a decrease;

(4) A brief description of the transaction in which the increase or decrease occurred. If previously reported, the description may be incorporated by a specific reference to the previous filing.

Instruction. The information shall be prepared in the form of a reconciliation between the amounts shown to be outstanding in the balance sheet to be filed with this report and the amounts shown on the registrant's balance sheet for the previous year. The exercise of outstanding options or warrants (separately by class or type of option or warrant), conversions of previously issued convertible securities (separately by class of security) and the issuance of options may be grouped together showing the dates between which all such transactions occurred.

(b) Give the following information as to all securities of the registrant sold by the registrant during the fiscal year, which were not registered under the Securities Act of 1933, in reliance upon an exception from registration provided by Section 4(2) of that Act. Include sales of the registrant's reacquired securities as well as new issues, securities issued in exchange for property, services or other securities, and new securities resulting from the modification of outstanding securities:

(1) Give the date of sale, and the title and amount of the registrant's securities sold;

(2) Give the market price on the date of sale, if applicable;

(3) Give the names of the brokers, underwriters or finders, if any. As to any securities sold but which were not the subject of a public offering, name the persons or identify the class of persons to whom the securities were sold;

(4) As to securities sold for cash, state the aggregate offering price and the aggregate underwriting discounts, brokerage commissions, or finder's fees. As to any securities sold otherwise than for cash, state the nature of the transaction and the nature and aggregate amount of consideration received by the registrant;

(5) Indicate the Section of the Act or Rule of the Commission under which exemption from registration was claimed and state briefly the facts relied upon to make the exemption available; and

(6) State whether the securities have been legended and stop-transfer instructions given in connection therewith, and if not, state the reasons why not.

ITEM 7. APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS

State in the tabular form indicated below the approximate number of holders or record of each class of equity securities of the registrant as of the end of the fiscal year:

(1) Title of class.

(2) Number of record holders.

Instructions. 1. Attention is directed to the definition of the term "equity security" in Section 3(a)(11) of the Act and Rule 3a11-1 thereunder and the definition of the term "held of record" in Rule 12g5-1.

2. The information shall be given as of the end of the last fiscal year or as of any subsequent date, except that if the latest determination of the number of record holders of any class of equity securities was made for some other purpose within 90 days prior to the end of the last fiscal year, the information may be given as of the date of such determination.

3. Information need not be given with respect to the number of holders of outstanding nontransferable options to purchase securities of the registrant.

ITEM 8. EXECUTIVE OFFICERS OF THE REGISTRANT

List the names and ages of all executive officers of the registrant, state the nature of any family relationship between them and indicate all positions and offices with the registrant presently held by each person named.

Instruction. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other officer who performs similar policy making functions for the registrant. The term "family relationship" means any relationship, by blood, marriage or adoption, not more remote than first cousin.

ITEM 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS

State the general effect of any charter provision, bylaw, contract, arrangement or statute under which any director or officer of the registrant is insured or indemnified in any manner against any liability which he may incur in his capacity as such.

ITEM 10. FINANCIAL STATEMENTS AND EXHIBITS FILED

List all of the following documents filed as a part of the report:

(a) All financial statements.

(b) All exhibits, including those incorporated by reference.

Instruction. Where any financial statement or exhibit is incorporated by reference, the incorporation by reference shall be set forth in the list required by this item. See Rule 12b–23.

PART II: (SEE GENERAL INSTRUCTION H)

ITEM 11. PRINCIPAL SECURITY HOLDERS AND SECURITY HOLDINGS OF MANAGEMENT

(a) Furnish the following information, in substantially the tabular form indicated, as to the voting securities of the registrant owned of record or beneficially by each person who owns of record, or is known by the registrant to own beneficially, more than 10 percent of any class of such securities. Show in Column (3) whether the securities are owned both of record and beneficially, of record only, or beneficially only, and show in Columns (4) and (5) the respective amounts and percentages owned in each such manner.

Name and address.
Title of class.
Type of ownership.
Amount owned.
Percent of class.

(b) Furnish the following information in substantially the tabular form indicated as to each class of equity securities of the registrant or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by all directors and officers of the registrant, as a group, without naming them.

(1) Title of class.
(2) Amount beneficially owned.
(3) Percent of class.

Instructions. 1. The percentages are to be calculated on the basis of the amount of outstanding securities, excluding securities held by or for the account of the issuer. In any case where the amount owned by directors and officers as a group is less than 1 per cent of the class, the per cent of the class owned by them may be omitted.

2. For the purpose of this item a person shall be deemed to be the beneficial owner of securities which he has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities. In computing the percentage of the class owned, securities which such person has a right to acquire shall be deemed to be outstanding.

3. If, to the knowledge of the registrant, more than 10 per cent of any class of voting securities of the registrant is held or to be held subject to any voting trust or other similar agreement, state the title of such securities, the amount held or to be held and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(c) Describe any contractual arrangements, known to the registrant including any pledge of securities of the registrant or any of its parents the operation of the terms which may at a subsequent date result in a change in control of the registrant.

Instruction. This paragraph does not require a description of ordinary default provisions contained in the charter, trust indentures of other governing instruments relating to securities of the registrant.

ITEM. 12 DIRECTORS OF THE REGISTRANT

(a) State the name of each director of the registrant, the date on which his present term of office will expire and the nature of all other positions and offices with the registrant presently held by him.

(b) If not previously reported, state the nature of any family relationship between each such director and any other director or any executive officer of the registrant and give a brief account of his business experience during the past 5 years, including his principal occupations and employments during that period and the name and principal business of any corporation or other organization in which such occupation or employment was carried on.

(c) Describe any of the following events which have occurred during the past 10 years and which are material to an evaluation of the ability and integrity of any director of the registrant:

(1) A petition under the Bankruptcy Act or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for business or property of, such person, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing.

(2) Such person was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is the subject of a criminal proceeding which is presently pending; or

(3) Such person was the subject of any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was the subject of any order of a Federal or state authority barring or suspending for more than 60 days the right of such person to be engaged in any such activity or to be associated with persons engaged in any such activity, which order has not been reversed or suspended.

Instruction. 1. The instruction to Item 8 shall also apply to this item.

2. If any event specified in paragraph (c) has occurred but information in regard thereto is omitted on the ground that it is not material, the registrant shall furnish, as supplemental information and not as a part of this report, a description of the event, and a statement of the reasons for the omission of information in regard thereto.

ITEM 13. REMUNERATION OF DIRECTORS AND OFFICERS

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the registrant and its subsidiaries during the registrant's last fiscal year to the following persons for services in all capacities:

(1) Each director of the registrant whose aggregate direct remuneration exceeded $40,000, and each of the three highest paid officers of the registrant whose aggregate direct remuneration exceeded that amount, naming each such director and officer.

(2) All directors and officers of the registrant as a group, stating the number of persons in the group without naming them.

(A) Name of individual or number of persons in group.

(B) Capacities in which remuneration was received.

(C) Aggregate direct remuneration.

Instruction. 1. Except as provided in Instruction 2, paragraph (a) of this item applies to any person who was a director or officer of the registrant at any time during the period specified. However, information need not be given for any portion of the period during which such person was not a director or officer of the registrant.

2. Paragraph (a) (1) of this item does not apply to any person who was not named as a director or officer of the registrant in the first registration statement filed on Form 10 for the registration of a class of securities pursuant to Section 12 of the Act, provided (i) such person has not been a director or officer of the registrant since the filing of such statement and (ii) the same information is not otherwise required to be disclosed in any other material filed with the Commission.

3. The information is to be given on an accrual basis if practicable. The tables required by this paragraph and paragraph (b) may be combined if the registrant so desires.

4. Do not include remuneration paid to a partnership in which any director or officer was a partner, but see Item 15.

5. If any part of the remuneration shown in response to this item was paid pursuant to a material bonus or profit-sharing plan, briefly describe the plan and the basis upon which directors or officers participate therein. See Instruction 1 to paragraph (b) for the meaning of the term "plan."

(b) Furnish the following information in substantially the tabular form indicated as to all annuity, pension or retirement benefits proposed to be paid to the following persons in the event of retirement at normal retirement date pursuant to any existing plan provided or contributed to by the registrant or any of its subsidiaries:

(1) Each director or officer named in answer to paragraph (a) (1), naming each such person.

(2) All directors and officers of the registrant who are eligible for such benefits, as a group, stating the number of persons in the group without naming them.

(A) Name of individual or number of persons in group.

(B) Amount set aside or accrued during registrant's last fiscal year.

(C) Estimated annual benefits upon retirement.

Instruction. 1. The term "plan" in this paragraph and in paragraph (c) includes all plans, contracts, authorizations or arrangements, whether or not set forth in any formal document.

2. Column (B) need not be answered with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a special age or after a specified number of years of service. In such case, Columns (A) and (C) need not be answered with respect to directors or officers as a group.

3. The information called for by Column (C) may be given in the form of a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

4. In the case of any plan (other than those specified in Instruction 2) where the amount set aside each year depends upon the amount of earnings of the registrant or its subsidiaries for such year or a prior year, or where it is otherwise impracticable to state the estimated benefits upon retirement, there shall be set forth, in lieu of the information called for by Column (C), the aggregate

amount set aside or accrued to date, unless it is impracticable to do so, in which case there shall be stated the method of computing such benefits.

(c) Describe briefly all remuneration payments (other than accrued payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the registrant or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each director or officer named in answer to paragraph (a) (1), naming each such person, and (ii) all directors and officers of the registrant as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization or similar group payments or benefits. If it is impracticable to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments shall be stated, together with an explanation of the basis for future payments.

ITEM 14. OPTIONS GRANTED TO MANAGEMENT TO PURCHASE SECURITIES

Furnish the following information, in substantially the tabular form indicated, as to all options to purchase any securities from the registrant or any of its subsidiaries which were granted to or exercised by the following persons since the beginning of the fiscal year, and as to all options held by such persons as of the latest practicable date regardless of which such options were granted: (i) each director and officer named in answer to Item 13(a) (1), naming each such person; and (ii) all directors and officers of the registrant as a group, without naming them:

Instructions. 1. The term "options" as used in this item includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option price per share is called for, the weighted average price per share shall be given.

2. The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of this term.

3. (i) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed $10,000 for any officer or director named in answer to Item 13(a) (1) or $40,000 for all officers and directors as a group, this item need not be answered with respect to options granted to such person or group. (ii) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed $10,000 for any such person or $40,000 for such group, this item need not be answered with respect to options exercised by such person or group. (iii) Where the total market value as of the latest practicable date of the securities called for by all options held at such time does not exceed $10,000 for any such person or $40,000 for such group, this item need not be answered with respect to options held as of the specified date by such person or group.

4. If the options relate to more than one class of securities, the information shall be given separately for each such class.

ITEM 15. INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

(a) Describe briefly any transactions since the beginning of the last fiscal year or any presently transactions, to which the registrant or any of its subsidiaries was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming such person and stating his relationship to the registrant, the nature of his interest in the transaction and, where practicable, the amount of such interest:

(1) Any director or officer of the registrant;

(2) Any security holder named in answer to Item 11(a);

(3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the registrant.

Instructions. 1. This item applies to any person who held any of the positions or relationships specified at any time during the period specified. However, information need not be given for any portion of the period during which such person did not hold any such position or relationship.

2. No information need be given in response to this item as to any remuneration or other transaction reported in response to Items 13 or 14, or as to any transaction with respect to which information may be omitted pursuant to Instruction 2 to Item 13(b), the instruction to Item 13(c), or Instruction 2 or 3 to paragraph (b) of this item.

3. No information need be given in answer to this item as to any transaction where—

(a) the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

(b) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

(c) the amount involved in the transaction or a series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed $40,000; or

(d) the interest of the specified person arises solely from the ownership of securities of the registrant and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

4. It should be noted that this item calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the registrant or its subsidiaries may have an indirect interest in such transaction by reason of such position or relationship. However, a person shall be deemed not to have a material indirect interest in a transaction within the meaning of this item where—

(a) the interest arises only (i) from such person's position as a director of another corporation or organization (other than a partnership) which is a party to the transaction, or (ii) from the direct or indirect ownership by such person and all other persons specified in subparagraphs (1) through (3) above, in the aggregate, of less than a 10 percent equity interest in another person (other than a partnership) which is a party to the transaction, or (iii) from both such position and ownership;

(b) the interest arises only from such person's position as a limited partner in a partnership in which he and all other persons specified in (1) through (3) above had an interest of less than 10 percent; or

(c) the interest of such person arises solely from the holding of an equity interest (including a limited partnership interest, but excluding a general partnership interest) or a creditor interest in another person which is a party to the transaction with the issuer or any of its subsidiaries and the transaction is not material to such other person.

5. The amount of the interest of any specified person shall be computed without regard to the amount of the profit and loss involved in the transaction. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

6. In describing any transaction involving the purchase or sale of assets by or to the registrant or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost thereof to the seller.

7. The foregoing instructions specify certain transactions and interests as to which information may be omitted in answering this item. There may be situations where, although the foregoing instructions do not expressly authorize non-disclosure, the interest of a specified person in the particular transaction or series of transactions is not a material interest. In that case, information regarding such interest and transaction is not required to be disclosed in response to this item.

(b) State as to each of the following persons who was indebted to the registrant or its subsidiaries at any time since the beginning of the last fiscal year of the registrant, (i) the largest aggregate amount of the indebtedness outstanding at any time during such period, (ii) the nature of the indebtedness and of the transaction in which it was incurred, (iii) the amount thereof outstanding as of the latest practicable date, and (iv) the rate of interest paid or charged thereon:

(1) Each director or officer of the registrant; and

(2) Each associate of any such director or officer.

Instructions. 1. Include the name of each person whose indebtedness is described and the nature of the relationship by reason of which the information is required to be given.

2. This paragraph does not apply to any person whose aggregate indebtedness did not exceed $10,000 or one percent of the registrant's total assets, whichever is less, at any time during the period specified. Exclude in the determination of the amount of indebtedness all amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other transactions in the ordinary course of business.

3. Notwithstanding Instruction 2, if the registrant or any of its subsidiaries is engaged primarily in the business of making loans and loans to any of the specified persons in excess of $10,000 or one percent of its total assets, whichever is less, were outstanding at any time during the period specified, such loans shall be disclosed. However, if the lender is a bank, such disclosure may consist of a statement, if such is the case, that the loans to such persons (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and (iii) did not involve more than normal risk of collectibility or present other unfavorable features.

4. If to the knowledge of the registrant any indebtedness required to be described arose under Section 16(b) of the Act and has not been discharged by payment, state the amount of the profit realized, that such profit will inure to the benefit of the registrant or its subsidiaries and whether suit will be brought or other steps taken to recover such profit. If in the opinion of counsel a question reasonably exists as to the recoverability of such profit, it will suffice to state all facts necessary to describe the transaction, including the prices and number of shares involved.

(c) Describe briefly any transactions since the beginning of the registrant's last fiscal year or any presently proposed transaction, to which any pension, retirement, savings or similar plan provided by the registrant or any of its parents or subsidiaries, was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming such person and stating his relationship to the registrant, the nature of his interest in the transaction and, where practicable, the amount of such interest:

(1) Any director or officer of the registrant;

(2) Any security holder named in answer to Item 11(a);

(3) Any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same home as such person or who is a director or officer of any parent or subsidiary of the registrant; or

(4) The registrant or any of its subsidiaries.

Instructions. 1. Instructions 2, 3, 4 and 5 to paragraph (a) of this item shall apply to paragraph (c) of this item.

2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this item any remuneration received or any loans received or outstanding during the period, or proposed to be received.

3. No information need be given in answer to paragraph (c) with respect to—

(a) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(b) payment of remuneration for services not in excess of 5 percent of the aggregate remuneration received by the specified person during the registrant's last fiscal year from the registrant and its subsidiaries; or

(c) any interest of the registrant or any of its subsidiaries which arises solely from its general interest in the success of the plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) ———; Date ———; By ——— (Signature)* ———.

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

The following instructions specify the balance sheets, profit and loss statements and source and application of funds statements required to be filed as a part of the annual report on this form. Regulation S–X governs the certification, form and content of such financial statements, including the basis of consolidation, and prescribes the statements of retained earnings and other additional capital and schedules to be filed in support thereof. Attention is directed to Rules 12b–23 and 12b–36.

If either the profit and loss or retained earnings statements required are included in their entirety in the summary of operations required by Item 2, the statements so included need not be otherwise included in the annual report.

1. STATEMENTS OF THE REGISTRANT

(a) There shall be filed for the registrant, in comparative columnar form, certified balance sheets as of the close of the last two fiscal years and certified profit and loss and source and application of funds statements for such fiscal years.

(b) Notwithstanding paragraph (a), the individual financial statements of the registrant may be omitted if (1) consolidated statements of the registrant and one or more of its subsidiaries are filed, and (2) the conditions specified in either of the following paragraphs are met:

(i) The registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements filed are wholly-owned subsidiaries and are not indebted to any person other than the parent or the consolidated subsidiaries in an amount which is material in relation to the total consolidated assets at the date of the latest balance sheet filed excepting indebtedness incurred in the ordinary course of business which is not overdue and which matures within one year from the date of its creation, whether evidenced by securities or not. Indebtedness of a subsidiary which is guaranteed by or secured by leases of its parents or the parent's consolidated subsidiaries is to be excluded for the purpose of this determination.

(ii) The registrant's total assets, exclusive of investments in and advances to the consolidated subsidiaries, constitute 75 per cent or more of the total assets shown by the latest consolidated balance sheet filed and the registrant's total gross revenues for the latest period for which profit and loss statements would be filed, exclusive of interest and dividends received, or equity in income, from the consolidated subsidiaries, constitute 75 per cent or more of the total gross revenues shown by the consolidated profit and loss statements filed.

2. CONSOLIDATED STATEMENTS

There shall be filed for the registrant and its subsidiaries, in comparative columnar form, certified consolidated balance sheets as of the close of the last two fiscal years of the registrant and certified consolidated profit and loss and source and application of funds statements for such fiscal years.

3. STATEMENTS OF SUBSIDIARIES NOT CONSOLIDATED

(a) Subject to Rule 4-03 of Regulation S-X regarding group statements, there shall be filed for each majority-owned subsidiary of the registrant not consolidated the financial statements which would be required if it were a registrant.

(b) If the fiscal year of any unconsolidated subsidiary ends within 90 days before the date of filing the annual report, or after the date of filing, the statements of the subsidiary required by pargraph (a) may be filed as an amendment to the report within 90 days after the end of the subsidiary's fiscal year.

4. FIFTY PERCENT OWNED PERSONS AND OTHER PERSONS

If the registrant owns directly or indirectly approximately 50 percent of the voting securities of any person and approximately 50 per cent of the voting securities of such person is owned directly or indirectly by another single interest or if the registrant takes up the equity in undistributed earnings of any other unconsolidated person, there shall be filed for each such person the financial statements which would be required if it were a registrant, subject to Rule 4-03 of Regulation S-X regarding group statements. The statements filed for each such person shall identify the other single interest, or other interests in any person operated jointly.

5. OMISSION OF STATEMENTS REQUIRED BY INSTRUCTIONS 3 AND 4

Notwithstanding Instructions 3 and 4, there may be omitted from the annual report all financial statements of any one or more unconsolidated subsidiaries, 50 per cent owned persons or other persons: (1) if all such subsidiaries, 50 per cent owned persons and other persons for which statements are so omitted, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary; or (2) if the investments in and advances to such person by its parent and the parent's other subsidiaries, and the parent's and the other subsidiaries' equity in the net income of the person, does not exceed 10 percent of the total consolidated assets at the date of the latest balance sheet filed or the consolidated net income for the latest fiscal year for which income statements are filed, respectively.

6. AFFILIATES WHOSE SECURITIES ARE PLEDGED AS COLLATERAL

(a) For each affiliate of the registrant whose securities constitute a substantial portion of the collateral securing any class of registered securities, there shall be filed the financial statements that would be required if the affiliate were a registrant. However, statements need not be filed pursuant to this instruction for any person whose statements are otherwise filed with the report on an individual, consolidated or combined basis.

(b) For the purposes of this instruction, securities of a person shall be deemed to constitute a substantial portion of the collateral if the aggregate principal amount, par value, or book value as shown by the books of the registrant, or market value, whichever is the greatest, of such securities equals 20 per cent or more of the principal amount of the class secured thereby.

7. STATEMENTS OF BANKS AND INSURANCE COMPANIES

Notwithstanding the requirements of the foregoing instructions, financial statements filed for banks for periods ending on or before November 30, 1971 and for life insurance companies need not be certified.

8. REGISTRANTS NOT IN THE PRODUCTION STAGE

(a) Notwithstanding the foregoing instructions, if the registrant falls within the terms of paragraph (b) or (c) of Rule 5A–01 of Regulation S–X, the following statements, all of which shall be certified except as provided in (b) below, shall be filed for the registrant and each of its significant subsidiaries, if any;

(i) The statement specified in Rules 5A–02, 5A–03, 5A–04, 5A–05 and 5A–07 shall be filed in comparative columnar form, as of the end of the last two fiscal years; and

(ii) The statement of cash receipts and disbursements specified in Rule 5A–06 shall be filed, in comparative columnar form, for such fiscal years.

(b) The financial statements prescribed in (a) above need not be certified if all of the following conditions are met by the registrant and each of its significant subsidiaries, if any:

(i) Gross receipts from all sources for the fiscal year are not in excess of $5,000;

(ii) The registrant has not purchased or sold any of its own stock granted options therefor, or levied assessments upon outstanding stock;

(iii) Expenditures for all purposes for the fiscal year are not in excess of $5,000;

(iv) No material change in the business has occurred during the fiscal year, including any bankruptcy, reorganization, readjustment or succession or any material acquisition or disposition of plants, mines, mining equipment, mine rights or leases;

(v) No exchange upon which the shares are listed, or governmental authority having jurisdiction, requires the furnishing to it, or the publication of, certified financial statements.

9. FILING OF OTHER STATEMENTS IN CERTAIN CASES

The Commission may, upon the informal written request of the registrant and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Commission may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

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* Print the name and title of the signing officer under his signature.

INSTRUCTIONS AS TO EXHIBITS

Subject to Rule 12b-32 regarding the incorporation of exhibits by reference, the following exhibits shall be filed as a part of the report:

A. Copies of all amendments or modifications, not previously filed, to all exhibits previously filed (or copies of such exhibits as amended or modified).

B. Copies of all contracts and other documents of a character required to be filed as an exhibit to an original registration statement on Form 10 which were executed or in effect during the fiscal year and not previously filed.

C. Copies of the exhibits called for by Instructions 3, 4(d) and 5 to Item 2.

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(d) OF THE ACT BY ISSUERS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT

(a) Every registrant which files an annual report on this form pursuant to Section 15 (d) of the Act shall furnish to the Commission for its information, at the time of filing its report on this form, four copies of the following:

(1) Any annual report to stockholders covering the registrant's last fiscal year; and

(2) Every proxy statement, form of proxy or other proxy soliciting material sent to more than ten of the registrant's stockholders with respect to any annual or other meeting of stockholders.

(b) The foregoing material shall not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Act, except to the extent that the registrant specifically incorporates it in its annual report on this form by reference.

(c) If no such annual report or proxy material has been sent to stockholders, a statement to that effect shall be included in the answer to Item 9. If such report or proxy material is to be furnished to stockholders subsequent to the filing of the annual report on this form, the registrant shall so state in answer to Item 9 and shall furnish copies of such material to the Commission when it is sent to stockholders.

THE SEC'S FAILURE TO REQUIRE ADEQUATE DISCLOSURE

For many years the SEC had a rule that corporations subject to its jurisdiction disclose insofar as practicable the relative importance of each product, service or class of similar products that contributed 15 percent or more to gross sales. This rule had long been criticized as being excessively broad.

However, the SEC remained unmoved to change until after Senator Philip Hart's Senate Subcommittee on Antitrust and Monopoly held hearings in 1965 on the subject, and threatened to introduce legislation directing the SEC to require divisional or some other more definitive form of segmented sales and profit reporting.

SEC Chairman, Manuel L. Cohen, subsequently informed Senator Hart the SEC already had the authority to require adequate disclosure and that it was considering doing so.

During the next 4 years, there was considerable discussion and controversy in the business community, particularly among public acountants, a number of whom had long been critical of this and other SEC reporting requirements. But the greater part of the accounting fraternity opposed stricter rules.

Finally, September 4, 1968, the SEC issued a proposed rule that would have required, among other things, corporations to report the sales and net income of each class of related or similar products which contribute 10 percent or more to sales or net income.

Although the SEC made no systematic, independent analysis of the proposed rule, evidence was presented demonstrating that the proposed rule required little meaningful data from the largest corporations.

The SEC, evidently not wishing to be confused by any facts, apparently was much impressed that practically all industry sources objected to even the proposed rule. The result was passage of a watered-down version of the original proposal.

Not only did the SEC permit large corporations to report financial details of only their very largest product lines, but it failed to adopt rules guaranteeing comparability in reporting. Rather than establish reporting criteria of its own, SEC gave management discretion in deciding what constituted meaningful product categories.

It did so on the premise that:

"Management, because of its familiarity with company structure, is in the most informed position to separate the company into components on a reasonable basis for reporting purposes. Accordingly, discretion is left to the management to devise a reporting pattern appropriate to the particular company's operations and responsive to its organizational concepts."

The SEC rules require much more detailed disclosure from small corporations than from large ones. As noted above, international conglomerates the likes of ITT need disclose few details of the sources of their profits. Nor is ITT unique. Many other large companies give even fewer financial details than ITT. For example, Minnesota Mining & Manufacturing Co., which has thousands of products and 1970 sales of $1.7 billion, is, for earnings purposes, a single product company. Its rationale for interpreting the SEC reporting rule this broadly is that all but 5 percent of its sales are products related to the technology of coatings and bondings.

As already noted, SEC's reporting rule has a strong bias requiring much more detailed reporting by small companies than by large companies. An example will illustrate the point. Suppose you wished to obtain financial information concerning the nature and scope of electrical components manufactured by various manufacturing firms. From ITT's financial reports you would learn that it is an important manufacturer of various electrical components, TV sets, radios, phonographs, and tape recorders.

However, ITT combines sales and earnings from its electronic and electrical equipment with those from home freezers and household appliances, air conditioning, disc brakes, and industrial pumps. As a result, ITT electrical products are lumped in a broad category of industrial and consumer products with combined sales of $1.8 billion.

Nor would you learn anything of significance about various electronics products from the public reports of General Telephone & Electronics. GTE reports all of its electronic revenues and earnings in a single category—Sylvania—with combined sales of $816 million. Yet, Sylvania manufactures literally hundreds of different products, in some of which it is a leading producer.

Consider, in contrast, what you can learn about the operations of small electronic corporations. Some small companies are so specialized that all of their sales are in a single, narrow-product line. For example, PEC Industries, Fort Lauderdale, Fla., reported that all of its 1970 revenue of $948,205 came from the sale of printed circuit boards.

Although other small companies make more than a single line, they make public quite detailed product information. For example, Nucleonic Products Co., Inc., Canoga Park, Calif., with 1970 sales of $6.3 million, breaks down its sales as follows:

	Percent of sales
Semiconductor components	60
Passive components (resistors and capacitors)	38
Electromechanical switches	2

Of course, if Nucleonic Products or PEC Industries were acquired by ITT, their operations would become lost in the corporate bowels of ITT and never be heard from again—unless ITT decided it was in its interest to do otherwise.

It is for this reason that product and other information that is readily available for most small companies is shrouded in secrecy for the large corporation.

The failure of the SEC to require adequate reporting argues forcefully for adopting a more direct approach to the question of corporate secrecy. Because the SEC has repeatedly demonstrated an inability to perform responsibly in this area, I think a new legislative mandate is required.

Additionally, even were the agency to perform more responsibly in the future than in the past, new legislation is required because the SEC's authority is restricted mainly to financial disclosure relevant to protecting the investor.

PART I—THE CORPORATION

General Motors Corporation, incorporated in 1916 under the laws of the State of Delaware, is herein sometimes referred to as the "Registrant" or the "Corporation" and, together with its consolidated subsidiaries, is herein sometimes referred to as "General Motors."

(c) (1) If the registrant and its subsidiaries are engaged in more than one line of business, state, for each . . . fiscal year ending after December 31, 1966 . . . the approximate amount or percentage of (i) total sales and revenues, and (ii) income (or loss) before income taxes and extraordinary items, attributable to each line of business which during either of the last two fiscal years accounted for—(a) 10 per cent or more of the total of sales and revenues, (b) 10 per cent or more of income before income taxes and extraordinary items computed without deduction of loss resulting from operations of any line of business, or (c) a loss which equalled or exceeded 10 per cent of the amount of income specified in (b) above . . .

(2) State for each fiscal year specified in (1) above the amount or percentage of total sales and revenues contributed by each class of similar products or services which contributed 10 per cent or more to total sales and revenues in either of the last two fiscal years . . .

General Motors is a highly integrated business engaged primarily in the manufacture, assembly and distribution of products powered by motors, principally transportation equipment, and considers itself to be in a single broadly defined line of business. The amount of net sales, by classes of products as described in Item 1(a), and income before income taxes attributable to the worldwide operations of the Registrant and its consolidated subsidiaries and the amount of net sales and net earnings attributable to operations outside the United States and Canada are summarized as follows:

[In millions of dollars]

	Years ended Dec. 31—			
	1970	1969	1968	1967
Operations worldwide:				
Net sales:				
Commercial:				
Automotive products	$16,494.5	$21,764.2	$20,446.3	$17,723.6
Nonautomotive products	1,722.0	1,831.4	1,609.8	1,526.2
Total commercial	18,216.5	23,595.6	22,056.1	19,249.8
Defense and space	535.9	699.5	699.3	776.5
Total operations worldwide	18,752.4	24,295.1	22,755.4	20,026.3
Income before income taxes [1]	788.5	3,454.0	3,524.8	3,013.3
Operations outside the United States and Canada:				
Net sales [2]	3,652.2	3,378.5	2,989.1	2,780.9
Net earnings	118.2	159.7	128.1	108.5

[1] Includes the equity of the registrant and its consolidated subsidiaries in the net income of subsidiary companies not consolidated as follows: 1970, $70,400,000; 1969, $50,600,000; 1968, $51,900,000; 1967, $57,000,000.

[2] Includes intercompany sales to operations within the United States and Canada, which are eliminated upon consolidation.

The operations of General Motors are assigned to divisions or subsidiaries; consequently, because of the high degree of integration, substantial interdivisional transfers of materials and services are made. Therefore, any determination of income by the classes of products shown above (each of which includes transportation equipment) would be largely arbitrary because of the allocation and reallocation of costs, including corporate costs, benefitting more than one division or product. Within these limitations, the Corporation believes that during the years 1967 to 1970 the contribution to income before income taxes by automotive products was somewhat higher than their proportionate contribution to sales, while that of nonautomotive and defense and space products was somewhat lower than their proportionate contribution to sales.

Mr. MUSKIE. Mr. President, I strongly support the amendment of my distinguished colleague from Maine (Mr. HATHAWAY) to ensure that SEC publicly reported information not be excluded from the public reports of the Cost of Living Council on the prices, costs, and profits of large companies. I believe that the public has a right to know on what basis such prices and price increases are founded.

This amendment would apply only to companies with annual sales of $250 million or more which increase prices of their products by more than an average 1.5 percent. And it would not require publication of sensitive information, since it merely applies to information which the SEC can now require be made public.

To mandate public disclosure of such information by the Cost of Living Council encourages the success of two important weapons in our battle against inflation. It would help restore public confidence in the wage-price voluntary controls of phase III. And it would encourage large corporations to hold down prices within the 1.5 percent guideline.

I commend Senator HATHAWAY on his efforts to assure that the public has ready access to critical information about inflation.

Mr. TOWER. Mr. President, how much time does the Senator from Maine have remaining?

The PRESIDING OFFICER. The Senator from Maine has used up all his time. The Senator from Texas has 3 minutes remaining.

Mr. TOWER. Mr. President, with regard to the definition of proprietary information, that is information on sources of income, profits, losses, costs or expenditures, which is what is currently included.

Actually, the effect of the amendment of the Senator from Maine would be simply for us to undo what we did yesterday.

I therefore move to table the amendment of the Senator from Maine.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to table the amendment of the Senator from Maine (putting the question).

The Chair is in doubt and now asks for a division. Those in favor of the motion will respond by standing.

Those opposed will now stand.

Mr. HATHAWAY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Maine. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), the Senator from Louisiana (Mr. LONG), the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PASTORE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that if present and voting the Senator from California (Mr. CRANSTON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The Senator from New York (Mr. BUCKLEY), the Senator from Illinois (Mr. PERCY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 37, nays 49, as follows:

[No. 54 Leg.]

YEAS—38

Aiken
Allen
Bartlett
Beall
Bellmon
Bennett
Brock
Byrd,
Harry F., Jr.
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Griffin
Gurney
Hansen
Hartke
Helms
Hruska
McClellan
McClure
Packwood
Pearson
Roth
Saxbe
Scott, Pa.
Scott, Va.
Stafford
Stevens
Taft
Thurmond
Tower
Weicker
Young

NAYS—49

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Eagleton
Gravel
Hart
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stevenson
Talmadge
Tunney
Williams

Hartke, against.

NOT VOTING—13

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Long
Mansfield
Mondale
Pastore
Percy
Symington
Stennis

So Mr. TOWER'S motion to lay Mr. HATHAWAY'S amendment on the table was rejected.

The PRESIDING OFFICER (Mr. INOUYE). The question now recurs on agreeing to the Hathaway amendment.

The amendment was agreed to.

AMENDMENT NO. 39

Mr. PROXMIRE. Mr. President, I call up my amendment No. 39 and ask that reading of the amendment be dispensed with. I will explain it.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with; and, without objection, it will be printed in the RECORD.

The text of the amendment is as follows:

At the end of the bill, add the following new section:

SIX-MONTH FREEZE

SEC. 9. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Six-month freeze

"Immediately upon the enactment of this section, the President shall issue an order stabilizing prices (including prices of raw agricultural products), rents, wages, salaries, interest rates, and dividends for a period of one hundred and eighty days from the date of enactment of this section, at levels not greater than the highest levels pertaining to a substantial volume of actual transactions by each business enterprise or other person during the thirty-day period ending March 15, 1973, for like or similar commodities, services, or transfers. Such order shall also require that price, rent, or interest rate reductions be made when necessary to stabilize profits at the level referred to in the preceding sentence. If no transactions occurred during the thirty-day period referred to in the first sentence of this section, the level

> established under this section shall be the highest applicable level in the nearest preceding thirty-day period in which such transactions did occur."

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that this is the last amendment. I, therefore, ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, this is a simple amendment which provides an across-the-board freeze on all wages, prices, interest rates, rents, dividends, and profits.

I now ask unanimous consent to modify my amendment and add on line 12, page 2, the following:

> On page 2, line 12, strike the question mark and add the following:
>
> "The President may make such exceptions and variations to the order issued under this section as may be necessary to prevent gross inequities and hardships."

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. PROXMIRE. Mr. President, this amendment is offered because in my judgment a 6-month freeze in across-the-board prices is needed to purge the economy of inflationary expectations generated by the sudden and premature abandonment of price and wage controls under phase III.

I think that all of us recognize the developing reactions throughout the country on the part of housewives, businessmen, farmers, and so many other segments of our society, concerning rising prices.

We should recognize that if we have studied what is behind this, whereas reaction has been sharp and adverse to date, it is going to be far worse, believe me, far worse in the coming 4 or 5 months unless we act now to halt price increases.

Wholesale prices are up in the past month by the sharpest rise in the past 22 years.

As we know, wholesale prices are the consumer prices of the future so that unless we act now—tonight—in the time that remains on the wage stabilization bill, we are certainly going to be in a position in the coming months when all of us will live to regret the sharp inflation which is bound to be protested throughout the country.

Mr. President, let me say, before I yield to the distinguished Senator from Washington (Mr. JACKSON), that I shall be brief tonight. I have an hour and a half on my amendment and the opposition has an hour and a half. I would be happy to agree, as of now, to 10 minutes on a side and to vote this amendment up or down in 20 minutes, if that is agreeable, and ask unanimous consent that the time be limited accordingly.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. I now yield to the distinguished Senator from Washington (Mr. JACKSON).

Mr. JACKSON. Mr. President, I want to commend the distinguished Senator from Wisconsin for this amendment. We have been voting the last 2 days on piecemeal aspects of the problem of inflation. I believe we have reached the point in this country where we have a situation in which the time has come, at least psychologically, to take a drastic step here and try at least to shock the economy into some stability.

There is no doubt in my mind that the biggest issue facing this country is inflation. If we do not do something about it, we are going to see a repeat of the scenario of 1969–70 in substantial part.

I note that Treasury bills in the 90-day period were over 6 percent as of yesterday. This is an indication of the direction of interest rates. I note that the prime rate jumped a half of 1 percent yesterday to 6¾ percent.

The scenario is going to be tight money, high interest rates, and a recession, and inflation is the No. 1 problem. I believe that we have a responsibility to do something about it. It seems to me that the only equitable and the only sensible approach is to take this rather drastic step and provide the kind of shock to the economy that it needs to bring about some stability.

I hope the Senate will adopt the amendment—which is a sensible one—by the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Washington.

I point out that the one truly effective, widely accepted, overwhelmingly popular element of the new economic policy was the first 90 days, the freeze. It worked. Everybody could understand it. You froze prices, you froze wages, and that was it. Everybody would know whether or not the law was being abided by, and it was.

What I propose is something that goes a little further than that. This would freeze not only prices and wages but all prices as well. There was an exception, as we know, in phase I. The Cost of Living Council excepted agricultural products at the farm level. I do think, however, that there is an entirely different situation now.

In the first place, this would mean that the farmers' costs would not increase. If Senators talk to farmers, as I have, and many Senators have, this is their principal concern. Will their costs go up, especially interest rates? If they are assured that their costs are not going to rise, they are much more likely to accept this. Furthermore, there is an excellent chance that to some extent their costs would decline, and this is the reason.

I provide for a freeze on profits; and in order to make that effective, any potential increase in profits must be reflected subsequently in a reduction in prices, so that the profit increase will be eliminated. It seems to me that this is the fairest way to do it. It is a way which will benefit farmers and everybody else in the economy, and nothing would be more likely to break the inflationary cycle, as the Senator from Washington has said, than this.

Let me point out a few more things. A freeze is very essential now, because in the next 6 months we are going to have wage negotiations that will set the pattern for wages and prices for the next 3 years. These negotiations will affect 4½ million workers. By and large, they are negotiations tied to 3-year contracts. If during this period prices are rising in April, May, and June—as they surely will, unless we adopt something of this kind, in view of what happened to wholesale prices—it is going to be impossible to have a 5½ percent wage guideline. We will do well to have a 7- or 8-percent guideline. It means that the big wage increases will be in effect throughout 1973, 1974, and 1975. And it means continued inflation for the American economy. We will have a wage-price spiral that is going to be most serious.

Here is an opportunity for the Senate to do something effective, to benefit from the experience we had in phase I. We should recognize that phase III was a mistake, a mistake recognized by investors in this country, as reflected in the stock market, and recognized by investors abroad, as reflected in what happened to the dollar.

We have an opportunity now to show that the Senate really understands what inflation is doing to this country; that it means business; that for 6 months—not for a year, but for only 6 months—we have a freeze, during which we will be able to negotiate wage settlements on a stable basis, without reflecting the kind of overwhelming inflation we are likely to suffer.

Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. I ask the Senator from Wisconsin if he would amend his proposal so as to exempt those commodities and those articles where an increase in price is required by law. I refer particularly to the price for milk, which on March 15, as I recall, was 72 percent of parity for this month. The support price for milk by law has been increased to 75 percent of parity for the market year beginning April 1.

Mr. PROXMIRE. I agree with the Senator, and I am as concerned as he is, especially about the price of milk. I provide:

> The President may make such exceptions and variations to the order issued under this section as may be necessary to prevent gross inequities and hardships.

That certainly would be the intention that I would have in offering this amendment.

I think the Senator realizes that once we start down the road of exceptions and try to make them on the floor, we are in trouble. By providing this kind of language, the President can act.

The Senator has me in a most vulnerable position, but I cannot modify my amendment to that effect.

Mr. AIKEN. Would the Senator interpret the amendment he proposes as exempting prices of commodities where an increase is required by the law?

Mr. PROXMIRE. I would certainly say that this was the intent of the language

I have added in modifying my amendment, yes.

I yield to the Senator from New York.

Mr. JAVITS. If the Senator is designing his amendment to really protest phase III and, therefore, to seek a return to phase II by doing the same thing that phase I did, which is what I read as his intention, would he not be better off to limit it to 90 days for that reason? If we are going to follow the pattern that we got off phase III too soon and we have to go back to phase II, should we not follow the pattern, instead of making this such a long period?

Mr. PROXMIRE. I have considered that. The difficulty is that 90 days still puts us in a situation when vital wage negotiations are going on. I think the experience we had under phase I was that it was not quite long enough, that 6 months would have been better, and I think 6 months can break the back of inflationary situations. I do not think 90 days is as likely to do so.

I am particularly concerned with what has happened with respect to the situation in wage negotiations. The auto workers would not have their settlement until September.

Mr. JAVITS. One word of reply: We had a material bulge after the 90 days. There may be a much worse bulge after the 6 months. Therefore, if the Senator wants to repeat the pattern, is it not wiser and will he not minimize the objections to it if he repeats the same pattern?

Mr. PROXMIRE. It depends on the statistics one gets. The statistics I have from the Federal Reserve of St. Louis show that the increase in prices for the first 6 months following phase I were less than they have been in the last 7 months.

Mr. STEVENS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I have very little time.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. STEVENSON). The Senator has one minute remaining.

Mr. PROXMIRE. I reserve that 1 minute.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, will the Senator from Alabama yield me 1 minute?

Mr. SPARKMAN. I yield.

Mr. STEVENS. I ask the Senator from Wisconsin this question: Can he tell me what happens to the contracts that come up for negotiation in this 6-month period? I am concerned about the Teamster contract. It is the largest organized labor unit in my State. What would happen to them in this period, in terms of this freeze? Would they be able to go ahead and negotiate the contract and obtain an increase, and if so, when would it become effective?

Mr. PROXMIRE. No. 1, they can go ahead and negotiate an increase, and I think the atmosphere would be far better and far more conductive to a noninflationary settlement.

No. 2, the settlement could not go into effect until after the freeze is up.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield 5 minutes to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, imposition of a wage, price and rent freeze at this juncture would be extremely unwise. The purpose of the 90-day freeze begun on August 15, 1971 was to break the inflationary psychology that prevailed at that time, and to provide a period of time to develop a more flexible system of controls that could endure for a time while some of the major cost-push forces generated by the earlier rapid inflation were restrained.

At the end of the 90-day freeze on November 1971, a number of pressures for price and wage adjustments were building up. Labor cost increases held up by the freeze, for example, went into effect at the end of the freeze and these increased costs were reflected in part by a more rapid initial increase in prices than occurred later in phase II of the economic stabilization program. In addition, the Pay Board, in part in response to amendments passed by the Congress to the Economic Stabilization Act, provided for retroactive payment of many of the wages that fell due during the course of the freeze. This retroactive payment of pay increases that fell due during the freeze tended to unravel much of the reduction in inflation that would otherwise have occurred and contributed to the more rapid initial increase in prices immediately after the freeze.

A freeze at this time would serve no purpose in terms of planning a more flexible stabilization program. The stabilization program currently applicable to the economy was developed as a transition from the more rigid mechanical rules of phase II to a more flexible but effective program for stabilizing prices without the distortions and administrative burdens that would have been associated with the continuation of the more mechanical rules of phase II.

In considering the advisability of a freeze at this time, it is important to recognize that there are other goals for the economy and the society in addition to price stability. These goals include continuing growth in output and employment, efficient use of existing resources and growth of real earnings of workers. A freeze that extended over any considerable period of time would tend to impede growth, result in inefficient resources usage if prices were not permitted to adjust in response to changing circumstances, and would provide no increases in real earnings for workers. Under the economic stabilization program, the buying power of an hour's work by a typical rank and file worker has increased by approximately the same percentage that productivity has historically increased over the long term.

This means that productivity gains in the economy have been fully shared by workers. Under a comprehensive freeze on wages, prices, profits, rents and other components of the national income, there would be no provision for any sharing by workers, business or any other segment of the society in increased productivity. In fact, of course, the existence of the freeze for any considerable period of time might well so disrupt normal transactions in the production and consumption process that no further productivity gains might occur. Increased productivity, however, is the only viable long-term source of real income gains for workers, and we must take care to permit the price system to operate in such a way that we achieve continuing growth in productivity, output and employment in order to increase the consumption available for the various segments of society and assure that these productivity gains are distributed in an equitable manner.

Mr. President, I urge the defeat of the ill-considered amendment by the Senator from Wisconsin. I say "ill-considered" but I believe he is honest and sincere in wanting to stop inflation, but certainly the evils that would result from this amendment outweigh any possible salubrious effect it would have on the economy.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have two questions that come to mind. First, would this affect any future contracts made by the Department of Defense for airplanes or other supplies necessary to our national security, and, second, would it apply to commodities which are sold to foreign countries? If it does not apply, it seems to me that Japan would be in a position to purchase all the lumber we have in this country, and they are doing a pretty good job of it now.

Does it apply to contracts let by Government agencies, and particularly the Department of Defense, and does it apply to commodities which are sold to other countries or industries or businesses in other countries?

Mr. SPARKMAN. Perhaps the Senator from Wisconsin should answer the Senator's question. I think the answer is no in both instances.

Mr. AIKEN. Why not?

Mr. SPARKMAN. I do not think it would control cost overruns, either.

Mr. AIKEN. Does the Senator mean other countries could bid 5 percent more for scarce commodities, like lumber in this country, and get away with it?

Mr. PROXMIRE. I would ask that the Senator read the last three lines of my amendment.

The PRESIDING OFFICER. Who yields time? The Senator's time has expired.

Mr. SPARKMAN. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. The last three lines of the amendment state:

> The level established under this section shall be the highest applicable level in the nearest preceding 30-day period in which such transactions did occur.

I am reading from the amendment as originally introduced.

Mr. SPARKMAN. Mr. President, if the Senator from Wisconsin——

Mr. TOWER. Mr. President, regular order.

The PRESIDING OFFICER. The time is charged equally against both sides.

Mr. SPARKMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. SPARKMAN. Mr. President, I would like to use that time just to say what it would do. It would turn the clock back to August 1971, when the freeze went into effect. We had that freeze, and I think everybody was pleased to see it, but I think everybody was pleased also to see us move into phase II. We made progress under phase II. We did not do everything we wanted to have done, but we made progress.

Now, the proposal is to move away from a controlled economy and move more toward a free economy. That is what this bill that we have here seeks to do. It has not been severely damaged by amendments during the course of debate in the Senate. I hope the amendment will not be agreed to because it would turn back the clock and do damage to what we are trying to do, and that is to move away from a controlled economy to a free market.

Mr. PROXMIRE. Mr. President, do I have 1 minute remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. PROXMIRE. Mr. President, I would like to use that time to say, first, there will be a sharing of productivity gains. It would be shared by 200 million consumers in this country because as productivity goes up prices would have to go down to eliminate that increased profit. As far as Government contracts are concerned and Government authority to put into effect control on exports, the President has that authority under the present law.

Furthermore, I call to the attention of the Senate the savings clause at the end of the amendment which states:

> The President may make such exceptions and variations to the order issued under this section as may be necessary to prevent gross inequities and hardships.

Why would a farmer or a producer sell to Japan when he could not sell at a higher price? We do not permit him to sell at a higher price under my amendment. Furthermore, the President has the capacity to limit exports under the present law.

The PRESIDING OFFICER. All time on the amendment has expired. The yeas and nays have been ordered. The question is on agreeing to the amendment as modified. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), the Senator from Montana (Mr. Mansfield), the Senator from Louisiana (Mr. Long), the Senator from Minnesota (Mr. Mondale), the Senator from Missouri (Mr. Symington), are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pastore), is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis), is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker) is absent on official business.

The Senator from New York (Mr. Buckley) the Senator from Illinois (Mr. Percy), and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

The result was announced—yeas 36, nays 51, as follows:

[No. 55 Leg.]

YEAS—36

Abourezk
Allen
Bayh
Bentsen
Bible
Biden
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Eagleton
Eastland
Hartke
Haskell
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Magnuson
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Nelson
Nunn
Proxmire
Randolph
Ribicoff
Stevenson
Talmadge
Williams

NAYS—51

Aiken
Bartlett
Beall
Bellmon
Bennett
Brock
Brooke
Case
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hart
Hatfield
Hathaway
Helms
Hollings
Hruska
Javits
Johnston
Mathias
McClellan
McClure
Muskie
Packwood
Pearson
Pell
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Taft
Thurmond
Tower
Tunney
Weicker
Young

NOT VOTING—13

Baker
Buckley
Cranston
Fulbright
Goldwater
Hughes
Long
Mansfield
Mondale
Pastore
Percy
Stennis
Symington

So Mr. Proxmire's amendment (No. 39), as modified, was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HRUSKA. Mr. President, we have before us a bill to amend the Economic Stabilization Act, which, among other features with which I disagree, would empower the President to establish priority of use and an allocation system of supplies of petroleum products and crude oil.

Needless to say, such a substantial departure from our free market system is a most serious step which should be carefully considered and evaluated on the basis of the best possible presentation of evidence and conflicting views.

Therefore, I am distressed to find that this particular provision came before us without a hearings record, without presentation of the position of the administration, and without the opportunity for consumers and the thousands of businessmen who may be affected by this legislation to make their views known. As a member of the Antitrust and Monopolies Subcommittee of the Judiciary Committee, which has been conducting a continuing review of competition in gasoline marketing, I am particularly concerned that the advice of our subcommittee has not been sought on a measure ostensibly designed "to maintain and promote competition in the petroleum industry" and "to prevent anticompetitive effects."

Whether or not such hasty and uninformed legislative procedure might be justified at a time of real crisis, I cannot condone it when the only reason presented for immediate action in the committee report is that "it is now being predicted that a widespread gasoline shortage may well develop in the late spring or early summer."

I find it alarming that the unknown authors of these dire predictions—predictions which, I might add, are hotly disputed by many knowledgable oil people—can force the Senate to flee in disarray from its responsibility to investigate this matter and provide the Executive with the necessary legislative guidance to deal with whatever real emergencies may arise.

The very vagueness of this provision reflects the unseemly haste with which we have been confronted with it. There is nothing here which will tell the President when he should start invoking bureaucratic controls over the petroleum industry and when these controls should be lifted. There is nothing to guide the President on how the control system should be formulated, on who should create, administer and enforce controls, on the role to be accorded to State and local officials in setting priorities, or on coordination between these control procedures and the actions of the Interior Department. There is nothing to insure that those who will be affected by the proposed controls will even be granted a hearing where their rights can be asserted.

Despite the fact that this provision is declared to be directed at "anticompetitive effects," we do not know what type of "competition" is meant. There has been no analysis of the effect of controls on competition or of the potential ouster of the protections of the antitrust laws by bureaucratic regulation.

Would the proponents of this provision deny the fruits of foresight to the thousands of independent jobbers and dealers who have made, and paid for, contractual arrangements to safeguard against tight supply? Would they desire to use Federal allocation of petroleum products as a thinly disguised mechanism for dividing markets contrary to the most fundamental precepts of the Sherman Act? Would they deny a supplier the right to select his customers on valid economic grounds or force him to tangle with complex bureaucratic machinery every time he terminated a customer who failed to pay a bill? Is it constitutional to impair a legal and valid contract for delivery of commodities in this fashion?

The Antitrust and Monopolies Subcommittee has been holding on-going hearings on gasoline marketing practices for some time. At our express request, the Federal Trade Commission has also been engaged in a study of gasoline marketing. The Attorney General, I am confident, has equally important views on the competitive aspects of petroleum marketing.

The views of the Attorney General, the Federal Trade Commission and other interested parties could be evaluated by our subcommittee in the light of its own expertise in petroleum marketing. I am certain that, based on these views, the subcommittee could give the Senate valuable guidance on the competitive aspects of any necessary regulation of petroleum products. I think that it is only fair to add that other knowledgeable committees—I think of Senator JACKSON's for one—could and should also provide valuable counsel on this matter.

Mr. President, a number of the Members of the Senate, including some of the proponents of this provision, have expressed great concern over an alleged usurpation of congressional authority by the executive. If we are to grant these broad, indefinite and virtually uncontrolled powers to regulate a vital major industry to the President, when he has not even asked for them, without even hearing or evaluating the justifications for such an action, I think we will indeed have abdicated a substantial share of the great responsibility which the Constitution placed upon us.

Mr. PERCY. Mr. President, my central interest in this and the 1971 amendments providing authorities for control of wages and prices has been to improve national productivity. It has been my belief that through improvements in productivity we will make major advances in our efforts to control inflation. Such productivity improvements can come from many sources: increased investment in new plant and equipment and in research and development; new methods as simple as the standardization of shipping pallet sizes; and increased worker motivation through job redesign and through systems of pay incentives for increased productivity.

Mr. President, during our consideration of the 1971 amendments to the Economic Stabilization Act, in December 1971, I offered an amendment which was intended to provide incentives for increased productivity at the plant level. This amendment, which is section 203 (f)(3) of the act, provided that increased wages and salaries paid in conjunction with employee incentive pay programs should be exempt from wage controls. The amendment, which was cosponsored by Senator JAVITS, Senator RIBICOFF, and Senator PROXMIRE, was adopted unanimously by the Senate and accepted by the House.

As we approached consideration of this legislation renewing the authorities in the 1971 Economic Stabilization Act amendments, I asked the staff of the Cost of Living Council to provide information on the Pay Board's and COLC's experience under what they have called the "Percy productivity amendment." The amendment was finally implemented by the Pay Board in formal rules and regulations issued on June 22, 1972.

According to the records of the Pay Board and the Cost of Living Council, 214 applications have been made for wage exemptions under the plan, 84 of which have been approved. That a large number of plans have not been accepted by the Board and Council is a significant fact. The purpose of my amendment was to exempt bona fide incentive pay plans designed to provide an incentive for increased productivity by the productive unit as a whole—either plantwide or departmentwide—by especially rewarding such increased productivity. It was intended as an encouragement to the development of worker teams and joint worker efforts to increase their output. It was not intended to be a disguise for wage increases greater than the standard 5.5-percent wage guideline imposed during phase II.

I am pleased that the amendment has proven useful in actual practice. Mr. Robert C. Scott, vice president of the Eddy-Rucker-Nickels Co., of Cambridge, Mass., has indicated that the plan has "provided an avenue for both increased worker incomes and increased corporate profits without an inflationary thrust." The Eddy-Rucker-Nickels Co. specializes in the design, start-up, and operation of productivity incentive schemes. Mr. Scott said that:

> Had Phase II regulations been continued in active effect, this one amendment would have been the sole route by which companies suffering from specific skill or labor shortages could have attracted labor to meet their rising business demands. It is most essential that this particular passage remain in the extension of the Economic Stabilization Act.

The list of firms whose incentive wage plans have qualified under the Percy amendment includes companies from all parts of the country, many of which we would recognize as major industrial corporations, as well as many smaller companies. I ask unanimous consent that this list of 85 qualifying plans of over 75 companies be included in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMPANIES WHICH QUALIFIED UNDER THE PERCY PRODUCTIVITY AMENDMENT TO THE ECONOMIC STABILIZATION ACT AMENDMENTS OF 1971

Buffalo Courier Express, Buffalo, N.Y.
Republic Steel Corporation, Cleveland, Ohio
Island Creek Coal Company, Washington, D.C.
Carpenter & Paterson, Cambridge, Mass.
Kit Manufacturing Company, Long Beach, Calif.
Festival Homes of Texas, Hillsboro, Tex.
Grayline Housewares, Chicago, Ill.
Atlantic Gulf & Pacific, Bloomfield, N.J.
Mason Candlelight Company, Andover, Mass.
Prowler Industries of Crawfordsville, Crawfordsville, Ind.
Haeger Potteries, Inc, Chicago, Ill.
Havenstein and Burme, Minneapolis, Minn.
Volkswagen Mid-America, St. Louis, Mo.
Kennington, Ltd., Inc., Beverly Hills, Calif.
Jamesbury Corporation, Worcester, Mass.
Action Industries in Dalton, Dalton, Ga.
Barrington Homes of Haines City, Haines City, Fla
Longines Symphonette, New York, N.Y.
Dana Corporation, Toledo, Ohio
Indian Head, Inc., New York, N.Y.
Mead Paperboard Products, Dayton, Ohio
Frontier Airlines, Inc., Denver, Colo.
Johns-Manville Corporation, Denver, Colo. (two plans accepted)
Kaiser Steel Corporation, Oakland, Calif.
Mead Containers, Cincinnati, Ohio
Northern Natural Gas, Omaha, Nebr.
Seitz Packing Company, Inc., St. Joseph, Mo.
Swanson Company, Phoenix, Ariz.
Winderness Ind., Inc., Merced, Calif.
Anchor Hocking Corporation, Lancaster, Ohio
Pace-Arrow, Inc , Ontario, Calif.
Broadmore Homes of Ohio, Bowling Green, Ohio
Fleetwood Enterprise, Riverside, Calif. (two plans accepted)
Kansas City Bifocal, Kansas City, Mo.
Timken Company, Canton, Ohio (five plans accepted)
Ametek, Paoli, Pa.
Basic-Witz Corporation, Richmond, Va.
Beatrice Foods Corporation, Champaign, Ill.
Middleboro Tanning Company, Chicago, Ill.
Fleetwood Homes of Kansas, Lawrence, Kans.
Food Markets, Westchester, Ill.
Hardees Food Systems, Rock Mount, N.C.
Lenon, Inc., Trenton, N.J.
Cyclops Corporation, Titusville, Pa.
Transamerica Homes Corporation, Oxford, N.C.
Fleetwood Homes of Tennessee, Westmoreland, Tenn.
GTE Sylvania, New York, N Y.
Sibley Machine & Foundry, South Bend, Ind.
Stanley Furniture Company, Hickory, N.C.
Modine Manufacturing, Racine, Wis.
Russell, Burdsall & W., Port Chester, N.Y.
Fort Plain Packing Company, Fort Plain, N.Y.
Timken Company, Canton, Ohio.
Bona Allen, Inc., Buford, Ga.
Rochester Bronze and Alloy, Rochester, N.Y.
Project Heating Company, Louisville, Ky.
Beech Aircraft Corporation, Wichita, Kans.
Huntington Alloys Division, Huntington, W. Va.
Lincoln Electric Company, Cleveland, Ohio.
Chase Brass & Copper, Cleveland, Ohio.
Pacific Intermountain, Oakland, Cal.
Packaging Corporation of America, Evanston, Ill.
Johnson & Johnson, New Brunswick, N.J.
3M Company, Freehold, N.J.
Jenn-Air Corporation, Indianapolis, Ind.
Slickcraft Boat Division, Holland, Mich.
Rochester Corporation, Culpeper, Va.
Aloas Cutlery Corporation, Olean, N.Y.
PBI Industries, Inc., Pittsburgh, Pa.
American Eagle Life, Morristown, N.J.
Virgo Mfg. Company, Los Angeles, Cal.
AMI Micro-Products, Santa Clara, Cal.
Kaiser Steel, Oakland, Cal.
Columbia Tool Steel, Chicago Heights, Ill.
Kroehler Mfg. Company, Naperville, Ill.
Republic Steel Corporation, Cleveland, Ohio.
Hendrickson Tandem, Butler, Ind.

Mr. PERCY. Mr. President, I am pleased that the committee has seen fit to retain this provision in the law. During phase III, the reporting requirements for the installation of productivity plans will be limited to category I firms—those with 5,000 or more employees—and to firms in the three industries under mandatory controls, that is, food, health services, and construction.

Mr. President, my interest in the 1973 amendments to the Economic Stabilization Act is also focused on productivity.

First, I understand that section 4 of the 1971 amendments, which established a mission for the National Commission on Productivity, will be reported by the Banking Committee as a separate bill when the Subcommittee on Production and Stabilization, of which Senator JOHNSTON and Senator TAFT and respectively chairman and ranking minority member, finishes its consideration and reports the bill.

Section 4 of the 1971 amendments was an amendment proposed by Senator JAVITS and myself, and under it the National Commission on Productivity has, during the past year, significantly expanded its staff and its range of activity. One of its most useful efforts in the past year has surely been a special study of the food industry which was begun on July 13, 1972, at the request of the President. The purpose of the study was to consider "ways in which improved productivity could be stimulated in the food sector" and to develop "ways by which measures to increase productivity growth in the food sector could be implemented." The purpose of the study was clearly to provide ways to reduce food prices through productivity increases across the broad spectrum of the food growing, processing, retail and transportation system.

Based on the work of a number of special panels—comprising more than 200 experts from industry and Government—set up to study various aspects of the Nation's food supply system, the staff of the National Commission on Productivity prepared an extremely interesting and instructive report summarizing the findings of the panels and making a number of very important conclusions.

I ask unanimous consent that at the close of my remarks the text of this report be included in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1)

Mr. PERCY. Mr. President, the central finding of this major study was that while significant productivity gains had been achieved separately in the farming, food processing, and food retailing businesses, that a major drag on food industry productivity, and thus a major obstacle to lower prices for food, is the lack of coordination among the different sectors of the food industry, and particularly the clash of different, often contradictory regulations of food and food processing by local, State and Federal Governments.

For example, the dairy farmer may be aware of the consumer's desire for more low fat milk, but he will do little as long as milk prices are determined more by butterfat content based on standards set by processors and the Government, than by protein level.

Cattlemen respond to the prices paid for beef grades, so they will not raise leaner animals—which eat less and grow to market weight sooner—if Government standards do not provide price incentives for lean beef.

Apples are now packaged in 40 different shapes and sizes, none of which fit the standard grocery shipping pallet.

The 8,000 most common items in the warehouse are packaged in 2,650 different sizes, thus making it difficult if not impossible to develop automated food warehousing.

The National Commission's staff report concluded:

> The overall picture presented in the survey was that of a number of separate, complex industries, each heavily dependent on one another, each constantly seeking to improve by making better use of its resources. *But among these firms and organizations in this interrelated industry, individual efforts of firms to maximize their own productivity were often negated or offset by factors which were not under their control. There is room for a great deal more system-wide coordination. There also is room for more assistance from government, without breaching the boundaries of the free enterprise system.* (Emphasis added).

There are five major areas of opportunity for productivity improvement identified by the study. Each is explained, and documented with examples, in the body of the report. Briefly, they are:

First. Elimination of Federal, State and local government regulations that impede productivity. For example: several States require carrots to be sold in clear plastic bags. Out-of-State suppliers are reluctant to comply, so that local merchants must repackage the carrots, resulting in higher prices. Some States prohibit the bulk shipment of commodities such as lettuce and grapes, which discourages innovative shipping methods, and increases costs.

Second. Rail transport must be improved. The Commission task forces documented the extremely poor productivity, increasing cost, and slower and slower delivery times of our rail system. Rail rates for fruits and vegetables, for example, have increased 33 percent since 1967, according to the study. The study identified a number of obstacles to improved rail transportation productivity. One has been railroad car availability, on which the Senate has already acted this year. Another is more reliable schedules. The Commission study found that particularly for fresh produce, "enormous productivity gains could flow from an improved transportation system, not only from faster service but from the more efficient packaging and handling that it would make possible." It is ironic if not tragic that the Nation should be asked to bear a new railway wage settlement that is apparently well beyond the wage guideline and that, in light of the facts about railway productivity expressed in this study, seems entirely unrelated to any gains in real output by the railroads.

Third. Implementation of farm operation changes to increase productivity. The Commission found that there is much room for increasing productivity in farm operations, mainly in the area of gearing grading and other product standards to modern market demands and greater efficiency. An example given by the Commission is cheese standards. In order to stabilize markets when cheese is in excess supply, the Commodity Credit Corporation buys cheese in only 40-pound blocks. This was a sensible size when most of the handling of stored cheese was done manually, but is now obsolete. It is estimated, the study reported, that as much as 2 percent of the processing costs could be saved if the CCC purchased in the most economical size. This might appear to be a fractionally small amount, but over time could result in substantial savings.

Fourth. Clarification of antitrust regulations. The task forces found that because of uncertainty over the scope and interpretation of the antitrust laws by the relevant Federal agencies, opportunities for coordinated efforts to improve productivity are not being grasped by the food industry. For example, it is estimated that 40 percent of the trucks on the Nation's highways are running empty because of truck "backhaul" restrictions imposed by Government regulations and industry practices. The saving could be $250 million a year in trucking costs if this problem were solved by joint intra-industry agreements, according to the study.

Fifth. Industrywide project in research and development, and marketing. The study found that individual firms could not afford to invest the capital required to take advantage of the potential opportunities to improve productivity, even though the benefits to the industry as a whole might be substantial. An example is the fishing industry. There are apparently very substantial sources of certain kinds of crab, shrimp, clams, and fish that are not being fished because they are unknown and there is no market demand for them. The study found that "the largest potential addition to our seafood capabilities is the jack mackerel with a potential catch of 1,500 million pounds if popular edible forms can be developed." Such development is beyond the capacities of the present industry, and needs governmental assistance.

The National Commission staff concluded from the study and reports of the task forces that the hundreds upon hundreds of instances for productivity improvement at every level of the food supply system—only a very few of which are mentioned here as examples, are the result of individual decisions made in single industry sectors.

There is now no single entity, Government or private, with responsibility to maintain an overview of these problems and to force improvements. Government initiatives are necessary to catalyze groups both inside and outside Government to begin the job of removing these obstacles to productivity.

Mr. President, I think that the findings of the Commission's study are important and should be implemented, and in order to provide a continuing effort to implement its findings, I will suggest to the Subcommittee on Production and Stabilization language to give the National Commission on Productivity a continuing responsibility for monitoring and evaluating efforts to improve productivity in the food industry.

My objective is not to let this excellent initiative of the Productivity Commission be wasted. I believe that the current situation of seemingly uncontrollable escalation of food prices demands an intensive effort by all of the concerned departments and agencies. The possibilities for savings for consumers are so substantial both in the short and long run that I consider this Government initiative not only necessary but imperative.

EXHIBIT 1

PRODUCTIVITY IN THE FOOD INDUSTRY: A PRELIMINARY SURVEY OF PROBLEMS AND OPPORTUNITIES

(A report by the staff of the National Commission on Productivity)

ACKNOWLEDGMENT

The National Commission on Productivity wishes to express its appreciation to the hundreds of busy people who have carried out this survey putting the common interest above personal concerns. In particular our thanks to the following for their assistance in organizing the Task Force.

Mr. Clancy Adamy, National Association of Food Chains.

Dr. George Brandow, Penn State University.

Mr. Dewey Bond, American Meat Institute.

Mr. Frank Fitzsimmons, President, International Brotherhood of Teamsters.

Mr. Bun Gladieux, Grocery Manufacturers Association.

Mr. George Koch, President, Grocery Manufacturers Association.

Mr. William Kuhfuss, President, The American Farm Bureau.

Mr. Michael Moskow, Assistant Secretary of Labor.

Dr. Don Paarlberg, Director, Agricultural Economics, USDA.

Dr. Ervin L. Peterson, Administrator of Agricultural Marketing Service, USDA.

Mr. Alan T. Rains, President, United Fresh Fruit and Vegetable Association.

Mr. John Scott, Master, The National Grange.

Mr. Durward Seals, United Fresh Fruit and Vegetable Association.

Mr. James Scearce, Department of Labor.

Dr. Gary Seavers, Council of Economic Advisers.

Mr. William Usery, Assistant Secretary of Labor.

PARTICIPANTS

Meat panel

James Stevenson, Chairman, Professor of Food Marketing, University of Southern California.

Cliff Cox, President, Armour Food Company.

Richard Berg, President, Hygrade Food Products.

Paul Blomberg, Economist, Swift & Company.

Robert Gill, Vice President, Industrial Relations, George Hormel Company.

Leonard Haverkamp, Vice President, Wilson & Company, Inc.

Arval Erikson, Vice President, Oscar Mayer.

Fruit and vegetable panel

Leo Polopolus, Chairman, Assistant Dean of Graduate School, University of Florida.

Gordon Kleiman, Manager, Spartan Produce.

Walt Tyndall, President, Blue Anchor, Incorporated.

Sidney Woods, President, Woods Company, Incorporated.

Maurice Feldbaum, President, Triple M Packing Corporation.

Production policy panel

Leo Mayer, Chairman, Council of Economic Advisers.

William Cromarty, Vice President, Director of Commodity Research, Cornell Rice & Sugar Company, Inc.

James Bonnen, Department of Agricultural Economics, Michigan State University.

James Youde, Department of Agricultural Economics, Oregon State University.

John Lee, Director, Farm Production Economic Division, Department of Agriculture.

Luther Tweeten, Department of Agricultural Economics, University of Wisconsin.

Vernal Brown, Farmer, Vermont, Illinois.

Grove Miller, Farmer, North East, Maryland.

Dairy panel

Ronald Knutson, Chairman, Staff Economist, Department of Agriculture.

Emerson Babb, Department of Agricultural Economics, Purdue University.

James Reeves, Vice President, Mid-America Dairy.

Frank Magruder, Senior Vice President, Finance, Howthorne-Melody.

Seafood panel

Harvey Hutchings, Chairman, Deputy Associate Director for Resource Utilization, National Oceanographic and Atmospheric Administration, Department of Commerce.

Virgil Norton, Department of Resource Economics, University of Rhode Island.

Larry Van Meir, National Canner Association.

John Peterson, President, Washington Fish & Oyster Company of California.

Retail panel

Walter J. Salmon, Chairman, Harvard Business School.

Jack Strubbe, Vice President, Kroger Stores.

Norris A. Lynch, Director, Distribution, Marketing, and Service Industries Division, Department of Commerce.

Morris Lewis, Chairman of the Board, Super Valu Stores.

Mike O'Connor, Executive Director, Supermarket Institute.

Food processing panel

Ray A. Goldberg, Chairman, Professor of Agriculture and Business, Harvard Graduate School of Business Administration.

William H. Allewelt, Jr., President, Tri-Valley Growers, Inc.

C. W. Cook, Chairman of the Board, General Foods Corporation.

Howard C. Harder, Chairman of the Board, C.P.C. International, Inc.

John E. Morrissey, Assistant to the Executive Director, National Commission on Productivity.

Eli Paul, President, John Morrell & Company.

Hugh W. Schwarz, Vice President, Corporate Planning, The Coca-Cola Company.

Labor panel

John J. Greeley, Chairman, Director, National Warehouse Division, Teamsters Union.

Donald Carter, Research and Education Director, Retail Clerks International Association.

Richard Estep, Research and Education Director, United Papermakers International Union.

Leon Schacter, Amalgamated Meat Cutters & Butcher, Workmen of America.

Bruce Millen, Office of Policy Development, Department of Labor.

Core group

Abraham Weiss, Director of Research, International Brotherhood of Teamsters.

James H. Lauth, Director, Transportation and Warehouse Division, AMS, Department of Agriculture.

George Hay, Antitrust Division, Department of Justice.

John E. Lee. Jr., Director, Farm Production Economic Division, Economic Research Service, Department of Agriculture.

Ronald Knutson, Staff Economist, Department of Agriculture.

Bruce Millen, Office of Policy Development, Department of Labor.

Kenneth Farrell, Deputy Administrator, Economic Research Service, Department of Agriculture.

John E. Morrissey, Assistant to the Executive Director, National Commission on Productivity.

Billy E. Caldwell, Office of Science and Technology, Executive Office of the President.

Norris A. Lynch, Director, Distribution, Marketing, and Service Industries Division, Department of Commerce.

Leo Mayer, Council of Economic Advisers.

Chairman: Dr. Kenneth Farrell, USDA.

Co-Chairman: Dr. Leo Mayer, CEA.

NCOP Project Director: John E. Morrissey, Assistant to the Executive Director.

Secretary to Task Force: Brenda Gatling.

INTRODUCTION

I. Origin of the food industry productivity survey

The Chairman of the Cost of Living Council, George P. Shultz, in a memorandum on July 13, 1972, to the chairman of the National Commission on Productivity (NCOP), Peter G. Peterson, conveyed the President's directive that the NCOP "give prompt consideration to ways in which improved productivity could be stimulated in the food sector" and "develop ways by which measures to increase productivity growth in the food sector could be implemented."

The memorandum followed a series of meetings on July 5 and 6 conducted by Chairman Shultz and Donald Rumsfeld, Director of the Cost of Living Council, with representatives of food chains, producer groups, farm suppliers, food processors and wholesalers. These representatives were invited to meet to review recent food price increases and to suggest action steps which might be taken to bring about greater stability in food prices.

One of the major recommendations resulting from these meetings, Chairman Shultz stated, was that productivity improvement throughout the food industry represented one of the keys to future food price stability. While the representatives of the food industry placed particular emphasis on the need for better low cost transportation and improved materials handling, the participants believed that opportunities for improved productivity should be considered throughout the entire food industry and all its components.

II. Task force organization

In response to the July 13th directive, the NCOP formed a food industry task force, composed of management, farm, labor, government, and university officials with extensive knowledge about one or a number of industry segments and, in most cases, with long experience in one or more segments of the industry.

The task force was asked to use their collective judgment and experience to identify the opportunities in their segments of the industry with the greatest potential for productivity improvement and to develop a list of alternative ways these improvements might be achieved.

Increased productivity, for purposes of the work of the task force, was defined broadly as greater production for a given unit of input (e.g., bringing more pounds of beef to market in a shorter time using less feed, or bringing the same quantity of lettuce to market at a lower cost). To the extent that increased productivity results, the consumer ultimately will benefit from a better choice of products, from higher quality and/or from lower prices. The task force was instructed to consider that the quality of the food delivered and the quality of service involved were integral parts of this definition.

The task force's objective was not so much to generate new ideas but to draw together in one place ideas for productivity improvement proposed in a variety of forums, both inside and outside the government.

To achieve this objective the 49 participants on the task force were divided into nine panels. Four panels covered each of the four major commodity groups, which account for most of the consumer's food expenditures: fruits and vegetables, meat, dairy produtcs, and seafood. Five additional panels covered industry segments divided along functional lines: farm production policy, processing, labor, transportation, and retailing. The nine topic areas covered approximately 71 per cent of the food industry, based on a measure of gross inputs.

Each panel was asked within its area of focus, to determine:

The key factors responsible for productivity growth;

The controllable factors which can influence productivity;

Specific opportunities for productivity improvements;

Alternative methods for achieving such productivity improvements.

As a first step, each panel produced a survey report. Each report was discussed and reviewed with others in the industry who were not on the task force but whose interests might be affected by the findings. Over 200 people representing major companies, labor unions, and other organizations in the food idustry took part in these reviews; this review process not only screened out some impractical suggestions, but also resulted in some additional positive contributions as well.

On the basis of the panel reports and the subsequent industry review, the NCOP staff has prepared a preliminary set of findings and recommendations, which are summarized in this report.

The staff report on the survey contains three sections: (1) a brief review of the size and complexity of the food industry, (2) a discussion of some areas covered by the panels and (3) illustrative examples of opportunities for productivity improvement in the industry identified by the panels.

Some key points are worth noting. The first is the sincere desire and concern evident from all participants to move quickly to whatever actions might be needed to improve the food industry, even where these improvements might in the short run create difficulties for their part of the industry or their organization. The second is that searching for better ways to serve the customer is not new to this industry, from the farmer to the grocery store. Each responds, however, to the incentives which govern his own operations which are not always consistent with those of the overall system.

When barriers are found, or opportunities are not taken, these are primarily the result of institutions not changing rapidly enough to meet changing times, or where the consumers' ultimate best interests are not clearly seen in the context of the individual firms or farmers' operations, rather than being the result of any individual's attempt to thwart improvements for his particular gain. The prospects for improvement are great under this kind of environment.

SURVEY REPORT

1. The food industry: An economic overview

The food industry is one of the largest complex, and most vital sectors in the American economy. After shelter, food represents the largst single cost item in the average consumer's budget. Food purchases are consumer's most frequent purchasing activity and thus changes in food prices are, by far, the most visible.

The total bill for domestically produced foods in 1971 was $111 billion, about equally divided among three major functions: growing food, transporting and processing it, and delivering it to the consumer through grocery stores and restaurants.

The U.S. food bill—1971*

[In billions of dollars]

U.S. produced farm food	$111.0
Farming	36.0
Transportation and processing	32.0
Distribution (wholesale and retail)	43.0
Imported foods	14.7
U.S. produced seafood	2.0
Imported seafood	2.3
Total	130.0

*Food consumed at home and away from home.

Meat accounts for about 29% of the average American household monthly food bill, with the remainder split among five other commodities:

Average monthly per capita expenditures for U.S. farm foods 1971

[dollars]

Meat	$13.07
Fruits and vegetables	9.41
Dairy	6.77
Bakery and cereals	5.94
Poultry and eggs	3.36
Miscellaneous	6.16
Total	44.71

(Source: Economic Research Service, U.S.D.A.)

More than 10 million people are engaged in the various parts of the food industry. They—and their wage costs—are distributed throughout the food industry in varying proportions, according to the kind of food, the amount of processing and handling, and the amount of convenience desired by the customer. Some idea of the relative importance of each of the functional areas of the industry operations for different kinds of food indicates how the value of different kinds of foods changes as the food goes from grower to market.

The breadth of the food industry is, perhaps, its dominant characteristic. It includes 3 million farms, ranging in size from a few acres operated by one family, to those that cover thousands of acres. Included also are some 23,000 food processors, some 30,000 general and merchant wholesalers, and some 208,000 retail food stores, including the "mom and pop" grocery stores as well as about 38,000 supermarkets.

The present food system has evolved gradually as individuals organized the different functions of growing, processing and distributing to take the best possible advantage of their knowledge, the capacities of their land and the strength and resourcefulness of their labor to provide the consumer with food in the desired form and at a convenient retail outlet at the time he needs it. What is particularly striking is the degree of interdependence within the food system which has occurred as different firms and sections became more highly specialized. The next section describes the effect on productivity—both positive and negative—of this increasing interdependence.

II. Productivity in an interdependent economy

The food industry's record of productivity improvement over the past fifteen years has been good. The productivity trend during this period in the farm sector of 5.8 per cent per year is the highest sustained record of improvement of any sector in the economy. Productivity growth in food processing has been 3.6 per cent and in food retailing 2.8 per cent per year, about equal to the national average of 3.0 per cent during this period.

Much of the reason for this growth level is due to the increasing specialization of each sector and to continued efforts to improve efficiency within these sectors. For example, farmers have sought better seeds and varieties with higher yields. They have steadily increased their use of horsepower to replace manpower. Better fertilizers and pesticides have been applied. The all purpose farm has gradually disappeared as farmers have increasingly specialized on those crops and livestock activities in which—because of the soil and weather conditions in their region—they have the greatest comparative advantage. As a result, California and Arizona now produce nearly half of our fresh fruits and vegetable crop of $8 billion and Minnesota and Wisconsin produce 50 per cent of the cheese products. Readying meat for market is still further specialized. Some farms raise only calves, others feed to near-market weight, and still others add only the last few hundred pounds of growth.

All of these are the result of individual decisions by farmers aimed at maximizing their own productivity and profits. The record indicates they have chosen well. Increasing specialization, however, has led to greater dependence by each sector on the operations of others. Farmers who had grown their own grains to feed their livestock, for example, and abandoned the practice because it was more economical to buy grain from those who specialized in its production, are now one step removed from direct decisions concerning the availability of feed grains. Similarly, all the farmers' efforts in planting, cultivating, fertilizing and harvesting fresh fruits and vegetables can be lost if refrigerated railroad cars arrive late at the shipping point or if the trip to market takes so long that much of the produce spoils or wilts.

The need for improved coordination among sectors of the industry and with government programs and policies is a key prerequisite to productivity improvements in the food industry. The dairy farmer may be aware of the consumer's desire for more low fat milk, but he will do little as long as milk prices are determined more by butterfat content set by processors or the government than by protein level. Cattlemen respond to the prices paid for beef grades so they will not raise leaner animals (which eat less and grow to market weight sooner) if government standards do not provide price incentives for lean beef.

Those who farm the seas face a more difficult and more urgent problem of coordination. In spite of increased investment in navigational aids and fishing equipment, the productivity of U.S. fishing fleets has declined in the last ten years. Fishermen now must go further from shore and fish more hours with more costly gear to catch the same amount of fish they did ten years ago. This indicates that we are over-fishing certain species; removing more fish than are replaced through natural processes.

No individual firm—and perhaps not even the U.S. fishing industry as a whole—has the capability to assure on its own that this year's fishing will not deplete next year's stock. This clearly is an area where the government must lead the way. No private interest will care for the oceans when everyone may fish them without limit.

While the stocks of the popular species have declined, there are great quantities of edible fish and shellfish off U.S. coasts that have never gained a foothold in the market, such as red crabs, Jonah crabs, squid, quahog clams, rock shrimp and jack mackeral. But the effort to develop consumer acceptance and, concurrently, to develop efficient location, harvesting and processing techniques for these species requires, investments on a large scale that few, if any, individual firms can afford to undertake. Harvesting these species could improve the productivity of the seafood industry and provide seafood substitutes for those species that are becoming scarce and expensive.

Twenty years ago about a fourth of all seafood products consumed in the United States was imported. Now imports are up to about 57 per cent of the total. In the first 10 months of 1972, imported fish and fish products totaled $998 million and represented a significant part of the U.S. trade deficit. Thus, improved productivity in the seafood industry would have a positive effect on the U.S. balance of payments as well as on prices.

Improved inter-sector coordination in the food industry offers opportunities for system-wide productivity improvement. It sometimes appears that efforts to maximize productivity by individual firms in one sector are counterproductive for the system as a whole. Faced with increasing labor costs, the agricultural researchers have developed fruit and vegetable varieties which allow machine picking to replace the more traditional hand-picking. The effect of most of these mechanical harvesters has been a lower cost to the consumer. In some instances however, the resultant gain to the grower may be more than offset by processors' losses due to the increased manhours required to find and discard damaged immature or otherwise unsuitable fruit that hand-pickers could have discarded in the fields. Machine harvesting also dictates that transportation equipment and processing plants work at peak capacity for short periods and at low capacity at other times—thereby reducing productivity for haulers and processors. Grower-processor coordination at harvesting, crop varieties, and processing needs must be continually improved.

Another example in which coordinated inter-sector industry efforts could lead to improved productivity is in materials handling. Much of the effort of men and machinery expended in the food chain that links the farm to the consumer is concentrated on handling operations. A simple food item like an orange is handled 17 separate times from tree to table. More productive material handling equipment, however, requires minimizing the number of sizes and shapes to be handled. Modular retail shelves must await modular packaging. (Apples are now packed in 40 different shapes and sizes, none of which fit the standard grocery shipping pallet.) It will be difficult to develop an automated warehouse while the 8,000 most common items in the warehouse are packaged in 2,650 different sizes. Work on standard packaging for shipments goes slowly, however. Processors, for example, have developed standards for width and breadth of shipments but have made no progress in three years on height and overlap standards.

The largest single potential improvement in meat processing operations is the stabilization of the supplies of live animals to the meat-packing plants. Economies of scale dictate large meat-packing plants to obtain low costs. Great swings in supplies occur not only on a yearly but even on a daily basis, making it impossible to obtain the economies which a steady flow of animals would allow and interrupting the incomes of the packinghouse workers as well.

Since the live animal supply is determined by the aggregate of the decisions of many thousands of farmers, the meat-packer has been able to do little to assure his plant of the fairly constant supply he needs. Increased coordination between these sectors could result in savings of 20 to 25 per cent of processing costs, as well as providing a more dependable income for the packinghouse worker.

As in any industry, ultimate productivity growth rests heavily on labor at all stages—farm, processing, transport, distribution, and retailing. Labor in the food industry generally has had a good record of adjustment to productivity improvements. It has demonstrated a willingness to modify rules and practices to meet changing needs. Through the process of collective bargaining, companies and local unions in the food industry have, for the most part, found it possible to negotiate transitions from old to new practices that were equitable to both parties. Several areas were, however, identified where work practices impede productivity. These problems should be resolved through the bargaining process but should receive immediate attention by all parties.

Issues which have broad national implications, for example, could be more appropriately considered at a national level by labor and management to facilitate study of these problem areas which bar improvements in productivity.

Where and under what conditions centralized meat-cutting would be more productive than cutting at the local, or store level, for example, must be considered within the context of the entire meat-processing system and take into account factors of distribution, retail customer acceptance as well as compensation and training of meat cutters.

The overall picture presented in the survey was that of a number of separate, complex industries, each heavily dependent on one another, each constantly seeking to improve by making better use of its resources. But among these firms and organizations in this inter-related industry, individual efforts of firms to maximize their own productivity were often negated or offset by factors which were not under their control. There is room for a great deal more system-wide coordination. There also is room for more assistance from the government, without breaching the boundaries of the free enterprise system.

III. Five principal areas of opportunity for productivity improvement

The opportunities for productivity improvement identified by the task force fall into five major topical areas:

(a) Reduction or elimination of impediments to productivity due to federal, state and local government regulations;

(b) Improvement of rail transport of food to equal the best service of the past 20 years;

(c) Identification and implementation of agricultural production operation changes which have the grestest potential for improving productivity;

(d) Clarification of antitrust regulations to alleviate the climate of uncertainty that inhibits certain productivity improvements in the food industry;

(e) Improved industry-wide comprehensive projects in research and development and market development, perhaps with government assistance.

Some of the findings require considerable additional analysis. In addition, some are specific and technical. The examples presented in the following sections illustrate the nature of the opportunities and the complexity of the problems.

A. Federal, State and Local Regulations

As part of its responsibility to assure that the consumer is supplied food of high quality the U.S. Department of Agriculture, the Food and Drug Administration and other Federal agencies have promulgated a wide range of regulations governing the packaging, labeling, handling and grading of foodstuffs, as well as sanitation and safety standards for the farms and processing plants themselves.

State and local governments, in responding to local conditions, have instituted many regulations which may differ at times from corresponding Federal regulations. While the intent is to inform the consumer, protect him from unhealthy food and promote nutrition, it must also be recognized that the variation among federal, state and local regulations tends to impede efficiency and reduce compensation. This argues not for less vigilance on behalf of the consumer but for a greater uniformity of standards.

Since there are substantial economies of scale in most food processing operations, a single plant may produce food for distribution in a number of states. The products of a multi-state plant must conform to federal standards and, in addition, to the particular standards in each state in which the product is sold. While the variation among standards may be justified in some instances, it may place the out-of-state plant at a disadvantage compared with in-state plants, which may sell only within one locale or within one state and thus subject to a single set of regulations.

The fact that there are over 2,000 separate federal regulations applicable to food, many of which are repeated with variations by state and local jurisdictions gives an indication of the magnitude of the problem. The added costs are exacted not only in bookkeeping and management time but in countless other ways: A single change by a single state in the ingredients that were required to be listed on sausage labels was estimated, according to one panel, to cost an addtional $75,000 in labeling costs annually to processors who shipped from out-of-state plants—a cost that is normally passed on to the consumer.

The foregoing is in no way intended to represent an argument that federal standards should be chosen as the single national standard. A given state may have developed standards the federal government would be wise to adopt. Many of the variations, however, seem to favor local industry against out-of-state competition. Thus, the task force believes significant productivity gains could be made if state and local variations could be reduced to an absolute minimum. Some examples from the panel reports are:

1. *Protein Content Requirements:* One midwestern state requires that hot dogs and sausages contain a minimum of 12 per cent protein. It is difficult to achieve this protein content without adding high protein powder such as dry milk powder to processed meat. Since this state generally produces an excess of milk, dry milk powder is a readily available additive. Out-of-state meat-packers, who have not had to use such additives in the past, cannot achieve this protein standard as easily as the in-state meat-packers As a result they are forced to create special processing lines if they wish to continue to market their product in that state. The ultimate losers are the consumers of that state who no longer benefit from the price competition provided by out-of-state firms.

2. *Types of Packaging;* Several states require that carrots be sold in clear plastic bags. Out-of-state carrot suppliers are reluctant to provide different types of bags for each separate state or marketing region, and the result is an additional burden on local merchants. This translates into higher prices for the consumer.

Some states prohibit the bulk shipment of commodities such as lettuce and grapes. This enhances the ability to control shipment of these items but it discourages innovative shipping methods, which could substantially reduce costs.

3. *Inspection Requirements;* State, local and federal sanitation inspection requirements often duplicate and conflict with each other and thus impede the flow of lower priced products from one state or local region to another, or result in excess costs for the processors solely to meet the requirements there often the state or local region often duplicates an inspection already carried out at the processing plant to meet one set of standards. It is estimated that as much as a 2 percent reduction in dairy product prices could be gained by elimination of redundant state and local government inspections of milk.

B. Better Transportation

The food industry incurs some $6 billion worth of transportation costs annually in moving its products to market. These costs have been rising rapidly. Rail rates for fruits and vegetables, for example, have increased 33 per cent since 1967. Yet, one panel reported, it takes longer to move certain food commodities by rail today from the West coast to New York City than it did 20 years ago.

The importance of reliable and economic transportation to move food from growers to processors and finally to market was consistently cited by every panel. The productivity impact of poor transportation is pervasive in the industry. Its impact is far greater than is indicated simply by the rising costs of transportation or the frustration of unreliable scheduling. Fresh produce must be put into refrigerated cars within a few hours after it is picked or it will spoil. Thus, failure to deliver a special food car to the loading point at the time it is promised can result in heavy financial losses. The grower, the processor and the retailer must all incur extra costs when they cannot schedule the timely delivery of food cars or when the cars they receive have been poorly maintained. More labor and equipment must be used. Inventory costs are higher. Loading and unloading operations are protracted. Higher losses due to damaged food, food of lower quality and shorter shelf life are all results of unreliable transportation.

Further, the history of opposition to new types of service has created a climate that tends to stifle innovation. Innovative rates and service must receive approval from rate bureaus composed of employees of the railroads that serve a given geographic area. The necessary improvement in service will not come about as long as rate bureaus require an average of one year to act on new rate proposals, and as long as the rate bureaus are without guidelines to establish where the consumers' best interests lie.

Some specific opportunities for productivity improvement include the following:

1. *Railroad car availability.*—Prompt action is required to improve the availability of railroad cars needed for the shipment of food. Food shippers report there are not enough insulated boxcars and mechanical refrigerator cars to serve their needs, yet rail fleet capacity has increased by only four per cent in the past decade and the average car is moving only 12 per cent of the time and moving with a load only about 7 per cent of the time.

The Department of Transportation has forecast that rail freight needs will increase by roughly one third between now and 1980. But railroad ownership of refrigerated cars has declined from 90,000 to 50,000 in the past five years. Moreover, more than half of those remaining are "ice" cars (without refrigeration equipment) rather than mechanically refrigerated cars and are likely to be retired soon from service. The shortage of these cars and the difficulty of obtaining them when needed has led to an increase in shipper-owned cars. Shippers apparently find it is cheaper in the long run to pay the higher costs of owning their own cars in order to be certain of having them when they need them, than it is to rent railroad-owned cars at low rates only to lose the savings through delays incurred waiting for car delivery.

The task force believes one reason the average food car makes less than 11 trips per year (compared to average of 19 trips per year for all cars) is that shippers are afraid to release cars when they are through with them and are willing to pay demurrage charges in order to assure that they will have cars available when they are needed.

2. *Reliable schedules.*—The quality of the transportation system has a major impact on the quality and quantity of fresh fruit and vegetables available to the shopper. Indeed, the fresh produce industry is a classic case of an industry whose greatest potential source of productivity gain lies in another industry—transportation. Enormous productivity gains could flow from an improved transportation system, not only from faster service but from the more efficient packaging and handling that it would make possible.

Establishment of faster and more reliable schedules could improve the ability to efficiently schedule harvesting and loading of produce at the grower end. And it would provide fresher and higher quality fruits and vegetables at the consumer end. For example, fruit is picked earlier (and will be less flavorful) if the transportation system cannot be relied upon to make prompt delivery.

Debates between shippers, growers, processors and retailers, and the nation's railroads on the reliability and promptness of service have been the subject of Congressional discussion and ICC hearings during recent years. There are so many kinds and varieties of products shipped by rail under so many different circumstances to and from so many different points that strict comparisons of rates and services are not always possible.

Nevertheless it is clear that rail service today, particularly for perishables such as fresh fruits and vegetables is much less than it could be and for some commodities that service has deteriorated sharply. The panel reported specific examples of shipper-grower complaints that: "In the fifties Bartlett pears arrived in New York from Sacramento in 6½ days after shipment. A good fraction now arrive between 8 and 11 days after shipment." "During the fifties lettuce from Arizona to Philadelphia was guaranteed rail delivery in 6 days. Many shipments now arrive in from 9 to 11 days."

While there has been an increase of approximately 33 per cent in rates in the last five years, shippers are more concerned about service than about rates. More reliable, faster service is the primary reason that so much of the perishable commodity shipments have been taken over by trucks in spite of the higher rates generally charged by truckers. Most of the service problems appear to originate in the railroads East of the Mississippi. Shipment service on the western railroads do not appear to have declined noticeably.

The emphasis here is on the need for improved service. It should be possible for most fruits and vegetables to reach the East Coast within five days. Every day of reduced travel time adds a day to the shelf life of the fruit and vegetable at the retailer, and reduces the incidence of damaged fruits. Because the unit cost of shipping fruits and vegetables is still only a small fraction of the final cost at retail, cutting wastage through the delivery of fresher (and more nutritious) fruits and vegetables could cut the cost to the consumer.

3. *Modern Equipment.*—Potentially large gains in productivity, could be made, especially on the railroads, through the introduction of new and more efficient transportation equipment that permit significantly larger volumes of product per vehicle, that would permit the self-transfer of commodities and that would reduce damaged merchandise.

The savings through improved transportation equipment are inestimable but are widely thought to be very large. The Southern Railway System, for example, introduced the "Big John" hopper car in 1961 for the transport of grain and, because of its efficiency, it resulted in improved service and a 60 per cent reduction in rail rates. That meant a significant drop in costs to producers for whom grain is a major cost factor. It meant, for example, a reduction of:

One cent per dozen in the cost of eggs;
One cent per bird in the cost of broilers;
80 cents per 100 pounds in the cost of beef;
60 cents per 100 pounds in the cost of pork.

Such innovations have been rare. One difficulty is that innovative technological ideas often need to be accompanied by innovative marketing, and the current system of setting rates and service may tend to discourage such innovation. Use of the "Big John" car was suspended after only a few months of operation and it remained out of use for 4 years while hearings were held on the potential effect of this service.

If the rate-making procedures could be modified to reduce or eliminate such delays, conceivably more innovative ideas would be stimulated.

C. Farm Operation

The programs and policies of the U.S. Department of Agriculture have an important effect on the productivity of all sectors of the food industry. The success of these policies and programs is evidenced by the high rate of productivity growth in the farm sector. Agriculture has shown the highest continuous rate of productivity growth of any sector in the economy, increasing by 5.8 per cent per year since 1950. This high growth record notwithstanding farm operations represent an area where there are many opportunities for additional productivity gain.

Readers should be aware of one aspect of farm operations which is seldom appreciated outside of agriculture. The degree of risk which most farmers accept as normal to farming operations is rarely found in other businesses. Add to the normal uncertainties of the market the uncertainties of weather, disease and blight, and it is clear that the farmer takes risks in his investment of time and effort in his farm beyond any seen in other businesses. These risks have a strong impact on his productivity. There is a strong relationship between the growth of productivity gains in farming and the reduction of risk. Much of government agricultural policy over the past forty years has had the effect of reducing risk to the farmer; (i.e., assuring him of minimum market prices for his products, stabilizing the wide swings in supply of certain crops).

Where production can be planned with some reasonable idea of the quantities which might be needed and at least a minimum price level for his products assured, the farmer is more likely to decide in favor of increased investments, and can make planting decisions on a more productive basis. Uncertainty and wide swings in market prices reduce the incentives to plant crops or raise animals, or to invest in more productive practices.

Nowhere is this risk factor larger than in the raising of meat animals. The wide price swings from season to season in this completely free market and the 2–3 year time lag between a decision to raise more or less animals for meat and bringing steers to the market (15–18 months for hogs) makes it possible for a farmer to be wiped out by events beyond his control. While most animals raised for meat are in herds of 100 or less animals, even large corporations could not afford to take the losses which could occur from guessing wrong today what price a product will bring three years from now. Hog prices in the past three years, for example, have ranged from $27 per hundred pounds down to $16.50 and now up to $34, an enormous swing in profits and losses. Farmers, processors, and consumers would be better off with more stable supplies and prices.

Our agricultural policies have acted to decrease these risks and assure stable supplies for most crops. With the increasing importance of meat in our diets, it is important that ways be found to take some of the risk in raising meat animals from the individual farmer if we expect to have steady supplies and reasonable prices. This industry needs to seek solutions to this problem.

Specific opportunities, which were identified by various panels, included:

1. *Bullock beef.*—USDA standards have a strong influence in determining the supply of any farm commodity. For many years the U.S. consumer exhibited a preference for certain characteristics in beef. These preferences are reflected in higher prices for those better USDA grades which are then reflected in farmers' efforts to produce more beef in those higher grades.

Sixty per cent of U.S. beef comes from steers, which come to market weight in about 24 months.

Although bulls gain weight faster (coming to market weight in 18 months on less feed), bullock beef is considered an inferior grade. It has a slightly darker color and is also affected by the general belief that meat from bulls is tougher and stronger in flavor than beef from steers or heifers. There is some evidence that beef from young bulls, whose flavor has not yet become strong, might be able to compete favorably with other grades for consumer purchase. The introduction of bull meat as a major factor in meat supplies would reduce the cost of bringing beef to market, and raise the productivity in beef production. This will require consumer market testing to determine standard grading for bullock beef.

2. *Cheese purchasing standards.*—Another opportunity for increased productivity reported involves modifying purchasing standards to take maximum advantage of modern processing capabilities. The Commodity Credit Corporation buys cheese to stabilize markets where substantial excesses appear. At present, the CCC will purchase natural cheese only in 40-pound blocks, a size which was sensible when most of the handling of stored cheese was done by manual labor, but which has been rendered obsolete by advanced handling methods. The most efficient size to produce, transport, and handle, however, may be much larger, depending on the cheese and the geographical area. It is estimated that as much as 2 per cent of the processing costs could be saved if CCC purchased in whatever size is most economical.

3. *Butterfat content.*—The USDA pricing of milk has historically emphasized the butterfat weight content of the fluid milk. The incentives to increase butterfat production provided by this standard has operated very successfully over the years so that in 1971 the United States produced 50 per cent more milk per cow than had been produced in 1957. However, American tastes have shifted away from fat and toward protein. As a consequence, market demand for butter and butterfat products has dropped. The result is that USDA has had to purchase substantial quantities of excess butterfat. With the increasing desire for more protein not only in the U.S. but on a world-wide basis, the protein content of milk can be viewed as a potential low-cost supply. USDA standards for milk prices could be based on protein content in addition to butterfat. This would provide a strong incentive for genetic research, and for dairymen to improve the "solids—not fat" content of milk, reducing the excess butterfat purchases required by USDA, and providing improved protein content at lower prices for consumers.

D. Clarification of Antitrust Regulations

Technological innovations in the food industry can be divided into three general categories depending on the major barrier to the innovation. Only a very small fraction require a high degree of technology, or appear to require a large effort to overcome the technological problems. The introduction of most technological innovations is paced not by the development of the technology needed but by the ability to solve the problems of marketing and consumer acceptance (e.g., a new size package or a new food spread). The third kind of innovation requires the agreement of a major fraction of those in an industry and is paced by the ability of the industry to agree on joint actions. These are primarily where the innovation concerns intermediate steps of processing and handling.

The incentives for introduction of new technology in this industry are therefore relatively weak since innovations which are placed by marketing and consumer reactions can be quickly copied by competitors, and those which require joint cooperative action may well reduce the general level of industry costs but offer no advantage to any single firm over any other.

An example of the kind of innovation which is primarily dependent on marketability is the introduction of 12-ounce frozen orange juice cans in 1960, which expanded by 100 per cent the consumer's choice of can sizes that previously had been limited to the industry's standard 6-ounce can. The savings might appear to be small; only .104¢ per ounce of concentrate. The small unit saving however represents an 8 per cent savings in total packaging costs. In an industry in which packaging represents nearly 9 billion dollars, or one-fourth of the total processing costs, even small unit changes can have a significant effect. When such innovations prove successful they are rapidly copied throughout the industry. Thus the innovative firm foots the bill for innovation while its competitors gain equally without spending as much on development and consumer acceptance.

The incentives for any firm to take the lead in introducing industry-wide innovations are even less. Standardized packaging and automated warehouses offer industry-wide savings but little advantage to the individual firm. Strengthening the industries reluctance to initiate these kinds of activities is an overriding concern about the antitrust implications of joint actions.

During the course of the review it became evident that some opportunities for coordinated efforts to improve productivity were not grasped by the industry because of concern over antitrust implications of joint actions. It is conceivable that many of the coordination efforts progressive industry spokesmen would like to undertake can, in fact, be initiated under appropriate Justice Department and Federal Trade Commission guidelines. With better understanding of Justice and FTC positions, these improvements can be made.

The following are some of the areas where the panels indicated important productivity gains might be made if the means for achieving them were clearly shown to rest within the officially permitted interpretations of the antitrust laws:

1. *Retail backhaul.*—It has been estimated that of the many trucks on the nation's highways, up to 40 per cent of them are running empty because of truck backhaul restrictions imposed by government regulations as well as certain industry practices. If those empty trucks could be filled, it would result according to some industry estimates in a savings of $250 million a year in transportation costs.

Virtually every grocery store in America is served from a grocery, produce or meat warehouse by its own truck fleet. Very often, trucks returning to the warehouse from a store delivery run empty even though they could conveniently pick up inbound shipments from manufacturers and processors that are intended for their warehouse. While some manufacturers do permit pick-ups by retail truck fleets, others refuse to permit it since they fear that the practice of giving a delivery allowance could be interpreted as a violation of the Robinson-Patman Act. In addition, there are other problems with priority and preference for delivery between retailer trucks. This might be solved by joint retailer-manufacturer meetings. These meetings, however, have not been held because many of the key participants fear antitrust restriction on such activities.

2. *Standardization of Packaging.*—The panel which focused on the retail segment of the industry reported that the lack of standardization in packaging is a serious obstacle to improved materials handling in retail stores and in warehouses. But greater standardization would require joint industry discussions which retailers are reluctant to embark upon either because of a lack of understanding of the antitrust laws or fear of a technical violation of these regulations. Manufacturers and growers are similarly inhibited. Standardization of packaging, common use of transportation, common or neutral warehousing (i.e., warehouses that serve several retailers or several manufacturers thus reducing costs) represent real potential for significant savings. But all are innovations that the panelists reported that are not put into operation in part because of concern about antitrust action.

More than 1,400 different container sizes are used by the fruit and vegetable industry alone, in contrast with European produce growers who use four.

The reason standardizations of shipping containers is important is that with only a few standard carton sizes, fully automatic warehouses would be feasible. Such facilities, according to one estimate, could result in savings of as much as 2.5 cents a case handled. And some 15 billion cases are handled annually in the food industry.

3. *Intermarket Development.*—The processing panel reported that recent attempts by farm/producer cooperatives to develop new markets or to develop products more responsive to consumer needs are hampered by the difficulty that grower co-ops have in combining with processors and retailers in joint cooperative development projects. Growers with only a single crop are at a disadvantage in trying to sponsor market development efforts since they cannot spread such costs across a variety of products. By allowing growers, processors and retailers to combine their efforts in joint marketing studies, the costs of these studies can be considerably reduced from what they would otherwise be, and, more importantly, marketing plans will consider the needs of all elements in the food chain—grower, processor, distributor and retailer.

E. *Industry Structure.*—The majority of the opportunities for productivity improvement identified by the panels fell within the fifth area of focus: the structure of the industry. In most cases, the problem was that individual firms could not afford to invest the capital required to take advantage of the potential opportunities to improve productivity, even though the benefits to the industry as a whole might be substantial. There was near unanimity among the industry representatives as to the desirability and potential impact on productivity. They felt, however, that it would be neecssary for someone to provide special leadership to initiate action. The particular opportunities identified were:

1. *Tomato purchasing practices.*—The effect of grades and standards in influencing grower and processor behavior is very strong. It is therefore important to continue revising standards as experience is developed. Tomatoes, for example, are bought on the basis of net weight. This provides an incentive for growers to develop those strains which produce the most pounds per acre for sale to processors. In the 10-year period from 1960–1970, it is estimated that tomatoes purchased by processors in California increased on the average of ten per cent by weight—but the increase was all in water content. The result of the efforts of agricultural extension centers and growers was, therefore, to add 450,-

000 extra tons of water to the 1971 California tomato pack—and to the processors' cost of purchase. But 86 per cent of tomatoes are processed, the first step of which is water removal. Hence, this "productivity improvement" is then added to the cost of drying out the tomatoes for ketchup, tomato sauce and other processed tomato products. The consumer of course ultimately paid the water bill. Of course, agricultural stations and growers are only responding to what was believed to be an adequate standard. As practical experience is developed these must be modified. Grower/processor standards based on net soluble solids should provide an incentive to growers and research extension services to produce tomatoes which give us more tomatoes for our dollar and not more water. The panel indicated that further productivity improvements could be made through better standards in other commodities as well.

2. *Seafood supply.*—As indicated earlier, the U.S. catch of desirable seafood products has not increased in the past 10 years in spite of increasing demand from consumers. At the same time, however, there appear to be large quantities of potentially marketable species which have not yet won consumer acceptance. The technology for catching these species also has not been developed. For example, last year's U.S. crab catch totaled 276 million pounds, primarily of the blue crab, snow crab and king crab. There appear to be other crab species (red and Jonah) which could double that catch if the harvesting, locating, and processing technology were developed, and if consumer acceptance were fostered. Last year's catch of shrimp was 388 million pounds, worth over half a billion dollars at retail. It appears that a potential annual catch of 25 million pounds of rock shrimp can be obtained. Quahog clams could potentially supply the market with 100 million pounds annually compared to the current total calm harvest of 83 million pounds. Many people think the quahog clam is superior in taste and flavor but because consumer acceptance has not been developed on a national basis, harvesting and locating technologies have also not been developed. The largest potential addition to our seafood capabilities is the jack mackerel with a potential catch of 1,500 million pounds if popular edible forms can be developed.

3. *Motivation of Employees.*—As the work carried out in the retail store, and in the food processing and manufacturing industry becomes more complex and more customer oriented, employee motivation has become a vital subject. Turnover in the stores covered by a Supermarket Institute survey, for example, was 14 per cent per year among cashiers and better than 10 per cent per year among meat cutters. In addition to the cost of retraining personnel where rapid turnover occurs, there are opportunities lost because of failure to motivate employees towards more productive efforts. While these industries feel strongly that employee motivation is a major factor they also feel that no single company can make the necessary investment to provide the research and the pilot studies which are needed to apply to the food industry specifically. At least one company has offered to share the benefits of their experience in trying to create more productive work for their employees and indicate the major productivity gains which they believe possible.

4. *Industry research and development.*—More research and development was cited as an acute need by industry observers in nearly every panel. For retail store operators, processors and fishermen, as for most elements involved in the food industry, the technology needed for substantial improvement would generally be considered minor by the standards of high technology industries. The problem is that there is little incentive for the individual firm to make the investment needed for many research and development opportunities because of the difficulty in capturing the profits from any innovation in an industry where new and more profitable techniques are quickly copied.

5. *Environments.*—The indiscriminate misapplication of environmental controls was frequently cited as a danger to productivity performance. All task force members agreed on the need for standards to assure that no competitive advantage is gained by those who give the least consideration to their social responsibilities. All felt that standards should be chosen only after considering effects on the entire system.

The seafood industry is particularly concerned with environmental controls, since this industry suffers the most from failure to enforce adequate environmental standards. Pollution of marine estuaries, the nurseries of sea life, is considered to be a major threat to the long-term future of the seafood industry.

CONCLUSIONS

Based on the work of the task force as outlined above, the staff has reached the following conclusions:

There is a wide variety of opportunities for productivity improvement in the food industry. But in general, there appear to be few opportunities which lie wholly within one sector of the industry.

Most of the opportunities for dramatic productivity improvement require concerted action among sections of the industry, frequently with one or more different levels of government. Because system-wide productivity improvements generally will be achieved only at a short-term cost to some individual sectors, these improvements will be difficult to obtain even over an extended period of time.

No single step will have a significant impact on productivity, but, taken together, these opportunities offer benefits which number in the billions of dollars, and offer a principal hope to restrain the growth of food prices over the long run.

The existence of these potentially important opportunities for productivity improvement does not result from conscious choice of inefficient practice on the part of any one sector. They result instead from a series of individual decisions made within single sectors to affect those factors which were deemed controllable at the time. Because there is no single entity to analyze the total industry effort of individual decisions or to advocate decisions from that perspective, opportunities for cross-sector coordination have been rarely exploited because governmental regulations and standards at all levels affect all sectors of the food industry, often to the detriment of the consumer, and because coordinated, industry-wide action is required, a government initiative with the industry will be needed to take advantage of the opportunities identified. Although the government's involvement traditionally has been primarily one of control, it could play an important and positive role, catalyzing groups both inside and outside government to begin the arduous job of analyzing in greater detail the opportunities presented here and obtaining those improvements which appear to be most desirable. If the Federal government undertakes this task, a long-term commitment will be required.

Productivity improvements, while important, must not be achieved at the expense of other national goals such as, for example, consumer safety, the environment, and protection of the workforce. The staff feels, however, that advocacy of productivity offers a way to increase quality, as well as to reduce cost.

It should be stressed that any strategy to take action in the areas outlined must consider the need for equity. To the extent that small short-term losses within a sector are required to implement larger, long-term, gains across the entire food industry, each interest group will be willing to sacrifice only to the extent that others do, and each will require that its long-term position improve.

What is needed most is a *forum* to maintain the current level of interest in productivity improvement and a *mechanism* to provide analysis and implementation, based in part on the survey findings, some of which are presented here. The most important work lies ahead, for it is easier to identify opportunities than to take advantage of them. There is within the industry—among agricultural producers, management and labor—a solid foundation of concern upon which further efforts can be based.

Mr. HELMS. Mr. President, I will vote for economic controls for this Nation, but only for one more time. I will vote for the 1-year extension of the Economic Stabilization Act, because this represents a practical step in the right direction. It is a step away from wage and price controls and toward a free market system.

It is obvious that the economic controls have had little lasting effect. They have served as a sober reminder as to how easy it is to lose our economic freedom. We lose that freedom not at the moment when controls are imposed, but long before—at the moment when we begin to disregard the laws of sound economics. When the inflationary spiral begins, our options for action are narrowed. It is not apparent at first, but gradually our choices are narrowed, until finally there are no choices left except hard choices. Unfortunately, politics is too often the art of avoiding hard choices.

Nevertheless, the ultimate hard choices finally come. As the value of our money is taken from us by inflation, there is less and less that we can do about it until the moment arrives when controls—unacceptable in a healthy economy—appear to be the most politically acceptable of our choices. The moral is that our political and economic freedoms go hand in hand.

Controls then solve nothing, but sound the knell of diminishing freedom. We must work toward a situation where we have no controls, and to do that we will have to take the difficult solutions. Inflation still persists today after nearly a year and a half of strict regulation. The international stability of the dollar has eroded to the point where we have had two devaluations within 14 months, and the international money markets, that barometer of confidence, has been giving out readings of no confidence in the present soundness of the dollar.

The real cause of our predicament is not controls or the lack of controls, or the degree of controls. The real cause is that Government continues to spend more than it takes in. Nor has the Federal Government done anything to try to reduce the accumulated national debt. The net interest alone on that debt rose from $13.5 billion in fiscal year 1972 to an estimated $14.6 billion for fiscal year 1973. The deficit expected for 1974 will increase the Federal debt held by the public from $348.8 billion at the end of 1973 to $365.3 billion at the end of 1974. If we include debt held within the Government, the gross national debt is expected to rise from $473.3 billion on June 30, 1973, to $505.5 billion on June 30, 1974. About half of this increase is in debt held by Federal agencies and trust funds, reflecting mainly the investment of trust fund surplus receipts in Treasury debt. This amounts to nothing other than monetizing the debt, and is a prime expression of the inflationary spiral in which we find ourselves.

Nor can we overlook underlying problems in productivity. Economic instability in our system can be traced directly to the Government's policy of reinforcing and protecting nonproductive and economically parasitic units in the economy. Price and wage controls served to mask the normal adjustments which should have taken place to make our economy more efficient, and, in that respect, actually contributed to the inflationary spiral they were supposed to stop. We can try to hide from ourselves declining rates of productivity, but we cannot hide them from the world at large. Our trade deficit with more efficient nations and our balance-of-payments deficiency is increasing, rather than decreasing. Devaluation will never correct this problem.

Congress must recognize and respond to the fundamental economic realities in order to realize a healthy economic environment. These fundamental realities are, in part, that the least governmental interference with wages and prices, supply and demand, is the best governmental policy. The present bill marks a transition back to a free system. It would probably be a mistake to move suddenly from an unnatural system to a free system. Moreover, Congress must take other measures to deal with the root causes of inflation. But the present bill is a necessary step, and I support that step.

Mr. BAYH. Mr. President, I intend to support this measure, but before doing so I want to convey my very strong feeling that I do not feel this bill goes nearly far enough to deal with the critical problem of inflation that confronts us. It is the only measure before us, so I shall support it. I do so with the conviction that it is not adequately going to do the job. I wish we had a much better bill.

Mr. SPARKMAN. Mr. President, I am glad to yield back all the time I have on the bill.

Mr. TOWER. Mr. President, I thought I would use up the remainder of my time to make a little speech to the Senate. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Texas has 39 minutes remaining.

Mr. TOWER. Mr. President, the speech will only be 39 minutes long.

Mr. President, I think that since my distinguished colleague has yielded back the remainder of his time, I will yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having been read the third time, the question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PASTORE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The Senator from New York (Mr. BUCKLEY), the Senator from Illinois (Mr. PERCY), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

If present and voting, the Senator from New York (Mr. BUCKLEY) would vote "nay."

The result was announced—yeas 85, nays 2, as follows:

[No. 56 Leg.]

YEAS—85

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland

Ervin
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf

Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Saxbe
Schweiker
Scott, Pa.
Scott, Va.
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—2

Cook
Hatfield

NOT VOTING—13

Baker
Buckley
Cranston
Fulbright
Goldwater

Hughes
Long
Mansfield
Mondale
Pastore

Percy
Stennis
Symington

So the bill (S. 398) was passed, as follows:

S. 398

An Act to extend and amend the Economic Stabilization Act of 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Stabilization Act Amendments of 1973".

AUTHORITY TO ALLOCATE PETROLEUM PRODUCTS

Sec. 2. (a) The first sentence of section 202 of the Economic Stabilization Act of 1970 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and that in order to maintain and promote competition in the petroleum industry and assure sufficient supplies of petroleum products to meet the essential needs of various sections of the Nation, it is necessary to provide for the rational and equitable distribution of those products."

(b) The first sentence of section 203(a) of such Act is amended—

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof a new clause as follows:

"(3) provide after public hearing, conducted with such notice, under such regulations, and subject to such review as the exigencies of the case may, in his judgment, make appropriate for the establishment of priorities of use and for systematic allocation of supplies of petroleum products including crude oil in order to meet the essential needs of various sections of the Nation and to prevent anticompetitive effects resulting from shortages of such products."

EMPLOYMENT GOAL

Sec. 3. Section 202 of the Economic Stabilization Act of 1970 is amended by inserting "(a)" before "It is hereby determined" and by adding the following new subsection at the end thereof:

"(b) In achieving the objectives set forth in subsection (a), the Congress hereby determines that an unemployment rate of 4 per centum or less for the civilian labor force as defined and measured by the Bureau of Labor Statistics is achievable by April 30, 1974, and is consistent with reasonable price stability. It is the sense of the Congress that the President and Congress should undertake such policies and enact such legislation as may be necessary to achieve a rate of unemployment of 4 per centum or less not later than April 30, 1974."

DEFINITION OF SUBSTANDARD EARNINGS

Sec. 4. Section 203(d) of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new sentence: "The President shall prescribe regulations defining for the purposes of this subsection the term 'substandard earnings', but in no case shall such term be defined to mean earnings less than those resulting from a wage or salary rate which yields $3.50 per hour or less."

CLARIFICATION OF AUTHORITY CONFERRED BY ACT

Sec. 5. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(j) Nothing in this title may be construed to authorize or require the withholding or reservation of any obligational authority provided by law or of any funds appropriated under such authority."

RENT STABILIZATION

Sec. 6. The Economic Stabilization Act of 1970 is amended by adding the following new section:

"§ 203A. Rent stabilization

"(a) As used in this section—

"(1) 'rental vacancy rate' has the same meaning as that adopted and employed by the Bureau of the Census in its Housing Vacancy Survey Reports for 1972 but including only low- and moderately-priced rental units;

"(2) 'low-vacancy State' means any standard metropolitan statistical area, as defined and officially recognized by the Bureau of the Census, having a rental vacancy rate lower than 5.5 per centum among low- and moderately-priced rental units as defined by the Bureau of the Census;

"(3) 'low-vacancy period' with respect to any standard metropolitan statistical area determined by the President or his delegate to have a rental vacancy rate lower than 5.5 per centum among low- and moderately-priced rental units as defined by the Bureau of the Census, the period beginning on the day following publication of such rental vacancy rate in the Federal Register and ending on the next following day of publication in the Federal Register of a rental vacancy rate in that standard metropolitan statistical area of 5.5 per centum or higher among low- and moderately-priced rental units;

"(4) 'rent' means the entire amount charged by the lessor to the lessee as a condition of occupancy and for the use of related facilities, including, but not limited to, charges for parking and the use of recreational facilities;

"(5) 'standard metropolitan statistical area' means any area officially so designated and recognized by the Bureau of the Census.

"(b) The President or his delegate shall make semiannual determinations of the current rental vacancy rate in each standard metropolitan statistical area and shall cause the same to be published in the Federal Register within sixty days after the date of enactment of this section and thereafter on January 1 and July 1 of each year.

"(c) Except as provided in subsection (k), notwithstanding any other provision of law, with respect to any lease of or implied contract for occupancy of a residence (other than luxury residences as defined by regulations) in a low-vacancy area entered into during a low-vacancy period, no person may charge a monthly rent which exceeds the highest monthly rent previously charged for the same residence plus—

"(1) 2.5 per centum thereof with respect to each consecutive twelve-month period beginning at the end of the preceding period of occupancy; and

"(2) the actual amount of any increase in tax, fee, or service charge levied by a State or local government and any necessary capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, and any reasonable increased costs of services and materials.

"(d) In the case of any residence not leased for occupancy at any time during a forty-eight-month period immediately preceding the entering into a lease of or implied contract for occupancy of such residence during a low-vacancy period, the rent charged during the term of occupancy provided in such lease or implied contract shall not exceed the reasonable market rental value of the residence; and the rent charged during subsequent terms of occupancy shall be subject to the provisions of this section.

"(e) In any standard metropolitan statistical area which is a low-vacancy area at the first publication of rental vacancy rates pursuant to subsection (b), any person who, pursuant to a lease or implied contract for occupancy entered into after January 11, 1973, charged and received from a lessee a rent in excess of the maximum amount which would be permitted during a low-vacancy period shall refund to the lessee the entire aggregate amount received which constitutes such an excess, or, in the alternative, shall credit such amount on a prorated basis against the lessee's future rent payments over a period not to exceed twelve months or the duration of the lease, which is shorter: *Provided*, That no provision of this subsection shall constitution authority for the rescission or modification of any lease or implied contract for occupancy except as to modification of the amount of rent to be charged pursuant thereto.

"(f) The provisions of this section shall apply to all residential rental units except single-family dwelling units.

"(g) Nothing in this section shall be construed to invalidate the provisions of any State or local rent control laws or regulations which have been approved by the President or his delegate.

"(h) In cases where operation of this section would cause serious financial hardship to a lessor, exceptions therefrom may be granted by the President or his delegate upon application of any person claiming such hardship. Any interested or affected person shall be entitled to submit relevant evidence to the President or his delegate in connection with an application made by any other person pursuant to this section. Exception granted pursuant to this section may be made subject to such limitations as the President or his delegate may prescribe in each case.

"(i) No lessor shall take retaliatory action against any lessee who exercises any rights conferred upon him by this section or regulations issued pursuant thereto.

"(j) It shall be unlawful for any lessor to reduce services customarily heretofore provided by him to lessees, in consequence of the provisions of this section.

"(k)(1) During the first six months after the President or his delegate first determines that a standard metropolitan statistical area has a rental vacancy lower than 5.5 per centum, the President or his delegate shall hold public hearings in the manner prescribed in section 207(c) with respect to the rental situation in such area. Such hearings shall, among other relevant matters, seek to elicit facts showing (A) the causes of the low-vacancy rate in the area, (B) the effects of such rate on rents charged in the area, (C) the extent to which rent increases in the area reasonably attributable to such rate are causing tenant hardship, and (D) the effects of such increases on the economic well-being of the area and of the Nation. Findings of fact developed at any such hearings shall be published at the conclusion thereof in the Federal Register.

"(2) Notwithstanding any other provision of this section, the prohibitions provided in this section shall not be applicable in any standard metropolitan statistical area with respect to which the President or his delegate determines, on the basis of facts developed at hearings during the six-month period as provided in paragraph (1) of this subsection, conducted pursuant to this subsection, that such prohibitions are not required in order to carry out the purposes of this title. Any such determination shall be published in the Federal Register within ten days after the conclusion of the hearings upon which the determination is based."

PUBLIC DISCLOSURE

Sec. 7. Section 205 of the Economic Stabilization Act of 1970 is amended—

(1) by striking "All" and inserting in lieu thereof "(a) Except as provided in subsection (b), all"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Any business enterprise subject to the reporting requirements under section 130.21(b) of the regulations of the Cost of Living Council in effect on January 11, 1973, shall make public any report (except for matter excluded in accordance with paragraph (2)) so required which covers a period during which that business enterprise charges a price for a substantial product which exceeds by more than 1.5 per centum the price lawfully in effect for such product on January 10, 1973, or on the date twelve months preceding the end of such period, whichever is later. As used in this subsection, the term 'substantial product' means any single product or service which accounted for 5 per centum or more of the gross sales or revenues of a business enterprise in its most recent full fiscal year.

"(2) A business enterprise may exclude from any report made public pursuant to paragraph 1 any information or data reported to the Cost of Living Council, proprietary in nature, which concerns or relates to the amount or sources of its income, profits, losses, costs, or expenditures but may not exclude from such report, data, or information, so reported, which concerns or relates to its prices for goods and services.

"(3) Immediately upon enactment of this subsection, the President or his delegate shall issue regulations defining for the purpose of this subsection what information or data are proprietary in nature and therefore excludable under paragraph (2), except that such regulations may not define as excludable any information or data which cannot currently be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a substantial product as defined in paragraph (1)."

FOOD PRICES

Sec. 8. Section 216 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following:

"(c) The President shall transmit quarterly reports to the Congress not later than thirty days after the close of each quarter describing the rate of change in food prices by category of food, the reasons for any such change, and the actions he has taken or recommends to the Congress to be taken to stabilize food prices."

HEALTH INSURANCE PRICES

Sec. 9. Section 216 of the Economic Stabilization Act of 1970 is amended by inserting after subsection (c) (added by section 8 of this Act) a new subsection as follows:

"(d) For so long as the President maintains controls upon wages and prices in the health services field of either a mandatory or voluntary nature, the President shall transmit quarterly reports to the Congress not later than thirty days after the close of each quarter describing the rate of change in health insurance prices, the reasons for any such change (including an analysis of price changes for hospital and physician services, of changes in benefit packages, and of changes in health insurance administrative costs), the extent to which the change is commensurate with rates of increase permitted for physician and hospital services under regulations implementing this title, and the actions he has taken or recommends to the Congress to be taken to stabilize insurance prices."

EXTENSION OF ACT

Sec. 10. Section 218 of the Economic Stabilization Act of 1970 is amended by striking out "April 30, 1973" and "May 1, 1973" and inserting in lieu thereof "April 30, 1974" and "May 1, 1974", respectively.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 398.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

The following additional routine business was transacted:

INTRODUCTION OF A JOINT RESOLUTION

The following joint resolution was introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HARRY F. BYRD, JR.:

S.J. Res. 82. Joint resolution that the President create a commission for the purpose of seeking means of modernizing and reorganizing our present Federal welfare programs. Referred to the Committee on Finance.

STATEMENT ON INTRODUCED JOINT RESOLUTION

By Mr. HARRY F. BYRD, Jr.:

S.J. Res. 82. Joint resolution that the President create a commission for the purpose of seeking means of modernizing and reorganizing our present Federal welfare programs. Referred to the Committee on Finance.

INTRODUCTION OF SENATE JOINT RESOLUTION TO CREATE A NATIONAL WELFARE COMMISSION

Mr. HARRY F. BYRD, JR. Mr. President, I am today introducing a joint resolution to create a broad-based, national commission to study the welfare system of the United States and to make appropriate recommendations for modernizing it in an equitable way.

Our present welfare system needs major changes. It was enacted as a stopgap in the 1930's and is unsuited to the needs of the country today. Genuine welfare reform is essential.

But I believe that before making a major change in welfare, we had better look before we leap. We need to be sure that if we scrap the present system—and we should—we are going to get something better.

Twice before, in 1970 and 1971, I introduced resolutions identical to the one I am presenting to the Senate today. I think this proposal is even more timely now than it was on the other two occasions.

At the time of introduction of the resolutions of 1970 and 1971, Congress had under consideration the so-called family assistance plan, the proposal of the Nixon administration for revision of our welfare laws.

I was not convinced of the merits of the family assistance plan, which represented not welfare reform but welfare expansion, but it occupied the attention of the Congress at the time.

Today the welfare expansion plans of the administration have been abandoned. In a message to the Congress on March 1, President Nixon formally announced that he will not renew his request for enactment of the family assistance plan.

The Senate Finance Committee twice, in 1970 and 1972, refused to approve the welfare expansion plan of the administration. The Senate of the United States last year refused to approve it despite the fact that it was approved twice in the House of Representatives.

The President's message made clear that he has discarded this program. I commend him for discarding it.

That proposal, worked up for him by the Department of Health, Education, and Welfare, was not welfare reform at all. It was lacking in work incentives. It would have added greatly to the cost of welfare. It would have written into the law the principle of a guaranteed income. And worst of all, it would have doubled the number of people on welfare.

I think that most of us agree that what we need to do is to create job opportunities. The administration's proposal did not do this.

The administration has discarded its own program and has not brought in a new one. Not having brought in a new program, the President in his message stated—

> I have directed that vigorous steps be taken to strengthen the management of the AFDC through administrative measures and legislative proposals.

The AFDC is the aid to families of dependent children section of welfare.

We do not know at this point what the legislative proposals are. But the President says that he will take steps to strengthen the management through administrative measures.

That is what needs to be done. That is what should have been done last year and the year before that and the year before that. There should be a tightening up of the administrative process. As evidence of that, I cite the President's message. Here is what the President had to say:

> The administration of this program is unacceptably loose.

I made that point time after time to former Secretary of Health, Education, and Welfare Richardson, when he came before the Finance Committee—that the administration of this program is unacceptably loose.

The President went on to say:

> The latest national data indicate that in round numbers one of every 20 persons on the AFDC rolls is totally ineligible for welfare; three more out of 20 are paid more benefits than they are entitled to; and another one in 20 are underpaid.

About one-fourth of the AFDC recipients, in other words, are receiving improper payments.

The fact that the President proclaims this indicates a change of attitude on the part of the administration—and is wholesome.

The President also brought out in his statement:

> Misguided incentives have discouraged employable persons from work and have induced fathers to leave homes so that their families can qualify for welfare.

This welfare mess does need to be cleaned up. The President has taken steps, he said in his message, to do just that.

This will require firmness. I hope that there will be firmness on the part of the executive branch in straightening out the lax administration of our welfare programs.

I approve of the plan for improving welfare administration. But I think we must face the fact that sooner or later—and I believe it should be sooner—we need to make some fundamental reforms in the welfare system itself.

It seems clear to me that the labors of the Government to produce an equitable new system—one that focuses on job opportunities, provides adequate work incentives, and reduces rather than expands the welfare rolls—have been ineffectual.

The best efforts of the administration from 1969 through 1972 produced only variations of the family assistance plan, which was unacceptable because it was not genuine reform.

Now, I believe it is time to summon to the solution of this great problem some of the best minds in the Nation outside the Government. The commission which my resolution would create would bring six eminent private citizens to serve with representatives from the administration and the Congress.

I believe a broad-based commission of this kind can bring fresh thinking from outside the Government to the welfare problem, at the same time taking advantage of the necessary administrative and legislative expertise of the Government representatives. I look especially to the public members for innovative suggestions.

Of course, we cannot be sure that the commission can come up with the solutions we need. But I do not believe that we can afford to stay on dead center in welfare.

We need to act now to formulate new plans in welfare—plans that will represent genuine reform. I believe that the resolution which I am introducing today presents an opportunity for constructive action.

Mr. President, I ask that my resolution be appropriately referred, and that the text of the resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 82

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President create a commission for the purpose of seeking means of modernizing and reorganizing our present Federal welfare programs.

SEC. 2. (a) The Commission on Welfare (hereinafter referred to as the "Commission") shall be composed of—

1. The Secretary of Health, Education, and Welfare.

2. Four Members of the Senate, no more than two of whom shall be members of the same political party, and who shall be appointed by the President of the Senate.

3. Four Members of the House of Representatives, no more than two of whom shall be members of the same political party, and

who shall be appointed by the Speaker of the House of Representatives.

4. Not to exceed six public members appointed by the President.

(b) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Commission.

(c) The majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 3. (a) Members of the Commission who are officers or full-time employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) Members of the Commission who are not officers or full-time employees of the United States shall each receive $100 per diem when engaged in the actual performance of duties vested in the Commission.

(c) All Members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

DUTIES OF THE COMMISSION

SEC. 4. The Commission shall conduct a detailed inquiry into the Federal welfare program which shall include the following:

1. The interrelationship of the various existing Federal welfare programs.

2. The feasibility of comprehensive welfare legislation to insure the various executive departments are not working at cross purposes.

3. The effect of State supplemental payments and other State welfare benefits.

STAFF OF THE COMMISSION

SEC. 5. (a) The Commission shall appoint an Executive Director and such other personnel as the Commission deems necessary without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and shall fix the compensation of such personnel without regard to the provisions of chapter 51 and subtitle II of chapter 53 of such title relating to classification and General Schedule pay rates: *Provided*, That no personnel so appointed shall receive compensation in excess of the rate authorized for GS-18 by section 5332 of such title.

(b) The Executive Director, with the approval of the Commission, is authorized to obtain services in accordance with the provisions of section 3109 of title 5 of the United States Code, but at rates for individuals not to exceed the per diem equivalent of the rate authorized for GS-18 by section 5332 of such title.

(c) The Commission is authorized to enter into contracts with public agencies, private firms, institutions, and individuals for the conduct of research and surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

GOVERNMENT AGENCY COOPERATION

SEC. 6. The Commission is authorized to request from any Federal department or agency any information and assistance it deems necessary to carry out its functions; and each such department or agency is authorized to cooperate with the Commission and, to the extent permitted by law, to furnish such information and assistance to the Commission upon request made by the Chairman or any other member when acting as Chairman.

ADMINISTRATIVE SERVICES

SEC. 7. The General Services Administration shall provide administrative services for the Commission on a reimbursable basis.

REPORTS OF COMMISSION: TERMINATION

SEC. 8. The Commission shall submit its final report one year after the enactment of this Act. The Commission shall cease to exist sixty days after the date of the submission of its final report.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this Act.

AMENDMENT OF PAR VALUE MODIFICATION ACT—AMENDMENTS

AMENDMENT NO. 51

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted amendments, intended to be proposed by him to the amendment (No. 20) intended to be proposed by Mr. PROXMIRE (for himself, Mr. HOLLINGS, Mr. STEVENSON, Mr. HARRY F. BYRD, JR., Mr. ERVIN, and Mr. ALLEN) to the bill (S. 929) to amend the Par Value Modification Act.

ANNOUNCEMENT ON HEARINGS ON ELECTION REFORM BILLS

Mr. PELL. Mr. President, I wish to announce that public hearings will be held by the Subcommittee on Privileges and Elections of the Committee on Rules and Administration on a number of Federal election reform bills.

The hearings are scheduled for Wednesday, April 11 and Thursday, April 12, with the understanding that if the Commerce Committee has not by that date reported on S. 372—to establish overall limitations on campaign expenditures—then there will be an opportunity to consider its recommendations during subsequent hearings. The hearings will be held in room 301 of the Russell Office Building beginning at 10 a.m. each day.

ORDER FOR ADJOURNMENT UNTIL THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 o'clock meridian on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS BEALL, DOMINICK, GRIFFIN, AND ROBERT C. BYRD ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, immediately after the two leaders or their designees have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes, in the order stated:

Mr. BEALL, Mr. DOMINICK, Mr. GRIFFIN, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the aforementioned Senators on Thursday, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESTORATION OF THE RURAL WATER AND SEWER GRANT PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Thursday, the Chair lay before the Senate Calendar Order No. 81, H.R. 3298, an act to restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GOLD PRODUCTION BILL

Mr. SPARKMAN. Mr. President, may I ask the acting majority leader when the leadership expects the Gold Revaluation bill to be called up? Our committee reported it sometime ago, and it was referred to the Committee on Foreign Relations. I am told that the Foreign Relations Committee will report it tomorrow. I assume that the bill on the water and sewer provisions should not take much time.

Mr. ROBERT C. BYRD. I do not think it will. I think the Senate can dispose of that measure on Thursday, after possibly 2 or 3 hours.

Mr. SPARKMAN. I wonder if we could take up the gold bill then? I do not see that it should require a very long time.

Mr. ROBERT C. BYRD. It may be possible. The majority leader will be back before Thursday, and I would like to just say it may be possible. I cannot be sure.

Mr. SPARKMAN. Of course, when we thought it was going to be reported out of the Committee on Foreign Relations on Tuesday of this week, the majority leader said we could take it up immediately following the bill just passed.

In the beginning, it was indicated that it was urgent that we act on it as soon as we could. I do not know just how urgent it is now. The people who are working on it seem to be working out pretty good arrangements over in Europe, and I hope that continues to hold true. However, I understand that is based in part on the fact that we are moving on the revaluing of gold.

Mr. ROBERT C. BYRD. Mr. President, I am sure that the leadership will keep in mind what the distinguished Senator from Alabama has just said. I cannot predict beyond what I have indicated, at the moment.

Mr. SPARKMAN. I understand. I thank the Senator.

SENATE CONCURRENT RESOLUTION 16—TO AUTHORIZE CERTAIN CORRECTIONS IN THE ENROLLMENT OF S. 7

Mr. RANDOLPH. Mr. President, for himself and the Senator from California (Mr. Cranston), I send to the desk a concurrent resolution to make certain technical changes in the enrollment of S. 7, the Vocational Rehabilitation Act of 1972, and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (S. 7) to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes, the Secretary of the Senate is hereby authorized and directed, in the enrollment of the said bill, to make the following corrections; namely, in the table of contents in section 1 strike out "Sec. 308. Rehabilitation Centers for Spinal Cord Injuries" and insert in lieu thereof "Sec. 308. National Centers for Spinal Cord Injuries"; in section 305(a)(2), insert "such" before "subsection" the second time it appears; in section 500(b), strike out "VI" the second time it appears and insert in lieu thereof "VII"; in section 602, strike out "the" the first time it appears; and in section 702(d), strike out "not" and insert "not" after "but".

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. RANDOLPH. Mr. President, the Vocational Rehabilitation Act has been adopted, as we know, in both the Senate and the House of Representatives. Legislative counsel has determined that there are a few technical errors in the enrolled bill, and this resolution proposes to correct those errors. The resolution has been cleared with both the majority and the minority leadership, and its consideration at this time has been agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. 16) was agreed to.

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON THURSDAY

Mr. HARRY F. BYRD, JR. Mr. President, may I ask the distinguished acting majority leader if he will add the name of the Senator from Virginia to the orders for 15 minutes on Thursday?

Mr. ROBERT C. BYRD. Mr. President, I make that request. I ask unanimous consent that the distinguished Senator from Virginia (Mr. Harry F. Byrd, Jr.) be recognized immediately prior to the recognition of the junior Senator from West Virginia on Thursday, for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I thank my distinguished colleague.

GOLD REVALUATION

Mr. HARRY F. BYRD, JR. Mr. President, I noticed in the colloquy between the Senator from Alabama and the Senator from West Virginia that reference was made to the gold revaluation legislation which probably will be reported to the Senate on Thursday.

I would like to state for the Record that I would hope no unanimous-consent agreements will be entered into without the Senator from Virginia having an opportunity to discuss such a unanimous-consent agreement, particularly as it relates to germane amendments. The Senator from Virginia may have one or more amendments to that bill which he will feel are germane, but the Chair may not feel that way; so, before making any unanimous-consent arrangement, I would appreciate being notified.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield——

Mr. HARRY F. BYRD, JR. I am glad to yield.

Mr. ROBERT C. BYRD. The distinguished Senator may be assured that if there is any attempt to promulgate a unanimous-consent agreement, it will first have been cleared with him, now that he has put the leadership on notice.

Mr. HARRY F. BYRD, JR. I thank my distinguished friend.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL NOON ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports during the adjournment of the Senate until 12 o'clock meridian on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SECRETARY OF SENATE TO RECEIVE MESSAGES FROM HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE UNITED STATES DURING THE ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate may be authorized to receive messages from the House of Representatives and from the President of the United States, and that they may be appropriately referred during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR VICE PRESIDENT, PRESIDENT PRO TEMPORE, OR ACTING PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment over until Thursday the Vice President, the President pro tempore, or the Acting President pro tempore may be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Thursday is as follows:

The Senate will convene at 12 o'clock meridian.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. Beall, Mr. Dominick, Mr. Griffin, Mr. Harry F. Byrd, Jr., and Mr. Robert C. Byrd.

There will then be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes each.

At the conclusion of the morning business, the Chair will lay before the Senate Calendar Order No. 81, H.R. 3298, to restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act.

Yea-and-nay votes are expected thereon.

ADJOURNMENT UNTIL THURSDAY, MARCH 22, 1973

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock meridian on Thursday next.

The motion was agreed to; and at 9:13 p.m. the Senate adjourned until Thursday, March 22, 1973, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20, 1973:

Internal Revenue Service

Donald C. Alexander, of Ohio, to be Commissioner of Internal Revenue, vice Johnnie M. Walters, resigned.

Law Enforcement Assistance

Donald E. Santarelli, of Virginia, to be Administrator of Law Enforcement Assistance, vice Jerris Leonard, resigned.

In The Air Force

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of Chapters 35 and 837, Title 10, United States Code:

To be major general

Brig. Gen. William H. Bauer, xxx-xx-xxxx FV, Air Force Reserve.

Brig. Gen. Stuart G. Haynsworth, xxx-xx-xx... [redacted]FV, Air Force Reserve.

Brig. Gen. Howard T. Markey, xxx-xx-xxxx FV, Air Force Reserve.

Brig. Gen. Alfred J. Wood, Jr., xxx-xx-xxxx FV, Air Force Reserve.

To be brigadier general

Col. William C. Banton II, xxx-xx-xxxx FV, Air Force Reserve.

Col. Francis N. Clemens, xxx-xx-xxxx FV, Air Force Reserve.

Col. Michael Collins, xxx-xx-xxxx FV, Air Force Reserve.

Col. Bruce H. Cooke, xxx-xx-xxxx FV, Air Force Reserve.

Col. Roger M. Dreyer, xxx-xx-xxxx FV, Air Force Reserve.

Col. John W. Huston, xxx-xx-xxxx FV, Air Force Reserve.

Col. Cecil T. Jenkins, xxx-xx-xxxx FV, Air Force Reserve.

Col. Stephen T. Keefe, Jr. xxx-xx-xxxx FV, Air Force Reserve.

Col. Leonard Marks, Jr., xxx-xx-xxxx FV, Air Force Reserve.

Col. Roy M. Marshall, xxx-xx-xxxx FV, Air Force Reserve.

Col. Robert M. Martin, Jr., xxx-xx-xxxx FV, Air Force Reserve.

Col. Sidney S. Novaresi, xxx-xx-xxxx FV, Air Force Reserve.

Col. Pat Sheehan, xxx-xx-xxxx FV, Air Force Reserve.

Col. Ted W. Sorensen, xxx-xx-xxxx FV, Air Force Reserve.

Col. Edwin F. Wenglar, xxx-xx-xxxx FV, Air Force Reserve.

IN THE NAVY

Vice Adm. John M. Lee, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Aichang, Kenneth W., xxx-xx-xxxx.
Be Vier, William A., xxx-xx-xxxx.
Bergen, Wilbur H., xxx-xx-xxxx.
Biteman, Berne W., xxx-xx-xxxx.
Bloodgood, Donald A., xxx-xx-xxxx.
Cawthorn, James F., xxx-xx-xxxx.
Cole, Ralph N., xxx-xx-xxxx.
Conover, Roger F., xxx-xx-xxxx.
Conrad, George W., xxx-xx-xxxx.
Curtis, William W., xxx-xx-xxxx.
English, Edward J., xxx-xx-xxxx.
Daly, William J., xxx-xx-xxxx.
Davis, Eugene W., xxx-xx-xxxx.
Erffmeyer, Robert M., xxx-xx-xxxx.
Fore, Fredis C., xxx-xx-xxxx.
Frankel, Herman, xxx-xx-xxxx.
Gacesa, Paul, xxx-xx-xxxx.
Gardner, Robert C., xxx-xx-xxxx.
Hanshew, Willard E., xxx-xx-xxxx.
Hoberg, John C., xxx-xx-xxxx.
Houghton, C. H., xxx-xx-xxxx.
Ianno, John P., xxx-xx-xxxx.
Lee, Harry J., xxx-xx-xxxx.
Leithiser, R. E., xxx-xx-xxxx.
Martin, Lewis A., Jr., xxx-xx-xxxx.
McDonald, Harold F., xxx-xx-xxxx.
Mendonca, Albert L., xxx-xx-xxxx.
Morris, Robert D., Jr., xxx-xx-xxxx.
Nally, Thomas P., xxx-xx-xxxx.
O'Connor, Robert J., xxx-xx-xxxx.
Pearson, Donald A., xxx-xx-xxxx.
Pfeiffer, Richard M., xxx-xx-xxxx.
Propp, Allen Jay, xxx-xx-xxxx.
Reynolds, Garnet R., xxx-xx-xxxx.
Rutter, Leland B., xxx-xx-xxxx.
Samuel, Aaron, xxx-xx-xxxx.
Smith, Jay C., xxx-xx-xxxx.
Storms, Luther L., xxx-xx-xxxx.
Tindall, Robert F., xxx-xx-xxxx.
Wingate, Waldo F., xxx-xx-xxxx.
Wonderland, H. H., xxx-xx-xxxx.
Wright, Edward C., xxx-xx-xxxx.

CHAPLAIN

To be colonel

Haywood, Earl D., xxx-xx-xxxx.
Hinkel, John S., xxx-xx-xxxx.
McConville, P. G., xxx-xx-xxxx.

DENTAL CORPS

To be colonel

Soll, Vincent F., xxx-xx-xxxx.

MEDICAL CORPS

To be colonel

Cillo, Joseph P., xxx-xx-xxxx.
Davis, Harry R., xxx-xx-xxxx.
Fulsher, Remy W., xxx-xx-xxxx.
Klein, Arthur, xxx-xx-xxxx.
Rees, William J., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be colonel

Bennett, W. A., xxx-xx-xxxx.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Ackerman, Carl W., xxx-xx-xxxx.
Adams, Adran D., xxx-xx-xxxx.
Adams, Charles R., xxx-xx-xxxx.
Adams, Edmund I., xxx-xx-xxxx.
Adams, Harold R., xxx-xx-xxxx.
Adams, Maseo A., xxx-xx-xxxx.
Ahlen, Jack L., xxx-xx-xxxx.
Ahwajee, Edward, xxx-xx-xxxx.
Albares, Edward A., xxx-xx-xxxx.
Albrecht, Victor C., xxx-xx-xxxx.
Aldridge, Harold L., xxx-xx-xxxx.
Alexander, G. P., xxx-xx-xxxx.
Alexander, W. R., Jr., xxx-xx-xxxx.
Allen, Edward R., xxx-xx-xxxx.
Allen, Lee W., xxx-xx-xxxx.
Aloe, William B., xxx-xx-xxxx.
Alvarez, Joe R., xxx-xx-xxxx.
Anderson, Robert R., xxx-xx-xxxx.
Appel, Darvin R., xxx-xx-xxxx.
Arnold, Norman T., xxx-xx-xxxx.
Arntz, Benjamin L., xxx-xx-xxxx.
Atienza, Fortunato, xxx-xx-xxxx.
Atkinson, Dean M., xxx-xx-xxxx.
Atkinson, John C., xxx-xx-xxxx.
Babb, Philip E., xxx-xx-xxxx.
Baer, John G., xxx-xx-xxxx.
Bailey, Douglas A., xxx-xx-xxxx.
Bailey, Robert A., xxx-xx-xxxx.
Baker, Robert J., xxx-xx-xxxx.
Balch, Bruce L., xxx-xx-xxxx.
Barham, Robert T., xxx-xx-xxxx.
Barjian, Harold, xxx-xx-xxxx.
Barker, Joseph H., xxx-xx-xxxx.
Barnett, Walter L., xxx-xx-xxxx.
Barrett, Ellwood, xxx-xx-xxxx.
Barry, Dennis P., xxx-xx-xxxx.
Barry, Earl C., Jr., xxx-xx-xxxx.
Barton, Thomas B., xxx-xx-xxxx.
Bass, Harry I., xxx-xx-xxxx.
Baxter, Harry Y., xxx-xx-xxxx.
Bean, Joseph N., xxx-xx-xxxx.
Beariault, Douglas, xxx-xx-xxxx.
Beaulieu, Gerard J., xxx-xx-xxxx.
Beckett, Eugene F., xxx-xx-xxxx.
Beckwith, W. S., Jr., xxx-xx-xxxx.
Beggs, Carol E., xxx-xx-xxxx.
Bell, Richard, xxx-xx-xxxx.
Bell, Theodore T., xxx-xx-xxxx.
Bennett, James F., xxx-xx-xxxx.
Bennett, Wallace R., xxx-xx-xxxx.
Berg, Wilbert L., xxx-xx-xxxx.
Bertsch, Leroy L., xxx-xx-xxxx.
Bezek, Frank, xxx-xx-xxxx.
Biggs, Joel T., xxx-xx-xxxx.
Bigien, Charles, xxx-xx-xxxx.
Bill, Edgar W., xxx-xx-xxxx.
Biller, Lester C., xxx-xx-xxxx.
Bishop, Donald G., xxx-xx-xxxx.
Blackmore, Harold J., xxx-xx-xxxx.
Blalock, Alfred J., xxx-xx-xxxx.
Blazel, Carl L., xxx-xx-xxxx.
Blevins, Robert L., xxx-xx-xxxx.
Boals, Bruce R., xxx-xx-xxxx.
Bockelman, A., Jr., xxx-xx-xxxx.
Boddington, David L., xxx-xx-xxxx.
Boden, Richard N., xxx-xx-xxxx.
Boespflug, James F., xxx-xx-xxxx.
Bohn, Donald R., xxx-xx-xxxx.
Bolz, Eric H., Jr., xxx-xx-xxxx.
Bonneville, Bruce V., xxx-xx-xxxx.
Borchert, Arnold A., xxx-xx-xxxx.
Bostick, Allen L., xxx-xx-xxxx.
Bostwick, Wilbur L., xxx-xx-xxxx.
Bottani, Aldo A., Jr., xxx-xx-xxxx.
Bourne, Alan W., xxx-xx-xxxx.
Bowen, Dell R., xxx-xx-xxxx.
Bowman, Harrison F., xxx-xx-xxxx.
Bowman, Jan, xxx-xx-xxxx.
Boyd, Frank E., xxx-xx-xxxx.
Bradford, Moffatt D., xxx-xx-xxxx.
Bradford, Thomas H., xxx-xx-xxxx.
Brailsford, A. H., xxx-xx-xxxx.
Branstetter, C. C., xxx-xx-xxxx.
Brauner, C. J., Jr., xxx-xx-xxxx.
Briggs, Donald J., xxx-xx-xxxx.
Briscoe, Thomas H., xxx-xx-xxxx.
Brock, Oscar J., Jr., xxx-xx-xxxx.
Brown, George L., Jr., xxx-xx-xxxx.
Brown, Harold S., xxx-xx-xxxx.
Brown, William R., xxx-xx-xxxx.
Brunett, Robert J., xxx-xx-xxxx.
Brusacoram, Henry P., xxx-xx-xxxx.
Bryson, Woodrow, xxx-xx-xxxx.
Buell, Donald E., xxx-xx-xxxx.
Buskey, Ulysses, xxx-xx-xxxx.
Buss, Donald J., xxx-xx-xxxx.
Byrne, Daniel W., xxx-xx-xxxx.
Cannon, Philip B., xxx-xx-xxxx.
Cappelluti, Maurice, xxx-xx-xxxx.
Carter, John P., xxx-xx-xxxx.
Carville, L. L., xxx-xx-xxxx.
Cassidy, John J., xxx-xx-xxxx.
Castille, Harold J., xxx-xx-xxxx.
Ceder, Robert W., xxx-xx-xxxx.
Chadwick, John E., xxx-xx-xxxx.
Charles, Russell D., xxx-xx-xxxx.
Chesnut, Robert L., xxx-xx-xxxx.
Chick, Charles E., xxx-xx-xxxx.
Chopay, Edward F., xxx-xx-xxxx.
Christiansen, William N., xxx-xx-xxxx.
Chung, Donald H., xxx-xx-xxxx.
Churchman, John P., xxx-xx-xxxx.
Clark, Chapin D., xxx-xx-xxxx.
Clark, James R., xxx-xx-xxxx.
Clark, John P., xxx-xx-xxxx.
Clark, Robert L., xxx-xx-xxxx.
Cleary, Francis J. J., xxx-xx-xxxx.
Cleland, Charles H., xxx-xx-xxxx.
Cline, Donald L., xxx-xx-xxxx.
Cockrell, Paul J., xxx-xx-xxxx.
Coffey, Ronald E., xxx-xx-xxxx.
Collins, James R., xxx-xx-xxxx.
Collins, Thomas A., xxx-xx-xxxx.
Collins, William T., xxx-xx-xxxx.
Comparato, Frank E., xxx-xx-xxxx.
Conlon, Kenneth F., xxx-xx-xxxx.
Cooner, Samuel W., xxx-xx-xxxx.
Cope, Ross N., xxx-xx-xxxx.
Corbell, Charles D., xxx-xx-xxxx.
Costa, David W., xxx-xx-xxxx.
Costa, Louis E., xxx-xx-xxxx.
Costello, John F., xxx-xx-xxxx.
Coutras, Angelo A., xxx-xx-xxxx.
Coviello, Vincent J., xxx-xx-xxxx.
Cox, Richard L., xxx-xx-xxxx.
Craig, Leon D., xxx-xx-xxxx.
Craig, Ronald E., xxx-xx-xxxx.
Craker, Philip E., xxx-xx-xxxx.
Cramer, John J., xxx-xx-xxxx.
Crenshaw, Norris L., xxx-xx-xxxx.
Crockett, Wendell R., xxx-xx-xxxx.
Cruse, Billie B., xxx-xx-xxxx.
Cruz-Santiago, V., xxx-xx-xxxx.
Cumbee, C. F., Jr., xxx-xx-xxxx.

Currie, James D., [redacted].
Daigle, Joseph A. E., [redacted].
Dame, John H., [redacted].
Damore, Guy F., [redacted].
Damron, John, Jr., [redacted].
Danley, Edgar E., [redacted].
Darby, Harry C., [redacted].
Darden, Louis H., Jr., [redacted].
Davidson, L. D., [redacted].
Davis, Berwyn G., [redacted].
Davis, James T., [redacted].
Davis Robert J., Jr. [redacted].
Davis, Russell J., [redacted].
Davis, Willie J., [redacted].
Day, John E., Jr., [redacted].
Decicco, Ronald A., [redacted].
Dehle, Richard A., [redacted].
Dekich, Sherlie E., [redacted].
Delaluz, Osvaldo, [redacted].
Delavega, Fernando, [redacted].
Demling, Frank C. [redacted].
Deseife, R. J. A., [redacted].
Deyot, Elmer J., [redacted].
Dietz, James J., [redacted].
Dingus, James L., [redacted].
Disler, Herman M., [redacted].
Diss, William T., Jr., [redacted].
Dixon, Julius C., [redacted].
Dodd, Warren E., [redacted].
Dodds, Neal E., [redacted].
Donnelly, Raymond J., [redacted].
Donnelly, William L., [redacted].
Dornellas, George A., [redacted].
Dortch, Wrayphord O., [redacted].
Doser, Andrew J., [redacted].
Doster, Marvin B., [redacted].
Downey, John H., Jr. [redacted].
Drew, David J., [redacted].
Drummond, William D., [redacted].
Dubois, Louis J., [redacted].
Duff, Casper B., Jr., [redacted].
Dufief, James S., [redacted].
Dunaway, John B., [redacted].
Duncan, Edwin L., [redacted].
Dunham Theo K., [redacted].
Dunning, Leonard F., [redacted].
Dunnuck, Noble C., [redacted].
Dvoracek, Marvin J., [redacted].
Dworkin, Herman, [redacted].
Eanes, Moir E., [redacted].
Ebdon, John H., [redacted].
Edgington, Walter R., [redacted].
Edwards, Donald L., [redacted].
Edwards, Thomas M. [redacted].
Ehrecke, Kenneth L., [redacted].
Elliott, Richard L., [redacted].
Ellison, Carl M., [redacted].
Ellison, James G., Jr., [redacted].
Elrod, Robert F., [redacted].
Elzworth, Gora E., [redacted].
Engel, Milton O., [redacted].
Engel, W. F., [redacted].
Ennis, William F., [redacted].
Erickson, William F., [redacted].
Eriksen, Stanley R., [redacted].
Espiet-Gonzales, J., [redacted].
Eversole, John W., [redacted].
Eyer, Paul E., [redacted].
Fader, Wesley R., [redacted].
Fansler, Robert E., [redacted].
Farley, Norman H., [redacted].
Farris, Michael R., [redacted].
Faust, Donald J., [redacted].
Ferguson, William O., [redacted].
Finck, John A., Jr., [redacted].
Finley, James E., [redacted].
Fisher, Leslie G., [redacted].
Fleishman, Stuart J. [redacted].
Floyd, Stewart F., [redacted].
Ford, Patrick L., [redacted].
Forrest, Robert A., [redacted].
Foster, Paul D., Jr., [redacted].
Fournier, Francis J. [redacted].
Fowler, William A., [redacted].
Franklin, Roosevelt, [redacted].
Freuler, Robert J., [redacted].
Friesner, Theodore, [redacted].
Fruithandler, C., [redacted].
Fukushima, Takeshi, [redacted].
Gaffigan, William J., [redacted].
Gallear, Darrell C., [redacted].
Gallo, Angelo A., [redacted].
Gambino, Robert W., [redacted].
Garber, Lewis C., [redacted].
Garber, Philip C., [redacted].
Gaskins, Leonard L., [redacted].
Gassner, Herman S., [redacted].
Gates, Arthur F., [redacted].
Gaunce, Royland R., [redacted].
Gautier, Augusto R., [redacted].
Gay, Eulette A., [redacted].
Gay, John R., Jr., [redacted].
Gehrke, James M., [redacted].
Gemmell, Thomas M., [redacted].
Getz, Lowell L., [redacted].
Giarrizzo, Charles, [redacted].
Gibson, James L., [redacted].
Gibson, Robert P., [redacted].
Gill, David M. [redacted].
Gillaspy, Henry G., [redacted].
Gillett, Jack C., [redacted].
Gillis, Richard E., [redacted].
Goitia-Rodriguez, J., [redacted].
Goldenberg, Arthur, [redacted].
Gong, Chung C., [redacted].
Goodman, Frank B., [redacted].
Gordon, Charles E., [redacted].
Gordon, Lawrence, [redacted].
Goyins, Gale P., [redacted].
Graci, Benjamin T., [redacted].
Grandel, Robert J., [redacted].
Grass, Lucian J., [redacted].
Green, Carey W., Jr., [redacted].
Greene, Charles H. I., [redacted].
Greene, Robert F., [redacted].
Gregory, Maurice D., [redacted].
Griffin, Emory E., [redacted].
Gunn, James E., [redacted].
Haggins, Edward T., [redacted].
Haines, Lewis E., [redacted].
Haithcock, Earl D., [redacted].
Hale, David L., [redacted].
Hale, Herbert C., Jr., [redacted].
Hammett, Robert A., [redacted].
Hannigan, Martin E., [redacted].
Hansen, John J., [redacted].
Hansen, Ronald G., [redacted].
Hardman, Howard C., [redacted].
Harris, Hugh E., Jr., [redacted].
Harrison, Raphael A., [redacted].
Hart, Merwyn W., [redacted].
Harth, George P., [redacted].
Hartsell, Robert S., [redacted].
Hastings, Joann, [redacted].
Hathaway, Arthur C., [redacted].
Headen, Donald M., [redacted].
Heeney, John V., Jr., [redacted].
Hein, August H., [redacted].
Henry, Robert B., Jr., [redacted].
Herklotz, Richard W., [redacted].
Herner, Harlan C., [redacted].
Herring, Richard D., [redacted].
Herrod, Robert S., [redacted].
Herzog, Robert P., [redacted].
Heywood, Robert C., [redacted].
Hicks, Charles B., [redacted].
Higginbotham, O. K., [redacted].
Higgins, Harold H., [redacted].
Hill, Edward H., [redacted].
Hill, Jack W., [redacted].
Hilt, Billy T., [redacted].
Hines, Hollis B., Jr., [redacted].
Hinz, Dale R., [redacted].
Hiser, James L., [redacted].
Hobberlin, John W., [redacted].
Hobson, Clarence B., [redacted].
Hoermann, Albert L., [redacted].
Hoffman, Delbert A., [redacted].
Holck, Frederick A., [redacted].
Holdorf, Charles R., [redacted].
Hollen, Billy J., [redacted].
Holliday, Robert L., [redacted].
Holmberg, Charles A., [redacted].
Homan, Herbert L., [redacted].
Hoo, Edmund B. H., [redacted].
Horner, James T., [redacted].
Horton, W. J., Jr., [redacted].
Hostetler, Donald R., [redacted].
House, Leslie F., [redacted].
Howard, Willie T., Jr., [redacted].
Hubbell, Richard W., [redacted].
Hughes, Harry S., Jr., [redacted].
Hughes, William R., [redacted].
Hunt, Keith J., [redacted].
Hunter, Donald V., [redacted].
Hutchison, Thomas E., [redacted].
Hyne, Merrel E., [redacted].
Imschweiler, David, [redacted].
Irvine, Charles N., [redacted].
Jackson, Raymond C., [redacted].
Jacobson, Reginald, [redacted].
Jaffee, Jerome, [redacted].
Janes, Robert P., [redacted].
Jensen, Dick M., [redacted].
Jewett, Robert P., [redacted].
Johnson, Clifton T., [redacted].
Johnson, Louis W., [redacted].
Johnson, Milton R., [redacted].
Johnston, Robert W., [redacted].
Jones, Andrew J., Jr., [redacted].
Jones, Dossie N., [redacted].
Jones, Elmer C., [redacted].
Jones, Joseph F., [redacted].
Jones, Kenneth K. Jr., [redacted].
Jones, Marion H., [redacted].
Jones, Robert, [redacted].
Jones, Roy L., [redacted].
Jones, Wayman M., [redacted].
Jorgensen, Hans P., [redacted].
Joy, John F., [redacted].
Kaardal, Elmer A., [redacted].
Kacharos, Melvin R., [redacted].
Kappler, Lewis B., [redacted].
Kassner, Herbert A., [redacted].
Kauma, Eric E., [redacted].
Kay, Richard H., [redacted].
Keebaugh, Jerry R., [redacted].
Keeton, Cornelius, [redacted].
Kelley, Glen E., [redacted].
Kelley, Timothy J., [redacted].
Kent, James H., [redacted].
Kernell, Robert L., [redacted].
Kerns, George L., [redacted].
Kershner, Donald E., [redacted].
Kessel, Morton H., [redacted].
Kidwell, Richard H., [redacted].
Kilbane, John P., [redacted].
King, Grace M., [redacted].
King, John C., [redacted].
Kingsbury, Robert P., [redacted].
Kinnison, Jimmie G., [redacted].
Kirchhoff, Fred, [redacted].
Kirk, George E., [redacted].
Klein, Wayne C. II, [redacted].
Knight, Richard K., [redacted].
Knutsen, June E., [redacted].
Koizumi, Kotaro, [redacted].
Konkle, Carl H., [redacted].
Koufos, George, [redacted].
Kovacs, Stephen C., [redacted].
Kozlowski, Eugene T., [redacted].
Krawczyk, L. C., [redacted].
Kroeger, Levern F., [redacted].
Kruse, Carl, [redacted].
Kuba, William F., [redacted].
Kurman, Edward S., [redacted].
Kurtz, George W., [redacted].
Kurz, Ralph E., [redacted].
Labuff, John B., [redacted].
Laine, Richard U., [redacted].
Lambremont, E. N., [redacted].
Lampman, Audis E., [redacted].
Lander, Richard J., [redacted].
Langer, Milton F., [redacted].
Lanigan, James J., [redacted].
Large, Guy H., [redacted].
Larkin, Charles W., [redacted].
Larkin, Richard G., [redacted].
Lay, Charles F., [redacted].
Leacy, John J., [redacted].
Leahy, Joseph F., [redacted].
Leake, Osmond F. Jr., [redacted].
Lee, Austin R., [redacted].
Lee, Charles W., [redacted].
Lee, John M., [redacted].
Lee, Rudolph M., [redacted].
Lee, Thomas G., [redacted].
Lefebvre, Alton R., [redacted].

Leilich, Roy E., [redacted].
Leishman, Homer M., [redacted].
Lemieux, Glen G., [redacted].
Leslie, Willie B., [redacted].
Lett, Thomas E., [redacted].
Levine, Sol J., [redacted].
Lewis, Charles L., [redacted].
Lewis, John E., [redacted].
Lewis, Robert W., Jr., [redacted].
Linder, Theodore F., [redacted].
Lindsey, Robert T., [redacted].
Linn, Samuel J. Jr., [redacted].
Lipner, Leonard, [redacted].
Lipscomb, Thomas S., [redacted].
Liston, William M., [redacted].
Logan, Deneefe G., [redacted].
Logsdon, Marcus H., [redacted].
Logue, Thomas O. Jr., [redacted].
Long, George R., [redacted].
Lord, Carl W., [redacted].
Luckenbach, A., [redacted].
Luetjen, John A., [redacted].
Lyle, Richard E., [redacted].
Lynch, Robert F., [redacted].
Lynn, Harvey A., [redacted].
Lyon, George C. Jr., [redacted].
MacBurney, Robert C., [redacted].
MacFadden, Richard, [redacted].
MacGregor, Regina H., [redacted].
Mackert, William C., [redacted].
Magers, Richard H., [redacted].
Mahach, Raymond J., [redacted].
Mahla, Curtis H., [redacted].
Mahoney, Francis X., [redacted].
Mahony, Pierce M., [redacted].
Main, John W., [redacted].
Malech, Arnold M., [redacted].
Mallonee, R. C. II, [redacted].
Malone, Douglas J., [redacted].
Maloney, A. H., [redacted].
Mancini, Alfonso R., [redacted].
Mangold, J. C. Sr., [redacted].
Manley, Robert P., [redacted].
Mann, Fred D., [redacted].
Mann, Ira J. Jr., [redacted].
Marble, Owen D., [redacted].
Marchant, Calvin R., [redacted].
Mardoian, Arthur R., [redacted].
Markovitz, Albert, [redacted].
Marks, Lewis M., [redacted].
Markwell, James P., [redacted].
Marshall, Wallace E., [redacted].
Martin, Andrew D., [redacted].
Martin, Rawlinson E., [redacted].
Martinez, Samuel, [redacted].
Marx, Gilbert M., [redacted].
Marx, Norman D., [redacted].
Mason, Jack, [redacted].
Masson, Roger, [redacted].
Machette, Richard, [redacted].
Matyus, George R., [redacted].
McCloskey, Robert L., [redacted].
McCord, William J., [redacted].
McCoy, John M., [redacted].
McDaniel, Winfred, [redacted].
McFall, James M., [redacted].
McKee, Darrell J., [redacted].
McKeel, L. M. Jr., [redacted].
McLea, Jack Y., [redacted].
McLean, Robert L., [redacted].
McLeod, Claude H., [redacted].
McManus, Fred, [redacted].
McMath, William R., [redacted].
McNeil, John A., [redacted].
McPeters, Charles E., [redacted].
McPherson, W. O., [redacted].
McQuaid, John P., [redacted].
McRae, Wayne D., [redacted].
McWilliams, Sherman, [redacted].
Meagher, Pierce M., [redacted].
Medley, Thomas P., [redacted].
Meekins, Caddy R., [redacted].
Meekins, Eugene B. J., [redacted].
Meese, Edwin III, [redacted].
Melmer, John E., [redacted].
Menton, William B., [redacted].
Mertena, William J., [redacted].
Messinger, Herbert, [redacted].
Metcalf, Walker N., [redacted].
Meyers, Charles E., [redacted].
Mickler, J. E., Jr., [redacted].
Miera, Vito M., Jr., [redacted].
Miles, James D., [redacted].
Miller, Buddy J., [redacted].
Miller, Charles M., [redacted].
Miller, Edward H., [redacted].
Miller, Stephen W., [redacted].
Mitchell, John S., [redacted].
Miyatake, Yoshito, [redacted].
Moffett, Ralph V., [redacted].
Mohr, John T., [redacted].
Manson, Charles B., [redacted].
Monteith, Robert J., [redacted].
Montgomery, Gene R., [redacted].
Moon, William B., [redacted].
Moore, Matt E., [redacted].
Moreland, Kenneth E., [redacted].
Morisaki, John T., [redacted].
Morley, Richard D., [redacted].
Morrow, Donald L., [redacted].
Moser, Murtha E., [redacted].
Moss, Gerald W., [redacted].
Muto, Peter, [redacted].
Mye, Edward F., [redacted].
Nagy, Davis C. Jr., [redacted].
Nanney, George W., [redacted].
Nash, Murphy Jr., [redacted].
Naumann, Otto R. Jr., [redacted].
Neuvar, Erwin W., [redacted].
Nevill, William A., [redacted].
Newstron, George W., [redacted].
Nieves, Anthony J., [redacted].
Noel, Martin A., [redacted].
Normandia, Michael, [redacted].
Norris, Robert W., [redacted].
Norton, Robert J., [redacted].
Nottingham, P. T. Jr., [redacted].
Ochoa, Robert G., [redacted].
O'Connor, Kent C., [redacted].
Odom, Athol E., [redacted].
O'Field, William J., [redacted].
O'Halloran, Paul J. J., [redacted].
Oliver, James D., [redacted].
Olsen, Frederick A., [redacted].
Olson, Jimmie L., [redacted].
Omland, Gerald M., [redacted].
O'Neil, John J., [redacted].
Orphe, Wilson, [redacted].
Osborn, Paul J., [redacted].
Ottley, John K. III, [redacted].
Overton, Volma R., [redacted].
Ownby, Don W., [redacted].
Pace, Daun A., [redacted].
Parker, Archie D. Jr., [redacted].
Parks, Gordon E., [redacted].
Patton, John D., [redacted].
Pawlik, Daniel P., [redacted].
Pedersen, Henry F. J., [redacted].
Peffer, Russell S. J., [redacted].
Pene, Ralph C., [redacted].
Pereira, Percival E., [redacted].
Perkins, Edward C., [redacted].
Peter, Arthur III, [redacted].
Peterson, John R., [redacted].
Peterson, Wendell L., [redacted].
Phillips, Billy L., [redacted].
Pickett, Alfred J., [redacted].
Pigg, Charles L., [redacted].
Pinera, Alcides J., [redacted].
Pinks, David L., [redacted].
Pisano, Salvatore F., [redacted].
Plari, James B., [redacted].
Powell, Alfred W., [redacted].
Powell, Curtis L., [redacted].
Powers, Paul P., [redacted].
Prater, John L., [redacted].
Prothro, Carleton H., [redacted].
Psomiades, Harry J., [redacted].
Pulket, Arthur W., [redacted].
Pusch, Herbert B., [redacted].
Ralston, George B., [redacted].
Ranald, Ralph A., [redacted].
Ransom, Harry B., [redacted].
Ralphael, Benjamin K., [redacted].
Readore, Theodore J., [redacted].
Reeher, Howard A. J., [redacted].
Reeves, Andrew C., [redacted].
Reid, Rufus H. Jr., [redacted].
Reynolds, William N., [redacted].
Rhoades, Russell E., [redacted].
Rhodes, Wyndal B., [redacted].
Rice, William J., [redacted].
Richardson, Alan D., [redacted].
Riley, James R. Jr., [redacted].
Rishel, Darrell F., [redacted].
Roberson, Arthur V., [redacted].
Roberts, John C., [redacted].
Robinson, Ernest P., [redacted].
Roby, Mabry T., [redacted].
Rogers, Noel G., [redacted].
Rogers, Roy D., [redacted].
Ross, David G., [redacted].
Ross, Paul D., [redacted].
Roth, Jesse H., [redacted].
Routh, June E., [redacted].
Dowley, David R., [redacted].
Ruiz-Rivera, Edwin, [redacted].
Rummel, Robert L., [redacted].
Rupley, John S., [redacted].
Rupp, Robert O., [redacted].
Ryan, William J., [redacted].
Satlus, Urban E. Jr., [redacted].
Sanchez, Pedro N., [redacted].
Sargent, Emory R., [redacted].
Sasan, Jay B., [redacted].
Savage, Eugene G., [redacted].
Saxton, Richard W., [redacted].
Scaly, James J., [redacted].
Schmeckpeper, Thomas, [redacted].
Schmidt, Mitchell, [redacted].
Schmitz, Eugene H., [redacted].
Schumm, Brooke J., [redacted].
Scott, John G., [redacted].
Scott, Melford L., [redacted].
Serge, Sketter, M., [redacted].
Sester, John A., [redacted].
Severa, William D., [redacted].
Sevey, Richard E., [redacted].
Seymore, William E., [redacted].
Shearer, Alan K., [redacted].
Sheehan, John E., [redacted].
Shields, Raymond L., [redacted].
Shiflet, Thomas N., [redacted].
Shimkus, Daniel F., [redacted].
Shorter, Sam R., [redacted].
Siegel, Dorothy M., [redacted].
Simmons, E. F., Jr., [redacted].
Simmons, Harry V., [redacted].
Simmons, William O., [redacted].
Simonds, Richard A., [redacted].
Simonson, Ned J., [redacted].
Simpson, James L., [redacted].
Simpson, William R., [redacted].
Sims, William S., [redacted].
Sineath, Fred J., Jr., [redacted].
Single, Robert M., [redacted].
Sittel, Melvin C., [redacted].
Skehan, John T., [redacted].
Skrna, James E., [redacted].
Slaten, Lenell M., [redacted].
Slattery, James P., [redacted].
Slayton, Franklin M., [redacted].
Smalley, James A., [redacted].
Smith, Cromwell G., [redacted].
Smith, Curvin C., [redacted].
Smith, Frank B., Jr., [redacted].
Smith, Jason H., Jr., [redacted].
Smith, John R., [redacted].
Smith, Karel A., Jr., [redacted].
Smith, Richard L., [redacted].
Smith, Richard M., [redacted].
Smith, Richard M., Jr., [redacted].
Smith, Robert H., [redacted].
Smyser, Billy J., [redacted].
Snow, George M., [redacted].
Snyder, Theodore A., [redacted].
Soderholm, Thor R., [redacted].
Sommers, Harold D., [redacted].
Spae, Edward, [redacted].
Spanton, Donald L., [redacted].
Spear, Philip G., [redacted].
Spear, Richard F., [redacted].
Stahl, Clement J., [redacted].
Stakem, James F., Jr., [redacted].
Staley, Frank M., Jr., [redacted].
Stansberry, R. R., [redacted].
Stephens, O. E., Jr., [redacted].

Stevens, David L., [redacted]
Stevens, Shelby L., [redacted]
Stevens, Thomas D., [redacted]
Stewart, William E., [redacted]
Stockwell, Frances, [redacted]
Stratman, Robert H., [redacted]
Stuart, Walter P., Jr., [redacted]
Sundin, Gene L., [redacted]
Swearingen, D. O., [redacted]
Sweeney, Jack W., [redacted]
Swerdlow, Charles, [redacted]
Sykes, William L., [redacted]
Takahashi, Van S., [redacted]
Takata, Wallace K., [redacted]
Talbott, William F., [redacted]
Tallman, Justin C., [redacted]
Tauber, William A., [redacted]
Taylor, Henry V., [redacted]
Taylor, James L., [redacted]
Taylor, Otis C., [redacted]
Taylor, Robert A., [redacted]
Taylor, S. C. Jr., [redacted]
Teague, Richard M., [redacted]
Thatcher, William E., [redacted]
Thomas, Nicholas T., [redacted]
Thompson, Charles A., [redacted]
Thompson, Frederick, [redacted]
Thompson, Leroy B., [redacted]
Thompson, Millard J., [redacted]
Thompson, Probyn Jr., [redacted]
Thorn, Bernard H., [redacted]
Thorn, Richard E., [redacted]
Thorpe, Carl P., [redacted]
Thruston, M. G., Jr., [redacted]
Tijerina, Cruz M., [redacted]
Tippett, Jack M., [redacted]
Tochterman, Grellet, [redacted]
Todd, Morris L., [redacted]
Trail, James A., [redacted]
Trivieri, Lawrence, [redacted]
Tucci, George L., [redacted]
Tucker, George W., [redacted]
Turley, Robert E., [redacted]
Tyson, Thomas H., [redacted]
Underhill, Otis L., [redacted]
Usiak, Leonard M., [redacted]
Verdin, Jimmie W., [redacted]
Vincent, Jack R., [redacted]
Vitiello, Vincent N., [redacted]
Wagenhals, Robert A., [redacted]
Walker, Clarence L., [redacted]
Wallace, Robert B., [redacted]
Walter, James N., [redacted]
Ward, Donald E., [redacted]
Warde, Gerald A., [redacted]
Watkins, Byron K., [redacted]
Watson, Page A. Jr., [redacted]
Weatherford, L. E. Jr., [redacted]
Wells, Paul H., [redacted]
Wells, Roy H., [redacted]
Werner, Robert C., [redacted]
Wessell, Gordon F., [redacted]
West, Robert, [redacted]
West, Roy J., [redacted]
White, Clardie A., [redacted]
White, Olney J., [redacted]
White, Philip C., [redacted]
White, Robert A., [redacted]
White, Robert G., [redacted]
Wiest, Raymond E., [redacted]
Wiles, William J., [redacted]
Wilkes, Earl C., [redacted]
Willard, George T., [redacted]
Williams, Donald C., [redacted]
Williams, Enoch H., [redacted]
Williams, Howard S., [redacted]
Williams, John W., [redacted]
Williams, Lawrence, [redacted]
Williams, Leroy L., [redacted]
Williams, O. H. Jr., [redacted]
Williams, Robert R., [redacted]
Willis, Ellen R., [redacted]
Wilson, Lowell C., [redacted]
Winkler, Jack L., [redacted]
Winn, John H., [redacted]
Wirtz, Anthony H., [redacted]
Wolfe, Wallace E., [redacted]
Wood, Bobby G., [redacted]
Wood, John F., [redacted]
Wood, Rosemary R., [redacted]
Woodson, William D., [redacted]
Woodward, Clement L., [redacted]
Wright, Peter, [redacted]
Yanssens, Leon R., [redacted]
Yarbrough, John F., [redacted]
Yearout, James L., [redacted]
York, James O., [redacted]
Youmans, Edgar H., Jr., [redacted]
Young, Charles D., [redacted]
Young, Howard L., [redacted]
Zabel, Patrick H., [redacted]
Zallen, Harold, [redacted]
Zimmerman, Robert J., [redacted]
Zimmermann, Frederick, [redacted]
Zurfluh, Robert D., [redacted]

CHAPLAIN

To be lieutenant colonel

Clinkscales, J. W. Jr., [redacted]
Currie, Charles C., [redacted]
Douglas, Franklin C., [redacted]
Elmore, Harold T., [redacted]
Field, Harold G., [redacted]
Lukaszewski, L., [redacted]
McGowan, Matthew, [redacted]
Perrelli, James M., [redacted]
Rice, Albert D., [redacted]
Robertson, Russell, [redacted]
Wagner, Ralph F., [redacted]
Wayman, Robert E., [redacted]

ARMY NURSE CORPS

To be lieutenant colonel

Spooner, L. T., [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

Eagon, Robert G., [redacted]

VETERINARY CORPS

To be lieutenant colonel

Brewer, Robert L., [redacted]

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be lieutenant colonel

Leaver, Robert C., [redacted]
Schricker, James L., Jr., [redacted]
Vines, Donald H., [redacted]

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Anderson, Donald A., [redacted]
Barker, Robert E., [redacted]
Benway, William C., [redacted]
Callicott, William E., [redacted]
Crozier, Edward E., [redacted]
Dillon, John J., [redacted]
Dougherty, Frank C., Jr., [redacted]
Eisenbarth, Harold C., [redacted]
Harris, Durwood F., [redacted]
Hauk, Frank L., [redacted]
Hegarty, Joseph P., [redacted]
Hill, Willard D., Jr., [redacted]
Homier, Delbert C., [redacted]
Lorenzo, Joseph A., [redacted]
McKnight, James H., Jr., [redacted]
Rames, Claude B., [redacted]
Ryan, William J., [redacted]
Sajer, Gerald T., [redacted]
Stephens, Elmer L., [redacted]
Sweet, Dean S., [redacted]
Throwe, James H., [redacted]
Varner, Joel E., [redacted]
Ward, Homer R., Jr., [redacted]
Wubbens, Marvin G., [redacted]

CHAPLAIN

To be colonel

McMain, Robert O., [redacted]

MEDICAL CORPS

To be colonel

James, Herbert H., Jr., [redacted]
Ottensmeyer, David J., [redacted]
Wallace, Clinton E., [redacted]
Wight, Willard R., [redacted]

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be lieutenant colonel

Armstrong, Robert A., [redacted]
Bennett, James F., [redacted]
Boll, James C., [redacted]
Brown, James D., [redacted]
Craker, Philip E., [redacted]
Davis, James R., [redacted]
Ehrlich, Addison C., [redacted]
Flattery, Mark E., [redacted]
Gore, John F., [redacted]
Grenier, Wilfrid E., Jr., [redacted]
Hansen, Richard B., [redacted]
Harrison, Patrick W., [redacted]
Herrero, Ismael H., Jr., [redacted]
Liston, William M., [redacted]
Maier, John A., [redacted]
Mangskau, Dale N., [redacted]
Markle, Fred W., [redacted]
McCarrel, H. Denis, [redacted]
Mees, Eugene A., [redacted]
Mora, Alfredo J., [redacted]
Orton, William J., [redacted]
Peterson, Leslie L., [redacted]
Pigg, Charles A., [redacted]
Proctor, Orval D., [redacted]
Red, Charles W., [redacted]
Richard, Marland H., [redacted]
Richardson, Alan D., [redacted]
Ridgway, Richard W., [redacted]
Roubert, Modesto A., [redacted]
Ryan, James A., [redacted]
Savage, John W., Jr., [redacted]
Seldon, Wendell L., [redacted]
Shorter, Sam R., [redacted]
Tatum, William D., Jr., [redacted]
Thorn, Richard E., [redacted]
Ulbright, Jack L., [redacted]
Van Ekeren, John H., [redacted]
Walker, Sidney D., [redacted]
Wallace, Carl D., [redacted]

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3366 and 3367:

ARMY PROMOTION LIST

To be lieutenant colonel

Gwin, Charles C., [redacted]
Hinshaw, Rayborn F., [redacted]
Laskoskie, Lawrence B., [redacted]
McMaster, William H., [redacted]
Meeker, David O., Jr., [redacted]
Mondelli, Raymond J., [redacted]
Trivieri, Lawrence A., [redacted]

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Anderson, Curtis J.
Budka, Andrew J.
Carter, Richard R.
Clifton, David R.
Groves, David A.
Halton, Patrick K.
Jeffrey, Benjamin W.
Lupton, Robert E.
O'Hara, James R.
Recine, John
Richardson, Edmond T.
Stevens, Roland E.
Winter, William E.
Wydler, Arthur A.

The following-named (Navy enlisted scientific education program) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Alfieri, Louis J.
Averett, Cecil M.
Bond, James
Brown, Jerry L.
Byrnes, Michael
Gebhardt, George
Plautz, Richard
Praytor, Danny
Schwarz, Kenneth
Steenberg, Craig

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Anthony, Gregory M.
Apple, Robert E., Jr.
Atchison, Donald H.
Bachman, B. M.
Bailey, Johnny P.
Bain, William F.
Bandlow, Richard A.
Bender, Robert H.
Berger, Kenneth
Blackwell, Charles H.
Boyd, Raymond A., Jr.
Breen, Dennis J.
Brotherton, Roderick L.
Brousseau, Mark J.
Brown, Scott Lee
Bultemeir, Mark A.
Calhoun, Larry W.
Calkins, Steven C.
Calkins, Thomas R.
Campbell, James H., III
Canterna, Don L.
Carlson, Robert C., Jr.
Carr, Edgar B.
Carroll, Jere J.
Compton, Joseph H.
Cory, Robert B.
Costa, Mark A.
Cronauer, Victor T.
Davidson, John S.
Davis, Charles M.
Delpuppo, Enrico G.
Devane, Mark F.
Dicks, John J.
Donaldson, Scott E.
Donofrio, Edward J.
Dubuisson, Peter J.
Dunn, Frank D.
Eaton, Edmund D., Jr.
Ebanks, Gary H.
Elflein, Robert W.
Gieser, Christopher P.
Glenn, Steele H.
Gordon, Wellington H.
Graham, John W. P., Jr.
Graham, Sammy C.
Hanson, Stephen D.
Hendrickson, Leif H.
Hoagland, David L.
Hoffman, Thomas W.
Hogan, Gerald P.
Holstein, David D.
Holt, Luther E., Jr.
Hook, William D.
Jackson, James E., Jr.
Jacobs, Joseph M.
Jauregui, John A.
Jefferson, Donald S.
Johnson, Richard F.
Jones, Jimmy B.
Jones, Larry W.
Kanaga, Stephen C.
Kasica, Edward M., Jr.
Kelly, Sean
Kerlek, George, Jr.
Kiser, John B.
Klappert, Thomas G.
Klein, Steven A.
Koch, Richard C.
Kondreck, George E.
Kramlich, Richard S.
Lademan, William J.
Lane, Franklin D.
Lanzer, Francis P.
Larkin, Robert L., Jr.
Laurie, Howard J.
Lee, Robert E.
Lindberg, Michael W.
Lipsmeyer, William M.
Loughran, David W.
MacAllister, Steven C.
MacFadden, Gary D.
Marquardt, Bruce H.
Marsh, William E.
Marshall, Chez, III
Martin, Robert W.
Maruchi, William L., Jr.
Maslowski, Robert D.
McBride, Francis A., III
McCanna, Brad A.
McDonough, Michael M.
McHale, Daniel M.
McKeone, Charles E.
McClellan, David C.
Mechling, Andrew D.
Meyer, Timothy H.
Mitchell, Michael C.
Mock, Steven R.
Mosis, Dirk P. D., III
Novicki, Edward J.
O'Brien, Daniel C.
O'Donnell, William P.
Orr, Bryant C.
Owen, Jack E. Jr.
Perrich, David W.
Peters, Douglas T.
Peterson, Charles L.
Peterson, Jerrold B.
Pietropaulo, Lawrence J.
Piggott, James W.
Pons, James E.
Ritacco, Steven M.
Robertson, Donald E.
Ruescher, Ronald W.
Rush, John D.
Ryan, Timothy J.
Sanborn, Michael B.
Schaefer, James H.
Schlaich, Norman G.
Seamans, Mark A.
Senn, Charles C., Jr.
Shaulis, Steven W.
Shea, Edward T.
Shipley, William J., Jr.
Shirk, Donald P.
Smith, Barry L.
Smith, David L.
Sorrell, Dennis C.
Stewart, Paul A., Jr.
Stewart, Richard A.
Stone, Douglas M.
Strait, Thomas M.
Stuart, James A., III
Teskey, James G.
Thomas, Kenneth E.
Tongate, Billy W.
Troffer, Lawrence E., Jr.
Trudeau, Barry W.
Twadell, William M.
Voith, Charles P.
Wardell, John F.
Waters, William, Jr.
Watson, Gene D. M.
White, Thomas B., III
Yencha, John M., Jr.
Young, David H.

The following-named U.S. Air Force Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Casey, James M.
Dulin, Patrick J.
Lutz, David W.

IN THE MARINE CORPS

The following-named (commissioned warrant officers/warrant officers) for temporary appointment to the grade of first lieutenant in the Marine Corps, for limited duty, subject to the qualifications therefor as provided by law:

Achten, Ronald
Anderson, William E.
Anti, Raymond L.
Baggs, Marion R.
Baker, Lorenza T.
Barrientes, Hector
Battista, Salvatore A.
Belfiore, James A.
Bender, Ronald L.
Bisplinghoff, Gary W.
Blake, Robert L.
Blount, John L., Jr.
Boedefeld, Ralf R.
Box, Frank E.
Branum, James V.
Brown, Palmer
Byrne, William G., Jr.
Caldwell, William
Carmichael, Stuart F.
Cartier, Thomas E.
Churchman, James D.
Clarke, Michael J.
Clemons, Edgar L.
Clifford, Gerald R.
Cordero-Torres, Jose N., Jr.
Cornette, Hubert C.
Curtis, Rex L.
Douglas, Arthur J.
Eure, James L.
Evans, Jack H.
Fields, Bobby J.
Gallan, Craig D.
Goddard, Neil W.
Gordon, Ellwood D.
Gour, Oliver F., Jr.
Gutierrez, Pedro
Hawkins, Emerson W.
Hayes, Albert L.
Hayward, Thomas E.
Hess, John D.
Hoffman, Ronald G.
Hohnhorst, William, Jr.
Hopkins, Julius B.
Johnson, William R.
Johnson, Charles A.
Keene, John S.
Kindschy, Orville P.
Kinsey, Chester C.
Lamerson, Jerry L.
Lary, Albert R.
Lish, Thomas C.
Loftus, Redmond J., Jr.
Loynes, John W.
Lum, Allen J. A.
Maire, William S.
Marlowe, John P.
Matthias, Raymond C.
McCall, Jimmy E.
McGee, James H.
Meadors, William D., III
Medor, Ellory M.
Merrifield, Larry G.
Odom, Hillman R., Jr.
Penn, William D.
Pitcher, Alfred M.
Quinn, Paul F.
Robinson, Neil H.
Rocheleau, Alfred R.
Russell, James E.
Sandwich, Stephen A.
Sellers, Thomas R.
Shumpert, David E.
Skipper, Minter C., Jr.
Snipes, Isaac A.
Southard, Alan J.
Strohschein, Raymond R.
Swindell, Thomas E.
Thorpe, Joseph
Tomlinson, William G.
Trippleton, Eugene M.
Vallee, Daniel
Walker, William J.
Washington, Rufus J.
Webb, Patrick J.
Webb, Leonard R.
Whiting, William A.
Windsor, Bruce M., Jr.
Witek, Anthony P.
Woodard, Billy W.
Wright, Charles G.
Yantorn, James J.
Yarbrough, John D.
Young, Charles E.
Yow. Arthur. Jr.

The following-named (staff noncommissioned officers) for temporary appointment to the grade of second lieutenant in the Marine Corps, for limited duty, subject to the qualifications therefor as provided by law:

Bacon, Leland W.
Bailey, Robert H.
Balignasay, Ernest N.
Bartley, Robert L.
Black, James
Bos, Richard E.
Boyd, Joseph S.
Brewer, Glenn A.
Bryant, Richard A.
Bulock, Cecil C.
Burell, John D.
Burkhart, Ted M.
Callaghan, Charles J.
Carey, William G.
Carlson, Gary R.
Carlson, Roger W.
Carmoney, Albert R., Jr.
Carnot, Robert A.
Casey, Jackie V.
Cerqua, Vincent
Clark, Gerald M., Sr.
Clark, Gary B.
Cole, Quentin M.
Corbin, Joseph G.
Corby, Carl H., Jr.
Cox, John W.
Damewood, Walter W., Jr.
Doherty, Arthur D., Jr.
Domino, Stanley
Dorsett, John P.
Douglas, Thomas C.
Doyle, Thomas J.
Elsbury, Kenneth E.
Fennell, Daniel F., Jr.
Files, Ralph H.
Fleet, Richard W.
Frederickson, Robert R.
Frink, Herbert L.
Gray, Peter V.
Guthrie, Jackie W.
Haley, Ronald H.
Hammer, Donald W.
Harlow, Roger H., Jr.
Harrelson, Samuel T., Jr.
Harrison, Gregory
Haynes, Michael D.
Hendrix, Terry W.
Hollingsworth, Roy J.
Hoogerwerff, John C.
Horan, William J.
Innis, Donald A.
Iverson, Robert D.
Jessup, Charles W.
Johnson, Billy P.
Johnson, Patrick M.
Johnson, Andrew L.
Justice, Charles M.
Lamm, Allen O.
Latour, Leonard W.
Lindstrom, George W.
Logan, James D.
Manchester, Harry, Jr.
McAllister, Clifton
McCarthy, John W.
McDaniel, Arthur R.
Monaco, Robert B., Sr.
Morgan, Ralph F.
Morgan, Marion K.
Morrow, Harvey D.
Moseley, Anthony D.
Myers, Harry L., Jr.
Ogden, John F.
Owen, Charles T.
Philson, James R.
Quaglia, Joseph J.
Renzelman, David M.
Robinson, William J.
Rowland, Otis E.
Ruch, Donald R.
Rudolph, Edwin A., Jr.
Shea, Howard D.
Shepherd, Donald R.
Slaugh, Larry W.
Smith, Paris G., Jr.
Snodgrass, Russell A., Jr.
Sofio, Franklin J.
Spencer, Roger K.
Stottlemyer, Merle E.
Sunderland, Jesse O.
Sunn, Larry A.
Swanson, Donald G.
Tate, Charles N.
Thomas, James E.
Tomlinson, James R.
Tootle, Garvin C.
Turley, Glenn H.
Waltrip, Edward E.
Weeks, Loyd T.
Whitney, Harold E., Jr.
Williams, Eddie N.

The following-named U.S. Military Academy graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Jackson, Dennis M.

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Russell, James E.
Short, William E., Jr.

U.S. DISTRICT COURTS

J. Foy Guin, Jr., of Alabama, to be a U.S. district judge for the northern district of Alabama vice Clarence W. Allgood, retired.

James H. Hancock, of Alabama, to be a U.S. district judge for the northern district of Alabama vice Seybourn H. Lynne, retired.

DEPARTMENT OF JUSTICE

John R. Wilks, of Indiana, to be U.S. attorney for the northern district of Indiana for the term of 4 years vice William C. Lee, resigning.

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1979:

Luther W. Jennejahn, of New York, vice Jonathan Davis, term expiring.

Alfred Underdahl, of North Dakota, vice Millard F. Dailey, term expiring.

EXTENSIONS OF REMARKS

PRESIDENT LYNDON BAINES JOHNSON

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. VANIK. Mr. Speaker, Lyndon Johnson, our 36th President, was a man uniquely endowed with the virtue of impatience. He was impatient with the racism which poisons our national spirit. He was impatient with all forms of intolerance. He was impatient with economic injustice which keeps millions in this country living in poverty. He was impatient with the prejudices which prevent some of our citizens from living with dignity and humanity. Above all, Lyndon Johnson was impatient with our national complacence. He could not understand how a country so rich could deny to some of its citizens a full measure of that richness.

He was a person impatient with the illness of American society. Only his ideal, Franklin Delano Roosevelt, exceeded his monumental program of social gains—the Civil Rights Act, medicare, the education programs, and Headstart.

But Lyndon Johnson's Great Society was not merely a conglomeration of legislative programs. Lyndon Johnson's dreams have become our dreams; his goals, our goals. In 1965, President Johnson addressed the commencement class at Howard University with these words:

> Our earth is the home of revolution. In every corner of the continent, men charged with hope contend in ancient ways in the pursuit of justice. They reach for the newest of weapons to realize the oldest of dreams, that each may walk in freedom and pride, stretching his talents, enjoying the fruits of the earth.

I was with President Lyndon Johnson at the signing of the medicare bill in the Truman Library in Independence, Mo., and I never saw a happier man. If it were not for the Vietnam war, he might have entirely succeeded in winning the war against poverty and intolerance.

As for now, even the tragedy of Vietnam cannot obscure the essential humanity of the man. Historians will debate for years his role in that conflict; but we should not allow this debate to detract from the contributions that Lyndon Johnson made to all Americans. Without the efforts of Lyndon Johnson, millions of aged would be without medical care; millions of blacks would remain in the political backwaters; millions of poor children would be deprived of the opportunity to overcome their disadvantage through a program of preschool education; and millions of other young citizens would be deprived of continuing their education beyond the secondary level.

In the end we should look at the life of Lyndon Johnson as an ideal to which we must continually rededicate ourselves. His words will serve as an inspiration to us in our time of doubt, our hour of despair. His call will be remembered by all men devoted to the elimination of human suffering.

GAS SHORTAGE HURTS INDEPENDENTS

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 20, 1973

Mr. EAGLETON. Mr. President, during Monday's debate in the Senate over an amendment to strike from the Economic Stabilization Act a provision giving the President standby authority to allocate scarce petroleum products, a question was raised about the seriousness of the situation. It was suggested that perhaps the problem of gasoline shortages has been exaggerated.

I ask unanimous consent that there be printed in the Extensions of Remarks an article by John Fialka which appeared in the March 9, 1973, edition of the Washington Evening Star and Daily News. This article describes graphically the plight of thousands of small and independent oil dealers and suppliers who have been the first to feel the impact of gasoline and oil shortages. As the article notes, this independent segment of the petroleum industry is the consumers' principal bulwark against higher gasoline prices, and its survival is critically important in the effort to control inflation.

There being no objection, the article ordered to be printed in the RECORD, as follows:

OUR FUEL SHORTAGES—PINCH HITS GAS PUMPS

(By John Fialka)

Rufus P. Limpp of Marshall, Mo., has a problem that the nation may become thoroughly familiar with before the end of the summer.

Although rumors and signs of an impending gasoline shortage have surfaced in Washington in recent weeks, Limpp and thousands of "private brand" gasoline station owners like him have been struggling with the shortage for as much as six months.

The struggle has now evolved, for Limpp, into what may be the free enterprise system's strangest new marketing philosophy.

There have been days now when Limpp has to close all nine of his "Mars" gasoline stations so they will not run out of gasoline. He has discovered that it is dangerous to pump his underground fuel tanks empty.

When they are emptied, they become buoyant and, when the ground is wet, they have a tendency to pop out of the ground, breaking fuel pipes and causing damage.

Limpp has considered pumping them full of water to hold them down. "If I did that, though, then I'd really be out of business, wouldn't I?" he explained to a reporter.

Instead, Limpp has been experimenting with one of his Kansas City stations, pricing its gasoline 4 cents higher than the station across the street. He doesn't sell much gas, but he keeps his tanks in the ground.

"The trouble is, we don't have any game plan for this kind of operation," he said.

According to statistics released by the American Petroleum Institute, the nation's "game plan" for fuel production is now seriously out of kilter. A fuel oil shortage, triggered in part by a natural gas shortage, necessitated a crash program by oil refiners to produce enough heating oil to last out the winter.

The emphasis on heating oil has now brought on the likelihood of a gasoline shortage. And diesel fuel, which is already in tight supply, may present a second shortage situation. Both shortages, if they are not prevented, are likely to cause consumers substantial amounts of money.

First, the gasoline shortage. There is a gap between this year's stocks of gasoline and the amount on hand last year at this time that amounts to around 20 million barrels. The gap now appears to be growing, although the demand for gasoline this spring and summer is expected to be up by at least 10 percent.

The first casualty of a major supply shortage will be the network of small oil companies which are not affiliated with major oil companies and, thus, have no crude or, usually, no refinery of their own. About 10 percent of the gasoline sold in the U.S. is believed to come from little stations such as Limpp's.

Limpp and other station owners have always depended on supplies of surplus gasoline, produced usually by major refiners in excess of their needs, supplies which are no longer there.

PRICE RISE SEEN

One authority on gasoline marketing, Dr. Fred C. Allvine, a professor at Georgia Institute of Technology, believes that the private brand stations, by underselling major, nationally advertised brands by 3 to 5 cents, now function as the main control on gasoline prices.

If the "supply squeeze" shuts down a large number of private brand stations, an event which Allvine believes is possible in the next few months, he expects major oil companies will raise the price of gasoline.

"Should this happen," he recently told the Cost of Living Council, "the public at large will pay a very high price."

It is difficult to tell how far the gasoline shortage has progressed since it was first noticed by private brand stations on the West Coast last fall.

A spokesman for the Society of Independent Gasoline Marketers of America (SIGMA), which has about 200 private brand members, said the group has been unable to come up with any firm numbers on the extent of the shortage. "It's a kind of fear thing. A lot of our members are still trying to deal with major suppliers. Some of them compete against each other. They are afraid to divulge competitive information."

"Let me put it this way," he added. "We don't have any members who aren't experiencing a shortage."

Hugh Lacy is vice president of Urich Oil Company, which owns 100 gas stations and wholesales gasoline to about 300 others on the West Coast.

Urich, the company that invented the self-service gas station shortly after World War II, has suffered from temporary spot shortages throughout the winter. Its main contract with a major gasoline supplier will end this month.

Urich will then have to "cut off" the 300 stations, Lacy believes, and begin to padlock some of its own.

"This whole damned industry is going down the drain," said Lacy. He believes the major oil companies are now waging a "two-pronged war" with the private branders. First, he explained, they cut off supply contracts; second, they have opened a number of new stations with strange-sounding names that are now competing at the same price level with the private branders. Some examples are Exxon's "Alert," Mobil's "Sello," and Phillips' "Red Ball."

R. J. Peterson is board chairman of Martin Oil Co., which, at 200 stations is the biggest of the little oil companies operating in the Midwest.

Last winter, he noted, Martin contacted 56 separate oil refining companies, including almost all of the major ones, and was able to locate only 2.1 million of the 7.6 million barrels of gasoline it needs this year.

Peterson believes that the federal government, by giving its primary attention to the needs of major, international oil companies, is to blame. "They're the ones who put us in this position."

When a private brand marketer runs out of gasoline, there is only one place he can go. It is called the Oil Import Appeals Board, an obscure Interior Department agency located near an Arlington shopping center.

MORE LICENSES SOUGHT

According to Lewis Flagg III, who was recently removed as chairman of the three-man board, its usual business is giving crude oil import licenses or "tickets" to oil refiners who have experienced supply problems.

Out of the thousands of applicants who had appeared before the board up to last year, only six had ever asked to import gasoline. In January, there were more than 60 petitions for gasoline on Flagg's desk, all of them from private branders.

After giving several substantial import license awards to private brand companies, Flagg was summarily removed from his job in February. The Interior Department gave no reason for his removal. Sen. Thomas J. McIntyre, D-N.H., has charged that it was because Flagg attempted to help the oil industry's smaller businessmen to compete.

The board, however, continues to award import licenses to small companies to import gasoline.

Paul Castenguay, who has now closed 15 private brand stations of a chain of 25 he has operated in Minneapolis, believes that the licenses are virtually worthless to smaller companies.

The awards are so small that it would be impossible, he maintains, for such a company to charter a tanker and then physically bring the oil inland. And major companies, according to Castenguay and others, have refused to trade their product for import tickets.

"I might as well burn the tickets," said Castenguay, referring to a recent award to him by the board.

What do major oil companies think of the situation? A marketing expert for one of them, who asked that his name not be used, put it this way.

"They (the private branders) have always been yelling. Perhaps this year they have something to yell about. We are all having problems and when we're short we have to take care of our own stations first.

"We used to carry these people by keeping our refineries full and selling the excess. Now there is no excess. The energy picnic is over," he added.

HARD TO IMPORT

Unlike crude oil, which has been brought into this country in huge quantities, gasoline may be difficult to import in substantial amounts. European refineries have traditionally concentrated on the heating oil market and the relatively small supplies of gasoline they do produce are frequently below the octane rating necessary to operate the high compression engine of the American car.

Short of gasoline rationing, a contingency which the White House is now studying, the most repeated solution to the problem is to build more refineries.

There are no new refineries being planned in the United States. Rawleigh Warner Jr., board chairman of Mobil, which opened the most recent new refinery at Joliet, Ill., in January, said that major companies are no longer willing to take on the repeated battles with environmentalists and mounting labor costs involved with refinery site location and construction.

Nevertheless, he told the Cost of Living Council, the U.S. will not catch up with its fuel problems unless it finds a way to build five medium-sized refineries each year "from now to the end of the decade."

Many government experts agree with Warner and believe that the federal government will soon have to provide some form of incentive for refinery construction.

REFINERY IDLED

However, to the residents of Cushing, Okla., (pop. 8,500) Warner's argument might sound strange. The town's major industry, a relatively modern refinery, capable of processing 19,000 barrels of petroleum a day, stands idle.

On Feb. 7, the refinery, owned by Midland Cooperatives Inc., a farm cooperative, shut down. It had run out of crude oil. According to Forrest S. Fuqua, its manager, Midland decided to stage a premature overhaul of equipment, rather than lay off the refinery's work force of 165 men.

Next week the overhaul will end. Neither the federal Office of Emergency Preparedness. (OEP), the state of Oklahoma, nor any other governmental agencies working on the problem apparatus has been able to persuade the major oil companies that control the crude oil in the fields near Cushing to part with any.

So far, to allow Midland to participate in the nation's Oil Import Program, the Interior Department has issued Midland import licenses for over 2½ million barrels of crude oil.

In the past, the licenses have been valuable. Midland, like many small interior refineries who do not have the capacity to import oil, has always traded its licenses to major oil companies for domestic crude.

"All of a sudden, bang, it doesn't work anymore and here we are sitting high and dry," said Fuqua.

Thus, at a time of acute fuel shortage in the upper Midwest, Midland, which supplies fuel to over 200,000 farm families, is out of business.

And Midland is not alone. The Interior Department recently studied a sample of eleven independent refineries in the Midwest and found eight of them running well below capacity. Five of them have had to cut sales of diesel oil.

The problem, according to an Interior memorandum, was that the "majors (are) not willing to exchange import tickets (licenses) because: a. they are busy utilizing their own tickets first; b. they have no more domestic crude to offer for tickets."

Whatever the reason, the problem is serious enough to draw Agriculture Secretary Earl L. Butz into the fuel shortage problem.

Agriculture's problem is that the Nixon administration's massive attempt to reorient the nation's farmers to production, rather than subsidy, will hinge on increased supplies of gasoline and especially diesel fuel to operate tractors this spring.

Farmers are authorized this year to increase the number of acres they till by up to 40 million acres. Much of the new land, according to an Agriculture report on the subject, has been in the Soil Bank for years and will require extensive plowing.

In addition, because of the wet, cold weather last fall, farmers in the corn belt fell 30 percent behind on their plowing and will have to catch up this spring.

Meanwhile, farmers have been switching from gasoline to diesel tractors in large numbers, according to the report. "These large tractors are heavy consumers of fuel," it adds.

According to Agriculture sources the diesel shortage has already begun to slow plowing in Northern Florida, where farmers have discovered that they will be held to last year's level of fuel purchases by oil dealers.

"The phenomenon is likely to spread northward along with the plowing season," said one source.

As the Nixon administration grasps for a quick way to repair the nation's faltering fuel supply system, it will discover a savage process at work in the market place. The weaker, smaller companies are drying up, leaving increasing shares of the market to the major oil companies.

Perhaps the most poignant portrait of this approaching upheaval is seen by an elderly owner of a private brand gasoline station in a southern state.

Although he has been selling cut-rate gasoline since the Depression, his sources of supply have all disappeared in recent months.

Still, he gets by with a little help from his friends. One of them drives a gasoline truck for a major oil company. Often, after midnight, the truck arrives and smuggles part of its precious cargo into the owner's tank.

"I cut my teeth on a kerosene funnel," the owner told a reporter. "Ain't nobody going to drive me out of this business."

WOOD AND THE ENERGY CRISIS

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. CONLAN. Mr. Speaker, energy supplies in the United States—natural gas, fuel oil, and coal—are dwindling. And as is the case with minerals, the supplies that are in the earth today are all there is left to serve mankind.

Although Americans make up only 6 percent of the world's population, we consume 35 percent of the world's energy. Thirty-two percent of the gas and 55 percent of the electricity used go into homes and commercial buildings—most of it for heating and cooling.

With these facts in mind, consider this: Statistics show that 1 inch of wood is 4 times as efficient an insulator as cinder block, 6 times as efficient as brick, 15 times as efficient as concrete or stone, 400 times as efficient as steel, and 1,770 times as efficient as aluminum.

Wood and air, either alone or in combination, are excellent insulators. Modern wood construction combines wood framing and airspaces in a structural assembly having high thermal efficiency. The National Bureau of Standards believes that with proper insulation and construction practices, in both residential and commercial structures, heating and cooling requirements can be reduced 40 to 50 percent. Just think of the fossil fuels that could be saved for the people and generations ahead.

But let us look at the other end of energy consumption too. A recent report reveals that about 430 kilowatthours of electricity are required to produce a ton of lumber. In contrast a ton of steel needs 2,700 kilowatthours and a ton of aluminum 17,000 kWh. These facts demonstrate that wood has exceptional environmental advantages and that we had better start intensively managing our only renewable resource.

GROCERIES TAKE BIGGER BITE OF PAY THAN BUTZ SAYS?

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. HUNGATE. Mr. Speaker, I recently inserted an article from the New York Times on the present low price and probable future increase in the cost of food. In that article the figure 16 percent was used as that part of the consumer's dollar going for food.

A more recent article in the Christian Science Monitor of March 15, 1973, indicates that 16 percent is a deceptively low figure except for the more well-to-do:

GROCERIES TAKE BIGGER BITE OF PAY THAN BUTZ SAYS?

(By Philip W. McKinsey)

WASHINGTON.—In seeking to turn aside the groundswell of complaints over rising food prices, Secretary of Agriculture Earl L. Butz frequently says that Americans last year spent less than 16 percent of their spendable personal income for food.

Mr. Butz, an economist well versed in statistics, would be the first to acknowledge that that is an average figure that cannot be applied to everyone's food budget. In fact, it applies only to a relatively few families at the top of the income scale.

The 16 percent figure does not reflect the proportion of its income the average U.S. family spends on food because not everyone has the same income. Past a point, people do not eat more or eat better even if they can afford to do so. Thus the incomes of the wealthy drag down the average figure.

Consider these three income levels: If you work 40 hours a week at the minimum wage of $1.60 an hour for a full year, you earn $3,328. The Labor Department estimates that an urban family of 4 needs at least $7,280 annually to lead a "subsistence level" existence. And in 1971, the latest figure available, the median family income in the U.S. was $10,285 Currently, the median undoubtedly is several hundred dollars higher.

But using the Agriculture Department's own estimates of what people spend for food, it is possible to conclude that the income of an average family of four must be above $20,000 before food expenditures fall to no more than 16 percent of spendable earnings.

The calculations are a bit confusing, primarily because of myriad variations in family composition, types of income, tax liabilities, and willingness to buy more expensive foods. However, making some reasonable assumptions, food expenditures can be related to income.

The Agricultural Research Service of USDA publishes quarterly estimates of the cost of food consumed at home under a "low-cost plan," a "moderate-cost" plan, and a "liberal plan." Estimates are given for individuals and for different size families. In December, a family of four, comprising a man and a woman, 20 to 35 years old, a child aged from 6 to 9 and a boy aged 9 to 12, would have spent the following amounts each week: low-cost, $33.50; moderate-cost $43; and liberal, $52.60.

Before relating these expenditures to income, however, a further adjustment needs to be made to take account of food bought away from home, restaurant meals and snacks, for example. In preparing the monthly Consumer Price Index (CPI), the Bureau of Labor Statistics estimates that food at home makes up 78 percent of the food sector of the CPI and food away from home 22 percent.

Just like that 16 percent figure used by Mr. Butz, this division does not fit everyone. It is estimated for families earning somewhat below the median income of about $10,000. People earning more tend to spend larger amounts on food outside the home; people earning less may eat out less often.

Last, total income must be adjusted for tax liabilities to get a figure for take-home pay. Here, for simplicity, assume the family of four has only one wage earner and that in paying his income tax he takes the standard deduction and files a joint return.

These various estimates and assumptions lead to the following table:

FOOD EXPENDITURES AS A PERCENT OF SPENDABLE EARNINGS

Annual gross income	Low-cost plan	Moderate plan	Liberal plan
$3,328	62	79	97
$5,000	42	54	66
$7,280	35	45	55
$10,000	26	33	41
$15,000	18	23	28
$20,000	14	18	22
$25,000	12	14	18

Obviously, some numbers in the table are absurd. No one working at the minimum wage could afford the moderate or liberal food plans. Also, in some locations the family would be getting food-stamp assistance or perhaps receiving free commodities from USDA programs.

On the other hand, it is not very likely that anyone with a $25,000 salary would be feeding his family according to the USDA low-cost plan.

Despite all these qualifications, some things are startlingly clear. An average American family with two children is spending a good deal more than 16 percent of its spendable earnings on food, perhaps far more.

The 16 percent figure used by Mr. Butz, and the gradual decline over the years in the proportion of spendable personal income going for food, are important factors. They say, in effect, that most Americans have a rising amount of discretionary income—income not required for the bare necessities of life including food.

But the 16 percent figure does not indicate that most families do not spend more than that proportion on food. Most do. In 1971 three-fourths of all U.S. families had incomes below $15,000 and few of them spent only 16 percent of their spendable earnings on food.

PROPOSED SOCIAL SERVICES REGULATIONS

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. STUDDS. Mr. Speaker, yesterday was the last day for interested citizens to comment on the new proposed rules of the Department of Health, Education, and Welfare regarding social service programs for families and children and for the aged, blind or disabled.

The proposed social services regulations would gut existing programs which provide many families with the help they need to get off the welfare rolls and become self-supporting. If we allow the new regulations to be adopted as proposed, we will be letting down the thousands of families who will be forced to go back on welfare if deprived of these services. And we will also be letting down the taxpayers, who will have to pay the price for the shortsightedness of their officials.

Mr. Speaker, the social services programs have been working. I respectfully urge my colleagues to take action to preserve them.

I insert for the RECORD a copy of the comments I submitted in opposition to the proposed regulations:

Mr. PHILIP RUTLEDGE,
Acting Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. RUTLEDGE: In just two weeks I have received over one hundred letters from constituents who are deeply disturbed about the proposed new regulations for social services under Title IV–A of the Social Security Act of 1972. Not one supported these proposed changes.

These letter writers include many people who have worked very hard to provide child care services to poor Americans, allowing the mothers to earn a decent living and giving the children the help they need. They are disturbed that the new regulations restricting eligibility would exclude most working mothers and senior citizens, while state licensing could lead to the "warehousing" of children with little attention paid to their educational or other needs.

Mothers with handicapped children, who have benefitted under the special need category, have also written in support of the special care their children require. Equally concerned are many people who have worked hard to raise money for the United Fund and other private charitable organizations. They know from personal experience how the proposal to discontinue federal matching of private donations will stunt these private and local initiatives.

Of course, many of these people have also written to you as well. However, most of the working mothers who rely on the child care services provided under this Act, do not know of you, and do not know where to write other than to their Congressman. Therefore, I think you might be interested in part of one of these letters, since its viewpoint probably is under-represented in the mail you have received:

"Believe me, I don't know what I would have done without the (child care) service. At least my child is in good hands, and I don't know why I'd have to worry or doubt for one minute of the day.

"My greatest aim was to get off welfare and do for myself and my son. The day care service has given me back a bit of self respect, because without it, I'd still be sitting at home wishing I could support my own child.

"What you probably don't realize is that even by working it is difficult to make ends meet. For example, I clear $65 a week, pay $90 a month for rent for two rooms. Never could I afford to also pay someone capable to care for my child.

"Therefore, many of us would be forced to leave our jobs, and simply rely on funds from welfare."

It was the intent of Congress in passing Title IV–A to help such mothers get off and stay off the welfare rolls. Therefore, I urge you to withdraw these self-defeating new regulations.

Sincerely,

GERRY E. STUDDS.

COMMITTEE FUNDING RESOLUTIONS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, today the House is considering some 19 committee funding resolutions reported from the House Administration Committee. While we obviously could take the approach of urging defeat of the previous question on each of these so that we could offer our now notorious minority staffing amendment, I do not plan to do this, and, to the best of my knowledge, no one else will. I think the fact that we lost the previous question on this very issue on March 7 by only one vote indicates the strong sentiment which exists in this body, on both sides of the aisle, for providing the minority party with adequate committee investigative staff.

It seems to me that we must now concentrate on building on this sentiment and urge the Rules Committee, which has original jurisdiction in this area, to report out our bill. With this in mind, I will this week be circulating a "Dear Colleague" with other Members soliciting cosponsors for this bill from both sides of the aisle.

Mr. Speaker, I think it is important to point out that this bill is not identical to that which was adopted as part of the Legislative Reorganization Act of 1970, but later deleted in the adoption of the rules of the 92d Congress. That amendment would have provided the minority party with "not less than one-third" of the committee investigative staff funds. On January 29 of this year Congressman CLEVELAND and I introduced House Resolution 167 which would provide the minority party with "up to one-third" of these funds upon request of a majority of the minority.

Furthermore, as a result of the colloquy we had with the gentleman from Missouri (Mr. BOLLING) during the debate on the Banking and Currency investigation-travel authority resolution, we have again revised our bill to meet the objections which he raised at that time, namely that the bill contained no safeguards against the minority abusing this privilege by appointing staffers who may not be qualified for the job or of proper character. Consequently, our revised bill now contains language on minority investigative staff employees which is identical to language now contained in clause 29(a)(2) of rule XI with respect to professional minority staff employees, namely that the selection of such staff must be subject to the approval of a majority of the committee, and lack of qualifications or proper character will be grounds for rejection. If a minority staff selection is rejected, the minority party would then make another selection, again subject to the approval of a majority of the committee.

So I think it is evident, Mr. Speaker, that with these two changes we have made considerable accommodations to those who have objected to these earlier versions for one reason or another. We do not view this as a partisan issue but rather as a congressional reform issue which is in the best interests of strengthening the Congress as an independent and coequal branch of Government, and therefore we have not adopted an uncompromising stance of insistence upon the restoration of the language of the original version, even though it had broad bipartisan support at that time. Our primary interest is in a more effective Congress, and an improved committee system is at the very heart of achieving the goal.

At this point in the RECORD, Mr. Speaker, I include the full text of our revised bill which we intend to introduce on Wednesday, March 28:

H. RES. —

Resolved, That clause 32(c) of rule XI of the Rules of the House of Representatives is amended to read as follows:

"(c) The minority party on any such standing committee is entitled, upon request of a majority of such minority, to up to one-third of the funds provided for the appointment of committee staff pursuant to each primary or additional expense resolution. The committee shall appoint any persons so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members may select other persons for appointment by the committee to the staff until such appointment is made. Each staff member appointed under this subparagraph shall be assigned to such committee business as the minority party members of the committee consider advisable.

CITIZEN OF THE YEAR

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. PETTIS. Mr. Speaker, on March 24, Margaret J. Morris, judge of the Superior Court of the State of California, county of San Bernardino, will receive the Citizen of the Year award from Leonard Armstrong Post 1744 of the Veterans of Foreign Wars.

News of the VFW's choice of Judge Morris appeared in the March edition of the Dented Helmet, official bulletin of Post 1744. This laudatory article contains some very well deserved commendations for Judge Morris. I heartily applaud the VFW's choice and would like to share with you the following information on Margaret J. Morris, Citizen of the Year:

It is once again the time of year when Leonard Armstrong Post 1744, Veterans of Foreign Wars, presents its Citizen of the Year Award. This year we are proud to honor Margaret J. Morris, Judge of the Superior Court of the State of California, County of San Bernardino.

Judge Morris was born in Kentucky on Oct. 8, 1922. She completed elementary school at Marion, Ky., as Valedictorian of her class and winner of the American Legion Citizenship Award. After graduation from Evansville, Ind., High School, she won a merit scholarship at Indiana University where her activities included:

Major in speech and drama, Varsity Debate Team—it was the first year women participated in the Big Ten Conference debates—university theater productions, including a lead in the premiere production of William Saroyan's play, "Jim Dandy" for the National Drama Association.

Judge Morris' employment—beginning at age 12 while she attended school—included waiting on tables, sales clerking, modeling, and keeping books for an aircraft plant to fund her education.

After graduating from Indiana University with a B.A. degree, she taught speech and drama for 2 years at Molene Junior High School before receiving a scholarship to Northwestern University School of Law.

Biographical highlights of the honoree include:

Education: Indiana University, bachelor of arts; Northwestern University School of Law, 1949 juris doctor; Editorial Board, Illinois Law Review and Illinois Journal of Criminal Law and Criminology and Order of the Coif, legal honor society.

Before moving to California in December 1952, Judge Morris practiced law for 3 years in Chicago from 1949 to 1952. She was a staff attorney for Chicago Land Clearance Commission, a member of the Board of Women Lawyers of Illinois and was the Illinois State delegate to the National Association of Women Lawyers.

In 1955, she became deputy county counsel for San Bernardino County, Calif., and she served as chief assistant county counsel in 1961.

She became judge of the municipal court in San Bernardino in 1963 and was elected presiding judge in that court for 1964. On January 21, 1966, she was appointed to the superior court and she was elected presiding judge in that court for 1969.

Her activities in San Bernardino include memberships in the Lutheran Church and Zonta Club. She served on the board of directors of the Legal Aid Society and as a member of the citizens advisory committee to the intergroup relations specialist of San Bernardino City School District from 1967 to 1970.

She was a member of the board of directors of the San Bernardino Community Scholarship Association from 1968 to 1970. She is an honorary member of Delta Kappa Gamma Society's Epsilon Tau Chapter. Judge Morris is a member of the Conference on California Judges. She served as a member of the juvenile courts committee. Conference of California Judges, in 1971. In 1972, she became a member of the board of directors of the Crafton Hills College Foundation and the San Bernardino County Heart Association.

Her husband, Robert S. Morris, is a San Bernardino lawyer. The Morrises have two children, Stephen, 19, and David, 17.

HOUSE OF REPRESENTATIVES—*Wednesday, March 21, 1973*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Peace I leave with you, my peace I give unto you. Let not your heart be troubled.—John 14: 27.

O Thou who art the Creator of the world, the Sustainer of life and the Father of all men, do Thou help us as we with all humility seek to discipline ourselves that we may do, more fully and more faithfully, the work of this day. By Thy grace may we earnestly strive to bring harmony out of hostility, order out of disorder, understanding out of misunderstanding, and good will out of ill will.

Lead us, we pray Thee, to do our best to liberate our people from poverty and unemployment and to open ways to a more abundant life for all. Crown our efforts not with fame and fortune, but with the inner assurance of work well done. Keep us conscious of Thy presence and in every hour of need may we grow in grace and peace and love.

Abide with us all the day long, for in Thee do we put our trust. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 398. An act to extend and amend the Economic Stabilization Act of 1970; and

S. Con. Res. 16. Concurrent resolution to authorize certain corrections in the enrollment of S. 7.

The message also announced that the Vice President, pursuant to Public Law 86–42, appointed Mr. McGee, chairman; Mr. Muskie; Mr. Johnston; Mr. Abourezk; Mr. Clark; Mr. Biden; Mr. Aiken; Mr. Javits; Mr. Curtis; Mr. Stevens; and Mr. Saxbe to attend, on the part of the Senate, the Canada-United States interparliamentary meeting to be held in Washington, D.C., April 4–8, 1973.

LET US HONOR ALL WHO SERVED IN VIETNAM

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MONTGOMERY. Mr. Speaker, the last known officially listed American prisoners of war—147 men—will be released this weekend in Hanoi. It is my very strong feeling that now is the time for the Congress to begin making plans to honor not only the POW's, but also those still listed as missing in action, those who lost their lives in Vietnam, those wounded and handicapped, and those young Americans who served during the Vietnam conflict.

I would hope the leadership on both sides of the aisle would support a resolution calling for a joint meeting of Congress sometime in April to be attended by a representative group of POW's, Congressional Medal of Honor winners, veterans of the Vietnam conflict, wounded veterans of Vietnam, and loved ones of the MIA's and those who lost their lives. The time has arrived for the Congress to show its appreciation.

THE STAGGERING INCREASES IN GROCERY PRICES

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, a few hours ago the Bureau of Labor Statistics announced another staggering increase in food prices.

Grocery prices paid by American housewives went up 2.3 percent in February. That is on top of a 2.5-percent increase in January, and it makes a 4.8-percent increase for the first 2 months of 1973 alone.

And what is the good news? Well, future months are supposed to bring "lower price increases," the administration says.

The administration has told us that by December, grocery prices should be 6.5 percent higher than in December 1972. That's wonderful—if we survive. Because we are embarked on a long, high trajectory toward that mark. Projecting the current rate of increase, food prices could rise 15 to 20 percent by midyear before they crest and begin to head down toward a 6.5-percent rise. I am sorry if that terminology sounds like the administration's brand of optimism.

Mr. Speaker, these outrageous fluctuations in food prices mean a burden to us all and outright misery for those who can least afford it—the poor, the elderly, all those living on fixed incomes.

The single most important factor behind this chaos in food costs is the politically motivated farm policy pursued by this administration during the presidential election year of 1972. Secretary Butz deliberately set out to show how high he could drive farm prices. He has succeeded too well. Now all of us are paying for the administration's errors in judgment and its plain political tampering with our food production system.

During the 1972 planting season, this Nation was under some of the strictest agricultural production controls it has ever experienced. The reduced crop became an outright shortage after the sale to Russia last year—at bargain prices—of almost a quarter of our grain crop.

And who benefited from that massive transaction? Big grain merchant friends of the administration who—understandably—would rather not talk about it.

This action of reducing our grain supplies made beef—as well as bread and cereals—more expensive because much grain is used to feed cattle.

A few weeks ago, Arthur Burns, Chairman of the Federal Reserve Board, suggested that the American people eat less meat and more cheese. Well, now it is too expensive to eat cheese.

Mr. Speaker, there is no way out now but to endure until the new crop which, hopefully, will be sufficient to ease food prices. In the meantime, the Nixon administration's food policies deserve the just indignation of the people.

WHO IS TO BLAME FOR THE COST OF LIVING?

(Mr. DEVINE asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I listened with interest to the distinguished majority leader, Mr. O'Neill, and his deploring the fact that food prices have gone up.

I think all Americans share his concern with the fact that we are having a rise in prices, but this inflation business is a worldwide problem, not just here in the United States. I suppose the distinguished majority leader will figure out some way to charge the Nixon administration with that.

The rate of inflation in this country is between 3.4 percent and 3.7 percent. It happens that in Germany and in Italy and the other industrial countries it is 6 percent, and in England it is 7.5 percent.

But what are the causes of inflation here in the United States? One cause is the fact that some people in this Congress vote for every big spending program that comes along, but they lack the courage to vote for a tax increase to pay for these programs.

I would suggest that those who deplore inflation exercise a little fiscal responsibility on the floor of the House. They may have an opportunity in the next week or 10 days when the President, as I believe he will, vetoes the vocational rehabilitation bill, which is $1 billion above the budget in the next 2 years, yet provides no means by which to pay for this.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the distinguished gentleman from New York (Mr. Wydler).

Mr. WYDLER. Mr. Speaker, I listened to what the gentleman from Massachusetts (Mr. O'Neill), the distinguished majority leader had to say about the rise in prices, and, of course, it is a serious problem for all Americans.

What I was hoping to hear and what I have yet to hear is anything he is suggesting that Congress do to help this situation. The distinguished majority leader certainly took the administration to task on it, but I think the American people would like to hear him propose something constructive about what we in the Congress might do to help solve this problem of food prices.

Until we hear that I do not think we are really doing much about this problem to help the American housewife.

CALL OF THE HOUSE

Mr. WIGGINS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 53]

Ashley
Aspin
Badillo
Beard
Bell
Bergland
Blatnik
Brademas
Breaux
Carney, Ohio
Casey, Tex.
Chisholm
Clark
Conyers
Corman
Cotter
Davis, Ga.
Edwards, Calif.
Esch
Fish
Ford, Gerald R.
Ford, William D.
Fraser
Frenzel
Froehlich
Gray
Gubser
Harrington
Harvey
Hébert
Heckler, Mass.
Holifield
Hosmer
Jones, N.C.
Karth
Kastenmeier
Kemp
King
Koch
McDade
Metcalfe
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Moorhead, Pa.
Powell, Ohio
Price, Tex.
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Skubitz
Steele
Taylor, Mo.
Ullman
Waldie
Wampler

The SPEAKER. On this rollcall 372 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOLID WASTE DISPOSAL ACT EXTENSION

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 315 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 315

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5446) to extend the Solid Waste Disposal Act, as amended, for one year. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. MATSUNAGA. Mr. Speaker, House Resolution 315 provides for consideration of the bill, H.R. 5446, which, as reported by unanimous voice vote from our Committee on Interstate and Foreign Commerce, would extend the Solid Waste Disposal Act for 1 year and authorize appropriations for fiscal year 1974 at the fiscal year 1973 level. The current law, which expires on June 30, 1973, authorizes appropriations in three categories:

First, the sum of $76 million to the Environmental Protection Agency for the development of new recycling and waste disposal techniques and for grants to State and local agencies for the development of areawide disposal plans;

Second, the sum of $140 million for grants to States and municipalities for the demonstration of resource recovery systems and for the construction of solid waste disposal facilities; and

Third, the sum of $22.5 million to the Department of the Interior for research and demonstration projects on the disposal of mining wastes.

Because the committee plans extensive oversight and legislative hearings on the Solid Waste Disposal Act to examine in depth the many policy issues which have arisen since the act was last amended in 1970, the 1-year extension is necessary to allow the committee's careful and responsible consideration of these issues. Adequate time is not available to the committee before June 30, 1973.

The committee also believes that in order to give uninterrupted life to the solid waste disposal programs, the funding authorization for fiscal year 1974 should be established as early in the 93d Congress as possible.

Passage of H.R. 5446 is imperative for the continued improvement of our environment. If we should allow funding of these programs to lapse until committee hearings can be held, we would be making a grave mistake. And if the President refuses to adequately fund solid waste disposal programs after Congress authorizes and appropriates for such expenditures, he will be negligent in providing for the Nation's needs. In this regard, it is to be noted that the administration, while favoring the continuation of the Solid Waste Disposal Act, budgeted only $6.2 million to carry out the various programs under that act in fiscal year 1974.

Mr. Speaker, House Resolution 315 provides an open rule with 1 hour of general debate, the time to be equally divided and controlled by the chairman and ranking minority member of the committee on Interstate and Foreign Commerce, after which the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee of the Whole House shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, I urge the adoption of House Resolution 315 in order that H.R. 5446 may be considered.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 315 provides an open rule with 1 hour of general debate for the consideration of H.R. 5446.

The purpose of H.R. 5446 is to provide a 1-year extension of the Solid Waste Disposal Act. The present authorization expires on June 30, 1973.

The bill provides fiscal year 1974 authorizations at the same level as fiscal year 1973. The cost of this bill for fiscal year 1974 is $238,500,000.

The 1-year extension will allow the Committee on Interstate and Foreign Commerce sufficient time to hold extensive hearings before altering present programs.

The administration supports this 1-year extension of the present program.

Mr. Speaker I urge adoption of this resolution.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5446) to extend the Solid Waste Disposal Act, as amended, for 1 year.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5446, with Mr. FOLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. NELSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I would like briefly to explain the bill. It came out of the subcommittee unanimously, out of the full committee unanimously, and when this act was passed in 1970 there was a rollcall taken and the vote was 337 to 0, so we can see that it has universal support.

We are not here to discuss the bill because all we are asking for is an extension. I will briefly discuss what the bill has, although I do not think it is necessary at this time, because all we are asking for is a simple extension of the act as it was passed in 1970 since it expires on July 1 of this year. We would not have time to go into it comprehensively and make the changes that are probably needed, hear the witnesses, and then bring the bill up in time to get it passed.

I might say that the Senate has passed an identical bill, and sent it over to us. All we are asking is for this extension, as I say, until July 1 of 1974.

When we passed the bill in 1970, we had a Commission appointed, the National Commission on Materials Policy, to make a complete study of this subject throughout the United States and report back to the Congress by July 1 of this year. We do not have the advantage of having that report yet and will not until July 1. That is another reason why we are not attempting to pass a new bill now but simply an extension to give us time until we get the report back.

Mr. Ruckelshaus appeared before the committee and was in complete support of the bill. He recommended its passage. The money and everything in the bill is identical with the reading of the bill as it was in 1970, with the exception that we changed the dates to 1974 instead of 1973.

I will just briefly explain what the bill does. It gives a certain amount of money to the States to set up their own systems of disposal of solid waste material. Several States have their plans now in working order and several have their plans in the planning stage yet. Part of the bill also goes to help, through technical assistance, cities and communities which are planning their own solutions to their own problems, and part of the bill goes toward setting up demonstration plants across the country; research and demonstration plants.

An example of one of these cities is Cleveland which is working very well. The Federal Government through its representatives helped Cleveland to go over its whole system for collection of garbage and waste material day by day and devise ways to dispose of it more efficiently and at less cost. This is working well as one of the demonstrations.

We also have a demonstration working in St. Louis. There, one of the public utilities, I believe the St. Louis Electric Power Co., is demonstrating the use of waste material to generate electrical energy. They are converting waste material into something useful through this project.

We are trying to do these things all over the country in fact. In other projects glass is being recycled and is being used in the building of roads. We are also trying to utilize the old cars in America in useful ways. Tin and aluminum cans are being brought in to be recycled. Some of the paper I have on my desk here is recycled paper. These are concrete examples we see as to how effective the program has been. It is useful. That is the reason we are asking Congress today to extend this for 1 year.

Just by simple arithmetic we can comprehend how the amount of solid waste produced in America by the year 2000 would not leave us any place to go or any useful way of living if we did not convert it in some way. It would run into the billions of pounds per year. The problem had gotten to such a point in 1956, when we passed the original bill, that we recognized something must be done to cope with the increasing wastes in America. We have already developed additional ways of using the disposable bottles and cans and the old automobiles that are left in this country, as well as tse garbage produced in our homes.

As I say, this has been a very useful program, one that has already proven it is useful and needed, and for that reason the committee recommends passage of this bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I know that the distinguished chairman of this committee is very conscientious about making sure that the Interstate and Foreign Commerce Committee offers bills authorizing only those that are realistically close to needed appropriated dollars. I know the Appropriations Committee is very concerned about this matter. It is my understanding that the administration is planning or thinking of asking for roughly between $5 and $6 million to be actually spent in this particular program. Why is the committee asking for an authorization of $238 million? Is that not the kind of "overpromise" and "overcommitment" that we are trying to avoid?

Mr. STAGGERS. I suggest the gentleman look at the realities of the situation.

Mr. ROUSSELOT. I am trying to.

Mr. STAGGERS. If the gentleman will bear with me, the Senate has passed a simple extension. We are doing this because we are waiting for a report which will be coming in on July 1 this year from the Commission. The administration does not have control of that and neither do we. The President appointed everyone of those members with the approval of the Senate. We hope this is what the administration is waiting for. The administration and the gentleman and I know this is one of the most important methods we have today of taking care of the solid waste disposal problem.

Mr. ROUSSELOT. I do not think any of us disagree on that subject, but we are talking about the dollars actually needed.

Mr. STAGGERS. I will get to that. If we start changing this now from what it was, regardless of what the Committee on Appropriations comes up with, and I hope they will come up with more money than they did last year since the need for it is there and it has been shown by some of the examples which I stated heretofore that it is a useful thing; that it is doing good for this land; we certainly would want to, during the next year when we are going to study the problem and come back with new legislation after we have had the recommendations of the Commission which has studied this problem for 3 years, then we want to be sure it is funded enough to take care of that.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. I do not disagree with the idea of extending this act for 1 year. I do not disagree with the wisdom of the committee in waiting for the additional studies to be completed and wanting to have additional hearings to see what is really needed. But what I do not understand and where I think we as a Congress err, is when we constantly ask in an authorizing bill for so many millions of dollars more than are actually needed, and then when the Committee on Appropriations comes along and only appropriates, say $5 or $10 million for this in the authorizing bill, and the whole House have asked for $238 million, it makes us look just plain stupid.

Mr. STAGGERS. Just a minute. I do not like that word.

Mr. ROUSSELOT. Well, all right. That is my word. As to the position it places this body, when nobody seems to actually believe that amount of $238 million is needed.

Mr. STAGGERS. We are being realistic. We do not know what they are going to ask for later and what they are going to need. We are not changing the law. All we are asking for is to extend this for 1 year.

Mr. ROUSSELOT. I said that I agree with the chairman, that the act should be extended for 1 year.

Mr. STAGGERS. Why should we start changing it?

Mr. ROUSSELOT. Why should we ask, though, for $238 million?

Mr. STAGGERS. Who is the gentleman from California to say what we are going to ask for? Does the gentleman mean to say that if we had to have it——

Mr. ROUSSELOT. We can refer to the actual dollars spent this year under this act. It is no where near $238 million.

Mr. STAGGERS. I have heard that story too many times; too late and too little.

Let us have it. If they do not need it they will not use it and it will not cost the Government anything; it will not cost the gentleman's taxpayers 1 cent more, or any place in the country.

The gentleman might call it stupid if he wants to.

Mr. ROUSSELOT. I believe that it is stupid to ask for $238 million in an authorization bill when we know in advance that we are only going to spend $5 to $6 million.

Mr. STAGGERS. We do not know that at all.

Mr. ROUSSELOT. That is the report that has been given to me as to what has been asked for in the budget.

Mr. STAGGERS. I know what is asked for, but we do not know what is going to be spent before the end of the year.

If the gentleman from California does know, he is a wiser man than I am.

Mr. ROUSSELOT. My understanding is that this is all that will be spent of this authorization.

Mr. STAGGERS. Is the gentleman speaking for the Committee on Appropriations?

Mr. ROUSSELOT. No, I certainly am not.

Mr. STAGGERS. In that case, I should not be speaking at all; not saying anything about it.

Mr. ROUSSELOT. I have never pretended to speak for the Committee on Appropriations. I am merely looking at the record of actual expenditure this last year and what the administration says it will spend this year.

Mr. STAGGERS. Is the gentleman speaking for the administration?

Mr. ROUSSELOT. No, I am asking a question of the gentleman from West Virginia (Mr. STAGGERS). He is an able legislator and man of facts.

Mr. STAGGERS. How does the gentleman know what the Committee on Appropriations is going to do?

Mr. ROUSSELOT. My understanding is——

Mr. STAGGERS. From whom?

Mr. ROUSSELOT. It was made clear that the rough amount of dollars which will be needed to institute this program will be roughly between $5 and $6 million.

Mr. STAGGERS. The gentleman understands that from whom?

Mr. ROUSSELOT. Well, if the gentleman wishes me to say, by able colleagues here on the committee, on the gentleman's subcommittee.

Mr. STAGGERS. Let me state that the appointee of the President appeared before the committee and recommended the passage of this bill as it is now.

Mr. ROUSSELOT. I understand that they primarily testified for a straight extension of the act.

Mr. STAGGERS. Yes, an extension, and not to change it, and that is all we are doing.

Mr. ROUSSELOT. But that does not mean that we cannot ask questions.

Mr. STAGGERS. That is right. I do not mind the gentleman asking questions.

Mr. ROUSSELOT. I said that it appears to me to be very stupid to ask for $238 million when only $5 to $6 million will be used.

Mr. STAGGERS. What would the gentleman do when we change the bill, when they said they wanted an extension?

Mr. ROUSSELOT. This agency is only going to spend $5 or $6 million.

Mr. STAGGERS. I am asking the gentleman a question. I want to ask, what would the gentleman do if he had been asked to extend the bill by the administration? What would he do?

Mr. ROUSSELOT. I would be happy to respond. I would extend the act for a year and include $10 or $15 million authorization, which would be more than adequate to cover any unusual contingencies.

Mr. STAGGERS. Oh, the gentleman is going that way.

Mr. ROUSSELOT. If the gentleman will yield further, it would provide the extra amount of authorization, even above what is being asked for, without a recommendation.

Mr. STAGGERS. It would not be an extension. That would be a substantive change in the bill. What we have done is just exactly extend it for 1 year.

Mr. ROUSSELOT. I thank the gentleman for yielding. I am sorry; I do not really feel I obtained an answer to my reasonable question.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I am happy to yield to the gentleman from Florida, the chairman of the subcommittee.

Mr. ROGERS. Mr. Chairman, I rise in support of H.R. 4292, which will provide a simple, 1-year extension of the Solid Waste Disposal Act. The funding provisions of the act expire on June 30, 1973, and it simply will be impossible for the Subcommittee on Public Health and Environment to afford ample consideration to substantive changes in the act prior to that time.

This is true for two reasons, Mr. Chairman. In the first place, there are 12 health bills under the jurisdiction of the subcommittee that expire at the end of this fiscal year. Many of these programs are the subject of intense attack from the executive branch. In fact, in some instances, the administration is seeking to dismantle these programs before the subcommittee can act to extend, revise, or terminate them. In order to protect the prerogatives of the Congress, our subcommittee must commit the next 3 months to these health programs.

Secondly, Mr. Chairman, this action is necessary because of the tardiness of a series of reports to the Congress which were to serve as aids to the subcommittee in developing new solid waste disposal legislation. One series, mandated by section 205 of the act, was to be on resource recovery. The first annual report was not released until 28 months after enactment of the law and 16 months after the report was due. It was completed by EPA last summer, forwarded to the Office of Management and Budget on August 24, 1973, held up by OMB for more than 6 months, and finally submitted to the subcommittee on February 22 of this year. The section 210 report was to have been submitted to the Congress in October of 1971. It was submitted in January of 1973. The section 212 report, due October 1972, is scheduled to be submitted to the Congress on June 30, 1973, hardly in time for the subcommittee to use its information and recommendations to develop new legislation.

The administration has submitted to the Congress both through its budget and recommended new legislation its recommendations for solid waste disposal activities. In simple terms the administration's legislative program proposes Federal guidelines for State and local solid waste disposal programs but no new money for demonstration programs. It provides that the Federal Government would provide only technical assistance for the development of new waste disposal systems.

The EPA budget for fisal year 1974 in the solid waste field is the most substantial reduction in the history of environmental legislation. It has decreased from over $30 million last year to under $6 million this year. My initial impression of the administration proposal is that it certainly needs substantial review and probably is inadequate to deal with the problem. I assure my colleagues that the Subcommittee on Public Health and Environment will consider the problems of solid waste disposal and resource recovery at length later this year.

Now, with respect to the remarks of the gentleman from California, I should like to point out to the gentleman, in conjunction with what the chairman has said, that we simply are proposing extending this bill in order to give the committee time to look and see what needs to be done.

Mr. ROUSSELOT. I want to make it clear, I do not disagree with the simple extension of this act at all.

Mr. ROGERS. I would hope the gentleman would not. He has problems in California, and he knows that funds properly invested here might even help the California situation with respect to air pollution.

Mr. ROUSSELOT. Fine.

Mr. ROGERS. The gentleman probably does not know that production of paper from secondary fibers, through recycling, instead of production from virgin wood pulp, takes about 60 percent less energy and will dump some 15 percent less pollutants into the water and 60 percent less into the air. In steel production, by using scrap, air pollution is cut 86 percent. We find this can be done in so many areas.

The gentleman comes from a State where they have one of the most severe air pollution problems in the Nation.

Mr. ROUSSELOT. I understand that.

Mr. ROGERS. I would think the gentleman would urge this committee to extend the law. Then, if we find it is necessary to come to the House, we perhaps might go over the $5 million recommended in the budget. The gentleman might support it and support it strongly, even to the amount the Administrator himself has supported by this extension.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I hope the gentleman understands the position of the committee very clearly.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. ROGERS. Certainly, I yield to the gentleman from California.

Mr. ROUSSELOT. I am familiar with much of the material from which the gentleman was quoting. I have read the same article.

I am in complete agreement that this is a high priority area. We are very aware of it in California.

Of course, when we talk about air pollution, in respect to this bill that is really another covered by other acts because we are talking about solid waste disposal in the bill before us. I am not speaking as to whether we do or do not extend the act. I favor extending the act.

I believe the gentleman from Florida might be able to help us, because it was his subcommittee which considered this bill. My question was why it is necessary to authorize $238 million when it is very likely only $5 or $6 million will actually be spent. The chairman of the committee very graciously asked me what I would do. My answer to his question is, were I on the committee I believe I would move to strike the figure $238 million and to make it $15 or $20 million, because that would be more than adequate as an excess above the $5 or $6 million that is to be spent.

Mr. ROGERS. Would the gentleman permit an interruption at that point?

Mr. ROUSSELOT. Certainly.

Mr. ROGERS. Does the gentleman know the Congress appropriated $36 million last year?

Mr. ROUSSELOT. Yes.

Mr. ROGERS. And we are now going to hold them to $15 million?

Mr. ROUSSELOT. Yes.

Mr. ROGERS. We may want to go to $36 million. We may want to go to $200 million, if we find there are breakthroughs.

Mr. ROUSSELOT. Can we not come back to the basic question?

Mr. ROGERS. This is what we want to consider.

Mr. ROUSSELOT. I know the gentleman is a very able legislator. Could we not come back to obtain that kind of increase. We are only talking about a 1-year extension.

Mr. ROGERS. This is in conformance with what the administration asked, which was just to give them a 1-year extension, until the committee can consider this.

Mr. ROUSSELOT. Let me make my point once more.

Mr. ROGERS. Yes.

Mr. ROUSSELOT. I believe the charge is made that sometimes Congress, in its deliberations and in its process of authorizing and writing programs, over asks for dollars that it is not going to spend. I believe it makes a mistake in doing it that way, and it puts added pressure, in my opinion, on the Appropriations Committee, which I do not believe is warranted. It also creates a misleading impression with the general public.

That is the only point I was trying to make.

Mr. ROGERS. I understand the gentleman. I believe the gentleman supported the bill when it was before the House previously.

Mr. ROUSSELOT. I did.

Mr. ROGERS. With all these figures in it. He could have offered amendments at that time.

Mr. ROUSSELOT. Would the gentleman from Florida disagree to an amendment that would be offered to amend the figure down in this bill, to reduce it down to $38 million as an authorization?

Mr. ROGERS. At this time I would oppose that.

Mr. ROUSSELOT. That is difficult reasoning to understand.

Mr. ROGERS. This is a very important extension. Now, we are not sure what revisions are necessary yet—we are waiting for the reports which are late coming in—and the administration may want to come in with a supplemental request as soon as the reports are in.

Mr. ROUSSELOT. I know the gentleman from Florida is a very able legislator. However, there is a tremendous difference between $5 and $6 million and $238 million. I am sure, with his able staff and his able committee, they can come up with a better estimate as to what will be needed than this figure of $238 million, which is way above $5 or $6 million.

Mr. Chairman, this is my only point.

Mr. ROGERS. Mr. Chairman, I understand the gentleman's point, and I simply say it is not valid at this time.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I think the colloquy has been valuable, because many times an authorization in an act leads people to assume money to be available that really finally turns out not to be available. However, I would like to suggest that we pass this proposal in its present form for these reasons:

No. 1, it is only a 1-year extension; and No. 2, on the second page of the report, the committee states very plainly that we plan oversight on this program, and with the idea that it needs clarification to determine whether this program should continue.

Next, we have the recommendation from Mr. Ruckelshaus suggesting the 1-year extension.

Mr. Chairman, all of these things point toward what my good friend, the gentleman from California (Mr. ROUSSELOT) talked about, as to the total budget, as to his thinking that we ought to look at it a little more reasonably when making the final decisions.

Mr. Chairman, I do hope the bill passes in its present form, and I recommend its passage.

Mr. WYLIE. Mr. Chairman, will the gentleman yield,

Mr. ROGERS. I yield to the gentleman.

Mr. WYLIE. The gentleman has indicated this bill provides just a 1-year extension in authorization.

Mr. NELSEN. Yes.

Mr. WYLIE. And that was the suggestion made by the able chairman of the committee, Mr. STAGGERS.

I wonder if the gentleman would clarify something for me on funding procedures, which I do not understand.

In H.R. 5446, on the first page it says:

> There are authorized to be appropriated . . . not to exceed $72,000,000 for the fiscal year ending June 30, 1972—

Which has already passed—

> not to exceed $76,000,000 for the fiscal year ending June 30, 1973——

Which ends on June 30 of this year—

> and not to exceed $76,000,000 for the fiscal year ending June 30, 1974.

Mr. Chairman, that refers to paragraph 2. Then the same procedure is repeated in the other two paragraphs.

May I ask the gentleman, did we authorize $72,000,000 for the fiscal year ending June 30, 1972, and if so, why do we need to have it repeated here?

Mr. NELSEN. I will yield later to the chairman of the committee, if he would in detail explain this. However, it is my understanding that the way the bill was drawn, it was just a means of feathering out the dollars that are in the authorization. It is a matter of drafting style only.

Mr. Chairman, I will defer to the chairman of the committee for a further explanation.

Mr. STAGGERS. Yes. I would say to the gentleman that this is exactly what was in the original bill, and we just repeated it for those purposes.

Mr. WYLIE. Mr. Chairman, I understand that, but those fiscal years have already passed, at least one of them has already passed, and there has been an appropriation pursuant to that authorization which has been spent.

Now, is this an add-on ratification procedure so that we can say there is this much money being authorized, and, therefore, we have to meet the full funding need through the appropriations procedure?

If this is a simple extension, why did the committee not just add one authorization for the fiscal year ending June 30, 1974?

Mr. STAGGERS. I might say this to the gentleman: We are just simply repeating the language of the law as it is now in order to make clear what has passed and what is taking place here.

Mr. Chairman, I think the explanation is that in order to make the legislative process clear, as the legislative counsel has told me, this is the way they would write the bill in order to make it clear as to what has happened.

Mr. WYLIE. Well, Mr. Chairman, as I say, I do not understand the authorization procedure. If this is a simple 1-year extension, and I go along with that, why do we need to refer to passed years? Why are authorizations for prior years included in this bill? We have already authorized money for fiscal year 1972, and money has been appropriated pursuant to the authorization for the program, beginning in 1967, as a matter of fact.

Mr. Chairman, I am not opposed to the bill.

I want the assurance, I guess, of the chairman, then, that when we note that about $41.5 million was appropriated and spent for fiscal year 1972 that we do not now by authorizing $72 million add another $30 million, which can be carried over to the present.

Mr. STAGGERS. I can assure the gentleman it does not mean that at all. The reason why we did not change it is we could not change it. We wanted to write the law as it is, because they were just asking for an extension. I can assure the gentleman it does not have anything to do with that. We wanted to write this legislation as an extension in the way the original law was written.

Mr. WYLIE. I thank the gentleman.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. ROUSSELOT. If I might ask an additional question of the chairman? Mr. Ruckelshaus asked for the extension of this legislation. Again, I wish to make it clear I agree with that concept. But did Mr. Ruckelshaus ask for a $238 million authorization?

Mr. STAGGERS. If the gentleman will yield to me, let me put it this way. He asked for a simple extension, and the amount of money is in the original bill, so we just extended it as it was for the past year.

Mr. ROUSSELOT. So the answer to the question is that he did not specifically ask for $238 million?

Mr. STAGGERS. But he asked for an extension, and when he did that I think he asked for what was given last year to be continued.

Mr. ROUSSELOT. What did we spend last year on this program?

Mr. STAGGERS. $31 million.

Mr. ROUSSELOT. $31 million. So we are roughly $200 million over authorized in this bill.

Again I wish to make the point that I think our authorizing legislation should not ask for so much additional funding when we are not even coming close to such a spending level today. That is my point.

I believe that the Congress as a whole makes itself look very ridiculous and even borders on stupidity when we authorize so much more money than that which is actually needed. That is my point.

Mr. STAGGERS. I am glad the gentleman made it clear. I believe I understood him correctly when he said that we were not stupid; and he did not believe it was the whole Congress. I disagree with him on the amount of the extension, because I know of no other procedure to follow in this instance, because when you ask for a simple extension, unless you go in and change the bill comprehensively, which would require a study of what you think is needed, then we would have to go along with what we had before. We did not undertake to conduct this study, because this is to be done for next year's authorization. We simply have a simple extension of the bill this year with the same authorization.

Mr. ROUSSELOT. I thank the gentleman.

Mr. DON H. CLAUSEN. Mr. Chairman, one of the most serious environmental problems facing this Nation is that of solid waste disposal.

In 1920, this Nation had to dispose of 2.75 pounds of solid waste per person. By 1970, that figure had increased to 5.3 pounds per person while there were, of course, almost twice as many persons.

Experts tell us that by 1980 we will be faced with 8 pounds per person.

More explicitly, today's rate of solid waste production for this country is 3.5 billion tons.

Continuing and increased efforts to research and develop the means of recycle solid wastes are vital if we are to prevent the pollution of our environment. Solid wastes are now causing air pollution, water pollution and land pollution but I am convinced that we can find the ways to end these problems and convert these wastes to our benefit. This can only be done if we devote our concentrated energies to this task.

Let me take this opportunity, however, to remind the American people that their growing awareness of this problem must be coupled with growing action in response to it. This bill before us today provides Federal support for research efforts but it cannot come close to doing the job alone.

For example, the most recent estimate of the cost of removing litter is $500 million annually. One-half billion dollars each year. Every month American motorists drop an average of 1,300 pieces of litter on every mile of the Nation's vast network of primary highways, or nearly 16,000 pieces of litter per mile per year.

There is no monetary cost in saving ourselves the half-billion annual cost of littering. The answer, quite simply, is discipline. That is all it takes. Discipline on the part of all of us. Overnight we could wipe out a $500 million annual debt.

Therefore, Mr. Chairman, I strongly endorse extension of the Solid Waste Disposal Act and simultaneously urge each person to take it upon himself to help fight this problem through his own efforts.

Mr. KYROS. Mr. Chairman, I rise in strong support of H.R. 5446, which would extend for 1 year, at the current authorization rate of $238,500,000, the Solid Waste Disposal Act.

This bill was considered on February 26 by the Public Health and Environment Subcommittee, under the able leadership of Chairman PAUL ROGERS, and it was quite evident at that time that responsible and thorough consideration of the Federal Government's effort and proper role in this important field could not be accomplished before the end of the current fiscal year, when the funding authorization for this act expires. The Public Health Subcommittee intends to hold extensive hearings on this act to examine carefully the many and varied issues which have arisen since original passage of the act 3 years ago.

Mr. Chairman, the cost of sanitary landfills and other effective solid waste disposal mechanisms looms as a tremendous financial burden on many small communities throughout my State of Maine and the Nation. Our country currently produces some 256 million tons of municipal waste each year. Most of this waste is now handled by open dumping or burning, in spite of the fact that this will be in violation of most States' air quality standards within a short time.

Effective solid waste programs must be made financially practical, which they certainly are not at the present time in most of our rural areas. The Congress should have the time necessary to carefully consider this major national problem, and for that reason, I urge adoption of this 1-year extension.

Mr. PRICE of Illinois. Mr. Chairman, I support H.R. 5446, the 1-year extension of the Solid Waste Disposal Act.

This extension provides the Interstate and Foreign Commerce Committee the opportunity to undertake extensive oversight hearings on the act. Also, it maintains program continuity.

The bill before us authorizes $238.5 million for fiscal year 1974. This is the same funding level authorized in fiscal year 1973. The bill authorizes $140 million for demonstration and construction grants to States and municipalities for resource recovery systems and solid waste disposal facilities; $76 million for the Environmental Protection Agency to develop new recycling and waste disposal techniques and to award grants to State and local agencies for developing areawide waste disposal plans; and $22.5 million for the Interior Department for research and demonstration projects on the disposal of mining wastes.

The importance of this legislation should not be overlooked. Unfortunately, the administration has budgeted only $6.2 million to fund solid waste disposal programs in fiscal year 1974. I feel this action is shortsighted. This country faces a growing energy crisis. Our research efforts must be accelerated as to how recoverable materials and waste can be utilized to meet this crisis.

For example, the Environmental Protection Agency recently funded a household trash recycling program in the St. Louis metropolitan area. The program involves the Union Electric Co. in St. Louis and the Granite City Steel Co. in Illinois. The utility is purchasing trash and converting it to energy. The steel company is purchasing the scrap metal and cans to produce new steel. While this is a pilot program, it is the type of research that needs to be undertaken.

Mr. DONOHUE. Mr. Chairman, it is my very earnest belief that the House should overwhelmingly adopt the measure presently under consideration, H.R. 5446, the Solid Waste Disposal Act extension.

As you know, Mr. Chairman, this bill is specifically designed to extend the Solid Waste Disposal Act for a period of 1 year and authorizes appropriations for fiscal year 1974 at the very same funding level previously authorized for fiscal year 1973. Under the various provisions of this measure, our States and municipalities will continue to receive grants for the demonstration of resource recovery systems and for the construction of solid waste disposal facilities. The measure also provides funds for the Environmental Protection Agency to continue work on the development of new recycling and waste disposal techniques and to award grants to State and local agencies to assist them in developing areawide waste disposal plans.

Mr. Chairman, there can be no question whatever concerning the critical importance of solid waste disposal facilities for a great many areas throughout our country, including my own State of Massachusetts. I feel very certain that we all recognize the need for continuing, without any unnecessary interruption, reasonable and effective programs which substantially contribute to wholesome improvement in the quality of our environment. Since this legislative measure responsibly extends existing solid waste disposal programs, while extensive oversight and legislative hearings carefully examine the many policy issues which have arisen since the bill was originally enacted, and since the measure represents a wholly substantial and prudent attempt to continue the fight to improve, protect, and preserve our threatened environment, I urge this House, in the overall national interest, to resoundingly approve the measure.

Mr. ANNUNZIO. Mr. Chairman, cleaning up our environment and establishing practices that will insure a healthy environment for future generations is one of our Nation's highest priorities today. We have embarked on an ambitious multibillion-dollar program to clean our waters by 1985, and progress in the fight for clean air has already been reported in a number of communities across the country. However, we are losing ground in our struggle with another, perhaps slightly less glamorous form of pollution.

I am referring to our efforts to halt environmental degradation caused by inefficient, antiquated solid waste management practices that are unnecessarily expensive and result in the loss of valuable natural resources. Unless this Congress takes decisive action soon, we will not just continue to lose ground slowly in the solid waste pollution fight—indeed, we will be in full-scale retreat.

In 1970, the Congress enacted the Resource Recovery Act—Public Law 91-512—amending the Solid Waste Disposal Act of 1965—Public Law 89-272. This legislation indicated Congress desire to see environmentally offensive solid waste disposal practices halted and the policy of resource recovery adopted. This legislation, which is just beginning to bear profitable results, will expire at the end of the current fiscal year unless we vote to extend the Solid Waste Disposal Act. It is for this reason that I rise today in support of H.R. 5446, a bill introduced by the distinguished chairman of the House Interstate and Foreign Commerce Committee, Hon. HARLEY O. STAGGERS, of West Virginia, to extend the 1965 Solid Waste Act, as amended by the 1970 Resource Recovery Act.

Already, as we debate this issue today, the administration is dismantling the programs within the Environmental Protection Agency which are designed to combat an increasingly serious solid waste problem. Even though this Congress has not yet acted, the Office for Solid Waste Management Programs, the Federal unit administering the Solid Waste Disposal Act, is being decimated as its staff is reduced from 320 to 120.

Mr. Chairman, conservative estimates place our total annual bill for collecting and disposing municipal solid wastes at $5 billion. Through the technical assistance provided by the Federal solid waste program, this figure could be significantly decreased, without any reduction in the level of collection and disposal services. In Cleveland, Ohio, waste collection costs were cut in half after a new system, designed with the aid of Federal experts, was installed.

Meanwhile, our Nation is headed toward a solid waste crisis. Already 5 billion tons of solid wastes are produced annually and per capita waste generation is increasing at a rate of 4 to 6 percent—3 times the population growth rate. Most municipal wastes are disposed of in ways harmful to the environment, primarily by open dumping. Only 1 percent of municipal wastes are now recycled. The proportion of recycled materials relative to virgin materials going into the production of new goods has been declining since World War II.

Through the Solid Waste Disposal Act, we are beginning to reverse the trend. Open dumps are being closed or converted into sanitary landfills. Air-polluting incinerators are being equipped with control devices. New technologies to separate and recycle municipal wastes into useful byproducts are being developed and demonstrated. In some cases, municipal trash and garbage is actually being converted to a low-sulfur fuel—a commodity in much demand today.

Mr. Chairman, we cannot afford to give up the solid waste fight now. What might result in some savings now will cost us much more in years to come. I urge my colleagues to support H.R. 5446.

Mr. NELSEN. Mr. Chairman, I have no further requests for time.

Mr. STAGGERS. I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (2) of subsection (a) of section 216 of the Solid Waste Disposal Act, as amended (84 Stat. 1234), is amended to read as follows:

"(2) There are authorized to be appropriated to the Administrator of the Environmental Protection Agency to carry out the provisions of this Act, other than section 208, not to exceed $72,000,000 for the fiscal year ending June 30, 1972, not to exceed $76,000,000 for the fiscal year ending June 30, 1973, and not to exceed $76,000,000 for the fiscal year ending June 30, 1974."

(b) Paragraph (3) of subsection (a) of section 216 of the Solid Waste Disposal Act, as amended (84 Stat. 1234), is amended to read as follows:

"(3) There are authorized to be appropriated to the Administrator of the Environmental Protection Agency to carry out section 208 of this Act not to exceed $80,000,000 for the fiscal year ending June 30, 1972, not to exceed $140,000,000 for the fiscal year ending June 30, 1973, and not to exceed $140,000,000 for the fiscal year ending June 30, 1974.".

(c) Subsection (b) of section 216 of the Solid Waste Disposal Act, as amended (84 Stat. 1234), is amended by striking "and not to exceed $22,500,000 for the fiscal year ending June 30, 1973." and inserting in lieu thereof ", not to exceed $22,500,000 for the fiscal year ending June 30, 1973, and not to exceed $22,500,000 for the fiscal year ending June 30, 1974.".

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last word.

Mr. Chairman, I, too, have some question about this bill, although I think an authorization is necessary.

I do not understand why we should be asked to authorize an expenditure of $238.5 million. I believe that is the proposal before the House, when all the evidence seems to indicate that not more than $5 or $6 million will be necessary to fund the program that is being proposed.

I would like to call the attention of the members of this committee and the Members of the House to the old saying which goes something like this:

> Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody.

This offers the temptation to spend much more—and I repeat—spend much more than might otherwise be prudent or provident.

So I regret that the committee comes in with an authorization for $238.5 million when all the testimony indicates a fraction of that amount will be sufficient. I regret that the committee came out with the figure it did, and I hope that next year when we get to the authorization for fiscal 1975 it will not find that a considerable amount of money has been expended that the committee did not contemplate. I would suggest, too, that the Appropriations Committee take note of the debate that has taken place here today and limit the appropriation to conform to the assurance that only a fraction of the authorization will be needed.

I would also like to say to the distinguished chairman of the Committee on Interstate and Foreign Commerce that I hope there will not be the accusation in this case that the President has impounded the difference between $6 million and $238 million; that no one will rise on the floor of the House and try to make the point that the difference between the two has been impounded by the President, and therefore charge it up to the total amount that the President has impounded.

I will yield to the gentleman from West Virginia if he would like me to yield.

Mr. STAGGERS. I thank the gentleman from Iowa for his remarks. I think they are well stated, but I think that the gentleman knows also that we are simply extending the bill from 1973 to 1974, and we used the same language and everything else, all we did was just to change the date.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5446) to extend the Solid Waste Disposal Act, as amended, for 1 year, pursuant to House Resolution 315, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed

and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 2, not voting 38, as follows:

[Roll No. 54]

YEAS—392

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Barrett
Beard
Bennett
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carey, N.Y.
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins
Conable
Conlan
Conte
Corman
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keating
Kemp
Ketchum
Kluczynski
Kuykendall
Kyros
Landrum
Latta
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mailliard
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills, Ark.
Mills, Md.
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rarick
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—2

Landgrebe
Rousselot

NOT VOTING—38

Aspin
Badillo
Bell
Bergland
Bingham
Carney, Ohio
Chisholm
Conyers
Cotter
Davis, Ga.
Dingell
Eilberg
Fish
Ford, Gerald R.
Ford, William D.
Gray
Harvey
Hébert
Hosmer
Hutchinson
Karth
King
Koch
Leggett
McDade
Minshall, Ohio
Moorhead, Pa.
Price, Tex.
Rangel
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Saylor
Sisk
Smith, N.Y.
Taylor, Mo.
Ullman
Wiggins

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Fish.

Mr. Hébert with Mr. Gerald R. Ford.

Mrs. Chisholm with Mr. Leggett.

Mr. Bergland with Mr. Bell.

Mr. Koch with Mr. King.

Mr. Bingham with Mr. Harvey.

Mr. Moorhead of Pennsylvania with Mr. McDade.

Mr. Badillo with Mr. Hosmer.

Mr. Dingell with Mr. Conyers.

Mr. Eilberg with Mr. Minshall of Ohio.

Mr. Gray with Mr. Price of Texas.

Mr. Rangel with Mr. William D. Ford.

Mr. Carney of Ohio with Mr. Roncallo of New York.

Mr. Cotter with Mr. Aspin.

Mr. Davis of Georgia with Mr. Smith of New York.

Mr. Karth with Mr. Taylor of Missouri.

Mr. Rooney of Pennsylvania with Mr. Hutchinson.

Mr. Sisk with Mr. Saylor.

Mr. Ullman with Mr. Wiggins.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL EXPLANATION

Mr. SAYLOR. Mr. Speaker, I understand that the Chair has ruled that you cannot correct the voting record.

I was present and placed my card in the voting receptacle back here on the right-hand side of the aisle in the last row on rollcall No. 54. A green light flashed in front of my name, but apparently the machine did not catch it. Since one cannot correct the rollcall vote taken by electronic device, I would like to have the record show, immediately following the vote, that I was present, and that I did vote "aye."

CORRECTION OF ENROLLMENT OF S. 7, AMENDING VOCATIONAL REHABILITATION ACT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 16) to authorize certain corrections in the enrollment of S. 7.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 16

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (S. 7) to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes, the Secretary of the Senate is hereby authorized and directed, in the enrollment of the said bill, to make the following corrections, namely, in the table of contents in section 1 strike out "Sec. 308. Rehabilitation Centers for Spinal Cord Injuries" and insert in lieu thereof "Sec. 308. National Centers for Spinal Cord Injuries"; in section 305(a)(2), insert "such" before "subsection" the second time it appears; in section 500(b), strike out "VI" the second time it appears and insert in lieu thereof "VII"; in section 602, strike out "the" the first time it appears; and in section 702(d), strike out "not" and insert "not" after "but".

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

"NOT US," SAYS VA HOSPITAL CHIEF OF REPORT

(Mr. TALCOTT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. TALCOTT. Mr. Speaker, I believe that every Member of this House is concerned about reports that have appeared in the newspapers alleging lack of care of veterans in our Veterans' Administration hospitals throughout this land.

Although I know from personal experience that these reports are largely untrue, I think it would be of interest to the Members to read the excellent article that appeared in the Fresno Bee on March 8 concerning our VA hospital at Fresno.

This article plainly points out that many of the allegations in the Nader report and other newspaper articles are clearly unfounded and that this hospital is well run and rendering excellent care to California veterans.

Sometimes we seem to forget that the VA system is the best of any Nation, at any time and that our veterans receive the best care of any veteran in the world.

This excellent care continues to improve regardless of an occasional critical report.

"Not Us," Says VA Hospital Chief of Report

(By Gene Kuhn)

A House subcommittee report that Veterans Administration hospitals provide a dangerous lack of care for patients today was branded as "categorically incorrect" as far as the Fresno VA Hospital is concerned.

William F. Lee, the hospital's director, said the report, prepared for a House appropriations subcommittee, has "no application" to the Fresno hospital.

"It's absolutely not applicable so far as we're concerned," he repeated.

The report says the hospitals do not have enough nurses to provide even a safe level of care and they fall far short of the number needed for the best medical treatment.

"Many essential nursing procedures either are not performed or are not done properly, notwithstanding the dedication and efforts of nursing staffs to maintain an adequate level of performance," the report says.

The study was prepared by staff members of the subcommittee conducting hearings on the VA budget. The 41-page report was finally made available today after a copy was leaked to the Associated Press.

The report says the Nixon Administration's proposed VA budget will cause conditions to deteriorate and that a move may be under way to close some hospitals.

It also alleges the VA has attempted to conceal hospital conditions by distorting records and by falsifying the number of beds available.

Committee investigators said their conclusions were based on interviews with VA officials in Washington and officials of 14 hospitals in California, Virginia, Ohio, Florida and Massachusetts.

The California hospitals, it was learned, were in Palo Alto, Livermore and Los Angeles.

"There has been no fudging of records—no phantom records—to support this," Lee said.

"We have 275 beds authorized, we have them and there has been no change over the past four years."

The only times the hospital has not had its full complement of beds available has been during ward-by-ward remodeling work, he added. At present 12 beds are not available because of the installation of a centralized oxygen, suction and compressed air system.

Lee said the hospital's occupancy rate has been 88 per cent over the year, but in the last three months it has had a 91 per cent occupancy rate. A rate of 85 to 86 per cent is considered high, he added.

Lee said the hospital was authorized 20 additional fulltime positions two years ago, enabling it "to improve care and do an even better job in patient care than before.

"As far as we're concerned, the quantity and quality has improved."

The Fresno hospital, he said, also has been treating 30,000 outpatients annually over the past four years. This compares to 5,000 outpatients being treated 10 years ago.

"The demand is here, the need is here and we are more than able to handle it," Lee stated.

He said he has no information on next year's budget, but for the remainder of this year, at least, no cutbacks in the hospital's employment level are anticipated.

NEWSMEN'S PRIVILEGE ACT OF 1973

(Mr. COHEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. COHEN. Mr. Speaker, a number of celebrated cases involving the jailing of reporters who refused to divulge the sources of their information or the contents of confidential reports have brought national and local attention to the problem of the "newsmen's privilege" or the public's right to the free flow of information.

The Supreme Court in the Caldwell case ruled that newsmen have no general first amendment right to resist answering material questions submitted to them before grand juries. Moreover, the Court has ruled that a reporter must bear the burden of proving that the Government, in compelling his testimony, is actually engaged in harassing or intimidating activities.

Judiciary Subcommittee No. 3 has just concluded lengthy and extensive hearings on the subject of newsmen's privilege and a number of conclusions can be drawn from the testimony that has been presented.

The Caldwell case and a number of other incidents have created an atmosphere of fear in the media and in those government circles where honesty comes before loyalty. Of course, there has always been an adversary relationship between the government and the press. Journalists have been threatened, harassed, and even jailed by the Government from the time of Peter Zenger throughout American history.

But the current threat of Government domination over what should be, and must be an independent media is very real indeed. It is distinguished from the traditional government-press conflict, first, by the fact that the highest court in the land has ruled that newsmen have no first amendment rights to refuse to disclose information before grand juries; and second, by the scope of current cases in which newsmen are forced to choose between disclosing confidential information or sources and going to jail.

In addition to the potential for the government to engage in the harassment and intimidation of newsmen, there exists the danger of the government engrafting the press as an "investigatory arm." Such action, and equally important, the threat of such action, necessarily has the effect of "drying up" or eliminating a newsman's indispensable sources of information.

Unfortunately, few realize how important confidential sources are to the public's right to know what the Government and its leaders are doing. The fact is that there is a strong, direct correlation between the confidential relationship of a reporter and his source and some of the most important news stories of our time. Consider the degree of public interest involved in such stories as:

The My Lai massacre;

The Pentagon papers;

The Watts riots;

Ku Klux Klan exposés;

The Abe Fortas relationship to the Wolfson Foundation;

The Watergate bugging incident;

And countless exposés of corruption in city, state, and national governments.

In every one of these cases, the reporters' ability to bring the true facts of these issues to the public's attention has been dependent upon confidentiality of information or sources. The importance of confidentiality is underscored even more by the fact that every Pulitzer Prize won for news coverage of the Vietnam war was dependent on confidential sources.

In short, most of the revelations Americans get about corruption and misdeeds in Government, as well as some of the major policy decisions of our time, have come from someone within the Government who tells the press about these deeds or policies in confidence.

After listening to and weighing all of the testimony that has been presented to the committee, I am satisfied that it is imperative that Congress take affirmative action to insure that the Federal Government does not utilize the press as an investigative arm or subject it to harassment or intimidation.

At the same time, I recognize the need to consider the interests of the public in acquiring relevant and essential information in judicial proceedings. In sum, affirmative action is necessary to dispel the "poisoned atmosphere" generated by governmental intrusion and intimidation while safeguarding the public's right of access to facts which are relevant and necessary to a just determination in criminal and civil cases.

NEWSMEN'S PRIVILEGE ACT

To protect the ability of newsmen to ascertain the truth of Government policies and actions—an ability that is essential to a democracy and an informed citizenry—I am introducing in the House today the Newsmen's Privilege Act of 1973. This bill, which is cosponsored by my colleagues, Congressmen RAILSBACK, SMITH, SANDMAN, and COUGHLIN, grants protection for newsmen in the two areas which have the most potential for interrupting the public's access to information—investigatory and adjudicatory proceedings.

First, we are proposing an absolute newsmen's privilege with regard to investigatory proceeedings, such as those before any Federal agency or either House of Congress or Federal grand juries. Under the act, no newsman would be required to disclose any information or the identity of any source, if the information was obtained by him in his capacity as a newsman.

This provision would shield from disclosure any information or source, confidential or otherwise, with no exceptions or qualifications, that comes to a newsman in his capacity as a reporter.

With regard to any civil or criminal proceeding in any Federal court, the Act requires that no newsman shall be required to disclose any confidential information or source unless the court finds that the party seeking the information or identity has established by clear and convincing evidence that information or source identity is:

First. Relevant to a significant issue in the case; and

Second. Cannot be obtained by alternative means.

The bill calls for a qualified privilege in this instance primarily because, for the most part, judicial proceedings are objective and non-political in nature, whereas investigative proceedings may or may not be objective and nonpolitical.

In addition to an absolute privilege for newsmen in investigative proceedings and a qualified privilege in judicial proceedings, the bill provides further protection by giving the newsman, as a matter of right, an appeal from a motion to quash a subpena. Under present Federal procedure, before a newsman can appeal on the merits of an issued subpena, he must first be found in contempt of court and appeal that order. At this point in the proceeding, the newsman is often incarcerated pending determination of his appeal. This bill permits a final determination on the merits of an issued subpena and would not force a newsman to be found in contempt of court before the merits of his claim against the subpena could be properly litigated.

Finally, the privilege created in this bill is a personal one, belonging only to the newsman. In the bill, "newsman" is broadly defined to include any female or male reporter, photographer, editor, commentator, journalist, correspondent, announcer, or other individual regularly employed in preparing news for any news service.

My colleagues and I firmly believe that the Newsmen's Privilege Act of 1973 will effectively safeguard the newsman and his source from intimidation or harassment. At the same time it will insure the public's right to know relevant and indispensable facts in criminal civil adjudicatory proceedings. In so doing, the bill if enacted, will ultimately preserve the traditional role of the press in bringing vital information to the attention of the citizenry.

In conclusion, we feel that this bill will achieve the objectives articulated by Professor Friendly.

> If there is to be a newsman's privilege law, it cannot be a product of judicial decision. Protection must come from those who make laws, not those who interpret laws that may not really exist. A shield law must be precisely drawn. It should provide protection from prosecutors and others bent on fishing expeditions but at the same time be limited enough not to produce all-purpose immunity for journalists. The shield law and the guidelines by which journalists work must be structured in such a way as to provide protection for the public's need to know, but not be a sanctuary for those who because of fear, special interests, or just irresponsibility are seeking a privileged place to hide.

PRICES OF LUMBER AND PLYWOOD

(Mr. WYATT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYATT. Mr. Speaker, rationed housing is a possibility which cannot be discounted if efforts are not undertaken to increase our Nation's supply of timber.

In response to high food prices, President Nixon announced last week that he opposes economic controls on agricultural products because that might lead to rationing. The same should be said in response to the current high prices of lumber and plywood.

Our Nation is faced by an inflationary dilemma in housing which has largely resulted from a somewhat paradoxical situation. The demand for new housing, stimulated by the Federal Government, is at record levels. In the rush to meet that demand, homebuilders are running up the prices of lumber, plywood, and other wood products. Meanwhile, the Federal Government, which controls over half of the Nation's timber supply needed for these building materials, refuses to make its surplus stockpiles of wood available to ease the crisis in lumber and plywood prices.

The phase II controls on wood products proved to be "rigid and unwise," in the President's words. They were not only unworkable but also acted as disincentives to production at a time when greater productivity was needed to meet soaring demands. There is still not enough timber, not enough building materials, and there are not enough houses to go around. And so long as this situation exists, prices will remain high. Even if controls are reinstated and rationing applied to lumber and plywood, prices would remain high because the incentive to production would be removed.

There is a better way—one which can ease current supply-demand-price pressures and prevent a similar crisis in the future. That way is for Congress and the administration to commit the funds and authority to first, offer for sale the full allowable cut of our 107 million acres of commercial Federal timberlands; second, intensify management on all our Federal forest lands; and third, provide incentive programs to increase tree growing and management on the 300 million acres of commercial timberland—60 percent of the Nation's commercial forests—owned by the other 4 million small, nonindustrial private landowners.

TRADE POLICY AND LEGISLATION

The SPEAKER pro tempore (Mr. FULTON). Under a previous order of the House, the gentleman from Arkansas (Mr. MILLS) is recognized for 60 minutes.

Mr. MILLS of Arkansas. Mr. Speaker, at no time in the postwar period has it been more urgent that the United States chart a course in foreign trade. In recent years, as new economic power realities have asserted themselves, frictions and tensions in international economic relations have arisen. There is a serious risk that efforts toward a stable, peaceful, and civilized system in the world will be threatened not by wars between old enemies, but by quarrels among old friends.

Both the European Economic Community and Japan are nearly abreast of the United States in their ability to achieve their international economic objectives. Indeed, on some key measures of international economic power both are outstripping the United States. The so-called free world economy is thus dominated by three actors of roughly equal power; and there exists a high degree of potential conflict among their economic policy goals. However, neither Europe nor Japan has yet demonstrated a political capacity to utilize its economic power constructively, partly because each is engaged in an internal evolution of historic dimensions. They are able to negate, but have yet to lead. At the same time, the United States is uncertain about the role it should play in a world it can no longer dominate but from which it cannot withdraw. The result so far is stalemate.

The present configuration of relatively equal powers, each uncertain of its own role, pursuing goals which often conflict is perhaps the most difficult from which to create a durable and stable international economic order. But a major effort must be made to do so, for the alternative could be severe economic loss and serious political breakdown.

It is clear as never before that no one country can prescribe a solution on its own. Yet, the role that the United States will play is decisive. For despite the compelling urge to turn inward and concentrate on urgent domestic problems, the task for the United States is still one of showing the way in international economic cooperation.

For the United States the approach to a solution involves three interrelated elements:

First, there must be a policy. We must know what objectives we seek and how we propose to achieve them.

Second, in our constitutional system, there must be legislation which confirms the policy and empowers the President to seek to realize it.

Third, must come negotiations which are the means by which the objectives of policy are brought to reality by accomodation among competing interests of the negotiating countries.

A. POLICY

It is generally accepted that the international economic system must be reformed. Reform does not mean revolution; the economic system that was devised in the immediate postwar period has had much to commend it. But, the changing role of the United States in that system and the greater economic power of Western Europe and Japan have created a measure of imbalance, both in terms of monetary and trade policy, for which adjustments have to be made.

Negotiations on international monetary reform are already underway. Unlike trade issues, however, monetary negotiations involve highly technical and arcane subjects which are dominated by experts. Trade involves politics because trade issues mean the jobs and the profits of various interest groups and will, therefore involve political decisions.

In order to devise a policy for reform of the international trading system, there must; therefore, be a decision at the highest political levels in the major trading countries. This has not yet taken place.

Trade policy issues have been increasingly negotiated on an ad hoc basis by bureaucrats dug into fixed positions. It is mandatory that the major trading countries devise a grand design for the solution of existing and emerging trade problems, and to arrive at a decision on the framework for a negotiation the purpose of which is to implement such a design. The ultimate and detailed trade negotiations should be reciprocal in character and involve adherence to a set of principles that are generally accepted as fair and as promoting the maximum feasible expansion of international trade.

The achievement of these objectives may contribute somewhat to a correction of our trade and payments deficit. But we should recognize that it is neither realistic nor desirable to burden the trade negotiations excessively. The question of balance of trade or balance-of-payments disequilibrium, which will be a continuing problem notwithstanding our recent and second devaluation, must be dealt with through reform of the international monetary mechanism.

B. LEGISLATION

In order for the United States to be able to participate with maximum effectiveness in such negotiations, the President will shortly seek legislative authority from the Congress. This request should clearly and unambiguously set forth the type of authority the President needs to seek in negotiation the objectives that both he and the Congress agree are in the interests of the United States. In this respect, it is not productive for the administration in its legislation to try and anticipate every stricture which the Congress is likely to raise with regard to such legislation; that is best worked out through the normal legislative processes.

As I perceive the need today, the essential ingredients of such a legislative program should be the following:

First. Tariffs. The President should have the authority to deal with the problem of tariff discrimination which has proliferated principally around the European community. Resolving the problem of this kind of discrimination perfectly would require providing for the complete elimination of tariffs over a period of years. It is true that anything less than that will leave a margin of tariff discrimination which will most likely affect areas of major U.S. export interest. It is also true that on the whole tariffs are already very low and the elimination of most tariffs will result in less absolute tariff reduction than has taken place as a result of prior rounds of tariff negotiations. However, the question of what exceptions to full tariff elimination would be economically meaningful and essential to U.S. industry requires careful study if the executive branch were to ask for this authority.

Second. Nontariff barriers. These involve a complex array of government measures mostly under domestic statute or regulations which are more significant in their effect on trade today than are tariffs. Unlike tariffs it is extremely difficult if not impossible for the Congress to provide a prior grant of authority for negotiation of non-tariff barriers. Nevertheless the Executive needs some form of a general mandate from the Congress in order to negotiate on a meaningful basis. Whether it be with the understanding that where the negotiations require modification of U.S. statutes, the result of the negotiations must be approved by Congress on an ad referendum basis or by some other process remains to be seen. In any event that process must be facilitated by adequate and substantive consultation with the appropriate congressional committees both during the preparation for and during the actual negotiations.

Third. Agriculture. The United States enjoys a strong comparative advantage in the area of agriculture. Any future negotiations must produce a breakthrough in this important area. Where import protection is in the form of tariffs, no special authority is required. Where other devices are used and where negotiations on agriculture require some reciprocal concessions in the United States agricultural import restrictions, these can be treated in the same way as NTB's.

Fourth. Safeguards. More liberal safeguard provisions than the present ones should be provided in legislation which provides assurances to domestic industry and labor that serious injury or the threat of serious injury as a result of increased imports can be dealt with expeditiously. The period of time that such import restraint relief measures may require depends upon the amount of time required to effect an appropriate economic adjustment.

The measures that can be taken include higher duties, import quotas adjustment assistance, voluntary export restraints or some combination of the foregoing. Safeguard measures by the United States normally have been employed on a most-favored-nation basis. Flexibility should be provided to apply them against specific countries where only one or a few countries are the source of the problem. Such an approach is employed by every other major trading country.

The legislation should also provide guidance to the multilateral renegotiations of the GATT rules on the application of safeguard measures by individual countries. Too often, the safeguard measures in the form of import restrictions have been applied in an inconsistent manner and without regard to agreed-upon standards and criteria. This inevitably leads to irritations, and, at times, retaliations. An effort should be made to negotiate a safeguard code stipulating criteria for the invocation of safeguards and providing a complaint and consultation procedure under which actions can be reviewed. If safeguard actions are taken, in conformity with these rules and procedures, which would normally include provisions for planned adjustment assistance and the automatic phasing out of restrictions, it should not be necessary to permit compensatory restrictions by the affected supplying country.

Fifth. Adjustment assistance. Workers injured or threatened by injury as a result of increased imports should have available adjustment assistance benefits designed to facilitate their retraining and reemployment to other jobs. The present adjustment assistance provisions are inadequate because they fix excessively outmoded and stringent requirements for qualification for assistance and because there has been unimaginative use of the adjustment assistance provision.

Sixth. Fair trade. The Congress should strengthen its authorization and direction to the President to use, with due regard to international commitments, the leverage of import restrictions against countries that refuse to remove illegal or unreasonable import restrictions on U.S. exports and that persist in export subsidization in third country markets. We should also refrain from this unfair and self-defeating form of trade.

Seventh. Generalized tariff preferences on manufactured goods from developing countries. Both President Johnson and President Nixon committed themselves to see congressional authorization for a system of tariff preferences for developing nations. That commitment is a part of a common effort we share with other industrialized countries. An authority for the Executive to participate in this worldwide policy of giving a modest assist to the developing countries is justified, subject to the limited product exceptions and to a properly functioning safeguard mechanism on other products.

However, in my view, it would be a travesty of the principle of nondiscriminatory trade and a mockery of developing country trade aspirations for the Executive to utilize this authority while the European community and Japan maintain rigid and niggardly quotas on preferential class imports from the developing countries. Equally, it would be a travesty of the entire principle for the United States to extend tariff preferences to countries that give discriminatory reverse preferences to the European Community or any other industrialized country. The United States does not seek this petty concession from the developing countries, and we expect that other wealthy and powerful trading countries will not continue to insist on these demands.

Eighth. Balance-of-payments measures. We have recognized painfully in the past few years the need for an array of policy tools in the trade area that can, if necessary, be brought to bear on the critical balance-of-payments problems of either a deficit or a surplus nature. A symmetrical authority for the Executive to impose an import surcharge when the United States is in deficit or to reduce the tariff level correspondingly when in surplus will provide badly needed supplementary assistance to the monetary-based adjustment process. Further, the Congress might consider authorizing the Executive to impose an import surcharge against a country in chronic balance of payments surplus that does not take the needed corrective action; this power should, of course, be used only in accordance with agreements now being negotiated in the international monetary reform effort.

Ninth. Time limits on bureaucratic delays. Finally a procedural suggestion but one of substantive importance to American labor and business is that the Congress fix reasonable but prompt limits on the time the executive branch may take in making the necessary findings and taking necessary actions on trade-related applications—whether for import relief, adjustment assistance, countervailing duties, antidumping, or national security procedures. The record is full of unconscionable delays and the Congress should act to provide this relief.

I have explained my views on trade legislation in an effort to be constructive and advance this much-needed legislation.

This must be considered in a nonpartisan manner. It is anticipated that the President will shortly propose legislation to the Congress—and I trust that it will reflect the need for urgent action to which I am confident the Ways and Means Committee will desire to respond.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, I appreciate very much the gentleman from Arkansas yielding to me.

I have been privileged to be in this Chamber now for a little over 10 years, and I think that I have just heard one of the most significant, far-reaching, and important speeches that I have ever heard in this Chamber. I want to commend the chairman of the Committee on Ways and Means, the gentleman who made this speech, for his insight and foresight that he has exercised. I only regret that I learned of this speech just a few minutes before it was given, because I think every Member of Congress should have heard it.

The gentleman has courageously, and I think correctly, laid forth what should be the policy of this country, recognizing, as we do, that what we do here is much more than just an economic matter; it is a matter of how we can continue to organize this very fragile planet on which we all exist, all billion of us or 200 million of us, as far as the foreseeable future.

I want to commend the gentleman from Arkansas and pledge to him my cooperation to the best of my ability.

Mr. MILLS of Arkansas. I thank my friend, the gentleman from Florida, and state that if he will invite me back to his home district in his town in Florida, I will testify again for him.

Mr. GIBBONS. I thank the gentleman from Arkansas.

Mr. MILLS of Arkansas. I yield to my friend, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman from Arkansas for yielding.

The distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas, has given us, I believe, a comprehensive blueprint for trade which will permit a rational congressional input, and we all know how necessary that is if we are ultimately going to have a sensible and balanced package. I am going to study it with great care. As it was delivered, I felt it was an act of high statesmanship on his part—perhaps a magna carta of trade for us, and I am indeed grateful for the obvious time and careful thought that went into it.

It seems to me that although my friend, the gentleman from Florida, and I do not always agree on these things, we can join in commending the gentleman from Arkansas, the chairman of the Ways and Means Committee, for a very significant contribution. We certainly thank the gentleman and welcome him back after a period of some indisposition, and it is obvious that whatever was wrong with the gentleman it was not his head.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Speaker, I thank the gentleman for yielding. I too of course want to compliment the gentleman on a masterful statement.

I do want to take advantage of this opportunity to call the attention of my colleagues and the chairman to a situation which may be parochial but which I think is extremely important to the western part of this country and which I gather is the sort of thing the chairman feels should not exist. It is this. Japan grows oranges, the mandarin oranges, but for only 6 months out of the year. California and Arizona are seeking to export oranges to Japan for the other 6 months of the year.

We are not trying to infringe on their mandarin orange market in Japan. We want to fill the gap for the other 6 months, but Japan has flatly refused to allow us to do so. Am I correct that this is the sort of thing the chairman believes should not exist?

Mr. MILLS of Arkansas. The gentleman is correct.

Let me say, if I may, since the gentleman from California is the ranking Republican member on the Agriculture Committee, that I would like to call to the attention of the gentleman, and others on the Agriculture Committee who may be present, this problem. What the gentleman mentions is not in the jurisdiction of our committee but is in the jurisdiction of the gentleman's committee. We have certain pure food and other type food laws that apply here to the raising of food products. For example, there are certain disinfectants and pesticides and things like that which we cannot use on agricultural products, oranges or even flowers here in the United States which are intended for sale, but we do not enforce those pure food laws to the same extent with respect to the same articles coming into the United States from other countries.

It is my information, and I want to check it out, that some of the pesticides or other things we are prohibited from using in their country are freely used in some of the countries to the south of us to raise and produce the same articles on which we cannot use certain products if we intend to produce the articles for sale here. Why can we not extend our laws regarding health and safety things of that sort to provide that imports of this kind must conform to the same regulations and rules that the comparable domestic product is required to conform to?

Mr. TEAGUE of California. I believe, Mr. Speaker, we certainly should. We discussed that in the committee one time and I recall we went so far as to seriously consider it and even vote on it. If I remember, it succeeded. If my recollection is correct, we ran into difficulties with the State Department.

Mr. MILLS of Arkansas. Correct.

Mr. TEAGUE of California. I am glad to see the gentleman from New Jersey (Mr. FRELINGHUYSEN), from the Foreign Affairs Committee, is here. He may have some views on the subject. I do not want to put him on the spot.

Mr. MILLS of Arkansas. This is not a protectionist thing at all, but if the food and drug authorities think something is injurious to health if used on a domestic product, why does not the same rule apply to products coming from abroad when the same things are used on those products? Are they not just as detrimental to our health?

Mr. TEAGUE of California. Exactly. And in California when an article is to be consumed by a person in the United States, the article produced in the United States should have no stricter requirements placed on it than the articles coming in from other countries. The use of pesticides on olives raised in California should be no stricter than the use of pesticides on olives raised in Spain, which imports olives into this country.

Mr. MILLS of Arkansas. In a sense, so to speak, we just look to see if it has a bug on it and if it does not we let it in.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Speaker, I compliment the gentleman from Arkansas for a very significant statement.

In response to the comments by the gentleman from California, I might say I am not planning to use this time to comment on the somewhat tangential interest of the Foreign Affairs Committee on the importing of olives or oranges, but I do think it should be underlined that this is a very critical period not only in our own economic development but also with respect to our trading partners.

In my opinion it is a time of opportunity, but it also is a time where our leadership is going to be needed. Quite obviously, a critical role must be played by Congress and the leadership role within Congress is significant.

I think for that reason that we can all be thankful for the leadership which the chairman of the Committee on Ways and Means (Mr. MILLS) is providing us. We shall read his message with a great deal of interest.

I want to compliment the gentleman from Arkansas (Mr. MILLS) again.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. I want to say that I, too, appreciate the remarks of the gentleman from Arkansas (Mr. MILLS).

Let me ask this question: Is it proposed to build upon the old, discredited Trade Agreements Act which played a part in getting us into the deplorable situation we are in, or are we going to go on to new and different legislation?

Mr. MILLS of Arkansas. What I am suggesting is a departure, I think, from the present legislation. It does require extending to the President more authority in this area than the Congress has heretofore extended to the President. But I am perfectly willing to do it because I recognized long ago that all the Congress can do is act unilaterally in raising or lowering tariff duties. The Congress has no negotiating agent or process. Only the President of the United States can use the power which the Congress gives him to bring about reductions in those impediments to the exports from this country into those countries which have those impediments.

Mr. GROSS. If the gentleman will recall, our former and long deceased colleague, Dick Simpson, fought valiantly to pinpoint and remove the pitfalls and shortcomings of the Trade Agreements Act, otherwise known as the Reciprocal Trade Act. In my opinion it was and is for the most part a one-way street and it was not reciprocal.

I sincerely hope that the Committee on Ways and Means will not try in any way to revive the Trade Agreements Act or breathe new life into it. I hope that whatever is proposed will be a new and fresh start.

Mr. MILLS of Arkansas. I agree with the gentleman from Iowa that certainly the result of the operation of that legislation brought about more reciprocity on our part than on the part of those who agreed to reciprocate in the past.

This approach which I am discussing today would empower the President to take opportunities which the President does not have now to discipline and to really crack down on the knuckles of those nations that engage in unfair trade practices.

Mr. GROSS. But, the poor public in this country was misled and misguided into believing that it would provide reciprocal trade agreements.

Mr. MILLS of Arkansas. Certainly it did not result in fair trade.

The gist of what I am trying to say is that we do not find relief in our present situation by retrenchment from the desire that we had in the past to enlarge upon world trade. It is only through the enlargement and our participation in the enlargement of world trade that we and the other countries of the world will find solutions internationally to these very vexing problems.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. I thank the distinguished chairman of the Committee on Ways and Means for yielding.

I too join my colleagues in congratulating him on a very wonderful presentation. The Subcommittee on International Finance is currently considering the bill required by the devaluation of the par value of the dollar with respect to gold and special going rates.

In fact, at 2:30, if my colleagues and the chairman will permit, we are going to hear Mr. Burns, Chairman of the Federal Reserve Board, who has consented to come back after their meeting in Europe and meet with the subcommittee.

My question is this: In hearing the testimony, everybody has more or less expressed the same thought, that trade is an indistinguishable part of this monetary thing that must be resolved. When we raise the question, the answer we get—in fact we got it this morning from Assistant Secretary Volcker—is that the President will be coming to the Congress before too long to ask for this trade package.

My question is: Since it seems to be the consensus of all of the experts and the officials that one is inseparable from the other, what does the gentleman think would be the timetable for this trade bill?

Mr. MILLS of Arkansas. I cannot tell the gentleman from Texas yet; but I do believe there is a definite relationship between what is being proposed to be done in the gentleman's committee, what was proposed in Europe, and a continuation of our capacity and ability to trade.

I would not want the gentleman's committee to feel compelled to withhold passage of the devaluation of the dollar until we could bring forth a trade package.

The two items do have an interrelationship. They should be considered together. I have urged that.

But this matter of the devaluation of the dollar has already shown in Europe a degree of renewed confidence in the dollar and a degree of stability in the dollar that was not there before devaluation was announced by the President. We are on the track back. It will take a long time.

We should act prudently and not emotionally. We should not listen to these advocates who say, "We are strong enough to live within ourselves," that we do not need to engage in world trade, and that we can develop all of the quotas and all of the impediments to their exports and prosper here by ourselves.

If we do not listen to that, and if we use better judgment and say that we are determined to act in such a way as to solve our problems through increased and enlarged world trade, we will win out and not go backward.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to my friend from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise today to associate myself with the remarks of the distinguished chairman of the Ways and Means Committee (Mr. MILLS of Arkansas) which I believe were both timely and constructive.

I further believe the views expressed by the gentleman from Arkansas are consistent with those shared by a majority of the Members of Congress with respect to a competitive free trade policy for this country. I commend him for making what I believe history will record as one of the most statesmanlike and appropriate suggestions made in this session of Congress.

Since coming to this body more than 10 years ago, I have consistently and repeatedly called for "more trade—less aid"—a move away from the grandiose giveaway foreign aid programs of the past and toward a more open and competitive free trade relationship throughout the marketplaces of the world.

It is time for this Nation to place priority emphasis on economic integration abroad as we move away from confrontation and toward negotiation.

For the United States to assume a protectionist foreign trade posture at this critical juncture in our economic history, would be a disaster, in my judgment, not only for this country, but for a host of free nations throughout the world. Europe, it is being said, is more united today than at any time in modern history and the "tie that binds" in this instance is a more cohesive, more integrated, and more cooperative economic union than Western Europe has ever before put together. In the Pacific, Japan and Korea have entered into an expansionist trade policy that may, in the not too distant future set the stage for a "Common Market of the Pacific."

Coming from an agricultural area, there are extraordinary opportunities ahead to improve our worldwide marketing potential if we but demonstrate the courage and the leadership in foreign trade.

We, who represent the west coast here in the Congress, are very concerned about what happens in the Pacific. I have joined in coauthoring legislation to study and plan for developing a coordinated system of harbors, including deep water ports, to meet what many of us on the west coast see as an expanded trade challenge in the Pacific.

I believe we must prepare for and meet this challenge through a united, bipartisan effort here in the Congress and in coordination and cooperation with the executive branch. Foreign trade guidelines can be developed through negotiations. This, I believe, is the fair, firm, and prudent approach we must take if the United States is to remain a viable economic state. Anything less, in my judgment, would be a game that we, as a nation, can ill afford to play. We do not have time for confrontation on this crucial issue here at home.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman.

The gentleman from Texas asked a question about the timetable.

Mr. MILLS of Arkansas. I cannot answer that.

Mr. FRELINGHUYSEN. In the gentleman's remarks he talked about urgency.

Mr. MILLS of Arkansas. I cannot answer that, but let me tell the gentleman about what I believe is the urgency. I am going to speak as frankly with my colleagues as I ever have done and as I usually do.

I do not think there is any question but that the European Common Market is not ready to sit down at the negotiating table with us or with anybody else at this time. Yet they have set a date for such a negotiation, to begin in September of 1973. They do not want to be in the position of being accused of having delayed discussions of these tremendously important trade and monetary matters. They would like to put us in the position of being able to point their finger and say, "Here again the United States is the culprit. Its representatives have asked for a conference. The President has asked the Congress for authority for his people to sit with us. They have not gotten that authority."

I believe it is quite urgent, frankly, if the President proposes to arm himself and his associates, to sit down with the European Common Market and with the other GATT countries in September to discuss effectively these urgent problems. It is important that we give him the appropriate authority and guidance prior to the commencement of these meetings.

The President, in submitting his message, is getting himself off the hook for being charged as being responsible. Then the "hot spot" is being changed, and the Congress once again is on the "hot spot." If there is no legislation such as he needs to sit with them by the time of this date, which I believe was set earlier in the year deliberately, and by design to make it impossible for us to be there, then if that is the case, and we do not act, of course, it is the Congress on the "hot spot." Then it gets down to the Ways and Means Committee. Then it gets down to the chairman of the Ways and Means Committee.

It is that simple. I believe there is a degree of urgency about it.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I am glad to yield to my friend from Maryland.

Mr. LONG of Maryland. I certainly strongly favor anything that will get us toward a far freer trade and a greater exchange of goods and services. With that I agree with the chairman.

Like most Congressmen, however, I believe we have been a little bit bitten in the past by powers we have given the President, and feel, therefore, twice shy.

It is my understanding we are not giving the President a blank check, and the Congress will have the final word on any negotiations.

Mr. MILLS of Arkansas. I definitely am not suggesting a blank check in this area or in any other area, so far as that is concerned.

I would never confer upon the President authority to act or not to act without putting standards in the bill that would determine how and under what circumstances he would use that responsibility.

Now, certainly with respect to the monetary matters, the only thing he can do is this: Either our committee or Congress gives him responsibility to go over and negotiate out these statutory nontrade barriers, with the President reporting back to the Congress—and under the Constitution I would think we would have to say that if either the other body or the House vetoed his action, his negotiations, then the matter was dead—either you do it that way or he goes over on the same basis they went over during the Johnson administration on the American selling price problem. That is all we can do.

The Europeans saw that happen once, and I do not believe they would be quite satisfied again to deal on the basis of nontrade barriers until there was some assurance by the administration that they would submit to the Congress a request that such-and-such be repealed or altered or eliminated.

Mr. LONG of Maryland. Does the gentleman mean there are things the President can negotiate that will not come back to the Congress that may take effect?

Mr. MILLS of Arkansas. If we give him the specific authority, as we have done in the past, to make adjustments in the tariffs, yes. But I am talking about nontariff barriers. The President cannot, unless he follows one of these two courses, negotiate out of existence a statute. Only the Congress can change the law.

We can allow him to do it initially by authorizing him to do it subject to approval or disapproval later on by the Congress.

Now, I do not know which way we will want to do that. I do not know which way the committee would want to go, but we can handle nontariff barriers through negotiations, and through the legislative process.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I think it is unfortunate that there was not advance billing of the gentleman's special order and his remarks, because I think every Member of the House should be here to hear what the gentleman has to say.

Mr. MILLS of Arkansas. I will inform the gentleman that I am a very timid and humble individual; I do not advertise these things ahead of time.

Mr. SEIBERLING. The gentleman could afford to be, because of his tremendous statute in this House and in the country.

Mr. Speaker, I think it is not only very illuminating but very commendable that the gentleman has taken this time to start the return to leadership in our government toward solving this very, very serious problem. I happen to be a believer in the benefits that this country in world trade generally has achieved, through the achievements starting way back in the days of Franklin Roosevelt and the Reciprocal Trade Agreement.

We are now at the pinnacle of world trade, one that has never been seen before in all human history, and yet we have serious problems, as the gentleman knows, with unemployment, with imports mounting, and a change in the basic relationship between the principal trading groups in the world which require a complete reexamination of our position and our policies.

I think it is very commendable, in fact absolutely indispensable, that the gentleman has now indicated the time has come to assert some leadership and to assist the President in carrying out his part in this very, very difficult task.

Mr. Speaker, I think it is also most important that the gentleman has indicated that we are going to avoid the twin evils of, on the one hand, some rigid legislation saying, "This is it," and, on the other hand, giving the President a complete blank check.

The old saying is: "Those who fail to learn from history are doomed to repeat it."

When I think of the tragedy that followed the Smoot-Hawley tariff and the 12 million unemployed that we had following it, and the tragedy of the torpedoing of the London Economic Conference, which unfortunately our Government bore a great deal of responsibility for, and the World War II which followed that, then I think it behooves us not only to be careful, but also to move ahead courageously.

I want to say personally that I am deeply gratified that the chairman is taking this initiative.

Mr. MILLS of Arkansas. I thank the gentleman for his kind remarks.

Mr. ICHORD. Will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from Missouri.

Mr. ICHORD. I want to thank the chairman of the Committee on Ways and Means for taking this time to address the House on this very important subject that so vitally affects the economic future of our Nation.

The gentleman from Arkansas has primarily dealt with our import problems in his statement. I have a delegation coming in from my own State of Missouri tomorrow, and I know that other Members of the House are having representatives come in from the lumbering industry and from the wood construction industry in general who are very much concerned about the exportation of logs primarily to the country of Japan.

As the gentleman well knows, there is a shortage of lumber in the country today. Prices have skyrocketed, and we are in a very serious situation. It appears to me that this might be a situation where the President could exercise the same authority as he did in the tanned hide situation.

Mr. MILLS of Arkansas. Bear in mind after exercising that authority with respect to hides the Congress undid it.

Mr. ICHORD. Would we have this authority in the legislation that the gentleman envisages?

Mr. MILLS of Arkansas. Well, yes, the President should have authority to take such action as is necessary with respect to exports to protect the public interest as well as to take the action necessary with respect to imports to protect the national interest.

I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, I thank the chairman for yielding to me.

I wish to join my colleagues in commending the able chairman of the Committee on Ways and Means for his outstanding address to the House delivered today.

We are all deeply concerned about one of the greatest trade crises and balance-of-payments crises that this country has ever had. The able chairman today outlined a course expressing the initiative of the Congress in solving this matter and having it rest with us and not leaving it entirely to the Executive to take the whole leadership on this very challenging matter.

We are all very much gratified that he made it clear while our President, as the Chief Executive, must be, of course, the negotiating authority and must exercise his own peculiar prerogatives, yet the final responsibility as the people's representatives must rest with the Congress.

Mr. MILLS of Arkansas. We are all on the hot seat.

I thank my colleagues.

WHY IS THE CUPBOARD SO BARE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DENHOLM) is recognized for 60 minutes.

Mr. DENHOLM. Mr. Speaker, I draw on the recollection of my boyhood years when I say that Old Mother Hubbard went to her cupboard to get her poor dog a bone, and when she got there the cupboard was bare, and so the poor dog had none.

Mr. Speaker, there is much talk about farm and food prices and what is happening in our domestic and world markets today. It is significant that I was preceded this afternoon by the distinguished gentleman from Arkansas, the chairman of the Committee on Ways and Means, in his prepared text on international policy and our trade with other countries.

Mr. Speaker, the people of America have before made reasonable and wise decisions at the crossroads of crises. We shall do so again.

We shall not pursue in the future national policies that leave our cupboards bare, and neither shall we permit the hunger of the world to force our essential food and fiber to be on the top shelf of the cupboard, beyond the reach of Mother Hubbard—and particularly beyond the reach of the consumers of America.

We have a proud heritage and a history of success unequaled by the nations of the world—primarily so because our foundation of American culture is agriculture. In the beginning, 96 percent of the population of our land lived on the farms, and produced food and fiber. Today, slightly more than 4 percent of the population of this country are engaged in the production of essential food and fiber for the benefit of nearly 209 million Americans at home and millions of others around the world.

Past national policies have influenced the results experienced in current trends of agricultural economics. Price supports and production controls have produced unequalled productivity in agriculture as an industry, but without regard to the social and economic consequences thereof.

Much oversimplified, may I say, that we have pursued national policies in this country that have resulted in too many people and too much of our wealth in too few places. We have substantially driven the people from the land as we have industrialized our culture. The shift from 96 percent of our population comfortable and peacefully engaged in the production of food and fiber in the countryside of America has resulted in various degrees of frustration and madness of a drugged, penal, poor and sick element in our industrial urban society. We have at the expense of all piled family on top of family in skyscraper homes in the congestion of an endless urban environment. We have nailed psychological signs over their doors and said to them, "Be happy." We know some of them to be unhappy. Some of them have resisted in the streets in protest of such government policies, and today we read of boycotts that are leading to the grocery markets in resistance to continued increasing of prices. There is news about boycotts against the production of food—meat, cereals, grains, support prices, and then we meet here to consider what we are to do in our international trade and how we are to meet the needs and demands of the world around us.

Today I propose a solution to those problems. This Nation is in need of legislation by this Congress to insure maximum national nutrition with the highest quality and the greatest quantity of food and natural raw fiber, at the lowest possible cost to the consumers with emphasis on people, with compensation to producers for performance and production, and to achieve a balance in national economic growth and social stability by reducing or tending to reduce the cost of living by reversing the pressures of continued inflation and by providing alternatives to economic coercion of national population trends, to encourage maximum conservation in the preservation of ecological and environmental values in the optimum utilization of our human and natural resources.

We should commit ourselves—our strength and our wisdom to the task before us. The policies of the past—practiced in the future will achieve less than the same results. Billions cannot build what wrong has destroyed. The heartland of America has decayed and youth have gone away—now we witness the decay of cities within.

And so I propose, in this 93d session of the Congress, a National Nutrition, Food and Fiber Act. I will summarize it briefly today.

I propose that instead of the consumer being twice struck—once when taxes are paid to support essential prices to assure producers a meager level of equity for food and natural raw fiber too often below the cost of production and again at the retail market cost to the American consumer in acquisition of essential household requirements—that a national policy of direct subsidy to consumer cost of food and fiber be adopted and enacted for the benefit of all.

The American farm people have too long subsidized the living standards of all the rest of the people of this country. Producers cannot market below the cost of production and continue to produce the essential food required for 210 million Americans and millions more around the world. And neither can consumers endure the trend of past and present policies of national programs of failure for agriculture. Further, we seek to remove trade barriers and observe world demand for more and more food. I am certain that reasonable men will agree that America represents, a very small portion of the geographical area of the world. The American farm people have an economic comparative advantage, efficiency and productivity in the production of food and fiber among the nations of this world. The eyes of the world are upon us. The people of the world want our food—they need our trade. If we achieve a balance of trade, we have a great opportunity to do it through agriculture productivity because that is one way that we can export without depleting and exhausting our natural resources.

Under proper husbandry of our land and by proper use of our natural resources, we can produce crop after crop, harvest after harvest, and export food to foreign lands without depleting the resources of America. We cannot do so with petroleum or iron ore, or other of our natural resources of limited supply. The efficiency and productivity of food is what the whole world wants from America. It is an opportunity to open the lines of international trade and to achieve a balance of trade instead of a larger and larger deficit in the balance of trade between our Nation and others of the world.

It is the current world demand that has forced the prices of domestic retail food costs to increase. We have pursued policies for more than a quarter of a century that have compensated the producers for not performing, for not producing, when we should have been compensating them fairly, honestly, and equitably for what they did produce for the benefit of all. That should be the objective of future farm programs—and so I say we stand at the crossroads of change. It is up to us to make wise decisions as we move forward in farm policy for the future. We must not expect the people on farms and ranches of America to endure the policies of the past and then to be blamed for increased consumer cost of food and fiber of recent circumstances of economic world conditions beyond any reasonable control of the producers thereof.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I will yield to the gentleman from California.

Mr. TEAGUE of California. I find much with which to agree in the comment the gentleman has just made. The gentleman knows that he and I have disagreed on some aspects of our overall farm programs, but it seems to me that if we are going to increase our exports, we are going to have to do away with the so-called controls, set-asides, and oil banks that we have had for so many years, which I have already voted against, which have kept the American farmer from producing what he is capable of producing.

Mr. DENHOLM. Farm price supports and production controls are totally incompatible with competitive international trade agreements, whether unilateral or reciprocal. We cannot price our products out of the market, domestic or foreign, if we hope to achieve a sense of economic equity for the people of rural America. There are alternatives that will achieve far better results for farm people.

Mr. TEAGUE of California. I am very much impressed by the gentleman's expression of that point of view and thank him for having done so.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Illinois.

Mr. COLLIER. Just on that last point we have seen the figures recently, as I am sure the gentleman has, in terms of "pricing ourselves out of the market." It is interesting to note that in the six major industrial nations of the world the percentage of price increase in foodstuffs is much higher than in the United States. The only country which is reasonably comparable is Japan, whereas most of the Western European countries, including Great Britain, have an increase that is much higher than that in the United States. I know that the American housewife does not get any consolation out of this, but facts are facts. The increase in food prices in the United Kingdom and the major nations in Western Europe is in many instances 100 percent higher. We are talking about a 100-percent higher increase than it is in the United States, with the deplorable situation we have.

Mr. DENHOLM. That is true and I thank the gentleman from Illinois for his comment.

The consumers at home and abroad are entitled to a free competitive market, where the consumer can buy eggs, milk, bread, and meat at the free competitive market price—unaffected either in fact or psychologically by support prices to the producers of the agricultural commodities. The people in the industry of agriculture do not ask for a handout but they are entitled to equity and no less.

The producers must have a fair and equitable price for the products of their labors. Absent of that—the food each of us eat, the clothes we wear, and the future necessities of life will not only be on the high shelf—but the cupboard may be bare.

I propose a national nutrition, food, and fiber policy for the nature. It is a plan advantageous to consumers, to producers and to our country. It provides for a direct payment for production equal to the difference between the average price received by farmers at the marketplace and not less than 90 percent of parity on the first $25,000 of the annual gross sales of each farm family unit as defined in the act. It is a program based on people. It compensates performance and production in the interest of all. It provides for the flow of all production in the market at the price demand of consumers but it insures the essential level of income to producers. It opens the way to free competitive international markets for agriculture commodities and it "gets government out of the business" and some business into government. It will shift the burden of subsidy payments to all of the people and it will cost less than one-half of present programs with direct benefits to every American family.

We must rebuild rural America which has been decaying and deteriorating for years. Too many farms have been abandoned. Too many hearts have been broken. Too many shelves are empty and too many cupboards are bare.

We should forget the programs that sought price as a result of scarcity—those programs based on acres, bins and bushels without consideration for people. We must pursue national policy with emphasis on people, compensatory payments to people for performance and production. And we must rid our minds of payments for nonperformance and nonproduction in the future. I know these concepts are arbitrary, argumentative and controversial. The Congress has in the past limited payments to producers in a sum not in excess of $55,000. Those payments have included "idle" acres and "set aside" programs of nonproduction. I seek the converse of that to provide to producers a fair and equitable price for production on the first $25,000 of gross annual sales of a farm family unit and not further pursuit of the concept of the "family farm" that cannot and never has been defined in fact or in law.

A "farm family unit" can be defined in fact and in law. It may be a husband and wife or it may be a husband and wife and children. The "farm family" should have an economic incentive for efficiency of production and freedom of management in performance. And for that efficiency of performance and production in prudent management of his own affairs—the producer shall receive compensatory production payments for the difference, if any, between the average price received by farmers and not less than 90 percent of parity on the first $25,000 of gross annual sales of each farm family unit. All management and production decisions are reserved to the producer. Nothing in my proposal compels him to produce a single unit or commodity or limits his production thereof. He may at his sole discretion sell less than or more than $25,000 worth of food and fiber commodities per year. However, there is no incentive for him to overproduce unless the market price is high and if the demand is high for a particular commodity all production of that commodity will increase until the price level reflects supply in comparative relationship with consumer demand. As producers exercise self-imposed restraint as a result of management principles to avoid down-price trends for production over annual gross sales in excess of $25,000, the average market price will more closely achieve the 80-percent parity level and Government will be substantially out of the transactions of the farmers in the market.

Further, I have provided that each farm family unit shall have the option of a 2-year carryback and a 3-year carry forward provision in the act to better manage over- or under-production in any one year and thereby have an opportunity to insure against the hazards of production characteristic of the industry of agriculture.

Now, in addition to the base plan that I have explained—the farm family unit should have an opportunity to earn up to a minimum of $3,000 per year in approved practices of land and water conservation, preservation of wildlife habitat, and the development of rural recreational facilities. There are 210 million Americans that still welcome a field to hunt, a stream to fish, a meadow to relax, and a hill to see the valley below. The "big sky" is still a beautiful dream where the air is clean and the stars are bright. Certainly, a future of less can not be acceptable to men of vision of the present. A 20–20 vision is the wisdom to know America in 2020 A.D., and in that we cannot falter or, in fact, we shall fail.

Mr. YOUNG of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I am glad to yield to the gentleman from South Carolina (Mr. YOUNG).

Mr. YOUNG of South Carolina. Would the gentleman explain to me how the perishable products, such as milk, would be handled?

Mr. DENHOLM. Yes; the farmer would sell it in the market at market price. On the first $25,000 of his gross annual sales he would be eligible for the compensatory production payment equal to the difference between the average market price received by farmers and not less than 90 percent of parity on those sales.

Mr. YOUNG of South Carolina. Since I do produce milk on my farm, and we are familiar with this phase of the program, I ask this question: Is it right for the Government to completely and totally tell me on my farm what we will do with our milk?

Mr. DENHOLM. No, of course not. And that is exactly why I propose this program. The farmer would market his milk wherever he elects to in the ordinary course of his business based on his own prudent management principles. Now, when the market is high, the Government would have very little obligation for a food subsidy payment to the producer and nothing to do with how he is going to produce and sell it.

Now, if he has sold $25,000 worth of milk by October 1, under my plan, during the months of November and December he must accept the market price but he is still free to sell on the open market.

Mr. YOUNG of South Carolina. Then, do I understand the gentleman from South Dakota to say that there will be someone at the end of the field to measure the combine, to determine how many rows we have in our cornfields?

Mr. DENHOLM. No, of course not. It is totally immaterial what the farmer produces per acre or otherwise. The program is based upon cash receipts from actual production sold.

All we would be concerned with is his cash receipts for the year and the chronological dates of the sale of actual commodities produced.

For example, if beans are high enough, that is market price is over 90 percent of parity on his sales, he would not get any Government payment at all, but if the sales were 85 percent of parity on beans he would get a differential production payment of 5 percent in addition to what he received in the market.

Mr. YOUNG of South Carolina. Who would tell him what time to sell his beans?

Mr. DENHOLM. He must exercise his own judgment and he would always seek the highest possible market to preserve his base credits against uncertainty of future markets. The Government would have nothing to do with when he sold his beans or how many he produced. He could sell more beans, but if he sold over $25,000 worth of beans in any 1 year he accepted only the market price.

There is no incentive under this proposal for the farmer to overproduce. Instead of getting Government controls, we would get self-imposed control unless the market price was high. If the demand was there the farmer would not glut the market.

Mr. YOUNG of South Carolina. Is the $25,000 figure a net or gross figure?

Mr. DENHOLM. It is a gross annual sales limitation. Of course, when we refer to gross sales, we must take into consideration that this does not include a thousand pounds of a 1,000-pound steer if it was purchased when it weighed 400 pounds. The 600 pounds would be the amount actually produced for sale.

It is the gross annual sales as the result of actual production of food and fiber to be computed. Therefore, if a farmer bought a feeder steer at 400 pounds and sold it at 1,000 pounds, the 600 pounds is the gain to be reported as gross annual sales. I refer the gentleman to form 1040 F of the income tax return for that determination.

I am talking about bringing the cost of the food down in the competitive market, unaffected by the support price, and trying to achieve some sensible approach to the problem of inflation in this country.

Let me say that inflation is what precipitates a higher minimum wage, and a higher minimum wage is what precipitates a higher cost of a plow or a tractor the farmer has to use to produce food. It is a vicious circle that has been going on for a long time and no one is blameworthy but all of us are involved.

If we really want to attack the problem we will give attention to the cost of food and fiber to the consumers of this country. That is the problem for the future. It is the problem today.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from South Carolina.

Mr. MANN. I rather like the gentleman's philosophical approach to these problems, but I am curious about some of the enforcement problems that will arise.

For example, the gentleman mentioned a $25,000 initial amount. What would prevent the farmer, for example, from merely not reporting the sales that exceed parity and using the $25,000 of low sales?

On the other hand, what would prevent him from engaging in an arrangement with the processor or with some one else on a kickback arrangement or some other arrangement? After all, he can sell as little as he wants to, because the Government is going to pick up the difference.

Mr. DENHOLM. It would be the ordinary, typical sale. I would say that on the $25,000 gross annual sales, he would sell in the ordinary manner. A gentleman who is producing milk has to sell milk every day. It is true that fraud is always a possibility.

Every producer, of course, would have to sign a statement. If he made a false claim against the Government he would be as guilty of a violation of the law in that instance as he would be under present law.

Mr. MANN. I agree that it can be done. Perhaps, as the gentleman from South Carolina suggested, it would require a measurement of his crop so as to be able to police his sales.

Mr. DENHOLM. Of course, I do not know the circumstances of every part of the country. However, in my State, there is a county committee of farmer-elected committeemen who well know the average yield per acre in the county and about what any man is doing in production.

I do not believe farmers are dishonest. I realize there are some people on some occasions who will try to take an unfair advantage of a program. I do not think we are capable of writing any Federal law that somebody is not willing to abuse sometime and somewhere.

Mr. SEBELIUS. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this whole subject of the farm program and food prices is so broad that I intend to take an hour next week to discuss it further.

One thing which I have been waiting for is some figures on cattle losses in the Southwest, in the panhandle of Texas, in the panhandle of Oklahoma, and in the southwest part of Kansas, which is my district, and which is one of the largest cattle feeding areas in the world. We do not have the figures on cattle losses, which would be astronomical to a city person looking to his investment, and maybe come January 1 we can no longer feed diethylstilbestrol—DES—to the cattle in the feed lot except by implant which is going to cost the consumer another 5 percent in his pocket, and those things are coming up.

Mr. Speaker, I commend the gentleman for his presentation today and invite him to join me next week and continue the discussion of farm problems and farm prices and try to show the world, even if we cannot get the press to tell the whole story, what the problems are, and that supply and demand does seem to be a very important factor. And when they suggest that maybe they should not eat so much or something, I may go along with that suggestion if that is the immediate thing we have to do to work with on the law of supply and demand.

I know as we go along we can see the rest of the picture. I will not go into detail now, but if we take the price of meat and the wages of meatcutters 20 years ago, they have tripled, and yet the price of the steer on the farm has only gone up a few cents.

Mr. Speaker, I commend the gentleman for his work and appreciate his taking this time for this special order.

Mr. DENHOLM. I thank the gentleman. I think the gentleman from Kansas will recall our trip together in November last year when we went a long distance around the world and investigated the matters of food supply in other countries.

Mr. Speaker, I know the gentleman has full appreciation for the tremendous demand for American food production from our farms here in America and other parts of the world. I do not believe we can achieve what we want to accomplish in the world market by pursuing policies that are similar to or even worse than what we have had in the past.

Mr. JONES of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I am delighted to yield to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Speaker, I thank the gentleman for yielding.

I want to extend to the gentleman my congratulations for taking this time for the purpose of discussing what I consider to be one of the greatest problems we have in America at this time.

We know as members of the Committee on Agriculture that it seems at times that the farmers of America have very, very few friends left, and I think it is commendable for one of our Members to take the time to offer an explanation to this body and to the public about the problems that they have at hand. I am glad to know we are going to have some more of this discussion next week.

Mr. Speaker, I rise in defense of a sane and rational discussion of the issue of food costs. For 2 years now this problem has been developing and as the prices rose, so did emotions. Accusations have been hurled at everyone by everyone. Hardly anybody has been spared.

Blame has been placed at various times on farmers, the administration, the grocers, the now famous but unidentified middlemen, Russians and the Chinese, even consumers themselves have been criticized for eating too much meat. Things have become so heated that I have reservations about defending farmers for the fear of having it interpreted as favoring high food prices.

On top of this emotionalism we can add politics. Yesterday, the Cost of Living Council Committee on Food released a report on food prices that is blatantly political. The administration's program to stop food price escalation is selectively and arbitrarily enforced.

The report says that price controls have been retained on food processors, wholesalers and retailers. However, wage and price controls on most other aspects of the economy were dropped when we graduated to phase III. This means that as the food processors costs for packaging, rent, labor, and utilities rise unchecked, so will the price of food.

We are told that the Government is selling all its stored grain. But we are not told, except by GAO, that grain companies were allowed to make millions of dollars at the expense of farmers and taxpayers on our sales of grain to Russia.

The Department of Agriculture recently set its milk price support level at 75 percent of parity. At this low price dairymen are going to go bankrupt. We, thereby, will lose production resources. You can be sure that milk prices will not be forced down by putting dairymen out of business. It is a fact of simple profit motive, demand and supply economics.

However, some of the statements in the Cost of Living Council's report are true. First of all, consumer wages have risen. After discounting all the price increases, there was a 6.2 percent rise in real income in 1¼ years. As income goes up so does demand for high quality cuts of meat. I am proud Americans are working themselves into higher income brackets; I want farmers to share in the wealth.

I also want to point out that farmers are consumers, too. Believe it or not, they buy their groceries in supermarkets. In my district it is not out of the ordinary for a farmer to raise nothing but cotton and soybeans. Both products are important, but neither makes a very good meal.

We have problems throughout the food industry from farmer to consumer. Changes are going to have to be made. But farmers who have historically been at the bottom of the economic ladder simply cannot take up all the slack. I believe that most people who have calmly thought the situation out realize this. But it is easy to blame the man with the least power to retaliate, and in this case it is the farmer.

I want our discussion to consider the problem in detail, leaving politics and emotional rhetoric behind.

Mr. DENHOLM. Mr. Speaker, I thank my distinguished colleague, the gentleman from Tennessee (Mr. JONES) for his remarks.

In conclusion, I would like to say that the costs of consumer goods at the present time are not directly related to the increased prices received by the farmers. There are many other intervening factors that influence consumer costs and retail prices.

It is true that farmers have in the last 6 months experienced some gains in receipts at the marketplace. That is true.

I say to you on some of those things, such as meat, particularly beefsteak, they are things that have never been subject to support prices, and so it could not be the support prices alone that have caused the increase. I think the American public and the newspaper editors and reporters ought to recognize that in no way price supports or past programs on production control have influenced the prices of meat. Meat has never been under the program of price support or production controls.

What I am talking about is an attempt to find a new solution to old problems. The problems of farm prices and food costs are not just problems for the cities or the rural areas alone, but are people of the Nation we ought to recognize them as our problems from the city and the country, regardless of our political partisan feelings, we should recognize them as being problems of America. We ought to put aside the politics of the past and face the world of the future together in an effort to do our best. It is in that spirit that I make this presentation today, and if any distinguished colleague from Kansas will take a special order next week, I will be delighted to participate therein.

I do intend to have printed in the RECORD the complete program that I have briefly sketched for you in this oral presentation today that all interested may further consider as your time may permit.

I know that it is not perfect. It is a new beginning and I welcome your comments and criticisms. I am hopeful the principle is sound and the concepts perfected with satisfaction to consumers and producers.

Mr. YOUNG of South Carolina. Will the gentleman yield?

Mr. DENHOLM. I am delighted to yield to the gentleman.

Mr. YOUNG of South Carolina. There is one thing I would like to clarify in my own mind. Would this include the beef cattle industry in your plan?

Mr. DENHOLM. It includes all commodities except berries, market garden vegetables, melons, or tree fruits, sugar beets, and sugar cane.

Mr. YOUNG of South Carolina. Will this also include poultry and eggs and pork?

Mr. DENHOLM. Yes.

Mr. YOUNG of South Carolina. All of these. Everything would be included under your plan under a controlled farm economy similar to what you have listed?

Mr. DENHOLM. It is not controlled. If the gentleman will permit me to explain that nothing is controlled in my proposal except the amount that any particular farmer or "farm family unit" as defined in the law is eligible to receive. It is the first $25,000 of the gross annual sales that is eligible for production payments equal to the difference of market price and parity. Farmers are not limited to how much they may produce. If they want to sell $100,000, it is up to them, but they will get compensatory production payments only on the first $25,000 of the gross annual sales. This is to provide an economic base for the young farmer with a wife and children who are living on the land and trying to make a living. It is not intended to enhance the economic position of the conglomerate at the expense of the American farm people and the consumers that must pay higher prices every time another harvest of farmers leave the land.

Mr. YOUNG of South Carolina. I thank the gentleman for yielding. Would the $25,000 include him if he had a dual operation on his farm; would the $25,000 include him if he grew corn on the farm? Would that be $25,000 additional, or is it a total of $25,000 altogether?

Mr. DENHOLM. It is a limitation only as to the first $25,000 of gross annual sales no matter what it includes, with the exceptions that I previously enumerated including tree fruits, vegetables, berries, melons, sugarcane, and sugar beets.

Mr. YOUNG of South Carolina. I thank the gentleman.

Mr. DENHOLM. I thank the gentleman very much.

Mr. Speaker, I submit for the RECORD a draft of my proposal as follows, to wit:

NATIONAL NUTRITION, FOOD AND FIBER ACT

The purpose of this proposal is to assure maximum national nutrition with the highest quality and greatest quantity of food and natural raw fiber at the lowest possible cost to consumers with emphasis on people, performance, and production; to achieve a balance in national economic growth and social stability by reducing or tending to reduce the cost of living by reversing the pressures of continued inflation and by providing alternatives to economic coercion of national population trends; to encourage maximum conservation in the preservation of ecological and environmental values in the optimum utilization of human and natural resources; and for other purposes.

TITLE II

DEFINITIONS

SEC. 201. (a) FARM FAMILY UNIT.—Any person as defined by law, including a spouse and issue, head of a household, widow or widower that derives one-half or more of his or her earned annual gross income from the actual production and sales of food and fiber.

(b) Any person as defined by law, including a spouse and issue, that derives one-half or more of his or her annual gross income from the ownership of land used in the production of food and fiber under a leasehold, sharecrop, or tenancy agreement with a producer, but not to exceed an annual sum in the aggregate in excess of one-half of the computed annual aggregate total of a qualified farm family unit, as a producer or producers as defined in subsection (a) of section 201 and notwithstanding any number of such landlord-tenant relationships the owner or owners of any such land used in the production of food and fiber shall not participate in the aggregate benefits in excess of $25,000 per annum as provided for a separate farm family unit producer defined in subsection (a) hereof.

SEC. 202. (a) GROSS ANNUAL SALES.—The combined gross cash receipts first received for food and fiber actually produced by a farm family unit in any calendar year or for such other approved 12-month accounting period, including the gross cash receipts plus the compensatory differential payments, not to exceed in the aggregate a gross combined total in the sum of $25,000 per annum.

(b) The gross annual sales shall constitute the combined amount of gross receipts from sales of food and fiber actually produced plus the compensatory differential payments.

(c) DIFFERENTIAL PAYMENTS.—The computed difference between the average market price and parity as defined by law.

SEC. 203. (a) CARRYBACK OPTION.—The farm family unit as defined in subsections (a) and (b) of section 201 of this title may exercise the option of applying sales against the limits of gross annual sales for any next preceding 24-month period that product cash receipts plus compensatory differential payments were less than the allowable annual aggregate total of $25,000 for any one calendar year or such other approved 12-month accounting period and such carryback shall be first applied to the oldest accounting period at the current computed rate or rates in determining the limits thereof.

(b) CARRY FORWARD OPTION.—The farm family unit as defined in subsection (a) or (b) of section 201 of this title may exercise the option of applying sales against the limits of gross annual sales for any next succeeding 36-month period: *Provided*, That the computation of gross annual sales is first applied to the next succeeding calendar year, or such other approved 12-month accounting period, and the then computed rate or rates of the gross annual sales shall be computed at current prices received plus compensatory differential payments not to exceed in the aggregate a sum total of $25,000 per annum.

TITLE III

COST-OF-LIVING PRODUCTION PAYMENTS

SEC. 301. (a) Notwithstanding any other provisions of law, any farm family unit that markets food and fiber other than berries, market-garden vegetables, mellons or tree fruits and sugar beets or cane shall receive compensatory payments directly from the Government as a differential computed value not less often than semiannually, equal to the difference between the national average farm market price for each product sold and not less than 90 percent of parity on the first $25,000 of gross annual sales marketed in any one 12-month accounting period when the average market price received on such commodity or commodities is less than the determined value of 90 percent of parity thereon.

(b) Gross annual sales in excess of $25,000 for any 12-month period by a farm family unit shall not be eligible for the computed differential payment unless applied and computed as provided in subsections (a) and (b) of section 203 of this title.

SEC. 302. (a) Any farm family unit may exercise the option of applying sales against the limits of gross annual sales for any next preceding 24-month period that product cash receipts plus compensatory differential payments were less than the allowable annual aggregate total of $25,000 for any one calendar year or such other approved 12-month accounting period and such carryback shall be first applied to the oldest accounting period at the current computed rate or rates in determining the limits thereof.

(b) Any farm family unit may exercise the option of carrying forward product sales against the limits of gross annual sales for any next succeeding 36-month period: *Provided*, That the computation of gross annual sales is first applied to the next succeeding calendar year, or such other approved 12-month accounting period, and the then computed rate or rates of the gross annual sales shall be computed at current prices received plus compensatory differential payments not to exceed in the aggregate the sum total of $25,000 per annum in such acceptable accounting period of time.

(c) The gross annual sales limitation per farm family unit shall be adjusted not less often than annually with the rate of decrease or increase of inflation in the total national economy according to Government standards of the recorded national cost-of-living index.

TITLE IV

ADJUSTMENT PROVISIONS IN TRANSITION

SEC. 401. (a) Notwithstanding any other provisions of law, during the first five years of this Act, if the Secretary of the United States Department of Agriculture finds that the production of wheat, corn, cotton, feed grains, or any other commodity of production in any calendar year is excessive in relation to available market outlets and desirable strategic reserves, he may require a condition precedent to receiving food and fiber parity payments, that each qualified farm family unit shall restrict the acreage of those crops in excess of market demand to not less than 75 percent of the acreage planted or harvested in the immediate past three years. An acreage of cropland equal to that diverted from such production shall be set aside and used only for approved conservation, grazing, recreational, and wildlife purposes upon the condition of approved practices of husbandry as may be prescribed by the Secretary and for a compensatory payment equal to the net average income of all acres of production of the farm family unit.

SEC. 402. In any year in which the Secretary informs producers that an increase in acreage planted to any crop is needed to maintain adequate market supplies and rebuild carryover stocks to more desirable levels, the minimum fiber and food subsidy payments shall be increased by not more than than 25 percent over the level specified in section 301 of title III of this Act.

TITLE V

CONSERVATION, PRESERVATION AND RECREATION

SEC. 501. Notwithstanding any other provisions of law, each farm family unit shall be entitled to ecological and environmental improvement payments equal to a maximum of 90 per cent of the actual cost of approved practices for land and water conservation, abatement of pollution, preservation of wildlife habitat, and the development of recreational facilities, not in excess of a maximum of $3,000 per annum or in the alternative a direct payment computation equal to the immediate 3-year average per acre net income of the remaining Unit acres of production whichever is greater for actual performance of prescribed practices of ecological and environmental improvement programs.

SEC. 502. (a) The intent and purpose of a national effort of ecological and environmental improvement shall be predicated upon the national interest with emphasis on each farm family unit and community improvement.

(1) Farm family unit participation shall be compensated upon performance as prescribed by the Secretary but in no case at a rate less than a sum equal to the net average per acre income of the remaining acres of production of the farm family unit:

(i) Farm family unit participation in preservation of wildlife habitat and the development of rural recreational facilities shall be premised upon controlled public access as prescribed by the Secretary of the United States Department of Agriculture; and

(ii) The Secretary of the United States Department of Agriculture in prescribing public access to private lands shall rely upon the recommendations of the local, county, and State elected committee members of the existing Agriculture Stabilization and Conservation Service or such other elected peer group thereof.

(2) Farm family unit participation shall be emphasized and encouraged for the improvement of the community and national ecological and environmental conditions with preference practices for the farm family unit but including community and regional projects participation as may be approved by the Secretary of the United States Department of Agriculture.

TITLE VI

PRICE SUPPORT AND PRODUCTION CONTROLS REPEALED

SEC. 601. All legislation relating to price supports and production controls now in effect is hereby repealed.

SEC. 602. No regulations issued under existing Federal market orders shall be adversely affected by this Act unless deemed to be in direct conflict with the provisions hereof and in such case the provisos of this Act shall control, prevail, and supersede the provisions of such Federal market order(s) that increase or tend to increase consumer costs of food and fiber.

TITLE VII

INVESTMENT IMPROVEMENT INCENTIVE

SEC. 701. Each farm family unit possessed of a vested interest in improvements on land shall be entitled to a 7-percent investment credit against Federal income tax liability in a sum equal to the multiple factor of assessed valuations for improvements in the same manner as prescribed in the Internal Revenue Code for personal property used in the production of income.

SEC. 702. The investment improvement incentive tax credit shall be otherwise administered consistent with and pursuant to the provisions of the Internal Revenue Code of 1954 and Acts amendatory thereto.

TITLE VIII

ACQUISITION CREDIT FOR FOOD AND FIBER PRODUCTION

SEC. 801. The Secretary of the United States Department of Agriculture shall establish and provide a system of long-term, low-interest rate credit for farm family units as defined in Section 201(a) of Title II of this Act.

(1) Acquisition credit policies shall not exceed a level rate of interest in excess of 4 per cent per annum to qualified borrowers nor exceed a term of 40 years, either or both;

(2) Policies of credit shall provide for

maximum participation of the private banking and credit systems with emphasis on the local banking credit facilities of the community in cooperation with the farm credit systems and existing agencies of the Federal Government;

(3) Participating loans with approved local banks to farm family units shall be fully guaranteed by the Government secured by black acre with recourse; and

(i) Land bank notes shall be negotiable in the commercial money market of the private sector of the national economy fully guaranteed by the Federal Government to preserve liquidity of the participating bank and banking interests and such notes secured by mortgage (s) and guaranteed by the Government shall be interchanged and acceptable by the farm credit system or exchanged in the private commercial money market to fully monetize the credit capacity of the borrower in acquisition of real property essential to the production of food and fiber and for other purposes as may be prescribed by the Secretary of the United States Department of Agriculture.

(ii) The participating bank or banks shall be paid not less often than semi-annually, the difference between the level rate of interest (4 per cent per annum) paid by the borrower on the land acquisition loan, and the current money market rate of interest from funds and authorization granted by the Secretary of the United States Treasury through the United States Department of Agriculture directly to the participating bank(s) for administration and supervision of the acquisition loans approved to the borrower as a qualified farm family unit. The Government shall have full recourse on all secured real estate mortgages so guaranteed subject only to the priority of the participating bank(s) as mortgagee and the Secretary shall reserve all rights of periodic examinations to verify the security interest of the Government without notice.

SEC. 802. The Secretary of the United States Department of Agriculture shall have the authority to prescribe criteria for eligibility, participation and qualifications of banks, borrowers, and participants with the advice and counsel of a local peer committee, such as the Agriculture Stabilization and Conservation Service committeemen or such other designated group acting therein.

SEC. 803. The Secretary of the United States Department of Agriculture is directed to issue such regulations as shall be deemed essential and necessary to administer all titles of this Act in a fair, just, objective and orderly manner.

Mr. ALEXANDER. Mr. Speaker, it is with deep concern that I join my colleagues today in this discussion of farm prices. This concern arises from two basic sources. They are implicit in my use of the phrase farm and food prices. It is elementary that the price the farmer gets for the food he or she raises and the price the consumer pays for that food are very different things.

Yet, many of today's most quoted and most critical spokesmen are failing, to acknowledge this fact. And, the farmer is taking an unjust rap in the controversy over the rising cost of food. Maybe that is, because the farmer has traditionally been the invisible man in the food chain. He or she generally goes about the business of raising food and fiber and selling it to the processor without a lot of fuss.

The processors and the retailers spread the news of their wares and their pleas with consumers to buy them across the pages of the newspapers, the radio waves, and the television screens that enter homes all across the Nation.

And, when the flack over the rising cost of food starts flying it has been a simple matter, though falsely based, to blame the farmers who generally go quietly about raising the food we eat.

It is true that the farmer only recently began to receive for his crops what he was getting 20 years ago. And, it is true that from 1965 through 1972 that food prices rose 33 percent. But, is not it about time that the critics of food prices looked at the whole picture of income and spending in this area.

For instance, from 1965 through 1972, the per capita disposable income for the Nation rose from $2,436 to $3,954, an increase of 62 percent.

Between 1951 and 1971 the prices paid to farmers for food products rose 6 percent. The wholesale food prices went up 20 percent and the retail prices went up 43 percent. During that same period the Nation's wage levels increased an average of more than 6 percent each year, for a total increase of 130 percent.

Statistics clearly show that two decades ago the consumer spent 23 percent of his after taxes income for food. In 1972, the average American spent only 15.8 percent of his income for food. In Europe, a fourth of the family income today goes for food. In Russia, it is between 45 and 50 percent; and, in Asia it is almost 80 percent.

The decrease in the percent of average American family incomes spent for food has been possible because the American farmer has worked long and hard to raise productivity. Today one farmworker produces food for 51 people. Twenty years ago one farm worker supplied food for only 16 persons.

At the farm end of the food marketing chain, the cost to the producer of all the products he purchases has risen nearly 50 percent. The farmers production costs have nearly doubled.

The cost of the actual production of food is not the only cost involved in the retail price of food to consumers. This retail price includes transportation, processing—which means butchering, canning, convenience food preparation and such, distribution, and sales promotion.

Into these operations come, as into that of actual production, the costs of labor and equipment necessary to carry them out.

The fact is that the American people are, on the average, eating more and better food than in the past decades because they have more income. As the income rises the costs in all sectors of the economy, including food production rises. The people have more income. Demand for food is greater. The food prices are higher, but the percentage of the income paid for food is lower.

My discussion today has not been meant to placate critics of food prices or to indicate that they are likely to drop. I have simply attempted to put this issue into perspective. Is it not true that the prices of all goods are rising? Is it just to expect that farmers should not participate in the rise in incomes benefiting all other segments of society? Is it fair to require that farm prices be depressed so that the increased income can be spent for luxury items?

Food is essential to life as improved medical care, housing, transportation, education, and recreation are important to rising standards of living. It is undeniable that the cost of all these things have risen. There are demands that the farmers produce more food. And, there are demands that the Government take negative actions to force this increased production. Yet, at the same time, there are demands that the Government subsidize what consumers have to pay on delivery for medical care, housing, transportation, education, and recreation.

If it is logical to use of free market incentives to encourage increased food production, is it not logical that all segments of the economy should be required to operate in the free market economy?

What we have now, though, is the contention that, on one hand, the farmers should receive no incentives from the Government to assure them that if they raise production they will not face the threat of having the bottom drop out of their income, and, on the other hand, that the Government should tightly control the prices which the farmer can command for his products.

In a market economy, the incentive to increase production is the expectation of receiving increased incomes from the investment involved. As it is, the return on investment in the agricultural sector of our economy is about 5 percent, as compared with approximately 15 percent for all manufacturing.

If harsh regulatory action is taken against the income the farmer can receive from his work and investment and no restraints are placed on the costs of his producing food and fiber, will the incentive to produce not disappear? Will it not be more logical for many farmers to put their time and money into another activity? Have we not learned any lessons from the fact that lowering the number of producers in any industry is generally followed by no, or slower, increases in productivity and by rising prices?

I have not attempted to establish myself today as a man with all the answers. At this point, I do not think anyone qualifies for that description. It has been my hope that the discussion going on in the House Chamber today, what I and others are saying, will broaden the discussion of food and farm prices to take into consideration all aspects of the issue.

The American farmer has worked hard, used his time, ingenuity, and money to help his fellow citizens achieve the highest living standard in the history of man. And, he has done it in a way that takes less of the consumers income for food than in the past. For that, the farmer deserves the thanks and appreciation of the Nation.

Mr. WOLFF. Mr. Speaker, I appreciate the concerns of my distinguished colleague from South Dakota (Mr. DENHOLM) in taking out this special order today on the subject of farm and food prices. This whole complex and very serious problem of our high food costs, which has placed such a tremendous burden on the American consumer, cannot, I think, be blamed solely on the farmers, as some would like to do.

Mr. Speaker, for the next several weeks

I will be sponsoring emergency meetings in New York with public officials and representatives from the food industry to discuss our complex food problem. At our first meeting held last week, it became increasingly clear that the major reason for our high food prices lies with shortsighted Government policies and the Government's piecemeal approach to dealing with our food problem. The "White Paper" recently released by the Cost of Living Council stated that the administration "acted even before inflation hit the supermarket shelf"; if that be the case, why, then, in January 1973 were consumers hit with an increase in food prices that was greater than any increase has been in the last 20 years? Let us look at just a few of the recent developments affecting the cost of food in this country. The much-heralded United States-Soviet wheat deal, which appropriated almost one-fourth of the U.S. grain crop, has, as most people have figured out, raised the cost of flour and bread products, and in addition, overseas feed grain sales have raised the cost of meat. The majority of our farmers did not benefit from the wheat agreement because the bulk of the profits went to agribusiness, large grain speculators, and grain brokers. The number who profited from this grain deal was significantly small in comparison to those who reaped nothing but the wheat. The smaller farmers and the American consumer were actually hurt by the agreement. This, I would decidedly call a shortsighted and self-serving action by the Federal Government. In addition, in the past year, this country has exported millions of dollars of beef to other nations, even though farmers have not been simultaneously encouraged to produce more meat to insure an adequate and reasonably priced domestic supply. By not clamping down on exports, in fact, by stimulating the outflow of food grown here, the Government has created an artificial domestic shortage that has driven food prices sky high.

The recent threat of consumer meat boycotts across the country, although they may have a very short-term effect, will in the long run produce little effect since there is a market overseas ready and able to gobble up our short meat supplies. Unless the Government encourages domestic farmers to increase productivity, unless in the interim we can place some kind of embargo on meat and other essential commodities, and until we meet American market demands adequately, I do not foresee any substantial relief for the American consumer even if, as the administration suggests, food prices are again frozen.

Mr. Speaker, the Federal Government must develop a comprehensive policy for dealing with our food problem on both a short- and long-term basis if we are not to be continually plagued by artificial shortages and high prices. I have joined with several other Members in sponsoring a resolution to establish a Select Committee on the Cost and Availability of Food, in order that the House may have a vehicle for investigating all factors influencing the cost of food and for helping to determine a policy that will insure American consumers an abundant, reasonably-priced food supply, and the American farmer a fair return on invested capital. In addition, I feel that the meetings I am sponsoring in New York will prove significant in helping to throw light on actions that can be taken now to stabilize the cost of food, and I am pleased that my colleague from South Dakota (Mr. DENHOLM) will be joining me at these meetings to share his knowledge of the farmers' interests and needs and ability to help ease this situation. I am convinced that when all parties affected by, affecting and influencing the cost of food join together, as we are now doing, we will find a solution to the food price dilemma.

A BILL TO PROVIDE FOR THE REALISTIC REGULATION OF ALL SURFACE MINING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. SAYLOR), is recognized for 60 minutes.

Mr. SAYLOR. Mr. Speaker, I cannot count the times I have appeared before this august body to discuss matters dealing with mining legislation. The number must be in the hundreds. Once more I come before you to express an opinion and draw some conclusions on the subject of mining which I believe 24 years' service in the House and on the Interior and Insular Affairs Committee permit.

There are certain points that I would like to make before getting to my main subject. In the first place, I wish it clearly understood that the legislation which I am offering is not a parochial piece of legislation. I readily admit that I represent a coal-mining district and that district lies within a State which is, and has been, famous for its production of all minerals. The measure I will discuss today is not a Pennsylvanian's bill—it is intended to be a legislative vehicle with which all Members, from all States, can easily live with. Moreover, it is intended to answer some questions—technical and otherwise—which have heretofore dogged our discussions of surface mining in the United States. The bill is designed primarily with the public's interest in mind; it was not designed to favor one industry over another, nor to favor one segment of an industry over another, nor is it possible for this bill to be the means for punishing one or more segments of a basic American industry from crimes against nature. Until recently, there were no such crimes.

I know the proposal will not satisfy everyone who has studied, debated, and discussed the surface mining and related issues. No legislation can boast of universal acceptance. The bill is offered as a potential solution to many of the vexing problems we have faced in the past few years with respect to, sometimes seemingly incompatible, national needs, aspirations, or goals.

For example, there is no question in anyone's mind that the Nation is in the throes of an energy crisis of mounting proportions. On an equal level, is the growing demand by our citizens that the environment must be protected for future generations. For a number of complex reasons, it has been argued that mining and environmental protection were mutually exclusive. I contend that we can continue to derive the benefits of our industrial society and, at the same, protect the environment.

The public is accustomed to the high standard of living that is dependent in large part on the extractive industries, but for the most part, it is unaware of the necessity of mining. The question is, can we maintain the quality of our lifestyles and improve the quality of our environment at the same time? In my opinion, we can. Except for some fringe commentary, most citizens have an abiding faith in our technical ability to have the best of both worlds. The legislation I am introducing today is directed at the goal of realistic regulation of all surface mining to protect and improve the environment while permitting and encouraging improvements in our standard of living.

SURFACE MINING AND THE LEGISLATIVE PROCESS

In the waning days of the 92d Congress, the House passed a surface mining bill which dealt solely with one solid mineral—coal. After attempts over the previous 2 years to broaden the language of that bill to include other minerals, I supported that measure as a necessary beginning point. I said at that time:

> I will tell my colleagues that H.R. 6482 (92d Congress) is not a perfect bill. It will not provide all the answers. Nor, will it be without problems in its administration. H.R. 6482 is recognition at the Federal level of an issue that has become one of national concern.

The issue, of course, is surface mining; it transcends that of just the mining of coal. The House measure of last year was a start. It was not a perfect bill as many other members of the House Committee on Interior and Insular Affairs, and others, pointed out at the time. In light of this, and the fact that the Senate did not act on similar legislation during the last session, the issue is again before the Congress.

The Senate Interior Committee has recently completed hearings on bills which are directed toward the regulations of all surface mining. Recognizing the unique situation that exists with respect to this type of legislation, the House committee has scheduled joint hearings to commence April 9 before both the Subcommittee on Mines and Mining and the Subcommittee on the Environment. I know that there are those who object to this combination of jurisdiction on the critical matters raised by the bills already introduced, but upon sober reflection, I think it is entirely proper that the pull and tug of the varying economic, social, and regional points of view be accorded this crucial issue and the joint hearings will provide just that.

THE SURFACE MINING AND RECLAMATION ACT OF 1973

Mr. Speaker, I will not delve into all the ramifications of the debate of last year with respect to surface mining; suffice it to say that we must face the issue again in the 93d Congress, and in a sense, I am relieved that we have the hiatus in order that better legislative vehicles could be constructed for consideration by the membership of this House. I believe that my colleagues will see in the "Surface Mining and Reclamation Act of 1973" proposal a vehicle which answers a number of knotty problems left unresolved in the last Congress, and a proposal which meets the dual needs of protecting the environment while guaranteeing the continuation of the mining industry.

In a sentence—my bill encompasses all minerals; primary enforcement of the provisions of the act would be in the hands of the State rather than the Federal Government; and the necessary flexibility for regulation is included to account for variations in terrain and climate throughout the United States. Most Members are aware of my long-standing belief that legislation in this field must include all minerals—after all, we are talking about all surfaces—so I will not go into a lengthy discussion on that point.

I would like to make a slight discourse on the second point: Primary enforcement would be in the hands of State regulatory agencies. The point was put in sharp relief in recent testimony from the Interstate Mining Compact before the Senate Interior Committee. The compact is made up of representatives of the States of Pennsylvania, Oklahoma, North Carolina, Kentucky, West Virginia, and South Carolina. The State of Tennessee, according to late information, is about to join the compact.

Testifying for the compact, Pennsylvania's Associate Deputy Secretary for Mines and Land Protection of the Department of Environmental Resources, Walter Heine, said:

> It is this Commission's belief that the states are better equipped to handle the regulation of surface mining because of their knowledge of and sensitivity to the great diversity of terrain, climate, biologic, chemical and other physical conditions of, and the needs and aspirations of the local citizens and governments in areas where surface mining occurs. The states generally possess qualified staff and the enforcement power which is required for a truly effective surface mining regulatory program. This expertise should be utilized and expanded with federal programs grants to achieve uniformity of enforcement. General technical criteria should be required to meet federal standards and should be subjected to continual federal evaluation.

All too often in the Halls of Congress, there is an assumption that the States will not do the job required of them, thus necessitating Federal action. I believe I can convincingly prove to you that, in terms of surface mining regulation and reclamation, the States are beginning to do the job, and have been in some cases, such as in my own State, doing a credible and commendable job of regulation of the extractive industries which the Federal Government could not begin to match. Mr. Heine quietly asks the Congress to recognize this expertise and experience, but I will shout it from the well. True enough, there is a role for the Federal Government—but that role must not, should not, impede the progress that some States have already made in implementing surface mining regulation and reclamation procedures.

Mr. Speaker, the States that now comprise the Interstate Mining Compact have a combined mineral production of over $2.5 billion per year which represents approximately 22 percent of the entire mineral production of these United States exclusive of gas and petroleum. I do not think that we can lightly dismiss the experience and expertise of such States in considering Federal legislation.

PROVISIONS OF THE LEGISLATION

The bill I am introducing today constitutes, I believe, a significant improvement over the various approaches which were before the Congress in the last session. Basic to this legislation is the balance achieved between rather detailed Federal criteria and discretionary authority for the States with whom is vested primary regulatory authority. The Federal Government's authority is essentially an initial responsibility for promulgation with various review authorities over the States. This balance between Federal requirements and discretionary authority for the States was largely the result of the role played by the Pennsylvania Department of Environmental Resources, which is recognized as the leading State enforcement authority for the Nation's most stringent State surface mining and reclamation statute, most recently amended in 1971. Significantly, the legislation necessitates no new technology or equipment prior to promulgation and enforcement.

This legislation is clearly corrective rather than punitive or arbitrary. It provides very definite parameters—section 211—within which the industry has certain flexibility through the mechanism of a surface mining and reclamation permit application. The burden of proof is correctly vested with the operator, rather than the public or the State regulatory authority, and the operator bears the burden of demonstrating through the surface mining and reclamation permit application that the proposed mining and reclamation operations can and will be conducted in accordance with the requirements of this act. This legislation allows for further flexibility by recognizing at the outset that there exists "diversity of terrain, climate, biologic, chemical, and other physical conditions in areas subject to surface mining operations." It is a bill based on State experience in regulation of surface mining which is applicable to all States, not just Pennsylvania.

Federal criteria for surface mining and reclamation operations include as minimum requirements that the operator:

First, restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, provided that the operator's proposed land use following the reclamation is not deemed to be impractical or unreasonable, or inconsistent with applicable land use policies and plans;

Second, obtain the written consent of the surface landowners, if different from the applicant;

Third, limit the amount of surface excavated at any one time in conformity with the approved reclamation plan;

Fourth, minimize reaffecting the land in the future by recovering all mineral resources that can be technologically and economically extracted on the land to be affected;

Fifth, remove, segregate, and preserve topsoil, covering it with a quick-growing ground cover and maintaining a successful cover thereafter to avoid wind and water erosion;

Sixth, remove, segregate, and protect spoil materials to prevent wind and water erosion until backfilling;

Seventh, stabilize all soil, subsoil, spoil, waste, and refuse piles to prevent sliding by layering, compacting, imposing slope and height limitations and establishing, where possible, vegetative cover;

Eighth, insure that when performing surface mining on natural slopes in excess of 14 degrees from the horizontal that the applicant can affirmatively demonstrate that the proposed mining method will effectively prevent sedimentation, landslides, erosion, or acid, toxic, or mineralized water pollution and that such areas can be reclaimed as required by the act;

Ninth, backfill, compact, and regrade the area of land affected so that it is restored to its approximately original contour with all highwalls, spoil piles, and depressions to hold water eliminated, with other provisions including terracing only when the regulatory authority finds that the reasons advanced are satisfactory and that the natural slope or contour of the area to be affected is less than 14 degrees.

Tenth, plant on all affected lands a stable and self-regenerating vegetative cover approved by the regulatory authority, which, where advisable, shall be native vegetation with the operator maintaining such planting for a period of 5 years after the termination, for any reason, of the operation;

Eleventh, maintain the quality of water in surface and subsurface water systems both during and after surface mining and reclamation operations in accordance with the highest applicable water quality standards, with specific methods prescribed in the criteria and by the regulatory authority;

Twelfth, insure that water impoundments are properly designed and maintained during the mining operation so as to prevent siltation, water pollution, and ruptures during storms of "50-year frequency";

Thirteenth, insure protection of offsite areas from slides or damage with no waste accumulations located outside the approved permit area;

Fourteenth, insure that explosives are used only in accordance with existing State and Federal law and that blasting schedules be posted with advance written notice to local governments and residents;

Fifteenth, remove and otherwise dispose of all debris, structures, facilities, and equipment upon the approval of the performance bond release.

This is a partial list of the Federal criteria established by section 211 of my bill.

This legislation imposes no unreasonable deadlines. Rather than imposing a moratorium on new and expanded surface mining operations upon enactment until State programs or Federal programs are approved, this bill provides for an interim permit system for surface coal mine operations on Federal lands, Indian lands, and lands within any State. The Secretary of the Interior must first publish proposed regulations within 6 months after enactment for surface mining and reclamation operations for coal; and within 15 months after enactment for other minerals. Opportunity for public hearings are provided, and regulations must be promulgated within 60 days after the completion of hearings. The States may then submit plans for State programs after promulgation of Federal regulations and the Secretary must approve or disapprove the State programs within 4 months after submission. In the event that a State fails to submit a State program or fails to revise and resubmit a State program, the Secretary is then authorized to implement, following public hearings in that State, a Federal program for that State. There is also a provision for a Federal lands program on Federal and Indian lands. The States must be in compliance with State programs or Federal programs within 24 months after enactment in order that surface mining operations may continue.

The term of the permit is 5 years with provisions for the operator to affect smaller areas under permit through approval of bonded areas. Bond release for each bonded area may be partial with the operator first becoming eligible when at least 60 percent of the backfilling and regarding of a bonded area is complete and in accordance with the approved reclamation plan.

Public notice and opportunity for public hearings are provided prior to promulgation of Federal regulations for State programs, Federal program for a State, and Federal lands programs. Also, public notice and public hearings must be afforded prior to submission of a State program to the Secretary, prior to promulgation of a Federal program for a State, and in both cases before a prerequisite mining lands review process during review of areas for designation as unsuitable for surface mining. Prior to permit approval the operator bears the burden of public notice and the regulatory authority bears the burden of conducting public hearings where requested and justified.

This legislation provides for the designation of areas unsuitable for surface mining operations, establishing a mandatory review process of "areas of critical concern" prior to approval of State programs or eligibility for a Federal program for a State. Federal lands are also required to undergo this review process.

Special regulations are required to be promulgated for large open pit mining operations with requirements to slope remaining highwalls not to exceed 35 degrees with replacement of topsoil, revegetation, and maintenance of slopes. Where the mineral or overburden is not of a toxic or polluting nature, step terracing is permitted.

This act establishes an abandoned mine reclamation fund with an initial authorization of $100 million.

I hope that everyone will look carefully at this bill as a solution to a very pressing problem affecting almost every State in our Nation.

The text of the Surface Mining Reclamation Act of 1973 follows:

H.R. 5988

A bill to provide for the regulation of surface mining operations in the United States, to authorize the Secretary of the Interior to make grants to the States to encourage State regulation of surface mining, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Reclamation Act of 1973".

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

Sec. 101. Findings.
Sec. 102. Purpose.
Sec. 103. Definitions.

TITLE II—EXISTING AND PROSPECTIVE SURFACE MINING AND RECLAMATION OPERATIONS

Sec. 201. Grant of authority; promulgation of Federal regulations.
Sec. 202. Office of Surface Mining and Reclamation Enforcement.
Sec. 203. Surface mining operations which may be subject to this Act.
Sec. 204. State authority; State programs.
Sec. 205. Federal programs.
Sec. 206. State laws.
Sec. 207. Interim requirements after enactment and prior to approval of State program.
Sec. 208. Permits.
Sec. 209. Surface exploration permit requirements.
Sec. 210. Surface mining and reclamation permit.
Sec. 211. Criteria for surface mining and reclamation operations.
Sec. 212. Regulation of large open pit mine operations.
Sec. 213. Designation of land areas unsuitable for surface mining.
Sec. 214. Permit approval.
Sec. 215. Public notice and public hearings.
Sec. 216. Decisions of regulatory authority and appeals.
Sec. 217. Posting of bond.
Sec. 218. Bond release procedures.
Sec. 219. Suspension and revocation of permits.
Sec. 220. Inspections.
Sec. 221. Federal enforcement.
Sec. 222. Establishment of rights to bring citizens suits.
Sec. 223. Federal lands and Indian lands.
Sec. 224. Revision of permits.
Sec. 225. Public agencies, public utilities, and public corporations.

TITLE III—ABANDONED AND UNRECLAIMED MINED AREAS

Sec. 301. Abandoned Mine Reclamation Fund.
Sec. 302. Acquisition and reclamation of abandoned and unreclaimed mined areas.

TITLE IV—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

Sec. 401. Advisory committees.
Sec. 402. Grants to the States.
Sec. 403. Research and demonstration projects.
Sec. 404. Annual report.
Sec. 405. Authorization of appropriations.
Sec. 406. Other Federal laws.
Sec. 407. Severability.

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of minerals by surface mining operations is a significant and essential activity which contributes to the economic, social, and material well-being of the Nation:

(b) many unregulated surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitat, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property, by degrading the quality of life in local communities, and are not coordinated with governmental programs and efforts to conserve soil, water, and other natural resources;

(c) surface mining reclamation technology is now developed so that effective and reasonable regulation of surface mining operation by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to prevent the adverse social, economic, and environmental effects of mining operations; and

(d) because of the diversity of terrain, climate, biologic, chemical, and other physical conditions in areas subject to surface mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States in the proper exercise of their police power.

PURPOSE

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to prevent the adverse effects to society and the environment resulting from many surface mining operations;

(b) assure that the rights of surface landowners are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation is not feasible;

(d) assure that surface mining operations are so conducted as to prevent permanent degradation to land and water;

(e) assure that adequate measures are undertaken to reclaim surface areas as contemporaneously as possible with the surface mining operations;

(f) assist the States in developing and implementing such a program; and

(g) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through the effective control of surface mining operations.

DEFINITIONS

SEC. 103. For the purpose of this Act—

(a) The term "approximate original contour" means that surface configuration achieved by backfilling and grading so that the affected area is blended into the surrounding terrain in such manner that the restored area complements the drainage pattern of and is similar in appearance to the surrounding terrain, with all highwalls eliminated.

(b) The term "areas of critical concern" means an area on lands within any State where development, including mining, whether controlled and planned or uncontrolled and unplanned, could result in significant damage to important historic, cultural, environmental, economic, or esthetic values, or natural systems or processes, which are of more than local significance, or could endanger life and property as a result of natural hazards of more than local significance.

(c) The term "bonded area" means that area of land within the permit area upon which the operator will initiate and conduct surface mining and reclamation operations.

(d) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce.

(e) The term "Federal land" means any land owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands.

(f) The term "Federal lands program" is a program established by the Secretary pursuant to section 223 of this Act to regulate surface mining and reclamation operations on Federal lands and Indian lands.

(g) The term "Federal program" is a program established by the Secretary pursuant to section 205 of this Act to regulate surface mining and reclamation operations for coal or for other minerals, whichever is relevant on lands within a State in accordance with the requirements of this Act.

(h) The term "Indian lands" means all lands included within Indian reservations, or lands held by the United States in trust for Indians, including restricted allotted lands over which the Secretary exercises supervisory control.

(i) The term "land affected" or "land to be affected" or "affected area" means the area from which the mineral is removed by surface mining, and all other lands whose natural state has been or will be disturbed as a result of the surface mining activities of the operating including, but not limited to, railroads, roads, and private ways, land excavations, water impoundments, workings, refuse banks, spoil banks, culm banks, tailings, repair areas, storage areas, processing areas, shipping areas, including conveyors, and areas in which structures, facilities, equipment, machines, tools, or other materials or property which would result from or are used in surface mining operations and which are situated appurtenant to the center of the surface mining and reclamation operations of the operator.

(j) The term "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands.

(k) The term "operator" means the person, firm, corporation, or partnership or any other business entity engaged in surface mining as a principal as distinguished from an agent or independent contractor.

(l) The term "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substance of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form.

(m) The term "permit" means a permit to conduct surface mining and reclamation operations on the area of land to be affected issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program.

(n) The term "permit applicant" or "applicant" means a person applying for a permit.

(o) The term "permittee" means a person holding a permit.

(p) The term "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization.

(q) The term "reclamation plan" is a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface mining operations pursuant to sections 210 and 211 of this Act.

(r) The term "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering the Act under a Federal program.

(s) The term "Secretary" means the Secretary of the Interior or his designee.

(t) The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

(u) The term "State program" is a program established by a State pursuant to section 204 of this Act to regulate surface mining and reclamation operations for coal or for other minerals, whichever is relevant on lands within a State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act.

(v) The term "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act.

(w) The term "step-terracing" means the utilization of the mineral cleavage planes of nontoxic or nonpolluting mineral deposits and their overburden to develop a series of steps, with approximately vertical walls and horizontal planes, from the top of the stable portion of the highwall to the floor of the pit, taking into consideration public health and safety.

(x) The term "surface mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations.

(y) The term "surface mining operations" means the activities conducted on the surface of lands in connection with a surface mine, the products of which enter commerce or the operations of which directly or indirectly affect commerce, including the exploration for and the extraction of coal or other minerals from the earth or stream beds while removing strata which overlies them, lies between them, or commingles with them, including contour, strip, open pit, auger mining, exploration excavations, test borings or core samplings, dredging, quarrying, leaching, in situ, distillation or retorting and cleaning, concentrating or other processing or preparation (excluding refining and smeltering) and the loading for interstate commerce of crude materials at or near the mine site. Such activities do not include the extraction of minerals in a liquid or gaseous state by means of wells or pipes unless the process includes in situ, distillation, or retorting.

(z) The term "surface or subsurface water" means all streams, lakes, ponds, marshes, waterways, wells, springs, drainage systems, acquifers, and all other bodies or accumulations of water surface or underground, natural or artificial.

(aa) The term "terracing" means backfilling, compacting (where advisable) and grading where the steepest slope of the affected area shall not be greater than 35 degrees from the horizontal with the table portion of the restored area a flat terrace without depression to hold water and with adequate provisions for drainage, except that depressions to hold water may be allowed by the regulatory authority where retention of water is required or desirable for reclamation purposes and is consistent with the operators' approved reclamation plan.

(bb) The term "water pollution" or "pollution of water" means placing any toxic, noxious, or deleterious substances in any waters or affecting the property of any waters in a manner which renders such waters harmful or inimicable to the public health, or to animal or aquatic life, or to the use of such waters for domestic water supply or industrial, agricultural, or recreational purposes.

TITLE II—EXISTING AND PROSPECTIVE SURFACE MINING AND RECLAMATION OPERATONS

GRANT OF AUTHORITY; PROMULGATION OF FEDERAL REGULATIONS

SEC. 201. (a) Within one hundred and eighty days after the date of enactment of this Act, the Secretary in accordance with the purposes, requirements, and the procedures of this Act, shall develop and publish in the Federal Register regulations covering surface mining and reclamation operations for coal, and shall set forth in reasonable detail those actions which a State must take to develop a State program and otherwise meet the requirements of this Act.

(b) Not later than the end of the twenty-four full calendar month period following the date of the enactment of this Act, the Secretary, in accordance with the purposes and requirements of this Act and procedures set forth in this section shall develop and publish in the Federal Register regulations covering surface mining and reclamation operations for other minerals, and shall set forth in reasonable detail those actions which a State must take to develop a State program and otherwise meet the requirements of this Act.

(c) Such regulations for coal and for other minerals shall not become effective until the Secretary has first published and proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after publication to submit written comments. Except as provided in subsection (d) of this section, the Secretary shall, upon the expiration of such period and after consideration of all written comments and relevant matter presented, promulgate the regulations with such modifications as he may deem appropriate.

(d) On or before the last day of any period fixed for the submission of written comments under subsection (c) of this section, any interested person or any State and local government may file with the Secretary written objections to a proposed regulation, stating the grounds therefor and requesting a public hearing by the Secretary on such objections. Within fifteen days after the period for filing such objections has expired, the Secretary shall publish in the Federal Register a notice specifying the proposed regulation to which objections have been filed and for which a public hearing has been requested, and the date (which date shall be no later than thirty days after the date of publication of the notice pursuant to this subsection), time, and place of such public hearing wherein statements concerning the proposed regulation and objections thereto shall be received. To the extent possible, hearings pursuant to this section shall be held in the States and regions affected.

(e) Within sixty days after completion of any hearings, the Secretary shall issue a report setting forth his findings of fact and views on such objections and shall promulgate the regulations with such modifications as may be required. The regulations shall be effective thirty days after their publication in the Federal Register.

(f) Chapter 5 of title 5 of the United States Code (relating to administrative procedures) shall be applicable to the administration of this Act, except that whenever procedures provided for in this Act are in conflict with such chapter, the provisions of this Act shall prevail.

OFFICE OF SURFACE MINING AND RECLAMATION ENFORCEMENT

SEC. 202. (a) There is hereby established in the Department of the Interior the Office of Surface Mining and Reclamation Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level V of the Executive Schedule Pay Rates (5 U.S.C. 5315), and such other employees as may be required. The Director shall have the responsibilities provided for under this Act and such duties and responsibilities as the Secretary may assign. No existing legal authority in the Department of the Interior which has as its purpose promoting the development or use of coal or other mineral resources, shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the State grant-in-aid program for the development of State programs for surface mining and reclamation operations provided for in title IV of this Act;

(2) administer the State grant-in-aid program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title III of this Act;

(3) administer the State grant-in-aid programs for State mining lands review and the designation of land areas unsuitable for surface mining operations pursuant to section 213 of this Act;

(4) administer the surface mining and reclamation research and demonstration project authority provided for in section 403 of this Act;

(5) develop and administer any Federal programs for regulation of surface mining and reclamation operations which may be required pursuant to this Act, including the enforcement of all Federal air and water quality standards, laws, and regulations applicable to surface mining;

(6) review State programs for regulation of surface mining and reclamation operations pursuant to this title;

(7) consult with other agencies of the Federal and State government having expertise in the control and reclamation of surface mining operations;

(8) assist the States in the development of State programs for the regulation of surface mining which meet the requirements of this Act and, at the same time, reflect local requirements and local environmental conditions;

(9) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State which, pursuant to section 213 of this Act should be declared unsuitable for surface mining;

(10) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(11) make investigations or inspections necessary to insure compliance with this Act and the rules and regulations adopted pursuant thereto;

(12) conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and the production of written or printed materials;

(13) issue cease-and-desist orders; review and vacate or modify or approve orders and decisions;

(14) order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(15) appoint such advisory committees as may be of assistance to the Secretary in the development of programs and policies;

(16) designate certain areas as unsuitable for surface mining; and

(17) perform such other duties as are provided by law. For the purpose of avoiding duplication, the Secretary is hereby authorized to coordinate the process of review and issuance of permits required by this Act with any Federal or State permit process required by applicable laws, rules, or regulations.

SURFACE MINING OPERATIONS WHICH MAY BE SUBJECT TO THIS ACT

SEC. 203. (a) The provisions of this Act shall apply to all surface mining operations although the regulatory authority may, where conditions warrant, except the following surface excavations from one or more provisions of this Act:

(1) Those surface excavations made in connection with mining operations carried on beneath the surface by means of shafts, tunnels, or other underground mine openings.

(2) Foundation excavations for the purpose of constructing buildings and other structures.

(3) Excavations by an agency of Federal, State, or local government or its authorized contractors for highway and railroad cuts and fills.

(4) The extraction of minerals by a landowner for his own noncommercial use from land owned or leased by him.

(5) The commercial extraction of minerals in total amounts of not more than two thousand tons of marketable minerals in any year if the total acreage affected does not exceed three acres.

(6) Archeological excavations.

(7) Such other surface mining operations which the Secretary determines to be of an infrequent nature and which involve only minor surface disturbances.

(b) In promulgating regulations to implement this section, the Secretary shall consider the nature of the class, type, or types of activity involved; the magnitude of the mining activities (in tons and acres); their potential for adverse environmental impact; and whether class, type, or types of activity are already subject to an existing regulatory system by State or local government or an agency of the Federal Government.

STATE AUTHORITY; STATE PROGRAMS

SEC. 204. (a) To be eligible to receive financial assistance provided for under titles III and IV of this Act and to be eligible to assume full control over surface mining operations for coal and other minerals on lands within any State, a State shall submit a State program in accordance with the requirements of this Act which program shall demonstrate that such State has—

(1) a State law which provides for the regulation of surface mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface mining and reclamation operations which sanctions shall meet the requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspension, revocation, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, adequate interdisciplinary expertise, and sufficient financial resources to enable the State to regulate surface mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system for the regulation of surface mining and reclamation operations for coal on lands within such State;

(5) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system for the regulation of surface mining and reclamation operations for other minerals on lands within such State; and

(6) established a mining lands review process in accordance with section 213 of this Act and that it is actively conducting a review of the mining lands within its boundaries in accordance with such section 213.

(b) The Secretary shall not approve any State program submitted by a State pursuant to this section until—

(1) he has solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program; and

(2) he has provided an opportunity for a public hearing on the State program within the State.

(c) The Secretary shall within four full calendar months following the submission of any State program, approve or disapprove such State program or any portion thereof. The Secretary shall approve a State program if he determines that the State program meets the requirements of this Act.

(d) If the Secretary disapproves any proposed State program, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State may resubmit a revised State program.

FEDERAL PROGRAMS

SEC. 205. (a) The Secretary may prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State if such State—

(1) fails to submit a State program covering surface mining and reclamation operations for coal within twelve full calendar months after the promulgation of the Federal regulations for such operations;

(2) fails to submit a State program for surface mining and reclamation operations for other minerals within twelve full calendar months after promulgation of Federal regulations for such operations; or

(3) fails to enforce its approved State program as provided for in this Act.

Promulgation and implementation of a Federal program for a State vests the Secretary with the full authority provided for in this Act for the regulation and control of surface mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implemenation of a Federal program the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) Prior to promulgation and implementation of any proposed Federal program for a State, the Secretary shall give notice and hold a public hearing in the affected State. In no event shall the Secretary promulgate and implement a Federal program for a State if such State has failed to complete and implement its mining lands review under section 213 of this Act by designating certain land, if any, within such State as being unsuitable for all or certain types of surface mining operations.

(c) Permits issued pursuant to an approved State program which has been preempted pursuant to this Act shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program for a State, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(d) If a State submits a proposed State program to the Secretary after a Federal program has been promulgated and implemented pursuant to this section, and if the Secretary approves the State program, the Federal program shall cease to be effective after the

Secretary determines that the plan is being effectively implemented in accordance with the requirements of this Act.

(e) Upon the approval of the Secretary of a State program, administration and enforcement of all air and water quality standards, laws, or regulations applicable to surface mining may be vested in the State regulatory authority in the interests of avoiding duplication by agencies of the Federal or **State government.**

STATE LAWS

SEC. 206. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or regulation is inconsistent with Section 101 of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act or which may become effective thereafter, which provides, in the Secretary's opinion, more stringent environmental controls and regulations of surface mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall not be construed to be inconsistent with this Act.

INTERIM REQUIREMENTS AFTER ENACTMENT AND PRIOR TO APPROVAL OF STATE PROGRAMS

SEC. 207. (a) After the date of enactment of this Act, and within twelve full calendar months after promulgation of Federal regulations for surface coal mining, no person shall open or develop any new or previously mined and abandoned site for surface coal mining operations on lands within any State, unless such person has first obtained an interim permit from the appropriate State regulatory authority. The State regulatory authority may issue such interim permits upon application made by the operator. Such application and permit shall be in accordance with the requirements of this Act.

(b) After the date of enactment of this Act and prior to the promulgation of Federal regulations for surface coal mining, no person shall open or develop any new or previously mined and abandoned site for surface coal mining operations on Federal lands or Indian lands, unless such person has first obtained an interim permit from the Secretary. The Secretary may issue such interim permits upon application made by the operator. Such application and permit shall be in accordance with the requirements of this Act.

(c) If an operator proposes to expand by more than 10 per centum the existing area of land affected in the preceding twelve months by a surface coal mine operation on lands within any State, after the date of enactment of this Act, and within twelve full calendar months after promulgation of Federal regulations for coal, an interim permit may be issued by such operator. Such application and permit shall be in accordance with the requirements of this Act.

(d) If an operator proposes to expand by more than 10 per centum the existing area of land affected in the preceding twelve months by a surface coal mine operation on Federal lands or Indian lands, after the date of enactment of this Act, and prior to the promulgation of Federal regulations for coal, an interim permit may be issued by the Secretary upon application made by such operator. Such application and permit shall be in accordance with requirements of this Act.

PERMITS

SEC. 208. (a) After the expiration of the twelve full calendar months following the date of promulgation of the Federal regulations for surface coal mining, no person shall engage in or carry out on lands within any State any surface coal mining operation, including exploratory activities, unless such person has a valid permit from the regulatory authority pursuant to an approved State program or Federal program for that State.

(b) After the expiration of the twenty-four full calendar months following the date of promulgation of Federal regulations for other minerals no person shall engage in or carry out on lands within any State any surface mining operations, including exploratory activities, for other minerals, unless such person has first obtained a permit issued by the regulatory authority pursuant to an approved State program or Federal program for that State.

(c) After the promulgation of Federal regulations under this Act, no person shall engage in or carry out on Federal lands or Indian lands any surface mining operations including exploratory activities, for any mineral covered by this Act, unless such person has first obtained a permit from the Secretary pursuant to a Federal program under this Act.

(d) Permits shall be of two types: Surface exploration, and surface mining and reclamation. The term of a surface mining and reclamation permit shall be for five years unless sooner completed, suspended, or revoked in accordance with the provisions of this Act. Suspension, revocation, or completion shall in no way relieve the operator of his obligation to comply with the reclamation requirements of his permit, this Act, or with an approved State program or Federal program under this Act.

(e) A surface mining and reclamation permit shall carry with it the right of renewal, and such renewal shall be granted after the public notice and public hearing provisions of this Act are complied with and the permittee can demonstrate compliance with the requirements of an approved State program or a Federal program for the State within which the operations are conducted, and the capability to implement the reclamation plan applicable to the operations covered by the permit. Prior to approving the renewal of any permit, the regulatory authority shall review the permit and the surface mining and reclamation operations in accordance with this Act, and may require such new conditions and requirements as are necessary to reflect changing circumstances.

SURFACE EXPLORATION PERMIT REQUIREMENTS

SEC. 209. (a) Each application for a surface exploration permit under a State or Federal program pursuant to the provisions of this Act shall be accompanied by a fee established by the regulatory authority. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost on a per permit basis of reviewing administering, and enforcing such a permit issued pursuant to a State or Federal program. The application and supporting technical data shall be submitted in a manner satisfactory to the regulatory authority and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things—

(1) a general description of the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored explicitly delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) aerial photographs of the area to be explored;

(6) the type of mineral to be sought;

(7) the planned approximate location of any access roads, railroads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(8) the estimated time of exploration;

(9) the ownership of the surface land to be explored;

(10) the written permission of all surface landowners of any exploration activities, except where the applicant owns such exploration rights;

(11) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(12) such other information as the regulatory authority may require.

In the exploration of minerals closely associated with coal measure, the crop line barriers may not be breached.

(b) If an applicant is denied a surface exploration permit under this Act, or if the regulatory authority fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(c) Any person who conducts any surface exploration activities in connection with the surface mining of the minerals covered by this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved surface exploration permit, shall be fined not more than $10,000. In addition, notwithstanding any other provision of this Act, the regulatory authority upon the said conviction shall withhold the issuance of any surface mining and reclamation permit to the person so fined for a period of time not to exceed twenty-four months from the date of such fine.

SURFACE MINING AND RECLAMATION PERMIT

SEC. 210. (a) Each application for a Surface Mining and Reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost on a per permit basis of reviewing administering, and enforcing such permit issued pursuant to a State or Federal program.

(b) The application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the name of the applicant, and whether an individual, partnership, corporation, or other business entity;

(2) the address of the applicant;

(3) the names and addresses of the agents, subsidiaries, or independent contractors who may be engaged in surface mining activities on behalf of the applicant on the land to be affected;

(4) the names and addresses of the present owners of the surface land and subsurface minerals in the land to be affected;

(5) the names and addresses of the adjacent owners of the surface land within one thousand feet of the land to be affected;

(6) if any of the above business entities are other than a single proprietor, the names, title, and address of the principal owners, or principal officers;

(7) the name and type of operation;

(8) the anticipated starting and termination dates of the proposed operation;

(9) the location of the proposed operation as plotted on the most recent United States

Geological Survey topographic map, showing the nearest town or municipality and county in which the land to be affected is located;

(10) the number of acres of land to be affected by the proposed operation;

(11) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(12) a list of all names under which the applicant previously operated a surface mining operation within the boundaries of the United States or its territories and possessions;

(13) identification of any Surface Exploration or Surface Mining and Reclamation permits held by the applicant under this Act or pursuant to an approved State program under this Act in the State in which the land to be affected is located, their permit numbers, and their dates, including whether issued by a Federal or State regulatory authority or agency;

(14) when requested by the regulatory authority, a copy of any deeds, leases, options, or interests in lands in the name of the applicant or his agents pertaining to the surface mining of any minerals covered by this Act in and on the land to be affected;

(15) when requested by the regulatory authority, a statement of all lands, interests in lands, or options on such lands held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the land to be affected, and any information required by this paragraph which is not on public file pursuant to appropriate laws shall be held in confidence by the regulatory authority;

(16) a statement of whether the applicant, any subsidiary, affiliate, or any partner of the applicant if a partnership, any principal officer or director if the applicant is a corporation, or any other person who has a right to control or in fact controls the management of the applicant or the selection of officers, directors, or managers of the applicant has since 1960 had a surface mining permit issued by any Federal or State authority or agency suspended or revoked or has since 1960 had forfeited a surface mining bond or security deposited in lieu of bond. If so, a brief explanation of the facts involved in each case shall be attached;

(17) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges; and

(18) a statement of the results of test borings or core samplings from the land to be affected, including where appropriate, the surface elevation and logs of the drill holes so that the strike and dip of the mineral beds may be determined, the nature and depth of the various strata of overburden, the location of subsurface water, if encountered, and its quality the thickness of the mineral seam found, an analysis of the chemical properties of such mineral, the sulfur content of any coal seam and a chemical analysis of potentially acid or toxic forming sections of the overburden, and a chemical analysis of the stratum lying immediately underneath the mineral to be mined.

The collection and analyses of all such information associated with the requirements of this subsection shall be conducted by a laboratory which is approved by the regulatory authority. The regulatory authority may establish rules to preserve the integrity of the sampling. All information relating to test borings and core samplings required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information may be disclosed to such interested parties under appropriate protective provisions.

(c)(1) All such applications shall also include an accurate map or plan to an appropriate scale clearly showing the land to be affected, prepared by or under the direction and certified by a registered professional engineer or registered land surveyor. Such map or plan shall show all the boundaries of the land to be affected, its surrounding drainage area, the location and names, where known, of all roads, railroads, rights-of-way, utility lines, oil wells, gas wells, water wells, lakes, streams, rivers, creeks, springs, and other surface watercourses, the names and boundary lines of the present surface landowners on and within one thousand feet of the land to be affected, and the location of all buildings on and within one thousand feet of the land to be affected, and the purpose for which each building is used.

(2) There shall also be filed with such applications typical cross section maps or plans of the land to be affected showing pertinent elevations, including the nature and thickness of the overburden, the nature and thickness of any mineral seam above the mineral seam to be mined, the nature of the stratum immediately beneath the mineral seam to be mined, the location of the aquifers or underground water, the estimated elevation of the water table, the location of any underground mines, and a profile of the anticipated final surface contour that will be achieved pursuant to the operator's approved reclamation plan. The information pertaining to the overburden and the mineral seam required by this paragraph shall be kept confidential and not made a matter of public record, except that if such information becomes relevant to the parties to a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information may be disclosed to such interested parties under appropriate protective provisions.

(3) In addition, each application shall include a proposed mining map or plan of the area of land to be affected on an appropirate scale, prepared under the direction and certified by any registered professional engineer or registered land surveyor, clearly showing the location of all rivers, streams, creeks, lakes, ponds, water impoundments, wells, springs, and any other watercourses, all mineral croplines, existing deep and surface mining liimts, the actual area to be mined, the location of pits, if any, that may be left in accordance with the operator's approval reclamation plan, spoil areas, waste or refuse areas, topsoil preservation areas, test and drill holes and their surface elevations, barriers, if any, to control subsurface water movement, strike and dip of the mineral to be mined within the area of land to be affected, the synclines and anticlines of the mineral to be mined, the contours of the surface at sufficient intervals of elevation to accurately depict the contour of the terrain, location of all buildings having private sources of water supply within one thousand feet of the area to be affected, the location of all waste water impoundments, any settling or water treatment facilities, constructed or natural drainways, and the location of any discharges to any surface body of water on the areas of land to be affected or adjacent thereto. The maps required under paragraphs (1) and (3) of this subsection may be consolidated.

(d) Each applicant for a Surface Mining and Reclamation permit pursuant to an approved State or Federal program under the provisions of this Act shall be required to submit to the regulatory authority as part of his application the written consent of, or a waiver by, the owner or owners of the surface lands proposed to be affected by surface mining operations to enter and commence surface mining operations on such land.

(e) Either the applicant for a Surface Mining and Reclamation permit pursuant to an approved State or Federal program under the provision of this Act, or if an independent contractor is used in surface mining or reclamation operations, then such independent contractor, shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the State where the mine is located, certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface mining and reclamation operations and entitled to compensation under the applicable provisions of Federal and State law, but in any event such amount shall not be less than $100,000. Such policy shall be for the term of the permit or any renewal, including the length of any and all reclamation operations required by this Act. The regulatory authority may waive the provisions of this paragraph upon a finding that the applicant is possessed and will continue to be possessed of ability to pay personal injury or property damage claims within the requirements of this paragraph.

(f) Each Surface Mining and Reclamation permit application submitted pursuant to an approved State or Federal program under the provisions of the Act shall contain a plan for the reclamation of the land to be affected. The reclamation plan shall include in a manner satisfactory to the regulatory authority the following information as a minimum:

(1) A description of the condition and uses of the land to be affected existing at the time of application, and, if the land has a history of previous mining, the uses which preceded any mining, and a discussion of the capability of the said land to support its existing use and such other uses to which land is put in the locality, giving consideration to soil, foundation, and water characteristics, topography, and vegetative cover.

(2) A declaration of the applicant's proposed land use after reclamation, including a discussion of the utility and capacity of the reclaimed land to support such use and a variety of other uses to which land is or may be put in the locality. A record of the contacts and consultations had with the appropriate governmental jurisdictions or agencies, including all appropriate local and county land use agencies, planning commissions, and zoning boards shall also be submitted.

(3) A description of the methods to be utilized to separate topsoil, subsoil, and spoil material, when appropriate, and keep them in separate storage areas, stabilizing, protecting, and conserving such materials from wind and water erosion, and the methods to be utilized in restoring topsoil to the land affected. If conditions do not permit the separation of topsoil, a full explanation of said conditions shall be given and other soil material most capable of supporting vegetative cover shall be separated, preserved, and restored in the same manner as though it were topsoil.

(4) A statement of the consideration which has been given to insuring maximum effective recovery of the mineral resources that can be technologically and economically surface or auger mined on the land to be affected.

(5) A full description of the engineering plans and techniques proposed to be used in mining and reclamation operations and the major equipment planned to be utilized in the implementation of such plans.

(6) A plan for the control and treatment, if necessary, of all water associated with the operation both during surface mining and for

a period of five years after the operation is terminated for any reason.

(7) A plan for the prevention of any pollution or diminution of the quality and quantity of surface and subsurface water courses utilized for domestic, industrial, agricultural, or recreational purposes by landowners adjacent to the land to be affected.

(8) Consistent with the applicant's declared proposed use of the land after mining, a detailed plan for backfilling, soil stabilization, compacting (where advisable), and regrading of soil materials and restoration of topsoil.

(9) Consistent with the applicant's declared proposed land use, a complete planting and revegetation program as best calculated to permanently restore, where possible, native vegetation to the land affected. Where soil and spoil materials will be exposed for an extended period of time during mining operations and where permanent native vegetation cannot be quickly established during reclamation operations, such a program shall include provisions for the establishment of quick growing natural cover to insure soil stabilization and prevent wind and water erosion. The applicant shall, also, state the consideration given to the type of soil involved, the seasonal amount of rainfall, the prevailing winds, the availability of water, and, shall include a description of the type, quantity, and frequency of application of fertilizers, if any, and the irrigation systems and quantities of water, if any, to be used in the planting program.

(10) A plan for insuring that all debris, acid forming or toxic materials constituting a potential health or safety hazard or a source of water pollution, are treated, compacted, buried, or otherwise disposed of promptly as part of the mining cycle in a manner designed to prevent such hazard or pollution from occurring.

(11) A plan for blasting where the use of explosives is contemplated, including the type of explosive and detonating equipment, and the consideration which has been given to the prevention of onsite and offsite injury or damage to people and property.

(12) The steps to be taken to insure that the surface mining and reclamation operations comply with all applicable air and water quality laws and regulations and any applicable health and safety standards.

(13) A detailed estimated timetable for the accomplishment of each major step in the reclamation plan, and the estimated total cost to him for implementation of the reclamation plan.

(14) Such other information as the regulatory authority may require.

CRITERIA FOR SURFACE MINING AND RECLAMATION OPERATIONS

SEC. 211. (a) Each State program and each Federal program shall include provisions and regulations which at a minimum require every permittee to—

(1) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(2) obtain the written consent of the surface landowners, if different from the applicant, for the declared proposed land use;

(3) reduce the land disturbed incident to surface mining by limiting the amount of surface excavated at any one time during mining and combining the process of reclamation with progress of mining in conformity to the operator's own timetable as approved as part of his reclamation plan;

(4) recover the mineral resources that can be technologically and economically surface or auger mined on the land to be affected so that reaffecting the land in the future through mining can be minimized;

(5) remove the topsoil from the land in a separate layer, segregate it in a separate pile, and when not planned to be restored within a short period of time to a backfilled area, plant it with a quick-growing cover and maintain a successful cover thereafter so that the topsoil is preserved from wind and water erosion, remains free of an acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is virtually nonexistent or is not capable of sustaining vegetation, then the operator shall remove, segregate, and preserve in a like manner a subsoil which is best able to support vegetation;

(6) remove and segregate spoil materials and protect them from wind and water erosion as effectively as possible until returned during backfilling;

(7) stabilize all soil, subsoil, spoil, waste, and refuse piles to prevent sliding by, where applicable, layering, compacting, imposing slope and height limitations and by establishing, where possible, vegetative cover:

(8) insure that when performing surface mining on natural slopes in excess of 14 degrees from the horizontal, no debris, abandoned or disabled equipment, soil, spoil material, or waste mineral matter be placed on the natural downslope below the bench or mining cut, except the regulatory authority may permit the deposition of spoil material on downslopes in excess of 14 degrees from the horizontal if the permit applicant affirmatively demonstrates, and the regulatory authority specifically finds, that the methods of mining and the reclamation plan of the applicant, when implemented, will effectively prevent sedimentation, landslides, erosion, or acid, toxic, or mineralized water pollution and that such areas can be reclaimed as required by the provisions of this Act;

(9) segregate acid-forming or toxic materials uncovered during excavation or created in connection with the mining operation and promptly bury, cover, and compact or otherwise treat such materials during the mining cycle to prevent leaching and pollution of surface or subsurface waters;

(10) insure that all debris, acid-forming or toxic materials, and materials constituting a potential health or safety hazard or source of water pollution are treated, compacted, buried, or disposed of promptly as part of the mining cycle in a manner designed to prevent such hazard or pollution from occurring.

(11) backfill, compact (where advisable), and regrade the area of land affected so that it is restored to its approximate original contour with all highwalls, spoil piles, and depressions to hold water eliminated, and with adequate provision for drainage, except where retention of water is required or desirable for reclamation purposes, lakes ponds, pits, or depressions to hold water may be created; but in no event shall the slopes to the water be greater than 19 degrees from the horizontal; and where the applicant seeks to restore the area of land affected by a plan of terracing, he shall state the reasons why backfilling to approximate original contour cannot be accomplished, in which case terracing may then be permitted only if the regulatory authority finds that the reasons advanced are satisfactory and the natural slope or contour of the area of land to be affected is less than 14 degrees, except as provided in section 212;

(12) restore the topsoil or the best available subsoil which has been segregated and preserved;

(13) plant on all affected lands a stable and self-regenerating vegetative cover approved by the regulatory authority, which, where advisable, shall be comprised of native vegetation and maintain such planting for a period of five years after the termination for any reason, of the operation, except a quick-growing temporary cover may be planted on a short-term basis which shall not exceed two years unless extended by the regulatory authority for good cause shown, but such short-term plantings shall not release the operator from his obligation to provide a stable and self-regenerating vegetative covering;

(14) maintain the quality of water in surface and subsurface water systems both during and after surface mining and reclamation operations in accordance with the highest applicable water quality standards by, where applicable—

(A) constructing drainage or diversion ditches, installing pipes and pumps, and establishing settling ponds and other treatment facilities so that surface drainage and sedimentation can be controlled and treated to acceptable standards before discharge into surface water courses, but in no event shall any water be discharged into subsurface voids;

(B) preventing the accumulation of water in the pit or mine working areas through the construction of ditches, pipes, and pumps and the treatment of such water to acceptable standards before discharge into water courses, but in no event shall any water be discharged into subsurface voids, nor shall any low wall created during surface mining be breached to allow a gravity discharge of pit water;

(C) conducting surface mining operations so as to minimize the contribution of silt to run off from the disturbed area;

(D) conducting surface mining operations to avoid intrusion upon underground water impoundments, and, where such intrusion occurs, promptly report such to the regulatory authority and suspend operations in the vicinity of the intrusion until it is adequately sealed and inspected by the regulatory authority;

(E) casing or sealing of boreholes, shafts, and wells to prevent pollution of surface and subsurface waters; and

(F) such other actions as the regulatory authority may prescribe;

(15) insure that any water impoundments are properly designed and maintained during the mining operation so as to prevent siltation, water pollution, and rupture during intense storms, and any water impoundments retained as permanent parts of the reclamation plan, are engineered for stability without maintenance, with emergency spillways, so as to prevent rupture during storms of fifty-year frequency;

(16) insure the protection of offsite areas from slides or damage occurring during the surface mining and reclamation operations and that no part of the operations or waste accumulations will be located outside the permit area and that any damage will be contained within the permit area;

(17) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority which, at a minimum, shall provide for—

(A) advance written notice to local governments and residents who would be affected by the use of such explosives of the blasting times and the posting of such times at the entrances to the mining site;

(B) specific procedures for the protection of dwellings, other buildings, and property; and

(C) specific limitations on the type of explosives and detonating equipment, the size, the timing, and frequency of blasts, based upon the physical conditions of the site, so as to prevent injury to persons and damage to property outside of the permit area, including underground mining operations in the same vicinity; and

(18) remove and otherwise dispose of all debris, structures, facilities, and equipment upon the approval of the performance bond release.

REGULATION OF LARGE OPEN PIT MINE OPERATIONS

SEC. 212. With respect to surface mining operations for coal and other minerals in which—

(a) the amount of overburden and mineral removed is very large in proportion to the surface area disturbed;

(b) the surface mining operations take place on the same site for an extended period of time;

(c) there is insufficient overburden or other materials to return the area to conditions approximating original contour; and

(d) there is no practicable alternative method of mining the mineral;

the regulatory authority may propose and the Secretary may promulgate alternative regulations to those provided for in section 211, which, at a minimum will—

(1) insure that mining will be planned and carried out so the slope of remaining highwalls will enable replacement of soil, revegetation, and maintenance of the slopes, except in no event shall any slope created exceed 35 degrees from the horizontal, although step-terracing may be permitted where the mineral or overburden which would be exposed in the step-terracing is not of a toxic or otherwise polluting nature;

(2) insure that water and air quality standards applicable to the area to be covered by a permit will be observed and maintained;

(3) insure that public health and safety will be protected; and

(4) provide for the maximum practicable reclamation of the area to be covered by a permit to minimize adverse environmental impacts of the mining and to optimize the social, ecological, and environmental quality of the area.

DESIGNATION OF LAND AREAS UNSUITABLE FOR SURFACE MINING

SEC. 213. (a) (1) The Secretary is authorized to make annual grants to each State for the purpose of assisting the States in the development of a State mining lands review process capable of making objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface mining operations.

(2) An area shall be designated unsuitable for surface mining operations if—

(A) reclamation pursuant to the requirements of this Act is not physically or economically possible;

(B) surface mining operations in a particular area would be incompatible with Federal, State, or local plans to achieve essential governmental objectives; or

(C) the area is an area of critical concern.

(3) To be eligible for grants under this section and to qualify its State program for approval by the Secretary under section 204 of this Act, the State must demonstrate it has developed a mining lands review process which includes—

(A) a State agency responsible for mining lands review;

(B) a data base and inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface mining operations;

(C) a method or methods for implementing decisions concerning the designation of lands unsuitable for surface mining; and

(D) proper notice requirements, opportunities for public participation and public hearings, and measures to protect the legal interests of affected surface and mineral owners in all aspects of the mining lands review process.

(4) Grants made pursuant to this section shall not exceed 80 per centum of the cost of developing and managing a State mining lands review process in the first and second years, and 60 per centum thereafter.

(5) In making grants pursuant to this section, the Secretary shall consider the present and projected levels of surface mining operations, the need for areawide planning, and the size of the State.

(6) For each of first three fiscal years following the enactment of this act there is authorized to be appropriated to the Secretary for grants to the States not more than $25,000,000 annually to carry out the purposes of this section; and for each fiscal year thereafter, there are authorized to be appropriated such sums as are necessary and appropriate to carry out the purposes of this section.

(7) Any interested citizen shall have the right to petition the State regulatory authority to seek exclusion of an area from surface mining according to the criteria set forth in (a)(2) and (a)(3) of this section. Whenever such petition contains allegations of facts with supporting affidavits which would tend to establish the unsuitability of an area for surface mining, the petitioners shall be granted a hearing within a reasonable time and a finding with reasons therefor upon the matter of their petition.

(8) Determinations of the unsuitability of land for surface mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(b) The Secretary is authorized and directed to conduct a review of the Federal lands and to determine, pursuant to the criteria set forth in subsection (a)(2), whether there are areas on Federal lands which are unsuitable for all or certain types of surface mining operations. When the Secretary determines an area on Federal lands to be unsuitable for surface mining operations he shall withdraw such area or he shall condition any mineral or mineral entries in a manner so as to limit surface mining operations on such area.

PERMIT APPROVAL

SEC. 214. (a) Prior to approval of a surface mining and reclamation permit, or a revision or renewal thereof, pursuant to an approved State program or Federal program under the provisions of this Act, the regulatory authority shall find—

(1) that the application is complete;

(2) that reclamation can be carried out consistent with the purposes of this Act or with any approved State program or Federal program;

(3) that the land affected does not lie within three hundred feet from the outside property line of any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community or institutional building, public park, or cemetery; nor shall the land be affected lie within one hundred feet of the outside right-of-way line of any public road, except that the regulatory authority may permit such roads to be relocated, if the interests of the public and the landowners affected thereby will be protected;

(4) that the operation will not constitute a health or safety hazard to private or public structures, lands or waters, or people;

(5) that the applicant's method of mining and reclamation plan, when implemented, will effectively prevent sedimentation landslides, erosion or acid, toxic, or mineralized water pollution of surface or subsurface water courses, or that surface mining activities will not cause the destruction of underground water courses;

(6) that mining will not irreparably harm, destroy, or materially impair any areas of critical environmental concern; and

(7) that no lake, river, stream, creek, or watercourse will be moved, interrupted, or destroyed during the mining or reclamation process except that watercourses may be relocated where consistent with the operator approved reclamation plan; and that no mining or reclamation activities will be conducted within one hundred feet of any lake, river, stream, or creek during the mining and reclamation process, except that reclamation activities may be permitted within one hundred feet of such bodies of water where it will improve an existing water pollution problem or restore a previously mined but unreclaimed area.

(b) The regulatory authority shall not issue any new Surface Mining Permit or renew or revise any existing Surface Mining Permit of any operator if it finds, after investigation, that the applicant for permit or renewal or revision of permit has failed and continues to fail to comply with any of the provisions of this Act.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 215. (a) Within thirty-five days after the applicant has submitted his application for a surface mining and reclamation permit, or revision or renewal of an existing permit, pursuant to the provisions of this Act or an approved State program, he shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. Such advertisement shall be placed in a newspaper of general circulation in the locality of the proposed surface mine at least once a week for four successive weeks. Within thirty-five days after the applicant has submitted his application, he shall also submit copies of letters which he has sent to various local government bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place notifying them of his intention to surface mine a particularly described tract of land and indicating the application's permit number.

(b) Any interested citizen or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed surface mining with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advised by the regulatory authority in a newspaper of general circulation in the locality for seven days. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed, materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 216. (a) The regulatory authority shall notify the applicant for a permit within a reasonable time after its submission whether the application has been approved or disapproved taking into account time needed for proper investigation of the site, complexity of the permit application, and time spent on compliance with the public notice and public hearing provisions of this Act or on an approved State program. If no written objections have been filed and no public hearings are to be held, and the application is approved under this Act or an approved State program, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. A public hearing shall be held within thirty days of the request and such hearing shall be conducted in accord with the public hearing provisions of this Act or an approved State program. Within thirty days after the hearing, the regulatory authority shall issue and furnish the applicant with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(b) Any applicant or any interested citizen who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

POSTING OF BOND

SEC. 217. (a) After a surface mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, under an approved State program, and conditioned that the operator shall faithfully perform all the requirements of this Act. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface mining and reclamation operations. As succeeding increments of surface mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture; in no case shall the bond be less than $10,000. Liability under the bond shall be for the duration of the surface mining and reclamation operation and for a period of five years thereafter, unless sooner released as hereinafter provided in this Act. The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(b) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If one or more negotiable certificates of deposit are deposited with the regulatory authority in lieu of the surety bond, he shall require the bank which issued any certificate to pledge securities of the aggregate market value to the amount of such certificate or certificates, which is in excess of the amount insured by the Federal Deposit Insurance Corporation. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(c) Upon the receipt of the deposit of cash or securities, the regulatory authority shall immediately place the deposit with, as appropriate, the Secretary of the Treasury or a similar State authority under an approved State program, who shall receive and hold the deposit in safekeeping in the name of the United States, or the appropriate State under an approved State program, in trust for the purpose for which the deposit was made. The operator making the deposit may from time to time demand and receive from the Secretary of the Treasury or the aforesaid State regulatory authority, on written order of the regulatory authority the whole or any portion of the deposit if other acceptable securities of at least the same value are deposited in lieu thereof. The operator may demand of the Secretary of the Treasury, or the aforesaid State authority, and receive the interest and income from the securities as they become due and payable. When deposited securities mature or are called the operator may request that the Secretary of the Treasury or the aforesaid State authority convert the securities into other acceptable securities by the operator, and the Secretary of the Treasury or the aforesaid State authority shall so do.

(d) The amount of the bond or deposit required shall be increased by the regulatory authority from time to time as affected land acreages are increased or where the cost of future reclamation obviously increases.

BOND RELEASE PROCEDURES

SEC. 218. (a) When the operator completes the backfilling and regrading of a bonded area in accordance with his approved reclamation plan, he may report the completion to the regulatory authority, and request the release of 60 per centum of the bond or collateral. The request shall state—

(1) the location of the land affected, the number of acres backfilled and regraded, and the approximate dates of the reclamation work;

(2) the permit number;

(3) the amount of the bond;

(4) a detailed description of the type of reclamation activities performed; and

(5) a detailed description of the results achieved as they relate to the operator's approved reclamation plan.

(b) Upon receipt of the notification and request and within one hundred days thereafter, the regulatory authority shall make an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete the remaining backfilling and regrading, whether pollution of surface and subsurface water is occurring, the probability of continuance or future occurrence of such pollution, and the estimated cost of abating such pollution. If the regulatory authority finds that the reclamation meets the requirements of this Act, he shall so notify the operator and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within one hundred days after the request is filed. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(c) When the operator has completed successfully all surface mining and reclamation activities, he may file a request as hereinbefore provided for release of the bond. Upon receipt of the notification and request and within a reasonable time thereafter, the regulatory authority shall make an inspection and evaluation of the reclamation work. If the regulatory authority finds that the reclamation meets the requirements of this Act, he shall so notify the surety company, the operator, and the Secretary of the Treasury or the appropriate State authority and release that portion of the bond requested. The Secretary of the Treasury or the appropriate State authority shall then return to the operator the amount of the cash or securities constituting that portion of the bond so released. If the regulatory authority does not approve of the reclamation performed by the operator, he shall so notify the operator by registered mail within a reasonable time after the request is filed. The notice shall state the reasons for unacceptability and shall recommend actions to remedy the failure.

(d) Within thirty-five days after any application for bond release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type of reclamation work performed. In addition, as part of any bond release application, the applicant shall also submit copies of letters which he has sent to various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(e) Any interested citizen of the area, or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within fifteen days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, then hold a public hearing in the locality of the surface mining proposed for bond release within twenty days of the request of such objections. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality for five days. At this public hearing, the protestant shall have the burden of establishing that the permittee's request is not in compliance with applicable State or Federal law.

(f) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

(g) The regulatory authority shall make its decision on the bond release request not more than sixty days after the record of the hearings is transcribed.

(h) Any applicant or interested citizen who has participated in the administrative proceedings as an objector and who is aggrieved by the decision of the regulatory authority or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal to a court of competent jurisdiction in accordance with applicable State or Federal law.

SUSPENSION AND REVOCATION OF PERMITS

SEC. 219. (a) Once granted, a permit may not be suspended or revoked unless—

(1) the regulatory authority gives the permittee prior notice of violation of the provisions of the permit, the State program or Federal program, of this Act and affords a reasonable period of time or not less than fifteen days or more than one year within which to take corrective action, except if any mining operation is causing pollution from acid drainage or other toxic materials or is endangering a public water supply, or is a hazard to public health and safety, the permit shall be suspended and the operation ceased and no supersedeas bond may be granted as long as such conditions exist; and

(2) the regulatory authority determines after a public hearing, if requested by the permittee, that the permittee remains in violation.

The regulatory authority must issue and furnish the permittee a written decision either affirming or rescinding the suspension and stating the reasons therefor. The permittee shall have the right to appeal such decision of the regulatory authority to a court of competent jurisdiction in accordance with State or Federal law.

INSPECTION

SEC. 220. (a) The Secretary shall cause to be made such inspections of any surface mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a reasonable right of entry to any surface mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make reports, (C) install, use, and maintain any necessary monitoring equipment, and (D) provide such other information relative to surface mining and reclamation operations as the regulatory authority deems reasonable and necessary; and

(2) the authorized representatives of the regulatory authority, upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without unreasonable delay, have access to any copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface mining and reclamation operations for coal covered by each permit and semiannually for surface mining and reclamation operations for other minerals covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to carry out the purposes of this Act.

(d) Notices of pending applications and location maps shall be filed with appropriate officials in each county or other appropriate subdivision of the State in which surface mining and reclamation operations under such permits will be conducted.

(e) Each permittee shall conspicuously maintain at the entrances to the surface mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface mining and reclamation operations.

(f) Any records, reports, or information obtained under this section by the regulatory authority which are not within the exceptions of the Freedom of Information Act (5 U.S.C. 552) shall be available to the public.

FEDERAL ENFORCEMENT

SEC. 221. (a) Whenever, on the basis of any information available to him, the Secretary finds that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority in the State in which such violation exists. If such State authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure, the Secretary shall issue an order requiring such person to comply with the provision or permit condition.

(b) When, on the basis of Federal inspection, the Secretary determines that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary or his inspectors may immediately order a cessation of surface mining and reclamation operations or the portion thereof relevant to the violation and provide such person a reasonable time to correct the violation. Such person shall be entitled to a hearing concerning such an order of cessation within three days of the issuance of the order. If such person shall fail to obey the order so issued, the Secretary shall immediately institute civil or criminal actions in accordance with this Act.

(c) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond the thirtieth day after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce such State program, the Secretary shall enforce any permit condition required under this Act with respect to any person by issuing an order to comply with such permit condition or by bringing a civil or criminal action, or both, pursuant to this section.

(d) Any order issued under this section shall take effect immediately. A copy of any order issued under this section shall be sent to the State regulatory authority in the State in which the violation occurs. Each order shall set forth with reasonable specificity the nature of the violation and establish a reasonable time for compliance, taking into account the seriousness of the violation, any irreparable harmful effects upon the environment, and any good faith efforts to comply with applicable requirements. In any case in which an order or notice under this section is issued to a corporation, a copy of such order shall be issued to appropriate corporate officers.

(e) At the request of the Secretary, the Attorney General may institute a civil action in a district court of the United States for a restraining order or injunction or other appropriate remedy to enforce the purposes and the provisions of this Act and the regulations adopted hereunder.

(f)(1) If any person shall fail to comply with any Federal program, any provision of this Act, or any permit condition required by this Act, for a period of fifteen days after notice of such failure, such person shall be liable for a civil penalty of not more than $1,000 for each and every day of the continuance of such failure. The Secretary may assess and collect any such penalty after a public hearing.

(2) Any person who violates a Federal program, any provision of this Act, or any permit condition required by this Act, or makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or who falsifies, tampers with, or renders inaccurate any monitoring device or method to be maintained under this Act, shall be fined not more than $10,000, or imprisonment for not longer than six months, or both.

(g) Wherever a corporation or other entity violates a Federal program, any provision of this Act, or any permit condition required by this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (f) of this section.

(h) The penalties prescribed in this section shall be in addition to any other remedies afforded by this Act or by any other law or regulation.

ESTABLISHMENT OF RIGHTS TO BRING CITIZENS SUITS

SEC. 222. (a) Except as provided in subsection (b) of this section, any person may commence a civil action on his own behalf—

(1) against any person including—

(A) the United States, and

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulation promulgated thereunder, or order issued by the Secretary or an appropriate State regulatory authority; or

(2) against the Secretary or the appropriate State regulatory authority where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator of the provisions, regulations or order, or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act or the regulations thereunder, or the order, but in any such action in a court of the United States any person may intervene as a matter of right;

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice of such action to the Secretary, in such a manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except that such action may be brought immediately after such notification in the case where the violation or order or lack of order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a valid legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this Act or the regulations thereunder may be brought only in the judicial district in which the surface mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary or the appropriate State regulatory authority).

FEDERAL LANDS AND INDIAN LANDS

SEC. 223. (a) The Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface mining and reclamation operations taking place pursuant to any Federal law on any Federal land and Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal and Indian lands in question.

(b) The requirements of this Act and the Federal lands program shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require the lease, permit, or contract holder to conform any surface mining and reclamation operations to the requirements of this Act and the regulations issued pursuant to this Act.

(c) The Federal lands program shall contain regulations applicable to all Federal departments and agencies which require that—

(1) where the Federal Government, its departments, agencies, or authorities, does not own the surface of the land but owns the subsurface minerals, no such Federal department, agency, or authority shall sell, assign, lease, mine, or otherwise dispose of any federally owned minerals on such lands unless the department or agency has first obtained the written consent of the appropriate surface landowner or landowners to the present or future extraction of such minerals by means of surface mining; and

(2) no Federal department, agency, or authority shall purchase or otherwise obtain any coal from any supplier which coal has been extracted by means of surface mining on lands owned by any person who has not given his written consent to the extraction of such coal by surface mining.

(d) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface mining and reclamation operations on land areas which contains lands within any State and Federal Indian lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single-management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface mining and reclamation operation. Such agreements shall, at a minimum, incorporate all of the requirements of this Act.

(e) Except as specifically provided in subsection (d), this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface mining and reclamation operations or other activities taking place on the Federal or Indian lands or to delegate to the States trustee responsibilities toward Indians and Indian lands.

REVISION OF PERMITS

SEC. 224. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the regulatory authority for a revision of the permit.

(2) An application for a revision of the permit shall not be approved unless the regulatory authority is fully satisfied that reclamation as required pursuant to this Act, can and will be accomplished under the revised reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply, except that any revisions which propose a substantial change in the intended future use of the land or significant alterations in the reclamation plan shall, at a minimum, be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by applications for a new permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 225. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government which proposes to engage in surface mining operations which are subject to the requirements of this Act shall comply with the provisions of title II of this Act.

TITLE III—ABANDONED AND UNRECLAIMED MINED AREAS

ABANDONED MINE RECLAMATION FUND

SEC. 301. (a) There is hereby created in the Treasury of the United States a fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund").

(b) There is authorized to be appropriated to the fund initially the sum of $100,000,000 and such other sums as the Congress may thereafter authorize to be appropriated.

(c) The following other moneys shall be deposited in the fund:

(1) Moneys derived from the sale, lease, or rental of land reclaimed pursuant to this title.

(2) Moneys derived from any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted.

(3) Miscellaneous receipts including fines, fees and bond forfeitures accruing to the Secretary through the administration of this Act which are not otherwise encumbered.

(d) Moneys in the fund subject to annual appropriation by the Congress, may be expended by the Secretary for the purposes of this title.

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED AREAS

SEC. 302. (a) The Congress hereby declares that the acquisition of any interest in land or mineral rights in order to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(b) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in subsection (i). Title to all lands or interests therein acquired shall be taken in the name of the United States, but no deed shall be accepted or purchase price paid until the validity of the title is approved by the Attorney General. The price paid for land under this section shall take into account the unrestored condition of the land.

(c) For the purposes of this title, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation as awarded by a jury to such persons. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(d) For the purposes of this title, when the Secretary takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the Fund.

(e) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to donate such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price.

(f) The Secretary shall prepare specifications for the reclamation of lands acquired under this title. In preparing specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him in the development or implementation of the reclamation program required under this title.

(g) In selecting lands to be acquired pursuant to this title and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority (1) to lands which, in their unreclaimed state, he deems to have the greatest adverse effect on the environment or constitute the greatest threat to life, health, or safety and (2) to lands which he deems suitable for public recreational use. The Secretary shall direct that the latter lands, once acquired, shall be reclaimed and put to use for recreational purposes. Revenue derived from such lands, once reclaimed and put to recreational use, shall be used first to insure proper maintenance of such lands and facilities thereon, and any remaining moneys shall be deposited in the Fund.

(h) Where land reclaimed pursuant to this title is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land pursuant to the applicable provisions of Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et. seq.).

(i) In selecting lands to be acquired pursuant to this title and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority (1) to lands which, in their unreclaimed state, he deems to have the greatest adverse effect on the environment or constitute the greatest threat to life, health, or safety and (2) to lands which he deems suitable for public recreational use. The Secretary shall direct that the latter lands, once acquired, shall be reclaimed and put to use for recreational purposes. Revenue derived from such lands, once reclaimed and put to recreational use, shall be used first to insure proper maintenance of such lands and facilities thereon, and any remaining moneys shall be deposited in the fund.

(j) Where land reclaimed pursuant to this title is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land pursuant to the provisions applicable provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et. seq.).

(k) The Secretary shall hold a public hearing with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearing shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

TITLE IV—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

ADVISORY COMMITTEES

SEC. 401. (a) The Secretary shall appoint a national advisory committee for surface mining and reclamation operations for coal and a national advisory committee for surface mining and reclamation operations for other minerals. Each advisory committee shall consist of not more than seven members and shall have a balanced representation of Federal, State, and local officials, persons qualified by experience of affiliation to present the viewpoint of operators of surface mining operations subject to this Act, consumers, and persons qualified by experience or affiliation to present the viewpoint of conservation and other public interest groups, to advise him in carrying out the provisions of this Act. The Secretary shall designate the chairman of each advisory committee.

(b) Members of each advisory committee other than employees of Federal, State, and local governments, while performing advisory committee business, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, including traveltime. While serving away from their homes or regular places of business, members may be paid travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons intermittently employed.

GRANTS TO THE STATES

SEC. 402. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year; 70 per centum of the total costs incurred during the second and third years; and 60 per centum each year thereafter.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training, including provision of necessary curricular and instruction materials, in the development, administration and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of surface mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

RESEARCH AND DEMONSTRATION PROJECTS

SEC. 403. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of research, studies, surveys, experiments, and training in carrying out the provisions of this Act. In conducting the activities authorized by this section, the Secretary may enter into contracts with, and make grants to qualified institutions, agencies, organizations, and persons.

(b) The Secretary is authorized to enter into contracts with, and make grants to, the States and their political subdivisions, and other public institutions, agencies, organizations, and persons to carry out demonstration projects involving the reclamation of lands which have been disturbed by surface mining operations.

(c) There are authorized to be appropriated to the Secretary $5,000,000 annually for the purposes of this section.

ANNUAL REPORT

SEC. 404. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 405. There is authorized to be appropriated to the Secretary for administration of this Act and for the purposes of section 228 for the fiscal year ending June 30, 1973, the sum of $10,000,000; for each of the next two succeeding fiscal years, the sum of $20,000,000; and $30,000,000 for each fiscal year thereafter.

OTHER FEDERAL LAWS

SEC. 406. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing existing State or Federal law relating to mine health and safety, and air and water quality, except as specifically provided by this Act.

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the head of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface mining and reclamation operations on lands under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with the Secretary and the States in carrying out the provisions of this Act.

SEVERABILITY

SEC. 407. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

IN FAVOR OF A STRONG FISHING INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. TREEN) is recognized for 5 minutes.

Mr. TREEN. Mr. Speaker, as a member of the Merchant Marine and Fisheries Committee, I have become increasingly aware of the great potential of our American commercial fishing industry—and of the inadequate attention which government has paid to developing that potential.

I am not one of those who believes that every worthwhile cause must have a lot of the taxpayers' dollars thrown at it, and I have observed with dismay the tendency of some industries to pay more attention to procuring Federal support than to running competitive enterprises. I do feel, however, that when a domestic industry has legitimate interests which may be affected by negotiations between the United States and other governments, those interests ought to be protected. American citizens engaged in international commerce have a right to look to their Government to mitigate the adverse effects of actions by other nations. And the Federal Government can be instrumental in helping the States to coordinate programs designed to encourage a strong fishing industry.

Mr. Speaker, we have known for some time the almost unlimited possibilities offered by the sea as a source of food for the world's growing population. It has been estimated that the present annual world catch, which has doubled in the last 10 years, could be trebled again without depleting future world resources.

What is lacking is the technology and the industrial muscle to realize the full potential of these resources. Where technological advances have been made, it has frequently resulted from the efforts and the scientific expertise of Americans. But all too frequently it has been the commercial fisheries of other nations—Peru, Japan, the Soviet Union, Communist China and others—who have capitalized on the American discoveries, with the enthusiastic and magnificent backing of their governments. The United States has dropped to seventh in worldwide production of fish products, yet our consumption has increased along with our balance-of-payments deficit.

Mr. Speaker, I am proud to call the attention of my colleagues to a concurrent resolution which has been introduced in the Senate by Senator EASTLAND, and which I have introduced in the House. It does not supplant the specific legislation which I have introduced and will be introducing to address some of the problems I have mentioned; nor does it endorse a hand-out approach to this or any other industry. It does, however, formally establish a national policy in favor of a strong fishing industry. This will raise to the level of official policy that which has always been in line with the national interest: the recognition of our commercial fisheries as an indispensable national resource, which can play a key role in solving international economic problems, and whose just interests must be a factor in our domestic and foreign policies.

The text of the resolution is as follows:

H. CON. RES. 157

Whereas the position of the United States in world fisheries has declined from first to seventh place among the major fishing nations;

Whereas there has been a continuing decline in domestic production of food fish and shellfish for the last five years;

Whereas our domestic fishing fleet in many areas has become obsolete and inefficient;

Whereas intensive foreign fishing along our coasts has brought about declines in stocks of a number of species with resulting economic hardship to local domestic fishermen dependent upon such stocks;

Whereas rising costs and extremely high insurance rates have made fishing uneconomic in some areas even when stocks of fish and shellfish are at normal levels;

Whereas assistance to fishermen is very limited as contrasted to Federal aid to industrial, commercial, and agricultural interests;

Whereas United States fishermen cannot successfully compete against imported fish products in the market because a number of foreign fishing countries subsidize their fishing industry to a greater extent;

Whereas some 60 per centum of the seafood requirements of the United States is being supplied by imports;

Whereas the United States fisheries and fishing industry is a valuable natural resource supplying employment and income to thousands of people in all of our coastal States;

Whereas our fisheries are beset with almost unsurmountable production and economic problems; and

Whereas certain of our coastal stocks of fish are being decimated by foreign fishing fleets: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the policy of the Congress that our fishing industry be afforded all support necessary to have it strengthened, and all steps be taken to provide adequate protection for our coastal fisheries against excessive foreign fishing.

SEC. 2. The Congress also recognizes, encourages, and intends to support the key responsibilities of the several States for conservation and scientific management of fisheries resources within United States territorial waters; and in this context the Congress particularly commends Federal programs designed to improve coordinated protection, enhancement, and scientific management of all United States fisheries, both coastal and distant, including presently successful Federal aid programs under the Commercial Fisneries, Research and Development Act of 1964, and the newly developing Federal-State fisheries management programs.

CRIME LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, last week President Nixon presented the Congress with a broad package of crime legislation. It includes a far ranging revision of the entire Federal criminal code. It calls for reinstatement of the death penalty in certain limited instances, stiffer penalties for drug offenses, and curtailment of probation and suspended sentences. It is, in general, a stronger, tougher position on the problem of crime.

We have done so much in this country to protect the individual from government, from society as a whole. This is as it should be, and certainly the constitutional rights of all Americans should continue to be protected to the fullest extent.

But we must also do more to protect the individual who is a victim or a potential victim of crime. We must protect our society from the criminal who has no regard for the law and no concern for fellow human beings.

Certainly Congress will want to debate these proposals in depth, but this consideration should take place without delay. There are few issues which concern my constituents as much as the threat of crime. They know, as every Member of Congress knows, that freedom from fear is one of the essential human freedoms, and that freedom from fear is not possible when the threat of crime waits around the next corner.

I have introduced a bill which would allow the States to enact the death penalty and a bill which would increase, tighten, and toughen the penalties for using a firearm in the commission of a crime. I urge the Congress to take up these bills and the President's proposals at the earliest possible time so that work can begin to protect our citizens from the constant threat of crime.

Finally, Mr. Speaker, any program calling for stiffer penalties should also call for prison reform. It does no good to put more criminals in prison if the system itself returns a more hardened criminal to society when his sentence is completed. More emphasis must be put on rehabilitation. Most of this work must be done in State prisons over which we have no control. But we can provide the leadership. We can chart a course which the States, hopefully, will follow. I hope the Judiciary Committee will give serious consideration to this matter.

GAO REPORT GIVES LEGAL SERVICES HIGH MARKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BIESTER) is recognized for 5 minutes.

Mr. BIESTER. Mr. Speaker, over the past several months and since the announcement of the dismantling of the Office of Economic Opportunity, many charges have been directed at the Legal Services program by those critical of certain aspects of its operation.

It is reassuring to me that the General Accounting Office, in its report made public today, has substantiated the opinion held by many of us in Congress that Legal Services has made a sound contribution to the day-to-day legal needs of the poor.

The objection had been raised that Legal Services lawyers concentrate on advancing law-reform cases, such as class actions and test-case litigation, to the detriment of individual-client cases.

The GAO report, based on a study over several months with a view of projects and evaluation reports, indicates that the contrary is the case. Legal Services attorneys are, in fact, so overburdened with meeting the basic legal needs of the poor that they have little time to direct toward reforming laws discriminating against the poor. The large bulk of their workload is simple representation and advice without litigation. About one-quarter result in court action and less than 1 percent go to the appeals stage.

The report indicates that much more can be accomplished in righting unjust laws through law-reform activities rather than individual-client cases. However, the Legal Services program must not lose sight of the basic responsibility it has to provide the poor with a place to turn in time of legal difficulties. Along these lines, it is encouraging to note that the work being done by Legal Services is being done in a competent manner. Clients are generally satisfied with the representation they receive and judges report the attorneys generally well prepared. The won-lost record of the attorneys—72 percent won, 12 percent lost, with the remainder settled out of court—further attests to the competence, and success, of Legal Services attorneys.

I believe the study by GAO clarifies what has long been understood by observers of the Legal Services operation: As presently conceived and structured, Legal Services is unable to assume all the responsibilities it logically and practically should. Based on the GAO evaluation, this problem has resulted, in part, from the lack of sufficient program objectives and direction from OEO.

These deficiencies in the scope and implementation of the Legal Services program had been recognized earlier. The solution is not further to restrict or hamper activities—for instance, as some suggest, by eliminating funding of backup centers providing indispensable research and guidance in test-case efforts—but rather to adapt it to meet the widespread and basic needs it has so effectively revealed over the few years it has existed. Many of these improvements in the structuring and functioning of Legal Services have been incorporated into legislation establishing a National Legal Services Corporation. As a cosponsor of such legislation in the 92d Congress, and again in the 93d, I commend the efforts of my colleagues, the gentleman from Washington (Mr. MEEDS) and the gentleman from Wisconsin (Mr. STEIGER), for their leadership on behalf of this legislation.

Mr. Speaker, it is my hope that the report from GAO will help dispel many of the objections which have been leveled against Legal Services. We can insure that this commitment to legal representation for the poor will continue if we acknowledge the creditable job it has already done and build upon this by addressing ourselves to those improvements that will allow it to do even better.

NEW SOCIAL SERVICES REGULATIONS: MORE WELFARE AND LESS WORKFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, on February 16, 1973, the Department of Health, Education, and Welfare published the proposed New Social Services Regulations in the Federal Register. If implemented, this will be the most regressive step in social legislation that I have ever seen.

These regulations are so restrictive that they would eliminate completely existing programs which provide child protective services, emergency care, day care, homemaker services, services to unmarried mothers and camping programs for children throughout each State.

It means that the working mother, generally considered to be the most successful part of the child care program in both economic and social terms, is in jeopardy of being eliminated from the program.

Because under the new regulations, a working mother whose income exceeds 133 percent of State welfare payments—the poverty level—is no longer eligible for the day care services; she must remove her children from the title IV program of the Social Security Act. For a mother with three children, the poverty level is $4,000 a year. Therefore, if she earns more than $4,000, she can no longer receive child care service. So the mother must either pay about half her salary for tuition child care or quit her job. Obviously, she cannot afford to pay that much tuition, which in some States, like Massachusetts, is as much as $80 per month per child. Her only alternative is to quit her job and go back on welfare.

But the absurdity and illogic of proposed regulations become apparent when the mother goes back on welfare. She now becomes eligible to again receive title IV child care. And she can find another job, while her child returns to a day care center until her income exceeds the poverty level. Then the cycle repeats itself.

Families or working mothers with marginal income just above the poverty level cannot afford to pay for more than minimal subsistence. Paying for day care services is beyond the means of these families. The proposed regulations would result in thousands of families who have been working and independent to become dependent on welfare again.

Mr. Speaker, it seems incredulous to me that this administration which wants more workfare and less welfare could propose such regulations which would result only in creating a greater dependency on welfare.

The situation is so illogical that it defies credibility. Yet, this is what the administration proposes.

Let us look at how these new regulations would affect my own State of Massachusetts. If they are left to stand, the Commonwealth will lose 35 million potential Federal dollars for fiscal year 1973. With the elimination of both the donated funds and Federal matching funds, Massachusetts will lose a total of $12 million in social services which have been authorized for fiscal year 1974.

Worse than that, the proposed regulations in Massachusetts alone, would wipe out day care for 900 children or about one-fourth of the State's total number of facilities. In Boston, more than 15 percent of the day care budget would be slashed. To make up for these funds the State would have to raise State taxes, or it could simply turn its back on the handicapped, the poor, the young, to whom the State is committed to serve. Neither alternative is very palatable to the citizens of Massachusetts.

A wide range of programs involving services to the elderly, the mentally retarded and others with special needs are likely to be terminated or drastically reduced unless legislative action is taken. The Massachusetts Department of Welfare estimates that $20 million for services in the community to 31,000 emotionally disturbed children, including the severely handicapped and retarded as well as others who are victims of abuse and neglect, are about to go down the drain as a result of the proposed new regulations.

It means a discontinuation of services to more than 70,000 people in Massachusetts, mainly the elderly and children.

I firmly believe that these proposed regulations are clearly regressive and would set the country back decades in the area of social progress. It is imperative that these social services continue and that the present regulations remain in effect.

Mr. Speaker, these new regulations would impose incalculable hardships on families, children, the aged, and the handicapped. It would be callous. More than that it would be cruel and inhuman to implement these regressive regulations which would all but decimate the nationwide efforts to combat welfare dependency and a wide range of other social ills.

INTRODUCTION OF THE NATIONAL CHILD ABUSE PREVENTION ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BIAGGI) is recognized for 10 minutes.

Mr. BIAGGI. Mr. Speaker, tens of thousands of innocent children in this country are willfully burned, poisoned, sexually assaulted, beaten, or killed each year by parents and guardians entrusted with their care. An estimated 700 to 800 die each year as a result of such maltreatment—that is a rate of more than two deaths every day. In fact, more children die each year at the hands of abusing and neglectful parents than from any childhood disease known to man.

New York City serves as an excellent example. The research of Dr. Vincent Fontana, chairman of the city's task force on child abuse and neglect, indicates that at least 50 children perish in New York City each year as a result of parental maltreatment ranging from starvation to suffocation with plastic bags. Over 10,000 cases of abuse were reported here last year, and this, of course, represents only the top of the iceberg.

And what defense does the child have against brutal, senseless abuse? Do we offer him easy access to relief in the courts? Do we conduct programs of widespread public education designed to prevent the relentless spread of this scandalous practice? Do we at least devise an adequate, coordinated system of reporting and treatment procedures aimed at restoring the battered child to physical, if not psychological, health? If the answer to any of these questions were yes, abuse and neglect might not be the No. 1 killer of children in America today.

Mr. Speaker, there is not one State in the Union which can claim to have established a successful, comprehensive program of casefinding, treatment, training, informational referral, and prevention in the child abuse field. And there are several States whose basic reporting laws—requiring doctors, nurses, coroners, and other appropriate professionals to report to local authorities any obvious or suspected case of abuse—must be termed pitifully inadequate and virtually unenforced. A further example of the current inadequacy of State programs is the widespread estimate among experts in the field that one out of every two battered children dies after being returned to his parents.

The problem, then, is perfectly clear cut: Annually, countless thousands of defenseless children are being beaten or killed with cruel regularity, while no lobby walks the Halls of Congress in their interest, while no coordinated body of statutes exists on the State level to assure equal protection and while not one mention of the words "child abuse" or "neglect" is to be found in the entire corpus of Federal law.

It is in response to this worsening crisis that I am introducing the National Child Abuse Prevention Act of 1973. This legislation is the product of over 5 months of research and consultation with experts in the field, drawn from hospitals and universities in New York, New England, Washington, D.C., Denver, the west coast, and Hawaii.

The National Child Abuse Prevention Act offers to the States $60 million in grants over a period of 3 years. Any State wishing to qualify for a portion of these funds must submit to the Secretary of HEW a comprehensive plan for child abuse treatment and prevention which includes:

Adequate reporting laws—either on the books or pending in the legislature—which meet the standards specified in this bill;

Programs designed to train professionals in the appropriate techniques of child abuse treatment and prevention;

Public education projects which would serve to inform citizens of the high incidence of child abuse and neglect, as well as indicating the procedures for reporting suspected cases of maltreatment to the appropriate social service and law enforcement officials;

The establishment of a central registry to coordinate on a statewide level all information relating to convictions and other court actions within the jurisdiction.

The bill also creates a National Child Abuse Data Bank within HEW. This central agency will receive and evaluate confidential reports from every State in the Nation, with a view toward determining the actual incidence of abuse and neglect throughout the country and those trends in treatment and prevention which could serve as a rational basis for developing program standards and criteria in the future.

Mr. Speaker, passage of this legislation could represent a most significant step toward coordinating the confusing jumble of ineffective State laws and programs now in existence. The National Child Abuse Prevention Act must be seen as the first dose of a long-term remedy for a vicious disease afflicting far too great a number of our children. Myself, Senator HUMPHREY, Dr. Vincent Fontana, and our other consultants in the field intend, with the introduction of this bill, to begin coordinating the first nationwide attack against the root causes of the child abuse scandal. We are convinced that only a comprehensive funding scheme on a national scale will suffice to provide the defenseless youth of this country with the most basic protection against senseless violence and death.

The National Child Abuse Prevention Act of 1973 reads as follows:

H.R. 5314

A bill to amend the Elementary and Secondary Education Act of 1965 to provide a program of grants to States for the development of child abuse and neglect prevention programs in the areas of treatment, training, case reporting, public education, and information gathering and referral

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Elementary and Secondary Education Act of 1965 is amended by adding at the conclusion thereof a new title, to be referred to as the "National Child Abuse Prevention Act of 1973":

TITLE X—CHILD ABUSE

"SEC. 1001. The Secretary of Health, Education and Welfare (hereinafter referred to as the 'Secretary') is authorized to make grants to designated State agencies for the purpose of assisting the States and their political subdivisions in developing and carrying out child abuse and neglect treatment and prevention programs as provided in this title.

"SEC. 1002. For purposes of this title—

"(1) the term 'State' means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam; and

"(2) the term 'designated State agency' means an agency or instrumentality of a State which has been designated by the chief executive of such State as responsible for carrying out this Title in such State, and which has the legal and administrative powers necessary to develop, submit, and carry out (itself or through arrangements with other public or private agencies and instrumentalities) a State child abuse prevention plan: and

"(3) the term 'child abuse' has such meaning as may be given it by or under applicable State or local laws; except that in any case it shall include the physical or mental injury, severe abuse, or maltreatment of a child under the age of 18 by a person who is responsible for the child's household, occurring under circumstances which indicate that the child's health or welfare is harmed or threatened thereby, as determined in accordance with regulations prescribed by the Secretary.

"SEC. 1003. (a) There are authorized to be appropriated such sums, not exceeding $60,000,000 in the aggregate, as may be necessary to carry out this Act. There are authorized to be appropriated $20 million for the fiscal year beginning July 1, 1973 and $20 million for each of the two succeeding fiscal years.

"(b) Sums made available under subsection (a) shall be used by the Secretary for making grants to designated State agencies which have submitted, and had approved by the Secretary, State child abuse prevention plans fulfilling the conditions of section 1004.

"(c) The Secretary may allocate the sums made available under subsection (a) among the several States on the basis of their respective need for assistance in preventing and otherwise dealing with child abuse and their respective ability to utilize such assistance effectively.

"SEC. 1004. In order for the designated State agency of a State to qualify for assistance under this Title, such State must have in effect a child abuse prevention plan which embodies a program for effectively treating and preventing child abuse and neglect in the State. Such child abuse and neglect treatment prevention plan shall not be limited to the following criteria and standards but will be required to:

"(1) demonstrate (A) that there are in effect throughout the State adequate State or local child abuse laws and related laws providing for the care and welfare of children, or that the State has initiated and is carrying out a legislative program designed to place adequate child and (B) that such laws are being or will be effectively enforced:

"(2) provide (under the child abuse laws referred to in paragraph (1) or otherwise) for the reporting of instances of child abuse, and for effectively dealing therewith through appropriate subsequent action and proceedings, in a manner complying with all of the conditions and requirements of section 1005;

(3) demonstrate that there are in effect throughout the State, in connection with the enforcement of the laws referred to in paragraph (1) and the conduct of the activities described in paragraph (2), such administrative procedures, such personnel trained in child abuse and neglect treatment or prevention, such training procedures, such institutional and other facilities (public and private), such provisions for obtaining any required State, local and private funds, and such related programs and services as may be necessary or appropriate to assure that the State and its political subdivisions (through the program embodied in the plan and otherwise, with Federal funds made available under this Title) will be able to deal effectively with (and will in fact deal effectively with) child abuse and neglect in the State;

"(4) provide that the designated State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(5) provide for dissemination of information to the general public with respect to the problems of child abuse and neglect, and the facilities and methods available to combat child abuse and neglect; and

"(6) contain such other provisions as the Secretary may require to ensure that the plan and the program embodied therein will to the maximum extent feasible achieve the objective of preventing or eliminating child abuse.

"SEC. 1005. (a) (1) As a condition of the approval of any State child abuse and neglect treatment and prevention plan, such plan shall provide for and require the reporting of cases of child abuse or neglect ocurring in the State, with appropriate proceedings and other activities to deal with cases of child abuse or neglect so reported in the manner specified in this section.

"(2) In any case in which a doctor, nurse, schoolteacher, social workers, welfare worker, medical examiner, or coroner finds or has reason to suspect, on the basis of a child's physical or mental condition or on the basis of other evidence, that such child is or has been the victim of (or is threatened with) child abuse, he shall promptly submit a full report thereof to the police, social service administration, or judicial authority designated in the State plan.

"(3) Any doctor, nurse, schoolteacher, social worker, welfare worker, medical examiner, or coroner who knowingly and willfully fails to report a case of child abuse or suspected child abuse as required by subsection (a) shall be guilty of a misdemeanor.

"(4) Any doctor, nurse, schoolteacher, social worker, welfare worker, medical examiner, or coroner who in good faith submits a report under subsection (a) or participates in the making of such a report shall have immunity from any civil or criminal liability which might otherwise be incurred or imposed on acconut of his submitting or participating in the making of such report.

"(b) (1) If the individual making a report with respect to any child under subsection (a) determines that an emergency is involved, he may (subject to paragraph (2) hold the child in temporary custody of another person or agency, pending action based on such report, in order to protect the child's health and welfare and prevent further abuse.

"(2) Unless applicable State or local law specifically provides otherwise, no child shall be held in or transferred to temporary custody under paragraph (1) except under an order issued by a court of competent jurisdiction pursuant to a petition filed by the individual making such report. Any such order shall include a finding by the court that the person or agency in whose custody the child would be placed is competent to care for such child during whatever period is specified in the order.

"(3) Any report made under subsection (a), and any petition filed or order issued under paragraph (2) of this subsection, with respect to a child who is alleged to be the victim of child abuse, may include and apply to any other child or children living in the same household and under the same care if it is shown that such other child or children may be or become the victim of similar abuse.

"(c) (1) The police, social service administration, or judicial authority to which a report of child abuse or suspected child abuse is submitted under subsection (a) shall promptly investigate the matters involved and, if it determines that child abuse has probably occurred or is threatened, shall take the necessary steps to bring the matter before a court of competent jurisdiction for appropriate action in order to protect the child's health and welfare, and prevent further abuse of the child. The court shall have power to appoint one or more legal representatives for the child, consider in evidence the results of any medical examinations (including color photographs showing the injuries received), require psychiatric examinations of the parents or other persons charged with the abuse, and expedite any appeal which may be filed by the child's legal representative.

"SEC. 1006. The police, social service administration, or judicial authority to which a report of child abuse or suspected child abuse is submitted as described in section 1005(a) shall immediately refer such report to the designated State agency, which (after depositing a copy in its files in the interest of developing and maintaining a coordinated and accessible central registry for use in carrying out its child abuse and neglect treatment prevention program) shall in turn submit such report to the Secretary for use by the Social and Rehabilitation Service in the Department of Health, Education and Welfare. The information contained in all such reports so submitted to the Secretary shall be kept strictly confidential within the Department of Health, Education and Welfare, but summaries which cannot result in the identification of individuals with particular cases shall be prepared and published in order to inform interested persons with respect to national trends.

"SEC. 1007. The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this title.

HOUSE SELECT COMMITTEE ON THE COST AND AVAILABILITY OF FOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 5 minutes.

Mr. ROSENTHAL. Mr. Speaker, Mr. MATSUNAGA and I, together with 53 cosponsors, are today introducing a House resolution which would create a Select Committee on the Cost and Availability of Food. This committee, which would be bipartisan in nature, would exist only during the 93d Congress and would conduct a comprehensive investigation of all factors influencing and pertaining to the high cost of food to the American consumer. At the conclusion of its study, it would make specific findings, conclusions, and recommendations to the Congress and the President on ways to prevent high food prices in the future.

Mr. Speaker, the establishment of special House committees should only be undertaken in the most extraordinary of circumstances. I submit that the American consumer is now confronted by a national food price emergency which justifies the creation of a Select Committee on the Cost and Availability of Food. Food prices today in many major commodity areas—particularly meat—are the highest in our history. No amount of rhetoric by apologists for the food industry and no statistical sleight of hand and assurances of normalcy by the administration can alter the fact that millions of housewives can no longer feed their families three nutritious meals, 7 days a week.

The incredibly high prices of food and the failure of the Federal Government to deal with the problem are a classic and tragic example of the powerlessness of consumers in the marketplace and before the Government. As a reaction to skyrocketing meat and other food prices, consumers across the country are now engaged in boycotts and other direct action to bring prices down—and the ranks of the protesters are growing even more quickly than the price of food.

But, Mr. Speaker, even the protesters know that their boycotts can have a permanent effect on food prices only if Government undertakes a major reform of the Nation's food marketing system. It is a system that is archaic and inefficient. It is a system that victimizes small family farmers just as often as it victimizes consumers. Accordingly, Congress must—once and for all—dig out the facts about high food prices and separate the myth from the reality as to the causes of and cures for these prices.

The select committee would seek to define the various important factors influencing the availability and cost of food and the behavior and structure of the food industry. It would make findings and recommendations regarding the efficiency of the food industry; farm-wholesale-retail price spreads; the needs of consumers and farmers and the effect on prices of U.S. trade policies and Government purchases and regulation of food. The committee might be patterned after and pursue the objectives of the National Commission on Food Marketing—established in 1964 by President Johnson and on which I served—whose many excellent but unheeded recommendations require reinvestigation and updating.

Based on my service on the Food Marketing Commission and recent discussions with experts in this area, I am convinced that there is a permanent solution to the food price dilemma and that we can, at one and the same time, provide consumers with an adequate supply of food at reasonable prices and still allow farmers to earn a fair return on their invested capital. It is my view that a meaningful solution can best be developed and implemented by a special House panel for the following reasons:

The job of investigating high food prices and recommending long-range solutions requires a concentration of effort and single-mindedness of purpose that is unlikely to be achieved by any existing House committee;

Findings, recommendations and conclusions by a congressional panel stand the best chance of being translated quickly into remedial and salutary legislation;

Members of Congress represent the full spectrum of views on the causes of and cures for high food prices and stand closest to the concerns of the American buying public;

The administration has demonstrated its unwillingness or inability to deal with this crisis and has a long record of ignoring the recommendations of its own study groups;

A congressional panel could assume this responsibility without the bureaucratic entanglements and costs often associated with an administrative advisory group.

There already exists, on the public record, a wealth of material on how to resolve the present dilemma, but additional in-depth investigation is necessary. That vital task would best be accomplished by a congressional unit with a broader-based orientation or constituency than is offered by any of the existing committees of the House. A select House committee—which would operate only during the 93d Congress—could, I am convinced, do a responsible job for the consumers and agricultural interests alike and reflect great credit on the House as an institution that is capable of moving swiftly and effectively.

Mr. Speaker, a copy of the resolution follows:

H. RES. 321

Resolution creating a select committee to conduct an investigation of matters affecting, influencing, and pertaining to the cost and availability of food to the American consumer

Whereas retail food prices have risen 33% during the past 8 years and 16% during the past four years;

Whereas farm prices in February 1973 were 22% higher than in February 1972;

Whereas livestock prices rose 11.5% from January to February, to a level 27.4% above February 1972;

Whereas, in the combined category of meats, poultry and fish, wholesale prices in February were 5.4% above January and 17.3% above February 1972;

Whereas government economists are now predicting an increase in retail food prices for 1973 in excess of 6.5%—the largest annual increase in 22 years;

Whereas federal regulation and management of the nation's food marketing system has failed, on a continuing and systematic basis, to provide consumers with food at reasonable prices and farmers with a fair return on invested capital;

Whereas government trade policies and purchases of food influence the cost of food to consumers;

Whereas it is in the long range best interests of both consumers and farmers for there to be an abundant, wholesome and reasonably-priced food supply; and

Whereas the rate of increase in retail food prices disrupts the fair and efficient functioning of our market system and is unacceptable to and a hardship on the American consumer: Now, therefore, be it

Resolved, That there is hereby created a select committee, to be known as the Select Committee on the Cost and Availability of Food, to be composed of 12 Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as Chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation of all matters affecting, influencing, and pertaining to the cost and availability of food to the American consumer. Such investigation shall include, but shall not be limited to,

The production, processing, marketing, merchandising, advertising, labeling, and retailing of food products for sale to the consumer;

The profits, price spreads, productivity, market structure, and competition in all segments of the food industry;

The trade policies, practices, regulation, services, and organization of government at the Federal level and, to the extent they effect interstate commerce, at the state and local levels, affecting, influencing, and pertaining to the cost and availability of food to the consumer.

No proposed legislation shall be referred to the committee, and the committee shall not have legislative jurisdiction.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act, subject to clause 31 of Rule XI of the Rules of the House of Representatives, during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is in session, has recessed, or had adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary; except that neither the committee nor any subcommittee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such findings, conclusions and recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

Mr. EDWARDS of California. Mr. Speaker, it is ironic that a nation as wealthy, as technologically sophisticated, and as socially advanced as our own should be facing an emergency with respect to the most basic of human needs—the cost and availability of food. While we sell huge quantities of wheat and agricultural products to other nations, balancing trade deficits, spreading international good will and bolstering the domestic economy, wholesale prices on basic food commodities have risen dramatically in the last year with flour up 37 percent, eggs up 47 percent, broilers up 52 percent, steers up 64 percent, corn up 33 percent, and wheat up 64 percent. It is projected that the American consumer will be paying 6.5 percent more for food in 1973, than in 1972.

At a time when we have just ended a long, drawn-out war once justified on the grounds that we could afford both "guns and butter," we are now being told to pull in our belts and to eat meatless meals. These recent, tremendous increases in the price of food strikes at all levels of society, hitting the poor, the aged, and those on fixed incomes particularly hard.

In light of this critical situation, I support the establishment of a Select Committee on the Cost and Availability of Food. We can no longer ignore or attempt to deal piecemeal with a problem of this scope and intensity. A select committee can give this problem the attention and focus it deserves.

Mr. VAN DEERLIN. Mr. Speaker, our colleagues, Messrs. ROSENTHAL and MATSUNAGA, deserve the support of all of us for their proposal to establish a Select Committee on the Cost and Availability of Food.

Creation of this panel could well be the decisive first step in a successful campaign against runaway food prices. The consumers of America would no doubt be pleased that at last somebody somewhere in Government was really doing something substantial to protect their interests.

As the resolution which our colleagues are offering this afternoon notes, previous Federal attempts at regulating the food marketing system have "failed to provide consumers with food at reasonable prices and farmers with a fair return on invested capital."

Today, of course, the problem is more acute than ever, with farm product and wholesale food prices rising at an ever more alarming rate. The proposed committee would have necessarily broad authority to look into "all matters affecting, influencing and pertaining to the cost and availability" of food and food products. Before going out of existence at the end of next year, the committee would be expected to submit recommendations to the House, including proposals for remedial legislation.

I doubt that any easy solutions will be found. We should bear in mind that the 3.2-percent increase in food costs during February coming on the heels of a 2.7-percent boost in January translates into an annual rate approaching 36 percent. In itself, this might be enough to drive many people into searching for a food substitute. But some commodities are already being priced up at an even steeper rate, such as broilers, steers, and wheat—all up more than 50 percent over the past 12 months.

Ultimately, the only realistic answer could be a mandatory freeze of at least selected commodities. Some, I might add, would go a good deal further than that. Last week, for example, the officers of district No. 3, of the International Union of Electrical, Radio and Machine Workers, AFL-CIO, urged Congress to consider enactment of a 90-day freeze on all food prices, followed by a system of controls.

I am not yet prepared to go as far as recommended by these leaders of the IUEW. Yet I sympathize entirely with their sense of frustration and anger over the distress of union members unable to keep up with spiraling food costs.

The Rosenthal-Matsunaga plan will at least start us on the road toward some answers, however hard, to this pressing human dilemma.

Mrs. SCHROEDER. Mr. Speaker, to characterize the continuing problem of rocketing food prices as a national emergency—while certainly true—falls short of adequately describing the plight of the individual consumer. We are quite literally faced in Denver—as elsewhere throughout the country—with people who are unable to buy the groceries they need to provide adequate meals for themselves and their families. The letters we have received are frightening—almost reminiscent of the runaway inflation of Europe in the 1930's:

Elsie C. Ballard of Denver writes:

> Every item in our local chain store food market was raised in price this past weekend. For example, boneless roast $1.73 lb to $1.93, whole fryers $.28 lb to $.33, package of cheese $.60 to $.65.

And from Maxwell Thomas of Denver:

> The following is simply a reminder of the cost increases in the food I buy. They are only a sample. In May 1971 regular ground beef (the cheapest grade) went from 48¢ to 59¢ a lb. On Feb. 18th, 1973 I bought a pound of the same grade at 72¢ a lb., on Feb. 22nd a pound of the same was 79¢—the good Lord knows what it will be this week. In 1972 powdered milk was about 10¢ a quart, it is now about 14¢. We have been asked to substitute cheese for meat—imitation cheese has gone from 59¢ to 69¢ in the past year—any higher and what do we substitute?

Now, there is no question that the problem is complex. We are told that it is a matter of supply and demand, aggravated by the world food market situation and dollar devaluation. If such is the case, there is certainly room for a review and reform of the Nation's entire food marketing system. The Select Committee on the Cost and Availability of Food proposed today is a start.

But there are too many people who cannot wait. Immediate short-term relief is necessary. If it takes a consumer meat boycott, if it takes an immediate price freeze, if it takes the repeal of import quotas, then lets get on with it. The consumer can no longer bear this burden. I cannot agree more with the Denver citizen who recently wrote, "In the meantime a person has to live."

Mr. WOLFF. Mr. Speaker, as a cosponsor of the resolution to establish a Select Committee on the Cost and Availability of Food, I would like to commend my able colleagues from New York (Mr. ROSENTHAL) and from Hawaii (Mr. MATSUNAGA) for reserving this time today to discuss a vitally important problem which affects and concerns all of us—the rising cost of food. I find it incomprehensible that, with the resources this country has, we cannot insure an adequate supply of food at reasonable prices. In the past 8 years, the American consumer has been hit with a 33-percent increase in the cost of food, and in the past year, with an increase greater than any for the past 20 years. The Federal Government simply has not shouldered its responsibility to see that the American people have the food supplies they need at prices they can afford. The select committee that we are proposing can provide the vehicle for focusing the immediate attention of the House on the need to combat rising food costs and can help to determine a comprehensive Federal policy for dealing with this problem on both a short- and long-term basis. There is no question as to the critical importance of this issue; the American people have reached the limits of their patience and of their pocketbooks and are rightly demanding action on every front.

Mr. Speaker, this Monday I had the opportunity to sponsor an emergency meeting in New York between tri-State public officials and representatives from the food industry to discuss the high costs of food and the means for relief. I was convinced at this meeting that the major responsibility for reducing food costs, providing relief for both the consumer and the industry, rests with the Federal Government. A transcript of this meeting is being prepared, and I will be submitting it for the Record. The Select Committee on the Cost and Availability of Food would be authorized to study all aspects affecting and influencing the cost and availability of food, whether that be the flow of food grown here to other countries, the market structure and competition within the food industry or Government regulation of productivity, and this is the kind of intensive investigation we need if we are to develop a policy for insuring an abundant, wholesome, reasonably priced supply of food.

Mr. HOWARD. Mr. Speaker, I am pleased today to join with the gentleman from New York (Mr. Rosenthal) in discussing the need for a congressional inquiry into the spiraling cost of food.

I have cosponsored Mr. Rosenthal's legislation today which would establish a Select Committee on the Cost and Availability of Food. I think the need for an in-depth look into this question is apparent, and the establishment of this select committee, which would exist only during the 93d Congress, would be a major step in helping us to develop some solutions to this problem.

Everywhere I go, througout the Third Congressional District of New Jersey, people are talking with justified alarm about the spiraling cost of food.

The continuing problem of ever-increasing food prices is hurting everyone. In my district, for instance, one woman has taken up babysitting to help the family food budget—but she is still unable to provide meat for the table. Many others are planning to participate in a national boycott of meat in an effort to force the prices down. More painful still are the reports I receive from senior citizens who are only eating two meals each day, because their limited incomes cannot stretch enough to meet these increased prices for food.

During the past 8 years, retail food prices have risen by 33 percent. In January 1973, a typical American family's annual food bill jumped by 2.7 percent, the largest increase since the Government began keeping records in 1947.

These are but a few of the reasons I am joining Mr. Rosenthal in sponsoring this legislation.

Two recent editorials in newspapers in the Third Congressional District of New Jersey point out just how critical this problem has become. For the benefit of my colleagues, I am placing these editorials in the Record. One is from the Long Branch Daily Record, and the other is from the Colonial News, of Freehold N.J.

The editorial follows:

[From the Long Branch (N.J.) Daily Record, Mar. 16, 1973]

Those Rising Food Costs

The Trenton Diocese, which embraces all of Monmouth and Ocean Counties, as well as Mercer County, is the only diocese in New Jersey which is observing meatless Fridays during the Lenten season.

Other dioceses are observing meatless days only on Ash Wednesday and Good Friday.

However there may be a great many meatless days in Monmouth County and in the rest of the nation, but it will have nothing to do with the observance of penitential rites.

Thursday's edition of the Record described the plight of an Atlantic Highlands housewife, who has taken up babysitting to supplement her income but who still is unable to provide meat for the table.

She organized a group of her friends to picket food markets in the area, starting yesterday, to urge housewives to boycott the meat counters in their department stores.

Her effort may have some effect on some of the stores, but just plain arithmetic has been enough to have started a boycott of meat by a great many families.

The cost of meat broke the $1 barrier years ago and now it is threatening to break the $2 barrier. Even chicken, which is a favorite food for serious dieters, is at a record price level.

The Cost of Living Council reviewed a staff report on ways and means to freeze livestock and meat prices at a meeting on March 6, but even then, such a move would have brought little relief. For families to make ends meet on their food budgets, a rollback in prices is needed and that is becoming an economic impossibility.

A supermarket association reports that meat purchases were off about ten per cent last week and when this week's figures are tallied, it is likely that the decrease in meat purchases may be even more.

Price controls are unlikely during the President's Phase III program. A decrease in the purchase of meat is the only factor which can put downward pressure on wholesale and farm prices.

There are two answers to the food price crisis, a leveling off of meat consumption or an increase in the supply of meat through imports. Both are based on the economic law of supply and demand, the only sound basis for governing prices.

But the problem becomes even more complex in the face of the fact that President Nixon lifted embargoes on meat imports from Australia and other countries last year.

Unfortunately the meat-exporting countries had found other markets when the ban was first imposed.

The rising cost of food is having an effect on restaurant dining, where the costs of meat, combined with the overhead costs which accompany operation of a business, are making the price of meat courses expensive.

Housewives have a legitimate protest when living costs rise faster than their paychecks but the real victims of an expanding economy are pensioners, widows and others who are living on fixed incomes. They face not only the problem of food costs but increases in rents and other factors in the cost of living index.

However, there are some bright spots on the economic horizon. Many Monmouth County communities are reporting decreases in the municipal purposes tax because of the benefits gained through revenue sharing.

At the same time, the municipalities are able to absorb some of the jobless corps into jobs in police departments and local agencies.

Welfare will take on a new look if Congress can be made to see the light with more incentives for dole clients to accept gainful employment.

If the tax burden can be reduced to a liveable level, the pocketbooks which are feeling the pinch in rising costs may be a little fuller.

There is no easy answer to a comfortable economy for all levels of society.

And there are many hidden factors at work which are placing a burden upon the entire nation, such as the attack upon the dollar by European nations, a long-time unfavorable balance of trade which was hidden by an artificial legislated economy and the retalitory measures taken by foreign countries against the barrier of the tariff.

We are suffering through a rising cost of living, but figures indicate a decrease in the jobless rate, measures are being taken by the Administration to make the dollar competitive on the foreign market and the hope of the future is in a leveling off of the economy into a stable and effective trading power.

There have been many hours of economic darkness in the history of the U.S. but each as been followed by the dawn of a new era.

For those who suffered through the depression of the early '30s, hardship is nothing new. The only difference is that few people are laughing their way though economic stress as they did in the '30s.

[From the Colonial News, N.J., Mar. 14, 1973]

Everyone's Talking About Food Price Curbs

The rise in food prices is one of the most critical problems facing the United States of America, but recent dialogue on the subject in Washington unfortunately has taken a comic opera turn.

There was, for example, the wild thrust by Secretary of Agriculture Earl Butz the other day. Mr. Butz insisted even before the figures were published that the press would distort figures showing an unusually high rise in the price of food during January by multiplying the monthly figure by 12 to get an inordinately high annual total. Under pressure, Washington spokesmen were forced to admit ruefully the following day that they themselves sometimes extrapolate figures they consider favorable for 12-month totals.

In much the same category as Mr. Butz' outburst was the Marie Antoinette-like suggestion by Federal Reserve Board Chairman Arthur Burns that if housewives are outraged about the high prices of meat "let them eat cheese" one day a week. It might save a little on the food budget, but eating cheese is hardly the cure for inflation at the marketplace. On still another front George Meany, president of the AFL-CIO, advocated strict government controls of food prices, down to raw agricultural products. Ironically, labor opposes wage and price controls generally and the history of controls on food products is one of black marketeering and profiteering.

The widespread concern over the price of food is well taken. What the housewife pays at the marketplace has a direct relationship to the success or the failure of Phase III economic controls, the size of the wage contracts that will be negotiated by more than 5 million American workers in 1973—and perhaps even on our relations with the Soviet Union and Communist China whose purchases of American food have an effect on its prices.

The Administration has taken some positive steps to curb rising grocery prices. It has eliminated export subsidies, permitted more imports of meat and released idled land for farming. Unfortunately, these measures take time to become effective.

On a longer range scale, the Administration also is on solid ground. It is moving to reduce the federal tinkering with the economics of farming and food prices through such things as withdrawing from the direct subsidy and land management programs, and by refusing to spend money on outdated farm agencies and fuctions. If the President succeeds in these efforts, the United States will have taken a large step toward more competition in the marketplace—the surest formula known for maintaining quality and lowering prices.

If the housewife wants to give the Administration support, after she complains to her local store about the price of food, she might write to her congressman, suggesting that she is fed up with paying twice for the high price of food—once at the grocery counter and again when she pays taxes for farm subsidies.

STATEMENT ON SELECT COMMITTEE ON THE COST AND AVAILABILITY OF FOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HELSTOSKI) is recognized for 5 minutes.

Mr. HELSTOSKI. Mr. Speaker, I am certain that every Member here is painfully aware of the rising cost of food in our Nation. The incredible increases in retail food prices in the last 4 years alone has caused an uproar in the supermarket checkout line and helpless frustration on the part of many families. We have introduced today legislation to roll back prices and to freeze prices on food, which is necessary, albeit temporary action.

Americans actually know very little about the delivery system that brings them their daily bread. I believe that this lack of knowledge is part of the reason we cannot buy as economically as we would like, and why many Americans feel helpless and frustrated when they try to influence their food costs. There has never been even an investigation of the aspects influencing cost and availability of food.

The proposed Select Committee on the Cost and Availability of Food could fill in this knowledge gap and, therefore, Mr. Speaker, I strongly endorse the formation of this select committee which will, for the first time, provide some of the answers in one place to the questions on rising food costs.

PHASE III FAILS: A NEW APPROACH IS NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, today the administration has announced a 0.8-percent increase in the Consumer Price Index for the month of February—the largest monthly increase in 22 years and includes food costs. I believe the Congress will take positive action at this time to change this course of spiraling prices. I am, therefore, introducing legislation today that may assist the Banking and Currency Committee in finding a solution to this problem as the committee commences its hearing next Monday on the administration's request to extend the life of the Economic Stabilization Act of 1970.

This bill not only renews the anti-inflationary powers created in the Stabilization Act of 1970 for 1 year as the President has requested, but it goes much farther than that. It also requires a return to the essentials of the phase II price and wage controls.

It is already clear that phase III has failed to control inflation. In the 1 month after the January abandonment of phase II, the wholesale price index rose nearly 2 percent and appears to be rising as rapidly since then. This is at the annual rate of nearly 24 percent.

An important part of this increase is farm prices which are dominated by the free market and are strongly influenced by the crop failures abroad and dollar devaluation at home. Farm prices and the consequent rise in food prices are hard to control without rationing, except as production is expanded.

Industrial prices are quite a different matter. They were successfully controlled under phase II. In the year before the dropping of phase II, industrial prices rose only 3½ percent. Most of this rise was due to price increases for such raw materials as cotton, hides, lumber, and such metals as lead, zinc, and scrap steel, for which neither management nor labor can be held responsible.

Under phase III, the industrial price index has been rising at the dangerous annual rate of 13 percent, 4 times the rate of the previous year. Yet there are ample supplies of unemployed manpower and unused industrial capacity available to expand output.

The main purpose of this bill is to require that the price-wage controls of phase II be reinstated in an improved and less burdensome form.

The bill sets up a Price-Wage Board, gives it basic price and wage guidelines from which it can depart only when necessary to avoid undue hardship, undue inequity, or undue impedence of economic growth.

The basic price guideline is the maintenance of the dollars and cents profit margin per unit of output. Under this guideline, a firm can increase its profits by producing and selling more, but not by raising its price by more than the increase in its costs.

The basic pay guideline is an increase in wage or salary rates not greater than the trend in national productivity plus the increase in living costs in the preceding year. The Price-Wage Board is required to announce a figure for this percentage increase.

The Board is given leeway in applying these two basic guidelines but the principles are essentially those of phase II.

The bill also requires prenotification for very large firms or big pay contracts, current notification for large firms or pay contracts, and no notification for others, but compliance with the regulations of the Board. These are essentially the provisions of phase II though the scope of prenotification is narrowed down so as to include only 500 of the biggest firms, and current notification to around 1,000 firms.

The $3.50 hourly exclusion adopted in the Senate-approved bill to extend the Economic Stabilization Act is included so that the provisions of the bill do not apply to pay increases to the extent that thye do not raise the straight-time hourly rate of $3.50.

The bill also sets forth the 4-percent unemployment interim goal.

For rents, interest, and matters other than prices and pay, the bill follows the 1970 act except that the rent control authority of the President would come into play only where petitioned by a local authority that presents persuasive evidence of a tight rental market.

We must recognize that such reporting and restraint in pricing puts a serious burden on management and restraint on labor in the interest of limiting inflation. It does not compare with the burden placed on all of us by rapid inflation.

Mr. Speaker, I am inserting the text of this legislation at this point in the RECORD:

H.R. 5910

A bill to amend the Economic Stabilization Act of 1970 to establish a temporary Price-Wage Board, to provide temporary guidelines for the creation of price and pay rate stabilization standards, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Employment and Inflation Act of 1973".

SEC 2. Section 202 of the Economic Stabilization Act of 1970 (12 U.S.C. 1904 note) is amended to read as follows:

"§ 202. Findings and purpose

"(a) The Congress finds that—

"(1) in order to achieve full employment with the minimum of inflation, stabilize the economy, improve the Nation's competitive position in world trade and protect the purchasing power of the dollar, it is necessary to attain and maintain a full employment budget, attain and maintain a full employment stock of money, limit administrative inflation arising from the excessive use of market power by either management or labor, rebuild the supplies of farm products, and in other ways resist inflation;

"(2) inflation arising from excessive general demand can be controlled by prudent fiscal and monetary policy, and general demand is not now excessive;

"(3) when, as at present, there is excessive unemployment, an expansion in general demand can be expected to lift highly competitive prices; in the more concentrated industries which have idle capacity it can be expected to result in an expansion of production and employment; and it can be expected to produce both production and price increases where concentration is intermediate;

"(4) the world supply of farm products is abnormally low because of crop failures in Russia, India, and Australia, so that farm prices which would appropriately have risen somewhat with recovery are abnormally high while stockpiles are abnormally low; both of which conditions can, in time, be corrected by expanding farm production;

"(5) the general level of interest rates results from the interaction of the supply and demand for loanable funds, and the demand would be reduced if Federal Government borrowing were reduced, thus releasing loanable funds to the private sector, while the supply should be increased through monetary expansion to support full employment which would increase the supply of loanable funds, and the pressure on such funds would be reduced further if the investment tax credit were temporarily suspended; and

"(6) the major inflation problem today is to minimize administrative inflation which can occur in the more concentrated industries and can be avoided if producers, in general, expand their profits by increasing production and sales without increasing their profit margins and if rates of pay, in general, rise only in proportion to the trend of national productivity and the increases in living costs.

"(b) It is, therefore, the purpose of this Act to—

"(1) so control administrative inflation that fiscal and monetary measures can bring about full employment without an excessive rise in prices, rates of pay, interest rates, or rents;

"(2) adopt 4 per centum unemployment as the interim goal for the end of calendar year 1973;

"(3) adopt 3.8 per centum unemployment as the interim goal for the end of calendar year 1974;

"(4) have the authority conferred by this Act exercised with full consideration and emphasis on the maintenance and furtherance of the American system of competitive enterprise, including collective bargaining; and

"(5) have the authority conferred by this Act exercised with reasonable flexibiltiy in order to avoid excessive hardship, inequity, or impedance of economic growth."

SEC. 3. Section 203 of the Economic Stabilization Act of 1970 is amended to read as follows:

"§ 203. Price-Wage Board

"(a) There is established the Price-Wage Board (hereinafter in this title referred to as the 'Board').

"(b) The Board shall be composed of five members, appointed by the President by and with the advice and consent of the Senate, as follows:

"(1) A chairman and vice chairman with broad experience in government operation.

"(2) Three members with experience in the fields of business, labor, and consumer affairs, respectively.

A vacancy in the Board shall be filled in the manner in which the original appointment was made.

"(c) Not more than three members of the Board appointed shall be of the same political party.

"(d) (1) Except as provided in paragraph (2), members of the Board shall be appointed for terms of one year.

"(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remander of such term.

"(e) Members of the Board other than the Chairman shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The Chairman shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level III of the Executive Schedule (5 U.S.C. 5314).

"(f) Three members of the Board shall constitute a quorum but a lesser number may hold hearings.

"(g) The Board shall meet at the call of the Chairman or a majority of its members."

SEC. 4. Section 204 of the Economic Stabilization Act of 1970 is amended to read as follows:

"§ 204. Authority to stabilize prices and rates of pay

"Except as provided by section 206, the Board is authorized and directed to issue orders and regulations, accompanied by a statement of reasons for such orders and regulations, to stabilize prices and rates of pay at levels not less than those prevailing on January 10, 1973, in a manner consistent with standards and guidelines issued under section 205 and with section 207, except that prices may be stabilized at levels below those prevailing on such date if it is necessary to carry out the purpose of this title.

SEC. 5. The Economic Stabilization Act of 1970 is amended by redesignating sections 205 through 220 as sections 210 through 225, respectively, and by inserting immediately after section 204 the following new sections:

"§ 205. Standards and guidelines for price and pay adjustments

"The Board shall issue standards and guidelines for noninflationary price and pay adjustments as follows:

"(1) (A) The basic guideline for price adjustments shall be the maintenance of the dollars and cents profit margin per unit of output of any firm for any product or product category which prevailed for such firm during such fiscal years as the Board may designate.

"(B) Subsidiary standards and guidelines for price adjustments shall provide for modifying the basic guideline, as the Board may find necessary, to avoid undue hardship, inequity, or impedance of economic growth.

"(2) (A) The basic guideline for pay adjustments shall be an increase in the pay for any position or category of positions prevailing on January 10, 1973, to the extent of the trend of increase in national productivity and the rise in living costs during the most recent year for which data is available, the total of any such adjustment to be specified by the Board as an allowable percentage increase.

"(B) Subsidiary standards and guidelines for pay adjustments shall provide for modifying the basic guidelines, as the Board may find necessary, to avoid undue hardship, inequity, or impedance of economic growth.

"§ 206. Exceptions with respect to price and pay adjustments

"In exercising the authority conferred upon it under this title, the Board shall—

"(1) make such exceptions as are necessary to foster orderly economic growth and to prevent gross inequities, hardships, serious market disruptions, domestic shortages of raw materials, localized shortages of labor, and windfall profits;

"(2) not limit any pay adjustment scheduled to take effect after January 10, 1973, to a level below that which has been agreed to in a contract which (A) related to such pay, and (B) was executed prior to January 11, 1973, unless it determines that the increase provided in such contract is unreasonably inconsistent with the standards and guidelines for pay adjustments issued under section 205; or

"(3) not preclude the payment of any adjustment in pay—

"(A) in any manner to any individual whose earnings are substandard or who is a member of the working poor, until such time as his earnings are no longer substandard or he is no longer a member of the working poor; and the Board shall prescribe regulations defining, for purposes of this subparagraph, the term 'substandard earnings,' but in no case shall such term be defined to mean earnings less than those resulting from a pay rate which yields $3.50 per hour;

"(B) required under the Fair Labor Standards Act of 1938 or effected as a result of enforcement action under such Act;

"(C) required in order to comply with compensation determinations made by any agency in the executive branch of the Government pursuant to law for work (i) performed under contracts with, or to be performed with financial assistance from, the United States or the District of Columbia, or any agency or instrumentality thereof, or (ii) performed by aliens who are immigrants or who have been temporarily admitted to the United States pursuant to the Immigration and Nationality Act; or

"(D) paid in conjunction with existing or newly established employee incentive programs which are designed to reflect directly increases in employee productivity.

"§ 207. Application by the Board of standards and guidelines it issues under this title, including retroactive application

"(a) (1) For purposes of this title, with respect to price standards or guidelines, the term—

"(A) 'firm in category I' means any person who—

"(i) owns or controls assets of at least $500,000,000 at the end of its most recently completed fiscal year for which data is available;

"(ii) controls sales of at least $500,000,000 for its most recently completed fiscal year for which data is available;

"(iii) employs at least 20,000 individuals; or

"(iv) supplies or controls persons who supply at least 15 per centum of any market of substantial dollar volume.

"(B) 'firm in category II' means any person who is not a firm in category I and who—

"(i) owns or controls assets of at least $100,000,000 at the end of its most recently completed fiscal year for which data is available;

"(ii) controls sales of at least $100,000,000 for its most recently completed fiscal year for which data is available; or

"(iii) employs at least 2000 individuals.

"(C) 'firm in category III' means any person who is not a firm in category I or a firm in category II.

"(2) For purposes of this title, with respect to pay standards or guidelines, the term—

"(A) 'a category I pay adjustment' means any pay adjustment which applies to or affects at least 10,000 employees.

"(B) 'a category II pay adjustment' means any pay adjustment which applies to or affects at least 2,000 employees but less than 10,000 employees.

"(C) 'a category III pay adjustment' means any pay adjustment which applies to or affects less than 2,000 employees.

"(3) Notwithstanding section 211(a), if necessary in order to carry out the purposes of this title, the Board may, on the record and after opportunity for a hearing, transfer any firm from category III into a category II or from category II into category I. The Board may not, in any manner, transfer a firm in category III into category I.

"(b) (1) Any firm in category I which intends to adjust any price on or after the effective date of the Employment and Inflation Act of 1973 shall notify the Board by certified mail of such intended price adjustment at least thirty calendar days before such adjustment is to become effective. As a part of such notification, such firm shall justify, in writing, such price adjustment in terms of appropriate standards and guidelines issued by the Board under section 205 or any appropriate exception under section 206. Such price adjustment may be made unless the Board, within thirty calendar days after notification of such price adjustment, disapproves all or part of such adjustment. Upon petition by such firm and where undue hardship would result, the Board may waive the thirty-day notice requirement.

"(2) Any firm in category II which intends to adjust any price shall notify the Board by certified mail of such price adjustment no later than the calendar date on which all or any part of the price adjustment becomes effective. As a part of such notification, such firm shall justify such price adjustment in terms of appropriate standards and guidelines issued by the Board under section 205 or any appropriate exception under section 206. The Board may retroactively adjust any such price adjustment in conformity with standards and guidelines issued by it under section 205.

"(3) Any firm in category III shall voluntarily adhere to the standards and guidelines issued by the Board under section 205 concerning prices or any appropriate exception under section 206.

"(c) Any firm in category I or category II which increased any price on or after January 11, 1973, and prior to the effective date of the Employment and Inflation Act of 1973, shall, unless such price adjustment is rescinded within ten calendar days after such effective date, immediately notify the Board by certified mail of such price adjustment. As part of such notification, such firm shall justify, in writing, such price adjustment in terms of appropriate standards and guidelines issued by the Board under section 205 or any appropriate exception under section 206. The Board may retroactively adjust any such price adjustment in conformity with standards and guidelines issued by it under section 205.

"(d)(1) Any firm which intends to make a category I pay adjustment which is to become effective on or after the effective date of the Employment and Inflation Act of 1973 shall notify the Board by certified mail of such intended pay adjustment at least thirty calendar days before such adjustment is to become effective. As a part of such notification, such firm shall justify, in writing, such pay adjustment in terms of appropriate standards and guidelines issued by the Board under section 205 or any appropriate exception under section 206. Such pay adjustment may be made unless the Board, within thirty calendar days after notification of such pay adjustment, disapproves all or part of such adjustment. Upon petition by such firm and where undue hardship would result, the Board may waive the thirty-day notice requirement.

"(2) Any firm which intends to make a category II pay adjustment shall notify the Board by certified mail of such pay adjustment no later than the calendar date on which all or part of such adjustment becomes effective. As a part of such notification, such firm shall justify such pay adjustment in terms of appropriate standards and guidelines issued by the Board under section 205 or any appropriate exception under section 206. The Board may retroactively adjust any such pay adjustment in conformity with standards and guidelines issued by it under section 205.

"(3) Any category III pay adjustment shall voluntarily adhere to the standards and guidelines issued by the Board under section 205 concerning pay, taking into account exceptions provided for under section 206.

"(e) Any firm which made any category I or category II pay adjustment which became effective on or after January 11, 1973, and prior to the effective date of the Employment and Inflation Act of 1973, shall, unless such pay adjustment is rescinded within ten days after such effective date, immediately notify the Board by certified mail of such pay adjustment. As part of such notification, such firm shall justify, in writing, such pay adjustment in terms of appropriate standards and guidelines issued by the Board under section 205 or any appropriate exception under section 206. The Board may retroactively adjust any such pay adjustment in conformity with standards and guidelines issued by it under section 205.

"(f) For purposes of this section, in the case of transmission by certified mail, notification occurs at the time specified in the certification.

"(g) For the purpose of complying with subsection (b)(1) or (2) or subsection (c), any firm in category I or category II may report any price adjustment, or intended price adjustment, as the case may be, by product or for any grouping of products. If the firm elects to report any price adjustment for a grouping of products, such grouping must be consistent with rules issued by the Board and—

"(1) shall not combine substantially different types of products;

"(2) shall not include products of more than one legal entity; and

"(3) is subject to disapproval by the Board.

"§ 208. Definitions; miscellaneous provisions

"(a) For the purposes of this title, the term—

"(1) 'pay' means wage or salary, and includes fringe benefits (including insurance and stock options), but does not include contributions by any employer pursuant to a compensation adjustment for—

"(A) any pension, profit sharing, or annuity and savings plan which meets the requirements of section 401(a), 404(a)(2), or 403(b) of the Internal Revenue Code of 1954;

"(B) any group insurance plan; or

"(C) any disability and health plan; unless the Board determines that the contributions made by any such employer are unreasonably inconsistent with the standards and guidelines for price and pay adjustments issued under section 205.

"(2) 'firm' means any individual or any corporation, association, partnership, company, joint stock company, society, or any other organization.

"(b) Rules, regulations, and orders issued under this title shall call for generally comparable sacrifices by business and labor as well as other segments of the economy.

"(c) Rules, regulations, and orders issued under this title shall, insofar as practicable, be designed to encourage labor-management cooperation for the purpose of achieving increased productivity, and the Executive Director of the National Commission on Productivity shall when appropriate be consulted in the formulation of policies, rules, regulations, orders, and amendments under this title.

"(d) No State or portion thereof shall be exempted from any application of this title with respect to rents solely by virtue of the fact that it regulates rents by State or local law, regulation, or policy.

"§ 209. Presidential authority

"(a) The President is authorized to issue such orders and regulations as he deems appropriate, accompanied by a statement of reasons for such orders and regulations, to stabilize rents, interest rates, corporate dividends, and similar transfers at levels not less than those prevailing on May 25, 1970, in order to carry out the purpose of this title.

"(b) In carrying out the authority vested in him by subsection (a), the President shall issue standards to serve as a guide for determining levels of rents, interest rates, corporate dividends, and similar transfers which are consistent with the purpose of this title and orderly economic growth. Such standards shall—

"(1) be generally fair and equitable;

"(2) provide for the making of such general exceptions and variations as are necessary to foster orderly economic growth and to prevent gross inequities, hardships, serious market disruptions, domestic shortages of raw materials, localized shortages of labor, and windfall profits;

"(3) take into account changes in productivity and the cost of living, as well as such other factors consistent with the purposes of this title as are appropriate;

"(4) reduce interest rates by encouraging an expansion in the monetary stock which is sufficient to achieve full employment so that a full employment budget would be in balance, thus eliminating Federal Government borrowing; and

"(5) provide for the requiring of appropriate reductions in rents in any political subdivision of any State whenever—

"(A) such political subdivision petitions, in writing, to the President to provide for appropriate reductions in rents;

"(B) the vacancy rate in residential rental units in such political subdivision is 5.5 per centum or less, or there is other substantial evidence of a tight rental market in such political subdivision; and

"(C) warranted after consideration of lower costs, labor shortages, and other pertinent factors.

"(c) The President shall use powers granted to him under existing law to resist increases in farm and food prices by reducing limitations on agricultural production imposed under existing laws of the United States until carry-over stocks are restored to normal levels, with due consideration for restoring such limitations when conditions are more normal.

"(d)(1) The President may delegate the performance of any function under this section to such officers, departments, and agencies of the United States as he deems appropriate, or to boards (other than the Board), commissions, and similar entities composed in whole or in part of members appointed to represent different sectors of the economy and the general public. Members of such boards, commissions, and similar entities shall be appointed by the President by and with the advice and consent of the Senate, except that the foregoing requirement with respect to Senate confirmation does not apply to any member of the Cost of Living Council who is serving, pursuant to appointment by the President, on such council on the effective date of the Employment and Inflation Act of 1973, and who continues to serve, pursuant to such appointment, on such council after such date.

"(2) Where such boards, commissions, and similar entities are composed in part of members who serve on less than a full-time basis, legal authority shall be placed in their chairmen who shall be employees of the United States and who shall act only in accordance with the majority vote of members. Nothing in section 203, 205, 207, 208, or 209 of title 18, United States Code, shall be deemed to apply to any member of any such board, commission, or similar entity who serves on less than a full-time basis because of membership on such board, commission, or entity.

SEC. 6. The first sentence of section 211 of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended by inserting "or the chairman of the Board" immediately after "under this title".

SEC. 7. (a) The first sentence of section 212(b) of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended by inserting ", including the Board," immediately after "under this title".

(b) Section 212(c) of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended by inserting ", and the Board," immediately after "the President or his delegate".

SEC. 8. The first sentence of section 214 of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended by inserting "or to the Board or its duly authorized agent" immediately after "under this title" the first time it appears therein.

SEC. 9. Section 215(a) of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended by inserting ", or adversely affected or aggrieved," immediately after "suffering legal wrong".

SEC. 10. Section 217 of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended by adding at the end thereof the following new subsection:

"(h)(1) The Board shall have a Director who shall be appointed by the Board and paid at the rate of basic pay in effect for level III of the Executive Schedule (5 U.S.C. 5314).

"(2) The staff of the Board shall be appointed by the Director.

"(3) Upon request of the Board, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist it in carrying out its duties under this title."

Sec. 11. Section 223 of the Economic Stabilization Act of 1970, as redesignated by section 4 of this Act, is amended to read as follows:

"§ 223. Expiration

"Unless extended for not more than one year by a concurrent resolution of Congress, the authority to issue and enforce orders, rules, and regulations under this title expires at midnight April 30, 1974, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed on or prior to such date."

Sec. 12. The amendments made by this Act shall take effect upon the date of its enactment or on May 1, 1973, whichever occurs later.

GOVERNMENT WASTE AND NATIONAL PRIORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Lehman) is recognized for 5 minutes.

Mr. LEHMAN. Mr. Speaker, we do not have to cut back our social programs to meet the administration's spending ceiling. We do not have to increase our taxes to control the Federal budget. And we do not have to give up our hope of providing a high standard of health care, education, housing, and economic opportunity for all of our people as we fulfill our duty to fiscal responsibility.

The necessary money is there if we look for it. It has been allotted to the many wasteful programs which were completely overlooked by the President in his proposed budget.

In recent days I have asked a number of very specific questions about waste in the President's budget:

First, in this generation of peace, why are funds for the operation of our thousands of military bases around the world being increased by over a billion dollars?

Second, why in peacetime are funds for weapons procurement being increased by another billion dollars?

Third, why is there yet a third billion-dollar increase in the military budget for research and construction?

Fourth, why should certain NASA programs be increased by $600 million over their fiscal year 1972 level?

Fifth, why do the ship-construction interests merit a $36 million increase in their special subsidy?

Sixth, why does the President need an expensively staffed Office of Telecommunications Policy which spends over $3 million a year to attack our broadcast media?

Seventh, why should we continue to spend $159,000 each year to support a national board for the promotion of rifle practice?

Eighth, why do we encourage the use of tobacco by funding the expenses of the USDA's National Tobacco Marketing Study Committee while at the same time restrict the advertising of this product because of its hazard to our health?

Ninth, why are we still scheduled to spend $3.5 million in 1974 to terminate an SST program ended by Congress in 1971?

Tenth, why does the State Department need an average of 194 people for each of the 117 countries, large, and small, where we now have ambassadors?

Eleventh, and why does the U.S. Navy require twice as many "supergrades" as the Air Force and 55 percent more than the Army?

As we answer these questions, we will be able to find almost $4 billion in funds which could be used for the reordering of our national priorities.

In these proposed expenditures, there is enough waste to fund the $863 million which the President plans to cut from health care in such areas as medical research, professional training, and mental health.

There is enough waste to make up the $570 million cut in education from programs which include graduate fellowships, student loans, adult education, and aid to public libraries.

We can find enough money to restore the $305 million which was cut from housing loans.

And there is enough to prevent the termination of $328 million for OEO aid to community action programs.

We must take a good hard look at the escalating costs of the military and space programs which the President refuses to control.

We must make a thorough review of the many special interest subsidies and offices and boards and committees and never-ending programs which the President has overlooked.

And finally we must begin to look very closely at our top-heavy Federal bureaucracy. As a member of the Subcommittee on Manpower and Civil Service, I hope to find out if we really need the great number of highly paid executives who now swell the Federal payroll.

If we want to truly represent the wishes of the American people for a government which is both fiscally responsible and which helps to improve the quality of our lives, then we must take those steps necessary to reduce government waste and to use what we save for the realinement of our national priorities.

TRADE LEGISLATION TALK, CONSULTATIONS, RUMORS, AND SPECULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 15 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I was very interested to read in the front page of Friday's newspapers that the administration is coming along with its much-discussed, often-promised-yet-never-delivered trade bill.

I think it is interesting that a member of the committee with jurisdiction in this area, such as myself on the Ways and Means Committee, has to find out what is going on in the front pages of the morning papers. I was especially interested to find out that the White House is engaged in in-depth consultation with the Hill on these matters. I am not so naive to think that they would include the principal sponsor of what can only be considered an anathema to the White House, the Burke-Hartke bill, in these deliberations. I just hope that others are finally getting the benefit of the administration's thinking, and that eventually the whole Congress will be informed as to what is going on.

In this connection, I think it is worth noting where Congress stands in the White House's revised order of priorities these days. The newspapers for the past several weeks have been carrying reports of high level briefings of foreign governments by the administration on the proposed trade legislation. While I have already indicated I understand White House reluctance to include the sponsors of the Burke-Hartke bill in its preliminary discussions, I did think that the members of the Ways and Means Committee might have been included in the brefings before Secretary General Brezhnev of the U.S.S.R., or even President Pompidou of France, for that matter; yet it all is part of a distinguishable pattern of behavior in recent months. Increasingly, Congress is being presented with agreements and understandings with foreign governments in the manner of so many faits accomplis.

I would just like to serve notice that what we are talking about in trade legislation, and not a foreign treaty, and I would only warn the White House and its advisers that I, for one, intend to see to it that the administration's proposed legislation is treated as it should be—as a proposal and nothing more. In this connection, obviously the more I understand about the administration's logic in putting its recommendations together, the better I will be able to consider them.

One final comment. This pattern of prior consultation with foreign governments in advance of Congress is nothing new with trade in this administration. The only copy of the much-discussed Flanigan report that I was able to review came through my contacts with a certain foreign embassy in this city. I think it is a pretty sad state of affairs when Members of Congress have to do their background reading in the libraries of some foreign embassies in an effort to find out what the U.S. Government is thinking.

My main point in all of this is quite serious. This recent performance of the administration where trade is concerned would seem to indicate that this country's government still has its priorities mixed up. It is the sensitivities and feelings of foreign governments that seem to be shaping our trade policies, not the legitimate concerns and well-being of the American workers about to lose their jobs or the small businessmen about to go under beneath the avalanche of cheap foreign imports. Of course, foreign governments have a considerable stake in the trade policies of this Nation and their views deserve consideration. However, to watch this Government operate one gets the impression their views are dictating this Nation's policies. That is why we are in the mess we are in. That is why nothing has been done to meet the deepening trade crisis to date. By the time the administration comes to the Hill to discuss foreign trade it sounds more like a lobbyist for foreign interests than the representative of America's working people.

One has become accustomed to the State Department representing foreign interests and lobbying very hard against the Burke-Hartke bill, advising that unemployment among the shoe, textile, and electronic workers may be the price we have to pay for good relations with Japan or Taiwan. But I thought we had some government agencies looking out for the domestic well-being.

TO AMEND THE NATIONAL ENVIRONMENTAL POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of New York. Mr. Speaker, I introduce today a bill which would amend the National Environmental Policy Act in order to make this act more effective.

NEPA has created a procedural nightmare. As a result of this emphasis on procedural matters, to the exclusion of substantive issues, government and industry, as well as large segments of the general public, find themselves unable to plan or function in a systematic workable manner. The procedural requirements which the courts have construed NEPA to impose have spun a web which is effectively strangling many admittedly necessary projects throughout the Nation.

Industry and businessmen desire a clean, healthy environment as keenly as any environmental group. However, the environment is only one of many factors that must be weighed in the delicate balancing act that comprises the decisionmaking process. It is not urged that the environment is any less important in this process than questions of cost, safety, productivity, or material progress. But neither is it more important.

Above all, any institutional structure designed to protect the environment must be realistic and workable.

Stated briefly, my goal is to amend NEPA so that it presents a procedurally workable system. To substantially dilute or radically change NEPA is not the aim. NEPA modifications must be achieved with language that preserves the objective of the act, but which nevertheless manages to overhaul its nightmarish tangle of procedures.

It is believed that a workable system would be possible if NEPA were amended in the following respects:

NEPA presently treats three separate and distinct processes in the same manner: Federal legislation, federally conducted projects, and projects privately implemented but which require Federal approval. Obviously, each of these situations carries with it its own set of problems which lend themselves to different solutions. NEPA must be modified to make it clear that these are three different situations.

NEPA requires an analysis of "alternatives to the proposed action." This language has been construed by the courts in a most unrealistic fashion. NEPA should be modified to make it clear that the "alternatives" to which the act refers are those which are realistic within reasonable parameters of time, cost-benefits and capability of implementation.

NEPA should be modified to make it clear that a new comprehensive environmental impact statement is not required for each implementation of individual acts in a series of acts comprising an overall program. For instance, once a comprehensive environmental impact statement is prepared on a program for offshore leases, a new comprehensive statement should not be required for issuance of drilling permits, construction of pipelines or other acts involved with implementation of the program. Moreover, in an instance where additional lease sales are to be made as a part of this program, the agency should be permitted to issue a supplemental statement limited to the peculiar characteristics of the tracts involved and to significant changes in circumstances which may have occurred since issuance of the comprehensive environmental impact statement.

NEPA should also be modified to eliminate the duplication and overlap which presently exist. Where the same environmental factors have previously been analyzed in an environmental impact statement, and where the agency finds that circumstances have not significantly changed since such analysis was made, the agency should be able to rely upon the previous analysis. For instance, before leasing offshore tracts, the Department of Interior must consider the "alternative" of increased oil import quotas, and in so doing must consult with other interested agencies. If it is subsequently proposed to amend the oil import quota program, it should certainly not be necessary for any agency—presumably, one which was consulted initially—to conduct a full-scale environmental study of the "alternative" of increasing offshore leases. The agency dealing with the proposed change in the oil import quota program should simply be able to adopt the previously prepared statement.

NEPA presently requires that an environmental impact statement is required of all Federal agencies. This language should be modified to make it clear that an agency would not be required to prepare a statement when the overall project has already been the subject of a statement prepared by the agency exercising principal jurisdiction over the matter. For instance, the Army Corps of Engineers should not be required to prepare an impact statement on one part of a project; that is, a river crossing—when the entire project; that is, a pipeline—has previously been evaluated and approved by the FPC—which would, of course, have consulted with the corps in preparing the initial statement.

An environmental impact statement should not be required to the extent that the proposed action is to be implemented in accordance with regulations of a Federal department or agency which have been found to meet the policies and purposes of the act.

This bill which I introduce today was designed to overcome the above-mentioned procedural defects in NEPA. I include a section-by-section analysis:

SECTION-BY-SECTION ANALYSIS

Section 2: This section reaffirms the objectives of NEPA and that the purpose of the Amendments of 1973 is merely to clarify and to spell out the necessary procedural requirements so as to make the administration of NEPA more effective.

Section 3: A minor change is proposed in subparagraph (3) substituting the words "without undue" for the word "without". The present standard is unattainable.

Section 4: The requirement of a standard of "fullest extent possible" as unreasonable and the proposed use of "practicable" together with the phrase "consistent with other essential conditions of national policy" is more realistic and consistent with the intent of NEPA as stated in Section 101(b). Technical provision was added to reflect the restructuring of Section 102. The content of paragraphs (c) and (d) of Section 102 has been included in new Section 103, and unchanged paragraphs in Section 102 have been relettered accordingly.

Section 5: The existing Section 103 of NEPA was self-executing and has terminated. In the interests of simplifying draftsmanship. it is being deleted and a new Section 103 dealing with procedures is inserted.

New Section 103 contains the essence of subsections (c) and (d) of Section 102 of the original Act. The purpose of new Section 103 is to spell out a separate and different procedure for each type of action now covered by a single procedure in Section 102(2)(c).

Subsection (a) sets forth the general requirements and standards for Environmental Impact Statements.

Subsection (b) deals with proposed legislation and the development of the Environmental Impact Statement for such legislation.

Subsection (c) sets forth procedures to be followed in connection with a proposed Federal action which is to be implemented by a Federal department or agency. This deals with such things as off-shore leases, highways, dams, etc. It will be noted that subparagraph (2) seeks to define the types of "alternatives" that must be considered; subparagraph (3) seeks to eliminate duplication of Environmental Impact Statements where several substantially identical actions are proposed within the same geographic area; subparagraph (4) seeks to eliminate repetitive Environmental Impact Statements in situations such as off-shore leasing; subparagraph (5) eliminates the need for Environmental Impact Statements in those situations covered by environmental regulations such as Federal Power Commission Order 407; subparagraph (6) eliminates the duplication of effort by agencies playing a secondary part in a proposed action.

Subsection (d) relates to Federal actions which a person, such as a pipeline company, is seeking Federal authorization (i.e., a certificate of public convenience and necessity) for a private project, such as a pipeline. It will be noted that subparagraph (1) is designed to overrule the *Greene County Planning Board* decision and to provide for the threshold determination as to whether there is involved a major Federal action significantly affecting the quality of the human environment; subparagraph (2) limits the alternatives that must be considered; subparagraph (3) seeks to eliminate duplication of Environmental Impact Statements where several substantially identical actions are proposed within the same geographic area; subparagraph (4) seeks to eliminate repetitive Environmental Impact Statements where the proposed action is to be implemented pursuant to environmental guidelines; subparagraph (5) eliminates repetitive consideration of environmental matters by Federal agencies having secondary jurisdiction over a proposed action; subparagraph (6) seeks to eliminate the need for discussion in Environmental Impact Statements of matters adequately covered by State or local law.

Section 6. The purpose of this new Section 106 is to prevent delays when an agency action is challenged on environmental grounds. In those cases where no other time limit is provided by an agency's existing statutory authority, the section establishes a 30-day period within which petitions for review or motions for interlocutory relief must be made.

FEDERAL ASSISTANCE NEEDED FOR RECENT DISASTER IN SOUTH CAROLINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. DAVIS) is recognized for 30 minutes.

Mr. DAVIS of South Carolina. Mr. Speaker, I rise today because I am distressed about a situation that is currently causing a grave problem in my State of South Carolina. It has been more than a month now since a record snowfall swept our State, causing widespread damage and destruction. Our Governor has asked for help from a Federal agency, the Office of Emergency Planning, and has also asked for a declaration for portions of the State as disaster areas.

The snow came about 6 weeks ago on the 9th and 10th of February. The help from the OEP still has not come.

While South Carolina poultrymen, tobacco farmers, manufacturers, businessmen small and large, and others have continued to suffer daily losses, the people at the Office of Emergency Planning are still saying they are "considering it."

Now, just to shed a little bit of light on the record, it only took them about 12 hours—12 hours—to consider and send help to Texas following a tornado. Yet it has been more than 30 days since the worst snowstorm since the Civil War swept South Carolina. The damage estimate is set conservatively at $35 million—and it probably will continue to rise.

Now, I want to know just what in the world there is to consider. There is certainly a need in South Carolina. Private industry recognizes it. I would like to quote from a letter from the Campbell Soup Co., which is in Sumter County, which says:

> We will reimburse our growers for 20 percent of the estimated rebuilding costs. In addition, we are prepared to loan to those groups who have an immediate financial need up to $1,000 on an interest-free basis to cover living expenses. We hope this will serve as an impetus to get them back into business.

I would also point out that the letter concludes with the following sentence:

> The need to secure Federal assistance in the form of low-interest loans to the growers is still vital.

"Vital" is the way that it is described by this industry.

Vital. And at this time not one soul in the Office of Emergency Planning has considered it enough to make a decision.

So, Mr. Speaker, they say they have an "overview" of the entire situation. Yes, they did that. They flew around for a couple of hours in Government helicopters and looked down at the damage from 2,000 feet up.

Well, that does not cut it. They have to get down on the ground to see the tobacco warehouses which have collapsed from the weight of the snow and ice. They have not seen the poultry coops wrecked and the flocks decimated by the greatest accumulation of snow since they have been keeping records in our State.

They have not seen the property damage to hundreds of businesses and thousands of citizens in the Palmetto State.

They are only considering what they saw in their overview of the situation.

As we look at the lack of action in our State and the quick action in the State of Texas, we sort of feel is it too bad that Mr. Connally does not live in South Carolina?

Since the OEP is a branch of the White House, I can only assume that the administration is helping them to consider South Carolina's request for assistance.

The Governor has determined a need for assistance. Private industry has determined a need for assistance, and after making my own survey, I assure the Members there is a definite need, a critical need, for Federal assistance. It is more than the State and private industry can shoulder alone.

I can also add that if the administration does not see fit to act soon with some relief, then the bankruptcy courts will have to act. The time for excuses is past, Mr. Speaker, the time for passing the buck is past; the time for considering is past; the time for action is now, today. No amount of considering will replace the roofs of tobacco warehouses and poultry coops, and the losses that our people bear. No amount of considering will repair the homes and businesses of South Carolinians who have suffered in this disaster. I shall continue to use all my powers as a Member of this body, and I seek the help of the rest of the South Carolina delegation and the other Members of this Congress, who could suffer like disasters, in an effort to cut through the redtape and get something done.

I call upon this administration, if they care enough, to help us in our struggle for relief.

I yield back the balance of my time.

THE PRESIDENT'S MESSAGE ON CRIME IS NEEDED

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Americans who believe in law and order should welcome the President's recent message on crime. In his speech, he outlined plans for a massive attack on what is probably the most difficult and complex problem confronting the Nation. The details of Mr. Nixon's proposals require careful examination but Congress should move promptly to enact the necessary legislation.

I feel that he is right in seeking a reinstatement of the death penalty and stiffer and mandatory sentences for drug pushers. A plan for revision of existing Federal criminal statutes is long overdue. Congress will want to study carefully the proposal for block grants to State and local police forces. It may offer improvements to present Federal assistance programs on crime control. Congress should also inquire carefully into the need for more Federal participation in such crime prevention areas as technical assistance, manpower training and for aid to correctional institutions across the Nation.

Mr. Speaker, the problem of crime is one which impacts on every American. The Federal Government is charged, as the President noted, with the status of domestic tranquility. While most crime is of a local nature and in violation of State or local laws, the fact remains that serious crime is on the increase and it is the duty of the Federal authorities to provide assistance to local police to help combat crime.

I was especially pleased to note the President's concern over the role of the courts in the matter of crime. He said, quite correctly, that very often it is the court which turns a hardened criminal back onto the streets to once again feed off the law abiding people of the land. Certainly there is a need to plug this hole. The U.S. Supreme Court has made it very difficult to convict criminals. Soft judges, who show more concern about the criminal than they do about his victim, are responsible for many hardened criminals being free today to continue to prey on society.

The call for a crackdown on drug traffickers should have enthusiastic support. They are a plague on society and they should be dealt with harshly. The courts should be given little if any discretion in imposing sentences. These steps should be accompanied by a thorough-going program of education on the dangers of drugs to individuals, particularly the young.

There will, of course, be controversy on the reinstatement of the death penalty. I consider it clear that the death penalty serves as a deterrent to serious crime. The President is only seeking the reinstatement of the death penalty for certain Federal crimes such as aircraft hijacking, treason, and espionage. It is to be hoped the States will adopt similar constitutionally acceptable language to deal with other crimes such as murder. Here Florida has provided an excellent example for other States to follow.

Although we cannot hope for eradication of crime, the fact remains that stricter law enforcement and a tougher attitude by the courts toward criminals can help to curb crime. Congress should not delay the enactment of additional laws to reduce and deter crime. But this in itself will not be sufficient. There also is a requirement for less indifference on the part of the public to the growing spectre of crime. Too many people simply ignore crime and hope it does not come to them. Police officials need the help of the public.

LESS IS MORE

(Mr. PODELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, while comedians are making jokes about selling the family jewels and refinancing the house in order to pay for a steak dinner, the average housewife in this country faces the very real prospect of financial disaster if she tries to feed her family well. It simply is not funny any more.

When steak costs a minimum of $1.89 a pound it is time to stop laughing.

When you cannot buy a loaf of bread for less than 30 cents, it is time to ask some very serious questions.

When a family of four needs upward of $50 a week just to get the bare nutritional essentials, it is time that we dig in our heels and say, "Stop."

All the press conferences and releases in the world will not lower the prices we are paying for food. It does not help to hear that things may be bad but that they might be worse. The White House and Cost of Living Council will not make steak cheaper here by telling us how expensive it is somewhere else.

The Federal Government is currently spending billions of dollars a year to control and monitor all phases of food production. How well are the dollars spent on the farm subsidy program being used? Is this program being run for the benefit of the consumer as well as the farmer? How well is the Department of Agriculture planning crop production to take into account both domestic needs and foreign sales?

Hundreds of millions of dollars go into the compilation and publication of wholesale and consumer price indices. This is the most expensive, most extensive system in the world, with a wealth of information at its beck and call. With all these facts and figures at its disposal, why cannot the White House give us positive answers instead of platitudes? This is ludicrous. If the answers are not there, why have they not been looking for? Is any of the money spent on this massive recordkeeping program being used to find out why prices have kept rising month after month?

The President and his advisers tell us eat fish and cheese instead of meat. Have they noticed that lately these foods are nearly as expensive as meat? That never in history have the prices of fish and cheese been higher than they are now? What is being done to make fish more plentiful and cheaper? Are this Nation's fisheries being managed efficiently? Are they as modern as they should be to keep up with the demand?

We are told by the President's consumer adviser too simply eat less if we want to save money on food bills. This is like Marie Antoinette telling the starving people of France to eat cake when they had no bread. I would like to know how a woman can tell her husband and her children that the President wants them to eat less for the good of the country?

The situation is intolerable. The White House has procrastinated and played Pollyanna long enough. It is time for the Congress to do something so that the average consumer in America can be assured of having enough to eat at reasonable prices.

President Nixon thinks the last election gave him a mandate. I think he is seriously misinterpreting the mood of the country. He is not free to prescribe a sugar-coated placebo of rhetoric when the American consumer comes to him with a legitimate grievance. If he has a true mandate from the people, it means that he is expected to act in their best interests. The people expect him too take positive action on food prices, not to tell them about what he will not do. The President is not doing anything. The consumer has done all that he or she can do. It is now up to the Congress to do something for the people that put us here.

It is about time we learned why prices are going up so fast, and just where the extra money is going. It is about time we worked out a system of price controls and applied them. It is about time that we guaranteed to the people of this country enough food that is nutritionally valuable at prices they can afford. We do not have the information to do this now, but we have the right to it. After all, the money is coming out of our pockets. It is only logical that we know where it is going.

TO END RECORDKEEPING ON SALE OF .22 AMMUNITION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am today reintroducing a bill which is intended to remove the remaining recordkeeping restrictions on the sale of .22 caliber rimfire ammunition. These restrictions were imposed as a part of the 1968 gun control law and a great many law-abiding sportsmen and businessmen want to see them removed. In this I am joined by 73 Members of the House whose names appear below.

Subsequent to the passage of the 1968 gun control law, restrictions on sale of other rifle ammunition and shotgun ammunition have been eliminated by act of Congress but the sale of .22 caliber ammunition still requires reporting and recordkeeping by dealers. There has been general dissatisfaction with many features of the present gun control law. Law-abiding citizens simply resent the type of regulation which it requires. Criminals ignore the law and this the general populace realizes. At the time the bill was approved by Congress, it was the lesser of the evils which had been proposed as gun control legislation. This, however, has not made it palatable to the public.

Possibly the most aggravating single feature of the present act is the restrictions on the sale of .22 caliber ammunition. It is part of the pattern of our outdoor heritage in America that marksmanship training should begin at home or in clubs under proper supervision. It is through this type of training that restraint and good sportsmanship in the proper use of weapons is best taught.

The propriety of passing this bill will be questioned by some who feel that it will then be easier for the criminal element to obtain ammunition. It is true that .22-caliber ammunition is used in some of the "Saturday-night specials," the pistols which are blamed in many of the crimes involving weapons. Now let me point to the fact that it is also inescapably true that States and cities which have the most stringent antigun laws—including Washington, D.C.—are continuing to experience a very serious crime problem. It is also interesting to note that in Bermuda where the Governor and his aide were recently assassinated, all weapons have to be licensed and few are thought to be in private hands. Antigun laws will not stop the criminal. Failure to pass this bill will not stop the criminal.

I am one of those who has spoken for the passage of a sound and effective bill to take the little handguns known as the "Saturday-night specials" out of circulation. Many of the cosponsors of this bill feel as I do. We want crime control for criminals, not harassment for law-abiding citizens.

The .22 caliber weapons are among those most generally used by law-abiding sportsmen, and particularly younger people. It should be very clear that the removal of the restrictions on the sale of .22 caliber ammunition will be welcomed by law-abiding sportsmen and in particular by young people who are just being taught the pleasures that come with the proper use of firearms. This action also will be welcomed by businessmen who have been steadily harassed by the recordkeeping restrictions required by the present law.

You will recall that this bill passed the House in the 91st Congress but action on it was not completed by the Senate. An identical bill was reported by the Ways and Means Committee last year but was not considered by the House. The proviso to remove restrictions on the sale of .22 caliber ammunition was included in the Bayh bill on handguns which passed the Senate but was not taken up in the House. Certainly it is time to complete action on this very simple measure.

Cosponsors of the bill are: Mr. Ullman, Mr. Saylor, Mr. Schneebeli, Mr. Fisher, Mr. Nichols, Mr. Alexander, Mr. Zion, Mr. Harsha, Mr. Leggett, Mr. Melcher, Mr. Bevill, Mr. Frenzel, Mr. Montgomery, Mr. Steiger of Arizona, Mr. Robinson, Mr. Denholm, Mr. Goodling, Mr. Mollohan, Mr. Andrews of North Dakota, Mr. Pettis, Mr. Burleson of Texas, Mr. Haley, Mr. King, Mr. Mayne, Mr. Myers, Mr. Eshleman, Mr. Hutchinson, Mr. Mathis, Mr. Rarick, Mr. Quie, Mr. Charles Wilson of California, Mr. Broomfield, Mr. Mallary, Mr. Fish, Mr. Foley, Mr. Brotzman, Mr. Cleveland, Mr. Burlison of Missouri, Mr. Blackburn, Mr. Hansen of Idaho, Mr. Bowen, Mr. Dickinson, Mr. Runnels, Mr. Davis of South Carolina, Mr. Dingell, Mr. McCloskey, Mr. Mathias, Mr. Rhodes, Mr. Archer, Mr. Kemp, Mr. Waggonner, Mr. O Hara, Mr. Walsh, Mr. Lujan, Mr. Moss, Mr. Ketchum, Mr. Wampler, Mr. Scherle, Mr. Camp, Mr. Wylie, Mr. Mc-

Cormack, Mr. McEwen, Mr. Dennis, Mr. Miller, Mr. Flowers, Mr. Mizell, Mr. Davis of Georgia, Mr. Snyder, Mr. Rousselot, Mr. Symms, Mr. Roy, Mr. Fountain, and Mr. Owens.

"911" A FEDERAL POLICY

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, I am today reintroducing a bill that I have introduced earlier in this session to provide funds through the Federal Communications Commission to help local communities implement the "911" emergency telephone number. Twenty-one congressmen join me in cosponsoring this bill today.

And, Mr. Speaker, I am especially pleased to announce that the administration has today proclaimed Presidential support for the nationwide adoption of "911."

Prior to the news conference making this announcement, I attended a meeting in which Dr. Clay Whitehead, Director of the Office of Telecommunications Policy in the White House, announced the Presidential support and the creation of a Federal Information Center in the Department of Commerce in Washington, D.C. to provide information to State, local, and municipal governments interested in "911."

The meeting was attended also by Police Chief Jerry Wilson, representatives of A.T. & T., the U.S. Independent Telephone Association, the U.S. Conference of Mayors, the International Association of Fire Chiefs, and the International Association of Chiefs of Police.

The legislation we are introducing today clearly concurs with the intent of the national policy statement: namely to encourage the adoption of a single, nationwide emergency telephone number; and to encourage local communities to take steps to bring this about.

This bill goes a step further to provide financial assistance to cities which might easily afford the basic technical equipment change-over necessary to establish "911," but cannot afford the communications renovations often equally necessary to make it work effectively.

I am in thorough agreement with Dr. Whitehead's statement of the primary purpose of "911" telephone emergency service, which is, in his words, to enable citizens to obtain law enforcement, medical, fire, rescue, and other emergency services as quickly and efficiently as possible by calling the same telephone number anywhere in the Nation."

The key benefits to "911" cited by Dr. Whitehead and Chief Wilson: "one easy number to remember; a quick number to dial; a quicker response time to emergencies" are the critical benefits, the ones that I have been emphasizing since I began this crusade to secure a single, nationwide, emergency number in 1967. They are also the benefits that are proving themselves in reports from cities operating now on "911."

Once again, I would like to express my pleasure at the administration's endorsement of an idea some of us have been working on for 7 years. We have seen progress in that time. Now almost 22,000,000 Americans are enjoying "911" service in roughly 300 communities. But that is still a long way from the goal of the Congressmen sponsoring this legislation today, a goal the administration joins us in: bringing "911" emergency telephone service to all cities in the United States.

GRAND CANYON PARK

(Mr. UDALL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. UDALL. Mr. Speaker, yesterday I introduced a bill, H.R. 5900, aimed at preserving the Grand Canyon as one of nature's most magnificent scenic wonders. The park not only is vital to the State of Arizona but as part of the system of national parks, it is an important natural resource for the entire country.

The bill will insure that our descendants will be as awed by the majestic breathtaking vistas of the canyon as we are today. The time to act is now—in another generation the drive to exploit our wilderness areas may damage the canyon beyond repair. We must not let that happen.

An identical bill was simultaneously introduced in the Senate by the distinguished junior Senator from Arizona, Barry Goldwater, who has taken the lead in drafting the language in this bill. Without his intensive and effective efforts, there would be little chance of action on this legislation.

The bill, which bears the thoughtful imprint of Senator Goldwater's deep concern, takes into consideration the various—and sometimes conflicting—interests of conservationists, ranchers, wildlife groups, and the Indian tribes living in the area.

The grazing of livestock, range improvement, hunting, and fishing, would continue but other activities which might have an adverse effect on the park, such as mining and road construction, would be restricted.

The bill would nearly double the size of the park—from 673,575 acres to nearly 1.2 million acres—and creates a "zone of influence" on adjacent land where any development or activity detrimental to the environment would be prohibited.

The "zone of influence" would be under the control of the Secretary of the Interior who would have wide authority to set standards for the area.

Other key provisions are:

Extension of the park from Lees Ferry to Grand Wash Cliffs, and long-sought objective of conservation groups.

Placing of all land under one authority, the Park Service, instead of the present divided control between the Marble Canyon National Monument and the Glen Canyon National Recreation Area.

Gives authority to the Secretary of the Interior to issue rules controlling the use of air space above and below the canyon's rim.

Creates a Grand Canyon Wilderness Area of 512,000 acres as specified in President Nixon's wilderness plan for the Grand Canyon complex announced last September.

As presently written, the bill expands the Havasupai Indian Reservation from a comparatively small enclave of a few hundred acres to about 169,000 acres including 41,000 acres from the existing park. This provision is one of the more controversial in the bill because it might lead to the opening of the parks to private interests as well as reopening long-dormant Indian land claims

But the bill also specifically provides for protection of existing legal rights of Indian tribes in and around the canyon by stating that no lands or interests can be transferred or acquired from any tribe against the will of its governing body.

In introducing this bill, I am most concerned with moving public discussion along, rather than waiting for perfect legislative language. This bill will act as a lightening rod, attracting some criticism and a lot of careful examination of the difficult issues which have bogged down canyon legislation for years.

I know, for example, that many conservationists will sincerely dispute the part of the bill deleting lands from the national park system for the benefit of the Havasupai Tribe. With them, I recognize that the lands involved in the deletion are considered by many to be among the best in the park.

One of the options the Congress will want to review is the possibility of purchasing available private lands for the Havasupai, as many of the plateau land in which they have expressed a continuing interest is now in private hands and reportedly up for sale.

Mr. Speaker, I insert the text of the bill in the Record following these remarks:

H.R. 5900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Grand Canyon National Park Enlargement Act."

DECLARATION OF POLICY

Sec. 2. It is the object of this Act to provide for the recognition by Congress that the entire Grand Canyon, from Lees Ferry to the Grand Wash Cliffs, including tributary side canyons and surrounding plateaus, is a natural feature of national and international significance. Congress therefore recognizes the need for, and in this Act provides for, the further protection and interpretation of the Grand Canyon in accordance with its true significance.

ENLARGEMENT OF GRAND CANYON NATIONAL PARK BOUNDARIES

Sec. 3. (a) In order to add to the Grand Canyon National Park certain prime portions of the canyon area possessing unique natural, scientific and scenic values, the Grand Canyon National Park shall comprise, subject to any valid existing rights under the Navajo Boundary Act of 1934, all those lands, waters, and interests therein, constituting approximately 1,163,765 acres, located within the boundaries as depicted on the drawing entitled "Boundary Map, Grand Canyon National Park," numbered 113–20,000–G and dated February, 1973, a copy of which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) For purposes of this Act, the Grand Canyon National Monument and the Marble Canyon National Monument are abolished, and any lands formerly included within such monuments and not included within the Grand Canyon National Park or the Havasupai Indian Reservation, as enlarged by the Act, may be utilized by the Secretary for exchanges for lands to be incorporated into such park by or under this Act. Lands not used for such exchange purposes shall be administered by the Secretary in accordance with the laws applicable to the public lands of the United States and section 6. The combined total acreage of such park as enlarged by subsection (a) and this subsection shall not exceed 1,200,000 acres.

ACQUISITION OF LANDS BY DONATION OR EXCHANGE

SEC. 4. (a) Within the boundaries of the Grand Canyon National Park, as enlarged by this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") may acquire land and interest in land by donation, purchase with donated or appropriated funds, or exchange; but not by condemnation.

(b) Federal lands within the boundaries of such park are hereby transferred to the jurisdiction of the Secretary for the purposes of this Act.

PROHIBITION AGAINST TAKING OF STATE OR INDIAN LANDS

SEC. 5. Notwithstanding any other provision of this Act, (1) no land or interest in land owned by the State of Arizona or any political subdivision thereof may be acquired by the Secretary under this Act except with the concurrence of such owner, and (2) no land or interest in land, which is held in trust for any Indian tribe or nation, may be transferred to the United States under this Act or for purposes of this Act except with the concurrence of such Indian tribe.

GRAND CANYON ZONE OF INFLUENCE

SEC. 6. (a) (1) In order to more effectively protect the scenic and ecological integrity of the Grand Canyon, the Secretary shall establish a Grand Canyon Zone of Influence, which shall consist of such area, adjacent to or near the Grand Canyon National Park, as enlarged by this Act, as he shall, from time to time, define by publication in the Federal Register and within which he determines that a coordinated protective management of the environs is necessary or appropriate to protect against certain activities which may have an adverse influence on the Grand Canyon National Park, as enlarged by this Act, or any portion thereof.

(2) The authority granted to the Secretary by paragraph (1) shall not be applicable to lands held in trust for any Indian tribe or nation, except with the concurrence of such Indian tribe or nation.

(b) On any Federal lands within the Grand Canyon Zone of Influence, defined by the Secretary pursuant to subsection (a),

(A) disturbance of vegetation shall be allowed only for purposes of prescribed burning, scientific investigation, and spot development for interpretation, wildlife management, and grazing and grazing-related range-improvement;

(B) the development of new roads and any other new construction shall be confined to that which is necessary for proper management, as determined jointly by the Secretary and the head of the agency exercising jurisdiction over the lands following public hearings;

(C) hunting and fishing shall continue to be permitted in accordance with applicable laws;

(D) no permit, license, or lease for prospecting, development, or other utilization of mineral resources shall be granted, and Federal lands, waters, and interests therein are hereby withdrawn from location, entry, and patent under the United States mining laws for such period as such area is defined as being within the Grand Canyon Zone of Influence; and

(E) grazing of livestock shall continue to be permitted.

(c) (1) Where non-Federal lands within the Grand Canyon Zone of Influence are within the boundaries of a national forest, the Secretary of Agriculture is authorized to acquire the same or any interest therein by purchase, exchange, or donation, but not by condemnation. No land or interest in land owned by the State of Arizona or any political subdivision thereof or any land or interest in land held in trust for any Indian tribe or nation may be acquired except with the concurrence of such State, political subdivision, or Indian tribe or nation. Property acquired pursuant to this paragraph within a national forest shall be administered as a part thereof, subject to the provisions of this section.

(2) Where non-Federal lands within the Grand Canyon Zone of influence are surrounded by public lands of the United States administered by the Secretary through the Bureau of Land Management, the Secretary may acquire any such non-Federal lands or interests therein for inclusion within the Grand Canyon Zone of Influence in the same manner and subject to the same conditions as set forth in sections 4 and 5. Property acquired pursuant to this paragraph shall be administered in accordance with the laws applicable to the public lands of the United States, subject to the provisions of this section.

(d) Within the Grand Canyon Zone of Influence the Secretary shall negotiate cooperative agreements with other public bodies in accordance with section 7 relative to the protection of the Canyon and park environs and to the development and operation of unified interpretative programs and facilities.

COOPERATIVE AGREEMENTS FOR UNIFIED INTERPRETATION OF GRAND CANYON

SEC. 7. In the administration of the Grand Canyon National Park, as enlarged by this Act, the Secretary is authorized and directed to enter into cooperative agreements with other Federal, State, and local public departments and agencies and with interested Indian tribes providing for the protection and Interpretation of the Grand Canyon in its entirety. Such agreements shall include, but not be limited to, authority for the Secretary to develop and operate interpretative facilities and programs on lands and waters outside of the boundaries of such park, with the concurrence of the owner or administrator thereof, to the end that there will be a unified interpretation of the entire Grand Canyon.

DEVELOPMENT OF INDIAN RECREATIONAL AND TOURIST PROGRAMS

SEC. 8. (a) (1) The Secretary is authorized to enter into agreements with any Indian tribe or nation having lands within or near the Grand Canyon National Park, as enlarged by this Act, relating to the planning, development, or use of such lands or related waters, for recreational, historical, or cultural purposes with a view to ensuring that any such program will be operated by or for the benefit of the members of the respective Indian tribe or nation.

(2) In carrying out the purposes of this section, the Secretary is authorized to provide to the Indian tribe or nation concerned financial assistance through contracts, grants or loans (including assistance relating to planning, designing, and operation of facilities), advice, construction supervision, and training of personnel in regard to any program established under this section.

(b) Lands held in trust for the Navajo Nation which are located within one mile east of the East Rim of Marble Canyon should not be further developed for tourism, recreation or other purposes under this section or otherwise without the written approval of the Secretary, provided however that this subsection shall not be construed as a restriction upon any valid existing uses by the Navajo Nation.

(c) No development shall be made under this section or otherwise in the shoreline adjacent to or within the Hualapai Indian Reservation except with the concurrence of the Hualapai Tribe. The Hualapai Tribe shall have the exclusive right to develop the shoreline within the Reservation, except that no such development may occur within one mile back from the South Bank of the Colorado River without the written approval of the Secretary.

PRESERVATION OF EXISTING GRAZING RIGHTS

SEC. 9. Where any Federal lands within the Grand Canyon National Park, as enlarged by this Act, are legally occupied or utilized on the effective date of this Act for grazing purposes, pursuant to a Federal lease, permit, or license, the Secretary shall permit the persons holding such grazing privileges to continue in the exercise thereof for a period ending on December 31 following ten years from the effective date of this Act, or for the life of the existing permittee, whichever is longer.

AIRCRAFT REGULATION

SEC. 10. Whenever the Secretary has reason to believe that any aircraft or helicopter activity or operation may be occurring or about to occur within the Grand Canyon National Park, as enlarged by this Act, including the air space below the rims of the canyon, which is likely to cause an injury to the health, welfare, or safety of visitors to the park or to cause a significant adverse effect on the natural quiet and experience of the park, the Secretary shall, in conjunction with the Federal Aviation Agency, or the Environmental Protection Agency pursuant to the Noise Control Act of 1972, or both, submit to the responsible agency or agencies such complaints, information, or recommendations for rules and regulations or other actions as he believes appropriate to protect the public health, welfare, and safety or the natural environment within the park.

PRESERVATION OF EXISTING RECLAMATION PROVISIONS

SEC. 11. Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of section 7 of the Act entitled "An Act to establish the Grand Canyon National Park in the State of Arizona," approved February 26, 1919 (40 Stat. 1175, 1178), and section 605 of the Colorado River Basin Project Act, approved September 30, 1968 (82 Stat. 885, 901).

HAVASUPAI INDIAN RESERVATION ENLARGED

SEC. 12. (a) To assist the Havasupai Indians in implementing their desire for a greater land base and an opportunity to control their own social and economic life, the Havasupai Indian Reservation shall, as of the date of enactment of this Act, consist of the existing Reservations and the area within the boundaries designated for transfer to the Reservation as depicted on the map referred to in section 3 of this Act, consisting of approximately 169,000 acres in the aggregate. The equitable title to the lands and interests in lands within that portion of the Reservation so added by this Act is hereby conveyed to the Havasupai Tribe, and such lands and interests in lands, are hereby declared to be held by the United States in trust for the Havasupai Tribe of Indians in the same manner and to the same extent as other land held in trust for the Tribe.

(b) In no event shall the water or water resources within the Havasupai Indian Reservation be transported outside of the Reservation as enlarged by this Act; nor shall the Secretary permit any use of the water resources of Havasu Creek which he determines will cause a significant adverse effect upon the scenic qualities of the Creek and the falls thereof, or the environmental quality of the area, subject to any existing water rights of the Havasupai Tribe.

(c) No development within such enlarged Havasupai Indian Reservation, including but not limited to, provision for any transportation system or road into the Grand Canyon and the construction of any pipeline system, shall be made without the written approval of the Secretary. Whenever the Secretary determines that any proposed development might affect any cultural resources within such enlarged Reservation, he may, in his discretion, require that detailed archeological surveys or salvage excavations, or both, shall be made before any such development may occur.

(d) The Executive Order dated March 31, 1882, setting aside certain lands for the use and occupancy of the Yavai-Suppai Indians is hereby declared to be of no further force and effect, and section 3 of the Act of February 26, 1919 (44 Stat. 1177; 16 U.S.C. 223) is hereby repealed.

THE GRAND CANYON WILDERNESS

SEC. 13. (a) In accordance with section 3(c) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132(c)), certain lands in the Grand Canyon National Park and Grand Canyon and Marble Canyon National Monument (other than any lands which are transferred by section 12 to the Havasupai Indian Reservation), which comprise about five hundred twelve thousand eight hundred acres, designated "Wilderness," and which are depicted on the map entitled "Wilderness Plan, Grand Canyon Complex," numbered EPD–WSC–113–20008–B and dated August 1972, which shall be known as the Grand Canyon Wilderness, are hereby designated as wilderness, and shall be administered by the Secretary in accordance with the provisions of the Wilderness Act. The lands which comprise about eighty-six thousand one hundred and fifty-six acres, designated on such map as "Potential Wilderness Additions," are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness: *Provided*, That within the wilderness area designated by this section, the Secretary (1) may pursue a program of prescribed burning, as he deems necessary, in order to preserve the area in its natural condition, (2) may undertake whatever activity he deems necessary in order to investigate, stabilize, and interpret, for the benefit of persons visiting that area, sites of archeological interest.

(b) A map and description of the boundaries of the areas designated in this section shall be on file and available for public inspection in the office of the National Park Service, Department of the Interior.

(c) As soon as practicable after this Act takes effect, a map of the wilderness area designated by this section and a description of its boundaries shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this section: *Provided, however*, That correction of clerical and typographical errors in such maps and descriptions may be made.

(d) The area designated by this section as wilderness shall be administered by the Secretary in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act, and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) Any funds available for the Marble Canyon National Monument, the Grand Canyon National Monument, or that portion of the Lake Mead Recreation Area included within the Grand Canyon National Park, as enlarged by this Act, shall remain available until expended for purposes of such park.

LET US CELEBRATE VETERANS' DAY AND MEMORIAL DAY ON THEIR HISTORIC DATES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am pleased to join with my friend and colleague, Representative JAMES H. QUILLEN, and others, today in sponsoring legislation to amend title V of the United States Code with respect to the observance of Memorial Day and Veterans' Day. The purpose of introducing this bill is to restore tradition and to emphasize the patriotic significance of these days. For years the Nation celebrated Veterans' Day on November 11 and Memorial Day on May 30. These two holidays are firmly fixed in the minds of veterans and other American citizens, and for the generation now living they will remain days of inspiration and reverence.

Armistice Day, November 11, and Memorial Day, May 30, are more than just days set aside by the Congress to pay tribute to a subject, or to provide a holiday for observance for recreation. They carry a message of especial significance.

Armistice Day, November 11, represents the observance of the signing of the armistice at the close of World War I. This day on the calendar acknowledges victory over an enemy, a day when the lights literally went on again all over the world. It represents the day hostilities ceased after more than 4 years of mortal conflict between the Allied and Axis Powers, in which more casualties resulted in one battle than in any previous battle in the history of warfare. Armistice Day is observed on November 11 by all nations that participated in the war of 1914–18 except the United States of America. We observed it for a half century even though the name was changed to Veterans Day. Finally Armistice Day was officially abolished altogether by an act of Congress and another day selected as Veterans Day. This has not changed the thinking of our citizens who remember Armistice Day. Some States refused to go along with the change; others are taking State action to restore November 11 as the day to observe for its special meaning.

The year 1971 is an example. That year October 25 was selected as Veterans Day. It had little meaning and observances were sparsely attended. However, November 11 was observed by about two-thirds of the States of the Union by veterans' organizations as Veterans Day. The changed date is not yet accepted by a great many individuals and organizations as the true Veterans or Armistice Day.

Now let us go back in history to the beginning of the observance of Memorial Day. The first such observances were, of course, by families and friends of Confederate dead. The significance of a day to be observed as a memorial to those who made the supreme sacrifice spread to other parts of the Nation. In the small town of Grafton, W. Va., soon after the close of the War Between the States, May 30 was set aside for a day of memory. Not long afterward, there was an official proclamation of May 30 as Memorial Day. The spirit of remembrance of our honored dead has become so engrafted into our thinking that when we think of Memorial Day, May 30 instantly comes to mind. An observance which has been instilled in our thinking for more than a hundred years should not be lightly set aside through the arbitrary selection of another date as Memorial Day.

The veterans of America, those who have given of their time and many of whom have given of their bodies in the protection of this Nation, feel that the traditional observance of Memorial Day is of more importance than picking a day to suit commercial interests.

The veterans and other patriotic citizens of these United States feel that they have been deprived by statute of days of observance which have throughout the years contributed to the esprit de corps of our uniformed services and to the great traditions of America. Patriotism is necessary to our national life. Patriotism is associated with Memorial Day and with Veterans Day as we knew them in their beginning. They have been dealt lightly with by arbitrary selection of other dates and I consider it a highly inappropriate thing to do.

A CONGRESSIONAL PRESENCE IN THE FIGHT AGAINST CRIME

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, hundreds of telegrams were forwarded to me by citizens concerned that the House of Representatives was contemplating the abolition of its Crime Committee and with it an end to a 4-year congressional presence in the fight against crime in America.

As you know a compromise agreement was reached which will allow the Crime Committee to phase out its activities by the end of June and hold a final series of hearings on street crime.

Our initial investigations have revealed that there are programs working in various communities across the Nation that appear to be having an impact on reducing the frequency of crimes committed against persons and property. These examples will be the focus of our hearings with a suggestion that other cities and towns consider adopting or modifying them.

Incredible as it may seem, ignorance or a fear to try a program that someone else has developed are major obstacles in the fight against crime. We hope that our hearings will serve as a bridge between communities.

As we begin to prepare for a final series of what I am confident will be productive hearings, I would like to assure the hundreds of persons who wrote to me in the past few weeks that neither I nor the other members of the Crime Committee intend to abandon the efforts of the past 4 years.

We will cooperate with the House Judiciary Committee in all respects as it takes up the crime fight and we will prod both that committee and any other committee of the Congress in behalf of the millions of Americans who demand a Federal presence in the fight against crime.

Submitted below is a partial list of individuals or the offices of individuals who speak for millions of their fellow citizens in commending the House for the work of its Crime Committee these past 4 years. Also included are a number of letters which join others placed earlier in the Record:

Wires and letters that have come to Congressman Claude Pepper's Congressional Office supporting the Select Committee on Crime include those from the following:

11 Governors—Florida; New York; South Carolina; Kentucky; Alaska; Hawaii; North Dakota; Oregon; Massachusetts; Pennsylvania and Puerto Rico.

16 Attorneys General—Florida; New York; California; Rhode Island; South Dakota; Louisiana; Mississippi; Alaska; New Mexico; Idaho; Kentucky; Nebraska; Montana; North Carolina; West Virginia and Wisconsin.

24 Mayors or City Managers—Oakland, Calif.; Denver Colo.; Oklahoma City, Okla.; New Orleans, La.; Shreveport, La.; Miami, Fla.; Hartford, Conn.; City of Hartford, Connecticut; City of Sacramento, California; Tallahassee, Fla.; Memphis, Tenn.; Baton Rouge, La.; Hialeah, Fla.; Providence, R.I.; Detroit, Mich.; Milwaukee, Wis.; Lincoln, Nebr.; Knoxville, Tenn.; York, Pa.; New Haven, Conn.; Pontiac, Mich.; South Bend, Ind., Kansas City, Mo.; Omaha, Nebr., and Kansas City, Kan.

12 Police Chiefs or Associations—Cook County (Chicago) Illinois; Los Angeles, Calif.; Oakland, Calif.; New England State Police Association; New Jersey State Police; Miami Beach, Fla.; San Francisco, Calif.; Baton Rouge, La.; North Miami, Fla.; American Federation of Police; Fraternal Order of Police, and New York State Police.

30 Citizen Crime Associations—National League of Cities; United States Conference of Mayors; National Council on Crime and Delinquency; National Association of Citizen Crime Commissions; Kiwanis International; Atlanta Crime Commission; Miami Crime Commission; New Orleans Crime Commission; Philadelphia Crime Commission; New England Crime Commission; New York Crime Commission; Georgia Crime Commission; Arizona Crime Commission; Kansas City Crime Commission; Mississippi Coast Crime Commission; Fort Worth (Texas) Crime Commission; Chicago Crime Commission; State of New York Commission on Investigations; New York Waterfront Commission; Oklahoma Narcotics and Dangerous Drugs Control Commission; New England Organized Crime Intelligence System; Connecticut Planning Commission on Criminal Administration; Ohio (State) Racing Commission; New Mexico Council on Crime and Delinquency; Georgia Council on Crime and Delinquency; Washington (State) Council on Crime and Delinquency; Iowa Council on Crime and Delinquency; Florida Medical Association; Connecticut Conference of Mayors and Municipalities, and Texas Council on Crime and Delinquency.

16 District Attorneys—New York County District Attorney; Massachusetts District Attorneys Association; Contra Costa County, Calif.; Bronx, N.Y.; Miami, Fla.; Albuquerque, N.M.; Jacksonville, Fla.; Nassau County, N.Y.; Los Angeles, Calif.; Ardmore, Okla.; Queens, N.Y.; Norfolk, Mass, the 12th Judicial Circuit of Florida, and Harris County (Houston) Texas.

9 School Superintendents—Los Angeles, Calif.; Oakland, Calif.; Charleston, S.C.; Lincoln, Nebr.; Anaheim, Calif.; San Francisco, Calif.; Houston, Tex., and Shawnee Mission (Kansas) Public Schools.

3 Judges—Kansas City, Missouri 16th Judicial Circuit; Florida 6th Judicial Circuit and Juvenile Court of Hamilton County, Tennessee.

8 Senior Citizen Groups—Greater New York; Northeastern Ohio; District of Columbia; North Miami Beach, Fla.; McDonald, Ohio; Youngstown, Ohio; Peoria, Ill.; Miami Beach Retirees, and International UAW Retired Workers.

10 Unions—Teamsters International; National Maritime Union; UAW in Grand Rapids, Mich.; Air Line Employees; Air Line Pilots; Transport Workers; American Insurance Association; United Rubber Workers; International Association of Machinists; and International Retail Clerks Association.

Also:

WTTW Channel 11 Public Television in Chicago, Illinois.

Abe Beame, City Comptroller, New York City.

The Florida Cabinet.

Art Linkletter.

Frank Hogan, District Attorney, New York County.

Maurice Nadjari, Special State Prosecutor, State of New York.

National Council of Jewish Women.

National Education Association.

National Parents and Teachers Association.

Nathan B. Eddy, Consultant, National Institutes of Health, National Research Council, et al.

Marvin E. Wolfgang, Director, Center for Studies in Criminolgy and Criminal Law, University of Pennsylvania.

Prosecuting Attorneys Association of Michigan.

Institute of Correctional Administration.

William D. Leeke, Immediate Past President, Association of State Correctional Administrators, and Director, South Carolina Department of Corrections.

Russell G. Oswald, Commissioner of Correctional Services, State of New York.

Chicago Parents and Teachers Association.

Illinois Drug Abuse Program.

James F. Ahren, Director, Insurance Crime Prevention Institute.

Arthur Goldstein, Chairman, Huntington Narcotics Guidance Council.

Robert Amastas, Drug Counselor, Massachusetts Teacher of the Year.

Robert W. Warren, President, National Association of Attorneys General, and Attorney General, State of Wisconsin.

Charles W. Bowser, Director, Philadelphia Urban Coalition.

Wes H. Bartlett, Immediate Past President, Kiwanis International.

Dr. William J. Dean, President, Florida Medical Association.

Carol S. Vance, President, National District Attorneys Association.

Buffalo, N.Y.

Hon. Claude Pepper,
Chairman, House Select Committee on Crime.

Dear Mr. Pepper: I have learned with alarm of the possible demise of your invaluable committee, and I hope that I am not too late in sending this letter to assure you that I am most anxious that its important work be continued.

In this day of divisiveness and concern with "law and order," it is even more important that our concern with drugs, organized crime etc. is not being swept under the rug, in order to reassure the average citizen that our elected legislators are trying to make America an honest, safe place to live.

I am especially alarmed that your exposing the conditions in penal institutions would be curtailed. Part of the "law and order," and I think a vital part, that people are yearning for, will surely be achieved when we stop turning out ex-prisoners filled with hatred because of the inhumane treatment accorded them in our prisons: ex-prisoners unable to make judgements as a result of the extra punishment reserved for those who betray an independent thought, and the lack of any remotely useful work-training programs, as well as the little indecencies which become major inhumanities when one is confined to a tiny cell aware that the smallest critical reaction can result in one's loss of all earned "good-time" through the arbitrary report of a guard, a report which will affect one's possibility of parole.

I hope that when your current report dealing with penal institutions is complete, you will be so kind as to send me a copy. Thank you.

I am sending a letter to Rep. Charles Rangel also, and a copy of this one to my own representative, Rep. Thaddeus J. Dulski.

I sincerely hope that the House Select Committee on Crime will be continued. If there is anything else I can do to help, please let me know.

Sincerely,

Doris P. Edwards.

Representative Carl Albert,
Congressional Office Building,
Washington, D.C.:

Strongly urge continuation of House Crime Committee under Chairmanship of Representative Claude Pepper.

Regards.

M. Lewis Hall, Jr.

Saratoga, Calif.

Congressman Claude Pepper: Following message sent to Hon. Carl Albert: Strongly support passage H.R. 205. Need is extremely urgent.

Edwin G. Stafford.

Miami Shores, Fla.

Congressman Claude Pepper,
U.S. Congress,
Washington, D.C.

Dear Congressman Claude Pepper: The Select Committee on Crime, of which you are the chairman, has done a fine job so far. Please consider this letter as an endorsement of your project so that you can have an extension of time to continue your investigations and recommendations regarding crime in the streets.

Very truly yours,

Ms. Sonia Reyne.

Hon. Carl Albert,
House of Representatives,
Washington, D.C.

Dear Sir: As Pastor of a congregation which ministers to thousands from all walks of life I am fully cognizant of and involved in the problem of crime and narcotics in our community and America.

I am fully aware of the need to continue the House Select Committee on Crime and therefore urge your support of House Resolution 205.

Thank you for your consideration.

Sincerely,

Pastor Elwood K. Healy.

Miami, Fla.

Hon. Carl Albert,
Speaker of the House.

Sir: The people I have spoken to and I, are very disturbed and apprehensive about the rumored decision of the House which you so honorably chair, to terminate the functions of the House Crime Committee.

With all due respect, you know as well as we down here in Florida, that Mr. Claude Pepper, the Chairman of said Committee is one of the most respected, trusted, and honorable men that we have had the honor to send to Congress to represent us.

In this day and age, it takes time to right things that have been wrong for a long time and Mr. Pepper has been gradually doing that. But he needs a little more time to get things working right.

We beg of you to exert your influence with your colleagues to extend this needed time so Mr. Pepper can accomplish what he so gallantly has set out to do. Please help him to help the people.

Respectfully yours,

Manuel Ramos.

Nashville, Tenn.

Hon. Carl Albert,
House of Representatives.

Dear Mr. Speaker: We urge you to back the House Select Committee on Crime chaired by Rep. Claude Pepper. It is committees like Mr. Pepper's that are not afraid to expose crime, to make public the facts of syndicate operations, etc., which help restore citizen's respect for our congressional system.

If you let those few fail, who try to do their jobs honestly, then our system fails. So we implore you to buffet the pressures directed at burying this committee and use your influence to back Mr. Pepper.

Sincerely,

Sonya P. Johnson.
R. Eugene Johnson.

Hialeah, Fla.

Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Albert: I am writing to urge in the strongest terms the extension of term of Congressman Pepper's House Select Committee on Crime, and for you to use your influence in the Rules Committee to do so.

As first (and three times) Chairman of the Hialeah Housing Authority, I am indebted to Mr. Pepper for having vigorously supported legislation that advanced housing projects for the elderly and for low income workers of our City (including many Key paramedics in our two Hospitals). Senior Citizens speak of him only with enthusiasm; I know him as a tireless crusader.

As a practicing physician of 35 years experience, I am alarmed that this experienced Committee, diligent and peripatetic in its hearings thru crime areas of our Country, is to be abolished for political reasons. Juvenile crime—particularly narcotics addiction—is the real "cancer" we doctors face every day. I know, for my office was vandalized for narcotics this past New Year's Eve, (and the care of my patients disrupted for a month while I increased security measures, awaited replacement drugs, etc.).

If the impetus of this valuable Committee is wasted and its Chairman—spearhead, the most active statesman in or from Florida, is blunted, I and much of the nation will be disappointed at your leadership, Mr. Speaker!

Sincerely,

Charles W. Hoffman, Jr., M.D.

Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Albert: As a taxpayer, I am interested in economy in government like millions of others. However, it is hard for me to comprehend the elimination of the House Crime Committee, chaired by Representative Claude Pepper.

James L. Kilpatrick of the Washington Star Syndicate sums up my feelings of what an outstanding job the House Crime Committee has done since its formation.

I am sure your Rules Committee will see the merit of retaining this worthwhile committee so that it can continue its fine work.

Sincerely,

John I. Smith.

Coral Gables, Fla.

Congressman Claude Pepper,
House of Representatives:

The following is a message that was sent to House Speaker Carl Albert: We urge you to continue and support Congressman Pepper's crime committee. The results of his efforts are courageous and can only bring back the trust in Government that the people do not have now. If it is allowed to die crime in your own house will continue.

Respectfully,

Rose Alterman, Abe and Jean Saluk, Adele Mann, John and Arlene Alterman.

Chicago, Ill.

Representative Claude Pepper,
Capitol Hill, D.C.:

Urge passage of House Resolution 205. We educators need the support of Government.

Penny Meisler.

Mt. Vernon, N.Y.

Representative Claude Pepper,
House of Representatives,
Washington, D.C.

Dear Congressman Pepper: I have been reading with concern that the House Committee on Crime, which you chair, is about to be abolished and its role being absorbed by the Judiciary Committee.

Since this Special Committee has done such fine work, I think it will be detrimental to the county if it were abolished. In fact, I think its powers should be broadened to investigate such things as the reported political usage of the Federal Bureau of Investigation by its Director, L. Patrick Gray. The spread of organized crime into pornography and sports, and so forth.

I would also like to know why our streets cannot be made safer despite the promises of our law-and-order administration. Please keep up the good work and not allow those who are against your select Committee to abolish it.

Thank You.

John Primavera.

Hammonton, N.J.

Hon. Carl Albert: You are wrong to "kill" the Select Committee on Crime. You play right into the hands of criminals by such action. The Select Committee on Crime has performed an invaluable service to the United States. The Select Committee on Crime should be made a permanent standing committee.

Sincerely yours,

Frank Rodio, Jr.

Brooklyn, N.Y.

Congressman Frank Brasco,
U.S. House of Representatives.

Dear Frank: I want to object strenuously to any attempt to transfer the jurisdiction of your Select Committee on Crime to Judiciary.

Your Committee, under Chairman Pepper, has done a spendid job in spotlighting 1973 problems as they present themselves in major American cities. With its emphasis on drugs, youth, prisons and organized crime, your Committee is, at least, current.

The hearings and reports with recommendations (most of which I have received through your courtesy) show an astonishing thoroughness, thoughtfulness and reasoned quality.

The conduct of your Committee has been exemplary.

I am disturbed and distressed by this attempt at abolition. I hope, and trust, that you will fight with your usual tenacity and strength.

Best regards,

Sincerely,

Barry R. Golbin.

MODEL REGULATIONS—SOCIAL SERVICE PROGRAMS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the action taken today by the Democratic Caucus of the House of Representatives in adopting the resolution which requests the Ways and Means Committee to report promptly House Joint Resolution 434 to the floor for consideration by the full House is, I am confident, welcomed by millions of Americans who have so strongly protested the new social service regulations that are about to be promulgated by the Department of Health, Education, and Welfare.

I was pleased to join with my colleagues, Phil Burton, Don Edwards, Don Fraser, Thomas Rees, Ogden Reid, Frank Thompson, Fred Rooney, James Corman, and John Culver in urging the special caucus to consider this resolution on social service funding; and our 71 other colleagues who have sponsored House Joint Resolution 434, initiated by Ogden Reid, which would enable State and local governments to continue existing social service programs subject only to the limitations expressly enacted in the 92d Congress—the $2.5 billion ceiling limitation.

This action by the Democratic Caucus is a clear indication of the determination of the Congress to restore the division of powers provided by the U.S. Constitution which requires the President to execute the laws in accordance with the intent of the Congress. I am confident the Congress will promptly act on this resolution so that these vitally needed services for children, mothers, the retarded, the aged, and the drug addict may be continued.

BIG THICKET NATIONAL BIOLOGICAL RESERVE

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, today I have introduced legislation which will preserve part of the Big Thicket in east Texas.

The Big Thicket region, frequently referred to as the "ecological crossroads" of North America, is succumbing to the hungry bite of lumbermen's saws and land developers' bulldozers.

My bill will preserve 100,000 acres of the region as a Big Thicket National Biological Reserve for the enjoyment and edification of ours and future generations. It is my hope that this Congress, unlike its predecessors which failed to create a national park as originally proposed by the distinguished former Senator from Texas, Ralph Yarborough, will act to preserve a portion of this uniquely beautiful and historic area.

Following is a section-by-section analysis of the bill and the bill:

Section-by-Section Analysis of Eckhardt Bill To Create a 100,000-Acre Big Thicket National Biological Reserve

SECTION 1

The first section of the bill authorizes the Secretary of the Interior to establish a Big Thicket National Biological Reserve in Tyler, Hardin, Jasper, Polk, Liberty, Jefferson and Orange counties in eastern Texas.

SECTION 2

The areas to be included in the Reserve are designated in Section 2. They are:

Big Sandy Unit—19,716 acres.
Turkey Creek Unit—14,800 acres.
Neches River Unit—34,412 acres.
Lance Rosier Unit—25,000 acres.
Beech Creek Unit—4,856 acres.
Hickory Creek Savannah Unit—668 acres.
Loblolly Unit—548 acres.

SECTION 3(A)

Section 3(a) describes the manner in which the Secretary of the Department of Interior may acquire property for the Reserve. The acquisitions may be made through purchase or exchange. In addition, the Secretary may accept donations of property or of funds to be used for the purchase of the property.

SECTION 3(B)

Section 3(b) provides a means by which the Secretary can discourage the destruction of the ecological interests and resources of the land prior to its acquisition for the Reserve. In purchasing land for the Reserve, the Secretary is directed to give priority to purchases of land which may be threatened by such ecologically destructive acts as clear cutting. That is the "stick," but there is also a "carrot." He is authorized to place down the scale of priority in purchase lands put to uses "not inconsistent with the purpose of this Act." Thus, where discreet harvesting of pine, without the destruction of hardwood would not despoil the land for ecological or recreational purposes, he could afford landowners time to obtain maximum timber yields not inimical to ecological and recreational values before the land would be acquired.

The section further makes it clear that by clear cutting the owner will not gain both the advantage of selling timber and despoiling the land for "Reserve" purposes so as to keep it out of the Reserve. If he could do so, he could realize the timber yield and hold the land until pine seedlings develop into a pine plantation in place of the mixed pine and hardwood forest.

If he clear cuts after April 1, 1973, or engages in other destructive acts, this is to be the land in first priority for acquisition for Reserve uses for building, recreation, etc., and it will be acquired at purchase prices determined after consideration of the diminution of value due to cutting. Such decrease in purchase price may be vastly greater than the amount realized by the owner from his timber harvest, because the standing timber would in many, if not most cases, have enhanced the value of the land for residential or Reserve use in a far greater amount than the value of the timber. For instance, a tree sold for pulp wood may net $20 but its replacement, or the damage occasioned by its being felled, might be $1,000. Such section removes all incentive for destructive cutting and indeed discourages this practice, since the land may be acquired anyway and at lower values.

SECTION 4

Section 4 provides for the administration of the Reserve by the Secretary of the Interior. It assures that individuals will have access to the unique natural areas of the Reserve by providing for the construction and maintenance of roads and trails through the Reserve. No concessions are to be permitted within the Reserve, and housing shall be kept to a minimum.

SECTION 5

Section 5 will permit homeowners within the boundary of the Reserve to remain on their property for a 25-year or life tenancy period. The land must be used for noncommercial, residential purposes, and if the Secretary finds that the land is being used for other purposes, the Secretary may terminate the tenancy. If the homeowner feels that the Secretary's termination is not based upon correct factual information, the homeowner can appeal the Secretary's determination in a federal district court. The Secretary's determination will be overturned if acquisition was not in accordance with the Act or if he acted on factual determinations unsupported by substantial evidence.

SECTIONS 6 AND 7

These sections require the Secretary to make recommendations to the President regarding the suitability of areas within the Reserve for preservation as a wilderness area.

SECTION 8

Appropriations necessary to implement the legislation are authorized by Section 8.

H.R. 5941

A bill to authorize establishment of the Big Thicket National Biological Reserve in the State of Texas and for other purposes

Be it enacted by the Senate and House of Representatives assembled, That in order to preserve for the education, inspiration and recreation of present and future generations, certain unique natural areas in Tyler, Hardin, Jasper, Polk, Liberty, Jefferson and Orange Counties, Texas, and to interpret therein the outstanding scientific values and ecological associations within the Neches River, Village Creek, Big Sandy Creek, Little Pine Island Bayou, Pine Island Bayou, Black Creek, Turkey Creek and Menard Creek watersheds, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to establish the Big Thicket National Biological Reserve (hereinafter referred to as the "Reserve"). The boundary of the Reserve shall be as generally depicted on the drawing entitled "Big Thicket National Biological Reserve, Texas," dated March, 1973 and numbered NBR–BT–91021. Copies of the drawing shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. Boundaries of the Reserve and approximate acreages are indicated in Section 2. However, the Secretary may make minor revisions in the boundary of the Reserve from time to time, but in no event shall the boundary encompass less than one hundred thousand acres.

DESCRIPTION OF THE RESERVE

Sec. 2. The Reserve shall consist of the following units:

Big Sandy Unit—Nineteen thousand, seven hundred and sixteen acres. This unit shall consist of the Big Sandy Section, the Big Sandy Stream Course and the Menard Creek Stream Course, extending southward approximately four miles from the southern boundary of the Big Sandy Section.

Turkey Creek Unit—Fourteen thousand, eight hundred acres. This unit shall consist of the Turkey Creek Section which extends southward from Highway 1943 to FM Road 420 just south of the confluence of Turkey Creek and Village Creek, and the Village Creek Stream Course, along both sides of Village Creek to its confluence with the Neches River.

Neches River Unit—Thirty four thousand, four hundred and twelve acres. This unit shall consist of Joe's Lake Section; Jack Gore Baygall, Deserter's Island and Neches Bottom Section; the Beaumont Section; and the Neches River Stream Course extending from the B. A. Steinhagen Lake to Beaumont.

Lance Rosier Unit—Twenty-five thousand acres. This unit shall consist of the Saratoga Triangle Section, of twenty thousand acres; the Little Pine Island Bayou Stream Course, consisting of twenty-one hundred acres, extending along Little Pine Island Bayou to its confluence with Pine Island Bayou; and the Pine Island Bayou Stream Course, consisting of 2,900 acres, extending from State Highway 105 to the Beaumont Section.

Beech Creek Unit—Four thousand, eight hundred and fifty-six acres.

Hickory Creek Savannah Unit—Six hundred and sixty-eight acres.

Loblolly Unit—Five hundred and forty-eight acres.

ACQUISITION OF PROPERTY BY SECRETARY

Sec. 3. (a) Within the boundary of the Reserve, the Secretary is authorized to acquire lands, waters, and interests therein by donation, purchase with donated or appropriated funds, or exchange. Property owned by the State of Texas or political subdivisions thereof may be acquired only by donation. Federal property within the boundary may be transferred to the jurisdiction of the Secretary without consideration for purposes of the Reserve, with the concurrence of the head of the agency having administrative jurisdiction thereover.

(b) The Secretary shall take such steps as he deems necessary in order to preserve the ecological and recreational interests and fish and wildlife resources of the lands described in Section 2 of this Act. Any action inimical to such interests and resources is hereinafter referred to as waste. In such connection he shall purchase land in an order of preference commensurate with the threat of waste of such lands respecting such interests and resources giving first consideration to the prevention of any clear cutting or of any waste having the effect of despoiling the lands described in Section 2 prior to their acquisition for the Reserve. In the acquisition of open lands to be used in the Reserve for such things as buildings, recreational facilities, ball parks, archery ranges, canoe storage, and like usages, the Secretary shall give priority in acquisition to those lands which have been so subject to waste after April 1, 1973; and the Secretary may give consideration, in decreasing priority in his order of acquisition, to the extent to which the use of the land is not inconsistent with the purpose of this Act and the values sought to be protected in the Reserve. In all offers of purchase and in all condemnation proceedings, the Secretary shall take due account of the diminution of the value of the land occasioned by such waste as described herein.

ADMINISTRATION OF THE RESERVE

Sec. 4. In order to provide access to the unique natural areas within the Reserve and to fully provide for the interpretation of its ecology, the Secretary is authorized to construct and maintain scenic trails, bridle paths, and bicycle paths within the units of the Reserve, including access roads to the boundary of the Reserve where necessary. The Secretary shall keep housing within the boundaries of the Reserve to a minimum, authorizing only that which is required for housing of National Parks personnel and for interpretive centers and necessary administrative facilities. No concessions shall be permitted within the boundaries of the Reserve. For the purposes of this section, the Secretary may acquire lands and interests therein outside the boundary of and by the methods authorized in Section 3 of this Act. The facilities herein authorized shall be designed, constructed, and operated so as to avoid permanent adverse effects on the ecology of the reserve and adjacent areas and they will include rights-of-way of sufficient area to assure protection of the scenic quality of the road. The facilities authorized herein shall be administered as a part of the Reserve, subject to such special regulations as the Secretary may deem necessary to carry out the purposes of this section.

RIGHTS OF OWNERS OF IMPROVED PROPERTY

SEC. 5. (a)(1) Any owner of improved property on the date of its acquisition by the Secretary under this Act may, as a condition of such acquisition, retain for himself and his heirs and assigns a right of use and occupancy of the improved property for noncommercial residential purposes for a definite term of not more than twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the death of his spouse, whichever is later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated to the United States, the Secretary shall pay to the owner the fair market value of the property on the date of acquisition minus the fair market value on that date of the right retained by the owner. A right retained pursuant to this section shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purpose of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him an amount equal to the fair market value of that portion of the right which remains unexpired.

(2) The term "improved property", as used in subsection (a), means a detached, noncommercial residential dwelling, the construction of which was begun before June 1, 1972, together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretay shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

(3) Whenever an owner of property elects to retain a right of use and occupancy as provided for in the Act, such owner shall be deemed to have waived any benefits or rights accruing under sections 203, 204, 205, and 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), and for the purposes of those sections such owner shall not be considered a displaced person as defined in section 101(6) of that Act.

COURT REVIEW

(b)(1) Any owner, his heirs, or assigns, of any right granted under section 5(a) adversely affected by a determination of the Secretary under section 5(a) may obtain review of such determination in the District Court of the Eastern District of Texas, or in the United States district court for the district in which he resides, by filing in such court within 90 days following the receipt of the notification of termination a written petition praying that the determination be set aside. If the determination by the Secretary is not in accordance with this Act or if he has acted upon factual determinations which are not supported by substantial evidence, the court shall set aside the determination.

(2) The commencement of proceedings under this subsection shall operate as a stay of the determination of the Secretary. Upon a showing that irreparable harm may be done to the Reserve pending the final judicial determination, the court having jurisdiction of the principal case shall have jurisdiction to grant such injunctive relief as may be appropriate.

REPORT UNDER WILDERNESS ACT

SEC. 6. Within three years from the date of enactment of this Act, the Secretary shall review the area within the boundaries of the Reserve and shall report to the President in accordance with subsections 3(c) and 3(d) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132 (c) and (d)) his recommendation as to the suitability or non-suitability of any area within the Reserve for preservation as a wilderness, and any designation of any such area as a wilderness shall be accomplished in accordance with said subsections of the Wilderness Act.

ADMINISTRATION UNDER ACT OF 1916

SEC. 7. The Secretary shall administer the Reserve in accordance with the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1, 2–4).

AUTHORIZATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

PROGRESS REPORT ON THE F–111: "THE PLANE THAT COULDN'T FLY"

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, last year when the Defense budget was being considered on the House floor there was considerable discussion about the action of our Armed Services Committee in adding funds for the procurement of 12 additional F–111's, primarily to keep alive the production line for an aircraft which is the only new, fully operational military aircraft this country has developed in some years.

At that time our beloved colleague, the gentleman from Iowa (Mr. GROSS), engaged in a sardonic colloquy with members of the committee over the wisdom of including funds to continue the production line for an airplane that had, over its lifetime, been plagued with so much political controversy as well as a number of operational difficulties. In the dramatic way which he always uses and which is of course as familiar to all of us, the gentleman from Iowa referred to the F–111 as "the plane that couldn't fly."

Of course the answer is that the F–111 not only can fly and does fly but has been flying with increasing impressiveness in recent months. The problems which the F–111 encountered as "the plane that couldn't fly" were dramatized in the media far beyond those which afflict any newly developed aircraft, simply because of the political controversy that had swirled for such a long time around the head of the old TFX, and the efforts of former Defense Secretary McNamara to develop this interservice airplane in spite of the opposition of so many members of the uniformed services.

These problems may have seemed to suggest to some that the F–111 really had some difficulty getting off the ground; but the truth is that it has been operational for some time and has won the respect and affection of almost every pilot who ever had the opportunity to fly it, including, incidentally, the distinguished retired Air Force Reserve major general in the other body, the Senator from Arizona, Mr. GOLDWATER.

The acid test of the ability of the F–111 came last fall during the December bombing operations over North Vietnam that today are generally recognized as having brought about the peace settlement which now is in the process of being carried out. The record of the F–111 in Vietnam was little short of phenomenal, with only 6 aircraft lost during the entire 1972 deployment, and only 2 aircraft lost during the heavy and intensive December bombing, compared to 16 B–52's lost during that same period. In fact, because of the poor weather over North Vietnam in December the F–111 was the only plane that was able to fly in over Hanoi at low altitude and in the day time regardless of the weather. And once the threat of SAM's to the B–52's was recognized the F–111's were sent in for SAM suppression and the results as far as further B–52 losses were concerned were again phenomenal.

Mr. Speaker, of course the F–111 can fly, and the record in Vietnam demonstrates that it is a very significant addition to our military arsenal. What is particularly disturbing to me, however, is that having developed such a remarkable plane, admittedly at a considerable cost, and admittedly after having overcome a number of significant difficulties, we should now be seriously planning to stop building it. Stop building a plane that far exceeds in capability anything we now have in our inventory? Does it really make sense to spend all of our money on developing new planes, with unproven capabilities likely to involve even more fantastic overruns, and with operational dates still far in the future, when we have the F–111 right at hand, and fully operational?

Mr. Speaker, the F–111 is the first new plane we have developed in almost a generation. It will be a long time before we will have the B–1, the F–15, or the F–14 operating at the level the F–111 now operates at. How foolish to put all of our money into future development alone, and consign the aircraft we have to the ashcan, all because of the controversy that once surrounded it in the past and because some important people in the Air Force think that a plane that you cannot get up and walk around in is really no plane at all. These are the big bomber boys, the 1973 counterparts of the battleship admirals of the 1940's.

Mr. Speaker, I hope this House won't be so shortsighted this year as to allow this remarkable new technological development to be thrown away in preference to retreading our old B–52's over once more and sinking additional billions into the B–1 of a very indefinite future.

The account of the remarkable performance of the F–111 in Southeast Asia was published in the Armed Forces Journal for March of this year. Under leave to extend my remarks I insert it in the Record with the hope that, contrary to its introductory headline, the F–111 will not go "unfunded in fiscal year 1974":

F–111's Prove Worth in Southeast Asia

"Whispering Death" is the latest nickname given to the F–111, the controversial TFX once so bereft of friends that it used to be called "Little Orphan Annie." The "Whispering Death" nickname came from the North Vietnamese to identify the plane they couldn't see coming during last fall's Linebacker II bombing operations over North Vietnam.

For the third year in a row, no F–111s are funded in the President's FY 74 budget just presented to Congress. None were included in the FY 72 or FY 73 budgets, but Congress directed that 12 aircraft be funded each year to keep the F–111 line open at the huge USAF Plant 4 facility run by General Dynamics at Fort Worth, Texas. Congress last year also included $30 million for longlead components "for a possible buy" of F–111s in FY 74, in response to an August request by former Secretary of Defense Melvin R. Laird. These funds were to have been obligated in January or February, but apparently have been impounded by DoD and USAF.

Under present contracts, the F–111 production line will close in December of 1974, when the 550th aircraft will be delivered. These include 23 test planes, 2 Navy, 24 for Australia now being modified for final delivery this spring, 76 for SAC, and 425 for Tactical Air Command and U.S. Air Force in Europe. All of the planes except 40 for TAC and USAFE had been built as of 1 January.

Original F–111 programming called for 14 TAC and seven SAC wings, but this was later cut to six, then four TAC wings and two SAC wings. However, USAF will still be shy of the full four wing TAC F–111 force if production stops with the FY 73 12-aircraft buy.

Normal USAF planning factors call for a buy of 70–75% more aircraft than are authorized for squadron U.E.'s ("unit equipment" or operational aircraft). For the F–15, for instance, about 510 aircraft will be bought to support 288 U.S. planes. The 222 non-U.E. planes are for combat crew readiness training, attrition replacement, and maintenance float. For the F–4E, 737 planes are being bought to support 432 aircraft at squadron level, while 377 A–7s were funded to support 216 U.E. aircraft. Compared with these non-U.E. buys of 77%, 71%, and 75%, respectively. TAC's F–111 force of 288 aircraft has an allowance of only about 43%, with only 425 aircraft being bought in all.

Only FY 74 F–111 funding is for research and development of EF–111A electronic warfare support system. This is not a new aircraft, but a podded jammer configuration which General Dynamics has been working on at Fort Worth largely with company funds.

Without follow-on buy, normal attrition would cause TAC F–111 force to drop to only three effective wings in 1979, two in 1981, and one in 1982. Aircraft, for which there is no follow-on would probably phase out in 1983.

Failure to flesh out TAC's four F–111 wings by keeping production alive in FY 74 is all the more ironic given the aircraft's unheralded but impressive record in Southeast Asia. Late last September, USAF deployed two squadrons (48 aircraft) from 474th Tactical Fighter Wing at Nellis AFB, Nev., to Thailand to replace three squadrons comprising 72 F–4s. Within 33 hours after the 474th left Nellis, F–111s were in combat 55 miles northwest of Hanoi, flying alone at low altitude in the monsoon season.

The 474th, commanded by Colonel William R. Nelson, flew its aircraft around the clock using two crews per plane. Notwithstanding doubling up of crews to generate two missions per aircraft each day, F–111s operated with 400 *fewer* people than the squadrons they replaced. These savings resulted because F–111s operated without "Iron Hand" electronic countermeasure escort aircraft, without C–121s to vector them, and without the 13 KC–135 refueling tankers needed to support earlier F–4 strikes. By one comparison, flight of four F–111s delivered bomb loads over North Vietnam equivalent to 20 F–4s at savings in annual operating cost of more than $24.3 million, even excluding cost of tanker support.

On 8 November, F–111s flew 20 strikes over North Vietnam in weather so bad that no other aircraft were able to operate. By the time Vietnamese peace accords were signed in Paris, F–111s had flown over 3,000 combat missions. Aircraft now are expected to remain in SEA (and may end up earning another nickname, "The Peacekeeper").

USAF silence on F–111's track-record in combat may be broken in near future. At AFJ press time, DoD had tentatively approved plans for 474th wing commander Dick Nelson to return to the United States and brief Pentagon press corps at DoD's "11 o'clock follies." Nelson recently was nominated for promotion to brigadier general (February AFJ).

AFJ flew with Nelson's wing at Nellis last April (See "I Like My Job: An F–111 Crew Shows Why," May AFJ) and noted:

"Had the aircraft . . . been in Southeast Asia when North Vietnam poured through the DMZ on 31 March, Defense Secretary Melvin R. Laird might not have spent such long weekend hours in the National Military Command Center sweating out the biggest Vietnam crisis since Tet, 1968.

"In the first three days of the North Vietnamese offensive, bad weather limited tactical air strike sorties to an average of only 23 a day near the DMZ, one-seventh the number of strikes flown daily as weather cleared on 3, 4, and 5 April and one twenty-third the daily attack sorties being flown in all of South Vietnam as this issue went to press. From 31 March through 2 April, the only 'all-weather' system that could put the heat on North Vietnam troops heading for Hue, Dong Ha, and Quang Tri Province were a few Navy A–6s.

"The airplane American taxpayers have spent a fortune building for just such all-weather and night interdiction work—the F–111—wasn't there.

"The plane turns out to be a fortune well spent, even in the view of one of its bitterest, most outspoken critics. Put the F–111 where the heat is and the odds of blunting another North Vietnamese invasion or avoiding another July 1950 Korean War near-disaster are bound to change in our favor. Put another way: if your son got tagged with flying a strike near Hanoi, you'd want him to make it in the plane Tactical Air Command let AFJ fly three weeks ago. . . .

"Talking with the TAC pilots and crews who fly and maintain the controversial TFX does a lot to soften the impact of years-long criticism of the plane's cost overruns, schedule slippages, and early, well publicized performance problems. *Flying* with them, you end up damned glad that the Air Force and General Dynamics stuck by their guns and brought the F–111 into being. Doing so was no small miracle."

The F–111's record in Southeast Asia should not have been a surprise to the North Vietnamese. An earlier F–111 article (July 1971) by then Pentagon editor George Weiss provided ample warning of "Whispering Death": it was entitled "Turkey or Tiger? The F–111: The Swing-Wing May Surprise You Yet." Apparently no one in Hanoi subscribes to AFJ.

GENERAL LEAVE

Mr. DAVIS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the special order given today by the gentleman from New York (Mr. Rosenthal) and I make the same request in behalf of the gentleman from South Dakota (Mr. Denholm).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Ketchum (at the request of Mr. Gerald R. Ford), for Thursday, March 22, on account of official business.

Mr. Cotter (at the request of Mr. McFall) for today, on account of attendance at funeral services for the late U.S. Senator Benton.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Conlan) and to revise and extend their remarks and include extraneous matter:)

Mr. Treen, for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 10 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Biester, for 5 minutes, today.

(The following Members (at the request of Mr. Jones of Oklahoma) and to revise and extend their remarks and include extraneous matter:)

Mr. O'Neill, for 5 minutes, today.

Mr. Biaggi, for 10 minutes, today.

Mr. Rosenthal, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Helstoski, for 5 minutes, today.

Mr. McFall, for 5 minutes, today.

Mr. Lehman, for 5 minutes, today.

Mr. Burke of Massachusetts, for 15 minutes, today.

Mr. Murphy of New York, for 5 minutes, today.

Mr. Davis of South Carolina, for 30 minutes, today.

Ms. Abzug, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Roush in two instances.

Mr. Boland.

Mr. Saylor, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $2,040.

(The following Members (at the request of Mr. CONLAN) and to include extraneous matter:)

Mr. ANDERSON of Illinois in two instances.

Mr. FORSYTHE.

Mr. ESCH.

Mr. STEIGER of Wisconsin.

Mr. DERWINSKI.

Mr. CARTER in three instances.

Mr. DU PONT.

Mr. WYMAN in two instances.

Mr. ASHBROOK in three instances.

Mr. MARTIN of Nebraska.

Mr. ZWACH.

Mr. BROOMFIELD in five instances.

Mr. KEATING.

Mr. BEARD.

Mr. ABDNOR.

Mr. HUNT.

Mr. MARTIN of North Carolina.

(The following Members (at the request of Mr. KEATING), and to include extraneous matter:)

Mr. MCKINNEY.

Mr. BELL in two instances.

Mr. GOLDWATER.

Mr. KEATING in three instances.

Mr. CLANCY.

Mr. SHRIVER in two instances.

Mr. DELLENBACK.

(The following Members (at the request of Mr. JONES of Oklahoma) and to include extraneous matter:)

Mr. STARK in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. CULVER in six instances.

Mr. O'NEILL.

Mr. STOKES.

Mr. HANNA in five instances.

Mr. BOLAND.

Mr. PEPPER.

Mr. REID in three instances.

Mr. ZABLOCKI in three instances.

Mr. RONCALIO of Wyoming in two instances.

Mr. ROSTENKOWSKI in two instances.

(The following Members (at the request of Mr. DAVIS of South Carolina), and to include extraneous matter:)

Mr. WOLFF in four instances.

Mr. KARTH in two instances.

Mr. DANIELSON.

Mr. JONES of Tennessee in six instances.

Mr. BENNETT in two instances.

Mr. WON PAT.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 398. An act to extend and amend the Economic Stabilization Act of 1970; to the Committee on Banking and Currency.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on March 20, 1973, present to the President, for his approval, a bill of the House of the following title:

H.R. 4278. An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

ADJOURNMENT

Mr. DAVIS of South Carolina. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 58 minutes p.m.), the House adjourned until tomorrow, Thursday, March 22, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

620. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting a report of the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement, for the first two quarters of fiscal year 1973, pursuant to section 720 of Public Law 92-570; to the Committee on Appropriations.

621. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 5064 of title 10, United States Code, to remove the requirement that the Director and Assistant Director of Budget and Reports be officers in the line of the Navy; to the Committee on Armed Services.

622. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period March 15 to June 15, 1973, pursuant to section 506 of Public Law 92-156; to the Committee on Armed Services.

623. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for the period July to December, 1972, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

624. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend title V of the Housing Act of 1949 to expressly authorize the collection of taxes and insurance from rural housing borrowers, to authorize fees and charges to be available for administrative expenses, and for other purposes; to the Committee on Banking and Currency.

625. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes; to the Commitee on Government Operations.

626. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide for the creation of the Indian Trust Counsel Authority, and for other purposes; to the Committee on Interior and Insular Affairs.

627. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide for financing the economic development of Indians and Indian organizations, and for other purposes; to the Committee on Interior and Insular Affairs.

628. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

629. A letter from the Acting Secretary of the Interior, transmitting a draft proposed legislation to provide for the assumption of the control and operation by Indian tribes and communities of certain programs and services provided for them by the Federal Government, and for other purposes; to the Committee on Interior and Insular Affairs.

630. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend certain laws relating to Indians; to the Committee on Interior and Insular Affairs.

631. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed grant to Desert Research Institute, Boulder City, Nev., for a research project entitled "Mineral Recovery from Geothermal Brines," pursuant to subsections (a) and (d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

632. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 273, *The Creek Nation, Plaintiff*, v. *The United States of America, Defendant*, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

633. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to consolidate and extend the authorizations for appropriations for assistance to medical libraries, to repeal provisions for assistance for construction of facilities and for grants for training in medical library sciences, and for other purposes; to the Committee on Interstate and Foreign Commerce.

634. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund, and for other purposes; to the Committee on the Judiciary.

635. A letter from the Attorney General, transmitting a draft of proposed legislation to establish rational criteria for the mandatory imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

636. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to retain coverage under the laws providing employee benefits, such as compensation for injury, retirement, life insurance, and health benefits, for employees of the Government of the United States who transfer to Indian tribal organizations to perform services in connection with governmental or other activities which are or have been performed by Government employees in or for Indian communities, and for other purposes; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DULSKI: Committee on Post Office and Civil Service. H.R. 3180. A bill to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes; with amendment (Rept. No. 93-88). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 5293. A bill authorizing continuing appropriations for the Peace Corps; with amendment (Rept. 93-89). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois (for himself and Mr. MADIGAN):

H.R. 5908. A bill to preserve the free flow of news to the public through the news media; to the Committee on the Judiciary.

By Mr. BAKER (for himself, Mr. BURGENER, Mr. COLLINS, Mr. DAVIS of Georgia, Mr. DERWINSKI, Mr. DOWNING, and Mr. SCHUSTER):

H.R. 5909. A bill to amend the Federal Aviation Act of 1958 in order to provide criminal penalties for kidnaping by seizing an aircraft and to provide for an air transportation security force; to the Committee on Interstate and Foreign Commerce.

By Mr. McFALL:

H.R. 5910. A bill to amend the Economic Stabilization Act of 1970 to establish a temporary Price-Wage Board, to provide temporary guidelines for the creation of price and pay rate stabilization standards, and for other purposes; to the Committee on Banking and Currency.

By Mr. BARRETT:

H.R. 5911. A bill to amend the Immigration and Nationality Act to make additional immigrants visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. BEARD:

H.R. 5912. A bill to amend title 18 of the United States Code to increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 5913. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to reservists serving in an inactive status before August 16, 1945, and for other purposes; to the Committee on Armed Services.

By Mr. BIAGGI:

H.R. 5914. A bill to amend the Elementary and Secondary Education Act of 1965 to provide a program of grants to States for the development of child abuse and neglect prevention programs in the areas of treatment, training, case reporting, public education, and information gathering and referral; to the Committee on Education and Labor.

By Mr. BINGHAM (for himself and Ms. HOLTZMAN):

H.R. 5915. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance or benefits under the veterans' pension and compensation programs and certain other Federal and federally assisted programs) will not have the amount of such aid, assistance, or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. BREAUX:

H.R. 5916. A bill to provide price support for milk at not less than 85 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. BROOMFIELD:

H.R. 5917. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 5918. A bill to improve and implement procedures for fiscal controls in the U.S. Government, and for other purposes; to the Committee on Rules.

By Mr. BROWN of Michigan:

H.R. 5919. A bill to amend the Urban Mass Transportation Act of 1964; to the Committee on Banking and Currency.

H.R. 5920. A bill to amend title 38 of the United States Code in order to establish a national cemetery system within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BROYHILL of North Carolina:

H.R. 5921. A bill to provide for the comprehensive development of correctional manpower training and employment, and for other purposes; to the Committee on Education and Labor.

H.R. 5922. A bill to amend title 38 of the United States Code increasing income limitations relating to payment of disability and death pension, and dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mr. BROYHILL of North Carolina (for himself, Mr. ROONEY of Pennsylvania, Mr. GILMAN, and Mr. MARAZITI):

H.R. 5923. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Massachusetts:

H.R. 5924. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. CASEY of Texas (for himself, Mr. BLATNIK, Mr. CONLAN, Mr. DRINAN, Mr. FOUNTAIN, Mr. MAYNE, and Mr. WALSH):

H.R. 5925. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself, Mr. SIKES, and Mr. ROGERS):

H.R. 5926. A bill to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes; to the Committee on Banking and Currency.

By Mr. DON H. CLAUSEN:

H.R. 5927. A bill to establish improved nationwide standards of mail service, require annual authorization of public service appropriations to the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COHEN (for himself, Mr. SMITH of New York, Mr. SANDMAN, Mr. RAILSBACK, and Mr. COUGHLIN):

H.R. 5928. A bill to provide a privilege for newsmen against the compelled disclosure of certain information and sources of information; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 5929. A bill to authorize a program of research and development of alternative propulsion systems for automotive vehicles in commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. CRONIN:

H.R. 5930. A bill to amend the Controlled Substances Act to require life imprisonment for certain persons convicted of illegally dealing in dangerous narcotic drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H.R. 5931. A bill to increase and extend the authorization for appropriations for the Council on Environmental Quality, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 5932. A bill to authorize further appropriations for the Office of Environmental Quality, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DORN (for himself and Mr. HAMMERSCHMIDT) (by request):

H.R. 5933. A bill to amend title 38, United States Code, to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 5934. A bill to amend chapter 39 of title 38, United States Code, to provide the same eligibility criteria for automobiles and adaptive equipment for Vietnam era veterans as are applicable to veterans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

H.R. 5935. A bill to amend title 38 of the United States Code in order to authorize an agreement with the Republic of the Philippines providing for hospital care and medical services to be furnished Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5936. A bill to amend title 38 of the United States Code to require that certain veterans receiving hospital care from the Veterans' administration for nonservice-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts with respect to such care; to prohibit the future exclusion of such coverage from insurance policies or contracts; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5937. A bill to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to enter into agreements with hospitals, medical schools, or medical installations for the central administration of a program of training for interns or residents; to the Committee on Veterans' Affairs.

By Mr. DULSKI:

H.R. 5938. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

H.R. 5939. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax to a taxpayer who pays the tuition and certain related items of a student at an institution of higher education, where the taxpayer and the student agree to repay the credit (with interest) to the Untied States after the education is completed; to the Committee on Ways and Means.

By Mr. DU PONT:

H.R. 5940. A bill to promote public health and welfare by expanding and improving the family planning services and population sciences research activities of the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ECKHARDT (for himself, Ms. JORDAN, Mr. FISHER, Mr. MILFORD, Mr. WRIGHT, and Mr. COLLINS):

H.R. 5941. A bill to authorize establishment of the Big Thicket National Biological Reserve in the State of Texas and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EILBERG:

H.R. 5942. A bill to amend the Communications Act of 1934 to provide that renewal licenses for the operation of a broadcasting station may be issued for a term of 5 years and to establish certain standards for the consideration of applications for renewal of broadcasting licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H.R. 5943. A bill to amend the law authorizing the President to extend certain privileges to representatives of member states on the Council of the Organization of American States; to the Committee on Foreign Affairs.

By Mr. FINDLEY:

H.R. 5944. A bill to promote the foreign policy and trade interests of the United States by providing authority to negotiate commercial agreements with countries having nonmarket economies and for other purposes; to the Committee on Ways and Means.

By Mr. GERALD R. FORD:

H.R. 5945. A bill to amend title IV of the Social Security Act to allow a State in its discretion to such extent as it deems appropriate, to use the dual signature method of making payments of aid to families with dependent children under its approved State plan; to the Committee on Ways and Means.

By Mr. FREY (for himself, Mr. Arends, Mr. Gerald R. Ford, Mr. Hastings, Mr. Horton, Mr. Keating, Mr. Kyros, Mr. Rhodes, and Mr. Bob Wilson):

H.R. 5946. A bill to assure the imposition of appropriate penalties for persons convicted of offenses involving heroin or morphine, to provide emergency procedures to govern the pretrial and posttrial release of persons charged with offenses involving heroin or morphine, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 5947. A bill to extend through fiscal year 1974 the expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5948. A bill to amend the Public Health Service Act to establish a national program of health research fellowships and traineeships to assure the continued excellence of biomedical research in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA (for himself and Mr. Chappell):

H.R. 5949. A bill to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations; to the Committee on Banking and Currency.

By Mr. GAYDOS:

H.R. 5950. A bill to provide for the development of a uniform system of quality grades for consumer food products; to the Committee on Agriculture.

H.R. 5951. A bill to amend the Economic Stabilization Act of 1970, to stabilize the retail prices of meat for a period of 45 days at the November 1972 retail levels, and to require the President to submit to the Congress a plan for insuring an adequate meat supply for U.S. consumers, reasonable meat prices, and a fair return on invested capital to farmers, food processors, and food retailers; to the Committee on Banking and Currency.

H.R. 5952. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of Government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; to the Committee on Government Operations.

H.R. 5953. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on all foods to disclose each of their ingredients; to the Committee on Interstate and Foreign Commerce.

H.R. 5954. A bill to require that certain processed or packaged consumer products be labeled with certain information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5955. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of unit retail prices of packaged consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5956. A bill to amend the Fair Packaging and Labeling Act to require certain labeling to assist the consumer in purchases of packaged perishable or semiperishable foods; to the Committee on Interstate and Foreign Commerce.

H.R. 5957. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

H.R. 5958. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5959. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on certain package goods to contain the name and place of business of the manufacturer, packer, and distributor; to the Committee on Interstate and Foreign Commerce.

By Mr. GINN:

H.R. 5960. A bill providing for a feasibility study of certain highways for the purpose of including such highways in the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. GONZALEZ:

H.R. 5961. A bill to provide for uniform and full disclosure of information with respect to the computation and payment of interest on certain savings deposits; to the Committee on Banking and Currency.

By Mr. GUDE (for himself and Mr. Stark):

H.R. 5962. A bill to amend the Economic Stabilization Act of 1970, to direct the President to establish a Rent Control Board which through the establishment of a cost justification formula, will control the level of rent with respect to residential real property, and for other purposes; to the Committee on Banking and Currency.

By Mr. GUDE (for himself and Mr. Mollohan):

H.R. 5963. A bill to authorize voluntary withholding of Maryland, Virginia, and District income taxes in the case of certain legislative officers and employees; to the Committee on Ways and Means.

By Mr. HAMILTON (for himself, Mr. Bevill, Mr. Casey of Texas, Mr. Clark, Mr. Coughlin, Mr. Davis of Georgia, Mr. Dent, Mr. Dingell, Mr. Eshleman, Mr. Fish, Mr. Goodling, Mr. Johnson of Pennsylvania, Mr. Myers, Mr. Rarick, Mr. Snyder, Mr. Thomson of Wisconsin, and Mr. Zion):

H.R. 5964. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H.R. 5965. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to permit Federal sharing of the cost of unemployment benefits which extend for 52 weeks; to the Committee on Ways and Means.

H.R. 5966. A bill to improve the extended unemployment compensation program; to the Committee on Ways and Means.

By Mr. KEATING (for himself, Mr. Landgrebe, Mr. Bafalis, Mr. Rangel, and Mrs. Burke of California):

H.R. 5967. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH:

H.R. 5968. A bill to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand; to the Committee on Banking and Currency.

By Mr. LANDGREBE:

H.R. 5969. A bill to terminate the authorization of the Lafayette Dam and Reservoir, Wabash River, Ind.; to the Committee on Public Works.

By Mr. LUJAN:

H.R. 5970. A bill to amend the act entitled "An Act granting land to the city of Albuquerque for public purposes", approved June 9, 1906; to the Committee on Interior and Insular Affairs.

By Mr. MARAZITI:

H.R. 5971. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 5972. A bill to amend the social security law to provide medicare benefits for those persons who require permanent or long term hyperalimentation treatment or intestinal transplants; to the Committee on Ways and Means.

By Mr. McCLORY (for himself, Mr. Don H. Clausen, Mr. Roy, and Mr. Frelinghuysen):

H.R. 5973. A bill to establish a program for the United States to convert to the metric system; to the Committee on Science and Astronautics.

By Mr. MURPHY of New York:

H.R. 5974. A bill to prescribe procedures so as to make administration of the National Environmental Policy Act of 1969 more effective; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. Forsythe, Mr. Ashley, Mr. Grover, Mr. Breaux, Mr. Leggett, Mr. Metcalfe, Mr. Studds, Mr. Dingell, Mr. Treen, Mr. Sarbanes, Mr. Mailliard, Mr. Ruppe, Mr. Snyder, Mr. Steele, and Mr. Young of South Carolina):

H.R. 5975. A bill to implement the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, 1969; to the Committee on Merchant Marine and Fisheries.

By Mr. NIX:

H.R. 5976. A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy; to the Committee on the Judiciary.

H.R. 5977. A bill to amend the National Science Foundation Act of 1950 in order to establish a framework of national science policy and to focus the Nation's scientific talent and resources on its priority problems, and for other purposes; to the Committee on Science and Astronautics.

By Mr. O'HARA (for himself, Mr. Dellenback, Mr. Badillo, Mr. Bingham, Mr. Buchanan, Mr. Burton, Mr. de Lugo, Mr. Dent, Mr. Fisher, Mr. William D. Ford, Mr. Forsythe, Mr. Fraser, Mr. Giaimo, Mr. Hansen of Idaho, Mr. Hawkins, Mr. Hechler of West Virginia, and Mr. Horton):

H.R. 5978. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA (for himself, Mr. Dellenback, Mr. Mathias of California, Mr. Michel, Mr. Moakley, Mr. Moss, Mr. Nedzi, Mr. Pepper, Mr. Podell, Mr. Rees, Mr. Tiernan, Mr. Vander Jagt, Mr. Ware, and Mr. Won Pat):

H.R. 5979. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. PEPPER (for himself and Mr. Moakley):

H.R. 5980. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of compensation paid to law enforcement officers shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. QUILLEN (for himself, Mr. Arends, Mr. Baker, Mr. Wampler, Mr. Sikes, Mr. Mayne, Mr. Jones of North Carolina, Mr. Derwinski, Mr. Dulski, Mr. Moakley, Mr. Won Pat, Mr. Bennett, Mr. Rhodes, Mr. Camp, Mr. Huber, Mr. Findley, Mr. Wright, Mr. Hutchinson, Mr. Yatron, Mr. Andrews of North Dakota, Mr. Hansen of Idaho, Mr. Frey, Mr. Charles H. Wilson of California, Mr. Michel, and Mr. Helstoski):

H.R. 5981. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

By Mr. QUILLEN (for himself, Mr. Davis of South Carolina, Mr. Del Clawson, Mr. Mollohan, Mr. Fisher, Mr. Kemp, Mr. Stephens, Mr. Thone, Mr. Burke of Massachusetts, Mr. Ketchum, and Mr. Bafalis):

H.R. 5982. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

By Mr. REID (for himself and Mr. Moss):

H.R. 5983. A bill to amend the Freedom of Information Act to require the disclosure of information, upon request, to Congress by the executive branch; to the Committee on Government Operations.

By Mr. ROBERTS:

H.R. 5984. A bill to authorize the coinage of 50-cent pieces to commemorate the life of Hon. Sam Rayburn and to assist in the support of the Sam Rayburn Library; to the Committee on Banking and Currency.

By Mr. ROE:

H.R. 5985. A bill to amend the Federal Food, Drug, and Cosmetic Act to regulate the advertising and distribution of organically grown and processed foods; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO of Wyoming (for himself, Ms. Abzug, Mr. Bingham, Mr. Brown of California, Mr. Conable, Mr. Harrington, Mr. Reuss, Mr. Rhodes, Mr. Roe, Mr. Vigorito, and Mr. Won Pat):

H.R. 5986. A bill to amend the Fish and Wildlife Act of 1956, to protect game and wildlife resources by prohibiting the use of lead shot for hunting in marshes and other aquatic areas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROUSH (for himself, Mr. Brown of California, Mr. Cleveland, Mr. Danielson, Mr. Davis of Georgia, Mr. Dent, Mr. Esch, Mr. William D. Ford, Mr. Hamilton, Mr. Hinshaw, Mr. Lehman, Mr. McCormack, Mr. Mosher, Mr. Moss, Mr. Pepper, Mr. Price of Illinois, Mr. Roncallo of New York, Mr. Roe, Mr. Symington, Mr. Tiernan, Mr. Vanik, and Mr. Won Pat):

H.R. 5987. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications facilities to make the national emergency telephone number 911 available throughout the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. SAYLOR (for himself and Mr. Dent):

H.R. 5988. A bill to provide for the regulation of surface mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage State regulation of surface mining, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHNEEBELI (for himself, Mr. Ullman, Mr. Burke of Massachusetts, Mrs. Griffiths, Mr. Chamberlain, Mr. Rostenkowski, Mr. Landrum, Mr. Vanik, Mr. Clancy, Mr. Fulton, Mr. Burleson of Texas, Mr. Archer, Mr. Corman, Mr. Pettis, Mr. Green of Pennsylvania, Mr. Carey of New York, Mr. Conable, Mr. Waggonner, Mr. Broyhill of Virginia, Mr. Brotzman, Mr. Karth, and Mr. Duncan):

H.R. 5989. A bill to clarify the exempt status of joint activities of educational organizations under the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. SIKES (for himself, Mr. Cochran, Mr. Kyros, Mr. Hammerschmidt, Mr. Mann, Mr. Brinkley, and Mr. Ginn):

H.R. 5990. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resources protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. SIKES (for himself, Mr. Ullman, Mr. Saylor, Mr. Schneebeli, Mr. Fisher, Mr. Nichols, Mr. Alexander, Mr. Zion, Mr. Harsha, Mr. Leggett, Mr. Melcher, Mr. Bevill, Mr. Frenzel, Mr. Montgomery, Mr. Steiger of Arizona, Mr. Robinson of Virginia, Mr. Denholm, Mr. Goodling, Mr. Mollohan, Mr. Andrews of North Dakota, Mr. Pettis, Mr. Burleson of Texas, Mr. Haley, Mr. King, and Mr. Mayne):

H.R. 5991. A bill to amend section 4182 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. SIKES (for himself, Mr. Ullman, Mr. Saylor, Mr. Schneebeli, Mr. Myers, Mr. Eshleman, Mr. Hutchinson, Mr. Mathis of Georgia, Mr. Rarick, Mr. Quie, Mr. Charles H. Wilson of California, Mr. Broomfield, Mr. Mallary, Mr. Fish, Mr. Foley, Mr. Brotzman, Mr. Cleveland, Mr. Burlison of Missouri, Mr. Blackburn, Mr. Hansen of Idaho, Mr. Bowen, Mr. Dickinson, Mr. Runnels, Mr. Davis of South Carolina, and Mr. Dingell):

H.R. 5992. A bill to amend section 4182 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. SIKES (for himself, Mr. Ullman, Mr. Saylor, Mr. Schneebeli, Mr. McCloskey, Mr. Mathias of California, Mr. Rhodes, Mr. Archer, Mr. Kemp, Mr. Waggonner, Mr. O'Hara, Mr. Walsh, Mr. Lujan, Mr. Moss, Mr. Ketchum, Mr. Wampler, Mr. Scherle, Mr. Camp, Mr. Wylie, Mr. McCormack, Mr. McEwen, Mr. Dennis, Mr. Miller, Mr. Flowers, and Mr. Mizell):

H.R. 5993. A bill to amend section 4182 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. SIKES (for himself, Mr. Ullman, Mr. Saylor, Mr. Schneebeli, Mr. Davis of Georgia, Mr. Snyder, Mr. Rousselot, Mr. Symms, Mr. Roy, Mr. Fountain, and Mr. Owens):

H.R. 5994. A bill to amend section 4182 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 5995. A bill to assist institutions in educating Vietnam era veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. STEIGER of Wisconsin:

H.R. 5996. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committee on Education and Labor.

By Mr. STUBBLEFIELD:

H.R. 5997. A bill to amend the Federal Meat Inspection Act, as amended, by exempting salt-cured smoked meat; to the Committee on Agriculture.

By Mr. TEAGUE of Texas:

H.R. 5998. A bill to amend section 3101 of title 38, United States Code, to provide that proceeds of any policy of U.S. Government life insurance, national service life insurance, or servicemen's group life insurance shall not be included in the computation of the gross value of the insured's estate for Federal estate tax or State inheritance tax purposes; to the Committee on Ways and Means.

By Mr. THONE:

H.R. 5999. A bill to improve and implement procedures for fiscal controls in the U.S. Government, and for other purposes; to the Committee on Rules.

H.R. 6000. A bill to amend the Internal Revenue Code of 1954 to provide for a reduced rate of tax for gasoline which contains grain alcohol and no lead; to the Committee on Ways and Means.

By Mr. UDALL (for himself and Mr. Matsunaga):

H.R. 6001. A bill to amend title 39, United States Code, with respect to the financing of the cost of mailing certain matter free of postage or at reduced rates of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITE:

H.R. 6002. A bill to include certain officers and employees of the Department of Agriculture performing functions under the laws administered by that Department within the provisions of section 1114 of title 18 of the United States Code, relating to homicides of Federal officers in the discharge of their duties; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. Whitehurst, and Mr. Downing):

H.R. 6003. A bill to establish the American Revolution Bicentennial Administration and for other purposes; to the Committee on the Judiciary.

My Mr. WOLFF:

H.R. 6004. A bill to provide payments to States for public elementary and secondary education and to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means

By Mr. ZWACH:

H.R. 6005. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRONIN:

H.J. Res. 448. Joint resolution relating to the war power of Congress; to the Committee on Foreign Affairs.

By Mr. DINGELL (for himself and Mr. Stark):

H.J. Res. 449. Joint resolution to establish the Tule Elk National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. LONG of Maryland:

H.J. Res. 450. Joint resolution authorizing the President to proclaim September 12, 1974, as "Battle of North Point Memorial Day"; to the Committee on the Judiciary.

By Mr. LONG of Maryland (for himself, Mr. Helstoski, and Mr. Henderson):

H.J. Res. 451. Joint resolution prohibiting U.S. rehabilitation and reconstruction aid to the Republic of Vietnam, the Democratic Republic of Vietnam, or any other country in Indochina until certain conditions have been met, and for other purposes; to the Committee on Foreign Affairs.

By Mr. McCLORY:

H.J. Res. 452. Joint resolution to authorize the President to proclaim the last Friday of April as "National Arbor Day"; to the Committee on the Judiciary.

By Mr. MARAZITI:

H.J. Res. 453. Joint resolution to improve mail services in the Post Office Department; to the Committee on Rules.

By Mr. ROBERTS (for himself, Mr. Burleson of Texas, Mr. White, and Mr. Milford):

H.J. Res. 454. Joint resolution proposing an amendment to the Constitution of the United States to prohibit certain congressional appropriations; to the Committee on the Judiciary.

By Mr. FUQUA:

H. Con. Res. 159. Concurrent resolution expressing the sense of the House of Representatives objecting to the eligibility of the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic for membership in the United Nations; to the Committee on Foreign Affairs.

By Mr. GUBSER (for himself, Mr. Edwards of California, Mr. Zion, Mr. Veysey, Mr. Moorhead of California, Mr. Fisher, Mr. Hastings, Mr. Meeds, Mr. Brown of Ohio, Mr. McCormack, Mr. Dulski, Mr. Shriver, Mrs. Green of Oregon, and Mr. Moakley):

H. Con. Res. 160. Concurrent resolution expressing the sense of the Congress that the Federal Government should increase the amount of timber offered for sale for domestic use; to the Committee on Agriculture.

By Mr. GUBSER (for himself, Mr. Fountain, Mr. Hinshaw, Mr. Burgener, Mr. Froehlich, Mr. Steele, Mr. Cleveland, Mr. Ketchum, Mr. Hicks, Mr. Mollohan, Mr. Won Pat, Mr. Leggett, Mr. J. William Stanton, and Mr. Lott):

H. Con. Res. 161. Concurrent resolution expressing the sense of the Congress that the Federal Government should increase the amount of timber offered for sale for domestic use; to the Committee on Agriculture.

By Mr. JONES of Oklahoma:

H. Res. 318. Resolution for the creation of congressional senior citizen internships; to the Committee on House Administration.

By Mr. ROSENTHAL (for himself, Mr. Matsunaga, Ms. Abzug, Mr. Addabbo, Mr. Ashley, Mr. Badillo, Mr. Bergland, Mr. Brasco, Mr. Brown of California, Mrs. Burke of California, Mr. Burton, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Conyers, Mr. Cotter, Mr. Dominick V. Daniels, Mr. Denholm, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. William D. Ford, Mr. Forsythe, Mr. Fulton, and Mrs. Grasso):

H. Res. 319. Resolution creating a select committee to conduct an investigation of matters affecting, influencing, and pertaining to the cost and availability of food to the American consumer; to the Committee on Rules.

By Mr. MATSUNAGA (for himself, Mr. Rosenthal, Mr. Gude, Mrs. Hansen of Washington, Mr. Harrington, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Helstoski, Mrs. Holt, Mr. Howard, Mr. Koch, Mr. Lent, Mr. McCormack, Mr. Mazzoli, Mr. Moakley, Mr. Pike, Mr. Podell, Mr. Rangel, Mr. Reuss, Mr. Roe, Mr. Roncallo of New York, Mr. Rose, Mr. Roybal, Mr. Sarbanes, and Mrs. Schroeder):

H. Res. 320. Resolution creating a select committee to conduct an investigation of matters affecting, influencing, and pertaining to the cost and availability of food to the American consumer; to the Committee on Rules.

By Mr. ROSENTHAL (for himself, Mr. Matsunaga, Mr. Studds, Mr. Van Deerlin, Mr. Wolff, Mr. Won Pat, Mr. Yates, Mr. Yatron, and Mr. Adams):

H. Res. 321. Resolution creating a select committee to conduct an investigation of matters affecting, influencing, and pertaining to the cost and availability of food to the American consumer; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

100. The SPEAKER presented a memorial of the Legislature of the State of Idaho relative to overtime payment for overtime work during harvesting periods; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 6006. A bill for the relief of Miroslawa J. Wierszoch; to the Committee on the Judiciary.

By Mr. YOUNG of Texas:

H.R. 6007. A bill for the relief of Swift-Train Co.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

71. By the SPEAKER: Petition of the Taecho Land Development Association, Kyongnam, Korea, relative to the settlement of a claim by the Taecho Irrigation Association against the United States; to the Committee on Foreign Affairs.

72. Also, petition of Milton Mayer, New York, N.Y., relative to redress of grievances; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

REAP AND FISCAL RESPONSIBILITIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. KEMP. Mr. Speaker, the rural environmental assistance program seems to have survived the administration's valiant struggle to achieve economy in Government. REAP may have survived for another year unless this Congress faces some clear fiscal facts and sustains the expected Presidential veto.

Many of my colleagues seem to be laboring under the misconception that REAP is universally popular. It is incumbent upon each of us in this chamber to weigh seriously the need for subsidies which accrue to the recipients of REAP. Several fundamental questions should be resolved: First, Does REAP still address the problems at which the original legislation was intended? Second, Do the recipients themselves deem the legislation worthy of continuation? Third, Is the legislation fiscally responsible?

In answering these questions, let me recommend for your education some enlightening material. Bill Anderson, writing in the March 8 Chicago Tribune, revealed one of the more flagrant uses of Federal subsidies which are presently available under REAP. As neighbors of nearby Fauquier County, Va., no doubt we are all particularly intrigued by subsidies accruing to "poor" farmers in that "underprivileged" area.

Second, I wish to call to your attention a letter from the New York Farm Bureau, which represents 15,000 farm families in New York State. Lastly, I recommend, for your edification, a letter from a dairy farmer in my district who understands better than some Members of this body what best contributes to the well-being of Americans in the agricultural sector of our economy:

U.S. Bounty Aids 252 "Rich" Farms

(By Bill Anderson)

Warrenton, Va.—This is where people come for the Gold Cup, an annual horse race on a huge estate in Fauquier County, a place near the Appalachian Trial and National Forests set in the rolling hills of the Blue Ridge Mountains.

There are about 600 farms in this large county, and most of them are larger than Chicago's Loop. The air is clean and fresh, and there is nothing here that remotely resembles poverty or the old dust bowl farming portrayed in "The Grapes of Wrath."

Yet, there are 252 farms in Fauquier County that will be greener this spring because the federal government spent $65,000 on them last year in a program that grew out of the plight of farmers during the dust bowl days. The federal dollars were part of a spending program of the Rural Environmental Assistance Program [REAP], currently the object of what amounts to a pilot fight between the executive and the legislative branches of the government.

The father of REAP was born in 1936 as a conservation program funded at $374 million. In the early days, the money went for soil saving projects of small farmers, water development, and tree planting. There are literally thousands of acres of land in the United States that are green today as a result of the program.

By 1944, as times changed, the program became strictly conservation. Spending continued at the rate of about 200 million dollars a year until 1970, when the executive branch began to run into budget problems. On Dec. 22, 1972, the Nixon administration terminated the funding [except for prior commitments] after it dropped to the $140 million level.

In essence, a large number of congressmen said: "You can't do this to us." The Washington Post, a newspaper highly critical of the Nixon administration, has given extensive coverage to the REAP issue. One story was headlined, "As Ye Sow, So Shall Ye REAP."

Since Fauquier County is only an hour and a half by auto from Washington, the Post has considerable influence in the county—as well as among prominent, politically-connected residents who live here. About 50 of the 252 farms receiving money from REAP last year are owned by people who live in Washington.

One of these places is owned by Mrs. Joseph W. Barr, wife of the former secretary of the treasury. Since 1968, Mrs. Barr has received $1,408 from the federal treasury to spend on her estate. The money spent on the 364-acre holding was for fertilizing, applying lime, and planting blue grass.

Mrs. Katharine Graham, publisher of the Post and owner of a 347-acre estate near Rectortown, has also been a federal recipient. Records provided to Jim Coates, a reporter for this column, showed that Mrs. Graham received $976 since 1968, a figure somewhat less than the average payment.

Mrs. Francis Gilbert, executive director of the Agriculture Stabilization and Conservation Service, which administers the program on a local level, said that the money for Mrs. Graham's estate was used for a variety of projects. In 1968, there was a federal allotment of $158 for the Graham estate for vegetation cover on 18 acres. Other money over the years went for thistle spraying and additional ground-covering projects.

"Whether you're rich or poor," Mrs. Gilbert said, "you'll still get rained on—and, no matter how prominent you are, your soil will wash away if there is no grass." The local director said the establishment of permanent vegetative cover was one of the most popular in the county. All together, REAP offers 16 grant categories ranging from animal-waste storage and diversion facilities to strip-cropping—a term used in connection with land contouring to avoid erosion.

Mrs. Gilbert explained, as did officials of REAP, that the programs are traditionally handled at the local levels in order to insure maximum benefits. The federal tax dollars are distributed first to the states and then down to the county levels. At the county level, three farmers are elected by the other farmers of the county to make the final disposition of the money.

The largest amount which was spent on a farm in Fauquier County last year was about $2,500. The average amount here last year was $260, slightly lower than the national average per grant. Next year there will be no money unless Congress is successful in overriding the administration's cutback.

New York Farm Bureau

Dear Mr. Kemp: We appreciate your vote of February 6 in support of Farm Bureau policy and in opposition to H.R. 2107 which would mandate expenditures for the Rural Environmental Assistance Program.

We are certainly not in opposition to extension of the R.E.A.P. program as it applies to cost-sharing expenditures for conservation and environmental improvement practices. A much needed re-appraisal of the program in line with federal spending control, reduction of inflation and avoidance of tax increases would probably result in discard of the practices classed as income producing and which farmers would carry out regardless of the existence of the former R.E.A.P. benefits.

We are aware that you have been lobbied extensively by special interests, other than farmers, to override an expected veto of H.R. 2107 or similar proposal.

Representing 15,000 farm families in New York State, the New York Farm Bureau respectfully requests you maintain your original position and vote so as to sustain the expected veto.

We must control inflation. We must cut government spending across the board—not just agriculture. We are not in favor of new taxes. A sustained veto would be a step in this direction. We believe it would also result in an overdue re-appraisal of the R.E.A.P. program.

Our sincere appreciation for your consideration of our position in this matter.

Yours truly,

Leland Beebe,
Public Affairs Director.

REAP

Dear Mr. Kemp: Regarding H.R. Bill 2107, which has wide ranging implications, but basically requires the Sec. of Ag. to carry out the REAP program as it now stands.

This legislation does not offer constructive review and revision much needed with the present REAP program, if Federal spending is to be kept in check. The future of this nation is in need of a balanced budget for economic stability.

We believe farmers should NOT receive payments annually for merely observing common sense conservation practices and programs which have as a primary objective, increased production.

Rather, we would suggest Federal cost-sharing programs which would contribute to the attainment of pollution prevention, enduring conservation, and environmental enhancement of our country.

Please sustain the President's vote of H.R. Bill 2107.

Sincerely,

Bruce C. Lune,
Dairy Farmer.

CRISIS IN THE LUMBER INDUSTRY

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. McKAY. Mr. Speaker, the price of lumber has soared beyond reason or comprehension this past year. Even though inflation is eating away at the value of the dollar, lumber prices have rapidly outstripped the increases in the cost of living. Last year in Utah, according to a report from one of my constitutents, lumber prices rose by 32 percent.

Rocketing lumber costs can be attributed to many things, none more critical than the tremendous increase in housing construction. In the last 2 years, housing starts have been 50 to 70 percent higher than previous years. The lumber industry, geared to a lower level, simply was unprepared for the surge in wood usage.

Other factors affecting the lumber supply include the export of lumber—3 billion board feet to Japan alone in 1972—a shortage of freight cars to move lumber to the East, and a strike of woodworkers in Canada, the source for roughly 20 percent of lumber used in the United States.

In addition to the current demand for lumber, and the impediments in meeting this demand, the Forest Service must contend with administrative burdens imposed and actual board footage tied up because of injunctions brought by some environmental groups. Because of the injunctions rendered last year, the Forest Service now must file between 1,200 and 1,500 environmental impact statements. This alone has delayed routine timber sales by 6 months. The Forest Service estimates that over 2 billion board feet of lumber are tied up because of legal actions.

Mr. Speaker, in light of these problems, I would have expected the administration to support the Forest Service efforts whenever possible. Instead, the Forest Service has been further burdened in their management efforts by reduced budgets. In the President's budget for 1974, Forest Service funds for roads and trails are less than half of last year's appropriation, and reforestation funds would be cut by $8 million. Operating expenses have also been subjected to budget pressures.

Clearly, if we are to respond to the crisis in the lumber industry, we must give the Forest Service the support it requires, and be realistic about the management of our forests.

REGIONAL MEDICAL PROGRAMS

HON. BILL ALEXANDER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ALEXANDER. Mr. Speaker, twice before I have shared with my colleagues the letters which I have received telling of the successfulness of some of the regional medical programs in Arkansas. Once again I would like to bring an example of the benefits of this program to your attention. With the cooperation and assistance of the University of Arkansas School of Medicine and the Arkansas regional medical program, the Harris Hospital and Clinic in Newport, Ark., has been able to offer substantial medical care to citizens of five counties while limiting the rising cost of hospital expenses to 43 cents per day. I include here a copy of a recent letter I received from the Harris Hospital and Clinic:

Harris Hospital and Clinic,
Newport, Ark., March 15, 1973.

Hon. Bill Alexander,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Alexander: The President's recent cut-back in federal funding for the Regional Medical Program and the effective cut-off of July 1st is of great concern to all of us here at Harris Hospital and Clinic. Although as a proprietary hospital, we have not participated in any federal health programs other than Medicare until recently when the University of Arkansas Medical Center made available to our Medical Staff through the Arkansas Regional Medical Program the Dial Access system and consulting program, which has been of immense value to the Medical Staff in their efforts in Continuing Education.

Through the assistance of the University of Arkansas School of Medicine and the Regional Medical Program, we have been able to supply a much better quality of medical care to the citizens of Newport, Jackson County, and a large portion of Poinsett, Lawrence, Independence, and White Counties. We will continue to participate in Continuing Education programs entirely at our own expense if necessary. However, with today's emphasis upon controling medical care costs, the elimination of the above programs will make it difficult for this institution, and all other health care providers, to continue to control costs. We feel that our efforts in 1972 were successful in this endeavor since the cost per patient day in our hospital increased a mere 43 cents per day over 1971, and we will make every effort to assure that this trend continues.

Since we pay considerable corporate income taxes, we fully agree that some programs are unnecessary and wasteful, but the Arkansas Regional Medical Program is not among those. We urge your support in funding Regional Medical Program projects beyond July 1, 1973. Your help is urgently needed.

Very truly yours,
JOHN C. WRIGHT, M.D.,
Chief of Staff.
M. H. HARRIS, M.D.,
Chief of Surgery.
J. F. JACKSON, M.D.,
Secretary.
G. M. DUDLEY, M.D.,
Chief of Medicine.
L. V. JOHNSTON,
Administrator.

BUDGET SITUATION

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 14, 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Illinois. Mr. Speaker, I wish to join with the great majority of the new Congressmen and Congresswomen elected for the first time to this House of Representatives in emphasizing the danger posed to the United States—from big spending, big taxing, and big inflation. We have a threatened fiscal crisis.

One of the ingredients of this fiscal crisis has been the basic change in the prevailing congressional attitude toward Federal spending. Not so many years ago Congress acted as a restraining force with respect to spending. In the 1950's, a typical Congressman would rather be called almost anything than a big spender. Then the prevailing fiscal wisdom was that the budget of the Federal Government should be handled on the principles that guided a business or a household.

Since the advent of the Great Society there has been a marked change in the attitude of our Congress. Congress has abandoned its restraining role and has engaged in inflationary spending programs by increasing old ones and by inventing new ones. The increased Federal spending then generates additional spending pressures. The flood of benefits and grants and subsidies and guarantees flowing into every congressional district in the United States has enormously swelled the ranks of beneficiaries and has created new pressure groups for additional spending. This broadened area of support and pressure has greatly affected the attitude of the Congress.

Big spending. In 1960, the United States spent approximately $92 billion on a unified budget basis. In 1965, budget spending was $118 billion. In 1970, it was $196 billion. In 1973, through the impounding efforts by the President of the United States spending should be held down to approximately $250 billion. In 1974, the Presidential budget proposes the spending of $268 billion.

Big deficits. In the last 10 years we have financed spending by borrowing in 9 out of 10 years to a total of $130 billion of deficit spending.

Big debt. In 1960, the Federal debt was $290 billion. In 1965 it had climbed to $323 billion. In 1970, it had risen to $382 billion.

In 1973 it was up to $473 billion and it is expected to reach $505 billion in the 1974 fiscal year.

Next, I would like to review big inflation. We have suffered in recent years annual inflationary rates of 6 and 7 percent. We have had to impose wage and price controls on a free economy. We have had to do this to cut inflation down to a rate of approximately 3 percent. With the expanding economy, we may have to reimpose wage and price controls.

During the last 3 years, we have had two devaluations of the U.S. dollar, because of the internationally recognized weakness caused by the inflationary problems of the U.S. dollar.

There have been many proposals for reform of congressional budgeting procedures. Some of the national magazines have written about the subject of congressional reform of budget control procedures. One of the recent articles in a national publication stated that it was the general thinking that nothing will come of the efforts now being made in Congress to get a control on spending. We in the 93d Congress must not let this happen.

It is absolutely imperative that Congress draw a line on spending and reestablish its role as the guardian of the fiscal integrity of the United States.

The Chief Executive has indicated his desire to work in this direction. It is now up to the Members of this Chamber, with the Members of the Senate, to affirm their commitment to the future of this country by setting a ceiling on Federal expenditures and by creating the procedures in this congressional body to appropriately review expenditures and allocate priorities.

AMERICAN TAXPAYERS FOOT BILL FOR DISPLAY OF ART FROM RUSSIA

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RARICK. Mr. Speaker, Mrs. Rarick and I, like the other Members, have received an invitation from the Director of the National Gallery of Art here in Washington to attend "a private preview of the paintings from the U.S.S.R." Since some newsreports have referred to it as the "Russian art" exhibit, I am happy that the invitation properly identified the paintings as being from the U.S.S.R. and not the product of Soviets.

Certainly names like Renoir, Monet, Rousseau, Van Gogh, Cezanne, Picasso, Matisse, Gauguin, Pissarro, Sisley, Braque—are not Russian names and are from countries never occupied by the Bolsheviks. In fact, most of these artists lived and worked at a time preceeding the 1917 Russian Revolution, so that any efforts to call this exhibit Soviet art would not only be a misnomer but would be a hoax.

One can only assume how the Communist Party came into possession and control of these priceless masterpieces—some probably were stolen by the Nazis and later "liberated" by the Soviet troops. In reality, the showing of these paintings from the U.S.S.R. is reminiscent of a convict placing his stolen merchandise on public display.

But despite the play in semantics; that is, "from" as against "by," the innocent would be unwary and the gullible will go to see the exhibit and leave to tell others what great artists the Soviets have produced—not that they and their system are exploiting the work of others.

According to reports, a portion of the cost of the exhibit will be borne by U.S. taxpayers through a grant of $100,000 from the National Endowment for the Humanities. Apparently the balance of the cost of the exhibit is to be borne by the arranger, Dr. Armand Hammer, of Occidental Petroleum fame, and a longtime Soviet apologist and entrepreneur. No doubt as a tax exempt donation "in the public interest." The Russians are paying nothing except the loan of the "liberated" art.

Related clippings follow:

[From the Washington Star and Daily News, Feb. 6, 1973]

SOVIETS SENDING MAJOR EXHIBIT

(By Benjamin Forgey)

An extraordinary assortment of 41 Impressionist and Post-Impressionist paintings from two Soviet museums will go on view at the National Gallery of Art next month.

The special loan exhibition will mark the first time Western paintings from Soviet collections have visited the United States.

The show was arranged by a private citizen, Dr. Armand Hammer, a businessman and art collector who has visited Moscow frequently in recent months in an attempt to complete negotiations on a large-scale business deal with the Soviet government.

Hammer is chairman of the Occidental Petroleum Corp. which last summer announced a draft agreement on a five-point, five-year arrangement whereby the American company would provide technological skills and receive in return Soviet oil, gas and other natural resources.

The paintings will be loaned from the Hermitage State Museum in Leningrad and the Pushkin Museum in Moscow, where Hammer's own art collection is currently being shown. The Soviet loans will be on view at the National Gallery from March 31 through April 29 and then, in May, will be shown at the Knoedler Gallery in New York City. Hammer purchased controlling interest in Knoedler's in 1971.

The loan show will include seven paintings by Matisse, seven by Gauguin, six by Picasso, five by Cezanne, three by Van Gogh, two each by Monet, Renoir, Rousseau and Derain, and one painting each by Pissarro, Sisley, Braque, Vlaminck and Leger.

Knoedler's and the National Gallery will share the costs of the exhibition. The National's share will come from a grant from the National Endowment for the Humanities, which will make up to $100,000 available for the show and related educational programs.

[From the Evening Star-Daily News, Feb. 26, 1973]

FEDERAL FUNDING OF ARTS QUADRUPLES IN 2 YEARS

Federal support of the arts quadrupled during the past two fiscal years to $15 million, the National Endowment for the Arts reported yesterday.

The endowment, which administers such assistance, said its grant-giving capacity doubled in 1971 and again in 1972 and, during the same period, it entered into such forgotten outposts as Indian folklore and the inner cities.

Created late in the Kennedy administration, the endowment is one of five divisions under the umbrella National Foundation on the Arts and the Humanities established in 1965.

In a report titled "New Dimensions for the Arts 1971–1972," the endowment said its grants were made available under 12 programs to help symphony orchestras, museums, theaters, dance companies, educational projects, "expansion" or grass-roots arts, writers, public media and various other programs.

Counseled by Duke Ellington, Helen Hayes and other famous artists during the two-year boom, the endowment paid out $750,000 to send visiting artists into the public schools in 1971 and more than $2 million in 1972.

No individual dancers were granted endowment funds, but $25,000 went to last year's New York City Ballet Stravinsky Festival. During the two years, more than $250,000 went to choreographers and more to companies producing new works.

Ethnic and rural minorities received $307,600 in 1971 and $1.1 million in 1972.

[From the Washington Post, Feb. 22, 1973]

PICKING RUSSIAN ART

(By Paul Richard)

When Dr. Armand Hammer offered to let the National Gallery of Art show 37 paintings he picked from Soviet museums, the gallery suggested he go back and ask for more.

Hammer complied. "Impressionists and Post-Impressionists from the U.S.S.R.," the unprecedented exhibition that will open here March 31, will include four additional works chosen by Carter Brown, the gallery's director.

Those four: two Picassos, an 1891 Gauguin, and an early Claude Monet, are the only pictures in the show selected by the gallery. Hammer and his brother, Victor, made all the other choices. In a highly unusual gesture of generosity and trust, the Soviets had let them wander through the Hermitage in Leningrad and the Pushkin Museum in Moscow picking the school of Paris pictures they liked.

"When Carter saw our choices, he said, 'Gosh, we'd like some more,'" Hammer told a press conference here yesterday.

The selection process reflects the most peculiar aspect of this remarkable exhibition. The whole show was privately arranged, though the paintings all belong to the Soviet government, though Ekaterina Furtseva, the Soviet minister of culture will attend the opening and the pictures will be shown here at a federal museum.

The original loan contract between the U.S.S.R. and Knoedler's (Hammer's commercial gallery in New York) did not even mention the National Gallery of Art.

Hammer, who has described himself as a billionaire, now runs the Occidental Petroleum Corporation. A non-practicing physician who both sells and collects art, he ran a pencil factory while an American businessman in Russia in the 1920s.

His friendship with the Soviet government could hardly be much closer. He strikes multi-million-dollar business deals with the Russians and lets them show his pictures. When he generously gave them a million-dollar Goya portrait, they surprised him by responding with a present of their own, a rare 1918 abstraction by Kasimir Malevich.

It is in part because Hammer's relations with the National Gallery are also close that the Soviet paintings will be shown here.

His own collections have improved greatly in recent years, in part because he has been following the gallery's advice. He has purchased, for example, exquisite drawings by Leonardo, Raphael, Rembrandt, Durer and other major masters that were brought to his attention by Konrad Oberhuber and Christopher White of the gallery's staff. Hammer, in turn, has willed these works to the National Gallery of Art.

"My feelings towards the gallery are such. I felt it would be the right place for the Soviet paintings to be shown," he said yesterday.

The paintings will be flown to New York in three separate planes. The Soviets have insured them for "about $25 million." Security will be tight. The pictures—many of them purchased between 1870 and 1920 by Ivan Morozov and Serge Shchukin, two Russian collectors who were quick to appreciate the experimental artists working then in Paris—will be displayed behind thick shields of non-shattering plastic.

The show will include seven pictures by Matisse, five by Paul Cezanne, seven by Gauguin, three van Goghs, two Rousseaus and six paintings by Picasso. The National Endowment for the Humanities has provided $100,000 for expenses, a free brochure to be distributed and an hour film on the exhibition that will be shown on public TV.

"Impressionists and Post-Impressionists from the U.S.S.R." will be in view here from March 31 to April 29.

MUST WE HAVE BLOOD BATHS TO CURE HUMAN RELATIONS?

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. JOHNSON of Colorado. Mr. Speaker, since the conduct of the news media has been subject to criticism from time to time as it has related to the reporting of man's relationship to his fellow man, I think it is equally important to cite the many instances where the balanced view is demonstrated and, hopefully, has led to better understanding among those who take the time to read and think. One such example of the balanced view was a recent editorial in the Eaton Herald newspaper published in Eaton, Colo. I recommend it to my colleagues.

MUST WE HAVE BLOOD BATHS TO CURE HUMAN RELATIONS

For the past ten or 12 years various groups have claimed discrimination or unfair treatment by others. The trend has been to destroy property, destroy lives and in general cause havoc in the world. It has not only been in foreign countries, but, in ours as well. May I ask this week, are blood baths necessary to cure the problems of human relations. I don't believe they are.

God handed to Moses the Ten Commandments, and one was "Thou shalt not kill."

Arab Terrorists have been going strong for several years and the most devastating raid they made was on the Olympic Village when they abducted Jewish people and killed them. Now they have captured several diplomats and the last report was that they had killed three. One was described as a fine American citizen.

In our own country has been the latest event, the hostage episode of the Indians in the Dakotas. Luckily, they have not killed any person, and they now express a desire to smoke the peace pipe.

I have never been able to understand such violence, even to gain a cause of any one individual. It would seem that the laws of a good Christian world would come first.

Neither can I understand why the American Indian was ever confined to a reservation and denied the rights of citizenship. Neither should the blacks have been confined to the ghettos, or the Mexicans to shanty towns. We of the dominant races should have been making efforts long ago to help them improve their standards of living. It is not as much yours and my fault as it is the fault of our ancestors. The Indian was considered a savage and upon the white taking over the country they were given the poor land called reservations. The black were brought here for slaves and the Mexicans brought here for labor purposes. They did not come on their own. So, it would seem that our ancestors should have begun right after the Civil War improving the standards of these people.

By the same token, these minorities should NOT be taking the lives and freedoms of the majority to gain their purposes.

Every one of these problems should be settled at the peace table, not with guns!

LIZZADRO MUSEUM OF LAPIDARY ARTS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues an article that appeared in the Chicago Tribune on Thursday, March 8, 1973, with reference to the Lizzadro Museum of Lapidary Arts in Elmhurst, Ill.

It was my privilege to be at the ribbon-cutting ceremony when the museum was first established in 1962 by the late Joseph F. Lizzadro, who served before his death last year as chairman of the board of the Meade Electric Co., 5401 West Harrison Street, Chicago.

The museum exhibits precious and semiprecious stones, minerals, fossils, carvings of jade and ivory, and other items relating to stone. It is believed to be the only museum in America solely devoted to the display of lapidary art, and the late Mr. Lizzadro's extensive private collection of this art form can be viewed there.

I was pleased that the National Aeronautics and Space Administration cooperated with my request last year that a lunar sample from the Apollo 11 flight be exhibited at the Lizzadro Museum. The moon rock went on display at the museum from June 11 to June 25, 1972, and was viewed by thousands of Illinoisans during that period.

The late Joseph Lizzadro was associated with me also in the development of Villa Scalabrini, the Italian Old Peoples Home in Melrose Park, Ill., which is a private institution built without public funds, but solely with private funds. Two hundred old people receive the finest of care in this outstanding home because of the dedicated work of men like the late Joe Lizzadro.

I am proud of this son of immigrant parents who contributed so much to his community and to his fellow citizens during his lifetime. I am proud that he made America his home, that he loved his adopted country so well, and that he has left a living memorial for many Americans to enjoy—the vast collection of precious and semiprecious stones and oriental works of art valued at more than $2 million—which are housed in the Lizzadro Museum of Lapidary Art.

The article follows:

Immigrant's Hobby Becomes Lizzadro Museum

(By Donald Yabush)

Because the son of an Italian immigrant shoemaker found an agate on a Lake Superior beach 35 years ago, Elmhurst today has a gem of a museum.

The Lizzadro Museum of Lapidary Arts in Elmhurst's Wilder Park is a $2.5 million monument to the man who admired that agate on the lonely beach long ago. The museum is a repository for a vast collection of precious and semiprecious stones, and oriental art objects, valued at more than $2 million.

Founder of the museum was Joseph F. Lizzadro who left Naples with his father as a nine-year-old and came to Chicago to make a new life for the Lizzadro family.

When the father and son had earned enough money, they sent for the rest of the family who joined the millions of other turn-of-the-century immigrants.

Young Joseph Lizzadro started as an electrician's helper with the Meade Electric Co. of Chicago and worked his way up to becoming board chairman.

During his climb to success, Lizzadro found that agate on the beach of his Lake Superior summer home. That pretty stone turned him to lapidary arts [stone polishing and cutting] and eventually to collecting exotic and rare gems and carvings from all over the world.

"Our home here in Elmhurst used to be jammed with dad's collections; the house was a museum of sorts when I was a kid," recalled John Lizzadro, 32, curator of his late father's collection. The elder Lizzadro died last year at age 74.

"He expressed a desire [10 years ago] to establish a museum in his will, but we urged him to do it while he was alive so he could have everything the way he wanted," the son said.

Ten years ago the father and the Elmhurst Park District agreed on the construction of his museum in Wilder Park, and the $300,000 modern, air conditioned structure was built. It was paid for by Lizzadro.

One of the elder Lizzadro's outstanding acquisitions is a five piece set of carved jade altar pieces which stood for centuries in the Imperial Palace in Peking, China. The set is valued at more than $250,000.

Behind the altar pieces stands a 10-panel Imperial Chinese screen of carved cinnabar, framed in rosewood, measuring 7 feet high and 13 feet long.

The museum displays an array of ivories, diamonds, rubies, emeralds, topazes, sapphires, and a large display of all types of pieces and hues of jade.

Lizzadro turned over ownership of the museum to the park district, but retained possession of the collection.

"Only about 60 per cent of my father's collection is ever on display at one time because we don't have enough room," Lizzadro said. "Besides, we like to change the exhibits occasionally so the museum doesn't become static."

The museum, located at 220 Cottage Hill Ave., Elmhurst, is directed by Mrs. Mary Lizzadro, the founder's widow, and her two sons, John and Joseph. Four Lizzadro daughters are officers of the museum. Joseph Lizzadro currently heads the Meade Electric Co.

The museum is closed on Monday, open from 1 to 5 p.m. Sunday through Friday and from 10 a.m. to 5 p.m. Saturday.

McCLORY BILL FOR METRIC CONVERSION HIGHLIGHTS NATIONAL LEADERSHIP

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. PICKLE. Mr. Speaker, our colleague from Illinois (Mr. McClory) has been a principal sponsor in the House of Representatives of legislation to convert our nation to the metric system of weights and measurements. The Subcommittee on Science, Research, and Development of the Committee on Science and Astronautics chaired by our colleague from Georgia (Mr. Davis) and on which I am privileged to serve, is conducting hearings on the subject of metric conversion.

In his testimony yesterday before the committee, Mr. McClory provided an illuminating and forthright statement outlining the role which the Congress of the United States and the Department of Commerce should take in directing an effective and orderly metric conversion program intended to be carried out over a 10-year period.

Mr. Speaker, I am pleased to be a cosponsor of the McClory proposal, H.R. 2351. More than 20 of our colleagues have joined us in support of a metric conversion program which would provide a workable and practical response to the urgent need for national leadership and direction.

I am pleased to attach a copy of Mr. McClory's testimony, to the end that all of our colleagues may have the benefit of this constructive statement:

Statement of Hon. Robert McClory

Mr. Chairman, I appreciate the opportunity to testify on the subject of the proposed conversion of our nation to the metric system of weights and measures. In this statement, I propose to emphasize the kind of legislative action which I feel that the Congress should take in order to minimize costs and disruptions in our social and economic system, while achieving the vital result of a Metric Conversion Program targeted at a date approximately ten years hence.

A. STRONG NATIONAL LEADERSHIP NEEDED

In facing the task which lies before us, we should not assume that there is any easy or obvious road which can lead to the result which you, Mr. Chairman, and I are seeking. Indeed, it will be my position that strong and determined leadership in the Congress, and within the social, economic, professional, and educational segments of our system are vital, if we are to succeed.

Mr. Chairman, I have been working with this subject for many years—even before enactment of the 1968 legislation authorizing the three-year study which was completed in July, 1971, under the direction of the National Bureau of Standards of our Department of Commerce.

Some argued that the Metric Study itself was not needed—because the facts which the study was able to reveal, were already known. I must agree with that. On the other hand, without the prestige and the powerful influence which this illuminating and persuasive Metric Study Report represents, we would not have today the overwhelming recognition of the fact that our nation is on the road to a Metric Conversion Program. Before addressing myself to the specific provisions which I believe a Metric Conversion Bill should contain, let me reiterate the recommendation of the Secretary of Commerce based on that report; namely, that the United States change to the international metric system *deliberately* and *carefully*, and that this be done through a *coordinated national program*.

I think it might be well for us to recall at this point that substantial efforts in the Congress to adopt the metric system of weights and measures have been made in the past. A measure passed the House in 1896 which would have required all governmental departments and agencies to employ the metric system—exclusively. But, ultimately, the bill failed.

The mere fact that we may seem close at this time to a Metric Conversion Program should not delude us into believing that just any type of legislative pronouncement will be sufficient to carry us to the goal of a metric America at the end of a ten-year period. In my opinion, the advice of the Secretary of Commerce is directly applicable. There must be "a firm government commitment to this goal."

B. A METRIC CONVERSION COORDINATING COMMISSION SHOULD BE EMPOWERED TO DIRECT THE 10-YEAR CHANGEOVER

In the measure which I have presented to the House (H.R. 724 and H.R. 2351), it was my purpose to establish a relatively small working Metric Conversion Cooordinating Commission broadly representative of the most vitally involved segments of our society which, under the auspices of the Department of Commerce and with the assistance of an adequate staff, could develop a coordinated national program for conversion to the international metric system over a ten-year period.

This coordinating Commission would be capable of receiving the effective support and assistance voluntarily provided by every interested sector and group in the United States.

While I have suggested in my bill a nine-member Commission composed of representatives from (a) business, (b) labor, (c) education, (d) science, and (e) technology it is possible that some essential group may have been omitted. On the other hand, I feel that a much larger Commission would be both unwieldy and undesirable. I see no reason whatever for selecting these persons on the basis of their political affiliation. Of all of the many persons whom I've met who appear to be most knowledgeable on this subject—and who would make most valuable members of such a commission—I don't know the political preferences of a single one of them. And while I may have as broad or broader experience in the subject of conversion to the metric system as any other person in public life, I do not feel I or any other Member of Congress should be burdened or made responsible for developing the kind of national coordinating program which is vital if we are to meet the objective of a ten-year conversion program.

C. THE GOAL SHOULD BE "FULL CONVERSION"—WITH A FEW EXCEPTIONS—AND EXTENSIONS

In the bill which some 20 of my colleagues and I have presented, the measure recommends "that the target date for full conversion be January 1, 1984." It has been suggested that instead of the expression "full conversion" we should recommend that by the time the ten-year target date is reached, the United States would be "predominately though not exclusively metric."

In other words, it is recommended that in place of the word "full" on page 3, line 13 of my bill, the word "predominant" would be substituted.

I have no fault to find with this possibility except if it is interpreted as an invitation to every group and sector of our society as a reason and excuse for not becoming involved in the conversion program. In my opinion, it might be preferable to retain the expression "full conversion" and to add a further proviso that with respect to various subjects such as land measurements, sporting events, standards subject to international agreement and other possible categories that an exemption or extension of time might be granted.

D. ADVISORY GROUPS COULD ASSIST

This further suggestion has come to me that the Commission might well be assisted by one or a number of advisory commissions which the President or the Secretary of Commerce might establish. Indeed, this type of advisory group participation was contemplated by the language contained in Section 2 of the bill which I presented.

E. CONVERSION PROGRAM SHOULD FOCUS ON BASIC SI UNITS

Another question may relate to the precise definition of the international metric system. I note in the letter of transmittal from the Secretary of Commerce, he refers to the "international metric system." Within the past few days, I have had delivered to me a draft of the international standards approved in June, 1972 by the International Organization for Standardization, a worldwide federation of national standards institutes of which the United States is a member.

This report of so-called S.I. units refers to seven basic units, which I would expect to be encompassed in the metric conversion program, including (1) length, (2) mass, (3) time, (4) electric current, (5) thermodynamic temperature, (6) amount of substance and (7) luminous intensity. However, most persons would come in contact only with the metric units of (a) length, (b) weight, and (c) temperature.

F. WE CAN BENEFIT FROM OTHER NATION'S EXPERIENCES

It is my feeling that the joint resolution approach as presented in the last Congress as a so-called Administration proposal and as embodied in the various joint resolution proposals pending before this Committee is too weak an approach. These proposed joint resolutions appear to contain potential escape routes, which we must avoid if we are to fulfill our commitment to *deliberately* and *carefully* consummate a Metric Conversion Program.

I am wary that the provisions of Section 6 of these various proposals could give rise to excuses which might delay any comprehensive plan for conversion for many years. Indeed, it seems to me that the establishment of some type of overall plan which might or *might not* fit the needs of various segments of our society has inherent weaknesses. As the metric study report indicates, each separate category of manufacturing, marketing and other business needs to be treated separately. In other words, I envision the Metric Conversion Commission as approving and adopting 50 or 100 separate Metric Conversion Programs applicable to the separate categories and groups involved throughout our nation. I believe the British timetable has been established with respect to four broad industrial categories and some 69 separate groups of products and materials.

We should be certain that priority is given to an educational program both in the elementary and secondary schools and institutions of higher learning as well as with the public at large. This principle appears to be contained in all of the measures which are pending before this Committee.

Let me call the Committee's attention to the Congressional Research Service study dated May 30, 1972, commenting on the experiences of various nations with regard to Metric Conversion Programs and to those portions of the metric study report commenting on the British and Japanese experiences with respect to metric conversion. The Japanese changeover lacked strong leadership and direction from the Japanese government, and the program was stalled for a number of years. There appears to be general agreement that this also added to the expense and burden of the conversion program, which—at long last—has been achieved.

The more recent British experience—while relatively successful—has met with some disruptions and delays largely because of a lack of public information and inadequate communication between the Metrication Board and segments of British society affected by the Metric Conversion Program. These appear to be largely overcome by the so-called British White Paper, which has supplied many answers where uncertainty, suspicion and doubt previously prevailed.

G. METRIC CONVERSION IS WELL UNDERWAY—BUT IT COULD FOUNDER

Mr. Chairman, I was disturbed last year when testimony and statements flatly and bluntly adverse to any Metric Conversion Program were presented to the Senate Committee on Commerce. I fear that some of this opposition persists and that efforts may be made to water down provisions in my bill or to induce this Committee to report out a measure that is far removed from a "firm government commitment." If this occurs, it seems quite certain that many opponents of the conversion program will fail or refuse to take the meaningful steps necessary to a successful changeover to the metric system.

However, if we capitalize on the momentum which has been established by the metric study report itself and, if we respond to those forward looking elements in our society which recognize the inevitability as well as the desirability of an effective, prompt and orderly conversion program, then it seems to me we will be able to realize the great advantages which a nationally directed conversion program can produce.

I am aware that large numbers of groups representative of many parts of our economic community are moving forward with a voluntary and coordinated conversion program without awaiting action by the Congress. The Tool and Die Institute, the Wire Association, and many other industrial and manufacturing associations have established their own metric conversion committees. Recently, a new Ford Pinto Engine Plant was built in Lima, Ohio, where the entire operation is according to metric measurements. In my home County of Lake County, Illinois, International Harvester Company is converting its Hough Company Plant (which manufactures the popular Payloader and other heavy-duty earthmoving machinery) consistent with metric standards and measurements. I am sure that there are literally hundreds of other examples of metric conversions taking place today—under purely private auspices.

In a recent issue of "Factory Magazine," the lead article was entitled, "There is No Doubt that the USA Will Go Metric. The Question is WHEN?" Mr. Chairman, the answer to that question is largely in our hands. We can muddle along for a period of 40 or 50 years at great expense and with substantial losses in trade and understanding. Or, we can seize this present opportunity as we move forward—on the crest of great industrial expansion and in a world of fast-growing international trade to an international standard of weights and measures in which our nation finally will be in step with virtually every other nation in the world.

Mr. Chairman, while this statement is longer than has been intended, I have endeavored to outline the salient elements which I believe a Metric Conversion Program must contain. At the same time, I have felt impelled to anticipate some obstacles which I feel this Committee will have to meet head-on and overcome in developing a workable and practical response to the urgent need for leadership and direction consistent with the recommendations of the United States Metric Study Report.

THE PEOPLE'S CONFIDENCE AND OUR TAX SYSTEM

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ZABLOCKI. Mr. Speaker, on the ABC radio and television program "Issues and Answers," on March 11, Mr. John D. Erhlichman, President Nixon's Assistant for Domestic Affairs and frequent spokesman on tax policy, was the featured guest.

In response to a question by Mr. Kaplow of ABC News, Mr. Ehrlichman contended that there is no combination of loopholes that could be closed that would bring in a significant amount of Federal revenue except by closing loopholes that "don't let the average householder deduct the interest on his mortgage any more—and don't let him deduct charitable contributions to his church or to the Boy Scouts—or don't let him take personal exemptions."

Mr. Speaker, Mr. Ehrlichman is right. We can raise a lot of money by closing such loopholes. We can, however, Mr. Speaker, also raise a lot of money by eliminating disparities in capital gains taxes for corporations and wealthy taxpayers, by taxing capital gains at death, by repealing the asset depreciation range system, by taxing foreign income of U.S. subsidiaries on a current basis, by tightening the oil depreciation allowance, and by tightening the minimum tax on preference income as is provided in the tax reform bill of which I am a cosponsor.

Conservative estimates indicate that some $8 billion annually would be raised by the closing of such tax loopholes thereby making a general tax increase unnecessary in 1973.

More significantly, though, it would make the system fairer and increase the taxpayers' confidence that he is being treated equitably by his Government.

Enactment of H.R. 969, the tax reform bill, will still allow the average taxpayer to deduct the interest on his mortgage, to deduct charitable contributions to his church or to the Boy Scouts, and to claim his personal exemptions.

Mr. Speaker, the people and the Democratic Congress are properly calling for needed tax reform and equality. I strongly urge the administration to do likewise.

CONGRESS MUST REGAIN ITS STATURE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. HARRINGTON. Mr. Speaker, there are few members of this body who do not perceive the crisis in our Government brought about by the growing imbalance in power between the President and the Congress. In situation after situation—impoundment of funds directed by Congress to be spent, budgetary destruction of programs created and supported by the Congress, refusal to provide Government information to the Congress—let alone the public—and so forth—this crisis becomes increasingly evident.

The crisis did not come about simply because the President sought to exercise powers not properly the President's under the constitutional form of Government of which we have been so proud. The Congress for its part has not exercised the leadership of which it is capable and has not asserted its proper role in Government. That failure caused a vacuum into which presidential power has naturally flowed until the delicate balance of our Government is threatened. Now, we must have a more dynamic Congress, moving forward with the legislation necessary for it to reestablish its proper role. A dynamic Congress would naturally increase the tension between it and the President. But that would be a healthy development, increasing the self-respect of each branch of Government and therefore their mutual respect for each other.

At this point, I am inserting in the RECORD an article by Prof. William Goldsmith, which appeared recently in the Boston Globe under the title "Congress must regain its stature." I have not seen a better analysis of the present crisis, nor a clearer statement of the need for effective action by this body.

The article follows:

CONGRESS MUST REGAIN ITS STATURE

(By William M. Goldsmith)

The end of the Vietnam War does not eliminate or seriously affect the Constitutional crisis in this country. Although the war and particularly the bombings of Hanoi and Haiphong dramatized the urgency of this crisis, it was by no means limited to these events and it was not resolved by the cease-fire. The President has aggravated the problem by impounding funds appropriated by Congress, and then ignored its protests.

The source of the crisis lies deep in the foundations of Constitutional government and nothing short of a fundamental redress of the present imbalance of power between the Executive and Legislative branches of government will resolve it.

The men who drew up the Constitution created a government not of separate powers, but a complex system where power and responsibility are divided between the three branches of government, and yet at the same time are shared among them. This would apply even to the responsibilities which appear to fall primarily upon one branch, such as legislation, for although Congress is responsible for passing laws, the President has the power to veto them, and also the prescribed invitation to propose legislative policy. Indeed today the Executive branch introduces close to 90 percent of the measures that eventually become law.

Not even the Supreme Court is immune from this divided but shared concept of responsibility. The Constitution spells out the original jurisdiction of the Court, but assigns to Congress the responsibility of determining the exceptions and regulations of its appellate jurisdiction, and of course the Executive and the Congress are involved in appointing its members. Every article and section of the document further defines and requires such a concept of shared responsibility.

Richard Nixon is not the first President to have violated both the spirit and letter of the Constitution to require such a shared responsibility, but the problem has become critical in this century and particularly urgent in his Administration. Although powerful Presidents dominated early days of the Republic, the Presidency after Andrew Jackson declined dramatically, and, with the exception of the war Presidents, Polk and Lincoln, a series of quite ineffective Chief Executives were subordinated to powerful and dominating Congresses.

The result of this decline of the Presidency in the 19th Century was a disaster for the American people, opening up the Treasury and other resources of government to the worst forms of corruption and exploitation by the so-called "Robber Barons." During this period, Woodrow Wilson described the President as nothing more than a glorified clerk.

It was not until the arrival of Theodore Roosevelt that the Presidency was restored to a more assertive and policy-making role in the government. Since then the power of the Congress has regressed gradually to the point where it has finally been eclipsed by the present inhabitant of the White House.

This crippling erosion of the Constitutional balance of power at the center of government has been destructive to the interests of the American people. Their power and welfare are best represented when they receive maximum expression in the balanced form of government drawn up by the founding fathers. Each branch of this system has its unique contribution to make to the interests of the people and each branch brings to the crucible of public policymaking its own unique strengths and creative resources. Congress frequently reflects a healthy clash of sectional and minority views and interests which are absent from the more narrow partisan perspective of the White House.

This is not to indicate that the Presidency does not have a forceful and necessary role to play in the American system. A return to the Presidential impotence of the late 19th Century would be unthinkable. Without dynamic Presidential leadership, the country tends to flounder or be too vulnerable to the exploitation of self-serving special interests which are usually more successful in influencing the Legislative branch than the Executive.

The dynamic tension between two energetic and resourceful centers of power—a strong and purposeful President and a representative and cautious Legislature—produces at its best the ideal chemistry of democratic government. When this dynamic tension is short-circuited by the overbearing influence and power of either branch, the public interest suffers, the voice of the people is not heard, and representative institutions atrophy.

We are caught up at present in an historical crisis where the imbalance of power at the center of our government is rooted not only in the improper and arrogant expansion of Executive power, but also in the inertia of the Congress, Congress has sat by and accepted the rebukes of the President in recent years without doing much more than mouth empty rhetorical protests against the invasion of its prerogatives.

Congress has the power virtually to immobilize the Presidency if it has the will to act. It can harass him at every step of the legislative process. It can demand an accounting of impounded funds. It can refuse "to consent" to any of his appointments and cut off all appropriations until the President is willing to deal with it in a reasonable manner. But the public must support Congress in such a struggle or it cannot win.

The use of these ultimate weapons by Congress could paralyze the effective processes of government and lead to an inevitable showdown. The public interest would be jeopardized by such a crisis and public opinion would then demand a resolution of the conflict, hopefully before it led to the undermining of our Constitutional system of government. But to ignore the problem or to gloss over it could eventually lead to the same result without any real potential for its solution.

Of course there are risks in such a strategy. One tempts fate by showing such determination to reverse the trend or drift of events. On the other hand, President Nixon has given every indication in his political career that he is a reasonable man, and once convinced that Congress intends to fight back and recover its lost power, he will come to terms with the Legislative branch and permit the Constitutional balance of power to be restored. The alternatives are too dangerous for any President to consider seriously.

But Congress must fight this battle through to a decisive conclusion. Too much hangs in the balance for it to back off at this critical moment of history. The public interest is not served by either Presidential or Congressional supremacy, but rather by the balance of a dialectical tension at the center of our government, as the founding fathers planned.

TRIBUTE TO LATE PRESIDENT LYNDON B. JOHNSON

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mrs. GRASSO. Mr. Speaker, Lyndon Baines Johnson, the man, is gone from us, but his great achievements remain a living monument of dedicated service to the Nation and people he loved.

He had great gifts and a vision of what the Nation and world should be. His powers of persuasion, his shrewdness, and skill at engaging compromise which long ago became legendary made him one of the great leaders and legislators of his day. As Congressman, Senator, majority leader, Vice President, and President, he proved himself to be a dedicated public servant.

Lyndon Johnson was a towering physical presence. That presence was still more towering when measured by his vitality and dynamism, courage, and spirit. And let us not forget his abiding compassion that encompassed the world. Lyndon Johnson was a man who was committed to the emancipation of the downtrodden and the freedom of the oppressed.

In 1964, the President said that he wanted "a happy nation, not an harassed people—a people who are fearless instead of fearful—men . . . concerned always with the wants and needs of their fellow human beings." He showed that this was his credo as he pressed for the 1964 Civil Rights Act which made public accommodations truly public by opening them to all Americans regardless of color. "We have talked long enough in this country about equal rights," he said in his first speech to Congress as President. "We have talked for 100 years or more. It is time now to write it in the books of law."

Again, his devotion and drive played a significant role in achieving the 1965 Voting Rights Act which assured every citizen the right to vote for the candidate of his choice, and the 1968 Fair Housing Act which gave every individual, regardless of color, the right to live in any house he could afford. Communications established between the White House and Congress paved the way for landmark legislation in the fields of education and housing for the poor, help for the disadvantaged and the elderly. Medicare has been a godsend to millions of our older citizens. Also, it was President Johnson who began the present urgent drive to clean up the country's water and air.

Lyndon Johnson has returned to the banks of his beloved Pedernales where he began a remarkable life rich in achievement. Indeed, the catalog of his domestic accomplishments is proof positive that under his leadership visions did not remain dreams; they became concrete realities bringing Americans closer to true freedom than ever before.

TAYLOR WINE OFFERS BICENTENNIAL CHAMPAGNE

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. HASTINGS. Mr. Speaker, it has become traditional that monumental occasions be toasted with champagne. Nations solemnize treaties, families mark matrimonial mergers, athletes hail Olympian victories, and parents welcome their newborn, all with a raising of a goblet golden with champagne.

In 1976, the United States will mark a monumental occasion—the 200th anniversary of its birth. It is altogether fitting that this moment in our history should also be honored by the traditional champagne toast. In this connection, the Taylor Wine Co., of Hammondsport, N.Y., has produced a special Bicentennial Champagne to be offered as a limited edition of the beverages available for highlighting our Nation's two centuries of progress.

It is especially proper that the Taylor Wine Co. offer this champagne. For in the picture postcard setting of New York State's Keuka Lake, home of Taylor Wine, was born the Nation's domestic winemaking industry in 1826 not too many years after the Thirteen Original Colonies became a fledgling nation.

The late Fred C. Taylor, chairman of the board and son of the winery's founder, envisioned this bicentennial wine some years ago and laid down 400 cases in the company wine cellars.

He stipulated that it be used only for a very extraordinary event. Because the wine's mellowing period is due to end in the year 1976, executives of Taylor Wine were in accord that the wishes of their late chairman could best be carried out by dedicating the sparkling wine to the 200th birthday of the Nation.

It is most appropriate that this champagne whose product lineage had its roots in American soil and whose development was in the best tradition of American dedication to quality, should be set aside for America's 200th birthday celebration.

THE ACCOMPLISHMENTS OF LYNDON JOHNSON

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ROY. Mr. Speaker, Lyndon Johnson loved this land with a fierce Texas passion.

This love led him into public life and motivated him to achieve great things for his fellow countrymen.

His place in Amercian history is secure. Often through sheer force of will, he rewrote the domestic programs of our Government and provided millions of Americans with better health care, better education, better housing, better nutrition, better recreation, and a better life than they had ever had before.

In health care, for example, much of the work that we in Congress do today is but an elaboration and enlargement on basic programs enacted during the Johnson years.

He was a President from the South, but he fought vigorously on behalf of equal rights for all the citizens of this Nation.

The Civil Rights Act of 1964, the Voting Rights Act, Federal aid to education and medicare are fitting memorials to his Presidency.

He was a great American. And if he did not achieve the Great Society that he so diligently sought, he brought the United States closer to that dream than we have ever been.

THE SECONDARY BOYCOTT OF LETTUCE—"WHAT'S IT ALL ABOUT?"

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. TALCOTT. Mr. Speaker, it will soon be lettuce harvest time in the central coast of California. Those who can attract attention or protest by the exploitation of the farmworkers will be "taking to the streets" and seeking every opportunity to promote their special interests.

Demonstrations, strikes, boycotts, prayer sessions, television documentaries, and newspaper columns will undoubtedly be tried again and again this year as was popular in prior years.

If anyone is interested in factual information from a neutral party who is as knowledgeable as any other party, I suggest they read the article from the February–March 1973 Safeway News which I ask unanimous consent to include in the RECORD.

It is an excellent exposition of the facts. It tells what the so-called lettuce boycott is all about.

Unfortunately, the Chavez union, formerly known as UFWOC, has never held an election. Strikes have never been effective because the farmworker needs to work and prefers to work. "Collective bargaining" by the Chavez union has not been successful because the Teamsters Union has long represented most of the agricultural workers.

Because elections, strikes, and collective bargaining have not been successful, the Chavez union wants to develop the secondary boycott, which is considered evil and illegal, under most legal systems.

Secondary boycotts by Chavez become violent, destructive of property, injurious to people, and deprive consumers of freedom of choice in the marketplace.

Boycotting lettuce from California is depriving the farmworker of a job and the consumer of nutritious food.

I recommend that every consumer read the Safeway story "What's It All About?"

WHAT'S IT ALL ABOUT?

For some time, Safeway has been in the unenviable middle, like it or not, of the disputes over unionization of field workers on the farms of America—particularly Western and Southwestern U.S. If you haven't experienced it, chances are you've read about it or been asked about it. A couple of years ago, the disputes centered around grapes; now lettuce is on center stage.

Many aspects of agriculture have been unionized for years—equipment operators, haulers, cannery workers are almost all covered by grower-union contracts set up mostly by the International Brotherhood of Teamsters. But unionization of field hands and pickers was only a dream until Cesar Chavez came along. Almost single-handedly he set up the United Farm Workers Organizing Committee (UFWOC), secured some charter members, and made his presence felt among the growers by a series of headlining tactics (impassioned speeches, hunger strikes) that caught the earnest attention of all concerned.

Then, to secure a solid pressure point and to insure that broad public support could be tapped, he and UFWOC mounted a secondary product boycott. (A secondary boycott is not against a producer, but against someone who uses or sells the producer's product. A product boycott is not against a single producer but against the product itself—hence against all producers.)

They chose Safeway as one of their original prime targets because in the geographical area of contention, we are unquestionably the largest distributor of agricultural products. The pressure point was their apparent belief that as the growers' largest customer, we would use our influence to get them to accommodate the UFWOC demands to remove disturbances from our own business. The broad public support was to have come from Safeway customers, the largest identifiable group of fruit and vegetable consumers in the area. They chose table grapes as a prime product, because table grapes for the entire United States are almost all grown in California.

As the grape boycott began to spread, we at Safeway took it in stride, pointing out that we chose not to interfere between unions and growers; that we were even then the largest buyers of union-picked produce; that the fundamental issue was one totally unpublicized (for different reasons) by the parties to the disputes. This was the fact that neither Federal nor State law governed the employment of field workers. They were not guaranteed one of the simplest rights of any U.S. worker: the right to indicate in a secret election whether he wants a union to represent him, no union to represent him, or in the case of rival unions, which union.

While most of our people and our customers recognized the fairness of our position, the boycott went on and gained strength. As it became more important, and as Mr. Chavez came closer to affiliating his movement with the powerful AFL-CIO, the Teamsters got busy and used their years of experience in the agricultural field to secure major, and progressive, contracts with important growers covering the pay and working conditions of field workers. By the time grape pickers were largely organized, UFWOC became United Farm Workers (AFL-CIO), and iceberg lettuce pickers were mostly covered by legal Teamster-grower contracts governing wages, hours and working conditions.

As it stands at this writing, about 90% of all lettuce (the current boycott target) is union-picked. About 81% is under Teamster contract, about 9% is under UFW contract, and the remaining 10% comes from small family-operated farms that don't hire picking crews.

This leads to one of the most unfair aspects of a "product" boycott. It's not directed against a particular grower's lettuce, but against all lettuce. It lumps all growers together, regardless of their size or their labor practices, and the good suffer equally with the bad. Even the family farms, bystanders just as Safeway is, suffer.

Remember as you read this that Safeway is not a party to the dispute. Mr. Chavez isn't trying to organize Safeway, and Safeway doesn't hire farm workers. And our attitude toward unions can best be indicated by the fact that we have well over a thousand labor contracts in the U.S. alone and that we are solidly behind the objectives of organized labor as expressed by both the AFL–CIO and the Teamsters. We are very sympathetic toward Chavez' goals too. But we are not, and should not be, in a position of arbitrating between our suppliers and the rival labor groups organizing them.

Not that we won't help. We have and we will. And, as an outside party, that's exactly where we stand.

We have long been aware of the social importance of the conflict. The economic plight of the farm workers (particularly the migrant workers) and the difficulties this creates, has been apparent to those willing to make their own investigations, and Safeway people have done this for themselves and for the Company. We have pledged our support (and have given it) to groups seeking to give farm workers and their employers similar legal recourse to secure the rights and protections afforded the industrial and commercial segments of the national economy under the National Labor Relations Act. The workers' rights to decent living conditions, to healthy working conditions, is a right Safeway would support for anyone; their right to join a union of their choice through properly supervised elections by secret ballot is another we have consistently supported.

For this reason, our position is that legislation on a federal level is the only practical solution to the problem. Growers and workers alike deserve the protection offered by law to the vast majority of the basic parts of our economy—manufacture, transportation, retailing, etc. We have indirectly and directly worked with state and federal agencies to bring such legislation about. We will continue to do so in the firm belief that a legislative solution is the only one that protects the interests of both sides of the dispute and still protects the interest of the public at large.

The total public interest is omitted, probably purposely, by the barrage of propaganda. All parties strive for an advantage. None points out what they well know: that in keeping with our long-standing (in fact, unchanged since incorporation) policy of providing customers with the highest quality merchandise at the lowest possible cost, Safeway continues to buy solely on the basis of quality, availability and price. None points out that Safeway is, far and away, the largest buyer of union picked produce in the United States. None points out that Safeway has been a prime influence in interesting both farm and urban legislators in the economic dilemma posed by farm unionization.

The economic problems of farm unionization are not simply ones of wages, hours, benefits. They are at the heart of the basic dilemma—the problem no one has yet solved: strikes during harvest.

It's pretty obvious that historically the strength of a union lay in its ability to strike. This concept was accepted in most segments of our society. (Society gets pretty well upset when basic services are struck—mortuaries, hospitals, garbage disposal, commuter services, fire departments and the like.)

It's pretty obvious also that in agriculture, the right to strike is loaded on the side of the striker. Growers, small farmers and agribusiness alike, are at harvest-time almost completely dependent on the services of pickers and harvesters. Should the latter choose the week (or three or ten) of harvest of a particular crop, the grower is simply out of business for the year, and perhaps forever. His investment in land, seeding, planting, irrigation and cultivation is wiped out. A manufacturer of safety pins can keep his raw materials on side tracks or in a warehouse if his crew refuses to work; the "manufacturer" of lettuce or strawberries has no such option. He has to let them rot.

Until a solution to this basic problem can be found, the way to farm unionization will be long and thorny, and Safeway will no doubt still be on the receiving end of demonstrations, leaflets, attempted intimidations and the like.

We shall, during this period, continue:

To support all legitimate efforts to secure for agricultural field workers and growers the legal rights enjoyed by the vast majority of American workers and employers.

To preserve freedom of choice for our customers in determining whether or not they wish to buy any product normally stocked in our stores. (Remember, if it isn't there, they can't choose *not* to buy them.)

To work toward removing an essentially complex and difficult problem from the level of temporary local confrontations for public support purposes to the level of deliberate, serious legislative debate for the purpose of reasonable solution.

BECAUSE OF "MISS HATTIE"

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. COCHRAN. Mr. Speaker, on April 1, 1973, an era will come to a close in Walthall County, Miss. Mrs. P. H. Pittman, affectionately known as "Miss Hattie," will retire as Walthall County librarian. She has held the post for nearly 25 years and she has served with great distinction.

Hundreds of Walthall County young people and adults have benefited from her counsel and intellectual guidance. Singlehandedly, "Miss Hattie" saved the library from extinction in September 1948, when public support for the library was withdrawn. She agreed to serve as librarian, without pay, until a substitute could be found. Without funds or salary, "Miss Hattie" kept the library going until 1950, when the library was granted the sum of $25 per month with which to buy books. Later, a small salary was added. She has been there ever since, every Tuesday, Thursday, and Saturday, filling the needs of the county.

Mr. Speaker, I wish this lady well as she takes a much deserved rest. The citizens of Walthall County can take just pride in having had her for their librarian.

As a part of my remarks, I include herewith an excellent article which appeared in the Tylertown Times of March 15, 1973. The article was written by Mrs. John Barrett, who will replace Mrs. Pittman as librarian for Walthall County:

[From the Tylertown (Miss.) Times, Mar. 15, 1973]

BOOKS ARE BEST FRIEND OF COUNTIANS

(By Dawn D. Barrett)

Somebody once said that man's best friend is the dog, but whoever said it could not have been a reader.

Man's best friend has always been and will continue to be the printed word.

In the dawn of time, when the first homo sapiens realized that he could navigate on two legs instead of four, he felt the urge to leave something of himself behind, so he began to tell stories by drawing symbols on the walls of his cave.

Then he found that he could use fire to harden tablets of clay upon which to leave his message, and when, centuries later in Egypt, paper was made from the papyrus reed, the first book was born.

When the New World was settled, education was made available to the masses, and more and more people began to read for pleasure as well as information. The very rich began to build libraries in their homes, but this was not possible for the average family, and so the concept of the public lending library came into being.

In 1933, during the days of the big depression, the people of Walthall county realized the need for a local library. Since no county funds were available for such a project. President Roosevelt's "New Deal," through provisions of the Emergency Reconstruction Act, came to the recsue.

There have been several county librarians since 1933, but the name that has come to be synonymous with the Walthall County Library is that of Mrs. P. H. Pittman.

Mrs. Pittman, the former Hattie Dean, is a native of the Darbun community. She took over the local library in October, 1948, and in March 1971, she compiled a Walthall County library history, from which much of the material for this article was taken.

In her history, Mrs. Pittman states that the help and encouragement of local citizens and civic clubs was responsible for the foundation of the first library.

She recalls that the first librarian was Mrs. Catherine Baillo Futch and that the library, located in the mayor's office, consisted of one shelf of 25 books. She quotes Mrs. Futch, "The first day we let out eight books and thought we were off to a great start."

Mrs. Futch went to work on a salary of $40 a month. The WPA and NYA (National Youth Administration) provided workers for the library, and "Tylertown Times" editor Lester Williams donated supplies.

Strong supporters included former mayors, Earl Ginn and Dr. Sylverstein, Mrs. Ivan Conerly, the Woman's Club, Cosmopolitan Club, and the town board.

Simp Wilkinson built the first book shelves from what scrap lumber he could salvage, while assistance in other areas was received from Carl Ball, Bird Martin, Homer Alexander and many others.

In the late 1930's, the library was moved to the second floor of the old post office building just west of the town square. At this time the county schools began to take an interest in the circulation of books and donated $250 for their purchase.

Then, in the early 1940's, Mrs. Futch moved away, and her position was filled by Mrs. Ella Colquhoun, and later Mrs. Alvin Sullivan.

By September, 1948, despite the concern of local citizens, the support of the county board of supervisors was withdrawn, and the library was allowed to die.

Mrs. Pittman remembers that this was quite a blow to the readers of Walthall County. "So," she says, "I told them I would take over as librarian until they could find someone."

As of October, 1973, she will have been there 25 years.

Tylertown civic clubs took the library as a project and began paying rent for a room above the Tylertown drug Store. Mrs. Pittman served without any pay until 1950 when the board of supervisors decided to give a small donation of $25 a month to buy books.

At the time, the books in the library were donated by people of the county or loaned from the Mississippi Library Commission.

The town of Tylertown voted to contribute $40 a month for the librarian's salary, and again the library was moved, this time to an old garage building on the site of the present courthouse annex.

"About the hardest job I ever experienced," recalls Mrs. Pittman, "is moving a library. I had separated all the books into cartons alphabetically, and when I got to the building, all the books were in a pile in the middle of the floor."

Numbers of county women came into help sort and rearrange the books, and the county library once more a functioning institution, with the civic clubs continuing to pay rent on the building.

The library has been moved once more since then. In 1954 a building was constructed to house the Welfare Department with the library on the second floor.

And, once again, the library is too small.

From a handful of books, with no supplies, no files, and, for a long time, no salary, "Miss Hattie" Pittman has almost single-handedly created a functioning library containing over 7,000 books with around 1,000 being in circulation each month.

There are books for children; there are many of the newest bestsellers; there are books on medicine, law, psychology, ecology, whatever-ology one might want.

There is a whole row of shelves containing nothing but Mississippi writers, a feature of which Mrs. Pittman is justly proud. There is a memorial shelf where books are donated in memory of a loved one, and Mrs. Pittman endeavors to select each book to represent both the donor and the one who is being remembered.

She was also instrumental in setting up a "Friends of the Library" committee with the supervisors selecting a member from each district. The committee includes Mrs. Ivan Conerly, who serves as library treasurer, Mrs. Jerry Conerly, J. D Herring, Mrs. W. H. McCallum and Mrs. Overland Harvey.

In 1965, the county chamber of commerce recognized Mrs. Pittman's contribution to Walthall county by awarding her the "Ilene Jaubert Award" for civic endeavor.

The Walthall County Library has become more than a place to get books. It is where one goes to chat, or to get a little mothering, or just to find someone who cares. It is warmth and light and humor and compassion. It is, in fact, "Miss Hattie."

And it is this woman, who, perhaps more than anyone in Walthall county has been responsible for enabling little boys to become "Knights of the Round Table," little girls to be princesses or the mysterious "Nancy Drew."

It is Miss Hattie who has made it possible for men and women the county over to forget for just a little while the frequently monotonous humdrum of daily existence and to know the wonder of living, even briefly, in a dream.

IN HONOR OF LYNDON BAINES JOHNSON

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. SYMINGTON. Mr. Speaker, as one who was privileged not only to know President Lyndon Johnson for many years but also to work with and for him for a considerable period of time, I wish to join my colleagues in expressing great sorrow at his loss and great thanks for his life.

There is little that I can add to the outpouring of reminiscences and proud recollections of his titanic public career. There is so much that each of us has to be grateful for that he gave to his State, his country and the world.

So I would like to share simply one vivid memory of the man at his best. We were bidding farewell to President Cemal Gursel of Turkey who had been here for treatment in 1966. President Gursel was unconscious and suffering from a terminal illness. It was the desire of his government and his family that he should die on Turkish soil. President Johnson learning of this immediately authorized the use of Air Force One for this purpose. The President attended the subdued ceremonies at the airport and noticed President Gursel's adopted child weeping to one side of the plane and unattended. He went to her side and conducted her gently to the plane with his arm around her, giving consoling words of comfort.

When all the captains and the kings have departed and the memory of their great works begins to recede this is the man I feel should be remembered by us all as indeed I know he forever will be by those who knew and loved him the most, his incomparable widow and devoted and loving children.

THE FUEL SHORTAGE AND AGRICULTURE

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RAILSBACK. Mr. Speaker, tomorrow is the first day of spring, but it will not solve many of the problems created by this winter's fuel shortage. Recently, the executive vice president of Illinois Petroleum Marketers Association, Bill Deutsch, sent me a copy of his letter to the Illinois Governor's office concerning the diesel and gasoline shortage and its far-reaching affect upon the agricultural community.

The letter follows:

ILLINOIS PETROLEUM
MARKETERS ASSOCIATION,
Springfield, Ill., February 14, 1973.

MR. BILL HOLZMAN,
Assistant to the Governor,
Office of the Governor,
Springfield, Ill.

DEAR BILL: As per your request, this is what I have been able to find out regarding agricultural needs for petroleum products. Please bear in mind that the Illinois Agricultural Association states that approximately 45% of the total products used by farmers takes place during a 90-day period starting March 1 through May 31 (the northern part of the state sometimes will extend its planting season into the first ten days of June).

According to facts gathered in 1971, diesel purchases were on a 10% increase. Although all figures are not yet in, it is safe to estimate that approximately 93,000,000 gallons were used in 1972. With the additional tillable acres to comply with the U.S. Department of Agriculture's recent decision to sharply reduce set-aside acreage, this figure for 1973 could easily reach another five to seven million additional gallons. In other words, this is in the neighborhood of 100,000,000 gallons of diesel fuel for 1973 (this takes into consideration very little fall plowing that was accomplished in the fall of 1972 and that will have to be done in the spring of 1973).

The latest fairly accurate figures on gasoline useage on farms for agricultural needs show a total of 332,600,000 gallons purchased in 1971. It is estimated that between 1971 and 1973, approximately a 35% increase in need has taken place. Again taking into consideration the set-aside acreage and the need for additional plowing in the spring of 1973, this would add approximately 1,175,000 gallons to the 1971 figure. The knowledgeable people in the agricultural field say that it takes between 12 and 14 gallons of gasoline or diesel fuel per tillable acre during an entire farming season.

It has come to my attention just this morning, that one of the major suppliers of diesel fuel to the State of Illinois has announced that they will only be able to supply 75% of what was purchased in 1972 for the month of February, 1973, and that this allotment will have to be even more severe in March. Another major oil company announced yesterday that they were basing their allotments for 1973 upon 1971 figures and that even then, they would only guarantee 70% of what was used in 1971 but that they hope to be able to deliver 100% of what was used that year. This is approximately one-third reduction.

Sincerely,

WM. R. DEUTSCH,
Executive Vice President.

FISCAL RESPONSIBILITY: A CONGRESSIONAL DUTY

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. McCLOSKEY. Mr. Speaker, it seems to me it is time Congress recognized that as a legislative body we have been incompetent in an area of major constitutional responsibility—matching our revenue-raising and appropriations processes.

For 3 years now we have happily appropriated an average of $47 billion per year more than we knew the Government would receive in tax revenues.

This year, fiscal year 1973, ending June 30, 1973, it was $55 billion—$280 billion appropriated, against $225 billion received in revenues. In 1972 it was $40 billion—$248 billion appropriated against $208 billion in revenues; in 1971, $47 billion—$235 billion appropriated against $188 billion in revenues.

In outlay deficits, money actually spent, a $25 billion deficit is estimated this year, even with the President's heavy impoundments. It was $23 billion in 1972 and the same figure in 1971.

We know this to be irresponsible. Inflation and devaluation of the dollar have been the inevitable result. The dollar has lost 30 percent of its purchasing power since 1966. Our goods are no longer competitive in world markets. Inflation has cruelly penalized our old people and our poor. We owe the Nation a higher standard of performance in our procedures.

We know that in a year of prosperity and peace such as we now enjoy, we should at least balance the budget. Self-discipline is mandatory.

Yet we have no procedure to do so.

Each of us votes for his own favorite priorities. I join with a majority of my colleagues to vote for more money for education and health, justifying such vote by the expectancy of voting for cuts in defense and agriculture subsidies. When votes for defense and agriculture come up, different coalitions join to increase those funds as well.

We desperately need a procedure to set priorities, to balance the budget from a congressional determination of priorities. We have no right under the congressional determination of priorities. We have no right under the Constitution, to leave the determination of priorities to the President.

I suggest the following:

Let us move to the calender year as the fiscal year.

During the first 3 months of each year, let us have the House and Senate Appropriations Committees, our Ways and Means Committee and the Senate Finance Committee along with the Joint Committee on Internal Revenue Taxation recommend tentative figures for both appropriations and revenues.

The House Ways and Means Committee should be charged during the same 3-month period with considering the alternative tax rate changes and revisions to raise revenues equal to an amount 10 percent higher than the expenditure ceiling recommended.

During the month of April, the House and Senate should debate both total appropriation figures and the methods of taxation proposed by the House Ways and Means Committee, with a final vote set for the first week in May.

During the same 4-month period the House and Senate Appropriations Committees should be reviewing their priorities—with a goal of setting percentages of the total budget to be allocated in each area.

When the House and Senate can agree on both total revenues and expenditures in early May, the balance of May and June can be spent in reaching final approval of the various appropriation bills, seeking to allocate the 10-percent excess in revenues among those programs where Congress feels the national goals require priority expenditures.

The end result will be that Congress determines priorities as we are constitutionally required to do, as well as balance the budget. The executive departments will be advising us on priorities, but not dictating them. Then, and then only, can Congress stand up to the executive branch and require that the President actually spend the moneys we appropriate. We owe the country this much. Our very oath of office requires it.

CURB FEDERAL JUDGES?

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of an editorial from the Elkhart, Ind., Truth of March 3, 1973, entitled "Curb Federal Judges?"

I believe the editorial to be a most perceptive commentary on a proposal to amend the U.S. Constitution to require that all Federal judges be reconfirmed by the Senate every 8 years.

The editorial follows:

CURB FEDERAL JUDGES?

A constitutional amendment as proposed in Congress last week would require that all federal judges be reconfirmed by the U.S. Senate every eight years.

Rep. Stanford E. Parris, R-Va., introduced a joint resolution asking such an amendment. He believes his measure would "achieve a reasonable degree of judicial accountability for federal judges, without endangering the concept of the independent judiciary."

No such amendment should be considered in our view.

Parris complains that some federal judges think they have "a mandate to remake the world according to their own moral and philosophical beliefs."

He says that "their decisions smack of judicial legislation; they infringe on the rightful authority of the elected representatives of the people . . ."

Trouble is, two wrongs don't make a right.

If some judges infringe upon legislative rights, surely the cure is not for lawmakers to infringe upon judicial rights.

That's what would happen with the Parris amendment. Every time a judge's eight years were about to expire, the Senate would have a political field day, with charges and counter-charges.

The indirect influences upon judges' opinions—based upon what they routinely read, hear and observe—are inevitable.

No one, including judges, seals himself in an ivory tower.

Some judges actually do change their views after they have been on the bench awhile, based upon what they perceive as new insights. Some become more conservative, some more liberal.

But judges at least should be insulated from the most direct and crass partisan pressures which an eight-year-Senate review would bring.

The good functioning of our American system depends upon a careful balancing of the legislative, executive and judicial powers.

We are not without remedy, should the courts reach out for more than their share of power. Should that happen, the Constitution already provides that Congress can, if it chooses, restrict or abolish the appellate jurisdiction of federal courts.

We don't recommend any such action by Congress. There is no serious imbalance among the branches at this time. We point out only that a constitutional remedy for excess court power already is available; none other is needed.

THE CLOSED BOOTH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RANGEL. Mr. Speaker, it is encouraging to note the interest that enlightened newspapers such as the New York Times and Washington Post have taken in promoting the cause of an improved voter registration system. Indeed, there has been much interest shown by citizens across the country. The time has clearly come for Congress to act to renovate our system of registering eligible voters. In this light, I have introduced the National Voter Registration Rights Act of 1973, H.R. 4846, along with 34 of my colleagues. It represents an attempt to open the electoral process to those who have been denied entrance for too long.

I now submit for your attention and the attention of my colleagues, a recent New York Times editorial entitled "The Closed Booth":

THE CLOSED BOOTH

For millions of Americans, the voting booth is closed on Election Day. These are the people who failed to get their names on the registration lists. It is possible to criticize them for apathy or inattentiveness. But it is also possible to inquire why local governments make it so difficult to register.

The United States is the only major country in the world that places the responsibility of registration entirely on the citizen. In most free countries the government seeks out citizens as soon as they reach voting age and lists their names on the voting rolls as it does on the tax rolls. But most towns, cities and counties in this country make no such effort. Three-quarters of them have no Saturday or evening registration during most of the year. According to a League of Women Voters' study last year, many election districts do not keep their registration offices open for additional hours even in the immediate pre-election period when interest is high.

Senator Gale McGee of Wyoming is the principal sponsor of a bill which would remedy this defect by introducing registration by postcard for Federal elections. A card would be delivered to every mailing address, and those wishing to register could do so by filling out the card and returning it. To encourage the states to adopt the same system for state and local elections, the bill would provide them with a small subsidy to defray their registration expenses if they complied with the Federal plan.

The Senate a year ago narrowly defeated the original version of the McGee bill. By coincidence, the Supreme Court a week later achieved one of the purposes of that bill. It struck down state laws which required residency of six months or a year before a person was eligible to register. Despite that gain, there is still need to adopt a simple, uniform registration procedure.

The only argument against registration by mail is the danger of fraud. But the real sources of fraud are corrupt election officials and politically motivated voter registrars. Where they exist, they have long shown that they can subvert the present cumbersome systems. Making life easier for the would-be voter would not affect the potential for fraud one way or the other. The McGee bill, which is expected to reach the floor later this month, deserves approval.

HON. LYNDON JOHNSON

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ULLMAN. Mr. Speaker, I rise to pay tribute to a great leader, the 36th President of the United States, Lyndon Baines Johnson. As a Congressman, Senator, majority leader of the Senate, Vice President, and President, everything he did was based on his feeling of what was best for the Nation. He was a totally dedicated American.

The tragedy of his Presidency was that he wanted to be a great peacetime President and the architect of a Great Society. But fate and history made him a wartime President. And the final irony was that he died 1 day before the settlement of the terrible war that defeated him.

I met briefly with Lyndon Johnson just 2 weeks before his death. We were attending the memorial service for Hale Boggs in New Orleans. Despite differences we had over the war and whether we could have guns and butter, I will always remember his tremendous capacity for compassion and his ability to get along with and lead his peers.

Lyndon Johnson will, of course, be remembered for many great achievements. As a Southern Senator, he negotiated the compromises necessary to achieve enactment of the 1957 Civil Rights Act. As President, he signed four landmark civil rights bills into law—the 1964 Civil Rights Act, the Voting Rights Act of 1955, the Jury Selection Act of 1968, and the Open Housing Act of 1968. His leadership helped bring medicare in 1965, aid to elementary education, Federal antipollution laws, and many other major pieces of domestic reform.

History will list his achievements, but his accomplishments are best expressed in the changes he brought to the lives of so many—the aged who may live out their lives a little more comfortably, the disadvantaged children who may receive a better education, black citizens who may exercise their right to vote. Though many may enjoy these benefits unaware of the man who engineered them, his influence, nevertheless, cannot really die.

RARICK REPORTS TO HIS PEOPLE ON THE U.N. MEETING IN PANAMA

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RARICK. Mr. Speaker, today I reported to the people of my district on the United Nations Security Council Session in Panama. I insert the following text of that report:

The special United Nations Security Council session recently held in Panama, amid a tense anti-American atmosphere, is regarded by authorities as a carefully manipulated propaganda forum to attack the United States.

Panamanian strongman, General Omar Torrijos, used the U.N. meeting in his country to denounce so-called "colonialist policies" of the United States toward Panama, and to demand that the U.S. relinquish sovereignty over the Canal Zone. Coming as it does during treaty negotiations with Panama, the U.N. meeting can produce at most only embarrassment for the U.S. This is regarded as one of its primary objectives.

When the Panamanian Foreign Minister suggested that the Security Council meeting be held in Panama City, it was hailed by ambassadors of Russia and Red China as a break-through in international goodwill.

Over verbal objections of the U.S., Britain and Australia, the session has been opened. Advance warnings were announced by radicals in Panama that if their Canal take over demands were not met, violence against the U.S. would result during the U.N. meeting.

Panamanian radicals have received support in this country from one world internationalists who bemoan the so-called "colonial nature" of U.S. enterprises in Panama. They overlook the 1903 convention signed by the U.S. and Panama granting the U.S. full sovereign rights to the Canal Zone in perpetuity—that is, forever. Since then, the Canal has represented an investment of more than $5.6 in U.S. taxpayers' money. The Panama Canal is the most expensive single territorial possession of the United States. The purchase of this mile-wide strip of land cost more money than the combined prices of the Louisiana Purchase, Florida Purchase, California, Gadsden Purchase, and the Alaskan Purchase.

The United States acquired the title to all land and property in the Zone through purchase from individual owners—not from the government of Panama. This is a point often mistakenly overlooked: that the United States bought and paid for this piece of property, just as we bought Louisiana from the French and Alaska from the Russians. To suggest, as many apologists have, that we negotiate the return of the Canal Zone to Panama, compares to suggesting the return of Louisiana to France, or Alaska to the Russians, or New York City to the Indians.

President Theodore Roosevelt recognized the vital importance of U.S. ownership and control of this property as early as 1903, when the historic policy of "an American canal, on American property, for the American people" was first established.

Today the entire economy of Panama revolves around the U.S. presence in the Zone. More than $160 million goes into the Panamanian economy annually as a direct result of Canal operations. One-third of the national employment of the country is a result of the U.S. being there. Panama enjoys the highest per capita income in Central America, and boasts close to 80 pecent literacy. The presence of U.S. forces not only protects the Canal, but guarantees the entire country's security against external aggression.

Panama's history is one of continual revolution, insurrection and political instability. The present leader, General Torrijos, came to power in 1968 through a military coup d'etat that ousted the eleven-day old constitutionally elected government. He promptly abolished the country's National Assembly, established himself head of the National Guard, and rewrote the constitution to allow himself to remain in power indefinitely. Torrijos established close relations with Cuba and the Soviet Union. His demands for U.S. surrender of the Canal Zone began soon after his dramatic rise to power. Besides total surrender of the Canal Zone to Panama, Torrijos has demanded immediate departure of the U.S. forces, the expiration of American police functions within the next five years, a politically neutral canal and a treaty to run only until 1994.

In light of the security threat to the U.S. posed by any surrender of sovereignty over the canal, it is unlikely that Congress would agree to anything resembling a giveaway of our rights in Panama—especially with the Soviets, Red China, and Cuba looking on and helping manipulate the U.N. comic opera.

Panama's U.N. ambassador has taken full advantage of his position as chairman of the Security Council to move the proceedings of that body to Panama City. This was an unprecedented move by the U.N.—the first such session to be held in a geographic area of controversy. And it was called not to lessen the controversy, but to heighten it. While matters of general Latin American concern were supposed to be discussed, the overriding intention of the meeting was to bring Panama's demands on the U.S. over the Canal Zone before the U.N. on its own home ground.

For the United Nations to even consider, much less take action upon, matters completely within the domestic affairs of two of its members is contrary to the Charter of the U.N. According to Chapter One, Article Two of the Charter: "Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require Members to submit such matters to settlement. . ." By no stretch of the imagination can our operations of the Canal, nor the treaty negotiations between the U.S. and Panama be considered a threat to world peace. The United Nations clearly has no business discussing the canal. To put domestic issues of the United States before the world debating body obviously brings the sovereignty of this country into question. Control of this strategic waterway is of vital concern to the security of the United States. Internationalization of the discussion of the canal issue can easily move toward internationalization of the canal itself.

American sovereign rights in the Canal Zone have steadily drifted away since the early 1960's. The clamor of Panamanian mobs caused President Eisenhower to yield the right to fly the Panamanian flag over the Zone. In 1967 the Johnson Administration made further concessions, weakening the formerly undisputed American control.

The 1903 treaty that began the Panama Canal chapter of U.S. history is clear in its intent. It vested in the U.S. "all the rights, power and authority which the U.S. would possess as if it were sovereign of the territory." The same treaty specifically excluded Panama from the exercise of such rights.

The treaty negotiations begun by President Johnson further fanned the flames of Panamanian nationalism. Both the Communists and General Torrijos have exploited this anti-American political issue to use for their advantage—to put the United States into a position of submission to gun point political blackmail.

The 1967 draft treaties envisioned eventual transfer of our control over the Canal area to Panama. The present Panama Canal Company would be replaced by a joint Panamanian-American administration, free of control by the U.S. Congress. American-owned commercial enterprises within the Canal Zone would be transferred to Panama. Finally, complete control over the Canal would be ceded to Panama. Under a joint operation there would be no limit on how high the tolls imposed on ships using the Canal could go. Existing rates under U.S. administration, supplemented by other sources, have been adequate to meet legal obligations to maintain, operate and improve the Canal. Our operations of the Canal have served as an international utility for the benefit of the world. Many authorities close to the situation, fear a crisis similar to the Suez crisis following the British pull-out of that area. We don't need an American Suez.

Our strategic interests would be impaired by entrusting defense to any projected binational commission.

Sixty other Congressmen and I wrote the President recently expressing our concern over the grave consequences to our national security that would result from our abandonment of the Canal Zone. We urged the President to use his office to guarantee the sovereign right this country bought and has maintained over the Canal for the past 70 years.

Last week I received a machine copy of a form type letter from the Deputy Assistant to the President saying: "The President appreciates your bringing to his attention your concern about . . . the American position in the Canal Zone." He went on to say: that the United States is now seeking a treaty "responsive to Panama's aspirations."

Panama's chief negotiator summed it up last December: "We, the Panamanians, are going to assume full responsibility for that canal. This means a Panamanian Canal, which is what Panama wants, a Panamanian Canal, operated by Panamanians, for Panamanians, for the benefit of Panamanians." Even if the government of Panama could keep the canal in operation, free of interference from the Soviet Union or Cuba, the nations using the canal would be subjected to Panamanian blackmail.

A full understanding of how the United Nations is being misused, should be brought home to many Americans as a result of the Panama City meeting. The U.S. taxpayer pays the U.N. bills and supplies the expensive clubhouse in New York, while the U.S. is made the whipping boy at every available occasion. Perhaps if the President would see fit to impound our U.N. contributions, as he has done to a number of programs for U.S. citizens, the U.N. crowd would move to Panama City permanently. The Security Council may as well be in Panama or Havana, Peking or Moscow, for that matter—since the U.N. doesn't accomplish anything in New York but stir up humbug anyway.

Let's hope that surrender of the Canal Zone isn't a concession to "Peace With Honor."

HEARINGS ON H.R. 77

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. THOMPSON of New Jersey. Mr. Speaker, I wish to announce to my colleagues that the Special Subcommittee on Labor will begin a series of hearings on March 22 on H.R. 77, a bill which I hope will encourage the growth of prepaid legal services plans for workers. The witnesses scheduled for March 22 are: Thomas E. Harris, associate general counsel, AFL–CIO; F. William McCalpin, chairman, special committee on prepaid legal services of the American Bar Association, and Dr. Lee R. Morris, vice president, Insurance Co. of North America, accompanied by James A. Faber, secretary to the company.

H.R. 77 will remove a legal obstacle to the negotiation by labor and management of jointly administered legal services plans, by permitting employer contributions to trust funds established to finance such plans.

Section 302 of the Labor-Management Relations Act prohibits all payments by employers to employee representatives for purposes other than those specifically excepted in that section. This section was enacted to prevent bribery, extortion, and other corrupt practices, and to protect the beneficiaries of lawful employer-supported funds. Section 302(c) contains seven exceptions to this general prohibition, and thus permits employer contributions to trust funds to finance medical care programs, retirement pension plans, apprenticeship programs, and other specific programs. This bill would add an eighth exception to section 302(c)—jointly administered trust funds for the purpose of defraying the costs of legal services—and thus legalize such jointly administered programs.

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RODINO. Mr. Speaker, holidays—how easily they penetrate the daily activities of our lives and cut across nations, languages, political doctrines, and local customs to unite, in a single event, men, women, and children from all walks of life. The celebration of St. Patrick's Day on March 17 of every year is one such special occasion. The shamrock, the bagpipe, the speeches, the grand parades, the traditional dinners, the ever-present color green, are all an intricate part of the spirit, the religiosity and the excitement of the day. And, each family, each individual can take the fabric of these traditions and weave a section of the pattern which builds upon the foundations of the past to create a sense of renewed understanding of the life of the saint we honor this day. For St. Patrick, patron saint of Ireland, in addition to the myths and legends which have grown around his early teachings, first and foremost was a human being—a man who felt inside him a mission and who had the courage, the tenacity and the belief to pursue his goal despite all obstacles. Let us imagine the tremendous task of converting an entire people to Christianity, of teaching them the mores of civilization, the values of human dignity and love.

Each of us in this country possesses a wealth of rich ancestral traditions and each of us has the freedom to practice our customs and celebrate our holidays according to our own choosing. And, because these traditions help us to better understand and know ourselves, we appreciate and share, in some small way, in the customs and festivities of our friends and fellow citizens. It has been said during this time of year, "Everybody's a little bit Irish" and I myself, very much look forward to participating every year in my city's St. Patrick's Day parade, to reviewing the procession as it travels from Ivy Hill Park to Mount Vernon Avenue, to Sanford Avenue and down South Orange Avenue. And so I say to all my friends, from one who is just a "little bit Irish," a very happy St. Patrick's Day to you.

THE OUTSTANDING F–111'S

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. GUBSER. Mr. Speaker, I submit a newsstory from the February 25, 1973, San Diego Union concerning the outstanding performance of the F–111's in Southeast Asia.

There has been all too little public recognition of the part played by the F–111's in the latter days of air combat operations in Vietnam. The story by military affairs correspondent L. Edgar Prina of the Copley News Service does a very substantial job in rectifying this situation. Mr. Prina points out that—

> The F–111's of the 474th were deployed with the idea they would fly missions around the Demilitarized Zone during the rainy season, when other aircraft would be grounded. The supersonic F–111 is a foul weather, day and night performer.

The story goes on to say that—

> While the much bigger eight-jet B–52 bombers dropped most of the bombs and got most of the headlines, the F–111s were carrying out their strikes in a highly professional and successful way.
>
> "The work they did in the north was flat outstanding—the birds and the men were magnificent," a senior Air Force officer at the Pentagon said. "Without exception, these aircraft did one helluva job."
>
> He said they "flew low, alone, at night and in bad weather against heavily defended and hard-to-get-at targets," such as MIG airfields.

The entire story follows:

[From the San Diego Union, Feb. 25, 1973]

VIETNAM F–111'S: RATED OUTSTANDING

(By L. Edgar Prina)

WASHINGTON.—The swingwing F–111 fighter, born and bred in controversy and matured in some of the toughest air warfare in Vietnam, is beginning to win the high respect its charter-member advocates have always insisted it deserved.

When two squadrons of the 474th Tactical Fighter Wing from Nellis Air Force Base, Nev., were sent to Southeast Asia late last September, no one could foresee the test of fire these 48 aircraft would face. Nor how well they would do the job.

The F–111's of the 474th were deployed

with the idea they would fly missions around the Demilitarized Zone during the rainy season, when other aircraft would be grounded. The supersonic F–111 is a foul weather, day and night performer.

Hours after the squadron reached Tahkli Royal Thai Airbase in west central Thailand Sept. 28, the first F–111s were in combat.

But when the North Vietnamese began serious truce talks on Oct. 8, it appeared that the big effort to get the one-of-a kind aircraft to the battle area wasn't (happily) going to pay off.

Peace was not "at hand," however. A snag developed in the Paris negotiations and President Nixon gave the signal in December for an air blitz against North Vietnam. Heavily defended targets around Hanoi and the port city of Haiphong were high on the attack list.

While the much bigger eight-jet B–52 bombers dropped most of the bombs and got most of the headlines, the F–111s were carrying out their strikes in a highly professional and successful way.

"The work they did in the north was flat outstanding—the birds and the men were magnificent," a senior Air Force officer at the Pentagon said. "Without exception, these aircraft did one helluva job."

He said they "flew low, alone, at night and in bad weather against heavily defended and hard-to-get-at targets," such as MIG airfields.

With their terrain following radar, which permits them to fly as low as 200 feet above the ground, their plan was to get over the target without warning and away before the enemy could bring his anti-aircraft and missile fire to bear.

Six of the 48 F–111's were lost. One of the two-man crews was taken prisoner. The other 10 airmen are listed as missing in action.

According to the official communique issued by the U.S. command in Saigon, the F–111's, in the period Dec. 18 to 25, blasted the Phuc Yen, Kep, Bac Mai and Yen Bai Mig airfields; two transshipment areas; the Bac Giang thermal power plant; the Hanoi port facility and Gia Thuong storage area; the Hanoi radar communications transmitter field and the Kep railroad yards.

No further communiques were issued on the blitz, as the enemy signalled his willingness to resume serious truce talks in Paris.

The Pentagon officers said the usual F–111 method of operation—single plane missions at night—precluded such immediate bomb damage assessment.

"Nobody sees what you did—you don't either," he said. "You have no wingmen observing and you sure don't stick around to find out once the ordnance goes."

The damage assessment comes later, he said, adding that "we have been very impressed with the photos."

The "Lone Eagle" method of operation is, of course, the reason the Air Force is not certain how the half dozen F–111s were lost.

Writing in the Tahkli base newspaper, the Cobra, Jan. 26, Col. William R. Nelson, the 474th's Wing Commander, said with excusable pride:

"We've flown over 3,000 combat missions, expended tons of ordnance, and kept countless Tahkli sleepers awake with one of the most ambitious—and successful—combat schedules in the TAC air business.

"We have unequivocally demonstrated the versatility of our 'Aardvark' (the plane looks something like an anteater) . . . We've used it in endless tactical configurations, in weather, day or night. It kept flying and did it effectively. You might be interested to know that troops have labeled our F–111 'whispering death'."

The colonel told his men he had received complimentary messages from a list of high-ranking leaders, including Mr. Nixon.

"These gentlemen don't mince phrases; they are extremely pleased with the contributions of the 474th Tactical Fighter Wing."

The war in Vietnam hopefully is ended, but the U.S. will maintain airpower in Southeast Asia. Navy carriers, with their F–4 Phantoms and A–7 Corsairs, will be deployed in the South China Sea and Air Force fighter squadrons and perhaps B–52s will remain in Thailand to keep the enemy honest.

The Air Force is not permitted to talk about future deployments, but on the basis of its December performance, it is a good bet that at least one F–111 squadron will be designated as part of that residual force.

POSTAL WOES

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. WHALEN. Mr. Speaker, I take this opportunity to call to the attention of my colleagues an editorial from the Dayton Journal Herald which discusses the U.S. Postal Service.

While this commentary recognizes the problems the Service has been experiencing, as we all do, it also is optimistic with respect to the chances for improvement:

> Whatever the genius of the U.S. Congress, managerial aptitude does not seem to be a component of it. The suggestion, therefore, that Congress might return the U.S. postal service to direct government control is ludicrous. It was Congress' role as the sugar daddy of the postal unions and special users of the mails that started the toboggan years ago.
>
> Anyone now using the mails does not need testimony before a congressional committee to document the claim that postal service is poor, although we think current hearings can be helpful in getting some aspects of the problems out into public view. But a good part of the current problem is the withdrawal symptoms that have afflicted the service since it was turned over to a public corporation.
>
> Morale problems are difficult enough with a mere change in management. When they are compounded by cost-cutting and technological change, they can have quite a staggering effect. And so they have. But the personnel throughout the service are competent and hard-working and have, we think, the pride and the potential to make a more businesslike postal service a going concern once the initial problems have been dealt with.
>
> In assessing the performance of the corporate operation, critics must be aware that the post office still lacks latitude to summarily cut off unprofitable operations. It is a governmental service, not a private industry. Comparisons with the performance of United Parcel Service, for instance, are numerous these days, but United Parcel Service is not a comparable case. In fact, the growth of private parcel services has hurt the potential of the government service by skimming off some of the profitable small-parcel business, leaving the government corporation with the less-profitable, more trying dregs of the business which it cannot shirk.
>
> The first 20 months of the new postal service haven't been happy ones for anyone. But the task of the new service has been to undo before it can start doing. And much of what it is undoing is traceable to the congressional largesse of pre-corporation days. Congress would therefore do well to keep its distance and give the management several more years to get things turned around.

MORE FICTION THAN FACT ABOUT OSHA

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. STEIGER of Wisconsin. Mr. Speaker, an article title "OSHACRATS" was published in December in "American Opinion," the monthly magazine of the John Birch Society. The article was highly critical of the Occupational Safety and Health Administration—OSHA—and the Occupational Safety and Health Act of 1970.

During the past several weeks, various parts of the article have been publicized. Some have used the material for what appears to be an organized John Birch Society campaign to discredit Federal efforts to reduce the carnage in our Nation's workplaces.

Mr. Speaker, I have caused an investigation to be made into those instances of alleged misuse of the act which "American Opinion" editor Alan Stang attempted to document. For the benefit of my colleagues, I wish to present for the RECORD the results of that investigation. None of the cases he cites stands up under close scrutiny.

Among others, the Stang article referred to two inspections performed by OSHA compliance officers in the Department of Labor's region X covering Alaska, Idaho, Oregon, and Washington.

In the two region X cases, there had, in fact, been OSHA inspections. However, the "American Opinion" report of those inspections was more fiction than fact. In the case of Agnew Plywood, Grants Pass, Oreg., I will list the fiction and provide the facts as I learned them:

Fiction: The OSHA compliance officer—inspector—was a retired master sergeant.

Fact: The OSHA compliance officer was a retired U.S. Army colonel.

Fiction: The compliance officer knew "nothing about plywood."

Fact: The compliance officer had been inspecting plywood mills for more than 10 years as a State safety inspector.

Fiction: State regulations say that guardrails must be at least 36 inches high, and OSHA says the same thing in the Federal Register.

Fact: The Federal Register says that guardrails shall be 42 inches high.

Fiction: The compliance officer discovered two serious violations involving guards around chains.

Fact: He discovered one serious violation.

Fiction: The compliance officer gave Agnew 14 violations for ladders.

Fact: Agnew was cited for one alleged violation for ladders.

Fiction: The compliance inspector cited a broken pane of glass in an out of the way place.

Fact: The employer was not cited for any broken pane of glass.

Fiction: When it was all over, Agnew had 37 violations.

Fact: Agnew was cited for one serious violation and seven non-serious violations totaling 27 instances for the eight violations cited.

Fiction: At any time there is veneer on the floor—a violation.

Fact: The employer was not cited for a violation regarding veneer on the floor.

Fiction: A millwright will lay a torch down for a moment without turning it off—another violation.

Fact: The employer was not cited for a violation of this item. The compliance officer commented that he did not know a better way to burn down a plywood mill.

Fiction: OSHA denies ever receiving a notice of contest of the findings of the inspection within the 15 days specified in the act.

Fact: OSHA received the letter of contest, forwarded it to the Occupational Safety and Health Review Commission July 7, 1972. At a hearing in Grants Pass December 12, 1972, the employer did not contest the citations—only the penalty. The Review Commission judge reduced the $720 penalty by $260.

In the P.M.F. Inc., Twin Falls, Idaho, inspection, I will again list the fiction as published by "American Opinion" and provide the fact as I learned it from the Region X Administrator:

Fiction: P.M.F. was at work on a job which OSHA suddenly closed down while a compliance officer conducted an inspection.

Fact: The compliance officer did not shut the job down. The employer immediately abated the imminent danger condition of an unshored trench.

Fiction: OSHA ordered that roll bars be put on a crawler tractor.

Fact: The employer was not cited for this requirement.

Fiction: P.M.F. contested the proposed penalties with a registered letter but OSHA later claimed that the company had not contested and the penalties were final.

Fact: OSHA received letter of contest June 28, 1972, and forwarded a letter to the Review Commission the same day. A hearing is to be scheduled.

The article refers to an inspection involving a Conshohocken, Pa., painting contractor identified as Dan Callahan.

David H. Rhone, OSHA Regional Administrator, Region III in Philadelphia states that a thorough check of his files has produced no evidence of Callahan's name either as an employer or employee.

More fiction and fact from the "American Opinion" article:

Fiction: OSHA has ordered Brokaw Motorcycles, Colorado Springs, to use acid-proof goggles and plastic guards on grinding machines. The owner accuses OSHA of "harassment."

Fact: Brokaw Motorcycles of Colorado Springs has not been inspected by OSHA.

Fiction: Fountain Foundry Co., Pueblo, Colo., was cited for lack of personal protective equipment in the foundry and cleaning room.

Fact: Fountain Foundry Co., was cited for silica bearing dust from foundry operations.

Fiction: Goehring Meat Co., Lodi, Calif., was cited 35 times.

Fact: Four items were cited at Goehring, but only one received a proposed penalty, $30, which the company paid.

Fiction: An OSHA compliance officer with a "superior attitude" inspected Ace Cabinet Co., Yuma, Ariz.

Fact: No OSHA compliance officer has ever inspected Ace Cabinet Co., although it was determined that a State safety inspector had once visited the plant.

Fiction: OSHA activity in connection with Sedona Roofing Co., Sedona Sheet Metal, and Cambell Glass, Sedona, Ariz., was described by "American Opinion."

Fact: No OSHA employee has ever been in Sedona, Ariz., in an official OSHA capacity.

The 92d Congress of the United States passed the job safety and health legislation in 1970 because business and industry had failed to abate voluntarily hazards in the workplace. In 1971, the year OSHA began administering the act, on-the-job deaths were occurring at a rate of more than 14,000 a year; disabling injuries amounted to 2.3 million of the workforce; 400,000 persons succumbed to on-the-job illnesses. Other National Safety Council figures show that there were 245 million man-days lost due to on-the-job accidents.

Mr. Speaker, the objective of the Occupational Safety and Health Act is not to "harass" employers, as some continue to claim, but to reduce this workplace carnage. In the long run, I am convinced employers will save a large portion of the estimated $9.3 billion that work accidents cost each year. It may be hard to persuade some that this is true, but my colleagues in the House, looking objectively at the problem, surely must see that safer workplaces can only lead to savings in workmen's compensation payments, insurance costs, lost time and injury payments, legal fees, hospital costs, and thus to a more efficient, dollar-producing operation.

As one who objects to journalistic bias from either the left or the right, I hope that editors will check the accuracy of their material before passing on rumors and misinformation. Given the size, scope and complexity of OSHA, some problems are probably inevitable in its implementation. Where proven to be legitimate, corrective actions have been and should continue to be taken. My colleagues know that as coauthor of the Occupational Safety and Health Act of 1970, I have felt a particular responsibility to closely follow its impact. I was joined by 19 other Members in a bipartisan effort to constructively ease the burden of OSHA on small employers through on-site consultation that received the endorsement of the National Federation of Independent Business and the National Small Business Association. I will be reintroducing this legislation in the immediate future. Shoddy and irresponsible attacks, however, from either the left or the right only serve to undermine the effectiveness of those who would seek to make OSHA workable.

BLACK LUNG PROFITEERS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ERLENBORN. Mr. Speaker, Congress passed the Coal Mine Health and Safety Act in 1969, and included a special provision for miners who are victims of pneumoconiosis, better known as black lung disease.

Inasmuch as this is an occupational ailment, it normally would be covered by State workmen's compensation laws. Congress decided in 1969, however, that a sudden rash of claims, resulting from the new regulations, would cause financial hardship for some States. To avert this, the Federal Government assumed the liability for the first 3 years, that is, through 1972.

The States were supposed to set up their workmen's compensation accounts during those 3 years, but not many of them did; and so the Congress voted last year to extend the Federal liability for 1 more year; and one of the early bills in the current session asks for an extension of 2 more years.

By extending these Federal payments, we are not doing the ailing miners any favors. They are entitled to their payments, whether from the State or the Federal Government.

The real beneficiaries of this Federal unselfishness are the coal mine owners, who are saving several million dollars a year in workmen's compensation premiums while the taxpayers strive to contribute enough to make our budgetary ends meet.

In Kentucky, this has had an interesting side effect. Kentucky does provide limited compensation for victims of black lung disease. Permit me to quote the lead paragraphs of a story by Kyle Vance, which appeared in the Louisville Courier-Journal for March 4, 1973:

> About $6 million in Federal money was used last year to pay Kentucky attorneys for collecting State workmen's compensation benefits for black lung clients.
>
> Eleven attorneys received $3.8 million of the total, with State Senator Kelsey Friend, Pikeville Democrat, receiving $1,008,950.
>
> Since the Kentucky black lung program was started in 1960, State officials estimate that attorneys have received $10 million to $12 million, most of it from Federal tax money . . .

Mr. Vance listed the 11 attorneys who have an obvious interest in continuing the Federal payments for black lung disease. The three leaders among these lawyers, according to Mr. Vance's story, are State Senator Friend, $1,008,950 in fees in 1972; G. C. Perry, $810,058; and W. W. Burchett, $585,118.

They come from respectively, Pikeville, Paintsville, and Prestonsburg; all of which are in Kentucky's Seventh Congressional District. It is only by coincidence, I am sure, that the sponsor of the bill to extend the Federal beneficence, first, for 1 year and now for 2 more, is the Representative from the Seventh District, Chairman Carl Perkins of the Education and Labor Committee.

Mr. Vance's complete story follows:

BLACK LUNG: KENTUCKY ATTORNEYS PAID MILLIONS FOR COLLECTING BENEFITS FOR THEIR CLIENTS

(By Kyle Vance)

FRANKFORT, KY.—About $6 million in federal money was used last year to pay Kentucky attorneys for collecting state workmen's compensation benefits for black lung clients.

Eleven attorneys received $3.8 million of the total, with State Sen. Kelsey Friend, Pikeville Democrat, receiving $1,008,950.

Since the Kentucky black lung program was started in 1960, state officials estimate that attorneys have received $10 million to $12 million, most of it from federal tax money authorized by regulations administered under the Social Security program.

Actually, the federal money is used to repay a black lung client for money deducted from an award by the state to compensate his attorney. The attorney fee generally runs from $4,760 to $5,100 for each claim.

"We treat the attorney fee and other expenses as money the miner didn't receive," said an official of the Atlanta regional office of the Social Security Administration (SSA), which administers the federal black lung program.

Specifically, the lawyer subsidy works like this:

Through the attorney's work, a claimant may be awarded the maximum $60 a week for 425 weeks under the state's black lung program.

The attorney is entitled to as much as 20 per cent of the award, and it is deducted from the last 113 weeks of the recipient's 425-week benefit period, leaving the recipient 312 weeks of state benefits.

Since a federal black lung program allows a maximum $81 a week for life, it adds $21 a week during the 312 weeks the state is paying $60 a week. Then the federal government takes over the full payment of $81 a week.

Thus, instead of waiting 425 weeks, the benefit period is awarded by the state and shortened by the attorney fees, the federal program begins payments at the end of 312 weeks and the claimant is reimbursed for money already awarded the attorney.

FEDERAL SUBSIDY TO END

Federal money isn't paid directly to the attorney, but the effect is the same as if it were.

Friend emphasized this in a recent interview by saying:

"Every penny has come or will come, in a round-about way, from federal money. The miners who won claims won't be out a cent for legal services and other expenses."

The federal subsidy will end when a new Kentucky law becomes effective, probably July 1 unless added time is needed to implement it. The new law upgrades the Kentucky program to meet federal standards, including a maximum award of $81 a week for life.

"There will be no way we can participate in the Kentucky program when they get their new law started," Don Skaggs, assistant SSA regional representative from Atlanta, said. "No federal money will be involved."

He was speaking of new claims. Skaggs and others said federal commitments made in older cases will be kept until all are phased out by death of claimants and their widows and until their dependents become of age. Full state payments will be made only on claims approved after the new law becomes effective.

Payments for older claims will remain at the present levels and time periods, and the federal program will continue to supplement the awards.

Yet to be determined is how or how much attorneys will be paid under the new state law. They remain eligible for 12 to 20 per cent of the claimant's award, a provision that could skyrocket their black lung income to even greater heights, but there has been some indication the percentage might be changed.

Statisticians concerned with the program already have figured that in some cases an attorney awarded the full 20 per cent award for serving a claimant with long life expectancy could be eligible for more than $21,000 for one case.

PROGRAM HAS BEEN ESCALATED

The state's black lung program has been escalated, both in awards to claimants and in attorney fees, since 1969, maximum awards jumped from $49 a week in 1969 to $52 in 1970, to $56 in 1971, and on up to $60 in 1972. Attracted by the income potential, a larger number of attorneys have been filing a greater number of claims.

Robert D. Hawkins, chief counsel for the Labor Department's Special Fund—clearing house for all money paid in workmen's compensation benefits for occupational diseases—said no projection has been made on "how high we will go" when payments are started under the higher, longer rates of the new law.

"It should be reasonable to assume that an attorney who made $1 million last year from black lung cases will make $2 million next year," he said.

Friend was not alone in collecting high fees last year. G. C. Perry III, of Paintsville, received more than $800,000. W. W. Burchett, of Prestonsburg, was third among Kentucky attorneys with about $585,000 in black lung fees. Eight other attorneys went over $100,000.

Friend's total fee award of $1,008,950, as compiled from Workmen's Compensation Board meeting minutes of 1972 compares with $500,741 he was awarded in 1971 for handling black lung claims.

Perry's jump was from $550,000 in 1971 to $810,058. Burchett gained from $350,000 in 1971 to $585,118 in 1972.

HIGH PAID ATTORNEYS LISTED

Here is a list of other attorneys who received more than $100,000 for their services in 1972, all of it presumably involving black lung claims since a coal company and the Special Fund were named defendants in each case:

Cawood Smith, Harlan, $298,500.

Lester Burns, Somerset, $233,000.

Eugene Goss and Karl Forester, Harlan, $217,000.

Earl Cole, Barbourville, $198,000.

Neville Smith, Manchester, $145,000.

Denver Adams, Hyden, $130,000.

Grant Knuckles, Pineville, $127,000.

Cletus Maricle, Manchester, $119,500.

State records do not indicate instances in which an attorney shared his fees with others. Some have partners and others employ attorney helpers on a salaried basis.

The Board, which ordinarily meets in closed session, permitted this reporter to sit in on a recent meeting. It was, board members said, a routine meeting in which the five members read their findings and conclusions reached in an examination of case files in their home law offices.

Unless there was a question from Chairman Shelby Denton of Owensboro or by J. Keller Whitaker, director of the board, the findings and conclusions were accepted.

Members of the board, besides Denton, are: Glenn L. Schilling, Louisville; Alfred Naff, Hopkinsville; Clyde Mullins, Elkhorn City, and George Simpson, Sturgis.

The members, as a group, said they would like to have corrected an impression that they automatically award attorney fees of 20 percent in contested black lung cases. They said they do not.

Schilling said he recently considered a claim that involved 17 medical examinations and doctors' depositions, and that a balancing of the testimony convinced him the claim should be disallowed. The evidence indicated to him, he said, that the claimant's disability was a heart condition and not black lung.

Naff said that he had a case that included 26 depositions from doctors, nine supporting the black lung claim and 17 not supporting it. The claim was denied, he said.

In cases such as those, Chairman Denton said, all money and time used to seek the benefits are lost, both to the claimant and his attorney. The attorney may be the biggest loser, because many reportedly stand good for claimants' expenses and expect repayment when the claimants are later reimbursed by the state. The state awards expenses, attorney fees and benefits only in cases that are won.

BROWN LEADS EFFORT TO PROTECT STEELWORKERS' JOBS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. STARK. Mr. Speaker, I would like to take a few moments today to speak about the effort which a colleague is making to protect the jobs of his constituents.

How can the United States protect the jobs of California's steelworkers from the threat posed by increasing imports of foreign steel products on the west coast, without imposing restrictive import duties?

This was one of the first problems facing Congressman GEORGE BROWN when he came to Washington this year. Many citizens of the 38th Congressional District work for Kaiser Steel in Fontana, which has been particularly hard hit by the rising percentage of the domestic steel market penetrated by foreign manufacturers; 36 percent of all steel products sold in the Far West are now imported, as compared with the national average of 16 percent.

BROWN did not see restrictive import duties as the answer, since such tariffs tend to provoke retaliatory tariffs by foreign governments against American products, endangering the jobs of other U.S. workers.

Congressman BROWN sent a letter—cosigned by Congressman JERRY PETTIS, who shared his concern—to each of the 79 other western Congressmen, explaining the problem and inviting them to join in an effort to find a solution. He began to insert material about the problem into the CONGRESSIONAL RECORD. And when enough interest had developed, a luncheon meeting was scheduled for April 3, at which GEORGE BROWN, JERRY PETTIS, and several other Members of Congress will get together in the Capitol with key administration officials to explore various possible means of correcting the present geographic imbalance in imports.

Congressman BROWN feels that modifying the voluntary restraint program, first worked out between the United States and some foreign manufacturers in 1969, offers the best hope for protecting our domestic steelworkers' jobs. The April meeting will reveal whether Congressman BROWN can gain support for his proposals.

LAST CHANCE FOR THE AMERICAN WOLF

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. WHITEHURST. Mr. Speaker, on February 26, Jethro, a full-grown Canadian wolf, visited Capitol Hill with his owner, Mr. John Harris, to help publicize the plight of endangered species. A number of my colleagues had the opportunity to meet Jethro, and several are planning to cosponsor the bills I have introduced for the protection of such animals, House Joint Resolution 119, H.R. 1271, and H.R. 1272.

In the February 1973, issue of Environmental Quality, there was an excellent article by Mr. Lewis Regenstein, Washington director of the Fund for Animals, Inc. I am taking this opportunity to share Mr. Regenstein's thoughts with my colleagues:

LAST CHANCE FOR THE AMERICAN WOLF

(By Lewis Regenstein)

The wolf—one of nature's most interesting creatures—may be facing its final struggle. If the wolf is to be saved in North America, it will have to be done quickly; for many of the remaining population stocks are being rapidly and intentionally extirpated. Only a sustained and effective public outcry can save the few that remain on this continent.

It is difficult to understand why man has waged such a remorseless war on these unique and valuable creatures. Wolves play a vital role in maintaining nature's balance and in keeping herds of deer, elk, and moose at desirable population levels. By preying mainly on the very old and young, the sick, and the lame, they eliminate excess animals from the herd. This insures that the forage and food supply is not exhausted, which could result in the death of the entire herd. Wolves also help prevent large scale die-offs from starvation by keeping ungulates (hooved animals) on the move in winter; and by removing diseased animals wolves keep the herds healthy and prevent epidemics. Another important function is in removing the unwary and less intelligent animals. By culling out these biologically inferior individuals, wolves are thought to be a significant factor in the evolution of a healthy ungulate population.

Moreover, wolves are highly evolved animals with a complex and orderly social structure. The famous "howl" of the wolf consists of intricate rhythmical sounds that can accurately be described as musical. Naturalist Aldo Leopold has described this eerie cry as:

> A deep chesty bawl that echoes from rimrock to rimrock, rolls down the mountain, and fades into the far blackness of the night. It is an outbust of wild defiant sorrow, and of contempt for all the adversities of the world.

Studies of wolf packs in Canada's Algonquin Park, Ontario, indicates that wolves howl when they are separated from the herd, when they want to reconvene the pack, and when their pups die. They also howl in "loneliness" when left alone in a cage.

According to Gordon Heber, who has studied wolves in Alaska, a pack of wolves is "a highly organized, well disciplined group of related individuals or family units, all working together in a remarkably amiable, efficient manner." Each member of the pack knows and accepts its rank in this strict dominance hierarchy. The pack leader, or "alpha" male, is usually the strongest, smartest, and most experienced member of the herd; and he exercises unquestioned authority over it. It is the alpha male that generally sires the young, thus perpetuating nature's law of natural selection and survival of the fittest.

The second-ranking, or "beta" male, directs most of the herd's routine activities. The beta male also acts as a "husband and father" to a breeding female, helping her with "whelping duties" and in rearing the young. After the pups are weaned, they are occasionally turned over to others of the pack for pup-tending duties. According to Haber, the mother will even "leave the pups with a babysitter and light-heartedly trot off with the other adults for a fling on the nightly hunt." He concludes,

"In many ways, the social organization of wolves is almost identical to what anthropologists have pieced together as the social organization of early man, or even that of some primitive hunter-gatherer societies of today: the well-defined dominance order and disciplined manner in which duties are assigned and carried out; the presence of different generations of the same family living together; the prolonged dependency of the young; the group effort in raising and training them; the cooperative effort of many individuals in hunting large prey . . ."

Th social life of wolves has an additional relevance to man. It is theorized that most dogs are the evolutionary product of a small variety of wolf probably domesticated about 12,000 years ago in the Near East. Submission is a basic part of wolf behavior, with each member of the herd, except the alpha male and female, frequently exhibiting it. It is thus conceivable that this submission instinct has made it possible for man to domesticate the wolf, with the dog's master replacing the alpha male.

WOLVES DO NOT ATTACK MAN

Moreover, contrary to legends perpetuated by such fairy tales as "Little Red Riding Hood" and "The Three Little Pigs," wolves do not attack humans, but avoid them whenever possible. There does not appear to be a single documented case of a healthy wolf ever attacking a human without provocation in North America.

Yet, probably no animal has been so universally persecuted, so intensely, for so long a period of time, and with less justification, as the wolf. According to Elmer Shaw of the Library of Congress, bounties on wolves have been in existence for at least 27 centuries. The early Greeks paid bounties on wolves; and *Plutarch's Lives* refers to drachmas paid by the ancient Romans for dead wolves (5 drachmas for a male, 1 for a female).

When the first American colonists began settling in New England, wolf bounties were quickly instituted. Massachusetts apparently adopted the first bounty system in the New World in 1630, and two years later Virginia followed suit.

In Europe, the wolf fared no better. It was killed off in Great Britain by the 18th century, and is now extinct throughout most of Europe.

Today, in the United States, probably less than 100 grey wolves remain in the wild outside of Minnesota and Alaska: 20–30 on Isle Royale, Michigan; perhaps one or two dozen in the northern peninsula of Michigan; and an undetermined number in Yellowstone Park, Idaho, Montana, and Wyoming. All of the wolf populations in the United States are threatened to some degree.

HUNTING BY AIRPLANE

Alaska, with a wolf population of from 2500–5000, contains by far the largest number of wolves in the United States. But Alaska's attitude towards wildlife does not bode well for these rapidly disappearing animals.

The wolves of Alaska face a constant threat from hunters and fur traders. The traditional way of hunting wolves in Alaska has been by airplane. Airborne hunters with shotguns fire into the herds indiscriminately, killing some and wounding many others which are crippled for life or die a slow and agonizing death. Between 1967–69, approximately 3500 wolves were killed in Alaska. In one fiscal year—1967–68—Alaska paid bounties on 1711 wolves, 718 of which were killed from airplanes. Some areas still pay bounties on wolves, but most bounties have been eliminated.

Although Congress in 1971 passed a bill ostensibly prohibiting the hunting of animals by airplane, loopholes in the act, combined with the state's intransigence, permitted aerial hunting of wolves to continue as usual. Recently, however, conservationists have been encouraged by the appointment of Jim Brooks as Alaska's new Commissioner of Fish and Game. Brooks has indicated that the issuance of airplane hunting permits will be curtailed or eliminated; but the situation remains unclear, since the Governor, William A. Eagan, and a Departmental board can overrule Brooks' decision. Moreover, illegal airplane hunting will undoubtedly persist, as well as the legal hunting by snowmobile and conventional "sporting" methods.

The wolves of Minnesota constitute the last viable population stock of gray wolves in the lower 48 states. But these critically threatened animals are facing mounting pressure from hunters, trappers, cattle ranchers, and state and Federal "game managers." Most estimates place Minnesota's wolf population at a maximum of about 300, although the state game authorities place it considerably higher, at between 500–1000. Even so, the state is currently working to implement a Federally approved "management" plan, the goal of which is to provide "an annual take of 150–200 wolves." Under this plan, there would be a 6 month season for hunting and trapping, with a limit of 10 wolves for residents, 3 for non-residents, in the "open" areas. In other areas, wolves may be taken without limit, seemingly because of pressure from livestock raisers. Needless to say, "a continuing program of directed predator control" will be in effect, and farmers "may take wolves doing damage to domestic animals on such lands without license at any time." The hunting regulations apply to all persons 16 years or older; and allowed methods will include dog teams, rifles, shotguns, and even bows and arrows. Under the heading "Harvest Goals," the plan states that "emphasis in harvesting wolves should be upon their trophy value for sport hunting and trapping."

SLOW ROAD TO EXTINCTION

This plan has been defended on the grounds that it would establish a 2,350 square mile wolf sanctuary in northeastern Minnesota. Moreover, in some ways it does represent an improvement over the present situation, in which wolves may be killed year around without limit except in the Superior National Forest. Nevertheless, the proposal would not provide adequate protection to these wolves, and appears to represent merely a slower road to extinction for most of these unfortunate creatures.

The proposed plan is signed and endorsed by Robert L. Herbst, Commissioner of the Minnesota Department of Natural Resources, St. Paul, Minnesota; Travis S. Roberts, Regional Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of Interior; and Harold E. Anderson, Forest Supervisor, Superior National Forest, U.S. Forest Service. In a 12 September 1972 press release, Herbst announced that the plan would be recommended to the 1973 Minnesota legislature, with the hope that it could be "activated as soon as possible following legislative approval." Roberts, speaking for the Interior Department, described himself as "fully satisfied with the outcome;" and the Forest Service's Anderson characterized the plan as "in the best interests of everyone." He apparently was not including the wolves.

The American wolf with the least chance of survival seems to be the red wolf (*Canis* *rufus*, or *Canis niger*), which is an ancient and distinct canine species different in many ways from the gray or timber wolf (*Canis lupus*). Red wolves are midway in size between the gray wolf and the coyote, for which it is often mistaken. The red wolf is native to the southeastern United States from Texas to Florida, and at one time ranged throughout the Ozark Mountains and as far north as the Ohio Valley. By the turn of the century, it still inhabited about 14 states, and was concentrated in Texas, Louisiana, Mississippi, and Arkansas. But around 1920, an aggressive poisoning and trapping program began, and by the 1950's it had been extirpated from most of its range. Federal predator control programs continued to take a heavy toll of the remaining wolves; and from 1955–64, the Interior Department's Bureau of Sport Fisheries and Wildlife claimed credit for killing 27,646 red wolves. In one year alone, 1960, 3,830 wolves were "removed," and as late as 1964, 2,617 were killed.

The Interior Department has succeeded in its goal of bringing this animal to the very edge of extinction. Today, the red wolf exists almost exclusively in several counties in Texas and Louisiana, with perhaps 200–300 animals surviving in the wild. Because predator control programs have seriously disrupted the wolf's territorial system and broken down its social organization, remnant wolves have in recent years begun to mate with coyotes, creating hybrid animals. Coyotes and hybrids are now considered a threat to the species at least equal to that of human molestation.

Ironically, another branch of Interior—the Office of Endangered Species—after having been prodded by conservation groups, is now showing an interest in the plight of the red wolf. According to Tom Garrett of Friends of the Earth, the Office has agreed to a recovery plan but, as usual, has been slow to implement it or take any substantive action. There is suspicion that the Department's predator control branch—the Division of Wildlife Services—may be exerting pressure on behalf of its client ranchers.

"VARMINTS"

In Canada, wolves survive in sizeable numbers in some areas. Although feelings seem to be gradually changing, the Canadian attitude, like that of the U.S. several decades ago, generally considers wolves to be "varmints."

The Province of Quebec is one area where wolves are still relatively abundant. Unfortunately, the Provincial game authorities, under the direction of the Minister of Tourism, Fish, and Game, Claude Simard, have decided to kill off a large number of Quebec's wolves, in the mistaken belief that this will generate more deer and moose for hunters. While it is true that the province's deer and moose have declined in numbers in recent years, the reason is the past severe winters combined with widespread over-hunting, for which Quebec is notorious. Although the wolves have co-existed in balance with their prey for centuries, they are, as usual, getting the blame rather than the real culprits, the "sportsmen."

Officials of the Fish and Game Department in Quebec show a remarkable lack of understanding of wolf ecology and predator-prey relationships. Michel Renaud, Simard's assistant, stated in a recent letter that:

"Man tends to seek out certain animals by preference . . . The proliferation of the wolf is a natural consequence of this unbalance which creates a need, according to biologists, to control it in certain parts of Quebec."

Gaston Moisan, Director of the Department's Fish and Game Branch, also wrote that "the control program is planned to reduce the wolf populations in certain known spots where white-tailed deer concentrate year and after year." Yet, the authorities have not even closed the hunting season on deer and moose, which would be a logical first step if they were sincere in their stated desire to protect these ungulates.

From September to November 1972, hunters were enticed into Quebec with the offer of a prize for killing wolves, the trophy consisting of the jaw of the wolf set in an acrylic block with the hunter's name inscribed on it. The above officials now claim that the open season on wolves did not result in any significant number being killed. However, this contest was only phase one of the wolf-elimination campaign. Phase two began in November and will last throughout the winter, the objective being, according to the *Montreal Gazette*, to wipe out two out of every five wolf packs. During the winter period, hundreds of traps will also be spread throughout the area to finish the job of "thinning out" the wolf herds. Reportedly, poison bait may be used as well.

Although this is now being denied by the provincial authorities, the result of this "control operation" will be to further jeopardize the future survival of these hard-pressed animals, while failing in any way to benefit the herds of deer and moose. Prompted by pleas from television host Dick Cavett, and Canadian-American Wolf Defenders' President Araby Colton, letters of protest have poured into Quebec. This appears to have at least reduced or slowed down the killing; but as of this writing, the final status of the operation remains uncertain.

WILT CHAMBERLAIN'S WOLF BEDSPREAD

Finally, a continuing threat to wolves everywhere is the U.S. and international fur industries, whose demands create a tremendous economic incentive for the killing of these threatened animals. This season, such chic fashion boutiques as Saks Fifth Avenue, Lord & Taylor, Bloomingdale's, Jacques and Georges Kaplan (who gained national publicity by renouncing the use of "endangered species"), and even Gimbel's have been pushing wolf-trimmed fur coats, through an aggressive advertising campaign in *Esquire*, the *New York Times*, and other leading publications. Basketball star Wilt Chamberlain bought up a full year's crop of wolf pelts collected by bounty hunters in Alaska. He uses them to cover two couches, and as a rug and bedspread.

Even the Defense Department got into the act this year when its Defense Supply Agency (DSA) issued orders for 368,782 winter parkas trimmed with wolf fur. It was estimated that to fill such an order would have required at least 25,000 dead wolves, and news of this incredible blunder caused a considerable public outcry, including appearances on national television by Cleveland Amory, President of the Fund for Animals; and John Harris, President of the North American Association for the Preservation of Predatory Animals, accompanied by his two wolves, Clem and Jethro.

Eventually, DSA announced that it was reducing its requirements to 91,280 winter jackets and would use coyote pelts instead of wolf. DSA proudly stated in its fact sheet that this course of action had the approval of—you guessed it—the U.S. Department of Interior's Office of Endangered Species. A letter was also produced from Joseph Linduska, Associate Director of Interior's Bureau of Sport Fisheries and Wildlife, stating that—

"The impact on wild coyote populations would be negligible and temporary . . . Removal of 18.000 coyotes from the wild might constitute a 2 or 3-year harvest of prime pelts, but recovery would be rapid."

SOME SOLUTIONS

A partial solution to the fur industry's exploitation of wolves would be for the Interior Department to fulfill its responsibilities under the Endangered Species Conservation Act of 1969 and add the wolf to its endangered list. This would ban the import into the U.S. of foreign wolf pelts (most of which come from Canada) used in fur coats and fur-trimmed items, thus removing much of the market for such products. But the Interior Department's policy has traditionally been to add an animal to its endangered list only *after* its future survival has become doubtful.

NATIONAL SMALL BUSINESS ASSOCIATION IS COMMENDED FOR ITS "BEAM" PROCUREMENT PROGRAM

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. CORMAN. Mr. Speaker, as chairman of the Procurement Subcommittee of the House Select Committee on Small Business, I wish to invite the attention of my colleagues to a certain program operated by the National Small Business Association which is designed to encourage its members to participate in Government procurement.

This project called BEAM standing for "Bidders Early Alert Message," enables many NSBA members to obtain timely notice and detailed information regarding opportunities to bid on Government contracts for goods and services.

We are advised that since the inception of BEAM in August 1971, thousands of bid notices have been delivered to more than 100 locations in the United States, and that the program results in Government contracts to BEAM participants now averaging in value between $400,000 and $500,000 a month.

The Honorable Thomas S. Kleppe, Administrator of the Small Business Administration, recently acknowledged the effectiveness of this BEAM project. In awarding a special citation to NSBA for its efforts Administrator Kleppe said:

> With the availability of BEAM, small businessmen throughout the nation now have an opportunity to know rapidly and economically what our government is seeking in the way of goods and services at over 2,500 buying offices with contract authority.

In this connection, I insert in the Record the following account of SBA's award appearing in a recent issue of NSBA's publication, the Voice of Small Business.

Small Business Administration Honors NSBA

Washington, D.C., January 31, 1973.—The National Small Business Association (NSB) has been awarded a Special Citation for its efforts in promoting the growth and progress of small business through its Bidders Early Alert Message (BEAM) Program by the U.S. Small Business Administration.

SBA Administrator Thomas S. Kleppe presented the award to John Lewis, NSB Executive Vice President, at SBA's National Headquarters in Washington, D.C. Marshall Parker, SBA Associate Administrator for Procurement and Management Assistance, and Herman Director, who heads BEAM, also participated in the award ceremony.

The BEAM Program, a nationwide computerized network which is financed without government funds, informs participants of available government contracts. It was inaugurated by NSB in August 1971 because its members were interested in a low-cost system that would alert them to such contracts and provide in capsule form information on how to bid on them.

With the availability of BEAM, small businessmen throughout the nation now have an opportunity to know rapidly and economically what their government is seeking in the way of goods and services at over 2,500 buying offices with contract authority.

BEAM has removed a great financial and personnel burden from the shoulders of hundreds of small businessmen. Most firms do not have the resources, the personnel to sift through the mass of daily bid notices, nor the thousands of dollars necessary to retain an individual Washington representative who could alert them to available government procurement contracts.

Since the inception of the program only 18 months ago, BEAM participants have received over $13 million in government contracts totalling between $400,000 and $500,000 per month.

NSB represents over 500 different types of commerce and industry, including the professional man. After receipt of a BEAM message, the selling, manufacturing, and service capabilities of NSB's thousands of members enable them to bid on the entire gamut of federal and federally-funded state procurement contracts. These encompass foods, clothing, machinery, research and development, laundry, dry cleaning, transportation, decorating, security, maintenance, and literally thousands of other items.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. SCHERLE. Mr. Speaker, for more than 3 years, I have reminded my colleagues daily of the plight of our prisoners of war. Now, for most of us, the war is over. Yet despite the cease-fire agreement's provisions for the release of all prisoners, fewer than 600 of the more than 1,900 men who were lost while on active duty in Southeast Asia have been identified by the enemy as alive and captive. The remaining 1,220 men are still missing in action.

A child asks: "Where is daddy?" A mother asks: "How is my son?" A wife wonders: "Is my husband alive or dead?" How long?

Until those men are accounted for, their families will continue to undergo the special suffering reserved for the relatives of those who simply disappear without a trace, the living lost, the dead with graves unmarked. For their families, peace brings no respite from frustration, anxiety, and uncertainty. Some can look forward to a whole lifetime shadowed by grief.

We must make every effort to alleviate their anguish by redoubling our search for the missing servicemen. Of the incalculable debt owed to them and their families, we can at least pay that minimum. Until I am satisfied, therefore, that we are meeting our obligation, I will continue to ask, "How long?"

FREE SPEECH AND THE SUPREME COURT

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RARICK. Mr. Speaker, while the American people have had enough of promiscuousness, licentiousness, and a complete breakdown in morality, the Supreme Court continues its immoral efforts to prove that ours is a society without law.

The latest decision, which affects the University of Missouri, is a classic example of the Supreme Court shenanigans. Six political judges have now misused the first amendment so as to license as free speech language which was so foul and offensive that the judges would not even allow the printing of the utterances in their written decision. Instead they substituted two initials and 10 dashes. Apparently, the Highest Court of our land still abides by a higher code of conduct in its speech than it licenses for the public under the "free speech" misnomer.

The decision goes further than guaranteeing the right to use repulsive language as free speech. The decision must be regarded as a complete attack against discipline and decency so important to education. The Supreme Court has now ruled that a college or university cannot establish norms of conduct which the educators feel are necessary to create an environment conducive to study and learning. The majority of the students seeking to improve themselves by education have lost so that one student can run her dirty mouth and upset any semblance of respect and dignity.

A news report follows:

[From the New York Times, March 20, 1973]

Court Bars Student's Expulsion Over Campus Press Obscenity

(By Warren Weaver, Jr.)

Washington, March 19.—State university officials cannot shut off the dissemination of offensive ideas by expelling a student who circulates them in print, the Supreme Court ruled today.

By a 6-to-3 vote, the Court ordered the University of Missouri to reinstate Barbara Susan Papish, a 32-year-old graduate student in journalism, who was expelled in 1969 on the ground that she had not observed "generally accepted standards of conduct."

Miss Papish had distributed on campus copies of a newspaper called Free Press Underground that included a cartoon portraying the rape of justice and liberty by policemen and a headline with an obscenity.

Neither the cartoon nor the article, the Supreme Court majority held, were "constitutionally obscene," and Miss Papish could not be expelled because "the First Amendment leaves no room for the operation of a dual standards in the academic community with respect to the content of speech."

JUDGES IN MAJORITY

Voting to reverse decisions reached by a Federal District Court and the United States Court of Appeals for the Eighth District were Justices William O. Douglas, William J. Brennan Jr., Potter Stewart, Byron R. White, Thurgood Marshall and Lewis F. Powell Jr.

Dissenting were Chief Justice Warren E. Burger and Justices Harry A. Blackmun and William H. Rehnquist.

Mr. Burger charged that the majority had proved its inconsistency by using two initials and 10 dashes in its opinion as a substitute for "the petitioner's foul language."

The majority quoted from a 1972 Supreme Court ruling that "state colleges and universities are not enclaves immune from the sweep of the First Amendment" and denied that the university's action was "a nondiscriminatory application of reasonable rules to govern conduct."

In his dissent, Mr. Rehnquist said that Miss Papish had spent six years as a graduate student with little progress, and was on disciplinary probation for distrubting obscene publications and academic probation for "submarginal academic progress."

Just because the first amendment would have prevented any criminal prosecution of the student, Justice Rehnquist wrote, does not necessarily mean that the university could not exercise control over its operations by expelling anyone who circulates offensive material.

SOCIAL SERVICES

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. REID. Mr. Speaker, on Wednesday, March 21, the Democratic Caucus will consider a resolution requesting the Committee on Ways and Means to report out legislation which will enable State and local governments to continue existing programs providing social services.

The need for this resolution stems from proposed regulations issued by HEW on February 16. These regulations, if implemented, will all but destroy countless programs for the poor, the aged, and the disabled—programs designed to combat welfare dependency.

I am enclosing for the Record a copy of the resolution and commend my colleagues in the House who have registered their support. I hope that all my Democratic colleagues will attend the caucus and support this resolution.

The resolution follows:

Proposed Resolution on Social Services Funding for Consideration by the Democratic Caucus, March 21, 1973

Whereas, pursuant to the authority contained in Titles I, X, XIV, XVI and IVa of the Social Security Act, programs of social services have been initiated by state and local governments which have provided substantial assistance to the disadvantaged and have enabled large numbers of citizens to successfully remain off the public assistances roles and,

Whereas, in the 92nd Congress a ceiling of $2.5 billion was imposed upon federal reimbursement to the states and territories for such social service programs and,

Whereas, at the same time a formula for apportionment of said sum among the states and territories was established which fixes the sums to which each state is entitled, and

Whereas, the Department of Health, Education and Welfare has now proposed new, restrictive regulations which would destroy many useful programs of social services and would sharply reduce the effectiveness of others, and would shift substantial financial burdens to state and local governments, and

Whereas, the President has urged that Congress provide greater decision-making to state and local governments in the expenditure of federal funds.

Now therefore, be it resolved by the Democratic Caucus of the House of Representatives that the Committee on Ways and Means is respectfully requested to promptly report to the floor legislation necessary to enable state and local governments to continue existing programs of social services subject only to the limitations expressly enacted in the 92nd Congress.

SIGNERS OF THE NOTICE TO THE DEMOCRATIC CAUCUS

Ogden R. Reid, Bella Abzug, Joseph P. Addabbo, Glen M. Anderson, Thomas L. Ashley, Herman Badillo, Jonathan B. Bingham, John Brademas, George E. Brown, Yvonne Brathwaite Burke, Phillip Burton, Shirley Chisholm, William Clay, John Conyers, James C. Corman, John C. Culver, and Ronald V. Dellums.

Ron de Lugo, John Dent, Charles C. Diggs, Robert F. Drinan, Don Edwards, Joshua Eilberg, Dante B. Fascell, Walter E. Fauntroy, William D. Ford, Lee H. Hamilton, Julia Butler Hansen, Michael Harrington, Augustus F. Hawkins, Ken Hechler, Henry Helstoski, Elizabeth Holtzman, James J. Howard, and Robert W. Kastenmeier.

Donald M. Fraser, Edward I. Koch, Robert L. Leggett, Torbert H. Macdonald, Spark M. Matsunaga, Lloyd Meeds, Ralph H. Metcalfe, Parren J. Mitchell, Joe Moakley, William S. Moorhead, John E. Moss, Morgan F. Murphy, Lucien N. Nedzi, Claude Pepper, Bertram L. Podell, and Melvin Price.

Charles B. Rangel, Thomas M. Rees, Donald W. Riegle, Peter W. Rodino, Jr., Fred B, Rooney, Edward R. Roybal, Paul S. Sarbanes, Patricia Schroeder, John F. Seiberling, B. F. Sisk, Fortney H. Stark, Louis Stokes, W. S. Stuckey, Jr., James W. Symington, Frank Thompson, Jr., Robert O. Tiernan, Lionel Van Deerlin, Jerome R. Waldie, Lester L. Wolff, Antonio Borja Won Pat, and Andrew Young.

BLACK SUPPORT FOR OEO DISMANTLEMENT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. CRANE. Mr. Speaker, by any objective standard the programs instituted by the Office of Economic Opportunity, with certain minor exceptions, have failed to perform the tasks assigned to them. Rather than assisting the poor to gain skills, employment, and improved living conditions, OEO has instead created a huge governmental bureaucracy designed primarily to stir political turmoil and unrest.

The experience we have had with OEO proves once again that serious and complex situations are most often made worse by the intervention of government. Bureaucrats, once assigned to the job of alleviating poverty, quickly develop a vested interest in not alleviating it. If poverty were eliminated, for example, so would the jobs of poverty fighters.

Recently, the city of Washington witnessed a demonstration of opposition to the administration's proposals to dismantle the Office of Economic Opportunity and eliminate some of its more flagrantly abusive programs, such as those relating to community action agencies. Those who demonstrated claimed to represent the poor, and more particularly the majority of black Americans. This claim, however, is totally unsubstantiated. Those black Americans who are desperately concerned with the deteriorating situation in our inner cities seek real solutions, not expensive Government bureaucracies.

One black voice which has been vocal in its support for the dismantlement of OEO is that of the Reverend Henry Mitchell of Chicago. In the newsletter published by his North Star Mission, the Reverend Mitchell invites any person or groups of persons, black or white, to come into the Lawndale area, knock on any door—and ask the question, "What has the so-called antipoverty program done to help you?"

He declares that—

> Ninety five per cent of the people wouldn't even know what you are talking about.

On the other hand, if you knock on the door of any precinct captain, ward committeeman, or alderman and ask them the question—they would say, "It has created patronage jobs for certain people who are used by the crooked political machines to steal votes by misusing the rights of the voters—and have lined their pockets."

In April 1971, the North Star Mission and other black groups in Chicago identified many people employed by Government programs who were "out on the streets hustling votes for the existing political machine in Chicago at the taxpayers' expense."

Declares the Reverend Mitchell:

> OEO programs, were supposed to have been designed to teach people how to help themselves, so far they have taught people how to become slaves to the city plantation, especially the blacks. We encourage President Nixon and Congress to wipe out all programs that have enslaved the poor, robbed the taxpayers, and turned many people into thieves.

We have heard the voices of black militants urging more and more bureaucratic intervention on their own behalf. Now let us listen to a black voice which is truly concerned with improving conditions of the poor.

I wish to share with my colleagues the Star News, published by the North Star Mission, of February 1973 and insert it into the RECORD at this time:

BETTER LATE THAN NEVER

(By Rev. Henry Mitchell)

A handful of Americans are up in arms over the cut-backs in some Government programs.

Far too long have city officials been depending upon Federal Government to solve the problems of the cities. Good leadership is indicated by economical handling of finances. Getting the most out of every dollar you spend.

Finding jobs for the unemployed does not necessarily mean you must have elaborate, air conditioned, wall-to-wall carpeted offices and a large staff of over-payed, under-worked individuals.

Billions of dollars spent on research and paper programs could have been spent more wisely on educating every man, woman and child to become responsible individuals.

Responsible to their job.

Responsible to their home.

Responsible to their country.

This handful of people who are crying about the cut-backs are crying about the education of the people in the poverty areas.

This handful of dudes who are crying to keep the programs going should answer these questions. If the programs have been so successful why do we have more slums? Why do we have more crime? Why do we have more boarded up buildings and vacant lots? Why do we have more people today who rather go on welfare than work? Why do we have many people working just a few months then quitting good paying jobs?

These dudes are crying that the country is headed for a depression. It won't be the country going into a depression it will be the over-payed, under-worked employees of these programs.

These dudes have organized an Anti-Poverty factory in the name of helping the poor by robbing the tax-payers.

Quite naturally they will do everything in their power to keep their Anti-Poverty Factory U.S.A. in action.

I live, eat and sleep in the ghetto, I'm raising my family in the ghetto, I pastor a church in the ghetto, the North Star Mission is in the ghetto, and I will call any man or woman a liar and prove they are lying if they say these programs have helped the poverty sticken American.

The North Star Mission has been trying to educate the public to the fraud of Anti-Poverty Factory U.S.A. even before Nixon was elected President in 1968.

The North Star Mission invites any person or groups of persons, black or white to come into the Lawndale area, knock on any door they so please and ask the question, "What has the so-called Anti-Poverty program done to help you?".

Ninety-five percent of the people wouldn't even know what you are talking about. They would stare at you as if you had asked them, "How many spits in a dip of snuff?".

But, if you knock on the door of any Precinct Captain, Ward Committeeman or Alderman and ask them the question, "What has the Anti-Poverty program done for you?", if they would be truthful they would say, "It has created patronage jobs for certain people who are used by the crooked political machines to steal votes by misusing the rights of the voters and the programs have lined their pockets with "In God We Trust" and stripped their hearts of honesty.

In April of 1971 the North Star Mission along with many other organizations identified many people who worked in the so-called Model Cities program who were out on the street hustling votes for the existing political machine in Chicago at the tax-payers expense.

One thing the mass of Chicago citizens have experienced since Model Cities came into being is that ninety-eight percent of the Model Cities program has been Model destruction.

We ask no one to take our word for it, but we invite all to come and see for themselves.

The programs were supposed to have been designed to teach people how to help themselves, so far they have taught people how to become slaves to the city plantation, especially the blacks.

I constantly see my Black people being used and misused at the expense of the taxpayer by that black and white nigger.

The average black person can show respect for President Nixon by encouraging local responsibility in the home, in the school, in the community and in the State.

I feel that every home should have home government as long as that home government is not infringing on the rights of others.

For hundreds of years the black home, the black school and the black community has been run by irresponsible people in city halls throughout the nation.

Every Mayor and Governor should be proud of President Nixon's Revenue Sharing Program. It will teach them something they have never been taught since they have been in office. It will teach them how to be responsible for their office as Governor or Mayor without crying on the shoulders of Congress when they fail to handle their responsibilities as they should.

How can there be responsible followers when they fail to provide responsible leadership.

Those officials who are crying about the cut-backs in wasteful programs are proving to the people they are supposed to be representing that they are incapable of assuming responsibility, like a two day old baby that cries to be fed and changed.

One old saying that is very true is, "If you throw a bone into a pack of dogs, the dog it hits is the one that barks".

When President Nixon threw a bone into the wasteful Anti-Poverty Factory U.S.A. the ones that were hit started all the barking, pretending that they are so concerned about the poor. None of them that barked are poor.

If they are so concerned about the welfare of the poor we ask them to answer these questions. "What have they ever done as an individual, completely on their own, to help the poor?".

Have they given one child, other than their own a scholarship to college? Have they gone into the poor communities and paid one family's rent or bought them food? Have they bought paint, lumber or tools for one family to fix up their property? Have they loaned one family money to help renovate their building? Have they moved into the poor community to offer their physical labor, talents or skills where ever they are needed? Have they taken one poor Black or Appalachian child to an Art or Science Museum or to a Historical monument.

President Nixon has been receiving information from the North Star Mission about these wasteful programs since he was first elected in 1968. If he would have done something then about these programs the economy of our country would have been in much better shape and there would have been less thieves today.

It's better late than never.

I'm sure you know this is not a political endorsement but the facts regarding the Anti-Poverty Factory U.S.A.

We hope President Nixon will establish programs to train people to become responsible for the Government instead of programs that train Government to be responsible for the people.

If people are trained to become responsible for their Government they will automatically become responsible for their jobs, their homes and their community.

If there were programs that taught people to be responsible for the Government, in the next twenty years ninety-five percent of the problems, that are destroying America today would be solved.

Since 1934 the Government has been responsible for the people. One thing many Americans fail to understand is that the Government is the people. If the American people were taught responsibility we definitely would have a responsible Government.

In our schools, our children, regardless of race, creed or color must be taught the responsibility of love, regardless to race, creed or color.

God teaches us in His Holy word that man must make one step and He will make two.

The have-nots must be taught to make that one step and the haves must be willing to help the have-nots who take the one step to help themselves.

If big Government spending and big Unions were the answer to America's problems then why do we have more problems in America today than ever before?

The only thing big Government spending does is to make big thieves.

Billions of dollars have left Washington D.C. in the name of helping the poor. Those billions have been side-tracked into shoe boxes, gambling casinos, Swiss bank accounts and used to help finance political campaigns.

The reward to the poor, of the money that has been allocated to help them, has been to enslave more of the poor and caused the slum conditions to grow and consume more of our cities.

We encourage President Nixon and Congress to wipe out all programs that have enslaved the poor, robbed the tax-payers and turned many people into thieves.

We encourage President Nixon and Congress to set up programs that will encourage people that they are somebody, not because they are black, white, yellow or green but because they are made in God's image after His own likeness.

We encourage every American to support any man in Congress who will set up programs to instill dignity and pride in the American people so they can hold their heads high and say, "I am somebody because I have a job and can support my family. My community is clean and not littered. My wife, mother, son, daughter and father can walk the streets without being robbed, raped or beaten up by some hoodlums".

The North Star Mission believes that those who need help should get it, also the Government should continue to provide preschool programs for children. We also believe jobs should be available to those who are able to work for themselves, they should not receive welfare.

To all those who have been employed by the Anti-Poverty Factory U.S.A., if you are willing to give a company eight hours of work for eight hours of pay, we will seek employment for you. Call the North Star Mission at 522-7610 for an interview.

CHAMBER OF COMMERCE FAVORS JOB OPPORTUNITIES FOR COLLEGE STUDENTS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. COLLINS. Mr. Speaker, we are all interested in an excellent statement that affects college students. Arch Booth, executive vice president of the Chamber of Commerce of the United States, spoke out with sound logic on the effect of minimum wage on college student employment. As I had an opportunity to work my way through college, I hope that many of our present generation will have the same opportunity.

Five million individuals in the chamber of commerce received the message of Arch Booth. I would like for my colleagues to also read this expression from the representative voice of the chamber as it also affects your own community. The following is Booth's statement:

STATEMENT BY ARCH BOOTH

I notice that some outfit calling itself "the National Student Lobby" is reported to have proposed a boycott of McDonald's. Why? Because the president of that company has supported legislation to set a lower federal minimum wage for young people.

Sounds logical, right? If you want to help students, you demand that they get the same rate of pay as anyone else, right? No, wrong. With friends like that, students don't need any enemies.

The fact is, raising the minimum wage to $2, as is being discussed in Congress—without an exemption, or lower rate for students and the young—would have these effects: 1. Wholesale elimination of student jobs. 2. Increases in college tuition costs. 3. Reduction or elimination of many campus services.

SOME EXAMPLES

Take Michigan State University as an example. For the 1971–72 school year, Michigan employed 7,000 students at a minimum wage rate of $1.60 an hour. If the minimum were hiked to $2 an hour, with no exemption for students, the University's costs would increase by $2,475,000. Some other examples: Brigham Young University, $1,378,000; Oklahoma State, $2,121,600; Illinois State, $1,308,320; University of Iowa, $1,591,200, and so on.

Where would a hard-pressed school get this kind of money? The answer is, it wouldn't. Tuition might be raised a little. Some money might be squeezed out of the state or federal governments. But most of that potential increase would have to be absorbed by a reduction of student jobs.

Obviously, the students who need the jobs would suffer. So would other students, because many of the services that were made possible by the use of part-time student help would have to be eliminated. Cafeteria and dorm service would decrease, libraries and snack shops would cut their hours of operation, maintenance of grounds and buildings would decline, secretarial service and research assistance would be cut back.

How do we know these things would come to pass? Because they have already happened at educational institutions in major metropolitan areas, where competition—not legislation—keeps wage rates well above the minimum.

In a big metropolitan area there is at least a good possibility that students who need jobs will be able to find them somewhere. But what about small towns, where the college is the major employer?

The outlook would be even more grim for the high school student or the school dropout. This group already suffers a very high rate of unemployment. Things would get worse without a "youth differential" in any new minimum wage legislation.

A POLITICAL GESTURE

Raising the pay of those at the bottom of the income ladder by Congressional decree always sounds so warm hearted that it's difficult for people to see the real danger in it. If the new minimum wage is below the rate already prevailing in the marketplace, then it does no harm—it's just a gesture. But if the legal minimum is substantially higher than the prevailing wage rate; if, in other words, the rate is set higher than the labor is worth to an employer, then the inevitable result is the elimination of jobs.

Congress may establish a minimum wage rate, but it does not provide the money to pay it. Seldom are the pernicious effects of this political gambit as clear as they are in the case of student jobs at our colleges and universities.

FREEDOM FOR IRAQI JEWS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. HARRINGTON. Mr. Speaker, the plight of Soviet Jewish people has become a grave concern to millions of Americans in recent years. However, the persecution of Jews living in Iraq is also alarming and distressing. The Jewish Community of Iraq, estimated to be in the area of 500 persons, lives in an atmosphere of fear. Frequent political executions and imprisonments are gradually killing Iraqi Jews.

The Iraqi Government has recently reversed an earlier position, allowing Jews to emigrate, and has severely tightened emigration restrictions. Those few allowed to leave are permitted to take minimal possessions with them.

The emigration of the Iraqi Jewish Community will obviously not harm the country's economy. There are no logical reasons for the Iraqi Government to prevent these people from emigrating. The Jews of Iraq are not asking for their rights back; they do not want their confiscated property back. All they ask is permission to leave the country which has persecuted them.

I urge the Iraqi Government to grant two reasonable requests to its Jewish people. First, those Jews wishing to emigrate should be allowed to do so immediately, with an adequate amount of personal property; and second, those Jews who choose to stay in Iraq should be permitted to live in peace and be treated in the same manner, with the same rights and privileges which other Iraqi citizens presently enjoy.

I have sent a letter to the President of Iraq, His Excellency Maj. Gen. Hasa al-Bakr, asking him to describe the present situation of the Jews in Iraq, and to respond to allegations concerning the mistreatment of Jewish Iraqis. The following is the text of that letter:

HOUSE OF REPRESENTATIVES,
February 26, 1973.

His Excellency Major General AHMED HASAN AL-BAKR,
President, The Republic of Iraq, Baghdad, Iraq.

DEAR MR. PRESIDENT: Over the past several weeks, certain allegations concerning the mistreatment of Jews in Iraq have come to my attention, and I find them most disturbing. Therefore, I would appreciate your response to the following questions:

1. What are the present circumstances of the below listed individuals? Are they alive? If not, what caused their deaths? Are any of these people under arrest? If yes, what charges have been brought, and what are the dates of trial? Have any of these individuals been convicted of a criminal offense? If so, what offense?

Yaacov Abdul Aziz.
Ezra Khazam.
Azuri Shamash.
Shaul Shamash.
Shaul Rejwan.
Yaacov Rejwan.
Ezra Abu Daud.
Selim Sadka.
Maji Sitiat.
Ezra Shemtov.

2. What provisions has been made for the naming of a new Grand Rabbi of Iraq? When will this occur?

3. The names, locations and presiding Rabbis of any synagogues holding services on at least a weekly basis in Iraq.

4. The names of all persons held in jail in Iraq who are Jews, the charges against these people and their scheduled trial dates.

5. The names of all Jews convicted of crimes and presently held in Iraqi jails, the crimes of which these individuals were convicted, the transcripts of their trials, and the length of sentence to be served.

6. The names and crimes of all persons executed under Iraqi law during the past four years.

7. A description of the type of identification that an Iraqi Jew must carry, and how it differs from that which other Iraqis must carry, either in regulations stipulating the need for such identification, or the color size, or prominence of religious identification of the papers themselves.

8. The nature of emigration restrictions imposed on Iraqi Jews, the difficulty involved in obtaining emigration papers, and the exact cash amount that an emigrating Jew may take with him upon departure.

It is my hope that the problems raised above will be settled in such a manner that relations between the United States and the government of Iraq will be both friendly and cooperative. Thank you for your cooperation in this matter.

Yours sincerely,
MICHAEL J. HARRINGTON.

TRIBUTES PAID TO COPERNICUS ON 500TH ANNIVERSARY

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. DULSKI. Mr. Speaker, there are special programs, exhibits, concerts, and other events being arranged throughout the world this year in tribute to the 500th anniversary of the birth of Nicolaus Copernicus.

The birthdate of this renowned Polish scientist is February 19 and a number of events were scheduled for that day, including my own extended remarks in the House.

But, we in the United States encountered a "Monday holiday law" conflict with the official national observance of George Washington's birthday.

Because of that conflict and because it lends itself to even greater scientific emphasis and recognition in honor of the great Polish astronomer who defied strict teachings of his day, accent now is being focused upon the week of April 23.

During that week, the Smithsonian Institution, in cooperation with the National Academy of Sciences, has arranged a major scientific seminar here in Washington which will give prime attention to the Copernican theory.

On the opening day, April 23, the U.S. Postal Service will issue its 8-cent commemorative stamp in honor of Copernicus. The first-day ceremony will be at the Smithsonian where extensive exhibits are being developed for public viewing in this peak tourist period.

Mr. Speaker, Editor Henry J. Dende of the Pol-Am Journal, published monthly in Scranton, Pa., has compiled an impressive summary of the tributes being arranged in honor of Copernicus.

As part of my remarks, I include the text of his summary:

U.S. TRIBUTE TO COPERNICUS (KOPERNIK)

The celebrations of Nicolaus Copernicus (Mikolaj Kopernik) 500th anniversary have officially been launched on the eve of the great Polish astronomer's birth, Feb. 18, in the United States, and will continue throughout the year 1973.

The Corpernicus Exhibition at ESS/N is part of an international celebration, UNESCO and the International Council of Scientific (ICSU) have declared 1973 to be "Copernicus Year." The first international observance was a UNESCO program in Paris on Feb. 19. The U.S. Postmaster General will issue a special commemorative stamp, which is expected to be repeated by many countries of the world, on April 23.

The year 1973 in Poland has been proclaimed "The Year of Polish Science," in honor of Kopernik. The aim is to have these observances leave a lasting imprint on the achievements of Polish science, to popularize them throughout the world and to enrich Poland's scientific community with new and permanent facilities.

CHICAGO CENTER PLANNED

Philadelphia plans to unveil a monument to the Polish astronomer. Chicago Pol-Am Congress has spearheaded a drive to build a multi-million dollar "Copernicus Cultural-Civic Center." The scientific institutions of Europe are sponsoring activities during a number of national and international ceremonies to the founder of modern astronomy.

During the month of April, the Smithsonian Institution in Washington will devote its Fifth International Symposium "The Nature of Scientific Discovery" in cooperation with the National Academy of Science to the origin of modern science for which Copernicus is given credit.

In the United States, committees have been formed in nearly every city, to pay homage to the author of the heliocentric theory. A brief rundown of the Kopernik celebrations in numerous cities follow:

Copernicus activities at Alliance College, Cambridge Springs, Pa., began with a banquet on Feb. 17, followed by a week-long series of lectures on topics as "Copernicus and Galileo", "The Art and Architecture of the Copernican Era" and "The Heliocentric Theory of Copernicus." A Renaissance setting dominated the banquet atmosphere.

MIAMI, FLA.

Throughout Feb., the Copernicus Committee of Florida, sponsored exhibits at Miami Public Library, with a "Copernicus Night" on Feb. 22, at the Library having Dr. Donald Duke, prof. of astronomy at U of Miami as speaker. In March, a display will be held at Barry College in Miami Shores. An essay contest is being sponsored for all 8th grade children, titled "Copernicus and His Country—Poland."

The Kosciuszko Foundation's Copernican exhibit entitled "Cracow in the Time of Copernicus" is on its American tour. The exhibit features pictures, documents connected with Copernicus' student days at Cracow U, illustrations of Cracovian life during the Renaissance. Parties interested in sponsoring the exhibit write: Stanley Cuba, Kosciuszko Foundation, 15 E. 65th St., New York City (Phone: 212-734-2130).

Copernicus Committee in Milwaukee, Wisc. area, held a lecture at the Univ. of Wisconsin Planetarium on Jan. 31; a mini convention on Pol-Am matters by Wisconsin Educators of Polish Heritage at the Int'l Institute; a gala Copernicus banquet on Feb. 25, at Hotel Pfister; on April 2, a lecture by Prof. Karol Estreicher, at Marquette U, Todd Wehr Chemistry Bldg., on "Krawow at the time of Kopernik"; June 2–27, an exhibit of original Copernicus instruments at Milwaukee Public Museum.

MICHIGAN

The Engineering Society of Detroit, together with the local Copernicus Committee held a banquet entitled "The Past, Present and Future of Space."

Pledge of $50,000 for a room in the Detroit Science Center was made, where a $50,000 bust of Copernicus will be located.

The Detroit Public Library opened an exhibit on Feb. 19, called "Copernicus the Great Humanist." A 1566 Basel printing of Copernicus "De Revolutionibus Orbium Coelestum" is one of the featured documents. A bronze bust of Copernicus was presented to the City of Detroit in ceremonies at the main Detroit Public Library . . . A "Copernicus Commemorative Concert" auspices of Pol-Am Congress will be held April 15 at the Music Hall in Detroit.

In Hamtramck, Mich., the Liberty State Bank, 9301 Jos. Campau Ave., is the depository for Copernicus Silver Medallions. This treasured special limited issue of 500 sterling silver coins are engraved with a portrait of Copernicus, the reverse side pictures Copernicus Orbiting Astronomical Observatory launched Aug. 21, 1972 at Kennedy Space Center. Each coin costs $15.00.

BUFFALO, N.Y.

The State University of New York at Buffalo, N.Y., in cooperation with other universities, scientific associations and citizens groups, have coordinated a series of lectures, concert, exhibit and films in celebration of the Copernican year, which began Feb. 23 and continues through April 2 . . . The Western N.Y. Chapter of the Polish American Congress in cooperation with the Felician Sisters and the Copernicus Educational Aid Assn., presented a Copernicus program at Villa Maria College, March 4. The program featured the Chopin Singing Society and the Buffalo Civic Orchestra, plus exhibits in the college library and at the main Buffalo and Erie County Public Library during the month of March.

Adler Planetarium throughout March is presenting a sky show titled "Captives of the Sun" which shows the contributions of Copernicus to Astronomy . . . The Natural Sciences and useful Arts Dept. of Chicago Library has portrayed "The Life, Work and Times of Copernicus." The exhibit was loaned by the Society of Polish Arts & Letters . . . The Polish American Congress, Illinois Division is coordinating the Copernicus activities.

WASHINGTON, D.C.

Polonia of Washington, D.C. in conjunction with the U.S. Park Service will sponsor "Copernicus Day On The Mall" on the grounds of the Sylvan Theatre complex on April 28, ending a week-long events paying tribute to the Polish astronomer.

A year-long Copernicus celebration is planned by Orchard Lake, (Mich.) Schools which consists of: a Founders Day Historical Symposium; a drama on the life of Copernicus is being prepared by students of the Prep school; the Sodalis-Polonia magazine, devoted its current issue (in the Polish language) to Copernicus and his work; Rev. Z. Peszkowski of OLS, will author three pamphlets on the works of the Polish genius.

Arizona State University year-long observance includes a Copernicus display in Hayden Library, ASU; the Arizona Academy of Science will organize programs; Education TV, Cha. 8, will produce a program on Copernicus (Kopernik); the planetarium at ASU will have a public three-lecture series; a bust of Copernicus will be presented to Arizona State by the state chapter of the Polish American Congress.

City Hall in Jersey City was the scene of a Copernicus program; freeholders of Hudson County issued a proclamation; three Bayonne, N.J. high schools prepared an exhibit honoring the Polish astronomer; the Pol-Am Congress, South Jersey Div., is sponsoring an essay contest on Kopernik, among high school students in Camden (N.J.) county; Women's Auxiliary of Polish University Club of N.J.P. fashion show will be dedicated to Copernicus on March 14, in West Orange, N.J.; Pulaski Citizens Club of Perth Amboy is planning a number of Copernicus events; an adult education program in tribute to Kopernick, at Seton Hall Univ., S. Orange, N.J., on May 6 under auspices of local Pol-Am cultural groups.

OTHER CITIES

Minneapolis, Minn.—Pol Am Congress, Minn. Div., has urged city officials to change the name of Central Ave., in Minneapolis, to "Copernicus Ave."

Cleveland, O.—This city launched its Copernicus activities with a banquet, on Feb. 18, with NASA Director Bruce T. Ludin as guest speaker.

Cupertino, Calif.—A public unveiling of a 4x4-ft. painting of Mikolaj Kopernik, at Minolta Planetarium at DeAnza College, (one of the newest and largest planetariums) held Feb. 18.

Wilkes-Barre, Pa.—Premiere showing of film strip on life of Copernicus held at dinner at the Treadway Inn, sponsored by the Polish Union. The film strips will be distributed to all local schools. Ernest Cuneo, noted writer, journalist, was the principal speaker.

Hartford, Conn.—Polish University Club presented a lecture by Dr. Karol Estrecher of Poland, noted scholar, who spoke on "Cracow and Copernicus. Local Pol-Am Congress is planning many other educational activities in colleges, museums, libraries, etc.

Youngstown, O.—The 39th annual Polish Arts Club Exhibition at Butler Institute of American Art, was dedicated to Copernicus from Feb. 4–25.

Winona, Minn.—Copernicus 500th anniversary observed by the Mathematics-Physics Dept. of College of St. Teresa at Rogert Bacon Planetarium, Feb. 19. Featured were fantastic displays and Polish refreshments.

Poughkeepsie, N.Y.—A "Copernicus Week-End" held here Feb. 17–19 auspices of Pol-Am Citizens Club, which included a dinner, dance, scientific exhibits, illustrated slide talks, arts & crafts, etc.

Lynn, Mass.—A joint effort of local Pol-Am civic groups, educators from local high schools and colleges, arts clubs, have formulated plans honoring the Polish astronomer with a long-list of activities for the coming months.

Springfield, Mass.—Dinner held by Pol-Am Congress, West, Mass. Division, which included proclamation by Gov. Sargent, and a talk by Dr. Frank D. Korkosz, director of the Springfield Museum of Science on "The Impact of Copernicus." A Mass was held at Our Lady of the Rosary Church paying religious tribute to Kopernik.

New York—Programs commorating Kopernik are being planned by the Nassau County (N.Y.) Pulaski Parade Committee, Inc. . . . The Copernicus Show arranged by I.B.M. at its Exhibit Center at 57th & Madison Ave., New York City, will continue to run thru the Easter season.

CONTESTS—PROMOTIONS

Edward Piszek, Philadelphia industrialist, purchased the Polish film portraying Copernicus' life between the ages of 20 and 70, to be shown in U.S. Theatres and will be viewed on national TV. . . . WMAQ–TV, Channel 5 in Chicago, aired a series of brief, intermittent episodes on life of Copernicus last month.

ACPCC (American Council of Polish Cultural Clubs) sponsoring an essay contest on Copernicus. First prize is a round-trip ticket to Poland plus other prizes. For application blanks write: Mrs. Josepha Contoski, 1810 5th St., Minneapolis, Minn. 55418.

B. Michael Wisniewski, a sculptor, designed a model for a plaque of Copernicus. Only 10-inch diameter, it may be hung with pride in a classroom, library, clubroom, etc. For details write: B. W. Wisniewski, 4849 W. Addison St., Chicago, Ill. 60644.

Mikolaj Kopernik Monograph, beautifully written, illustrated, size: 8½x11, 32pp., for only $1.00, can be acquired for $1.00 from: Wisconsin Kopernik Committee, 3552 E. Layton Ave., Cudahy, Wisc., 53110.

DETROIT'S REPOSSESSED HOMES

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mrs. GRIFFITHS. Mr. Speaker, the Detroit News has come out editorially in opposition to the appointment of John E. Kane as director of the Detroit area office of the U.S. Department of Housing and Urban Development. Mr. Kane until last summer was Deputy Director of the Detroit-HUD office, in charge of programs to rehabilitate and sell homes repossessed by HUD after foreclosures on FHA-insured mortgages. HUD now owns some 10,500 of these homes and the waste and tragedy involved have been pinpointed and publicized in an excellent series of articles written by News staff writer, Don Ball. I personally could not agree more with Mr. Ball's concern as to the continued misallocation of our vital housing resources. At this time, I would like to insert into the Record, the editorial from the March 16 Detroit News and several recent news articles on the Detroit-HUD problem:

The New HUD Director—Another Albatross

Thanks to HUD, Detroit is "on the map" as the city with the nation's biggest housing scandals. The Department of Housing and Urban Development has been an albatross around the neck of decent housing in this city for years. And proof of it has been published over and over again in stories by Detroit News writer Don Ball.

Now, to add the ultimate insult to irreparable injury, HUD has named John E. Kane as the new director of the Detroit-area office. Kane is the man who, as deputy director in Detroit, was in charge of programs to rehabilitate and sell homes repossessed by HUD at the height of the scandals. Those programs are prime examples of incompetency, fraud and waste of taxpayer dollars and housing resources.

Every one of them, from the miserable failure of "vest-pocket" rehabilitation to the cozy deals with certain rehabilitators and "nonprofit" organizations, can be laid at Kane's doorstep. Last summer, when a HUD task force arrived to salvage the wreckage of Detroit's housing disaster, Kane was off to Milwaukee where, we suppose, he couldn't do too much harm in a short time since that city had the nation's best HUD program under its former directors.

Now the Detroit task force is gone, having spent $2 million and accomplishing nothing. In its wake, former Detroit HUD Director William C. Whitbeck politely bows out and manages to land a post with the Michigan Public Service Commission. And John Kane is brought back to Detroit, where all those miserable mistakes were made under his direct responsibility. And this time he is director of the whole operation. One can only shudder at the thought of spreading incompetency over a wider area of authority.

Detroit homeowner groups, fighting desperately against HUD's neighborhood cancer, should be up in arms over the appointment. So should Mayor Gribbs and all city and state officials concerned with housing. In Washington, our senators should object strenuously to the appointment and Martha Griffiths, Democratic representative from the northwest Detroit area now succumbing to HUD cancer, should lead the battle.

Why should Detroit, already victimized by HUD policies, with thousands of homes wasting away, with millions of dollars down the drain, have to sit back and take even one more week of Kane's "direction"? Is Washington determined to scuttle any hope of a decent housing program in Detroit?

That's what will happen unless Detroit gets superior government managers, more resources to correct the existing foul-ups and new programs that have a chance of working.

ALL IN DETROIT AND OWNED BY HUD—10,500 HOMES WASTING AWAY

(By Don Ball)

There are some 10,500 of them in the city of Detroit.

Practically all were once good solid homes where families lived happily, and could again.

But all of them are now vacant.

And many that are sound today will be wrecks before long.

They are houses now owned by the U.S. Department of Housing and Urban Development (HUD) after owners defaulted on FHA-insured mortgages.

One such house, which sold for $27,500 on Sept. 18, 1970, stands rotting on Muirland in northwest Detroit's university district, North of McNichols and West of Livernois.

Once a beautiful five-bedroom home with a tile roof and a pegged-wood floor in its plush game room, it has suffered more than $15,000 in damages caused by standing neglected and unheated for eight months.

Waterpipes froze and burst, flooding the basement. Water from a roof leak seriously damaged floors, ceilings and walls from attics to ground level. Hardwood floors buckled, and creak threateningly at each footstep.

The house has been owned by HUD since last August. It was repossessed after a default on the FHA-insured mortgage. The owners had paid $3,000 down and another $1,000 in closing costs to buy the home in September, 1970.

The house probably will be torn down now because it would be "uneconomical" to repair the damages caused by the neglect of the property.

In the St. Mary's of Redford area in northwest Detroit, another HUD-owned home has stood vacant since October, 1970, when it was repossessed by HUD.

Again, it was not a "speculator's deal" and the family which bought it wasn't poor. There was a $3,000 down payment and more than $1,000 in closing costs.

Since repossessing it, HUD has poured more than $12,000 into repairs on the house—some of the work was done twice, according to neighbors—but HUD has yet to sell it.

In North Rosedale Park, a few blocks west of Southfield and just south of McNichols, a $32,000 HUD-owned home has remained vacant and deteriorating since December 1971.

In each case, there have been buyers who wanted to purchase the homes but couldn't get through HUD red tape.

Taken alone, the three homes could be explained as isolated cases.

But they are only four of hundreds of prime northwest Detroit homes which HUD owns and seems unable to market.

Other examples are four brick homes in one block on Lesure near Puritan which have been standing vacant for months, and three neighboring empty homes on Prest near Fenkell.

There are five vacant brick homes in the 15000 block of Pinehurst, and another four vacant brick homes within doors of each other in the 15400 block of Monte Vista.

Similar groups of homes can be found throughout northwest Detroit.

All sound and comparatively young structures, the houses should have been snapped up by families seeking good buys in the handsome northwest Detroit neighborhood.

Instead, they've stood vacant and neglected for anywhere from six months to more than two years.

Neighborhood associations see them as cancers which threaten the health of entire blocks of otherwise sound homes.

"First there's one HUD home, then two and the next you know there are four or five in your block," one community spokesman said.

"At times, HUD seems so mixed up that it doesn't even know that it owns the houses.

"We've had families wanting to buy the homes in our neighborhood and they get nothing but the run-around from HUD."

The Detroit News reviewed HUD records of all repossessed homes in the area bounded roughly by Woodward, West McNichols, Livernois; Schoolcraft, Telegraph and West Eight Mile.

HUD owns more than 1,300 empty houses in the 31-square-mile area—many of them repossessed as long ago as 1970–71, according to HUD records.

In a two-day tour of the area, The News found that most of the HUD properties were brick homes in the $17,000–$35,000 value range.

With few exceptions, the houses were sound structures in otherwise thriving neighborhoods.

Most of the houses were last sold by owners who lived in them, rather than by speculators. Many of the homes had been bought with "conventional" FHA mortgages, those which require a substantial downpayment and hefty closing costs.

HUD repossessed most of the homes after the buyers defaulted for traditional reasons—divorce, financial reverses and death.

Before 1970, the houses probably would have been resold by HUD within months after being repossessed.

That was before fraud, corruption and mismanagement in FHA programs generated a tidal wave of foreclosures which deluged the Detroit HUD office with thousands of repossessed homes.

The increase in repossessed homes in Detroit—from about 900 in January, 1970, to nearly 5,000 in January, 1972—swamped HUD's machinery for disposing of such properties.

As a result, thousands of Detroit homes have stood empty and apparently forgotten by HUD since then, even when buyers sought to purchase them.

New approaches by HUD to marketing the properties seem only to have added to the problem.

In 1971, HUD gave a number of nonprofit firms the exclusive rights to rehabilitate and market more than 600 of the HUD homes in Detroit along with a $3,200 bonus for each home sold.

Some of the firms were founded simply to get into the HUD program. Their owners had little or no experience in the building field.

The nonprofit firms rehabilitated few homes and sold less. Of those which were sold, many turned out to have shoddy workmanship and incomplete repairs.

And hundreds of homes were kept off the market for many months because they were tied up in the nonprofit program. Several have since been demolished because they deteriorated so badly during that time in limbo.

Early last year, HUD set up 10 "vest pocket rehabilitation areas" and selected a "building firm" to rehabilitate and sell the repossessed homes in each area.

The program collapsed when only three of the 10 firms were able to produce financial backing and state licenses required by HUD.

Months elapsed between conception of the program and its failure—again a time when nothing was done about nearly 1,000 repossessed homes involved in the project.

Last summer, a special task force of experts recruited from Washington and other HUD offices across the nation was sent to Detroit at a cost of $2 million to straighten out the problem of repossessed homes.

Ben T. Austin, director of the task force, left Detroit last October with assurances that within four months the problem would be well in hand as a result of new procedures he had instituted.

That has not been the case.

Spokesmen for the real estate industry and mortgage firms agree with homeowner organizations that the problem is even worse than before the task force came to Detroit.

Last year, HUD repossessed 5,700 Detroit homes while selling only about 1,000 of those on hand.

At the end of the year, HUD estimated it would take nearly eight years to dispose of all the properties it owns if not another house was repossessed.

At that time, HUD owned more than 9,000 Detroit homes.

In the first two months of this year, HUD repossessed approximately 1,200 homes in the city while selling only 165.

Several eastside Detroit neighborhoods also provide graphic examples of the problem.

Some east side streets are virtual "ghost towns" of boarded-up houses, many charred by fires or gutted by vandals.

Occasionally there are HUD homes newly rehabilitated but vacant—buyers don't want empty HUD houses as neighbors.

HUD's demolition of hundreds of east side homes has left wastelands of weed-grown lots.

Some 2,800 houses have been torn down in Detroit by HUD and another 1,800 are scheduled for demolition.

And an increasing number of the demolitions are now in northwest Detroit.

HUD'S HOUSING COMEDY ISN'T FUNNY IN DETROIT

(By Don Ball)

The FHA fiasco in Detroit would be a real belly laugh if it wasn't a crying shame.

The U.S. Department of Housing and Urban Development (HUD) administers the FHA program. As a result, it owns more than 10,500 residential properties in the Detroit area, all repossessed after owners defaulted on FHA-insured mortgages.

HUD's bumbling efforts to rehabilitate and sell the homes, including thousands of the finest houses in the city, provide the comedy.

For instance, look what happened to a $25,000 house at 15308 Lindsay in St. Mary's of Redford parish in northwest Detroit.

HUD repossessed the home on May 13, 1971. A neighbor recently wrote The Detroit News the following account of what happened. Details of the letter have been checked for accuracy by The News.

"A man came out to measure windows in the house in order to bid on the HUD contract to provide storms and screens," the neighbor wrote.

"We asked him what would happen to the house.

"First," he said, HUD would put in a new furnace. We told him it didn't need a new furnace: one had been installed in 1970.

"He said that didn't make any difference, HUD would tear out that furnace and put in a new one.

"He was right. A HUD contractor showed up one day, ripped out the furnace and carted it away in pieces.

"Now HUD has put in a new furnace.

"The man also told us HUD would tear down the garage because it would cost $500 to put in a ratwall and only $150 to tear it down.

"The garage was in excellent shape but the man was right again. HUD tore down the garage.

"Next, a flock of workmen descended on the home but very few of them seemed to know their jobs.

"I have worked around professional carpenters, painters, glaziers and cement men long enough to know a professional.

"These men were strictly a pickup team.

"Finally, I wrote to my congressman who sent the letter to William C. Whitbeck, Detroit HUD director, for answers.

"In time I got his reply.

"Whitbeck said in his letter, dated June 2, 1972, that the property had been sold.

"The house is still empty."

HUD records show thousands of dollars were spent repairing the house in 1971, but the work had to be done all over again at a cost of additional thousands of dollars in 1972.

The house still has not been listed for sale by HUD.

Even when a buyer is found for a HUD home, it is not the end of the situation.

For example, a house at 19660 Stratford in Sherwood Forest was repossessed by HUD on April 4, 1970. More than $15,000 worth of repairs have been made to it since then.

HUD has "sold" the house three different times for prices ranging from $35,000 to $38,000.

Each buyer, however, has been unable to pass FHA financial requirements for FHA mortgage insurance. So the "sales" have fallen through.

The house is still empty.

HUD regulations require that if more than one buyer bids on a repossessed home, there must be a drawing of lots. The winner gets to buy the house.

Many of the "winners" subsequently proved to be financially unqualified to buy the houses and they had to be advertised all over again. Months elapsed before new drawings were conducted.

Now, a "backup" buyer is selected for each HUD house, but there still are instances when both the buyer and the backup buyer fail to qualify, forcing the readvertising of houses.

HUD's efforts to rehabilitate and market some of its houses have also been tragic.

A house at 14826 Stansbury was repossessed in 1970, and HUD spent $12,000 rehabilitating it—then tore it down, according to HUD records.

A house at 14401 Stansbury suffered the same fate, but HUD spent only $9,000 in repairs before calling in a wrecking crew.

These are two of scores of houses on which HUD has spent hundreds of thousands of dollars for rehabilitation only to end up tearing them down.

This had caused a problem for both potential buyers and real estate brokers handling the sales.

In several cases, a buyer has made an offer on a HUD home through a broker but when the time came to closing the deal—the house had been torn down.

HUD then offered the buyer another house—there are thousands to choose from—but it often is many months before the buyer's choice will be ready for occupancy.

As a result, the real estate broker also suffers.

If the buyer had been able to purchase the house on which he had made an offer to the broker, the broker would have received a 5 percent sales commission.

But when the house is torn down and the buyer purchases another HUD home, HUD refuses to pay a commission to the broker because "he didn't sell the house," a broker told The News.

"Obviously, we are not going to spend much time trying to sell HUD homes under those terms," the broker said.

But the real problem with the houses is not finding buyers.

There are plenty of buyers but HUD has insisted, at least until now, that the homes have to be rehabilitated before they can be sold.

Unfortunately, it may take years for HUD to get around to rehabilitating the particular home a buyer wants.

And—as has happened in the past—when HUD does decide to start rehabilitation on the home it may have deteriorated so badly it has to be demolished.

So far, HUD has torn down some 2,600 homes in the city and has scheduled another 2,000 for demolition.

It is willing to sell the empty lots, however.

LORADO TAFT SCULPTURE

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. HANRAHAN. Mr. Speaker, the city of Chicago received the last great work of the sculptor Lorado Taft as a gift in 1941. This sculpture was of George Washington, Robert Morris, and Haym Salomon. On September 15, 1971, the Chicago City Council declared the monument to be Chicago's first-named sculptural landmark.

The Senate of the State of Illinois and the Cook County Board of Commissioners have adopted a resolution urging the U.S. Postal Service to issue a commemorative postage stamp picturing the monument.

The resolution is as follows:

Resolution

Whereas, on December 15, 1941, the City of Chicago accepted as a gift the heroic George Washington, Robert Morris, Haym Salomon Monument, standing in Heald Square, the last great work of the internationally known and renowned Chicago sculptor, Lorado Taft; and

Whereas, on September 15, 1971, the City Council of Chicago, by ordinance, declared the monument to be Chicago's first-named sculptural landmark; and

Wheras, the Senate of the State of Illinois on November 4, 1971 adopted a Resolution urging the United States Postal Service to issue a commemorative postage stamp picturing the monument; and

Whereas, the City Council of Chicago on Februay 9, 1972, unanimously adopted a resolution joining in the action urged by the Senate of Illinois that such a commemorative stamp be issued by the Postmaster General of the United States; and

Whereas, this statue is a monument of civic interest and patriotic significance which has become part of the development, heritage and cultural characteristics of Chicago, and represents the central theme that people of all origins and creeds participated in the building of the United States from the beginning.

Now, therefore, be it resolved, that the Board of Commissioners of Cook County, Illinois, joins in the action of the Senate of the State of Illinois and the City Council of Chicago, and cooperatively supports the proposal urging the issuance by the Postmaster General of the United States of a commemorative postage stamp picturing George Washington, Robert Morris, and Haym Salomon Monument and its great patriotic significance, emphasizing that America ". . . gives to bigotry no sanction. . . ."

Be it further resolved, that a copy of this Resolution be sent to the Postmaster General of the United States Postal Service.

I would urge the Postal Service to comply with this request as soon as possible. This is truly a national landmark which deserves recognition.

JAYCEES ESTABLISH CENTER FOR IMPROVED CHILD NUTRITION

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. FRASER. Mr. Speaker, the U.S. Jaycees have established a center headquartered in Minnesota to get a lunch program into every school in the country.

The 350,000 members of the jaycees, organized in 6,600 local chapters will be gearing up to marshall the local support which is essential to help to bring "no-program schools" into the program. In Minneapolis there are 19 schools without a lunch program.

I think the effort is tremendously important and I commend the jaycees:

The Present Situation and U.S. Jaycee Requests

Presently, 4 million poverty school children and 23,000 schools are unable to obtain access to the National School Lunch Program. For FY 1972, Congress allotted $33 million dollars in non-food assistance to provide facilities for those 23,000 schools, and intended to resolve the situation by 1974. The Department of Agriculture requested only $16.1 million, however, and the Senate Select Committee on Nutrition and Human Needs estimates that at that rate it will be 1980 before the situation is resolved.[1]

The U.S. Jaycees therefore request:

I. A directive from the President to the Department of Agriculture stating that the equipment applications of these 23,000 schools be given the utmost priority and consideration in time and budget.

Since the Department of Agriculture claims that this is the status quo, it shouldn't be much of a problem, but it could be extremely helpful in the following manner:

A. To alert these 23,000 schools to the fact that they can contact a U.S. Jaycees staff member at the national office, who can accompany their application with a letter of support, pointing to the President's Directive, and letting them know that the Jaycees will be contacting their Congressman and two Senators to help passage along.

B. In January we can mail out to the new Congress the approved Jaycees Resolution and the President's Directive. With conservative backing like that, the School Food programs won't seem quite so liberal.

Special Note—The Department of Agriculture contends that it is the local school boards who are to blame for not allowing the institution of lunch equipment in the schools. Upon examination, we discovered the following:

1. In many schools this was true. While questioning as to why, the answers were varied, but one thread was certain throughout. They could not or would not afford the 25% matching funds.

Let us examine this closely. A survey by the USDA indicated that while 80% of schools with more than 500 pupils had a food program, only 55% of those schools with less than 250 participated.[2] It also indicated that the huge bulk of these were elementary schools—where the program is needed most. In these little schools, the communities just can't afford much.

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[1] All facts are taken from the January 1972 report "Hunger in the Classroom, Then and Now," submitted by the Senate Select Committee on Nutrition and Human Needs. p. 55.

[2] *School Food Journal*, February 1971. p. 52.

The USDA turned away almost $17 million dollars during FY 1972 that should have gone to those schools that couldn't afford the 25% matching funds. These are the areas and the time in children's lives when malnutrition can wreak such havoc. Still, the USDA turned back $17 million. WHY? In the long run, our failure to make this investiment will cost this nation dearly.

A number of Jaycee chapters are going to try to finance the 25% matching funds, but you can be sure that we will be dogged and unrelenting in our desire to see the 25% matching funds eliminated as a requirement. We believe this must be an integral part of the President's directive.

2. Another frequent answer of the local board was the excess of red tape and the discouragement of having their applications returned for minor form mistakes on the application itself. Many boards just gave up.

II. The establishment of ten pilot projects to study the Universally Guaranteed School Lunch Program.

While at first this proposal seemed a bit wild-eyed, further analysis and testimony revealed a program that could eliminate a good deal of administrative waste, increase participation, and in the long run save this nation a considerable amount of money.

Let's first examine the possibility of eliminating administrative waste. The school district of St. Paul, Minnesota, tabulates its actual "out-of-pocket" expenses for clerks, printing, tickets, postage, envelopes, etc. used in trying to determine the needy child—at $26,000 per year (administrative expenses are not included). According to Dr. John Perryman, Executive Director of the ASFSA:

"This amount would purchase approximately 48,000 meals for the school children of St. Paul. But suppose we say this figure is more or less a median with many districts larger and smaller. With something over 17,500 school districts in the nation . . . we could come up with a startling figure of roughly $445 million dollars a year—the cost of economic segregation—a total waste—or enough money to pay for nearly a billion meals per year." [3]

Dr. Perryman's reference to economic discrimination brought out a number of questions. First, we do not discriminate against a child economically when he asks for the school's educational program, textbooks, or transportation—Why do we discriminate when he asks for the school's meals? Secondly, is that really constitutional? Finally, can this nation afford to needlessly waste $445 million dollars annually (equivalent of one billion meals) in perpetuating this economic discrimination against American school children?

Regarding increased participation, Miss Josephine Martin of the Georgia School Food Program, stated the following:

"For 25 years, we've been exploiting the paying child, neglecting the poor child, and short-changing all children regarding nutritional education."

Let's examine each part of Miss Martin's statement:

A. Exploiting the paying child—

1. With an arbitrary cutoff plant of $3,700 annual income, a small businessman or working man making $4,000–$10,000 is bearing a tremendous burden. If he can't qualify for the free lunch program and can't afford to pay for it, who suffers? The child and, ultimately, the nation.

2. Just because the parent has money doesn't necessarily mean the child gets it. And just because the child gets it doesn't mean he spends it on lunch. The Universal Program would guarantee that.

3. Malnutrition is apparent in "affluent" families as well as impoverished. While a number of USDA findings point to the same conclusion, a survey by the University of Iowa stated it most clearly:

"Results of a nutritional study by the University of Iowa College of Medicine among some 2,000 healthy-appearing Iowa teen agers indicate that children of middle and high income families can also be ill nourished. Breakfast was commonly skipped, because of lack of time or family habit. Lunch often provided the most balanced meal of the day if it was eaten in the cafeteria. For many students, lunch away from the school premises was french fried potatoes, a soft drink, and a candy bar." [4]

B. Neglecting the poor child—Even in schools with the food program, over 3 million poverty children are unable to obtain access to the School Lunch Program. Why?

1. The parents are too proud to accept charity or too embarrassed to sign the means statement. So who suffers? The child and, ultimately, the nation.

2. The child is too emotionally upset at being segregated into "poor lines" or wearing a "red tag". The National School Act requires that schools "protect the anonymity of children receiving free or reduced price lunches." But "PIC", published by the Public Information Center, a nonprofit organization in Washington, D.C., reports these practices:

(a) Those receiving free or reduced price lunches have a black star on their food card.

(b) Officials use red tags in the lunch lines to brand poor children.

(c) Children receiving free lunches are segregated in line.

(d) Separate lunch lines or lunch periods are used, depending on the schools.

(e) Poor children line up in front of the principal's office once a week to get their food cards.[5]

3. Local officials are reluctant to grant many free lunches, and having the power to deny a child or family access to the program, can and do play politics with the physical, mental, and emotional lives of American children.

The Universally Guaranteed would almost immediately bring these poverty children into the program, which we see as being a huge long-range saving.

Still, we are not asking for the establishment of the program, but merely study of it by means of the pilot projects. We believe it is imperative to see just how the grades, attendance, and overall health and participation are affected—and how much is saved by eliminating the bureaucracy. We believe that, overall, it will prove a far more efficient, humane, and in the long run, far less costly program.

THE DAILY NEWS LOOKS AT OEO

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. KEMP. Mr. Speaker, for the perusal of my colleagues, I am inserting a recent editorial from the New York Daily News entitled "The Case Against OEO."

THE CASE AGAINST OEO

Was summed up in a nutshell recently by Howard Phillips, acting director of the Office of Economic Opportunity. He spoke out to demolish claims made in a self-serving report compiled by anti-poverty bureaucrats to trumpet the glorious achievements of Community Action Programs.

After picking apart the survey figures, Phillips noted that among the 900 existing CAP agencies outlays for payroll and administrative costs commonly run to 85% of allotted funds. That leaves precious little to filter down to the needy.

Top-heavy bureaucracy has been the bane of the entire OEO operation since it began. It is the main reason President Richard M. Nixon wants to abolish the outfit.

Professional anti-poverty fighters and their friends squawk that if OEO dies billions in federal aid will be snatched from the hands of the poor. It's a false alarm.

Salvageable anti-poverty activities will be shuffled into existing government departments. Outlays also will be maintained near present levels, but the money will pass through regular federal channels or—if Congress approves—directly to states and cities.

All the sound and fury is not over whether the poor should be aided, but over how best to do it.

Mr. Nixon's approach is by far the more sensible—and more likely to give a lift to the great mass of poor people, most of whom have reaped disappointment.

DON EDWARDS RECEIVES TWO AWARDS FOR ROLE IN EQUAL RIGHTS AMENDMENT PASSAGE

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. KASTENMEIER. Mr. Speaker, our colleague Don Edwards, who had the major responsibility for securing passage of the equal rights amendment in the House as chairman of Judiciary Subcommittee No. 4, was honored for his efforts on two recent occasions.

In his congressional district in California, the South Bay and San Jose chapters of the National Organization for Women—NOW—presented their first annual Susan B. Anthony Award to Don Edwards, citing his indispensable role in obtaining House action on the proposal which had been throttled in the House Judiciary Committee for 40 successive years. As a member of the Judiciary Committee, I am familiar with the legislative history of the equal rights amendment, and when it was facing its darkest hour and possible death, endangered by well meaning but destructive qualifying language, it was Don Edwards who stood fast and persevered in his efforts to obtain House passage for a pure amendment which is now the subject of ratification pending before the States.

Mr. Speaker, I am including at this point in the Record an article describing this presentation:

EDWARDS GETS ANTHONY AWARD

Rep. Don Edwards, D–San Jose, has been given the Susan B. Anthony Award for his efforts in the congressional passage of the Equal Rights Amendment.

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[3] Presented in testimony before the U.S. House of Representatives Committee on Education and Labor, regarding H.R. 13452.

[4] *School Lunch Journal,* February, 1971.

[5] *School Lunch Journal,* January, 1971.

The award was given to Edwards by the South Bay and San Jose chapters of the National Organization for Women (NOW).

Presenting Edwards the award were Christin Klemmer, president of the South Bay chapter; Yvonne Aguillar, vice president of the San Jose chapter, and Rhoda Freier, National Women's Political Caucus chairwoman of the Santa Clara County chapter.

"Without your contribution the Equal Rights Amendment might never have been passed by Congress," the women told Edwards.

Edwards, as chairman of the House Judiciary subcommittee on civil rights oversights, helped push the Equal Rights Amendment through the Judiciary Committee despite the strong opposition to its chairman, Rep. Emanuel Celler, D–N.Y.

Edwards later said "I don't think I have done anything more important in my 10 years in Congress. This amendment will improve the quality of life throughout America."

Susan B. Anthony was an early fighter for women's rights. She was arrested, fined and convicted for casting a ballot at a time when it was illegal for women to vote.

More recently, Women's Lobby sponsored a luncheon here in Washington to honor Don Edwards for his leadership in the legislative struggle for equal rights for women and men. The text of the plaque presented to him on this occasion reads:

With much appreciation, to Hon. Don Edwards, Chairperson, Subcommittee No. 4

When our forefathers said all men are created equal . . . all *men* is exactly what they meant!

If you're a woman—you're not equal!

The Equal Rights Amendment: "Equality of rights under the law shall not be denied or abridged by the United States or any state on account of sex."

Passed by the House of Representatives October 12, 1971.

Passed by the U.S. Senate (84–8) March 22, 1972.

Crater's Raiders.

Mr. Speaker, an article from the San Jose Mercury describes the event:

Women Activists Honor Edwards

(By Gil Gailey)

(Note.—"Equality of rights under the laws shall not be denied or abridged by the United States or any state on account of sex," says a constitutional amendment approved by Congress and now before the state legislatures.")

Washington.—The father, or perhaps more accurately the congressional mid-wife of the women's equal rights amendment, Rep. Don Edwards, (D-San Jose) was honored Wednesday by an activist women's rights organization.

The award came at the end of a series of women's protests and political meetings in Washington and throughout the country.

Officially, the Women's Lobby, Inc. presented its plaque to "Chairperson" Edwards as the head of the House Judiciary subcommittee, which finally pushed the amendment through Congress after 40 years of failure.

Edwards, a trim and youthful 58, accepted the plaque in a banquet room, usually crowded with middle-aged and male politicians hidden by their own cigar smoke. Instead the room held two dozen women and only three males, including Edwards, with the only smoke coming from a male reporter's cigaret.

Rep. Martha Griffiths, (D-Mich) the author of the amendment gave Edwards the credit for steering the equal rights measure through the Congress.

"If it weren't for Don Edwards, it wouldn't have passed," she said as she announced that the state of Vermont had just approved the amendment

"I was merely one of the troops in your army," Edwards told the women.

He then outlined how his subcommittee on civil rights approved the amendment only to have it amended in the full House Judiciary Committee in a manner unacceptable to women's' rights groups by an 18-to-17 vote.

Edwards explained women's groups throughout the nation pressured House members finally to approve the constitutional amendment without any crippling new clauses.

He then proposed that the women put the pressure on the White House to back the amendment in the States.

"Perhaps the President will send Henry Kissinger to the states to explain the need for the amendment," Edwards suggested.

For Edwards, the passage of the amendment was a personal victory. The former chairman of the House Judiciary Committee, New York's Emanuel Celler, opposed the amendment with all of his considerable power.

Edwards was the new chairman of the newly created civil rights oversight subcommittee when he grabbed hold of the amendment and helped push it through. In part, Edwards believed the amendment was assigned to his group in the hope it would die there.

"There is a machisimo here on Congress and throughout the country that is not healthy," he added. "If a third or half of the Congress were women, then I don't think we would have gotten so deep into Vietnam."

Edwards paused for a moment and then added, "I think we will be much better off to make love with equals, to share our companionship with equals."

FOOD PRICES CURBS OF 1950'S—"A HORROR"

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. DEL CLAWSON. Mr. Speaker, the not-so-distant past provided a lesson which few appear willing to heed in the current controversy over rising food prices. Last evening's Evening Star and Daily News contained a sensible commentary on the subject by Richard Wilson. At this point in the Record, I wish to commend the article to the attention of my colleagues:

Food Prices Curbs of 1950's—"A Horror"

(By Richard Wilson)

President Nixon's obstinacy under pressure against doing something drastic about food prices will probably have a flare-back. It is hard for housewives to understand, miffs labor leaders and makes politicians nervous.

The President's advisers have told him that food price controls might work for a while but would end in disaster with even higher prices and he would be better off to try various ways of increasing supplies so that prices would come down naturally.

Nixon's advisers are on sound economic grounds even if their political underpinnings are shaky. The story of price controls in the name of economic stabilization is a horror. Of all the "messes" claimed to have been left behind from the Truman administration, economic stabilization was one of the worst and when the Eisenhower-Nixon administration came in it was liquidated within a few weeks.

Memories are very short, so what happened before that is worth a brief review. Panic buying sent prices skyrocketing in the Korean war and controls were imposed. A series of five government orders cut meat prices 10 percent. Henceforth there was nothing but trouble. In a few weeks there was a cattleman's revolt which closed down big meat packing plants for lack of supplies. Feed lots emptied and black markets developed in Omaha and Chicago.

The Army ordered meat but the packers refused to bid because they could not buy cattle at ceiling prices. Federally inspected slaughterers were ordered to give the government priority. There was a horse meat scandal in Chicago. Wholesale ceilings were suspended on some meats. Pork price curbs were ended. All controls were ended. Beef prices led a decline of most food items.

This short history of a disaster is probably unconsoling to meat-hungry people but it should be a convincing lesson that the meat business is so complex that nothing short of absolute government authority over it would be even temporarily effective. Rationing, production control, packer control, retailer control doesn't even work well in a Communist dictatorship.

Here is an exemple where Nixon's sermon in his second inaugural—ask not what your country can do for you but what you can do for yourselves—has a precise application. Housewives can do for themselves in this case. They can cut down the price of meat by buying less of it, as Nixon has the temerity himself to suggest.

The full range of President Nixon's economic policy is under intense pressure, and he is being once again exhorted to change it, but this time he is under less political pressure. Congressional pressure descends on Treasury Secretary George Shultz, the economic czar if there is one. How much better, it is argued, to have a politically responsive John Connally as the prime mover in economic policy.

Dollar devaluation, a nervous stock market, threatening price inflation give the President ammunition for the spending hold-back he is trying to impose on Congress. The underlying condition that the federal government cannot keep its house in order, that the imbalance of U.S. payments in international accounts causes uneasiness all over the world are major factors in the unsettled economic situation.

But on the home front there is no solution to be found in clamping federal controls on food prices, however much Nixon may be accused of "protecting" the farmers and the food processors. No solution, that is, unless Nixon wants a repetition of previous fiascos, which he obviously does not.

TRIBUTE TO ROY E. TRACEY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ANDERSON of California. Mr. Speaker, too often we take some of our finest community leaders for granted. The citizens of Gardena are not making that mistake with Gardena Police Chief Roy E. Tracey.

Chief Tracey is ending 43 years of outstanding service to the city of Gardena with his retirement this month.

Gardena is honoring Roy's retirement with a dinner on March 31 at the Proud Bird Restaurant.

Chief Tracey is most deserving of such an elaborate event.

Service to Gardena began with 8 years working for the city fire department for Roy.

He transferred to the police department in 1939. In just 4 years, he was appointed sergeant, beginning his string of promotions which culminated in Roy's appointment as chief of police in July 1960.

Chief Tracey's learning did not end with graduation from Gardena High School and attendance of Compton Junior College.

He has attended many police schools, including ones at the University of Southern California and El Calmino College, and, in 1958, attended the FBI National Academy.

Roy's interest in law enforcement has carried over into active participation in the Los Angeles County Peace Officers Shrine Club, the Los Angeles County Peace Officers Association, and the California Chapter of the FBI National Academy Association. He has been elected president of all three organizations. Chief Tracey was also a 3-year member of the California State Peace Officers Association executive committee.

But all of Roy's time has not been spent on law enforcement activities. Instead, he has worked diligently in many civic organizations as well as police work.

He has served as president of the Gardena Valley Kiwanis Club, and chairman of the board of managers of the Gardenas Valley YMCA.

Gardena recognized Chief Tracey's many contributions to the community by selecting him as Gardena's Outstanding Citizen in 1966.

Away from his civic activities, Roy has been a fine husband of his lovely wife, Madoline; and an exemplary father to Roger Tracey and Coleen Kay (Tracey) Nielsen. His three grandchildren are a source of much pride to Roy.

Chief Tracey is as much a source of pride to Gardena's citizens as his grandchildren are to him.

About 1,500 persons are expected to attend Chief Tracey's retirement dinner. A fun evening with lively entertainment is planned. Gardena's own Bill Gerber and Don Davidson will share emcee duties during the gala event.

Mr. Speaker, I am proud that the people of Gardena are honoring Roy with such a fine tribute dinner. I am pleased to join with Gardena's citizens in saluting Police Chief Roy E. Tracey.

WHITHER PUBLIC BROADCASTING?

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. VAN DEERLIN. Mr. Speaker, at times the ongoing debate over the future of noncommercial television seems to generate more heat than light, and be heavier on breast-beating than soul-searching.

A thoughtful editorial on where public broadcasting stands now and the options open to its managers appeared last Saturday, March 17, in the Washington Post.

I think we can all agree with the conclusion of the editorial that public broadcasting will never really get off the ground without more generous financing than we have been willing to provide so far. But we should also be continually wary of attempts to influence program content, particularly on the part of those who may feel that through large contributions they have bought a piece of the action.

So that this well-balanced editorial will enjoy the widest possible readership I include it at this point with my remarks:

[From The Washington Post, Mar. 17, 1973]

THE DEBATE OVER PUBLIC BROADCASTING

There is a soap-operatic air about the almost daily news reports on what's happening inside public broadcasting lately. Somehow, the extremely important and sensitive questions of how the government should help underwrite radio and television programming have been overshadowed by a series of confusing announcements about next fall's program schedule, with each installment serving up new mystery. Has the White House really been trying to get rid of Bill Buckley, Bill Moyers and Elizabeth Drew? Was "Zoom," the children's program, threatened because it had political overtones? And what about those secret meetings between members of the presidentially appointed Corporation for Public Broadcasting board and officials of the Public Broadcasting Service, the network?

Certainly the Nixon administration has voiced displeasure at the way public television has been operating. Back in October 1971, the head of the Office of Telecommunications Policy, Clay Whitehead, argued that public TV wasn't paying enough attention to local programming because too much control had been left to PBS, the network. Furthermore, said Mr. Whitehead, the public affairs programs had a left-wing slant. Finally, he allowed as how any system of long-range federal financing for public broadcasting would have to await evidence that the system was improving.

Sure enough, when Congress passed a measure last year that would have authorized $155 million for CPB over a two-year period, President Nixon vetoed the bill, calling for more program emphasis on "localism" and urging a one-year, $45-million authorization. Meanwhile, changes in the makeup of the bipartisan CPB board eventually gave the President a majority—and eyes began to focus on the public affairs programs. Initial list of programs failed to include many of these shows, despite word that they had the approval of the network and its station-manager board members. Early this year, CPB officials explained that the corporation was moving to consolidate the decision-making process, rather than let PBS handle it.

With the new season's program approvals still in doubt, there ensued some understandable concern that the administration was indeed pulling strings to gain control over what would go out over public TV channels; local and network officials entered into secret meeting with CPB to try to agree on a plan for deciding which programs should receive federal funds; and viewers waited to see which programs finally would get the nod for next season.

When the CPB list was completed last week, it looked at first glance as if the government had succeeded in bumping off all the public affairs programs that might bother the administration, while finding funds to reinstate the children's "Zoom" program. Yet behind all the political innuendo—and lost in the speculation over which shows had been renewed or dropped by CPB, and why—are some fundamental questions having to do with the mission and limitations of public broadcasting under *any administration*.

For example, CPB officials point out that financial pressures—the limited amount of money likely to be appropriated—force difficult choices. If one function of government-sponsored broadcasting is to develop new programming, that means turning over the financing of established shows to other sources of support, such as foundations, corporations and individual contributors. (The CPB currently supplies only about one-third of the money for national programming.)

Furthermore, if public broadcasting must lead the industry in the development of good children's shows, will this mean taking money away from the public affairs budget? Or if the government is to continue underwriting television journalism, how can such programming be critical, influential, controversial—and "balanced" in its total offering? Can Congress, the White House and local station managers ante up the money and then refrain from exerting pressures on the direction or content of programs?

These problems are difficult, for public broadcasting is still new to the United States. Serious, nonpartisan students of public TV are still wrestling with ways to develop a system different from commercial TV, yet draw enough of an audience to be "worth" the taxpayers' money; a system that can tackle public affairs or controversy without fear of political censorship or without straining to "balance" every sentence uttered.

So we are not prepared to assume—yet, at least—that the administration is hell-bent to control public broadcasting, or that the Corporation for Public Broadcasting is a partisan puppet of the White House. At this point, hard negotiations are under way to try to develop new policymaking machinery for public broadcasting, and if this effort succeeds in any way, the job of refining objectives and guidelines can begin in earnest.

The immediate need is for more adequate financing, with enough lead time for public broadcasting to develop its plans and programs realistically. Sens. John O. Pastore and Warren G. Magnuson have introduced a bill that would authorize $140 million for CPB over the next two fiscal years—an amount also sought by CPB itself. It is a reasonable measure that deserves congressional passage. Without this kind of financial commitment from the government, the hope of retaining talented, imaginative professionals will be lost—and the suspicions of political pressures will be fed once again.

INCREASED SOCIAL SECURITY BENEFITS CAUSED REDUCED INCOME FOR SOME OF OUR ELDERLY

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. BROOMFIELD. Mr. Speaker, when the last Congress authorized an increase of 20 percent in social security benefits, few of us suspected that the net result would be a reduction in benefits for thousands upon thousands of our Nation's elderly.

Thanks to a tragic oversight in the law, many senior citizens who were receiving Federal assistance in the form of veterans benefits and pensions, food stamps, low-income housing, and medicaid have been excluded from these programs because their income has been pushed above the legal limit for participation. For these elderly Americans, the 20-percent increase in social security is a cruel hoax which has reduced rather than supplemented their monthly income.

I have introduced H.R. 4570 as a solution to the dilemma which older Americans now face. My measure would simply state that income derived from the social security increase would not be considered as "income" for the purpose of determining eligibility for these Federal-aid programs.

Mr. Speaker, there are 20,000 veterans alone, most of them from World War I, who have lost their veteran pensions because the 20-percent increase has nudged their total income over the allowable maximum. Others have seen their pensions drastically reduced.

At a time when this country is welcoming home our Vietnam veterans and at a time when we are committing ourselves anew to the proposition that our veterans have earned the gratitude and assistance of their country, our treatment of World War I and II veterans in this regard is a matter of shame and embarrassment. They, too, deserve the full benefit of the 20-percent increase and my legislation will make certain that they get it.

Mr. Speaker, when the social security increase was passed, it was generally hailed as a major victory for our senior citizens who were struggling on a fixed income against the pressures of inflation. We now know that for many this was a hollow victory.

It is time for us to deliver on the promise which we made to our veterans and other senior citizens. If Congress made a mistake, and I think it did, it is time for us to admit it and to rectify it. Each month that we delay is another month that our elderly must continue to struggle with reduced incomes. My legislation is the vehicle which will deliver upon that promise and I urge the Congress to give it immediate and careful study.

SOCIAL SECURITY WORK PENALTIES

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ZABLOCKI. Mr. Speaker, continued inflation is an unpleasant reality for everyone today and is a top priority problem facing the Congress and the administration. Rising costs are an especially grim reality for persons on fixed incomes, and my mail continues to reflect the growing concern of those caught in this bind.

I was glad to support H.R. 1 when it passed the 92d Congress. Among other things, it liberalized the retirement test which determines how much one can earn without loss of social security benefits, raising the limit from $1,600 to $2,100 for those under age 72. Beyond age 73 earnings would not affect benefits. I submit that the 93d Congress should examine the feasibility of further liberalizing the earnings test requirement.

It is interesting to note that benefits are not reduced as a result of investment income. One may have an income from stocks and bonds of $20,000 and still receive full social security benefits, but a beneficiary between the age of 65 to 72 is penalized by loss of benefits if he or she earns more than $2,100.

The Commissioner of the U.S. Administration on Aging, John B. Martin, states that he receives protests from older Americans about this treatment more often than any other complaint. Like Commissioner Martin, I sympathize with this complaint, and can appreciate how frustrating it must be to want to work and supplement a limited income in inflationary times only to be discouraged from doing so by loss of social security benefits.

Commissioner Martin has some interesting comments on this situation and on the use of older workers in the field of public service which I believe deserve careful consideration. Therefore, at this time I insert in the RECORD the following article by Mr. Martin which appeared in the Washington Post March 7, 1973:

SOCIAL SECURITY WORK PENALTIES

The retirement test under the Social Security Act which determines how much one can earn without loss of benefits has been liberalized by the passage of H.R. 1 in the closing days of the 92d Congress.

The amount that a beneficiary under age 72 may earn in a year and still be paid full social security benefits for the year was increased from $1,600 to $2,100. Under the earlier law, benefits were reduced by $1 for each $1 of earnings above $2,880. The new legislation would provide for a $1 reduction for each 2 of all earnings above $2,100. There would be no $1 for $1 reduction as under the earlier law. Beyond 72 earnings would not affect benefits.

Most social security beneficiaries regard social security benefits as an outright pension. Regarded in this way as an annuity, there is felt to be no excuse for reducing payments if the beneficiary receives earnings. The fact is that the original concept of Social Security was as a form of insurance against loss of earnings. Consequently, benefits are never reduced because of investment income. Thus one may have income from stocks and bonds of $20,000 and receive full Social Security benefits, whereas a beneficiary between 65 and 72 is penalized by loss of benefits if he or she earns more than $2,100 as stated above.

As U.S. commissioner on aging I have heard complaints from older Americans about this treatment more often than any other complaint. "Why," they say "should John Smith, who does no work, be allowed to keep all his Social Security benefits, though he is in the $30,000 income bracket, when I, who live on a modest Social Security income, am made to suffer because I am willing and able to work to supplement my much more limited income?"

I sympathize with this complaint. In the American ethic to be willing to work to support oneself and one's family has always been regarded as commendable. To be idle, living on someone else's effort has been regarded with suspicion or at least with a jaundiced eye. The reason is that we feel instinctively that it is wrong to create a negative incentive for those in society who are able to and want to work and thus to make a productive contribution to the nation's welfare. We feel this the more because most people who are healthy and active have a need to feel useful and wanted. Tests have shown that in our culture at least this feeling of being useful is met most effectively by doing productive work for which one is paid.

The fact is that our present law is a compromise which reflects both the theory that Social Security is insurance against loss of earnings requiring a deduction from benefits when earnings occur on the one hand and our instinctive feeling on the other that we should encourage and not discourage the desire to work and be productive. Thus we do permit some earnings without penalty or, to put it conversely, we do not penalize for all earnings. Furthermore, we do concede that at 72 we should provide no penalty for any earnings but should encourage as much self-support as possible.

The truth is that our unwillingness to go the whole way in recognizing that Social Security benefits are in fact a pension in the nature of an annuity and not subject to deduction for earnings is due to two factors—cost and the desire of many groups to remove the oldest part of the work force to make way for younger workers. The latter reason goes back to the depression days of the 1930s when Social Security was enacted in part to enable older workers to get out of the labor market. In my view this is still a motivating force in some arguments for retention of the retirement test. Cost is another matter. The recent liberalization of the retirement test is estimated to cost the system $865 million in additional benefits during 1974. It has been said that removal of the test entirely before the most recent change would have cost in added benefits about $3 billion.

I think the time is coming and should come when the retirement test will be completely eliminated. Traveling in the Soviet Union during the past summer I noted that the Russians retire men at 60 and women at 55 but encourage all retirees, so far as health permits, to get back into the labor force where they keep all of their pensions. Thus the Russians emphasize maximum productivity and meet the essential "need to be needed" feeling of retirees.

It may be argued that our situation in the United States is different in that there may be a lack of jobs to employ such retirees. The fact is that there may be a lack of jobs in private industry at wages which industry can afford to pay. But there is no lack of important jobs that need to be done in the field of public service. These are jobs which older persons may be fully competent to perform. Needed is machinery to link jobs with applicants and money to pay for performance. I predict that the time will come when every man or woman who wants to work will have the opportunity and will be paid for doing so.

THE RETURNING POW'S EXPRESS AMERICA'S GIFT TO US AND OTHERS—FREEDOM

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. TALCOTT. Mr. Speaker, the thrill of observing our POW's returning home seems almost universal. The families, of course, were excited and grateful beyond our comprehension. But, I noticed that even many of those who opposed President Nixon's plans for peace, and two actually contributed by word, resolution, and demonstration to extended confinement for our POW's, also shared the gratitued and euphoria of our men returning home.

Why this extraordinary universal thrill? Why did each of us share such a strong emotional experience and such an intimate personal empathy with these POW's, who are mostly strangers? For me, there were two basic reasons.

Each returning serviceman seemed to express a new and refreshing belief in God or divine providence. Each one also expressly or implicitly expressed his appreciation of, and gratitude for freedom. These men, better and more than any of us, know what freedom really means. One has to lose freedom to appreciate it. But all human beings seem to innately covet freedom.

Washington and Jefferson expressed this yearning for freedom eloquently. Freedom was what our new Nation and Constitution was all about. The quintessence of our form of government is freedom for ourselves; from oppression of others, all others; from oppression of government, all governments.

Freedom was what their war was all about. They know it; they say it. In many different ways they say it. Although we cannot completely understand because we have always taken our unique freedom for granted, we sense that they have gained an extraordinary appreciation for freedom.

I noticed that blacks seem to empathize with the POW's expressions of gratitude for their new-found freedom. Obviously it is akin to what Dr. Martin Luther King was expressing when he said:

> Free at last, Lord God Almighty, free at last.

I have noticed that the Yugoslavians, the Czechs, and the captive nationalities, also seem to understand and appreciate what our POW's are feeling when they say in their various individual ways, how great it is to be free.

The euphoria expressed by our POW's relates more to freedom than anything else. We should not be surprised when we hear them say that their service, their separation from their families, their torture, their injuries were worth it. Incredible? Perhaps not if we understood freedom like they know and cherish it now.

"Peace with honor" is commendable to be sure; but "peace with freedom" is what oppressed people want. Peace with freedom is what this war was all about. Peace with freedom is what people in other nations understand. Freedom and honor are inextricably mixed perhaps.

President Johnson once proposed a trilegged program which supposedly encompassed all human needs. It sounded great. Peace, prosperity, and security—but it did not sell. Something was missing. You can have peace and security in jail. But, human beings yearn for freedom because it is basic to our other personal desires, and needs. The POW's appreciate it; and we, because we are human beings, share an empathetic thrill.

One editor seemed to grasp the essence of what the returning POW's were so simply, yet profoundly, expressing by their remarks when they first arrived back on U.S. soil.

I insert the editorial of the Salinas Californian, of February 27, 1973, and I recommend it to every Member for reading to remember.

> THE POW's SOUGHT AMERICA'S GIFT
>
> Coming home for American prisoners of war wasn't just eating steak or seeing a miniskirt.
>
> Coming home for the POWs wasn't just the first fruit of a "peace with honor" for President Richard Nixon.
>
> With the flurry and joy of homecoming a lot of words have been repeated by both the POWs, officials and relatives.
>
> But the one word, which somehow got lost in the home shuffle is a simple word, *freedom.*
>
> Salinas Congressman Burt L. Talcott, who, himself, can remember being a POW in World War II, said the thing no POW would ever forget was something we all take for granted, freedom.
>
> This was the "light at the end of the tunnel" referred to by good-humored Maj. Norman McDaniel when he arrived at Travis Air Force Base. "We looked at that light (America) a long time," he said.
>
> This feeling of freedom can be seen on the faces of immigrants at naturalization ceremonies, of the enslaved like the Hungarians who remain so close to Radio Free Europe, but so far from freedom.
>
> These people know, as Thomas Jefferson did, "The God who gave us life, gave us liberty at the same time."
>
> Although the spark of freedom, or liberty, may not burn as brightly as it once did in some hearts, it still burns in many, and we pray the majority of this nation and the world.
>
> It gives breadth to the individual spirit and cement to the mutual bond in freedom's fight. As Jefferson said, "We mutually pledge to each other our lives, our fortunes, and our sacred honour."
>
> So when you hear a returning POW say, "God bless America," remember he means God Bless Freedom. That is what the Statute of Liberty is all about in 1973, as it was in 1773.

THE NATIONAL OIL RECYCLING ACT OF 1973

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. VANIK. Mr. Speaker, in my extension of remarks last Thursday, March 15, I outlined the many environmental and energy problems that arise from our Nation's failure to recycle its waste oil. Each year in this country roughly 1.1 billion gallons of used oil is disposed of in ways that represent a threat to our environment. Road oiling, incineration, even the burning of used oil as fuel, all present unreasonable risks when the technology is available to recycle this waste oil for more productive uses.

In light of these environmental and energy problems, I am today introducing new legislation which I hope will go far to reduce the waste and environmental degradation caused by our failure to recycle used oil in significant quantities. This bill, rather than proposing new Federal laws making the dumping and incineration of used oils illegal, creates positive incentives which will lead to the recycling of a much greater proportion of the used oils now being wasted. Dumping and incineration of used oils, of course, which violates existing Federal and State statutes, remains illegal, and water pollution, air pollution, and solid waste control laws of the future may well result in tightened controls over used oil disposal. Meaningful enforcement of any of these statutes will be difficult and expensive, requiring elaborate administrative control mechanisms.

My bill, therefore, seeks to minimize the need to expand the size of existing administrative police forces. Several short amendments to the Internal Revenue Code of 1954 will simplify the tax treatment given lubricating oils, increasing Federal revenues by as much as $75 million. Changes in Federal Trade Commission labeling requirements for recycled oil will not increase that agency's burdens. Requirements that retailers provide return and handling services for used oils can easily be enforced by spot checking conducted at the local government level. Provisions requiring the maintenance of records indicating the fate of used lubricating oils may increase the administrative burden somewhat, but such information is already required under existing laws and regulations of the Departments of the Treasury, Commerce, and the Environmental Protection Agency, as well as those of State agencies.

The bill contains several provisions which would amend existing tax laws covering lubricating oils. Basically, these amendments will result in a return to the uniform tax treatment accorded the entire lubricating oil industry prior to 1965, when the refiners were much healthier and when more than twice as much used oil was being recycled than is the case today.

The bill, if adopted, will equalize and simplify the tax on lubricating oil, requiring all producers of new lubricating oils, including hydraulic and cutting oils, to pay a 6-cent-per-gallon excise tax. In addition, no tax refunds or rebates will be granted to any users of lubricating oils. Recycled oil will continue to be exempt from any such tax.

By resubjecting cutting and hydraulic oils to the 6-cent-per-gallon excise tax under section 4091, and by removing the tax rebate currently given off-highway users of lubricating oil under section 6424, the bill will raise approximately $75 million in additional tax revenue each year. These additional revenues will more than cover the cost of the other provisions of this bill. But more importantly, these amended tax provisions will serve to stimulate the purchase of recycled oil by industrial users. The removal of the 6-cent-per-gallon competitive edge now given to virgin oil refiners will once again enable recyclers of used oils to compete on the equal footing which existed prior to 1965.

The FTC labeling requirement will be changed by this bill so that the word "recycled" will be placed prominently on the face of all recycled oil containers. This is clearly preferable to the current FTC ruling requiring all recycled oils to bear the words "previously used" on their labels. Once the public is educated on the relative merits of recycled oil, and methods for quickly and economically comparing it with new oil are developed—the use of recycled oil should increase significantly.

Another provision of this bill makes it illegal for oil companies to prohibit their service stations or other lubricating oil retailers from stocking recycled oil products or selling the used oil that they collect.

Adoption of this legislation will also enable purchasers of automobile oils to return their used oil to the marketer in returnable, leakproof containers, thus further insuring that used oils are recycled. The bill also provides that all purchasers of automotive oil must pay a 10-cent deposit on all oil purchased in these returnable containers, regardless of their size. This deposit will be refunded when the container is returned to any marketer regardless of whether or not it contains used oil. All marketers are required to provide ample disposal facilities on their premises for all used oil returned by consumers, and are encouraged to deliver or sell this collected used oil to the oil recyclers.

Other key provisions of the bill require all Federal Government officials to act within their respective authorities to encourage the use of recycled oils. When such oil is available at prices competitive with new oil, the bill requires that it be purchased and used by all agencies of the Federal Government, including the military, and by all private interests which are party to Government contracts. By conditioning Federal grants to the States on compliance with the provisions of this bill, the States are also encouraged to use recycled oil in a similar fashion.

Mr. Speaker, through enactment of the National Oil Recycling Act of 1973, we will be taking concrete steps in the direction of conserving our irreplaceable national resources and preserving our environment.

RENT CONTROLS SHOULD BE REINSTATED

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. PATTEN. Mr. Speaker, recently I helped sponsor legislation that would reinstate Federal rent controls that were terminated by the administration's phase III program.

I cosponsored the U.S. rent control measure, because of hundreds of complaints I have received from constituents who claim they have been forced to pay substantial rent increases since controls ended with phase II. I believe them.

Inadequate housing exists in many communities and tenants suffer because of the shortage of facilities. I do not think the President was wise in removing rent controls. He should have retained such controls until the housing shortage is really alleviated.

My bill calls for a rent control program to operate in any State in which the vacancy level is less than 6.5 percent. It also provides for retroactive controls to the end of phase II and for refunds of overcharges made.

Whenever I complain to the U.S. Government about unreasonable rent increases made by some landlords, I am invariably told that restraint is supposed to be used by those who rent their facilities. Unfortunately, very little restraint is being used and some of the increases are outrageous, with some as high as 40 percent.

Under phase III, workers are still expected to receive no more than an average wage increase of 5.5 percent, yet tenants are forced to pay rent increases that are much higher. This is not only unfair—it is shocking and ridiculous. The solution is to reinstate Federal rent controls—controls that provide tenants with real protection.

METRICS: CONFUSION ON THE WAY TO CLARITY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. PICKLE. Mr. Speaker, the study which the Congress asked the Commerce Department to conduct 5 years ago on the metric system concluded that within 50 years, whether we ordered it or not, this Nation would be a metric nation.

It is my hope that we will accomplish this change in an orderly and fair way under a coordinated strong national program. Such a program clearly would save considerable confusion and a good portion of the costs that would be incurred in a more haphazard changeover.

Along with Congressman Bob McClory, I have introduced a bill to order such a changeover in the next 10 years and to declare the metric system our official system of measurement at the end of that time.

The Steering Wheel, a publication of the Texas Motor Transportation Association, recently carried an article concerning the future and scope of a changeover to the metric system. I would like to reprint that article at this time in the Record:

Metrics Confusion on the Way To Clarity

(By Richard L. Sine)

The work will be the same, but most—if not all—of your ways of measuring it will change if the U.S. House of Representatives is true to predictions this session and approves a measure to begin the United States changeover to the metric system of measurement. Already passed by the Senate, the joint, bi-partisan bill would establish a national commission that will be given a year to organize, and then ten years to oversee, the change in systems.

For the over-the-road driver, perhaps the most obvious change that will occur during the next 11 years will be in the measurement of distance. The term "mileage" will become slang as the mile is replaced by the kilometer. And miles per hour will give way to kilometers per hour. Of course, the distance involved will not be different—just the means of measuring it.

Such a change from miles to kilometres may appear meaningless by itself. But coupled with the totality of the changeover, the single move is more understandable. With the changeover, the United States will join most of the remainder of the world in adopting the international metric system (SI). Among world powers, the United States stands alone as one who neither is a "metric country" nor who has begun to change. There are about a dozen other nations of the world in the same situation as we are: Trinidad, Malawi, Burma and Nauru.

Even with Senate approval of the changeover and hope that the House will follow, the issue of changing our nation's system of measurement is not a one-sided one.

Proponents of the change believe that the international metric system is a more logical, easier-to-use system and one that will bring our country more in concert with world manufacturing. Sen. Claiborne Pell of Rhode Island, one of the sponsors of the bill in Congress, estimates that the United States loses between $10 billion and $25 billion annually in foreign trade because of its failure to go metric.

Those in favor of the change cite other advantages:

That SI is a coherent system based on seven basic units. All derived units within the system are established from the product or quotient of two or more other SI units.

The units which describe the quantities remain the same, eliminating the need to remember such uneven numbers as the number or ounce in a pound or the number of feet in a mile.

Names of units, regardless of the technology involved, remain the same. Thus, for example, power—whatever form it takes—always is measured in watts.

SI is a decimal system based on the powers of ten.

All basic SI units, with the exception of the kilogram, are based on a natural phenomenon which can be duplicated under laboratory conditions.

Anti-metric forces are equally outspoken. They believe that conversion to the metric system in the United States would put the nation at a trade disadvantage. They say that the cost of conversion would have to be added to all US-produced goods, while foreign producers could take advantage of broadened markets at lower production costs.

Others believe that the total price tag of conversion would reach $100–$300 billion and that the conversion period may reach as much as 50 years. And they note there is every possibility that the conversion program would be abandoned before completion because of massive public indignation. Proponents counter those arguments with estimates of the cost of conversion at between $6.2 billion and $14.3 billion.

Arguments aside, if the House approves the measure, we quickly will see the initial program of the decade-long changover. First and foremost will be education. US schools will be expected to intensify their treatment of metrics. And school children who have for so many years labored in their study of fractions will be relieved to know that with metrics much of their work with fractions will come to an end.

And before any extensive changeover will take place in industry, there must be metric training at all levels.

Some American industries already have made the change: pharmaceutical, photographic, optometric and roller bearing. More than 20 per cent of the automobiles on US highways are made to metric specifications, including Ford's Pinto. The National Aeronautics and Space Administration uses the metric system, and the *Journal of the American Medical Association* now uses SI in all its scientific reports.

A study through the US Department of Commerce shows that the effect of changeover on specific industries will range from negligible to severe. At the lesser end of the scale are those which now deal in both systems, those who have made the change already, and those such as agriculture, forestry and fishing. All that the latter must do is convert billing procedures to the new system. At the other extreme are industries such as oil field machinery and aircraft, which will have the greatest degree of change and perhaps will be the final ones to convert.

For a few businesses, the changeover may be a windfall. Included in this group are those that manufacture measuring devices—the changeover will require at least recalibration of the devices to metric standards—and printers.

Because the metric system is decimal—based on units of ten—it simplifies mathematics. The customary English system, not a logical one, has us moving to larger and smaller units through the use of uneven multipliers and divisors: from inches to feet by three, pounds to tons by 2,000, quarts to gallons by four, and so on.

In the English customary system are such terms as horsepower, hands, rods, acres, pints, quarts, gallons, pecks, bushels, cubits and fathoms. All of these standards grew up quite haphazardly. Three barleycorns—from the center of the stalk—equaled one inch, for example. And a yard was the distance between the tip of a king's nose and the tip of his fingers.

The metric system, on the other hand, progresses logically in units of ten, and prefixes have the same meaning whether measuring length, area, volume or mass.

The most basic SI units are metres for length, liters for volume and grams for mass (weight). SI and customary are similar in the use of records for time and amperes for electric current. Perhaps the most confusing SI units, to the man in the street, will be temperature. Gone will be fahrenheit and in will be Celsius (formerly known as centigrade). So, when your doctor measures your body temperature at 36.9 degrees Celsius, you will know that you are normal.

Another reason for the 10-year period of changeover is to enable industry to absorb the cost of conversion over a longer time span. It then is hoped that the cost will be kept to a minimum because much of the conversion will take place as factories replace worn out and obsolete equipment.

Further hopes are that conversion will enable industry to take additional advantage of modern technology and to reduce inventories. International metric standards have made it possible to reduce unnecessary variety in the manufacture of such items as nuts, bolts and rivets.

This progress cannot be speeded—at least not in this country—until changeover is formalized. The United States inches—or centimeters—toward SI.

H.R. 5880: PROTECTS FOREST ENVIRONMENT THREATENED BY IMPOUNDMENT OF FIRE PROTECTION FUNDS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. RARICK. Mr. Speaker, the recent withdrawal of $4 million from the cooperative forest fire protection program by the Secretary of Agriculture seriously threatens the safety of our forest environment nationwide. It puts our State foresters in a difficult situation and reduces the effectiveness of a program designed to protect valuable forest lands.

Earlier in the fiscal year our State foresters were informed that $5 million of the $25,027,000 appropriated for fiscal 1973 had been impounded by the Office of Management and Budget. They accepted this reduction with the understanding that it was necessary to stay within the President's spending limitation. Funds are allocated to States on a cost-sharing arrangement, and the Federal Government by withdrawing its commitment to the States jeopardizes the total national fire protection program. The States then set their budgets accordingly, in consultation with the Forest Service. But State budget readjustments cannot be made to compensate for the latest reductions, coming as late into the fiscal year as they have.

Fiscal responsibility is one thing, but reductions of this proportion in a program of this vital importance so late in the year are untenable. One forest fire resulting from a lack of proper fire protection could easily cost the taxpayer more money than the $4 million the cuts supposedly saved.

Virtually every State has suffered some loss of funds. Louisiana, for instance, has been placed in the position of trying to find $131,500 to maintain its fire protection programs at the level planned for the year. Our neighboring State of Texas lost $90,100, while the State of Washington lost $138,000 in Federal funds.

For these reasons, I have, along with seven cosponsors, today introduced H.R. 5880. This bill provides for mandatory expenditures of funds appropriated by Congress for use in State-Federal cooperative forest fire control program. The bill also requires an expenditure of the $20,027,000 allocated by the administration to the States for the present fiscal year. Further, it prevents the fire protection program from being weakened in the future through reductions or impoundment of funds originally appropriated by Congress.

I include here the text of my bill, H.R. 5880, along with a chart listing the amount of funds cut from allocations to the various States for the Forest Fire Protection program to be inserted in the RECORD at this point:

H.R. 5880

A bill to provide that amounts appropriated by the Congress for the State-Federal Cooperative Forest Fire Control Program shall be expended for that purpose

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of June 7, 1924, relating to the protection of forest lands (16 U.S.C. 565), is amended by adding at the end thereof the following new sentence: "In the case of the fiscal year ending June 30, 1974, and each fiscal year thereafter, the amount allocated by the Secretary to the States under this section shall in no case be less than the amount appropriated for such year for such purpose by the Congress."

SEC. 2. For the fiscal year ending June 30, 1973, the Secretary of Agriculture shall make payments to the States for the purposes set forth in section 2 of said Act of June 7, 1924, out of funds heretofore appropriated, on the basis of the commitment of the Federal Government contained in the allocation to the States for these purposes of $20,027,000.

FISCAL YEAR 1973: CM-2 ALLOTMENTS

Region or area	Original payment to State	Reduction amounts	New reduced payment to States
Alabama	$582,500	$114,500	$468,000
Alaska	359,200	50,200	309,000
Arizona	65,200	12,900	52,300
Arkansas	536,800	110,100	426,700
California	1,284,500	263,300	1,021,200
Colorado	246,600	38,000	208,600
Connecticut	144,300	29,200	115,100
Delaware	50,600	9,200	41,400
Florida	720,500	147,700	572,800
Georgia	760,100	155,900	604,200
Hawaii	66,300	13,700	52,600
Idaho	399,200	80,100	319,100
Illinois	144,800	27,700	117,100
Indiana	98,900	20,300	78,600
Iowa	71,500	14,800	56,700
Kansas	228,800	45,800	182,000
Kentucky	434,400	86,400	348,000
Louisiana	645,400	131,500	513,900
Maine	507,100	104,100	403,000
Maryland	277,800	55,400	222,400
Massachusetts	250,500	51,300	199,200
Michigan	638,900	131,100	507,800
Minnesota	410,100	84,200	325,900
Mississippi	623,300	124,500	498,800
Missouri	522,200	103,400	418,800
Montana	221,000	43,600	177,400
Nebraska	199,500	38,000	161,500
Nevada	220,500	43,200	177,300
New Hampshire	137,800	27,700	110,100
New Jersey	290,500	56,900	233,600
New Mexico	89,600	18,500	71,100
New York	537,200	106,000	431,200
North Carolina	672,000	136,600	535,400
North Dakota	38,700	7,400	31,300
Ohio	234,400	46,900	187,500
Oklahoma	277,000	52,100	224,900
Oregon	676,500	138,100	538,400
Pennsylvania	503,500	101,200	402,300
Rhode Island	78,400	15,900	62,500
South Carolina	611,500	123,000	488,500
South Dakota	94,400	18,100	76,300
Tennessee	613,200	124,500	488,700
Texas	439,700	90,100	349,600
Utah	156,700	31,000	125,700
Vermont	78,900	16,200	62,700
Virginia	566,000	114,900	451,100
Washington	677,400	138,900	538,500
West Virginia	259,300	51,300	208,000
Wisconsin	615,400	123,400	492,000
Wyoming	132,900	24,400	108,500
Amounts to States	18,491,500	3,693,200	14,798,300
Administration inspector, etc	1,508,500	306,800	1,201,700
Total	20,000,000	4,000,000	16,000,000

PRISONER OF WAR RETURNS

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mrs. GRASSO. Mr. Speaker, the people of the Sixth District rejoice that Marine Capt. James P. Walsh, Jr., of Winsted, has returned home after 4½ months of captivity in a North Vietnam prison camp.

The courage shown by all of our returning POWs is tribute to their determined spirit and strength of character which have sustained them under the most difficult of circumstances. James Walsh, Jr., has displayed that same spirit and strength of character.

His parents, Mr. and Mrs. James Walsh, also deserve special praise and admiration. They had to endure those trying, unhappy days of their son's imprisonment in constant, fearful anticipation of his condition as a prisoner in a hostile land far away.

Fortunately, James Walsh seems very fit, and residents of the district join in wishing him well for the future. The joy and thanksgiving of every American is without expression as more and more of our brave men are released from their

North Vietnamese and Vietcong captors. When among those arriving back home is a neighbor who lives in the Sixth District, the occasion is an especially meaningful and personal one.

FRANK SIEVERTS: FRIEND, SERVANT TO POW/MIA'S AND FAMILIES

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ZABLOCKI. Mr. Speaker, in the depersonalized world in which we live the dedicated efforts of many individuals too often go unrecognized and unappreciated. It was therefore gratifying to read in this morning's Washington Post a story by Marilyn Berger recounting the quiet but effective work over the years of Mr. Frank Sieverts, the State Department official in charge of POW/MIA affairs.

Trained as a Foreign Service officer in the delicate art of diplomacy, Mr. Sieverts has exercised that art under the most challenging of circumstances on the very personal level of human relations. He has carried out that often difficult assignment with distinction, aided and complemented in that assignment by an able secretary and personal assistant, Catherine L. Wilde.

I am pleased to place the article in the RECORD at this point and recommend it to the reading of my colleagues.

The article follows:

GRATITUDE OF POW FAMILIES WON BY STATE AIDE SIEVERTS

(By Marilyn Berger)

The POWs are coming home and the letters are coming to the State Department.

"May I please have the name of the State Department official in this picture. . . . I would very much like to drop this wonderful kind man a note," wrote a woman from Lebanon, Ind. "My eyes were on him more than those brave men who were returning."

Another from Walnut Creek, Calif., said: "Never have we seen a more warm, compassionate human being. He is to be much commended. I would like to have his name so I could write to tell him so."

The name of the man in the unaccustomed limelight is Frank A. Sieverts, and underneath that "warm, compassionate" surface he is by all accounts a "warm, compassionate human being."

Frank Sieverts was the man with the movie-star handsome face and trim physique who emerged on the home screen, greeting some of the civilian prisoners of war with a warm bear hug.

Frank Sieverts was the State Department's man in the advance party who went to Gialam airport on Feb. 12 to straighten out last-minute details of the release. He rode back to Clark Air Base with the last group of the day, not the first. It was then that people across the country started asking about him.

For more than six years Sieverts worked quietly in a small office on the State Department's seventh floor, his one mission to get the prisoners of war back from Vietnam or to improve their treatment during their detention.

It was not exactly the kind of job anticipated for a young graduate of Swarthmore who had spent four years at Oxford studying international relations. For the abstruse world of diplomacy of the relations between states and of laws and treaties is scant preparation for dealing with the very personal, often excruciating anguish of a mother whose son has been taken captive, or a wife whose husband may never return.

Sieverts, as the major point of contact within the government for the families of the POWs, became the shoulder, the placator, the sounding board for complaints, sometimes the target for emotional outbursts. At the same time he was the envoy to the International Red Cross, to foreign diplomats who might provide help and to the peace groups who sought to get prisoners released in their own way.

One POW wife, a critic of the administration who has of late refused to be quoted by name, had this to say about Sieverts, whom she dealt with for several years:

"He's the only one I've run into representing any part of the government . . . who's been completely honest. . . . He never lied; he never misled. He's the only one who has dealt with us as a representative in an official capacity I've had any use for. . . He was always friendly, gracious and charming, but always with an air of professionalism. The only real moment of warmth when the civilian POWs came back from South Vietnam was when Frank embraced them. It was real, spontaneous."

Said this woman, whose husband has not yet returned: "Frank's gone gray in the four years I've known him. His hair used to be darkish blond, he looked like a Kennedy type."

Sieverts at 39, is quite gray. In rueful almost self-mocking moments now he will attribute each gray hair to an individual POW, but he tries not to be dramatic.

Sieverts, often accompanied by Roger Shields, a civilian in the Pentagon, traveled around the country to meet with the families of the POWs. "I'd describe our efforts to achieve an honorable, negotiated settlement. I'd bring to them information . . . commonly available to people who read carefully in the press but which might not be available to families in the Midwest and Far West."

Speaking precisely, with perfect syntax, never straying from his topic, Sieverts acknowledged that "some families would get very emotional and express strong emotions face-to-face and on the telephone. Often there were different points of view on the war, often urging rather stronger action to bring the war to an end. This view was more common than the other."

Sieverts said: "Our responses, as government representatives, sought above all to be accurate, even at the expense of being reassuring. The temptation was always to say they'll be home for Christmas, but I took pains to be accurate and to emphasize the other side's responsibility for the POW's. It become evident very early on that the POW's were hostages being used for bargaining purposes, namely to gain control of South Vietnam. The families understood this. More important it's now clear that the men themselves were fully aware of this. Their first questions made clear their own sense of commitment."

There is a stuffed white bird on one of Sieverts bookshelves, a sign that he opposed U.S. actions in Vietnam. But, he insists: I'm not a dove. I've always supported the rightness of what we were trying to do in Vietnam, our commitment to South Vietnam." Then he adds with characteristic understatement: "I may have disagreed at times with some of the actions taken in support of that commitment."

Sieverts was born in Germany in 1933 and left with his family four years later, victims of Nazi persecution. His mother was Jewish and has since become a Quaker. He grew up in Wisconsin, the eldest of five, and later went on to Swarthmore—where he met his wife—and then to Oxford as a Rhodes scholar. He has promised his wife and their two children some skiing and other vacations—when all the POWs are home.

Before devoting all his time to the POWs Sieverts worked with the State Department's senior interdepartmental group, and then in 1967 joined the staff of Ambassador-at-Large Averell Harriman. He remained close to the negotiations because they so intimately involved POWs. He also maintained contacts with other governments and with the International Red Cross.

At first, said Sieverts, an effort was made "to use diplomatic efforts . . . to bring pressure on the North Vietnamese not to carry out their threat of [war crimes] trials against captured pilots . . . and to bring North Vietnam into compliance with the Geneva convention by allowing international inspection of the camps, free exchange of mail and so forth."

He said in a recent interview: "I never thought I didn't expect I'd become this involved in this kind of subject, or involved in this way with the POWs. No one thought it would take this long. In 1964 and 1965 we believed it would end in a year. It was the same in 1966 and 1967, even 1968. The length of time was unpredictable. It made sense to stay on."

It has clearly had its satisfactions. "After I got back to Clark [from Hanoi]," he recalled, "as the men came out of the plane I said I know his mother, I know his parents, I know his wife. As they came out I recognized faces, a case of putting a husband with a wife, a son with a mother. I was able to tell them that I knew their families. The men were startled and pleased to hear this. They were not aware that efforts had been made to know their families, pleased that their families had a place to go in government.

Sieverts manages to get off lines that sound old-fashioned-apple-pie patriotic American without sounding phony. "It defames the sacrifice of the POWs to say they were prompted," he said of the remarks the prisoners made on their returns. He described how the POWs took command the moment they were released.

"To see the men get off the battered camouflaged buses, shaped like old American school buses . . ., it was a very dramatic moment. The men we thought about and worked so long for were there."

When they were ordered off the bus, says Sieverts, "the senior officer in each group of 20 shaped them into lines and marched them to the release point 30 yards away, in some cases slowing down the pace so those on crutches could catch up . . . They shouted out loud commands with American voices at the Hanoi airport. . . . They saluted."

On the plane he says he saw the men plan what they would say on arrival, giving a thumbs up to the suggestion of the senior officer. . . . A loud cheer went up as they closed the door, another cheer when we took off, another when we were over water and no longer over North Vietnam. . . ."

Sieverts never wore a POW or MIA bracelet and seemed to have some doubts about the practice. But he had no doubt of their effect on the POWs who returned. "People would come to the airport and give the men the bracelet they'd been wearing," he recalled. "The men had not been aware of it. They were stunned and pleased to know how much people were thinking of them."

Sieverts seems to have known them all. But, he says, "when you speak of close and warm relations with the POW families it was my secretary and personal assistant, Catherine L. Wilde, who more than anyone was on a first-name basis with them."

MORE INFORMATION FOR THE CONSUMER

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ANNUNZIO. Mr. Speaker, lack of adequate information on labeling of processed foods is an increasing concern of consumers. Whereas packaged and frozen foods once constituted a very small part of our diet—the luxury items—a large proportion of an average American's diet today is prepared in a manufacturing plant. This situation presents the housewife with increasing difficulties not only in shopping wisely but in preparing nutritious, well-balanced meals. She is not always able to tell what the ingredients of a particular item are, whether processing has destroyed the nutritional value of the food, or how much of the food the package actually contains.

The bill I have cosponsored, H.R. 1652, would provide a solution to this dilemma of today's consumer. It would require the label of processed foods to bear information regarding nutritional contents, packaging and weight, and percentage of ingredients.

The White House Conference on Food and Nutrition emphasized the lack of nutritional information available on today's foods. This lack of information contributes to the fact that poor diets are not limited to those of low incomes but are found among persons of all socioeconomic levels, particularly in the case of children. The Conference recommended that—

> Information about nutritional properties which are significant to consumers in relation to the use of a given food in the daily diet should be required to be made available to consumers.

My bill would require foods to bear an analysis of nutritional contents including fat content, vitamin and protein value, fats and fatty acids, calories, and other nutritional information deemed appropriate. Certain requirements would assure the conspicuous and uniform display of such information so as to be of the most use to consumers.

Every shopper has had the experience of buying a food item with the expectation of serving a certain number of persons only to find the packaging or the labeling was misleading as to the amount of the contents. This is particularly true of items such as shrimp cocktail which are packaged in some kind of medium. If H.R. 1652 is enacted into law, such misrepresentation would be prohibited. Regulations would be promulgated requiring labels to bear certain information in the case of any canned or frozen product whose packing medium constitutes a substantial proportion of its total weight, the net weight, and drained weight of the product.

The White House Conference on Food and Nutrition also considered the problem of labels which do not indicate the amount of ingredients in packaged foods. They recommended:

> The amount of a characterizing ingredient, if any, should be shown on the label on a percent basis or other accepted uniform method meaningful to the consumer. . . . Failure to label the amount of any characterizing ingredients in a food should constitute misbranding.

My bill would make percentage listing of the major ingredients of combination food mandatory.

H.R. 1652 would provide several badly needed reforms in food labeling requirements—reforms that have been discussed and agreed upon for quite a while. It is now time to enact these requirements and to give the consumer the tools he needs to get the best buy and the most nutritious food for his money.

Mr. Speaker, it is my hope that my colleagues will join together in order to insure the early enactment of this important legislation.

NIXON CONSUMER POLICY: BENIGN NEGLECT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ROSENTHAL. Mr. Speaker, the Consumer Price Index released today by the Bureau of Labor Statistics shows the retail price of meat rose 5.3 percent last month. That adds up to an incredible annual rate in excess of 63 percent.

This unconscionable outrage can only be viewed as part of the Nixon administration's conscious policy of benign neglect of the American consumer. Administration indifference to the plight of the consumer and its refusal to put a lid on meat prices are directly responsible for this latest increase.

A typical middle-income family of four spends 35 percent of its food budget on meat, poultry and fish, or about $68 a month. At the February rate of inflation for this category—5 percent—the price of those products is going up $3.40 a month or $40.80 a year. In other words, if food prices don't start coming down—and the Cost of Living Council says they will keep going up for the rest of the year—that $68 bill will hit $108.80 by next February.

Outraged consumers will respond to this latest piece of news with the most massive meat boycott in the Nation's history, starting April 1. Consumer and housewife groups in more than two dozen cities across the country already have joined in the buyer boycott, demanding a freeze or even a rollback in meat prices.

The Nixon administration's dire predictions about the effects of a price freeze—even if they come to pass—couldn't possibly be worse than the dilemma which now confronts the food buyer.

Just yesterday, Agriculture Secretary Butz, who publicly rejoices over high meat prices, said anyone who wants to put a ceiling on the increase is a "damn fool." This kind of "sock it to 'em" contempt for the American consumer must be stopped. I am today renewing my call for Secretary Butz' resignation as the first step toward lowering food prices and restoring the American consumer's faith in the willingness and ability of government to combat inflation.

NEIGHBORHOOD YOUTH CORPS IN McCREARY COUNTY, KY.

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. CARTER. Mr. Speaker, recently I received a letter indirectly from Mr. Ralph W. Nevels, superintendent of the McCreary County Schools in the Fifth District of Kentucky.

In this letter, he evaluates the Neighborhood Youth Corps Program which has helped many impoverished youngsters throughout the area I represent to attend high school. Many of these students, after their high school work, are enabled to attend college. This would not have been possible except for the Neighborhood Youth Corps program.

I enclose the letter from Mr. Nevels for consideration by the Members:

WHITLEY CITY, KY.,
March 16, 1973.

Mr. N. B. PERKINS,
Whitley City, Ky.

DEAR MR. PERKINS: While you are in Washington, I would greatly appreciate your help in informing Representative Carter of the facts about McCreary County's Neighborhood Youth Corps program. As you know, McCreary County Schools' was one of the first NYC programs funded and we feel that it has been one of the most successful.

Approximately sixteen hundred boys and girls have participated in the NYC program since its beginning. Over one thousand of these enrollees could never have remained in school. Thirty-eight per cent of the enrollment have received their high school diplomas. Annually about thirty-five per cent of the contract number are listed on the schools' honor rolls. One enrollee has received the highest scholastic honor of the senior class. Several enrollees have and are able to attend college only through the help and assistance of the NYC program. Four have returned to McCreary County as teachers. Two boys who worked in conservation are studying forestry.

Most of our young people must leave our county to search for employment. Several former NYC enrollees have used the NYC training as clerks, teacher aides, secretaries and painters and have secured positions at home. A great deal of the NYC training has helped these young people to become more employable.

Since the NYC program has provided a way for these high school boys and girls to earn a small amount of money, they are developing a sense of self-dependence. They are able to pay class fees and dues, purchase greatly needed clothing and meet other obligations that they were formerly unable to do. A sense of pride in themselves and their work is evident.

These students receive such indirect benefits as the budgeting of earnings, development of good work habits and attitudes, and counseling on career planning.

According to a recent survey the dropout rate of NYC enrollees is below the dropout rate of the combined high schools and the percentage of attendance is above the high schools' average. The staff knows that this particular program is doing its job. Adequate supervision and counseling have made this program one of our schools' and McCreary County's greatest assets.

Many of our boys and girls have their hopes for the next school year depending on a summer's work. How can we prevent these students from losing the interest that they have developed, and how are we going to keep them from being next year's dropouts?

Many inquiries have been made from prospective enrollees and present enrollees as to the status of the Summer NYC program. We have approximately 300 boys and girls who can qualify for summer work. We understand that under revenue sharing there will be a program, at least on a limited scale, available for the In-School programs; however, no provisions have been made for the Summer programs. It is our hope that money from other programs can be diverted to the NYC programs. In the event that this is done we would appreciate any information that you could get for us as to the procedure for applying for those funds.

Now, my questions are: How are these two hundred boys and girls who need financial help and training going to be able to remain in school and meet their obligations? What effect will the loss of this program have upon the local school program? Who will see that these boys and girls get counseling that this particular age group needs? The majority of these young people come from welfare, social security, and disabled families. What program will be started to keep these children from becoming a part of the same family type?

Please see Representative Carter and tell him of our program and find out if anything can be done for our situation.

Respectfully,

RALPH W. NEVELS,
Superintendent, McCreary County School System.

AID TO HANOI: A MATTER OF MORALITY?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. RARICK. Mr. Speaker, aid to Hanoi is being urged as a matter of morality because we Americans had helped rebuild Western Germany and Japan following World War II. For some reason the absence of any aid to North Korea is being overlooked probably because we did not win nor effectively stop that war.

On the issue of morality should our people not be reminded that both Germany and Japan were defeated on the field of battle and each signed an unconditional surrender. The German leader, Hitler, was killed and many of his captured generals and admirals, even down to field grade officers were tried by war crimes tribunals and many were executed and others served time in prison. Even prison guards who had mistreated POW's or failed to comply with the Geneva Convention dealing with POW's were brought to trial and some imprisoned. Rudolf Hess, the political heir of Hitler and national socialism, remains a prisoner in Spandau to this day.

Similar trials, executions, and imprisonments followed the Japanese surrender, including even the imprisonment of Tokyo Rose who was an American who had turned propaganda agent for the Japanese Government.

No similar occurrences arise from the police action out of the North Vietnam war. None of the North Vietnamese officials nor the Viet Cong rebel leaders have been captured nor taken as prisoners. No trials for war crimes are suggested or appear eminent. To the contrary, the leaders of North Vietnam have been made national heroes as they are allowed freedom to boast that ending the Vietnam conflict was a victory for their cause. In fact, these same leaders, according to all reports, are continuing to send arms, men, and materiel into South Vietnam to continue their aggression against the government and the people of our ally.

Certainly one who researches the facts of World War II and the Vietnam peace action can readily distinguish between any so-called moral duties of the victor or the loser.

And, by the way, who has heard of the Russians or Red Chinese indicating that they have a moral duty to impose taxes on their people to give aid to South Vietnam?

WHAT IS THE PRICE OF FREEDOM

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. GOLDWATER. Mr. Speaker, it is often a good idea, in our headlong dash into oblivion, to pause and reflect upon a commodity we too often take for granted—freedom. One such opportunity arose while I was reading the Encino Trumpeter, a publication of the Encino Republican Women's Club Federated of Encino, Calif. The article is entitled, "What Is the Price of Freedom?" and it is a bit of wisdom that is a prolog to the history we are about to write. This message by Maj. Eugene H. Bickley, USA, is commended to my colleagues for their reflection:

WHAT IS THE PRICE OF FREEDOM?

(By Maj. Eugene H. Bickley)

An ounce of blood in a rice paddy in Vietnam?
A drop of sweat from a trainee at Fort Ord?
A splintered bone from a copter crash in Korea?
A cold chill from a missile scare at Guantanamo Bay?
A swollen ankle from a forced march on Bataan?
A lungful of seawater in a ship's bowels in Pearl Harbor?
A lacerated knee from barbed wire near Chateau Thierry?
A mouthful of dust from running up a hill called San Juan?
A nostrilful of stench from the carnage at Bull Run?
A handful of sand to cover a corpse at the Alamo?
A scorched eyebrow from power burns at New Orleans?
A frozen toe at Valley Forge?
Listen—there is no cut-rate price tag on freedom!
No discount house in which to shop.
No flea market in which to bargain.
No credit card on which to charge.
It is *not* an inaljenable right, *nor* a God-given *prize.*
And yet—it is more precious than the most glittering gold,
Or rarest jewel;
More elusive than a beam of sunlight,
Or a baby's smile.
And once lost it is seldom regained.
It is not a game of finder keeper; rather, always, loser weeper.
How then does one hold fast this "elusive as sunlight" thing?
With a frozen toe at Valley Forge!
With a scorched eyebrow at New Orleans!
With a handful of sand at the Alamo. . . .

LEAD INGESTION— A SPORTSMAN'S PROBLEM

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. RONCALIO of Wyoming. Mr. Speaker, today I introduce legislation designed to protect our Nation's waterfowl from death and chronic illness resulting from the ingestion of lead shot used in hunting. Two to three percent of the waterfowl population of the United States—as many as 3 million ducks, geese, and swans—are estimated to die annually from lead poisoning. These birds consume lead shot which lodge in the gizzard and are eroded through physical and chemical abrasion.

Lead released in this way is assimilated into the bloodstream and results in acute or chronic poisoning. Acute toxicity, resulting in death within a few days, occurs when a large number of pellets are present or when assimilation is unusually rapid. Birds afflicted by chronic toxicity become emaciated and partially paralyzed. Some, in their weakened state, may fall prey to natural predators or to man, but most die a slow, agonizing death over a period of several weeks or months.

Over the years hundreds of thousands of tons of spent lead shotgun pellets have been scattered throughout the Nation's wetlands. Each hunting season another 6,000 tons, or some 30 billion additional pellets, are deposited. Many traditional waterfowl habitat areas are thought to average 30,000 pellets per acre in the top few incres of soil. Sampling indicates that some heavily hunted marshes and ponds may have densities of up to 100,000 pellets per acre. Pellets tend to sink slowly over a period of years into the bottoms, and eventually become unavailable to birds.

The fact that waterfowl and marsh birds succumb to poisoning from consuming lead shot has been recognized since 1842. Hard scientific evidence identifying lead shot as the culprit in poisoning deaths in the field has been available since 1901. Massive localized "die offs," such as the loss of 12,000 ducks in Minnesota during the winter of 1939–40, have occasionally dramatized the problem.

As densities of pellets in marshes continue to build up; as waterfowl habitat is increasingly constricted by development and afflicted with other forms of pollution, the problem has intensified. In April 1972 the largest die offs ever observed occurred in the Mississippi Valley. Earlier in the winter 4,500 geese were found dead from lead shot poisoning, with thousands more ill. Canvasback ducks, among the species most susceptible to poisoning, have dwindled from an estimated 2½ million in the late 1950's to less than a million today. Redheads, mallards, and black ducks have also declined alarmingly.

In the State of Maryland, wintering populations of canvasbacks have decreased from an estimated 173,300 in 1955 to 63,000 today; the redhead population is down from over 160,600 to only 10,600. The population of Maryland black ducks has gone from 173,000 to 40,000 in this 17-year period. National Wildlife Federation President Thomas Kimball, has suggested that lead poisoning may prove, with these hard pressed species, "the straw that broke, in this case, the ducks back."

Nontoxic soft iron shot has been proposed as a substitute for lead shot. It is ballistically comparable to lead, deteriorates rapidly in contact with water and soil, and constitutes no environmental hazard. Extensive tests have been conducted, both by the firearms companies and the Department of the Interior in recent years. Crippling losses have been found to be no greater than with lead shot and in some tests only about one-third as great. No serious damage to gunbarrels has resulted from thousands of rounds fired with the type of shot currently being proposed. The manufacturing process involved in producing the shot are comparatively simple, and no significant unsolved technical problems remain. Production facilities to supply the entire needs of the firearms industry can be placed in operation within a matter of months.

Over the past decade practically all of the major conservation and hunting groups in the country have gone on record in demanding that lead shot be replaced by soft iron, or other nontoxic pellets. These include groups as diverse as the National Rifle Association, the International Association of Game, Fish and Conservation Commissioners, the National Wildlife Federation, Friends of the Earth, the Sierra Club, the National Parks and Conservation Association and the Humane Society of the United States. Most of these groups feel that the Interior Department has been unconscionably slow in responding to these demands, and has been entirely too sensitive to pressure applied by the lead industry, and some segments of the firearms industry, to go slow. Most will agree with President Kimball of the NWF and Dr. Grandy of NPCA that there is no reason at all why the industry cannot effect the transition to iron shot with a years notice or less.

My bill accomplishes this by banning the use or possession of lead shot following the 1973 season on any land which constitutes a habitat for waterfowl covered under the migratory bird treaty act. This will bring the long period of administrative foot dragging on this matter to an end. My bill also provides the Secretary with authority to ban from interstate commerce classes of lead shot which are environmentally harmful. A research program is established to assist him in determining how and when to act under this subsection. It seems obvious that problems in enforcing the ban on lead shot used mainly in this type of hunting can be solved, once it is clear that adequate substitutes can be made available.

The tragic depletion of many species of waterfowl in recent years must be acknowledged, and action must be taken to preserve and restore them. Lead poisoning is, beyond doubt, a major factor in their decline. Some marshes and ponds are now hardly better than death traps. Even if prompt action is taken to halt further deposits, it will be many years before waterfowl can use this habitat without being subject to the effects of lead poisoning.

My bill provides the Secretary with firm instructions, and a firm legislative base, to eliminate the lead poisoning problem in the shortest time possible. I hope that Congress will act on this legislation and thereby erase a severe blot on our national waterfowl management record and arrest the tragic wastage of this magnificent resource.

The text of the bill follows:

H.R. 5986

A bill to amend the Fish and Wildlife Act of 1956, to protect game and wildlife resources by prohibiting the use of lead shot for hunting in marshes and other aquatic areas, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Fish and Wildlife Act of 1956 is amended by adding a section 8, after section 7, and renumbering the remaining sections accordingly:

Section 8. (a) The Congress finds and declares that lead ballistic pellets are manufactured, sold, and transported in interstate commerce; that overwhelming quantities of such pellets are deposited annually in the environment as a result of hunting; that such pellets are ingested by waterfowl and other marsh birds in aquatic and semi-aquatic areas; that such ingestion results in the assimilation of lead into the blood stream which causes poisoning; and that such poisoning results in the death of a significant number annually of such waterfowl and other marsh birds. It is therefore the policy of Congress to protect the game and wildlife resources of the Nation and to eliminate such undue and unnecessary losses to population stocks.

(b) (1) After the 1973 hunting season it shall be unlawful for any person to use or possess any lead shot on any land which constitutes a habitat for waterfowl or other migratory marsh birds covered under the Migratory Bird Treaty Act, as amended (16 U.S.C. 703, *et seq.*)

(2) The Secretary is authorized to ban the manufacture, sale, or transportation in interstate commerce of lead shot, or any other type of shot if it is found, under the research program established in subsection (c), that the toxicity of such shot constitutes a hazard to wildlife, and that nontoxic substitutes are, or can be, made available. The Secretary shall publish notice in the *Federal Register* of intention to act under this paragraph.

(3) Within six months from the date of enactment of this Act the shot type shall be clearly and legibly printed on all shells manufactured for sale or use in interstate commerce.

(4) For the purposes of this section the 1972 hunting season shall be that determined by the Secretary as published in the Federal Register under the Migratory Bird Treaty Act, as amended.

(c) A research program shall be established by the Secretary to be administered by the Bureau of Sport Fisheries and Wildlife, which shall assess all available data concerning the impact of lead and other shot on wildlife, and on the environment generally. The information accumulated under such program shall be available to the public. The Bureau shall make findings and regulations regarding sizes of lead shot which are to be banned under subsection b(2), and other limitations on the use of lead or other shot which can be imposed by administrative or legislative action and which are necessary to eliminate toxic environmental effects. Such findings shall be published in the Federal Register, shall be distributed to State fish and wildlife agencies, and shall be open for public comment for 60 days before finalizing.

(d) The Secretary shall issue such regulations as he determines are necessary to carry out the purposes of this section.

(e) (1) Violation of this section or regulations which may be adopted and identified by the Secretary for the purpose of its implementation shall be punishable by a fine of not more than $1,000 or imprisonment for not more than one year, or both.

(2) The Secretary is instructed to enter into cooperative agreements with appropriate State and territorial agencies for enforcement of this section on lands which are habitat for waterfowl and migratory march birds covered by the Migratory Bird Treaty Act as amended.

(3) Any employee or officer authorized to make arrests or serve citations under this Act is authorized to make a thorough investigation of the arms and ammunition carried by any individual in an area which constitutes a habitat for waterfowl or other migratory marsh birds, including the authority to investigate re-loaded shells.

THE WAR OVER THE WAR ON POVERTY

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. SHRIVER. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following commentary by David Brinkley on the NBC Nightly News which examines the current controversy regarding the Office of Economic Opportunity:

NBC Nightly News by David Brinkley, February 27, 1973

What has happened is what often happens in Washington: the substance of a problem gets lost somewhere in controversy about politics, money and power.

The substance in this case is the poor people themselves . . . and what should (or can) be done by some level of government to help them . . . whether it's OEO or something else.

The state governors, knowing how Federal programs work, believe if OEO is cut back by President Nixon . . . there will be pressures on them to continue it and pay for it, and they don't have the money.

Members of Congress are irritated because they think the President is defying them, usurping their power, and cutting back programs they voted and without asking them.

The President's position is that however attractive are the names of these agencies, many of them do very little more than spend money.

One part of OEO (for example) spends over a billion dollars a year . . . has 180 thousand employes . . . and just how much of the money reaches the poor and how much goes for administration is hard to find out.

So . . . it's one more Washington controversy, coming to be heated.

The President doing what he says needs to be done . . . members of Congress saying if it needs to be done at all it should not be done that way, and they should do it . . . and the Governors afraid another huge financial burden is about to be transferred to them, but not the money to pay for it.

CONGRESSIONAL INTERN PROGRAM

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. KEATING. Mr. Speaker, this week a group of 57 high school seniors representing high schools in the First and Second Congressional Districts of Ohio are visiting Washington for a week of seminars.

Among the speakers addressing the group will be Congressman CHARLES RANGEL, Congressman JOHN ASHBROOK, Congressman LEE HAMILTON, Speaker of the House CARL ALBERT, and Minority Leader GERALD FORD.

The group will hear about the Senate from Ohio Senator ROBERT TAFT and Senator ROBERT STAFFORD of Vermont.

There will also be seminars on the Supreme Court with Justice Potter Stewart, a discussion with Bill Monroe of NBC News, Robert Webb of the Cincinnati Enquirer, and James Groel of the Cincinnati Post and Times Star, on the role of the press in Washington.

Speakers from several Washington lobbyist groups will address the students on the role of the lobbyist in the legislative process. Other discussions on the operation of the House and the workings of a congressional office will also be held.

After a seminar at the White House, the group will head back to Cincinnati.

Each high school chose its outstanding senior to participate in the program. I am attaching the names of those students who came up to Washington this year.

CONGRESSIONAL INTERN PROGRAM

Anderson High School—Drew Horter, Robert Weber.

College Preparatory School—Elizabeth Beach.

Deer Park High School—Evelyn Altherr.

Forest Park High School—Rick Proud.

Indian Hill High School—Bob Porter.

Lockland High School—John Whitworth.

Loveland Senior High Schol—Scott Shoemaker.

Marian High School—Sheila Healy.

Mariemont High School—Robert Pfeiffer.

McNicholas High School—Kathy Castellani.

Moeller High School—William Robert MacEachen.

Norwood High School—Ellen Little.

Our Lady of Angels High School—Linda Niesen.

Princeton High School—Joseph Mack Wathen; Hendrik Van Driel.

Purcell High School—Larry Staubach.

Reading High School—Sally Lackman.

Roger Bacon High School—Robert Denterlein.

St. Bernard High School—Salene Bass.

St. Ursula Academy—Teresa Maurer.

St. Xavier High School—T. Jeff Davis.

Summit Country Day—Debra McCabe.

Sycamore High School—David Weinberg.

Ursuline Academy—Kathy Broderick.

Walnut Hills High School—Hermia A. Shegog; Mark D. Hornstein.

Withrow High School—Charles McDougald; Michael Kokoefer.

Woodward High School—Barry Stregevsky; Philip Osborne.

Regina High School—Michelle Boisseau.

Chaperones—Jim Jurgens, Bob Wagner, Steve Baker, Joe Suhre, Sue Suhre, and Major McNeil. John Morley, travel agent.

A BILL FOR THE REFORM OF FEDERAL LICENSING PROCEDURES FOR RADIO AND TV STATIONS

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. TREEN. Mr. Speaker, I have cosponsored with several of my colleagues a bill for the reform of Federal licensing procedures for radio and television stations.

The bill would amend the Communications Act of 1934 in order to restore to thousands of businessmen in the broadcast industry the independence and security they need to survive. It would reverse the trend toward discounting past service to the community as a criterion for license renewal; and it would provide relief to many broadcasters who are in danger of suffocating under mounds of Federal paperwork.

The bill has two principal provisions. It would extend to 5 years the period for which a station's license is valid. Currently licenses must be renewed after 3 years. Second, it would require the Federal Communications Commission to renew licenses to stations who can show that their past performance has reflected a good-faith effort to serve the needs and interests of their communities.

Mr. Speaker, there are three principal factors which indicate that these reforms are long overdue.

First, a recent Federal court decision would dictate that groups who challenge a station's license renewal in an effort to take over the license for themselves must be considered on a virtually equal basis with the current management of the station. This would result in a great deal of instability for the broadcaster; he could not take out long-term bank loans, invest in real estate or expensive equipment, or make capital improvements. The prospect of undergoing such an ordeal every 3 years, with its attendant paperwork and legal fees, is likely to discourage independent and creative individuals from becoming involved in the radio and television business.

Another implication of increased scrutiny of station programing by the Federal bureaucracy is the risk that licenses will become political plums, subject to the whims of numerous politicians and pressure groups. This would tend to make our electronic media little more than an arm of Government.

Finally, the broadcast industry is already highly competitive. Stations which do not satisfy the needs and interests of their communities cannot survive for long in the fight for high ratings and advertising revenues. There is a real danger that the opinion of the FCC, or of a Federal judge, as to what constitutes the public interest may not coincide at all with the views of the public. The current trend is to substitute increased bureaucracy and Government regulation for the workings of the free market and the judgment of the people. Our bill seeks to reverse that trend.

Mr. Speaker, I would like to include in the RECORD the full text of this very important bill:

H.R. 5077

A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(d) shall be amended by striking the first two sentences and inserting the following: "No license granted for the operation of any class of station shall be for a longer term than five years and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby: *Provided, however,* That in any hearing for the renewal of a broadcast license an applicant for renewal who is legally financially, and technically qualified shall be awarded the grant if such applicant shows that its broadcast service during the preceding license period has reflected a good-faith effort to serve the needs and interests of its area as represented in its immediately preceding and pending license renewal applications and if it has not demonstrated a callous disregard for law or the Commission's regulations: *Provided further,* That if the renewal applicant fails to make such a showing or has demonstrated a callous disregard for law or the Commission's regulations, such failure or demonstration shall be weighed against the renewal applicant.".

PRESIDENT LYNDON BAINES JOHNSON

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. LATTA. Mr. Speaker, I would like to associate myself with the remarks of my colleagues on both sides of the aisle who have expressed their sorrow at the passing of Lyndon Johnson.

To those of my persuasion, who opposed him on many issues while supporting him on others, President Johnson will be remembered as a superb legislative tactician. His breadth of experience and intimate knowledge of the legislative process, gained through his many years of service in both the House of Representatives and the Senate, served him effectively when he became Chief Executive.

Political life is not without its ironies, and no better example of this in recent years can be found than in the pressures of events surrounding President Johnson's latter days in office.

Despite resounding domestic legislative triumphs, it was his steadfast pursuit of what he conceived to be the best interests of the United States in the Vietnam conflict which led to his voluntary retirement from public life. How gratifying it must have been, shortly before his death, for him to have had the personal assurance of President Nixon that peace with honor was at hand.

I want to join all my colleagues in expressing my sincere sympathy to his widow, Lady Bird Johnson, and to his daughters and their families.

MANDATORY SENTENCING FOR CRIMINALS CARRYING FIREARMS WHILE COMMITTING A FEDERAL CRIME

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BEARD. Mr. Speaker, I introduce today for appropriate referral legislation which increases mandatory sentencing for criminals who carry a firearm in the commission of a Federal crime.

My bill differs from existing law in two principal areas—first, it increases penalties for offenders in both cases of first and second convictions; and second, it gives the Nation's Federal prosecutors the right to have the trial courts' sentencing reviewed if the sentencing judge fails to exercise proper discretion in determining the terms of sentencing.

Under the provisions of the Omnibus Crime Control and Safe Streets Act Amendments of 1970, strict sentences are imposed upon felons using or possessing a firearm in the commission of Federal crimes. The 1970 amendments provided a separate and additional penalty for the mere act of carrying a firearm in committing a crime—specifically separate and in addition to the sentence for the underlying crime itself.

The legislation being offered here today would preserve some latitude in the case of first offenders. However, this discretion is intentionally restricted by the addition of language authorizing the United States the right to seek review of sentences received by first offenders if the trial court judge fails to exercise discretion in meting out penalties in such cases.

The need to maintain discretionary status in sentencing a first-time offender is not to imply that the individuals should be treated with leniency but in recognition of the state of this Nation's penal system. In too many cases our Federal penitentiaries are breeding grounds for the schooling and training of even more determined criminals. The conditions prevalent in many Federal prisons force the internee to react with bitterness and vengefulness on the society which interred him. Therefore to confine a first offender in every instance means there is little hope for rehabilitation.

However, there are many cases where first offender deserves imprisonment. While judges have the authority to mete out a sentence to these individuals, they often do not. My legislation, if adopted, would offer remedy in the case where the Federal prosecutor determined that suspension, probation or terms of sentence were unreasonable. This added tool would operate in both first and second offenses. Yet, in the case of the second offense the additional penalty is truly a mandatory sentence which may not be suspended by the court, nor may probation be granted.

My bill provides for new terms of sentence. In the case of a first offense, the penalty can be up to 10 years. For second offenders the term of imprisonment cannot be less than 5 years and up to 25 years. In both cases, the sentence is in addition to the penalty for the underlying crime.

Mr. Speaker, I have asked the Justice Department to make a thorough investigation of the Government's experience with the type of sentencing enacted in 1970. Unfortunately, the mandatory sentencing provisions are not widely known by the general public and therefore, by the criminal as well. Of course, in order to be an effective deterrent to the potential criminal, these provisions must be publicized. If and when my bill is enacted, I will seek widespread publication of its effect and intent, and I will work to see that its use by the court is closely monitored.

With the passage of my legislation, the criminal who thinks to use a firearm in perpetrating a crime will have final notice that this society will not have even the slightest sympathy in the case where a firearm is used.

KEVIN MORRISSEY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. WOLFF. Mr. Speaker, at this time I would like to pay tribute to a fine Irish-American citizen, Mr. Kevin Morrissey, in honor of his installation as president of the United Irish Counties Association of New York. An article in the New York News on March 18, 1973 said this about Mr. Morrissey:

Flushing Man Heads Irish County Group

Kevin Morrissey, 38, of Flushing, is the new president of the United Irish Counties Association of New York. He and 27 other UICA officers were installed during a formal ceremoney at the Hotel Commodore, Manhattan.

A past president of the Galway Men's Association, he has been a delegate to the UICA from Galway for 10 years. He rose to the presidency from third to second to first vice president during the last six years.

THE 26TH PRESIDENT

Morrissey is the 26th president and the second Galway man to serve in this office.

The UICA is a closed-delegate body, drawing its membership of 262 persons from the 32 Irish county societies and two other Irish fraternal groups active in the metropolitan area.

The organization is spokesman for the Irish-Americans in New York, and maintains a midtown Manhattan meeting center and office which supplies employment immigration and educational services to the Irish-American community.

Morrissey came to this country from Ireland in 1957. From 1958 to 1960 he served with the United States Army in Germany. He is in the insurance business in Woodside. He and his wife Elizabeth have three children, Shelia Ann, 10; Kevin, 8, and Tracey, 7.

LEGAL SERVICES—ILLEGAL PRACTICES

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. HUNT. Mr. Speaker, last August four boys walked into a market in a deteriorating section of Boston, allegedly pulled a gun on the proprietor and began to empty the cash register. The proprietor pulled out a .38-caliber pistol, which he had a license for, and fired three times. Two boys were hospitalized and all four were arrested. The proprietor was unhurt. I might add that all four boys were known heroin users.

The parents of one of the boys, whose son happened to be one of those severely injured, contacted an OEO legal services lawyer. The following day the legal services lawyer charged the proprietor with assault with intent to murder and assault and battery with a dangerous weapon.

This case may be very typical of the situations which have convinced the administration that the legal services program of OEO has in many cases lost sight of its function.

In the case just mentioned, it would appear logical that the OEO lawyer would prepare a defense for the boys arrested, since they came from a family which qualified for such legal services.

With the large amount of work in most legal services offices and the large number of cases backed up in the courts, it does not appear logical for an OEO lawyer to charge a proprietor of a market with attempted murder after he defended himself from four drug addicts who pulled a gun on him.

Such activity by OEO-funded legal service lawyers has occurred often in the past, and over the last few days I have cited other examples.

Today I submit the following article for the Record:

Hub Store Owner Bitter

(By Bob Creamer)

John J. Sturniolo stood quietly in a corner of his Roxbury store Saturday, apparently angered and confused over the sudden and drastic change in his life.

A small and rather meek looking man of 49 years, Sturniolo refused to talk about what happened Wednesday when four boys allegedly tried to rob his store, Clifton's Market at 18 Clifton st.

But other people working in the market Saturday, a man and two women apparently relatives of Sturniolo, talked bitterly about the alleged attempted robbery that ended with Sturniolo shooting two of the boys.

"How can they call it a prank," the man asked. "They stuck a gun in him and opened up the cash register."

Sturniolo has told police that when one of the boys poked a gun into him, he pulled out his own .38 caliber pistol, which he has a license for, and fired three times.

One bullet hit 13-year-old George McNeil in the head, lodging at the base of his brain and leaving him in poor condition at City Hospital.

A second boy, Douglas McGauley, 15, of Savin st., Roxbury, was wounded in the right arm and right leg.

"It all happened so fast," Sturniolo said after the shooting. "I didn't realize how young they were but what difference does that make? The one with the gun was obviously high as a kite and I figured I was a dead man."

The parents of the McNeil boy, Mr. and Mrs. Willie James McNeill, of 73 Willowood st., Roxbury, believe Sturniolo "overreacted" and are attempting to charge him with serious crimes.

Their attorney, Benjamin Jones, of the Boston Legal Assistance Project, has applied in Roxbury District Court for complaints charging Sturniolo with assault with intent to murder and assault and battery with a dangerous weapon.

"We feel the store owner over-reacted," Jones said, "and in doing so turned a childish prank into a disaster."

"What kind of a prank was it," one of the woman said angrily. "They came here in a stolen car with a gun and went into the cash register."

No gun has been recovered yet but reportedly it was a toy. Police have said all four of the boys were known heroin-users and may have been seeking money to pay for their habit.

"He did what anybody would have done," said the man in the store. "And now look what's happening. Even his wife is getting theatening phone calls at home and yesterday some guy from Rhode Island was here trying to get people to picket the store."

The market, located in a deteriorating neighborhood of whites, blacks and Puerto Ricans, has the letters "KKK" painted in white on an outside wall.

"Somebody did that two years ago here and other places," she said, pointing across the street to tenements with the same "KKK" painted on them.

Asked if they planned to stay in business, the same woman, who steadfastly refused to give her name, replied: "Why should we leave. I own this building.

There are two tenements over the store and apparently some members of the Sturniolo family live there although the owner, John, lives in Newton.

"How come," the man in the store wanted to know, "nobody said anything about me stopping the bleeding and putting a compress on." He was talking about returning to the store after the shooting and finding the McNeil boy lying in the street and bleeding from the bullet wound in his head.

"You know what happened here last January?" the man said. "A guy came in with a gun and robbed us. They caught him later and he's been indicted for armed robbery."

While the man and two women talked, Sturniolo stood in the background. Customers came in and out—two little black girls, a black woman, a Puerto Rican man, and several white men. They ordered, paid and left without saying anything.

The case is still under investigation. Two boys are hospitalized and two others are under arrest. There will be a hearing Aug. 23 on the complaints sought by the McNeil's against Sturniolo.

AID TO NORTH VIETNAM A WEAK ISSUE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. HUNGATE. Mr. Speaker, as we are facing the issue of possible aid to the rebuilding of North Vietnam, I would like to call to the attention of my colleagues a unanimous decision reached by the contemporary issues class at Paris High School in my congressional district:

THIRD HOUR CONTEMPORARY ISSUES,
February 23, 1973.

Hon. WILLIAM HUNGATE,
House Office Building,
Washington, D.C.

SIR: We, the undersigned, are students in the Contemporary Issues class at Paris High School. The class is composed of twenty-eight seventeen- and eighteen-year olds. It is very seldom that our class decides unanimously on a controversial issue. However, on (industrial) aid to North Vietnam we stand united. After thorough discussion we feel we are well informed and it seems that any argument in favor of aid is very weak. We take this stand for several reasons. They are as follows:

1. North Vietnam is not a defeated enemy as were Germany and Japan.
2. The money could be used at home for rebuilding our own slums.
3. North Vietnam still adheres to the idea of one Vietnam and making Indo-China communistic.
4. We evidently will not be allowed to administer this aid.

Please take our views and arguments into consideration when you vote on this matter.

Respectfully yours,

Mrs. Janet DeLaney, Teacher; Maysel K. Nolan, Robert H. Fields, Ladoris A. Stuckey, Dorothy M. Gregg, Janie L. Meckley, Glenna J. Armstrong, Rick Heitmeyer, Tommy Pulis, Doughlas Thomas, Roxie Morgan, Mark Rowe;

Ronald Millard, Jackie Vanlandingham, Barbara E. Warren, Bill Darnell, Brad Dodge, Elizabeth Stamp, Linda Forbis, Ted Harrison, David Willingham, Tracy Morgan, Wesley Menefee;

Nancy Van Praag, Ronnie Fields, David Thomas, Richard Foley, Paul Beamer, and Donald Simpson.

COMMISSIONER ROBERT BALL

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BOLAND. Mr. Speaker, I was saddened to learn that the resignation of Commissioner Robert Ball, of the Social Security Administration, was accepted. Commissioner Ball has been a truly remarkable public servant, and I am sure that he will be missed by all of us.

I am proud to have this opportunity to pay tribute to Mr. Ball for the many years of service he has given his country and the American people. He has managed this vast agency of the Federal Government with exceptional competence and efficiency.

The following Washington Post editorial, "A Superb Public Servant," aptly expresses my sentiments to the retirement of Commissioner Ball. I wish him many, many years of health and happiness in his retirement.

A SUPERB PUBLIC SERVANT STEPS DOWN

This is the last week of duty for Robert M. Ball, the remarkable Commissioner of the Social Security Administration, who has been in office for 11 years and who served in lesser jobs with the Social Security Administration for 21 years before that. To the disappointment of many—ourselves included—the White House picked up Mr. Ball's pro forma resignation this winter after the election. But we do not feel that Mr. Ball's leaving office should be the occasion for expressing more gloom. Rather, it seems a moment briefly to recount the career of this extraordinary public official. For Mr. Ball's 34 years in government constitute a genuine good news story—and, not incidentally, they challenge some of the absolutes you hear tossed around these days concerning the capacity of the federal government to govern and the capacity of the bureaucracy to do well by the rest of us.

Mr. Ball, who began his career in 1939 in the field organization of the Bureau of Old Age and Survivors Insurance, worked his way up through the career service to become Social Security Commissioner. In the course of so doing he threatened, by his performance, to give the bureaucracy a good name. For, in his particular way, Mr. Ball has been the ideal public official: fair-minded, energetic, committed to the success of the statutes he administered and—above all—apolitical. In the 11 years since he came to preside over the Social Security Administration, all these attributes were put to the test as coverage (and complexity) expanded at a geometric rate during the 1960s.

Lyndon Johnson was fond of describing the actions required to put Medicare into effect after its enactment in 1965 as the most complicated and arduous government operation undertaken since the military planning operations of World War II. He didn't exaggerate much. Mr. Ball and his associates had 11 months' time to arrange for such diverse and intricate matters as medical standards, hospital care regulations, insurance coverage, accounting procedures, reimbursement techniques and the rest for some 19 million Americans who came under Medicare's provisions as of July 1, 1966. To look back over the news clippings of the period is to read a wealth of public statements from all manner of concerned persons predicting certain disaster on D-Day. It didn't happen—and the reason it didn't lies largely with the man who is now leaving his government post. That particular exercise in competence and success would of itself have been enough to distinguish Mr. Ball's career. But as many people in this town know it was typical—not atypical—of his performance. Robert Ball's 34 years in government were devoted to showing what *could* be done.

TOWARD A DEFINITION OF ATOMIC PEACE: CULTURAL IMPLICATIONS

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ZABLOCKI. Mr. Speaker, one of the greatest blessings of a free society is the opportunity—indeed, obligation—to be precise—not to mince words nor to compromise the truth. Words, especially important words and the realities they symbolize, too often elude us. Because of careless overuse or shoddy misuse, the true meaning of words often slip through our mental fingers. Words such as "civilization," "culture," and "peace" are particularly susceptible to such pitfalls.

To fill such semantic voids the intellectuals in our free society can exercise their responsibility by calling things by their right name. Such is the reassuring case of an article by Dr. Edmund Zawacki of the department of Slavic languages at the University of Wisconsin. What he attempts in his notable effort is to define peace in the atomic age in concrete feasible forms of diplomatic and grassroot action.

Because of the important message it carries for all of us who must make judgments on the issues of peace and war, and civilization and culture, I recommend it to the attention of my colleagues:

Toward a Definition of Atomic Peace—Cultural Implications

(By Edmund Zawacki)

Among the memorable passages in Boris Pasternak's novel, *Dr. Zhivago*, there is one where Lara is beautifully described as pursuing truth:

"For a moment she rediscovered the purpose of her life. She was here on earth to grasp the meaning of its wild enchantment and to call each thing by its right name, or, if this were not within her power, to give birth out of love of life to successors who would do it for her."

Like Lara's, my purpose in this discursive think-piece about "civilization and culture" will be to call a number of things by their right names—after all, an adequate definition of atomic peace can hardly be made otherwise. In words no less memorable than Pasternak's, the nature of the problem was stated by Abraham Lincoln in an American context over a hundred years ago:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must think anew, and act anew . . . We cannot escape history . . . We shall nobly save, or meanly lose, the last best hope of earth."

The American context of Lincoln's message to Congress of December 1, 1862, is, of course, past history now, but the wisdom of the words themselves is even more poignant in the new context of December, 1972, a full century later. Today, the whole world is in the midst of a moral, social and political storm. Moreover, by the brilliant scientific achievement of thermonuclear atomic fusion in 1951, we Americans made the cosmic glare of the hydrogen fireball into the light on this small planet, by which political decisions among nations (including our own) must make moral sense—not just for the next year or the next century, but from now to eternity. Atomic fusion on earth is the process that goes on inside the sun.

What happened on the frontiers of knowledge in 1951 was that political science was pushed willy-nilly by nuclear physics into a direct confrontation with eternity as a political dimension to be reckoned with. Thermonuclear power on earth cannot be compressed back into scientific non-existence; it will be with mankind to all eternity as a blessing—or to Doomsday as a curse.

Regardless of whether governments are aware of anachronisms in their political "dogmas of the quiet pass" or not, changes in human habits of thought are already under way even greater than those 500 years ago when a modest Polish churchman-astronomer, in pious pursuit of truth, stopped the sun and hurled the earth spinning on its axis around it. (1973 marks the 500th anniversary of his birth.)

What changed in Nature when Nikolaj Kopernik (in Polish, pron. Mee-kos-wigh Koh-pehr-niik; in Latin, Copernicus) performed that tremendously simple feat and revealed the order prevailing in the cosmos? Nothing changed in Nature. The change was in men's minds, in man's new understanding of himself, of Nature, and Nature's God. The startling new world of modern science was born.

Distance in time perhaps obscures the curious truth that it was Mikolaj Kopernik who gave to the cosmos of his age the basic structure and dynamism that we recognize today also in the atom. In our young atomic and space age the cosmos and the microcosmos are thus scientifically interlocked by the continuity of Kopernik's tremendously simple concept.

It is perhaps not entirely unkind to say that, among political scientists, it is bad form to worry any more about nuclear holocaust now that ecological apocalypse is fashionable. But the thermonuclear bombs have not gone away; the stock-piles are high and still there—as are the means of delivering instantaneous apocalypse anywhere on the planet. And men wielding political power still think in pre-atomic categories about peace.

Bad form or not, the prime fact in our transient 20th-century modernity is that the orderliness and energy of the microcosmos has been revealed and demonstrated. The atom is no longer a philosophical fancy as it was in ancient Greek philosophy. Nor is it a chemical particle as it used to be in our recent pre-atomic physics. It is now a knot of energy in space—like our solar system and our whole galaxy. Being so, the atom is immeasurably more significant for the future of man on this planet than just a new form of gunpowder.

Man suddenly finds himself standing midway between the atom and the universe, interlocked with both. Some of us stand somewhat aghast at the destructive power of the atom—as well we should. The implications—technological, ecological, economic, political, social, moral, philosophical, religious—are, of course, shattering to our previous 20th-century scientistic wisdom.

But—as in 1543 when Kopernik published *De Revolutionibus Orbium Coelestium*—what has changed in Nature?

In the atom as in the universe, nothing. The change is again taking place inside the minds of men, in man's new convulsive reassessment of Nature, himself and God.

With the formula $E=mc^2$, our whole concept of matter has changed, and, by the same token, our concepts of materialism, realism, idealism must also change—particularly and most urgently in political science or political ideology, or whatever else one chooses to call our human fallibility in political habits of thought. What used to be called *Realpolitik* is turning into anachronistic folly, while what used to be political idealism is beginning to look like a deeper more genuine realism. In philosophy and religion, the Naturalistic approach (i.e. on the scientistic premise that "there is no God the Creator") is finding itself hamstrung intellectually by self-contradiction, a truth demonstrated with remarkable simplicity by J. B. S. Haldane in his book, *Possible Worlds*:

"If my mental processes are determined wholly by the motions of atoms in my brain, I have no reason to suppose that my beliefs are true . . . and hence I have no reason for supposing my brain to be composed of atoms."

Obviously, Haldane's own position is that human reason is the pinpoint on which the image of God the Creator is focused in man, for unless this is true, no genuine insight into the universe is possible. Even in a 500-year retrospect it is much harder now to regard Mikolaj Kopernik, for example, as benighted with religious superstition when he exclaimed in pious scientific wonder: "How perfect in very truth is the divine work of the Best and Supreme Maker!" (*De Revolutionibus Orbium Coelestium*, Book I, end of chapter 10)

It bears reminding ourselves—from time to time, at least—that the cosmic glare of the man-made hydrogen fireball is not the divinely made and warmly luminous Copernican sun by which all life on this tiny planet is sustained. Still, it is the man-made $E=mc^2$, however, which is inexorably the light by which peoples and their governments must make moral sense from now on in their behavior toward fellow-peoples and fellow-creatures (Nature) on the planet; such, *sub specie aeternitatis*, is our new modernity.

In more mundane political phraseology, the frame of reference in which every country's national and international behavior must now—and from now on—make moral sense, contains at least three inescapable truths:

1. No spot on the planet is more than 15 minutes warning time away from hostile thermonuclear explosions.

2. Nuclear deterrence as a policy—that is, treating the atom as if it were gunpowder—is psychologically unsound and self-defeating. It is the side with the weaker nerves and the more benighted vision that will precipitate the holocaust.

3. The doctrine of coexistence, with or without euphemistic adjectives, is only a euphemistic name for the iron curtain principle among nations. It presupposes two nuclear-armed but ideologically hostile camps with a wall of hate and fear between and, by the same token, it is the sufficient condition for continuing the frictions of what we complacently call a cold war. The cumulative heat of friction in recurrent confrontations and crises must eventually set off the first hostile thermonuclear explosion, for it is thinking as wishful as it is fatuous to believe that the cold war can be ended by maintaining the sufficient condition of its continuation. Coexistence as practiced up to now has been drift toward nuclear war. It *should* be called by its *right* name.

Dismaying as these truths may be, they do not mean that security has been banished from the earth. Security never was a physical state. It always was a state of mind. In more precise terms, security, national and international, is nothing more—*but also nothing less*—than confidence among the peoples of the world that the actions of their governments and their own actions, too, as individuals, are contributing to a dynamically stable and, therefore, genuine peace at home and abroad.

Obviously, the validity of the definition of security that I have just made depends on what is meant by a dynamically stable peace. And now I must ask you to stretch your minds, if you care to try, around a tremendously simple but unaccustomed concept.

Only at our peril may we conceive peace any longer as an inert state. Atomic peace has got to be conceived dynamically as the *opposite* of war, not its mere absence. In no other way can it be psychologically or morally commensurable with war. Two axioms underlie this definition:

Axiom number 1: When the immediate progenitor of *homo sapiens* first invited his neighbor to his cave, that was the beginning of civilized human life on this planet

Axiom number 2: When his neighbor accepted and reciprocated the invitation, that was the beginning of peace between them.

Peace is the opposite of war just as hospitality is the opposite of hostility. If my axioms are unacceptable as self-evident truths, then perhaps a wiser man will come forward soon with better ones. In any case, since the truth of $E=mc^2$ is pretty basic in nuclear physics, political science had better start from bedrock, too.

Actually, peace identified with massive, reciprocal, international hospitality at the grassroots of societies does not at all suggest an unattainable ideal. On the contrary, what peace turns out to be is a familiar habit of individual and collective human behavior as common as it is universal. Being so, it is as attractive to the most primitive societies as to the most sophisticated, and is capable of being revved up by resolute political initiatives into a tremendous momentum in a direction opposed to war—capable too, of deposing governments that stand in its way. A legitimate name for it would be, perhaps, "power politics with moral force." Obviously, a resolute exertion of moral force in international relations is something quite different from alacrity in passing moral judgments about others at home or abroad.

It should not escape notice that even worldwide atomic peace is no different in kind from the peace of any city or village anywhere. We need but the wit to see it. After all, the nature of a city's peace is a positive momentum much more powerful than mere deterence of, or coexistence with, crime in the streets. Nor does stating a big concept like peace in these unpretentious terms diminish or oversimplify it. What is properly simplified is its translation into feasible diplomatic and grassroot action.

To this end I should perhaps first clarify what is involved in what I called a "dynamically stable" peace. Stability in international relations, whether between states with similar or with different social systems—specifically in U.S.-Soviet relations as an example of the latter—can be conceived in at least two forms.

1. THERE IS THE STATE EQUILIBRIUM OF THE SCALE-BALANCE

The precarious "balance-of-military power" equilibrium achieved through the doctrines of nuclear deterrence and coexistence, is of this kind. It is quite easily upset by technical factors like increased potentials for mass destruction of human life with non-nuclear means, or by psychological factors like jittery suspicions. Cases in point are Cuba (1962) and the current situation in Vietnam, which is only the hot focal point of friction (what Henry Kissinger calls "limited war") of a much larger continuing "cold" war. Internationally nasty and brutal as the fighting is for all concerned, it is only the top of the iceberg.

2. THERE IS THE DYNAMIC AND POWERFUL EQUILIBRIUM OF THE FLYWHEEL—OR OF THE STABLE ATOM ITSELF

This kind of equilibrium has never yet been translated into non-military human activity on a massive international scale. To say that its translation would be futile, or that it would be a super-human objective for American or Russian policy to achieve, would quite obviously be not a statement of fact but a mere confession of poverty or timidity in ideas. The principle of the flywheel is quite simple and well known: its effectiveness as a stabilizer depends on the massivity of its momentum. Massive political application of this principle in U.S. relations with any Communist-ruled country is certainly feasible without threatening a single life anywhere. What it would threaten would be pre-atomic habits of thought at policy-making levels at home and abroad, nothing more, nothing less.

A translation in concrete terms is not difficult to make.

In the United States there are some 30,000 cities and villages in a broad range of sizes. It so happens that there are just about as many in the USSR, with which they can be paired up according to size and distribution. A specific proposal by the U.S. government to the present Soviet government (or vice-versa) for an annual swap of a plain, ordinary, social visit of, say, ten days duration by representative delegations locally chosen (5 to 25 members depending on the size of the paired communities) between 10,000 pairs of communities (100,000 people annually)—all expenses, travel and per diem, outside the native country to be paid by the *host* national governments, could foreseeably, if pursued resolutely as U.S. (and-or USSR) atomic-age *policy*, generate the requisite moral force at home and abroad to reach implementation and, thereby, achieve the stabilizing effect of a flywheel in U.S.-USSR relations at the grassroots of both countries.

The stipulation that the U.S. government pay the expenses of the 10,000 Soviet delegations and the Soviet government pay the expenses of ours, is, of course, an uncompromisable one; it is the lever for exerting moral force, for it marks the moral difference between hospitality and the hotel industry. No individual visitor-delegate to either country need be rich to particiapte.

A socially massive and morally sound policy move of this kind pursued to the observable result that the actual practice of massive, reciprocal, international, grassroot hospitality has superseded the iron curtain principle of restriction in the intercourse of plain ordinary people and ideas at home and abroad, would be a strong step in the direction of an active self-enforcing peace in atomic times. Dynamism of this kind, moreover, would signal a victory in the cold war at the bottom of the iceberg; no victory in the cold war is possible unless the peoples of both sides win. Reciprocal visiting at the grassroots would enhance life in both countries, not threaten it.

Simultaneously, similar reciproal "open cities" programs on a proportional scale could be activated between the United States and Poland, Hungary, Roumania, Yugoslavia, Czechoslovakia, and between the USSR and China. The countries of NATO and the Warsaw Pact could and should undertake them, too, and thus these two international organizations would acquire a cultural function justifying their existence far better than their current anachronistic militarization.

What a hopeful perspective! What a remarkable new world! Perhaps.

Actually, it is only a beginning of what must of necessity become reality in our atomic age if all mankind is not—as Lincoln put it, to "meanly lose the last best hope of earth." Realism in international policy adequate to the reality of $E=mc^2$ is not impossible to attain. But it requires a resolute recognition that the pre-atomic dogmas of pre-atomic political science are pre-atomic, and I submit that the choice before U.S. policy is not now—if it ever has been—between coexistence and atomic war with the USSR or any other country. The American choice ever since 1951 has been between coexistence and *atomic peace adequately defined*.

As to the feasibility of the "open cities" programs already described, since 1958 a total of about 1000 American cities and villages in five states (Wisconsin, Iowa, Massachusetts, Minnesota and North Dakota)—some, individually through formal resolutions by their city councils and village boards, others through bi-partisan resolutions by their League of Municipalities (N. Dakota) and their state Legislature (Wisconsin)—have gone on record in the Department of State and the White House, offering active participation and urging the federal government to "take resolute steps to the end that the American 'open cities' idea of nationwide, reciprocal, city-to-city and village-to-village hospitality and plain social visiting at the grassroots shall prevail over the iron curtain principle of rigid restriction and control in the relations between the American people and the peoples of the Soviet Union and Eastern European countries."

After the horrible "coexistential" experience of Vietnam, perhaps it is high time these far-sighted American cities and villages were taken seriously in Washington. The administrations of three presidents have treated them with levity. Between now and 1976, we all in America will be celebrating the 200th anniversary of our national life as a free country in what President Nixon designated on July 4, 1972, as "Festival USA". In the words of the President, Festival USA is to be characterized by "travel, discovery and hospitality." These three words, rightly understood, are capable of adding up to a dynamically stable atomic peace only if the last one, "hospitality", is endowed with moral force. It is in the power of the President to so endow it. I pray he will. Festival USA could then, indeed, be identified with a genuine peace and be celebrated sincerely not only in the United States but by all peace-loving peoples everywhere.

I need hardly add that teachers of foreign languages, like ourselves, would have a great cultural function to perform, too.

DRUGSTORE PROFILE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. FORSYTHE. Mr. Speaker, we live in an age where drug abuse is running rampant throughout our Nation. Much of this drug abuse results from individuals specifically seeking the effects drugs produce. Others unknowingly abuse drugs in their desire to cure an illness or illnesses.

It is this latter group I refer to today. What safeguards do we have in this country to prevent this kind of unwanted drug abuse, which often produces harmful effects? The answer, of course, is that we have virtually no safeguards.

We do have the prescription drug system which requires doctors to certify the need for certain drugs, but what about nonprescription drugs and what about the circumstance when several doctors are prescribing different drugs for the same patient, and perhaps at the same time?

A possible solution to this problem appeared in the March 5, 1973, issue of Time magazine.

Mr. Speaker, I include the article in the RECORD:

DRUGSTORE PROFILE

In an age of medical specialization it is not unusual for a patient to visit within a short time a family doctor who prescribes an antibiotic for a strep throat, a psychiatrist who prescribes a tranquilizer, and a dentist who prescribes a painkiller. Some of these medications are compatible with each other and can be taken concurrently. But there are notable and alarming exceptions. For example, certain of the anticoagulant drugs used after a heart attack, in combination with aspirin, may increase the tendency toward internal bleeding. Some antihistamines, taken along with tranquilizers, may produce dangerously soporific effects.

The physician knows the dangers of drug antagonism, but is not always aware of all the medications that a patient may be taking, especially those bought without prescription. The patient knows what he is taking, but is rarely aware of the dangers. But there is someone in a position to know both the drugs being taken and the harm that wrong combinations can cause: the pharmacist. By keeping a medication profile of each steady customer and referring to it each time he fills that customer's prescriptions or sells him over-the-counter drugs, he can prevent the possibility of a harmful reaction.

GROWING RISK

Some pharmacies have kept such records of prescription drugs for decades. But instruction in the use of medication profiles has only in recent years become standard in most schools of pharmacy, and the profiles are only now coming into widespread use for both prescription and proprietary drugs. In fact, some New York City pharmacists dispensing prescriptions under Medicaid are required to keep these profiles on Medicaid patients. The New Jersey board of pharmacy has issued a regulation, now under court challenge, requiring all pharmacists to keep such records. In these and many other states, a customer who hands a prescription to the pharmacist is likely to be asked: "Do we have your individual medication profile?" If not, the pharmacist may try to start one, and add to it with successive prescriptions or purchases of proprietary drugs. When he spots a potentially dangerous combination, his responsibility is clear.

Says Ronald May, pharmacist of a mid-Manhattan drugstore who has accumulated more than 3,000 individual profiles in five months: "We don't decide anything, but when we get a new prescription we advise the physician if ill effects are possible. Then he decides."

BANQUET TO HONOR 35 RETIRING PERSONNEL OF TORRANCE, CALIF., UNIFIED SCHOOL DISTRICT

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BELL. Mr. Speaker, how many of us here today recall a specific teacher who had a great impact on our lives? Perhaps the patient lady who finally made the breakthrough that allowed us to understand long division at last, or the distinguished instructor who made American government so vivid and vital a subject that we resolved to make it our life's work? I'm certain each of us has similar memories.

Yet, few of us have ever bothered to express our appreciation to those dedicated people who had so powerful an influence in shaping our lives and characters. The Torrance Unified School District has determined that such a situation should not be allowed to continue and has scheduled a banquet on April 12 at which it will honor 35 retiring personnel—not only the teachers and administrators, but the janitors and secretaries who make their work possible.

We often stare across the generation gap and regret that the youth are finding new paths to follow other than those we have worn for them through our own experience. Unfortunately, one of the few paths we have made that they will follow is that of ingratitude—the path that leads us hurriedly into our own pursuits without a pause to thank those who have helped us on our way. For the children of the Torrance schools, I would like to offer a word of thanks now to those people who have given so much of themselves to aid the youngsters.

Those retiring are:

Mrs. Marion D. Benike, Mrs. Adelia S. Boal, Mrs. Inez J. Brown, Mrs. Birtrel Carbutt, Mrs. Marian I. Chambers, Mr. Robert W. Cosby, Mrs. Margaret Collins, Mrs. Ruth A. Cox, Miss Maryln Cravens, and Mrs. A. Claire Dansby.

Mrs. Mamie J. Dowling, Mr. Ted T. Dye, Mr. Franklin H. Gornick, Mr. Harold D. Harbourn, Mr. Raymond K. Jansen, Mrs. Juanita Jones, Mr. Frederick C. Klingbiel, Mrs. Dorothy Knudson, Mrs. Mina Lewis, and Mr. Milton K. Marcus.

Mr. Louis B. Mathers, Mrs. M. Irene Morgan, Mrs. Ernest Oliver, Mrs. Kathleen M. Owens, Mr. Arland Palmer, Mr. Steve C. Pasich, Mr. W. George Rankin, and Mr. Michael E. Reposky.

Mr. Stanley C. Roberts, Mr. Floyd R. Scrivens, Mr. Paul Smith, Mrs. Blanche L. Spiller, Mrs. Freida I. Waterman, Mrs. Edna E. Wright, and Mr. George A. Zavislan.

EMPLOYMENT IN THE MACHINE TOOL INDUSTRY

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. KEATING. Mr. Speaker, I think it would be of great interest to my colleagues to bring to their attention a recent study of employment in the machine tool industry since Congress passed the investment tax credit—job development credit.

The machine tool industry in the Greater Cincinnati area is one of our major industries and is vital to our economy.

The tax credits in the Revenue Act of 1971, and the broader depreciation guidelines have in fact been quite instrumental in the current recovery within the machine tool and capital goods industries. It is important to our industry, our labor force, the productivity of our Nation and the capability to compete in foreign markets and improve our balance of trade.

To those critics who argue that the ITC has not favorably affected employment within the machine tool and capital goods industries, I would again cite a study that I brought to your attention in 1971.

On June 30, 1971, a survey was made of the management of the eight largest tool companies in the Cincinnati area. These included, American Tool Works, Carlton, Cincinnati Gilbert, Cincinnati Inc., Cincinnati Milacron, G. A. Gray, LeBlond Inc., and Lodge & Shipley.

The total employment figures for this group as of January 1, 1970, was 11,718. The employment figure for those same companies as of June 30, 1971, was 7,810. This indicated a reduction of 3,908, or a reduction of 33.4 percent.

Comparative total figures in the Nation for the metal cutting segment of the machine tool industry were as follows: Total employment as of January 1, 1970, was 79,800. On June 30, 1971, the figure was 52,000. This represented a decrease of 34.7 percent.

In addition to this large reduction in work force, most of these companies have reduced the number of hours per week that their shops were operating. It is important that those who were laid off in the Cincinnati area during the January 1970 to June 1971 time period were for the most part highly skilled machine tool operators, assemblers, and other specially trained people.

When the recovery did begin in the third quarter of 1971, it was not possible to recall many of these highly skilled employees who had moved on in search of other employment.

A followup study was made in June 1972 to determine the employment level within the Cincinnati machine tool companies. Figures as of June 15, 1972, indicated that total employment for the same eight companies had increased from 7,810 as of June 30, 1971, to 8,663 as of June 15, 1972, representing an increase of 853 jobs or an increase of 11 percent.

Each of the eight companies indicated that the level of incoming business was up over that of 1971. As a result, they expected employment to increase further if incoming business maintained its current level or improved further. All companies were working a full 40-hour workweek, which was not the case in 1971.

The investment tax credit and the general improvement of the economy have had their effect on improved new business levels. How much each has helped individually, we do not know. However, it is clear that the reinstatement of the ITC and liberalization of the ADR did help business and labor at a time when employment was lagging and they helped to provide the initiative for expenditures in the capital equipment area.

THANKS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. WOLFF. Mr. Speaker, I have recently received a poem written by one of my constituents, Mr. Walter J. Kaiser, Jr., entitled, "Thanks." Mr. Kaiser eloquently offers his and his country's appreciation for a job well done to those dedicated service men and women who have so ably served their country. I would like to share this very touching poem with my colleagues.

Mr. Speaker, the poem reads as follows:

HOLLIS-BELLAIRE-MARK POST NO. 980,
THE AMERICAN LEGION, INC.

Department of New York

"THANKS"

I speak for the men in the Air Force,
The Army, the Navy, Marines,
The Coast Guard and all of our Allies,
And for those in the Submarines.

I speak for all those in Service
Who are stationed all over this world,
Fighting for the Honor and Glory
Of keeping Our Flag unfurled.

You at home have prayed for our safety,
And for the hope we could surely return
With the Flag of Victory flying,
On our ships from the bow to the stern.

In our hearts we will ever be thankful
For the time which we know that you spent,
Praying in church every Sunday
And praying each day during Lent.

We know that you prayed every morning,
We know that you prayed every night.
We know that your prayers had injected
The courage that helped win the fight.

The prayers that you said weren't wasted,
For each moment, each hour, each day,
Found some wounded patiently waiting
For the moment you started to pray.

Your prayers saved the lives of many,
And the souls of those who are dead,
Who fought and died like the heros they were,
To bring peace in the world ahead.

Now, we may be your Sweetheart, your Brother,
Your Father, or maybe your Son,
But, whoever we are, we just want to say,
"Thanks" for a job well done.

WALTER J. KAISER, JR.,
Americanism Chairman.

ONE RULE FOR ATHENS, ANOTHER FOR ROME

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. CORMAN. Mr. Speaker, on February 21, 1973, an article appeared in Variety discussing one of the most precious rights we hold—the freedom of expression. I would like to insert it into the RECORD at this point:

ONE RULE FOR ATHENS, ANOTHER FOR ROME: OR WHY UNITED STATES REQUIRES NATIONAL CRITERIA

(By Irwin Karp)

If the U.S. Supreme Court were barred from resolving conflicting decisions of State courts, Justice William H. Rehnquist recently noted, "that would lay down 'one Rule in Athens and another Rule in Rome' with a vengeance." The Court is now in the process of deciding whether the First Amendment requires one rule for the entire country, or allow "one rule in Alabama and another rule in Wyoming," and 48 other rules, for determining whether the same book or motion picture is obscene.

This basic question was raised in some of the obscenity appeals recently argued before the Court, and now awaiting decision. Whether or not the Court heeds Mr. Justice Rehnquist's warning will have grave First Amendment consequences for authors, publishers and motion picture producers. At issue is the "community standard" employed in two parts of the three-part test for obscenity. Does the dominant theme of a suspect book or film—"applying contemporary community standards"—appeal to prurient interest? And does the work affront that standard in its portrayal of sex? (The third part of the test requires that the material be "utterly without redeeming social value.")

In various opinions some of the Justices have said that the "community standard" is a national standard, and most courts have followed that principle. But a California decision now before the Supreme Court held that the "community standard" of California be applied. If that decision is upheld, each of the 50 Romes and Athens can apply its own "standard."

Of course, there is no literal "standard" accepted by every community in California from Orange County to Sacramento and Santa Barbara to Berkley. The "community standard" is really a legal concept much like the hypothetical "prudent man." The crucial issue is whether it could be conceived as a single national standard, or whether each state is free to establish its own standard.

The Athens and Rome approach would inflict heavy damage on the freedoms of expression and communications protected by the First Amendment. To begin with, it would allow every state to determine how much protection its citizens could have under the First Amendment of the United States Constitution. The construction of the standard determines the definition of "obscenity"; and the definition of "obscenity" determines whether a work is, or is not, entitled to First Amendment protection against restraint.

The Athens and Rome approach is much like allowing each state to create its own definition of "treason," and requiring the U.S. Supreme Court to accept it in deciding whether a state has violated the First Amendment when it punishes unpopular political or social writings.

Individual states should not have the power to determine, in this fashion, the scope of First Amendment protection within their borders. The Amendment protects the rights of every U.S. citizen, anywhere in the country, to create, distribute and read books, films, magazines and other works. It does not say he has a lesser right in one state than in another. Yet the Athens and Rome approach would mean that adults in one state could be prevented from reading and seeing works that were legally available to adults, and perhaps even children; in another state.

It would mean that California could jail librarians, booksellers and theatre owners who distribute books and films that the Supreme Court had held non-obscene in New York or Wisconsin, because the same works might be "obscene" under a differing "California standard."

This would also open the door to a crazy-quilt of censorship that would drastically restrict the publication and production of books, films and magazines that are not "obscene" under even the most conservative "test." If each state can apply its own standard, a publisher or producer faces the threat of a greater number of prosecutions—or threats to local stores and exhibitors—for a "Tropic of Cancer," or "A Clockwork Orange." One appeal decided in its favor by the Supreme Court would not decide a book's fate. Each state could mount its own attack, relying on its own "standard."

The inevitable result would be a "chilling effect" on publishers and producers of books, films and magazines that are distributed nationally. They will steer away from works likely to attract this grass-roots censorship. They cannot afford to defend a multiplicity of suits, nor to risk loss of important markets for their works. Paperback books for example, can be sold at low prices because they are mass produced because they are distributed to a large national audience. At the other end of the economic scale, many fine books and films appeal to a limited audience which is spread throughout the United States. If a portion of this audience can be locked out by the crazy-quilt censorship of an Athens and Rome approach, it becomes economically impossible to publish or produce these works.

Should the Court reject a single, national standard, the principal victims would be the many adults whose precious First Amendment freedom to read, hear and see would be seriously threatened.

VETERANS AT GRAND ISLAND RECEIVE FINE CARE

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. MARTIN of Nebraska. Mr. Speaker, I am aware, as I am sure are many Members of this House, of the many newspaper articles that have appeared alleging poor treatment of our veterans in the various Veterans' Administration hospitals.

I was very pleased to read a statement that appeared in the Grand Island Daily Independent of March 10, relative to the fine care received by our veterans at the Grand Island Veterans' Administration Hospital.

I would recommend that Members of this House read this statement which shows the care being given at this station:

LYONS SAYS NO PATIENTS "NEGLECTED"

Accusations of patterns of neglect to patients in the nation's veterans hospitals "does not apply to the Grand Island hospital," according to Charles Lyons, director at the Veterans Hospital.

"I can only speak for the Grand Island hospital," Lyons said.

The accusations came from a confidential report prepared for the House Appropriations Committee in Washington, and released to the Associated Press Wednesday.

Lyons feels that the hospital here has had no problems of neglect and he has heard no complaints from any of the patients.

Now up to full staff personnel, Lyons said that there are more people employed at the facility than in the last three years. They are also treating more patients than in the last eight years, according to Lyons.

Of 172 beds available at the hospital, there is an average daily census of 165 general medical and surgical beds being used.

WICHITA'S VA HOSPITAL ABOVE NATIONAL AVERAGE

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. SHRIVER. Mr. Speaker, I would like to recommend to the attention of my colleagues, an article which appeared in the Wichita Beacon on March 9 concerning the treatment of our veterans at the Wichita, Kans., Veterans' Administration hospital.

We in Kansas are most proud of this station, and I feel that this article from the Wichita Beacon should be brought to the attention of my colleagues to show that, in the case of Wichita, the criticism of our Veterans' Administration hospitals is unwarranted.

The article follows:

WICHITA'S VA HOSPITAL ABOVE NATIONAL AVERAGE

Wichita's Veterans' Administration Hospital has an approximate ratio of 1.8 nurses to every patient in the 200-bed facility, director George Lappan said Thursday.

Overall, Lappin added, there is a ratio of 1.6 employees for each patient in the sprawling facility on the city's near east side.

Lappin answered questions concerning patient-employe ratios in light of an investigative report released Wednesday by the Associated Press. The report says thousands of ailing patients suffer from a dangerous lack of care in VA hospitals, because of a lack of adequate staffing.

A check with AP in Washington showed no Kansas hospitals were used in the study.

The study—prepared by the staff of a House appropriations subcommittee currently in the midst of hearings on the VA budget—said the number of VA employes per patient nationally rose from 1.17 in fiscal 1968 to 1.46 in fiscal 1972. Both Wichita ratios are above the national average.

The report alleges the Nixon administration, through its 1974 VA budget, will cause conditions to deteriorate and may even be moving to shut down VA hospitals.

Lappin said the budget figures for Wichita's station for the next fiscal year have not been released, but added he understands there will be a slight hike for normal cost increases.

He added the national VA budget of approximately $159 million reflects national staffing will remain the same.

Commenting on an allegation that VA hospitals don't have enough nurses to provide even a safe level of care and fall far short of the number needed for the best medical treatment, Lappin said:

"Any hospital can use additional people. We provide excellent service to those we do serve because we try to plan work to get the most accomplished with what we have."

Wichita's VA facility received a little more than $6 million last year for operation, Lappin said. The 200-bed facility has an average patient load of 170. As of Thursday, 168 patients were in the hospital, including 22 Vietnam veterans. Ten were on the hospital waiting list.

The director said there has been an increase of approximately 19 positions during the year, five of them nurses, for new programs at the hospital.

ARKANSAS REGIONAL MEDICAL PROGRAM

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ALEXANDER. Mr. Speaker, for the past few weeks, I have been sharing with my colleagues the various letters and comments I have had from Arkansans involved in the operation of the Arkansas regional medical program.

Recently I received from Dr. Winston K. Shorey, dean of the University of Arkansas School of Medicine, a summary of the history, activities, programs, and operations of the Arkansas regional medical program. So that my colleagues may more fully understand exactly what such a program can accomplish, I include his outline at this point:

ARKANSAS REGIONAL MEDICAL PROGRAM

1. History of Regional Medical Program.

A. Authorized by Congress as a result of recommendations of Commission on Heart Disease, Cancer and Stroke chaired by Dr. Michael DeBakey.

(1) Legislation was considered by House health committee chaired by Congressman Oren Harris of Arkansas.

(2) Legislation as initially introduced provided for a bricks and mortar development of satellite facilities affiliated with a medical center.

(a) In Congressman Harris' committee the legislation was completely rewritten into the form that was adopted.

(1) Testimony by people from Arkansas before Mr. Harris' committee had a great deal of input into the final legislation.

(3) Legislation that passed was oriented toward education of physicians and other health personnel in modern methods and techniques in patient care.

(a) Direct patient services limited to that required for teaching and demonstration.

(4) As time has gone on there has been increased emphasis on direct patient services.

2. History of Arkansas Regional Medical Program.

A. Legislation did not stipulate who should organize a regional medical program or what constituted a region.

(1) It did stipulate that a region must include a medical school and that a program should be affiliated with a medical school.

(2) It stipulated that there should be a Regional Advisory Board which would have responsibility for program.

(3) It stipulated that some responsible body should be the grantee institution with fiscal responsibility for the program.

B. Upon recommendation from UAMC, the President of the University of Arkansas appointed the initial Regional Advisory Group, requesting that it form an Arkansas Regional Medical Program.

(1) Initial Regional Advisory Group constituted the State of Arkansas as the region.

(2) Dean of the School of Medicine became initial coordinator.

(3) Application submitted for planning grant and this was approved.

C. Planning grant utilized to:

(1) Secure office space.

(2) Provide core personnel.

(3) Tour the State of Arkansas to discuss RMP with county medical societies, hospital staffs, nursing groups, and other health professionals.

(4) Prepare application for operational funds.

D. University of Arkansas Medical Center became grantee institution.

(1) RMP staff reports administratively to Dean, School of Medicine.

(2) Throughout operation of RMP the attempt has been made for it to stand by itself with as little image of it as a UAMC activity as possible.

(a) Objective as a state-wide activity relating to all health activities rather than limited to medical center.

E. Dr. Roger Bost became coordinator as program became truly operational.

F. Upon Dr. Bost's resignation, Dr. C. William Silberblatt became coordinator.

G. Regional Advisory Group has enlarged itself and has increased its representation through the years.

H. Emphasis has been upon supporting programs and projects that spring from the grassroots rather than formulating programs centrally and implementing them downward.

3. Relationship with Comprehensive Health Planning.

A. The two programs began at about the same time in Arkansas.

B. Initial decision to bring the two programs into as close a relationship as possible in Arkansas.

(1) This was not the attitude at the national level.

C. Offices for the two programs were provided in adjoining space.

D. The two programs have worked very closely together and have supported each other.

(1) RMP has had greater resources and been able to supply CHP with professional, technical, and clerical help.

(2) CHP has been an official agency of state government and able to bring about changes developed through RMP.

(3) The combined energies of the two programs have resulted in success in several situations where there has been competition among states and regions for funds.

(a) State-wide Comprehensive Kidney Disease Program, $1,575,000.

(b) Experimental Health Service Delivery System (Arkansas Health Systems Foundation), $1,690,000.

(c) State-wide Emergency Medical Services System, $3,400,000.

(d) State Health Statistics Center, $400,000.

(e) Four (4) Health Service/Education Activities (Fayetteville, Fort Smith, Batesville, Jonesboro), $125,000.

(f) State-wide Family Planning Program, $2,100,000.

4. Arkansas Regional Medical Program as a catalytic agency.

A. The staff of ARMP has served to bring together groups of health professionals to develop objectives that otherwise would not have occurred.

(1) Central Arkansas Radiation Therapy Agency.

(a) All hospitals in Little Rock will pool x-ray therapy in one institution. This will be the educational unit in x-ray therapy for the School of Medicine as well as patient care for all hospitals.

(b) ARMP served to get the initial organization started and is no longer a part of the organization.

(c) No direct RMP funds were involved, but ARMP staff devoted time to initial organization.

B. Has provided many meetings and workshops to acquaint professionals with new concepts and developments.

(1) Area Health Education Centers.

(a) Laid ground work which led to medical school's proposal for Area Health Education Centers throughout state.

(2) Physicians' Assistants.

(a) Meeting in Hot Springs introduced concept to physicians of Arkansas.

(3) Professional Service Review Organizations.

(a) Meeting in Hot Springs to introduce concept to physicians.

5. Direct Funding of Projects.

A. Major projects currently on-going.

(1) Training of nurses for activity in Coronary Care Units Baptist Medical Center, $34,100.

(2) Stroke project at Mountain Home. Development of a Department of Rehabilitation and Physical Therapy, $12,900.

(3) Stroke project at Harrison. Development of a Dept. of Rehabilitation and Physical Therapy, $17,700.

(4) Medical technology training. A refresher program for medical technologists at Baptist Medical Center, $27,500.

(5) Laboratory Quality Control. A program to upgrade quality of laboratory procedures in hospitals in Northeast Arkansas. Conducted by pathologist in St. Bernard's, Hospital, Jonesboro, $40,700.

(6) Program for dietitians. Provides workshops for food services supervisors in hospitals and nursing homes, $52,700.

(7) Nursing Home Program. Program to upgrade capability of nursing home aides and fosters work with families of patients. Conducted by Arkansas League for Nursing, $105,800.

(8) Comprehensive Kidney Disease Program. UAMC, Baptist Medical Center, VA Hospital, Regional Hospitals through state, $577,300.

(9) Rural Arkansas Medical Extension Services. Medical school faculty make consulting and teaching visits to hospitals throughout state. Approximately twenty communities each month. Telephone consultation services. Information regarding rural communities needing physicians transmitted to students and young physicians, $160,300.

(10) Cardiac Rehabilitation Program. UAMC and State Hospital. Program to develop rehabilitation services for patients with heart disease, $33,600.

(11) Consumer Education Program. Conducted as a collaborative effort between University Cooperative Extension Service and State Department of Health, $132,200.

B. Developmental Projects.

(1) Partial funding of program of Department of Pediatrics, UAMC to train nurse clinicians, $34,400.

(2) Partial funding of program to determine feasibility of utilizing physicians' assistants in Arkansas. Camden, Arkadelphia, Lavaca, $16,500.

(3) School of Pharmacy. Continuing education program, $6,000.

(4) Partial funding of program to train high school dropouts to be health aids. East End Clinic, Little Rock, $5,900.

(5) Remote cardiac monitoring. Centralized monitoring of coronary care beds in hospitals with too few patients to efficiently do it themselves. Beds in Booneville, Danville, and Mena are monitored by St. Edwards Hospital in Ft. Smith. Beds in Osceola are monitored in Blytheville. (Plan to monitor beds in Murphreesboro, Nashville, Prescott, and Gurdon in Texarkana), $26,000.

(6) Pediatric Oncology. A program providing consultation services by faculty member from UAMC to children with cancer in Texarkana, $13,100.

(7) Blood Lipid Program. A program to provide both education and services to physicians in locating families with high risk for coronary heart disease due to high blood cholesterol and lipids, $15,000.

(8) Provision of a physician for the Bearden Clinic one day a week, $6,000.

(9) First aid kits, thermal blankets, and

inflatable splints in every state police patrol car, $7,000.

(10) Evaluation of library collections throughout state preparatory to making application for funds relative to allied health teaching program, $7,000.

(11) Pilot program in speech therapy unit at UALR preparatory to making application for larger amount of funds, $2,600.

(12) Speech training program for individuals who have had laryngectomy, $10,000.

(13) Program for assisting in the repair and maintenance of electronic equipment used in health facilities throughout state, $750.

(14) Development of training program in digestive diseases. St. Vincent Infirmary, $13,000.

(15) Assistance to Sickle Cell Association in public education regarding sickle cell disease, $300.

(16) Assistance to East End Clinic to provide physical examinations and screening of fifteen individuals each Monday evening with objective of accomplishing complete examination of all persons attending the clinic. Professional services furnished by 810th Station Hospital, Army Reserve, $4,000.

(17) Assistance to program for instructing teachers of 5th and 6th grades in teaching health matters to children. Camden, Ft. Smith, Little Rock, $600.

(18) Assistance to Central Arkansas CHP (b) agency in making it possible to merge and become part of State Economic Development District, $3,500.

C. Discretionary expenditures of funds that have been available. Example below.

(1) Purchase of equipment from several clinics throughout state.

(2) Conduct of conferences, workshops, and seminars.

(3) Assistance to School for Allied Health Professions UAMC.

(4) Travel of medical student to rural health conference.

(5) Assistance to Arkansas Data Center in its development stage.

(6) Expenses of site visit when grant application for Arkansas Health System Foundation was being reviewed.

(7) Purchase of teaching tapes for nurses' continuing education.

D. Maintenance of the program staff of RMP.

A group of highly competent individuals has been brought together with expertise in analyzing health needs, stimulating appropriate people and agencies to take action to meet these needs, and reviewing proposals that are generated to accomplish this. Proposals are critically reviewed, assistance is provided in improving proposed programs, and final proposals are prepared for action by Regional Advisory Group and the national RMPS agency for funds.

Programs sponsored by RMP are constantly monitored and evaluated for effectiveness.

The RMP staff has made itself available to many individuals and agencies for health development. Example: An application for funds to provide family planning services had been disapproved. Assistance from RMP staff resulted in approval of grant for approximately $750,000 to provide services in Southeast, Northwest, and Southwest Arkansas.

Annual funds for core staff, $500,000.

6. Regional Medical Programs Service is among the health programs that President Nixon and his administration have decided to discontinue.

A. No funds requested in President's budget for RMP beyond June 30, 1973.

B. Telegram sent to each program on February 1, 1973 stating that programs are to be phased out by June 30, 1973 with the possibility of extending to February 15, 1974 some activities that cannot be discontinued by June 30th.

(1) Subsequent communications from RMPS of DHEW indicate that June 30th should be considered the realistic termination date of RMP activities.

7. The purposes of the presentation that has been made above are:

A. Information to responsible people in government regarding what will be lost with discontinuation of RMP.

B. Request for consideration of a longer and more orderly phase out period if, indeed, the program is not worthy of continuation.

C. Request for support encouraging Congress to give further consideration toward continuing the existence of Regional Medical Programs.

8. A draft letter dated February 27, 1973 from Dr. Harold Margulies, Director of Regional Medical Programs Service, has been received reviewing Arkansas Regional Medical Program as if it were to be continued. This letter results from the annual national review of the program as of October 26, 1972. The following is quoted from the letter.

"It was recommended that ARMP be funded at the November, 1971, NAC approved level of $1,700,000 (direct costs). The recommendation includes a developmental component and maximum funding of $375,000 (d.c.) for the kidney disease project. ARMP's overall progress during the last three years has been excellent, but does not warrant increased funding beyond the Council's previously recommended level."

VOLUNTEER ARMY ONE STEP CLOSER—PENTAGON SEEKS NO EXTENSION OF INDUCTION AUTHORITY

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. MATSUNAGA. Mr. Speaker, the announcement today by Secretary of Defense Elliot Richardson that the administration will not request any extension of the President's authority to draft young men into miliary service is good news for the country, and a matter of personal satisfaction for me. Ever since assuming a leadership role and succeeding in the struggle to increase pay for low-ranking servicemen in 1971, I have been confident that an all-volunteer force is attainable.

It is important to note, I think, that the Armed Forces have been, in effect, an all-volunteer operation for the past several months. Not only are new recruits being attracted in sufficient numbers to maintain required strength levels, but the continuing high mental and physical standards of new personnel have reassured many who feared that an all-volunteer Army would become merely a refuge for the poor, the uneducated, and the black.

The administration is to be congratulated for deciding not to ask for an extension of induction authority beyond July 1, 1973. Of course, present plans still call for forced registration of young men with the Selective Service System, to be classified for possible induction. Now that there will be no occasion to select men to serve, there is no logical reason for retaining Selective Service. It merely serves as a rallying point for those who do not yet accept the all-volunteer force concept, and as a further possible erosion of the constitutional power of the Congress to declare war and raise armies.

FREE FLOW OF NEWS ACT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, today I am introducing on behalf of myself and my colleague from Illinois (Mr. MADIGAN) the Free Flow of News Act to provide professional newsmen with an absolute protection against Federal or State orders to reveal confidential sources or information.

At this point in the RECORD, Mr. Speaker, I include the full text of my testimony presented today to House Judiciary Subcommittee No. 3 in support of our bill, along with the text of the bill:

TESTIMONY OF THE HONORABLE JOHN B. ANDERSON

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to testify today on the difficult subject of newsmen's privilege legislation. Not only is the problem extremely complex and sticky, but the task of formulating a legislative solution to this problem will be, I am sure, especially formidable and challenging, and I don't envy you this task one bit. In checking with your committee staff yesterday, I was informed that there are currently some 49 newsmen's privilege bills pending before this subcommittee—a fact you must consider somewhat a mixed blessing since, on the one hand, you have such a wide variety of approaches from which to choose, but, on the other hand, these in turn present you with such a multiplicity of choices that sorting them all out and determining which merit serious consideration and approval will require an almost Herculean effort.

I speak with some small appreciation of what you are up against because in formulating my own bill, I carefully analyzed nearly a dozen major newsmen's privilege bills pending in either the House or Senate, and this process was perhaps more confusing than it was enlightening because each bill, in its own way, raises a unique problem or question about how best to legislate in this area. Nevertheless, I am today perhaps further complicating your deliberations by introducing my own "Free Flow of News Act" to provide professional newsmen with an absolute protection against Federal or State orders to reveal confidential sources or information. Perhaps I should take some pride in the fact that I am presenting you with bill number 50 because 50 is supposed to be "golden" and you may even conclude that "there's gold in that there bill."

Mr. Chairman, before I address myself to the specifics of my own bill, I would like to give you some idea as to my constitutional and philosophical observations on this issue, since these obviously have a direct bearing on the legislative conclusions I have reached. Let me begin by explaining that I think the Supreme Court decision in the Caldwell case last June was not only unfortunate and regrettable, but wrong, and that the closeness of that 5–4 decision is in itself testimony to the shaky grounds upon which the majority opinion is based. That decision that newsmen do not enjoy an absolute testimonial privilege under the First Amendment has opened a Pandora's Box and its chilling effect is already being felt by the press as more and more newsmen are being subpenaed and jailed for refusing to disclose their confidential sources.

The majority opinion written by Mr. Justice White in last June's decision held that reporters are no different from other citizens and are therefore obligated to respond to grand jury subpenas and answer questions relevant to an investigation into the commission of crime. That opinion went on to reject the notion that the First Amendment protection extends to protecting the confidentiality of news sources or information obtained from those sources. To support its contention that the First Amendment guarantee of a free press would not be jeopardized by subjecting newsmen to such subpenas, it was necessary for the Court to argue at several points in that opinion that such a policy would not constrict the free flow of news to the public. To quote from that opinion:

"The use of confidential source by the press is not forbidden or restricted; reporters remain free to seek news from any source by means within the law."

And again:

"The conclusion itself involves no restraint on what newspapers may publish or the type of quality of information reporters may seek to acquire, nor does it threaten the vast bulk of confidential relationships between reporters and their sources."

And again:

"The evidence fails to demonstrate that there would be a significant constriction of the flow of news to the public . . ."

And again

"Reliance by the press on confidential informants does not mean that all such sources will in fact dry up because of the later possible appearance of the newsmen before a grand jury."

The Court thus asserts that confidential news sources will not dry up when faced with the possibility of future disclosure. This assertion is based on a fundamental assumption about the nature and idealistic courage of such sources:

"We doubt if the informer who prefers anonymity but is sincerely interested in furnishing evidence of crime will always or very often be deterred by the prospect of dealing with those public authorities charged with the duty to protect the public interest as well as his."

I am in basic disagreement with that assumption. I cannot believe that the vast majority of confidential news sources would confide in the press if they knew there was a good possibility that their identities would later be disclosed in court. The fact is that there is considerable evidence coming in that sources are drying up as a result of the threat posed by the recent Supreme Court ruling.

Testifying before the Senate Judiciary Committee last month, *Los Angeles Times* Editor William F. Thomas noted that in the last few years his newspaper has spent more than $200,000 in resisting some 30 subpenas and the threat of more than 50 others. He went on to say that both newspapers and their sources are becoming "gun-shy." And furthermore, in his words, "At least four times in the past few weeks potential sources in Los Angeles have specifically cited the danger of subpena in refusing to provide information we both knew they possessed."

I think the Supreme Court, in its majority opinion, was sadly mistaken about the impact of its decision on the continued cooperation of news sources and consequently on the free flow of news. A more accurate assessment of that impact is contained in the dissenting view of Mr. Justice Stewart, and concurred in by Justices Brennan and Marshall. Quoting from that eloquent dissenting views:

"The reporter's constitutional right to a confidential relationship with his source stems from the broad societal interest in a full and free flow of information to the public. It is this basic concern that underlies the Constitution's protection of a free press."

And again:

"The full flow of information to the public protected by the free press guarantee would be severely curtailed if no protection whatever were afforded to the process by which news is assembled and disseminated."

And again:

"News must not be unnecessarily cut off at its source, for without freedom to acquire information the right to publish would be impermissably compromised."

Mr. Justice Stewart has based this argument on three "factual predicates": (1) that newsmen require informants to gather news; (2) that confidentiality is essential to creating and maintaining this relationship; and (3) that unbridled subpena power will either deter sources from divulging information or deter reporters from gathering and publishing information.

And to the Court's contention that news sources will not be deterred by the prospect of later disclosure, Mr. Justice Stewart responds:

"The impairment of the flow of news cannot, of course, be proven with scientific precision, as the Court seems to demand . . . But we have never before demanded that First Amendment rights rest on elaborate empirical studies demonstrating beyond any conceivable doubt that deterrent effects exist; we have never before required proof of the exact number of people potentially affected by governmental action who would actually be dissuaded from engaging in First Amendment activity."

Mr. Justice Stewart goes on to say that while this deterrence may not occur in every confidential relationship between a reporter and his source, it certainly will occur in certain types of relationships which involve sensitive and controversial matters, "and such relationships are vital to the free flow of information."

He concludes this section of his dissent by saying:

"Thus we cannot escape the conclusion that when neither the reporter nor his source can rely on the shield of confidentiality against unrestrained use of the grand jury's subpoena power, valuable information will not be published and the public dialogue will inevitably be impoverished."

I have taken the liberty of quoting those dissenting views at length because they accurately reflect my own views on this controversy. Some 50 years ago Walter Lippman wrote that the press's job "is to bring to light the hidden facts, to set them in relation to each other, and to make a picture of reality on which men may act." This same view is embodied in Mr. Justice Stewart's dissenting opinion when he writes:

"Enlightened choice by an informed citizenry is the basic ideal upon which an open society is premised, and a free press is thus indispensable to a free society. Not only does the press enhance personal self-fulfillment by providing the people with the widest possible range of fact and opinion, but it also is an incontestable precondition of self-government."

Mr. Chairman, I fully subscribe to the tenet that a free press is the touchstone of a free and democratic society. So we are not just talking today about granting newsmen a special privilege; we are talking about protecting the people's right to know. And if newsmen are constantly subjected to government harassment and intimidation in the form of subpenas and other orders, not only will their news sources soon dry up, but our democracy will eventually wither away. While I can appreciate the need to balance the public's right to know with the government's right to gather evidence for judicial proceedings, it is my firm conviction that in this particular instance First Amendment rights must take precedence because our entire democratic decisionmaking process depends on the free flow of information to the public.

Furthermore, I cannot agree with the majority opinion that these two rights are necessarily at odds here. As Mr. Justice Stewart put it in his dissenting opinion:

"The error in the Court's absolute rejection of First Amendment interests in these cases seems to me to be most profound. For in the name of advancing the administration of justice, the Court's decision, I think, will only impair the achievement of that goal. . . . The sad paradox of the Court's position is that when a grand jury may exercise an unbridled subpoena power, and sources involved in sensitive matters become fearful of disclosing information, the newsman will not only cease to be a useful grand jury witness; he will cease to investigate and publish information about issue of public import."

Commenting on the Court's decision to require forced disclosure in the name of justice, the *Los Angeles Times* editorialized on March 4, 1973:

"Is justice served when an honest public official, in fear of losing his job, failed to reveal corruption in government? Is justice served when an honest businessman, vulnerable to retaliation, decides not to disclose his knowledge of corrupt practices. It is a fallacious view, and historically inaccurate, that the administration of justice requires testimony under any circumstances."

I would suspect that more justice has been done as a result of good investigative reporting than will ever be achieved once investigative reporters are denied access to those sources which have, in the past, provided information which has led to the conviction of corrupt officials and others.

For all these reasons, Mr. Chairman, I appear before you today to urge adoption of an absolute news shield law among the lines embodied in the "Free Flow of News Act" which I have today introduced.

My bill states quite simply that:

"No newsman shall be compelled pursuant to subpena or other legal process issued under the authority of the United States or of any State or territory to give any testimony or to produce any document, paper, recording, film, object or thing that would reveal or impair confidential associations, relations, sources, or confidential information received, developed, or maintained by him or by any other newsman in the course of gathering, compiling, composing, reviewing, editing, publishing, or disseminating news through any news medium."

This is a shield law which would apply on both the Federal and State level; it is a shield law which protects both a confidential source and information procured from that source. Because this privilege is so absolute, I have taken care in my defintion of "newsman" to limit this protection to professional newsmen, that is, those persons who are regularly engaged in earning their principal income or as a principal vocation, on behalf of a publisher or operator of a news medium, in a course of activity the primary purpose of which is the gathering, compiling, composing, reviewing, editing, publishing or disseminating of news through any news medium.

While I can understand some of the apprehension about providing such an absolute shield, I have concluded, after giving this much thought, that if we are to legislate in this area we must reject various proposals for a qualified privilege. As well-intentioned as these qualified bills are in attempting to balance various interests, I fear their ultimate impact would be retrogressive and counterproductive in terms of insuring the continued free flow of news. The various qualifications only would, I am convinced, provide enterprising attorneys and judges with loop-holes large enough to pilot boats through on fishing expeditions. So for once I am compelled to maintain that compromise is not the better part of political or constitutional wisdom in this instance, and I would rather see us pass no bill before we adopted a qualified shield law. In the interest of democracy, I think we must give the professional press the benefit of the doubt and assume that they will act responsibly and not abuse this privilege.

One of the few statements in the Court's majority opinion of last June with which I can agree is that:

"Congress has freedom to determine whether a statutory newsman's privilege is necessary and desirable, and to fashion standards and rules as narrow or broad as deemed necessary to address the evil discerned and, equally important, to re-fashion those rules as experience from time to time may dictate."

As I mentioned earlier, I think the Court's decision was most unfortunate and regrettable, but as a result of that decision and its chilling ramifications the issue is now in our laps and it is incumbent upon us to statutorily restore the First Amendment guarantee of a free press before it is too late. I therefore strongly urge this committee to give my absolute news shield bill its serious consideration and to report to the House legislation which will insure the free flow of news to the public which is central to the continued viability of our democracy.

H.R. 5908

A bill to preserve the free flow of news to the public through the news media

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Free Flow of News Act."

ABSOLUTE PROTECTION

SEC. 2. No newsman shall be compelled pursuant to subpena or other legal process issued under the authority of the United States or of any State or territory to give any testimony or to produce any document, paper, recording, film, object or thing that would reveal or impair confidential associations, relations, sources, or confidential information received, developed, or maintained by him or by any other newsman in the course of gathering, compiling, composing, reviewing, editing, publishing, or disseminating news through any news medium.

SPECIAL LIMITATION

SEC. 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the invalidated provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

DEFINITIONS

SEC. 4. For the purposes of this Act—

(1) The term "newsman" means any person who is or was at the time of his exposure to the information or thing sought by subpena or legal process, regularly engaged in earning his or her principal income, or regularly engaged as a principal vocation, on behalf of an operator or publisher of a news medium, in a course of activity the primary purpose of which was the gathering, compiling, composing, reviewing, editing, publishing, or disseminating of news through any news medium.

(2) The term "news medium" means any newspaper, magazine, radio or television broadcast, or other medium of communication by which information is disseminated on a regular or periodic basis to the public or to another news medium.

(3) The term "news" means any communication of information or opinion relating to events, situations, or ideas of public concern or public interest or which affect the public welfare.

COMMUNITY ACTION PROGRAMS IN NORTHERN MINNESOTA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. FRASER. Mr. Speaker, I am certain my colleagues are receiving ever-increasing amounts of mail about the President's proposed cutbacks in the social services area. His contention that all these successful programs can be salvaged through special revenue sharing seems less and less valid with each letter we receive.

Recently, my office received a copy of a letter Mr. Richard E. Holm, vice president of the Minnesota Community Action Program Director's Association, sent to President Nixon about this problem. Mr. Holm has written a persuasive and moving account of the consequences of these cutbacks. I urge each of my colleagues to read this letter and keep Mr. Holm's comments in mind as they consider legislation to continue these valuable social programs:

KOOCHICHING-ITASCA
ACTION COUNCIL,
INTERNATIONAL FALLS, MINN.,
February 26, 1973.

President RICHARD M. NIXON,
White House,
Washington, D.C.

DEAR PRESIDENT NIXON: It is with deep sadness in my heart that I write to you. I am a director of a Community Action Agency serving low-income people in northern Minnesota. You may think that what I have to relay is of selfish interest, but I can reassure you that my economic well being at this time is the farthest thing on my mind.

I have no doubt that the recent decisions you arrived at concerning program reductions and/or eliminations were made with hard economic rationale. We too, in the field, have to make such decisions and our priorities are often hard to live with. In your case millions of dollars are involved as are millions of people.

The decision to terminate programs that aid low-income persons is very difficult for me to understand. To me, it signifies that our nation places a higher value on economic well-being than on human well-being. It is true that both are interrelated; however, one without the other can lead to severe problems for our country.

Perhaps your decision was based upon a perception that poverty programs lacked effectiveness. If so, I believe you were mislead. Recent studies have shown the majority of these programs to be meeting many of the needs of poor people, in fact more efficiently and effectively than the traditional welfare programs which have been operational much longer than our programs.

I also understand the role Revenue Sharing is to play as related to your Reorganizational plans. Locally managed poverty programs were, in fact, the forerunner of the Revenue Sharing concept. One major problem of Revenue Sharing as I see it, is the fragmentation of funding particularly in rural areas. Even today rural areas lack the resources to overcome many of its social and physical problems, much more so than urban areas where employment is more readily available as are other financial resources.

It would be unrealistic to expect rural-local units of government to finance social programs with Revenue Sharing when so many other unmet needs are pressing as well. For example, a fire truck may be more important than job training to a small community.

One major premise upon which the decision was reached to scuttle OEO was inefficiency and high administrative costs. In our case there is no program administered by our agency where total administrative costs exceed 15% and, in fact, ours average under 10%. We have two professionals, myself and our Headstart Director. My salary is the only salary over $10,000.00 per year and the $11,400.00 I receive is down from the $11,500.00 I received when I was hired over 3 years ago as Board approved annual raises were not accepted so that non-professional low-income staff might enjoy at least a 5% yearly salary increase. Our 1972–73 payroll of just over $443,000.00 went to 664 enrollees and staff, hardly indicative of anyone getting "fat" off the poverty programs in our area.

The salary I receive is adequate to support two adults and six children in our family, but not excess. With my Masters degree in Public Administration and 5 years employment in the poverty program and 3 years plus in Welfare, I do not believe the salary to be exorbitant. In 1972 County Welfare Department in our county employed 13 staff members with a higher salary than myself.

Although it may be too late, I am taking the liberty of sending you four papers summarizing where we have been in the last year or so. These are not the sum total of our activities but will indicate, I hope, that low-income persons have been able to help themselves within the framework of our Democratic system.

To me your apparent conflict with Congress is immaterial. What is important is that low-income people in our prosperous nation are not neglected. It is my moral obligation to serve my fellow man, particularly those less fortunate than myself. I consider it my duty to write to you and our Congressman about my concerns and I sincerely hope I have not offended you.

With warmest regards, I remain,
Sincerely yours,
RICHARD E. HOLM,
Vice President of Minnesota CAP Directors' Association.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. SCHERLE. Mr. Speaker, for more than 3 years, I have reminded my colleagues daily of the plight of our prisoners of war. Now, for most of us, the war is over. Yet despite the cease-fire agreement's provisions for the release of all prisoners, fewer than 600 of the more than 1,900 men who were lost while on active duty in Southeast Asia have been identified by the enemy as alive and captive. The remaining 1,220 men are still missing in action.

A child asks: "Where is Daddy?" A mother asks: "How is my son?" A wife wonders: "Is my husband alive or dead?" How long?

Until those men are accounted for, their families will continue to undergo the special suffering reserved for the relatives of those who simply disappear without a trace, the living lost, the dead with graves unmarked. For their families, peace brings no respite from frustration, anxiety, and uncertainty. Some can look forward to a whole lifetime shadowed by grief.

We must make every effort to alleviate their anguish by redoubling our search for the missing servicemen. Of the incalculable debt owed to them and their families, we can at least pay that minimum. Until I am satisfied, therefore, that we are meeting our obligation, I will continue to ask, "How long?"

ABDNOR REBUTS ARTICLE SAYING FARMERS GET THE BULK OF FOOD PRICE RISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ABDNOR. Mr. Speaker, as a farmer and cattleman, I take strong exception to the Washington Post article of today which gives the inference that the reason for today's high food prices are largely a result of the prices that farmers are getting for their produce.

While it is true that strong world demand in the face of relatively short supplies has increased produce prices, the farmer has not received the type of profits his white- and blue-collar counterparts have over the past 20 years. The profits that the farmer is getting today are long overdue. In light of this, the comparisons used by the Washington Post paint a very unfair picture of how the farmer has attained his profit, which was illustrated by slicing up a beefsteak into three parts: Eighty-two cents for the farmer, 32 cents for the retailer, and 7 cents for the processor, out of a pound of prime beef selling for $1.22.

First of all, the article only briefly mentions that the farmer has had to pay higher prices for livestock feed, and equipment. The article made no mention of how dramatically these prices have risen. If you make the comparison fairly and compare it to a 230-percent jump in wages over the past 20 years, the farmer is far behind in comparable income gains over the same period. The value of farm products has risen less than 15 percent over the same period. The cost of farm equipment has risen 50 percent, on the average over the past 10 years.

Ten years ago you could buy a tractor for about $6,000. Now a tractor costs around $12,000. And the rise in the cost of feed ingredients for livestock is not much better. As recently as December 19 of last year, the U.S. Department of Agriculture reported that its index of the cost of all feed ingredients for cattle stood at 206.6 percent of the 1967 average, up from 107.2 percent in just 1 year.

Second, the comparison of 82 cents for the farmer to 32 cents for the retailer is not a fair one. To earn that 82 cents, the farmer put in about 2½ years raising that beef before he sold it, where the retailer for his 32 cents profit had that same beef not more than 48 hours. Talking in terms of volume, the retailer far outstrips the farmer in terms of profit. Also there is no real risk involved for the retailer as there is for the farmer, such as hard winters or calf losses.

Another factor which this article neglects to mention is that although the price of beef and other produce might be high right now, in a year from now the bottom could fall out of the agriculture market. Presently we are experiencing several factors which have driven the price of beef and grain up. This past winter was a rough one for cattle, there were high calf losses, and the weight of gain loss is down. Also, the supply of other meat products also plays an important part on the price of beef, because all meats compete to a certain extent with each other.

One major problem today—as it was last year—is that both beef and pork are in relatively short supply, and now poultry supplies are also off, because of producers' efforts to reduce the demand for increasingly expensive feed.

As for the high cost of grain, poor weather conditions in Russia, China, and India have caused all three countries to buy enormous quantities of grain from the United States and other exporting countries, forcing prices up. Domestically, an unusually wet winter in 1972, and the corn blight of 1970 have also played important parts in the prices of food. However, just because these unusual conditions exist today, it does not mean that they will exist tomorrow. Next year if China, Russia, and India have good crops, there will not be the international trade market agriculture now has, and the prices will drop. If farmers gamble and plant more acreage as is being allowed by the Department of Agriculture, he could well lose. Oversupply will force prices down.

Mr. Speaker, there is no guarantee of anything in farming. There is no minimum wage, no jump in fringe benefits that wageworkers have enjoyed at the rate of 700 percent over the past 20 years, and no increase in the farmer's share of the food dollar. Since 1952, the farmer's share of the food dollar has declined from 49 to 38 cents today—hardly the picture of profit that the Washington Post would lead the average reader to believe.

Mr. Speaker, part of the problem that the farmer faces is that he is too efficient for his own good. Each farmer today feeds 56 Americans, and one-fourth of our farm production now helps feed the rest of the world. If the middleman worked with the same efficiency as the farmer, food prices would be lower.

According to a recent article in the Reader's Digest, labor unions are responsible for many of the hidden costs at the supermarket. It cited that contracts often stipulate that a well paid journeyman butcher do relatively simple tasks such as filling display cases, washing knives, and sweeping back rooms. With butchers earning up to $14,000 a year, the Digest continued, plus high paid overtime, most supermarkets today lost money on their beef sales—and compensate by raising prices on other items.

Before we go and try to pin the high cost of food prices on the farmer, Mr. Speaker, let us take a fair look at the picture over the past 5 years, and even the past 20, not just comparisons for the months of January over the past year. Let us realize that on March 15 at the Lemmon, S. Dak., livestock market, Adolph Herman sold 619 pounds of beef on the hoof for $56.20 per hundredweight. This comes to 56 cents a pound. That is not a fantastic profit considering the work and risk involved in raising that calf.

In South Dakota, ground beef is selling for 89 cents a pound. I understand it is $1.19 in Washington, D.C., supermarkets. The difference in the price is mostly labor. To sock the point home, let me reprint the menu from the Elks Club in Sioux Falls, S. Dak. Those of us that live and work in the Washington, D.C., area will realize that comparable restaurant prices in the suburban metropolitan area run about $3 a person more for beef, and even seafood. Certainly the farmer who sold his steer at 56 cents a pound is not responsible for the vast difference in the price of beef here in Washington, and in South Dakota. Where then, Mr. Speaker, lies the difference?

The menu follows:

SOUTH DAKOTA'S TENDER AGED BEEF

262 Roast Prime Ribs of Beef Au Jus, the most tender cut of any beef, $3.50.

New York Cut Steak, traditionally a man's favorite cut, $4.25.

T-Bone Steak, $4.50.

Top Sirloin for Kings, among men of the meat packing industry, this is their favorite. Long on juices and flavor, $3.95.

Top Sirloin for Queens, ladies' favorite, $3.50.

Club Sirlon Steak, $3.95.

Filet Mignon, no footnote needed to describe the queen of red meats. Cut from the best procurable beef, $4.95.

Sirloin Steak Sandwich, $3.00.

Steak and Lobster, petite broiled lobster tails and tenderloin steak, $6.95.

Let us suggest a red wine to complement your dinner.

FROM THE SEA TO YOU

Jumbo Shrimp, whopping big gulf shrimp—deep fried and served with our own hot sauce, $2.75.

Walleye Pike, from the cold lakes of Canada and served with lemon butter sauce, $2.75.

Deep Sea Scallops, dipped in a light batter. Deep fried and served with hot sauce or tartar sauce, $2.75.

Fisherman's Seafood Platter, pike, sea scallops, shrimp served with tartar and hot sauce, $3.25.

Broiled African Rock Lobster, $6.95.

OLD BUT DISTINCTIVE FAVORITES

Sauted Slices of Calves Liver, served under a rasher of bacon, $2.75

Ground Round of Beef Wrapped In Bacon, $2.75.

Disjointed One-Half Spring Chicken, fried to a golden brown, $2.75.

Grilled Center Cut Pork Chops, served with tangy applesauce, $2.75.

Bar-B-Qued Ribs, $3.

DEATH OF FORMER SENATOR WILLIAM BENTON

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. REID. Mr. Speaker, I rise to express my sorrow over the death 2 days ago of William Benton, a distinguished public servant and publisher, and to express my condolences to his wife and wonderful family.

Bill Benton was a rare and restless reformer, a man dedicated to the very highest principles of our country. His productive life included five careers: advertising, university administration, public service, a term in the U.S. Senate, and chairmanship of a broad publishing career which included the publishing of Encyclopaedia Britannica. In each one he excelled, although his courageous opposition to Senator Joseph McCarthy brought him defeat at the polls and ended his Senate term.

It was once said of Bill Benton that "he rushed in where angels feared to tread, but always came out with gold on his wings." He was a pioneer and a crusader in business, education, and politics, and this Nation is all the better for having known him.

Mary Louise joins me in extending our condolences to his widow, Mrs. Helen Benton, his two sons, Charles and John, and his two daughters, Mrs. Helen Boley and Louise.

VA HOSPITALS: GET FULL STORY

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. FREY. Mr. Speaker, recently publicized criticisms of VA medicine has resulted in expressed concerns from many Florida veterans.

While all Americans can agree the delivery of health care to our Nation's veterans should be "second to none," each of us feels the reporting of deficiencies in the Veterans' Administration hospital system should be accurate and well documented. There is no question where deficiencies exist they must be corrected. But we must have all the facts. In this connection, I would like to commend to your reading an editorial which appeared in the March 10 edition of the Florida Times-Union which is published in Jacksonville.

VA HOSPITALS: GET FULL STORY

The admonition to "get the facts" seems to be particularly appropriate in regard to the somewhat sensational charges leveled on basis of a "secret" investigative report of Veterans Administration hospitals.

Members of the House Appropriations subcommittee who prepared the 41-page report agreed to give the VA an opportunity to study the charges, and then simultaneously make public both the allegations and the replies.

However, as so often seems to happen in Washington, a copy of the report was somehow "leaked"—containing only the charges of a "dangerous lack of care" and allegations of patients sometimes being "dismissed in worse shape than when they were admitted."

Surely, the operation of this nation's hospitals for veterans is a matter of priority public concern. Faults cannot be corrected before they are uncovered, and it is a matter of sound public policy to take regular searching looks at the operation of such significant facilities.

On the other hand, the prime need of any such "searching look" is perspective. With nearly 100,000 beds listed in the VA's vast nationwide complex of 168 hospitals there inevitably will be a range of care from excellent to below-standard—just as there would be in a similar study of this number of ordinary civilian hospitals, either public or private.

One of the most significant aspects of the report—as yet unanswered to the public—would be the basis of selecting 14 hospitals out of the total of 168 (or 1 in 12) which were involved in the study.

It would make a world of difference whether these were (a) picked at random by some method to assure a fair, representative cross-section, or (b) selected for the study because of complaints about these particular institutions.

If the latter were true, the picture would not be "representative."

The point of this is neither to defend nor criticize the VA's operation of these hospitals before the pertinent facts are out, but rather to emphasize that neither conclusion can be justly drawn until all such facts (not merely a surface gleaning) have been ascertained.

Only a calm and dispassionate study in depth can achieve the unquestioned goal of the American people (if not the motive of the subcommittee member who "leaked" the report)—the best possible care for the veterans who need this care because they served their country.

CONGRESSIONAL INTERN PROGRAM

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. LEHMAN. Mr. Speaker, last week I introduced a bill to establish a congressional intern program for high school teachers of government and social studies in honor of President Johnson.

As I stated at that time, my aim in introducing this legislation is to provide teachers with a firsthand view of congressional operations in order to complement the academic training of our teachers with the enrichment of practical experience.

At the time I was working on this bill, I wrote to Mrs. Johnson, and asked that she let me know if she would object to naming my proposed program in honor of her husband.

Since I did not hear from Mrs. Johnson for several weeks, I introduced the bill, assuming that no objections were forthcoming.

Today, I received Mrs. Johnson's reply, and I would like to share it with my colleagues:

DEAR CONGRESSMAN LEHMAN: Thank you for your thoughtful consideration of legislation to establish a teacher internship program named in honor of my husband. While I have felt that it would be inappropriate for me to involve myself in proposals of this type, I believe that Lyndon would have been in favor of such a proposal. He was dedicated to improving the educational institutions of our nation, and I am sure that the purpose of this program would be very helpful in this direction.

Sincerely,

LADY BIRD JOHNSON.

P.S.: To see government at work at first hand would, I believe, add to their understanding and ability as teachers.

RISING FOOD PRICES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. EILBERG. Mr. Speaker, in yesterday's Washington Star, there is a page-1 story which states that the Cost of Living Council expects food prices to rise for the rest of the year.

The only hope the Council can offer is not for lower prices, but for a leveling off at a level which may be too high for most American families.

At the end of the story, the Council's Deputy Director, James W. McLane, is reported to have suggested that housewives buy in volume, take advantage of sales, and alter eating habits if necessary.

Mr. Speaker, it is time the administration stopped dreaming. The people of my district in northeast Philadelphia have been hearing this advice for months from just about every spokesman the administration has dared to send out and they have been trying to cope with impossibly high food prices even longer.

Just about the only means they have left of saving money is to stop eating.

At this time I enter the Washington Star article into the RECORD:

[From the Washington Star and Daily News, Mar. 20, 1973]

FOOD PRICE TO RISE REST OF YEAR

(By John Holusha)

The government's Cost of Living Council today has scant encouragement for housewives troubled about rising food prices.

The best that can be hoped for Council Deputy Director James W. McLane said, was for the rate of increase to taper off toward the end of the year—perhaps reaching a zero rate by December.

However, the actual price of an average market basket of food will continue to increase, he admitted. McLane said an Agriculture Department estimate that retail food prices will increase 6½ percent during the course of 1973 is basically correct.

McLane again reiterated the Nixon administration's opposition to a mandatory freeze or ceiling on prices at the farm level. The council officials restated their position at a hastily called news conference on a day when several members of the Senate indicated they would attempt to attach food price freeze amendments to the pending Economic Stabilization Act.

The act is must legislation for the administration since it contains the authority for economic controls. The current legislation expires on April 30.

Meanwhile, Herbert Stein, chairman of the President's Council of Economic Advisers, told a group of executives here that he thought the increase in food prices was nearing its end.

Asked if the Nixon administration would support food boycotts by housewives, Stein said: "This is a free country. If your wife doesn't want to buy you any meat, I don't see that I should complaint."

In the Cost of Living Council's white paper on food prices, prepared for congressional leaders, the panel stressed the measures being taken to increase supply, eliminate transportation bottlenecks and keep a tight squeeze on price markups by retailers.

The paper said, though, that "much of the price-restraining benefits of bumper crops this year will not be felt by consumers until early 1974."

The paper covered the familiar ground of the reasons for the rising trend of food prices: Bad weather in the United States, massive sales of grain overseas (which McLane admitted was something of a mistake), and non-stop consumer demand.

It noted that the government is "literally emptying its grain bins to increase supply and cutting out subsidies for stored grains." It noted that some 40 million acres have been taken out of "storage" and placed into production.

The result of all these measures, the report indicated, will be lowered prices on the farm by the end of the year—price reductions that will not be reflected in the supermarket for several months afterward.

The council also hedged its prediction on supply. "The outlook presented here," the report said, "is based on normal weather; unusually favorable weather would improve the outlook, but unfavorable weather would worsen it."

Questioned about specific areas of food price reductions for the end of 1973, the council officials said the only sharp drops likely will be in fresh fruits and pork.

Asked what advice he would give housewives about their supermarket shopping in the rest of the year, McLane suggested they buy in volume, take advantage of sales and alter eating habits if necessary.

SENATOR WILLIAM BENTON

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. McKINNEY. Mr. Speaker, in each generation, there emerges a handful of extraordinary men who seem able to jam into lifetime, a number of careers, all successful and all in their way, dedicated to advancement of mankind.

Mr. Speaker, Connecticut's former Senator William Benton was one of those men. Today, the people of the Constitution State—and people from all parts of the world—are mourning his passing.

To give an accurate accounting of Bill Benton's career would take many hours and fill many pages of the CONGRESSIONAL RECORD.

In brief, he was the cofounded—with former Connecticut Gov. Chester Bowles—of the Benton-Bowles Advertising Agency, which in the 1930's, created a new dimension in the corporate world and assisted in returning prosperity to the Nation.

He later became publisher of Encyclopedia Britannica and with his ever present spirit of humanitarianism, tied its earnings to the University of Chicago. Since 1943, this combination has brought more than $43 million to the Illinois University.

In 1939, he purchased Muzak Corp. and helped bring an increased amount of entertainment to America. In 1942, he formed—with Paul Hoffman, who was later to become administrator of the Marshall plan—the Committee for Economic Development which ultimately helped rebuild war-torn Europe.

In 1945, he began a career in foreign service after being appointed Assistant Secretary of State for Public Affairs. In that capacity, he supervised the operation of Voice of America and while there planted the seeds for what we now know as the U.S. Information Agency.

In 1946, he was appointed to the chairmanship of the U.S. delegation of the first general conference on the United Nations Educational, Scientific, and Cultural Organization, a forum he was to return to 15 years later when President Kennedy named him U.S. Ambassador to UNESCO.

In 1949, Governor Bowles appointed Mr. Benton to the U.S. Senate, filling the unexpired term of Connecticut's distinguished jurist, Raymond E. Baldwin. He had not been at his post long before his mark as a humanitarian and civil libertarian became well known and respected. To say that he served his State and Nation with anything less than distinction would do him a great disservice.

Mr. Speaker, I have only recounted the highlights of Senator Benton's career. Interestingly, he once told former Connecticut Gov. John N. Dempsey that of all the honors and opportunities he was afforded in his lifetime, one of the greatest was to serve as a trustee at the University of Connecticut. That is the measure of the man, Mr. Speaker, a man who was interested in his Nation, its growth, and most importantly, its greatest natural resource, its youth.

I know that all the Members of the House join me in extending deepest sympathy to Mrs. Benton and her family in this time of great loss.

INTERNATIONAL TERROR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. DERWINSKI. Mr. Speaker, the necessary concern which we must have over worldwide terrorist activities is very effectively summarized in a WGN, Ill., editorial broadcast on March 11 and 12. I insert it into the RECORD at this point:

INTERNATIONAL TERROR

The world has been appalled over the last several months by a series of events which have seen the loss of many lives and the dimming of hope for peace in the Middle East. The tragedy at the Munich Olympics—the carnage at Lod airport—the letter bombs—the shooting down of a Libyan jetliner—and the killing of three diplomats, two Americans and one Belgian.

Cleo Noel and George Moore have been laid to rest. They were buried in places of honor at Arlington National Cemetery. They were men of valor, placed in the role of heroes by circumstance. They must have died bravely.

Perhaps their lives could have been saved . . . if President Nixon and leaders of other countries had agreed to terms of international blackmail. But the President acted otherwise, and quite correctly, we believe. As he put it in a speech five days after the three men were slain . . . "The nation that compromises with the terrorists today could well be destroyed by the terrorists tomorrow."

The eight terrorists who took over a diplomatic reception in Khartoum have been taken into custody by the Sudanese government. President Gaafar Nimieri has promised justice and urged his Arab neighbors to join him in condemning terrorism. We commend him for his attitude . . . and hope that he has the influence, both at home and abroad, to see others follow his lead.

ASSURING SOCIAL SERVICES FOR THE ELDERLY

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. HEINZ. Mr. Speaker, today, I reintroduce, with an additional 32 cosponsors from both sides of the aisle, legislation amending the title IV A of the Social Security Act to exempt the elderly, blind, and disabled from the requirement that 90 percent of the funds for social services to these persons must be spent on actual cash welfare recipients and that only 10 percent of these limited moneys can be spent on the elderly poor or disabled, who are not on public assistance. This limitation was imposed by Congress last year as a part of a hastily adopted amendment to the Revenue Sharing Act of 1972. These 32 cosponsors raise to 54 the number of our colleagues joining me in a bipartisan effort to immediately lift a hardship imposed on many elderly, blind, and disabled citizens by this 90–10 limitation. Previously 22 Congressmen, both Republicans and Democrats from every region of the Nation, joined me in cosponsoring H.R. 4636, identical legislation introduced February 22, 1973.

The legislation we propose stipulates that the 90–10 limitation will not apply to service programs for the elderly, blind, or disabled while assuring that the $2.5 billion ceiling will remain on Federal support for social services. The effect would be to allow States to fund ancillary service programs for nonwelfare poor who are elderly, blind or disabled. Immediate action on this legislation is imperative since many States will soon exhaust the 10-percent of the funds reserved for social services for nonwelfare recipients.

There are large numbers of elderly persons who, although eligible for welfare, prefer to get by on their modest pensions. Many are able to survive only because a "meals on wheels" program, for example, serves them one hot, nutritious meal a day. Many existing service programs like this will be abolished or severely limited if Congress does not act soon. Transportation, nutrition, recreation, personal care, and other services, things that so many of us take for granted and the services that the elderly or handicapped people are often least able to provide for themselves, are being closed to these poor, but deserving and needy people who refuse to go on welfare.

Because we believe these people are also entitled to a life of independence and dignity, we cannot believe that Members of Congress intended to abruptly close already established ancillary service programs to those elderly who are too proud to go on welfare, even though they are eligible for old-age assistance. But the effect of existing law is to require these people either to suffer the loss of these necessary services or to go on welfare to receive them. The result of the latter, of course, would be to increase the welfare case load and the cost of welfare. Such a policy would be both unwise and inhumane.

Immediate congressional action is demanded. That is why we have proposed this legislation as a reasonable and necessary solution to this critical problem of services for deserving poor who will not go on welfare. We urge Congress to move with all haste on this bill.

THE WHITE PROBLEM

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. STOKES. Mr. Speaker, I wish to share with my colleagues an outstanding article by Mr. Vernon E. Jordan, Jr., executive director of the National Urban League. This column appeared in the March 17, 1973, edition of the Cleveland Call and Post.

Mr. Jordan has written about "the white problem"—the white community's apparent indifference over the efforts by this President and his administration to destroy programs from which they benefited more than any other segment of society. Mr. Jordan goes on to illustrate how black Americans are out front trying to save these vital programs—with virtually no support from the white people who will invariably suffer if the programs are axed.

The great society programs were not set up to help black people or white people; they were established to serve poor people. And there are many more poor whites than there are poor blacks in America today.

It is incumbent upon the white community to stand up and fight—to restore the traditional Federal commitment to the poor of this Nation.

Mr. Jordan's excellent article follows:

[From Call and Post, Mar. 17, 1973]

TO BE EQUAL—THE WHITE PROBLEM

(By Vernon E. Jordan, Jr.)

It is becoming increasingly clear that unless white Americans, in their own self-interest, start fighting for social reforms in this country, further progress for black citizens will be difficult.

Every time black people speak out for full employment, for better schools and housing, or for welfare reform, many white people just shrug their shoulders and assume that this is special pleading by special Americans looking for special treatment.

But every one of those issues directly affects masses of white Americans who seem to be unorganized and sullenly silent in defense of their own vital interests. Blacks are left out on a limb fighting almost alone while the millions of white people who share our humiliations and our pain do nothing.

Just about every single one of the federal programs slated to be ended or sharply cut, services more whites than blacks. The heart of the War on Poverty, the Office of Economic Opportunity, for example, is primarily staffed by white people serving the white poor. The overwhelming majority of poor people in this country are white.

But to date, the loudest and most determined supporters of OEO's continued existence are black. Somehow, the War on Poverty has gotten tied in people's minds with black poverty and many whites aren't willing to fight for it. So it is black people who bear the brunt of trying to save a program of great importance to white people.

The same can be said for welfare reform. The majority of welfare recipients are white, although the popular image of welfare is that it is a program that helps only blacks. Last year when welfare reform was a hot topic, black-led organizations went down to Washington to fight for a living minimum income standard, but the white poor remained unorganized and silent. I can't help wondering whether they would have sent their checks back to the government if higher payments standards had been passed.

The proposed gutting of education programs will hit the black community hard, but most of the people it will affect are white. The increased Medicare payments will severly harm the black aged, but the vast majority of people who will have to pay money they can't afford are white. The housing freeze keeps black people imprisoned in substandard ghetto dwellings, but the majority of people who live in such houses and desperately need federal housing aid are white.

The list is almost endless—day care centers, job-training programs, and other federal programs all benefit black people to lesser degree than they benefit whites, yet this silent white majority is doing very little to campaign for their retention and their expansion.

White people are going to have to understand that it is their schools, their housing, and their jobs that are being endangered by the planned cuts in social services. The price of their silence is continued poverty and deprivation.

Black people, because of historic and present discrimination, are disproportionately poor and therefore benefit from many programs in disproportionate numbers. But the majority served in each and every one of these programs is the white population. These are just as much white problems as they are black ones, and the continued white silence ranks as this country's number one white problem.

White America had better wake from its deep sleep and start hauling its share of the load if it ever hopes to escape from the poverty and disadvantages so many of its people share with minorities. Too many white people have drugged themselves with the notion that it's enough to be white; but that's poor compensation for a leaky roof and hungry children.

THE EXPIRATION OF THE DRAFT

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BENNETT. Mr. Speaker, I applaud Secretary Richardson's announcement today that the Nixon administration will not seek an extension of the Selective Service induction authority. This, combined with the earlier announcement of Secretary Laird's that the Armed Forces will be placed in a volunteer status completes President Nixon's promise to end the draft.

I am equally pleased by Secretary Richardson's strong endorsement of the Special Pay Act, legislation which has been one of my major efforts in the 93d Congress. I, Congressman BOB WILSON, Congressman SPARK MATSUNAGA and Congressman WILLIAM STEIGER originally introduced this vital legislation and we were later joined by 120 cosponsors.

The Special Pay Act is a cost effective proposal, which will lead to great savings in training costs, and preclude the need for a return to conscription during peacetime. With the support of the White House, I am confident that this legislation will receive overwhelming support in the House and I am hopeful that the Senate will also act quickly and positively on this important piece of legislation.

MORE STRIDES NEEDED TO CURB POISONING

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. YOUNG of Florida. Mr. Speaker, President Nixon has proclaimed the week which began March 18 as National Poison Prevention Week. As the President noted in his proclamation, there has been in recent years a significant reduction of deaths in children due to poisoning. However, much more needs to be done to reduce the unwanted tragedy associated with accidental poisoning, which continues to be a major cause of injury to children as well as adults.

For make no mistake, while we often hear of toddlers ingesting some hazardous substance—adults are also poisoned by such things as giving or taking medicines in the dark, mistaking one container for another, putting hazardous materials in milk bottles or other beverage containers.

With more than 70,000 accidental poisoning cases per year, we need to do more in educating both young children and their parents against the common dangers inside the medicine cabinet, under the kitchen sink or in other familiar places in the home.

Carelessness is often a contributing factor to accidental poisoning—such as the mother who leaves medicines in her purse where they can be found by a curious youngster searching for gum or candy.

While progress has been made in developing safety packaging to reduce the threat of accidental poisoning, not all dangerous substances are packaged in "child-proof" containers. Even these closures are not totally tamper-proof and design criteria recognize that 2 out of every 10 children will be able to open a "safety" closure.

Adults need to know that dangerous substances ought to be kept out of the sight and reach of a youngster, preferably in locked cabinets. But adults also need to remember to read the label on every product or medicine bottle and to follow the directions. Further, they should remember to keep medicines and household products in the original containers—with labels intact. In case of old medicines, the drugs should be put down the drain and the container destroyed.

Many groups like the Council on Family Health have been working with the National Planning Council for Poison Prevention Week and the Food and Drug Administration. In my own district, the Pinellas County Safety Council has been active in urging safe practices with medicines and household products. But the task is a total one that affects all Americans—and not merely something to be observed during the third week in March each year.

Therefore, Mr. Speaker, I urge my colleagues to support the President's plea for active participation in programs designed to promote maximum protection of our people against accidental poisonings, particularly among children.

UNITED STATES STILL BOMBING: A SOUTH BEND, IND., TRIBUNE EDITORIAL

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD the text of this most perceptive editorial from the March 11, 1973, issue of the South Bend, Ind., Tribune entitled, "U.S. Still Bombing."

The concern expressed by the writer of the editorial:

> And why doesn't the Nixon Administration tell us what it is trying to accomplish and what it thinks the prospects are? A straightforward presentation of the facts would be a welcome change.

The editorial follows:

U.S. STILL BOMBING

It will surprise many Americans who assume that our fighting role in Indochina has ended to learn that U.S. Air Force planes still are bombing in Cambodia.

How many planes, where and why remains one of those Pentagon secrets that the generals are so reluctant to let the American people know.

Brief cryptic announcements are made from time to time at U.S. Pacific Forces headquarters in Honolulu that planes flew strikes at the request of the Phnom Penh government. That's all.

Trying to understand the complexities of Cambodian politics is a tantalizing exercise in which most Americans don't care to indulge. They just want us out of there.

The United States is spending about $200 million a year in military and economic aid to support the government of the ailing President Lon Nol. He has suffered a stroke and may come to this country for medical treatments, leaving behind him a power struggle between his younger brother and Gen. Sirik Matak.

A gesture of willingness to negotiate a cease-fire has come from Lon Nol's government, but the Communists are showing scant interest in the idea.

Cambodia always has been a small sideshow to the war in Vietnam. In fact, it wasn't a battleground until American and South Vietnamese troops tried to smash a North Vietnam buildup in Cambodia which appeared poised to strike into South Vietnam. The North Vietnamese had used the country as an unmolested supply line sanctuary until then.

Now the war in Vietnam is over, at least on paper, and the American fighting role there has ended. The Cambodian sideshow goes on, however, with little prospect for an early end.

The Paris agreement on Vietnam calls implicitly on Hanoi to withdraw its troops from Cambodia. It sets no timetable, and so far Hanoi has shown no intention of taking out its soldiers. Any negotiated settlement for Cambodia almost certainly would call for the withdrawal of all foreign troops, which is one reason the Hanoi government is reluctant to sign.

By keeping troops in Cambodia, the North Vietnamese retain their potential threat to the flank of South Vietnam if the fighting there grows heavier under the cease-fire agreement. What an ironic twisting of terms!

What are American planes bombing in Cambodia, and why? Are we going to continue bombing indefinitely until a cease-fire is signed, if one is?

Nobody in Congress seems excited about the American bombing. Where are the doves who protested so profusely when American bombs fell on North Vietnam? Why doesn't Ramsey Clark go to investigate?

And why doesn't the Nixon administration tell us what it is trying to accomplish, and what it thinks the prospects are? A straightforward presentation of the facts would be a welcome change.

PRESIDENT HARRY S TRUMAN

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. LATTA. Mr. Speaker, much has been recorded about the life and times of our former President, Harry S Truman, and I want to join my colleagues who have expressed their sorrow and regret at his passing.

World War II, the Marshall plan, the Berlin airlift, and even the Korean war, are merely events for our younger generation to read about in history books. For many of us, however, these historic milestones evoke many personal and enduring memories. Harry Truman was a part of all of them. Whatever one may think about some of his policies and decisions on the domestic scene—and there was never a more competitive partisan than Mr. Truman—his determination to preserve America's prestige and power in the world was unquestioned.

President Truman was, in fact, a patriot in the old-fashioned meaning of that word. His resolute opposition to expansionist world communism of that era helped to preserve the freedom of Western Euorpe.

President Truman enjoyed 20 years of retirement after leaving the White House, long enough for the ultimate effects of his foreign policy decisions to become more fully perceived and understood. Future historians, in retrospect, will likely be kinder to him than were his contemporaries, and in any event his place in the annals of great world decisions is secure.

SALT II

HON. JOHN DELLENBACK

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. DELLENBACK. Mr. Speaker, on Monday of this week, 14 Republican Members of the House joined, under the leadership of Congressman WHITEHURST of Virginia, in releasing a paper which we had prepared on the subject of SALT II.

In the press conference at which this document was released, we strongly commended President Nixon for his material accomplishments in achieving SALT I and equally strongly expressed our hopes and support for SALT II.

For the information of our colleagues, I insert herewith a copy of our paper:

SALT II: CAN THE ARMS RACE BE ENDED?

Prepared by Mr. G. William Whitehurst, Va.; Mr. Lawrence R. Coughlin, Pa.; Mr. John Dellenback, Ore.; Mr. Pierre S. du Pont, Del.; Mr. William Frenzel, Minn.; Mr. Gilbert Gude, Md.; Mr. H. John Heinz, III, Pa.; Mr. Frank Horton, N.Y.; Mr. Paul McCloskey, Calif.; Mr. Stewart McKinney, Conn. Mr. Charles A. Mosher, Ohio; Mr. Howard W. Robison, N.Y.; Mr. J. William Stanton, Ohio; Mr. Charles W. Whalen, Jr., Ohio

MAINTAINING THE MOMENTUM OF SALT

The SALT I accords, negotiated by the Nixon Administration and signed on May 26, 1972 in Moscow, were the culmination of the most significant arms control effort in the history of the 25-year-old nuclear arms race. The accords—the product of three years of hard bargaining—ended the threat of heavy ABM deployment by both sides and put a ceiling on the numbers of land-based intercontinental ballistic missiles (ICBM's) and submarine-launched ballistic missiles (SLBM's) allowed by each side. While SALT I did not limit technological improvements to either ICBM's or SLMB's and did not encompass all strategic weapons, the accords did create a major diplomatic momentum towards further arms control efforts—symbolized by an agreement by both sides to go further in arms limitation at a second round of SALT.

There are five principal reasons for continuing the work begun at SALT I:

First, further negotiations are necessary merely to preserve the gains of SALT I. The Interim Agreement, which limits both ICBM and SLMB levels, will only be in effect until 1977. Unless some permanent ceiling is placed on these weapons by negotiators at SALT II, both sides will be free to add to their strategic missile inventories after this date.

Second, while the SALT I accords eliminated much of the uncertainty and fear that surrounds the Soviet-American nuclear competition, the arms race continues—particularly in areas not controlled and limited by the SALT I accords. Both the United States and the Soviet Union are currently engaged in building a wide array of new strategic weapons, designed both to augment and replace portions of their existing forces. The Administration's fiscal 1974 budget includes funds for a new strategic bomber, a new SLBM submarine, multiple warhead for its strategic missiles, and a cruise missile submarine. Former Secretary of Defense Melvin Laird's fiscal 1973 military posture statement reports that the Soviet Union has built a new bomber, a longer range SLBM and new SLBM submarines, and is developing multiple warheads for its missile force. In some cases these programs may be justified in order to replace obsolete systems, or because

they contribute further to strategic stability. But the best hope in the long run for guarding against the almost unthinkable prospect of nuclear war lies in further attempts through forums such as SALT to mutually control and limit the destructive power of both sides.

The third reason for maintaining the momentum of SALT I is that further agreements could result in significant savings. The strategic weapons portion of the U.S. defense budget now accounts for nearly $8 billion annually, and when personnel, support, and research and development costs are apportioned to this mission, the costs of operating and supporting strategic nuclear forces rise to over $20 billion annually. It would be a mistake to expect that a SALT II agreement would result in immediate and drastic reductions in the budget, but Secretary Laird told Congress in June that the ABM Treaty saved over $1.5 billion in planned defense expenditures. Decisions to limit certain categories of weapons at SALT II could result in similar savings—savings that could be used to modernize U.S. conventional armed forces, to satisfy domestic needs, or to reduce current budget deficits.

Fourth, further agreement at SALT would reinforce the movement towards detente between the two super powers. What happens at SALT affects the whole gamut of U.S.-Soviet relations. As President Nixon has pointed out, the accords reached in Moscow in many respects were interdependent with agreements ratifying expanded technical and economic relations between the two powers. Success at SALT II would not only further curb the arms race, but would contribute to strengthened U.S.-Soviet collaboration on a wide range of fronts. The ramifications of a successful SALT II effort would be felt in almost every area of U.S. concern with the Soviet Union—the Middle East, trade relations, collaboration in space and the maintenance of the Vietnam peace settlement.

Fifth, the lessons learned from further strategic arms control with the Soviet Union could be applied to attempts to limit the arsenals of other nuclear powers—the United Kingdom, France, China and would-be nuclear powers such as Japan or India. Salt II could act as a "springboard" for a wide range of disarmament activities, including mutual balanced force reductions between the NATO and Warsaw pact countries and a comprehensive test ban.

In view of the benefits accruing from a more comprehensive agreement on strategic arms limitation—stabilizing the arms race, realizing significant savings in the defense budget furthering general detente with the Soviet Union—and lessening the threat of nuclear proliferation—it would be folly not to vigorously pursue new understanding at SALT II.

THE STRATEGIC BALANCE

A major obstacle to further arms limitation at SALT II results from the fear in some quarter that the United States came off second best in the first round of SALT. This concern stems from the terms of the Interim Agreement—the accord that limits the number of ICBM's, SLBM's and submarines allowed by each side. It has been argued that in allowing the Soviets a superiority in land-based missiles (1618 to 1054) and submarine-launched missiles, (950 to 710, after both sides retire older ICBM's), the United States has been placed in a position of strategic inferiority. The fact that Soviet missiles generally carry heavier payloads than U.S. missiles is also viewed as a factor that further decreases U.S. security.

These concerns must be carefully examined because they so crucially affect the U.S. bargaining stance at SALT II. In analyzing the relative strategic strengths of the United States and the Soviet Union, however, all the factors affecting the strategic balance must be taken into account.

As stated above, the Interim Agreement does set ceilings on ICBM and SLBM launchers that provide for a superiority in numbers for the Soviet Union:

Salt I Launcher ceilings [1]

	U.S.	*U.S.S.R.*
ICBM's	1,054	1,618
SLBM's	656	740
Submarines	41	56
With replacements:[2]		
ICBM's	1,000	1,408
SLBM's	710	950
Submarines	44	62

[1] Figures for the tables in this section are taken from the International Institute of Strategic Studies' 1973 Strategic Balance. The London-based institute is viewed by experts as being a highly accurate and objective source of military statistics.

[2] Both sides can replace older ICBM's with new submarines and SLBM's.

But members of ICBM's and SLBM's alone do not provide an accurate overall picture of the strategic balance. The first notable aspect of the Interim Agreement is that it only concerns launchers—numbers of ICBM's, SLBM's and submarines. It does not restrict the modernization of these forces nor warhead technology and the number of warheads allowed by each side—an area where the United States enjoys a clear superiority. In terms of separate targetable reentry vehicles—the number of different nuclear warheads that can be delivered to separate targets—the United States has a two-to-one advantage that will grow as the U.S. continues to deploy MIRV's—separately targetable multiple warheads on its missiles. The United States is currently MIRVing missiles on 31 of the United States' missile-submarines and on all 550 of the Minuteman land-based missiles. The effect of the U.S. MIRV program on the relative balance of deliverable warheads is shown below:

Warhead levels

In 1972:	
United States	4,300
Soviet Union	2,090
In 1977:	
United States	7,700
Soviet Union	2,420

Also not included in the Interim Agreement are long-range strategic bombers, another area where the United States possesses a significant margin of superiority. The United States bomber fleet of B-52's and FB-111's numbers over 450 aircraft. The Soviet Union possesses approximately 150 long-range bomber aircraft, which are generally older and slower than their U.S. counterparts. The U.S. bomber force is also capable of carrying substantially larger weapons loads than the Soviet Union, and as the chart below indicates, this capacity will grow as the United States begins to deploy the SRAM (short-range attack missile) on its bomber force:

Bomber weapons [1]

In 1972:	
United States	2,000
Soviet Union	420
In 1977:	
United States	7,500
Soviet Union	420

[1] Based on current weapons size and aircraft payload capacity.

Another index of strategic power is megatonnage, or the total explosive power that both powers can hurl at each other. The majority of Soviet missiles carry larger payloads than U.S. missiles, while, as indicated above, American bombers carry heavier payloads than their Soviet counterparts. The total nuclear megatonnage capable of being delivered by missiles and bombers combined is roughly the same for both powers:

Total megatonnage

	U.S.	*U.S.S.R.*
Missiles	2,400	11,400
Bombers	16,500	3,600
Total	18,900	15,000

It must be emphasized that megatonnage is a crude indicator of power because it does not take into account such factors as missile accuracy and reliability, which in many respects are more important than megatonnage in determining the damage capability of strategic forces.

Other factors must also be considered. The United States, for instance, possesses hundreds of fighter aircraft based in Europe and aboard carriers capable of delivering nuclear weapons on the Soviet Union. Also, although the Interim Agreement allows the Soviet Union more ballistic missile submarines than the United States, a lack of foreign bases means the Soviets are unable to keep as high a proportion of their submarine force within missile range as the United States.

In conclusion, none of the indices discussed give a fully complete description of the strategic balance. Numbers of missiles, bombers or submarines alone cannot provide a sufficient basis for deciding whether or not the United States gained or lost in SALT I. But taken together, the indices do suggest that the United States and the Soviet Union currently possess roughly equal strategic nuclear capabilities—capabilities that make it impossible for either side to disarm the other.

Simple numerical formulas will not suffice for SALT II, for what one side lacks in one area of weaponry, it tends to make up for in another. Recognition of this fact seems essential in approaching future arms control agreements.

THE ISSUES THAT DEFINE SALT II

While the SALT I accords were trailblazing achievements in laying the foundation for President Nixon's "Structure for Peace", the methods and mechanisms for reaching agreements during SALT I should not necessarily be totally relied upon to produce results at SALT II. The "Bargaining Chip" strategy, for instance, of building new weapons in order to force the Soviets into agreeing to their limitation seemed a plausible strategy at a time when the Soviets were engaging in a massive arms buildup. But now that temporary limits have been placed on missile force levels, future agreements should attempt to build on the confidence created by SALT I instead of relying too heavily on the fear created by the threat of new arms deployments.

Because the issues under discussion at SALT II tend to be more complex than those discussed in the first round of the talks, innovative approaches must be considered if substantial agreements are to be reached. At the same time, it is necessary to be realistic when discussing possible achievements of SALT II. Potential areas of agreement should most certainly be analyzed in terms of what the Arms Control and Disarmament Agency calls "negotiability" and "verifiability"—the ability to make an agreement and to enforce it. Possible areas of agreement at SALT II and problems associated with these areas include:

(A) Ceilings on Strategic Weapons—The SALT I Interim Agreement runs out in 1977 and unless the ceilings set on land-based and sea-based missiles are set by a permanent treaty, both sides will thereafter be free to add to their missile forces. It would certainly be in the interest of both countries to negotiate a permanent treaty limiting strategic weapons, particularly if more equal numerical terms could be worked out. The United States would also probably support the idea of cutting back on the mutual levels for ICBM's prescribed by the Interim Agreement and replacing them with the more invulnerable submarine-launched missiles. (It is generally believed that U.S. ICBM's would be vulnerable to MIRVed Soviet SS-9 rockets.) The Soviets, on the other hand, are not as interested as the United States in reducing the ceilings for ICBM's because they possess a generally newer force of missiles.

One way around this problem would be to design a permanent ceiling on strategic weapons—in terms of launcher numbers, warhead numbers or payload capacity—that would allow each side the freedom to determine what weapons it wished to emphasize within its respective forces. Under such a system, a general ceiling would be agreed to, and then each power could determine what proportion of its force would be made up of ICBM's and SLBM's—within the limits set by the ceiling. The Soviets perhaps would be unlikely to agree to a mutual ceiling with the United States, because under the present terms of the Interim Agreement they are allowed greater numbers of ICBM's and SLBM's. This problem could perhaps be solved by including long-range bombers in a mutual ceiling—where the American advantage in bombers would cancel out the Soviet advantage in numbers of ICBM's and SLBM's. Thus, both powers could agree to a similar ceiling and then would unilaterally decide what proportion of their forces would be made up of bombers, missiles and submarines.

(B) Ceiling on Bombers—Whether or not bombers could be included in a general ceiling on strategic weapons, the attempt to include long-range bombers in a SALT II agreement should be made. The United States superiority in bombers could be used as an inducement for the Soviets to accept a more equitable balance in numbers of missiles, or if the Soviets insist on maintaining superior levels of missiles, the American numerical superiority in bombers could be ratified by treaty.

(C) Forward Based System Controls—While the United States does not consider its forward-based land and carrier-based fighter aircraft to be strategic systems, the Soviets do. And while the Soviet ICBM and SLBM advantage may be a prime U.S. concern at SALT II, the Soviets are said to be most concerned about U.S. fighters stationed abroad that have the capability of striking their homeland with nuclear weapons. Up until now, the United States has not wanted to discuss these weapons in the context of SALT, and for good reasons. Bilateral U.S.—Soviet discussions over the future of European-based aircraft would upset the NATO allies and an agreement to limit U.S. aircraft in Europe might weaken the conventional capability of NATO. But some judicious concessions by the United States on this issue—which included advance consultation with U.S. allies—could bring about greater Soviet acquiescence in other areas of importance to the United States.

(D) Controls on Warhead Modernization—This is an area of strategic weaponry totally neglected during the SALT I that could threaten, as feared earlier with the ABM, to upset the arms race. Recent United States efforts in the area of multiple warheads and improved missile accuracy tend to be destabilizing because they could ultimately give U.S. missiles the capability of destroying Soviet missiles on the ground. While the United States currently enjoys a lead in warhead technology (the Soviets have not tested a MIRV warhead yet), larger Soviet missile payloads mean that once the Soviets do perfect a MIRV system they too will possess a significant kill capability against U.S. missiles.

Controlling warhead modernization is difficult, owing to the difficulty of verifying compliance. One plausible means of controlling improvements in warhead technology is to focus on limiting U.S. and Soviet development programs—primarily testing. While it is impossible, without on-site inspection, to determine the kinds of warheads each side is deploying, a limit on how many missile tests each side could hold would serve nearly the same purpose. A ceiling on missile tests would prevent both sides from developing sufficient confidence in new warhead devices to warrant wide-scale deployment. And a limit on numbers of missile tests would also have the advantage of being verifiable by satellite surveillance.

(E) Antisubmarine Warfare Controls—The oceans have become the newest arms race arena and submarine-launched missiles are increasingly becoming the primary instruments of strategic deterrence. Both the United States and the Soviet Union are, however, attempting to counteract each other's submarine forces by working on projects of submarine detection, tracking and destruction. Like accurate warheads, antisubmarine warfare (ASW) is destabilizing because a breakthrough in submarine detection and destruction could give one power the capability of destroying the ballistic missile submarine force of the other. There are a number of ways ASW could be controlled at SALT II. Suggestions have been to limit the number of hunter-killer submarines possessed by each side as well as banning certain kinds of underwater listening devices used to detect missile-carrying submarines. Another approach would be to create ocean "sanctuaries" for submarines of both sides to operate, free from attempts to locate and destroy them. While there are certain difficulties with all of these proposals, particularly the problem of distinguishing between ASW designed for conventional naval warfare from that designed to combat ballistic missile submarines, controls on ASW should be pursued at SALT II.

GENERAL BARGAINING PRESCRIPTIONS

Although there are a number of political and technical problems attached to the possibilities presented by SALT II, the benefits stemming from potential agreements listed above provide powerful arguments for approaching the negotiations with as great flexibility as security interest permit. While specific agreements and bargaining formulas can only be determined by Administration officials close to the talks, several guidelines can be suggested to maximize the possibilities for success at SALT II. They embody a whole range of national security concerns—weapons system procurement, arms control leadership, and defense budget appropriations by Congress.

I. Technological restraint

While "negotiating from strength" is a sensible guide to bargaining, too much strength tends to introduce fear and uncertainty into arms control talks. The Soviets, for instance, were unwilling to seriously discuss strategic arms limitation until they possessed a weapons arsenal similar to that of the United States. The tendency of the United States to exploit every technological advance—multiple warheads, improved missile accuracy, ASW devices—to force agreements with the Soviets cannot always be depended upon to produce agreements. The decision to begin the Safeguard ABM program might have contributed to a successful ABM Treaty, but the Soviets had earlier deployed an ABM system of their own. In areas of U.S. technical advantage the decision to MIRV U.S. missiles has made a MIRV agreement difficult to achieve at SALT because the Soviets are unlikely to accept any agreement that permanently places them in a technologically inferior position. This is not to suggest that the United States should not go forward with new research and development programs. Instead, careful consideration should be given to new weapons programs before procurement decisions are made. Deployment decisions over such weapons as the B-1 bomber, the Trident submarine, super-accurate missile warheads and advanced underwater listening devices should be carefully evaluated and in some cases postponement of deployment should be considered pending the outcome of the talks.

An active R&D program is probably as good a bargaining chip as actual force deployments. Maintaining a strong R&D program would not only act as an effective bargaining ploy, but could also result in material savings in defense expenditures.

II. Strategic numbers

In view of the complexity of determining the significance of relative strategic force levels, no attempt should be made to tie the hands of U.S. negotiators by insisting on strict formulas of strategic parity. As suggested earlier, a number of factors go into the determination of the United States-Soviet strategic balance. The United States should be willing to accept a numerical disadvantage in certain areas, if a U.S. advantage in other areas is recognized. Better yet, formulas that tie different weapons into overall package ceilings should be discussed at SALT II. Each power would then be able to select the weapons it favored without reference to ceilings on specific weapons categories. In constructing and negotiating such a general ceiling, an attempt should also be made to provide for the gradual reduction of strategic forces possessed by each side.

III. Arms control leadership

The SALT I accords were not only a result of hard-headed bargaining, but disciplined and efficient organization—within the Arms Control and Disarmament Agency, the Pentagon, the State Department, the CIA and the White House. A similar management effort should be directed towards SALT II. The Arms Control and Disarmament Agency should again be put in charge of the day-by-day direction of the talks, and the agency should have a budget commensurate with this task. The Administration's FY 1974 budget cuts the ACDA budget by more than one-third and the agency's director, yet to be named, no longer heads the SALT negotiating team.

Possibly more important in the long run, promises of new weapons made by the White House to the services to gain military support for arms control agreements should be restricted. When the Administration earlier linked the continuation of the B-1 and Trident programs with support for the SALT I accords, future arms control possibilities could have been placed in jeopardy.

IV. Other areas of arms control

While the SALT II talks now dominate arms control thinking, there are other areas where initiatives should be attempted. A verifiable Comprehensive Test Ban would, for example, constitute a significant achievement. A total ban on nuclear testing would not only eliminate certain environmental dangers, but would act as a check on new weapons development. Efforts to curb nuclear proliferation—a growing problem that has generally been ignored—is also an area where initiatives are necessary. An agreement by both the United States and the Soviet Union on conventional force reductions in Europe (MBFR) is another arms control goal that should be vigorously pursued.

V. Congressional initiatives

Congress has traditionally supported arms control and disarmament objectives. Congressional hearings in the late 1950's were partly responsible for the establishment of the Arms Control and Disarmament Agency and Congress has supported, with few reservations, the Limited Test Ban Treaty and the Nonproliferation Treaty, as well as the SALT I accords. Congress could play a larger role in this crucial area by both fostering a wider discussion of arms control issues and more closely examining the political and technological components of the arms race, thus honoring its responsibility to educate the public in this difficult area. Arms control, however, does not take place in a vacuum—to a great extent it is dependent upon the President's conduct of foreign policy and even more importantly, upon defense spending. Congress, then, must make a determined effort to link arms control issues to the defense budget. Congressional committees concerned with defense spending should not only focus on fiscal and military issues, but these groups should also examine the implications of new programs for the prospects of future agreement at SALT II.

SALT II has become a complex arena for discussion, where the political, strategic and technological factors involved demand a high degree of specialized talent. While recognizing that the Executive possesses the bulk of expertise in this area, Congress does possess analytical capabilities—in the form of committee staffs, the Congressional Research Service, the General Accounting Office and the newly organized Office of Technology Assessment. Each of these groups can provide some of the expertise necessary to deal wisely and carefully with the complexities of strategic arms limitation.

In view of the constructive role Congress can and should play in examination of arms control issues, the following recommendations are made:

(A) Joint panels of the House Armed Services and Foreign Affairs Committees and the Senate Armed Services and Foreign Relations Committees should be convened to examine the implications of the fiscal 1974–1979 defense program for future arms control agreements.

(B) The House Science and Astronautics Committee, the Senate Aeronautical and Space Sciences Committee and the Joint Atomic Energy Committee should hold hearings on the effect of new technologies on the arms race and the prospects of negotiating and verifying agreements limiting strategic force modernization. A report by the Office of Technology Assessment could be used as the focal point of these investigations.

(C) The General Accounting Office should provide Congress with a study of possible savings accruing from potential SALT II agreements. Such a report could be used in Defense Appropriations Subcommittee hearings in both houses on the impact of SALT II savings on defense spending.

(D) Proposals to enhance congressional cognizance of the long-term implications of the defense budget, such as basing congressional authorization and appropriations on the five year defense program, should be considered by the Armed Services committee and the Defense Appropriation Subcommittees.

BYELORUSSIA INDEPENDENCE DAY

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BELL. Mr. Speaker, March 25 marks the 55th anniversary of the day that the Byelorussian people proclaimed their national independence. This day symbolizes the strong aspirations of Byelorussians throughout the world to regain an independence similar to that which existed 55 years ago.

This illustrious, yet often troubled country has a history that dates back to the ninth century. A sizable number of cultural and political achievements have been accomplished by the Byelorussian people. One can point to the many notable contributions made in the fields of printing and literature as examples of the significance of the Byelorussian State, the Grand Duchy of Litva.

I am saddened, Mr. Speaker, by the present conditions in the Byelorussian Soviet Social Republic. My desire, and surely that of my colleagues, is to see Byelorussia rise again to the heights that it reached during its most glorious period. This can only be realized by the complete independence of Byelorussia.

RECONFIRMATION OF JUDGES

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. PARRIS. Mr. Speaker, the following copy of a joint resolution passed recently by the Virginia General Assembly which requests Congress to adopt and offer to the States a constitutional amendment calling for the reconfirmation of all Federal judges.

As you know, I recently introduced House Joint Resolution 372 which also calls for the action requested by the gentleman of the Virginia General Assembly. I believe their passage of this resolution is further evidence of the need for congressional action in this matter.

The resolution follows:

SENATE JOINT RESOLUTION NO. 130

Memorializing the Congress of the United States to propose an amendment to the Constitution of the United States, relating to tenure of federal justices and judges

Whereas, the justices of the Supreme Court and judges of the inferior courts of the United States are appointed for life, and are removable only by impeachment; and

Whereas, in forty-seven of the fifty states, including this Commonwealth, the judiciary has fixed tenure; and

Whereas, the experience in this Commonwealth reveals that although the judges may be removed from office at the end of their terms, the judiciary has remained independent; and

Whereas, the Congress of the United States should be granted the power parallel to that which this General Assembly now has, that is, to review the records of its federal justices and judges of inferior courts; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to adopt and offer to the States for ratification or rejection the following amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of Section 1 of Article III of the Constitution, each justice of the Supreme Court and each judge of an inferior court established by Congress under Section 1 of Article III shall hold his office during good behavior for terms of eight years. During the eighth year of each term of office of any such justice or judge, his nomination for an additional term of office for the judgeship which he holds shall be placed before the Senate in the manner provided by the law, for the advice and consent of the Senate to such additional term, unless that justice or judge requests that his nomination not be so placed. Any justice or judge whose nomination for an additional term of office is so placed before the Senate may remain in office until the Senate gives its advice and consent to, or rejects, such nomination. If the Senate gives its advice and consent to an additional term of office, that term shall commence from the date of such advice and consent, or the day immediately following the last day of his prior term of office, whichever is later.

"SEC. 2. The terms of office established by Section 1 of this article shall apply to any individual whose nomination for a judgeship is submitted after the ratification of this article to the Senate for its advice and consent."

Resolved further, That the Clerk of the Senate is hereby instructed to send copies of this Joint Resolution to the members of the Virginia delegation in the Congress of the United States and to the President and Vice President of the United States, and the Clerks of the Senate and the House of Representatives.

CWA OFFICIAL TESTIFIES ON TAX REFORM

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. KARTH. Mr. Speaker, on March 8 the Communications Workers of America's Secretary-Treasurer, Glenn E. Watts, testified before the House Committee on Ways and Means. His statement included a number of substantial and cogent comments on our tax structure which deserve the attention of Congress. With that in mind I place in the RECORD Mr. Watts' statement and other material he submitted to the committee on this important subject:

My name is Glenn E. Watts, and I am the Secretary-Treasurer of the Communications Workers of America, a union which represents more than 550,000 communications and other workers.

On behalf of those workers, President Joseph A. Beirne, and my fellow officers, we appreciate this opportunity to bring you our views on making the national tax burden more equitable.

We believe that a great many members of both houses would agree with us that workers carry too big a share of the tax burden, and the business segment of the economy—along with the very wealthy—carry too small a share.

But—at this point in the 93rd Congress—we do not sense a Congressional awareness of what we see as a strong need in this nation—and that is—real tax burden adjustments.

Our assessment of the Congressional attitude is that Congress seems to be headed once again down the road of token tax reform—that often travelled, old familiar road, lined with wreckage of good intentions.

I do not want to imply that any maliciousness generates the Congressional attitude, and I am not one of those who believes that Congress is out of touch with constituents.

There are other reasons.

All of us who have a vital interest in tax legislation know the multiple pressures that come into play. We know that you are tugged this way . . . pulled that way . . . where this organization sees economic justice, that organization sees a loophole.

We know that there are monumental questions without consensus answers.

How many jobs do accelerated depreciation and investment credit actually create . . . or destroy?

How do you shift some of the tax burden to corporations without letting them shift it right back to the workers, through higher prices . . . and still maintain a relatively free economy?

I believe it is these factors, plus the still submerged status of the seething resentment against the tax system among your constituents and my members, which create the Congressional attitude existing today.

But I also believe that the resentment is going to erupt—that it will not stay submerged . . . and I am here to urge you to prepare now, by writing true equalization of the tax burden.

You have access to the work of the tax legislation technicians and the tax statisticians, and the Committee knows the dollar value of each exemption, so it would be redundant to repeat this for you. I would like to give you some general views, and ask the Committee to include CWA's tax legislative policy and a CWA Fact Sheet on taxation with my testimony, in the hearing record.

CWA believes that the Mills-Mansfield bill of the 92d Congress, which would have reviewed each of the 54 exemptions over a three-year period, and dropped, modified or reenacted them, is an idea Congress ought to give a lot of thought and study to.

The legislative policy CWA has adopted on taxes—calls for Congress to study the Mills-Mansfield method as the ideal vehicle for equalizing the tax burden.

I know there isn't universal agreement among tax reformers—and there certainly isn't in the labor movement—on the Mills-Mansfield idea, but *we* like it.

We may be a bit bolder than our brothers, or just a little ahead of time.

Perhaps our attitude comes from the historic policy of the Communications Workers, which requires us to expend every possible effort we can to protect our members—and all workers—from unfair taxation.

The logic in that is simple—what we win at the bargaining table we can lose in the city halls, the court houses, the state houses, and in the Capitol.

We remember especially well 1969, when we found that despite great effort and devotion to the fight for tax reform, we ended up with only token corrections in the law.

There was a slim reduction in mineral depletion allowances, a minimum tax on the very wealthy which is so minimal that I understand it could be called microscopic, a little jump in personal exemptions, and taking tax burdens off the very poor.

We have been told what we consider tokenism should be considered a victory—that without great effort and devotion not even this much would have been accomplished.

That is consoling for the ego, but not the pocketbook, because we see the suffering that severe inequities have caused our people—and all workers.

So far as tax reform in the 92nd Congress is concerned, I don't see how anyone can claim a victory for workers.

It is just not right that workers' paychecks should have to take the kind of beating they are getting because the social insurance part of the total federal tax burden has gone from 21 percent to 29 percent between 1969 and now. Corporate profits and income of the very wealthy should have carried some of this.

It is just not right for any giant corporation with large profits and dividends not to pay any federal taxes at all, or taxes many percentages below what their workers pay.

It is just not right for individuals to earn hundreds of thousands of dollars, and have their entire income tax free.

It is just not right for the multi-national oil companies to convert their royalty payments overseas into foreign tax payments, and then deduct them from the taxes they owe the United States.

It is just not right for eight percent of the families in America, with 25 percent of the income, to be the beneficiaries of almost 50 percent of the tax subsidies.

It is right to make the graduated income tax really graduated and equitably graduated.

It is right for the Congress to require full and accurate disclosure of country-by-country costs, earnings, profits, and taxes, of multi-national corporations.

It is right to eliminate the investment tax credit accelerated depreciation, mineral depletion allowances and foreign tax credits.

It is right to tax capital gains and large inherited fortunes on a basis of equality with taxes on workers' incomes, and it is right to revise the personal exemption so that workers have a realistic deduction.

In Congress after Congress, legislation is introduced to accomplish some of all of these goals, and you have legislation pending now in this Committee which would bring equity to the tax structure.

We urge you to act boldly, because from what we see and hear around the country, bold and decisive action is what the people . . . the workers . . . want, need and deserve.

Our members read the business pages of the newspapers and magazines, and they see those familiar advertisements selling real estate, oil well drilling and farming tax shelters.

They resent this, because they feel they are being robbed . . . and they are.

We agree with Chairman Mills' descriptive labeling of these shelters—he called them travesties.

When the worker comes across these travesties of economic favoritism, it only confirms to him what political demagogues preach—the system is rigged.

So he becomes a little more susceptible to the demagogue's preaching, and he becomes a little less faithful to the system.

Let's show them that this way of administering government, which has been nurtured and developed over the past couple of hundred years can work equitably . . . without favoritism. Let's show him the game doesn't have to be rigged.

Thank you very much for the opportunity to appear before the Committee.

TAX BURDEN EQUALIZATION

The Communications Workers of America believes that Congress should consider passing legislation which contains a method for review of each tax exemption now in the law, and would also require that unless each exemption was reenacted, it would be dropped. Legislation which would have done this was introduced in the 92nd Congress as the Mills-Mansfield Bill. It would have required Congress to re-examine each one of the 54 tax exemptions now in the law, and then decide whether to retain or terminate each one. This would be done over a three-year period, with 18 exemptions coming up for review, and ratification or termination, in each year. In effect, if the Congress did not re-enact each of these exemptions, they would be terminated, on an exemption-by-exemption basis. Additionally, each could be modified, instead of maintained as now written, or terminated.

The ultimate objective would be to make the national tax burden as equitable as possible.

CWA's endorsement of this method of equalizing the tax burden should not be taken to mean that we oppose continuation of all exemptions in the law. We have fought for those which benefit great numbers of people, such as the child care deduction, and we have fought against retention of such special privilege exemptions as percentage depletion for minerals. CWA has definite views on those exemptions which are major loopholes allowing corporations and wealthy individuals to evade their share of the burden, and we would work to see them diminished or eliminated.

A major objective would be to see a reversal in the relationship between the percent of the tax load paid by corporations and by individuals. In 1960 corporate income taxes were 23 percent of receipts by the federal government, and individual income taxes were 44 percent. In 1973 corporate income taxes are projected to represent 16 percent of revenues to the federal government, and individuals will pay 43 percent. Also between 1960 and 1973 individuals increased their share of federal budget receipts for social security taxes from 16 percent to 29 percent, showing the immense burden shift to individuals.

To alleviate this we make several recommendations.

INVESTMENT TAX CREDIT

Eliminate the investment tax credit, which was reinstated in 1971, with the claim that it would generate jobs for unemployed workers. This is a seven percent credit for businesses who invest in new equipment, and, in effect, is a cut in corporate taxes estimated to reach $3 billion a year. Studies show that while sales of large corporations increased in 1971, their employment decreased. The investment tax credit does not stimulate anything approximating what the revenue would be worth to the Treasury. If the average worker were to be given an equivalent tax break, the spending that would result would stimulate the economy more than the investment tax credit.

ACCELERATED DEPRECIATION

Accelerated depreciation is another major revenue loss for the Treasury, and, in effect, a tax cut for business. By 1975, when fully effective, it will be costing the Treasury an estimated $3.5 billion a year. Under this loophole, a business can speed its building and equipment depreciation deductions up by varying percents, going as high as 20 percent, and this gives businesses a bigger deduction than it would normally get for depreciating its equipment.

DEPLETION ALLOWANCES

The oil and other mineral depletion allowances are historic tax breaks. This was written into the tax law supposedly to give mineral companies the right to exclude part of their income from taxes, because their well or mine was being used up, and they needed to develop new resources.

But, it has become a device which allows oil companies to avoid paying taxes on their entire income instead of being an allowance for oil companies to use to develop new resources.

For petroleum, a Treasury study shows that the average well cost is recovered 19 times through this depletion allowance subsidy to the industry. This mineral depletion allowance is worth an estimated $1.4 billion a year.

FOREIGN TAX CREDITS

Oil companies have another very big loophole, concerning taxes they pay to foreign countries. The big multi-national oil companies are allowed to deduct taxes paid to foreign countries from the tax bill they owe to the United States. So, companies have worked out arrangements to hide some of their oil royalty payments to foreign countries as taxes to these countries, and then deduct the payment from the amount that should be going to the U.S. Treasury.

CAPITAL GAINS

The average working American has almost no opportunity to benefit from the capital gains loophole. This loophole allows individuals who make a profit on the sale of stock or property after it has been held for a certain period to avoid paying tax on half of that profit.

It means that if the same benefit were given to a worker who made $12,000 in a year, he would only have to pay taxes on $6,000. The loophole, estimated to be worth between $5.5 and $8.5 billion should be eliminated.

INHERITANCE TAXES

Large, inherited fortunes also benefit from a capital gain feature. Now, if an individual inherits a large block of stock which may have been purchased years ago at a much lower price than it would bring, the person receiving the inheritance does not pay on the present value of the stock. Inherited estates over some minimal amount, possibly $50,000, should not have this benefit, and the estate should be valued and taxed to include the increased price the stock or other property would bring.

The 1971 tax legislation allowed American companies which export their products to set up separate firms, called Domestic International Sales Corporations. They avoid paying U.S. income taxes on the profits from their export operations, so long as the money was kept in the foreign country. However, the law also allowed the export company to loan money to its parent company, which is a legal way of transferring profits back to parent company without paying taxes on them. This loophole, worth $170 million in 1973, should be repealed.

The features of the tax law which are emphasized above are not intended to be all of those which we feel should be eliminated. They are among the major offenders against the principle that the income tax burden should be progressive, and no group of Americans, individually or business, should have an advantage which allows shelter from the tax burden others face.

A major reform that would mean as much to a great many workers as a reduction in their own tax burden would be the assurance that every firm which makes a profit, and every wealthy individual who has income, pays a certain minimum percent in taxes, regardless of exemptions, shelters and loopholes.

THE ECONOMY

TAX BURDEN EQUALIZATION

CWA believes the Congress should give intensive study to legislation which would provide a mechanism for review of each tax exemption now in the law, and would require that each exemption be dropped if it is not reenacted. The legislation should provide an orderly method of doing this, such as consideration of the specific number of exemptions in each year, over a three-year period. CWA realizes that some of these exemptions are considered to benefit consumers, such as the interest rate on home loans, but we also believe that if the public can be informed accurately on the tax structure, many hidden and unfair tax burdens which the average worker carries will be uncovered.

We would hope that some of the major changes would be:

1. Make the graduated income tax really graduated for individuals with very high incomes, so that no person evades all taxes or pays only a few percent, while the average worker's tax is sometimes more than 20 percent.

2. Move some of the burden from the individual worker to corporations. Corporations paid 23 percent of federal budget receipts in 1960, but only 19 percent in 1969, and the projection for 1973 is 16 percent. The 19 largest oil companies paid only 8.7 percent in corporate income tax in 1971, and five large companies paid nothing on their profits in 1971.

3. Move a large part of social security taxes off the worker's paycheck, and provide the funding through general revenues, out of effective corporate taxation. In 1960, social security taxes equaled 16 percent of the federal budget. But social security taxes went to 21 percent of federal budget receipts in 1969, and will be 29 percent of federal budget receipts in 1973.

4. Require full and accurate disclosure of country-by-country costs, earnings, profits, and taxes, of multi-national conglomerates, so they can be taxed effectively.

5. Eliminate the investment tax credit. Sold to the public as a means of generating new jobs, it deprives the Treasury of revenue which workers must make up, and its job creating ability is more public relations than actual.

6. Eliminate the accelerated depreciation allowance, an obvious loophole which creates additional burdens for workers without producing economic benefits.

7. Eliminate depletion allowances. They were first written in the law so that corporations could evade taxes on part of the income from the sale of mineral resources, with the savings going into development of new resources. But no new resources have been discovered to match anything like the amount of money which has been retained by the companies, and the allowance is a burden workers carry.

8. Remove the foreign tax credit for oil companies. Oil companies can deduct the amount of taxes they pay foreign countries from their American tax bill, so many companies have worked arrangements with foreign countries to make royalty payments appear as tax payments. In that way, the American taxpayer has to bear the load for the oil companies' royalty payments.

9. Remove the capital gains loophole, so that profits from sales of stock are taxed equally with worker's income.

10. Require effective taxation of large inherited fortunes.

11. Revise the personal exemption to make it more equitable, perhaps with a tax credit alternative.

12. Eliminate the loophole which allows American corporations to set up separate corporations for export business, in order to avoid taxes on products which are exported.

13. Ban the importation of the regressive value added tax, which exemplifies inequitable taxation.

LYNDON BAINES JOHNSON

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. WYDLER. Mr. Speaker, President Johnson, in my opinion, will go down in history as a great and good man and as an outstanding President of our Nation. History, I believe, will treat him most kindly and he deserves that treatment. I first met him as a freshman Member of Congress, when he, as Vice President, invited me and my wife to his home. It was an indication of the type of hospitality he was always famous for, and that first party was the best one I ever attended in Washington. During his years in the White House I disagreed with him on many occasions, but found him a strong man and one who made no secret of his direction or intentions. His relationship with the Congress was magnificent, for he was of the Congress himself and understood it and its membership well. I will always be glad that some of the years I spent as a Member of Congress were spent while he was the President of our Nation.

OUR NATION SALUTES REV. JERRY D. VAN DER VEEN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ROE. Mr. Speaker. We are truly blessed by the inspiration of the invocation prayer offered each day here in the Congress. Our State of New Jersey, and particularly the people of our Eighth Congressional District of New Jersey, are privileged and honored to commend to you today's visiting host chaplain for the House, the Reverend Jerry D Van Der Veen, M.A., B.D., S.T.M., Th.D., D.D., minister of the Church of the Covenant, Reformed Church of America, Paterson, N.J., located in my congressional district, for his eloquent and inspirational contribution to our deliberations this day on behalf of the people of our Nation.

His prayer of thanksgiving and inspiration which was received with deep reverence and appreciation by the Members of the House of Representatives today is as follows:

Isaiah 40: 31. *"They that wait upon the Lord shall renew their strength; they shall walk and not faint."*

Almighty, Eternal God, we humbly bow before Thee and with thankful hearts acknowledge that Thou art the Source of all our blessings, even life itself.

We thank Thee for our health and strength.

May we realize that Thou art always with us, every moment of the day.

We pray for Thy blessing upon our country, the land that we love.

Bless the President, and the Vice President. Be with the Speaker of the House. Give him wisdom, guidance and strength to fulfill his calling.

We ask for every Congressman here present today that Thou wilt direct their decisions for the benefit of all our people.

We commend our nation with all its problems and difficulties unto Thy Sovereign Care.

Through Jesus Christ our Lord. Amen.

The quality and richness of Dr. Van Der Veen's presentation today is gratefully acknowledged. He has inspired us by his prayer as well as his good example. We want to share with him, his wife Grace, and all of his family the great pride we have in his distinguished and dedicated lifetime of outstanding service and contribution to the religious, cultural and spiritual enrichment of our community, State, and Nation. His long list of exemplary achievements in service to God and his congregation span the needs and concerns of all of our people—young and adults alike—having attained the highest regard and esteem of all of us who have the good fortune to know him through all of his good works as a leading citizen and respected member of the clergy in the cities of Paterson and Hawthorne and the State of New Jersey. He has served in the vanguard of our community as adviser and counselor in the fields of education, senior citizens programing, community planning and development, health, youth recreation and character building, and many other charitable and civic endeavors.

Mr. Speaker, we do indeed salute Rev. Dr. Jerry D. Van Der Veen for his dynamic and energetic career in the cause of goodwill and understanding among all men, and I know that you and our colleagues will join with me now in expressing our deep appreciation to him for leading us in prayer here today.

1973 FAMILY PLANNING SERVICE LEGISLATION

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. du PONT. Mr. Speaker, during the second session of the 92d Congress, the task force on population growth and ecology of the Republican Research Committee conducted hearings to assess the Federal programs in population research and family planning services. The task force was activated in the spring of 1972 in response to a growing need for an assessment of the Federal Government's role in the delivery of family planning services and in the field of population research. In his 1969 message to Congress on population, President Nixon declared the provision of subsidized family planning services and accelerated research in population a national priority.

That same year, an earlier task force on population headed by the Honorable George Bush, issued a report of its findings and called for increased leadership at the Federal level in the support and development of universally available family planning services and increased contraceptive research. The Congress responded by passing the Family Planning Services and Population Research Act of 1970. The programs created by this legislation were well underway, and the task force believed that an evaluation of the programs' progress was vital. Thus, I was particularly honored to serve as chairman of this new inquiry. Also serving were my distinguished colleagues Marvin L. Esch, of Michigan, Hamilton Fish, Jr., of New York, Richard W. Mallary, of Vermont, and Paul N. McCloskey, of California.

Our investigations of Federal support of this most important field were both enlightening and, I believe, definitive. The task force conducted 4 days of hearings in Washington, where we heard valuable testimony from outstanding experts in the fields of demography, reproductive biology, social science, medicine, and family planning services delivery. We heard extensive testimony from members of the administration concerning the organization of and support for the national program. In order to assess how Federal efforts could be strengthened to make the job of services delivery most effective at the local level, the task force also had field hearings in Wilmington, Del.

The report of the task force was issued in August, and a summary of the report was published in the Congressional Record, volume 118, part 25, pages 3381–13, with our 14 recommendations for improving the program. The evidence presented by the witnesses led to three major conclusions. First, while the President had pledged to provide family planning services by 1974 to all women desiring such services but who for economic reasons do not have access to them, we are a long way from achieving that objective. Second, scientific knowledge concerning human reproduction and our present contraceptive technology are not sufficient to enable all people to adequately plan their families. Third, there is very little understanding of population dynamics or knowledge of the motivational factors relating to childbearing.

The Federal Government has taken important steps toward the solution of these problems; but at the same time, continuing increases in our population have intensified the whole spectrum of health, environmental, economic and social problems in our country. The slowing of population growth rates will not be a panacea for all of these problems. However, we must conclude that the reduction or elimination of excess, unwanted fertility—through improved research efforts, the development of new technology, and increased availability of family planning services—would contribute significantly to the solution of some of our problems and to the alleviation of others. I firmly believe that all people, given the knowledge and the means to exercise freedom of choice with respect to their own fertility, will choose to act in a manner benefiting their own health and well-being and that of their families.

The legislation I am introducing today implements the primary recommendations of the task force—renewal of the funding and program authorities of the Family Planning Services and Population Research Act of 1970, which expires June 30 of this year; expansion of biomedical and social research in human reproduction; and improvement in the overall administration of both these programs.

Mr. Speaker, by 1975, approximately 46.9 million women will be of childbearing age. These women, and as many men, will want and need better methods to control their fertility. We know that involuntary childbearing is damaging to both families and children in terms of health and socioeconomic conditions. The incidence of prematurity, infant and maternal deaths, birth defects, and mental retardation can be significantly reduced by the use of effective methods of family planning. Unwanted births can cause a family to cease to be self-supporting, and the continued incidence of unwanted fertility can trap a family in poverty and dependency.

Families of all income levels have expressed a desire to avoid unwanted fertility. This is evidenced by national studies and by the known rate of 1 million legal and illegal abortions performed annually. Our society has created, through education and technology, a desire for smaller families. Yet we have failed to produce the birth planning agent by which such aspirations may be satisfied, and American women must continue to bear the burden of making amends for contraceptive failures. Similarly, we have not developed the means by which American men and women may overcome infertility problems. Our Nation has failed to mobilize the resources necessary to help people exercise one of their most basic human rights—the right to bear and beget truly wanted children.

The Federal Government has been supporting population research and family planning services for only a short period of time. One of the major accomplishments of President Nixon's administration has been the launching of a national program to provide family services to women who for economic reasons do not have access to such services.

President Nixon was the first President to address the Nation specifically on these issues in his July 18, 1969, message to the Congress. He proposed that in addition to the creation of the Commission on Population Growth and the American Future, the Department of Health, Education, and Welfare be given the means to carry out increased research in contraceptive development and the sociology of population growth. He called for increased training of people to work in the population research and family planning services fields. He also stated that the federally aided family planning services efforts should be greatly expanded and directed to the 6.6 million medically indigent women who are estimated by HEW to be in need of subsidized family planning services.

The following year, the Congress passed the Family Planning Services and Population Research Act of 1970—Public Law 91–572—to implement the President's proposed program. This act provided $382 million for fiscal years 1971–73 to expand the population-related activities of the Federal Government. To strengthen the direction and administration of the program, the HEW Deputy Assistant Secretary for Population Affairs was given line authority, through the HEW Office of Population Affairs, for both the Health Services and Mental Health Administration—HSMHA—family planning services program, the National Institutes of Health—NIH—population research program, the HEW population education program, and the Food and Drug Administration—FDA—contraceptive testing program.

The administrators of the services and research programs, therefore, have dual line responsibilities—one to the Deputy Assistant Secretary and one either to the NIH Director or to the HSMHA Director. This new authority was to be exercised through the appointments of an Assistant Administrator of HSMHA for Family Planning Services and an Assistant Director of NIH for Population Research, both of whom would serve as special assistants to the Deputy Assistant Secretary. However, to date neither of these appointments has been made nor has adequate staff for the Office of Population Affairs been hired to enable the Deputy Assistant Secretary to carry out the duties mandated by the legislation. This creates a less than clear administrative organization, poor program stability, and inadequate coordination and liaison.

The act passed by the Congress authorized special project grants for family planning services. This program is administered by the National Center for Family Planning Services of HSMHA. The latest HEW reports indicate that by 1973, when this act expires, approximately one-half of the 6.6 million women in need of subsidized family planning services will be receiving services.

Although I commend HEW on the progress that has been made, I must point out that funding levels have not kept up with projections and service levels have lagged accordingly. I believe, therefore, that this program must be renewed and that the special project grant authority must be continued in order to reach the President's goal of services to all women in need of them. Without renewal and expansion of the project grant program, the rest of the women in need of services may never be reached and those presently receiving services through this program will no longer have access to family planning health care. We cannot condemn these women to the suffering and poverty associated with unwanted fertility.

Although funds continue to be necessary to support the effort to reach the millions of women who are still in need of subsidized services, the development of a range of inexpensive, easily administered, medically safe contraceptives would greatly increase the effectiveness and efficiency of family planning services programs. The Family Planning and Population Research Act of 1970 authorized funds for an expanded Federal population research program. This program is administered by the National Institute of Child Health and Human Development—NICHD—through its Center for Population Research—CPR—and encompasses both biological and social science research regarding human reproduction.

Population research in the biological sciences is focused on the basic processes of human reproduction and ongoing evaluation of present methods of fertility regulation. Its goal is the development of new and improved methods of dealing with problems of birth planning and infertility. It has been 16 years since the last major contraceptive development occurred. Even if there were a new major development today, there would probably be considerable lagtime before the method could be made generally available to the public. In the meantime, by 1982 the population of the world will have increased from 3.6 billion to an estimated 4.6 billion.

Until very recently, all of the research and developments in this field were supported by private foundations and drug companies. The private philanthropic foundations are unable to increase their present level of support, which is currently estimated at $25 million annually. The efforts of the pharmaceutical companies, estimated at a cost of $15 million annually, are not being greatly expanded. There are a high number of risks for industry compared to the magnitude of investments and possible profits involved. The incentive for proprietary companies to invest in new contraceptive research is lacking especially when the ultimate goal is the development of an inexpensive, long-lasting method. I believe that the Federal Government must provide the major portion of the funds and resources necessary for the development of a breakthrough in technology and for expanding scientific knowledge concerning population dynamics.

The creation of the Center for Population Research in 1968 was an important beginning in the Government's work in this field; however, it is increasingly apparent that the demands of the field have outgrown the institutional framework to the point that the structure has become ineffective and inefficient.

My major proposals for improving and strengthening these programs are the creation of a new and separate Population Sciences Research Institute and the establishment of a new agency within HEW that would combine both population sciences research and family planning services. Both of these national programs would be under the direct administrative supervision of an Assistant Secretary for Population Affairs, who would also be responsible for all family planning services and population research programs of the Department of Health, Education, and Welfare.

While I believe that administrative reorganization is not a panacea, it is clear that some measures must be instituted to insure adequate growth and development of these programs if we are to meet our national health goals. We are now well on our way toward meeting the goal of provision of services to all women in need. It is imperative that this demonstrably successful and cost-effective program be continued.

The funding authorizations contained in this bill are based primarily on HEW's 5-year plan for carrying out the mandate of the law. I have found the estimates contained in the HEW plan to be both realistic and responsible. I believe that all of my colleagues on both sides of the aisle are deeply concerned about fiscal controls and the enormity of Government expenditures. Yet, I wish to call the attention of this body to the fact that the total cost of delivering comprehensive family planning services to those in need is approximately $60 to $66 per patient per year. This cost includes basic gynecological examinations, pap tests, VD screening, and other related preventive health care.

It is evident that such a program produces enormous cost savings for individuals and for Government, due to births averted as a result of provision of services. And because such programs must continue to be both comprehensive and voluntary, I believe it to be essential that the development, financing, and monitoring of these programs come from the Federal Government in order to insure preservation of present national standards for quality of care.

The Congress must continue to support and encourage Federal leadership in this vital field while encouraging private organizations and industry to continue and further their work in a strengthened partnership effort with the Federal Government.

The legislation I introduce today represents a pledge to the people of the United States to continue together our joint congressional effort on their behalf to see that they have the opportunity to freely determine their own family size. We must promise to carry the campaign for services and research until we believe that job is done.

PRISONERS OF WAR

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. CARTER. Mr. Speaker, it is my pleasure to share with my colleagues an article by Ms. Lucy Albright, which appeared in the "Lucy's Letter" column of the Glasgow, Ky., Republican for February 22, 1973.

Upon the recent release of our prisoners of war, surely every American experienced a great sense of relief and a feeling of overwhelming joy for those families, who, after being torn asunder by tragic events of the past, were reunited to function normally again.

I believe that Ms. Albright has captured the inner thoughts of each American who watched as those first returning prisoners set foot upon native soil. Rarely does one find so eloquent an expression of such intense emotion.

The Lucy's letter follows:

LUCY'S LETTER

(By Lucy Albright)

Real life drama holds one with an intensity of emotions that no drama of the theater can even begin to touch. And as television brought us the return of Prisoners of War back to their homeland, and into the tearful, joyful warm embrace of their families, we were deeply stirred and I cried with joy for them, as I am confident teeming thousands of others did. Though we cannot begin to realize the emotions involved among those connected with the homecomings, still it seemed our inward feelings were all tied up with love, compassion, home, family, thankfulness, country, hallelujahs and above all, God.

The month of February, the shortest of the twelve, now adds its greatest event into its annals of historical prominence, for it was in February '73 after many long months and years, even to more than seven when these American soldiers had been held in captivity as Prisoners of War, were at long last being brought home. And will Valentines Day, ever have a greater significance for which to be remembered than the day when the first POWs touched the good earth of their homeland again, and when the hearts of the people overturned with jubilation? A Red-Letter Day in the history of this country. Who said American hearts had grown cold and selfish? This proved to be a fallacy, in consideration of the all-out manifestations of good will and offers of help from all over to give these returning courageous native sons a wonderful homecoming.

During the years of captivity, there may have been those who endeavored to give the impression to the public that American soldiers in Indo-China had turned against America and its way of life. But as we watched these fine looking soldiers step from the planes, and as spokesmen gave greetings to the American people, this supposition faded into thin air, as words of thankfulness and praise to God and their country was uppermost in their words. And patriotism was at its finest as they said they were glad they could serve their country. Their attitudes, their courage, their faith, which as some remarked was kept alive by their thoughts on Jesus reflect an enduring integrity which was found in the early settlers and pioneer fathers of this great country and should be as a shining example to others.

After the traumatic experiences of all the soldiers who were in combat, and the added experiences of some, who were POWs, they may never be exactly the same, and probably America will never be the same. And in spite of the pain and anguish of war, many may have greater appreciation and deeper regard for our country which was born in travail and endured through sacrifice. And if any on the homefront have stooped so low as to berate and bemean America and its way of life, surely they will be catapulted from out of this attitude of disdain by the words of Col. Risner, who was a prisoner of war, who said, "I want to tell you something folks. To us, this is truly the land of milk and honey, the land of the free, and the home of the brave." It seems the Lord put a flaming torch of Hope in each of us, which helps to dispel fear, and gives us courage, and patience and faith and endurance in times of great stress, which helps to sustain us, and for which we may praise His great name.

DECALOGUE SOCIETY AWARD OF MERIT CONFERRED ON CONGRESSMAN SIDNEY YATES

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues an address delivered by Hon. Carl B. Sussman, U.S. magistrate of the U.S. District Court of the Northern District of Illinois, when he conferred the annual award of merit of the Decalogue Society of Lawyers on my distinguished colleague from Illinois, the Honorable SIDNEY R. YATES.

Congressman YATES, who is a member of the House Appropriations Committee, has been one of the strong leaders in the Congress, having successfully led the fight on many occasions for reestablishment of priorities in our budgetmaking process.

The 38th annual merit award dinner was held at the Palmer House on March 10, and Judge Sussman made the presentation not only in his capacity as a magistrate of the U.S. district court, but also as a past president of the Decalogue Society.

The program for the award dinner and the remarks of Judge Sussman, follow:

AWARD DINNER

The Decalogue Society of Lawyers presents its annual Merit Award to Honorable Sidney R. Yates, Member of Congress, the Palmer House, Saturday, March tenth, nineteen hundred seventy-three.

Thirty-eighth Annual Award Dinner of the Decalogue Society of Lawyers, program: Oscar A. Jordan, Presiding, and Stephen P. Patt, General Chairman.

Posting of Colors, U.S. Marine Air Corps Color Guard.

National Anthem, led by Theodore P. Fields.

Invocation, Rabbi William B. Gold, and Congregation Beth Sholom of Rogers Park.

DINNER

Introductions, Stephen P. Patt.

Welcome, Oscar A. Jordan, President, the Decalogue Society of Lawyers.

Presentation of Award of Merit, Judge Carl B. Sussman, United States Magistrate, United States District Court.

Response, Honorable Sidney R. Yates.

Benediction.

ADDRESS DELIVERED BY CARL B. SUSSMAN

Congressman Yates, Distinguished Guests, Mr. Chairman, Reverend Clergy, Friends of the Decalogue Society: The growth of this Society throughout its more than 38 years of service to the community and to the Bench and Bar in particular, should be attributed to many factors. Among these are our unceasing efforts for the perseverance of the dignity of the lofty traditions of the legal profession, responsiveness to the needs of minorities and active participation in pressing communal problems.

Our steadily increasing numerical strength and the widespread recognition of the Decalogue Society as an important member in the family of American Bar Associations, attest to the soundness of principles that have guided and inspired us.

The stature that our society has attained, the prestige which it enjoys, has been made possible throughout our history by the stand that we take on important issues facing the community, and is again expressed in the choice that we make in the man or woman that we select for our award.

Each year, our Society, the third largest bar association in the State of Illinois, and the fourteenth in the Nation, recognize and applaud such outstanding contribution by an individual to the American or World community by conferring upon that person our Annual Award of Merit. By this action we again this year, as in former years, rededicate ourselves to a reiteration of our principles and our credo, by paying tribute to the achievements of a beloved and a great American, for tonight we honor not only a man but a symbol.

Our formula for selecting the recipient for this award is self evident. To qualify, one must have made a significant contribution to American life and to humanity. He must be creative and affirmative in his dedication to the democratic process. He must have vision and courage and a strong sense of responsibility to society. He must be loyal to his own people in order to be a better American. He must be imbued with the ideal of the brotherhood of man and must use his talents and his energy in the service of all mankind. Above all, his life must be such as to inspire others to emulation.

Such men and women are not easy to find. But this year's choice was inevitable by any standard.

The son of Immigrant parents, Sidney R. Yates was born in Chicago and was educated in Chicago public schools.

He gave early evidence of his character by working at odd jobs to further his education. At the same time, he learned his Judaism and its Heritage, and the true meaning of democracy and social justice, from his parents and family. After graduation from Lakeview High School, he enrolled at the University of Chicago, played on the basketball team, and in 1931, was selected for the All Big Ten basketball honors. Here again he displayed the attributes of good sportsmanship and fair play toward both his team players and opponents, and received his law degree from the University of Chicago Law School.

Recognizing that mankind shares the shame for the unprecedented decade that saw incinerators reduce six million human beings to dust and ashes, and fearing the consequences for America of Nazi barbarism and evil people, Yates determined to serve his country in World War II, served in the Navy and was released from active duty with the rank of Lieutenant.

Imbued with his ambitious aim and philosophy to do much more with his life's work than most people, and recognizing his ability and talent, his party selected him for high public office, and in 1948, he was elected to Congress from the Ninth Congressional District of Illinois and was reelected ten times thereafter.

His fight for social justice and equality are indelibly written for all time in the permanent records of the House of Representatives. He has fought hard for solutions to our social ills, and was a champion of civil rights long before these words became fashionable.

Because of his respect for justice, he took on the fight single-handedly against great odds and vested interests, to restore Admiral Hyman Rickover to his rightful place in the United States Navy. He succeeded in this task to right this wrong and America applauded Yates for his courage and tenacity. Again in more recent years he has been heedless of personal consequences—witness the fact that he led the successful fight in the House against the S.S.T.

In 1963, the President of the United States recognized in Yates other great qualities—his ability to work in the diplomatic field—to help the world in its search for peace. He was appointed by President Kennedy as United States Representative to the Trusteeship Council of the United States Mission to the United Nations. There, his work won high praise from his countrymen, and in particular from his two dear friends and colleagues, Governor Adlai Stevenson, then the Ambassador to the United Nations and the former Senior Senator from Illinois, Senator Paul Douglas. Yes, tonight, Yates joins the roll of honor—a select group of men and women of world reknown, former recipients of the Decalogue Award—Great Americans who have toiled with Yates to make America an even better country—Governor Adlai Stevenson, Senator Paul Douglas, Prof. Albert Einstein, Dr. Percy L. Julian, Col. Jacob M. Arvey, Eleanor Roosevelt, Bishop Bernard Sheil, Rabbi Stephen Wise, President Harry Truman, and with us tonight Judge Abraham Lincoln Marovitz and Barnet Hodes. They and all other former recipients—catalogued and recorded in our program at your places—have appeared on this platform in prior years to receive our thanks and appreciation, for all of them with Yates have a common bond—for all of them—like Yates, exemplify the truth that character—is the prime essential of greatness.

As an active participant in many of the social programs enacted under Presidents Kennedy and Johnson, Yates has made it a special goal to aid the elderly (our senior citizens), and to hear the cries of the weak and the wronged and he has used his legislative talent to lift crushing burdens from the brows of those who cannot plead for themselves. For in the Congress, he is the people's advocate, and his contributions have been positive and numerous; there—he has waged war against the common enemy—hunger, disease and apathy. There he has helped relieve human suffering by devoting his energies for equal opportunity in employment, housing and education. There he has encouraged the immigrant and the oppressed from other lands to migrate to America, the land of the free, and make a new beginning, And, in recent months, he has used his influence to help Soviet Jewry in its quest for freedom so that they too may begin a new life in the land of Israel—and since his election in 1948, inspired by the bold and courageous leadership of President Harry Truman, Yates has labored mightily for the welfare and security of this small but great democracy in the middle east—the State of Israel.

A member of the Appropriations Committee for 22 years, he also serves on the Transportation and Interior subcommittees. In this capacity, Yates continues to exercise his special skills, talents and learnings to defend the weak and to enlighten the confused. He has played a major role in protecting and improving our environment and ecology.

He is the true liberal with his goals and sights high, but with his feet on the ground. He has vision and courage in abundance. He is modest and humble.

His every action in the Congress is positive proof that he is conscious of the universal truth—that the struggle for human liberty is ceaseless and exacting and that only in a just world will all peoples find justice for themselves.

So this day, as in former years, we bestow our coveted award upon a citizen for distinguished service to humanity, believing that our award serves as an inspiration for the common good. He is eminently qualified for our award. He has grown to full stature, but his growth continues. His work for humanity over the years stands out like a beautiful tree, that bends with the wind and time but does not snap. He is a man of compassion and concern. He is a man of peace and reconciliation. By honoring him, we honor ourselves. We are all grateful beneficiaries of his achievements, and we are his respectful admirers. He is dedicated to the pursuit of justice. We owe him much and we applaud him. I am indeed privileged to be the instrumentality through whom this award is conferred.

Sid, on behalf of the Decalogue Society of Lawyers, of which you, yourself are a distinguished member, I am proud to present to you the 1972 Annual Award of Merit.

AWARD AND PRESENTATION PRESENTED BY CARL B. SUSSMAN ON BEHALF OF THE DECALOGUE SOCIETY OF LAWYERS

Award of Merit for the year 1972 presented to the Honorable Sidney R. Yates, Member House of Representatives, United States Congress:

For his forthright, imaginative and dynamic leadership and courage within the government of the United States in the unceasing struggle for progress and betterment for all people;

For his staunch support of the security and well being of the State of Israel as a free and democratic nation;

For his devoted efforts to fair treatment and equal opportunity in education, housing and employment to all segments of our society;

For his roll in preserving, protecting and improving the ecology and environment in which we live.

Chicago, Illinois, March 19, 1973.

Take this, Congressman, with our deep gratitude and carry on the good fight.

DRUG LEGISLATION

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. KEATING. Mr. Speaker, I would like to associate myself with the legislation introduced today by the gentleman from Florida (Mr. FREY) who, at the request of the President, is presenting to the House the Heroin Trafficking Act of 1973.

As a cosponsor of this legislation, I firmly believe that tough, mandatory penalties for those who engage in the trafficking of hard drugs is a necessary component of any effective program aimed at curbing widespread drug abuse.

We have learned over the past few years that individuals who sell hard drugs have now moved into suburban neighborhoods, high schools and grade schools, and virtually any location where a potential "market" exists.

In my judgment, persons who make it a profession to sell these drugs are among society's most hardened criminals, and a strong, comprehensive policy to deal with them by appropriate legal means must represent a positive step forward in the effort to protect society from those who cannot obey the law.

The legislation being introduced today goes further than mandating the imposition of tough penalties. The legislation being placed before Congress today would also place new restrictions of the conditions which could permit a drug pusher to be freed on pretrial release. The need for speedy trials is acute in this area.

This action is being taken in response to information which shows that in a large number of cases, persons charged with narcotics violations are being set free before trial only to continue their criminal actions until once again apprehended by law enforcement officers.

Mr. Speaker, the Heroin Trafficking Act of 1973 represents a vital step in the development of a comprehensive national policy aimed at strengthening the laws to deal with those who sell hard drugs.

Its enactment by the Congress would signal our own commitment to correct the problem of drug abuse, and to correct the problem by assuring that heroin trafficking carries criminal penalties which are commensurate with the gravity of that crime.

I urge the House to give its early consideration to this bill, in order to bring the full force of the law upon those who violate the law with their cruel and inhumane actions.

CUBAN REFUGEES DENIED U.S. ASYLUM

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. RARICK. Mr. Speaker, another cherished American freedom, the right of political asylum, may be destined to be discarded on the same trash heap as so many other rights and freedoms we Americans once cherished. Oppressed people throughout the world have for generations looked toward this country for sanctuary when tyranny threatened them in their native lands. Political refugees who seek to find in America their last hope for liberty have been sold out by the Department of State.

The most recent incident involves two Cuban fishermen who seized control of their fishing vessel March 8 in an effort to flee the Communist stranglehold on their country. Their taste of freedom was short lived, however, when the Immigration and Naturalization Service ordered them deported last week. The INS cited the "spirit" of the recent antihijacking agreement between the United States and Cuba. Apparently, three two young men are to be sacrificed as a "show of good faith" to Castro.

More than half a million of their anti-Communist countrymen have sought refuge in the United States since Castro came to power in 1959. Small boats and makeshift contrivances have been used by more than 14,000 Cubans to make the 90-mile voyage from the dictatorship. Not one Cuban political refugee has been refused entry into the United States or deported until now.

This dangerous trend toward closing the door to Cuban asylum actually began last year when a similar case involving the commandeering of another craft by three Cubans seeking escape from their island prison came to light. These men were ordered back to Cuba because of a legal technicality—they lacked the proper immigrant visa. When a person is fleeing for his life, he can hardly be expected to take time to make the necessary bureaucratic documentation.

No intelligent person would condone terrorists hijackings of aircraft or boats for political blackmail or other extortion. And it was hoped that the antihijacking agreement with Cuba would be a step toward preventing them. This agreement is clear in its protection of asylum rights for political refugees. It should be noted that this document is not a treaty, ratified in accordance with the constitution. Article IV of the February 15 accord states:

> The party into whose territory the perpetrators of the acts described in Article I (hijacking of air or maritime craft) arrive may take into consideration any attenuating or mitigating circumstances in cases where in the persons responsible for said acts find themselves persecuted for purely political reasons, or in actual or imminent danger of death and without any other viable means of abandoning their country, so long as no economic extortion or physical injury to the crews, passengers or other persons is involved in the abduction.

Fear that the agreement would endanger the haven Cuban refugees now find in the United States was expressed soon after the announcement of the signing by Dr. Manolo Reyes, well-known Cuban exile. Dr. Reyes' reservations were well founded. In the February 20, 1973 edition of Diario Las Amercas he writes:

> It is important that its (the anti-hijacking agreement) points be clarified, because the treaty is vague, ambiguous and contradictory, and represents a danger to Cuban refugees fleeing by boat across the Florida Straits. Furthermore, as we are dealing with a Cuban affair which Cuban exiles must consider odious, we must request Congressmen and Senators that respect Cuban interests to look into this matter.

The actions of the State Department are clear. In the name of normalizing relations with the Cuban Communist dictatorship and in abiding by the so-called spirit of the antihijacking agreement, the State Department is closing the doors of political asylum to Cuban anti-Communists. And in doing so, our Government has signed the death notices for thousands of remaining Cubans unable to escape.

I insert the following related newsclippings.

[From the Houston Tribune, Feb. 8, 1973]

CUBANS FACE DEPORTATION

(By Jay Mallin)

MIAMI.—Three unlikely Cubans—a fisherman, an electrician and a math teacher—are the center of a controversy directly bearing on relations between the United States and Communist Cuba.

Since Premier Fidel Castro came to power in 1959, more than half a million anti-Communist Cubans have sought refuge in the United States. More than 14,000 have braved the Straits of Florida in small boats and on makeshift contrivances in order to flee the Castro dictatorship.

Not one Cuban had been refused entry into the United States. Not one had been ordered deported back to Cuba. But here in Miami an Immigration Department hearing was held in December for the fisherman, electrician and math teacher and the three were ordered "excluded and deported from the United States to Cuba."

Why was this action taken? Ostensibly, on a legal technicality. But one should keep in mind that the United States and Cuba, through the good offices of the Swiss Embassy in Havana, were in the process of negotiating a hijacking treaty. The United States wants Cuba to return hijackers who force planes to fly to that country. Castro, in turn, wants the United States to return refugees who commandeer planes or boats in order to escape Cuba.

The United States, in the past, has always refused to return Cubans whom it feels are political refugees entitled to a safe haven in the states.

Alan Becker, attorney for the three Cubans, states: "Never has this country refused asylum to those asking for it, particularly when they are faced with physical persecution if sent back. I hope and trust this will not be the first time."

And Becker adds, "I don't think the United States should succumb to Castro's morality."

The fisherman in the group, Isidoro Alfaro Alvarez, had hidden two friends under floorboards of the fishing boat on which he worked. Also on board were the father and son who owned the vessel, but they did not know there were two stowaways.

Once the vessel was at sea, the stowaways emerged from hiding and with Alfaro seized control of the boat. One of them was armed with a knife and a pistol that couldn't fire.

They sailed to Key West, where they were picked up by the Coast Guard. The father and son were released and permitted to sail their boat back to Cuba.

The other three men, however, instead of receiving the routine processing usually given to Cuban refugees, found themselves in jail in the town of Miami Springs. The United States had decided to make theirs a special case. The hearing was held—they had to stay in jail almost a fortnight—and they were ordered deported.

The reason for the deportation order was a flimsy one: the three were "not in possession of a valid, unexpired immigrant visa, reentry permit, border crossing identification card or other valid entry document." The special inquiry officer did not mention the fact that probably thousands of other Cubans have come to this country without any proper documentation.

Nor did the Immigration Department care to consider the men's assertion that if they are returned to Cuba they will face jail and possibly death. Said the inquiry officer, "There is no authority in exclusion provisions of the statute for consideration of a claim that an excluded alien will be subject to persecution if returned to the country from where he came."

The three men are now free on bond. Their case has been appealed to Washington. Will the United States persist in punishing three men for trying to flee tyranny?

Lawyer Becker says: "Hopefully the government will find its conscience. The government put itself on the spot. There was no treaty and there was no need to sacrifice these men to get one."

[From the Washington Star, Mar. 20, 1973]

U.S. CITES HIJACK PACT IN BARRING TWO

(By Bernard Gwertzman)

Citing the "spirit" of the recent Cuban-American antihijacking agreement, the United States has refused to grant safe haven to two Cuban fishermen who had briefly seized control at sea of their nine-man Cuban fishing boat.

The two defectors were expected to repeat their request for asylum today, however.

The fishermen, while being transported back to Cuba, jumped overboard Sunday night off Key West, Fla., and were reported by Cuban exile groups to be hiding in Florida.

A State Department spokesman said yesteday that although last month's agreement with Cuba on combating hijacking did not seem to fit this case exactly, the United States decided that the actions of the fishermen violated the "spirit" of the agreement and made it impossible for them to be granted asylum here.

As related by State Department officials, the two men, Orlidio Hernandez Perez and Heriberto Caridad Perez Martinez, both in their 20's, took control of the boat, the Gayo Largo, on March 8, and at pistolpoint locked the captain and the other crew members in the hold.

They tried to sail the boat to Mexico, but lost their bearings and released the crew. Then the boat ran out of gas and the Coast Guard pulled it into Key West.

There the two crewmen asked immigration authorities to be allowed to stay, but were refused. When the boat sailed for Cuba they jumped ship rather than face Cuban penalties for hijacking.

Yesterday the anti-Castro exile group Executive Committee for Liberation, headed by Tomas Cruz, said the group has picked up the two defectors and was hiding them until it was given assurances that they would not be returned to Cuba. (Cruz told newsmen last night that the two would voluntarily surrender to U.S. immigration authorities today and seek asylum, UPI reported.)

Under the antihijacking agreement signed in Washington and in Havana on Feb. 15, the two countries are obliged either to extradite or to seek "severe punishment" in their own courts of any hijackers who commit "acts of violence" on planes or boats from one country to the other.

The agreement allows either country to consider mitigating circumstances in cases where persons charged with political crimes are "in real and imminent danger of death without a viable alternative for leaving the country."

THE NAVY-GRUMMAN AIRCRAFT CO. CONTRACT

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ASPIN. Mr. Speaker, the Grumman Aircraft Co., already in deep trouble with the Navy over the F–14 jet fighter program, has also encountered at least $52 million and possibly much higher contract cost increases as part of its Hawkeye warning aircraft program. A comparison of the original contract price and current estimates appears to indicate a $161 million increase, but the Navy claims that it is not a real increase. These cost increases are related to the research and development of the plane and the purchase of the first 11 aircraft. Apparently, Grumman's bad performance on the F–14 is being repeated on the Hawkeye program.

The Navy's most recent report made available to Congress concerning the E–2C indicates that the cost of the development contract and the first procurement contract for 11 planes has increased a total of $161 million. While, apparently, the Navy does not dispute the $52 million increase in development costs, they claim that at least part of the $109 million in the procurement contract is the result of the addition of items of support and is not really a cost increase. As a result, I have asked the General Accounting Office to conduct a special investigation of the entire E–2C program to determine the exact cost of this contract.

At least $28.8 million of cost increases on the program have been the result of the Navy's decision to pay a larger part of Grumman's overhead as a result of the company's reduced business base. I am also asking the General Accounting Office to investigate whether Grumman was legitimately entitled to increased overhead payments.

Frankly, Mr. Speaker, I am suspicious that the Navy has given Grumman an unwarranted helping hand on a troublesome contract and concerned that this so-called increased overhead may be related to problems on the F–14. Specifically, I am asking the GAO to determine whether these increased overhead payments might really be used to help pay for the troubled F–14.

It is also important to remember that the Navy's estimate of the cost of this program has more than doubled since 1967 from $426 million to $873.8 million. According to the book entitled "Program Acquisition Costs by Weapons Systems," prepared by the Comptroller of the Defense Department, 19 Hawkeye planes were approved in fiscal years 1972 and 1973 and the Pentagon is requesting an additional nine planes in this year's budget. It is not clear whether additional planes will be requested or not.

According to the GAO the causes of this spectacular cost overrun have been Navy revisions of cost estimates, engineering changes, schedule delays, the Navy's assuming a larger share of the contractor's overhead, and inflation.

In addition, the Navy in its test of the new plane has also encountered 29 major technical deficiencies in the aircraft, but Grumman is reportedly working to correct all deficiencies.

These cost overruns are the first indication that Grumman's problems are not limited to the F–14 but rather that the company is having difficulty in its aircraft procurement programs. The GAO should completely review this program to make sure that all payments to Grumman have been in accordance with the contract and that the company is not using any extra money to pay for problems on the F–14.

A CRAM COURSE IN AMERICAN GOVERNMENT

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. CLANCY. Mr. Speaker, it is my distinct pleasure to announce the presence in Washington this week of 58 fine high school seniors from Cincinnati.

They are here, participating in the second annual congressional scholarship program sponsored by Congressman WILLIAM J. KEATING and myself through the cooperation of the Greater Cincinnati Chamber of Commerce. While they will spend a few hours looking at the many historical attractions of this Nation's Capital, they will be mainly occupied in listening to and talking with Government officials and persons vitally concerned with American Government.

Many of my colleagues and leaders in this House have taken a few minutes of their valuable time to meet these young people and I thank them for that because it is important that these future citizens learn face-to-face about the mechanics and personalities of their Federal Government. Additionally, these seniors have met with members of committee staffs, the executive and judicial branches of Government, and the special interests, or lobbyists, so that they might gain a more comprehensive education about Government operations.

These youths were not selected solely because of scholarship or popularity. Each high school selected a senior according to his or her scholarship, leadership, activities, citizenship, but most of all, because of his or her interest in government.

We feel that they are above average high school students who have the potential for being leading citizens in the future. They, their schools and their sponsors from the Second Congressional District are:

LIST OF SCHOOLS, STUDENTS, AND SPONSORS

Aiken High School—Becky Jones, Greg Rooks, Whiteway Manufacturing; Colerain High—Marla Jelen, Student Council; Elder High—Edward Huber, Gary Jeffcott, Elder Welfare Association and Amity Advertising; Finneytown High—Ellen Roberts, Parent Teachers Association; Greenhills High—Larry Evans, Keystone Savings and Loan Association.

William Henry Harrison High—Vince Dougoud, School and Clubs; Hughes High—Terrie Anna Smith, Anthony Bowden, Kroger Company and Cincinnati Retail Merchants Association; LaSalle High—Thomas Osterday, LaSalle High School; McAuley High—Jacki Russell, McAuley Mother and Dad Club; Mother of Mercy Academy—Karyn Schlueter, High School Parents Association.

Mount Notre Dame—Mary Breen Wood, School and Parent Teachers Association; Mount Healthy High—Holly Higgins, Daniel J. Schenke, Parent Teachers Association and American Legion; North College Hill High—Mark Discepoli, Junior-Senior Parent Teachers Association, North College Hill Women's Republican Club, North College Hill Republican Club and North College Hill Democrat Club; Oak Hills High—Gregory Reece, Jacqueline Eagan, Oak Hills Kiwanis and Parent Teachers Association.

Seton High—Jennifer Riegler, Mom and Dad Club; Taft Senior High—Jacki Billings, Greater Cincinnati Jaycees; Taylor High—Philip J. Siegel, Three Rivers Jaycees; Western Hills High—Elaine Perkins, Theresa Rusyn, Westwood Cheviot Kiwanis and Price Hill Kiwanis, and Wyoming High—Marcy Toney, Parent Teachers Association.

The chaperones are Jim Jurgens, Bob Wagner, Steve Baker, Joe and Sue Suhre, Major McNeil and John Morley.

ALLEN M. TROUT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. CARTER. Mr. Speaker, the late Allen M. Trout was known as the knife-swapping, yarn-spinning, gourd-growing writer in residence at the Louisville, Ky., Courier-Journal for many years. Through his daily column "Greetings," he dispensed tales of life along the backroads of Kentucky which often served as lessons in human behavior.

At this time, I have the pleasure of sharing with my colleagues an article by that esteemed author, the late Mr. Trout, as it appeared in the "Taylor's Tales" column of the Glasgow, Ky., Republican for February 22, 1973.

The story of Miss Grace Butte's goose is one of many produced during Mr. Trout's tenure at the Courier. Its plot is simple, yet its lesson remains valuable to us all in our ceaseless effort to accommodate change.

The article follows:

TAYLOR TALES

(By Stanton Taylor)

Written for Wednesday morning, January 1, 1964: "The silver anniversary of greetings is at hand today. But I shall not invoke the privilege of the occasion and claim silver. Instead, I shall bide my time to March 12, 1971, when upon the propitious publication of my 10,000th column, this remarkable newspaper has promised me a gold cadillac. Oh, I have the silver at hand. But, human like, I prefer to reach for the gold in the bush.

"Yes, it was 25 years ago this day—January 1, 1939—when I started this fearful forum in an unguarded moment of unwarranted optimism. Few, indeed, are newspapermen who can look back across 8,000 daily columns and nearly 4,000,000 words in a continuous stream of what is euphemistically called consciousness.

But I can, and it numbs me. Things have run together in my mind. What I think is 10 years ago turns out to be 15. I will think of something as yesterday and it is yesteryear. The only two things I know for sure are that I am 25 years older, but I am not 25 years smarter. I seem to have dropped more than I picked up. When baffling things enter my mind and come out on paper the essence of simplicity, it is only because I have lost the power to take the problem through all the correct but complicated processes of solution.

"A remarkable goose at Science Hill in Pulaski county was hatched out in the spring of 1939. This goose, owned by Miss Grace Butte, is as old as this column. Mrs. Sarah Jasper, Science Hill, knowing my peculiar interest in the aged fowl, kindly keeps me abreast of the bird's slow waddle toward the sunset. In her last report Mrs. Jasper wrote:

"'Back in October Miss Grace had a big light installed in her back yard, making night as bright as day. For the first few nights the old goose walked the yard, fretting and talking to herself. But she finally had to accept new things as new. So she gave up and started going to bed at night as usual.'

Just so with your valiant columnist, I was born in the horse and buggy era, and learned to read by a coal-oil lamp. In 1939, I could look back across more progress than had occured in a thousand years. But from 1939 to 1964 have occurred the miracles of electronic computation, television, human exploration of outer space, the atomic and hydrogen bombs, travel faster than sound, and telstar."

"Since 1939 have occurred World War II, the Korean Conflict, the ascendancy of colored races, the cohesion of Russia and the United States in enlightened self-interest, and the assassination of a president of this republic in his own country at high noon in a crowded city.

"It is simply too much for an ordinary man to assimilate. Like my ancient feathered contemporary in Pulaski county, I have learned to accept new things as new and then go on to bed and sleep."

REMARKS OF DR. LOWELL BENNION ON PROBLEMS WITH THE PRESIDENT'S PROPOSED BUDGET

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. OWENS. Mr. Speaker, since becoming a Member of this body 10 weeks ago, I have undertaken the practice of holding regular town meetings in my district to which I have invited local community members to express their feelings and to pose questions to me as their Congressman.

Over the last 2 months these meetings have dealt largely with the implications of the President's fund impoundments and his budget projections for 1974.

In addition, I have received many letters—mounting into the hundreds—protesting the abrupt, insensitive manner in which programs which Congress has passed to redress economic and social wrongs and inequities, have been summarily killed by presidential directive.

A letter which I received from Dr. Lowell L. Bennion, executive director of the community services council, Salt Lake area, shows particular understanding of the situation confronting us. The questions he asks are very basic and must be answered before Congress endorses the President's proposals.

Dr. Bennion has a distinguished background in both religious and secular education and is one of the most respected social service leaders in the State of Utah. I am inserting Dr. Bennion's letter in the RECORD to make it available for all Members to read:

COMMUNITY SERVICES COUNCIL,
SALT LAKE AREA,
Salt Lake City, Utah, February 20, 1973.

Hon. WAYNE OWENS,
Cannon House Office Building,
Washington, D.C.

DEAR WAYNE: Congratulations on your meeting at the City Chambers. You were candid, sincere, good-humored, well organized, respectful, even patient. I was pleased to be there and to sense the accumulated effect as well as hear individual pleas.

May I just add my own input very briefly—points I would have made had the audience remained.

(1) What is the alternative to the programs the President has cut, e.g. housing, head-start, unemployment, manpower training, mental health? (We have held the naive assumption in this country that if we leave the economic system alone, all other problems will be solved. "Hold down inflation and all else will be ok." The truth is that our economic system has created or contributed largely to social problems such as unemployment and urban slums.) I am for free enterprise, having lived in Europe, but the 20 per cent who cannot compete successfully in our system, need alternatives to give them dignity and a meaningful role.

(2) Revenue sharing has limitations:

(a) It is not nearly enough to compensate for cutbacks in *human* areas.

(b) A transition period is needed.

(c) Local politicians, like the President, can and will channel this money into tax reduction, police force and are not likely to remove the causes of crime, poverty, mental illness.

(3) If we don't become generous in trying to prevent social ills, we shall never get the upper hand. The more we cut back on social programming, the more we are prone to deal only with symptoms.

(4) In America, we glorify material values on T.V., in movies, in advertising—and unconsciously children, youth, and adults are inculcated with materialistic goals and values. At the same time, the uneducated, impoverished, lower socio-economic class is denied the *means* of reaching these goals. No wonder they turn to drugs and crime and sex to compensate.

In my new job in the Community Services Council, I shall be looking at social problems with some intensity and specificity. If we get any insights into the local situation, I'll pass them on for what they may be worth.

Be assured of my interest and support of your efforts. Let me know, where we can assist.

Sincerely,

LOWELL L. BENNION,
Executive Director.

A GREAT DAY, WITH TEARS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ROSTENKOWSKI. Mr. Speaker, this month, the city of Chicago lost one of its biggest boosters. It was forced to say goodby to a man who had given more of himself just to his city, than most of us are capable of giving at all. Yes, when John McNulty passed away, Chicago lost one of her greatest citizens. I lost a very dear friend.

Most of the stories of this man and his good works will probably go untold. But then, that is the way he would have liked it.

David Condon, award-winning sportswriter for the Chicago Tribune, has, in my opinion, captured the true spirit of John McNulty in a recent column. Because I feel that it accurately embodies both the warmth and the strength of the man, I would like to insert the article in the RECORD at this point for my colleagues' attention:

A GREAT DAY, WITH TEARS

(By David Condon)

LOS ANGELES, March 16.—The bad luck of the draw will have me spending St. Patrick's Day out here, where an Irishman is in uniform on March 17 if he wears a green chili on his leather motorcycle jacket. It's just as well. Tomorrow really isn't going to seem like St. Patrick's Day in the County of Cook.

No, it won't seem a real St. Patrick's Day in Chicago. Not with a trio of the regulars moved on to that great big patch of Ireland "way up there among the angels".

Smiling Irish eyes will be tinged with dew when Ed Moran and Pat O'Malley and Joe Meegan and the other laddies convene in Lattner's and Tommy O'Leary's tomorrow to warm up for the wearin' o' the green down State Street.

There will be tears aplenty between toasts to the good saint. The tears will fall as the laddies whisper their aves for Gabby Hartnett, Steve Lamb, and John McNulty, who will be marked absent this St. Pat's Day and forever more.

Maybe someday there'll be another Gabby Hartnett. Somewhere, if a rare mold is rediscovered, there could be another Steve Lamb. There isn't ever going to be another John McNulty. Not in Bridgeport, Beverly, or anywhere.

I have many pleasant memories of Gabby Hartnett and Steve Lamb. I cherish a treasure house of memories about John McNulty, head of the Board of Local Improvements. When it came to charity, John's big heart and big pocketbook always were open.

John always was the first to call and ask what could be done to help the Special Olympics for the Mentally Retarded. But no publicity, please.

Weeks before his death only a few days ago, John renewed an annual ultimatum to me: "Put me down for 50 top-priced tickets to the All-Star football game."

Then as always, John McNulty added: "You got any charitable projects that need some help?" Once John asked that when I was lunching with Gabby Hartnett, and Gabby mentioned his pet project—Father John Smyth's Maryville Orphange for lads and lassies. John's check was forthcoming, pronto.

A while back I asked John McNulty what he did with his stack of All-Star tickets. "Oh, I can use 'em in business," said John, "tho often I forget about 'em and they turn up in some suit coat about two months after the game."

John McNulty was generous. He was loyal, to his friends, neighborhood, and city. Tho John McNulty must have learned in geography class that there were other cities besides Chicago, he never really believed it.

Most of all, John McNulty was proud. We were cutting up touches in one of his downtown offices—either the Shangri-la or Fritzel's or the Celtic Bar, because John was a man about town as well as a man about the old neighborhood—and I said: "John, you must be awfully proud of all the money you've made."

"Kid," said John McNulty, "I'm more proud of the money I've turned down."

In a time that now seems too long ago, The Tribune's late golf editor, Charlie Bartlett, told me: "I just talked to John McNulty. He's with his brother, Ed, and Jimmy Hart and Marty Hogan and Joe Wosik, and none of 'em are about to let Chicago lose that golf tournament that George May is quitting at Tam O'Shanter.

"If they can clear the dates, the McNultys are going to put on the same tournament at their Gleneagles club."

So that's how it happened that for two years the fabulous Chicago Open, won both times by Ken Venturi, was played at Gleneagles, summer home of the Upside Down Club and the Hamburgs.

Promoting a major golf tournament is no easy job. Certainly not when you start from scratch a few weeks before post time. But no one ever received more help from their friends than did the Bros. McNulty, Wosik, et al.

Every policeman in Chicago must have volunteered to assist with parking and ushering. Every badge wearer along the fairways and greens seemed to be a fireman. John Carmichael, Jim Mullen, Tom Kouzmanoff, Jim Kearns, almost every writer in town churned out stories on the McNulty Gleneagles tournament.

Marty Hogan and Tom Haviland and Bill Lee kept the WCFL airways flooded with publicity. Bud Rodi, now gone, commandeered the official scorers.

I hate to feel sad on a St. Patrick's Day. But John McNulty would want me to drop a tear. Not for him, because John disliked personal emotion. But John McNulty would want us Irish to cry for the now gone Celtic Bar, Fritzel's and Shangri-la, where so many of us had so many good times. Will the Shannon Rovers play a dirge while the banshees shriek?

DANIELSON SAYS BIG CARS CAUSE MANY PROBLEMS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ANDERSON of California. Mr. Speaker, one of our colleagues from the Los Angeles area, Congressman GEORGE E. DANIELSON, appeared before the Transportation Subcommittee of the Committee on Public Works today to propose a unique addition to the 1973 Highway Act, which is now under study. As a member of that subcommittee, I felt that this proposal to study the relationship of car size to many of our current transportation, pollution, and fuel resource problems deserves to be brought to the attention of all of the Members.

Therefore, I insert Mr. DANIELSON's testimony in the RECORD at this point:

STATEMENT OF HON. GEORGE E. DANIELSON, 29TH CONGRESSIONAL DISTRICT, CALIFORNIA, BEFORE THE TRANSPORTATION SUBCOMMITTEE, COMMITTEE ON PUBLIC WORKS, U.S. HOUSE OF REPRESENTATIVES

My purpose in testifying here today is to urge the Committee to make provision in the Federal-Aid Highway Act of 1973 for a study of the relationship of car size to many of our current transportation, pollution, and fuel resource problems. I am proposing that language be included in the Highway bill similar to that embodied in H.J. Res. 301 which I have introduced.

GERMANENESS

First, I would like to point out that this proposed study would not be out of place in the Federal-Aid Highway Act of 1973. Clearly, it relates to the purposes for which Federal Highway funds are used. Also, I note, that the Senate version of this legislation, S. 502, makes provision for several studies, including a "Highway Litter Study," a "Study of Toll Bridge Authority," and a number of other studies under the heading of "Feasibility Studies."

The study I propose would describe and define the relationship between automobile size, on the one hand and, on the other, the need for additional highway construction, the frequency of highway repairs, the lack of adequate parking in urban areas, motor fuel consumption, which is directly related to our critical fuel shortage, and, of course, the pollution of the air. The need for such a study is urgent, and I do not use the term "urgent" lightly.

There is a significant and growing body of evidence that our big American cars, because of their size, weight and power, consume more of our irreplaceable petroleum and mineral resources than is necessary, take up more space than is necessary, and are more likely to get into an accident than a smaller car, and even cause more pollution than is necessary. We need more evidence on this subject. As we continue to allocate federally-collected revenues to highway uses we should have enough hard facts on the subject so that we can make sound judgments as to whether we are using our resources as wisely as possible, or whether we should make changes in our policies with respect to the size of motor vehicles.

THE FUEL SHORTAGE

The fuel shortage has passed the stage of being worrisome—it is critical. America's need for fuel has outstripped her available resources so far that we have been a fuel-importing nation since 1963. America is literally, "running out of gas." We no longer can afford automobiles that consume gasoline at the rate of 8 or 9 miles to the gallon, when it is reasonable and possible, and is well within the state of the art, to have automobiles which will give us 20 or 25 miles to the gallon.

For example, I have been informed that, based upon actual data as to gasoline consumption during 1969, 1970, and 1971, and the first 6 months of 1972, southern Californians will consume an estimated average of 400,000 barrels of automobile fuel per day during 1973. This does not include fuel consumed for other non-automotive purposes such as diesel engines in trucks and buses, aircraft, locomotives, the generation of electricity, industrial uses, propane or anything else. There are an estimated 11 million people in this region of California. With 42 gallons of fuel per barrel, this means that we are consuming 1½ gallons of automotive fuel every day for every man, woman and child in Southern California; that is, for EVERYONE, including infants and centenarians.

Assuming that the average automobile in that area consumes 1 gallon gasoline for every 12.5 miles traveled, which is the national average, then we can figure that all of the cars of Southern California will travel a total of 210 million miles every day, and most of this is on the freeways and city streets.

On the other hand, it is within our present engineering capability to produce and use smaller autos which can get as much as 25 miles to the gallon. With no reduction in total miles traveled, this would result, under the figures I have mentioned, in a savings of 8,4400,000 gallons, or 200,000 barrels of motor fuel per day, a most substantial savings of our irreplaceable natural resources.

The Environmental Protection Agency has stated that an increase of only 500 pounds in car weight can decrease an auto's miles-per gallon by 14 percent, and that a 5,000 pound automobile consumes 100 percent more gas than its 2,500 pound counterpart. EPA has also estimated that if the weight of automobiles were limited to a maximum of 2,500 pounds, the total projected gasoline consumption for the year 1985 would be reduced to the level which is now estimated for 1975. This in turn would reduce crude oil imports by 2.1 million barrels per day in 1985 and would reduce our projected balance-of-payments deficit by more than $2.3 billion annually at current prices.

The automobile industry has blamed the decrease in fuel economy of our cars on emission controls. The Environmental Protection Agency, in a study entitled "Fuel Economy and Emission Control" has refuted this charge in part and has shown that loss of fuel economy attributable to emission controls is only about 7 percent. The major cause of the increased fuel consumption, according to EPA, is increased weight. For example, the 1958 Chevrolet Impala weighed 4,000 pounds and got 12.1 miles to the gallon. A comparable 1973 Chevrolet Impala weighs 5,500 pounds, and gets only 8.5 miles to the gallon.

When I inquired on this subject to the Department of Transportation nearly a year ago, Secretary Volpe responded that—

"If it can be assumed that small cars have the same travel patterns as the standard American car, then the difference in air pollution becomes a function of the difference in fuel consumption. The small car consumes considerably less fuel because of its much lower weight. There is probably an added advantage in that fewer of them have automatic transmissions, power brakes, power steering and air conditioning. I am not sure to what extent this applies to the American made subcompacts."

AIR POLLUTION

This brings me to the subject of air pollution. As you well know, Southern California is the first region of the nation to be confronted with the grim prospect of transportation controls being imposed in order to bring the level of air pollution in line with Federal standards.

EPA Administrator Ruckelshaus has stated that ". . . if all available measures are taken to reduce reactive hydrocarbon emissions from individual motor vehicles are stationary sources, the ambient air quality standard for photochemical oxidants will still be exceeded in the (South Coast Air) basin approximately 90 days per year in 1977 . . . between the months of May and October . . ." and that a reduction of over 80 percent in vehicle miles travelled will be required to achieve compliance with 1977 air quality standards. Right now this is Southern California's problem, but it will not be too long before other regions of the nation are confronted with this disaster.

It has been estimated that up to 75 percent of vehicle miles travelled in southern California are work-related; obviously vehicle miles travelled cannot be reduced by 80 percent in order to achieve air quality standards. The solution is unacceptable; it would destroy the economy of Southern California; it would create a national disaster. Even a superb system of mass transportation in southern California, if there were one, or if one could be constructed before 1977, would be unlikely to reduce automobile traffic by the required 80 percent. It would help, but it would not meet the need.

Car size enters this picture. Our current emission regulations specify the maximum amount of pollutants a motor vehicle will be allowed to emit per mile; it establishes a ceiling. If Detroit succeeds in developing emission controls adequate for the 1975 standards, chances are that the cars will pollute at a rate very close to the maximum allowable. If emissions are to be further reduced below the ceiling, then engine size will probably have to be reduced.

It is more than coincidence that the engines which now meet the 1975 standards are small car engines. These are the Honda CVCC, the Mazda rotary, and the Mercedes-Benz diesel engines. Honda Motors, for one, claims that their engine can also be equipped with external pollution control devices, such as the catalytic mufflers which Detroit is working on. An engine such as this, which already meets 1975 emission control standards, would be even cleaner with the addition of a catalytic muffler.

The American automobile industry has made some amazing progress in developing catalytic mufflers. They have accomplished what many said was impossible, even though they are still far from success. But, in addition to our fuel consumption problems, it seems that engine size also bears significantly on our pollution problems. It may be that we will have to retreat from our air quality standards to a certain extent, but how much we retreat may very well depend upon the size of our automobiles.

HIGHWAY SAFETY

I also note that car size is a significant factor in highway safety, and safety concerns us all. Small cars have less accidents, as evidenced by statistics and also by the fact that insurance companies have lower rates for small cars. For example, a 1969 study of accidents on the Garden State Parkway in New Jersey showed that, while small cars comprised 35 percent of the total number of cars using the parkway, they were involved in only 24 percent of the accidents. When small cars are involved in accidents, the injuries to the occupants are usually more serious, but I suspect that this is because the odds are two-to-one that when a smaller car collides with another vehicle, it will collide with a larger vehicle, if only because there are twice as many large vehicles. A collision between two small cars would not result in as serious an injury as would a collision between a small car and a larger car. Additionally, in a collision with a fixed object, it appears that occupants of small cars fare no worse than the occupants of big cars.

URBAN PARKING

In addition to considerations of pollution, fuel consumption, foreign trade deficits, and highway safety, the size of cars is also a factor in the overcrowding of city streets, and the lack of adequate parking in our urban areas. Right now, because of the size of cars, the average parking stall is 18 feet in length, while a suitable stall fpr small cars is 15 feet.

Thus, designing for small cars would give us about a 15 percent increase in available parking spaces. We also know that vehicle weight is a factor in the severity of damage to road surfaces and how often our highways must be repaired or resurfaced.

CONCLUSION

I am convinced that we need a study in order to bring together all these facts and bring out a few facts we don't now have. We need to look at the problem from every possible angle, and to balance the competing interests and considerations, so that we can take the action which best serves the public interest. The language I am proposing requires that the needs of motor vehicle users be considered, as well as the problems of the automobile manufacturing industry, motor vehicle insurers, and the various supporting industries.

My proposal calls for funding the study at $2 million, which the Committee may, in its wisdom, see fit to change. I am not wedded to the details of this proposal. I am however, convinced of the need for a study such as this because we cannot make sound judgments without sound information, and nothing even close to it exists. This is a task which demands the immediate attention of the Federal government. I strongly urge you to include provision for such a study in the Federal-Aid Highway Act of 1973.

U.S. GRAIN SALES TO THE SOVIET UNION AND THE GREAT UKRAINIAN FAMINE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. RARICK. Mr. Speaker, it is ironic that the historic U.S. grain sales to the

Soviet Union fall on the 40th anniversary in Ukraine. History records that it was in 1932 and 1933 when Soviet leaders forced the Ukrainian farmers into collective farming. When the Ukrainian farmers protested, the Soviets retaliated by confiscating most of the farmers' grain and imposed a famine which took the lives of 7 million Ukrainians, mostly women, children, and the aged.

The oppressed plight of the Ukrainian people continues to this day, including the refusal of the Soviets to grant the Ukrainian people self-determination and self-government, anti-Christian religious persecution, suppression of Ukrainian free speech, free press and intellectual incarceration.

Coinciding with the U.S.-Soviet grain sales, the 40th Anniversary of the Ukrainian famine and the 50th anniversary of the Bolshevik revolution Americans of Ukrainian ancestry have presented a petition to the International Court of Justice in the matter of violations of the universal declaration of human rights of the U.N. and the persecution and imprisonment of innocent people of Ukraine.

I insert the petition of the Women's Association for the Defense of Four Freedoms for Ukraine, Inc.:

INTERNATIONAL COURT OF JUSTICE; PEACE PALACE: THE HAGUE, NETHERLANDS

In the Matter of Violations of the Universal Declaration of Human Rights of the United Nations and the Persecution and Imprisonment of Innocent People in Ukraine

Because the nation of Ukraine is imprisoned and those who purport to represent Ukraine in the United Nations, in international, external and internal affairs and who wear its badges of civil authority are enemies of the people of Ukraine and cannot possibly represent their welfare or best interests, and,

Because the people of Ukraine have no one clothed with the external symbols of authority to speak for them, and,

Because of the long standing, continuous and present intolerable violations of the United Nation's Declaration of Human Rights, including the current increased persecution and imprisonment by agents of the government of the USSR of innocent people, and,

Because of the eloquent silence of the leaders of all other nations effectively to speak in behalf of the people of Ukraine,

Now therefore, comes Ulana Celewych, supported by the signatures of 5,000 Americans of Ukrainian background, and as president of Women's Association for the Defense of Four Freedoms for Ukraine, Inc., and also in behalf of American Citizens of Ukrainian descent and petitions the above Court as follows:

1. Women's Association for the Defense of Four Freedoms for Ukraine, Inc., is a duly authorized non-profit corporation in the State of New York with more than 3,000 members in 30 branches in major cities of the United States. There are more than two million citizens of the United States of Ukrainian descent with strong ties of family and blood with the people of Ukraine.

2. Ukraine is the largest of the non-Russian nations of the USSR with a population of forty-eight million. Historically, Ukraine was a free state and played an important role in the life of Eastern Europe as early as the Ninth Century. Russia's desire for expansion and the invasion of Ukraine by the tzar's armed forces was the cause of Ukraine's downfall.

The Ukrainian people now, as in the past, are determined to be free, to guide their own destiny in their sovereign state.

In this spirit, in the year 1917, when the revolution broke out in Russia, Ukrainian leaders called a Ukrainian National Congress in March, 1917 in Kiev, the capitol of Ukraine, which elected a Ukrainian National Council (Ukrainian National Rada). The Ukrainian National Council was recognized as the Ukrainian government by a majority of the people of Ukraine (by the Congress of Ukrainian Armed Forces, by the Congress of the Ukrainian Peasant Party, and by the Congress of the Ukrainian Labor Party). On January 22, 1918, the Ukrainian National Council proclaimed Ukraine as an Independent State.

Russia immediately thereupon sent her armies into Ukraine and the Ukrainian government faced a bloody war with Russia, completely unarmed and unprepared. At this time, the Ukrainian government was recognized by approximately thirty-five foreign powers, England and France being the first to grant recognition.

On February 9, 1918, a Peace Treaty of Brest Litovsk was signed between the Ukrainian government and the Central Powers. On September 10, 1918 in Kiev, the Russian government under Lenin's leadership recognized Ukraine as a Sovereign State and signed an Armistice. Under this document, Russia agreed to withdraw her armies from Ukrainian territory and further agreed to respect the right of Ukrainian sovereignty. As in the past, Russia did not respect the Kiev agreement. The war continued. After three years of fighting and subversive activities, Russia conquered the Ukrainian Armies and occupied the territory of Ukrainian State.

Against the will of the overwhelming majority of its people Ukraine was forcibly incorporated into the USSR as the Ukrainian Soviet Socialistic Republic with a Soviet-type government and parliament. The Soviet Constitution gave Ukraine the right to withdraw from the "Federation" upon its own volition. During the past fifty years the people of Ukraine have repeatedly made heroic efforts to be free and independent of the government of the USSR. These efforts were ruthlessly crushed by the USSR despite Article XVII of Chapter II of the Constitution of the USSR which gives the right "freely to secede" to any nation of the Soviet Union.

3. During the past fifty years millions of innocent people in Ukraine, for the "offense" of not accepting the Communist way of life, have been persecuted and imprisoned by the agents of the government of the USSR Ukraine, a nation which accepted Christianity in the year 988 and with 1,000 years of a deep Christian tradition, opposed the forcible imposition of Atheism. Russia retaliated with mass arrests of Ukrainian Orthodox church hierarchy (28 archbishops and bishops) in the years 1926–1929. In the years 1945–46 the Ukrainian Catholic Church was liquidated and its hierarchy arrested (10 Archbishops and Bishops). Churches, monasteries, theological seminaries were closed and religious life suppressed.

In 1932–33, the Ukrainian farmers faced forced Collective Farming. When they protested, Russia retaliated confiscating most of the grain and imposing a famine which took the lives of seven million Ukrainians.

In 1937–38, Ukrainian intellectuals rejected the Russification of Ukraine and because of this thousands were arrested, persecuted and brutally murdered. Many were imprisoned for expressing their objections to injustice and to the ruthless destruction of human rights in Ukraine by the USSR despite the Soviet Constitution (Chapter X, Article 125) which guarantees every citizen "freedom of speech" and "of the press" and also Article 127 of the same Chapter which states, "citizens of the USSR are guaranteed inviolability of their person."

The Ukrainian Insurgent Army and Organization of Ukrainian Nationalists opposing Russian domination, fought Russia during World War II and for five years thereafter. Here again, over three million Ukrainians were committed to concentration camps, murdered or deported to Siberia.

4. Although from 1963 to the present, alarming numbers of arrests were made, new waves of arrests in Ukraine by agents of the government of the USSR have been increasing in this current year of 1972. Arrests of Ukrainian intellectuals, writers, literary critics, professors, students, scientists and representatives of every strata of society were made for "anti-soviet agitation and propaganda." In reality this "propaganda" consisted on petitions, appeals and letters submitted from concentration camps by prominent political prisoners and prominent Ukrainians at home to the Communist party and government officials of Ukraine and USSR bringing to their attention the questions of terror, Russification, and violations of constitutional and human rights. Since there is no free press in Ukraine, the above mentioned arrests and persecutions were published in the self-sponsored (samvydav) magazine, the Ukrainian Herald. The Ukrainian Herald can be compared with the Chronicle of Current Events published in Russia.

Among the victims of this new wave of arrests on January 11, 1972, who have tried to live under Soviet Law are *Vyacheslav Chornovil,* writer and author who protested to the Presidium of the Supreme Soviet of UKR. SSR against the barbarous desecration of cemeteries in Ukraine and in the City of Lviv (Western Ukraine) the demolition of military graves with a bulldozer; *Ivan Dziuba,* author *Internationalism or Russification; Ivan Switlychnyj,* literary critic; *Wasyl Stus,* poet; *Ihor Kalynec,* poet; *Irene Stasiv-Kalynec,* poetess; *Stephany Shabatura,* artist and designer; *Stephanie Hulyk,* mother of an eight month old infant and member of the association to preserve historical monuments; *Raisa Moroz,* wife of Valentyn Moroz, whose fate is unkown; *Nina A. Strokata-Karavanskyj, Mrs.,* arrested December 8, 1971 in Odessa for refusing to divorce her husband, Sviatoslav Karavanskyj, and for supporting him and refusing to condemn him; *Yuriy Shukhevych,* the son of the former commander-in-chief of the Ukrainian Insurgent Army (APA); *Roman Shukhevych-Taras Khuprynka,* for not condemning his father in 1948, he was sentenced to 20 years of imprisonment at the age of 15. He was released and arrested again on January 11, 1972 and received a sentence on September 12, 1972 to serve ten years at hard labor by the Soviet Court.

Among the practices of the agents of the USSR against innocent people in these various categories are the following:

(a) Soviet authorities are using torture and psychiatric methods of inhuman [1] treatment to people of Ukraine who have been unjustly imprisoned such as poisoning their food and using other methods so that they will not survive the period of their sentence.

(b) Secret trials [2] are conducted of such innocent persons and not even members of the family are allowed to be present and the accused may not have the attorney of his choice;

(c) Many such innocent persons are convicted of actions [3] which are specifically permitted by the provisions of the Constitution of the USSR;

(d) After the sentences of such innocent persons who have been imprisoned have

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Footnotes at end of article.

been served and completed they are not permitted to return to their homes to work. They are given no protection of the laws and they are rearrested for not working;[4]

(e) Not only are such persons prosecuted and persecuted but members of their family, and in many instances the whole family of such persecuted persons and also their relatives are prosecuted and imprisoned. When such innocent people are imprisoned, although prison rules allow one letter per month, they are actually permitted only one or two letters per year; [5]

(f) There have been many instances of completely normal persons who have been arrested by Soviet authorities and thereafter such Soviet authorities have contrived to produce a psychiatric evaluation of such normal persons as being "insane" and thereafter such normal and innocent person is incarcerated in an insane asylum and no trial of him is permitted.[6]

5. This petitioner avers that such wholesale denial by the government of the USSR of human rights of innocent people in Ukraine controverts the principles of the *Universal Declaration of Human Rights* of the United Nations, which reads in part:

"Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,

"Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of the law."

6. From the facts set forth above it is clear that the present government of the so-called Ukrainian Soviet Socialist Republic does not truly represent the people of Ukraine but said government would in fact prevent them from appealing to the above Court in behalf of their fundamental human rights.

It is essential to the dignity of the human race that an oppressed nation of forty-eight million people such as Ukraine should have a voice in the above Court.

Wherefore your petitioner as president of the Women's Association for the Defense of Four Freedoms for Ukraine, Inc., and in behalf of the more than two million American citizens of Ukrainian descent prays that the above Court take jurisdiction of the matter herein set forth and take such steps and measures which will bring the above facts to the attention of world opinion and to the United Nations and do such other things and make such orders as it deems equitable and just to aid in the release of political prisoners from concentration camps, psychiatric institutions, mental wards and prisons.

ULANA CELEWYCH,
President of the Women's Association for the Defense of Four Freedoms for Ukraine, Inc.

FOOTNOTES

[1] *Revolutionary Voices* (pp. 168, 169–70) Press Bureau ABN, Munich, 1971.

[2] *The Trial of Valentyn Moroz,* idem, pp. 1–21. Idem, (pp. 148–150) Dr. Volodymyr Horbovyi. Idem, Karavansky, pp. 186–195.

[3] As Lev Lukianenko, Ivan Kandyba, Stepan Virun, Oleksander Libovych, Vasyl Lutskiv, Yosyp Borovnytskyj, Ivan Kypysh, idem pp. 151–170; *Ferment in the Ukraine,* pp. 56–93.

[4] Case of Yuriy Shukhevych, idem pp. 236–39, 250.

[5] Idem pp. 188–190.

[6] Cases of Gen. Hrehorenko and Wasyl Stus—pp. 127 *Uncensored* Russia by Peter Reddaway, American Heritage Press (1972).

PRESSURING FOOD PRICES IS A RISKY BUSINESS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ZWACH. Mr. Speaker, one of the big problems facing our food producers is the misleading information that is being spread, mainly in the metropolitan media, in regard to high food prices.

While the producer, in general, is not responsible for high food prices, he is responsible for the production of our food and the whole world would be in a terrible fix if he ever decided that farming was not a paying proposition.

Roe C. Black, editor of Top Operator, a Farm Journal publication, recently wrote a very discerning editorial on this matter which I would like to share with my colleagues by inserting it in the Record.

I would like to particularly point out to my colleagues, the closing paragraph of Mr. Black's editorial. It holds a warning we dare not ignore.

Pressuring Food Prices Is a Risky Business

(By Roe C. Black)

When the city newspaper reporters find the news a little stale, they can always drop in at their nearest neighborhood supermarket and interview some "irate customer" standing in front of the meat counter howling about "skyrocketing" or "soaring" food prices. It has become so common that I think "skyrocketingfoodprices" really should be a single word.

Food prices did go up by 4.8% last year. Meat led the way, of course, yet many other foods held below the average national rate of inflation. How that percentage can be considered "skyrocketing" when "compensation to employees" in all business rose over 10% and social security recipients got a 20% raise in one jump last year boggles the mind. Even more ironic, consumers are reaping the benefits of a vicious price war among chainstores which has put about one out of four in the red as they battle for consumer business. Part of their problem is the fact that the wages they have to pay labor in retail food stores has almost doubled in the past 10 years.

Even if it is unjust to single out food prices, it is happening. And almost every day high-ranking government officials are apologizing for them and assuring consumers and businessmen that the government will do something to lower them.

"A member of the President's Council of Economic Advisors, Dr. Marina Whitman, says soaring food prices will soon be stabilized," writes a reporter in an Eastern daily.

"Several moves announced by the Administration," she said, "would eventually stem the pace of inflation in the agricultural sector." These moves includes the lowering of barriers on meat imports putting idle farmland back in production, and reducing farm subsidies. "Sooner or later this will increase the food supply and lower prices," she said.

Perhaps so, but something seems a bit illogical here. Current prices for most farm foods are certainly high enough to encourage rapid expansion of food supplies by this fall and next winter, even before the current year's larger crops come out of the field. USDA acknowledges that "a very rapid expansion of beef cattle is now underway." In fact, total red meat production in 1972 only missed by 2% its seventh straight year of record increase. Actually, it looks as if we're seeing an attempt to increase grain supplies for export in the name of lowering food prices (see page 21).

In any event, the main question is whether government officials are prepared with a contingency plan that will keep farmers and stockmen in business *if officials guessed wrong* and come up with an over-heated, over-produced agriculture? They better have.

A government that assumes the responsibility to lower food prices and keep them "reasonable" is also assuming the responsibility to keep food in ample supply. Overproduction that puts farmers and stockman out of business will in the long run hurt the government and consumers far more than a temporary period of higher prices.

We are proud that the American farmer and stockman can feed himself and 45 to 50 other people. But when you think of it, with a ratio like that, tampering and manipulating programs to depress prices he receives is risky. He can't stay in business without making a profit—with prices that are reasonable for *him*. And if he doesn't stay in business, where do government and consumers go next for food abundance and variety?

THE EXPIRATION OF THE DRAFT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. STEIGER of Wisconsin. Mr. Speaker, I applaud Secretary Richardson's declaration that the administration will not seek an extension of the selective service induction authority. Coupled with former Secretary Laird's earlier announcement that the armed forces would henceforth be placed on a volunteer status, this statement fulfill's President Nixon's pledge to end the draft.

I should like to pay particular tribute to Roger T. Kelley, Assistant Secretary of Defense—Manpower and Reserve Affairs. Secretary Kelley, and his able staff, performed magnificently in the difficult task of reversing policies based on 30 years of the draft, and managing the return to our historic tradition of voluntarism.

I am also pleased by Mr. Richardson's strong endorsement of the Special Pay Act, modeled after legislation which passed the House last year. Two distinguished members of the Armed Services Committee, Mr. Bennett and Mr. Bob Wilson, my good friend from Hawaii (Mr. Matsunaga), and I have been joined by 120 Members of the House in introducing a similar bill during this session. The Special Pay Act is a cost effective proposal, which will lead to great savings in training costs, and preclude the need for a return to conscription during peacetime. I am confident that this body will give its overwhelming endorsement to this measure, and I am hopeful that the Senate will also act expeditiously.

I include Secretary Richardson's statement at this point in the Record:

March 21, 1973.

Secretary of Defense Elliot L. Richardson issued the following statement today during his visit to the Air Force Academy where he is participating in an Interservice Officers' Conference which is discussing the all-volunteer force concept:

"I am delighted to be able to announce here at the Air Force Academy, where so many fine, volunteer young men are training to serve our country, that a major new milestone has been reached in our program to fulfill President Nixon's goal of an all-volunteer armed force.

"The Department of Defense, on behalf of the Nixon Administration, has today informed the Chairmen of the Armed Services Committees of the Senate and the House of Representatives that it will *not* be necessary to extend the draft induction authority beyond its expiration date of July 1. Not only have we not had to use the draft since January 1, but our recruiting and retention progress toward an all-volunteer force now convinces us that there is no reason to ask Congress to extend the induction authority, even on a standby basis.

"The four military services have made truly remarkable progress in eliminating the draft without weakening our military forces.

"We have not solved our problem, however, and I have asked Congress to expedite passage of some additional special legislation which will help us solve some special manning problems including provision of adequate incentives to attract and retain qualified medical personnel. Basic Selective Service legislation will remain on the books, even though the specific induction authority will expire.

"I have asked the Assistant Secretary of Defense for Manpower and Reserve Affairs, Roger T. Kelley, to provide a special news briefing at the Pentagon Friday morning to describe in more detail the progress we are making toward an all-volunteer force and some of the problems remaining on which we need the continued understanding, help and support of the Congress and the American people.

"I count it as among my most compelling tasks as Secretary of Defense to make the all-volunteer force a working reality. And, that is why I am so pleased to announce today that we are confident we can make it—confident enough to tell Congress that the legal induction authority can become a thing of the past just as draft calls already have become a thing of the past."

ASBESTOS, THE SAVER OF LIVES, HAS A DEADLY SIDE

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. DOMINICK V. DANIELS. Mr. Speaker, the wide recognition of industrial hazards by workers and management is a relatively new development. We have only recently passed comprehensive legislation to control the work environment in the hope of preventing on-the-job accidents and illnesses. Our recognition of occupational diseases is even more recent, and the discovery of the extent of a particular disease caused by a common material—asbestos—is one of the most frightening.

Last year many health and union officials urged the Secretary of Labor to promulgate an emergency temporary standard for airborne asbestos in accordance with his powers under section 6(c) of the Occupational Safety and Health Act. An advisory committee was set up, but the final standard did not reflect their recommendation of two asbestos fibers per cubic centimeter. The standard was set at a tolerance of five fibers even though there is no known exposure to asbestos that is small enough not to produce either lung-scarring asbestosis, lung cancer, or mesothelioma, a rare cancer of the chest or abdominal lining.

The following article on the subject by Robert Sherrill, is of great importance to understanding the dangers facing all of those who breathe asbestos dust. The article has been edited to two RECORD pages. The full text appears in the New York Times magazine of January 21, 1973:

ASBESTOS, THE SAVER OF LIVES, HAS A DEADLY SIDE

(By Robert Sherrill)

Shipyard work attracted about 4.5-million Americans into its ranks at one time or another during World War II, and an estimated 3.25-million of those people are still alive. If they think about the experience at all these days it is probably to again remind themselves with satisfaction that things could have been worse. Whether they went into the work simply for a paycheck, or as a kind of emancipation (at some shipyards nearly one-third of the workers were women), or an alternative to the military draft, those who built and repaired America's ships took comfort in supposing that however dirty and boring the work sometimes became, at least it was safer than being in the front lines.

Now it appears they may have been wrong to think so. The fatality statistics are still too scattered and iffy to yield a solid conclusion, but there are some disquieting hypotheses to be drawn from such cases as that of the New York tire company executive we shall call Charles Armin because his family prefers to keep his real name out of this. Armin had never had a serious illness in his life. He was a 200-pound, robust, hearty fellow who looked much younger than his age, 60. He enjoyed sailing in his spare time and ran a taut ship on the job, too.

Then in December, 1971, he began getting sharp pains in his chest, enough to worry about, enough to send him to the doctor. Tests showed his heart was in fine shape, and the lung X-rays showed nothing wrong. Still, the pains persisted and grew worse, and in April the doctors decided to go in for a look.

They found that Mr. Armin was suffering from mesothelioma, a kind of cancer that has only come into the medical fraternity's conversation in recent years. Mesothelioma, which has been so rare that it is not separately categorized in international medical classifications, is cancer of the chest lining or of the abdominal lining. Everyone who gets it is going to die from it within a year because it covers the whole lung area from apex to base, or infuses the whole abdomen, and no surgeon can take out so much and leave a survivable patient. It is a painful disease and progressively so. The cavity lining fills with fluid, which must be drawn off periodically; when the disease strikes the chest area the patient slowly suffocates. None of the usual cancer palliatives do much good, and there is no known cure. Mr. Armin's mesothelioma was discovered in April. He was dead 14 weeks later.

The thing that makes his case—among a number of others—seem so ominous to some occupational health experts is that they know what caused it, and they know that the same cause has touched the lives of millions of other Americans. The cause was asbestos.

* * * * *

Occupationally, probably five million or so Americans—insulation workers, construction workers, oil-refinery workers, etc.—breathe a significant amount of asbestos dust every day they go to work. The hazard also crops up in distinctly nonoccupational places, such as the Northside Elementary School in Lander, Wyo., which recently was closed by the state health department because asbestos which had been sprayed as an insulation on the ceiling was beginning to come loose and mix with the air in dangerous amounts. But wherever encountered, the hazard is especially insidious because it is like a long-term time bomb: For reasons doctors don't fully understand, the diseases related to asbestos do not explode for many years after the patient breathed it in.

Mr. Armin, for example had had nothing to do with asbestos since World War II, when, from 1941 to 1943, he was a tinsmith in the Brooklyn Navy Yard. He helped install fiber glass in destroyers' refrigeration holds, and he also secured asbestos-covered pipes with hangers and straps. After 1943, he got a white-collar job away from the shipyard and never again worked with asbestos. His 29-year lag between contact and illness was not surprising; indeed, for asbestos disease, 25 to 30 years is the normal period between exposure and development of symptoms, which is why medical scientists who have specialized in the occurrence of asbestos-related industrial diseases believe that the first big wave of cancers from World War II shipyard exposure may be at hand.

Among those who think so are Drs. Irving J. Selikoff and E. Cuyler Hammond. Dr. Selikoff of Mount Sinai School of Medicine, City University of New York, is at least among the three or four top authorities on asbestos disease. Dr. Hammond is vice president of the American Cancer Society in charge of epidemiology and statistics, who already has gained a slice of immortality as the fellow most responsible for statistically demonstrating the relationship between smoking and cancer. To some high officials at the U.S. Department of Labor and to many high officials in the asbestos industry, these two doctors and their colleagues represent a kind of reform plague.

* * * * *

The thing that is so alarming to Selikoff's group is that some risk applies not only to asbestos workers (only one-five-hundredth of the shipyard payroll), but to everybody who worked downwind or in the general vicinity of the asbestos jobs. In shipbuilding, this means anybody who has worked within the confines of the ship's structure: welders, shipfitters, machinists, pipefitters, electricians, carpenters, boilermakers—the whole gang.

"You don't have to work with asbestos for 30 years to develop mesothelioma or some other cancer or asbestosis from it," Selikoff explains. "Absolutely not. Because once you get it in your lungs, it stays there forever, and as the years go by your lung continues to be exposed even though you may be out in the Rockies. The nice air in the Grand Canyon won't protect you because you've already got it in your lungs."

* * * * *

The response of the industry and especially of the Federal bureaucracy has been strangely indifferent. The random breather may not care, even though asbestos can harm him too—if, for example, he inhales asbestos thrown into the air by the demolition of buildings. But the asbestos worker feels very lonely with his special demon. William G. Bernard, secretary-treasurer of the Asbestos Workers Union and himself a victim of lung-scarring, complains, "You know, we have damn near as many, or more, people who work with asbestos as there are coal miners in the country. But nobody cares about us, because we don't have any disasters. The miners have a disaster and their pictures show up on the front pages with dirty faces, and everybody feels sorry. So they put a black lung bill through Congress. We have a higher percentage of people dying of respiratory trouble, but nobody gives a damn about it."

On Jan. 1, 1943, Locals 12 and 32 of the Asbestos Workers Union in New York and Newark, N.J. had 632 members. Dr. Selikoff and his colleagues have traced the 625 who matter here (seven died early, mostly of accidental causes). Given their age, 203 of these men would normally have been expected to die by the end of 1962. Instead, 255 had died—an excess over the normal death rate of more than 20 per cent. About seven should have died from lung cancer, but 45 died of it. Instead of the normal nine or 10 deaths from cancer of the stomach, colon or rectum, there were 29—"not so unexpected," as Selikoff points out, for "anybody who inhales dust also ingests it. Any worker is always spitting out the stuff you think he's only inhaling." And whereas *nobody* in the general population dies of asbestosis—scarred lungs—12 men in this study group died of it during the first 20 years, and 4 died of mesothelioma.

That left 370 of the group still alive on Jan. 1, 1963. Between then and the end of 1971, 78 of them should have died if they followed the pattern of the general population. Instead, 168 died. "And why? The same thing," says Selikoff. "There should have been four or five lung-cancer deaths in this group. There were 43. There should have been no deaths of mesothelioma—that doesn't occur in the general population. There were 23. There should have been three deaths of cancer of the stomach or rectum. There were 12. And of course there should have been no deaths from scarred lungs. There were 20.

"If we total up this one small group of workers from Jan. 1, 1943, to Dec. 31, 1971, almost 20 per cent died of lung cancer. Out of the 430 men who died, one out of every five asbestos workers died of lung cancer. Almost seven per cent died of mesothelioma. Almost 10 per cent died of cancer of the stomach, colon and rectum. Over seven per cent died of asbestosis."

Nor are these figures peculiar to the locals in question. Selikoff goes on to cite more extensive studies confirming that similar increased deaths "occur in every single group of asbestos workers that's been examined." And he concludes. "This is simply an occupational disaster without parallel in American history."

* * * * *

The asbestos industry and the U.S. Department of Labor have not seemed exactly overjoyed to receive all this new data; indeed, their basic response has been a combination of defensiveness and hostility and furtiveness. In 1964, when Selikoff was organizing an international symposium, he received a letter from the law firm representing abestos textile companies, informing him that the industry was aware of what he was up to and implying that if any derogatory remarks about asbestos that might harm its sales should emanate from the conference, he could expect to see them in court. The U.S. Public Health Service conducted air samplings in a couple of dozen asbestos plants in 1964, but it refused to disclose its findings to Selikoff, or, as he puts it, "apparently the key to the file cabinet was lost." Though workers in shipyards today are subjected to much the same asbestos hazards as in World War II, Navy medical officers generally refuse to talk about the problem or to discuss what they are doing, if anything, to protect workers in the yards under their command.

* * * * *

The most impressive case of bureaucracy/industry indifference occurred at the Union Asbestos and Rubber Company factory in Tyler, Tex. This is the same outfit that had operated the factory in Paterson, N.J., before closing it in 1954. Union Asbestos later sold out to Pittsburgh Corning Corp. But under any name, the Tyler plant was still a foul place to work. Reputedly, in some areas of the plant the asbestos dust was so thick workers couldn't see across the room. Medical facilities consisted of two first-aid cabinets, one with a broken glass door admitting asbestos dust.

Beyond the factory itself, asbestos waste was dumped in nearby fields, sometimes to a depth of three feet, that children sometimes used as a playground. Bags in which asbestos had been shipped to the plant and which were still coated with asbestos dust were sold to local nurserymen who do a tremendous business in roses.

It is futile to guess at the number of nurserymen and customers who breathed an injurious amount of asbestos dust from the sacks, but the factory workers can be counted. Personnel records microfilmed by the Public Health Service show that between 1954 and 1972 at least 895 persons were employed there. They were working under deadly conditions and the U.S. Department of Labor and the Public Health Service were aware of these conditions at least as early as 1967. But they kept quiet.

* * * * *

That's the way things stood until 1970, when Congress passed the Occupational Safety and Health Act. With that act, BOSH was phased out and replaced by NIOSH—the National Institute of Safety and Health. With the change of initials came a change of bureaucrats and attitude, too. Among them were Dr. Joseph K. Wagoner, who became director of the Division of Field Studies and Clinical Investigations, and Dr. William M. Johnson, a recent product of the Harvard School of Public Health, who became Wagoner's assistant. They inherited a medical chaos, a burial ground of old statistical bones hastily covered by their predecessors.

"We even inherited about 2,000 air samples that hadn't been counted," Johnson recalls, "because the previous inspectors had been out collecting data without ever coming to grips with what they were doing. They would just keep rescheduling surveys, sometimes a second or third time around at a plant without really giving any thought to what it was really showing from a health standpoint."

Buried deep in the files he found Tyler, Tex. Why had Public Health Service and Labor Department officials covered it up? "I could say they were stupid, or that it was criminal negligence, or bureaucracy, or I could say they were afraid that if they did start getting concerned about this that their right of entry would have been cut off," says Johnson, "but the fact is, I don't know." All he did know immediately from the records he uncovered was that "the plant had no business operating."

But still the higher bureaucracy balked. "We transmitted our sampling results to the Labor Department," says Johnson, "and also followed up with a comprehensive report." The report showed that of a sampling of 17 men who had worked in the plant 10 years, eight had asbestosis. "The Department of Labor would not honor our samples. They wanted to take their own for compliance. They went in—I don't remember the exact date; I believe it was November, 1971—and they took some samples and came up with citations. But they didn't mention asbestos in the citations and the citations only added up to $210 in nonserious violations."

So much public ridicule and bad publicity greeted that punishment that Labor felt obliged to reinspect the factory and levy a $6,990 fine. Two weeks later, claiming the fines were too great a burden to bear, Pittsburgh Corning decided to close the plant. Left behind were many Tyler residents who will eventually die of asbestos disease.

* * * * *

As for the enforcement of health sandards established under the Occupational Safety and Health Act, Federal officials have conceded in testimony before Congress that if they were going to enforce health standards properly, they would need about one hygienist per 35,000 workers.

So far as can be determined, the Labor Department at present has 60 hygienists—or about 1 per 1.2 million workers—to enforce *all* health standards, not just those relating to asbestos hazards.

Since there seems to be no great rush to enforce any asbestos health standards, it hardly matters whether the standards are the proper ones. But the manner in which they were decided may give some further indication of what the laboring man can expect in the way of protection from the Federal agencies and the industry.

At issue was whether to set the standards at a maximum permissible air content of two asbestos fibers (each longer than 5 microns) per cubic centimeter of five asbestos fibers. In either case, that's quite a bit of dust. A cubic centimeter is about the size of a small thimble of air, and a workman will inhale about six to eight million of them in a typical day. So the issue was whether to require the companies to maintain conditions which would prevent a worker from having to inhale more than 12 million to 16 million fibers of a certain length, or 30 million to 40 million fibers. With a substance that the Labor Department concedes "is casually related to asbestosis and cancers," the multimillion differences were obviously no trivial matter.

With what appeared to be an effort to get the best answer, Labor Secretary James Hodgson early in 1972 appointed an outside Advisory Committee on Asbestos Dust made up of scientists and engineers and labor officials. He also had the assistance of an inside advisory group of medical men and scientists put together especially for this problem by NIOSH.

Also from the outside he hired Arthur D. Little, Inc., a consulting firm, to come up with some advice on the economic feasibility of requiring industry to get rid of its asbestos dust. Arthur D. Little's panel of experts was made up of 13 executives from the shipbuilding industry, 12 executives from the asbestos industry, and a health group of 11 doctors and technicians, all but two or three of whom reputedly have been "consultants" to the asbestos industry at some time in their careers.

The Advisory Committee on Asbestos Dust told Hodgson he should drop the standard to two fibers. NIOSH's panel agreed that two fibers was none too low. But Arthur D. Little concluded that five fibers was perfectly safe and that dropping the standard to two fibers would cost industry far too much money. In addition, four days of hearings were held at the Labor Department offices in Washington, with industry contending that Selikoff is right up to a point, but that he goes too far and interprets his findings too wildly. Matt Swetonic, Secretary of the Asbestos Information Service, a New York health data distribution center funded by the industry, says, "There has been considerable controversy with Selikoff not so much on the effects of asbestos, but on the best means to control it and what sort of levels are necessary to control various asbestos diseases." Industry people, says Swetonic, believe that the perils of the insulation workers—who face periodic massive doses of asbestos-laden air—are too often confused with what industry contends are the manageable low-level exposures of the asbestos manufacturing factories.

In the end, Hodgson, insisting that he had arrived at his decision by an independent appraisal of all evidence, rebuffed his own advisory group and said that a five-fiber standard would be in effect for the next four years. (Coincidentally, Johns-Manville Corporation the same day notified its stockholders that the ruling would not hurt their sales and earnings.)

Selikoff points out that this ruling was designed to set a safety level for asbestosis, not for cancer, and that in any case, qualified scientists simply cannot be sure enough about the nature of asbestos related disease to say where the level should be fixed. In this light, he argues, Hodgson's ruling was at best incautious. "There's a lot of published evidence that in two fibers per c.c. mesothelioma occurs, lung cancer occurs, asbestosis occurs. An industrial hygiene practice in our country has been that when there is a serious risk, you build in a big safety factor. But what the Labor Department has done is say, 'We don't know for sure what level will certainly cause cancer and without this knowledge there is no requirement for extra caution,' instead of saying, 'These are the lives of hundreds of thousands of American workers that we are responsible for and therefore let's set the most prudent level.'"

By continuing the five-fiber standard for another four years a period that will probably see 100,000 or so new men enter asbestos-related industries—Seilkoff predicts the Labor Department has doomed 20,000 to unnecessary lung-cancer deaths, 7,000 to unnecessary mesothelioma deaths, 7,000 to unnecessary asbestosis deaths as well as deaths of other cancers. And that's not counting combination effects—asbestos plus tobacco smoke, asbestos plus the coal-tar pitch workers like roofers must handle. All in all, Selikoff predicts that "by a stroke of the pen, 50,000 more lives were thrown down the drain."

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INDEPENDENCE FOR LITHUANIA

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. O'NEILL. Mr. Speaker, the Lithuanian Americans of this Nation have a proud heritage. For more than 20 years in this century, the Lithuanian nation enjoyed independence as a free democratic republic, thereby exercising the right of self-determination.

Then by a secret protocol, subsequent to the Ribbentrop-Molotov Agreement in 1939, between the two totalitarian regimes of Hitler and Stalin, the Lithuanian nation was included in the Soviet sphere of interest.

Less than a year later, Lithuania was given an ultimatum: Accept incorporation into the Soviet Union or invite a Russian invasion. Since 1940, the proud Lithuanian nation has been governed as a colony of the Soviet Union and denied freedom and the right to determine its own form of government.

The Lithuanian Americans of Boston commemorated the 55th anniversary of Lithuanian Independence Day, February 18, 1973, in South Boston. These and thousands of other Lithuanian Americans will continue to importune our Government to demand that the Soviets withdraw their administration and forces from Lithuania and allow that nation with a long history of freedom and self-rule to restore its rightful independence.

Mr. Speaker, I insert the resolution adopted by the Lithuanian Council of Boston in the Record at this point.

Resolution

We, Lithuanian Americans of Boston, assembled this 18th day of February, 1973, at South Boston to commemorate the 55th anniversary of Lithuanian Independence Day, do have unanimously adopted and passed the following resolutions:

Whereas on February 16, 1918, the Lithuanian nation proclaimed its independence as a free democratic republic which act was ratified by its duly elected Constituent Assembly, thereby exercising the right of self-determination to be free and independent for all times; and

Whereas Lithuania was forcibly incorporated into the Soviet Union in June 1940 and since that time Lithuanian people have fought and died for their national independence; and

Whereas so many countries under colonial domination have been given the opportunity to establish their own independent states; on the other hand, the Baltic nations having enjoyed the blessings of freedom for centuries are now subjugated to the most brutal colonial Russian oppression; and

Whereas we express our sincerest gratitude to the Administration and Congress of the United States of America for the continued nonrecognition of the incorporation of the Baltic States into the Soviet Union, but

Whereas the mere denial to recognize the Soviet claims to Lithuania does not and will not bear the slightest effect on the leaders of the Soviet Union; *Now, therefore, be it*

Resolved, That leaders of the free world must never be maneuvered into a position where they will become accessories to the crime of Russian enslavement of Lithuania and the other Baltic countries;

Resolved, That we ask our Government to continue, whenever and wherever possible, to demand that the Soviets end their colonialism, withdraw their administration and forces from Lithuania and the other two Baltic States and allow them to restore their freedom and independence and self-rule;

Resolved, That the copies of these resolutions be forwarded to the President of the United States, to the Secretary of State to the United States Senators and Congressmen from our State and to the press.

CHILD CARE CENTERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. STARK. Mr. Speaker, the proposed new regulations for social service programs have received constant and intelligent criticism since they were introduced on February 16. One area especially open to criticism has been the effect of these regulations on the Nation's child care centers. If these regulations were enacted as they now read they will have a disastrous effect on the lives of working mothers and their children.

Ms. Barbara Garson wrote of the effect of the regulations on one child care center in New York in the March 15 edition of The New York Times. I believe she expressed her situation, and the situation of thousands of others, in an excellent literary display. Therefore, I would like to share Ms. Garson's article with my colleagues and insert her story in the Congressional Record.

The article follows:

OEO, First on the One Hand, Then on the Other

(By Barbara Garson)

When my daughter was 3 years old, I wanted to start writing again. I didn't have the money for professional child care so I got involved in a string of collapsing parent-controlled co-ops. After a few months Juliet was getting ragged around the edges. So I decided to put off my literary comeback.

Then I was lucky enough to get into Greenwich House, a first-rate daycare center with a long, long waiting list. Greenwich House is 75 per cent Federally supported. We parents pay zero to $25.25 a week, depending on income. Greenwich House is professional, loving, unexperimental and above all, stable.

Now I could start writing full time with a clear conscience and a good hope of supporting myself. As a matter of fact, I've finished another play which I have dedicated to my school.

Among the mothers at Greenwich House are nurses, receptionists, messengers, and a couple of welfare women going to school. Most of them are divorced, or separated like me.

Many of us single parents have somewhat unstable lives. It must be the times. We always seem to be losing a job or an apartment or a husband. That makes childhood a little different for my daughter than it was for me.

My parents have been married for 34 years. They still live in our old home with the same good neighbors on the block. When I visit my folks I feel like I'm on an anthropological field trip. "Look Juliet," I say, "This is a home. This is how people once lived."

Greenwich House helps me give my child a little of that world I grew up in.

After nursery school Greenwich House sees our children through the years with the after-school program, summer camp and even music lessons.

Many of the day-care mothers have worked out exchanges so that Billy's mother picks Jerry up after school and Jerry's mother takes them both to the movies on Saturday. These are more than free baby-sitting arrangements. This is how our children can make friends that don't disappear. Making friends in the neighborhood seems so simple and ordinary. Yet without Greenwich House it would be difficult for us modern Manhattan working mothers to arrange.

The Department of Health, Education and Welfare has decided that the Federal Government will no longer subsidize child care for working mothers. The new H.E.W. regulations don't close the centers. They simply transfer the subsidy from working mothers to welfare mothers. Now surely welfare mothers need a Greenwich House, too. If working eight hours a day is a hard way to be a mother, staying home alone in a room all day with your kids is even worse. A welfare child needs the continuity of day care at least as much as my child does.

But this is not what the new regulations provide. Under the proposed rules the Federal Government subsidizes day care only to make welfare mothers find jobs (or work off their checks for below the minimum wage on the work-fare program). After three months it is assumed they have "stabilized" their incomes. Then they too are kicked out. From a school Greenwich House becomes a temporary holding hall for little kids, while their mothers seek work. Then those mothers, like me, must find some other makeshift arrangement.

What can those politicians, those motherhood lovers have in mind? I guess they figure they'll use day care to clear the welfare rolls. The mothers will manage somehow. And the kids—oh, they'll turn out all right. After all, didn't Mr. Nixon grow up in adversity?

Private day care costs at least $45 a week per child. For most of us at Greenwich House that's about one-half of our salaries. Under the new regulations our only real options are to go on welfare, or to find some woman with two kids of her own who takes in three children at $25 a week and sits them in front of the television all day. That's the kind of arrangements most low-paid working mothers make right now. Frankly I'm too middle class for that. I'd rather do the responsible thing for my child, stop working, and go on welfare.

DAY CARE PROGRAMS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. BOLAND. Mr. Speaker, the new regulations proposed by the Department of Health, Education, and Welfare to govern federally assisted programs in the areas of day care, aid to the elderly, mental retardation, juvenile delinquency and other social services are cause for great concern here in the Congress. If implemented, these regulations will cripple thousands of vital human service programs across the Nation. Just a cursory review of the proposed regulations reveals many serious weaknesses.

First, these regulations seek to prohibit the use of private and donated funds to make up the required State or local match in cooperative Federal-State programs. They would also prohibit the use of "in kind" contributions for the non-Federal match. These two restrictions would undermine the existing private-public partnership approach to solving human problems. They threaten the continuation of many existing programs.

Third, the regulations redefine eligibility for assistance under title IV-A programs. Under the new definitions, former welfare recipients appear to be denied eligibility for day care, for instance, just after that day care service has permitted them to secure employment and leave the welfare rolls. Deprived of day care, they will have to leave work, and return to their homes and children—and the welfare rolls. The regulations are self-defeating.

Fourth, the proposed regulations are not clear with respect to Federal standards for day care services to be provided. For the past 5 years, Federal interagency standards have been applied to all federally assisted day care services. The proposed regulations raise serious questions in this area.

These regulations also limit the type of services to be funded. The list published omits such worthwhile programs as alcohol and drug abuse treatment. Services for the mentally retarded and elderly may be cut by as much as 50 percent in some cases. Steven Minter, commissioner of public welfare in the Commonwealth of Massachusetts estimates that 70,000 in Massachusetts would be affected if these regulations go into effect. Fully 80 percent of the children in foster homes in Massachusetts would be ineligible. Elimination of supportive services for the elderly would mean that thousands of our senior citizens could be forced to abandon their independence and would have to be placed in rest homes.

I supported the $2.5 billion ceiling placed on social service spending by the Congress last year. However, these regulations go far beyond this limitation. They constitute a backward step in the delivery of social services to the elderly, handicapped, and disadvantaged. They are also a backward step in unnecessary bureaucracy and confusion.

Mr. Speaker, I call your attention to letters I have received from experts in the field of social services in my congressional district. These letters describe the devasting effect the proposed regulations would have if implemented.

The letters follow:

METROPOLITAN SPRINGFIELD YOUNG
MEN'S CHRISTIAN ASSOCIATION,
Springfield, Mass., March 9, 1973.

Representative EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.

DEAR MR. BOLAND: From the enclosed letter you will note that I have concern about the proposed new regulations with regard to among other things, Title IVa and b of the Social Security Act.

While new regulations are probably needed, it is my opinion that these proposed regulations go too far in being restrictive rather than enabling. I would trust that we ought to be about the business of encouraging collaborative effort of both the private and public sector in meeting the needs of our people. I would urge any action you might be able to take in revising these proposed regulations to eliminate some of the restrictive measures.

I believe in particular the prohibition against the use of private funds and "in kind" contributions (Section 221.62) is particularly restrictive and does in fact, negate opportunities for a voluntary association such as the YMCA which I represent, and the Government, to work cooperatively together. The amount of paper work also to be required with these regulations would also discourage any voluntary and/or private organizations from cooperative efforts. It would push the administrative overhead cost farther than we are able to justify to local United Funds and Board members on our agency boards. Frankly, I also believe it would be again directing the dollars into the hands of bureaucrats rather than getting them directly to the programs and services.

Any help and attention to these particular regulations which you might give would be appreciated and I respectfully urge your immediate attention.

Sincerely yours,
EDWARD F. SANDOW, JR.,
General Executive.

SPRINGFIELD DAY NURSERY,
Springfield, Mass., March 7, 1973.

Congressman EDWARD BOLAND,
Springfield, Mass.

DEAR SIR: As a concerned citizen and as the President of the Springfield Day Nursery Corporation of Springfield, Massachusetts, a private agency which operates 5 quality Day Care Centers in metropolitan Springfield and serves 156 children and their parents, from all walks of life, I am writing to you concerning the recent releases (February 15th to be exact) from the Department of Health, Education and Welfare, pertaining to the future of Day Care in Massachusetts and actually in *all* of our 50 states.

We are an agency which is funded by the United Way of Pioneer Valley, interest from private endowment monies, fees from clients who can afford to pay, and welfare funds. We presently have 50 welfare slots in use, and have recently signed a contract (February 15th) with the State Welfare Department for $36,000. in Title IV A donated funds to expand and operate one of our schools which presently is running at a deficit. The Title IV A contract, though formally signed, has not been funded yet, and is in great jeopardy as are all of our welfare monies.

As I am sure you well know, quality Day Care is an absolute necessity in this day and age. We must all do everything in our power to help those less fortunate than we to attain and maintain the position in Life which is the absolute right of all human beings. Offering Day Care to these families is one of the ways of accomplishing this goal.

We have been offering expert Day Care services in the Springfield area for (89) eighty-nine years and expect to continue to do so for at least (89) eighty-nine more! We need your help! If we are not allowed to use private donated funds to match with Federal monies for the Title IV A program, we shall have to close one on-going program. If the guidelines of "past, present, and potential" welfare recipients are drastically changed, we will have to seriously curtail *all* of our other services. If the Federal Inter-Agency Requirements are removed, quality Day Care will become a thing of the past.

As President of the Springfield Day Nursery Corporation, I respectfully request your immediate attention to this very urgent matter! I am anxiously awaiting a reply from you! Until then, I remain,

Most Sincerely,
(Mrs.) EUGENE B. BERMAN,
President, Springfield Day Nursery Corp.

A POLISH PRIEST WHO OFFERED PROOF

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. WOLFF. Mr. Speaker, I would like to present an article by Patrick Owens commemorating the great Polish priest-scientist, Nicolaus Copernicus, who discovered that the Earth revolves around the Sun. The article appeared originally in the March 11, 1973, edition of Newsday.

The article follows:

A POLISH PRIEST WHO OFFERED PROOF

(By Patrick Owens)

Nicolaus Copernicus was born 500 years ago last Feb. 19 so this commemoration is tardy. I doubt Copernicus would have minded; he was so non-passionate about his discovery that he had to be badgered into publishing it, and then wound up with an introduction by a skeptical, or at least timid, Lutheran who suggested that Copernicus's theory had at least the virtue of novelty and should provide amusement for the mind.

Copernicus was Polish and his discovery was the greatest Polish joke of his or any other day: He asserted, in defiance of the Pope and all knowledgeable men, that the earth revolved around the sun. This heresy was taken up by people more persuasive than Copernicus himself and is believed to this day by most so-called intellectuals and all astronauts.

Copernicus proves the virtue of clean living. His big brother, Andreas, took Nicolaus to Italy to study but fell in with fast company, debauched himself with loose women and went home to Poland stricken with either leprosy or syphilis.

The priests of the cathedral of Frombork, where both Andreas and Nicolaus were canons, found him physically repulsive and paid him to get out of town. He became an early remittance man. Copernicus devoted his early years to study and remained virtuous, or at least discreet. He did not involve himself in scandal until much later, when he was an old man by medieval standards. The neighbors raised a fuss about a serving wench who seemed to them to compromise the canon's respectability. Doubtless it was stubbornness and regard for the principle of the thing that caused Copernicus to resist for some time his bishop's instructions to get-that-woman-out-of-there.

Copernicus proves that pluck and a strong heart conquer all. His father died when he was 10 but Copernicus soldiered on.

Strange as it may seem, Copernicus also proves that it ain't what you know, it's who you know. His father was a rich copper merchant and one of the movers and shakers of the town of Torun. When the father died, the family was taken over by an uncle who was then himself a canon of the cathedral and who became bishop and prince of Warmia.

The family connections made possible a good education, including eight years in Italy, and a good job at the cathedral.

Copernicus was not the first theorist to contend that the earth moved around the sun. This had been contended by the men of science of ancient Greece. But the idea had died out and the alternative theory, that the earth was the center of the universe and everything moved around *it*, had been enshrined in the dogma of the church. This was good theology, because it confirmed man's role as the most important of God's creatures, but it was hard to explain mathematically.

Copernicus *proved* his theory, and that is why he is one of the half-dozen greatest names in science. Writing in Smithsonian magazine, Donald Gould reports what little is known about Copernicus's life and sums up his contributions to astronomy this way: "They included the real secret of the release of the mind of Man from the concept of an earth-centered universe, which was an appreciation of the fact that the apparent movement of the firmation around the earth could equally well be due to the earth's spinning on its own axis . . . the facts that the earth is not the center of the universe, but only of the orbit of the moon, and that the sun is the center of the planetary system, and that the distance from the earth to the stars was far greater than anyone had supposed. There were certain other concepts, which together amounted to a nearly faultless statement of the broad geography of the universe as we now understand it."

Copernicus, who *talked* in Latin, wrote up his theory briefly, without offering his proofs. He spent up to 20 years backing up this first effort in a long dissertation. Then he locked up this book for nine years, until a mathematician from Wittenberg dropped by. This fellow, Rheticus, persuaded Copernicus to go ahead and publish. Rheticus copied the entire manuscript by hand—this was in 1542, before Xerox—and took it to a printer in Nuremberg. When Rheticus got a better job and moved, a Lutheran named Osiander took over the publishing project. He wrote the skeptical preface. Copernicus suffered a stroke while all this was going on. He got a copy of the book before he died, but no one knows whether he knew what it was. He may have been brooding over the injustice of expelling the serving wench.

Perhaps because of the preface, the church did not ban the book (which was called *De Revolutionibus Orbium Caelestium*) for another 80 years. It stayed banned for two centuries.

Copernicus might not have minded so much. He seems to have been more interested in finding things out than in telling people about them.

AMERICAN INDUSTRY REPLACED BY CHINESE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. RARICK. Mr. Speaker, the American tung oil program, encouraged on American farmers as a patriotic investment to help make our country self-sufficient, is now scheduled to be discontinued. Tung oil, it seems, can be imported from foreign countries at a much cheaper cost. In fact, last month a shipment of about 1,900 metric tons—4.2 million pounds—were imported from Communist China.

It is true that the tung nut industry in the United States involved about 100 farmers in three Southern States, at a programed cost of $500,000 to $750,000. But this may just be the start. If we are now to export jobs and dependence on Red China in one field, what will be next—peanuts, tobacco, or rice? For that matter, what American industry can compete with the mainland Chinese on labor costs?

THE HISC APPROPRIATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. ASHBROOK. Mr. Speaker, some idea of the work of the House Internal Security Committee can be gleaned from a review of its annual reports during the past several years. The chairman of HISC, Congressman RICHARD ICHORD, commented extensively on the outside opposition to HISC in the CONGRESSIONAL RECORD of January 9, starting on page 537, and he emphasized the uniqueness of this opposition from a source over 12 years in existence, well financed, and employing a full-time lobbyist—all for the purpose of crippling or eliminating the House Internal Security Committee. To supplement his remarks, I believe it would be useful, especially to new Members, to briefly review the vital areas in which HISC has been involved during the last several years.

During 1969, 1970, and 1971, HISC via legislative, investigative, and oversight hearings looked into such organizations as the SDS; Black Panther Party; the Young Workers Liberation League which is the youth arm of the Communist Party; the National Peace Action Coalition and the Peoples Coalition for Peace and Justice, both captured by radicals of various orientations; the Socialist Workers Party and the Young Socialist Alliance, both dominated by a dissident Communist element, the Trotskyites; and, of course, the Communist Party USA.

Unlike most standing committees in the House, HISC is both an investigative and legislative committee. In the past few years many of its hearings have been of an investigative nature. However, extensive hearings were held on the Emergency Detention Act, on legislation covering industrial, vessel and port security, on legislation dealing with the obstruction of the Armed Forces and legislative and oversight hearings relating to the Subversive Activities Control Act and the Federal civilian employee loyalty-security program.

In addition, HISC reviewed subversive influences in the Armed Forces and heard witnesses from Red China, the Soviet Union, Cuba, Czechoslovakia, Latvia, and East Germany concerning Communist tyranny in these countries. These witnesses testified during the committee's continuing series of hearings on the theory and practice of communism. Their experiences refute the claims of one 1972 Presidential candidate, Gus Hall, a leading Communist Party official in the United States, when he seeks to entrap American citizens into granting him and his followers respectability via the ballot.

While the 1972 annual report of HISC is not yet available, I believe the reports for 1969, 1970 and 1971 as summarized in the table of contents, will give a birdseye view of the committee's operations in recent years and help afford an objective basis for evaluation of the work of the House Internal Security Committee.

I insert at this point excerpts from the tables of contents as they appear in the above-mentioned annual reports:

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Foreword.

SECTION A: HEARINGS ON BILLS

Chapter I.—Hearings relating to H.R. 12699 (reported with amendments as H.R. 14864): Industrial, vessel, and port security. (Hearings held September 9, 10, and 24, 1969.)

Chapter II.—Hearings relating to H.R. 959: Obstruction of Armed Forces. (Hearings held September 15 and 16, 1969.)

SECTION B: INVESTIGATIVE HEARINGS

Chapter III.—National SDS data and local chapter activities at Georgetown University in Washington, D.C. (Hearings held June 3–5 and 17, 1969.)

Chapter IV.—SDS activities at Kent State University, Kent, Ohio. (Hearings held June 24 and 25, 1969.)

Chapter V.—SDS activities at George Washington University in Washington, D.C. (Hearings held July 22–24, 1969.)

Chapter VI.—SDS activities at American University, Washington, D.C. (Hearings held July 24, 1969.)

Chapter VII.—Communist Party and SDS activities in Chicago, Ill., including the University of Chicago, and aspects of the SDS 1969 Convention. (Hearings held August 6 and 7, 1969.)

Chapter VIII.—SDS activities related to high school students and other teenagers in the summer of 1969 in Columbus and Akron, Ohio; Detroit, Mich.; and Pittsburgh, Pa.; plus involvement in labor-management dispute in Washington, D.C. (Hearings held October 20–22, 28–30, and December 17, 1969.)

Chapter IX.—SDS and "Newsreel" involvement in the release of American prisoners of war in North Vietnam. (Hearings held December 9–11, 1969.)

Chapter X.—Hearings on links between SDS and Newsreel film propaganda company; SDS activity at Fort Dix, N.J., Army Base; SDS National Action activity in Chicago, Ill., October 8–11. (Hearings held December 16–18, 1969.)

SECTION C: REFERENCE SERVICE AND COMMITTEE PUBLICATIONS

Chapter XI.—Report of Committee's Files and Reference Section.

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Chapter I—Hearings on various bills to repeal the Emergency Detention Act, Title II of the Internal Security Act of 1950. (Hearings held March 16, 17, 19, 23, 24, 26; April 20–22; May 21; and September 10, 1970.)

Chapter II—Hearings with respect to the administration of the Subversive Activities Control Act and the Federal Civilian Employee Loyalty-Security Program. (Hearings held September 23, 30, 1970.)

SECTION B: INVESTIGATIVE HEARINGS

Chapter III—Black Panther Party activities in Kansas City, Mo. (Hearings held March 4–6, 10, 1970.)

Chapter IV—Black Panther Party activities in Seattle, Wash. (Hearings held May 12–14, 20, 1970.)

Chapter V—Black Panther Party activities in Detroit, Mich., Indianapolis, Ind., and Philadelphia, Pa. (Hearings held July 21–24, 1970.)

Chapter VI—Black Panther Party National Office operations and investigation of activities in Des Moines, Iowa, and Omaha, Nebr. (Hearings held October 6–8, 13–15, and November 17, 1970.)

Chapter VII—Hearings on the extent of subversive influences in leadership of New Mobilization Committee to End the War in Vietnam. (Hearings held April 7–9, 15, and June 9–11, 1970.)

Chapter VIII—Hearings on aspects of life in Communist-run countries as described by refugees from the Soviet Union, Cuba, Czechoslovakia, together with information on Communist theory and practice from an American academician, expert in Communist affairs. (Hearings held June 23–25, 1970.)

SECTION C: REFERENCE SERVICE AND COMMITTEE PUBLICATIONS

Chapter IX—Report of Committee's Files and Reference Section.

Chapter X—Committee Publications (including commentary on special reports on Students for a Democratic Society; Black Panther Party paper; New Mobilization Committee to End the War in Vietnam; Committee action on Emergency Detention Act; Committee action on H.R. 959—Obstruction of Armed Forces; and Inquiry Concerning Speakers' Honoraria at Colleges and Universities).

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Foreword.

Chapter I. Theory and Practice of Communism: testimony of escapees from communist tyranny in Red China, Latvia, and Germany. (Summary of hearings held March 23–25, 1971.)

Chapter II. Theory and Practice of Communism: testimony of two leading American academicians, one an expert on Eastern Europe and the other expert on the Far East, plus testimony of an informant who was a member of the Young Workers Liberation League (a CPUSA "front" organization) in New York and of an informant who was a high-ranking member of CPUSA in New York City. (Summary of hearings held March 29–30, April 1, and May 10–12, 1971.)

Chapter III. Theory and Practice of Communism: testimony of witnesses expert in the subject of communism in Cuba, together with a leading American academician expert in the subject of communism in Latin America generally. (Summary of hearings held October 5–7 and 14, 1971.)

Chapter IV. Origins, Organization, and Activities of the Progressive Labor Party. (Summary of hearings held April 13, 14, and November 18, 1971.)

Chapter V. The Administration of the Subversive Activities Control Act of 1950 and the Federal Civilian Employee Loyalty-Security Program, involving testimony from executive departments and agencies. (Summary of hearings held April 21, 22, 27–29; June 2, 3, 8–10; July 27–29; August 3; and November 4, 1971.)

Chapter VI. Summary of Committee and House Floor Action on Bills to Repeal or Amend the Emergency Detention Act of 1950.

Chapter VII. Origins, Organization, and Leadership of the National Peace Action Coalition and the Peoples Coalition for Peace & Justice. (Summary of hearings held May 18–20, June 16–17, and July 21–22, 1971.)

Chapter VIII. Origins, Organization, and Leadership of the National Peace Action Coalition and the Peoples Coalition for Peace & Justice. (Summary of hearings held May 21, June 15, and July 13–15, 20, and 21, 1971.) (Committee minority witnesses.)

Chapter IX. Subversive Influences Affecting the Military Forces of the United States. (Summary of hearings held October 20–22, 27, 28, and November 9, 10, and 16–18, 1971.)

Chapter X. Summary Report on the Termination of Suit Instituted Against Publication of Committee Study of Amounts of Honoraria Paid Campus Speakers Associated with Revolutionary or "Front" Group.

Chapter XI. Report of Committee's Files and Reference Section.

Chapter XII. Summary Report on Committee Publications (Including commentary on a special report on the Black Panthers, a committee print regarding the origins and objectives of the Socialist Workers Party and Young Socialist Alliance, and a report on the Emergency Detention Act of 1950 Amendments.)

HOUSE OF REPRESENTATIVES—*Thursday, March 22, 1973*

The House met at 12 o'clock noon.

Rev. Sviatoslau Kous, Byelorussian Orthodox Church, New York, N.Y., offered the following prayer:

Our Lord, and God Jesus Christ, receive from us, Your humble servants, our most sincere prayers and in forgiving our sins bless all our enemies and those who would do harm unto us. Rather, show our enemies the true goodness of man. Those of us who believe in Your righteousness ask that we may never be led astray. Keep in Your grace the people of these United States of America and give guidance to our democratic principles.

Hear the lament of my Byelorussian people crying day and night for freedom. Give unto these people, through Your sacrifice, peace, and tranquillity. Do not forsake those who have forsaken You but rather make Your truth appear to all mankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries.

REVEREND KOUS DELIVERS OPENING PRAYER

(Mr. ADDABBO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, the opening prayer in the House of Representatives was delivered today by the Reverend Sviatoslau Kous, rector of the American-Byelorussian St. Cyril of Turov Independent Greek Orthodox Church in Richmond Hill, N.Y. It is an honor for all the residents of the Seventh Congressional District in Queens, N.Y., to have Reverend Kous here today and I am proud that he was invited to deliver the opening prayer.

The Greek Orthodox church in Richmond Hill where Reverend Kous serves as rector is newly built and was consecrated on October 29, 1972. Reverend Kous was born in Wilno, Byelorussia, and graduated from the Stephen Batory University in Wilno.

He came to the United States in 1949 and was ordained to be a priest by the Metropolitan Germanos of the Greek Orthodox Church on February 9, 1969. Reverend Kous, in addition to his duties as rector of the church, teaches at the high school in South River, N.J., where he lives.

It is particularly appropriate for Reverend Kous to lead us in prayer this week because March 25 will mark the 55th anniversary of the proclamation of independence of the Byelorussian Democratic Republic.

On behalf of my constituents and my colleagues in the House of Representatives, I thank Reverend Kous for being with us today to deliver the opening prayer.

ITT—$1 MILLION DONATION CONTAMINATES THE PURPOSE OF CIA

(Mr. VANIK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, yesterday's disclosures of an offer by the International Telephone & Telegraph Corp. to contribute up to $1 million in support of any Government plan for the purpose of bringing about a coalition of opposition to President Allende of Chile suggests the likelihood of precedence and pattern of private and corporate contributions to the Central Intelligence Agency to fund activities and operations of special interest to such contributors.

It is shocking if such contributions are legal or have been made in the past. If an agency of the Federal Government can receive private contributions for specific activities of a public agency or department, the commingling of private resources with the Federal funds of a Government agency contaminates the public purpose of the agency. If an agency or department of the Federal Government can receive such funds to provide direction or support of a specific goal or purpose, it opens up a form of bureaucratic bribery which should be prohibited.

I am currently preparing legislation

precluding any agency or department of the Federal Government from receiving any gift which can contaminate its purposes. If a corporation or individual desires to make a gift to the Government, let it be made to the Treasurer of the United States—or let it be paid in the form of equitable income taxes.

I am also requesting those charged with oversight to examine the extent of private and corporate contributions to the Central Intelligence Agency.

ROBERT M. BALL: A GREAT PUBLIC SERVANT

(Mr. MATSUNAGA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MATSUNAGA. Mr. Speaker, one of our Nation's most outstanding public servants left office last Saturday after more than 20 years of dedicated service to the American people. I am referring, of course, to Robert M. Ball, who, for nearly 11 years, served as Commissioner of Social Security.

During Commissioner Ball's tenure at the Social Security Administration, that agency was recognized as one of the most effective and efficient in the Federal Government. Mr. Ball himself won the praise and respect of elected and appointed officials at all levels of government.

The Commissioner's real reward, however, is the knowledge that he has made life immeasurably better for millions of retired and disabled Americans. Older Americans will not forget that it was Robert M. Ball who fought for the enactment of the medicare program, and Robert M. Ball who successfully advocated three increases in social security benefits during the last 4 years. As a result of his efforts in their behalf, older Americans are now able to face their retirement years with more confidence and the blind, disabled, and needy have made significant strides forward. It is indeed a great loss to our country that Commissioner Ball was not asked to remain in his position.

I know that my colleagues on both sides of the aisle will join me in extending warmest aloha to Commissioner Ball and wishing him success and happiness in his future endeavors, including, hopefully, a return to public service.

PERSONAL EXPLANATION

Mr. BRADEMAS. Mr. Speaker, I was unavoidably detained in returning to the floor of the House on March 1 for rollcall No. 30, the vote on final passage of H.R. 3298. Had I been present, I would have voted in favor of this legislation.

Also, Mr. Speaker, I was unavoidably detained in arriving on the House floor on March 20 for rollcall No. 52. Had I been present, I would have voted in favor of this resolution.

PRESIDENT NIXON'S ANTICRIME PROPOSALS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MONTGOMERY. Mr. Speaker, the need for speedy consideration of President Nixon's anticrime proposals was pointed up this past weekend when the U.S. magistrate handling the hearing for the alleged attackers of Senator JOHN STENNIS greatly reduced the amount of bail being requested by the U.S. attorney's office. I was greatly shocked to learn that one of the suspects had been released on an unsecured bond of $5,000 and another had the amount of bail reduced from $25,000 to $10,000.

We are not talking about simple assault or a mugging, we are talking about suspects in an armed robbery and attempted murder case, plus assault on a Federal official.

Mr. Speaker, I feel the President's proposals will end this leniency on the part of some courts that appear to take more interest in protecting the criminal than they do the rights of the victims of crime.

DEVELOPMENT OF THE NATIONAL FOREST SYSTEM

(Mr. MARTIN of Nebraska asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MARTIN of Nebraska. Mr. Speaker, I am today introducing legislation which I believe will help to alleviate on a long-term basis the tremendous shortage of lumber. The bill which I am introducing provides for a balanced and efficient protection and development of the national forest system and privately owned forest lands through the establishment of a forest lands planning and investment fund.

The bill would set up a revolving fund to utilize receipts from the sale of timber from Federal forests, but the money would still have to be appropriated by the Appropriations Committee of the Congress.

It is a supply act per se because in section 5 of the bill it provides specifically for reforestation and stand improvement; nursery development; tree improvement; recreation construction and construction to facilitate visitor education and interpretive services, water resource development construction; construction projects for fire protection and general administration, pollution abatement; wildlife habitat improvement; range revegetation and improvement; and fuel modification; watershed restoration and improvement; land status and landline location; land classification; and geometronics.

The bill would provide additional funding to the Forest Service to enable them to use modern sustained methods of reforestation. By the planting of cutover lands and by up-to-date methods of cultivation, fertilization, and thinning by utilizing modern sustained yield methods of forestry, growth of a Douglas fir tree can be speeded up by 40 percent. This would guarantee adequate lumber for future needs and complete replacement of cut lumber. The present lumber situation is very chaotic due to a tremendous demand and a shortage of supply. On the long-term basis my bill would help to alleviate this situation.

MANAGEMENT OF THE NATIONAL FORESTS

(Mr. WYATT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WYATT. Mr. Speaker, the lumber and plywood markets are in a state of turmoil today with prices skyrocketing and no relief yet in sight. Yet the present chief of the Forest Service has stated publicly that the allowable cut from the national forests can be increased by 50 percent with adequate funding to grow new forests. The allowable cut is that amount of timber which can be harvested each year and replenished so that the national forest may produce timber in perpetuity with no peril of exhaustion.

Both the Senate and House Banking Committees called for more intensive management of the national forests following exhaustive investigations of softwood lumber and plywood supply and price problems in 1969. Similar action was urged by a presidential task force in 1970. But these recommendations were never carried out.

Federal timber sales programs return nearly $4 to the Federal Treasury for each dollar invested and that must be a remarkable return for anyone's money. In spite of this, the Forest Service lacks a dependable source of funding to maximize timber production and insure that the forest environment is able to sustain increasing demands for recreation of all kinds.

As the major custodian of the Nation's standing sawtimber, the Forest Service needs both dollars and manpower. The need is critical if the national forests are to continue to supply wood fiber at reasonable prices to meet unprecedented demands for construction materials to house its people. Surely the richest nation in the world can afford to provide intensive management for its forests which have the capacity to provide us indefinitely with their bounty.

SUMMER JOB PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, the President has announced an interesting new way to close the generation gap between teenagers and adults. He wants to pit them in head-to-head competition for jobs this summer.

Mr. Nixon has finally recognized the necessity for a summer job program for youngsters—a program like the ones we have had for several years now. In fact, the President has requested, and the Congress has funded, a summer job program for this year.

But now Mr. Nixon tells us he does not want to use the funds we have allocated for that purpose. He wants to take the cost of the youth program out of the equally important public employment program which in the past 2 years has provided work for as many as 220,000 adults. The beneficiaries of PEP have been the returning Vietnam veteran, the welfare recipient and other unemployed, who have suffered as a result of the joblessness caused by Mr. Nixon's economic policies these past 4 years.

This PEP program, you will remember, is another one of those marked for extermination by this administration.

Mr. Speaker, I firmly believe that we need a summer job program. But I do not believe that we should bleed the beneficiaries of PEP to pay for it. I think that both programs can stand on their own merits. I think there are places in President Nixon's big-business-oriented budget where we can trim, if we have to, to pay for two vitally important employment programs.

As a prominent Capitol Hill colleague said yesterday of the President's high-handed action:

> This is impoundment and breach of promise. Cities are left with the Hobson's choice of firing the father in order to hire the son.

AMERICAN FOREIGN ECONOMIC POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

The Nation is again at peace. We also are firmly on the course of strong economic growth at home. Now we must turn more of our attention to the urgent problems we face in our economic dealings with other nations. International problems may seem to some of us to be far away, but they have a very direct impact on the jobs, the incomes and the living standards of our people. Neither the peace we have achieved nor the economic growth essential to our national welfare will last if we leave such matters unattended, for they can diminish our prosperity at home and at the same time provoke harmful friction abroad.

Our major difficulties stem from relying too long upon outdated economic arrangements and institutions despite the rapid changes which have taken place in the world. Many countries we helped to rebuild after World War II are now our strong economic competitors. Americans can no longer act as if these historic developments had not taken place. We must do a better job of preparing ourselves—both in the private sector and in the Government—to compete more effectively in world markets, so that expanding trade can bring greater benefits to our people.

In the summer of 1971, this Administration initiated fundamental changes in American foreign economic policy. We have also introduced proposals for the reform of the international monetary and trading systems which have lost their ability to deal with current problems. The turmoil in world monetary affairs has demonstrated clearly that greater urgency must now be attached to constructive reform.

At home, we have continued our fight to maintain price stability and to improve our productivity—objectives which are as important to our international economic position as to our domestic welfare.

What is our next step?

In my State of the Union message on the economy last month, I outlined certain measures to strengthen both our domestic and international economic position. One of the most important is trade reform.

In choosing an international trade policy which will benefit all Americans, I have concluded that we must face up to more intense long-term competition in the world's markets rather than shrink from it. Those who would have us turn inward, hiding behind a shield of import restrictions of indefinite duration, might achieve short-term gains and benefit certain groups, but they would exact a high cost from the economy as a whole. Those costs would be borne by all of us in the form of higher prices and lower real income. Only in response to unfair competition, or the closing of markets abroad to our people, or to provide time for adjustment, would such restrictive measures be called for.

My approach is based both on my strong faith in the ability of Americans to compete, and on my confidence that all nations will recognize their own vital interest in lowering economic barriers and applying fairer and more effective trading rules.

The fact that most of these comments are addressed to the role of our Government should not divert attention from the vital role which private economic activity will play in resolving our current problems. The cooperation and the initiative of all sectors of our economy are needed to increase our productivity and to keep our prices competitive. This is essential to our international trading position. Yet there are certain necessary steps which only the Government can take, given the worldwide scope of trading activity and the need for broad international agreement to expand trade fairly and effectively. I am determined that we shall take those steps.

I know that the American people and their representatives in Congress can be counted on to rise to the challenge of the changing world economy. Together we must do what is needed to further the prosperity of our country, and of the world in which we live.

RICHARD NIXON.

THE WHITE HOUSE, *March 22, 1973.*

NATIONAL ARTHRITIS MONTH

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 275) to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 275

Whereas arthritis and rheumatic diseases are the Nation's number 1 crippling diseases, affecting seventeen million Americans of all ages, causing limitations in their usual activities and great suffering;

Whereas arthritis and rheumatic diseases are second only to heart disease as the most widespread chronic illnesses in the United States today;

Whereas the annual cost of arthritis and rheumatic diseases to Americans is estimated to exceed $3,500,000,000 annually in lost wages, medical and disability payments, and taxes lost to the Federal Government;

Whereas advances in research and treatment show promise of significant breakthrough leading to a better understanding of and cure for these diseases;

Whereas the month of May is the period during which the Arthritis Foundation conducts its annual fundraising campaign to support its efforts in arthritis research and treatment; and

Whereas the most common form of arthritis strikes mainly older Americans and the White House Conference on Aging has been meeting during the week of November 29, 1971, to focus attention on the problem of this important group of citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue annually a proclamation (1) designating the month of May in each year as "National Arthritis Month", (2) inviting the Governors of the several States to issue proclamations for like purposes, and (3) urging the people of the United States, and educational, philanthropic, scientific, medical, and health care professions and organizations to provide the necessary assistance and resources to discover the causes and cures of arthritis and rheumatic diseases and to alleviate the suffering of persons struck by these diseases.

AMENDMENTS OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer three amendments.

The Clerk read as follows:

Amendments offered by Mr. EDWARDS of California: On page 2, line 4, strike out the word "annually".

On page 2, line 5, strike out the words "in each year" and insert in lieu thereof "1973".

On pages 1 and 2, strike out the entire preamble.

The amendments were agreed to.

Mr. DERWINSKI. Mr. Speaker, I am pleased to be a cosponsor of House Joint Resolution 390, which would designate the month of May in each year as "National Arthritis Month."

Arthritis has failed to receive public attention, which would lead to more adequate consideration and research into the causes and cures, even though it is one of the more serious chronic diseases in our nation. Arthritis is second only to heart disease as the most widespread chronic illness in America.

The Arthritis Foundation estimates that some 20 million Americans are presently suffering from some form of arthritis or rheumatic disease. It causes death in relatively few people, however, many of these people are totally disabled by the extent of their suffering.

This year the Arthritis Foundation will be celebrating its 25th anniversary of service to those Americans afflicted with this painful and crippling disease and I think it would be particularly appropriate if Congress would recognize their efforts. Therefore, I urge my colleagues to join in support of this resolution which would declare the month of May in each year as "National Arthritis Month."

Mr. HOWARD. Mr. Speaker, as the chief sponsor of House Joint Resolution 275, I rise in support of passage of this resolution. It is a great pleasure to see the resolution designating May as National Arthritis Month come before the House today. This May, the National Arthritis Foundation will be celebrating its 25th anniversary of service to those Americans afflicted with this painful and crippling disease. Consequently, our action today is most appropriate.

When we look at the great gains made by our society, we recognize that they are all a result, basically, of the great store of manpower available to this country. It is estimated, however, that a sizable portion of that pool of people, some 20 million persons, are in some way unable to participate because of the crippling and painful effects of one of the arthritic or rheumatic diseases so prevalent in our Nation. Many of these people are totally incapacitated.

Although it is one of the more serious chronic diseases in our Nation—second only to heart disease as the most widespread chronic illness in America—arthritis and rheumatic diseases have failed to receive the public attention which would lead to more adequate consideration and research into the causes and cures. This is undoubtedly because arthritis and related diseases actually cause death in relatively few people. The cost, however, in pain and suffering, and in financial loss to both those involved and to our economy, is enormous. While we cannot place a value on the pain suffered by those afflicted, it is estimated that the annual financial cost of arthritis and rheumatic diseases to Americans exceeds $4.3 billion.

There is hope, however, as some research is being done, which is beginning to lead to more and more substantial results. We have here an opportunity to recognize this work, and provide a public forum by which we may encourage more.

Indeed, National Arthritis Month provides an excellent opportunity to educate the American people in the problems and successes in this area, and I am proud to have been associated with this effort.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To authorize the President to issue a proclamation designating the month of May 1973, as 'National Arthritis Month'."

A motion to reconsider was laid on the table.

NATIONAL HUNTING AND FISHING DAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 210) asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I would like to ask the gentleman a question. Why was the last Saturday in September selected for this observance?

Mr. EDWARDS of California. I would like to refer the answer to the distinguished author of the bill, the gentleman from Florida (Mr. SIKES), if the gentleman will yield to him.

Mr. GROSS. I will be happy to yield to my good friend from Florida.

Mr. SIKES. Of course, there is no mandatory reason for selecting this specific date. It was proposed because it comes in early fall, at a time when there is general interest in the outdoors from the standpoint of fishing or in some areas in hunting. It was deemed an acceptable date from most standpoints.

Mr. GROSS. I want to say to my good friend from Florida that the climate is somewhat different in his State than northern Minnesota, where some of us like to go fishing, and some of the other Northern States such as northern Michigan. It is possible that you could be fishing through the ice on the last Saturday in September.

Mr. SIKES. I suggest to the gentleman that is all the more reason to come to Florida and enjoy the hunting and fishing as well as the peaceful solitude still to be found there.

Mr. GROSS. And the "peaceful solitude" that the resolution suggests that may be found on that occasion in the outdoors might be a rather cold, peaceful solitude.

However, the objective of the gentleman is, I believe, a worthy one and I hope we can rely on the T and T Club to see to it that there is no session of Congress on the designated Saturday so we can all go fishing.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 210

Whereas in the congestion and the complexities, the tensions and frustrations of today's life, the need for outdoor recreation—the opportunity to "get away from it all"—has become of crucial importance, and

Whereas there are few pursuits providing a better chance for healthy exercise, peaceful solitude, and appreciation of the great outdoors than hunting and fishing, and

Whereas this is evident in the fact that more than fifteen million hunting licenses and twenty-five fishing licenses are issued each year, and

Whereas the purchase of these licenses bring over $200,000,000 into State and local government treasuries, and

Whereas this income provides a rich source of funds for fish and wildlife conservation and management and for the salvation, preservation, and propagation of vanishing species, and

Whereas hunters and anglers traditionally have led in the effort to preserve our natural resources, and

Whereas outdoor sportsmen also have led in the promotion of proper respect for private as well as public property, of courtesy in the field and forest, and in boating and firearm safety programs, and

Whereas there is no present national recognition of the many and worthwhile contributions of the American hunter and angler: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States declare the fourth Saturday of each September as "National Hunting and Fishing Day" to provide that deserved national recognition, to recognize the esthetic, health, and recreational virtues of hunting and fishing, to dramatize the continued need for gun and boat safety, and to rededicate ourselves to the conservation and respectful use of our wildlife and natural resources.

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, first let me express my personal appreciation and that of millions of American sportsmen for the work of my distinguished friend the Congressman from California (Mr. EDWARDS), and his committee in recognizing the significance of this resolution and bringing it to the floor for passage. I respectfully urge a unanimous vote of the House in adopting the resolution requesting the President to designate the fourth Saturday in September as "National Hunting and Fishing Day."

It will be recalled that this action is similar to that a year ago when the House unanimously passed such a resolution. The bill was signed into law by the President and September 23, 1972, was a day of national celebration in special recognition of more than 55 million hunters and fishermen for their contribution to conservation and outdoor recreation.

Possibly there is no other form of recreation which provides a better prospect than hunting and fishing for healthful exercise with the opportunity to breathe fresh, clean air, to find solitude, and to forget daily cares.

As an indication of the enormous appeal of the sport of hunting and fishing, the latest report from the Department of the Interior shows nearly 16 million hunting licenses and 26 million fishing licenses were purchased in 1971. This is an increase of 607,000 hunting licenses—the largest single increase in over a decade—and 1,300,000 fishing licenses—also a record high—over the previous year.

For the privilege of hunting and fishing, the participants pay more than $208 million each year for licenses, tags, permits, and stamps. This income provides a rich source of funds for fish and wildlife conservation management. Many of the activities being undertaken today to protect wildlife threatened with extinction and to reestablish breeds and strains which have been losing the battle for survival has come from hunting and fishing license funds. In addition to those millions of people who pay to hunt and fish, there are also millions who enjoy these sports who are not required to purchase licenses because of age or military service.

It is notable that the true sportsmen among the hunters and fishermen are leaders in conservation programs and preservation of fish and wildlife. Responsible hunters and fishermen are leaders in local and national efforts to stop wanton destruction of threatened breeds of wildlife, to make sure that pollution of our waters do not wipe out fishlife. In addition, they are leaders among those who promote safety in hunting and fishing. Many of the laws to help insure safety in the outdoors have been developed, brought to the attention of State legislatures, and passed into law at the behest of hunters and fishermen.

It is important to the spiritual and physical survival of our people that Congress encourage hunters and fishermen to continue their conservation crusade and their enjoyment of outdoor recreation. I, therefore, urge that Congress honor the hunters and fishermen of America by again passing this resolution. At the same time, we can use this day to assure that we rededicate our Nation to the adequate protection of the land and water wildlife of the Nation, and to promote again and redouble our efforts to see that hunting and fishing recreation is carried on at the highest level of safety for those who participate.

AMENDMENTS OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer several amendments.

The Clerk read the amendments as follows:

Amendments offered by Mr. Edwards of California: On page 2, line 4, strike out the words "of each September" and insert in lieu thereof "of September, 1973".

On pages 1 and 2, strike out the entire preamble.

The amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Asking the President of the United States to declare the fourth Saturday of September, 1973, 'National Hunting and Fishing Day'."

A motion to reconsider was laid on the table.

NATIONAL ARBOR DAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 289) to authorize the President to proclaim the last Friday of April of each year as "National Arbor Day."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. Res. 289

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the last Friday of April of each year as "National Arbor Day" and calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Edwards of California: On page 1, line 5, strike out the words "of each year" and insert in lieu thereof "1973".

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To authorize the President to proclaim the last Friday of April, 1973, as 'National Arbor Day'."

A motion to reconsider was laid on the table.

NICOLAUS COPERNICUS WEEK

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 5) requesting the President to issue a proclamation designating the week of April 23, 1973, as "Nicolaus Copernicus Week" marking the quinquecentennial of his birth.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 5

Whereas the work of Nicolaus Copernicus marks the beginning of the era of modern science;

Whereas in 1973 there will have passed 500 years since the birth of Copernicus who was born, worked, and lived in Poland;

Whereas the National Academy of Sciences has accepted the inivitation from the Polish Government to assure leadership for activities associated with the observance of the quinquecentennial and named a special committee to make recommendations;

Whereas the Smithsonian Institution in cooperation with the National Academy of Sciences is conducting during the week of April 23 its Fifth International Symposium, "The Nature of Scientific Discovery," with a scientific program which focuses upon the Copernican theory, an integral part of modern science; and

Whereas scientists from the United States, Poland, and other countries will be gathered to celebrate the origins of modern science, inquire into the kinds of cultural climates which encourage the growth of scientific knowledge, and examine certain revolutionary developments in contemporary science that have grown out of the Copernican Revolution: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation designating the week of April 23, 1973, as "Nicolaus Copernicus Week" and calling upon the people of the United States to join with the Nation's scientific community as well as that of Poland and other nations in observing such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Edwards of California: 1. On pages 1 and 2, strike out the entire preamble.

The amendment was agreed to.

Mr. DULSKI. Mr. Speaker, I rise in support of the resolution. I am grateful to the Judiciary Committee for clearing my resolution (H.J. Res. 5) for consideration by the House today.

This resolution requests the President to designate the week of April 23 as "Nicolaus Copernicus Week" in honor of the 500th birthday anniversary of the renowned Polish scientist who is considered by many to be the father of modern science.

I want to extend my special appreciation to the chairman of the subcommittee, our distinguished colleague from California (Mr. Edwards), for his initiative and cooperation on this measure.

Mr. Speaker, many observances have been arranged throughout the world this year in honor of Copernicus. In fact, in the Congressional Record we received this morning I had a separate extension of remarks listing many of the observances scheduled in the United States.

Nicolaus Copernicus was born February 19, 1473, in Torun, Poland. He had a most remarkable career over his 70 years on this Earth. He was a scholar in many fields of endeavor, as well as science, including doctor of canon law, physician, ordained priest, an authority on money, and a soldier.

But over the years his name principally has been associated with his work as an astronomer and what has come to be known as the Copernican theory.

Copernicus concluded that the centuries-old teachings on the universe were wrong. Theologians and the church, notwithstanding, he determined—and correctly—that it was the sun, not the earth, which was the center of the universe.

It was many, many years before the Copernican theory was accepted, principally because of the opposition of the church. But accepted it finally was and scientists down through the years have credited the modest Polish astronomer for having pioneered in a very vital basic of modern science.

Normally, honors and celebrations would be focused upon the birthday anniversary last month except that—under the new Monday holiday law—the date wound up in conflict with the official national holiday honoring the father of our country, George Washington. Copernicus was not forgotten on that date by any means, however, including my own remarks here in the House on that day.

But the major national celebration of Copernicus' anniversary is being concentrated on the week of April 23. During that week the Smithsonian Institution, in cooperation with the National Academy of Sciences, is conducting a seminar for scientists from all over the world and the subject is the Copernican theory.

The Smithsonian is assembling an extensive exhibit in honor of Copernicus which will be on public display over a period of weeks beginning on April 7. A number of important historical items have been borrowed from Poland for the exhibit.

The U.S. Postal Service is issuing a special 8-cent commemorative stamp on April 23 in honor of Copernicus. The first-day ceremony will be held at the Smithsonian with many distinguished individuals invited to participate.

On the preceding evening, April 22, the National Academy of Sciences has arranged a special cultural program on Copernicus. Included will be a specially commissioned musical composition by Leo Smit of the State University at Buffalo, with narration by Sir Fred Hoyle of England, an internationally recognized cosmologist.

The musical work was commissioned by the National Academy and is entitled "Narratio et Credo." Eight Gregg Smith Singers from New York City and an ensemble of eight musicians will participate.

Following the brief ceremony marking the opening of Nicolaus Copernicus Week, the Gregg Smith Singers will give a recital in Polish of several Polish renaissance madrigals, newly discovered.

The musical work by Leo Smit and Sir Fred Hoyle will provide the climax for the opening night's festivities.

Another program is planned for the auditorium of the National Academy of Sciences on Wednesday, April 25, when a new work by Leon Kirchner called "Lily" will be presented as part of a program featuring members of the Boston Symphony Orchestra. The motif of this program is to reflect through current new music the motif of Copernicus as a creator of new intellectual concepts.

Then on Friday, April 27, there will be a Copernican musical program at the Kennedy Center Concert Hall featuring new music, the Symphony No. 2—Copernican—of Mikolaj Henryk Gorecki.

One of the final events of the year will be on November 28, when the Royal Society of Canada will have its Copernicus celebration. Here again, there will be presented a new work, "Nicolaus Copernicus," commissioned by the National Art Center to the Polish composer, Tadeusz Baird.

Mr. Speaker, appropriate recognition of Nicolaus Copernicus is most appropriate in our age, the age of space. All of our great accomplishments in space relate directly to the Copernican theory that sun, not the earth, is the center of the universe around which the earth and the planets revolve.

I urge the adoption of the resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on all four of the resolutions just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING FUNDS FOR COMMITTEE ON INTERNAL SECURITY

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 308 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 308

Resolved, That (a) effective January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to clause 11 of rule XI of the Rules of the House of Representatives, incurred by the Committee on Internal Security, acting as a whole or by subcommittee, not to exceed $475,000 including expenditures—

(1) for the employment of investigators, experts, attorneys, special counsel, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

(b) Not to exceed $20,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); and not to exceed $2,500 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Internal Security shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 55]

Aspin
Badillo
Bell
Bergland
Biaggi
Butler
Carey, N.Y.
Carney, Ohio
Chappell
Chisholm
Clark
Conlan
Conyers
Edwards, Ala.
Foley
Ford, William D.
Fraser
Frey
Gray
Griffiths
Gubser
Guyer
Harsha
Hébert
Hinshaw
Holifield
Hosmer
Jones, Ala.
Karth
Ketchum
King
Landrum
McCormack
McSpadden
Milford
Minshall, Ohio
Owens
Pike
Price, Tex.
Quie
Rangel
Rees
Reid
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Ruppe
Ryan
Stark
Talcott
Taylor, Mo.
Widnall
Wright
Young, Ill.

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING FUNDS FOR COMMITTEE ON INTERNAL SECURITY

Mr. THOMPSON of New Jersey. Mr. Speaker, for the purposes of debate only I yield 3 minutes to the gentleman from Massachusetts (Mr. Drinan).

Mr. DRINAN. Mr. Speaker, during the past 2 years the House Internal Security Committee, of which I am a member spent $1,028,657.21.

Of this sum $962,889.43 was spent on the salaries of the 49 members of the staff of this nine-man committee.

Astonishing as it seems only 13 bills were referred to this committee during the 92d Congress. These 13 bills referred to seven subject matters. Only three of the bills were reported to the floor and all were defeated.

Happily we can say that in the United States today the issues surrounding subversion, espionage, and treason do not loom large.

The Judiciary Committee of the House of Representatives had exclusive jurisdiction over all of these subjects from 1790 until 1945 when the House Internal Security Committee established as a permanent committee of the House of Representatives.

I am hoping that Members of this House will today decide that the Judiciary Committee each of the members of which is a lawyer is clearly and undeniably the unit which should handle these completely legal matters. The Judiciary Committee of the other body has exclusive jurisdiction over all matters related to subversion, espionage and treason.

If only 13 bills were referred to the House Internal Security Committee during the 92d Congress it seems clear that the House of Representatives is spending an enormous sum of money to investigate a problem where problems do not apparently exist.

Most of the incredible sum of money spent by the House Internal Security Committee went for investigations and for the maintenance of the dossiers of three-fourths of a million individual Americans concerning whom the House Internal Security Committee maintains a file.

As a member of the House Internal Security Committee over the past 2 years I have examined very closely the relatively few studies—despite the huge staff—which the committee has issued. With all due respect I am afraid that these studies proceed from a preconceived viewpoint, tailor facts to coincide with this viewpoint and have uncovered virtually no new evidence related to alleged subversion in organizations such as the Students for a Democratic Society, the Black Panthers, the National Peace Action Coalition, and the People's Coalition for Peace and Justice.

Indeed, the extensive publications of HISC seem more and more to specialize in the extensive and useless reproduction of the documents of the organizations which the staff investigates.

The documents of HISC are furthermore replete with unsubstantiated references to the alleged subversive activities of individuals. One Irving Sarnoff of Los Angeles, for example, is mentioned 16 times as a known member of the Communist Party in the 2,300 pages of documents issued by HISC in the recent past resulting from its investigation of the peace movement.

The studies issued by HISC range from the worthless to the highly objectionable. On June 22, 1972, the chairman transmitted to the Speaker a report entitled "America's Maoist: The Revolutionary Union—The Venceremos Organization" From pages 131 to 156 of this document there is a long list of names, with photographs, of American citizens identified by two witnesses "friendly" to HISC as persons associated with the Venceremos. The report of HISC indicates that each of these individuals was sent a registered letter pursuant to the requirements of House rule XI, 27(M).

The letters of the six individuals who protested their inclusion in this document and who requested to appear before the committee are reprinted, to my knowledge without the permission of these individuals as far as is known, starting on page 156 of the document.

The report states:

> None of them, in the end, availed themselves of the opportunity to appear before the committee.

One of the basic reasons why these individuals did not take advantage of the opportunity was the fact that an investigator for the House Internal Security Committee talked to or visited with each of these individuals and, in my judgment, inhibited them from exercising their rights.

The rights of these individuals, furthermore, at a hearing made available to them are very nebulous and uncertain. No one at any time has taken advantage of the opportunity to exculpate himself from the categorization made by a HISC document along with the crude "mugshot" attached to the identification.

Mr. Speaker, it is my judgment that tactics like these and publications like "America's Maoists" bring dishonor upon the House of Representatives and bring injustice into the lives of individuals—mostly young students—and should have no place in the business of the Congress of the United States.

HISC IS NOW SEEKING COMMUNISTS IN PRISONS IN AMERICA

On March 20, 1973, four members of the House Internal Security Committee over my dissent agreed to hold hearings with respect to Attica in Albany. A majority of the committee on February 27, 1973, resolved to investigate the activities of subversive organizations—

> conducted within, or directed towards, the prisons and other penal institutions and systems of the United States or of any state . . .

The resolution to investigate alleged Communist activity in the prisons of this country was passed despite the following two factors:

First. Seven volumes of hearings prepared by Subcommittee No. 3 of the Judiciary Committee during the 92d Congress covered every aspect of problems related to prisons all over the United States. In all of this massive amount of testimony no penal official or any inmate or former inmate ever at any time indicated that any subversive influence in the prisons was a source of inmate agitation.

Second. The Select Committee on Crime of the House of Representatives conducted extensive hearings about Attica. In all of the abundant material collected by this committee about Attica there were at most only one or two references to any alleged subversive influence in that institution.

The hearings which soon will be held by the House Internal Security Committee with respect to alleged subversion in the prisons of America will be another expensive adventure by this committee which can only result in adding more false issues to the difficult question of penal reform. Like the extensive hearings conducted by HISC over the past few years into other movements, these hearings will end by harming the reputations of innocent persons by including their names or the titles of their organizations in the permanent records of the files of this congressional committee.

I am afraid that the forthcoming hearings on alleged Communist influence in the penal institutions of this country will be another sad and self-inflicted wound by a committee of the Congress of the United States.

Mr. Speaker, all of us today have an opportunity to improve the work of the House of Representatives by transferring the jurisdiction over subversion and espionage from the House Internal Security Committee to the Judiciary Committee.

Clearly this jurisdiction should be returned to the committee where it resided from the very birth of the Congress in 1790 until 1945. During all of those decades the Judiciary Committee had the prime and exclusive responsibility for writing and improving the laws of this Nation that forbid crimes against the Nation's security. During all of those decades the Judiciary Committee similarly had oversight function with respect to the enforcement of those laws.

The whole question of subversion, internal security and espionage involves delicate and complex issues about which lawyers rather than laymen have expert knowledge and background. It is for this reason that the Judiciary Committee, a unit made up of 38 attorneys, would be better suited to write and supervise the administration of laws related to the protection of the internal security of this country.

In 1970, 52 Members of this House so believed and so voted. In 1971, 75 Members agreed that the jurisdiction of the House Internal Security Committee should be transferred to the Judiciary. In 1972 a total of 102 members agreed with this proposition.

I have the hope, Mr. Speaker, that in 1973 a majority of this House of Representatives will agree that the important matter of possessing and enforcing strong laws against subversion should no longer remain with a committee whose credibility and effectiveness are seriously open to question but should be returned to the Judiciary Committee where they resided and were properly exercised during the first 14 decades of the existence of this Congress and this Nation.

Mr. THOMPSON of New Jersey. Mr. Speaker, for purposes of debate only I yield 1 minute to the distinguished gentleman from Ohio (Mr. ASHBROOK), the ranking minority member of the committee.

Mr. ASHBROOK. I thank the gentleman.

Mr. Speaker, I am reminded of the statement by a former distinguished Member of this body from Oklahoma, Mr. Belcher, which he would make quite often. When he would watch things happen, every now and then he would say, "I feel like a Chinese foghorn. The foghorn keeps blowing, and the fog keeps coming in."

We have heard these same arguments year after year after year as to our committee, on the work that we do. I still believe that with all of the arguments we have heard it will be just like the foghorn; we are going to keep going, to stay in business, and do the very same things. I believe this is something which has met with the overwhelming support of the majority of the Members of this body. I hope that again today we will receive the same vote.

I see no reason to go into every detail and discuss this over and over again. I merely say that I support the resolution and I hope the majority of the Members will.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I take this moment to urge a "no" vote on the resolution. I would hope that the continuing number of Members who did vote "no" would be increased today.

I should like to take this moment also to pose a question to the distinguished chairman of the committee, Mr. ICHORD.

In the "Dear Colleague" letter the gentleman wrote a number of months ago the gentleman referred to the fact that since he had become the chairman of this committee no longer were files kept on the Members of Congress. That is correct?

Mr. ICHORD. That is absolutely correct. I would state to the gentleman from California that no files are kept on the Members of Congress. We do have files in the committee, but they are not kept on Members of Congress. There would only be one file, in a technical sense, kept on a Member of Congress, and in a sense, that would be the file on the gentleman from Missouri (Mr. ICHORD). There are a few files kept on individuals who definitely are not Members of Congress but they are few in number.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman for his response.

What the gentleman is saying is that previous to his chairmanship files were kept by the House Committee on Un-American Activities on Members of Congress. I do not think, if we are going to keep them on other American citizens, that we as Members of Congress should necessarily be excluded from this practice, but I think that what the gentleman is also saying is that in the event he would not be chairman at some future date, the new chairman could immediately start up a subversive file on Members of Congress again.

Is that correct?

Mr. ICHORD. Let me state to the gentleman from California that if he is opposed to the files and reference sections of the House Committee on Internal Security, why does he not introduce a resolution that would prohibit the chairman of the House Committee on Internal Security from making the information in the files and reference section available to the Members?

I understand the gentleman has not done that, nor has any other Member done that.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman for his response.

Mr. Speaker, I rise in opposition to House Resolution 191, providing a budget for the Internal Security Committee of $475,000 in addition to the $250,000 it receives as a standing committee of the House. This committee and its predecessor, the House Un-American Activities Committee, have been sources of controversy and debate in this body ever since HUAC was established in 1945, and I shall not dwell on the committee's past faults and dangers, which have been discussed so many times before.

I find ample reason for opposing House Resolution 191 set forth in the committee's plans for the current session. HISC plans to conduct an investigation to "uncover the nature and extent of subversive influences involved in prison riots, disturbances, and unrest, and in connection therewith the movement to reform practices of incarceration, probation, and parole." [1] This venture can only be characterized as jurisdictional overreaching inasmuch as Subcommittee No. 3 of the House Judiciary Committee has had jurisdiction over Federal corrections for some time, and held extensive hearings on prison problems in the last Congress.

In addition, the committee also proposes to investigate the "activities of Communist China within the United States, with particular focus upon infiltration, drug introduction, espionage, recruitment of Americans of Chinese ancestry and the formation or utilization of organizations to serve the purposes of Communist China." [2] I find it incredible that at a time when our Government has made enormous progress in normalizing our relationships with the People's Republic of China, that a committee of the House would endanger this tenuous rapprochment. An investigation of this nature would almost certainly reawaken feelings of suspicion against Chinese Americans by the mere facts of their Chinese ancestry.

Mr. Speaker, I wish to bring to the attention of my colleagues in the House a petition signed by 377 professors of public law from some of our finest law schools requesting the abolition of the House Internal Security Committee. I wish particularly to note that the deans of 13 law schools are in support of this petition. A positive step in this direction would be to reject House Resolution 191, and I urge the Members to vote no further funding for the House Internal Security Committee.

The petition follows:

PETITION TO THE HOUSE OF REPRESENTATIVES

We, the undersigned professors of public law, for the reasons set forth below, respectfully petition the House of Representatives to abolish the Committee on Internal Security.

In February 1969 the House of Representatives voted to terminate the Committee on Un-American Activities and to establish in its place, with some modification of its mandate, the Committee on Internal Security. Since that date, under a new chairman, there have been certain changes in the style and tactics of the Committee. In essence, however, the objectives and functions of the Committee have remained the same. Thus the passage of time and the installation of new management have confirmed that, regardless of sporadic reform, the operations of any committee of this nature run counter to the basic principles of American democracy. There has been increasing recognition of this in Congress itself, in the legal profession, and in the public at large. We believe the time has come to eliminate the Committee on Internal Security from our governmental structure.

I

The principal function of the Committee on Internal Security, like its predecessor the Committee on Un-American Activities, has been to probe and expose the beliefs, opinions and associations of American citizens. The jurisdiction of the Committee extends to "Communist and other subversive activities affecting the internal security of the United States." This mandate is not limited to activities that involve the use of force or violence or other illegal measures. And the term "subversive," as the courts have many times ruled, is so vague and indefinite as to constitute very little limitation on the Committee's authority.

The Committee is also specifically authorized to investigate "the extent, character, objectives, and activities" of "organizations or groups," including their "members, agents, and affiliates," which seek to establish "a totalitarian dictatorship" in the United States, or to overthrow or alter "the form of government" by "force, violence, treachery, espionage, sabotage, insurrection, or any unlawful means." Similar authority is given to investigate organizations or groups, and their "members, agents, and affiliates," which "incite or employ acts of force, violence, terrorism or other unlawful means" to "obstruct or oppose the lawful authority of the Government of the United States" in the execution of any law or policy affecting internal security.

While these provisions make a bow toward confining the investigatory powers of the Committee to conduct involving force or violence, or similar illegality, it is clear that they impose no real bounds of that sort. The clause relating to totalitarian dictatorship is not so limited. Under the other clauses, so long as a claim can be made that a possibility of the use of force or violence exists somewhere in the remote background the Committee can investigate at will. Thus an investigation into the "character" and "objectives" of a peace organization, at one of whose demonstrations some conflict with the police may have at one time employed militant rhetoric, becomes for all practical purposes an inquiry into political beliefs, ideas and associations quite divorced from any overt acts of an illegal nature. Indeed, this broad scope of the Committee's power is explicitly confirmed by a catch-all provision which authorizes the Committee to investigate "all other questions . . . relating to the foregoing."

It is inevitable that any committee operating under such a mandate, and conceiving its function as one of protecting the nation against "un-American" or "subversive" activities, will devote most of its attention to those aspects of political conduct which constitute the kind of expression that the First Amendment is designed to safeguard. The Committee is not qualified or equipped to do anything else. Investigation of acts of force or violence, which of course constitute violation of the criminal law, must be left to the Department of Justice and other prosecuting authorities. What is left for the Committee is to probe into the ideology, the public and private statements, the associations, and the organizational activities of the groups and individuals which become its target.

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[1] Chairman Ichord's letter of Feb. 7, 1973, to Chairman Wayne Hays of House Administration.

[2] Ibid.

This is, indeed, exactly how the Committee on Internal Security, and the Committee on Un-American Activities before it, have operated. It is rarely overt acts of force or violence that the Committee uncovers and discloses to the public. Rather it is the names of members of executive boards, lists of speakers, statements of policy, discussions at meetings, affiliation of members, and similar legitimate affairs that are the subject of its inquiries and the object of its exposures. For example, in 1970 the Committee, ostensibly seeking to investigate "the financing of revolutionary groups," sent inquiries to 179 colleges and universities requesting information concerning the names, sponsorship and honoraria of "all guest speakers" on the campus from September 1968 to May 1970. Thereafter the Committee published a report containing a list of such speakers who were members or "supporters" of a dozen or so specified organizations, together with the remuneration each had received. As Judge Gerhard A. Gesell of the District Court of the District of Columbia said, the project served no valid legislative purpose but was intended "to inhibit further speech on college campuses by those listed individuals and others whose political persuasion is not in accord with that of members of the Committee." Again, the Committee's extensive investigation of various peace organizations in 1971 focussed almost entirely upon ideology, affiliations, and legitimate political expression.

It is clear that the Committee has had, and must continue to have so long as it is allowed to exist, a menacing impact upon our system of freedom of expression. The very design of the Committee, and the inevitable manner of its functioning, bring it directly into conflict with the constitutional guarantee of free and open discussion.

II

Not only does the Committee on Internal Security pose a serious danger to freedom of expression in America, but it serves no useful purpose in our governmental structure. The insignificant contribution made by the Committee to the legislative work of Congress is notorious. From 1945 to the present only six pieces of legislation emanating from the Committee have been enacted into law, and most of these have been declared unconstitutional by the courts or repealed. In the entire 91st Congress (1969–1970) only seven bills (other than duplicates) were referred to the Committee as compared with an average of 690 referred to other standing committees. In that Congress the Committee reported out three bills, only one of which passed the House and none of which became law. Virtually every bill ever referred to the Committee has also been within the jurisdiction of some other House committee, primarily the Committee on the Judiciary.

Nor does the Committee on Internal Security perform any significant service in connection with the oversight function of Congress. The task of checking on the operations of the various executive agencies likewise falls within the jurisdiction of other House committees, most of which have far greater knowledge of particular agencies than does the Committee on Internal Security. In the last several years the only significant work undertaken by the Committee on Internal Security in this area has been its study of the loyalty-security program. But that investigation, if necessary at all, could have been better performed by the Committee on Post Office and Civil Service, which possesses an overall view of the Federal civil service not shared by the Committee on Internal Security.

In short, if the Committee on Internal Security disappeared overnight there would be no discernible effect upon the legitimate work of Congress.

III

One of the main activities of the Committee on Internal Security has been the creation and maintenance of an extensive system of files containing data on hundreds of thousands of Americans. The exact nature of this operation has been shrouded in secrecy. In the latest annual reports of the Committee, each running to several hundred pages, only a few lines are devoted to the working of this system even though it absorbs a major portion of the Committee's funds and staff. It is known, however, that in April 1971 the system included a set of 754,000 cards containing political information about individuals, though not every card dealt with a different person. The files as a whole occupy four rooms in the Cannon House Office Building. The extent of computerization, while not precisely known, is apparently sufficient to justify characterization of the system as a data bank.

Information stored in the Committee files consists of two kinds, only one of which the Committee has been willing to discuss. The first is what the Committee terms "public source information," obtained from such sources as newspapers, periodicals, leaflets, letterheads, programs of meetings, and published hearings and reports of legislative committees. The other kind, to which the Committee rarely makes reference, is termed "investigative" material and consists, in the words of Committee member John Ashbrook, of "sworn testimony received in executive sessions of the committee and confidential information developed by the committee staff." Neither "public source information" nor, so far as appears, "investigative" material, is checked by the committee staff for accuracy or reliability before being included in the files. On the basis of materials thus far disclosed it is evident that the overwhelming proportion of the content of the files consists of accounts of political opinions, activities and associations that are clearly protected by the First Amendment.

Members of Congress are entitled to request reports from the Committee with respect to any individual or organization included in the Committee files, and in 1971 the Committee responded to 696 such requests. In the normal case, however, and perhaps in all cases, the Committee gives to members of Congress only the "public source information." The Committee also allows 25 agencies of the Federal Government, including the Civil Service Commission, to obtain information from the Committee files in connection with loyalty-security checks of government employees or applicants; in 1971 there were 963 "visits" to the files by representatives of these agencies. Whether these officials have access to the "investigative" material as well as the "public source information" is not disclosed. Although the Committee states that the material in its files is not available to the general public, in actuality; either through the two avenues just noted or in other ways, significant amounts of material from the Committee files do reach the general public.

We believe that such a system of data collection and dissemination encroaches upon constitutional rights of free expression and invades the right of privacy. For many citizens the prospects of obtaining government employment are seriously jeopardized by the presence of unchecked and unknown data in the files of a Committee notoriously hostile to certain points of view. In wider areas, the use of such materials from official government sources to attack or disparage groups or individuals engaging in political activities has a severe depressing effect upon freedom of discussion. And the very existence of government dossiers on the political belief and associations of numberless citizens, particularly when filled with unverified rumor and gossip, prevents that "uninhibited, robust, and wide-open" discussion which is the heart of our system of freedom of expression.

At a time when all citizens are desperately concerned with the increasing incursions upon privacy which grow out of the ever-expanding collection of data and the ever-increasing surveillance of their activities, there can be no justification for continuing the sort of official dossier system maintained by the Committee on Internal Security.

IV

We do not think it is necessary to recount in detail other serious objections to the operations of the Committee on Internal Security. While its procedures have been improved in some respects, its accusatory form of investigation and hearing can never be really fair in the absence of a full right to notice, counsel, cross examination, an impartial decision-maker, and other procedural protections. Moreover, the powers of the Committee are expanding as new devices, such as the right to subpoena bank accounts, to obtain income tax returns, to gain access to the names of post office box holders, are utilized by the Committee. There are, in addition, signs that the Committee's staff has grown independent and aggressive, as evidenced by the action of two members in attempting the illegal bugging of a political meeting in Chicago some months ago.

The central point, to which we earnestly call the attention of the House, is that the Committee on Internal Security has become a permanent governmental mechanism, based upon a hardening bureaucracy of staff and files, designed to investigate and record the political opinions and associations of American citizens, and to use the data so collected to harass particular points of view which the Committee does not share. We submit that this is not a proper institution to be maintained by a legislative body.

We do not, of course, oppose the legitimate use of legislative powers to deal with matters of internal security. We believe, however, that those functions can be effectively carried out by the Committee on the Judiciary. Hence we support the proposal, advanced by many members of Congress, to amend Rule XI, clause 12 of the Rules of the House of Representatives to add expressly to the jurisdiction of the Judiciary Committee authority to consider "sabotage and other overt acts affecting internal security." As to the files of the Internal Security Committee, we urge that they be consigned to the Archives, not to be open for official or public inspection for 50 years.

Respectfully submitted.

December, 1972.

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LIST OF ADDITIONAL SIGNERS OF PETITION TO THE HOUSE OF REPRESENTATIVES TO ABOLISH THE COMMITTEE ON INTERNAL SECURITY

University of Chicago, Law School—Gerhard Casper, Anthony J. Waters.

Rutgers, The State University of New Jersey, School of Law, Newark—Albert P. Blaustein, Alfred W. Blumrosen.

University of San Diego, School of Law—Morris D. Forkosch.

University of Texas, School of Law—Albert W. Alschuler, George E. Dix, David B. Filvaroff, Robert E. Mathews, M. Michael Sharlot.

University of Wisconsin, Law School—James E. Jones, Jr., William G. Rice.

Mr. THOMPSON of New Jersey. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Indiana (Mr. Zion).

Mr. ZION. Mr. Speaker, on January 19, 1973, the Honorable Jerome R. Waldie circulated a "Dear Colleague" letter promoting his resolution to abolish the Committee on Internal Security and transfer its functions to the Judiciary Committee.

First. Mr. Waldie noted in his letter that he had introduced a similar resolution in the last Congress—House Resolution 600—and that it had been supported by the National Committee Against Repressive Legislation.

Second. He also informed the Members of the House that his action had been initially prompted by some great revelation by the Representative from Massachusetts (Mr. Drinan).

Members of the House: does the name National Committee Against Repressive Legislation mean anything to you? Clearly, it has a high-purposed ring sufficient to tingle anyone's idealism. Who could possibly be for repressive legislation? But the fact is that that organization's name and its true purpose differ as day to night.

The Committee Against Repressive Legislation has as its sole objective the destruction of the principal security affairs organ of the House of Representatives. It is, in fact, the direct successor to the National Committee to Abolish the House Committee on Un-American Activities which was officially cited in 1961 as a Communist Front. When the House Committee changed its name, that organization promptly followed suit but clothed itself in a loftier title.

My colleagues, were you informed when you received Mr. Waldie's letter in January just who the brains were behind this "idealistic" new group which fights so valiantly against so-called repressive legislation? Or was the letter silent on its true leadership?

Let me phrase it in this fashion. Would you buy a membership subscription in an organization from a used-organizational salesman who had been identified as a member of the Communist Party, not once but twice, by officially authorized, undercover operatives of the FBI? And from one whose track record on behalf of innumerable party fronts, publications, and activities is so long that were I to include it later in the Record, it would violate the 2-page limitation rule on extraneous matter of the Joint Committee on Printing?

Do not be mislead by the flood of petitions currently inundating Capitol Hill which are being circulated by well meaning but naive youngsters who have been lobbying your administrative and legislative aides. The man behind the scenes, the general sales manager who guides and directs this young sales force is none other than Frank Wilkinson, the executive director and field representative of the Committee Against Repressive Legislation. His job it is, to sell you, the Members of the House, on the highly questionable merits of his cleverly merchandized product—antirepressive legislation, AKA—also known as—abolish this House Committee.

Naturally, you will not see Wilkinson himself working the Halls of Congress because his style of marketing expertise was exposed years ago, in December 1956, to be exact. But he had been active long before that. To be sure he is a real pro. Even after serving time in the pen, following his conviction by a Federal District Court in 1959—a conviction upheld by the Supreme Court in 1961—he reappeared at the same old stand huckstering the same old wares—abolish the House Committee.

Although the House Committee's predecessor, the Committee on Un-American Activities, is not the Better Business Bureau, it did shed some illumination on Mr. Wilkinson's sales pitch so that hopefully his prospective consumers would be fully appraised of the true market value of his produce about repressive legislation.

Mr. Waldie indicated in his letter that his "initial action was prompted" by a disclosure made by my fellow committee member, Mr. Drinan. Surely this should come as no great shock to the House Membership. Mr. Drinan is not only a member of the group headed by Wilkinson which I have just described, but to quote his own remarks made at one of our committee meetings in 1971:

> I'm on the executive committee of the abolition committee.

If therefore behooves all of us to consider Mr. Waldie's somewhat less than objective sources today when we review and debate this resolution.

Mr. Waldie's "Dear Colleague" letter of January 19, is moreover, an out and out personal attack against the Membership of this Committee which Mr. Ichord has done his utmost to make into a fair and impartial congressional instrument. The letter stated:

> I would like to point out that this Resolution does not evolve from any disagreement with the integrity of the Chairman or Members of the Committee.

On its face this is a magnanimous tribute, which however, in the context of the remaining portion of his letter, is reduced to a piece of hypocritical hogwash. The distinguished gentleman then proceeds to smear the committee—which means its membership because the committee is the sum total of the Members who constitute it—with the following unfortunate choice of smear terms: " 'big brother' apparatus"; "thought control" concepts that are embraced by the Committee; "the trappings of totalitarianism," and so forth.

Could not the gentleman from California have been more specific? Would he care to name, here on the floor, who among our nine-man committee practices big brotherism? Is it the ranking minority member perhaps? Or the chairman? And whose thoughts have been controlled? What Member of the Committee did the controlling? And who are the totalitarians on our committee?

I have had the distinguished honor to have served as a member of the Committee for several years and I have listened to, or read about such irresponsible claptrap, ad nauseum, for years. I only regret that 22 of my colleagues saw fit to ally themselves with such a letter—a letter promoted by the distinguished Congressman from that patriotic State of Massachusetts who openly conceded that he is in fact a national official of that organ of abolishment. Mr. Drinan was, of course, a signatory of the January missive, and as you know, has been a member of the "infamous" Committee on Internal Security.

Mr. Drinan has, therefore, been subject, first hand, to big brotherism. Now gentlemen, I ask you in all candor, is there a Member here today who seriously believes that the gentleman from New England—the Committee on Internal Security's very own POW, could possibly have his "thoughts controlled"?

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Waldie).

Mr. WALDIE. Mr. Speaker, I listened carefully to the remarks of the gentleman from Indiana concerning the "Dear Colleague" letter I sent out, and though in no way do I retreat from my statement of great admiration and belief in the integrity and competence and ability of the chairman, I have less conviction now as to the total competency of all the members of that committee and their understanding of the objective facts that might be submitted to them in a "Dear Colleague" letter, but it has little to do with whether or not the sources upon which I base my "Dear Colleague" letter are in fact contained within the files of the House Committee on Un-American Activities or the Committee on Internal Security.

My objection to that committee goes to a much deeper thing than that, and I have been voting against that committee for the last 3 years. It goes to the fact that as a Congressman and as a Member of the House of Representatives it is a demeaning thing to me to understand that we have a committee that finds its greatest delight in inquiring into the political beliefs and political associations of American citizens. That does not seem to me to be a proper role for a congressional committee.

Mr. ICHORD. Will the gentleman yield?

Mr. WALDIE. No. I will not yield. I am sorry. I do not have sufficient time.

I spent a very limited time going through the committee rooms, limited because access to the committee files is not readily accessible until we go through a fairly complicated process, but I was shown several rooms, or at least it seemed to be several rooms to me, of filing cabinets that contained within them raw clips from newspapers. I assume that those raw clips from newspapers that they put together contained the source of the magnificent brief of the gentleman from Indiana which he just read about the "Committee for Repressive Legislation." The only people I saw or the majority of the people I saw were on the staff of the committee, and I did not see them all.

But of the four, I think it was four, people they were spending all day long clipping out of newspapers arbitrarily what they considered derogatory information, or at least derogatory from their personal political philosophies in terms of American individual citizens, and then those files of clippings were made accessible to the executive branch. When the executive branch seeks to employ anyone these totally unevaluated clippings from this Un-American Activities Committee were provided to the executive branch as a detrimental factor in terms of their employment.

The SPEAKER. The time of the gentleman from California has expired.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield the gentleman from California (Mr. WALDIE) 1 additional minute, since his name was used so extensively.

Mr. WALDIE. Mr. Speaker, I appreciate the gentleman doing this, yielding me this additional time.

Mr. Speaker, that did not seem to me to be a function of the Congress of the United States, to provide a raw file of newspaper clippings from which people that are seeking a job in the executive branch can have those clippings submitted to the executive branch simply by having the executive branch send a letter to the Committee on Un-American Activities saying, "Do you have anything on this individual American?", and then the Un-American Activities Committee sends them back what it has on this individual American, all that it has on this individual American which is an accumulation of newspaper clippings from suspect organs of the press in this country. There ought to be better things for Members of this Congress to do with their time, and there ought to be better things that committee staff employees can do with their time, and there ought to be a higher purpose for Members of this Congress other than to provide unverified raw newspaper clippings in a manner that would influence or damage Americans who are seeking employment.

If that is to be done, then it ought to be done by the FBI, who have the opportunity to evaluate and who have the opportunity to determine what these matters constitute, not by staff people or a committee whose members are clearly prejudiced; that should have no place in our branch of Government. We ought to stay out of that kind of business, Mr. Speaker, because this Congress is too great an institution to demean itself with that sort of nonsense.

The SPEAKER. The time of the gentleman from California has again expired.

Mr. THOMPSON of New Jersey. Mr. Speaker, for the purpose of debate only I yield 3 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I think we have had an interesting illustration this morning of the way we operate on the floor of the House. The House Internal Security Committee operated on the floor of the House just now, attacking a civil liberties organization, demonstrating that it still is what it always was, the Committee on Un-American Activities. It has an unbroken record of contempt for freedom of speech and of the press, as well as of harassment of those who seek to exercise these cherished rights.

The House is a serious body, and it is engaged in some very terrible problems right now. Yet only four bills came from this committee during the 92d Congress, and none of those four was passed by the House. The total legislative production of this committee in the last session of the Congress, was zero. Its total function was harassment.

I myself saw constituents who were octogenarians subpenaed to come before this committee for alleged activities which probably they knew nothing about, alleged violations that occurred some 50 years earlier.

Now this committee is seeking to go into the prisons—where we have grave problems; problems caused through poverty, crime, drug addiction, and the failure to recognize that our prison system is not working and is not rehabilitating people, yet we are not preventing those prisons from being filled. So it is not surprising that people become concerned over our prisons, and want to do things that may correct this situation.

But the committee attacks those in prison and those who would help them—concentrating as always on the weak, the miserable, and the helpless.

The main thing is what does this committee have to do with the kind of activities that the first amendment is designed to protect and sanctify?

I believe that all of its data and all of its information, as was pointed out by the gentleman from California (Mr. WALDIE) is irrelevant, it is ex parte, it is hearsay, and neither the subjects, nor even Members of the Congress, are permitted to inspect or correct these files. If this is not an "Un-American" subversion of due process of law, I do not know what would be.

I urge the Members to vote against any appropriations for this committee. The kind of appropriations that this committee seeks here would provide a year's day care service for over 300 children in this country.

I believe that we cannot afford this extravagant waste to furnish that kind of information to executive branches of this Government. If there are any real problems of un-American activities, of sabotage or espionage, then we have the Committee on the Judiciary which can take care of those problems.

President Nixon in his 1974 budget provided no funds for the Subversive Activities Control Board for the same reason—that it did nothing, as indeed this awesome Un-American Activities Committee, now known as the Committee on Internal Security, does nothing.

I would suggest that we try to address ourselves in this very serious legislative session to the human problems of all our people, and not seek to divert funds into areas such as this which have nothing to do with the people in this country, their hopes and their aspirations. When we take from their weekly payroll checks tax money, I suggest that we use those tax dollars for the purpose of improving their lives and conditions, and not use it to subvert the Constitution of the United States by attacking innocent people.

Mr. THOMPSON of New Jersey. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentleman from Missouri, the chairman of the committee (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, I thank the distinguished gentleman from New Jersey for yielding.

Mr. Speaker, I am not surprised, and I am sure that the Members of the House are not surprised, at the opposition of the gentleman from Massachusetts (Mr. DRINAN) to the committee. At the time he went on the committee, he was reported to have said that he went on the committee for the purpose of destroying the committee from within. So I think that the Members of the House should be aware of the long-established feeling of the gentleman from Massachusetts (Mr. DRINAN).

Let me say as a member of the Committee on Internal Security, I do not attack the sincerity, I do not attack the integrity, I do not attack the patriotism of any Member of the House of Representatives in opposition to the committee or to its work. I think there is honest room for disagreement.

However, Mr. Speaker, I feel that there have been so many misrepresentations, so much misinformation, so many distortions, so much false information disseminated to the Members of the House, that some of the Members are accepting those allegations without an examination of the facts.

The Members have been swamped in recent weeks with material from a committee called the National Committee Against Repressive Legislation. I am not going to take the time to lay out the origin and the purposes of that committee. I did that in a speech on the House floor on January 9. I would refer the Members to that speech.

This is the committee which used to be known as the National Committee to Abolish HCIS, which used to be known as the National Committee to Abolish HUAC. It is a very well financed nationwide organization, and I submit if the Members will examine the facts, they will find that under the guise of protecting constitutional rights, this committee seeks to eliminate inquiries into revolutionary activities altogether. To support that allegation, I would point out that the same committee, the committee which asked the Members to transfer the jurisdiction of the Committee on Internal Security to the Committee on the Judiciary, is on record publicly opposed to the Senate Committee on Internal Security, already a part of the Senate Committee on the Judiciary.

Mr. Speaker, I say that I believe some Members are accepting these allegations without examination of the facts, and I hope the gentleman from California (Mr. WALDIE) is still on the floor. He circulated in his letter that he has been advised that the House Committee on Internal Security maintains a special highly secret file wherein are kept the dossiers of the Members of Congress. I do not dispute the fact that the gentleman was so advised, but I would like to ask him who did advise him that dossiers were kept in a highly secret file by the House Committee on Internal Security? I do not see the gentleman on the floor.

Mr. Speaker, as chairman of the Committee on Internal Security I recognize that I am put to a greater annual burden than the chairmen of other standing committees to justify the continued existence of the committee and the need for adequate funds. This is so because a number of Congressmen suffer ideological or tactical differences with the purposes of the committee. It is my intention to explain to my colleagues today how prejudices against the functions of the previous Committee on Un-American Activities have been unfairly applied to the Committee on Internal Security, how the Committee on Internal Security served the national interests during the last Congress and why there is an even greater need for its continuance with adequate funding in this Congress.

Some of my colleagues have suggested to me that it is not necessary to present a bill of particulars by way of jusitfying the existence of the committee, but that because of the substantial number of votes in favor of committee appropriations in the past, steadily in the vicinity of 300, we could simply say "Let's vote." I do not choose to do this because I feel it would be unfair to those Members who have sincere and well-intentioned reservations, or to those who are new to the issues, having been just elected to Congress.

In February 1969 the House of Representatives voted to terminate the Committee on Un-American Activities and to establish the Committee on Internal Security with a totally different mandate. Although the new mandate was tightly drawn with respect to investigation of organizations which seek to overthrow the Government by force or violence, it is interesting to contemplate that some Members of Congress objected to the transition because they felt the former committee was more vulnerable to abolition. The old mandate had congenital infirmities such as the use of the word "un-American" with the wide diffusion of concepts concerning its meaning, and the burden to investigate the dissemination of propaganda with all the obstacles presented by the first amendment.

Since I became chairman in 1969, the committee has functioned upon principles totally different from the previous committee. We have responded to the expression of congressional and public interest in the activities of emerging revolutionary organizations apart from those which were dominated or controlled by the Soviet Union. There was great public interest in an examination of the Students for a Democratic Society. The committee responded by holding extensive hearings and issuing a most comprehensive report. At a time when the Black Panther Party constituted a great mystery, even fear, to the American people the committee undertook an in-depth investigation and held public hearings. The inside story was revealed through dozens of knowledgeable witnesses, including former Panthers who voluntarily testified. Again a comprehensive report was issued for the benefit of Congress and the general public. I know from the thousands upon thousands of copies of these reports which were sent upon request to the offices of Members and to citizens writing directly to the committee that a genuine public need was fulfilled.

Contrary to the methods of operation of the previous committee which in reality formed the broadest base for criticism, the Committee on Internal Security has not indulged in the technique of issuing subpenas to individuals whom it was obvious would refuse, on fifth amendment or other constitutional grounds, to furnish any information of value. No witnesses have had their rights abused in any degree during my chairmanship.

Nevertheless, the age-old critics of the Committee on Un-American Activities have continued to apply the same cliches and timeworn arguments to the new committee. They have perverted logic and reason in vain attempts to identify the new committee with the old. The record establishes the falsity of their arguments.

Great reliance is placed by committee critics upon a petition submitted to the House of Representatives in January of this year by professors of public law. The purpose of the petition was to urge the House to abolish the Committee on Internal Security. It is my understanding that the petition was circulated to the signators by Professors Vern Countryman and Thomas I. Emerson, of the National Committee Against Repressive Legislation.

On January 9, 1973, I delivered remarks to the House in rebuttal to the petition. I will not take the time today to reiterate the facts and arguments which I submitted. They fully refute the allegations of the petition. I suspect that most of the signators would have withheld their support if they had had the benefit of an analysis of the validity of the petition's allegations. Furthermore, they surely could not have known that the motives of the National Committee Against Repressive Legislation are made transparent by the fact that the executive director of the NCARL has been identified as a member of the Communist Party.

The three prongs of attack of the National Committee Against Repressive Legislation petition are: First, that the principal function of the committee is to expose the beliefs, opinions, and associations of American citizens; second, that the committee's contribution in the field of legislation and oversight has been insignificant, and, third, that the committee maintains an extensive system of files. In the petition's closing argument, it states that the central point is that the committee's staff and files are used to "harass particular points of view which the committee does not share."

The perennial antagonists of the committee choose to ignore the manner in which the mandate of the new committee has been tightly drawn to limit investigations into organizations seeking to overthrow the Government by force or violence. They are not willing to acknowledge that this constitutes a vast difference from the mandate of the old committee. And each of the investigations of the Internal Security Committee since it was created have been closely confined to the mandate. With regard to the legislative output of the committee the critics likewise choose to ignore that the principal responsibilities of the committee are investigative. While it does have a bill reference function, the narrowness of the field necessarily restricts the bills which it handles.

Through the years a number of pieces of major legislation have been enacted into law in the field of internal security. During my chairmanship the committee has reported out only six bills. Two of them were passed by the House but not acted upon by the Senate. Another one received much more than a majority vote of the House but not the two-thirds vote required under the suspension of rules procedure. Each of the bills would have served a vital need. That they were not taken up by the Senate cannot be regarded as a deficiency of the House committee. Subsequently I will explain vital legislation which is scheduled for early attention of the committee this year.

The argument of the petition concerning the files of the committee is specious. Each of my colleagues well knows, as professional men, that projects cannot be undertaken without resource data. One has to know what has already been written or said about the subject matter under consideration. No other agency, including the Library of Congress, is known to assemble the data which is necessary for resource in the peculiar field of operation of the committee.

The best example I can provide here is the investigation of the Black Panther Party. Before the investigation commenced, a preliminary study had been underway. For some time the Black Panther Party had been publishing its own newspaper, giving valuable insight into its leadership, objectives, and activities. The committee staff began the collection of these newspapers, all of which were in the public domain but not knowingly compiled by any other agency save perhaps the Federal Bureau of Investigation. Without this advance collection process, additional months would have been required before the hearings could have been held.

The committee files are not used to

harass individuals or to blackball them from employment. What then are the purposes of the files? They are constituted and maintained for the use of the committee staff in conducting investigations and hearings and in preparing reports of such. Because they exist we encounter other demands upon them. Members of the House should be well aware of a rule of the House of Representatives which stipulates that committee records are records of the House and that they shall be accessible to any Member. If the House deems this accessibility to be unwise, then change the rule but do not deny the committee the use of its own resource material for purposes within its mandate.

One other access to the files is by agencies of the executive branch of Government. They have access only to index cards, not to the files themselves. The information thus obtained is not used to disentitle applicants to Federal employment, but rather as lead information which must be independently validated or invalidated. The arrangement with the executive branch is simply a cooperative measure between two coordinate branches of Government. A report on this matter was submitted to the Speaker last year in response to his request.

Again, if the House in its wisdom deems this arrangement to be undesirable then a resolution could be adopted to that effect. I want to assure all of my colleagues that the tightest control is exercised over the committee files. Even members of our own staff gain access only by following established procedures. Members of the press and public are not permitted entry.

With regard to the productivity of the committee during the last Congress, 191 witnesses were heard during 78 days of hearings. The committee reported a bill proposing amendments to the Emergency Detention Act, a bill pertaining to the jurisdiction of the Subversive Activities Control Board and a bill authorizing the imposition of penal sanctions for travel to countries engaged in armed conflict with the United States in violation of area travel restrictions.

The committee also issued a most comprehensive legislative report on a 2-year inquiry into the Subversive Activities Control Board and the Federal civilian employee loyalty-security program. Investigative attention was directed toward the Progressive Labor Party—a Maoist revolutionary organization—the National Peace Action Coalition, the Peoples Coalition for Peace and Justice, subversive influences affecting the armed forces, the Revolutionary Union and the Venceremos organization, the latter two also being Maoist revolutionary organizations. During the last year a detailed report was issued on the Revolutionary Union and the Venceremos organization showing that these two organizations which have newly emerged on the American scene have engaged in paramilitary training and are dedicated to violent overthrow of the Government.

Last year the gentleman from North Carolina (Mr. PREYER) and I introduced H.R. 11120, a bill to repeal the Subversive Activities Control Act and to provide a mechanism for correcting many deficiencies we have found in the maintenance of a personnel security program in the executive branch. After still further study we have further modified the bill for this Congress and we intend to move to expedite its consideration by the committee. It is a major piece of legislation. It will fill a most vital need in the interests of national security.

The President's budget for the next fiscal year provides no funds for the SACB. The law will remain on the books but it will be a hollow shell. The bill we propose will establish more viable and realistic policies and procedures for insuring that persons are not employed in the executive branch of Government unless they are disposed to protect and defend the Constitution.

Due to the labyrinth of judicial decisions in the field of personnel security it is necessary to walk a constitutional tightrope, carefully balancing individual rights against the rights of the Government and society as a whole. We have already this year undertaken a major investigation into the activities of revolutionary organizations in, and directed toward, the penal systems in the United States. Preliminary evidence indicates that this is becoming a most fertile ground for indoctrination and recruitment. I think the American people and their Representatives in Congress want a revelation of information in this regard and aside from the Internal Security Committee there is no legally constituted body available to do the job other than our counterpart in the Senate.

We are witnessing an age in which terrorism transcends national boundaries, where violence directed against heads of State and their diplomatic representatives has become a device for achieving the goals of guerrilla organizations and where the most powerful nations of the world must stand by helplessly while hardened revolutionaries draw the blood of helpless victims when their demands are not met. We are in an age where Soviet communism is no longer monolithic. The proliferation of Communist ideology has resulted in Cuban communism, Chinese communism, and still others giving us cause for concern even within the borders of the United States.

If the SACB indeed becomes defunct there will be an even greater need for the work of the Committee on Internal Security. But I do not prefer this course. It is my philosophy that a duly constituted agency or commission of the Government other than the Congress should be utilized for the development of a body of evidence concerning subversive organizations which cannot be made available to the Congress or to the public through such customary means as a criminal investigation by the FBI. Except for very special and select occasions, a committee of Congress should not serve as a body to continually investigate subversive organizations.

The Committee on Internal Security could more appropriately occupy itself with legislative matters and overseeing executive branch administration of laws affecting internal security. This is one objective which I have in mind with the personnel security legislation which I previously mentioned. The bill includes provisions for the establishment of a Federal Employee Security and Appeals Commission which would serve as a hearing body for evidence presented by the Attorney General in connection with the personnel security program of the executive branch. The work of this Commission would obviate the necessity for hearings on the same subjects by the Internal Security Committee. But if the SACB is deactivated, and if this new Commission is not created, there will be an even greater need for the work of the Committee on Internal Security.

Last year the House provided $525,000 for the operation of the committee's staff. Due to some carryover from the previous year—1971—committee expenditures in 1972 totaled about $543,000. This year I have asked for $575,000. I know that my colleagues are well aware of a 5-percent pay raise which went into effect in January of this year. This pay raise constitutes the principal basis for the increase to $575,000.

I have no intention to enlarge the staff of the committee. On the contrary, I have been gradually reducing the size of the staff by attrition. There are now only 46 employees on the payroll as opposed to 53 employees at the beginning of 1972 and I want you to know that we operate with economy in mind. A study I made of seven other committees comparable in size discloses that we have far fewer employees earning over $30,000 than the others. So in reality I have implemented a self-imposed reduction in the size of the staff and in the amount of money we need to function efficiently.

The Committee on House Administration has reported to the House a resolution which would cut $100,000 from the amount I have requested. Some colleagues have urged me to challenge this on the floor. I have elected to accept the reduction to $475,000 because I know that the Committee on House Administration has broad responsibilities for the management of the funds for the entire House and has judiciously applied reductions to other committees as well. At a time when the American taxpayer is taking an evermore critical look at the expenditure of public funds, and is holding his elected representative more closely accountable, we must all make a serious effort to provide greater public service for each dollar spent.

The Committee on Internal Security will take a notch in its belt to do a still better job with less money. I have already issued instructions to increase the number of hours in the workday of each employee. Existing vacancies on the staff will not be filled. But I pledge to each of you, and especially those who have been concerned that the work would suffer from a reduction in funds, that we will manage to fulfill the mandate effectively. I have been given assurance by the leadership of the Committee on House Administration that if our expenses should increase inordinately during the year due to a great change in requirements that I will be given every consideration in a request for supplemental funds. I consider this to be a satisfactory arrangement. I assure you I will supervise the committee's budget with prudence, and I will return for additional funds only in the event of extraordinary circumstances.

I urge support for the resolution of the Committee on House Administration providing the Committee on Internal Security with $475,000 for 1973. In the end it is not the individual Members here who will decide the fate of the Committee on Internal Security, but rather our constituencies. If the Committee on Internal Security should be abolished, or if its funding is so atrophied as to render it unable to fulfill its mandate then the American people will require us all to answer.

To those who are demanding zero funding as a means to abolish the committee, I say this is not the way to meet the issue forthrightly. The House has constituted a select committee, chaired by my distinguished colleague from Missouri (Mr. Bolling) to analyze committee structure and report to the House next year. Let us give the Bolling committee a fair chance to do the job.

Just within the last several months I have received thousands of letters of support for the committee from all over the United States. Perhaps each Member here receives communications to this effect. It is perfectly obvious to me that the American people as a whole are truly concerned about national security. As one example I want to include in the Record as I close my remarks an unsolicited message of concern from a member of the bar of the State of Washington. It is as follows:

Seattle, Wash., *February 9, 1973.*

Hon. Richard H. Ichord,
Chairman, Committee on Internal Security,
Washington, D.C.

Dear Honorable Richard Ichord: I write this letter to you in my capacity as chairman of the Rule of Law Committee, Washington State Bar Association.

At a most recent meeting of our committee, held February 9, 1973, a motion was unanimously passed that we express to you, as chairman of the committee on internal security, United States House of Representatives, our appreciation for the services rendered by you and by your committee, and to express further our complete sympathy with the function performed by your committee.

We understand that an attack has been made on your committee, by some communist front organization, with the objective of having your committee disbanded, or otherwise eliminated. If this is correct, we will be most appreciative if you can transmit to us any information along this line, for this is of grave interest to our committee.

Permit me to add that if you have any suggestions to make to our committee, as to how we might more effectively accomplish our objective, or as to how we might possibly be of any assistance in supporting the continuation of your activities, we will be most appreciative in hearing from you. With regard to our Rule of Law Committee, we consider that it is the rule of law promulgated by duly constituted government as a means to an ordered society which provides the guarantees and assures the highest products of civilization-freedom, order and respect for the rights of others. As members of the Bar, with society as our client, therefore, we feel we have the primary responsibility to promote and protect the basic political and legal values inherent in the Rule of Law.

I add that the members of our committee do have the text entitled, Union Calendar No. 605, 92d Congress, 2d Session-House Report No. 92-1166, this being a report of your committee. We have considered this report by your committee to be most informative and helpful to us.

I am sending a carbon copy of this letter directly to the Congressional Representatives from the State of Washington, as you may observe.

Very truly yours,
Charles V. Moren.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California (Mr. Edwards).

Mr. EDWARDS of California. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I think it would be useful for the chairman of the committee to tell us just where those dossiers are kept that his predecessors kept on the Members of Congress. Where are they kept, I ask the chairman?

Mr. ICHORD. If the gentleman will yield additional time I will explain.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield the gentleman from Missouri 2 additional minutes.

Mr. ICHORD. Mr. Speaker, let me say when I became chairman of the House Committee on Internal Security I did find some files on Members of Congress. I immediately had those files packaged and sent to the Archives. I would state to the gentleman from California that I have stated on the floor many, many times that this is what was done with those files.

Let me say to the gentleman from California if he is opposed to the files in the reference section, why does he not introduce a resolution and I will help him bring it to the floor. Under the rules of the House I am required to make this information available to the Members of the House, and I am going to continue to do so, but if the gentleman is opposed to the files in the reference section why does he not introduce that resolution and let the Members of the House pass upon it?

I would say to the gentleman from California (Mr. Waldie), I think his opposition is highly irresponsible. If he is opposed to this information in the reference section being made available to the 25 departments of the executive agency, why does he not introduce a resolution prohibiting the committee from making that available? I will help the gentleman bring that to the floor of this House. This is the way to cure those objections, not by passing on unsubstantiated statements that we are maintaining dossiers on Members of Congress, not by passing on the false charges of the National Committee Against Repressive Legislation that we are abusing and infringing upon the rights of individuals. I ask the Members to do that, and I will not fight bringing the matter to the floor of this House. In that manner we can let the Members of this House pass upon the question.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. If the gentleman from New Jersey will yield me additional time I will be glad to yield to the gentleman from Massachusetts.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield the gentleman from Missouri 1 additional minute.

Mr. ICHORD. Mr. Speaker, I shall yield.

Did the gentleman from Massachusetts advise the gentleman from California that the committee maintains dossiers on Members of Congress in a highly secret file?

Mr. DRINAN. No.

Mr. ICHORD. Who did advise the gentleman of that?

Mr. DRINAN. I do not know.

Mr. ICHORD. I ask the question: Who did advise the Member from California of that?

Mr. DRINAN. Mr. Speaker, I believe the gentleman yielded to me. I would like to make the point, Mr. Chairman, as I have in the committee and elsewhere and to the Speaker and to the Democratic Caucus, that it is illegal for 25 agencies of the executive branch to come here on a daily basis to inspect the documents of this House of Representatives. That is not allowable under Executive order.

Mr. ICHORD. Let me say to the gentleman from Massachusetts, and I do not yield any further, that no Executive order could make this Congress release its own papers and there is no such Executive order, but there is an Executive order authorizing executive agencies to check those files, and the House Committee on Internal Security is permitting the practice as a matter of courtesy to the executive agencies.

Mr. DAVIS of South Carolina. Mr. Speaker, we are presently going through a tired old routine, familiar to those of us who have served one or more terms in Congress—the annual effort to kill a standing committee of the House; namely, the Committee on Internal Security.

One of the time-worn arguments used by this committee's enemies is that it submits little legislation to the Congress for consideration. There are those who submit that the less legislation proposed in each Congress, the better off both the Congress and the Nation be. But that aside, I would like to offer a few facts, information rather than the emotion in which the committee's opponents prefer to indulge.

I maintain that a rather exceptional amount of work was performed by this nine-member committee and its staff during the 92d Congress.

Aside from prehearing investigations and studies, the House Committee on Internal Security held 78 days of hearings, listening to the testimony of 191 witnesses and reviewing almost 7,000 pages of testimony, reports, and appendices—6,996 pages to be exact.

The Committee on Internal Security and its subcommittees held 29 meetings in addition to the hearings and issued nine congressional reports, four of them concerning proposed legislation.

Thirteen bills referred to the Internal Security are presently under review.

Perhaps most important of all, the committee, its investigators, and researchers conducted eight major investigations covering five different topics.

These included probes into the leadership of the National Peace Action Coalition and the so-called People's Coalition for Peace and Justice, the groups that prompted mass demonstrations in Washington and proposed to close down Government operations. The Committee has already warned that while membership of these organizations is probably composed largely of persons sincerely concerned about the now ending war in Indochina and other controversial issues, the leadership of the former was completely in the control of the Trotskyist Communist Socialist Workers Party and its youth arm, the Young Socialist Alliance while the leadership of the latter contained a number of prominent Communist Party, U.S.A. members.

Other investigations concerned a continuing study of the theory and practice of communism, which falls under the committee's mandate by order of Congress; the Federal employee loyalty-security program; overt attempts to subvert and undermine morale of the Armed Forces; and the Progressive Labor Party, a movement that constantly advocates violent revolution in this country and expresses admiration for a Castro-like form of government.

Reports of all five of these major investigations are presently in various stages of preparation and I maintain that they will be most valuable in keeping those of us in this body informed fully of the activities of those who seek to overthrow our democracy and constitution by force and violence if they deem it necessary.

As an example of two particularly valuable and informative HCIS investigative reports of the recent past, I would like to cite those issued on the Students for a Democratic Society—1970—and the Black Panther Party—1971. Both have been acknowledged by various authorities as the last word on their respective subjects. Both are cited frequently as authoritative—and objective—documents.

Some more facts and figures from the year just ended:

The Internal Security staff distributed through its publications section some 92,000 committee documents during the 92d Congress.

The committee answered 2,068 requests for information by Members of this Congress.

Other individual pieces of correspondence received and answered amounted to at least 3,900.

The committee membership brought to the attention of the executive branch 21 matters in connection with its function on oversight.

And, of course, committee staffers answered innumerable telephone inquiries and handled countless personal visits from persons either seeking or volunteering information.

As I said, there are those of us who hold that some congressional committees offer too much rather than too little legislation, that it would be better if fewer bills found their way to this floor.

The House Committee on Internal Security submits only the most vital and thought-provoking, carefully studied legislative proposals for our consideration. More often than not, it finds new legislation unwarranted if our executive branch can just be persuaded to use and enforce laws already on the books. Most importantly, the committee acts as the eye of the American eagle to keep this Congress and, concurrently, the American people informed about those who, if left unexposed and unchallenged, would happily destroy our system of government and its institutions by violent means.

One of the great accomplishments in the last 2 years of HCIS is the exhaustive examination we made of the entire Federal civilian employee loyalty-security program.

This subject required many days of hearings, thousands of words of testimony, and hours upon hours of committee and staff time in assessing what we learned in order to translate into findings the vast material we had accumulated.

No such searching survey of the employment security operations of the executive branch of our Government had been conducted for at least 20 years. It was long, long overdue. It had to be done and ours was the committee which undertook the task.

What we found, on behalf of the Congress, was that the Federal loyalty-security program is in such disarray today that when the issue of loyalty is indicated, it is resolved under the catch-all "suitability"—that is, other than loyalty—category with respect to Federal employment. It is the bureaucracy's way of brushing "loyalty" under the proverbial rug.

Those lengthy hearings have enabled several of us on the committee to make recommendations to the executive branch which, we are advised from a number of sources, are now being put into effect. At the same time, we have been able to draft a comprehensive legislative proposal to provide the machinery required to make the loyalty-security program function efficiently and effectively.

When the complete record of our accomplishments in this field become fully understood by the membership of this House, I think there will be little question that the Internal Security Committee plays a vital role in our deliberations and has been of immense assistance in meeting its oversight responsibities toward the security of our Nation.

We must not place ourselves in the position of legislating in a vacuum and this goes for security matters as well as any other important subject. Without the Internal Security Committee we would be in a vacuum in a field so closely tied to the stability and survival of our system and institutions of government.

Besides these undeniable facts, Mr. Speaker, I would also like to note that the Internal Security Committee under the chairmanship of the Honorable RICHARD H. ICHORD, of Missouri, has consistently conduced itself with the utmost decorum and dignity.

I happen to serve on that committee and it has been my pleasure to work with the gentleman from Missouri. He has always been most fair with those of us who serve on the committee, affording every member of it full opportunity to be heard no matter what his political or philosophical convictions—and I might point out that committee's members range widely in political and philosophical beliefs.

I am very proud of my membership of this committee and I think all of us here are proud of our colleague from Missouri.

It is a truism that "eternal vigilance is the price of liberty." The House Committee on Internal Security pays that price for us. Let not this Congress deny the resources to sustain eternal vigilance.

Mr. DENHOLM. Mr. Speaker, I rise in support of the continuation of the Internal Security Committee. I do not do so because of past performance but because of future potential.

There is a compelling need for improved internal security in the public interest. The people of this Nation have paid much for public improvements and the safeguard of the public interest is less than mediocre.

Last summer a tragic flood occurred in Rapid City, S. Dak., a small dam above the city was massively overrun and washed out. It was built during the WPA days of decades ago. Several feet of silt was swept by the raging waters to the homes and places of business throughout the city below. The capacity of that dam was nil in flood control—the cloudburst on that occasion rendered the capacity of the dam equal to a tea cup saucer against a gallon of water. Of course, like the saucer the small dam could not have controlled the massive quantities of water that suddenly poured in during the tragic hours of the night. However, I cite the circumstances to illustrate the need for public awarenesses for internal security.

How many large dams are silted beyond reasonable capacity of flood control? How many hydroelectric systems, constructed at public expense, gate our waterways and stand exposed absent of any reasonable security? Is there a need for greater security in the public interest? Who is in charge? Does the Congress care? Is it a proper matter for inquiry of the Committee on Internal Security? What is the capacity of destruction by a gallon of glycerine well placed in the bottom of a hydroelectric generator on a huge dam on a major waterway? There are four major dams on the Missouri River and the destruction of the Oake, the largest earth dam in the world, would discharge an amount of water sufficient to totally destroy every dam and generating facility downstream between Pierre and St. Louis, plus destruction by flooding of all in the wake thereof. And so, I ask are these reasonable matters of internal security?

I shall vote to sustain the House Committee on Internal Security not for the purposes of controversy today or in the past—but for useful purposes in the interest of all. If the committee does not have such authorization, function, or purpose, then and in that event, we should immediately redefine the authority, the functions, and the purposes of the committee without delay. The members that oppose the committee today are also opposed to the abrupt termination of many public programs by the administration because it is alleged the constructive usefulness is no more. The termination of a program of public service is acceptable when the objective has been accomplished but if it is terminated because those in charge cannot administer the functions for a constructive purpose then those charged with the administration of the program have publicly sounded the final feebleness of total failure.

The Committee on Internal Security is within the dominion and control of the Congress. It is our baby and it is our responsibility. I do not agree with those here or elsewhere that favor throwing out the baby because of dirty water.

Mr. Speaker, the committee should be sustained until a total evaluation is available as a result of the Bolling committee investigation of all committees of the Congress and I urge an affirmative vote accordingly.

Mr. THOMPSON of New Jersey. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the gentleman from California (Mr. Burton).

Mr. BURTON. Mr. Speaker, I think this is my 10th—or perhaps 15th—effort to talk about this rather undistinguished appendix on the congressional body politic.

I remind you that it was a number of years ago, when there was a good deal of unrest abroad in the land, when there were a number of our colleagues who privately were a little concerned about voting against these funds because they feared the possibility of misunderstanding at home. But, as the years have gone on, we all know as a matter of record that if we had a vacancy on our side of the aisle this year, we would have great difficulty dragooning anyone into service on this committee. This is an open secret.

The mortality rate for those who serve on this committee is the highest in the House. Twenty-five percent to one-third, every Congress, of those serving on this "enormously important" committee to the national interest somehow get creamed at the polls or do not run.

There was a time when this committee had a dreadful influence upon the political dialog in the country. It has reached the stage currently—and we all know it—of just being a dreary joke.

Even if we succeed today in slashing this budget by stopping this supplemental add-on HISC will still have a budget in excess of $250,000 per year.

Perhaps, rather than trying to slash money in past years, we should have limited the appropriation to deny them their paperclips, their scissors and their scotch tape. That would have effectively put them out of business as it will be if we are successful in approving the position advocated by my distinguished colleague from California (Mr. Edwards) and others.

This committee represents a dreadful usurpation of the judicial function and it should be abolished.

We are not mischaracterizing any of our colleagues who serve on the committee. All we do know is that most of us would not consider touching it. That also must be self-evident to all of us.

Mr. Speaker, I urge a vote against the resolution to increase the already excessive funding that this committee receives.

Mr. THOMPSON of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. Preyer), a member of the committee.

Mr. PREYER. Mr. Speaker, I rise in support of the appropriation for the House Internal Security Committee.

I am not a crusader for or against the Internal Security Committee. I did not seek appointment to the committee, but was assigned to it, and have sought to carry out the assignment as fairly as possible. There are several points I would like to make from my experience on the committee, as one who has no special axe to grind.

First, I have been impressed with Chairman Ichord's scrupulous adherence to procedural due process in running the committee and its hearings. The reputation of the committee for circus hearings, for chasing the daily headline, and browbeating reluctant witnesses may have been true in the past, but it is not true under Chairman Ichord. When our first hearings began under Chairman Ichord, there was a large delegation from the press present. They gradually began to drop off, as the atmosphere of the hearings became more like that of the courtroom than an auto da fé. As a result, the committee has made less news and been less sensational but has been more fair and constructive. The committee's written rules of procedure under which it operates seem to me to be exemplary.

Of course, procedural due process is not everything. There is such a thing as substantive due process—that is, the nature of what is investigated can be unfair, can violate due process and civil liberties, by investigating merely unpopular ideas, even if the manner in which the investigations are carried out is technically in accord with due process. Here the committee does walk a tightrope. It operates in very difficult areas—where political power conflicts with personal freedom, the interests of national security with private liberties. But because the problems are difficult and sensitive is no reason to ignore them and abandon the field. If you hold the absolutist view of first amendment rights expressed by Justices Black and Douglas you might well conclude that any approach to these problems is unconstitutional, and that practically all the investigations of the committee are unconstitutional and illegal and exert a "chilling effect" on first amendment rights. But the majority of the Supreme Court has never adopted these views and, indeed, has expressly rejected them. The Court has always required the balancing of individual and governmental interests in matters of internal security. The Court has recognized the importance of the freedom and privacy of political belief and association, but has also found an overriding governmental interest sufficient to warrant intrusion upon them in some instances. The Court has always recognized that it is essential in a democratic society to protect the Government and the society not from a point of political view but from an illegal mode of change—that which utilizes secrecy and violence, that which would change by force rather than through persuasion.

This balancing of individual and governmental interests in security matters is, therefore, a proper field of inquiry for a House committee. It is something more than and different from espionage, which comes under the Judiciary Committee. There are such things as revolutionary movements, and they must be dealt with. The House Internal Security Committee could do a better job than it is presently doing in this area, and I think it will. But I am not aware of any other committee that has shown any interest in the field. The interest is in abandoning the field because a good civil liberation should not dirty his hands with it.

Finally, let me say to my friends on the Democratic side of the aisle that I think it would be a bad political mistake for us to bear the primary responsibility for voting this committee out of existence. Such a vote would be greeted with the applause of the New Left, the liberal editorial writers, and the universities. But it would gain us the scorn of the average American voter. We have suffered in the past from being thought soft on law and order; now we would risk being soft on subversion. Why do we give the devil all of the best tunes? Subversion is not a code word for anticivil libertarians. There is no good reason to be soft on either crime or subversion. We can and should be tough on both—in a way that is consistent with civil liberties and the Constitution. Our argument should be that we Democrats can do a better and fairer job of being tough.

If Mr. Bolling's committee, after reviewing the entire committee jurisdictional setup in the House in a considered way, should recommend that the functions of the House Internal Security Committee be shifted elsewhere, that is one thing. For us to vote it out of existence mainly on its past reputation and prove we are good civil libertarians is something else, politically speaking.

I hope the appropriation will be approved.

Mr. ZION. Mr. Speaker, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from Indiana.

Mr. ZION. I thank the gentleman.

In order to clarify a question that was raised recently, in the letter from the gentleman from California (Mr. Waldie), he said:

> My initial action was prompted by the disclosure by Congressman Robert F. Drinan (d-Mass.) that there are over 754,000 files containing unverified information on individual Americans. I was also advised that there is a special, highly secret file wherein are kept the dossiers of Members of Congress.

Following which he said:

> I do not like this "Big Brother" apparatus. I fear "Big Government," "secret files," and the "thought control" concepts that are embraced by this Committee.

This type of scare language has no place in the legislative process.

Mr. PODELL. Mr. Speaker, the Committee on Internal Security is a bizarre anachronism, a remnant of the McCarthy era, when the mere mention of a person's name in a congressional hearing room could smear his reputation and ruin his career. It is interesting to recall that the Committee on Un-American Activities, the forerunner of the present committee, was created in 1946 by a close vote of 146 to 135; even in that postwar year of concern over subversive activities, the creation of a witch-hunting committee was considered a highly controversial matter. Since that time, our society at large has adopted more rational attitudes toward people who adhere to unconventioanl ideologies; but the Internal Security Committee is still around, spending more money and accomplishing less than ever before. As Congressman ROBERT DRINAN, a member of the committee, has written:

> There have been a few—very few—cosmetic modifications, including a more modern name, and more funds with which to operate, but the Internal Security Committee . . . is in fact substantially identical to the HUAC of 1949, 1950, and 1951. In no respect is this committee any less dangerous or wasteful today than it was 20 years ago.

On the issue of waste, the facts speak for themselves. During the 92d Congress, the Committee on Internal Security spent over $1 million and employed over 50 staff members. These vast resources were used to produce no legislation whatsoever and to do no other visible good. During the same period, by contrast, the Committee on Interior and Insular Affairs spent less than one-half million dollars, employed about 20 persons, and produced 102 bills which were signed into public law.

At the present time, Internal Security has 14 employees whose salaries exceed $20,000 per year, and 12 more with salaries of between $15,000 and $20,000. So there you have it—26 professional staff members with salaries of over $15,000, and not a single piece of legislation during the entire 92d Congress. What in the world were these 26 blue-ribbon staff members doing during the past 2 years?

In the 78 days since Congress convened, 19 of the 20 House Committees have held hearings and have pursued their legislative duties. Only the Internal Security Committee has not held, or scheduled, any hearings. Apparently its legislative program for this year, as in previous years, calls for these 50 employees to sit back, do nothing, and watch those fat paychecks come rolling in every month.

The worst extravagance of this committee, however, is its data bank. In hearings before the Subcommittee on Accounts of the House Administration Committee, Chairman ICHORD testified that approximately $175,000 from the committee budget is spent yearly on the accumulation of data on individuals and organizations. This glorified clipping service has compiled hundreds of thousands of dossiers on American citizens. While I strongly oppose data banks in principle, I particularly oppose spending $175,000 a year on a clipping service. If the committee really wants such a service, there are numerous commercial clipping services to which the committee can subscribe, at a fraction of the price which it now pays to its staff members to do the clipping.

Mr. Speaker, I cannot justfy this extravagance to myself or to my constituents. The legislative functions of this committee can be more successfully assumed by the Judiciary Committee; and the enforcement of internal security laws must be left to the Justice Department and the courts. The clipping service is a monumental waste of time and money. So, if we are going to retain Internal Secrurity as a standing committee during the 93d Congress, let us exercise at least a small degree of fiscal responsibility by limiting the funding for this unproductive committee.

Mr. KASTENMEIER. Mr. Speaker, in its continuing search for a reason for existence, the House Internal Security Committee has apparently now come up with subversion in the movement for prison reform as a focus for its attention. The distinguished chairman of the committee, in a letter of February 7, 1973, to the distinguished chairman of the House Administration Committee, reports:

> The investigative staff is continuing a preliminary inquiry to uncover the nature and extent of subversive influences involved in prison riots, disturbances, and unrest, and in connection therewith the movement to reform practices of incarceration, probation, and parole. Several organizations of a subversive and revolutionary nature are known to have established objectives in these areas and are exerting effort among prison inmates.

In a sense, I appreciate the interest of the Internal Security in prison reform. Certainly, the more awareness of the dismal state of corrections, the better. However, what I do find less appropriate are, first, the Internal Security Committee's intrusion into the jurisdiction of the House Committee on the Judiciary; and second, its totally misplaced views about what is going on in the prisons and outside of them.

For the edification of those who might perhaps otherwise not be aware of the jurisdictional intrusion this program of the Internal Security Committee presents, I would note that Subcommittee No. 3 has, since May 1971, conducted 30 days of hearings into the issue of corrections. We have developed a hearing record in excess of 4,100 pages, and have conducted hearings not only in Washington, but in the field as well—including California, Wisconsin, Massachusetts, Michigan, and Illinois.

Suffice it to say that a considerable amount of time, effort, and money has been expended by my subcommittee, both for the purpose of holding generalized hearings to air the issues involved in corrections, and for the purpose of developing specific legislation.

If, then, the members of the Internal Security Committee indeed are concerned about the prison reform movement, I think it quite clear that the appropriate body to which they may direct their concerns is alive and well in the House Judiciary Committee. Certainly, then, those funds embodied in the resolution before us today which are allocable to the Internal Security Committee's prison reform endeavors are more money thrown into the file entitled "waste."

Apart from the matter of congressional jurisdiction, there is another issue here also—the Internal Security Committee's oft-expressed urge to find subversion and revolution behind every tree. My subcommittee certainly made no effort to exclude such views. For example, Mr. Moe Camacho, then president of the California Correction Officers Association, made clear his endorsement of this view of the world when he testified before subcommittee No. 3 on October 25, 1971, in San Francisco.

Notwithstanding, the existence of such a view, I think that we are compelled to deal with reality, not with imagined assaults upon the so-called establishment. Prison reform is a burning issue because corrections is such a dismal failure. Virtually every knowledgeable observer joins in this conclusion. President Nixon has termed our prisons "colleges of crime." Chief Justice Burger has stated that the penal and correctional institutions and processes are "the most neglected phase of our system of criminal justice in America." Certainly, the side on which the angels stand is clear, and I fear that whatever chimeras the Internal Security Committee has dreamed up, they are the product of wishful thinking alone.

Moreover, while neither I, nor any other thoughtful and sincere proponent of prison reform would support and encourage prison disturbances, I am led to query what the Internal Security might make of the following statements:

> It is a melancholy truth that it has taken the tragic prison outbreaks of the past three years to focus widespread public attention on this problem [of corrections].
>
> [W]e must learn—that prisoners who do not complain are often the truly lost souls who have surrendered and cannot be restored.

Lest anyone think these statements emanate from some underground revolutionary pamphlet, let me relieve the suspense and identify their author as Chief Justice Burger, the first being made in an article by him in the March 1973 issue of Student Lawyer magazine, and the second taken from a speech the Chief Justice delivered on February 6, 1970, before the National Association of Attorneys General.

Before the Internal Security Committee starts finding revolutionaries at the prison gates, I suggest that the hearings conducted by Subcommittee No. 3—or for that matter, the publications of any thoughtful examiner of corrections—first be studied. I think perhaps some understanding of what is wrong with prisons, and what accounts for the surge of unrest and discontent, may perhaps follow. First let us attend to reality—the reality of lack of programs, lack of trained personnel, lack of rehabilitation, lack of due process, lack of fundamental rights, and the reality of the presence of brutality, unfairness, disparate sentences, unchecked parole board discretion. After dealing with reality, maybe we can then descend into fantasy.

Mr. BURKE of Florida. Mr. Speaker, recently the Members of the House have been bombarded by a flood of propaganda attacking the House Internal Security Committee. This propaganda is replete with inaccuracies and obviously willful distortions of the true facts. This material, much of which has apparently been lifted wholesale and used in mailings to some of our Members, has come from an organization with the high-sounding title of the "National Committee Against Repressive Legislation."

Now the fact is—and every member of this body should know this by now—that the NCARL is nothing but a continuation of the old National Committee To Abolish the House Un-American Activities Committee, 7 of the founding 13 leaders of which had been previously publicly identified as Communists.

The 1970 report of the California Un-American Activities Committee includes a detailed discussion of the abolition committee as a Communist Party front group, a finding made years earlier by the House Un-American Activities Committee. Those findings were not made lightly, but only as a result of careful research and investigation.

One item that has been circulated by the NCARL is a petition signed by numerous professors of public law. The petition states that it was initiated by Prof. Vern Countryman of Harvard and Prof. Thomas Emerson of Yale. Countryman, of course, is a longtime foe of the Internal Security Committee who serves NCARL as a vice chairman of its New England region, and his record of association with certain front organizations and causes of the Communist Party is a significant one.

In the case of Emerson, who serves NCARL as its adviser on constitutional law, the information is even more interesting. As with so many others associated with NCARL, Emerson has demonstrated over the years a marked predelection for Communist Party fronts and causes, including a close association with the National Lawyers Guild, long ago identified as the chief legal bulwark of the Communist Party, and an equally close relationship to the National Emergency Civil Liberties Committee, also long ago cited as a CPUSA front organization.

But, Mr. Speaker, there is another item of information that the Members of this body may not be aware of, and that is that in 1952, in sworn testimony before a House committee investigating tax-exempt foundations, ex-Communist Party member Louis Budenz testified as follows:

> Thomas I. Emerson, from repeated official communications, especially in regard to activities in the Lawyers' Guild and in other fronts, was a member of the Communist Party.

Professor Emerson sent a letter to the committee denying such membership and pointing out in his letter, that he had differed specifically with the Communist Party on several key issues. In fairness to Professor Emerson this fact should be pointed out and noticed.

However, Budenz also testified before another committee, in another matter, that certain party members who occupied positions of influence and were prominently in the public eye, were from time to time, allowed to take public positions in seeming opposition to the party. This was to make their positions seem more credible and to conceal their party membership more effectively.

Furthermore, Budenz, as managing editor of the party's official newspaper, the Daily Worker, had to know precisely who was and who was not a member of the party in order that he could treat their activities with the proper slant. This was especially true in the cases of concealed members who were under party discipline but whose membership was an extremely closely guarded secret.

Still further, as observed by William F. Buckley, Jr., and Brent Bozell in their definitive volume "McCarthy and His Enemies," "the FBI, out of long experience, has given him the highest rating for reliability and accuracy."

It is a matter of public record that Louis Budenz was a reliable witness in case after case, used by the government time and time again in cases before the Subversive Activities Control Board, cases in which their was the right of extensive cross-examination. In none of these cases was his testimony ever shaken or impeached to the slightest degree.

So there it stands: a petition circulated to Members of Congress by an organization known to be a front for the Communist Party and initiated by two professors with long records of support for Party fronts and causes, with one of the two identified in 1952 by a witness of unimpeachable reliability as having been a member of the Communist Party. And this petition, with its unfounded allegations and distortions, is one of the primary sources used by opponents of the Internal Security Committee within this very body.

Perhaps these facts will aid the Members in evaluating the validity of the objections to the Internal Security Committee here today and help them to realize the truth about them so that they will not be misled by this obviously Communist-inspired propaganda campaign.

Mr. Speaker, I urge the continuation of the Internal Security Committee and the granting to it of sufficient funds so that it can carry on its vital work in helping us to legislate intelligently and effectively in defense of the internal security of our country.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 289, nays 101, answered "present" 1, not voting 41, as follows:

[Roll No. 56]

YEAS—289

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Beard
Bennett
Bevill
Biester
Blackburn
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins
Conable
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Devine
Dickinson
Dorn
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford, Gerald R.
Fountain
Frelinghuysen
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grasso
Green, Oreg.
Griffiths
Gross
Grover
Gubser
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harvey
Hastings
Hays
Heckler, Mass.
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Keating
Kemp
Kluczynski
Kuykendall
Landgrebe
Landrum
Latta
Lehman
Lent
Litton
Long, La.
Lott
Lujan
McClory
McCollister
McDade
McEwen
McFall
McKay
McKinney
Madigan
Mahon
Mailliard
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Michel
Miller
Mills, Ark.
Mills, Md.
Minish
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Murphy, N.Y.
Myers
Natcher
Nelsen
Nichols
O'Brien
O'Neill
Parris
Passman
Patman
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Rose
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Saylor
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Symms
Taylor, N.C.
Teague, Calif.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—101

Abzug
Adams
Addabbo
Anderson, Calif.
Annunzio
Ashley
Barrett
Bingham
Blatnik
Boland
Bolling
Brademas
Brasco
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton
Carey, N.Y.
Clay
Conte
Corman
Cotter
Culver
Danielson
Dellums
Diggs
Dingell
Donohue
Drinan
Edwards, Calif.
Eilberg
Evans, Colo.
Ford, William D.
Forsythe
Fraser
Frenzel
Giaimo
Gonzalez
Green, Pa.
Gude
Hanna
Harrington
Hawkins
Hechler, W. Va.
Heinz
Helstoski
Holtzman
Howard
Johnson, Colo.
Jordan
Kastenmeier
Koch
Kyros
Leggett
McCloskey
Macdonald
Madden
Mallary
Meeds
Metcalfe
Mezvinsky
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Nedzi
Nix
Obey
O'Hara
Patten
Podell
Pritchard
Rangel
Rees
Reid
Reuss
Riegle
Rodino
Rosenthal
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Stark
Stokes
Studds
Thompson, N.J.
Tiernan
Van Deerlin
Vanik
Waldie
Whalen
Wilson, Charles H., Calif.
Wolff
Yates
Young, Ga.

ANSWERED "PRESENT"—1

Derwinski

NOT VOTING—41

Aspin
Badillo
Bell
Bergland
Biaggi
Carney, Ohio
Chappell
Chisholm
Conlan
Conyers
Davis, Ga.
Dulski
Eckhardt
Frey
Gray
Guyer
Harsha
Hébert
Hosmer
Jones, Ala.
Karth
Ketchum
King
Long, Md.
McCormack
McSpadden
Milford
Minshall, Ohio
Owens
Price, Tex.
Quie
Rarick
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Talcott
Taylor, Mo.
Teague, Tex.
Ullman
Vander Jagt
Young, Ill.

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Derwinski for, with Mr. Young of Illinois against.

Mr. Rooney of New York for, with Mr. Karth against.

Mr. Chappell for, with Mrs. Chisholm against.

Mr. Hébert for, with Mr. Carney of Ohio against.

Mr. Conlan for, with Mr. Conyers against.

Mr. Guyer for, with Mr. Eckhardt against.

Mr. Ketchum for, with Mr. McCormack against.

Mr. Roncallo of New York for, with Mr. Owens against.

Mr. Davis of Georgia for, with Mr. Aspin against.

Mr. Teague of Texas for, with Mr. Badillo against.

Until further notice:

Mr. Biaggi with Mr. Hosmer.

Mr. Bergland with Mr. Minshall of Ohio.

Mr. Dulski with Mr. Bell.

Mr. Gray with Mr. Long of Maryland.

Mr. Jones of Alabama with Mr. McSpadden.

Mr. Rarick with Mr. Milford.

Mr. Ullman with Mr. Rooney of Pennsylvania.

Mr. Talcott with Mr. Quie.

Mr. Frey with Mr. Price of Texas.

Mr. DERWINSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois (Mr. Young). If he had been present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. JAMES V. STANTON. Mr. Speaker, on rollcall No. 56 I was in the Chamber and was in the process of voting when my attention was momentarily diverted by a colleague. As a result, I inadvertently pressed the "yea" button, instead of the "nay" button. I am thus incorrectly recorded.

I intended to vote "nay." I therefore ask unanimous consent that this statement appear in the Record immediately following the vote in question.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDING FUNDS FOR COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 307 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 307

Resolved, That, effective January 3, 1973, the further expenses of the studies and investigations to be conducted pursuant to H. Res. 162 by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $275,000 including expenditures for the employment of investigators, attorneys, consultants, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration. Not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purposes.

Sec. 2. The chairman, with the consent of the head of the department or agency concerned, is authorized and empowered to utilize the reimbursable services, information, facilities, and personnel of any other departments or agencies of the Government.

Sec. 3. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

Sec. 4. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 5. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 307, for the Committee on the District of Columbia, chaired by the distinguished gentleman from Michigan (Mr. Diggs), calls for $275,000 for investigations and its committees. This amount was given very careful consideration.

There is agreement between the distinguished ranking minority member, the gentleman from Minnesota (Mr. Nelsen), and the distinguished chairman, the gentleman from Michigan (Mr. Diggs). The amount represents a 5.5-percent pay raise received by the employees and includes moneys to fund all subcommittees. The committee has added two new subcommittees.

In the first session of the last Congress the committee received $220,000. This amount would be $275,000.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON BANKING AND CURRENCY

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 306 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 306

Resolved, That effective from January 3, 1973, the expenses of conducting the investigations and studies to be conducted pursuant to H. Res. 18, Ninety-third Congress, by the Committee on Banking and Currency, acting as a whole or by subcommittee, not to exceed $1,226,300 for the first session of the Ninety-third Congress, including expenditures for employment, travel, and subsistence of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $100,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a (i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose. Not to exceed $407,500 of the total amount provided by this resolution shall be made available for the expenses of the Housing Subcommittee of the Committee on Banking and Currency in accordance with this resolution which shall be paid on vouchers authorized by such subcommittee, signed by the chairman of such subcommittee or the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Banking and Currency shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 306 for the Committee on Banking and Currency, chaired by the distinguished dean of the House, the gentleman from Texas (Mr. PATMAN), and having as its ranking minority member the distinguished gentleman from New Jersey (Mr. WIDNALL), asked for $1,226,300. Mr. WIDNALL and Mr. PATMAN are in agreement. The minority has been guaranteed a substantially larger staff than in the past. Some $407,500 is specifically set aside for the Subcommittee on Housing, chaired by the distinguished gentleman from Pennsylvania (Mr. BARRETT).

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. This is a requirement of the Banking and Currency Committee for $1,226,300 for 1 year; is that correct?

Mr. THOMPSON of New Jersey. The gentleman is correct.

Mr. GROSS. That is an increase of $251,300 over the first session of the 92d Congress?

Mr. THOMPSON of New Jersey. The first session of the 92d Congress was $975,000.

Mr. GROSS. So it is an increase of $251,300 in 1 year for the committee?

Mr. THOMPSON of New Jersey. I think that the amount recommended by the gentlemen on this committee is very modest.

Mr. GROSS. I think the only other observation I should like to make, Mr. Speaker, is that the dollar is in orbit, and apparently the Committee on Banking and Currency is going to help keep it there.

I thank the gentleman from New Jersey for yielding.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Minnesota for purposes of debate only.

Mr. FRENZEL. I thank the distinguished gentleman from New Jersey for yielding.

Mr. Speaker, I thought it might be appropriate for the gentleman to comment on the description of the generous provision for minority so all Members might know what the provisions for the staffing of the minority are. Some 2 years ago there were eight minority staff members and 37 majority staff members, a ratio of approximately 4½ to 1. I am advised, I hope correctly, as of today the ratio of staff is 40 for the majority and nine for the minority. In my judgment as one Member of the minority, this is not a handsome increase, it is not a fair apportionment of staff, and it simply again presents the necessity of changing the rules of the House to provide one-third minority staffing for all committees. The Banking and Currency Committee is an egregious example of malapportionment of staff. Certainly there are others like it. I thank the gentleman for yielding.

Mr. THOMPSON of New Jersey. I will say to the gentleman my attitude is and has been to staff to the extent possible the minority. I have had numerous conversations with my friend and colleague, the gentleman from New Jersey (Mr. WIDNALL), on this subject, as a result of which I believe—and I would like the gentleman from New Jersey (Mr. WIDNALL) if he will, to verify this—following the hearings and following the conversation between the gentleman and myself, the distinguished chairman agreed to give him one more employee. Is that correct?

Mr. WIDNALL. That is my understanding.

Mr. THOMPSON of New Jersey. Is the gentleman satisfied at the moment with, as he indicated to me and notwithstanding that he does not have one-third, the professional and clerical staff available to him?

Mr. WIDNALL. Yes, I said so.

Mr. THOMPSON of New Jersey. I thank the gentleman very much.

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR SELECT COMMITTEE ON CRIME

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 309 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 309

Resolved, That, for the further expenses of conducting investigations and studies pursuant to H. Res. 256, by the Select Committee on Crime, acting as a whole or by subcommittee, not to exceed $331,160.20 including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the House Select Committee on Crime shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulation established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 309 provides funds for the committee chaired by our distinguished colleague, the gentleman from Florida (Mr. PEPPER) and calls for $331,160.20 for the first session of this session of Congress. In the first session of Congress the amount was $675,000 and in the second session the amount was $470,000, or an amount available for the 2 years of $1,145,000. It is our understanding that this will be the last such resolution since the Select Committee on Crime will finish its work in the first session. It will not come before us again.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to my friend, the gentleman from Iowa, for discussion of the travel only.

Mr. GROSS. Mr. Speaker, this resolution is, in view of what it provides, a rather nice going away present. I hope the gentleman is correct in his assumption that on June 30 that will be the last money for this particular Select Committee.

Mr. THOMPSON of New Jersey. I think the gentleman from New Jersey can assure his distinguished friend and colleague, the gentleman from Iowa, that will be the fact.

Mr. PEPPER. Mr. Speaker, I should like to outline briefly what the Select Committee on Crime intends to do in the remaining months ahead. The committee will report to the Congress our findings and recommendations on:

First. Drugs in our Nation's schools;

Second. Corrections;

Third. Securities frauds; and

Fourth. Organized criminal influences in horseracing.

Further, we intend to prosecute vigorously an investigation of "Street Crime In America." This investigation will provide the basis for our final report to the House of Representatives.

PREPARATION OF FINAL REPORTS TO THE CONGRESS

During the past year our committee concluded intensive investigations involving four distinct areas of crime and criminal justice administration. The committee is now engaged in the task of distilling voluminous investigative reports, testimony and staff memoranda reports into final reports which will describe our findings and recommendations. The reports which the committee is now preparing include:

DRUGS IN OUR SCHOOLS

This in-depth look at narcotic and drug addiction in America's school system is, in our judgment, a comprehensive assessment of the nature and extent of youthful drug abuse. The investigation—as most of you know from the hearings transcripts which have been sent to every Member of Congress—was extensive. Indeed, the investigation included detailed study of drug abuse in school systems located in and around six of our major cities: New York, Miami, Chicago, Kansas City, Los Angeles, and San Francisco. I must tell you in all candor that this national investigation of teenage drug abuse was very time consuming; frankly, Mr. Speaker, the subject matter warranted the extraordinary attention we devoted to it. The testimony of parents, teachers, policemen, students, doctors, and interested citizens fills many volumes with valuable information about the drug menace. I do not wish to take up your time here with tales of horror about the tragedies caused by narcotics and dangerous drugs but I can assure you that my colleagues and I—within the past year—have come to the firm conclusion that drug abuse is epidemic within our school systems and that those school systems are presently ill-equipped to handle the problem.

Our final report on "Drugs In Our Schools" will describe the problem and will propose recommendations for congressional action. We regard the completion of this report as a most important agenda item.

CORRECTIONS

The Nation's correctional system has been described as a national disgrace. That description emanates from those who are most familiar with the failure of our prisons to rehabilitate offenders. To defend that proposition one need only cite the fact that over 70 percent of our serious crimes are committed by recidivists.

The failure of our prisons is one of the central problems within the criminal justice system, and, until we can improve appreciably the record of prisons, we can make no real fundamental progress in the national effort to turn the criminal justice system around. Unfortunately, prison failures are brought to public attention only on rare occasions. The 1971 Attica riot was one of those rare and regrettable occasions. The Attica riot provided the immediate basis for our inquiry regarding corrections. That inquiry focused not only on the actual riots at Attica, Rahway and Raiford Prisons, but on the underlying causes of those riots and on recommendations.

CONVERSION OF WORTHLESS SECURITIES INTO CASH

In late 1971 the committee undertook an extensive investigation into organized criminal influence in legitimate businesses. The committee focused its attention on two sophisticated securities frauds, the Baptist Foundation of America, Inc.—which is not associated in any way with legitimate Baptist Associations, and in which there was no intentional effort to disparage the Baptist faith—and the Dumont Datacomp Corp. Our investigations revealed the utter worthlessness of an allegedly reputable charitable foundation and described how it parlayed a slick brochure and fraudulent financial statement into $20 million worth of "paper" assets which defrauded countless businessmen and banks out of hard cash.

The Dumont Datacomp stock manipulation was another example of sophisticated "white collar" crime that our committee exposed. Our hearings exposed the various underworld figures who were involved in that manipulation. Our investigation also brought to light negligent business practices which greatly facilitated the fraudulent B.F.A. scheme.

The committee staff prepared a report on our investigations and findings in this area and this report is entitled, "Conversion Of Worthless Securities Into Cash." The report is now in the final stages of preparation and will soon be printed and presented to the Congress.

ORGANIZED CRIME IN SPORTS—RACING

This report, which is now being revised, will detail the committee's extensive investigation of horseracing in the United States. The subject of organized crime activity in sports has a number of law enforcement ramifications. First, profits from gambling operations on sporting events constitute a very major portion of income for the underworld, in the opinion of most law enforcement experts. In addition, moneys gained are then invested in sports facilities or activities. Moreover, criminal activities in the sports field enable underworld figures and their associates to establish contacts with legitimate sports and business organizations.

The report which we will issue will describe our findings and recommendations regarding the nature and extent of criminal activity in racing—it will also suggest ways to cope with and eliminate underworld activities in racing.

NEW UNDERTAKINGS—STREET CRIME IN AMERICA

This committee was reconstituted for the period January 3, 1973, through June 30, 1973, so that it could complete the reports listed above and so that it could also address issues involving street crime in America.

The committee has formulated plans for holding hearings on street crime in Washington, D.C., Chicago, and New York City. The purpose of these hearings is to assess the nature and extent of street crime and to assess the quality of anticrime programs which have been instituted to reduce crime and violence. The committee regards this as a vital part of its overall activity and we would feel remiss if we were to close down our operation on June 30, 1973, without having examined that kind of crime which most closely touches the lives of our citizens.

We have planned our hearings on street crime so that we will have ample time to prepare a final report to the Congress on street crime in America. That report will also summarize the activities which the Select Committee on Crime has undertaken since its beginning. It will also recommend to the Congress a continuing plan of action for reducing crime.

Specifically, we intend to elicit testimony from chiefs of police, law enforcement administrators, and police supervisors; from State law enforcement planning agency directors; from judges, court administrators; from correctional officials; from professional associations—ABA Correctional Commission, NCCD, National Council of Juvenile Court Judges, Conference of Mayors and so forth—from former members and staff directors of the President's Commission on Law Enforcement and Administration of Justice and the President's Commission on Crime in the District of Columbia.

Mr. Speaker, the job of fighting crime is an enormous and complex task, and, as I have stated many times previously, I firmly believe the House of Representatives should have a single permanent committee to deal with all aspects of crime, be it a legislative committee or a permanent select committee. I intend the work of the Select Committee on Crime to be regarded as a blueprint for action by the House of Representatives in this area of vital concern to all our citizens.

In conclusion, Mr. Speaker, when the reconstitution of the Select Committee on Crime was being debated by the Members on the floor, February 28, 1973, it was suggested that the Select Committee on Crime spent over $30,000 last year for telephone calls, at a rate of $4,000 to $5,000 per month (CONGRESSIONAL RECORD, p. 5923). In fact the committee spent such a total for the 2 years combined in the 92d Congress, and the monthly bills averaged $1,250. We must bear in mind that the Select Committee on Crime was charged with a responsibility to investigate all aspects of crime in the United States. With such broad investigative duties encompassing the entire United States, it was most prudent for the committee to save on investigators' travel expenses to the maximum extent possible by use of the telephone.

It was also suggested on the floor, February 28, 1973, that the committee spent $4556.59 for the single month of September 1972, for telephone expenses. In fact, this total was for 4 months combined. Consequently I am submitting herewith exact copies of the telephone bills themselves for these 4 months, as well as a summary of committee telephone expenses for the entire 2-year period, in order to correct the RECORD as I assured my distinguished colleagues I would do at the time of our funding resolution.

MEMORANDUM

To: Chairman Claude Pepper.
From: Chris Nolde, Chief Counsel
Date: March 6, 1973.

Attached is a copy of our September, 1972 Expense Report submitted to House Administration containing our telephone expenses.

As you can see, the $4556.59 figure reflects telephone expenses actually paid for in September 1972 without any indication that 3 prior months telephone bills were also included.

Attached are the C & P Telephone Co. facing sheets for the four months bills paid in September, 1972 as follows:

April 30, 1971	$956.31
May 31, 1971	882.14
June 30, 1971	1384.01
August 31, 1972	1334.13
Total (paid September, 1972)	4556.59

(NOTE.—C & P facing sheets referred to are not reproduced in the RECORD.)

TELEPHONE & TELEGRAPH EXPENSES

January, could not pay until funded.
February, could not pay until funded.
March, could not pay until funded.
April, none.
May, $763.26 (Jan.).
June, were not billed.
July, were not billed.
August, were not billed.
September, were not billed.
October, $2,347.90 (July & Aug.).
November, none.
December, $5,031.97 (Sept., Oct., & Nov.).

1972 MONTHLY REPORTS SUBMITTED TO HOUSE ADMINISTRATION

January, $1,087.63 (Dec. '71).
February, $898,50 (Jan.)
March, $1,175.22 (Feb.)
April, $1,528.06 (Mar.)
May, $1,324.21 (April).
June, $2,474.27 (May).
July, $2,018.44 (June).
August, $3,160.02 (Feb. & Mar. '71 and July 1972).
September, $4,556.59 (Apr., May, June '71 and Aug. 1972).
October, $939.72 (Sept.).
November, $877.63 (Oct.).
December, $2,392.59 (Nov.–C&P and GSA–San Francisco & Kansas City).

Mr. THOMPSON of New Jersey. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. THOMPSON of New Jersey. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 291 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 291

Resolved, That, effective from January 3, 1973, the expenses of the investigations and studies to be conducted pursuant to H. Res. 163, by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $694,000, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. However, not to exceed $50,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration under existing law.

Mr. THOMPSON of New Jersey (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, House Resolution 291 is for the Committee on Interior and Insular Affairs. Its chairman is the distinguished new chairman, the gentleman from Florida (Mr. HALEY).

The subcommittee of the Committee on House Administration held extensive hearings on this committee. There is agreement between the majority and the ranking minority member, the distinguished gentleman from Pennsylvania (Mr. SAYLOR), and Chairman HALEY.

Chairman HALEY has undertaken what we consider to be a very constructive reorganization of the committee and is turning over to its respective subcommittees a great deal more responsibility than they had in the past.

Mr. HALEY is not known, as all of us realize, as one of the last big spenders. As a matter of fact, he is a very distinguished and careful gentleman with respect to the administration of his affairs in charge of this committee.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent that on this resolution and all other resolutions before the House today the Members may have 5 legislative days in which to revise and extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CLEAN AIR ACT EXTENSION

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 316 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 316

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5445) to extend the Clean Air Act, as amended, for one year. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 316 provides for an open rule with 1 hour of general debate on H.R. 5445 which is a bill to extend the Clean Air Act by authorizing appropriations for fiscal year 1974 at the same funding level authorized for fiscal year 1973. The appropriations under the current act expire on June 30, 1973.

The cost of H.R. 5445 is broken down as follows: Research on fuels and vehicles, $150,000,000; payments for low-emission vehicles, $25,000,000; general authority, $300,000,000. The total authorization for this program is $475,000,000.

The Committee on Interstate and Foreign Commerce plans hearings on H.R. 5445 to examine many of the policy issues, but the committee does not feel that there is adequate time available for the hearings before the program's funding expires on June 30, 1973. Therefore the committee feels that a 1-year extension of the programs provided for in the act is necessary to allow their careful and responsible consideration.

The Committee on Interstate and Foreign Commerce reported the bill by a unanimous voice vote.

Mr. Speaker, I urge adoption of House Resolution 316 in order that we may discuss and debate H.R. 5445.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, House Resolution 316 provides an open rule with 1 hour of general debate on H.R. 5445.

The purpose of H.R. 5445 is to provide a 1-year extension of the Clean Air Act of 1970. Unless Congress acts, the present law will expire on June 30, 1973.

This bill provides funding for fiscal year 1974 at exactly the same rate authorized for fiscal year 1973. The total amount authorized in this bill for fiscal year 1974 is $475 million.

The 1-year extension will allow the Committee on Interstate and Foreign Commerce sufficient time to hold in-depth hearings on the Clean Air Act of 1970 before trying to alter present programs.

The administration supports this 1-year extension of the present program.

Mr. Speaker, I urge adoption of this resolution.

Mr. Speaker, I have no requests for time but I reserve the remainder of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5445) to extend the Clean Air Act, as amended, for 1 year.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5445, with Mr. DORN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. DEVINE) will be recognized for 30 minutes.

The Chair recognizes the distinguished gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

I hope consideration of the bill will not take very long, because it is a similar bill to the one we considered yesterday. It is simply a 1-year extension of the Clean Air Act.

This legislation was first passed in 1967, because we recognized at that time our air had become polluted to the extent that it was dangerous to our health in America. It was renewed in 1970 for the same reason. We made a great many comprehensive changes in the bill at that time. Some of them have not been put into operation, because we gave the automobile manufacturers and others time to come forth with the implementation.

I might say that when the bill was passed in 1970, the vote was 374 to 1.

We explained the bill fully at that time. At this time I would just like to say that we have had some concrete results from many of the things that have happened as a result of the bill. Most of the Members know, if they have kept up with the current articles in the media, about the automobile pollution and pollution from our stationary plants across the country.

Mr. Chairman, in some of our cities, like Detroit, since 1968 there has been an 80-percent reduction in SO_2, which is sulphur dioxide, and a 45-percent reduction in total suspended particulates. We have had reductions in St. Louis and in several of our other cities, in Philadelphia and the District of Columbia, here where we live.

So it is doing a job. We are talking about health now. We know in several situations that the health of our citizens has been endangered. In fact, one time it got so bad in Birmingham, Ala., as a result of the smoke and the smog in the air, that several deaths resulted. Some Members of our committee went down to take a look at what was going on. They suspended the operation of some of the steel plants for about 3 or 4 days, and after that the air cleared up and everything went on as before.

Certainly we need to continue to do what we are doing now, cleaning up the air of America, so that we will have cleaner air to breathe.

Mr. Chairman, as I say, we are talking about the health of our citizens and not money. The whole principle is based on the health of people. Air pollution causes an increased incidence of bronchitis, emphysema, asthma, eye irritation, and possibly lung cancer.

So we are asking that the bill be extended for 1 year so that we can go in again and study the things that need to be changed. There are many things, we realize, at the present time that need to be changed, and we will have to take the time to study it.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I would be happy to yield to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. The gentleman from West Virginia does realize this proposal today is before us on a special rule?

Mr. STAGGERS. Yes, sir

Mr. WYMAN. This is not, however, the decision of the committee: that it does regard with favor or will not regard with favor today any amendments going to the substance of the Clean Air Act standards?

Mr. STAGGERS. Let me say this, Mr. Chairman, in answer to the gentleman's question:

The other body has passed this bill identically for an extension, and they are going to have hearings too, and we are going to have hearings on the question. It has to be passed by June of next year, with all of the different ramifications taken care of and the things which we know need to be done. That is the reason we are going to try to prevent amendments from being attached to it today.

We would be glad to have any colloquy from the Members on anything that needs to be done and to define anything or answer any questions for any Member of Congress who has a problem in his individual district. They can come before the committee and explain their problems to the committee, and they may give them the benefit of their thinking as to what should be done as to the bill.

Mr. WYMAN. Will the gentleman from West Virginia (Mr. STAGGERS), yield further?

Mr. STAGGERS. I am happy to yield to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. Mr. Chairman, I will state to the gentleman from West Virginia (Mr. STAGGERS), that further on in the proceedings I would like to ask the gentleman one or two questions.

Mr. STAGGERS. Mr. Chairman, I would be very happy to answer them.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I want to join with my good friend, the gentleman from West Virginia (Mr. STAGGERS), the chairman of the committee, in supporting this extension as indicated here in the legislation. I do want to point out, however, that there are a few problems that will be brought to the attention of the Members in the colloquy, for example, as to the great State of Colorado, where there is a different altitude.

In that situation, you deal with different problems, and this has created a problem in that area.

Likewise, I think there is some problem with the mechanical devices we hoped for in our automobiles. They are finding it difficult to get the design that will do the job and at the same time give us some reasonable mileage per gallon. This is a problem, and we do intend to go into it with extensive hearings and review all of it.

Mr. Chairman, I thank the chairman of the committee for yielding. I hope the bill passes under the 1-year extension.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from Minnesota (Mr. NELSEN). The gentleman is a very valuable citizen of this country; he certainly is a very valuable member of the committee. He has been very helpful and has always been very cooperative. I think the items he mentioned are very pertinent to the Nation, and I think we need to answer those questions.

Mr. WYLIE. Mr. Chairman, will the gentleman yield for a couple of questions?

Mr. STAGGERS. I will be happy to yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. May I ask the gentleman, did anyone from the administration testify on this bill?

Mr. STAGGERS. Yes, Mr. Ruckelshaus appeared and gave his approval and said that he approved the extension of the bill.

Mr. WYLIE. Did he approve the authorization recommended in this bill?

Mr. STAGGERS. As an extension. That is correct.

Mr. WYLIE. $75 million?

Mr STAGGERS. That is correct. That is all we are asking for, is an extension of the bill, just as we did yesterday on the solid wastes.

Mr. WYLIE. There is one additional question I have, although I do not want to prolong this. There is some technical language on line 5 of page 1 of H.R. 5445 which says the act "is amended by striking 'and $150 million for the fiscal year ending June 30, 1973,' and inserting in lieu thereof, '$150 million for the fiscal year ending June 30, 1973,'" those seem to be the same to me.

Mr. STAGGERS. They are the same, but it is a technical matter of writing the bill to make it conform to what we need to do for the extension and what the Senate has done.

Mr. WYLIE. It is not intended that this bill will have any retroactive effect?

Mr. STAGGERS. No, indeed.

Mr. Chairman, at this time I would like very much to compliment not only the gentleman from Florida (Mr. ROGERS), but the ranking minority member (Mr. NELSEN), the gentleman from Kentucky (Mr. CARTER), the gentleman from Kansas (Mr. ROY), and all of the other members of the committee for a fine job in handling this bill.

I now yield 5 minutes to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. I thank the gentleman for yielding. Mr. Chairman, I rise in support of H.R. 5445, which will provide a simple, 1 year extension of the Clean Air Act. The funding provisions of the act expire on June 30, 1973, and it simply will be impossible for the Subcommittee on Public Health and Environment to afford ample consideration to the various substantive changes which have been proposed for this legislation prior to that time.

As I stated yesterday during consideration of the Solid Waste Disposal Act extension, there are 12 health bills under the jurisdiction of the subcommittee that also expire at the end of this fiscal year. Many of these programs are the subject of rather percipitous action from the executive branch. In order to protect the prerogatives of the Congress, our subcommittee must commit the next 3 months to these health programs.

There is another reason, Mr. Chairman, why a delay in consideration of the substantive provision of the Clean Air Act is desirable. As you know, the Environmental Protection Agency is presently involved in two complex and controversial proceedings under the act. One involves implementation of a State plan for California which includes a proposal for gasoline rationing. A second proceeding involves consideration of the petitions of the automobile manufacturers for a 1-year delay in implementation of the 1975 emissions standards. The latter proceeding is due to a remand from the U.S. Court of Appeals for the District of Columbia Circuit. Neither proceeding is likely to be resolved by June of this year, and intervention by the Congress before these proceedings reach finality would be premature. I believe it is in the best interests of all concerned that we limit ourselves at the present time to a simple extension of the act until these administrative and judicial proceedings are exhausted.

I assure my colleagues that the Subcommittee on Public Health and Environment will conduct extensive hearings on substantive provisions of the Clean Air Act later this year.

I think the chairman has fully explained the purpose of this bill. The administration has endorsed it, and it will afford the subcommittee flexibility because the deadline is so close on us.

Mr. ROGERS. Mr. Chairman, I urge passage of the legislation.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. ROGERS. Yes. I am glad to yield.

Mr. ROUSSELOT. Mr. Chairman, I have supported this legislation in the past. Does the gentleman happen to know whether the EPA, in some of its contracting work for research on fueled vehicles, is planning to utilize the recently established facility at El Monte, Calif., set up by the State of California to test the 1975 refitted vehicles as to the effect of the air emission standards?

Mr. ROGERS. For 1975?

Mr. ROUSSELOT. For 1975; yes.

Mr. ROGERS. I would hope they would and I would think they would make use of all the existing facilities wherever possible to do the testing. We can make an inquiry of the EPA on this specific item for the gentleman and let him know the result of that, but I certainly hope that the EPA will use these facilities if the facility at Ypsilanti, Mich., is not sufficient.

Mr. ROUSSELOT. I hope so, too, and I hope they do not duplicate existing facilities which have been set up. The State of California has already taken the lead in this research, because the Los Angeles basin is an area where this work is particularly necessary.

Mr. ROGERS. Yes. They have been leaders in the field.

Mr. ROUSSELOT. They did this early. Dr. A. J. Haagen-Smit of Cal Tech, chairman of the California Air Resources Board, is the one who first analyzed the process to find out what smog really is. The El Monte facility is designed for testing vehicles on an ongoing basis and also those refitted for 1975 use. I hope the gentleman from Florida will urge the EPA to make use of this facility.

Mr. ROGERS. I am sure the committee will join in urging the EPA to use all existing facilities where necessary. I appreciate the gentleman bringing this matter to our attention.

Mr. ROUSSELOT. I would like to compliment the gentleman on his efforts. I know it has been a difficult subject to deal wtih and to determine what is a fair standard. I hope the gentleman will continue to press to see that this new vehicle testing and laboratory facility at El Monte is used, because a tremendous amount of thought has been given there to the development of proper testing procedures.

Mr. ROGERS. I thank the gentleman, and we will certainly do that.

Mr. CARTER. Mr. Chairman, I wish at this time to state that I am in full support of the bill H.R. 5445, to extend for 1 year the Clean Air Act of 1970.

During the hearings held before the Public Health and Environment Subcommittee, all testimony—including that of the administration—was in favor of such an extension. In fact, there really seems to be no controversy over the matter of this simple extension.

It is my belief that the Congress must fully examine the Clean Air Act, and make necessary changes as soon as possible. It is clear, however, that an appropriate review of this measure cannot be made before existing legislation expires on June 30 of this year.

I, therefore, urge my distinguished colleagues to view the complexity of the problem of air pollution, and support this important measure.

Mr. HASTINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as everyone here knows the Clean Air Act of 1970 is a very complicated act which has been the subject of controversy on several fronts. Some of the issues require thorough consideration at the subcommittee and full committee level. No hurried or casual treatment would be in the best interests of Congress, the executive branch, or the public.

The authority for the appropriations necessary for the ongoing activities of the Environmental Protection Agency as to clean air expires in a little over 3 months. It is for this reason, and this reason only, that your committee brings to the floor a simple 2-year extension of all authorities including appropriations. It is not the intention hereby to delay or sidetrack consideration of the Clean Air Act. On the contrary, it is the intention to give it prompt and intensive attention.

In view of the purpose of H.R. 5445 it is hoped that Members will refrain from opening the matter by amendment proposals. It is impossible here and now to give any kind of proper consideration to them. We know there are these issues, and it certainly is expected that all parties will have opportunity to suggest changes at such time as the committee takes up the overall renewal of the Clean Air Act of 1970.

Probably the most evident issue has to do with the request of automobile companies to obtain favorable action by EPA to delay the deadline for auto emission levels to 1976. Whatever EPA finally decides I am sure that those who disagree with the decision will be coming forth to get a legislative reversal. There is nothing wrong with that but it would, in my opinion, be improper to try and work it out here and now.

H.R. 5445 provides authorizations for appropriations up to $475 million for fiscal year 1974. This is the same level in each part of the act as found in the act for fiscal year 1973. The administration agrees with the desirability of extension on these terms.

I recommend passage of H.R. 5445.

Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. BROTZMAN).

Mr. BROTZMAN. Mr. Chairman, the 1970 Clean Air Act will undoubtedly go down in history as the turning point in the war to conquer air pollution in this country. In one bold, comprehensive stroke, the Congress set our Nation on the path to cleaner air for our beleaguered cities. I was proud to serve with the Interstate and Foreign Commerce Committee which drafted that legislation and I gave it my firm support.

However, today I am just as thankful that the Commerce Committee has unanimously recognized the important need for extensive review of the 1970 act as is set out on page 2 of the report. The experiences of the last 3 years have given us more scientific information and insight into how we may improve on this act even more.

Specifically, one area to which I feel the committee should address itself at the earliest possible date involves the peculiar problems with air pollution that metropolitan areas at higher altitudes are suffering. Through congressional oversight, the 1970 Clean Air Act is actually preventing Colorado and other high altitude States from enjoying the cleaner air they are capable of achieving.

The reason for the dirtier air is this simple: The largest component of smog for cities in the Rocky Mountain area comes from auto emissions. Since the enactment of this legislation in 1970, it has been determined that a well-tuned car in Denver, Salt Lake City, or Albuquerque emits almost twice the pollutants that a well-tuned car at sea level emits, because automobiles tend to run fuel rich at higher altitudes. Yet Federal emission level standards do not reflect this fact. Low-cost adjustments by the manufacturer in the carburetion and timing of a car can easily eliminate excessive high altitude emissions, yet such adjustments are specifically prohibited by the 1970 act.

What is the net result of this? These areas have dirtier air not because the technology does not exist to clean it up, but because the law prohibits us from making corrections. Also, less efficient automobile engines mean millions of gallons of gasoline wasted every year at a time when rumors are rampant that gasoline rationing is just around the corner.

Dirtier auto emissions also mean that more people will suffer and die from respiratory diseases in these areas than should be the case.

In special environmental hearings conducted last year by former Congressman McKevitt and myself in Denver, witness after witness came forward to ask that this law be amended. They felt that the Administrator of the Environmental Protection Agency should be directed to take altitude variances into account in establishing allowable auto emission levels. Thus, a car at 6,000 feet could inexpensively be made to emit no more pollutants than a car at sea level. In the interest of equity for all citizens of the United States, I feel the Congress can grant no less.

It was also pointed out in these hearings that the 1970 act should be amended to allow the Administrator of the Environmental Protection Agency to waive the restrictions on adjusment of Federal auto emissions control equipment in those areas where State and local governments can demonstrate that such adjustments would lower emission levels.

Finally, I want to stress that the Rocky Mountain States will have a severe problem meeting the ambient air standards for 1975 set by the Clean Air Act, because of this situation. EPA should have the power to extend this deadline if it determines that noncompliance has been caused by dirty automobile engines which Colorado and the other high-altitude States were prevented by Federal law from correcting.

We have tried to work this out administratively with the Environmental Protection Agency to no avail, their contention being that they are banned by the law from doing anything.

I, therefore, urge the members of the Commerce Committee to take up the matter of higher altitude urban areas and their specific problems with air pollution at the earliest possible date.

Colorado's State Department of Health has estimated that nearly 50 percent of that area's automobile traffic would have to be curtailed in 1975 unless the measures I am suggesting today are considered and passed soon.

Of course, I completely support thorough hearings to study these problems as carefully as possible and to work out the best practicable solutions. But I must stress again that such hearings must be started at the earliest possible date if they are to help prevent severe problems for the high-altitude States later.

Mr. Chairman, I realize that time is short here today, but it has been mentioned in prior colloquy that we might look forward to some hearings on this particular subject—and I have had private conversations with the chairman of the committee—and at this time I might yield to the chairman of the committee, the gentleman from West Virginia (Mr. STAGGERS) to ascertain if it is in fact the intention of the committee to hold hearings so that those of us who may have problems such as I have mentioned might present testimony for the committee to consider?

Mr. STAGGERS. Mr. Chairman, if the gentleman will yield, the gentleman is correct, and I might add that all of the things that have been brought up in the colloquy today will, of course, be in the RECORD, and will be thus made known to the committee, and I can assure you that they will be given consideration by the committee when the time comes.

I also have instructed our committee counsel of our concern as to all of these problems, and have made plans so that all Members of the Congress who have any problems such as those the gentleman from Colorado (Mr. BROTZMAN) has just mentioned in his district, and in the Rocky Mountain areas, that they will be certainly most welcome to come before our committee and present their views.

I might also add that I know that the gentleman from Colorado served on the Committee on Interstate and Foreign Commerce. The gentleman stated that he was there when this bill came out, and I know that the gentleman was there, because the gentleman gave many valuable contributions, not only to this bill, but to all the other bills that were eventually enacted into statutes, and we appreciate the gentleman's help.

I further wish to congratulate the people in the district the gentleman represents for returning the gentleman to the House of Representatives, because the gentleman has certainly been an excellent Member of the Congress. And I know that in the Rocky Mountain area that there is an exceptional problem, and I agree that this should be given consideration.

I also know that as you get higher into the air that the atmosphere becomes dirtier, and that you do have to make adjustments. And I intend when the time comes to ask those representatives from the automobile manufacturers and also the EPA to see what improvements are needed to control this problem.

I again assure the gentleman that it will be brought up at the proper time.

Mr. BROTZMAN. Mr. Chairman, I thank the gentleman from West Virginia very much for his response on this particular matter.

I yield to the gentleman from New Jersey.

Mr. HUNT. I thank the gentleman for yielding.

I heard the remarks by the gentleman from Colorado about elevation, and where the gentleman comes from, the very lovely State of Colorado, the air is rarer the higher one gets. I come from a place where the air is not very rare. We are sort of in the lowlands in New Jersey, not very far above sea level.

I want to compliment the gentleman from Colorado for bringing this air pollution matter up, because of the internal combustion engine.

I read an article in the paper the other day regarding this matter. I do not know how true it is. I hope the committee will see fit when they have their hearings to bring in the Honda people who claim that there is a part in the chamber of the emission system that can be totally obliterated and this burned off. I hope we do have that matter taken up when it comes before the committee.

Mr. BROTZMAN. I thank the gentleman from New Jersey for his very fine comments and concern.

I yield to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, I thank my colleague for yielding to me. I rise to associate myself with his remarks and join him in thanking the Chairman for his assurance that some consideration will be given to our State and other States in the mountain West.

I am for clean air for all Americans, not just those who happen to live at sea-level.

And it is cruelly misleading to call the legislation being considered today the Clean Air Act. As it affects the people of my State, and other high altitude areas of the country, it might as well be called the Dirty Air Act.

This legislation does not solve the air pollution problem at mountain elevations. And what is worse, it actually precludes responsible action by State and local officials to solve problems in their own jurisdictions. Many Members of Congress may be surprised to learn just how critical air pollution has become in the mountain West. The purity of Colorado mountain air is legendary; and the sinister pall of smog that hangs over our mountains and cities would have been unthinkable even a few years ago.

But far more is at stake than esthetic considerations. There is also a serious and well-documented health concern:

Metro Denver has the worst carbon monoxide problem in the Nation today. And EPA—Environmental Protection Agency—has ranked Denver as one of the top six priority areas of the country in need of air pollution control.

Coloradoans have acted decisively to deal with this critical problem. Colorado was among the leaders of State government in early air pollution research and legislation.

Today our State continues to lead in affecting air quality. Two noteworthy examples are the progressive land use planning and transportation planning programs underway in our State.

And I am proud that by State and local action we have controlled air pollution or obtained compliance schedules from 95 percent of the stationary sources of air pollution.

Yes, the people of Colorado have made a strong and responsible effort. But any air pollution control worthy of the name must come to grips with automobile exhaust emissions, the cause of an estimated 90 percent of total air pollution in Metropolitan Denver. It is in this respect that the so-called Clean Air Act discriminates most unfairly against Colorado and other mountain States.

The need is underscored by Federal preemption which precludes State legislatures from acting to solve the problem.

And since Federal law prohibits car leaders from adjusting automobile engines for high altitude driving conditions, the only hope for restoring air purity in Colorado and other affected States is to amend the Clean Air Act.

In closing, may I call your attention to the dilemma which will arise if automobile manufacturers are given an extension of time to comply with Federal air quality standards. I take no position on this at the present time. But if EPA extends the deadline for manufacturer compliance, many communities, particularly Denver, Colorado Springs, and others in the mountain West, will be unable to comply with Federal air standards. Yet the existing law does not provide for an extension for compliance by local jurisdictions beyond 1977—an impossible deadline in Colorado unless the Federal act is amended.

Mr. Chairman, it is not my purpose to criticize the sponsors of this extension nor of the original legislation. I know that their effort is motivated by the highest and most sincere purpose and I am therefore going to support extension of this act for an additional year.

But I did not wish to vote to do so without taking this opportunity to call attenion of my colleagues to the urgent need for amendments so that this legislation will truly be a Clean Air Act for all Americans.

The bill we are extending today requires that 1975-76 automobiles meet Federal vehicle emission control standards at sea level. But in atmospheric conditions of mountain driving a car adjusted to sea level standards will discharge up to twice as much hydrocarbon and carbon monoxide as at lower elevations.

The Clean Air Act must be amended to require new cars to meet standards at all altitudes. Automobile manufacturers are moving in this direction:

The development of barometric carburetor controls will compensate for changing atmospheric conditions as well as altitude changes. It is essential this be required by law.

Mr. HASTINGS. Mr. Chairman, I yield to the gentleman from Pennsylvania for a unanimous-consent request.

Mr. HEINZ. Mr. Chairman, I rise in support of this legislation.

H.R. 5445: CLEAN AIR ACT AMENDMENTS EXTENSION

Mr. Chairman, I rise in support of H.R. 5445, legislation extending the Clean Air Act of 1970 for 1 year, until June 30, 1974. The House Subcommittee on Public Health and Environment, of which I am a member, and the full House Committee on Interstate and Foreign Commerce, have both unanimously approved the proposed legislation. I urge my colleagues in the House to follow that leadership today by adopting this important bill.

The current law will expire June 30, 1973; the committee bill simply extends authorization for appropriations at current dollar amounts until June 30, 1974.

H.R. 5445—Authorizations for fiscal year 1974
(identical to fiscal year 1973)

[In millions of dollars]

Authorization category:	
Research on fuels and vehicles	$150
Payments for low-emission vehicles	25
General authority	300
Total	475

Mr. Chairman, the major sources of air pollution in our country today are automobiles, powerplants, and industrial facilities. In some parts of the United States automobiles contribute up to 80 percent of total air pollution. In my own county of Allegheny, in southwest Pennsylvania, because of the large industrial presence there, automobiles are responsible for a smaller proportion of total air pollution.

Air pollution contributes greatly to environmental deterioration. Oppressive and seemingly ever-present haze, smoke, and, in some areas, smog blankets our cities and even our countrysides. But more importantly, air pollution constitutes a serious health hazard, endangering the lives of people who suffer respiratory and heart diseases. In a 1966 temperature inversion that locked much of the Northeastern United States in its grip for 4 days, the death rate in New York City shot up by nearly 10 percent. Currently, in Los Angeles, schoolchildren are prevented from engaging in strenuous exercise during heavy smog periods.

Air pollution also imposes a financial burden on the Nation in the form of higher medical costs, cleaning bills, and deterioration of buildings, paint, clothing, and other material possessions. While damage to plant life is still to be fully assessed, we do know that sensitive crops and some types of forests are adversely affected by air pollution. For instance, in areas south of Pittsburgh, Christmas trees have been stunted and malformed apparently because of high concentrations of sulfur dioxide.

Of course, it is most difficult to ascribe precise monetary values to the economic costs of failing to control air pollution. Estimates have been made, however, and they do serve as rough measures which are helpful in analyzing the various pollution abatement strategies. In 1971, for instance, the President's Council on Environmental Quality estimated the loss due to uncontrolled pollution was nearly $11 billion each year. The Office of Science and Technology, in a 1972 report, set the total annual cost as somewhere in the range of $11 to $16 billion.

Such estimates do not include the loss of esthetic values, nor the losses suffered by those who are forced by pollution to change life patterns. We can never measure the loss of a deep blue sky or of a crystal clear lake. Nor can we measure the loss of recreation values or changes brought about in land utilization because of environmental pollution.

It was in response to this appalling toll on our environment, our health, and our pocketbooks that Congress in 1967 enacted the Air Quality Act, and 3 years later broadened and bolstered that legislation by adopting the Clean Air Act Amendments of 1970. Under the 1970 law, procedures were established for setting and enforcing primary national ambient air standards to protect health, and secondary national air quality standards to protect the public welfare. Moreover, this legislation provided tough enforcement mechanisms through the establishment of criminal penalties for offenders and court authority to issue abatement orders.

But only now is the full impact of the Clean Air Act Amendments of 1970 starting to be felt across America. State governments and cities are, in conjunction with EPA, attempting to devise air pollution abatement plans that will assure that 1975 standards are met. Simultaneously, the American automobile industry is struggling to devise equipment which will guarantee that new automobiles meet congressionally enacted standards for 1975 and 1976. These standards dictate a 96-percent reduction in levels of automobile emissions from 1970 model levels.

Not unexpectedly, controversy has ensued. Surely we can expect that conflict over these strict air quality standards, particularly the auto emission standards, will continue to grow. The 1-year extension of the Clean Air Act provided in H.R. 5445 will provide the House Public Health and Environment Subcommittee with the opportunity to come to grips with a series of key questions facing the Congress and, indeed facing the American people.

Here are some of the issues that we in Congress must delve into in an effort to arrive at reasonable and appropriate policy decisions:

First. Are the American people ready and willing to change extensively many urban transportation habits in order to meet strict air standards? For example, will the American people ever accept—

Gasoline rationing to restrict auto emissions in urban areas?

Parking taxes set at prohibitive levels to discourage commuting by individual auto?

Increased public expenditures to build and subsidize operating costs of urban-suburban mass rapid transit systems.

Second. Are Federal standards on air pollution tougher than standards set on other forms of pollutions?

Third. Are present air quality standards fully justified for health reasons? Are they too weak? Are they too strict?

Fourth. What is the basis for the current conflict between American auto manufacturers and the EPA over the requested 1-year extension of the 1975 deadline for compliance with auto emission standards?

In adopting the catalytic converter, has Detroit taken the wrong approach to meeting the 1975 standards; that is, have they adopted equipment which is the least efficient, the most expensive, and the most likely to break down, thereby requiring frequent and expensive maintenance?

Why do Japanese manufacturers seem to be having little difficulty designing equipment which complies with the 1975 standards, and does so inexpensively and with no gasoline consumption penalty?

Fifth. Have we in Congress assessed fully the cost/benefit calculations involved in these strict auto emission standards? This question is particularly pertinent in light of projected additional costs to automobile owners for—

New emission control equipment;

Unleaded gasoline required by catalytic converters;

Required maintenance of emission control equipment; and

Apparent increased gasoline consumption resulting from present and future pollution control mechanisms.

These are just a few of the many tough questions which must be answered. I believe that a 1-year extension of the Clean Air Act is a most responsible and appropriate step for the Congress to now take. With major changes being proposed in the current law, but with the act expiring soon, this extension will allow the committee sufficient time to consider any necessary revisions.

It must be made clear to all, however, that in limiting the extension to only 1 year it is our intention to affect neither the current 1975 deadline for automobile emission standards, nor the authority of the Administrator to, if necessary, extend that deadline, nor the present hearings on the automobile industry's request for an extension of that deadline.

While all testimony, including that of EPA Administrator William Ruckelshaus, was favorable to the passage of H.R. 5445, substantial debate and controversy will continue over the Clean Air Act as it currently stands. I want to assure my colleagues that I am sure my fellow members of the Subcommittee on Public Health and Environment will carefully weigh and analyze the positions on all sides of the controversy when the committee once again takes up this legislation.

I urge Members to vote "yes" on H.R. 5445.

Mr. HASTINGS. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana.

Mr. LANDGREBE. Mr. Chairman, in 1970, Congress passed the Clean Air Act amendments, setting extremely strict air pollution control standards. I felt at the time that Congress was reacting emotionally to dire, but unsubstantiated, predictions of environmental enthusiasts, with little or no actual knowledge of the levels of and the dangers of air pollution, and with little consideration of the economic and social consequences of such strict regulations.

Since we are now considering the extension of the Clean Air Act, I rise to protest the lack of responsible consideration and discussion of: First, the necessity for the excessively strict pollution control standards, and second, the disastrous consequences that may result from these standards.

The question of the necessity of the strict pollution control standards is a scientific one. What level of contaminants in the air actually constitutes a danger to our health? It would seem that we need only turn to scientific research to find the answer. But even a superficial glance at the literature in this field yields much emotionalism, much myth, many contradictory claims, but little fact or valid proof.

The Government has the responsibility of protecting the American people from pollution that will in fact endanger their health. However, it also has the responsibility of going no further than this. There is no justification for the Government controlling or restricting the actions of American citizens when there is no imminent danger.

This leads to the question of whether it is proper or necessary to approach this whole problem by setting Federal standards that blanket the country, when we are dealing with a problem that is highly localized. Many densely populated areas obviously need to control their pollution more than they have in the past. Rural and less populated areas, on the other hand, may have no air pollution problem. Why should the people in the areas where pollution is no problem be made to suffer the adverse economic effects of the Federal standards? Could the air pollution problem be more efficiently and effectively dealth with on a more localized level? Surely, this is a question that at the very least deserves honest consideration.

As for the economic and social consequences of these standards, we are already experiencing them. Our current energy crisis has been made worse by the approximately 30 percent increase in fuel consumption of motor vehicles equipped with air pollution control devices. How much more will fuel consumption increase when the 1975 automobile emission control standards go into effect? What effect will this have on the energy crisis?

This past winter many farmers suffered great loss, literally dumping their corn in the streets, because there was a shortage of fuel for grain dryers. How many others will be made to suffer in the future?

Well, one inkling of how many has been given to us by Mr. William Ruckelshaus, Administrator of the Environmental Protection Agency, who indicates that to meet the 1977 air pollution standards, Los Angeles, Calif., will have to reduce its automobile traffic by 80 percent. I trust that I need not explain what a disaster this would be to the people of that city. The proposal is so incredible that, I suspect, no one really believes it. And yet Mr. Ruckelshaus says there is no other known way for Los Angeles to meet the requirements of the Clean Air Act.

I have, of course, not even scratched the surface in regard to the economic effects of this act. Estimates of the added cost to the price tag of a new car for compliance with the standards range up to $1,000 per vehicle. Add to this the increased cost of fuel and the result is greatly increased cost of transportation. This means greatly increased costs for everything and everyone requiring transportation, from food to junketing Congressmen.

I will vote against H.R. 5445, not because I believe that we should not control air pollution, not because I believe that we are already doing enough to combat air pollution, but rather to draw attention to the absence of responsible consideration of the implications of and the consequences of the Clean Air Act.

If my vote results in a more rational study of the problem of air pollution, and thus helps to achieve relatively clean air without causing unnecessary harm to the citizens of our country due to excessively strict regulations, then whatever the political consequences, they will be worth it.

Mr. HASTINGS. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. Mr. Chairman, I am going to take these 5 minutes, because this subject is so important. I have an amendment which I wanted to offer today, but I am not going to offer it, because of the position toward amendments at this time indicated by the chairman of the committee. My amendment deals with the subject the gentleman from Indiana (Mr. LANDGREBE) was just talking about; namely, the emissions requirements of the Clean Air Act of 1970. The present requirements of the Clean Air Act of 1970 are about 6 or 7 percent unnecessarily too high. It is that last 6 or 7 percent which is going to mean in this country consumption of 3 million barrels of oil additional per day in this country in 1976. It is going to mean cars that will cost upward of $500 more apiece for gadgetry under the hood. It is going to mean upward of $225 more a year per car for gas consumption for the cars that will get 8 miles to the gallon.

When the public fully understands this, people will be really cross unless the Congress can honestly tell the public that this standard is required for the public health, which it is not. The fact is that not one person in America is going to get emphysema or be poisoned by the air pollution if we take the standard to 90 percent instead of the 96 percent required by present law in 1976.

I have a bill pending, H.R. 5376, that would change this act to take the air pollution level down to 90 percent. This bill is now before the committee chaired by the gentleman from West Virginia. I would like to ask the gentleman at this time: Will this matter be heard fairly soon? I ask this, if I might say, because of the fact that the automobile industry has to tool up and they need something like 15 to 18 months advance notice if they have to comply with a standard that exceeds the reasonable requirements of the public health of this Nation. I do not believe Congress should persist in this unreasonably high requirement.

Mr. STAGGERS. Mr. Chairman, if the gentleman will yield, is he talking about H.R. 4313?

Mr. WYMAN. Yes. There have been additional cosponsors so the bill was reintroduced under another number, but it is the same bill. I referred to H.R. 5376. That was a subsequent reintroduction.

Mr. STAGGERS. If the gentleman will yield, as soon as we get through with our important health bills—there are many that have to be renewed this year—which are pressing, we will get into this as a part of the Clean Air Act.

Mr. WYMAN. How long is that going to be?

Mr. STAGGERS. I cannot say now. I would hope sometime in midsummer.

Mr. WYMAN. The trouble with this is, if I might observe to the gentleman, if that happens we might get into a situation where we will have to have a layoff of a great many workers in Detroit and across the Nation in places where automobiles and their components are manufactured. There is no sense in requiring a 96-percent pollution-free level and all the gadgets for that on cars if reasonable and rational public health needs only a 90-percent level. Does not the gentleman think this problem, with the backup problem of labor behind it, ought to be heard sooner than midsummer?

Mr. STAGGERS. Let me say to the gentleman that the Agency itself is right now holding hearings on this very problem, and I do not think we would want to go into it until after the Agency goes into it. They will go into it in a more complete form than we ever would.

Mr. WYMAN. I understand that, but part of the problem is that the courts say the standard the Congress has imposed in the Clean Air Act of 1970 is not susceptible to being changed by EPA by regulation. It is a standard that seems crystal clear and, therefore, the courts must require that it be enforced.

Mr. STAGGERS. I believe it could be released in 1 year if the courts made up their minds. They could do it. The courts have not definitely made up their minds as yet.

Mr. WYMAN. Has the gentleman from West Virginia come to any opinion as to whether or not it is necessary to go to 96 percent? Has the gentleman from West Virginia looked into this question?

Mr. STAGGERS. Yes, we have had hearings and we believe that until we have further hearings and have heard from the manufacturers and EPA, we ought to wait until after the EPA has come up with its judgment first and then the Congress can go forward.

Mr. WYMAN. It is one of the problems. Even in California, with the air inversion problem in Los Angeles, California law does not require anywhere near 96 percent emission controls. I cannot understand why we should impose on the entire Nation a greater standard than that which is applied by the California Assembly for that particular area that suffers such a tremendous air inversion problem.

Mr. STAGGERS. I would say that if the gentleman would look at the California statute and what it requires, the difference between the Federal and the California requirements is so small that I feel in my judgment, and I believe the committee would also, that we ought to wait until EPA has come up with its decision.

Mr. WYMAN. The difference may be small in percentage points, but it is the taking of the automobiles to that last few percentage points that is creating all the trouble with these catalytic converters and the other gadgetry.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. CARTER. Mr. Chairman, I yield 3 additional minutes to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. I say, simply, that if the country does not need to do this, we ought not to do it, to say nothing of 3 million barrels of oil per day. It is arguable whether it is 3 or 4 million. It is arguable whether a car is going to need 33 percent more gasoline or 25 percent more gasoline.

However, there is no argument that it is going to use more gasoline and this means millions of barrels more oil in which we are in acute deficit. Anything like 3 million barrels per day is the equivalent of the entire proposed Alaskan pipeline, from the North Slope. Yet, if the unreasonably high emissions requirements of this act continue in effect, we are going to require it and for something our public health does not really need.

It seems to me this is the height of foolishness. I do not think we ought to impose on all the motorists of this entire country, in some of the areas of which there is no air pollution problem whatsoever, a standard that applies to only a few locations in this country.

Up in my own State, in the State of New Hampshire, for example, I do not believe there is a place in the State which would have a true air pollution problem from auto emissions if we did not put a filter on any automobile. Yet, New Hampshire motorists will be required to put on a 96-percent control which is going to cost them dearly.

The Nation ought not to endure this tremendous demand on our resources and on our pocketbooks if we do not actually need such a high standard across the Nation for the health or our people.

I submit that in this country we do not need to go beyond 90 percent pollution-free emissions.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. I would like to answer concerning one point. In the first place, gasoline consumption is not going to increase that much. Mr. Ruckelshaus testified before our committee that there would be only a 7-percent increase in the amount of gasoline used.

Not only that, the cost per car would not be more than $259. Every company in this country has been working on this problem for many years. It is not going to take a new effort on their part, but increased dedication.

Not only that, we have three makes of cars today, the Mazda, the Honda, and the Mercedes diesel, all of which are reaching the projected standards of 1975.

Why is it that our manufacturers are not doing this? They are a little bit delinquent in this. They can reach the standards certainly, if the Japanese and German cars can do so at an equally low level of gasoline consumption.

Mr. WYMAN. May I say that I do not know where the gentleman got his figures. He may have gotten them from Mr. Ruckelshaus.

Mr. CARTER. From Mr. Ruckelshaus—the 7-percent increase in gasoline consumption.

Mr. WYMAN. This statement runs directly counter to expert testimony. The automobiles to which my friend makes reference are all foreign imports.

But the point is this, and the point of my observation is that I am not trying to protect any particular industry.

I am saying to the gentleman, who is a doctor, that there is no need in this country to require 96 percent effluent-free emissions from automobiles. Ninety percent is all we possibly need. If that is the case, those responsible in the matter—and it is the responsibility of Congress—should take us down to 90 percent, and do it in time to keep American industry running and American people working.

Mr. HASTINGS. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, in answer to the distinguished gentleman from New Hampshire I say that air pollution today is a grave danger to the country everywhere, and I say that air pollution has not been significantly diminished throughout the United States despite the efforts that we have made.

I want to point out that our industries can reach these standards, and they should reach them. I am glad to see we have many friends of industry around here, who want to lengthen the time during which they may reach these standards. That is fine, but if foreign countries can reach these standards, we can do it here in the United States as well, and we should call upon industry to do that today.

Mr. MYERS. Mr. Chairman, would my colleague from Kentucky yield?

Mr. CARTER. I am happy to yield to my distinguished friend from Indiana.

Mr. MYERS. There have been a number of speakers this afternoon who have referred to the fact that the new automobiles will consume from 30 to 100 percent additional fuel, to push the automobiles, because of these devices.

Does the gentleman know of any studies which have been made looking into the fact that perhaps some of these mechanisms to control emissions may be creating greater problems, or is there any study at all?

Mr. CARTER. No, sir; but in all fairness I can say that these mechanisms which we put on the cars do cause some problems. In order to accomplish our goal, to get purer air, we must be willing to face and solve the problems that confront us.

Mr. MYERS. This is fine, if the gentleman will yield further, and there is no question as to the goal, but I certainly do support the argument of our friend from New Hampshire, who is concerned about seeing all of the automobiles produced in 1976 and subsequent thereto, if we cannot build them in this country.

I do not know what the extension of this time is for, if we are not getting the additional time to build the necessary engines and devices.

Mr. CARTER. I thank the gentleman for his comments.

I want to tell the gentleman right now, if Japan can reach these standards, if Germany can reach these standards, if this country of ours has the mechanical and electronic ability to put people on the moon, we can also develop an automobile which will not pollute above the 1975 standards. We should make every effort to do it.

Furthermore, we should build automobiles that do not use more gasoline than foreign-made automobiles.

Mr. PRICE of Illinois. Mr. Chairman, I support H.R. 5445 extending the Clean Air Act for 1 year.

The need for this legislation is all too evident. Reports of increasing air pollution problems, health problems stemming from pollution and economic dislocation require strengthened research and regulatory efforts.

This country faces severe energy shortages. We cannot simply shutdown or look upon the energy crisis as an inevitable concomitant of an advanced society. We must continue to explore ways in which to utilize existing energy sources more effectively and to create new power sources.

Ultimately, the individual citizen is involved. If efforts are not continued to clean up the environment, serious health problems arise. If our industrial base shuts down because of pollution, severe economic problems develop. Clearly, the importance of this pending bill cannot be overstated. We must provide the wherewithal to continue working on these interrelated problems.

There must be commitment with this effort. I am concerned that the administration has budgeted only $150 million to fund clean air programs in fiscal year 1974. The pending measure authorizes $475 million which is the same funding level authorized for the current fiscal year.

This bill authorizes $300 million to fund regulatory programs for motor vehicle emissions, to implement air quality standards and to assist State and local air pollution control agencies. The Environmental Protection Agency is allocated $150 million to develop technology and to award research and development grants for controlling auto and plant pollution. Also, $25 million is authorized for the certification and purchase of low-emission vehicles by the Federal Government.

If these authorization levels were too high, I would commend the administration for being concerned with excessive and wasteful spending. In this instance, however, such a case cannot be made. The stakes are too important. The protection of human life, cleaning up the environment, and promoting economic well-being are not peripheral issues. They are important national priorities that demand full commitment.

Mr. PODELL. Mr. Chairman, appropriations for the Clean Air Act Amendments of 1970 expire on June 30, 1973. The Congress is now confronted with the choice of either extending the provisions in the present law by providing new funding for the next few fiscal years to carry on work which is now in progress, or writing a new law which would incorporate possible changes.

I believe it is imperative that we continue the Clean Air Act Amendments of 1970. The requirements of this law promise to go far toward greatly improving our ambient air and restoring a healthy environment, especially in our large cities. I am aware that the Council on Environmental Quality reported last year that the level of air pollution in several major cities across the United States is declining. This list of cities did not include New York, where an increase, not a decrease in air pollution by particulates was reported in the same year. A significant abatement of air pollution there, as in other large metropolitan areas will take several years, as States and municipalities follow the timetables of their EPA-approved implementation plans. They will need the professional and technical assistance of the Federal Government to carry out their control measures, and continued funding will be required to provide this help. What is not required, I am convinced, is a watering down of the present law, which would inhibit the adoption of measures to cut air contamination drastically, especially in heavily polluted regions.

For many months all large metropolitan areas have worked to design feasible plans for a significant and lasting reduction of air pollution which would result in measurable benefits by safeguarding and improving public health and welfare, and preventing deterioration of materials and property. While admittedly the remedies prescribed to meet the Clean Air Act requirements are drastic in many instances, necessitating alternate strategies or extended timetables, the cities recognize the need for ultimately meeting them, and have set the necessary machinery in motion to do so.

I think we should give our country and its citizens a fighting chance to rid themselves of excessive, destructive air pollution. We can do so by extending the present law. To weaken or alter it at this time would only serve to delay, at great future expense, an effort which ultimately cannot be avoided.

Mr. HARRINGTON. Mr. Chairman, my reasons for supporting the extension of the Clean Air Act for 1 year are twofold. First, I would like to see the continuation of a comprehensive law that will effectively curb air pollution. Second, continuation of this program for another year will enable the appropriate committee to hold intensive hearings on necessary changes or modifications required as a result of information brought to light since the law was first enacted. I am particularly interested in the effects on small businesses of compliance with this act.

In 1971, the Council on Environmental Quality, along with the Environmental Protection Agency and the Department of Commerce undertook a series of studies of pollution control costs and their impact on the economy. The study found that these controls had their greatest impact on individual industries.

The studies indicate that some firms will earn lower profits, some will curtail protection, and others firms will be forced to close. Most of the plants that will be forced to close are marginal operations that are already in economic jeopardy due to other competitive factors. In these instances, the impact of the environmental standards is to accelerate such closings.

There are approximately 12,000 plants currently operating in the industrial activities studied. Of these, it is expected that approximaely 800 would close in the normal course of business between 1972 and 1976. It would appear from the contractors' evaluations that an additional 200 to 300 will be forced to close because of pollution abatement requirements.

I do not believe that any of us intended to legislate small business out of existence. However, I do not mean that our pollution control requirements be less stringent. We definitely need strict controls with costly fines for all violations, but we also must be sensitive to the economic needs of small businesses when they find themselves forced to comply with these requirements.

The Clean Air Act must be extended for 1 year. But equally important are the in-depth hearings which the committee has promised next fall. At that time, I intend to testify on the problem that is facing small business. Assistance to these small firms to enable them to meet the pollution control requirements is essential, and this assistance should be in the form of low-interest loans. The exact details of this proposal will be given in my statement when I introduce the Small Business Pollution Abatement Loan Assistance and Worker Readjustment Act (H.R. 5135) next week. However, I wish to emphasize here the need for these hearings and for the extensive investigation of the impact of these requirements on small business. Therefore, I urge you to pass H.R. 5445 and extend the Clean Air Act for 1 year to make these hearings possible.

Mr. ANNUNZIO. Mr. Chairman, the Clean Air Act Amendments of 1970, Public Law 91-604, the basis for the Nation's program to combat air pollution, are due to expire at the end of the current fiscal year. I firmly believe that the implementation of this comprehensive and complex legislation is in the best interests of all Americans, and must be continued.

I, therefore, urge my colleagues today to join me in supporting H.R. 5445, a bill introduced by the distinguished Chairman of the Interstate and Foreign Commerce Committee, Hon. HARLEY O. STAGGERS of West Virginia, which would extend the Clean Air Act for 1 additional year at existing funding levels.

The task of cleaning the air is difficult and expensive. Some progress has been made since Congress enacted the Clean Air Act in December 1970; much more remains to be done. The 1970 Clean Air Act is providing us with direction as we deal with the air pollution problem, and is beginning to help us find some of the answers.

Primary and secondary ambient air quality standards for the Nation have now been established to protect public health, reduce property damage, and insure esthetic quality against the insidious effects of the most common classes of air pollutants. State plans have been drawn up, designed to make sure that the national standards are upheld in the years to come. As a result of the Clean Air Act, new technologies to reduce air pollution from stationary and mobile sources are being developed. Gasolines with low-lead content are more prevalent; more lead-free fuels will be introduced soon. More sophisticated monitoring techniques are being utilized.

Strong, new Federal enforcement power, authorized under the 1970 act, has resulted in the installation of pollution abatement equipment across the country. A potential health crisis was averted in Birmingham, Ala., when the Federal Government, armed with the Clean Air Act's emergency injunction powers, took decisive action reducing air contamination after local officials were unsuccessful.

Continued Federal help in meeting the high cost of clean air is needed. Though it is very difficult to make accurate cost estimates, the Environmental Protection Agency forecasts expenditures of $42 billion between 1973 and 1977 to control air pollution. The benefits, not as clearly defined as the costs perhaps, are substantial as well. The health, social and esthetic effects cannot be neatly reduced to formulas expressed in dollars and cents. One attempt to define the economic benefits of clean air, a 1970 Public Health Service study, placed the direct costs of air pollution at $25 billion annually.

Mr. Chairman, I am under no illusion that the 1970 Clean Air Act, which I rise to support today, is the optimum legislative program to deal with air pollution. Undoubtedly, there are imperfections, blemishes, and perhaps omissions in the act and in its administration which will need to be rectified. Much is still to be learned about the nature and effects of air pollution. Some say we are playing havoc with our economy by acting too hastily and emotionally in response to our pollution problem; others argue that we are jeopardizing our citizens' health by not acting more vigorously.

I do not pretend to have the answers to these questions, nor do I think the Congress is equipped at this time to legislate a better air pollution program in the short time between now and June 30. We will have to wait until more of the facts are in, sorted, and analyzed. I, for one, will closely follow the Federal and State air pollution programs in the months to come, and I am certain the appropriate congressional committee will hold extensive oversight hearings. Time does not allow us to adequately examine the effectiveness of the 1970 Clean Air Act Amendments before their June 30 expiration date. I feel we have no reasonable choice but to continue the present program so that our efforts to have clean, healthy air will not be interrupted, a course of action which H.R. 5446 provides.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that the important legislative proposal presently before us, H.R. 5445, the Clean Air Act Extension, will be promptly adopted by the House.

This measure, which extends the 1970 Clean Air Act for 1 year, and thus affords the Interstate and Foreign Commerce Committee the opportunity to conduct comprehensive and extensive oversight and legislative hearings on the act, represents, in my considered opinion, a necessary and prudent legislative action to achieve our national objective, a clean and healthy environment. Quite simply, this bill provides for continued funding of regulatory programs for motor vehicle emissions, State implementation of air quality standards and Federal assistance to State and local air pollution control agencies. In addition, the bill provides continued funding for the Environmental Protection Agency to develop urgently needed technology to control automobile and power plant pollution.

Mr. Chairman, it is my very earnest belief that the crisis of air pollution is one of the most significant and critical domestic problems facing our Nation today. In many areas, including my own home State of Massachusetts, the heavy concentration of air pollution clearly endangers the public health and welfare. Since our national recognition of the substantial danger posed by air pollution requires the continuation of proven effective and substantive programs which will assist in improving the quality of the air we breathe, and since this bill clearly addresses itself to this wholesome objective, I urge the House to resoundingly approve it without further delay.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 5445, which would extend through June 30, 1974, the Clean Air Act of 1970, and authorize appropriations for fiscal year 1974 at the fiscal year 1973 funding level. The current law, unless extended, will expire on June 30, 1973.

Under present law, authorization for appropriations to carry on the clean air programs are divided into three categories:

First, $150 million for the Environmental Protection Agency to develop technology to control auto and power-plant pollution and to award research and demonstration grants for that purpose;

Second, $300 million, primarily to support regulatory programs for motor vehicle emissions, State implementation of quality air standards, and to assist State and local air pollution control agencies; and

Third, $25 million for certification of low-emission vehicles and purchase of same for use by the Federal Government.

Mr. Chairman, the continued life of these programs under the Clean Air Act is as important as ever to our national health and well-being. It is understood, however, that the committee considers it necessary to examine by means of extensive hearings certain policy questions which have arisen since the passage of the act in 1970. Today's legislation would enable the committee to hold such hearings; the committee ought to be given the opportunity it seeks to discharge its duties in a responsible and thorough manner.

Passage of H.R. 5445 would be another link forged in the chain of vital environmental legislation. Overwhelming support for the legislation on the floor today would reassure the American people that despite White House propensity to curtail or abandon important national programs, Congress will continue to meet its responsibilities in providing for the Nation's needs.

Mr. Chairman, I urge a unanimous vote in favor of extending the Clean Air Act for 1 year.

Mr. CARTER. Mr. Chairman, I join my colleagues of the Public Health and Environment Subcommittee in urging passage of the bill H.R. 5446.

Recognizing the immense complexity of solid waste disposal and resource recovery, we seek to extend the Solid Waste Disposal Act, as amended, for 1 year at present funding authorization levels in order to provide adequate time for responsible and extensive hearings on proposals to restructure the entire solid waste program.

The existing act expires on June 30 of this year, and I share the concern of many of my colleagues that much work remains to be done in this area. We simply cannot afford to thoughtlessly toss away this program just as some people would toss bottles and cans out of their windows.

It is my firm belief that if we are going to effectively coordinate our efforts to halt environmental injustice, we cannot delay in our close examination of the efficiency of this and similar programs. On the other hand, an even greater delay would prevail if were were to permit existing machinery to grind to a halt.

The burden of helping to give guidance to "take the garbage out" has clearly fallen upon the Congress. While we are in the process of carrying it out, however, we must decide what to do with it. By seeking this simple 1-year extension of the Solid Waste Disposal Act, as amended, we are reasserting our determination to find a reasonable answer to the question of what to do with our garbage, paper, packages, plastic, and pop bottles. I feel that we have made much progress through focusing our attention upon the need to reconvert to fuel, and recycle and reuse solid waste rather than merely considering it to be a nuisance.

As the focus of our attention and the direction of our efforts change, we must have the necessary time to fully review the existing act and to give careful consideration to pending reform proposals.

I urge my distinguished colleagues to view the complexity of this pressing problem and support this important measure.

Mr. DON H. CLAUSEN. Mr. Chairman, I believe very strongly that we must continue an effective air pollution control program and I fully support the bill before us to extend the Clean Air Act.

My home State of California has been the leader in this field. It was the first to recognize the seriousness of the air pollution threat and the first to respond with effective action.

We have made great strides in the last decade toward controlling and reducing the sources of air pollution. In addition, intensive research and development programs have added to our pollution-fighting technology.

Of course, there is a great deal of work left to do. With this in mind, I would like to comment on two aspects of this future program.

First, we must make certain that each State is permitted to promulgate pollution control regulations beyond those of the Federal Government, if it so desires, because of its own particular pollution problems.

This will properly reflect the Federal relationship between States and the National Government and it will permit each State to respond to its own needs—which may differ substantially from the average national problem.

And, second, we must insure that the economic and social costs of pollution control standards and devices are very carefully considered before regulations are made final.

I have heard from a growing number of constituents who express concern about the items they must buy whose costs are being forced up by pollution control regulations. I am fully aware that we are going to have to pay the costs of pollution control but there has been very little debate as yet on the effects of proposed regulations on costs. In my judgment, there should be more and on a wider scale.

Mr. HASTINGS. Mr. Chairman, I have no further requests for time.

Mr. STAGGERS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 104 of the Clean Air Act, as amended (84 Stat. 1709), is amended by striking "and $150,000,000 for the fiscal year ending June 30, 1973." and inserting in lieu thereof ", $150,000,000 for the fiscal year ending June 30, 1973, and $150,000,000 for the fiscal year ending June 30, 1974.".

(b) Subsection (i) of section 212 of the Clean Air Act, as amended (84 Stat. 1703), is amended by striking "two succeeding fiscal years." and inserting in lieu thereof "three succeeding fiscal years.".

(c) Section 316 of the Clean Air Act, as amended (84 Stat. 1709), is amended by striking "and $300,000,000 for the fiscal year ending June 30, 1973." and inserting in lieu thereof ", $300,000,000 for the fiscal year ending June 30, 1973, and $300,000,000 for the fiscal year ending June 30, 1974.".

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me ask the gentleman from West Virginia if I am correct in my understanding that this authorization bill calls for $475 million?

Mr. STAGGERS. That is correct.

Mr. GROSS. And the committee is saying that there will be a requirement for approximately $150 million in the next fiscal year; is that correct?

Mr. STAGGERS. I believe that is correct.

Mr. GROSS. I hope the members of the Appropriations Committee, especially those who are on the House floor, will take due note of the fact that there is a requirement for $150 million and not be influenced in the least by the authorization which the House will approve this afternoon for $475 million.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. DORN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5445) to extend the Clean Air Act, as amended, for 1 year, pursuant to House Resolution 316, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken: and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 387, nays 1, not voting 44, as follows:

[Roll No. 57]

YEAS—387

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Barrett
Beard
Bennett
Bevill
Biester
Bingham
Blackburn
Blatnik
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carey, N.Y.
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins
Conable
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Ford, Gerald R.
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harvey
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keating
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mailliard
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills, Ark.
Mills, Md.
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi

Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Saylor
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Taylor, N.C.
Teague, Calif.
Teague, Tex.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Landgrebe

NOT VOTING—44

Aspin
Badillo
Bell
Bergland
Biaggi
Breaux
Carney, Ohio
Chappell
Chisholm
Conlan
Conyers
Diggs
Flynt
Foley
Ford, William D.
Frey
Gray
Guyer
Harsha
Hébert
Hosmer
Jones, Ala.
Jones, N.C.
Karth
Kemp
Ketchum
King
Litton
McSpadden
Milford
Minshall, Ohio
Nichols
Owens
Poage
Price, Tex.
Quie
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Stark
Talcott
Taylor, Mo.
Thompson, N.J.
Young, Ill.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Flynt.

Mr. Hébert with Mr. Talcott.

Mr. Rooney of New York with Mr. Bell.

Mr. Breaux with Mr. King.

Mrs. Chisholm with Mr. Litton.

Mr. Rooney of Pennsylvania with Mr. Minshall of Ohio.

Mr. Biaggi with Mr. Kemp.

Mr. Bergland with Mr. Conlan.

Mr. Carney of Ohio with Mr. Ketchum.

Mr. McSpadden with Mr. Quie.

Mr. Owens with Mr. Price of Texas.

Mr. Nichols with Mr. Guyer.

Mr. Gray with Mr. Roncallo of New York.

Mr. Chappell with Mr. Frey.

Mr. Diggs with Mr. Foley.

Mr. Conyers with Mr. William D. Ford.

Mr. Karth with Mr. Jones of Alabama.

Mr. Jones of North Carolina with Mr. Taylor of Missouri.

Mr. Aspin with Mr. Young of Illinois.

Mr. Badillo with Mr. Hosmer.

Mr. Stark with Mr. Milford.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PROGRAM FOR THE BALANCE OF THIS WEEK AND FOR THE WEEK OF MARCH 26, 1973

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I ask the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), the program for the rest of this week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority leader, the gentleman from Michigan, yield?

Mr. GERALD R. FORD. I yield to the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. There will be no further business for today. Upon the announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives will be:

Monday is District day, and there are no bills.

For Tuesday: H.R. 3153, technical and conforming changes in Social Security Act, by unanimous consent.

For Wednesday: H.R. 5610, Foreign Service Building Act, subject to a rule being granted.

Thursday: H.R. 5293, Peace Corps Act Extension, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman from Massachusetts yield for a question?

Mr. O'NEILL. I yield to the minority leader.

Mr. GERALD R. FORD. Mr. Speaker, there is a possibility, I cannot say a certainty, that sometime next week there may be a veto of one or more of the bills that have been sent from the Congress to the White House. For the protection, Mr. Speaker, of all Members I wonder if the distinguished majority leader could give me assurance or explain the circumstances if a veto comes to the House next week.

Mr. O'NEILL. Mr. Speaker, I presume the gentleman from Michigan is talking about the Vocational Rehabilitation Act. If there is a veto on that, and we do not anticipate one, but if there were to be one it would go to the Senate first. If the Senate overruled the President, then it would come to the desk here, and when it arrived at the desk it would be up to the will of the House to act forthwith or to do whatever it wants to do. In other words, if a motion were made to postpone to a date certain, a motion of that type would be in order. If the gentleman had that in mind, I am sure on this side of the aisle we would be willing to go along with a reasonable proposal.

Mr. GERALD R. FORD. Mr. Speaker, I am delighted to hear the majority leader will work for the protection of all Members, those on his side of the aisle and those on our side of the aisle, because this is as we know a very important measure. I would hope if it comes from the other body and goes to the Speaker's desk that we can cooperate in postponing consideration to a date certain.

Mr. O'NEILL. We will be happy to cooperate in protecting the membership of the House and at the same time trying to protect the millions who are covered by this bill.

ADJOURNMENT OVER TO MONDAY, MARCH 26, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE CASE FOR THE ALASKAN PIPELINE

(Mr. CAMP asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CAMP. Mr. Speaker, oil discovered in 1968 on Alaska's North Slope represents about 25 percent of the total present U.S. domestic proved reserve. After extensive study of all routes and methods for transportation to the lower 48 States, the Secretary of the Interior was prepared to issue a permit for a 48-inch trans-Alaska pipeline in June 1972.

The recent decision of the U.S. Court of Appeals for the District of Columbia brings all these plans to a complete halt and may add 2 more years to the delay in availability of Alaskan oil and gas unless quick remedial action is taken.

The early release of the North Slope oil becomes more essential as the present energy crisis grows and I urge Congress to take prompt action on legislation to amend the Minerals Leasing Act of 1920 to allow adequate right-of-way for the pipeline's construction.

In addition to the attack on the Mineral Leasing Act, the environmentalists have urged that the pipeline be built across Canada instead of Alaska. The Secretary of the Interior rejected this alternative on the grounds that: First, the Canadian route would delay the pipeline by 3 to 5 years or more; second, the Canadian Government insists on 51 percent control over a pipeline across Canada; and third, there would be adverse effects on U.S. balance of payments.

Mr. Speaker, I think the letter to the editor of the Washington Post written by Bill Martin, president of Phillips Petroleum Co., on March 21, is an excellent summary of the arguments for the trans-Alaska pipeline and I insert it in the Record at this point:

The President of Phillips Petroleum on the Case of the Alaska Pipeline

Your Feb. 15 editorial entitled "No Clear Path for the Alaska Pipeline" states: "The issue in the Alaska pipeline controversy is not oil for Midwestern schools this winter or next, but the best way to meet a portion of the nation's energy needs in the 1980s and beyond."

This is exactly the type of reasoning that has led our nation to its present energy crisis.

In fact, oil from Alaska's North Slope is needed today. Moreover, it would be available today if construction of the Alaska pipeline had been allowed to begin on its original schedule.

It has been more than a year since the Interior Department's two-year study of this issue concluded that the proposed Alaska pipeline would provide the "earliest and most practicable" means of delivering North Slope reserves to market and "on balance create the fewest number of environmental problems of all alternate means considered."

But in failing to rule on the environmental aspects of this case, after they had been so thoroughly studied, the Circuit Court of Appeals for the District of Columbia has sidestepped this issue and further delayed this badly needed project. One of the three judges who dissented with the majority decision termed the refusal to decide the environmental issue "monstrous" and completely unjustified."

Your editorial observes: "Setting aside the question of timing, there is much to recommend use of a Canadian corridor for oil as well as natural gas." Secretary of the Interior Rogers Morton said last year that a Canadian pipeline "would involve substantial and unacceptable time delays" in bringing North Slope oil to market. With the nation facing a fuels shortage and oil imports climbing rapidly, I do not believe the question of timing should be set aside so easily.

Your editorial seems to overlook the point that Canada is a sovereign nation and, as such, could demand controlling interest in the pipeline and a share of the crude oil, or could impose other conditions on their approval to build the line across their country. The recent policy statement by the Canadian Minister of Energy, Mines and Resources that Canada will restrict oil exports to the United States to ensure meeting its own energy needs demonstrates that Canada probably would assert considerable authority over such a pipeline.

There are other problems which would be encountered in building the pipeline across Canada. Because such a pipeline would be so costly to build, an estimated $8 billion at 1971 prices, it would be extremely difficult for the oil companies and the Canadian interests to raise enough money to do the job. The higher transportation costs would have to be offset by higher prices to consumers. In addition, a Canadian pipeline would raise a completely different set of environmental problems, such as the need for 12 major river crossings of a half-mile or more in width. Undoubtedly there would be Canadian environmental roadblocks at least as severe as those already encountered by the Alaska line.

Your editorial also suggests that there is a greater need for Alaskan oil in the Midwest than on the West Coast. Certainly the Midwest does need additional crude oil supplies, but from both a time and cost standpoint it is more practical to supply these needs from the mid-continent oil producing states and, to the extent necessary, with imports brought up from the Gulf Coast, than from Alaska via a Canadian pipeline.

Production on the West Coast is declining, so additional supplies will be needed there in the years ahead. Therefore, this region provides the most logical market for Alaskan oil.

Regardless of where the Alaskan oil is used, the nation will be relying on imports to offset the imbalance between domestic supply and demand. Thus, for national security and balance of payments reasons, it is in the national interest to produce and market the Alaskan oil as soon as possible.

I believe that the entire energy issue must be faced with a sense of national purpose and urgency. As long as energy projects such as the Alaskan pipeline are subjected to years and years of delay, the nation's energy situation will continue to deteriorate.

W. F. Martin.

Bartlesville, Okla.

THE UNITED STATES AND PEOPLE'S REPUBLIC OF CHINA

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, in the spring of 1971, I spoke before the United World Federalist in Baltimore, Md. In my presentation, I called for the development of a one China policy, urging that our Government achieve a rapprochement with the People's Republic of China. Some persons and groups excoriated me for issuing such a call, but subsequent events indicate that my thinking in this matter was correct.

Like millions of other citizens I am intrigued by current developments between America and the People's Republic of China. Will these developments lead to lasting peace? What will constitute the balance of power in Asia? Do the developments constitute a significant reversal of policy for the People's Republic of China? If so, what are the worldwide implications of that reversal?

Some answers to these, and other questions may be found in a cogent article by Dr. Richard Pfeffer, associate professor of political science at Johns Hopkins University.

Dr. Pfeffer visited China just prior to President Nixon's trip a year ago as a board member of the Committee for a New China Policy. At that time he met Premier Chou En-lai. He is also a former board member of the National Committee on United States-China Relations and a member of the Committee of Concerned Asian Scholars.

I recommend that my colleagues study his penetrating analysis of the "normalization" of the relations between the United States and the People's Republic of China.

The analysis follows:

Has Mao Sold Out? Has Nixon Won?

(By Richard M. Pfeffer)

Two weeks ago in Peking, Henry Kissinger, the architect of American foreign policy, met with the man who is the architect of China's foreign policy, Mao Tse-tung. From that two-hour meeting and from earlier ones, some of which had directly involved President Nixon, has come the important agreement to establish something close to full diplomatic relations between the United States and China, in the form of permanent liaison offices in Washington and Peking.

But this tangible acceleration in normalizing relations between the U.S. and China is only part of a still more significant story, a story that generally has gone untold. As the world becomes increasingly complex, the mass media messages about it which we are fed by our rulers—whom we elect—seem daily more simple and obfuscating.

We must, of course, be grateful for the substantial improvement in American relations with China and even for the all-too-bloody withdrawal of American troops from Vietnam under the Nixon administration. But America's 20-year policy of isolating, encircling and containing China, inspired by our global ambitions and rationalized by virulent anti-communism, had clearly failed by 1971. We must admire the administration's capacity to fashion a public relations "victory" from the jaws of defeat. But we must not overdignify this return to sanity as brilliant statesmanship.

20 YEARS OF TRAGEDY

Similarly, nearly 20 years of tragic, overt U.S. involvement in Vietnam has produced millions of dead, wounded and refugees and a truce that is less attractive for American globalists than the 1954 Geneva accords, which John Foster Dulles, President Eisenhower's Secretary of State, refused to sign. Yet President Nixon describes this state of affairs as "peace with honor." And Americans believe him. And with the truce, our POW's return, exuding the joy we expect, as well as multiple blessings for America and—compliments no doubt of our Pentagon propagandists—for our "commander-in-chief" and for his war policies, including even the recent bombing of Hanoi.

No public sense on the POW's part, so far, of complexity, of lessons learned, of doubts or second thoughts. Just hard sell. No sense of decency on the government's part, as POW's continue to be abused for political purposes during the truce as they were during the war. And it is all part of a broader plan, we are told by our President—this "honorable peace," these trips to Moscow, to Hanoi, to Peking. It is all part of President Nixon's secret plan for "a generation of peace."

What in hell is going on in the world?

Has the U.S. really co-opted the last major holdout, China, into joining the "international establishment," so that traditional balance-of-power diplomacy, a la Mr. Kissinger and Mr. Nixon, can be employed to keep order throughout the world? Or do the Chinese—with their long-term historical perspective and with the accurate recognition of the limits of both sides' power and of the trend in the Third World toward greater instability—play a game for bigger historical stakes?

Has the U.S. really achieved a peace in Vietnam? An honorable peace? Or has it, for the moment at least, thankfully but none-too-elegantly bugged out, to the tune of a well-orchestrated symphony of propaganda played on willing, returning heroes, who appear to have learned nothing from Vietnam but still-blinder patriotism?

Is it a generation of peace that Richard Nixon seeks or a generation of repression of rambunctious social movements around the world in the parochial interest of the U.S., as defined by the President?

THE CENTRAL GAMBIT: TO END THE WAR, TO RULE THE WORLD

No one can conclusively answer these questions today. Future events will tell the tale. But we can begin to sketch the bets that Washington, Peking and Hanoi may be laying.

First, we must be clear on the central gambit, the Nixon-Kissinger opening. Its major purposes are twofold:

(1) To reduce to tolerable levels the costs of a war that never was in America's national interest—not to speak of the interests of the Vietnamese—thereby removing a major obstacle to normalizing relations with China and to further improving relations with the Soviet Union;

(2) To hold out sufficient incentives in the nature of trade, recognition of interests and so on to China and Russia to induce them to join the U.S. in ruling the world, in the American interest to the extent possible and in their interests to the extent necessary.

With a superior sense of gamesmanship and the lusty American belief that anyone can be bought for the right price, U.S. leaders have with consummate skill sallied forth to buy off the Russians and the Chinese. In the case of China, they finally recognized the obvious—not only that America's former policy of outlawing China had failed by 1971, but also that it had from the start prevented Peking from developing a stake in the international order. America's leaders have begun to recognize a legitimate Chinese role in international relations, the hoped-for exchange for China's effective acceptance of the international power as the U.S. has helped to mold and dominate it. Nothing less than the No. 3 spot in the international pecking order that relegates most of the rest of the world to poverty and subordination is being offered to China.

* * * * *

Again take the case of Vietnam, there, for example, doubts about China's support for indigenous revolution seem quite justified. In Vietnam it is clear that the Chinese could have done more to aid Hanoi and the Provisional Revolutionary Government (PRG) in the south. But it is not at all clear how effective such an additional aid would have been in changing the outcome to date. Nor is it clear today what the future holds for the south of Vietnam.

If one recognizes that for three decades Vietnam has been the scene of an uncompleted revolutionary war of national liberation, then the central issue is whether America's interventions have been so able to destroy the revolutionary nationalist forces in the south as to preclude their revival and victory in the foreseeable future. If so, and if one assumes that Peking could have substantially affected this result, then it is fair to say that China on this issue has "sold out." And, then, it is fair to predict that China is likely to continue to "sell out" on less-immediate issues than Vietnam, if the offer price is right—say, diplomatic recognition for Peking and withdrawal of recognition from Taipei.

BASICALLY THE SAME

But, on the other hand, Hanoi and Peking believe that the situation in the south, despite strengthening of Saigon's armed forces, remains basically the same: Saigon is no more just, no more representative and no more politically effective than it was in the early 1960's when the U.S. was compelled to move in with force to bolster Saigon. If they are correct, then they are probably also on firm ground in believing it is only a matter of time before the Thieu administration falls and domestic social forces in the south move Saigon toward a coalition government led by the left. If so, once it became clear that the revolutionary forces could not win so long as the U.S. maintained troops in the south, then the immediate goal was to force or to arrange withdrawal of the U.S. military on terms least disadvantageous to Hanoi and the PRG.

The deal struck by the four sides, hailed as "peace with honor" by our side and as a "tremendous victory" by the other, effectively reaffirms the core of the 1954 Geneva accords regarding Vietnam's essential unity and the provisional nature of the military dividing line at the 17th Parallel. To achieve agreement, the other side gave up its demand that Mr. Thieu be replaced and that a coalition government be established as part of the cease-fire. But in return for its restraint in trying to get political assurances of a share of legitimate power in the next Saigon government, the PRG and Hanoi retained most of the military leverage needed to support their political struggle. Under the "creative ambiguities" and lacunae of the truce agreements, Hanoi's troops remain in the south to help protect those interests that Washington was unwilling to legitimize at the conference table, the political goals for which nationalists in the south have fought first the French and then the U.S.

FURTHER CONFLICT

The situation is structured for further conflict. Even if the truce can be made to stick for a time, it seems highly unlikely that a political accommodation can be worked out between the revolutionary and counter-revolutionary forces in Vietnam. It is in the PRG's interest to move the conflict away from the military and into the political realm, where it is strongest. But it is in Mr. Thieu's interest to prevent such a shift, for the Thieu regime remains militarily powerful in the short run but politically bankrupt. Political ruses, like manipulated elections, are all the public politics Mr. Thieu can tolerate.

Thus, we are back to square one. It probably will be only a matter of time before the mixed political and military competition between two alternative governments and two alternative social systems will be reasserted in Vietnam. And if the past there is any guide to the future, one cannot expect Saigon to shine in such a competition. In which case, the central question for the future of Vietnam, as it was in the mid-60's, is how the U.S. will react to Saigon's disintegration.

UNITED STATES AND CHINA: IN THE SAME BED BUT DIFFERENT DREAMS

So, as the Vietnam case illustrates, China and the United States may appear to be sleeping in the same bed, but they may be dreaming different dreams. What will count in the future is whose dreams are closest to reality, for neither China nor the United States can shape the world in its image. If China is right, that there is an "irresistible trend" in world history—"that countries want independence, nations want liberation and the people want revolution"—then the competitive collusion of the superpowers aimed at a shared world hegemony, even if joined by China, is unlikely to be decisive.

Within this framework, which allows for peaceful coexistence, relations between the United States and China, however, are likely to continue to improve and agreements to be reached on specific issues, whether or not China refrains from becoming a ruling member of the international club. On the issue of Sino-American trade, for example, continuing expansion is very likely. But there are obvious noneconomic, as well as economic, limits to such expansion. A Maoist China that prizes self-reliance will certainly make every effort to avoid dependence on any single foreign power or group of powers. A Maoist China, moreover, will remain very judicious in importing foreign technology. The Chinese have learned by their painful experience with the Soviet Union in the 1950's that extensively importing foreign technology and foreign development models involves accepting the social implications of that technology. So, while the Chinese will surely wish to further upgrade their technological capacities, they probably will do so only at a pace and in a manner that allows them to adapt such imports to fit the Chinese road to socialism.

Within this framework, too, there is, as last week's communique illustrates, every reason to expect cultural, athletic, educational and mass media exchanges on the nonofficial, "people-to-people" level to continue to grow. And there is no reason, except Washington's remaining recalcitrance on the Taiwan issue, not to expect even full formal diplomatic relations at any time.

Will such developments, in themselves, prove that China has been co-opted, that she has given up her revolutionary commitment? Perhaps not. For Chairman Mao, who clearly is charting the main directions in China's foreign policy today, has always been a practical revolutionary, capable of adopting flexible policies when necessary to eventually overwhelm a more powerful foe. In the past, at least, he has consistently managed to keep his eye on his revolutionary goals, has generally managed to outmaneuver and outpolitic his enemies and has, for the most part, been strikingly successful.

To conclude that Chinese foreign policy is motivated now solely by its national interest, as we understand the term, and that it, therefore, can be gradually co-opted by bargaining about those interests is to prematurely write off Mao Tse-tung as a national pure and simple. That is a very risky proposition.

Only time and practice, not theories about the future, will tell whether China continues to pursue a revolutionary foreign policy, undoubtedly not without mistakes and at the moment by indirection. And if it does, only time and practice will tell what kind of ultimate confrontation will occur between it and the leader of the world's counter-revolutionary forces, the United States of America.

GUAM COMBAT PATROL BENEFITS

(Mr. WON PAT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WON PAT. Mr. Speaker, today I am introducing a measure which would authorize the Federal Government to extend veterans' benefits to Guamanians who fought in guerrilla actions against Japanese forces during World War II.

Twenty-two years ago, our tiny island was suddenly invaded and shortly thereafter occupied by forces of the Japanese Imperial Army. For the next 3 years, the people of Guam were forced to endure considerable suffering at the hands of our captors.

Although there was little we could effectively do against an enemy that was numerous and well armed, nevertheless the people of Guam did resist—and resisted with all of our might. Despite the constant barrage of propaganda by the enemy in their efforts to convince us that American forces were defeated, a great many of our brave young men and women did their utmost to thwart the enemy at every turn.

Throughout the long years of occupation, the Guamanian people kept their faith in America. We knew that someday our ships would reappear offshore. And when that day finally came on July 21, 1944, our people met the returning U.S. Marines with hundreds of small American flags that we had kept hidden through the years. We also provided our liberators with a more tangible welcome in the form of active and armed resistance against our common enemy.

Shortly after the return of American forces to our island, military officials organized a local security group composed of all Guamanians who were led by U.S. servicemen, wore U.S. military uniforms, and carried U.S. weapons. This group, which became known as the Guam Combat Patrol, was given the extremely dangerous task of ridding the island of Japanese stragglers.

During the months that followed, records show that several members of the Guam Combat Patrol died in battle with the enemy, and a number of others were wounded during combat operations. Their valor was officially recognized by the U.S. Government, which awarded some members of the Combat Patrol the Silver Star, Bronze Medals, and Purple Heart Medals.

Despite their outstanding record in battle and their being awarded some of the highest military decorations this country can bestow on its fighting men, I am sorry to say that the approximately 40 members of the Guam Combat Patrol are not recognized by the Federal Government and are not eligible for any veteran's benefits.

What the members of the Guam Combat Patrol did, of course, was in defense of their own American soil, since Guam had been a possession of the United States since 1898. While we were not yet honored to be American citizens, the loyalty of my people was firmly with this our adopted country. So much so, in fact, that not one Guamanian was ever found guilty of collaborating with the enemy, a record few occupied areas can claim.

Fifteen-hundred miles away, a similar action was being waged in a more publicized effort by a combined force of American and native troops in the Philippines. For their part in the war, the Filipino troops were granted official recognition by the U.S. Congress and even given certain veterans benefit rights.

The few remaining survivors of that long-ago campaign on Guam continue to wait and hope that their Government in Washington will remember them someday. Before that number dwindles even further, I ask my colleagues in Congress not to forsake their fellow Americans on Guam any longer and grant these men the benefits which they, and all American fighting men, fought so long and hard for.

Surely in view of the service which they and their children have rendered to this country, what we ask today would not be unjust or unfair.

TRIBUTE TO THE HONORABLE LYNDON B. JOHNSON

(Mr. WHITE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WHITE. Mr. Speaker, undoubtedly, President Lyndon B. Johnson will be treated more kindly by history than he was by some of his contemporaries. History will eventually recognize him as the singularly accomplished leader that I have always known him to be.

My own personal observation of him was that he was a man of great intellect, character, and integrity, far beyond that for which he was accredited by many Americans or by the journalists who were misled by his style. The accent of his Texas rearing misled those who equated his outward easy-going Texas demeanor and drawl with dawdling performance. His mind could assimilate complex and diverse facts into a plan of overt action.

Lyndon Johnson reserved intense loyalty for those who had served him or had proven their friendship to him. He also knew his detractors and made allowances for them on the chessboard of his career.

Few men in public office can boast the personal achievements and landmark legislation that is the legacy of President Johnson. His successes have been comprehensively cataloged in the many eulogies authored in his memory. In domestic affairs, his Presidency is unsurpassed—accomplished through the same relentless personal effort that characterized his famed tenure as Senate majority leader. In international affairs, I would stress that it was President Johnson who opened avenues to closer accord with those countries which were traditionally antagonistic. It was he who paved the way to future peace and successful foreign policy.

The accomplishments of his domestic and international efforts have been clouded by the sad involvement of our Nation in the Vietnam conflict.

It is perhaps for another era to judge whether he and other Presidents who followed the same course were right or not. Regardless of future judgment, he followed courageously the path he thought was best despite public criticism.

A number of us know why President Johnson chose not to run for his second term. It had nothing to do with a fear that he might be rejected, and few believe he could have been defeated. Having suffered the unhappy experience of knitting together a Nation whose President had died in office, Lyndon Johnson did not want to put this Nation, or a successor to himself, through the same traumatic situation for a second time in the same generation. He was well aware of his own health problems and he realized the chances of living through a second full term were not good.

Beside him throughout his adult life was one of the finest women who has ever accompanied her husband through the trials of public life. He and Ladybird Johnson formed a superb team to the lasting advantage of this country. She is a lady of great depth whose stature will also grow with developing history.

The accolades that have been extended to President Johnson and his family are genuine and well deserved. Of one thing I am also certain: No one will ever review his record and accomplishments without feeling the excitement and the movement which surrounded all he did. To him life was action and he lived.

DEATH PENALTY

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, I am today introducing the administration's bill "To establish rational criteria for the mandatory imposition of the sentence of death, and for other purposes."

The recent Supreme Court case, *Furman* v. *Georgia,* 408 U.S. 238, decided June 29, 1972, called into question existing Federal statutes which allow the death penalty to be imposed at the discretion of the judge or jury, but left the possibility that a statute providing for the death penalty but removing the unchecked discretion would be upheld.

Several of my Republican colleagues on the Judiciary Committee have joined me in the cosponsorship of this bill, including the distinguished ranking Republican from Michigan (Mr. HUTCHINSON). Many members support the rational use of the death penalty although they may not support the specifics contained in this bill. However, I believe that we should conduct a thorough study of the question of when the death penalty can be imposed, and that the Department of Justice bill provides us with a good framework for conducting that study. I hope that hearings on this legislation can be held soon because I believe as President Nixon has said, that the death penalty can be an effective deterrent to crime in certain circumstances.

The bill I introduce today has been drafted to provide narrow guidelines within which the death penalty could be imposed for the crimes of wartime treason or espionage or for murder if certain other factors are present. The death penalty could not be imposed in any event if any one of certain mitigating factors, such as youth of the offender or mental incapacity, were present. The death penalty could be imposed only if one of a number of aggravating factors were present.

For example, the death penalty would be imposed for the crime of wartime treason if the treason were found to have posed a grave risk to the national security. The death penalty would be imposed, for example, for the crime of murder if the murder occurred during an aircraft hijacking or kidnaping or if the person murdered was the President or a Member of Congress or if the defendant had previously been convicted of an offense for which the death penalty was imposable.

In his March 14 message to the Congress on crime, the President said:

> Federal crimes are rarely "crimes of passion." Airplane hijacking is not done in a blind rage; it has to be carefully planned. Using incendiary devices and bombs are not crimes of passion, nor is kidnapping; all these must be thought out in advance. At present those who plan these crimes do not have to include in their deliberations the possibility that they will be put to death for their deeds. I believe that in making their plans, they should have to consider the fact that if a

death results from their crime, they too may die.

It is for the reasons stated by the President that I support the reinstitution of the death penalty for the most serious offenses, such as aircraft hijacking and kidnaping where death results from the crime. I call on my colleagues to join with me in a thorough study of the legislation I introduce today in order to accomplish this purpose.

Mr. McCLORY. Mr. Speaker, there is a popular misconception that the decision of the Supreme Court in the case of Furman against Georgia decided June 29, 1972 had the effect of rendering all death penalties unconstitutional in criminal cases. However, it should be pointed out that the death penalty continues to be valid and "constitutional" in all of those cases which were not specifically covered by the language of the Supreme Court in that case.

In order to clarify the situation, the administration has proposed legislation to mark the very limited kinds of cases in which the death penalty might appropriately be imposed by Federal courts or juries.

Mr. Speaker, I have been pleased to join with the gentleman from Michigan (Mr. GERALD R. FORD), as a cosponsor of this legislation with the expectation that—serving as a pattern or outline—the measure which is being introduced today may enable our Judiciary Committee to recommend appropriate legislation to the Members of the House.

I concur entirely with the Supreme Court decision to the effect that the death penalty when imposed as a wholly discretionary decision by court or jury—and with highly discriminatory results such as were described in the Furman against Georgia case—is "cruel and unusual" and in violation of article VIII of the Federal Constitution.

However, it seems appropriate to recall the recent statement of President Nixon to the effect that hijackers, kidnapers, those who throw firebombs, convicts who attack prison guards and other types of assaults on officers of the law—all with the intent to take the life or lives of others—may well be the kind of offenses which should continue to be punishable by death. Even within this limited area, carefully defined parameters and procedures must be provided. The safeguards are contained in the bill which I am cosponsoring to the extent that full and ample protection is given in cases where extenuating circumstances exist, including the youth of the defendant, lack of capacity to appreciate the wrongfulness of his conduct, and unusual and substantial duress.

Mr. Speaker, without going into further detail and without elaborating on the many reasons why I am cosponsoring this legislation I wish to indicate my general support of the administration proposal with the expectation that the House Judiciary Committee may, after a full hearing, report a bill to this House which can be both clarifying and fair, as well as consistent with the overall needs of the American people and entirely consistent with the U.S. Constitution.

EXPORT EXPANSION

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, America has an untapped resource overseas which could help to expand U.S. exports and cure this country's record balance-of-trade deficit. It is the billions of dollars owned and owed to us in the form of foreign currencies and debts.

I, along with the gentleman from Michigan (Mr. BROOMFIELD) and many of our colleagues on both sides of the aisle, am today introducing legislation to put this money—what we already have in hand and what is due to us—to work on the job of boosting U.S. exports.

The idea is simply this—the money would be used to pay foreign import duties on American products, thus reducing their cost in world marketplaces and making them more competitive with European and Japanese goods. The payment would be limited to 10 percent.

If it sounds unusual, consider these two points:

First. Since 1954, the United States has lost more than $2 billion in the value of American-owned foreign currencies because of overseas inflation, devaluations, and exchange rate adjustments. In the process, the United States has not received one cent of benefit. The money has just gone down the drain.

Second. When an expansion of U.S. exports occurs, production increases, jobs are created or maintained, corporate profits go up, and stockholders receive higher dividends. Thus, it also means a greater flow of tax revenues to the Federal Government and State and local governments. The tax income by itself would be double the value of any foreign currency and debt repayment we spend or credit for the foreign import duties. So the plan would not cost the taxpayer a single penny in new appropriations.

No foreign country would be forced to participate in the program, but in most cases it would be to their advantage as well as ours. They would receive high-quality developmental goods, such as machinery and transport equipment from the United States and, at the same time, erase their debt obligations, a burden which is creating real troubles for many countries too deeply in debt. What foreign exchange they have is being spent for paying debts instead of buying needed American products.

The program also would develop a continuing need for replacement spare parts for follow-on business and in many cases establish trade relationships and contracts where perhaps none existed previously.

My argument is that America can do a lot to increase exports without erecting trade barriers which might bring retaliation of the same kind in countries where we sell many goods as well as buy. By destroying their market in America, we could destroy ours in their country. Walls keep out people but they also imprison those within.

Our bill, in short, would do the following:

First. Expand American exports by utilizing foreign currencies owned by the United States and debt repayments to pay foreign import duties not exceeding 10 percent. Luxury goods would not qualify.

Second. As U.S. exports expand, tax revenues from corporations, incomes, and stock dividends would be twice what the United States spends or credits for the payment of import duties on American products.

Third. Permit the United States to compete for business on a more realistic cost basis with Western European and Asian nations, some of which subsidize their exports in other ways. This would give U.S. business a strong incentive to get out there and sell.

Fourth. Give U.S. exports a 3-year breathing spell while the gap between the costs of United States and foreign labor and manufacturing narrows.

Fifth. Create a continuing need for replacement spare parts for the follow-on business and at the same time establish business relationships and contracts where perhaps none existed previously.

Sixth. Give the U.S. economy a shot in the arm by creating thousands of new jobs, boosting corporate profits, and increasing dividends to millions of shareholders.

The text of the bill follows:

H.R. 6061

A bill to amend the Foreign Assistance Act of 1961 to expand American exports by utilizing foreign currencies owned by the United States to pay foreign import duties on such exports, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 612 of the Foreign Assistance Act of 1961 (22 U.S.C. 2362), relating to the use of foreign currencies, is amended by adding at the end thereof the following new subsection:

"(e)(1) Subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, the President is authorized to negotiate and carry out agreements with any foreign country in which the United States owns foreign currencies to use such foreign currencies—

"(A) to pay duties imposed by such foreign country on the importation of commodities manufactured or grown in the United States and its possessions as an official Government obligation; and

"(B) to pay local costs incurred by any United States private enterprise under any personal service contract for the performance of services in such foreign country as an official Government obligation.

"(2) In any case in which a foreign country agrees to relieve the United States from liability to pay any amount otherwise payable under an agreement entered into under this subsection, the President is authorized to take such steps as may be necessary to grant such country a credit, in an amount equal to the aggregate amount of any payment from which the United States is relieved of liability, against any debt owed by such foreign country to the United States, excluding (A) any such debt arising out of a loan made by the Export-Import Bank of the United States, and (B) any such debt with respect to which repayments are covered into a revolving fund for use by an agency of the United States.

"(3) Each agreement entered into under paragraph (1) of this subsection shall—

"(A) provide that any reduction in the aggregate cost of any commodity imported into such foreign country from the United States resulting from any payment made by the United States under such agreement shall be passed on to the ultimate consumer;

"(B) prohibit any payment by the United States with respect to arms, ammunition, or implements of war, or with respect to any commodity imported into such foreign country from the United States at the expense of or on concessional terms by the United States or any agency thereof;

"(C) prohibit payment by the United States with respect to any commodity at a rate of duty which exceeds the cost of the commodity by more than ten per centum or in excess of the rate of duty in effect with respect to such commodity on January 1, 1973, whichever is lesser;

"(D) apply with respect to commodities imported into such foreign country from the United States under contracts or new orders entered into after March 22, 1973; and

"(E) prohibit payment by the United States of local costs incurred by any United States private enterprise under a personal service contract in an amount which exceeds 5 per centum of the total contract price for the services actually performed.

"(4) In carrying out the provisions of this subsection, the President shall give priority to the negotiation of agreements with foreign countries with respect to which the President determines that the foreign currencies owned by the United States are excess, or near-excess, to the needs of the United States.

"(5) For the purposes of this subsection, a commodity shall be deemed to have been manufactured or grown in the United States or its possessions if it is mined or produced in the United States or its possessions or if the end product is composed substantially of components mined, produced, or manufactured in the United States or its possessions and directly incorporated in such end product.

"(6) No agreement shall be entered into under paragraph (1) of this subsection after June 30, 1976.".

Mr. BROOMFIELD. Mr. Speaker, last session, many Members of Congress joined the gentleman from Pennsylvania (Mr. MOORHEAD) and I in cosponsoring legislation to expand U.S. exports abroad through the use of U.S.-owned foreign currencies and debt repayments.

The need for this bipartisan congressional initiative is even greater than ever. Our trade deficit last year was $6.4 billion, the worst in U.S. history.

We are reintroducing this legislation today and have sought to make it even more viable by—

First. Limiting its applicability to U.S. manufactured goods and agricultural products where the foreign import duties do not exceed 10 percent. This effectively eliminates luxury goods with high tariff rates. However, it still covers machinery, transport equipment, tools, and other developmental-type items constituting most of our exports.

Second. Making eligible U.S. goods where the end product is composed substantially of components mined, produced or manufactured in the United States. Previously, it was 100 percent which eliminated many products with some foreign component even though most of the item was indeed of U.S. origin.

America has traditionally tried to attack the export problem at home rather than in the foreign marketplace. We seek your support in this endeavor to launch a bold new experiment to deal with one of our Nation's most pressing problems—the loss of trade and its attendant adverse effect on American employment, corporate earnings, and tax revenues vitally needed to meet domestic needs.

In brief, our bill also would—

First. Increase the use of American consultants by foreign governments and industry by funding 5 percent of total contract costs for local foreign currency expenses. American consultants can reasonably be expected to recommend the purchase of U.S. machinery and equipment.

Second. Permit foreign governments to reduce their debt-servicing problems, avoid delinquencies, and maintain good credit standings by paying import duties in their own currencies, thus freeing hard foreign exchange for the purchase of development-type imports from the United States.

Third. Give foreign consumers a break in the price of American goods by requiring import duty savings to be passed on to the ultimate buyer in the marketplace.

Fourth. Authorize bilateral agreements which can be tailor made to deal with any special problems existing between the economies of the participating nation and the United States, such as excluding any products which might damage domestic industries of the country affected.

Fifth. Help reverse the current record balance-of-trade deficit which amounted to $6.4 billion last year, the worst in U.S. history. The problem would be dealt with directly in the marketplace, rather than at home. But even so, other legislation, such as import adjustment assistance, would not conflict. In fact, if both approaches were adopted, a double-barreled attack could be mounted.

Sixth. Save the United States money. Since 1954, the value of U.S.-owned foreign currencies has dropped more than $2 billion, because of inflation, devaluations, and exchange rate adjustments without 1 cent of benefit to the United States.

Mr. Speaker, this unique idea was conceived by Norman G. Cornish, a senior staff consultant to the House Foreign Operations and Government Information Subcommittee. Mr. Cornish is an acknowledged expert on the problems of U.S.-owned foreign currencies and delinquent international debts owed to the United States as well as trade matters dealing with the less developed countries. In fact, he played a key role in helping to initiate and achieve last year's United States-Soviet debt-trade agreement. I think he should be commended for his contributions.

AMERICA'S VOTINGEST SMALL CITY

(Mr. FROEHLICH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FROEHLICH. Mr. Speaker, I am introducing today, for appropriate reference, a concurrent resolution to designate the city of De Pere, Wis., as "America's Votingest Small City."

I am very pleased to be joined in this resolution by the entire Wisconsin delegation in the House, Messrs. ASPIN, KASTENMEIER, THOMSON, ZABLOCKI, REUSS, STEIGER, OBEY, and DAVIS.

An identical resolution is being introduced in the other body by Senator NELSON, with the cosponsorship of Senator PROXMIRE.

Let me promptly acknowledge my deep debt of gratitude to all these distinguished gentlemen for their generous and invaluable support of my effort to secure recognition for De Pere.

Mr. Speaker, every Member of Congress takes special satisfaction when an individual, a group, or a community in his district accomplishes something so noteworthy that it deserves and requires national attention.

The city of De Pere is a case in point.

For a period of more than 20 years, the voters of De Pere, Wis., have been turning out at record percentages. Last November 7, more than 98 percent of the registered voters in the city exercised their franchise.

This phenomenal turnout is consistent with the city's voting history since 1952. De Pere's voting statistics for the Presidential election years of 1952, 1956, 1960, 1964, 1968, and 1972 are as follows:

Year	Registered voters	Votes cast	Percentage
1952	4, 204	4, 192	99. 7
1956	4, 355	4, 179	95. 9
1960	4, 644	4, 499	96. 8
1964	4, 716	4, 679	99. 2
1968	5, 401	4, 903	97. 1
1972	6, 479	6, 353	98. 05

In two of these elections, the turnout was better than 99 percent. In all of them, the turnout was better than 95 percent.

These statistics, in my judgment, represent an unparalleled civic achievement, fully deserving of national recognition.

It is important to note that De Pere's magnificent, sustained good citizenship comes at a time when, as one newspaper put it:

> America is witnessing the deepest and most persistent decline in national voting since the early days of this century.

That is what gives De Pere's accomplishment such broad significance.

Why is it, when so many voters throughout the country are allegedly alienated from the electoral process, believing it to be meaningless, that 98 percent of the voters in De Pere should turn out to vote?

The answer lies in part in the extraordinary sense of "community" that exists in De Pere and in a brilliant organizational effort to get out the vote.

The citizens of De Pere know each other and know their government.

They know they can make their Government responsive.

They believe that when they work together as a community, they can usually accomplish any objective.

They are proud of their heritage and proud of their progressive achievements as a city.

For 20 years, the citizens of De Pere have set as one of their major goals a 100-percent vote in Presidential elections.

In 1972, this worthy crusade was headed by Carl F. Moenssens, chairman of the 100 Percent Vote Committee and a leading member of the Kiwanis Club. He and his organization were ably assisted by three other service clubs in De Pere—the Lions, the Rotary, and the Optimists. They worked closely with the city government, the local media, the schools, the churches, and the business community.

They acquired poll lists of all registered voters. Each service club took one of the city's four wards and made sure that every registered voter received a personal telephone call. Voters who were away from home, at school or in the service, were contacted and sent absentee ballots.

Disabled and elderly voters who could not come to the polls received absentee ballots. Voters who had difficulty in getting to the polls were given the opportunity for a free ride.

According to Carl Moenssens:

> The flu, a broken arm, and a couple of newborn babies held us to 98.05 percent.

But he adds with pride that every registered voter under the age of 21 went to the polls on November 7.

Mr. Speaker, the Wisconsin delegation believes that this exemplary display of citizenship merits official recognition by the Congress of the United States.

De Pere is America's votingest small city. We simply want to make it official.

This designation, of course, is not a title to be held in perpetuity. The citizens of De Pere would be the first to extend a friendly challenge to other cities of similar size and population. They will not be content to rest on their laurels. Consequently, I will agree to cosponsor a resolution in 1977 honoring any small city in the Nation that can produce a higher percentage of voters for the 1976 Presidential election than the city of De Pere.

Of course, I doubt that any city will.

In any event, De Pere has earned designation as "America's Votingest Small City," and I sincerely hope that the Judiciary Committee and the House will act speedily to approve my concurrent resolution.

GUARANTEEING RIGHTS OF THE PEOPLE TO PLAN THEIR FAMILIES

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, the Family Planning Services and Population Research Act of 1970 launched one of the most popular, successful, and significant health programs ever undertaken by the Federal Government. The aim of this program is to improve opportunities for future generations of children by enabling their parents to plan effectively size and spacing of families.

Federal support of family planning services first was called for by President Johnson in his 1966 special message to Congress on health and education. He said then:

> We have a growing concern to foster the integrity of the family, and the opportunity for each child. It is essential that all families have access to information and services that will allow freedom to choose the number and spacing of their children within the dictates of individual conscience.

This freedom to choose can be guaranteed by providing American couples with access to safe and effective means of birth planning, regardless of their economic status.

In 1970, the Family Planning Services and Population Research Act passed with overwhelming congressional support, and sought to implement a national program of subsidized family planning services. Its key goal was—provision of services to the estimated 6.6 million low-income women and many men in the United States who want and need family health care, but who are unable to afford the cost of private physicians for such services. Furthermore, this legislation authorized a greatly expanded Federal program of scientific research for development of new contraceptive technology. Neither family planning services programs alone nor our existing, inadequate technology can meet the voluntary fertility control needs of all individuals of diverse beliefs and circumstances.

Today, approximately 2.6 million low-income women and many men are receiving voluntary and comprehensive family planning services through subsidized programs. The legislation authorizing these programs is scheduled to expire on June 30 this year. With approximately half of the women in need remaining unserved or without access to family planning services, it is apparent that a substantial task remains to be accomplished.

Furthermore, we must secure the continuation of voluntary family planning programs for those women presently receiving these preventive health care services.

If we do not insure continuation and expansion of programs authorized by this legislation, we shall condemn millions of individuals to suffering and dependency associated with unwanted childbearing. In addition, Federal support of scientific research efforts—even now far too limited, but still our major hope for new knowledge toward the development of safe and effective contraception—will come to a halt.

Our national family planning and sciences program has widespread support, and considerable progress has been made. Mr. Speaker, I am particularly aware of the need for Federal leadership and monitoring of programs that serve any minority group. I insert in the Record at this point the statement of the Family Planning in Minority Communities Workshop, recently held here in Washington for minority health professionals and consumers of family planning services, under the cosponsorship of the National Medical Association, Howard University Medical School, and Meharry Medical College:

Statement of the Family Planning in Minority Communities Workshop

We deplore the deep cuts by the Administration on the social programs that most acutely affect low-income and minority individuals and families and believe that the policies of this Administration are a forthright attack on low-income and minority individuals and will lead to the abandonment of programs that lead to some hope for the betterment of life for those most in need. As a group of individuals gathered specifically to discuss the delivery of comprehensive family planning services to low-income and minority individuals, we are particularly aware of the basic inequalities which presently exist for the poor of this country, whose environment and health care are already at an unacceptable level.

As minority providers of family planning services in our own communities, we are deeply aware of the effects of unwanted pregnancy and childbearing on the economic and social lives of the members of our communities. Unwanted pregnancy and childbearing contribute to the high infant and maternal death and morbidity rates in the United States, and these mortality and morbidity rates are highest among low-income and minorities. Unwanted pregnancy and childbearing can cause economic crises for individuals and for families and can lead to the deterioration and destruction of families and to dependency of individuals. The human distress and suffering resulting from unwanted pregnancy and childbearing can be averted by the provision of adequate, comprehensive family planning services.

We believe that all persons must be guaranteed freedom of choice with regard to determination of family size and spacing of children so that the well-being of all parents and children may be secured and improved. We believe it is the duty of the government to guarantee such freedom of choice through the provision of comprehensive family planning services to all people who desire them. Such comprehensive family planning services are now provided through programs under the Family Planning Services and Population Research Act which expires June 30, 1973, which at that time will have reached only about half of the 6.6 million women and the many men in the United States who want and need such preventive health services. Low-income and minority individuals have the least access to medical services in general and to voluntary comprehensive family planning services in particular. If this law is allowed to expire, the responsibility for the provision of family planning services would rest with local and state governments. We, and the members of our communities, have no reason to assume that local and state governments will be either willing or able to commit the resources necessary to provide these services nor do we have reason to believe that local and state governments will preserve national standards for quality of care. We furthermore believe that the development, financing, and monitoring of these programs must come from the federal government in order to insure that local programs are accountable at the national level and that such programs will continue to be both comprehensive and voluntary.

We therefore call upon the President of the United States, members of the Black Caucus, and our elected representatives to take whatever action is necessary to insure renewal and expansion of the Family Planning Services and Population Research Act of 1970 as a means toward improving the health and well-being of all individuals and toward the elimination of poverty and institutional racism from our national life.

Today, along with my distinguished colleagues, the gentlewoman from Colorado (Mrs. SCHROEDER) and the gentleman from Texas (Mr. ECKHARDT), and 33 other concerned Members, I am reintroducing legislation to continue and expand this vitally needed national program.

This measure does three things: First, it extends programs which provide family planning services to those Americans who want them, but cannot afford them. It also extends programs designed to benefit all the people in this country by supporting development of safer, more effective, more aceptable means of birth planning. Finally, it proposes strengthening administration of both programs by creating within HEW a National Population Sciences and Family Planning Administration to carry sole administrative responsibility for these programs. This national administration will be comprised of a National Center for Family Planning Services and a National Institute for Population Sciences. The funding amounts proposed in this bill are for a 5-year period; they are based on the recommendations of two national commissions, the HEW 5-year plan, and other expert studies.

In addition, of major importance is the fact that this legislation insures that these programs will continue to be both comprehensive and voluntary. I am certain that I do not speak only for myself when I state that this legislation represents a commitment to the people of the United States that we in the Congress seek to assure the basic human right of all men and women to choose whether or not to bear or beget a child.

THE CLEAN AIR ACT OF 1970

(Mr. RIEGLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. RIEGLE. Mr. Speaker, I take the floor to speak on the Clean Air Act of 1970.

As we know, the auto industry has requested a 1-year delay in the 1975 auto exhaust standards. The issues they raise are serious and require careful consideration.

The auto industry is the largest single industry in the United States today—employing hundred's of thousands of people and paying billions of dollars in taxes. At the consumer level, the price and performance of automobiles effects virtually every citizen.

At the present time the Environment Protection Administration and the American auto industry are at an impasse with respect to the 1975 emission standards, and it is clear to me that the Congress must act to resolve this impasse this year.

Today we are only being asked to extend the funding for the Clean Air Act of 1970, but we should note that we must ultimately modify this law so that industry and Government can arrive at a satisfactory accommodation.

The control of auto pollutants is a technological problem requiring major scientific breakthroughs. By specifying the absolute standards to be met in the future, the existing law does nothing to resolve these technical questions and difficulties. Government and industry must work together on this problem. It should be noted that this is one of the few laws passed by the Congress that does not give the administering agency any flexibility or discretion in carrying out the legislation's intent.

Consequently, if a 1-year delay in the 1975 standards should be provided as requested, it would only be a partial solution and we would soon have to deal with the 1976 emission standards prescribed by law which are even more stringent.

Technical reports submitted to EPA by the auto manufacturers show that substantial progress has been made in controlling pollutants; I believe there is a good-faith effort underway by the industry to solve this problem.

I believe that we can enhance this progress and fully maintain the intent and spirit of the law by giving the administering agency more leeway to set reasonable and sound standards—standards geared to fully protect the public interest.

In summary, this act as presently written lacks adequate flexibility and thus is increasingly impractical to administer. It neither considers nor addresses the related problems of customer cost, national employment, mileage vis-a-vis fuel consumption, drivability, safety, and our international balance of payments—all important factors which must be carefully weighed together before we can reach a sound and workable public policy standard.

A Federal appeals court recently noted the EPA has "theoretical authority to shut down the auto industry." I do not believe it was ever the intent of Congress to establish such authority—and we must modify this situation.

INTRODUCTION OF IMPOUNDMENT BILL

(Mr. CULVER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CULVER. Mr. Speaker, the concern of the Members of Congress regarding the Presidential practice of impounding funds appropriated by Congress is demonstrated by the introduction of 45 bills relating to this subject in the 93d Congress. Over 140 Members of the House have cosponsored legislation to limit Presidential impoundment. The Rules Committee will begin hearings on these important bills on Wednesday, March 28, 1973.

Presidential impoundment is one of the most complex issues to face the Congress. It involves substantial constitutional and political implications. The foremost consideration and deliberation must be given to any legislation authorizing Presidential impoundment of funds. For these reasons these hearings may be the most important held by the Rules Committee during this session of Congress.

Today I am introducing a bill on impoundment in time for consideration during these hearings. It is my hope that this bill will stimulate discussion about some of the important constitutional implications of any legislation authorizing impoundment.

Any consideration of impoundment should begin from the premise that there is no provision in the Constitution for this practice by the President. Under the Constitution, Congress is clearly given control of the Federal purse. In my judgment, it would be a grave mistake for Congress to unnecessarily concede its prerogatives in this matter.

Therefore, the bill I have introduced places the burden on the President to establish legitimate need for impoundment before the actual impoundment takes effect. Under the bill, a simple resolution passed by either House will prevent Presidential impoundment before it occurs. The power remains with Congress to determine if an impoundment is justified.

This bill may be distinguished from the other major bills on this subject in the following respects:

The President is required to notify Congress of any proposed impoundment prior to any actual execution of impoundment of funds. Thus, Presidential impounding is not permitted even during the 60 days in which Congress is considering the impoundment. This is consistent with the Constitution as no impoundment would be permitted without implied or expressed congressional consent.

The Congress may approve the proposed impoundment by passage of a concurrent resolution or the lapse of a 60-day period. However, either the House or the Senate may disapprove the proposed impoundment by passage of a simple resolution within 60 days.

The Comptroller General is required to investigate the facts pertinent to the impoundment and advise Congress on whether it is consistent with permission previously granted by Congress. The resources and expertise of the Comptroller will help to provide the reliable data necessary for an informed consideration of the proposal by Congress.

The congressional committee which considers the impoundment proposal will be the standing committee which also has jurisdiction over the subject matter. This should result in a more expeditious review of the proposal by a committee which has familiarity with the programs involved.

An explicit proviso in this bill will prevent legislative action from prejudicing a decision by the Supreme Court on the constitutionality of past impoundment actions.

Any legislation which authorizes the President to impound funds will confer a power upon the office not now specified by the Constitution. Congress must be on guard against any bill which concedes more power to the President than the Constitution warrants. The bill I have introduced seeks to prevent Presidential impoundment for any period of time without the consent of Congress.

Finally, Mr. Speaker, we should take every precaution to ensure that in tailoring our response to meet the immediate political challenge by the President that we do not concede away fundamental constitutional principles and congressional prerogatives. The appropriate remedy lies not in the forfeiture of constitutional power by the legislative branch to the executive but in the strengthening of our own constitutional capacity to meet our independent and coequal responsibilities concerning the problem of our national budget problems and priorities.

EATEN OUT OF HOUSE AND HOME

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 15 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, as a Member of the House, and as the mother of three healthy schoolchildren with very healthy appetites, I could probably turn a phrase here about being "eaten out of House and home." But I refuse to make light of an extremely serious problem.

I went over my grocery bills last night, and they are running about 23 percent more right now than they were in December. I suspect the same holds true in the kitchens of my colleagues. And I am sure that every Member of the Congress has received mail on the subject of food prices. A lot of mail.

Perhaps your mail is like mine. I haven't been getting what you might call pressure letters—or threatening letters. For the most part they are not even indignant letters. They are sad letters.

And they are personal letters—all different. I have yet to receive one form letter on the subject of food prices. Rather, my constituents have turned to me in a way that indicates they do not know where else to turn. I hesitate to use the word "despair," but I honestly feel we are far too close to the brink of resignation. I want to share a few excerpts from my mail with the House this afternoon.

One housewife wrote:

> It's at the point where I've had to use my rent money and oil money just to feed my family; we may have to decide whether to eat 3 meals a day and live on the street, or cut back to one good meal a day and keep our home.

Another one said:

> I feel a sense of shame when the people who built the richest nation in the world, people who work and have dollars in their pockets, feel like children pressing their noses against the candy store window because they have only a few pennies in their pockets.

I have a letter from a retired couple, living on a fixed income, and while they certainly feel the pinch of rising prices—the main concern in their letter is—and I quote—

> Those young couples with growing children . . . what happens to them if this is happening to us?

One of my constituents told me that—

> Even the butchers are complaining about weekly increases; they are ashamed to charge us these prices that keep going up and up with no relief in sight.

These are not poor people, Mr. Speaker. They do not want handouts. They are hard workers, they try to budget for their families' needs, they want very much to be responsible citizens. They earn what used to be called a living wage—but they are afraid. They are afraid that the concept of a living wage has become distorted. They tell me what I already know very well from personal experience—that "everything has risen out of proportion, but we should at least be able to feed our families without the food bill eating up a good half of our paychecks."

It is not just the prices that are shocking, it is the proportion of the dollar that now ends up for food. And I am talking about food, pure and simple. I can no longer accept the argument that many other household items happen to come from the food store, and that food itself is not rising that much. I will quote another letter in greater detail. Listen—

> $1.29 a pound for stew meat is ridiculous. We can live without steak, and I stopped buying fresh fruits and vegetables a long time ago—59¢ for a head of lettuce isn't worth it. The powdered milk I buy has jumped from $1.99 to $2.55 since December. We have three boys to feed, and I worry about the lack of protein and vegetables in their diet.

And then she concludes by admitting—and again I quote—

> I'm very discouraged with our country. Not the "freedom" part, just the fact that it seems *almost* useless to work hard and try to take care of your own. It's "almost" impossible for the average family to get ahead.

Mr. Speaker, I am gratified that she used the word "almost"—but I am deeply concerned with the tone of her letter and the mood of all the people.

I think my colleagues are at least somewhat acquainted with my district. I have Boston suburbs, with a sizable number of professionals, yet I also have mill towns, with a tradition of craftsmanship and skill. I have modern manufacturing plants, yet until 2 years ago I even had a sawmill with a waterwheel for power. I have Ph. D.'s, and I have immigrants who are just learning the very basics of citizenship. I have jetports and superhighways—and I have the Penn Central Railroad. I have fishermen and farmers, but most of all I have factory workers and foremen. They know that if you give a dollar's worth of work you get a dollar's worth of pay. And they know that with good management of the family budget, the American paycheck can be the bedrock of the American dream.

These are people who respect the American ethic—people who can and should take credit for loving this country; for being respectable and responsible; for being compassionate and understanding.

But they do not understand what is wrong with the American market basket, and they are turning to us for help.

And I insist that we owe them that help, that we extend to them that help. They want leadership, determination, and a solid followthrough in an effort to correct this very critical situation.

They know—as all my colleagues know—that the food-price crisis is extremely complicated. But they want us to tackle the problem. They will not let us put it off. They have to know that someone is ready to find out what is wrong.

For that reason, Mr. Speaker, I am not only delighted—I am obligated—to join with my colleagues, Mr. ROSENTHAL and Mr. MATSUNAGA, in cosponsoring a House resolution to establish a Select Committee on the Cost and Availability of Food.

I am convinced that there is a permanent solution to the food-price dilemma which will result—at one and the same time—in an abundant food supply at reasonable prices to consumers and a fair rate of return on invested capital to farmers.

THE SANTA MONICA MOUNTAIN AND SEASHORE NATIONAL URBAN PARK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BELL) is recognized for 5 minutes.

Mr. BELL. Mr. Speaker, today I am introducing a bill to establish the Santa Monica Mountain and Seashore National Urban Park. The bill, cosponsored by my colleague Congressman JAMES CORMAN, would create a major national park along the beaches of Santa Monica Bay and the mountains and valleys of the Santa Monica Mountains in Los Angeles and Ventura Counties in California. An identical bill was introduced in the Senate by Senator JOHN V. TUNNEY.

Initially, the concepts embodied in this bill were introduced by me in the first session of the 92d Congress. While progress has been made toward the realization of this much needed park and conservation facility, the Federal Government has been delinquent in its responsibility to the citizens of southern California in insuring that the currently undeveloped Santa Monica Mountain and seashore area will be preserved for the enjoyment of this and future generations.

No one can seriously doubt that there exists a great need throughout the entire country and, in particular, in southern California, for additional recreational and park facilities. Each year thousands of individuals are precluded from enjoying the unmatched pleasures of the outdoors because of the overcrowded conditions that prevail in the few parks that do exist. This legislation, while it focuses its attention on the serious needs of California, will represent, if implemented, an increased awareness of the Federal Government of the needs of urban dwellers to experience nature in its most unblemished form.

I am firmly convinced that the Santa Monica Mountain and Seashore National Urban Park, as envisioned by this legislation, will become a reality. I am able to say this because of the enthusiasm that the residents of the Greater Los Angeles area have displayed in support of this idea. They and I will need your help, however, to hasten the implementation of this park.

Those of you who have visited southern California know of the natural beauty that abounds in that area. It would be an unpardonable sin to permit, by inaction or delay, even the partial destruction of the coastline or the partial development of the mountain area.

I urge each of you to seriously examine the contents of this bill and support its passage.

WELCOME TO THE NEW BISHOP OF THE DIOCESE OF BUFFALO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, March 19, the Most Reverend Edward Dennis Head, D.D., was installed as the 11th bishop of the Roman Catholic diocese of Buffalo which encompasses eight counties and 6,350 square miles of western New York.

Bishop Head is an able and dedicated spiritual leader who has committed himself to an ecumenical awareness of the contributions of every religion—Catholic, Protestant, and Jewish—to community life. He is well known for his devoted work among the needy.

In a moving statement after formally becoming bishop of the diocese of Buffalo, Bishop Head remarked:

> I have a heart filled with hope—hope for and in the life we begin together today as members of the family of God in the diocese of Buffalo.
>
> I hope to be a source of some strength and some service to our family. I hope my joining you will make our family healthier and happier and even more secure.
>
> I have a heart filled with faith—faith in God and faith in you and faith in our future days together. I have faith that God is with us and I know that together with Him our family, our community, our diocese will proceed, prosper and flourish.

I know that Bishop Head will prove to be a worthy successor to our beloved Bishop James A. McNulty who served our diocese so faithfully and well until his recent death. Bishop Head can be sure that the prayers of western New Yorkers of every religion will be with him as he takes up the responsibilities of his new bishopric.

Mr. Speaker, I include in the RECORD at this time, for the information of my colleagues, articles from the Buffalo Evening News and the Buffalo Courier Express concerning Bishop Head's welcome to western New York:

[From the Buffalo Evening News, Mar. 19, 1973]

CARDINAL COOKE INSTALLS BISHOP HEAD AS LEADER OF THE BUFFALO DIOCESE

(By Dick Burke)

Like many a man of Irish heritage before him, Bishop Edward D. Head entered snow-laden Buffalo—and his new diocese—late Sunday afternoon by way of Canada.

Shortly after crossing the Peace Bridge he met the diocesan board of consultors in the dining room of the Chancery at 35 Lincoln Pkwy. and presented his letter of appointment to Bishop Bernard J. McLaughlin, interim administrator.

In so doing he took canonical possession of the Catholic Diocese of Buffalo. His first formal act was the reappointment of all diocesan appointments which, he said, "I do with great happiness."

This continues in office all diocesan officials.

Bishop Pius A. Benincasa and Bishop McLaughlin remain as auxiliary bishops. These papal appointments, requested by Bishop Head immediately after his appointment here, have been confirmed by Rome.

Buffalo's new bishop was welcomed by Bishop McLaughlin who presided at the consultors' session and introduced him.

After presenting his documents Bishop Head remarked: "I am now formally Bishop of Buffalo. Thank God and thank you."

As he was initially ushered into the room he remarked with good humor: "I believe everything now I've heard about your weather!"

The press was present for the proceedings for the first time in the 125-year history of the diocese.

In a statement to the media Bishop Head said: "I have a heart filled with gratitude for your warm welcome here this afternoon . . . I have a heart filled with hope—hope for and in the life we begin together today as members of the family of God in the diocese of Buffalo.

"I hope to be a source of some strength and some service to our family. I hope my joining you will make our family healthier and happier and even more secure.

"I have a heart filled with faith—faith in God and faith in you and faith in our future days together. I have faith that God is with us and I know that together with Him our family, our community, our diocese will proceed, prosper and flourish."

A raging mid-March storm which clouted much of the Great Lakes area shunted the bishop's flight from New York to Toronto. He was scheduled to deplane at 2:37 PM from American Airlines Flight 457 at Greater Buffalo International Airport.

Instead, American rerouted the plane—because of strong runway crosswinds—to Malton International Airport, Toronto. Bishop Head and his party left Toronto by car at 4:20 PM and arrived at the Peace Bridge at 6:20 PM.

At Toronto the bishop's group was met by Bishop Benincasa, Bishop McLaughlin, Msgr. Bernard D. McCarthy, diocesan chancellor, and three prominent Catholic laymen, Walter J. Steffan, Eugene F. McCarthy and Richard J. Wehle, all papal knights.

The entourage was driven to Buffalo where, at the Peace Bridge, a foreshortened motorcade met them and drove directly to the Chancery.

The prolonged, blustery snow storm canceled a considerable Buffalo airport welcome for Bishop Head which had been planned by churchmen, laymen and civic officials.

A reception was held for him in the Chancery.

FAMILY MEMBERS JOIN IN JOYFUL OCCASION

"It's a grand day for singing," said Msgr. Henry S. Kawalec, as he led the congregation in the opening hymn during the installation of Bishop Edward D. Head in St. Joseph's Cathedral.

Holding prayer books and singing along in the front center row of the cathedral was the prelate's family.

His step-mother, Mrs. Gwen Head, arrived on an early-morning flight from New York, accompanied by the bishop's brother and sister-in-law Daniel G. Head of Harrington Park, N.J., and their five children—Patti, 14; Moira, 13; Danny, 12; Charles, 10 and Eileen, 8.

It was the first trip to Buffalo for all except Mr. Head, who worked here briefly as adviser to a construction project about 17 years ago.

Patti Head, speaking for her brothers and sisters, said they hoped to come back to visit their uncle this summer.

Bishop Head's brother, Charles William Head, and wife Helen, drove here from San Antonio, Tex. They spent a few days traveling in Canada and Western New York last week.

"I'm sorry our children can't be with us," Mrs. Head said. "But our four children are grown and just couldn't get away from their work."

BISHOP WELCOMES FELLOW CLERGY OF OTHER FAITHS

(By Mary Ann Lauricella)

Minutes after Bishop Edward D. Head gave a homily saying "each man is a link in a chain, a bong of connection between persons," he left the altar and greeted Protestant and Jewish clergy seated at the front of St. Joseph's Cathedral.

Among them was Bishop Harold B. Robinson, head of the Episcopal Diocese of Western New York, whose own installation ceremonies were held in the same cathedral on Feb. 24, 1968.

"Today brings back many happy memories," said Bishop Robinson. "I hope that the fact we've shared the same church for our installations is a symbol of the close relationship Bishop Head and I will have in the years to come."

Bishop Head shook hands with Bishop Robinson and told him that his stepmother, Mrs. Gwen Head of New York, is an Episcopalian.

Two pews in the first two rows of the church were decorated with gold ribbons and reserved for the ecumenical group.

Seated there were:

Dr. Martin L. Goldberg, rabbi of Temple Beth Zion.

The Very Rev. Elton O. Smith Jr., dean of St. Paul's Cathedral.

The Rev. Carl F Burke, executive director of the Buffalo Council of Churches.

The Rev. Ralph E. Ahlberg of the United Church of Christ.

The Rev. Charles F Lamb, Disciples of Christ.

The Very Rev. Matthew J. Kubik of the Polish National Catholic Church.

The Rev. Donald S. Brown, acting interim secretary of the Presbytery of Western New York.

The Rev. Dr. Ralph W. Loew, pastor of Holy Trinity Lutheran Church.

The Rev. L. T. Boyce of the Western Baptist Association.

The Rev. Herman R. Frincke, Lutheran Church-Missouri Synod.

The Rev. Robert M. Ireland, St. John Lutheran Church.

The Rev. Chrysostom Maniudakis of Annunciation Hellenic Orthodox Church.

[From the Buffalo Courier Express, Mar. 20, 1973]

BISHOP HEAD INSTALLED IN SOLEMN RITES HERE—CARDINAL COOKE LEADS CEREMONY

(By Jim McAvey)

The Most Rev. Edward Dennis Head, DD, 53, was installed as the 11th bishop of the Roman Catholic Diocese of Buffalo on Monday by Terence Cardinal Cooke in a solemn, deeply moving ceremony before 1,500 persons in St. Joseph's New Cathedral, Delaware and Utica.

During the Solemn Pontifical Mass following the installation, Bishop Head said the main function of the church in Buffalo "is simply to serve."

"Structures, institutions, facilities, schools, and hospitals, homes and orphanages are not the church in Buffalo," he said. "They are the outward signs and channels of the inner life of love that has impelled the church in Buffalo to teach, to heal, to form, to strengthen and to serve. This is the church. It is a servant church."

The bishop noted the Buffalo Diocese encompasses the eight counties of Western New York, 6,350 square miles, 1,750,000 people of whom 931,000 are Catholics.

"That huge family is served by countless thousands of laity in all of the apostolates and in a special way by three bishops, 1,200 priests, 2,800 sisters and 100 religious brothers," he said.

THEME OF SERVICE

He said Monday, the Feast of St. Joseph, patron of the diocese, was "a most propitious day to begin our lives tögether."

"Joseph was a model of selfless giving, not counting costs and not expecting returns," Bishop Head said. "He served because he was impelled by love to serve. May our motives be the same."

He said each person in the diocese has "a responsibility to fulfill if we are to cooperate with God in bringing to strength and perfection the family of the church of Buffalo."

"God needs each of us today," he said. "He somehow depends on each of us and we are richly blessed indeed if only we recognize how deeply we need God and how confidently we must depend on one another."

He said he had received hundreds of letters from people in the Diocese since being appointed Bishop by Pope Paul VI on Jan. 23, 1973.

"All were warm with welcome," Bishop Head said. "Today, with great joy in my heart, I receive your warm welcome as your 11th bishop."

Cardinal Cooke, archbishop of New York, was the presiding prelate at the 2½-hour ceremony which began at 10:45 a.m.

In installing the bishop, he said, "His loving, pastoral care will reach out to touch all your lives and I have no doubt that the clergy and religious and faithful people of this church of Buffalo will grow in wisdom and grace and strength with his help and under his guidance."

BISHOP APPLAUDED

Five archbishops and 36 bishops were concelebrants of the Mass. Hundreds of clergymen and nuns, uniformed Catholic War Veterans, Knights of St. Gregory, Knights and Ladies of the Holy Sepulchre, Knights of Malta, Knights of St. John and Knights of Columbus were among the 1,500 in the Cathedral.

In the actual ceremony of installation, Cardinal Cooke placed the pastoral staff or crozier, the symbol of episcopal authority, in the bishop's hands and the bishop was seated on the canopy-covered episcopal throne. As the cardinal shook hands with the bishop the 1,500 persons in the congregation joined with the concelebrants in a rousing round of applause.

The new bishop of Buffalo wiped a tear from an eye as he rose to give his first blessing to his flock.

After the ceremony at the Cathedral, Bishop Head was honored by 2,200 persons at a banquet in Hotel Statler Hilton.

There Cardinal Cooke said the bishop was "a man who has tremendous pastoral concern."

"This is a happy day for the church in Buffalo," he said. "We have given you one of our priests whom we love very much. He has a great heart. He is a mighty wonderful bishop."

Given a standing ovation, Bishop Head expressed his gratitude "to all who have made this possible."

He said he had received over 600 personal letters over the past seven weeks from those who wished him well.

"I will remember this throughout my lifetime," Bishop Head said. "God bless you."

Bishop Head succeeds Bishop James A. McNulty who died Sept. 4, 1972.

THE ROLE OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, the informational needs of Congress were recently discussed at the Time, Inc.-sponsored symposium on the "Role of Congress," by several authorities in and out of Congress. I introduce their comments in the Record and particulrly call your attention to the debate between Neil MacNeil and Senator William Saxbe, of Ohio, moderated by Mr. Henry Grunwald.

Mr. MacNeil. Senator, you make it sound impossible for the Congress ever to act responsibility in the tax area. It is also, as I understand it, acting irresponsibly in the appropriations area, where it never really considers the budget and there is no means for Congress to consider the budget.

Do you see no hope at all of putting the budget and the appropriations process on an intelligent basis, and in such a form that Congress will pass adequate legislation with respect to Government spending?

Senator Saxbe. I am on the Armed Services Committee, and it is our job to approve the budget for the Department of Defense. Now, this, as you know, amounts to some $87 billion; I think it was $78 and the new one is $87 billion. Now, we have a staff consisting of a total of 15 people in the Senate Armed Services Committee that is supposed to examine this. Now, it takes more money to put together the budget in the Department of Defense, and more manpower and people, than the whole cost of running the Congress of the U.S.

We have 15 people and we are supposed to take that budget apart and analyze it. I might add that most of these people are patronage people of members of the Committee, and they also have to spend a lot of their time campaigning for those members. They fetch and carry, run their offices, haul their wives around. Thus, they are not available to me as a member of that Committee.

There is one Republican staff man to whom I can go and he can point in the general direction, but that is all the help that I get as a member of the Armed Services Committee. We have this tremendous giant, the Department of Defense, spending $87 billion, coming back to the Congress where we have 15 staff members and 17 Senators, and then we are supposed to pick this budget apart. It's like trying to pick out a rate-increase request for the Bell Telephone Company. It's in there but you can't find it.

I do not see how we can do a responsible job on the budget in that way.

Now, as to the Appropriations Committee, I am not on the Appropriations Committee, but I know how they operate. They handle the entire budget. They have a staff dominated by some pros and they tell me that you have to be on there four years before you can even see the curve on the ball, because it is all handled by the staff.

Frankly, the lobbyists in Washington, as I am sure many of you know, never talk to the Senators or Representatives. People think that we are carried around on a chit all the time, and that they are wining and dining and influencing us; but they are talking to our staffs. They are talking to the staffs of these committees. This is where the work is done.

All we can do is to pick apart the more flagrant attitudes that they adopt on the policy issues and make general decisions on that, unless you count the rather breezy treatment that the budgets get on the floor. You have been there, Neil, and have seen it when appropriations bills just breezed through with not more than one or two people raising any question at all on the floor.

Sure, the picture I paint is over-emphasized, but I do this because it is impossible to give the budget the treatment that it should have today. It is impossible because, first, the Senators will not hire the staff, and there are two reasons for it. They will not put up the money to hire the staff because they are afraid it will be reflected back home; and secondly, they are afraid that they can't control it if they do put it together.

Mr. MacNeil. I would like to pick you up on the question of the staff, and this goes to what you said earlier, and to what Charlie Jones said about the press. I find in Congress a deep distaste even to adding a single staff man to a committee, or to a Senator's or Congressman's staff, primarily because they are afraid, as you have already suggested, of what will be said about it in the press. Just last week I was faced by a group of senior congressional staff people to whom I was talking on the role of the press, and how newsmen pounce on Congress and say, what a terrible thing it is, adding a single man to a Senator's staff.

The answer for me is very simple. The problem is that when the House or the Senate does add a staff man to each member's staff, they try to sneak it through. The reporters in the gallery are long trained to this business and they do jump on Congress with respect to that but it seems to me that this is where the heart of the problem is. Congress has a staff now, I believe, of about 32,000 men and women all told, who are supposed to be riding herd on the executive staff in various departments numbering literally in the several millions. I would like to turn this back to Charlie.

Why can't case be made, open and forthright, by the Congress, that it is inadequately equipped, both in personnel and tools like computers, and to make a case that they have this enormous job to do, and come out with it forthrightly and go ahead and do it? I think with that kind of forthright approach, it would be supported by the press, certainly by the responsible press.

Dr. Jones. I think that case has to be made. I have followed this somewhat, and my impression is that the Congress has the computer capability, roughly, of the First National Bank in Kadoka, S.D. One way to increase your analytical capability without increasing the staff or matching the Executive in staff is through improving this computer facility. My impression also is, and I would like to hear from the Senator on this, that there is great resistance to that because obviously a computer-based information system is in itself a source of power, or it affects power. Certain committee chairmen and others prefer to control information.

Secondly, the Congress needs people trained to analyze these kinds of data and the kinds of material coming from the Executive. Most staff people, I think, are lawyers or journalists and not trained in analysis of quantitative data. This needs to be improved considerably.

Now, I understand that the Office of Technological Assessment will improve this somewhat, and I would like to hear the Senator on that point.

Senator Saxbe. First, on the computer attitude, you have to be able to handle information. In other words, information supplied to me as a member of a committee without staff people to handle it is not very valuable.

I have to take a curbstone opinion from somebody rather than to come up with hard facts. I notice this about people who can't afford staffs, and there are some—I know Senators, and I am sure you do, too, who employ as many as 25 additional people in their offices. These are out of their own pocket. They can afford it. They are wealthy members, members of wealthy families. They have personal fortunes, and they can hire these people. Over the years I have observed that they are much better informed, and when they get up and talk, they know what they are talking about. They are not just curbstoning it and flying by the seat of their pants. They have hard facts that have been put together by specialists. Where I have one man on my staff who covers the Armed Services Committee, maybe they will have a half a dozen or a dozen people, and when they talk, you listen, because you know they have information.

Unless you can have something like this, a computer capability is not going to be too valuable.

Second, the membership of the staff is controlled by patronage. The other major committee I serve on is Government Operations, the McClellan committee. For years, Karl Mundt was the Senior member on that Committee. He controlled the patronage. There were two staff people who represented the minority. These were both captives of Karl Mundt. In other words, they worked in his office for him and they did not work for the membership of the Committee.

Now, you talk about adding people to the staff. I know Congressmen—to name one, Bill McCulloch, who is just retiring—who ran an office with one or two people plus his wife, who was unpaid. He worked 12 hours a day trying to keep abreast of congressional matters simply because he liked to go back home and brag that he did not spend any money. He was a tremendous Congressman and did great work, but think what he could have done if he had had adequate staff.

So you have this pressure. You also will notice the campaign issue so often used: "How many roll calls did you attend?" Well, we have a dozen roll calls a day, and most of them don't amount to a damn in the Senate. The votes are 75 to nothing. We had 400 and some roll calls last session. That's a ridiculous number of roll calls. But you made that information, indicating that you are right on the ball, you are sitting there listening—well, what it really means is that you are sleeping in the cloak room until the bell rings, and then you run out there like a fireman and vote.

Mr. Grunwald. Senator, I wonder whether I could bring up one point?

Moving away for a moment from the question of research facilities, I wonder whether Professor Jones would like to talk a little bit about some of the other proposals listed in his paper for making Congress more responsive and more efficient? I think you had a list of six. Don't feel compelled to go over all of them, but perhaps just one or two of the more interesting ones.

Dr. Jones. The notion behind these proposals is really to give party leaders somewhat more authority, and review what it is they do during a session.

I think particularly important is my suggestion that there be an end-of-session review. Now, I know what the response will be: "At the end of the session we want to get home." Particularly in an election year, the campaign is coming close, and the Senator is absolutely right, of course, and he should know. There's lots of time spent on campaigning, so you are anxious to get home. Indeed, the members themselves should discuss the legislative record of the party.

I happen to believe very strongly in political parties as the way to bring about some kind of accountability. If we do not do that, I cannot think of another form which it might take. As a citizen, it is impossible for me to follow 35 to 37 committees in the two Houses, if that is where the leadership is, and see what is going on. So this end-of-session review, it seems to me, would be a useful thing.

Mr. MacNeil. The leaders of Congress right now, and for many years, have made a form of report to the membership.

Dr. Jones. Yes.

Mr. MacNeil. It is one of these self-congratulatory things.

Dr. Jones. Right.

Mr. MacNeil. It is published as a document by the Senate and the House and mailed out under the franking privilege. That is not the sort of thing I think you are suggesting.

Dr. Jones. That is not the basis for debate.

Mr. MacNeil. But could it be the basis of debate, this sort of a required report, which they can make now anyway, and bring it up in terms of a debate in the Senate, for example?

Dr. Jones. Well, that is what I envisage.

Mr. MacNeil. Would you see this in the Senate or in the party caucus?

Dr. Jones. I would like to see it within the party, as a party thing, and with the press and the public available so it could be an open meeting and so as to focus attention on legislative parties, leaders and what they see as an accomplishment during the year.

Mr. MacNeil. Senator, can I get some reaction from you on that?

Senator Saxbe. The difficulty there is, are you going to have Fritz Mondale and Sam Ervin put together a report? I mean, what is a victory for Fritz is a defeat for Sam.

We have so much disparity within the parties today, this is the reason that we can't elect a strong leader in either party, because he has to be a middle-of-the-roader who can accommodate everyone. This makes it almost impossible to do this.

Now, I think we have to hatch strong leaders, and this has to be done outside Congress. I think it is significant that the only congressional leader who has ever been a presidential candidate was Lyndon Johnson, and then he evolved as a vice-presidential candidate. Hubert Humphrey and Richard Nixon came out of the Congress, but they were not leaders in the Congress, and George McGovern, an obscure Senator, who I am sure will return to his obscurity. I think it is significant because leaders do accommodate.

Mr. MacNeil. Leaders also, as I have experienced them, Charlie, have always hated the party caucus.

Dr. Jones. Oh, I know, especially the Democrats. Bring the Democrats together and they are likely to divide rather than unite.

Mr. MacNeil. I know of one leader who wanted one caucus for Congress, and that was to nominate the leaders, and nothing further, because to him a party caucus was, as the Senator suggested, an invitation to tear the party apart. This was because of the divergence of views within the party. It is true in both parties.

Dr. Jones. But it is less true now than it used to be. There is more nationalization of both of the parties. There are Republicans in Congress from the South and now there are more Democrats from the Midwest in the Senate than Republicans.

There is more nationalization and I think it is possible for them to—my God, if they can't find out what each other is doing and have no interest in pulling themselves together, then, of course, it is a sad commentary, and that may be the case. It may be that Congress is on that slide down a hundred-foot razor blade, and there is no way they can pull themselves back.

Wherever you begin, some discussion should get underway in Congress. I think myself it is an outrage, as nice a man as Mike Mansfield is, he is a scholar, a marvelous man, very bright and able in many ways, but it is an outrage that we do not have public discussion and attention to the fact that he will now go in to be re-elected for what will be fourteen years, the longest that any floor leader has held that position.

It has nothing to do with his personal attributes. He is a swell guy, but there are people, Hubert Humphrey for one, who have many more leadership qualities than Mike Mansfield to pull that party together and do something with it. It is particularly critical when you have a person from the other party in the White House.

Mr. MacNeil. My observation has been that Congress not only needs leadership, but also the leadership needs follower-ship. Could you go on with some of the other suggestions?

Dr. Jones. All right. Commission a study of the efficiency and effectiveness of the existing party structures in each house directed by an independent agent, perhaps the Brookings Institution, but including members of both parties in both houses. I do not think the members themselves many times know what either exists or potentially exists, so here would be a way of focusing attention. The idea is to begin discussion and to begin an examination. What I am proposing more than anything else is a strategy of reform rather than reform itself. Among these suggestions are:

Expansion of the Congressional Research Service and the Office of Legislative Counsel, and expanding particularly their ability to analyze data with the computer.

Establish perhaps an Office of Congressional Committee Organization and Administration to centralize just the setting up of hearings, rather than having that duplicated within each committee.

Review the existing research capabilities for congressional political parties, and possibly increase staff available for that purpose.

Make party leaders directly responsible for the use of research staff and require periodic reporting by party leaders in caucus.

Now I know all the responses as to why that should not be done. I would like to hear some discussion, if those suggestions are not useful, as to what might be done.

Senator Saxbe. I would just like to say on that, that is all quite true, but the road to hell is paved with commissions. The type of individual whom we are trying to get to put the guts into the leadership is not going to evolve from a commission. It has to be by some kind of divine guidance, or it has to emerge.

Maybe the guy has been elected this year and we do not know him yet. Perhaps he is up there now and just waiting for an opportunity to blossom.

We do need in Congress leaders who can inspire people to go along with them. Now, as you said, Mike Mansfield is a fine gentleman, but he will accommodate to everybody and he has the old-school attitude that a Senator can have his way. If a Senator wants to have two weeks delay, if he wants anything done, if he wants to hold up the appointment of a Cabinet Member or a Supreme Court Justice, he has every opportunity.

In fact, we debated the Haynsworth thing for three months and there wasn't a vote changed, I don't think. There wasn't a vote of things that delay the sessions and make them so ponderous. It is because we wish to accommodate everybody. Now, people have to be hurt sometimes, but you have to lay out a program. I think the greatest weakness is that when we start out, we don't know where we are going.

Mr. MacNeill. Senator, I would like to pick you up on something you once said to me. I believe you were referring at that time to Senator Kennedy on the floor. Senator Kennedy is noted for the excellence of his staff, and you felt that in combating him on the floor you were fighting with sticks. This relates to something that Charlie has just suggested, which is increasing the capabilities of the Legislative Research Service.

One of the most interesting things to me going on now, and which has been going on for a long time, is the comparison of the American Congress with the British Parliament. This started back in the book Charlie refered to, Woodrow Wilson's *Congressional Government*. He was a great admirer of the British System and he wanted to develop the American Congress into a British Parliament.

The reasons why that is simply impossible are too many to go into here, but among others there is no independence allowed the British M.P.

It seems to me, however, that there are things to be learned on both sides here. I think it is fascinating that a book has been published this year, written not by an American but by two Englishmen, both Deputy Clerks of the House of Commons. It is a clinical comparison between the American Congress and the British Parliament. The English are exceptionally interested in the strengths of the American Congress, in some of the techniques, primarily the American standing committee system, a system which provides a body of informed knowledge in specified jurisdictions. They are thinking in terms of adopting something like that for the use of Parliament. But on their side, I think anyone who has ever visited Parliament during question period sees the brillance of the British parliamentary system at its best. They do not often know that what has happened. When the question is put to the Minister, it has been laid down a couple of days in advance and his brilliant reply has been prepared, not by the brilliant Minister, but by a brilliant staff of the Parliament's Civil Service.

Why can't we in America develop such a professional competence, professional competence for a staff for the American Congress, so you won't have to fight with sticks?

THE $1 CHECKOFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Fraser) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, today I am joining with the gentleman from Iowa (Mr. Culver) and 39 other cosponsors in introducing legislation requiring the Internal Revenue Service to place the $1 tax checkoff for the Presidential election campaign fund on the front page of the individual taxpayer's tax return form. Our bill would also require the IRS to publicize extensively this new procedure for financing Presidential election campaigns.

A companion measure, introduced by my colleague from Minnesota, Senator Walter Mondale, and 21 cosponsors, is pending in the Senate.

When Congress authorized the checkoff in 1971, we intended it to be placed on the front of each tax return. But last year we discovered that IRS had prepared a separate form, known as form 4875, which was included in the packet of tax material mailed to taxpayers in January.

Those people who received their forms in the mail may have found Form 4875 buried in their packets. But those who must obtain their tax materials from banks and post offices are having difficulty locating the new form. A spot check of eight tax forms dispensing sites in the Washington area, for example, showed that it was not available at any of the eight locations. A member of my staff was able to obtain the form only at the main headquarters of the Internal Revenue Service on 12th and Constitution NW.

Because the $1 checkoff has been all but ignored by the IRS, it is understandable that only about 4 percent of taxpayers filing returns this year have made use of it. Unless the rate of response improves, the new law will fail to achieve its purpose. Ten to fifteen percent of all taxpayers will have to use the checkoff every year up to 1976 in order to provide each major party with the $20 to $22 million it is authorized to receive under the 1971 act.

By now it is clear that the Nixon administration would just as soon see the whole system fail. President Nixon said as much when he signed the checkoff bill into law.

Despite the opposition from the administration, we must enable the checkoff to succeed. It represents one of the most important political reforms of the last 50 years and it could very well democratize the entire campaign spending process. The checkoff means that for the first time political parties can raise the money they need from average citizens. No longer will they have to rely on the special interests as they have done in the past.

Hopefully, our bill will be one small but significant way of helping to insure that the checkoff will be successful.

The text of the bill follows:

H.R. 6030

A bill to amend the Internal Revenue Code of 1954 to provide that the designation of payments to the Presidential Election Campaign Fund be made on the front page of the taxpayer's income tax return form, and for other purposes

Sec. 1. (a) section 6096 (c) of the Internal Revenue Code of 1954 (relating to the manner and time of designation) is amended by inserting after "any taxable year" the following: "on the first page of an individual's income tax return form."

(b) the amendment made by subsection (a) shall apply with respect to taxable years ending after the date of enactment of this Act.

Sec. 2. (a) The Secretary of the Treasury or his delegate shall give extensive publicity to the Presidential Election Campaign Fund from January 1 to April 15 of each year, including prominent notice in explanatory material sent to individuals, posters, and the use of radio, television, newspapers, and other media. This publicity shall emphasize that the designation provided for in section 6096 of the Internal Revenue Code of 1954 does not increase an individual's tax liability.

(b) Subsection (a) shall take effect upon the date of enactment of this Act.

The list of cosponsors include Jonathan B. Bingham, Frank J. Brasco, George E. Brown, Bill D. Burlison, Phillip Burton, Charles J. Carney, Shirley Chisholm, John Conyers, Jr., John Culver, Ronald V. Dellums, Ron de Lugo, John Dent, Robert F. Drinan, Don Edwards, Joshua Eilberg, Donald Fraser, Robert N. Giaimo, Henry Helstoski, Elizabeth Holtzman, Robert L. Leggett, William Lehman, Paul N. McCloskey, Ray J. Madden, Joe Moakley, Robert H. Mollohan, John E. Moss, Wayne Owens, Claude Pepper, J. J. Pickle, Bertram L. Podell, Richardson Preyer, Thomas M. Rees, Donald W. Riegle, Jr., Benjamin S. Rosenthal, Paul S. Sarbanes, B. F. Sisk, James W. Symington, Frank Thompson, Jr., Charles H. Wilson, Lester L. Wolff, Antonio Borja Won Pat.

PUBLICITY FOR $1 CHECKOFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Culver) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, I am pleased to sponsor a bill which will require the Internal Revenue Service to publicize the $1 checkoff for the Presidential election campaign fund and to place the checkoff on the front page of the individual taxpayer's return.

Recognizing the dangers to democracy of large private campaign contributions, the Congress voted in 1971 to allow every taxpayer voluntarily to designate $1 of his income tax to a Presidential election campaign fund.

The 1971 act authorized $20 to $21 million to each major party, subject to the use of the checkoff by a sufficient number of taxpayers. Given the widespread public awareness of the unhealthy influence of special interests in our Government today, there is no doubt in my mind that the citizens will broadly support this method of public financing of political campaigns. Yet initial returns filed this year indicate that only about 4 percent of the taxpayers are using the checkoff.

I believe that much of the difference between expectation and performance is attributable to the unnecessary concealment of the checkoff. It is not prominently displayed on the front of the Form 1040, as was clearly intended, nor has it been adequately publicized. Rather, it is a separate form—Form 4875—enclosed at the back of the package sent to some taxpayers and not available at all to others.

The tax checkoff for political campaigns is one of the most far-reaching electoral reforms that has been adopted in many years. To the extent that public financing of campaigns replaces private contributions, the public will be heard at the highest levels of our Government. In the words of the senior Senator from Minnesota, who is introducing this bill in the Senate,

> The check-off system will effectively divorce presidential politics from the corrosive influence of big money and special interests.

Mr. Speaker, this should not be a partisan issue. Responsible Members of both parties are aware of the conflicts of interest which have been caused by relying on private gifts to finance political campaigns. Both parties, and above all the public, stand to gain from the elimination of this distortion of the democratic process.

The bill we are introducing requires that, starting next year, the $1 checkoff appear on the front page of each taxpayer's return. In addition, it requires the Internal Revenue Service to give extensive publicity to the provision, with due emphasis on the fact that a dollar contributed to the Presidential election campaign fund does not cost the taxpayer anything extra.

STATEMENTS OF POW'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Brown) is recognized for 10 minutes.

Mr. BROWN of California. Mr.

Speaker, it has been brought to my attention that the press, in covering the return of American prisoners of war, has focused on what some people regard as superpatriotic statements being made by some of our POW's as they step off the planes returning them to this country.

Mr. Speaker, I do not find these statements at all surprising, and I feel that the press does us a disservice when reporters give these statements such intensive and repeated coverage.

I would ask those who have attached great significance to these statements to remember that most of these POW's left this country during a period when public sentiment about American policy in Southeast Asia was substantially different from the views which have developed on a large scale within the last few years. These men were not exposed to the 1968 Presidential campaigns of Eugene McCarthy and Robert Kennedy. They did not see and hear Walter Cronkite and other highly respected American news reporters telling them about the My Lai massacre. They have not been through the experience, as we have, of finding out through the New York Times and Washington Post excerpts from the Pentagon Papers that top U.S. Government officials lied to the American people consistently during the course of our deepening involvement in Indochina in the 1960's. And so, quite naturally, their views on our policy in that part of the world reflect the views which predominated during that earlier period of limited public awareness.

Anyone analyzing the statements of these POW's must also take into account the atmosphere in which those statements were made. Stop to imagine for a moment the emotions which these men must feel as they step off those planes to freedom. They have been kept in what most Americans would regard as primitive, dirty conditions for years, away from their wives, parents and children. Suddenly, the U.S. military forces appear and remove them from captivity, giving these men clean clothes, their favorite American foods, and total red-carpet treatment. Upon arriving in the United States, during the euphoria that surrounds their reunification with their loved ones, a reporter approaches them with a microphone and asks how they feel to be back in the United States.

Under such circumstances, Mr. Speaker, it would be highly unlikely that anyone would respond with a statement critical of either the military or the administration, both of whom would be perceived as responsible for this homecoming. I do not believe we should interpret proadministration or promilitary statements at the airports as deep intellectual expressions of political positions, but rather as deep emotional expressions of joy and gratitude. I am sure that all of us would be just as enthusiastic under similar circumstances.

As the euphoria evaporates, however, and these men adjust to being home, I believe that many of them will make political statements. I believe that these statements will reflect the broad diversity of opinions which we find among the public as a whole today about our policies in Southeast Asia. A very few such statements have already begun to appear, and I would like to share with our colleagues an article from the Los Angeles Times of March 8 which reveals what we may find to be a view held by a significant number of our returned men. This article, written by the Sacramento staff of United Press International, reports the viewpoints of Maj. Hubert K. Flesher, a career Air Force fighter pilot shot down in 1966. I commend UPI's reporters for taking the trouble to write about this side of the story as well as the more commonly reported side, and I recommend the article to every Member of this body. The article follows:

UNITED STATES FAILED TO WIN VIET GOALS, EX-POW AVERS—SAYS AMERICA BUTTED INTO CIVIL WAR AND ACCEPTED TERMS OFFERED 4 YEARS AGO

SACRAMENTO.—A career Air Force officer, who was a captive of the North Vietnamese, said Wednesday the United States butted its "nose into somebody else's business," wound up settling for what the Communists offered four years ago and did not win the war.

In fact, he said, America may have lost the war.

"It was a conflict between the Vietnamese people and whether you like it or not it should have been theirs to decide. I think more and more people came to realize this," said Maj. Hubert K. Flesher, 40, a fighter pilot who was a prisoner of war more than six years.

"Many of us came to believe that possibly we had asserted our noses into somebody else's business."

OPINIONS CLASH

Flesher, a 20-year Air Force veteran who intends to remain in the military, expressed a view different from those of former POWs who have agreed with President Nixon that the United States won a "peace with honor."

"I don't think we really won the war at all," he told newsmen.

"If we expected a South Vietnam that essentially belonged to us, that was in our camp, then we certainly lost the war."

He added: "It wasn't ours to win in the first place."

Flesher said, "Anyone who has looked at the 'peace terms" can see that the Communists obtained "exactly what they asked for" in 1969, Mr. Nixon's first year in office.

"They asked for complete, total withdrawal of U.S. forces, a complete halt of air activity over all of Vietnam, the stopping of support of the government of South Vietnam and for elections. Christ Almighty, in looking at the peace terms and everything, that's exactly what they got."

The major said there were "a lot of arguments with a lot of the guys" in prison about the war.

"There was a split," he said. "There were the superpatriots who felt we should be in there killing them by the thousands, as opposed to another faction that felt, generally speaking, that the bombing and that sort of thing was not doing any good."

Asked about amnesty, Flesher said; "I'm not opposed to it. There were a lot of young men who were honestly opposed to this war and were not able or willing to have themselves involved in a situation where possibly they would be killing other people for a cause they didn't believe in."

"I'm not bitter about these people," he added. "It certainly would not make me angry to see these people back home and fitted back into American society."

Flesher was not happy about the prospect of spending huge sums to rebuild North Vietnam.

"If those are the terms of the agreement, I suppose we should live up to them, but we have so much to do right here," he said. "The big thing now that this war is over, instead of squandering our money someplace else, is to start spending it on our truly essential problems."

Flesher, who was shot down in December, 1966, also said without elaboration that "there would be some action" by a few prisoners against fellow POWs because of the activities in confinement.

And he said "there were a great number of people (POWs) who had the opportunity to come home early" with peace groups but declined. He did not elaborate.

Flesher was in the first group of prisoners to be released from North Vietnam. He now is back with his wife of 19 years in their home in Rancho Cordova, a Sacramento suburb.

Flesher said "generally the motivations involved in this conflict were honest. However, we got ourselves involved in a revolutionary war similar to what this country went through in 1776."

He said many people liked to compare the Vietnam war with World War II. "But they are entirely different," he said, "Adolf Hitler was invading countries with foreign troops. There were no foreign troops in Vietnam except Americans and the people who were in our camp."

TIGER CAGES RESTRICT PEACE POSSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 5 minutes.

Mr. RANGEL. Mr. Speaker, the problem of civilian political prisoners in South Vietnam has existed for as long as the war itself. However, what is happening at present with these civilian detainees is almost beyond comprehension.

It is becoming quite apparent that the Thieu regime is not only continuing its longstanding policies of torture against its political prisoners, but it is also now trying to deny their existence. All evidence coming out of South Vietnam demonstrates that political prisoners are now being detained on phony criminal charges so they will not have to be released in accordance with the terms of the peace agreement. In addition to being unlawfully detained, these prisoners are still being subjected to the same type of barbarous treatment that was publicized in 1970 during the discovery of the tiger cages on Con Son Island.

The estimates of the number of these political prisoners range from 50,000 to 200,000. Yet the Thieu regime recently stated that they hold "no political prisoners, only common criminals and Communist criminals." The making of such a statement is an act of complete hypocrisy. It is now evident that Saigon is reclassifying as criminals those people whose only crime has been opposing the leadership of President Thieu.

My reason for discussing this present practice of the Saigon government is not simply moral, although all decent men should be outraged at this perversion of justice. But there is a practical reason as well—the desire for peace.

According to the peace agreement, the question of detained Vietnamese civilian personnel is to be resolved by the Vietcong and South Vietnam within 90 days. Unless the Thieu regime immediately retreats from its cruel and deceptive policy, the cease-fire will surely fail. To expect the Vietcong to tolerate Saigon's practices on this crucial issue would be extremely naive.

At present, the Nixon administration is giving its tacit consent to this policy of brutality and repression, and, in doing so, it too is jeopardizing the slim chances for peace in Southeast Asia.

The U.S. Government is directly responsible for the implementation of President Thieu's repressive policies. Our public safety program, which is ending on March 28, has supplied over $50 million worth of aid to the two South Vietnamese agencies that have been responsible for capturing and holding political prisoners: the police force and the prison systems.

The facilities that are now used to detain these innocent civilians were built and financed by American labor and money. It hurts me deeply to remind this body that the tiger cages that are presently on Con Son Island, cages that were installed after the discovery of the original cages in June 1970, were built by an American company under a Department of the Navy contract.

Just as the United States has been responsible for the initiation and continuation of Thieu's policy of political repression, it should also be responsible for ending it.

President Nixon feels that he is justified in warning Hanoi about possible cease-fire violations concerning movement of troops and material. I call upon the President to tell Saigon to stop these hideous practices of brutality and repression towards its political prisoners, and enter into negotiations with the Vietcong in good faith. The interests of not only these thousands of unfortunate Vietnamese are at stake, but also the chances for a successful cease-fire and a lasting peace.

ASSINIBOINE AND SIOUX NEIGHBORHOOD YOUTH CORPS PROGRAM IN MONTANA RATED TOP IN THE NATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. Melcher) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, the U.S. Department of Labor has contracted with Systems Research, Inc., to survey the most successful of the Neighborhood Youth Corps programs for development of a how-to-do-it manual. This survey identified the Assiniboine and Sioux Tribe NYC at Poplar, Mont., as the top program in the Nation and its know-how will contribute significantly to the development of this manual.

I am proud of the outstanding achievements of this program. Therefore, I am dismayed that the President's 1974 budget calls for phasing out NYC as we know it. NYC apparently will be folded into a special manpower revenue sharing program without the advice or approval of Congress. What becomes of NYC at Poplar and in other localities of the country is now in doubt. Surely, the good results of NYC should not be shrugged off and shelved.

I would like to share the letter sent to the Assiniboine-Sioux NYC program director, Lanny Frantzick, advising him of their program's placement as the top in the Nation.

U.S. Department of Labor,
Manpower Administration,
Denver, Colo., Feb. 26, 1973.

Mr. Lanny G. Frantzick,
Assiniboine & Sioux Tribe,
Poplar, Mt.

Dear Mr. Frantzick: A recent survey of all Neighborhood Youth Corps In-School programs was conducted by Systems Research, Incorporated, under contract to the U.S. Department of Labor.

The purpose of the survey was to identify the most successful and innovative programs in the nation which could contribute useful information towards the development of a "how-to-do-it" manual.

The analysis of the information received placed the Assiniboine and Sioux Tribe NYC Program as the top program in the nation. As a result of this, a staff member of Systems Research Incorporated will be contacting you to arrange for an on-site visit in March which will last about two days and will generally require the participation of the project director.

I congratulate you and your staff on this outstanding accomplishment. It is a direct reflection on the quality of your program.

Frank A. Potter,
Regional Manpower Administrator.

U.S. CANAL ZONE AND PANAMA CANAL: UNAUTHORIZED COMMITMENTS FOR SURRENDER MUST BE DISAVOWED BY THE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, news from Panama City, Republic of Panama, published today is to the effect that U.S. Ambassador John A. Scali at the U.N. Security Council on March 20, 1973, announced without congressional authorization the readiness of the United States to cede substantial parts of the U.S. Canal Zone to the Republic of Panama and to make other U.S. commitments to that country in relation to the future of the Panama Canal. This official, acting on behalf of the executive branch of our Government, has exceeded the limits of that agency's authority as regards the disposal of U.S. territory and property, which power is vested in the Congress—article IV, section 3, clause 2, U.S. Constitution.

The Congress in 1902 authorized the President to acquire by treaty in perpetuity what is now the U.S. Canal Zone and to construct, maintain, and operate the Panama Canal. It has not authorized the disposal of this part of our sovereign domain and the people of our country are overwhelmingly opposed to any territorial or other surrender of our sovereign rights, power, or authority over the zone territory.

As I have stated on other occasions, the United Nations has no authority to intervene in the domestic affairs of the United States. The indicated actions of Ambassador Scali reveal that the strategy of certain executive officials is to commit the United States to a policy of surrender at the present U.N. Security Council sessions to such an extent that the United States could not retract lest our Government look ridiculous in so-called world opinion. Such strategy would serve to give the United Nations jurisdiction over U.S. Panama Canal policy. In its effect, such action is extremely harmful and will be so recognized by growing numbers of our citizens from various parts of the Nation.

To alert the President with the gravity of the situation, on March 21 I sent him the following telegram:

March 21, 1973.

The President,
The White House:

Press reports this date stated Ambassador John A. Scali, without the authority of the Congress, announced to the U.N. Security Council in Panama the readiness of our Government to make substantial surrenders of the U.S.-owned Canal Zone territory and Panama Canal and other concessions to Panama. The power to dispose of territory and other property of the United States is vested in the Congress and this agency, which is the ultimate authority in canal policy, has never authorized such concessions, which commitments are beyond the limits of Executive authority.

As a student of Panama Canal history over many years and close observer of interoceanic canal problems, I cannot stress too strongly the imperative necessity for retention of U.S. undiluted sovereignty over the Canal Zone and urge you to promptly disavow the indicated actions of Ambassador Scali, which are a direct challenge to congressional authority in Isthmian policy matters.

Daniel J. Flood,
Member of Congress.

SUPREME COURT WRONG ON SCHOOL FINANCING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Podell) is recognized for 5 minutes.

Mr. PODELL. Mr. Speaker, the Supreme Court yesterday handed down a most unfortunate decision. The Court ruled that the traditional method of financing public schools—the local property tax—did not violate the equal protection clause of the 14th amendment.

The Court has recently produced a number of fine opinions which were both legally and socially desirable, most notably those involving abortion and capital punishment. But the five members who voted in the majority yesterday apparently share the Nixon administration's laissez faire attitude toward matters regarding wealth and poverty. This attitude can be summed up in a single sentence: "If you're poor, it's your own fault, and you'll just have to suffer the consequences." The Court seems willing to apply the equal protection clause to most other types of discrimination—but not to distinctions based on a person's wealth.

There can be no doubt that financing education through local property taxes is an invidious discrimination in violation of the Constitution. In Baldwin Park, a lower-class suburb of Los Angeles, this method can raise only $700 per child, while in Beverly Hills, a few miles away, the town spends $1,800 on each student—and this revenue is raised on a tax rate only half that of Baldwin Park's. Obviously, then, wealthy cities are going to have better schools than poorer communities. This system is totally incompatible with the traditional American belief in equal opportunity for all people, regardless of wealth.

The majority held that education is not a fundamental right under the Constitution, and that any change in school financing systems would have to come from the legislative branch. We have heard this "cop out" all too often. One of America's most distinguished jurists, Justice Mathew Tobriner of the California Supreme Court, recently wrote:

> The suggestion that those who seek to change conditions in modern America ought to turn to legislative bodies, rather than to the courts, necessarily rests on the notion that the reforms sought by the young today can be achieved only by the adoption of new, revolutionary legislative programs. But a major part of this dissatisfaction stems not so much from a disagreement with the basic principles of our institutions, but rather with the failure of the society uninformly to adhere to those principles, a failure to afford existing legal rights uniformly to all members of society. . . .

Mr. Speaker, in view of yesterday's decision, the Congress should move at once to study the entire crucial issue of financing education in this country. At the same time, however, I wish to express my own view that the courts should not shrink from their responsibility to insure that all types of discrimination—including discrimination based on wealth—shall be eliminated. I would like at this point to include the article by Justice Tobriner, which was published in the California State Bar Journal for June–July 1972:

THROUGH THE COURTS?*

(By Mathew O. Tobriner)

To realize that the law reflects the society which it governs and that the society, in turn, reflects its law, one need only to glance briefly at the course of history. The societies of the past have left architectural monuments that are grand evidence of the integration of society and law. Only a few weeks ago I looked from my hotel window at Athens across the flatroofed city to the balanced columns of the Parthenon and the Erectheum. They surely spoke the balance that was the essence of ancient Greek society—a society that rested upon status, a society in which each person, slave and freeman, was born into, and assigned for life, a special place.

Perhaps the buttresses and finespun intricacy of a Notre Dame or Westminster, coordinating into the Gothic harmony and unity of the whole structure, typify the unifying and dominant role of the feudal church. And, perhaps too, the jagged skyline of New York symbolizes the dynamism, as well as the confusion, of American society. I submit that the monuments declare that the architecture, art, culture, expressions and law of a society interrelate, affect each other, and, in a subtle way, form and create each other.

POLITICS—OR LAW?

How strange it is, then, to hear it said that young lawyers should not expect to bring about improvement in our society through the practice of law but that they should go "into politics" rather than "into law."[1] How questionable is the criticism that courts have overreached themselves in responding to social need; that courts should be "passive," not "active" in ruling upon crucial questions.

In my view such criticism and advice, however well intentioned, is ill-conceived; law, as an instrument of social control, must, by necessity, respond to the emerging pressures for change within our society, and, if the legal system is to remain viable in the face of today's rapidly shifting mores, we acutely need the advocates of change.

SPIRIT OF THE TIMES

History has demonstrated that the effective court is the one that correctly interprets the spirit of its time. In this regard, the common characterization of courts as either "passive" or "active" is naively misleading; no matter which way a court rules on a particular issue, its decision inevitably affects the contemporary society.

The vice of the United States Supreme Court of the 1920's and early '30's was not that it was either too active or too passive, but that it failed to understand the spirit of its time and retreated into doctrinal rigidity, a rigidity which prohibited all realistic attempts to solve the debilitating problems of that day. The legal profession as a whole, and particularly the young lawyers who are most directly in touch with the emerging needs of society, bear a heavy responsibility to ensure that the legal system does not similarly falter today—or tomorrow.

The suggestion that those who seek to change conditions in modern America ought to turn to legislative bodies, rather than to the courts, necessarily rests on the notion that the reforms sought by the young today can be achieved only by the adoption of new, revolutionary legislative programs. But a major part of this dissatisfaction stems not so much from a disagreement with the basic principles of our institutions, but rather with the failure of the society uniformly to adhere to those principles, a failure to afford existing legal rights equally to all members of society—poor, as well as rich, black, brown and yellow, as well as white, female as well as male, the individual consumer as well as the corporate producer.

OUTRAGED SOCIETY

Like the current disaffection with American foreign policy in Vietnam, much of the outrage with the realities of our domestic society derives not from a rejection of the stated goals of current leadership—who among us disagrees with the stated aim of "a generation of peace" or of "equal educational opportunity for all"—but from a realization that in practical terms we pay only lip service to these high-sounding ideals, that the action taken by our society speaks louder than its idealistic claims.

For all too long, legal principles of theoretically general application have in practice been reserved only to those whose wealth, or political power, or acumen, secured effective legal representation. Today, with the emergence of local legal aid and public defender offices, and various public interest law firms, to represent both distinct minority groups and the public interest, these general legal principles are fortunately becoming available for the first time to large segments of our people.

Perhaps the most visible evidence of the efficacy of this movement to date are the successful legal actions which have been prosecuted by local poverty lawyers against a broad range of federal and state agencies, requiring a multitude of welfare agencies, housing authorities, highway commissions and the like, to comply with applicable constitutional, statutory or regulatory provisions. Such litigation, in requiring recalcitrant agencies to follow through—in practical, day-to-day terms—with the promises of reform legislation, is essential to the translation of statutory enactment into radical change in the actual operation of government.

PLIANT SOCIETY

Indeed, those who would negate the role of the courts in altering society overlook significant legal trends in diverse fields. The society in which courts now function is in the throes of accommodating itself on the industrial side to the computer and the conglomerate, to mechanized production and monopoly management; our society, in the social and political spheres, is tearing away obsolete cultural patterns and attempting to design new democratic procedures for the poor, the minorities and the neglected. The combination of the demand for fair treatment for minority segments and the need to preserve the individual rights of all, has led in the face of an expanding mass technology, to deep changes in the law of today and portends even more radical changes that will come with the law of tomorrow.

LISTENING TO ALL

In specific areas of the law the courts have recognized that the principles of equal protection of the law and due process of law have in the past shed their light largely upon the mansions of the established and not upon the squalid quarters of the poor. The principle that significant rights should not be annulled without the chance of the deprived at least to be heard has now been applied to the economically disinherited. First, the United States Supreme Court extended that right to the worker whose wages were attached, then to the procedure of claim and delivery and to the attachment of necessities. Recently the United States Supreme Court has said that the loss of a driver's license works a crucial denial in a day when a car may be necessary for access to a job; the high court held that the drivers involved in an accident must be heard before the license is cancelled.

But beyond this area there are those where the light of due process has fallen only in part and where large expanses still lie in darkness. The student of the public university gets the right to be heard before he is expelled, but what of the student of the private university? May the tenant of the public housing project be ejected without a hearing? May the public employee otherwise fit for the job be arbitrarily suspended or discharged? And, turning to the most forlorn and forgotten class of all—the prisoner—does he get the right of due process before his parole is revoked or before he is condemned to the torture of the isolation cell?

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* I am indebted to Harold Cohen of the California Bar for invaluable help in preparing this paper.

[1] See, e.g., Interview with Chief Justice Warren Burger, N.Y. Times, July 4, 1971, § 1, pp. 1, 20: "Young people who decide to go into the law primarily on the theory that they can change the world by litigation in the courts I think may be in for some disappointments. It is not the right way to make the decision to go into the law, and that is not the route by which basic changes in a country like ours should be made. That is a legislative and policy process, part of the political process. And there is a very limited role for the courts in this respect."

JOB AND SHELTER

And far beyond the areas where the grey light of due process partially reaches, lie the lands of total night: the private tenant, the individual employee of the huge corporation; does he have the right to be heard before he loses his shelter or his job?

And so the light of due process, as a realistic protection of the economically weak reaches only so far and awaits the possible extension of the future.

Let me submit another illustrative field: the readjustment of the relationship between the consumer and the producer. We have taken the giant step of ruling that the producer is strictly liable to the consumer for injuries caused by the defective product. We have taken another step: that the consumer class in the field of insurance should have the right to that kind of insurance that the carrier has led him reasonably to expect. We are experimenting with class actions to provide a realistic access to the process of the law for the individual consumer. This emerging right of consumer protection awaits further articulation by the courts.

SOCIAL READJUSTMENT

Yet the examples given above—few as compared to the number available—show the courts are capable of creative judicial response to pressures for readjustment of societal relationships, and that reform of society need not be confined to legislative halls. In recent years the judicial system has proven itself capable of grasping the significant movements that have changed the complexion of our culture, and of shaping legal relationships to accommodate new social patterns and to preserve cherished freedoms. In the near future there will be, if anything, an increasing need that the demands for social reform—and even for social "revolution"—be pressed in the judicial sphere and framed in the context of legal relationships.

ALTERNATIVE APPROACH

In sum, I must completely disagree with those who would encourage all reformers of society to abandon the legal profession and "to stick to politics." It is true, of course, that given the widespread deficiencies of our present society many of the future solutions to our problems should come in the form of new imaginative legislative programs. But the genius of our judicial system lies in its capacity to function as an alternative, complementary institution in reformulating the framework of society's rules to achieve newly-embraced values and goals. To close this path now, when the call for reform is ever rising and when the need for change is increasingly clear, would place an intolerable strain upon our current governmental system. Those who would steer reformers away from the courts may be unwittingly condemning the disadvantaged and disaffected in our society—groups largely unrepresented in the political process—to "take to the streets" as the only viable solution to their problems.

Thus the Parthenons of the law are yet to be built; the spires on the legal Notre Dames and Westminsters will yet pierce the skies of America. There is so much to be done; so many searing problems to be solved. The Cassandras that cry that our society is beyond hope of further achievement and that revolution must level the structure, ignore the fact that ours is a dynamic, not a decadent country. No iron shadow of dictator or colonel falls across our pathway to tomorrow.

Young lawyers will probe, question and challenge the legal rules and the mores of the day. They will challenge outmoded doctrines; they will bring to light the need of legal adjustment of socially intolerable conditions; they will press for the acceptance of new social values.

AMNESTY AND CONFLICTS IN LOYALTIES

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, the news media have recently and often reported various comments on the idea of amnesty for those who escaped military service when called upon to render such service in the Vietnam war. Some well-known people have been quoted in favor of amnesty for all such persons, while the vast majority of Americans, according to every poll that I have seen, are opposed to the idea.

Since it is obvious that amnesty, if applied to all such persons, would be treating alike people who have done very different things, it is clear to me that any such broad amnesty would be an act of thoughtless injustice. Among those involved there might be some who are guilty of treason, as well as others who have committed no great crime. The truth of the matter is that there are adequate laws on the books today to provide for justice for all according to what each individual did or did not do. These laws existed at the time when the acts were committed. There is no reason to think that these laws would be unmercifully or thoughtlessly imposed on any individual.

One often hears from those who advocate amnesty that many young people found the Vietnam war so abhorrent that for them military service in it was in conflict with their loyalty to the principles upon which they had based their lives. So with them this loyalty was in conflict with their loyalty to their country, or so it has been said.

I am reminded from my experiences, years ago as an infantry platoon leader in World War II in the South Pacific, that it became my judgment from that experience that the two qualities of character, loyalty and honesty, were more important to seek in new replacements who came to the platoon than any specific knowledge which those replacements might have in the use of the bayonet, the grenade, or the rifle. Those matters of knowledge could be acquired in a short period of time, but those qualities of character could not.

Think with me for a few minutes about what men give loyalty to. There is, of course, a loyalty to things. In a child this may express itself in loyalty to a doll, a baseball bat, or something of that sort. For older people it may be money, antiques, animal pets, or a variety of other things. These loyalties are surely less noble than loyalty to people.

When I think of loyalty to people, I immediately think of Andrew Jackson for whom my hometown was named, Jacksonville, Fla. I recall that it is said that when he was elected to the Presidency there were many unkind things spoken about his wife Rachel. And I remember having read that his strong and vigorous support of her, and his complete loyalty to her, put to shame all of these detractors.

Loyalty to people was one of the finest qualities of the late President Harry S Truman, who was elected to the Presidency in the same election in which I was first elected to Congress. I well remember his comment when his beloved mother was ill in Missouri and he left Washington to be at her bedside for some considerable length of time. This was despite the disapproval of a number of people who publicly commented upon it. President Truman said at that time of his mother:

> She sat up with me many times when I needed her, and I want to reciprocate when she needs me. Whenever she wakes up she wants to talk to me. I want to be there.

Hopefully, most of us are loyal to our friends. Sometimes there have been illustrations of loyalty to people even where there was no close association or friendship. I am reminded of Sir Walter Scott's loyalty to his creditors when he amassed a staggering financial obligation and instead of taking bankruptcy proceeded to apply himself with Herculean diligence in his work as a writer. Some of his greatest classics were thus produced—a good example of serendipity.

A third type of loyalty, loyalty to country, is perhaps what most people think about when they think about the term "loyalty." My favorite statue in Washington, D.C., is a simple and unpretentious statue, but one which never fails to inspire me. It is that of Nathan Hale. There he stands on Constitution Avenue with his head lifted in the sun, his hands tied behind him, and his noble remark as he approached his execution carved there for all today to read: his regret that he had but one life to give for his country.

Some of our heroes, such as George Washington, showed loyalty to country by years of combat in arms. And in the War Between the States a loyalty to the Union was thus ably demonstrated by Gen. U. S. Grant; and correspondingly a loyalty to the Confederacy and to Virginia was ably demonstrated by Gen. Robert E. Lee.

Even in the beginning days of our country loyalty to the country had illustrations in other things than combat. Thomas Jefferson showed it when he insisted that the Bill of Rights be put into the Constitution, when the Constitutional Convention had omitted those basic principles. Benjamin Franklin showed it in the Constitutional Convention, when he offered a prayer of conciliation at a time when it looked as if a meeting of the minds among the various colonies was improbable.

All countries have their heroes who have well demonstrated loyalty to those countries in diverse ways. For examples: Joan of Arc of France, Rizal of the Phillipines, Bruce of Scotland, Victoria and Churchill of England.

We have discussed loyalty to things, to people, and to country and yet there is another level of loyalty, loyalty to principles. Immediately, there comes to mind the childhood legend of George Washington and the cherry tree and his insistence upon complete honesty, the most important quality of public life.

Years ago I knew a fine woman, Jane Addams, who became famous as the founder of Hull House in Chicago; and she became famous because she turned her back upon the wealth and the prominence that she could have selfishly enjoyed and instead dedicated herself to the service of those in need. I am reminded also of the principle of cleanliness in all things as it was personified and utilized in the achievements of Florence Nightingale and Dr. Joseph Priestly.

Admittedly, the highest loyalty of all is the fifth loyalty which I will mention: loyalty to God. Deep in my mind is the picture of George Washington kneeling in prayer at Valley Forge; and the memory of Lincoln's words about how he often found himself kneeling in prayer for guidance in the troubled times of our Nation in its bloody Civil War. He said:

> Many times I have been driven to my knees by the overwhelming conviction that I had nowhere else to go.

Along with these historic scenes I remember from my young manhood the first house party that I ever participated in and, particularly, the event which made it memorable. That was when one of the young men on that house party kneeled at his bed to say his prayers as we went to sleep. That took courage then; and it would today as well. It showed a real loyalty to God.

It may be well to think for a while about how we experience loyalty today in this country.

Our loyalty to things in this country is outstanding. We produce more things than any other country in the world. In the last 150 years, we in the United States have produced more things than the rest of the world has done in 1,000 years. We even export more foods, when only 2 percent of our population are farmers. Ninety percent of foods sent abroad in relief measures come from the United States.

In the United States we have the largest buildings, the most millionaires, the biggest yachts, the most automobiles, the most trains, the most telephones, and the largest incinerators. One hundred years ago we had a 70-hour workweek. It is now down to 40 and going lower. The 5-day workweek has even now decreased in many areas to 4 days. Yet we produce three times as much per worker—by aid of machines—as we did a century ago. The computer will escalate this even more.

Yes, we have shown a great loyalty to things in America. But there is room for improvement even in this area. We need to improve the quality of our craftsmanship and to be sure of the utility of our products and to improve the level of individual productivity on the part of every worker.

How are we with regard to our loyalty to people? We do surely have our heroes, present and past, in athletics, entertainment, politics, and in a variety of other human endeavors. But our domestic loyalty has not always earned a good rating, for instance when one of every three of our marriages today ends up in divorce and many existing marriages are not what they should be. Our loyalty in business relationships could be improved. There are too many bankruptcies. And there is not enough loyalty from employee to employer or from employer to employee in too many areas of production and business.

As to loyalty to country, the average American is characteristically loyal, perhaps even intensely loyal. Yet the trials, strains, and stresses of an unpopular war such as the Vietnam war have surfaced disloyalty among more people than we like to admit.

In many quarters it is considered clever or intelligent to say that our country was selfishly pursuing the war in South Vietnam, when any thoughtful person can hardly escape the fact that our country had no avarice, but only sought to protect a small nation from aggression when we were called by that small nation to assist them in accordance with a treaty we had duly signed.

I would be the first to concede that many political mistakes were made in the conduct of that war, but I cannot concede that the United States had motives as a nation which were other than honorable in the sacrifices that were made by our country and its people in this war.

There are other ways besides fighting a war to show loyalty to one's country, as important as it may be to fight the war for one's country when asked to do so. Ways to serve our country are to help to bring about a higher level of education, greater job oportunities, and to fight against poverty and deprivation, and discrimination wherever unjustly imposed.

The average man or woman may not find a Federal program to use for all these lofty objectives, but every person can seek to fulfill on a higher level of performance his individual responsibilities in his home, business, or community. To do so aids his country and shows loyalty to his country. Then there is the fulfilling of his or her responsibilities as a voter, as a supporter of political candidates, and as a worker in civic opportunities. These all can be ways to show loyalty to one's country.

We can best show loyalty to principles by the integrity of our personal lives. Our standards, our principles, our total lives, should be truly ours. Ralph Waldo Emerson said in his essay on self-reliance:

> Do your thing, and I shall know you. Do your work, and you shall reinforce yourself. A man must consider what a blind man's-buff is this game of conformity. It is easy in the world to live after the worlds opinion; it is easy in solitude to live after our own; but the great man is he who in the midst of the crowd keeps with perfect sweetness the independence of solitude.

Jack Anderson, the columnist, has scared many a man out of a sin of commission. The real test of the integrity of one's principles is what one does when nobody is looking, when no one can find out.

There can be the principle of service to our fellow man in whatever we do, depending upon our motivations in the act. Merely, upholding the basic American concepts of freedom and opportunity for all is a manifestation of loyalty to principles.

Finally, how do we show our loyalty to God? Church membership, attendance, and participation are important ways. Living by the concepts of the scriptures, particularly, the golden rule, is most important. As Emerson says:

> When a man lives with God, his voice shall be as sweet as the murmur of the brook and the rustle of the corn.

Truly, the solutions for problems of this day lie in choices between loyalties. Count Leo Tolstoy once observed that it is so much easier to alter circumstances than to alter our own characters that it is no surprise that this is what we usually try to do. Yet we make little meaningful progress unless we do alter for the better our own individual characters. This can only be done by the proper choice of loyalties in our lives.

In the amnesty debate we must know that each case is different in the choice of loyalties that has been made. Any general amnesty applied across the board to all of those who failed to fight for their country when their country asked it would be manifestly unfair as between those persons and when we also consider the acts of others who fought and died for their country in this same war. No man acts in a vacuum but is surrounded by the actions of his contemporaries.

These times of soul-searching will have permanent impact upon all Americans and all mankind. We should each resolve to see to it that we individually, and as a country as well, attempt to put the most important loyalties in their proper places.

CUB SCOUTS OF ABILENE, TEX., EXPRESS APPRECIATION TO RETURNING PRISONERS OF WAR

(Mr. BURLESON of Texas asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BURLESON of Texas. Mr. Speaker, the action of the Cub Scouts of Abilene, Tex., regarding the military men and women who have served in the Vietnam conflict, is of special and commendable interest.

I am proud to have placed in the CONGRESSIONAL RECORD the letter dated March 12, 1973, directed to the President, expressing the feeling of this group of fine young men:

ABILENE, TEX., *March 12, 1973.*

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of each Cub Scout, the Webelos, Wolf & Bears of Pack 35 at Robert E. Lee Elementary School, Abilene, Texas, we would like for you, our President to pass on to each returning prisoner of war, to the families of the missing in action and to all the military men and women that have served in this war to help achieve a lasting peace the following message:

"It is our sincere appreciation for their loyalty to our country, the courage to withstand all known and unknown types of punishment, that we the average American will never know or face and most of all, for helping to maintain a lasting peace in our world, so that we may continue to achieve an education and have the freedom that all mankind so dearly wants.

"We love each and everyone of you and someday, we hope to meet you. May each one and his family have the peace, love, happiness and freedom that he has worked so hard to get. Thank you all and there is no way to repay you."

Respectfully yours,
S/Sgt. RICHARD G. LEIFRIED,
Cub Scout Leader.

The Webelos of Pack 35:
Brian Ricketts, Richard Leifried, Ronald Modesty, Eddie Guillen, Mike Pennell, Phillip James, Jerry Johnson, Alan Smith, Douglas O'Connor, Kelly Duncan.

CONGRESSIONAL AUTHORITY OVER INTERNATIONAL AGREEMENTS

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, today I am introducing legislation, House Joint Resolution 455, which is aimed at reasserting the constitutional power of Congress to participate in the making of international agreements to which the United States is a party. This proposal would require that all international agreements entered into by the President or any member of the executive branch shall be subject to congressional disapproval—unless, of course, submitted as a treaty and ratified by the Senate.

Legislation similar to this has been introduced in the Senate by the distinguished constitutional scholar from North Carolina, Senator ERVIN—S. 3475, 92d Congress. His colleagues in the Senate, Senator CASE of New Jersey and Senator SYMINGTON of Missouri, have also been in the forefront of Senate efforts to curb the excessive Presidential arrogation of power to bind our Nation through bilateral and multilateral international agreements and commitments without the consent of Congress. In the 92d Congress, Senator CASE introduced an amendment to the Military Assistance Act which required all future executive agreements which establish U.S. military installations abroad or extend existing foreign base agreements to be submitted to the Senate for its approval. This amendment was passed with overwhelming support in the Senate, but was rejected by the House conferees—with the result that no foreign aid authorization bill was passed last year.

Action was taken in the 92d Congress, Public Law 92–403, in this area, but it was limited to requiring the President to transmit to Congress all future international agreements which are entered into by the executive branch within 60 days after they come into force.

My bill would require the President to submit all proposed executive agreements to Congress before they come into force. Then, if the Congress did not approve of an agreement, it could prevent it from coming into force by means of a concurrent resolution passed by both Houses within 60 days. Just as Public Law 92–403 did, my proposal contains a provision for the maintenance of secrecy by the Congress when it is required for security purposes.

If the President wanted to avoid the 60-day procedure, he could, of course, submit the agreement to the Senate as a treaty, requiring a two-thirds vote for approval; or he could ask both Houses for approval by majority vote. What is important is that a Congressional review of all proposed international agreements and commitments will be effected.

The executive agreement has a long history, but it is only in recent years that its use has become common, far outstripping the use of treaties.

The Constitution of the United States, article II, section 2, clause 2 provides that the President—

> shall have power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur.

This unequivocally grants to one body of the Congress the prerogative of approving, or vetoing, international agreements proposed by the President. It is interesting to note that the plan which the Committee of Detail reported to the Federal Constitutional Convention on August 6, 1787, provided that—

> the Senate of the United States shall have power to make treaties.

Not until September 7, 1787, just 10 days before the Convention adjourned, was the proposal rewritten to make the President even a participant in the treatymaking process.

Nowhere in the Constitution do the words "executive agreement" appear, and nowhere in that document can language be found which allocates to the President the express authority to enter into international agreements without the approval of the Senate. Nevertheless, American Presidents early began to experiment with the idea of entering into international accords without Senate approval.

In 1817, President James Monroe bound the United States to an agreement with England which limited naval weaponry on the Great Lakes. A year later, Monroe was troubled by second thoughts as to the constitutionality of his action, and he submitted the agreement to the Senate with the inquiry as to whether he could conclude such agreements on his own, or whether the advice and consent of the Senate were required. The Senate approved the agreement by a two-thirds vote.

From that humble beginning executive agreements in vital areas of international commitment blossomed and expanded in scope and number. By 1930, executive agreements, without prior congressional approval, had been used for multiple purposes. The following are some examples:

Texas and Hawaii were annexed by executive agreement. Mexico and the United States entered into agreements in 1882 and 1896 to pursue Indians across common borders. The Spanish American War of 1898 and the First World War in 1918 were ended by armistice agreements entered into by the President. The "open door" policy in China was formalized by President McKinley's Secretary of State, John Hay, through agreements with Great Britain, Germany, Russia, France, Italy, and Japan. In 1905 the secret Taft-Katsura agreement between the United States and Japan provided for Japanese hegemony over Korea in return for Japanese recognition of U.S. control over the Philippines. In 1917, by the Lansing-Ishii agreement, concluded during Wilson's Presidency, the United States recognized Japan's "special interests" in China. When Secretary of State Lansing was asked by the Senate Foreign Relations Committee whether the Lansing-Ishii agreement had any binding force on the United States, his response, interestingly, was that the agreement was merely a declaration of American foreign policy which the President could choose to terminate at will.

As of 1930, 25 treaties and 9 executive agreements were in force. After that, the ratio of executive agreements to treaties changed radically. By 1940, executive agreements outnumbered treaties by 3 to 2. Between 1940 and 1955, the United States concluded 139 treaties and entered into 1,950 published executive agreements. In 1940 President Roosevelt transferred 50 destroyers to Great Britain in exchange for the right to set up military bases for a century in Newfoundland, Bermuda, the Bahamas, Jamaica, Antigua, Trinidad, St. Lucia, and British Guiana. Winston Churchill later called that—

> A decidedly unneutral act by the United States which would have justified the German Government in declaring war on the United States.

Among the executive agreements of World War II were the agreements at Yalta and Potsdam which have so profoundly affected modern history. Executive agreements entered into during the 85th Congress—1957–58—outnumbered treaties by a ratio of 45 to 1. By 1969, 909 treaties and 3,973 executive agreements were in force; by last year, that figure had risen to 947 treaties and 4,359 publicly acknowledged executive agreements.

Today, the span of subject areas covered by executive agreements is staggering. Affiliation with international organizations, establishment of military missions abroad, military occupation and status of forces, commercial aviation, communication satellites, collective security matters, lend-lease, private investments, atomic energy, stationing of nuclear weaponry, and arms reduction have all fallen into the spectrum of executive agreements. More than 25 percent of all executive agreements since World War II have involved foreign economic and military assistance. American military bases all over the globe have been established by executive agreement.

In effect, the many-headed hydra of the executive agreement has overrun the domain of American international commitments.

On what constitutional grounds have successive Presidents of both parties relied in their heavy use of executive agreements and neglect of the treatymaking process? Presidents have claimed their authority to be grounded on two bases. The claim is made that the overwhelming number of executive agreements are concluded by the executive branch in an administrative capacity, pursuant or subject to congressional authorization by legislation or treaty. Beyond this, Presidents have asserted that the Chief Executive has inherent authority to enter into binding executive agreements, implied in his powers as Commander in Chief in his traditional role as the person responsible for the conduct of this Nation's foreign relations.

To substantiate this latter claim, presidential apologists have cited the long usage of executive agreements as authority for recognition of this power. In refutation of this theory Senator ERVIN has stated that—

> The legal basis for the use of executive agreements is unclear at best, and most frequently has been grounded on the argument of usage—a legal justification that is not entirely satisfactory. As I have often noted in various other contexts, murder and rape have been with us since the dawn of human history, but that fact does not make rape legal or murder meritorious. In effect, reliance on usage in this instance grounds concepts of constitutionality on acquiescence rather than on the written document, and is, to my mind, wholly acceptable. It always has been my view that the Constitution means what it says. Moreover, I am not impressed with the recitation of so-called precedents to support de facto constitutional amendments. Even 200 years cannot make constitutional what the Constitution declares is unconstitutional.

The former distinguished Associate Justice of the Supreme Court, the Honorable Arthur Goldberg, has also said that—

> (The President) has implied powers derived from language of the Constitution, but the concept of inherent powers for the President is entirely at variance with our constitutional scheme.

An absurdity emerges from the Presidential claim that he can make executive agreements based upon "inherent" powers, for, if the question is raised "What can the President do by executive agreement and what must be submitted to Congress?" The answer, based upon the claim of inherent powers, would be that the President has complete discretion in the matter. Clearly, the Founding Fathers did not intend that such unchecked authority should rest in the Presidency.

As Senator CASE has eloquently warned:

> Under the last six Presidents, the executive agreement has gradually but steadily replaced the treaty as the principal means of making agreements with foreign governments. Lend-lease and destroyers-for-bases have led to Korean mercenaries for Vietnam, secret military bases in Morocco, and even a secret war in Laos.
>
> It was to avoid just such unilateral entanglements that the Founding Fathers wrote into the Constitution the requirement for Senate advice and consent to treaties.
>
> The Executive Agreement is nowhere even mentioned in the Constitution, and I cannot conceive that the Founding Fathers would not have included arrangements for foreign military bases in their definition of a treaty.

The battle against Presidential assumption of the treatymaking power is not a new one. During World War II, Senator McCarran pressed for legislation to subject executive agreements to such legislative action as the Congress "in the exercise of its constitutional powers" deemed necessary or desirable. After the war, Senators Bricker of Ohio, Ferguson of Michigan, and Knowland of California all led efforts to curb the unchecked use of executive agreements by the President.

Up until last year, the use of secret executive agreements concealed American military commitments from the Congress, commitments fraught with the peril of involvement of U.S. forces in foreign wars. In 1960, for example, a secret executive agreement committed $147 million in military aid to Ethiopia, and it contained a U.S. pledge to commit American forces to maintain Ethiopia's territorial integrity. Congress first learned about this 10 years later, Mr. Speaker, in 1970. This appalling "cloak of secrecy," a total insult to the authority and capability of Congress, was lifted by law in 1972, but the spirit of unilateral Presidential action still thrives.

The President announced agreements with Portugal for continuing the U.S. airbase in the Azores in exchange for a variety of U.S. assistance, and with Bahrain for naval facilities in the Persian Gulf, causing a full-scale revolt in the Senate. That body demanded that the agreements be submitted to it as treaties, and refused to make explicit appropriation of funds to carry out those agreements until they were approved as treaties.

During the Senate's deliberations on this issue, Senator SPARKMAN, of Alabama, stated that—

> Not only mutual defense agreements should be submitted to the Senate as treaties but also any agreement which assumes a vital importance in the security of another country. This is especially true if it involves the stationing of American military personnel abroad.

Mr. Speaker, the sorry and dangerous state of affairs which has evolved during the last century, permitting the President to assume the prerogative of bypassing congressional scrutiny by simply calling a pact with a foreign government an executive agreement, is the fault of Congress.

Congress has repeatedly failed to assert its authority in the area of foreign affairs, and consequently President after President has appropriated ever-increasing powers to bind this Nation by international agreement. In the Steel Seizure Case of 1952, Justice Robert Jackson of the Supreme Court stated that—

> When the President acts in absence of either a Congressional grant or denial of authority, he can only rely upon his own independent powers, but there is a zone of twilight in which he and Congress may have concurrent authority, or in which its distribution is uncertain. Therefore, Congressional inertia, indifference or quiescence may sometimes, at least as a practical matter, enable, if not invite, measures on independent presidential responsibility.
>
> When the President takes measures incompatible with the expressed or implied will of Congress, his power is at its lowest ebb, for then he can rely only upon his own constitutional powers minus any constitutional powers of Congress over the matter.

It is time that Congress asserted itself in the "twilight area" of executive agreements. The Senate has already declared that it will no longer tolerate the erosion of congressional authority in the fields of foreign policy and treatymaking. This House of Representatives must also meet the challenge of the thorny issue of executive agreements. Until we move to establish our authority in this "zone of twilight," Presidents will be free to point to the absence of mention of executive agreements in the Constitution and congressional inertia on the subject as justification for perpetuation of a device which threatens America's proper role in world affairs.

Congress alone has the power to raise and fund armies, Mr. Speaker, but unless we bring a halt to the uncontrolled use of executive agreements, the President alone will have the power to determine when and where they will be stationed abroad and to entangle the United States in perilous foreign commitments.

The Senate Foreign Relations Subcommittee on U.S. Security Agreements and Commitments Abroad has pointed out that—

> Overseas bases, the presence of elements of United States Armed Forces, joint planning, joint exercises, or extensive military assistance programs represent to host governments more valid assurances of United States commitment than any treaty or agreement. Furthermore, any or all of the above instances of United States military presence all but guarantee some involvement by the United States in the internal affairs of the host government.

American military forces are currently stationed in at least 24 foreign countries. If Congress does not assert control over the disposition of those forces and the alliances and commitments made with foreign nations, we may soon find ourselves again headed on the road to another international disaster such as we suffered in Indochina.

It is generally recognized in customary international law that an executive agreement binds our country with the same force as a treaty. The Senate is well aware of the dangers inherent in this rule of law, and as a result, it is delaying approval of the Vienna Convention which would formalize and codify that tenet of international jurisprudence. But delay or rejection of the Vienna Convention will not change the fact that we, as a Congress, have by inaction permitted the President to fully bind our Nation to international agreements without congressional approval.

In my view, forceful action by the House and Senate is needed to bring this practice to an end. But whether or not legislation such as I have proposed is the right answer, the subject of executive agreements is one of enormous and growing importance, and I hope that my bill will serve as a useful vehicle for hearings to be held on this vital question by the Foreign Affairs Committee. The resolution follows:

H.J. Res. 455

Joint resolution concerning the power of Congress in foreign affairs to participate in the making of international agreements

Whereas, the Congress finds that its powers in foreign relations have been substantially eroded by the use of executive agreements by the executive branch of the United States Government, and

Whereas, the Constitution of the United States establishes a system of shared powers in the making of international agreements between the legislative and executive branches of the United States Government,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That

Section 1. (a) Any executive agreement made on or after the date of enactment of this Act shall be transmitted to the Secretary of State, who shall then transmit that agreement (bearing an identification number) to the Congress. However, any such agreement the immediate disclosure of which would, in the opinion of the President, be prejudicial to the security of the United States shall instead be transmitted by the Secretary to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate written injunction of secrecy to be removed only upon due notice from the President. Each committee shall personally notify the members of its House that the Secretary has transmitted such an agreement with an injunction of secrecy, and such agreement shall thereafter be available for inspection only by such members.

(b) Except as otherwise provided under subsection (d) of this section, any such executive agreement shall come into force with respect to the United States at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the executive agreement is transmitted to Congress or such committees, as the case may be, unless, between the date of transmittal and the end of the 60-day period, both Houses pass a concurrent resolution stating in substance that both Houses do not approve the executive agreement.

(c) For the purpose of subsection (b) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

(d) Under provisions contained in an executive agreement, the agreement may come into force at a time later than the date on which the agreement comes into force under subsections (b) and (c) of this section.

Sec. 2. For purposes of this Act, the term "executive agreement" means any bilateral or multilateral international agreement or commitment, other than a treaty, which is binding upon the United States, and which is made by the President or any officer, employee or representative of the executive branch of the United States Government.

NORTH GEORGIA COLLEGE CELEBRATES 100TH ANNIVERSARY

(Mr. LANDRUM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. LANDRUM. Mr. Speaker, one of the finest military schools in the United States and one of Georgia's finest liberal arts colleges, North Georgia College of Dahlonega, will celebrate its 100th anniversary during the week of May 6 through May 12, 1973.

This institution has furnished America some of its finest Army officers and today incorporates in its academic activities one of America's very finest ROTC units.

The Governor of Georgia has taken note of this coming birthday and has issued an appropriate proclamation which I ask unanimous consent to be considered as part of my remarks and published in the Congressional Record.

North Georgia College Centennial

By the Governor:

Whereas: North Carolina College, the second oldest unit of the University System of Georgia, opened its doors for class in 1873, one hundred years ago; and

Whereas: North Georgia College, inviting "Whoever will, may come," was Georgia's first state-supported coeducational college, and is today the State's only coeducational, military, liberal arts college; and

Whereas: North Georgia College has contributed significantly to educations in Georgia, and through her alumni to the integrity and dignity of the State, the armed forces and the nation at large; and

Whereas: North Georgia College stands on the site of the Old United States Gold Mint at Dahlonega, in Lumpkin County, the heart of one of Georgia's most historically important and colorful areas, the center of America's First Gold Rush; and

Whereas: The Faculty, Staff, Students, and Alumni of North Georgia College and the people of Dahlonega and of Northeast Georgia, who have supported the college and whom the college serves in turn, will commemorate the centennial anniversary of the founding of the college during the week of May 6 through 12; Now,

Therefore: I, Jimmy Carter, Governor of the State of Georgia, do hereby proclaim the week of May 6 to May 12, 1973, as North Georgia College Week in Georgia, and urge all the citizens of our State to join in celebrating this historic occasion.

MODEL SOCIAL SERVICES REGULATIONS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the Ways and Means Committee will, I am sure, move swiftly to comply with the request of the Democratic caucus that it report House Joint Resolution 434, which I am pleased to sponsor with Congressman Reid and many others, to prescribe model regulations governing implementation of the provisions of the Social Security Act relating to the administration of social service programs.

I know that there are many Government agencies and groups throughout the country who are vitally interested in these regulations, which would supplant the outrageously restrictive regulations proposed by the Department of Health, Education, and Welfare, and published in the Federal Register. So that they may see what we are proposing. I insert the text of House Joint Resolution 434 in the Record at this point. I am advised that this exceeds the normal space limitation for insertions in the Record and I have attached an estimate of the cost as required by the rules. I am confident that the value of this information to those who have access to the Record fully justifies the $765 cost of publication:

H.J. Res. 434

Joint resolution prescribing model regulations governing implementation of the provisions of the Social Security Act relating to the administration of social service programs

Whereas over a decade ago Congress recognized the need for a vigorous program of social services in combating the multiple problems of poverty, drug addiction, alcoholism, mental illness, child development, child abuse, population growth, broken families, and lack of economic opportunity; and

Whereas as recently as October 1972 Congress reaffirmed its belief in the necessity of these programs and expressed its intent not to reduce their prior expenditure levels; and

Whereas the Department of Health, Education, and Welfare, in implementing these programs, has always encouraged maximum flexibility for allocation of social services funds by State and local officials closest to the recipients, in the manner determined by such officials to be most efficacious; and

Whereas in implementing the social services program the Department has previously advanced the principles of the New Federalism, which aims to enhance the authority and responsibility of State and local government and to reduce the concentration of power and responsibility in Washington; and

Whereas the social services program, as implemented by the Department's regulations, has contributed significantly toward the goals of limiting the numbers of recipients on the welfare rolls and contributing to the betterment of the lives of countless Americans; and

Whereas the Department's recently proposed amendments to the social services regulations are, in many respects, squarely contrary to its established interpretation of the authorizing statute; are in other respects violative of specific statutory provisions and of expressed congressional intent; and are in important respects arbitrary, capricious, and antithetical to the principles of the New Federalism and of sound administrative policy: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the date of enactment of this joint resolution, there shall be adopted regulations governing the implementation of titles I, IV–A, IV–B, X, XIV, and XVI of the Social Security Act which shall be consistent in every respect with the following model regulations. Nothing in this joint resolution shall be construed to proscribe the adoption of additional regulations from time to time, as may be necessary and appropriate: *Provided*, That no such additional regulation shall be inconsistent with the provisions of the model regulations set forth herein, except as may be required by law.

MODEL REGULATIONS FOR THE IMPLEMENTATION OF SERVICE PROGRAMS FOR FAMILIES AND CHILDREN AND FOR AGED, BLIND, OR DISABLED INDIVIDUALS: TITLES I, IV–A, IV–B, X, XIV, AND XVI OF THE SOCIAL SECURITY ACT

Section 1. Scope of Programs.—

(a) Federal financial participation is available for expenditures under the State plan approved under title I, IV–A, IV–B, X, XIV, or XVI of the Act with respect to the administration of service programs under the State plan. The service programs under these titles are hereinafter referred to as: Family Service (title IV–A), WIN Support Service (title IV–A), Child Welfare Services (title IV–B), and Adult Services (titles I, X, XIV, and XVI). Expenditures subject to Federal financial participation are those made for services provided to families, children, and individuals who have been determined to be eligible, and for related expenditures, which are found by the Secretary to be necessary for the proper and efficient administration of the State plan.

(b) The basic rate of Federal financial participation for family services and adult services under this part is 75 percent provided that the State plan meets all the applicable requirements of this part and is approved by the Social and Rehabilitation Service. Under title IV–A, effective July 1, 1972, the rates are 50 percent for emergency assistance in the form of services, and 90 percent for WIN support services, and effective January 1, 1973, the rate is 90 percent for the offering, arranging, and furnishing, directly or on a contract basis, of family planning services and supplies.

(c) Total Federal financial participation for family services and adult services provided by the 50 States and the District of Columbia may not exceed $2,500 million for any fiscal year, allotted to the States on the basis of their population.

(d) Rates and amounts of Federal financial participation for Puerto Rico, Guam, and the Virgin Islands are subject to different rules.

Subpart A—Requirements for Service Programs

Sec. 2. General.—The State plan with respect to programs of family services, WIN support services, child welfare services, and adult services must contain provisions committing the State to meet the requirements of this subpart.

Sec. 3. Organization and Administration.—

(a) Single organizational unit.—(1) There must be a single organizational unit, within the single State agency, at the State level and also at the local level, which is responsible for the furnishing of services by agency staff under title IV, parts A and B. Responsibility for furnishing specific services also furnished to clients under other public assistance plans (for example, homemaker service) may be located elsewhere within the agency: *Provided*, That this does not tend to create differences in the quality of services of AFDC and CWS cases. (This requirement does not apply to States where the title IV–A and title IV–B programs were administered by separate agencies on January 2, 1968).

(2) Such unit must be under the direction of its chief officer who, at the State level, is not the head of the State agency.

(b) Advisory committees.—(1) An advisory committee on social service programs must be established at the State level and at local levels where the programs are locally administered, except that in local jurisdictions with small caseloads alternate procedures for securing similar participation may be established. The State plan must show that the advisory committee will:

(i) Advise the principal policy setting and administrative officials of the agency and have adequate opportunity for meaningful participation in policy development and program administration, including the furtherance of recipient participation in the program of the agency.

(ii) Include representatives of other State agencies concerned with services, representatives of professional, civic or other public or private organizations, private citizens interested and experienced in service programs, and recipients of assistance or services or their representatives who shall constitute at least one-third of the membership. Such recipients or their representatives must be selected in a manner that will assure the participation of the recipients in the selection process and that they are representative of recipients of assistance or services.

(iii) Be provided such staff assistance from within the agency and such independent technical assistance as are needed to enable it to make effective recommendations.

(iv) Be provided with financial arrangements, where necessary, to make possible the participation of recipients in the work of the committee structure.

(2) An advisory committee on day care services must be established at the State level, either as a separate committee, or all or a part of the advisory committee on social service programs may be assigned this function. In either event, the committee must have at least one-third of its membership drawn from recipients or their representatives; and include representatives of agencies and groups concerned with day care or related services, that is, other State agencies, professional or civic or other public or nonprofit private agencies, organizations or groups.

(3) The State plan must also show the structure and functions of the State and local committees for social service programs and for day care services; their relationship to other boards and committees associated with the State and local agencies; the system for selecting recipients or their representatives; and assure that the State committee for social service programs will be established no later than 90 days after plan approval.

(c) Appeals, fair hearings, and grievance.—(1) There must be provision for a fair hearing, under which applicants and recipients may appeal denial of or exclusion from a service program, failure to take account of recipient choice of service or a determination that the individuals must participate in the service program. The results of appeals must be formally recorded and made available to the State advisory committee and all applicants and recipients must be advised of their right to appeal and the procedures for such appeal.

(2) There must be a system through which recipients may present grievances about the operation of the service program.

(3) The State plan must also describe the system for appeals and grievances and the methods of informing recipients of their right to appeal.

(d) Program implementation.—The State plan must provide for State level service staff to carry responsibility for:

(1) Planning the content of the service programs, and establishing and interpreting service policies;

(2) Program supervision of local agencies to assure that they are meeting plan requirements and State policies, and that funds are being appropriately and effectively used; and

(3) Monitoring and evaluation of the services programs.

(e) Provision of services.—The State plan must specify how the services will be provided and, in the case of provision by other public agencies, identify the agency and the service to be provided.

Sec. 4. Relationship to and Use of Other Agencies.—There must be maximum utilization of and coordination with other public and voluntary agencies providing similar or related services which are available without additional cost.

Sec. 5. Freedom To Accept Services.—Families and individuals must be free to accept or reject services. Acceptance of a service shall not be a prerequisite for the receipt of any other services or aid under the plan, except for the conditions related to the Work Incentive Program or other work program under a State plan approved by the service.

Sec. 6. Statutory Requirements for Services.—

(a) In order to carry out the statutory requirements under the Act with respect to Family Services and Adult Services programs, and in order to be eligible for 75 percent Federal financial participation in the costs of providing services, including the determination of eligibility for services, the State must, under the Family Services program, provide to each appropriate member of the AFDC assistance unit the mandatory services and those optional services the State elects to include in the State plan, and must under the Adult Services program, provide to each appropriate applicant for or recipient of financial assistance under the State plan at least one of the defined services which the State elects to include in the State plan.

(b) (1) For the Family Services program, the mandatory services are family planning services, foster-care services for children, protective services for children, and child care services which are employment- or training-related. The optional services are community planning, child care services which are not employment- or training-related, educational services, employment services (non-WIN), health and mental health services, homemaker services, home management and other functional educational services, housing improvement services, legal services, protective services for children, and transportation services.

(2) For the Adult Services program, the defined services are chore services, day-care services for adults, educational services, employment services, family planning services, foster-care services for adults, health-related services, home delivered or congregate meals, homemaker services, home management and other functional educational services, housing improvement services, protective services for adults, special services for the blind, legal services, and transportation services.

(c) Additional services not listed herein may be included in the State plan if accompanied by written justification as to the necessity of such service and the particular needs of recipients which would be met by such service. Such additional service will be subject to the approval of the Secretary.

Sec. 7. Services to Additional Families and Individuals.—

(a) If a State elects to provide services for additional groups of families or individuals, the State plan must identify such groups and specify the services to be made available to each group.

(b) If a service or an element of service is not included for recipients of financial assistance under the State plan, it may not be included for any other group.

(c) The State agency may elect to provide services to all or to reasonably classified subgroups of the following:

(1) Families and children who are current applicants for financial assistance.

(2) Families and children who are former applicants or recipients of financial assistance.

(3) Families and children who are likely to become applicants for or recipients of financial assistances is, those who—

(i) Are eligible for medical assistance, as medically needy persons, under the State's title XIX plan.

(ii) Would be eligible for financial assistance if the earnings exemption granted to recipients applied to them.

(iii) Are likely, within 5 years, to become recipients of financial assistance.

(iv) Are at or near dependency level, including those in low-income neighborhoods and among other groups that might otherwise include more AFDC cases, where services are provided on a group basis.

(4) All other families and children for information and referral service only.

(5) Aged, blind, or disabled persons who are former applicants for or recipients of financial assistance who request services or on whose behalf services are requested.

(5) Aged, blind, or disabled persons who request services, or on whose behalf services are requested, and who are likely to become applicants for or recipients of financial assistance; that is, those who—

(i) Are not money payment recipients but are eligible for medical assistance under the State's title XIX plan.

(ii) Are likely, within 5 years, to become recipients of financial assistance.

(iii) Are at or near dependency level, including those in low-income neighborhoods and among other groups that might be expected to include more aged, blind, or disabled assistance cases than other low-income groups, where the services are provided on a group basis.

(d) All families, children, aged, blind, or disabled persons in the above groups, or a selected reasonable classification of such persons with common problems or common service needs, may be included.

SEC. 8. DETERMINATION AND REDETERMINATION OF ELIGIBILITY FOR SERVICES.—

(a) The State agency must make, or cause to be made, a determination that each family and individual is eligible for Family Services or Adult Services prior to the provision of services (other than services rendered on an emergency basis) under the State plan.

(b) The State agency must make, or cause to be made, a periodic (but not less frequent than annual) redetermination of eligibility of each family and individual receiving services.

SEC. 9. INDIVIDUAL SERVICE PLAN.—

(a) An individual service plan must be developed and maintained on a current basis by agency staff for each family and individual receiving service under the State's title I, IV–A, X, XIV, or XVI plan. No service, other than emergency assistance in the form of services under the title IV–A plan, may be provided under the State plan until it has been incorporated in the individual service plan and a service may be provided only to the extent and for the duration specified in the service plan. The service plan must relate all services provided to the goals to be achieved by the service program. It must also indicate the target dates for goal achievement and the extent and duration of the provision of each service. For the purposes of this part, the goals include, but are not limited to—

(1) Self-support goal.—To achieve and maintain the feasible level of employment and economic self-sufficiency. (Not applicable to the aged under the Adult Services program.)

(2) Self-care or family-care goal.—To achieve and maintain maximum personal independence, self-determination, and security in the home, including, for children, the achievement of potential for eventual independent living.

(3) Community-based care goal.—To secure and maintain community-based care which approximates a home environment, when living at home is not feasible and institutional care is inappropriate.

(4) Institutional care goal.—To secure appropriate institutional care when other forms of care are not feasible.

(b) Services to individuals must be in accord with plans developed in cooperation with the individual, or the person applying on his behalf, be responsive to the needs of the individual applicant, and be related to one or more specific goals and objectives as described in this section.

(c) Each service plan must be reviewed as often as necessary to assure that it is practically related to the individual's current needs and is being effectively implemented, and that the goals and objectives are being achieved. Each service plan, with the specific goals and objectives, the services made available, and their results, must be recorded.

SEC. 10. DEFINITION OF SERVICES.—

(a) This section contains definitions of all mandatory and optional services under the Family-Services program and the defined services under the Adult Services program.

(b)(1) Chore services.—This means the performance of household tasks, essential shopping, simple household repairs, and other light work necessary to enable an individual to remain in his own home when, because of frailty or other conditions, he is unable to perform such tasks himself and they do not require the services of a trained homemaker or other specialist.

(2) Day care services for adults.—This means personal care during the day in a protective setting approved by the State or local agency.

(3) Child care services.—This means care of a child in his own home by a responsible person, or outside his home in a family day care home, group day care home, or day care center. Child care services, including in-home and out-of-home services, must be available or provided for the purpose of enabling the caretaker relatives to participate in employment, training, or receipt of needed services, where no other member of the child's family is able to provide adequate care and supervision. Such care must be suitable for the individual child; and the caretaker relatives must be involved in the selection of the child care source to be used if there is more than one source available. The child care services must be maintained until the caretaker relatives are reasonably able to make other satisfactory child care arrangements.

(i) Progress must be made in developing varied child care resources with the aim of affording parents a choice in the care of their children.

(ii) All child care services must meet the following standards:

(A) In-home care. (I) Homemaker service under agency auspices must meet the standards established by the State agency which must be reasonably in accord with the recommended standards of related national standard setting organizations, such as the Child Welfare League of America and the National Council for Homemaker Services.

(II) Child care provided by relatives, friends, or neighbors must meet standards established by the State agency that, as a minimum, cover age, physical and emotional health, capacity and time of the caretaker to provide adequate care; hours of care; maximum number of children to be cared for; feeding and health care of the children.

(B) Out-of-home care.—Day care facilities, used for the care of children, must be licensed by the State or approved as meeting the standards for such licensing, and day care facilities and services must comply with the standards of the Federal inter-agency day care requirements and the requirements of section 422(a)(1) of the Social Security Act.

(iii) Both in-home and out-of-home child care provided for persons referred to the WIN program must be a service cost rather than an assistance cost.

(4) Educational services.—This means helping individuals to secure educational training most appropriate to their capacities from available community resources.

(5) Employment services (non-WIN under title IV–A and for the blind or disabled).—This means enabling appropriate individuals to secure paid employment or training leading to such employment, through vocational, educational, social, and psychological diagnostic assessments to determine potential for job training or employment; and through helping them to obtain vocational education or training.

(6) Family planning services.—(i) For Family Services this means social, educational, and medical services to enable appropriate individuals (including minors who can be considered to be sexually active) to limit voluntarily the family size or space the children, and to prevent or reduce the incidence of births out of wedlock. Such services include printed materials, group discussions and individual interviews which provide information about and discussion of family planning; medical contraceptive services and supplies; and help in utilizing medical and educational resources available in the community. Such services must be offered and be provided promptly (directly or under arrangements with others) to all individuals voluntarily requesting them.

(ii) For Adult Services this means social and educational services, and help in securing medical services, to enable individuals to limit voluntarily the family size or space the children, and to prevent or reduce the incidence of births out of wedlock. Such services include printed materials, group discussions, and individual interviews which provide information about and discussion of family planning; and help in utilizing medical and educational resources available in the community.

(7) Foster care services for adults.—This means services to eligible persons to assure placement in settings approved by the appropriate State and/or local authority and suitable to the needs of each individual; assure that the person receives proper care in such placement; and to determine continued appropriateness of and need for placement through periodic reviews, at least annually.

(8) Foster care services for children.—This means services provided for children receiving aid in the form of foster care under title IV—part A, which must:

(i) Assure placement appropriate to the needs of each child.

(ii) Assure that the child receives proper care in such placement.

(iii) Determine continued appropriateness of and need for placement through periodic review, at least annually.

(iv) Improve the conditions in the home from which the child was removed, so that the child may be returned to his own home, or otherwise plan for the placement of the child in the home of other relatives, adoptive home or continued foster care, as appropriate.

(v) Work with other public agencies that have responsibility for the placement and care of any such children to assure that these agencies carry out their responsibilities in accordance with their agreement with the State agency administering or supervising the administration of AFDC.

(9) Services to meet health needs.—Services to meet health needs mean services provided for the purpose of assisting eligible persons to attain and retain as favorable a condition of health as possible by helping them to identify and understand their health needs and to secure and utilize necessary medical treatment as well as preventive and health maintenance services including services in medical emergencies.

(10) Home delivered or congregate meals.—This means the preparation and delivery of hot meals to an individual in his home or in a central dining facility as necessary to prevent institutionalization or malnutrition.

(11) Homemaker services.—(i) For Family Services this means care of individuals in their own homes, and helping individual caretaker relatives to achieve adequate household and family management, through the services of a trained and supervised homemaker.

(ii) For Adult Services this means care of individuals in their own homes, and helping individuals in maintaining, strengthening, and safeguarding their functioning in the home through the services of a trained and supervised homemaker.

(12) Home management and other functional educational services.—This means formal or informal instruction and training in management of household budgets, maintenance and care of the home, preparation of food, nutrition, consumer education, child rearing, and health maintenance.

(13) Housing improvement services.—This means helping families and individuals to obtain or retain adequate housing. Housing and relocation costs, including construction, renovation or repair, moving of families or individuals, rent, deposits, and home purchase, may not be claimed as service costs.

(14) Legal services.—This means the services of lawyers with respect to civil legal problems.

(15) Community planning.—This means activities of the staff of the agency, at the State and local levels, in providing leadership in the planning, development, extension, and improvement of the broad range of services, facilities, and opportunities required to prevent dependency for low income adults and to meet the current and anticipated service needs of all aged, blind, or disabled applicants and recipients. Staff activities include work with other agencies, organizations, and interested citizens' groups, including State and local commissions on aging and the blind, in stimulating community support and action on behalf of all the aged, blind, or disabled so that in developing and extending community services to the total group, applicants and recipients will also benefit.

(16) Protective services for adults.—This means identifying and helping to correct hazardous living conditions or situations of an individual who is unable to protect or care for himself.

(17) Protective services for children.—This means responding to instances, and substantiating the evidence, of neglect, abuse, or exploitation of a child; helping parents recognize the causes thereof and strengthening (through arrangement of one or more of the services included in the State plan) parental ability to provide acceptable care; or, if that is not possible, bringing the situation to the attention of appropriate courts or law enforcement agencies, and furnishing relevant data.

(18) Special services for the blind.—This means helping to alleviate the handicapping effects of blindness through: training in mobility, personal care, home management, and communication skills; special aids and appliances; special counseling for caretakers of blind children and adults; and help in securing talking book machines.

(19) Transportation services.—This means making it possible for an individual to travel to and from community facilities and resources, as part of a service plan.

Sec. 11. Purchase of Services.—

(a) A State plan under title I, IV–A, X, XIV, or XVI of the Act, which authorizes the provision of services by purchase from other State or local public agencies, from nonprofit or proprietary private agencies or organizations, or from individuals, must with respect to services which are purchased:

(1) Include a description of the scope and types of services which may be purchased under the State plan;

(2) Provide that the State or local agency will negotiate a written purchase of services agreement with each public or private agency or organization in accordance with requirements prescribed by SRS.

(3) Provide that purchase of services from individuals will be documented as to type, cost, and quantity. If an individual acts as an agent for other providers, he must enter into a formal purchase of services agreement with the State or local agency in accordance with paragraph (a) (2) of this section;

(4) Provide that the State or local agency will determine the eligibility of individuals for services and will authorize the types of services to be provided to each individual and specify the duration of the provision of such services to each individual;

(5) Assure that the sources from which services are purchased are licensed or otherwise meet State and Federal standards;

(6) (i) Provide for the establishment of rates of payment for such services which do not exceed the amounts reasonable and necessary to assure quality of service, and in the case of services purchased from other public agencies, are in accordance with the cost reasonably assignable to such services;

(ii) Describe the methods used in establishing and maintaining such rates; and

(iii) Indicate that information to support such rates of payment will be maintained in accessible form; and

(7) Provide that, where payment for services is made to the recipient for payment to the vendor, the State or local agency will specify to the recipient the type, cost, quantity, and the vendor of the service, and the agency will establish procedures to insure proper delivery of the service to, and payment by, the recipient.

(b) In the case of services provided, by purchase, as emergency assistance to needy families with children under title IV–A, the State plan may provide for an exception from the requirements in paragraphs (a) (2), (3), (5), and (6) of this section, but only to the extent and for the period necessary to deal with the emergency situation.

(c) All other requirements governing the State plan are applicable to the purchase of services, including:

(1) General provisions such as those relating to single State agency, grievances, safeguarding of information, civil rights, and financial control and reporting requirements; and

(2) Specific provisions as to the programs of services such as those on required services, statewideness, maximum utilization of other agencies providing services, and relating services to defined goals.

Subpart B—Federal Financial Participation Titles I, IV–A, X, XIV, and XVI

Sec. 12. General.—Federal financial participation is available for expenditures under the State plan which are:

(a) Found by the Secretary to be necessary for the proper and efficient administration of the State plan;

(b) (1) For services under the State plan provided in accordance with the individual service plan to families and individuals included under the State plan who have been determined (and redetermined) to be eligible pursuant to the provisions of this part;

(2) For other activities which are essential to the management and support of such services;

(3) For emergency assistance in the form of services to needy families with children; and

(c) Identified and allocated in accordance with SRS instructions and OMB circular A–87.

Sec. 13. Provisions Governing Costs of Certain Services.—

(a) Medical and assistance costs.—Federal financial participation will not be available under this subpart in expenditures for subsistence and other assistance items or for medical or remedial care or services, except:

(1) For subsistence and medical care when they are provided as essential components of a comprehensive service program a facility and their costs are not separately identifiable, such as, in a rehabilitation center, day care facility, or neighborhood service center;

(2) For medical and remedial care and services as part of family planning services;

(3) For medical diagnosis and consultation when necessary to carry out service responsibilities; for example, for recipients under consideration for referral to training and employment programs.

(b) Vocational rehabilitation services.—Federal financial participation is not available in the costs of providing vocational rehabilitation services for handicapped individuals as defined in the Vocational Rehabilitation Act except pursuant to an agreement with the State agency administering the rehabilitation program. This applies to provision of services by staff of the agency and purchase.

(c) Services related to adult foster care.—Federal financial participation is available in the costs of staff in providing services related to adult foster care, that is, recruitment, study, and approval of foster family homes (except staff primarily engaged in the issuances of licenses or in the enforcement of standards); services to adults in foster care, and work with foster families and staff of institutions caring for adults, such as homes for the aged. Payments for the foster care itself are assistance payments and are, therefore, not subject to the service rate of Federal financial participation.

(d) Services provided in behalf of aged, blind, or disabled persons.—Federal financial participation is available for services provided in behalf of aged, blind, or disabled persons, for example, community planning; assuring accessibility to resources to which the person is entitled; and studies of service needs and results.

Sec. 14. Expenditures for Which Federal Financial Participation Is Available.—Federal financial participation is available in expenditures for:

(a) Salary, fringe benefits, and travel costs of staff engaged in carrying out service work or service-related work;

(b) Costs of related expenses, such as equipment, furniture, supplies, communications, and office space;

(c) Costs of services purchased in accordance with this part;

(d) Costs of State advisory committees on day care services for children, including expenses of members in attending meetings, supportive staff, and other technical assistance;

(e) Costs of agency staff attendance at meetings pertinent to the development or implementation of Federal and State service policies and programs;

(f) Cost to the agency for the use of volunteers;

(g) Costs of operation of agency facilities used solely for the provision of services, except that appropriate distribution of costs is necessary when other agencies also use such facilities in carrying out their functions, as might be the case in comprehensive neighborhood service centers;

(h) Costs of administrative support activities furnished by other public agencies or other units within the single State agency which are allocated to the service programs in accordance with an approved cost allocation plan or an approved indirect cost rate as provided in OMB Circular A–87;

(i) With prior approval by SRS, costs of technical assistance, surveys, and studies, performed by other public agencies, private organizations, or individuals to assist the agency in developing, planning, monitoring, and evaluating the services program when such assistance is not available without cost;

(j) Costs of advice and consultation furnished by experts for the purpose of assisting staff in diagnosis and in developing individual service plans;

(k) Costs of emergency assistance in the form of services under title IV–A;

(l) Costs incurred on behalf of an individual under title I, X, XIV or XVI for securing guardianship or commitment (for example, court costs, attorney's fees, and guardianship or other costs attendant on securing professional services);

(m) Costs of public liability and other insurance protection; and

(n) Other costs, upon approval by SRS.

Sec. 15. Rates and Amounts of Federal Financial Participation.—

(a) Federal financial participation at the 75 percent rate.—(1) For States with a State plan approved as meeting the requirements of subpart A of this part, and that have in operation an approved separated service system in accordance with the provisions of section 205.102 of title 45 of the Code of Federal Regulations, Federal financial participation at the rate of 75 percent is available for all matchable direct costs of the separated service system, plus all indirect costs which have been allocated in accordance with an approved cost allocation plan and with the requirements of OMB Circular A–87.

(2) For States with a State plan approved as meeting the requirements of subpart A of this part, but that do not have in operation an approved separated service system in accordance with the provisions of section 205.102 of title 45 of the Code of Federal Regulations, the rate of Federal financial participation is governed by the regulations in parts 220 and 222 of title 45 of the Code of Federal Regulations as in effect on January 1, 1972, for all matchable direct costs of the services program, plus all indirect costs which have been allocated in accordance with an approved cost allocation plan and with the requirements of OMB Circular A–87.

(b) Federal financial participation for purchased services.—(1) Federal financial participation is available in expenditures for purchase of service under the State plan to the extent that payment for purchased services is in accordance with rates of payment established by the State which do not exceed the amounts reasonable and necessary to assure quality of service and, in the case of services purchased from other public agencies, the cost reasonably assignable to such services, provided the services are purchased in accordance with the requirements of this part.

(2) Services which may be purchased with Federal financial participation are those for which Federal financial participation is otherwise available under title I, IV–A, X, XIV, or XVI of the Act and which are included under the approved State plan.

Sec. 16. Limitations on Total Amount of Federal Funds Payable to States for Services.—

(a) The amount of Federal funds payable to the 50 States and the District of Columbia under titles I, IV–A, X, XIV, and XVI for any fiscal year (commencing with the fiscal year beginning July 1, 1972) with respect to expenditures made after June 30, 1972 (see paragraph (b) of this section), for services (other than WIN Support Services, and emergency assistance in the form of services, under title IV–A) is subject to the following limitation:

The total amount of Federal funds paid to the State under all of the titles for any fiscal year with respect to expenditures made for such services shall not exceed the State's allotment, as determined under paragraph (c) of this section.

Notwithstanding the provisions of paragraph (c)(1) of this section, a State's allotment for the fiscal year commencing July 1, 1972, shall consist of the sum of:

(1) An amount not to exceed $50,000,000 payable to the State with respect to the total expenditures incurred, for the calendar quarter beginning July 1, 1972, for matchable costs of services of the type to which the allotment provisions apply, and

(2) An amount equal to three-fourths of the State's allotment as determined in accordance with paragraph (c)(1) of this section.

However, no State's allotment for such fiscal year shall be less than it would otherwise be under the provisions of paragraph (c)(1) of this section.

(b) For purposes of this section, expenditures for services are ordinarily considered to be incurred on the date on which the cash transactions occur or the date to which allocated in accordance with OMB Circular A–87 and cost allocation procedures prescribed by SRS. In the case of local administration, the date of expenditure by the local agency governs. In the case of purchase of services from another public agency, the date of expenditure by such other public agency governs. Different rules may be applied with respect to a State, either generally or for particular classes of expenditures, only upon justification by the State to the Administrator and approval by him, in reviewing State requests for approval, the Administrator will consider generally applicable State law, consistency of State practice, particularly in relation to periods prior to July 1, 1972, and other factors relevant to the purposes of this section.

(c)(1) For each fiscal year (commencing with the fiscal year beginning July 1, 1972) each State shall be allotted an amount which bears the same ratio to $2,500,000,000 as the population of such State bears to the population of all the States.

(2) The allotment for each State will be promulgated for each fiscal year by the Secretary between July 1 and August 31 of the calendar year immediately preceding such fiscal year on the basis of the population of each State and of all of the States as determined from the most recent satisfactory data available from the Department of Commerce at such time.

Sec. 17. Rates and Amounts of Federal Financial Participation for Puerto Rico, the Virgin Islands, and Guam.—

(a) For Puerto Rico, the Virgin Islands, and Guam, the basic rate for Federal financial participation for Family Services and WIN Support Services under title IV–A is 60 percent. However, effective July 1, 1972, the rate is 50 percent for emergency assistance in the form of services.

(b) For family planning services and for WIN Support Services, the total amount of Federal funds that may be paid for any fiscal year shall not exceed $2,000,000 for Puerto Rico, $65,000 for the Virgin Islands, and $90,000 for Guam. Other services are subject to the overall payment limitations for financial assistance and services under titles I, IV–A, X, XIV, and XVI, as specified in section 1108(a) of the Social Security Act.

(c) The rates and amounts of Federal financial participation set forth in section 15 (a) and (b) herein apply to Puerto Rico, the Virgin Islands, and Guam, except that the 60-percent rate of Federal financial participation is substituted as may be appropriate. The limitation in Federal payments in section 16 herein does not apply.

Sec. 18. Public Sources of State's Share.—

(a) Public funds, other than those derived from private resources, used by the State or local agency for its services programs may be considered as the State's share in claiming Federal reimbursement where such funds are:

(1) Appropriated directly to the State or local agency; or

(2) Funds of another public agency which are:

(i) Transferred to the State or local agency and are under its administrative control; or

(ii) Certified by the contributing public agency as representing current expenditures for services to persons eligible under the State agency's services programs, subject to all other limitations of this part.

Funds from another public agency may be used to purchase services from the contributing public agency, in accordance with the regulation in this part on purchase of services.

Sec. 19. Donated Private Funds.—

(a) Donated private funds for services may be considered as State funds in claiming Federal reimbursement where such funds are:

(1) Transferred to the State or local agency and under its administrative control; and

(2) Donated on an unrestricted basis (except that funds donated to support a particular kind of activity, for example, homemaker services, or to support a particular kind of activity in a named community, are acceptable provided the donating organization is not the sponsor or operator of the activity being funded).

(b) Donated private funds for services may not be considered as State funds in claiming Federal reimbursement where such funds are:

(1) Contributed funds which revert to the donor's facility or use.

(2) Donated funds which are earmarked for a particular individual or for members of a particular organization.

IN MEMORIAM: DR. GRANT FURLONG

(Mr. MORGAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MORGAN. Mr. Speaker, I rise to pay tribute to the memory of Dr. Grant Furlong, a former Member of the House of Representatives, who died at the age of 87 on March 19 at his home in Donora, Pa.

A public official for more than half a century, Dr. Furlong, a physician, served one term during the 78th Congress, 1943–45, and was my immediate predecessor.

A veteran of World War I, he served as a lieutenant in the Cavalry Ambulance Corps and returned to be elected burgess of Donora in 1922. He was a personal friend of President Franklin Roosevelt who appointed him postmaster of Donora in 1933, a post he held until 1938.

Following his congressional term, he returned to Donora, resumed the practice of medicine, and was elected to five 4-year terms as sheriff of Washington County, Pa. He left that office and retired from his medical practice in 1965.

Few men in the history of Pennsylvania have served the people so long and with such distinction as Dr. Furlong. That he successfully combined the careers of public servant and medical doctor is adequate testament to his dynamism and dedication.

A lifelong Democrat, Dr. Furlong made innumerable contributions to the civic life of Donora and Washington County which are well-remembered by residents. With his passing, our community and our State has lost a distinguished citizen.

My wife joins me in expressing our deep sympathy to his widow, Joyce, and to his family for this great loss from their lives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to the following Members:

Mr. Guyer (at the request of Mr. Gerald R. Ford), for today, on account of official business.

Mr. Karth (at the request of Mr. Fraser), until further notice, on account of illness.

Mr. Rangel, for Thursday, March 22, on account of congressional business.

Mr. McSpadden (at the request of Mr. McFall), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Cochran) and to revise and extend their remarks and include extraneous matter:)

Mrs. Heckler of Massachusetts, for 10 minutes today.

Mr. Bell, for 5 minutes, today.

Mr. Sebelius, for 1 hour, on March 28.

Mr. Kemp, for 15 minutes, today.

(The following Members (at the request of Mr. Jones of Oklahoma) and to revise and extend their remarks and include extraneous matter:)

Mr. McFall, for 5 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. Culver, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Brown of California, for 10 minutes, today.

Mr. Rangel, for 5 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Podell, for 5 minutes, today.

Mr. Dingell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Broomfield to extend his remarks following those of Mr. Moorhead of Pennsylvania, today.

Mr. Dulski, immediately preceding the passage of House Joint Resolution 5 today.

Mr. Davis of South Carolina, to revise and extend his remarks at the end of Mr. Ichord's statement.

Mr. Denholm, to revise and extend his remarks at the end of Mr. Ichord's statement.

Mr. Ichord, and to include extraneous matter immediately following his remarks in the Committee on the Whole on the funding resolution for the Committee on Internal Security.

Mr. Ichord in two instances.

Mr. McClory, in the body of the Record immediately following the remarks of the gentleman from Michigan (Mr. Gerald R. Ford).

Mr. Pepper, to extend his remarks in the body of the Record, including extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $765.

(The following Members (at the request of Mr. Cochran) and to revise and extend their remarks:)

Mr. Landgrebe in 10 instances.

Mr. Roncallo of New York.

Mr. Derwinski in three instances.

Mr. Findley.

Mr. Anderson of Illinois in two instances.

Mr. Quillen in two instances.

Mr. Wyman in two instances.

Mr. Huber.

Mr. Cleveland.

Mr. Young of Alaska.

Mr. Thomson of Wisconsin.

Mr. Shoup.

Mr. McCloskey.

Mr. Burgener.

Mr. Zwach.

Mr. Kemp in three instances.

Mr. Snyder.

Mr. Steiger of Arizona.

Mr. McClory.

Mr. Frenzel.

Mr. Sandman.

Mr. Froehlich.

Mr. Burke of Florida.

Mr. Chamberlain.

Mr. Steele.

Mr. Conte in two instances.

Mr. Collier in five instances.

Mr. Keating.

Mr. Gerald R. Ford.

(The following Members (at the request of Mr. Jones of Oklahoma) and to revise and extend their remarks:)

Mr. McKay.

Mr. Thompson of New Jersey in 10 instances.

Mr. Sarbanes in five instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Rooney of New York.

Mr. Rodino.

Mr. Hungate.

Mr. Waldie in three instances.

Mr. Davis of South Carolina.

Mr. Burke of Massachusetts.

Mr. Nix.

Mr. Rangel in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in 10 instances.

Mr. Mahon.

Mr. Podell.

Mr. Anderson of California in three instances.

Mr. Fulton.

Mr. Stuckey in two instances.

Mr. Roybal in two instances.

Mr. Symington.

Mr. Dingell in two instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 7. An act to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

ADJOURNMENT

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 1 minute p.m.) under its previous order, the House adjourned until Monday, March 26, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

637. A communication from the President of the United States, transmitting a proposed transfer provision for the fiscal year 1973 for the Department of Defense—Military (H. Doc. No. 93–66); to the Committee on Appropriations and ordered to be printed.

638. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

639. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the authorization of appropriations for certain programs for the education of the handicapped, and for other purposes; to the Committee on Education and Labor.

640. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to transfer franchise fees received from certain concession operations at Glen Canyon National Recreation Area, in the States of Arizona and Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

641. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

642. A letter from the Chairman, Federal Power Commission, transmitting copies of publications entitled "Sales of Firm Electric Power for Resale, 1967–1971," and "Sales by Producers of Natural Gas to Interstate Pipeline Companies, 1971"; to the Committee on Interstate and Foreign Commerce.

643. A letter from the Chairman, National Commission on Marihuana and Drug Abuse, transmitting the second and final report of the Commission, pursuant to section 601 of Public Law 91–513; to the Committee on Interstate and Foreign Commerce.

644. A letter from the Attorney General, transmitting a draft of proposed legislation to reform, revise, and codify the substantive criminal law of the United States; to make conforming amendments to title 18 and other titles of the United States Code; and for other purposes; to the Committee on the Judiciary.

645. A letter from the Acting Administrator of General Services, transmitting a request that the Conventon Center-Sports Arena project proposed to be built in the Mt. Vernon Square area of Washington, D.C., be dropped from the public buildings projects currently under consideration by the House and Senate Committees on Public Works; to the Committee on Public Works.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG (for herself, Mr. Bingham, Mr. Conyers, Mr. Delaney, Mr. Diggs, Mr. Green of Pennsylvania, Ms. Holtzman, Mr. Howard, Mr. Podell, Mr. Rangel, Mr. Rosenthal, Mr. Tiernan, and Mr. Won Pat):

H.R. 6008. A bill to amend the Economic Stabilization Act of 1970, as amended, to direct the President to stabilize rentals and carrying charges; to the Committee on Banking and Currency.

By Ms. ABZUG (for herself, Mr. Bingham, Mr. Conyers, Mr. Delaney, Mr. Diggs, Mr. Green of Pennsylvania, Mr. Helstoski, Ms. Holtzman, Mr. Howard, Mr. Podell, Mr. Rangel, Mr. Rosenthal, Mr. Tiernan, and Mr. Won Pat):

H.R. 6009. A bill to amend the National Housing Act to provide that the rentals and carrying charges charged for accommodations in federally assisted housing may not exceed certain previous levels; to the Committee on Banking and Currency.

By Mr. ANDREWS of North Carolina:

H.R. 6010. A bill to amend titles 10 and 37 of the United States Code in order to provide to members of the armed forces who were in a missing status for any period during the Vietnam conflict double credit for such period for retirement purposes and certain additional benefits and to provide such members certain medical benefits; to provide double retirement credit to Federal employees in such status during such conflict; and for other purposes; to the Committee on Armed Services.

By Mr. BELL (for himself and Mr. Corman):

H.R. 6011. A bill to establish in the State of California the Santa Monica Mountain and Seashore National Urban Park; to the Committee on Interior and Insular Affairs.

By Mr. BRADEMAS:

H.R. 6012. A bill to amend the Coastal Zone Management Act of 1972 for the purpose of determining the causes and means of preventing shoreline erosion; to the Committee on Merchant Marine and Fisheries.

H.R. 6013. A bill to amend the Disaster Relief Act of 1970 for the purpose of making clear that disaster assistance is available to those communities affected by extraordinary shoreline erosion damage; to the Committee on Public Works.

H.R. 6014. A bill to amend section 426 of title 33, United States Code for the purpose of authorizing the Army Corps of Engineers to undertake emergency erosion control projects; to the Committee on Public Works.

H.R. 6015. A bill to amend section 426 of title 33, United States Code, for the purpose of providing the right of reimbursement to local interests for undertaking repair of shore damages attributable to Federal navigation works pursuant to section 4261; to the Committee on Public Works.

By Mr. BRADEMAS (for himself, Mr. Perkins, Mr. Eshleman, Mrs. Mink, Mr. Quie, Mr. Meeds, Mr. Hansen of Idaho, Mrs. Chisholm, Mr. Peyser, Mrs. Grasso, Mr. Mazzoli, Mr. Badillo, and Mr. Lehman):

H.R. 6016. A bill to extend the Education of the Handicapped Act for 3 years; to the Committee on Education and Labor.

By Mr. BROYHILL of Virginia:

H.R. 6017. A bill to authorize the Administrator of General Services Administration to contract for the construction of certain parking facilities on federally owned property; to the Committee on Public Works.

By Mr. CLARK:

H.R. 6018. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of compensation paid to law enforcement officers shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 6019. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. CULVER:

H.R. 6020. A bill to insure the separation of Federal powers and to protect the legislative function by requiring the President to notify the Congress whenever he proposes to impound funds, or to authorize the impounding of funds, and to provide a procedure under which the House of Representatives and the Senate may disapprove the President's proposed action; to the Committee on Rules.

By Mr. DELLUMS (for himself, Mrs. Schroeder, Mr. Eckhardt, Ms. Abzug, Mr. Badillo, Mr. Bingham, Mr. Brown of California, Ms. Chisholm, Mr. Conyers, Mr. de Luggo, Mr. Fauntroy, Mr. Fisher, Mr. Hawkins, Mr. Hicks, Miss Jordan, Mr. Koch, Mr. Metcalfe, Ms. Mink, Mr. Nix, Mr. Rees, Mr. Rosenthal, Mr. Stark, Mr. Thompson of New Jersey, Mr. Udall, and Mr. Won Pat):

H.R. 6021. A bill to promote public health and welfare by expanding and improving the family planning services and population research activities of the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON:

H.R. 6022. A bill to repeal the Gun Control Act of 1968, to reenact the Federal Firearms Act, to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

By Mr. EILBERG:

H.R. 6023. A bill to insure that a national cemetery is established in each State, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ESCH:

H.R. 6024. A bill to assist elementary and secondary schools, community agencies and other public and nonprofit private agencies to prevent juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

H.R. 6025. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates prescribed by that act, to expand employment opportunities for youths, and for other purposes; to the Committee on Education and Labor.

H.R. 6026. A bill to amend title 5 of the United States Code with respect to the observance of Veterans Day; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself, Mr. Burke of Massachusetts, Mrs. Chisholm, Mr. Conyers, Mr. Drinan, Mr. Eilberg, Mr. Green of Pennsylvania, Mr. Hamilton, Mr. Harvey, Mrs. Heckler of Massachusetts, Mr. McCloskey, Mr. Podell, Mr. Railsback, Mr. Riegle, Mr. Steele, Mr. Thone, Mr. Walsh, Mr. Won Pat, and Mr. Wydler):

H.R. 6027. A bill to allow a credit against Federal income tax or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. GERALD R. FORD (for himself, Mr. Hutchinson, Mr. McClory, Mr. Smith of New York, Mr. Sandman, Mr. Wiggins, Mr. Mayne, Mr. Hogan, Mr. Butler, Mr. Lott, and Mr. Moorhead of California):

H.R. 6028. A bill to establish rational criteria for the mandatory imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. FRASER:

H.R. 6029. A bill to amend the Social Security Act to provide for a system of children's allowances, and for other purposes; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. Culver, Mr. Bingham, Mr. Brasco, Mr. Brown of California, Mr. Burlison of Missouri, Mr. Burton, Mr. Carney of Ohio, Ms. Chisholm, Mr. Conyers, Mr. Dellums, Mr. de Lugo, Mr. Dent, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Giaimo, Mr. Helstoski, Ms. Holtzman, Mr. Lehman, Mr. Leggett, Mr. McCloskey, Mr. Moakley, Mr. Madden, and Mr. Mollohan):

H.R. 6030. A bill to amend the Internal Revenue Code of 1954 to provide that the designation of payments to the Presidential Election Campaign Fund be made on the front page of the taxpayer's income tax return form, and for other purposes; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. Culver, Mr. Moss, Mr. Owens, Mr. Pickle, Mr. Podell, Mr. Preyer, Mr. Rees, Mr. Riegle, Mr. Rosenthal, Mr. Sarbanes, Mr. Sisk, Mr. Symington, Mr. Thompson of New Jersey, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Won Pat, and Mr. Pepper):

H.R. 6031. A bill to amend the Internal Revenue Code of 1954 to provide that the designation of payments to the Presidential Election Campaign Fund be made on the front page of the taxpayer's income tax return form, and for other purposes; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 6032. A bill to amend the act of June 22, 1948 (62 Stat. 568, as amended; 16 U.S.C. 577h) to make additional funds available to carry out the provisions of said act, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 6033. A bill to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6034. A bill to provide a procedure for the exercise of congressional and executive powers over the use of any Armed Forces of the United States in military hostilities, and for other purposes; to the Committee on Rules.

By Mr. FULTON:

H.R. 6035. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit rescue squads to obtain surplus property; to the Committee on Government Operations.

H.R. 6036. A bill to establish annual import quotas on certain textile and footwear articles; to the Committee on Ways and Means.

By Mrs. GRASSO:

H.R. 6037. A bill to amend the Export Administration Act of 1969 (50 App. U.S.C. 2401–2413), as amended, to control the export of timber from the United States; to the Committee on Banking and Currency.

By Mr. GRAY:

H.R. 6038. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; to establish development corporations to demonstrate technologies for shale oil development, coal gasification development, advanced power cycle development, geothermal steam development, and coal liquefaction development; to authorize and direct the Secretary of the Interior to make mineral resources of the public lands available for said development corporations; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GUNTER:

H.R. 6039. A bill to amend title 18, United States Code, to promote public confidence in the legislative branch of the Government of the United States by requiring the disclosure by Members of Congress and certain employees of the Congress of certain financial interests; to the Committee on Standards of Official Conduct.

By Mr. HANNA:

H.R. 6040. A bill to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand; to the Committee on Banking and Currency.

By Mr. HASTINGS (for himself, Mr. Thompson of New Jersey, Mr. Green of Pennsylvania, Mr. Camp, Mr. Conyers, Mr. Alexander, Mr. Sebelius, Mr. Dellums, Mr. Dulski, Mr. Adams, Mrs. Heckler of Massachusetts, Mr. Ginn, Mr. Yatron, Mr. Bowen, Mr. Sarbanes, Mr. Moakley, Mr. Gilman, Mr. Melcher, Mr. Addabbo, Mr. Brown of California, Mr. Horton, Mr. Denholm, and Mr. Rosenthal):

H.R. 6041. A bill to extend through fiscal year 1974 the expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS (for himself, Mr. Fish, Mr. Pepper, Mr. Benitez, Mr. Lent, Mr. Hechler of West Virginia, Mr. Drinan, Mr. Bevill, Mr. Tiernan, Mr. Leggett, Mr. Fulton, Mr. Robison of New York, Mr. Hanley, Mr. Won Pat, Mr. Harrington, Mr. Mollohan, Mr. Foley, Mr. Davis of South Carolina, Mr. Fraser, Mr. Wolff, and Mr. Podell):

H.R. 6042. A bill to extend through fiscal year 1974 the expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER (for himself, Mr. Anderson of Illinois, Mr. Archer, Mr. Bray, Mr. Brown of Michigan, Mr. Broyhill of Virginia, Mr. Burgener, Mr. Burke of Florida, Mr. Chamberlain, Mr. Clark, Mr. Collins, Mr. Conlan, Mr. Crane, Mr. Dellenback, Mr. Fish, Mr. Fisher, Mr. Forsythe, Mr. Duncan, Mr. Goodling, Mr. Goldwater, Mr. Hammerschmidt, Mr. Hanna, Mr. Hicks, Mr. Horton, and Mr. Hunt):

H.R. 6043. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER (for himself, Mr. Hudnut, Mr. Ketchum, Mr. Leggett, Mr. Minshall of Ohio, Mr. Moorhead of California, Mr. Myers, Mr. Pepper, Mr. Railsback, Mr. Rees, Mr. Roe, Mr. Rosenthal, Mr. Ryan, Mr. Shriver, Mr. Stark, Mr. Steiger of Arizona, Mr. Talcott, Mr. Teague of California, Mr. Thone, Mr. Towell, of Nevada, and Mr. Ware):

H.R. 6044. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER (for himself, Mr. Won Pat, Mr. Wright, Mr. Wyatt, Mr. Yatron, Mr. Young of Alaska, Mr. Zion, Mr. Shoup, Mr. Hawkins, and Mr. Bob Wilson):

H.R. 6045. A bill to to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HUTCHINSON (for himself, Mr. McClory, Mr. Smith of New York, Mr. Sandman, Mr. Railsback, Mr. Wiggins, Mr. Fish, Mr. Mayne, Mr. Hogan, Mr. Keating, Mr. Butler, Mr. Cohen, Mr. Lott, Mr. Froehlich, and Mr. Moorhead of California):

H.R. 6046. A bill to reform, revise, and codify the substantive criminal law of the United States; to make conforming amendments to title 18 and other titles of the United States Code; and for other purposes; to the Committee on the Judiciary.

By Mr. ICHORD (for himself and Mr. Myers):

H.R. 6047. A bill to amend section 4 of the Internal Security Act of 1950; to the Committee on Internal Security.

By Mr. KUYKENDALL:

H.R. 6048. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

By Mr. LANDGREBE (for himself, Mr. Huber, and Mr. Symms):

H.R. 6049. A bill to extend the authorization of appropriations for certain programs for the education of the handicapped, and for other purposes; to the Committee on Education and Labor.

By Mr. MACDONALD:

H.R. 6050. A bill to reestablish and extend the prorgam whereby payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Interior and Insular Affairs.

H.R. 6051. A bill to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes; to the Committeee on Post Office and Civil Service.

H. R. 6052. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 each year of an individual's civil service retirement annuity (or other Federal retirement annuity) shall be exempt from income tax; to the Committee on Ways and Means.

By Mr. MARTIN of Nebraska:

H.R. 6053. A bill to provide for balanced and efficient protection and development of the national forest system and privately owned forest lands through establishment of a forest lands planning and investment fund, and for other purposes; to the Committee on Agriculture.

By Mr. MELCHER:

H.R. 6054. A bill to amend section 5a of the Commodity Exchange Act, as amended; to the Committee on Agriculture.

H.R. 6055. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. MELCHER (for himself, Mr. Culver, Mr. Drinan, Mr. Matsunaga, Mr. Reuss, and Mr. Wolff):

H.R. 6056. A bill to repeal section 411 of the Social Security Amendments of 1972, thereby restoring the right of aged, blind, and disabled individuals who receive assistance under title XVI of the Social Security Act after 1973 to participate in the food stamp and surplus commodities programs; to the Committee on Ways and Means.

By Mr. MEZVINSKY:

H.R. 6057. A bill to amend the Airport and Airway Development Act of 1970, as amended, to increase the U.S. share of allowable project costs under such act, to amend the Federal Aviation Act of 1958, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. MINK:

H.R. 6058. A bill to provide for the adoption of "The Perpetual Calendar"; to the Committee on Foreign Affairs.

By Mr. MOLLOHAN:

H.R. 6059. A bill to repeal the bread tax on 1973 wheat crop; to the Committee on Agriculture.

By Mr. MOORHEAD of Pennsylvania:

H.R. 6060. A bill to limit the authority of the Secretary of Health, Education, and Welfare to impose, by regulations certain additional restrictions upon the availability and use of Federal funds authorized for social services under the public assistance programs established by the Social Security Act; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Broomfield, Mr. Alexander, Mr. Bingham, Mr. Cleveland, Mr. Cotter, Mr. Derwinski, Mr. Dingell, Mr. Eilberg, Mr. Gerald R. Ford, Mr. Horton, Mr. Howard, Mr. Leggett, Mr. Lujan, Mr. Moss, Mr. Reid, Mr. Ruppe, Mr. Sikes, Mr. Thone, Mr. Vander Jagt, Mr. Whalen, Mr. Williams, and Mr. Yatron):

H.R. 6061. A bill to amend the Foreign Assistance Act of 1961 to expand American exports by utilizing foreign currencies owned by the United States to pay foreign import duties on such exports, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PERKINS:

H.R. 6062. A bill to amend titles 37 and 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age 60, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 6063. A bill to amend title 38 of the United States Code to provide for cost-of-living increases in compensation, dependency, and indemnity compensation, and pension payments; to the Committee on Veterans' Affairs.

H.R. 6064. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension; to the Committee on Veterans' Affairs.

H.R. 6065. A bill to amend title 38 of the United States Code in order to establish a National Cemetery System within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 6066. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. QUILLEN (for himself and Mrs. Hansen of Washington):

H.R. 6067. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

By Mr. REES:

H.R. 6068. A bill to authorize grants to States and political subdivisions to assist them in modernizing the management, organization, systems and methods, and operations of their tax administrative agency(s) by providing training, managerial development, and research assistance; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 6069. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. RUPPE:

H.R. 6070. A bill to declare that certain federally owned land is held by the United States in trust for the Keweenaw Bay Indian Community and to make such lands parts of the reservation involved; to the Committee on Interior and Insular Affairs.

By Mr. SEIBERLING:

H.R. 6071. A bill to amend the Railroad Retirement Act of 1937 to provide that an individual shall be considered to have completed the minimum service required to qualify for a retirement annuity under the provisions of that act if he or she had at any time in the past completed the minimum service required to qualify for a retirement annuity under the corresponding provisions of law in effect at that time; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H.R. 6072. A bill to amend the Communication Act of 1934 to provide grants to States for the establishment, equipping, and operation of emergency communications centers to make the national emergency telephone number 911 available throughout the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6073. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELE (for himself, Mr. Kyros, Mr. Buchanan, Mr. Burke of Massachusetts, Mr. Cohen, Mr. Davis of South Carolina, Mr. Downing, Mr. Fish, Mr. Harrington, Mr. Horton, Mr. Howard, Mr. Lent, Mr. Moakley, Mr. Moss, Mr. Nedzi, Mr. O'Neill, Mr. Roe, Mr. Studds, Mr. Tiernan, and Mr. Wolff):

H.R. 6074. A bill to amend the act of May 20, 1964, entitled "An act to prohibit fishing in the territorial waters of the United States and in certain other areas by vessels other than vessels of the United States, and by persons in charge of such vessels," to define those species of Continental Shelf fishery resources which appertain to the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STEIGER of Arizona:

H.R. 6075. A bill to amend the Mineral Leasing Act of 1920; to the Committee on Interior and Insular Affairs.

By Mr. TOWELL of Nevada:

H.R. 6076. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for transportation expenses of certain individuals employed at remote Federal installations; to the Committee on Ways and Means.

By Mr. WALDIE (for himself, Mr. Brasco, Mr. Dominick V. Daniels, Mr. Hillis, Mr. Hogan, and Mr. Moakley):

H.R. 6077. A bill to permit immediate retirement of certain Federal employees; to the Committee on Post Office and Civil Service.

By Mr. WALDIE (for himself, Mr. Brasco, Mr. Dominick V. Daniels, Mr. Hogan, Mr. Rousselot, Mr. White, and Mr. Charles H. Wilson of California):

H.R. 6078. A bill to include inspectors of the Immigration and Naturalization Service or the Bureau of Customs within the provisions of section 8336(c) of title 5, United States Code, relating to the retirement of certain employees engaged in hazardous occupations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS (for himself, Mr. Eshleman, Mr. Johnson of Pennsylvania, Mr. Schneebeli, and Mr. Vigorito):

H.R. 6079. A bill to amend section 167 of the Internal Revenue Code of 1954 to provide a special allowance for depreciation with respect to certain byproduct and waste energy conversion facilities; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 6080. A bill to designate the Interstate System as the "Eisenhower Interstate Highway System"; to the Committee on Public Works.

By Mr. WOLFF:

H.R. 6081. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF (for himself, Mr. Rosenthal, Mr. Dent, Mr. Eilberg, Mr. Donohue, Mr. Forsythe, Mrs. Green of Oregon, Mr. Brown of California, Mr. Conyers, Mr. Hudnut, Mrs. Chisholm, Mr. Rarick, Mr. Won Pat, Mr. Helstoski, Mr. Podell, Mr. Moakley, Mr. Gilman, and Mr. Maraziti):

H.R. 6082. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who rent their principal residences; to the Committee on Ways and Means.

By Mr. WON PAT (for himself and Mr. Matsunaga):

H.R. 6083. A bill authorizing veterans' benefits for persons who served in the Local Security Patrol Force of Guam during World War II; to the Committee on Veterans' Affairs.

By Mr. WYMAN (for himself, Mr. Railsback, Mr. Eilberg, Mr. Johnson of Colorado, and Mr. McCloskey):

H.R. 6084. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. ZWACH:

H.R. 6085. A bill to amend titles 37 and 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reseve up to age 60, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BINGHAM:

H.J. Res. 455. Joint resolution concerning the power of Congress in foreign affairs to participate in the making of international agreements; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI:

H.J. Res. 456. Joint resolution repealing the Military Selective Service Act; to the Committee on Armed Services.

By Mr. HUBER:

H.J. Res. 457. Joint resolution proposing an amendment to the Constitution to prohibit busing; to the Committee on the Judiciary.

By Mr. HOWARD (for himself, Mr. Bevill, Mr. Breckinridge, Mr. Brown of Michigan, Mr. Cleveland, Mr. Cohen, Mr. Robert W. Daniel, Jr., Mr. du Pont, Mrs. Holt, Mr. Kastenmeier, Mr. Koch, Mr. Landgrebe, Mr. Lott, Mr. McEwen, Mr. Mosher, Mr. Myers, Mr. Nichols, Mr. Robinson of Virginia, Mr. Scherle, Mr. Udall, Mr. Van Deerlin, and Mr. Young of Florida):

H.J. Res. 458. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. MIZELL:

H.J. Res. 459. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. STUCKEY:

H.J. Res. 460. Joint resolution to authorize the President to issue annually a proclamation designating the period from October 12 through 19 of each year as National Patriotic Education Week; to the Committee on the Judiciary.

By Mr. FROEHLICH (for himself, Mr. Aspin, Mr. Davis of Wisconsin, Mr. Kastenmeier, Mr. Obey, Mr. Reuss, Mr. Steiger of Wisconsin, Mr. Thomson of Wisconsin, and Mr. Zablocki):

H. Con. Res. 162. Concurrent resolution designating De Pere, Wis., as "America's Votingest Small City"; to the Committee on the Judiciary.

By Mr. LATTA:

H. Con. Res. 163. Concurrent resolution requesting the President to negotiate with the Government of Canada to establish water levels for the Great Lakes; to the Committee on Foreign Affairs.

By Mr. TOWELL of Nevada:

H. Con. Res. 164. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

By Mrs. GRASSO:

H. Res. 322. Resolution to authorize the Committee on Banking and Currency to conduct an investigation and study of the high price of lumber and plywood; to the Committee on Rules.

By Mr. PATTEN:

H. Res. 323. Resolution creating a select committee to conduct an investigation of matters affecting, influencing, and pertaining to the cost and availability of food to the American consumer; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

101. By the SPEAKER: A memorial of the Legislature of the State of Idaho, relative to broadcasting projections as to the election of the President of the United States before all polls have closed; to the Committee on Interstate and Foreign Commerce.

102. Also, memorial in the form of a referendum from the people of the Commonwealth of Massachusetts, relative to the voluntary recitation of prayer in public schools; to the Committee on the Judiciary.

103. Also, memorial of the Legislature of the State of Nevada, relative to the decennial census of the United States; to the Committee on Post Office and Civil Service.

104. Also, memorial of the Legislature of the State of Oklahoma, relative to dissolving the highway trust fund; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia (by request):

H.R. 6086. A bill for the relief of Elena Schwarze-Chamier; to the Committee on the Judiciary.

By Mr. COUGHLIN:

H.R. 6087. A bill to authorize Col. Thomas E. Chegin, U.S. Army, Retired, to accept appointment by the Paraguayan Government as an Honorary Consul of Paraguay; to the Committee on Armed Services.

By Mr. HANNA:

H.R. 6088. A bill for the relief of Patrick W. Russ; to the Committee on the Judiciary.

H.R. 6089. A bill for the relief of Mrs. Marie E. Yotz; to the Committee on the Judiciary.

By Mr. KUYKENDALL:

H.R. 6090. A bill for the relief of Comdr. Jesse B. Morris, Jr., U.S. Navy; to the Committee on the Judiciary.

SENATE—*Thursday, March 22, 1973*

The Senate met at 12 o'clock meridian and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplian, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee for a new day of service to our Nation in this place. Forgive us, if by forgetfulness or carelessness, our lives contribute to our problems or obstruct the doing of Thy will. Create in each of us the life of purity, honesty, and unselfishness which contributes to the solution of our concerns. Make us better that we may do better. Give us the wisdom which comes from above. Attune our will to Thy will.

We pray in Jesus' name. Amen.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 20, 1973, the Secretary of the Senate, on March 21, 1973, received the following message from the House of Representatives:

That the House had agreed to the concurrent resolution (S. Con. Res. 16) to authorize certain corrections in the enrollment of S. 7.

EXECUTIVE REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 21, 1973, the following favorable reports were submitted on March 21, 1973:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without reservation:

Executive U, 92d Congress, 2d session, Consular Convention with Poland (Ex. Rept. No. 93–6);

Executive V, 92d Congress, 2d session, Consular Convention Romania (Ex. Rept. No. 93–6);

Executive W, 92d Congress, 2d session, Consular Convention with Hungary (Ex. Rept. No. 93–6);

Executive B, 93d Congress, 1st session, Exchange of Notes with Ethiopia Concerning the Administration of Justice (Ex. Rept. No. 93–7); and

Executive R, 92d Congress, 2d session, Convention with Japan for the Protection of Birds and Their Environment (Ex. Rept. No. 93–8).

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 20, 1973, the following reports of committees were submitted:

On March 21, 1973:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. 929. A bill to amend the Par Value Modification Act (Rept. No. 93–78); and

S.J. Res. 21. Joint resolution to create an Atlantic Union delegation (Rept. No. 93–79).

On March 22, 1973:

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

S. 13. A bill to amend title 18 of the United States Code to provide civil remedies to victims of racketeering activity and theft, and for other purposes (Rept. No. 93–80).

By Mr. McCLELLAN, from the Committee on the Judiciary, with amendments:

S. 15. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a Federal death benefit to the surviving dependents of public safety officers (Rept. No. 93–81); and

S. 300. A bill to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes (Rept. No. 93–83), together with additional views.

By Mr. McCLELLAN (for Mr. KENNEDY), from the Committee on the Judiciary, with amendments:

S. 33. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize group life insurance programs for public safety officers and to assist State and local governments to provide such insurance (Rept. No. 93–82), together with additional views.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, March 20, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 5446) to extend the Solid Waste Disposal Act, as amended, for 1 year, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 7) to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the 15 minutes allocated to the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) to speak today be transferred to the control of the distinguished Senator from Arkansas (Mr. McCLELLAN).

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees, except the Committees on Commerce and Labor and Public Welfare, may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR PRINTING JOINT ECONOMIC REPORT

Mr. MANSFIELD. Mr. President, on behalf of Senator PROXMIRE, I send to the desk a resolution which I understand has been cleared all around, and ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 85

Authorizing the printing of additional copies of the 1973 Joint Economic Report

Resolved, That there be printed for the use of the Joint Economic Committee three thousand three hundred additional copies of the current report to the Congress entitled "The 1973 Joint Economic Report".

Mr. MANSFIELD. Mr. President, this resolution would authorize the printing for the use of the Joint Economic Committee of 3,300 additional copies of its current report to the Congress entitled "The 1973 Joint Economic Report." If these additional copies, sure to be needed by the joint committee, are printed subsequent to the time of printing the regular number of copies of the report their cost will be approximately $1,787. If printed at the same time as the regular copies, the additional copies will cost approximately $1,187—a small but definite savings to the taxpayer of $600.

In view of the urgent need of the joint committee for these additional copies and the savings which would be involved, the regular procedure is not being followed in this case and it is requested that the Senate proceed now to consider this proposal on its own merits. This action has been cleared with the leadership on both sides, and within the distinguished chairman (Mr. CANNON) and distinguished ranking minority member (Mr. COOK) of the Committee on Rules and Administration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

PROPOSED DAILY SUMMARY OF CONGRESSIONAL PROCEEDINGS

Mr. MANSFIELD. Mr. President, the Joint Committee on Congressional Operations has undertaken a study of the feasibility of producing a daily summary of the Chamber proceedings of Congress.

At the request of the distinguished chairman of the committee, my colleague from Montana (Mr. METCALF), and the distinguished vice chairman of the committee, Representative JACK BROOKS, of Texas, I ask unanimous consent that during the next 3-week period, two members of the staff of the joint committee may be allowed the privilege of the floor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE WATERGATE CASE—EXECUTIVE PRIVILEGE

Mr. SCOTT of Pennsylvania. Mr. President, an article written by Richard Wilson and published in the March 21 issue of the Washington Star-News merits the attention of all those interested in the so-called Watergate case.

I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ISSUE IS NOT EXECUTIVE PRIVILEGE ALONE

If the U.S. Senate wishes to make itself look ludicrous, it will instruct its sergeant-at-arms to handcuff the counsel to the President of the United States and bring him to the Capitol for cross-examination.

This will have to be done in the dark of the night, or at least at John W. Dean III's residence, because the Senate's lawman wouldn't stand a prayer of getting into the White House grounds during office hours.

The scenario is too absurd to imagine, and this will probably occur to a majority of senators if they are ever presented with Sen. Sam J. Ervin's proposition that Dean be arrested to testify regarding the Watergate case, and, if he refuses, undergo trial by the Senate for contempt.

The confrontation will undoubtedly come in some other way, if it ever comes at all, but there is no harm in having it come. A clearer definition of what is executive privilege and what is not is needed, even if a reluctant Supreme Court merely befogs the issue more than is already the case.

Of course, what is involved here is that the Senate committee does not have hard evidence and wishes Dean to convict himself or commit perjury by his own admission. Unlike an accused criminal in the courts, Dean would be summoned before a public inquisition wherein there were no charges, he would not catch a glimpse of his accusers and he would be judged in a supercharged political atmosphere.

No bill of indictment has been presented that Dean transmitted to the Watergate raiders the content of FBI reports which Dean had extracted from the acting director, L. Patrick Gray III, or, if so, that this was an abuse, impropriety or illegality.

Only an "inference" exists, according to Sen. Ervin, that somebody might have let the Watergate defendants know what the FBI had found out, and maybe that somebody was Dean because of his "close relations" with one of the defendants.

This is the way Joe McCarthy abused the privilege of congressional investigation, and it is astonishing that a senator with as much grounding in fair practice as Ervin would indulge in such tactics.

Supposing for a moment that there were hard evidence of Dean's complicity, and that this was connivance after the fact in a crime, Dean would be shorn of the decency accorded to a private citizen. A private citizen could go before a secret grand jury, take the Fifth Amendment protecting him from self-incrimination, and then the grand jury could decide if there was sufficient evidence to indict him.

Dean has no such protection. He would be required to go before a public political inquisition where taking the Fifth Amendment would be tantamount to a public confession of guilt. The committee desires to cross-examine him to get him to contradict himself or lie or otherwise incriminate himself in a character-destroying extra-legal proceeding.

At another time the country had enough of this kind of guilt-finding based on "inferences." If Ervin has evidence that the consel to the President of the United States connived in the commission of a crime, no doctrine of executive privilege can protect him from the due process of law.

President Nixon has instructed Dean to respond to written questions by the congressional committee on those "inferences" which Ervin draws. But he has refused to instruct Dean to appear in person before the committee to become the butt of inferences, innuendoes and implications of hostile questioners.

COUNTERBUDGET

Mr. SCOTT of Pennsylvania. Mr. President, an editorial published in the March 20 issue of the Wall Street Journal should be of interest to Members on both sides of the aisle. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE CAN HARDLY WAIT

The good news is that Senate Democrats are going to compile their own federal budget to counterpoise President Nixon's. The bad news is that they plan to do it all in two weeks.

By now practically everyone recognizes that Congress is at an immense disadvantage in the budget debate with the President because it has no way to view the total budget. Each committee dispenses largess on its own turf, but no one watches what total spending comes to. But you have to control total spending to have any effect in controlling inflation, and at the moment controlling inflation, and at the moment controlling inflation is a far more important domestic priority than almost anything the individual committees attend to. So the debate pits Congress armed with all its little priorities against the President armed with priority number one.

To overcome this handicap, Congress has to come up with a budget no more inflationary than the President's, but with funds juggled from one program to another to suit congressional tastes. Seriously working out such a program would necessitate facing real issues of priority, and thus would be the biggest single step we could think of toward restoring Congress' sense of responsibility and therefore reversing its lamented loss of prestige. If it can find no way to gain budget oversight, Congress will remain merely a collection of spokesmen for assorted vested interests. If it can gain oversight, Congress would have to be taken seriously in a debate on national priorities.

Serious oversight, though, is going to require running the budget through the serious power centers of Congress—Appropriations, Ways & Means, Armed Services. That is, through men who understand the underlying complexities that have already shaped the President's budget. So while we suppose any step in the right direction needs to be saluted, we have our doubts about the current proposal for a counter-budget, which is supposed to come from the Democratic Policy Committee, a center not of responsiblity but of partisanship.

With a little help from the Brookings Institution, any junior staff member can run through the presidential budget, lopping $5 billion off defense to add to the poverty war, and running up tax reform savings to be spread here and there. In fact, the Policy Committee staff may even be able to meet the two-week deadline because so much of the spadework for this sort of effort was done during last year's presidential campaign.

The Democratic candidate's advisers redid the whole Pentagon budget, you remember, proving that huge savings were at hand. It would have been more convincing if they hadn't overlooked the necessity of buying gas to run the planes and ships. There was also a highly detailed plan for tax reform, proving that it could raise enough money to give $1,000 to everybody.

That sort of "counter-budget" wouldn't be the huge step toward responsibility we have had in mind, but we must concede that it would probably be quite helpful in clarifying the debate over priorities. Counting ourselves among those who think the President's priorities are about right, in fact, we can hardly wait.

FOOD PRICES

Mr. SCOTT of Pennsylvania. Mr. President, on the general question of food prices, on certain kinds it is incontestable that they are high. They are higher than they should be for the comfort and well-being of consumers.

Everyone is a consumer. Who is to blame?

A considerable part of the rising costs of food prices, which causes the housewife considerable concern at the marketplace, is due to inflationary pressures. Inflation has been kept under moderate control in that the overall rate of increase is lower than it has been previously.

But Congress has a responsibility, as does the Executive. The executive department is moving in an all-out fight against an increase in costs through its actions regarding milk imports, meat imports, the release of stockpiled materials, and the President's request that a 3-cent tariff per pound on beef be removed. All these are helpful actions. It is quite likely that more needs to be done, and will be done, at the Executive end.

Meanwhile, Congress needs to exert more discipline, more prudence. It does not do the consumer much good if we point to the fact that a comparative rise in food prices is lower in this country than in any other of the major countries, because we cannot eat the statistics. It does not do the consumer much good to have Congress say, "We are going to do everything under the sun for your benefit, no matter what the cost," because if Congress does this, and orders the President to spend the money, he will have so much that he could not conceivably spend it within the fiscal period, unless, as someone has said, he takes the dollar bills and nails them to the trees for all to observe.

That is the kind of forced feeding of the consumer which only adds to inflationary burdens and puts additional tax burdens on the consumer. It is no way to run a railroad, let alone a nation.

I feel that Congress ought to face up to its responsibilities and do everything we can to bring down the cost of food, and the cost of items generally, which the consumer has to buy. I believe it is the joint responsibility of the minority as well as the majority. It is our responsibility. I hope we will address ourselves to it.

Mr. MANSFIELD. Mr. President, I think I can assure the distinguished minority leader that Congress has acted, and will act, with fiscal prudence. I would point out that in the last 4 years Congress reduced the President's budget by $22.3 billion. In that period, this administration increased the deficit by $104.2 billion. We have done our share, and we would like to continue to do our share. When it comes to fiscal responsibility, I think the Senate will take a back seat to no one.

It is true that the economy is expanding. Profits are increasing very much, and the inflationary trend is as evident as ever before in history. If this trend is not changed, the way prices are going at the present time, both at the wholesale and the consumer level—I have the figures for the past 2 months; the February figures were released just yesterday—it will not be long before they will go through the roof.

Phase III, with its flexibility and its club in the closet, is not the answer to the inflation which now besets us and which will, if not controlled, climb upward in the months ahead. Even the administration concedes that. The administration says that prices are going to go up slightly in the months ahead and that this trend will continue well into the second half of this year, perhaps even later. Then they are going to decrease slowly. But a lot of people are going to starve in the meantime.

As I say, the club in the closet under phase III is not the answer to the inflation which now besets us and which will, if not controlled, climb ever upward in the months ahead.

There are, in reality, no controls of any significance so far as phase III is concerned. There were reasonable controls under phase II, and we knew where we were going, and the results overall were most encouraging.

In the period under phase II which the President described as "a very good year," inflation was reduced to 3.4 percent, and the prospects for going under 3 percent looked good. With the present upsurge in prices, the continuing upsurge in prices, that trend has now been reversed, to the detriment of the consumer; and if allowed to continue, it will mean that everybody—the producer, the middleman, and the consumer—will be caught in the middle of inflation, and we will all pay the price.

The factors to consider are inflation, especially in foods; the second devaluation of the dollar; the drop in the stock market; and the continued adverse balance of trade. These four factors together have put us all in a serious economic bind; and if economic confidence is to be restored, something must be done along the lines of phase II.

It would be my hope that with regard to any relevant legislation, Congress would insist again on wage and price controls. The Senate has acted on phase III just this week, but I am confident in the days and weeks ahead, there will be additional legislation offered to help restore a sound economy. It is my hope that the President would act in accord with Congress, to the end that prices can be brought into line, inflation controlled, and the dollar, which in my opinion is most seriously undervalued, restored to its real value.

Flexibility and the club in the closet—the trademarks of phase III—are not working and, in my opinion, will not work.

Mr. SCOTT of Pennsylvania. Mr. President, we play with figures here, not to our confusion but to the confusion of the public, I fear.

When it is asserted that Congress has cut the budget over a period of several years by $22 billion, it should be remembered that, at the same time, Congress has exceeded the budget in other areas and in other categories; that most of the cuts are made in favorite scapegoats of Congress—the foreign aid program, the defense program.

The increase of $20 billion in the next budget submitted by the administration contains only a $4.6 increase for the Defense Department, an increase which Congress, itself, voted—and more—by increasing the salaries and pay of the Armed Forces.

The distinguished majority leader is quite right when he makes the point that this administration has undertaken to engage in the expenditure of $100 billion in excess of the budget. But where did the $100 billion come from? It came from the only place it could come from, which is Congress. Congress is in control of the majority party.

It should be remembered that this or any other President can never spend a single Lincoln cent that is not appropriated by Congress. So any money the President spends, he got from Congress; and any money Congress ordered spent, it got from the people's hide.

So you cannot have it both ways. You cannot argue that you save $22 billion, but the President spent $100 billion, when Congress did both of these things, and when Congress says to the President, "You not only must spend $100 billion which we gave you and expect you to spend, but hereafter we are going to order you to spend even more."

That kind of procedure exactly illustrates my pont that the blame is on Congress. If the President is compelled to expend moneys which incur a deficit, the President reacts by saying, "All right, within limitations I will spend that; but beyond certain limitations, I ought not be required to spend it unless Congress is prepared to impose a 15-percent tax increase on every family, every taxpayer, in America to pay for it."

So I do this simply to keep the record clear. The majority party has been in control of Congress more than 90 percent of the time in the last 40 years; and more than 90 percent of the time, therefore, the spending has been spending by Congress and the paying has been paying by the people.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SCOTT of Pennsylvania. I am glad to yield.

Mr. MANSFIELD. The minority leader says that Congress plays with figures. I would say, in brief, that the administration's figures play.

I point out that when the Senator talks about Congress, he talks about his party, on that side of the aisle, as well as the Democrats over here, and we just cannot split the difference, because this aisle is not made that way. The RECORD will speak for itself.

Figures may be parlayed into this, that, or the other thing; but the figures do not lie so far as administration budget deficits and savings by Congress in administration budget requests are concerned. Congress simply does not provide the administration with as much spending money as the administration seeks. That has been the case in every single year this current administration has been in office. It was the case before, and I am confident it will continue to be the case. And we should be proud that we, as a Congress—Republican and Democrat alike—have compiled such an outstanding record on budget cuts.

Mr. SCOTT of Pennsylvania. At least 33 Republican Senators have signed on the line for fiscal responsibility; and if they can manage to live up to that, then the responsibility will move even more markedly and more clearly toward the majority side.

Mr. MANSFIELD. Fifty-seven Democratic Senators have indicated that they are going to keep within the budget presented by Congress this year and reduce it, if possible. But we will reorder priorities in the meantime.

Mr. MANSFIELD subsequently said: Mr. President, the Wall Street Journal editorial on Tuesday, March 20, 1973, comments on the desirability of the Senate Democrats preparing a budget. They rightly comment that it is only in this way that the issue of priorities can be met. It is the only way that the Congress will restore to itself the responsibility that is so appropriately that of Congress—determining where this Nation's resources will be directed.

I would advise the editorial writers of the Wall Street Journal, however, to reserve comment on the substance of the proposals until they see them. This undertaking has been under study by the Senate Democrats since January of this year. It will not be a partisan effort, but it will be, I hope, a sensible and responsible proposal that will permit the Congress to determine priorities and emphases—a responsibility that is so appropriate for elected officials of this Government.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial published in the Wall Street Journal which the distinguished minority leader (Mr. SCOTT of Pennsylvania) has already inserted, but I ask again that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE CAN HARDLY WAIT

The good news is that Senate Democrats are going to compile their own federal budget to counterpoise President Nixon's. The bad news is that they plan to do it all in two weeks.

By now practically everyone recognizes that Congress is at an immense disadvantage in the budget debate with the President because it has no way to view the total budget. Each committee dispenses largess on its own turf, but no one watches what total spending comes to. But you have to control total spending to have any effect in controlling inflation, and at the moment controlling inflation is a far more important domestic priority than almost anything the individual committees attend to. So the debate pits Congress armed with all its little priorities against the President armed with priority number one.

To overcome this handicap, Congress has to come up with a budget no more inflationary than the President's, but with funds juggled from one program to another to suit congressional tastes. Seriously working out such a program would necessitate facing real issues of priority, and thus would be the biggest single step we could think of toward restoring Congress' sense of responsibility and therefore reversing its lamented loss of prestige. If it can find no way to gain budget oversight, Congress will remain merely a collection of spokesmen for assorted vested interests. If it can gain oversight, Congress would have to be taken seriously in a debate on national priorities.

Serious oversight, though, is going to require running the budget through the serious power centers of Congress—Appropriations, Ways & Means, Armed Services. That is, through men who understand the underlying complexities that have aleady shaped the President's budget. So while we suppose any step in the right direction needs to be saluted, we have our doutbs about the current proposal for a counter-budget, which is supposed to come from the Democratic Policy Committee, a center not of responsibility but of partisanship.

With a little help from the Brookings Institution, any junior staff member can run through the presidential budget, lopping $5 billion off defense to add to the poverty war, and running up tax reform savings to be spread here and there. In fact, the Policy Committee staff may even be able to meet the two-week deadline because so much of the spadework for this sort of effort was done during last year's presidential campaign.

The Democratic candidate's advisers redid the whole Pentagon budget, you remember, proving that huge savings were at hand. It would have been more convincing if they hadn't overlooked the necessity of buying gas to run the planes and ships. There was also a highly detailed plan for tax reform, proving that it could raise enough money to give $1,000 to everybody.

That sort of "counter-budget" wouldn't be the huge step toward responsibility we have had in mind, but we must concede that it would probably be quite helpful in clarifying the debate over priorities. Counting ourselves among those who think the President's priorities are about right, in fact, we can hardly wait.

Mr. McCLELLAN. Mr. President, I would like to state, in connection with the remarks of the distinguished majority leader on the suggestion that Congress could balance its own budget, that we are taking some efforts to establish a ceiling in the Senate. As you may know, Mr. President, I have requested from the Appropriation Subcommittee chairman to submit to me figures which set a tentative ceiling—an overall goal that the subcommittee will undertake to achieve in processing its appropriation bill.

We have heard from all, but two of these chairmen. When these reports are received, the full committee will arrive on an overall appropriation ceiling and at that time I will make a report to the Senate.

This will not be one man's idea. This will be a composite of the collective judgment of the chairmen of the Appropriations Subcommittees that are handling the various appropriation bills.

Mr. MANSFIELD. It should be emphasized, though, that the initiative has come from the chairman of the Appropriations Committee, the distinguished Senator from Arkansas (Mr. McCLELLAN).

This is another indication that what we are trying to do is not only to live within the budget sent by the President but also, if possible, to cut that budget and bring about a reordering of the priorities, so that all the people can be taken care of and that their money will not go into additional military appropriations abroad, or operational bases to be maintained, or another foreign aid program, and things of that sort.

I believe that under the chairmanship of the distinguished Senator from Arkansas (Mr. McCLELLAN) we are going to succeed.

Mr. McCLELLAN. I thank the distinguished Senator from Montana.

ORDER OF BUSINESS—INTRODUCTION OF BILLS

The PRESIDING OFFICER. Under the previous order, the Senator from Maryland is recognized for not to exceed 15 minutes.

(The remarks Senator BEALL made at this point on the introduction of S. 1318, the Elementary School Reading Emphasis Act of 1973, and the cosponsoring remarks are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado is recognized for not to exceed 15 minutes.

(The remarks Senator DOMINICK made at this point on the introduction of S. 1319, the Better Schools Act of 1973, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is recognized for not to exceed 15 minutes.

WITHDRAWAL OF U.S. FORCES FROM EUROPE

Mr. GRIFFIN. Mr. President, last Thursday our distinguished majority leader placed in the RECORD a copy of a resolution adopted by the policy committee of the majority party—a resolution which seems to have a rather disarming objective: Reduction of military expenditures overseas.

The resolution is "disarming" because it is couched in benign general terms, mentioning no particular area or country where our forces should be reduced.

But a discussion among Democratic Senators that followed on the Senate floor last Thursday left no doubt as to the real purpose of the resolution.

It is a call for the unilateral withdrawal of up to 200,000 U.S. troops from Europe, depending upon which Senator was presenting his policy analysis.

Mr. President, such a partisan resolution comes at a most inappropriate time. For, if unilateral withdrawal from Europe were mandated, as advocates of this resolution suggest, there can be no real doubt but that President Nixon's effort to negotiate a mutual and balanced reduction of forces in Europe by the United States and the Soviet Union would be seriously eroded and undermined.

In addition, ironically, such a move would serve to repudiate the policy of a Democratic President, John F. Kennedy, when he said in Bonn, Germany:

> . . . our troops are in Western Europe because it meets a very vital need of the United States. The security of Europe, the freedom of Western Europe, is essential to the security of the United States. This is why we are here.

Who will forget that it was President Kennedy who stood in the Rudolph Wilde Platz and said:

> Ich bin ein Berliner.

To be sure, that was at a time when the cold war was hotter than is the case today. But then, as now, our NATO alliance was a keystone of our global defense policy.

No one denies now—no one has ever denied—that keeping American troops in Europe is costly. But the real questions are: What is freedom worth? What is the cost of peace?

President Kennedy's statements in 1963 made clear the importance of U.S. forces in West Berlin and in Western Europe. They served to inspire a sense of unity in NATO.

They must also have given pause to expansionist advocates behind the Iron Curtain.

Since then, during the past 10 years, some remarkable changes have been wrought in our foreign and defense policies, particularly under the Nixon doctrine.

But let us not forget that a cardinal and basic point of the Nixon doctrine is that we have not repudiated our alliances—even though we do intend, in accordance with a careful, rational timetable, to reduce our overseas commitments in terms of conventional forces.

The Nixon doctrine is attuned and orchestrated on a global basis. It is not directed or confined to one country or to one area of the world.

Of course, one of the most noticeable changes has come in Vietnam, where we have already withdrawn 543,000 U.S. troops as the South Vietnamese have gradually assumed responsibility for defense of their own country.

A peace agreement has been negotiated, and most of our known prisoners of war have been returned to American soil.

We have seen diplomatic relations established with the People's Republic of China, a nuclear arms control agreement was entered into with the Soviet Union, stability has been maintained in the Near East, Okinawa was returned to Japanese control, an agreement on the status of Berlin, and a detente between West and East Germany were achieved.

Clearly, the next logical step in the implementation of President Nixon's policy would be a mutual and balanced reduction of forces in Europe.

But it is precisely the wrong moment—when negotiations are about to begin to achieve the goal of mutual and balanced force reductions—to be met with a resolution such as that which has come from the Senate Democratic Policy Committee—a resolution generally interpreted as a call for unilateral withdrawal of U.S. Forces without any commitment on the part of the Soviet Union.

Mr. President, the views on this complex and sensitive subject are not delineated or limited along partisan political lines.

Because that is true and because this matter goes to the heart of the defense policy of the United States and the free world, I believe it was particularly inappropriate for the Democratic Party in the Senate to adopt such a resolution on a party basis.

Such a move, on a party basis, erodes still further any pretense of preserving in the Senate the desirable and traditional concept that when the Nation's security is at stake partisan politics stops at the water's edge.

Mr. President, I ask unanimous consent to have printed in the Record a very illuminating article entitled "America in Europe," written by Jeffrey Record and published in the Washington Sunday Star of March 18, 1973.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star and Daily News, Mar. 18, 1973]

America in Europe—Soviet Force Designed for Blitzkrieg

(By Jeffrey Record)

Since it assumed office in 1969, the Nixon administration has confronted growing domestic and international pressures to reduce the number of U.S. troops in Europe. Those troops—some 300,000 of them—not only contribute heavily to America's imbalance of payments abroad but also appear to a war-weary public and to many congressional critics an anachronism in a Europe presumably capable of protecting itself.

So far the White House has successfully parried demands for withdrawals. The President has quite correctly asserted that any unilateral abridgement of U.S. combat power in Europe would irreparably weaken NATO's ability to defend itself. The foundation of that assertion is a recognition that the nature of Soviet military might on the continent has remainded basically unchanged despite a definite and much-heralded thawing of relations between East and West.

Indeed, it is the character and not the fact of Soviet military power in Europe that has generated unease in the West since the close of the Second World War. The North Atlantic Treaty Organization was created in 1949 to counter that power, the preliminary discussions on mutual and balanced force reductions (MBFR) now underway in Vienna invite the prospect of diminishing it.

My purpose here is not to explore the intricate complexities of MBFR or investigate possible means of achieving it, but to review certain aspects of Soviet conventional military power in Europe which continue to give rise to suspicion, mistrust and even fear on the part of NATO, and to which the Vienna conference must of necessity address itself. I would focus upon the size, disposition and structure of ground forces, particularly those deployed in central Europe (the Central Front or NATO Center) the arena of major military confrontation on the continent.

Three basic conclusions emerge: (1) the size of Soviet ground forces in Europe is grossly disproportionate to their stated purposes; (2) their structure reveals preparation for offensive and not defensive military operations; and, (3) truly "balanced" force reductions will require a contraction of existing Soviet military power far in excess of what NATO may safely entertain for its own forces.

Perhaps the most significant assymetry between NATO and the Soviet Union is their respective assessments of the duration of future conflict in Europe. In sharp contrast to NATO's doctrinal and structural emphasis on protracted war, Warsaw military power (which for all practical purposes is Soviet military power), is postured for a short, intense conflict of perhaps no more than six weeks.

Warsaw Pact (Soviet) military doctrine calls for the speedy conquest of NATO Center by means of a massive, unstinting blitzkrieg—regardless of whether or not nuclear weapons are employed or of the circumstances attending the outbreak of hostilities. Tactical guidelines established by the Soviet General Staff for armored units postulate initial penetrations of up to 100 kilometers, and subsequent daily advance rates of 40 to 80 kilometers.

Motorized rifle units are to follow advancing armor, encircling and mopping up remaining pockets of resistance. The object of such a strategy is clear: to overrun Western Europe before NATO can mobilize its potentially greater resources.

The size, disposition and structure of Soviet and Warsaw Pact forces reflect close adherence to the doctrine of blitzkrieg. The magnitude of the Russian garrison in Eastern Europe (31 divisions) is grossly disproportionate to any conceivable requirements for either maintenance of the Kremlin's political preponderance in the region or its defense from external attack.

The concentration of 20 crack divisions in East Germany suggests that they would be the cutting edge of any major Communist thrust into NATO Center and that their primary axis of advance would be across the North German Plain. A rapid southward turning movement here could quickly cut off the U.S. and West German divisions which are located well forward of the Rhine River.

Not only is the terrain there much more suitable for swift armored penetration than the more mountainous topography further south, but also Soviet forces stationed in East Germany are closer to such key objectives as the Rhine and the Channel ports than are Soviet forces deployed elsewhere along the Central Front.

The structure of the Russian garrison in Eastern Europe, no less than its disposition and inordinate size, indicates a military establishment designed for highly mobile offensive operations at the theater level.

A major manifestation of this posture of quick-win is the high ratio of combat to support troops maintained at the divisional level, estimated at between 3 and 4 to 1. Thus 75–80 percent of Soviet divisional manpower is allocated to combat functions and only 20–25 percent is assigned to support units. Such an extraordinary ratio clearly favors a short, intensive war, since a protracted conflict would compel support-poor Warsaw Pact forces to rely increasingly on inferior and less manageable civilian transportation and supply resources.

In fact, from a purely logistical standpoint a war of extended duration would be doubly disadvantageous for the Soviet alliance because it would be confronting NATO formations on the battlefield whose relatively low ratio of combat to support troops (about 3:2 at the divisional level) is designed to sustain combat for much longer periods of time.

The Warsaw Pact's emphasis on combat at the expense of support is graphically revealed in the high proportion of tanks in their divisons. For example, of the 31 Soviet divisions stationed in Eastern Europe, 16 are armored; all of the remaining 15 are motorized rifle divisions possessing an unusually large number of tanks.

The USSR's strong reliance on tanks—inherently offensive weapons—is reflected in the high ratio of tanks to men. Although the number of men in a Soviet armored division (8,400) is less than half that assigned to a U.S. armored division (17,500), the former fields 324 tanks while the latter counts eight fewer. Thus the 1:54 tank-men ratio for the U.S. is exactly 50 percent of the 1:27 ratio maintained by the USSR. With respect to mechanized infantry/motorized rifle divisions, the figures are 216 tanks/16,000 men for the U.S. versus 188 tanks/10,500 men for the Soviet Union.

Additional evidence of an offensive short-war posture includes the Warsaw Pact's power to mobilize and deploy rapidly extra military formations along the Central Front and its reliance on a unit replacement system.

Warsaw Pact mobilization and deployment capabilities oppose NATO Center are formidable. At no expense to its formation deployed along the Sino-Russian border, the Soviet Union can double the number of its divisions, tanks, and men now available in Eastern Europe for immediate combat against NATO within 30 days, and almost triple them witin 120 days.

The key to the USSR's capacity for such swift mobilization is its reliance on cadre rather than simple reserve units to augment its combat-ready forces. In addition to 65 full-strength divisions the Soviet Army musters almost 100 divisions in lesser stages of readiness, over 60 of which are stationed within relatively easy reach of central Europe.

Unlike U.S. reserve formations, which are composed entirely of part-time and in many cases poorly trained soldiers (thus requiring larger periods of post-mobilization training), Soviet cadre divisions are a combination of active, full-time personnel and comparatively well-drilled reservists.

Non-Soviet armed forces of the Warsaw Pact vary with respect to political reliability, and it is questionable whether even active Hungarian and Rumanian units would be employed to bolster a Pact buildup. At a minimum, however, the Warsaw pact should be able to count on an additional Czechoslovakian and 11 Polish divisions within the first month following the decision to mobilize.

NATO's capacity to offset the Pact's ability to mobilize and deploy additional military power in central Europe during the crucial first 120 days of buildup is at best marginal.

Notwithstanding the greater size of NATO divisions and the generally recognized qualitative superiority of the alliance's major weapon systems (particularly tanks and aircraft) over those of the adversary, NATO is currently incapable of maintaining even a 1:2 ratio of divisions, main battle tanks, and combat troops vis a vis the Pact during most stages of the first four months of mobilization. Yet achievement of this ratio is considered essential by many analysts for an effective forward defense, which in turn, is a prerequisite for protracted war.

Twenty and one-third non-U.S. NATO divisions are currently allocated to NATO Center. Yet, even drawing upon a large portion of their national forces not formally committed to the alliance, together, Belgium, the Netherlands, Great Britain, Canada, West Germany and France probably could not add more than 15⅔ additional divisions within 120 days.

The central weakness of NATO's mobilization potential, however, is the inability of the United States—the ultimate source of major reinforcement for the alliance—to mobilize its own reserves at a pace equivalent to that of the Soviet Union. The United States currently maintains 4⅓ divisions on the continent. The 3⅔ divisions based in the continental United States but earmarked for European contingencies could, of course, be deployable to NATO within 60 days as could perhaps another three divisions drawn from the U.S. strategic reserve and the Marine Corps. National Guard and regular service reserves, however, are not considered deployable for at least four months. Indeed, some recent studies have concluded that a minimum of 200 days would be required before reserve divisions could be made combat-ready.

Thus there exists the very prospect that the Warsaw Pact's potential military power may be fully mobilized before the first reserve division from the United States could reach the continent.

A final indication of the Pact's quick-victory stance is its use of the unit system of replacement. Restoring combat loses on a unit rather than an individual basis permits greater amounts of men and equipment to be transported to the front and in a much shorter time. The unit system is much more suited for a short, intense conflict than is NATO's individual replacement scheme.

By sending forward entire units rather than single individuals, the Pact can offset the high attrition rates projected for a brief, decisive war in Europe and at the same time avoid much of the tedious paperwork inherent in NATO's method of replacement.

This terse analysis of certain aspects of Soviet military power in Europe suggests a number of conclusions. First, the size of both deployed and mobilizable Soviet armed forces on the continent far surpasses that necessary to serve Russian security interests in Europe. Existing forces are more than sufficient to protect Eastern Europe against a NATO which, in its current posture, provides no offensive threat to the Warsaw Pact.

More importantly, with respect to the maintenance of Soviet political preponderance in Eastern Europe, it is questionable whether even a token military presence in that region is necessary to insure Moscow's ability to intervene forcibly in the affairs of individual Pact states. For example, the absence of a Soviet military presence in Czechoslovakia in 1968 did not hinder the USSR's capability for a lightning occupation of that country and replacement of its "deviant" regime. Conversely, the presence of Soviet forces has proved no guarantee of immunity from anti-Soviet uprisings such as those that erupted in East Germany in 1953 and in Hungary three years later.

Second, notwithstanding, Moscow's pretensions to the contrary, the structure of these forces indicates that they were designed for an offensive campaign. This is not to imply that a war is on the horizon or even that the prospect of conflict is not remote, particularly in an era of budding detente between the United States and the USSR. It *is* to say, however, that a disturbing disparity exists between the stated rationale of the Soviet garrison in Eastern Europe and its actual posture.

Finally, with respect to MBFR, no agreement can be satisfactory to the West that does not call for significantly disproportionate reductions in Russian ground forces since anything approaching a one-to-one stand-down would reduce NATO's already marginal ability to sustain a succession forward defense of Western Europe.

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. GRIFFIN. If I have any time remaining.

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. GRIFFIN. I yield it to the Senator from Alabama.

ORDER FOR JOINT REFERRAL OF MESSAGE FROM THE PRESIDENT

Mr. SPARKMAN. Mr. President, I ask unanimous consent that a message received today from the President of the United States, together with an accompanying report, be referred jointly to the Committee on Banking, Housing and Urban Affairs and the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President is as follows:

To the Congress of the United States:

The Nation is again at peace. We also are firmly on the course of strong economic growth at home. Now we must turn more of our attention to the urgent problems we face in our economic dealings with other nations. International problems may seem to some of us to be far away, but they have a very direct impact on the jobs, the incomes and the living standards of our people. Neither the peace we have achieved nor the economic growth essential to our national welfare will last if we leave such matters unattended, for they can diminish our prosperity at home and at the same time provoke harmful friction abroad.

Our major difficulties stem from relying too long upon outdated economic arrangements and institutions despite the rapid changes which have taken place in the world. Many countries we helped to rebuild after World War II are now our strong economic competitors. Americans can no longer act as if these historic developments had not taken place. We must do a better job of preparing ourselves—both in the private sector and in the Government—to compete more effectively in world markets, so that expanding trade can bring greater benefits to our people.

In the summer of 1971, this Administration initiated fundamental changes in American foreign economic policy. We have also introduced proposals for the reform of the international monetary and trading systems which have lost their ability to deal with current problems. The turmoil in world monetary affairs has demonstrated clearly that greater urgency must now be attached to constructive reform.

At home, we have continued our fight to maintain price stability and to improve our productivity—objectives which are as important to our international economic position as to our domestic welfare.

What is our next step?

In my State of the Union message on the economy last month, I outlined certain measures to strengthen both our domestic and international economic position. One of the most important is trade reform.

In choosing an international trade policy which will benefit all Americans, I have concluded that we must face up to more intense long-term competition in the world's markets rather than shrink from it. Those who would have us turn inward, hiding behind a shield of import restrictions of indefinite duration, might achieve short-term gains and benefit certain groups, but they would exact a high cost from the economy as a whole. Those costs would be borne by all of us in the form of higher prices and lower real income. Only in response to unfair competition, or the closing of markets abroad to our goods, or to provide time for adjustment, would such restrictive measures be called for.

My approach is based both on my strong faith in the ability of Americans to compete, and on my confidence that all nations will recognize their own vital interest in lowering economic barriers and applying fairer and more effective trading rules.

The fact that most of these comments are addressed to the role of our Government should not divert attention from the vital role which private economic activity will play in resolving our current problems. The cooperation and the initiative of all sectors of our economy are needed to increase our productivity and to keep our prices competitive. This is essential to our international trading position. Yet there are certain necessary steps which only the Government can take, given the worldwide scope of trading activity and the need for broad international agreement to expand trade fairly and effectively. I am determined that we shall take those steps.

I know that the American people and their representatives in the Congress can be counted on to rise to the challenge of the changing world economy. Together we must do what is needed to further the prosperity of our country, and of the world in which we live.

RICHARD NIXON.

THE WHITE HOUSE, *March 22, 1973.*

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia is recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that I may yield my time to the distinguished Senator from Arkansas (Mr. McCLELLAN), and that the time allotted to the Senator from Arkansas be allotted to the Senator from Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Arkansas is recognized for not to exceed 15 minutes.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from Virginia for yielding to me at this time.

THE FISCAL RESPONSIBILITY OF CONGRESS

Mr. McCLELLAN. Mr. President, in recent years, the Congress has clearly failed to observe the discerning counsel of Thomas Jefferson, who said:

> To preserve our independence we must not let our leaders load up with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.

We have piled debt upon debt, stacked deficit upon deficit, and incurred continuing financial obligations that are most difficult, if not impossible, for our Government to accommodate. We have created a fiscal strain that is moving rapidly toward dimensions of a grave fiscal crises. The strength and capacity of our economy and borrowing power are not unlimited. They cannot and will not indefinitely support and tolerate the unsound and irresponsible fiscal policies that we have been and are now pursuing. Yet, in every session of Congress, we propose and continue to establish new and more costly services and programs which increase Federal obligations and help to fuel the fires of inflation. These new obligations open even wider the appropriations faucet and continually increase the flow of Federal spending.

The 92d Congress alone enacted legislation authorizing the spending of more than $320 billion over the next 5-year period to fund some 148 new and expanded governmental services and programs.

Among them are:

First. The Rural Development Act of 1972—Public Law 92-419—which has an estimated cost of $1.7 billion over the next 5 years.

Second. The Military Procurement Appropriation Authorization of 1972—Public Law 92-436—which will cost an estimated $20.9 billion in this 1973 fiscal year.

Third. An amendment to the Public Debt Limitation Act of 1972—Public Law 92-336—which will increase social security benefits by $40 billion over the next 5 years.

Fourth. The Education Amendments of 1972—Public Law 92-318—which have an estimated $18.5 billion cost during the 1972-75 fiscal years.

Fifth. The State and Local Fiscal Assistance Act of 1972, the general revenue sharing act—Public Law 92-512—which will cost an estimated $29.6 billion over the next 5 years.

Sixth. The National Cancer Act of 1971—Public Law 92-218—which has an estimated cost of $1.59 billion during the 1972-74 fiscal years.

Seventh. The Emergency Employment Act of 1971—Public Law 92-54—which will cost an estimated $2.25 billion over 5 years.

Eighth. An amendment to the Water Resources Research Act of 1971—Public Law 92-175—which has an estimated 5-year cost of $41.4 billion.

Ninth. The Federal Water Pollution Control Act Amendments of 1972—Public Law 92-500—which are estimated to cost $24.6 billion during the 1972-75 fiscal years.

These nine acts alone, if fully funded, will add a total of $180 billion to the cost of the Federal Government during the next 5 years. It is significant to note that this will increase the cost of our Federal Government by an average of $36 billion each year over what we are now spending in fiscal 1973.

I submit that such exorbitant increases, together with other budgetary demands, will dangerously exceed our tax revenues unless there is an equivalent reduction in the present level of annual appropriations. And, I see no prospect whatsoever that such substantial reductions in current spending obligations can or will be made

Mr. President, the foregoing clearly demonstrates that the practice of enacting authorization measures which incur Federal spending obligations greatly in excess of our fiscal resources is continuing unabated and unrestrained.

As an illustration of this continuing trend, we find that for the first 2 months in which the 93d Congress was in session—from January 3 to February 28 of this year—a total of 1,057 bills have been introduced in the Senate. An examination and cost appraisal of these measures indicates that should they all be enacted into law and adequately funded they would increase the cost of the Federal Government by an astonishing $20.4 billion during the fiscal year immediately following their enactment. This does not include spending which would result from those measures that provide for open ended authorizations.

Among the proposals introduced within the first 2 months of this session to which I have referred are:

First. S. 12—To establish an Urban Parkland Heritage Corporation at a cost of $1 billion.

Second. S. 38—The Airways Development Acceleration Act which was passed by the Senate on February 5, 1973, and authorizes appropriations of $420 million.

Third. S. 361—which authorizes appropriations of $500 million for housing and community development in rural areas.

Fourth. S. 502—which authorizes appropriations of $5.9 billion for various kinds of highway and mass transit aid.

Fifth. S. 606—The omnibus rivers, harbors and flood control bill which was passed by the Senate on February 1, 1973, and authorizes about $590 million in appropriations.

Sixth. S. 880—which authorizes appropriations of $3 billion for the National Aeronautics and Space Administration.

Seventh. S. 1031—which provides some $450 million for the establishment of essential rail lines.

It will be noted that these seven measures alone, if enacted and fully funded, add a total of $11.860 billion to future Federal obligations. Current Federal revenues and the potential borrowing power of our treasury are simply not adequate to meet such heavy demands.

Since fiscal 1969 alone, the gross Federal debt has been increased by more than $106 billion, and the current budget for fiscal 1974 projects another $32 billion being added to this swollen national liability. How long can this continue? I do not know, and I doubt very much if the collective judgment of the Congress can supply the answer. But, good sense tells us that it cannot continue indefinitely, and the better part of wisdom suggests the compelling necessity for ending the reckless practice of spending beyond our means.

I am sure we all share a common interest in bringing Federal spending into better balance with revenues and in funding our commitments more nearly on a pay-as-you-go basis. Our current efforts to achieve this goal are not sufficient; they are wholly deficient. And we, the elected representatives of the people, whose duty it is to adopt and pursue sound fiscal policies, have woefully failed to meet that responsibility.

Mr. President, we must now begin meeting that responsibility. As Thomas Jefferson said, "We must make our election"—the choice is ours. Indifference, procrastination, or lack of courage to act—lack of courage to do what must be done—will surely doom us to the fate of "profusion and servitude" about which Jefferson so profoundly warned us more than 157 years ago.

REMOVAL OF INJUNCTION OF SECRECY FROM THE AMENDMENTS TO THE INTERNATIONAL CONVENTION ON LOAD LINES, 1966, AND THE STRASBOURG AGREEMENT CONCERNING THE INTERNATIONAL PATENT CLASSIFICATION

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the amendments to the International Convention on Load Lines, 1966, adopted at London on October 12, 1971—Executive D, 93d Congress, 1st session—and the Strasbourg agreement concerning the international patent classification, signed March 24, 1971—Executive E, 93d Congress, 1st session—transmitted to the Senate today by the President of the United States, and that the amendments and agreement with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages from the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to acceptance of the Amendments to the International Convention on Load Lines, 1966, adopted at London on October 12, 1971, I transmit herewith a certified copy of those amendments. I transmit also the report of the Department of State with respect to the amendments recommending early acceptance of the amendments by the United States.

The 1966 Load Lines Convention established new uniform rules concerning the limits to which ships on international voyages may be loaded. Its purpose was to bring international load line regulations into accord with modern developments and techniques in ship construction. The purpose of the new amendments is to correct errors and ambiguities in the 1966 Convention on Load Lines which have become apparent since 1966.

The new Amendments should make the 1966 Convention more effective in bringing improvements in safety of ships as well as in the economics of shipping. I recommend that the Senate give the Amendments early and favorable consideration.

RICHARD NIXON.

THE WHITE HOUSE, *March 22, 1973.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Strasbourg Agreement Concerning the International Patent Classification, signed March 24, 1971. I transmit also, for the information of the Senate, the report from the Department of State with respect to the Agreement.

The purpose of the Agreement is generally similar to that set forth in the Nice Agreement Concerning International Classification of Goods and Services to which Trademarks are Applied, as revised at Stockholm July 14, 1967, and the Lacarno Agreement Establishing an International Classification for Industrial Designs, signed October 8, 1968. Both of these earlier Agreements were approved by the Senate on December 11, 1971. The countries party to the Agreement constitute a Special Union under the Paris Union established by the Paris Convention for the Protection of Industrial Property, last revised in 1967 at Stockholm. The Special Union consists of an Assembly of all contracting parties and a Committee of Experts. Pursuant to the Agreement a common classification is adopted for patents for invention, inventors' certificates, utility models and utility certificates, to be known as the "International Patent Classification" and provisions are included for its amendment.

It is important from the standpoint of the interest of patent owners and from the standpoint of effective government administration of its patent functions that the United States become a party to the Agreement so that it may participate as a member of the Special Union.

I recommend that the Senate give early and favorable consideration to this Agreement and give its advice and consent to ratification.

RICHARD NIXON.

THE WHITE HOUSE, *March 22, 1973.*

ORDER TO HOLD TWO BILLS AT DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 5446, to extend the Solid Waste Disposal Act, as amended, for 1 year, and H.R. 5445, to extend the Clean Air Act, as amended, for 1 year, when received, be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. BIDEN). Under the previous order, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) is now recognized for not to exceed 15 minutes.

DEVALUATION OF THE DOLLAR

Mr. HARRY F. BYRD, JR. Mr. President, the leadership has notified the Senate that next week the legislation dealing with gold revaluation or dollar devaluation, either way we want to express it, will be called up for consideration.

The legislation, S. 929, would amend existing law by striking four lines and inserting four new lines. But in doing that, it will, because of the maintenance of value clauses in the articles of agreement establishing the international lending institutions, result in additional appropriations totaling some $2.2 billion.

Another way of saying it, Mr. President, is that the devaluation of the American dollar which took place just recently will cost the Treasury in additional appropriations over a period of time, $2.2 billion.

The report of the Committee on Foreign Relations dealing with this legislation points out that the budgetary effect of S. 929 with respect to the international lending institutions could be relatively modest in a particular year if it is spread out over a long period of years by extending letters of credit. But that is a bookkeeping fiction. The fact is that devaluation, whether it is done immediately or over a period of time, will cost the taxpayers $2.2 billion in additional appropriations.

In substantiation of those statements, Mr. President, I cite the report from the Committee on Foreign Relations dealing with S. 929. The figures I have cited are on page 2 of that report.

I have not heretofore opposed devaluation, for the simple reason that it merely formalizes what already has taken place—namely, the dollar has deteriorated in value. The dollar is worth less. There have been two formal devaluations of the dollar in the last 14 months. As a result of those two formal devaluations, the dollar formally is worth at least 20 percent less than it was before December 1971. The reason for this gets back to the lack of confidence in the dollar; it gets back to the smashing Government deficits that the Federal Government has been running over a period of time.

I have prepared a tabled captioned "Deficits in Federal Funds and Interest on the National Debt, 1955–1974, Inclusive," and it shows that our Government has had a deficit in its administrative budget every year since 1960. During the 20-year period of 1955 through 1974, there have been 17 deficits. The only three times when the budget was balanced, when it showed a small surplus, were during the administration of the late President Eisenhower. Since 1960 there has been a deficit in the Federal funds accounts of our Government. The deficits, unfortunately, have increased in the last few years. The heaviest deficits in the history of our Nation have occurred during the 4-year period of fiscal 1971 through fiscal 1974.

The only exception to that was during the 4 years of World War II, when the United States was fighting a war in Europe and another war in the Pacific, and when we had 12 million men under arms.

Mr. President, unless Congress and the President, working together, are able to put the Government's financial house in order, I predict that there will be continuing devaluations of the dollar. There will be continued deteriorations in the value of the dollar. That means that every workingman will feel the effect of this, every housewife will feel the effect of it, in the way of increased inflation. Inflation is on the upgrade. It was slowed for a while—a year ago, a few months ago—but every sign today points to increasing inflation. Every housewife knows that. Maybe we in Congress do not know that, but every housewife knows it.

I submit that the major cause of these inflations is the smashing deficits. In this current fiscal year we have the highest Federal funds deficit in the history of the Nation, with the exception of that short period during World War II, when we had 12 million men under arms.

So as we consider the proposed legislation, S. 929, which will be submitted to the Senate next week, it seems to me that it is important to focus attention on the Government's financial situation.

Mr. President, I ask unanimous consent to have printed in the RECORD three tables which I have had prepared, one showing deficits in Federal funds and interest on the national debt, 1955–74, inclusive; another showing receipts in billions and expenditures in billions, for the fiscal years 1969 through 1974; and a third table showing U.S. gold holdings, total reserve assets, and liquid liabilities to foreigners, for selected periods.

There being no objections, the tables were ordered to be printed in the RECORD, as follows:

	Fiscal year—						
	1968	1969	1970	1971	1972	1973[1]	1974[1]
RECEIPTS IN BILLIONS							
Individual income taxes	$69.0	$87.0	$90.0	$86.0	$95.0	$99.0	$112.0
Corporate income taxes	29.0	37.0	33.0	27.0	32.0	34.0	37.0
Total	98.0	124.0	123.0	113.0	126.0	133.0	149.0
Excise taxes (excluding highway)	10.0	11.0	10.3	10.5	9.1	9.4	9.6
Estate and gift	3.0	3.5	3.6	3.7	5.2	4.6	5.0
Customs	2.0	2.3	2.4	2.6	3.2	3.0	3.3
Miscellaneous	2.5	3.0	3.4	3.9	3.5	4.0	4.1
Total, Federal fund receipts	116.0	143.0	143.0	134.0	149.0	154.0	171.0
Trust funds (social security retirement, highway)	38.0	44.0	51.0	54.0	60.0	71.0	85.0
Total	154.0	188.0	194.0	188.0	209.0	225.0	256.0

	Fiscal year—						
	1968	1969	1970	1971	1972	1973[1]	1974[1]
EXPENDITURES IN BILLIONS							
Federal funds	$143.0	$149.0	$156.0	$164.0	$178.0	$188.0	$199.0
Trust funds	36.0	36.0	40.0	48.0	54.0	62.0	70.0
Total	179.0	185.0	196.0	212.0	232.0	250.0	269.0
Unified budget surplus (+) or deficit (−)	−25.0	+3.1	−2.0	−24.0	−23.0	−25.0	−13.0
Federal funds deficit	−27.0	−6.0	−13.0	−30.0	−29.0	−34.0	−28.0

[1] Estimated figures.

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1955–74 INCLUSIVE

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1955	58.1	62.3	−4.2	6.4
1956	65.4	63.8	+1.6	6.8
1957	68.8	67.1	+1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	10.7
1965	90.9	94.8	−3.9	10.3
1966	101.4	106.5	−5.1	12.0
1967	111.8	126.8	−15.0	13.4
1968	114.7	143.1	−28.4	14.6
1969	143.3	148.8	−5.5	16.6
1970	143.2	156.3	−13.1	19.3
1971	133.7	163.7	−30.0	21.0
1972	148.8	178.0	−29.2	21.8
1973[1]	154.3	188.4	−34.1	24.2
1974[1]	171.3	199.1	−27.8	26.1
20-year total	2,039.5	2,272.1	232.6	264.7

[1] Estimated figures.

Source: Office of Management and Budget and Treasury Department.

U.S. GOLD HOLDINGS, TOTAL RESERVE ASSETS AND LIQUID LIABILITIES TO FOREIGNERS

[Selected periods in billions of dollars]

	Gold holdings	Total assets	Liquid liabilities
End of World War II	20.1	20.1	6.9
Dec. 31, 1957	22.8	24.8	15.8
Dec. 31, 1970	10.7	14.5	43.3
Dec. 31, 1971	10.2	12.2	64.2
Dec. 31, 1972	10.5	13.2	79.0

Source: U.S. Treasury Department.

Mr. MANSFIELD. Mr. President, will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. MANSFIELD. The distinguished Senator from Virginia has, as always, been determined in bringing the financial situation and the economic situation which confronts this country to the attention of the Senate. It is something which is applicable not only to the domestic and economic situation, but also to American expenditures of various kinds, private and public, overseas.

If the Senator would allow me to do so, I should like to read a portion of a letter which I have just received from a GI in Europe. He says:

> I look around at the prosperity here, the availability of manpower, the booming factories and economy in general, and I wonder why am I here. I wonder why our country has to pay such an enormous amount of money to defend countries absolutely indifferent about defending themselves. There is no reason why the Common Market countries cannot defend themselves eventually. If these countries can "float" their currencies against our dollar, then they ought to be able to pay for defending themselves.
>
> Since the dollar devaluation my two bedroom apartment rent increased from $196.00 to $220.00 per month. Now with the Mark revalued upward 3% and the floating of Common Market currencies against our dollar, it is bound to get worse. Gasoline for instance has increased from $15.85 to $18.65 for 5 gallons. Commissary, BX, and other EES services have increased as much as 10%. As an E5 it is very difficult to live here.

Mr. President, I thought I would bring those comments to the attention of the distinguished Senator from Virginia and the Senate, as a whole, to indicate that the cost of living, inflation, is not a domestic problem but affects our bases overseas and affects them drastically.

Mr. HARRY F. BYRD, JR. I thank the distinguished majority leader. The letter he has just read is most interesting and informative. It dramatizes the devaluation of the American dollar. It does have a definite effect on American citizens.

My comments dealt only with the Federal funds deficit. However, I want to point out, before concluding the discussion today, that we also have, in addition to a smashing Federal funds deficit, a very large trade deficit, and we have been running a smashing balance-of-payments deficit. All of this adds up to creating a very severe situation for the United States insofar as its dollar is concerned.

The letter just read by the distinguished majority leader points out the problem which will be faced by our servicemen all over the country, as a result of the last devaluation of our currency.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. HARRY F. BYRD, JR. I yield to the distinguished majority leader.

Mr. MANSFIELD. The Senator is correct in emphasizing the adverse balance of trade, which I think was somewhere in the vicinity of $7 billion last year.

Mr. HARRY F. BYRD, JR. The Senator is correct.

Mr. MANSFIELD. The year previous it was somewhere between $5 billion and $6 billion. Those were the first two adverse balances of trade, I understand, since the year 1888.

Mr. HARRY F. BYRD, JR. Well over 75 years, or some such period as that.

Mr. MANSFIELD. So we have an adverse balance of trade, the dollar has been devalued twice in the last year and a half, and I think the dollar is highly undervalued at the present time. It is more valuable than our competitors in the currency area think. Then, we have in the last 2 months the highest rate of inflation, as far as foodstuffs are concerned, in approximately 22 years. All these factors indicate that we do face a serious situation, that something like phase III will not be the answer, but that some form of controls, whether we like them or not, will be the answer.

In addition to what I had to say about inflation, especialy in food, the second devaluation of the dollar and the continuing adverse balance of trade, we have the drop in the stock market which has plummeted about 125 points since the first of the year. I own no stock, but I understand this also is an indicator and that it demonstrates a lack of confidence in the economy at home. Once we lose that confidence, that faith, I think we are in serious trouble.

I commend the distinguished Senator from Virginia for day after day and year after year rising on the floor of the Senate and making his views known, and all the time waving the warning flag because the situation is serious, and if it is not given attention, it could become much worse.

Mr. HARRY F. BYRD, JR. I thank the able Senator from Montana. The Senator from Virginia is deeply disturbed about the Government's financial situation. I see it getting worse and not better. I see inflation getting worse. That means the average citizen is going to be more adversely affected in the future than even in the past.

The PRESIDING OFFICER (Mr. JOHNSTON). The time of the Senator has expired.

TRANSACTION OF ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER.** Under the previous order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes with statements therein limited to 3 minutes each.

The Senator from Oklahoma is recognized.

PROPOSAL FOR CONGRESSIONAL CONTROL OVER EXPENDITURES

Mr. BARTLETT. Mr. President, President Nixon has incurred the wrath of many Members of Congress because of his impoundment of funds. This wrath, I believe, is misdirected. Congress can blame no one but itself for its virtual abdication of providing any budgetary controls. The President, of necessity, is having to apply the brakes on a runaway budget.

I shall introduce on Wednesday, March 28, 1973, for appropriate reference, a concurrent resolution establishing the mechanism within the rules for Congress each year to set an appropriation ceiling. I shall ask unanimous consent that the resolution be referred jointly to the Committee on Rules and Administration and the Committee on Government Operations.

Mr. President, this resolution is fairly simple in its application. It provides the following:

First. At the beginning of each year, after the submission of the President's budget, the House Committee on Ways and Means shall meet jointly with the House Committee on Appropriations to prepare for House consideration legislation establishing a congressional appropriation ceiling.

Second. The Senate Finance Committee and the Senate Appropriations Committee shall follow the same procedures and report legislation to the Senate.

Third. If after passage there is a different figure in the two bills, a conference shall be held and the differences resolved.

This would provide an opportunity for an objective determination of what the spending ceiling should be within the economics of the Nation.

Fourth. After a ceiling has been established, the appropriation process shall proceed just as it does now with hearings, executive sessions, and congressional action. However, no appropriation bill shall be enacted into law until all appropriation bills have been acted upon.

Fifth. When all appropriation bills have received House and Senate approval, a conference shall be called to consider each appropriation bill separately, keeping in mind the aggregate ceiling established earlier by the Congress.

Sixth. Under no circumstances shall the conference committee report out legislation, which in the aggregate exceeds the ceiling, unless the Congress by the procedures set forth above enacts a higher limitation.

Mr. President, this procedure will enable the Congress, I believe, to act responsibly in fiscal matters, while at the same time reflect its social priorities without exceeding its own appropriation ceiling.

Mr. President, this is as workable as it is simple. It works in my State of Oklahoma in its budgetary approach. It is simple because it requires only for Members of Congress to determine any spending limit and then to keep total appropriations within that spending limit.

ALASKA HISTORY BEING REPEATED BY CANADIANS

Mr. STEVENS. Mr. President, much has been made of the argument that the so-called trans-Canada pipeline could be constructed more quickly than the trans-Alaska pipeline. This argument is largely based on the premise that the environmental laws in our country are more stringent and more widely utilized than the Canadian laws. Specifically, the argument is premised on the fact that extreme American environmental groups will utilize our laws to block pipelines and other construction projects more frequently and with greater vigor than will their Canadian counterparts.

Because the trans-Canada pipeline is in a much more formative stage than the trans-Alaska pipeline, it has been relatively difficult until now to provide factual information to refute this argument. However, it is now becoming apparent that the extreme Canadian environmental and Native groups will likely mount an attack of greater vigor against the trans-Canada route.

In the February 21, 1973, issue of the Alaska Scouting Service, in section 1 at page 4, appeared an article entitled "Alaska History Being Repeated by Canadians." This summarizes the future prospects for the trans-Canada pipeline route.

As more information becomes available on this interesting and important aspect of the problem, I shall publish it. I request unanimous consent that the article be printed in its entirety in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Alaska History Being Repeated by Canadians

In a classic case of "monkey see, monkey one-ups", various Canadian vested interests groups are forging together in a coalition that promises to be even more powerful and effective than the environmentalist organizations opposing Alaska arctic development in the form of the Prudhoe Bay oil pipeline. An organization called Centre for Northern Studies is pushing a railroad instead of pipelines from arctic Canada, Native land claims are being pushed ahead of pipeline permits and a coalition group called Canadian Arctic Resources Committee is demanding a general slowdown in northern development. CASC wants a Native settlement, a thorough study of pipeline economics, a comprehensive northern transportation analysis and a complete study of the potential environmental impact on the entire polar region before any pipelines are approved. No timetable is mentioned for completion of these projects but presumably oil and gas could be moving to market by 2000, or so.

Mr. STEVENS. Mr. President, on March 21, 1973, the Washington Post published a letter to the editor by W. F. Martin, president and chief executive officer, Phillips Petroleum Co. Also, on Saturday–Sunday, March 10–11, 1973, the Chicago Daily News published an editorial entitled "U.S. Needs Alaskan Oil." The editorial states:

> A second dispute is over whether the pipeline should traverse a 3,200-mile route through Canada and end in Chicago instead of crossing Alaska. The Canada route would parallel a natural-gas pipeline planned for the late 1970s or early '80s. The pipeline companies themselves, however, favor the trans-Alaska route for oil. They point out that natural gas, critically needed in the Midwest, cannot flow until after oil production begins in Alaska. To build the trans-Canada oil line first would only delay the gas flow by several years.

The joint city councils of Anchorage and Fairbanks passed another resolution requesting the Congress of the United States and the Secretary of the Interior to give special consideration to expediting the issuance of a pipeline construction permit which would allow the construction of a pipeline from Trudeau Bay to Valdez.

I intend to call the attention of the Senate to developments here on the floor of the Senate in connection with construction of the pipeline. I think it is time that more and more people realize the problems we are facing, including the problems mentioned by the distinguished majority leader, the Senator from Montana, in terms of the balance-of-payments problems the country has, which are related to the Alaskan pipeline.

Last year, with our first staggering increase in the imbalance of payments, and with our increase in the importation of oil products, to the tune of $5 billion, we should read that imbalance of payments problem in connection with the increasing demand of the American people to bring in foreign energy—this despite the fact that we have in Alaska a vast reserve of oil and gas that could be developed if we could just get on with the job.

I ask unanimous consent that the editorial, article, and resolution to which I referred be placed in the Record.

There being no objection, the editorial, article, and resolution were ordered to be printed in the Record, as follows:

United States Needs Alaskan Oil

It is time for Congress to step in and speed the building of the trans-Alaska pipeline. After 3½ years of delay, the need for new supplies of oil and natural gas grows more critical each month that the deposits in the Arctic go untapped.

Frustrated by a round of court decisions blocking the issuance of right-of-way permits, the Nixon administration and several lawmakers acting on their own have introduced more than half a dozen bills in Congress to get the pipeline moving.

The latest court setback came when a federal appeals judge ruled that the 200-foot right-of-way planned for the line violated the 1920 Mineral Leasing Act. That law would limit the Alaskan right-of-way to 54 feet, which engineers say is not room enough for the construction and maintenance equipment to be used in Alaska.

The pipeline corridor's width, however, is only one matter that would be solved under pending legislation.

A major dispute has been over the pipeline's potential damage to the Alaskan wilderness. The choice is between risking some environmental harm and reaping a guaranteed payoff in added energy resources. Protection of the wilderness is no small consideration, but it should be understood that extensive technical safeguards have been taken against the most feared occurrences—damage to the tundra's ecology and oil spills on land and at sea. In fact, the valid safety precautions mandated by the government have contributed to a near tripling of the expected cost of building the line.

A second dispute is over whether the pipeline should traverse a 3,200-mile route through Canada and end in Chicago instead of crossing Alaska. The Canada route would parallel a natural-gas pipeline planned for the late 1970s or early '80s. The pipeline companies themselves, however, favor the trans-Alaska route for oil. They point out that natural gas, critically needed in the Midwest, cannot flow until after oil production begins in Alaska. To build the trans-Canada oil line first would only delay the gas flow by several years.

The economic payoffs from the Alaskan oil would be large. If the oil starts to flow about three years from now, it will come as U.S. dependence on oil imports is soaring. The President's Council of Economic Advisers estimates that over the expected 20-year life of the Alaskan field the United States would save $15 billion to $17 billion in foreign oil spending—at current prices.

Hearings on the pipeline-permit bills are under way in Washington. And on the basis of the vast store of evidence accumulated, the responsible action of Congress would be to clear the Alaska pipeline quickly with a bill specifically eliminating the legal problems that now block construction.

THE PRESIDENT OF PHILLIPS PETROLEUM ON THE CASE FOR THE ALASKA PIPELINE

Your Feb. 15 editorial entitled "No Clear Path for the Alaska Pipeline" states: "The issue in the Alaska pipeline controversy is not oil for Midwestern schools this winter or next, but the best way to meet a portion of the nation's energy needs in the 1980s and beyond."

This is exactly the type of reasoning that has led our nation to its present energy crisis.

In fact, oil from Alaska's North Slope is needed today. Moreover, it would be available today if construction of the Alaska pipeline had been allowed to begin on its original schedule.

It has been more than a year since the Interior Department's two-year study of this issue concluded that the proposed Alaska pipeline would provide the "earliest and most practicable" means of delivering North Slope reserves to market and "on balance create the fewest number of environmental problems of all alternate means considered."

But in failing to rule on the environmental aspects of this case, after they had been so thoroughly studied, the Circuit Court of Appeals for the District of Columbia has side-stepped this issue and further delayed this badly needed project. One of the three judges who dissented with the majority decision termed the refusal to decide the environmental issue "monstrous" and "completely unjustified."

Your editorial observes: "Setting aside the question of timing, there is much to recommend use of a Canadian corridor for oil as well as natural gas." Secretary of the Interior Rogers Morton said last year that a Canadian pipeline "would involve substantial and unacceptable time delays" in bringing North Slope oil to market. With the nation facing a fuels shortage and oil imports climbing rapidly, I do not believe the question of timing should be set aside so easily.

Your editorial seems to overlook the point that Canada is a sovereign nation and, as such, could demand controlling interest in the pipeline and a share of the crude oil, or could impose other conditions on their approval to build the line across their country. The recent policy statement by the Canadian Minister of Energy, Mines and Resources that Canada will restrict oil exports to the United States to ensure meeting its own energy needs demonstrates that Canada probably would assert considerable authority over such a pipeline.

There are other problems which would be encountered in building the pipeline across Canada. Because such a pipeline would be so costly to build, an estimated $8 billion at 1971 prices, it would be extremely difficult for the oil companies and the Canadian interests to raise enough money to do the job. The higher transportation costs would have to be offset by higher prices to consumers. In addition, a Canadian pipeline would raise a completely different set of environment problems, such as the need for 12 major river crossing of a half-mile or more in width. Undoubtedly there would be Canadian environmental roadblocks at least as severe as those already encountered by the Alaska line.

Your editorial also suggests that there is a greater need for Alaskan oil in the Midwest than on the West Coast. Certainly the Midwest does need additional crude oil supplies, but from both a time and cost standpoint it is more practical to supply these needs from the mid-continent oil producing states and, to the extent necessary, with imports brought up from the Gulf Coast, than from Alaska via a Canadian pipeline.

Production on the West Coast is declining, so additional supplies will be needed there in the years ahead. Therefore, this region provides the most logical market for Alaskan oil.

Regardless of where the Alaskan oil is used, the nation will be relying on imports to offset the imbalance between domestic supply and demand. Thus, for national security and balance of payments reasons, it is in the national interest to produce and market the Alaskan oil as soon as possible.

I believe that the entire energy issue must be faced with a sense of national purpose and urgency. As long as energy projects such as the Alaskan pipeline are subjected to years and years of delay, the nation's energy situation will continue to deteriorate.

W. F. MARTIN.

BARTLESVILLE, OKLA.

JOINT RESOLUTION No. A/F 4–73

A RESOLUTION URGING THE CONGRESS OF THE UNITED STATES AND THE SECRETARY OF THE INTERIOR TO EXPEDITE THE ISSUANCE OF A PIPELINE CONSTRUCTION PERMIT

Whereas, the United States is currently experiencing a severe shortage of oil, necessitating its importation from foreign sources; and

Whereas, the dollar has recently been devaluated resulting in increased costs for imported goods; and

Whereas, the United States is also faced with a large balance of trade deficit; and

Whereas, Alaska has large reserves of undeveloped mineral resources; Now, therefore, be it

Resolved, That the Councils of Anchorage and Fairbanks in joint session, urge the Congress of the United States and the Secretary of the Interior, to give special consideration to expedite the issuance of a pipeline construction permit allowing construction of an oil pipeline running from Prudhoe Bay to Valdez, Alaska.

Copies of this resolution shall be distributed to the Secretary, Department of Interior, Washington, D.C.; members of the Alaska Congressional Delegation, Washington, D.C.; Chairman of appropriate Senate and House Committee; Congress of the United States, Washington, D.C.; and the Governor of Alaska.

Passed and approved this 23rd day of February, 1973.

GEORGE M. SULLIVAN,
Mayor, City of Anchorage.

APPOINTMENT TO COMMISSION ON HIGHWAY BEAUTIFICATION

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the provisions of section 123(a), Public Law 91–605, appoints the Senator from West Virginia (Mr. RANDOLPH) to the Commission on Highway Beautification, in lieu of the Senator from Indiana (Mr. BAYH).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF CASPAR W. WEINBERGER, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Mr. TAFT. Mr. President, this morning the Subcommittee on Health of the Committee on Labor and Public Welfare met for the consideration of S. 504, the Public Health Service Extension bill.

As Members of the Senate will recall, that bill came to the floor last week after directly bypassing the committee, and the Senate took action to send that bill back to the Committee on Labor and Public Welfare, with the desire expressed on my part, and the part of others, that we have the opportunity to have the Secretary of Health, Education, and Welfare appear before the committee.

Secretary Weinberger appeared this morning and gave a rather full statement of the reasons behind the opposition of the administration to the extension of this bill in the form in which it presently is being proposed in committee.

Because of the action of the Senate, which called for a return of that bill to the floor next Tuesday automatically, and because it seems unlikely that a committee report or the transcript is likely to be printed and available to the Members of the Senate by that time, I feel it wise and desirable to introduce into the RECORD at this point a copy of the statement of the Secretary of Health, Education, and Welfare before the Subcommittee on Health this morning, and I ask unanimous consent that it be done.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CASPAR W. WEINBERGER

MARCH 22, 1973.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: I am appearing in response to your request to present the position of the Department on S. 1136, the "Public Health Service Act Extension of 1974." We are strongly opposed to the bill and urge the Subcommittee to address the numerous sections of the PHS Act and the Community Mental Health Centers Act contained in the bill, on their individual merits, and not as a group solely because they contain the common expiration date of June 30, 1973.

DESCRIPTION OF THE PROPOSED LEGISLATION

S. 1136 would extend for one year the expiring authorities contained in the Public Health Service Act (other than Title X), and the Community Mental Health Centers Act. It would also extend through fiscal year 1974 the provision designed to limit the President's discretion in assuring the economical use of Federal funds that was enacted as Section 601 of P.L. 91–296.

The bill would extend 44 separate sections of law affecting nearly every facet of current Federal support of the Nation's health care system. Many of the authorities to which these sections relate overlap or duplicate each other. Many others have proven to be outdated, insufficient, or otherwise inappropriate channels for such support. Moreover, the bill has a one year authorization level of $1.796 billion at a time when the President is attempting to limit Federal expenditures in order to prevent a tax increase and protect the purchasing power of the dollar. An omnibus bill of this nature does not invite the thorough examination that the individual authorities should have. We feel that if the Congress and its responsible Committees were carefully to examine each such authority in light of its relative priority in the competition for scarce Federal dollars, it would agree with the Administration that many of these authorities should be allowed to terminate on June 30, 1973. For those that the Administration believes should be extended, it has proposed $750 million in the 1974 budget. This compares with a total authorization level of $1.8 billion for the programs that S. 1136 would extend.

THE ADMINISTRATION'S OVERALL HEALTH STRATEGY

The reason for proposing this type of continuation, as expressed by Senator Kennedy in the March 8 Congressional Record, is to give this Subcommittee time to work out a total recodification and restructuring of the Public Health Service Act. While we would encourage any effort to scrutinize, rationalize and consolidate the existing myriad of health authorities, we are not in favor of extending existing authorities solely for this purpose. There seems to us to be no valid reason for avoiding, through a stopgap measure, the issues that have now been drawn by the Administration. Such a course serves only to prolong the anxiety and confusion of those affected in the field.

Our position is that the time has come to "bite the bullet" and assess what is working and what is not; what has achieved its original goal and should now be returned to States and localities, and what still needs Federal direction and nourishment. We are asking you to address these questions with us, fully recognizing that decisions as to what has not been effective, and as to when Federal support should be withdrawn, will never be universally popular.

Our recommendations as to proposed legislative extensions, terminations, and revisions are closely tied to the President's determination to present the country with a fiscally-sound budget which does not exceed Federal funding ability. Such an *a priori* restriction requires difficult, even agonizing, choices between competing demands for the Federal dollar. Yet, I firmly believe the acknowledgement that the Federal purse is not bottomless serves a constructive goal in making our evaluation of all assisted programs somewhat more critical and rigorous.

Moreover, many of our decisions with respect to continuing activities have served to bring them back to the goals or purposes that the Congress had originally set for them—to use the original legislatively prescribed criteria to measure their present effectiveness and to guide their future course.

In this context, let me outline for the Subcommittee our legislative approach for health, as primarily reflected at this time in the budget.

In broad outline, I would describe the Department's role in health as follows:

First priority should be on reducing financial barriers affecting access to health care through the financing of health services. The principal vehicles for accomplishing this at present are Medicare and Medicaid which supplement the income of persons who otherwise could not afford to purchase the medical care they need and which allow individuals to pay for health protection during the working years. We will shortly, however, be presenting proposals to Congress for a new and more comprehensive approach to national health insurance. Many people seem to say that Medicare and Medicaid are not really health programs. I would say not only are they health programs, they are the Nation's most important health programs and national health insurance will be our most important health initiative.

There is also a valid Federal interest in supporting health and medical research. These kinds of activities have very broad national benefits, but the high investment costs make it difficult for the private sector or State and local governments to make an adequate annual investment.

Preventive health and consumer protection activities also have very significant benefits which can only result from collective action. Private individuals cannot and should not be expected to carry out all these activities on their own, even if assisted by national health insurance. The hazards to the public presented by new drugs and food processing and handling must be addressed at the Federal level. Likewise, traditional public health activities, such as the control of epidemics across State lines are properly a concern of the Federal Government, though we see a very large role for State and local government as well as the Federal Government in this area.

We believe a more limited Federal role is appropriate with respect to special financing for structural changes in the health care system, either by providing new facilities or demonstrating new types of delivery systems. The role here typically should be confined to technical assistance and providing special start-up funds to demonstrate ideas.

The direct provision of medical care by the Department should only be undertaken as a last resort. Wherever possible, these activities should be carried out by local government or private organizations. Moreover, we see this as a separate issues from assuring financial access for health services.

With regard to the education of health manpower, principal reliance should continue to be placed on existing private and public education institutions. Federal involvement should be centered on the general student assistance programs administered by the Office of Education. Limited Federal programs may be necessary to overcome especially difficult supply problems, assure a proper geographic distribution of health workers, or demonstrate the role of valid new types of health professionals.

OVERALL FUNDING FOR HEALTH PROGRAMS

Overall, HEW's spending for health programs has been increasing rapidly in recent years. Total health spending in 1974 by HEW, proposed in the President's budget, would reach $21.9 billion, $3.5 billion more than our current estimate for 1973 and nearly double the amount spent in 1969.

The principal factor in this increase has, of course, been rising health benefit payments through Medicare and Medicaid. However, many other aspects of the Department's health programs have also been increased significantly. Biomedical research, health manpower training, mental health programs, and food and drug safety are the principal areas of expansion since 1969.

DEVELOPMENT OF HEALTH RESOURCES AND FACILITIES AND GRANTS FOR DIRECT DELIVERY OF MEDICAL SERVICES

We are making a substantial departure from past practices in the area of stimulating change in the health service delivery system through various kinds of narrow-purpose categorical grant programs. We intend to reform this area of Federal activity so that it is sharply focused and involves only limited Federal intervention and commitment. We are proposing to phase-out or terminate several ongoing programs—principally, community mental health centers, Hill-Burton hospital construction, and regional medical programs—redirect others—such as comprehensive health planning and services, and maternal and child health—and have again submitted legislation to stimulate the development of health maintenance organizations on a demonstration basis.

COMMUNITY MENTAL HEALTH CENTERS

We are not proposing extension of the community mental health centers legislation which expires on June 30, 1973, because we believe this program has proven itself and should now be absorbed by the regular health service delivery system. To date, we have aided the development of 515 community mental health centers across the Nation. The 1974 budget requests adequate budget authority—in exces of $600 million—to honor all commitments which have been made to these centers. We will not, however, make any new commitments. We believe that the current program supports enough community mental health centers for a sufficient time to demonstrate adequately the value of community-based delivery of mental health care. Furthermore, we believe that continued preferential treatment by the Federal Government of a few communities—through operational support—is unwarranted.

These centers should now face the test of operating on their own without special Federal assistance. Moreover, those that cannot meet this test should not be perpetuated by extending the period of Federal assistance beyond the 8 years which they are entitled to under the current law. In addition, the success of the individual centers which do prove viable should be adequate incentive for other localities to undertake to bring these services to its people. The need for Federally-funded demonstrations, however, has been met.

HILL-BURTON HOSPITAL CONSTRUCTION

We are also proposing that the Hill-Burton hospital construction program not be extended beyond its expiration date of June 30, 1973. We have clearly passed the point where this kind of special Federal intervention is needed by our health service delivery system. During the time since the program was first begun 26 years ago, two things have happened which make it unnecessary to continue a special Federal hospital construction program. Since 1952, the share of Hill-Burton funds going to hospital construction has declined from 12% to less than 5% in 1972; non-Hill-Burton construction more than tripled during that period.

First, the country now has a generally adequate supply of hospital beds. In fact, in some parts of the country, a definite surplus in hospital beds now exists. Second, the rise of health financing systems, such as private and public health insurance plans, has made a fundamental change in the way that hospitals do or should do their business. Nearly all types of health insurance, including Medicare and Medicaid, Blue Cross-Blue Shield, and other private plans, recognize depreciation as a valid component in the reimbursement of hospital and medical facilities. This aspect of current medical care financing should permit hospitals and medical facilities to either set aside funds for facility improvements or pay back loans for construction over the use life of the facility. We have estimated that approximately $800 million will be paid in the form of depreciation payments through Medicare and Medicaid in 1974 and that private insurance will provide over a billion dollars in depreciation payments. A special Federal grant program for hospital construction is now unwarranted.

REGIONAL MEDICAL PROGRAMS

We are proposing the termination of the Regional Medical Program because we believe that it has not achieved its promise when it was first enacted seven years ago, and shows no reasonable chance of doing so in the future. From the outset, the RMP has had great difficulty in defining a clear role for itself.

Originally conceived as covering a limited number of major regions in the United States, a total of 56 regions were funded. In 34 cases, the regions became coterminous with State boundaries. This fact alone brings RMP into direct conflict with State-based and areawide health planning, coordinating and service programs, such as comprehensive health planning. There is no significant evidence that the RMP's have achieved their goal of getting research advances rapidly into regular medical practice. The training programs undertaken are typically of limited scope and duration, and there is no substantial evidence that they have had an effect on actual medical practice. Further, we believe that continuing education for physicians should be paid for by physicians and not by the Federal Government.

A major RMP activity has been the funding of demonstration projects, but many other HEW programs, and many different Federal, State and local agencies similarly fund demonstration projects, thus adding to proliferation of separate projects. In the final analysis, it has become increasingly apparent that RMP's have not succeeded in developing the efficient, rational and regional health systems which their original purpose sought.

COMPREHENSIVE HEALTH PLANNING AND SERVICES

We are developing extensions of all but the graduate training authority in Section 314 of the Public Health Service Act. We believe the comprehensive health planning agencies, both State and areawide, must become increasingly effective in the development of health systems which are oriented to their own needs. The budget request for supporting the planning agencies in 1974 is $38 million. This is $3 million more than in 1973 and $12 million more than in 1972 and is in keeping with our efforts to confer more responsibility on these organizations.

Let me emphasize that this increased funding level does not reflect complete satisfaction with the performance of comprehensive health planning activities on a nationwide basis. Nevertheless, we believe that a properly constituted health planning effort carefully designed to coordinate the overall planning activities of general purpose units of State and local governments can potentially make an important contribution to getting greater benefit from the resources available.

The Social Security Amendments enacted last year prohibit Medicare and Medicaid reimbursement of costs related to capital expenditures by a health facility which has made capital improvements against the advice of the comprehensive health planning organizations. We are hopeful that increasing the authority of the CHP agencies will lead to a more rational development of State and local health resources and contribute to the future fiscal independence of the agencies. In the long term, the planning process must be viewed as essentially the responsibility of State and local government and as an important management tool of officials at that level

FAMILY PLANNING

We propose continuation of the present family planning projects grant program, including projects formerly supported by the Office of Economic Opportunity. These activities would be supported under the general authority of Section 314(e) of the PHS Act, rather than continued as a separate categorical authorization.

In addition, we might note that the Social Security Amendments enacted last year increased the Federal matching rate for family planning services under Medicaid and Social Services to 90 percent and also provided a penalty for any State which failed to establish a family planning program under these authorities. We believe that this new stimulus will facilitate continued progress toward achieving the President's goal of providing family planning services to all women who want but cannot afford them.

MIGRANT HEALTH

Another authority now categorically separated in the statute would also be funded under the general provisions of Section 314 (e). We propose to continue and improve our migrant health activity but do not feel we need to extend the present categorical support for it to do so.

OTHER AUTHORITIES TO BE EXTENDED

We will be sending forward in the near future proposals to extend the authorities contained in Sections 304 and 305, relating to health services research and development and health statistics. Also, a proposal to continue the medical library authorities has now been sent up. We therefore see no need to act now to extend these provisions for a one-year period.

DRUG ABUSE AND ALCOHOLISM

The special efforts under the general leadership of the Special Action Office of Drug Abuse Prevention will be expanded in 1973 and maintained in 1974. There were 145 projects underway in 1972. In 1973 we expect to have started 162 new projects. Evidence so far available indicates that this effort is having a very significant impact on drug addiction. Our data indicates that up to 50 percent of drug addicts will volunteer for treatment if adequate services are available, including detoxification, methadone maintenance, rehabilitation and after care services. Currently, drug abuse continues to be a special case of Federal concern. There is, however, adequate authority to respond to the problems in other laws, notably, the Drug Abuse Office and Treatment Act of 1972.

Because of the rapid buildup during the last couple of years, the Department's alcoholism program now funds 469 projects in communities across the Nation. These projects will be maintained in 1974. These projects have gone a long way toward creating the kind of national awareness needed to overcome the problem of alcoholism. Our project grants have pointed the way and created a substantial new capacity but the real test will occur at the local level. We are hopeful that the results of the Federally-funded projects will be incorporated both in expanded community initiated efforts and in projects begun with Federal formula grants to the States.

As mentioned previously, we are not requesting renewal of the Community Mental Health Centers project grant authority for either drug abuse or alcoholism. Projects undertaken through these authorities will be continued under the Drug Abuse Office and Treatment Act of 1972 and existing PHS Act authority to support projects in the mental health field.

HEALTH MANPOWER AND SPECIALIZED TRAINING PROGRAMS

The 1974 budget attempts to carry out the President's commitment to remove financial barriers to a college education. The budget includes full funding for the new program of basic opportunity grants for undergraduate education authorized by the Education Amendments of 1972. In addition, guaranteed and subsidized student loans remain available for both undergraduate and graduate training.

Against this background of general aid to higher education, we have reassessed the need for specialized academic training programs, and have recommended that most of them be phased out. This is true of the large research training program supported by the National Institutes of Health, as well as the smaller programs of the Health Services and Mental Health Administration. We are providing continuation support for students already enrolled in approved research training programs. We are not providing, however, funds for awards to new students. Our broad student assistance programs together with the salary scales in these professions and individual student motivation should produce an adequate supply of this kind of trained manpower.

The exception to this policy is retention of special Federal support for the health professions, particularly physicians and dentists. The critical role of these professionals in the current health care delivery system, the very high cost of their training and the difficulties attendant upon getting training facilities to expand their capacity, justify at this time continuation of special Federal intervention in medical and dental education to continue the momentum which will produce substantial increases in the aggregate supply by the end of this decade.

The 1974 budget continues the current rate of capitation support for schools of medicine, osteopathy, and dentistry. This increased amount of Federal financial support will grow along with the actual increases in enrollment which Federal assistance has engendered. We are, however, recommending the termination of capitation payments for schools of nursing, veterinary medicine, optometry, pharmacy, and podiatry. We would also discontinue the special programs for allied health and public health when these authorities expire on June 30. In all of these cases, we see the Federal role as limited to the special demonstration projects. Nursing education, of course, has been funded through State and local support, private sources and portions of patient care revenues. We believe the substitution of Federal financing for these more traditional means of support is undesirable. We are, however, proposing the expansion of the health manpower education initiative awards which will provide targeted Federal assistance in areas of greatest priority and continuation of significant special project awards in both the health professions and nursing.

We are also recommending changes in the student aid programs for the health professions. We are requesting an increase in the authorization of National Health Service Scholarships. Over the long run, we intend to use this authority as our sole vehicle for providing scholarship assistance to students of the health professions and nursing because the mandatory service provisions will assist in ameliorating the maldistribution of health manpower, as well as help us meet the long-term staffing needs of the Public Health Service.

SECTION 601 OF PUBLIC LAW 91–296

We do strongly oppose provisions which attempt to force expenditures in all events where there has been an appropriation made and which are intended to thwart the Chief Executive's discretion and duty not to expend such sums where it would be unwise or irresponsible. S. 1136, of course, contains such a provision designed to extend Section 601 of P.L. 91–296.

CONCLUSION

The Administration undertook a comprehensive and thorough reexamination of all currently authorized and funded health programs in the preparation of the President's budget for 1974. The budget recognizes the necessity to contain total Federal outlays at a level which will avoid tax increases and limit inflation. It reflects decisions on a program-by-program basis that retain activities which carry out a valid Federal role and phase out activities which have achieved their purpose, are unproductive, or are more appropriately conducted at the State and local level. The 1974 budget assumes the extension of significant sections of the Public Health Service Act which expire on June 30 and requests $750 million for their support in 1974.

To obtain this improvement in the effectiveness of our support for health programs while maintaining the total budget at a responsible level, it is essential to permit those health authorities to expire which do not meet the tests of a valid Federal role or a high likelihood of significant results. S. 1136 would extend sections of the Public Health Service Act and the Community Mental Centers Act which do not meet these tests.

I can only reiterate, therefore, that we are strongly opposed to this short-term and short-sighted across-the-board extension of existing health authorities. We think it would be in everyone's interests to face the issues now, and our forthcoming legislative proposals will certainly do that. Little purpose can, we think, be achieved in further financing of completed demonstrations or of unfulfilled dreams.

Mr. Chairman, this concludes my prepared statement. My colleagues and I would be pleased to try to answer any questions you and other Members of the Subcommittee might have. We have appreciated this opportunity to state the Administration's views.

PROGRAMS THAT S. 1136 WOULD EXTEND

PROGRAM

Research and demonstrations relating to health facilities and services; systems analysis of national health care plans, $94 million.

National health surveys and studies, $25 million.

Traineeships for professional public health personnel, $18 million.

Project grants for graduate or specialized training in public health, $16 million.

Project grants for provision of comprehensive professional training; specialized consultative service, and technical assistance in public health, $15 million.

Health services for domestic agricultural migrants, $30 million.

Grants to States for comprehensive State health planning, $20 million.

Project grants for areawide health planning, $40 million.

Project grants for training, studies, and demonstrations, $12 million.

Grants for comprehensive public health services, $165 million.

Project grants for health services development, $157 million.

Assistance for construction of medical library facilities, $13 million.

Grants for training in medical library sciences, $2 million.

Assistance for compilation or writing of contributions to scientific, social, or cultural advancements in sciences related to health, $0.5 million.

Projects of research and development in medical library science and related fields, $3 million.

Grants for establishing, expanding, and improving the basic resources of medical libraries and related instrumentalities, $4.5 million.

Grants for establishment of regional medical libraries, $3.5 million.

Financial support of biomedical scientific publications, $1 million.

Grants for construction of public or other nonprofit facilities for long-term care, $85 million

Grants for the construction of public or other nonprofit outpatient facilities, $70 million.

Grants for the construction of public or other nonprofit rehabilitation facilities, $15 million.

Grants for the construction of public or other nonprofit hospitals and public health centers, $157.5 million.

Grants for modernization of public or other nonprofit hospitals, public health centers, long-term care facilities, outpatient facilities, and rehabilitation facilities, $90 million.

Loan guarantees and loans for modernization and construction of hospitals and other medical facilities, $1,500 million cumulative loans and loan guarantees outstanding.

Construction or modernization of emergency rooms, $20 million.

Grants for construction of teaching facilities for allied health professions personnel, $40 million.

Basic improvement grants to improve the quality of training for allied health professions, $15 million.

Special improvement grants for projects in allied health professions training, $30 million.

Special projects for experimentation, demonstration, and institutional improvement related to training of allied health personnel, $30 million.

Traineeships for advanced training of allied health professions personnel, $12 million.

Grants and contracts to encourage full utilization of educational talent for allied health professions, $1.25 million.

Allied health professions scholarship grants, $6 million.

Allied health professions work-study program, $6 million.

Loans for students of the allied health professions, $10 million.

Grants to assist in establishing and operating regional medical programs of research, training, and demonstration in the fields of heart disease, cancer, stroke, kidney disease, and related diseases, $250 million.

Grants for construction of public and other nonprofit community mental health centers, $100 million.

Grants for initial cost of professional and technical personnel of community mental health centers, $60 million.

Grants and contracts for the prevention and treatment of alcohol abuse and alcoholism, $50 million.

Direct grants for special projects relating to training and demonstration in the delivery of health services to alcoholics and the prevention of alcoholism; grants for construction and initial operation of treatment facilities for narcotic addicts and other persons with drug abuse problems; direct grants for special projects relating to training and demonstration in the delivery of health services to drug addicts and other persons with drug abuse problems, and the prevention of drug abuse; and grants for construction of alcoholism facilities, $80 million.

Grants for drug abuse education, $14 million.

Grants for compensation of personnel providing consultation services in the mental health, alcoholism, and drug abuse fields, $5 million.

Grants for construction and operation of treatment facilities related to the mental health of children, $30 million.

Total authorizations (excluding Hill-Burton loan guarantee and loan programs), $1,796.25 million.

Mr. TAFT. Mr. President, I would continue for just a moment to say that I was somewhat disturbed this morning, in the Subcommittee on Health, with regard to the handling of this particular measure. The senior Senator from Massachusetts (Mr. KENNEDY) was chairman of the subcommittee, or the committee—it was never entirely clear to me whether it was a committee meeting or a subcommittee meeting. It was noted as a subcommittee meeting, but the statement was made at the beginning of the meeting which indicated that it was a committee meeting. I see present the chairman of the full committee. Perhaps he could make a clarifying statement.

Mr. WILLIAMS. Mr. President, that can be clarified very quickly. Because of the importance of moving this legislation, which deals really with 17 aspects of our public health program, we decided to go to a hearing that would include all of the members of the committee. So it was a full committee hearing, again directed toward full committee participation, so that the measure would be expedited in meeting the Senate's time schedule and be ready to be reported to the Senate in 2 weeks, which I believe is next Tuesday. So it was a full Labor and Public Welfare Committee meeting.

Mr. TAFT. I appreciate the explanation of the chairman of the committee.

I may simply add that an executive meeting of the committee, as I understand, was called for this afternoon at 3 o'clock. I have expressed reservations, and I believe that the general permission for committees to sit today during the session of the Senate excepted the Committee on Labor and Public Welfare. My reason for that was that I felt there was in the committee session this morning a completely inadequate opportunity for Members generally, on both sides of the aisle, to examine the Secretary as to the nature of the program the administration is recommending. I think it is unfortunate that the measure comes to this House under those circumstances.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Is there further morning business?

THE SHORTAGE OF LUMBER

Mr. SCOTT of Virginia. Mr. President, I just returned from a luncheon that was given by the Virginia Homebuilders. They gave me this piece of lumber. They told me it was more precious than gold. We know that might be an exaggeration, but the price of lumber has increased.

The homebuilding industry is experiencing considerable difficulty. I do not presume to know the answers to the problem, but I think it is a problem that the Congress should concern itself with. They tell me that 25 percent of our lumber production is being exported to Japan and that the Japanese homebuilding industry is thriving, while our own home industry is in difficulty.

It may be that we should open our national forests to a greater extent for the exploitation of lumber. There may be many solutions. Certainly I am going to check into it. I hope that each Member of the Senate will look into this serious problem, because I think that if we have a healthy homebuilding industry, it contributes materially to the economic welfare of the country.

Mr. President, that is a serious problem. I hope the Senate will concern itself with it.

The PRESIDING OFFICER. Is there further morning business?

NOMINATION OF L. PATRICK GRAY III TO BE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I made today at the Judiciary Committee hearing on the confirmation of the nomination of Mr. L. Patrick Gray III.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR ROBERT C. BYRD AT SENATE JUDICIARY COMMITTEE HEARINGS ON NOMINATION OF PATRICK L. GRAY III

Mr. Gray, I have completed my questions with respect to this hearing. I have always been a strong supporter of the FBI, and I made law and order speeches, to my recollection, before President Nixon started making them. Several weeks ago, I stated my position with respect to this nomination, and I stated my reasons therefor. My conclusions have only been substantiated by the developments that have occurred in the course of the hearings. To be specific, they are as follows, as I see them:

(1) As Acting Director, you made speeches which you yourself have, during the hearings, admitted were political or, at least, could rightly have been considered as political in the eyes of others. You accepted an invitation, at the request of the White House, to make a speech in Cleveland, Ohio, a state which was considered vital to the Republican campaign; although you earlier testified that, prior to the White House request, you had received a formal invitation directly from the Cleveland Club, you later testified that this was not the case and that the White House invitation antedated any formal invitation from Cleveland.

(2) The FBI, again at the request of the White House, secured information from 21 field offices in 14 states to be used in support of the Presidential campaign, such request for information having gone out over your name—and, although you earlier left the impression with the Judiciary Committee that you had launched an investigation into the matter, you subsequently revealed that such investigation had really not been instigated until the story broke in the press several weeks after the political act occurred, and the evidence shows that the investigation really was not pursued vigorously and produced little, if any, results.

(3) What started out initially to be a "full court press" investigation, soon was reduced to an investigation only with respect to the IOC statute; possible violations of other statutes were not pursued, the pretext being that there were no indications of other violations and that the FBI was not requested to go beyond the IOC statute by the Attorney General's office.

(4) Serious questions have been raised about the judgment of the FBI's Acting Director regarding the actions taken in shooting out the tires of the Southern Airways aircraft on November 10, 1972; additionally, the statements under oath by the Acting Director are completely at odds with statements by the captain of that aircraft and by the president of the Air Line Pilots Association.

(5) The repeated absences from Washington at critical times by the FBI Acting Director—for example, during the Southern Airways skyjacking; and often during the Watergate investigation, an investigation which the Acting Director himself recognized initially as an extremely serious matter, one which had every indication of involving people in high positions in the Administration.

(6) The handling of the Watergate investigation which has raised serious questions regarding thoroughness, independence, and objectivity.

(7) Failure on the part of the FBI Acting Director to demonstrate independence in dealing with John Dean, Counsel to the President, and accepting at face value and almost without question the statements, directions and requests of John Dean, all of which indicate a pattern either of blind loyalty, faith, and trust in, or subservience to, the White House. Specific examples can be cited:

(a) Transmission of the July 21 letterhead memorandum to John Dean.

(b) Transmission of 82 investigative reports (raw files) directly to John Dean, at Dean's request, without authorization by the Attorney General and apparently without knowledge of others in the FBI.

(c) Allowing, without protest, John Dean to sit in on interviews of White House personnel.

(d) Supplying John Dean with investigative reports of reinterviews of certain personnel of the Committee for the Re-election of the President, such reinterviews having been made at the request of the CRP personnel who wanted to be interviewed out of the presence of CRP attorneys.

(e) Accepting, without question, the response of John Dean to the inquiry of the FBI Acting Director regarding whether or not Dean had shown Donald Segretti certain FBI files as implied by press reports.

(f) Trusting implicitly in, and justifying his actions upon, a "presumption of regularity," the FBI Acting Director repeatedly turned over raw files to John Dean and failed to ask Dean questions where questions logically should have been asked regarding the use of those files and regarding leaks of information, etc.

(g) Dean's recommendation of Gordon Liddy to CRP and Liddy's later involvement in the Watergate break-in created no apparent concern on the part of the FBI Acting Director with regard to Dean's being repeatedly entrusted with raw FBI files.

(h) Although Dean had Mr. Howard Hunt's property removed from Hunt's office on the night of June 19, 1972, and stored it in his own office until he turned it over to the FBI six days later, the FBI Acting Director saw no reason to seriously question Dean's actions, even though Hunt proved to be involved in the Watergate break-in, and even though Dean knew at the time the property was stored in his office that Hunt was being investigated by the FBI and even though Dean, during those six days, failed to inform the FBI of what had transpired, notwithstanding the fact that Dean talked by telephone six times with the FBI Acting Director and met with the FBI Acting Director on two separate occasions in the latter's office during the six days Dean was in possession of Hunt's property.

(i) During the Kleindienst hearings, Mr. Gray turned over to John Dean the famous Dita Beard memorandum which had been entrusted to the FBI by the Judiciary Committee under orders that it not leave the possession of the FBI. The Beard memorandum subsequently went to the ITT before being returned to the Justice Department and the Judiciary Committee. Notwithstanding this experience, FBI Acting Director Gray demonstrated an implicit faith in John Dean in turning over to him all FBI raw files requested by Dean with respect to the Watergate break-in. Here again, Mr. Gray acted, in his words, on the "presumption of regularity."

(8) FBI Acting Director repeatedly stated during the hearings, and as recently as yesterday, that he would continue to turn over FBI raw materials to John Dean as requested. The supplying of FBI raw files to Mr. Dean has continued without questions being raised by Gray even subsequent to August 29, 1972, the date on which President Nixon stated in a press conference in San Clemente, California, that "Within our own staff, under my direction, Counsel to the President, Mr. Dean, has conducted a *complete investigation* of all leads which might involve any present members of the White House staff or anybody in the government." (Emphasis supplied)

(9) Even though Mr. Gray sought a legal opinion before supplying Mr. Dean with the July 21 letterhead memorandum, Mr. Gray sought no legal opinion whatsoever in following up repeatedly with supplying FBI raw files (FD302's, interview reports, teletype info, etc.) which were even more sensitive than an LHM.

(10) FBI Acting Director Gray sought no request orally or in writing from the President before supplying Mr. Dean with letterhead memoranda and FBI raw files, and has continued to send raw files to Mr. Dean as late as October 10, 1972, on the "assumption" that the White House investigation is "continuing."

(11) Submission of raw files to White House echelon personnel, even those FBI reports regarding private reinterviews made at the request of CRP personnel, have seriously compromised the "presumption of confidentiality" which heretofore could be assumed with respect to information given to the FBI by informants.

(12) In view of the exorbitant claim of Executive Privilege that has been advanced to deny a formal appearance by Mr. John Dean before the Judiciary Committee to answer questions bearing upon the qualifications of Mr. Gray, I believe that the Senate Committee should reject the nomination.

(13) Although I have nothing personal against the FBI Acting Director and could possibly vote to confirm his nomination for some other office, I cannot vote to confirm his nomination for the office of Director of the FBI. I think that the image of the FBI has suffered, in view of all the developments which occurred during his acting directorship, and I think that the professionalism, morale, and efficiency of the FBI have likewise suffered, as has public confidence in the FBI. There is too much evidence of political activity on the part of the Acting Director; there is too much evidence of subservience to the White House; there are too many unanswered questions with respect to the possible misuse of FBI files in connection with the Watergate investigation—all of these, together with the foregoing detailed reasons, are sufficient to justify a fear that the FBI could, in the future, become a White House national police force to be used in political campaigns, thus endangering the constitutional liberties of all Americans.

For the foregoing reasons, I would hope to see an up or down vote on the nomination of Mr. Gray. I think he is entitled to an up or down vote, but more than he, the FBI is entitled to an immediate decision in this matter, and I believe that for the good interests of the FBI, as the top law enforcement agency and intelligence-gathering network in this Country, the nomination ought to be rejected.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation by the Department of Agriculture

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend title V of the Housing Act of 1949 to expressly authorize the collection of taxes and insurance from rural housing borrowers, to authorize fees and charges to be available for administrative expenses, and for other purposes (with an accompanying paper). Referred to the Committee on Banking, Housing, and Urban Affairs.

Report on Certain Property Provided Under German Offset Agreement

A letter from the Acting Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, a report of the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement, for the first two quarters of Fiscal Year 1973 (with an accompanying report). Referred to the Committee on Appropriations.

Report on Independent Research and Development and Bid and Proposal Costs for Defense Department

A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, data used on report on independent research and development and bid proposal costs (with accompanying papers). Referred to the Committee on Armed Services.

Proposed Legislation by Treasury Department

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended to extend for two years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

Documents of the Federal Power Commission

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a copy of the following publications: "Sales of Firm Electric Power for Resale, 1967–1971," and "Sales by Producers of Natural Gas to Interstate Pipeline Companies, 1971" (with accompanying documents). Referred to the Committee on Commerce.

Proposed Legislation of the Department of Commerce

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 502(a) of the Merchant Marine Act, 1936 (with accompanying papers). Referred to the Committee on Commerce.

Principal Electric Facilities in the United States, 1972

A letter from the Chairman, Federal Power Commission, transmitting, for the information of the Senate, a copy of the map "Principal Electric Facilities in the United States, (1972)" (with an accompanying map). Referred to the Committee on Commerce.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Additional Actions Needed to Minimize Adverse Environmental Impacts of Timber Harvesting And Road Construction On Forest Lands", Department of Agriculture, Department of the Interior, dated March 20, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Legal Services Program Accomplishments Of And Problems Faced By Its Grantees", Office of Economic Opportunity, dated March 21, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

Proposed Legislation by the Attorney General

A letter from the Attorney General of the United States, transmitting a draft of proposed legislation to assure the imposition of appropriate penalties for persons convicted of offenses involving heroin or morphine, to provide emergency procedures to govern the pretrial and post-trial release of persons charged with offenses involving heroin or morphine, and for other purposes (with accompanying papers). Referred to the Committee on the Judiciary.

A letter from the Attorney General of the United States, transmitting a draft of proposed legislation to establish rational criteria for the mandatory imposition of the sentence of death, and for other purposes (with an accompanying paper). Referred to the Committee on the Judiciary.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to consolidate and extend the authorizations for appropriations for assistance to medical libraries, to repeal provisions for assistance for construction of facilities and for grants for training in medical library sciences, and for other purposes (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

Washington, D.C. Convention Center-Sports Arena

A letter from the Acting Administrator, General Services Administration, requesting the Committee on Public Works to drop from consideration the proposed Convention Center-Sports Arena to be built in the Mt. Vernon Square area of Washington, D.C. Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A memorial of the Senate of the State of Arizona. Referred to the Committee on the Judiciary:

"Senate Memorial 1002

"A memorial urging the President and the Congress of the United States to oppose unreasonable Federal firearms control legislation and laws which place restrictions on sale of certain ammunition

"To the President and the Congress of the United States of America: Your memorialist respectfully represents:

"Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

"Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

"Whereas, the Bill of Rights of the Consituation of the United States and Article 2, Section 26 of the Constitution of the State of Arizona guarantee to its citizens the right to keep and bear arms; and

"Whereas, the handgun is the most effective weapon for self-defense, and its mere possession frequently is sufficient to repel an invader or attacker; and

"Whereas, crime statistics only cover the use of firearms in crimes, and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

"Whereas broad handgun control legislation, proposing to restrict the sale or delivery of handguns generally, could result in banning many existing high quality handguns manufactured in the United States; and

"Whereas, such legislation, including H.R. 845 introduced in the 93rd Congress by Representative Murphy of New York, would deny a citizen the right to obtain weapons for self-defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

"Whereas, there are adequate laws now on the books to punish criminals for the misuse of firearms in crimes if properly enforced. Wherefore your memorialist, the Senate of the State of Arizona, prays:

"1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than consider legislation which would curtail the right of honest citizens to acquire weapons for sport or self-defense.

"2. That the President and the Congress of the United States consider legislation such as H.R. 3611 introduced in the 93rd Congress by Representative John D. Dingell of Michigan which would limit the prohibition on the sale or delivery of handguns to handguns the frame or receiver of which is a die casting of zinc alloy or any other material which has a melting temperature less than eight hundred degrees fahrenheit, thereby eliminating only cheaply constructed handguns and preserving the honest citizen's right to acquire quality handguns suitable for self-protection and sport.

"3. That the President and the Congress of the United States consider legislation which would eliminate present requirements of record keeping on .22 ammunition which requirements infringe on the guarantee of citizens to keep and bear arms.

"4. That the Secretry of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation."

A joint memorial of the Legislature of the State of Idaho. Referred to the Committee on Finance:

"House Joint Memorial No. 14

"A joint memorial to the Congress of the United States and the Senators and Representatives representing the State of Idaho in the Congress of the United States; requesting that the principle of capital gains treatment of income from the cutting or disposal of timber be continued

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, increasing and conflicting demands and management direction on the public lands is creating uncertainty and a lowering of the timber cut from these lands each year; and

"Whereas, the public lands owned by the federal government constitute the bulk of the land area in Idaho and the chief supply of timber and the lowering of the annual allowable cut from these lands is placing additional emphasis on replacing a portion of this lost raw material supply on the private lands of the State of Idaho; and

"Whereas, timber growing is a unique enterprise which requires investments for long periods of time, during which they are continuously subject to great physical and economic risks; and

"Whereas, capital gains tax treatment on long-term timber gains provided under Section 117(k) of the Revenue Act of 1943 and Sections 631(a) and (b) of the 1954 Revenue Code recognizes these unique features; and

"Whereas, such treatment has been effective in stimulating private forest owners to adopt forest management practices which will provide timber to meet future needs; and

"Whereas, the proposed repeal of capital gains treatment of timber revenues would substantially reduce the generally low rate of return upon investments in timber growing and would thereby materially reduce the incentive of private landowners to manage forest lands for continuous production of timber to meet national lumber demands; and

"Whereas, the Nation needs a continuing long-term supply of timber which can be assured only by protecting and continuing the forestry advances made in the last twenty years.

"Now, therefore, be it resolved by the First Regular Session of the Forty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that the State of Idaho endorses the principle of capital gains tax treatment of income from the cutting of timber as being in the public interest and urges the Congress of the United States to reject any legislation that would endanger this principle.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives representing this state in the Congress of the United States."

A joint memorial of the State of Idaho. Referred to the Committee on the Judiciary:

"HOUSE JOINT MEMORIAL No. 11

"A joint memorial to the Congress of the United States requesting that an amendment be proposed to the constitution of the United States reaffirming the right of the States to regulate abortion

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, on January 2, 1973, the United States Supreme Court invalidated the laws of the states of Texas and Georgia which specified limited conditions under which abortions would be allowed; and

"Whereas, these same decisions also stated that residency requirements would not be upheld in statutes regulating abortions; and

"Whereas, the people of the State of Idaho believe that it is a power reserved to the state to determine the laws regulating the general health and welfare of the citizens of this state in a matter so unique to the citizenry of the state; and

"Whereas, in view of this decision and the concurrent infringement upon the diverse views which may be held among the various states of this union, this state is denied the alternatives of regulating and restricting abortions.

"Now, therefore, be it resolved by the First Regular Session of the Forty-second Idaho Legislature, the House of Representatives and Senate concurring, that we respectfully urge the Congress of the United States to prepare and submit to the states for ratification an amendment to the Constitution of the United States reaffirming the right of the various states to regulate, in a manner they deem necessary and proper, abortions.

"Be it further resolved that the Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives representing this state in the Congress of the United States."

A joint memorial of the Legislature of the State of Idaho. Referred to the Committee on Labor and Public Welfare:

"HOUSE JOINT MEMORIAL No. 6

"A joint memorial to the Honorable Senate and House of Representatives in Congress assembled the Honorable congressional delegation of the State of Idaho, and the Secretary of Labor of the United States, relating to repeal of the overtime exemption of the Fair Labor Standards

"We, your Memorialists, the House of Representatives and the Senate of the state of Idaho assembled in the First Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, provisions of the Fair Labor Standards Act authorize overtime work without overtime pay for a twenty week period during the harvest season in the perishable food processing industry; and

"Whereas, the effect of this provision is to require the employees to work during the peak period of harvesting, but to deny them extra compensation for this work; and

"Whereas, there is little other time when the employees are given the opportunity for overtime work with overtime pay and as a result employees have no chance to increase to increase their income to equal the time invested in their work; and

"Whereas, the United States Congress has the power to amend this legislation in the best interests of the working people, to insure that it operates more fairly for the employees as well as the employers.

"Now, therefore, be it resolved by the First Regular Session of the Forty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully urge that there is a need for the United States Congress to amend the Fair Labor Standards Act in order to remove the exemption for harvesting periods and require overtime payment for the overtime work required. We urge the Congress to consider this change in the interests of providing a fair return for the work perfomed.

"Be it further resolved that the Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States, the Senators and Representatives representing this state in the Congress of the United States, and the Honorable Secretary of the Department of Labor of the United States."

A joint memorial of the Legislature of the State of Idaho. Referred to the Committee on Public Works:

"HOUSE JOINT MEMORIAL No. 9

"A joint memorial to the Honorable Senate and House of Representatives of the United States in Congress assembled, requesting the United States Congress to repeal the size and weight limitations placed on interstate trucking

"We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the First Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, the people of the State of Idaho and the rest of the United States rely on an efficient and dependable transportation system to supply their daily needs; and

"Whereas, the motor truck transportation system has fully discharged that need and trust within the limitations placed upon it by federal law; and

"Whereas, the fuel needed to power the nation's transportation system has reached a critically short supply; and

"Whereas, the health, safety and well-being of our people are now placed in jeopardy by this lack of fuel needed to power the nation's trucks which deliver goods and materials; and

"Whereas, the capability to deliver substantially more cargo with very little increase in fuel consumption has long been available, but has been denied by the freeze on size and weight limitations on the federal interstate highway system which has been in existence since 1956; and

"Whereas, the bureau of public roads, the American association of state highway officials, and the several states, including the State of Idaho, have long recommended that the sizes and weights be allowed on the interstate system for which it was designed and which are allowed on the noninterstate system;

"Now, therefore, be it resolved by the First Regular Session of the Forty-second Legislature of the State of Idaho, the House of Representatives and Senate concurring therein, that the President and the Congress of these United States do speedily act to repeal the existing size and weight limitations placed on the interstate system by the freeze of 1956. In order to preserve the well-being of our citizens and the integrity of the environment as well, the nation's transportation network must be allowed to deliver cargo to our people at maximum efficiency and capability.

"Be it further resolved that the Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of his Memorial to the Speaker of the House of Representatives of Congress, to the Vice-President of the United States and to the Representatives and Senators representing the State of Idaho in Congress."

A resolution of the Legislature of the State of Nebraska. Referred to the Committee on the Judiciary:

"LEGISLATIVE RESOLUTION 9

"Whereas, the 92d Congress of the United States of America at its second Session, in both Houses, by a Constitutional majority of two-thirds thereof, adopted the following proposition to amend the Constitution of the United States of America in the following words, to wit:

" 'JOINT RESOLUTION

" '*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds* *of each House concurring therein*), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress;

"'"ARTICLE —

"'"SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"'"SEC. 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"'"SEC. 3. This amendment shall take effect two years after the date of ratification"'; and

"Whereas, the Eighty-second Legislature, Second Session of the Legislature of Nebraska, approved Legislative Resolution 86.

"Now, therefore, be it resolved by the members of the eighty-third Legislature of Nebraska, first session:

"1. That such proposed amendment to the Constitution of the United States be and the same hereby is withdrawn.

2. That copies of this resolution duly certified by the Secretary of State with the Great Seal of Nebraska attached thereto be forwarded by the Secretary of State to the Administrator of General Services, Washington, D.C., and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

A joint resolution of the General Assembly of the State of Tennessee. Reference to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 61

"A resolution encouraging and petitioning the Congress of the United States to restore the dates of November 11 as the legal federal holiday for the celebration of Veterans Day and May 30, as the legal federal holiday for the celebration of Memorial Day

"Whereas, the Congress of the United States has declared that Veterans Day will be celebrated on the fourth Monday in October and Memorial Day will be celebrated on the fourth Monday in May; and

"Whereas, Veterans Day and Memorial Day historically have been celebrated on November 11 and May 30 since their inception; and

"Whereas, the members of Tennessee Chapters of the Veterans of Foreign Wars as well as the Tennessee Chapter of the American Legion have requested that these holidays be restored to the dates of November 11 and May 30; now, therefore,

"Be it resolved by the Eighty-eighth General Assembly of the State of Tennessee, the Senate concurring, That this General Assembly encourage and petition the Congress of the United States to reinstate November 11 as the official federal holiday celebrating Veterans Day and May 30 as the official federal holiday celebrating Memorial Day.

"Be it further resolved, That a copy of this Resolution be forwarded to all members of the United States Congress, all members of the United States Senate, all state American Legion officers, all state officers of the Veterans of Foreign Wars, and the State Commander of the Veterans of Foreign Wars."

A joint resolution of the Legislature of the State of Vermont. Referred to the Committee on the Judiciary.

"J.R.H. 8

"Joint resolution ratifying a joint resolution of the Congress of the United States of America, entitled "Joint Resolution proposing an amendment to the Constitution of the United States"

"*Whereas*, at the second session of the ninety-second Congress of the United States of America, it has been resolved by a joint resolution of the Senate and the House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the Legislatures of three-fourths of the several states wihin seven years from the date of its submission by the Congress.

"ARTICLE —

"SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex.

"SEC. 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"SEC. 3. This amendment shall take effect two years after the date of ratification."

"Now therefore be it

"*Resolved by the Senate and House of Representatives:*

"That the said amendment to the Constitution of the United States be, and the same hereby is, ratified by the Legislature of the state of Vermont, and be it further

"*Resolved:* That the Secretary of State be, and hereby is, directed to forward certified copies of this resolution to the Administrator of General Services, Washington, D.C., and the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

A resolution adopted by the Council of the City and County of Honolulu, Hawaii, praying for the enactment of legislation to protect Hawaiian pineapple production. Referred to the Committee on Finance.

A resolution adopted by the Lafayette Parish Police Jury, Lafayette, La., expressing objection to the proposed rebuilding of North Vietnam. Referred to the Committee on Foreign Relations.

A resolution adopted by the King County Council, Seattle, Wash., requesting that all resources available be utilized to keep the public health hospital in Seattle open and properly funded. Referred to the Committee on Labor and Public Welfare.

A resolution adopted by the Parish of Jackson, La., expressing opposition to the proposed rebuilding of North Vietnam. Referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 3577. An act to provide an extension of the interest equalization tax, and for other purposes. (Report No. 93–84).

By Mr. BELLMON, from the Committee on Agriculture and Forestry, with amendments:

H.R. 1975. An act to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes (Rept. No. 93–85).

By Mr. CURTIS, from the Committee on Agriculture and Forestry, without amendment:

S. 1021. A bill to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes (Rept. No. 93–86).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. CURTIS, from the Committee on Agriculture and Forestry:

Robert W. Long, of California, and Clayton Yeutter, of Nebraska, to be members of the Board of Directors of the Commodity Credit Corporation.

The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

By Mr. THURMOND, from the Committee on Armed Services:

Carl S. Wallace, of Virginia, to be an Assistant Secretary of the Army.

The nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

By Mr. SYMINGTON, from the Committee on Armed Services:

William W. Woodruff, of Virginia, to be an Assistant Secretary of the Air Force.

The nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Mr. ERVIN. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Vice Admiral Calvert, USN, Lt. Gen. William J. McCaffrey, USA, and Lt. Gen. James V. Edmundson, USAF, to be placed on the retired list; the temporary appointment in the Marine Corps Reserve of: one to the grade of major general, and two to the grade of brigadier general; eight appointments in the Marine Corps to the temporary grade of brigadier general; Maj. Gen. Gilbert Hume Woodward to be lieutenant general in the Army; seven temporary appointments in the Marine Corps in the grade of major general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, ordered to be placed on the Executive Calendar, are as follows:

Lt. Gen. James V. Edmundson (major general, Regular Air Force) United States Air Force, to be placed on the retired list in the grade of lieutenant general;

Lt. Gen. William Joseph McCaffrey, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general;

Maj. Gen. Gilbert Hume Woodward, Army of the United States (major general, U.S. Army), to be assigned to a position of importance and responsibility designated by the President, in the grade of lieutenant general;

Vice Adm. James F. Calvert, U.S. Navy, for appointment to the grade of vice admiral, when retired;

Louis Conti, Marine Corps Reserve, for temporary appointment to the grade of major general;

Alan T. Wood, and Hugh W. Hardy, Marine Corps Reserve, for temporary appointment to the grade of brigadier general;

Kenneth J. Houghton, and sundry other officers, for promotion to the grade of major general in the Marine Corps; and

Nolan J. Beat, and sundry other officers, for promotion to the grade of brigadier general in the Marine Corps.

Mr. ERVIN. Mr. President, in addition, there are 1,274 for permanent promotion in the Army—1,166 to lieutenant colonel, 29 to major, and 79 to captain; 1,649 appointments in Regular Army—three captains, 14 to first lieutenant, four to second lieutenant, 802 distinguished military students for appointment to second lieutenant, 826 scholarship students to second lieutenant; the appointment of 306 in the Army in the grade of colonel and below and 58 majors in the Reserve of the Air Force of Air National Guard for appointment to the grade of lieutenant colonel. Since these names have already appeared in the Congressional Record, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

Omar R. Adame, and sundry other Air National Guard of the United States officers, for promotion in the Reserve of the Air Force;

Laverne H. Dahl, and William C. Turpin, for reappointment in the active list of the Regular Army of the United States, from temporary disability retired list;

David G. Doane, and sundry other persons, for appointment in the Regular Army of the United States;

Michael A. Richardson, distinguished military student, for appointment in the Regular Army of the United States;

Joseph E. Bradey, and sundry other persons, for reappointment in the active list of the Regular Army of the United States;

Colin P. Kelly, and sundry other persons, for appointment to the Regular Army, by transfer;

Sara E. Baucom, and sundry other persons, for appointment in the Regular Army of the United States;

Stephen A. Abel, and sundry other distinguished military students, for appointments in the Regular Army of the United States;

Charles Abner, Jr., and sundry other scholarship students, for appointment in the Regular Army of the United States; and

Richard L. Absher, and sundry other officers, for promotion in the Regular Army of the United States.

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Stephen Alan Wakefield, of Texas, to be an Assistant Secretary of the Interior.

Mr. JACKSON. Mr. President, in submitting this report of the Committee on Interior and Insular Affairs on the nomination of Stephen A. Wakefield to be Assistant Secretary of the Interior for Energy and Minerals, I wish to state that this nominee has agreed and committed himself in open hearing before the Interior Committee to appear and testify at such reasonable times as the Interior Committee or any other duly constituted Senate committee might request his presence.

By Mr. CANNON, from the Committee on Armed Services:

Hadlai A. Hull, of Minnesota, to be an Assistant Secretary of the Army.

The nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

By Mr. NUNN, from the Committee on Armed Services:

Byron V. Pepitone, of Virginia, to be Director of Selective Service.

The nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PEARSON:

S. 1313. A bill for the relief of Mr. Samuel T. Aguirre. Referred to the Committee on the Judiciary.

By Mr. ERVIN (for himself, Mr. Abourezk, Mr. Brooke, Mr. Cannon, Mr. Cranston, Mr. Eagleton, Mr. Eastland, Mr. Fulbright, Mr. Hartke, Mr. Haskell, Mr. Hathaway, Mr. Hollings, Mr. Hruska, Mr. Huddleston, Mr. Humphrey, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. Metcalf, Mr. Mondale, Mr. Moss, Mr. Pell, Mr. Percy, Mr. Randolph, Mr. Ribicoff, Mr. Tunney, and Mr. Williams):

S. 1314. A bill to more fully protect the freedom of speech of Members of Congress and to enforce Article I, Section 6 of the Constitution, the "Speech or Debate" Clause. Referred to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 1315. A bill to extend diplomatic privileges and immunities to the Liaison Office of the People's Republic of China and to members thereof, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. BIDEN (for himself and Mr. Muskie):

S. 1316. A bill to amend Section 311 and Section 509 of the Federal Water Pollution Control Act. Referred to the Committee on Public Works.

By Mr. FULBRIGHT (by request):

S. 1317. A bill to authorize appropriations for the United States Information Agency. Referred to the Committee on Foreign Relations.

By Mr. BEALL (for himself and Mr. Dominick):

S. 1318. A bill to amend the Elementary and Secondary Education Act of 1965, to authorize reading emphasis programs to improve reading in the primary grades, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. DOMINICK:

S. 1319. A bill to strengthen education by consolidating certain elementary and secondary education grant programs through the provision of a share of the revenues of the United States to the States and to local educational agencies for the purpose of assisting them in carrying out education programs reflecting areas of national concern. Referred to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY (for Mr. Mondale):

S. 1320. A bill for the relief of George Simon Abdallah. Referred to the Committee on the Judiciary.

By Mr. HART:

S. 1321. A bill for the general reform and revision of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. Magnuson, Mr. Randolph, Mr. Moss, Mr. Sparkman, and Mr. Bentsen):

S. 1322. A bill to require the Secretary of Housing and Urban Development to disregard the increase in the benefits under title II of the Social Security Act pursuant to Public Law 92–336 in determining eligibility or the amount of assistance under certain laws relating to low-income housing. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. WILLIAMS:

S. 1323. A bill to amend title XVIII of the Social Security Act to provide for the automatic coverage, without premium, under the supplementary medical insurance program established by part B of such title of individuals who are covered (without payment of premium) under the hospital insurance program established by part A of such title;

S. 1324. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain drugs under the insurance system established by part A of such title; and

S. 1325. A bill to amend title XVIII of the Social Security Act to cover, under the hospital insurance program established by part A thereof, inpatient hospital services provided outside the United States to individuals insured under such program. Referred to the Committee on Finance.

S. 1326. A bill to amend the Public Health Service Act to provide for programs for the diagnosis and treatment of hemophilia. Referred to the Committee on Labor and Public Welfare.

By Mr. TUNNEY:

S. 1327. A bill to require the labeling of electrical appliances with respect to their comparative efficiency in the use of electricity and to provide for the establishment of minimum standards of efficiency for such appliances. Referred to the Committee on Commerce.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 1328. A bill to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. Referred to the Committee on Commerce.

By Mr. SPARKMAN (for himself and Mr. Tower):

S. 1329. A bill to amend laws relating to the Federal National Mortgage Association. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPARKMAN:

S. 1330. A bill for the relief of Albien L. Taylor;

S. 1331. A bill for the relief of George W. Wright; and

S. 1332. A bill for the relief of Miss Bessie Villegas. Referred to the Committee on the Judiciary.

By Mr. CLARK (for himself and Mr. Hughes):

S. 1333. A bill to provide for the establishment of a veterinary biologics facility by the U.S. Department of Agriculture, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. BURDICK:

S. 1334. A bill to authorize the mortgaging of tribal lands on the Fort Berthold Reservation for certain purposes; and

S. 1335. A bill to provide for the disposition of funds appropriated to pay a judgment entered by the Indian Claims Commission in favor of the Three Affiliated Tribes of Fort Berthold Reservation in dockets No. 350-A, E, and H, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HARTKE:

S. 1336. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes. Referred to the Committee on Armed Services.

By Mr. NELSON (for himself, Mr. Pell, Mr. McIntyre, and Mr. Hughes):

S. 1337. A bill to protect the public health by amending Federal Food, Drug, and Cosmetic Act to assure the safety, reliability, and effectiveness of medical devices. Referred to the Committee on Labor and Public Welfare.

By Mr. BEALL (for himself and Mr. Cranston) (by request):

S. 1338. A bill to authorize appropriations for ACTION, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. JACKSON (for himself, Mr. Abourezk, and Mr. Fannin) (by request):

S. 1339. A bill to provide for the creation of the Indian Trust Counsel Authority, and for other purposes;

S. 1340. A bill to retain coverage under the laws providing employee benefits, such as compensation for injury, retirement, life insurance, and health benefits, for employees of the Government of the United States who transfer to Indian tribal organizations to perform services in connection with governmental or other activities which are or have been performed by Government employees in or for Indian communities, and for other purposes;

S. 1341. A bill to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1342. A bill to amend acts entitled "An act authorizing the Secretary of the Interior to arrange with States or territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", and "To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes" and for other purposes;

S. 1343. A bill to provide for the assumption of the control and operation by Indian tribes and communities of certain programs and services provided for them by the Federal Government, and for other purposes;

S. 1344. A bill to amend certain laws relating to Indians; and

S. 1345. A bill to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. PROXMIRE:

S. 1346. A bill for the relief of Leticia (Escobar) Richardson. Referred to the Committee on the Judiciary.

By Mr. HRUSKA:

S. 1347. A bill for the relief of Ilona Kocsan. Referred to the Committee on the Judiciary.

By Mr. BROCK (for himself and Mr. Sparkman, Mr. Hathaway, Mr. Bennett, and Mr. Tower):

S. 1348. A bill to provide for the establishment of safety standards for mobile homes in interstate commerce, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ABOUREZK (for himself, Mr. Humphrey, and Mr. McGovern):

S. 1349. A bill to require the Secretary of Agriculture to carry out all rural housing programs of the Farmers Home Administration. Referred to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON:

S. 1350. A bill to amend the Federal Aviation Act, as amended, with respect to the transportation of Government traffic by civil air carriers of the United States. Referred to the Committee on Commerce.

By Mr. MAGNUSON (by request):

S. 1351. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes. Referred to the Committee on Commerce.

By Mr. MAGNUSON for himself and Mr. Cotton) (by request):

S. 1352. A bill to require load lines on United States vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes. Referred to the Committee on Commerce.

By Mr. MAGNUSON (by request):

S. 1353. A bill to deduct from gross tonnage in determining net tonnage those spaces on board vessels used for waste materials. Referred to the Committee on Commerce.

By Mr. PELL:

S. 1354. A bill to establish a Regional Railroad Rights-of-Way Authority. Referred to the Committee on Commerce.

S. 1355. A bill to designate the first Sunday in November as the day for Federal elections. Referred to the Committee on Rules and Administration.

By Mr. HOLLINGS:

S.J. Res. 83. A joint resolution proposing an amendment to the Constitution of the United States to require that States providing public education provide it equally on a statewide basis to citizens residing therein. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ERVIN (for himself, Mr. Abourezk, Mr. Brooke, Mr. Cannon, Mr. Cranston, Mr. Eagleton, Mr. Eastland, Mr. Fulbright, Mr. Hartke, Mr. Haskell, Mr. Hathaway, Mr. Hollings, Mr. Hruska, Mr. Huddleston, Mr. Humphrey, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. Metcalf, Mr. Mondale, Mr. Moss, Mr. Pell, Mr. Percy, Mr. Randolph, Mr. Ribicoff, Mr. Tunney, and Mr. Williams):

S. 1314. A bill to more fully protect the freedom of speech of Members of Congress and to enforce article I, section 6 of the Constitution, the "Speech or Debate" clause. Referred to the Committee on the Judiciary.

S. Res. 86. A resolution to amend rule XXX of the Standing Rules of the Senate.

(Referred to the Committee on Rules and Administration.)

CONGRESSIONAL FREE SPEECH ACT OF 1973

Mr. ERVIN. Mr. President on behalf of Senators Abourezk, Brooke, Cannon, Cranston, Eagleton, Eastland, Fulbright, Hartke, Haskell, Hathaway, Hollings, Hruska, Huddleston, Humphrey, Magnuson, Mansfield, Mathias, McGee, McGovern, Metcalf, Mondale, Moss, Pell, Percy, Randolph, Ribicoff, Tunney, Williams, and myself, I introduce for appropriate reference a bill and a resolution designed to more fully protect the freedom of speech of Members of Congress and to enforce article I, section 6 of the Constitution, the "speech or debate" clause.

One overriding issue has dominated this Congress since it convened on January 3—the separation of powers between the three branches of the Federal Government. The forces of history and the Constitution have thrust upon the 93d Congress the awesome responsibility of drawing the line on over five decades of unchecked aggrandizement of power in the executive branch of Government. For the first time in my memory Congress is beginning to speak with a unified voice warning the executive branch that the legislative branch of Government will jealously resist encroachments upon its constitutional power and responsibilities and will begin to reassert its prerogatives. A growing consensus of Senators has reached the conclusion that assertions of unbridled power by the executive branch to impound funds, to assert executive privilege, to pocket veto legislation are undermining our republican form of government and will be resisted.

To my mind it is not only entirely proper but imperative that Congress boldly reassert its power under the Constitution. The Founding Fathers expected the Congress to be aggressive in defending those prerogatives. Indeed, the separation of powers—fundamental to our system of government—cannot function unless Congress jealously resists encroachments upon its responsibilities.

In Madison's words in Federalist 51:

> But the great security against a gradual concentration of the several powers in the same department consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others.

One of the gravest assaults upon the power and independence of the Congress took place on June 29 of last year when the Supreme Court handed down opinions in the cases of *United States* v. *Gravel* (408 U.S. 606 (1972)), and *United States* v. *Brewster* (408 U.S. 501 (1973)). Both of these cases involve the Supreme Court's interpretation of article I, section 6 of the Constitution, the so-called speech or debate clause. I believe that clause to be the single most important safeguard of the power and independence of the Congress. The speech or debate clause is our first amendment, preserving to Senators and Congressmen broad freedom to speak and act when we do the people's business. Like its equivalent in the Bill of Rights, it is the indispensable condition of all our other powers and prerogatives as Members of Congress.

The framers placed the speech or debate clause in the Constitution to remedy a very specific evil. Fresh in their minds was the history of harassment of Members of Parliament who spoke out in the course of their legislative activities in a manner embarrassing to the Crown. The legislative immunity grew out of that turbulent period in English history marked by the beheading of Charles I and the glorious Revolution. Indeed, one reason Charles lost his head was his imprisonment of Members of Parliament who opposed his overseas military campaigns. Justice Frankfurter related this history in his excellent opinion in the case of *Tenney* v. *Brandhove* (341 U.S. 367 (1951)):

> In 1668, after a long and bitter struggle, Parliament finally laid the ghost of Charles I, who had prosecuted Sir John Elliott and others for "seditious" speech in Parliament. . . . In 1689, the Bill of Rights declared in unequivocal language: "That the Freedom of Speech, and Debate or Proceeding in Parliament ought not to be impeached or questioned in any Court or Place out of Parliament.
>
> Freedom of speech and action in the legislature was taken as a matter of course by those who severed the Colonies from the Crown and founded our Nation. It was deemed so essential for representatives of the people that it was written into the Articles of Confederation and later into the Constitution. . . .
>
> The reason for the privilege is clear. It was well summarized by James Wilson, an influential member of the Committee of Detail which was responsible for the provision in the Federal Constitution. "In order to enable and encourage a representative of the public to discharge his public trust with firmness and success, it is indispensably necessary that he should enjoy the fullest liberty of speech, and that he should be protected from the resentment of every one, however powerful, to whom the exercise of that liberty may occasion offense."

Before last summer, the Supreme Court had insisted on the broadest possible interpretation of the "speech or debate" clause so as to preclude the executive branch from intimidating the Congress by teaming up with the judicial branch via criminal investigation of Members or congressional aides for their legislative activity. The Court recognized that an Executive who had the power indiscriminately to call Members and their assistants before grand juries or criminal courts could effectively silence its critics as effectively as the Stuart and Tudor monarchs had in the 17th Century.

In March of last year as the Gravel case was working its way up the Federal Judiciary to the Supreme Court, I proposed to the Senate Senate Resolution 280. On March 23, 1972, the Senate adopted the resolution which resulted in the appointment of a committee consisting of Senators EASTLAND, PASTORE, TALMADGE, COTTON, DOMINICK, MATHIAS, SAXBE, and myself to appear as amicus curiae before the Supreme Court in the Gravel case. As stated in the resolution, the Senate took this action because it feared that an adverse decision would impair the constitutional independence and prerogatives of every individual Senator and the Senate as a whole. In handing down its decision in Gravel and in Brewster which involved similar issues, the Court did just that.

The effect of the Gravel and Brewster cases is to strip Members of Congress from immunity from interrogation into legislative activity. In the case of Senator Brewster, there were allegations that he cast a vote in committee in return for a bribe. In Senator GRAVEL's case there were allegations that he received classified information which he revealed to the American public. Both cases involve activities which the Senate perhaps should have dealt via its own disciplinary procedures. Quite clearly the Constitution gives the Senate the power and responsibility to discipline Members for conduct which violates the law or the Rules of the Senate. Furthermore, the "speech or debate" clause does not immunize Members of Congress from prosecution. They can still be called to task for activity outside their legislative responsibilities and they can be prosecuted for violating the law so long as their legislative actions or motives are not inquired into.

Unfortunately, when the executive branch decided to prosecute Senator Brewster and to investigate Senator GRAVEL's acquisition of the Pentagon Papers, in their haste they ignored the "speech and debate" restrictions. Especially in the Gravel case, the Justice Department ignored warnings by the Senate that inquiry into these activities was an internal Senate question and that the Founding Fathers never intended to permit the courts and the Executive to look into these matters. In its decisions, the Court not only ignored the Senate warning but cast its net so broadly and so carelessly that it sanctioned judicial and executive injury into very legitimate legislative activity.

For example, as Justice White points out in his dissent in Brewster, even the most fundamental legislative acts—speaking and voting on the floor of Congress—are now subject to indirect inquiry by the judicial branch. And, as Justice White also illustrates, the mere threat of a Government inquiry into a campaign contribution on the grounds of a possible violation of the bribery statutes can act as a powerful political deterrent on Congressmen and Senators. It is a political fact of life that rumors of criminal violations and threats of official investigations can seriously affect the independence of a legislator.

The impact of GRAVEL is more subtle but no less grave. Despite the constitutional responsibility to oversee the Executive's enforcement of the laws, Members of Congress are now stripped of immunity for the acquisition and publication of information about the administration's activities. The oversight function is rendered meaningless when a Member of Congress who attempts to find out what the administration is doing or informs his constituents of his findings risks retaliation by a defensive Executive. Viewed in the context of the increasing difficulty that Congress has in getting necessary information from the administration, these decisions not only limit the effective functioning of the legislative branch, but further increase the dominance of the Executive.

The two pieces of legislation which I plan to introduce today are intended to restore the "speech or debate" clause privilege to the status the Founding Fathers intended. The first piece of legislation is a proposed amendment to Senate rule XXX and the second is an amendment to title 18 of the United States Code. The two proposals are parallel in several important respects. Both would broadly construe the "speech or debate" privilege. In essence, they take the position advocated by the Senate in its brief, and by Justice White in his dissent in the Brewster case. Both would preclude inquiry, either directly or indirectly, of a Member or his aide, by a court or grand jury into a Member's protected legislative activity. "Protected legislative activity" is defined in such a manner as to include all activities involved in Congress' responsibility to oversee the executive branch as well as those activities involved in informing the public of its findings. Both provisions only speak of privilege in criminal proceedings and therefore do not address the issue of privilege for libelous statements or unconstitutional acts by Members which injure members of the general public.

The proposed rule would amend rule XXX of the Senate Rules, which deals with the delivery of official Senate papers to a court. The rule would be amended to recognize a broad "speech or debate" privilege on the part of Senators not to testify in criminal proceedings on "protected legislative activity." It would also prohibit an aide or former aide from testifying on "protected legislative activity" except where so instructed by his Senate employer. Finally, it would require a Senator to inform the Senate when he or an aide is subpenaed to testify or deliver official Senate papers covered by rule XXX, as amended The existing provision of rule XXX are unchanged, and appear as section 4 and 5 of the proposed rule.

These two proposals are patterned after a similiar provision in English law. As a result of the constitutional confrontation involved in Stockdale against Hansard in England in the 1800's, Parliament enacted the Parliamentary Papers Act. In effect, Parliament conceded that it could not restrain the courts by simple resolution of one House but could effectively enforce its privilege by exercising its power to legislate rules of criminal procedure and to define the subject matter jurisdiction of the courts. The Parliamentary Papers Act simply stays any subpena which would require a Member or aide to deliver to a court publications or extracts of publications concerning proceedings in Parliament—the precise infringement upon parliamentary privilege involved in the Stockdale case.

Congress has similiar authority to legislate rules of criminal procedure, to define the jurisdiction of Federal courts, to create evidentiary privileges and pursuant to the "necessary and proper" clause in article I, section 8, the power to enact legislation which strengthens or implements provisions of the Constitution. Therefore, the proposed statute would follow the format of the Parliamentary Papers Act except that it would go well beyond the delivery of legislative papers or publications and would prohibit inquiry into broadly defined "protected legislative activities."

Like the Parliamentary Papers Act, the provision would empower a Member to invoke the privilege himself or in behalf of an aide in any criminal proceeding by staying and quashing subpenas issued to him or an aide. If the Member decides to invoke the privilege, the subpena is automatically stayed. Unlike the Parliamentary Papers Act, the proposed statute would vest discretion in the court to issue a protective order restricting inquiry to nonprotected activity so that the whole proceeding need not be dismissed as is required by the Parliamentary Papers Act. However, under the proposed statute the court must quash the subpena if there is no possible issue to which the Member or his aide might testify except "protected legislative activity." Finally, the proposed statute requires that all subpenas issued to Members of Congress must be personally authorized by the Attorney General and that the Attorney General notify the Member and the Speaker of the House and President pro tempore of the Senate 48 hours in advance of issuing the subpena.

The statute and the rule are complementary, and both are necessary. The statute defines the powers and responsibilities of courts, the Justice Department, and Members of Congress. The rule defines the procedures to be followed by Members of Congress and of aides in such cases, and declares their responsibility to inform the Senate. While adoption of either would go a long way toward remedying the present unsatisfactory situation, complete remedy cannot be assured unless both are adopted.

Ironically, at the same time that the administration and the Supreme Court have restricted the constitutional powers of Congress in the Gravel and Brewster cases, the privilege asserted by the Executive continues to expand. We have heard much of executive privilege in recent weeks in the context of the Gray nomination and the Watergate investigation. The administration is fond of citing their responsibility to uphold the separation of powers as the reason for invoking this privilege. However, unlike Members of Congress who can point to article I, section 6, the President can point to no clause in the Constitution which authorizes such a privilege. Indeed, executive privilege exists as a matter of practice only. The "legal" basis for the exercise of the privilege is executive fiat.

Even the most avid proponents of executive privilege concede that it is a manufactured privilege not expressly conferred by the constitution or statute. They justify the existence of such a privilege by asserting it to be an implicit constitutional prerogative. This executive practice has traditionally been a personal privilege extended to the President to protect confidential communications between himself and his personal advisers, just as congressional immunity has protected the personal relationship between a Senator and his aide and as such has been invoked infrequently. This administration, however, has conspicuously expanded executive privilege beyond its original scope and meaning and has simultaneously moved to have congressional immunity narrowly construed.

Both in the case involving Peter Flannigan's testimony before the Judiciary Committee last year and the request that John Dean appear before the Committee this year, the administration takes the position that it is the individual and the position which is to be protected, and not merely personal information or the individual's privileged function as a personal advisor to the President. The governing principle now appears to be that once an "Assistant to the President" has been anointed with presidential immunity, he can perform a myriad of tasks within the White House and the Federal Government free from any formal system of accountability. Regardless of the nature of an inquiry, the protection now claimed through the invocation of executive privilege is complete and eternal, concealing even those activities beyond the scope of a privileged relationship.

I believe that executive privilege, as it is asserted by the administration, cannot be so broadly construed. I can see some justification for a narrow privilege to protect conversations between an aide and the President even though such a privilege is nowhere mentioned in the Constitution. The President, like a judge and a Member of Congress, must as a matter of common law have such a privilege to assure that he gets unfettered advice from his subordinates. However, this common law privilege must be narrowly construed in the face of Congress' constitutional power to oversee the executive branch.

The "speech or debate" privilege, on the other hand, must be broadly construed for the same reasons that executive privilege must be narrowly construed. The "speech or debate" privilege is not a common law privilege but is mandated by an explicit clause in the Constitution. Furthermore, it is directly related to a function within the Constitution—the power to legislate and oversee the Executive free from harassment by the other branches. Indeed, it is so fundamental to the separation of powers that it is one of the explicit "checks and balances" placed in the Constitution to preserve the separation of powers.

Despite the fact that the "speech or debate" privilege should be broadly construed and executive privilege narrowly construed, the legislation which I introduce today is not nearly so broad as the executive privilege asserted by the administration. The President says his privilege attaches to any aide regardless of what he does for the President, that the inquiring body, in this case the Congress, has no power to question the legitimacy of the claim. We on the other hand concede that the "speech or debate" privilege as it applies to an aide only covers certain defined legitimate legislative activity and that the aide, indeed, the Member of Congress, might have to appear in court to quash a subpena and establish the legitimacy of their claim. If he cannot, he must testify, as he must always testify to matters not concerning legislative activity.

I recognize that this is a difficult area of the law. Indeed, the supposed parallel between executive privilege and the "speech and debate" privilege point up these problems. However, I also know that the congressional response to the erosion of its powers, reflected in the Gravel and Brewster cases will inevitably determine the future role it will play in our system of government. Congress can either reassert its constitutional prerogatives and restore itself as a coequal branch of government or it can accede to the control of the executive branch. If Congress concludes that the withering of legislative privilege is part of an irreversible trend of aggrandizement of power in the presidency, it may look upon these decisions fatalistically and with resignation. Members of Congress may be content to let pass this impairment of their constitutional rights and of the effectiveness of Congress. But if they do so, they profane their oaths to uphold the Constitution and invite the demise of our tripartite system of government.

I am deeply indebted to my subcommittee aides, Larry Baskir, Mark Gitenstein, and William Pursley, Jr., for assisting me in preparing this bill and this resolution.

I ask unanimous consent that copies of the bill and the resolution be printed in the CONGRESSIONAL RECORD following the conclusion of my remarks.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 1314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. That this Act may be cited as the "Congressional Free Speech Act of 1973."

DEFINITIONS

SEC. 2. As used in this Act:

(1) the term "legislative activity" means any activity relating to the due functioning of the legislative process and carrying out the obligations a Member of Congress owes to the Congress and to his constituents and shall include, but not be limited to, speaking, debating or voting in Committee or on the floor of Congress, receipt of information for use in legislative proceedings, any conduct in Committee related to the consideration of legislation or related to the conduct of an investigation, speeches or publications outside of Congress informing the public on matters of national or local importance, and the motives and decision-making process leading to the above activity or leading to the decision not to engage in the above activity.

(2) the term "Member" means a present or former Member of Congress.

(3) the term "aide" means any person who assists a Member in his performance of legislative activity.

(4) the term "protected legislative activity" means legislative activity performed by a Member or by an aide on behalf of the Member while he was a Member of Congress.

LEGISLATIVE IMMUNITY GENERALLY

SEC. 3. No court or grand jury shall inquire of a Member or an aide either directly or indirectly into the protected legislative activities of a Member in a criminal proceeding without the Member's consent.

SUBPENAS—NOTIFICATION AND APPROVAL

SEC. 4(a). The Attorney General of the United States shall personally approve the issuance of any subpena to a Member who is at that time serving in Congress, and shall notify in writing that Member, the Speaker of the House of Representatives, in the case of a Representative, and the President Pro

Tempore of the Senate, in the case of a Senator, not less than 48 hours in advance of the issuance of the subpoena.

(b) The attorney for the government shall immediately notify the Attorney General of the United States of his intent to issue a subpena to a former Member of Congress or to an aide which the attorney for the government has reasons to believe may require testimony relating to protected legislative activity. The Attorney General shall personally approve the issuance of the subpena, and shall notify in writing that Member, the Speaker of the House of Representatives, in the case of a Representative, and the President Pro Tempore of the Senate, in the case of a Senator, not less than 48 hours in advance of the issuance of the subpena.

(c) When an aide is served with a subpena which he has reason to believe may require his testimony on the protected legislative activity of a Member, the aide shall immediately inform that Member.

COURT AND GRAND JURY PROCEEDINGS

Sec. 5(a). Any Member may move in United States District Court to quash any subpena issued by a court or grand jury in a criminal proceeding requiring him or an aide to appear to give testimony where the Member believes that the subpena seeks testimony about protected legislative activity

(b) The Court shall immediately stay such subpena until it has determined whether the subpena must be quashed or a protective order issued as required by subsection (c).

(c) The attorney for the Government shall specify the nature and scope of the proposed inquiry. If the court determines that the inquiry may require the Member or aide to give testimony either directly or indirectly concerning protected legislative activity, the court shall either:

(1) fashion an appropriate protective order restricting questioning in such a manner as to preclude questions concerning protected legislative activity;

(2) if there is no possible testimony which the Member or his aide could give on the subject matter of the injury contemplated by the court or grand jury, other than that which directly or indirectly concerns protected legislative activity, then the subpena shall be quashed; or

(3) if the procedures set out in subsection 4(a) were not complied with then the subpena shall be quashed.

(d) If at any time in the course of a criminal proceeding it appears that testimony is being heard or may be heard from an aide relating to a Member's protected legislative activity but that the provisions of subsections 4(b) or 4(c) have not been complied with then the court shall immediately stay the proceedings, notify that Member and give him an opportunity to move as provided by this section, to quash the subpena or subpenas, pursuant to which testimony is being taken.

S. Res. 86

Resolved, that Rule XXX of the Standing Rules of the Senate be amended as follows:

"RULE XXX. WITHDRAWAL OF PAPERS AND TESTIMONY BY SENATORS AND AIDES.

"1. As used in this Rule:

"(a) The term 'legislative activity' means any activity relating to the due functioning of the legislative process and carrying out of a Senator's obligations to the Senate and to his constitutents and shall include, but not be limited to, speaking, debating or voting in committee or on the floor of the Senate, receipt of information for use in legislative proceeding any conduct in committee related to the consideration of legislation or related to the conduct of an investigation, speeches or publications outside of Congress informing the public on matters of national or local importance; and the motives and decisionmaking process leading to the above activity or leading to the decision not to engage in the above activity.

"(b) The term 'Senator' means a present or former Member of the Senate.

"(c) The term 'aide' means any person who assists a Senator in his performance of legislative activity.

"(d) The term 'protected legislative activity' means legislative activity performed by a Senator or by an aide on behalf of the Senator while he was a Member of the Senate.

"2. Any Senator, or former Senator, may refuse to testify before any court or grand jury in a criminal proceeding concerning his legislative activity while a Member of the Senate.

"3. No aide or former aide to a Senator or to a former Senator, shall testify before a court or grand jury in a criminal prosecution concerning the aide's assistance to that Senator in the performance of legislative activity by that Senator while he was a member of the Senate, unless otherwise instructed by that Senator.

"4. No memorial or other paper presented to the Senate, except original treaties, finally acted upon, shall be withdrawn from its files except by order of the Senate. But when an act may pass for the settlement of any private claim, the Secretary is authorized to transmit to the officer charged with the settlement the papers on file relating to the claim.

"5. No memorial or other paper upon which an adverse report has been made shall be withdrawn from the files of the Senate unless copies thereof shall be left in the Office of the Secretary.

"6. A Senator shall immediately notify the President Pro Tempore of any demands for testimony or documents made upon him or an aide which might fall within the provisions of this rule. If the Senate is in session, such notification shall be entered in the Journal."

Mr. HRUSKA. Mr. President, I am pleased to have the opportunity to cosponsor the Congressional Free Speech bill introduced by the distinguished senior Senator from North Carolina. Senator Ervin has long been recognized for his unflagging interest and remarkable ability in the area of Constitutional rights. The entire area of congressional protection is one which merits the fullest attention and discussion by this body.

The Constitution has, for nearly 200 years, provided Members of Congress the facility to pursue the Nation's affairs in an atmosphere of freedom and forthrightfulness without fear of retribution from opposing interests. Developments in recent years, however, have cast some clouds of doubt into this previously sunny atmosphere.

The remarks by the esteemed Senator from North Carolina concerning this subject, earlier in the record, are indicative of his great scholarship and eloquently point out the paramount necessity of maintaining congressional integrity through its ability to freely debate and legislate on the vital issues which confront this country. Senator Ervin's bill provides a most worthy basis upon which we all may reflect and explore the constitutional safeguards wisely provided Congress by our Founding Fathers.

By Mr. BIDEN (for himself and Mr. Muskie):

S. 1316. A bill to amend section 311 and section 509 of the Federal Water Pollution Control Act. Referred to the Committee on Public Works.

Mr. BIDEN. Mr. President, I introduce today for myself and Mr. Muskie, for appropriate reference, a bill to regulate and control deepwater development of all types.

This bill will fill a gap in existing law by providing positive controls at both the Federal and State levels over the construction and operation of deepwater terminals for oil or other commodities as well as off-shore powerplants, airports, and solid waste disposal facilities. At the Federal level the bill would prohibit any Federal agency to permit construction or operation of any deepwater development unless the Administrator of the Environmental Protection Agency has certified that the development will not result in environmental degradation nor violate any provisions of the Water Pollution Control Act, the Clean Air Act or any other act administered by EPA.

The bill also requires the concurrence of the Governors of States adjacent to the proposed deepwater development. However, in order for the State to retain its veto power, it must first adopt an environmental protection program covering areas that might be affected by any deepwater development.

Nothing in the bill affects any present jurisdiction that a State has over deepwater development in any area within its terrtory or jurisdiction.

On the basis of the evidence presented so far, I am not satisfied that deepwater development is either necessary or desirable, at least off the coast of Delaware or New Jersey. My concerns lie in two areas—first, the possible damage to marine environment through construction or oil spills; and second, the possible uncontrollable development of the land adjacent to the port facilty.

The final report by the Council on Environmental Quality on the subject of environmental concerns is not yet finished. However, the evidence presented so far indicates that there can be no positive assurance that there might not be serious environmental hazards presented by the construction and operation of a deepwater port or other development. The bill speaks to this concern by requirng a determination by EPA that such hazards will not result from construction or operation of any such facility.

My other major concern is that the presence of offshore development may lead to industrial and commercial pressure on the land off which the port is situated. I am deeply troubled that with a port a physical reality adjacent States would be hard pressed to resist the pressures for development that would build up. As a former county councilman in Delaware I am aware of how difficult it can be to deny efforts toward commercial and industrial expansion in the face of economically favorable conditions. This bill deals positively with my concern by giving an adjacent State a veto provided it takes affirmative action to prevent environmentally unsound development along its coastal area. Thus, only States that care enough about their own land to provide effective controls would exercise a veto over offshore development. Among the standards required for coastal areas would be:

First, development will not violate Federal environmental laws or standards;

Second, industrial, commercial, or residential development will not occur where adequate public facilities will not be available;

Third, there must not be further development of wetlands and flood plain areas; and

Fourth, water supplies shall not be endangered.

It is my hope that we can move promptly on this bill so that there will be adequate protection for our coastal States against premature or unwise offshore development.

Mr. President, I ask unanimous consent that the text of this bill and a statement entitled "Atlantic Coast Deep Water Port Facilities Study," be printed at this point in the RECORD.

There being no objection, the bill and the statement were ordered to be printed in the RECORD, as follows:

S. 1316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 311(a) of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new definitions.

"(15) 'deepwater development' means any man-made structure either fixed or floating, or dredging activities related to such structure, which is located in or may affect the navigable waters of the United Sttaes or the water of the contiguous zone and intended for such uses as a port or terminal for the loading or unloading of cargoes, a site for a power plant, an airport, or a solid waste disposal site."

"(16) 'adjacent State' means any State which is directly shoreward of any deepwater development and any other State within a radius of 50 miles computed from a point at the center or proposed center of any deep water development to the nearest point of land subject to jurisdiction of a State."

SEC. 2. Section 311 of the Federal Water Pollution Control Act is amended by redesignating sections (n), (o), and (p) as sections (o), (p), and (q) respectively and by adding a new subsection (n) to read as follows:

"(n) (1) No Federal agency shall permit the construction or operation of a deep water development until the Administrator shall have certified that such development will not cause or contribute to environmental degradation or otherwise result in failure to comply with or cause a violation of effluent limitations or other standards or requirements imposed by this Act, the Clean Air Act or any other Act which the Administrator is assigned responsibility to administer. Certification shall relate to site selection, method and type of construction, and operation of such deep water port facility.

"(2) (A) Any person desiring to construct or operate a deep water development shall at the time of application for any permit, license or other approval from any Federal agency submit, in accordance with regulations promulgated by the Administrator, detailed plans of such development; and such submission to the Administrator shall be at least two years prior to the expected date of the beginning of construction: *Provided,* That as to those deep water developments which are not in the construction phase on the effective date of this subsection but nonetheless will reach the construction phase at any time within two years of the effective date, plans shall be submitted to the Administrator as soon as possible after the effective date of this subsection.

(B) Copies of materials submitted to the Administrator in accordance with the provisions of this subsection shall also be submitted to the Governor of each adjacent State, and a copy of such materials shall be available for public inspection at a place to be designated by the Administrator.

"(3) The Administrator may certify a deep water development only after he has (A) received the concurrence of the Governor of the adjacent State or States, (B) held a public hearing in accordance with the Administrative Procedure Act, title 5, United States Code, relating to adjudicatory proceedings, which hearing shall be combined with any other required hearing with the Administrator coordinating with the appropriate agencies, and (C) determined that the location, construction and operation of the proposed deep water port facility will not cause or contribute to environmental degradation or otherwise result in failure to comply with or cause violation of effluent limitations or other standards or requirements imposed by this Act, the Clean Air Act, or any other Act which he is assigned responsibility to administer.

"(4) The Administrator shall establish a reasonable fee for each application for certification which shall be sufficient to cover the administrative costs incurred in evaluating an application for certification.

"(5) Whoever begins to construct, constructs, or operates a deep water development after the effective date of this subsection without a prior certification by the Administrator shall be fined not less than $50,000 for each day after that date on which notice of violation is given and construction or other operations continue without a certification obtained in accordance with this subsection.

"(6) The requirement for concurrence of the Governor of an adjacent state shall be waived two years after the date of enactment of this Act, unless such State shall have adopted and the Administrator shall have approved an environmental protection permit program applicable to areas potentially impacted by deep water development which assures compliance with the following environmental protection criteria:

"(A) public or private development will be permitted only if in the process of development, and in the completed project, the development will not result in violation of emission or effluent limitations, standards, or other requirements of the Clean Air Act and this Act;

"(B) industrial, residential, or commercial development will not occur where it would exceed the capacity of existing systems for power and water supply, waste water collection and treatment, solid waste disposal and resource recovery, or transportation, unless such systems are planned for expansion and have adequate financing to support operation and expansion as necessary to meet the demands of the new development without violation of the emission or effluent limitations, standards, or other requirements of the Clean Air Act or this Act at any place where such expansion of such systems or any activities relating thereto may occur;

"(C) industrial or commercial development shall occur only where there exist adequate housing opportunities, on a nondiscriminatory basis and within a reasonable distance of any such development, for all persons who are or may be employed in the operation of such development;

"(D) development shall be prohibited on watcr-saturated lands such as marshlands, swamps, bogs, estuaries, salt marshes, and other wetlands;

"(E) there shall be no further commercial, residential, or industrial development of the flood plains of the navigable waterways in the State;

"(F) those responsible for making less permeable or impermeable any portion of the landscape will be required to hold or store runoff from such lands so that it does not reach natural waterways during storm conditions or times of snowmelt;

"(G) to the extent possible, upland watersheds will be maintained for maximum natural water retention;

"(H) utilities, in locating utility lines, shall make maximum possible multiple use of utility rights-of-way; and

"(I) any major residential development will include open space areas sufficient to provide recreational opportunities for all residents of the proposed developments."

"(7) Nothing in this subsection shall be construed to require any state or local government to allow construction or operation of facilities associated with any deep water development, or portion thereof, including but not limited to, port facilities, refineries, pipelines, and tank farms, on any area within the territory or jurisdiction of that State or local government where that State or local government determines that it does not wish to allow such construction or operation.

SEC. 3. Section 509(b)(1) of the Federal Water Pollution Control Act is amended by redesignating subparagraphs (D), (E), and (F) as subparagraphs (E), (F), and (G) respectively and by inserting a new subparagraph (D) to read as follows:

"(D) in making any determination pursuant to section 311(n),"

ATLANTIC COAST DEEP WATER PORT FACILITIES STUDY

(Statement of Senator JOSEPH R. BIDEN, JR.)

I wish to discuss my attitude toward some proposals on a deep water port that the Corps of Engineers have labelled "tentative recommendations." I am glad that they are labelled tentative because I do not find in the materials yet submitted any evidence that would justify a deep sea port in Delaware Bay or in the ocean off the coast of Delaware.

There does not even appear to be any certainty as to the size of ships that might use such a facility. If it is to be used by ships of 500,000 deadweight tons, then the Corps indicates that a Delaware-related site is not the most efficient or economical. The Corps' report says that one forecast of ship size of 500,000 tons was developed jointly by the Corps and the Maritime Administration. However, there are other varying estimates. There does not appear to be certainty at this point as to the size ship that might use such as facility, a factor affecting location Without this kind of information it would appear to be too early to be suggesting specific locations for a facility.

The Corps' report says that it is in the national interests to develop a port, "*provided that environmental values can be adequately protected.*" The "Summary of Environmental Considerations" prepared by the Corps indicates quite clearly to me that, on the basis of knowledge now available, environmental values *cannot* be protected.

One paragraph in the report seems to sum up the present state of the art of this field. It reads:

> There is a lack of adequate knowledge of ways to design and operate a system without spillage, or techniques capable of handling major spills, and of the total impact of oil spills on the ecosystem. Similarly, there is a lack of adequate knowledge on the changes which will occur from alteration of the physical configuration of water body through dredging, dumping of spoil, and inshore island construction; on the impact of such changes on biological organisms; and on the physical and biological characteristics of most geographical areas where petroleum import operations might take place.

With regard to vulnerability to environmental damage, the report says that at inshore sites oil pollution damage is unavoidable. It says that there is less danger at off-shore sites, but even then the report concedes the possibility of damage. In fact the report indicates that possibility low level spills at on off-shore location could be as serious at an in-shore location.

In yet another section the report says that "no consensus was reached . . . as to relative vulnerability . . ." of the various sites.

Thus in summary the report appears to say that all proposed sites are potentially dangerous to the environment, but that much more information would be necessary to determine the extent of the danger.

With regard to the potential effect on development of adjacent land the report does not deal adequately with Delaware. The report also says that the potential landside impacts from a deep water port are difficult to predict. However, the report assumes that in the absence of controls, such a port will be likely to induce "industrial concentration, particularly of refineries and petrochemical complexes" with all the resultant related commercial and economic activity. In other words we could look forward to industrialization all up and down our coast. While it is true that Delaware has controls over such development of its coast, if we once allow a port to be built off our coast I have little faith that our present controls are adequate to withstand the pressures for other industrialization.

It is very clear that the information available at this time indicates that there should not be a port built near Delaware, whether in the Bay or in the ocean. It is further clear that before any site anywhere is decided on there is need for much more information. Among the areas requiring clarification are:

Size of ships to be handled;

Control and permit procedures;

More knowledge of dealing with oil spills and their impact on the environment;

More study of the effect of construction of the port on the environment;

Possible resulting industrialization.

As a member of the Senate Public Works Committee to which the final report of the Corps of Engineers will be submitted I will seek answers to these and to other questions, while continuing to oppose any effort to designate a location for an off-shore port in Delaware Bay or off the coast of Delaware.

By Mr. FULBRIGHT (by request):

S. 1317. A bill to authorize appropriations for the United States Information Agency. Referred to the Committee on Foreign Relations.

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the U.S. Information Agency.

The bill has been requested by the Director of USIA and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Director of USIA to the Vice President dated March 5, 1973, and the section-by-section analysis of the bill.

There being no objection, the bill, letter and analysis were ordered to be printed in the RECORD, as follows:

S. 1317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Information Agency Appropriations Authorization Act of 1973."

SEC. 2. There are authorized to be appropriated for the United States Information Agency for fiscal year 1974, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 8 of 1953, and other purposes authorized by law, the following amounts:

(a) $203,279,000 for "Salaries and expenses" and "Salaries and expenses (special foreign currency program)," except that so much of such amount as may be appropriated for "Salaries and expenses (special foreign currency program)" may be appropriated without fiscal year limitation;

(b) $4,125,000 for "Special international exhibitions" and "Special international exhibitions (special foreign currency program)," which amount may be appropriated without fiscal year limitation; and

(c) $17,000,000 for "Acquisition and construction of radio facilities," which amount may be appropriated without fiscal year limitation.

SEC. 3. In addition to such amounts as are authorized by section 2, there are authorized to be appropriated for the United States Information Agency for fiscal year 1974 such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, for other nondiscretionary costs, and for expenses of programs or other activities, including exhibits exchanges with other governments, which arise subsequent to the date of enactment of this Act.

SEC. 4. There are authorized to be appropriated for the United States Information Agency for fiscal year 1975, such sums as may be necessary to carry out any of the foregoing purposes; *Provided,* That appropriations for "Salaries and expenses (special foreign currency program)," "Special international exhibitions," "Special international exhibitions (special foreign currency program)," and "Acquisition and construction of radio facilities," shall remain available until expended.

U.S. INFORMATION AGENCY,
Washington, D.C., March 5, 1973.
Hon. SPIRO T. AGNEW,
President of the Senate,

DEAR MR. VICE PRESIDENT: I have the honor to transmit to the Senate for its consideration a draft of a proposed bill "to authorize appropriations for the United States Information Agency," and an explanation therefor.

The proposed bill would authorize appropriations to be made to this Agency for fiscal years 1974 and 1975. Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) requires that such appropriations be previously authorized by legislation.

The Office of Management and Budget advises that enactment of the proposed legislation would be in accord with the President's program.

Sincerely,

JAMES KEOGH, *Director.*

SECTION-BY-SECTION ANALYSIS

Section 1: Provides that the Act may be cited as the "United States Information Agency Appropriations Authorization Act of 1973".

Section 2: *Subsection 2(a).* Authorizes appropriations to be made for salaries and expenses necessary to carry out international informational activities and programs under the United States Information and Educational Exchange Act, the Mutual Educational and Cultural Exchange Act, and Reorganization Plan No. 8 of 1953, for the fiscal year ending June 30, 1974. The portion appropriated pursuant to the special foreign currency program would be available until expended. The total amount, $203,279,000 requested for fiscal year 1974 is the amount now included in the President's budget for fiscal year 1974.

Subsection 2(b): Authorizes appropriations to be made for expenses necessary to carry out functions under Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, to remain available until expended, for the fiscal year ending June 30, 1974. The $4,125,000 requested for fiscal year 1974 is the amount now included in the President's budget for fiscal year 1974.

Subsection 2(c): Authorizes appropriations to be made for the purchase, rent, construction, and improvement of facilities for radio transmission and reception and the purchase and installation of necessary equipment for radio transmission and reception; and acquisition of land and interests in land by purchase, lease, rental or otherwise, to remain available until expended. The $17,000,000 is the amount now included in the President's budget for the initial phase of the relocation and augmentation of the radio facility now on Okinawa; maintenance and repair of existing facilities; and continued technical research.

Section 3: Federal pay raises and other laws or Executive Orders will increase Agency costs.

Section 3 authorizes increases in appropriations to provide funds for such pay and similar increases. In addition, this section authorizes appropriations made necessary because of nondiscretionary operating cost increases and for new or expanded programs and activities, including exhibits exchanges with other governments, which arise subsequent to the date of enactment of this Act. A new series of exhibits exchanges is scheduled to be negotiated with the USSR during fiscal year 1974.

Section 4: Authorizes appropriations to be made for the fiscal year ending June 30, 1975.

By Mr. BEALL (for himself and Mr. DOMINICK):

S. 1318. A bill to amend the Elementary and Secondary Education Act of 1965, to authorize reading emphasis programs to improve reading in the primary grades, and for other purposes. Referred to the Committee on Labor and Public Welfare.

THE ELEMENTARY SCHOOL READING EMPHASIS ACT OF 1973

Mr. BEALL. Mr. President, I send to the desk for introduction the "Elementary School Reading Emphasis Act of 1973." I am pleased that Senator DOMINICK, the ranking minority member of the Education Subcommittee, is cosponsoring this legislation with me. This legislation is aimed at the most important problem facing American education today—the reading problem.

I am firmly of the opinion that reading is the single most important skill, the most important key to learning. The mastering of reading determines, in large part, not only success in school, but also success in adulthood. The Elementary School Reading Emphasis Act gives to reading an emphasis commensurate with its overriding importance to our children and our country. Basically, the bill utilizes specialists to intensify and improve reading instruction in the early elementary grades with the aim of preventing reading problems from developing, and remedying them when they do.

Specifically, the bill authorizes Federal assistance to local educational agencies for the carrying out by such agencies in school or schools, which have large numbers or high concentrations of children who are not reading at the appropriate grade level, or reading emphasis projects.

Schools participating in the reading emphasis program must:

First, provide for the teaching of reading for at least 40 minutes daily by reading specialists for all elementary children in grades one through two;

Second, provide for the teaching of reading for at least 40 minutes daily by reading specialists for children in grades three and above who are reading below grade level or experiencing reading difficulties; and

Third, provide for a summer intensive reading program for children at the first sign they are falling behind grade level or experiencing reading problems.

The reading emphasis projects would also be required to analyze the reasons why children in the participating schools are not reading at the appropriate grade level; to screen for conditions that would impede or prevent children from learning to read; to administer appropriate tests to identify children who are not reading at the appropriate grade level; to develop a plan setting forth specific objectives which must include the objective of having all children reading at grade level by the end of grade three; to evaluate at least annually the extent to which the objectives are being made; to provide for parent participation; and to publish aggregate testing scores of the children participating in the project.

Also, the project must be approved by the State educational agency.

The legislation also authorizes one district-wide reading emphasis project in an urban area, and one district-wide project in a rural area.

In addition, the legislation would:

Fourth, establish a reading corps program to attract and increase the number of reading specialists to schools having large numbers or high concentration of students reading below grade level during the regular or summer session or both, and authorize Federal assistance to local educational agencies and institutions of higher education to increase the professional competency of teachers of reading and to encourage additional emphasis in reading courses for elementary teachers with the goal of having all such teachers in reading emphasis projects meeting the minimum requirements of a reading teacher;

Fifth, authorize the development of a reading course and study course guide for elementary teachers and reading specialists by the leading reading experts in the Nation and for the showing of such program over public television;

Sixth, designate or create a new educational center for research and development in the reading area to be known as the "Center for Reading Improvement"; and

Seventh, create a Presidential award for reading achievement to motivate elementary students to read better and to foster competition for excellence in reading by elementary schools.

Approximately $176 million would be authorized over a 3-year period with the bulk of the sum going to the reading emphasis projects.

READING DEFICIENCIES—A MASSIVE PROBLEM

The following alarming statistics illustrate the magnitude of the reading problem in the United States. It is estimated:

That some 18½ million adults are functional illiterates;

That some 7 million elementary and secondary children are in severe need of special reading assistance;

That in large urban areas, 40 to 50 percent of its children are reading below grade level;

That 90 percent of the 700,000 students who drop out of school annually are classified as poor readers; and

The massive reading difficulties revealed in those statistics have been confirmed by surveys of teachers and principals alike.

The Office of Education in 1969 surveyed 3,300 title I elementary schools in over 9,200 school districts across the country. Two hundred and sixteen thousand teachers were asked to supply data on approximately 6 million pupils in grades two, four, and six. These teachers judged reading the greatest area of need and they estimated that approximately 2.5 million pupils, or 48 percent of the enrollment in these grades, showed evidence of a critical need for compensatory programs in reading. This data indicated that 22 percent of the urban schools had 70 to 100 percent of their pupils reading 1 year below grade level.

Similarly, a survey of principals representing elementary school populations of approximately 20 million and a secondary school population of 17.8 million was taken seeking their estimate of the reading problem. These responses were analyzed by Carol Ann Dwyer of the Education Testing Services, Berkeley, Calif., and she found that the principals identified some 4.7 million pupils with reading problems in the elementary grades and 2.7 million in the secondary grades.

Alarmingly, 37 percent of the elementary pupils and 46 percent of the secondary pupils with reading problems were reported to be receiving no special assistance in the instruction of reading.

The Department of Education in my State recently released the results of its survey of 11,000 citizens on the most important goal for Maryland schools. The survey found that "the people of Maryland believe that the mastering of reading skills is the most important education goal for the schools of the State."

Over and over again, parents, the general public, and the press across the Nation have expressed concern with poor student performance in the fundamental reading area.

This concern is evidenced by stories from large cities across the country, such as the Baltimore headline "City Pupils Score Low."

This concern is evidenced by the UPI's story out of California indicating that a teenager was suing the San Francisco School District and the State of California for $1 million for graduating him from high school without learning to read.

This concern is evidenced by the suggestion by Dr. Kenneth Clark that all subjects be suspended in the ghetto schools for a year and that such time be spent on bringing the children's reading up to grade level.

Mr. President, I am convinced that the disenchantment in our schools, to a large degree, has to do with the inadequate performance in the reading area. This is not to say that schools do not do a good job with the large majority of our young people. They do, but a technological society like ours where only 5 percent of the jobs are unskilled cannot tolerate massive reading problems such as I have just described. Welfare rolls, to mention one social cost, will increase unless we do a better job of teaching such youngsters to read.

The President has recognized the importance of reading by establishing the "right-to-read" program, which is charged with the responsibility of eliminating functional illiteracy by 1980. Under the able direction of Dr. Ruth Holloway, the right-to-read program is doing some extremely interesting and constructive work.

I will now proceed to discuss this proposal in more detail.

READING PROBLEMS—A PREVENTIVE APPROACH

The primary approach of this bill is preventive. It is essential, in my judgment, that we not only focus on the reading problem, but also that we zero-in on the elementary years. I believe that prevention is more effective both in terms of educational results and cost effectiveness than subsequent remedial efforts.

The proposal thus calls for the teaching of reading for all elementary children in grades one through two by reading specialists. This is the real preventive aspect of the program and it is aimed at preventing reading problems from developing. It is designed to get all children off to a good start in reading.

In title I schools we know that reading retardation becomes greater with each successive year. I have talked with many teachers about the reading problem and, almost without exception, they advise me that it becomes increasingly more difficult, some say almost impossible, to remedy reading difficulties the longer we wait.

For grades three and above, the reading specialist would only be utilized for those children who are not reading at grade level or who are experiencing reading problems.

Also, an important responsibility of a reading specialist would be to administer or supervise the administering of the necessary diagnostic and screening tests to identify pupils who, for whatever reason, are having problems in reading.

SUMMER READING OPTION

At the first sign that a child is falling behind in reading, there would be made available the option of attending a summer intensified reading program, again employing reading specialists.

Mr. President, the Nation through the

Elementary and Secondary Education Act and other programs, has attempted to improve the education of disadvantaged youngsters.

Certainly this act has helped to identify and spotlight the massive education deficiencies of some of our schools. Unfortunately, we have not achieved the results to date that we have hoped for, although we have learned a great deal from our experiences under this act. For example, we have found that we cannot spread the money among all of our schools and expect results; instead we have found that better results are achieved when we concentrate such resources.

Also, districts that have emphasized academic programs have in general had better results. As a recent title I evaluation noted:

> Apparently there has been an over-allocation of supporting services and an under-allocation of academic services in Title I since the program's inception.

Headstart is another program which I strongly support. Interestingly enough, both in title I and the Headstart program "gains" that were produced often disappear. A study by Mr. Donald Hayes of Cornell University and Judith Grether of the Urban Institute, indicate that the reading deficiency of disadvantaged children may be traced in part to the adverse impact of the summer vacation period.

These researchers found:

> Much of the difference between white and nonwhite can be traced to differential progress in reading and word knowledge during nonschool periods . . . Put another way, the four summers between second and sixth grades produce a reading differential almost equal to the effects of five academic years. Month for month in 1965–66 the ghetto students were progressing at a rate 16 times as great during school as out of school. The upper-middle class student progressed at 3.5–4 times the rate *in* school as *out*. Students in all sets appear to learn while in school—it is when they are out of school that the important differentials appear. While *in* school the relatively rich white school children do barely better than the ghetto school children, (1.3 times as much progress per month in 1965–66) but during the summer the relatively rich whites progress 6 times the rate of nonwhites.

This study, while certainly not conclusive, does add support to the summer school component of my proposal. Perhaps the study may help to explain the "loss" during summer vacation periods of "gains" realized in some of our compensatory education programs.

In the last Congress during hearings on equal educational opportunities, in a response to a question about my reading proposal, Mr. James F. O'Neil of the State Board of Education for the State of Michigan responded:

> I particularly believe that the proposal to provide summer reading programs would be important, for this reason. Again, this latest study indicates that in the opinion of the report, that many children in the low socio-economic areas, lose more than others during the summer months, because of the social and economic advantages and the motivation in the homes. Therefore, it would seem that having funds for the summer program would be particularly important to overcome such a slippage as that and to determine, if this is occurring, whether such programs would prevent it. That particular aspect is something I would wholeheartedly support.

For elementary grades three and above, reading would be taught by a specialist only for those children who are not performing at grade level. Also, these children would continue to have available the summer school program.

The Elementary School Reading Emphasis Act then seeks to prevent reading problems from developing, to identify them immediately when they do, and to provide for prompt remediation once such problems are identified.

At this point, I want to strongly emphasize that this proposal is not meant to, nor will it, minimize or downgrade the role of the regular elementary classroom teachers in reading. The reading specialists employed in this program will serve to introduce specialization and intensification of reading instruction to all children in project schools, but the classroom teacher will continue to carry out his or her reading responsibilities, although obviously there would be coordination between the classroom teacher and the reading specialist.

SPECIALIZATION IN READING

Admittedly, specialization in reading for all children at the elementary grade level is new, but specialization itself at the elementary level is not new. At the elementary level, specialists are often employed to teach music, art, and physical education. Unlike in some of these other areas utilizing specialists, the reading specialist will not supplant the classroom teachers' reading role.

All reading instruction would not be the responsibility of the specialist. The regular classroom teacher will continue his or her important responsibilities, but the reading specialist will supplement and intensify that effort.

Indeed, this proposal envisions substantial upgrading of elementary teachers in reading, particularly in grades 1 through 3. That is why I have included the training program to make this possible.

Mr. President, schools in a number of States, such as California, Michigan, Wisconsin, and Missouri have been utilizing reading specialists with considerable success. Dr. Kiesling of the Urban Institution, writing in the November 1972 issue of "Education and Urban Society," examines various hypothesis for effective programs for disadvantaged children. He found that:

> Minutes of instruction, especially those by the trained reading specialists, were constructively related to reading gains

Continuing he argues that in situations where the present system is failing, such as in many of our core cities:

> It might be efficient to substitute specialists instruction for relatively large amounts of self-contained classroom instruction.
>
> In his concluding comments, Dr. Kiesling says, "It is widely believed, mostly on the basis of the reports of large national surveys, that compensatory education has failed. The findings of this study, which demonstrated modest average success and the possibility of very respectable gains in reading if diagnostic reading specialists are used for instruction, stand in partial contradiction to this."

Dr. Kiesling also cited what he called increasing evidence from research in compensatory education tending to support his findings. In discussing this literature Dr. Kiesling states:

> Guszak (1970) discusses research which he feels gives rise to a reasonable hunch that instruction by diagnostic reading teachers is effective for disadvantaged pupils. Bissell (1970) has shown convincingly, in a careful analysis of the findings of many well-designed compensatory education research projects, that better learning rates are associated with the degree of external organization and sequencing of the child's learning experiences, hierarchical organization of objectives, directive teacher role, and the nature and amount of program supervision and personnel training. These attributes are precisely those that are present with instruction by trained specialists especially so when the program is planned such that the regular classroom teacher and paraprofessionals are well coordinated to the specialists' activity.

From the discussion it is clear that the reading specialist's ability and leadership is critical to the success of this program. The reading specialist's role will be both challenging and difficult.

The reading specialist will be introducing specialization in the reading area for all elementary students as he or she provides instruction to all children in grades 1 and 2, and to all children who are reading below the appropriate grade level in grades 3 through 6.

In addition, reading specialists will be teaching those children who participate in the summer intensive reading program.

But, the reading specialist's responsibilities extend beyond the teaching function, as important as this is. The reading specialist, as envisioned in this proposal, is expected to provide strong leadership for and coordination of the reading program at his or her school. The reading specialist will also administer or supervise the administering of diagnostic testing and screening.

Further, the reading specialist will be a resource person, helping the elementary classroom teachers grow and improve their instruction of reading in the regular class and will help develop additional reading specialists. For those schools who will participate in the public television reading courses for teachers, authorized by this legislation, the reading specialist is expected to lead follow-up discussions after the media presentation of the course within the school. Finally, the reading specialist is expected to, in effect, be a salesman for reading, helping to instill on the faculty and students the overriding importance of this subject and a burning desire on the part of the teacher and student alike to improve the reading performance of that school.

I have included a definition of "reading specialist" and "reading teacher" in the bill. Experts with whom I consulted cautioned me that the intent of the program could be frustrated if qualified individuals were not attracted, particularly in view of the importance of the specialist in this program. On the other hand, if I made the requirements too strict, there may not be adequate numbers of reading specialists.

I considered giving the Commissioner

authority to issue regulations defining these terms, but I decided against that approach, and instead, elected to define these terms in section 808 of this bill. A "reading specialist" is defined as an individual who has a master's degree, with a major or speciality in reading, from an accredited institution of higher education and has successfully completed 3 years of teaching experience which includes reading instruction.

This is essentially the definition of the International Reading Association, a professional organization active in the upgrading of reading instruction.

The term "reading teacher" means an individual with a bachelor's degree, who has successfully completed a minimum of 12 credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education and has successfully completed 2 years of teaching experience, which includes reading instruction. Realizing that there may not be adequate reading specialists, I have provided flexibility to cover this problem. Thus, if the local educational agency is unable to secure individuals who meet the requirements of the reading specialist, and if such reading teacher is enrolled or will enroll in the program to become a reading specialist the reading teachers, as defined above, could be substituted for the reading specialist. I would emphasize, however, that these definitions are only for the purposes of this act.

It is clear that this proposal will necessitate a major upgrading of professional qualifications in the reading area in project schools. The bill also will encourage institutions of higher education to give greater emphasis to reading in the preparation of elementary teachers and reading specialists. The goal is to have all elementary teachers in project schools become reading teachers. To accomplish such a goal, it is obvious that a massive retraining effort will be necessary. Some school systems are recognizing this need and an effort is already underway.

For example, the Baltimore City school system is attempting to give all 8,000 teachers some additional training in the reading area.

As unbelievable as it sounds, it was possible until very recently for teachers to teach reading without a single college course in reading or reading methods. For example, in my State of Maryland prior to 1972, the only requirement was one single course in language arts. This in general seems to have been the case in most States in the country, for as a study, "The Information Base for Reading," by the Educational Testing Service of Berkeley, Calif., observed:

> In 1960, as in 1970, the most frequent requirement for certification as a regular elementary teacher or secondary teacher was one course in reading and/or language arts.

The Library of Congress at my request is presently in the process of completing a survey of the 50 States to determine their requirements for the regular elementary teacher and the reading specialist. Thirty-eight States have answered the survey and I urge the remaining States to provide this information as soon as possible.

I ask unanimous consent that the chart tabulating the 38 States be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, two sections of this bill are designed to make this considerable retraining task feasible.

TELEVISION TEACHER TRAINING

Section 803 authorizes the Commissioner of Education to make arrangements for the preparation and production for viewing on public television of reading courses for elementary teachers and reading specialists. In addition, a study course guide would be prepared for use in conjunction with the television instruction.

The great potential of television for educational purposes has been demonstrated by such shows as Sesame Street and Electric Company. Also, college courses have been successfully offered over television. My State of Maryland is doing some imaginative and innovative work in this area.

One frequent difficulty with many of the television courses is the times at which such courses are offered. Sunrise is obviously not the best hour for our citizens. I have tried to draft this bill, not only to tap the best available talent to produce the courses, but equally important to encourage the offering of such courses at hours that are convenient to the teachers.

This provision envisions the outstanding reading experts in the country combining their talents with experts in the utilization of the communication media for educational purposes to produce first-rate courses that may be used by any interested school system.

While I want to see the courses available to all reading emphasis projects and schools and school systems everywhere, the legislation requires that the Commissioner give priority in selecting the urban district wide project to applicants which can show—

First, that the State and local educational agencies will give credit for the television courses and encourage participation by the district's teachers;

Second, that the local television station will offer such courses at hours convenient to the teachers. It is hoped that the time of the viewing will enable all the elementary teachers to view the program as a group so as to enable follow up discussion led by the reading specialists; and

Third, that the local colleges and universities give academic credit for the completion of such courses.

TRAINING GRANTS

The second training provision appears in section 804. This section authorizes grants for the training of personnel for reading emphasis projects. The section's purpose is to provide for an adequate number of reading specialists and to encourage elementary teachers, particularly grades one through three, to become reading teachers.

Under this section, the Commissioner is authorized to enter contracts or to make grants to local educational agencies, State educational agencies, or institutions of higher education for—

First, training efforts, including short term and regular session institutions and other preservice and in-service training programs to improve the professional competency in reading of elementary teachers and principals of reading emphasis project schools. I have made the principal eligible for this training program, for the principal's interest and leadership is needed if the urgency and importance of reading is to permeate the entire elementary school, as I intend;

Second, the establishment of a Reading Corps, along the lines of the present Teacher Corps program. The purpose here is twofold; namely, to attract reading specialists both during the regular or summer session, or both, to schools having large numbers or higher concentration of children reading below grade level, and second, to increase the number of reading teachers and reading specialists. Under the program, regular elementary teachers will spend a year in a work-study combination to become a reading specialist. Those training to become treachers could also be assigned to work under reading specialists so that they will be acquainted with reading problems; and

Third, training to encourage all elementary teachers and particularly those in grades one through three, to become reading teachers. Also, it is hoped that the arrangements will be made with institutions of higher education to encourage them to increase the course requirements in reading for future elementary teachers of the early primary grades so that such graduates would meet the minimum requirements of a reading teacher.

The grants and contracts will cover the costs of the courses of study and for necessary fellowships and traineeships.

CENTER FOR READING IMPROVEMENT

Despite the importance of reading, this importance has not been adequately reflected in educational research and development. Accordingly, this part of my proposal would require the Director of the new National Institute of Education to establish a center for reading improvement. Ten million dollars would be authorized for the purposes of this section and these sums would remain available until expended.

The educational centers and labs previously funded under the Cooperative Research Act have been transferred to the National Institute of Education.

The Institute has been evaluating the present educational laboratories and center programs. I have examined some of the programs of the centers and labs and I must say that none of their work, in my judgment, compares with the importance of reading for our society. I believe that reading certainly should at least have one center or lab that is devoting full time to this problem.

Thus, under section 805 of my proposal, the Director of the National Institute of Education, through the Institute and the Center for Reading Improvement, would conduct or support research and demonstration in the field of reading, including, but not limited to the following areas:

First. Basic research in the reading process. The case for accelerated research and development efforts in the reading area is made by the massive reading problems facing the country. We certainly need to learn more about the reading process and how children learn to read. This is an exceedingly complex and difficult area, but its difficulty is exceeded only by its importance. So, I hope that basic research in the reading process will be pursued.

Second. The most effective method or methods for the teaching of reading. The debate on how to teach reading in the country has been going on for over a century with the proponents of the phonetic and look-see approach enjoying popularity at different times. Until educational research resolves this question, it would seem prudent that we make certain that our teachers know the main alternatives and techniques and when and how to employ special techniques of instruction.

Third. Improved methods for the testing of reading ability and achievement. There is a need to improve our techniques for testing reading ability and achievement. There is already some interesting work going on as evidenced by the Education Commission on the States' national assessment of educational processes, and also the work in my State on criterion-reference tests.

Fourth. Development of model college courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists.

Fifth. The development of techniques for the diagnosis and correction of reading disabilities. Throughout the last decade surveys both among those training to become teachers and those in teaching, have indicated that both groups believe that inadequate preparation was given in diagnosing and correcting reading problems of pupils.

The educational literature during this same period also emphasized the need for this approach. But as the Education Testing Service observed—

> In spite of such widespread exhortations, the requirement for teachers' education and certification have shown no subsequent change according to the surveys in 1960 and 1970.

Sixth. The development of model reading programs for elementary schoolchildren generally, and special model reading programs for elementary schoolchildren who are educationally disadvantaged, or handicapped.

During the 1950's there was considerable concern with respect to teaching of science in high schools. As a result, a study was undertaken by the National Science Foundation and a model textbook for physics was developed. It is my understanding that this was very well accepted and has been credited with substantial upgrading of the instruction of physics in the United States. I believe we should attempt a similar effort with respect to the development of a reading curriculum for pupils in the early elementary grades.

Seventh. The use and evaluation of education technology in reading, and

Eighth. The evaluation of educational materials in reading. P. Kenneth Komoski, president of the Education Product Information Exchange Institute, indicated a conservative estimate of the education material being marketed to the schools is over 200,000 items and that this production has increased 20-fold in the last two decades. There are also numerous materials specifically on the teaching of reading, providing teachers with many options and alternatives in the selection of teaching materials. Mr. Komoski points out that less than 10 percent of the education materials have been field tested and only approximately 1 percent have been subjected to learner-verification techniques.

PRESIDENTIAL READING AWARDS

Finally, my proposal would establish presidential awards for reading achievement. There will be two types of awards, one for elementary students and one for elementary schools.

The student award would consist of an emblem to be presented to elementary students for achievement in reading, as defined by the Commissioner of Education.

The school award would be a pennant, or other appropriate recognition, for schools achieving reading excellence, as defined by the Commissioner. The student and school awards will be of such design and material as the President prescribes.

I would hope that the President, before deciding on the design and material for the award, would consult with the education community and provide both the education community and the public with an opportunity to make suggestions for the award. Perhaps, it would be worth considering a national competition for the design of such awards, but I have not specified this in the statute itself.

Mr. President, in 1955 President Eisenhower was presented with evidence regarding the physical fitness of American youth. The President was told that 58 percent of the American children failed on one or more of six basic tests for muscular strength and flexibility as compared to only 9 percent of the Western European children.

As a result, President Eisenhower established what is now the President's Council on Youth Fitness and Sports. School fitness programs were developed for our youth, including a screening test for young children to identify those most in need of help. A seven part test was devised and standards were set for each item for each age group. The program was adapted by schools all over the country.

The President's Council on Physical Fitness has said that physical fitness of our youth has improved substantially. Since 1961, there has been a 32 percent gain in the proportion of children passing the physical fitness test from 60 to 80 percent.

In general, after 5 years of using the test, the performance of our youth has improved in all fitness areas.

Similarly, competition among schools in athletics fosters competition and excellence in sports. In addition, it tends to elevate the importance of athletics in the minds of students. I believe that the Presidential student awards envisioned will encourage interest and motivate elementary students in reading. Also, the school competition would underscore the importance of academic excellence in this the most important subject area at the elementary level.

This program will follow the successful physical fitness program and the only costs involved is some administrative expenses. I ask unanimous consent that a summary explaining the physical fitness program be included in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

CONCLUSION

Mr. BEALL. Mr. President, the bill I advance today is the product of considerable study. It addresses what I regard as the Achilles' heel of education, the massive reading problem of schools having large numbers or high concentrations of children reading below grade level.

It places a priority on the early elementary years through the use of reading specialists to intensify and supplement the regular classroom reading instruction. In effect, it gives the students a double dose of reading to prevent the educational-limiting and career-crippling handicap of the inability to read.

Mr. William Raspberry, in his column in the February 19 Washington Post, commented on the suggestion that subjects be suspended in ghetto schools for a year to concentrate on raising reading performance, as follows:

> Since you can only play at teaching history to children who can't read, why not stop playing and teach them to read?

Mr. President, I can assure you that this bill aims at preventing such playing and contemplates a serious and concentrated attack on the reading problem. Its goal is "to teach them to read." In fact, it adopts the ambitious goal of having all children in reading emphasis project school reading at grade level by the end of the third grade.

While this proposal will not be a panacea for all of the reading problems, I believe there is considerable evidence that this approach can and will make a substantial difference. The reading problem is so big and its solution is so important that I hope my colleagues will join me in enacting the Elementary School Reading Emphasis Act of 1973. Its enactment will be a giant step toward preventing or reducing reading problems. A society where technology and education are so important and where only approximately 5 percent of the jobs are unskilled cannot allow the dangerous conditions to continue where massive numbers of children lack the ability to read which affects both their capacity to learn and to earn.

I am a member of the President's Commission on the Financing of Postsecondary Education. This Commission is studying ways and means to provide the opportunity for the financing of higher and technical education for all students. But, it will do us little good to guarantee that financial barriers will not prevent students from postsecondary education and training if the students are not capable because of educational deficiencies, the most important of which is reading, to take advantage of these opportunities.

For, Mr. President, equal opportunities begin early. That is why I propose the bill to the Congress today. The bill's significance may be more important than the report of the Postsecondary Education Commission, which is scheduled to be released in December. This comment is not meant to detract from that report which I believe will be most important in determining future higher education policies in the country; but this proposal, after all, seeks to make the opportunity for higher education or technical education possible by not only reaffirming that children have the right to read, but also helping to assure that they will, in fact, be able to read.

Mr. President, I ask unanimous consent that the full text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

EXHIBIT 1

CERTIFICATION REQUIREMENTS IN THE METHODS OF READING INSTRUCTION FOR PUBLIC SCHOOL TEACHERS IN SELECTED STATES

State	Regular elementary school teachers				Reading specialists at the elementary school level			
	Number of course hours (credit)	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years	Number of course hours[1] (credit)	Type(s) of course(s)	Percent meeting present requirements	Changes in requirements in the past 5 years
Alabama	0	Not applicable[1]	(2)	None		Not applicable	(2)	None.
Arizona	[3] 3	Methods	100	do	15 semester hours	Methods, remedial, practicum[1] or internship.	100	1971—Course sequence mandated.
Arkansas	[3] 3	Not specified[4]	(4)	1972—None before	M.A	Methods, remedial, laboratory practice.	(5)	None.
Colorado	0	Not applicable	(2)	None	Not specified[4]	Not applicable	(2)	Do.
Connecticut	[3] 6	Methods (3) children's literature (3).	(3)	1972—None before	M.A	Methods, remedial, practicum, children's literature.	(5)	Do.
Delaware	[2] 3	Methods	100	None	15 semester hours (graduate).	Methods, remedial, practicum.	100	Do.
Florida	[2] 2	do	(3)	do	21 to 33 semester hours.	Foundations, methods, remedial, children's literature.	(5)	Do.
Georgia	[6] 5	do	90	do	25 quarter hours	Methods, remedial	100	Do.
Hawaii	0	Not applicable	(2)	do		Not applicable	(2)	Do.
Idaho	0	do	(2)	do		do	(2)	Do.
Illinois	[2] 2	Methods	90	do	32 semester hours	Not specified[4]	100	Do.
Kansas	0	Not applicable	(2)	do	12 semester hours (graduate).	Foundations, remedial, practicum.	80	1971—Requirements specified.
Kentucky	[3] 6	Not specified[4]	(4)	1972—None before	do	do	(5)	Do.
Louisiana	[3] 3	do	25	1971—None before		Not applicable	(2)	None.
Maryland	[3] 3	Methods	80–85	1972—None before	12 semester hours	Foundations, remedial, practicum.	85	Do.
Massachusetts	0	Not applicable	(2)	None	18 semester hours	Not specified[4]	Most	Do.
Minnesota	0	do	(2)	do	6 courses	Developmental reading, remedial, practicum.	(5)	Do.
Mississippi	[3] 6	Methods	99	do	15 semester hours	Developmental reading, remedial.	99	Do.
Nebraska	0	Not applicable	(2)	do		Not applicable	(2)	Do.
Nevada	[3] 2	Methods	100	do	M.A	Not specified[4]	100	Do.
New Hampshire	0	Not applicable	(2)	1970—From specific requirements to approved program basis.	M.A	do	95	1970—From specific requirements to approved program basis.
New Mexico	[3] 3	Methods, remedial	85	None	10 semester hours (for elementary reading teachers).	Foundations, remedial, practicum.	70	None.
New York	[3] 6	Not specified[4]	70	1972—None before		Not applicable	(2)	Do.
North Carolina	0	Not applicable	(2)	None	18–30 semester hours.	Methods, remedial, practicum.	(5)	Do.
North Dakota	0	do	(2)	do	8 courses (graduate).	Foundations, remedial, practicum.	100	Do.
Ohio	[6] 3	Methods	100	do	18 quarter hours	Foundations, developmental, remedial, practicum.	100	1972—None before.
Oklahoma	[3] 3	Methods and materials.	100	do	12 semester hours	Foundations, remedial, practicum.	100	None.
Oregon	[6] 6	Methods	75	1972—Minimum specified.	15 quarter hours	Methods, remedial, practicum.	90	1972—Minimum specified.
Pennsylvania	(4)	Not applicable	(2)	1969—3 semester hours required previously.	Not specified[4]	Not specified[4]	(5)	1969—General guidelines outlined.
Rhode Island	[3] 3	Methods	(4)	None		Not applicable	(2)	None.
South Carolina	[3] 3	do	(4)	do	12 semester hours	Methods, remedial, practicum.	(5)	Do.
South Dakota	0	Not applicable	(2)	do		Not applicable	(2)	Do.
Tennessee	[3] 3	Methods	(4)	do		do	(2)	Do.
Utah	0	Not applicable	(2)	do		do	(2)	Do.
Virginia	[3] 3	Methods	(4)	do	M.A	Foundations, remedial, practicum.	(5)	1972—None before.
West Virginia	[3] 2–3	do	33	do	27 semester hours	Foundations, remedial, clinical experience.	100	None.
Wisconsin	(7)	do	60	1973—Requirement made mandatory	M.A. or 30 semester hours	Advanced methods, measurement, remedial, supervision, internship.	100	1972—None before.
Wyoming	[3] [8] 8	do	95	None	6 semester hours (additional to standard requirement)	Remedial	95	None.

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[1] Where this space is left blank no separate certification for specialized reading teachers at the elementary school level exists.

[2] Not applicable.

[3] Semester (credit) hours.

[4] Data not available.

[5] A requirement exists but the number of hours is not specific.

[6] Quarter (credit) hours.

[7] 1 course.

[8] Semester hours of courses in the methods of teaching elementary skills, including reading.

Source: Congressional Research Service questionnaire, distributed to the States on Jan. 15, 1973.

Exhibit 2

55.007 Presidential Physical Fitness Award

Federal Agency: President's Council on Physical Fitness and Sports.

Authorization: Executive Order 11562, September 25, 1970.

Objectives: To motivate and encourage boys and girls 10 through 17 years of age to become more physically fit.

Types of assistance: Provision of Specialized Services.

Uses and use restrictions: Program encourages the testing of children 10–17 years of age to determine their ability to pass a set of seven tests. Children who score at least an 85 percentile for their sex and age can be recommended to receive: (a) a physical fitness emblem and (b) a certificate signed by the President of the U.S. If they are also considered by the school to be student-citizens in good standing, the school must arrange the purchase of the emblem and certificate without cost to the student. Certificate and emblem are awarded to the student by the school upon receipt. The program is self-sustained by virtue of being administered by elementary and secondary schools at no cost to the student or to the Federal Government. The tests may be conducted by a non-school agency, but the school must certify the results and indicate that the student is in good standing with the school.

Eligibility requirements:

Applicant Eligibility: Elementary and secondary schools.

Beneficiary Eligibility: Student must pass 85th percentile for age and sex and the student must be in good standing with his school.

Credentials/Documentation: School must be prepared to document its winning students.

Application and award process:

Preapplication Coordination: None.

Application Procedure: School applies to the National Education Association using form provided by the President's Council on Physical Fitness and Sports.

Award Procedure: Upon the school's certification that the required test results had been attained and that the student was in good standing with the school, the award is made.

Deadlines: Non-specific; except application should be submitted in time to make an award to student before close of school year.

Range of Approval/Disapproval Time: Not applicable.

Appeals: Not applicable.

Renewals: Not applicable.

Assistance considerations:

Formula and Matching Requirements: Not applicable.

Length and Time Phasing of Assistance: Not applicable.

Post assistance requirements:

Reports: None.

Audits: None.

Records: None.

Financial information:

Account Identification: 09–90–0120–0–1–703.

Obligations: (Salaries and expenses) FY 70 $1,000; FY 71 est $1,000; and FY 72 est $1,000.

Range and Average of Financial Assistance: Not applicable.

Program accomplishments: Since the inception of the program in 1965, 551,311 awards have been presented.

Regulations, guidelines, and literature: Brochure describing the Presidential Physical Fitness Award Program is available from the President's Council on Physical Fitness and Sports, it also includes an official application form used to request award items.

Information contacts:

Regional or Local Office: None.

Headquarters Office: The President's Council on Physical Fitness and Sports, Washington, D.C. 20202. Telephone: (202) 962–6526.

Related programs: 55.002, National Summer Youth Sports Program; 55.003, Physical Fitness and Sports Information; 55.004, Physical Fitness Clinics; 55.005, Physical Fitness Demonstration Center Schools.

Exhibit 3

S. 1318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Elementary School Reading Emphasis Act of 1973".

Sec. 2. The Elementary and Secondary Education Act of 1965 is amended by redesignating title VIII and references thereto as Title X, by renumbering sections 801, 803, 805, 807, 808, 809, 810, and 811 and references thereto as sections 1001 through 1008, respectively, and by inserting after title VII thereof the following new title:

"TITLE VIII—READING EMPHASIS PROGRAMS "FINDINGS AND PURPOSE

"Sec. 801. (a) The Congress finds—

"(1) that reading is the single most important key to learning and that the mastering of reading skills determines in large part success in school and subsequent adult life;

"(2) that the President of the United States has recognized the critical importance of reading by establishing the Right to Read program which is charged with the responsibility of eliminating functional illiteracy by 1980;

"(3) that approximately 7 million elementary and secondary school students have severe reading problems;

"(4) that the reading deficiency in schools having large numbers of children from lower-income families is massive, with as many as forty to fifty percent of such students reading below grade level and that many students from advantaged backgrounds are also handicapped by the lack of reading skills;

"(5) that ninety percent of the 700,000 students who drop out of school each year are classified as poor readers;

"(6) that studies have indicated that the reading deficiencies of disadvantaged children may be traced in part to the adverse affect of the summer vacations;

"(7) that measures to improve the achievement of children become increasingly more difficult and less effective the longer they are delayed; and

"(8) that there is a need to emphasize reading and to improve and itensify the instruction of reading in the primary grades to prevent the development of reading problems.

"(b) It is the purpose of this title to provide financial assistance to assist local educational agencies to undertake demonstration projects emphasizing reading in elementary schools, to improve the instruction of reading in elementary schools, to provide reading training for teachers, to establish a research center for reading improvement, and to provide a reading achievement award.

"READING EMPHASIS DEMONSTRATION PROJECTS

"Sec. 802. (a) The Commissioner is authorized to arrange by grant, contract or otherwise with local educational agencies for the carrying out by such agencies in elementary schools, which have large numbers or high concentrations of children who are not reading at the appropriate level, of reading emphasis demonstration projects in accordance with this section.

"(b) Each such project shall provide for—

"(1) the teaching of reading by a reading specialist for all children in the first and second grades of an elementary school for a period each day not less than 40 minutes in duration;

"(2) the teaching of reading by a reading specialist for elementary school children in grades three through six who have reading problems for a period each day not less than 40 minutes in duration; and

"(3) an intensive summer reading program conducted by a reading specialist for public school children who are found to be reading below the appropriate grade level or experiencing problems in learning to read.

"(c) No arrangement may be entered into under this section unless upon an application made to the Commissioner at such time, in such a manner, and including or accompanied by such information as he may reasonably require. Each such application shall provide assurances that—

"(1) the project will be carried out in conformance with subsection (b) of this section in one or more elementary schools of the local educational agency;

"(2) appropriate measures have been taken by the agency to analyze the reasons why elementary school children are not reading at the appropriate grade level;

"(3) the agency will screen for conditions that would impede or prevent children from learning to read;

"(4) the agency will administer diagnostic testing designed to identify elementary school children who are not reading at the appropriate grade level;

"(5) the agency will develop a plan setting forth specific objectives, which shall include the goal of having all children in project schools reading at the appropriate grade level by the end of grade three;

"(6) the agency plan will include those criteria and procedures, including objective measures of reading achievement that will be used to calculate, at least annually, the extent to which the objectives of the plan have been achieved;

"(7) the agency will provide for parent participation and that consideration will be given, when teacher aides are employed, to the hiring of parents of the students, on a rotating basis, in order to involve directly the maximum number of such parents;

"(8) subject to the limitations contained in subsection (d), the agency will publish aggregate testing scores of the elementary school children participating in the project, and furnish such aggregate testing scores, upon request, to the Commissioner; and

"(9) the project has been approved by the State educational agency.

"(d) Nothing in this section shall permit the disclosure of individual reading test scores obtained under this section to any individual other than the parent or guardian or any child being so tested.

"(e) The Commissioner, in selecting projects under this title, shall, to the extent feasible, attempt to secure an equitable distribution among urban and rural areas.

"(f) The Commissioner is authorized to enter into at least one arrangement with a local educational agency in an urban area and a local educational agency in rural area for a district-wide project conducted in all schools of such agencies. In selecting the district-wide project in the urban area, the Commissioner shall give priority to a local educational agency which agrees to utilize the television course or courses developed for teachers of reading, pursuant to section 803, as evidence by the Commissioner's findings that—

"(1) the State educational agency or the local educational agency, as appropriate, will give credit for any course to be developed under section 803 and will encourage participation by the teachers of such agency in the training;

"(2) the local public educational television station will present any course to be developed under this section at an hour convenient for the viewing by elementary school teachers and, if possible, at a time convenient for such teachers to take the course, as a group, at the elementary school where they teach; and

"(3) that institution or institutions of higher education will agree to give academic credit for the completion of such courses.

"(g) There is authorized to be appropriated to carry out the projects under this section $50,000,000 for the fiscal year ending June 30, 1974, $55,000,000 for the fiscal year ending June 30, 1975, and $60,000,000 for the fiscal year ending June 30, 1976.

"READING TRAINING ON PUBLIC TELEVISION

"SEC. 803. (a) The Commissioner of Education is authorized, through grants or contracts, to enter arrangements with institutions of higher education, public or private agencies or organizations, and individuals for—

"(1) the preparation, production, and distribution for use on public educational television stations of courses for elementary school teachers who are or intend to become reading teachers or reading specialists; and

"(2) the preparation and distribution of study course material to be used in conjunction with any such course.

"(b) In carrying out the provisions of this section the Commissioner shall consult with and involve recognized authorities in the field of reading and specialists in the utilization of the communications media for educational purposes, and with the local and state educational agency of the urban district-wide reading emphasis project and other reading emphasis projects, to the extent feasible.

"(c) For the purpose of carrying out this section, there is authorized to be appropriated $1 million for the fiscal year ending June 30, 1974. Funds appropriated pursuant to this section shall remain available for obligations and expenditures through June 30, 1975.

"GRANTS FOR TRAINING PERSONNEL FOR READING EMPHASIS PROJECTS

SEC. 804. (a) The Commissioner is authorized to enter arrangements, through grants or contracts, with institutions of higher education or state or local educational agencies to assist them—

"(1) in providing training, including short term and regular session institutions and other pre-service and in-service training programs, to improve the professional competency of teachers of reading and principals of project schools;

"(2) in establishing a Reading Corps Program, patterned after the Teacher Corps, to attract reading specialists for service during the regular or summer sessions, or both, to project schools and to increase the number of reading specialists and reading teachers; and

"(3) in improving and broadening the training for the teaching of reading of personnel who are, or are training to become elementary teachers, particularly teachers of grades one through three, in project schools with a goal of having all such teachers meeting the minimum requirements of a reading teacher.

"(b) Grants under this section may be used by such institutions or agencies to assist in covering the cost of courses of training or study for such personnel and for establishing and maintaining fellowships and traineeships with such stipends and allowances as may be determined by the Commissioner.

"(c) There are authorized to be appropriated such sums as necessary to carry out the purpose of this section.

"ESTABLISHMENT OF THE CENTER FOR READING IMPROVEMENT

"SEC. 805. (a) The Director of the National Institute of Education is authorized and directed to designate an existing facility or establish a new facility to be known as the "Center for Reading Improvement" (hereinafter referred to in this section as the 'Center').

"(b) The Director of the National Institute of Education, through the Institute and the Center, shall conduct or support research and demonstrations in the field of reading, including, but not limited to, the following—

"(1) basic research in the reading process;

"(2) the most effective method, or methods, for the teaching of reading;

"(3) methods for the measuring of reading ability and achievement;

"(4) the development of model college courses in reading for personnel preparing to engage in elementary teaching or for elementary teachers who are or intend to become reading teachers or reading specialists;

"(5) the development of techniques for the diagnosis and correction of reading disabilities;

"(6) the development of model reading programs for elementary school children generally and special model reading programs for elementary school children who are educationally disadvantaged or handicapped;

"(7) the use and evaluation of educational technology in reading; and

"(8) the evaluation of educational materials prepared for the teaching of reading.

"(c) There are authorized to be appropriated, without fiscal year limitations, $10,000,000, to carry out the purposes of this section. Sums so appropriated shall, notwithstanding any other provision of law unless enacted in express limitation of this section, remain available for the purposes of this section until expended.

"SPECIAL CONSIDERATION IN TEACHER TRAINING PROGRAMS

"SEC. 806. The Commissioner is authorized in administering the Educational Professions Development Act to give special consideration to projects involving the improvement of the skills of the elementary school teachers who are or intend to become reading teachers or reading specialists.

"ESTABLISHMENT OF THE PRESIDENTIAL AWARD FOR READING ACHIEVEMENT

"SEC. 807. (a) In order to motivate and encourage elementary school children to improve their reading skills and to foster competence for excellence in reading among elementary schools, there is hereby established the Presidential Reading Achievement Award. Each such award shall consist of—

"(1) an emblem to be presented to elementary school children for achievement in reading as determined pursuant to regulations established by the Commissioner, and

"(2) a pennant, flag, or other appropriate recognition for elementary schools achieving reading excellence as determined pursuant to regulations established by the Commissioner.

"(b) The reading awards authorized by this section shall be of such design and material and bear such description as the President may prescribe.

"(c) There is authorized to be appropriated not to exceed $10,000 in any fiscal year for the administrative expenses of carrying out the provisions of this section.

"DEFINITIONS

"SEC. 808. (a) For the purpose of this title—

"(1) The term "Reading Specialist" means an individual who has a Masters Degree, with a major or speciality in reading, from an accredited institution of higher education and has successfully completed three years of teaching experience, which includes reading instruction.

"(2) The term "Reading Teacher" means an individual, with a Bachelors Degree, who has successfully completed a minimum of twelve credit hours, or its equivalent, in courses of the teaching of reading at an accredited institution of higher education, and has successfully completed two years of teaching experience, which includes reading instruction.

"(b) A "Reading Teacher" as defined above, may be used in lieu of a reading specialist, if the Commissioner finds that the local educational agency participating in a Reading Emphasis Project is unable to secure individuals who meet the requirements of the reading specialist and if such reading teacher is enrolled or will enroll in a program to become a reading specialist.

Mr. DOMINICK. Mr. President, I am grateful for the opportunity to join with the distinguished Senator from Maryland (Mr. BEALL) in sponsoring legislation which targets on reading skills, as he has so aptly described. This is not a new area of interest for me, because 3 or 4 years ago I sponsored—and it is now part of the law—the Learning Disability Act which is in the Elementary and Secondary Education Act now. It was not funded the first year, because of budgetary problems. However, I did get it budgeted for the last 2 years on a minor scale. It is my belief that the bill introduced by the Senator from Maryland will be of substantial assistance in dealing with the particular learning disability in reading.

As members of the Subcommittee on Education we are hopeful that this proposal will receive the benefit of hearings and ultimately favorable congressional action.

Reading is the one skill which must be mastered before other skills and abilities can be developed. Without an ability to read, schooling for many youngsters is an exercise in frustration and failure.

This proposal focuses on children in the earliest stages of their educational experiences, grades 1 through 6, with the heaviest emphasis on the first three grades. The trite description of these first years in school as the foundation upon which the intellectual house is built has never been more applicable. If children, after the sixth grade, cannot read effectively, they are on the downhill side of their education.

This bill authorizes a 3-year investment of $165 million to improve a student's ability to acquire and a teacher's ability to impart reading skills through local educational agency projects.

While designed to prevent reading deficiencies from developing, the bill structures remedies for dealing quickly with the problem when it occurs. For example, intensive summer reading programs are authorized for children who are reading below appropriate grade levels. On the prevention side, to aid teachers in sharpening their ability to teach reading, there is a provision for the preparation, production, and distribution of reading teaching courses on public educational television.

Mr. President, with more than 18 million functional illiterates in America today and with 7 million elementary and secondary children in severe need of special reading assistance, I am hopeful that Congress will turn a sympathetic ear to this proposal.

By Mr. DOMINICK:

S. 1319. A bill to strengthen education by consolidating certain elementary and secondary education grant programs through the provision of a share of the revenues of the United States to the States and to local educational agencies for the purpose of assisting them in carrying out education programs reflecting areas of national concern. Referred to the Committee on Labor and Public Welfare.

THE BETTER SCHOOLS ACT OF 1973

Mr. DOMINICK. Mr. President, as the ranking minority member of the Education Subcommittee, I introduce for appropriate reference the administration's education special revenue-sharing proposal, entitled "The Better Schools Act of 1973." Because of my position on the Education Subcommittee, I am doing this as a matter of courtesy; a courtesy which I might add was not extended to any of the minority members of the subcommittee in the form of a request for suggestions, advice or guidance with regard to any part of this legislation in its formulation stages by administration officials. If such a request had been made, at least to the ranking minority member, it might have been possible to smooth some of the bumps in the legislative road this bill will have to travel. My concerns, and I am sure other committee members are similarly situated, have not been closely guarded, but rather available for the asking. No such request occurred.

Having not been consulted in advance of submitting this proposal, I am confident that the same cavalier attitude will insulate these Federal officials in general, and OMB in particular, from any shock at my comments.

I seize this opportunity to indicate my disinclination to being the passive and grateful recipient of OMB's set of priorities devoid of any congressional input.

Mr. President, had I, or other Education Subcommittee members, been asked, we could have indicated the debilitating effect of allocation formulas which decrease the amount of money going to a State, such as Colorado, under education special revenue sharing as compared with the categorical programs. While this may accurately reflect OMB's priorities, it does not hint at mine.

Had I been asked, I would have indicated more than a little suspicion of the wisdom of legislation which, according to HEW figures, will reduce the amount of money to Colorado between fiscal year 1973 and fiscal year 1974 by more than a million dollars.

Similarly, Mr. President, a request for senatorial input in advance of drafting would have revealed that a significant number of school districts may not be able to survive the fiscal shock of an overnight "cold turkey" withdrawal of impact aid to students whose parents work on, but live off, Federal property—"B" students. It is my intention to deal with this problem in separate legislation which would amend the impact aid formula to provide for a gradual decrease in eligibility for "B" student impact aid, while preserving the program at the Federal level.

Mr. President, the thought of returning the decisionmaking power to the States and buttressing that authority with sufficient revenues has always been appealing to me, and I have been urging it upon my colleagues and other Members of Congress for quite some time. A very well written article on education revenue sharing by the Acting Deputy Assistant Secretary, Education Division at HEW, Charles Saunders, was published in the February-March 1973 issue of Compact—Education Commission of the States, and I ask unanimous consent to have that article printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMINICK. Mr. President, in light of the concerns expressed here, I would hope that this proposal would be the beneficiary of Education Subcommittee hearings, so that Congress can return to agency officials a set of priorities in education structured by elected representatives, instead of those faceless ghosts in the White House.

EXHIBIT 1

WHAT IS SPECIAL EDUCATION REVENUE SHARING?

(By Charles B. Saunders, Jr.)

Strangulation by red tape is a slow process. Local school systems have welcomed the benefits of federal categorical aid for the last 15 years, but have only recently begun to assess its mounting costs.

Narrow purpose categorical programs intended to deal with special aspects of the educational system have proliferated in the last decade. The U.S. Office of Education (USOE) now administers over 100 programs affecting elementary and secondary education, vocational education and post-secondary education or a combination of the three, and at least 26 other federal agencies also administer significant categorical programs affecting the schools and colleges.

Each program, of course, has its regulations and guidelines, reporting and auditing requirements and other paperwork imposed by a federal bureaucracy which by statute is assigned to tell the states and local agencies how to deal with their own educational problems.

The costs of such federal benefits are not always apparent—particularly when school administrators are desperate for additional sources of revenue. Not measured are the distortions which occur when local needs go unmet because of federal requirements for addressing "national priorities" or the time and talent diverted from more promising local efforts to time spent developing project proposals USOE is understood to prefer. How often is the spirit of innovation dimmed by the rigidities of federal regulations, or the staff and consultant help necessary to keep track (inadequately) of the variety and complexity of federal assistance available—if and when funds are appropriated?

Nevertheless, the problems which accompany federal categorical aid are beginning to be recognized. For the last two years the major national associations representing parents, teachers, school boards and administrators have jointly urged the simplification of federal education programs and the provision of assistance in broader, more general categories of need.

This is the basic purpose of education revenue sharing, one of several special revenue sharing measures proposed by President Nixon to accompany the general revenue sharing law enacted last year. Education revenue sharing is designed to restructure the existing framework of federal aid to elementary and secondary education, replacing about 30 state formula grant programs with a single, more flexible authority which addresses national needs without overriding the responsibility of the states and localities to decide how their educational needs should be met.

Congress did not act on any form of education revenue sharing at the last session, when major legislation in the postsecondary field consumed the attention of the authorizing committees. This session, however, the proposal should receive close attention, since the entire structure of federal aid to elementary and secondary education will be up for review. The kind of program consolidation and simplification proposed in education revenue sharing will inevitably be considered in the process of extending and amending the Elementary and Secondary Education Act (ESEA) which expires June 30 together with a number of related authorities.

Also likely to be involved in these congressional deliberations will be the issue of school finance, posing questions as to whether, and at what level, the federal government should provide continuing support for the educational system. As important as this issue is for the long-range future of American education, it should be kept separate from the issue of education revenue sharing which does not speak to the problem of school finance: the bill itself carries no price tag, authorizing only such sums as Congress may appropriate. Education revenue sharing simply offers a means of simplifying and consolidating the present system for distributing federal formula grants to the states. The *amount* of grants to be distributed would, of course, be determined separately in the annual appropriations process.

This distinction should not be clouded by disagreement over the spending levels proposed in the President's budget for existing programs which would be folded into this new revenue sharing. Differences of opinion over these spending levels should be resolved in the appropriations process and should not be allowed to jeopardize the reforms which would be accomplished in terms of simplifying the structure of federal aid. As to the broader issue of school finance, it may be argued that simplification of the existing structure is an essential precondition for any future extension of the federal role.

Thus, in its testimony at Congressional hearings on extension of ESEA, the Administration will place high priority on structural reform of the Federal role through ERS. While extension of some of ESEA's discretionary programs such as Bilingual Education will be sought by the Administration, its principal recommendation will be to consolidate all state *formula grants* under education revenue sharing.

While the Administration may be expected to make some changes, the concept will be identical with that embodied in its recommendations to the last Congress. About 30 state formula grants would be absorbed into a single, vastly simplified package providing assistance automatically by formula, one year in advance. Instead of having to submit detailed plans for extensive federal review and approval, a state would develop and publish its own plan for meeting its highest priority needs in a few broad areas of national concern. The process of developing its plan would involve wide public participation and discussion to encourage all concerned citizens and interest groups to build a concensus on priorities for allocation of federal resources for these national purpose areas:

Education of the Disadvantaged. Compensatory funds would be made available, under a more equitable formula, directly to local education agencies for concentrated assistance to the disadvantaged. States would have to certify that services provided from state and local funds are fully comparable in all schools of a given district, to assure that federal compensatory funds actually provide services beyond those available for all children within the district.

Education of the Handicapped. Funds would be allocated directly to the states, which would undertake to distribute them according to its plan for meeting the special needs of all handicapped children within its borders. This would speed and simplify the extension of services to the handicapped.

Vocational Education. These funds would also be distributed to the states removing the restrictive earmarking and limitations now imposed in a variety of vocational programs. No matching would be required; states would be free to conduct vocational or occupational programs according to their needs without regard to the age of the students; both in-school and out-of-school youth and adults would be eligible; funds could be used for postsecondary programs and technical training as well as comprehensive or vocational schools and technical centers.

Supporting Service Funds would be provided for supporting educational services, to be distributed under state plans spelling out priorities for the range of services now authorized in some 14 separate statutory provisions for such activities as the purchase of school textbooks, library resources and educational equipment; provision of supplementary educational centers and services, school pupil personnel services, adult education and school meals; training or retraining of teachers, teacher aides and other school personnel; and the costs of state administration, planning and evaluation.

Impact Aid. Federal aid to help meet the cost of educating children whose parents live on federal property—which provides no taxes to support the local school district—would pass directly through to the districts enrolling such children.

Education revenue sharing would give states and local school districts far greater flexibility than they now have to decide how federal funds should be spent for the national purposes listed above. In the areas of the handicapped, vocational education and supporting services, states would have further flexibility to transfer a percentage of funds from one purpose to another or to the disadvantaged, according to the educational priorities determined within the state. However, no transfer of funds would be permitted out of the disadvantaged or impact aid allocations, because of the special federal responsibility to provide funds for these purposes directly to the local districts.

As with other special revenue sharing proposals, all existing safeguards against infringement of civil rights would be preserved, as well as requirements for fair labor standards, accounting and reporting on the use of federal funds and recovery of funds where a state fails substantially to comply with the provisions of the act.

Education revenue sharing would also recognize the important role of nonpublic schools in the educational system. Children enrolled in nonprofit private elementary and secondary schools would be counted in the allocation formula and would participate on an equitable basis with public school children in programs for the disadvantaged, the handicapped, vocational education and supporting services. Title to and control of funds and property received by nonpublic schools under the bill would remain with public agencies, and if a state law prevented the inclusion of nonpublic school children in local education agency activities, the secretary of Health, Education and Welfare would provide equitable services to those children directly and deduct the cost from the state's allocation.

While the concept of program simplification and consolidation is endorsed by all the major education associations, objections will be heard from groups with special interests in the programs which would be folded into education revenue sharing: the spokesmen for equipment manufacturers or textbook publishers, for example, or the library or personnel and guidance associations. They will note, correctly, the impetus federal aid has provided over the past decade for increased attention to audiovisual equipment, library programs and guidance services in the schools.

The statistics they cite, however, only confirm the validity of the revenue sharing concepts. Such programs were originally enacted because states and localities were found to need stimulation to do a better job in these areas. This stimulatory purpose has long since been accomplished: no longer is it necessary for Congress to sit as a national school board, making annual decisions about how much money the states and local districts should spend for libraries, equipment and guidance programs. No longer, in fact, can it be assumed that Congress has greater competence to make such decisions than the state and local agencies which are much closer to the problems and better able to judge how to meet their own needs, which vary uniquely from state to state, from school district to school district and from school to school.

Education revenue sharing rejects the assumption that a federal bureaucracy knows best how to deal with these needs. It would replace the present complex and inefficient mechanism for providing federal assistance through dozens of different, often overlapping and conflicting programs.

In their place, education revenue sharing would establish a more efficient system for allocating federal financial resources on an automatic formula basis, one year in advance, to help state and local districts meet their educational responsibilities. While the proposal preserves and strengthens the national commitment to equality and quality of educational opportunity, it also recognizes that the federal government cannot substitute its good intentions for local understanding of local problems, and local initiative in attacking these problems.

Education revenue sharing thus lays the foundation for a new and more productive federal-state relationship in education. At the same time, its importance and that of the other special revenue sharing proposals is greater than the sum of their parts. They comprise a new definition of the relationship between federal, state and local agencies: a relationship in which people can more readily meet their present needs and anticipate their needs for the future.

By Mr. HART:

S. 1321. A bill for the general reform and revision of the patent laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

PATENT REFORM ACT OF 1973

Mr. HART. Mr. President, if we were measuring the "potential boredom rate" of various topics for conversation on a scale of 1 to 100, patents would probably get a 99.

Except for a few thousand patent lawyers, employees of the Patent Office, and some scattered scholars, few topics are more likely to result in tuned-out listeners.

If you asked the average college student what a patent is, he would no doubt tell you it is a reward—compensation for the long, lonely, financially strapped hours some individual attic inventor worked on his creation.

That answer would be partially right. A patent is a "reward," but more in the sense of "incentive" than "compensation." It is, in effect, more like the $100,000 offered in a community for information that may lead to the solution of an especially heinous crime.

In other words, as spelled out in the Constitution, the underlying principle of the patent system is to offer bait so that the inventions will be developed—and implemented—for the public good.

Given its intended purpose, the U.S. patent operation cannot be described as a success.

For the evidence is strong that our system tends to frustrate invention and tie up technology so the public cannot benefit from it.

Basically, this is because we are limping along today on a system designed in 1836—when the few hundred inventions did come chiefly from the Thomas Edisons and other individuals.

In today's corporate-dominated, technology-oriented world, only 20 of 100 patents granted go to individuals; and the annual burden of applications has risen to 100,000.

Not surprisingly, there is 2½-year backlog in the Patent Office.

Worse, patents are being handled by this creaky system in such a way that 72 percent of those litigated in the Federal courts of appeals are held invalid, and fewer than 20 percent of the litigated patents are upheld as valid and infringed.

And the casebooks are teeming with examples of patents filed to "protect" or extend the life of other patents—which too often is a way of saying to close out innovation—and of patents which are simply frivolous and fanciful with little or no redeeming public good.

Not only do such patents add to the burden of the office, but they increase the financial burdens for those who would bring forth a worthwhile idea. For each adds a new blockage to the ongoing stream of technology and adds to the mass that must be researched to determine if an idea is indeed "new" and patentable.

Mr. President, the executive and Congress have not been derelict in their duty to attempt to do something about the situation. For 6 years, dating back to President Johnson's Commission on the Patent System, much thought and work has been given to this matter. In fact, the Senate Patents, Trademarks, and Copyrights Subcommittee, under the able leadership of the Senator from Arkansas (Mr. McCLELLAN) in 1971, reported a bill to reform the system.

The bill was a compromise—embracing 14 of the 35 recommendations of the Johnson commission—omitting the more controversial. But the bill moved no further than the subcommittee.

Last year, President Nixon recognized the importance of a viable patent system, saying that "a strong and reliable patent system" is an important predicate to

U.S. technological progress and industrial strength.

I could not agree more. And frankly, I am troubled as to how much the archaic patent system is contributing to the lessening of our traditional technological lead. The United States alone has not recognized the changed technological and economic factors of today's world since 1836.

Today, I propose an omnibus bill to reform this system and to make it fit to deal with the technological potential of this country—and a number of these proposals already are operating quite successfully in Europe.

The bill recognizes that patent monopoly grant is a carefully delineated privilege designed to serve the public interest in promoting the progress of science and useful arts and not an unlimited license to the recipient. Let me highlight some of the significant features of the bill.

First, the Patent Office would be made more independent, divorcing it from the interests of the Commerce Department.

Second, secret ex parte sessions wherein interested parties and a patent examiner decide the patentability of an idea would be replaced with public adversary hearings.

Third, a public counsel would be installed in the Patent Office—to argue for the public interest and to make the office itself simply judge instead of both judge and advocate.

Fourth, the Patent Office is given subpena, investigative, and research powers so it may independently, and with great assurance, determine the question of patentability before—rather than after—issuance of the patent.

Currently, the office relies on information supplied by the applicant. Under the present system, the average patent receives a total of about 15 hours of review.

The new procedures would allow a full airing of the facts and hopefully enable the Patent Office to deny patents that today are being found invalid in the courts in such great numbers.

Fifth, the bill adopts a method common in European countries to relieve the financial burden on applicants and lessen the office's workload.

Examination could be deferred for up to 5 years after filing. Therefore, protection for the invention is gained; but there is no need for the office to handle inventions that in fact are never going to be put to use.

Under this system in Holland, it is estimated that at the end of the deferred examination period, some 59 percent of the applicants chose to let their applications lapse.

Under the deferred examination system, fees would be small at the time of filing and not become substantial until the patent is actually put to work and the inventor can properly afford them.

This would open the door a little wider for individual applicants who are almost strangers to the Patent Office today.

The patent grant would be for 12 years from filing, plus whatever time elapsed while the examination was deferred.

Sixth, an oath would be required to assure that all material information which would adversely affect the issuance of the patent is brought to the attention of the office. As the "invalidity" track record in the courts has demonstrated, currently many applicants have been less than candid with the office as to the facts surrounding the issuance of the patent.

The oath puts more of an obligation for disclosure on the one seeking the patent monopoly, akin to standards before the Securities and Exchange Commission; and the other new procedures in the bill help the office develop information to assure that patents will be granted on facts, not fiction.

Mr. President, as I said, I know that discussion of patents can be tedious. However, I am sure that most Members of this body would agree with President Nixon that we must have a strong and reliable patent system in order to promote invention and the public interest.

It is a matter not only of life style and comfort for each of us, but of health, employment, and maintaining our technological superiority. In sum, I believe that reform of the patent system is a necessary prerequisite to restoring public confidence and allowing it to perform its constitutional objective.

In short, a dull but essential piece of business; and one I hope Congress will complete this year. I ask unanimous consent that the Patent Reform Act of 1973 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with the authority granted by article 1, section 8, clause 8 of the United States Constitution, title 35 of the United States Code, entitled "Patents", is hereby amended in its entirety to read as follows:

"TITLE 35—PATENTS

"Part	Sec.
"I. Patent Office	1
"II. Patentability of inventions and grant of patents	100
"III. Patents and infringement of patents	261

"PART I—PATENT OFFICE

"Chapter	
"1. Establishment, officers, functions	1
"2. Proceedings in the Patent Office	21
"3. Practice Before the Patent Office	31
"4. Patent Office fees	41

"Chapter 1.—ESTABLISHMENT, OFFICERS, FUNCTIONS

"Sec.
"1. National Patent Policy.
"2. Establishment and seal.
"3. Commissioner and other officers.
"4. Restrictions on officers and employees as to interest in patents.
"5. Board of Appeals.
"6. Library, classification of patents, public search facilities.
"7. Certified copies of records.
"8. Publications.
"9. Annual report to Congress.
"10. Advisory Council on the Patent System.

"SEC. 1. NATIONAL PATENT POLICY

"It is hereby declared to be the national patent policy of the United States to promote the progress of science and useful arts, by granting inventors the privilege, for a limited time and subject to the provisions of this title and any other Act the Congress has or may hereafter enact, to exclude others from making, using, and selling new and useful inventions discovered by such inventors and fully disclosed to the public. This title shall be interpreted in light of this policy and of the constitutional purpose permitting Congress to enact a patent law, to assure that United States patents are of high quality and reliable.

"SEC. 2. ESTABLISHMENT AND SEAL.

"The Patent Office, at times referred to in this title as the 'Office,' shall be an independent agency, where records, books, drawings, specifications, and other papers and things pertaining to patents and to trademark registrations shall be kept and preserved, except as otherwise provided by law. The Patent Offices shall have a seal with which letters patent; certificates of trademark registration, and papers issued from the Office shall be authenticated.

"SEC. 3. COMMISSIONER AND OTHER OFFICERS.

"(a) There shall be a chief administrative officer of the Patent Office, the Commissioner of Patents, referred to in this title as the 'Commissioner.' The Commissioner shall be appointed by the President, by and with the advice and consent of the Senate, and he shall be compensated at the rate now or hereafter provided for level IV of the Excutive Schedule Pay Rates (5 U.S.C. Sec. 5315). The Commissioner shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trademarks, and he shall have charge of property belonging to the Patent Office. The Commissioner is authorized to promulgate rules and regulations governing proceedings before the Patent Office; to define any and all terms used in this title in connection therewith; and otherwise to prescribe such further rules and regulations as may be necessary or proper for purposes of administration of the Patent Office.

"(b) There shall be a Deputy Commissioner of the Patent Office, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate now or hereafter provided for level V of the Executive Schedule Pay Rates (5 U.S.C. Sec. 5316). The Deputy Commissioner shall perform such functions as the Commissioner may assign or delegate and he shall act as Commissioner during the absence or disability of the Commissioner or in the event of a vacancy in the office of Commissioner.

"(c) There shall be no more than three Assistant Commissioners of the Patent Office, who shall be appointed by the Commissioner and who shall be compensated at a per annum rate of basic compensation fixed by him not in excess of the maximum scheduled rate provided for positions in grade 18 of the General Schedule (5 U.S.C. Sec. 5104). Such Assistant Commissioners shall perform such functions as the Commissioner may from time to time assign or delegate. In the event of vacancies in the offices of Commissioner and Deputy Commissioner, or their absence or disability, the Assistant Commissioner senior in date of appointment shall fill the office of Commissioner until said vacancies, absences, or disabilities terminate.

"(d) There shall in addition be an Assistant Commissioner of the Patent Office for Appeals, Litigation, and Public Counsel, referred to in this title as the 'Public Counsel,' who shall be appointed by the President, by and with the advice and consent of the Senate. The position of Public Counsel shall be in the competitive service, and the per annum rate of basis compensation therefor shall not exceed the maximum scheduled rate provided for positions in grade 18 of the General Schedule (5 U.S.C. Sec. 5104). The Public Counsel shall assure as an advocate, and through the adversary process, that high quality patents which meet the statutory and constitutional criteria therefor issue from the Patent Office. To that end he shall consider and review all proceedings in the Patent Office, and he or his delegates:

"(1) may intervene and participate at any time in any Patent Office proceeding, or appeal therefrom, when, in his discretion, it is necessary or appropriate to do so—

"(A) in the public interest to assure the integrity, strength, and reliability of a high quality patent system; or

"(B) in circumstances which indicate the public need to analyze or defend an important, new, or developing theory of law; or

"(C) in the case of important, new, or developing areas of technology; and

"(2) shall prosecute or defend appeals from any final action of the Patent Office; and

"(3) shall have all other rights and powers afforded parties under this title; and

"(4) shall take such action, participate in such other proceedings, and conduct such other investigations or inquiries, as may be necessary or appropriate to carry out the purposes of this title.

The Commissioner may also assign or delegate other duties to the Public Counsel, to the extent such assignment or delegation does not interfere with the responsibilities of the Public Counsel provided by this subsection. In all other respects, the Public Counsel shall be independent of the Commissioner in carrying out his responsibilities hereunder.

"(e) The Commissioner shall, subject to other requirements of law, appoint other officers and employees of the Patent Office, assign or delegate to them the functions of the Office, and fix the per annum rate of basic compensation therefor.

"Sec. 4. Restrictions on Officers and Employees as to Interest in Patents

"Officers and employees of the Patent Office shall be incapable, during the period of their appointments and for three years thereafter, of applying for a patent or, during such period and for three years thereafter, being named as an inventor in an application for patent for an invention made during such period or for three years thereafter and of acquiring, directly or indirectly, except by inheritance or bequest, any patent or any right or interest in any patent, issued or to be issued by the Office. Such applications for patent thereafter shall not be entitled to any priority date earlier than three years after the termination of the appointment of such officers and employees.

"Sec. 5. Board of Appeals

"(a) There shall be in the Office not to exceed twenty-four examiners-in-chief, who shall be appointed under the competitive service, in the manner prescribed for Administrative Law Judges (5 U.S.C. Secs. 3105, 5362, 7521). The per annum rate of basic compensation of each examiner-in-chief shall be fixed at not in excess of the maximum scheduled rate provide for positions in grade 17 of the General Schedule (5 U.S.C. 5104).

"(b) The examiners-in-chief shall constitute a Board of Appeals in the Patent Office. The examiners-in-chief shall be persons of competent legal knowledge and scientific ability, who will perform and exercise the judicial functions of the Office.

"(c) The Board of Appeals shall review all final orders (as that term is defined in 5 U.S.C. Sec. 551) of primary examiners and may review orders issued pursuant to section 23 of this title, except with respect to such matters relating to Office procedure which the Commissioner has by general rule or regulation assigned for determination by a single member of the Board of Appeals, who shall from time to time be designated by the examiner-in-chief senior in date of appointment. Except as otherwise provided in this title, the Board of Appeals shall exercise all judicial functions, including all agency review or appeals, under this title. The order of the Board of Appeals shall constitute final agency action (as that term is defined in 5 U.S.C. Sec. 551) in all matters considered by it, as shall the order of a single member in matters assigned for determination by him.

(d) Each appeal or other action shall be heard or considered by a panel of at least three members of the Board of Appeals, except as otherwise provided in subsection (c) of this section. Said panel shall be designated for each case by the examiner-in-chief senior in date of appointment, consistent with the provisions of 5 U.S.C. Sec. 3105. The Board of Appeals has sole power to grant rehearings.

"(e) Whenever the Commissioner considers it necessary to maintain the work of the Board of Appeals current, he may designate any patent examiner of the primary examiner grade or higher having the requisite ability, to serve as examiner-in-chief for periods not exceeding six months each. An examiner so designated shall be qualified to act as a member of the Board of Appeals. Not more than one acting examiner-in-chief shall be a member of the panel of the Board of Appeals hearing any appeal or considering any case. The Commissioner is authorized to fix the per annum rate of basic compensation of each designated examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 16 of the General Schedule (5 U.S.C. Sec. 5104). The per annum rate of basic compensation of each designated examiner-in-chief shall be adjusted, at the close of the period for which he was designated to act as examiner-in-chief, to the per annum rate of basic compensation which he would have been receiving at the close of such period if such designation had not been made.

Sec. 6. Library, Classification of Patents, Public Search Facilities

"(a) The Commissioner shall maintain a complete and current library of patents and scientific and other works and periodicals, both foreign and domestic, in the Patent Office which shall be available to its employees in the discharge of their duties under this title and to assist the public in the study of science and the useful arts.

"(b) The Commissioner shall establish liaison with all government agencies in order to make available in the Patent Office libbrary additional scientific, technological, and other works and periodicals. Such material or copies thereof shall be provided to the Office by such agencies without charge if the Commissioner so requests. Upon request, the Commissioner shall provide other government agencies, without charge, with copies of specified documents maintained in the custody of the Office.

"(c) The Commissioner shall maintain with appropriate revisions a current publicly available classification and index by subject matter of published specifications of United States patents and of such other patents and applications, whether abandoned or published, and other scientific and other works and periodicals, both foreign and domestic, as may be necessary for the purpose of determining with readiness and accuracy the patentability of subject matter for which applications for patent are filed.

"(d) The Commissioner shall maintain public facilities, in various parts of the United States for the searching of prior art and patent materials, both foreign and domestic. To the maximum extent feasible, such prior art and patent materials shall be complete and current, drawing upon all relevant scientific, technological, and other works and periodicals, both foreign and domestic, available to any government agency. The Commissioner shall have such prior art and patent materials classified and indexed according to the classification of patents.

"(e) To the maximum extent feasible, the Commissioner shall mechanize, or otherwise facilitate by electrical, mechanical, or other appropriate means, the search of such prior art and patent materials. The Commissioner shall conduct an ongoing program of research and development to keep the handling, classification, storage and retrieval of such prior art and patent material current and up to the state of the art.

"Sec. 7. Certified Copies of Records.

"The Commissioner shall, upon payment of the prescribed fee, furnish certified copies of records of the Patent Office within thirty days to persons entitled thereto.

"Sec. 8. Publications.

"(a) The Commissioner shall cause to be published in a timely fashion in such format as he determines to be suitable, the following:

"(1) the specifications and drawings of patents, and patent applications, subject to the provisions of this title;

"(2) certificates of trademark registrations. including statements and drawings;

"(3) complete and current annual volumes of all current decisions of the Patent Office Board of Appeals and the Trademark Trial and Appeal Board in patent and trademark cases;

"(4) current classification manuals and indices of the classifications of patents.

"(b) The Commissioner may cause to be published, in such format as he determines to be suitable, the following:

"(1) Patent abstracts,

"(2) The Official Gazette of the United States Patent Office,

"(3) Annual indices of patents, published applications and of trademarks and information concerning the same,

"(4) Pamphlet copies of the patent laws and rules of practice, laws and rules relating to trademarks and circulars or other publications relating to the business of the Office.

"(c) The Commissioner may exchange any of the publications specified in subsections (a) and (b) of this section for publications desirable for the use of the Patent Office, and furnish copies of any of these publications to international intergovernmental organizations of which the United States is a member.

"(d) The Commissioner may supply copies of specifications and drawings of patents to public libraries in the United States which shall maintain such copies for the use of the public, at the rate for each years issue prescribed by the Commissioner in accordance with section 41(a) of this title.

"(e) The Patent Office may print the headings of the drawings for patents for the purpose of photolithography.

"(f) The Commissioner may establish a public information service for the dissemination to the public of information concerning patents and trademarks, and may from time to time disseminate or provide for dissemination of public technological and other public information, the publication of which in his judgment would promote the progress of science and the useful arts. Such dissemination may be made by periodical or other publications, the preparation and display of exhibits, and other appropriate means.

"Sec. 9. Annual Report to Congress

"The Commissioner shall report to Congress annually the money received and expended, statistics concerning the work of the Office, an evauation of the overall quality of the patents issued (including court decisions related to the validity and enforcement of patents), and other information relating to the Office as may be useful to the Congress or the public. Such statistics shall evaluate current patterns (as well as historical development over time) of patent and trademarks ownership, grouped by economic categories of ownership, significance and type of technology involved, and geographic origin.

"Sec. 10. Advisory Council on the Patent System

"(a) There shall be an Advisory Council on the Patent System (referred to in this section as the 'Council') of not less than twelve no more than twenty-four members to be appointed by the President, by and with the advice and consent of the Senate, from the general public, without regard to the civil service laws, and to consist of persons representing each of the sectors affected by the patent system, including manufacturers, scientists, engineers, consumers, legal scholars, jurists or former jurists, and representatives of federal agencies involved in the promotion of science and useful arts, the administration of the patent system, and the enforcement of federal law. The President shall designate the Chairman of the Council and set the term of the members.

"(b) It shall be the duty of the Council, on a continuing basis, to evaluate the effectiveness of the patent system in serving the public interest; to analyze the contemporary conditions and needs of the patent system; to study and appraise the methods and operations of the United States Patent Office including the quality of United States patents; and to report to the Commissioner and the Congress its conclusions and recommendations.

"(c) The Commissioner shall furnish to the Council such profesisonal, secretarial, clerical, and other services and facilities as the Chairman of the Council deems necessary to the conduct of its business. The Chairman of the Council shall appoint an executive secretary, the basic rate of compensation for whom shall not exceed the maximum scheduled for positions in grade 15 of the General Schedule (5 U.S.C. Sec. 5104), and such compensation shall be charged to the appropriation of the Patent Office.

"Chapter 2.—PROCEEDINGS IN THE PATENT OFFICE

"Sec.
"21. Day for taking action falling on Saturday, Sunday, or holiday.
"22. Form of papers filed.
"23. Issue of subpenas and other orders by Patent Office; review and enforcement.
"24. Issue of subpenas and other orders by Public Counsel.
"25. Oath and declaration in lieu of oath.
"26. Effect of defective execution.

"Sec. 21. Day for Taking Action Falling on Saturday, Sunday, or Holiday.

"When the day, or the last day, for taking any action or paying any fee in the United States Patent Office, or as otherwise provided in this title, falls on Saturday, Sunday, a holiday within the District of Columbia, or on any other day the Patent Office is closed for the receipt of papers, the action may be taken, or the fee paid, on the next succeeding secular or business day.

"Sec. 22. Form of Papers Filed.

"The Commissioner may by regulation prescribe the form of papers filed in the Patent Office.

"Sec. 23. Issue of Subpenas and Other Orders by Patent Office; Review and Enforcement.

"(a) Any party of record in any Patent Office proceeding may apply at any time to the primary examiner or other presiding official for subpenas or other orders to provide discovery, testimony, or evidence, and he shall issue the same *ex parte*. The primary examiner or any member of the Board of Appeals may also issue such subpenas or orders on his own motion, in any proceeding. Such subpenas and orders may issue against the applicant or any person within the jurisdiction of the United States, whether or not he is a party of record.

"(b)(1) The Commissioner shall establish rules for taking such discovery, testimony, and evidence. Such rules shall provide the parties of record all discovery permitted, and the sanctions for noncompliance therewith prescribed, in the Federal courts pursuant to the Federal Rules of Civil Procedure, as procedural necessities within the Office permit. Such rules shall provide, further, for the payment of witness fees and expenses as prescribed for proceedings in the district courts.

"(2) The Commissioner shall also establish rules governing *inter partes* proceedings by which subpoenas and orders issued pursuant to subsection (a) of this section may be sustained, quashed, or modified.

"(c)(1) Agency action pursuant to subsections (a) and (b) of this section shall not be deemed final decisions or orders for the purposes of chapter 13 of this title. Judicial review of such orders may be had upon review of the final decision or order in the entire proceedings, pursuant to chapter 13 of this title, or as may otherwise be required by 5 U.S.C. secs. 701–706. Judicial review of agency action pursuant to subsections (a) or (b) of this section may also be had in the course of a civil enforcement proceeding. Such proceeding may be by way of application by any party aggrieved by refusal or failure to comply with a subpoena or order issued pursuant to subsections (a) or (b) of this section, to the United States District Court for the District of Columbia, for an order to show cause why the person refusing or failing to comply with such subpoena or order should not be commanded by the court to comply therewith.

"(2) The process of such district court for such purpose shall run throughout the United States and otherwise as provided by the Federal Rules of Civil Procedure or any federal statute.

"(3) Disobedience to any court order entered pursuant to this subsection shall be punishable as a contempt.

Sec. 24. Issue of Subpoenas and Other Orders by Public Counsel

"(a) The Public Counsel may issue a subpoena or order to any applicant, patentee, or any person within the jurisdiction of the United States, requiring him—

"(1) to appear before a designated representative of the Office, in a nonadjudicative proceeding, to testify, produce documentary evidence, or produce other information or material; or

"(2) to file reports or answers in writing to specific questions—relating to any matter under investigation or inquiry by the Public Counsel, or likely to lead to the production of information relating thereto, whether or not the subject matter of the investigation or inquiry may also be involved in any proceeding before a primary examiner or the Board of Appeals, or any other proceeding before any court or other tribunal.

"(b) Agency review of subpoenas or orders issued pursuant to this section shall be before the Public Counsel, in accordance with such rules as the Patent Office may prescribe.

"(c) In the case of disobedience to or failure to comply with such subpenas or orders, the Public Counsel may, in his discretion, seek enforcement thereof by the procedure specified in section 23(c) of this chapter, and the procedures specified therein shall be applicable to subpenas and orders entered pursuant to this section. The Public Counsel or his delegate shall be authorized to appear before the court and institute any such proceeding pursuant to this subsection, notwithstanding any other provision of law.

"Sec. 25. Oath and Declaration in Lieu of Oath.

"(a) An oath to be filed in the Patent Office may be made before any person within the United States authorized to administer oaths, or before any officer authorized to administer oaths in the foreign country in which the affiant may be, whose authority shall be proved by certificate of a diplomatic or consular officer of the United States, and such oath shall be valid if it complies with the laws of the state or country where made.

"(b) The Commissioner may by regulation prescribe that any document to be filed in the Patent Office and which is required by any law or regulation to be under oath may be subscribed to by a written declaration in such form as the Commissioner may prescribe, such declaration to be in lieu of the oath otherwise required.

"(c) Whenever such written declaration is used, the document must warn the declarant that willful false statements and the like are subject to punishment including fine or imprisonment, or both (18 U.S.C. 1001).

"(d) Whenever the affiant or declarant does not use English as his primary language, the oath or declaration shall be made in his primary language and shall be filed with an English translation, the accuracy of which shall be attested pursuant to such rules as the Commissioner may prescribe.

"Sec. 26. Effect of Defective Execution

"Any document to be filed in the Patent Office and which is required by any law or regulation to be executed in a specified manner may be provisionally accepted by the Commissioner despite a defective execution, provided a properly executed document is submitted within such time as may be prescribed by the Commissioner, not to exceed six months.

"Chapter 3.—PRACTICE BEFORE THE PATENT OFFICE

"Sec.
"31. Regulations for agents and attorneys.
"32. Suspension or exclusion from practice.
"33. Unauthorized representation as practitioner.

"Sec. 31. Regulations for Agents and Attorneys.

"The Commissioner may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other persons before the Patent Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office.

"Sec. 32. Suspension or Exclusion From Practice.

"The Patent Office may, pursuant to such rules and regulations as the Commissioner shall prescribe, suspend or exclude, either generally or in any particular case, from further practice before the Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this chapter, or section 115 of this title, or who shall, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The decision of the agency shall be determined on the record after notice and opportunity for an agency hearing, and shall be subject to the provisions of 5 U.S.C. Secs. 551–559. The United States District Court for the District of Columbia, under such conditions and upon such proceedings as it by its rules determines, may review the final action of the agency upon the petition of the person so suspended or excluded, and such suspension or exclusion shall be set aside if unsupported by substantial evidence or otherwise not in accordance with law.

"SEC. 33. UNAUTHORIZED REPRESENTATION AS PRACTITIONER.

"(a) Whoever, not being recognized to practice before the Patent Office, holds himself out or permits himself to be held out as so recognized, or as being qualified to prepare or prosecute an application for patent, shall be fined not more than $1,000 for each offense.

"(b) Where an agent, attorney, or firm recognized to practice before the Patent Office, assumes responsibility for the service of preparing or prosecuting a patent application at the time such service is rendered, the service shall be considered as performed by such agent, attorney, or firm within the meaning of this section.

"Chapter 4.—PATENT OFFICE FEES

"Sec.
"41. Patent Office fees.
"42. Payment of fees; return of excess amounts; review of budget.

"SEC. 41. PATENT OFFICE FEES.

"(a) The Commissioner shall prescribe by regulations the fees to be paid in connection with the filing and examination of patent and trademark applications, the issuance of patents, the maintenance of patents in force, the supply of copies of records, the furnishing of publications or other services furnished by the Patent Office, and any other matters set forth in this title or in the Trademark Act of 1946 (60 Stat. 427; 15 U.S.C. Sec. 1051), as amended, requiring a fee; and the time within which such fees shall be paid.

"(b) (1) Fees shall be designed to affect an overall recovery in the range of 65 to 75 per centum of the costs of operation of the Patent Office: *Provided, however,* for a patent with one claim in independent form, and with no more than nine additional dependent claims, the application fee, issue fee, and annual maintenance fee (for the first three years thereof) shall each not exceed $100.

"(2) The Commissioner shall by regulation prescribe fee exemptions on a progressively graduated basis, not to exceed 50 percent of filing and examination fees and 80 percent of maintenance fees, to benefit and encourage individual inventors and small businessmen.

"(c) (1) Beginning the fourth year after a patent issues, the maintenance fee thereon shall be no less than $1,000, and shall increase annually by at least 25 per centum each year, except as may be provided pursuant to subsection (b) (2) of this section.

"(2) The Commissioner by regulation may in whole or in part defer payment of accrued maintenance fees for up to four years from the date of issuance, and he may waive such fees if such patent is disclaimed or canceled before the commencement of the fifth year. Additionally, a member of the Board of Appeals, pursuant to section 5(c) of this title, may extend such four-year period up to ten years, in individual cases, if the patentee establishes, by a preponderance of proof that he:

"(A) has made a good faith effort commercially to work the subject matter patented and that such efforts were without success due solely to circumstances beyond his control; or

"(B) is otherwise unable to pay any fee charged for maintaining an issued patent in force.

"(d) If payment of the fees in connection with the examination, publication or issuance of a patent application, or the maintenance of a patent, are not timely made, the application shall be regarded as abandoned, or the patent canceled (and notice of such cancellation shall be endorsed on copies of the specification of the patent thereafter distributed by the Patent Office). An applicant shall be given at least thirty days, and no more than six months, following notice of a fee due in which to pay the fee, except as otherwise provided in this title.

"(e) Except as otherwise provided in this title, the fees established under the authority of this section shall apply to any other Government department or agency, or officer thereof, except that the Commissioner may waive the payment of any fee for services or materials in cases of occasional or incidental requests by a Government department or agency, or officer thereof.

"(f) The Commissioner may prescribe by regulations that copies of Patent Office records and publications may be provided without charge, or at reduced or nominal fees, to libraries or other similar bodies, or in exchange for records or publications of foreign countries.

"SEC. 42. PAYMENT OF FEES; RETURN OF EXCESS AMOUNTS; REVIEW OF BUDGET.

"(a) All fees shall be paid to the Commissioner who shall deposit the same in the Treasury of the United States in such manner as the Secretary of the Treasury directs.

"(b) The Commissioner may refund any sum paid by mistake or in excess of the fee required.

"(c) The Office of Management and Budget shall not inspect, examine, audit, or review the subpoenas, orders, records, work, congressional recommendations, or testimony of the Patent Office or the Public Counsel or comment on any budget request made by the Office, any other provision of law to the contrary notwithstanding. The Comptroller General shall conduct such reviews, audits, and evaluations of the Office as he deems necessary. All accounts, budgets, and records of the Office shall be submitted to the General Accounting Office from time to time as the Comptroller General may require, and the Office shall maintain, preserve, and make available for inspection by the General Accounting Office such records as the Comptroller General may require.

"PART II—PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS

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"Chapter 10.—PATENTABILITY OF INVENTIONS

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"100. Definitions.
"101. Subject matter patentable.
"102. Conditions for patentability; novelty and bars to patent.
"103. Conditions for patentability; nonobvious subject matter.
"104. Date of invention; priority.

"SEC. 100. DEFINITIONS.

"When used in this title, unless the context otherwise indicates—

"(a) The term 'invention' means invention or discovery.

"(b) The term 'process' means process, art or method and includes a new use of a known process, machine, manufacture, composition of matter, or material.

"(c) The terms 'United States' and 'this country' mean the United States of America, its territories, and possessions, and the Commonwealth of Puerto Rico.

"(d) The term 'applicant' means any person who owns an application for a patent, as provided in this title.

"(e) The term 'patentee' includes not only the person to whom the patent was issued but also the successors in title to such person.

"(f) The term 'actual filing date in the United States' includes the filing date to which an application or patent, or the subject matter of any claim thereof, may be entitled under the provisions of section 120 of this title (and excludes any date under section 119 of this title). An application or the resulting patent may contain separate claims for subject matter having different actual filing dates in the United States by virtue of the provisions of section 120 of this title or may contain claims entitled to the benefit of a prior date under the provisions of section 119 of this title, in addition to claims not so entitled.

"(g) The terms 'manufacture,' 'composition of matter,' and 'new and useful improvement thereof' do not include any known manufacture of composition of matter, any obvious variation of or on such known composition of matter or the structure thereof, or any conventional formulation or preparation of any of the foregoing or of any material, whether or not the same is adapted for practicing a new use thereof.

"(h) The term 'party' includes any agency (as that term is defined in 5 U.S.C. Sec. 551 (a)), the United States, the Public Counsel, the government of the District of Columbia, any State or political subdivision thereof, or any agency or instrumentality thereof, and any person who is or may be adversely affected by any action (as that term is defined in 5 U.S.C. Sec. 551(g)), of the Patent Office.

"SEC. 101. SUBJECT MATTER PATENTABLE.

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, or his successor in title, may obtain a patent therefor, subject to the conditions and requirements of this title.

"SEC. 102. CONDITIONS FOR PATENTABILITY; NOVELTY AND BARS TO PATENT.

A person shall not be entitled to a patent if the subject matter sought to be patented:

"(a) was known or used by others in this or a foreign country, or was patented or described in printed or other tangible form in this or a foreign country, before the invention thereof by the investor named in the application, or

"(b) was patented or described in printed or other tangible form in this or a foreign country, or was in public use or on sale in this or a foreign country, more than one year prior to the actual filing date of the application for the patent in the United States, or

"(c) was forfeited, suppressed or concealed by him, or

"(d) was first patented or caused to be patented by, or was the subject of an inventor's certificate issued to, the applicant or his legal representatives, assigns, or predecessors in title in a foreign country prior to the actual filing date of the application for patent in the United States, on an application for patent or inventor's certificate filed more than twelve months before the actual filing date of the application in the United States, or

"(e) was described in a published or publicly available United States patent application or United States patent, which has an actual filing date in the United Sttes (or a prior filing date arising under section 119 of this title) before the invention thereof by the inventor named in the application, or

"(f) was not invented by the person named as inventor in the application, or

"(g) was invented by another person before the alleged invention thereof by the inventor named in the application, unless such other person himself suppressed or concealed it or has terminated activity with respect to the subject matter in circumstances establishing his intent not to resume such activity.

SEC. 103. CONDITIONS FOR PATENTABILITY; NONOBVIOUS SUBJECT MATTER.

"A patent may not be obtained though the subject matter sought to be patented is not disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

"SEC. 104. DATE OF INVENTION; PRIORITY.

"(a) No date of invention shall be accorded any applicant, with respect to the subject matter of this part of this title, which is more than one year earlier than the date on which his application was filed or, in the case of a continuing application, more than one year earlier than the date on which is immediately preceding patent application was filed.

"(b) The Office shall determine priority of invention between or among applicants for claims on substantially the same subject matter on the basis of rules and regulations which the Commissioner shall prescribe, in accordance with the procedures specified pursuant to section 136 of this title. Such rules and regulations shall make dispositive the respective dates of filing, first, and reduction to practice, second, insofar as the same is consistent with subsection (a) of this section.

"(c) An applicant who seeks to establish patentability based on a showing of any novel or unexpected property or result or the substantial superiority of any known or obvious property or result shall be entitled to claim priority for, or otherwise rely on, an application (whether filed in the United States or in a foreign country), only if it discloses each and every such property or result so relied upon.

"(d) To constitute disclosure or description for the purposes of sections 102 and 103 of this chapter, any description of any manufacture or composition of matter need not describe or disclose how to make or use such manufacture or composition of matter.

"(e) Patentability shall not be found in the perception of a problem the solution of which is obvious.

"Chapter 11.—APPLICATION FOR PATENT

"Sec.
"111. An application for patent.
"112. Specification.
"113. Drawings.
"114. Models, specimens.
"115. Oath of invention.
"116. Joint inventors.
"117. Death or incapacity of inventor.
"119. Benefit of earlier filing date in foreign country; right of priority.
"120. Benefit of earlier filing date in the States.
"122. Public availability, publication and confidential status of application.

"SEC. 111. APPLICATION FOR PATENT.

"(a) An application for patent may be filed by any person claiming to have invented the subject matter sought to be patented, or his assignee or other successor in title. The application shall be made in writing to the Commissioner, shall be signed by the applicant and include the name of each person believed to have made an inventive contribution, and shall be accompanied by the prescribed fee. An application filed by a person not the inventor shall include, at the time of filing, a statement of the facts supporting the allegation of assignment and ownership of the subject matter sought to be patented.

"(b) An application for patent shall include—

"(1) a specification as prescribed by section 112 of this chapter;

"(2) a drawing as prescribed by section 113 of this chapter; and

"(3) an oath as prescribed by section 115 of this chapter.

"(c) When the application is signed by or on behalf of the assignee, or other successor in title, he shall, within thirty days after filing an application for patent, serve a copy of the application on the inventor along with a statement calling the inventor's attention to the provisions of subsection (d) of this section. Service may be effected by mailing a copy of the application and statement, by first-class mail, to the last known address of the inventor. Failure to serve a copy of the application and statement on the inventor within thirty days shall result in abandonment of the application. The Commissioner may by regulation require proof of such service, and may extend the thirty-day period or waive the requirement for service upon a showing of sufficient cause.

"(d) An inventor, within a time prescribed by the Commissioner, may furnish a verified written notice to the Commissioner alleging that the applicant is not the assignee of the subject matter of the application as required by subsection (a) of this section. The Commissioner, in accordance with such regulations as he establishes and on the applicant's compliance with the requirements of this title, shall issue a patent to the inventor filing such written notice, without prejudice to later judicial proceedings, unless the notice is withdrawn by the inventor or the applicant records in the Patent Office an assignment by the inventor, or in lieu thereof, files a written statement by the inventor consenting to the filing of the application by and the issuance of the patent to the applicant.

"(c) Notice to the Commissioner, in a manner prescribed by regulations, of a final decision in a judicial proceeding in a court having jurisdiction thereof, from which no appeal has or can be taken, that an applicant is the assignee or owner of the subject matter of the application shall constitute an assignment to such applicant of his application therefor.

"SEC. 112. SPECIFICATION.

"(a) The specification shall contain a written description of the subject matter sought to be patented; of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same; and of all its novel or unexpected properties or results, and all its substantially superior known or obvious properties or results, on which patentability is to be based or upheld. The specification shall include each date or dates of invention, for each claim thereof, on which the applicant intends to rely, including any date of reduction to practice. The specification shall further include as a separate portion thereof, designated as such, a description of the best modes known or contemplated by the inventor and applicant of making, using, and commercially working the subject matter sought to be patented, together with all know-how known to the inventor and applicant necessary or commercially requisite to make, use, and work the same. The primary examiner may require the applicant to support any factual assertion with empirical data and by an affidavit from an affiant with personal knowledge of the facts thereof.

"(b) The specification shall specifically note what is known to the inventor and applicant to be conventinoal or old, or which is obvious therefrom and it shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor regards as his invention. Any new use of a known machine, manufacture, composition of matter, or material must be claimed as a process (as defined in section 100(b) of this title), and may not be claimed as a machine, manufacture, or other product. The claim or claims must include only matter set forth in the remainder of the specification. The range of equivalents to which any element of any claim shall be accorded shall be that expressly set forth in the specification as relating thereto. A claim may be written in independent or, if the nature of the case admits, in dependent form. If the claim is in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

"(c) An element in a claim for a combination may be expressed as a means or step for perfoming a specified function without the recital in the claim of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification.

"(d) Where the nature of the case admits, any independent claim shall contain, in the following order:

"(1) a preamble including a description of all the elements or steps of the claimed subject matter which are conventional or old,

"(2) a phrase such as "wherein the improvement comprises," and

"(3) those elements, steps, and/or relationships among them and/or between them and the elements or steps set forth in the preamble, which constitute that portion of the subject matter of the claim embodying the inventive contribution.

"No claim shall consist of a mere aggregation of a number of old parts or elements, or steps, some or all of which, in the aggregation, perform or, produce, or act together to perform or produce, no new or different function or operation than that theretofore performed or produced by such old parts or elements, or steps. Where an improvement is in one part or element of an old combination, or step of an old process, the improvement shall be claimed as such and shall not be claimed as a combination with other old parts or elements, or steps, which perform no new function in the combination.

"(e) When the subject matter sought to be patented relates to a process involving the action of a microorganism not already known and available to the public or to a product of such a process, the written description required by subsection (a) of this section shall be sufficient as to said microorganism, if—

"(1) not later than the date that the United States application is filed, an approved deposit of a culture of the microorganism is made by or on behalf of the applicant or his predecessor in title, and

"(2) the written description includes the name of the depository and its designation of the approved deposit and, taken as a whole, is in such descriptive terms as to enable any person skilled in the art to which such subject matter pertains to make and use the best mode known or contemplated by the inventor and applicant of making, using, and commercially working the same.

"An approved deposit shall be a deposit which—

"(1) is made in any public depository in the United States which shall have been designated for such deposits by the Commissioner of Patents by publication, and

"(2) is available, except as otherwise prohibited by law, in accordance with such regulations as may be prescribed,

"(A) to the public upon issuance of a United State patent to the applicant or his predecessor or successor in title which refers to such deposit, or

"(B) prior to publication of said patent, as specified in section 122 of this title.

"(f) For the dissemination of information and other purposes, the Commissioner, in accordance with such regulations as he establishes, may require a brief statement of all or part of the application. The abstract shall not be used for interpreting the scope of any claims of a patent, nor shall it affect in any way the validity or infringement of the patent.

"SEC. 113. Drawings.

"When the nature of the case admits, the applicant shall furnish a drawing.

"SEC. 114. MODELS, SPECIMENS.

"(a) The primary examiner may require the applicant to furnish a model of convenient size to exhibit advantageously the several parts of the subject matter sought to be patented.

"(b) The primary examiner may also require the applicant to furnish specimens or ingredients for the purpose of inspection or experiment.

"(c) For the purpose of carrying into effect the provisions of this title with respect to any drug or subject matter for which therapeutic utility is asserted by the applicant, the Commissioner of the Food and Drug Administration shall, upon request of the Patent Office and notwithstanding any other provision of law:

"(1) furnish all information of, and available to, the Food and Drug Administration,

"(2) conduct through the appropriate bureau or division of the Food and Drug Administration research upon special problems (including evaluation of the utility, safety, or efficacy of such drugs), and

"(3) detail to the Patent Office officers and employees of the Food and Drug Administration as may be necessary to accomplish the purposes of this title.

"SEC. 115. OATH OF INVENTION.

"(a) The inventor, the applicant, if not the inventor, and each of the agents, or attorneys or other persons recognized under section 31 of this title who participated in the preparation or prosecution of the application, or in any other proceeding before the Patent Office, has an uncompromising duty to act with the highest degree of candor and good faith toward the Patent Office and to disclose to the Patent Office (i) all information known to him concerning possible fraud or inequitableness underlying the application in issue and (ii) all information known to him necessary to make the application as a whole not misleading. Additionally:

"(1) Each inventor, at the time the application is filed, shall make oath that he believes himself to be the original and first inventor, and that he is aware of no prior public use or other material information which would adversely affect the issuance of the patent to the applicant; and shall state of what country he is a citizen. The inventor, after the notice of allowance, shall reaffirm the original oath and further make oath that he is aware of no prior art or other information that he in good faith believes to be more pertinent than that considered by the Patent Office. In an application for patent for an invention naming two or more inventors, each inventor shall specifically identify to which claim or claims he had made an inventive contribution.

"(2) Each applicant, if he is not the inventor, shall himself, or, in the case of a corporation or other business entity not a natural person, by one or more directors, officers, employees, or agents thereof who has knowledge of the subject matter covered by the oath and with authority to make an oath on behalf of the applicant, shall, after notice of allowance, make oath that he has no reason to believe the inventor not to be the original and first inventor, that he is aware of no prior art that he in good faith believes to be more pertinent than that considered by the Patent Office, and that he is aware of no prior public use or other material information which would adversely affect the issuance of the patent to him; such oath shall verify the statement of facts supporting the allegation of ownership of, or the right otherwise to file an application for, the subject matter sought to be patented.

"(3) Each agent, attorney or other person recognized under section 31 of this title who participated in the preparation or prosecution of the application as shall be required by the Commissioner for purposes of carrying out this section shall, after notice of allowance, file a statement that he has no reason to believe the inventor not to be the original and first inventor, that he is aware of no prior art that he in good faith believes to be more pertinent than that considered by the Patent Office, and that he is aware of no prior public use or other material information which would adversely affect the issuance of the patent to the applicant.

"(b) The Commissioner shall prescribe such rules and regulations as may be necessary or proper for carrying out the purposes of this section, including the form and content of any oath and statement herein required.

"(c) Whenever an inventor, applicant, agent, attorney, or other person recognized under section 31 of this title refuses to execute any oath or statement required by subsection (a) of this section, or cannot be found or reached after diligent effort, the inventor or a person to whom the inventor has assigned or agreed in writing to assign the subject matter sought to be patented, or who otherwise shows sufficient proprietary interest in the matter justifying such action, shall file in lieu of said oath or statement an affidavit proving the pertinent facts and showing that such action is necessary to preserve his rights or to prevent irreparable damage.

"(d) The applicant of an application filed pursuant to section 117 of this title shall make the oath required by subsection (a) of this section, so varied in form that it can be made by him.

"(e) Every oath or statement required by subsection (a) of this section shall be submitted not later than the time of payment of the fee required under the provisions of section 151(a) of this title.

"SEC. 116. JOINT INVENTORS.

"(a) When two or more persons have made inventive contributions to subject matter claimed in an application, they shall apply for a patent jointly and each sign the application and make the required oath, or, if the application is filed by some other person having the right to do so, they shall be named as the inventors.

"(b) In an application for patent naming two or more inventors, it shall not be necessary for each person named as an inventor to be a joint inventor of the subject matter asserted in any claim.

"(c) If a joint inventor refuses to join another inventor in an application for patent, or cannot be found or reached after diligent effort, the application may, subject to the requirements of section 111 of this title, be made by the other inventor on behalf of himself and the omitted inventor. The Patent Office, in such proceedings as the Commissioner shall by regulation prescribe and after notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

"SEC. 117. DEATH OR INCAPACITY OF INVENTOR.

"Legal representatives of deceased inventors and of those under legal incapacity may make application for patent upon compliance with the requirements and on the same terms and conditions applicable to the inventor, and may proceed on behalf of the inventor under the provisions of section 111(d) of this title.

"SEC. 119. BENEFIT OF EARLIER FILING DATE IN FOREIGN COUNTRY; RIGHT OF PRIORITY.

"(a) If an applicant seeks to obtain a patent on subject matter disclosed in an application previously filed in a foreign country, he shall, subject to the provisions of this section, be entitled to such earlier foreign filing date, if:

"(1) such foreign application was filed by the applicant, or the predecessor or successor in title thereto; and

"(2) the subject matter common to the two applications, and on which the applicant seeks a United States patent, was expressly disclosed in such foreign application in the manner required by section 112(a) of this chapter; and

"(3) the subject matter of the two applications has the same inventor for the common claims thereof; and

"(4) the application filed in the United States was filed within twelve months after the earliest date on which such foreign application was filed; and

"(5) such foreign application was regularly filed in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States.

"(b) No application shall be entitled to a right of priority under this section unless a claim therefor is made in the specification at the time of filing the application, and a certified copy of the original foreign application, specification and drawings, upon which it is based is filed in accordance with regulations established by the Commissioner, not later than the time of payment of the fee specified in section 151 of this title. An applicant shall not be required to file such certified copy earlier than three months after the actual filing date of the application in the United States. Certification shall be made by the Patent Office of the foreign country in which filed and show the date of the application and of the filing of the specification and other papers. The Commissioner may require translation of the papers filed if not in the English language and such other information as he deems necessary.

"(c) In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in the same foreign country instead of the first filed foreign application, provided that any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of without having been laid open to public inspection and without leaving any rights outsanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority.

"(d) When the application claiming priority under this section, discloses subject matter relating to a process involving the action of a microorganism not already known and available to the public or to a product of such a process and an approved deposit is made under section 112(e) of this title, the approved deposit shall be considered to have been made on the earliest date that an application in a foreign country, the priority of which is being claimed, contains a reference identifying a deposit of the same microorganism made in a public depository.

"(e) Applications for inventors' certificates filed in a foreign country in which applicants have a right to apply, at their discretion, either for a patent or for an inventor's certificate shall be treated in this country in the same manner and have the same effect for purpose of the right of priority under this section as applications for patent, subject to the same conditions and requirements of this section as apply to applications for patent, provided such applicants are entitled to the benefits of the Stockholm Revision of the Paris Convention at the time of such filing.

"SEC. 120. BENEFIT OF EARLIER FILING DATE IN THE UNITED STATES.

"(a) If an applicant seeks to obtain a patent on subject matter disclosed in an application previously filed in the United States, he shall, subject to the provisions of section 104 of this title, be entitled to the benefit of such earlier filing date, if:

"(1) the subject matter common to the two applications, and on which he seeks a patent in the later application, was expressly disclosed, in the manner required by section 112 (a) of this chapter, in the previous application; and

"(2) the subject matter of the two applications has the same inventor for the common claims thereof; and

"(3) the applicant specifically claims in the specification the benefit of the date of filing the previous application for the subject matter claimed in the second application, at the time he files the second application; and

"(4) the second application is filed prior to the earlier of:

"(A) the patenting of the previous application, or

"(B) the abandonment thereof, or

"(C) the termination of proceedings therein, or

"(D) the filing by the applicant of an appeal under section 134 of this title therein, or

"(E) one year from the public availability of the subject matter disclosed in the previous application under section 122 of this chapter (or, in the case of deferred examination of the previous application, pursuant to Chapter 18 of this title, one year from the commencement of examination of the previous application).

"(b) Subject to the limitations of this section, if the previous application referred to in subsection (a) of this section is entitled to the benefit of the date of an application in a foreign country under section 119 of this chapter, with respect to the subject matter sought to be patented in the later application, then the later application referred to in subsection (a) of this section shall be entitled to the benefit of such date.

"(c) When any applicant who seeks to obtain the benefit of an earlier filing date has made any changes in the specification of the later application, with respect to the allegedly common subject matter, the burden shall be on such applicant to persuade the Office that the subject matter of such changes was expressly disclosed in the previous application. Wherever the applicant includes new matter in an application, for which he seeks the benefit provided by subsection (a) of this section, the applicant shall particularly point out whatever new matter he adds, designated as such, in a separate portion of the specification; and such matter shall not enjoy the benefit provided by said subsection.

"SEC. 122. PUBLIC AVAILABILITY, PUBLICATION AND CONFIDENTIAL STATUS OF APPLICATION.

"(a) The Commissioner shall, prior to the date of first examination, in accordance with such regulations as he may prescribe, promptly index and make available for public inspection and copying all pending applications for patent, and any papers filed during the prosecution thereof, except as provided in subsection (b) of this section. Abandoned patent applications, and any papers filed during the prosecution thereof, shall be indexed and maintained available for public inspection and copying.

"(b) The Commissioner may keep such pending applications and papers (including new matter in continuing applications as designated by the applicant pursuant to section 120(c) of this chapter) secret until completion of review, if any, of the application, pursuant to section 181 of this title. No such period of secrecy shall exceed six months from the actual filing date of the application in the United States, or, in the case of new matter in a continuing application (designated as new matter by the applicant pursuant to section 120(c) of this chapter), six months from the date of filing said continuing application, unless the application has been ordered to be kept secret pursuant to section 181 of this title.

"(c) Under regulations prescribed by the Commissioner, a pending application for patent shall be published promptly after such application is made available for public inspection and copying pursuant to subsection (a) of this section. Where necessary to correct formal defects, action may be taken under sections 132 and 133 of this title to place the application in condition for publication.

"Chapter 12—EXAMINATION OF APPLICATION

"Sec. 131. Examination of application.
"Sec. 132. Examination proceedings.
"Sec. 133. Time for prosecuting application.
"Sec. 134. Appeal to the Board of Appeals.
"Sec. 135. Examination or reexamination on the basis of patents, publications, or information, cited or furnished by others.
"Sec. 136. Procedures in priority of invention contest.
"Sec. 137. Participation of parties.
"Sec. 138. Effect of proceedings before Patent Office.
"Sec. 139. Settlement agreements.
"Sec. 140. Burden of persuasion.

"SEC. 131. EXAMINATION OF APPLICATION.

"(a) The Commissioner shall cause an examination to be made of the application and the subject matter sought to be patented, in an examination proceeding, as specified in section 132 of this chapter. If on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor.

"(b) The applicant shall, pursuant to such rules and within such time as the Commissioner shall prescribe, submit:

"(1) copies of or citations to those patents, publications, or other prior art or evidence of the state of the art which the applicant has considered in connection with such application for patent, the disclosure of which is necessary to make the application as a whole not misleading; and

"(2) an explanation as to why the claims in such application are patentable over such matter.

"The applicant shall, if he considered no specific prior art in connection with his application, submit a statement to that effect and an explanation as to why he believes that the claims in such application are patentable. In any proceeding in which alleged fraud or misuse is predicated upon failure to comply with this subsection, the burden of proof shall be upon the party asserting such fraud or misuse.

"SEC. 132. EXAMINATION PROCEEDINGS.

"(a) The Commissioner shall provide for the assignment of applications to primary examiners, in accordance with such general system of technical classification of patentable subject matter as the Commissioner shall establish and publish. The primary examiner shall be the presiding officer in the examination proceeding. He shall examine the specification and claims therein, or cause them to be examined in the first instance by another examiner, and shall determine whether the subject matter sought to be patented is patentable. The primary examiner may at any time request the Public Counsel to intervene and participate in any proceeding.

"(b) Whenever, in an examination proceeding, the primary examiner grants or rejects any claim of an application, makes any objection or requirement, or renders any other decision, he shall notify all parties of record. If, after service of such decision, any party of record requests reexamination, with or without amendment, the primary examiner shall reexamine the application and render a decision. The examiner may decline to reexamine the application after having once reexamined it at the instance of the party of record requesting such reexamination.

"(c) All decisions by a primary examiner shall be a written part of the record in the Office, and shall include:

"(1) findings and conclusions, and the reasons or basis therefor, on all material issues of fact, law, or discretion presented; and

"(2) an appropriate order; and

"(3) such information and references as the primary examiner may deem useful to the applicant in evaluating the desirability of continuing the prosecution of the application; and

"(4) a complete narrative report of all matters discussed in personal meetings, telephone discussions, or other communications between an examiner and an applicant, or his representatives, relating to the patent application under examination.

"Statements of reasons may be long or short as the nature of the case may require.

"(d) No amendment shall introduce new matter into the disclosure of the invention. Whenever any change is made in the disclosure, the burden shall be on the applicant to persuade the Office that the matter is not new.

"(e) The applicant may present amended or new claims for reexamination of his application, but no such claims shall materially enlarge the scope of the claims of the application. Nothing contained in this subsection shall preclude any applicant from utilizing the procedures permitted by section 120 of this title.

"(f) If the subject matter sought to be patented in an application appears to relate to two or more classes of patentable subject matter, as established pursuant to subsection (a) of this section, or if the needs of administration of the Office otherwise appear so to require, the Commissioner may require examination by two or more primary examiners, for which additional examination the Commissioner may prescribe additional examination fees in accordance with section 41(a) of this title.

"SEC. 133. TIME FOR PROSECUTING APPLICATION.

"Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than one month, as fixed by the primary examiner in such action, the application shall be regarded as abandoned, unless it be shown to the satisfaction of the primary examiner that such delay was unavoidable.

"SEC. 134. APPEAL TO THE BOARD OF APPEALS.

"(a) The appeal from any final decision of the primary examiner shall be to the Board of Appeals. The Public Counsel shall be responsible for briefing and arguing the case before the Board of Appeals in respect to any appeal taken by any applicant, except in respect to priority of invention contests pursuant to section 136 of this chapter, in which case participation of the Public Counsel shall be at his discretion.

"(b) If any appeal is taken to the Board of Appeals, the primary examiner may, within such time as the Commissioner may by regulation prescribe, prepare a legal opinion elaborating and explaining the decision and statement made by him pursuant to section 132 of this chapter. The primary examiner shall not, in any appeal, otherwise appear before the Board of Appeals.

"(c) In any proceeding before the Board

of Appeals, any party may introduce into the record any patents, publications, or other evidence of the state of the art not previously made part of the record; and may seek to reverse the decision of the primary examiner on the basis thereof. The Board may consider the patentability of any claim in the application, *de novo*, or remand any proceeding to the primary examiner for reconsideration in the light of such or other further information, including any adduced by the Board, *sua sponte*.

"(d) Proceedings before the Board of Appeals shall be open to the public and a transcript of any hearing shall be kept. The Board of Appeals shall render a written decision which shall be entered of record and govern further proceedings in the case. The decision of the Board shall constitute final administrative action by the Office.

"SEC. 135. EXAMINATION OR REEXAMINATION ON THE BASIS OF PATENTS, PUBLICATIONS, OR INFORMATION CITED OR FURNISHED BY OTHERS.

"(a) Any party or other person may, after an application for patent becomes publicly available under section 122 of this title and until notice of allowance of a patent thereon, notify the Commissioner of patents, publications, other documentary or tangible evidence of the state of the art, or any other information, which may have a bearing on the patentability of any claim of said patent application, together with any explanation thereof which such person deems appropriate.

"(b) The Commissioner shall cause the claims of the patent application to be examined or reexamined by the primary examiner in the light of matter submitted pursuant to subsection (a) of this section, in such proceedings as the Commissioner shall by regulation establish. In any such proceeding, the primary examiner shall determine the patentability of the subject matter, pursuant to section 132 of this chapter.

"(c) The Commissioner shall inform the applicant of the receipt of a notice under this section, not later than one month after the receipt thereof. The applicant may present amended or new claims for such examination or reexamination, but no such claims shall enlarge the scope of the claims of the application. Failure of the applicant to prosecute in accordance with section 133 of this title shall result in the abandonment of his application. No patent shall issue until completion of the examination or reexamination of any such application.

"(d) The party, or other person, making the notification under subsection (a) of this section may participate as a party in the examination or reexamination proceeding, unless he elects not to be identified. In such case, the Patent Office shall give no information concerning the identity of such person, without his authority, unless such information is necessary to carry out the provisions of an Act of Congress or by reason of such special circumstances, as may be determined by the Commissioner to effectuate the purposes of this title.

"SEC. 136. PROCEDURES IN PRIORITY OF INVENTION CONTEST.

"(a) Whenever there are two or more pending applications naming different inventors and claiming the same or substantially the same subject matter, the patent shall ordinarily be issued on the application having the earliest actual filing date in the United States, if such application is otherwise allowable, and any applications having later actual filing dates in the United States with respect to such subject matter shall be rejected on the basis of such patent.

"(b) The priority of invention between or among applications subject to subsection (a) of this section shall be determined by the primary examiner in a proceeding in accordance with such rules as the Commissioner shall establish, if:

"(1) the later filed application is otherwise allowable;

"(2) the applicant therefor makes a *prima facie* showing of invention, as the same is defined pursuant to section 104 of this title, with respect to the date of invention stated pursuant to section 112(a) of this title; and

"(3) such applicant offers to present evidence in support of such showing, within such time as the Commissioner shall prescribe by rules, after rejection of his claims.

"(c) (1) Subject to paragraph (2) of this subsection, whenever an otherwise allowable claim of an application is for the same or substantially the same subject matter as a claim of an issued patent having an actual filing date in the United States later than that of such application, or such application discloses subject matter over which a claim of such patent is unpatentable, the primary examiner shall, on his own or any party's motion, initiate a proceeding to determine priority of invention.

"(2) No claim for the same or substantially the same subject matter as a claim of an issued patent shall be allowed unless such claim is made within one year after the date on which the patent was granted. Nothing contained in this paragraph shall, however, preclude any person from asserting the unpatentability to the patentee of the subject matter of such a claim, by reason of the prior activity of the applicant.

"(d) If two or more otherwise allowable applications claim the same or substantially the same subject matter and have the same actual filing date in the United States, or one or more otherwise allowable applications and an issued patent claim the same or substantially the same subject matter and have the same actual filing date in the United States, the primary examiner shall initiate a proceeding to determine priority.

"(e) Failure of the applicant to proceed under subsections (b), (c), or (d) within the time specified shall preclude such applicant from asserting priority of invention with respect to the subject matter claimed in the patent for the purpose of obtaining a patent. Failure of the patentee to proceed under subsection (c) or (d) of this section within the time specified shall operate to cancel such claim from the patent, and notice thereof shall be endorsed on copies of the specification of the patent thereafter distributed by the Patent Office.

"(f) In any proceeding under this section, the primary examiner or any party, may raise the question of patentability of any claim which is involved in the proceeding, and such question shall be determined in the proceeding.

"SEC. 137. PARTICIPATION OF PARTIES.

"Any party may at any time participate or intervene in any proceeding arising pursuant to this title, or initiate, participate, or intervene in any appeal therefrom, and thereby shall become a party of record.

"SEC. 138. EFFECT OF PROCEEDINGS BEFORE PATENT OFFICE.

"(a) A final decision by the Patent Office adverse to a claim of an issued patent from which no appeal or other review has been or can be taken or had shall constitute cancellation of such claim from the patent, and notice thereof shall be endorsed on copies of the specification of the patent thereafter distributed by the Patent Office.

"(b) Except as otherwise provided in this title, no party or other person shall be foreclosed, estopped, or in any way prejudiced with respect to the assertion of any claim or any defense in any proceeding in any court by reason of his, or any other party's or other persons, having proceeded or failed to proceed in accordance with the provisions of this title. Nothing contained in this title shall be construed to supersede the jurisdiction of any federal court or agency, nor to make any proceeding before such court or agency subject to the primary jurisdiction of the Patent Office.

"SEC. 139. SETTLEMENT AGREEMENTS.

"(a) Any agreement or understanding between parties to a proceeding under this chapter, including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the proceeding, shall be in writing. A copy thereof shall be filed in the Patent Office before the termination of the proceeding as between such parties. The copy shall be made part of the public record of the proceeding.

"(b) Failure to file such agreement or understanding shall render such agreement or understanding and any patent issued in connection with such proceeding permanently unenforceable.

"SEC. 140. BURDEN OF PERSUASION.

"In all proceedings in the Patent Office, the applicant shall have the burden of persuading the Office that a claim is patentable.

"Chapter 13.—REVIEW OF PATENT OFFICE DECISIONS

"Sec. 141. Appeal to Court of Customs and Appeals.
"Sec. 142. Notice of appeal.
"Sec. 143. Proceedings on appeal.
"Sec. 144. Decision on appeal.
"Sec. 145. Civil action.
"Sec. 147. Appeal to the United States Court of Appeals for the District of Columbia.

"SEC. 141. APPEAL TO COURT OF CUSTOMS AND PATENT APPEALS.

"An appeal from a final decision of the Board of Appeals may be had by any party to the United States Court of Customs and Patent Appeals. Any such appeal shall be dismissed without prejudice, however, if any other party, within 20 days after the notice of appeal is filed, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 145 of this chapter.

"SEC. 142. NOTICE OF APPEAL.

"When an appeal is taken to the United States Court of Customs and Patent Appeals, the appellant shall file in the Patent Office and serve upon the Public Counsel and all parties of record a written notice of appeal, within such time after the date of the decision appealed from, not less than sixty days, as the Commissioner appoints.

"SEC. 143. PROCEEDINGS ON APPEAL.

"The Commissioner shall transmit to the United States Court of Customs and Patent Appeals certified copies of the decision of the Board of Appeals and of all other necessary original papers and evidence in the case specified by the appellant or any other party. The Public Counsel shall be responsible for briefing and arguing the case before the court in respect to any appeal taken by the applicant, except in respect to priority of invention contests pursuant to section 136 of this title, in which case participation of the Public Counsel shall be at his discretion. The court shall, before hearing such appeal, give notice of the time and place of the hearing to the Commissioner, the Public Counsel, and any parties of record.

"Sec. 144. DECISION ON APPEAL.

"The United States Court of Customs and Patent Appeals shall review the decision appealed from under section 141 of this title The court may affirm or set aside the decision below, or remand the matter to the Office for further consideration in light of other factors or information that the court deems pertinent. Upon its determination the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and govern further proceedings in the case.

"Sec. 145. CIVIL ACTION.

"Any final decision of the Board of Appeals shall be subject to judicial review by civil action against the Commissioner by any party in the United States District Court for the District of Columbia. Such action shall be commenced within such time after such decision, not less than sixty days, as the Commissioner appoints. The Public Counsel shall be responsible for briefing and arguing the case before the court in respect to any appeal taken by the applicant, except in respect to priority of invention contests pursuant to section 136 of this title, in which case participation of the Public Counsel shall be at his discretion. In any such proceeding before said district court, any party may introduce into the record any publications, patents, or other evidence of the state of the art, or other information not previously made part of the record; and may seek to reverse the decision of the Board of Appeals. The court may consider patentability, *de novo*, or remand any proceeding to the Patent Office for reconsideration in light of such further information. The court may affirm the decision below, set aside the rejection of any claims which were rejected in the decision of the Board of Appeals, reject the allowance of any claims previously allowed, or remand the proceeding to the Patent Office for further consideration. Such adjudication shall be entered of record in the Patent Office and govern further proceedings in the case.

"SEC. 147. APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA.

"(a) Any party dissatisfied with the decision of the Court of Customs and Patent Appeals in a proceeding under section 141 of this title may seek a review thereof by the United States Court of Appeals for the District of Columbia Circuit by petition for the allowance of an appeal.

"(b) Said court of appeals may prescribe rules governing time for making such petition, the practice and procedure on such petition, the preparation of and the time for filing the transcript of the record in such cases, and generally to regulate all matters relating to appeals in such cases. If said court of appeals shall allow an appeal, the court shall review the record on appeal and shall affirm, reverse, or modify the decision in accordance with law.

"(c) No party shall file a petition for certiorari, pursuant to section 1256 of title 28, U.S. Code, unless he has first filed a petition pursuant to subsections (a) and (b) of this section, and it has been denied. If such a petition is granted, the provisions of sections 1252 and 1254, title 28, U.S. Code, shall govern any subsequent appellate review.

"Chapter 14.—ISSUE OF PATENT

"Sec.
"151. Issue of patent.
"152. How issued.
"153. Contents and term of patent.

"SEC. 151. ISSUE OF PATENT.

"(a) If it is determined that an applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee or a portion thereof, which shall be paid within three months thereafter.

"(b) Upon payment of this sum the patent shall issue, but if payment is not timely made, the application shall be regarded as abandoned.

"(c) Any remaining balance of the issue fee shall be paid within three months from the sending of a notice thereof and, if not paid, the patent shall lapse at the termination of the three-month period. In calculating the amount of a remaining balance, charges for a page or less may be disregarded.

"(d) If any payment required by this section is not timely made, but is submitted with the fee for delayed payment and sufficient cause is shown for the late payment, it may be accepted by the Commissioner as though no abandonment or lapse had ever occurred.

"SEC. 152. HOW ISSUED.

"Patents shall be issued in the name of the United States of America, under the seal of the Patent Office, and shall be signed by the Commissioner or have his signature placed thereon, and shall be recorded in the Patent Office.

"SEC. 153. CONTENTS AND TERM OF PATENT.

"(a) Every patent shall contain a grant to the applicant, his heirs or assigns, or, as provided in section 111(d) of this title, to the inventor, his heirs or assigns of the right, during the term of the patent, to exclude others, pursuant to part III of this title, from making, using, or selling the patented subject matter throughout the United States, referring to the specifications for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

"(b) The term of a patent shall expire twelve years from the actual filing date in the United States or, if a prior filing date under section 119 of this title has been claimed, twelve years from such date; *provided, however,* That there shall be added to any such twelve-year period the period of time during which the examination of the subject matter of the application was deferred pursuant to chapter 18 of this title. Notice of the term of any patent shall be indicated at the beginning thereof.

"(c) The term of a patent whose issuance has been delayed by reason of the application having been ordered kept secret under section 181 of this title shall be extended for a period equal to such delay in issuance of the patent after the notice of allowability referred to in section 183 of this title. The term of a patent shall also be extended for a period to equal to the delay incurred due to review under sections 151 or 152 of the Atomic Energy Act of 1954 (68 Stat. 943), or under section 305 of the National Aeronautics and Space Act (72 Stat. 435).

"Chapter 15.—PLANT PATENTS

"Sec.
"161. Patents for plants.
"162. Description, claim.
"163. Grant.
"164. Assistance of Department of Agriculture.

"Sec. 161. Patents for plants

"(a) Whoever invents or discovers and asexually reproduces any distinct and new variety of plant including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions of this title.

"(b) The provisions of this title relating to patents for inventions shall apply to patents for plants, except as otherwise provided.

"SEC. 162. DESCRIPTION, CLAIM.

"No plant patent shall be declared invalid for noncompliance with section 112 of this title if the description is as complete as is reasonably possible.

"The claim in the specification shall be in formal terms to the plant shown and described.

"SEC. 163. GRANT.

"In the case of a plant patent the grant shall be of the right to exclude others, pursuant to part III of this title, from asexually reproducing the plant or selling or using the plant so reproduced.

"SEC. 164. ASSISTANCE OF DEPARTMENT OF AGRICULTURE.

"The President may by Executive order direct the Secretary of Agriculture, in accordance with the request of the Commissioner, for the purpose of carrying into effect the provisions of this title with respect to plants (1) to furnish available information of the Department of Agriculture, (2) to conduct through the appropriate bureau or division of the Department research upon special problems, or (3) to detail to the Commissioner officers and employees of the Department.

"Chapter 17.—SECRECY AND FILING APPLICATIONS IN FOREIGN COUNTRIES

"Sec.
"181. Secrecy and withholding of patent.
"182. Abandonment of subject matter by reason of unauthorized disclosure.
"183. Right to compensation.
"184. Filing of application in foreign country.
"185. Patent barred for filing without license.
"186. Penalty.
"187. Nonapplicability to certain persons.
"188. Rules and regulations, delegation of power.

"Sec. 181. SECRECY AND WITHHOLDING OF PATENT.

"(a) Whenever publication or disclosure of the subject matter of an application for patent in which the Government has a property interest might, in the opinion of the head of an interested Government agency, be deterimental to the national security, the Commisioner upon being so notified shall order that the subject matter be kept secret and shall withhold disclosure thereof and the grant of a patient therefor under the conditions set forth hereinafter.

"(b) Whenever the publication or disclosure of subject matter described in an application for patent in which the Government does not have a property interest, might, in the opinion of the Commissioner, be detrimental to the national security, the Commissioner shall within two months of the date on which the application was filed in the United States, make the application for patent in which subject matter is disclosed available for inspection to the Atomic Energy Commission, the Secretary of Defense, and the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States.

"(c) Each individual to whom the application is disclosed shall sign a dated acknowledgment thereof, which acknowledgment shall be entered in the file of the application. If, in the opinion of the Atomic Energy Commission, the Secretary of Defense, or the chief officer of another department or agency so designated, the publication or disclosure of such subject matter would be detrimental to the national security, the Atomic Energy Commission, the Secretary of Defense, or such other chief officer shall notify the Commissioner within five months of the date on which the application was filed in the United States. The Commissioner shall order that such subject matter be kept secret and shall withhold publication and the grant of a patent for such period as the national interest requires, and notify the applicant thereof. Upon proper showing by the head of the department or agency which caused the secrecy order to be issued that the examination of the application might jeopardize the national interest, the Commissioner shall thereupon maintain the application in a sealed condition and notify the applicant thereof. The applicant whose application has been placed under a secrecy order shall have a right to appeal from the order to the United States District Court for the District of Columbia, under such conditions and upon such proceedings as the court by its rules determined.

"(d) Subject matter described in an application shall not be ordered kept secret and publication withheld for a period of more than one year. The Commissioner shall renew the order at the end thereof, or at the end of any renewal period, for additional periods of one year upon notification by the head of the department or agency which caused the order to be issued that an affirmative determination has been made that the national interest continues so to require. An order in effect, or issued, during a time when the United States is at war, shall remain in effect for the duration of hostilities and one year following cessation of hostilities. An order in effect, or issued, during a national emergency declared by the President shall remain in effect for the duration of the national emergency and six months thereafter. The Commissioner may rescind any order upon notification by the head of the department or agency which caused the order to be issued that the publication or disclosure of such subject matter is no longer deemed detrimental to the national security.

"SEC. 182. ABANDONMENT OF SUBJECT MATTER BY REASON OF UNAUTHORIZED DISCLOSURE.

"Subject matter disclosed in an application for patent subject to an order made pursuant to section 181 of this chapter shall be held abandoned upon a determination by a member of the Board of Appeals, pursuant to section 5(c) of this title, in such proceedings as the Commissioner shall by regulation establish, that in violation of said order such subject matter has been published or disclosed or that an application for a patent therefor has been filed in a foreign country by the inventor, his successors, assigns, or legal representatives, or anyone in privity with him or them, without the consent of the Commissioner. The abandonment shall be held to have occurred as of the time of violation. The consent of the Commisisoner shall not be given without the concurrence of the heads of the departments and agencies which caused the order to be issued. A holding of abandonment shall abrogate all claims against the United States based upon such subject matter by the applicant, his successors, assigns, or legal representatives, or anyone in privity with him or them.

"SEC. 183. RIGHTS TO COMPENSAATION

"An applicant, or patentee, or his legal representatives, whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such order, his application is otherwise in condition for allowance, and ending six years after a patent is issued thereon, to apply to the head of any department or agency who caused the order to be issued for compensation for the damage caused by the order of secrecy and/or for the use of such subject matter by the Government resulting from his disclosure. The right to compensation for use by the Government shall begin on the date of the first use of such subject matter by the Government and shall terminate not later than twenty years from the actual filing date in the United States. The head of the department or agency is authorized, upon the presentation of the claim, to enter into an agreement with the applicant, or patentee, or his legal representatives, in full settlement for the damage and/or use. This settlement agreement shall be conclusive for all purposes notwithstanding any other provision of law to the contrary. If full settlement of the claim cannot be effected, the head of the department or agency may award and pay to such applicant, or patentee, or his legal representatives, a sum not exceeding 75 per centum of the sum which the head of the department or agency considers just compensation for the damage and/or use. A claimant may bring suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such claimant is a resident for an amount which when added to the award shall constitute just compensation for the damage and/or use of such subject matter, by the Government. The owner of any patent issued upon an application that was subject to a secrecy order issued pursuant to section 181 of this chapter, who did not apply for compensation as above provided, shall have the right, after the date of issuance of such patent, to bring suit in the Court of Claims for just compensation for the damage caused by reason of the order of secrecy and/or use by the Government of such subject matter resulting from his disclosure. The right to compensation for use by the Government shall begin on the date of the first use of the invention by the Government and shall terminate not later than twenty years from the actual filing date in the United States of the patent. In a suit under the provisions of this section the United States may avail itself of all defenses it may plead in an action under section 1498 of title 28. This section shall not confer a right of action on anyone or his successors, assigns, or legal representatives who, while in the full-time employment or service of the United States, discovered, invented, or developed the subject matter on which the claim is based. A patentee receiving a settlement of his claim for damages caused by reason of an order of secrecy from a head of a department or agency or who is awarded compensation for damages caused by reason of an order of secrecy by the Court of Claims shall be required to disclaim the terminal portion of the patent term equal in duration to any extension granted under the provisions of section 154(c) of this title.

"SEC. 184. FILING OF APPLICATION IN FOREIGN COUNTRY.

"(a) Except when authorized by a license obtained from the Commissioner, a person shall not file or cause or authorize to be filed in any foreign country an application for patent or for the registration of a utility model, industrial design or model in respect of an invention made in this country prior to six months after filing an application for patent in the United States. A license shall not be granted with respect to subject matter subject to an order issued by the Commissioner pursuant to section 181 of this chapter without the concurrence of the heads of the departments and agencies which caused the order to be issued.

"(b) The term 'application' when used in this chapter includes applications and any modifications, amendments, or supplements thereto, or divisions thereof.

"(c) No license shall be required subsequent to the filing of a foreign application for any modifications, amendments, or supplements to that foreign application, or divisions thereof, which do not alter the nature of the subject matter originally disclosed, which are within the scope of the subject matter originally disclosed, and where the filing of the foreign application originally complied with the provisions of this section, unless the applicant has been notified by the Commissioner that a specific license is required for filing such papers in connection with any application.

"SEC. 185. PATENT BARRED FOR FILING WITHOUT LICENSE.

"Notwithstanding any other provisions of law any person, and his successors, assigns, or legal representatives, shall not receive a United States patent for subject matter described in an application if that person, or his successors, assigns, or legal representatives shall, without procuring the license prescribed in section 184 of this chapter, have made, or consented to or assisted another's making, application in a foreign country for a patent or for the registration of a utility model, industrial design, or model in respect to such subject matter. A United States patent is issued for such invention to such person, his successors, assigns, or legal representatives shall be invalid.

"SEC. 186. PENALTY.

"Whoever, during the period or periods of time any subject matter has been ordered to be kept secret and the grant of a patent thereon withheld pursuant to section 181 of this chapter, shall, with knowledge of such order and without due authorization, willfully publish or disclose or authorize or cause to be published or disclosed the subject matter or material information with respect thereto, or whoever, in violation of the provisions of section 184 of this chapter, shall file or cause or authorize to be filed in any foreign country an application for patent or for the registration of a utility model, industrial design, or model in respect of an invention made in the United States, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than two years, or both.

"SEC. 187. NONAPPLICABILITY TO CERTAIN PERSONS.

"The provisions and penalties of this chapter shall not apply to any officer or agent of the United States acting within the scope of his authority, nor to any person acting upon his written instructions or permission.

"SEC. 188. RULES AND REGULATIONS, DELEGATION OF POWER.

"The Atomic Energy Commission, the Secretary of Defense, the chief officer of any other department or agency of the Government designated by the President as a defense agency of the United States, and the Patent Office, may separately issue rules and regulations to enable the respective department or agency to carry out the provisions of this chapter, and may delegate any power conferred by this chapter.

"Chapter 18.—DEFERRED EXAMINATION

"SEC.
"191. DEFERMENT OF EXAMINATION.
"192. EXAMINATION.
"193. EXAMINATION OF RELATED APPLICATIONS.

"SEC. 191. DEFERMENT OF EXAMINATION.

"(a) Notwithstanding the provisions of chapter 12 of this title, the examination of an application for patent shall be deferred unless at the time of filing the applicant requests immediate examination and pays the prescribed fee.

"(b) An application, the examination of which is deferred under the provisions of this chapter, shall be examined as to formal matters and other such matters as the Commissioner may prescribe, and action shall be taken under sections 132 and 133 of this title to place the application in condition for prompt publication pursuant to section 122 of this title. Except for a nominal fee for the examination as provided in this subsection and for a publication fee, as prescribed by the Commissioner in accordance with section 41(a) of this title, no fees shall be charged during the period of time which the examination of such application is deferred under the provisions of this chapter.

"SEC. 192. EXAMINATION.

"(a) If a request for examination of an application, the examination of which has been deferred under the provisions of this chapter, accompanied by payment of the required fee is made at any time before the expiration of five years from the earliest effective filing date claimed, such application shall be examined as provided in chapter 12.

"(b) Any party, or any other person, may make the request under subsection (a) of this section. If the request is made by the applicant, he shall pay the full examination fee. If the request is made by any other party or person, except the Public Counsel or the United States, that person shall pay the basic examination fee on the requester application; the applicant shall pay all other fees, including any fee for extra claims. No basic examination fee shall be charged if examination is requested by the Public Counsel or the United States, but the applicant shall pay all other fees. The identity of such other party or person (except the Public Counsel or the United States) requesting the examination shall be kept in confidence by the Patent Office and no information concerning the same given without authority of such other party or person unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

"(c) If no request for examination is received within the time specified in subsection (a) of this section, the application shall be regarded as abandoned.

"SEC. 193. EXAMINATION OF RELATED APPLICATIONS.

"When examination of a deferred application is requested under section 192 of this title, the Commissioner may call upon the applicant to request examination of any other of his applications which may have been deferred and which claim the date of the first mentioned application or any application the date of which is claimed by the first mentioned application and to pay the fee. Notice shall be given the applicant of the fee due and a time of not less than thirty days shall be set for payment. If the fee is paid within the specified time, examination shall proceed on all such applications concurrently. If the fee is not paid within such time, the applications on which the required fee has not been paid shall be regarded as abandoned.

"Chapter 19.—AMENDMENT, CORRECTION, AND REISSUE OF PATENTS

"Sec.
"201. Reissue of defective patents.
"202. Effect of reissue.
"203. Disclaimer.
"204. Certificate of correction of Patent Office mistake.
"205. Certificate of correction of applicant's mistake.
"206. Misjoinder of inventor.

"SEC. 201. REISSUE OF DEFECTIVE PATENTS.

"(a) Whenever any patent is, through inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more than he had a right to claim in the patent, the Patent Office, pursuant to such rules and regulations as the Commissioner shall prescribe, and on the surrender of such patent and the payment of the fee required by law, shall reissue the patent for the subject matter disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

"(b) The provisions of chapters 12, 13 and 14 of this title relating to applications for patent shall be applicable to applications for reissue of a patent.

"(c) No reissued patent shall be granted enlarging the scope of the claims of the original patent.

"(d) No reissue patent shall be granted during the pendency of any proceeding before any court or agency of the United States in which the validity of the patent, or the inequity of the patentee in procuring it, has been brought into question. The institution of any such proceeding shall stay the continuance of any proceeding under this section.

"SEC. 202. EFFECT OF REISSUE.

"(a) The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form, but insofar as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical or substantially identical with the original patent, shall contsitute a continuation thereof and have effect continuously from the date of the original patent.

"(b) No reissued patent shall abridge or affect the right of any person or his successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using, or selling of such thing infringes a valid claim of the reissued patent and would also have infringed the original patent. The court before which such matter is in question may provide for the continued manufacture, use, or sale of the thing made, purchased or used as specified or for the manufacture, use, or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practiced or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

"SEC. 203. DISCLAIMER.

"(a) Whenever, through inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, a claim of a patent is invalid the remaining claims shall not thereby be rendered invalid, provided the patentee timely makes a disclaimer pursuant to this section, upon his learning of the defect in such claim. A patentee, whether of the whole or any interest therein, may, on payment of the fee required by law, make disclaimer of any claim, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing and recorded in the Patent Office; and it shall thereafter be considered as part of the original patent to the extent of the interest possessed by the disclaimant and by those claiming under him.

"(b) In like manner any patentee or applicant may disclaim or dedicate to the public the entire term, or any terminal part of the term, of the patent granted or to be granted.

"(c) The fact that two patents which have been or may be issued expire at the same time by means of a terminal disclaimer or dedication under this section or otherwise, shall have no effect in the determination of the patentability or validity of a claim in either.

"SEC. 204. CERTIFICATE OF CORRECTION OF PATENT OFFICE MISTAKE.

"Whenever a mistake in a patent, incurred through the fault of the Patent Office, is clearly disclosed by the records of the Office, the Commissioner may issue a certificate of correction stating the fact and nature of such mistake, under seal, without charge, to be recorded in the records of patents. A printed copy thereof shall be attached to each printed copy of the patent, and such certificate shall be considered as part of the original patent. Every such patent, together with such certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form. The Commissioner may issue a corrected patent without charge in lieu of and with like effect as a certificate of correction.

SEC. 205. CERTIFICATE OF CORRECTION OF APPLICANT'S MISTAKE.

"Whenever a mistake of a clerical or typographical nature, or of minor character, which was not the fault of the Patent Office, appears in a patent and a showing has been made that such mistake occurred in good faith, the Patent Office may, pursuant to such rules and regulations as the Commissioner shall prescribe and upon payment of the required fee, issue a certificate of correction, if the correction does not involve such changes in the patent as would constitute new matter or would require reexamination. Such certificate shall be considered as part of the original patent, and a copy thereof may be attached to each copy of the patent. Every such patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.

"SEC. 206. MISJOINDER OF INVENTOR

"(a) Whenever a patent is issued naming two or more persons as joint inventors and it appears that one of such persons was not in fact a joint inventor, and that he was included as a joint inventor by inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, the Patent Office may, on timely petition by all the applicants and named inventors, and assignees thereof, in such proceedings as the Commissioner shall by regulation prescribe, and with verified proof of the facts and such other requirements as may be imposed, issue a certificate deleting the name of the erroneously joined person from the patent.

"(b) Whenever a patent is issued and it appears that a person was a joint inventor, but was omitted by inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, on his part, the Patent Office may, on timely petition by all the applicants and inventors, and assignees thereof, and in such proceedings as the Commissioner shall by regulation prescribe, and with verified proof of the facts and such other requirements as may be imposed, issue a certificate adding his name to the patent as a joint inventor.

"(c) The inadvertent, accidental, or mistaken misjoinder or nonjoinder of joint inventors, without any willful default or intent to defraud, mislead, or deceive the public, shall not invalidate a patent, if such error can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Patent Office shall issue a certificate accordingly.

"PART III—PATENTS AND INFRINGEMENT OF PATENTS

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"CHAPTER 26.—OWNERSHIP AND ASSIGNMENT

"Sec.
"261. Ownership; assignment.
"262. Joint owners.
"263. Rights of employee-inventors guaranteed.

"SEC. 261. OWNERSHIP; ASSIGNMENT.

"(a) Subject to the provisions of this title, patents shall have the attributes of personal property.

"(b) Applications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing.

"(c) A certificate of acknowledgment under the hand and official seal of a person authorized to administer oaths within the United States, or, in a foreign country, of a diplomatic or consular officer of the United States or an officer authorized to administer oaths whose authority is proved by a certificate of a diplomatic or consular officer of the United States, shall be *prima facie* evidence of the execution of an assignment, grant or conveyance of a patent or application for patent.

"(d) An assignment, grant or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from its date or prior to the date of such subsequent purchase or mortgage.

"SEC. 262. JOINT OWNERS.

"In the absence of any agreement to the contrary, each of the joint owners of a patent may make, use or sell the patented subject matter without the consent of and without accounting to the other owners.

"SEC. 263. RIGHTS OF EMPLOYEE-INVENTORS GUARANTEED.

"Subject to other provisions of Federal law, no direct or indirect assignment by an inventor to his employer, or to a person designated thereby, of the subject matter of an application for patent or patent, developed in the course of his employment, shall be valid unless the employer agrees to pay the employee, in addition to his regular salary or compensation for services, a minimum of 2 per centum of the profit or savings to the employer, attributable to such subject matter. The Commissioner shall by regulation establish procedures and methods, including accounting procedures, for carrying out the provisions of this section. No assignment, or other disposition by the employee of such right to additional payment, shall be valid, unless there is equitable and adequate consideration therefor.

"Chapter 27.—GOVERNMENT INTERESTS IN PATENTS

"Sec.

"267. Time for taking action in Government application.

"SEC. 267. TIME FOR TAKING ACTION IN GOVERNMENT APPLICATIONS.

"Notwithstanding the provisions of sections 41, 133, and 151 of this title, the Commissioner may extend the time for taking any action to three years, when an application has become the property of the United States and the head of the appropriate department or agency of the Government has certified to the Commissioner that the subject matter disclosed therein is important to the armament or defense of the United States.

"Chapter 28.—INFRINGEMENT OF PATENTS

"Sec.

"271. Infringement of patent.

"272. Temporary presence in the United States.

"273. Unauthorized practice of subject matter prior to issuance of patent.

"Sec. 271. INFRINGEMENT OF PATENT.

"(a) Except as otherwise provided in this title, whoever without authority makes, uses, or sells any patented subject matter within the United States after the issuance of the patent therefor and during its term, infringes the patent.

"(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

"(c) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the patented subject matter, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as an infringer.

"(d) No patent owner otherwise entitled to relief for infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done in good faith one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute infringement of the patent; (3) sought to enforce the patent against infringement.

"SEC. 272. TEMPORARY PRESENCE IN THE UNITED STATES.

"The use of any patented subject matter in any vessel, aircraft, or vehicle of any country which affords similar privileges to vessels, aircraft, or vehicles of the United States, entering the United States temporarily or accidentally, shall not constitute infringement of any patent, if such subject matter is used exclusively for the needs of the vessel, aircraft, or vehicle and is not sold in or used for the manufacture of anything to be sold in or exported from the United States.

"SEC. 273. UNAUTHORIZED PRACTICE OF SUBJECT MATTER PRIOR TO ISSUANCE OF PATENT.

"(a) After the issuance of a patent, a patentee may obtain damages for the unauthorized making, using or selling of the subject matter of a claim in the patent during an interim period prior to issuance of such patent, under the provisions of subsections (b) and (c) of this section and chapter 29 of this title.

"(b) Such interim period shall begin after the occurrence of all of the following events—

"(1) publication of the application containing such claim,

"(2) such claim is indicated as allowable by the Patent Office, and

"(3) actual notice to the alleged unauthorized practitioner that such claim has been indicated as allowable and how his acts are considered to constitute unauthorized practice of the subject matter of such claims, and shall end upon issuance of the patent.

"(c) Damages for unauthorized practice during the interim period shall be limited to royalties reasonable in the circumstances. No injunction or other relief may be had with respect to the subsequent use or sale of machines, manufactures or compositions of matter made prior to the grant of the patent as to which a notice under this section applies, but reasonable royalties may be obtained. The court before which such matter is in question may provide for the continued manufacture, use, or sale of the thing made, purchased or used as specified or for the manufacture, use, or sale of which substantial preparation was made before the grant of the patent, and it may also provide for the continued practice of any patented process, practiced or for the practice of which substantial preparation was made, prior to the grant of the patent, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the patent.

"Chapter 29.—REMEDIES FOR INFRINGEMENT OF PATENT, AND OTHER ACTIONS

"Sec.

"281. Remedy for infringement of patent.

"282. Presumption of validity; defenses.

"283. Injunction.

"284. Damages.

"285. Attorney fees.

"286. Time limitation on damages.

"287. Limitation on damages; marking and notice.

"288. Action for infringement of a patent containing an invalid claim.

"290. Notice of patent suits.

"291. Priority of invention between patentees.

"292. False marking.

"293. Nonresident patentee; service and notice.

"SEC. 281. REMEDY FOR INFRINGEMENT OF PATENT.

"A patentee shall have remedy by civil action for infringement of his patent.

"SEC. 282. PRESUMPTION OF VALIDITY; DEFENSES.

"(a) A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

"(b) The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

"(1) Noninfringement, absence of liability for infringement, or unenforceability,

"(2) invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

"(3) invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112, 115, or 201 of this title,

"(4) any other act or fact made a defense by this title.

"(c) In actions involving the validity or infringement of a patent, the patentee or party asserting infringement shall give notice in the pleadings or otherwise in writing to all parties as soon as practicable and at least ninety days before the trial, of the manner in which each of the claims charged to be infringed, element by element, applies to the allegedly infringing process or product, and the elements of the structure thereof. In like manner, the party asserting invalidity or noninfringement shall at some later time give notice to all parties of the country, number, date and name of the patentee of any patent, and the title, date, and page numbers of any publication to be relied upon as anticipation of the patent in suit, or, except in actions in the United States Court of Claims, as showing the state of the art; and the name and address of any person who may be relied upon as the prior inventor, or as having prior knowledge of, or as having previously used or offered for sale, the subject matter of the patent in suit. In addition, he shall at some still later time (at least thirty days before the trial), apply such prior art, element by element against the claims charged to be infringed, which he alleges to be invalid. In the absence of such notice and other information, as specified in this subsection, proof of such matters may not be made at the trial except on such terms as the court may require.

"(d) In any action or proceeding involving the patentability, validity, enforceability, or infringement of a patent, whether or not arising under this title, in connection with which a court of the United States orders any party of record or any person in privity with such party to furnish discovery, testimony, or evidence, and such party or person refuses, declines, or fails to comply with such order on the ground that a foreign statute or law prohibits compliance with such order, the court shall enter an order against such party dismissing all his claims, striking all his defenses, and otherwise terminating the proceeding adversely as to him; and if an issued patent owned by such party is involved in such action or proceeding, it shall be cancelled (and notice of such cancellation shall be endorsed on copies of the specification of the patent thereafter distributed by the Patent Office).

"SEC. 283. INJUNCTION

"The several courts having jurisdiction of cases under this title may grant injunctions in accordance with the principles of equity to prevent the infringement of any claim of a patent, on such terms as the court deems reasonable.

"SEC. 284. DAMAGES

"(a) Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement but in no event less than a reasonable royalty for the use made of the patented subject matter by the infringer, together with interest and costs as fixed by the court.

"(b) When the damages are not found by a jury, the court shall assess them. In either event the court may increase the damages up to three times the amount found or assessed.

"(c) The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

"SEC. 285. ATTORNEY FEES

"The court in exceptional cases may award reasonable attorney fees to the prevailing party.

"SEC. 286. TIME LIMITATION ON DAMAGES

"(a) Except as otherwise provided by law, no recovery shall be had for any infringement committed more than two years prior to the filing of the complaint or counterclaim for infringement in the action.

"(b) In the case of claims against the United States Government for use of patented subject matter, the period before bringing suit, up to four years, between the date of receipt of a written claim for compensation by the department or agency of the Government having authority to settle such claim, and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the period referred to in the preceding paragraph.

"SEC. 287. LIMITATION ON DAMAGES; MARKING AND NOTICE

"Patentees, and persons making or selling any patented article (or using any patented process) for or under them, may give notice to the public that the article or process is patented, either by fixing on the article the word 'patent' or the abbreviation 'pat.', together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

"SEC. 288. ACTION FOR INFRINGEMENT OF A PATENT CONTAINING AN INVALID CLAIM

"Whenever, through inadvertence, accident, or mistake, and without any willful default or intent to defraud, mislead, or deceive the public, a claim of a patent is invalid, an action may be maintained for the infringement of a claim of the patent which may be valid provided the requirements of section 203(a) of this title have been met.

"SEC. 290. NOTICE OF PATENT SUITS

"The clerks of the courts of the United States, within one month after the filing of an action under this title shall give notice thereof in writing to the Commissioner, setting forth so far as known the names and addresses of the parties, name of the inventor, and the designating number of the patent upon which the action has been brought. If any other patent is subsequently included in the action he shall give like notice thereof. Within one month after the decision is rendered or a judgment issued the clerk of the court shall give notice thereof to the Commissioner. The Commissioner shall, on receipt of such notices, enter the same in the file of such patent.

"SEC. 291. PRIORITY OF INVENTION BETWEEN PATENTEES

"(a) Whenever there are two patents naming different inventors and claiming the same or substantially the same subject matter, the owner of either of the patents may have relief against the owner of the other by civil action, and the court may adjudge the validity of any of such patents, in whole or in part.

"(b) Such suit may be instituted against the party in interest as shown by the records of the Patent Office, but any party may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be made a party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene.

"SEC. 292. FALSE MARKING

"(a) Whoever, without the consent of the patentee, marks upon, or affixes to, or uses in advertising in connection with anything made, used, or sold by him, the name or any imitation of the name of the patentee, the patent number, or the words 'patent', 'patentee', or the like, with the intent of counterfeiting or imitating the mark of the patentee, or of deceiving the public and inducing them to believe that the thing was made or sold by or with the consent of the patentee; or

"Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word 'patent' or any word or number importing that the same is patented, for the purpose or with the necessary effect of deceiving the public; or

"Whoever marks upon, or affixes to, or uses in advertising in connection with any article, the words 'patent applied for,' 'patent pending,' or any word importing that an application for patent has been made, when no application for patent has been made, or if made, is not pending, for the purpose or with the necessary effect of deceiving the public—

"Shall be liable for a civil penalty of not more than $500 for every such violation. Each article so marked shall furnish the basis for finding a separate violation.

"(b) Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.

"SEC. 293. NONRESIDENT PATENTEE; SERVICE AND NOTICE

"Every patentee not residing in the United States may file in the Patent Office a written designation stating the name and address of a person residing within the United States on whom may be served process or notice of proceedings affecting the patent or rights thereunder. If the person designated cannot be found at the address given in the last designation, or if no person has been designated, the United States District Court for the District of Columbia shall have jurisdiction and summons shall be served by publication or otherwise as the court directs. The court shall have the same jurisdiction to take any action respecting the patent or rights thereunder that it would have if the patentee were personally within the jurisdiction of the court."

TRANSITIONAL AND SUPPLEMENTARY PROVISIONS

SEC. 2. Section 1542 of title 28, United States Code, Judicial Code and Judiciary, is amended to read as follows:

"SEC. 1542. Patent Office decisions

"The Court of Customs and Patent Appeals shall have jurisdiction of appeals from decisions of:

"(1) The Board of Appeals of the Patent Office as to patent applications and patents as provided in chapter 13 of title 35, Patents, United States Code.

"(2) The Commissioner of Patents or the Trademark Trial and Appeals Board as to trademark applications and proceedings as provided in section 1071 of title 15."

SEC. 3. If any provision of title 35, Patents, United States Code, as amended by this Act, or any other provision of this Act, is declared unconstitutional or is held invalid, the validity of the remaining provisions shall not be affected.

SEC. 4. (a) This Act shall take effect on the date six months after enactment. Except as otherwise provided hereafter in this section, it shall apply to all applications filed in the United States on or after such effective date, whether or not such applications are entitled to the benefit of an earlier filing date; to patents issued on such applications; to applications in respect to which, on or before such effective date, there has been no notice of allowance pursuant to section 151(a) of title 35, United States Code, as amended by this Act; and to patents issued on such applications.

(b) Except as otherwise provided hereafter in this section, the provisions of title 35, United States Code, in effect immediately prior to the effective date of this Act, shall govern all patents issued before such effective date; applications filed in the United States before and still pending on such effective date, in respect to which, on or before such effective date, there has been notice of allowance pursuant to section 151(a) of title 35, amended by this Act; and to patents issued on such applications.

(c) Section 263 of title 35, United States Code, as amended by this Act, shall apply to all applications filed on or after the effective date of this Act, and patents issued on such applications, and it shall apply only to such applications and patents.

(d) The following provisions of title 35 as amended by this Act, shall apply to all unexpired patents, whether issued or applied for before or after the effective date of this Act:

(1) chapter 19 of part II, and

(2) part III (subject to subsection (c) of this section).

(e) Section 147 of title 35, United States Code, as amended by this Act, shall apply to all appeals decided on or after the effective date of this Act.

(f) Notwithstanding any other provision of this Act, subsection (e) of section 112 of title 35 as amended by this Act shall not apply to patents issued, and applications filed, prior to the effective date of this Act. No such application shall be held incomplete, and no such patent shall be held invalid, because availability to the public of a deposit of a microorganism recited therein was conditioned upon issuance of a United States patent reciting a deposit of said microorganism.

(g) The amendment of title 35, United States Code, by this Act, shall not affect any rights or liabilities existing under title 35 in effect immediately prior to the effective date of this Act.

(h) Examiners-in-chief in office on the effective date of this Act shall continue in office under and in accordance with their then existing appointments.

(i) The Commissioner may exercise any rulemaking power conferred upon him by this Act, upon the date of enactment hereof; *Provided, however,* that no rule promulgated under any newly-conferred authority shall become effective prior to the effective date hereof. The Public Counsel may exercise all the powers this Act confers upon him, on and after the effective date hereof, in respect to any patents, applications, or conduct, whether issued, applied for, filed, or engaged in before or after the effective date hereof.

Sec. 5. Nothing in title 35 as amended by this Act shall affect any provision of the Atomic Energy Act of 1954 (Aug. 30, 1954, ch. 1073, 68 Stat. 919) as amended or of the National Aeronautics and Space Act (Pub. L. 85–568, July 29, 1958, 72 Stat. 426) except that the functions of a Board of Patent Interferences specified in said Acts may be performed by the Board of Appeals as specified in section 5 of ttile 35 as amended by this Act.

Sec. 6. (a) Section 119(e) of this title shall take effect on the date when articles 1–12 of the Paris Convention of March 20, 1883, for the Protection of Industrial Property, as revised at Stockholm, July 14, 1967, come into force with respect to the United States and shall apply only to applications thereafter filed in the United States.

(b) Section 102(d) of this title, insofar as it applies to inventors' certificates, shall take effect six months from the date when articles 1–12 of the Paris Convention of March 20, 1883, for the Protection of Industrial Property, as revised at Stockholm, July 14, 1967, come into force with respect to the United States and shall apply to applications thereafter filed in the United States.

Sec. 7. Section 31 of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1113) is revised to read:

"Sec. 31. Trademark fees

"Trademark fees shall be prescribed by the Commissioner under the authority of section 41 of title 35, United States Code. If a fee in connection with examination of a trademark application is not paid within such time as prescribed by the Commissioner, the application shall be regarded as abandoned."

Sec. 8. In the second sentence of section 7(c) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1057c), "fee herein provided" is changed to "prescribed fee".

Sec. 9. In section 7(e) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1062a), "fee herein provided" is changed to "prescribed fee".

Sec. 10. In section 12(a) of the Trademark Act of 1946 (60 Stat. 427, as amended; 15 U.S.C. 1062a), "fee herein provided" is changed to "prescribed fee."

Sec. 11. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(95) Commissioner of Patents."

Sec. 12. Section 5316 of title 5, United States Code, is amended by deleting the following:

"(48) Commissioner of Patents, Department of Commerce."

Sec. 13. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(131) Deputy Commissioner of the Patent Office."

Sec. 14. This Act may be cited as "The Patent Reform Act of 1973".

By Mr. WILLIAMS (for himself,
Mr. Magnuson, Mr. Randolph,
Mr. Moss, Mr. Sparkman, and
Mr. Bentsen):

S. 1322. A bill to require the Secretary of Housing and Urban Development to disregard the increase in benefits under title II of the Social Security Act pursuant to Public Law 92–336 in determining eligibility or the amount of assistance under certain laws relating to low-income housing. Referred to the Committee on Banking, Housing and Urban Affairs.

FULL BENEFITS FOR ELDERLY TENANTS ACT

Mr. WILLIAMS. Mr. President, I introduce today a bill to help many elderly citizens realize the full benefit of their 20-percent social security increase. In simple terms, my bill will require the Secretary of Housing and Urban Development to disregard the 20-percent increase in determining eligibility for the following programs: Public housing, rent supplement, section 23 leasing, section 235, and section 236.

Last October, beneficiaries of social security received a 20-percent increase in their monthly paychecks. Since the benefits of many Federal programs are dependent on the income of the recipient, the social security increase threatened to be potentially harmful rather than helpful to many elderly. Several bills were introduced in Congress to prevent such unfairness. Some were successful. Medicaid recipients did not lose their eligibility, and old-age assistance recipients were guaranteed a $4 "pass-along."

Unfortunately, no bill was passed to protect those elderly applying for, or currently eligible for, several Federal housing programs. The purpose of my bill is twofold: To protect the eligibility of prospective applicants to these programs, and to protect the current recipients of the programs from higher rent—payments—as a result of the 20-percent social security increase.

Despite recent efforts to improve the income position of older Americans, many of these advances have been negated, to a large degree, because other benefits are lost when social security payments are raised. The end result is both tragic and inherently unfair. Social security recipients of moderate means receive the full amount of the increase, while those most in need of more income find their increase chopped apart by those programs that have been helping them survive. And in some cases, it has even meant that they are severed from the programs altogether.

Housing at a reasonable price is a treasured commodity to anyone, but it is especially dear to the elderly whose incomes are more rigid, whose mobility is greatly reduced, and whose emotional ties to a particular neighborhood are deeply felt.

If the mail I receive at my office is any indication, the need for decent housing at a reasonable price for elderly citizens is at an all-time high. Three concurrent developments have apparently created this most recent call for help: The 18-month freeze on housing subsidies, the end of rent control, and the continuing cost of inflation. In any area of the country where the demand for housing greatly exceeds the supply, where the vacancy rate is very low, these three developments have had a particularly negative impact. New Jersey, with its high proportion of urban communities, is one of the hardest hit States.

Many elderly persons write to tell me how happy they were when the 20-percent increase was announced, and how disillusioned they are today. They speak often of inflation, especially in food prices. Food costs increased 6.1 percent in the last 6 months of 1972.

With the end of rent control, tenants in my State and elsewhere have been hit with big jumps in rent. Where the younger person may rebel and leave in such a situation, the older tenant often faces very difficult physical and emotional barriers to moving. Many elderly will reluctantly pay a very high percentage of their income to stay in familiar surroundings, in a familiar neighborhood, near trusted friends.

If property taxes and rents continue to climb, many older Americans must look to public housing or other federally subsidized housing for help. My bill would also make sure that they will not be turned away, because their social security increase made them ineligible.

Adequate income is still the No. 1 concern for older Americans, and I strongly feel that social security recipients should receive the full benefit of their recent increase. They should not be subject to an immediate rent hike that effectively takes away 25 percent of their raise.

For many years I have worked to insure an income level for older Americans that will enable them to live out their remaining years in dignity. We have made progress toward that goal.

But we are creating serious disillusionment if we tell our older citizens: "We have just increased your income." But, in reality, they may soon find out that most, if not all of it, has been stripped away by the loss of other programs.

This bill I now introduce will help insure that the 20-percent increase is fully effective to those who benefit from social security.

By Mr. WILLIAMS:

S. 1323. A bill to amend title XVIII of the Social Security Act to provide for the automatic coverage, without premium, under the supplementary medical insurance program established by part B of such title of individuals who are covered—without payment of premium—under the hospital insurance program established by part A of such title;

S.1324. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain drugs under the insurance system established by part A of such title; and

S. 1325. A bill to amend title XVIII of the Social Security Act to cover, under the hospital insurance program established by part A thereof, inpatient hospital services provided outside the United States to individuals insured under such program. Referred to the Committee on Finance.

Mr. WILLIAMS. Mr. President, I am pleased that the last Congress enacted legislation which made vitally needed reform in our social security system. While we have accomplished much, we must continue to make it more responsive to the needs of older Americans. We must also continue to eliminate inequities in that system.

With this in mind, I am introducing three bills which would make additional changes in the social security system. This legislation will provide some needed benefit improvements, and it will also eliminate one of its inequitable features.

These bills will eliminate the premium costs under part B of medicare; provide for medicare coverage of out-of-hospital prescription drugs; and, provide medicare coverage for Americans while they are abroad.

ELIMINATION OF THE PREMIUM CHARGE IN THE VOLUNTARY HEALTH INSURANCE PROGRAM UNDER MEDICARE

Under the medicare program, medical insurance for physicians' services is a voluntary system financed by monthly premiums paid by social security recipients and matched by dollar-for-dollar Government contributions. The cost of this coverage under part B of medicare has been rising at an alarming rate.

Currently, senior citizens enrolled in the voluntary health insurance program must pay a $5.80 monthly premium, and I have long advocated removing this burden from the elderly. That charge is likely to increase again in July.

The annual costs have reached $139.20 for an elderly couple. After the July increase to $6.30 a month, elderly couples must pay $149 for the same annual coverage. The prospective increase is even more of a reason for eliminating the burden of this premium charge. This reform will be equivalent to a 3½-percent increase in benefits.

Under my legislation, the Federal Government would pay the premium now paid by the social security beneficiary as well as the matching amount it now covers.

Several authorities and organizations have agreed that this charge should be eliminated. Among them are the 1971 Social Security Advisory Council, the National Council of Senior Citizens, and the American Association of Retired Persons.

I am hopeful action will be taken on this proposal before the next premium increase can go into effect.

MEDICARE COVERAGE OF OUT-OF-HOSPITAL PRESCRIPTION DRUGS

One major gap in benefit coverage is out-of-hospital prescription drugs. Too often older Americans are confronted with this dilemma: "Shall we buy food for the table or drugs to maintain our health?" and, too often, both needs cannot be adequately met.

It has been estimated that 20 percent of the health expenditures for those on medicare are for prescription drugs or other medically required supplies. These drug expenditures for persons 65 years of age and older average about $80 a year, nearly three times higher than the average drug cost for younger persons. For aged persons with severe chronic conditions, about 14 percent of all elderly individuals, prescription expenditures are six times as great as for younger individuals.

To provide relief for this expense, I am now introducing a bill to extend medicare coverage to include out-of-hospital prescription drugs. My bill will direct the Secretary of the Department of Health, Education, and Welfare to publish a list of drugs to be covered under this provision. This list will contain those prescription drugs lawfully available for dispensing to humans, and would even include nonprescription drugs if their denial would be seriously harmful to the individual.

I have been supporting the inclusion of this coverage under medicare for several years now, and I am hopeful that Congress will adopt the greatest coverage of prescription drugs that can be realistically included under medicare.

EXTENSION OF MEDICARE BENEFITS TO AMERICANS LIVING ABROAD

I have been very concerned about problems older Americans abroad have had in paying for their vital health needs. Under the present law, a medicare patient will be reimbursed for hospital services performed abroad only in the narrowest of circumstances: The patient must be hospitalized for emergency treatment; the emergency must have arisen in the United States; and the foreign hospital being used must be nearer to the patient than the nearest American hospital.

Several older Americans have contacted my office about incidents where they have needed hospitalization beyond our borders, but could receive no reimbursement under the medicare program. A most tragic incident occurred recently when one of my constituents was traveling in Montreal and had a heart attack. He could not be moved to the United States, but was excluded from medicare coverage while hospitalized in Canada.

In 1967, Congress requested the Department of Health, Education, and Welfare and the Department of State to explore the feasibility of entering into reciprocal agreements with neighboring nations to make medicare benefits available to U.S. citizens who receive necessary health care in such nations. I am introducing legislation that will provide the basis for medicare coverage for Americans abroad. There are 71,000 American citizens 65 or older who now receive social security benefits outside the United States. Those benefits should include similar health care assistance to that they would receive if they were hospitalized in the United States. Medicare benefits should not depend on a geographical lottery payable only if one is fortunate enough to become ill at the proper place.

CONCLUSION

This legislative package for reform of our social security system is designed to meet some of the serious problems our social security beneficiaries are experiencing. I believe a quick evaluation of these proposals is essential if we are to finally have a reasonably responsive social security system. I realize that some of the specific provisions of my proposals may be revised to meet additional needs that appear. However, these proposals should stimulate action to correct these hardships confronting social security beneficiaries.

I ask unanimous consent that these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1324

A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain drugs under the insurance system established by part A of such title

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 1861 of the Social Security Act is amended by adding at the end the following new subsection:

"(aa) (1) The term 'covered drugs' means those drugs appearing on the list specified in paragraph (2) of this subsection.

"(2) (A) Subject to the provisions of subparagraph (C), the Secretary shall establish and publish a list of those legend and nonlegend drugs for which payment may be made subject to the conditions of section 1812(a) (4) under part A of this title. The Secretary shall distribute such list on a current basis to practitioners licensed by law to prescribe and administer drugs or to dispense drugs and shall make such other distribution as in his judgment will promote the purposes of this title. He shall from time to time (but at least once a year) review such list, and shall revise it or issue supplements thereto, as he may find necessary, so as to maintain insofar as practicable currency in the contents thereof and shall publish and distribute such revisions in accordance with the preceding sentence.

"(B) Each drug appearing on the list established under subparagraph (A) shall be designated by its established name and with respect to each such drug, the Secretary may include such other information as he finds necessary to promote the purposes of this subsection and section 1819.

"(C) A drug shall not appear on the list established under subparagraph (A) unless—

"(i) such drug is lawfully available for dispensing or administration to humans; and

"(ii) (in the case of nonlegend drug) it is a life-saving drug, or a drug the withdrawal of which would be seriously harmful to the health of the individual, or a drug which the Secretary determines (under such standards and criteria as he may prescribe) is a satisfactory substitute for a legend drug appearing on the list;

"(D) For purposes of this subsection—

"(i) the term 'drug' means a drug as defined in section 201 of the Federal Food, Drug, and Cosmetic Act (including those specified in section 351 of the Public Health Service Act);

"(ii) the term 'legend drug' refers to a drug specified in section 503(b) (1) (A), (B), or (C) of the Federal Food, Drug, and Cosmetic Act; and

"(iii) the term 'established name' shall have the meaning assigned to such term by section 502(e) (2) of the Federal Food, Drug, and Cosmetic Act."

(2) Section 1861(t) of such Act is amended by inserting after "subsection (m) (5)" the following: "or subsection (aa)".

(b) Section 1812(a) of such Act is amended by—

(1) striking out "and" at the end of paragraph (2);

(2) striking out the period at the end and inserting in lieu thereof "; and"; and

(3) adding at the end the following new paragraph:

"(4) covered drugs furnished to such individual, but not when furnished to him while he is an inpatient in a hospital."

(c) Section 1813 of such Act is amended by adding at the end the following subsection:

"(c) (1) The amount payable for a covered drug furnished an individual shall be reduced by an amount equal to the copayment determined under paragraph (2) or, if less, the charges imposed with respect to such individual for such covered drug, except that, if the customary charges for such covered drug are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed.

"(2) The copayment specified in paragraph (1) shall be $1 during the period ending December 31, 1978, and such amount as may be determined pursuant to paragraph (3) of this subsection during any period thereafter.

"(3) The Secretary shall, between July 1 and October 1 of 1978, and of each year thereafter, determine and promulgate the copayment for purposes of the preceding paragraphs of this subsection and such copayment shall be in effect for purposes of such paragraphs for the calendar year succeeding the year in which such copayment is promulgated. Such copayment shall be equal to $1 multiplied by the ratio of (A) the average per capita costs for covered drugs for the calendar year preceding the year in which the determination is made to (B) the average per capita costs for such drugs for the calendar year 1972. Any amount so determined, which is not a multiple of $0.10, shall be rounded to the nearest multiple of $0.10 (or, if it is midway between two multiples of $0.10 to the next higher multiple of $0.10)."

(d) Title XVIII of the Social Security Act is amended by adding after section 1818 of such Act the following new subsections:

"PAYMENT FOR COVERED DRUGS; CONDITIONS AND LIMITATIONS ON SUCH PAYMENT

"Sec. 1819. (a) (1) The amount paid to any provider of drugs with respect to covered drugs for which payment may be made under this part shall, subject to the provisions of this section and section 1813 (c), be the reasonable drug charge with respect to such drugs.

"(2) (A) The 'reasonable drug charge' for a covered drug shall be the acquisition allowance plus a dispensing allowance.

"(B) The Secretary shall be regulations establish the method or methods for determining the acquisition allowance of a covered drug, giving consideration to the cost to providers of drugs of acquiring the drug by its established name. If the source from which any covered drug is available charges different prices therefor to different classes or types of providers, or if a class of providers may reasonably obtain such drug from only certain types of sources, the Secretary may, in establishing the acquisition allowance, take into account these differences.

"(C) The Secretary shall by regulations establish the methods for determining a dispensing allowance for a covered drug, giving consideration to such factors as cost of overhead, professional services, and a fair profit. He may provide different dispensing allowances for different classes of providers.

"(b) Payment for covered drugs furnished to an individual may be made only to a dispenser of drugs eligible therefor under subsection (c) and only if—

"(1) written request, signed by such individual, except in cases in which the Secretary finds it impracticable for the individual to do so, is filed for such payment in such form, in such manner, within such time, and by such person or persons as the Secretary may by regulation prescribe; and

"(2) (in the case of a legend drug) a written prescription, signed by a physician, was filed with such provider of drugs, or (in the case of a nonlegend drug) a physician has certified that the covered drug furnished the individual was medically required by such individual; except that (pursuant to such regulations as the Secretary may prescribe) no payment may be made for a covered drug—

"(3) if it is prescribed in an unusual quantity; or

"(4) if it fails to meet such requirements as to quality and standards of manufacture as the Secretary may prescribe; or

"(5) it fails to meet such specifications as to dosage form as the Secretary may require.

"(c) For purposes of subsection (a), provider of drugs shall be eligible for payment if—

"(1) he is licensed or authorized pursuant to State law to dispense drugs to humans;

"(2) he agrees to comply with such rules and regulations as the Secretary may issue with respect to—

"(A) submission of bills at such frequency and on such forms as may be prescribed in such rules and regulations;

"(B) availability for audit of his records relating to drugs and prescriptions;

"(C) the maintenance and retention of such records relating to the cost of drugs as may be specified in such rules and regulations;

"(3) he meets such other conditions relating to health and safety as the Secretary may find necessary;

"(4) he agrees not to charge any individual for a drug for which such individual is entitled to have payment made under this section and section 1861(aa) an amount in excess of the amount which, when added to the amount of payment made under this section and section 1813(c) for such drug, exceeds the customary charge at which such dispenser of drug sells or offers such drug to the public at the time such drug is furnished to such individual.

"USE OF ORGANIZATIONS IN ADMINISTRATION OF PROGRAM FOR FURNISHING COVERED DRUGS TO ELIGIBLE INDIVIDUALS

"Sec. 1820. (a) The Secretary is authorized to enter into contracts with organizations to perform such functions as he may find appropriate in administering a drug benefit if he finds that the utilization of one or more of such organizations will promote the effective and efficient administration of the program provided under this part for the furnishing of covered drugs to eligible individuals.

"(b) Contracts with organizations under subsection (a) may be entered into without regard to section 3709 of the revised statutes or any other provision of law requiring competitive bidding.

"(c) For purposs of this section, the term 'organization' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of, prescription drugs under group insurance policies or contracts, medical or hospital service agreements, membership, or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the organization, including a health benefits plan duly sponsored or underwritten by an employee organization.

"STUDY OF DRUG UTILIZATION

"Sec. 1821. The Secretary is authorized to conduct studies relating to the utilization of drugs for which payment may be made under this part in order to encourage the proper use of such drugs."

(e) Title XVIII of the Social Security Act is further amended adding after section 1867 of such Act the following new section:

"EXPERT COMMITTEE ON DRUG COVERAGE

"Sec. 1868. (a) There is hereby created an Expert Committee on Drug Coverage which shall consist of five persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Secretary shall from time to time appoint one of the members to serve as chairman. The members shall include persons who are outstanding in the fields of pharmacology, geriatrics, and other branches of medicine. Members of the Expert Committee, while attending meetings or conferences thereof or otherwise serving on business of the Expert Committee shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistences as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Expert Committee shall meet as frequently as the Secretary deems necessary.

"(b) It shall be the function of the Expert Committee to advise the Secretary on matters of general policy in the administration of the program provided under this part for furnishing covered drugs to eligible individuals. The Expert Committee shall also make recommendations to the Secretary as to what drugs should be included in the list established under section 1861(aa)(2) and what drugs should be deleted from such list. In making any such recommendations the Expert Committee shall submit in such detail as the Secretary may request the information and data the Expert Committee considered in making such recommendation. In carrying out its work, the Expert Committee shall consult with organizations representing the aged, pharmacists, the pharmaceutical industry, and with such other organizations or individuals as the Expert Committee finds appropriate. The Expert Committee shall make an annual report to the Secretary on the performance of its function, including any recommendations it may have with respect thereto, and such report shall be transmitted promptly by the Secretary to the Congress.

"(c) The Expert Committee is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Expert Committee such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare as the Expert Committee may require to carry out its functions.

(f) The heading of part A of title XVIII of such Act is amended by striking out "Insurance" and inserting in lieu thereof "Insurance and Drug".

(g) Section 1811 of such Act is amended by inserting after "services" the following: "and the cost of covered drugs".

(h) Section 1814(c) of such Act is amended by—

(1) adding at the end of the heading the following "or Federal Providers of Drugs";

(2) inserting "(1)" after "(c)"; and

(3) adding at the end the following new paragraph:

"(2) No payment may be made under this part to any Federal provider of drugs (as provided for in section 1819), except a provider of drugs which the Secretary determines is dispensing drugs to the public generally as a community institution or agency; and no such payment may be made to any provider of drugs for any drug which such provider is obligated by a law of, or a contract with, the United States to render at public expense."

(i) Section 1815 of such Act is amended by—

(1) adding at the end of the heading the following: "and Providers of Drugs";

(2) adding after "provider of services with respect to the services furnished by it": ", and each provider of drugs with respect to drugs,";

(3) inserting after "provider of services" the second time it appears "and the provider of drugs, as the case may be,".

(j) Section 1861(r) of such Act is amended by adding at the end thereof the following new sentence: "For purposes of section 1819, such term includes a doctor of one of the arts, specified in the first sentence of this subsection, only with respect to drugs he is legally authorized to prescribe by the State in which he prescribes such drugs."

(k) Section 1869(c) of such Act is amended by inserting after "provider of services" the following: "or any person dissatisfied with any determination by the Secretary that he is not a provider of drugs eligible for payment under this title,".

(l) Section 1870(a) of such Act is amended by—

(A) inserting ", provider of drugs," after "provider of services"; and

(B) inserting "or drugs" after "items or services".

(2) Section 1870(b) of such Act is amended by—

(A) inserting ", or provider of drugs," after "provider of services" each time it appears;

(B) inserting "or drugs" after "items or services"; and

(C) adding at the end of paragraph (2) the following: "or any payment has been made under section 1818 to a provider of drugs for drugs furnished an individual,".

(3) Section 1870(d) of such Act is amended by inserting: ", or provider of drugs," after "provider of services".

(m) (1) The heading of section 226 of such Act is amended by striking out "INSURANCE" and inserting in lieu thereof "INSURANCE AND DRUG".

(2) Section 226 (a) (1) and (2) of such Act are each amended by striking out "hospital insurance benefits" and inserting in lieu thereof "hospital insurance and drug benefits."

(n) Section 226 (b) (1) of such Act is further amended by—

(1) striking out "(as such terms are defined." and inserting in lieu thereof the following: "and for covered drugs (as such terms are defined";

(2) by striking out "hospital insurance benefits" and inserting in lieu thereof "hospital insurance and drug"; and

(3) striking out "; and" and inserting in lieu thereof "and (C) no such payment may be made for covered drugs furnished before January 1, 1974; and".

(o) Section 21 (a) of the Railroad Retirement Act of 1937 is amended by—

(A) striking out "and" which follows "extended care services,"; and

(B) striking out "post-hospital home health services" and inserting in lieu thereof "post-hospital home health services, and covered drugs".

(p) Section 21 (c) of the Railroad Retirement Act of 1937 is amended by inserting after "services" the first time it appears "(other than covered drugs)".

Sec. 2. The amendments made by this Act shall become effective January 1, 1976.

S. 1323

A bill to amend title XVIII of the Social Security Act to provide for the automatic coverage, without premium, under the supplementary medical insurance program established by part B of such title of individuals who are covered (without payment of premium) under the hospital insurance program established by part A of such title

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1837 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of this title, if, for any month after December 1973, any individual is entitled (without regard to the provisions of section 1818) to the insurance benefits provided under part A, such individual shall be deemed to be enrolled in the insurance program established by this part for such month and to be entitled to the benefits provided under such program."

(b) Section 1839 of such Act is amended by adding at the end thereof the following new subsection:

"(g) The preceding provisions of this subsection shall not be applicable to any individual deemed, under section 1837(i), to be enrolled in the insurance program established by this part."

(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

"(i) For purposes of this part, any premium owed by an individual, who is deemed (under section 1837(a)) to be enrolled for any month in the insurance program established by this part, shall be deemed to have been timely paid."

(d) (1) Section 1844(a) of such Act is amended—

(A) by striking out the period at the end of paragraph (1) and inserting in lieu thereof "; plus"; and

(B) by adding, immediately after subparagraph (B) of paragraph (1), the following new subparagraph:

"(C) a Government contribution equal to the aggregate of the premiums deemed to be paid under section 1840(i).".

(2) Section 1844(a) of such Act is further amended by adding at the end thereof the following new sentence: "For purposes of paragraph (1) (A) or (B), the amount of premiums per enrollee shall be determined without regard to section 1839(g) and section 1840(i), and premiums deposited in the Trust Fund shall be deemed to include amounts which were not but would have been deposited therein except for the provisions of section 1839(g) and section 1840 (i)."

S. 1325

A bill to amend title XVIII of the Social Security Act to cover, under the hospital insurance program established by part A thereof, inpatient hospital services provided outside the United States to individuals insured such program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1814(f) of the Social Security Act is amended—

(1) by striking out paragraphs (1) and (2) thereof an inserting in lieu of such paragraphs the following new paragraph:

"(1) Payment shall be made for inpatient hospital services furnished to an individual entitled to hospital insurance benefits under section 226 by a hospital located outside the United States, or under arrangements (as defined in section 1861(w)) with it.";

(2) in paragraph (3) thereof, by striking out "paragraph (1) or (2)" and inserting in lieu thereof "paragraph (1)"; and

(3) in paragraph (4) thereof—

(A) by striking out "paragraph (1) or (2)" and inserting in lieu thereof "paragraph (1)", and

(B) by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (2)"; and

(4) by redesignating paragraphs (3) and (4) thereof as paragraphs (2) and (3), respectively.

Sec. 2. The amendments made by the first section of this Act shall apply to services furnished with respect to admissions to hospitals occurring after December 31, 1973.

By Mr. WILLIAMS:

S. 1326. A bill to amend the Public Health Service Act to provide for programs for the diagnosis and treatment of hemophilia. Referred to the Committee on Labor and Public Welfare.

HEMOPHILIA ACT OF 1973

Mr. WILLIAMS. Mr. President, hemophilia is a genetically transmitted blood disorder which prevents normal blood coagulation and results in excessive and sometimes fatal bleeding, either internally or externally. The typical hemophiliac is usually a male who is born with the disease and, in the absence of treatment, suffers its effects throughout his lifetime.

Hemophiliacs fall into three major categories depending on the severity of the disease:

First. The severe hemophiliac is subject to spontaneous hemorrhaging into soft tissues, bones, joints, and muscles, and bleeds after any type of trauma or minor surgery. His system lacks virtually all ability to clot.

Second. The moderate hemophiliac rarely hemorrhages spontaneously but may experience significant bleeding after minor trauma. This individual may go undiagnosed for a long period of time.

Third. The mild hemophiliac is generally detected only after severe trauma or surgery during which bleeding cannot be easily controlled but in all other circumstances may be said to live a normal life.

Of the 100,000 hemophiliacs in the United States today, an estimated 25,000 were treated for severe and moderate hemophilia during 1970 and 1971, and almost 90 percent of these individuals are below the age of 25.

Mr. President, hemophiliacs are unique among chronic disease victims because they are not born crippled and they can be cured if financial conditions permit them to take advantage of newly developed forms of therapy. Without this ongoing treatment, severe and moderate hemophiliacs must suffer tragic consequences throughout their lifetime and become an unnecessary burden to themselves, their families, and to the whole society. Not only is there a severe physical crisis confronting the hemophiliac, but he is constantly threatened with great uncertainty since a bleeding episode may strike without warning. As a result, there is a tendency among family members and the hemophiliac himself to curb many otherwise routine day-to-day activities for the sake of the sufferer. This kind of psychological toll is impossible to measure, and in many cases it is devastating.

In the mid-1800's, it was found that bleeding in a hemophiliac could be controlled to some extent through the transfusion of whole blood into the patient. This was the beginning of what is known as replacement therapy. But, this was not a very satisfactory or efficient means of treatment. In the last two decades, medical research made great advances in discovering the missing factor which prevented blood coagulation and in 1964 it was demonstrated that this factor—primarily the element now known as factor VIII—could be removed from human plasma by a process called cryoprecipitation. At last there was new hope for effective treatment for hemophilia.

Unfortunately, replacement therapy for those afflicted with this disease has not been widely available principally because of money. The administration of the clotting factor by a physician or nurse is expensive. Costs are further increased because blood banks often fail to fractionate, cryoprecipitate, or do not have it on hand thus necessitating purchase of more expensive commercial forms of factor VIII. And so, when clotting factors were first approved for therapy, it would easily cost $25,000 for such ongoing treatment. This made replacement therapy virtually out of reach for the typical patient.

Some progress has been made in recent years. New techniques have made it possible for most hemophiliacs to self-administer the appropriate clotting factor at home. Inpatient care is usually necessary for surgery or when a serious trauma is inflicted. Outpatient care by a physician or nurse may only be required for initial testing and training with only periodic followup treatment. And the clotting factor itself is beginning to be a bit more available than at the outset. And so, the costs associated with replacement therapy have been brought down to the point where it is estimated that the hemophiliac requiring ongoing treatment may obtain it for an average cost of $6,000 per year.

But, Mr. President, $6,000 is a lot of money, especially for the average American family. We are all aware that the median family income in the United States is $10,300 and it is clear to me, therefore, that most households with a hemophiliac simply cannot afford to take advantage of this lifesaving therapy. In my judgment, this Nation has a responsibility to provide the necessary assistance to assure that every individual afflicted with hemophilia will be able to afford replacement therapy for this dread disease. Because the resources are available to save these lives and to permit a normal future we must provide the funds necessary to achieve this goal. We can do no less even for this relatively small segment of our population.

It is for these reasons that I am today introducing the Hemophilia Act of 1973. This is a simple bill with a clear objective. It says that every hemophiliac shall be entitled to care of this disease consistent with available technology and with that person's ability to pay for such care. It establishes a claims program to be administered by the Secretary of Health, Education, and Welfare whereby any hemophiliac in need of replacement therapy shall be entitled to payment either directly or on his behalf in an amount equal to 100 percent of the actual cost of providing blood, blood products and services associated with such treatment.

The Secretary is authorized to make such payments minus the amounts payable for such treatment by third parties and minus amounts determined by him to be payable by such individual based on the income of the individual. Thus, with the enactment of this legislation, no hemophiliac need ever be concerned that he shall go untreated for lack of funds. This is an entitlement payment on behalf of such individuals and as such the necessary funds would be appropriated out of general revenues in order to meet the costs of these claims. My estimates are that this aspect of the bill would cost between $125 and $150 million annually.

In addition to this provision, the bill would address itself to several other important problems associated with hemophilia.

At the present time there are only a scattering of medical centers in the United States which provide any major emphasis on the treatment and diagnosis of this disease. Thus, there are only a few areas in the country where there are adequate treatment and diagnosis facilities or where there is decent social and vocational counseling for hemophilia patients.

Also, we face short supply of professional and paraprofessional personnel trained in hemophilia diagnosis, treatment, and research. Nor do we have adequate mechanisms whereby physicians in outlying areas have adequate contacts with those centers which have hemophilia diagnostic and treatment programs.

In order to meet these needs and to provide a better focal point for individuals participating in the hemophilia claims program, my bill authorizes funds for the establishment of no less than 15 hemophilia diagnostic and treatment centers. The Secretary is authorized to make grants to public and private nonprofit entities for such projects and it is contemplated that such centers will be established in areas where there is the greatest need for such services.

Another problem associated with hemophilia is the existing lack of blood fractionation centers which provide the clotting factor.

In large part this situation is due to the fact that this Nation has yet to develop a rational and efficient blood policy. It has been estimated that the demand for blood products for treatment of hemophilia could necessitate the use of 13 million units of blood annually. This represents more than the current annual supply of all whole blood units.

Thus, it is necessary that only those factors needed by hemophiliacs be fractionated out of whole blood for their use and the other components be fractionated for other uses. This is precisely why we need a more intelligent blood fractionation policy like that which has been developed in Australia and Scotland. That is why I have included a provision in my bill to authorize the Secretary to make grants and enter into contracts for the establishment of fractionation centers to extract necessary blood components and make them available for distribution to hemophilia and treatment centers.

While this will only make a dent in solving the blood supply problem, it will be an important first step in assuring that a larger supply of blood products are available for hemophiliacs and at the same time will assure that other blood products may be derived from the same blood units. I realize that this is a very difficult and complex problem, but it is time that we addressed ourselves to the whole issue in a well thought-out fashion. For without better management of our blood resources we will soon be faced with a major crisis in medical treatment which requires the use of blood and blood products.

Finally, the bill would establish a National Hemophilia Advisory Board which would establish guidelines for the diagnosis and treatment of hemophilia. The Board will be composed of 20 members including the Secretary, the Director of NIH, and 18 others from among the leading scientific and medical authorities in this and related fields. The guidelines which are developed would have to be followed by those treating hemophiliacs and who are reimbursed pursuant to the authority in the bill.

Mr. President, in the past 2 years, several States, including New Jersey, have enacted legislation to establish programs for the care and treatment of hemophiliacs. These assistance efforts were undertaken because of the enormous costs associated with the disease and the inability of the private sector to provide adequate funding for ongoing treatment. But these States which have taken action are unable to appropriate more than a small amount of money for this purpose. Nor is the National Hemophilia Foundation, with its 55 local chapters, in a position to raise enough funds from private resources to assure that hemophiliacs and their families will be able to bear the heavy financial burden of replacement therapy.

During the past several months, I have noted the beginning of a great national debate which poses the question: "What good is having the ability to control disease if we cannot get treatment to those who need it?" It does not seem possible that so rich a nation as the United States can say to an individual suffering from kidney disease, cancer, or hemophilia that we are not going to provide you with the resources to live a normal life; or that we have made enormous progress in finding new therapies but they are of no use to you since you cannot afford them. And yet, some people are indeed taking this view.

As one Senator, I cannot and will not adhere to such a philosophy. If it will cost $150 million to save the lives of 25,000 Americans who suffer from hemophilia, then I say let us act now to provide those funds. Man's humanity to his fellow man demands at least that much. And if we can at the same time find more effective and less expensive means of controlling hemophilia, let us vigorously pursue that course as well. But we must not delay any longer in either endeavor.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hemophilia Act of 1973".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) Congress finds and declares—

(1) that there are a significant number of individuals residing in the United States who suffer from hemophilia;

(2) that there exists today the technology and the skills to enable such individuals to lead productive lives;

(3) that the high cost of such technology and skills are in most cases denying the benefits of such advances to individuals suffering from hemophilia.

(b) It is therefore the purpose of this Act to guarantee individuals suffering from hemophilia their entitlement to care commensurate with the technology and skills that are available.

SEC. 3. Title XI of the Public Health Service Act, 42 U.S.C. 201) is amended by adding at the end thereof the following new part:

"PART C—HEMOPHILIA PROGRAM;

"DEFINITIONS

"SEC. 1121. As used in this part the term—

"(1) 'hemophilia diagnostic and treatment center' means an entity which provides the following:

"(A) access for all individuals suffering from hemophilia who reside within the geographic area served by the center;

"(B) programs for the training of professional and paraprofessional personnel in hemophilia research, diagnosis and treatment;

"(C) a program for the diagnosis and treatment of individuals suffering from hemophilia who are being treated on an outpatient basis;

"(D) a program for association with providers of health care who are treating individuals suffering from hemophilia in areas not conveniently served directly by such center but which is more convenient (as determined by the Secretary) than the next geographically closest center;

"(E) programs of social and vocational counseling for individuals suffering from hemophilia;

"(F) individualized written programs for each person treated by or in association with such center; and

"(G) complies with guidelines for treatment established by the National Hemophilia Advisory Board, under this part.

"ENTITLEMENT TO TREATMENT

"SEC. 1122. (a) Any individual suffering from hemophilia may file a claim for benefits under this part with the Secretary in such form and containing such information as he may reasonably require.

"(b) Benefits under this part shall be paid to, or on behalf of a claimant, in an amount equal to 100 per centum of the actual cost of providing blood, blood products, and services associated with the treatment of hemophilia, less—

"(1) amounts payable by third parties (including governmental agencies), ana

"(2) amounts determined by the Secretary (in accordance with subsection (c)) to be payable by the individual suffering from hemophilia.

"(c) In determining the amount which may be payable under subsection (b) (2) the Secretary, after consultation with the Secretary of the Treasury, shall establish a schedule of cost sharing by such individual based upon the adjusted gross income of such individual.

"(d) Any claim submitted under this part shall contain a certification that treatment provided to the claimant is in accord with the guidelines promulgated by the National Hemophilia Advisory Board pursuant to the authority granted under this Act.

"(e) There are authorized to be appropriated for the Fiscal Years beginning July 1, 1973 and ending June 30, 1976 such sums as may be necessary to carry out the purposes of this section.

"ESTABLISHMENT OF HEMOPHILIA DIAGNOSTIC AND TREATMENT CENTERS

"SEC. 1123. (a) The Secretary shall provide for the establishment of no less than 15 new centers for the diagnosis and treatment of individuals suffering from hemophilia.

"(b) (1) In carrying out the purposes of subsection (2) the Secretary may make grants to public and nonprofit private entities, and may enter into contracts with public and private entities for projects for the establishment of hemophilia diagnostic and treatment centers as defined in section 1121.

"(2) No grant or contract may be made under this part unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner and contain such information, as the Secretary shall by regulation prescribe.

"(3) An application for a grant or contract under this part shall contain assurances satisfactory to the Secretary that the applicant will serve the maximum number of individuals that is available and potential resources will enable it to effectively serve.

"(c) In establishing such centers the Secretary shall—

"(1) take into account the number of persons to be served by the program supported by such center and the extent to which rapid and effective use will be made of funds by such center; and

"(2) give priority to programs operating in areas which the Secretary determines have the greatest number of persons in need of the services provided under such programs.

"(e) There are authorized to be appropriated to carry out the purposes of this section $5,000,000 for the fiscal year ending June 30, 1974, $10,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976.

"PUBLIC HEALTH SERVICE FACILITIES

"SEC. 1124. The Secretary shall establish a program within the Public Health Service to provide for diagnosis, treatment, and counseling of individuals suffering from hemophilia. Such program shall be made available through the facilities of the Public Health Service to any individual requesting diagnosis, treatment, or counseling for hemophilia.

"BLOOD FRACTIONATION CENTERS

"SEC. 1125. (a) The Secretary may make grants to public and nonprofit private entities, and may enter into contracts with public and private entities and individuals to establish blood fractionation centers, for the purpose of fractionating and making available for distribution blood and blood products, in accordance with regulations prescribed by the Secretary to hemophilia treatment and diagnostic centers.

"(b) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1974, $10,000,000 for the fiscal year ending June 30, 1975, and $15,000,000 for the fiscal year ending June 30, 1976.

"ADVISORY BOARD FOR HEMOPHILIA TREATMENT STANDARDS"

"SEC. 1126. (a) There is hereby established in the National Institutes of Health a National Hemophilia Advisory Board (hereinafter in this section referred to as the 'Board') to be composed of 20 members as follows:

"(1) the Secretary and the Director of the National Institutes of Health; and

"(2) 18 members appointed by the President.

The persons appointed to the Board shall be appointed from among persons who are among the leading scientific or medical authorities outstanding in the study, diagnosis, or treatment of hemophilia or in fields related thereto.

"(b) (1) Appointed members shall be appointed for six-year terms, except that of the members first appointed, six shall be appointed for a term of two years, and six shall be appointed for a term of four years, as designated by the President at the time of appointment.

"(2) Any member appointed to fill a vacancy occurring prior to expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Appointed members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office.

"(3) A vacancy in the Board shall not affect its activities, and eleven members thereof shall constitute a quorum.

"(4) The President shall designate one of the appointed members to serve as Chairman for a term of two years. The Board shall meet at the call of the Chairman, but not less often than four times a year.

"(c) The Board may hold such hearings, take such testimony, and sit and act at such times and places as the Board deems advisable to investigate programs and activities conducted under this part.

"(d) Members of the Board who are not officers or employees of the United States shall receive for each day they are engaged in the performance of the duties of the Board compensation at rates not to exceed the daily equivalent of the annual rate in effect for GS-18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703, title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Director of the National Institutes of Health shall make available to the Board such staff, information, and other assistance as it may require to carry out its activities.

"FUNCTIONS OF THE BOARD

"SEC. 1127. It shall be the function of the Board to (1) establish guidelines for the diagnosis and treatment of persons suffering from hemophilia; and (2) submit a report to the President for transmittal to the Congress not later than January 31 of each year on the scope of activities conducted under this part.

"RECORDS AND AUDIT

"SEC. 1128. (a) Each recipient of a grant or contract under this part shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant under this title which are pertinent to any such grant.".

By Mr. TUNNEY:

S. 1327. A bill to require the labeling of electrical appliances with respect to their comparative efficiency in the use of electricity and to provide for the establishment of minimum standards of efficiency for such appliances. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, when the average citizen lights his home, cooks his food, air conditions his office, and does the thousand-and-one odd jobs which rely on electricity, he and his family do not think of themselves as a drain on our national energy resources.

But when we multiply these countless tasks by the more than 200 million people in this country, the significance of these individual demands multiplies into a developing national crisis. Already, Americans are using around 9 quadrillion Btu's of electrical energy around our homes and offices every year—that is the equivalent of the energy which would be generated by 1½ billion barrels of oil, 8½ trillion cubic feet of natural gas, or 350 million tons of coal.

Clearly, if we are going to have enough electricity in the future, every American is going to have to take steps to use our electrical resources in the most efficient way possible. Even the smallest reductions in individual usage will produce enormous savings on a national scale.

If we do not act immediately, the consequences will be dire. Home use of electricity grew by almost 5 percent per year between 1960 and 1970, and it is been estimated that, in this decade, it will increase by a yearly average of over 5 percent. This means that by 1990, we could triple our consumption of energy resources to provide electricity.

If we tolerate these heavy increases without trying to conserve our present resources, we will inevitably become much more dependent on foreign sources of energy supply, and we will also be forced to rely too soon on either environmentally hazardous or untried domestic energy processes.

I think that the average American would consume electricity much more efficiently—and I might add more economically—if he had reliable information on the energy consumption of his electrical appliances.

Therefore, I propose legislation that will require appliances to contain information in nontechnical language specifying the energy which they consume. The Office of Emergency Preparedness estimates that we can save trillions of Btu's of energy by 1975 if labeling and advertising of appliances contains energy information. The OEP states:

> Appliances should operate at good efficiency. Minimum acceptable efficiencies and standardized test procedures should be established by the Federal Government in consultation with trade associations. Legislation should be enacted requiring that the energy consumption of each appliance be stated on the nameplate, on the price tag and in every advertisement in which selling price is mentioned.

This bill provides that the Federal Trade Commission, which has traditionally regulated the marketing and advertising of consumer products, promulgate standards for labeling and advertising of electrical appliances with information containing their energy efficiency. In addition, it requires that the FTC come up with minimum standards of efficiency for appliances. In carrying out these requirements, the FTC will confer with other governmental groups, such as the National Bureau of Standards, which have technical expertise in these areas.

Civil and criminal penalties are included in the bill for any person who sells or advertises an appliance without conforming to the relevant standards. The bill allows the FTC or the Attorney General to get an injunction or an order for seizure from the U.S. district courts, where there has been a violation of these standards. Also we have provided that the average citizen can sue for violations of this act.

I believe that the provisions of this legislation are important for three reasons. First, they can be quickly and effectively implemented. Second, they focus on the individual consumer, where minor changes in the use of electricity can cause large, lasting changes in national patterns. Third, the manufacturers will be forced to comply with consumer demands for more efficient appliances. I feel that a thorough airing of the pros and cons of this proposal in hearings will firmly establish its importance.

The air conditioners, refrigerators, stoves, and other household appliances which we depend on so extensively can be aids in conserving electricity, rather than a drain on our electrical resources. Labeling and minimum efficiency standards will help us to avoid the blackouts, brownouts, and power shortages which have become commonplace in today's world, and will give the average American a role in preventing them. These requirements are fair to manufacturers and retailers, and they are in line with our general emphasis on making consumers aware of exactly what they are getting for their money. I will also be considering further legislation in the future to help us to conserve energy resources, both in the household and in our offices and factories, so that we will have sufficient energy to meet our future needs.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Electrical Appliance Standards Act of 1973."

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "Commission" means the Federal Trade Commission;

(2) "electrical appliance" means any device operated by electricity which is used in any residence;

(3) "communications medium" means radio, television, cinema, or periodical publication or other printed medium of communication.

LABELLING ADVERTISING

SEC. 3. (a) No manufacturer, distributor, wholesaler or retailer of electrical appliances shall sell or offer for sale in, or in any manner affecting, interstate commerce any electrical appliance after the effective date of a standard promulgated by the Federal Trade Commission under section 5 of this Act applicable to that appliance unless the appliance is labeled in accordance with the requirements of that standard as to the comparative efficiency with which that appliance utilizes electrical power.

(b) No manufacturer, distributor, wholesaler or retailer of electrical appliances shall advertise or cause to be advertised any such appliance for sale through any communications medium unless that advertisement contains a statement of the comparative efficiency with which that appliance utilizes electrical power, in accordance with the requirements of such standard.

MINIMUM STANDARDS OF EFFICIENCY

SEC. 4. No manufacturer, distributor, wholesaler, or retailer shall sell or offer for sale in, or in any manner affecting, interstate commerce any electrical appliance manufactured after the effective date of an applicable minimum efficiency standard promulgated by the Commission under section 5 of this Act which fails to meet the requirements of that standard.

PROMULGATION OF STANDARDS

SEC. 5. (a) The Federal Trade Commission shall by rule on the record after opportunity for an agency hearing promulgate standards for labelling electrical appliances with respect to their efficiency in utilizing electrical power relative to the efficiency of other electrical appliances of the same type. In developing standards under this subsection, the Commission, in consultation, with the Bureau of Standards, and any other appropriate agency of the United States Government, including the Environmental Protection Agency and the Council on Environmental Quality, shall develop indices of efficiency for particular types of classes of electrical appliances based upon a standard of reasonable efficiency in the utilization of electrical power with respect to each such type or class of appliances. The labelling requirement for any type or class of electrical appliances shall require the label for each appiance of that type or class to express in nontechnical language such standards of reasonable efficiency for appliances of that type or class, and shall provide the prospective purchaser with a means of easily determining whether a particular appliance is more or less efficient and economical in its utilization of electrical power than an appliance of that type or class.

(b) The Commission, in consultation with the Bureau of Standards and any other appropriate agency of the United States Government, including the Environmental Protection Agency and the Council on Environmental Quality, shall also promulgate standards by rule on the record after opportunity for an agency hearing establishing minimum standards of efficiency in the use of electrical power for types or classes of electrical appliances. Standards promulgated under this subsection shall apply only with respect to appliances manufactured after the effective date of any such standard.

(c) Standards promulgated under this section may be promulgated with respect to types or classes of appliances determined by use, function, the means by which such appliances use electricity, or on any other basis determined by the Commission to be in accordance with the purposes of this Act.

(d) In promulgation of any standards required under this Act, the Commission shall first promulgate standards for those types or classes of appliances which utilize the largest amounts of electric power.

(e) The Commission shall promulgate any standards required under this Act as soon as practicable.

UNFAIR TRADE PRACTICE

SEC. 6. The act of selling or offering for sale (including causing an advertisement to be published or broadcast) any electrical appliance in violation of the provisions of section 3 or 4 of this Act constitutes an unfair or deceptive act or practice in commerce in violation of the provisions of section 5(a) (1) of the Federal Trade Commission Act (15 U.S.C. 45 (a) (1)).

CIVIL PENALTIES

SEC. 7. (a) Any person who knowingly violates section 3 or 4 of this Act shall be subject to a civil penalty not to exceed two thousand dollars ($2,000) for each such violation. A violation of such section shall constitute a separate offense with respect to each electrical appliance involved, except that the maximum civil penalty shall not exceed one million dollars ($1,000,000) for any related series of violations.

(b) In determining the amount of such penalty, or whether it should be remitted or mitigated and in what amount, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered.

SEC. 8. (a) Any person who knowingly and willfully violated section 3 or 4 of this Act shall be fined not more than fifty thousand dollars ($50,000) or be imprisoned for not more than one year, or both.

(b) Any individual officer, director, or agent of a corporation who knowingly and willfully authorizes, orders or performs any act constituting a violation of section 3 or 4 of this Act shall be subject to penalties under this section without regard to any penalties to which that corporation may be subject under subsection (a) of this section.

INJUNCTIVE ENFORCEMENT AND SEIZURE

SEC. 9. (a) The United States district courts shall have jurisdiction to restrain any violation of section 3 or 4, or to restrain any person from advertising or distributing in commerce an electrical appliance which does not comply with the requirements of any applicable standard promulgated by the Commission under section 5 of this Act. Such actions may be brought by the Commission (with the concurrence of the Attorney General) or by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

(b) Any electrical appliance which fails to conform to an applicable standard when introduced into or while in commerce or while held for sale after shipment into commerce shall be liable to be proceeded against on libel of information and condemned in any United States district court within the jurisdiction of which such consumer product is found. Proceedings in cases instituted under the authority of this subsection shall conform as nearly as possible to proceedings in rem in admiralty. Whenever such proceedings involving substantially similar electrical appliances are pending in courts of two or more judicial districts, they shall be consolidated for trial by order of any court upon application reasonably made by any party in interest upon notice to all other parties in interest.

ENFORCEMENT POWERS

SEC. 10. In carrying out its duties under this Act, the Commission is authorized to utilize the provisions of sections 9 and 10 of the Federal Trade Commission Act, and such sections are hereby made applicable to the enforcement of the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

CITIZEN SUIT

SEC. 12. Any person may commence a civil action on his own behalf—

(1) against any manufacturer, distributor, wholesaler, or retailer of electrical appliances who is alleged to be in violation of the provisions of this Act, or

(2) against any Federal agency, where there is an alleged failure of the appropriate agency to perform any act or duty under this Act which is not discretionary. The district courts shall have jurisdiction without regard to the amount of the controversy or the citizenship of the parties to enforce the provisions of this Act with regard to any manufacturer, distributor, wholesaler, or retailer of electrical appliances or to order the appropriate Federal agency to perform such act or duty, as the case may be: *Provided, however*, That no action may be commenced under this subsection prior to sixty days after the plaintiff has given notice of the violation to the appropriate Federal agency or to the appropriate manufacturer, distributor, wholesaler, or retailer of electrical appliances. Nothing in this section shall restrict any right which any person or class of persons may have under any statute or common law.

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 1328. A bill to direct the Secretary of Transportation to make an investigation and study of the feasibility of a high-speed ground transportation system between the cities of Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, the State of California faces a transportation crisis. During the remainder of this century the explosive growth in intrastate travel will place a crushing burden on California's transit systems. Quick action is required before these vital systems are clocked, or in the case of air travel, become outrageously hazardous.

In the last decade traffic between the major urban areas in California increased from 25 to 50 million travelers. Conservative projections indicate that we can expect as many as 125 million travelers by 1990 and 200 million by the year 2000. This would mean the equivalent of the entire present population of the United States would be traveling between the major cities of California within 30 years.

We must act now to assure that California's transportation systems will not be overwhelmed by this massive increase in intrastate travel. If we delay, we will condemn California, our most populous State, to a future of jammed highways and dangerously overcrowded skies.

To make a start toward solving these problems, I am introducing legislation today which directs the Department of Transportation to study the feasibility of developing a high-speed ground mass transit system between the cities of Sacramento, San Francisco, Fresno, Los Angeles, and San Diego.

The development of such a system to the point where it is a safe, economical, and efficient alternative to the automobile and the airplane could alleviate many of the problems of environmental pollution and energy consumption which California faces. It would also serve as a model for the rest of the country to solve its transit, pollution, and energy problems. The Environmental Protection Agency's proposed gas rationing in southern California is the cutting edge of restrictions that could be imposed nationwide if we do not diversify and modernize our transportation systems.

High-speed ground transportation will not replace the automobile or the airplane, but it will shift a significant part of the future burden from them. By allowing these three critical transportation modes to develop simultaneously we will help to assure that no one system becomes overburdened, and that there will be a balanced transit system which will offer our citizens real choices in intercity travel.

In order to facilitate the development of high-speed ground transportation in California, the bill directs the Secretary of Transportation to consider all possible forms of ground transporation which could meet our needs, whether presently in existence or proposed. We must study the cost and environmental effects of such a system, and any proposed system must tie into local rapid transit systems in what should be a comprehensive statewide network. The system must provide a long-range answer to our transit problems, in terms of its speed, cost and convenience to its users, quality of its service, consumption of energy, and most important ability to expand in an orderly manner without imposing unreasonable costs on its users, the taxpayer, or its surroundings.

NEED

Of course, the automobile is going to be of continuing importance in intercity travel in California, regardless of what we do. Cars cannot be matched in convenience, and their cost to users is comparatively low. But if alternatives are not developed, it is estimated that auto trips between San Diego, Los Angeles, and San Francisco alone could rise to approximately 60 million trips per year by 1980 and 90 million by 1990. Sitting idly by and responding to such increases only by building more highways and more cars is not the way to clean up our air and conserve our energy resources.

Currently the principal alternative to auto travel in the "California corridor" is the airplane. The airplane will also have difficulty in expanding to meet our transportation needs. Air travel has increased dramatically in popularity during the last several decades because of its speed and quality of service. The increases have been especially dramatic in California. The air corridor between San Francisco and Los Angeles has become the most heavily traveled in the world. From 1957 to 1964, passenger traffic on this route increased by 233 percent compared to a 70-percent increase in traffic on all domestic trunklines. Air trips from San Francisco to Los Angeles are projected to rise to about 25 million per year by 1985, an increase of almost 400 percent over the 1971 figure—and this is only one part of the air travel picture in the California corridor.

Some have suggested that we should rely on air transit to absorb the projected explosive increases in intrastate travel demand. I doubt that the public will accept the sizable increases in air and noise pollution which will result from heavier reliance on air travel. Nor do I believe that the mushrooming demands for new airport space and expensive facilities will be easily accommodated.

Even if such problems can be solved, and the public will accept this kind of expansion, it is not clear that available airspace and energy resources will allow this massive increase. For example, airspace in the San Francisco area will be so crowded that there will be severe conflicts with military air operations, creation of severe overflight noise problems, and delays and curtailment of flights. In addition, expansion of air travel will put us on a collision course with petroleum shortages which are already predicted.

In short, huge increases in air travel will cost a lot, create serious environmental problems, and may lead to such overloads in traffic that the speed and convenience of air travel will be severely diminished. We all know how many times right now airplanes cover long distances in short times, only to spend interminable periods circling the airport. If that situation worsens, we could be stuck with an airline system which is less attractive to the traveler and is no answer to the average person's need for fast, cheap, reliable, mass transit.

Furthermore, the short and vertical takeoff and landing systems which are the suggested alternatives to present airplanes cannot by themselves solve the problems of conventional air travel. Although terminals for such planes could be more convenient and less space-consuming than present airports. VTOL and STOL systems still possess many of the disadvantages of air and noise pollution and energy consumption which plague present airplanes.

I do not think that we as legislators can afford to stand by and let these problems occur. I believe that we have to emphasize transportation which is clean, quiet, energy-efficient and attractive to users. I have committed myself to support a comprehensive approach to these problems in all areas relating to transportation, and this is only one part of that approach.

We have to look at present ground transportation modes, even though they appear to have serious drawbacks. Bus transit diminishes problems of air pollution and energy consumption associated with cars, but is basically a form of auto travel which lacks the main attractive feature of a car—its convenience. Present rail transit has advantages with regard to air pollution, land use, and energy efficiency, but it is associated in the public mind with poor service and is presently too slow to compete for the travel dollar with the airlines. We might want to consider some sort of variation on the very successful Metroliner program for the west coast on an interim basis but the larger distances involved may make it less attractive than the New York-Washington line.

Therefore, I believe that any long-range solution to the transit problems in the California corridor will come from study and implementation of a "breakthrough system," a transportation mode which is presently only in the experimental stages. I have been told by the many experts with whom I have consulted that several systems could have the speed, convenience, cleanliness, cost, and energy efficiency to make them real competitors for the airplane and the auto, including the tracked levitation vehicle and a tubular system.

Breakthrough systems like these could operate at cruising speeds between 200 and 300 miles per hour. Access points could be conveniently located to make maximum use of local mass-transit systems. The system could offer a quality of service equal to that of the airlines which the northeast corridor study suggests is one of the most important factors influencing customer choices of transportation.

In addition, such systems cause considerably less air and noise pollution than airplanes or traffic-intensive freeways. Electrical engines mean that there is pollution only at the source of the electricity, which can be controlled more easily and less expensively than pollutants emitted by car or airplane engines. Mass transit systems would be a major part of a real solution to problems of energy demand. The Office of Emergency Preparedness estimates that implementation of improved intercity transit systems could save almost 1 quadrillon Btu's per year by 1980 and 2 quadrillion Btu's annually thereafter.

Finally, and most important, a new system of ground mass transit could be expanded coherently and efficiently to meet our needs for the 21st century. We can build a system with the built-in capacity to expand which would be a real step forward from the haphazard, unplanned growth of present transit systems.

I do not want to ignore the problems which a breakthrough system or any other transit system would inevitably create. A new system would require new land and might infringe on land which is presently undeveloped. It would undoubtedly be expensive to build and to operate until it had received wide public acceptance. Finally, we can never be completely sure that the public would react in the way that we expect. I do not minimize these problems, but I think that they assume their proper perspective when we consider what will happen if we do not investigate a new system.

If we are seriously going to explore the possibility of a new method of ground mass transit, we have got to start right now. Most experts think that a breakthrough system could not be fully operational before 1985. With that kind of leadtime required, every day we waste now will cost us dearly in the 1980's.

Mr. President, California is now our most populous State. The California corridor is one of the most important centers of trade and industry. We can see the future of many of our developing areas reflected in California. If we can develop a really adequate answer to the problems of this area, we will also show the rest of the country how to plan for its future transit needs.

Solving California's transportation problems deserves a massive commitment of State and Federal time and resources. We can meet those future transit needs without destroying our environment and wasting our precious energy resources, and we can do it in a way that will invigorate the California aerospace and defense industry and change its sole focus from making weapons and airplanes to developing new technologies to solve our transit problems.

We can profit from the example of the Japanese who have already started to build a new high-speed line to link Tokyo and Osaka. We can solve our problems, but we must start promptly. I urge the Senate to make a start by authorizing study of the feasibility of a high-speed ground mass transit system for the California corridor.

I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The California Corridor Feasibility Study Act of 1973."

Sec. 2. The Secretary of Transportation is directed and authorized to make an investigation and study for the purpose of determining the social advisability, technical feasibility, and economic practicability of a high-speed ground transportation system between the cities of Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

(1) the various means of providing such transportation, including those under development, such as the tracked levitation vehicle;

(2) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

(3) the environmental impact of such a system including the future environmental impact from air and other transportation if such a system is not established;

(4) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

(5) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

(6) the ability of such a system to be integrated with other local and intra-state transportation systems, both existing and planned, in order to create a balanced and comprehensive transit system within the State of California; and

(7) such other matters as he deems appropriate.

Sec. 3. In carrying out the investigation and study pursuant to this Act, the Secretary of Transportation may enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations, or individuals, without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

Sec. 4. The Secretary of Transportation shall report the results of the study and investigation pursuant to this Act, together with his recommendations, to the Congress and the President as soon as practicable.

Sec. 5. There is authorized to be appropriated funds sufficient to carry out the provisions of this Act.

By Mr. SPARKMAN (for himself and Mr. Tower):

S. 1329. A bill to amend laws relating to the Federal National Mortgage Association. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I am today cosponsoring with the distinguished ranking minority member of the Banking Committee (Mr. Tower) legislation to amend the Federal National Mortgage Association Charter Act.

This bill is basically the same proposal as that which cleared our committee last year and which was included in the 1972 omnibus housing bill which passed the Senate 80 to 1.

The major thrust of the bill is the broadening of FNMA's authority to deal in conventional mortgages. The balance of the legislation is designed to bring the FNMA Charter Act up to date.

One provision would increase FNMA's conventional mortgage limits on single family housing to $45,000, the same as the congressionally approved ceiling for Federal savings and loan associations, and the same as the figure approved for FNMA last year in the 1972 omnibus housing bill.

Another provision would adjust the present statutory loan-to-value ratio from 75 to 80 percent to bring it more in line with actual conventional mortgage lending practices.

Neither of these conventional mortgage program recommendations will involve—directly or indirectly—the expenditure of Federal funds.

FNMA's President and Board Chairman, Oakley Hunter, has assured me that FNMA is well aware of and reaffirms its commitment to support the FHA and VA mortgage markets. However, as Mr. Hunter points out, the costs of single family housing have increased since the dollar ceiling in the FNMA conventional program was set in 1970. Also, to meet the demand long-term, low-downpayment conventional loans—coupled with private mortgage insurance—are now being made on terms which compare favorably with the FHA unsubsidized single family program. If these home buyers are to benefit from a viable secondary conventional market, Mr. Hunter says, the present FNMA dollar ceiling should be increased.

Mr. President, I ask unanimous consent that the bill, and an explanation thereof, be printed in the RECORD.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 1329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 302(a)(2) of the National Housing Act is amended by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "September 1, 1968", and by striking out "effective" in subparagraphs (A) and (B).

(b) The third sentence of section 302(a)(2)(B) of such Act is amended—

(1) by inserting "or the metropolitan area thereof" immediately after "District of Columbia";

(2) by inserting "jurisdiction and" immediately before "venue"; and

(3) by striking out "resident thereof" and inserting in lieu thereof "District of Columbia corporation".

(c) Section 302(b)(2) of such Act is amended by striking out "75 per centum" each place it appears and by inserting in lieu thereof, in each such place, "80 per centum".

(d) Clause (C) of the second sentence of section 302(b)(2) of such Act is amended by striking out "private".

(e) The last sentence of section 203(b)(2) of such Act is amended by striking out "which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof "of the first proviso to the first sentence of section 5(c) of the Home Owners' Loan Act of 1933, except that such limitation shall be increased 25 per centum with respect to mortgages of property located in Alaska, Guam, and Hawaii".

(f) Section 303(a) of such Act is amended—

(1) by striking out all of the first sentence which follows "directors" and inserting in lieu thereof a period; and

(2) by striking out everything after the second sentence.

(g) Section 303(c) of such Act is amended—

(1) by striking out the "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "September 1, 1968,"; and

(2) by striking out the proviso in the last sentence.

(h) Subsections (d) and (e) of section 303 of such Act are repealed.

(i) Section 304(a)(1) of such Act is amended by striking out "section 502 of the Emergency Home Finance Act of 1970" and inserting in lieu thereof "section 243 of the National Housing Act".

(j) Except with respect to any person receiving an annuity on the date of enactment hereof, section 309(d)(2) of such Act is amended—

(1) by striking out "the termination of the transitional period referred to in section 810(b) of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "January 31, 1972,"; and

(2) by inserting "positions listed" immediately before "in section 5312".

(k) Subsections (b) and (c) of section 810 of the Housing and Urban Development Act of 1968 are repealead.

EXPLANATION

This bill is intended to broaden FNMA's authority to deal in conventional mortgages, and to bring Title III of the National Housing Act (the Federal National Mortgage Association Charter Act) up to date.

The bill would substitute actual dates for time references in the Act based on events which have occurred since such references were added to the Act, and it would repeal outdated and obsolete provisions thereof. The substantive changes are:

1. Subsection (b) would (1) increase the area within which FNMA must maintain its principal office to include the metropolitan area of the District of Columbia, and (2) provide that FNMA be considered a District of Columbia corporation for the purpose of jurisdiction as well as venue in civil cases.

2. Subsection (c) would increase from 75 percent to 80 percent the maximum loan-to-value ratio of conventional mortgages FNMA may purchase (where such maximum is applicable).

3. Subsection (d) would allow FNMA to purchase conventional mortgages which are insured by non-private insurers. There are at least five States which have authorized State agencies to insure mortgages, and there is no reason why State-insured mortgages should be ineligible for purchase while privately insured mortgages are eligible. Such mortgages are now eligible for purchase by the Federal Home Loan Mortgage Corporation, and the enactment of this change would tend to make the authorities of the two corporations more nearly equal.

4. Subsection (e) would change the dollar limitation on FNMA's single family conventional purchases from the limitation on FHA mortgages to the limitation applicable to single family mortgages purchased by Federal Savings and Loan Associations, which, like FNMA, are Federal instrumentalities serving national housing purposes. This limitation would be increased by 25 percent for mortgages in Alaska, Guam, and Hawaii, where housing costs are materially greater.

5. Subsection (j)(1) would give those FNMA employees who transferred directly from the Federal Government between May 21, 1970, and January 31, 1972, the option of retaining their coverage under the Civil Service Retirement law with the costs being divided between such employees and FNMA. Those Federal employees who transferred to FNMA on or before May 20, 1971, retain their coverage under the Civil Service Retirement program. No more than six or eight employees would be affected by the proposed amendment.

Mr. TOWER. Mr. President, I am pleased to join with the distinguished chairman of the Committee on Banking, Housing and Urban Affairs (Mr. SPARKMAN) in introducing legislation which amends the Federal National Mortgage Association Charter Act by giving that Company broader latitude in dealing in conventional mortgages.

As noted by the chairman, this identical proposal was approved last year by our committee and by the Senate.

FNMA has done an excellent job in supporting the FHA and VA housing markets. It is committed to low- and moderate-income housing programs to the tune of over $9 billion—over 30 percent of its total portfolio and commitments as of the end of calendar 1972. Enactment of this legislation will enable the Company to better balance its portfolio and more effectively support the housing market in the months and years ahead.

By Mr. CLARK (for himself and Mr. HUGHES):

S. 1333. A bill to provide for the establishment of a veterinary biologics facility by the U.S. Department of Agriculture, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. CLARK. Mr. President, I introduce, for myself and for my distinguished senior colleague, Senator HUGHES, a bill which would provide for the establishment of a permanent veterinary biologics facility at Ames, Iowa. Identical legislation has been introduced in the House of Representatives by Congressman NEAL SMITH. Passage of this legislation would authorize the Secretary of Agriculture to acquire land on which the facility may be located and to perform any additional function necessary to its establishment. Last session, Congress appropriated approximately $580,000 in planning funds to be used for this facility; however, due to the absence of authorizing legislation the Department of Agriculture has not yet been able to spend that money. It is my sincere hope that the bill which Senator HUGHES and I offer here today will result in the expenditure of those funds prior to June 30 of this year.

The location of this facility at Ames is logical. The National Animal Disease Laboratory, already situated in Ames, and Iowa State University, which has one of the most outstanding agriculture schools in the Nation, would offer a unique opportunity for valuable interchange of ideas and resources. The establishment of this facility at Ames would be beneficial both to veterinary science and to the economic well-being of the community. Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to acquire land, or any interest therein, by purchase, donation, exchange, or otherwise, and construct or lease buildings, improvements, and other facilities as may be necessary for the establishment and maintenance of a veterinary biologics facility at Ames, Iowa. The Secretary of Agriculture, on behalf of the United States, is further authorized to accept any gift or donation of money, personal property, buildings, improvements, and other facilities for the purpose of conducting the functions authorized under this Act.

SEC. 2. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

Mr. HUGHES. I am pleased today to join my colleague from the State of Iowa (Mr. CLARK) in introducing a bill which would authorize the U.S. Department of Agriculture to take title to land and property at Ames, Iowa, for the purpose of establishing a veterinary biologics facility. The community of Ames offers an unusual meld of scientific expertise and practical farming experience; and I believe that this laboratory can provide important benefits to the Nation.

The bill is a companion measure to one introduced in the House of Representatives by Representatives NEAL SMITH and WILLIAM SCHERLE of Iowa.

I am hopeful that the bill will receive prompt consideration and approval.

By Mr. NELSON (for himself, Mr. PELL, Mr. MCINTYRE and Mr. HUGHES):

S. 1337. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, reliability, and effectiveness of medical devices. Referred to the Committee on Labor and Public Welfare.

Mr. NELSON. Mr. President, several bills to regulate medical devices have been introduced in the Congress in the last two sessions, including a bill that I introduced in May 1969, in the 91st Congress, and reintroduced last session. The Federal Government needs statutory authority to regulate medical devices. Everyone, including the President, agrees on that fact.

On October 30, 1969, President Nixon called for device legislation in his consumer message to Congress:

> Certain minimum standards should be established for devices; the government should be given additional authority to require premarket clearance in certain cases.

The FDA reiterated the need for device legislation in testimony before the Senate Health Subcommittee March 7.

Therefore, I am reintroducing the Medical Device Safety Act and hope that medical device legislation will be acted upon by this Congress.

The Food and Drug Administration estimates that total retail sales of medical devices in 1971 was more than $3 billion, a figure that could double in the next 10 years. Device sales are about half that of the pharmaceutical industry. There is tremendous growth in the device industry, as medical technology makes way for the use of artificial implants, electronic diagnostic, and therapeutic equipment.

An FDA inventory recently compiled shows that some 12,000 medical devices are on the market, produced by more than 1,100 manufacturers.

These products range from complex electronic equipment to more simple items, such as bone pins and surgical instruments.

None of them are required by law to be pretested for safety or reliability prior to marketing.

Deaths or injuries related to devices are rarely if ever reported. No one knows how serious these problems might be, but they do exist.

The Federal Government presently does not have the authority to regulate medical devices for safety, efficacy or quality. The Food and Drug Administration, under existing authority, has put together a list of many devices and device manufacturers, and has enlisted industry cooperation to classify devices. Device advisory panels have been designated to set guidelines for device products.

But the FDA emphasizes that recommendations made by the specialty panels regarding such products do not have the force of law and cannot be implemented until legislation is enacted. Furthermore, as the FDA stated in announcing its classification system.

> It is recognized that the recommendations of (the) specialty panels represent the views of the members of those panels and are not always based on all available information.

There have been many tragedies with drugs that were not properly tested before marketing. We have also seen that it is extremely difficult to pass drug legislation unless there is a tragedy. We should not wait for a major tragedy to force medical device legislation.

At the same time, we do not want to stifle research and development of new devices and technology, but to encourage further advances in modern science to benefit the public health.

The FDA testified in appropriations hearings in April 1971:

> The increasing application of electronics and new materials to medical care has resulted in thousands of lives being saved through such techniques and products as intensive-care monitoring, internal pacemakers, and artificial heart valves. Accompanying these major advances has been the potential for increased hazards. While complete and reliable data is not available, instances of injuries and death are all too common.

No one should be exposed to possible electrocution, unwarranted infection, or permanent disability by faultily manufactured or poorly designed devices.

The National Product Safety Commission has indicated that possibly 1,200 hospital patients may be electrocuted each year while receiving routine treatment.

In the last year, a number of devices have been the subject of recall or other action by the FDA because of failures or ineffectiveness.

However, the present law provides only for Federal action against devices for "misbranding," misleading "labeling," or "adulteration." Although the FDA has enforced these sections of the law and some general administrative regulations in an effort to control use of certain devices, the Federal Government still must prove in court that a device has been found unsafe. This can be a long and tedious process, and usually happens after serious injuries have occurred.

For example, in July 1966, the FDA filed suit in Federal court to prevent the sale and distribution of a $200-to-$400 electrical machine, which was supposed to reduce weight and improve the figure. FDA charged in court that the machine was unsafe to use as directed, that it was "misbranded" with misleading claims in the labeling. The courts agreed with the FDA—but not until 4 years and half a million of the taxpayers' money later. During the 10 years the product had been on the market, some 400,000 were sold, the American public was cheated out of millions of dollars and exposed to real health risks.

Other examples of problems with devices include:

A recall of 487 heart pacemakers, after at least 20 were expected of malfunctioning in a potentially life-threatening way, by abnormally increasing the heartbeat.

An Air Force study indicating that some pacemakers malfunction in the presence of microwave and radiation.

FDA seizure of small sterilizers because of possible shock danger. The FDA asked retailers to remove from the market four models of the sterilizers, involving some 20,000 such products, which are used by doctors, dentists, and diabetics at home.

FDA seizure of a machine marketed since the late 1950's for alleged treatment by heat of some 300 conditions from fractures to shingles. A Federal judge described the machines as "no less than sheer quackery". However, more than 4,000 had been sold for $2,400 to $4,000 apiece by the time the FDA moved to seize the product, and treatments cost consumers an average of $10 each.

Numerous defects in electronic equipment used in critical care units of 12 leading hospitals. A study, prepared by Dr. Henry L. Green, G. E. Hieb, and Dr. Irwin J. Schatz of Wayne State University College of Medicine, and reported to the American Heart Association in March, 1971, revealed that: of 51 defibrillators studies, malfunction was common; of 95 monitors examined, 56 had substandard frequency response and leakage; of 51 electrocardiographs and direct writers examined, over half showed unsafe leakage current and 75 percent had frequency responses that failed to meet 1967 criteria of the American Heart Association; of 57 pacemakers tested, 28 had grossly abnormal activity; aspirators and portable X-ray machines showed excessive leakage current.

The report pointed up another serious problem—the misuse of medical devices and lack of expertise in operating and maintaining complicated electronic equipment. The report concluded that many of the problems found in the hospitals resulted from lack of communication between manufacturers and users of cardiac care equipment. It stated:

> Engineers have not always considered the manner in which the equipment will be employed or the skill of the personnel responsible for it. At times, more consideration seems to have been given to economy of production than to future servicing. Physicians in turn have not related problems of utilizing these devices to the manufacturer in order that he might improve his design. Both physicians and nurses should know more about how to use their equipment.

The investigators stressed the need for a program of preventive maintenance and for a highly developed medical electronic repair service.

A Special HEW Committee on Medical Devices, chaired by Theodore Cooper, M.D., director of the National Heart and Lung Institute, recommended in September 1970, that the authority of the FDA be extended legislatively to regulate medical devices prior to marketing. The Cooper Committee also expressed concern about the use of devices after marketing. The report stated:

> Some consultants pointed out that many of the reported accidents associated with medical devices arose not from design and manufacture, but from improper installation, interconnection with other devices and frank misuse. Consequently, regulation of devices themselves would not resolve all problems.

It is clear that in dealing with the medical device issue legislatively, attention must be paid to the post-market, operational problem as well. It may be that additional legislation governing the use of certain devices will be necessary.

WHAT THE MEDICAL DEVICE BILL DOES

The bill authorizes the Secretary of Health, Education, and Welfare to establish standards for devices when such action will protect public health and safety. In developing standards, the Secretary is required to consult with other Federal agencies, standard-setting organizations, and representatives of scientific, professional, industry, and consumer organizations.

The Secretary may refer to independent ad hoc advisory committees of experts for reports and recommendations on standards.

Devices now on the market would be subject to the standards set by HEW.

Premarket clearance for devices is required, to assure that a device is safe, reliable and effective. Conditions are set forth as to when premarket clearance is required. A procedure is established for applying to HEW for clearance of a device.

The Secretary is required to maintain and publish a list of devices and their uses.

Certain devices would be exempt from the standard-setting and premarket clearance requirements. These would include devices used solely for investigational purposes by persons qualified to conduct such investigations, based on conditions set forth in the bill.

The bill also provides for exemptions of devices when the Medical Device Advisory Council, established by the bill, unanimously finds it unnecessary to reguate such products for the purpose of protecting the public health and safety.

The bill requires quality manufacturing controls and requires that manufacturers maintain and make available information received by them or distributors concerning the safety and effectiveness of products.

The Secretary can withdraw approval of devices when doubt of safety or effectiveness arises.

The Medical Device Advisory Council would advise the Secretary on policy matters. It would be comprised of 15 members appointed by the Secretary for their special knowledge in the field.

It is my hope that hearings on the subject of medical device regulation and use will be held and that legislation will be enacted during this session of Congress.

Mr. President, I ask unanimous consent that the bill, a section-by-section analysis, and supportive material be printed in the RECORD following these remarks.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medical Device Safety Act".

TITLE I—AUTHORITY TO ESTABLISH STANDARDS

SEC. 101. Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351), is amended by adding at the end thereof the following new section:

"STANDARDS FOR MEDICAL DEVICES

"Authority to set standards

SEC. 513. (a) Whenever in the judgment of the Secretary such action will protect the public health and safety, he may by regulation establish for any device (including any type or class of device presently available for sale or use or intended to be made available for sale or use), a reasonable standard relating to the composition, the properties, the identification and the performance (including compatibility with power systems and connections) of the device or devices involved (or relating to two or more of such factors).

"Weight Given Other Standards—Consultation With Interested Groups

"(b) In the development and consideration of proposals for the issuance of standards under this section, and in particular prior to the commencement of formal proceedings on his own initiative pursuant to subsection (c), the Secretary shall to the optimum extent consult with, and give appropriate weight to relevant standards published by, other Federal agencies concerned with standard setting or other nationally or internationally recognized standard-setting agencies or organizations, and invite appropriate participation, through joint or other conferences, workshops, or other means, by informed persons representative of scientific, professional, industry, and consumer organizations that in his judgment can make a significant contribution to such development.

"Procedure for Issuance, Amendment, or Repeal of Standards

"(c) The provisions of section 701 (e), (f), and (g) of this Act shall, subject to the provisions of subsection (d) of this section, apply to and in all respects govern proceedings for the issuance, amendment, or repeal of regulations under subsection (a) of this section (including judicial review of the Secretary's action in such proceedings). The Secretary may suspend the running of any applicable time limit under section 701(c) pending receipt of the report of an advisory committee under subsection (d) of this section and consideration of the committee's report by the Secretary.

"Refusal to Independent Advisory Committee

"(d)(1) In any proceeding for the issuance, amendment, or repeal of a regulation establishing a standard under this section, whether commenced by a proposal of the Secretary or his own inititative or by a proposal contained in a petition, the petitioner, or any other person who will be adversely affected by such proposal or by the Secretary's order issued in accordance with paragraph (1) of section 701(c) if placed in effect, may request, within the time specified in this subsection, that the petition or order thereon, or the Secretary's proposal, be referred to an advisory committee of experts for a report and recommendations with respect to any matter involved in such proposal or order that requires the exercise of scientific judgment. Upon such request, or if the Secretary on his own initiative deems such a referral necessary, the Secretary shall appoint such an advisory committee and shall refer to it, together with all the data before him, the matter so involved for study thereof, and for a report and recommendations thereon in accordance with the applicable provisions of paragraph (5)(C)(ii) of subsection (b), and subject to paragraph (2) of subsection (d) of section 706. A person who has filed a petition or who has requested the referral to a matter to an advisory committee pursuant to this subsection, as well as representatives of the Department, shall have the right to consult with such advisory committee in connection with the matter referred to it. The request for referral under this subsection, or the Secretary's referral on his own initiative, may be made at any time before, or within thirty days after, publication of an order of the Secretary acting upon the petition or proposal.

"(2) The appointment, compensation, staffing, and procedure of such committees shall be in accordance with subsection (b)(5)(D) of section 706.

"(3) Where such a matter is referred to an expert advisory committee upon request of an interested person, the Secretary may, pursuant to regulations, require such person to pay fees to pay the costs, to the Department, arising by reason of such referral. Such fees, including advance deposits to cover such fees, shall be available, until expended, for paying (directly or by way of reimbursement of the applicable appropriations) the expenses of advisory committees under this subsection and other expenses arising by reason of referrals to such committees and for refunds in accordance with such regulations."

CONFORMING AMENDMENTS

SEC. 102. Section 501 of such Act is amended by adding at the end thereof the following new paragraph:

"(e) If it is, or purports to be or is represented as, a device of a type or class with respect to which, or with respect to any component, part, or accessory of which, a standard established under section 513 is in effect, unless such device, or such component, part, or accessory, is in all respects in conformity with such standard."

TITLE II—PREMARKET CLEARANCE OF CERTAIN MEDICAL DEVICES

SEC. 201. (a) Section 501 of such Act, as amended by section 102 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(f) If (1) it is a device, and (2) such device, or any component, part, or accessory thereof, is deemed unsafe, unreliable, or ineffective within the meaning of section 514 with respect to its use or intended use."

(b) Chapter V of such Act, as amended by section 101 of this Act, is further amended by adding at the end thereof a new section as follows:

"PREMARKET CLEARANCE FOR CERTAIN MEDICAL DEVICES

"When Premarket Clearance Is Required

"SEC. 514. (a) A device shall, with respect to any particular use or intended use thereof, be deemed unsafe, unreliable, or ineffective for the purpose of the application of section 501(f) if—

"(1) its composition, cnstruction, or properties are such that such device is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety, reliability, and effectiveness of such device, to be safe, reliable, and effective for use under the conditions prescribed, recommended, or suggested in the labeling thereof; and

"(2) such device (A) is intended to be secured or otherwise placed, in whole or in part, within the human body or into a body cavity, or directly in contact with the mucous membrane, and is intended to be left in the body or such cavity, or in such direct contact, permanently, indefinitely, or for a substantial period or periods (as determined in accordance with regulations issued after notice and opportunity to present views), or (B) is intended to be used for subjecting the human body to ionizing radiation, electromagnetic, eletcric, or magnetic energy (including, but not limited to, diathermy, laser, defibrillator, and electroshock instrumentation), or heat, cold, or physical or ultrasonic energy, or is intended for physical or radio or electronic or electric communication in either direction with any part of the human body or with a device placed within or connected with the human body, or (C) is a device which the Secretary, by special order made on the basis of a finding (for reasons stated in the order) that there is probable cause to believe that the device is not effective for its use or intended use, or that it is not safe for use or not reliable, under the conditions prescribed, recommended, or suggested in its labeling, has declared to be subject to the requirements of this subsection with rsepect to such use or intended use, unless either—

"(3) an application with respect to such device has been filed pursuant to subsection (b) and there is in effect an approval of such application by the Secretary under this section,

"(4) such device is exempted by or pursuant to subsection (j), (k), or (l) of this section, or

"(5) such device is intended solely (A) for the use in the cure, mitigation, treatment, or prevention of disease in animals other than man or (B) to affect the structure or any function of the body of such animals.

The Secretary shall, by regulation issued or amended from time to time under the authority of this sentence, insofar as practicable promulgate and keep current a list or lists of devices, and of the particular uses (or conditions of use) thereof, which he finds are generally recognized, among experts qualified by scientific training and experience to evaluate the safety, reliability, and effectiveness of such devices, to be safe, reliable, and effective for use (under the conditions, if any, referred to in such list or lists), and the inclusion, while in effect, of a device in such a list shall, in any proceeding under this Act, be conclusive evidence against the United States of the facts stated in that list with respect to such device.

"Application for Clearance

"(b) Any person may file with the Secretary an application for determination by the Secretary of the safety, reliability, and effectiveness of any device to which paragraphs (1) and (2) of subsection (a) apply. Such persons shall submit to the Secretary as a part of the application (1) full reports of all information, published, or otherwise available to the applicant, concerning investigations which have been made to show whether or not such device is safe, reliable, and effective for use; (2) a full statement of the composition, properties, and construction, and of the principle or principles of operation, of such device; (3) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and, when relevant, packing and installation of such device; (4) an identifying reference to any standard, applicable to such device, which is in effect pursuant to section 513, and adequate information to show that such device fully meets such standard; (5) such samples of such device and of the articles used as components thereof as the Secretary may require; (6) specimens of the labeling proposed to be used for such device; and (7) such other information, relevant to the subject matter of the application, as the Secretary may require.

"Time for Initial Consideration of Application

"(c) Within one hundred and eighty days after the filing of an application under subsection (b), or such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

"(1) approve the application if he then finds that none of the grounds for denying approval specified in subsection (d) applies, or

"(2) give the applicant notice of an opportunity for a hearing before the Secretary to be held under subsection (d) on the question whether such application is approvable. The Secretary may suspend the running of the applicable time limit under this subsection pending receipt of the report of an advisory committee under subsection (h) and the period allowed to the Secretary for consideration of the report thereafter.

"Bases for Approval or Disapproval; Opportunity for Hearing

"(d) (1) If, upon the basis of the information submitted to the Secretary as part of the application and any other information before him with respect to such device, the Secretary finds, after due notice to the applicant and opportunity for a hearing to the applicant, that—

"(A) such device is not shown to be safe and reliable for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof;

"(B) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing and installation of such device do not conform to the requirements of section 501(g);

"(C) there is a lack of substantial evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof; or

"(D) based on a fair evaluation on all material facts, such labeling is false or misleading in any particular;

he shall issue an order denying approval of the application. If, after such notice and opportunity for hearing, the Secretary finds that clauses (A) through (D) of this subsection do not apply, he shall issue an order approving the application.

"(2) As used in this subsection and subsection (e), the term 'substantial evidence' means evidence consisting of adequate and well-controlled investigations, including clinical investigations, by experts qualified by scientific training and experience to evaluate the effectiveness of the device involved, on the basis of which it could fairly and responsibly be concluded by such experts that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof.

"(3) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety, reliability, and effectiveness shall be determined in the light of such intended use.

"Withdrawal of Approval

"(e) (1) The Secretary may, after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application with respect to a device under this section if the Secretary finds—

"(A) (i) that clinical or other experience, tests, or other scientific data show that such device is unsafe or unreliable for use under the conditions of use upon the basis of which the applicaiton was approved; or (ii) on the basis of evidence of clinical experience, not contained in such application or not available to the Secretary until after the application was approved, or of tests by new methods or by methods not reasonably applicable when the application was approved, evaluated together with the evidence available to the Secretary when the application was approved, that such device is not then shown to be safe or reliable for use under the conditions of use on the basis of which the application was approved;

"(B) on the basis of new information before him with respect to such device, evaluated together with the evidence available to him when the application was approved, that there is a lack of substantial evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof;

"(C) that the application filed pursuant to subsection (b) contains an untrue statement of a material fact;

"(D) that the applicant has failed to establish a system for maintaining required records, or has repeatedly or deliberately failed to maintain such records, or to make required reports, in accordance with an applicable regulation or order under subsection (a) of section 515, or that the applicant has refused to permit access to, or copying or verification of, such records as required by paragraph (2) of such subsection;

"(E) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the methods used in, or the facilities and controls used for, the manufacture, processing, and packing and installation of such device do not conform to the requirements of section 501(g) and were not brought into conformity with such requirements within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of; or

"(F) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the labeling of such device, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary specifying the matter complained of.

"(2) If the Secretary (or in his absence the officer acting as Secretary) finds that an imminent health or safety hazard is involved, he may suspend the approval of such application immediately, and give the applicant prompt notice of his action and afford the applicant the opportunity for an expedited hearing under this subsection; but the authority conferred by this paragraph to suspend the approval of an application shall not be delegated.

"(3) Any order under this subsection shall state the findings upon which it is based.

"Authority To Revoke Adverse Orders

"(f) Whenever the Secretary finds that the facts so require, he shall revoke any previous order under subsection (d) or (c) denying, withdrawing, or suspending approval of any application and shall approve such application or reinstate such approval, as may be appropriate.

"Service of Secretary's Orders

"(g) Orders of the Secretary under this section shall be served (1) in person by any officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant at his last-known address in the records of the Secretary.

"Referral to Independent Advisory Committee

"(h) (1) In the application filed by the applicant under subsection (b), or at any time prior to the expiration of the time for action by the Secretary under clause (1) or (2) of subsection (c), or within such reasonable period after notice of opportunity for a hearing to be held under subsection (d) or (e) as may be specified by the Secretary in such notice, the applicant may request that such application or the Secretary's action thereon, or the matter or matters with respect to which notice of opportunity for hearing is given, be referred to an advisory committee of experts for a report and recommendations with respect to any question therein involved that requires the exercise of scientific judgment. Upon such request, or if the Secretary on his own initiative deems such a referral necessary, the Secretary shall appoint an advisory committee and shall refer to it, together with all the data before him, the question so involved for study thereof, and for a report and recommendations thereon, in accordance with the applicable provisions of paragraph (5) (C) (ii) of subsection (b), and subject to paragraph (2) of subsection (d) of section 706. The applicant, as well as representatives of the Department, shall have the right to consult with such advisory committee in connection with the question referred to it.

"(2) The appointment, compensation, staffing, and procedure of such advisory committee shall be in accordance with subsection (b) (5) (D) of section 706.

"(3) Paragraph (3) of section 513(d) shall also apply in the case of a referral to an advisory committee under this subsection.

"Judicial Review

"(i) The applicant may, by appeal, obtain judicial review of a final order of the Secretary denying, or withdrawing approval of, an application filed under subsection (b) of this section. The provisions of subsection (h) of section 505 of this Act shall govern any such appeal.

"Exemption for Investigational Use

"(j) (1) It is the purpose of this subsection to encourage, to the maximum extent consistent with the protection of the public health and safety and with professional ethics, the discovery and development of useful devices and to that end to maintain optimum freedom for individual scientific investigators in their pursuit of that objective.

"(2) Subject to the provisions of paragraph (3), there shall be exempt from the requirement of approval of an application under the foregoing provisions of this section any device which is intended solely for investigational use (in a hospital, laboratory, clinic, or other appropriate scientific environment) by an expert or experts qualified by scientific training and experience to investigate the safety, reliability, and effectiveness of such device.

"(3) (A) The Secretary shall promulgate regulations relating to the application of the exemption referred to in paragraph (2) to any device that is intended for use in the clinical testing thereof upon humans by separate groups of investigators under essentially the same protocol, in developing data required to support an application under subsection (b).

"(B) Such regulations may provide for conditioning the exemption, in the case of investigations intended for such case, upon—

"(i) the submission to the Secretary, by the manufacturer of the device or the sponsor of the investigation, of an adequate plan for the investigation, together with a report of prior investigations of the device (including where appropriate, tests on animals) adequate to justify the proposed investigation;

"(ii) the obtaining, by manufacturer, or the sponsor of the investigation, of a device to be distributed to investigators for such testing by a signed agreement from each of such investigators that humans upon whom the device is to be used will be under his personal supervision or under the supervision of investigators responsible to him;

"(iii) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer of the device or the sponsor of the investigation, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of the device, as the Secretary finds will enable him to evaluate the safety, reliability, and effectiveness of the device in the event of the filing of an application pursuant to subsection (b), but nothing in this clause or in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of devices; and

"(iv) such other conditions relating to the protection of the public health and safety as the Secretary may determine to be necessary.

"(C) Such regulations shall also condition such exemption upon the manufacturer, or the sponsor of the investigation, of the device requiring that investigators using the device for the purpose described in subparagraph (A) certify to such manufacturer or sponsor that they—

"(i) will inform individuals upon whom such device or any controls in connection therewith are used, or the representatives of such individuals, that the device is being used for investigational purposes, and

"(ii) will obtain the consent of such individuals or representatives,

except where they deem it not feasible or, in their professional judgment, contrary to the best interest of such individuals.

"(D) Such regulations shall provide—

"(i) that whenever the Secretary determines that a device is being or has been shipped or delivered for shipment in interstate commerce for investigational testing upon humans as described in subparagraph (A) of this paragraph, and that such device is subject to the foregoing subsections of this section and fails to meet the conditions for exemption for investigational use of the device, he shall notify the sponsor of the Secretary's determination and the reasons therefor and that the exemption will not apply with respect to such investigational use until such failure is corrected, and

"(ii) that in determining whether subparagraph (A) of this paragraph (3) is applicable and, if so, in determining compliance with the conditions of exemption, including the adequacy of the plan of investigation submitted to the Secretary, or upon application for reconsideration of his determination with respect to any such matter, the Secretary shall, if so requested by the sponsor of the investigation, or may on his own initiative, obtain the advice of an appropriate expert or experts who are not otherwise, except as consultants, engaged in the carrying out of this Act.

"Exemptions for Devices Complying With or in Anticipation of Standards, Custom-Made Prescription Devices, and Devices Made to Specifications of Licensed Practitioners for Use in Their Practice

"(k) In addition to the devices exempted by subsection (j) the Secretary shall, by or pursuant to regulation, exempt the following devices, with respect to any particular use or intended use thereof, from the requirement of approval under this section:

"(1) Any device which, with respect to such use, fully conforms to an applicable standard in effect pursuant to section 513, or pursuant to section 358 of the Public Health Service Act, to the extent that the Secretary finds that the standards provides assurance that the device will be safe, reliable, and effective for such use.

"(2) Any device of a type or class with respect to which there is in effect a notice by the Secretary, published in the Federal Register, that in his judgment the establishment, within a reasonable time, of a standard (issued under authority referred to in paragraph (1)) that would adequately meet the requirements of public health and safety with respect to such use of the device (without subjecting such device to the requirement of approval under the foregoing subsections of this section) appears to be feasible; that he intends to propose the establishment of such a standard; and that the nonapplication of the foregoing subsections of this section to such type or class or device with respect to such use pending the establishment of such standards would involve no undue risk from the standpoint of the protection of the public health and safety.

"(3) Any device made to the lawful order, and in accordance with specifications, of a practitioner licensed by law to use or prescribe the use of the device if—

"(A) a device meeting such specifications (i) is not generally available in finished form for purchase or for dispensing upon prescription, and (ii) is not, whether in finished form or otherwise, stocked or offered through a catalog or advertising or other commercial channels by the maker or processor thereof; and either

"(B) (i) such device is intended for the use of a patient, named in such order of such practitioner, or (ii) such device is intended solely for use by such practitioner, or by persons under his professional supervision, in the course of his professional practice.

"EXEMPTIONS

"(l) (1) The Secretary may by regulation, with the unanimous consent of the Advisory Council on Medical Devices, exempt from one or more of such requirements, devices for which such requirements are found not to be necessry for the protection of the public health and safety.

"(2) The Secretary may also by regulation exempt (to the extent he finds appropriate to avoid duplication of regulatory controls or procedures) medical devices licensed by the Atomic Energy Commission. The Atomic Energy Commission shall cooperate with the Secretary by providing him with such information as is necessary consistent with the purposes of this Act.

PROHIBITED ACTS

SEC. 404. (a) Paragraph (e) of section 301 of such Act, is amended by striking out "or" before "512" and by inserting "or 514(j) or 515," after "512(j), (l), or (m),".

(b) Paragraph (j) of section 301 of such Act is amended by inserting "514," immediately after "512,".

(c) Paragraph (1) of such section 301 is amended (1) by inserting "or device" after the word "drug" each time it appears therein, and (2) by striking out "505," and inserting in lieu thereof "505 or 514, as the case may be,".

TITLE III—REQUIREMENT OF GOOD MANUFACTURING PRACTICE

SEC. 301. Section 501 of the Federal Food, Drug, and Cosmetic Act, as amended by sections 102 and 201 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(g) If it is a device and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, holding, or installation do not conform to, or are not operated or administered in conformity with, current good manufacturing practice to assure that such device is safe and reliable and has the properties and performance characteristics which it purports or is represented to possess and otherwise meets the requirements of this Act."

TITLE IV—RECORDS AND REPORTS; REGISTRATION OF ESTABLISHMENTS

SEC. 401. (a) Chapter V of the Federal Food, Drug, and Cosmetic Act is further amended by adding at the end thereof the following new section:

"RECORDS AND REPORTS ON DEVICE EFFECTS AND EXPERIENCE

"SEC. 515. (a) (1) Every person engaged in manufacturing or processing, or in distributing, a device that is subject to a standard in effect under section 513, or with respect to which there is in effect an approval of an application filed under section 514(b), shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such device, and bearing on the safety, reliability, or effectiveness of such device, or on whether such device may be adulterated or misbranded, as the Secretary may by general regulation, or by special regulation or order applicable to such device, require. Regulations and orders prescribed under the authority of this subsection shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, wherever the Secretary deems it appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

"(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

"(b) Subsection (a) shall not apply to—

"(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs or devices, upon prescriptions of practitioners licensed to prescribe such drugs or devices, to patients under the care of such practitioners in the course of their professional practice, and which do not, either through a subsidiary or otherwise, manufacture or process drugs or devices for sale other than in the regular course of their business of dispensing or selling drugs or devices at retail;

"(2) practitioners licensed by law to prescribe or administer drugs and devices and who manufacture or process devices solely for use in the course of their professional practice;

"(3) persons who manufacture or process devices solely for use in research or teaching and not for sale;

"(4) any person, with respect to any device if—

"(A) neither such device nor any of its components has been in interstate commerce; and

"(B) such device is not introduced or intended for introduction into interstate commerce; or

"(5) such other classes of persons as the Secretary may by or pursuant to regulation exempt from the applications of this subsection upon a finding that such application is not necessary to accomplish the purpose of this subsection."

INSPECTION RELATING TO DEVICES

SEC. 402. (a) The second sentence of subsection (a) of section 704 of such Act is amended by inserting "or prescription devices" after "prescription drugs" both times it appears.

(b) The third sentence of such subsection is amended (1) by striking out "for prescription drugs", (2) by striking out "and antibiotic drugs" and inserting in lieu thereof ", antibiotic drug, and devices," (3) by striking out "or section 507(d) or (g)" and inserting in lieu thereof ", section 507(d) or (g), section 513(j), or section 514", and (4) by inserting "or devices" after "other drugs", inserting "or of a device subject to section 513" after "new drug", and inserting "or section 514" after "section 505 (j)".

(c) (1) Paragraph (1) of the sixth sentence of such subsection is amended by inserting "or devices" after "drugs" each time such term occurs.

(2) Paragraph (2) of that sentence is amended by inserting ", or prescribe or use devices, as the case may be," after "administer drugs"; and by inserting ", or manufacture or process devices," after "process drugs".

(3) Paragraph (3) of that sentence is amended by inserting ", or manufacture or process devices," after "process drugs".

REGISTRATION OF DEVICE MANUFACTURERS

SEC. 403. (a) Section 510 of such Act is amended as follows:

(1) The section heading is amended by inserting "OF DRUGS AND DEVICES" after "PRODUCERS".

(2) Subsection (a) (1) is amended by inserting "or device package" after "drug package"; by inserting "or device" after "the drug"; and by inserting "or user" after "consumer".

(3) The first sentence of subsection (b) is amended by inserting ", or of a device or devices," after "drug or drugs"; and the second sentence of such subsection is amended by inserting "or of any device" after "drug".

(4) The first sentence of subsection (c) is amended by inserting ", or a device or devices," after "drug or drugs"; and the second sentence of such subsection is amended by inserting "or of any device" after "drug".

(5) (A) The first sentence of paragraph (1) of subsection (d) is amended by inserting ", or of a device or devices," after "drug or drugs"; and the second sentence of such paragraph is amended by inserting "or any device" after "drug".

(B) Paragraph (2) of such subsection (d) is amended by inserting "or any device" after "drug".

(6) Subsection (g) is amended by inserting "or devices" after "drugs" each time such term occurs in paragraphs (1), (2), and (3) of such subsection.

(7) The first sentence of subsection (i) is amended by inserting ", or of a device or devices," after "drug or drugs"; and the second sentence of such subsection is amended by inserting "or devices" after "drugs".

(b) Subsection 502(o) of such Act is amended by inserting "or device" after "drug".

(c) The second sentence of section 801(a) of such Act is amended by inserting "or devices" after "drugs" both times such words appear.

(d) Section 301 of the Drug Amendments of 1962 (76 Stat. 793) is amended by inserting "and devices" after "drugs" each time such word appears, except that "or devices" is inserted after "which drugs" and after "intrastate commerce in such drugs".

TITLE V—ADVISORY COUNCIL ON DEVICES, ETC.

SEC. 501. Chapter VII of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is amended by adding at the end thereof the following new section:

"ADVISORY COUNCIL ON DEVICES, AND OTHER ADVISORY COMMITTEES AND EXPERTS

"SEC. 708. (a) For the purpose of advising the Secretary with respect to matters of policy in carrying out the provisions of this Act relating to devices, there is established in the Department (in addition to the ad hoc advisory committees that may from time to time be appointed under sections 514 and 515) an Advisory Council on Devices not to exceed fifteen members appointed by the Secretary without regard to title 5, United States Code. Such members shall consist of persons chosen with a view to their special knowledge of the problems involved in the regulation of various kinds of devices under this Act, members of the professions using such devices, scientists expert in the investigational use of devices, and members of the general public.

"(b) In order to facilitate the carrying out of this Act, the Secretary may employ experts and consultants, as authorized by section 3109 of title 5, United States Code.

"(c) Members of an advisory council or committee appointed pursuant to subsection (a) who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the council or committee or otherwise engaged in its business, and experts or consultants employed pursuant to subsection (b) shall, while so employed, be compensated at per diem rates fixed by the Secretary but not in excess of the rate established for grade GS-18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently."

TITLE VI—EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

SEC. 601. (a) Except as provided in subsections (b), (c), and (d) of this section, the foregoing provisions of this part shall take effect on the date of the enactment of this Act.

(b) Except as provided in subsection (c) of this section, paragraph (f) of section 501 of the Federal Food, Drug, and Cosmetic Act, as added to such section by section 201 (a) of this Act, shall, with respect to any particular use of a device, take effect (1) on the first day of the thirteenth calendar month following the month in which this Act is enacted, or (2) if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use of the device under section 514 of such Act as added by section 201(b) of this Act.

(c) (1) Where, on the day immediately prior to the date of enactment of this Act, a device was in use in the cure, mitigation, treatment, or prevention of disease in man, or for the purpose of affecting the structure of any function of the body of man, such paragraph (f) of section 501 of the Federal Food, Drug, and Cosmetic Act shall become effective with respect to such preexisting use or uses of such device on the closing date (as defined in this subsection) or, if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use of the device under such section 514 of such Act.

(2) For the purposes of this subsection, the term "closing date" means the first day of the thirty-first calendar month which begins after the month in which this Act is enacted, except that, if in the opinion of the Secretary it would not involve any undue risk to the public health, he may on application or on his own initiative postpone such closing date with respect to any particular use or uses of a device until such later date (but not beyond the close of the sixtieth month after the month in which this Act is enacted) as he determines is necessary to permit completion, in good faith and as soon as reasonably practicable, of the scientific investigations necessary to establish the safety and effectiveness of such use or uses. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement.

(d) Any person who, on the day immediately preceding the date of enactment of this Act, owned or operated any establishment in any State (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act) engaged in the manufacture or processing of a device or devices, shall if he first registers with respect to devices, or supplements his registration with respect thereto, in accordance with subsection (b) of section 510 of that Act (as amended by section 403 of this Act), prior to the first day of the seventh calendar month following the month in which this Act is enacted, be deemed to have complied with that subsection for the calendar year 1972. Such registration, if made within such period and effected in 1973, shall also be deemed to be in compliance with such subsection for that calendar year.

BRIEF SECTION-BY-SECTION ANALYSIS OF MEDICAL DEVICES SAFETY ACT OF 1969

TITLE I. AUTHORITY TO ESTABLISH STANDARDS

Section 101—amends Chapter V of the Federal Food, Drug, and Cosmetic Act by adding a new section relating to the standards for medical devices.

Section 513(a)—authorizes the Secretary of Health, Education, and Welfare to establish standards for devices when such action will protect public health and safety.

Section 513(b)—requires that the Secretary, in developing standards, shall consult with and give appropriate weight to standards published by other Federal agencies and National or international standard-setting agencies, and shall invite participation of others representative of scientific, professional, industry, and consumer organizations.

Section 513(c)—establishes the procedure for issuance, amendment, or repeal of standards related to those now incorporated in the Federal food and drug law (announcement and hearings on proposed rule making), but authorizes also the use of a referral to an independent advisory committee, outlined in Section 513(d) below.

Section 513(d)—authorizes those who would be affected by a standard to request a review of a proposed standard, or any matter involved in such a proposal, to an independent advisory committee for consideration.

Section 102—makes conforming amendments in section 501 of the present food and drug law by amending the section defining "adulterated drugs and devices" to include devices which do not meet a standard set forth in accordance with Section 513 above, where such a standard exists.

TITLE II. PREMARKET CLEARANCE OF CERTAIN THERAPEUTIC DEVICES

Section 201(b)—amends the present food and drug law by adding a new Section 514, "Premarket Clearance for Certain Therapeutic Devices."

Section 514(a)—sets forth conditions for when a premarketing clearance is required. States that a device is to be deemed unsafe, unreliable, or ineffective for purposes of applying section 501(f) above when:

(1) the device is not generally recognized by experts, qualified by scientific training or experience, to be safe, reliable, or effective for use under the conditions prescribed, suggested or recommended; and,

(2) the device is intended for or is used within the human body, intended to be used for subjecting the human body to some process, or after investigation is found to be ineffective, unsafe, or unreliable.

unless—

(1) a new device application has been filed, or an approved application exists.

(3) is exempted as outlined in 513(j), (k), or (l) below,

(4) or is used solely in animals other than man.

This section also requires that the Secretary shall maintain and publish a list of devices and their uses.

Section 514(b)—describes the contents and procedure for new device applications to comply with the clearance procedure set forth in 514(a) above. These applications must contain:

(1) information and data to show the safety, reliability, and effectiveness of the device.

(2) composition, properties, and principles of operation,

(3) methods and controls used in manufacture,

(4) identification of the applicable standard and information to show that the device meets the standard,

(5) samples of the device,

(6) specimens of labeling, and

(7) other requirements the Secretary may require.

Section 514(c)—requires the Secretary to act on application within 180 days after filing by approving, denying and affording an opportunity for hearing, or suspending the time limit pending the report of an advisory committee.

Section 514(d)—establishes the basis for approval or disapproval. Disapproval would be made where:

(1) the device is not safe or reliable under conditions prescribed.

(2) manufacturing or processing controls do not meet good manufacturing practices,

(3) lack of substantial evidence that the device has the effect it purports,

(4) has false or misleading labeling.

Also defines substantial evidence to mean evidence from adequate and well-controlled investigations, including clinical investigations.

Section 514(e)—authorizes the Secretary to withdraw approval of an application where:

(1) other data, or later evidence, indicates that the device is unsafe or unreliable,

(2) new information shows the device to be ineffective,

(3) the application contains untrue statements of material fact,

(4) there is a failure to maintain records, as required elsewhere in the bill (see new section 515).

(5) good manufacturing practices are not employed as required elsewhere in the bill (see new section 501(g)).

(6) on the basis of new information, the labeling is false or misleading.

Where an imminent health or safety hazard is involved, the Secretary is authorized to suspend approval immediately and to provide for an expedited hearing into the matter.

Section 514(f)—provides the Secretary with authority to revoke adverse orders when the facts so require.

Section 514(g)—requires that the Secretary's order be served in person or by registered or certified mail.

Section 514(h)—authorizes the use of a referral committee for an opportunity for a hearing on an application or the Secretary's action to obtain the committee's report and recommendations. This procedure may be employed when filing an application or at any time prior to the expiration of the time for the Secretary to make a determination on an application. The committee would be appointed by the Secretary. This procedure also applies to Section 513(d) relating to standards as outlined above.

Section 514(i)—provides applicants with the right of appeal and to obtain judicial review.

Section 514(j)—establishes exemption for devices used solely for investigational purposes by persons qualified to conduct such investigation. The exemption would be conditioned upon:

(1) the existence of an adequate plan of investigation

(2) a written agreement that the use of the device will be under the supervision of the investigator in cases where the device is for human use

(3) that records and data obtained from the investigation are kept and available

(4) other conditions determined by the Secretary to assure public health and safety.

The exemption is conditioned also upon notification to those who use such a device that its use is for investigational purposes and that consent be obtained.

Section 514(k)—also exempts from the application procedure under section 514 any device which fully conforms to an applicable standard established under section 513, section 358 of the Public Health Service Act, or meets standards about to be announced or implemented, devices made upon order by a practitioner, where such a device is not generally available in finished form or in existing commercial channels, or where the device is for the use of a named patient, or for the sole use of a practitioner in the course of his professional practice.

Section 514(l)—provides exemptions for devices for which requirements are found not to be necessary for the protection of the public health and safety, with the unanimous consent of the Advisory Council on Medical Devices; and for devices licensed by the Atomic Energy Commission, where the Secretary finds regulation duplicative.

Section 202—makes conforming changes in existing law to include under the section on "prohibited acts" certain aspects of the new section 514.

TITLE III. REQUIREMENT OF GOOD MANUFACTURING PRACTICE

Section 301—amends present law to provide that a device is "adulterated" if the method and controls used to manufacture the device do not conform with good manufacturing practice to assure that such a device is safe and reliable and that it has the characteristics it purports to have.

TITLE IV. RECORDS AND REPORTS; INSPECTION AND REGISTRATION OF ESTABLISHMENTS

Section 401—amends present law by adding a new section 515 requiring that manufacturers, processors, and distributors of devices subject to standards keep records and make reports to the Secretary relating clinical experience and other data which bears on the safety, reliability, and effectiveness of such devices. The Secretary is also authorized to have access to such records.

Section 515(a)—sets forth the above requirements.

Section 515(b)—exempts from these requirements the following:

(1) pharmacies operating in conformance with applicable local laws.

(2) practitioners, licensed by law, who manufacture devices solely for use in the course of their professional practice.

(3) persons who manufacture devices sole-

ly for use in research or teaching, and not for sale.

(4) persons, with respect to any device, no part of which has been interstate commerce and which is not intended for interstate commerce.

(5) other classes, as determined by the Secretary.

Section 402—amends varied parts of existing law to provide the inspection provisions now relating to drugs to devices covered under the act.

Section 403—amends various sections of existing law relating to the registration of drug manufacturers to include the manufacturers, processors, and distributors of devices covered under the act.

TITLE V. ADVISORY COUNCIL

Section 501—establishes a new section 703 which provides for the creation of an Advisory Council on Devices within the Department of Health, Education, and Welfare to advise the Secretary on policy matters in carrying out the provisions of the bill. The members would be selected with a view toward their special knowledge of the problems involved in regulating various kinds of devices.

TITLE VI

Section 601—makes the provisions of the bill effective upon the date of enactment with the exception as shown in 502(b), (c), and (d).

Section 601(a)—makes the effective date (except as provided in 502(c) below) of the definition of an "adulterated device" on the 1st day of the 13th month following enactment (1 year from enactment), or sooner if, upon application, the Secretary issues an order with respect to such application. The effective date in latter case would be the date of the order. This effective date is the date on which the "safety, reliability, and effectiveness" requirement is imposed.

Section 601(b)—relates to devices already in existence. The safety, reliability, and effectiveness requirements shall become effective on a "closing date," the 1st day of the 31st month after enactment (2½ years after enactment), unless an application is filed sooner. If an application is filed sooner, the effective date is the date of an order with respect to such application. Under certain conditions, this date may be extended by the Secretary to the end of the 60th month following enactment (5 years after enactment), or to any date between the 31st and end of the 60th month.

Section 601(c)—requires registration of manufacturers, processors, and distributors prior to the 1st day of the 7th month (6 months after enactment).

[From the Medical Tribune, Mar. 24, 1971]

Study Finds Defects in Equipment Used for Hospitals' Critical Care

Atlantic City, N.J.—Numerous defects in the electronic equipment used in the critical care units of 12 leading hospitals were found in a cardiologist-engineer study reported here at the annual meeting of the American Heart Association.

Among the findings:

Defibrillators: Among 51 studied, electric malfunction was common. In one brand, the circuit breaker could be depended on to open if four to eight shocks were delivered in rapid succession. In at least two brands, one of the paddles was electrically connected to ground, allowing part of the defibrillating current to pass through and burn any ground part of the patient and also to defibrillate the operator. Of the 41 D.C. defibrillators, 10 were 25 per cent or more high in output energy at least one setting and 16 were more than 25 per cent low. Ten "ancient" A.C. instruments were encountered.

Monitors: Of 95 examined, 56 had substandard frequency response. Leakage current exceeded the now-accepted maximum in 44. Six others sent a current surge through the patient cable when the power was switched on or off. Many had poor wiring connections, failing components and internal adjustment defects that caused a distorted display. Six rate meters were inaccurate.

Electrocardiographs and direct writers: Of 51 examined, over half showed unsafe leakage current and 75 per cent had frequency rsponses that failed to meet 1967 criteria of the American Heart Association. The controls sometimes malfunctioned and the 1-millivolt calibration pulse was often inaccurate.

Pacemakers: Of 57 tested, 28 had what appeared to be a grossly abnormal wave form or amplitude. In 32 the amplitude of the output wave form was not proportional to the dial setting. Rate control was inaccurate in about 40 per cent of the instruments. In four pacemakers there was interaction between rate and amplitude controls.

Other devices, such as aspirators and portable x-ray machines, showed excessive leakage current in several instances. Electric outlets were found to be sometimes broken, loose, or dead. A few had reversed polarity.

According to Dr. Henry L. Green, G. E. Hieb, and Dr. Irwin J. Schatz, of Wayne State University College of Medicine, many of the problems resulted from a lack of communication between the manfacturers and users of cardiac care equipment.

"Engineers have not always considered the manner in which the equipment will be employed or the skill of the personnel responsible for it," they said. "At times, more consideration seems to have been given to economy of production than to future servicing. Physicians in turn have not related problems of utilizing these devices to the manufacturer in order that he might improve his design.

"Both physicians and nurses should know more about how to use their equipment. Often we found monitor controls set improperly, exposed pacemaker terminals, and the like. Almost no one keeps an adequate battery log with the pacemaker. Crash carts are badly maintained. Often there is no monitor or defibrillator in the emergency room."

The investigators stressed the need for a program of preventive maintenance and for a highly developed medical electronic repair service, which should not only make routine inspections but also be on 24-hour call.

[From American Dental Association News, June 19, 1972]

FDA Warns of Shock Hazard in Certain Small Sterilizers

Rockville, Md.—The Food and Drug Administration has alerted consumers that some 20,000 small sterilizers—used at home by diabetics and in the offices of dentists, physicians, and veterinarians—can shock the user.

According to the FDA, the electrical shock hazard is sufficient to cause severe shock, muscle spasm, and possible unconsciousness. In some extreme cases it could be lethal, the FDA said.

Models 5, 8, 16, and 18 of the Renwal Sterilizer are involved. All consist of an oval porcelain boiling chamber plus a metal lid; they range in size according to model. Most can be held in one hand.

The sterilizers were distributed by the American Sundries Company of Roslyn Heights, N.Y. The firm has recalled Model 18, but has declined to recall other models, according to the FDA.

The FDA is asking retailers to stop selling all models and inform customers who have made previous purchases.

Several of the sterilizers were seized May 15 by the FDA at the regional offices of Top Value Enterprises, Inc., Dayton. Additional action will be taken to remove the devices from trade channels, the FDA said.

[From the Washington Post, June 2, 1972]

Treatment Device Labeled "Quackery"

The Food and Drug Administration announced yesterday it has begun seizing expensive Diapulse machines described by a federal judge as "no less than sheer quackery."

The first two were seized at Norfolk General Hospital in Virginia, an FDA spokesman said, and more seizures are planned.

More than 4,000 of the devices have been sold since the late 1950s at prices ranging from $2,400 to $4,000 each to hospitals, clinics, physicians, chiropractors and other health practitioners in the United States, Israel, England, Mexico and Canada, the FDA said.

That many machines could provide 1.5 million half-hour treatments annually at an average fee of $10 per 15 minutes, said Harry Butts, a compliance officer in FDA's division of medical devices.

The FDA said Diapulse Corporation of America, based at New Hyde Park, N. Y., claimed the device could treat more than 300 medical and therapeutic conditions, including wounds, fractures, infections, arthritis, burns, bursitis and shingles.

The Diapulse resembles a conventional diathermy machine used to produce deep heat treatment, the FDA said.

[From Medical World News, Apr. 28, 1972]

Pacemaker Recall: There Ought To Be a Law

General Electric Co. is recalling a batch of 487 pacemakers it produced last summer—a sticky proposition because indications are that all the suspect units had already been implanted in heart patients when the recall was sounded early this month.

So GE has been moving quickly and voluntarily—but also very quietly—to trace the pacemakers and get replacements into the recipients (with the company paying the installation charge). And as of mid-April, it said that 90% of the patients involved had either received a substitute device or were scheduled to get one. GE estimates that about 20 of the 487 pacemakers will boost heart rates by ten to 20 beats per minute; they don't shut off their electrical stimuli once the desired rate is attained. And the company concedes that the speedup could get worse with time. But beyond that, it will only say that no deaths have been associated with the defective pacemakers, and that the situation should not arouse fears in heart patients.

The recall comes at a time when several medical device control bills are rattling around Congress, and GE's silence points up what many decry in the present system. "We found out as everyone else did—from newspapers," says Dr. Joseph Davis, director of scientific review in the FDA's Office of Medical Devices. "If GE gives us its data, we'll have it for further reference; but we have no authority to force them to give us details. This is one situation I'd hope new legislation would correct."

GE acted after receiving a physician's report of tachycardia in one of his pacemaker patients. An investigation pinpointed the devices assembled last June, July, and August. Unfortunately, their serial numbers do not run consecutively, but the company advises doctors that they can easily detect a defective unit by monitoring a patient's pulse.

"It isn't always possible to prevent an incident like this," FDA's Dr. Davis says, "but a 4% rate of products found to be defective [the GE incidence] is a high risk rate. As a physician, I think a 1% defect rate in medical devices is too high."

Controlling Medical Devices Is a Struggle

At the recent AMA convention, surgeon Joel J. Nobel, research director of the non-profit Emergency Care Research Institute of Philadelphia, pointed to photographs of two emergency breathing devices, one a resuscitator shaped like a bottle and the other an accordion-like respirator. "They don't work," he said. "About 50,000 of them have been sold, and the public would be better off using mouth-to-mouth resuscitation." When questioned later, Dr. Joseph Davis of the FDA's Division of Medical Devices agreed with this charge, which implied that people could be dying because the contrivances are in use. He noted that the FDA had issued a public warning about the accordion-shaped item, had seized some of them on the basis of false and misleading labeling. "But we can't search out all 50,000 of the two devices that have been sold," declared Dr. Davis, "since we have a limited number of inspectors."

The incident is a particularly disturbing example of the gray area of medical device regulation, long a concern of physicians, medical manufacturers, and legislators alike. For five straight years, legislation to clear up the device mess has been introduced in Congress. Lacking unified support from the health community, the bills have died four times, and this year's bills are in committee.

But the judiciary is now forcing action and focusing attention on medical device control as never before. In a landmark decision last April 28, the Supreme Court held, in effect, that a medical device can be regulated by the FDA just as a drug would be, unless the device is clearly exempt or nonmedical such as a quack contraption, a bathroom scale, or a crutch. Thus, the highest court in the land supports the establishment of the safety and efficacy of a device before it is marketed. Heretofore, only the misbranding and adulteration proscriptions of the Food, Drug and Cosmetic Act have been applied to devices.

But can a device be defined that simply? Many experts believe that the safety and efficacy provisions applying to drugs cannot successfully be applied to devices. The fear is that medical equipment ranging from artificial heart valves to hemostats cannot be proved safe and effective under standards now applied to drugs.

The Supreme Court decision came in a case involving the sale by Difco Laboratories, Inc., of Bacto-Unidisk, a paper disk for laboratory testing of cultures for their antibiotic sensitivity. The court found that Bacto-Unidisk meets the catch-all definition and can be regulated.

The definition of a regulable device had been stretched a year earlier, when the U.S. Court of Appeals, Second Circuit, found that a disposable hemostat with a loop of suture material and a nylon button, designed to make an automatic tie, falls under drug control provisions. The decision is being interpreted by lawyers to mean that anything used "in or on the body" is subject to the stricter FDA drug rules.

In the light of judicial action on devices, and legislative stand-off, a summit meeting on the problem has been scheduled by the Association for the Advancement of Medical Instrumentation (AAMI), aided by a grant from the National Institutes of Health. The parley is to be held September 6 and 7 in Bethesda, Md. Interested parties—physicians, representatives of industry and government—are to be invited.

According to Dr. Arthur C. Beall Jr., associate professor of surgery at Houston's Baylor College of Medicine and outgoing president of the AAMI, the Bethesda conference will try to define the problem of whether devices should be regulated, and what constitutes a device. Says Dr. Beall, "We want to make a diagnosis before we start treatment."

The conference will feed to Congress the recommendations of the nation's leading experts. And hopefully, Congress will listen. Dr. Beall points out that the Supreme Court ruling actually leaves very few "devices" as exceptions to the FDA's safety and efficacy authority. Even an ECG machine would be regulable. "We are afraid that some of the proposed legislation would hamper development of new equipment," he added. "The AAMI is not pushing any particular piece of legislation."

Most to the liking of the AAMI and other interested groups is a bill introduced this year by Rep. Edwin Reinecke (R-Calif.) which would start from the ground up by appointing a study commission.

In the meantime, Philadelphia's Dr. Nobel is left pointing at the defective respirators and FDA officials are left with their inadequate policing forces. One FDA official said that it would take a "thalidomide incident" to achieve new legislation in the medical devices area.

The bottle-shaped resuscitator, a green rubber device with a face mask, is three inches in diameter and twelve inches long. It is no longer being sold, Dr. Nobel said, but hundreds have been purchased by police departments and others. The accordion-like respirator, a green polyethylene bellows, is still being promoted and sold.

A team of physicians, engineers, and others at the institute in Philadelphia tested the two emergency breathing devices by measuring the blood gases while patients at two Philadelphia hospitals were on the machines. A $90,000 computerized installation helped determine that the two were ineffective.

In Portland, Me., Dr. Chester W. White Jr., the chairman of the equipment committee of the American Society of Anesthesiologists, pointed out that there are a number of effective manually operated breathing devices on the market.

"There is no need for a device that is not thoroughly effective to be marketed." Dr. White declared. He added that to extend FDA authority in the area of medical devices would require a far greater FDA appropriation and a far bigger professional staff.

Dr. Daniel Jenkins, professor of medicine and chief of the pulmonary service at Baylor and chairman of the pulmonary committee for the AAMI, says his committee is working on standards for instrumentation in the pulmonary field. But the AAMI has not yet reached the point where standards for resuscitators have been set, he added.

No one is certain, but there are probably fifteen emergency breathing devices on the market. In general, they operate by hand or through an electrical or pneumatic power source. They provide oxygen, or air, or some mixture of these to the patient.

Dr. Nobel's research institute, financed by a grant from the Public Health Service and by private contributions, is set up to improve medical care through the utilization of advanced technology.

A full-time professional staff of physicians, physiologists, biomedical engineers, technicians, and administrative personnel, along with an advisory board of specialists, is set up to work on emergency care techniques and equipment.

In 1965, the institute developed the MAX Mobile Emergency Life Support System. Within two years, Dr. Nobel says, this system for cardiopulmonary resuscitation and emergency support of critically ill patients was in use throughout the world. It saves time in emergencies and permits a small team to sustain moribund patients. Adds Dr. Nobel: "What we would like to do is set up a sort of Consumer's Union for medical devices. Instead of merely publishing, however, we will turn over our findings to the manufacturers concerned. In most cases, we find we get good cooperation."

[From Hospital World, January 1972]

Electronic Pollution: The Invisible Invader

(By James D. Snyder)

During one of the President's recent stays at the "Western White House" in San Clemente, a vital national security communications line suddenly was disrupted by a crackle of static and unrecognizable voices.

An eavesdropper Deliberate jamming by a hostile power? Or was a distant U.S. Command Post broadcasting an urgent message? After several anxious hours, a team of technicians finally traced the trouble to a routine broadcast by a nearby community antenna television station.

What strayed into the top secret White House communications network is no different than what makes your TV picture flutter, mysteriously activates your electronic garage door opener—*or can kill a patient at your hospital*. Called radio frequency interference (RFI), it is "electronic pollution" that occurs when any plug-in device sprays enough electo-magnetic energy into the air to upset the operation of another. Experts fear that one day so many industrial motors, office machines, and household gadgets will be polluting the airways with their electronic emissions that their usefulness will dissolve in a din of static.

Nowhere is the problem more acute than in the hospital, where the needles of supersensitive monitoring equipment can go haywire when a patient down the hall turns on a radio, or when the accouting department's new adding machine gets its daily workout. In some cases interference is merely annoying. But in others it can be very dangerous.

At a well-known Midwestern hospital, for instance, an interference-causing diathermy machine rang the alarms on a cardiac monitor located in the intensive care unit one floor below. Nurses in the ward were accustomed to the problem and "solved it" by simply turning off the alarms when the diathermy was in use—until one day a patient's fatal heart attack went unnoticed.

THE INVISIBLE VILLAIN

To suggest that interference is merely a nuisance is a gross understatement. Not only does it disturb the readings on the equipment and prevent accurate monitoring, but it can alter their accuracy, according to manufacturers. Part of the problem is that interference signals can be generated from a variety of sources. Among the most common:

Private radio telephones from passing traffic, commercial radio and TV stations.

Motors that are frequently switched causing arcing or sparking, such as elevators, power tools, light switches, air conditioners and office machines.

X-ray transformers and electrical conductors, which can send out an electromagnetic force field and seriously inhibit nearby instrumentation.

Carrier current on power transmission lines.

Other medical equipment including diathermy, electro-surgical units, electro-cautery equipment and neurosurgical stimulators.

Electric discharge or "leakage" from fluorescent lights.

Ultrasonic equipment used for therapeutic treatment and for cleaning laboratory equipment.

Improper grounding of equipment, probably the largest cause of 60 cycle interference or "hum".

Just how serious is interference in the hospital? "Very," says North American Rockwell's Elden Hughes, chairman of the Electronic Industries Association's Electromagnetic Compatibility Committee. "Take any medical clinic for example," he says. "If there's a dentist drilling a tooth right above an EKG machine, you've got trouble."

The most drastic example of the effects of interference are pacemakers, whose low levels of power make them highly susceptible to RFI from many unexplained sources. Radio transmitters can be very hazardous to the heart patient, but generators or even adding machines can send waves that will alter the speed of the pacemaker's beat—or even stop it altogether. In some cases the electric knife used to insert the unit into the body can transmit waves that, by simulating the heart beat, will stop the pacemaker from functioning. And even microwave ovens, operating within their assigned frequencies, present a distinct hazard to pacemaker wearers.

No matter what levels of power or frequency these sensitive monitors are designed to detect, they are all affected by interference. Their basic design—which generally consists of a probe or sensor responding to some type of physiological activity—makes them unable to discriminate between the impulses being monitored and insignificant signals of about the same strength. Small signals will be displayed as erroneous measurements at the output while large ones may overload the monitor's amplifier and completely distort the output altogether.

If instruments in the hospital are connected to several different power circuits, they will be interfered with by a "ground loop" effect. In this instance, a serious problem with many institutions, unwanted signals are easily induced in the amplifier circuit.

APPROACHING A SOLUTION

"The real cure to interference is double-barreled," says EIA's Hughes. "We need adequate equipment standards and we need operating room standards to keep these sensitive pieces of equipment from interfering with each other. And only government—with the help of industry—can provide it."

And government is in no hurry to begin working on a solution if, indeed, it could. The Food and Drug Administration, with its regulatory powers over medical devices, would be the likely agency to look to for any standardization. But says one FDA official, "You can't minimize the technical nature of the problem. Standardization would be, to say the least, difficult."

The Federal Communications Commission keeps watch over the commercial range of frequencies that affect medical equipment, and frequency levels of diathermy, x-ray, and other products are controlled by that bureau. In fact, all known radiating devices must contain controls in their design to limit radiation of all frequencies other than the designed operating frequency. These controls include directional radiators, shielding and filtering. The FCC, however, makes no effort to insure that the frequencies of equipment—particularly medical equipment—are compatible. It gladly defaults this responsibility to the FDA.

But regulation is only a partial remedy anyway. There are more immediate methods:

The use of filters on monitoring equipment is sometimes an effective measure against "electronic pollution" and many manufacturers include them as standard features with their equipment. Other filters can be used to lock on to and cancel the spectral components of periodic signals. Yet, although effective against some types of interference, filters cannot generally be used with success with all equipment in the hospitals.

Another cure might be to schedule the use of monitors during periods of low interference levels, particularly where the source can be easily recognized and eliminated. Often, however, this is not possible since much interference cannot be predicted and scheduling during "off times" is impractical. Still another method is to locate the equipment as far away as possible from the source of interfering radiations.

The most effective measure—and quite obviously the most expensive—is building a "frequency free" shielded enclosure for rooms where sensitive monitoring is conducted.

The leader in this tactic is the Veterans Administration, which has spent millions of dollars shielding many of its rooms, as well as designing many standards in all areas of electronic interference. And as pioneers in shielding, the VA has run into its share of problems. "Although shielding is very effective if done properly," says one spokesman, "one of the biggest problems is to get proper coordination by the workmen to insure that the job is done right. Everything from electrical circuits to door knobs must be protected."

Two corporations that specialize in preventing interference through shielding are the Ray Proff Corp., Norwalk, Conn. and the Filtron Corp. of Flushing, N.Y. Both firms design systems for manufacturers, computer companies, research laboratories and medical institutions—not to mention multi-million dollar units to shield U.S. embassies and military institutions from electronic bugging.

"Hospital administrators don't know what new equipment they will be buying in the future," says Filtron's President Dr. Leonard Milton, "and the kitchen's new dishwasher, an oscillator or a TV set can be future sources of RFI. Today's hospitals need an electronically sterile environment, and shielding gives it to them."

In most hospitals where interference is a real problem, a combination of filtering and shielding is most effective. "The problem of RFI must be approached from a systematic basis," says EIA's Huges. "You put one piece of equipment in a room and you have no trouble. Put another one beside it and problems begin."

A LOOK AHEAD

If interference is a particular problem at your hospital, or if construction is planned, you may want to consider some degree of shielding. Steel or lead lining, if done properly, can be very effective against extraneous waves. But shielding is expensive, and more so obviously if installed in an already completed room. But even if interference is causing some monitors to malfunction, shielding may not be necessary.

A survey of "noise" in the area of proposed installation—called an electromagnetic compatability survey—can be made to determine the source of all problems and will show the degree of interference and the fidelity required of physiological data recordings.

The final decision concerning whether and where shielding is required will be made by the hospital designer, who will consider future electronic instrumentation requirements as well as present needs. If considered at a time of general building construction, shielding represents a small investment compared to the cost of electronic instruments, and will be ready when more sensitive equipment arrives.

According to a Dept. of Health, Education, and Welfare study, shielding is not generally required for rooms in which EKG or less sensitive equipment is used. It is usually recommended for EEG and EMG rooms, and especially where the output of such equipment is to be fed into a computer for analysis or comparison. Shielding may also be necessary in neurosurgery, cardiovascular surgery, and special procedure operating rooms. Electron microscope rooms, too, says HEW, frequently need magnetic shielding.

Hospitals located in metropolitan areas have the greatest difficulty with interference, and they represent the largest market for the shielding makers. St. Clare's Hospital in Danville, N.J. for example, recently spent $12,000 shielding two monitoring rooms used for EEG and EMG. According to administrator Kenneth Courey, "we were totally unable to get true readings from our equipment and now we have no problem." The monitors at St. Clare's were disturbed by radios and tv's in patients' rooms, and by elevators, among other equipment.

At St. Joseph's Hospital, Lexington, Ky., Administrator Sister Michael Leo reports similar results after new construction included several shielded rooms: "We just don't worry about getting inaccurate readings any more," she says and for Sister Michael—like many others—that's peace of mind.

By Mr. BEALL (for himself and Mr. CRANSTON) (by request):

S. 1338. A bill to authorize appropriations for ACTION, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BEALL. Mr. President, I am introducing a bill which authorizes the domestic volunteer programs of the ACTION Agency. As the ranking minority member of the Subcommittee on Human Resources, I have been working with the distinguished chairman (Mr. CRANSTON) regarding a somewhat similar bill he introduced earlier this year (S. 1148).

I believe that legislation is improved when various ideas are brought together within the committee process. I am pleased to note that the senior Senator from California has joined in cosponsoring this proposal. This spirit of bipartisan support reflects a desire on the part of all of the parties involved in expedite consideration of legislation designed to expand and improve our domestic volunteer programs.

Mr. President, I ask unanimous consent that this bill and the section by section analysis be printed in full at the conclusion of my remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "ACTION Domestic Programs Amendments of 1973."

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. There are authorized to be appropriated such sums as may be necessary to enable the Director to carry out his functions, powers, and duties, except those authorized under the Peace Corps Act. Sums appropriated for use under Title VIII of the Economic Opportunity Act of 1964 may be expended without regard to the ten per centum limitation set forth in the second sentence of Section 821 of such Act.

AMENDMENTS TO THE ECONOMIC OPPORTUNITY ACT OF 1964

SEC. 3. Section 810(b) of the Economic Opportunity Act of 1964 is amended to read as follows

"(b) The assignment of volunteers under this section shall be on such terms and conditions (including restrictions on political activities that appropriately recognize the special status of volunteers living among the persons or groups served by programs to which they have been assigned) as the Director may determine, including work assignments in their own or nearby communities. No program designed to carry out the purpose of this title shall be established within a State unless such program has been submitted to the Governor and has not been disapproved by him within forty-five days of such submission. The assignment of a volunteer in any State shall be terminated by the Director when so requested by the Governor of such State not later than thirty days or at a time thereafter agreed upon by the Governor and the Director after such request has been made by the Governor to the Director.

SEC. 4. Sections 811(b) and (c) of the Economic Opportunity Act of 1964 are amended to read as follows:

"(b) Volunteers under this title shall be enrolled for a two-year period of service, or for such other period of service as the Director may determine.

"(c) Volunteers under this part shall, upon enrollment, take the same oath of office as prescribed for persons enrolled in the Peace Corps (22 U.S.C. 2504(j)): *Provided*, That persons legally residing within the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands, either permanently or temporarily, but who are not citizens of the United States, may serve in programs carried on under this title without taking or subscribing to such oath, if the Director determines that the service of those persons will further the interest of the United States. Those persons shall take such alternative oath or affirmation as the Director shall deem to be appropriate. No funds may be expended to transport such persons either to or from any place outside the areas specified in this subsection."

SEC. 5. Section 833 of the Economic Opportunity Act of 1964 is amended:

(a) by amending subparagraph (b) to read as follows:

"(b) Volunteers (including trainees) and volunteer leaders who receive either a stipend or a living allowance under this title shall, with respect to their service or training, (1) be deemed, for the purposes of subchapter III of chapter 73 of title 5 of the United States Code, persons employed in the executive branch of the Federal Government, (2) for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 *et seq.*) and title II of the Social Security Act (42 U.S.C. 401 *et seq.*) be deemed employees of the United States, and any service performed by an individual as a volunteer, trainee, or volunteer leader shall be deemed to be performed in the employ of the United States, and (3) for the purposes of the Federal Tort Claims provisions of title 28, United States Code, be considered employees of the United States."

(b) by striking out of subsection (c) the words "a full-time volunteer receiving either a living allowance or a stipend under this title" and inserting in lieu thereof "a volunteer under part A of this title", and by inserting in subsection (c) the words ", including training," after the word "service" the first time it appears.

(c) by adding at the end thereof the following two new subsections:

"(d) For the purpose of computing the tax payable under the Internal Revenue Code of 1954, a volunteer or volunteer leader shall be deemed to be paid and to receive each amount of any stipend to which he is entitled under this Act when such amount is transferred from funds made available for the payment of such stipend to the fund from which such stipend is payable. Such stipend shall otherwise be considered to be income for the year in which it is actually received.

"(e) Amounts received by volunteers or volunteer leaders as allowances other than amounts received as—

(1) leave allowance, or

(2) such portion of living allowances as the Director may determine as constituting basic compensation, shall not be included in gross income for purposes of income taxation under the Internal Revenue Code of 1954."

SEC. 6. Section 835 of the Economic Opportunity Act of 1964 is hereby repealed and the following new section is added in its place:

"SEC. 835. (a) The Director is authorized to enter into agreements with, or make grants to, Federal, State or local government agencies, or private nonprofit organizations for the conduct of any program authorized under this title.

(b) The Director may require that any agency or organization to which volunteers are assigned, or which is conducting a program authorized by this title under a grant or contract, shall bear all or part of the cost of support of such volunteers or of such program."

SEC. 7. Title VIII of the Economic Opportunity Act is amended by adding the following new section:

SEC. 836. The term "Governor" as used in this title means the Governor of the State, in the case of any of the 50 States, and in the case of the District of Columbia, the Commonwealth of Pureto Rico, Guam, American Samao, the Virgin Islands, or the Trust Territory of the Pacific Islands, the chief executive officer thereof.

AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

SEC. 8. Section 601 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsection:

"(d) No payments made to or on behalf of individual volunteers under this Part shall be considered income for any purpose whatsoever."

SEC. 9. (a) The heading of Part B of Title VI of such Act is amended to read as follows: "FOSTER GRANDPARENT PROGRAM AND OTHER SENIOR VOLUNTEER PROGRAMS".

(b) Section 611 of such Act is amended to read as follows:

"SEC. 611. (a) The Director is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of the development and operation of community projects designed to provide volunteer opportunities for low-income persons aged 60 or over to render supportive services to people having exceptional needs."

"(b) For the purposes of subsection (a), grants or contracts shall be made principally for projects providing services as 'foster grandparents' to children receiving care in hospitals, homes for dependent and neglected children, or other establishments providing care for children with special needs.

"(c) Payments under this part pursuant to a grant or contract may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions as the Director may determine."

(c) The first sentence of section 613 of such Act is amended to read as follows:

"SEC. 613. In administering this part, the Director shall consult with the Office of Economic Opportunity, the Departments of Labor and Health, Education, and Welfare and any other Federal agencies administering relevant programs with a view to achieving optimal coordination with such other programs and shall promote the coordination of projects under this part with other public or private programs or projects carried out at State and local levels."

SEC. 10. (a) Title VI of such Act is amended by striking out the word "Secretary" wherever it appears, and inserting in lieu thereof "Director".

(b) Such title is further amended by adding at the end thereof the following new sections:

"MEANING OF DIRECTOR

"SEC. 615. For purposes of this title, the term 'Director' means the 'Director of ACTION.'

"SEC. 616. Notwithstanding any other law of the United States or of any State, no payment made to low-income persons aged sixty or over for supportive services described in Section 611(a) of the Older Americans Act of 1965 shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement or similar benefit payments, or minimum wage laws. This section shall be effective with respect to all payments made on or after January 1, 1974.

(c) Section 202(3) of the Older Americans Act of 1965 is amended by inserting before the semicolon at the end thereof ", except for title VI thereof".

AMENDMENT TO THE SMALL BUSINESS ACT

SEC. 11. Subparagraph (B)(ii) of section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1)(B)(ii) is amended to read as follows:

"to pay the transportation expenses and a per diem allowance in accordance with section 5703 of title 5 to any such individual for travel and subsistence expenses incurred at the request of the administration in connection with travel to provide gratuitous services to small businessmen in furtherance of the purposes of Subparagraph (A) or in connection with attendance at meetings sponsored by the administration."

AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 12. Section 1304 of the Internal Revenue Code of 1954 (26 U.S.C. 1304) is amended by adding at the end thereof the following new subsection:

"(g) For treatment of the stipend paid to VISTA volunteers and volunteer leaders, see section 833 of the Economic Opportunity Act of 1964 (42 U.S.C. 2994b)."

(b) Section 3401(a) of the Internal Revenue Code of 1954 (26 U.S.C. 3401(a)) is amended by adding at the end thereof the following new paragraph:

"(17) to a volunteer or volunteer leader within the meaning of title VIII of the Economic Opportunity Act of 1964 except stipends, leave allowances, or living allowances determined by the Director of ACTION to be basic compensation." and by eliminating the word "or" from the end of paragraph 15 and adding it to the end of paragraph 16.

(c) Section 124(a) of the Internal Revenue Code of 1954 (26 U.S.C. 124(a)) is amended by adding at the end thereof the following new paragraphs:

"(19) Certain allowances paid to domestic volunteers and volunteer leaders, see section 833 of the Economic Opportunity Act of 1964 (42 U.S.C. 2994b).

"(20) Certain allowances paid to volunteers under the Retired Senior Volunteer Program, see Section 502 of the Older Americans Act of 1965 (42 U.S.C. § 3044b)."

(d) Section 3121(b) of the Internal Revenue Code of 1954 (relating to the definition of employment for purposes of the Federal Insurance Contributions Act (26 U.S.C. § 3121 (b) is amended—

(1) by striking out "or" at the end of paragraph (18);

(2) by striking out the period at the end of paragraph (19) and adding in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(20) Supportive services performed by low-income persons aged sixty and over which are described in section 611(a) of the Older Americans Act of 1965 (42 U.S.C. § 3044b)."

(e) Section 3306(c) of the Internal Revenue Code of 1954 (relating to the definition of employment for purposes of the Unemployment Tax Act (26 U.S.C. § 3121(c)) is amended—

(1) by striking out "or" at the end of paragraph (17);

(2) by striking out the period at the end of paragraph (18), and adding in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(19) Supportive services performed by low-income persons aged sixty and over which are described in section 611(a) of the Older Americans Act of 1965 (42 U.S.C. § 3044b)."

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 13. Section 8143(b) of Title 5 of the United States Code is amended by deleting the words "part A of" therefrom.

SEC. 14. Section 210(a) of the Social Security Act (relating to the definition of employment) is amended by deleting the word "or" at the end of subparagraph (18); by deleting the period at the end of subparagraph (19) and by adding "; or" in lieu thereof, and by adding the following new subsection:

"(20) Supportive services performed by low-income persons aged sixty and over which are described in Section 611(a) of the Older Americans Act of 1965 (42 U.S.C. § 3044b)."

GENERAL PROVISIONS

SEC. 15. The Director is authorized to (a) accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of ACTION. Gifts and bequests of money and proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the Director. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest. For the purpose of the Internal Revenue Code of 1954 (including sections 170(j), 2055(f), 2106(a)(2)(f), and 2522(d)), property accepted under this section shall be considered as gifts or bequest to the United States.

(b) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. § 665(b));

(c) adopt an official seal, which shall be judicially noticed;

SEC. 16. Section 3679(a) of the Revised Statutes (31 U.S.C. § 665(b)) shall not apply to services rendered by any person enrolled as a volunteer in any program transferred to ACTION by Reorganization Plan Number 1 of 1971.

SEC. 17. Notwithstanding any other provision of law, not to exceed 10 per centum of the sums appropriated or otherwise fixed by law to ACTION for a fiscal year to carry out any activity or function vested in that agency by Reorganization Plan Number 1 of 1971 may be transferred and used by the Director for the purpose of carrying out any other such activity or function.

DEFINITION

SEC. 18. As used in the Act the word "Director" means the Director of ACTION.

ACTION DOMESTIC PROGRAMS AMENDMENTS OF 1973—SECTION-BY-SECTION ANALYSIS

Section 1, the enacting clause, provides that the Act may be cited as the ACTION Domestic Programs Amendments of 1973.

Section 2 provides a permanent authorization of appropriations for ACTION programs. It also provides that funds may be expended without regard to the 10% limit contained in Section 821 of the Economic Opportunity Act. Without this provision, there would not be sufficient funds to operate UYA.

Section 3 amends the Governor's veto provision to provide that no program may be established within a State if it is disapproved within 45 days of submission to him. This provision replaces a requirement for prior affirmative approval of programs by the Governor and is in line with the practice in other parts of the Economic Opportunity Act except that the Governor has 45 rather than 30 days in which to disapprove a program, and the Director has no authority to override a veto.

Section 4 would authorize enrollment of volunteers for periods up to two years, in place of the present one year maximum term. The Director would have authority to enroll full-time volunteers for shorter periods, as he has now. As has been the practice under the EOA, no one would be enrolled for less than two months. It also provides that VISTAs shall take the same oath as is prescribed for Peace Corps Volunteers, and that nonresident aliens may take a different oath which shall be prescribed by the Director.

Section 5 amends Section 833 of the Economic Opportunity Act of 1964, dealing with the application of Federal law to volunteers under the Act.

Subparagraph (a) is a restatement of the substance of existing subsection (b). It eliminates the necessity of referring to Section 116 of the Act, dealing with Job Corps, to determine that full-time volunteers are deemed to be Federal employees for the purposes of the Hatch Act, the Internal Revenue Code, Title II of the Social Security Act, and the Federal Tort Claims Act.

Subparagraph (b) clears up an apparent conflict between this section and Section 8332(b)(7) of Title 5 of the United States Code, by limiting the credit for volunteer service which is available in connection with future Federal employment to volunteers under Part A of Title VIII.

Subparagraph (c) extends the tax treatment of the volunteer's stipend presently available to Peace Corps Volunteers to full-time domestic volunteers under the Act. The stipend is not taxed until actually received by the volunteers, but the rate at which it is taxed is determined by treating the stipend as having been received month-by-month during the volunteer's term of service.

It also exempts from income tax amounts received by volunteers or volunteer leaders as allowances, other than amounts received as (1) leave allowances, or (2) such portion of living allowances as the Director may determine is basic compensation. This treatment of allowances is identical with the treatment of Peace Corps Volunteer allowances (26 U.S.C. § 912(c)). The allowance now referred to as the "living allowance," amounting to $75 per month for volunteers and $1.00 per day for trainees, which is for personal expenses, would be determined to be taxable, but food and lodging allowances, and adjustment allowances would not be subject to tax. Stipends remain subject to tax.

Section 6 repeals Section 835 of the Economic Opportunity Act of 1964, which limits the time during which programs under Title VIII of the Economic Opportunity Act may be operated to a period ending June 30, 1975. The effect of the repeal is to make the period during which such programs may be operated indefinite. A new section replaces former Section 835. It authorizes the Director to make contracts or grants with public or private nonprofit agencies or organizations for the conduct of any program under Title VIII of the Act.

The section also contains a provision making clear the Director's authority to require a contractor or grantee to bear all or part of the costs of volunteers' support or the program.

Section 7 contains a definition of the term "Governor," which includes within the meaning of the term the chief executive officer of jurisdictions not having a Governor, such as the District of Columbia.

AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

Section 8 provides that no compensation paid to individual volunteers in the Retired Senior Volunteer Program (RSVP) program for out-of-pocket expenses shall be considered income for any purposes whatsoever. This confirms the informal indication of the Internal Revenue Service that they do not consider such compensation to be taxable income. It also resolves questions which have been raised by welfare officers with regard to deducting from benefits paid to welfare recipients involved in the Retired Senior Volunteer Program, the monies they receive as reimbursement for out-of-pocket expenses incident to their volunteer service.

Section 9 amends the title of Title VI of the Older Americans Act to reflect the expanded authority provided for in the amended Section 611(a). The amended Section 611(a) provides opportunities for low-income persons aged 60 or over to render supportive services to people having exceptional needs. This includes the person-to-person services presently provided under Part B of Title VI of the Older Americans Act, the Foster Grandparents Program to children in hospitals, homes for dependent and neglected children or other establishments providing care for children with special needs. It is intended that appropriations under this part will be used principally for the Foster Grandparents Program.

In addition, it includes services described by the President at the White House Conference on Aging on December 2, 1971, where he stated that the kinds of persons who participate in the Foster Grandparents Program should also work with older people. This is an expansion of Part B of Title VI of the Older Americans Act and would permit low-income older people to work with adults and children with exceptional needs in community settings.

Sections 9(c) and 10 (a) and (b) contain technical amendments substituting the Director of ACTION for the Secretary of HEW throughout Title VI of the Older Americans Act of 1965. This change conforms the statute to the changes made by Reorganization Plan Number 1 of 1971.

Section 10(b) also adds a new section to Title VI which will exempt payments to Foster Grandparents from any tax or charge for the purposes of unemployment, temporary disability, retirement or similar payment benefits. It also provides that such payments are not subject to minimum wage laws. Only a small percentage of Foster Grandparents are not currently eligible for social security benefits. It is unlikely that additional contributions would increase benefits or create eligibility for Foster Grandparents in proportion to the required contribution. Since Foster Grandparents are not true members of the labor force—they may not displace employed workers—it is inappropriate that program funds be used to make unemployment insurance or similar contributions.

Section 10(c) is a technical amendment which reflects the fact that grants under Title VI of the Older Americans Act are now administered by ACTION, rather than the Administration on Aging.

Section 11 eliminates the provision contained in Section 8(b)(1) of the Small Business Act under which SCORE/ACE Volunteers are ineligible for reimbursement of out-of-pocket expenses or for per diem allowances unless they travel 50 miles from their homes.

AMENDMENTS TO THE INTERNAL REVENUE CODE

Section 12(a) amends the Internal Revenue Code to provide a reference to the tax treatment of volunteers' stipends provided by section 5.

Section 12(b) removes from the definition of "wages" contained in section 3401(a) of the Internal Revenue Code of 1954 the allowance exempted from tax by section 5 of the Act. This provision is consistent with the treatment accorded Peace Corps Volunteer allowances (26 U.S.C. § 340(a)(13)).

Subsection (c) of Section 12 provides for a reference to the tax treatment of allowances of volunteers provided by section 5 to be inserted in the appropriate section of the Internal Revenue Code of 1954.

Sections 12(d) and (e) eliminate payments made to Foster Grandparents from taxation for the purposes of the Federal Insurance Contributions Act (Social Security) and the Unemployment Tax Act.

Section 13 amends Section 8143(b) of Title 5 of the United States Code to make it clear that all full-time volunteers under Title VIII are covered by the Federal Employees Compensation Act.

Section 14 removes payments to Foster Grandparents from the definition of the term "employment" contained in the Social Security Act.

Section 15 authorizes the Director of ACTION to (a) accept gifts and bequests on behalf of ACTION, (b) accept voluntary and uncompensated services on behalf of ACTION, and (c) to adopt an official seal. At present the Director has authority to accept gifts and voluntary services on behalf of component programs such as Peace Corps or VISTA, but not on behalf of ACTION.

Section 16 makes it clear that Federal agencies may accept the services of volunteers enrolled in any program transferred to ACTION by Reorganization Plan No. 1 of 1971.

Section 17 provides authority for the Director to transfer up to 10 per cent of the amounts appropriated or otherwise fixed by law to ACTION for any fiscal year to carry out any activity or function transferred to ACTION by Reorganization Plan No. 1 of 1971 to any other such activity or function.

Section 18 defines the term "Director", as used in the Act, to mean the Director of ACTION.

By Mr. JACKSON (for himself, Mr. ABOUREZK, and Mr. FANNIN) (by request):

S. 1339. A bill to provide for the creation of the Indian Trust Counsel Authority, and for other purposes;

S. 1340. A bill to retain coverage under the laws providing employee benefits, such as compensation for injury, retirement, life insurance, and health benefits, for employees of the Government of the United States who transfer to Indian tribal organizations to perform services in connection with governmental or other activities which are or have been performed by Government employees in or for Indian communities, and for other purposes;

S. 1341. A bill to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1342. A bill to amend acts entitled "An Act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes," and "To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes" and for other purposes;

S. 1343. A bill to provide for the assumption of the control and operation by Indian tribes and communities of certain programs and services provided for them by the Federal Government, and for other purposes;

S. 1344. A bill to amend certain laws relating to Indians; and

S. 1345. A bill to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN), and the senator from South Dakota (Mr. ABOUREZK) seven bills for appropriate reference.

Mr. President, this draft legislation makes up the Indian package submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication and additional material accompanying the proposals from the Secretary of the Interior to be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 15, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposal "To provide for the creation of the Indian Trust Counsel Authority, and for other purposes."

We recommend that the proposal be referred to the appropriate committee for consideration and that it be enacted.

Creation of the Indian Trust Counsel would provide independent legal counsel and representation on behalf of Indians and Alaska Natives in the assertion of their natural resource rights. Such an authority is needed to remedy a conflict of interests on the part of the Federal Government. President Nixon described this conflict in his Indian Message of July 8, 1970:

"The United States Government acts as a legal trustee for the land and water rights of American Indians. These rights are often of critical economic importance to the Indian people; frequently they are also the subject of extensive legal dispute. In many of these legal confrontations, the Federal government is faced with an inherent conflict of interest. The Secretary of the Interior and the Attorney General must at the same time advance *both* the *national* interest in the use of land and water rights *and* the *private* interests of Indians in land which the government holds as trustee.

"Every trustee has a legal obligation to advance the interests of beneficiaries of the trust without reservation and with the highest degree of diligence and skill. Under present conditions, it is often difficult for the Department of the Interior and the Department of Justice to fulfill this obligation. No self-respecting law firm would ever allow itself to represent two opposing clients in one dispute; yet the Federal government has frequently found itself in precisely that position. There is considerable evidence that the Indians are the losers when such situations arise. More than that, the credibility of the Federal government is damaged whenever it appears that such a conflict of interest exists.

"In order to correct this situation, I am calling on the Congress to establish an Indian Trust Counsel Authority to assure independent legal representation for the Indians' natural resource rights."

This proposal will carry out the policy enunciated in the President's message by establishing the Indian Trust Counsel Authority. President Nixon reaffirmed the need for the Authority in his March 1, 1973, Human Resources Message to the Congress. The Authority will be free from control by any Executive Department. This independence will enable the Authority to protect the natural resource rights and interests of Indians untrammeled by any other interest.

A sectional analysis in the Appendix to this letter spells out the structure and functions of the Trust Counsel Authority in detail. Some of the special features of the proposal, however, require further explanation.

The Authority will be under the direction of a three-man Board of Directors, two of whom must be Indians. The Board is given the authority to hire necessary attorneys including the chief legal officer and his deputy and such other personnel as they deem necessary to carry out the functions given them by the proposal. Having majority control of the Board will assure Indians that they can determine the direction of the Authority's activities and that the people hired to carry out the Authority's functions are acceptable to them. Such assurance should make the Authority a body that from its inception enjoys the confidence and trust of Indians.

The proposal provides that the Indian Trust Counsel, who is the chief legal officer for the Authority, shall be a level V in the Executive Schedule. We feel that this level is necessary in order for the Authority to be able to obtain the kind of person that it needs to direct the legal activities of the Authority and in order to give him sufficient stature to be able to deal with cabinet and sub-cabinet members of the Executive Department. The Board of Directors is also authorized to hire, fix the pay, and prescribe the duties of such attorneys, including special counsel, as it deems necessary. These attorneys will be the working group that will carry out the responsibilities and functions of the Authority. It is the Administration's intention that the Authority will build up a cadre of well-trained and devoted attorneys whose energies will be turned to the protection and preservation of the Indian's natural resource rights and interests. The Authority to hire special counsel is needed in those instances when the Authority must go outside of its own staff to hire someone uniquely qualified to assist in the preparation of trial or appeal material regarding a special case. The Board will have similar authority to hire outside experts.

The proposal authorizes the Authority, upon the request of an aggrieved Indian or group of Indians, to assist those Indians in the protection of their natural resource rights and interests in the courts and before administrative bodies. This authority will be used when a tribe has a justiciable claim and feels that it needs the assistance of the Authority for prosecuting that claim. The assistance rendered by the Authority is in addition to the responsibilities that the Department of the Interior has to protect Indians, not only in their natural resource rights, but in all rights protected by the trust relationship between the United States and American Indians. Upon enactment of the proposal, the Department of Justice will be relieved of its responsibility to represent Indians in the area of natural resources but will continue to fulfill the responsibilities it has with regard to Indians generally (for example, its responsibility to advise the Secretary of the Interior with respect to the probate of Indians' wills). This relief of Justice is subject to the responsibility of Justice, in conducting any litigation that affects Indians' natural resource rights, to recognize the responsibilities of the United States which arise from its trust relationship to Indians.

Acting in the name of the United States as Indian trustee, the Authority will be able to initiate suits, upon request by an aggrieved Indian or group of Indians, to protect the rights of the Indians in their natural resources against the United States, or any of its departments, agencies, officers or employees as well as against the States, their subdivisions, departments and agencies or against any private or public person or corporation. The United States waives its sovereign immunity as to such litigation initiated by the Authority. (The Authority will use its power to initiate litigation in those cases where the Indians' rights or claims are of such a nature that Indians are precluded from bringing suit against the United States because of bars that the United States has as a sovereign to suits generally. These will be removed by the provision waiving the United States' sovereign immunity as it relates to actions brought by the Authority. The proposal clearly limits the waiver of sovereign immunity to the narrow area of litigation initiated by the Authority.)

We wish to stress that the Authority will be barred from relitigating any claims that have been filed or should have been filed before the Indian Claims Commission. However, the Authority will be permitted to assist in claims that are still in the process of being litigated before the Commission.

American Indians have for long felt that the Federal government, because of the inherent conflict of interests that the President discussed in his message, has not given their natural resource rights adequate legal protection. We believe that enactment of this proposal will restore the confidence of the American Indian in the ability of our government to meet the legal obligation it has as trustee to advance the rights and interests of the beneficiaries of the trust without reservation and to the highest degree of its ability and skill.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely yours,

JOHN C. WHITAKER.
Acting Secretary of the Interior.

APPENDIX

SECTIONAL ANALYSIS OF PROPOSAL

Section 1 of the proposal outlines its purpose, as described in the letter, *supra.*

Section 2 establishes in the Executive Branch an independent agency to be known as the Indian Trust Counsel Authority. The Authority will be governed by a three-man Board of Directors who will be appointed by the President by and with the advice and consent of the Senate. At least two of the members of the Board must be Indians. The term of members of the Board shall be 4 years except that the initial Board shall be appointed in a staggered manner. The President shall designate one of the members of the Board to serve as chairman. The members of the Board shall receive pay that is the daily equivalent to that of a GS-18 for each day they are engaged in the business of the Authority and shall be allowed necessary travel expenses.

Section 3 provides that the Board of Directors shall convene at the call of the chairman but must meet at least once each quarter to set policy for the Authority and to review its activities. This section requires the Board to report annually to the President and the Congress on the activities of the Authority.

Section 4 authorizes the Board, without regard to the civil service laws, to appoint and prescribe the duties of the chief legal officer for the Authority, who shall be called the Indian Trust Counsel, at level V of the Executive Schedule, and a Deputy Indian Trust Counsel, who shall be a grade GS-18.

Section 5 authorizes the Authority to appoint and fix the pay and prescribe the duties of attorneys it employs. It also authorizes the Authority to appoint and fix the compensation of needed special counsel and experts. Finally, it authorizes the attorneys or special counsel appointed by it to appear for and represent the Authority in any case before any court, commission or administrative proceeding pertaining to its responsibilities. In order to deal with conflicting requests for the Authority's assistance, the Board is provided with authority to hire experts or special counsel to represent one or all of the parties involved.

Section 6 authorizes the Authority to hire such other employees as it deems necessary.

Section 7 provides that the Authority shall be free of control by any Executive Department.

Section 8 authorizes the Authority, with the consent of any aggrieved Indian or Indian tribe, band, or other identifiable group of Indians, to render legal services in regard to rights or claims of the Indians in relationship to their natural resources. The Section spells out the kinds of natural resource rights and interests to be protected by the Authority. The Authority's exercise of its responsibility to protect Indian resources does not absolve the Department of the Interior or the Department of Justice from their trust responsibilities to Indians, except that the Department of Justice is relieved of its responsibility to represent Indians with regard to natural resources—the same responsibility which the Trust Counsel Authority will assume. This section also provides that the Authority may perform such services as the investigation and inventorying of Indians' land and water rights and the preparation, trial and appeal of cases involving the natural resources of Indians in all courts and before Federal, State, and local commissions and administrative bodies.

Section 9 authorizes the Authority, with the consent of any aggrieved Indians, Indian tribe, band, or other identifiable group of Indians, acting in the name of the United States as trustee for the Indians, to initiate and prosecute to final judgment in all Federal courts against the United States or any of its officers or employees, or in the Federal or State courts against any of the States, their subdivisions, departments or employees or against any persons or corporations, public or private, all actions in law and equity for the protection of the natural resource interests and rights of the Indians. The United States waives its sovereign immunity to suit in connection with litigation initiated by the Authority under this section. Suits against the United States and its officers and employees shall be tried before the court without a jury.

Section 10 provides that the powers granted the Authority by this Act shall not extend to the filing or prosecution of or intervention in any action, claim, or other proceeding against the United States relating to any matter as to which a claim has been filed or could have been filed before the Indian Claims Commission or under any special statute authorizing a suit to be brought against the United States but makes it clear that the prohibition does not include suits that could be brought under the provisions of sections 1346(a)(2) and 1491, title 28, U.S.C. The Authority can assist in cases pending before the Indian Claims Commission if so requested.

Section 11 enumerates the authorities of the Authority.

Section 12 authorizes the appropriation of funds necessary to carry out the provisions of the Act.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 15, 1973.
Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposal "To retain coverage under the laws providing employee benefits, such as compensation for injury, retirement, life insurance, and health benefits for employees of the Government of the United States who transfer to Indian tribal organizations to perform services in connection with governmental or other activities which are or have been performed by Government employees in or for Indian communities, and for other purposes."

We recommend that the proposal be referred to the appropriate committee for its consideration and that it be enacted.

This proposal is a companion to our proposal that authorizes Indian tribes to assume control and operation of programs and services now rendered for them by the Federal Government. This proposal allows civil service employees to transfer with the program or service and retain the coverage that they now enjoy as civil servants and also gives them preferential reemployment rights for a period of five years. In most instances, where programs or services are transferred to an Indian tribal organization, the organization will request that certain employees who are operating the program or service be transferred with it. By enabling employees to retain all of their civil service benefits, this proposal will be an important factor in encouraging those employees to make a transfer to an Indian tribal organization, thus lending continuity to the programs and services transferred. We believe that without the opportunity for continuity in the operation of transferred programs, as provided in this proposal, most if not all such transfers would be doomed to failure.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely yours,

JOHN C. WHITAKER.
Acting Secretary of the Interior.

SECTIONAL ANALYSIS OF PROPOSAL

Section 1 gives the Act the name of the "Federal Employees Indian Tribal Organizational Transfer Act."

Section 2 entitles a federal employee who transfers to an Indian organization to carry out a federal program to retain the following federal benefits, if agreed upon by him and that organization:

(1) workmen's compensation rights, except that payments made by the tribal organizational shall be deducted from the compensation due from the federal government;

(2) retirement benefits, provided that necessary payments continue to be made to the Civil Service Retirement and Disability Fund;

(3) life insurance benefits, provided that necessary payments continue to be made to the Employees' Life Insurance Fund;

(4) health insurance benefits, provided that necessary payments continue to be made to the Employees' Health Benefits Fund;

(5) the entitlement to be reemployed by the federal government in a comparable position if he makes application for transfer not later than 5 years after transferring to a tribal organization, and his time spent with the tribal organization shall be credited with respect to all appropriate civil service employment purposes.

During a federal employee's sojourn with a tribal organization, that organization shall deposit in the appropriate funds the payments necessary with respect to benefits numbered 2, 3, and 4, described above.

Section 3 directs a transferring federal employee and the Indian organization to which he transfers to choose before hand whether or not to retain benefits numbered 1, 2, 3, and 4, described above.

Section 4 contains definitions.

Section 5 authorizes the President to prescribe necessary regulations.

Section 6 declares that the Act shall take effect 60 days after enactment.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 15, 1973.
Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposed bill, "To provide for financing and economic development of Indians and Indian organizations, and for other purposes."

We recommend that the proposed bill be referred to the appropriate committee for consideration and that it be enacted.

This proposal consolidates two proposals of this Department in the 92nd Congress—the Indian Financing Act (Titles I and II of this bill) and the Indian Business Development Program Act (Title III of this bill). A sectional analysis of the proposal is contained in an Appendix to this letter.

TITLES I AND II

The essence of these titles was outlined by President Nixon in his Indian message of July 8, 1970:

"Economic deprivation is among the most serious of Indian problems. Unemployment among Indians is ten times the national average; the unemployment rate runs as high as 80 percent on some of the poorest reservations. Eighty percent of reservation Indians have an income which falls below the poverty line; the average annual income for such families is only $1,500. As I said in September of 1968, it is critically important that the Federal government support and encourage efforts which help Indians develop their own economic infrastructure. To that end, I am proposing the 'Indian Financing Act of 1970'.

This Act would do two things:

1. It would broaden the existing Revolving Loan Fund, which loans money for Indian economic development projects. I am asking that the authorization for this fund be increased from approximately $25 million to $75 million.

2. It would provide additional incentives in the form of loan guarantees, and interest subsidies to encourage *private* lenders to loan more money for Indian economic projects. An aggregate amount of $200 million would be authorized for loan guarantee and loan insurance purposes.

Inability to raise capital in effect freezes most Indians out of the American free enterprise system. We believe that, in conjunction with the Business Development Program established in Title III, the loan incentives offered in these titles will go far toward eliminating the chronic state of Indian poverty.

TITLE III

This title would revive and expand a grant program that was conducted by the Bureau of Indian Affairs during fiscal year 1971. Using funds appropriated as tribal development funds, the Bureau aided individual Indians or tribes which sought to open or expand businesses. The grants provided needed capital for Indians unable, because of insufficient equity, to qualify for small business loans from public or private sources; supplements to business grants-in-aid from Government agencies or private foundations; and supplements to business loans. One example of the kind of problems this program can alleviate is that most Indians have been unable to take advantage of the 90 percent loan guarantee programs of the Small Business Administration because most private lenders have required a 100 percent guarantee for Indian loans. The Bureau used its grants to make up the difference for this and similar types of financing.

Since in all essentials the grant program established in Title III will be identical to that operated by the Bureau in fiscal '71, the effectiveness of the latter augurs well for the success of the Title III operation. As of March 31, 1972, Bureau grants had assisted in forming 237 new Indian-owned businesses and expanding 142 existing ones. These grants generated some $16.4 million from other financial sources. The Bureau received 770 applications for grants totaling $10.8 million, or more than triple the amount of money allocated for the program. The Bureau received inquiries about the program from throughout the Indian community. We consider this program to be a proven success and believe that, along with the other programs contained in this proposal, its enactment would lead to substantial Indian economic progress.

The Office of Management and Budget has advised that enactment of this proposal would be in accord with the President's program.

Sincerely yours,
JOHN C. WHITAKER,
Acting Secretary of the Interior.

APPENDIX

Explanation of a bill to provide for financing the economic development of Indians and Indian organizations to be cited as the "Indian Financing Act of 1973."

Section 1 contains the title of the Act.

Section 2 declares it to be the policy of Congress to furnish capital to Indians so that they can manage their own resources and enjoy a standard of living comparable to that of their non-Indian neighbors.

TITLE I

Section 101 makes the total revolving fund equally available to all Indians and Indian organizations, and resolves doubts as to the statutory authority to make loans to certain Indians and Indian organizations from part of the fund.

The revolving fund for loans was authorized by four main Acts: (a) the Indian Reorganization Act (IRA) of June 18, 1934 (48 Stat. 986), as amended and supplemented; (b) the Oklahoma Welfare Act (OWA) of June 26, 1936 (49 Stat. 1968); (c) the Navajo-Hopi Rehabilitation Act of April 19, 1950 (64 Stat. 44); and the Act of November 4, 1963 (77 Stat. 301), as amended, authorizing loans for expert assistance in connection with the preparation and trial of claims pending before the Indian Claims Commission. The Act of May 24, 1950 (64 Stat. 190), authorized the deposit in the revolving fund of moneys received in settlement of debts of livestock and from the sale of livestock. The livestock originated mainly in drought relief purchases by the Department of Agriculture in 1934 and were turned over to the Bureau of Inidan Affairs to establish foundation herds for Indians. The livestock were loaned on a "repayment in kind" basis. The Act of June 28, 1941 (55 Stat. 316), provided that interest collections on these loans be credited to the revolving fund.

Funds authorized by the IRA, supplemented by funds from livestock settlements, are the only moneys in the revolving loan fund available to Indians and Indian organizations for loans generally. Funds authorized by the OWA are available for loans only in the State of Oklahoma, exclusive of Osage County. Funds authorized by the Navajo-Hopi Rehabilitation Act are available only for loans to the Navajo and Hopi Tribes and their members. Funds authorized for loans for export assistance may not be used for any other purposes, and no change is contemplated in this authorization.

The relation of amounts authorized under these funds and amounts appropriated is as follows:

	Authorized	Total appropriated	Authorizations unappropriated
Indian Reorganization Act	$20,000,000	$19,999,600	$400
Oklahoma Welfare Act	2,000,000	2,000,000	
Navajo-Hopi Rehabilitation Act	5,000,000	1,800,000	3,200,000
Expert assistance	1,800,000	1,800,000	
Total	28,800,000	25,599,600	3,200,400

Funds made available for loans through the Bureau of Indian Affairs never have been adequate. A survey conducted by the Civil Works Administration in 1935 estimated the Indian credit needs at $65 million. The IRA and OWA authorized original amounts totaling $12 million. Inadequate as this amount was, it took from 1934 until 1951 to obtain appropriations of the original authorizations. Not only have the appropriations been inadequate to meet Indian financing needs, but even the meager appropriations made were not wholly available for loans. Nearly $4.1 million was spent for administrative expenses between 1936 and 1961 under Congressional authorizations. Of the amount appropriated, only $21.5 million was available for loans. The following summarizes transactions from the revolving loan fund:

Appropriated to June 30, 1969	$25,599,600
Less: Amount expended for administrative expenses	4,073,940
Appropriations available for loans	21,525,660
Plus: Interest collections	6,642,423
Livestock settlements	2,783,109
Total	9,425,532
Total available for loans	30,951,192
Less: Total amount loaned	66,678,111
Total amount paid	38,853,694
Total	27,824,417
Cash balance June 30, 1969	3,126,775

The cash balance was available for loans as follows:

General Fund	$1,088,446
Oklahoma	143,338
Navajo-Hopi	794,551
Expert Assistance	1,100,440
Total	3,126,775

The repayment record through June 30, 1969, follows:

Payments due	$47,671,723
Payments made	38,853,694
Payments in transit	3,613
Payments extended	1,687,412
Amount canceled	2,596,843
Payment delinquent	4,530,161

The fund had a surplus at the close of the fiscal year, calculated as follows:

Interest earned	$8,090,261
Less: Cancellations—Principal	2,596,843
Interest	570,248
Allowance for Losses	2,305,665
Total	5,472,756
Surplus	2,617,505

This section also authorizes the use of these funds to pay for the administrative expenses incurred under this title.

Section 102 provides that loans may be made for any purposes that will promote Indian economic development, including loans for educational purposes. It also provides that loans may be made to Indian organizations to permit them to make loans to other organizations and to make investments in other organizations, regardless of whether the borrowing organizations are organizations of Indians. It is sometimes necessary and desirable for tribes to make loans to private organizations in order to encourage such organizations to establish industries in localities where their operations will provide wage income for the Indians and promote their economic development. In other cases it may be necessary and desirable for tribes to invest in industries being established on or near reservations, *i.e.* equity participation. The section also permits loans to be guaranteed for these same purposes.

Section 103 makes policies which have long been followed on loans from the revolving loan fund a matter of law: loans may be made or guaranteed only when there is a reasonable prospect of repayment and only to applicants unable to obtain financing from other sources on reasonable terms and conditions, *e.g.* tribes unable to obtain necessary financing from customary sources including financing under title I of the bill. Such tribes are required to use their own moneys before a loan from the revolving loan fund may be approved. On June 30, 1969, loans from the revolving fund totaled $25.3 million or 6.6 percent of total Indian financing. Tribal funds in use totaled $105.1 million or 27.4 percent of the total. This is indicative of the importance of tribal funds in Indian financing. Estimated financing by customary lenders totaled $252.6 million or 66 percent of the total. The section also provides that before a direct loan can be made the Secretary must find the applicant unable to avail himself of the guaranteed loan provisions of the Act.

Section 104 provides that loans made or guaranteed shall provide for complete amortization within no more than 30 years or three-fourths of the useful life of the capital asset, whichever is less. It also provides that loans shall bear interest at rates determined by the Secretary. The section allows the Secretary to defer interest on educational loans while the borrower is in school or the military service. Loans already made shall be conformed to this seetion as soon as possible.

Section 105 requires the Secretary to pay into the Treasury, at least at the end of each fiscal year, interest on the value of the Government's equity transferred to the fund pursuant to section 101, plus other amounts. The interest rate on payments to the Treasury is to be determined by the Secretary of the Treasury. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred also bear interest. This payment provision is a new requirement in that the Department of the Interior is not now required to pay interest to Treasury on funds presently contained in existing Indian revolving loan fund accounts.

Section 106 authorizes the Secretary to cancel, compromise, adjust or reduce the amount of any loan made from the fund or any portion thereof, and to modify the terms of securing documents given for loans made from the revolving loan fund. This authority is essential for the efficient administration of the revolving loan fund. The existing authority of the Secretary pursuant to the Act of July 1, 1932 (47 Stat. 564), to "* * * adjust or eliminate reimbursable charges of the Government of the United States existing as debts against individual Indians or tribes of Indians in such a way as shall be equitable and just in consideration of all the circumstances under which such charges were made * * *" is inadequate. There is no authority to deal with the debts of some Indian organizations, which are neither "individual Indians or Tribes of Indians". Some organizations presently in existence are of a type that were not contemplated in 1932, *eg.*, incorporated cooperative and credit associations. The Secretary of Agriculture has authority under subtitle D of the Agricultural Act of 1961 (75 Stat. 312), to adjust loans by the Farmers Home Administration. The Secretary would be given similar authority under this section. The Secretary would make an annual report of all such actions to the Congress.

Section 107 authorizes the Secretary, with the approval of the Secretary of the Treasury, to sell loans made from or acquired by the fund, and to guarantee the loans which are sold. This approval authority is not intended to allow Treasury to interfere with the day-to-day operation of the program but is intended as a method of allowing Treasury to coordinate the marketing of the obligations generated by this Fund with other obligations marketed by the Federal Government. Receipts from sales are to be deposited in the revolving fund and be available for further loans. This provision should help to maintain the revolving fund without additional appropriations.

Section 108 limits loan guarantees to 90 percent of the unpaid principal and interest due on any one loan and 15 percent of the aggregate average unpaid balance of such loans held by a single lender in any one year.

Section 109 directs the Secretary to charge fees sufficient to cover administrative expenses and probable losses on loans made or guaranteed but also authorizes him to pay subsidies to cover all or part of these fees.

Section 110 requires prior approval of loans to be guaranteed, and the issuance of a certificate of guarantee. It also places a ceiling of $100,000 on loans to individuals which may be guaranteed. This amount is consistent with loans by the Farmers Home Administration pursuant to the Agricultural Act of 1961 (75 Stat. 308). Guaranteed loans to Indian organizations in excess of $100,000, or such lower amount as the Secretary may determine to be appropriate, would require Secretarial approval.

Section 111 disqualifies governmental and certain other loans from guarantee provisions. Otherwise, there could be situations where the Government was guaranteeing its own loan. Loans made by Indian organizations from funds borrowed from the United States also are not eligible for loan guarantee. It would not be proper for the Government to guarantee loans made by an Indian organization from funds which the organization had borrowed from the United States. Loans by an Indian organization from its own funds to other tribes or organizations of Indians would be eligible for guarantee. It also provides that obligations, the interest on which is non-taxable, shall not be eligible for either guarantee.

Section 112 provides for the purchase of guaranteed loans by any lender satisfactory to the Secretary and provides that the liability under a guarantee shall increase or decrease pro rata according to any change in the unpaid portion of the obligation.

Section 113 permits certain financial institutions to utilize the guarantee provisions without regard to present legal restrictions.

Section 114 provides that the United States may take title to certain land in trust for the tribe or individual Indian purchasing it with a loan made or guaranteed by the fund. However, title to personal property purchased with such funds must be taken in the name of the purchaser.

Section 115 requires that property purchased with loans made from or guaranteed by the fund be pledged as security for loans, unless the Secretary determines that the repayment of the loan is otherwise reasonably assured. It also provides that trust land purchased with and given as security for a loan shall be subject to foreclosure and sale free of trust restrictions in accordance with the laws of and in the courts of the State in which the land is located.

Section 116 requires that an organization receiving a loan made from or guaranteed by the fund assign the securities it acquires with the loan to the United States as security for the loan, unless the Secretary determines that the repayment of the loan is otherwise reasonably assured. This section is applicable to loans by the United States to Indian organizations to enable them to relend money to their members.

Section 117 authorizes the Secretary to collect delinquent loans from per capita payments or other distributions of tribal assets. If a tribe is awarded a money judgment against the United States, and is indebted for a loan, any installment of which is in default, the Secretary may, at his discretion, collect the delinquent installment or the balance of the loan from the appropriation to satisfy the judgment insofar as it will cover the delinquency.

Section 118 prescribes the procedure to be followed in the event of default on guaranteed loans. The lender is to notify the Secretary, who shall examine the claim. The Secretary would be subrogated to the rights of the holder of the guarantee to the extent of the amount paid thereon, and receive an assignment of the complete obligation and security. Before a lender could be reimbursed, however, all reasonable collection efforts must have been exhausted, the security must have been liquidated, and the proceeds must have been applied on the debt. Upon reimbursement, the lender is required to assign the debt to the United States. The lender then has no further claim against either the borrower or the United States. The Secretary would then take such further collection action as might be warranted. The procedures in this section also permit forbearance for the benefit of a borrower and permit establishment of a date upon which further interest charges on a loan shall cease. Provision also is made for the Secretary to concel the uncollectable portion of any obligation to which he has an assignment or subrogated right.

Section 119 authorizes the Secretary to take appropriate action should a lender or holder of a guarantee certificate fail to operate in accordance with accepted credit principles. The Secretary may, in his discretion, refuse to guarantee further loans by such lender or guarantee certificate holder.

Section 120 includes provisions necessary for the effective administration of the Act. Any guarantee certificate issued shall be conclusive evidence that the loan was eligible for guarantee. The Secretary may, however, establish defenses based on fraud or material misrepresentation, and defenses as to the amount payable on the guarantee based on regulations.

Section 121 provides certain authorities to enable the Secretary effectively to administer the provisions of the bill. These authorities are similar to those of the Administration of the Veterans Administration authorized by section 509 of the Servicemen's Readjustment Act (38 U.S.C. 1820(a)–(c)). These authorities will permit the Secretary to readjust interest rates, time of payments, etc., in order to carry out the purposes of loan guarantee.

Section 122 pertains to the guarantee of loans. A limitation of $200,000,000 is placed on the amount of guaranteed loans by the Secretary that may be outstanding at any one time.

This section also defines what shall constitute the assets and liabilities of such a fund. Subsection (c) authorizes the Secretary to borrow money from the Treasury to meet obligations of the fund. Subsection (d) authorizes the Secretary to make disbursements from the fund to protect the United States' interest as may be necessary and to pay administrative expenses.

Section 123 authorizes the appropriation of $50,000,000 to provide capital for the fund and to restore any impairment of capital.

Section 124 authorizes the Secretary to promulgate rules and regulations.

TITLE II

Section 201 authorizes the Secretary to make periodic debt service payments on loans made or guaranteed so as to reduce Indians' interest and other payments by up to 30 percent or to reduce the outstanding principal amount of the loan by 3 percent, whichever is less. We believe that this authority will enable the Secretary to provide Indians a favorable, low rate of interest.

Section 202 provides that no contract for such debt service payment may be entered into unless the Secretary has determined that other credit provisions are not sufficient to accomplish the purposes of the program.

Section 203 authorizes the appropriation of necessary funds to make such debt service payments.

TITLE III

Section 301 authorizes the Indian Business Grant Fund and authorizes the appropriation of such funds as may be needed.

Section 302 sets the conditions under which the Secretary may make grants from the fund. These conditions include a limit of $50,000 to any one applicant; the inability of the applicant to borrow the money from any other source, including the title I revolving loan fund; Indian ownership of the business involved; and benefit from the grant to Indians living on or near a reservation.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 15, 1973.
Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposal "To amend Acts entitled 'An Act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes', and To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes' and for other purposes."

We recommend that the proposal be referred to the appropriate committee and that it be enacted.

In his Indian message of July 8, 1970, President Nixon emphasized the need for Johnson-O'Malley funds, which are used to help Indian students, to be expended in accordance with the problems and desires of Indians. The President proposed that this goal be reached by amending the Johnson-O'Malley Act (48 Stat. 596, as amended by 49 Stat. 1458), to authorize the Department of the Interior to channel funds appropriated under the Act directly to Indian tribes and communities. The amendment proposed in section 1 of our proposal will carry out this Presidential request. This amendment will add to the present authority of the Secretary of the Interior to contract with State and local institutions, new authority to contract directly with Indian tribes, bands, groups, or communities who run their own educational institutions, thus enabling the Secretary to arrange for direct Indian involvement in carrying out his responsibilities for Indian education, agricultural assistance, and social welfare. This new authority will be exercised in conjunction with President's directive that the Department make every effort to ensure that Johnson-O'Malley funds which are presently directed to public school districts are actually spent to improve education of Indian children in those districts.

The same authority to contract directly with Indians—although in the area of Indian health—will be given to the Secretary of Health, Education, and Welfare by virtue of the amendments in section 2 of our proposal. (Responsibility for Indian health was transferred from the Secretary of the Interior to the Secretary of Health, Education and Welfare by Public Law 568 of the 83rd Congress.) In both cases the amendments allowing contracting to take place directly with Indian tribes consist of inserting a variation of the phrase "any Indian tribe, band, group, or community" in the appropriate place in the appropriate act. The Secretary of Health, Education, and Welfare will also be given authority to detail personnel from the Public Health Service to Indian groups who need aid in carrying out health-service contracts.

The Office of Management and Budget has advised that this proposal is in accord with the program of the President.

Sincerely yours,
JOHN C. WHITAKER,
Acting Secretary of the Interior.

SECTIONAL ANALYSIS

Section 1 amends the Johnson-O'Malley Act to add the term "or with any Indian tribe, band, group, or community, recognized by the Secretary" and to strike the word "Territory" wherever it appears in the first section of the Act, as being no longer applicable to the Act. The addition of the phrase set out above means that Indians would join the public and private groups with which the Federal Government may contract for the carrying out of Federal responsibilities in education, agricultural assistance, and social welfare.

Section 2 amends the Act of August 5, 1954, by adding two new sections and renumbering other sections accordingly. The first added section, to be the new section 4, authorizes the Secretary of Health, Education, and Welfare to contract with "any Indian tribe, band, group, or community" to carry out his health responsibility to the Indians. The second added section, to be the new section 9, gives the Secretary of Health, Education, and Welfare the authority to detail Public Health Service personnel for the purpose of assisting an Indian tribe, band, group, or community in carrying out Indian health functions.

U.S. DEPARTMENT OF THE INTERIOR,
Washngton, D.C., March 15, 1973.
Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposal "To provide for the assumption of the control and operation by Indian tribes and communities of certain programs and services provided for them by the Federal Government, and for other purposes."

We recommend that the proposal be referred to the appropriate committee for its consideration and that it be enacted.

In his Indian message of July 8, 1970, President Nixon expressed the rationale of this proposal:

"For years we have talked about encouraging Indians to exercise greater self-determination, but our progress has never been commensurate with our promises. Part of the reason for this situation has been the threat of termination. But another reason is the fact that when a decision is made as to whether a Federal program will be turned over to Indian administration, it is the Federal authorities and not the Indian people who finally make that decision.

"This situation should be reversed. In my judgment, it should be up to the Indian tribe to determine whether it is willing and able to assume administrative responsibility for a service program which is presently administered by a Federal agency."

This proposal (a sectional analysis of which serves as the appendix to this letter) will enable any Indian tribe, band, group, or community to request and assume control of any program or service now extended to it by the Bureau of Indian Affairs of the Department of the Interior or the Indian health service program of the Public Health Service of the Department of Health, Education, and Welfare. The two program areas are the ones that deal most directly with Indan people.

President Nixon reaffirmed the need for this proposal in his March 1, 1973, message on Human Resources to the Congress.

If any Indian group decides it is willing and able to assume administrative responsibility for a service or program which is presently administered by the Bureau of Indian Affairs or Public Health Service, it can request that such service or program be turned over to it. The only prerequisite that the group must meet is to obtain adequate insurance. The bill waives the group's immunity to suits arising out of its operation of a program only to the extent of this insurance. We believe that this condition is necessary to protect persons who may be injured or property which may be damaged in the carrying out of a program. Since Indian tribes would not otherwise be subject to suit, lack of insurance could work substantial injustice to innocent parties.

The turnover will be made after the tribe has consulted with the appropriate Department, has worked out a transfer plan with that Department, and has submitted that plan formally along with its request for the turnover. But it will be the Indian group whose decision will prevail. That is, if the Indians persist in their request, the program or service will be turned over to their control even if, in the judgment of the appropriate Department, they are not adequately equipped to operate that program or service. The transfer will be made subject to the right of the Indian group to retrocede any program or service to the appropriate Secretary. Such a retrocession would not prejudice the group's right to reassume control of any service or program at a later date.

In those instances where there is a question about the adequacy of the Indian group to control or operate the transferred service or program, the Secretary will monitor the program or service to be certain that the rights, health, safety and welfare of the Indians involved is not endangered. The proposal empowers the Secretary to move to reassume control of a service or program at any point where he thinks the health, safety or welfare of an Indian is jeopardized. The proposal contemplates that the Secretary will make every effort to assist Indian groups in their efforts to assume the control and operation of the program or service. The proposal will allow the Secretary to detail to the Indian group those civil servants who, although not transferring with the service or program to Indian employment (under a companion to this proposal), might be useful during the transition period. Such employees could be detailed for a period of 180 days, with the possibility of extending their assignment for an additional 180 days. The proposal also authorizes the detailing of Public Health Service employees to Indian tribes and groups.

The proposal makes it clear that there will be no discrimination against those tribes who assume control or operation of a service or program. In particular, the proposal assures Indians that any transferred program or service will be given the same consideration in the allocation of budget funds as it would have received if it had continued under the control of the Federal government.

The last section of the proposal provides that nothing in the proposal shall be interpreted as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to Indians. This provision makes it clear that even though an Indian group assumes the control and operation of a program or service, the Federal government will retain its ultimate responsibility for that program or service and will maintain its trust relationship with that Indian group.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely yours,
JOHN C. WHITAKER,
Acting Secretary of the Interior.

APPENDIX.—SECTIONAL ANALYSIS OF PROPOSAL

Section 1 contains definitions.

Section 2 provides that, notwithstanding any other provisions of law, if an Indian tribe or community requests that it be given the control or operation of a program or service administered by the Federal Government, the Secretary shall turn over to that tribe or community, within 120 days after the request or such other period as may be agreed to, the control and operation of such program or service. The only prerequisite that the group must meet is to obtain adequate insurance. The bill waives the group's immunity to suits arising out of its operation of a program only to the extent of this insurance. We believe that this condition is necessary to protect persons who may be injured or property which may be damaged in the carrying out of a program. Since Indian tribes would not otherwise be subject to suit, lack of insurance could work substantial injustice to innocent parties. Section 2 requires that the request made by the Indian tribe or community be accompanied by a plan for carrying out the service or program involved. It authorizes the tribe or community to enter into agreements to carry out all or any part of the transferred program or service. Such a transfer shall stipulate the retrocession provision provided for in a later subsection of this section.

In subsection (b) of section 2, the Secretary is required to provide assistance, other than financial, to any Indian tribal organization which requests it during the period preceding or immediately following a transfer made under this proposal.

Subsection (c) of section 2 requires that for each fiscal year during which an Indian tribal organization engages in the operation or control of a program or service transferred to it under the provisions of this proposal, it must report to the Secretary, such report to include an accounting of the amounts expended and the purposes for which Federal funds were expended. Subsection (c) opens reports and records of the Indian tribal organization maintained in connection with such program or operation for audit by the Secretary and Comptroller General.

Subsection (d) provides that should an Indian tribe or community request a retrocession to the Secretary of any program or service which it assumed pursuant to this proposal, such retrocession shall be effective within 120 days after such request or such later period as may be agreed to by the Secretary and the Indian group. This subsection specifically provides that retrocession of any program or service will not prejudice the Indian tribe or community's right to again assume control of the service or program.

In subsection (e) of section 2, if the Secretary determines that any program or service assumed by an Indian tribe is being accomplished in a manner which would violate the rights or endanger the health, safety or welfare of individual Indians served by such program or service or that there has been gross negligence or mismanagement in the use of Federal funds provided pursuant to this proposal, the Secretary may reassume control of the program or service under such regulations as he may prescribe but only after providing notice and hearing to the Indian tribal organization involved. The Secretary is authorized to retain the service or program until he is satisfied that the problems causing him to reassume control of it have been corrected.

Subsection (f) of section 2 provides that in the allocation of funds for programs and services to Indians, those Indian tribal organizations which assume control or operation of programs or services pursuant to this proposal or which retrocede control or operation to the Secretary shall be treated in the same manner as if the control or operation of the program or service had been maintained continuously by the Federal Government.

Section 3 authorizes the Secretary, upon the request of any Indian group, to detail any Civil Service employee for a period of up to 180 days to assist the Indian group in its control or operation of a program or service transferred pursuant to this proposal. This section also provides that the Secretary may, upon a showing of need by an Indian group for the continued services of the detailed employee, extend the detail of the employee for a period not to exceed 180 days.

Section 4 amends the Act of August 5, 1954, to enable physicians, nurses, and other health personnel of the Public Health Service to be detailed to tribes to assist them in taking over Federal programs or services.

Section 5 provides that nothing in this proposal shall be interpreted as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to Indians.

U.S. Department of Interior,
Washington, D.C., March 15, 1973.
Hon. Spiro T. Agnew,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a proposal "To amend certain laws relating to Indians."

We recommend that the proposal be referred to the appropriate Committee for consideration, and that it be enacted.

The amendments in this proposal, designed to afford Indians greater control over activities conducted on their reservations, concern the areas of livestock trespass and traders.

I. LIVESTOCK TRESPASS

Section 1 of the bill provides that any person allowing his livestock to trespass on trust or restricted land without the consent of the Secretary of the Interior shall be liable for a penalty of $5 per day for each head of livestock in trespass, together with the value of forage used by the animal during the period of trespass plus any other cost incurred in connection with the trespass. It also provides that the Secretary of the Interior may impound any livestock trespassing on trust or restricted land, with notice of such impoundment being given as prescribed by regulations of the Secretary. The owner of any impounded livestock may claim the impounded animal within the time specified in the notice upon the payment of $5 per day for each impounded animal and the reasonable value of forage consumed by the impounded animal. If not claimed within the time specified in the notice, an animal may be sold; the proceeds of the sale, after payment of necessary expenses and the deduction of the $5 per day fee and reasonable forage charges, shall be paid to the owner of the animal upon satisfactory proof of ownership submitted within six months of the date of the sale. The proposal provides that the $5 per day animal fee and reasonable forage charges and the net proceeds of the sale of an animal not paid to the owner, shall be deposited in the Treasury to the credit of the tribe or to the individual Indian, depending upon whether tribal or individually owned land is involved. Further, the proposal provides that any unbranded livestock over one year of age found running at large on trust or restricted land will be presumed to be in trespass and shall come under the provisions of the proposal.

This part of the proposal replaces section 2117 of the Revised Statutes (25 U.S.C. 179) (which is repealed by paragraph (1) of section 3 of this proposal). Section 2117 of the Revised Statutes provided for a fee of $1 per head for cattle driven on or otherwise conveyed on Indian land. This provision was not adequate in that the fee was too low in most instances to really protect Indian land from trespass by livestock. Section 1 of the proposal sets a fee high enough for livestock trespass to penalize those who let their cattle trespass on Indian land. The section also provides a clear standard as to what constitutes trespass by livestock and the procedure to be followed in dealing with it.

II. TRADERS

Section 2 of the proposal authorizes Indian tribal governments to enact laws and ordinances relating to the issuance of trader licenses on their reservation. It then provides that when such laws and ordinances have been enacted, certain existing statutes relating to trading on Indian reservations will no longer apply. The section makes it clear that the tax statutes now applicable to traders on Indian reservations shall continue in effect when the traders are controlled by tribal laws and ordinances.

The Federal statutes regulating trading on Indian reservations date from the late 1800's and early 1900's. At that time there was a definite need for govrenmental control over the business activities, prices, and practices of Indian traders, who generally were the sole supply source available to reservation Indians. This situation does not exist today on a great majority of Indian reservations.

Today, Indian traders no longer have a monopoly on trade in the Indian country. The mobility of Indians, achieved through modern means of transportation, better reservation roads, and other related developments within the reservation, removed the need for strict Federal regulation of traders. The great majority of Indian traders now find that they are forced to compete in the matter of prices and quality of goods with other shops and businesses located on the reservation and with those located in communities and cities adjacent to the reservations.

There is, however, a limited number of reservations where, primarily because of isolation, Indians remain somewhat dependent upon the Indian trader. It is for this reason, and the need to place with tribal governments the ultimate decision as to whether federal law or their own trading ordinances shall obtain on the reservations, that we are not recommending outright repeal of the pertinent statutes. Rather, Section 2 of the proposal would honor the decision of any tribe to assume regulation of business activities on its land by rendering the corresponding Federal statutes inoperative vis-a-vis that reservation.

III. OTHER PROVISIONS

All of the paragraphs of section 3 except for paragraph (1) repeal statutes dealing with trading between Indians and employees of the Federal Government, particularly those employed in the Indian Service. These statutes were once needed because of the undue influence that Government employees in the Indian Service could exercise over Indians. We feel that there are other safeguards today and these statutes are no longer needed.

Paragraph (1) of section 3 repeals the old livestock trespass statute.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely yours,
John C. Whitaker,
Acting Secretary of the Interior.

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., March 15, 1973.
Hon. Spiro T. Agnew,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a proposal "To establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior, and for other purposes."

We recommend that the proposal be referred to the appropriate committee for consideration and that it be enacted.

The purpose of this proposal is to upgrade the position of Commissioner of Indian Affairs (which would be eliminated by this proposal) to that of an Assistant Secretary of the Interior. This Assistant Secretary, who would be in addition to those which the Department of the Interior currently has, would be appointed by the President with the advice and consent of the Senate, would have such duties as the Secretary of the Interior assigned, and would be paid at the same rate as the Department's other Assistant Secretaries. The proposal would amend section 5315 of Title 5, United States Code, to increase the Department's number of Assistant Secretaries from 6 to 7.

The new Assistant Secretary will assume the duties of the Commissioner of Indian Affairs—i.e., the supervision of the Bureau of Indian Affairs—and will have the title of Assistant Secretary for Indian Affairs.

Although it is not contemplated that elimination of the post of Commissioner will require the restructuring of the Bureau itself, we believe that the Secretary of the Interior has ample authority under Reorganization Plan No. 3 of 1950 (15 F.R. 3174) to make such alterations as might be needed.

We believe that the creation of this position will raise the Department's responsibility for Indians to its proper level within the structure of the Department. Indians will no longer have to compete with the land and other natural resource problems for attention as they now do in the day-to-day operation of the Department. Focusing his attention solely on their unique problems, the new Assistant Secretary will work full-time with Indians to improve their economic and social conditions and assist in the development of their full potential, both for their own and the Nation's benefit. One of the primary responsibilities of the new Assistant Secretary will be to help guide the implementation of the new National policy of Indian self-determination that President Nixon outlined in his July 8, 1970, message to the Congress and recently, in his March 1, 1973, Human Resources Message to the Congress.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely yours,
JOHN C. WHITAKER,
Acting Secretary of the Interior.

By Mr. BROCK (for himself and Mr. SPARKMAN, Mr. HATHAWAY, Mr. BENNETT, and Mr. TOWER):

S. 1348. A bill to provide for the establishment of safety standards for mobile homes in interstate commerce, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

THE NATIONAL MOBILE HOMES SAFETY STANDARDS ACT OF 1973

Mr. BROCK. Mr. President, on behalf of myself and the Senator from Alabama (Mr. SPARKMAN), the Senator from Utah (Mr. BENNETT), the Senator from Maine (Mr. HATHAWAY), and the Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to provide assurances to every mobile homebuyer that the home he purchases will be safe and constructed in such a manner as to insure him that it meets certain basic standards of quality. Moreover, this bill will fill the void which currently exists between the various State mobile home construction requirements and between State and Federal requirements as well.

In the past several years, mobile homes have risen to a position of dominance in the low-cost housing field. In fact, they are virtually the only source of housing now available to those who cannot afford a typical new site-built home. Some 95 percent of all new single family homes sold for $15,000 or less are mobile homes. The primary purchasers are those young people just beginning their married lives and business careers and those who have reached retirement age and are beginning to adjust to the realities of a fixed income. These groups, in particular, deserve to be assured that when they buy a home it meets certain minimum quality and life-safety standards. An expensive repair bill or loss of the home could be especially devastating to a homemaker in either category.

A review of current State laws governing mobile home construction makes clear the necessity for my legislation. To begin with, there is no unanimity among the various States having existing laws. While it is true that approximately 36 States have now adopted similar mobile home construction codes, enforcement varies from stringent to virtually none at all. Moreover, among those States which have stringent laws, reciprocity of commerce has proved difficult, if not impossible. At the same time, States with weak enforcement programs permit almost indiscriminate importation of homes from neighboring States. While some guarantee the quality of the homes built within their borders, they nevertheless, permit the importation of homes which have no real guarantee of assured quality. In my home State of Tennessee, for instance, resident manufacturers must meet the State mobile home code, while outsiders are not required to. This demonstrated lack of uniformity adversely affects the manufacturer's ability to deliver housing at the lowest possible price.

The jurisdictional picture regarding mobile home safety standards at the Federal level provides no more assurance than does the diversity of State programs. For instance, the Department of Transportation, through the National Highway Traffic Safety Administration, is responsible for construction aspects which affect highway movement safety. HUD is involved, too, inasmuch as the FHA requires that homes insured under their mortgage insurance program be built to the American National Standards Institute—ANSI—standard for mobile homes. However, they rely on self-certification and impose no requirement that the homes be physically inspected. On the other hand, the Veterans' Administration, under its loan guaranty program, does physically inspect some of the mobile homes covered under its program. However, plants and manufacturers are too numerous for the VA to visit more frequently than on a quarterly basis. Finally, and most surprisingly, the Federal Home Loan Bank Board, while allowing federally insured savings and loan associations to make loans on mobile homes, imposes no construction requirements on them.

With mobile home sales rising annually, it is clear that questions surrounding mobile home safety have to be addressed, and quickly. According to one leading insurance company, the average fire loss in a mobile home in 1971 was $1,529 as compared to $350 for a conventional home. This disparity needs to be studied and clarified to insure that mobile homes do not represent an unusual fire safety hazard.

A recent comparative analysis of insurance for a $7,000 mobile home indicated that premiums were 70 percent higher than similar coverage for a $25,000 site-built home. The cost/risk ratio of mobile home insurance coverage needs to be more fully analyzed in order to assure mobile home dwellers that the premiums they pay are commensurate with the degree of risk they represent.

Mobile home overturns undoubtedly account for some of the disparity between mobile and site-built housing insurance premiums. Most States do not require that mobile homes be tied down or anchored to their sites. An analysis of experiences from coast to coast clearly documents the vulnerability of mobile homes to high winds. No part of this country is immune to occasional high wind. Moreover, several parts of our continent are characterized by it during certain seasons of the year. The necessity for a universal tiedown requirement is obvious. While the Mobile Homes Manufacturers Association made tiedowns mandatory for its members' homes on January 1, 1973, more needs to be done. The association represents some 65 to 70 percent of the industry's productive capacity leaving approximately one-third of the homes produced annually without regulation. Further, mandatory installation of tiedowns in the home is not the ultimate answer. States and local political jurisdictions must require that mobile homes sited within their respective borders be tied down with approved anchoring systems. I believe that regulations of this sort would be effected as a result of my legislation.

Mr. President, over 7 million people now live in mobile homes. Some 580,000 units were shipped to dealers throughout the country in 1972 and it is estimated that approximately 623,000 will be sold in 1973. As virtually the only low-cost housing available, mobile homes seem destined to increase in popularity and sales. They have become increasingly immobile as they have grown in size and form. Double-wides now range upward to almost 1,700 square feet in size. Single-wide homes are being increased in size to the point that the 14-foot wide home will be the standard in the very near future. At least 34 States already permit them to be moved and sited within their borders. These homes, completely finished with carpeting, draperies, and furnishings, represent the highest level of achievement within the industrialized housing field. As it increases in sophistication and manufacturing expertise, the industry seems assured of even greater success. While most manufacturers build to the American National Standards Institute Code for mobile homes, there are some who do not. Still, well-meaning manufacturers are sometimes guilty of violations through oversight or ignorance. Instances of malicious intent are not common. However, this in no way alleviates the fact that noncompliance can and does lead to the delivery of substandard and, in some cases, unsafe homes. As more and more Americans turn to mobile homes for their primary housing, we need to be sure that they are safe and free from defects.

Mr. President, my legislation, if passed, would eliminate the maze of State laws currently applicable to mobile home construction and insure their quality, safety, and construction integrity no matter in which State they are produced. In addition, the cost savings realized through the economy of scale and the elimination of needless production line changes could be passed on to the consumer. Moreover, this bill would eliminate the gaps which currently exist between the various State and Federal requirements. It would require standards for those States which have none and, most importantly, it would prevent unsafe mobile homes from ever reaching the marketplace. I am hopeful that prompt action will be taken on this measure in order to assure minimum safety standards for all mobile homes.

The following is an analysis of the legislation:

The Secretary of HUD shall through a National Mobile Home Safety Bureau establish Federal mobile home safety standards. In prescribing standards, the Secretary shall consider: First, all relevant mobile home safety data; second, consult with the States; and third, consider whether a proposed standard is reasonable, practicable, and will not place undue financial burden on the manufacturer or dealer or result in a substantial increase in the retail price of mobile homes.

The standards would be established no earlier than 180 days after enactment with revised standards at least 180 days later. A National Mobile Home Safety Advisory Council will be established. The majority will be representatives of the general public, including representatives of the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles, the National Fire Protection Association, and representatives of the mobile home manufacturers, dealers, and insurers. The Secretary must consult with the advisory council before establishing or amending any standards. These standards shall not apply to the sale, offer for sale, or introduction or delivery for introduction in interstate commerce of any mobile home after the first purchase of it in good faith for purposes other than resale.

Once the standards have been promulgated, no person shall manufacture for sale, offer for sale, or introduce or deliver for introduction in interstate commerce or import into the United States, any mobile home manufactured unless it conforms to such standards.

The Secretary is further authorized to conduct research, testing, development, and training for the development of new standards and to determine the relationship between mobile home performance characteristics and accidents involving mobile homes and the occurrence of death or injury from such accidents.

The Secretary is also authorized to conduct with the advisory council a thorough study of standards for used mobile homes and recommend additional legislation if he feels such is necessary within 1 year after this legislation is enacted.

Each violation of the prohibited acts outlined in section 108 of the bill are subject to the civil penalty of $1,000. Injunctive relief is also available in the U.S. district courts. In addition, if a mobile home does not conform to applicable Federal mobile home safety standards prior to sale by a distributor or dealer, the manufacturer or distributor shall either repurchase the home at his cost or furnish the parts and costs of installation to the distributor or dealer.

Provision is made for judicial review for any person adversely affected by an order—standard—issued by the Secretary.

Inspection and investigation is authorized as may be necessary to enforce the standards established. Designated employees may enter at reasonable times factories or warehouses for prompt inspection. Each manufacturer, distributor, and dealer shall establish and maintain such records and reports as the Secretary may require. Finally, each manufacturer shall furnish to each first purchaser and all dealers notification of any defect in a mobile home that relates to mobile home safety which he has discovered after manufacturing such home or which has been discovered through testing or inspection by the National Mobile Home Safety Bureau.

Certification that each mobile home conforms to the Federal safety standards shall also be given by each manufacturer to each distributor or dealer at the time of delivery.

Section 120 of the bill allows any State to assume responsibility for the enforcement of mobile home safety standards if the plan they submit is acceptable to the Secretary. Detailed reports would still be made by manufacturers, distributors, and dealers to the Secretary. And, the State agency will make such reports as the Secretary may require. The Secretary shall make a continuing evaluation of the way each State is carrying out its plan. Approval may be withdrawn at any time.

Grants will be made to States that have designated a State agency to assist them in identifying their needs and responsibilities in the area of mobile home safety standards or in developing State plans. The Federal share shall not exceed 90 percent. Grants of up to 50 percent can also be made to assist the States in administering and enforcing State plans for mobile home safety. Title II in the bill amends existing law to provide that loans made by the FHA, VA or a Federal savings and loan association for the purchase of a mobile home may only be made for a home that meets the mobile home safety standards established by this legislation.

Mr. President, I ask unanimous consent that the complete text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress declares that the purpose of this Act is to reduce the amount of insurance costs, property damage, personal injury, and death resulting from mobile home accidents without any substantial increase in the retail price of a mobile home. Therefore, Congress determines that it is necessary to establish practical Federal safety standards for mobile homes in interstate commerce, to authorize mobile home safety research and development; to encourage and provide financial assistance for the development of State mobile home safety programs; and to provide that for the purposes of any Federal guarantee of a loan for the purchase of a mobile home or the making or investing in any such loan by a Federal savings and loan association, each such mobile home shall meet such Federal safety standards.

TITLE I—MOBILE HOME SAFETY STANDARDS

SHORT TITLE

SEC. 101. This Act may be cited as the "National Mobile Home Safety Standards Act of 1973".

DEFINITIONS

SEC. 102. As used in this title, the term—

(1) "dealer" means any person who is engaged in the sale and distribution of new mobile homes, primarily to persons who in good faith purchase any such mobile home for purposes other than resale;

(2) "defect" includes any substantial defect in the performance, construction, components, or materials of a mobile home;

(3) "distributor" means any person who is engaged in the sale and distribution of mobile homes for resale;

(4) "interstate commerce" means commerce between any place within a State and any place within another State, or between places within the same State through another State;

(5) "manufacturer" means any person engaged in manufacturing or assembling mobile homes, including any person engaged in importing mobile homes for resale;

(6) "mobile home" means a transportable structure which exceeds 8 body feet in width and 32 body feet in length and is built on a chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities;

(7) "mobile home safety" means the performance of a mobile home in such a manner that the public is protected against any unreasonable risk of the occurrence of accidents due to the design or construction of such mobile home, or any unreasonable risk of death or injury to the public if such accidents do occur;

(8) "mobile home safety standard" means a minimum, practicable standard for mobile home performance which meets the need for mobile home safety;

(9) "Secretary" means the Secretary of Housing and Urban Development;

(10) "State" includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa; and

(11) "United States district courts" means the Federal District Courts of the United States and the United States courts of the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

FEDERAL MOBILE HOME SAFETY STANDARDS

SEC. 103. (a) The Secretary shall establish by order appropriate Federal mobile home safety standards. Each such Federal mobile home safety standard shall be practicable, shall meet the need for mobile home safety, and shall be stated in objective terms.

(b) The provisions of sections 551 through 559 of title 5, United States Code, shall apply to all orders establishing, amending, or revoking a Federal mobile home safety standard under this title.

(c) Each order establishing a Federal mobile home safety standard shall specify the date such standard is to take effect, which shall not be sooner than one hundred and eighty days or later than one year from the date such order is issued, unless the Secretary finds, for good cause shown, that an earlier or later effective date is in the public interest, and publishes his reasons for such finding.

(d) Whenever a Federal mobile home safety standard established under this title is in effect, no State or political subdivision of a State shall have any authority either to establish, or to continue in effect, with respect to any mobile home, any safety standard applicable to the same aspect of performance of such mobile home which is not identical to the Federal standard.

(e) The Secretary may by order amend or revoke any Federal mobile home safety standard established under this section. Such order shall specify the date on which such amendment or revocation is to take effect, which shall not be sooner than one hundred and eighty days or later than one year from the date the order is issued, unless the Secretary finds, for good cause shown, that an earlier or later effective date is in the public interest, and publishes his reasons for such finding.

(f) In prescribing standards under this section, the Secretary shall—

(1) consider relevant available mobile home safety data, including the results of the research, development, testing, and evaluation activities conducted pursuant to this title, and those activities conducted by the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles and the National Fire Protection Association to determine how to best protect the public;

(2) consult with such State or interstate agencies (including legislative committees) as he deems appropriate;

(3) consider whether any such proposed standard is reasonable, practicable, and appropriate for the particular type of mobile home for which it is prescribed;

(4) consider whether any such standard will place an undue financial burden upon manufacturers and distributors of mobile homes;

(5) consider whether any such standard will result in a substantial increase in the retail price of mobile homes; and

(6) consider the extent to which any such standard will contribute to carrying out the purpose of this title.

(g) The Secretary shall issue initial Federal mobile home safety standards upon the expiration of the one hundred eighty-day period which begins on the date of enactment of this Act. The Secretary shall issue new and revised Federal mobile home safety standards under this title upon the expiration of the three hundred sixty-day period which begins on the date of enactment of this Act.

NATIONAL MOBILE HOME SAFETY ADVISORY COUNCIL

SEC. 104. (a) The Secretary shall establish a National Mobile Home Safety Advisory Council, a majority of which shall be representative of the general public, including representatives of Federal, State, and local governments, and the remainder shall include members of the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles and representatives of mobile home manaufacturers, dealers, financiers, and insurers.

(b) The Secretary shall consult with the Advisory Council before establishing, amending, or revoking any mobile home safety standard pursuant to the provisions of this title.

(c) Members of the National Mobile Home Safety Advisory Council may be compensated at a rate not to exceed $100 per diem (including traveltime) when engaged in the actual duties of the Advisory Council. Such members, while away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently. Payments under this section shall not render members of the Advisory Council employees or officials of the United States for any purpose.

JUDICIAL REVIEW OF ORDER

SEC. 105. (a) (1) In a case of actual controversy as to the validity of any other under section 103, any person who will be adversely affected by such order when it is effective may at any time prior to the sixtieth day after such order is issued file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review of such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based his order, as provided in section 2112 of title 28 of the United States Code.

(2) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary, and to be adduced upon the hearing, in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

(3) Upon the filing of the petition referred to in paragraph (1) of this subsection, the court shall have jurisdiction to review the order in accordance with the provisions of sections 701 through 706 of title 5, United States Code, and to grant appropriate relief.

(4) the judgment of the court affirming or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

(5) Any action instituted under this subsection shall survive, notwithstanding any change in the person occupying the office of Secretary of any vacancy in such office.

(6) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(b) A certified copy of the transcript of the record and proceedings under this section shall be furnished by the Secretary to any interested party at his request and payment of the costs thereof, and shall be admissible in any criminal, exclusion of imports, or other proceeding arising under or in respect of this title, irrespective of whether proceedings with respect to the order have previously been initiated or become final under subsection (a).

RESEARCH, TESTING, DEVELOPMENT, AND TRAINING

SEC. 106. (a) The Secretary shall conduct research, testing, development, and training necessary to carry out the purposes of this title, including, but not limited to—

(1) collecting data from any source for the purpose of determining the relationship between mobile home performance characteristics and (A) accidents involving mobile homes, and (B) the occurrence of death, or personal injury resulting from such accidents;

(2) procuring (by negotiation or otherwise) experimental and other mobile homes for research and testing purposes;

(3) selling or otherwise disposing of test mobile homes and reimbursing the proceeds of such sale or disposal into the current appropriation available for the purpose of carrying out this title.

(b) The Secretary is authorized to conduct research, testing, development, and training as authorized to be carried out by subsection (a) of this section by making grants for the arrangement for such research or development, and training to States, interstate agencies, and nonprofit institutions.

(c) Whenever the Federal contribution for any research or development activity authorized by this title encouraging mobile home safety is more than minimal, the Secretary shall include in any contract, grant, or other arrangement for such research or development activity, provisions effective to insure that all information, uses, processes, patents, and other developments resulting from that activity will be made freely and fully available to the general public. Nothing herein shall be construed to deprive the owner of any background patent of any right which he may have thereunder.

COOPERATION WITH PUBLIC AND PRIVATE AGENCIES

SEC. 107. The Secretary is authorized to advise, assist, and cooperate with, other Federal departments and agencies, including the American National Standards Institute Committee on Mobile Homes and Recreational Vehicles and the National Fire Protection Association, in the planning and development of—

(1) mobile home safety standards; and

(2) methods for inspecting and testing to determine compliance with mobile home safety standards.

PROHIBITED ACTS

SEC. 108. (a) No person shall—

(1) manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States, any mobile home manufactured on or after the date any applicable Federal mobile home safety standard takes effect under this title unless it is in conformity with such standard, except as provided in subsection (b) of this section;

(2) fail or refuse access to or copying of records, or fail to make reports or provide information, or fail or refuse to permit entry or inspection, as required under section 112;

(3) fail to issue a certificate required by section 114, or issue a certificate to the effect that a mobile home conforms to all applicable Federal mobile home safety standards, if such person in the exercise of due care has reason to know that such certificate is false or misleading in a material respect; or

(4) fail to furnish notification of any defect as required by section 113.

(b) (1) Paragraph (1) of subsection (a) shall not apply to the sale, the offer for sale, or the introduction or delivery for introduction in interstate commerce of any mobile home after the first purchase of it in good faith for purposes other than resale. In order to assure a continuing and effective national mobile home safety program, it is the policy of Congress to encourage the adoption of State inspection of used mobile homes. Therefore, to that end the Secretary shall conduct a thorough study and investigation to determine the adequacy of mobile home safety standards and mobile home inspection requirements and procedures applicable to used mobile homes in each State, and the effect of programs authorized by this title upon such standards, requirements, and procedures for used mobile homes, and report to Congress as soon as practicable, but not later than one year after the date of enactment of this Act, the results of such study, and recommendations for such additional legislation as he deems necessary to carry out the purposes of this title by the Secretary relating to the problems of disposal of used mobile homes. As soon as practicable after the submission of such report, but no later than one year from the date of submission of such report, the Secretary, after consultation with the Council and such interested public and private agencies and groups as he deems advisable, shall establish uniform Federal mobile home safety standards applicable to all used mobile homes. Such standards shall be expressed in terms of mobile home safety performance. The Secretary is authorized to amend or revoke such standards pursuant to this Act.

(2) Paragraph (1) of subsection (a) shall not apply to any person who establishes that he did not have reason to know in the exercise of due care that such mobile home is

not in conformity with applicable Federal mobile home safety standards, or to any person who, prior to such first purchase, holds a certificate issued by the manufacturer or importer of such mobile home, to the effect that such mobile home conforms to all applicable Federal mobile home safety standards, unless such person knows that such mobile home does not so conform.

(3) A mobile home offered for importation in violation of paragraph (1) of subsection (a) shall be refused admission into the United States under joint regulations issued by the Secretary of the Treasury and the Secretary; except that the Secretary of the Treasury and the Secretary may, by such regulations, provide for authorizing the importation of such mobile home into the United States upon such terms and conditions (including the furnishing of a bond) as may appear to them appropriate to insure that any such mobile home will be brought into conformity with any applicable Federal mobile home safety standard prescribed under this title, or will be exported or abandoned to the United States.

(4) The Secretary of the Treasury and the Secretary may, by joint regulations, permit the temporary importation of any mobile home after the first purchase of it in good faith for purposes other than resale.

(5) Paragraph (1) of subsection (a) shall not apply in the case of a mobile home intended solely for export, and so labeled or tagged on the mobile home itself and on the outside of the container, if any, which is exported.

(c) Compliance with any Federal mobile home safety standard issued under this title does not exempt any person from any liability under common law.

CIVIL PENALTY

SEC. 109. (a) Whoever violates any provision of section 108, or any regulation issued thereunder, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. Such violation of a provision of section 108, or regulations issued thereunder, shall constitute a separate violation with respect to each mobile home or with respect to each failure or refusal to allow or perform an act required thereby, except that the maximum civil penalty shall not exceed $400,000 for any related series of violations.

(b) Any such civil penalty may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

JURISDICTION AND VENUE

SEC. 110. (a) The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this title, or to restrain the sale, offer for sale, or the introduction or delivery for introduction, in interstate commerce, or the importation into the United States, of any mobile home which is determined, prior to the first purchase of such mobile home in good faith for purposes other than resale, not to conform to applicable Federal mobile home safety standards prescribed pursuant to this title, upon petition by the appropriate United States attorney or the Attorney General on behalf of the United States. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and, except in the case of a knowing and willful violation, shall afford him reasonable opportunity to achieve compliance. The failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

(b) In any proceeding for criminal contempt for violation of an injunction or restraining order issued under this section, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 4(b) of the Federal Rules of Criminal Procedure.

(c) Actions under subsection (a) of this section and section 109(a) may be brought in the district wherein any act or transaction constituting the violation occurred, or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

(d) In any actions brought under subsection (a) of this section and section 109(a), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

(c) It shall be the duty of every manufacturer offering a mobile home for importation into the United States to designate in writing an agent upon whom service of all administrative and judicial processes, notices, orders, decisions and requirements may be made for and on behalf of such manufacturer, and to file such designation with the Secretary, which designation may from time to time be changed by like writing, similarly filed. Service of all administrative and judicial processes, notices, orders, decisions and requirements may be made upon such manufacturer by service upon such designated agent at his office or usual place of residence with like effect as if made personally upon such manufacturer, and in default of such designation of such agent, service of process, notice, order, requirement or decision in any proceeding before the Secretary or in any judicial proceeding for enforcement of this title or any standards prescribed pursuant to this title may be made by posting such process, notice, order, requirement or decision in the Office of the Secretary.

NONCOMPLIANCE WITH STANDARDS

SEC. 111. (a) If any mobile home is determined not to conform to applicable Federal mobile home safety standards, or contains a defect which relates to mobile home safety, after the sale of such mobile home by a manufacturer or a distributor to a distributor or a dealer and prior to the sale of such mobile home by such distributor or dealer—

(1) the manufacturer or distributor, as the case may be, shall immediately repurchase such mobile home from such distributor or dealer at the price paid by such distributor or dealer, plus all transportation charges involved and a reasonable reimbursement of not less than 1 per centum per month of such price paid prorated from the date of receipt by certified mail of notice of such nonconformance to the date of repurchase by the manufacturer or distributor; or

(2) the manufacturer or distributor, as the case may be, at his own expense, shall immediately furnish the purchasing distributor or dealer the required conforming part or parts or equipment for installation by the distributor or dealer on or in such mobile home, and for the installation involved the manufacturer shall reimburse such distributor or dealer for the reasonable value of such installation plus a reasonable reimbursement of not less than 1 per centum per month of the manufacturer's or distributor's selling price prorated from the date of receipt by certified mail of notice of such nonconformance to the date such vehicle is brought into conformance with applicable Federal standards, so long as the distributor or dealer proceeds with reasonable diligence with the installation after the required part or equipment is received.

(b) In the event that any manufacturer or distributor refuses to comply with the requirements of paragraphs (1) and (2) of subsection (a), then the distributor or dealer, as the case may be, to whom such nonconforming mobile home has been sold may bring suit against such manufacturer or distributor in any district court of the United States in the district in which such manufacturer or distributor resides, or is found, or has an agent, without respect to the amount in controversy, and shall recover the damage by him sustained, as well as all court costs plus reasonable attorneys' fees. Any action brought pursuant to this section shall be forever barred unless commenced within three years after the cause of action shall have accrued.

(c) The value of such installations and such reasonable reimbursements as specified in subsection (a) of this section shall be fixed by mutual agreement of the parties, or failing such agreement, by the court pursuant to the provisions of subsection (b) of this section.

INSPECTION OF MOBILE HOMES AND RECORDS

SEC. 112. (a) The Secretary is authorized to conduct such inspection and investigation as may be necessary to enforce Federal mobile home safety standards established under this title. He shall furnish the Attorney General and, when appropriate, the Secretary of the Treasury any information obtained indicating noncompliance with such standards, for appropriate action.

(b) For purposes of enforcement of this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized—

(1) to enter, at reasonable times, any factory, warehouse, or establishment in which mobile homes are manufactured, or held for introduction into interstate commerce or are held for sale after such introduction; and

(2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, or establishment.

Each such inspection shall be commenced and completed with reasonable promptness.

(c) Every manufacturer, distributor, and dealer of mobile homes shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require to enable him to determine whether such manufacturer, distributor, or dealer has acted or is acting in compliance with this title and mobile home safety standads prescribed pursuant to this title and shall, upon request of an officer or employee duly designated by the Secretary, permit such officer or employee to inspect appropriate books, papers, records, and documents relevant to determining whether such manufacturer, distributor, or dealer has acted or is acting in compliance with this title and mobile home safety standards prescribed pursuant to this title.

(d) Every manufacturer of mobile homes shall provide to the Secretary such performance data and other technical data related to performance and safety as may be required to carry out the purposes of this Act. The Secretary is authorized to require the manufacturer to give such notification of such performance and technical data that the Secretary determines necessary to carry out the purposes of this Act, to—

(1) each prospective purchaser of a mobile home before its first sale for purposes other than resale at each location where any such manufacturer's mobile homes are offered for sale by a person with whom such manu-

facturer has a contractual, proprietary, or other legal relationship in a manner determined by the Secretary to be appropriate, which may include, but is not limited to, printed matter (A) available for retention by such prospective purchaser and (B) sent by mail to such prospective purchaser upon his request; and

(2) the first person who purchases a mobile home for purposes other than resale, at the time of such purchase, or in printed matter placed in the mobile home.

(e) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (b) or (c) which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control, from the duly authorized committees of the Congress.

NOTIFICATION OF DEFECTS

SEC. 113. (a) Every manufacturer of mobile homes shall furnish notification of any defect in any mobile home produced by such manufacturer which he determines, in good faith, relates to mobile home safety, to the purchaser of such mobile home, within a reasonable time after such manufacturer has discovered such defect.

(b) The notification required by subsection (a) shall be accomplished—

(1) by certified mail to the first purchaser (not including any dealer of such manufacturer) of the mobile home containing such a defect, and to any subsequent purchaser to whom has been transferred any warranty on such mobile home; and

(2) by certified mail or other more expeditious means to the dealer or dealers of such manufacturer to whom such mobile home was delivered.

(c) The notification required by subsection (a) shall contain a clear description of such defect, an evaluation of the risk to mobile home safety reasonably related to such defect, and a statement of the measures to be taken to repair such defect.

(d) Every manufacturer of mobile homes, shall furnish to the Secretary a true or representative copy of all notices, bulletins, and other communications to the dealers of such manufacturer or purchasers of mobile homes of such manufacturer regarding any defect in such mobile home sold or serviced by such dealer. The Secretary shall disclose so much of the information contained in such notice or other information obtained under section 112(a) to the public as he deems will assist in carrying out the purposes of this title, but he shall not disclose any information which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, unless he determines that it is necessary to carry out the purposes of this Act.

(e) If through testing, inspection, investigation, or research carried out pursuant to this title, or examination of reports pursuant to subsection (d) of this section, or otherwise, the Secretary determines that any mobile home—

(1) does not comply with an applicable Federal mobile home safety standard prescribed pursuant to section 103; or

(2) contains a defect which relates to mobile home safety;

then he shall immediately notify the manufacturer of such mobile home of such defect or failure to comply. The notice shall contain the findings of the Secretary and shall include all information upon which the findings are based. The Secretary shall afford such manufacturer an opportunity to present his views and evidence in support thereof, to establish that there is no failure of compliance or that the alleged defect does not affect mobile home safety. If after such presentation by the manufacturer the Secretary determines that such mobile home does not comply with applicable Federal safety standards, or contain a defect which relates to mobile home safety, the Secretary shall direct the manufacturer to furnish the notification specified in subsection (c) of this section to the purchaser of such mobile home as provided in subsections (a) and (b) of this section.

(f) Every manufacturer of mobile homes shall maintain a record of the name and address of the first purchaser, other than a dealer or distributor, of each mobile home produced by that manufacturer. The Secretary may establish, by order, procedures to be followed by manufacturers in establishing and maintaining such records, including procedures to be followed by distributors and dealers to assist manufacturers to secure the information required by this subsection which will not affect the obligation of manufacturers under this subsection. Such procedures shall be reasonable for the particular type of mobile home for which they are prescribed.

CERTIFICATION OF CONFORMITY WITH SAFETY STANDARDS

SEC. 114. Every manufacturer or distributor of a mobile home shall furnish to the distributor or dealer at the time of delivery of each such mobile home by such manufacturer, the certification that each such mobile home conforms to all applicable Federal safety standards. Such certification shall be in the form of a label or tag permanently affixed to each such mobile home.

NATIONAL MOBILE HOME SAFETY BUREAU

SEC. 115. The Secretary shall carry out the provisions of this title through a National Mobile Home Safety Bureau (hereinafter referred to as the "Bureau"), which he shall establish in the Department of Housing and Urban Development. The Bureau shall be headed by an Assistant Secretary who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Secretary shall be a citizen of the United States, and shall be appointed with due regard for his fitness to discharge efficiently the powers and the duties delegated to him pursuant to this title. The Assistant Secretary shall perform such duties as are delegated to him by the Secretary.

EFFECT UPON ANTITRUST LAWS

SEC. 116. Nothing contained in this title shall be deemed to exempt from the antitrust laws of the United States any conduct that would otherwise be unlawful under such laws, or to prohibit under the antitrust laws of the United States any conduct that would be lawful under such laws.

USE OF RESEARCH AND TESTING FACILITIES OF PUBLIC AGENCIES

SEC. 117. The Secretary, in exercising the authority under this title, shall utilize the services, research and testing facilities of public agencies to the maximum extent practicable in order to avoid duplication.

RULES AND REGULATIONS

SEC. 118. The Secretary is authorized to issue, amend, and revoke such rules and regulations as he deems necessary to carry out this title.

ANNUAL REPORT TO CONGRESS

SEC. 119. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on March 1 of each year a comprehensive report on the administration of this title for the preceding calendar year. Such report shall include but not be restricted to (1) a thorough statistical compilation of the accidents and injuries occurring in such year; (2) a list of Federal mobile home safey standards prescribed or in effect in such year; (3) the degree of observance of applicable Federal mobile home standards; (4) a summary of all current research grants and contracts together with a description of the problems to be considered by such grants and contracts; (5) an analysis and evaluation, including relevant policy recommendations, of research activities completed and technological progress achieved during such year; (6) a statement of enforcement actions including judicial decisions, settlement, or pending litigation during such year; (7) the extent to which technical information was disseminated to the scientific community and consumer-oriented information was made available to mobile home owners; and (8) a list of all State plans in effect pursuant to section 120 and an evaluation of each such plan.

(b) The report required by subsection (a) of this section shall contain such recommendations for additional legislation as the Secretary deems necessary to promote cooperation among the several States in the improvement of mobile home safety and to strengthen the national mobile home program.

STATE PLANS

SEC. 120. (a) Nothing in this title shall prevent any State agency or court from asserting jurisdiction under State law over any mobile home safety issue with respect to which, no standard has been established pursuant to the provisions of section 103.

(b) Any State which, at any time, desires to assume responsibility for development and enforcement of mobile home safety standards relating to any safety issue with respect to which a Federal standard has been established under section 103, shall submit to the Secretary a State plan for the development of such standards and their enforcement.

(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, if such plan in his judgment—

(1) designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State;

(2) provides for the development and enforcement of mobile home safety standards which are identical to the standards promulgated under section 103;

(3) provides for a right of entry and inspection of all factories, warehouses, or establishments in such State in which mobile homes are manufactured, and which is at least as effective as that provided in section 112;

(4) contains satisfactory assurances that such agency has or will have the legal authority and qualified personnel necessary for the enforcement of such standards;

(5) give satisfactory assurances that such State will devote adequate funds to the Administration and enforcement of such standards;

(6) requires manufacturers, distributors, and dealers in such State to make reports to the Secretary in the same manner and to the same extent as if the State plan were not in effect; and

(7) provides that the State agency will make such reports to the Secretary in such form and containing such information, as the Secretary shall from time to time require.

(d) If the Secretary rejects a plan submitted under subsection (b), he shall afford the State submitting the plan due notice and opportunity for a hearing before so doing.

(e) After the Secretary approves a State plan submitted under subsection (b), he may, but shall not be required to, exercise his authority under sections 106, 108, 109, 112, and 113 with respect to enforcement of standards established under section 103 for the period specified in the next sentence. The

Secretary may exercise the authority referred to above until he determines, on the basis of actual operations under the State plan, that the criteria set forth in subsection (c) are being applied, but he shall not make such determination for at least three years after the plan's approval under subsection (c). Upon making the determination referred to in the preceding sentence, the provisions of sections 108, 109, 111, 112, and 113, and standards promulgated under section 103 of this title, shall not apply with respect to any mobile home safety issues covered under the plan, but the Secretary may retain jurisdiction under the above provisions in any proceeding commenced under section 108 or 109 before the date of determination.

(f) The Secretary shall, on the basis of reports submitted by the State agency and his own inspections, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan, he shall notify the State agency of his withdrawal of approval of such plan. Upon receipt of such notice by such State agency such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce mobile home standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan.

(g) Each State may obtain a review of each decision of the Secretary withdrawing approval of or rejecting its plan by filing in the United States court of appeals for the circuit in which such State is located within thirty days following receipt of notice of such decision, a petition to modify or set aside in whole or in part the action of the Secretary. A copy of such petition shall forthwith be served upon the Secretary, and thereupon the Secretary shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Unless the court finds that the Secretary's decision in rejecting a proposed State plan or withdrawing his approval of such a plan is not supported by substantial evidence the court shall affirm the Secretary's decision. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

GRANTS TO THE STATES

SEC. 121. (a) The Secretary is authorized to make grants to the States which have designated a State agency under section 120 to assist them—

(1) in identifying their needs and responsibilities in the area of mobile home safety standards; or

(2) in developing State plans under section 120.

(b) The Governor of each such State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(c) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary. The Secretary shall review and either accept or reject such application.

(d) The Federal share for each State grant under subsection (a) of this section may not exceed 90 per centum of the total cost of the application. In the event the Federal share for all States under such subsection is not the same, the differences among the States shall be established on the basis of objective criteria.

(c) The Secretary is authorized to make grants to the States to assist them in administering and enforcing programs for mobile home safety contained in State plans approved by the Secretary pursuant to section 120 of this title. The Federal share for each State grant under this subsection may not exceed 50 per centum of the total cost to the State of such program. The last sentence of subsection (d) shall be applicable in determining the Federal share under this subsection.

AUTHORIZATION OF APPROPRIATIONS

SEC. 122. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

EFFECTIVE DATE

SEC. 123. The provisions of this title shall take effect upon the expiration of the one hundred eighty-day period which begins on the date of the enactment of this Act.

TITLE II—CHANGES IN EXISTING LAW

HOME OWNERS' LOAN ACT OF 1933

SEC. 201. The third paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by striking out clause (B) and inserting in lieu thereof the following:

"(B) any loan made for the purchase of a mobile home which meets or exceeds the mobile home safety standards established under the National Mobile Home Safety Standards Act of 1973."

NATIONAL HOUSING ACT

SEC. 202. The last sentence of the second paragraph of section 2(a) of the National Housing Act (12 U.S.C. 1703 (a)) is amended by—

(1) striking out "the livability and durability of the mobile home and' in clause (i);

(2) striking out "and" after the semicolon at the end of clause (i); and

(3) striking out the period at the end of clause (ii) and adding in lieu thereof "; and (iii) require that the mobile home meets or exceeds the mobile home safety standards established under the National Mobile Home Safety Standards Act of 1973."

TITLE 38, UNITED STATES CODE

SEC. 203. Section 1819 of title 38, United States Code, is amended by—

(1) striking out subsection (i) and inserting in lieu thereof the following:

"(i) No loan for the purchase of a mobile home shall be guaranteed under this section unless—

"(1) the mobile home meets or exceeds the mobile home safety standards established under the National Mobile Home Safety Standards Act of 1973; and

"(2) the lot, if any, meets or exceeds standards prescribed by the Administrator for the planning, maintenance, and development of mobile home sites which are attractive residential areas and which are free from, and do not substantially contribute to, adverse scenic or environmental conditions.

For the purpose of assuring compliance with such mobile home safety standards, the Administrator shall from time to time inspect the manufacturing process of mobile homes to be sold to veterans and conduct random onsite inspections of mobile homes purchased with assistance under this chapter."; and

(2) striking out "standards prescribed by the Administrator" in clause (1) of subsection (j) and inserting in lieu thereof "safety standards required".

EFFECTIVE DATE

SEC. 204. The provisions of this title shall apply with respect to any loan application filed, pursuant to the provisions of the Home Owners' Loan Act of 1933, the National Housing Act, or section 1819 of title 38, United States Code, as the case may be, after the effective date of title I of this Act.

By Mr. MAGNUSON (by request):

S. 1351. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes and ask unanimous consent that the section-by-section analysis and the letter of transmittal be printed in the RECORD with the text of the bill.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., February 6, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to "amend the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes."

It would be appreciated if you would lay this proposal before the Senate and if it would be referred to the appropriate Committee for consideration. A similar proposal has been submitted to the Speaker of the House of Representatives. We respectfully urge that it be enacted at an early date.

The proposed legislation would provide the amendments to the Marine Protection, Research, and Sanctuaries Act of 1972 which are required to enable that Act to implement fully the Convention on the Prevention of Marine Pollution By Dumping of Wastes and Other Matter.

Because of the great similarity of the Convention and the Act, the amendments required to the Act are minor. Most of the amendments deal with the addition of one further jurisdictional basis is to those found in the Act. The Act applies to (1) transportation of material from the United States for the purpose of dumping, (2) dumping of material transported from outside the United States in our territorial sea or into our contiguous zone where the dumping affects our territory or territorial sea, and (3) transportation of material for the purpose of dumping by any officer, employee, agent, department, agency, or instrumentality of the United States from any location outside the United States. The Convention adds a fourth ground of application, i.e., transportation of material for the purpose of dumping if such transportation is (1) by a vessel or aircraft registered in the United States or flying the United States flag, and (2) from the territory of any foreign State not a Contracting Party to the Convention. Thus, the added jurisdictional basis involves U.S. control over the vessels of its own flag or registry, and in particular control through permits when the port State is not Party to the Convention and required under it to regulate the transportation from its port of material intended for dumping.

The Convention also differs from the domestic legislation in that its annexes specify certain substances which are to be banned from ocean dumping except in extraordinary circumstances, and substances which are to require special permits for dumping. The Act provides authority in subsection 104(d) for the Administrator to set bans by administrative regulations, aside from radiological, chemical, or biological warfare agents, or high-level radioactive wastes which are covered by the Act. Also, all permits issued under the Act will be "special permits" within the meaning of the Convention, except for those "general permits" issued pursuant to subsection 104(c). Subsection 102(d) provides for a special statutory general permit for fish wastes. Thus, the existing legislation provides the necessary authority to issue administrative regulations to carry out the Convention annexes. We accept and support this statutory approach in view of the fact that the annexes are likely to change rapidly as new information on the pollution effects of substances is developed and becomes available to the Convention Parties.

The Office of Management and Budget has advised that enactment of this proposed legislation is consistent with the Administration's objectives.

Sincerely,

MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill would amend section 3 of the Marine Protection, Research, and Sanctuaries Act of 1972, which sets out definitions. The definition of material would extend the Act's coverage to include oil taken on board a vessel or aircraft for the purpose of dumping. The Convention applies to such oil (Annex I (5)) while it excludes oil pollution from the normal operation of ships (Art. III(1)(b)). As to pollution from ship operation, the Convention contains a pledge by the Parties to promote other oil pollution protection measures in for such as that provided by the Inter-Governmental Maritime Consultative Organization (IMCO) (Art. XII(a)).

Section 2 of the bill would amend section 101 of the Marine Protection, Research, and Sanctuaries Act of 1972 to add new subsections (d) and (e). The new subsection (d) would partially implement Articles VI (2) (b) and VII (1)(a) of the Convention on the Prevention of Marine Pollution By Dumping of Wastes and Other Matter. Article VI (2)(b) provides that a Contracting Party to the Convention shall exercise permit control over matter intended for dumping "loaded by a vessel or aircraft registered in its territory or flying its flag, when the loading occurs in the territory of a State not party to this Convention." The new subsection 101(d) would enforce the permit requirement by prohibiting the loading of material by a vessel or aircraft registered in the United States or flying the United States flag where the purpose of the loading was for ultimate dumping and where the material was loaded in the territory of any foreign State not a Contracting Party to the Convention.

The new subsection 101(e) would round out the requirement that a Party to the Convention exercise control over vessels or aircraft of its flag or registry (Art. VII(a)(1)). The subsection would prohibit any transportation of material for the purpose of dumping by a vessel or aircraft registered in the United States or flying its flag when the material is loaded in a State Party to the Convention, except pursuant to a permit issued by the State of loading. In such a situation the United States could not issue a permit to a U.S. vessel or aircraft, thus avoiding any possibility of conflicting permit requirements and ensuring that all Party States have clearly defined responsibilities.

Section 3(a) of the bill would amend subsection 102(a) to actually provide authority for the Administrator to grant the permits contemplated by Article VI(2)(b) of the Convention. Section 3(b) of the bill would amend section 103(a) of the Act to authorize the Secretary of the Army to grant similar permits for dredged material.

Article VI(2)(b) of the Convention was inserted to provide control over the vessels of a Contracting Party that might hold themselves out as "dumping ships" for wastes generated in States which are not Contracting Parties to the Convention. The dumping of such wastes would otherwise be outside the coverage of the Convention. The Marine Protection, Research, and Sanctuaries Act of 1972 had not taken into account such a control measure because there were no known instances of U.S. flag vessels engaged in the practice of transporting wastes for dumping purposes other than from U.S. territory. In the unlikely event that any U.S. ships might wish to transport wastes from Non-Party States to the Convention, the addition of the added jurisdiction over U.S. flag vessels would modestly increase the administrative burdens involved in implementing the Act.

Section 4 of the bill makes the only other change involved in implementation. It modifies existing section 109 of the Act to recognize the existence of the Convention and to clearly reflect the interest of the United States in seeing that all parties to the Convention carry out their obligations under it.

S. 1351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

(a) Subsection 3(c) of the Marine Protection, Research, and Sanctuaries Act of 1972 is amended to read as follows:

"(c) 'Material' means matter of any kind or description including, but not limited to, dredged material, solid waste, incinerator residue, garbage, sewage, sludge, munitions, radiological, chemical, and biological warfare agents, radioactive materials, chemicals, biological and laboratory waste, wreck or discarded equipment, rock, sand, excavation debris, and industrial, municipal, agricultural, and other waste; but such term does not mean sewage from vessels within the meaning of section 312 of the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1322). Oil within the meaning of section 311 of the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1321), shall be included only insofar as such oil is taken on board a vessel or aircraft for the purpose of dumping."

(b) Section 3 of such Act is amended to add a new subsection (*l*) to read as follows:

"(*l*) 'Convention' shall mean the Convention on the Prevention of Marine Pollution By Dumping of Wastes and Other Matter."

SEC. 2. Section 101 of the Marine Protection, Research, and Sanctuaries Act of 1972 is amended to add new subsections (d) and (e) to read as follows:

"(d) No person shall load any radiological, chemical, or biological warfare agent or any high-level radioactive waste, or except as may be authorized in a permit issued under this title, any other material for the purpose of transporting it for dumping into ocean waters, if such loading (1) is by a vessel or aircraft registered in the United States or flying the United States flag and (2) occurs in the territory of any foreign State not a Contracting Party to the Convention. Any permit issued for such loading shall be subject to regulations issued under section 108 hereof by the Secretary of the Department in which the Coast Guard is operating.

"(e) No person shall transport any material by a vessel or aircraft registered in the United States or flying the United States flag for the purpose of dumping such material in ocean waters when the loading of the material occurs in the territory of a foreign State Party to the Convention, except pursuant to a permit issued by the foreign State in which the material was loaded.

SEC. 3. (a) The first sentence of subsection 102(a) of the Marine Protection, Research, and Sanctuaries Act of 1972 is amended to read as follows:

"Except in relation to dredged material, as provided for in section 103 of this title, and in relation to radiological, chemical, and biological warfare agents and high-level radioactive waste, as provided for in section 101 of this title, the Administrator may issue permits, after notice and opportunity for public hearings—

(1) for the transportation from the United States of material for the purpose of dumping it in ocean waters, or (2) in the case of an agency or instrumentality of the United States, for the transportation from a location outside the United States of material for the purpose of dumping it in ocean waters, or (3) for the loading by a vessel or aircraft registered in the United States or flying the United States flag, in the territory of any foreign State not a Contracting Party to the Convention, of material for the purpose of transporting it for dumping it in ocean waters, or (4) for the dumping of material into the waters described in section 101(b)— where the Administrator determines that such dumping will not unreasonably degrade or endanger human health, welfare, or amenities, or the marine ennvironment, ecological systems, or economic potentialities."

(b) Subsection 103(a) of the Act is amended to delete "for the transportation of dredged material for the purpose of dumping it in ocean waters" and to insert in its stead the following: "for the transportation, loading, and dumping of dredged material, in the instances set out in paragraphs (1) through (4) of subsection 102(a),".

SEC. 4. Section 109 of the Marine Protection, Research, and Sanctuaries Act of 1972 is amended to read as follows:

"SEC. 109. (a) The provisions of this Act shall be construed in a manner which is consistent with the provisions of the Convention, or any amendments thereto which, as interpreted by the United States, are binding upon the United States.

"(b) It is the policy of the Congress that the President shall undertake to seek effective international action and cooperation to ensure that all Parties to the Convention shall carry out their requirements and obligations under the Convention and may formulate, present, or support specific proposals in the forum provided by the international organization charged with providing administrative, scientific, and technical services to the Parties to the Convention."

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 1352. A bill to require load lines on United States vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to require load lines on U.S. vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes, and ask unanimous consent that the letter of transmittal be printed in the RECORD with the text of the bill.

There being no objection, the letter and bill were ordered to be printed in the RECORD, as follows:

S. 1352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the International Voyage Load Line Act of 1973.

SEC. 2. The Secretary of the department in which the Coast Guard is operating (hereinafter referred to as "Secretary") shall enforce the provisions of this Act and prescribe regulations to carry out its provisions. With the consent of the Secretary of the Treasury, the Secretary may utilize officers of the Bureau of Customs to enforce this Act and the regulations established hereunder.

SEC. 3. Definitions.

As used in this Act—

(1) "new ship" means a vessel the keel of which is laid (or which is at a similar stage of construction) on or after July 21, 1968; and

(2) "existing ship" means a vessel which is not a "new ship".

SEC. 4. Applicability.

(a) This Act applies to vessels which—

(1) arrive at any port or place within the jurisdiction of the United States from foreign ports;

(2) make voyages between foreign ports (except foreign vessels engaged in such voyages); or

(3) depart from any port or place within the jurisdiction of the United States for a foreign port.

(b) This Act does not apply to—

(1) ships of war;

(2) pleasure craft not used in trade or commerce;

(3) fishing vessels;

(4) existing ships of less than one hundred fifty gross tons;

(5) new ships of less than seventy-nine feet in length;

(6) vessels which navigate exclusively on the Great Lakes; or

(7) vessels operating on sheltered waters between ports of the United States and neighboring countries as provided in any treaty of the United States.

(c) A vessel which voluntarily obtains load lines shall be treated as a vessel subject to this Act until its load line certificate is surrendered and its load line marks removed.

(d) This Act does not abrogate any provisions of treaties or conventions in effect, which are not in conflict with the International Convention on Load Lines 1966, and to which the United States has acceded.

SEC. 5. Determination of load lines; issuance of certificate; prohibition.

(a) The Secretary shall prescribe load lines, the marking thereof, and associated condition surveys for vessels subject to this Act to indicate the minimum freeboard to which each may be safely loaded, giving due consideration to, and making differentials for the service, type, and character of each vessel, and in conformance with applicable international treaties or conventions to which the United States has acceded.

(b) Load lines shall be permanently and conspicuously marked and maintained in the manner prescribed by the Secretary. Upon completion of survey requirements and a finding that the load line is positioned and marked in the manner prescribed, the Secretary shall issue a load line certificate, to the master or owner of the vessel, which shall be carried on board the vessel.

A load line shall not be established or marked which, in the judgment of the Secretary, authorizes less than the minimum safe freeboard. At the request of the owner a load line may be established or marked to indicate a greater freeboard than that which the Secretary determines is the minimum safe freeboard; any such load line shall be the prescribed load line for purposes of section 9.

SEC. 6. Appointment of surveyors; revocation.

(a) The Secretary shall appoint the American Bureau of Shipping, or such other U.S. non-profit corporations or associations for the survey or registry of shipping which he approves, to determine that a vessel's condition is satisfactory and whether its load line is positioned and marked in the manner prescribed by the Secretary and thereupon to issue a load line certificate.

(b) The Secretary may appoint for the purpose of this section:

(1) any officer of the United States, or

(2) at the request of a shipowner, any other corporation or association for the survey or registry of shipping which he approves.

(c) The Secretary may revoke an appointment under this section at any time.

SEC. 7. Exemptions.

When a vessel subject to this Act is shown to be entitled to an exemption from the provisions of this Act by an international agreement to which the United States has acceded, a certificate of exemption shall be issued to the vessel, and carried in lieu of the certificate required by section 5 of this Act.

SEC. 8. Recognition; non-applicability.

(a) When it is found that the law and regulations in force in a foreign country relating to load lines are equally effective as this Act and the regulations hereunder, or when a foreign country has acceded to an international load line agreement to which the United States has acceded, the markings and certificate thereof of a vessel of the country shall be accepted as complying with the provisions of this Act and regulations hereunder. The control of such vessels shall be as provided in the applicable international agreement.

(b) Subsection (a) does not apply to vessels of foreign nations which do not similarly recognize the load lines prescribed under this Act.

SEC. 9. Loading restrictions; recordation.

(a) No vessel subject to this Act may be so loaded as to submerge the prescribed load line, or to submerge the point where an appropriate load line under the Act and the prescribed regulations should be marked.

(b) The master of a vessel subject to this Act shall, after loading but before departing for a voyage by sea from any port or place in which this Act applies, record in the official log book or other permanent record of the vessel a statement of the relative position of the prescribed load line mark applicable at the time in question with respect to the water surface, and of the actual drafts of the vessel, forward and aft, at the time, as nearly as they may be ascertained.

SEC. 10. Detention of vessels.

(a) When the Secretary has reason to believe that a vessel is about to leave a port in the United States or its possessions in violation of this Act or the regulations hereunder, the Secretary may, upon notifying the master or officer in charge of the vessel, order the vessel detained.

(b) Clearance required by section 4197 of the Revised Statutes, as amended (46 U.S.C. 91), shall be refused or withdrawn from any vessel so detained until correction of deficiencies.

(c) The master or officer in charge of a vessel may petition the Secretary, in a manner prescribed by regulation, to review the detention order.

(d) Upon receipt of a petition, the Secretary may withdraw the detention order, modify it, or require independent surveys as may be necessary to determine the extent of deficiencies. Upon completion of his review, including results of any required independent surveys he shall affirm, set aside, or modify the detention order.

(e) The owner of a vessel is liable for any costs incident to a petition for review and any independent surveys if the vessel is found to be in violation of this Act or the regulations hereunder.

SEC. 11. Penalties for violations.

(a) Except as otherwise provided in this section, the owner and the master of a vessel found in violation of this Act or the regulations thereunder, are each liable to a civil penalty of not more than $1,000 for each day the vessel is in violation.

(b) Each person, if the owner, manager, agent, or master of a vessel who knowingly allows, causes, attempts to cause, or fails to take reasonable care to prevent the violation of subsection 9(a) of this Act or the regulations thereunder, is liable to a civil penalty of not more than $1,000 plus an additional amount of not more than $500 per inch of unlawful submergence.

(c) For any violation of subsection (b) of section 9 of this Act or the regulations thereunder, the master of the vessel is liable to a civil penalty of not more than $500.

(d) Any person who knowingly causes or permits the departure of a vessel from any port or place within the jurisdiction of the United States or its possessions in violation of a detention order pursuant to section 10 of this Act, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

(e) Any person who causes or allows the concealment, removal, alteration, defacement, or obliteration of any mark placed on a vessel pursuant to section 5 of this Act and the regulations thereunder, except in the event of a lawful change or to escape enemy capture in time of war, shall be fined not more than $2,000 or imprisoned not more than two years or both.

(f) For any penalty under this section the vessel is also liable.

(g) The Secretary may assess and collect any civil penalty incurred under this Act and, in his discretion, remit, mitigate, or compromise any penalty prior to referral to the Attorney General.

SEC. 12. Act, March 2, 1929, C. 508, 45 Stat. 1493; Act, May 26, 1939, C. 151, 53 Stat. 783; and section 1 of Act, August 31, 1962, P.L. 87-620, 76 Stat. 415, are hereby repealed.

SECRETARY OF TRANSPORTATION,
Washington, D.C., February 9, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill,

"To require load lines on United States vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes."

The draft bill is submitted to implement the provisions of the International Convention on Load Lines 1966, which the United States has accepted and which came into force on July 21, 1968. The Convention recognizes developments in the maritime industry since the drafting of the International Convention respecting Load Lines 1930, and the new regulations annexed to the 1966 Convention reflect these changes. The enclosed draft bill would provide for the implementation of these changes in the United States and to this end would replace existing authority commonly referred to as the "Foreign Load Lines Act," which would be repealed.

This proposed legislation was introduced in the 92nd Congress at the request of this Department as S. 1696. Based upon comments received in the course of continuing review of the proposal, we recommended minor changes in the legislation by letter report of August 3, 1972 to the Chairman of the Committee on Commerce. The draft proposal transmitted herewith reflects those subsequent recommended changes.

The existing law which requires load lines on certain vessels of 150 gross tons or more, would be supplanted for new vessels, by load line requirements based on a vessel's length. This is the major substantive change in the bill. The proposal follows the 1966 Convention in setting forth the vessels to which the load line requirements are applicable and in enumerating vessels excepted. With the exception of a new section dealing with certificates of exemption as provided for in the Convention, the remaining provisions of the draft bill parallel existing sections 2 through 8 of the Act of March 2, 1929, which were generally in need of editorial revision.

The draft bill would authorize the Secretary of the department in which the Coast Guard is operating to prescribe regulations for determining load lines. He would also be responsible for enforcing the provisions of the Act, and to this end use of the officers of the Bureau of the Customs with the consent of the Secretary of the Treasury, is provided for. Provision is also made for the determination of the position and manner of marking of load lines by the American Bureau of Shipping or other United States non-profit making organizations for the survey or registry of shipping and for the recognition of load line certificates issued by other nations which extend reciprocity to U.S. load line certificates.

Other provisions of the draft bill make it unlawful for a vessel to be so loaded as to exceed the maximum safe draft provided under the regulations and permit the detention of a vessel about to depart in an overloaded condition. The master of a vessel subject to the Act is required to record the ship's draft and position of the load line mark prior to the departure of a vessel from any port or place to which this Act applies.

Civil penalties are provided for violation of the Act or any regulations issued thereunder. The Act would also make it a crime to knowingly permit a vessel to depart from any port in violation of a detention order and to cause or allow the alteration of prescribed load line marks.

In the preamble to the 1966 Convention, the contracting governments state their intention "to establish uniform principles and rules with respect to the limits to which ships on international voyages may be loaded having regard to the need for safeguarding life and property at sea." The proposal being submitted therefore, does not apply to vessels which engage in coastwise trade, or which navigate exclusively on the Great Lakes, and existing authority requiring load lines on vessels engaged in these trades would not be affected.

The enactment of this proposed bill would not impose any additional budgetary requirement upon this Department.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

Claude S. Brinegar.

By Mr. MAGNUSON (by request):

S. 1353. A bill to deduct from gross tonnage in determining net tonnage those spaces on board vessels used for waste materials. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to deduct from gross tonnage in determining net tonnage those spaces on board vessels used for waste materials, and ask unanimous consent that the letter of transmittal be printed in the Record with the text of the bill.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

The Secretary of Transportation,
Washington, D.C., February 27, 1973.

Hon. Spiro T. Agnew,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a proposed bill, "To deduct from gross tonnage in determining net tonnage those spaces on board vessels used for waste materials."

The proposed bill would amend Section 77 of Title 46, United States Code, to permit the deduction from gross tonnage of a vessel, in determining net tonnage, of certain spaces used for carriage of slop oil mixture or other waste materials, including sewage, and machinery used exclusively to separate, clarify or purify slop oil mixtures or sewage.

In May and June of 1967, certain amendments to the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, came into effect. These amendments greatly increased the number of areas and zones in which the discharge of oil and oily mixture is prohibited. Thus, shipowners now find it necessary to retain slop oil on board vessels in spaces which would otherwise be available for the carriage of cargo. In similar vein, recent and anticipated antipollution statutes and regulations indicate a growing trend toward vessel holding tanks for the retention of sewage and other liquid wastes. The provisions of the proposed bill would afford an additional incentive for, and encourage cooperative efforts on the part of, shipowners and operators in behalf of the program for prevention of pollution of the seas, by omitting from the taxable net tonnage spaces which would not be revenue producing because they would be reserved for the carriage of slop oil and other waste materials.

A similar bill, H.R. 11533, but not including the sewage aspect, was introduced in the 89*th* Congress, First Session. It was subsequently decided, however, that since the entire problem of tonnage measurement was under consideration by the Intergovernmental Maritime Consultative Organization (IMCO) on an internattional basis, the proposal in H.R. 11533 should not be dealt with on a unilateral basis by the United States but should be referred to IMCO for consideration and action.

The United States presented a proposal containing the provisions of H.R. 11533 to IMCO in September 1966. This proposal was approved by the IMCO Subcommittees on Tonnage Measurement and Oil Pollution and the Maritime Safety Committee, and finally by the IMCO Assembly at its Fifth Session in October 1967. Accordingly, it was determined appropriate to proceed with domestic legislation and this Department proposed it in the 91*st* Congress (H.R. 6970 and S. 1239) and in the 92*nd* Congress (S. 3989). The proposals were not the subject of Congressional action in either instance. The current proposal is similar to that introduced in the 92*nd* Congress, S. 3989 in that it includes sewage or other waste materials spaces as within the admeasurement deduction, and provides for consultation with the Administrator of the Environmental Protection Agency in the issuance of regulations.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

Claude S. Brinegar.

S. 1353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4153 of the Revised Statutes (46 U.S.C. 77) is amended by inserting following subsection (d) the following new paragraph:

"(e) Space occupied by machinery used exclusively to separate, clarify, or purify a ship's own slop oil mixture or tank-cleaning residue or other waste materials, including sewage, and space occupied by any tank or tanks used exclusively for the carriage of such slop oil mixture, tank-cleaning residue or other waste materials, but not to exceed a maximum space deduction established by regulations hereunder. The Secretary of the Department in which the Coast Guard is operating, in consultation with the Administrator of the Environmental Protection Agency, shall issue regulations to define the slop oil mixtures, cleaning residue, and waste materials, establish the maximum deductions which may be made, define the manner in which the spaces shall be used and marked, and as necessary otherwise to carry out the provisions of this subsection."

Sec. 2. Section 4153 of the Revised Statutes (46 U.S.C. 77) is further amended by redesignating existing subsections (e) through (i) as (f) through (j).

By Mr. PELL:

S. 1354. A bill to establish a Regional Railroad Rights-of-Way Authority. Referred to the Committee on Commerce.

Mr. PELL. Mr. President, I introduce today for appropriate reference a bill designed to afford a solution to the problems faced by bankrupt railroads. The bill is similar to one which I introduced last year on September 21 during the second session of the 92d Congress and on which action was not taken; but I believe it has a special timeliness today because of the crisis confronting the Penn Central Railroad, its employees and the public—a crisis which we in the Congress legislated to ease on February 8.

However, that crisis remains very much with us. It affects our Nation's largest rail system. It affects nearly 30,000 workers. It involves essential freight services—and the crisis involves essential passenger service within the Northeast Corridor, with which I have been long concerned.

Mr. President, there are a number of proposals now before the Senate to improve service in both passenger and freight areas. I was privileged to cosponsor on February 5 Senator Hartke's excellent bill to provide high-speed rail passenger service between Boston, New York, and Washington by 1976.

I was also very pleased to cosponsor Senator Hartke's comprehensive bill, S. 1031, introduced on February 27. Among its farsighted provisions, this bill calls for the creation of a not-for-profit corporation to acquire and maintain rail lines in the northeast. The proposal I am offering today relates to this concept and to my continuing concern and belief that all possible avenues should be explored, as we seek to resuscitate and improve our railroads, especially in the northeast.

In this connection, may I recall a bit of past history. Early in my first term in the Senate—as the result of considerable research and study, I might add also as a result of my own personal experiences with inadequate rail passenger service—I introduced the legislative concept of creating a public authority to improve our lagging railroads in the Northeast Corridor, or megalopolis as it was named in the now classic study by the French geographer, Jean Gottman.

On June 1, 1962, I introduced Senate Joint Resolution 194. The authority I envisioned could be formed by a compact agreement among the eight States of megalopolis—Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, and Maryland, plus the District of Columbia. It would be established in a similar manner to the New York Port Authority and other authorities organized to operate public facilities, notably in transportation, with marked success. It would own, operate, and maintain railroad passenger services within megalopolis, and it would contract with existing railroad companies to operate the equipment.

This concept received considerable attention. It led to the establishment in May 1963, of the Northeast Corridor project in the Department of Commerce, to comprehensive studies, and eventually to the High-Speed Ground Transportation Act of 1965 and the inauguration of today's Metroliners and Turbotrains.

I well remember when this act was signed by President Johnson on September 30, 1965. Midway through his introductory remarks and in thanking all who had contributed to the passage of the legislation, he turned toward me, with humor in his eyes, and said:

> Particularly Senator Pell, who harassed me week after week until he got me to take some action.

I greatly appreciated this remark. It is recalled in my book, "Megalopolis Unbound," published in 1966; and although these events are now past history, I have continued to believe that some form of regional authority is needed to revive our railroad transportation system and to bring it into proper balance with other modes of transport and travel.

On November 16, 1971, with the cosponsorship of Senator PASTORE, Senator BROOKE, Senator KENNEDY, Senator CASE, Senator WILLIAMS, Senator RIBICOFF, Senator TUNNEY, Senator EAGLETON, Senator HUMPHREY, Senator MUSKIE, Senator BAYH, Senator McGOVERN, and Senator JAVITS, I introduced an amendment to the Rail Passenger Service Act of 1970 to provide up to $1 billion in loans for capital improvements in the urban corridors served by Amtrak.

At that time, I said:

> The potential for those urban corridors to not only make Amtrak a viable economic entity but also to relieve urban congestion is dramatically outlined by the fact that one railroad track can accommodate as many travelers as 20 lanes of highways.

I further pointed out that a balanced transportation system, making appropriate use of improved rail service, would have a substantial impact on reducing highway congestion and pollution.

This amendment, modified by in-Senate deliberations, did not survive in conference with the House. I mention it as an indication of my consistent concern and abiding beliefs that our railroads must be given the incentives not only to survive but to reach their full potentials of service.

Today we are confronting the grave danger that these true potentials may be seriously abridged. Unless wise action is taken, we could well confront a tragic twilight period of railroad decline in our Nation's most densely populated area, the Northeast Corridor, where railroads can be of special value.

Today we are facing a situation in which a bankrupt railroad, the Penn Central, is involved, and my bill deals with such a situation specifically.

Much has been written—indeed, there are volumes of material—on the crisis confronting the Penn Central and its national ramifications. Policies which led to the bankruptcy have been debated and criticized, but there is a root problem which is common to railroads in general.

They are not treated as are other forms of transportation. They are inflicted with the total burden of their rights-of-way and roadbeds: Tax costs, maintenance costs, the costs of improvement. When a railroad is bankrupt, the roadbeds deteriorate and abandonment of rights-of-way is considered. It is reported that the Penn Central has asked the court supervising its bankruptcy reorganization to approve an immediate abandonment of approximately 5,000 miles of tracks, tracks serving a useful purpose and, in some cases, providing the only link to communities which have long depended on rail service. This would mean a shutting down of approximately one quarter of the Penn Central's present track mileage.

Indeed, with a few notable exceptions, we have seen a general deterioration of rail service, and we have watched the development of an increasing reliance on roads, trucks and automobiles—accompanied by an alarming rise in air pollution, growing highway congestion and resistance to unrestricted highway construction.

It is all very well to say that railroads are of essential value to our Nation, and that a fully balanced system of transportation is desirable. But with each bankruptcy, each deterioration of a roadbed, each abandonment, we move a step closer to an unbalanced system. If we take a few more steps in this direction, we will, in reality, be striding toward a transportation system that is bankrupt in meeting our needs of today and the future; for deterioration feeds on itself.

The improvement, needed now and unmade, will be more costly a year hence.

It is ironic that we now have the capability of high-speed rail transportation, but because the roadbeds have been neglected, the new rail vehicles cannot reach their potential. It is like having a fine new car, but only a rutted, dirt road for it to travel on.

Mr. President, the bill I am introducing attacks these problems directly. It attacks the problem of a bankrupt railroad and the shortage of funds for proper maintainance and improvements.

I believe we want to avoid such emergency solutions as a nationalization of railroads, or of any given one. I believe we want to avoid a program of massive railroad subsidization. It is reported that the trustees of the Penn Central consider that between $600 million and $800 million in Federal funds are needed to allow the railroad to function over the next few years alone, even in an abbreviated basis with 25 percent of the current track mileage no longer in service. These costs appear huge. I believe they can be avoided.

I believe we have a far better alternative.

Stated in simple terms, I propose that railroads be treated in Government policy in the same manner as airlines and truck companies are treated.

Airlines are provided runways and airlines, and truck companies are provided highways through Government programs. Yet railroads are left solely responsible for the costs, including taxes, maintenance, and improvements of their roadbeds and rights-of-way.

It seems to me unreasonable to expect that the railroads can remain competitive with other modes of transportation under these circumstances.

The bill I am introducing would establish in the executive branch of the Government an independent Regional Rights-of-Way Authority to take ownership of the roadbeds of bankrupt railroads through the issuance of tax-exempted revenue bonds which the bankrupt railroad could then use in transactions to exchange for their existing long-term debt.

The regional authority would lease back to the bankrupt railroad the continuing use of the roadbed through an arrangement whereby the railroad pays for the maintenance of the roadbed.

I realize that this is a controversial concept. It could be considered that maintenance costs should be borne in part by the lessor. However, until it is proven otherwise, I believe that there are fair incentives in this bill to permit the railroads to become truly competitive with other modes of transportation.

The lease would be given on the basis of a minimum payment together with a predetermined and equitable car toll similar to the procedure used on toll roads. Electronic devices are available which could be placed along the roadbed at various points to audit and monitor the use of the roadbed.

The bonds that would be issued by the regional authority would bear interest at appropriate going rates and would be wholly negotiable in tax-free exchanges. Section 5 of the bill deals with such exchanges.

If a regional authority determined that a particular railroad was not providing adequate freight and passenger service to a region, the authority could give the lease to another competing railroad.

Mr. President, I believe this bill would provide the following benefits:

First. It would provide a means for keeping in effect needed rail service of a bankrupt railroad without direct costs to the Federal Government. Obviously, the roadbeds would no longer be a source of property tax revenue for communities under this proposal; but it can also be said that a bankrupt railroad is hardly a source of tax revenue.

Second. The revenue bonds would serve to make the railroad's roadbeds a liquid asset thus enabling the bankrupt railroad to reduce its liabilities, to save on the amortization costs attached to its roadbed, and to provide for the creation of new capital needed by the railroad to modernize equipment and improve service.

Three. Since the railroad rights-of-way authority could lease the use of its roadbeds to more than one railroad, it could provide for competitive service to communities inefficiently served.

Four. I foresee no large bureaucracy created by this bill. The authority would chiefly be empowered to appraise and condemn property and to issue bonds. Therefore, it could operate effectively with a relatively small number of personnel.

Fifth. The work of the National Rail Passenger Corporation—Amtrak—would, I believe, be simplified. Instead of contracting with existing railroads which are primarily concerned with freight service, Amtrak could contract directly with the rights-of-way authority and thus be in a better position to ascertain the true costs of roadbed usage, and to contract for improved treatment of its passenger trains vis-a-vis freight trains.

I believe enactment of this proposal would be a great boon to the northeast section of our country. It would, of course, have general applicability; but in the northeast it could mean the end of the Penn Central's bankruptcy, a modernization and improvement of Penn Central's freight service, and a return to a sound financial footing for railroads serving the northeast and linked to the Penn Central's current crisis.

Mr. President, I have noted with great interest a staff report released on February 11, 1973, by the Senate Committee on Commerce and entitled "The Penn Central and Other Railroads," and specifically a section in this report dealing with recommendations for the future of the Penn Central.

This report, prepared at the direction of the distinguished senior Senator from the State of Washington, suggests the creation of a Northeast Transportation Authority "with authorization for it or another Government controlled entity to operate essential rail service in the northeast if, as now appears to be the case, the private sector is unable to restore the viability of rail transportation in the northeast."

The report goes on to say:

> If the Authority finds that the existing framework will not yield the necessary result, the Authority, or perhaps a quasi-public corporation, would be authorized to take over the operations of all bankrupt railroads in the Northeast. The Corporation could require the systems through the issuance of bonds or debentures to the trustees of the bankrupt roads. The trustees in turn would issue the debentures of the various claimants in accordance with an appropriate order by the bankruptcy court. The debentures should equal the liquidation value of the railroad involved. The debentures would be satisfied from rail operations, hopefully keeping the cost to the Federal government at a minimum. It might prove necessary for the Federal government to guarantee the debentures in order to make them more marketable.
>
> The Authority (or Corporation) could at the same time place the stock, which it acquires in exchange for the bonds, in escrow until such time as it is determined by the Corporation, the Department of Transportation, and the Interstate Commerce Commission that the railroad is viable or that portions are sufficiently self-sustaining to release the stock from escrow for public sale. This would insure an eventual return to private ownership provided viability is restored.

The bill I am introducing today is a variation on that same theme.

I continue to believe that the leasing arrangements I have outlined, and which I proposed in the previous Congress, have advantages. Also, I believe that the purchase of the roadbeds I have described has merit when compared to the acquisition of an entire railroad system. In my view the roadbeds of railroads have been unfairly treated for many years, and, as I have said earlier, this is at the root of the problem.

In conclusion, let me acknowledge the assistance given to me in the preparation of this proposal by a nationally known businessman from my own State, Mr. Royal Little. His financial wisdom should give us confidence that this proposal is indeed economically sound and viable.

Mr. President, I ask that the bill be printed in full following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regional Railroad Rights-of-Way Authority Act".

DEFINITIONS

SEC. 2. For the purposes of this Act the term—

(1) "Authority" means the Regional Railroad Rights-of-Way Authority established pursuant to section 3 of this Act;

(2) "railroad" means a common carrier by railroad, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3));

(3) "railroad right-of-way" means real property which is owned by a railroad and is within three hundred feet on either side of a track, the roadbed for such track, and such structures and devices as are permanently installed on such real property, and may include such additional realty adjoining such real property as the Authority deems necessary for the purposes of this Act.

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to assist railroads, which because of financial problems are having difficulty providing adequate transportation services, by purchasing from such railroads their rights-of-way and providing for the continued use of such rights-of-way by lease.

REGIONAL RAILROAD RIGHTS-OF-WAY AUTHORITY

SEC. 3. (a) There is established in the executive branch of the Government an independent agency to be known as the Regional Railroad Right-of-Way Authority. The Authority shall be subject to the supervision and direction of a Board of Trustees which shall consist of five members to be appointed by the President, by and with the advice and consent of the Senate, for terms of five years, except that the terms of four of the trustees first taking office after the enactment of this Act shall expire, as designated by the President at the time of appointment, one at the end of one year, one at the end of two years, one at the end of three years, and one at the end of four years. A vacancy shall be filled only for the unexpired portion of any term and trustees shall hold office until their successors are appointed. Trustees shall serve on a full-time basis and shall be compensated at the rate provided for level III of the Federal Executive salary schedule.

(b) The President shall designate the trustee to serve as Chairman and as Vice Chairman. Three trustees shall constitute a quorum.

FUNCTIONS OF THE AUTHORITY

SEC. 4. (a) The Authority—

(1) shall, after obtaining two independent appraisals of value, acquire by purchase or condemnation all right, title, and interest to the rights-of-way of any railroad in the United States which is undergoing reorganization under section 77 of the Bankruptcy Act, and provide compensation therefor with obligations issued pursuant to clause (2);

(2) shall issue, after consultation with the Secretary of the Treasury, and have outstanding in such amounts as are necessary for the purposes of carrying out its functions pursuant to and for redeeming obligations issued pursuant to this clause, clause (1) negotiable obligations which (A) are not obligations of the United States but are secured by the assets of the Authority, (B) are in denominations of $200,000 each, (C) bear interest, which shall be exempt from Federal, State, or local income taxes, at a rate of at least 5 per centum, determined by the Authority, (D) have maturities of at least thirty years but not to exceed fifty years, determined by the Authority and are not redeemable before maturity, and (E) shall be redeemed at maturity by the Authority;

(3) shall enter into a lease or leases with each railroad from which right-of-way is so acquired providing (A) for the use of all or part thereof by such railroad at a rate determined by the Authority on a per car or other equitable basis but amounting on a per annum basis to not less than 5 per centum of the amount paid for such right-of-way, and (B) for maintenance in accordance with standards established by the Authority to be carried out by such railroad, except that in any case approved by the Secretary of Transportation the Authority may lease the use of such right-of-way to one or more additional railroads at such rate and in such event the minimum provided in this clause shall apply to the total received from all such railroads; and

(4) may enter into such arrangements as may be appropriate for the use or disposition of property acquired pursuant to this Act which is not thereafter leased to a railroad or otherwise necessary for rail transportation purposes.

(b) Amounts received by the Authority in carrying out its functions pursuant to this Act may be deposited in a special fund in the Treasury which shall be available to the Authority, without appropriation, for carry-out the purposes of this Act or may be used to purchase interest bearing obligations of the United States.

(c) Property owned by the Authority shall not be subject to State or local taxes.

TAX FREE EXCHANGES

SEC. 5. For the purpose of the Internal Revenue Code of 1954 the receipt by a railroad of bonds pursuant to section 4(1) of this Act and the receipt of any such bonds from a railroad in payment of any part of its capital indebtedness shall be treated as an exchange to which section 1031 (relating to tax free exchanges) applies.

ADMINISTRATIVE PROVISIONS

SEC. 6. (a) In addition to any authority vested in it by other provisions of this Act, the Authority, in carrying out its functions, is authorized to—

(1) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(2) appoint employees, subject to the civil service laws, as necessary to carry out its functions, define their duties, and supervise and direct their activities;

(3) utilize from time to time, as appropriate, experts and consultants, including panels of experts, who may be employed as authorized in title 5 of the United States Code;

(4) accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem, as authorized in title 5 of the United States Code for persons in the Government service employed without compensation;

(5) rent office space in the District of Columbia or outside thereof; and

(6) make other necessary expenditures.

(b) The Authority shall submit an annual report to the President for transmittal to the Congress on or before the 15th day of January of each year. Such report shall summarize the activities of the Authority for the preceding year, and may include such recommendations as the Authority deems appropriate.

APPROPRIATIONS AUTHORIZED

SEC. 7. There is authorized to be appropriated not to exceed $——— to the Authority for administrative expenses only during the initial two years pursuant to this Act.

By Mr. HOLLINGS:

S.J. Res. 83. A joint resolution proposing an amendment to the Constitution of the United States to require that States providing public education provide it equally on a statewide basis to citizens residing therein. Referred to the Committee on the Judiciary.

Mr. HOLLINGS. Mr. President, today I propose an amendment to the Constitution of the United States to require that States providing public education provide it equally on a statewide basis to all its citizens.

Public education has been provided by the several States since the beginning of the Union. Private and parochial education has also subsisted within the States and the right of the private school to subsist was enunciated in Pierce against the Society of Sisters. In the landmark decision of Brown against Board of Education of Topeka, Kans., the Supreme Court in 1954 guaranteed the right of equality of education on a district basis to all the citizens of that district. This equality within the district was reaffirmed on yesterday by the court in San Antonio Independent School District against Rodriguez.

The inherent difficulty encountered by the court in its attempt to provide equal protection of the laws to all the citizens within a public school system is that the public school systems within the States have been compartmentalized into districts.

In Texas, the complaint was not that the schoolchildren were being treated unequally within the district but rather, since the district in which they resided was a poor district, they were being given a poor education in comparison to that provided the schoolchildren in a more affluent district. That such a decision should stand would do violence to the goal of equal education as envisioned by the State school authorities over the land for many years.

In 1951, my own State of South Carolina instituted the sales tax to equalize educational opportunity, to equalize the rural schoolchild with the urban schoolchild. Countywide millages have been adopted covering both the city and rural areas of a county so that comparable school facilities could be constructed and operated in the sparsely and poorly populated rural sections. In most of these rural sections, there was no practical increase in millage that would alone provide a school.

Attempts to further equalize have been made by trying to institute tax equalization programs from district to district, county to county in a State. However, this is slow. Modern America has moved forward to the point where we cannot further indulge a system of half of an education for citizens from the poor districts.

Herein I must emphasize that it is not the intent by the constitutional amendment that I submit today to command the States to provide a public education for its citizens. The States before and since the institution of our Constitution and Federal Government have provided this opportunity on their own.

Inherently, our Constitution was not chartered to create rights, but wherein our citizens enjoyed rights in the several States the Constitution endeavored to make certain that these rights were provided equally. I should emphasize further that it is not my intent to disturb the permissibility of private or parochial schools. Rather, I hope to knock down compartmentization by district as a basis for the measure of equality for the schoolchild and erect in its stead a statewide basis or approach.

Local and State control of public education would persist. Federal aid programs would be uninhibited. But the equal protection of the laws in public education would be statewide rather than district. This is the goal of public educators everywhere, and their efforts should not be diminished. The Texas decision should not be allowed to thwart their aim.

On the contrary, a constitutional amendment would hasten equalization of educational opportunity between poor and rich districts within a State. It would also provide a quicker adjustment to an emerging but sound Federal-State-local pattern of tax burden. Before long the Federal Government will assume from the States and locales the welfare burden. It is fitting that, as this adjustment is made, the States assume in fact what they have in substantia, the burden of public education, and with revenue sharing the local communities can address the traffic, environmental, and police problems more adequately.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 34

At the request of Mr. Hollings, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 34, to provide for accelerated research and development in the care and treatment of autistic children, and for other purposes.

S. 80

At the request of Mr. Hollings, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of S. 80, to insure the environmental soundness of the site selection, construction, and operation of offshore artificial structures.

S. 355

At the request of Mr. Mansfield (for Mr. Magnuson), the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of S. 355, to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for remedies of defects without charge, and for other purposes.

S. 589

At the request of Mr. Aiken, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 589, making an urgent supplemental appropriation for the National Industrial Reserve under the Independent Agencies Appropriation Act for the fiscal year ending June 30, 1973.

S. 909

At the request of Mr. Hollings, the Senator from Nevada (Mr. Bible), the Senator from Nevada (Mr. Cannon), the Senator from Kansas (Mr. Dole), the Senator from Alaska (Mr. Gravel), the Senator from Wyoming (Mr. Hansen), the Senator from Iowa (Mr. Hughes), the Senator from New York (Mr. Javits), and the Senator from Utah (Mr. Moss), were added as cosponsors of S. 909, to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus Federal property to State and local public recreation agencies.

S. 942

At the request of Mr. Ribicoff, the Senator from Minnesota (Mr. Humphrey), the Senator from South Carolina (Mr. Hollings), the Senator from South Dakota (Mr. McGovern), the Senator from Nevada (Mr. Bible), the Senator from Oregon (Mr. Hatfield), the Senator from West Virginia (Mr. Randolph), the Senator from Rhode Island (Mr. Pell), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 942, the Narcotics and Drug Abuse Law Enforcement Reorganization Act of 1973.

S. 1004

At the request of Mr. McGovern, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 1004, to restore the emergency water and sewer loan and grant program.

S. 1076

At the request of Mr. Hartke, the Senator from Hawaii, (Mr. Inouye), was added as a cosponsor of S. 1076, a bill relating to the authority of the Administrator of Veterans' Affairs to readjust the schedule of rating for the disabilities of veterans; to the construction, alteration, and acquisition of hospitals and domiciliary facilities; to the closing of hospital and domiciliary facilities and regional offices; and to the transfer of real property under the jurisdiction or control of the Administration of Veterans' Affairs.

S. 1094, S. 1095, S. 1096, AND S. 1097

At the request of Mr. Scott of Pennsylvania, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1094 to improve the regulation of Federal election campaign activities, S. 1095, to amend the Communications Act of 1934 with respect to the applications of the equal time provisions of section 315 to candidates for Federal elective office, and for other purposes, S. 1096, to provide for a campaign mail privilege for qualified candidates for Federal office, and S. 1097, to amend the Internal Revenue Code of 1954 to provide that political contributions are not subject to the gift tax.

S. 1142

At the request of Mr. Mansfield (for Mr. Muskie), the Senator from North Carolina (Mr. Ervin), the Senator from Indiana (Mr. Bayh), the Senator from

Utah (Mr. Moss), the Senator from Wisconsin (Mr. Nelson), the Senator from Illinois (Mr. Stevenson), and the Senator from California (Mr. Tunney) were added as cosponsors of S. 1142, to amend the Freedom of Information Act of 1967.

S. 1199

At the request of Mr. Hollings, the Senator from Maryland (Mr. Beall), the Senator from Michigan (Mr. Hart), the Senator from Iowa (Mr. Hughes), and the Senator from Hawaii (Mr. Inouye) were added as cosponsors of S. 1199, amending the Internal Revenue Code to permit a married couple to deduct certain household and dependent care expenses when one spouse is a full-time student to the same extent that a deduction would be allowable were both spouses employed.

S. 1271

At the request of the Senator from Minnesota (Mr. Humphrey), the Senator from Missouri (Mr. Eagleton), was added as a cosponsor of S. 1271, to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical political involvement with elected officials on the local and State levels of government.

S. 1285

At the request of Mr. McGovern, the Senator from Iowa (Mr. Hughes) was added as a cosponsor of S. 1285, to prohibit the Department of Agriculture from inspecting farmers' income tax returns.

S. 1299

Mr. SYMINGTON. Mr. President, the names of the cosponsors of a bill I introduced on Tuesday, March 20, to amend the Housing Act were inadvertently left off the entry, although my introductory statement announced their names. At the next printing of the bill, S. 1299, or if possible in the original printing, I request that the names of Senators Eagleton, Bayh, and Hartke be recorded as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 39

Mr. ROBERT C. BYRD. Mr. President, at the request of the Senator from Washington (Mr. Magnuson), I ask unanimous consent that, at the next printing, his name be added as a cosponsor of Senate Joint Resolution 39. This joint resolution was introduced on January 26, to redesignate Washington National Airport as the Lyndon B. Johnson Airport.

The PRESIDING OFFICER (Mr. Johnston). Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 17—SUBMISSION OF A CONCURRENT RESOLUTION DESIGNATING DE PERE, WIS., AS "AMERICA'S VOTINGEST SMALL CITY"

(Referred to the Committee on the Judiciary.)

Mr. NELSON (for himself and Mr. Proxmire) submitted the following concurrent resolution:

S. Con. Res. 17

Whereas, in the general election held on November 7, 1972, the voters of De Pere, Wisconsin, attained a 98.05 percent turnout rate when 6,353 of the city's 6,479 registered voters went to the polls to exercise their right to vote; and

Whereas, the city of De Pere, for six consecutive presidential elections, has produced voter turnouts ranging from 95.9 percent to 99.7 percent, thereby earning a designation from the Wisconsin Legislature, by joint resolution, as "America's Number One Small City," and

Whereas, the city's 1972 achievement of a 98.05 percent turnout, together with its long history of high voter participation, demonstrates De Pere's continuing keen awareness of the responsibilities of citizenship; and

Whereas, it is fitting and proper that such extraordinary civic responsibility be recognized by the Nation: Now, therefore, be it

Resolved by the Senate (*the House of Representatives concurring*), That, because of the outstanding and exemplary display of citizenship by De Pere, Wisconsin, the Congress of the United States of America—

(1) extends its congratulations and commendations to the people of that city, and in addition

(2) designates that city as "America's Votingest Small City."

AMENDMENT OF PAR VALUE MODIFICATION ACT—AMENDMENTS

AMENDMENT NO. 52

(Ordered to be printed, and to lie on the table.)

Mr. BELLMON. Mr. President, my distinguished colleague from Ohio, Senator Taft, and myself are today introducing an amendment to S. 929, the Par Value Modification Act. It would provide a 1-year emergency mechanism in order to hold the line on Federal spending for fiscal year 1974.

There are three basic provisions to this amendment:

First, it establishes a spending ceiling for fiscal year 1974 of $268.7 billion.

Second, in the event that expenditures would otherwise exceed the spending ceiling, the President is authorized to reduce spending proportionately for fiscal year 1974 in all but the following "uncontrollable" budget items: Interest, veterans' benefits and services, payments from social insurance trust fund, medicaid, public assistance maintenance grants, social services grants under title IV of the Social Security Act, food stamps, military retirement pay, and judicial salaries.

This is the same approach as the Jordan amendment passed by the Senate to the debt ceiling bill on October 13, 1972.

Third, if the President makes spending cuts which are not proportionate in nature, he must notify Congress of his justifications. Congress then has 30 days to nullify the President's action by concurrent resolution. In addition, this portion of the amendment contains procedural safeguards in order to insure that Congress can act within 30 days if it so desires.

In my view, it makes good commonsense for the Senate to enact this proposal now for the following reasons:

First, extensive budgetary reforms cannot be enacted in time to affect spending levels for fiscal year 1974. A 1-year interim measure for fiscal year 1974 is absolutely essential in order to control Federal spending and reassert Congress' role in the appropriations process.

Second, the President in his economic report, the interim report of the Joint Committee on Budget, and many Senators advocate a spending ceiling to control spending.

Third, the provision on "proportionate reduction" is the same approach as the Jordan amendment to the debt ceiling bill, which was passed by the Senate last October as the best approach to limit spending.

Fourth, the Congress and not the Executive will dictate in what manner cuts will be made if necessary. Executive discretion to take unilateral action to impound funds and to discontinue programs without being subjected to congressional approval will be removed. Congress should determine spending priorities and not the President.

I ask unanimous consent that the text of this amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 52

At the end of the bill insert the following new section:

LIMITATION OF EXPENDITURES AND NET LENDING FOR FISCAL 1974

Sec. 2. (a) Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government shall not exceed $268,700,000,000.

(b) (1) In order to effectuate the provisions of subsection (a), the President shall not make reservations from expenditure and net lending, from appropriations or other obligational authority, heretofore or hereafter made available for—

(A) interest;

(B) veterans' benefits and services;

(C) payments from social insurance trust funds;

(D) medicaid;

(E) public assistance maintenance grants;

(F) social services grants under title IV of the Social Security Act, as amended;

(G) food stamps;

(H) military retirement pay; and

(I) judicial salaries.

(2) If, in order to effectuate the provisions of subsection (a), the President reserves amounts proportionately from all budget accounts except those budget accounts for which reservations are prohibited pursuant to paragraph (1), the provisions of subsection (c) shall not apply.

(c) (1) If the President determines that in order to effectuate the provisions of subsection (a), it is necessary to make reservations from expenditure and net lending, from appropriations of other obligational authority, heretofore or hereafter made available, he shall make such reservations subject to the provisions of this subsection. The President shall report to the Congress, by special message, each such reservation so made with respect to any single budget account. Each such special message shall be transmitted to the Senate and the House of Representatives within ten days after such reservation has been made, and shall be delivered to the Secretary of the Senate, if the Senate is not in session, and to the Clerk of the House of Representatives, if the House is not in session. Each such special message shall be printed as a document of both Houses.

(2) Any reservation from expenditures made under paragraph (1) shall cease to be effective if the Senate and the House of Representatives agree to a concurrent resolution disapproving such reservation during the first period of thirty days of continuous

session of the Congress after the day on which the special message reporting such reservation is transmitted to the Senate and the House of Representatives. For purposes of the preceding sentence, (A) continuity of session is broken only by an adjournment of the Congress sine die, and (B) days in which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the thirty-day period.

(d) During the fiscal year ending June 30, 1974, nothing contained in any law (other than this section) shall be construed to authorize or empower the President to reserve any amount of obligation or other budget authority or any amount of authority to make outlays, unless (1) the amount so reserved is not necessary for the efficient operation of the activity, program, or project for which such amount was made available at the level intended by the Congress in enacting the laws which authorize such activity, program, or project, and provide such budget authority, and (2) the activity, program, or project can and will be fully carried out at such level without the amount so reserved.

(e) In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to this section; and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution;

The amount available for obligation (after the application of this section) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

(f) The following subsections of this section are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (g)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(g) As used in the following subsections of this section, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows (the blank spaces being appropriately filled): "That the Congress disapproves the reservation(s) of expenditures reported in the special message of the President dated ________, 19__ (Senate Document Numbered __, House Document Numbered __)."

(h) A resolution with respect to a special message shall be referred to a committee (and all resolutions with respect to the same special message shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(i)(1) If the committee to which has been referred a resolution with respect to a special message has not reported it before the expiration of ten calendar days after its introduction (or, in the case of a resolution received from the other House, ten calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such special message which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same special message), and debate thereon shall be limited to not to exceed one hour, and to be equally divided between, those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same special message.

(j)(1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a special message, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(k)(1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a special message, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a special message shall be decided without debate.

(l) If, prior to the passage by one House of a resolution of that House with respect to a special message, such House receives from the other House a resolution with respect to the same special message, then—

(1) If no resolution of the first House with respect to such special message has been referred to committee, no other resolution with respect to the same special message may be reported or (despite the provisions of subsection (i)(1)) be made the subject of a motion to discharge.

(2) If a resolution of the first House with respect to such special message has been referred to committee—

(A) the procedure with respect to that or other resolutions of such House with respect to such special message which have been referred to committee shall be the same as if no resolution from the other House with respect to such special message had been received; but

(B) on any vote on final passage of a resolution of the first House with respect to such special message the resolution from the other House with respect to such special message shall be automatically substituted for the resolution of the first House.

(m) For the purposes of this section the term "budget account" means any appropriation account or other account granting obligational authority including, but not limited to, contract authority, authority to spend public debt receipts, and authority to spend agency debt receipts.

(n) The President shall not establish separate ceilings on expenditures or net lending for any budget account which will prevent the obligation of all funds made available for obligation pursuant to this section.

AMENDMENT NO. 53

(Ordered to be printed, and to lie on the table.)

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to Senate bill 929, supra.

DESIGNATION OF THE TUESDAY NEXT AFTER THE FIRST MONDAY IN OCTOBER AS THE DAY FOR FEDERAL ELECTIONS—AMENDMENT

AMENDMENT NO. 54

(Ordered to be printed, and referred to the Committee on Rules and Administration.)

Mr. PELL submitted an amendment, intended to be proposed by him, to the bill (S. 343) to designate the Tuesday next after the first Monday in October as the day for Federal elections.

SUBCOMMITTEE ON OCEANS AND INTERNATIONAL ENVIRONMENT—NOTICE OF HEARING ON EXECUTIVE N

Mr. PELL. Mr. President, I wish to announce that on March 30, the Subcommittee on Oceans and International Environment of the Committee on Foreign Relations will conduct public hearings on the International Convention on Tonnage Measurements of Ships—Executive N, 92d Congress, second session. The hearings will be held in room 4221 of the Dirksen Senate Office Building, beginning at 10 a.m. At that time, the committee expects to hear executive branch witnesses and other interested individuals. Persons wishing to testify should communicate with the chief clerk of the committee.

NOTICE OF HEARING ON NOMINATIONS

Mr. HRUSKA. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, March 29, 1973, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nominations:

Donald E. Santarelli, of Virginia, to be Administrator of Law Enforcement Assistance, vice Jerris Leonard, resigned.

Wallace H. Johnson, Jr., of Virginia, to be an Assistant Attorney General, vice Dale Kent Frizzell.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

NOTICE OF HEARING ON RECOMMENDED JUDGESHIPS

Mr. BURDICK. Mr. President, I wish to announce continuation of the public hearings before the Subcommittee on Improvements in Judicial Machinery relating to the recommendations of the Judicial Conference of the United States for creation of an additional 51 judgeships.

The hearing will be held on March 28, 1973, in room 2228, Dirksen Office Building, commencing at 10 a.m., at which time Chief Judge Richard H. Chambers, of the Ninth Circuit, will give testimony.

Communications relative to this hearing should be directed to the subcommittee staff, 6306 Dirksen Office Building, extension 5-3618.

ADDITIONAL STATEMENTS

SWEDEN SEEKING WARMER U.S. TIE

Mr. FULBRIGHT. Mr. President, in the March 22 issue of the New York Times there appears an article entitled "Sweden Seeking Warmer U.S. Tie." I ask unanimous consent that the article be included as a part of my remarks.

Mr. President, I hope that the Government of this Nation does not continue to rebuff the Government of Sweden. I believe our Government misinterprets the true attitude and feeling of the people of Sweden for the United States.

There are several million American citizens of Swedish ancestry. The Swedish people have felt very keenly the great tragedy of the American involvement in Indochina.

The Swedish people looked to the United States for friendship and a sense of security flowing from that friendship and as they witnessed their great friend exhausting its resources and undermining its moral and political strength, they were prompted to advise us to change our policies, advice which time and experience has validated.

The Swedes—unlike so many other false friends who rather enjoyed seeing the great and rich United States discomfited and embarrassed, and who applauded and encouraged us in our misguided course—tried, like a true friend, to help us return to our senses, even though at the time we resented their advice.

In due course, I am sure we will recognize that the advice of the Swedes was motivated by a desire to help us, that we will in time reestablish normal relations with them.

I wish to urge our President at this time to receive an ambassador from Sweden and to send one from this country to Stockholm.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWEDEN SEEKING WARMER U.S. TIE—RIFT OVER WAR IS BROUGHT UP BUT WASHINGTON IS CHILLY

STOCKHOLM, March 21.—Foreign Minister Krister Wickman said today that it was important to improve Sweden's relations with the United States, frozen since Christmas time when Premier Olof Palme criticized the United States bombing of North Vietnam.

"It is especially important to preserve the means of high-level dialogue," Mr. Wickman said, opening a foreign policy debate in Parliament.

"We believe Swedish-American relations are better served in the long run by making our basic principles clear instead of seeking to hide our feelings," he declared.

The Government is known to be anxious to restore friendly relations with President Nixon, who has refused to welcome Sweden's new Ambassador or to allow the United States Ambassador to take up his post. But leaders here have said that they do not know what reasonable political gesture they can make to propitiate him.

The President is understood to believe that Mr. Palme, by likening the intensive bombing of Hanoi in December to Nazi atrocities, was in effect labeling him a mass murderer.

TWO LEADERS GIVE VIEWS

Thorbjorn Falldin, leader of the Opposition Center party, supported the Foreign Minister's view, saying that criticism of the bombing of North Vietnam "does not imply any inimical attitude toward America."

Gosta Bohman, leader of the small but significant Conservative party, criticized the Government, saying that the majority Social Democrats had damaged relations with Washington.

"It is a dangerous situation," he said. "It affects our interest."

Mr. Palme, who received a bachelor's degree from Kenyon College in Gambier, Ohio, is known to be disappointed by the chill in relations. He told a reporter recently:

"The period I went to school in the States was the most important period of my life. For me and for most of my generation, American democracy—with its shortcomings, but also its great vitality—has been a great inspiration.

"Partly, at least, this explains our disappointment and distress over the Vietnam war, which for me stands as a contradiction to the basic tenets of American democracy."

"NO COMMENT" FROM UNITED STATES

(Special to The New York Times)

WASHINGTON, March 21.—Asked whether Mr. Wickman's remarks would contribute to the normalization of relations between Sweden and the United States, a State Department spokesman replied today, "we have a frosty 'no comment.' "

BYELORUSSIAN INDEPENDENCE DAY

Mr. WILLIAMS. Mr. President, March 25 marks the 55th anniversary of Byelorussian independence. With the declaration of freedom on that day in 1918, the determined people of Byelorussia enjoyed for a brief period, the long-awaited right of self-government.

Prior to World War I, the Byelorussian State bravely withstood the military pressure of the powerful Russian forces and secretly began the establishing of a firm foundation for democracy. Through the developing of a culture and language of their own, these people became well organized and thoroughly prepared for the opportune moment to break from their oppressors. That long-awaited moment finally prevailed when the Russians became involved in the Bolshevik Revolution in 1917, and on March 25, 1918, the Byelorussian Congress declared its nation a free and sovereign state.

Although the life of the free nation of Byelorussia was just a brief moment in history, the brave people of this nation demonstrated to the world their determination and capability for self-government. Within only a few short months there were significant advancements in the arts and literature, and rapid improvements in the area of education.

However, by December of that year, the Red Army again invaded and seized the Byelorussian territory, putting an end to their treasured independence.

Therefore, Mr. President, on the anniversary of Byelorussian Independence Day, it is fitting that we, in the United States and all the free world, pause and pay tribute to the courage and determination of the people of Byelorussia.

TRADE, POWER PRESTIGE

Mr. GOLDWATER. Mr. President, every Member of Congress is constantly being questioned about the increasing danger to our dollar and the corresponding increase in the cost of living. The Arizona Republic on March 21 ran a short and concise, to the point editorial that will provide an answer to all of us. There are some startling facts and figures in this editorial that all of us can well ponder because our actions have had a great bearing on some of them. I ask unanimous consent that the editorial be placed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POWER, PRESTIGE—PFFFFT!

Comforted by the increasing amenities of the good life, the American household feels a certain reassurance that all is well.

Paychecks are higher. There's usually at least one car one TV around, paid vacations, a home which Granddad would have considered luxurious.

But all is not well.

The three benchmarks which had always made the United States a standout nation—prestige, power and productivity—are shrinking in the world.

Indices are everywhere to bear out this gloomy fact.

For example, in a nation whose historic rise to manufacturing pre-eminence was rooted in the so-called work ethic, welfare has become an increasing way of life. In the 10-year period from 1963 to 1973, the number of Americans on welfare has jumped from 7.4 million to 16 million—or a 116 per cent increase.

The cost for this new society of nonworkers has jumped 376 per cent—from $5 billion to $23.8 billion.

Our heavy dependence on petroleum to run the mobile American society, coupled with obstacles to tapping our own reserves, has forced our dependence on foreign sources for oil.

In six years between 1967 and 1973, the United States has increased its imports of oil by 15 per cent. We now receive 35 per cent of our own oil needs from overseas, while lobbyists block exploration and development of known now domestic reserves.

But the most telling indices of America's gradual slide to mediocrity lie in the financial and production ledgers.

In the 10 years between 1960 and 1970, the United States ranked a poor sixth among the world's Top Seven nations in industrial output—ours increased 74 per cent, while Japan led with 322 per cent, Russia followed with 166 per cent, France was next with 110 per cent, and Italy and Germany had 98 and 90 per cent.

America's gross national product increased 109 per cent in the 20 years ending in 1971, while the rest of the world jumped 216 per cent.

The U.S. share of world steel production fell from 47 per cent in 1950, to 19 per cent in 1971.

Where once the U.S. accounted for 46 per cent of auto production, it now is 30 per cent.

Total U.S. exports as a share of world trade have slid from 18 per cent to 13 per cent in 20 years.

Gold reserves in the United States were 42 per cent of the world's total in 1950, but accounted for only 8 per cent in 1972.

Twenty years ago, seven out of every 10 workers were in manufacturing, while three were in service jobs. The opposite is true today.

The net sum of these declines is that the United States, like Britain which once dominated world trade, is becoming a second-rate world power.

ELEVEN BILLION DOLLARS FOR FOREIGN AID IN FISCAL YEAR 1972

Mr. CASE. Mr. President, 2 weeks ago Senator Proxmire and I commented on the more than $11 billion the U.S. Government spent on foreign aid in fiscal year 1972 and the nearly $5 billion in loans and investments that various Government agencies guaranteed that same fiscal year.

James McCartney of the Philadelphia Inquirer wrote a recent article on our statement and the Government report. He quotes an administration official involved in compiling the report as saying:

> I personally tried to make this the single least read document of the year.

I hope that this official does not get his wish because I believe that the American people should know exactly how much we are spending on foreign aid. This was exactly the reason that Senator Proxmire and I introduced our amendment 2 years ago requiring the Government report the figures in one document for all to see.

Mr. President, I ask unanimous consent that the statement issued on March 6 by Senator Proxmire and myself on this subject, the article by Mr. McCartney, and the report itself be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Text of Joint Statement by Senators Clifford Case and William Proxmire, March 6, 1973

Two years ago we introduced an amendment to the foreign aid act which required that the Administration list in one place all the funds that our country is paying out for foreign aid through a multitude of programs. We said in a joint statement at the time, "The American taxpayer who is footing the bill for foreign aid should at least know what he's paying for."

Our amendment was passed into law in 1972, and we have just received the first report from the Administration on what the bill actually was for FY 1972. In that fiscal year, our government paid out $11,343,900,000 in grants and loans for military and economic aid to foreign governments ($5,274,800,000 military and $6,069,100,000 economic). In addition, various agencies of our government guaranteed and insured $4,910,200,000 worth of loans and investments to foreign countries, contributed $163,400,000 to international organizations, and turned over military facilities to foreign governments worth $631,200,000.

These figures are staggering, and they should be carefully scrutinized in light of our pressing domestic priorities.

Our intention in originally introducing our amendment was to bring some order out of the chaos of various foreign assistance programs being run by at least six different government agencies. Admittedly, as with the problem of adding apples and oranges and getting fruit salad, all the figures cannot be brought together into a grand total.

Few of us will forget the spectacle two years ago, in an appearance before the Joint Economic Committee, of several high government officials frantically trying to add up all the foreign aid totals in order to give the Committee an idea of how much the country was spending overseas. Then, we noted that "the most alarming fact is that nobody seems to know for sure exactly how much is being spent."

Now we know, and the figures are not reassuring.

What Does Foreign Aid Cost: $4.5 Billion or $11.3 Billion?

(By James McCartney)

Washington.—Congress, after a tough fight has gotten its first complete figures on the annual price tag for foreign aid—and at least some senators are stunned.

The official budget of the U.S. government lists about $4.5 billion in foreign aid spending for 1972.

The real total, according to an official government report, was closer to $11.3 billion.

That is the figure the report gives for "grants and loans"—including both economic and military aid from six different government departments.

But the report gives a substantially higher figure for the total U.S. government economic involvement overseas.

If such categories as guarantees, insurance, property transfers and military sales for cash are included—categories that don't cost the taxpayers directly—the grand total figure in the report amounted to almost $20 billion.

The $20 billion represents U.S. political involvement whether all the money comes from the taxpayers directly or not.

"These figures are staggering," said Sen. William Proxmire (D., Wis.) and Clifford Case (R., N.J.) in a joint statement.

Proxmire added: "The effect of the report is to make clear for the first time that the real spending figure for foreign aid is not the $4.5 billion in the budget—but more than $10 billion."

The report is a result of a two-year battle that started when senators learned in public hearings that no one in the Nixon administration seemed to know how much was actually being spent on foreign aid.

Case and Proxmire decided to do something about it. They sponsored legislation requiring the administration to list—in one place—all the aid funds the United States is paying out.

The first report, just received, is the most complete summary of foreign aid spending and U.S. economic involvement abroad ever put together in a single document, according to congressional experts.

It lists "grants and loans" to no fewer than 115 countries—including Zaire, Seychelles, Rwanda, Lesotho, Brunei, Botswana, Burundi and Sri Lanka.

Also on the list—largely for loans—are such prosperous countries as Germany, Japan, the United Kingdom and France.

One of the big problems in the project was exactly how to define "foreign aid."

The senators and the Nixon Administration do not agree.

The senators demanded a listing of everything the U.S. government was doing abroad to help any country—even if it isn't costing U.S. taxpayers directly.

They asked for grants, loans, property transfers, cash sales, guarantees and insurance programs.

Put all together, the figure comes to about $20 billion.

The senators agree that not all this can be properly described as "foreign aid." They say a legitimate figure for "foreign aid" as it is commonly understood would be about $10 billion.

The administration does not dispute this figure.

But it didn't really want to cooperate in the project at all. So it delivered the report in what amounted to a plain wrapper, labeled only: "Report Required by Section 657, Foreign Assistance Act."

It was a 24-page pamphlet with a list of tables—and no clear explanation of what it was all about.

Said one administration offical; "I personally tried to make this the single least-read document of the year."

The report lists $6.1 billion for "economic" assistance around the world and $5.2 billion for "security" assistance—which includes vast amounts of military aid.

The country getting the largest amount of economic aid according to the report, is totalitarian Spain—$448 million. Spain is also getting $68 million in "security" aid, for a total of $516 million.

The State Department officially lists Spain as a "less developed country."

Other countries receiving more than $100 million in economic air were: Bangladesh—$268; India—$137; Pakistan—$165; Turkey—$104; Brazil—$327; Colombia—$134; Nationalist China—$188; Indonesia—$249; Korea—$266; and Japan—$272.

Report Required by Section 657, Foreign Assistance Act

FISCAL YEAR 1972—GENERAL NOTES

The material prepared in this report is in response to the requirements of Section 657, Foreign Assistance Act. It shows:

(1) The aggregate dollar value of all grants, credits, transfers, sales guaranties, and insurance provided by the U.S., in two tables—Table 1A for Grants and Loans,—Table 1B for Other transactions. Of the total loans and grants, some $3.6 billion qualify as Official Development Assistance to less-developed countries in accordance with internationally agreed concepts of assistance.

(2) Foreign currency transactions in two tables—2A for receipts for the United States and 2B for payments returned to recipient countries.

Reporting concepts

The basic data for economic programs are on a commitment basis, that, is loans authorized and obligations incurred. For military programs, the data basically represent annual program levels.

1A—Grants and loans

Economic programs

A.I.D. (excluding Security Supporting Assistance)—Development loans authorized and obligations of other A.I.D. funds, including contributions to international organizations financed from the Foreign Assistance Act.

Food for peace

Includes the following:

Title I—Sales for dollars or convertible currencies, on credit terms, inital down payment in dollars excluded.

Title I—Sales for foreign currency—amounts planned for country use.

Title II—Donations for emergency relief and economic development—transfer authorizations including transfers to the World Food Program, and programs administered by UNROD (Bangladesh), UNICEF and UNRWA.

Title II—Voluntary Relief Programs include authorization of donations through voluntary relief agencies.

Data exclude short-term credits under the C.C.C. Export Sales Program.

Peace Corps

Includes obligations incurred for the operation of the overseas volunteer program of Action.

Export-Import Bank Loans

New credit authorizations issued as reflected in the FY 1972 Annual Report to the Congress, including the Regular Loan Program, Cooperative Financing Facility, Relending Facility and the Discount Loan Facility.

Other economic grants and credits

Includes the following:

Capital subscriptions to international financial institutions;

Migration and Refugee Assistance;

Inter-American Highway and Darien Gap;

Trust Territories of the Pacific Islands;

Other grants and credits, e.g., Inter-American Foundation, OPIC direct loans, etc.

Security Programs

Security supporting assistance

Amounts obligated to finance imports of commodities, capital, or technical assistance, on a grant or loan basis, financed from the A.I.D. Security Supporting Assistance appropriation, including the use of Contingency Funds for similar purposes.

Military Assistance Program (MAP) Grants

Annual program of grants of military equipment, supplies and services purchased with Foreign Assistance Act funds.

Military Assistance Service-Funded (MASF)

All defense articles and services programmed for transfer to foreign countries or international organizations under authority contained in the Department of Defense Appropriation Act, including International Military Headquarters and MAAGs, Missions and Military Groups.

Foreign Military Sales (FMS)—Credit

Credit sales directly financed by the U.S. Government under provisions of the Foreign Military Sales Act.

Excess defense articles and other transfers

Represents the "legal" value of equipment and supplies excess to the requirements of the U.S. military departments granted to countries without charge to MAP-appropriated funds "Legal" value represent 33⅓ percent of the original acquisition value. Other military transfers include the following:

Transfers of Material (not under MASF);

Ships Loaned and Leased; and

Transfer Program (Korea PL 91-652)

EXPORT-IMPORT BANK MILITARY LOANS

New Credit authorizations as reflected in the FY 1972 Annual Report to the Congress, for the purchase of military equipment. The sale may be made by DOD or by U.S. industry directly to the foreign buyer.

1B—Other transactions

Economic Programs

Export-Import Bank guarantees and insurance

Guarantees include contracts for all financial guarantees issued by the Bank.

Insurance contracts through the Foreign Credit Insurance Association (FCIA) cover the Export Insurance Programs for both short and medium-term transactions.

OPIC guarantees

Includes contracts under the investment insurance program for political risks under inconvertibility, expropriation, and war, revolution and insurrection, as well as those contracts issued under the extended risk program.

A.I.D. housing guarantees

Represents contracts for projects under the Extended Risk World-Wide Housing Guaranty, and Latin American Housing Guaranty programs.

Assessed Budgets International Organization

Represents the U.S. contributions to help finance the regular activities of the United Nations, its specialized agencies, etc.

Security and other transactions

Foreign military sales (FMS)—cash

Involves sales for cash under provisions of the Foreign Military Sales Act.

Foreign military sales (FMS)—guaranty

Guaranty of private credit by the United States Government under provisions of the Foreign Military Sales Act.

Facilities transfers

The direct transfer by the Department of Defense of U.S. military buildings, fixtures, and other facilities to a foreign government.

FISCAL YEAR 1972 U.S. GOVERNMENT GRANTS, LOANS, TRANSFERS, SALES, GUARANTEES, AND INSURANCE

PT. 1A.—GRANTS AND LOANS

[In millions of dollars]

Region and country	Economic						Security						
	Total economic	AID (excluding securities supporting assistance)	Food for peace	Peace Corps	Export-Import Bank loans	Other economic	Total security	Security supporting assistance	MAP grants	Military assistance service funded	FMS loans	Excess stocks and other transfers	Export-Import Bank military loans
Total, all countries	6,069.1	1,451.6	1,220.7	75.1	3,032.5	289.2	5,274.8	619.8	549.9	2,825.5	329.5	698.1	252.0
Less developed countries	5,503.3	1,451.6	1,191.4	75.1	2,498.6	286.6	4,844.7	619.8	527.2	2,571.7	329.5	691.6	104.9
Developed countries	565.8		29.3		533.9	2.6	430.1		22.7	253.8		6.5	147.1
Less developed countries:													
Near East and South Asia	917.2	345.8	456.6	6.3	94.6	13.9	643.2	105.0	110.6		220.0	102.7	104.9
Afghanistan	35.6	9.6	24.7	1.3			.2		.2				
Bangladesh	286.3	199.1	87.2										
Cyprus	4.3		4.3										
Egypt	9.8	1.5			8.3								
Greece	1.9				1.9		57.2		9.9		35.0	12.3	
India	137.4	5.6	100.3	2.6	15.0	13.9	(1)		(1)				
Iran	2.4		1.1	1.3			118.5		.9			12.7	104.9
Iraq	.2		.2										
Israel	75.2		54.2		21.0		200.0	50.0			150.0		
Jordan	4.4	.6	3.8				104.3	55.0	38.0		10.0	1.3	
Lebanon	16.8		16.8				10.2		.2		10.0		
Nepal	11.2	2.0	8.2	1.0			(1)		(1)				
Pakistan	165.1	62.4	102.7				.1		.1				
Saudi Arabia	13.4				13.4		.5		.5				
Sri Lanka (Ceylon)	17.1		17.1										
Syrian Arab Republic	.3		.3										
Turkey	101.4	59.0	7.5	(1)	34.9		152.1		60.7		15.0	76.4	
Yemen, Democratic Republic of	.1		.1	(1)									
CENTO	.4	.4											
Regional	34.0	5.7	28.2	.1									
Latin America	1,139.3	336.0	101.6	17.2	556.6	127.9	73.1	2.0	15.0		42.2	13.9	
Argentina	44.8				44.8		12.8		.8		7.5	4.5	
Bermuda	34.0				34.0								
Bolivia	57.8	53.6	4.2	*			6.8	2.0	3.7			1.1	
Brazil	327.3	12.1	5.7	2.9	304.8	1.8	8.8		.8		8.0		
British Honduras	.4		.2	.2									
Chile	7.4	1.0	5.9	.5			12.3		.9		10.0	1.4	
Colombia	134.4	92.6	20.7	1.7	18.7	.7	8.6		.6		7.2	.8	
Costa Rica	3.9	1.7	1.1	.7	.1	.3							
Dominican Republic	29.9	6.9	19.1	.5	2.9	.5	1.9		.9			1.0	
Ecuador	10.4	4.9	3.1	1.3	1.0	.1							
El Salvador	8.9	6.1	1.4	.4	.4	.6	.4		.3			.1	
Guatemala	17.2	12.5	3.4	.7	.6		1.8		1.6			.2	
Guyana	17.8	15.6	1.1	(1)	1.1								
Haiti	5.3	3.2	1.7			.4							
Honduras	6.7	3.6	1.2	.8	1.0	.1	.5		.5				
Jamaica	23.6	1.2	3.9	1.0	16.8	.7							
Mexico	54.5				54.0	.5	2.0		.1			1.9	

Footnotes at end of table.

FISCAL YEAR 1972 U.S. GOVERNMENT GRANTS, LOANS, TRANSFERS, SALES, GUARANTEES, AND INSURANCE—Continued

PT. 1A.—GRANTS AND LOANS—Continued

[In millions of dollars]

	Economic						Security						
Region and country	Total economic	AID (excluding securities supporting assistance)	Food for peace	Peace Corps	Export-Import Bank loans	Other economic	Total security	Security supporting assistance	MAP grants	Military assistance service funded	FMS loans	Excess stocks and other transfers	Export-Import Bank military loans
Less developed countries—Continued													
Latin America—Continued													
Nicaragua	4.8	2.5	1.7	0.5	0.1		0.9		0.8			0.1	
Panama	.9	22.8	1.2	(1)	30.1	9.8	.5		.5			(1)	
Paraguay	4.9	2.8	1.7	.4			.9		.8			.1	
Peru	44.2	31.7	11.1	1.3		.1	1.0		1.0				
Trinidad and Tobago	6.6		.1		6.5								
Uruguay	9.4	1.4	7.9	.1			4.2		.8		2.0	1.4	
Venezuela	44.4	.8	4.7	1.4	37.5		9.7		.8		7.5	1.4	
West Indies (all other)	1.5		.5	1.0									
West Indies, British (Bahamas)	2.1				2.1								
ROCAP	13.2	13.2											
Regional	160.0	46.1		1.6		112.3	.3		.3				
Contributions to international organizations	119.0	14.7				104.3							
Other	41.0	31.4		1.6		8.0	.3		.3				
East Asia and Vietnam:	953.4	191.0	481.4	8.4	257.3	15.3	3,993.7	484.8	375.7	2,571.7	45.6	515.9	
Brunei	2.2				2.2								
Burma	1.3		.7		.6								
China, Republic of (Taiwan)	188.0				187.8	.2	62.1		11.0		20.0	31.1	
Hong Kong	3.6				3.6								
Indonesia	249.0	114.7	124.6		8.7	1.0	22.9		18.0			4.9	
Khmer Republic (Cambodia)	20.1		20.1				224.0	37.1	180.0			6.9	
Korea	266.7	30.0	211.7	2.0	9.9	13.1	561.5		152.5	167.9	17.0	224.1	
Laos	4.9	1.6	3.3				266.2	47.3		212.9		6.0	
Malaysia	25.0		.6	2.4	22.0		10.6		.1		8.6	1.9	
Philippines	77.1	30.5	37.6	1.7	7.3		18.4		14.0			4.4	
Ryukyu Islands	1.0					1.0							
Singapore	13.1		.1		13.0		1.9					1.9	
Thailand	21.4	2.6	14.8	1.7	2.3		70.0	14.8		43.6		11.6	
Vietnam	69.5	1.7	67.8				2,755.7	385.2		2,147.3		223.2	
Western Samoa	.5			.5									
Regional	10.2	10.0	.1	.1			.4	.3	.1				
Africa	399.2	171.5	103.7	19.4	104.6		40.4	3.7	14.6		21.7	.4	
Algeria	21.1			.1	21.0								
Botswana	10.5	.1	9.8	.6									
Burundi	.7		.7										
Cameroon	11.4	.1	.2	.7	10.4								
Central African Republic	2.3	.2	.2		1.9								
Chad	.5	.1		.4									
Dahomey	.7	.1	.2	.4									
Ethiopia	33.0	31.1	.8	1.1			11.2		10.9			.3	
Gabon	.1	.1											
Gambia	.5	(1)	.2	.3									
Ghana	15.1	2.6	10.7	1.8			(1)		(1)				
Guinea	.7		.7	(1)									
Ivory Coast	21.6	(1)		.8	20.8								
Kenya	5.2	2.1	.5	1.8	.8								
Lesotho	1.4	.1	1.0	.3									
Liberia	20.7	12.3	2.9	2.1	3.4		2.4		.4		2.0		
Libya	(1)			(1)									
Malagasy Republic	.4		.4										
Malawi	3.7	2.6	.8	.3									
Mali	1.8	.1	1.5	.2			.5				.5		
Mauritania	1.4	(1)	1.4	(1)									
Mauritius	.7	(1)	.6	.1									
Morocco	40.7	1.6	35.7	1.1	2.3		15.9		.9		15.0		
Niger	1.6	.1	.9	.6									
Nigeria	36.4	21.5	.2	(1)	14.7		3.5	3.4	.1				
Rwanda	.5	(1)	.5										
Senegal	3.4	.1	1.1	.6	1.6		(1)		(1)				
Seychelles	.1	(1)	.1										
Sierra Leone	3.5	.1	2.1	1.3									
Sudan	1.4		.1		1.3								
Swaziland	.6	.1		.5									
Tanzania	3.1	1.9	1.2										
Togo	1.1	.1	.4	.6									
Tunisia	41.1	17.1	23.4	.6			4.1		1.8		2.2	.1	
Uganda	5.7	5.3		.4									
Upper Volta	3.3	.1	2.8	.4									
Zaire	5.9	2.0	2.3	1.2	.4		2.4		.4		2.0		
Zambia	23.5	(1)	.3		23.2								
East African Regional	1.3	1.3											
Central and West African Regional	32.4	32.4											
Southern African regional	14.7	14.7					.3	.3					
African regional	25.4	21.6	.1	1.0	2.7		(1)		(1)				
Europe	497.6	.5	.2	(1)	496.9		79.3	9.5	11.2			58.6	
Malta	.2		.2				9.5	9.5					
Spain	447.9				447.9		69.8		11.2			58.6	
Yugoslavia	49.3	.4			48.9								
Oceania	72.1			2.8		69.3							
Fiji	.7			.7									
Trust, Territory Pacific	69.3					69.3							
Other	2.2			2.2									
Nonregional	1,524.2	406.9	47.6	20.9	988.6	60.2	14.7	14.7					

Footnotes at end of table.

FISCAL YEAR 1972 U.S. GOVERNMENT GRANTS, LOANS, TRANSFERS, SALES, GUARANTEES, AND INSURANCE—Continued

PT. 1A.—GRANTS AND LOANS—Continued

[In millions of dollars]

	Economic						Security						
Region and country	Total economic	AID (excluding securities supporting assistance)	Food for peace	Peace Corps	Export-Import Bank loans	Other economic	Total security	Security supporting assistance	MAP grants	Military assistance service funded	FMS loans	Excess stocks and other transfers	Export-Import Bank military loans
Less developed countries—Continued													
Capital subscriptions and contributions to international organizations (see supplement).	225.2	181.9	5.3			38.0	2.4	2.4					
Other nonregional	1,299.0	225.0	42.3	20.9	988.6	22.2	12.3	12.3					
AID administrative expenses	63.1	63.1											
Ocean frt. volunteer agencies	46.8	4.5	42.3										
AID interreg. program expenses	44.9	44.9					11.6	11.6					
General technical services	50.1	50.1											
Disaster relief	1.6	1.6											
Research and evaluation	17.8	17.8											
American schools and hospitals abroad	20.0	20.0											
Private enterprise development	8.5	8.5											
Institutional grants	5.2	5.2											
Participants services	3.1	3.1											
Other	1,037.9	6.2		20.9	[1] 988.6	22.2	.7	.7					
Developed countries	565.8		29.3		533.9	2.6	430.1		22.7	253.8		6.5	147.1
East Asia: Japan	272.4				272.4								
Europe	272.5		29.3		240.6	2.6	7.7		1.2			6.5	
Austria	2.0				2.0								
Belgium	13.9				13.9								
Denmark	20.4				20.4								
Finland							(2)		(2)				
France	19.2				19.2								
Germany, Federal Republic	3.0				3.0								
Iceland	.8		.8										
Italy	22.3				22.3								
Netherlands	43.7				43.7								
Norway	36.9				36.9								
Portugal	30.4		28.5		1.9		7.5		1.0			6.5	
Romania	1.2				1.2								
Sweden	24.7				24.7								
United Kingdom	51.4				51.4		(2)					(2)	
Regional	2.6					2.6	.1		.1				
Canada	20.1				20.1								
Oceania: Australia							147.1						147.1
Nonregional	.9				.9		275.3		21.5	253.8			
Private export funding corporation	.9				.9								
Other							275.3		21.5	253.8			

[1] Discount loan program to stimulate private bank export credits.

[2] Less than $50,000.

Note: Totals may not add due to rounding. See explanation of various programs in general notes.

PT. 1 B.—OTHER TRANSACTIONS

[In millions of dollars]

	Economic					Security and other transactions			
		Guarantees and insurance							
Region and country	Total economic	Export-Import bank	O.P.I.C.	AID housing	Assessed budgets international organizations	Total security and other transactions	FMS cash sales	FMS guarantees	Facilities transfers
Total all countries	4,853.1	3,945.8	651.4	92.5	163.4	3,764.2	2,912.5	220.5	631.2
Less developed countries	3,589.9	2,682.6	651.4	92.5	163.4	2,253.3	1,447.1	220.5	585.7
Developed countries	1,263.2	1,263.2				1,510.9	1,465.4		45.5
Less developed countries:									
Near East and South Asia	405.2	285.9	69.3	50.0		1,452.9	1,277.8	175.0	.1
Afghanistan	.1	.1							
Cyprus	.4	.4							
Greece	46.3	43.7	2.6			171.3	146.3	25.0	
India	27.0	2.4	24.6			.3	.3		
Iran	137.6	129.6	8.0			499.2	499.2		
Iraq	(1)	(1)							
Israel	116.2	36.6	29.6	50.0		467.9	317.9	150.0	
Jordan	.8	.8				1.4	1.4		
Kuwait	14.0	14.0							
Lebanon	10.0	10.0							
Nepal	(1)	(1)				.3	.3		
Pakistan	4.7	.2	4.5			(1)	(1)		
Saudi Arabia	5.7	5.7				306.8	306.8		
Sri Lanka (Ceylon)	.2	.2				(1)			
Turkey	40.4	40.4				5.6	5.5		.1
Regional	1.5	1.5							
Latin America	1,502.0	1,298.5	161.0	42.5		107.9	81.9	19.5	6.5
Argentina	155.4	149.4		6.0		18.8	11.3	7.5	
Barbados	2.6	2.6							
Bermuda	19.4	19.4							
Bolivia	6.5	6.5				(1)	(1)		
Brazil	465.4	332.1	133.3			33.3	21.3	12.0	

Footnotes at end of table.

PT. 1B.—OTHER TRANSACTIONS—Continued

[In millions of dollars]

Region and country	Economic					Security and other transactions			
	Total economic	Guarantees and insurance			Assessed budgets international organizations	Total security and other transactions	FMS cash sales	FMS guarantees	Facilities transfers
		Export-Import bank	O.P.I.C.	AID housing					
Less developed countries—Continued									
Latin America—Continued									
British Honduras	1.1	1.1	(1)						
Chile	5.6	5.6				2.7	2.7		
Colombia	127.4	127.4				.7	.7		
Costa Rica	26.6	25.2	1.4			(1)	(1)		
Dominican Republic	15.5	14.3	1.2			(1)	(1)		
Ecuador	36.8	36.7	.1			(1)	(1)		
El Salvador	13.5	11.3	2.2			(1)	(1)		
Guatemala	17.7	17.7				1.5	1.5		
Guyana	5.1	4.0	1.1						
Haiti	.6	.1	.5						
Honduras	13.4	9.9	1.3	2.2		(1)	(1)		
Jamaica	38.7	36.5	2.2			(1)	(1)		
Mexico	189.1	189.1				.4	.2		0.2
Nicaragua	21.0	9.1	11.9			.1	.1		
Panama	54.7	51.1	3.6			(1)	(1)		
Paraguay	1.7	1.7							
Peru	81.8	53.5		28.3		1.2	1.2		
Surinam	1.6	1.6							
Trinidad and Tobago	13.9	13.9				5.5			5.5
Uruguay	2.9	2.9				(1)	(1)		
Venezuela	168.5	160.3	2.2	6.0		42.8	42.8		
West Indies (all other)	11.1	11.1							
West Indies-British (Bahamas)	4.1	4.1				.8			.8
Regional	(1)	(1)							
East Asia and Vietnam	585.2	301.8	283.4			661.9	57.0	26.0	578.9
Brunei	2.2	2.2							
Burma	2.2	2.2				.2	.2		
China, Republic of (Taiwan)	264.5	197.4	67.1			55.2	28.8	26.0	.4
Hong Kong	10.6	10.6							
Indonesia	107.2	8.9	98.3			(1)	(1)		
Korea	51.8	10.9	40.9			7.2	2.0		5.2
Malaysia	21.3	20.4	.9			1.1	1.1		
Philippines	39.2	22.2	17.0			28.0	.6		27.4
Ryukyu Islands	1.8	1.8							
Singapore	54.6	12.6	42.0			6.0	6.0		
Thailand	29.6	12.3	17.3			26.0	18.2		7.8
Vietnam	.2	.2				538.1	(1)		538.1
Western Samoa	(1)	(1)				(1)	(1)		
Africa	362.3	224.6	137.7			5.6	5.6		(1)
Algeria	59.2	59.2							
Botswana	101.5	(1)	101.5						
Burundi	(1)	(1)							
Cameroon	11.2	11.2							
Central African Republic	2.5	2.5							
Chad	(1)	(1)							
Dahomey	.6	.6							
Ethiopia	.6	.6				(1)	(1)		(1)
Gabon	5.4	5.2	.2						
Gambia, The	(1)	(1)							
Ghana	1.8	1.6	.2						
Guinea	.7	.7							
Ivory Coast	32.6	29.9	2.7						
Kenya	11.5	7.8	3.7						
Lesotho	(1)	(1)							
Liberia	6.2	6.2							
Libya	1.2	1.2				3.4	3.4		
Malagasy Republic	2.1	2.1							
Malawi	.1	.1							
Mali	.7	.7							
Mauritania	.1	.1							
Mauritius	.2	.2							
Morocco	6.1	3.4	2.7			.9	.9		
Niger	(1)	(1)							
Nigeria	28.6	28.6				1.0	1.0		
Rwanda	.2	.2							
Senegal	2.1	2.1				(1)	(1)		
Seychelles	(1)	(1)							
Sierra Leone	.5	(1)	.5						
Somali Republic	.2	.2							
Sudan	2.6	2.6							
Swaziland	.1	.1							
Tanzania	.6	.6							
Togo	.9	.9							
Tunisia	.8	.6	.2						
Uganda	.2	.2							
Upper Volta	.2	.2							
Zaire	27.9	1.7	26.2			.3	.3		
Zambia	37.3	37.3							
Regional	15.8	15.8							
Europe	244.6	244.6				25.1	24.9		.2
Malta	.3	.3							
Spain	139.8	139.8				24.6	24.4		.2
Yugoslavia	104.1	104.1				.4	.4		
Regional	.4	.4							
Oceania	1.2	1.2							
Fiji	.2	.2							
Trust Territory, Pacific	(1)	(1)							
Other	1.0	1.0							

Footnotes at end of table.

PT. 1B.—OTHER TRANSACTIONS—Continued

[In millions of dollars]

Region and country	Economic: Total economic	Economic: Guarantees and insurance: Export-Import bank	Economic: Guarantees and insurance: O.P.I.C.	Economic: AID housing	Economic: Assessed budgets international organizations	Security and other transactions: Total security and other transactions	Security and other transactions: FMS cash sales	Security and other transactions: FMS guarantees	Security and other transactions: Facilities transfers
Less developed countries—Continued									
Nonregional	489.3	325.9			163.4				
Capital subscriptions and contributions to international organizations (See supplement)	163.4				163.4				
Other nonregional	325.9	325.9							
Developed countries	1,263.2	1,263.2				1,510.9	1,465.4		45.5
East Asia: Japan	259.3	259.3				94.4	61.9		32.5
Africa: South Africa Republic	143.3	143.3				(1)	(1)		
Europe	696.9	696.9				1,248.1	1,237.1		11.0
Austria	7.0	7.0				2.4	2.4		
Belgium	47.0	47.0				4.9	4.9		
Denmark	7.8	7.8				17.1	17.1		
Finland	13.6	13.6				.1	.1		
France	109.3	109.3				7.5	7.5		
Germany, Federal Republic	132.4	132.4				958.0	949.5		8.5
Iceland	1.0	1.0				1.9	.4		1.5
Ireland	2.2	2.2				.2	.2		
Italy	97.4	97.4				77.2	77.2		(1)
Liechtenstein	(1)	(1)							
Luxembourg	.4	.4				(1)	(1)		
Monaco	(1)	(1)							
Netherlands	104.9	104.9				29.2	29.2		
Norway	10.3	10.3				23.6	23.6		
Portugal	5.2	5.2				3.6	3.6		
Romania	9.8	9.8							
Sweden	27.6	27.6				1.1	1.1		
Switzerland	22.8	22.8				11.4	11.4		
United Kingdom	96.7	96.7				109.8	108.8		1.0
Vatican City	(1)	(1)							
Regional	1.1	1.1							
Canada	84.9	84.9				28.4	26.5		1.9
Oceania	78.8	78.8				100.1	100.1		(1)
Australia	66.3	66.3				96.7	96.7		(1)
New Zealand	12.5	12.5				3.4	3.4		
Nonregional: Other						39.8	39.8		

[1] Less than $50,000.

Note: Totals may not add due to rounding. See explanation for description of various programs in general notes.

SUPPLEMENT—FISCAL YEAR 1972 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

[In millions of dollars]

International organization	Total	AID	Food for peace	Other
Total	679.5	224.1	145.5	309.9
Regional or country programs	288.5	39.8	140.2	108.5
Nonregional programs	227.6	184.3	5.3	38.0
Assessed budgets	163.4			163.4
Regional or country programs	288.5	39.8	140.2	108.5
Capital subscription to Inter-American Development Bank	104.3			104.3
U.N. Children's Fund	2.8		2.8	
U.N./FAO world food program	55.9		55.9	
U.N. Relief and Works Agency	8.9		8.9	
U.N. relief operations—Dacca (UNROD) (Bangladesh)	112.0	39.4	72.6	
Intergovernmental Committee for European Migration	3.2			3.2
U.N. High Commissioner for Refugees Program	1.0			1.0
Central Treaty Organization (CENTO)	.4	.4		
Nonregional programs	227.6	184.3	5.3	38.0
Capital subscription to International Development Association	38.0			38.0
Special voluntary programs:				
United Nations development program	89.0	86.0	3.0	
United Nations Children's Fund	15.0	15.0		
United Nations population program	29.0	29.0		
United Nations Fund for Drug Abuse Control	2.0	2.0		
International Atomic Energy Agency, operational program	1.7	1.6	.1	
WMO voluntary assistance program	1.5	1.5		
U.N./FAO world food program	1.5	1.5		
U.N. Institute for Training and Research	.4	.4		
WHO medical research (IARC)	.3	.3		
U.N. Relief and Works Agency	16.4	14.3	2.1	
U.N. Environment Fund	.1	.1		
Indus Basin and Tarbela Development Fund	30.3	30.3		
International Secretariat for Volunteer Service	0.2	0.1	0.1	
U.N peacekeeping force in Cyprus	2.4	2.4		
Assessed budgets	163.4			163.4
United Nations specialized agencies and the International Atomic Energy Agency:				
United Nations	52.4			52.4
United Nations Educational, Scientific, and Cultural Organization	12.3			12.3
International Civil Aviation Organization	4.3			4.3
World Health Organization	24.6			24.6
Food and Agriculture Organization	10.5			10.5
International Labor Organization	7.7			7.7
International Telecommunication Union	.8			.8
World Meteorological Organization	.3			.8
Intergovernmental Maritime Consultative Organization	.1			.1
International Atomic Energy Agency	4.1			4.1
Inter-American organizations:				
Inter-American Institute of Agricultural Sciences	3.0			3.0
Pan American Health Organization	10.4			10.4
Organization of American States	18.8			18.8
Other	.7			.7
Regional organizations:				
South Pacific Commission	.2			.2
North Atlantic Treaty Organization	5.4			5.4
Southeast Asia Treaty Organization	.4			.4
Organization for Economic Cooperation and Development	5.1			5.1
Other	.2			.2
Other international organizations:				
International Coffee Organization	.3			.3
Customs Cooperation Council	.4			.4
General Agreement on Tariffs and Trade (GATT)	.7			.7
Other	.4			.4

Note: Totals shown above are included in tables 1A and 1B, as appropriate. Details by organization are shown for informational purposes only. Totals may not add due to rounding.

PART 2A.—RECEIPTS OF FOREIGN CURRENCY BY THE UNITED STATES IN FISCAL YEAR 1972

[In thousands of dollars equivalent]

Region and country	Total	Public Law 480 sales of agricultural commodities	Interest on depositary balances	Receipts from loans		Advances for technical assistance	Other
				Public Law 480	AID Foreign Assistance Act		
Total, all countries	624, 402	194, 154	16, 450	165, 275	135, 724	73, 608	39, 191
Less developed countries	606, 608	194, 004	15, 854	164, 161	135, 724	73, 608	23, 257
Developed countries	17, 794	150	596	1, 114			15, 934
Less developed countries:							
Near East and South Asia	283, 151	34, 569	14, 450	126, 172	92, 118	14, 425	1, 417
Afghanistan	1, 985	1, 212		161		612	
Cyprus	36			36			
Egypt	10, 988		940	8, 872	1, 176		
Greece	7, 871		4	3, 723	3, 942		202
India	146, 007	11, 333	10, 013	68, 769	47, 266	8, 468	158
Iran	1, 805			1, 712			93
Israel	22, 444		53	17, 064	5, 321		6
Jordan	264		1	263			
Lebanon	394	388	6				
Nepal	214			187	27		
Pakistan	56, 460	16, 733	3, 245	16, 645	16, 638	3, 171	28
Sri Lanka	283		70	212			1
Syrian Arab Republic	190				190		
Turkey	34. 210	4, 903	118	8, 528	17, 558	2, 174	929
Latin America	20. 709	1, 477	14	5. 803	3, 767	8, 956	692
Argentina	46			24			22
Barbados	13						13
Bolivia	2, 732	44		1, 600		927	161
Brazil	8, 533	869		1, 275		6, 389	
Chile	1, 893		12	985	709		187
Colombia	1, 334	368		963			3
Costa Rica	49					41	8
Dominican Republic	1, 374		1			1, 372	1
Ecuador	591	193		—141	536		3
El Salvador	128				57		71
Guatemala	551				551		
Guyana	3	3					
Haiti	264				210		54
Honduras	578				574		4
Jamaica	3						3
Nicaragua	419				410		9
Paraguay	1, 063			366	684	12	1
Peru	939			722		213	4
Uruguay	139			9	36	2	92
Venezuela	57		1				56
East Asia and Vietnam	242, 593	156, 592	229	11, 542	15, 321	47, 722	11, 187
Burma	2, 162		43	597	1, 522		
China	18, 042	8, 560	60	4, 458	4, 746	37	181
Indonesia	6, 513		39	4, 163	1, 511	791	9
Khmer Republic	8, 207	7, 922	31			254	
Korea	44, 781	39, 212	56	1, 499	751	1, 791	1, 471
Laos	7, 333					833	6, 500
Malaysia	5						5
Philippines	6, 457	1, 881		825	1, 067	1, 030	1, 654
Thailand	6, 139				2, 471	3, 091	577
Vietnam	142, 954	99, 017			3, 253	39, 895	789
Africa	29, 692	1, 366	1, 082	9, 725	14, 634	2, 505	380
Cameroon	1		1				
Ethiopia	2, 389			17	2, 339	33	
Ghana	2, 292	739	152	1, 107		294	
Guinea	—101			9		—110	
Kenya	42					42	
Malagasy	1		1				
Mali	—19					—19	
Morocco	13, 833		500	3, 378	9, 643	312	
Nigeria	435					179	256
Rwanda	14						14
Senegal	82		10	69			3
Sudan	1, 190		168	1, 022			
Tanzania	1						1
Tunisia	7, 872		250	3, 680	2, 652	1, 187	103
Uganda	29					29	
Upper Volta	5						5
Zaire	1, 577	627		443		509	—2
Zambia	49					49	
Europe	21, 313		79	10, 919	9, 884		431
Spain	5, 746		3	4, 507	805		431
Yugoslavia	15, 567		76	6, 412	9, 079		
Nonregional (various)	9, 150						9, 150
Developed:							
East Asia: Japan	3, 308		522				2, 786
Africa: South African Republic	65						65
Europe	14, 421	150	74	1, 114			13, 083
Austria	3		3				
Belgium	487		1				486
Denmark	318		3				315
Finland	688			688			
France	2, 236			68			2, 168
Germany, Federal Republic of	5, 315		2				5. 313
Hungary	428						428
Iceland	510	150	2	358			
Italy	547		32				515
Netherlands	138		7				131
Norway	200						200
Portugal	157		1				156
Sweden	47						47
Switzerland	1		1				
United Kingdom	3, 346		22				3. 324

PT. 2B.—FOREIGN CURRENCY PAYMENTS RETURNED BY THE UNITED STATES TO RECIPIENT COUNTRIES IN FISCAL YEAR 1972

[In thousands of dollars equivalent]

Region and country	Total	Common defense	Cooley loans	Economic development		Advance for technical assistance	Other
				Loans	Grants		
Total all countries	30,281	105,878	40,117	15,828	99,616	67,950	892
Less developed countries	329,069	105,814	40,117	15,828	99,176	67,946	188
Developed countries	1,212	64			440	4	704
Less developed countries:							
Near East and South Asia	144,142	15	34,905	7,412	86,231	15,511	68
Afghanistan	894					894	(1)
Cyprus	(1)						(1)
Egypt	2,505				2,501		4
Greece	3						3
India	98,218		32,026		57,420	8,735	37
Iran	11					26	−15
Israel	6,813		425	5,338	1,017	1	32
Jordan	1,273			1,271			2
Lebanon	1						1
Nepal	6,231				6,231		
Pakistan	25,625	15	1,864	803	19,062	3,879	2
Sri Lanka	590		590				(1)
Turkey	1,978					1,976	2
Latin America	10,449		−7	871	−1	9,532	54
Argentina	1						
Barbados	5						2
Bermuda	2						
Bolivia	2,128		−7	852		1,283	
Brazil	6,380			19	−1	6,359	3
Chile	2						2
Colombia	294					289	5
Costa Rica	47					47	
Dominican Republic	1,334					1,333	1
Ecuador	1						1
Guatemala	1						1
Haiti	1						1
Honduras	3						3
Jamaica	(1)						(1)
Martinique	(1)						(1)
Mexico	2						2
Netherlands Antilles	(1)						(1)
Nicaragua	2						2
Paraguay	33					33	
Peru	174					172	2
Trinidad and Tobago	(1)						(1)
Uruguay	16					16	
Venezuela	23						23
East Asia and Vietnam	159,868	105,799	3,351		12,210	38,378	130
Burma	22				21		1
China	5,313				5,283	22	8
Hong Kong	20						20
Indonesia	810				15	794	1
Khmer Republic (Cambodia)	1,207	937				268	2
Korea	25,511	20,510	3,351			1,639	11
Laos	7,898				6,856	1,042	
Malaysia	4						4
Philippines	1,203	149			35	1,006	13
Thailand	3,329					3,271	58
Vietnam	114,551	84,203				30,336	12
Africa	14,117		1,791	7,545	337	4,525	−81
Algeria	1						1
Cameroon	25					9	16
Chad	(1)						(1)
Dahomey	7				7		
Ethiopia	87					74	13
Gabon	(1)						(1)
Gambia, The	−3						−3
Ghana	1,195		245	675	28	251	−4
Guinea	5,916			5,480		436	
Ivory Coast	53			53			
Kenya	−76					12	−88
Malagasy	2						2
Malawi	1						1
Mali	79					79	
Mauritania	(1)						(1)
Morocco	2,037		1,546	160	19	319	−7
Nigeria	162				2	160	
Senegal	299			35		263	1
Sudan	1						1
Tanzania	5						5
Togo	(1)						(1)
Tunisia	2,786			1,142	281	1,343	20
Uganda	−12					30	−42
Upper Volta	3					3	
Zaire	1,547					1,543	4
Zambia	2					3	−1
Europe	493		77		399		17
Spain	91		77				14
Yugoslavia	402				399		3

Footnote at end of table.

PT. 2B.—FOREIGN CURRENCY PAYMENTS RETURNED BY THE UNITED STATES TO RECIPIENT COUNTRIES IN FISCAL YEAR 1972—Continued

[In thousands of dollars equivalent]

Region and country	Total	Common defense	Cooley loans	Economic development		Advance for technical assistance	Other
				Loans	Grants		
Developed countries:							
Europe	1,185	64			440	3	678
Austria	20						20
Belgium	20						20
Denmark	5						5
Finland	16						16
France	61					3	58
Germany (Federal Republic)	260						260
Hungary	[1]						[1]
Iceland	2						2
Ireland	2						2
Italy	100	64			11		25
Netherlands	123						123
Norway	3						3
Poland	465				428		37
Portugal	8						8
Sweden	27						27
Switzerland	21						21
United Kingdom	52				1		51
East Asia: Japan	13						13
Africa: South African Republic	8						8
Oceania	6						6
Australia	5						5
New Zealand	1						1

[1] Less than $500.

NORTH CAROLINA GENERAL ASSEMBLY IS OPPOSED TO AMNESTY

Mr. HELMS. Mr. President, the General Assembly of North Carolina recently adopted a resolution which I believe clearly represents the feelings of the vast majority of the citizens of North Carolina.

The resolution expresses unalterable opposition to any grant of amnesty to those who have illegally avoided induction into, or have deserted from, the armed services of the United States.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 385

A Joint Resolution in opposition to a grant of amnesty to those who illegally avoided induction into the United States Armed Services or who deserted

Whereas, there has been much discussion of a grant of amnesty or freedom from prosecution to those who through desertion and otherwise willfully failed to fulfill their military obligations to the United States; and

Whereas, any such wholesale grant of amnesty to those who illegally avoided service in the United States Armed Forces or deserted therefrom would make a mockery of the sacrifices of the millions of Americans who did their duty, assumed their responsibilities in time of conflict, and suffered or died in time of conflict; and

Whereas, cases involving desertion or illegal flight to avoid induction into the Armed Forces may presently be tried in the courts of this country where each particular case may be heard on its merits and be dealt with appropriately and based upon the facts of the particular case;

Now therefore, be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly of North Carolina expresses its strong opposition to the grant of amnesty or freedom from prosecution to those who have in our recent time of conflict either illegally avoided induction into the United States Armed Forces or who have deserted therefrom.

SEC. 2. The Secretary of State is hereby directed to prepare and deliver certified copies of this resolution to the President of the United States and to all Congressmen and the Governor and United States Senators of the State of North Carolina.

SEC. 3. This resolution shall become effective upon its ratification.

In the General Assembly read three times and ratified, this the 5th day of March, 1973.

CONGRESS' RIGHT TO KNOW

Mr. ERVIN. Mr. President, as many of my colleagues in the Senate know, the Federation of American Scientists contains not only natural and social scientists but lawyers, as well, in its efforts to assess sound public policy on matters involving natural and social science.

The March 1972 issue of the federation's Newsletter was devoted to the "Legislative Right To Know." Many of the points made in it are relevant to the problem of executive privilege which is being discussed today.

In a statement endorsed by six experts and approved by the FAS Executive Committee, the federation concluded that "executive privilege" covers only "confidential communications" with the President and does not provide sweeping immunity from congressional inquiry for "individuals" or "job designations." Among the experts associated with this view were:

Raoul Berger, one of America's leading experts on executive privilege;

Bernard Schwartz, Webb professor of law, New York University, one of America's leading leading constitutional lawyers and author of the five-volume work, "A Commentary on the Constitution of the United States";

Lee C. White, who served in the White House as a legal adviser—deputy special counsel to President Kennedy and special counsel to President Johnson; and

Arthur S. Miller, professor of law at George Washington University and a consultant to my own Subcommittee on Separation of Powers.

The FAS Newsletter complains eloquently of the unconstrained power of the executive branch and its "ever more comprehensive claims to authority." It also contains a survey of the problem of executive privilege as presented to my Subcommittee on Separation of Powers by Professor Berger. I ask unanimous consent that these three short documents be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE LEGISLATIVE RIGHT TO KNOW

Increasingly, the power of the Executive Branch is unconstrained. Thirty years of world crisis have provided the Executive with the popular support required to usurp powers of the legislative branch. And the individual legislators themselves have not been last in their willingness to let the Constitutional authority of the legislature slip away. In the control of foreign policy generally; in the war powers in particular; and in rights to information especially; Congress has steadily lost ground. The Executive Branch has made ever more comprehensive claims to authority.

The seriousness of this problem, indeed the existence of it, is too little understood—for many reasons. The legislative branch trains far fewer persons in the perspective of its institution than does the Executive Branch. Whole generations of American officialdom function for years in the unchallenged belief that their function is, and ought to be, simply facilitating the exercise of Presidential power—and hence, necessarily, blunting, circumventing, and placating the power of the legislature.

Nor is the secular loss of legislative power an isolated American phenomenon. Parliaments throughout the world are losing power to their executive counterparts. The advantages of monolithic structure; the power to be won by operational authority; and the ever greater staff needed to cope with the complexities of modern problems—all give the Executive a great and lasting advantage.

But these indications that the problem has permanent features only highlight coming dangers. How long would American freedoms last after the three branches of government ceased to be an effective check upon each other? Both theory, and recent experience, reveal all too clearly how little confidence ought to be placed in the unchallenged common sense of a future chief executive.

To Facilitate Congressional Testimony FAS Proposes Second "Hat" for Henry Kissinger

We do not question the right of the President to assert Executive Privilege over confidential communications between himself and his immediate counselors such as Cabinet Members and his immediate aides in the Office of the White House (White House Staff). Recent Administrations have suggested, however, that members of the White House Staff ought to be immune from Congressional inquiry of any kind. The implicit justification for this sweeping immunity is that these persons do nothing else but engage in confidential communications with the President. We note, for the record, that we do not believe that immunity from Congressional inquiry ought to be provided to "individuals" or to "job designations" but only to privileged information. Thus, for example, even persons who do nothing else but provide confidential advice to the President ought to be willing to testify on matters in which they were involved before they took up their present responsibilities. (Thus Averell Harriman, the first "Assistant to the President," provided the Congressional investigation of General MacArthur's dismissal with such testimony based on prior knowledge.)

While White House Staff members have sometimes been considered altogether immune from Congressional inquiry, the right of Congress to call other Executive Branch witnesses has not been challenged.

In particular, blanket immunity from testifying has not been claimed for officials in the Executive Office of the President other than to those on the White House Staff.

It has also become commonplace for members of the White House Staff to direct, chair, or supervise an entity inside the Executive Office of the President under a different "hat." There are seven such cases at present. And in several of the cases, it has become accepted procedure that the White House Staff Member testify under this second "hat."

ASSISTANT FOR NATIONAL SECURITY AFFAIRS OUGHT TO BE NSC EXECUTIVE SECRETARY

We believe that this tradition ought to be strengthened. Specifically, we recommend that the Assistant to the President for National Security Affairs be given a second job designation: "Executive Secretary" of the National Security Council (NSC). According to the National Security Act of 1947 and 1949, the Executive Secretary of the NSC is to be filled by a civilian appointed by the President, Under the Nixon Administration, the position has been vacant. However, the officers of the National Security Council staff report directly to Dr. Kissinger.[1] The budget justification prepared by the National Security Council states that "An Assistant to the President is the principal supervisory officer of the Council."[2] Dr. Kissinger is listed in the United States Government Organization Manual, along with the NSC "staff secretary," as one of two "officials" of the National Security Council. He answers questions on its method of functioning in response to Congressional inquiry. In short he really is, already, the chief of staff of the NSC.

The proposal we make is analogous to the dual roles played by the "Science Adviser to the President"—a member of the White House Staff. He is also Director of the Office of Science and Technology (OST) in the Executive Office of the President.

When President Kennedy began the present procedure of appointing his science adviser to the job "Director: Office of Science and Technology," he wanted to make it possible for this person to testify before Congress on occasion without disrupting the current Executive Branch policy against permitting testimony by White House Aides. Obviously, he did not give up, by this dual appointment, the right to insist that the science adviser decline to testify on matters on which he simply provided confidential advice to the President.

NSC DOES MORE THAN PROVIDE COFIDENTIAL ADVICE

Title I of the National Security Act of 1946 setting up the National Security Council says that the "function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. . ." so that the different agencies might cooperate more effectively. But the totality of work and advice provided the President is certainly not to be construed as "confidential communications." Indeed, the National Security Council has under it the Central Intelligence Agency, whose Director does testify before Congress. Furthermore, the National Security Council itself has as a statutory duty "to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power. . . ." The facts it unearths should certainly be open to inquiry by the Congress, just as are the facts unearthed by its subordinate body—the Central Intelligence Agency.

Today, Dr. Kissinger presides over a staff of 54 substantive officers and a total of 140 employees. He is chairman of six interagency committees dealing with the entire range of foreign policy and national security. In Fiscal 1971, the budget for the NSC staff was $2.2 million. This job is not the job of a personal aid providing confidential advice only.

Furthermore, on past occasions, the President's Assistant for National Security Affairs has held open press conferences. The contrast between his access to the (public and foreign) press for open questioning and his inability, even on the same subjects, to give his views to authorized committees of Congress is striking.

Our proposal to give the Assistant for National Security Affairs a second "hat" avoids challenge to the new (and questionable) doctrine that White House aides have blanket immunity. It provides a way for the President to permit testimony by White House staff, on certain issues, without giving up claims to blanket immunity over immediate aides. Ever greater concentration of power in the White House without any possibility of review by the Congress can only produce great constitutional pressures.

Our proposal provides a way to vent these pressures in the interests of both Branches of Government.

CREDENTIALS OF FAS CONSULTANTS

Raoul Berger, esq.: retired Professor of Law, probably America's leading expert on Executive Privilege.

Alton Fyre: Joint Fellow of the Woodrow Wilson International Center and of the Council on Foreign Relations; author of a forthcoming study "A Responsible Congress: Security, Science and Foreign Policy."

Arthur S. Miller: Professor of Law, George Washington University; Consultant, Senate Subcommittee on Separation of Powers.

Bernard Schwartz: Webb Professor of Law, New York University; Author of the five volume work "A Commentary on the Constitution of the United States."

Eugene Skolnikoff: Chairman, Department of Political Science, MIT; formerly special Assistant to three successive Science Advisers to the President.

Lee C. White: Law firm of Semer, White and Jacobsen; White House legal adviser (deputy special counsel) to President Kennedy and (special counsel) to President Johnson.

Approved by the Federation Executive Committee, the above proposal was reviewed and endorsed by the following FAS members or consultants whose experience and expertise bear on various aspects of this problem.

Raoul Berger, Alton Frye, Arthur S. Miller, Bernard Schwartz, Eugene Skolnikoff, and Lee C. White.

EXECUTIVE PRIVILEGE

Executive Privilege is the power asserted by the President to be "inherent" in the executive to withhold information from the public, from the legislature or from the judiciary. It is in direct opposition to an inherent right of the legislature to make inquiry into the administration of the laws it makes and to be properly informed in order to draft legislation. The Supreme Court has never ruled specifically on this conflict between the branches although the privilege has been asserted since the time of President Washington by about 20 different Presidents.

Presidents Johnson and Nixon have followed a precedent set by President Kennedy that executive privilege could be invoked only by the President and not delegated to lower-ranking executive branch officials. This has, however, led to gamesmanship in which the Defense Department has justified refusals with executive-privilege-like phrases and the Justice Department has explained them as simply "preliminary" refusals. Evidently, Committees must address their letters to the President and insist on his signing the replies! But often there is simply an Executive Branch flat refusal or no answer. As Senator Fulbright has testified, the commitment that only the President could invoke executive privilege "has been reduced to a nullity by the simple device of withholding information without formal invocation of executive privilege."

TWO APPROACHES TO THE CONFLICT

There are two approaches to the on-going conflict between the Branches. One approach suggests that these interbranch conflicts are essentially power struggles about which nothing can be done. Some observers consider it unsophisticated to say that an executive branch (or legislative branch) act is unconstitutional. They believe that the balance of power between the branches is something the Constitution either cannot regulate, or something intended to be left to a continuing conflict in the name of checks and balances.

A second approach argues for submitting the controversy to the third branch of Government, that is, to the courts. De Tocqueville observed about America: "scarcely any political question arises . . . that is not resolved sooner or later, into a judicial question." In this view, only the Supreme Court can devise ground rules for rights to information that would fairly adjudicate this quite complicated dispute.

Recently, the Ervin subcommittee of Senate Judiciary (Separation of Powers) released 600 pages of hearings on Executive Privilege. The testimony was dominated by the careful and thorough research of Professor Raoul Berger. Professor Berger is among those who argue for a court test. He notes at the outset of a lengthy study: "There is little if any historical warrant, I proposed to show, for the notion that executive privilege was ever intended to be among the checks on the legislative power of inquiry."[8] He argues persuasively that the Constitution was meant to be interpreted in the sense in which it was adopted. And he argues that an unrestrained right of investigation was meant to be provided to the legislative branch.

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[1] See, for example, testimony of the NCS Staff Secretary Mrs. Jeanne Wilson Davis, May 19, 1971 before the House Subcommittee of Appropriations on Treasury, Post Office, and General Government Appropriations, p. 662.

[2] Ibid., p. 673.

Unfortunately the abuse of legislative investigatory prerogatives by the late Senator Joseph McCarthy induced the Executive Branch to commit itself to correspondingly rigid claims in order to protect itself. The Attorney General of that period (Attorney General Rogers, now Secretary of State) claimed the right to "uncontrolled discretion" to withhold information. In particular, the Executive claimed that administrative efficiency required secrecy. Unfortunately Senator McCarthy was not censured by the Senate for abusing his investigatory rights but for obstructing the Senate from investigating him.

HISTORY SUPPORTS LEGISLATURE

Professor Berger shows that the British House of Commons in the seventeen hundreds was not put off from investigating executive mismanagement despite apprehensions about disrupted alliances and the specter of a civil war that might flow from the revelations. Colonial Assemblies followed the lead of the House of Commons in expecting full disclosure. The Continental Congress, in creating a Department of Foreign Affairs, provided that any member of Congress would have access to all papers in the Department provided that no copy were taken of secret matters without leave of Congress. About a hundred years later, in 1854, Attorney General Cushing advised the President that it was the duty of the heads of departments to communicate information on matters of official duty to either House of Congress when desired.

The Executive Branch argument for an Executive Privilege to withhold information must claim some "inherent" right of executive branch power; no such right being mentioned in the Constitution. Attorney General Rogers saw this right as stemming somehow from the President's duty to enforce the laws. But the duty to enforce the laws ought not be so construed as to permit the Executive to hinder Congress's duty to make new laws and oversee the operation of old ones.

The Courts have never supported the use of Executive Privilege when invoked against the legislature. They have only considered cases involving citizen or judicial inquiries.

EXECUTIVE BRANCH CLAIMS "UNCONTROLLED DISCRETION"

The "uncontrolled discretion" to withhold information from the legislative branch claimed by the Executive Branch is much broader than the rights the courts have supported in cases involving both executive branch military secrets and *private* parties. Thus it is unlikely that the Courts would sustain such an absolute claim against the legislature. In the trial of Aaron Burr, for example. Chief Justice Marshall ruled that the President and Department heads could be subpoenaed. He further made it clear that the President would have to produce requested papers or persuade the *court* that their production should not be insisted upon, by showing the paper in question to the court.

No doubt there are, and will be, sound reasons to resist certain Congressional inquiries. But it seems evident that no one branch of Government should be permitted, by itself, to determine the boundaries of a fundamental conflict between the branches. Not only would this be inappropriate, it would obviously lead to efforts by the Executive Branch to maintain much greater control over information it generates than less involved observers would sanction. The claim to "unlimited" discretion is obviously a case in point.

THE ENERGY CRISIS

Mr. GOLDWATER. Mr. President, with every passing day, the specter of an energy crisis in this country looms larger and larger. The privately owned sector of this country's energy industry states flatly that there is a problem, that it is continuing to worsen and the Nation will soon be on a collision course with a major energy shortage.

Despite claims by some environmentalists that the industry sources are overemphasizing the problem there is now general agreement that the domestic supplies of natural gas will begin running out in 10 years, oil in 30 years, and uranium 235, the basic fuel for nuclear power, in 30 years.

Mr. President, when this happens, the United States will become totally dependent upon foreign sources for these fuels. We would be at the mercy of foreign powers who would be in a position to jeopardize our way of life, our industries, and our national security.

This being the case, I suggest that it is long past the time when this country should begin improving its relations with nations of the Western Hemisphere. Nations like Canada and Venezuela, both producers of oil, will become vitally important to the United States should anything happen to our sources of supply in the Middle East. And I am sure everyone in the Congress understands how explosive and tenuous relations always are in that section of the world.

The handwriting is already on the wall as far as I can determine. Only recently, Canada moved to control its petroleum exports and in Venezuela there is now an open debate over whether that country should sell its oil today or wait until a shortage develops and a higher price can be obtained.

It is well for us to remember that Venezuela is presently the world's fourth largest oil exporting nation after Saudi Arabia, Iran and Kuwait. Currently that nation ships about half of its 3-million-barrel-per-day exports to the American east coast.

But what becomes important about Venezuela, in light of the developing world energy crisis, is the enormous deposits of heavy oil in the Orinoco belt which have been by-passed until now for economic reasons. The 375 mile-long Orinoco belt holds an estimated 700,000 million barrels of what is largely heavy oil. If ways can be found to develop this reserve it could be the answer to the entire energy problem in the Western Hemisphere. And if we are to benefit adequately from such a development we will have to look to our good neighbor attitude in that part of the world. And we cannot get to this too quickly. Latin America is still smarting from the high promise and lousy performance of what the Kennedy administration labeled the alliance for progress. And, of course, since that time we have been paying so much attention to Indochina that many hemispheric problems went largely unattended.

Mr. President, because of the vast importance of Venezuela in the energy picture, I ask that three articles from the English language publication Business Venezuela to be printed in the RECORD. The articles, published in the November-December 1972 edition of the magazine, are entitled "Hoard Now, Pay Later" and "The Orinoco Challenge" and "Oil—Time for Decision."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HOARD NOW, PAY LATER?

(By Frank J. Amador)

"Oil is where you find it", but how long should it remain there? Venezuela must decide that very soon.

Opposite views hold that the nation should either "Sell it now and enjoy the benefits", or "Wait for better prices". The question is generally put, "Should Venezuela limit its oil production in hopes of getting higher prices later?" In essence this involves dealing in futures.

To make a wise decision, one must consider: 1) Effect of compound interest if sale is purposely delayed; 2) Effect of inflation; and 3) Risk of obsolescence. (See "Petróleo, Especulación y Desarrollo" by Dr. Joaquin Sánchez-Covisa, Orientación Económica, No. 38, Agosto, 1972).

The specific problem then is, how much would Venezuela get in the future for oil worth say, $1 million today?

To evaluate the effect of compound interest, we must determine a realistic interest rate and a period of time for which the sale is delayed.

The going rate of interest is 10–12% per year for sound investments. Another way to evaluate interest is to compare it with the value of money used by governments for socio-economic development. In that connection the Shoup Report estimates that money invested in higher education yields about 23%, in secondary education 17%, and in primary education 82–130%. To use a conservative figure, we will employ the low end of the scale, that is, 10% per year.

To establish the period the oil will be held off the market, we must consider the slowness of government decisions. For example 15 years have passed since the last concessions were granted, and no acceptable substitute has been found yet. Thus, a time period of perhaps 25 years would appear reasonable. Applying a rate of interest of 10% compounded annually over a period of 25 years, we find that $1 million today would be worth $11 million at that time. This means that the price of this oil would have to exceed $11 million 25 years hence, just to cover the effect of compound interest.

A conservative inflation rate would be 3% per year, low by today's standards. Over 25 years then, inflation would have the oil's value, so to cover the effects of compound interest plus inflation the oil would have to be sold for at least $22 million.

The risk of obsolescence is difficult to evaluate accurately. Sometime in the future, atomic energy, shale oil, solar energy, etc., will undoubtedly replace oil as our major energy source. It might be argued that there is a 50–50 chance that obsolescence will reduce our markets and, thus, a 50% risk factor should be used. However, we shall assume a conservative risk factor of 25%.

The total combined impact of compound interest, inflation, and risk factor, therefore, means that oil with a present value of $1 million would have to bring at a minimum $29 million, 25 years from now.

Although other factors are involved, these calculations definitely show that a decision to voluntarily reduce production is a grave one. Certainly, such a decision should not be based on emotional impulses or preconceived ideas, but only on economic realities.

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[8] This excellent study appears in 12 UCLA Law Review 1044 (1965) and is reprinted in full (150 pages) in the Ervin hearings.

THE ORINOCO CHALLENGE

(By Kim Fuad)

Venezuela's aging oil industry, cornerstone of the nation's economy, may have a new lease on life in a huge deposit of heavy oil previously bypassed as uneconomic, but now looking better as the nation's petroleum reserves dwindle.

The 375-mile-long Orinoco Heavy Oil Belt, holding an estimated 700,000 million barrels of what is largely heavy oil, has been the focus of U.S. government attention in recent months.

Both the U.S. and Venezuelan governments have avoided making specific public statements on the Belt, but authoritative sources report that prolonged inter-governmental talks on its development are now taking on a new urgency in light of the world energy crisis and the steady descent in Venezuela's proven reserves.

Venezuela is presently the world's fourth largest oil exporting nation after Saudi Arabia, Iran and Kuwait. Currently the nation ships about half of its three million barrel per day (b/d) exports to the U.S. East Coast.

Following over 50 years of intense exploitation of its mineral wealth, Venezuela now has around 13,000 million barrels of proven oil reserves, according to official calculations—enough to maintain output at current levels for a theoretical 10 years more.

Oil experts, however, predict that unless major investments are made to step up the search for oil in new areas and increase the percentage of oil recovered from existing oil fields, production is due for a sharp decline in the near future. They explain that while Venezuela has a theoretical 10 years of reserves, the year-to-year potential tends to fall as reserves are depleted.

Some sources foresee output levels falling below the three million barrel per day mark after 1975.

The Orinoco Heavy Oil Belt, discovered in the mid-1930's, is seen by many as Venezuela's new—and perhaps last—oil frontier. Stretching east to west along the northern bank of the Orinoco River, the 30-to-40-mile wide Belt is largely composed of heavy crude ranging from eight to 12 degrees in A.P.I. gravity.

Until recently, it was called the Orinoco Tar Belt, but the Mines Ministry re-baptized it as the Orinoco Heavy Oil Belt when first steps in a five-year assessment of the area found the Belt also contained medium and lighter, as well as the predominantly heavy oils.

The bulk of the oil in the Belt, however, is so heavy that costly extraction methods will have to be employed to get it out of the ground. An additional disadvantage is that the oil, which contains large amounts of sulfur and metals, requires extensive refining and upgrading, adding to its cost per barrel.

FIVE TIMES OVER

By way of comparison, an investment of around $5,000 would be required to achieve one b/d production in the Belt against an average of between $400 and $500 for Middle Eastern oil. One industry source has estimated that in order to reach production of 500,000 b/d in the Belt, an initial investment of approximately $1,000-million dollars would be necessary.

The present high production costs and current slow world market for heavy oils do indeed militate against immediate development of the Belt. Nevertheless, it is noteworthy that even if a modest 10 per cent (70,000 million barrels) should prove to be economically recuperable, this would represent more than five times the volume of Venezuela's current proven reserves.

Under normal circumstances, the Belt might have gone another three decades largely undisturbed, but the world energy crisis and U.S. concern over securing geographically advantageous and politically stable oil supply has sparked interest in the 74-million acre area.

Over the past years, only around 100 wells have been drilled in the area which is larger than the total extension of concessions now held by foreign oil companies. Although some production has been achieved on fringe areas, the Belt has had little impact on the nation's over-all picture to date.

Two-thirds of Venezuela's three millon-plus barrels per day output comes from the Maracaibo Basin, one of the world's major oil deposits. The Bolivar Coastal Field ranks as the third largest deposit ever discovered.

However, the traditional producing areas—held under 40-year concessions by international giants such as Esso, Shell, Mobil, Gulf and Texaco—have been almost completely explored and their oil is being depleted. Venezuela is nearing the 30,000-million barrel mark in its total exports since commercial shipments were begun in 1971,

The current efforts to reverse the unabated decline in reserves recorded over the past six years have yet to make any contribution. In the southern end of Lake Maracaibo, the three companies that won blocks under the new service contract system have run up a drilling bill well over $15 million without finding commercial amounts of oil. Two of the companies, Mobil and Shell, have halted drilling pending new assessments of the area, while the third, Occidental, continues doggedly in its efforts. Original estimates of the field's potential ranged as high as 3,000-million recoverable barrels, but with the initial failures, sights have been lowered considerably.

In another unexplored area, the Golfo de La Vela along the Caribbean coastline east of the Paraguaná Peninsula, the state oil company, CVP, has reported finding oil in the second of the programmed dozen offshore wildcat wells it has started drilling. No solid assessment of the area's potential, however, will be avaliable until the drilling program is completed in the second half of 1973.

Other potential unexplored areas exist, but they are all high-risk. In effect, the Orinoco Heavy Oil Belt is the only area where major amounts of oil are concretely known to exist. Whereas the other areas pose an exploratory risk, the Belt is an economic risk, depending upon the future heavy oil market, and the terms under which the government will allow its development. The pressure to add new reserves to the nation's mineral bank account is aggravated by the fact that two-thirds of government revenue is oil-based. Despite efforts to diversify the economy, lessened dependence on oil income still remains distant.

PRICE HIKES

The problem of the negative impact on state income due to a decline in production has been modified in recent years as the government has taken steps to put teeth into its goal of selling oil at higher prices. The government has decreed three successive hikes in the tax reference values used to collect income taxes from oil exporters. The hikes have been about 60 U.S. cents for 1971, over 30 for 1972 and an estimated 12 to 17 cents for 1973. According to Mines Minister Hugo Pérez La Salvia, from 1969 to 1972, the government's share of oil profits—now probably about 85 percent—has risen by 75 U.S. cents. Finance Minister Luis Enrique Oberto estimates oil income for the government in 1973 will be in excess of $2,000-million.

Venezuela's battle to win fair prices for its main export has been relatively successful, but the impact on the industry has been largely negative. The country's two major producers, Esso and Shell, have reported 1972 economic results ranging from Shell's net loss to an almost 50 per cent cutback in Esso's profits.

The tax burden has been such that this year Venezuelan oil in some cases was literally priced out of the market in competing with Middle Eastern and African crudes on the U.S. East Coast at a time when tanker rate reductions largely erased Venezuela's goegraphical advantage.

In setting 1973 prices, Venezuela decreed moderate hikes in order to meet the challenge of Eastern Hemisphere oil, but stiffened demands on the companies to keep export levels up on pain of scaled punitive taxes on firms violating minimum and maximum parameters for exports of about 3.2 to 3.6-million b/d.

This difficult economic situation for the oil industry is further aggravated by the 12-year countdown now running on the return of concessions to the state, with no clear indication yet as to what the companies may expect when some 75 per cent of concessions expire in 1983–85.

At present, the average recovery of oil from a deposit in Venezuela is 22 per cent. The recovery factor may go as high as 40 per cent for light oils or drop to below 10 per cent when it is heavy.

Over the lifetime of every oil well, a curve in the decline in output establishes itself with the gradual loss of pressure as the oil and gas are taken out. There is normally an initial period called "natural drive" when the oil flows to the surface on its own. Thereafter, a second phase, called "artificial lift," adds to the well's working lifetime. These first two phases are termed "primary recovery." Then, unless "secondary recovery" systems are applied—largely through injection of gas, water or steam—the well declines to a "stripper" status, exhausting its last few barrels per day.

Secondary recovery systems are being used in many areas in the nation, but the required investment for maintaining or increasing potential through these systems is large. Hence, under the current tax burden and reversion law requirements, most firms consider a major expansion in secondary recovery to be uneconomic. Moreover, with the passage of time—again considering that the bulk of concessions are due to expire in 1983–85—this judgment is likely to harden.

NO CURE-ALL

The combination of these factors—lack of success in new areas, obstacles to increasing potential in old fields now in decline, plus U.S. interest in seeing Venezuela maintain its status as a steady and secure source of supply—has served to draw attention to the Orinoco Heavy Oil Belt.

The Belt, however, is no instant cure-all to Venezuela's oil problems, according to most experts who believe that it could be a decade before the area begins to make any major contribution to production.

Almost in chorus, oil companies, when questioned on the possibility of developing the Belt, reply that the government must devise a more favorable formula if private industry is expected to supply the huge investments required for getting the area into production.

The magnitude of the area alone is a major challenge. Exploration of the 7.4-million acres could take as long as five years, since it is believed that conventional seismographic surveys would probably have to be supplemented, or even replaced, by actual drilling. There appear to be no shortcuts in the process unless the government and the companies are willing to run the risks involved in eliminating some of the steps.

"Prudence", one industry expert said, "is the key word here". He explained that due to the enormous development costs involved, exploitation of the Belt would have to be carefully calculated, with little or no margin for error.

While optimistic experts from the Venezuelan Mines Ministry have reported finding lighter oil in the western part of the Belt, it is generally agreed that the heavy oil will require special extraction methods. Steam injection of one variety or another will probably be used to extract the oil, some of which is heavier than water.

One U.S. oil firm, Phillips Petroleum Co., has capacity for 88,000 b/d output from a fringe area of the Belt, in Monagas State, using injection of lighter oil to dilute the eight degree gravity oil to increase its flow, thereby allowing extraction. The system being used by Phillips on a large scale would require huge amounts of diluent. In order to extract between 500,000 and 600,000 barrels per day, around 100,000 barrels of diluent would have to be injected.

Amoco, whose nearby Jobo Field is operated by Phillips, is shipping approximately 33,000 b/d of heavy oil via a 65-km. pipeline to Puerto Ordaz, where it is loaded on 130,000-barrel tankers, largest that regularly travel up the Orinoco this far. The Amoco product consists of some less than nine gravity oil mixed with some that is over 13 gravity. It moves through a pipeline heated at two points enroute to keep the heavy oil flowing.

Both Phillips' and Amoco's concessions were granted in 1957 and will expire in 1996.

CVP has drilled 10 wells in an area between Phillips and Amoco, but has no production to date. In neighboring Jobo and Pilon Fields, Creole has a capacity of some 50,000 b/d of 15 gravity oil and a pipeline to their Caripito refinery and terminal.

$5 A BARREL?

In addition to the high extraction cost, future producers in the Belt would also face the expense of refining out the high sulfur and metal content in order to meet the strict requirements of pollution-conscious consumers in the United States.

Mines Ministry expert Arévalo Reyes recently commented on the problem of heavy crudes in Venezuela before a group of fellow petroleum engineers.

He said that the production of heavy crudes—which make up about 30 per cent of Venezuelan output—normally costs from 55 to 60 U.S. cents per barrel as opposed to 30 cents for light crude. Adding other costs, Reyes calculated that the production cost for a very heavy crude could range from $1 to $1.30 per barrel, including royalties. The high sulfur content of heavy crudes and the need for upgrading could expand production costs to as high as $5 a barrel before they are marketed, according to Reyes.

Five dollars as opposed to a price in the range of $2.50 to $3 per barrel for the average Venezuelan crude at present is a wide gap—and prices for the heavy crudes are, of course, much lower than this average. The gap, however, is becoming narrower as Middle Eastern producers insist on better prices and demand grows on a world scale. The U.S. government is now looking closely at development of oil shale in the Rocky Mountains and tar sands in Canada where extraction costs are about $4 a barrel.

In October, Alirio Parra, a former high-ranking official in the Mines Ministry who is now a private consultant, presented a study to a world oil symposium in Quito, Ecuador, assessing prices and taxes vis a vis world oil supplies.

"The factors which ushered in the 1970's," he said, "had already been set in motion some years earlier. They reflected the greater dependence of the world on oil as a source of energy, the recognition that the rate of discovery of 'low cost' reserves was slowing and the failure of alternative complementary sources of energy to live up to the expectations promoted during the previous decade. It was within this context that market prices and taxes increased in the years 1970 to 1972. To size up the rest of the present decade is not an easy or enviable task, nor is it one that can be avoided for long. Surely the outlook will be influenced by 'chunks' of demand moving away from traditional centers of supply toward higher cost alternative sources of energy. All the facts seem to point in the direction of higher energy and oil prices over a time span of 10 to 15 years".

Parra foresees U.S. net oil imports rising from 3.4-million b/d in 1970, to 10.9-million in 1980 and 14.8-million in 1985.

UNCLE SAM'S INTEREST

It was learned recently that the U.S. government is keen on promoting development of the Orinoco Heavy Oil Belt and, in order to assure the necessary major capital investments, has posed the possibility of a country-to-country treaty to be approved by Congress. The treaty would be a simple statement of commitment to guarantee U.S., and other foreign oil companies, amortization of their investment as well as repatriation of reasonable profits.

The treaty would open the way for individual negotiations between the companies and the state over development of the Belt.

When U.S. State Department oil expert James Aikens was in Caracas recently he met with government oil experts to discuss the Belt. Enthused over recent findings by the Mines Ministry, which has been carrying out an assessment of the area since 1969, Aikens suggested an accelerated 18-month joint investigation of the Belt by both CVP and private companies. The Ministry study of the Belt is expected to be completed in 1975.

The state-owned CVP, seen in many political circles as the heir to private oil companies when concessions revert, is also doing some drilling in the Belt.

While almost all these factors would appear to lead to action on the Belt, immediate action seems unlikely because of political considerations. With Venezuela scheduled to hold presidential elections in 1973, the present administration may not be able to make any long-term commitments.

It has been insistently reported that the ruling Social Christian "Copei" party, as well as the nation's largest opposition party, "Acción Democrática", have agreed to discuss minimum conditions for future oil policy, regardless of the outcome of the 1973 elections. This first step could pave the way toward development of the Belt.

It is a matter of speculation as to what sort of agreement or arrangement may finally be worked out between Venezuela and the oil companies. In 1959, the government announced that no further concessions would be granted. Yet it was only last year that the new system of service contracts went into operation. Although service contracts have been frequently billed as a substitute to concessions, their application, at least from experience to date in South Lake Maracaibo, may be limited.

Another alternative, posed by President Rafael Caldera as far back as his 1968 presidential campaign, but still not spelled out in detail, is the often mentioned "mixed company" joint venture.

It is assumed that any new agreements would give the state a more integrated role in developing and marketing Venezuela's oil. CVP, which has been rather slow in building up its sale of oil on world markets since its establishment 12 years ago, is keen on gaining expertise in marketing and enhancing its over-all role.

NEW FORMULAS

The oil companies are vitally interested in any new formulas that may clear up doubts as to the future of their operations following the 1983–85 reversion of concessions they hold. In the fast-changing world oil situation, the companies have had to face a diminishing role in company-government relations, with the producing nation now holding the upper hand. Nonetheless, capital and knowhow weighs heavily in the favor of private industry and makes its disappearance unthinkable in the foreseeable future.

Close to the heart of the mounting interest in the Belt is the fact that it underscores the need for a reformulation of present government oil policy. It is inconceivable that a "new deal" for companies operating here would be limited exclusively to the Belt; in fact, such a deal would probably be unacceptable.

No major Venezuelan concession holder could be enticed by an offer to develop the Orinoco Heavy Oil Belt if still faced with an economically untenable position in present production of traditional fields. Thus, the Belt could provide the additional leverage needed to lift the weight of indecision from the policy makers' shoulders, stimulating them to chart a feasible route toward continuing development of the nation's oil resources.

Some kind of partnership between the state and the various companies that would be called upon to develop the Orinoco Heavy Oil Belt would appear to be most likely. As partners, however, the companies point out that government attitudes must become more pragmatic and flexible, especially when the firms are called upon to foot the huge investment bill in capital sensitive projects such as the Belt, where literally a penny more or a penny less in the tax burden can signal profits or losses.

As one observer recently pointed out, "The Orinoco Heavy Oil Belt not only offers a new frontier in developing an area that in the past would have been an uneconomic proposition, but is also a new frontier in government, and company relationships."

OIL—A TIME FOR DECISION

(By Clement Cohen)

Down the road for Venezuela, and not too distant, lies the imperative need to make some hard decisions governing the future development and use of the nation's oil resources.

The decisions are not by any means simple ones. They involve political, economic, and foreign relations considerations so complex that—apart from the so far unproductive Service Contracts—no long-range policy has been formulated by any government since Rómulo Betancourt enunciated the "No More Concessions" policy in the late 1950's.

But lack of decision is, in itself, a kind of conservationist decision. It has meant a policy of letting things take their course, with periodic adjustments to the tax mechanisms bringing increases in the government's participation in oil company profits.

Now proven oil reserves have slipped to a level equivalent to some 10–13 years' production at current rates. And production has declined from the all-time peak achieved in 1970.

Unquestionably, a considerable amount of intellectual energy is being spent in reviewing this transcendental national problems.

Proposed solutions abound. Selective Nationalization (as employed by Libya) Ownership Participation (now being concluded by Persian Gulf countries), Legal Reversion to the State as concessions expire (the Venezuelan plan) are all concepts through which oil-producing countries expect to gain greater operational control of their oil from the major international companies, which have dominated the world's oil business since its founding.

Service Contracts, Mixed Company Participation, Nation-to-Nation agreements, Joint Ventures, Tripartite Companies—are all names of proposed formulas through which Venezuela, by utilizing one or more, might hope to encourage foreign investment for exploration and development, while maintaining control over its oil resources.

CHANGING OIL PICTURE

Because of the present political and economic outlook worldwide, oilmen seem to feel that by 1975 conflicting interests will converge to force a decision on oil firms and the Venezuelan government alike.

A total restructuring of the world oil picture is definitely underway. This is admitted by oil company officials, proclaimed by government leaders and underlined by the man who perhaps was the single individual most responsible for originally setting these changes in motion, Dr. Juan Pablo Pérez Alfonzo, Co-founder of OPEC.

In Venezuela, perhaps the most important development has been the sudden discovery by Venezuelans that the nation's oil reserves are going down and that production cannot be maintained at current levels much longer.

This observation leads to the question: What is the future in Venezuela for the private foreign oil companies?

Mines Minister Hugo Pérez La Salvia has stated that even though the producing countries will become increasingly involved in the production aspect of the industry, "there will be sun enough for everybody," if the oil companies concentrate on the marketing end of the business. This, possibly, is even recognized by private oil industry leaders.

Dr. Pérez La Salvia believes that the nation can handle the cost and that "technology can be bought." But industry leaders and others wonder out loud if the hundreds of millions of dollars required for exploration and other oil investment in the immediate future can be attracted.

Dr. Pérez Alfonza, whom no one could ever consider a defender of foreign oil companies, also believes that the exploration cost will increase in the future, and that the era of cheap oil in Venezuela is over.

Pérez La Salvia says that the search for oil can be divided in two parts: one, the discovery of an area and two, the delineation of that area. He has estimated—for statistical analysis—that the cost of these two phases is roughly Bs. 0.59 per barrel, with some 20 of the cents going for the first aspect.

"Thus, to carry out the first phase of exploration, that is, the discovery of oil," says Pérez La Salvia, "the investment needed from a statistical-historical point of view, to discover 1,300 million barrels a year is, within reasonable bounds, an annual investment of about 300 million bolivars a year."

Once the oil is found, he argues, "it becomes possible to find the money in the international markets to finance the second phase," exactly the way, he says, foreign companies are increasingly obtaining their financing.

However, some oil company leaders agree with Dr. Pérez Alfonzo that exploration costs will be substantially greater in the future and hence the "historical-statistical approach may not be at all valid."

One oilman specifically questioned whether "Bs. 300 million a year will be enough. If not," he asked, "will it be politically feasible to allow CVP additional funds for exploration, when other national priorities will be crying for money?"

MUCH HIGHER COST

The well-known oil expert, Dr. Anibal Martinez, who just published a book, "Hydrocarbon Resources of Venezuela", feels that the cost may run much higher.

However, "allocation by Congress for exploration is not a guarantee that oil will be found" asserts Pérez Alfonzo.

These discussions do not mention the Orinco Tar Belt which is known to have large deposits. However, the high cost of extracting heavy oil from this field makes production commercially non-viable at present.

Looking at the future, therefore, there are factors in the Venezuelan oil picture that seem to indicate "a role" for the private oil companies in the near and intermediate future, regardless of what happens with reversion in 1983–5.

But it is not only a question of whether the country is interested in the oil companies, there may be some question as to whether the oil companies are interested in the country.

Given present conditions, the question is valid. The oil companies for example are still confused by the diffuse "power structure" of oil decisions. Specifically, they are sincerely concerned at the situation created by a powerful Congress encroaching upon the executive branch.

"Of course, we realize that Congress represents the people," said one oilman. "But frankly, if we have to deal with people, it is much easier to establish a dialogue with the men directly responsible for a policy than it is to establish a dialogue among some 300 persons."

This same thought was reflected by numerous other industry men who argued simply that it was not a question of coming to agreements "behind the back" of the Venezuelan people "but a question of determining who are the persons we have to deal with."

"As we see it," said another oilman, "the role of Congress is that of advise and consent—a role which we certainly recognize. But when we make plans we must know that these plans have some sort of validity in our immediate relationship with the state."

Obviously akin to the foregoing lies another problem, to date virtually unstated: political consensus.

"Politics increasingly is playing an important role in oil affairs. And this comes precisely at a time when the country had seemingly arrived at some sort of political consensus regarding her conservationist oil policy," said a top oil company figure.

Left still unstated are the attitudes of the two top political parties in the country. Nationalization, for example, is an alternative voiced only by two minority political groups.

But the two major parties echo the words of Pérez Alfonso on nationalization; "an alternative only if we are forced into it."

This could lead to the creation of a bipartisan policy—at least in its broad outlines—between the ruling Social Christians and the opposition Acción Democrática.

But such an agreement—unless under orders from the top—is hard to achieve.

FRAGILE MODUS VIVENDI

And in this respect the current debate between Mines Minister Hugo Pérez La Salvia and ex-Minister Juan Palbo Pérez Alfonzo over the real size of the export values has not helped matters.

The fragile modus vivendi between the two major parties has been severely threatened. Everybody knows that Pérez Alfonzo, though highly controversial in his statements, does not play "party politics"—mainly because he will not accept any party's discipline. However, his strong attacks forced the Mines Minister to answer that "Pérez Alfonzo talks much but does little."

Quite apart from the issue of whether the hike in tax prices for 1973 is 17 cents or 10 cents, the debate has placed Acción Democrática in the clear position of backing Pérez Alfonzo 100 per cent—something that has not really happened since this controversial figure left the Betancourt cabinet.

Copei has reversed the nation's traditional conservationist policy by forcing Venezuela to "compete" with the Middle East oil prices, AD argues, and this naturally places oil in the front line of the electoral debate.

The only optimistic thing that can be said is that whichever party wins the election will require help from the other in order to restore some Congressional modus vivendi for the government that emerges after the ballots are counted. But until then it will be a nervewracking time for the oil companies which are stuck in the middle.

"Pérez Alfonzo has given AD a complex," says one observer. "If it does as he says, AD will be alienating the private oil industry, probably to a point of no return and, if it doesn't, Adecos feel they are betraying their own cause."

The oil companies are not as much aware of these problems as they are of the direct ones they have to deal with: operational controls that affect their business planning and general political crossfire, of which the basic thrust is—let the oil companies pay.

"The question, really, is very simple," said one company president. "Oil production and reserves are really going down but the budget increases every year. Three things can happen: the government will cut its budgets. Unlikely! The government can raise personal income taxes. Even more unlikely! They can make us pay even more. Most probable."

However, the oilman then noted, "there will come a moment, and that moment is not too far away, when limited reserves will literally impose a reduction in production. And the drop in production will, in turn, cause a drop in oil revenue."

In part, this assertion was confirmed by the announcement made in early September by Finance Minister Luis Enrique Oberto that the 1973 budget estimate would have to be reevaluated because the oil income estimates would be some Bs. 900 million lower than originally projected.

But international factors also play a significant role in determining domestic policy. Not long ago, Jesús Angel Paz Galarraga was asked why he wanted to nationalize the petroleum industry should he become president, when somebody like Pérez Alfonzo opposes it, unless Venezuela is forced into taking such a step.

Paz Galarraga replied that—"in OPEC the international conditions are now such that for Venezuela this step is necessary."

OIL CONSUMERISM

Pérez Alfonzo still does not go along with this idea but he does favor "participation", more or less as outlined by OPEC. His chief concern is one of "balance" between consumer and producer.

He asserts it is "clear that the giant oil companies can no longer exercise their will." Their strength was curtailed by OPEC because the governments of industrialized nations were unwilling to establish justice for the producer nations and "even now seem reluctant" to intervene to establish justice for the consumer. But the Persian Gulf price crisis in early 1971 wrought a new order due to the intervention for the first time of a top U.S. official, James Irwin, Under-Secretary of State, in the price agreement. Irwin sought to prevent a negotiating impasse from causing any cutback in U.S. oil supply.

"It is clear that in the not too distant future," according to Pérez Alfonzo, "there will have to be a balance between consumer nations and producer nations. If OPEC begins to become abusive in its demands making it onerous not only for the underdeveloped nations, it is obvious that the long needed balance will have to be the creation of some form of OPEC of consumer nations."

However, despite his "balance" theory, Pérez Alfonzo sincerely believes that the future role of the international oil companies lies outside the production area. But he also insists it is "essential that other sources of energy be developed fast," arguing that it is "inexcusable" that we keep burning oil. And it is precisely because he sees no future for international oil companies at the producer end that he argues so vehemently in favor of the OPEC-sponsored participation formula. He feels (1) participation is good business (despite oncoming reversion in 1983–5) and (2) it is good experience.

Venezuelan Mines Minister Pérez La Salvia, however, is not so sure about the participation formula. He contends that reversion in 1983–5 guarantees the return to Venezuela of all the company assets in 10 years' time so, he asks, why is participation necessary? He argues that under the Venezuelan legal system the nation participates very thoroughly in the oil industry, thereby fulfilling the aspirations which inspired the OPEC resolution.

In Venezuela, the problem is not a question of obtaining the assets, since these will revert—but the question is how participation would work. There can be no compensation for oil still underground even though discovered by the oil companies because, under the Venezuelan constitution, everything in the subsoil is unquestionably the nation's. Creole's oil becomes Creole's oil only from the minute it hits the surface. The only "issue" as far as Venezuela is concerned, if it decides to enter into participation, will be its right to purchase 20% ownership of total facilities. The companies, on the other hand, might be willing to consider sale of 20% of company stock, or 20% of facilities at current market value.

THE PARTICIPATION ISSUE

Despite the Minister's assertions about participation not being "applicable" to Venezuela because of reversion, this issue could be raised by Acción Democrática if it wins the 1973 elections. If AD loses the elections, participation is even more likely to become a politically convenient issue.

Service Contracts, under which 250,000 hectares were granted last year in South Lake Maracaibo—the first new grants since 1956—may have been stillborn.

The original sponsor of Service Contracts (to replace concessions) was Pérez Alfonzo who later turned against his own formula, arguing that it was an incentive to "waste our non-renewable resources".

And as one oil company executive put it, "there are three reasons to believe that they will not come up again. There is no political climate for them, and because of their inherent conditions, no economic climate for them, and they are a relative failure (8 dry holes to date)."

However, Mines Minister Pérez La Salvia mentions them as a valid formula, among many other possibilities:

"The new paths being considered for the future are, for example, service contracts, mixed enterprises, association with other national oil companies and, above all, direct exploitation by the Venezuelan Petroleum Corporation".

But more realistically, it is clear that the problem lies not in what formula will be applied to existing fields but rather what formula will be applied in the future for new possibilities and new fields.

Once again Pérez Alfonzo has come up with a shocker, arguing that he is not in favor of having the entire nation's future potential oil wealth in the hands of the CVP.

He claims that the CVP is basically well run and quite efficient. But it is noteworthy that Pérez Alfonzo recognizes that Venezuela "should not tamper with the oil company structures as they exist. This is one of the reasons I favor participation in order to gain experience. There is no substitute for efficiency as oil becomes more and more difficult and costly to extract".

He is now considering a "tripartite" formula to include government, public, and private participation (not necessarily foreign) "which would serve to guarantee efficiency".

What he has in mind is something akin to Venezuela's Central Bank where the government has the largest interest, and public and private participation is limited; nevertheless, government cannot impose its will as its power is limited; government cannot own more than an "X" number of shares of stock and the same holds true for the individual person and individual enterprise.

Pérez Alfonzo believes that such a tripartite entity would be able to obtain its own funding for exploration and other costs, guarantee administrative honesty and efficiency, and long-range planning.

The CVP has handled some important exploratory work but its success lies mainly in the exploration of areas near proven reserves.

CVP FUNDING

One private oil company official predicted "the CVP may not be able to obtain all the funding it will need for exploratory activity so we cannot envisage it taking over all activity in the future. However, they are now embarked in very heavy activity in the Gulf of La Vela. The law of averages is that it's very hard to hit a big one but also there is nothing like success. If CVP proves out a major new field, then who knows how much funding the government might give it, or how expansive CVP plans might grow . . ." But to date, the state company is still evaluating the La Vela area. No one knows its significance yet.

The CVP is also busily embarked upon trying to reach some sort of arrangement with West Germany's Deminex. It is working on a formula whereby Deminex will finance exploration and development, to be executed by CVP, and in exchange the West German firm will receive oil on long-range terms at prices interesting to Deminex. The deal would provide Deminex with oil supply "insurance".

CVP is also pondering government-to-government negotiations with companies such as Petrobras of Brazil, but obviously one pitfall here is nationalism.

This is where the private company normally plays an important role in the industry view. A private company is a neutral operator, minimizing international politics, and serving as a buffer to insure continued commerce, despite conflicting ideologies. Algeria is an example of the important role private companies can play, oilmen note.

Another observer commented: "If they want to deal with other countries—be it country-to-country or through national companies—they should keep in mind that countries have power, money, foreign services and armies. We think it will be much more difficult."

It seems also unlikely that Venezuela can bypass the majors in any foreseeable future because over half its exports are to the United States, Puerto Rico and Canada.

As another industry spokesman put it: "Venezuela is basically restricted to one market: the U.S., the Caribbean and Canada". Nevertheless, some exports to Europe will be carried out through national company to national company accords.

There seems to be national consensus on selling less oil at higher prices.

Venezuela, therefore, is planning for a long period of a production "plateau" of roughly 3.5 to 4 million b/d averages and intends to finance its development needs through increases in the oil prices.

But oilmen think this policy a mistake because the thesis of cutting production and raising prices involves Venezuela's least competitive product—heavy crude.

Venezuela's "production plateau" thesis is backed by the recent volume control decree which is an effort to insulate Venezuela from the demand-supply battle by punishing oil companies for deviating from a predetermined production level.

HEMISPHERIC PREFERENCE

One oil executive notes that "Venezuela as a supplier to the U.S. is in a different position from other oil exporters. This is recognized in principle by all. The only question being "how much is this difference worth?"

This reflects the Pérez Alfonzo's main higher price argument that consumers should pay a "secure source premium". In turn, Pérez La Salvia argues for "hemispheric treatment" in his discussions with U.S. officials.

Some people believe that before too long "hemispheric preference" will be a fact of life regardless of whether it is announced as such by the U.S.

It is possible that the United States may just try to win diplomatic points in accepting the inevitable—the intrinsic strategic value of hemispheric oil. In so doing, it may tacitly accept the "premium thesis" of Juan Pablo Pérez Alfonzo.

Venezuela claims it will benefit from the search for diversified sources of energy.

"When they talk about nuclear, solar, coal and gas energy, they are talking about relatively high cost products. When that happens they will also have to include in the list, the Orinoco Tar Belt or the Athabasca Tar Sands of Canada. When that time comes, our Tar Belt will become commercially viable", insists a Venezuelan oil expert.

There is also purportedly oil in the South Lake. But it is clear that there is less oil "factors of optimism". There is oil out in the probably oil in the Gulf of La Vela but CVP exploration work there has only come up with "factors of optimism". There is oil out in the Gulf of Paria, but no major push in that area has yet been made.

And, of course, the most optimistic spot to many is the Gulf of Venezuela but that area is checkmated due to the problems between Colombia and Venezuela in the delineation of the submarine platform.

So, despite the assurances that "there is oil out there somewhere", time is beginning to push hard on government decisions and the immediate realities are dwindling reserves and declining production. This is one of the factors that tend to push for "a realistic major decision about the oil future by 1975".

The oil companies in Venezuela are more than worried about the future—they are even saying so publicly. Recently outgoing Shell President J. J. de Liefde cited the Bs. 20 million ($4.5-million) loss sustained by Shell for the first half of 1972 (since then, Shell has announced a Bs. 29-million net profit for the first 9 months of 1972, down from the Bs. 256-million net profits recorded during the comparable period of 1971.) and clearly indicated his concern for the health of the industry in the future.

Although he accepted the objective of maintaining operations in a viable manner with the hope that "sooner or later we will be in a position to evaluate clearly the future of our operations in Venezuela," nevertheless he pointed out that the latter "will of course, depend on the final structure of our association with the Venezuelan nation."

De Liefde stated that the great challenge confronting producing countries and the industry is the feasibility of establishing between them, and as soon as possible, "a rational, fair and stable association in order to maintain the needed economic structures which will allow an optimum utilization of the economic opportunities which the future may have in store."

On the positive side, he described the association that now exists between government and oil company in the service contract areas of south Lake Maracaibo as "total and excellent."

A FUTURE THERE IS

This sentiment is one reason for optimism. A spokesman for Mobil, Vice-President Romulo Quintero, feels that the CVP-company relations "are so good that they are a basis for optimism regarding the future."

"How is business?" a reporter asked Creole President Robert Dolph recently.

"We have our problems but production has increased from February's low. We are producing 1.4 million b/d and I believe we can maintain that level for the next few months", said Dolph. "And taking into account the market situation, that amount is quite satisfactory."

Earlier in the year when Dolph reported first quarter earnings to stock holders, he explained that Creole profits were down by 44 per cent. Venezuelan officials pointed out that the Creole announcement was "alarmist" because the 1971 first quarter happened to have been a record in Venezuela and that the market began to change during the second and third quarters so that "Creole was comparing a reasonably poor quarter against a record quarter." Creole, however, answers that all they wanted to do was demonstrate the "trend."

What lies in the future?

One top oilman comments: "There has to be a future, that is why we entered into the Service Contract formula." Moreover, he added, his company is prepared to examine new formulas, new approaches "provided, of course, that they are commercially viable."

This same industry spokesman admitted the Reversion Law is very much a consideration "when new investments are analyzed," but also remarked hopefully, that some formula should be found in the immediate future for what will not be affected by reversion.

A spokesman for Creole, asked if his company was going into a holding pattern from here on in, said:

"The production and selling of Venezuelan oil will continue to require a substantial flow of new investment in drilling of new wells to offset decline, in existing wells and, down the road, to convert a growing proportion of heavy and relatively heavy high-sulphur-content crude oil into salable products.

"The question mark is Venezuelan oil policy. Can we look at the future with confidence?

"We believe there is an interest on our part to invest because it will increase our business and we believe Venezuela is also interested in further bettering what is in the best interests of the nation".

As if to prove this point Creole just expanded its Amuay refinery, making it the largest in the world, capable of processing from 450,000 to 630,000 b/d. It is also just expanding desulphurization capacity from 160,000 b/d up to 200,000 b/d by sheer efficiency, and now once more at 300,000 b/d capacity.

"There is more than just a holding operation, more than just talk. They are facts and represent a good deal of money. Very obviously these decisions were made taking everything into account. Yes, you can say it is a demonstration of our confidence in the future", said the Creole spokesman.

WOULD LIKE TO STAY

Other industry spokesmen on the future obviously did not want to be quoted by company, but they pointed out that "it is true that we no longer monopolize what are still our strongest points: capital, technology and administrative efficiency.

"Still, as far as we see, all these factors will still count at the end of the decade and it will be true that we still combine the best of all these".

He then explained that even in the better oil areas companies can produce only from 20 to 40 per cent of what is really down there, so technology for secondary and tertiary recovery methods "may still be one of the valid reasons why we may still have a valuable function to perform for some time in the future".

Mobil's vice-president puts is more simply:

"In defending the private industry's role we can say that we know the business, we know how to take advantage of situations, looking years ahead as to how best to earn a profit".

Other top company officials feel the same way:

"We would like to stay if we can contribute in a meaningful way," says Mene Grande President Lewis A. Ramsey. "We have been here nearly 50 years, we have been good corporate citizens and we welcome the opportunity to find some way to continue this connection".

Everybody seems to point to 1975 as a target date. It is not only a time when the next government will have settled into office but also a date when the negative effects of the present situation will begin to be felt most heavily.

"Venezuela is arriving at the point—and it is not 1983—when a decision must be taken", said one top official. "Private industry has all the down-stream operation and while we have this we are going to be the ones who sell the oil, and to do so we must sell it to those who can buy it".

This statement implies that oil companies here may be considering the possibility of relinquishing to a great extent the "producing" end but recognizing that they still will have a considerable say and that decisions, therefore, cannot possibly be unilateral.

Some ideas proposed are not necessarily unacceptable. For example, the Pérez Alfonzo idea of maintaining the structure of the oil companies could conceivably lead to some form of "consortium" for the "1983–5 affected" companies. The idea of producing nations investing some of their surplus oil revenues in the developed nations is accepted by some "as a way of obtaining some sense of balance". The idea of mixed companies is not discarded. "We are flexible", said the president of an important company.

Another oilman summed up the whole situation in much simpler terms:

"We are not giving up, we are living in crisis and we have to learn to live in crisis".

"We think it will require a large financial effort", said MGO's president, speaking of the future, "so the only way we go about it is through a meeting of minds".

PROPOSED VOTER REGISTRATION LEGISLATION

Mr. McGEE. Mr. President, I would like to bring to the attention of my colleagues the testimony of the distinguished Senator from Tennessee (Mr. Brock) before the Senate Committee on Post Office and Civil Service concerning the voter registration legislation.

Senator Brock is a cosponsor of S. 352, the voter registration bill. He feels that something must be done to enable our citizens to vote in respectable numbers. The obstacles in our voter registration process are in large part responsible for our poor voter turnout. These obstacles were enumerated in a comprehensive study of our Nation's registration process that was carried out by the highly regarded League of Women Voters last year.

In particular, I would like to draw attention to Senator Brock's statement that S. 352 is people legislation and not a partisan measure. He believes that increased voter participation will most benefit the party which can best represent the will of the people.

Senator Brock said that according to Gallup's research the unregistered Americans are not just the poor and the black. He presents a study which shows that 26 percent of our white citizens are unregistered; 26 percent of the college educated are unregistered; and, 29 percent of the white-collar workers are unregistered.

He also cites a study of the nonvoter which appeared in the book, "The American Voter." This survey showed that in 1948, the Republican Party would have received only 18-percent support of the nonvoters had they voted. In 1952, the nonvoter would have given the Republican Party 48 percent of their votes. And in 1956, 72 percent of the nonvoters would have voted for the Republican Party had they voted. Clearly, the unregistered and the nonvoter are not the property of either party.

Senator Brock had a particular interest in the young, new voters in the last election. He referred to a Gallup poll of August 6, 1971, which showed President Nixon trailing Senator Muskie, Senator Humphrey and tied with Mayor Lindsay when only 42 percent of the new voters voted. The poll indicated, however, that if 100 percent of the new voters participated, Nixon led Muskie, Humphrey and Lindsay.

Another Gallup poll, taken just before our last general election, showed that among the 18 to 23-year-olds who had registered to vote, Senator McGovern led President Nixon 57 percent to 41 percent. The same poll of those 18- to 23-year-olds who had not registered to vote reversed the decision and had President Nixon leading Senator McGovern 46 percent to 43 percent.

My experience also supports the nonpartisan nature of increased voter participation. In 1968, while only 27 percent of the American population identified themselves as Republicans, 43 percent of the electorate cast their ballot for President Nixon.

The record indicates that increased voter participation is a nonpartisan issue that benefits both political parties. The party or candidate who cannot win in an open and free election does not deserve the victory.

In many countries, failure to vote is illegal, and those who do not exercise their franchise are subject to fines or other penalties. There are problems in such a law, and Senator Brock and I would question its appropriateness in America.

But it is just as clear that we should not, by law, discourage people from voting. Our effort to reform laws which have that effect is an effort to open the doors to full voluntary participation in elections by all citizens. It is a step toward greater freedom, and a better democracy.

I commend Senator Brock for his candor and farsighted leadership on the other side of the aisle. For those Senators who may have missed it, I would point out that Senator Brock's statement appeared in the Record for March 19 at page 8443.

A COSTLY ARMY OF VOLUNTEERS

Mr SAXBE. Mr. President, Joseph A. Califano, Jr., who served as Special Assistant for Domestic Affairs under President Johnson, recently wrote an article for New Republic magazine dealing with some of the serious questions raised by the Nation's dependence on an all-volunteer army.

Mr. Califano presents information showing the increased cost of maintaining an all-volunteer force, and also discusses the effect it will have in excusing youth from middle-class and upper-middle-class families from any requirement of service to the country.

History has shown that it is the middle and upper middle classes which can marshal public opinion and effect major change in regard to issues such as Vietnam. Mr. Califano argues that with the removal of a requirement for all youth to serve in the Armed Forces, there will be less need for future leaders of the country to be concerned with the attitudes of middle- and upper-class Americans, insofar as foreign ventures are concerned.

I have opposed the concept of the all-volunteer army from the beginning, and I believe that Mr. Califano's article effectively points up some of the strongest arguments against such an arrangement.

I ask for unanimous consent that Mr. Califano's article, as reprinted in the March 22, 1973, edition of the Washington Post, be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A COSTLY ARMY OF VOLUNTEERS

(By Joseph A. Califano, Jr.)

Lost in constitutional rhetoric and political bickering between the Hill and the White House may be the hope of any serious debate about some of the real choices that have quietly been made in the fiscal 1974 budget. Foremost among these is the decision to achieve an all-volunteer force through pay rates high enough to attract sufficient manpower.

An all-volunteer military is a very expensive proposition, since raising pay at the bottom requires increase in higher ranks and in retired pay as well. As in the case of so many weapons system, the Pentagon has already confronted a cost overrun.

Three years ago the President's Commission on an All-Volunteer Force, chaired by former Defense Secretary Thomas Gates, estimated that an all-volunteer force of 2 million men would cost the nation $1.5 billion per year more than it was then paying; 2.5 million men would cost $2.1 billion more.

The fiscal 1974 Nixon budget carefully avoids telling us precisely what the taxpayer will have to put out for the all-volunteer force; it nevertheless contains some interesting figures. The defense budget shows an increase of $5.4 billion over fiscal 1973—from $76.4 billion to $81.8 billion. This increase, the budget message tells us, is "primarily as the result of an additional $4.1 billion required to maintain military and civilian pay levels comparable to those in the private sector, to raise pay and benefit levels sufficient to achieve an all-volunteer force, to meet normal price increases, and to pay for higher military retirement annuities." The detailed manpower cost explanations are more revealing.

The proportion of the defense budget devoted to manpower costs in all-volunteer force fiscal 1974 will be 56 per cent; in fiscal 1968, the proportion for the combined draft and volunteer force was 42 per cent.

In 1968 manpower costs were $32.6 billion: in 1974 they will be $43.9 billion.

In 1968 the end strength of the armed forces was 3,547,000 men and women; in 1974 it will be 2,233,000.

Thus we will pay an additional $12.3 billion for a military manpower force reduced by 1,314,000 men and women. Put another way, an all-volunteer force 37 per cent smaller than a combined volunteer and draft force will cost over 30 per cent more. True, some of the $12.3 billion will go to higher retirement pay in line with new pay levels needed to attract the volunteers.

Thus even with a generous allotment for inflation, the nation will be spending some $6 billion more in fiscal 1974 for only two-thirds of the number of soldiers, sailors, marines and airmen that it had on active duty in 1968.

By design and incentive an all-volunteer army is structed to bring into the armed forces the poor and near poor and to free of even the danger of military service the middle- and upper-middle-class young. The draft never achieved perfect egalitarianism in distributing the burdens of military service, but at least it made the attempt. The all-volunteer concept—and the investment of billions to make it a reality—is consistent with the overall thrust of the administration's budget for fiscal 1974; a budget designed to appeal to the more affluent majority. It is appalling that so many antiwar congressmen have climbed and stayed on the volunteer army bandwagon. Many have done so because of their revulsion at the Vietnam war and because they can rationalize the concept as providing that only those who "volunteer" will have to go to war.

This is a gross misreading of one of the central historical lessons of the war in Southeast Asia. What turned this nation around on Vietnam was not demonstrations in the street nor the demagogic rhetoric of Dellinger, Hayden and Spock. It was, in quite readable political terms to the Presidents who agonized over Vietnam, the realization that the vast middle class of America would not permit *their* sons to die in a war which they considered meaningless. It was middle and upperclass Americans who know how to contact congressmen, influence their local communities—and most all of whom vote and know how to finance campaigns—who posed the sharp dilemma to Washington: get out of Vietnam or get out of office. An all-volunteer force that subjects only the ones at the bottom to military service will effectively reduce the needs for future leaders to be concerned about the more affluent majority of America and its judgments about foreign adventures, at least until those adventures are so far along that they will be virtually impossible to stop.

It is ironic that those who express such concern about the debilitating impact of welfare on the will to work can so enthusiastically accelerate the erosion of the American will to sacrifice and pander to the protective cocoons in which the affluent already live. But it is truly Kafkaesque thinking for public officials who call themselves liberals to support this $6 billion dollar investment of scarce public sector resources so the lower class can fight our wars.

THE PRESIDENT'S DRUG ENFORCEMENT REORGANIZATION PLAN

Mr. RIBICOFF. Mr. President, I commend the President on his decision to submit a reorganization plan that would centralize drug law enforcement in a single agency in the Justice Department.

For the past 3 months, the Government Operations Subcommittee on Reorganization, which I chair, has been investigating the present crazy-quilt of overlapping and disorganized drug enforcement efforts throughout the Federal bureaucracy. No less than nine Federal agencies are budgeted at more than a quarter billion dollars to perform drug law enforcement functions. Many more agencies have related functions. There is no overall coordination.

Our best efforts to stem the flow of heroin and other deadly and dangerous drugs have been most seriously undermined by intense rivalry and bitter feuding between the two primary drug enforcement agencies—the Bureau of Narcotics and Dangerous Drugs—BNDD—in the Justice Department and the narcotics unit of the Customs Bureau in the Treasury Department.

The findings of my subcommittee have been supported in studies by the General Accounting Office and a task force of the American Bar Association and the Drug Abuse Council.

In addition, the final report of the National Commission on Marihuana and Drug Abuse, established by the Congress and appointed by the President, released its final report this morning. The Commission report states:

> Interagency rivalry and lack of coordination . . . have seriously hampered prevention of illicit drug trafficking. A sometimes bitter dispute exists between the Bureau of Customs regarding which agency has primary authority to carry out investigations overseas and in cases where illegal drugs cross the border into the domestic market. This quarrel has persisted despite repeated efforts to resolve it by the President, by the Ash Council on Government Reorganization, by the Secretary of the Treasury, and by the Attorney General. It has often kept the two agencies from sharing intelligence and effectively coordinating investigative activities.
>
> . . . When responsibility is clearly defined and delegated, such bureaucratic difficulties are much less likely. There is also less opportunity for administrative buck-passing.

The time is long overdue for Federal narcotics agents to stop fighting each other and to unite in the fight against today's merchants of enslavement and death—the drug traffickers. The President deserves credit for recognizing this problem and proposing a solution to it.

I also agree with the President that the primary drug enforcement agency should reside in the Justice Department and that the Customs Department's drug enforcement functions should be transferred from Treasury to the Justice Department.

The legislation, I introduced 1 month ago, S. 942, cosponsored by eight other Senators, would accomplish the goal of unifying our drug enforcement efforts in the Justice Department by designating the FBI as the primary drug enforcement agency. The President apparently prefers establishing an all-new drug agency in the Justice Department. Whether the FBI is in charge of the Federal drug control effort is not the important question. Most important—and what must be done—is to have available the FBI's expertise and resources in this Nation's battle against drug traffickers. It is unjustifiable for the FBI—the Nation's No. 1 law enforcement agency—to be excluded from dealing with the Nation's No. 1 crime problem—drug trafficking. And yet, that is the situation today.

The final version of the President's plan will not be submitted to the Congress until next week. The plan will be referred to my Subcommittee on Reorganization and will have the prompt, close attention of the subcommittee. I will pay particular attention to the role the President's plan specifically assigns to the FBI in the drug enforcement area, especially in view of its great expertise in combating organized crime.

My subcommittee will promptly hold hearings on the President's plan and I am confident that Congress will give this matter the priority it deserves. Included in the hearings will be the recommendations of the National Commission released today as well as the administration's own National Drug Abuse Strategy Report, if it is ready by that time. The annual report, mandated by the Drug Abuse Office and Treatment Act of 1971, is already more than 3 months overdue.

The vast dimensions of today's drug-abuse crisis deserves a far better law enforcement response than the present scrambling bureaucracy provides. The situation remains one of major heroin traffickers being identified by the hundreds but being apprehended only by the dozens; of heroin being smuggled into our Nation by the tons but being seized only by the pounds each year.

If we are to succeed, there must be a bipartisan approach to finding the solution. The President's reorganization plan is an important step in that direction.

THE LUMBER CRISIS

Mr. CURTIS. Mr. President, we are facing a real lumber crisis in the United States. We need to take all possible steps that will relieve the lumber shortage both in the short range and in the long range.

Many lumberyards in small communities are in serious financial difficulties and some may have to close. Reliable reports also indicate that builders of houses in many small- and medium-sized communities are likely to go out of business because of the supply and resulting price situation in lumber. They cannot determine what the cost of a house is going to be even by the time that they start, let alone when they finish it.

Mr. President, the answer to this is more production. More controls will make the problem worse.

The National Lumber and Building Material Dealers Association have prepared a brief on the lumber supply crisis. In my opinion it is a well written document and should be studied by every Member of Congress. Therefore, I ask unanimous consent that that document be printed at this point in the Record.

There being no objection, the brief was ordered to be printed in the Record, as follows:

Brief on the Lumber Supply Crisis

THE PROBLEM

Critical shortages of Soft Wood Lumber and Plywood.

How to Increase Supply To Meet Demand And To Reduce Rising Construction Costs.

Causes

(a) Conflicting Federal policies presently restricting the supply of raw materials.

(b) Federal policies allowing an increasing volume of log and lumber exports in spite of the growing domestic wood product shortages (exports up 40% from 1971 to 1972).

(c) All time high volume of U.S. housing starts required to meet the demand for two successive years now extending into the third year, plus growing lumber demands from other countries (U.S. housing volume up 61% from 1970 to 1972).

(d) Federal economic control policies which have hampered normal production and distribution of lumber and plywood.

(e) A growing shortage of freight cars further restricts lumber product availability in many areas.

The effect on construction and consumers

(a) Because of shortages and resulting high prices, customers cannot be assured when, at what price, or even whether lumber products can be delivered for home construction, commercial and industrial use.

(b) In many areas, certain lumber and wood items cannot be obtained at any price . . . yet the demand for lumber increases almost daily. Inventories are dangerously low from mills to final distributors.

(c) As a consequence, the building industry is in a turmoil of uncertainty as has been reported in the news media.

Further

(a) For Fiscal Year 1974, Forest Service budget proposals further will restrict raw material supplies:

(1) The timber sales offerings from Federal lands will be reduced.

(2) The Forest Service budget will be slashed by $105 million.

(3) Forest Service personnel will be reduced.

(b) Exports of logs and lumber are increasing appreciably with no action being taken to halt or even to restrict this drain on public and private domestic timber resources.

(c) To offset the drain by these exports and to meet growing domestic demands, U.S. imports of lumber (primarily from Canada) increased by 57% from 1970 to 1972. (25% of lumber usage now comes from Canada compared to 14%–16% previously.) Imports totaled 9.1 billion board feet in 1972 compared to 7.2 billion in 1971.

(d) With half of the nation's available soft wood timber in Federal hands, the harvest permitted and achieved becomes vital to lumber supply.

Examples:

In 1971, of the 11.5 billion planned, only 9.7 billion board feet were sold.

In 1972, of the 10.5 billion planned, 9.3 billion board feet were sold.

In 1973, of the 9.6 billion planned, only 8.8 billion board feet are expected to be sold.

(Note: In spite of the appreciable increase in housing starts in 1971 and 1972, the planned and actually sold timber harvest steadily declined. The harvest could be increased substantially if sound, accelerated forest management programs had been continued as recommended by a Department of Agriculture Task Force on Lumber in August 1969.)

(e) The prime reasons the Forest Service has not even achieved the allowable timber sales are (1) lack of adequate funding and (2) reduction in personnel. In spite of the shortage due to an inadequate supply of raw material, as noted, the fiscal 1974 budget proposes further to reduce the 1973 Forest Service budget by $105 million.

ACTION NEEDED

I. Export situation

(A) In view of the recent increase in log exports, the Department of Commerce, under the Export Control Act, should be required to limit log exports as necessary to protect the domestic economy and construction needs. (In 1972, log exports were 2.8 billion board feet compared to 1.9 billion feet in 1971.)

(B) Congress should consider the extension of the existing Morse Amendment to the Foreign Assistance Act of 1968 which expires in December 1973. (The Morse Amendment restricts exports from Federal lands to 350 million board feet of timber per year.) In addition Congress should:

(1) disallow the export of *any Federal timber* in the form of round logs until our domestic needs are met.

(2) enact a strong and enforceable anti-substitution provision which would make any party selling logs for export from either State or private sources, ineligible to purchase Federal timber for a period of 3 years from the last sale for export, except timber twice rejected at appraised value by at least two domestic bidders.

ACTION NEEDED

II. Uncut Federal timber

There are currently an estimated 24.9 billion board feet of contracted for and uncut Federal land timber inventory under control of the mills. Means must be found to accelerate the conversion of this purchased stumpage resource into needed lumber—and as soon as possible.

Necessary assurance to the mills of replacement of such inventories could be provided by an increase in the Federal timber harvest and its implementation by a Forest Service budget increase. Mills thus could be encouraged to produce more lumber immediately. Certainly, this strategy should be adopted before even considering the alternative of rigid, counter-productive price controls.

ACTION NEEDED

III. Forest Service programs

(A) An immediate re-evaluation and upward adjustment of the Federal Forest Service budget for Fiscal Year 1974 and beyond is essential. Only through an increase in that budget can appropriate forest management programs be provided to offer the harvest of timber from our Federal lands to relieve the immediate crisis.

(B) For the years ahead, additional funds should be made available to allow full and effective forest management on an intensified basis. Particular consideration should be given to:

(1) *Reforestation* of certain Federal forest lands. (It is estimated that there are currently 5 million acres of Federal lands on which timber should be replanted to meet the needs of the future.)

(2) *Salvaging* to the extent possible the dead and dying timber. (More timber is lost annually to diseases and pests than is harvested on federal lands.)

(3) *Accelerate access road construction* to reduce costs of maintenance and hauling, as well as provide proper conservation of the lands and timber involved.

(4) *Maximize the multiple use of timber*—our major renewable natural resources.

(5) *Provide assistance* to State and private land owners largely through State Forestry agencies for forest management planning and development, harvesting and processing of forest products and for necessary research.

(6) Consideration also should be given to:

a. Projecting the Forest Service budget over a 5-year period to allow advance planning and programming. Reforestation and related activities are continuing processes and monies for doing the job should be allocated well in advance.

b. Implementing the recommendations of the 1969 report of the Forest Service to the Cabinet Task Force on Lumber (now reactivated). The report outlines future lumber and wood product needs, future supply requirements, and the substantial revenues from timber sales that could be provided to the U.S. Government (nearly $400 million in 1972).

ACTION NEEDED

IV. Economic controls

(A) Rigid economic controls of lumber products have proved to be counter-productive due to the impact of the net profit margin test on all sectors of the industry. Net profit limitations have, in effect, imposed ceilings on lumber production. Congress is urged to give careful consideration to the need of maintaining and increasing lumber production, not limiting it through rigid net profit control mechanisms.

ACTION NEEDED

V. Freight car shortages

(A) Today, as in the past, and unquestionably in the future, *chronic freight car shortages* disrupt west-to-east lumber and wood product shipments. We recommend that Congress and the Interstate Commerce Commission take immediate steps to seek ways by which our Nation can increase freight car production to meet the demands of the future, and that ICC regulations be stiffened to improve the traffic flow of cars to and from timber producing areas.

CONCLUSION

Substitute materials for wood are all drawn from non-renewable resources. On the other hand, wood fiber constantly renews itself much like an agricultural crop but on a longer life cycle.

In this era of serious energy shortages, it is significant that wood substitutes require many times as much energy to manufacture as do wood products. Broad scale conversion to substitutes would disrupt, be costly, would pollute, and further deplete irreplaceable natural resources.

We support many of the efforts by the ecologists to improve and preserve our environment. However, the present demand for lumber will increase in the decades ahead. (The President's Council of Economic Advisers estimates 2.2 million housing units will be built in 1973 . . . very close to the last two record-high years.) Therefore, those efforts which would immobilize vast tracks of timber in museum-like isolation with no aesthetic or other use permitted, are clearly contrary to the public interest. Modern forest management including planting improved species, fertilization, thinning, insect and fire control, etc., if authorized and funded, would stimulate marked additional fiber growth, preserve game cover and food, and permit recreational use by the public as well as the harvesting of mature trees otherwise destined for death and decay. As a Nation we could, while serving ecological and recreational objectives, also provide needed lumber for residential and commercial use by our expanding population.

The recurring lumber supply crises will not fade away. Essential to the public interest are decisive, long-term Governmental policies and programs dedicated to the principle of more intensive multiple use of our forest resources.

The time for action is now!

THE TOWN MEETING IN MAINE

Mr. MUSKIE. Mr. President, the March 20, 1973, edition of the Evening Star and News carried an article, written by Mr. Day Thorpe, about true democracy in action: A town meeting in Blue Hill, Maine. As Mr. Thorpe noted in his article:

> The town meeting is the purest and oldest form of democratic government we know, surviving from Colonial times before democratic principles were established in the Constitution.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TOWN MEETING: ALIVE AND WELL IN MAINE

(By Day Thorpe)

To a man skeptical of the proposition that democracy—the government of the people by the people themselves—is the best road to enlightenment and happiness, a New England town meeting might seem an outworn tradition—in a class with therapeutic bloodletting or trial by fire-and-water. For the Town Meeting is the purest and oldest form of democratic government we know, surviving from Colonial times before democratic principles were established in the Constitution.

Edmund Wilson, in his book about Talcottville, N.Y., points out that the town meeting, at which every man is a peer among his peers, is essentially a product of our sea coast; that, as civilization moved inland in Colonial times, individuals acquired by purchase or grant vast areas the development of which, and the society of which, were effectively under their control.

I attended the 1973 town meeting of Blue Hill, Me., and discovered that democratic government in a small town is by no means a microcosmic replica of democratic government so uncritically and enthusiastically admired on a national scale. There has been a town meeting in Blue Hill on the first Monday in March for as long as the oldest inhabitant can remember—presumably since shortly after the place was settled in 1762. In the matter of town meetings, Blue Hill needs no guidelines; it knows how the thing is done.

A town of about 1,400 inhabitants, Blue Hill lies about three-quarters of the way up the Maine coast at the base of the 940-foot mountain which gives the place its name and which at certain times actually does appear to be blue. It was founded about the same time as Georgetown, but has not grown very much in population since the early 19th century.

During its early years its business was the building and sailing of ships, the exportation of granite and ice, and education. Its sea captains, who took their wives and children all over the world, make it a town remarkably cosmopolitan for its size and secluded location. It sent its granite to Washington, for the Treasury Building, to New Orleans and St. Louis, among other places, for their curbstones, and its ice to Baltimore and Singapore, among other places, for their gin-and-tonics. Early in the 19th century it founded its Academy, one of the first private schools in New England.

Sailing vessels, granite, and natural ice fell prey to their substitutes, each in its way, and about a century ago the town, consciously or otherwise, was on the lookout for a new occupation. It was born in 1882 when a lady from Bangor spent the summer in Blue Hill as a paying guest. Within a very few years a summer colony in Blue Hill was established with people from all over the country (but mainly from New York, Philadelphia and Cleveland) building houses which they passed on to their children, enjoying the water of the bay and the air of the hill.

A number of musicians settled in Blue Hill—notably Franz Kneisel, concert master of the Boston Symphony Orchestra and the father of American chamber music; Horatio Parker, and Henry Krehbiel. (It is amusing to find in several Maine guidebooks that Ethelbert Nevin lived and died in Blue Hill. The man never set foot in the town. Nevin was buried there posthumously by his loving and appreciative widow after royalties on "In Arcady," Nevin's once-popular piano suite, and "The Rosary" enabled her to build what still is one of the finest houses in town—appropriately named "Arcady.")

Today there are 11½ pages of resident taxpayers in the town report, 6½ pages of non-resident taxpayers. Of the $336,390.90 it cost to run the town last year, residents paid in taxes $173,000 and non-residents $162,000.

I use the prosaic words "resident" and "non-resident" as aids in pointing out that roughly half the cost of running the town is borne by people who are there only from July 1 through Labor Day, people who may have been coming to Blue Hill for half a century without ever seeing a flake of snow, even though the $20,000 for snow removal is the second largest item on the budget, surpassed only by education. In practice, the terms are "resident" and "summer resident."

A "resident" signifies in the vernacular, someone who was actually born in Blue Hill, or better yet someone whose parents and grandparents were born there also. About a dozen families reside in the town whose forebears settled there on the original land grants in 1762, with the result that names frequently fail to serve their basic purpose of identification.

For example, the town report lists 18 residents with the name of Candage, 27 by the name of Gray, and 19 by the name of Grinde. There are just two named Smith and two named Jones. A "summer resident" is a member of the community born elsewhere. There is an elderly lady who summered in Blue Hill as a girl and who for the past 15 years has lived there spring, summer, fall and winter. She is slightly miffed to hear herself spoken of as a "summer resident."

There are at least 16 Washingtonians now or formerly working for newspapers, television or radio who go to Blue Hill or to places within 35 miles of the town. I cannot explain this surprising concentration, for there is no evidence of a leader being followed, and I refrain from listing them for fear of overlooking somebody.

The active dean, unquestionably, is J. R. Wiggins who, with his son, a few years ago bought the weekly paper in Ellsworth, a suburb of Blue Hill. The skill acquired during his apprenticeship as editor of the Washington Post is evidenced by the rollicking writing that can be enjoyed every week, and by his exposes of the postal service. He has proved that inter-urban letters could be delivered more quickly than by the Post Office if they were dispatched on a cart drawn by a yoke of oxen, or expedited by E. B. White on a bicycle.

Two more bits of information preparatory to the understanding of Blue Hill's Town Meeting: In Blue Hill last year there were 91 births recorded—53 males and 38 females. Men who so conspicuously beat the odds must frequently draw two cards to an inside straight. In addition, the town clerk reports that 112 dogs were licensed last year—female dogs, 8; spayed dogs, 45; and male dogs, 59.

Throughout town-meeting day the polls are open for voters to elect town officials. This time, as usual, more than half the residents eligible to vote did so—a percentage far greater than the ever-decreasing figure for national elections throughout the country. Party was not a factor: While Blue Hill is strongly Republican and while candidates for county, state and national office rely on party power, in the town election—in which every candidate is personally known to virtually every voter—a label is of no importance. At least, I never heard affiliation mentioned throughout the day or night.

At 5:30 in the afternoon, the Baptist Sewing Circle Ladies served dinner in the hall of the International Order of Odd Fellows, and nobody was in danger of hunger for the rest of the night, if ever. (It had never occurred to me that Baptists are marvelous cooks.)

Then we went to the Town Hall, where Jerry Durnbaugh had been appointed moderator by the selectmen—a move, as he himself pointed out, to keep him from talking from the floor. Durnbaugh, the town newspaper publisher, proved to be an excellent moderator, keeping the arguments remarkably relevant, firmly but inoffensively insisting that a proposal was not subject to discussion until it had been moved and seconded, and withal preserving a mein so interested but dispassionate that only a constant reader of his paper would know that he had very strong convictions on several of the subjects. The meeting lasted five hours, during which Durnbaugh declared one 30-second recess. The recess was, in fact, just 30 seconds.

The warrant—that is to say, the agenda—consisted of 61 articles, proposed for the most part by the selectmen, although residents can bring propositions before the meeting if they have the requisite backing. I could observe no logical order of the articles, some of the most important of which were near the end when the voters were tired and their nerves somewhat frazzled.

An "issue" at this town meeting was something new in my political experience—not at all something thought up by a candidate to harangue the public, yet never directly attacked nor debated, either. The Blue Hill voters for the most part were interested in the issues, were well informed about them, generally trusted the recommendations of the budget committee, and were not in the slightest awed by office or the image of their elected officials, who were several times during the night uncomfortably called on the carpet. The democracy of a town meeting is not an affront to a man's intelligence.

The first argument arose over $2,000 to defray the cost of the town police department. The sum was finally approved, but by no means unanimously. The article "to see, if the Town will vote to install a street light near Hester and Florence Moor's" was voted in the negative, while "to see if the Town will authorize the Selectmen to renew a lease to Ruth Stavola on Town Property on which her buildings now stand, and for how long" caused more than a little excitement.

It seems that 10 years ago the voters instructed the selectmen to arrange a lease with Mrs. Stavola, but they never got around to doing so. Thus Mrs. Stavola's two houses have been free of land rent for a decade. It was argued that the article itself was faultily constructed, since it is hard to renew a lease that doesn't exist.

A lawyer suggested that though a lease might not exist "in fact" it did "in will," and the article—amended to specify amount of money and length of term—finally won. "How do we know the selectmen will do what we tell them to this time?" someone asked earnestly. "They didn't before." (To own a house in Maine without the land on which it stands is not necessarily disastrous. Houses, even big ones, are shifted like checkers. The price of lumber today being what it is, you find your site and your house and consolidate them.)

One of the two most important considerations before the meeting was the use of federal revenue-sharing funds, which, for Blue Hill, amount to $20,000 a year for five years. The money can be spent for anything except education and matching-fund projects. (I was fascinated to find myself present at the decision, in one specific case out of thousands of how to use a minuscule part of those billions which to most of us have meant only newspaper headlines and comment by Eric Sevareid.)

It was proposed to use the money to make tax maps and to re-assess Blue Hill property, to resurface the town roads, to buy a new fire truck, less venerable than the present (1953) model. The first two proposals were tabled, $35,000 for maps and re-assessment seeming too expensive, and the resurfacing of roads seeming untimely just before Blue Hill's new and first sewer system is to be installed. But the fire department has its $8,000 for its truck, and the town has $12,000 in the bank.

The other important article concerned a new state law requiring communities to pass ordinances involving zoning of the 250 feet of all shorelands; otherwise the community would be required to police the state's own regulations. This article was debated at great length. It was finally decided to postpone a decision, since the usual dilatoriness of the state could be relied upon, and since in any event the state could not meet its own deadline.

By far the most interesting subject of the town meeting was brought to the floor because of a relatively trivial objection. More than 75 percent of this year's $364,853 budget is for education—$114,000 for the grade school and $130,000 for the high school, plus repairs and incidentals which bring the total to approximately $250,000.

A voter questioned an item in the budget of $1,500 tuition to St. Paul's School, elsewhere in New England.

The organization of Blue Hill schools is remarkable. The grade school is similar to the typical public school—entirely a department of the civic government. The Blue Hill high school—the Academy—is quite different. It is an autonomous private school which charges tuition. The tuition of children of residents of Blue Hill is paid by the town, which guarantees the Academy that the *majority* of Blue Hill high school students will attend that school. The Academy also accepts students from elsewhere.

However, this is the unusual aspect of the situation, if a parent in Blue Hill wants to send his child to another high school—St. Albans in Washington, say, or Exeter in New Hampshire—the Blue Hill school board says: "Fine. Go in peace. We will pay the cost up to the limit of the Academy's tuition." (The present tuition is $960.) But the matter does not end there. While the town will apply the Academy's tuition at any school the parent requests, it can, in its absolute discretion, pay a higher tuition. If it believes that a child will benefit by instruction not available in Blue Hill, and if it knows that the parent cannot afford the foreign school, it can pay the entire tuition. Or in the case of a blind, deaf or otherwise handicapped child, it can pay a higher tuition anywhere it chooses.

Thus Blue Hill buys its high school education as a commodity, like a snow plow or 12 gross of paper clips. The town can get on with its business of government, the school with the business of education. I am aware that my picture is far too simple and perhaps too rosy, but in theory the division of responsibility is admirable, and in practice it has worked for many years.

That a man who is childless pay a share of the education of his neighbor's children is proper; that a man who is a taxpayer in a town even though he lives elsewhere pay a share of that town's school bill is also proper. But in Blue Hill a parent who believes his child can do better elsewhere does not find himself caught in an inflexible system.

It is possible, even probable, that this separation of school and state would not work in a large city, but perhaps some aspects of the plan could be adapted in those cities where the school boards are more interested in politics than in education.

An unexpected and refreshing feature of the meeting was the total absence of "The Star-Spangled Banner," prayers, invocations, introductions and speeches. The only extraneous matter was the questions "Can you hear me?" and "Is the PA system working?"

SMALL BUSINESS TAX SIMPLIFICATION AND REFORM ACT

Mr. HUMPHREY. Mr. President, I am pleased to join again this year in sponsoring the Small Business Tax Simplification and Reform Act, S. 1098.

It is becoming increasingly clear that tax policy is a major public issue in this country—as it should be.

Senator Bible—the distinguished chairman of the Small Business Committee of which I was a long-time member—pointed out in introducing this bill that most smaller and medium-sized manufacturing businesses pay an effective tax rate of about 50 percent while the largest businesses pay taxes at about 25 percent.

The purpose of our bill goes beyond abstract questions of theoretical "tax reform." A tax system which discriminates against small business has direct effects in my own State of Minnesota and throughout our economy.

The present tax system means that a local pharmacy in Duluth, an independent baker in St. Cloud, and family hardware store in Mankato may be paying approximately twice the proportionate share of the cost of government that a giant corporation is paying. The present tax system undermines independent enterprise in the smaller towns and cities and funnels investment dollars to the big businesses in big cities—further unbalancing our population movements and intensifying our urban problems.

I have fought for rural development over the years. In 1972 we put some important legislation on the books—the Rural Development Act—which could aid in the creation and growth of small business in rural areas and small towns. However, under the current tax system, any such businesses will start with a double handicap of taxes and paperwork on their backs.

Mr. President, there are 12 million business firms in this country and 97½ percent of them are classified as "small business."

These small businesses provide about 44 percent of all employment and contribute 37 percent of the gross national product.

America needs small business enterprise and small business needs tax fairness. The Bible-Evins-Humphrey small business tax reform bill is a modest but critical step in that direction. This proposal has been developed over 6 years of study and consultation with more than three dozen national, regional, and State small business, tax, accounting, and trade organizations. It is not a perfect bill but it does provide a vehicle for the long-overdue systematic consideration of the tax needs of small business.

The House Ways and Means Committee, is now engaged in hearings on tax reform.

The bill that will emerge from this inquiry will provide an opportunity to undo some of the harm done to smaller and medium-sized businesses under the tax system in the past. It can make a fresh commitment to the enterprise and individual effort which literally built our economic system into the greatest in the world.

I commend the distinguished chairman of Ways and Means Committee (Mr. Mills) for scheduling testimony on the small business problems, including the remedies proposed in the Bible-Ervin-

Humphrey bill, from three national small business organizations:

The National Committee on Small Business Tax Reform;

The National Small Business Association; and

The National Federation of Independent Business.

I strongly urge that the House Ways and Means Committee and the Finance Committee of the Senate to report legislation on tax reform that gives appropriate consideration to the full range of problems experienced by new, small, local, family, and independent enterprise. I will be doing all I can to bring about this kind of meaningful tax relief for the 12 million small businesses of our Nation.

FOOD PRICES

Mr. RIBICOFF. Mr. President, yesterday it was revealed that the Consumer Price Index for February had posted its largest 1-month increase in 22 years. Two-thirds of that rise was directly attributable to skyrocketing food prices. They increased 2.4 percent for the month—the largest 1-month rise since 1952.

Decisive and immediate action must be taken to control the runaway inflation in food costs. The consumers will not be satisfied by bland assurances that food prices will level off late this year or early next year.

My amendment to the Economic Stabilization Act, if it had been adopted, would have provided the controls necessary to hold down food costs. It would have placed controls at the level where they are most needed—at the farm level on raw agricultural food products and meat products. Government statistics show clearly that farmers received 83 percent of the benefits of the higher food prices in January. Prices to farmers in January rose 16.9 percent above the same month a year earlier. During this same period, prices to the others in the food distribution chain—processors, wholesalers and retailers—increased by only 2.2 percent.

The farmer during the same period of time increased his take of the shopper's food dollar from 39 cents to 42.7 cents—an increase of 9.5 percent. Cash payments to farmers rose by $1.2 billion in January compared with the same month a year ago—an increase of 25 percent. In January of 1973 the farmer received 82 cents for a pound of beef selling for $1.22 per pound. The processor received 7 cents and the retailer 32 cents.

The evidence is clear—the phase III controls on processors, wholesalers and retailers are not sufficient to halt prices. Controls must be extended to the farm level. I am pleased that the New York Times, in an editorial today, supports my proposal to control the price of raw agricultural and meat products.

In addition to my proposal to impose price controls on raw agricultural food and meat products, I have also proposed the elimination of the multi-billion-dollar farm subsidy program. This program, by paying farmers not to grow food, has resulted in a policy of scarcity which has raised prices artificially.

The farm business—made up mostly of large agribusiness has profited from this scarcity policy. Cash receipts from farm marketings have increased astronomically. In dollar terms 1972 cash receipts were $58.5 billion and they will rise to $73 billion in 1973. Farm operators' net income after all expenses, rose from $17.4 billion in 1971 to $19.8 billion in 1972, and is projected at $22.4 billion for 1973.

My two-part program—price controls on raw agricultural food and meat products and elimination of subsidy programs—would provide immediate relief to every American shopper. I will continue to do everything I can to put a stop to one of the most intolerable taxes of all—inflation in the cost of food.

I ask unanimous consent that the following editorials and news articles be inserted at this point in the Record:

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 22, 1973]

Jumpy Food

A funny thing about the healthy family appetite: it is somehow never appeased by a steady diet of soothing syrup in place of solid nourishment. It is all very pleasant to be told over and over by Administration experts that, if everybody just waits long enough, food prices will be coming down. But that doesn't fill any refrigerators or any stomachs either. Nor does it make it any easier to stretch the worker's paycheck at the supermarket checkout counter, even in this period of free-floating money.

The steep new climb registered by food prices last month, with meat, fish and poultry again the fastest climbers, is bound to make vastly more difficult the holding of the wage line in rubber, electrical manufacture, trucking, the postal service and all the other activities involved in the heavy 1973 round of collective bargaining. The settlements registered thus far have reflected a considerable effort on the part of organized labor to hold back a resumption of the wage-price leapfrog that leaves everyone a loser. But even these settlements are placed in jeopardy by the mad uprush of prices in the most basic part of every wage-earner's budget.

It is past time for President Nixon to exhibit the same readiness to dump cherished shibboleths about what will or won't work in the economy that he showed when he unveiled his new economic policy more than a year and a half ago. Mandatory controls on food, starting at the farm level, will have the same profound and constructive effect that the initial freeze did in restoring confidence among workers and all other consumers and in helping to sustain the buying power of the domestic dollar.

[From the Washington Post, March 22, 1973]

Needed: A 90-Day Wage-Price Freeze

(By Hobart Rowen)

Phase III has bombed out. It is a complete failure. The country faces not only a consumer revolution over soaring food prices, but a runaway inflation in industrial raw materials that has not yet been reflected in the retail costs of finished goods.

In this situation there is only one possible answer: an immediate 90-day freeze of all prices and wages, during which time Mr. Nixon can rectify some of the damage he did when he abandoned Phase II for a weaker Phase III.

And this time around, the President will have to extend controls to farm prices. That will be politically unpopular in the farm belt, cutting into farm income and profits which have risen sharply.

Farmers have had some lean years, to be sure. But there has been an increase in cash receipts from farm marketings this year that can be described only as huge. The current quarter is estimated at 25 per cent above a year ago. For the year as a whole, the estimate is 26 per cent above 1973. In dollar terms, 1972 cash receipts were $58.5 billion, a total which will rise to $73.8 billion this year.

Farm operators' net income, after all expenses, rose from $17.4 billion in 1971 to $19.8 billion in 1972, and is projected at $22.4 billion for 1973.

Agriculture Secretary Earl Butz, of course, sharply opposes any controls on prices at the farm, on the theory that such a step would only cause a reduction in food supplies. He claims there is an increase now in the making that should bring prices down by late 1973 or early 1974.

But it is doubtful if the country can wait that long. As Harvard Prof. Otto Eckstein says, the Department of Agriculture overstayed a policy of scarcity by at least two years, in an effort to be "nice to farmers," and we're all paying the bill for it now.

The policy of scarcity (which the Administration is now desperately trying to reverse over farmer objections), combined with the Russian wheat sale and a strong demand for food products has resulted in a spectacular 53.2 per cent jump in the annual rate of wholesale farm product prices over the past three months.

But as bad as the food price picture is (and it would naturally get the headlines), the real trouble is coming in the cost of finished goods in retail stores. Industrial commodities are soaring out of sight. Hardly a day goes by without an announcement by some major company of an increase in prices.

What has happened is very clear: Phase II, which required pre-notification of price increases and surveillance of misbehavior by the Internal Revenue Service, worked very well. But business and industry took the announcement of Phase III as the goahead to be more relaxed. Phase III constituted a major error in judgment by Mr. Nixon and his advisers.

So what we face now is a second bout of cost-push inflation, almost parallel to events of 1970–71, with the possible exxception that wage pressures aren't quite so strong. Additional inflationary pressures will result from the second devaluation of the dollar in 14 months.

All this makes for a "politically uncomfortable period" for Mr. Nixon, as one of his private business advisers concedes.

This week's sharp jump in the bank's prime loan rate to 6¾ per cent doesn't make the situation any easier: the ability of banks to raise loan charges is taken by many as a dramatic symbol of the inequity of controls.

But if Mr. Nixon can act as boldly as he did in the final stages of the Vietnam war, there's only one course of action: a quick freeze, followed by a restoration of something like Phase II that will put a lid on farm prices.

[From the Washington Post, Mar. 21, 1973]

Farmers Get Bulk of Food Price Rise

(By Ronald Kessler)

More than 80 per cent of the recent sharp increases in food prices reflects higher prices paid to farmers and farming companies, government statistics indicate.

The reasons farmers have been able to get higher prices for their products is complex. Government and private analysts say a series of natural occurrences and government actions came together at the wrong times in the wrong places to decrease some supplies of food while greatly increasing the demand for food and for meat in particular.

Among these factors are the rising affluence of American consumers, increased issuance of government food stamps to the poor, the wheat sale to Russia, and massive crop failures last year throughout the world.

The result hardly needs documenting. Sirloin steak selling for $1.45 a pound at Safeway Inc. stores in Washington a year ago brought $1.79 a pound last week—an increase of 23 per cent.

Giant Food Inc. lean ground beef selling for 99 cents a pound a year ago was up to $1.19 a pound last week—a rise of 20 per cent. Boneless chuck roast that was 99 cents a pound at Safeway a year ago was $1.49 a pound last week—an increase of 50 per cent.

These increases have far outstripped the increases in prices of other consumer goods and services. While all goods and services rose 3.7 percent throughout the country in January compared with the same month a year ago, food prices shot up by 7.6 per cent, Labor Department statistics indicate.

The price increases have sparked consumer boycotts and demonstrations, calls for congressional investigations, a slight decrease in demands for meat, and government pleas to avoid buying expensive cuts.

While the fact that prices have gone up is clearly discernible to the average shopper, the answer to who is benefiting from the increases has not been

"I think nobody knows who's getting the money; we don't have the facts," says Erma Angevine, executive director of the Consumer Federation of America, which is participating in plans for a one-week boycott of meat beginning April 1.

Government statistics show clearly that farmers received 83 per cent of the benefits of the higher food prices in January. Prices to farmers in January rose 16.9 per cent above the same month a year earlier. During this same period, prices to the others in the food distribution chain—processors, wholesalers and retailers—increased by only 2.2 per cent.

This was less than the increase in all other consumer goods for the period.

The farmer during the same time frame also increased his take of the shopper's food dollar from 39 cents to 42.7 cents, an increase of 9.5 per cent. Cash payments to farmers rose by $1.2 billion in January compared with the same month a year ago, an increase of 25 per cent.

Although farmers had to pay higher prices for feed for their livestock and for other supplies and equipment, their increased costs have more than been offset by higher prices for farm products.

During 1972, farm profits rose by $2.4 billion, or 14 per cent, above 1971, Agriculture figures indicate. Farmers' profit margin on sales was 34 per cent.

While farmers' profits have reached record levels, the profit margins of the large retail food chains have steadily declined to 0.81 per cent last year, an analysis by Cornell University indicates.

Giant Food Inc., the Washington area's largest primarily local food chain, had an 18.3 per cent decline in profits in the 36 weeks ended Jan. 6, the company's financial statements indicate. Giant's profit margin on sales was 1.1 per cent.

Supermarkets have traditionally been able to operate on a small profit margin because of their quick turnover, and high volume of sales.

Despite the tremendous increase in farm earnings, government spokesmen and press releases have largely managed to avoid singling out farmers as the recipients of the benefits of the price increases.

"The (Nixon) administration doesn't intend to single out farmers," said Clarence G. Adamy, president of the National Association of Food Chains, a trade association of supermarkets.

"They're trying to encourage him to increase production. It would destroy his confidence," Adamy said. He said that if farmers feel the government will try to force their prices down, they will not expand production, because they will not have the incentive.

Adamy noted that two to three years elapse between the time a cattle farmer decides to raise more beef and the time the beef comes to the dinner table.

In addition, Adamy said, many experts feel farmers are only beginning to catch up with the rising affluence of their fellow Americans, and there also is a reluctance to criticize them because of the "mystique of the land and farms."

One administration official involved in the food price problem said there are "political reasons" for not singling out farmers. "The farm bloc has been voting Republican for a long time," the official, who asked not to be quoted by name, said.

The official said there has been a "tug of war" within the administration over what to do about rising farm prices. The Department of Agriculture, led by Secretary Earl L. Butz, has taken the position that "it's time for farmers to get theirs," the official said. "The President obviously would like to see food prices go down but it would also like the farmer to have a go at it," he said.

The official said that while Agriculture has taken some recent actions to reduce subsidies to farmers for not growing crops, the measures have not gone far enough and have come too late.

"It has been USDA against the rest (of the White House aides involved in farm problems)," the official said. A White House official said this version of the dispute within the administration is essentially correct.

Butz said yesterday the report of a dispute between himself and other administration officials is "not true."

"Of course, I stand on the side of the farmers. They've been going without sending their kids to college" and enjoying other benefits available to Americans too long, he said.

But Butz said that although he "wants my farmers to make money," he has also taken the initiative to encourage increased supplies of crops and livestock to bring down prices.

For example, he said, he lifted quotas on imports of meat as a way of bringing more supplies into the country.

Yesterday, the government's Cost of Living Council issued a statement listing a number of other actions the Administration has taken to bring down food prices.

President Nixon said last week he does not believe the answer to rising food prices would be mandatory controls on farm prices, a move that he said would reduce production and create a black market. Other links in the food distribution chain are under controls.

Among the factors cited by analysts for the unexpected demand for meat and other foods were a 5.9 per cent increase in disposable, or after-tax, income last year; a 17 per cent increase in the volume of food stamps issued to the poor; and a 3.3 per cent increase in the number of employed people.

These changes meant that more people had more money to spend on meat.

Per capita consumption of beef actually increased by 2.6 per cent last year, a rise that in previous years had been sufficient to satisfy demand. Per capita consumption of pork, on the other hand, declined by 7.7 per cent.

The reason for this, a number of analysts say, is that a corn blight in 1970 increased the price of feed for hogs, discouraging the farmers from raising more than they had the previous year. In addition, they say, prices for pork were low in 1971.

It takes more than a year for a hog to reach supermarkets after a farmer decides to breed it.

Also pushing up farm prices was a poor crop year last year in Russia, Eastern Europe, Australia, and India, said Dr. Don Paarlberg, director of agricultural economics of the Agriculture Department.

"We had good crops, but not enough; we sent large amounts out to help," he said.

Exports of wheat, for example, increased 40 per cent, most of it going to Russia.

"The Russians are the beneficiaries of low-price wheat, and we're paying higher prices as a result," says Frank L. Fernbach, a spokesman on food prices for the AFL–CIO.

A former under secretary of Agriculture in the Kennedy administration. John A. Schnittker, has criticized the government for reacting slowly to the problems caused by the wheat sale.

He has testified before the Joint Economic Committee of Congress that only days after Russia began its grain purchases in July, the Agriculture Department announced large subsidies to farmers for not growing wheat in 1973.

"Officials consistently refused to correct that error until January this year," he said.

The AFL–CIO has also criticized government subsidies. "Millions" of these federal payments are going to "profitable agribusiness type farms, often owned by big corporations and wealthy absentees," the labor group said in a position paper recently issued on food prices.

C. W. McMillan, executive vice president of the American National Cattlemen's Association, a trade group of cattle ranchers and feeders, estimated that 100,000 of the 1.5 million farms with cattle produce 70 per cent to 80 per cent of the nation's beef.

McMillan says the recent price increases have allowed cattle ranchers to "catch up" after some 20 years of insufficient profits. Asked how cattlemen were able to survive for 20 years if their returns were not adequate, McMillan said, "By going deeper in debt."

Professor Bernard F. Stanton, chairman of the Agricultural Economic Department of Cornell University, says the rising food prices are a "classic example" of the workings of supply and demand in the marketplace.

He says farming is a competitive business, and no one farm or group of farms can collude to get higher prices.

Dr. Gene A. Futrell, professor of economics at Iowa State University, predicts along with a number of other analysts that prices on pork and a number of other foods should start going down in the next several months as supplies increase.

Dr. Paarlberg of the Agriculture Department, however says beef prices will probably remain high throughout 1973.

He points out a hopeful statistic: Disposable income has been rising faster than the increase in food prices.

Agriculture statistics indicate that while consumers spent 15.8 per cent of their disposable income on food in 1971, they spent 15.7 per cent of it on food last year. In 1960, the department's reports indicate, the comparable figure was 20 per cent.

[From the Washington Post, March 21, 1973]

Rent Raises, Food Prices Face Attack—White House Hints Freeze on Groceries

(By Peter Milius)

The Nixon administration said yesterday that supermarket prices will keep rising until the end of the year but at a declining rate, and may level off by December.

The administration also said for the first time that a food price freeze or farm price controls are possibilities if grocery store price increases do not slow down, as now predicted.

But Agriculture Secretary Earl L. Butz said those who want ceilings put on food prices are "damn fools."

Butz told reporters on Capitol Hill that he and President Nixon oppose such ceilings. Asked why some inside the administration say ceilings have not been ruled out, Butz replied, "Because there are a few damn fools who don't agree with me. The Democratic Party has no monopoly on damn fools."

He also acknowledged that if food prices rise sharply again in March, he will "have to wear a suit of armor" to fend off proponents of controls.

The administration's view of the problem was set forth as the Senate acted on a bill authorizing another year of wage-price controls and as the Labor Department prepared to issue its monthly report on the cost of living.

The price report for February will be issued today, and Senate Minority Whip Robert P. Griffin (R–Mich.) emerged from a morning meeting at the White House with President Nixon to say that "it is not going to be encouraging news."

"Prices probably are going to get worse before they get better," he said, "but they're going to get better."

In a "white paper" it issued on food prices a few hours later, the Cost of Living Council said that "retail food prices should begin to level off after mid-year, and the rate of increase may be near zero by the end of the year."

In the same reassuring vein, Herbert Stein, chairman of the Council of Economic Advisers, said in a speech here that the current sharp increase in food prices "is near its end."

The special "white paper" on food prices was made public by Cost of Living Council deputy director James McLane.

The report said "The federal government is now doing everything within its power to bring this problem under control," and "acted even before inflation hit the supermarket shelf."

The administration's main attack on food prices has been an effort to increase food supplies. It has kept last year's "mandatory" price controls on food processors and distributors. But it has declined to impose controls on the raw agricultural products these wholesalers buy and has generally let the wholesalers pass along increases.

In response to questions, McLane said again that the White House has made the decision not to impose price controls on raw agricultural products. But he added, "at this time."

He said "it is fair to say that the Cost of Living Council will not close the door" on any approach that will let it reach the President's goal of reducing inflation to a 2.5 per cent rate by the last months of this year.

He was asked if that meant that the White House might turn to a freeze or controls if grocery store prices do not fulfill predictions of moderating later this year.

"Possibly," he answered.

Supermarket prices in January were 7.6 per cent higher than the same month in 1972, and wholesale farm product and food prices have gone up at an annual rate of 56 per cent in the last three months.

The council report blamed the price increases on a long list of impersonal market forces. One was the present robust rate of economic expansion, which has increased incomes and demand. "The food price problem has resulted, in part, from the basic health of our economy," the council said.

Demand was also up abroad last year, it noted, and exports rose, largely due to the purchase by the Soviet Union of about a fourth of the U.S. grain crop. That raised meat as well as bread and cereal prices, since a lot of grain goes to feed livestock.

But while demand everywhere was up, the council said, domestic production of foodstuffs was actually declining. Part of that, it said, was due to unseasonable weather, including the damage done by Hurricane Agnes.

The council listed steps the administration has taken to increase supplies this year, from "selling . . . grain stocks with the objective of literally emptying (government) grain bins," to suspending meat import quotas and relaxing grain acreage restrictions.

Yesterday, Agriculture Secretary Butz also asked cattlemen to send their herds to market faster.

McLane said "these . . . steps are not going to result in lower food prices tomorrow, or next week, or even next month. But they will result in lower food prices during the latter half of this year." Later, a council spokesman telephoned reporters to say he had meant "lower food price increases."

The government does think farm prices will start to fall about mid-year, and to be as low by December as they were in January. But "typically," the Cost of Living Council said, "there is a delay before drops in farm prices are reflected at retail."

The Agriculture Department has predicted that retail food prices will be about 6.5 per cent higher next December than they were last December.

BUTZ ASKS PHASEOUT OF GRAIN SUBSIDIES

Agriculture Secretary Earl Butz asked Congress yesterday to cut crop subsidies in half in one year and phase them out altogether over a three-year period.

Testifying before the House Agriculture Committee, Butz asked that income supplement payments or subsidies to wheat, cotton or feed grain growers be phased out.

At the same time Butz would keep "set aside" payments, so that when it became necessary, land could be idled to avoid surplus production.

If this Nixon Administration plan were in full effect this year, Butz estimated, federal subsidy payments might be half the estimated $2.5 billion to $2.7 billion his department will pay out.

Butz recommended that the limit on subsidies—$55,000 per year per farm—be applied to income supplement payments only and that it be reached over the three-year period as the supplement payments are reduced.

He also urged Congress to eliminate the present 75 per cent parity floor under milk prices, shift to a new cropland base once the subsidies are phased out, and make changes in support and control programs for crops such as peanuts, rice, extra long staple cotton and tobacco.

Current farm legislation expires this year. Butz said.

The new law should extend for four years, rather than two, to allow consideration after the 1976 presidential election when the atmosphere is "least political."

[From the Washington Post, Mar. 22, 1973]

Food Spurs 0.8 Percent Price Rise

(By Peter Milius)

The cost of living flew upward last month by another 0.8 per cent, the most in any month since the Korean war buildup in 1951, the Labor Department reported yesterday.

Two-thirds of the increase in the consumer price index came at the supermarket checkout counter, where prices rose 2.4 per cent for the month. That rise was the largest since the department started keeping separate track of them in 1952.

But prices for all goods other than food, which had been stable the four preceding months, also headed up sharply.

Heating and other utility bills rose 1.1 per cent, and rents, 0.5 per cent.

In a separate report, the Labor Department said that price increases last month outstripped hourly wage increase, with the result that the purchasing power of the average workingman's hourly earnings fell.

Judged by the department's hourly earnings index, that worker's purchasing power was no greater last month than it was last September, and was only 1.7 per cent above its level of February 1971.

The administration had sought to soften yesterday's bad news in advance, with assurances Tuesday that food prices will not keep going up as fast in the second half of this year as they have in the first and that they may level off by December.

The administration wants to keep unions from demanding big and lasting wage increases this year on the strength of food price rises it does not think will continue.

Speaking partly to those unions yesterday, Herbert Stein, chairman of the Council of Economic Advisers, said, "this latest price news provides additional warning of the diligence that must be exercised to prevent the revival of rapid inflation as the U.S. economy rises strongly in a world generally experiencing much more inflation than we have."

His remarks made small impression on AFL–CIO President George Meany, who warned once again that "without effective controls on food, the biggest item in the home budget, no (wage-price) stabilization program will work."

"Since the White House continues to insist that it will not take any substantive action such as freezing the prices of raw farm products," said Meany, "it is up to Congress to insist on food price controls" as a condition for extending wage-price controls another year.

On Tuesday, the Senate passed and sent to the House legislation authorizing the President to keep controls on pay and prices for another year beyond the present statutory expiration date of April 30.

The White House has controls now on the processing and distribution of farm products but not on the prices paid to farmers, which the processors and distributors generally are free to pass along.

Big labor contracts affecting some 4.7 million unionized workers in such key industries as autos, rubber, trucking, railroading and electrical appliances are coming up for renewal in the next few months.

The 0.8 per cent increase in the consumer price index in February was after seasonal adjustment, the allowance made for normal seasonal price fluctuations.

It raised the index to 128.6, meaning that it cost $128.60 last month to buy at retail that which cost $100 in 1967.

A 0.8 per cent monthly increase is the equivalent of a 9.6 per cent annual rate of inflation.

Consumer prices overall in February were 3.9 per cent higher than the year before. In the last six months, however, they have been rising at the seasonally adjusted annual rate of 5.2 per cent, and in the last three months, at 6.3 per cent.

The President's announced goal is to have the annual rate of inflation down to 2.5 per cent by the last months of this year.

In the last six months, however, grocery store prices have gone up at the annual rate of 14.8 percent, and in the last three months, 20.3 percent. In the same three months, moreover, wholesale prices of farm products, processed foods and feeds have risen at an annual rate of 56 percent—which will show up at the retail level in the months ahead.

Most of the food price increase last month, as in most other recent months, was due to meat. Meat prices went up 5.4 percent, and made up almost two-fifths of the total February price rise.

Prices of nonfood commodities rose 0.5 percent, seasonally adjusted, after having held even in January. Stein said the February flare-up "reflected at least in part erratic factors plus the opportunity that the transition to Phase III may have provided for speeding up price increases that would have occurred later."

Phase II of wage-price controls gave way to Phase III in January; the difference between them is that most companies and unions are now expected to abide by the government's anti-inflation standards on their own, with the White House intervening only when it thinks that wage and price increases are excessive.

The cost of services rose 0.4 percent in February, with rents one major factor.

The Labor Department noted that while the purchasing power of average hourly earnings fell last month—by 0.9 percent—the purchasing power of weekly earnings rose. That was due to an increase in the average work week—longer part-time hours and more overtime.

FOOD PRICES RISE 0.8% IN D.C. AREA

The Consumer Price Index for the Washington area rose 0.8 percent in the three-month period ending in February but was 0.5 percent below the national average index, the Bureau of Labor Statistics reported yesterday.

The three-month food price index rose 3.9 percent here as supermarket prices rose 5.5 percent. Meat prices went up 13 percent, compared to 9.3 percent nationally, and accounted for two-thirds of the supermarket price rise.

The local food price index for February rose 1.9 percent, 0.2 percent less than the national increase. Although supermarket prices usually decline here in February, they rose 2.4 percent last month.

[From the New York Times, Mar. 22, 1973]

FOOD COSTS PUSH PRICE INDEX UP 0.8%; MEAT, POULTRY AND FISH INCREASE BY 5%—OVER-ALL CLIMB IN MONTH IS BIGGEST IN 22 YEARS

(By Edward Cowan)

WASHINGTON, March 21.—Led by sharply higher food prices, the Consumer Price Index for February posted its largest one-month increase in 22 years, the Labor Department reported today. Prices of many nonfood items, notably heating oil, also went up.

The department reported that the index climbed seven-tenths of 1 per cent last month, or eight-tenths after adjusting the statistics to account for the dip that usually occurs in February. The seasonally adjusted figure was the largest one-month rise since the Korean War inflation of February, 1951, when the index soared 1.8 per cent.

The cost of food bought in retails stores climbed 2.4 per cent, after seasonal adjustment, the largest one-month rise since the Bureau of Labor Statistics, which compiles the price index, began keeping figures on food in home consumption in January, 1952. The adjusted increase for meat, poultry and fish was 5 per cent and for meat alone, 5.4 per cent.

Congress and organized labor reacted angrily to the latest report of further inflation, particularly to the higher food prices. But Herbert Stein, chairman of the President's Council of Economic Advisers, continued the Nixon Administration's effort to soothe the public, the politicians and the trade unions.

"The daily news observable in the grocery stores should be improving," Mr. Stein said. He noted that food prices have climbed by 7.3 per cent in the last year.

The over-all price index, based on a national sample of 120,000 prices, was 128.6 in February, up 3.9 per cent from a year earlier. The index uses the 1967 price level as a base of 100. The February reading thus meant that goods and services bought by urban families for $10 in 1967 cost $12.86 last month.

President Nixon's goal is to shrink the annual rate of inflation to 2.5 per cent or less by the end of the year. The February performance contrasted unfavorably with that goal but did not mean that it could not be achieved.

RISE CALLED SHOCKING

The report appeared to portend more difficulties for the Administration in its drive for moderate wage settlements in major collective bargaining contracts this year and in its effort to stave off some Congressional sentiment for ceiling prices on raw agricultural products and perhaps retail prices in general.

Administration forces in the Senate last night defeated three attempts to write such ceilings into a one-year extension of the Economic Stabilization Act, which the Senate then approved and sent to the House.

"If the shocking increase in consumer prices for February had been available last night when the Senate was voting," said Senator William Proxmire, Democrat of Wisconsin, who had proposed a six-month freeze on all prices and wages, "we could have had an anti-inflation law that really meant business."

Congressional sources noted that the Democratic floor manager of the bill, Senator John J. Sparkman of Alabama, and his Republican counterpart, Senator John G. Tower of Texas, kept the Senate sitting until after 9 p.m. to complete action on the bill. Mr. Sparkman was one of a number of Democrats who voted with Republicans to defeat price-ceiling amendments.

George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, who has been a central figure in the Administration's campaign to moderate wage settlements, urged Congress "to insist on food price controls from farms to market." Mandatory price controls still apply to food processors, wholesalers and retailers but not on initial sales by farmers.

PROGRAM FOUND IN PERIL

Mr. Meany hinted once again that the wage stabilization effort was in jeopardy. "Without effective control of food, the biggest item in the home budget, no stabilization program will work," he said.

The report by the Bureau of Labor Statistics showed that the 2.4 per cent rise in take-home food prices last month was slightly greater than the 2.3 per cent rise in January. Significant increases were listed for meats, poultry, baked goods, dairy products, fresh vegetables and cereal products. Egg prices declined sharply.

Mr. Stein, in a joint statement read to the Joint Economic Committee of Congress, said that the 5.4 per cent increase in meat prices accounted for almost 40 per cent of the over-all rise in the index.

"The supplies of cattle, hogs and poultry now in prospect," Mr. Stein said, "indicate that meat prices will soon be declining at wholesale and at least rising much less rapidly at retail."

POSSIBILITY OF CONTROLS

The Administration released a detailed report yesterday in an effort to convince the public that, as Mr. Stein said, the news would soon get better.

In his testimony, Mr. Stein left open in a general way the possibility of additional price controls in the food sector, but all indications were that the Administration was trying to ride out, without more regulation, what it describes as a temporary problem. As John T. Dunlop, director of the Cost of Living Council, reminded the joint committee, the third phase of the stabilization effort is viewed by the White House as a time of transition to no controls.

In nonfood categories, the price report listed increases for heating oil, women's and girl's clothing, footwear, gasoline, alcoholic beverages, household supplies and textile furnishings.

CAR PRICES DECLINE

Among services, which rose by four-tenths of 1 per cent, the most significant increases were for rent and upkeep. Doctor's fees, haircuts and beauty-parlor prices also went up.

Small declines were reported for men's clothing, furniture, appliances, new and used automobiles, and tires.

In a companion report, the Bureau of Labor Statistics showed how the increase in prices had cut into the buying power of worker's pay gains.

Expansion of the work week in nonfarm production industries and a one-cent rise in average hourly earnings added $1.17 in February to the weekly take-home pay of a typical worker with three dependents, a rise of 1.2 per cent from January. But inflation whittled the real increase in buying power to 24 cents, or four-tenths of 1 per cent.

As against a year earlier, real earnings were up 1 per cent, a bit better than the improvement of eight-tenths of 1 per cent recorded in January. The report said that the figure would have been much larger but for the January increase in Social Security taxes.

CONSUMER PRICE INDEX—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS (1967=100)

	Index for February 1973	Percent change from		Point change from January 1973
		January 1973	February 1972	
UNITED STATES				
All items	128.6	+0.7	+3.9	+0.9
Food [1]	131.1	+1.9	+7.3	+2.5
Housing [2]	132.0	+.5	+3.4	+.6
Apparel and upkeep [3]	123.6	+.5	+2.4	+.6
Transportation	121.1	+.1	+2.4	+.1
Health and recreation	128.1	+.2	+2.7	+.3
Medical care	135.3	+.3	+3.3	+.4
Personal care	122.4	+.5	+3.4	+.6
Reading and recreation	124.3	+.2	+2.3	+.2
Other goods, services	127.1	+.3	+2.3	+.4
NEW YORK AREA				
All items	134.9	+.9	+4.1	+1.2
Food [1]	135.6	+1.6	+6.9	+2.2
Housing [2]	140.5	+.6	+4.8	+.8
Apparel and upkeep [3]	121.7	+1.8	−.3	+2.2
Transportation	134.0	+.1	+1.4	+.1
Health and recreation	133.5	+.5	+3.6	+.6
Medical care	143.3	−.1	+3.4	−.1
Personal care	121.3	(4)	+3.8	(4)
Reading and recreation	128.2	+.2	+2.6	+.3
Other goods, services	134.3	+.4	+4.4	+.5

[1] Includes restaurant meals.

[2] Includes hotel and motel rates, home purchase and other home-owner costs not shown separately.

[3] Includes infants' wear, sewing materials, jewelry and apparel upkeep not shown separately.

[4] Not available.

MARGARET CHASE SMITH

Mr. MUSKIE. Mr. President, a group of friends of Margaret Chase Smith has announced plans to convert the Smith homestead in Skowhegan, Maine, into a library in honor of the gracious lady who served so faithfully and well in this body for 24 years. Such a memorial will be fitting tribute to Senator Smith, whose years of congressional service spanned a turbulent period of social change in America.

Mrs. Smith's perceptions of both the revolutionary changes and recurrent patterns in American life in her years in Washington, gathered at the white, woodframe home in Skowhegan, the town where she was born, will provide a valuable resource for both current and future generations. Let me offer some examples.

Mrs. Smith has a philosophy of life which could serve all of us well. She outlined it in 1953. She said—

> My creed is that public service must be more than doing a job efficiently and honestly. It must be complete dedication to the people and to the nation with full recognition that every human being is entitled to courtesy and consideration, that constructive criticism is not only to be expected but sought, that smears are not only to be ex-

pected but sought, that honor is to be earned but not bought.

I know from personal experience in the years we served as fellow Senators from Maine, that she believes that creed and lives it to the best of her ability. It is shown not only in her record of 2,941 consecutive Senate rollcall votes without an absence, but more importantly, in her willingness to buck the currents of popular opinion to follow the dictates of her conscience.

In 1950, when the scourge of McCarthyism gripped the Senate, the lady from Maine stood up to declare—

> Those of us who shout the loudest about Americanism in making character assassinations are all too frequently those of us who, by our own words and acts, ignore some of the basic principles of Americanism: the right to criticize; the right to hold unpopular beliefs; the right to protest; the right of independent thought.

Twenty years later she rose again in the Senate to warn us once more that extremism must not be allowed to conquer reason. She said in 1970—

> As was the case twenty years ago when the Senate was silenced and politically intimidated by one of its members, so today many Americans are intimidated and made mute by the emotional violence of the extreme left . . . It is time that the great center of our people, those who reject the violence and unreasonableness of both the extreme right and the extreme left, searched their consciences, mustered their moral and physical courage, shed their intimidated silence and declared their consciences.

Mr. President, Margaret Chase Smith served the people of Maine well in her long career. And she is continuing her service to America in several ways, including her chairmanship of Freedom House, and an active speaking schedule in Maine and elsewhere.

Mr. President, I ask unanimous consent that Senator Smith's declaration of conscience in 1950 and 1970, as well as various articles relating to her career, her present activities, and the Skowhegan library, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Congressional Record, June 1, 1950]

THE GROWING CONFUSION—NEED FOR PATRIOTIC THINKING

Mrs. Smith of Maine. Mr. President, I would like to speak briefly and simply about a serious national condition. It is a national feeling of fear and frustration that could result in national suicide and the end of everything that we Americans hold dear. It is a condition that comes from the lack of effective leadership either in the legislative branch or the executive branch of our Government. That leadership is so lacking that serious and responsible proposals are being made that national advisory commissions be appointed to provide such critically needed leadership.

I speak as briefly as possible because too much harm has already been done with irresponsible words of bitterness and selfish political opportunism. I speak as simply as possible because the issue is too great to be obscured by eloquence. I speak simply and briefly in the hope that my words will be taken to heart.

Mr. President, I speak as a Republican. I speak as a woman. I speak as a United States Senator. I speak as an American.

The United States Senate has long enjoyed world-wide respect as the greatest deliberative body in the world. But recently that deliberative character has too often been debased to the level of a forum of hate and character assassination sheltered by the shield of congressional immunity.

It is ironical that we Senators can in debate in the Senate, directly or indirectly, by any form of words, impute to any American who is not a Senator any conduct or motive unworthy or unbecoming an American—and without that non-Senator American having any legal redress against us—yet if we say the same thing in the Senate about our colleagues we can be stopped on the grounds of being out of order.

It is strange that we can verbally attack anyone else without restraint and with full protection, and yet we hold ourselves above the same type of criticism here in the Senate floor. Surely the United States Senate is big enough to take self-criticism and self-appraisal. Surely we should be able to take the same kind of character attacks that we "dish out" to outsiders.

I think that it is high time for the United States Senate and its Members to do some real soul searching and to weigh our consciences as to the manner in which we are performing our duty to the people of America and the manner in which we are using or abusing our individual powers and privileges.

I think it is high time that we remembered that we have sworn to uphold and defend the Constitution. I think it is high time that we remembered that the Constitution, as amended, speaks not only of the freedom of speech but also of trial by jury instead of trial by accusation.

Whether it be a criminal prosecution in court or a character prosecution in the Senate, there is little practical distinction when the life of a person has been ruined.

Those of us who shout the loudest about Americanism in making character assassinations are all too frequently those who, by our own words and acts, ignore some of the basic principles of Americanism—

The right to criticize.

The right to hold unpopular beliefs.

The right to protest.

The right of independent thought.

The exercise of these rights should not cost one single American citizen his reputation or his right to a livelihood nor should he be in danger of losing his reputation or livelihood merely because he happens to know someone who holds unpopular beliefs. Who of us does not? Otherwise none of us could call our souls our own. Otherwise thought control would have set in.

The American people are sick and tired of being afraid to speak their minds lest they be politically smeared as Communists or Fascists by their opponents. Freedom of speech is not what it used to be in America. It has been so abused by some that it is not exercised by others.

The American people are sick and tired of seeing innocent people smeared and guilty people whitewashed. But there have been enough proved cases, such as the Amerasia case, the Hiss case, the Coplon case, the Gold case, to cause Nation-wide distrust and strong suspicion that there may be something to the unproved, sensational accusations.

As a Republican, I say to my colleagues on this aide of the aisle that the Republican Party faces a challenge today that is not unlike the challenge which it faced back in Lincoln's day. The Republican Party so successfully met that challenge that it emerged from the Civil War as the champion of a united nation—in addition to being a party which unrelentingly fought loose spending and loose programs.

Today our country is being psychologically divided by the confusion and the suspicions that are bred in the United States Senate to spread like cancerous tentacles of "know nothing, suspect everything" attitudes. Today we have a Democratic administration which has developed a mania for loose spending and loose programs. History is repeating itself—and the Republican Party again has the opportunity to emerge as the champion of unity and prudence.

The record of the present Democratic administration has provided us with sufficient campaign issues without the necessity of resorting to political smears. America is rapidly losing its position as leader of the world simply because the Democratic administration has pitifully failed to provide effective leadership.

The Democratic administration has completely confused the American people by its daily contradictory grave warnings and optimistic assurances, which show the people that our Democratic administration has no idea of where it is going.

The Democratic administration has greatly lost the confidence of the American people by its complacency to the threat of communism here at home and the leak of vital secrets to Russia through key officials of the Democratic administration. There are enough proved cases to make this point without diluting our criticism with unproved charges.

Surely these are sufficient reasons to make it clear to the American people that it is time for a change and that a Republican victory is necessary to the security of the country. Surely it is clear that this Nation will continue to suffer so long as it is governed by the present ineffective Democratic administration.

Yet to displace it with a Republican regime embracing a philosophy that lacks political integrity or intellectual honesty would prove equally disastrous to the Nation. The Nation sorely needs a Republican victory. But I do not want to see the Republican Party ride to political victory on the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

I doubt if the Republican Party could do so, simply because I do not believe the American people will uphold any political party that puts political exploitation above national interest. Surely we Republicans are not so desperate for victory.

I do not want to see the Republican Party win that way. While it might be a fleeting victory for the Republican Party, it would be a more lasting defeat for the American people. Surely it would ultimately be suicide for the Republican Party and the two-party system that has protected our American liberties from the dictatorship of a one-party system.

As member of the minority party, we do not have the primary authority to formulate the policy of our Government. But we do have the responsibility of rendering constructive criticism, of clarifying issues, of allaying fears by acting as responsible citizens.

As a woman, I wonder how the mothers, wives, sisters, and daughters feel about the way in which members of their families have been politically mangled in Senate debate—and I use the word "debate" advisedly.

As a United States Senator, I am not proud of the way in which the Senate has been made a publicity platform for irresponsible sensationalism. I am not proud of the reckless abandon in which unproved charges have been hurled from this side of the aisle. I am not proud of the obviously staged, undignified countercharges which have been attempted in retaliation from the other side of the aisle.

I do not like the way the Senate has been made a rendezvous for vilification, for selfish political gain at the sacrifice of individual reputations and national unity. I am not proud of the way we smear outsiders from the floor of the Senate and hide behind the cloak of congressional immunity and still place ourselves beyond criticism on the floor of the Senate.

As an American, I am shocked at the way Republicans and Democrats alike are playing directly into the Communist design of "confuse, divide, and conquer." As an American, I do not want a Democratic administration white wash or cover up any more than I want a Republican smear or witch hunt.

As an American, I condemn a Republican Fascist just as much as I condemn a Democrat Communist. I condemn a Democrat Fascist just as much as I condemn a Republican Communist. They are equally dangerous to you and me and to our country. As an American, I want to see our Nation recapture the strength and unity it once had when we fought the enemy instead of ourselves.

It is with these thoughts that I have drafted what I call a Declaration of Conscience. I am gratified that the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. IVES], the Senator from Minnesota [Mr. THYE], and the Senator from New Jersey [Mr. HENDRICKSON] have concurred in that declaration and have authorized me to announce their concurrence.

The declaration reads as follows:

STATEMENT OF SEVEN REPUBLICAN SENATORS

1. We are Republicans. But we are Americans first. It is as Americans that we express our concern with the growing confusion that threatens the security and stability of our country. Democrats and Republicans alike have contributed to that confusion.

2. The Democratic administration has initially created the confusion by its lack of effective leadership, by its contradictory grave warnings and optimistic assurances, by its complacency to the threat of communism here at home, by its oversensitiveness to rightful criticism, by its petty bitterness against its critics.

3. Certain elements of the Republican Party have materially added to this confusion in the hopes of riding the Republican Party to victory through the selfish political exploitation of fear, bigotry, ignorance, and intolerance. There are enough mistakes of the Democrats for Republicans to criticize constructively without resorting to political smears.

4. To this extent, Democrats and Republicans alike have unwittingly, but undeniably, played directly into the Communist design of "confuse, divide, and conquer."

5. It is high time that we stopped thinking politically as Republicans and Democrats about elections and started thinking patriotically as Americans about national security based on individual freedom. It is high time that we all stopped being tools and victims of totalitarian techniques—techniques that, if continued here unchecked, will surely end what we have come to cherish as the American way of life.

MARGARET CHASE SMITH,
Maine.
CHARLES W. TOBEY,
New Hampshire.
GEORGE D. AIKEN,
Vermont.
WAYNE L. MORSE,
Oregon.
IRVING M. IVES,
New York.
EDWARD J. THYE,
Minnesota.
ROBERT C. HENDRICKSON,
New Jersey.

Mr. SMITH of New Jersey. Mr. President, prior to the address just delivered by our distinguished colleague, the Senator from Maine, she suggested to me that she thought the address she was about to make to the Senate might contain some matters with which I might disagree.

I wish to say to my distinguished colleague that I have listened with the greatest intentness to her speech; I left my desk and took a seat close to her desk in order that I might hear every word of her speech. I wish to state that I am in wholehearted agreement with everything she has said, and I congratulate her and commend her for the magnificent address she has just made to the Senate.

Mrs. SMITH of Maine. I thank the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I wish to state for the record that the address which has just been delivered by the distinguished Senator from Maine is one of the best addresses I have heard since it has been my privilege to be a Member of this distinguished body. The address was inspiring and thought-provoking, and it sounded a clarion warning to which every one of us should pay heed. In the future, as we undertake our deliberations on the floor of this body and as we proceed to meet our daily obligations, we should keep in our minds this fine, ringing message.

I compliment and congratulate my distinguished colleague, the Senator from Maine; and as she goes forth on her new mission abroad, I hope she will remember that she has given us today this inspiring message—and to good advantage.

Mr. TYDINGS. Mr. President, it is not necessary for any of us to be in complete agreement with all the statements made by the distinguished Senator from Maine, who has just entertained us and instructed us on the highest level of statesmanship. I think there is much food for thought in the central theme of her magnificent address. This country is faced with terrific perils. The whole world is looking to us for leadership. Regardless of whether we like it or do not like it, there is no other place than America to which the free democratic world can turn.

I take the address just delivered to the Senate by the distinguished Senator from Maine to be a real contribution to the world situation and particularly to the situation existing in the Senate and the situation existing in the House of Representatives. She has been temperate, constructive, imaginative, and, I believe, fair in her comments generally upon the passing scene. I wish to compliment her both personally and as a fellow Senator upon her breadth of view and the reasonable detachment from political affairs which she has stated in such a delightful manner in the thoughts to which she has given expression. Those of us of the male sex must coin a new word in order to aptly fit her magnificent address, and I suggest the word "stateswomanship."

Mr. LEHMAN. Mr. President, I deem it a great privilege to congratulate the distinguished Senator from Maine upon her masterly and very timely address. I think she has said things this afternoon in condemnation of the current smear campaign which had to be said and should have been said long ago, things which many of us on the floor of the Senate have felt and were in agreement with.

I think she has brought home to the American people both the evil and the danger of trial by accusation, not trial based on evidence or on proof, but merely on accusation, innuendo, and smear. She has well expressed her antipathy for what she aptly called the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

She has said the things which are in our minds and hearts, and she has done so in a manner which I think none of us who had the privilege of listening to her will lightly or quickly forget.

I think she has pointed out, too, the great danger under which we here have been working for the past few months, namely, the danger that the people of America, through the endless repetition of unproved charges against the State Department and Government employees generally, will lose confidence in their Government. She pointed out the even greater danger that the freedom-loving people of other nations will lose confidence in the leadership of the United States. If that should happen, I would see very little hope for the free world.

Again I wish to take this opportunity both to congratulate and to thank the able junior Senator from Maine [Mrs. SMITH] for her very thoughtful address.

[From the CONGRESSIONAL RECORD, June 1, 1970]

DECLARATION OF CONSCIENCE—20 YEARS LATER

Mrs. SMITH of Maine Mr. President, 20 years ago on this June 1 date at this same desk I spoke about the then serious national condition with a statement known as the "Declaration of Conscience." We had a national sickness then from which we recovered We have a national sickness now from which I pray we will recover.

I would like to recall portions of that statement today because they have application now 20 years later.

I said of the then national condition:

"It is a national feeling of fear and frustration that could result in national suicide and the end of everything that we Americans hold dear."

Surely that is the situation today.

I said then:

"I speak as briefly as possible because too much harm has already been done with irresponsible words of bitterness and selfish political opportunism."

That is not the only situation today, but it is even worse for irresponsible words have exploded into trespass, violence, arson, and killings.

I said then:

"I think that it is high time for the United States Senate and its Members to do some soul searching—for us to weigh our consciences—on the manner in which we are performing our duty to the people of the United States—on the manner in which we are using or abusing our individual powers and privileges."

That applies today. But I would add this to it—expanded application to the people themselves, whether they be students or construction workers, whether they be on or off campus.

I said then:

"Those of us who shout the loudest about Americanism in making character assassinations are all too frequently those who, by our own words and acts, ignore some of the basic principles of Americanism—

"The right to criticize;

"The right to protest;

"The right to independent thought."

That applies today—and it includes the right to dissent against the dissenters.

I said then:

"The American people are sick and tired of being afraid to speak their minds lest they be politically smeared . . . Freedom of speech is not what it used to be in America. It has been so abused by some that it is not exercised by others."

That applies today to both sides. It is typified by the girl student at Colby College who wrote me:

"I am striking with my heart against the fighting in Cambodia but I am intimidated by those who scream protests and clench their fists and cannot listen to people who oppose their views."

I said then:

"Today our country is being psychologically divided by the confusion and the suspicions that are bred in the United States Senate to spread like cancerous tentacles of 'Know nothing, suspect everything' attitudes."

That applies today—but it must be expanded to the people themselves. Twenty years ago it was the anti-intellectuals who were most guilty of "know nothing" attitudes. Today too many of the militant intellectuals are equally as guilty of "hear nothing" attitudes of refusing to listen while demanding communication.

I said then:

"I don't like the way the Senate has been made a rendezvous for vilification, for selfish political gain at the sacrifice of individual reputations and national unity."

That applies today. But I would add that equally I do not like the way the campus has been made a rendezvous for obscenity, for trespass, for violence, for arson, and for killing.

I said then:

"I am not proud of the way we smear outsiders from the Floor of the Senate and hide behind the cloak of congressional immunity and still place ourselves beyond criticism on the Floor of the Senate."

Today I would add to that—I am not proud of the way in which too many militants resort to the illegalities of trespass, violence, and arson and, in doing so, claim for themselves a special immunity from the law with the allegation that such acts are justified because they have a political connotation with a professed cause.

I said then:

"As a United States Senator, I am not proud of the way in which the Senate has been made a publicity platform for irresponsible sensationalism."

Today I would add that I am not proud of the way in which our national television networks and campuses have been made publicity platforms for irresponsible sensationalism—nor am I proud of the countercriticism against the networks and the campuses that has gone beyond the bounds of reasonableness and propriety and fanned, instead of drenching, the fires of division.

I have admired much of the candid and justified defense of our Government in reply to the news media and the militant dissenters—but some of the defense has been too extreme and unfair and too repetitive and thus impaired the effectiveness of the previous admirable and unjustified defense.

I said 20 years ago:

"As an American, I am shocked at the way Republicans and Democrats alike are playing directly into the Communist design of 'confuse, divide and conquer.'"

Today I am shocked at the way too many Americans are so doing.

I spoke as I did 20 years ago because of what I considered to be the great threat from the radical right—the threat of a government of repression.

I speak today because of what I consider to be the great threat from the radical left that advocates and practices violence and defiance of the law—again, the threat of the ultimate result of a reaction of repression.

The President denies that we are in a revolution. There are many who would disagree with such appraisal. Anarchy may seem nearer to many of us than it really is.

But of one thing I am sure. The excessiveness of overreactions on both sides is a clear and present danger to American democracy.

That danger is ultimately from the political right even though it is initially spawned by the antidemocratic arrogance and nihilism from the political extreme left.

Extremism bent upon polarization of our people is increasingly forcing upon the American people the narrow choice between anarchy and repression.

And make no mistake about it, if that narrow choice has to be made, the American people, even if with reluctance and misgiving, will choose repression.

For an overwhelming majority of Americans believe that:

Trespass is trespass—whether on the campus or off.

Violence is violence—whether on the campus or off.

Arson is arson—whether on the campus or off.

Killing is killing—whether on the campus or off.

The campus cannot degenerate into a privileged sanctuary for obscenity, trespass, violence, arson and killing with special immunity for participants in such acts.

Criminal acts, active or by negligence, cannot be condoned or excused because of panic, whether the offender be a policeman, a National Guardsman, a student, or one of us in this legislative body.

Ironically, the excesses of dissent on the extreme left can result in repression of dissent. For repression is preferable to anarchy and nihilism to most Americans.

Yet, excesses on the extreme right, such as those 20 years ago, can mute our national conscience.

As was the case 20 years ago when the Senate was silenced and politically intimidated by one of its Members, so today many Americans are intimidated and made mute by the emotional violence of the extreme left. Constructive discussion on the subject is becoming increasingly difficult of attainment.

It is time that the great center of our people, those who reject the violence and unreasonableness of both the extreme right and the extreme left, searched their consciences, mustered their moral and physical courage, shed their intimidated silence, and declared their consciences.

It is time that with dignity, firmness and friendliness, they reason with, rather than capitulate to, the extremists on both sides—at all levels—and caution that their patience ends at the border of violence and anarchy that threatens our American democracy.

Mr. STENNIS. Mr. President, will the Senator yield?

Mrs. SMITH of Maine. I yield.

Mr. STENNIS. Mr. President, I commend the Senator from Maine for the fine expression of her thoughts and her principles that she has given us today. Not only does she mean what she says, but also, she touches on the very sensitive parts of our system and points out some weak spots.

I recall 20 years ago when she made the speech to which she referred today. She was right then, and I can testify that that speech had a great deal to do with bringing into focus the opinion that finally congealed in the American people, and on the floor of the Senate brought about—I could not say a full remedy, but a striking part, a very major part, of the remedy.

Her speech 20 years ago was a landmark, and I think today the Senator from Maine has given us another landmark, or milestone, whichever term we may use. We are all personally indebted to her for that, and the American people are indebted to her not only for what she says but also for what she does as a Senator. I want her to know that she is appreciated, for those reasons and others, by this body and by the American people, and I congratulate her for the speech she has made.

Mrs. SMITH of Maine. Mr. President, I thank my distinguished colleague from Mississippi. Whatever he says means much to me because of our long association. The people well know his part in the committee work that has brought about the recovery from the illness I referred to, and I thank him.

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from Mississippi in paying respects to the Senator from Maine for her remarks here today. I, too, recall her remarks of 20 years ago. Just as those remarks were needed then, so, too, are the statements she has uttered here today very much needed. I hope that both the Senate and the American People will take heed to the recommendations she has made.

[From the Maine Sunday Telegram, Feb. 4, 1973]

"PEOPLE WANTED CHANGE, I'M NOT BITTER"—MRS. SMITH

(By Bill Caldwell)

"Of course I'm disappointed that I was beaten," says former Sen. Margaret Chase Smith. "Of course I'm unhappy that I am no longer representing the people of Maine as I have done for 34 years.

"Yes, my defeat was a shock to me. But I am not bitter, as uninformed, speculative news stories have said.

"Why should I be bitter? The people of Maine gave me the biggest majorities in history time after time. . . I am most grateful for those . . . this time the majority of those who went to vote decided they wanted a change. . . "Why be bitter? It is over. There is not one thing I can do to change it. Who am I to question that or to be bitter?"

Mrs. Smith says she turned away all requests for interviews following her election defeat for two reasons.

"First, I had nothing to say except that I lost. Everyone knew that. And that I was disappointed to have lost. That surely wasn't news. . . The other reason I refused interviews was simply that I was too busy getting out of my office. And I will tell you why I had a fixation about getting out on time and in good order. . .

"You must realize that a defeated senator has an eviction notice. If he or she is not out on time, it causes havoc all down the line. When I was first elected to the Senate, I could not get into my office because the defeated senator would not leave. I had to park my files and furniture in the corridor and sit on a chair in the rotunda for two or three days. I felt furious, awkward and foolish. . .

"I was determined that I would not cause anyone the embarrassment caused me. So my first priority was to get out on time and in good order.

"That is not quick or easy, after you have been in Congress 34 years. I, Bill Lewis, Jackie Potter and all my staff worked around the clock, trying to get that job done as well as handling the regular work of the office. That work was piled up higher than ever, after the campaign. When I lost, we were deluged with mail from all over America, and indeed from many foreign nations too, which had to be answered.

"One way to save time was to give no press interviews. If I had given one, I would have had to give dozens, in fairness."

Mrs. Smith is anxious to set the record straight about news reports that mistakenly said her defeat had not triggered off any demonstration of tribute or affection from her fellow senators—implying that after being the only woman in the Senate for so long, she was leaving unnoticed and unmourned.

"That implication is wholly untrue and unfair to my colleagues," says Mrs. Smith.

To prove it, assistant Bill Lewis comes out of the study carrying a six-inch thick sheaf of letters and telegrams from people on the Hill and another big sheaf from the people in the executive branch and the White House.

There are tributes, some very moving, from senators on both sides of the political aisle, from old-timers and from greenhorns.

Sen. Howard Baker of Tennessee writes, "no outcome of any Senate race was a greater mistake than your loss. The Senate and the nation will miss you grievously . . ." Sen. Ed Brooke of Massachusetts writes, "How can I ever express my deep affection and respect I have for you? I will miss you more than you can ever know . . ."

Sen. Robert Dole of Kansas writes, "no defeat has affected me more than yours. You are a political legend in your own time . . ." Sen. Barry Goldwater writes, "Your defeat is the most shocking . . . to lose you will be a tremendous, irreplaceable loss to the Senate and the nation."

Sen. Hubert Humphrey writes, "As a Democrat, I am supposed to be jubilant when another Democrat wins. But I just can't feel that way about losing you . . ."

The pile of letters from senators includes letters in similar vein from Sens. James Buckley, Jacob Javits, Everett Jordan, Charles Mathias, Charles Percy, Jennings Randolph, William Saxbe, Hugh Scott, Stuart Symington, Strom Thurmond, Milton Young, Carl Curtis, Harry Fong, Harry Byrd, Howard Cannon, John Sherman Cooper, Norris Cotton, Clinton Anderson and dozens more.

"I also got a nice handwritten note from Sen. Muskie. It came in the latter part of December, I think, but only after a story in the newspapers reported that my office had not heard a word from Maine's other senator."

The Congressional Record of Jan. 9 carried a full and growing tribute in the form of a senate resolution to Sen. Margaret Chase Smith, not previously noted in newspapers.

"Put them away, Bill," says Mrs. Smith to Gen. Lewis. "That is enough to show that it is a calumny on my colleagues to say they did not acknowledge my departure. I thank Heaven the Senate was not in session right after the elections. I'm afraid we would have had a lot of oratory from the floor, and that would have shook me up badly."

President Nixon wrote, saying "The most disappointing aspect of the whole election is your defeat . . . as one who has known defeats, I know how you feel. At such times you find who are your real friends. And count me among them . . ."

There are moving tributes and affectionate personal letters from Melvin Laird, Henry Cabot Lodge, Elliot Richardson, Adm. Rickover, Nelson Rockefeller, William Rogers, Dean Rusk, Bob Hope, Gov. George Wallace, Claire Booth Luce, Richard Helms of CIA, and scores of others around the world.

"I show you all this to set straight the record," says Sen. Smith. "If I have any bitterness, I am bitter to those who since my defeat are saying that I am sick, lonely, a recluse or an embittered old lady in hiding. None of that is true at all."

Within a month, Mrs. Smith says she will announce what is to become of her congressional papers and files.

"We have 300 boxes of them in apple-pie order now. The span of years they cover runs from 1937, when I was secretary (at $3,000 a year) to my husband Clyde, when he was congressman from Maine, right through to December, 1972.

"That is 35 years of Maine and Washington. It covers presidents from FDR to Nixon. They cover almost every aspect of governmental decision making in war and peace, from the highest secrets on down to the vital requests from constituents in Maine. It is a revealing documentation of American history."

Mrs. Smith says that many universities, including the University of Maine and national libraries have expressed interest in obtaining this collection. "My work on them will be over shortly. And before March 1, I will be able to say where they are going."

When this job is completed, Mrs. Smith says she will be making a number of national speeches.

"My next major engagement is Feb. 24. Then I am to receive the American Education Award in Atlantic City. Some of the previous recipients include Lyndon Johnson, Erwin Canham, Leonard Bernstein, Walt Disney. And it is a bit ironic, after what the Teachers Association had to say about voting against me in Maine, that I should be chosen to receive this educational award.

"I have also been re-elected chairman of Freedom House, the Memorial Foundation to Wendell Wilkie, which represents the progressive, active center view of American life and politics. And that job keeps me traveling to New York. On Feb. 26, there is a big dedication ceremony there over which I will preside.

"In March I go to the University of Alabama to lecture for three days there at the law school. In April I make a speech to the convention of the Federated Womens Clubs in Ohio. In May, I will speak in Indiana and Michigan.

"And as usual I will make the commencement address at Maine high schools, this June at Winslow and Harrington."

Mrs. Smith says she has so far not acted upon a number of commercial offers. "Lecture bureaus wanted to sign me up for national speaking tours. But I think that would be too confining. And then Doubleday, the publishers, want me to write two books, one an autobiography and the other a critique of Congress. I would like to do both, but I am not quite ready yet to get started.

"And a national television network wants to discuss a contract for me to become a regular TV commentator . . . but I will wait a while longer before making decisions. If I move too fast, I fear some would charge me with 'sour grapes' when I speak out on issues. I have not lost my trait for independence. . ."

Looking back at her election defeat, Mrs. Smith says that she "fully expected to win, right up until I heard the returns coming in from Augusta. When I showed badly there, I first began to get really seriously worried. Before that I thought it would be close but that I would win."

Mrs. Smith says she might have announced that she would retire and not run for reelection again until Robert Monks announced he would fight her in the primaries.

"The principal reason I decided to run" she says "is because Monks jumped in with both feet, said he had a million dollars to spend and wanted to kick me out. If he had not gone ahead and announced this way, I might not have run."

Mrs. Smith says that Robert Monks, accompanied by Robert Marden, came to see her in Nov. 1971. "Bob Marden said nothing. Sat there looking embarassed about the whole thing. And Monks talked on for 1½ hours about almost nothing. He failed to say one word then about his intention of entering the primaries against me a few months later."

She applauds Monks for being a "very fair and honest opponent in the primary fight and a gracious loser.

"But my big victory in the primary over Monks may have given us false assurance. My age compared to Monks' age did not hurt me then. Nor did rumors of my being in bad health. Yet when it came to election, it was my age and malicious rumors about my bad health that damned me most.

"Being 74 (and not 75 as many papers said) was bad enough. But the thrust was that I would be 81 before my term expired if I were re-elected. Now I could not deny my age. It is a fact; not a debatable campaign issue.

"I did my best to offset it by proving to all who cared to look that age was not a handicap to me. I did full five days of hard work in the Senate, flew to Maine every weekend, put in 18-hour campaign days there, and then flew back to Washington.

"Proof of my ability to do the job was there for all who cared to look. I carried a full load in the most important committees in the Senate, I had voted on more than 5,000 roll calls. My position on the current issues of revenue-sharing, the Vietnam War, the economy, education, social security—everything else was on the record to see. I did not duck any issues in this campaign. I did far more than talk about them. I had voted on them, on the record.

"But people wanted a change. The national feeling was anti-establishment. They wanted someone younger. That is understandable. But it was unfair and wrong to say, as some did, that I had lost touch with Maine people.

"I read and answered 200 letters a day from Maine people. I was in constant touch with the urgent details of their private and business problems. In 1972 alone I spent more than 100 days in Maine. And as to my health—why I had never been hospitalized once until my first hip operation in 1968. And I am fit as a fiddle now."

To prove it, Mrs. Smith stands up and insists upon moving a big dining room table and six chairs without assistance. Then, to locate a file others cannot find, she scrambles up a small ladder and pulls down a cardboard filing cabinet locates the missing papers, and lifts the file back into place.

"Maybe I should have done more television in the election campaign. But that is not my style. I have always been against 'Buying elections'. I turned $20,000 over to Charles Moreshead of the GOP Committee in Maine, told him to contribute $5,000 to Porteous, $5,000 to Cohen and use $10,000 to get Republicans elected to the state legislature.

"Maybe I should have used that money myself or taken help from the national GOP or the President. He at one time offered to make an appearance in Maine. But I like to run on my own two feet.

"However I was a strong team player for others. Everytime I spoke I urged people to vote for Nixon, for Cohen, for Porteous and for Republican legislators. I don't believe they did as much for me, and I did not ask them.

"Some people's loyalties were split. I remember I sent primary petitions, for example, to Sen. Minette Cummings and to Mrs. Henrietta Crane. Both were thinking of running then to become Republican national committeewomen. Minette Cummings got her petition filled and sent it back. But Henrietta Crane sent hers back blank and empty, saying she felt it might upset Bob Monks if she circulated a petition for me. "But I don't really bear grudges. People do what they think best for them.

"Only one thing really hurts. I still hurt when I think about my own home town Skowhegan, where I was born, worked and grew up, voting against me. That hurts. And it is no use pretending it does not.

"It hurt too when my hometown paper came out editorially against me . . . the Somerset News. I had worked eight years on that paper. But what few people knew is that the Bangor Daily News had bought the Skowhegan Paper. And when the Bangor Daily News decided to come out against me that policy was in effect on the Skowhegan paper too.

When the Skowhegan paper told the AP they were refusing to support their home town Margaret Smith, they did not tell the AP that they were not an independent paper but were controlled by Bangor and acting on orders from Bangor. So the news went out across America that my home town paper was against me. That really was not the whole truth."

Mrs. Smith feels that some influence on her defeat was exerted by the papers owned by the Bangor Daily News and the Guy Gannett Publishing Co. "Of course it is their right and duty to support whomever they choose. But in February at a dinner in Washington the owners of both papers said publicly to me that they would support me not only in the primaries but also in the election. And of course they did not."

Mrs. Smith admits she will miss the Senate, especially the committee work and the work for her constituents. "The mail from Maine still pours in. People still ask me to intervene for them to solve their problems. They refuse to realize I no longer have any position or influence in government.

"But I will not be a hanger-on. I will not, as some do, haunt the Senate offices or lobby. I did not even go to any inaugural celebrations. I have cut those ties—except where they involve personal friendships. Those 34 years are done."

Mrs. Smith says that the President has not made any overture to her regarding a position in the administration. If he did, she might have doubts about taking it "because I am inclined to be pretty independent. The President knows that well—for instance my votes against his nominations for the Supreme Court and my vote against the ABM. Those upset him. I upset Eisenhower too, when Nixon was vice president. I can be a team player. But not when I am in total disagreement with policy."

Mrs. Smith hopes to return to Maine "but not right away. I think it would be hard for me to live in Sowkhegan right now, and it would be hard for many people in Skowhegan.

"And it would be hard to go back to Cundy's Harbor right now. The vandals who broke in there don't seem to have been petty thieves. They tore up and desecrated all my personal mementos and belongings. That had the earmarks of a vicious personal attack. And it naturally worries a woman alone. But I will surely be back to Maine before too long.

"Tell them back home that I am not bitter, grudge-bearing, a lonely or sick and aged woman. Tell them I am fine, happy, busy and intend to keep right on being busy and happy and doing what I feel worthwhile!"

[From the Maine Sunday Telegram, Feb. 11, 1973]

MRS. SMITH ON A SUNDAY AFTERNOON

(By Bill Caldwell)

WASHINGTON.—"Look how the buds are swelling on the dogwood and azaleas already!" says former Sen. Margaret Smith, walking the extensive grounds of her home in the Washington suburb of Silver Spring, Md.

"This rock is my diving board. I swim here in the pool twice daily in the summer. First in the morning, then on hot nights to cool off . . . Bill Lewis built the barbecue. Those black tops are Monson slate we brought from Maine. And this polished slab of Maine granite comes from Stonington.

"Now I'll change," she says. "And get on with washing the car. That's what I like to do on Sunday—wash the car."

You can take Mrs. Smith out of Skowhegan. But you can't take Skowhegan out of Margaret Smith.

At 75 Margaret Smith is younger looking most of the time than most women of 60. She is comfortable financially, on a pension of over $34,000 a year. She held higher political office longer than any woman in American history. Presidents fawned over her—and she sometimes infuriated them.

But on Sunday afternoons the lady from Skowhegan, Maine, gets out hose, bucket and boots and washes down her aging white Pontiac convertible.

On a driveway at a separate entrance to the same house Maj. Gen. Willim C. Lewis, the landlord and for 26 years loyal assistant to Mrs. Smith, works on his antique car.

Bill Lewis, 60, is the envied owner of a classic 1941 Plymouth coupe. "This is an heirloom" he says. "My father gave it to me. He drove it here from his ranch in Red River, New Mexico. Every time I'd drive it to the Senate gargage I would get offers of $2,000 and more for it. But I'm not selling."

Bill Lewis built this house in 1952, when this area of suburban Washington was still an apple orchard.

"My father and mother came to live here with me part of every year until they died. My father was a great trial lawyer in Oklahoma and late U.S. attorney there. My father was, like me, a general in the U.S. Air Force Reserves. He died in 1965. My mother was a lawyer, too and also a U.S. marshal. She was chief law clerk to the Supreme Court in Oklahoma. My mother died in 1963.

"They were close friends of the Senator's, who had the lower half of this house for most of the 10 years my mother and father lived in the upper half with me. They spent summers at my place in Cundy's Harbor, Maine, close to where the Senator has her summer house."

Lewis took his law degree from the Univesity of Oklahoma in 1935 and his master's in business administration from the Harvard Business School two years later.

"I first came to Washington in 1938 as senior trial lawyer for the Securities and Exchange Commission. My job was to prosecute public utility corporations who made illegal political contributions. Then in World War II I served in the Navy. Only later did I switch to the Air Force Reserve, following in my father's tradition."

I asked Bill Lewis where he had first met Margaret Smith and how her career became his career.

"When she was in Congress. I came back from the war to become chief counsel to the House Naval Affairs Committee. She was a member of that committee. I first worked with her there . . .

"And then when Sen. Wallace White announced his retirement, I urged Mrs. Smith to run for Senator from Maine. She asked me to become her campaign manager . . . That was when she beat a sitting governor, Horace Hildreth, and a past governor, Sumner Sewall, and a man named Beverage. In that primary she won more votes than all her opponents combined. And I have worked for her ever since."

For 25 years bachelor Lewis and widow Margaret Chase Smith have worked in close harness. He has been her strong, loyal right hand in all her Senate work, in her four triumphant elections and her one losing election campaign, in her world-wide travels.

Yet, a distance of rigid formality still seems to separate these two after 25 years. In speaking to Mrs. Smith, Lewis always addresses her as "Senator". In speaking about Mrs. Smith, Lewis always refers to her in the third person as "the Senator". Never does he use the name "Margaret".

Mrs. Smith almost always addresses and refers to her long time assistant as "Bill", on more official occasions she refers to him as "General Lewis". In conversation Mrs. Smith speaks more warmly, more affectionately about his mother and father than about Lewis himself.

Yet when Bill Lewis suffered a severe heart attack more than a year ago, Mrs. Smith immediately broke her rigid rules of constant attendance to Senate business. For the first time in her career, she chose not to go to her office. She spent days and nights close to Lewis' bedside at Walter Reed hospital during the critical stage of his illness.

Waiting almost to the end of a seven hour interview, I asked Mrs. Smith: "If there was now any likelihood you might become Mrs. William C. Lewis?"

She chuckled, "Lordy, no! Bill is just a young man," she answered. "He is 60. And, furthermore, he's never asked me!"

Earlier in the day, Mrs. Smith was in her kitchen making oyster stew for lunch. Lewis came in to check that all burners were turned off. Petulant at his concern, Mrs. Smith shooed him out, snapping, be it with laughter in her voice, "Don't be nosing around my stove as if I didn't know what to do! I was cooking long before you were ever born!"

On another occasion, Mrs. Smith said, "I don't have a maid. There is too little for a maid to do here. I like keeping house. I'm finickety. Every three weeks a team of men come in half a day or so to do all the really heavy cleaning . . .

"Somedays, however, I feel I should lend a hand to Bill, to straighten up his quarters. But he doesn't want me to help. I never set foot in his part of the house, really, not since his mother and father lived there and we used to visit back and forth."

Speaking of house cleaning, Mrs. Smith recalled her vain efforts to clean-up the Senate dining room. "Only time I screamed in my 34 years in Congress was when a cockroach ran across my steak in the Senate dining room. . . . When I reached down to grab my purse and run, another ran up my arm! Out I ran, screaming at a gallop!"

Mrs. Smith recalls, "The men had been complaining constantly about quality, prices and service of food. They asked me as a woman to get something done. Those cockroaches triggered me to action. But when I asked the Rules Committee to authorize $15,000 to investigate operations of the Senate Dining Room, those 32 male co-sponsors vanished. And one columnist wrote a snide piece about "Margaret's $15,000 cockroach."

"It is a man's domain, the Senate" sighs Mrs. Smith. "The men get hair cuts free. I paid $5 every time I got my hair done in the Senate . . . When I used the Senate swimming pool, part of my physical therapy after my hip operation, I had to go down there out-of-hours."

Mrs. Smith spoke briefly of the $34,000 a year pension she is now drawing after 34 years. "I started work in the Congress in 1938 at $3,000 a year, as secretary to my husband, Clyde, when he was congressman. I have been contributing to the pension fund ever since. I figure I have paid in over $70,000. It will take me years to get my money back. Thereafter, I may have to pay about $17,000 a year in income taxes and other taxes out of my pension."

Over coffee, the talk switches to how a state delegation operates.

"I am a bit surprised about news stories now concerning meetings of the Main congressional delegation—as if the idea was new—it's far from new. I held them in my office on a Tuesday of each month for the eight years I was chairman."

The talk turns to prominent figures in the Nixon Administration.

"Henry Kissinger is a perfect dear, wholly charming to be with," is Mrs. Smith's opinion of President Nixon's special envoy. "I used to get awfully tired of those leaderships meetings at the White House. But at one breakfast meeting, I found Kissinger at my shoulder saying, 'Senator, I hope you'll have breakfast with me'.

And I answered, "After all those lovely young girls you squire around town, aren't you going from the sublime to the ridiculous asking to eat with me?"

Thereafter at the White House and elsewhere, Kissinger and Mrs. Smith grew to be close friends.

"Richard Helms, head of the CIA until his new appointment as ambassador, is one of the men I admired most in the Nixon administration" says Sen. Smith. "I knew him well. I was one of just three United States senators given the fullest possible security clearance. Dick Helms kept us well posted on all CIA plans and operations and budgets. He was a most able CIA director. He did extremely well in presenting us with the full knowledge of CIA we were entitled to have."

Helms got along so well with the Congress, says Mrs. Smith, that some people feel President Nixon sent him overseas on a different job to get Helms off the hill.

"Some senators felt that the President does not like any person working for him to get along well with the Congress," says Mrs. Smith.

As to old friend William Rogers, "Few people appreciate", says Mrs. Smith "how close Secretary of State Rogers as been to President Nixon or for how long. Despite his outward isolation from the White House and the apparent dominance of Henry Kissinger in foreign policy, Bill Rogers has to be among Nixon's closest longtime confidants.

"Having Rogers in the State Department instead of in the inner White House circle may make Rogers better able to do certain assignments for the President than he could otherwise be doing."

I ask Mrs. Smith her opinion of President Nixon.

"Nixon is extremely hard working, able, pragmatic and above all extremely driven by ambition. He is determined to carve a place in history for his presidency. He will let nothing stand in the way of that ambition to make his presidency renowned," says Mrs. Smith of the man she has known for almost a quarter-century.

The confrontation between President Nixon and the Congress, particularly over spending limits and war powers? Mrs. Smith thinks the President will win both battles. "As to impounding funds, that is nothing new. And the Congress knows it. So does Nixon. Both know that Truman, Kennedy, Eisenhower, LBJ, all impounded money Congress had appropriated and earmarked. Congress did not protest then.

"One reason Congress is making so much noise today is that this is the first new Congress not to have a civil rights bill or a filibuster to occupy is attention right after Inauguration. They'll settle down by March, I think."

Her desk is the thing she'll miss most from the Senate, says Mrs. Smith. "It was in the front row. It was officially called 'Senate Desk Number One.' I had the same desk all the 24 years I was in the Senate, something few senators do.

"But besides being in a good position, that desk had another special meaning for a senator from Maine. It is the desk that belonged to Hannibal Hamlin of Maine. He sat at this desk first in 1848. Later he became Lincoln's vice president, thereby becoming president of the Senate and a powerful voice for emancipation. He came back to the Senate in 1869 and served till 1881. I was proud to sit at it for 24 years. . ."

Another advantage of that desk was that it was close to the vice president "partly because of where I sat. I have known all the vice-presidents very well" says Mrs. Smith.

Talk switches to the presidents and vice presidents with whom Mrs. Smith has served closely. She is not willing to name favorites. But her sense of closeness to LBJ is clear.

"We came into Congress as freshmen in the House in the same year . . . Then we served together constantly, not just in the House and then the Senate but on the same committees together all through . . . There is where you really get to know the quality of a colleague . . .

"I looked up the records. They show that Lyndon Johnson and I broke all records in the history of Congress for the amount of time we spent working together on the same committees . . .

"He had a huge understanding and love for both houses of Congress but particularly the Senate. We shared that, as well as our work . . . Yes, I respected and admired Lyndon Johnson especially his devotion to his work. And I like to think it was mutual. We were real friends for a long time, long while."

Mrs. Smith recalled her days in newspapering, from the time she worked for the Skowhegan paper through the years she was a syndicated columnist, telling the woman's view on the opposite side of the political fence from fellow-columnist Mrs. Franklin Roosevelt.

"I am looking for the right platform to speak from now," says Mrs. Smith, who wants to be a voice for the center of American life and politics. "I'm afraid of extremists and distrustful of them, from either side of the spectrum."

She is most tempted by an offer to become a network television commentator.

"I did television before, you remember," she says. "There was that nationally televised debate between Mrs. Roosevelt and myself when she supported Adlai Stevenson and I supported Ike.

"But I recall mostly those television interviews I did for CBS and Ed Murrow during my world trips in 1954 and 1955.

"I spent hours with Churchill and Eden. In France I particularly remember the experts told me not to waste my time talking to Charles de Gaulle. They said he was a has-been. But I wanted to see him anyhow.

"We were shown into a bare, stark white room. The only furniture was a narrow table. On one side was a huge raised chair, like a throne. On the other side were three tiny, low chairs, with legs sawed off to make them smaller. Then in came De Gaulle, almost seven feet tall himself. And we had to star gaze up at him up on his throne for a whole two hours. . .

"I spent four hours with Nasser. He was nervous. He insisted on having all my questions in writing. And then reading all his prepared written answers.

"I did the world's first televised interview with Generalissimo Franco of Spain and saw President Menderes of Turkey. I went to Moscow to see Molotov. But no TV was allowed. In Germany we did a camera interview with Chancellor Adenauer. Then we went to East Berlin, Bill Lewis and the cameramen got thrown in jail.

"Most fascinating perhaps were the hours I spent with Nehru in India. It started very badly. He came in carrying one rose and wearing another. He always wore a rose on his tunic, as I did on my dress. The second rose was for me. But I already had one on—to my embarassment and his.

"That was a bad start. Then the first question I asked Nehru was a very tough one: 'Mr. Prime Minister,' I said, 'Why are you so tolerant of communism outside your borders but so tough and anti-Communist inside India. How do you reconcile these opposite positions?'

"The first hour was icy. But then the ice melted finally and we had two more hours of the best talk with one of the best minds I have ever encountered.

"And on the trip we interviewed U Nu of Burma, President Diem of Saigon, President Magsaysay in Manila and Chiang Kai-shek on Taiwan . . . It was all unforgettable and CBS shot miles of film.

"Yes, maybe I would like to do television again as a commentator for the center."

Watching her feed birds, cook oyster stew, clear a table, even wash her car on a Sunday afternoon, it is hard to realize one is talking to a woman who is a legend in her own time across the nation.

For there is not one iota of pomp, not one air of self-importance and vanity in her as she talks in her home.

You can take Mrs. Smith out of Skowhegan. But you can't take Skowhegan, Maine out of Margaret Chase Smith.

[From the Washington Post, Feb. 13, 1973]

EX-SENATOR SMITH'S HOME TO BECOME A MEMORIAL

(By Maxwell Wisenthal)

SKOWHEGAN, MAINE, February 12.—Friends of former Sen. Margaret Chase Smith plan to convert the three-story, white, wooden Smith homestead here into a memorial library in her honor.

They plan to move ahead on the conversion despite Mrs. Smith's recent observation that "it would be hard for me to live in Skowhegan right now," because the voters of this central Maine community favored her opponent, William D. Hathaway, in the November election.

The committee planning the library has formed a corporation known as the Margaret Chase Smith Memorial Library. All of her books, papers and other material will be stored there and be available to researchers and for public viewing.

Among those planning for the library are Leo Cherne, executive director of the Research Institute of America; Claire Giannini Hoffman, a director of the Bank of America and daughter of the founder, A. P. Giannini; Katie Louchheim, former vice chairman of the Democratic National Committee and former Deputy Assistant Secretary of State; Claire Booth Luce, former ambassador and author; William B. Mills, executive of the DuPont corporation; Robert T. Stevens, former Secretary of the Army and chief executive officer of the J. P. Stevens Textile Co.; James E. Webb, former administrator of the National Aeronautics and Space Administration and former director of the budget; Richard H. Wels, New York attorney; H. L. Gosselin, former executive of the Bates Manufacturing Co. and one of Mrs. Smith's campaign directors; William C. Lewis Jr., former administrative assistant to Mrs. Smith, and Merton G. Herny, Portland, attorney and campaign aide to the former senator.

Henry said Mrs. Smith was delighted with the idea of the residence being converted to a memorial library.

He said the committee would meet shortly to discuss the cost and renovations involved.

Mrs. Smith also has a home at Cundy's Harbor on Maine's Casco Bay.

[From the Lewiston Daily Sun, Feb. 13, 1973]

SENATOR SMITH MEMORIAL

The conversion of the Skowhegan home of former U.S. Senator Margaret Chase Smith into a public memorial library is a fitting tribute to the outstanding work and distinguished career of the woman who was Maine's senior senator until last month.

Senator Smith's 34 years of service at the nation's capitol began when she was secretary to her late husband, Congressman Clyde H. Smith. It continued as she served in the House and reached its zenith in the Senate. Courageous and independent, she became a power in the Senate and in the federal government, and an active member of top ranking committees.

The years that Sen. Smith served in Congress were among the most turbulent and important in American history. The files of documents and papers which she accumulated are of inestimable historical value.

The Margaret Chase Smith Memorial Library will house those papers and mementoes of her congressional career. Future generations of Mainers and Americans will be enabled to more fully appreciate her tremendous contribution to our government and our times.

[From Newsweek, Nov. 20, 1972]

MAGGIE SMITH: ROSES, THORNS

They made a fuss in Washington over the fresh rose she always wore pinned near her left shoulder, but that was so much sentimentality. The thorn was what counted in Margaret Chase Smith's 24-year career in the U.S. Senate. She voted and spoke alone if need be, and took no money from anyone for anything (including any private donations for her own reelection campaigns), and made up her mind with such detachment from the usual quid pro quos of Senate politics that no one dared even ask her how she intended to vote. When the 74-year-old Republican senior senator from Maine was finally defeated last week, overtaken as much by advancing age as by her Democratic challenger, 48-year-old Rep. William D. Hathaway, the Senate lost its fourth-ranking Republican, its lone woman—and one of its only true independents.

A handsome, soft-spoken Skowhegan schoolteacher, Maggie Smith went to Washington in the 1930s with her congressman husband and succeeded him in the House after his death in 1940. In 1948 she was elected to the Senate—the third woman elected in its history—and within two years made her lasting mark upon it. While much-paragraphed liberals like Hubert Humphrey stood silently by, the Republican lady delivered her "declaration of conscience" against "hate and character assassination" that has "debased" the Senate. She did not once mention Sen. Joseph McCarthy by name, but he got the point well enough to stalk off the Senate floor—and to pour money and his best campaign efforts into a vain attempt to defeat her in the Maine primary in 1954.

Through the years, her habitual silence and unpredictable independence seemed to give her vote a special weight in crucial Senate roll calls. She cast one of two GOP votes against confirming Lewis L. Strauss as Dwight Eisenhower's Secretary of Commerce—and these two votes made the difference. A domestic liberal and international hard-liner, she earned the name of "devil" from Nikita Khrushchev for voting against John Kennedy's nuclear-test-ban treaty.

She opposed Richard Nixon's nominations of both Clement Haynsworth and G. Harrold Carswell to the Supreme Court. Her aloof sense of integrity could be exasperating. Though she opposed the President's ABM program because it was "obsolete," she also opposed a compromise that might have stalled the program. She fiercely resented any pressure or blandishment: when Mr. Nixon disclosed on the day of a hairline vote on the supersonic transport that he had decided to keep open a job-rich naval shipyard on the Maine border, Mrs. Smith kept her counsel—and voted against the SST and the President.

But perhaps her proudest voting record was that she cast more of them in a row than any senator in history—2,941 roll calls until a hip operation finally sidelined her briefly in 1968. Never a hero or a real power in the Senate—where the doers no less than the slackers were frustrated by her refusal to compromise—she nevertheless exerted a certain force simply by her silent example. Amid all the pious rodomontade that followed on the assassination of John Kennedy, it was Margaret Chase Smith who went quietly to his old Senate desk and laid on it one red rose.

A NEW POLICY TOWARD SOUTHEAST ASIA

Mr. ROTH. Mr. President, just a year ago, in March 1972, I suggested that as the cornerstone of a new policy toward Southeast Asia, we should encourage the development of a neutralized Southeast Asia, free from great power competition. I pointed to the proposals for a zone of peace, friendship, and neutrality made by the member countries of the Association of Southeast Asian Nations—ASEAN—and suggested that our improved relations with China and the Soviet Union should be utilized to examine these proposals on the great power level.

Now that our military involvement in Vietnam has ended, I think the conditions for a neutralized Southeast Asia have improved. Last month the foreign ministers of the member countries of ASEAN—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—met to discuss the implications of the cease-fire agreement for their region and the possible ways that they could assist in strengthening the prospects for peace. One of these countries, Indonesia, is directly assisting in keeping the peace in Vietnam by its participation as a member of the International Commission for Control and Supervision. At the same time, relations among the great powers have continued to improve. We will soon have a permanent mission in Peking, and diplomatic relations between China and Japan were established late last year.

It is my understanding that the members of ASEAN would welcome the membership of other Southeast Asian countries who agree to abide by the spirit of cooperation embodied in the organization's declaration of 1967. This would certainly be the implications of the remarks by Indonesia's President Suharto, as recently reported by Mr. C. L. Sulzberger in the New York Times. President Suharto is quoted as saying:

> We want ASEAN to strengthen regional independence and avoid having this area become a regional cockpit.

President Suharto would also welcome both South and North Vietnam into the association, saying:

> If both North and South decide to keep their separate governments, it would be to our advantage and to theirs if they joined ASEAN.

I find this thinking strikingly compatible with our own hopes for Southeast Asia. We want and have fought for the independence of the countries of the region, and we are also sympathetic to and encourage their aspirations for economic development. I think all Americans would agree that it would be much better if these countries were left to strengthen themselves through regional cooperation, free from outside interference. It is clear from Mr. Sulzberger's article that this is the goal of President Suharto. He wants no part of the Soviet Union's collective security arrangement as proposed in 1969 by Premier Brezhnev. At the same time, an effective neutralization arrangement would also serve as a substitute for other security arrangements in the region that should be phased out, including SEATO and the five power agreement linking Malaysia and Singapore with Australia, New Zealand, and Great Britain.

I believe that neutralization deserves the active attention of our foreign policy leadership. On January 23, when President Nixon announced the conclusion of an accord on Vietnam, he said:

> All parties must now see to it that this is a peace that lasts and also a peace that heals, and a peace that not only ends the war in Southeast Asia but contributes to the prospects of peace in the whole world.

As part of our contribution toward seeking such a peace, I would reiterate my earlier suggestion—that the United States sound out the other great powers with a stake in Southeast Asia on whether some neutralization agreement might be made for the entire region. The time for doing this has never been more propitious. The countries of ASEAN are doing their part to seek peace, and their continued cooperation is essential to a durable neutralization agreement. We can make their task easier and give them encouragement to continue on their path if we support their efforts by seeking a supplementary larger power agreement.

Mr. President, I ask unanimous consent that Mr. Sulzberger's article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE KILLING HAS TO STOP

(By C. L. Sulzberger)

JAKARTA, INDONESIA.—A new kind of neutralism, in which Indonesia plays a vital role, is now advancing in Southeast Asia. With luck, it might be able to absorb the political wreckage of the Indochina war. This neutralism, unlike other varieties as expressed in India or Syria, is in no sense tinged with anti-Americanism. Indeed it appears more sympathetic to the United States than to either the Soviet Union or China.

Less than a decade ago, when Sukarno was still absolute ruler here, both Moscow and Peking were vying for the favor of this country, fifth largest in the world. The Russians sent in enormous quantities of military equipment including aircraft, tanks, guns and warships.

The Chinese subtly cultivated the Jakarta regime, hoping to swing it to the Peking brand of Communism through a local uprising and then to squeeze Southeast Asia in an ideological nutcracker.

All these visions have vanished. The Soviet arsenal has rusted away. A mild and realistic China policy has taken over. Sukarno is dead and the pro-Peking Indonesian Communist party was smashed after a violent coup backfired in mass bloodshed.

Indonesia now aspires to an international role of restrained nationalism and protection of Southeast Asian interests against the ambition of countries foreign to the area. As explained by President Suharto, a smiling but no-nonsense general who put down the Communist uprising seven years ago, regional defense is the paramount concern.

In the long run, he conjectures, it might be useful to organize a larger Asian group to consult on problems but at this moment only ASEAN, the Association of Southeast Asian Nations, is workable. The five members are Indonesia, Singapore, Malaysia, Philippines and Thailand. It is noteworthy that, this country apart, all are linked by military arrangements with the West.

"The most important thing is to consolidate ASEAN as a regional force," says General Suharto. "There is no point of linking it with larger Asian lands like India and Pakistan or China and Soviet Russia. That would merely embroil the area in new contradictions. We would, however, welcome as members Southeast Asian nations like Burma, Laos, Cambodia, and should they so desire, both South and North Vietnam."

This view of ASEAN is not as a bloc or alliance, although the members could exchange military information; training and assistance. It would be entirely up to the Indochina countries, once peace really comes, to decide whether they wish to join. The President feels ASEAN offers the Vietnamese an alternative to Great Power rivalry.

For him the Vietnam conflict proved nothing. He says: "If we go back to the Clausewitz definition that war is a continuation of policy by other means, no belligerent achieves anything. But the Paris agreement permits self-determination. If both North and South decide to keep separate governments it would be to our advantage and to theirs if they joined ASEAN."

The general reasons that this is consonant with U.S. desires, as expressed in the Nixon Doctrine, that American forces should withdraw and let Asians settle their own problems. Likewise it would frustrate Soviet power dreams as expressed in the Brezhnev Doctrine for Southeast Asia. He says: "We want ASEAN to strengthen regional independence and avoid having this area become a regional cockpit. Therefore, we automatically reject the Brezhnev Doctrine."

Finally, it is plain that he would like to check future revival of Peking's former am-

bitions among the Southeast Asian lands, all of which have large Chinese minorities. "China," he says, "supports the Communist coup here. It still supports remnants of the Indonesian Communist party, which try to create disturbances. We cannot tolerate this and won't resume relations with Peking until it ends this policy."

National security is the obsession that dominates Indonesian foreign and internal policy and this is largely true for its ASEAN partners. General Suharto sees a chance that when similar views begin to prevail in ravaged Indochina, it too will want to join the club.

This is an unemotional and pragmatic vision that could some day appeal to battle-scarred lands north of here. It is a far cry from the kind of grandiose talk that prevailed in Indonesia itself under Sukarno, who dreamed of grabbing Malaysia, Papua, and even Australia.

Perhaps some day its logic may also attract weary Vietnam, Laos and Cambodia when they realize that for them too, as in Malaysia, Indonesia and the guerrilla-torn Philippines, another pattern must emerge when the killing has to stop.

NATIONAL CRISIS—ENVIRONMENTAL AND ENERGY

Mr. FANNIN. Mr. President, in recent times we have witnessed the collision of two great forces.

On one hand we have the steadily developing American economy which requires a continually expanding supply of energy if we are to achieve our lofty national goals.

On the other hand we have the deepening concern over environmental deterioration.

To solve the energy crisis we need expeditious means of developing resources and constructing facilities. But as a result of the environmental concern, there are numerous redtape barriers to the development of desperately needed power resources.

Today I would like to discuss this collision of concerns and one major step we should take to help resolve the crises—environmental and energy.

Mr. President, shortages of natural gas and fuel oil for heating this winter have aroused great public concern. A number of distinguished Members of this body have spoken of the energy crisis. The President of the United States has recognized the need for immediate action in this area. Extensive hearings have been held in both Houses and they are continuing.

The CBS television network and its distinguished news commentator, Mr. Walter Cronkite, devoted a substantial amount of time to this subject, concluding with the opinion that the energy crisis was really not a crisis at all, that our present problems bear a made-in-Washington, D.C., label, and that we have enough undeveloped or undiscovered reserves to meet our needs for perhaps the next 100 years.

I personally find it illogical to count undiscovered reserves in an inventory of available fuel sources. Nevertheless, I am reassured by the fact that this distinguished news gathering agency has recognized that we face a present shortage of energy, and furthermore, that part must be laid at the door of the Federal Government.

In my remarks on this subject in January, I attempted to give a factual assessment of our present position—in my view there is a real and present danger threatening the United States and its people.

In those earlier remarks I touched only briefly on those activities of the Federal Government which have contributed to our present situation, where this winter schools were forced to close, factories to shut down, and the airlines to reschedule certain flights—all because of fuel shortages.

The future is not indeed as black as some critics have painted it. We have ample reserves of coal, and certainly in the next decade we can anticipate that a substantial number of new nuclear powerplants will increase the supply of available electrical energy.

The construction of these nuclear generators has been delayed because of the action by groups which contend the plants would be a danger to the public.

It is now apparent that as a result of the calculated efforts of those who oppose the utilization of nuclear power, we must for at least the next decade place our major reliance for generating electrical energy on conventional fuels.

We have the coal available. We have the engineering talent. We can transport coal to the generating site, or we can transport electrical energy from a mine-mouth generator to the centers of population. Why is it then, Mr. President, that most of the great cities in the United States are faced with an inadequate source of electrical energy? Why is it that both investor-owned utilities and public power generators are urging their customers to reduce consumption of electricity and to be prepared to cope with a rationing of electrical energy in the immediate future?

In my home State, where the desert temperatures frequently range up to 115 degrees in the summertime, our peak demands for electrical energy occur in July, August, and September. Without electrical refrigeration our homes and our office buildings and our factories would he unbearably hot during the summer months.

As many of you know, Arizona has experienced a phenomenal growth in population over the past 20 years. This increase in population, which has produced a strong economy and has improved educational and cultural opportunities, can be traced to the advent of refrigerated air conditioning.

When I was a boy in Arizona we always had the snowbirds—the winter tourists who came to our valley seeking to escape from the snow and ice of other sections of the country. But these tourists departed with the first hot days of spring, and for the natives who were willing to endure the heat, the four summer months—June, July, August, and September—were a period of enforced relaxation. The tempo of life slowed down. The way of summertime life was weeks in the higher mountain areas of Arizona or long sojourns to the beaches.

Air conditioning has changed all that. The long summer slowdown is gone forever, and our utilization of electrical energy has doubled and tripled and will double again.

At the outset I repeated the charge you have heard from a number of sources declaring that our present energy crisis must bear a made-in-Washington, D.C., label. Certainly no one in Government consciously desires to impose upon our citizens the hardships invoked by shortages of natural gas or heating fuel or electrical energy.

Certainly no one in Government deliberately desires to erect roadblocks—the effect of which has been to prevent the development of adequate sources of electrical energy.

And yet, Mr. President, the effects of Government action and in-action have created a situation which threatens to impose uncomfortable and costly hardships on the people of central Arizona. The people of Arizona have waited more than 40 years to realize the construction of the central Arizona project. Happily, work is being commenced on construction necessary to bring Arizona's share of Colorado River water into the central valleys where it is desperately needed.

As a part of that project and also to meet our ever-increasing demands for electrical energy, a consortium of utilities in concert with the Bureau of Reclamation has under construction at Page, Ariz., the Navajo plant—a conventional coal-fired thermal generating station which will ultimately provide 2,250,000 kilowatts of capacity to serve the needs of consumers in southern California and Arizona.

More importantly, the Navajo station will provide the energy necessary to lift Arizona's share of the Colorado River water from the channel above Parker, Ariz., and deliver it through some 200 miles of aqueduct and pumping stations to the urban populations of Arizona.

In their efforts to construct this essential generating station, the builders were required to deal with 10 separate Federal bureaus or agencies, with nine State agencies or political subdivisions, with one multi-State commission. Let me read the list:

First, U.S. Bureau of Reclamation; second, U.S. Bureau of Land Management; third, U.S. Bureau of Indian Affairs; fourth, U.S. Forest Service; fifth, Navajo tribe of Indians; sixth, Hopi tribe of Indians; seventh, U.S. Corps of Engineers; eighth, Arizona State Land Department; ninth, Arizona Legislature; tenth, U.S. Environmental Protection Agency; eleventh, U.S. Department of Labor; twelfth, U.S. Interstate Commerce Commission; thirteenth, Federal Aviation Administration; fourteenth, Arizona Department of Aeronautics; fifteenth, Arizona State Highway Department; sixteenth, Arizona Water Commission; seventeenth, Upper Colorado River Commission; eighteenth, U.S. Bureau of Mines; nineteenth, Arizona State Department of Health; twentieth, Coconino County Board of Supervisors; twenty-first, Advisory Committee to the

City of Page, Ariz.; twenty-second, Arizona State Motor Vehicle Registration.

Mr. President, these 22 agencies produce more miles of redtape than the Colorado River travels in its journey from the Wind River Mountains of Wyoming to the Gulf of Cortez.

Twenty-two bosses—22 subdivisions of government—each zealously protecting its own preserves, demanding reports, imposing conditions, issuing instructions.

I suggest that this example of overlapping, duplicating authority offers positive proof of the need to consolidate the oversight of the Nation's energy-producing facilities under a single Cabinet-level division of Government.

It is equally essential for each State to consolidate oversight into a single State agency with decisionmaking authority. If this could be accomplished within a reasonable time, we could look forward to an end to unnecessary delay and the rapid and proper expansion of the necessary generating facilities.

Mr. President, allow me to cite another example of how redtape inhibits the expeditious development of needed power.

Southern Arizona, and notably the city of Tucson, is served by a dedicated, efficient, investor-owned public utility. Long before many of us in Washington recognized the impending energy shortage, this utility had made positive moves to provide for the needs of the people in their service area by participating in the construction of a coal-fired generating station in the Four Corners area just west of Farmington, N. Mex.

Unfortunately, the power developed at the San Juan station could do nothing to contribute to the comfort and necessities of the people of Tucson until a transmission line was constructed to connect the production source with the potential consumers.

In their efforts to construct that transmission line the Tucson Gas & Electric Co. was compelled to deal with 11 State agencies and 22 Federal agencies, departments, and bureaus.

The need for that additional energy in Tucson was undisputed. The San Juan powerplant was constructed with the full approval of all appropriate agencies, and the need for transmission lines from San Juan to Tucson was implicit in every aspect of this development. And yet, Mr. President, the Tucson Gas & Electric Co. had to deal with and satisfy strictures and rules and conditions laid down by the New Mexico State Land Department, the New Mexico State Highway Department, the New Mexico Public Service Commission, the New Mexico Cultural Properties Review Committee, New Mexico State Planning Office, New Mexico State Game and Fish Department, the New Mexico State Environmental Improvement Agency—seven entities in the State of New Mexico.

And then the Tucson Gas & Electric Co. had to deal with and satisfy the rules and strictures of the Arizona State Land Department, the Arizona State Highway Department, the Arizona State Parks Department, the Arizona State Game and Fish Department—four agencies in the State of Arizona.

This was only the beginning. The Tucson Gas & Electric Co. had to deal with and satisfy the conditions and strictures laid down by the U.S. Department of Agriculture Forest Service, the Apache National Forest of Springerville, Ariz.; the Gila National Forest Service of Silver City, N. Mex.; the Forest Service Regional Office in Albuquerque, N. Mex.

The Tucson Gas & Electric Co. had to satisfy three divisions of the Bureau of Land Management—the New Mexico Bureau of Land Management at Santa Fe, the Arizona Bureau of Land Management at Phoenix; and the Washington, D.C., Bureau of Land Management and the Department of the Interior.

There is more:

The Zuni Tribal Council at Zuni, N. Mex.; the Bureau of Indian Affairs at Albuquerque, N. Mex.; the Washington, D.C., Bureau of Indian Affairs and the Department of the Interior; the Navaho Tribe, Window Rock, Ariz.; the Bureau of Indian Affairs, Window Rock, Ariz.; the Bureau of Indian Affairs, Washington, D.C.; the National Park Service; the New Mexico Archeological Center at Albuquerque, N. Mex.; the Arizona Archeological Center at Tucson, Ariz.; the Bureau of Reclamation; its regional office at Boulder City, Nev.; Washington, D.C., Bureau of Reclamation, Department of the Interior; the U.S. Bureau of Sport Fisheries and Wildlife, Albuquerque, N. Mex.; the Federal Aviation Authority, Los Angeles, Calif.; the Federal Communications Commission, Washington, D.C.; the Environmental Improvement Agency, Dallas, Tex.; the U.S. Bureau of Public Roads.

Mr. President, prudence, supported by commonsense and a recognition of consumer needs, makes it imperative that we end this overlapping, duplicating, confusing division of Federal authority. We need a consolidated Federal agency, empowered to make Federal decisions and to expedite construction and utilization of additional sources of electrical energy essential to the future welfare of this Republic.

When such a Federal authority is created we can anticipate the States will consolidate State decisionmaking power in a single State agency. When this is accomplished the Federal agency, the State agency and the constructors of our proposed generating plants can work cooperatively both to protect the environment and to end the threat of an electrical energy shortage.

The public interest can be amply protected and the public welfare properly served.

In that regard, Mr. President, may I point out that within the Department of Agriculture authority has been granted to the regional level to make decisions and to issue rights of way. However, the Department of the Interior has withheld such authority and it is retained in Washington, D.C.

All utilities are now required to go through the National Environmental Policy Act process, during which all aspects of the action to be taken are reviewed and aired with the public prior to clearance for Federal agencies to proceed with issuances of right of way. An unreasonable burden is placed upon the utility by requiring that any regional analysis and requirements pertaining to the issuance of such right of way must be transmitted to Washington, D.C., for additional review and issuance of rights of way.

The regional levels are more aware of conditions relating to the action. The transmittal of this information to Washington not only adds to the confusion and redtape, but imposes considerable additional time delay.

Mr. President, so far I have spoken primarily about the stifling effect of our multilayered bureaucracy on electrical generating and transmission facilities.

The same forces are at work, however, in the suppression of other facilities which are needed to meet the Nation's energy needs. One good example is the now-stalled Alaskan pipeline.

Twenty-five percent of America's known oil reserves are in Alaska, and we have explored only a small area of that huge State. Many authorities feel confident that future exploration will bring vast additional proven reserves.

Presently exploration has been delayed pending the approval of the pipeline construction. Each week of delay costs our Nation millions of dollars.

My distinguished colleague from Alaska has noted some of the overwhelming costs.

Senator STEVENS pointed out the environmental impact statement alone already has cost the American taxpayers $10 million.

Each year of delay in building the pipeline will escalate the cost $200 million to $300 million.

The millions of dollars in additional costs will be borne, as all such costs ultimately are, by the American consumers.

Mr. President, we all are familiar with the long and arduous process which has been involved in trying to get the pipeline built. Men of vision proposed the pipeline so that it could be constructed to avert the energy crisis we now are facing.

Many, many roadblocks have been thrown up. The time has come to take affirmative action to see that this pipeline is constructed so that America will have the fuel to maintain its economy and its position of world leadership. If we do not take action to meet our fuel needs through use of our own abundant resources, then we will not have the physical nor economic strength to meet our social needs at home or our commitments to our free world allies abroad.

It is my feeling that we must break this impasse and get on with the vital business of providing the means to satisfy America's future energy needs.

Whatever we do regarding the Alaskan pipeline, however, will simply be nothing more than a stopgap. The pipeline is of great importance but it is only one project.

Proposed legislation will not solve the problem of overlapping, duplicating authorities which inhibit the necessary development of all our energy resources.

Mr. President, the first step in alleviating our current energy shortages and avoiding a future crisis is to consolidate procedures by which decisions are made.

Let us remove some of the tentacles of government which are choking off energy supplies, and let us replace them with a firm guiding hand which can protect the public and the environment while expediting needed power development and delivery.

In conclusion, I want to emphasize that I am not proposing any Federal usurpation of State authority. Federal decisions should be consolidated into one decisionmaking operation, and State decisions should be consolidated into another. This is essential to the future of America.

PROMOTING THE ARTS AND HUMANITIES

Mr. HUMPHREY. Mr. President, formal support by the Federal Government for the arts and humanities, under statutory law, has a comparatively recent history, commencing with the administration of President Johnson. However, in only a few years this support has had an effective and dramatic influence on the quality of our Nation's cultural and social life.

Strong, bipartisan support for extending authorizations and increasing the level of funding under the National Foundation on the Arts and the Humanities Act of 1965, is evident in bills already introduced for this purpose both on behalf of the Nixon administration and by Senator Pell. I urge the early completion of action on this legislation to assure that vital programs under this act will continue to reach into the lives of more and more of our people in significant and meaningful ways.

These programs represent a genuine Federal-State partnership, with Federal seed money being effectively matched with State funds. Dramatic accomplishments have been recorded in Minnesota. Productions by the Tyrone Guthrie Theater, in Minneapolis, have received widespread recognition. Our people can point with pride to a major symphony orchestra, a contemporary art center and a leading art institute, a children's theater, contemporary and traditional opera producing companies, an established chamber orchestra, many community theaters, art centers and symphonies, and dozens of fine artists, musicians, and actors. The Minnesota Humanities Commission has made more than 40 grants, on a matching basis, to universities, State colleges, private and junior colleges, libraries, educational television stations, museums, historical societies, and community organizations to share with the public at large the insights of humanists at the grassroots of our State. New and innovative programs—educational programs for children, on-the-job training for youth, mobile art displays, major theatrical productions, and symphony tours, all have been made possible through Federal and State assistance under this historic act. And these programs provide invaluable communications channels for addressing the profound issues of our time, and for evolving a framework of principles and new perceptions by which to judge the quality of life we should be striving for in our country and for all mankind.

Effective support for the arts and humanities has been one of my primary concerns, not only during my term as Vice President where the leadership and encouragement of President Johnson were of decisive importance in this area, but also during 18 years as a U.S. Senator. In 1957, I introduced the first of several bills which culminated 7 years later in the enactment of legislation establishing the National Council on the Arts.

Two years earlier, in 1962, President Kennedy had stimulated national interest in the arts through the appointment of August Heckscher as Special Consultant on the Arts—a precedent carried through by President Johnson in the appointment of Roger L. Stevens as Special Assistant, and by President Nixon in the appointment of Nancy Hanks as Chairman of the National Endowment for the Arts. And it has been through the intelligent and perceptive leadership of Miss Hanks that further major steps have been taken in establishing new dimensions for the arts.

However, it is important that the decisive initiatives launched by President Johnson in promoting the arts and humanities in our Nation receive the recognition which they fully merit. An article by Richard Coe, entitled "L. B. J. and Arts," and appearing in a January 1973, issue of the Washington Post, clearly spells out this record of leadership and deep interest. And I can only second Mr. Coe's judgment that "L. B. J. did more for the arts than all his 35 Presidential predecessors combined."

Mr. President, I ask unanimous consent that the Washington Post article by Richard L. Coe be included at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

L. B. J. AND ARTS

(By Richard L. Coe)

LBJ did more for the arts than all his 35 presidential predecessors combined. The irony was that the most vocal members of the arts community derided him and mocked his "style."

In the four eventful years from 1964 to '68, President Johnson guided into reality at least a dozen projects which the arts community had dreamed of vaguely for years. Even now many in that community are unaware such programs exist. They were:

The National Council on the Arts, authorized to develop a plan for the federal role in all the arts.

The National Foundation on the Arts and Humanities, the first agency in our history specifically designed to support the growth of all the arts throughout the nation.

The John F. Kennedy Center for the Performing Arts.

The National Museum Act of 1966 providing for programs of museum training, research, surveys and publications.

The Corporation for Public Broadcasting to encourage the development of noncommercial radio and TV.

Acquisition of the Joseph H. Hirshhorn collection, its building now nearing completion on the Mall.

Realization, through Arts Endowment funds and private sources, of the American Film Institute.

Grants through the Office of Education, making possible funding for artists to visit elementary and secondary schools under the Education Act of 1965.

Programs in 16 major cities to provide summer arts programs for young people.

Creation of the National Collection of Fine Arts and the National Portrait Gallery in the old Patent Building at 8th and F sts.

Reclaiming the old Court of Claims at the corner of Penn ave. and 17th st., now the Renwick Gallery.

Grants-in-aid programs both to regional theaters, music and dance groups and, as well, individual awards to painters, sculptors and writers.

These accomplishments had a trusted strategic planner and field commander, Roger L. Stevens, who for much of the Johnson years had three titles: White House consultant on the arts, chairman of the National Council on the Arts and Chairman of the Board of the Kennedy Center, a title Stevens still holds by vote of the board.

In the late '50s even tentative mention of such projects was deemed visionary. In the early '60s both Sens. Kennedy and Nixon, then running for the presidency, spoke virtually unanimously about more government relationship to the arts but three years after taking the oath of office President Kennedy answered a criticism of mine that no advances had been made with the promise: "Cheer up. We'll get them done." Ten months later he was dead.

President Johnson waded into the challenge with a vengeance. Within a week after he assumed office he went along with Sen. Fulbright and Rep. Thompson in altering their bill for a "National Cultural Center" into a "living memorial" for his predecessor. At the same time he urged Honolulu to name its new East-West Theater for President Kennedy. On a chillingly cold, rainy December morning of 1964, President Johnson broke ground for the Center. He looked on the project with a visionary vigor, but on his several post-White House visits to the area, never got around to visiting the building.

But he saw to it that the cream of American artists visited the White House both as guests and as performers on the elegant little stage Rebekah Harkness, his wife's friend, contributed from the design of famed Jo Mielziner. This portable stage repeated the East Room's hand-crafted panels, fluted plasters and neo-classic capitals so that the stage seemed a part of the room itself, not a make-shift that had been shoved into place.

Hardly an American artist of distinction refused an invitation to perform for the dinner guests assembled honoring world leaders. Here, for Morocco's Hassan II, the late Jose Limon danced his great work, "The Moor's Pavanne," his "Othello" variation. Marian Anderson, Dorothy Maynor, and Duke Ellington were recognized as peerless black artists. Carol Channing's "Hello, Dolly!" was given its fourth birthday performance on Mrs. Harkness' stage and at its end President Johnson wheeled on a huge birthday cake for the star who'd spent the '64 campaign singing "Hello, Lyndon."

The most famous day—and it was all-out Texas style—was the Johnsons' Festival of the Arts, June 15, 1965. It began in the morning, lasted till after midnight and was a day spread all over the house and grounds, embracing sculpture, painting, photography, literature, films, drama, dance and music, an amazingly vast panorama of American arts. Everyone trekked over with Mrs. Johnson for lunch at the National Gallery and dinner was served under the trees of the White House south lawn, LBJ table-hopping.

If it was an expansive day it was also an abrasive one. In advance Robert Lowell had refused to attend on the grounds that "we are in danger of imperceptibly becoming an explosive and suddenly chauvinistic nation." Invited to read, John Hersey stated he would contribute sections from his "Hiroshima." He did so and was welcomed. Mark Van Doren introduced him and Ambassador George Keenan faced the topic of government and the arts:

"Art is not a political weapon but much of what the artist does is profoundly political in helping to dissolve barriers of hatred and ignorance. In this way you work toward peace, not the peace which is simply the absence of war, but the peace which liberates man to reach for the finest fulfillment of his spirit."

LBJ said: "Amen to that" and then smiled, a bit sadly I thought, at his guests, some of them visibly signing the protest against the Vietnam war which guest Dwight MacDonald was circulating for all to sign and leave behind for their host.

The man who did much to organize the day, Princeton Prof. Eric Goldman would later write a book about that experience and it would prove to be almost as abrasive a work as the controversy itself.

I doubt that LBJ read Goldman's book, though very likely Mrs. Johnson at least read its magazine excerpts. She read everything about the arts, saw all the plays from her earliest days as a Washington congressman's wife and unquestionably influenced LBJ's actions for the arts. One big occasion, a "Salute to Congress" in the fall of '65, lost most of its audience because the House was then debating, far into the night, Mrs. Johnson's national beautification bill. The President kidded Lady Bird that their spoiled party was her own fault.

What one remembers from all the gregarious gatherings is the top quality of the guests, all leaders in the arts. There was Catherine Drinker Bowen talking of how she researched her biographies, Hume Cronyn and Jessica Tandy collecting words about the Great Society, Eugene Ormandy chatting with Satchmo Armstrong, tiny Beatrice Lillie looking up at her Marine escort. There was Gregory Peck laughing about reports he was going to run for Congress. There was Charlton Heston, invited to the unveiling of Franklin D. Roosevelt's portrait and playing a scene from "Sunrise at Campobello" and Alice Roosevelt Longworth telling him: "I'm here today not because I was a cose friend of Franklin but because I was a close critic."

Mrs. Johnson's interest over-ruled such obstacles as health. She'd arranged for presentation of the Margo Jones Award in the upstairs Oval Room but when the time came she was in bed with the flu. But she talked to each of the honorees on the phone to make them feel welcome and as they were leaving they had a glimpse of LBJ leaving his oval office. There was the night a company of "You're A Good Man, Charlie Brown" came in from Shady Grove to serenade Lynda Robb and her new baby, Lucinda, with an East Room performance and LBJ looked in on the small, youngish group to say goodnight to his grandchild.

Roaming restlessly among his guests, sometimes hundreds of them, sometimes only a few, was the tall Texan, often not talking as you'd expect that man to do, but listening, it sometimes seemed, with his eyes; taking in all the details about this particular segment of his Great Society, the artists, finding them very different from himself but not, for that reason, to be despised. It was as though they were a luxury he'd missed along his way to the top and he wanted to grasp all he could about this colorful, assertive breed. He used his energetic know-how on their behalf and if he was puzzled at their ingratitude he was too proudly sensitive to mention it.

PROTECTION OF THE NEWS MEDIA

Mr. ROTH. Mr. President, through hearings conducted recently by the Senate Judiciary Committee's Subcommittee on Constitutional Rights and led by the distinguished Senator from North Carolina (Mr. ERVIN), the various pros and cons of so-called "newsman's privilege" legislation have been brought into the public forum for debate. While I have not, as yet, determined whether a Federal "shield" law should be enacted, I wish to share with my colleagues some interesting thoughts which have been expressed in recent newspaper editorials.

To me, the question whether a Federal "shield" law should be enacted is of extreme importance for, like most Americans, I cherish the freedoms which our Founding Fathers sought to protect through the first amendment to our Constitution. That amendment provided that "Congress shall make no law— abridging the freedom of speech, or of the press" and it seems clear to me that this protection is needed as much today as it was 200 years ago, for by guaranteeing the freedom of the press, we are safeguarding the people's right to know.

In my mind, the issue surrounding the enactment of newsman's "shield" laws centers around this question: Would passage of such a law, granting either absolute or qualified protection to newsmen and their sources of information, enhance the protection afforded all citizens through the first amendment, or would it dilute the protection which has long been a part of our American heritage?

Two recent newspaper editorials focused on this question. These articles, written by Joe Smyth, of the Delaware State News, and Kenneth Crawford, of the Washington Post, clearly point out the dangers inherent in such a "shield" law.

The first danger we noted by Mr. Smyth when he wrote that—

> The legislation would . . . set (newsmen) apart from other citizens, and make freedom of the press something more than just an exercise of free speech.

This act of further defining first amendment guarantees may, in fact, limit the freedom presently available to all citizens. As Senator ERVIN himself has stated:

> The same Congress which grants the privilege may condition it on proper conduct. A future Congress, irritated by a critical press, may hold repeal of the privilege as a threat to secure a more compliant press.

A second question which confronts lawmakers drafting "shield" laws is whom should the law apply to? It is my belief that the first amendment belongs to everyone, not just reporters for major newspapers and publishing firms. But, if a "shield" law is enacted giving blanket privilege to anyone who seeks to decline to testify before grand juries or in the courts, then anyone, even a member of organized crime, could hide behind it. On the other hand, if the law attempts to accurately define the term "newsmen," it would, in effect, be licensing members of the press. This result would, in the words of Mr. Smyth, cause "freedom of speech and the people's right to know," to become a "hollow memory."

Like many of my colleagues, I do not believe that there is any justification for the harassment of newsmen or for using reporters in vague "fishing expeditions." But, like Messrs. Smyth and Crawford, I now have a serious question as to the wisdom of enacting any legislation which may result in an erosion of our first amendment liberties.

The thoughts expressed in these editorials have been helpful to me in considering one segment of this complex issue. I hope the Senate will consider the views of these two journalists together with the other testimony which has been offered in this important debate. I ask unanimous consent that the text of the following articles be printed at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dover (Del.) State News, Mar. 18, 1973]

BETWEEN THE LINES: NOTES FROM THE EDITOR'S DESK

(By Joe Smyth)

Now that we have equality among the sexes, I suppose men have just as much right to change their minds as women have. And that's what I've done.

Like many newsmen, I've been upset by the Nixon Administration's attacks on the First Amendment. Since the president has been so successful in turning the FBI into a political agency, he's trying to do the same thing with the news media.

Most of the damage has been done to the electronic media—radio and television—over which the government already has vast regulatory powers. Public television has been drained of its substance, and Nixon's political friends have challenged several television and radio licenses now held by politically independent organizations.

Newspapers aren't as easy a target, but the Administration has been making inroads there, too. The main weapon has been harassment of reporters by prosecutors, grand juries and judges. Some newsmen have even been slapped into jail.

In view of all that, many newsmen were quick to shout approval when equally-alarmed legislators started talking about so-called "shield" laws which would give newsmen immunity from disclosing confidential sources.

The "shield" from harassment is tempting, but such legislation contains more danger than benefit.

For one thing, the legislation would, for the first time, put the government in the position of granting special privileges to newsmen. It would set them apart from other citizens, and make freedom of the press something more than just an extension of free speech.

Newsmen should have no special privileges. When we talk about freedom of the press, we're really just talking about the people's right to know. Reporters, for example, should have no more access to information than any other citizen.

The huge danger would be that "shield" legislation would have to define who qualifies as a "newsman". That would put the government in a position where it is, in effect, licensing newsmen. When that day comes, freedom of speech and the peoples right to know will be a hollow memory.

Yet, if the legislation did not define the term "newsman", practically anybody could start printing a newsletter and claim access to the proposed privilege of newsmen not to reveal their sources.

The governments recent habit of subpoenaing and jailing newsmen who protect their sources of information is not in keeping with the spirit of the First Amendment. If allowed to continue, this practice will interrupt the public's access to a great deal of information tion, and will dry up some confidential sources now available to the news media.

But the only acceptable answer is to have elected and appointed officials who understand the importance of a free press. We will have such officials only if citizens—the voters—care enough to find out where candidates stand on the issue.

In the interim, some of us in the news profession may end up imprisoned as a result of our efforts to protect our sources of information. If that happens, it is a price every dedicated journalist should be willing to pay. Hopefully, public outrage will keep such cases at a minimum.

The First Amendment has kept the people's right to know alive for two hundred years, without granting any special privileges to newsmen.

And that freedom, if we don't panic and write legislation which will put the government in the business of licensing newsmen, will still be here long after Richard Nixon and his repressive Administration are just an unhappy footnote in a dusty history book.

THE PRESS CAN DEFEND ITS OWN FREEDOM

(By Kenneth Crawford)

The American Society of Newspaper Editors has now made it more or less official: the country's journalistic establishment wants Congress to give the press unqualified immunity from disclosure of its confidential sources of information under compulsion of the subpoena power of the courts. Not all journalists agree with the position of the ASNE, but it appears that a majority of them does.

A dissenting minority, as well as the majority, has been permitted to make its case in hearings now being conducted by a Senate committee on various shield bills, some to grant limited immunity, others to go all the way.

Since Congress almost certainly will not pass any of these bills and President Nixon stands ready to veto any measure it does pass, the argument is largely academic. It nevertheless has educational value, the relationship between government and the fourth estate being as little understood as it is both by Congress and the public. Even the courts seem a little hazy about it.

To some of us who have been in this business for a long time the minority has the more persuasive position, perhaps, because age makes us resistant to change but perhaps, too because we detect dangers in any attempt to define freedom of the press as guaranteed by the First Amendment to the Constitution. Special favors granted us by Congress today could become disfavors tomorrow. Any law passed by this Congress could be amended to reverse its thrust by some future Congress.

Not only Congress but state legislatures across the country are under siege of demands for press shields. Some of them have already complied. Some of the bills under consideration by Congress would extend press immunity to state as well as federal jurisdictions.

The reason for this siege is that the courts have recently issued scores of subpoenas calling upon journalists to testify before grand juries and in criminal and even in civil cases, identifying their sources of information and producing unpublished notes, films and recordings. Several reporters have been jailed for contempt for refusing to comply.

In one such case, the U.S. Supreme Court has upheld the right of a lower court to jail a New York Times reporter for non-compliance. The decision was a close thing, 5 to 4, and more tentative than final. Close observers of the court believe that this was not its last word—that it might go the other way in another case presenting a somewhat different set of facts.

In the background of all this, and perhaps more important than the foreground, is the widely held assumption that the Nixon administration is so hostile to the press that press freedom needs more protection than in the past. There is nothing new about the subpoenaing of reporters or about their punishment for contempt. It has all happened before but not with such frequency as it has since the Nixon administration came to power. So the administration is blamed whether it should be or not.

Another new element is television. Although it operates under federal license, it rightly claims the same freedom to disseminate news and opinion as does the print press. Licensing makes it vulnerable and therefore especially sensitive. If anything, its spokesmen want shielding even more than representatives of the older media do.

The advent of television has had an indirect effect on the other media, too. To compete with its animated capsulization of the news, publications dealing with current events have emphasized reporting in depth and investigation of social phenomena—drug, crime, minority unrest, underground protest, and all the rest. In this kind of reporting, the facts are sometimes reachable only through sources that insist upon protection from exposure.

Even the members of Congress who are most enthusiastic about press shielding concede the difficulty of writing an effective law. Whether protection should be limited or unlimited is still under discussion, though the drift seems to be toward total immunity. Then there is the problem of deciding who is to be protected. Who is a journalist and who isn't. Reporters for the New York Times and the Washington Post obviously are, but what about the man who mimeographs and distributes an underground scandal sheet?

Is anybody who claims to be a journalist to be granted immunity from testifying about a crime he has witnessed? If not, where is the line to be drawn? Journalists are not professionals in the sense that doctors and lawyers are. Their relations with sources are not the same as those of doctors to patient or lawyer to client. Journalists have always resisted any kind of licensing and will continue to do so.

Until now, the courts have applied the first amendment case by case and the results, while sometimes unpleasant to the press, have not been disastrous. The American press is still the freest and probably the best in the world at its primary job of informing the public. Granting that it is facing new difficulties, it is fully capable of defending its freedoms in the future as it has in the past.

In any case, the ASNE and its allies will probably be saved from themselves at least for the duration of the present congress and administration.

POVERTY PROGRAMS

Mr. BAYH. Mr. President, I am pleased to join today with the distinguished Senator from Wisconsin (Mr. NELSON), the distinguished Senator from New York (Mr. JAVITS), and 30 of our colleagues as a sponsor of Senate Concurrent Resolution 12, calling upon the President to carry out the provisions of the Economic Opportunity Act of 1964.

I am taking this action for two reasons, both of which I feel deeply about. First, I believe that the Federal Government has a vital role to play in helping States and localities provide effective services and programs to assist the poor and disadvantaged. We all wish that it were not so, we all wish that there were no need for such assistance; but anyone with eyes and ears and a heart knows that there is a great need—and that the Federal Government must supply the leadership and resources to meet that need.

Second, I believe that legislation which has been passed by the Congress and becomes law must be carried out by the President and the executive branch until Congress changes the law. The President, like the rest of us, is bound by valid laws; he cannot refuse to carry out the law simply because he thinks other priorities or ways of proceeding are preferable. In this regard, I agree with the statement Senator JAVITS made concerning this resolution:

> The elimination of OEO and its administration of programs should not be considered "fact" but as proposals, which should be acted upon by the Congress in the context of a reorganization proposal, the appropriations process, and in other appropriate contents.

I am fully prepared, Mr. President, to review all Federal programs—poverty programs as well as defense programs, health programs as well as space programs—to revise those which are ineffective and to eliminate those which are no longer needed. But the Constitution will not permit me to bow to the President's unilateral decision to dismantle, without Congress' permission any program which is low. And my conscience will not permit me to sit by and let effective and needed Federal antipoverty programs be destroyed.

As a member of the Appropriations Committee, I look forward to the opportunity to review the budget proposals to assure that our national goals are being met at the lowest possible price, and that reasoned decisions are made about national priorities. I share President Nixon's "determination to make every dollar devoted to human resources programs return 100 cents worth of real benefits to the people who most need those benefits." I am equally determined that the vast resources of our Nation be put to work to meet the great needs of the poor, the disadvantaged, the minorities, and not squandered in tax loopholes, defense overruns or poverty bureaucracies.

The resolution I join today calls for the President to continue in operation the Office of Economic Opportunity as provided under law and to utilize fully the funds appropriated by Congress for this purpose. For reasons I have stated, I am in full accord with that provision. If alterations are needed in the program, as the President has suggested, then I will consider those suggestions open-mindedly and in the proper course. The resolution also calls on the President to submit a revised budget for fiscal year 1974 requesting full funding for OEO. I consider this provision unnecessary. The President's viewpoint is reflected in his budget. It is now up to Congress to decide whether what the President proposes shall become national policy. Should we disagree with the President with respect to the future of the poverty programs or any other program we will not need a revised request to decide what to appropriate. The resources and the knowledge of the Congress, based on what will surely be an extensive hearing record, will be adequate to the task.

Mr. President, the Economic Opportunity Act of 1964 declares that it is the policy of the United States "to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work and the opportunity to live in decency and dignity." As a public official, I have dedicated myself to that goal. And I am dedicated to reaching that goal—as all other goals the Nation sets for itself—as effectively and efficiently as possible. By setting our priorities straight, revising inefficient programs, and eliminating unnecessary ones, we can and will make giant strides forward.

AGING AND NATIONAL PRIORITIES

Mr. TUNNEY. Mr. President, as a member of the Senate Special Committee on Aging I was outraged by the recent announcement that the administration wants to increase the cost of medicare for the millions of older Americans who participate in that program.

And, as a Senator from California, I was especially mindful that the proposed cost increases—when combined with the wholesale cutbacks in the State medicaid—Medi-Cal—program during the past few years, would cause increased despair and hardship among the 1.8 million Californians of age 65 or over.

When Health, Education, and Welfare Secretary Weinberger appeared before the committee a few weeks ago, he was asked pointblank for good, solid arguments to support his call for increases in so-called cost-sharing for elderly medicare participants.

In my opinion the Secretary gave utterly unconvincing arguments. His arguments were strictly budgetary. Even when confronted with evidence strongly indicating that increases in deductibles and coinsurance would defeat their announced purpose, the Secretary remained adamant.

This stubborn stance by the Nixon administration was challenged recently by Mr. William R. Hutton, executive director of the National Council of Senior Citizens in a speech delivered at a rally organized by the California Legislative Council of Older Americans in Sacramento.

Mr. Hutton described the administration proposals in some detail and made this major point:

> Though recommending a cutback in Medicare benefits for the workers' elderly parents, the President made no recommendations to cutback on the taxes the worker pays to support the Medicare program. By maintaining the Social Security tax as it is, President Nixon is making available as a paper surplus in his unified budget another $1.6 billion a year which is now going to support benefits that Mr. Nixon would abolish.

The Hutton speech also deals with many other issues related to aging and national priorities.

It was a hard-hitting, informative address by one of the most energetic and effective leaders in our national senior power movement. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENIOR CITIZENS AND THE BATTLE OF NATIONAL PRIORITIES

(By William R. Hutton)

From Sacramento, California, to Albany, New York, our older Americans are facing deep trouble.

Unless, during the months which lie immediately ahead, we can win to our side and to our understanding, the members of the Congress of the United States and the members of our State legislatures, our senior citizens—the poorest among them in particular—are going to be asked to struggle along without help or hope while President Nixon seeks to turn back the clock on social programs.

We are here today to talk to our lawmakers in Sacramento. On March 6 over 5,000 delegates from affiliated clubs of the National Council of Senior Citizens will assemble on the steps of the Empire State Capitol in Albany, New York. Within the next few weeks there will be rallies in Michigan, Florida, Illinois, Iowa and other States.

The three thousand clubs of the National Council are facing the biggest battle since we began in 1961 to fight for the enactment of Medicare which we finally won in 1965 over tremendous odds and powerful vested interests.

Unless we win this new fight we'll lose adequate health care, decent housing and maybe most of the gains which Seniors have won in the past ten years.

For the truth is that the President's credibility on aging is in very sorry shape. And I believe it is going to get worse.

You may recall President Nixon wasn't in office but a few months before his Secretary of Health, Education and Welfare started saying that too many Federal dollars were being spent on old people. That Secretary—long since out of the Cabinet, who clearly now wants to run for office here in California—said that tens of billions of dollars were going each year for the elderly. When he was asked how he could say such a thing it turned out that he was talking almost exclusively about payments made under Social Security and Medicare.

His so-called big spending on behalf of older Americans was really the money paid out by employers and employees over the years for their own protection!

That coverage did not come out of general revenues—but the Secretary of H.E.W. acted as if he thought it did.

I'm sure you all recall the struggle we had last year to win a 20% boost in Social Security. You all knew that both Democrat and Republican members of Congress supported the 20% boost but that the White House was stubbornly opposed.

But not many of the 20 million Americans over 65 understood the arrangement with the unified budget and how the money in the Social Security Trust Funds could help the President balance his budget—*provided that money was not spent for the purpose for which it was contributed!*

If Congress had not given our elderly that 20% boost, the Administration would have been able to utilize the resulting additional surplus of six billion dollars in the Trust Funds to pare down some of the deficits caused by overspending in Vietnam. That's what the Administration was unhappy about. That's why President Nixon opposed the 20% increase.

Of course the President's unhappy position was buried in a flood of election propaganda last year.

You remember those 28 million cards that were sent out to Social Security recipients on October 3 only a month before the election—the ones which implied that the President was responsible for the 20% increase?

Maybe you remember the millions of brochures which were designed and printed and distributed by half a dozen government agencies at taxpayers' expense telling the voters what a wonderful event was the White House Conference on Aging and didn't it show that the Nixon Administration really cared about older people?

But the electioneering is all over. President Nixon has four more years to show how he really feels about old people.

In the first of what will be a series of State of the Union reports to Congress, President Nixon has repeated the dominant theme of his inaugural address, his budget and his economic report: *social programs must now be cut back.*

You all remember President Kennedy's great inaugural speech in which he exhorted Americans to ask not what their country could do for them—but what *they* could do for their country?

President Nixon's inaugural speech a few weeks ago asked Americans not what they could do for their country but what they could do for *themselves*. And he followed up this appeal for personal self-reliance with budget and State of the Union messages which were frankly aimed at dismantling some of the great social programs designed to help those Americans, either aged, blind or disabled who cannot help themselves.

Before his re-election for four more years, President Nixon told us he was going to make sure that the recommendations of the December 1971 White House Conference on Aging would not gather dust in the national archives. Right now the dust smothering those recommendations could be inches thick!

One of the major recommendations called for making comprehensive medical care available to all Americans, including the elderly, without deductibles and without any other coinsurance or out-of-pocket payments, financed under Social Security.

Now President Nixon wants legislation to require Medicare patients to pay more than twice as much as they now pay for an average hospital stay and, in addition, a substantial increase in the out-of-pocket payments required under Medicare Part B (doctor insurance).

I don't have to tell you that this means denial of needed health services to a vast number of men and women who can barely meet the present Medicare out-of-pocket payments.

Meeting recently in Washington, D.C., the Executive Board of the National Council of Senior Citizens, denounced the drastic Medicare cuts sought by President Nixon as "an attempt to win favor with the well-to-do at the expense of the defenseless sick elderly of the nation."

And because you are not likely to see anything about this in your local newspapers, let me give you one of the reasons why we have charged President Nixon with seeking to balance his budget on the backs of the elderly poor.

At the same time Mr. Nixon announced deep cuts in Medicare and other social service programs, it was revealed that his new budget included a $4.7 billion boost in the defense budget.

But though recommending a cut back in

Medicare benefits for the workers' elderly parents, the President made no recommendations to cut back on the taxes the workers pay to support the Medicare program. By maintaining the Social Security tax as it is, President Nixon is making available as a paper surplus in his unified budget another $1.6 billion a year which is now going to support benefits that Mr. Nixon would abolish.

To be sure, he cannot expend this money for anything else—but it is not being spent for the purpose for which Congress imposed the tax—and is therefore a deceitful misuse of the Social Security Trust Funds. It releases other money the Administration can use to boost the Pentagon budgets.

As you may know, the Administration proposes to raise the deductible for doctor bills under Part B from $60 to $85.00 an increase the patients coinsurance costs from 20 to 25 per cent of the balance. Federal support for adult dental care under Medicaid will be eliminated. Medicare patients would pay for the actual room and board costs of the first day of hospitalization plus ten per cent of all subsequent costs.

Doesn't this sound to you like the Nixon Administration is going back to the foolish notion that somehow the Nixon budgetary problems are caused in large degree by expenditures on aging?

The chilly, class-biased, half-hearted social and economic policies of this Administration are most certainly helping it to lose what little sense of social responsibility it had in the first place.

That lost sense of social responsibility is what eleven City Mayors were talking about last week when, as the Legislative Action Committee of the U.S. Conference of Mayors, they met in New York City to criticize the new Nixon budget. They accused the Nixon administration of breaking a promise that the President made in 1969—that general revenue sharing would be *in addition to, not a substitute for* specific programs for the poor and the minorities who make up so much of central city populations.

The Nixon budget explains the elimination of federal funds for such programs as open space, community action agencies, and library aid by saying that localities can pick up the tabs—if they want—with their revenue sharing funds.

But, because of the magnitude of the cuts, the cities will find themselves far behind their position last year before general revenue sharing was enacted.

Urban renewal, water, sewer grants, Model cities, neighborhood facilities programs, are literally going down the drain.

A so-called 18 months moratorium on building public housing of any kind went into effect as of January 5. Currently more than $1 billion dollars of housing funds are being impounded.

Remember how the President in the days before his reelection pledged to work for property tax relief—but he never got around to offering one concrete proposal though property taxes have increased by 35% since 1969?

On October 7 last year, just a few weeks before the election, Mr. Nixon called the high property taxes paid by elderly retired Americans a "national disgrace." He actually pledged that "relief for these Americans is going to be a first order of business in our next federal budget."

Nevertheless, there isn't a whisper of this promise in the new budget. I don't suppose many members of the National Council of Senior Citizens were caught holding their breath!

In last year's budget message the President said that welfare reform was a good idea whose time had come.

We never got welfare reform last year—and the President doesn't even mention it in this year's budget.

Credibility used to be a very precious commodity, but it doesn't seem to matter much in politics anymore. The Watergate criminal trial is over but heavy questions still remain and many of us feel an unsatisfactory sense that all that was rotten in Denmark is still largely in place. How long will it be before we learn how widespread the espionage activities were, exactly who directed and authorized them—and how strong an effort those in authority made to get to the bottom of the whole affair once aspects of it had come to light?

Many people are ashamed, however, by what we *have* learned about this political party espionage—and this sense of shame keeps getting in the way of a person seeking to think enthusiastically about the President's exhortations to greater individual self-reliance, and about taking power away from big government and giving it back to the people.

Remember the President's strong speeches last year about the terrible shame of so many of American's nursing homes?

Actually it wasn't until his third year in office that the President paid any real attention to nursing home care. In his speeches in Chicago, Illinois and Nashua, New Hampshire, he began to talk about inspections and shut downs. Yet, almost from the day he took office there was always authority in legislation for him to take more far-reaching action than he has even taken.

What we really need is genuine improvement of treatment and practical ways to prevent institutionalization.

Instead, there is an alarming trend to the budget: showing anticipated doubling of the usage ($680 million) for intermediate care homes and a cut of $50 million in skilled nursing home care (down to $959 million).

It is clear that patients are being forced into institutions which provide lesser care. It may turn out that half of the 5000 intermediate care homes may not be up to the new federal standards which are being proposed for these institutions. Already there are signs that more and more poor patients will find themselves in boarding houses and "bootleg" homes.

A man could talk a very long time reporting merely about the broken promises of this Administration regarding older Americans. But that is not going to get us anywhere—even though it is important that all Americans understand.

I have a feeling that most members of the National Council of Senior Citizens are only too familiar with the distorted sense of priorities of this Administration—but there are millions more older Americans who apparently don't.

And there are millions of other Americans who must reach if we are to fashion an effective coalition which will demand of the President and of the Congress that attention must be paid!

Senior Citizens over 65 represent only one tenth of the U.S. population. We learned from the Medicare fight that we needed a coalition to win—and we fashioned a campaign that appealed to three generations: the old folks who would be directly receiving Medicare benefits; their children who are today's workers and who before Medicare had to find money to pay the old folks' medical care; the grandchildren, many of them were able to get money for education which their parents used to spend on grandparent's health care.

We built that successful coalition because it was an issue which genuinely touched on the lives of young, old and middle-aged. And we built it because our elderly people had the enthusiasm and the time to work on their sons and daughters and on their neighbors and on their Congressmen and their Senators, and their State lawmakers.

That is why we are here today.

And what do we have to say? Are we merely saying we want to block the President—cut him down to size? If that's all we want to do we'll have a hard time reaching the 61% who recently voted for him!

No, if we are to win the friends and influence the people of America in sufficient numbers to change our present tragic priorities, we must be prepared to learn about the issues, to talk to our neighbors and friends about the issues—and maybe even to talk to strangers about the issues.

We cannot merely attack the President because he seems to have a down on old people. A lot of young folks and some middle-aged feel the same way! But we can attack his whole string of policies which rob the elderly of their dignity through low incomes, inadequate and move costly health care, stagnating housing policies and dwindling chances for meaningful retirement.

So long as millions of our elderly people continue to struggle for survival in the murky bogs of poverty, or ill-health, they cannot be expected to develop what the President calls "self-reliance."

How can the skills and experience of our older people be developed as a needed national resource when they are sick, hungry, need housing, or need prescription drugs? It doesn't make good business sense—for example—not to expand community service programs for the elderly who are capable and willing to undertake such work, when the only alternative to the absence of these programs is to increase the welfare rolls.

It simply doesn't make good business sense, to give another sad example, to continue our present non-system of health delivery and the costly institutionalization of patients for long term care instead of developing more effective and less costly alternatives—particularly to keep patients in their own homes.

It doesn't make sense not to add the financing of general revenues as a third partner to our social security system, and to raise the tax base. It will certainly make the tax less regressive for the younger worker and permit us to increase benefits for present and future retirees.

And a further needed expansion of our social security is the addition of a system of national health security, guaranteeing the right to fully comprehensive health care to every American, young and old, through a single universal system, without using a means test and with the same benefits for all, rich and poor alike.

This would provide health care *directly* at the lowest possible cost, with no waste of health dollars on private insurance carriers as middlemen, and by using advance budgeting to assure effective controls on all health costs.

National Health Security will remove barriers to timely care by eliminating deductibles and coinsurance and by assuring the patient of no billing by the doctor.

Coinsurance and deductibles are effective; they deprive the very people the system should be designed to help. It is the poor, not the well-to-do who will go without health care, thus increasing inequities and aggravating the health problems of all but the most fortunate.

And President Nixon is now seeking to increase the coinsurance and deductibles in Medicare . . . Brothers and Sisters, do you think—if twenty million seniors take to the streets to tell the rest of America about the effects of this decision, the Congress will ever permit it to take place? I think the workers will be with us—and I think the children will be with us.

These things then, must be our immediate goals.

We must reach the young and the middle-aged by reassuring them that we do not consider our senior citizens a group set apart from the rest of the population in the sense that our needs are to be met at the expense of meeting the needs of others.

Our goal is to improve life for *all* Americans, including the elderly, and we want to be sure that the better life for the elderly is in harmony with the total national interest.

The National Council is a whole-hearted supporter of national health security for the total population. Medicare has relieved much of older people's heavy medical costs, lessening the need to seek for help from family or public welfare in meeting crushing medical bills. Our members now want the same relief for their own children and grandchildren in the years ahead.

We must convince all Americans that the basic floor of income for older people should be provided through a combination of contributions from employers, employees and general revenues.

We must once against pass—first in the U.S. Senate—the Older Americans Act Comprehensive Services Amendments pocket-vetoed by the President right after the 92nd Congress. This Bill—known as S-50—will be voted on the very near future. With your help 67 Senators—19 Republicans and 48 Democrats—have agreed to co-sponsor this important bill.

We must urge Congress and press the White House to lift the moratorium on building and initate immedately the construction of low and middle income housing units with a minimum production of 120,000 units a year for the elderly.

Employment of older workers is a vital part of our national problem of attaining full employment. Older workers are especially disadvantaged in competition for jobs in the labor market. Their problems cannot be met adequately at the State and local level or through the financial instrument or revenue sharing.

We must demand that Congress review our tax structure to close the loopholes so that the very wealthy bear their fair share of the burden. We must continue those social programs which have filled genuine need and, in particular, call for immediate action to meet the spiralling transportation needs of older people.

Finally, we must all commit ourselves to maximum personal effort to bring new elderly people into the organized senior citizen movement, to widen our coalitions and, through the achievement of these objectives, to win a much better life for all older Americans and to build a better America.

DR. DANIEL GRANT, OF OUACHITA BAPTIST UNIVERSITY

Mr. **FULBRIGHT**. Mr. President, the Arkansas Democrat of March 17 contained a very interesting article by the paper's religion editor, Erwin L. McDonald, on the growth and development of Ouachita Baptist University under the leadership of Dr. Daniel Grant.

Dr. Grant became president of Ouachita 3 years ago. He holds the same position which his father, Dr. J. R. Grant, held for 16 years. Like his father, Dr. Daniel Grant is making an outstanding record at Ouachita.

Mr. McDonald's article details the development at Ouachita in recent years and reports on the new vistas at the Arkadelphia campus.

Ouachita Baptist University is making a significant contribution to the State of Arkansas and to young people in our region. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROWING UP TOGETHER: A RIVER, A CAMPUS, AND DR. GRANT

(By Erwin L. McDonald)

ARKADELPHIA.—Ouachita Baptist University and the Ouachita River have existed side by side since the Baptist institution was established, on the site of the old state Blind School back in 1886. But until now, there has been little connection between the river and the school.

A bluff and woodland have so completely hidden the river that it has been possible for students to spend the full four years on campus without even knowing, first hand, that the river touches the college campus at its northeastern extremity.

But with the completion of Ouachita's new, million-dollar Student Center this year, a second-story overlook will bring the river into sharp focus and incorporate it into the natural beauty of the campus.

Dr. Daniel Grant, who grew up on the Ouachita grounds while his father, the late Dr. J. R. Grant was head of the school, and who recently passed his third anniversary as the Ouachita president, is understandably proud of the new river vista. As a youngster, he was very much aware of the nearness of the river and a swimming hole it afforded nearby.

"There were times in the past when the Ouachita River used to go on periodic rampages and overflow the college farm," he said. "But the lakes it feeds—Ouachita, Hamilton and Catherine—with DeGray on its tributary, the Caddo, now pretty well take care of that."

The elevation of the Ouachita campus proper has always been adequate to protect it from flooding.

The new river vista will stand as something of a symbol of many other vistas in the life of the university that are coming into prominence in the administration of Daniel Grant.

One thing Grant had never aspired to be was a college president. He had specialized in political science and had many achievements to his credit in this area, including designing metroplan that turned Nashville, Tenn., into a city of nearly half a million, and the writing of several books, including one that became a best seller as a college text. So when he was officially visited by a president-seeking committee from the Ouachita trustees in the summer of 1969, he was both chilled and thrilled.

When he finally agreed to turn his back on one career and begin a brand new one, many of his friends who were aware of what he was giving up to head a struggling church college thought he was wrong.

The financial outlook for the college was far from being as dark when the younger Grant took over as it had been in the heart of the depression, when his father had accepted the reins. Back in 1933 even many of the friends and supporters of the college felt the only thing to do was to let it die. J. R. Grant was promised a salary only on the contingency that he could first pay the outstanding bills against the school. He learned early in his 16-year tenure, one that was to turn out exceptionally well for the institution, that Ouachita's credit at that time was not good for 50 cents worth of nails at a local hardware store.

But the need for millions of dollars in extra funds, for operation and for capital expenditures, was close to acute, on Feb. 1, 1970, when Daniel Grant took his chair in the president's office.

Thanks largely to an era of good feeling among Arkansas Baptists, the main support of the university, two buildings of an eventual five-building megastructure—the Student Center and a Business and Economics classroom building—are fast taking shape, and a third new building, the Fine Arts Building to house the School of Music and the Art Department, is expected to be started soon.

The Ouachita Baptist University-Southern Baptist College Advance Campaign, approved by the Arkansas Baptist State Convention in the fall of 1970, has passed its original goal of $4 million, with about $3 million of this assured in cash and pledges from Baptist churches of the state and is expected to total $5 million before it is finished. Of this, Ouachita will receive about three-fourths, with one-fourth going to Southern Baptist College, the junior college at Walnut Ridge.

Last week the Ouachita board approved a budget of $3,833,000 for operations for the coming school year. This will include about $635,000 from the Arkansas Baptist State Convention, aside from Ouachita-Southern Advance Campaign funds. Of this amount, $460,000 will be for the operating budget and $175,000 in advance funds from the bottom of the convention budget, that part beyond operating funds.

The new Ouachita budget represents an increase of more than $400,000 over the current budget.

The university now has a long-term development department in operation, under the direction of Dr. Ben Elrod. This assures the university of continuing and substantial support from an annual Alumni gifts program, and through deferred gifts, including annuities and wills.

Another Ouachita bright spot is the substantial increase in enrollment that has come about in the new administration. All dormitories are now filled to near capacity. The total enrollment of 1,511 for the fall semester this year was 9 per cent over the total for the previous fall, and the total, non-duplicating enrollment for the current school year has reached 2,100.

The freshman class this year totals 506, making it the largest in six years and 22 per cent over the total a year ago.

Grant could not attribute the increase in enrollment to any one thing, but said the students themselves are the best student recruiters.

Thousands of Arkansas high school students are brought to the campus during the year for such things as youth choir festivals and high school choir days. There are special days, too, for parents of high school students.

There are new vistas academically at Ouachita. Increasing options have been provided for students, giving them more freedom to chart their study courses, to cross academic department lines.

By strange coincidence, the same day that Grant began his presidential duties at Ouachita, an old friend of his, Martin Garrison, was becoming president at Henderson State College, just across the ravine from Ouachita. Garrison and Grant had become friends while they were living in Nashville, Grant on the Vanderbilt University faculty and Garrison on the faculty at George Peabody College for Teachers.

They have worked out new relationships between the two schools that are proving beneficial to students on the two campuses. Library facilities of the two institutions are now open to faculty and students interchangeably, and certain courses are also available from campus to campus, avoiding much duplication, particularly in advanced and special fields. Each library now has a complete set of file cards on the other library.

The two institutions now pool their funds for annual joint lecture series, thus making it possible for them to bring to Arkadelphia outstanding speakers which neither on its own might be able to afford.

Ouachita cooperates with Henderson in certain special areas, including speech therapy.

A Cooperation Education Planning Committee, composed of four faculty members and two students from each institution, keeps the schools alert for new ways of working together.

The schools begin and end their semesters on the same days, so as to simplify the new cooperative ventures.

THE CIVILIAN AND THE MILITARY

Mr. GOLDWATER. Mr. President, the civilian taking a dim view of the military man is nothing new in America's history. In fact, I can remember when I first received my commission as a second lieutenant in 1930 when the services had about hit bottom. During the 1930's and 1940's, of course, they ascended to the levels that I feel they should always be in the public mind, but gradually during the late 1950's and 1960's, through the constant attack of the liberal and radical press, the military man once again came into disrepute.

Happily, I think, the bottom has been reached in this and I think that more and more civilians are going to realize that the military man has something to say and not only that, the military man is anxious to listen to what his counterpart in civilian clothes has to say and what he has to say about all problems.

I came across an article in the September 27, 1972, issue of the Wall Street Journal written by Vermont Royster entitled "Civilian Versus Military," and I think it is so germane to this subject that I have opened that I ask unanimous consent that it be printed at this point in my remarks.

Following this there are definite efforts being made to correct the general impression of the military man, one of these being the Air Force Academy Foundation, Inc., in Colorado Springs. I hasten to say that this is not financed with Federal funds. Its construction and operation will be financed by private contributions which are already coming in. The retired Air Force general, Thomas Moorman, who was once Superintendent of the Air Force Academy, is in charge of this movement.

Its effort, as explained in the text is to bring the military and civilian mind together to the end that both will benefit. I hasten to say here that a cursory examination of the average officers education in our military system would find it slightly above the average education of the Members of the Congress, if we try to measure it by degrees. I admit this is not the best way to measure intelligence, but it is a good way to get started in denying the repeated rumors that the military man is not intelligent and does not understand the problems of his country. After all, he has been trained to serve which is far more than people in public life can say.

In order that my colleagues might have a better understanding of this educational enterprise, I ask unanimous consent that information concerning the foundation be inserted at this point in my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 27, 1972]

CIVILIAN VERSUS MILITARY?

(By Vermont Royster)

The role of "the military in a democracy" was the subject of an interesting 3-day symposium recently, sponsored by the Southern Newspaper Publishers Association and held on the campus of the University of North Carolina at Chapel Hill.

There was a long list of speakers. Among them, former Secretary of State Dean Rusk. A number of historians, political scientists and journalists. But no one from any of the military services.

The omission, apparently, was not by design. It just did not occur to those arranging the program that the view of the military might have some interest or bearing on the topic. There was on unconscious assumption that the military mind wasn't worth listening to, at least on this subject.

Yet in a way that made the omission more significant than if it had been calculated. It may have summed up better than anything else on the program the current public attitude toward the military in a democracy.

Among many people today it is fashionable to disdain the military mind. Not a few, indeed, hold up the military man as the villain who gets us into wars. Among the educated elite, and those who are being educated to join it, there is a widespread feeling that they should not only have no truck with military life themselves but not even concede that a military view has any relevance to national policies. To do so is somehow equated with militarism, if not war-mongering.

This attitude differs in both kind and intensity from our traditional view of the military. We have always, of course, had a civilian attitude toward our armed forces. For most of our history they were small, and except in time of crisis treated with disinterest.

There was, nonetheless, a public consensus that, however regrettable that it should have to be so, the study of military problems was a respectable intellectual activity. There was nothing shameful about being a soldier. On the contrary, being one was at times a basic obligation of citizenship. Disinterest in the military was not the same thing as disdain.

Vietnam has wrought a change. The endlessness of that war, and the seeming pointlessness of it, have combined to bring us first to despair about that particular war, and then by transference to a scorn for anything military.

Thus we have nearly abandoned that concept of the citizen-soldier; we are talking of leaving the business of manning our armed forces to hired mercenaries. There is scarcely any respectability accorded any longer to those who think about military problems.

So it is interesting, if nothing else, to have one of our most distinguished historians rise to question this current public attitude—Barbara Tuchman, a two-time Pulitzer winner, author of "The Guns of August," that probing study of World War I.

Mrs. Tuchman has thought much on war and peace, the causes of one and the hopes of the other. And in a recent syndicated article she finds urgent and persuasive reasons why the thoughtful and the better educated should, most of all, not abdicate their responsibilities toward the military and the nation's military problems.

She reminds us, to begin with, that Vietnam was not some aberration of the military. It was, she says "a product of civilian policy shaped by three successive civilian Presidents and their academic and other civilian advisers."

The failure so far to end that war, she concludes, is also a civilian failure. "There is nothing the professional officers want more than to get the ground forces out of Vietnam as quickly as possible," she writes, adding "which is perhaps one reason why President Nixon is doing it."

Mrs. Tuchman's conclusion is grounded in the record. When we first began to sink into Vietnam the loudest objections to a land war came, ironically, from military men. And anyone who actually reads those "Pentagon Papers" notices that those memoranda flying back and forth, including the most bellicose, were mainly from civilian officials in the Defense Department.

As for the military mind, Mrs. Tuchman comments:

"The liberal's sneer at the military man does himself no honor, nor does it mark him as the better man. Military men are people. There are good ones and bad ones, some thoughtful and intelligent, some men of courage and integrity, some slick operators and sharp practicers, some scholars and fighters, some braggards and synthetic heroes." That is, pretty much like the rest of us.

But Mrs. Tuchman is most provocative when she turns to the general relationship of the educated, thoughtful citizen to the military in our society.

"Our form of democracy—the political system which is the matrix of our liberties—rests upon the citizen's participation, not excluding—indeed especially including—participation in the armed forces . . . To abdicate the right because our armed forces are being used in a wrong war is natural. But we must realize that this rejection abdicates a responsibility of citizenship."

Yet the citizen's participation, in her view, must be broader than that. It involves not merely sometime military service but constant involvement in the formation of military policies and, beyond that, in those national policies which may create military problems.

This cannot happen, in her view, when the enlightened citizen "climbs out of the arena," scorning not only the military mind but the intellectual importance of the problems which the military mind must deal.

What her view implies is the need for an interaction between the military and the civilian intellectual arena. If the educated turn away, one consequence might be that we would end up with our armed forces dominated by the semi-educated, leading in fact to the narrow-mindedness of the stereotype.

The fundamental American premise has always been the civilian control of the military. This requires both that the civilian involve himself in military affairs and that the military be in the hands of those who understand the premises of democracy.

So if we are going to discuss the role of the military in a democracy it's absurd to exclude the military mind. It should be present not only to speak but to listen.

THE CONCEPT AND FUNCTION OF THE EDUCATION CENTER

There is an urgent need to strengthen the bonds of understanding and mutual reliance between the various segments of our society. Efforts are well advanced toward the creation of a civilian-military institute which will actively concern itself with this need and with man's quest for knowledge for judicious use of his environment and for the improvement of the quality of life.

The Center will function in association with the Air Force Academy and has been designed to meet the special requirements of conferences, symposia, seminars, workshops, forums for research and similar assemblies. At the Center, civilian and military educators, students, businessmen, scientists, engineers, industrialists and statesmen, both national and international, will be brought together to discuss and study a wide range of objects. Particular attention will be focused on concerns for our heritage, our environment, the interaction of technological and sociological development, and our governmental and nongovernmental relationships. A comprehensive purpose of the Center, implicit in the programs, is to help provide decision makers with information necessary to permit better informed decisions and more meaningful choices in policy areas. Specific plans have been made for methods of providing impact for Center programs, including distribution of program materials and recommendations to general audiences and specific individuals who are involved in or concerned with the decisionmaking process.

Although the Center will be located at the Academy, it is particularly significant that it will be operated by an education "Association," a nonprofit, Academy-affiliated educational organization. Its Board of Trustees, with a civilian Chairman, will consist of a combination of other distinguished civilian men and women and representatives of the military, including the Superintendent of the Academy, with civilians comprising the majority. The Director of the Center will be a civilian educator responsible to the Board of Trustees, and his staff will be primarily civilian with a few Air Force positions to provide liaison with the Academy. This strong participation by well-reputed civilians in policy making and daily operation will insure that the Center's activities are a meaningful and productive civilian-military enterprise, attracting the broadest possible participation of civilian expertise from across the country and from abroad.

The topic areas and the programs conducted at the Center will embrace the wide range of problems facing modern man and will include subjects of national concern to which the Center, in association with the Academy, can contribute unusual expertise. Selected for particular attention at this time are the following subject areas and related Center activities:

Traditional values and the American heritage: The traditional values of the American heritage and their relevance in the light of contemporary views and problems will be systematically reexamined by representatives of a cross section of contemporary society. The object of the examination will be to redefine these values where appropriate and encourage an understanding and appreciation of these updated precepts.

Reconciliation of views: Individuals representative of differing points of view will be brought together in a dispassionate academic environment for discussion and study of issues and problems. The object is to foster understanding, respect and mutual reliance and to encourage these individuals to work together to facilitate solutions leading toward national direction and unity.

Aspirations of American youth: The Center will serve as a catalyst in efforts to define and establish practical methods of encouraging the idealism, concerns and ideas of young people, including the Academy cadet, for the constructive good of the nation.

Commitment for public service: By identifying the positive and negative aspects of public service, efforts will be concentrated on motivating participation in civilian and military public service programs and encouraging a high order of professionalism, integrity and dedication in such service.

Leadership and management: New ideas for innovative leadership development and motivation programs for both civilian and military organizations will be stimulated and refined.

Technology and social change: The specific areas which offer the greatest promise for turning technological advances toward the betterment of the quality of life will be identified and studied. Particular attention will be directed to the civilian applications of the technology of the Air Force and the aerospace industry.

Education and human resources: Exchanges of civilian and military experience and research in educational technology will include examinations of ways of reducing costs, increasing effectiveness and productivity and improving the quality of education.

The environment: The Center will serve as a catalyst in sharing experiences and knowledge of military, governmental and private ecological programs, including the systematic exploration of aerospace knowledge directed toward the solution of environmental problems.

International issues: Studies of American views and positions in international relations will examine the sources and effects of such positions and will give full consideration to the proper balance of political, social, economic and military factors.

The subject areas reveal the scope of interests and activities of the Center. Also basic to the Center's concept are:

Academy enrichment: The curriculum of the Air Force Academy is devoted equally to the basic and engineering sciences and to the humanities and social sciences. It incorporates the full spectrum of traditional and contemporary issues and includes those which demand urgent efforts to achieve solutions. The subjects discussed and the programs conducted at the Center will be equally wide ranging. The educational experience of the Air Force Academy cadets and faculty and the leadership qualities of cadets for service to their country, will be enriched and strengthened through the productive interaction in the Center of the best civilian and military minds.

Responsibility to society: The Center will provide the United States Air Force and the Academy with increased opportunities to work with other segments of society in demonstrating their concern and responsible involvement with major issues facing the nation.

Through personal contact and dissemination of the findings and conclusions of its deliberations, the Center's program will foster understanding and stimulate involvement in fields which are often considered the exclusive concern of government or special interest groups, but which, in reality, are of primary concern and importance to each and every citizen.

Obviously, no enterprise, especially a new entity, could possibly address all of the program subjects early or simultaneously. A screening process will be maintained to enable the energies of the Center to be directed toward selected subject areas which give greatest promise of productivity for society generally, as well as the potential for enriching the educational programs of the Academy.

THE OPERATION OF THE CENTER

There are several basic questions which should be answered concerning the facility itself and the nature of the conferences, seminars, special projects and studies to be conducted at the Center.

Who will originate programs at the Center? Center programs will be originated by:

1. The Director and staff of the Center.
2. The Academy faculty and student body.
3. Formally and informally organized off-campus organizations and groups whose programs have an educational purpose within the scope and intent of programs planned for the Center.

What types of programs will be conducted? Center activities will include six distinct types of programs:

1. Programs designed to seek specific solutions to specific problems.

2. Programs to bring various segments of our society into closer contact and understanding. The Center will be ideally suited to accomplish this catalyst and intercommunication function.

3. Programs designed primarily for self-improvement of the individual. An example of this continuing education function might be leadership and management development programs which have applications common to the Air Force and to civilian enterprise.

4. Programs for group training. Educational, scientific, cultural, industrial, military and charitable organizations, and others, will be encouraged to utilize the Center. The facility also will be opened to informally organized groups whose program objectives are consistent with those of the Center.

5. Programs for national conferences, sponsored by recognized organizations whose interests and aims are within the spirit of those of the Center.

6. Programs designed to reach audiences physically removed from the Center through television, radio, printed materials and lecturers.

Initially, effort is being directed toward plans for specific conference programs focusing upon critical issues fundamental to the concept of the Center. Individuals and organizations, well informed in their respective fields, will be considered for selection and invitation to participate in the programs and activities of the Center.

What facilities will the Center have for its conference activities? Located adjacent to the Academy's academic area on a beautiful hillside site, the floor area of the five-level structure will exceed 210,000 square feet. The conference facilities will accommodate 1,000 conferees at a time, either in one large group or in several smaller groups. A 650-seat auditorium and a series of large and small seminar rooms will provide a total of 25 meeting areas, adaptable to a wide variety of conferences. Two dining rooms, seating a total of 550 conferees, and the auditorium, designed for alternate use as a 500-seat banquet facility, will be serviced by on-premises food preparation areas. Eighty-six guest rooms and suites are provided for overnight accommodation of conference speakers and other conference leaders.

How will the Center be financed? For the Center to operate effectively in the manner described, there are compelling reasons why it should be constructed with privately donated funds and operated with nonappropriated funds. This conclusion is irrespective of the fact that government-appropriated funds cannot be used to support certain conferencing activities planned for the Center.

The groups and individuals who will be using the facility, including civilian and military scientists, educators, students, business and professional men and women, sociologists, engineers, industrialists and statesmen, both national and international, will undoubtedly participate with less inhibition and with greater initiative than would be the case if the Center were purely a government-financed facility with its operations dictated by hard and fast governmental procedures.

A highly significant factor in the economics of the Center is that the Air Force Academy is Colorado's leading tourist attraction with more than one million visitors annually. Therefore, the Center's visitor facilities will include exhibits, a 420-seat theatre, gift shop and snack bar. The exhibits, displays and theatre presentations will portray highlights of Academy cadet, training programs and conference activities and provide unusual opportunities to generate public interest and understanding in a wide spectrum of subject areas. The gift shop, snack bar and the conference accommodations will provide revenue sufficient to make the Center financially self-sustaining. Thus, although the two areas are physically separated in the single, unified structure, the conferee and visitor activities are closely related in mission and purpose, with income from the visitor facilities making the total operation economically viable—a rare and highly advantageous situation.

How will construction of the Center be accomplished? The creation of the Education Center and the necessary fund-raising efforts have been undertaken by The Air Force Academy Foundation, Inc. President Eisenhower encouraged the formation of the Foundation in 1954, to assist in the continued development of the United States Air Force Academy as a leading educational institution. The

Foundation is nonprofit, civilian controlled, with a voting membership of 50 directors from across the nation who, with the exception of the Superintendent of the Air Force Academy and five retired Air Force officers, are distinguished civilians. It has already completed and fully paid for three major facilities at the Academy, at costs totaling more than $4 million. This present undertaking transcends in scope and importance the earlier projects.

Years of thorough planning have gone into all phases of this undertaking and the architectural plans, by Welton Backet and Associates, have been highly praised for their excellence in design. In adapting to the natural environment of the Academy grounds, and for their suitability to the Center concept. The architectural construction documents have already been completed and paid for. Construction will cost an estimated $12 million, with an additional $2 million required to furnish the Center and provide it with the audiovisual and highly specialized equipment necessary for its successful operation.

The Foundation is now conducting a fund-raising campaign based primarily on appeals to select individuals, foundations and other organizations who evidence a genuine interest in supporting forward-looking educational endeavors. As of March 1972, donations and pledges exceed $2.5 million. Donors may elect to have their tax-deductible donations identified with specific elements of the facility, and recognition of gifts will be appropriately inscribed in selected areas throughout the Center.

Why build such a center at the Air Force Academy, rather than elsewhere? The conference center, a national enterprise functioning in conjunction with the Academy, will fill an important need in an area remote from the nation's more populous areas. Although removed from the distractions of a large metropolis, the Center can capitalize on its proximity to Colorado Springs and Denver.

The Academy has a national reputation as a major educational institution, with an intrinsic and unique value as a national military college. The conference facility will be physically separated from, but within short walking distance of, the Academy's academic area and its extensive educational facilities. These include a 2,900-seat auditorium and a notable library, conveniently available to those using the conference facility. The conferees will have opportunities to participate in "on-campus" Academy pursuits or, if preferred, sessions may be held in the atmosphere of a "retreat," withdrawn from Academy activities in the beauty of one of the nation's most attractive mountain environments.

The Academy is both a servant of society and a cross section of it. Its staff and faculty include most of the professions—engineers, scientists, economists, humanists, authors, doctors and lawyers—and association with the Academy will significantly broaden the Center's effectiveness in the technologial and humanistic areas so vital to modern society. The intermingling at the Center of cadets, students from other colleges and universities, Academy and university teaching staffs, professional, governmental and business leaders will achieve productive interaction and will guard against the intellectual isolation of the Academy. The opportunity for these highly valuable interchanges will attract to the Center a wealth of civilian experience and expertise. Both facilities will be in a position to draw upon this reservoir of knowledge at substantially less cost and effort than would otherwise be possible.

Because of its mission, the Air Force is one of the most technological segments of our society. The Center will provide unusual opportunity for the civilian society to turn to its advantage the technologies evolved for air and space research and activities. For example, spin-offs from aerospace programs in the fields of communication, miniaturization, medical techniques, food nutrition and packaging, weather information, high resolution photography, gravity and environmental control are but a few of the technological advances which can be brought into direct focus at the Center and can have a direct bearing on the improvement of the human condition.

In summary, with the Foundation as catalyst and with funds donated by those individuals, foundations and organizations vitally concerned with the advancement of education, the Center will come into being at the Air Force Academy. With the advantages of such an educational and geographical environment, the Center will provide an outstanding laboratory for stimulating creative and productive thought to the benefit of both the civilian and military communities. It will help to generate understanding and mutual reliance between these two vitally interdependent elements of our society. It will enrich the education of the Academy cadets and better equip them, as public servants, to effectively discharge their forthcoming responsibilities of leadership. Unquestionably, the Center can and will make major contributions to effective civilian-governmental-military relationships in a wide-ranging spectrum of learning and endeavor. The Center will be more than a contribution to the Academy or to the special interests of any one group. It will be a contribution to the knowledge of all mankind and to the desire and consummate need of man to communicate with his fellow man.

BETTER USE OF BUSES AND CARS NEEDED TO MEET DEADLINES FOR CLEAN AIR ACT

Mr. HUMPHREY. Mr. President, I believe the time has arrived for a more extensive debate on alternative solutions to the transportation crisis we face. The facts of the matter are severe.

We have expended tens of billions of dollars on roads and highways.

We have expended tens of billions of dollars constructing suburbs interconnected by those roads and highways.

However, as the average American family has become able to afford a car, and often two or three cars, traffic congestion has become unbearable at peak traffic hours. The resultant air and noise pollution is not only unbearable, but now illegal, under the Federal Clean Air Act.

What is to be done? Well, the conventional wisdom is that mass transit is the answer. So the lines are drawn—the highway supporters versus the mass transit supporters. The rural areas versus the urban areas.

Mr. President, "mass transit" is too oversimplified a term to be useful as a solution. Too often, mass transit implies increased use of rail and subway. Too often, the term does not mean increased use of buses and car pools. Yet I think these latter are the more practical solutions to our problems—particularly for the immediate period.

We must face the fact that rail transit is increasingly obsolete as a solution to the transportation crisis. First, it is inflexible. Each of our metropolitan areas, whether we like it or not, sprawls over dozens of square miles and includes hundreds of neighborhods. They have been shaped, in the last 25 years, by the automobile—that is, by roads. To try to service them with rails as the primary mode of transportation is irrational. It is especially irrational because the growth is occurring mainly in the suburban corridors of our cities. Such decentralized, spread-out growth does not lend itself to being serviced by rail.

Rail or subway is also enormously expensive to construct. It means a whole new infrastructure of subway and rail stations, tracks, and equipment. It means tearing down parts of whole cities.

Finally, construction of rail takes years. A recent article in the New York Times of March 4, 1973, indicates that a conventional rail system to meet Los Angeles transit needs would take at least 5 years to establish. Thus rail in itself is not an answer for meeting the 1975 deadline set by the Federal Government for air pollution.

Mr. President, I am not saying that no subways or rail systems should be built. But I am saying that when we compare all the costs and disadvantages of rail in urban areas versus making more effective use of our present highway and road system, more of our emphasis should be put on the latter.

The fact is that the highway already exists, and there is plenty of room on them. The congestion results not from the highways per se, but from our very inefficient use of them. Two points are worth noting here: First, there are many more cars than buses. That is "inefficient." Second, in each of those cars, there is usually only one person. That compounds the inefficiency.

We should try to curb these inefficiencies.

Regarding the first problem—too few buses—an investment in our bus system would pay off dollar for dollar, better than an investment in a subway or rail system, for the reasons I have given. Also, buses go wherever people want them to go. But subways do not. Subways or trains go to where our planners today think people will want to go 5 or 10 years from now. But what about 20 years from now? By the time the D.C. Metro is built, part of it may be obsolete in terms of commutation patterns. No one can foretell the future of urban growth—and our subway and rail planners are locking billions of dollars of investment into a limited number of rail stops.

Regarding the second factor that makes highways inefficient, I am hopeful that language will be written into the Federal Highway Safety Act of 1973 which creates incentives to the States to develop computerized carpool matching systems under the act, and also any other system which will result in more people in each car. If we could put two people in each car instead of one, we could cut pollution in half, and travel time in half. Moreover, we would take a major step in solving the energy crisis by cutting the consumption of gasoline in two.

In the floor debate on this bill, I inserted some descriptive remarks of such a system (p. 8225). An article in the March 1973 Board of Trade News, Washington, D.C., describes the advantages of increasing carpools.

There are other measures that should be taken so that highways and roads can be used more effectively. We need more special bus lanes. We need higher tolls for cars with only single passengers. We need higher downtown parking fees.

In short, we need both the carrot and the stick—penalties for inefficient use of cars and buses, and incentives for efficient use.

But above all, underlying all these measures is a simple principle: more people in less space. This means moving away from the use of a 2-ton automobile to transport a single individual. I believe we can do this most effectively in metropolitan areas by using our present road and highway capacity much more effectively, not by giving up on it and starting all over again on rail and transit.

Mr. President, I ask unanimous consent that the article by Gladwin Hill, from the March 4 New York Times, be inserted in the RECORD. I also ask unanimous consent that the article from the Board of Trade News be inserted in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HEARINGS TO OPEN ON ALTERNATIVE SOLUTIONS TO SMOG

(By Gladwin Hill)

LOS ANGELES, March 3.—In a major milestone in the national air pollution abatement program, the Environmental Protection Agency will open three weeks of hearings here Monday to find out what sacrifices the 10-million citizens of the Los Angeles basin are prepared to make to meet Federal air quality standards.

Technically, the hearings are designed to provide the antipollution with agency information on which to base a "transportation control" plan for the 9,200-square-mile basin to reduce excessive emissions of atmospheric contaminants.

Los Angeles is the first of 37 cities in 22 states to confront the problem. The other cities, including New York, Washington, Baltimore, Philadelphia and most of the nation's other big urban areas, have to submit transportation control plans to the agency by April 15. If they are not deemed effective enough to meet Federal air quality limits by mid-1975, the agency, under the Clear Air Act of 1970, will lay down its own plans for them.

LOS ANGELES IS WORST

Los Angeles is acknowledged to have the worst problem of any city because of the basin's large number of automobiles (6 million), the frequency of atmospheric "inversions" that trap aerial contaminants, and the large amount of sunshine that transforms automobile exhaust gases into a variety of corrosive chemicals. The Federal limit for these "photochemical oxidants" of 0.08 parts per million is being exceeded about 200 days a year.

Last year, when California air pollution officials submitted the over-all "implementation plan" for meeting Clean Air Act requirements, they did not pretend to have an answer for the Los Angeles basin.

So last Jan. 15 the Federal Antipollution Agency, under a Federal court order, set forth its own plan. The plan called for an 82 per cent reduction in automobile mileage—an admittedly impractical proposal that would cripple economic and social life in one of the largest metropolitan areas in the country.

Accordingly, the hearings opening Monday will be to canvass alternative solutions—of which no definitive ones have yet been suggested.

The problem has since been aggravated, both for Los Angeles and for most other cities, by a ruling of the United States Court of Appeals for the District of Columbia last Jan. 31, that two-year extensions of the 1975 compliance deadline the E.P.A. had granted to 17 states were invalid.

Now the states have to retailor plans to meet the 1975 deadline, or make a persuasive showing that they cannot comply before 1977. Five additional states—Alabama, Indiana, Louisiana, New Jersey and Missouri—which, on the basis of 1977 compliance, foresaw no need for transportation controls, will have to impose them to meet the earlier deadline.

In addition to photochemical oxidants, the Federal air quality standards cover five other major pollutants—particulite matter, sulphur oxides, nitrogen oxides, carbon monoxide and hydrocarbons. The limits are quantities above which experts have said there are adverse effects on human health.

AUTO EMISSIONS BLAMED

Officials of Los Angeles County, which covers the biggest portion of the basin, say that by rigorous regulations going back to 1947 they have reduced smog from stationary sources, such as factories, to only 10 per cent of total air pollution, and that 90 per cent of the smog now comes from automobiles, whose emissions are a Federal responsibility.

Neither local officials nor state officials see any possibility—short of stopping auto traffic entirely—of meeting Federal standards even by 1977. But they foresee, with an ever-increasing ratio of fume-controlled cars, the problem being brought within bounds by 1980 or soon theerafter.

William D. Ruckelshaus, the E.P.A. Administrator, has suggested that one solution for Los Angeles would be to seek a special dispensation from Congress extending the compliance deadline even beyond 1977.

In a sense, the Los Angeles basin hearings will be an academic exercise, because the Federal antipollution agency has no power to enforce whatever transportation control plan it finally promulgates. The agency is dependent for this on state and local cooperation in adoping the legislative and administrative measures necessary to carry out any plan.

But, in another sense, Mr. Ruckelshaus has said, Los Angeles is a national test case in the willingness of citizens to alter lifestyles to meet air quality standards they have already espoused through their Congressmen.

Short of nonpolluting automobiles, there is widespread feeling that the most urgent need for Los Angeles is a comprehensive rapid transit system in place of the existing minimal bus network. A conventional rail system, would take at least five years to establish, and there is a lot of opposition to such an inflexible investment. An expanded bus system could be introduced relatively quickly.

On the eve of the hearings, the Greater Los Angeles Area Chamber of Commerce denounced the 82 per cent auto travel cutback proposal as "unworkable and irresponsible," and said the proposal pointed toward "economic disaster" entailing the loss of 400,000 jobs.

CAR POOL PROGRAM WILL SUBSTANTIALLY IMPROVE POLLUTION PROBLEM

COG has unanimously voiced its approval for a proposed major car pooling program for the entire Washington area. Under the recommended group ridership plan, a concerted joint effort would be made to help beat air pollution by decreasing the incidence of the one-man-in-his-car. This would be put into motion by the Department of Transportation working with the Environmental Protection Agency and other federal agencies in the public sector, and COG and area local governments working with major employers in the private sector.

One suggestion has been that car pool vehicles be given the same kind of priority on Shirley Highway's middle lanes as express buses now receive. If successful there, the same kind of priority treatment could be given to car pools on major streets throughout the area.

Car pooling should be considered as a form of public transit, serving the low density end of the transit market, rather than as a competitor to transit. As densities and common destinations increase, car pools should give way to bus pools and charter bus operations, and finally to regularly scheduled bus and rail transit operations.

Use of Shirley Highway for car pool vehicles would be the second phase of a three-part car pooling program for the area. The first phase—the monitoring portion—would be designed to identify former travel habits of car poolers to determine how many single occupancy drivers have switched to car pools.

The third phase would apply the results of the demonstration efforts to an aggressive regionwide car pooling program that would include not only movements to downtown but also trips from suburb to suburb throughout the region.

Car pooling has very high potential. For example, increasing the average number of persons in a single automobile from one and one-half persons per vehicle to only two persons per vehicle would reduce the number of commuting vehicles on area highways by 25 percent. That also means a reduction in auto emissions of 25 percent.

Use of car pools to reduce air pollution is one of the proposals contained in an areawide plan to meet national air quality standards being considered by Governor Linwood Holton of Virginia, Governor Marvin Mandel of Maryland, and Mayor Walter E. Washington of the District of Columbia. The plan was prepared by a regional Air Quality Planning Committee and endorsed last month by the COG Board.

There are four advantages to car pooling as a technique for reducing air pollution:

A car pool program does not require a high capital investment.

There are no major legal or institutional barriers to overcome.

The impact of a successful program can be immediate and dramatic, and may reduce the need for some of the more restrictive measures proposed to meet the air quality standards.

A successful areawide car pooling program can also help to reduce the need for new highway construction, and lessen the impact of gasoline shortages that appear to be developing.

JOBS—NOT PROPAGANDA

Mr. HARTKE. Mr. President, as you know I am the cosponsor of the Burke-Hartke bill which is designed to settle U.S. trade problems, dollars outflow, and ease unemployment here at home. Now I want to see these trade problems settled right now because each day we procrastinate, more Americans are losing their jobs, more small businessmen are closing up shop and the dollar continues to zig-zag all over the world. These trade problems, growing like a malignancy over this great land of ours must be settled immediately. Every time somebody closes a plant and moves it overseas to get cheap slave labor in a foreign country our welfare rolls go up. Every time a businessman throws in the towel here in America, the United States has lost some more of its vitality. Now we have the highest cost of living in decades and a trade problem which is putting more and more Americans on welfare rolls. More and more Americans unemployed. More and more Americas each and every day unable to pay for a bowl of soup on their dinner tables, let alone a steak that costs $2.50 a pound.

Now, we have been reading in the newspapers for weeks about the President talking to foreign dignitaries about our trade problems. We get bits and pieces about what he would like to do about these problems, but we do not get any legislation. Mr. Eberle came to my office to talk about some of their ideas. The so-called Flanigan report on trade problems has been circulating around this city for some time now, but we still do not have the President's recommendations before us here in the Congress. We keep getting these bits and pieces void of any specific recommendations. I would like to remind my colleagues that we are talking about trade legislation, and the last time I checked the Congress was still involved in the legislation process according to the Constitution. But the President is talking to everybody under the Sun regarding these trade problems without sending us anything we can look at in black and white, on paper.

Apparently the administration has little regard for the people in this matter because the President and his aides are talking to everyone but the people. The feelings of foreign governments are taking precedent over the concern of workers in unemployment lines and on welfare rolls. The feelings of foreign governments are taking precedent over the concerns of small businessmen about to go under drowning in a flood of cheap foreign imports made by slave labor overseas.

Yesterday in the House of Representatives, the distinguished chairman of the Ways and Means Committee, Mr. MILLS made a lengthy statement on these trade problems. I want to commend Mr. MILLS for tackling this problem. I hope this means we will soon have hearings on trade problems. I hope this means we can get to work on it right away. I hope the administration will send its recommendations to the Congress this afternoon so we can see out in the open what they want and then proceed to discuss the problems out in the open instead of in backrooms and at cocktail parties. I want to see these trade problems settled right now. If we wait much longer the welfare rolls will double, there will not be a small business left in America and the dollar will not be worth the hole of a donut. It is time we legislate these problems.

DAVID BRUCE, SPECIAL ENVOY TO CHINA

Mr. MATHIAS. Mr. President, I want to say a few words of congratulations and of thanks.

Congratulations are certainly due to President Nixon for his wisdom in selecting David Bruce as special envoy to China and for his success in persuading him to enlist again in the service of his Nation in a sensitive and demanding job.

Thanks are due to Ambassador Bruce for once again assuming a responsibility of major portions at a time when a sure and delicate touch is needed.

I am proud to claim some affinity with Ambassador Bruce. Since we are both alumni of the General Assembly of Maryland, a notable institution of higher education. He may, however, have a slight edge because he has also served in the Virginia Legislature.

His distinguished service as Ambassador in London, Paris, and Bonn is almost without parallel in our diplomatic service. His patient and knowledgable representation at the Paris peace talks was an important contribution to the success of President Nixon's efforts to extricate America from the quagmire of Vietnam.

But more than being just an expert in a chosen field or a professional within the confines of a highly specialized and narrow field, David Bruce is a whole man. His interests and his knowledge span nearly the whole range of man's experience. It is a rare thing when a man cannot only be equally conversant with the humanities and the sciences, but can excel in both. He can speak of art and sculpture with the same assureness that he can speak of political and military matters.

It is not without significance that David Bruce goes to Peking without the formal title or rank of Ambassador. He does not need them. He is Ambassador Bruce in his own right and we are proud of him.

SHERIFF ROBERT S. MOORE, OF DESHA COUNTY, ARK.

Mr. FULBRIGHT. Mr. President, on March 12, 1973, one of the outstanding citizens of Arkansas, Mr. Robert S. Moore, who, for 24 years was sheriff of Desha County, died as a result of an automobile accident. Sheriff Moore was a truly unusual public servant, a man of great integrity and dedication to the interests of the people whom he served. I wish to pay tribute to him, and to express my deep sympathy to his family in his passing. I ask unanimous consent, Mr. President, to insert in the RECORD as part of my remarks an article which appears in the Arkansas Gazette of March 13, 1971, about Sheriff Moore.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACCIDENT INJURIES KILL SHERIFF; FORCE IN POLITICS FOR 24 YEARS

ARKANSAS CITY.—Robert S. Moore, aged 64, Desha County sheriff and collector, died Monday at a Little Rock hospital of injuries suffered Saturday in a two car wreck south of Pine Bluff.

According to State Police, Mr. Moore, who was traveling south on U.S. Highway 65, about nine miles south of Pine Bluff, apparently lost control of his car on a rain slick highway and hit a northbound car.

Four persons were injured in the other car—James Adams, 23, the driver; and Anthony Cantrell, 22; William Cantrell, 23, and Pat Norsworthy, 21, all of England.

Mr. Moore's 24 years as sheriff allowed him to become a prolific campaigner and influential politician.

He had no trouble retaining his office and enjoyed landslide victories against the three men who ran against him.

Mr. Moore's influence with the electorate and the popularity he gained with residents of the state allowed him to become a dominant political force both statewide and nationally. He was the man law enforcement officials went to when they needed a liaison with the legislature or assistance with acquiring federal aid with some project.

Politicians of every sort sought Mr. Moore's assistance and friendship. He boasted of his love for the Democratic Party and did what he could to elect the candidates of his choice. One of his most active campaigns was during last year's campaigns was during last year's incumbent John L. McClellan and Representative David H. Proyor.

Moore worked diligently for McClellan, a longtime friend. Mr. Moore was mentioned in 1962 as a possible gubernatorial candidate when Governor Orval E. Faubus announced that he would not run. Faubus later reconsidered.

His 24-years as sheriff was second only in tenure to Mississippi County's William Berryman.

Mr. Moore once told a reporter, "I guess I'll die working at this job."

His humor became an asset in avoiding conversation about his political prowess. "Just call me the 'high sheriff' and let it go at that," he once told a persistent reporter.

Sheriff Moore served as president and executive director of the Arkansas Sheriffs Association and the Arkansas Peace Officers Association. In 1960, he was elected president of the National Sheriffs Association and at the time of his death was secretary of the Association. He was a former director of the state Law Enforcement Academy at Camden, and one of the school's most enthusistic backers.

Mr. Moore was elected chairman of the state's Criminal Code Revision Committee in 1971. The 16-member group was appointed by the Arkansas Supreme Court and the attorney general to review state statutes and suggest possible changes in updating the laws. Mr. Moore was the only law officer on the committee, which included 14 lawyers and a state senator. He also was a member of the State Advisory Committee for the Arkansas Plan for Local and State Corrections.

Mr. Moore, a native of Dumas, attended Dumas schools, where he excelled both scholastically and athletically. He was valedictorian in a class of 28 and received a scholarship to attend Ouachita Baptist College (now Ouachita Baptist University) at Arkadelphia. He later was chosen president of OBU's Former Students Association and was a member of the Board of Directors.

Mr. Moore was raised by strict Baptist parents and became devoutly religious himself.

He was chairman of the Board of Deacons of the Arkansas City Baptist Church and served as a past president of the Arkansas State Baptist Brotherhood.

He participated in all sports at Ouachita, where he earned several nicknames including "Big Tooth."

Mr. Moore was graduated from Ouachita in 1929, and he returned to Dumas. He worked as a proofreader for the clerk of the House of Representatives in 1931. He was hired as a deputy sheriff at Arkansas City in 1933 under the late Howard L. Clayton. The job, he said, convinced him to make law enforcement his career.

Mr. Moore ran unopposed in his first political race and was elected circuit and chancery clerk. He was elected sheriff in 1948. He had begun his thirteenth term in January.

Sheriff Moore was a Mason, a Shriner and a Boy Scouts of America representative.

Survivors include his wife, Mrs. Dorothy Price Moore; a son, Robert S. Moore Jr., of Fayetteville; a daughter, Mrs. Dorothy Moore Gates of Woodbridge Air Base, England, four brothers, Ike Moore of Dumas, Ralph Moore of Conway, Lloyd Moore of Colorado and Charlie Moore of North Little Rock; three sisters, Mrs. Viola McNeese of Monticello, Mrs. Madge Youree of Arkansas City and Mrs. Carr Lemoine Priddy of Seoul, South Korea, and four grandchildren.

Funeral arrangements will be annonced by Dyer Funeral Service at McGehee. The family requests that memorials be made to a favorite church or religious educational institution.

MINISTER PRAISES SHERIFF'S WORK

Rev. J. M. Watkins of Little Rock, presiding elder of the Forest City District of the AME Church, said Monday that he was one of many thousands who were "deeply saddened" by the death of Sheriff Robert S. Moore of Desha County.

"His innate quality of genuine friendliness to people regardless of race, color or creed, won for him a place in the sun not only in the Desha County area, but our state and nation," Mr. Watkins said. "Our world is richer because a Christian gentleman and law enforcement officer whose name was Robert S. Moore lived."

Mr. Watkins said his wife formerly taught school at Arkansas City and that he had served as a minister at Arkansas City and McGehee.

THE ENERGY CRISIS

Mr. BAYH. Mr. President, since the 93d Congress convened there has been a great deal said in both Chambers regarding the energy crisis confronting this Nation. The concern expressed in Congress reflects the growing awareness that the production of energy not only depletes natural resources but also involves serious economic and ecological costs.

The era when we could flip on a light switch, start our automobiles, or push up the heat in our homes without regard for where the energy would come from has passed. Now we must be concerned about the effect on the environment and future energy supply if this power is used, especially if it is used inefficiently.

One essential point about the energy crisis which I fear is too little understood by the public is that we do not have a fuel shortage, we have a shortage of clean fuels. Suffice to say that unmined coal in the United States would easily meet our energy needs through the middle of the next century, but for the fact that we would so foul our air by burning that coal that the cost in destruction of our environment and human suffering would be immense.

What must we do to deal with the energy crisis? We must find clean environmentally sound ways to burn coal and other available fuels, and to develop the technology of new, nonpolluting energy sources. We must develop policies which will assure adequate energy supplies to meet the demands of a sound, full-employment economy. We must demand that all appropriate steps are taken to guarantee that energy is used efficiently.

To meet these goals, Mr. President, I have joined as a cosponsor of the National Energy Research and Development Policy Act which was introduced by the Senators from Washington (Mr. MAGNUSON and Mr. JACKSON) and the distinguished chairman of the Public Works Committee (Mr. RANDOLPH).

This measure proposes the creation of quasi-public corporations to conduct research and development of several energy sources, each of which has the potential for providing a welcome breakthrough in meeting domestic energy needs in an ecologically sound fashion.

The separate corporations would be in these areas: Coal gasification, shale oil, coal liquefaction, advanced power cycle, and geothermal steam. Each of these areas has been the subject of limited research, and in each respected authorities have suggested the time is ripe for significant breakthroughs.

Besides establishing the research and development corporations, this measure also sets out the goals of coordinated, adequately funded energy research to meet the burgeoning demand for energy in a responsible fashion. Rather than yielding to pressures for meeting energy needs regardless of environmental impact, or equally extreme measures to shut off demand, this approach specifies and requires that an integral ingredient in developing new energy sources must be the minimizing of the harmful ecological effects of producing that energy.

In every instance, it is indicated that the research and prototype energy development be geared to protecting the environment. For example, while the technology of coal liquefaction is not new, heretofore it has been suffering from the same deleterious environmental effects as burning the coal itself. The goal of the research, then, would be to refine the technology to find means of removing sulfur before the liquefied coal is burned or cleaning the emissions in the stacks.

In order to prevent the institutionalization of an unnecessary bureaucracy, the measure creates a small, highly professional staff to administer general energy research and development funds which would be available to qualified public and private researchers.

A substantial sum of money—a total of more than $1 billion a year—is provided for this general R. & D. effort and for the five corporations. While this is an expensive undertaking, I am satisfied that the end savings—in supplying clean energy—is worth the investment. Moreover, the bill specifically provides that private industry pay at least 40 percent of the costs of each of the five corporations established. This should mean a private investment of more than $150 million a year, making the costs truly shared between Government and industry.

As welcome as this legislation is, it is not of itself going to solve our energy problems. There are a number of problems which we face on an immediate basis and which require prompt action.

In my own State of Indiana, we faced a major shortage of propane gas this winter, just when demand was greatest among farmers who had to operate their grain dryers. My office, with the cooperation of private industry, was able to arrange for the emergency shipment of more than four million gallons of propane to Indiana to avert a disaster.

But while we were able to take special action to solve the problem this year, the propane shortage showed that there are major weaknesses in policies of refining crude petroleum and in distributing energy supplies.

A parallel situation is the danger that there might well be a shortage of diesel fuel this spring to operate farm machinery during the crucial planting season. Farmers have little leeway about when they can plant—this is governed largely by the weather—and we must be watchful lest we find ourselves with too little diesel fuel during the short planting period.

Moreover, there have been numerous suggestions from Government officials and the private sector that there might be a gasoline shortage this summer.

It is important to realize that propane gas, diesel fuel, and gasoline are all petroleum products and that these shortages and potential shortages must be faced even though oil wells in the continental United States are producing at full capacity.

Fortunately, the President responded to an urgent plea from some of us in the Congress and suspended oil import quotas when it was clear that that action was needed. However, because of uncertainty about future import policies, foreign suppliers were reluctant to commit too much crude petroleum to the United States in excess of old quotas.

It is essential that the oil import policy undergo a thorough review to determine how we can most effectively meet domestic need in a manner consistent with national security policy.

Such a review must also take into account the fact that areas in the midwest, such as Indiana, have been faced with unfairly high fuel prices because of import and distribution policies which favor coastal areas.

The unfair economic position of the great middle of the United States should also be an important consideration as the Congress is asked to debate the means whereby the substantial oil and gas reserves in Alaska are to be used effectively.

I intend to raise and demand an answer to the question of why Alaskan oil should go to the west coast when the need is greatest in the midwest. A trans-Canadian oil pipeline would bring the oil to the Great Lakes for distribution in areas where there is the need and where costs for fuel are too high. Moreover, such a Canadian route could parallel the probable gas pipeline taking that same route, thus minimizing environmental problems.

A full discussion of the pipeline question should be saved for another time, but I think it important to indicate that the Midwest will not be content to pay 30 to 40 percent more for its fuel than the rest of the Nation. Nor are we willing to put up with administrative decisions which force us to bear the brunt of uneven distribution of available energy sources.

Mr. President, it is my view that one reason for our current problems in meeting energy needs has been the great reliance by major utilities on nuclear power for meeting their needs in this decade.

Nuclear power has had an unfortunate record of costing far more than estimates and coming on line far later than promised. There are major unanswered questions about nuclear technology; the Atomic Energy Commission itself has acknowledged in the past 2 years that earlier certainties about the safety of radioactive emission standards and the emergency core cooling systems—the key against nuclear disaster—were premature.

Because of the continuing debate about the safety and long-term environmental effects of nuclear power it is inappropriate and unwise for the public utilities or the government to rest all their future plans on this energy source. There is no reason to believe that the long lag-time between planning and operation of a nuclear facility will not continue. Utilities have a respnosibility to make their plans with a candid recognition of the problem implicit in nuclear power.

Mr. President, I have not covered the full range of questions which must be dealt with by this Congress if we are to resolve our energy crisis on both short-term and long-term bases.

In addition to those areas I have discussed, we must also consider emission standards legislation concerning the price of natural gas proposals relating to offshore oil drilling, suggestions dealing with the importation of liquified natural gas and other relevant and difficult questions.

I hope, Mr. President, that we will seek to meet energy needs in a manner that encourages public understanding of the need to make efficient use of our energy sources, to protect the environment and to balance our priorities in a thoughtful, responsible fashion. We must move beyond easy words to hard decisions, and we must do that with an eye not only to providing the energy we need, but with an eye to making certain our planet is habitable for our children and our children's children.

TIMBER EXPORT ADMINISTRATION ACT OF 1973

Mr. PACKWOOD. Mr. President, as a sponsor of legislation for which I am seeking the support of my colleagues, I consider it a part of my responsibility to present as much information as I can for the use of my colleagues so that each may better understand the issues involved.

Specifically, my reference is to the Timber Export Administration Act of 1973, S. 1033. During the last few weeks a great deal of misinformation has surfaced as to precisely what it is we propose to accomplish by passage of this measure.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks several news items that combine to present a lucid picture of the problems that accrue to our economy and our citizens by virtue of our nonpolicy on softwood log exports.

By urging my colleagues to study these papers, I do not intend to imply that I, personally, agree with each and every interpretation of the facts or conclusion arrived at by the respective authors. I do feel very strongly, however, that these items must be brought to the attention of my colleagues in order that each of us might have an opportunity to review the facts and arguments that combine to illustrate the difficulties we are facing as a nation because of the unrestricted export of softwood logs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A HIGH PRICE FOR EXPORTING LOGS

For most U.S. industries, this week's devaluation of the dollar should prove to be a welcome spur to overseas sales of products and services. It means that foreign buyers can purchase U.S. goods at cheaper prices. Hence, exports should grow.

In the case of the housing industry, however, the 10 percent devaluation of the dollar could be a bitter blow. It is already in trouble because exports of softwood logs to Japan are doing so well that prices of plywood and lumber in the U.S. have increased 20 percent to 50 percent just since the start of Phase III. Production at many U.S. sawmills is plummeting as some mills cut back on their output and others shut down because of a shortage of timber stemming from the export of huge quantities of logs to Japan. And such exports will probably be increased now that the Japanese can get more for the same amount of money.

A spokesman for the Japanese Lumber Importers Assn. leaves no doubt that Japan's demand is all but insatiable. He says that Japan will continue to seek U.S. logs, which are expected to add up to 90 percent of its lumber imports this year. There are more than 24,000 sawmills in Japan, which is in the middle of a vast housing boom, and without steady log supplies, the association spokesman indicates, thousands of Japanese mills would be forced to go out of business.

FEW CURBS

There are restrictions on the export of logs from Alaska and British Columbia, and also from land owned by the U.S. government. The latter is controlled under the so-called Morse amendment to the Foreign Assistance Act of 1968, which runs out on Dec. 31, 1973. But there are no restrictions on the export of logs from private or state land in the continental U.S. The Japanese are raiding this market and apparently are ready to pay almost anything for timber to keep their sawmills buzzing.

For example, according to Joseph McCracken, executive vice-president of the Western Forest Industries Assn., in Portland, Ore., in 10 days in December the Japanese bid up the price of Douglas fir sawlogs by $100 per 1,000 board ft. As a result, a sawmill in Tacoma, Wash., sold the Japanese 20-million ft. of Douglas fir logs that it had planned to process itself. It made a $2-million profit.

Builders' associations around the U.S. are vigorously protecting runaway prices caused by the strong Japanese buying. In Washington, officials admit protests are rolling in. And a spokesman at the Cost of Living Council affirms it is watching lumber prices closely. "We heard a good deal from them [the builders] during Phase II," he says. "We continue to do so."

TRADE IMBALANCE

A high U.S. trade official is more explicit, but not very promising. "The Administration is under enormous pressure to do something about log exports," he says. The subject was on the agenda of Nixon's special trade representative, William Eberle, who was in Tokyo last week for talks with the Japanese government. But observers do not think Eberle got very far on the subject. Moreover, the Administration "has no present plans" to initiate legislation to limit log exports.

For one thing, there is the balance of trade situation. It would be contradictory for the State Dept. to continue to encourage U.S. exports to Japan generally, while banning or limiting log exports. For another thing, the alternative of forcing the Japanese to buy processed timber in place of logs could also force them to buy elsewhere. Thus, the Treasury and Commerce departments, as well as such big companies as Weyerhaeuser, could be expected to oppose export limits.

Though the Administration is not expected to endorse legislation to halt the sale of logs to Japan, there is budding agitation for it in Congress. Senators Robert W. Packwood (R-Ore.) and Alan Cranston (D-Calif.) sent a letter to the President last week urging him to "declare immediately a six-month embargo on overseas shipments of softwood logs and such lesser period as may be necessary on lumber and plywood."

GETTING WORSE

The great increase in lumber prices over the past year, and particularly in recent months, is threatening the U.S. homebuilding industry and the homebuying public, Packwood and Cranston argued. Last year, foreign companies bought 3-billion board ft. of logs from the U.S.; 90% of this huge quantity went to Japanese industry. During the same period, lumber costs on an average house in the U.S. jumped $500.

This year, the prospects are worse. Lumber costs on an average house leaped another $700 just in January, and experts estimate that this will eliminate about 2-million Americans from the single-family house market.

Senator Packwood already has prepared draft legislation, which he expects to introduce in the Senate within a few weeks. And the response of those in the industry who have seen his proposal is said to be "generally quite favorable." But anything less than a price rollback will be less than satisfactory to hard-pressed users of U.S. lumber and plywood.

Edward J. Plikaytis, owner of Webster Lumber Mills in Seattle, says bitterly: "The Japanese market is governing the lumber market in the U.S. What the Japanese decide to pay is what the American has to pay to compete." Says Bronson J. Lewis, executive vice-president of the American Plywood Assn., "There is just no way a U.S. mill can live with these kinds of prices."

[From the Sunday Portland Oregonian, Feb. 25, 1973]

NEW ELEMENTS ADDED TO JAPANESE LOG-SALE CONTROVERSY

(By D. J. Sorensen)

"I don't want to do it, but if the only way I can stay alive is to sell to the Japanese, then I'll have to do it. I have workers and their families that I am concerned about and they need to keep working."

This comment was reportedly made by a sawmill owner in Western Washington who has been approached by a Japanese company with an offer to buy the mill.

Rumors are circulating in logging circles about reported offers by Japanese to buy mills or purchase land to build mills.

One such report claims a Japanese firm, through an export company, has acquired an option to buy a sawmill in South-Central Washington. The owner of the mill denied he was dealing with the Japanese, although he admitted a Washington lumberman has an option to buy the mill.

The latter also denied the Japanese connection, as did an official of the Japanese company supposedly involved.

Another report had a mill in Coos County being sold along with a large stand of private timber. The owner admitted selling the timber to a lumberman who has been active in the export market. He would not admit how much was involved, but sources indicate it was around 80 million board feet.

The owner denied, however, that the mill had been sold and that it was being operated normally with timber supplied from other company lands.

Still another story has West Coast Orient's Co., an independent exporting company, buying land in Tacoma to build a mill. T. Ban, executive vice president and general manager of the company, said in Portland that his company is purchasing the timberland for Mitsui, a company with which it does most of its business.

"We are negotiating for timberland from the mill owner," he told The Oregonian. "Any idea that a mill will be built is only rumor. We have been acquiring private land and timber on the West Coast for several years, but there is no thought to anything so exotic as a mill."

Officials of Mitsui were unavailable for comment.

The likelihood of the Japanese making direct investments in mills in the Northwest is very real. They are investing in other parts of the country. One Japanese trader in Portland said, "If we were to build or buy a sawmill in the Northwest we would use it to produce lumber to sell here as well as ship to Japan."

Reports of direct investments by the Japanese along with the possibility of exporting lumber to Japan are two new ingredients to the long-standing dispute over log exports.

The Japanese ambassador to the U.S. disclosed in Portland last week that his country is considering buying dimension lumber. Currently, Japanese interests are buying 4x4 squares, a basic construction item for their houses.

Contacted about this possibility, Japanese traders in Portland pointed out that a change in the housing code is necessary before they can buy dimension lumber.

"The government must approve any changes," one of them said, "so we have to wait for this approval before we can buy lumber." He was optimistic that Japan would soon take the necessary steps to import lumber from the U.S.

The Japanese trader, who asked to be unidentified, said, "The demand for American logs is going up quickly. We have a big shortage of houses in Japan and we have a goal to build 2 million homes a year.

"Money is plentiful in our country and interest rates are low, so people are finding it easy to get money to build. However, costs are very high, and they are continuing to rise. We have quite a bit of inflation, and the cost of the land is high, too.

"I don't think the market will stand such high prices in Japan very long and with housing and land costs going up so fast, the people cannot afford to pay such a high price for very long."

However, the flow across the Pacific continues at a brisk clip; mills in the Northwest still gripe about the dwindling supply of logs and make adjustments in their work force, and government figures make desperate attempts to solve the dilemma.

One of the latter gestures finds Rep. Wendell Wyatt, R-Ore., traveling to Japan on a factfinding mission. With the devaluation of the dollar, there is talk that the Japanese will step up their buying because the logs will be cheaper.

If the Japanese were to begin importing lumber it might ease the situation for some mills but would bring added pressure to the domestic housing market. With prices already high and lumber scarce, the prospect of shipping lumber to Japan would divert lumber from domestic needs.

Domestic mills would have to be assured of a supply of logs to provide lumber for the Japanese market. Export of lumber is looked on in some quarters as a solution, but it would have to be tied to a decline in log exports to be a practical solution.

Meanwhile, the high bidding goes on and mills and other wood users are feeling the log pinch.

One industry source reported that 10 days ago the Japanese had offered $995 per thousand board feet of No. 1 Douglas fir peelers and another offer was made for $975 for logs in the Puget Sound area.

"Six weeks ago, the price was about $775," he said. "Prices of some of the lower grades are beginning to drop but the high grades are still way up." The volume of the top grades is not large, however.

According to one company, the offers have been so attractive that it could sell its log inventory, close down the mill and pay the employes until next year and make a $2 million profit. "What can I do?" he asks.

The logs the Japanese buy are the better grades, and this cuts down on the supply for other wood users. The Nicolai Co., for instance, is a Portland manufacturer of doors that has had to lay off workers because of a shortage of logs.

"Our order file is fantastic," said Paul Karstedt, president of the company, "and we could make all the doors we want if we had the lumber. We use shop grade lumber for our doors, and much of what normally went into shop-grade lumber now goes into exports."

As a result, Nicolai has laid off 129 workers in the last two weeks or so and the work force is down from a total of 352 last Dec. 31.

"We're buying lumber anywhere we can get it," Karstedt said, "Canada, California as well as Oregon. It's all negotiation and we have had to pay twice as much as normal to get lumber."

THE LUMBER CRISIS

An update of a speech given at the Tacoma Home Builders Association on February 22. By Wayne Gaskins from Western Forest Industries Association.

The problems we run into in supplying the American homebuilder is a softwood raw material crunch, and it's a crunch that's a world crunch—it's a world softwood shortage. You have been hearing a lot about how the Forest Service should be required to practice better forestry, that with better practices on the natural forests we would have all the timber we need to supply U. S. and Japanese needs.

But that is a long range project, not a source of immediate relief for this years housing starts. We are faced with a raw material crunch! A short term solution might be some device to get a portion of the U.S. logs that are now pouring to Japan back into the American homebuilding stream. This outflow of logs has become even more critical with the revaluation of the dollar and the upward float of the yen. Our latest figures indicate that instead of 2.8 billion board feet log scale, the Japanese want an additional 700 million board feet this year; 1973. That raises 1973 export projection to 3½ billion feet, enough wood to build 250,000 average American homes. You also will hear that all of the homebuilding nations are peaking in their homebuilding programs.

Let me tell you what the Japan Economic Research Center of Tokyo reports. The Japan Economic Research Center reports that in 1971 Japan built 4½% more houses than they did in 1970. In 1972 Japan built 17½% more than they did in 1971. They're slowing down though—in 1973 they are projecting housing starts to increase by only 12% over 1972. Japan is slowing down the rate of increase—if that is called peaking.

We are hearing also, this export log trade is essential for our balance of trade. However, for each dollar we generate in softwood log export trade, it costs us $2.25 to buy the equivalent lumber, or better still, let's call it substitute lumber from Canada. If we were to stop, and could stop immediately, all log exports to Japan, we would improve our three-way balance of trade with Canada, Japan and the United States. The United States would improve its balance of trade by almost $500 million. Lastly, there is another red herring that has been drug across the landscape, i.e. our softwood manufacturers are producing at full capacity. Some elected government representatives have been saying that and particularly those log exporting companies that are growing fat on exports have been saying that. We just couldn't believe it, so we started checking. What we found on our limited study of 18 mills in Western Washington, was that if these mills had the logs immediately, we could produce 58 million feet of additional lumber per month. These mills—Roesler Timber—reduced in December from two shifts to one. Seattle-Snohomish operating only one shift. Evans Products plywood plant is down, cutting 155 people out of work. These mill workers are picketing log loading ships. Anderson and Middleton—one shift, would operate two shifts and go to six days if they had the logs. Mt. Adams Veneer—operating three shifts, one lathe, have one lathe sitting idle.

These are just a few examples. Another mill in Western Washington is under option to the Japanese. The Japanese are getting concerned. They are buying the sawmill so they can be sure that they get their lumber if log exports are restrained.

EDITORS NOTE: It is imperative that the exports of logs and lumber be stopped until prices and supply are normalized. You are all urged to write your Congressmen and Governor constantly until something has been done.

[From the Klamath Falls (Oreg.) Herald and News, Mar. 4, 1973]

LOG EXPORT CUTBACK NOT EXPECTED TO HURT BASIN

(By Lee Juillerat)

Effects on local mills of a proposed log export ban or cutback are up for question, but most lumbermen agree the effects would be relatively minor.

Sen. Bob Packwood, R-Oregon, and Rep. Wendell Wyatt, R-Oregon, have announced plans to introduce legislation banning and limiting the export of logs from the U.S. to Japan. Packwood's bill would place a total embargo on log exports while Wyatt's planned legislation would stop the export of logs from federal lands.

No logs from Klamath County areas are reported being shipped overseas. Most logs being sent to Japan are from Western Oregon and Washington.

Weyerhaeuser Co. has sent Eastern Oregon logs overseas in the past, according to company spokesmen, but has not shipped any in recent years. The company has come under heavy fire because it sends heavy amounts of Northwest timber overseas.

"Weyerhaeuser, and to my knowledge, no one else in Eastern Oregon is exporting timber," reports Weyerhaeuser Eastern Oregon Vice President Bernard Agrons.

Agrons has noted previously that a log export ban would result in increased log prices in the U.S. and the loss of many jobs in Washington and Western Oregon.

Countering Agrons' argument, however, is Gil Hannigan, manager of Klamath Lumber Co. "If exports are trimmed, I think we'll see a drop in domestic lumber and plywood prices," he believes.

Other effects, according to Hannigan, would be increased "stability and orderliness in the timber situation insofar as not having people from the coast coming in here and bidding for timber."

Hannigan says that in recent months lumber companies from the Oregon coast have been bidding on area timber projects. "And when supply goes down the price goes up."

Other local lumbermen, including Chuck Glidden, forester for Columbia Plywood Corp., Klamath Division, believe that without a ban, competition from lumber companies from such areas as Medford for Klamath County may increase. 'The "rippling" effect, he says, could intensify because coastal timber mills sending logs overseas cannot meet their demands from coastal forests.

Some lumbermen have noted that competition with Medford-area mills for Klamath logs has increased in recent years. Reports that "ripples" are felt as coastal mills reach into the Grants Pass or Medford area and cause those mills to reach into Klamath County are echoed by many Klamath Basin lumbermen.

Locally, it means that some lumber companies must in turn look to areas east of Klamath Falls for timber.

David Maxwell, sales manager for Modoc Lumber Co., believes that an export ban would make wood "more available." He says that although short-term effects would be relatively minor, over a longer period the effects would be more intensively felt.

Weyerhaeuser, however, believes "rippling" effects are minor at most and notes that there is no log shortage at present in Eastern Oregon. According to Agrons, the company is supplying "significant quantities of timber to 21 different plants in and around the Klamath Basin," including mills out of the county.

The demand for Klamath area lumber is also subject to debate.

Traditionally, the Japanese have not sought the types of lumber grown locally, such as ponderosa pine. White fir and other species not generally found in the Klamath Basin have been most desired for export.

Some lumbermen, including Hannigan, have claimed that the Japanese are now showing interest in pine woods for use overseas. Other types of wood, such as fir, have been demanded because of the rush of home building in Japan.

[From the Glendale, Calif. News Press,
Mar. 5, 1973]

JAPAN BUYERS PUSH U.S. LUMBER PRICES UP

(By Bill Hill)

SEATTLE, WASH.—Skyrocketing log prices have closed more than a dozen sawmills in the Northwest and at least that many more have curtailed production. The cost of building a 4-bedroom house has risen $1,200 in the last 13 months, including $700 in one recent month alone.

Mill operators, lumber dealers and builders all blame Japanese buyers who have pushed log prices upward as much as 700 per cent in the last five months, and there is no sign that prices are about to level off.

In New Orleans, prime Douglas fir lumber produced in the Pacific Northwest has increased in price from $172 a thousand board feet to more than $400 a thousand, according to Robert F. Schaff of Schaff Brothers Construction Co. Cedar from the Northwest is bringing more than $600 a thousand.

In one recent sale Japanese buyers, bidding against each other paid more than $1,000 a thousand board feet for Port Orford cedar on the stump.

In a Skagit County sale, timber appraised at $41.50 a thousand sold for $303 a thousand—more than seven times its appraised value. In Snohomish County, timber appraised at $72 a thousand sold for $293. In both sales Washington firms were the successful bidders.

In Aberdeen, Wash., 170 mill workers are jobless because their employer—Evans Products Co.—"couldn't compete in the lumber-buying market with Japanese buyers." An Evans salesman told how his sales had dropped 50 per cent because he couldn't guarantee delivery within a reasonable time period. "You can't sell something you don't have or may not get," lamented Chuck Schweitzer.

Earlier, not far away at McCleary, Simpson Timber curtailed operations at its veneer plant "due to a shortage of peeler-sized logs."

Closures and production cutbacks are all hinged to the same monotonous reason: Japanese buying, U.S. exporting.

One of the biggest arguments against log exports is that it takes two men to fell a tree; but it takes 40 men to turn this natural resource into a finished product here at home.

As one manufacturer put it: "We're not talking about selling timber, we're talking about 'selling out.' Exporting raw timber to a foreign land to be manufactured into products and imported back into the United States is a serious question. We need jobs and our natural resources should not be exploited at the public's expense."

Proponents of log exports contend that it produces a "healthy business climate and will help balance foreign trade which last year resulted in a $6 billion deficit."

President Nixon's recent devaluation of the dollar "favors Japanese exporters," declared one sawmill operator.

"Japanese buyers can purchase U.S. logs 10 per cent cheaper than the local sawmill. The Japanese can now pay $100 for logs that cost local mills $110. It doesn't make sense, but that's what the devaluation of the dollar means in timber country."

"The wood supply in the United States is critical," declared Darrell L. Robinson, president of a Portland, Ore., forest products firm.

Robinson is alarmed at shipments of logs over the last 10 months from Washington, Oregon, California and Alaska totaling 2.3 billion board feet compared to 1.4 billion board feet during the same period last year.

Sens. Alan Cranston, D-Calif., and Robert Packwood, R-Ore., disagree with any theory that log exports provide the answer to the balance of payments in foreign trade. They have asked President Nixon to ban timber exports to Japan.

Sen. Cranston says large exports of logs to meet Japan's housing needs "have been a major factor in driving up prices here at home." He noted that the 45 million log feet of timber committed to Japan for the first three months of this year, is four times more than the amount purchased during a corresponding period last year.

"Japan is consuming more than one-third of the timber production of California and the Pacific Northwest and the pace of their buying is accelerating," Cranston said.

Meanwhile, the Senate Committee on Banking, Housing and Urban Affairs is investigating "runaway inflation in the lumber industry."

Both Cranston and Packwood are members of the committee.

Hearings on a Packwood and Cranston bill calling for an extended embargo on the export of U.S. timber are scheduled in April.

EXPORT OF LOGS: "SOMETHING'S GOT TO HAPPEN"

(By Peter Toll)

"Something's got to happen or within 18 to 24 months this mill is going to close down," says a Coquille plywood mill manager.

"The benefits aren't $2 million a year, like the port says, but $10 million in my estimation," says the manager of a Coos Bay stevedore company.

The topic of their contradictary statements is the very complex subject of log exports and their impact on Coos County's people and economy.

It is a topic that makes Hank Dotter seethe with frustration. He is the manager of the Douglas Fir Plywood Co. mill, a subsidiary of Roseburg Lumber Co. employing some 570 people in Coquille.

He is blunt and to the point. "We can't compete with the Japanese" when it comes to bidding and buying timber. Normally, he said, his operation has a standing timber inventory for 24 months ahead. Today it has shrunk to 13 months.

Dotter's mill uses some 70 million board feet a year producing plywood and veneer. With market costs what they are, he said, his firm is at a 10 per cent profit margin. April 1, when the company's fiscal year begins, he predicts problems.

"If things continue we'll be losing 5 to 7 per cent instead of gaining 10 per cent. And if that continues very long we'll close down," he said frankly.

Dotter said his firm is in good shape if it can buy Douglas fir for some $100 a thousand board feet or as high as $130 a thousand. Today, with Japanese demand pushing the price up, Dotter said he bid at an "exorbitant $180 and still lost" the bidding.

"We haven't bought any timber for two months" in Bureau of Land Management auctions, he said. "I don't know what we're going to do."

Realistically, he has already had to cut back personnel. Thirty people have been layed off, reluctantly, in recent weeks. His mill had sales of $22 million last year but already the sales are slipping.

"I can see the handwriting on the wall," he laments.

Compounding the problem is the shortage of timber already, he explained, combined with the high prices ("the American public is going to go to other building materials") and a lack of controlling legislation.

"No other country in the world ships raw logs except us," he said. "And the longshoremen and stevedores think its great—which it is, for them. But our mill doesn't have enough timber and that means we don't produce plywood for domestic use."

Among those reaping benefits, as Dotter said, are the men who load those big ships in the Port of Coos Bay.

Steve Felkins, local manager for Brady-Hamilton Stevedore Co., admits "some of the small operators are being hurt. But Weyerhaeuser last week declared the biggest dividend in its history."

Felkins said he personally conducted a financial impact survey on the log export situation after a Port of Coos Bay Study indicated the exports produce $2 million in local revenue.

He estimates that Coos County income impact at $10 million. As an example, he telephoned Hertz at the airport "and they said about 25 per cent of their business is Japanese log buyers driving down from Seattle."

Felkins feels a good portion of the export logs, such as Port Orford white cedar, have no domestic market anyway. "But there are some fine logs going out of here, too," he added.

Miles Munson, general manager of Al Peirce Lumber Co. in Coos Bay, said his firm, which employs some 150, outlined some of the problems.

Quotas on exports, he said, have been enacted by Congress to cover export of logs from federal timber lands such as those administered by the Bureau of Land Management.

"So some companies sell their own supply for export and then use the federal timber for the domestic market," he said. In that way the export limitations become meaningless.

Revenue from timber sales on state-owned lands, he said, by Oregon law goes to pay for education. "So the educators are happy about the high prices for state timber," Munson said matter-of-factly.

Another factor, he said, is the balance of trade. "Japan has lots of U.S. dollars and Nixon would like to see them over here in our treasury again."

As for Al Peirce's fortunes in the current situation, he said the firm is on good footing. "We have some of our own timber to draw on." However, he added, "there's going to be a problem when prices fall."

Indeed, "there has never been any price control on logs," noted Wylie Smith Sr., vice president of Coos Head Timber Co. in Coos Bay.

Smith said "because of that, combined with the limited number of trees and the exports there is a real squeeze now."

Ken Rogge, owner of Rogge Lumber Sales Inc. in Bandon and Port Orford, said his firm "hasn't felt any effect yet but I expect it later."

He is concerned, he said, with the cuttable timber on federal land which is not being opened to logging. "There are acres and acres of timber out there getting rotten." He said the overripe timber rots and "the taxpayers are losing money."

Generally, however, Rogge is optimistic. The attitude at several other smaller companies seemed varied, according to an informal telephone poll by The World. The optimism is cautious, in some cases, and quickly turns to concern.

Dotter's concern is obvious. He thinks the state should limit exports to lumber and not logs. "That way everybody benefits," he said. "And I don't mean squared off logs; that's a subterfuge. I mean lumber."

To all observers, however, the solution is not at hand. And time will tell whether men like Dotter will have to close their mills or an arm of government steps in to put controls on the situation.

[From the San Francisco, (Calif.) Examiner and Chronicle, Mar. 11, 1973]

Timber Exports, Short Supply Push Prices Up

(By L. G. Maatz)

Lumber prices are soaring, and the pinch is being felt by developer and contractor alike. Ultimately though, the one caught in the crunch will be the one paying the final bill—the consumer.

It's the old law of supply and demand. When you have a lot of something and nobody wants it, the price goes down. But when your supply dwindles and the demand rises, the prices can go out of sight. That's the current situation in the lumber industry.

Locally, prices of lumber and plywood have risen sharply over the past two months—20 to 30 percent in some cases—according to local lumber wholesalers.

"It's creating a lot of panic with our customers," says Ray Ryan, manager of J. E. Higgins Lumber here. "They're asking us when it's going to stop, and we don't have an answer for them. Lumber prices are a week-to-week proposition now.

EXPORTS UP

The biggest factor still seems to be exports to Japan, although rail car shortages and the drop of economic controls are certainly having their effect.

Increased seasonal demand has also taken its toll. Although heavy rains on the West Coast have hampered building starts here, unusually mild weather in the Eastern markets has kept demand high there. And starts nationwide are expected to be over two million again this year.

According to figures released by the National Association of Home Builders, some 45 million log-feet of American timber have been committed to Japanese firms for the first three months of this year. This is four times more than for a similar period last year.

And, according to a Wall Street Journal report, Japanese buyers are continuing to outbid their American competitors for lumber to supply the Japanese housing boom. In one month, the report quotes industry sources, prices on Douglas fir for export to Japan more than doubled—from $135 a thousand board-feet to $300.

American Plywood Association Vice President Joseph Leitzinger says "the Japanese are trying to buy everything in sight. The prices they are paying are ranging from four to five times the appraised value of the timber."

Rail car shortages are creating difficulties in getting lumber to domestic markets as well but the dropping of economic controls following the end of Phase II seems to be the next biggest factor.

CONTROLS OFF

Some industry spokesmen feel that the increase in prices is a result of prices being held down artifically during the recent freeze. And prices did jump significantly following the drop of price controls. Crow's Weekly Letter, an industry pricing service, indicated that ½ inch exterior plywood sheathing was selling at the mill for $156 a thousand square-feet on January 5, the Friday before the end of Phase II. Since then it has risen to $175 a thousand square-feet.

Emmett Clifford, Associated Home Builders president here, acknowledges that the dropping of controls is an issue. "There's no denying that prices went up immediately after the end of Phase II," he says, "but the mills claim that increased production costs were the factor, and they had no choice."

"Another factor," Clifford says, "is the cutback in government timber sales due to budget cuts and pressure from environmental groups. "The Forest Service just doesn't have the funds to build the roads into the timber areas, and without the roads, you can't get to the timber," he says.

In spite of sharply increased demand, Forest Service Sale of the allowable cut of National Forest Timber has declined by approximately 30 percent from fiscal 1970 to fiscal 1972. An increase this year appears unlikely.

But the main factor remains the export problem. "One third of our lumber production is going to Japan," Clifford says, "and with every overseas shipment of logs, the inflationary pressure on domestic housing costs increase."

Exactly what that increase is depends on who you talk to. Clifford estimates $800 to $1200 on a typical $30,000 single-family dwelling. Ray Ryan of J. E. Higgins estimates $1500, and Menlo Park's L. B. Nelson, president of the National Apartment Association, estimates $2000. And it's the consumer who will ultimately pay it, no matter what the amount.

EXPORT THE PROBLEM

The problem, then, according to various industry spokesmen, revolves around the export situation in the short run, and the overall supply problem in the long run, and attempts to remedy the situation have created some strange bedfellows.

An improbable alliance of homebuilder associations, contractors, the District Council of Carpenters and the Sierra Club have united to back a bill introduced by Senators Alan Cranston (D-California) and Robert Packwood (R-Oregon) calling for a more extended embargo on the export of domestic timber.

"For every $1000 increase in the cost of a house," Packwood says, "nearly 2,000,000 Americans are cut out of the home buying market, and that is too great a price to pay. It is time we stop the wholesale exploitation of our American home buyers to feed Japan's housing boom."

"The Nation's housing needs are too critical to allow this situation to continue," Cranston adds. "And the problem is not unique to the homeowner. It is also hurting the renter who will pay more for his apartment, the construction industry, the working man and everyone else who uses wood products."

Roger Mellem, a Sierra Club representative, says "when we export our logs, we are exporting our wilderness. We are asking for a total ban on all wood exports, unless it can be proven that after meeting all domestic needs on a sustained-yield basis there is a surplus left over for export."

Ralph D. Hodges Jr., executive vice president of the National Forest Products Association, national spokesman for a federation of 25 lumber, plywood and other wood product associations across the country, is urging Congress to take action to "prohibit the Forest Service from expending any further funds for making timber sales involving logs for export until the full allowable cut level is attained."

Addressing himself to Congresswoman Julia Butler Hansen (D-Washington) and her Subcommittee on Interior and Related Agencies, he said that prohibition of National Forest timber for export, until allowable cut levels are met, "will allow domestic mills dependent on Federal timber to have a reasonable opportunity to purchase timber which might otherwise move to export. It should also cause the Forest Service to concentrate its sale preparation activities on timber to be processed for market in the United States."

Two other West Coast congressmen are concerned over the rising export rate.

Representative Wendell Wyatt (R-Oregon) was on a fact-finding tour of Japan last week, and planned to "urge government officials and businessmen there to restrict their imports on a voluntary basis," according to his office. He would probably seek "corrective legislation" if the Japanese did not agree to limit their purchases, it was added.

Representative Al Ullman (D-Oregon), a member of the House Ways and Means Committee, has also urged the administration to warn the Japanese to cut down on their purchases.

Short-term remedies are available, if the Administration wishes to take advantage of them, but immediate action seems unlikely.

The Export Administration Act of 1969, according to Cranston, empowers the President to restrict exports, "to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce serious inflationary impact on abnormal demand."

Also, Ullman has advised the Administration that the President has the authority under the 1971 Revenue Act to declare logs to be in short supply and to impose an immediate ban on their export by Executive Order.

But whatever the individual solutions, the main problem remains the same—prices are at an all time high and rising, and no immediate respite appears likely.

And in the end, the consumer is paying the bill.

NASA'S CONTRIBUTION TO SCIENCE

Mr. MOSS. Mr. President, because of the immense technological achievement of the recently completed Apollo program, the scientific worth of the six successful Moon landings is sometimes not fully appreciated.

To be sure, the publicity that has attended our efforts to land men on the Moon has emphasized the hardware and the day-to-day events of the flight more than the scientific investigations and discoveries revealed in the months following. But the scientific community—physicists, chemists, geologists, astronomers—can attest to the tremendous value of Apollo in increasing our understanding of our planet, solar system, and universe.

At the Fourth Annual Lunar Science Conference, held recently in Houston, Tex., Dr. Gerald J. Wasserburg of the California Institute of Technology presented a testimonial to the National Aeronautics and Space Administration on behalf of the Apollo Lunar Science Community.

More than 600 scientists from all over the world gathered at this conference to discuss the latest findings from Apollo investigations. At the opening session, Dr. Wasserburg called attention to the vast harvest of scientific data and lunar samples, and to the continuing information supplied by experimental stations still operating on the lunar surface. He praised NASA for its contribution to science, a contribution which, he noted, is really just beginning as the scientists analyze the first portion of the data returned from the moon.

I ask unanimous consent that the statement presented by the Apollo scientists to NASA be included in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Tribute to NASA

On behalf of the scientific community, we wish to congratulate the National Aeronautics and Space Administration upon the completion of the Apollo flight program. The conception, design and implementation of lunar exploration represents an extraordinary human and technological achievement—the first exploration of another planet by man. To attain this goal it was necessary to achieve many successive levels of technological capability and to surpass formidable barriers. This was accomplished brilliantly by the dedicated engineers and astronauts of NASA in conjunction with skilled management. On this technical base a new branch of science has been built.

The scientific aspects of the Apollo program also have evolved by stages, and not without some awkward moments. There was little precedent for interweaving the development of technical capabilities and the planning and execution of complex scientific experiments in the unfamiliar lunar environment. To interface the difficult flight problems and the growing scientific objectives, the NASA utilized the external scientific community in conjunction with their own administrative and engineering structure. This provided healthy and critical evaluations in which both parties learned to appreciate the common problems. A vital scientific enterprise grew and completed a wide variety of unique experiments on behalf of a worldwide scientific community.

As a result of the Apollo expeditions, there now exist a set of lunar observatories and a harvest of instrumental data and lunar samples which are of incalculable value. The preliminary evaluation of these observations has already revolutionized our models of planetary character and our theories of solar system evolution. The scientific information which is now being developed and the potential for understanding which still remains in the Apollo collections will constitute an ongoing testimonial to the success of the Apollo missions.

Our patricipation in the Apollo program has offered to each of us great scientific opportunities. We feel privileged to have been a part of these historic endeavors.

Sincerely,
The Apollo Lunar
Science Community,
Convened for the Fourth Lunar
Science Conference.

CHINESE SOCIAL PATTERNS AND INSTITUTIONS

Mr. FULBRIGHT. Mr. President, earlier this year Mr. James O. Powell, editor of the editorial page of the Arkansas Gazette, led a delegation of American journalists and authors on a visit to China.

During his stay in China and upon his return to the United States, Mr. Powell wrote a series of articles for the Gazette about his experiences and observations. The articles are among the most informative and thorough I have seen. Mr. Powell provides a close and fascinating look at Chinese social patterns and institutions.

I believe Mr. Powell's articles represent a major contribution to the development in this country of a better understanding of China and the Chinese people. I ask unanimous consent that a selection of the series of articles from the Arkansas Gazette be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

In an Ancient Land With a New Purpose

(By James O. Powell)

Canton, China.—There are few unforgettable moments in personal experience but one of them for an American surely is the moment of entry into China, the vast ancient land of 800 million that is now resurgent in national spirit even as it begins reopening its doors to the west.

Eight of us, journalists and authors, have come into China on a visit arranged by the China-America Relations Society and have reached Canton in the subtropical south in a state of excitement that overwhelms the fatigue and jet lag. We came in by train from Hong Kong, crossing the border at Shumchun after some 30 hours of nearly continuous travel from San Francisco via Tokyo, gladly accepting the invitation that had come politely but suddenly from the Chinese Embassy at Ottawa.

On the instant of arrival at Shumchun, one is struck inevitably by the swift transition in the distance of a few yards from one society to another so dramatically different. On one side flies the Union Jack, presiding over the relaxed if bustling life of the crown colony; on the other side flies the bright red flag of the People's Republic, and as you cross the border you enter China to the sound of martial music. As you move through a series of checking stations (customs, health, money changing, etc.), you may hear, as we heard, the sound of children marching and singing in the street below. The dress of the people changes drastically as well: The varied attire of the Hong Kong Chinese is replaced by the simple garb featuring the Mao tunic, which is a sort of civilian uniform in the People's Republic. There are also many soldiers, members of the People's Liberation Army, who wear light olive uniforms with red trim and the ubiquitous red star on the cap.

Americans visiting the new China have been universally impressed with the drama of the crossing at Shumchun. Each visitor will have his own finding, however, on what kind of country he has come into. To this writer the overwhelming first impression at Shumchun and in a memorable first three days in China is one not so much of militance as of national purposefulness. China is the organized society certainly and the presence of the central personality, Mao, is sensed or seen everywhere. But what I have seen and heard upon entering the new China leaves the conviction that the Chinese people after the tragedies of the last hundred years are now indeed revitalized with an overwhelming sense of national purpose bolstered by a new confidence: They have places to go and they are certain that they are on their way.

There is certainly no militance in any case in the response of the Chinese people to the Americans, who are beginning to come into China now in a small but steady stream. Our group of eight has been received with unfailing courtesy and great warmth, after the fashion reported by others ranging from Kenneth Galbraith to Joe Alsop, not to mention Richard Nixon. Both our escorts and the people we encounter and interview give us unstinted welcome.

We came to Canton (or Kwang Chou if we use the city's official name) on a comfortable first class train that Amtrak would envy. (The conductors interestingly were all women.) We have been driven about this historic city set in the luxuriant green countryside of South China and have seen Canton's sights, including first of all its teeming masses of busy people, before proceeding to Peking. We have been introduced to the fabulous cuisine of Canton and have been entertained royally by the foreign Ministry and Hsinhua, the Chinese news agency, at a banquet with elaborate exchanges of toasts and pledges to renewed friendship between the Chinese and the American peoples. We are quartered in enormous rooms in Canton's East Hotel. In every way the Chinese, government and people, are hospitable and simpatico, plainly intent upon widening the new bridge to America.

It is plain that the Chinese want us as friends and that they have managed perfectly to accommodate the distinction Chairman Mao makes between governments and peoples. In the lobby of the East Hotel and in the stadia and other public places there are still the slogans denouncing imperialism, capitalism, American aggression, etc., but the slogans do not dampen our welcome in the slightest. Nor somehow does even the awareness of the terror bombing of North Vietnam affect our reception. Indeed, the bombing is a subject about which our hosts speak more politely in reference to the United States government policy than do we. It is clear too that what the Chinese want us to see most is what they have accomplished here—especially in the celebrated conquest of famine, plague and the desperate poverty that afflicted the China of Chiang Kaishek and the Manchus. They speak of how it was before the revolution and of how it is now and they are proud of what they have done. Their success as well as their pride is easy to understand to the Western visitor when he looks out upon this incredibly populated land and finds the people so furiously industrious and single minded in goals. This is China in 1973. What will it be like in 50 years?

Watching Surgery Under Acupuncture

(By James O. Powell)

Shanghai.—No one really knows how acupuncture works, but there are at least nine more people who believe in it completely following an operation performed Tuesday upon Chang Tsung-hsi, a 40-year-old steelworker, in the Hsinhua (New China) Hospital here.

The eight new believers, in addition to the patient himself, are Americans in a visiting media group—made up of editors, correspondents and free lance writers—who watched Mr. Chang undergo a gastroectomy under needle anesthesia. We saw the operation and talked to Chang while the surgeons were sewing him up.

Begowned in best surgical style, we entered the balcony of the operating theater shortly before 9:20 a.m. Chang was already upon the operating table with his abdomen bare, needles protruding, four in all, from his chest, abdomen and left foot. His foot jerked regularly for an electrical impulse was being applied to the needle.

The surgery began straightway, with two surgeons, Dr. Wu and Dr. Ho, doing the work and Dr. Li serving as chief anesthetist. They made the incision and began delving into the stomach, swiftly locating the peptic ulcer which was the source of Chang's affliction. They proceeded for about a half hour tying off blood vessels, making preparations for removal of most of the stomach. As the work went on, Chang was perfectly conscious, his eyes open much of the time, speaking to the anesthetists. There was only one time when his face showed obvious pain and that was when the chief surgeon had his hand completely inside exploring the abdominal cavity.

At one point the anesthetists massaged Chang's earlobes. It is believed that the earlobes have nerve channels associated with pain and the relief of it.

Finally the preparations were complete and after about 40 minutes the surgeons, using what looked like a great vise and a pair of scissors, snipped off and lifted out the offending section of stomach. It was about the size of a small handbag. For practical purposes the operation was about over.

It had taken about 45 minutes. Two of us were allowed to go into the operating room to talk to Mr. Chang. He said through the interpreter that he had experienced discomfort but that he would be back in the steel mill in about "half a month". The stomach has a marvelous power of regeneration.

It was a morning to remember.

The Chinese are not dogmatic about their acupuncture. In this hospital they use it only about 30 per cent of the time for anesthesia, according to the type of case and the option of the patient. It is reported successful in 60 to 70 per cent of the cases. If it begins to fail during an operation, chemical anesthesia is applied.

The advantage of needle anesthesia is that the body does not undergo the shock of chemical anesthesia. In certain cases the patient even helps the doctor in finding a trouble point. Recovery is quicker under acupuncture. The whole affair is less traumatic.

What the Chinese are employing, in the case of anesthesia as in their whole medical science, is an amalgam of Western medicine and traditional Chinese medicine. They are convinced they have much to learn from the West and they have been learning well on the record of an extraordinary (in Western eyes) morning in Shanghai's Hsinhua Hospital, it seems plain that Western medicine has something to learn from the Chinese as well.

Charm and Discipline of the Young Child

(By James O. Powell)

Peking.—If a Westerner on his first visit to China is to understand the country and its people at all, he must begin with the concept of the group. It is the group, not the individual, that counts critically in the new China.

This is not to say that the Chinese are inconsiderate of the personhood of each other, for indeed they get along much better than one can imagine Americans getting along with each other if there were 800,000,000 of us rather than 200,000,000. But from the earliest stages the Chinese are taught that the individual must subordinate himself to whatever group (or groups) he belongs to. It starts in kindergarten for most Chinese children, at an age as low as three. The Chinese are especially proud of the kindergartens and show them gladly to foreign visitors, who are unfailingly charmed by what they see. Even Joe Alsop admitted to feeling avuncular after visiting a Chinese kindergarten.

Eight of us in a media group (editors, correspondents, free-lance writers) touring China under arrangement of the China-America Relations Society have visited kindergartens in Canton and Peking, and what impresses most is the striking unison in whatever the children do. It is plain that they have had much practice in receiving foreign guests but their togetherness is nonetheless remarkable. When we arrived at a kindergarten at Canton (the Chinese now call the city Kwang Chou), we were greeted at the street by a loud chant that sounded something like "so-so, ah-yi," "co-so, ah-yi" and what they said was "how do you do uncles and aunts." The drill was as perfect as our little hosts were adorable but there was more insight to the kindergarten's operation as we were told about the teaching and as we watched a series of short musical playlets put on by the children.

The head of the kindergarten, a Mrs. Tan, received the visiting Americans in the central parlor where we sat and had tea, ceremonially as is the custom everywhere in China on any kind of visit. We are surrounded by pictures of Mao, Lenin, Marx and Engels hanging on the walls. Mrs. Tan proceeded to instruct us enthusiastically on how and what the children are taught, which is first of all to act in accordance with the thought of Chairman Mao: They are, for example, to give up their own self-interests in yielding to others; they are taught, too, to love work and early on they are put to work weeding and watering the vegetable garden. Mrs. Tan and all the faculty were wearing their Mao buttons (although generally in China the Mao button is becoming much less ubiquitous, as the frenzy of the Cultural Revolution continues to wane).

In disciplining the children, the director said that physical punishment is never used but rather the remedy is reason, persuasion—and "criticism." It is such persuasion and criticism that are the instruments for bringing individualists, young or old, into line. (Mrs. Tan also said that boys and girls are treated exactly alike but it turned out, to the disillusion of Women's Liberation, that the boys are still occasionally naughty while the girls are not.)

It seems, however, that not much disciplinary action is required, and a performance put on by the children suggests why. Singing and dancing, the children staged for us a delightful series of playlets and each one had a Mao moral.

In one playlet the children sing lyrically of how they love to do their morning exercises but there is one little maverick in the group who barely goes through the motions (in the play). The others then proceed to reason with him and "criticise" him, in song, and in the end he is converted and exercises as passionately as all the rest. If the American with his devious penchant for contrariness may feel inclined to side with the maverick, that thought would not occur here.

Other playlets stress self-effacement and sharing toys with each other.

In the kindergarten yard the group spirit still prevails. There is a tug-o'-war but one little exemplar reminds us all loudly of Mao's maxim that "friendship comes before competition" (Tell that to Bear Bryant!). And in one class the children work together with little pieces of cloth, learning love of toil and preparing to be able to work early in the textile factory (Tell that to Bill Becker of the AFL-CIO!)

In all the phases of the kindergarten program the children are taught subordination to the group and a sense of community; the philosophy is implemented everywhere as they grow up, in the factory, on the communal farm, in the state-owned stores, in sports and recreation. Whenever one goes in China, the group concept prevails, as the visiting Westerner soon discovers for himself. Indeed the word "individualism" highly regarded in the West, translates into a bad word in Chinese.

The overpowering spirit of the group is not one that the Westerner, with his own scale of values, would care to take home with him, but in appraising the new China there is one critical rule: What works for one society may work poorly or not at all for another. And in China the overwhelming evidence indicates that the new system, Communist or not, has worked for China very well indeed, in eliminating hunger and plague, in raising life expectancy, and in giving the Chinese a new sense of pride and equality and purpose.

It is at least plausible to wonder if in a land where there are 800,000,000 people, most of them packed into an area half the size of the continental United States, the concept of the group is not the one that has to prevail.

Chinese Have Gained Elemental Guarantees Under Mao Communism

(By James O. Powell)

Shanghai.—The mystery of Mao Tse-tung, man and legend, may not be impenetrable after all when it is examined objectively in the light of what China has accomplished in the last 23 years.

What Mao and his Chinese Communist movement have done, according to overwhelming evidence, is to give the masses of peasants and workers—who make up a fourth of the world's population—certain elemental guarantees that they had neither under the emperors nor under Chiang Kai-shek.

First of all, in the simplest of terms, Mao's program of "socialist construction" has given the reality of adequate food, shelter and clothing to the masses of people. The standards of living in China are not remotely comparable to those prevailing in the West. Nevertheless it is clear that people no longer starve in China, nor freeze to death for the lack of shelter and clothing. Meeting these needs is the first and ranking achievement of Chinese communism.

Another new guarantee is a certain basic health care, which the Chinese have not really had before and which is being developed under revolutionary methods. In the same context, plague has been eliminated through programs of immunization and other preventive methods.

Finally the communism of Mao has given the peasant or worker a sense of personal worth, as well as security, that he never had before. Mao himself is of peasant stock and his brand of communism has glorified the peasant as the backbone of China. Historically the peasant has been grossly abused and held to be of little value.

Visitors to China must be fully aware that they can take away, on a short stay, no more than first-hand impressions. Nevertheless the overpowering impression in a 3½-week visit to China is to confirm the reports of old China hands like the late Edgar Snow, John Service, John McCook Roots, and Dr. George Hatem, on the way it is in China now and the way it was before 1949, the year that the Communists came to power and Chiang fled to Taiwan.

It is the comparison between China then and now that has to govern, no matter how Western values may be abraded by the Communist methods and philosophy. The comparison has been impressed vividly upon a group of American editors, correspondents and free-lance writers who have been touring China under arrangement of the China-America Relations Society, headquartered in New York.

Eight of us in this group have traveled thousands of miles in China and, in the course of our visit, have had numbers of interviews with Chinese who remember how it was before "liberation."

We are aware that the places we have visited are, usually, showplaces and we are aware that dissent is not discernible in China. Even so, there is unmistakable sincerity and conviction in the accounts that we have heard, which illustrate the nature of the Chinese accomplishment.

Consider the testimony of Chen Pao, 50, a peasant, head of a family of six living in a communal village outside of Shanghai which we visited one January afternoon. The commune is one of 197 that grow vegetables in the vicinity of Shanghai to help feed 10 million people living in and around the city.

Chen was a young man in what they called the "lower middle" peasant class in the years immediately preceding 1949. He owned a little plot of land and he rented a larger plot from one of the 40-odd landlords then living in the village. In a good harvest year, he said, he barely had enough to live on and in a bad year he had to borrow from the landlord at high interest. He and his family were often hungry and cold; they had little clothing and covered themselves with rags at night.

The revolution came and, in time, the "Rainbow Bridge Commune." Farm production on land in the area increased dramatically and now it was employed, in Mao's phrase, "to serve the people." Now, in 1973, the Chens live in a four-room house that is furnished with basic necessities (such as blankets); they are warmly enough clothed, although the heat in the house is only from coals carried into rooms from the stone stove in the kitchen. Last year, Chen said, the family of six had a combined income of 2,300 yuan (about $1,200). His daughter got married last year and he bought some furniture but he still has 700 yuan put away in savings. What's more, he has a watch which he showed us proudly.

If the Chen house seems depressingly spartan, vaguely evocative of a Southern tenant farm *circa* 1930, Chen has never lived so well or securely before.

Consider the testimony of Wang Cheng, a leading figure (something like the mayor) in a "production brigade" operating as part of a great commune about 60 miles from Hang-chou. We spent a day with Cheng and other leaders in the brigade, which has charge of villages and some large tracts of land in the hill country southwest of Hang-chou. The brigade is called Hsan Wang, and it has been a heralded success in China. The land has been intensively cultivated, with tea and wheat as the major crops. Barren hillsides have been turned into lush tea fields, through much labor and innovative irrigation from a beautiful mountain reservoir that overlooks the green and lovely countryside. The brigade has built some of the best homes that we saw in China. It has schools, a stock farm, a medical clinic, and new modern machinery for rolling the tea leaves which are its big money crop.

Wang told us that the village we were visiting had been very poor and unproductive before the day of "liberation." Nine of 10 people were working as hired hands for landlords.

In one year, 1934, more than 30 people died of starvation, he said.

Wang's account was supported in various ways by the word of others we talked to, at random, during the day. This is the sort of testimony that helps explain why one finds such feverish enthusiasm today in China for Mao and the revolution.

Indeed everywhere in China the people are fired up with zeal and collective ambition. The visitor can hardly fail to be impressed, moveover, with what appears to be *happiness* among the people. This is the hardest of human conditions to measure, certainly, but to be in China for a period of weeks is to feel this sense of collective well-being, even when material standards are so frugal compared to the Western standards and the way of life is so unsophisticated.

The Chinese have many statistics on what they have done in the last two decades (in truth they are the greatest statisticans this side of the American sports pages) and they have many new factories, and model towns, built since 1949. Possibly their most important statistic is in production of grain, the basic food. It is Mao's creed that China must be self-reliant and that the basic needs of the people must be met through agriculture.

In 1949, according to government figures, there were only 100 million tons of grain produced. In 1971 the total was 246 million tons; in 1972, 240 million tons. With a record such as this, and with progress in other lines of food production, you can understand why the Chinese appear to be philosophical about their population increase. They do not foresee any time in the near future when they can't feed their people.

The Chinese have come a long way with Chairman Mao in something less than a quarter century and they expect to go much further. They seem happy and secure and proud. The Western colonialists are gone, presumably forever, as are the Japanese invaders. But what counts even more is the change in the living conditions of the masses since the old days when corpses were routinely collected in the streets of the great cities each morning, while no one in authority appeared to care.

THE STREETS ARE SAFE BUT NECKING IS RARE

(By James O. Powell)

SHANGHAI.—An American abroad in the new China is struck by a thousand fascinating contrasts between the way of life here and the way of life in the United States. Neither society walks off with all the honors.

It is hard to pick a place to begin but the incidence of violent crime may be as good as any. Statistics on crime are difficult to get in China, as visiting newspapermen have found here in Shanghai, but the crime rate is very low, unquestionably. There are few warnings or restraints on walking the streets of Chinese cities, including Shanghai, which used to be known as the wickedest city since Sodom and Gomorrah. If it's safe streets you want, China's have to be among the safest (and cleanest) in the world.

China is also the Honest Society, insofar as material possessions are concerned. There is some theft, but not much, and the foreign tourist does not have to worry about his valuables, nor even bother necessarily to lock his hotel room.

Indeed American visitors often find it hard to get rid of odd things they would rather leave behind, as a group of eight American journalists and writers, currently touring China under arrangement of the China-American Relations Society, has learned in its turn. We have been pursued relentlessly by items ranging from dirty handerkerchiefs to used flashbulbs which had been left in hotel rooms or elsewhere, sometimes on purpose. In my own case, I tried in vain to leave an opened box of sweetcakes on the plane from Canton to Peking, and again in Peking airport, but in each case it followed me like the hound of heaven all the way to my hotel room.

There are no merchants in China, nor advertising, the bourgeoisie have been forcibly retired from business. There are no real estate dealers, since home ownership is allowed only in the rarest of instances. There are no lawyers, nor psychoanalysts.

What one misses most is the small shopkeeper, of the kind Napoleon said England was populated with. I do not suggest that the services in stores is not courteous, but to the unreconstructed free-enterpriser there is something melancholy in knowing that the person attending you in a little antique store, or grocery counter, is just a government clerk (of one variety or another).

After a while, too, old instincts may move the American visitor even to wish for some advertising other than the Mao posters. A flashy billboard advertising the Belchfire 8 or Old Bobcat would relieve marvelously the relentless parade of admonitions taken from the thought of the Chairman. Such is the depth of capitalist decadence.

The absence of lawyers is attributable to several factors. The Chinese aspire to a society so well intentioned and well ordered that law isn't needed. Moreover, they became disillusioned with some law that had been patterned after the Russian example. There is little written law left in China at this juncture.

There is a court system with three levels, we are told. The judges have court workers rather than lawyers, and the workers make extensive investigations of criminal charges and civil disputes; the court staff makes reports that are turned over to the judges to help them in their determinations and decisions.

Psychonalysis? It is frowned upon. The Chinese do not believe in it. Apparently they do not know that Western psychiatry has moved a good way past Freud and his theory of the omnipotence of sexual motivation. In any case there is no psychoanalysis and a general suspicion that it is a decadent capitalist divertissement. We did not see a mental hospital although we are told that there are some, even though the incidence of mental illness is described as low.

Ping pong is in in China, along with acrobatics (the Chinese are unparalleled in each field), but sex is out. What strikes all visitors is the Puritanism of viewpoint on sex. There is not a hint of it in public places and virtually no handholding on the streets, at least insofar as Westerners can determine. In one reckless moment in the popular ballet, "The White-haired Girl," the hero almost embraces the heroine (who is one of Communist China's favorite folk figures) but holds back just in time so that morality is preserved.

During the Cultural Revolution, which took place inthe late "60s, there was a surge of censorship in arts and crafts against sexual implications. For example it was forbidden to carve a figurine of a royal concubine emerging from the bath.

The dancing of couples is not practiced and, one gathers, musicians would not play for a boy and girl who tried it. Folk dancing by groups is approved for public performances. It is all evocative of fundamentalist religious restrictions in the United States.

I asked one of our interpreters about dancing. He was interested and amused by my report that in the United States young people sometimes danced until dawn on week ends, but he said in China it would interfere with their work.

The attitudes on sex bring to mind our own age of national innocence.

During the "Spring Festival" in early February (it used to be the Chinese New Year) our media group spent a week end in Hang-chou, the garden spot of China. Two members of the group reported that after dark there was much necking in the park near the hotel. It seems that the word had gotten around among the young people, in spite of all.

The Chinese air service is still in a basic stage, with airport navigational devices apparently 30 years out of date. The pilots are very careful in their flight practices and planes don't fly if the weather is bad.

There are a scant few automobiles but millions of bicycles. The bicycle is the national mode of personal transportation. There are so many bicycles and so many pedestrians that the automobile drivers, in the memorable expression, drive with their horns. The autos are owned by one agency or another of government.

There is no real problem from automobile pollution but the Chinese cities have a pollution problem of their own, some of it from industrial plants and some of it from millions of coal-burning stoves in the cities. In the winter in Peking the coal-burners make a smog as bad as anything in the United States. China needs natural gas.

The Chinese certainly know how to run railroads. We rode the trains 700 miles from Peking to Sian, the old capital in the heartland, and 900 miles from Sian to Shanghai, and to nearby Hang-chou for a week end. The trains are comfortable, and they run on time. The food on the diners is excellent.

In the new China there is an institution called the "May 7 school" where people go to do hard work and repent and meditate on how they learn to do better. After riding the trains of China and enjoying them, an American may swiftly conclude that what the directors of Amtrak, and each of the American railroads, need is to go to a May 7 school on railway management. The Chinese could show Amtrak how to organize one.

Radical Innovations in Chinese Health Care

(By James O. Powell)

Health care in the People's Republic of China has stirred intense interest in other parts of the world, especially in the United States where the American people in general and the medical profession in particular have been fascinated by (1.) acupuncture, (2.) the reported elimination of venereal disease in China, and (3.) the innovative "delivery" system of Chinese medicine.

Acupuncture is so dramatic and mysteriously successful that it has attracted the most widespread attention. In anesthesia it unquestionably works, in many cases, as an increasing number of Americans can testify. In Shanghai I watched surgeons remove most of a man's stomach while he was conscious, under anesthetic acupuncture. Previously James Reston of the New York Times submitted to acupuncture in connection with an appendectomy, and, later, a nameless Middlewestern editor received acupuncture in treatment of an awesome hangover, which he had incurred in a toasting duel employing the fearsome 120 proof Maotai liquor.

There is more skepticism about the reported total conquest of venereal disease but there is good reason to believe that the claim is true. In the first place the Chinese now have a comprehensive program of preventive medicine working against contagious disease generally. As for venereal disease, the Chinese Communist moral code is in itself a powerful preventive force. Prostitution is considered reprehensible in the new China and the whole social atmosphere is designed to discourage promiscuity and premarital relations (and early marriage, as well).

In Peking I talked with Dr. George Hatem, an American who went to China in the thirties as a young doctor and remained. Dr. Hatem is a skin specialist and was formerly engaged in the prevention and treatment of venereal disease. He is one of the respected "old China hands" and he indicated in his conversation with me that he finds no evidence to dispute the Chinese claim to having wiped out venereal disease.

In the broader context of medicine and health care, the Chinese have developed radical methods to meet a radical need. In Peking an American media group, including this writer, had a long dialogue with a leading figure in the Ministry of Health who outlined the staggering dimensions of the health problem that the Chinese faced in 1949, year of the "liberation."

The health official, Dr. Chen Hai-feng, said that before "liberation" there were only 18,000 doctors in China and the entire system of treatment and prevention was pitifully inadequate. He said that the number of doctors had multiplied 26 times now but, in any case, what has made the Chinese system distinctive is the radical use of paramedical workers, including the celebrated "barefoot doctors." There has been no other way that the Chinese could build a system of health care to serve such a massive population, now estimated at around 800,000,000.

We were told that four principles have guided Chinese medicine under the people's Republic:

(1.) The goal is to serve "the workers, peasants and soldiers."

(2.) Prevention is the main task.

(3.) Western medicine and the traditional Chinese medicine (which depends heavily on herbs) must be integrated to use the best of both systems.

(4.) The medical program will be integrated with the mass movement of the revolution. "We must mobilize the masses" (in health care), Dr. Chen said.

It is in this fourth principle that the Chinese found an answer to their own peculiar dilemma. A conventional system of medical training could not have been built on anything resembling the massive scale necessary for such a population.

There are four levels of skill in the Chinese system:

At the top, the fully qualified doctors.

Next, the nurses, midwives and pharmacists.

Next, the "barefoot doctors," who receive brief, intensive training and are sent out into the countryside to minister to the peasants, who make up 80 per cent of the population.

Finally, the part-time workers, numbering millions, who are taught certain limited auxiliary skills.

We were told that there are 1,200,000 "barefoot doctors." They receive three to six months training to start, and are then sent out into the country prepared to diagnose and (ordinarily) treat 100 common maladies. They distribute birth control literature and devices, and disseminate information on disease prevention, they inoculate the peasants against communicable disease.

In a communal village about 60 miles from Hangchou, we visited a little clinic and talked one day to a "barefoot doctor," a responsive young man in his twenties.

He said he had spent two years training in the county hospital. (This was much longer than the training period cited in Peking, but perhaps he had started his practice at the village with less training than he has now.) On questioning, he said that when he found symptoms that he could not recognize, or could not treat successfully, he would send the patient to the regular doctor in a larger clinic or hospital. He uses both Western medicines—antibiotics—and the Chinese herbal remedies.

The basic theory with the "barefoot doctors" is that they recognize the limits of what they believe to be their competence, and refer a case to a higher level if it is complicated.

If there are few Americans who would settle for diagnosis and treatment by a "barefoot doctor," the health problem faced in China, with such an enormous population and starting with the scantiest of medical establishments, was not remotely comparable to the health problem in the United States.

In public health, as in so many other contexts, what's good for China, is not necessarily good for the United States, and vice versa.

No Concept of Freedom in the People's Republic

(By James O. Powell)

Peking.—China has achieved equality and fraternity in its new society but the individual liberty so cherished in the West does not exist. Nor is there any prospect that it will come into being except through some long and highly speculative revolutionary process.

An American visiting the China of Mao Tse-tung may find much to approve of, as previous dispatches in this series have indicated. What he will find forbidding is the regimentation of thought and expression, and the absence of the political rights that are so deeply rooted in the law and tradition of the Western democracies. The disciple of Voltaire and Thomas Jefferson may understand why the system in China has developed as it has, but he will find the system nonetheless in conflict with his own fundamental convictions.

In the early sixties Mao issued one of his poetic pronouncements that set off intense speculation and offered promise of new freedoms. It was his famous appeal to "let 100 flowers bloom" in the development of the new society; he said the flowers, or ideas, should "contend" and then be weeded for the best selection. The promise was illusory. In practice there has been much weeding, little blooming and contending. In point of fact the concepts of free press, free speech, free assembly, and academic freedom have no standing in China today. What everyone strives for is not the free blooming of ideas but the "correct" line of ideas, in accordance with the thought of Mao and of Lenin and Marx.

The newspaper correspondent or editor will find the most obvious issue in the Chinese concept of the role of the press. The Chinese are perfectly candid about their own view. An American media group visiting China, under arrangement of the China-American Relations Society, had an early (polite) confrontation with the Chinese system in long conferences here with representatives of the Hsinhua (New China) news agency. One group listened at length to Hsinhua's leading figures.

The first leading figure told us at the outset of purported grave errors into which the Chinese press had fallen in the years immediately ahead of the Cultural Revolution. He said that in those years the line of Liu Shao Chi, then China's second most powerful figure, proclaimed that newspapers should serve "all the readers," rather than "the workers, peasants and soldiers." Liu has since been retired into disgrace and oblivion because of many such heretical "revisionist" ideas.

To the Westerners, the thought of serving "all the readers" seemed unexceptionable enough but the Hsinhua leader explained that the Chinese believe it is impossible to serve the laboring and bourgeoise as well.

The speaker proceeded to report that Liu had also favored printing all the news whether it was for or against socialism. He said that he knew that Western correspondents believed in Lieu's "objectivity" principle in news reporting but that this concept was rejected by the Chinese press, now that the "correct" line had been established.

A second Hsinhua speaker subsequently developed further the Chinese Communist principle on expression of ideas. He said that in a socialist society the workers and peasants should not be exposed willy nilly to literature that came from a feudal society. In this concept books are carefully screened and even some books that are "historically good" are placed in limbo, he said, citing "Dream of a Red Chamber"—a famous literary work in China—in illustration.

The criterion is whether a book is "beneficial to socialism;" if it clearly is not it is described as "poisonous" and it is "criticized," the speaker added.

On this and other occasions in our tour of China there has been the familiar theme: What counts is whether an expressed idea is "correct" and whether it is "beneficial to socialism." The rule applies in literature and in the performing arts as well. The classic Chinese opera, for example, has been placed in limbo, pending a careful process of judgment.

In the universities, from all indications, the concept of academic freedom has been throttled since the Cultural Revolution.

The most common lament of Western journalists visiting the new China has been in the context of academic freedom. Ross Terrill, the Australian journalist and author, a good friend of China, has voiced his deep concern over what has happened to academics in China. Directors of the American Society of Newspaper Editors, on their tour of China last fall, were disturbed by a confession session they experienced at Peking University. Professors recanted their errors and sins in an abject fashion which the editors found appalling.

In the course of our own winter visit to Peking, our media group asked to see Peking University but was told that it is "much visited." We did not see Peking University. Perhaps it was coincidence but one suspects that Chinese officials have been reading all of their press notices including the critical ones.

Finally, in China, the individual who is accused or who has some civil grievance has very little idea of what he may expect from the system of justice. There is very little written law left in the People's Republic since the Cultural Revolution. There are no lawyers.

The theory is that China would like to have a society so well ordered that law isn't needed. It sounds grand but in application it simply means that the individual does not have the kind of guarantees in the courts that only formal, explicit law can provide. Justice demands a rule of law.

China has accomplished much in the last quarter century in giving its people equality and security and pride. The recognition of such accomplishment does not mean that the West—for its own part—will find much, if anything, to emulate in the political concepts of the Chinese socialist system.

THE ORGANIZED SOCIETY HEWS CLOSE TO THE LINE

(By James O. Powell)

Way back in the mists of the early forties there was an eminent school for political scientists in the United States who approved of what they saw developing in China under the tutelage of Mao Tse-tung but thought, naively or cynically—whichever way it was—that Mao was not so much a Communist as an "agrarian reformer."

They were quite wrong, not in realizing that Mao offered China more than Chiang Kai-shek offered but rather in their idea that Mao's principal objective was just to break up the estates and give the land back to the people.

He broke up the feudal estates, all right, but he also proved himself to be a dedicated Communist, apparently more intent than his contemporaries on keeping his country hewing to the ideological line. Indeed in the ideological argument between China and the USSR, now bitter enemies, it is Russia that accuses China of dogmatism and China that accuses Russia of revisionism.

An American visiting China is constantly impressed with the knowledge of what kind of political-social system obtains in the land. There are Marxist and Maoist slogans everywhere, and in the conference rooms of most institutions, kindergartens or factories or whatever, there is a ubiquitous quintet of pictures on the walls. Mao takes precedence, of course, but the other four are Marx, Lenin, Engels and—yes—Stalin. (The old butcher is still rated in China because, whatever he did in Russia, he was always helpful to China; it was Khrushchev who drove the opening wedge between the Red colossi.)

Certainly Mao's Communism puts emphasis on the peasant—China's population is 80 percent peasant—but Mao's dedication is such that in the mid-sixties he threw China into a violent upheaval, the Cultural Revolution, because he saw creeping revisionism eroding his idyll. In the Cultural Revolution various leaders in the Communist cadres were accused of a range of revisionist heresies: They were said to have encouraged the personal incentive in economic production, and to have established a bureaucratic elite rather than a classless society; they had also let "objectivity" slip into the reportage of current history even as they had grown soft on the bourgeoisie, or so it was alleged. Liu Shao-chi, the chief revisionist, had been Mao's apparent successor but he was removed from power and banished to obscurity. He is presumed to be alive somewhere in China—the Chinese do not "purge" their ranks in the brutal Stalinist fashion—but he has become virtually a non-person at the same time that his name is used everywhere as a symbol of revisionist error.

One institution for preserving the ideology and the fervor of the movement is the famous May 7 school. The concept of the May 7 school is somewhat misunderstood in the United States but if you visit one of the schools, as I did while on a midwinter tour of China, it seems something less than sinister.

As I interpret the purpose of the May 7 school, it has two main goals. One of them is to get urban types, especially bureaucrats, out in the country where they can gain or regain closeness to the earth, from which China's sustenance springs. The "students" at a May 7 school do hard work with their hands and nothing is too menial, including hauling night soil from the city on occasion. The other purpose is to give as many people as possible a study course or refresher course in Mao and Marx and Engels and the rest. They say that there are long waiting lists of applicants for May 7 schools, and I am prepared to believe it. In one sense it affords city dwellers a sort of working vacation in the country—and the one thing that the Chinese are not afraid of is work.

The parallels between Chinese Communism and religious movements are often remarked but in visiting a May 7 school outside of Peking I was struck with the sense of visiting a Southern Baptist retreat. The students were there to repent and study, and while they were so engaged they seemed to be having a good time as well.

In the circumstances let no one resurrect the idea that the Chinese are "agrarian reformers." They are Communists and probably better Communists than their bitter critics across the Sino-Soviet border.

In implementing the thought of Marx and Mao, the Chinese have going a completely organized society. Eight of us in a visiting American media group spent most of a month looking at the way the system works, from the ground or street level up, and it is fascinating to behold.

Every function or service in the society is organized into an agency but the fundamental units appear to be the farm commune, the factory, and the neighborhood (street) committee.

Some of the communes are enormous enterprises, managing lands and villages that once were mostly owned by landlords. Communes are divided into brigades, and one brigade may manage two or more villages and hundreds upon hundreds of acres of land. Communes and factories are organized as much as possible into complete social units, with schools and clinics, cafeterias and housing accommodations. In the cities there are street committees which are the basic governing units for neighborhoods; they manage the local governing functions and in addition, they organize little neighborhood factories in which housewifes (those who aren't going to work elsewhere) make small consumer items. In Shanghai we visited a street committee where everyone was engaged in one wholesome activity or another. In a neighborhood that once was one of the most notorious red light districts in the old, wicked-Shanghai, we found everybody engaged, as it were, in beating the reformers' drum.

The totality of organization in the Peoples Republic may appear formidable to the Westerner, especially the American, but then the American has no concept of what it's like to be one of 800,000,000. What's more, the Chinese have a sense of community which, for whatever reasons, may be beyond the comprehension of the West.

The organized society in China has unmistakable triumphs to its credit. One of them is in food production. China is the first Communist country that has become truly successful in agriculture, which is to say successful in feeding its own people.

There are only a few Westerners around who remember first-hand what it was like in the old China when famine and pestilence ravaged the land, while no government in a long succession had both the strength and the will to find an answer.

A LONG DAY'S VISIT TO A PLA CAMP

(By James O. Powell)

China and the United States have come a long way in the year since President Nixon made his historic trip to Peking. The progress may be measured in several ways but it was dramatically illustrated, in any case, in a visit that eight Americans, including this writer, made last month to a People's Liberation Army camp in South China.

As it happened the army unit that we visited was a much-honored regiment the 372nd, of a division, the 124th, that had fought Americans in the Korean war. We received a memorable briefing from the division's political officer, who recited the division's various exploits against the Nationalists, the Japanese and the "American imperialists in Korea" without embarrassment to either him or us. Thus far have we come from the state of open hostility that so recently was the norm in relations between Americans and the mainland Chinese.

We motored up one morning to the PLA camp, situated in the mountains about 60 miles from Canton, and spent the day as the guests of the 124th Division. We were treated rather like visiting Congressmen are treated on a visit to a U.S. Army camp. We toured the reservation, inspected its varied facilities, reviewed an exhibition of weapons fire on the range, and swapped rounds of toasts at an elaborate lunch (all Chinese meals are elaborate when there are guests) with much expression of wishes for good will between the Chinese and American peoples.

The Peoples Liberation Army is world renowned for its distinctiveness, and for the record it has made in a fairly short history. It was born in effective guerrilla war against the Japanese and in the Chinese civil war, in which it finally overcame the Nationalist forces of Generalissimo Chiang Kai-shek. Volunteers from the PLA were a formidable foe for the U.S. Army in the Korean War. What has intrigued world opinion, however, is the PLA's dismissal of rank. There are no generals or colonels or captains, nor fancy uniforms bedecked with fruit salad. Discipline and authority are strict but there is an egalitarianism in the PLA that enlisted men and former enlisted men the world over can savor especially.

It was an instructive day we spent with the 124th Division.

At the outset we were briefed by our leading escort, the political officer, and other cadre members. Then we were driven to the parade ground and weapons range. It was a picturesque scene with the mountains overhanging and low-flying clouds hiding the peaks. We watched, from a reviewing stand, a target practice that began with rifle fire and proceeded through exhibitions with the 75 mm. recoilless rifle, the 40 mm rocket launcher, the 82 mm. mortar, the conventional mortar, and machine guns. The target zones for the larger arms were chalked up on the mountainside, where the great puffs of smoke from the shell merged into the low clouds. The marksmanship was impressive and the squads manning the guns were superbly drilled. In addition to the target practice the PLA troops put on a show of mock hand-to-hand fighting.

After lunch we toured support and auxiliary facilities and paid a visit to the Fourth Company, the one which made the breach in crossing the 38th parallel in the Korean War.

A PLA camp is not quite like any other army camp in the world. The soldiers work as farmers on the side—we visited the company's truck garden and pig sties—and the wives of the cadre work six days a week in a little flashlight battery factory on the base. We visited the battery factory and were told that the output wasn't too important but that it kept the wives busy and productive.

We did not see any women soldiers in the camp. It seems that reports of women participating in the PLA have been exaggerated, although women are prominent in most other activities in the Peoples Republic, even to the hardest of labor in the fields and on construction projects.

The soldiers of the PLA are thoroughly indoctrinated with the philosophy of Mao and Marx. They have continuing political classes in which they study the works of the Communist heroes, and so do the cadre's wives. Here and there about the camp are Mao billboards proclaiming the need to struggle and work and carry on the revolution.

We visited barracks (which are alike the world over) mess halls, and the medical clinic. The PLA clinic is unique, for it employs herbal medicine as well as Western antibiotics. The clinic administrator showed us through a herb garden in which hundreds of varieties of herbs were being grown for medicinal purposes.

When they are especially needed, the PLA soldiers work on the communal farms nearby and are available to help the people in the countryside in any sort of emergency. In its agricultural production the Chinese Army is much like the Israeli army, although the Chinese would hardly care to admit it, such is their hostility to Israel.

In summing up thoughts on the PLA, one can assert that the PLA seems to be living up to its reputation for being, in fact, a popular army. In 26 days of visiting about China, it was my impression that the army is unobtrusive in the civilian life, even if no one has any illusions about the army's power.

The PLA is not much on swagger but it is inculcated with a concept of service that is not limited to defense. They say that the young Chinese are eager to be selected for the army, and I know of no reason to dispute the claim.

HIGH QUALITY MEDICAL CARE

Mr. DOMINICK. Mr. President, for those who have been concerned with finding ways to reduce the cost and improve the accessibility of high-quality medical care, two recent articles published in the prestigious New England Journal of Medicine merit our attention. One is an editorial by Claude E. Welch, M.D., chairman of the Massachusetts Medical Society's committee on publications, which publishes the New England Journal of Medicine. In comparing foundations for medical care, which provide comprehensive services on a prepaid basis while at the same time permitting reimbursement of physicians on a fee-for-service basis, with closed-panel group practice-type HMO's, Dr. Welch notes that:

> There is a great deal of evidence not only that fee-for-service is more acceptable to the majority of physicians but that it is economically more sound. The astronomical start-up costs of recently founded HMO's are a matter of record. Examples of less personalized attention to HMO patients than to regular private patients in the fee-for-service sector have been noted, and many people do not wish to purchase such expensive "complete" health services.

He concludes that:

> Foundations for Medical Care are more flexible than standard HMO's since they can engage in capitation forms of payment and modified risk sharing while at the same time retaining an incentive reimbursement form of payment to the physician. They are ideal models for Professional Standard Review Organizations (PSRO's) because of their emphasis on peer review and quality control. At the same time they ensure continued physician leadership and control of the health-care management system. Is the FMC the preferred health-care system and the name for the future?

The second article is by Richard H. Egdahl, M.D., at the Boston University Medical Center. Dr. Egdahl traces the development of the foundation movement and highlights some of the innovative things foundations are doing in the area of peer review, cost and utilization control, and improvement in the organization and accessibility of medical services. After carefully analyzing the characteristics of foundations for medical care, and their relation to other components of the health care system, he concludes that their performance to date indicates great potential for improving our medical care delivery system. He states:

> Foundations for Medical Care can have a major impact in the health field because of their goals, structure and experience to date. One result is the definition of quality standards in health care and the development of methods to ensure that at least minimal standards of high-quality health care are available to all citizens.
>
> . . . A principal challenge to the leadership of organized medicine during the next few years will be the necessity to develop administrative mechanisms to co-ordinate the practice of medicine in a manner that is acceptable to physicians, provides ready access to high-quality health care for the public and is financially responsible. The FMC represents one such mechanism.

In the course of debate on health maintenance organization legislation, I have contended that Federal support should be available to a variety of models for providing comprehensive services on a prepaid basis—including foundations. I have also emphasized that the foundation movement represents an effort to improve our health care system rather than an effort to preserve the status quo. These articles provide strong support for both points. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New England Journal of Medicine, Mar. 8, 1973]

WHAT'S IN AN ACRONYM: HOM OR FMC?

(By Claude E. Welgh, M.D.)

The term HMO (Health Maintenance Organization) was coined by Ellwood, and the concept supported by the present Administration in 1972. In last week's issue of the *Journal* the varying definitions and development of this system were reviewed in an authoritative fashion by MacLeod and Prussin.

Prepayment on a capitation basis by subscribers for health care (including costs of office visits, hospital and professional services by a group of physicians) designates the essential feature of the system. Deductibles and copayments may exist; preventive medicine is emphasized. Though future developments obviously are far from certain, it seems quite probable that eventually fee-for-service will be discouraged and reimbursement will resemble the British System in which general practitioners receive capitation payments and hospital specialists are on salaries.

If HMO's can produce the economies listed by the authors, why do most members of the medical profession view this new development with skepticism? An important factor is resistance to change, but more fundamental criticisms must be listed.

In the long run success or failure will depend upon financial stability. Certainly, at the outset the sponsors of any plan will assume a severe financial risk. Individual HMO's, even if ultimately successful, will lose money for several years. The present emphasis in economy in Washington will make developmental grants somewhat dubious, so that the underwriters of any such plan will incur important obligations. If doctors are to assume such risks to any great degree and upon personal HMO fails, the result could be catastrophe.

Major economies in a health system can be achieved only if physicians assume a share of the financial risks for otherwise there is no stimulus to economize on services that are rendered particularly in hospitals. But simultaneously many states are deeply in debt to their voluntary hospitals. Physicians are now blamed for their own fees; they are unlikely voluntarily to assume even greater risks that are involved in more vigorous support of hospitals and consequent conflict with the state reimbursing agencies. Incipient financial solvency could lead to a diminution in services for subscribers. Let us suppose for example that an HMO faced a severe deficit in September; to complete its fiscal year without staggering losses to the underwriters it is only reasonable to assume that elective operations such as cholecystectomies or hernias would be treated by surgeons in the following January rather than in December. It is hard to argue that this serves the best interests of patients.

On the other hand, let us suppose that a certain HMO returned a huge profit to the underwriters. Although one result would be a reduction in premiums for the subscribers the following year, it is far more likely that profits would be taxed and that in the following year, this favored HMO would be faced with the problem of financial insolvency that possibly could become the hallmark of HMO's just as it is with all hospitals today.

The medical profession is also piqued by the fact that it is often held responsible for "unhealthy" social habits such as alcoholism. Thus, many hospital wards would be empty if the ravages of excessive use of alcohol could be eliminated. Obesity, cigarette smoking, drug dependence, lead poisoning and many other health hazards are often preventable. It hardly seems fair to make the doctor responsible for these illnesses of a well informed but headstrong society. He certainly should not have his personal financial security linked to an improvement in his patients' drinking or smoking habits.

Other reservations could be cited. The free choice of physician or medical institution would be lost. Any referrals to world-famous clinics, even if requested by the patients, would incur additional financial losses for the HMO and surely would be discouraged. If several HMO's existed in one geographic area, the ethics of the marketplace would almost surely replace the professional status that the medical profession desires to maintain. Many people prefer to pay for what they receive; the nebulous cost of preventive services must be balanced against the payment for definitic services received, and there is a great deal of evidence not only that fee-for-service is more acceptable to the majority of physicians but that it is economically more sound. The astronomical start-up costs of recently founded HMO are a matter of record. Examples of less personalized attention to HMO patients than to regular private patients in the fee-for-service sector have been noted, and many people do not wish to purchase such expensive "complete" health services.

In 1969 there were 396 medical groups with prepayment plans in the United States. However, only 85 of them provided over 50 per cent of their services on a prepaid basis, and only 18 stated that 100 per cent of services were prepaid. Thus, the attitude of the medical profession has been one of watchful waiting; with the exception of several large successful groups (e.g., Kaiser and Ross-Loos) the track record of other prepayment groups has not been established on a firm enough basis to invite enthusiastic response.

This combination of prejudice, logic and, perhaps, nonlogic has made most members of the medical profession somewhat slow to approve the promise of HMO's. On the other hand, pilot projects are observed with great interest.

Meanwhile, Foundations for Medical Care (FMC), described in this issue by Egdahl, provides a potentially attractive way for the physician who desires to continue practicing in a fee-for-service setting under a cost-effective management. FMC's are more flexible than standard HMO's since they can engage in capitation forms of payment and modified risk sharing while at the same time retaining an incentive reimbursement form of payment to the physician. They are ideal models for Professional Standard Review Organization (PSRO's) because of their emphasis on peer review and quality control. At the same time they ensure continued physician leadership and control of the health-care management system. Is the FMC the preferred health-care system and the name for the future?

Claude E. Welch, M.D.

Foundations for Medical Care

(By Richard H. Egdahl, M.D.)

(Abstract Foundations for Medical Care are management systems for health-services delivery, set up and run by physicians. "Claims-review" Foundations for Medical Care restrict themselves to peer-review activities consisting of reviewing payment claims that fall outside of established norms and are referred by fiscal intermediaries. "Comprehensive" Foundations for Medical Care, on the other hand, set minimum benefits packages and process all patient-services payment claims for peer review when appropriate. Significant cost reductions have been demonstrated by comprehensive Foundation peer review. Additional savings have been realized by adding hospital certification to the process. Some comprehensive Foundations have assumed a portion of the underwriting risk for a defined population and have provided comprehensive health services for a fixed annual sum on a capitation basis, thereby qualifying as Health Maintenance Organizations. Foundations for Medical Care have potential as a cost-effective management mechanism for the delivery of health services with a high level of quality assurance.)

"The Foundation for Medical Care (FMC) is a management system for community health services," says Mr. Boyd Thompson,[1] executive director of the American Association of Foundations for Medical Care. A Blue Cross Association monograph on the subject [2] states that "A Foundation for Medical Care is an autonomous corporation sponsored and organized by a local (state or county) medical society concerned with the quality and cost of medical care." Dr. George Himler [3] has said of Foundations for Medical Care (FMC) that "They create a group-practice setting for physicians who prefer to remain in individual private practice. They make it possible for such physicians to participate in capitation prepayment programs and meet requirements for peer or professional service review." Taken together, these definitions summarize the features of the FMC movement. FMC's have spread rapidly across the country during the past few years from their origins in California counties and are now a nationwide phenomenon. The recent passage of HR–1 (PL–92–603) has given a further major stimulus to physicians who must set up organizations to carry out professional standards review. My purpose is to trace the development of the FMC's and to analyze their relation to key features of America's health-care delivery system.

ORIGINS

The first FMC was formed in San Joaquin County, California, in 1954 [4] to provide comprehensive health services to labor groups dissatisfied with their previous medical-care arrangements. A paper written in 1960 [5] pointed out that the medical profession and labor groups alike were very pleased with the medical care delivered by the San Joaquin FMC. The article goes on to state, "This experience raises the question as to the reasons for the success of the system in San Joaquin County. Organizational innovations of this type depend on the appearance of the appropriate personal leadership at a time when external circumstances are pressing for a change from established practices." The stimulus to the development of the San Joaquin Foundation was the potential threat to the local physicians of losing patients to the Kaiser system, which reportedly had made overtures to the local labor groups and represented a centralized administration and salaried physicians. A key feature of the FMC movement is its dedication to an incentive reimbursement system for participating physicians in which income is received in direct proportion to the amount of medical services delivered (i.e., fee-for-service). The county-medical-society charters did not permit them to carry out the wide range of health-service activities that were needed, and the societies therefore set up separate corporations, which were the first FMC's.

DESCRIPTION OF FMC OPERATIONS

There are basically two different types of FMC: a "comprehensive" and a "claims-review" type. Both have similar legal charters, do peer review and have an intense interest in problems of access, quality and cost of medical care in their communities. Both are formed by the state or county medical societies and have a predominance of physicians on their governing boards. There is a recent trend toward having consumer members on the policy boards of FMC or setting up separate advisory consumer boards. Both types of FMC are concerned with providing some regulation of physician fees from within the profession and have committees that assess the appropriateness of the local physician fee structure.

Despite superficial similarities, the differences between the two types of FMC are fundamental. Comprehensive FMC's have two principal functions, the first to design and sponsor prepaid health-insurance programs, and the second to carry out peer review on health-care quality. Each FMC sets up a minimum standards committee, which determines the ambulatory and hospital coverage that must be included in the insurance benefit package. The FMC will then negotiate with fiscal intermediaries such as Blue Cross or commercial insurance companies, which will provide these benefits in an FMC program. In addition, a quality and cost committee develops criteria of patient care, including such features as length of stay, treatment routines, and appropriateness of drug use. The FMC also has a committee concerned with fees, and in California, physician members of foundations have agreed to accept the California relative-value study (CRVS) and the conversion factors that are agreed upon for each local area. Participating physicians are expected to bill their usual fees, and payment is made according to the relative-value system.

It is obvious that in setting up a prepaid health-service activity, some type of control of payment to physicians is necessary, and since the comprehensive FMC is dedicated to the fee-for-service principle of reimbursement, no program can be actuarily sound without agreement by physicians on maximum fees coupled with appropriate peer review to prevent overutilization of treatments and procedures. Comprehensive FMC's review all physician-generated claims according to their peer-review criteria, and in the development stages of new FMC's, up to 20 per cent of the claims are forwarded for peer review by physicians. As experience accumulates and physicians adjust their practices to conform to peer-review guidelines, the percentage of claims reviewed by physicians is considerably decreased. If a claim is not approved by an individual physician reviewer, it will be referred to a panel of physicians. About 1 or 2 per cent of all claims are reviewed by the full peer-review committee. Physicians who carry out peer review are paid an hourly fee. Final appeals are made to the full committee and ultimately to the county or state medical society or state health unit.

Manual data processing by clerical personnel was carried out in the early experiences of the foundations. Computer methods have recently been developed to process greatly increased claims volumes, making it possible for the foundations to preserve the rapid turn-around time from claim receipt to check writing that is so important to the participating physicians.

In the comprehensive FMC the fiscal intermediary applies its experience rating to insurance groups or individuals, sets and collects the premiums, and promotes, markets and underwrites the health program. The FMC sets standards for medical coverage, receives, processes, and reviews all claims and may issue checks to the providers. The FMC charges the fiscal intermediaries 2.5 to 4 per cent of the total premium for these administrative functions and approximately 0.5 per cent of premium if the FMC checks the eligibility of the subscriber. These percentages are not additive but are part of the normal administrative costs. Hospital utilization review may add another 1 per cent.

As experience accumulates, the comprehensive FMC has the capability of sharing a small portion of the underwriting "risk" on

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the prepaid benefits package. The physicians involved in "at-risk" programs have an extra incentive to exercise cost control since they share in the financial obligations of delivering services to their consumer public for a fixed annual sum. Any tendency to deliver fewer services than are desirable in an "at-risk" program is prevented by a very comprehensive peer review set up to control underutilization as well as overutilization of health-care services.

When the California FMC's were established, they first had to sign up the majority of physicians in the area who were willing to accept CRVS and the principle of conversion factors, as well as the general concept of the FMC. Next, the minimum standards committee defined the benefit package that suited the needs of its patient population, and the FMC then made available its plan to local groups who bought health insurance for their membership, including businesses, school systems and unions. The basis for consideration of the FMC plan by various employers is the potential for receiving health care of better quality at a lower cost. The fiscal intermediary that accepts the risk is designated the carrier for the FMC plan by the insured group, and obviously has carefully investigated the actuarial and financial aspects of the plan, including potential savings on peer review by the FMC, before making a bid.

The advent of Medicare and Medicaid has added a large new group for the FMC to negotiate with on comprehensive health-care benefits. This "government business" now constitutes the majority of many FMC activities, including even the original California FMC's. Whereas a few trained clerical personnel were adequate to process claims on the "commercial businesses" of a typical California comprehensive FMC, it is now not unusual to have more than 10 times as many personnel to handle the government business. This has led to the development of computer technics to aid in the screening process and to the development of "model treatment profiles" with which to contrast individual and group physician performances.

In contrast to the comprehensive FMC, the claims-review FMC does not design and sponsor prepaid health programs or set minimum benefits of coverage. Instead, it seeks to provide peer review by physicians to the numerous fiscal intermediaries involved in its area, including the ones processing Medicare and Medicaid. Review of claims processed by the insurer falling outside established norms is carried out by the physician peer-review committee of the claims-review FMC. Although the claims-review FMC may undertake other educational and administrative activities in the health-care field, it does not seek to become involved in the operation of health-care programs, but rather is a partner to the insurance companies and Blues, which carry out the bulk of the work involved in claims processing and initial screening. It does not have ready access to the total data base. The Foundation for Health Care Evaluation of the Minneapolis-St. Paul area represents a claims-review FMC model. The physicians in this area, acting through the FMC, have developed a "book of norms" that is used by the fiscal intermediaries to perform the initial screening process before they send on to the FMC claims that fall outside the norms.

In some states, several different county medical societies are activating FMC's, both of the comprehensive and of the claims-review type. In Massachusetts, for example, Barnstable and Hampden Counties are developing comprehensive FMC's, whereas some of the county medical societies of the Greater Boston Area currently appear to favor the claims-review type. FMC's are also being established at a state level and especially in the larger states are called Institutes and function as co-ordinating bodies for the various county FMC's. The state FMC's have an appeals function on peer review and often sponsor statewide programs such as claims review or hospital certification of Medicaid patients. There has not been a trend in the statewide FMC's toward sponsoring prepaid health programs, or setting minimum benefits as is true of the comprehensive county FMC's.

CURRENT NATIONAL PICTURE

There are currently 18 FMC's operating on a statewide level and 43 on the county-medical-society level, in 27 states.[6] Most of the other states have made plans for establishing FMC's at the state level, and in each of the states where there are not currently active county FMC's, considerable ferment exists about the appropriate role of the county medical society in health-care quality and cost review. This activity has been increased greatly as a result of the passage into law of HR-1, with its requirement for Professional Standards Review Organizations. The foundation movement now has a national society, the American Association of Foundations for Medical Care. To assist developing FMC's, the Association has set up the "Medical Administrative Technology Service,"[7] which can be approached by medical societies and other groups that would like information on how to set up a foundation, or about details of FMC operations.

PERFORMANCE RECORD OF FMC'S

Peer review

Peer review has been defined as "evaluation by practicing physicians of the quality and efficiency of services ordered or performed by other practicing physicians."[8] Comprehensive FMC's in California have many years of experience with intensive peer review, which has produced important savings in medical costs with no decrease, and often appreciable increases in, quality of care. A recent article in the Wall Street Journal[9] describes the New Mexico FMC peer-review procedure and emphasizes the point that only a tiny portion of savings on Medicaid payments results from reviews of physicians' fees, in contrast to the much larger amounts saved by discouraging excessive or unnecessary utilization of high-cost medical facilities. One weakness inherent in current hospital-utilization committees is eliminated in FMC peer review through use of panels of respected and competent physicians who review work of physicians across a far broader range than one institution. The criticism that it is difficult for a group of doctors to police itself appears to be true only when the group is particularly inbred, and examples abound of FMC peer groups, even in relatively small communities, exerting strong leverage towards change in practice patterns of physicians who deviate from accepted methods of diagnosis and treatment.

A recent article in Business Week[10] quotes the executive claims officer of the San Joaquin FMC as describing only about 1.5 per cent savings on fee review, but between 12 and 15 per cent savings on the total premium involved by cutting down on overutilization. Computerized technics and the use of model profiles have greatly improved the ability rapidly to spot aberrations in standard treatment regimens. The comparison of Medicaid costs in the California counties of San Joaquin and Ventura (which contains roughly the same population mix but has no FMC as San Joaquin does) revealed an average annual patient cost per day of around $52 in San Joaquin as compared with $63 per day in Ventura.

Although it appears convincingly demonstrated that peer review works well in preventing overutilization of physician services and laboratory work, criticism has been voiced that physicians who share in the underwriting risk of a prepaid health plan may be biased to underutilize desirable services, and that this practice is very difficult to detect. Sophisticated computer programs, however, provide the possibility of ferreting out patterns of diagnosis and treatment procedures according to standards of good medical practice in the community. Such programs require a very adequate data base on the health of the patient population served.

The model treatment program being tested in San Joaquin incorporates physicians' services, surgical procedures, laboratory and radiologic services, injections, inpatient care, medical supplies and drugs.[11] The computer looks at the diagnosis made by the physician, pulls the treatment criteria associated with that diagnosis from the model treatment system, and then matches the patient's diagnostic and treatment history with the model treatment. Cases that appear to fall outside the acceptable bounds of medical practice are referred for peer review to individual physicians or to the full committee if the individual physician reviewer thinks that step is indicated. The major advance of the model treatment system is its ability to be used in any area of the United States with modifications based on local practice, and then to be applied to patient-care practices of individual physicians in that area.

Although the claims-review FMC also has panels of physicians reviewing claims referred to them by the fiscal intermediaries and falling outside the "book of norms" or other practice standards, there are no published data indicating the degree of savings that have been achieved by this form of peer review. Experience over the next several years will answer the very basic question whether possible savings from the claims-review FMC can approach the ones that have been achieved by the comprehensive FMC's over the past several years. The fundamental differences in motivation, in range of review content, and in authority between the two types may indicate a considerable difference in end results.

Hospital certification of medical necessity

Another form of peer review by comprehensive FMC's is hospital certification of patient admissions. Retroactive denial of payment claims for hospitalization leads to much bitterness on the part of both the patient and the physician. To alleviate this problem, the Certified Hospital Admission Program was implemented by the Medical Care Foundation of Sacramento in the fall of 1969.[12] The Program was the result of a co-operative effort between the California-Western States Life Insurance Company and the Medical Care Foundation of Sacramento to develop a ". . . comprehensive private health insurance plan that could be presented at a reasonable premium, that allows for freedom of choice of physicians and hospital, that is adaptable to various consumer groups and that would be supported by both the insurance industry and the medical profession." The Program approach to utilization was based on experience in the Medical Care Foundation's peer-review mechanism, which showed that any effective hospital utilization plan of control must be carried out before and during hospitalization and not after discharge. No claims were paid on hospital charges for patients whose admission was not certified as necessary before hospitalization. The potential for decrease of unnecessary hospitalization and reduction in average hospitalization time led Dr. Earl W. Brian,[13] Secretary of Health and Welfare of the State of California, to institute a statewide prehospital certification program for all Medi-Cal patients in 1970. During a nine-month study period, overall hospital utilization by Medi-Cal patients decreased by approximately 16 percent, and admissions by 11 per cent. The average length of stay was only slightly decreased, and it was believed

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that a more profound effect was masked by the elimination of some short-stay, unnecessary admissions. The reduced hospitalization reversed a trend that had been developed under Medi-Cal since 1968. Dr. Brian concluded that the effect of the controls was primarily to deter unnecessary hospitalization and that alternative explanations for the reduced utilization were not satisfactory.

Favorable experience in the Sacramento FMC with the Certified Hospital Admission Program led to the development of other FMC hospital-certification programs, the largest of which is the Hospital Admission and Surveillance Program in the state of Illinois.[14] The primary purpose of this program was to produce cost savings by cutting down unnecessary hospitalization, and a secondary purpose was to provide for concomitant improvement in the quality of medical care being received by Illinois Medicaid beneficiaries. The Chicago Tribune [15] reports a drop of 2.2 days in the hospital for the average welfare patient and savings to the taxpayers of 1.7 million dollars a month. The administrative costs of the program are about $300,000 a month. The article also asserts that no one has yet complained that any Medicaid patient was discharged before he was healthy enough to go home. Some members of the Illinois Hospital Association, however, believe that the program costs more than would be necessary to carry out the same program with use of utilization review procedures that already exist.[16]

Other criticism has been expressed about the program's approach by members of the Council of Medical Staffs, a group of physicians who do not think that here is a crisis in health care costs and are opposed to governmental financing of health care and especially to attemtps to regulate quality and costs of medical care purchased by those federal funds. If accumulating evidence continues to indicate that hospitalization certification programs do not adversely affect medical care but do result in large savings in medical costs, a careful re-evaluation of the numbers of hospital beds needed in each community will be necessary. It is possible that increased utilization of intermediate-care facilities and nursing homes and the broad range of social services will occur as a result of careful prehospital peer review of admissions and strict peer review of length of hospitalization. Spurred on by the success with the Certified Hospital Admission Program, the Sacramento FMC has recently become involved in advanced screening of admissions to nursing homes.[17]

DRUG PEER REVIEW

Peer-review procedures can also be applied to patients' utilization of prescription drugs.[18] A special drug-utilization review committee that has been operative in San Joaquin since 1970 consists of four community pharmacists and one physician. Profiles that the computers provide on physician drug-utilization patterns assist this group in the evaluation of different cases and problems. Drug peer review has led to an average FMC prescription drug cost of $4.50, as compared with a statewide average of $5. Careful screening of the records enables the FMC to save the State about 12 per cent of the total 1.9 million dollar drug bill in the FMC area. In addition, usage patterns involving inordinately large numbers of barbiturate and amphetamine prescriptions suggesting possible serious drug abuse are easily detected.[19] Finally, incorrect dosages or other inappropriate usage patterns are easily detected by the computer profile and made available to the peer-review committee for transmission personally to the prescribing physician. Projection of the premium savings of 12 per cent in San Johquin to the national drug bill of 8.5 billion dollars suggests that a total of 1.03 billion dollars of unnecessary expenditures in the cost of medications alone might have been saved by effective drug-surveillance programs and peer review.[20]

ACCESS TO HEALTH CARE OF DISADVANTAGED PATIENTS

The comprehensive FMC offers a mechanism whereby various groups disadvantaged with respect to health care can work out their problems. Four California FMC's have developed a multiphasic screening program for the Cannery Worker's Uuion. Monterey FMC has established a clinic in King City for Mexican-American farm workers that has brought care to a very impoverished group with little access to care previously. The San Joaquin FMC has developed stationary and mobile clinics that care for 22,000 migrant workers. The same foundation provides care for 48,000 Medicaid patients,[21] including the blind, disabled and families with dependent children whose welfare payments are inadequate for independet sustenance. In Atlanta a Spanish-speaking switchboard was established by the FMC. As Dr. Dowda, of the Georgia FMC, has said,[22] "The important thing is the ability to survey a community and then provide what the people there need, namely a way to get into the medical care system, and once they're in the assurance of quality care delivered in the most appropriate and least expensive setting." The Georgia Foundation has set up various outreach clinics and special programs for the underdoctored rural areas of Georgia that have brought health care to many persons who previously have not had access to physicians' services. These programs have all been carried out by the Georgia FMC by means of a combination of financing mechanisms, but building on one of the basic FMC goals of providing whatever services the community needs.

HEALTH SERVICES RESEARCH

Many of the comprehensive FMC's are carrying out health-services research using planning grants for the development of Health Maintenance Organizations or Experimental Medical Care Review Organization grants, which are designed to obtain experience with various approaches to professional-standards review.[23] The computerized model treatment profiles developed by FMC's should be of great value in the assessment of the quality of medical care. Certainly, FMC's have the qualifications to be among the leaders in providing appropriate national guidelines for standards of medical diagnosis and treatment.

HEALTH MAINTENANCE ORGANIZATIONS AND FMC'S

Ellwood,[24] MacLeod [25] [26] and others have described the conditions under which FMC's can qualify as Health Maintenance Organizations. They must give comprehensive health care to a defined population on a prepaid basis. An example is the Foundation Community Health Plan developed by the Sacramento FMC, which has a contract with the State of California to provide comprehensive health-care coverage for up to 56,000 Medi-Cal recipients. Enrollment is proceeding on an individual basis at a weekly rate of approximately 2000. Physicians share in the risk, and the program has the enthusiastic support of various state officials because of its potential for further cost savings, in addition to those achieved from a combination of high-qulaity peer review and prehospital certification. The physicians are reinsured by an insurance company for 90 per cent of the risk, so that their personal share of the risk is about 10 per cent.

FEE FOR SERVICE

One fundamental operating procedure of the comprehensive FMC's is their utilization of the fee-for-service payment to physician providers. Debate has sharpened during the past few years over whether it is possible to preserve a true fee-for-service system within the framework of a capitation payment in which fixed dollars are available for comprehensive health services. An article in Medical World News on December 3, 1971,[27] quotes the AMA's Executive Vice President, Dr. Ernest B. Howard, as being very much afraid that fee for service will not survive under capitation arrangements. Dr. Howard mentions the San Joaquin FMC in his quoted remarks and states, "but if the money runs low at the end of the year, the doctors must take reduced fees." Indeed, this is exactly what happened in an "at-risk" program in a comprehensive California FMC a few years ago. After one year in which there were surpluses that were applied to various health programs, the second year was followed by a period in which funds were not available to pay physician providers at the terminal part of the year. However, experience with this and other prepaid programs with a risk component for the physician providers has provided the actuarial and other background for such "at-risk" programs as are now successfully being carried out in Sacramento and San Joaquin.

There seems to be no reason why a planned comprehensive health program involving known utilization patterns and agreement on the use of fee schedules could not develop reasonably accurate figures for capitation payments for the area's population. Indeed, a combination of careful scrutiny of utilization patterns, vigorous peer review, agreement on fee schedules, and maximal use of health-care technology and allied health personnel appears to be the basic mechanisms through which it will be possible to regain control of presently runaway health-care costs. The role of risk sharing by providers is not yet clarified in terms of cost savings and quality of health care, but it appears to have potential if underutilization can be prevented. Many physicians in this country desire to be reimbursed on a fee-for-service basis, and the comprehensive FMC provides about the only responsible vehicle available whereby they can achieve this objective, and at the same time participate in an organized, cost-effective, high-quality, health-care delivery system.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS AND FMC'S

The recent signing into law by the President of H.R. 1, creating Public Law 92–603 [28] establishes Professional Standards Review Organizations that will monitor the quality of health care paid for by the government under Medicare and Medicaid. These organizations, to be set up and run by physician groups at least until 1976, must certify that health services are necessary, that quality meets professionally recognized standards of care and that the type of facility used is the most economical in keeping with medical needs. The legal requirement for the Review Organizations has provided a major stimulus to county, state and national medical societies that have been holding back on becoming involved in health-care delivery-system management. The comprehensive FMC's provide a unique resource in terms of experience in professional-standards review. Much of the language and detail in PL 92–603 was tailored after the foundations' experience, and Senator Bennett,[29] who introduced the Review Organization amendment to H.R. 1, stated "It is no secret that much of the concept embodied in the Bennett amendment came from the foundation movement."

RELATIONS TO OTHER COMPONENTS OF HEALTH-CARE SYSTEM

The comprehensive FMC movement has not occurred without the development of a moderate amount on controversey and friction between the FMC's on the one hand,

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and the rest of the health-care industry on the other. This dispute is exemplified perhaps most directly by the attitude of the major insurance companies toward the Foundation for Health Care Evaluation in the Twin Cities on the one hand, and the comprehensive FMC's in California on the other. As has been described, the Twin Cities Foundation does not undertake to set minimum benefits, or to review all claims, but serves as an adviser on standards to the insurance companies and carries out peer review on a referred basis. Comprehensive FMC's, on the other hand, during the course of establishing minimum benefits packages, reviewing all claims, and expanding health-care services in a variety of ways, have development to a greater or lesser extent data bases, computer operations, some actuarial strengths and, in the Sacramento FMC, considerable individual marketing capabilities, all of which appear to be invading management territory that was formerly the exclusive prerogative of the fiscal intermediary.

These are other obvious potential trouble areas involving the insurance companies and the comprehensive FMC's. If, for example, a comprehensive FMC processes all claims for review, the insurance company becomes involved in a quite dependent relation with the FMC, If, on the other hand, the insurers decide that the per-review procedures of the claims-review type of foundation are not needed, they can simply terminate their procedures. Furthermore, the development of actuarial, marketing, and sophisticated data storage and computer technics by the comprehensive FMC's makes it possible for these FMC's to underwrite directly business with large corporations that self-insure their employees. This gives the FMC's considerable latitude in directly approaching any group they want and offering a competitive package of comprehensive health benefits involving a large panel of FMC physicians. The Blue Shield organizations have often criticized the comprehensive FMC's in the same way as the insurance companies have.[30]

The American Hosptial Association recently published a manual entiled "Quality Assurance Program for Medical Care in the Hospital." [31] This manual emphasizes hospital trustee responsibility for quality of care of the institution and suggests that the physicians, although they may belong to an FMC, must answer to the trustees for the quality of care in the hosiptals they practice in. Although it is probable that leadership of the Association will accept established comprehensive FMC's as the Professional Standards Review Organization leaders in their areas, it is much less clear what position the hospitals will take on the structure of the Review Organizations in areas where comprehensive FMC's have not been developed.

Fortunately, there are examples of co-operation between FMC's and the providers that may provide the basis for effective co-operating inter-relations among the private sector. For example, the San Joaquin FMC has joined together with the Hospital Council of Central California to form the Big Valley Foundation for Medical Care. A similiar close collaboration between hospitals and physicians exists in Clackamas County in Oregon, where for many years a comprehensive FMC arrangement has existed, although it has not been called a foundation. Another collaborative relation is developing between the University of Southern Alabama in Mobile and the Mobile Foundation for Medical Care. The charter of this FMC is written to include close working relations between the developing Medical School at the University of Southern Alabama and members of the practicing medical profession that have formed the FMC. It is to be expected that other medical centers will become involved in FMC activities as increasing experimentation on quality assurance is carried out as part of attempts to develop vigorous and effective Professional Review Organiaztions.

CRITICS OF FMC'S

As Mr. Harry Schwartz, of the New York Times, stated on January 2, 1972,[32] "Foundations are under attack by doctors of the right and left." He goes on to declare, "the most individualistic physicians see it as a step towards socialization and they particularly resent the idea that any committee of physicians should have the right to review any doctor's bill or his method of treatment. Proponents of the Kaiser scheme argue that the foundation is too loose in organization and therefore, shares many of the inefficiencies of the ordinary solo practitioner method of medical practice."

Some physicians believe that "The review function can only exist when it is performed by the medical profession. It ceases when third parties are involved. Contamination of the peer review by the introduction of the primarily financial interests of the third party destroys the very nature of the function." [33] It is obvious that society's demand that means be taken to ensure high-quality and patient-oriented health care at the most reasonable cost are on a collision course with physicians who believe that fees, hospitalization costs, and quality standards are confidential matters that do not involve the public.

DISCUSSION

FMC's can have a major impact in the health field because of their goals, structure and experience to date. One result is the definition of quality standards in health care and the development of methods to ensure that at least minimal standards of high-quality health care are available to all citizens. Although the principal thrust of peer-review programs has thus far been in both a voluntary and educational direction, the Professional Standards Review Organization part of HR-1 creates a federal regulatory mechanism for health-care quality assurance. If physicians do not create leadership positions for themselves in the Review Organizations other nonphysician leadership unquestionably will emerge. The spending of increased dollars for health by the federal government is increasingly accompanied by demands from the public for accountability with respect to health services on the part of the medical profession.

Modifications of both the comprehensive and claims-review FMC's will be necessary to satisfy Professional Standards Review Organization legislation. In addition, mandated Review Organizations will provide the basis for resolution of problems involving access to data by FMC's and fiscal intermediaries, and lead to a clear-cut delineation of the roles for each of the components involved in the delivery of health services. With respect to quality assurance, it appears, therefore, that the claims review FMC's, with some major modifications to include review of all claims and development of complete data on Medicare and Medicaid patients, may be able to become central figures in Professional Standards Review Organizations, as can comprehensive FMC's with rather minor modifications.

In addition to peer review, comprehensive FMC's have the potentiality of improving the management, services and financing of the country's health-care delivery system. A comprehensive FMC, by definition, is concerned with the benefit packages involved in health insurance carried by its patients, and as a result, becomes an active participant in designing health-care programs that are both high quality and cost-effective. Thus far, only a few FMC's have shared the underwriting risk with the fiscal intermediaries in these plans, but where they have, additional savings have been achieved beyond those associated with peer review alone. A very basic question that must be resolved out of the experiences of the next few years centers around the importance of "risk sharing" by the physicians in achieving maximal cost effectiveness in health services delivery programs. In other words, it is adequate for well managed comprehensive FMC's to design minimum services benefits that are underwritten and marketed by fiscal intermediaries and result in comprehensive health care to patient populations, or is it necessary to have the physician share in the underwriting risk to maximize physician cost consciousness? And if the physician does share in the financial risk, is it possible to carry out effective peer review for underutilization?

Another approach to health-services cost effectiveness has been taken by the advocates of closed-panel prepaid group practice, as illustrated by the Kaiser health-care system. In the Kaiser plans, a limited number of full-time salaried physicians deliver comprehensive health services in a centrally coordinated practice environment, as contrasted to the large open panel of physicians reimbursed on a fee-for-service basis in a relatively unstructured practice environment in the comprehensive FMC's. The Kaiser financing mechanisms are so designed that there is no built-in momentum toward expensive hospitalization for diagnostic work-ups—for example, as has often been the case with private insurance plans. In addition, the Kaiser physician shares financially to some extent by means of a year-end bonus if the costs for delivering health care to his patients are less than premium income. In a sense, because his total income varies somewhat depending on the success in keeping the patient population healthy, the Kaiser physician might be said to be at a small partial risk for the total cost of health care for his patients.

This analysis of risk sharing by physicians in prepaid health plans is especially important because of the fiscal intermediaries and their role in health-services delivery. As long as comprehensive FMC's limit their activities to the design of health-benefits packages and vigorous peer review of claims, it is possible to imagine a relatively satisfactory symbiotic relation between the carriers and the FMC. On the other hand, if it becomes apparent that maximal productivity is only achieved when physician providers are at some risk, a potentially much more troublesome interface exists between physicians and carriers. In addition, the development of physician-run Professional Standards Review Organizations, with extensive data-processing capabilities, has the potential for further exacerbating the problem. The basic fear of the carriers is that physicians, stimulated by the need for their personal satisfaction concerning the actuarial soundness of "at risk" programs, taken in combination with their involvement in peer review, could either totally bypass or incorporate on their own terms fiscal intermediaries of all sorts. If these fears were realized, comprehensive FMC's, with "at-risk" programs, could design, underwriter and market their own prepaid comprehensive health-services programs, with quality assurance carried out by the same physicians through the Professional Standards Review Organization. Of course, the fiscal intermediaries would have the same concern about the Kaiser type of prepaid group practice. It is essential, because of the great fiscal, actuarial, and marketing strengths of the fiscal intermediaries, that mutually satisfactory relations be worked out with the medical profession.

Today, the FMC's and Kaiser-type group practices involve only a relatively small percentage of the nation's physicians. However, the future of unorganized fee-for-service practitioners is uncertain because of the difficulty in achieving cost effectiveness without an overall management mechanism such

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as the FMC. A principle, challenge to the leadership of organized medicine during the next few years will be the necessity to develop administrative mechanisms to co-ordinate the practice of medicine in a manner that is acceptable to physicians, provides ready access to high-quality health care for the public and is financially responsible. The FMC represents one such mechanism.

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BRITAIN'S WHITE PAPER FOR NORTHERN IRELAND

Mr. KENNEDY. Mr. President, on Tuesday of this week, the Government of Great Britain announced its long-awaited White Paper for Northern Ireland. As I indicated on Tuesday, I believe the proposal is a small but constructive forward step in Britain's policy toward Ulster, and I welcome it as perhaps the most solid foundation we have seen so far on which to build a realistic policy for the future.

But it is only a foundation. The new Northern Ireland assembly, based on proportional representation, is a hopeful beginning but it cannot be allowed to become the high water mark of British policy. Almost all of the details of shared legislative and executive power in Northern Ireland are left for future resolution, including the status and powers of the Council of Ireland, on whose reality the hopes and dreams of the minority so much depend.

At least, however, the foundation has now been laid, and men of good will on both sides can begin to build their future. If Britain and the people of Ulster use the opportunity to create a future of peace and evenhanded justice in Northern Ireland, then the promise of the white paper will be met, and the legitimate aspirations of both sides will be fulfilled.

Mr. President, I believe that the white paper will be of interest to all of us concerned with seeing an early end to the tragedy in Ulster, and I ask unanimous consent that the white paper may be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

NORTHERN IRELAND CONSTITUTIONAL PROPOSALS

(Presented to Parliament by the Secretary of State for Northern Ireland by Command of Her Majesty, March 1973)

PART 1—THE SEARCH FOR CONSENSUS

The Paper for discussion

1. In October 1972 the Government published "The Future of Northern Ireland: A Paper for Discussion". This Paper reviewed the background, set out the proposals made up to that time by the Northern Ireland parties and other interests, together with the wide range of theoretical options, established the basic facts—political, economic and security—which would have been taken into account in moving towards a settlement, and stated the criteria which firm proposals for the future must meet.

2. These fundamental criteria were set out in paragraph 79 of the Paper as follows:

(*a*) In accordance with the specific pledges given by successive United Kingdom Governments, Northern Ireland must and will remain part of the United Kingdom for as long as that is the wish of a majority of the people; but that status does not preclude the necessary taking into account of what has been described in this Paper as the "Irish Dimension."

(*b*) As long as Northern Ireland remains part of the United Kingdom the sovereignty of the United Kingdom Parliament must be acknowleged, and due provision made for the United Kingdom Government to have an effective and continuing voice in Northern Ireland's affairs, commensurate with the commitment of financial, economic and military resources in the Province.

(*c*) Any division of powers and responsibilities between the national and the regional authorities must be logical, open and clearly understood. Ambiguity in the relationship is a prescription for confusion and misunderstanding. Any necessary checks, balances or controls must be apparent on the face of a new constitutional scheme.

(*d*) The two primary purposes of any new institutions must be first to seek a much wider consensus than has hitherto existed; and second to be such as will work efficiently and will be capable of providing the concrete results of good government: peace and order, physical development, social and economic progress. This is fundamental because Northern Ireland's problems flow not just from a clash of national aspirations or from fritction between the communities, but also from social and economic conditions such as inadequate housing and unemployment.

(*e*) Any new institutions must be of a simple and businesslike character, appropriate to the powers and functions of a regional authority.

(*f*) A Northern Ireland assembly or authority must be capable of involving all its members constructively in ways which satisfy them and those they represent that the whole community has a part to play in the government of the Province. As a minimum this would involve assuring minority groups of an effective voice and a real influence; but there are strong arguments that the objective of real participation should be achieved by giving minority interests a share in the exercise of executive power if this can be achieved by means which are not unduly complex or artificial, and which do not represent an obstacle to effective government.

(*g*) There must be an assurance, built into any new structures, that there will be absolute fairness and equality of opportunity for all. The future administration of Northern Ireland must be seen to be completely even-handed both in law and in fact.

(*h*) It is of great importance that future arrangements for security and public order in Northern Ireland must command public confidence, both in Northern Ireland itself, and in the United Kingdom as a whole. If they are to do so they must be seen in practice to be as impartial and effective as possible in restoring and maintaining peace and public order. In any situation such as that which obtains at present, where the Army and the civilian police force are both involved in maintaining law and order and combatting terrorism, it is essential that there should be a single source of direct responsibility. Since Westminster alone can control the Armed Forces of the Crown this unified control must mean Westminster control. For the future any arrangements must ensure that the United Kingdom Government has an effective and a determining voice in relation to any circumstances which involve, or may involve in the future, the commitment of the Armed Forces, the use of emergency powers, or repercussions at international level."

Developments since publication of the Paper for Discussion

3. Exceptional measures were taken to ensure that the Paper for Discussion would be as widely circulated and read as possible, particularly within Northern Ireland itself. In all 12,650 copies had been sold there, through H.M. Stationery Office and other Government offices, by 31 January 1973 and in addition 200,000 leaflets based on the Paper had been distributed, and a tabloid summary circulated with newspapers is estimated to have reached 1,209,000 readers.

4. There were full parliamentary debates, in the House of Commons on 13 November 1972 and in the House of Lords on 5 December 1972. Following these debates the Secretary of State for Northern Ireland has had extensive discussion on the basis of the Paper with political parties, leaders of the Churches, and other bodies and individuals in Northern Ireland. Although a very wide range of views was expressed, there was a considerable measure of agreement, not only within Northern Ireland but in the rest of the United Kingdom, in the Irish Republic and in overseas countries that the Paper for Discussion provided a thorough, fair and objective basis for considering the very complex problems of Northern Ireland.

5. The extensive consultations which both preceded and followed the publication of the Paper for Discussion have not produced any single, agreed set of proposals for a constitutional settlement. Indeed, given the wide range of views and the complexity of the issues, it would have been surprising if they had. Many significant differences of opinion remain. Nevertheless, the consultations have been useful, indeed essential, in throwing up very significant areas of agreement:

(*a*) Whatever their views on sovereignty and citizenship, most of those consulted (although not all) have favoured the restoration of some kind of developed institutions of government in Northern Ireland.

(*b*) There has been a wide area of agreement that the central feature of these institutions should be a single-chamber elected legislative assembly of 80–100 members.

(*c*) There has also been a broad measure of agreement that a significant role within such an assembly should be allocated to a structure of powerful committees (although the specific proposals for such a structure show considerable variations).

(*d*) There has been general agreement that a new settlement should in some way or other make provision for the protection of fundamental human rights and freedoms.

(*e*) Almost all the parties are prepared to accept new institutional arrangements for consultation and co-operation on an all-Ireland basis, although some make their agreement conditional or limited.

None of these courses is in any way inconsistent with United Kingdom policies or interests.

6. These consultations have shown that there are important aspects of a new constitutional settlement which can be based directly upon the views and the proposals of Northern Ireland parties and interests.

7. There have been a number of other significant developments since the publication of the Paper for Discussion. First, on 1 January 1973 the United Kingdom and the Republic of Ireland both became member countries of the European Economic Community, a development which is bound to have an ever-increasing impact upon the lives of all who live in these islands.

8. Second, the then Government of the Republic of Ireland introduced, and the Oireachtas carried into law, new legislation designed to cope with terrorist activity, and the authorities of the Republic have subsequently brought before the courts under these new powers some of those persons involved in the organisation and direction of IRA terrorism throughout Ireland.

9. Third, the Government has accepted in principle the report of Lord Diplock's Commission (Cmnd. 5185), recommending various changes in the arrangements for the administration of justice in Northern Ireland so as to make it possible to bring before the courts more of those engaged in terrorist activities in Northern Ireland, while pointing out that in some cases there is no substitute for procedures such as those prescribed by the Detention of Terrorists Order 1972.

10. Finally, on 8 March 1973, a poll was held throughout Northern Ireland, in accordance with the Northern Ireland (Border Poll) Act 1972. The result, declared on 9 March 1973, was that 591,820 electors voted in favour of the first proposition

"Do you want Northern Ireland to remain part of the United Kingdom?" while 6,463 electors voted in favour of the second proposition

"Do you want Northern Ireland to be joined with the Republic of Ireland, outside the United Kingdom?"

PART 2—CONDITIONS FOR A SETTLEMENT

Essential conditions

11. Successive United Kingdom Governments have affirmed that Northern Ireland will continue to be part of the United Kingdom unless and until its people decide otherwise, and a majority of the people in Northern Ireland have voted in favour of the present status of Northern Ireland is part of the United Kingdom. It is the responsibility of the United Kingdom Parliament to determine how Northern Ireland shall be governed as a part of the United Kingdom.

12. There is a three-fold pattern of obligations:

(*a*) The United Kingdom as a whole has an obligation to those of its citizens who live in Northern Ireland to afford them the fullest protection of the rule of law; to secure their fundamental rights and freedoms; and to work towards the realisation for them of United Kingdom standards of living, employment and social conditions.

(*b*) Those who live in Northern Ireland as part of the United Kingdom have an obligation to respect the decisions of the Crown in Parliament and to play their part in creating and in upholding an equitable political settlement.

(*c*) Those who wish to see the achievement of Irish unity, which can only be on a basis of consent, have an obligation to accept that such consent does not at present exist, and—without prejudice to their aspirations—to assist in the achievement on a constitutional basis of peace, equality and prosperity.

13. Any significant advance towards a settlement in Northern Ireland at this stage must be consistent with this pattern of obligations. In deciding what the shape of a settlement should be, the United Kingdom Government has refrained from seeking to impose on Northern Ireland a rigidly defined and detailed scheme for its future which could not be done at the present time without assumptions about the wishes of its people. This approach requires that no interest in Northern Ireland should refuse constructive co-operation in working out the details of such a scheme. The United Kingdom Government for its part must have regard to the interests of all the peoples in the United Kingdom including the communities in Northern Ireland. All these interests must be brought as nearly as possible into a state of reconciliation. The true interests of the whole community in Northern Ireland require that the majority should not fail in fairness and generosity towards all their follow citizens and that the minority should play a truly constructive part which it is the United Kingdom Government's firm determination should be made available to them.

14. The need for movement towards a settlement cannot be divorced from wider considerations. At a time when new opportunities and new challenges are posed by membership of the European Economic Community, no area—let alone an area with special economic and social problems—can afford to be handicapped by continuing strife and instability. The results of failure would not be confined to Northern Ireland. The heavy burden upon the whole United Kingdom is self-evident; and Northern Ireland and the Republic of Ireland have an obvious common interest in finding a basis for their relationship that will encourage the democratic forces in the whole island. Terrorism is a danger to them both.

15. In determining the broad nature of a settlement, it has to be constantly borne in mind that the situation in Northern Ireland is complex. Constitutional proposals clearly have a significant part to play in the restoration of stability, because the institutions of government touch at one point or another the lives of all the people, and condition wider attitudes towards authority. Moreover, in Northern Ireland the clash of national aspirations heightens interest in, and concern about, the machinery of government. Yet the problems extend in one way or another into countless aspects of the life of the community—into patterns of education, housing and employment; into general social attitudes and responses; into history and culture and tradition. Thus, the solution to "the Northern Ireland problem" is not to be found in any set of political proposals of institutions alone. However skillfully and fairly framed, these can do no more than provide opportunities which the people of Northern Ireland themselves may take or fail to take; and even with the utmost goodwill, the patterns of generations cannot be changed overnight.

16. It would be impossible to devise a prescription for all the problems of Northern Ireland during a twelve-month period of direct rule. Many of the steps which remain to be taken will be for new Northern Ireland institutions, and many more will be outside the field of government altogether. There cannot be a "government settlement", only a "community settlement"; and its full achievement will be a matter of years. What can be done is to make a good start; to set off in the right direction.

The problem of violence

17. There has been, and remains, no more urgent or compelling task than to bring the present state of violence to an end. Much progress has been made in combatting the IRA terrorist campaign, and, at the same time, the activities of Protestant extremists, both by the normal processes of the criminal law and by the provisions of the Detention of Terrorists Order. The Army will remain for so long and in such strength as the situation requires, but it is vitally important to strengthen the police and to improve their numbers, equipment and training. The progress which has already been made is shown by the increasing number of arrests and convictions. In addititon, continued and effective action against the terrorists has been, and will be, sought from the Government of the Republic of Ireland.

18. But law and order cannot be restored merely by the action of the security forces. In the United Kingdom, the maintenance of the peace is a responsibility which rests not upon Government alone but upon every citizen. The role of the police is traditionally to assist the community; but they can only do so if the community itself accepts re-

sponsibility for upholding the law and, at the same time, gives its full co-operation to the police. Where an absence of public co-operation makes police work difficult or impossible, countless evils flourish. The great majority of the people neither like these developments nor have any say in relation to them, but fear and intimidation cause the communities to consolidated themselves. The ignorance, suspicions, fear and even hatred of the "other side" is, among many in some areas, intense; and those who wish to see mutual tolerance are prevented by intimidation from making their views known. Inroads can only be made into this situation of chronic mistrust and suspicion by a restoration of law and order and this is a central problem which must be, and will be, solved.

19. Under the scheme of devolution proposed in this White Paper, responsibility for the security of Northern Ireland in the existing circumstances will continue to rest with the United Kingdom Government. Because this White Paper is principally concerned with the future arrangements for government in Northern Ireland, this is not the place to develop in detail the means by which the pressing law and order problems will continue to be tackled. But the people of Northern Ireland, and indeed of the United Kingdom as a whole, can rest assured that there is no purpose to which the Government is more firmly committed than the restoration of the rule of law in Northern Ireland, and whatever means are necessary to that end will be made available.

Education

20. The re-creation of inter-communal confidence is bound to be a long and slow affair. There is no single means by which it can be accomplished. But the Government is convinced that, if the tragic events of recent times are not to recur, means must be found to create a greater sense of community in the minds of the rising generation. One of the obvious factors in the situation is the high degree of educational segregation. This is not of itself in any way peculiar to Northern Ireland. The importance which, in the United Kingdom and in many other countries, certain of the Churches place upon their own blood systems stems from deep conviction about the need for an underlying religious basis to all teaching. While, in Northern Ireland, it is the Roman Catholic Church which maintains a separate system, it is by no means to be assumed that, in practice, all Protestant parents would be happy to see a completely integrated school system, involving as it would the teaching of Protestant children by Roman Catholic teachers, some of them members of religious orders. To make the educational system itself the scapegoat for all the ills of Northern Ireland would obscure problems whose origin are of a much more complex character.

21. There are, however, some encouraging indications of a new consciousness of the need to promote real and continuing points of contact and mutual interest between all the children of Northern Ireland. It is significant that the five new Education Area Boards include representatives of "maintained" (largely Roman Catholic) schools as well as "transferred" (lagely Protestant) schools as full members of these education authorities, together with representatives of other interests including the teaching profession drawn from all sections of the community. It will be a vital task of government in the future to facilitate, to encourage and to promote these points of contact. Unless, in the future, a greater sense of community can be fostered amongst the young people of Northern Ireland, it is difficult to see how this mutual distrust can be broken down.

Economic problems

22. With its comparative remoteness from its principal markets, its lack of raw materials (except in agriculture) and its considerable concentration of employment in industries which have had special difficulties, Northern Ireland has had to make immense efforts to maintain its employment position, let alone to improve it. A skillfully and vigorously conducted programme of industrial development, relying heavily on external investment, has achieved a marked diversification of the industrial base, a steady rise in productivity, and real increases in living standards. By these standards Northern Ireland has some substantial economic achievements to its credit.

23. In comparative terms, however, Northern Ireland has remained the poorest region of the United Kingdom, with the highest levels of unemployment. Moreover, within Northern Ireland itself there have been areas of much higher unemployment, both within Belfast and in provincial towns. This has clearly been a factor in the violence and instability of recent years.

24. Thus, the problem has been both to raise the level of economic activity overall, and to ensure its more even distribution over the community, to the extent that this is compatible with the physical, economic and industrial realities.

25. It is the policy of the United Kingdom Government to work within the European Economic Community for the development of effective regional policies, conducted both by national governments and by Community institutions. These policies will provide the broad economic framework within which the special problems of Northern Ireland will be tackled by the United Kingdom Government and the institutions of Northern Ireland working and planning together.

Social problems

26. In many respects Northern Ireland is most fortunate: its relatively unspoiled countryside and its uncluttered roads should again be an attractive regional and national asset once stability has been restored. But there is much thoroughly inadequate housing which must be replaced, and in Belfast and certain other places there is a serious lack of amenities.

27. Northern Ireland is by no means unique in this respect, either in the United Kingdom or elsewhere. In any part of the world an inadequate social environment breeds boredom, aimlessness, alienation from society, vandalism and even violence. In Northern Ireland all these evils may be compounded by high unemployment and deep political resentments. The need is to create a positive community life in such areas; to do everything possible to provide other outlets than violence for the energies of the people; to demonstrate that authority can be a helpful as well as a coercive influence on their lives.

28. These then are the fundamental problems in Northern Ireland. It is against this background that the Government's constitutional proposals must be considered.

PART 3—THE CONSTITUTIONAL PROPOSALS

29. This Part sets out the proposals which the Government will bring before Parliament at an early date.

Renewal of temporary provisions

30. The Government's proposals will involve the presentation to Parliament of a comprehensive new constitutional Bill for the government of Northern Ireland, to replace the arrangements temporarily set aside by direct rule, which were based mainly upon the Government of Ireland Act 1920. The Government is seeking the approval of Parliament for the extension of the provisions of the Northern Ireland (Temporary Provisions) Act 1972 for a further period of one year from its expiry date at the end of March, but the subsequent constitutional Bill will provide that new permanent arrangements may be brought into operation, and the Temporary Provisions superseded, and it is the intention that this should be done as soon as possible.

Northern Ireland bill

31. Consistent with thorough scrutiny, the Government will seek the assistance of members of both Houses in devising a programme to pass the Bill into law without undue delay so as to allow elections to an Assembly to be held as soon as possible. Paragraphs (32) to (89) below describe the main provisions which it is intended should be contained in the Bill.

United Kingdom status of Northern Ireland

32. Because the Bill will provide for the replacement of the Parliament of Northern Ireland by new institutions, the declaratory provision relating to Northern Ireland's constitutional status incorporated in Section 1 (2) of the Ireland Act of 1949, to the effect that in no event will Northern Ireland or any part thereof cease to be part of the United Kingdom without the consent of the Parliament of Northern Ireland, will need to be replaced. Successive United Kingdom Governments have assured the people of Northern Ireland that there will be no change in the basic constitutional status of the Province as part of the United Kingdom without their consent, and accordingly other means must be found to give expression to that commitment. The Bill will, therefore, include a statutory declaration that Northern Ireland remains part of the United Kingdom, and will not cease to be part of the United Kingdom without the consent of the people of Northern Ireland.

33. Northern Ireland will maintain its existing representation, that is 12 Members, in the United Kingdom House of Commons.

Devolution of powers to Northern Ireland institutions

34. The process of devolution will involve the following stages:

(*a*) election of a new Northern Ireland Assembly;

(*b*) development by that Assembly of its own rules and procedures in accordance with broad provisions laid down in the Bill;

(*c*) discussion between representatives of the Assembly and the Secretary of State to arrive at an acceptable basis for the formation of an Executive and the devolution of powers; followed by

(*d*) devolution of extensive powers to the new Assembly and Executive, and termination of the present direct rule arrangements.

A Northern Ireland Assembly

35. The first necesary step is to create a representative forum of Nothern Ireland opinion. The Parliament of Northern Ireland elected in February 1969 and prorogued in March 1972 can no longer be regarded with confidence as such a forum. The significant developments since 1969, both in the general situation and in the structure and organisation of parties, have totally changed the political scene. The need for new elections is widely acknowledged throughout the Northern Ireland community.

36. It has been argued that such elections should be to a purely consultative Assembly, with which the Secretary of State for Northern Ireland should undertake a further round of consultations before any specific constitutional proposals are formulated. But Northern Ireland has been the focus of speculation and uncertainty for a prolonged period already, and there can be little doubt that as long as such uncertainty continues to exist, it will be exploited by those who seek to prey upon the fears of the communities.

37. For this reason the Government has decided not to propose a consultative Assembly. It is nevertheless desirable to associate the elected representatives of the people of Northern Ireland with the detailed working-out of those new structures which they will subsequently operate. The legislative and other procedures to be used in an Assembly, to take but one example, would best be formulated in detail by its own members; and, more generally, there are the strongest

arguments for genuine local involvement, within a framework which effectively safeguards vital principles.

38. Most of the Northern Ireland parties have argued for a single-chamber legislature and, taking this into account, together with the new responsibilities falling upon central government under the "Macrory" reorganization and the desirability of operating a highly developed system of committees, have recommended a membership of about 80–100. The Government agrees with this view as to size, but such an increase in membership over the 52 seats of the Northern Ireland House of Commons involves either drawing a new pattern of constituencies or adopting a multi-member system tied to an existing pattern of electoral boundaries.

39. Any process of establishing a new pattern of single-member constituencies could not properly begin until Parliament had enacted the constitutional Bill. Under the simple majority vote system using single-member constituencies, the drawing of demonstrably fair electoral boundaries is of such crucial importance that it could only be done by an impartial Boundary Commission procedure, with provision for representations, hearings, etc. This would rule out any elections this year. These are technical difficulties. But there are arguments against this system at present even if it could be introduced in time. If the Assembly is to play a significant part in working out new structures and procedures, it is of particular importance that its membership should reflect the wishes of the community as accurately as possible. It has been decided that there shall be an Assembly of about 80 members, and that the system of election best suited to this occasion is the single transferable vote (STV) method of proportional representation, applied to the 12 Westminster constituencies. Members will be paid a salary of £2,500 p.a. together with a secretarial allowance of £600 p.a.

40. Elections to the Assembly will be held as soon as possible on a date to be prescribed by Order by the Secretary of State for Northern Ireland.

41. The initial term of the Assembly will be for the period from the first day of its meeting up to and including 30 March, 1974; but if an Order-in-Council has been made between those dates for the devolution of legislative powers, it will serve for a period of four years from the date on which the Order takes effect. The four-year rule will also apply to future Assemblies.

42. It will be for the Assembly to elect its presiding officer and to prepare Standing Orders for the regulation of its own business, including the procedures to apply to the conduct of its legislative business when legislative powers are devolved to it.

43. The Government believes it to be right that the Assembly itself should work out its own detailed methods and procedures, subject to the minimum necessary provision, to permit, for example, both general debate with an opportunity to vote on the general principle of legislative proposals, and detailed consideration and scrutiny, with an opportunity to vote on the specific detail of these proposals.

Committees of the Assembly

44. The new scheme for the legislature must be designed to create a strong link between the Assembly and the Executive, to involve majority and minority interests alike in constructive work and to provide for the active participation of all members. It is envisaged that a member of the Assembly will act as the Head of each Department of Northern Ireland and that those Heads collectively will form the Executive (see paragraph 73). The responsibility of such Heads will be to administer their Departments within the framework of existing law and policy. But provision will also be made for the Head of each Department to be chairman of a functional committee, with a membership reflecting, as far as possible, the balance of the parties in the Assembly. He will be required, when proposing new legislation or policy, to bring the members of his committee into the fullest consultation. Provision will be made for a "pre-legislation" stage so that detailed proposals for new law will be considered by a committee before presentation to the Assembly as a whole. The objective of the new committee structure will be to associate members of the Assembly with the development of policy, as well as with the review of departmental activities.

45. There will be no obligation upon the Assembly to follow either the procedures used at Westminster or those hitherto used at Stormont. Indeed, it would be desirable that they should adopt much simpler and less formal procedures and methods which will also need to take account of the fact that the new Assembly will be unicameral.

46. While the Assembly is undertaking these initial tasks, the Secretary of State for Northern Ireland will continue to be responsible for all those matters which, before 30 March 1972, were the concern of the Government of Northern Ireland, and laws previously within the field of competence of the Northern Ireland Parliament which are essential during this period will continue to be made as appropriate by Westminster Act or by Order-in-Council subject to parliamentary approval at Westminster.

Northern Ireland Commission

47. It would be anomalous that, after the people of Northern Ireland have elected an Assembly to represent them, but before powers have been devolved, the Secretary of State should continue to be advised, in relation to Northern Ireland legislation and generally, by a Commission detached from the Assembly. Those who have served on the Northern Ireland Commission since direct rule was introduced have made a signal contribution to the life of the community; but during this interim period, and so as to assist an easy transition, the Secretary of State will ask the present members to make way for representatives from the Assembly.

Secretary of State for Northern Ireland

48. There will continue to be a Secretary of State for Northern Ireland who will be a member of the United Kingdom Cabinet. His role will naturally be different from what it has been under direct rule during which the Secretary of State has had executive responsibility for the full range of public services. He must, however, continue to have charge of a Department, with offices both in London and in Northern Ireland, so organised as to discharge his responsibilities both to Parliament and to Northern Ireland itself.

49. It is of the greatest importance, in a situation where wide powers are to be devolved upon Northern Ireland institutions and others reserved to Parliament and the United Kingdom Government, that the two sets of authorities should not work in separate compartments or to conflicting objectives. The best interests of the people of Northern Ireland will only be served if, from the start, their duties are regarded as complementary in character.

50. Accordingly, the Secretary of State will have the following main areas of responsibility in relation to Northern Ireland:

(*a*) he will undertake the necessary consultations with the elected representatives of Northern Ireland to determine how an acceptable basis for the devolution of powers may speedily be achieved.

(*b*) thereafter, he will exercise direct ministerial responsibility in relation to certain reserved services administered either by his own Department or, where appropriate, by Northern Ireland Departments acting as his agents.

(*c*) he will represent Northern Ireland's interests in the United Kingdom Government, both generally and in relation to the allocation of financial resources to Northern Ireland.

Conditions for devolution of powers

51. As soon as the Assembly has been elected, the Secretary of State will discuss with representatives of the parties how devolution on a basis of government by consent may take place. Hitherto, the executive dispositions in Northern Ireland have been made by the Governor under the Act of 1920 and in accordance with the current British constitutional conventions. But those conventions have been applied to Northern Ireland in a situation where:

(*a*) the same party has been the majority party after each General Election; and

(*b*) that party has never returned to Parliament in the course of half a century a member from the minority community which comprises more than a third of the population.

It is from this situation that there flows the problem, as described in the Paper for Discussion, of "binding the minority to the support of new political arrangements in Northern Ireland".

Formation of the Executive

52. There is no future for devolved institutions of government in Northern Ireland unless majority and minority alike can be so bound. This is not to say that any "right of veto" can be conceded to violent, subversive or unconstructive elements determined, if they can, to undermine any new system from the outset. But the Government does not believe that this is the wish of the overwhelming majority in either community. What has to be found—through their representatives—is a system of exercising executive power in Northern Ireland which is broadly acceptable to them. One important means of ensuring this will be more effective participation by the Assembly as a whole, through its structure of committees, in the development of policy; but it is the view of the Government that the Executive itself can no longer be solely based upon any single party, if that party draws its support and its elected representation virtually entirely from only one section of a divided community. The Executive must be composed of persons who are prepared to work together by peaceful means for the benefit of the community. Members of the Executive will be required to take an appropriate form of official oath or make an affirmation on taking up their appointment.

53. It is this central issue which, after the election of the Assembly, the Secretary of State will urgently discuss with its elected leaders. The objective of the discussions will be to seek an agreed understanding which the United Kingdom Government can with confidence recommend to Parliament as a fair and viable basis for the devolution of power. When the Government is satisfied:

(*a*) that the procedures of the Assembly and the proposed method of exercising executive powers will, taken together, be a reasonable basis for the establishment of government by consent (that is to say, with substantially wider support from the community as a whole than would necessarily be indicated by a simple majority in the Assembly);

(*b*) in particular, that executive powers will not be concentrated in elected representatives from one community only; and

(*c*) that any proposed arrangements will represent not just a theoretical framework for fair and acceptable government, but a system which can and will be worked effectively by those concerned,

it will seek the approval of Parliament for the devolution by subordinate instrument of extensive law-making powers to the Assembly, and for a broadly corresponding devolution of executive powers to a Northern Ireland Executive, which will be constituted in accordance with the arrangements that have been agreed.

Legislative powers

54. Whatever powers to legislate may be devolved upon a regional law-making authority in Northern Ireland, it must and will be made clear that such devolution does not diminish in any way the right of the United Kingdom Parliament to legislate for Northern Ireland, as for any other part of the United Kingdom, in relation to any matter whatever. In practice, it is to be expected that, in the context of an acceptable and smooth-running scheme of devolution, Parliament would legislate for Northern Ireland within the field of wholly devolved powers only in the most rare and exceptional circumstances or at the request of the Northern Ireland Executive; but there can be no room for ambiguity about the right to do so.

55. In considering the scheme for the devolution of law-making powers, full advantage can be taken of the experience gained in operating the Act of 1920. In order to keep the 1920 constitution operating in the face of changing circumstances, numerous constitutional amendments, enablements and savings had to be made. Difficult questions arose about the constitutional competence of the Northern Ireland Parliament to legislate, which had to be determined by the courts. Artificial drafting contrivances had to be used to prevent a specific "invasion" by Westminster of a field transferred to Stormont from debarring any future Stormont legislation in that field. What is required for the future is a more flexible scheme which will allow Northern Ireland measures, subject to appropriate ministerial and—in suitable cases—parliamentary scrutiny, to have, when finally approved, the same force as an Act of Parliament, and a like freedom from questioning, as distinct from interpretation by the courts (save in the special case of measures alleged to be of a discriminatory character).

56. The scheme which is now proposed will have the following features:

(*a*) *"Excepted" matters* (i.e. those in respect of the substance of which the Assembly may not in any circumstances legislate).

Within this category will be various matters of national importance inappropriate for consideration other than by Parliament, e.g. the Crown, foreign affairs, the Armed Forces and honours and titles. These were outside the competence of the Northern Ireland Parliament. To this category will be added a further list of matters in respect of which the Northern Ireland Parliament had some degree of legislative power but which are now considered appropriate for permanent exclusion from the Assembly's law-making powers. These will include certain powers of taxation, special powers of the kind hitherto taken under the Civil Authorities (Special Powers) Acts, prosecutions, elections and the franchise and the appointment of magistrates and judges.

(*b*) *"Reserved" matters* (i.e. those excluded for the present from the normal legislative competence of the Assembly but in respect of which the Assembly may exceptionally legislate with the agreement of the United Kingdom Government).

Within this category will be certain matters within the field of law and order, including the criminal law, the courts, penal institutions and the establishment and organisation of the police.

(*c*) *"Transferred" matters* (i.e. all other matters not covered in categories (*a*) and (*b*) above and in respect of which the Assembly will have unrestricted competence to legislate).

57. All measures passed by the Assembly will have the force of law when approved by the Queen in Council and the channel for submission to the Privy Council will be the Secretary of State. If he is of the opinion that any measure either deals substantially with a "reserved" matter, or touches incidentally on an "excepted" matter, he will cause it to be laid before Parliament together with his recommendations relating to it, so that an opportunity will be offered for the will of Parliament to be made known. If, however, he is of the opinion that the measure relates solely to a "transferred" matter and does not run contrary to statutory restraints, e.g. on legislation of a discriminatory nature (see paragraph 63), he will cause it to be submitted directly to the Privy Council.

Legislation to deal with violence and subversion

5. Following the publication of the Report of the Diplock Commission (Cmnd. 5185), which conclusively showed how terrorism strikes at the root of the fundamental freedom to live in peace and, by fear and intimidation, impedes the ordinary machinery of justice in dealing effectively with it, the Government believes it has a responsibility to bring before Parliament necessary provisions for the more effective combatting of terror and violence. Parliament will be asked to approve legislation for that purpose.

59. This legislation will give effect to the recommendations of the Diplock Commission for improving the administration of justice at times when it is put under strain by the effects of terrorism. The provisions will have effect only when Parliament agrees that they are necessary because of circumstances in Northern Ireland.

60. The Bill will also contain proposals based on the results of the Government's review of the Special Powers Act. That Act and the Regulations made under it were created at varying times to deal with problems then current. They are open to the criticism, above all, that, in spite of their far-reaching character, no provision has existed for their regular review to see whether they remained justified by the special needs of the situation. The Bill will propose the repeal of the Special Powers Act and the re-enactment into law only of strictly necessary provisions which, like those provisions implementing the Diplock report, will be operative only during an emergency and with the approval of Parliament.

61. The procedures for detention are at present contained in the Detention of Terrorists (Northern Ireland) Order 1972, which was introduced as an interim measure pending the Report of the Diplock Commission. That Report made it clear that so long as intimidation continued some such form of detention would be necessary. The new Bill described above will, therefore, make provision for detention, as at present laid down in the Order, but, like the other provisions in the Bill, it will remain operative only while Parliament is satisfied that the situation in Northern Ireland requires it.

62. All the provisions in the Bill will apply only to Northern Ireland, since they arise entirely out of the special needs of the situation there.

Restraints upon devolved legislative powers

63. The constitutional Bill will include a general provision to the effect that, in the exercise of any responsibilities devolved upon it, the Northern Ireland Assembly shall not have power to make any law of a discriminatory character. This is one component of a complex of proposals designed to afford protections and safeguards amounting to a charter of human rights. This subject is comprehensively discussed in Part 4.

64. The Bill will also provide that, in the exercise of powers devolved upon it, the Assembly may not impose upon any member of an appointed body, or upon any person paid out of public funds in Northern Ireland, as a condition of his appointment, service or employment, any requirement to make any form of oath or declaration save when such an oath or declaration is required in comparable circumstances in the rest of the United Kingdom. In the meantime, a draft Order-in-Council under the Northern Ireland (Temporary Provisions) Act 1972 will be prepared, amending existing Northern Ireland legislation so as to bring it in this respect into line with that in the rest of the United Kingdom; in particular, it will remove, in time for the forthcoming local government elections, the requirement for a statutory declaration of allegiance to be made by a Councillor on acceptance of office.

Executive powers

65. As already described, the scheme of legislative powers will be of a flexible character. It is, however, not possible to provide for the same degree of flexibility in the exercise of executive powers, since it must be clear beyond doubt precisely where ministerial responsibility lies in respect of any matter. It must lie either with the United Kingdom Government through one of its Ministers or with the Northern Ireland Executive through the political Head of one of its Departments. But if executive responsibility does not permit of a flexible approach, administration certainly does. To reserve a responsibility to a United Kingdom Minister, either permanently or for the time being, is by no means to stand in the way of a high degree of local involvement in administration, through an agency arrangement for the performance of functions by a Northern Ireland Department, or the allocation of advisory or managerial responsibilities to elected or statutory bodies in Northern Ireland or in other ways.

66. Those functions of the United Kingdom Government in Northern Ireland which under direct rule have been the responsibility of United Kingdom Ministers other than the Secretary of State, such as the Chancellor of the Exchequer and the Secretary of State for Defence, will remain so.

67. The general intention in the devolution of executive powers will be to transfer to the Northern Ireland Executive those responsibilities exercised before direct rule by the Government of Northern Ireland with the following principal exceptions:

(*a*) responsibility for the appointment of county court judges, magistrates, coroners and a limited number of other appointments of a quasi-judicial nature will be reserved to the Lord Chancellor; and responsibility for the administration of the courts and tribunals in question will be reserved to the Secretary of State.

Hitherto there has been a division of responsibility, in that the Lord Chancellor has made appointments to the Supreme Court of Northern Ireland and has been answerable to Parliament for the administration of that Court, whereas other judges, magistrates, coroners and members of various quasi-judicial tribunals have been appointed by Northern Ireland Ministers, who have been responsible to the Northern Ireland Parliament for the administration of these courts and tribunals. It is the view of the Government that all judicial appointments should be made by or on the recommendation of the Lord Chancellor, and that there should be a unified administration of the courts for which the Secretary of State should be answerable to Parliament.

(*b*) ministerial responsibility for the conduct of public prosecutions will remain vested in the Attorney-General.

The Director of Public Prosecutions for Northern Ireland will, therefore, remain responsible to the Attorney-General in the United Kingdom Government.

(*c*) ministerial responsibility for all matters connected with elections or the franchise will be reserved to the Secretary of State.

The Government believes that, as a matter of principle, Ministers should be answerable to Parliament for arrangements for central and local government elections in

Northern Ireland as in other parts of the United Kingdom, but the detailed arrangements for such elections in Northern Ireland will continue to be made by an independent statutory officer, the Chief Electoral Officer, and his staff.

(*d*) ministerial powers under any legislation empowering the Executive to take exceptional measures in the law and order field to cope with an emergency situation (e.g. the legislation to replace the Special Powers Act), will also be reserved to the Secretary of State.

68. Certain other powers previously exercised by the Northern Ireland Government and Ministers will be reserved to the United Kingdom Government and Ministers because of the current security situation in Northern Ireland, and accordingly will not be devolved in present circumstances. In particular:

(*a*) ministerial powers in relation to the police will be reserved to the Secretary of State;

(*b*) ministerial powers under any legislation concerned with "public order" (e.g. control of unlawful assemblies, offenses involving riot, injury or intimidation, and the control of firearms and explosives) will be reserved to the Secretary of State, as will ministerial responsibility in connection with the Royal Prerogative of Mercy; and

(*c*) ministerial powers under any legislation concerned with penal establishments and the treatment of persons in custody will be reserved to the Secretary of State.

Law and order

69. The reservation of broad "law and order" powers for the time being must not exclude Northern Ireland involvement in matters of great concern to its people; and, indeed, many of the practical problems in relation to policing and other matters cannot be solved without a high degree of public co-operation and goodwill. The interest will be fully acknowledged in the new structure in a number of ways. First, the Northern Ireland Executive will be invited to act as an advisory committee to the Secretary of State in relation to those responsibilities reserved to him. He will therefore have an opportunity to discuss matters of general public concern and interest with the elected leaders of the Northern Ireland community, and to take their views fully into account.

70. Second, democratic participation in restoring to all parts of Northern Ireland the full benefits of a normal police service is essential. The Police Authority, which will continue to have a statutory responsibility for the management of the police service, will be re-constituted following consultations with the Assembly so as to introduce into it an element drawn from elected representatives. In addition, the new District Councils which will come into being in October, will be able to form the basis of local committees with advisory responsibilities in relation to the policing of their districts. They could, for example, invite the local police commander to attend meetings so that they could keep themselves informed of the way their district was being policed; they could explain problems and put forward suggestions; they could offer advice; they could help to promote recruitment; they could encourage local citizens to help prevent intimidation, vandalism, etc.; they could provide links with tenants' associations and other groups whose co-operation was important to good relations in this district; and they could take special interest in such matters as road traffic and road safety.

Transferred executive powers

71. All other powers previously exercised by the Government and Ministers of Northern Ireland which include such matters as the health service, social benefits and welfare, employment and training, education, agriculture, industrial development and the planning and development of the regional infrastructure, will be available for devolution to a Northern Ireland Executive. Broadly these amount to all the powers hitherto exercised through the existing Northern Ireland Departments except those in the law and order field.

Appointment of Heads of Departments

72. The constitutional Bill will provide that formal appointment of persons to be the political Heads of Departments in Northern Ireland for the purpose of administering services under the devolved executive powers will be effected by the Secretary of State. These Departments will include a central secretariat whose political Head will lead the Assembly and preside over the Executive. This is a power of appointment analagous with that conferred upon the Governor by Section 8 of the Government of Ireland Act 1920, but when an agreed understanding on the formation of an Executive is reached in discussion with elected representatives, it would be the intention to make appointments in accordance with that understanding.

73. Collectively, the Heads of Departments will form a body to co-ordinate the policies and activities of the administration as a whole, and to determine financial and other priorities. This body will constitute the Executive of Northern Ireland. The Heads of Departments and the Head of the central secretariat will receive appropriate salaries in those capacities. The Government will seek the advice of the Review Body on Top Salaries on what these salaries should be.

74. Devolved services will continue to be administered by the established Northern Ireland Departments and reserved services can, in suitable cases, be performed by a Northern Ireland Department on an agency basis. The arrangements for the administration of services reserved for the time being will, as far as possible, be such as to permit a later devolution at some appropriate stage to Northern Ireland institutions. Some of the services concerned, for example in the penal field, must in practice be closely co-ordinated with other social services and in such cases the argument for an agency arrangement is strong. In other cases, the service may be more appropriately administered by the Secretary of State's Office in Northern Ireland, but arrangements can be made for secondment to that Office of suitable Northern Ireland officials.

75. Existing powers under Northern Ireland law to make Transfer of Functions Orders should be adequate to cope with any departmental re-organization in Northern Ireland which the Executive and Assembly consider desirable after the new arrangements take effect; and, of course, the powers of the Northern Ireland Assembly would include the power to legislate for departmental organisation.

The civil service of Northern Ireland

76. The Civil Service of Northern Ireland will remain a distinct service under the Crown. Since the broad pattern of services to be carried out in Northern Ireland, whether under devolved institutions or otherwise, will remain the same, its officers need not fear any deterioration in their career prospects or conditions of service. It will, however, be the concern of the Government to ensure that, even in isolated individual cases, the interests of members of the Northern Ireland Civil Service are protected. Throughout the crises and upheavals of recent years their loyalty to the Crown and to the concept of service which they share with their United Kingdom colleagues has been a vital stabilizing factor in a difficult situation. They have continued to operate, under whatever ministerial direction the law provided, those services upon which the life of the community depends.

Restraints upon devolved executive powers

77. The Bill will provide that, in the exercise of devolved executive powers, no Department of Northern Ireland may act in a discriminatory way. This statutory bar to any form of discriminatory action will also apply to any authority, body or agency in Northern Ireland which is subject to investigation by the Parliamentary Commissioner for Administration, the Northern Ireland Parliamentary Commissioner for Administration, or the Northern Ireland Commissioner for Complaints, and to the Post Office.

Replacement of existing institutions and constitutional provisions

78. Under the new arrangements the Northern Ireland Assembly will replace the Parliament of Northern Ireland. A proper acknowledgement is due to the work of that Parliament and its Members and Senators. The pension rights of members of the Northern Ireland House of Commons will be safeguarded.

79. At Stormont, as at Westminster, provision has in the past been made by specific legislation for the payment of pensions to persons who have served in the office Speaker of the House of Commons. The Secretary of State will, in due course, seek the approval of Parliament for an appropriate pension provision in respect of the present Speaker of the Northern Ireland House of Commons.

80. Due regard must also be had to the interests of the career officers of Parliament, the Clerk of Parliaments and his staff. While the new Assembly must obviously be free to make its own dispositions in this respect, it will no doubt wish to make full use of the expertise which exists amongst these professional servants of Parliament. Their interests will, however, be protected.

Links with the Crown

81. There will be no weakening whatever in Northern Ireland's links with the Crown. All executive power in Northern Ireland as in Great Britain will continue to flow from Her Majesty The Queen. In general, where executive power is not devolved to the Northern Ireland Executive, it will be exercised either by The Queen in Council or by Her Majesty's Government. There will cease to be an office of Governor of Northern Ireland. Her Majesty's Lieutenants and Deputy Lieutenants to the counties in Northern Ireland will carry out those duties performed by such officers elsewhere in the United Kingdom. Her Majesty's Government pays tribute to the present Governor, Lord Grey of Naunton, and to Lady Grey, for the outstanding service they have given to Northern Ireland during a most difficult period.

Northern Ireland Privy Council

82. No further appointments to the Privy Council of Northern Ireland, or to its Executive Committee (the Cabinet of Northern Ireland) will be made; but existing members of the Privy Council will retain their existing rank and style and obligations. Alternative arrangements will be made for the performance of those acts—principally the making of Orders—which various statutes require to be done in Council. Hitherto, Ministers of Northern Ireland, in protecting the confidentiality of Cabinet and other business, have been bound by the Privy Counsellor's Oath; for the future, all persons discharging executive responsibilities in Northern Ireland, including the Heads of Departments, will be bound by the Official Secrets Act. It would be right for those who have the custody of the records of the Executive Committee to apply to them the criteria accepted in the United Kingdom on a change of Administration; that is to say, records may be consulted by those who were present at particular meetings, but will not be made available to an incoming Administration.

Financial arrangements

83. The broad scheme of the financial provisions, which will be considerably simpler

in form than those in the Act of 1920, will be as follows:

(a) The Northern Ireland Assembly will not have power to legislate in the field of taxation with the exception of those taxes such as rates and licence fees for which the agreement of the United Kingdom Government has been given;

(b) after devolution of powers, the revenue required to meet the cost of devolved services will be derived from the product of taxes levied locally (e.g. the rates); from certain non-tax revenue which accrues locally; from the yield of the "attributed taxation" of Northern Ireland, to be paid out of the Consolidated Fund of the United Kingdom into that of Northern Ireland; supplemented, if necessary, by an annual sum voted to the Secretary of State for Northern Ireland for that purpose.

(c) the existing arrangements will continue for loans from the United Kingdom National Loans Fund to finance capital expenditure programmes in Northern Ireland.

84. There will be some exceptions to this broad scheme. The Agricultural Remoteness Grant will continue to be paid separately and arrangements for the National Insurance, Industrial Injuries and Redundancy Payments Schemes will be maintained as heretofore (i.e. inter-fund transfers will continue). The Joint Exchequer Board will be abolished, and no provision will be made in the new scheme for the payment of an "Imperial Contribution".

85. The financial relationships between the United Kingdom Government and the Government of Northern Ireland have hitherto been regulated not only by statute but by a whole pattern of agreements, arrangements and understandings. Apart from the broad constitutional provision which must be made the two significant questions to be answered are:

(a) if Northern Ireland's attributed revenue is to be supplemented out of voted moneys, how is the need to be measured?

(b) what scope is there, in the context of such financial arrangements, for the development in the Northern Ireland Assembly of the politics of choices and priorities?

86. The Government believes it to be right that the broad objectives by which the financial requirements of Northern Ireland will be judged should be clearly stated. These are:

(a) to accomplish as rapidly as possible, once violence has ended, the task of physical reconstruction and rehabilitation created by the disorders of recent years;

(b) to create a sound base for the economy and to encourage external industrial investment;

(c) to work progressively towards the achievement in Northern Ireland of those standards of living, employment and social conditions which prevail in Great Britain.

87. The overall level of public expenditure in Northern Ireland will be determined in the light of these objectives and will be compatible with public expenditure policies for the United Kingdom as a whole. The total for Northern Ireland, which will have to be acceptable to the Government and Parliament at Westminster, can continue to be settled through the existing arrangements of the Public Expenditure Survey. Within this total, however, Northern Ireland will enjoy a large measure of freedom of decision as regards its choice of priorities and policies in advancing towards the objectives stated above.

88. When the new institutions in Northern Ireland have been formed, the Government will discuss with them how these arrangements should be operated in detail so as to ensure the large measure of freedom of decision which the Government wishes to devolve. This will involve discussing how to divide expenditure (excluding expenditure on law and order, which will be reserved) into two broad categories. The first could consist of the cash social services, assistance to industry and employment as well as agriculture and fisheries. For these services certain limitations upon local freedom of decision will be inevitable. In the case of the cash social services, such as family allowances, unemployment and sickness benefit and pensions, it is difficult to envisage anything other than exact parity with Great Britain. In the case of assistance to industry and employment, consultation with the United Kingdom Government will be necessary to ensure that regard is paid to the general industrial and fiscal policies of the United Kingdom Government and to the problems of the Development Areas in Great Britain. Moreover, the United Kingdom Government cannot abrogate responsibility for the application in Northern Ireland of regional policies which will be the subject of negotiation with the European Economic Community in their application to the United Kingdom as a whole. Somewhat similar considerations apply also in the case of policies for agriculture and fisheries. But the intention will be within agreed guidelines to give Northern Ireland the widest possible measure of discretion and latitude in day-to-day operations.

89. The second category could embrace all other services, including, amongst others, education, health and personal social services, housing, roads, the nationalised fuel industries and local environmental services. These services account for well over half of Northern Ireland's public expenditure. For these services, Northern Ireland would have a high degree of freedom and discretion to determine relative priorities, to reallocate funds from one programme to another and to pursue distinctive policies different from those obtaining in Great Britain, provided always that they are directed towards the broad objectives stated in paragraph 86 and that their cost is kept within the annual totals for this category of expenditure. Within the Northern Ireland administration the Ministry of Finance would continue to play an essential role in co-ordinating and regulating total expenditure and approving individual programmes.

PART 4—A CHARTER OF HUMAN RIGHTS

90. This part examines the constitutional proposals from the standpoint of the individual. It outlines comprehensive provisions which will constitute a charter of human rights for Northern Ireland. In particular, these provisions will supplement existing safeguards with specific statutory restraints against the abuse of legislative and executive powers, with a commitment to establish effective machinery to deal with job discrimination and with the establishment of a Standing Advisory Commission on Human Rights which will keep the whole field under continuous surveillance.

The requirement

91. In any society the average individual, the "man in the street", is probably less concerned with the detailed definition of authority and the law than with its effectiveness in ensuring certain basic standards. These may be summarised as:

(a) the right to freedom within the law, including freedom to advance any political or constitutional cause by non-violent means;

(b) the right to protection under the law, so that freedom is not taken away or diminished by violence, oppression or intimidation by others; and

(c) the right to equality of benefit and opportunity, so that society will deal in an equitable and even-handed way as between one citizen and another, without bias or prejudice.

92. But this pattern of rights has to be matched by a balancing pattern of obligations:

(a) freedom to advance one's own ideas involves a comparable freedom for others to advance theirs, and an acceptance that a minority has no right to force it views upon a majority, as distinct from seeking to convince them;

(b) the right to protection under the law can only be maintained by a willingness to observe the law, including laws with which the individual may disagree, and to support the authorised agencies of law-enforcement;

(c) the right to equality of benefit and opportunity is incompatible with abstention, non-participation or the avoidance of such communal obligations as paying, through taxation or otherwise, for public services available to all.

93. A fundamental problem since the earliest years of Northern Ireland's existence has been the disagreement not just about how Northern Ireland should be governed, but as to whether it should continue to exist at all. Those in Northern Ireland who have supported its continued membership of the United Kingdom have seen themselves as faced by an unremitting campaign to discredit and dismantle the constitutional system. Their opponents, on the other hand, have claimed that valid political opposition has been treated as subversion, and used as a pretext to exclude them from any share of real power or influence in Northern Ireland's affairs.

94. The essence of the new constitutional and other arrangements is fairness; equality of treatment and of opportunity; the absence of bias of any sort. Any person in Northern Ireland, whatever his political beliefs, may advance them peacefully without fear. But no person or organisation can expect to be allowed to claim to be acting politically at one moment and then, given what appears a favourable opportunity, to turn to violence and subversion.

Protection of human rights

95. The protection of fundamental human rights in Northern Ireland will henceforth flow from a number of different sources. The principal protection is that afforded by our parliamentary democratic tradition and by the common and statute law. In addition, the United Kingdom, including Northern Ireland, has accepted the Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms. But because important areas of government will be devolved to subordinate institutions, and this involves written constitutional provisions, it is practicable to legislate for the protection of human rights in a way which cannot readily be done elsewhere in the United Kingdom. Thus the constitutional Bill will embody safeguards against religious or political discrimination in the use of the Assembly's law-making powers. The Secretary of State will not recommend Her Majesty in Council to give any discriminatory proposal the force of law; and even if it were to be enacted, its validity could subsequently be considered by the courts.

96. These safeguards will be matched by equally stringent checks against any abuse of the executive power. Any action of a discriminatory character by a Government Department, a local authority or a public body could be made the subject of court action, and the whole range of legal remedies is available to the litigant.

97. Moreover, these specific legislative safeguards are complementary to existing provision in the public sector. In Northern Ireland, as in the rest of the United Kingdom, alleged maladministration by Government Departments can be investigated by a Parliamentary Commissioner for Administration who in some respects has a wider remit than

his United Kingdom counterpart; but in addition Northern Ireland has a unique office—that of the Commissioner for Complaints—responsible for investigating alleged maladministration, including discriminatory practices) in the public sector outside Government, i.e. local authorities and public bodies. To these provisions there will be added appropriate arrangements with an independent element for *ex post facto* reviews of the handling of complaints against the police to conform with those which the Government is planning to introduce in Great Britain.

98. Every public authority is required to operate under a fair employment code; an anti-discrimation clause (policed on an extra-statutory basis by the Parliamentary Commissioner for Administration) is written into all Government contracts, and a breach of its requirements can involve removal for a period from the Government contract list; and the allocation of publicly-provided housing, formerly a matter of much controversy in Northern Ireland, is now the responsibility of a central Housing Executive, with a broadly-based membership and working to objective criteria.

99. A further significant point is that, when on 1 October 1973 the re-organisation of local services associated with the Macrory Report becomes fully effective, the area of public activity outside the control or influence of "central government", as represented either by the Government of the United Kingdom or the Northern Ireland Executive, will be greatly diminished. (As noted in the Paper for Discussion, the preponderant part of complaints of discrimination in the public sector was in the past concentrated against certain activities of a relatively few local authorities.) Moreover, the overall nature of the new constitutional arrangements will be a safeguard in itself, for it is inherent in the entire argument of this White Paper that devolved powers can only be exercised in the future on a broadly acceptable basis. Taken together, the general form of the settlement and the specific constitutional safeguards incorporated within it should amply guarantee fair and unbiased law-making and administration.

100. In the private sector there have been allegations of job discrimination on religious or political grounds. The Government has taken the view that it is essential to proceed in this matter with the goodwill and co-operation of the representative bodies on both sides of industry which have consistently demonstrated their concern for the social responsibilities of industry as well as for the economic well-being of Northern Ireland. Accordingly, the Northern Ireland Regional Council of the Confederation of British Industry, the Northern Ireland Chamber of Commerce and Industry and the Northern Ireland Committee of the Irish Congress of Trade Unions were invited to nominate representatives to join with representatives of Government, under the chairmanship of a Minister of State at the Northern Ireland Office (first Mr. Paul Channon, M.P., and subsequently Mr. William van Straubenzee, M.P.) to consider and report upon the problem. The Secretary of State has now received from the chairman of the Working Party a letter conveying interim conclusions, which are substantially reproduced in the following paragraphs.

101. The Working Party has agreed that its fundamental aim is to promote full equality in all aspects of employment opportunity within the private sector, and has formed the view that such equality of opportunity requires strict fairness and impartiality in all aspects of recruitment, appointment and promotion procedures including, where necessary, programmes of affirmative action designed to promote such ends. Affirmative action may, for example, include enlargement of the traditional field of recruitment or other positive steps designed to demonstrate commitment to full equality in employment practice; but it does not imply the introduction of a formal quota system.

102. With this central objective in mind, the Working Party proposes to recommend three inter-related and mutually reinforcing steps. These are:

(*a*) a declaration of principle and intent which in the first instance would be signed jointly by representative employer and trade union organisations and then promulgated by them for adoption throughout industry and commerce;

(*b*) the preparation and issue of a Guide to Manpower Policy and Practice, based on manifestly fair principles and sound management procedures, for use by all those concerned with recruitment and employment;

(*c*) the establishment by statute of an Agency with powers *both* to investigate individual complaints of discrimination in employment on religious or political grounds, which would be made unlawful, *and* itself to initiate in certain circumstances inquiries into patterns of employment in particular companies or industries or among categories of workers. The Working Party envisages that the Agency should discharge an important advisory and educational role in addition to its functions of investigation or inquiry. Where it was satisfied on inquiry that an unlawful discriminatory practice existed, the Agency would seek, through conciliation and other administrative procedures, to secure voluntary compliance with the law; but it would be able, as a last resort, to apply to the courts for a range of *civil* remedies.

103. The Working Party point out in their letter that the representatives of the interests cannot bind their organisations, and that full consultation will therefore be essential when the final report is published. Nevertheless, the Government regards the interim conclusions of the Working Party as a most significant advance towards effective action in a most important area with the co-operation of responsible organisations on both sides of industry, and, when the necessary consultations have been carried out, will propose to Parliament comprehensive legislation in this field.

104. The assurance of fairness and equality of opportunity, not only in employment but across the whole field of public and private activity, cannot be secured by the work of any single body or agency. Northern Ireland already has its Community Relations Commission and its Parliamentary Commissioner for Administration and Commissioner for Complaints. Now, in addition, a statutory Agency concerned with fair employment practice is envisaged. If further protections at any time prove to be necessary, the right course could be to modify, adapt or use some of this existing machinery or to create new machinery or law. What is important is that there should be effective coordination of the activities of all the agencies working in this field, and that the United Kingdom Parliament and Government should have a continuous flow of information enabling them to discharge their responsibilities for human rights in Northern Ireland, as in every other part of the United Kingdom. To that end, provision will be made in the constitutional Bill for the Secretary of State to appoint a Standing Advisory Commission on Human Rights for Northern Ireland, charged with the duty of keeping in touch with the activities of all public agencies active in the field of human rights and of producing an annual report, to be laid both before Parliament and the Northern Ireland Assembly, including recommendations as to any further statutory provision which it considers should be made. The Commission would have a relatively small but high-level membership, including the Chairman of the Community Relations Commission and of the proposed fair employment Agency, and the holder or holders of the offices of Parliamentary Commissioner for Administration and Commissioner for Complaints.

The acceptance of obligations

105. In circumstances where the individual will be protected by a comprehensive charter of human rights, the community as a whole can properly seek from him an acknowledgement of its own rights. He has the obligation to bear his share of the collective burdens which are a part of civilised life. He cannot continually call for "law and order", yet be reluctant to observe laws he dislikes and hostile to those who protect public order. He cannot demand every benefit which society can offer, yet fail to play his part in paying for those benefits. Private armies; failure to co-operate with the police by withholding information on violent crime; civil disobedience; rent and rates strikes—all of these developments are incompatible with an equitable pattern of rights and obligations as between society and the citizen. A prompt end to these practices is the contribution which the individual can make to the success of the settlement.

PART 5—RELATIONS WITH THE REPUBLIC OF IRELAND

106. When the Paper for Discussion referred to the "Irish dimension" of the Northern Ireland situation, it was not making a political judgment but acknowledging an evident fact; that Northern Ireland is affected in numerous ways by what happens in the Republic of Ireland, and that the reverse is equally true.

107. At this point it may be appropriate to set out again the conclusions reached in Paragraph 78 of the Paper for Discussion:

"Whatever arrangements are made for the future administration of Northern Ireland must take account of the Province's relationship with the Republic of Ireland: and to the extent that this is done, there is an obligation upon the Republic to reciprocate. Both the economy and the security of the two areas are to some considerable extent inter-dependent, and the same is true of both in their relationship with Great Britain. It is, therefore, clearly desirable that any new arrangements for Northern Ireland should, whilst meeting the wishes of Northern Ireland and Great Britain, be so far as possible acceptable to and accepted by the Republic of Ireland, which from 1 January 1973 will share the rights and obligations of membership of the European Communities. It remains the view of the United Kingdom Government that it is for the people of Northern Ireland to decide what should be their relationship to the United Kingdom and to the Republic of Ireland; and that it should not be impossible to devise measures which will meet the best interests of all three. Such measures would seek to secure the acceptance, in both Northern Ireland and in the Republic, of the present status of Northern Ireland, and of the possibility—which would have to be compatible with the principle of consent—of subsequent change in that status; to make possible effective consultation and co-operation in Ireland for the benefit of North and South alike; and to provide a firm basis for concerted governmental and community action against those terrorist organisations which represent a threat to free democratic institutions in Ireland as a whole."

108. These conclusions received a general welcome from widely representative spokesmen of political and other interests in the Republic of Ireland. It is now possible to make progress in a way which could significantly reduce or eliminate any remaining points of friction in the relationship between the peoples of these islands.

109. It is noteworthy that virtually all the Northern Ireland political parties have envisaged some sort of scheme for institutional arrangements between North and South

which many described as a "Council of Ireland", although there were different concepts of such a Council, and in some cases an emphasis upon conditions which would have to be met before it could operate successfully.

110. As far as the United Kingdom is concerned, it favours and is prepared to facilitate the formation of such a body. The constitutional proposals would permit the new Northern Ireland institutions to consult and co-ordinate action through a Council of Ireland. There are undoubtedly many matters of substantial mutual interest such as tourism, regional development, electricity and transport.

111. The widespread interest which exists in the idea of a Council is a firm basis for moving to a specific discussion of the matter. There have been arguments that the Government should at this stage, in consultation with the Republic of Ireland, write into the constitutional Bill for Northern Ireland a complete scheme for such a Council. These arguments are, however, unrealistic. If a Council is to be set up not merely as a statutory concept, but as a useful working mechanism in North-South relations, it must operate with the consent of both majority and minority opinion in Northern Ireland, who have a right to prior consultation and involvement in the process of determining its form, functions and procedures. There are clearly a number of different levels at which such a Council might operate, including the inter-governmental and the interparliamentary.

112. True progress in these matters can only be achieved by consent. Accordingly, following elections to the North Ireland Assembly, the Government will invite the Government of the Republic of Ireland and the leaders of the elected representatives of Northern Ireland opinion to participate with them in a conference to discuss how the three objectives set out in the Paper for Discussion may best be pursued, that is:

(*a*) the acceptance of the present status of Northern Ireland, and of the possibility—which would have to be compatible with the principle of consent—of subsequent change in that status;

(*b*) effective consultation and co-operation in Ireland for the benefit of North and South alike; and

(*c*) the provision of a firm basis for concerted governmental and community action against terrorist organisations.

113. These objectives are inter-related. If and when firm agreements are reached, consideration can be given to the means by which they should be formally adopted as between sovereign states. But, consistent with the principle of consent, the first stage clearly must be discussions involving all the parties.

114. Under the proposals of this White Paper, certain important functions of government in Northern Ireland will be reserved to the United Kingdom Government rather than developed to new institutions in Northern Ireland. Some of these relate to matters on which consultation and agreed coordinated action (e.g., in relation to the suppression of terrorism) is of the first importance, and this will involve consideration as to how the United Kingdom authorities can best be associated with discussion of these subjects either within a Council of Ireland concept or otherwise. Moreover, even within the area of powers devolved to Northern Ireland institutions, there will often be United Kingdom interests or repercussions, relating for instance to the provision of finance from United Kingdom sources or to international obligations, including those arising from membership of the European Economic Community.

115. It may be said that these proposals leave much unresolved; and so they do. But it would require either exceptional vision or exceptional foolhardiness to forecast the future development of relationships involving North and South in Ireland, the United Kingdom, and the British Isles and Europe. But there is much which can usefully be done to defeat terrorism by concerted action throughout Ireland, and to serve the economic and social interests of all the people, North and South.

PART 6—SUMMARY AND CONCLUSION

Summary of Proposals

116. There follows a broad summary of the detailed proposals made in this White Paper.

(i) A comprehensive constitutional Bill will be presented to Parliament with the objective of bringing new permanent arrangements for the government of Northern Ireland into effect within the second year of the direct rule provisions of the Northern Ireland (Temporary Provisions) Act (para. 30).

(ii) The Bill will declare that Northern Ireland will remain part of the United Kingdom for as long as that is the wish of a majority of its people (para. 32).

(iii) As part of the United Kingdom, Northern Ireland will maintain its existing representation of twelve Members in the United Kingdom Parliament (para. 33).

(iv) There will be a Northern Ireland Assembly of about 80 members elected on this occasion by the single transferable vote method of proportional representation applied to the twelve Westminster Constituencies (para. 39).

(v) Elections to the Assembly will be held as soon as possible (para. 40).

(vi) The Assembly will have a fixed term of four years (para. 41).

(vii) The Assembly itself will elect its presiding officer and work out its own detailed methods and procedures (paras. 42 and 43).

(viii) There will be committees of the Assembly, whose members will reflect the balance of parties, associated with each Northern Ireland Department. The Chairman of these committees who collectively will form the Executive will be the political Heads of the Departments and the committees will be associated with the development of new law and policy (para. 44).

(ix) Between the election of the Assembly and a devolution of powers the advisory functions of the Northern Ireland Commission will be undertaken by a committee composed of members of the Assembly (para. 47).

(x) There will continue to be a Secretary of State for Northern Ireland who will be a member of the United Kingdom Cabinet. He will undertake the necesary consultation leading to the devolution of powers, administer certain services reserved to the United Kingdom Government and be responsible for United Kingdom interests in Northern Ireland (paras. 48–50).

(xi) The purpose of the Secretary of State's consultations with parties in the Assembly will be to find an acceptable basis for the devolution of powers which will meet prescribed conditions, in particular as to the formation of an Executive which can no longer be solely based upon any single party, if that party draws its support and its elected representation virtually entirely from only one section of a divided community. Members of the Executive will be required to take an appropriate official oath or make an affirmation (paras. 51–53).

(xii) The United Kingdom Parliament will continue to have the power to legislate in respect of any matter whatever in Northern Ireland (para. 54).

(xiii) The Assembly, after a devolution of powers, will be able to legislate in respect of most matters affecting Northern Ireland. There will, however, be a limited range of matters on which it may legislate only with agreement and certain others which, because of their national importance, will be excluded from its legislative competnce. Where agreement is required, a measure, having been passed by the Assembly, will be laid before the United Kingdom Parliament (paras. 56 and 57).

(xiv) Measures of the Northern Ireland Assembly will have the force of law when approved by the Queen in Council (para. 57).

(xv) Since the Government has no higher priority than to defeat terrorism and end violence, Parliament will be asked to approve specific emergency legislation for the more effective combating of terrorism, including giving effect to the recommendations of the Report of the Diplock Commission. This will make possible the repeal of the Special Powers Act and the re-enactment by the United Kingdom Parliament of those provisions which are regarded as essential (paras. 58–62).

(xvi) The constitutional Bill will debar the Assembly from passing legislation of a discriminatory nature and from legislating to require an oath or declaration as a qualification for employment, office, etc., where this is not required in comparable circumstances in the rest of the United Kingdom. An Order-In-Council will shortly be brought forward to remove existing obligations which conflict with this principle (e.g. in relation to the requirement for a statutory declaration of allegiance by local government councillors) (paras. 63 and 64).

(xvii) The Bill will provide for the discharge of executive functions in Northern Ireland on the following broad basis:

(*a*) in general United Kingdom Ministers other than the Secretary of State will retain their existing responsibilities in relation to Northern Ireland (para. 66);

(*b*) certain matters previously the responsibility of the Northern Ireland Government will be permanently reserved to the United Kingdom Government (that is, the appointment of certain judges, magistrates, etc.; the conduct of public prosecutions; elections and the franchise; and exceptional measures in the law and order field to cope with emergency situations) (para. 67);

(*c*) certain other matters, notably in the "law and order" field, will be reserved to the United Kingdom Government because of the current security situation. Arrangements will, however, be made to secure the effective representation of local interests in relation to such matters, including a general advisory role for the Northern Ireland Executive itself, the addition of elected representatives to the Police Authority and the creation of links between District Councils and the police in their areas (paras. 68–70); and

(*d*) responsibility for all other matters will rest with the Northern Ireland Executive (para. 71).

(xviii) The Executive of Northern Ireland will consist of the political Heads of Northern Ireland Departments (including a central secretariat whose Head will preside over the Executive). Their formal appointment will be effected by the Secretary of State in accordance with any agreed understanding as to the formation of the Executive (paras. 72 and 73).

(xix) The Northern Ireland Civil Service will remain a distinct service under the Crown (para. 76).

(xx) The constitutional Bill will forbid executive action of a discriminatory nature by central and local government and other public bodies (para. 77).

(xxi) There will be no weakening whatever in Northern Ireland's links with the Crown. Where executive power is not devoted to the Northern Ireland Executive, it will be exercised either by The Queen in Council or by Her Majesty's Government. There will cease to be an office of Governor of Northern Ireland (para. 81).

(xxii) No further appointments will be made to the Privy Council of Northern Ireland para. (82).

(xxiii) The Bill will include financial provisions of a straightforward character designed to accomplish as rapidly as possible the task of physical reconstruction, to create a sound base for the economy and to help Northern Ireland achieve those standards of living, employment and social conditions which prevail in Great Britain (paras. 83–86).

(xxiv) The Government will discuss with the Northern Ireland institutions what arrangements can be made to provide them with a large measure of freedom to determine expenditure priorities (paras. 88 and 89).

(xxv) The Bill will include proposals to provide the individual with the safeguards and protections of a charter of human rights. The statutory safeguards against abuse of legislative and executive powers have already been described (para. 95).

(xxvi) Appropriate arrangements will be made for *ex post facto* reviews of the handling of complaints against the police, with an independent element, to conform with those which the Government is planning to introduce in Great Britain (para. 97).

(xxvii) The Government will present to Parliament proposals to deal with job discrimination in the private sector (paras. 100–103).

(xxviii) The Bill will provide for the appointment by the Secretary of State of a Standing Advisory Commission on Human Rights (para. 104).

(xxix) In the context of the provisions constituting a charter of human rights, society is entitled to expect an acceptance by individual citizens of their obligations to the community as a whole (para. 105).

(xxx) The Government favours, and is prepared to facilitate, the establishment of institutional arrangements for consultation and co-operation between Northern Ireland and the Republic of Ireland (para. 110).

(xxxi) Progress towards setting up such institutions can best be made through discussion between the interested parties. Accordingly, following the Northern Ireland elections, the Government will invite representatives of Northern Ireland and of the Republic of Ireland to take part in a conference to discuss how best to pursue three inter-related objectives. These are the acceptance of the present status of Northern Ireland, and of the possibility—which would have to be compatible with the principle of consent—of subsequent change in that status; effective consultation and co-operation in Ireland for the benefit of North and South alike; and the provision of a firm basis for concerted governmental and community action against terrorist organisations (para. 112).

(xxxii) The United Kingdom Government must be associated with discussion of subjects touching upon its interests (para. 114).

Conclusion

117. Under the proposed settlement, Northern Ireland will continue to have a greater degree of self-government than any other part of the United Kingdom. While benefitting in full measure from all the practical advantages of the British connection—for the proposals embody political, financial and economic arrangements which are in general both flexible and generous—Northern Ireland will continue, to a very large extent, to make its own laws and administer its own services, particularly in relation to such crucial issues as employment, housing, development of the regional infrastructure and education.

118. These proposals are designed to benefit the law-abiding majority in both communities, who may have conflicting views on the ultimate constitutional destiny of Northern Ireland, but who seek to advance those views by peaceful democratic means alone, and have strong mutual interests in making social and economic progress. The proposals provide an opportunity for all such people to stand together against those small but dangerous minorities which would seek to impose their views by violence and coercion, and which cannot, therefore, be allowed to participate in working institutions they wish to destroy.

119. To all those who support the continued union with Great Britain, the proposals offer firm assurances that this union will endure and be defended, for as long as that is the wish of a majority of the people of Northern Ireland. They seek to strengthen the democratic institutions of Northern Ireland by winning for them that wide-ranging consent upon which the government of a free country must rest. They commit the whole United Kingdom to a major effort to narrow the gap in standards of living, employment and social conditions between Northern Ireland and Great Britain.

120. To all those who seek the unification of Ireland by consent, but are genuinely prepared to work for the welfare of Northern Ireland, the proposals offer the opportunity to play no less a part in the life and public affairs of Northern Ireland than is open to their fellow citizens.

121. To all, whatever their religion or their political beliefs, the proposals extend effective protection against any arbitrary or discriminatory use of power.

122. These, then, are the Government's proposals to Parliament, to the country, and above all to the people of Northern Ireland themselves for a way forward out of the present violence and instability. At every point, they require the co-operation of those people themselves if they are to have any prospect of success. They can be frustrated if interests in Northern Ireland refuse to allow them to be tried or if any section of the community is determined to impose its will on another. It should now be perfectly clear that there are prescriptions for disaster. The Government believes, however, that the majority of the people of Northern Ireland have an overwhelming desire for peace and that they will accept the opportunity which these proposals offer.

SENATOR HOWARD BAKER DISCUSSES THE EVOLUTION OF ENVIRONMENT PROTECTION LEGISLATION

Mr. BUCKLEY. Mr. President, the distinguished ranking Republican member of the Committee on Public Works, Mr. Baker, spoke last week at the annual convention of the American Paper Institute in New York City.

Senator Baker's remarks concentrated on an explanation of the evolutionary development of pollution control legislation in the Congress, culminating in the passage of the Clean Air Act Amendments of 1970 and the Federal Water Pollution Control Act Amendments of 1972. In addition, Senator Baker discussed several possible options in the Federal approach to the control of solid waste pollution, a challenge that will consume much of the Public Works Committee's efforts later in this session of the Congress.

Mr. President, because of the significance of Senator Baker's remarks on these subjects, as well as his evaluation of differences between the Congress and the executive agencies, I ask unanimous consent that a copy of the speech be printed at this point in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Excerpts of Remarks By U.S. Senator Howward Baker to the American Paper Institute on Tuesday, March 13, In New York City

It will, no doubt, be recorded that the United States in the twentieth century achieved a degree of technical expertise and industrial capacity that improved the material well-being of our citizens.

It must not also be said that in doing so we squandered our natural resources, and in raising our standard of living we contributed to lowering our quality of life.

Only in this decade has environmental quality truly become a cause of national concern. Through the nearly two hundred years of our history, we have depended primarily on the natural recycling system of our air and water to absorb the large quantities of the pollutants as by-products of our industrial development.

Our growing population and burgeoning industrial economy has in this century put strains on our natural purification system. The bill for years of neglect is now coming due, itemized in the headlines chronicling eco-catastrophes.

With the growing, almost universal awareness of the problems of the environment, it might seem that the solutions are simple and well defined. Being against pollution is just about as easy and inevitable as being for the traditional embraceables of apple pie, motherhood, and the American Flag.

Recent public opinion polls show that the American people find it easier to agree about the necessity of combating pollution than about any other public issue, so making real headway on such a vital issue might seem to be a hopeful prospect.

Unfortunately, agreement in principle doesn't always translate into agreement in practicalities. Hard choices must be made by all segments of our society if environmental awareness is to have any real impact on our society.

Television commercials and slick magazine advertisements citing corporate concern over the environment are all very nice, but they must be accompanied by even greater outlays for pollution abatement.

While substantial sums are involved, the expenditures for environmental action are far less than the costs of continued pollution. We must channel the growth of technology to produce not further environmental problems, but new and better solutions.

I have been most encouraged by the significant and sustained efforts of the paper and pulp industry to act affirmatively in improving pollution control.

Nearly half of all capital expenditures at primary mills last year went for pollution abatement. The industry's annual budget for controlling pollution grew from $138 million in 1969 to $203 million in 1971, and rose to $414 million in 1972.

A special study published last year by the Council on Economic Priorities—a respected independent group that has certainly proven to be no drum beater for the paper industry—reported that paper and pulp manufacturers are "years ahead of other industries" in making progress against pollution.

The paper and pulp industry was one of the first which had to confront the challenge of massive environmental clean-up. The reasons were many, and so were the incentives.

Because pollution from mills is often highly visible and objectionally odorous, paper became a focal point of public and governmental demands for improvement. Because the industry's future is contingent on continual renewal of its raw material and an abundant supply of other natural resources, it had a special concern for improvement. Because the technology of pollution control is largely available and proven in many areas where it is most effective, it can be applied with relative speed and efficiency.

While there are still significant problem areas, especially when older plants are considered, impressive strides have been made to meet environmental goals.

More than 90 percent of paper mills now provide effluent treatment on site or in a municipal system. Other advances include expanded recovery capacity for emission control, improved treatment for odorous gas, and upgrading of water quality protection facilities.

The paper industry has taken the lead in increasing the recycling of waste material and in self generation through the utilization of process wastes to augment external fuels. All these expenditures represent a tangible investment in a better environment.

I believe that the progress of the paper industry must be related to the other factors in the environmental complex, factors involving the interrelationships of government, individuals, and industry.

What I would like to do is discuss for a few minutes the philosophy of the approach of Federal law on pollution control. I believe this is important because there has been a significant shift recently—an evolutionary shift away from ambient controls toward effluent controls.

We in the Congress have recognized that there is no readily definable linear relationship between a particular effluent source and the quality of the air or water.

The water quality standards program is limited in its success. After five years, many states do not have approved standards. Officials are still working to establish relationships between pollutants and water uses. Time schedules for abatement are slipping away because of failure to enforce, lack of effluent controls, and disputes over Federal-State standards.

The Committee adopted this substantial change because of the great difficulty associated with establishing reliable and enforceable precise effluent limitations on the basis of a given stream quality. Water quality standards, in addition to their deficiencies in relying on the assimilative capacity of receiving waters, often cannot be translated into effluent limitations—defendable in court tests, because of the imprecision of models for water quality and the effects of effluents in most waters.

Under this Act, the basis of pollution prevention and elimination will be the application of effluent limitations. Water quality will be a measure of program effectiveness and performance, not a means of elimination and enforcement.

I would like to explain why Congress moved in the direction it did. From a practical point of view, I recognize that in some cases such a change may have no effect whatever on the level of control required at one of your plants. In other cases, the effect may be vast. I hope I will be able to lay down some of the thinking and reasoning that went into this new approach.

When I came to the Senate in 1967, the approach of the Federal Government toward pollution control can best be summed up as one of guidance. The Federal Government undertook a lot of research, it issued criteria documents, it approved State plans for abating pollution, and it provided some relatively modest sums—at least in today's multi-billion dollar terms—toward the construction of waste water treatment plants. This set of laws left to the States the basic responsibility of deciding how clean they wanted to make their air and water.

A marked change in the Congressional point of view began to evolve in 1970, with the adoption of the Clean Air Act Amendments. Until that point, air quality decisions had been based essentially on ambient air quality, rather than emission levels. In other words, the concern of the Federal Government, both in the Congress and Executive, was to see to it that the air we breathed in each of our cities and rural areas was relatively free of pollutants, not to necessarily impose any restrictions on any particular source.

That general approach was continued in the mandating of national ambient air quality standards for stationary sources. But toward the conclusion of our development of the bill in the Senate, we came to realize that the ambient approach contained many unfair aspects, and was far from an assured tool to achieve a specific goal. It requires elaborate air-quality modeling that in many cases was often imprecise at best. And I need not point out to you the imbalances that such an approach causes to industry, where a plant in a heavily polluted city must have to install very strict controls, while a rural competitor might not have to install any controls whatsoever.

Title II of the same bill mandated, as most Americans know, a 90% reduction in the pollution level of the 1975 model-year automobiles. This approach quite obviously is an entirely different one from the approach on ambient air standards. It says that all new cars—whether their owners live in urban Los Angeles or the windswept plains of central Kansas—must be built to the same level of emissions control.

From a practical point of view, it was an easy new direction to take. The auto industry had been working under a less stringent national emissions standard, and the industry stated it did not want to have to meet five or six differing pollution control standards. And since cars are mobile and Kansas cars are driven to Los Angeles, it was logical to set the standard at the most stringent level.

Personally, I thought in 1970 that it would have been far more practical and rational if we had established national emission standards on all stationary, as well as mobile, sources.

Having laid that framework from an evolutionary shift, the Congress moved relatively rapidly to implement it in the development of the 1972 amendments to the Federal Water Pollution Control Act. That 1972 bill received as much attention as any piece of legislation in recent years. In that broadest possible terms—the bill says that industry must install abatement systems sufficient to control pollution to the best possible extent, although over a phased period of time. The first phase involved the installation of the best practicable technology by 1977. The second was the attainment by 1983 of the best available control technology.

I know there is a lot of controversy that continues over the bill's stated goal of no discharge by 1985. That goal and its ramifications for industry and the public will be given very careful attention by you, by the Administration, and by many concerned citizens in the years ahead. I can assure you that as a member of that 15-member National Study Commission, established by the 1972 Act to evaluate the technical, economic, social, and environmental implications of the 1983 standard, that we shall also seek to evaluate the 1985 goal.

It is fair to say, I believe, that there is a philosophical split between the Congress and the White House on many of these issues. Certainly that difference was demonstrated in part by the President's decision to veto the water pollution bill last Fall. But I believe that the difference is a more basic one: where responsibility should be placed. Should pollution control be essentially a local responsibility, or should it involve the imposition of strong Federal requirements, together with major infusions of Federal money.

Such a philosophical division can probably best be shown in the handling of solid waste pollution. The Congress this year intends to re-evaluate the Federal program to handle solid waste pollution. There are a variety of options that we in the Public Works Committee and in the Senate as a whole, have to evaluate.

First, there is the Administration proposal which the President discussed in his recent environmental message, and which I was honored to introduce last week. This bill sets up a regulatory framework for controlling the disposal of the most hazardous wastes—arsenic, mercury—but it does not seek to handle the problems of municipal trash. From the point of view of the paper industry it would seem to me that this bill would have a relatively modest regulatory impact, at least outside of your processing plants.

A second approach is a bill that my colleague Senator Ed Muskie is developing. This bill will in general take an entirely different approach—seeking tight regulation on a broad range of wastes. While I cannot speak for Senator Muskie. I know that many of you have seen copies of earlier versions of this bill, which would set national standards for packaging materials used for food, beverages, and some other consumer products, useful life standards on automobiles and other types of major consumer products, plus a major new Federal loan program to assist communities in the construction of municipal waste recycling facilities.

Some of my friends in the tin-can and plastics industries tell me that the Muskie paekaging-standards language would effectively eliminate all but paper packaging, an allegation you might want to ponder.

A third approach is the brainchild of another of my colleagues on the Public Works Committee, Senator Bob Stafford of Vermont. His concept in its most simplified terms is this: If you made it, you've got to take it back in its waste stage.

Carried to an extreme, such a proposal might require a paperboy to pick up yesterday's used newspaper when he delivers today's fresh paper. In a less extreme form, there might be some logic to requiring that the auto industry, the tire industry, the appliance industry and others be responsible for the ultimate disposal of recycling of its consumer products once they have outlived their usefulness.

A fourth approach might involve the changes in the tax system, which indisputably favors the industrial use of virgin materials instead of recycled materials. While taxes are outside the realm of the Committee of Public Works, I believe such an evaluation merits careful attention.

Recycling may not be the wave of the future, but it certainly carries with it many advantages in resource management and the enhancement of our environment.

We have a great opportunity, for example, to utilize refuse as a fuel, I believe. A pound of municipal garbage contains as much as 5,000 BTU's of energy, over 25 percent of the heat energy in a pound of fuel oil, or as much as 40 percent of the heat energy of a pound of coal.

The Environmental Protection Agency recently published an important study on resource recovery. Using figures compiled by the Midwest Research Institute, EPA came to the conclusion that for the paper industry, the manufacturing of 1,000 tons of pulp from repulped waste paper would mean 61 percent less water pollution, 70 percent less air pollution, and a 70 percent reduction in energy consumption, compared with the manufacturing of a similar 1,000 tons of unbleached kraft pulp.

A similar range of savings are available in other industries. To make 1,000 tons of steel, the steel industry could reduce its energy use by 75 percent, its air pollution by 86 percent, and its water pollution by 76 percent, if it used exclusively scrap steel rather than virgin ores.

We in the Congress have some tough decisions ahead. We must encourage recycling without disastrous impact on our basic industries.

We must act not because of any desire to impose punative restrictions, but because the need to plan more effectively for the better management of our resources and our pollution. We must not act in haste, but we cannot turn our backs on the assumption that the challenge will solve itself.

I want to thank you for this opportunity to be with you and to discuss with you the role of industry and government in controlling pollution. The pulp and paper industry has made an excellent beginning in cleaning up our environment. Your continued good corporate citizenship will pay real dividends for America's future.

REGULATING HUMAN EXPERIMENTATION

Mr. HUMPHREY. Mr. President, little is known about the subject of human experimentation. Despite the fact that $600 million was spent last year by the Federal Government, we have no way of knowing how the money was used. It is the responsibility of Congress to see that these funds are used wisely and humanely.

A March 21 New York Times article reports that a citizens' panel commissioned by the Federal Government to study laws regulating medical experimentation involving humans is recommending that Congress form a National Human Investigation Board with regulatory authority for at least all federally sponsored research. The nine-member panel was formed last summer following disclosure of the controversial Tuskegee study.

Mr. President, the Congress should move immediately to implement the panel's recommendations. Thousands of lives are affected by unregulated experiments every day. Earlier this year, I introduced the "National Human Experimentations Board Act" (S. 934). Now the citizens' panel has confirmed the great need for such legislation.

Mr. President, I ask unanimous consent that the New York Times article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Regulation Urged in Human Testing—Panel Calls for Controls on Federally Aided Research

(By Nancy Hicks)

A citizens' panel commissioned by the Federal Government to study laws regulating medical experimentation involving humans is recommending that Congress form a National Human Investigation Board with regulatory authority for at least all federally sponsored research, which totaled 600-million last year.

The study group was empaneled last summer following the disclosure of a 40-year-old syphilis study involving 600 black men, most of whom had the venereal disease but went untreated so that doctors could study the long-term effects of syphilis on the body.

The disclosure was followed by cries of "genocide" by many health professionals, who felt that the Public Health Service should not have sponsored the experiment, which was conducted in Tuskegee, Ala.

Last August, Dr. Merlin K. DuVal, former Under Secretary of Health, Education and Welfare, assembled a nine-member panel, which was divided into three committees.

ETHICAL ASPECTS STUDIED

One committee was to decide whether the experiment, set up 10 years before the discovery of penicillin, was ethical. It also had to decide whether or not it was ethical to continue to withhold treatment after the discovery of the drug.

Another committee studied whether the experiment, which was still in progress last summer, should continue. The group decided the research should be terminated.

The last group was charged with reviewing current H.E.W. policies to see if they adequately protected participants in experiments and to recommend any needed changes.

That committee met in New York yesterday to review the final draft of its findings, including four recommendations for action. These findings will be presented to the full committee at a meeting at the National Institutes of Health next Wednesday.

NEED FOR PROTECTION CITED

There is currently no uniform policy for the protection of subjects involved in research, the committee reviewing H.E.W. policies said. "The lack of uniformity in H.E.W. policy serves to produce confusion and to deny some subjects the protection they deserve," it wrote in its report.

To remedy this condition, the committee made recommendations which include the following:

A body—possibly called the National Human Investigation Board—be set up by Congress to regulate at least all federally supported research involving human subjects. This board would operate independently of H.E.W. and would include representatives from the public.

The board should develop a "no fault" clinical research insurance plan to make certain that subjects in experimentation are compensated, if harmed. The insurance would be mandatory for all institutions participating in federally supported research.

The existing policy formulation and review committees should be changed to make maximum use of prior review of proposed projects.

MASSACHUSETTS CONSUMER COUNCIL SUPPORTS CONSUMER PROTECTION AGENCY BILL

Mr. KENNEDY. Mr. President, yesterday the Reorganization Subcommittee of the Government Operations Committee and the Consumer Subcommittee of the Commerce Committee began hearings on S. 707, which would establish a Consumer Protection Agency. I am a cosponsor of this bill and believe that its enactment is necessary to give consumers a voice in Federal agency proceedings—a voice which has too rarely been heard in the past.

At yesterday's hearings testimony was heard from Prof. David Rice, of Boston University, representing the Massachusetts Consumer Council. Professor Rice's comments make it clear that the Consumer Protection Agency must represent consumers as a full participant in all administrative decisionmaking affecting their interests, and that neither amicus representation, nor limitation of appearances to formal proceedings under the Administrative Procedure Act, would render adequate protection for these consumer interests. As Professor Rice observes, S. 707—

> Provides extensive safeguards against the feared irresponsibility of an independent consumer advocate and the feared disruption and delay in decision-making that might result fom effective paticipation on behalf of consumers.

Mr. President, I ask unanimous consent that Professor Rice's exceptionally thoughtful and balanced statement supporting enactment of S. 707 be inserted in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony of David A. Rice

Mr. Chairman and Members of the Subcommittee: I welcome the opportunity to appear today to testify in support of Senate 707 and, in particular, the creation of an independent Consumer Protection Agency. As a law professor at Boston University, my academic and related activities over the past seven years have focused on consumer problems and particularly upon the administration of laws affecting consumers. In addition, I believe that my practical experience as a public member of the Consumers' Council of the Commonwealth of Massachusetts lends support to the views that I will present today.

My initial intention in appearing today was to present my personal thoughts on Senate 707. Since making that initial commitment, the Massachusetts Consumers' Council has indicated a desire that my views also be recorded as those of the Council and that my appearance be on its, as well as my, behalf.

I. THE NEED FOR CONSUMER INTEREST REPRESENTATION

Almost all formal government decision-making and much informal government decision-making is, in the broad sense of the term, adversarial. The adversary model in which countervailing facts and views are considered in the process of reaching decisions is particularly descriptive of administrative agencies as well as courts.

The Administrative Procedures Act mandates that the federal agencies through which most federal legislation is implemented and administered employ the adversarial model in decision-making by requiring that all formal decisions and their supporting findings be based upon the record developed in agency adjudicative and rule-making proceedings. In informal decision, the model is approximated by heavy reliance upon information and views supplied to the agency by interested persons as well as upon information and views generated from within the agencies.

The critical fact for today's hearings on Senate 707 is that the views presented to the vast array of federal agencies—when it is in fact known that action by the agency is pending—are those of organized or readily organizable interests with a direct and substantial economic interest that may be affected by agency action. Unrepresented, and thus typically not considered, except to the extent that agency staff may present facts or views contrary to those of the actual participants, are the interests of consumers and others whose individual economic interest in any specific action is too small to warrant retention of legal counsel and expert witnesses to represent that interest. And this assumes, of course, that the consumer has somehow been able to determine how to keep track of what is happening within each of the agencies whose actions may affect his or her interests.

Absent representation of such views, agency policy and decision-making predictably tends over time to reflect the needs and views of those who have and can afford access to the processes of the agencies. That this has happened is well-documented. It has happened because only aggregate economic interests can efficiently and viably represent themselves in the adversary forums of government.

Effective direct or surrogate representation of consumers is the essential missing ingredient. My experience with the Massachusetts Consumers' Council is that where regulation exists a need also exists for active advocacy on behalf of consumers. No single consumer or small group of consumers can afford to contest public utility rate increase applications or assume the costs in time and other resources of participation in extended proceedings concerning the renegotiation of the Blue Cross-Blue Shield contract with the Massachusetts Hospital Association. Yet it is consumers' dollars that are the subject of and subsidy for such proceedings.

Until the Council began this year to intervene in such matters, no effective voice for consumers was heard with respect to the often complex factual and legal aspects of the basic economic issues before the agencies. In each situation, of course, the largest "constituency" directly affected by the proceedings were the consumers of Massachusetts. In each case, the very expenses incurred by the business or industry were paid largely by consumers through the price mechanism.

My experience demonstrates that when contending positions, all being advocates' positions, are presented to a decision-maker the end product is a decision that is based upon consideration of a broader range of factors. Such decisions are more reflective and **balance is that the decisions seldom adopt** terests that may be affected; the sign of balance is that the decisions seldom adopt *in toto* any particular advocate's position but, instead, accommodate the competing interests in a truly independent decision.

In keeping with the adversary concept, the Massachusetts Consumers' Council is as partisan for the interests of consumers as the regulated enterprise or industry is for itself. This does not mean that the Council does, or the Consumer Protection Agency should, eschew rationality. It means only that there is a need for effective representation of consumers as well as the regulated and confirms the emphasis in our society that the opportunity for as many views as possible to be heard and considered together is an essential ingredient of fair and reasoned decision-making. That the consumers' interests are "advocated" is not a matter over which one ought to be concerned; the interests of industry are now "advocated" before federal agencies, an expression of industry self-interest consistent with the economist's utility maximizing model of behavior for all rational economic units.

II. RESPONSE TO THE THEORETICAL OBJECTIONS TO A CPA

My paradigm for the anti-CPA view is the article by Professor Ralph K. Winter, Jr. entitled "The Consumer Advocate Versus the Consumer." [1]

I perceive that Professor Winter premises his entire paper on three initial devices: first, he synthesizes a myopic, monolithic, single dimensional "consumer advocate" as a strawman; second, he invests the Administrator provided for in Senate 707 with all of the characteristics of his strawman; third, he implicitly assumes that administrative decision-making follows the single fact adjudication model in which a position or argument is inevitably accepted or rejected in its entirety rather than considered as merely one factor among many in reaching a decision.

With this model set, Professor Winter elucidates the limits and horrors of his consumer advocate in operation. While characterizing the views of his hypothetical consumer advocate as "bleak" he artfully projects a "bleak" image of a consumer advocate that is not at all representative of most persons in the so-called consumer movement with whom I am acquainted or of whom I am aware. In the final analysis he characterizes the advocate as essentially irresponsible and invests the CPA Administrator with this character and, implicitly, suggests that any agency official who considers arguments or evidence of the Administrator will necessarily be adopting wholesale irresponsible positions.

What bothers Professor Winter the most is the conceded fact that the interests of consumers are not monolithic and, therefore, cannot be precisely defined and represented in a manner that obviates the possibility that the Administrator's position is inconsistent with the interests of some individual consumers. I concur that this ideal is unattainable; I do not agree that this leads to the conclusion that all interests of consumers should, therefore, go unrepresented. Even in the very unlikely event that the person appointed as the Administrator is the bleak, ascetic strawman invented by the mind and pen of Professor Winter, agency decision-makers who seldom do reject or accept any one participants view in its entirety will benefit in decision-making from exposure to the existence of interests and views different than those that are now almost exclusively represented.

Past nonparticipation of consumers in agency proceedings or in a marketplace revolt provide further evidence in Professor Winter's view of the lack of any need for consumer representation by an Administrator. He points out that everything is nearly alright in the eyes of most all consumers or these events would not have in fact occurred. Moreover, he places full trust in industry to be responsive to whatever interests consumers may have because service of the interests of consumers best serves the profit interest of industry.

The micro-economic model Professor Winter describes is an economic system that is non-existent in many material respects. Most modern economists concede that the model is no more than an elementary construct that can serve only as an initial point of departure. Moreover, consumers should not be left to the reliance on industry-responsive decision-makers to safeguard the interests of consumers when Professor Milton Friedman, the most famous spokesman for Professor Winter's perspective, espouses that "corporate social responsibility" is nonsense—that the only responsibility of management is to make as much money as is possible. It is, in this view, the rightful fate of consumers to suffer the consequences of their shortsighted failure or economic inability to participate in agency proceedings to assert contrary interests.

Economic theoreticians recognize that their models pertain only in the unreal situation where there are no information or transaction costs either in making known preferences or in bringing together single or separate interest groups. But Professor Winter uses the model to depict reality and ignores the fact that without Senate 707 we will continue to lack any representation of the interests of consumers because of the existence of such costs rather than because of his assumption of nearly universal satisfaction. This limited view is further compounded by the ignoring of the economist's concept of the "free rider" where the existence of numerous persons with a similar interest typically results, where the individual interests are comparatively small relative to the competing interest or interests, in inaction because no person of that persuasion takes on the giant even though the collective interest—in economic terms—may far outstrip that of the giant. Moreover, the model employed in no way addresses the reality of differentials in wealth that may be the primary reason for non-participation by any but capital aggregating economic units.

Again, I concede the possible diversity of interests among consumers. For example, some may seek absolute or near absolute safety of all products regardless of cost while others may be willing to accept some hazards in order that they might better afford the product. Personally, I trust in three factors in anticipating rational and balanced results in intervention or participation situations: (1) the CPA Administrator—as does an industry association or union official—will necessarily consider the diverse interests of his "constituency" before action; (2) the predominant interest of consumers is quite often identifiable and the sole question is how far, in relation to other considerations, it should be pushed; and (3) the representation (even now present) of the adverse interests of industry will more than offset any overzealous depiction of the interests of consumers. In the final analysis, reality—both in the limitation of the model employed by Professor Winter and in the workings of the political-governmental process—negates this seemingly primary philosophical objection to establishment of a Consumer Protection Agency such as envisaged by Title II. Indeed, a principal factor in reposing certain decision-making responsibilities in government agencies is to overcome the limitations of the economist's limited model; to then foreclose consumer representation by ignoring those limitations is to venture afield to Wonderland with Alice.

A second, broad objection focuses upon the delay in reaching final decisions that may result from the Administrator's intervention or participation in formal and informal proceedings. A reign of "chaos" is predicted by the critics of Title II.

Expanded participation will undoubtedly contribute to some delay in reaching some decisions; it is a consequence inherent in the presentation of countervailing facts and views, a necessary concommitant of balanced and fair decision-making in often complex matters. But is this a reason for perpetuating decision-making from a limited perspective? Does not the argument suggest that industry, too, go unrepresented in federal agency proceedings for the sake of saving time?

As my analysis of specific provisions will suggest, I believe that the bill attempts to provide safeguards against undue delay. Moreover, it is a reality that intervention and participation must be selective because funding and staff resources will not be limitless (as the "chaos" argument seems to assume). In this vein, only a priority group of matters actually involving action by the Administrator could economically be made "big cases."

Finally, I am chagrined at the implicit assumption, based on Professor Winter's strawman caricature of "consumer advocates," that a representer of consumers is likely to be an irresponsible disrupter. As noted at the beginning of this portion of my statement, the arguments against the CPA by Professor Winter depend in large part on the literary license that he employs in setting his stage; I urge the Committee to consider most carefully the limitation of that form of analysis in the legislative policy-making context, especially in view of the fact that the Administrator is to be appointed by the President with the advice and consent of the Senate rather than the self-appointed caricature drawn by Professor Winter.

III. ANALYSIS OF SPECIFIC PROVISIONS

My specific comments on Senate 707 will be more limited in light of the exhaustive hearings that have been held in the past on bills essentially similar to Senate 707.

First, I believe that it is essential for the Administrator to have authority to participate in informal as well as formal agency decision-making. The potential burden and disruption that might result from such participation is alleviated by the requirements that (1) the Administrator first determine that the agency activity "may *substantially* affect an *important* interest of consumers", (2) the clear import of § 203(b) that such participation is in the nature of an opportunity to be heard rather than the provision of equal time or a right of encounter or cross-examination, and (3) the limitation of § 203(b) and § 205 together that confines the opportunity to participate to essentially those matters about which public notice is given for the purpose of eliciting views of interested persons. The opportunity to participate, subject to such limitations, in activities that often have a significant effect on consumers is, in my view, a most important right of the Administrator.

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[1] Published as Special Analysis No. 26 in July 1972 by American Enterprise Institute for Public Policy Research.

With this view stated, it is all the more apparent that I believe, for reasons discussed previously, in the basic right of appearance and participation accorded the Administrator by § 203(a) with respect to formal proceedings. The change of the basis for participation in Senate 707 from the basis expressed in past bills to include "important" in the "may substantially affect an important interest of consumers" clause in § 203(a) as well as in § 203(b) is a significant change toward minimizing the possibility of frivolous intervention (which I do not anticipate in any event) and in directing the Administrator's attention to the fact that the interests of consumers may be diverse.[2] Thus, I see in this change a satisfactory accommodation of the fears of chaos and an attempt to suggest that participation indeed reflect a dominant interest of affected consumers generally rather than those expressed or held by a self-appointed few (as is postulated by Professor Winter's caricature).

Again, as in § 203(b), accommodation of the fears of chaos is found in § 203(a) in the final sentence of that section that clearly makes formal intervention as a party a last resort to be used most selectively by the Administrator. In the final analysis, I perceive that § 203 *in toto* is drafted in a manner that enhances the prospect for better, more-informed agency decision-making with the least possible threat of disruption or delay. Indeed, participation to present consumer views may in many instances reduce the agency costs and the time required in seeking information not provided by industry participants who do not find it in their interests to present such information.

The right of petition provided by § 203(d) is a logical, desirable complimentary right to the rights afforded the Administrator in § 203(a) and § 203(b). It is, in effect, a safeguard against agency inaction, the counterpoint to agency action affecting the interests of consumers.

The "Amicus Amendment" of the last Session is not a satisfactory substitute for § 203. Quite often, the Administrator will no doubt find participation short of intervention sufficient; but fuller participation may be the only effective way to participate in others. Moreover, the thrust of the amendment was to confine the Administrator to making initial legal arguments and to comment on facts of record based on the presentations of others. It is critical in the light of the mandate of the Administrative Procedures Act that decisions be made on facts in the record that fuller participation be permitted.

Other aspects of Title II that warrant comment are provisions that again demonstrate the care taken to limit the burdens that are decried by critics of the CPA. First, the notice provisions of § 205 impose no greater notice responsibilities on agencies than now exist: § 203(a) entitles the Administrator to receive notice that is now provided to the public and § 205(b)(1) entitles the Administrator to receive information that is essentially within the coverage of the Freedom of Information Act. Though § 205(b)(2) contemplates additional notice possibly being given, only that notice the giving of which would not be unreasonably burdensome is contemplated.

A second point of note is the limitation in § 207(b)(1) on the authority of the Administrator to require the production of information. Specification in order to minimize the costs of compliance is required and only the filing of a written report or response under oath may be demanded. The expensive modes of information gathering—production or copying of books, records or documents or compulsory attendance of persons for examination—are prohibited. In my personal view, the section goes too far in limiting the capacity to acquire information but, in that sense, the section exhibits utmost concern for the convenience—both as to time and costs—of industry.

My final specific comments on Title II concern § 203(f); by cross-reference, they also relate to Title IV, § 403. In brief, my support of the opportunity provided by these sections for citizen petitions to the Administrator and citizen petition of agencies, notice of agency proceedings, complaint, information acquisition and proceedings participation is most strong. These provisions provide for the assertion of dimensions of the interests of consumers to both the Administrator and to agencies that might not otherwise be fully considered; they provide at least the type of opportunity to be heard that is responsive to the criticisms voiced by Professor Winter and others concerning the inability of an Administrator to adequately represent all interests of consumers.

Finally, I make brief reference to Title III, the provisions for consumer protection grants. The availability of additional funding would measurably enhance consumer protection in Massachusetts. I have long advocated well-coordinated, efficient programs for the administration of consumer justice and have endeavored to promote innovation in Massachusetts. We—the Consumer's Council—have reached preliminary agreement with some merchant and banking representatives for the creation of a small claim compensation system, an idea initially snubbed as too radical. On closer examination, all parties seem to agree that it may be economically more efficient than any system yet initiated and serious discussion has followed. But during its initial set-up and trial period (if adopted), funding assistance would be of critical significance. I envision that a provision such as § 303 (especially § 303(b)(2) and (5)) might support such innovative efforts in their initial stages. So too might § 303(b)(3) provide a measure of assistance in matters such as the Council's present intervention in a $122,000,000 telephone rate case on a budget of only $50–60,000 for counsel and experts; the applicant is purported to be investing in excess of $1,000,000 in the preparation and presentation of its case. Even where active representation of consumers does exist, it is a David versus Goliath situation and not, as pictured by some, a well-heeled government agency toying with the interests of corner grocery stores.

IV. CONCLUSIONS

My concluding comments are in several parts. First, I strongly support Senate 707. Only such a measure can provide for realization of the objectives of the adversarial model of decision-making and overcome the present pattern of decision-making that reflects primarily the interests of the regulated. The bill as it is provides extensive safeguards against the feared irresponsibility of an independent consumer advocate and the feared disruption and delay in decision-making that might result from effective participation on behalf of consumers.

Second, I find the philosophical objections of Professor Winter and others unpersuasive as well as deceptively simple in conception and articulation. The total position is one of rationalizing a status quo situation. And as to the cost of an additional agency, I would say only that I prefer to bear that cost to assure representation of the interests of consumers.

I express perhaps only a personal choice, a choice that I do not have in paying as a part of the price of consumer products a substantial portion of the expenses incurred by industry in presenting its views to administrative agencies, the courts and to Congress. I believe, however, that it is a reasoned choice that does not require me to create and destroy strawman caricatures of "industry and business" in order to support my conclusion that the independent CPA is urgently needed to bring a new balance—the initial balance intended when the agencies were created by Congress—to administrative agency decision-making. I advocate to you today the opportunity for the realization of the potential of the adversary concept and decision-making based upon consideration of alternative views rather than the interests of the few whose economic interests are so substantial as to make direct participation economically feasible and profitable.

Finally, I would be remiss if I did not at least acknowledge Professor Winter's assertion that consumer representation will economically injure at least low income consumers. I would agree that some positions advocated may increase the cost of some goods; so too will industry expenditure of funds to resist changes in laws and regulations in order to avoid taking into account the interests of consumers. So too, does present industry expenditure of funds to participate in agency and other decision forums. Further, Professor Winter's argument is again grounded primarily in his caricature of the "consumer advocate" as a "safety nut", "information nut" or the like who has no concern for the consumers' dollar position. I am not prepared to assume such irresponsibility in an Administrator who is to be appointed by the President with the advice and consent of the Senate.

ESTABLISHMENT OF ANTITRUST REVIEW AND REVISION COMMISSION IS LONG OVERDUE

Mr. **HRUSKA**. Mr. President, as I have done for a number of Congresses I have again joined the distinguished senior Senator from New York (Mr. JAVITS) in sponsorship of S. 1196, a bill to establish an Antitrust Review and Revision Commission. Its purpose would be to examine our antitrust laws in their entirety and make recommendations for revising them.

It would be a bipartisan commission composed of some Members of Congress, members appointed by the executive branch, and also experts from the private sector in this field.

In his logical and well-stated remarks explaining the necessity and high desirability of such a commission, the Senator from New York drew well upon his vast experience in this field. His remarks are well documented. They are clearly stated. This Senator is happy to subscribe to them as the basis for justification for the enactment of the bill to establish such a Commission.

Times and conditions have changed radically since the antitrust laws were first enacted, the Sherman Act in 1890 and the Clayton Act in 1914. While some amendments have been enacted since then, the need for a major review of the body of antitrust law has been apparent for a long time.

Corporate structure in the United States has changed vastly. Distribution and merchandising of products are nothing like what it was in the earlier years. The extent of Government regulation and supervision has vastly increased. The labor relations and productivity of labor have undergrown vast alterations. There have been innumerable court decisions which should be taken into consideration in revising the statutory law. Our preeminent position and the urgency of improving and expanding it further in the field of international trade should receive prime consideration in any revision in this law.

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[2] See also § 210(g) concerning intervention for the requirement that the Administrator "explicitly and concisely" identify the interest represented. This requires reflection by the Administrator on the balance and variety of interests that might be involved.

Further, the burdens on our Federal court systems should be a factor in deciding how to refashion our antitrust laws. Antiturst cases have increased in number and in time consumed to an alarming and very substantial degree. This type of case is heavily repsonsible for the mounting burdens of docket congestion in Federal district courts.

Sometime ago the weight assigned to Government antitrust cases was placed at 8.0 compared with 1.2 for tax cases and 1.7 for condemnation cases. Private antitrust cases were weighted at 4.0 compared to only 1.8 for civil rights cases and 0.7 for Fair Labor Standard Act suits. These figures may have changed somewhat in the intervening time, but essentially they will retain their relative position in my judgment.

Noted economists, lawyers, educators, and Government officials have urged in years past a complete review of our antitrust laws. They have done so realizing the necesity to meet the many challenges of the future in our economic security. We have put off too long this much-needed study and revision commission.

It is my hope that progress can be made soon on this measure.

NIXON'S ECONOMIC MISCHIEF WITH THE COST OF LIVING

Mr. HUMPHREY. Mr. President, the Subcommittee on Consumer Economics of the Joint Economic Committee, of which I am chairman, has just completed hearings on a subject of vital concern to every citizen—the sharp rise in the cost of living. There is no more important and serious economic problem facing consumers than the persistently high prices they must pay for basic essentials: food, fuel, gasoline, medical services, rent, household services, consumer credit, and many other items.

The hearings represent the beginning of a long-term investigation of the many economic factors that determine what it costs to live in America. We will examine what prices are increasing most rapidly, what factors are causing these increases, as well as developing solutions to correct the situation.

We will also examine what the Federal Government is now doing to promote economic stability and consumer interest.

In our first day of hearings, we heard testimony from the Chairman of the Council of Economic Advisers, Herb Stein, and the Director of the Cost of Living Council, John Dunlop. The public and Congress have been treated to rosy forecasts, lectures on the need to be patient, while prices continue to escalate. It was my hope that these gentlemen would provide us with more facts and analysis on the cause of and cure for the escalating cost of living.

These hearings were also designed to give the public an explanation of what is happening in the economy and what measures the Nixon administration intends to take to deal with inflation. There is a deep concern over the adequacy of phase III.

Does phase III really offer an effective anti-inflationary program?

Does phase III equitably apply to the average wage earner, the modern income person on salary, the owner of a small business, and the elderly?

The facts the subcommittee received indicate that the Nation is in the beginning stages of another cost of living spiral. Not only are food prices escalating to Korean war levels, but all other major categories of the Consumer Price Index are up. The testimony also revealed that past administration policy miscalculations have caused many of these price increases, and President Nixon and his advisers have no well-thought-out plan for the future. The administration's price-wage control program is a Rube Goldberg apparatus that consistently requires a bandaid to be applied here or there to keep it from coming apart. Let me elaborate on this theme for the benefit of my colleagues.

THE OVERALL INFLATION SITUATION

Overall consumer prices in February shot up 0.8 percent, which represents a seasonally adjusted annual rate of 9.6 percent. This represents another escalation of the consumer price climb, which increased at a 6-percent annual rate in January, and at a 2.4-percent annual rate in December. This is the first time since the Korean war that all major categories of the Consumer Price Index increased, and it is also the steepest rise since February 1951.

I pointed out the seriousness of these developments to Dr. Stein during our hearing, and asked for an appraisal. Rather than respond directly to my question, he emphasized that inflation hadn't been so bad in December and January. He never did provide a meaningful appraisal of the situation.

He did provide the subcommittee with some rhetoric, saying, that—

> The latest price news provides additional warning of the diligence that must be exercised to prevent the revival of rapid inflation as the U.S. economy rises strongly in a world generally expecting much more inflation than we have. One aspect of this diligence is the continuous monitoring of price increases by the Cost of Living Council to see where stricter controls may be useful. However, the essential requirement is to prevent the revival of an inflationary boom by keeping a firm grip on government spending and on monetary expansion.

It is obviously a red herring to blame any of the present inflation on Government spending, when almost all the experts indicate that the price problems are primarily supply oriented. I will have more to say on how this administration has caused a good many of these supply shortages. But the primary bit of mismanagement is the administration's misguided launching of phase III. One of the most disturbing evaluations of the situation, and it seems to me much more realistic than Dr. Stein's rhetoric about holding down spending, is the March 10 Business Week editorial on phase III. Let me just read you part of what it says:

> A scant two months after President Nixon's abrupt announcement of Phase III, the whole system of wage and price controls is on the verge of collapse. What began as a well-conceived effort to put some flexibility into the rigid rules of Phase II and move the economy back toward the discipline of the marketplace threatens to end in disaster.
>
> The consumer price index shot up 0.5% in January, an annual rate of 6% in family living costs. The wholesale index for food and farm prices soared 2.9%, promising yet more trouble when these increases work their way through to the supermarket checkout.
>
> Labor leaders are openly scornful of the idea that 1973 wage increases can be held to the 5.5% guideline of Phase II. They are talking of 7.5%, and 8%, and even more.
>
> In the international money markets, new raids on the dollar—triggered by growing mistrust of Phase III—have already forced the President to declare another 10% devaluation. The international payments system has broken down completely, and the world faces the disconcerting prospect of floating currencies and monetary chaos for an indeterminate period.
>
> The stock market dropped 100 points in what was largely a vote of no confidence.
>
> Whatever its theoretical merits, Phase III is a failure. And the nation simply cannot afford a failure of wage and price controls. Instead of applying patches like this week's new oil regulations, the President should terminate Phase III and replace it with a new set of controls that will work.

FOOD PRICES

As you all know by now the overall index for consumer food prices increased by an adjusted 2.2 percent last month, which is equal to an annual rate of about 27 percent. At the same time groceries prices showed a 2.48-percent jump, which is about a 29-percent annual rate of increase, and the largest single month increase since the Labor Department began keeping such records in 1952.

Prices for meat, poultry, and fish combined soared 5 percent last month, which would amount to an annual rate of increase of 60 percent for 1973 should rates like that continue.

In my letter of invitation to Dr. Stein and Dr. Dunlop, I asked each of them to tell the subcommittee what we could expect in the way of food price increases for 1973. Unfortunately, after reading their statements and the studies they supplied to the subcommittee, I was even more confused. And I am sure this is the case with the typical consumer.

Dr. Stein said in his prepared statement:

> We expect to see farm prices of foods declining in the second half of this year and retail prices leveling out. Nevertheless, despite this bad news that will be reported in the statistics in the next few months, the daily news observable in the grocery store will be improving.

In Dr. Dunlop's prepared statement he said:

> Food performance is expected to level off during the first half of the year.

Finally, the food price white paper prepared by the Cost of Living Counsel and presented to the subcommittee stated:

> Food prices should increase at a much lower rate in the second half of 1973.

In other words, the administration is saying that in 1973 food prices could decline, level off, and increase at a slower rate—quite a confusing report. I then asked Dr. Stein and Dr. Dunlop at the hearings to tell us in simple English what consumers can except to happen in food prices in 1973. This is what Dr. Dunlop said:

> When you are dealing with structural arrangement in agriculture over many years in this country, whose primary orientation in legislation and administration of the Department has been to raise the levels of farm income by various devices of holding down output, you cannot in a few weeks or months, locate all of those devices by which that policy was effectuated over many years, and it takes a while to ferret out various measures by which output can be increased. And I would tend to devote some time each day to that operation.

This does not answer my question, and it does not reveal any well thought administration plan for managing food prices. If it does anything, it obscures the issue.

Frankly, I question the administration's competence in managing the complex area of food. In the first place the administration failed to act quickly and positively last summer, more than 6 months ago, to anticipate food shortages. Now it is clear that food prices are going to be very volatile if supply and demand jump all over the place, which means careful planning must go into efforts to maintain stable prices.

Like the miscalculations of the past, I fear that the administration's food policies are hastily conceived inadequate responses and may further damage food management policies. I am concerned that the proposed elimination of our farm programs, emptying our grain storage bins, and relying on export demand have not been carefully studied and planned for by the administration. What we are likely to see is a movement from one crisis to another crisis in the food area.

I asked Dr. Stein and Dr. Dunlop to provide the subcommittee with the studies they have done that show what the effect of the administration's agriculture policies will have on food prices.

OTHER PRICE INCREASES

But the Congress should be on its guard against the notion that this renewal of inflation is confined just to food price increases.

As the February release of wholesale prices showed, industrial prices increased 1 percent on a seasonally adjusted basis, which was the largest increase in industrial commodity prices since the Korean war inflation. Any significant increase in the cost of industrial commodities will, with a short lag, have a major impact on prices for manufacturing and consumer goods.

We already see a sharp jump of 0.5 percent in the consumer price index for nonfood commodities in February. A particularly large increase in prices of fuel oil together with higher prices for women's apparel, footwear, and gasoline were the primary reasons for this increase.

The January consumer price index even showed an increase in services of 0.4 percent. Higher charges for rent and most household services contributed significantly to the rise. In addition, there were increases for auto repairs, beauty and barbershop services, and hospital services.

Gasoline is an area that I am particularly concerned about, not just because of the high prices that we already face, but also because there is the real threat of gasoline rationing for the summer plus higher prices. I asked Dr. Dunlop what he expected to happen and what plans the administration had underway to avert the shortage. I also asked about the effectiveness of the recent administration actions to impose control on the oil industry.

Dr. Dunlop seemed unfamiliar with the facts of the situation, was unsure, therefore, about what was going to happen in the future, and gave me no assurance that the administration has a plan in this area either. He did said, however, that most likely gasoline prices will go up.

When I asked Dr. Stein about his analysis of the increase in nonfood prices he simply said it was due to "erratic factors plus the opportunity that the transition to phase III may have provided for speeding up price increases that would have occurred later." The nature of these erratic factors and the administration's overall plan to meet the price increases in the nonfood sector was not revealed.

Thus, we are left with a situation where the rise in consumer price area has been at an annual rate of 6.3 percent over the last 3-month period, which is considerably more than double the rate of 2.5 percent that the Nixon administration aims to achieve by the end of the year.

THE EFFECT ON WAGES

We also learned at the hearings that the real hourly earnings for workers declined in February. And the real weekly earnings remained about the same in February as it was in August of 1972, that, is about $96 a week. This means, depending upon how you measure it, that the recent consumer price increases are either causing the real wages of workers to decline or to remain at about the same level.

I fear that this erosion of the real earnings of workers will create future pressure for a price-wage spiral inflation. If you were a worker negotiating for a wage increase would you, in light of the recent and perspective price increases, feel that we must have price stability if we are to ensure wage stability for 1973?

As my colleagues can see, I cannot find evidence that President Nixon has either the will or the program to protect consumers against inflation. We have already tried in the Senate to strengthen the Economic Stabilization Act. If the consumer price report for February had been available at the time of the debate on Tuesday, I feel sure that we would have strengthened the bill even more. Now we must do all we can to bring pressure to bear on the White House to develop a well-planned attack against the escalating cost of living.

MANPOWER TRAINING THAT WORKS

Mr. PERCY. Mr. President, I recently had the pleasure of meeting with Judith Matthews, the director of the Archdiocesan Latin American Committee's MDTA program for vocational training. Ms. Matthews brought me a status report on the committee's manpower activities, and the figures show that Federal funds spent on these programs have been an investment yielding rich dividends.

The report Ms. Matthews has prepared for me shows that the committee's comprehensive supportive service program for Spanish-speaking MDTA enrollees can boast that nearly 100 percent of its trainees graduate from their courses, that 95 percent of the graduates are gainfully employed, and that 78 percent of the graduates are placed in jobs related to their training. Comparison with statistics for similar programs shows that this Illinois program is particularly effective.

I feel that Chicago's Archdiocesan Latin American Committee's manpower programs for the Spanish speaking are an excellent example of how federally supported manpower programs can help America's underprivileged population gain self-sufficiency. They show what Federal funding can do when carefully directed and utilized, and the statistics disprove the claim that Federal dollars spent on manpower training do not really benefit the people they are intended to help.

Manpower training needs among Illinois' Spanish-speaking people, however, are still overwhelming. As Congress considers the subject of continued funding for manpower programs and deliberates on the proposed shift to a special manpower revenue sharing plan, we must guard against the possibility of an administrative gap in continuous manpower support. Congress must insure that deserving programs such as this have access to a continuous supply of Federal funds, whether through categorical grants or revenue sharing.

Mr. President, I ask that portions of the text of Judith Matthews' report be included in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

> In 1965, the Archdiocesan Latin American Committee (ALAC) proposed a demonstration project to train unemployed Spanish Speaking men in a bi-lingual Manpower Development Training (MDTA) program of vocational education. Our program, known as "Spanish Manpower" attempts to resolve the problems of cultural differences, lack of skills and a language barrier that burden the majority of Chicago's Spanish Speaking people. Through a strong, personalized supportive service and encouragement for active community participation, the Latin American Committee has realized a considerable measure of success.
>
> To date, 1,000 people have graduated into training related jobs. This represents a near 100% rate of retention and placement. Important factors in this success have been the exceedingly high community interest, personal motivation and commitment of the student and a cooperation between public and private agencies.

ALAC is an agency devoted to promoting the general welfare of the Spanish Speaking community and to encourage, facilitate and direct their integration into the American mainstream without a loss of their own cultural values.

Because of the very nature of the work of this agency, ALAC has been uniquely suited to act as a liaison between the Illinois State Employment Service (ISES) and the Latin American community. Originally, the supportive service program allowed for the Archdiocesan Latin American Committee to assume all or part of the responsibility for recruitment, testing, motivation, counselling and placement of the trainees.

In the early years of the program, the Committee channeled publicity regarding new programs directly to the Spanish community. Information on Spanish MDTA was distributed through radio and newspaper announcements and, especially, through contact with community leaders and organizations. The response to this program was, and still is, tremendous.

Cooperating with the Illinois State Employment Service, ALAC provides bi-lingual counselors and interpretors to facilitate in testing and registration. A thorough explanation of the type of test and its importance is given to each applicant, relieving them of much of the anxiety of the testing situation. Recently, our office has undertaken the administration of the necessary tests within our agency headquarters to afford a more familiar setting to the Spanish Speaking individual.

Further services include simplifying documentation requirements by the ISES offices by writing for birth and marriage records and notifying employers that the individual is going into an up-grading vocational training program.

In the first year of recruitment, approximately 400 applications were received for 95 positions available. We are now in our eighth year. Since January 1973, we have 2,300 applications on file. Statistical summary of activity between June 1972 through January 1973 showed 1,367 individuals interviewed. Of that total, 160 people have been involved directly in training. As of February 20, 1973, there are 60 identifiable Spanish Speaking trainees enrolled in MDTA training in Chicago.

Before underscoring present concerns that shadow this amazing Latin interest in MDTA and their fine achievement as participants, additional outlining of the supportive service role is necessary.

Motivation and counseling are areas which highlight the unique nature of the supportive services offered by the Archdiocesan Latin American Committee. Individual counseling offers tangible support to each student whenever a problem arises. This includes service in medical problems, credit and consumer abuses, legal aid and referral, and family counseling. Each individual problem is viewed and resolved with emphasis on his eventual capacity for economic and social independence.

To develop this sense of independence, counselors assist in developing and placing trainees in part-time jobs. In many cases, the ultimate difference between retention and drop-out, an impossible financial situation or tight budget, is 20 hours of work each week. Because the trainee carries with him the same handicaps that affected his ability to find full-time employment or develop his former skills, finding part-time work for Spanish Speaking students is difficult. Lack of a skill and English is compounded for specialized work after school. However, ALAC has provided many positions or trainees have been successful in obtaining leads through their fellow students.

We have always maintained that the real essence of supportive success for the Spanish Speaking was not based on individual casework, but of our attempt to construct a group pride and atmosphere of enthusiasm and responsibility. In this way, the trainee can see himself opening new inroads into his Spanish Speaking community through his achievement.

PERFORMANCE

As an illustration, we cite the example set by a machine operators' class from the Greer Technical Institute. Because of their need to meet outside of school, the class rented a store-front room and called it the "Club Hispano-Americano." They furnished it with donations from friends, and the school gave a blackboard. Soon it became an after-school study center for those who needed additional English. It served as a meeting place for problems of immediate concern, a social center and an office for individuals seeking information on courses. The students elected to study for GED, the High School Equivalency exam, to march in Latin American parades, to collect signatures of 700 people campaigning for more MDTA courses and to hold a series of MDTA picnics and other social outings including their families. The pride and dignity demonstrated by these men from several countries is proof of the impact MDTA is capable of delivering. A graduate of that program is now serving as a counselor for the supportive service unit. This young Mexican-American worked in his vocational training field for one year following his graduation. However, stimulated by his MDTA experience, he became so active and effective in local community affairs that he took his rightful place as an invaluable testimony to Latin hopefuls for continuing upward mobility.

PRESENT SITUATION

Although ALAC is not directly responsible for the language training of Spanish MDTA students this agency has served since the beginning of the program in an advisory capacity. We have sought the most effective and efficient way to teach English. This has been a frustrating experience. For the most part, we have enjoyed a cooperative relationship with the private facilities undertaking the vocational training. However inexperience on the part of the trade schools in the area of English or basic education is a problem. We have consistently lobbied for strict adherence to certification requirements for MDTA instructors. The bid system, which determines a contract award to low bidder, has a direct effect on the caliber of training the enrollees received. A conscientious effort to provide the best possible training on every level is a never-ending process and the Archdiocesan Latin American Committee, in establishing a close working relationship with the state and private agencies, has worked toward that goal.

For some time, we have encouraged a strong program of basic English to serve as pre-vocational training. The immediate need for more bi-lingual MDTA training is made obvious by recognition of the success of the program to date and the 2,300 applicants that now await training. This "core concept" training has been effective, but fewer programs have been designed with this component and at present there exists but one "English As A Second Language" MDTA program for Spanish Speaking. This class is held at the Chicago Skill Center and is set up for no more than 33 trainees. This is the only program that has stemmed the tide for Spanish Speaking applicants who require only 6-8 months of intensive English to either up-grade their vocational occupation or re-enter their former professional field (i.e. Cuban refugees who hold teachers' degrees, medical personnel or experienced clerical workers.)

Throughout the past eight years we have witnessed the fact that two of three of our MDTA applicants request or need Basic Education (ESL) training prior to a vocational study program. Reports to the Bureau of Employment Security bear out the other reality that the majority of people in the Latin Community speak English at a 3.7 grade level against American standardized tests. Over the past two years, the local ISES offices have raised the level of functional English so that a large percentage (sometimes 65–70%) of Spanish Speaking hopefuls cannot qualify for MDTA training. Therefore, it is not surprising that manpower programs have been criticized for "creaming" in failing to select severely disadvantaged Spanish Speaking trainees. Existing MDTA guidelines tend to perpetuate this even now.

As early as July of 1971, an analysis of manpower programs and their delivery of services to the Spanish Speaking was completed by a management consulting firm. Thompson, Lewin and associates, Inc. working with a team of Spanish Speaking MDTA specialists concluded that "the proportion of Spanish Speaking enrollees in manpower programs tends to be lower than that for other disadvantaged groups and bears no clear relation to needs."

A concrete illustration of this cooperative activity is in the placement of the graduate in a training related job. The ALAC prepares each student for job interviews through constant practice sessions. Jobs are developed by supportive service and ALAC staff and the students are referred by the Illinois State Employment Service. Following graduation, supportive services are offered until the trainee achieves some economic stability.

95 PERCENT RETENTION, 95 PERCENT EMPLOYED

In spite of the success enjoyed by Spanish participation, local MDTA has not provided "parity" for those who have insured these high rates of completion and training related placements. DHEW statistics for 1970 show Spanish surnamed trainees involved in Illinois MDTA institutional training at 7.06%. For 1971, approximately 10% of the total training slate were afforded to Spanish Speaking.

At a meeting of the Supportive Services Units with Chicago Area Operations staff of ISES, in September of 1972, it was announced that for the first time Spanish Speaking would receive 25% of the slate. However, we have seen no new programs developed and only 60 people are currently in training programs that will soon be phased out. In Chicago, with over a quarter of a million Chicanos, Puerto Ricans and Cubans, there are few identifiable programs for Spanish Speaking underway. Attempts have been made to direct the Spanish Speaking into predominantly Black training centers. Because of these factors and the few alternatives, pressure for demonstrable programs forces the selection of "success-prone" trainees at the expense of the "hard core" applicant. All applicants illustrate a need, but a large percentage of potential enrollees are never even considered.

As we have reiterated, the Spanish Speaking retention rate is close to 100%, of that figure, approximately 78% are in training related jobs and 95% are gainfully employed. A commensurate amount of slots would, we are positive, allow the community to demonstrate past achievements and future potential. Further documentation of Spanish Speaking MDTA statistics is attached. (See Appendix) Follow up reporting on all graduates affords all concerned agencies with current placement data.

PROGNOSIS

We have demonstrated in the last eight years that given the proper motivation and approach, the unemployment problems of a hard core non-English speaking group can be resolved. We feel an intensive and integrated approach by public and private agencies can result in making federal training available to many persons untouched by vocational and educational programs.

To the agencies involved, Spanish MDTA has been a successful experiment, laying the groundwork for similar programs. The Spanish Speaking community has viewed MDTA as another opportunity. The active interest and enthusiasm of individuals and organizations attest to the real acceptance of this program and its goals. The superlative record of retention and graduates among the Spanish Speaking in Illinois has "carried" other programs and initiated similar projects.

A recent column by Victor Riesel, "Chicago Today, Jan. 31, 1973", attacked Manpower spending as "Billions . . . wasted and the disadvantaged getting no advantages . . ." He argued that "billions spent or about to be spent on Manpower training—to help the poverty-poor pass from welfare relief to self-reliance in the world of work—generally have failed and will fail for a long time."

We reject this view based on our experience with the Spanish Speaking trainee. If the federal government accepts this viewpoint and acts accordingly, the dismal picture Mr. Riesel points will become a reality for the Spanish community. Only through bilingual training, do we see a solution.

A NEW PERSPECTIVE ON ULSTER

Mr. KENNEDY. Mr. President, the announcement by the Government of Great Britain of its long awaited white paper for Northern Ireland comes on the first anniversary, almost to the day, of Britain's assumption of direct rule over Ulster.

In spite of the British initiative of direct rule, the tragedy and bloodshed in Northern Ireland have continued unabated during the year that has passed. Indeed, the crisis has assumed even more violent and brutal and senseless dimensions.

Recently, in a significant two part series entitled "A New Perspective on Ulster," the London Sunday times analyzed the events of the past year. The analysis is a major contribution to understanding the background of the escalating strife in Ulster, as each side responded to the campaigns of violence and terror by the other side.

The new series is a worthy addition to the outstanding study published by the Sunday Times in the fall of 1971, analyzing the background and origin of the conflict in Ulster. I had the privilege of placing that study in the RECORD on November 20 and November 23, 1971, and I ask unanimous consent that the current series may now be printed in the RECORD.

There being no objection, the series was ordered to be printed in the RECORD, as follows:

[From the London Sunday Times, Mar. 11, 1973]

A NEW PERSPECTIVE ON ULSTER: HOW THE IRA BLEW UP ITS OWN CAUSE

(By John Whale)

Last week, as the first year of Direct Rule neared its end, came the latest and most feared escalation of Irish violence: an extension of the bombing campaign into Britain. Why did it happen?

The Sunday Times, sixteen months ago, published "A perspective on Ulster," the result of a long inquiry by the Insight Team into the history of the troubles. It concluded that the blame for the rise of the Provisional IRA lay largely with the Protestant supremacists, who had denied political opportunity to the Catholics and who had responded to legitimate protest with violence.

This new two-part inquiry, which continues the story through the twelve months since Britain suspended Stormont, suggests that now the burden of guilt has shifted. In that time it is the Provisionals themselves who have wasted—through incompetence—their own political opportunities. And it is their own violence which has generated fresh violence, first by provoking extreme Protestant reaction, and now by causing an increasing fragmentation of the Republican movement into desperate splinter groups.

The most fateful decision of the 12 months since direct rule—the decision which did most to damage its chances of success—was taken within half an hour of its announcement on March 24, 1972. Sean Mac Stiofain, military leader of the Provisional IRA, was listening to Irish radio in Dublin when he heard the news of Edward Heath's Commons announcement. Without pausing to consult what passed for the political wing of the movement, Mac Stiofain telephoned Radio Telefis Eireann.

He "completely and totally rejected" the Heath scheme, he said. Stormont must be abolished, not just temporarily suspended; and there must be a declaration of intent to withdraw British troops and allow an all-Ireland border poll. Until then, the campaign went on.

Such few stirrings of disagreement as there were in the movement were rapidly put down; and during the following week a handful of shootings and explosions showed that there were Northern Provisionals who actively approved. On Easter Sunday, April 2, Mac Stiofain—the hard military activist of the movement—went north to Derry to invoke the shades of IRA martyrs. "Concessions be damned," he shouted from the back of a lorry at the city cemetery.

On April 6, the Provisionals' Army Council ratified the continuance of the fight. A week later, 15 explosions across the North in a single day showed that the campaign—muted for a month—was to be resumed in earnest.

Mac Stiofain had chosen to sow the wind. He and the province he claimed to liberate were to spend the rest of the year reaping the whirlwind.

Yet it had not been an inevitable choice. As early as the autumn of 1971, when the Provisional campaign was less than a year old, Mac Stiofain himself had sent a message to the British Government to say that the Provisionals wanted a phased lessening of the conflict which might lead first to a truce and then to talks. The contact had recently been renewed, though without result: 10 days before the announcement of direct rule two senior Provisionals, David O'Connell and Joe Cahill, had laid their terms before Harold Wilson, the Leader of the Opposition, at a house on the edge of Dublin. O'Connell, tall and soft-voiced, was the nearest thing the movement had to an intellectual: Cahill, short and red-faced, was an unreconstructed fighting man.

Further, violence troubled the Provisionals' sympathisers more and more. Both in Derry (particularly after the killing of a school bus driver in front of his passengers) and in Belfast (notably since the death of six passers-by in a Donegal street explosion) revulsion was spreading. Two MPs who had represented Catholic areas of those cities at Stormont in the Social Democratic and Labour Party interest, Ivan Cooper and Paddy Devlin, drove to Mac Stiofain's house at Navan to remind him of this point the day before his Derry speech.

Most important of all, the Provisionals had scored an epic success. They could come away while they were winning. Stormont fell for a number of reasons, chiefly the fact that its combination of the wrong powers and the wrong boundaries had denied it the consent of about a third of the people it governed; but it was undoubtedly the Provisionals who pulled out the bottom brick. If ever they could negotiate from strength, this was the moment.

They could not see it. When Mrs. Marie Drumm, then a strident voice for continued fighting and now head of the movement's political wing, issued her considered judgment of how much Heath had yielded, she said: "He gave us nothing."

In plain fact, the Provisionals were without political sense. They were half aware of it themselves; and the awareness only made them more determined to go on fighting, since the moment fighting gave way to talking they would find themselves pushed to the back of the room. "We're not going to let the SDLP reap the benefit of our fighting," they had kept saying to Harold Wilson at the March meeting.

Their understanding of the way British ministers worked was worse than rudimentary. Obsessed with form rather than fact, they supposed the difference between the suspension of Stormont and its abolition to be a real one. Now the remote and languid hand of Reggie Maudling, as Home Secretary, was replaced by brisk, direct control exercised by Willie Whitelaw in close concert with the Prime Minister; and the Provisionals could not perceive that anything had changed.

As John Hume, the thinking man of the SDLP, said later: "Westminster had decided to settle the Irish problem, and the Provos kept up the campaign. It was sheer lack of political *nous*."

THE MISTAKE THAT MADE THE UDA

This myopia in the Provisionals came nearer home. They misread the minds of people who lived a few streets away.

"Their fatal mistake," said a Belfast priest who observed the leaders closely over a long period, "was in believing that the Protestant working class would come round to seeing that the Provos were right. That was the basic flaw. The pre-supposition was that you could prove to the Protestant working class that they were all on the same side—that attacks on public buildings were on behalf of the whole working class."

This was the basis of Mac Stiofain's obsessive interest, that April, in an "all-Irish" conference—a representative gathering of the whole people of Ireland where the British would be present only as observers, the Unionists would be reduced to numerical unimportance, and the two working-classes would look into each other's eyes and join hands. "The all-Irish conference," a senior member of the Provisionals' Army Council said later, "was more relevant to us than direct rule."

Mac Siofain was right that Protestants who took extreme stands were very like his own supporters. The Scarman report on earlier disturbances, published on April 6, showed the extent to which each side's beliefs mirrored the other's. But Mac Stiofain forgot the chief point of similarity: the obduracy with which those beliefs were maintained.

Self-deception on that scale was made easier by Ireland's *apartheid*, and it was shared by the whole Irish Catholic community. When a Provisional lawyer said "If the British made the necessary declaration of intent, Unionists in the North would see that Britain's paternalism and support was going to be withdrawn, and they'd come to grips with reality," he was voicing an article of faith that reached from the government benches in Dublin to the ghettos of Derry.

Yet the continuing Provisional campaign had the effect of stiffening Protestant resistance, not softening it. When direct rule was imposed, Protestant para-military groups were not a power in the land. The Ulster Defence Association, the chief of them, was formed—after a brief false start—only at the beginning of 1972. It was an amalgam of organisations pledged to protect particular areas. The violations it feared were military, not political.

Certainly the political shock of direct rule gave the UDA a push. Stormont had been the guarantee of the Protestant North's separateness from the Catholic South. That was why, when refusal to relinquish security powers made the British Government decide that Stormont must go, Heath still felt obliged to maintain his accompanying offer—periodic referenda to ensure that the Border stayed as long as there was a majority for it. These polls would be the Stormont guarantee in another form.

On the second day of a strike called to protest against the announcement of direct rule, a mass rally was held in the grounds of the Stormont parliament building. It had been organised by Vanguard, the new movement got up by the bluff right-winger William Craig as a ginger group within the Unionist party. Many of the hard men were there too. From the Stormont balcony, Brian Faulkner—Northern Ireland's last prime minister, but a dapper survivor even of his own fall—chose to address the crowd.

He was heard without enthusiasm, as a man who had played the political game and lost. While he was still speaking, Craig—whose most notable recent dictum, applied to Republican sympathisers, was that "It may be our job to liquidate the enemy"—made his way on to the balcony. Faulkner found himself drowned in a tremendous surge of cheering.

He did not forget the lesson. The principal interest of hard-line Protestants was in countering violence, if necessary by violent means. Within weeks he had abandoned the attempt to keep his old Cabinet going as a government-in-exile, its members gravely addressing one another as "Minister" and considering questions of housing or investment. His speeches dwelt on the IRA instead, and what should have been done about them.

Just as the Provisional IRA had in part begun as a response to pre-emptive violence used by the forces of order, so the UDA—although it had a long ancestry in Ulster history—was still at this stage a defensive reaction to violence from the Republican side. If that violence had ended then, when Stormont did, the UDA would certainly have remained watchful; but its growth would have been checked.

THE "MISSED CHANCE" ON INTERNMENT

One clear reason for this crucial misjudgment by the Provisionals was internment. There were 935 men interned or (less indefinitely) detained without trial, many of them since the previous August. They were in two camps and a prison ship. As with any guerrilla force, the Provisionals' pretence of having an effective centralised command was a shallow one: many decisions which committed the whole movement were taken by leaders of local units; and with more than one layer of experience stripped off by internment the quality of this local leadership was often raw, brash and hasty.

This was in the mind of British ministers when they decided that a new policy on internment was to be their instrument for breaking into the vicious round of violence and counter-violence. They also knew that the original operation, as foisted on them by Faulkner, had been carried out on crudely compiled lists, that it had given huge offence to Catholics (and a boost to Provisional recruiting as a result), and that it had done great harm to the United Kingdom's international standing. Certainly it was a fair presumption that some of the men held were dangerous criminals; but if they were, then surely they could somehow be charged and convicted in the courts.

The SDLP believed, and believes still, that if Whitelaw had released every one of the 935 at once the moral pressure on the Provisional IRA to call off its campaign would have been overwhelming. SDLP members were themselves still shackled by a commitment, first entered into in answer to a supplementary question at a public meeting, that they would not talk to the British Government—and they were the principal elected representatives of the Catholic community—until the last prisoner had been released from internment.

Whitelaw, on the other hand, had to balance the possible effect of such a move on the Provisionals against its possible effect on the Protestants; and he decided to proceed by stages. Eleven men were let out on the day direct rule was ratified; 73 more a week later; and within a month the total of releases had reached 165, while only one place of internment was left in commission—Long Kesh, a muddy Nissen hut encampment outside Belfast.

Aside from seeking an end to internment, Whitelaw had an open brief. He still worked within the powerful Cabinet committee which had determined on direct rule; the other members were Heath, Maudling, Sir Alec Douglas-Home (Foreign Secretary) and Lord Carrington (Defence Secretary). The committee had no burning vision of the province's future, and Whitelaw personified their pragmatism. He was the Torries' most experienced and most winning political negotiator, and he had the enormous strength that he was doing the job not out of ambition but out of a plain sense of duty.

He knew it would take more than a year to reconstruct the province's political life, but he was anxious to show that it would be done, and he believed in starting with whatever came to hand. As early as April 18 he announced that elections to the reformed local councils would go ahead in six months' time. He also believed that if you were kind to people they would be kind to each other. A few days later he was on foot in Derry, after promising to speed up plans for a new bridge across the Foyle, when he was accosted by a woman whose husband was behind the wire in Long Kesh. Could he not get the man out?

"Would you promise to keep him out of trouble?" Whitelaw asked.

He was sufficiently satisfied with the answer to include Charles McSheffrey in the batch of 10 men let out of Long Kesh two days later. Within months McSheffrey was back inside; before the end of the year, two men had blown themselves up making explosives in his Bogside home.

Part of the trouble with Whitelaw's adoption of "Try a little tenderness" is a *leitmotiv* was that his principal means for restoring normality was the British Army, and an army is not a tender instrument. Soldiers walked delicately since direct rule, but grave mistakes were still made. At least 10 spent cartridges were found on a Belfast pavement where a paratrooper had dropped on one knee and fired at the retreating—some witnesses said the prone—form of Joe McCann after he had been challenged to stop. The Army did not claim he was armed.

McCann had been a leading warrior with the Official IRA, which was in principle a more politically minded force than the breakaway Provisionals. In practice the Officials remained guerrillas too, even after their disastrous Aldershot adventure two months before: trying to blow up the Parachute Brigade mess in revenge for the killing of 13 civilian demonstrators by paratroopers on Bloody Sunday at the end of January, they had taken the lives of five women cleaners and a chaplain. A few days before the shooting of McCann, they had killed two soldiers in Derry with a bomb in a bowling-green pavilion; and they killed two more there in the disturbances which followed McCann's death. A third was shot dead in Belfast.

Cathal Goulding, the Officials' leader, then recently released uncharged from a Dublin prison, slipped into Belfast for McCann's funeral. McCann had been shot like a dog, said Goulding over the grave, by the agents of imperialism and the Orange junta.

Two different languages were current, two views of the same set of rights and wrongs. The day after the McCann funeral, on April 19, the publication of Lord Justice Widgery's report on those 13 Bloody Sunday deaths widened the gap. Lord Widgery had not heard all the available witnesses, or even all the surviving wounded, and he had been fairly easily satisfied that the Paras' record in killing or wounding 26 people that day and sustaining no injuries themselves simply reflected their "superior field-craft and training." He did nevertheless find that one of the 13 dead was killed while crawling or crouching, that four others were fired on without justification, that too many rounds were fired and at only nebulously identified targets, and that the whole operation was not clearly authorised or needed.

Yet because the document showed some understanding that life was difficult for soldiers, too, and forbore ringing denunciations, it was at once dismissed by most of the Catholic community as dishonest; and with it the whole new approach by Britain. Whitelaw himself said nothing in public about the Widgery report; but his nickname of "Willie Whitewash" began to gain currency at about that time.

The same day as the Widgery publication, the body of James Elliott, a lorry driver and a corporal in the Ulster Defence Regiment (the part-time volunteer force under British Army command), was found in a crater near the Border. He had been held by Provisionals for a day and a half before he was shot in the back of the head as he knelt on the ground. The circumstances of Elliott's death were horrible enough. But a mass of explosives was strapped to the dead body, with wires leading to a detonator on the Southern side of the Border. Presumably because of this booby-trap mechanism, the belief rapidly gained ground that the circumstances had been still more horrible, and that the body had been mutilated.

The Royal Ulster Constabulary possessed photographs which showed that this was not so; yet the story spread so fast through the Protestant community that within days Unionist MPs were peddling it as far away as Westminster. Many ordinary Protestants were therefore already enraged, their worst suspicions about IRA savagery and Southern complaisance towards it apparently confirmed, when the East Belfast branch of Vanguard held a street rally on April 26.

The emphasis of the speeches was on giving loyalists total powers to impose their own final solution on Republicans: the return of Stormont was desired solely as a means to that end. The rally itself was quiet enough. But round the platform was a handful of teenage boys in sunglasses and dark green anoraks—a new force, extruded from Belfast's Tartan gangs; and in the crowd hundreds more Tartan members began to perceive a new level of activity for themselves.

The East Belfast riots which began that night—at first directed against the police, but then more and more against Catholics—lasted through the weekend. Craig had not been at the rally; but he did little to cool tempers when he told the Monday Club in London on the Friday night: "When we say force, we mean force. We will only assassinate our enemies as a last desperate resort when we are denied our democratic rights."

There was one reason in particular why resentment against the IRA could be translated so quickly into animosity against the whole Catholic community: the existence of no-go areas. There were some in Belfast, but the most notable were the Bogside and Creggan in Derry, entirely Catholic areas where neither soldier nor policeman had trod for many months and where terrorists could brew their explosives unmolested. IRA barricades kept them secure. Enoch Powell, attentive to the loyalist mood, demanded that the barricades should come down. The no-go areas were the clinching proof, to many Protestants, that neither the British nor the Catholics cared about checking terrorism—and therefore that someone else must do the job.

Whitelaw saw their emotive importance, though he was sceptical of their strategic indispensability to the IRA. But he also saw the huge difficulty of doing anything about them, with their Catholic population in its present mood.

"Enoch says: 'Reconquer the Bogside'," Whitelaw remarked at a Stormont gathering at the beginning of May. "Let's be clear what that means. It would make Bloody Sunday look like a children's tea-party."

LYNCH BEGINS TO MOVE AGAINST IRA

One medicament, applied now, might yet have saved Protestant anxieties from festering: the referendum. A poll on whether or not the Border should stay in place would have reminded Protestants that they were still a majority and that their main fear, forcible inclusion in a Catholic Republic, was still at a safe distance. And that medicament was available: Heath had not felt able to put it back in the cupboard after once displaying it to Faulkner. Yet he could not now use it.

At various times during the summer, Whitelaw asked his Cabinet committee colleagues for leave to hold the promised referendum (the one finally held last Thursday, the day of the London bombs). He did not get it. It would have needed legislation first, and for departmental consumption the word was that legislative time was very tight. It probably was, at that: all governments have more bills to pass than they have time for. But the real awkwardness, for Heath, was that he was being strongly pressed at that time to hold a referendum about United Kingdom entry into the Common Market: the Labour Party had recently joined dissident Conservatives in demanding one. Heath pleaded the un-Britishness of the device. If he allowed a territorial referendum in part of the United Kingdom, he would have no title for refusing a Market referendum in the whole of it; and he did not want a Market referendum, because he had good grounds for fearing that he would lose it.

It was already embarrassing enough that referenda were to be held by the other three countries which were candidates for entry with Britain—Norway, Denmark and the Republic of Ireland. Of these the most embarrassing was Ireland's, because the soonest: it was to be held on May 10.

Yet in the event it was the most useful, at any rate in the Irish struggle itself. It marked a beginning of two valuable processes.

In their efforts to reassure Northern Protestants, the more perceptive among British ministers hoped for two things from Jack Lynch, the diffident-mannered lawyer from Cork who had been Prime Minister of the Republic for five and a half years. One was that he would help his countrymen to understand what the price of Irish unity was in terms of the lessening of church influence in the state: they could then make a start either on bringing about the changes which would make unity less repugnant to the North, or renouncing the idea altogether. The other and more pressing hope was that Lynch would make it harder for the IRA to use the South as a base.

Under the stimulus of his own argument in the referendum campaign that EEC membership would lessen the differences between North and South and that this was to the good, Lynch now addressed himself to the first of these hopes. He gave the green light to an all-party committee on the Constitution, the document from which a lot of the church-and-state trouble sprang. The Government party's team on the committee was conservative, and the terms of reference were cautious; but that in itself prefigured a new honesty.

The second hope began to be fulfilled soon after the referendum result was declared. On May 11, the count showed that 83 per cent of the votes cast, representing well over half the whole electorate, were for Europe—and therefore by implication for Lynch and his neutralist attitude to the North, since the IRA in its political colours had campaigned on the other side.

Lynch's early inertia towards the IPA had at first been a calculated act of hostility towards Faulkner. A high official in Dublin explained: "Faulkner's using the forces of order on the minority, his intense harassment of Catholic ghettoes, wasn't anything we were going to cooperate in. So from internment (in August 1971) until Faulkner went out of business, we had no reason to do anything to help him."

There were also local difficulties. "Lynch's problem," said a prominent British observer in Dublin, "was that the national support he had wasn't reflected in voting strengths in the Dail. And there were things he couldn't do because the judiciary or his colleagues were opposed to them. The tendency in London was consistently to underrate his difficulties; and there was too much of a survival of the old English idea that you could give orders to the Irish. Even asking was counter-productive."

This was confirmed by Desmond O'Malley, Lynch's young and thrusting Minister of Justice. "Our problems weren't made easier by pressure from Britain—statements from MPs. Anything we could do wasn't going to have any great bearing on the North anyway. The trouble in the North is indigenous to the North."

Lynch and O'Malley were nevertheless aware that the trouble could spill into the South as long as Southern opinion had any residual sympathy with militant republicanism. For some months, a curious stalemate had pertained; the Provisional leaders who lived and schemed in the South—Mac Stiofain, O'Connell, Rory Brady—were worried that Lynch would move ghettos wasn't anything we worried that public opinion might not support him if he did. Such charges as were brought could only be for offences committed inside the Republic; otherwise it was no longer sovereign and law-abiding. Mac Stiofain himself had recently been prosecuted at Navan. The charge was possession of a single round of ammunition, and the due penalty was a fine of £20.

This stalemate was broken by the referendum result. A riot at Mountjoy prison in Dublin a week later gave ministers their opportunity. About 40 prisoners, 30 of them Provisionals on remand on various charges, were transferred to the Curragh camp outside the city. Although the status of the prisoners was not changed, in the past the Curragh had been used for internment, and the hint was clear.

But a difficulty as great as the state of public opinion was the condition of the courts. Throughout the past two years, men on arms charges with strong and sometimes admitted cases against them had often been acquitted or given trifling sentences in provincial courts, particularly in towns near the Border like Clones, Dundalk or Monaghan. In Castlebar, a man who pleaded guilty to possession of eight guns and over 2,000 rounds was found not guilty by the jury on the direction of the judge—who was cheered, along with the defendant, by Provisional pickets. In Donegal town, a jury cleared a man who accepted "full responsibility" for two grenades found in his possession. "I'm glad, gentleman," the judge told them, "that that's your verdict, not mine."

Shifting cases to Dublin, where judges and juries were less sensitive to Provisional approval or disapproval, had not made enough difference. Very recently, in mid-May, Cathal Goulding had been acquitted in Dublin on an incitement charge supported with fairly strong evidence.

Towards the end of the month, therefore, Lynch made his move. Emboldened by a heavy vote in the Dail ratifying the Curragh decision, he used his powers under the Offences Against the State Act to establish a Special Criminal Court. It was to sit in Dublin, with three judges, observing the ordinary roles of evidence, but there were to be no juries.

KELLY'S BAR AND THE NEW UDA STRENGTH

Kelly's Bar was a melancholy drinking-place on the edge of the bleak Catholic housing estate of Ballymurphy in West Belfast. In the late afternoon of Saturday, May 13, it was crowded with people watching a colour television relay of a football match between England and West Germany. Two men drove an 1100 car to the door and parked it. Minutes later it exploded. Sixty-three people were taken to hospital, some with severed limbs.

No good evidence connected the war with Protestant terrorists. On the other hand there was a certain implausibility in the alternative, official view that the car was left there by Catholic terrorists who had nipped into Kelly's for a quick jar on their way to some more lethal rendezvous. Whatever the facts, the universal belief on the Catholic side was that the explosion was Protestant work. This view was strengthened when shooting began while victims were still being carried out to ambulances; and within a few minutes shots were being exchanged between Ballymurphy and the Springmartin estate, inhibited by Protestants.

If a random and yet repeated series of killings, with the killed chosen for nothing except belonging to the opposite tribe or sect from the killers, deserves the name of civil war, then Ireland's second civil war in 50 years began that night. Before the end of Sunday, six men and a girl of 13 had died of gunshot wounds, despite the efforts of the Army to keep the two sides apart. One soldier was killed in the process. More chilling still, vigilantes wearing bush-hats and masks had appeared for the first time at makeshift barricades in the nearby Protestant district of Woodvale.

This was the real launching of the Ulster Defense Association. "It was our own no-go areas that made us," said Dave Fogel—the talkative Londoner who was a founder-member of the UDA. They were a sudden disclosure of strength, both to their own community and to the British authorities. UDA members threatened to barricade themselves into no-go areas every weekend for the next five weeks unless action were taken against Catholic no-go areas, especially the Bogside and Creggan. In terms of violence against the Protestant community, they were rapidly given justification. On the Monday the Bluebell Bar was blown up, in Protestant Sandy Row; 17 people were hurt, three of them girls aged 13, 10 and seven. On the Wednesday, junior Provisionals fired on workers leaving Mackie's, a Protestant engineering works in the Springfield Road, and hit four of them. On the Thursday a Protestant boy of 15 playing at a street corner off the Shankill Road was shot dead by automatic fire, apparently from the Catholic Divis Flats. By the weekend, the UDA were drilling openly; and the weekend after that they marched through Belfast as if they were being given the freedom of the city.

This rapid rise in Protestant militancy had two immediate consequences. One was that Faulkner, preferring to rebuild the sheepfold rather than lose even the blackest of sheep, opened the Unionist party to Craig again by inviting him into a new committee which was to consider plans for Northern Ireland's future. Craig accepted the invitation, choosing to read it as a sign that the whole party now wanted Stormont back in power.

The other and even more significant consequence was that the Official IRA called a cease-fire. The announcement that the Officials were suspending operations in the North came from Dublin, on May 29; but the impulse came from Belfast, and the reason, was given in so many words as "the growing danger of sectarian conflict."

The Officials were no gentler on their approach to guerrilla warfare than the Provisionals. They had recently shot dead the aging Senator Barnhill at short range for being unwise enough to draw a gun, as one Official said later, "when they were only about to burn his place;" they had tarred and shorn a Belfast schoolgirl on suspicion of being a spy; and they had "executed" a nineteen-year-old soldier, Ranger William Best, when they caught him at home in Derry on leave from the British Army in Germany. But they denied, then and later, that public revulsion from these deeds had anything to do with their decision.

They were already less active as a fighting force than the Provisionals. They were also less blind to what they were stirring up. They could foresee the whirlwind.

THE ARRESTS THAT DELAYED A TRUCE

But the Provisionals went on. The day after the Officials' announcement, a bomb at Springfield Road police station injured four soldiers (one of whom died later) and two civilians. The Provisionals had recently gutted the Belfast Co-op, and throughout the last week in May they had set off three or four explosions a day. Mac Stiofain declared that the bombing campaign would continue unless "political" prisoners—convicted, interned or detained—were released, and British troops withdrawn. (These were the military, as distinct from the constitutional, demands.)

The Provisionals were nevertheless still playing with the idea of their all-Irish conference; and although they had again brushed off the pressure for peace from a group of Derry women, they were sensitive to the hostility summed up by the group's leader, Mrs. Hippsley: "They expect us to risk our lives and the lives of our children on the word of an Englishman sitting 185 miles away in Dublin." (Mac Stiofain had been born John Stephenson, in Bethnal Green.)

The idea of a truce as a means to the conference was discussed at a meeting in late May of the Provisionals' Army Council. This apparently consisted at the time of Mac Stiofain himself, David O'Connell, Rory Brady, Joe Cahill, and three lesser known figures called O'Hagan, McInerney and Ryan. The meeting took no decision: that was deferred, realistically enough, for consultation with the men who in fact called the shots, the Provisional commanders in Belfast and Derry. They were summoned to a further meeting on June 1.

The scheme was upset unwittingly by Lynch and O'Malley. The day before the second meeting, Irish police and Special Branch men arrested Brady at his house in Roscommon and Cahill at the Provisionals' Dublin office. The action was bungled; the police almost certainly hope to net more men than they did, and to be able to amass better evidence against them. As it was, both men (after much hunger-strike drama) were out again within three weeks—Brady discharged by a provincial judge, Cahill acquitted of incitement in the new Special Criminal Court.

Lynch had in fact acted petulantly, out of a feeling—to quote a source close to him—that "the dignity of government had been flouted." Despite the Irish Government's new mandate, its new use of the Curragh and its new court, and despite the Officials' new prudence, here were the Provisionals increasing the level of their violence in the North and brazenly justifying it from Dublin: Brady had been on RTE's main television talk show. Seven Days, the night before his arrest.

The arrests put paid to any immediate truce talk; the meeting with the local commanders was canceled, the Provisional Army Council decided against a truce. But they had a productive side effect. Mac Stiofain moved unusually briskly to fill the two gaps on the Army Council. The election to one of them of Seamus Twomey, a blinkered fighting man in the Mac Stiofain mould, was no more than a recognition that the Belfast commander already had great *de facto* influence on policy. Mac Stiofain may have been more surprised in the event, by the other choice: Sean Keenan, former commander of the Derry Provisionals and safe man of the movement.

Keenan was just out of Long Kesh. (By June 6 Whitelaw had released 470 of the men inside.) He had had a good deal of time to think about the shift from fighting to talking. Coming home to Derry, he found it alive with peace movements. He concluded that the right moment had come. He sought the aid of the likeliest among his new colleagues in the Army Council. O'Connell (who, with Mac Stiofain, was much in Derry himself during the first half of June while police were still believed to be in the watch for them in the South).

O'Connell was already receptive. He was coming to believe that peace might after all produce for the Provisionals the political results they wanted.

Part of his reason for thinking so arose out of the activities of a group called Conciliation Ireland. Its members were professional people, of both faiths, living in both sides of the Border. They represented the outcrop, the emergent faction, of a stratum which until then had hardly seemed to exist in Ireland; a concerned middle class. From early in the year, even before they existed as a single named group, they had had contacts at a number of levels with the Provisionals, who spoke of and to them with respect. Mac Stiofain was even persuaded by some of them into an undertaking, unfulfilled, not to have any more RUC or UDR men shot. Since direct rule, the Provisionals hoped to have the group's help in setting up the desired all-Irish conference.

The members took soundings, and reported that—as they had foreseen—there was widespread, though mostly qualified, resistance to the idea on the Protestant side. Gradually they turned their attention to sponsoring efforts not so much at political as at social *rapprochement* (which continues still). But they had encouraged the Provisionals on one point. Their contacts with one or two of Whitelaw's officials had led them to believe that the British Government might be willing to recognise the right of the Irish people as a whole to determine the future of Ireland, including the North. Since it was almost universally believed at the time that the Irish people would choose a united Ireland, this self-determination was a central Provisional demand. The British Government's position was that it would not stand in the way of unity if a majority in the North wanted it; but Whitelaw's office was still intrigued enough by the idea of ultimate unity to be experimenting with forms of words for some such declaration, and Conciliation Ireland's envoys seem to have read too strong an intent into the process.

O'Connell's other source for his opponents' state of mind was the SDLP. He and Hume had been in touch at least since the beginning of the year. Since the SDLP and the Provisionals were contenders for the moral leadership of the Catholic community, the two men regarded one another warily. The SDLP's usefulness as a channel of communication had in any case been limited by their refusal to talk with Whitelaw while internment lasted. On June 7, though, its six MP's felt able to announce that because of recent releases from Long Kesh they could at least talk to Whitelaw's civil servants.

In fact they had been doing that for some time. But Hume will now have been able to give O'Connell more credible information about the distance which the British Government too had moved. Like the Provisional IRA, it was much more interested than three months before in negotiating with the main force engaged on the other side. The multifarious peace movements had achieved that much. Gone was Whitelaw's absolute ban on talking to the IRA. As long as its envoys were not certified gun-carrying terrorists, business might be done.

So when Keenan suggested that Whitelaw should be invited into the Bogside for talks, and that the invitation should be backed with a cease-fire—"unilateral suspension of ops," in Provo talk—O'Connell was ready to urge the scheme on Mac Stiofain.

THE PROVOS' ULTIMATUM IS TURNED DOWN

Direct rule was now more than two months old; and the tides of battle and murder and sudden death showed little sign of ebbing. If British opinion at large still seemed oddly quiescent, political opinion was already restive—to the point where this newspaper found it necesasry to urge on Whitelaw, and the Protestants, "the case for patience in the face of outrageous provocation." Whitelaw was in fact still fairly patient because he was fairly hopeful. He still believed in the likely efficacy of negotiation.

His problem was how to achieve it. He was dividend between the clear desirability of talking directly to the people who were actually causing the current violence, and the equally manifest danger of infuriating Protestants still further by so doing. His problems with Protestants were not made easier by Faulkner, who still had influence with them. Speaking alongside Craig and Powell at a loyalist rally in a field outside Banbridge on June 10, Faulkner departed from his script to compare. Heath to Hitler and Mussolini; and it was a speech he looked back on afterwards with satisfaction.

Whitelaw was once moved to say: "I think Faulkner is as much to blame for what's happened since the fall of Stormont as anyone else."

Middle-ground men in his own party were beginning to think the same thing. Faulkner had lately lost Robin Baillie, a youngish solicitor and Northern Ireland's last Minister of Commerce, from what was called the Shadow Cabinet. It fulfilled no useful role, Baillie said in a letter to Faulkner not made public at the time. He went on: "I believe that the present demand for a Stormont with increased powers is unrealistic. I am fearful of the reaction of the people when the day comes when this objective becomes illusory. I believe it is very dangerous that you should now be forced down a road without having given full consideration to whether the ultimate destination is one where a worthwhile and viable political structure and society will be achieved."

Now the Banbridge speech drove Sir Robert Porter, gentlest and most respected of the former Stormont Ministers, out of the Unionist party altogether. He believed Faulkner was taking it too close to Vanguard and not giving Whitelaw a chance. "I think it unfair,," Porter wrote,, "to expect him to resolve, in three months, problems that are older than the State itself."

On Sunday, June 11, the UDA set up temporary barricades for the fifth weekend running. On June 13 Whitelaw agreed to see the UDA's leaders: it was the first such meeting since the UDA's emergence. If Whitelaw had ever wondered whether Protestant resentments were real, that meeting cleared his mind. They were real enough to survive even the most muddled exposition. The chief grievance—as voiced by Tommy Herron, Billy Hull of the Loyalist Association of Workers, and Fogel—was still the Catholic no-go areas; and nothing Whitelaw could say about self-inflicted economic wounds would persuade the UDA men that these were not a sign of general favouritism towards Catholics, though he did persuade them to forswear barricades of their own for a while.

They wanted the referendum—but mainly in the belief that only a few Catholic areas would vote strongly for a united Ireland "and then we'd know who to cultivate." Whitelaw, bemused, said they should have it in September or October.

So he knew what the hazards were on the UDA side when news came, the same day, of a fresh initiative from the Provisionals. At an afternoon Press conference in the Bogside Mac Stiofain read out a statement he had signed along with O'Connell, Twomay and Martin McGuinness, the young and taciturn Derry commander. They invited Whitelaw to "Free Derry" to discuss their peace plan. If he accepted within 48 hours, they would call a week's ceasefire—as long as the British Army responded by ending arrests, raids and harassment.

Whitelaw's reply was less crisp than it looked. He could not, he said, respond to "ultimatums from terrorists"—thus leaving open the question of whether he could respond to overtures in other terms presented by other people. But the most notable part of the exchange was that Mac Stiofain had said nothing about internment. If that indifference was permitted to him, it was permitted to the SDLP. Suddenly the SDLP found themselves free to talk direct to Whitelaw. The missing channel of negotiation had been found.

Jealousies within the SDLP, as well as between the SDLP and the Provisionals, make it impossible to determine now whether this omission had been concerted with Hume and therefore also with Whitelaw's office, or whether it was a fresh—perhaps even an inadvertent—element introduced by the Provisionals and nimbly pounced on by the SDLP's leadership. The bald facts seem to be that Gerry Fitt, voluble leader of the six-man group and its only Westminster MP, saw the Mac Stiofain terms on news agency tape at the Commons—and their importance. From a Tory MP close to Whitelaw he established that an SDLP-Whitelaw meeting might be fruitful. At the same time, in Belfast, the party whip Paddy Devlin had spotted the same point. He telephoned Austin Currie, another member of the group, at his house outside Dungannon. The following afternoon, Wednesday June 14, the five SDLP men in the province—without Fitt, but with his approval—met in a Dungannon restaurant and decided to send two men to see Whitelaw in London.

One was to be Hume, because of his knowledge of the Provisional mind at that moment. The other was to be Devlin, because of his special commitment to the release of men interned: many were his constitutents in the Falls: involving him in the talks was a way of preventing his repudiating their outcome.

Their mission would be to support the possibility of talks between the Provisionals and Whitelaw. Their point of attack would be an issue of the moment, a demand then being made by about 120 convicted men in the Crumlin Road jail in Belfast; they wanted the status of political prisoner and the advantages they felt due to it (civilian clothes, more visits and food parcels than other convicted men, less disagreeable work). Some of them had been on hunger strike, at any rate nominally, for a month. Most of them commander of the Belfast force among them, Billy McKee, was said to be very weak indeed. Twomey's men now active in Belfast were in any case the most sceptical about the value of a ceasefire. If Whitelaw could be persuaded to make the changes at the Crumlin Road, influential Provisionals would take it as a sign that talks were worth entering on.

Early the same evening Fitt was at the Irish Club in Eaton Square when he heard from Dungannon of his colleagues' decision. Whitelaw was just back in London (after pausing at Belfast airport for a chilly confrontation with Faulkner). Fitt arranged to see Whitelaw at the Commons at eight that night. At that meetings he satisfied himself that Hume and Devlin would be sympathetically heard; but he did not tell them of the encounter when they arrived in London next day, Thursday, Hume by way of Belfast and Devlin by way of Dublin.

Flanked by two senior civil servants, Sir William Nield and Philip Woodfield, Whitelaw received the two envoys at the Northern Ireland Office, off St James's Park. He did not concede the Crumlin Road point at once: the status of political prisoner did not exist in the United Kingdom, and there would be uneasiness in his party. But he would see what he could do. The best thing would be for Hume and Devlin to come back and see him at Stormont Castle on Monday (his routine, then and since, being to spend the first part of the week in Belfast and the second in London).

This had the unacknowledged virtue that Hume and Devlin could see the Provisionals over the weekend. As for what the Provisionals might be told, the impression was given that two successive weekends free from all violence would be enough to justify the release of all interned men, and that a lengthened period would earn a general amnesty (for convicted men as well) and some sort of background political discussion.

The two men travelled back to Dublin with Fitt, spent the evening in the bar at the Gresham Hotel, and met the three other members of the group for lunch across the road in the Royal Dublin next day. That afternoon Hume and Devlin drove across Ireland, beyond the Six Counties, to Donegal town. They were to be picked up in a pub there at nine in the evening. After a long interval, Devlin got a telephone message asking them to wait at Hume's house in Derry instead. From there, at about three o'clock on the morning of Saturday June 17, they were taken to a little house in the Creggan. There to meet them were Mac Stiofain and O'Connell.

The Provisional leaders already knew that talks with Whitelaw's office were in the wind. What they wanted, for the moment, was that Hume and Devlin should use their new influence with Whitelaw to secure the release from Long Kesh of Gerry Adams, a young Belfast man with a reputation in the movement for level-headedness. He was to be their other negotiator besides O'Connell. The implication was that the belligerent Belfast brigade had to be represented, and Twomey would not do.

DELICATE TALKS—AND A CEASEFIRE

Whitelaw was now back in his Government House lodging at Hillsborough. A few hours earlier, on Friday night, he had made a radio broadcast from the BBC in Belfast: it was aimed at calming Protestant unease over the talk of negotiations which filled the newspapers. "I think you can judge," he said, "that I'm not the sort of chap who makes secret deals with anyone." Nor had he—yet. But when Hume telephoned early on Saturday morning with the request about Adams, Whitelaw did more than approve the release. He went back to Stormont Castle for an unpublicised word with Hume and Devlin about how the talks were going; and it was now possible to arrange the encounter towards which all this was tending, between Whitelaw's nominees and the Provisionals. A place and time were set: a private house near Derry, the following Tuesday afternoon.

The SDLP doves now seem to have split up: Devlin, with a large estate car lent him by the Provisionals, to expedite the discussions going on in the movement by ferrying its members to and fro under safe-conducts signed by Whitelaw's staff or by senior army officers: Hume to return repeatedly to the two Provisional leaders to fetch or carry further word. The two MPs joined forces again for their pre-arranged Monday meeting with Whitelaw, again at Stormont Castle; and it was duly announced afterwards that "special steps" were to be taken at Crumlin Road at once.

Even then, the whole delicate process was all but upset by a hitch in the transmission of the orders. Telephoning the jail late that night, Devlin discovered that the Governor was still waiting, hot soup at the ready, for the official word of their special status which would enable the hunger strikers to take food; and McKee had had to be removed in the meantime to the Royal Victoria Hospital (where he recovered). First Lord Windlesham, the Minister of State, and then Whitelaw himself had to be brought to the phone before the soup could start flowing.

Devlin knew why it mattered. That night he had a houseful of guests: Adams, who was by now out of Long Kesh, and two other senior Belfast Provisionals—Ivor Bell and Frank McGuigan. (Mrs. Devlin lent them all latch-keys: she is still waiting to get them back.) Early next morning they were to be at an Anderstown meeting of the Belfast brigade staff with Twomey, before they all drove to Derry to allow Adams to join O'Connell. As it was, the men at the meeting were still not sure that their friends' hunger strike was over. It was an awkward start on a venture which called for trust in the British.

Whitelaw's negotiators were Woodfield and Frank Steele, the resident Foreign Office man in Belfast. They met O'Connell and Adams twice: on the afternoon of Tuesday June 20, and early on the morning of Thursday, June 22. They began the first meeting by presenting credentials signed by Whitelaw: these were authenticated by an independent figure, who then left the four alone.

The deal done (after referrals to Whitelaw and Mac Stiofain in between) was apparently this: that in return for a cessation of hostile acts on the Provisionals' side the Army would cease all harassment—which included searches and arrests—and would reduce its presence in all sensitive areas; and that if the truce held "for a reasonable period," the Provisionals could expect a meeting with Whitelaw. Nothing was laid down about an end to internment, though Whitelaw's men claimed that their policy was already clearly tending that way.

It was not, in fine, a very precise agreement—which, given a body of men as hot for certainties as the Provincials, was a prescription for trouble. There was nothing in it about the political future. But at the time it was an occasion for widespread and tearful relief, even among the Provisionals. Before eleven on the Thursday morning, O'Connell had phoned the news to Mac Stiofain, by now back in Dublin. At two, Mac Stiofain had the word passed to news organisations (by Maria McGuire, who had not yet defected from her job as the Provisionals' press officer in Dublin): the IRA would suspend offensive operations at midnight the following Monday, "provided that a public reciprocal response" was forthcoming from the British Army. Within a couple of hours, Whitelaw had said in the Commons that "Her Majesty's forces will obviously reciprocate."

Maire Drumm and her husband Jimmy, himself just out of Long Kesh, happened to be in the Ballsbridge hide-out flat when Mac Stiofain heard the news of Whitelaw's reply on the radio.

"That's it now!" Mrs. Drumm said. "Sean, we're going to live normal lives!"

Mac Stiofain summed up the achievement of a year and a half's bitter war. "It'll be great," he said, "to be back with Mary and the kids."

A SECRET MEETING IN ENGLAND

The much desired meeting with Whitelaw, which the Provisionals hoped would herald their entry on their political inheritance, was granted to them within 15 days. But they got it for the wrong reason, and one which effectively stultified it—that the truce was already cracking. "Whitelaw was simply trying to pour in some rapid-setting concrete," a man on his staff said later.

From the first, the Provisionals behaved as if they were mistrustful of their own success. They claimed, credibly, to be "stronger and better equipped than ever before"; and yet in the four days' gap which they had imposed between agreement and ceasefire they found it necessary to kill four British soldiers and an RUC man to underline the point.

Their understanding of the Protestant mind was as eccentric as ever. They thought it outrageous that shots they fired at the Army post in Lenadoon Avenue, Belfast, a developing point of friction between the communities, should be returned by Protestant gunmen as well as by the Army: once the truce was in being they saw no offense or negligence towards Protestant, non-Gaelic Irishmen about re-issuing their policy document under its Gaelic name, Eire Nua (a new Ireland with four provincial assemblies): of the Derry barricades, chief affront to the Protestant community across the province, they left all but three standing.

It was true that many Catholics in Belfast and Derry felt a comparable insecurity. The virtual disappearance of soldiers from the streets was disconcerting, eerie. The Army, said a social worker from Ballymurphy, had been the only stability that people knew: now it was withdrawn.

If that was true of Catholics, it was likely to be still more true of Protestants, who looked to the Army for their principal protection even though they complained increasingly of it. Many Protestants were made profoundly uneasy by the truce: most hard-line Protestants thought it an actual fraud, useful to the Provisionals simply as a pause for regrouping. "There were elements in the UDA," Dave Fogel acknowledged later, "that would have been sorry if the truce had lasted. It's probably fair to say that a majority of members of the UDA Council felt—I did myself—that the quicker it broke the better. Then we could straighten out the charade."

The first day of the ceasefire was Tuesday, June 27. Unassuaged by another meeting with Whitelaw at Stormont Castle the next day, the UDA decided to graduate from temporary to permanent barricades. By Friday, men in unusual gear for road gangs—anoraks, bush hats, masks—were breaking up road surfaces with mechanical drills at street corners round Woodvale and the Shankill in order to embed spikes and girders in fresh concrete.

South from the point where the Shankill Road changes its name to Woodvale Road runs a group of Protestant streets about a quarter of a mile long. One of them is Ainsworth Avenue. At their southern end they debounch into the Springfield Road, a Catholic thoroughfare. On the afternoon of Monday, July 3, the Army told the UDA that there must be no barricades at the Springfield end of those streets; otherwise some fifty Catholic families would be trapped behind them (and a great many more Catholics would see the barricades as provocation).

The UDA demurred. One uniformed man told an Army officer that they were afraid of the people on the Springfield Road. "They're not Catholics there," he said, "but republicans every one, and we just couldn't trust them."

The UDA moved up a convoy of air-compressors to operate its drills. A lieutenant-colonel in the King's Regiment, Tony Davies, got them withdrawn while he parleyed with UDA leaders in his armoured "pig." He pacified them with a promise to provide barricades of his own—Army vehicles manned by British troops. But he was over-ruled at brigade level. The UDA leaders scrambled out of the armoured car and ordered up their men.

The main confrontation came in Ainsworth Avenue, where a convoy of buses and lorries (many of them hijacked) unloaded some thousands of uniformed men equipped with perspex riot shields. In driving rain, they deployed and waited. The Army brought up reinforcements. The Brigade Commander arrived, Brigadier Sandy Boswell; so did the Commander Land Forces, Major-General Robert Ford, and two men from Whitelaw's office. The Army had clearly got the message that deals with the UDA were politics, not tactics. A negotiation was arranged in a house in Ainsworth Avenue behind the Army lines. It belonged to Eddie McGill, a wages clerk and a member of Vanguard. Into his tiny front room crowded the General, the Brigadier, the officials, and four UDA leaders—Herron, Fogel, Jim Anderson and Sammy Doyle.

The UDA threat was simple. Through the Loyalist Association of Workers, it would close down the province's power stations unless it was allowed its barricades. Ford left to telephone Whitelaw. Whitelaw authorised him to shoot if he had to; but Ford clearly felt free to do a deal if he could get a respectable one. After three hours in the McGills' front room, a fresh compromise was reached: Army barricades, and the Army as well as the UDA to patrol behind them. It was a disputable advance on the formula proposed at battalion commander level four hours earlier, it had been reached virtually in public, and it conferred a new dignity on the UDA.

Ford was relieved that the huge force agreed to disperse peacefully; he held Anderson and Herron hostage, at their own suggestion, while Ainsworth Avenue emptied. But the UDA rank-and-file felt well rewarded for their wait in the rain. They were in no doubt about who had won. They marched or rode back down the Shankill Road through ecstatic crowds. One UDA leader said: "It was like the liberation of Paris all over again."

The Catholic community, more gloomily, took the same view of the incident. So did the Provisionals. "We saw the British Army back down before the might of the UDA," Rory Brady said later.

Catholics were also distressed by the number of unsolved murders in Belfast during this time. There were sixteen during the thirteen days of the truce. Most of the victims were Catholics, and few Catholics believed the UDA's denials of involvement.

It was against this background that Whitelaw decided to meet the Provisionals. To meet them was to run even graver risks with extreme Protestant opinion: not to meet them was to allow the Provisionals a feeling that a promise (even an imprecise one) had not been kept, and to forfeit the chance of influencing them for the future. Whitelaw was on a loser either way. But the ceasefire was a precious achievement, and it was increasingly threatened. Any way of saving it seemed worth a try.

Whitelaw appears to have taken the decision the very day after Ainsworth Avenue—on Tuesday, July 4, when the truce was a week old. By Wednesday, July 5, Provisional leaders were already taking counsel about how to carry themselves at the meeting. One man they consulted was Sean MacBride—an immensely respected Irish patriot, son of Yeats's heroine Maud Gonne, once an IRA Chief of Staff, later Ireland's External Affairs Minister, now an international lawyer. At his Dublin house that day he gave general advice to a group made up of Mac Stiofain, O'Connell, Twomey, McGuinness, Adams, Bell and Myles Shevlin, Mac Stiofain's fiercely republican solicitor. MacBride's main point was that they should concert their line and stick to it.

On Friday, July 7 the same group, including Shevlin, travelled by helicopter to RAF Aldergrove (beside Belfast airport) and thence in an Andover to the RAF base at Benson in Oxfordshire. From there they were driven 50 miles in two Special Branch cars to a house in Chelsea. After an early lunch the Provisionals were already seated in a large, book-lined room with Steele, Woodfield and Paul Channon, a member of his ministerial team at the time.

The meeting was business-like. Drinks were waved away. Whitelaw began by voicing what was in fact the chief reason for his being there—his anxiety not to lose the Provisionals' confidence. "I hope that the trust between us," he said, "is reinforced by this meeting."

Mac Stiofain replied with the Provisionals two main political demands: declarations from Britain that the future of Ireland was the business of "the whole people if Ireland acting and voting as a unit," and that Britain would withdraw from Irish soil by the end of 1974.

He also repeated the military demands, especially for an end to internment. Whitelaw said he understood republican feelings, but asked to have his own difficulties about Protestant opinion understood, especially with the season of Orange parades imminent.

It became clear that the point which the Provisionals had agreed to press in unison (following MacBride's advice) was the demand for an all-Ireland decision. Whitelaw explained that the problem was the Government of Ireland Act 1949, which put the destiny of part of Ireland—the North—in the hands of the majority there. The Provisionals protested that the Act was "the very root of the trouble." Mac Stiofain said many Unionists would come quietly if that British umbrella were removed: O'Connell said there had been too much talk of a Protestant backlash. "These are our people," he said, "and we do not desire a clash with them. But they cannot be allowed to intimidate and hold out on the whole people of Ireland."

After a break, the Provisionals produced a text which asked that the British Government should accede to their political demands by nine in the evening on the following Monday—three days away. Whitelaw said this was not possible. It was eventually agreed that the Government should give us its reply at a second meeting in a week's time, and that the truce should run till then—with the Provisionals free to crank up the engines of war again thereafter if the reply was unacceptable.

The Provisionals also wanted an agreement to twenty-four hours' notice of resumption of hostilities, principally to protect their men from surprise arrest if the British should be the truce-breakers, but this was not agreed.

The most crucial point arose at the very end. Whitelaw explained that he had taken a certain political risk in coming to the meeting, and asked that it should remain a total secret. There was then some discussion about what happened if the truce broke down prematurely; and Whitelaw said: "If the truce ends, all bets are off."

The Provisionals have since claimed that he was still talking about secrecy—that he meant "If the truce ends, you may tell the Press about this meeting." It is inconceivable that he meant any such thing, and a piece of amazing political naiveté on the Provisionals' part that they should think he did. Whitelaw will have known perfectly well that it was in exactly those circumstances that news of the meeting would do him most harm with his own party and the Protestants: he would be held to have cast away his principles, held dialogue with the devil, and not even made any compensating gain; whereas a truce which lasted, even though it would undoubtedly bring the meeting to light in time, would at lease give it practical justification. Whitelaw was in fact talking about the Provisionals' military demands, which had until then been left on one side. He too wanted "harassment" reduced to nothing; but if the truce ended, the old tactics would be resumed.

A FURNITURE VAN BRINGS WAR AGAIN

The misunderstanding took on a fatal importance, because the truce did end. At about the time when the meeting broke up in London, two Provisionals in Belfast (Seamus Loughran and Gerry O'Hare) had gathered a crowd of several hundred people and marched them downhill towards the Lenadoon Avenue post for a UDA-style staring-match with the Army. The issue was housing.

Lenadoon Avenue is the link road between Protestant and Catholic enclaves on the Suffolk estate in Belfast's western suburbs, beyond Andersonstown: the Protestants, and the Army post, are at the lower end. Four days before, an *ad hoc* group of local Catholics calling themselves the Lenadoon Housing Committee had asked Mike Tomlinson, the Gunner lieutenant-colonel in military charge of the neighborhood, if they might rehouse a number of Catholic refugees from other areas in sixteen empty houses at the Protestant end of the avenue. Tomlinson suggested they should ask the Northern Ireland Housing Executive. Three days later, early on the Thursday evening, the first of the Catholic families—armed with the Executive's leave—took possession; and a group of Protestants, including UDA men from elsewhere in Belfast, gathered outside and started shouting abuse.

The Army stood by to keep the peace; but early on Friday morning the Lenadoon Housing Committee called on the Provisionals. They stayed on the sidelines, in their own account, while Tomlinson explained to the Committee (who thought him too gentle with the UDA) that he had to go carefully because of recent trouble in the area; and they only moved in when a Catholic family named Bailey arrived at the upper end of the avenue with their furniture and the story that they had been evicted from the lower end by Protestants. Then Loughran, with O'Hare, led off his march.

Tomlinson—adamant about the danger of sectarian attack from the UDA if he allowed any more families in, whatever legal rights the Housing Executive had given them—contrived to put Loughran off until the following morning, and then until that afternoon, so that the Provisionals could produce a more eminent negotiator. This turned out to be Twomey, their commander in Belfast. His approach was brisk: if the Army would not take the UDA on and put the families in, then the Provisionals would. He gave the Army twenty-four hours—and was barracked by the Catholic crowd for so doing.

The next morning, Sunday, July 9, in a meeting at the nearby Army post at Musgrave Park, a last attempt was made to save the situation. Two of Whitelaw's men were there, Neil Cairncross and Dennis Trevelyan, but they could do little: the issue was now between the Provisionals and the UDA. The Provisionals wanted the families housed here and now; the UDA, through one Sam Murphy, simply said that no Catholics were coming into lower Lenadoon. Cairncross and Trevelyan collected the firm impression that no compromise whatever would be accepted. The best they could suggest was the creation of a new Catholic enclave nearby and the refurbishment of an old one, which offered no immediate comfort to the families at issue. Twomey—negotiating through Loughran while he himself stayed outside, so that he could keep in touch with O'Connell in Dublin—dismissed the idea as outrageous.

By early afternoon it was apparent that there was no business to be done. Twomey reported to O'Connell, and was authorized to go ahead with a forcible rehousing attempt at four o'clock. O'Connell phoned Steele. Finally, with some difficulty, he got through to Whitelaw at his Cumberland home. Nothing changed as a result. (One Provisional source says Whitelaw undertook to ring back. "Dave's still waiting for that call.")

At about five in the evening a large crowd formed up behind a bright orange lorry loaded with the furniture of the families in dispute. It moved off down the hill. Near the Army post a Saracen nosed through newly-erected barbed-wire defences and rammed it. From then on the decline from rubber bullets, through water cannon and CS gas, to real bullets was almost ritual. By nine o'clock O'Connell and Mac Stiofain had confirmed in Dublin that the truce was over.

It was unfortunate, perhaps, that Twomey's mood should have been worsened by his being stopped and searched at an Army post in Andersontown just before the final clash. It was unfortunate that Whitelaw's most senior officials were out of Belfast that weekend as a result of the London meeting. It was unfortunate that the Army had bulldozed two Catholic barricades in Portadown that morning as a preparation for an Orange parade at which UDA men appeared.

It was unfortunate that the Official IRA in the Lenadoon area should have been prepared to suspend their own ceasefire and start shooting at the Army with an intensity which the Provisionals will have felt obliged to emulate. (A Belfast-based reporter saw an Official IRA officer at the scene and took a statement from him while he directed his men. It went like this: "The Official Republican Movement—Pat-get down with the SLR and cover Tony: Mickey's with him. . . . are acting in defence of their areas—Get on top of the high flats, Billy, and cover the boys in the bottom . . . against the aggression of British troops—Take that pistol and cover the back. . . .")

Yet none of these things seem a sufficient explanation of why the truce gave way.

Shattered by the breakdown, Whitelaw said flatly that the Lenadoon incident had been "set up by the IRA to provide a justification for a resumption of terrorist activities." He had some colour for saying it: his staff doubted whether the homeless families in question were as homeless as all that. But the Provisionals did not simply want to get back to fighting for its own sake. Indeed, they wanted the truce to continue—but on their terms; and those were that the Army should take on the UDA and win. Whether they arranged the incident or found it, that was what they wanted at Lenadoon. That was what O'Connell rang Steele and Whitelaw to ask for. In more general terms, he had asked for the same thing in London two days earlier. It was the old illusion: only give the Prods a bloody nose and they'll see sense.

Whitelaw was to suffer a worse blow yet. In the small hours of Monday, July 10, Mac Stiofain and O'Connell put out another statement. Formally, in the name of the Irish Republican Publicity Bureau, it disclosed that they had talked to Whitelaw in London.

It was not done out of malice. Months afterwards, Provisional leaders were surprised by the notion that there was any harm in it. The likelier explanation is that, given their misreading of Whitelaw's "All bets are off," they wanted to salvage from the wreck of the truce a little personal kudos; they had talked to a British cabinet minister on equal terms. But they were destroying their own opportunities of negotiated advance. A Labour MP who knew them summed up his impression of why they did it in a single, sorrowful word: "Gormlessness."

Heath had, in the Whitehall phrase, "covered" the London meeting—given it his personal approval; but he knew the risks. The Downing Street view was that the betrayal of the meeting was the worst thing the Provisionals ever did.

Whitelaw made a statement in the Commons the same day. He was not prepared to apologise, he said, for any action taken to save lives. But a fortnight later, during a debate on Northern Ireland, Captain Willie Orr (the leader of the Unionists at Westminster) asked him for a clear undertaking that neither he "nor his Ministers, advisers nor any emissary on his behalf will ever again sit down with representatives of the Provisional IRA."

Whitelaw was on his feet at once. "My honourable friend can have that now."

The way of negotiation was closed.

CHARACTERS IN THE DRAMA

Willie Whitelaw, Northern Ireland Secretary: he believed in negotiation, but the Provos blocked it by leaking the news.

Sean Mac Stiofain, Provisional leader: his worst mistake was to reject Heath's direct rule move out of hand.

John Hume, SDLP negotiator; he carried the secret messages of hope between Whitelaw and the Provisionals.

David O'Connell, the Provisionals top thinker—but he let them display "gormlessness," "sheer lack of political nous".

Brian Faulkner, Unionist leader: he was judged "as much to blame for what's happened as anyone else".

Seamus Twomey, Provisional commander in Belfast: if the Army wouldn't take the Protestant UDA on, his men would.

[From the London Sunday Times,
Mar. 18, 1973]

A New Perspective on Ulster—Part 2—The Year's Lesson: Violence is Irreversible

(By John Whale)

A year ago this week, British Ministers took over the Government of Northern Ireland. Within the next few days they are to publish, in a White Paper, their plans for restoring it in altered form. This, the second part of a major inquiry into the year of Direct Rule, describes the undiminished turmoil the White Paper must confront.

Last week's installment told how, in the first four months of that year, the Provisional IRA missed its two great opportunities. It responded to the ending of the era of Protestant supremacy not with political initiatives to consolidate its gains, but with unremitting violence—which predictably swept the Protestant extremists into a street army of their own. Then in June, 1972, there came a fragile truce, and the British Government took the risk of talking to the Provisionals secretly but face-to-face. Yet the Provisionals responded first by forcing a breach of the truce, then by betraying the fact that the talks had taken place—thus ruling out the political possibility of further direct negotiation. Only a deepening spiral of violence could follow. . . .

On Tuesday, July 18—nine days after the truce broke—an air taxi lifted off from Weston, a private field near Dublin, and flew to Luton. On board were Myles Shevlin, Joe Cahill and Gerry Adams. The Provisionals were showing small realisation that they had let their golden chances pass them by.

Shevlin was lawyer to Sean Mac Stiofain, the Provisionals' unyielding militarist leader, and had accompanied him 11 days before to the London meeting with Willie Whitelaw, Britain's Northern Ireland Secretary. Cahill was an old warhorse out of the same stable. Adams spoke for the Belfast brigade, the most gun-minded part of the movement. From Luton, the group drove to a house in the country to meet the Leader of the Opposition, Harold Wilson.

The night after the breaking of the truce Wilson had gone round to Whitelaw's London flat with Merlyn Rees, Labour's spokesman on Ireland. They found Whitelaw infinitely depressed. Wilson, wanting to do what he could, said he was thinking of seeing the Provos again himself. He read Whitelaw's lack of protest as the silence of assent.

The meeting was set up through John O'Connell, a Dublin doctor and a Labour member of the Dail: he had sponsored an earlier encounter between Wilson and the Provisionals in March, and now traveled with the three emissaries. (Final arrangements were made so late that Merlyn Rees was caught on a party visit to Jack Lynch, the Irish Prime Minister, in Dublin. He had to leave a Royal Hibernian lunch early, giving a truthful explanation, and he reached the rendezvous late.)

Wilson was a shade disappointed when the Provisionals turned up: he had expected David O'Connell (no relation of the Doctor's) and Rory Brady, the two former teachers who carried such intellectual equipment as the movement possessed. Yet although the delegation was made up of hard men, they behaved as if their expectations were political. "What have you got to say to us, Mr. Wilson?" were the first words spoken when the meeting began. The Provisionals were still pursuing the double declaration they wanted from Britain: that the North's future was for *all* Ireland to decide, and that Britain would be out by the end of 1974. They still believed that they could strike an understanding with the UDA once Britain had given notice to quit.

Shevlin (who found Wilson congenial—a sentiment not returned) tried to shake new Government proposals out of the Leader of the Opposition by saying that the ceasefire had ended because the Provisionals had got nothing out of it. It was a claim Shevlin knew to be untrue: he had himself heard Whitelaw's promise to take their demands on board, and the truce broke before they learnt the Government's answer.

It also showed that the Provisionals' incomprehension of British politics remained profound. Wilson tried to make them see that the Leader of the Opposition could speak *to* the Government, but not for it. More than that, he explained that because of the disclosure of the London meeting there could be no Government proposals anyway. Any move must come from them. Neither point registered.

Wilson took no risks with leaks. That same day, Maudling resigned as Home Secretary. A ministerial career badly mauled by Northern Ireland was finally put to death by something quite different—the Poulson affair. There was a Commons statement from Heath: Wilson's absence needed explaining. His staff explained. The news was anyway buried by Maudling's departure.

Two days later, on July 20, in two speeches in London, the British Government formally and specifically refused the twofold declaration the Provisionals wanted. The Prime Minister, Edward Heath, said: "We as a Government can give an assurance that the status of Northern Ireland as part of the United Kingdom will not be altered except by consent." Whitelaw said: "Ulster is our responsibility. It is a heavy responsibility, but it is one the Government will not shirk." No all-Ireland decision, no promise of evacuation.

With the wisdom of hindsight, at least one among the senior Provisionals later perceived that instead of lifting their gaze to these large political prospects they would have done better to keep their eyes on the narrow tactical bourn of a durable ceasefire. But there is no evidence that the point troubled them at the time. The arguments which now began to divide them were about differing kinds of military approach, not about whether a military approach was desirable at all. Three times recently the Army post in Andersonstown had been attacked with rockets. Mortars and bazookas were already in use. Should the Provisionals put their energies into that kind of intensified attack against the Army, or should they press on with indiscriminate explosions?

The faction on the Provisionals' Army Council which doubted the usefulness of bombs was not wholly moved by a concern for the lives of innocent civilians. The lives of Provisional bomb-handlers were at risk, too: commercial gelignite was hard to get now that the Lynch Government was slowly lengthening its arm, and explosives based on chemical fertilisers were perilously unstable.

This band of non-bombers did not include Cahill, nor presumably Mac Stiofain; but it does appear to have included David O'Connell. They now sought the aid of the man who was for the moment the father-figure of the movement, the Irish international lawyer Sean MacBride. John O'Connell was again willing to act as intermediary.

On the morning of Friday, July 21, he had MacBride to his office on the Dublin quays and put the case to him. MacBride agreed to take it on: he would advise the Provisionals to stop bombing, if the members of the Army Council asked him.

They never did. The bombers among them had pre-empted the decision. Late that afternoon John O'Connell gave Wilson a hopeful report by telephone; something might yet be saved. Then he went out to a house in the suburb of Templeogue which the Provisionals used. Cahill was there, just back from Belfast. They were guardedly discussing an end to the bombing when Cahill broke off to switch on the television set. He wanted to watch the 4.50 pm headlines on Ulster Television from Belfast. The news was the news of Bloody Friday.

Between nine minutes past two and half past three on a sunny afternoon in Belfast, twenty-two bombs had gone off. Most of them were in cars. One car had been driven into the forecourt of the Oxford Street bus station: another was left on the wide pavement outside a row of shops at Cavehill Road, in north Belfast. The city was already prey to confusion and terror when they blew up. Those two bombs took the lives of eleven people (two of them soldiers) and injured 130, many of them horribly.

Cahill switched off the set. "That's the way it's got to be," he said.

John O'Connell was sick in the garden outside.

MOTORMAN—WHY IT WAS A WALKOVER

Lord Carrington, the Defence Secretary, joined Whitelaw on a plane to Belfast from London that night. "Right," Whitelaw said to him. "Now they've given it to us. We can go into the no-go areas."

Grievously enough misapplied, force can defeat itself. Whitelaw saw that the Provisionals had put themselves in the wrong on Bloody Friday as surely as the British Army had in Derry on Bloody Sunday, six months before. The similarity of names was right. Those two days were the cardinal events of 1972: they demonstrated the barrenness, and worse, of a purely military approach to the Northern Ireland dilemma. The difference between them was that the British took the point. The Provisionals persisted. But for the moment, at least, they had forfeited all moral claim to the loyalty of even their closest supporters; and in doing so they had presented the British Army with a considerable tactical opportunity.

The Provisionals were themselves so well aware of this that many of them seriously believed the forces of order to have deliberately worsened the effects of the day's bombs by ignoring telephoned warnings. It was true that the Cavehill Road car bomb, one of the two most damaging, was signalled an hour and eight minutes before it exploded; and other warnings also went astray. But they were never phoned directly to the Army or the RUC, a large number of false alarms were raised on that day as on every other, and the widespread panic in the city that afternoon jammed telephones and streets, so that it was as difficult for well-intentioned callers to get through to the forces of order as it was for bomb-disposal teams to get to the bombs.

Contingency plans for a forcible, military entry into the fortified Catholic enclaves had existed for many months: Brian Faulkner remembered them from his own days as Prime Minister at Stormont; but they remained unused for as long as it was thought that civilian resistance would give rise to so many civilian deaths as to outweigh the gain in Protestant goodwill. Even now, a last attempt was made at negotiated entry instead. Three of Whitelaw's officials went to the Bogside and Creggan in Derry to talk down the barricades: the three were Frank Steele and Philip Woodfield, who in June had negotiated the ill-fated truce, and David Gilliland, a Derry man by birth. But although they won local support, especially from John Hume (who had represented the area at Stormont for the Social Democratic and Labour Party), the hand of the IRA was still heavy enough to withstand it.

To strengthen the arm of Bogsiders who wanted to be law-abiding, Whitelaw summoned Faulkner and asked him to make a public statement urging the UDA to dismantle their barricades. Faulkner refused: he could not compromise his principles, he said. The UDA's own contribution was a threat to put sawdust in the oil supply to the Bogside gasworks: they rescinded it, a little shame-facedly, when they discovered that the gasworks supplied the whole city, and loyal Protestants would be discomforted as well.

Military preparations were in any case going on at the same time. Carrington's reply to Whitelaw had been that the job could be done, but after the lapse of a week at least. During that week the Army press office at Lisburn let it be understood that there was consternation in senior ranks because the faithful "pig," the one-ton Humber, was no longer battle-worthy: its hide was not tough enough to withstand new IRRA bullets. The Daily Mirror obligingly splashed the story; and it provided cover of a sort for the sudden appearance at Sydenham airfield, by the Belfast shipyard, of hundreds of six-wheeled Saracens. They were a torrid Mediterranean-sand yellow: many of them had been in Malta until recently, when the running row between the Maltese Government and NATO had opportunely released them. Two REME units came in to paint as many as possible a more suitable dun Ulster colour; and convoys of them trundled through the night to lie in wait in Ballykelly and Eglinton barracks on the edge of Derry.

In the event, Operation Motorman (the Army's name for it) was reminiscent of that other recent feat of British arms, the invasion of Anguilla. It was a walkover, because the other side stayed away. The punch was laboriously telegraphed. On the evening of Friday, July 28, Whitelaw broadcast over RTE, the preferred listening of the Catholic community, to say that all barricades must and would come down: forty-eight hours later, from Stormont Castle, he announced the start of "substantial military activity" and advised people to stay off the streets. The Provisionals chose to take the hint. Most of them went South, and much of their weaponry was hidden in the country. When the Saracens rolled, in the small hours of Monday July 31, the wet streets were deserted.

Although the main work of clearing barricades and re-establishing an Army presence was done in Derry, the flag was shown in Newry and Belfast too. Seamus Twomey, who commanded the Provisionals' Belfast brigade, had stayed behind in Andersonstown to watch. He got out of bed, saw a soldier sitting on every doorstep and went back to sleep. By the end of the day there was hardly a school or a park in the area without its new growth of Army sand-bags and corrugated sheeting.

But for the death of two young men in Derry, it would have been a bloodless coup. By far the worst violence of the day was caused not by the Army but by three car bombs in the small and hitherto untroubled County Derry village of Claudy. Seven people died as a result, one of them a girl of nine, another a former nurse. From Dublin, the Provisionals disclaimed responsibility; but even though Claudy came later to be regarded as freelance work, they could not altogether deny the responsibility of example. Their cause was further damaged.

DARLINGTON AND A GAMBLE THAT FAILED

The advantage was still with Whitelaw, and he pressed it. His aim had always been to restore normal politics. Now that he had removed the most abnormal feature of the province's civic life—the no-go areas where the state could not even attempt to enforce the law—he decided to see whether conciliation could generate agreement where Protestant supremacism and republican terrorism had both failed.

On August 11 he sent out letters to the leaders of the seven political parties represented among the fifty members of the old Stormont parliament, inviting them to a conference on the province's future. It was to be held in six weeks' time "at a suitable venue in England outside London." The place his officials had their eye on was Darlington: a hotel being created out of a reasonably secluded country house there would be finished, but still empty, at about the right time.

It was a brave and ingenious try. Between them, the old parties could speak for most of the forces engaged. The Reverend Ian Paisley's Democratic Unionist Party understood extreme Protestant opinion, and the SDLP had links across the Catholic community from the Dublin Government to the Provisionals.

The Provisionals were in any case no great loss for the moment. Their bombing rate had fallen only slightly since Motorman, and their interest in politics was totally submerged. New evidence of that was furnished by Maria McGuire, their young press officer in Dublin, who ran out on them at the end of August. Her story appeared in The Observer, starting on September 3. She had known both O'Connell and Brady well; and she suggested that although they were increasingly unhappy at the policy of "senseless killings" which Mac Stiofain was pursuing because he knew no other, they were also increasingly denied influence within the movement—a process which the publication of her story will have done nothing to reverse.

Then the difficulties began. The Protestant UDA had taken down its barricades on the morning of Motorman. "We read that they were moving against Derry," said Tommy Herron, a former night-porter who was the UDA's vice-chairman. "As soon as we got confirmation we ordered our men to let the Army take down the barricades. We could have done it ourselves, but the Army had superior equipment." So the spikes came out of the roads, men of 1 Para were on patrol again, and in the little streets round the Shankill all was as merry as a marriage bell.

But not for long. Working-class Protestants in Belfast tended to suppose that because they honoured the Queen they could expect indulgent handling by her soldiers. In this they were mistaken. Sir Harry Tuzo, then in his last months as Army Commander in Northern Ireland, once asked a sergeant whether he would have any difficulty about firing on Protestants if he had to.

"No, Sir," the sergeant replied. "Just so long as provided they're Irish."

The discovery was all the more painful when it came. Protestant terrorism was on the increase. The Paras had a crisp line in riot control which before long moved the UDA to suggest that they should be posted to the jungle, "where they would be at home." Then on September 7 they shot two men dead in contentious cricumstances on the Shankill Road. Paisley demanded a judicial inquiry. When he was refused ("the agony of Widgery again," Tuzo said), he announced that he would not be at Whitelaw's conference.

The pure Orange interest might yet have been represented at Darlington by Bill Craig, still the leading apologist for the Ulster Right by virtue of being the only member of it who could finish a sentence. Since he was also a member of the Unionist party, he might have gone as part of Faulkner's team; but that was made impossible on September 11 when Craig took on the titular leadership of a coalition between his Vanguard organization (which was still just respectable) and the UDA (which was not).

The SDLP men, for their part, tried to use Darlington to show that they could do more for Catholics than the Provisional IRA could. They said they would only go if internment ended. It had already been much reduced: 724 men had been let out, leaving (with 30 new detention orders signed) 241 inside. The SDLP pressed Whitelaw on the point at least twice, and then Heath on September 12 at Chequers. In a last attempt to help the party, ministers announced on September 21 that they would change the system: they would hand over the job of making detention orders to a tribunal, and they would set up a commission—Lord Diplock was later found to chair it—which would seek some more elegant way out of the impasse in the long term.

The change was not enough to allow the SDLP to feel that its gamble had paid off. Gerry Fitt, its leader, had to announce that the party would not be at Darlington.

It meant, for one thing, that Lynch's position would remain uncomprehended by Britain. The Special no-jury court in Dublin was convicting a great many more people than it acquitted, Bloody Friday had given Desmond O'Malley (Lynch's energetic Minister of Justice) moral backing to order that all licensed weapons over a certain size should be turned in to the police, and a byelection gain in mid-Cork had made Lynch feel that his Government was strong enough to start drafting a law which would net IRA men in the South even when they had committed no offence there.

The SDLP men's relation with Lynch was not as cosy as it had been; but they would have been able to explain that this delicate dialogue between him and his electorate could only be rushed at peril. Heath and Lynch had met at the Munich Olympics. "Why can't you pull Mac Stiofain in?" Heath had asked. Lynch had explained the difficulty of getting evidence, and the subject was dropped. A few hours later, Lynch was astonished to read a long statement from Heath's Press staff to the effect that Heath had requested firmer action on specific points. For a man already touchy about being nicknamed Union Jack Lynch, it was a persuasion to go slow on new measures.

More than that, the SDLP men's absence from Darlington meant that their plans for the future of the North went by the board. They were gratified by the Press attention which their will-they-won't-they antics won them at the time; but they have complained since that their central proposal—divided loyalties in Ulster to be recognised in divided rule by Britain and Ireland—has never been properly examined by the British Government. Yet it could not be. It was not properly presented. Ministers and delegates at Darlington could read about it in the papers, but the SDLP men were not there to argue it.

So the delegates who gathered at Darlington on September 24, exactly half way through the year of direct rule, were there to take part in a pavane of the unionist centre. Only three parties came: Faulkner's Unionists, and two non-sectarian parties, Alliance and the Northern Ireland Labour Party. Just enough disagreement was generated to indicate that the difficult questions for any new Ulster would be two: how to share power between the communities, and who should control the forces of order.

Whitelaw was not yet totally discouraged out of his belief that a new kind of consensus politics might emerge for Northern Ireland. But he could see that it would take longer than he had expected. The only news to come out of Darlington was that the Government's conclusions would be issued not as a White Paper (a basis for legislation) but as a Green Paper (a basis for discussion only). Whitelaw seemed to have taken account of advice offered him on the last day at Darlington by Phelim O'Neill, who had sat on the Tory benches at Westminster with him throughout the fifties and had now moved from the Unionists to lead Alliance. "For Heaven's sake, Willie," he said, "don't be in a hurry."

THE "LOYALISTS" TURN AGAINST THE BRITISH

The steps with which Whitelaw sought to struggle forward became smaller and smaller. After the Darlington attempt, the Blackpool attempt. On October 11 he told Tories in conference there that his next step in Northern Ireland would be local government elections in two months' time. Nothing as ambitious as his attempt to end the war by his London meeting with the Provisionals, who had themselves frustrated it: nothing even as reflective as the Darlington talks, nullified by the SDLP: just ordinary council elections, necessary for an agreed reform in local government, and to be held under proportional representation as an experiment. He seemed certain that he could manage that.

He reckoned without Billy Hull and the Protestant armies of the streets. Hull was a shipyard union leader, immensely thickset, who ran the Loyalist Association of Workers—the UDA in daytime overalls: it claimed 100,000 members. He told a rally two days later that the elections were undemocratic, and people trying to vote in them would not be allowed to go to the polls.

His objection was to proportional representation—ostensibly because it was un-British, in fact because he was afraid it would further fragment the already fragmented unionist vote. (A better argument was Whitelaw's promise, four months before, that before the local elections there should be a Border referendum; but the difficulty for Hull was that a referendum was un-British, too.)

Whitelaw resisted while he could; but the pressures on the other side were of a special virulence. On October 27 he announced that the local elections would be put off till the spring.

The intervening fortnight was one of Northern Island's worst periods of cyclic, self-nourishing madness in the whole year. Rioting began in east Belfast, the almost entirely Protestant territory on the shipyard side of the river Lagan; but it spread soon enough to the other bank, and then to Derry. If the forces of order began it, as Protestants claimed, then even the topsy-turvy normalities of ghetto life were overthrown; two RUC men, never ordinarily the tyrants of Protestant districts, had to be rescued by a unit of Paras from a crowd on the Shankill Road. The disorder seemed, in fact, to represent an upsurge of confused hatreds which the leaders of the Protestants on the streets had no interest in checking.

"To hell with the British Army!", UDA leader Tommy Herron shouted down the phone to a reporter after a young man had been knocked down and killed by a Saracen in a dark and turbulent street: "To hell with the Whitelaw administration! The British Army and the British Government are now our enemies." But there were other enemies to deal with, too. One Catholic church in east Belfast had its statutes smashed with sledge-hammers; another was set on fire. Some of the destruction was meaner still in scale. At a Catholic school in west Belfast, beyond Woodvale, the girls came into the science room one morning to find the letters "UDA" chalked on the blackboard, and acid poured into their tank of fish.

No sooner had Roy Bradford (formerly Faulkner's ablest minister and an east Belfast MP at Stormont) patched up a pause, by arranging for UDA leaders to see Whitelaw and Tuzo, then Craig told the Monday Club in London: "We are prepared to come out and shoot and kill;" and the Ulster Loyalist Council, the Vanguard-UDA-LAW coalition be chaired, promptly said he was "giving voice to the feelings of most loyalists."

The odd thing was that the Provisionals, at the time, were lying comparatively low. They could afford to: their work was being done for them. The constituent bodies of the Loyalist Council had all come into being to resist IRA violence. They had no political programmes worth the name, and they knew it. When the IRA's activity declined, theirs ought to have declined. But the promise of returning normality—even on the tiny scale represented by local council elections—was somehow a threat to them. They wanted the tension kept high. Once the genie was out of the bottle, there was no putting it back.

Dimly, through the smoke of that fortnight, many Protestants began also to perceive a truth they had kept from themselves for years: that in fact for all the Union Jacks over the front door and the royal photographs over the mantelpiece, they disliked Britain and the British heartily. They could not conclude from this that their destiny was with the South, since that would be to exchange the frying-pan for the fire; so they were left with only one recourse to look to—an Ulster independent of either. Craig was now beginning to urge this more earnestly than before; and after the chaos of the past two weeks the British authorities were uneasily aware that if any large number of Protestants took it into their heads to agree with him, they would be hard to stop. Yet they ought to be stopped; for if Craig in his "shoot and kill" mood did indeed speak for most "loyalists," then the Catholic minority in an independent Protestant Ulster could expect either a cowed life or a short one.

The British Government acknowledged the potency of this threat by devoting sudden energy to heading it off. First, the promised Green Paper, published on October 30, was at great pains to point out that Northern Ireland depended absolutely for its wealth, security and international position on its membership of the United Kingdom. There was rather less emphasis on the reminder that the province was on the same island as the Republic (though that passage, with its reverberatingly vague phrase about the need for an "Irish dimension" in any settlement, was the one everybody noticed).

Second, David Howell, one of Whitelaw's ministerial lieutenants, took occasion to read his numbed constituents in Guildford on November 3 an extremely detailed lecture about the ill consequences of a Northern Ireland declaration of independence. Third, and most striking, Heath came to Belfast to deliver the message himself.

"To those who urge that Northern Ireland should seize its own unilateral independence," he said on November 16 in a lunchtime speech at the Culloden Hotel, "I must say that not only would such an attempt bring about a bloodbath, but that were it to succeed the British Government would not pay one penny of the £200 million a year now provided for the province to an independent country such as they claim they want."

Nothing changed, of course. In Northern Ireland, the language of enlightened self-interest is as little understood as Gaelic. Craig said Vanguard would not want British money, anyway.

And lest Heath should forget them during his visit, the Provisionals let off a couple of bombs in the sidestreets of downtown Belfast. It ought to have been impossible: all such streets had been shut off a few days before with heavy metal gates, painted blue and guarded by soldiers. But big shops often have both main-street and side-street doors. The Provisionals took one bomb in through British Home Stores, and another through Woolworth's.

MAC STIOFAIN: LYNCH BRINGS THE NEWS

A week later, on Friday, November 24, Heath gave a small dinner party at Downing Street. The chief guest was Jack Lynch.

The meeting marked the beginning of a new phase, both in the war against the IRA and in the quest for a political settlement; yet it only took place by accident. Lynch was booked to speak the night before at the Oxford Union (where he duly won a massive majority for Irish unity). The Foreign Ministry in Dublin had taken no advantage of the engagement. It was only when the then British ambassador in Dublin, Sir John Peck, came to hear of it that Downing Street was hastily added to the itinerary.

Lynch came with his meal ticket in his hand: Mac Stiofain was in Mountjoy prison in Dublin, awaiting trial. He had been watched for some time; but it had apparently been thought worth picking him up, in the silent suburbs of Dublin during the small hours of the previous Sunday morning, because he was known to have left the house of a Radio Telefis Eireann reporter for whom he had made a radio recording. In other words, there would be actual evidence on which to charge him with membership of an unlawful organisation.

That same Sunday, RTE allowed the reporter—Kevin O'Kelly—to broadcast a detailed third-person account of what Mac Stiofain had said: "'We believe,' he said, 'that by armed struggle alone can we achieve our objective,'" and so on. It was a breach of the spirit, though not the letter, of a directive already given by the Government under the Broadcasting Act to RTE—that it should not broadcast statements made on behalf of unlawful organisations. Lynch had coldly asked the RTE Authority for an explanation. The Authority had denied disobeying the directive. On the morning of the Downing Street dinner, with Lynch on the telephone from the Irish Embassy in Grosvenor Place, the Irish Cabinet had decided how to answer the denial.

Reminded in the car on the way to Downing Street that Heath was a blunt man who must be spoken to bluntly, Lynch kept his aces up his sleeve till the small company was gathered round the diningtable. Then he announced that his Government was sacking the entire RTE Authority: all eight members were getting their notices at that very moment.

He shot up in Heath's estimation. "Ted Heath was immensely impressed," says a man who should know. "The sacking of the Authority amused him enormously. He said he wished he could do the same at the BBC."

Lynch had more than that to tell. The following Monday, he said, his new Bill would be published in Dublin. It was called the Offences Against the State (Amendment) Bill 1972; and it would at last deal with the difficulty that people who were evidently IRA activists could not be convicted in the South because they had committed no provable offence there. The Bill would make it possible to convict men picked up just South of the Border after committing an offence just North of it; and in cases where the charge was that a man belonged to an unlawful organisation, a senior police officer's belief to that effect would be admissible in evidence.

Heath, it seems, was "thrilled"; and Lynch was emboldened to attack. In view of what he was doing, he said, it was grossly unfair that there should be sniping at him in Britain, in the Press and elsewhere: it should be given no encouragement by government and its spokesmen.

He was pushing his luck. The convivial atmosphere seems to have clouded. Lynch did less well when he moved on to the questions he had come to ask. Did the Green Paper's phrase about an "Irish dimension" mean that the White Paper, when it came, would propose a full Council of Ireland, a North-South consultative body acceptable to Dublin?

The phrase meant what it said, Heath replied.

Lynch persevered. Ought he not himself be involved in negotiations about the White Paper?

"Discussions, not negotiations," Heath said. The phrase hung in Lynch's memory.

His anxiety was for the form rather than the fact of advance towards Irish unity, since he knew that his electorate wanted nothing more. (Fresh evidence of that was already to hand in the doubtful progress of his referendum campaign to remove one notorious obstacle to unity, the Roman Church's special mention in the Irish constitution: in the end he only carried his point on a minority vote.) But even the form looked like being hard to achieve. Lynch went home disheartened to Dublin.

There his judgment on dealings with the IRA, at any rate, was borne out. Twenty-four hours after the Downing Street dinner, on the evening of Saturday, November 25, Mac Stiofain was found guilty at the Special Criminal Court of being a member of an unlawful organisation, largely on the evidence of the RTE tape, and given the minimum sentence of six months.

Mac Stiofain had been on a hunger and thirst strike for the six days since he was picked up. Students of the movement suggest that he did not expect to be convicted: the point of the hunger strike was to get the trial brought on quickly, so that he could return to the Provisionals before they had time to operate their rule that imprisoned men lose their rank. The scheme had gone wrong, and he was stuck with the strike. He made the best of it. "I'll see you dead in hell before I submit," he shouted to Mr. Justice Griffin. "You had no evidence against me. I will be dead in six days. Live with that."

The judge contrived to: he has since been promoted to the Supreme Court; and Mac Stiofain himself showed greater longevity than he expected. His hunger and thirst strike went on, though Dublin was full of the usual allegations about his drinking his shower-water. On the night he was sentenced, Saturday, November 25, he was taken to the Mater Hospital. An armed attempt to free him failed the following evening. His friends in the movement urged him to eat and drink, but believed him to be dying: that day and the next both the former and the present Archbishop of Dublin went to see him (not at his request, though possibly at someone else's), and he was given absolution.

Late on Monday he was taken by helicopter to the Curragh camp, outside Dublin, for greater safety. There, on Tuesday, he decided to break his fast: he had something to drink. The next night some thousands of people marched in the rain through Dublin from the Liffey to the Dail (the Irish Commons): they burnt an effigy of O'Malley, and a copy of the Daily Express with its splash headline "A Sip of Surrender." And after that the excitement was over.

There was one more incident in Dublin that week. On the evening of Friday, December 1, the Dail was taking the key decision on Lynch's new Amendment Bill; and it looked as if Lynch's ruling Fianna Fail party might lose. Both opposition parties, Fine Gael and Labour, thought the powers in the Bill excessive. Only the Fine Gael leader, Liam Cosgrave, had declared his support for the Government. At about eight in the evening, two bombs went off in the centre of Dublin, killing two people: UDA responsibility was later guessed at, but never proved. Lawlessness seemed uncomfortably near. Fine Gael members were glad to crowd back behind their leader, and the Bill was swept through.

The irony was that a general election forced by a defeat on that issue would have suited Lynch very well: he would have won handsomely. The man who came out of the affair most fortunately was Cosgrave: he kept his conscience, and his party, whole, and he lived to fight another day.

THE CARDINAL'S MAP: A PIN FOR EACH BODY

There is a Downing Street in Belfast: a small street off the Shankill Road. On the morning of the day when the prostrate Mac Stiofain was air-lifted to the Curragh, Mrs. Minnie Midgley—a Church of Ireland member, a good Protestant, like all her neighbours in Downing Street—was bringing in her milk when she heard a burst of automatic fire outside. Venturing out and round the corner, she found a late-middle-aged man and four boys near a wrecked and bullet-marked car. Two of the boys were hurt, the younger of them very badly; and the man could not help him, because he had himself been hit in the shoulder.

Mrs. Midgley knelt down, cradled the child's head on her apron, and did what she could to make him comfortable by following the man's instructions. She did not realise at first that they were father and son, nor with what dreadful certainty the man knew that the child was dying, being himself a doctor. But she had realised, at a glance, that they were Catholics. She could tell by the boys' blazers.

"That's what I hate about Northern Ireland," she said later: "the school uniforms."

The man was Peter Gormley, an eye specialist. The boy was his 14-year-old son Rory. Dr. Gormley was driving his three sons and a friend of theirs to school. One of the boys had thought he heard the shout: "There's a car full of Taigs," but the attack might have been more premeditated than that suggested. Rory's death was only one more of Belfast's random killings: unexplained, unpunished.

But Mrs. Midgley plucked up her courage, and went up into the comfortable neighbourhood where the Gormley's lived, and made herself known to Mrs. Gormley, and told her that she had tried to give Rory the love his mother would have given him.

For all the appearance it gave of being a city sunk in vicious gloom, Belfast had at least its share of human kindness. More than that, as another winter drew on, countless ordinary citizens on both sides were filled with an ineffable weariness at the daily renewed agonies of bereavement and pain. By now, few lives were untouched. In the province as a whole, one person in every 200 had suffered death or injury: in Belfast the proportion was far higher; and every victim had relatives, friends, acquaintances.

Belfast is beyond comparison the most afflicted city in the British Isles. Between February 1951 and March 1972, in the United Kingdom taken as a whole, there were 42 "disasters"—defined as events demanding extraordinary mobilisation of emergency services: train crashes, mine blasts, big road accidents. Starting only in August 1969, Belfast's major riots and explosions had already passed that total by March 1972; and the rate had not dropped since then.

Those calculations were made by a surgeon at the Royal Victoria Hospital in Belfast, Bill Rutherford. (They appear in the February, 1973, issue of Injury, the British Journal of Accident Surgery.) Rutherford was already running, on the side, a body called Action for Peace, an umbrella organisation for several groups struggling to relieve fear and tension on the streets. It was no accident that a high proportion of the people engaged in such work were surgeons. Photographers, bystanders, even relatives, seldom saw the whole extent of an injury (especially from a high-velocity bullet, which might cause no outward bleeding at all). The men who knew the full depth of the physical (let alone the psychological) wounds suffered by the people of Belfast were the men whose job it was to bind them up.

Although the intensity of IRA bombing, or of UDA-backed rioting, waned from time to time, sectarian murders like the killing of Rory Gormley made sure that the city's state of distress was kept high. On the wall of his study in Armagh, Cardinal Conway, a Belfast man and head of the Roman Church in Ireland, had a map stuck with coloured pins to mark the places where bodies had been found. By early December there were 106 pins in place for 1972; 93 of them were in Belfast, and 77 of the victims were Catholic.

The special murder taskforce which Whitelaw announced on December 7, jointly manned by military police and the RUC, had an almost impossible beat. It may have kept Catholics from being kidnapped and then dumped in Protestant areas as corpses; but they were shot from moving cars instead. Many Catholics believed that the Army itself used plainclothes assassination squads against suspected IRA men.

Since all of this was a persuasion to go out as little as possible, existence became increasingly joyless, especially for Catholics; and the consolations of religion were seldom enough. On a wall in Ballymurphy, a new graffito appeared: "Is there a life *before* death?"

Sectarian murder had another effect. It rehabilitated the Provisionals. It vested even the rough-and-ready young men now replacing their killed or captured elders with the dignity of defenders. By the same token, it renewed the hatred felt for their appointed enemies, the British Army.

The Army could do nothing right, from the occupation of football grounds to the insistent photographing and questioning of Catholic youth. Yet the soldiers had their reasons for rough tactics too. They were often angry or frightened. Their number killed in the Province that year already stood at 103. The Provisionals now frequently attacked their posts and vehicles with Russian-made RPG 7 rockets. Twomey regarded the safe smuggling of these weapons into Northern Ireland as the Provisional greatest success of the year. His men had less success in actually using them: their sophisticated sights were meant for a lobbed trajectory which their operators had no opportunity to practice. "We cant get a training range North or South," an Army Council member said, "so we just bang them off at live targets in battle conditions to give the operators the feel of them." The rockets nevertheless caused the Army a number of deaths and considerable alarm, and it was to be expected that patrols should want to find them.

The rockets encouraged Twomey in his belief that military methods would bring some sort of result. Other Provisional leaders seemed less sure. A reporter was with Brady towards Christmas when RTE was broadcasting the names of the more than 300 civilians who had died in Northern Ireland during the year. Brady provided his own commentary. "He was shot in Ardoyne. . . . She was killed in the Falls. . . . He was one of our men. . . . That poor man was just passing by. . . ." After several minutes of this he switched the radio off abruptly and said: "I know them all. I know where they died. After all this is over I'm going to be a pacifist."

Nothing of this emerged in the Provisionals' policy. Just before Christmas they called a brief halt to hostilities; but their terms for turning it into a longer one were no milder than those they had laid down six months before, in the high summer of their opportunity.

The authorities collected one seasonal bonus. That Christmas was the moment when most Catholics acknowledged to themselves that the passion had gone out of the internment issue. The year before, they had almost universally observed a kind of strike in sympathy with the men behind the wire: no Christmas tree, no decorations, no special food. This year, the British Government had just admitted the failure of its nine-month-old attempt to end internment (or detention): Diplock had reported, on December 20, that there was indeed no alternative for the moment except to keep it; and yet there was no outcry, no strike. Catholic mothers felt in the main that life was cheerless enough for their children without their being denied a Christmas tree as well.

In the heartlands of the IRA, the irreducible animosities persisted. During the first moments of Christmas Day, 1972, a group of women were walking home from midnight mass along the corrugated iron flank of the Army emplacement set on a hill in Andersonstown and nicknamed Silver City. The soldiers on sentry duty—very young men, strangers in a strange land—called out "Merry Christmas!" through the darkness. None of the women answered them a word.

THE "SNAKES AND LADDERS" BEFORE THE WHITE PAPER

Perspective becomes harder to achieve as events come closer to the present, since there is no telling which of them will prove to have been important. In the early months of 1973, the real force in Northern Ireland's life was the British Government's promised White Paper; and a great many of the doings of public men were directed at it. But the White Paper did not exist. At Downing Street, ministers did not meet to consider Whitelaw's plans for it until January 15. Only when the White Paper does exist, after next week, and a new political framework is in prospect, will it be possible to tell which of those doings were significant.

The imminence of the White Paper had at least the effect of making Northern Ireland's politicians contemplate new groupings. "When that phone goes," an SDLP man said in January, "it could be anyone: Craig, Paisley, Bradford, the Alliance people, anyone. That's what's new." This ferment was most marked among the men of the Protestant centre. Whitelaw had at first hoped for great things from them; and when at the turn of the year a prominent Methodist minister in Belfast, Eric Gallagher, had a letter published in The Times advocating the election of a consultative assembly as a way of challenging "the middle ground to assert itself," Whitelaw for a while considered the idea seriously.

But the middle ground would not budge. The former Unionist ministers of whom he had hopes—Bradford, Sir Robert Porter, Robin Bailie—would not join the Alliance party, or form a new one of their own, until they could read more of the future. Whitelaw was depressed by their caution to the point where he told a gathering of centre politicians that, unless they took action, the man who might finish up "on the top of the heap" would be Faulkner again; and Belfast rang with rumours that, after moderate men had looked big for so many months, Faulkner was after all to snatch the prize from them. One Alliance leader said: "You know that bloody great snake in Snakes and Ladders that suddenly whips you down from 98 to 4? Well, that's Faulkner."

On the further fringes of Protestantism, the same kind of debate was going forward. The UDA was divided between men like Herron (who was content to associate with the slack-jawed strong-arm men of the banned Ulster Volunteer Force) and men like Dave Fogel, who had helped found the organisation a year before and hoped to see it turn into a political party—for working men, not for what he called the "middle-class smarty-pants" of old-style Unionism.

At the end of January, Fogel despaired of his hopes and left Belfast for good: his strictures on the mindlessness of the UDA appeared in The Sunday Times on January 28. His case was made for him within two days when Herron renounced the UDA's short-lived attempt to control sectarian killings. "We have tried to stop the murders," Herron said, "but the renewed bombing onslaught by the Republican rebels is a provocation to them." That day and the next four Catholics were murdered, three of them in their teens; and the Provisionals murdered one UDA man in retaliation.

There followed a brief paroxysm of extremist Protestant fury on a familiar pattern. On Thursday, February 1, a busload of Catholic building workers passing through east Belfast was blown up by a grenade which killed one of them. The questioning of suspects next day provoked riots in east Belfast: they worsened on Saturday when two young Protestants were held. On Monday, February 5, the two were sent to Long Kesh—the first Protestants to be detained without trial. A one-day general strike was called for Wednesday, February 7, in protest: it rapidly became a self-justifying cry of rage against Catholic and British tolerators of terrorism, and the day of the strike was marked by rioting, burning and shooting in which three men died. Then calm descended.

Since the strike was under the nominal patronage of the coalition (the Ulster Loyalist Council) of which Craig was the nominal leader, he was much criticised for his part in the day. He had in fact tried to cool tempers; and five days later he made a speech in Belfast in which he pressed his idea of an independent Ulster in terms much more conciliatory to Catholics than formerly. Yet not three weeks earlier he had told a rally in Carrickfergus that it was "natural, normal and right" for people "innocent or otherwise" to be killed when the constitution was being defended. Only Whitelaw's White Paper could force a clarification on which, if either, was the true face of hard-line Unionism.

Change in the Republic, again, is too recent to evaluate. Lynch had added to the Provisionals' problems by picking up both Brady and Martin McGuinness (the Provisionals' commander in Derry: his capture rated a message of special thanks from Whitelaw). Both men were put away for six-month stretches, early in the year, with the help of the new Amendment Act. Lynch also sought, during a visit to the United States, to reduce the Provisionals' intake of American funds—at some inconvenience to himself: he more than once had eggs thrown at him by ardent Irish-Americans. (Heath later made an attempt on the same problem through Senator Edward Kennedy.)

But Lynch knew that these gestures of solidarity with Britain would not buy off the awkward times ahead. As Heath had warned him, he was not being consulted on the White Paper: he had to undergo a general election within the next twelve months; and he foresaw having to confront, with his electoral mandate running out, a situation where Ireland's *amour-propre* was dangerously wounded. He also had domestic political problems in the Dail session due to begin on February 7. He therefore cut through them and called a general election instead.

The outcome surprised him. The two parties opposed to his own first of all came together in a remarkably effective election coalition, and then made the running in a campaign centered not on Lynch's handling of the Northern problem but on taxes, welfare and the price of butter. Cosgrave, as leader of the coalition, emerged from the election on February 28 with a majority of four. A fortnight later he was the Republic's new Prime Minister.

Cosgrave had called Lynch's attitude to the North "ambiguous and inconsistent." So it was; but so was the attitude of nearly everyone in the Republic. They did not want the North, but they did not want to admit that they did not. Lynch's skill as Prime Minister had been in representing his people rather than in leading them. He had travelled no faster towards a resolution of the Irish problem than they would let him; but he had at least kept the peace in his own parish. It is still to be seen whether Cosgrave will find it possible to move any faster.

Cosgrave's first visit to Heath (with Brendan Corish, the Labour leader) was on March 8. It was the day when Billy Hull got his wish and Northern Ireland got its Border poll. Legislative time had at last been found, polling stations had been ringed with armed men, and the Protestants rolled up an impressive majority (which included a good sprinkling of Northern Catholic voters, too) for keeping the Border and staying in the United Kingdom.

In almost any other part of Western Europe, that body of opinion—long known to exist—would be recognised even by people who totally dissented from it as one which needed to be bargained with rather than bullied. Not in Northern Ireland. Something else happened on the day Cosgrave was at Downing Street. Two bombs went off in Central London, injuring more than 200 people. It could not be represented, in the catalogue of violence in this year of direct rule, as a worse development than much that had gone before: but it was a new development, and there was no reason to be certain that it would not be repeated and extended. It was fresh evidence of the constant tendency in violent methods to spawn new mutations of themselves.

WHEN VIOLENCE BECOMES AN ADDICTIVE DRUG

That, in the end, is the year's message: the near-irreversibility of violence. Like a drug, it held its old addicts and made new ones by example. After each fresh dose the next was easier, likelier; and withdrawal was more difficult and more remote.

Four attempts were made, during the year, to set about resolving the province's future with words rather than weapons. The suspension of Stormont was answered by the Provisional IRA with bombs, and that response built the UDA into a major force. The midsummer truce was brought to nothing by the interaction of the UDA and the Provisionals. Whitelaw's Darlington conference was frustrated largely by the SDLP, who felt the Provisionals' breath on their necks. Even the attempt to hold local elections was blocked by the UDA.

Both terrorist factions, IRA and UDA, were trying to mould the future to their own design; and the future looked all the more malleable because the British authorities, in an honourable attempt to discover agreement rather than impose it, had no particular pattern for the future in their own minds. Their only firm aim, at the outset of Direct Rule, was to end imprisonment without trial. They could not manage it. That, too, was a form of violence more easily started than stopped.

Damaging political misjudgments were made by others besides terrorists. British ministers vacillated over their referendum until it came too late to do anything but mischief; and they were insensitive in their dealings with Dublin. Middle-class Protestant leaders fed their working-class flock on a diet of fantasy about the new political institutions they could expect. Catholic leaders persisted—and therefore encouraged the Provisionals—in a double delusion: that every Catholic in Ireland wanted Irish unity, and that Northern Protestant objections to that prospect could be blown away in one good puff.

But in the last analysis the chief miseries of the year were at the door of the terrorists. It was their personal choice which kept up the pace. Some of them, having once rejected negotiation, could not return to it. Some of them found in the guerrilla life an excitement or a power which they were not willing to lose. Some of them, like Macbeth, were "in blood Stepped in so far" that they could see less and less point in turning back. Violence is a one-way street.

SENATOR NUNN ADDRESSES THE GEORGIA GENERAL ASSEMBLY ON THE VOLUNTEER FORCE

Mr. TALMADGE. Mr. President, on March 5 my distinguished colleague, the Senator from Georgia (Mr. NUNN) addressed a joint session of the Georgia General Assembly on the very important issue of national security and our country's Defense Establishment.

In his address, Senator NUNN presented a very thoughtful and close examination of the concept of a Volunteer Army. He made some very sensible and compelling points with which I think many Members of Congress and citizens concerned about our Nation's defense will certainly agree.

I commend Senator NUNN for his incisive comments on this very important issue, and I am confident that Senator NUNN, as a member of the Armed Services Committee will continue to reflect devotion to duty and national security in his work there.

I bring Senator NUNN's address on the volunteer force to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

(Excerpts from a speech by U.S. Senator SAM NUNN before the Georgia General Assembly, Altanta, Ga., Monday, March 5, 1973, 12:30 p.m.)

THE VOLUNTEER FORCE

In the aftermath of Vietnam, our nation is faced with fundamental questions regarding our national security. In addition to the horrible human tragedies from 1965 through 1972, our participation in the Vietnam war carried a price tag of nearly $120 billion.

What have been the military results of Vietnam and how does this affect our security?

Supplies and equipment which had been issued to National Guard and organized reserve units were reclaimed by the Active Forces and redeployed to Vietnam. These forces which are a fundamental part of our defense still have not recovered from this starvation resulting from the war.

While remaining aloof from direct involvement themselves, the Russians spent but a tiny fraction of U.S. war costs. This left a major portion of the Soviet military budget to be used during this period to increase Soviet strategic and conventional military power and to intensify research and development. While any comparison of nuclear arms is a complicated and complex subject, Russia is clearly ahead of the United States in total megatonage of destructive nuclear power which can be launched.

Because of our technological superiority in the development of Multiple Independently Targetable Re-entry Vehicles, commonly known as MIRV, the US has a substantial lead in the number of nuclear warheads. Russia however is also continuing to develop this technique and with their lead in number and size of ICBMs, if they match us in MIRV technology, our national security will be severely undermined. Therefore, in my opinion, it is imperative that the US in Salt II press for a freeze on MIRV development by the Soviet Union.

What this adds up to is the harsh reality of the legacy of the Vietnam war.

1. Higher costs for weapons.

2. A slow-down in research and development and military technology.

3. Skyrocketing manpower costs and failing popular support for and appreciation of our defense needs.

The hardest reality of all has not been squarely faced by our government and has not been fully recognized by our people. This reality, the problem of military manpower, is on the verge of getting completely out of control.

The military draft has never been popular and all of us hope that conditions will not require its large scale use again.

Realistically however, it is time for us to take another look at the results of the all out push for the so called "volunteer force." This concept is a clear result of the Vietnam war which because of its unpopularity caused the President and Congress to yield to the tremendous pressure to end the draft at almost any price.

So much for the background of the volunteer force. What of the future?

At this time, 25% of the Soviet military budget goes to manpower costs; 67% of the United States defense budget goes to manpower costs. This 67% does not include such indirect costs as barracks construction, hospital construction and other costs to support personnel.

The direct and indirect cost per man has increased from $5,435 per year in 1964 to $11,580 in 1973. The increase is 113%. These costs will continue to rise.

We have 371,000 fewer military and civilian personnel in FY 74 than in FY 64 and yet in FY 74 we will pay about $44 billion in direct manpower costs as compared to $22 billion in FY 64.

As another example of the increase, direct personnel costs in FY 68 were 32.6 billion as compared to 43.9 billion in FY 74 even though the defense establishment has been reduced by 1.6 million personnel since that wartime peak.

As another example as to how manpower is utilized, it might be pointed out that for the cost of our general purpose forces we spend about $3 for every $1 spent on our strategic forces. The strategic forces refer to those systems which protect the homeland and provide a nuclear deterrent, such as Polaris, Minuteman, and SAC. General purpose refers to the conventional forces, all of which are planned to be deployed overseas for war.

Most of this phenomenal rise in the costs of manpower can be laid at the door of the all-volunteer force concept. We have been told that if we are to get along without a draft, we must make the military career as attractive, or more so, as a civilian career. To this end, Congress has enacted legislation year after year upgrading the system of military pay, allowances, and other benefits, until the expense threatens to bankrupt our entire defense program.

I am not opposed to a fair system of pay and allowances for our servicemen. But I believe that we must face the fact that we cannot afford to see manpower costs escalate until we reach the point where we simply are unable to support a military establishment big enough to do the job. We have not yet reached this point, but it is not too much farther down the road.

I do not dogmatically oppose the volunteer concept, but I feel that it is imperative for our government and our people to ask some hard cold realistic questions as to where this road leads.

The infusion of civilian values into the ranks of the military is an American tradition of longstanding. From the time of the American Revolution, the concept of the citizen soldier, called to the colors in time of crisis, has been a hallowed one. The shift to an all-volunteer force will inevitably dilute this tradition, for I do not believe that any system of inducements, no matter how extensive and how expensive will attract enough of the right kinds of young Americans to military service to preserve the essential civilian spirit which has always characterized our men in uniform. There is a remote but increasing danger that the creation of a special military class—a certain consequence of the all-volunteer concept—will pose an increasing challenge to civilian control of the military.

A related danger is that the absence of young draftees in the armed forces will remove some subconscious constraints upon the President to allow us to become involved in future military adventures without sufficient and mature consideration. Professional soldiers are not likely to argue so strongly against opportunities to practice their profession as are young civilians temporarily in uniform. Neither are the respective families involved. It is a paradox that those who lobbied for the end of the draft because of their opposition to the war in Vietnam, may well have sown the seeds for future similar involvement.

Although the draft system contains many inequities, it is still a better means of providing an armed force more representative of the American society as a whole than is possible under the all volunteer system. It is most unlikely, for example, that even the prevailing high rates of military pay will succeed in attracting enough really skilled and educated men into the armed forces. What is more likely is that the armed services will attract first those who are the most disadvantaged in our society.

America needs a well disciplined and trained force, not a collection of malcontents who may not readily be brought up to acceptable standards of discipline and professional skill. In these days, it is not popular to deal plainly with such subjects, but I believe that it is simply not fair to ask or expect the poor man to do most of the fighting. An all-volunteer force manned by the poor and disadvantaged, but officered by a professional elite, is a radical departure from the American tradition.

Finally, I think a word needs to be said about patriotism. This word used to be somewhat overworked—especially by politicians on the Fourth of July—but you do not hear enough about it any more. I submit that in abolishing the draft we may be doing away with the principle of service to our country. Will we be teaching future generations of Americans to expect life and happiness in a great and free country—without giving anything in return?

I think we need to reexamine some of the basic assumptions behind our defense policies. We need to face the fact that the spirit of "detente" is to be desired and cherished, and that an era of negotiation is greatly to be preferred to continuing conflict and confrontation. But we also need to pay heed to the fact that our military might has been a strong inducement to the other side to bring them around to negotiation.

We need to realize that some things cannot be bought for money alone—No mercenary army in history has ever been a match for free and dedicated men fighting to preserve their stakes in a free society. We must take care that the war weariness of the present does not lead us to such despair that we mortgage the future just to get a little rest now. And I still believe that Thomas Paine spoke the truth when he said that "those who expect to reap the blessing of freedom must, like men, undergo the fatigue of supporting it."

INCREASED FUNDING FOR THE ARTS AND HUMANITIES

Mr. PERCY. Mr. President, in his March 1 message on the State of the Union, President Nixon said:

> Government has a limited but important function in encouraging the arts and the humanities—that of reinforcing local initiatives and helping key institutions to help themselves. With the approach of our Bicentennial, we have a special opportunity to draw on the enrichment and renewal which cultural activity can provide in our national life. With this in mind, my 1974 budget requests further expansion of the funds for the National Foundation on the Arts and the Humanities, to a new high of $168 million. I ask continued full support from the Congress for this funding.

I commend Mr. Nixon on this enlightened approach to funding for the arts and humanities.

The quality of American life has come under serious scrutiny in the last decade and has been subjected, often with good cause, to serious criticism. As we as a Nation turn from long years of war and strive to increase our economic growth and stability, it is vital that we balance our industrial and commercial efforts with increased appreciation of and participation in cultural activities. If any area of human endeavor can be relied upon to bring Americans a renewed sense of purpose and personal satisfaction, it is the area of the arts and humanities. A new dedication to the study of our diverse and colorful cultural history combined with a revitalized pursuit of the arts can yield rich rewards for all Americans.

I support the President in his belief that the arts and humanities can make a great contribution to our understanding of who we are, where we have come from, and where we are going. I for one will be pleased to approve increased Federal funding for the arts and humanities.

Mr. Alan M. Kriegsman of the Washington Post has written two articles commenting in more detail on the President's proposed budget for the arts and humanities. I ask that these articles be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PRESIDENT IS CLOSING FUND GAP ON AID TO ARTS, HUAMNITIES

(By Alan M. Kriegsman)

In the realm of arts and humanities legislation, President Nixon will enter his second term of office with a record of achievement unmatched by any of his predecessors. Some may still question the direction or effect of the vastly increased federal funding brought about under his administration. But Mr. Nixon's own commitment to the cause of the nation's cultural life has been beyond dispute.

In view of the vast economic pressures, both national and international, which will bear on the issue, no one can predict with certainty how much further the President may seek to go in assisting the arts through the next four years.

One thing seems assured, however. The direction will continue to be forward, and administration support firm.

The Nixon record on the arts speaks for itself. Two major points deserve stress.

First, the appropriations for the National Endowment for the Arts rose from $8 million in fiscal 1970, the President's first year in office, to nearly $40 million for the current fiscal year vitually a fivefold increase.

Second, during the Nixon tenure the previously broad gap between authorization level and actual funding was all but closed. For these two giant accomplishments, as well as many others, Mr. Nixon is due a large measure of personal credit.

In fairness to Lyndon B. Johnson, it should be noted that appropriations grew from $2.5 million to nearly $8 million while he was President, a threefold increase that was in itself no mean feat, especially given the less favorable atmosphere toward government subsidy of the arts in those days. Moreover, during the debate over re-authorization for fiscal '69 and '70, the forces friendly to the arts came within a hair's breadth of a quantum leap an authorization of $155 million for both arts and humanities over two years—an effort torpedoed largely by opposition from House Republicans.

The fact remains that despite widespread notions about the Kennedys' involvement with the arts and the halycon days of the Great Society, it took Richard M. Nixon to put big money on the line for culture. Perhaps no Democratic president could ever have done what he did, because it needed a Republican to convert recalcitrant Republicans and to lend the movement the cache of a fully bipartisan effort. What matters is that he did it.

Devotiton to the arts was part of the Kennedy mystique, as the White House became the scene for chic soirees honoring artistic celebrities, such as the parties for Pablo Casals and Igor Stravinsky in 1962. The aura carried over to the Johnson administration, at least until antiwar protesters on the occasion of the White House Arts Festival of 1965 put a damper on things.

Somehow, the Nixon administration has never been able to generate the same sort of image. True, White House galas have been less frequent. But the President himself has attended not a few Washington performances, and his closest executive associates have shown a real interest in the arts. When the National Symphony was in trouble, Mr. Nixon called a press conference to help prod business support, and when the question of "full-funding for the arts" was in the balance in 1971, he put in a personal appearance at a national arts conference to lend the weight of his office to the campaign. In short, while the arts "charisma" may have eluded him, diligence in their behalf never has.

Along with the enormous advance in funding during the Nixon years has come a gradual turn of emphasis and direction. Small, innovative programs centering on individual artists and experimental projects—characteristic of the Arts Endowment in its early history—have given way to large programs of support for established institutions, though aid to individuals has also continued to rise in proportion. During those early days, the main thrust seemed to be toward spurs to creativity. Under Nixon, the major goal appears to have been making the arts accessible to every segment of the population.

The differences can be attributed in large part to the differing level of available funds, but to some extent they also derive from contrasts in Endowment leadership.

Roger L. Stevens, the Endowment's first chairman under LBJ, and still head of the Kennedy Center trustees, worked more or less intuitively, getting sudden inspirations, calling upon his many personal friends in the arts world, and simply plunging ahead. It worked in those days, because the sums involved were relatively small, and the administrative machinery was far less complicated.

As the funds grew, however, so did the bureaucratic processes for allocating and spending them, and this required a different approach. Nancy Hanks, the present Endowment chairman, appointed by Mr. Nixon, has proven ideal for the challenge. Combining outstanding organizational skill with great personal tact and persuasiveness, she has been able to move mountains, both with her staff internally and on the Hill. At the same time, Endowment operations have become more regulated and systematized. An activity that once took place in a few small rooms in the Executive Office Building now occupies four floors of federal offices. But it runs with enviable efficiency.

What lies ahead? This won't even begin to become clear until the administration submits its budget requests at the end of the month. In the course of the recent election campaign, the White House issued statements expressing general support for renewal of Endowment authorization, and increased funding "in partnership with increased support from corporations, foundations, individuals and state and local governments." Since then, an administration spokesman has indicated hopes that coming legislation will define a role for cultural programming "in the development of a Bicentennial celebration that will make a substantial and continuing contribution to the quality of American life."

Miss Hanks, for her part, foresees a shift in Endowment concern, over the next few years, away from appreciation of the arts and towards participation in them. She sees this change as a natural and desirable reflection of a nationwide momentum towards active involvement of the individual, toward "doing one's own thing," as illustrated, for example, by the recent enormous growth of interest in manual crafts.

And noting how the example of increasing federal activity has generated a corresponding jump in state, local and private support for the arts during the last four years, she says with a chuckle of well-earned satisfaction, "I don't see anybody telling us we ought to cut back."

INCREASED ARTS FUNDING

(By Alan M. Kriegsman)

President Nixon's proposed budget for fiscal 1974, submitted to Congress yesterday, calls for nearly doubled appropriations for the arts and humanities—a total of $160 million, as opposed to the current year's sum of more than $80 million.

The increase is particularly conspicuous in view of budgetary stringencies proposed in many other areas of governmental activity. The jump seems largely motivated by the approaching Bicentennial celebration of 1976, toward which the arts and humanities are expected to make important contributions.

The administration request specifically notes, "in 1974, emphasis will be placed on projects leading up to the Bicentennial."

The budget asks for a total of $72.5 million in federal funds for the National Endowment for the Arts. Of this amount, $56.75 million would go toward nationwide support of institutions and individual projects, $8.25 million would be distributed equally ($150,000 each) among the state and territorial arts councils, and $7.5 million would be reserved to match incoming private donations.

The Arts Endowment would be empowered to receive up to $7.5 million in private contributions. If, as in the past, this sum is realized in full, it would bring the total amount of money available for art programs to $80 million for fiscal 1974. The proposed total for the Humanities Endowment includes a similar provision for the matching of private funds.

Nancy Hanks, Arts Endowment chairman, expressed delight over the administration proposal. "We are extremely pleased, naturally," she said, "with the size of the President's request. As far as where the money will go is concerned, we feel very strongly that we should continue to be responsive to the needs and requests of the people out there.

"Whether or not we will be developing, later on, special programs oriented to the Bicentennial I don't know. But we already have on the table any number of proposals aimed in that direction, such as orchestras wishing to commission new works or to restore older, possibly neglected American music.

"Museums, too, are already starting to plan exhibitions relating to the Bicentennial. And it's not just from the large institutions that we are seeing such requests—we get them in our Expansion Arts program, too. I think it's clear that a pattern is developing, of artists wanting to do anything they can to help the nation celebrate this significant occasion."

The reaction from Ronald S. Berman, Humanities Endowment chairman, was equally sanguine. "We feel quite elated with the increase, of course," he said. "We don't have any specific guidelines on how much of these funds may be put toward the Bicentennial—we still expect large amounts to go to the work we usually do from archeological excavation to oral history projects—but there will certainly be a strong emphasis on helping the celebration."

"A lot will go into our public programs—for example, we'll distribute monies to various state and community commissions for a variety of individual plans they'll have on the Bicentennial," he said.

Berman also indicated that a major thrust would be toward innovative film and television programs on American themes, citing as illustration a series of programs on the Adams family already in the works for public television.

"This year," he noted, "we're supporting the showing of Laurence Olivier's Shakespeare films on public television. Next year we'd like to do the same for films derived from great American humanistic writings, such as 'All the King's Men.' We'd also hope to encourage the creation of such films from scratch."

Berman added that substantial funding would be earmarked for the educational process. He said, "We'd like to support, through research and fellowships, studies that would delve deeply into the roots, the sources, the patterns of American civilization."

The two endowments, the major arms of the National Foundation on the Arts and the Humanities, were established by Congress in 1965 to aid and encourage the nation's cultural growth.

President Nixon's budget requests represent the goals of his administration. In order for any funds to become actually available for spending, Congress must first pass appropriate legislation. Congressional hearings on arts and humanities funds are expected to begin within the next month.

SMITHSONIAN INSTITUTION

The Smithsonian Institution, which last year drew more than 20 million visitors to its buildings on and off the Mall, including the Zoo, is preparing for a major role in the nation's Bicentennial of the American Revolution.

About $16 million of the Smithsonian's 1974 fiscal budget request of $88-million is targeted on Bicentennial-related activities. More than three-quarters of this sum is part of the construction outlay for the $40-million National Air and Space Museum, scheduled to open on July 4, 1976. Other Bicentennial exhibit expenses are being carried in the regular operating budget.

LIBRARY OF CONGRESS

The Library of Congress is asking for $83,584,000 in Federal funds for the 1974 fiscal year.

The increase of $5.1 million over this year's outlay is earmarked principally to strengthen the Congressional Research Service and broaden the services of the division that provides books to the blind and physically handicapped. A hundred new staff jobs will be added in the Congressional Research Service as ordered in previous legislation.

The Library is part of the legislative branch of government and its budget request—made directly to Congress—is not subject to executive pruning.

KENNEDY CENTER

The only money asked for the Kennedy Center for the Performing Arts in the fiscal 1974 budget is a request from the National Park Service for $2.4 million to cover the expenses of operating and maintainng the Center as a national presidential memorial.

The Center is asking no money for its performing arts functions. Last year the Center, which was visited by hundreds of thousands of tourists, had to be closed to public tours for nearly four months until Congress made an emergency appropriation of $1.5 million to cover its expenses as a presidential memorial.

MULTINATIONAL CORPORATIONS AND THE MONETARY CRISIS

Mr. HARTKE. Mr. President, I have before me a statement by the AFL–CIO Executive Council regarding the current devaluation of the dollar. In it, the point is made that such action can only theoretically curb the rise of imports and spur the increase of exports. Rather than continuing to rely on emergency action, the Council calls for a comprehensive policy to meet America's trade needs in the future.

Along with this statement is an article from the Wall Street Journal stating that multinational corporations can precipitate a monetary crisis such as we are witnessing today. The time for action is upon us and we must act now to save the dollar, American jobs, and restore economic stability to this Nation.

I ask unanimous consent that these documents be printed in the Record.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Statement by the AFL–CIO Executive Council on Devaluation of the American Dollar

The recent devaluation of the American dollar—the second in 14 months—provides no assurance of a halt in the continuing deterioration of America's position in international economic relationships. This action, in itself, cannot possibly solve the problem.

In December 1971, the American dollar was devalued on the basis of an international monetary agreement. At that time, that action was hailed as the solution to the deterioration of the U.S. position in the world economy. While it made a small contribution to continuing inflation in the U.S., the American position in the world deteriorated more rapidly. So in February 1973, the American dollar was devalued again.

The aim of dollar devaluation is to increase the price of imports into the U.S. and reduce the price of American exports in the foreign country. Theoretically, such action should curb the rise of imports and spur the increase of exports.

American tourists in foreign countries are pinched by the reduced value of the dollar as are those who buy imported products. But there are further effects on Americans at home.

Many domestically-manufactured products use imported components or raw materials, such as oil, copper, aluminum and iron ore, rubber and similar material. Their increased price will be passed through to the consumer—with a small upward impact on the over-all American price level.

But the new devaluation will not necessarily improve the export-import balance, any more than did the 1971 devaluation. Foreign countries can offset all or part of the dollar devaluation, through the management of their domestic economies—by subsidizing their exports, setting up barriers to imports or other means of protecting their own export-import relationships and the values of their own currencies. Foreign companies can offset part of the devaluation effect by such actions as reducing their profit margins, redesigning the product or obtaining help from their governments. Multinational corporations can adjust by rejuggling their production, sales arrangements, prices and currency holdings.

Moreover, the devaluation increases the reported dollar-volume of imports and makes it more difficult, at least in the short-run, to improve the export-import relationship. And the devaluation, in itself, does not get at the basic causes of America's deteriorating position in the world economy.

The recent devaluation—as the one in 1971—resulted from an international monetary crisis, with a run on the dollar.

The trouble is that there now are about 60 billion American dollars in Europe and about 20 billion American dollars in Japan. They got there, in the past 25 years, through American-based multinational companies and banks that operate subsidiaries and branches in foreign countries, through American purchases of the rising flood of foreign imports and through such other developments as American economic and military aid to foreign countries and expanded tourism.

The major trouble, by far, is that American corporations and banks now have huge and increasing investments in foreign countries and they keep their American dollars there, to expand their foreign holdings and often to avoid paying U.S. taxes on their foreign-earned profits.

In the summer of 1971, for example, these U.S.-based multinationals—as well as foreign companies and speculators who hold dollars—became worried about America's growing import-export deficits and the value of their American dollars. They began dumping dollars and buying German marks and other currencies. In cold fact, U.S. corporations and banks put profits ahead of patriotism, selling their country's currency in order to make swift profits for themselves.

Similar developments occurred in early February, with the dumping of billions of dollars to buy marks and Japanese yen.

The operations of these multinational corporations, international banks and big speculators have become so powerful that they can move billions, with ease, beyond the reach of the central banks of governments. Frequently, a telephone call is sufficient to transfer huge sums of money from one country to another.

The Wall Street Journal of February 13, 1973, reported on a 930-page study by the U.S. Tariff Commission. The newspaper reported:

"Multinational corporations control such vast quantities of money that they can precipitate international monetary crises by moving only small portions of their funds from country to country, a government study concludes.

"The big companies and banks can outgun even the world's central banks in international currency dealings, the massive study by the U.S. Tariff Commission contends. . .

"In assessing the aims of big companies in currency crises, the report offers two possible conclusions: either that the multinations 'react protectively' with moves to protect the value of their assets or, alternatively, that most multinationals 'hardly react at all, while a small minority, capable of generating heavy disruptive movements of funds, do so.' The study said the later group includes companies that may actually 'speculate' in the sense of betting on exchange-rate changes in hopes of a swift profit."

Regardless of motive, these actions taken for the private advantage of corporations and banks have undermined the world position of the American dollar.

These actions are not regulated by the U.S. government. And the multinational firms and international banks go their own way, juggling production and prices and currencies across national frontiers.

So in 1971 and once again in 1973 the speculators—both U.S. and foreign—gambled and won. They made their big profits, forced the U.S. to bail them out, the U.S. currency suffered another blow and the rest of America will pay the price.

The recent devaluation adds somewhat to inflation at home but will have little, if any, beneficial effect on America's deteriorating position in the world economy. The only way to cure the basic problem is for the U.S. government to adopt and vigorously pursue a new policy on international trade and investment.

Both devaluations were actions taken in crisis. They are not a policy. Yet, what is urgently needed is a comprehensive policy to meet America's needs in the world of the Seventies.

The major parts of such a needed policy are spelled out in the Burke-Hartke bill which would remove the U.S. tax and other incentives for companies to operate in foreign countries, regulate and restrain the export of American technology and capital, and place limits on imports which displace U.S. production and employment.

Only such a comprehensive, new policy can begin to halt the continuing deterioration of America's position in the international economic relationships of the 1970s. America needs a policy, not a panic reaction in time of crisis.

And, finally, America needs a prompt, full-dress public Congressional investigation of American corporations and banks which sell their country short in order to enhance their profits.

[From the Wall Street Journal, Feb. 13, 1973]

Currency Crises Can Be Easily Triggered By Multinational Firms, U.S. Study States

Washington.—Multinational corporations control such vast quantities of money that they can precipitate international monetary crises by moving only small portions of their funds from country to country, a government study concludes.

The big companies and banks can outgun even the world's central banks in international currency dealings, the massive study by the U.S. Tariff Commission contends. And though the study absolves most multinational concerns of "destructive, predatory motives," in their currency dealings, it says that much of the speculative money surge during currency crises, such as the current turmoil in exchange markets, stems from the multinationals.

THE "LION'S SHARE"

The 930-page study of the economic impact of multinational concerns on trade, investment and employment was made by the Tariff Commission at the request of the International Trade subcommittee of the Senate Finance Committee. It's certain to add fuel to the growing debate in Congress on the effects of the multinationals, which have been under attack by organized labor as "exporters" of U.S. jobs and technology.

The study estimates that some $268 billion of short-term liquid assets were held at the end of 1971 by "private institutions on the international finance scene," and that the "lion's share" of this money was controlled by U.S.-based multinational companies and banks.

The $268 billion, the study reports, "was more than twice the total of all international reserves held by all central banks and international monetary institutions in the world at the same date." It adds: "These are the reserves with which the central banks fight to defend their exchange rates. The resources of the private sector outclass them."

Due to the immensity of the multinationals' assets, "it is clear that only a small fraction . . . needs to move in order for a genuine crisis to develop," the Tariff Commission concludes. This money "can focus with telling effect on a crisis-prone situation—some weak currency which repels funds and some strong one which attracts them." That's what has happened in the past two weeks as speculators dumped dollars and bought German marks and Japanese yen in hopes of profiting on future changes in their exchange values.

Since only a "small proportion" of the multinationals' money is needed "to produce monetary explosions," the study says, "it appears appropriate to conclude that destructive, predatory motivations don't characterize the sophisticated international financial activities of most multinational corporations, even though much of the funds which flow internationally during the crisis doubtlessly is of multinational corporation origin."

TWO POSSIBILITIES

In assessing the aims of big companies in currency crises, the report offers two possible conclusions: either that the multinationals "react protectively" with moves to protect the value of their assets or, alternatively, that most multinationals "hardly react at all, while a small minority, capable of generating heavy, disruptive movements of funds, do so." The study said the latter group includes companies that may actually "speculate" in the sense of betting on exchange-rate changes in hopes of a swift profit.

The study found that U.S. concerns invest abroad primarily to reach new markets, rather than to find lower-cost production. The search for low-wage labor is a "secondary" consideration except in a relatively few industries, including consumer electronics, footwear, toys and apparel, it says.

The study doesn't resolve the question of whether multinationals have caused major job losses in the U.S., as American unions contend. It presents three alternative explanations—two of which will please unions and one which companies will like.

The commission estimates that the presence of American-owned plants abroad represents a net loss of 1.3 million jobs in America if it's assumed foreigners would otherwise import the plants' entire output from the U.S. If foreigners imported only half of such output, and produced the rest themselves, the job loss would be calculated at 400,000. A third set of quite different assumptions produces an estimate that the multinationals have produced a net gain of roughly 500,000 jobs in the U.S.

The study concludes that the multinational corporations "played no role" in the sharp deterioration of the U.S. balance-of-payments position during the late 1960s.

THE SUCCESS OF WEST VIRGINIA'S OPERATION MEDIHC

Mr. RANDOLPH. Mr. President, the placement of veterans in jobs upon their return from service continues to be a critical challenge. It is particularly important that veterans with appropriate experience be placed in occupational areas where there is a shortage of trained personnel. In this regard, it is gratifying to note that West Virginia ranked fourth in the United States in percentage of successful placement of veterans in health care positions in 1972. The West Virginia Department of Employment Security has been commended by Miss Alice B. Frazer, national MEDIHC coordinator, for the impressive increase in placements made by the West Virginia MEDIHC—Military Experience Directed Into Health Careers—program.

MEDIHC is a cooperative program of the U.S. Department of Health, Education, and Welfare and the U.S. Department of Defense to help men and women trained in health skills while in military service to utilize those skills when they return to civilian life. West Virginia's MEDIHC program was funded by the Department of Health, Education, and Welfare on January 17, 1972, and the program was staffed and became operational in mid-March 1972. Prior to this funding, MEDIHC was implemented by the West Virginia Department of Employment Security as a secondary program assignment.

Terry D. Barron is the State MEDIHC coordinator in West Virginia. He and his staff have compiled an impressive 88.6 percent placement rate in locating jobs and health training for veterans in the health field. This ranks first in percentage of successful health placement in the southern region.

The 1972 Narrative Report for West Virginia's Operation MEDIHC Program states,

> West Virginia is unique in the disproportionate percentage of its population which has served in the armed forces of the United States.
>
> During the Vietnam Conflict, West Virginia had the highest number of wounded and killed-in-action (per thousand inhabitants) of any State in the Nation. It is therefore noted that our total of returning veterans having been trained and experienced in allied medical services is proportionately greater than that of other states.

It is estimated that 1,200 medics leave the service and return to West Virginia each year. Of this number, West Virginia MEDIHC placed 538 last year. This project received only $17,000 per year in funds, which averages to about $30 per man.

West Virginia MEDIHC contacts returning veterans who hold one of the over-200 medical military occupational specialty areas and explains MEDIHC's services to them. MEDIHC's efforts are to assist the ex-servicemen find appropriate health careers in the field of their military training and to attempt to alleviate the country's growing shortage of qualified health workers in over 200 health fields.

At the First National MEDIHC Conference yesterday here in Washington, Dr. Kenneth M. Endicott, Director, Bureau of Health Manpower Education, National Institutes of Health, said that:

> MEDIHC has contributed significantly to increasing the capability of many hospitals, health clinics, extended care facilities, and other health care resources throughout the country to provide health services to people who need them. It is an effective program and has high priority for continuation.

I agree wholeheartedly with Dr. Endicott's statement.

Since 1970 MEDIHC has located jobs and training in the health field for over 11,000 veterans. Our Nation cannot afford to lose qualified health care personnel and technicians who are available due to the failure of licensing, certifying and registration boards to consider and evaluate the experience of applicants who served on active duty in the armed services. There should be consideration of provisions to waive requirements for education or training if it is determined that the applicant obtained equivalent qualifications while in the service.

Last year, Mr. President, West Virginia ranked 44th among States in infant mortality. In 1969 the Mountain State had one doctor for 1,136 people. West Virginia and other States must continue efforts to overcome obstacles to the entry of health trained veterans into the health professions.

I ask unanimous consent that a letter from the National MEDIHC Coordinator to Terry Barron, State MEDIHC coordinator, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL INSTITUTES OF HEALTH,
Bethesda, Md., February 8, 1973.

Mr. TERRY BARRON,
State MEDIHC Coordinator, Department of Employment Security, Charleston, W. Va.

DEAR MR. BARRON: I have just finished reading the Year-End Report of the West Virginia MEDIHC Program. I want you to know how very pleased I am to be the Project Officer for this particular contract. You have done an outstanding job and are well on your way to achieving your goal "to make West Virginia's MEDIHC Program one of the country's finest."

Congratulations to all of you who have worked so hard and so consistently.

Most sincerely,
ALICE B. FRAZER,
National MEDIHC Coordinator, Division of Allied Health Manpower.

SGT. ROBERT H. DUNN

Mr. BEALL. Mr. President, all of us in this Chamber recognize the serious condition of our penal system today. Overcrowding, poor facilities and a lack of trained supervisory personnel are but a few of the symptoms of this illness. Thus, it is indeed refreshing to learn of people who go "above and beyond the call of duty" to maintain order in difficult situations. Such a man is Sgt. Robert H. Dunn of the Baltimore City Jail.

On Saturday, February 24, a serious riot occurred in the Baltimore City jail.

The disturbance could have easily assumed disasterous proportions if it had not been for the brave actions of Sergeant Dunn, who single-handedly prevented about 60 prisoners from breaking into the jail's control center and completely taking over the institution. Sergeant Dunn's heroics stopped efforts to free the 1,281 inmates of the facility, and brought under control a situation which could have easily posed a major threat to the entire Baltimore community.

I ask unanimous consent that the article by Mr. Jim Flannery which appeared in the Baltimore Sun of February 26, 1973, dealing with the courageous actions of Sergeant Dunn be included at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LONE GUARD HOLDS OFF 60 INMATES

The riot Saturday night at the City Jail might have been more disastrous than it was had it not been for the heroics of jail Sgt. Robert H. Dunn.

The 48-year-old sergeant single-handedly prevented about 60 prisoners from breaking into the jail's control center and taking over the institution.

Sergeant Dunn refused an order to evacuate the center and lobbed more than 60 tear gas grenades at the inmates who made repeated rushes against one of two iron grills separating them from the officer.

"I set up grenades behind a desk, and I just kept throwing them," said Mr. Dunn, the father of two daughters and a jail guard for eight years.

He said he wielded a plastic shield in one hand to ward of pieces of metal and mop and broom handles being thrown at him by the inmates and fired the grenades with the other hand.

"A police sergeant ran up at one point to give me some more gas—30 or 40 more grenades—but then he left the building," the sergeant recalled. Other jail guards later charged that police failed to help them enough.

Sergeant Dunn said the inmates moved giant, portable fans into position behind them to make tear gas float back into his face.

FEARED INMATES BELOW HIM

'But I got my own fan and blew it at them," he said. He also wore a tear gas mask. "I didn't smell gas once," he added.

"My main concern was (that) they'd break through the grills, take over and free all of the (1,281) inmates," he recalled. Only 14 guards were in the jail at the time.

Mr. Dunn said he also feared that rioting inmates on the ground floor immediately below him might break through a window, get into the jail's administrative offices and then run up a stairway to "trap" him.

But this did not happen. Meantime, the sergeant managed to drive back the inmates laying siege to the control center downstairs where eventually they were put back into their cells.

DECLINED TO EVACUATE

Mr. Dunn said he declined to evacuate the control center with six other guards after an order to do so because "as long as even a few of us were still here we had control."

He said he also was worried about an officer believed trapped on the fourth floor of the jail, and two guards were dispatched to find him. However, all three escaped without harm.

Sergeant Dunn is one of several guards who have volunteered to work double shifts as much as seven days a week to help ease the jail's chronic manpower shortage.

THE GENOCIDE CONVENTION—NO THREAT TO OUR SYSTEM OF GOVERNMENT

Mr. PROXMIRE. Mr. President, my esteemed colleague from North Carolina (Mr. ERVIN) presented on March 13 an unusually thoughtful discussion of the reasons the United States should not become a party to the Genocide Convention. While I appreciate the care given to this discussion, I disagree emphatically with its conclusions. I shall continue today with my point-by-point rebuttal of the arguments presented.

The second objection to ratification of the Genocide Convention alleges that there is danger of a serious conflict between the provisions of the convention and the laws of our Nation and its constituent States. This objection is taken to the point of wondering aloud whether our "system of government" would be threatened by ratification. These reservations stem from a reading of article VI of the constitution, which makes ratified treaties, along with the constitution and acts of Congress, "the supreme law of the land."

This objection is, in fact, purely hypothetical. It is revealing that not one actual instance of a conflict between the provisions of the Genocide Convention and the State laws over which it would be "supreme" can be given. It is true that States would be bound by the provisions of the convention. It is also true that States are bound by the provisions of any treaty enacted and in force in this Nation; yet we do not object to all treaties on this ground.

There are, of course, additional safeguards which protect our system of government against the impact of a treaty. First, no treaty can be held binding if it fails to conform to provisions of the constitution. This opinion is given in the controlling precedent in this area of law, *Reid* v. *Covert*, 353 U.S. 1. In the same decision, the Supreme Court affirmed that whenever a treaty and an act of Congress are in conflict, the last enacted is controlling. Thus, the Congress, by simple legislation, could supersede any part of the Genocide Convention any time it wished.

I, too, believe we "should pause and ponder what the impact of the ratification of the Genocide Convention would have on our system of government." This pondering should not take the form of vague hypotheticals, however; but rather should address itself to the gap between our profession of concern for human rights as a Nation, and our failure to ratify this convention. Let us redress this disparity between profession and deed by promptly ratifying the Genocide Convention.

ARCHES NATIONAL PARK

Mr. MOSS. Mr. President, in the 92d Congress the Senate unanimously passed legislation establishing the Arches National Park in Utah. As the sponsor of the bill, I made several speeches on the Senate floor trying to describe the wonder and beauty of the area, and the importance of giving it national park status.

Recently a writer for the Copley News Service, Mr. Guy Ryan, visited the park, and found it a fascinating place. He recommends visiting it now while it is still uncrowded, and one is free to roam among the more than 90 stone arches already discovered. His description of some of the arches is both eloquent and apt.

I ask unanimous consent that the Ryan article, which appeared in the Deseret News of March 19, 1973, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BETTER GET TO ARCHES NATIONAL PARK BEFORE CROWDS DO

(By Guy Ryan)

It's possible you've never even heard of Arches National Park. A lot of people haven't.

Although the "makin's" have been around for about 150 million years, the park itself was dedicated only last year. For about 45 years before that, it was a much smaller national park.

But it's a full-fledged park now, embracing almost 75,000 acres. And more and more people are going to be hearing about it. And when the crowds come, the Park Service will begin restricting the use of it.

As the name indicates, Arches National Park has a lot of arches in it—more natural stone arches, windows, spires, and pinnacles than any other section of the country.

Nearly 90 arches have already been discovered—works of nature . . . art . . . beauty, delicately sculptured by the wind, rain, running water, the frost and the sun.

Improved roads, some paved, lead to these beauties. But you'll have to do some walking to reach them.

Delicate Arch, fragile . . . precariously balanced in a rugged setting of cliffs and giant domes, wins the most-popular-attraction derby hands down. It's the symbol of the park.

Cowboys used to call it Schoolmarm's Bloomers, or The Chaps. That's what it looked like to them.

A graded road leads to within one and one-half miles of the arch. There is a foot trail the rest of the way.

Another attention-getter is Balanced Rock. You'll pass it on the way to Delicate Arch. This sculpture stands 128 feet high and is crowned with a balanced boulder 55 feet long and weighing 3,500 tons!

Up in Devils Garden are six or eight arches, including Landscape Arch, said to be the longest natural-stone arch in the world. It's 291 feet long and six feet wide at its narrowest place. You'll have to walk about a mile to get to this one. The road ends here, but trails will take you to all of the arches in this section.

And there's more. Just after you leave the visitor center, a paved road will take you through the Courthouse Towers section of the park. Here, there's a one-mile hike through Park Avenue, so-called because the towers and spires on top of the red rock canyon walls look like highrise buildings in a major city.

The Windows Section, in the east-central part of the park, is just that. There are eight giant arches (windows) and many smaller windows in the area, along with a series of passageways, pinnacles, spires and balanced rocks. A short walk from the paved road will take you to most of these features.

If you're going to do much exploring in foot, it's a good idea to check in with the park ranger at the visitor center. You might get lost, run out of drinking water or get caught in a sudden storm.

There is no food or lodging in the park. Motels and restaurants are available in Moab, five miles from the visitor center.

There is a campground for tents and trailers in the Devils Garden section of the park, but campsites cannot be reserved. Campfire talks are given nightly in summer at the campground.

And while you're here, you might want to take a couple or three or more days to see nearby Canyonlands National Park, Dead Horse Point State Park, a trip on the Colorado River by night, a jet boat trip, rubber raft float down the river, or a ride along the Colorado on a paddlewheeler.

There's a lot to do around here and facilities for doing it are available.

TRUTH IN SAVINGS

Mr. HARTKE. Mr. President, on several occasions during the past 2 years, I have urged my colleagues to adopt legislation which would provide consumers with basic information about their savings deposits. We have recognized the need for such information in lending, drugs and packaging, but have yet to realize that the billions of dollars which are placed in savings institutions are in need of the same careful attention.

Mr. President, an article which appeared in McCall's magazine highlights the need for this vital information about savings deposits. I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO GET MORE INTEREST ON YOUR SAVINGS—BETTY FURNESS: COUNSEL FOR THE CONSUMER

You know very well how much money you and/or your husband make. If you're smart enough to have some of that money stick to you and you put it in a savings account, do you also know exactly how much money your *money* makes? You do? You wanna bet?

If you think 5 percent interest is the same 5 percent interest the whole banking world over, guess again. I've just been pursuing my own ignorance on the subject and, after considerable tutoring, have emerged into the bright light of actually being able to tell the benefits of one account vs. another—and I can't wait to tell you what I've learned.

Two reasons for using a bank instead of a sugar bowl for savings are that you want your money to be safe, and you want it to grow. Safe is usually taken care of. Federally chartered commercial banks are required by law to belong to the Federal Deposit Insurance Corporation. State-chartered banks may voluntarily belong, as may mutual savings banks. Saving-and-loan associations are insured by the Federal Savings and Loan Insurance Corporation. Both organizations insure each depositor's account up to $20,000. Participating banks are eager to point out this safety feature. You'll find it in their windows and ads—look for it.

Before we start growing our money, let's sort out the different kinds of banks. A commercial bank is where you checking account is. It also has savings accounts. A savings-and-loan is just what it says it is. It'll save, and it'll lend (its loans are largely restricted to real estate), but it is not permitted checking accounts. Mutual savings banks are largely found in Eastern states, where they are a holdover from the 1820s and '30s, when commercial banks didn't welcome small people's small money. These banks were "mutually" established to hold the money of farmers and carpenters and seamen. As a matter of fact, you'll still find a Seamen's Savings Bank right on Fifth Avenue in Manhattan. When people and money went West, the bankers and plowmen and future cowboys all got off the same covered wagon together, and the bankers there were well pleased to bank the small funds of their new friends in commercial banks, eliminating the necessity for "mutuals."

The mutuals and savings-and-loans operate similiarly from the savers' viewpoint, so consider them as one.

Enough history. Interest is what you're concerned about. One noteworthy point is that interest ceilings are established for all banks by the Federal Reserve Board, the amount varying from time to time according to the supply of money available in the economy. Right now, on regular savings accounts, commercial banks can pay no more than 4½ percent, and "thrifts" (the bankers' name for financial institutions such as savings-and-loans and mutual savings) can pay no more than 5 percent (except under certain circumstances, which we'll get to in a minute). Since all financial institutions are eager to borrow your money, there's no reason why you should lend it to them at less than the ceiling rate.

I asked an officer in a commercial bank why anyone should have a savings account there, since thrifts pay more interest. "Convenience," was his answer. One-stop banking. I would suggest, then, that if maximum growth is your aim, do your thrifting at a thrift.

You'd think that with your money insured, interest ceilings established and computers to do the arithmetic, it wouldn't matter much where you save. Not so.

A couple of years ago, at Kansas State University, a graduate student named Jackie Pinson got to wondering just how easy it is to compare different types of savings accounts. Her pursuit of this seemingly simple question ended up months later as a thesis on the subject, and the answer was "very hard." She began by creating a hypothetical savings account, complete with deposits and withdrawals. She then figured how much interest it would earn under the computing systems used by a variety of banks, all using the same declared interest rate over the same period of time. To her own amazement, she discovered that the difference between the highest-paying system and the lowest was 171 percent.

On the assumption that you prefer to earn the highest rate, let me try to acquaint you with some of the tricky facts of savings life and the ornate vocabulary pertaining to it.

The rate is the percentage used to calculate interest. The annual yield (or annual return or effective annual rate) is the amount of interest you receive in one year's time. If a bank were to compute your interest yearly, the annual rate and the annual yield would be the same. But banks don't do that. They compound interest. If they compound quarterly, for instance, they figure out your interest at the end of three months, add that amount to your balance and compute the interest at the end of the next quarter on your balance, which now includes the previously earned interest. Not only is your money earning money, but the money it has earned is earning money, too.

Banks need your savings. The basic business they're in is borrowing peoples' money, on which they pay a given interest, to lend to other people at a higher interest. Since the interest rates they pay are limited by law, banks have had to devise other ways to compete for your dollars. One method they've worked out is to compute the interest on your account more often than semiannually or quarterly.

With the aid of computers, many banks now compound interest daily. Some even claim to compound it every second, others "continuously." But the difference between daily compounding and continuous compounding is negligible; on $1,000 at 5 percent, it comes to one penny at the end of two years, and 6 cents at the end of ten years—no way to get rich. But daily compounding does beat quarterly. If you can put a certain sum of money in a savings account and just let it lie there nourishing itself, you have fewer decisions to make than if you're a money-in-and-outer. You might be well advised to have an account from which you agree not to make withdrawals for a prescribed time—varying, for example, from two to five years. This type of account, available at both commercial banks and thrifts, is called by several names: term savings, time savings, certificate of deposit, investment savings, investment certificate, savings certificate. I even found a "Big Bonus 6 Savings Certificate Account." These accounts require a substantial cash minimum—$500 to $1,000—and most can't be added to during the agreed-upon term. You'd have to start again, with another $500 or so. They do, however, pay more for the privilege of holding onto your money. That's where the Big Bonus 6 account got its name. These accounts pay 5¾ percent at commercial banks and 6 percent at thrifts. Compounded daily, 6 percent amounts to 6.18 percent annual yield.

A factor to consider in tying up money for a matter of years is that interest rates may change. A 6-percent savings-certificate account guarantees 6 percent—no more, no less—until the maturity date. If interest rates go down, you've got a good deal. But if they go up, you're stuck with the guaranteed amount.

If you're trying to hide money from yourself to keep from spending it, this type of account is a good substitute for personal discipline. But you should know that if you ask for principal before the maturity date, you may have to sacrifice up to ninety-days' interest to get your money out.

Active savings accounts offer more options, complete with more confusion. Currently there are two types of account being widely advertised. Both are passbook accounts. One, the old-fashioned kind, is called a regular (or days of grace or regular grace day). Money deposited by the tenth of the month earns interest from the first of the month, meaning that for nine days you can earn interest on money that isn't yet in the bank. Money deposited after the tenth earns interest from that day on, and interest is usually compounded quarterly. The catch in a regular account is that money withdrawn before the end of the same quarter doesn't earn any interest at all.

There are also some regular accounts that, in addition to the ten grace days at the beginning of the month, allow you to withdraw funds with full quarterly interest during the last three days of the quarter. Grace-day accounts are of particular value to people who receive monthly pension or annuity checks after the first of the month and don't need to withdraw money until the end of the quarter.

Which brings us to the question of withdrawing any money. When you withdraw $50 from your account, which $50 are you taking out? If you think it's the last $50 you put in, you may be right. Banks call this transaction last in, first out, also known as LIFO. Federally chartered savings-and-loans use this, as do some other banks. But there are also banks that figure that the $50 you take out is the first $50 you put in, and they compute interest on the basis of first in, first out, or FIFO. To spare us the mathematics, take Jackie Pinson's word for it, FIFO pays less than LIFO.

Another way of computing interest in regular accounts is called low balance, which turns out to be the worst deal of all because it pays interest on the lowest amount in the account during the quarter. Deposits made in that quarter are ignored and do not begin to earn interest until the beginning of the next quarter. Not good for our side.

For real money-in, money-out people,

there are accounts computed from day of deposit to day of withdrawal (or DD-DW, or daily dividend, or daily interest). The first name explains it best. Your money earns interest from the day it's deposited till the day it's withdrawn, with no penalties for depositing late (as in low-balance computing) or withdrawing early (as in most regular accounts). The interest rate is the same as that of the regular accounts, but the yield for active accounts comes out better. If you can get a DD-DW account with grace days, that's even better.

These DD-DW accounts are being widely advertised by both commercial banks and thrifts, but if you don't read ads, you may not know you have a choice of either a regular or a DD-DW account. Banks having both types will convert from regular to DD-DW, but be sure to ask if you're losing any interest by not waiting till the end of the quarter.

In addition to interest, would you like a toaster, clock, radio, blanket, cookware, carpet sweeper or steam iron for "nothing"? A lot of banks offer such premiums at the end of the quarterly-interest period, hoping to lure your money away from their competitors. The Federal Reserve Board and the Federal Home Loan Bank Board have limited the cost of these premiums to $5, leading to items like those listed or small pots of philodendron worth less.

But some state-chartered commercial banks suffer no such restrictions. In what amounts to a passionate plea for your money, some have offered what seem to be grand and glorious gifts *in lieu of interest*. Take Texas. For a thirty-month certificate of deposit of $1,800, a Dallas bank recently offered a $232 Browning automatic shotgun, or $225 in immediate cash. They even offered to lend you the money to purchase the certificate if you didn't have the cash! Last year in Boulder, Colorado, a bank offered a 1971 Ford Maverick or a vacation for two anywhere in the world (maximum of $2,500) *in advance* for a five-year $10,000 certificate of deposit. This makes a philodendron plant look pretty silly, but if you have $10,000 to tie up for five years, you can probably afford to buy your own philodendron.

The practice of offering small gifts has given birth to a breed of premium chasers who move their money from bank to bank, collecting electric shavers and alarm clocks en route. The banks have wised up to this game and now insist if you get your toaster, you'll have to leave the account intact for twelve or fourteen months. A bank in which I have some money feels the premium-type promotion is beneath their dignity, but they do want their share of attention. So in their lobby in the winter they have an ice-skating rink with professional skaters performing during the lunch hour. In the spring they stage dog shows with champion dogs . . . and dignity. I've oversimplified the methods of calculation used by various banks in the "interest" of trying to make things clear, but Jackie Pinson's findings weren't simple at all. Using the hypothetical account she set up on paper, complete with deposits and withdrawals covering a six-month period, she used five methods of interest calculation and four other variables (frequency of compounding interest, frequency of crediting compound interest, number of grace days and possible penalty for an excessive number of withdrawals charged by some banks) and worked out the interest in forty model accounts. She then sent that material to eight savings institutions and asked them which system they used. If they didn't use any of hers, would they please do the calculations their way and advise. In no case did the six-month yield match any of the model systems, and no two savings institutions using the same nominal rate came up with the same yield. So it turns out that even if you've chosen the right type of account for your particular form of saving, you still can't know you're getting the best possible return. The American Bankers Association says that there are at least fifty-four widely used ways of computing interest. It's been suggested that there may be as many as a hundred.

Jackie Pinson and Professor Richard Morse, who is head of the Family Economics department at Kansas State, reasoned that if a graduate student couldn't come up with precise information on which bank pays how much, the average saver couldn't either.

When we use a bank's money by borrowing it, the bank is required by the Truth-in-Lending law to tell us how much we're paying for that use, both in annual interest rate and in dollars. So why, ask Pinson and Morse, shouldn't the banks give us equally precise information when they use our money? How about Truth in Savings? The idea is now being considered by the Vermont State Legislature, and a bill has been introduced in Congress by Senator Vance Hartke (Ind.–D.) and Representative Bill Roy (Kans.–D.). In introducing their bills, both used Jackie Pinson's material.

We don't yet have such a law but in this day, when our young claim they can't make any impact on the "system," it's refreshing to know that the garden-variety curiosity of a young woman in Kansas may be responsible for a law that would make it possible for us all to be wiser . . . and richer.

In the meantime, here are some simple rules to follow:

1. Don't settle for less than the maximum interest currently paid, in any type of account. Remember that in passbook-savings accounts, savings-and-loans and mutual-savings banks pay more than commercial banks.
2. Look for the most frequent compounding of interest.
3. For maximum interest on large amounts and minimum opportunity to spend the money, time savings or savings certificates pay more in any type of bank. But you are tying up your money.
4. A DD-DW (day of deposit—day of withdrawal) account is best if you deposit and withdraw frequently.
5. A regular (grace days) account is best if you deposit regularly after the first but before the tenth of the month and don't have to withdraw until the end of the quarter.
6. If your banking options are limited, remember that the LIFO system (last in, first out) yields more than either the FIFO or the low-balance system.
7. Don't be fooled by highly publicized premiums. They are not an indication of a bank's true service.
8. If banks have both a regular account and DD-DW, they'll probably be willing to convert. Don't be shy about asking.
9. Because banks are as eager to use your money as you are to save it, you have every right to ask your bank to explain its system If it's one of the lower-paying varieties, shop around. Remember—it's your money.

TRIBUNE EDITOR SPEAKS OUT ON THE NECESSITY OF LEGISLATION TO PROTECT NEWSMEN'S SOURCES

Mr. PERCY. Mr. President, as the debate continues over the question of whether or not the Congress should enact legislation to protect the sources and unpublished information of newsmen, and as we continue to examine the different alternatives that have been proposed in this area, it is useful to have the advice and counsel of those who have given a great deal of thought to this matter and who actually line with the problem.

Many people have supported, as I have, an absolute shield for newsmen. One of those who has taken this position with reason and eloquence is Clayton Kirkpatrick, editor of the Chicago Tribune. In a speech delivered March 12 at the Canyon Club luncheon in Chicago. Mr. Kirkpatrick discribed the press as a trustee of the rights and duties of citizens as set forth by the Constitution. He discussed the necessary role of the press in keeping our citizens informed so that they might make the best possible decision at the ballot box. He also states the newsmen's code of ethics, which is helpful in understanding the type of men and women who make up the press, and the high ideals to which they have committed themselves.

I commend Mr. Kirkpatrick's speech to my colleagues and I ask unanimous consent that it be inserted in the Record at this point.

There being no objection, the speech was ordered to be printed in the Record, as follows:

THE PRESS AS TRUSTEE

(By Clayton Kirkpatrick)

Today I would like to appeal to you as holders of the highest authority in this land to defend the press as your trustee in the exercise of part of that power. It is a role that was given constitutional sanction nearly 200 years ago by the drafters of the Bill of Rights, but it has become blurred somewhat with the passage of time.

I use the word trustee because the press is really your agent. It serves your interests. It takes its legitimacy from the same guarantee of free expression that you do, the First Amendment. Efforts to limit freedom of the press, therefore, are the same as efforts to limit the personal liberty of citizens.

Right now the role of the newsman as public trustee is the storm center for a particularly confusing debate. Two Congressional committees—one in the House and one in the Senate—are hearing the arguments. Focus of the debate is a proposal to enact a law which will shield reporters from efforts by the executive, the judicial, and the legislative branches of government to penetrate, and thus nullify, the confidentiality of news sources; or, and this is even more serious, to obstruct and harass newsmen in their work by arbitrary and excessive use of subpoena powers.

I am here as an advocate, and, so that you may judge what I say in the light of my position, I will define that position. I favor an absolute, unqualified shield against any legal process that would impair the ability of newsmen to do their work. Since newsmen are also citizens I do not favor excusing them from all responsibility to answer to the law, but they should be protected from inquiry and process that would destroy their effectiveness in reporting the news. Even more radical, I suppose, is my belief that it is the newsman and not the courts who should make the discretionary decision about how far the newsman can go in responding to inquiry without impairing his role as reporter.

I once thought the First Amendment was sufficient protection for a free press. Certainly it would be if it were accepted by the courts and government agencies literally as it is written. The language of the amendment is absolute and unqualified—far more protective actually than any shield law the Congress might enact.

This is what it says: "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or the press, or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

This language set up a special and unlimited privilege for the press—and for all citizens, too. It is a privilege so sweeping that only a few hardy souls, Supreme Court Justices Hugo Black and William O. Douglas among them, could accept it. So the privilege has been progressively qualified.

The courts and the legislatures decided that neither press nor citizens could utter or publish malicious defamations that they knew to be false. Hence the libel and slander qualifications. Justice Holmes decided that free speech did not extend to standing up and shouting FIRE! in a crowded theater. Hence the qualification against inciting riot. These qualifications obviously made sense and served justice and they were accepted. The pot began to boil, however, in the late 50s and 60s, when the press and the courts began to quarrel about what might properly be printed about criminal trials.

The courts contended that some reporting prejudiced the rights of some defendants, and in some cases, the rights of the state, to a fair and impartial trial. Thus was born the free press-fair trial controversy. Courts issued gag rules forbidding the press to print some kinds of news in in some circumstances. They issued guideline to instruct the press upon what might or might not be properly published.

Generally the press acknowledged that there had been some excesses in reporting, but it properly refused to accept orders that would subject reporting to court control. The First Amendment was invoked. Sometimes the privilege was upheld. Sometimes it was not, but the ultimate effect was that the protection of the First Amendment was deeply eroded.

Some kind of accommodation might have been reached in the struggle between the press and the courts because there was evidence on both sides of a willingness to compromise. This willingness, at least on the part of most of the press, evaporated with a decision that the Supreme Court enunciated in a 5 to 4 division on June 29, 1972.

The ruling grew out of cases in which three reporters in different states refused to obey subpoenas and testify about the sources of their news on grounds that disclosure would break a confidence, subject a news source to jeopardy, or would cut off further information from the source.

Justice Byron R. White, writing for the majority, stripped news reporters of their special constitutional privilege.

"Newsmen," he wrote, "are not exempt from the normal duty of appearing before a grand jury and answering questions relevant to a criminal investigation. . . We are asked to grant newsmen a testimonial privilege that other citizens do not enjoy. This we decline to do."

With courts thruout the country using this decision as a guide, it was obvious very soon that the First Amendment was no longer a sufficient protector of the freedom of the press. Within a few months five newsmen had been ordered to jail for refusing to obey subpoenas to testify. Gag rules and restrictions proliferated. The fight for a shield law to protect reporters began.

Experience with the qualified shield laws enacted by some of the states proved that any qualifications opened up loopholes so wide that all protection was nullified. Three of the five newsmen ordered to jail were convicted in states with shield laws.

The evidence was overwhelming to most professional organizations of newsmen. The American Society of Newspaper Editors, the American Newspaper Publishers Association, the Associated Press Managing Editors Association, and Sigma Delta Chi, the professional journalism honorary society, all came out for an unqualified shield.

Now you, as ordinary citizens, might say, "This is just a fight between some judges and politicians on one side and a bunch of rich publishers, arrogant editors, and egotistical reporters on the other. The arguments and complaints of the journalists are self-serving and they just want privileges that would be denied to me."

The answer to this argument requires a short detour into the history of political freedom.

Something very special happened in the 18th century when the American colonies won their independence and established a government. The new government established the citizens as the holders of ultimate power and authority rather than some king, emperor, or military dictator. The citizen, who in earlier governments had been a subject, now became the sovereign. The government's business became everybody's business. Since the citizen was the ruler it became essential that he be well informed.

His need for information was doubly important because the new government delegated the citizens' powers to elected representatives. There was need for constant reporting of their activities to assure that they fulfilled their responsibilities to their citizen masters.

The First Amendment was an assignment to the press to become the eyes and ears of the citizens in Washington, in state capitals, in city halls, in school board rooms and anywhere else that public business was done. The drafters of the Bill of Rights recognized that elected representatives would strongly resist this kind of surveillance, so they wrote a specific exemption and privilege forbidding the government from interfering with the press.

In addition to becoming an agent or trustee of the people in an observing and reporting function, the press became a mouthpiece for the people exercising their First Amendment privilege to petition for redress of grievances. The press became a sounding board thru which the voice of the people could be heard, and it has been heard, frequently stridently in a manner that is highly offensive to some officers of government who might prefer to silence the voices if there were no First Amendment privilege.

Well, then, if the press is carrying out its constitutional assignment, why should the citizens be concerned over the debate about freedom of the press?

The answer is that there always is a tide running strongly against personal liberty in government. It is the nature of government to be restrictive, to extend more and more control over citizens. The evidence is apparent in almost every aspect of our lives.

Politically, government has become bigger, more complex, more remote. The citizen who once made his voice heard in town meetings and party conventions now is rebuffed and frustrated by the impersonal complexity of political machinery. Even his voting franchise is diluted by systematic and massive frauds.

Economically the citizen controls a smaller and smaller proportion of his wealth. Taxes, hidden and explicit, take up to one-half or more of his income and he has little voice in how his money is spent.

The citizen's freedom to use his property has been diminished by zoning laws and regulations setting up complex prohibitions.

Freedoms have been surrendered little by little under the pressures of the complexities of our modern civilization and it would appear that the attacks upon freedom of the press are simply a part of this tide of restraints.

The danger, however, from erosion of First Amendment protection increases enormously as the power and influence of the government grows in other areas.

If individual liberties must be diluted to serve collective social and economic purposes, then it becomes more important than ever to preserve the guardians of liberty in the political sector.

What is needed is a press that is more free to perform its function as First Amendment trustee for the people. The alarming effect of the White decision in the Supreme Court and the hostility of certain segments of the executive, judicial, and legislative branches of government to a free press should be as deeply disturbing to you as they are to journalists.

If freedom of the press is curbed, how long will the citizens' freedom of speech, freedom of assembly, freedom to petition continue? You know the answers because you have been informed by your press in the accounts that have come from countries where freedom died—Germany under Hitler, Russia under Stalin, Argentina under Peron, China under Mao, Spain under Franco, and a late one, the Philippines under Marcos. Freedom to speak. Freedom to publish. These always have been the first victims of tyranny.

If you value your freedoms, I hope you will take an interest in the present controversy over our freedoms under the First Amendment. We journalists recognize that we can survive only so long as we fulfill our constitutional assignment and serve the citizens—you—holders of ultimate power in this government—in a satisfactory manner.

That recognition is implicit in our newsman's code of ethics. Here is how it reads:

I

Responsibility.—The right of a newspaper to attract and hold readers is restricted by nothing but considerations of public welfare. The use a newspaper makes of the share of public attention it gains serves to determine its sense of responsibility, which it shares with every member of its staff. A journalist who uses his power for any selfish or otherwise unworthy purpose is faithless to a high trust.

II

Freedom of the press.—Freedom of the press is to be guarded as a vital right of mankind. It is the unquestionable right to discuss whatever is not explicitly forbidden by law, including the wisdom of any restrictive statute.

III

Independence.—Freedom from all obligations except that of fidelity to the public interest is vital.

1. Promotion of any private interest contrary to the general welfare, for whatever reason, is not compatible with honest journalism. So-called news communications from private sources should not be published without public notice of their source or else substantiation of their claims to value as news, both in form and substance.

2. Partisanship, in editorial comment which knowingly departs from the truth, does violence to the best spirit of American journalism; in the news columns it is subversive of a fundamental principle of the profession.

IV

Sincerity, truthfulness, accuracy.—Good faith with the reader is the foundation of all journalism worthy of the name.

1. By every consideration of good faith a newspaper is constrained to be truthful. It is not to be excused for lack of thoroughness or accuracy within its control, or failure to obtain command of these essential qualities.

2. Headlines should be fully warranted by the contents of the articles which they surmount.

V

Impartiality.—Sound practice makes clear distinction between news reports and expressions of opinion. News reports should be free from opinion or bias of any kind.

1. This rule does not apply to so-called special articles unmistakably devoted to advocacy or characterized by a signature authorizing the writer's own conclusions and interpretations.

VI

Fair play.—A newspaper should not publish moral character without opportunity given to the accused to be heard; right practice demands the giving of such opportunity in all cases of serious accusation outside judicial proceedings.

1. A newspaper should not invade private rights or feeling without sure warrant of public right as distinguished from public curiosity.

2. It is the privilege, as it is the duty, of a newspaper to make prompt and complete correction of its own serious mistakes of fact or opinion, whatever their origin.

Decency.—A newspaper cannot escape conviction of insincerity if while professing high moral purpose it supplies incentives to base conduct, such as are to be found in details of crime and vice, publication of which is not demonstrably for the general good. Lacking authority to enforce its canons the journalism here represented can but express the hope that deliberate pandering to vicious instincts will encounter effective public disapproval or yield to the influence of a preponderant professional condemnation.

These are our professional objectives. I think I should warn you that they do not make journalists particularly charming and delightful companions. Journalists are likely to be curious to the point of being meddlesome. They are aggressive, persistent, resourceful, and sometimes quarrelsome. They are impatient, dissatisfied with things as they are, eager to change things in ways they think will bring improvement. They are sometimes suspicious.

Col. Robert R. McCormick, former editor and publisher of The Tribune, who understood the role of the newspaper in our society as well as any journalist who ever lived, was fond of saying that a newsman should have no friends. This was recognition that the journalist should see his duty to report fairly, fully, and accurately as paramount to every other loyalty, including friendship.

Thus a journalist can hardly hope for affection, but he must aspire to respect and he must strive to attain it. When he succeeds, he can fulfill his obligation to you as your trustee. All he needs is your help to preserve his freedom—and yours.

DELAWARE COUNCIL FOR WOMEN

Mr. BIDEN. Mr. President, the Delaware Council for Women was created in 1971 to work toward equal opportunity for women. It aims to encourage women to participate in the political and social life of the State and to help them develop their potential as complete citizens. Some of the council's goals are to remove existing discriminatory barriers, provide counseling and informational services, and to propose and work for the passage of legislation favorable to their purposes.

On March 5, 1973, the Council for Women passed the following resolution in response to Presidential impoundments and cutbacks in programs designed primarily to meet the social needs of our citizens.

I commend the council on this affirmative action and request unanimous consent that this resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution of the Council for Women,
State of Delaware, March 5, 1973

Whereas, Executive cutbacks have been declared in Federal funds for rent-subsidy and low-income housing programs, in job-training programs, day-care, family planning, and in Title IV–A Social Service programs, and

Whereas, the sudden withdrawal of these funds cripples State and local-agency efforts to meet the human needs of those least able to initiate alternatives;

Now therefore be it resolved that this Council for Women of the State of Delaware calls on our representatives in Congress to take all action necessary to review that decision and to restore funds for those programs.

Be it further resolved that if the necessity is found to cut funds in other areas in order to restore these funds, that such cut-backs begin with armaments.

JACK McCLOSKEY, PUBLISHER OF THE MINERAL COUNTY INDEPENDENT-NEWS, HAWTHORNE, NEV.

Mr. CANNON. Mr. President, one of Nevada's outstanding editors recently celebrated his 40th anniversary as publisher of the Mineral County Independent-News in Hawthorne, Nev. He purchased the weekly newspaper in 1933 and has published it continuously except for time spent in the Army during World War II. I have known Jack McCloskey for many years and share the feelings of other Nevadans in respecting his integrity, perception, and dedication to the highest ideals of journalism.

I ask unanimous consent to insert in the Record a concurrent resolution adopted by the Nevada Assembly on March 2, 1973, commending Mr. McCloskey on this important milestone.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

Assembly Concurrent Resolution No. 15

(Commending newspaper publisher Jack McCloskey for accomplishments in the field of journalism.)

Whereas, Mr. Jack McCloskey was born in Goldfield, Nevada, on September 19, 1911, and thereafter moved to Tonopah, Nevada, where he, at the young age of eleven, embarked upon his remarkable career in the field of journalism by selling newspapers, subsequently becoming a printer's apprentice and a writer for the *Tonopah Times Bonaza*, all before his graduation from high school; and

Whereas, In 1929, at the age of eighteen, he moved to Hawthorne, Nevada, to become editor-reporter of the *Hawthorne News*, only to find himself cast, shortly thereafter, upon the seas of the unemployed during the troes of the Great Depression; and

Whereas, In 1933, he borrowed the sum of $200 to become self-employed by founding the *Mineral County Independent News* in partnership with Mr. J. W. Connors. This fledging but vigorous enterprise within two years of its inception acquired the assets of the *Hawthorne News;* and

Whereas, In 1954, Jack McCloskey purchased the interest of his partner in the *Mineral County Independent News*, and has since then been the single owner and operator of the newspaper; and

Whereas, Due to Jack McCloskey's efforts the *Mineral County Independent News* has always been a responsive and responsible voice in the affairs of Mineral County and the State of Nevada, making significant and historical contributions to journalism in the Silver State; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That Jack McCloskey, on this the fortieth anniversary of his ownership and operation of the *Mineral County Independent News,* be commended, not only for his contributions to journalism, but also for his steadfast perseverance in the longest period of continuous, active ownership and publication of a newspaper by an individual in the State of Nevada; and be it further

Resolved, That a copy of this resolution be prepared and transmitted forthwith by that legislative counsel to Mr. Jack McCloskey.

BYELORUSSIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, on March 25, 1918, Byelorussians proclaimed their national independence. Living at the crossroads of East and West, the Byelorussian people have had a turbulent history in which war and suffering were all too common, and opportunities for peace and national stability all too limited. Nevertheless, Byelorussians have not only maintained their spirit of national integrity throughout the centuries, but have continued to make important cultural contributions.

Fifty-five years ago it seemed that Byelorussian aspirations for a free and independent life might at last be fulfilled. A provisional constitution was adopted by the newly proclaimed Republic which provided for elections by direct and secret ballot, and for freedom of speech, press, and assembly. Byelorussians were not, however, to enjoy this newly won freedom, as their Republic was soon forced to become a part of the Soviet Union. March 25 continues, nevertheless, to be a symbol of independence, and we take this occasion each year to join with Byelorussians everywhere in recognizing Byelorussia's legitimate aspirations.

TELEVISION AND NEWSPAPERS: DIVIDED WE FALL

Mr. HUMPHREY. Mr. President, the freedom of the press concerns us all. Mr. Bill Monroe, the distinguished and well-known reporter and commentator for NBC News, recently addressed the Minnesota Newspaper Association on this topic. His insights on press freedom, coming from 20 years of broadcasting experience, are perceptive and important.

Mr. Monroe points out that distinctions frequently cited between the printed media and broadcast media are false ones. Television and radio are as much a part of the press as newspapers and magazines. We are living in an age of electronic journalism, and electronic journalism deserves the same constitutional protections as the print media.

Government attacks on the press have produced an antimedia climate. In this climate we are drifting closer than ever before to State regulation of the news. In this type of environment, "ideological plugola" is likely to be defined by a station manager as "anything that might anger the White House."

The NBC Washington editor also warns us of the differences between a fair press and a free press. In a democracy, first priority must be given to a free press. When we start substituting arbitrary definitions of a fair press for a free press we have nullified the intent of the first amendment.

Mr. President, I ask unanimous consent that the text of Mr. Monroe's remarks in Minnesota on February 24, 1973, be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

TELEVISION AND NEWSPAPERS: DIVIDED WE FALL

(By Bill Monroe)

I appreciate your invitation to be here today and to sit in last night—first, because I believe deeply in the common cause of newspaper and broadcast journalists; second, because I have a special regard for Minnesota related to the quality of its politics and its politicians. And I've always assumed, I believe rightly, that high-quality politics and high-quality journalism are generally found side by side.

One of your politicians did us quite a favor a couple of weeks ago—Hubert Humphrey, who just might hold the record for the number of Washington interviews by one political figure on the Today show, if somebody wanted to count it up. He had come in to be interviewed and boil over on the President's budget. Waiting for the interview to begin, his eyes lit on the remarkably scruffy, battered-looking coffee table in front of us. "My God," he said, "look at that table. You fellows certainly know how to put a guest in his place. You'd think a big network like this and a big program like Today would have a halfway decent piece of furniture on the set. We have better-looking tables than that in every home in Waverly."

I told him they also had better-looking politicians in every home in Waverly. It would have been a fairly good squelch for anyone else, but Hubert just went on scathing that table.

Well, it so happens that thousands of politicians have been interviewed in front of that miserable table without complaint. But three days after Senator Humphrey took after it, somebody went out and bought another one—brand new, beautiful, modern, unscratched, the Hubert Humphrey Today Show free speech coffee table. We're going to invite the Senator back next week to take a close look at our chairs.

What I see as the essential problem of press freedom in our time goes to the fact that the American government never had much of a chance to get hold of the American press—until now. But now it does have a chance. It has a chance because the press has changed shape. It hasn't changed function, just shape. The television station has joined the local newspaper in dispensing news and comic strips to the community. But it's a newscast instead of a front page, and it's Archie Bunker instead of Dick Tracy. But that new form of press, broadcasting, is not specifically protected by the First Amendment. The First Amendment doesn't call it by name. It says press, not media. And you've got to have somebody allocate broadcast licenses to keep multiple traffic off of the same frequencies. So the different shape of this new form of press and the license problem give the politicians a feeling that they can move in on electronic journalism, make their own rules for it, tell it how to play the news (particularly the news that affects politicians).

Hot attention is being focused these days on the jailing of newsmen who won't yield up confidential information and sources. That is a clear assault on press freedom and one product of the anti-media climate we're in. But, it seems to me to be, in the long run, a less-than-critical problem. Less than critical because it's well-defined, clearcut, out in the open. We all recognize it. We're agreed on it among ourselves, print newsmen and broadcast newsmen. We have a lot of public support. We have a lot of political support in the Congress for some kind of shield law. Everybody's working on it. And, if nothing else works, we have a messy but perhaps adequate solution. All we have to do is keep going to jail. Do you know of any newsman who has betrayed a source to stay out of jail? There must be one somewhere but I haven't heard of him. This is a case where the outcome seems to depend on whether newsmen have a conviction about the First Amendment, and they do seem to have it. Eventually, probably within the next several years, the newsmen who are going to jail are going to overturn the Supreme Court in the big, bottom court of public opinion. Every time somebody goes to jail, the First Amendment wins a little. It's obvious that honorable people are going to jail for the sake of a principle without their jailing producing any benefit to society. And the grudging refusal of some officials and judges to recognize the bedrock importance of confidentiality for newsmen is, I believe, one way or another, simply going to crumble. The first sign may come when we find prosecutors and judges growing disinclined to use their blunt instrument.

But the problem of genuine First Amendment freedom for electronic journalism, the problem of a press half free and half government-manipulated, is something else. It is not well-defined and clearcut, recognized or agreed on. Everybody is not working on it.

I once heard a city editor end a telephone argument with a politically powerful city councilman by telling him to go to hell. Then he hung up. That editor may have been rude and ill-tempered. But he was a newspaperman and he had a deep sense of security about his independence from government.

My experience in broadcasting, 20 years' worth, is that broadcasters do say no to the politically powerful but, even if provoked, they just don't allow themselves the luxury of strong language. You don't have that sense of security in an organization that's got to get a government okay every three years to stay in business. To their credit, the station managers tell their news directors to go ahead and air the news stories offensive to politicians. But they feel a compulsion at the same time to worry about the possible backlash. They can't help it. Regulation of editorial content builds in a timidity factor.

What kind of First Amendment is that? It's no kind of First Amendment.

Government guidelines contradict press freedom. And once you've accepted the value of government guidelines for one medium, the idea that such guidelines provide net benefits to the public, then you've quit really believing in the First Amendment, though you may keep saying out of habit that you do believe in it. You're on the way toward the next step, which is simple: having improved one medium by government guidelines, to set about improving other media the same way. If government can make television news fair and balanced, it can make newspapers fair and balanced. If the assumption is valid, the logic is impeccable.

I happen to think the assumption is wrong. I am convinced that government guidelines contribute little or nothing to fairness and balance in broadcasting. To the contrary, they contribute a great deal to blandness in broadcasting, to a tendency to duck tough issues so as to stay out of trouble with the government. But the whole process of broadcast regulation is slowly selling the American people month by month, year by year, on that anti-First Amendment assumption: Government guidelines improve the news media. If you don't like a program, write your congressman a hot letter about it. If you want equal time, send a formal complaint to the Federal Communications Commission. It's up to the government to keep the networks in line. It's up to the government to see that every group, every faction, gets its share of media attention.

So the country is looking to government to force good performance from broadcasters. The value of a fair press (government certified) is going up, the value of a free press is going down. The original meaning of the First Amendment—clean, complete independence of the media from government—is fading from the minds of Americans.

And growing out of this atmosphere, which has been building up for decades, we come to Spiro Agnew in 1969 questioning the rights of newsmen on the basis, among others, that they're not elected. Now there is an interesting challenge. It asserts the legitimacy of the elected official as representing the people and the illegitimacy of the unelected journalist. It suggests there is something arrogant, something out of order, something almost intolerable, about the unelected talking back to the elected. It suggests the basic fitness and propriety of government guidelines for the media.

It's enlightening, incidentally, to examine some of the specifics that seem to have brought on the Vice President's outburst against "instant analysis." Not many people have looked into what the actual offenses of the analysts were. President Nixon, you will recall, in a speech on Vietnam, had made a case to the effect that we were ready to work out a peace but Hanoi was being unreasonable and intransigent. As one bit of evidence, he described a letter he had received from Ho Chi Minh as a hardline letter. After the President's talk, various correspondents on each network gisted it and commented on it. Marvin Kalb of CBS mentioned, among other things, that some State Department experts on Ho Chi Minh and Vietnam felt the Ho letter was not altogether hardline, that it had some moderation in it. That was one of the observations that called forth from Mr. Agnew these words:

"When the President completed his address—an address that he spent weeks in preparing—his words and policies were subjected to instant analysis and querulous criticism . . .

"One commentator twice contradicted the President's statement about the exchange of correspondence with Ho Chi Minh. Another challenged the President's abilities as a politician. A third asserted that the President was now 'following the Pentagon line.' Others, by the expressions on their faces, the tone of their questions, and the sarcasm of their responses, made clear their sharp disapproval."

So, just taking up one of his complaints, the Vice President was saying that Marvin Kalb, one of the most experienced American reporters on foreign affairs and the man to whom Henry Kissinger gave his exclusive prime time interview just the other night, had no right supplying the American people with any different slant on the Ho letter than the one they got from the President. Or, he seemed to say, if Kalb did have such a right, it should certainly not have been considered valid right after the President spoke; it should have been exercised if at all, only a respectful hour or two later. Obviously a new approach: a First Amendment, like pro football, subject to occasional blackouts.

But the danger to broadcasting, and eventually to newspapers, is not just a matter of guerrilla warfare with this Administration. The whole regulatory process exerts a chilling effect on the broadcaster.

Much of this regulatory structure was built, remodeled and added on to over the years by those happiest of regulators, the Democratic liberals. FCC commissioners, congressmen and senators, federal judges—men with the highest intentions—have constructed rules, laws and decisions designed to make a medium do right, be fair and responsible, especially to politicians. It started out in the days of radio when the new medium looked more like an entertainment box in the home than a source of news. And they've been tying government strings on broadcasting ever since. It's been happening so slowly, bit by bit, that nobody has stopped to recognize out loud what has now become obvious: that we have fashioned a powerful news and information medium for the first time in American history which is accountable to the government.

If you don't think this regulatory process affects the psychology of broadcasters, consider some of the problems with government the broadcaster faces and ask yourself whether the same conditions, if imposed on newspapers, might make publishers a bit nervous:

The broadcaster must apply to a government body every three years for the right to stay in business. Special interest groups are increasingly challenging station licenses to force concessions in employment and programming.

The broadcaster, in his decisions on political coverage, has to go beyond his own professional judgment to consider the attitudes of a government commission. For example if you carry in prime time Senator McGovern's announcement of Sargent Shriver to replace Senator Eagleton on the Democratic ticket, will the FCC agree it's legitimate news or call it an equal-time problem?

If a news program stirs up official or popular criticism, the broadcaster may get a letter from a government commission directing him to explain and justify the program within 20 days. The FCC sends out about 200 of those letters every year.

The broadcaster is forbidden by law to present a debate among major candidates unless all fringe candidates, including the crackpots, are included. This is a law that's supposed to be in the public interest. What it actually serves is the politicians' interest as a law to hide behind when they don't feel like debating.

Believe me, with this much second-guessing from government, a station manager soon begins to feel he needs every friend he can find inside the government, and he just may wind up less eager than a newspaper publisher to expose hanky panky in Washington or even in a governor's office.

Consider the plight of a documentary producer who, let us say, put out a controversial documentary one month ago. His boss, the station manager, caught a lot of flak as a result. He got an official fairness doctrine complaint from the FCC, to which a long, carefully documented reply had to be prepared. He got 240 letters from viewers, two thirds of them crying bias. He got protests from two congressmen. So, one month later, the station manager feels he has done nothing the past four weeks other than defend that program, telephone Washington lawyers for advice, write letters of appeasement and explanation. And at this point the producer comes into his office and says, "Look, I've got another good hot subject I want to do my next documentary on and I want to get your clearance." The station manager would be only human if he said, "Tom, for God's sake, why don't you do a travelogue-type thing this time and hold off on the tough subjects for awhile. I just feel I need a little rest before inviting the government to jump on my back again."

Fred Freed, an NBC producer, once said, "If you do something controversial, you know you will spend months defending yourself to the government. That's not conducive to doing something controversial."

These, gentlemen, are chilling effects. They represent whether intended or not, government inhibition of journalism.

And the climate of broadcasting's involvement with government, nervousness about government, provides the background against which the Nixon Administration has launched its efforts at intimidation. Vice President Agnew didn't confine himself to criticising the networks, which he has every right to do. He branished the licensing process at them. He said he did not advocate censorship and that answers to his questions had come from the media. But, after describing broadcasting as "a monopoly sanctioned and licensed by government," he said two sentences later, ". . . perhaps it is time that the networks were made more responsive to the views of the Nation and more responsible to the people they serve." Then, when broadcasters accused him of threatening them, he replied that they were over sensitive to criticism.

The Administration is, of course, still whirling that power to license around in the air like a stone in a sling. There's a brand new office set up inside the White House called the Office of Telecommunications Policy. The man who runs it, Clay Whitehead, speaks for the President. He says the networks dispense what he calls "ideological plugola" and that local stations should be held responsible at license renewal time for stopping that sort of thing. Mr. Whitehead declines to give any examples of "ideological plugola." But I believe, if I were a station manager, I'd define it as anything that might anger the White House.

Anybody inclined to wonder whether Mr. Whitehead really meant to sound all that tough is free to contemplate the state to which the Administration has reduced public television. The government has now broken through the insulation intended by Congress and gotten a firm hand on public TV. As a result, it is now half strangled and gasping for air. But you can bet there will be less "ideological plugola" on public television next year because the Corporation for Public Broadcasting seems intent on simply killing most of its news and information programs.

Despite all the myths, all the acceptance that has evolved around the kind of broadcast regulations we have now, there is no necessity for us to continue to put up with such anti-First Amendment process. There is a form of regulation possible which is compatible with the First Amendment and there's no reason why we can't start moving toward it. It is, of course, a minimal form of regulation, almost no regulation at all. It would involve allocating station licenses on a permanent basis, licenses in perpetuity. They could be granted orginally the way they are now, or they could be awarded by lottery, or they could be auctioned off.

But once granted, each company would operate indefinitely on its assigned frequency—subject only to the technical requirement that it keep its signal on that frequency. At that point, broadcasting would become, quite simply, exactly as free as the printed press. It would be free of government harassment but not, as some would have it, irresponsible, because it would remain, like newspapers, amenable to the disciplines of competition, the trials of the market place and the necessity of public acceptance for a mass medium.

Most of us have become so brainwashed over the years by the doctrine that broadcasting must be guided by government that the idea of genuinely free broadcasting hits us with some shock. All of the cliche arguments against genuine application of the First Amendment to broadcasting crowd to mind: Anybody can start a newspaper. The public owns the air waves. Television stations make too much money. Some stations might abuse their freedom. The networks are too powerful. I wish I had time to analyze one by one these well-worn but empty articles of faith. If you can shake loose the habit of accepting them, they do not stand up under challenge, especially against the background of where today's regulation is going: toward radio stations, television stations and networks answerable, not to a free journalistic conscience, but to the federal bureaucracy.

What it boils down to is that the public ownership of the air waves, whatever that means, need not be turned against the public. There is *nothing* the public can gain from those air waves more vital than clean channels of information, clear of government contamination. If we look straight-on at the obvious press function of broadcasting, if we continue to believe in a living First Amendment, we can find a way—the Congress can, the courts can—to provide to these new media that essential vitality of almost-absolute independence from government. It makes no essential difference that some television stations, like some newspapers, may be highly profitable or may put on one-sided news. Democracy is not perfect, and they would be subject to the check of other stations and the newspapers. The danger is not that any network may be overly powerful. The danger is that our power-gathering central government may slowly domesticate and gradually take over all of the networks to provide us one day with one, single, official source of news.

The need to reverse this already begun process is beginning to come clear to concerned people, including some outside of broadcasting.

Abe Rosenthal, managing editor of the New York Times, had a piece called "Save the First Amendment" in the Times Sunday magazine just two weeks ago. He was talking about the fact that governmental standards of fairness for the press lead to governmental control of the press. And he said this:

"Even in our own society . . . we have the phenomenon of civil servants and politically appointed officials telling television and radio, two of our most important news distributors, what's fair and what's not fair, and using the whip of licensing renewal to enforce conformity with Government news standards. "My own belief," Rosenthal continued, "is that this is unconstitutional, and it is sad to see the printed press being so bland about the growing incursion into the freedom of the electronic press and never seeming to hear that tolling bell."

Quoting one more paragraph from Rosenthal:

"Certainly television and radio news broadcasts are press within the meaning of the First Amendment, but our society has accepted grievous pressures on electronic press freedom simply because it cannot yet figure a way out of the technological problem—not foreseen by the writers of the Constitution—that there are a limited number of air waves and channels. Some day cable TV or another breakthrough will vastly open up the number of channels, but will the freedom of the electronic press be restored? History is not full of examples of forfeited freedoms regained." End of quote.

In November of last year, Judge David Bazelon, Chief Judge of the U.S. Court of Appeals for the District of Columbia, issued a dissent in a case that involved the FCC canceling the license of a Philadelphia radio station because it violated the fairness doctrine. In his dissent, Judge Bazelon raised a question that judges have *not* been facing: whether the fairness doctrine does not, in fact, conflict with the First Amendment and in the long run inhibit, instead of encourage, the free expression of ideas. In challenging the fairness doctrine headon, Judge Bazelon said: "To argue that a more effective press requires a more regulated press flies in the face of what history has taught us about the values and purposes of protecting the individual's freedom of speech."

The present uneasy condition of broadcasting—not quite free, not quite captive—will certainly change in one direction or another, toward greater freedom or toward a deeper captivity. If it slips down toward heavier obedience to government, I believe newspapers will find themselves slipping also . . . slowly . . . over a period of years and decades . . . down the same slope!

The present regulation of broadcasting subverts the First Amendment itself, undermines it, teaches every citizen who grows up in this atmosphere of regulation that the highest journalistic value is not a free press but a fair press. The concept of fair press is driving out the concept of free press. The two are incompatible, of course, because fair press, as anything other than an ideal, requires what its advocates do not yet recognize—government intervention in the media, government influence, eventually government control.

If broadcasting continues slipping into government captivity, the stage will soon be set for a future crisis involving the First Amendment. It will involve a contest between the government and the printed media, and it may not be much of a contest. By then the government may be able to pressure the electronic media, from which people get at least half their news, to stand by quietly as the battle rages or even to tilt to the government side. Today's broadcast journalists would not be so pressured, I assure you. I hope that will remain true tomorrow. But, given the mounting pressures, who can guarantee that the broadcast journalist of the year 2000 will not identify with government, will not see himself as a domestic Voice of America man?

Three days ago in Washington, at one of those familiar conferences on media and government, a former counsel of the FCC, Harry Plotkin, suggested that government is already exerting a not-so-subtle pressure on those newspapers which own broadcast licenses. A publisher with a TV station might normally have some concern about his relations with government. Today there is something else in the picture which Mr. Plotkin mentioned: People connected in various ways with President Nixon are challenging two different television licenses owned by the Washington Post company. Of 20-odd stations in Florida up for renewal, the Post stations are the only ones being challenged. The White House says they know nothing about it.

We already have people suggesting technical handles by which the government might get a direct hold on newspapers. One former FCC commissioner, Kenneth Cox, has predicted that the FCC will be able to fasten the fairness doctrine on the printed press once newspapers begin going into the home by electronic transmission.

There are college professors here and there working on an access doctrine which says individuals and groups have a right to a say in the media, a right to broadcast time and newspaper space. In effect, they are trying to re-interpret the doctrine of free speech as a battering ram against the doctrine of free press. And they do want to apply it to newspapers with government refereeing the process.

A federal appeals court recently ruled in favor of certain stock operations by directors of the Denver Post aimed at keeping the paper out of the hands of the Newhouse chain. The court arrived at that opinion, which some of us might applaud, by defining a newspaper as "a quasi-public institution."

The Supreme Court, in the *Red Lion* case, said that government rules of fairness as applied to broadcasting "enhance rather than abridge the freedoms of speech and press protected by the First Amendment." Think about that for a moment. The court said that the government judging what's fair in journalism was an "enhancement" of the First Amendment, not an abridgment. And the court left wide open an implication that such an enhancement would also benefit the public if applied to print.

Despite the media sharing a common cause in our endless confrontation with the government, there are, of course, forces tending to keep the printed press and electronic press divided. There are historic irritations and tensions. There is brutal competition.

But I sense today that government (and we should be grateful to it for small favors) is sharpening our understanding of what we mean to each other and of what a multimedia free press means to this country. And I think it's tremendously important that, without lessening competition, we work on this unity among media in support of the First Amendment. There is, as a matter of fact, something natural about such a common effort that can call forth the best that's in us.

Let me tell you about a moment I will never forget that took place in the Louisiana legislature about 18 years ago. The New Orleans television station of which I was news director had just acquired its first sound film cameras. It occurred to us it would be good journalism if we could use them to cover the upcoming session of the legislature in Baton Rouge. This had never been done before. So we thought about going to the President of the Senate and the Speaker of the House to ask permission. But we decided against it. After thinking about it, we figured they would probably consult committee chairmen, possibly the governor, and, the whole idea carrying a little future shock with it, someone along the line would certainly say no.

But we felt we were American press and had a right to be there with a new journalistic instrument. So, without advance word to anyone, we just set up two cameras on the opening day of the legislature, one in the middle aisle of the House, the other in the middle aisle of the Senate. We did not, of course, really belong in the middle aisle but we didn't have long lenses and the aisles, luckily, were wide. Nobody said a word. For the next four or five weeks we had nightly sound film reports of legislative debate on our evening newscasts.

Then one day we hit a crisis. We had shown some film of the Governor, Earl Long, wandering around the legislative chambers, where tradition said he shouldn't go, and button-holing legislators. The Governor didn't like it. A movement started among the Governor's legislative supporters to throw our cameras out. But we got some support from many of the New Orleans legislators, who felt our coverage had been professional and fair and had stirred new interest in the legislature. And then, just when the Governor seemed to be ready to move against us, a remarkable thing happened. The nonbroadcast newsmen and newswomen covering the legislature—the AP man, the UPI man, and half a dozen newspaper people—went to see the Governor. They told him that, if our cameras were thrown out of the House and Senate, they intended to walk out themselves. They said we had as much right to be there as they did. We hadn't asked them to do it. They just did it. I don't know whether they would have walked out and I have doubts whether journalists, ethically, can afford to boycott news events. But that ended the Governor's television blackout drive, and TV cameras, with nobody's permission, have been in the Louisiana legislature ever since, though not, I hasten to concede, in the middle aisle. I cannot express the gratitude I felt toward those newspaper reporters, nor the rightness, the sense of principle I felt at the core of that solidarity.

I believe, and hope, we're going to see more of that on a national scale in the years ahead, all journalists identifying with each other across media lines in active support of an indivisible press freedom.

Finally, I don't want to be shrilly alarmist. I don't think broadcasting will be brought to its knees during this Administration or the next. I don't think the First Amendment is going to disappear as applied to newspapers during this century. The way things are going, it seems to me there *is* a grim prospect of broadcasting, already entangled with government, becoming a little less free decade by decade, also a prospect of new cracks appearing in First Amendment protection for newspapers during our lifetime. But I believe we can turn around this slide toward government capture of the media if we recognize it and work against it. I don't believe the American people, if the issue comes clear, want to go that route.

In this revved-up world, there are uncertainties about everything, including what kind of values we want to pass on to our children and grandchildren. But I don't think any of us have any doubt that we would be leaving them a hell of an inheritance if we simply manage, and it will not be easy, to pass on to them the First Amendment in the same condition it came to us—strong and intact, relevant to all news media.

SECOND-CLASS POSTAL RATES

Mr. BAYH. Mr. President, I was pleased to learn that the Post Office Committee has scheduled hearings for April 2 and 3 on legislation (S. 842) which I and more than a dozen of my colleagues have sponsored to forestall excessive second-class postal rate increases sought by the Postal Service. I am hopeful that the committee will give prompt, favorable consideration to this measure as a matter of equity and solid public policy.

The need for this measure developed from the Postal Service's shortsighted decision to increase second-class postal rates—affecting newspapers and periodicals—by an average of 127 percent over a 5-year period. In many cases the increases would actually amount to three and four times the present rate and would almost certainly force many publications out of business.

The Postal Service would do much better, Mr. President, to direct its attention to improving its poor record of service than in devising schemes which would bankrupt many important publications. The constantly miserable quality of Postal Service is also under committee study, and I trust that steps will be taken to reverse the unhappy, indeed, the unacceptable, trends of recent months.

On the matter of second-class postal rates, the Postal Service has lost sight of the fact that the United States began public post offices in the earliest days of our country for the precise purpose of encouraging and fostering the widest possible dissemination of varying views via the mails.

Today, 200 years later, millions of Americans rely on small, local, often weekly newspapers for news of their communities. These newspapers are most often distributed through the mails and the possibility of substantial rate increases threatens the viability of many newspapers. The case of one Indiana weekly newspaper of under 3,000 circulation was brought to the attention of the Postal Service since it faced more than a doubling of its present mailing costs under the proposed rate increases. This is all too typical of the increases which would be faced by weekly newspapers in Indiana and across the country, because the highest percentage increases in rates are for publications mailed within a single county.

Besides the thousands of small, highly valuable newspapers which are endangered by the rate increases, many periodicals of special interest are also threatened with extinction. Limited circulation periodicals, which are an important medium for sharing varying political views and specialized information in our highly complex society, cannot afford to bear the rate hikes.

And suggestions that the increases be passed along to subscribers are pointless, since a significant increase in subscription costs will mean the loss of some readers, thereby lowering advertising revenues, and ultimately creating economic pressures which will force many periodicals to stop publishing.

Our Founding Fathers understood the necessity of the free exchange of political views to the success of democracy. This need for open discussion of matters of public affairs goes to the heart of the first amendment, and has been reaffirmed many times through our history by the Congress which enacted preferred mailing rates for newspapers and periodicals. To shut off this flow of opinion and information is to do damage—unnecessary and harmful—to democracy itself.

Our bill (S. 842) has two key elements to protect mailers qualified for second-class rates. First, the increased rates would be phased in by 2-year increments over 10 years, instead of annually in 5 years. Second, the first 250,000 copies of a publication would be charged at two-thirds of the regular rate to give deserved consideration to the small newspapers and periodicals which would be most severely hit by increased mailing costs.

Mr. President, the urgency of the situation has been amply testified to by publishers from every part of the country. The need for congressional action to forestall the unreasonable second-class postal rates is clear. I trust the Post Office Committee will respond to that need and take prompt action on the legislation so the full Senate can work its will in defense of the free and uninterrupted flow of opinion and information.

ARNITA BOSWELL: CIVIC LEADER

Mr. PERCY. Mr. President, I would like to call to the attention of my colleagues an article from the March 13, 1973, Chicago Sun-Times, about one of Chicago's leading citizens, Arnita Boswell. Mrs. Boswell is one of those people who seem, by virtue of their extraordinary ability, to be forever thrust into leadership. She is also a perfect example of the idea that those people who have the most to do, the most contributions to make, always seem willing to take on more responsibility.

As the article points out, and as I know firsthand, Mrs. Boswell is not the kind of woman who is inclined to call attention to herself. But her vast contributions to the well-being of Chicago residents speak for themselves far more eloquently than she—or I—can do. Her efforts, however, are bringing her to the attention of the general public in the Chicago area, and they are so outstanding that I think my colleagues would profit from learning about her activities.

Although she has recently received recognition from the YWCA as being one of the six outstanding women in Chicago, and she has, among other things, been appointed by the President to serve on the U.S. Commission on Population Growth and the American Future, perhaps her single outstanding achievement is the League of Black Women, which Mrs. Boswell founded and nurtured into the growing, influential organization it is today. She is the league's spokesman and leader in such issues as support of black colleges and artists, and she has begun a program which encourages black couples to adopt black children.

Mrs. Percy and I, as well as our children, have known Mrs. Boswell and her husband, Dr. Paul Boswell, for many years and we have been grateful for their personal friendship, as well as their assumption of civic responsibility. Their lives have been an inspiration for us and many others. I know that Mrs. Boswell always prefers to remain in the background, organizing and implementing projects rather than publicizing them, but I must say that I feel her creative work on behalf of so many Chicago citizens deserves the attention it is receiving.

Mr. President, I ask unanimous consent that the Sun-Times article about Mrs. Boswell be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LEADER WHO PREFERS TO STAY QUIETLY IN THE BACKGROUND

(By Patricia Anstett)

Says Arnita Boswell: "Women weren't created to walk behind their men or ahead, but side by side."

Arnita Boswell is not the kind of woman who likes to go about the business of promoting herself.

Publicity has a way of engulfing, sometimes overpowering, public figures, and Mrs. Boswell knows that. So she shuns a heavy schedule of public speaking and lengthy press interviews. She doesn't even like to be called a leader.

In the groups in which she is a member, she maintains the same low profile. She doesn't avoid leadership jobs, but she doesn't seek them either. She almost seems to prefer—like an unheralded Hollywood stunt man—the understated, difficult stand-in shots to the more glamorous close-ups.

In 1973, however, Arnita Young Boswell—sister of the late civil-rights leader Whitney Young—may no longer be able to stay on the sidelines.

A string of recent appointments and awards—including a recent one from the YWCA as one of six outstanding Chicago women—have brought the University of Chicago professor to the attention of thousands of Chicago-area people. President Nixon recently appointed her to the U.S. Commission on Population Growth and the American Future, and dozens of groups, from the American Civil Liberties Union to the League of Women Voters, have sought her assistance in organizational projects. She now sits on more board directorships than almost any other Chicago woman—second only perhaps to Chicago's Jewel Lafontant.

A group which Mrs. Boswell has founded, the League of Black Women, also is growing in membership and influence. Increasingly, she has been called upon, as chairperson of the league's board, to make policy statements on league positions. In the last week alone, she has made public statements for the league in favor of the Equal Rights Amendment and against proposed budget cuts by Mr. Nixon in antipoverty and social-service programs.

Mrs. Boswell willingly accepts these leadership assignments, but with some reluctance. "I don't like to think of myself as a leader and never really thought of myself particularly cut out for that role," she said.

She pauses for a moment, then adds: "I will accept leadership responsibilities if I have to, but I'm more of a representative than anything else. We're really just a group of people working together. And sometimes you need a person to articulate what you're doing."

Mrs. Boswell looks around the league headquarters at 841 E. 63d. It is a small, modest office that can be partitioned off into two pint-sized meeting rooms. A new duplicating machine—the league's only luxury—sits proudly near an old desk.

On this day, three groups were trying to hold simultaneous meetings at the small headquarters. One group of black women had come all the way from Aurora to find out about the league.

Mrs. Boswell points to the league's growth at testimony for the need for women to get involved in community events.

"We started out in a living room (hers), moved to a basement and were forced to move—even before we were economically ready—to an office of our own The demands of women are so great that we have been forced to move even faster than we were prepared. We have more than 300 (dues-paying) members now and even this office is too small. We could use another office, but we just don't have the money."

The league's growth has been a continual source of happiness to Mrs. Boswell. Busy women with a string of time-consuming commitments to black communities—like Ruby Mabry with the Englewood Health Center, Connie Seals with the Chicago Urban League and Nancy Jefferson with the Midwest Community Council—have willingly donated even more of their time to the League of Black Women. The league's staff—Lorraine Johnson, executive director, and Betty Colvin, office manager—spend hours of their time on league business and they aren't even paid. And in the three years the league has grown, so has the bond between its members.

"While our men are about their business, there's a place, I think, for women to be working together," she says. "We know that there will be a point in time for all of us to come together. But right now there's a lot for us (women) to get done."

Mrs. Boswell's personal convictions are closely allied with league activities. She personally sees the need to support black colleges and artists, and the league has made a point of publicizing and patronizing black cultural projects and the United Negro College Fund. She has strong feelings on the need to get more black families to adopt black children, and last year she convinced the University of Chicago (where she is an associate field-work professor in the Graduate School of Social Service Administration) to allow graduate students to work for credit with the league on a special black adoption project.

Mrs. Boswell also carefully disassociates herself, and the league, from women's liberation. She supports virtually all the movement's goals, but she sees a need to support black men, not threaten them the way she feels the movement does.

"Women weren't created to walk behind their men or ahead, but side by side," she says. She follows that same example in her personal life and constantly gives credit to her husband Paul, a physician, and her 22-year-old daughter Bonnie, for supporting her and her work.

As far as her own demanding schedule, Mrs. Boswell isn't quite sure how she finds time for a life of active university, personal and community commitments. Her latest project is the league's first fund-raising drive. It will sponsor the Chicago premiere performance of the Les Ballets Africains on April 13.

"I've found time for all of this because I have a lot of people of good will behind me who have always helped me through," she says.

"My husband and daughter recognize and accept the fact that this is what I am about as a person, and together we have worked out a compromise. The university also has recognized that I am of more value to them as a professor because of my commitments in the community."

INTERVIEW WITH SENATOR JOHN L. McCLELLAN, SENATE'S TOP CRIME INVESTIGATOR

Mr. TALMADGE. Mr. President, in my judgment, no elected official in the history of our Republic has been more able, more vigorous, or more effective in investigating and fighting crime and corruption than the distinguished senior Senator from Arkansas, Senator John L. McClellan.

The March 26, 1973, issue of U.S. News & World Report features an interview with Senator McClellan on morality, corruption, and crime in our society. Certainly, no one is more qualified to speak on these issues than the man who spent 18 years as chairman of the Senate Permanent Subcommittee on Investigations, and who has devoted his life as a public servant to building a safe and wholesome society through law and order and justice. America owes a tremendous debt of gratitude to John McClellan for his courageous and unrelenting efforts in her behalf.

Senator McClellan's remarks, therefore, command the attention of all Members of this body and, indeed, all citizens of our Nation. I ask unanimous consent that this U.S. News & World Report interview be printed in the Record at this point.

There being no objection, the interview was ordered to be printed in the Record, as follows:

What's Happened to Morality in America

Q Senator McClellan, as a senior lawmaker who has spent 18 years investigating crime, violence and corruption, what do you think has happened to private and public morality in this country?

A I think there's a process of decay in progress. I wouldn't want to say it has such momentum as to cause alarm—I don't mean that. But I do think there is an erosion of ideals and a detrioration of principles that is producing a moral decay.

Q Why do you think this is happening?

A I don't know anyone who has the answer to that. Possibly it's the affluence in our society. When people feel no need—when they seem to be able to get most everything they want—they seem to lose something. There's often a lack of gratitude—of appreciation—when things come easily. What I'm saying is that, among many, there's not a wholesome regard or proper reverance for the true values of life any more.

Q Is that failure attributable to parents, schools or——

A I think you have to start in the home. There seems to be a lack of proper respect and discipline in the home. And in the schools today there is certainly a great lack of discipline.

And I think this is also true in the churches. In my judgment, some churches no longer demand a truly high standard of integrity and morality today. They don't have the same ideals of Christian living that were observed and practiced in the past.

Q Is the constantly rising crime rate a reflection of this situation?

A There's no question about it.

Q What can be done about this crime rise?

A As with any other serious problem, the most effective cure lies in the elimination of the causes. Until there is some kind of a moral reawakening among the people, a restoration of respect and reverence for the home and for the ideals that made this country great, crime may well continue to increase. We need, of course, to deal with the causes in an effort to prevent crime.

Q In the meantime, what is needed in the way of stronger law enforcement?

A We need everything the words "law enforcement" imply: We need to go after the criminal with more-effective means of detection, with strong prosecution and a greater certainty of punishment upon conviction.

The laws as such do not deter crime. As our commerce increases, our economy expands and our technology advances, we may find need for additional criminal laws.

But it isn't the enactment of a given law that deters the criminal. The only thing that will deter the commission of crime is the reasonable certainty of detection, prosecution, conviction and punishment of the criminal.

I do believe punishment is a deterrent to crime. The duty to rehabilitate the criminal, when possible, is a responsibility of society. But the coddling of a criminal—as if society owed him a special kind of consideration or treated him as if he had no corresponding obligation to society—is wrong. It is absurd.

REASONS FOR THE DEATH PENALTY

Q Do you favor the restoration of the death penalty?

A I certainly do. I remember when we were debating the explosions-and-bombings bill which was later included in the Organized Crime Control Act, and Senator Philip Hart [Democrat, of Michigan] offered an amendment to eliminate capital punishment. He said a number of people on death row in prisons had been interviewed, and they all stated the death penalty didn't deter them from committing the crime.

Well, obviously it didn't, because they committed the crime. But I thought a better test would be—and so stated in debate—to ask them this: "If you had known at the time you committed the crime or just before you committed it that you would be electrocuted if you did it, would you have committed the crime?" I think that's a better test, and had it been used, their answers would have been different.

Laws on the books don't deter. It's the enforcement of those laws that is the deterrent.

Q Does this mean that more mandatory punishment should be written into criminal laws?

A Well, we should leave the courts some discretion. There are mitigating circumstances in some cases, and, of course, they should be taken into account. But I do think we should increase the penalties in some instances. And we should make a minimum, mandatory sentence in some others. In the most severe cases, we might also provide for no parole.

We've had cases of murder—mass murder of just senseless barbarism. I think we are wholly justified in making certain these people are no longer menaces to society.

If the death penalty is not imposed, then they should be incarcerated without the right of parole, not just for the protection of society but for their own protection.

Q Can Congress restore the death penalty, or will it require a constitutional amendment?

A I can't predict what the Supreme Court will hold. But I find nothing in the Constitution to prohibit the imposition of the death penalty. "Cruel and unusual punishment" is what the Court has referred to in a previous decision. Well, if the death penalty is that kind of inhumane treatment, then so is incarceration.

As an illustration, take the case of a man stealing an automobile. Just because he wanted an automobile and took one that didn't belong to him, he is imprisoned. Is that inhumane? You see, that can be carried to the extreme.

We can have the kind—the quality—of law and order we want and that we are willing to pay for. But we don't pay for law and order by just passing laws and hiring policemen. There's got to be moral fiber and cooperative support on the part of the people. The general public must give its support and cooperation to the authorities who have the official duty and responsibility to enforce the law.

Our citizens have an obligation they can't escape.

Q The complaint is often heard that judges are too lenient. Have courts actually softened?

A I don't think there's any doubt about it. The Supreme Court in many instances has reversed landmark decisions in order to liberalize and soften the force and effectiveness of criminal laws and procedures.

Q Senator, do we need stricter gun-control laws?

A I think there's some justification for limited gun control. The problem is—and it gives me deep concern—that if we can't enforce our laws against carrying guns that many States have now, how can we expect to enforce a law prohibiting the ownership or possession of a gun?

What disturbs me is that the good citizen will be disarmed and the criminal will not be. He'll have the gun. The "bad guys" will still be armed while "good guys" will be disarmed.

As an illustration, let's go back to prohibition. Those who wanted liquor got it. Those who want guns today will get them, unless we can have better law enforcement than we have now.

Q Do you think that a law to ban the sale of the so-called "Saturday-night special" would be very difficult for police to enforce?

A I think so. How are you going to ban just one kind of gun? You would have a controversy as to whether it is a "Saturday-night special" or some other kind of handgun. And if you're successful in banning the "Saturday-night special," then the criminal will simply arm himself with another kind of gun.

Q Are authorities making any headway in the fight against organized crime?

A I like to think we are beginning to make some headway. I don't believe we've made what you could call substantial headway as yet. I think we've laid the foundation for it with some new laws and with exposures of the operations of organized crime and the identification of some who are high ranking in the "Organization," or what is known as the Mafia or Cosa Nostra.

Q Some of that exposure was done by your investigating committees, wasn't it?

A Yes, a great deal of it was. Let me say it this way:

I think this type of crime—what we term "organized crime"—would have progressed much further than it has had we not made those exposures and enacted some new statutes to deal more effectively with the problem.

It all comes back to the point I tried to emphasize earlier: New laws are needed from time to time, but laws within themselves do not mean law enforcement.

Q Recently there has been a growing number of attacks on policemen. How do you account for that?

A We have had a very strong wave of antisociety, antiestablishment sentiment throughout the country. The significance was that "anti" meant to many that a policeman was the enemy, particularly among certain elements in our society. And it's only natural that when you feel you have an enemy, you're antagonistic toward that enemy. Those inclined to violence were provided with an incentive—a target—in a kind of rebellious crusade to combat what they regard as an enemy.

Another factor is the weakness of law enforcement. So many known criminals escape with either very little punishment or no punishment at all. If one correctly assumes that it is very unlikely that he'll be punished for a crime, there is little or no deterrent—nothing to inhibit him from committing it. So he will follow his chosen course—possibly his natural instinct—to commit crime.

Q Do you see any evidence of a conspiracy involved in these spreading attacks on policemen?

A I don't know whether they are the results of planned action in sercet meetings. In some instances they may be, but obviously not in all cases. However, I think it is a general attitude that has been encouraged from some sources—by militant and revolutionary elements. To that extent, it may well be termed a conspiracy.

Again, we have those who have undertaken to instill into some people the idea that a policeman is an enemy. The policeman is referred to disparagingly and contemptuously as a "pig." We have free speech, it's true, but we insist that our police tolerate without retaliation any kind of insult. The policeman has to obey the law and be circumspect even though the criminal and the one who wants to degrade and attack him is not required to do so. They feel that "I can do it if I want to; it's very unlikely that anything will be done with me if I commit the crime."

Q Should an attack on a policeman be a federal crime, or should that type of offense be handled by the States?

A I think it should be left to the State jurisdictions. I'm not for creating a police state—a federal police state.

Now, there will be localities where the law is not enforced, where there is corruption and where society is not protected—where it does not get justice at all. We have that. I guess we'll always have it. But we can also have it in federal jurisdictions as well, though maybe not as often. In seeking to eliminate it, I just don't want to create a national police force.

Q How would you assess the so-called white-collar crime situation today?

A I think it is a problem. People who have no reverence for high ideals—for true values—are often inclined to try to get something for nothing. After all, the white-collar worker, the rich and the poor are all human beings. They all have human frailties. You would think that those who are affluent in our society, those who have at least all reasonable necessities and some luxuries of life, would be law-respecting. But unhappily some are not.

The fault is human greed, avarice. These people seem to be imbued with the idea: "Well, I can get even more, and I can get it for nothing." They are willing to take the chance. And they, too, are comforted by the often justified assumption that "well, I won't get caught, and if I am, nothing will be done about it."

Q It has been suggested that white-collar criminals are treated even more gently by judges than street criminals—

A I'm sure that occurs sometimes. I'd hate to think it has become a fixture in our system of justice. While I don't think it has reached that stage, I'm sure it occurs, and it occurs too often.

Q Is there a need for legislation in this area?

A No, you don't need legislation; you need judges who'll do their duty. How can you make a judge do his duty? You give him discretion, and he should have discretion.

What kind of a law could you pass other than a law that fixes a minimum penalty and which says that there can be no parole or suspension of sentence? We might do that in some instances, in some cases where there are no mitigating circumstances. But such provisions should apply to the rich and the poor alike. There should be no discrimination because of social position or financial status.

Q Senator McClellan, your investigating committees probed into many areas during your long chairmanship. Could you recall a few of the important ones?

A There were some major fields of inquiry. I'd start with the improprieties and corruption in labor-management affairs—known as the labor-rackets investigation. That was a very exhaustive investigation.

Next—and I do not list these inquiries necessarily in the order of their importance—was the series of four or five investigations in crime, particularly organized crime.

We also have conducted a number of investigations into the operations of the Federal Government at all levels, with the view of determining its efficiency and economy. The TFX airplane investigation was one example. There were many others which were productive, including our examination in 1965 of the high incidence of failures of federally insured banks.

We also looked into a relatively new criminal area of stolen and counterfeited securities. That investigation was productive because it brought about many corrective actions throughout the financial industry and in the several federal agencies involved.

Much remains to be done. There is no telling how many stolen securities today rest in the portfolios of banks and insurance companies. Reliable estimates place the total figure in the billions of dollars. This field needs even more investigation.

STAFF RECORD: "MIRACULOUS"

Q How many separate investigations did your committees conduct?

A One hundred seven. Let me add this: This investigative work is very difficult and sensitive. I think we've been very fortunate that we've had no scandals, no serious breach of conduct on the part of staff or anyone else that warranted any justified criticism. With the broad scope of work we've done in those 107 investigations covering 18 years, it's just miraculous we haven't had more problems than we did.

Q How would you describe the primary function of a congressional investigation? What purpose does it serve?

A The investigations we've conducted have served very important legislative purposes. Of course, there is exposure, too—exposing conditions that need correction.

Sometimes we've been able to correct these conditions without even holding hearings. We find a situation and expose it—bring it to the attention of the agency involved. Correction is made by administrative action. People do not even hear or read about it. The public generally did not know about many of the minor investigations we conducted. And these minor investigations to which I now refer are not included in the 107 mentioned.

I can give you an illustration:

In 1967, the Air Force awarded a computer contract for 114 million dollars. Four bids were received, and the contract was awarded to the highest bidder.

When we alerted the Air Force to the facts as we discovered them to be, they canceled that contract and readvertised for new bids. The contract was eventually awarded for 60 million dollars. Once this was corrected, there was no need for the subcommittee to hold a public hearing.

Exposure alerts the Congress and the public to conditions that are wrong. Using the information you have developed from investigations, you determine whether any new legislation or additional laws are needed. I don't know how many new laws have been enacted as a result of the work the subcommittee did and the exposures it made, but they are many.

SOME MAJOR RESULTS OF INQUIRIES

Q Can you name one or two of the principal ones?

A Of course, you can start with the labor laws. The Landrum-Griffin Act—the Labor-Management Reporting and Disclosure Act—was a direct result of the investigations into labor racketeering.

Our work also was instrumental in the enactment of the Welfare and Pension Plans Disclosure Act. This Act was later amended, revised and made stronger. It has prevented no telling how many millions of dollars from being pilfered from the welfare and pension funds of union members.

Our investigations in the criminal-law field brought out the need for the Omnibus Crime Control and Safe Streets Act of 1968 and the Organized Crime Control Act of 1970. They also brought about the enactment of laws dealing with treatment of narcotics addicts, interstate racketeering, protection of banks against criminal manipulators, and other areas in criminal law.

Q Can you single out any particular investigation which was of the most personal satisfaction to you?

A Well, all of them were a source of gratification when we used good judgment in determining that an investigation should be made and were able to carry it out successfully and productively.

The one that was the most unpleasant for me personally was the TFX investigation.

Q Why was it the most unpleasant?

A Well, I went into it under a tremendous handicap.

I had the President of the United States, the Vice President of the United States, the Attorney General, the Defense Secretary and all the secretaries under him, the Pentagon, and the press generally opposed to the investigation. They couldn't conceive there was any reason for it.

I also had at that time a very high regard for Secretary of Defense [Robert S.] McNamara. I felt he was a man of unusual, exceptional ability, and the Government was fortunate to have him in that position.

Also, I had been closely associated with the Kennedys. Bob [then Attorney General Robert F. Kennedy] had worked for me as chief counsel of the committee [the Select Committee on Improper Activities in the Labor or Management Field, as well as the Permanent Subcommittee on Investigations, both of which Senator McClellan headed], and I had the highest regard for him. And John [then President John F. Kennedy] served as a member of the committee [investigating labor activities] when he was in the Senate.

And I thought they felt maybe there should have been some way to avoid the investigation. So it was a very difficult duty for me.

I had to do something my good friends didn't want done. It wasn't at all pleasant.

Q. What was the outcome?

A. I think the record reflects that Secretary McNamara made a terrific blunder in the contract he approved for the procurement of this airplane. On the basis of final cost and plane performance, his judgment on the decision in the first place, his management of the program—all contributed to a terrible mistake. And I think time and subsequent events have proved the subcommittee was right in making the investigation.

Q. In your new position as chairman of the Senate Appropriations Committee, do you intend to beef up the investigative duties of that Committee?

A. For a long time I've urged the Congress to pass a bill to create a joint committee on the budget to do this type of work. It has passed the Senate several times, but we've never been able to get the House to accept it.

I think the Appropriations Committee should be investigating with respect to economy and efficiency in Government.

And I think it would be better to have a joint committee on the budget to perform that task. When questions of waste or extravagence arise, we should have a joint committee to make the investigation for the benefit of both the Appropriations Committee of the House and [the Appropriations Committee] of the Senate.

But if we cannot have a joint committee on the budget, as I have proposed, then I feel that we will need to have some investigative staff on the Senate Appropriations Committee.

Q. Senator, what do you think needs investigating right now?

A. Oh, there are always things that need to be investigated. We have the groundwork ready for two or three investigations by the subcommittee. One is in the labor field. Another is a widely expanded inquiry in the field of stolen and counterfeited securities which I mentioned before.

Q. Do you think we need more congressional investigations—or fewer?

A. Well, we don't need fewer. But bear this in mind as the main problem: I don't have the time—and no other Senator has enough time—to give to invesigative work. He has his other legislative duties, so you can only give these things part-time attention. You cannot neglect your other duties.

SECOND HOME DEVELOPMENTS

Mr. NELSON. Mr. President, the epidemic of massive real estate developments for second homes or year-round living outside our cities and suburbs is threatening nearly every remaining scenic area in this country. In effect, giant private interests have been given a blank check to create a second American suburbia with all the accompanying pollution, congestion, crowding, and disruption of all order and balance in the natural environment.

This assault on the most fragile portions of our landscape is so serious and pressing a national problem that it should be specifically addressed in the land-use policy legislation now pending before Congress. In the near future, I will introduce an amendment aimed at the establishment in every State of environmental reviews and permits for these large real estate projects.

Recently, Mr. Robert Cahn did a six-part series for the Christian Science Monitor on the dangers to the environment and to the consumer from the exploding nationwide phenomenon of large-scale residential developments in suburban fringes and rural areas.

The fact that Mr. Cahn won a Pulitzer Prize several years ago for a series in the Christian Science Monitor on pressures on or national parks should be no surprise. He is an outstanding journalist, with the intuition necessary to spot an emerging national problem and the range of abilities needed to understand the issue and effectively present it to the public.

Mr. Cahn's series on the second home development problem is a real public service, an important resource of facts and analysis as Congress and the American public enter a key decisionmaking period on land use policies. I ask unanimous consent that the series be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the series was ordered to be printed in the RECORD, as follows:

LAND IN JEOPARDY—FAST-SELL DEVELOPERS: U.S. SCANDAL

(By Robert Cahn)

WASHINGTON.—Across America, buyers and conservationists alike are protesting financial and environmental harm caused by installment selling of remote land.

Too often, dreams of vacation and retirement homes or of "get rich quick" investments are turning to the dust of unfulfilled promises.

Too often, the future of rural or wilderness areas is being preempted by haphazard development.

The broad brush of criticism against pernicious practices of the industries splatters over legitimate land developers, some of whom seek to protect both the environment and the interests of the purchasers. And the voices of many citizens who are satisfied with their purchases are drowned out by the louder voices of criticism.

HIGH PRESSURE USED

Yet in an industry unable so far to correct its own abuses, and with minimal federal or state regulation, the excesses appear to outstrip the constructive elements. Most of the developers use high-pressure, hard-sell tactics after attracting prospects through massive advertising and promotion featuring free dinner parties, gifts of merchandise, vacation certificates, and telephone solicitation.

Criticism began several years ago as scattered complaints from citizens who claimed they had been duped by such tactics into sinking large sums of money into sometimes worthless real estate. Now it has grown into a cause that has elements of a national scandal.

At a series of public hearings held recently in 17 major cities, federal officials heard hundreds of citizens charge land sellers with misrepresentation and fraud. The office of interstate land-sales registration of the Department of Housing and Urban Development (HUD) in Washington now receives more than 250 complaints a week.

Meanwhile, aroused by the national publicity over the efforts of developers to subdivide two large areas within New York State's Adirondacks Parks, environmentalists in many parts of America are organizing to fight irreversible changes wrought by the bulldozer and builder in once wild parts of the nation's coastline, wetland, foothill, mountain, and desert habitats.

DIMENSIONS UNKNOWN

The actual dimensions of the installment land-sales industry are unknown because no statistics are kept. But they are vast. Experts estimate some 10,000 companies may be operating although only about 2,600 have registered with HUD's land-sales registration office. They range from "mom and pop" outfits subdividing and selling off the family ranch or farm to corporate giants such as Boise Cascade, International Telephone & Telegraph, and Tenneco, which have entered the field in recent years.

The top half-dozen companies now control more land than the entire state of Rhode Island. Probably a dozen companies are selling out of holdings in excess of 100,000 acres each.

The problem has international aspects. Several major U.S. developers sell their lots to buyers including American servicemen in Europe and South America. An increasing number of complaints are coming from these foreign buyers.

Here is a land-management disaster calling for strong governmental action. It also demands a new degree of alertness from would-be buyers of "second homes."

LAND IN JEOPARDY, 1: THERE'S NO SUCH THING AS A FREE LUNCH

WASHINGTON.—"It's a national disgrace," says one congressman. "It's a quasi-legal racket with a license to steal," writes a Connecticut woman in a complaint to a federal agency.

The object of their disaffection, and of a growing number of citizens, is the multibillion dollar installment land-sales industry in which undeveloped rural or wilderness land is sold for second homes, recreation homes, retirement homes, or for investment.

Stories of disillusionment, told in complaint letters, are arriving at the rate of 250 each week at the federal Office of Interstate Land Sales Registration (OILSR) in the Department of Housing and Urban Development (HUD).

"I purchased three acres . . . near Albuquerque two years ago," wrote an Arlington, Va., woman. "When I flew out to inspect the property, the salesman said the whole area would be built up in two years and I would be able to sell and make a profit. So I bought seven more acres. I have it now more than half paid for but it is a vast desert and the building activity is still 10–15 miles from my land with no sign of any possible habitation. I have sunk my life savings into this property and the monthly payments are draining me financially."

A young Illinois couple who wrote to ask Ralph Nader's Public Interest Research Group to look into their problems with a developer expressed a widely felt despair. "I suppose we could build if we didn't need any water, gas, electricity, or sewer," wrote the wife. "None of the salesman's promises have materialized and our dream is turning into a nightmare."

VITAL QUESTIONS

Beyond the financial woe it inflicts on individual buyers, this land boom by ballyhoo is having major impact on the land itself and on the environment.

Decisions about where millions of Americans should be encouraged to migrate are left to land speculators while states and localities give up by default any public say in land use or growth policy. Few public authorities are yet asking the vital questions: Should a new community be placed in a certain place just because one individual has been able to assemble a large tract of land cheaply? What alternatives have been considered and by whom?

The average nearby resident does not know or question until too late just what effects a new development may have on his life or on his taxes.

Few question what provisions have been made to see that the development satisfies the growing environmental conscience in the nation. Does the land have sufficient water to supply the development without depriving neighbors of their supply? Can water pollution be prevented? What irreversible environmental changes will be made to the land? And finally, or perhaps primarily, is this land that should be preserved intact for future generations?

Once centered in Florida, where in the 1920's the sale of lots underwater became a national joke, the industry has boomed along with an affluent and mobile American society. The industry's tentacles reach across the nation and even stretch overseas.

Not that all land sales are bad. Some types of developments serve useful purposes, especially when a legitimate market for homesites exists, where environmental protections are provided, and where the developer provides utilities and services at the start, or is adequately financed and bonded to guarantee their completion.

SETTING THE SCENE

However, these articles will focus on the abuses of the installment sales part of the industry dealing in rural land and, in particular, on activities that are bringing demands for stricter federal and state regulation. They will suggest needed land-policy reforms and outline the considerations wise land buyers should remember.

The scenario of a typical land installment-sales operation might read something like this: Developer finds cheap rural land for sale and buys or takes option to buy. He cuts land into small lots, often smaller than city lots. He bulldozes roads and may even pave a few streets. He puts in swimming pool, country club, and minimum of improvements. On land bought for $300 an acre or less, he sets price at $4,000 or more a lot with four lots to the acre.

He then launches elaborate sales campaigns. He sends out large mailings of a brochure picturing the country club or an artist's sketch of the completed "new community." He hires a sales force to run "free" dinner parties. During these, guests are subjected to an intense sales pitch from expert salesmen who offer a "money-back" guarantee with hidden strings. Or the developer issues thousands of low-cost vacation certificates to lure prospects to site. Or he hires a battery of telephone salesmen to reach prospects. Or he sets up sales rooms at tourist attractions such as Las Vegas and Reno casinos or even at spots Americans frequent overseas.

A land merchandiser may advertise his project as a new community in the making. He may prepare a core area of higher-priced lots complete with improvements. He may even require the purchasers of those lots to build within a year or two.

But most of the land consists of comparatively cheaper priced lots in the boondocks, lots that may not even be adequately surveyed. The buyer, if he reads the fine print carefully enough, might discover that "this property is unimproved, unsurveyed, without roads or improvements and not useful for building purposes."

Lots of this type are sold as investments for the future. Development of roads and improvements is promised, or implied, 10 years later when all the purchasers' installments are paid and when the core area ostensibly will have grown out to the boondocks site. If the buyer wants to build before the improvements are in, the developer will attempt to switch him, via a trade-in, to a higher-priced lot in a buildable area or to another nearby project.

CAPE CORAL EXAMPLE

One of the few "raw land" subdivisions to actually become an independent, planned new community is Cape Coral, on Florida's gulf coast near Fort Myers. It was started in 1958 by Gulf American Land Corporation. It now is owned by the biggest, in terms of sales volume, of the developers, GAC Properties. Cape Coral has 18,000 residents who purchased and built in a small core area of the 61,000-acre development.

Cape Coral residents have fared reasonably well, although the amount of building, 6,000 homes in 14 years, is far behind projections.

However, thousands of other buyers from all parts of the nation who purchased land several miles from the core area still cannot build if they want to because of lack of roads, sewers, and utilities. And they find that instead of their original $3,000 to $5,000 lot having doubled or tripled in worth during the 7 to 10 years they were paying on it, plus paying interest, as they thought would happen, it appears to be worth much less than when they bought it—if they could find a purchaser.

GULLIBILITY FAULTED

Those who buy on the 10 percent down, long-term deals are at least partly responsible for their own predicament. Their ranks are heavily sprinkled with lawyers, doctors, dentists, and merchants, as well as relatively low-income wage earners, pensioners, and young couples starting out. It is hard to understand how normal citizens who might ponder for weeks and carefully check comparative values before deciding on a $300 television or refrigerator, can at one free dinner after a 90-minute sales pitch and with no time to think it through, sign a contract committing themselves to a $10,000 investment in land 3,000 miles away.

Perhaps it can be explained when one looks more closely at the slickness of the sales promotions, as will be done in a later article, and considers the normal reliance of most Americans on "money-back" guarantees.

But basically the lack of sales resistance by many people to this land-buying spree can be traced to the hoped-for fulfillment of dreams: the dream of the landless to own a piece of America; the dream of the city-bound to get into the wide open spaces; the dream of the snowed-in Northerner to have year-round sunshine living in Florida or the Southwest; and the dream of making it rich by investing in land.

Too often, however, the dream is only an illusion.

NEED FOR REGULATION

Although most of the major developers and many smaller ones are attacked in the complaints received by federal and state agencies over the past year, some of the companies do keep all their promises, control their sales material, and satisfy their buyers. But when an industry is unable to regulate itself, as has been the case with this one, the stigma of the unethical tends to rub off on all.

The latest association in the industry, the American Land Development Association (ALDA), which represents about 500 developers, but none of the very large installment land-sales companies, last summer adopted a 10-point code of ethics which took a stand against false advertising, declared for environmental objectives, and even renounced the doctrine of "buyer beware" in favor of on-site inspection and full disclosure.

ALDA has no real control over its members. Three days before the ALDA's annual convention last October, it was embarrassed when the federal government announced grand jury criminal indictments alleging misrepresentation and fraud at a Georgia subdivision whose developer was a member of the ALDA. One of the company officers named in the indictment was then serving, but now has resigned, as chairman of the board of the ALDA.

No one knows how extensive the installment land-sales industry is. Some observers estimate the amount spent on raw-land purchases, excluding urban subdivision land, to be in excess of $5 billion a year. And this probably is low.

GAC Properties Inc., which was having financial problems and lost money in 1971, sold land to 25,597 purchasers during the year and ended the year with $414.6 million in contracts receivable.

The estimated number of developers given by the ALDA is "in excess of 10,000." Land sellers are required to register their developments and disclose certain facts with HUD's Office of Interstate Land Sales Registration (OILSR). The agency at present lists 4,431 subdivisions from about 2,600 developers who have land to sell in 49 states, all except North Dakota.

Many companies qualify for exemption from the federal law which requires registration from companies with more than 50 lots, or when all lots are five acres or larger, or when the seller contracts to erect a building on the lot within two years.

DISTRUST VOICED AT HUD

"I don't trust any of the figures about numbers of developers," says HUD's tough, aggressive Interstate Land Sales administrator, George K. Bernstein, who has just completed 17 hearings in major cities around the country to listen to complaints of citizens. "The hearings showed that many developers have not bothered to register," he adds. "We are going to try to track them down."

Florida has the most subdivisions registered with HUD—815—and Albert L. Baker, director of the state's Division of Florida Land Sales, estimates more than 500 developers are selling in the state, with about 200,000 new lots registered each year. Several large companies control more than 100,000 acres each for developmental purposes in the state.

California, with 561 subdivisions registered with HUD, may have the biggest annual dollar total in installment land sales. Boise Cascade sold more than $300 million worth of lots at 18 recreational sites within the state over the past five years. California City, a subdivision in the Mojave Desert, covers 100,000 acres, with sales in excess of $100 million.

Arizona, New Mexico, and west Texas bear the bulldozed scars of raw land developments, especially around Tucson, Albuquerque, and El Paso, to indicate that their states are prime areas for retirement-home exploitation. One authority estimates that one million acres of Arizona have already been sold in remote subdivisions. And 461 subdivisions are registered with HUD.

SALES PITCH AIMED AT GI'S

Overseas, some of the same large developers are hawking their wares to Vietnam soldiers on "rest and recreation" at Hong Kong, Bangkok, and several other Asian cities. The newspaper Stars and Stripes, in a series of articles published last month, estimated that U.S. companies sell $30 million worth of land a year to American military and civilian personnel in Europe.

Americans touring in Rome, Spain, and London are sold land in Florida and the Southwest, after being approached at tourist attractions or outside the American Express office with "free dinner" offers.

Europeans and South Americans, anxious to invest outside their countries, are purchasing, sight unseen, undeveloped U.S. land at prices they do not realize are highly inflated.

In Norway, 97 citizens who invested several hundred thousand dollars in Florida swampland that cannot be built upon, now are trying to get their money back from a New York-based corporation with assets over $100 million.

And in a reverse thrust, Americans are also taking the often large risks of buying land on installment in foreign countries. Developers have filed registrations with HUD to sell land in Mexico, the Bahamas, Spain, Israel, Canada, France, the British West Indies, British Honduras, the New Hebrides, Costa Rica, Ireland, Australia, Colombia and Jamaica.

Although the amount of rural land being subdivided still appears to be on the increase, at least as can be measured by HUD registrations, many of the major developers and some smaller ones now are experiencing financial difficulties. A combination of factors hit the industry in 1972, putting many developers on the defensive for the first time, sharply reducing profits, and bringing promises of corrective measures against sales misrepresentations.

County and state governments imposed new restrictions. HUD's hearings, civil and criminal lawsuits against developers, and revelations by citizen crusaders produced a spate of publicity that turned on caution lights for many potential buyers.

And Congress began to rumble.

Rep. Morris K. Udall (D) of Arizona, the congressman who labels the problem a "national disgrace," is preparing new legislation to tighten control of the industry.

"Land-sales abuses are robbing future generations of their right to have a quality environment just for the benefit of a few speculators," say Mr. Udall. "We must act to stop this rape of the land before it is too late."

Land in Jeopardy, 2—Battling the Bulldozer—The Big Land Threat

Adirondack Park, N.Y.—When the "vacation home" land developer meets citizens who want to keep a park as a park, something has to give.

That is why controversy over a 24,345-acre site within the boundaries of New York's 6 million acre Adirondack Park has erupted into a national cause celebre.

That is why lobbyists for developers and citizens environmental groups vie to push their conflicting views on state legislators who must soon vote on a proposed use plan for the 3.7 million acres of private land within park borders.

Their conflict represents a tension felt across America as installment land-sale development projects threaten "instant urbanization" of rural or wilderness areas or preempt potential future conservation lands. This is forcing state and local governments to face two key issues:

1. How to deal with the growth policy and land-use aspects of potential new population centers promoted by large land use sales developments in remote areas.
2. How to cope with immediate problems of pollution, soil erosion, water shortage, or ecological disruptions posed by the development plans.

AREAS OF FRICTION

These issues are particularly troublesome in Florida, California, New Mexico, and the Poconos of northeastern Pennsylvania, as well in New York, where they now are so sharply in focus.

Last spring, the Horizon Corporation of Tucson, one of America's major installment land-sales companies, ventured out of its bailiwick to purchase the Adirondack site from a lumber company. The developer's plans were disclosed privately to officials from the neighboring village of Colton (population: 400) and St. Lawrence County. They included subdividing the property into 6,000 to 10,000 lots. Horizon expected an eventual population of more than 25,000. Some would stay the year-round. Most would be summer or winter vacation residents.

The Horizon plan, plus another company's proposed 18,500-acre vacation-home development near Tupper Lake, also within the park boundary, brought conservation forces into battle. The Citizens to Save the Adirondack Park soon drew 2,000 members and hired one of the nation's top conservation attroneys to seek ways to halt the Horizon development.

On the other side are Colton village officials, nearby landowners who would benefit from development, and other growth boosters. These interests are determined that the conservationists will not be allowed to block future expansion inside the park boundaries. They argue that growth is needed to aid an economy that is depressed in some areas. Also, more than one-third of the private land is owned by 626 large landholders, some of whom might want to sell their holdings to land developers.

The Adirondacks fight is focused on a land-use plan recently proposed by the Adirondack Park agency to be submitted to the Legislature Feb. 1, and on which hearings now are being held throughout the state. The plan would drastically limit the number of dwellings per acre allowed on much of the private land and might prevent or seriously hamper new subdivisions in remote areas.

GREATER ISSUE SEEN

This western edge of the park, not too far from the Canadian border, is not majestic Adirondack wilderness of the type found 50 miles to the east near Mt. Marcy. It is comparatively flat. It has been logged. It has 60 miles of roads. But as you drive along a narrow, dirt road within the tract, especially when the fall colors are in full display, park qualities are still there: woods and meadows, swamps, streams, and absolute quiet except for chattering birds and squirrels.

What would be left of these features if there were a house every hundred feet? What would remain if the streams were dammed for lakes, if stores, gasoline stations, laundromats, schools, and the like were added to service the residents?

Conservationists see an issue here that transcends the value of this one small piece of the park. They feel they are in a war. They feel that a score of other land developers are ready to move in if Horizon wins.

TITLE CLAIMED

In Florida, for example, several state agencies, the Army Corps of Engineers, and the U.S. Department of Interior are contesting with a number of Florida developers on dredging problems. At Cape Coral, the former Gulf American Land Corporation development now owned by GAC Properties, Inc., had a permit to dredge only 100,000 yards for an access channel. The developers, however, dredged 5 million yards, filled 172 acres of state-owned lands, and sold lots on the land. To settle the dispute, GAC is giving to the state 9,500 acres of marshland on Fakahatchee Strand, just west of Everglades National Park.

The state claims title to some Marco Island land on which the Deltona Corporation has already sold 9,000 lots; many of them still need to be filled in order to be developed. The corporation has offered to give the state 4,000 acres of adjacent, islands in exchange for permission to dredge 17.2 million cubic yards for landfill and canals.

A newly announced $500 million subdivision on Estero Bay near Fort Myers Beach has brought protests from conservationists and some state officials who claim that much of the land was state trust land illegally given by the state to the developer. In these controversies, the state is not without blame for past actions in giving away land or rights in an effort to promote development.

Dredging, necessary for many Florida rural real-estate developments at times, has been devastating to natural conditions.

FISH NURSERIES

The mangrove-lined estuaries of southern Florida and the grassy marshes of northern Florida are among the most biologically productive fish nursery grounds on earth. But when deep cuts are made for canals and the dredged material is piled high above the natural level, the productivity is wiped out. The area often becomes almost sterile.

Then when the developers landscape the subdivision, a standard imported item, the coconut palm, and acres of turf replace the indigenous oaks and pines or the dense mangrove and undergrowth, which had served as a filter. Many of the canals deadened in stagnant green water polluted by increased nutrients from fertilizers and sewage.

NO NATURAL IMPEDIMENTS

A danger that may not be discovered until too late is the possibility of saltwater intrusion into coastal water supplies caused by extensive pumping to drain swampland for building sites.

"With no mountains or gorges, Florida has no natural impediments to man-made changes," says Joel Kuperberg, director of the state's Internal Improvement Fund, which controls state-owned lands. "Florida is like a big bag of silly putty," he adds, "and it is being reshaped irreversibly in the hands of the big subdivision developers."

The newest large project in Florida, ITT Community Development Corp's Palm Coast, is producing environmetal problems although the developer claims to have spent $1 million on environmental planning, says it will not build in tidal wetlands, and is devoting much land to open space. Homes now are being built in an attractive, well-planned core area set around canals. But most lots are sold in the undeveloped sections.

The 100,000-acre development accounts for one-third of the land in Flagler County. The current population of 4,500 would be overwhelmed by the 750,000 people projected by ITT when the development is complete. Neither state resource officials nor local citizens were involved in the original planning for the project.

Establishment of a company-controlled water district that would regulate sewage and rainage now is being contested by the state. The state and federal government are also concerned about the impact of 200 miles of canals planned by ITT. They have embargoed any further canal connections to waterways.

The state's department of pollution control is embroiled in hearings and controversy with four major developers and 30 smaller ones after having denied water certification for new subdivisions. The Deltona Corporation on Marco Island, Punta Gorda Isles, General Development Corporation at Port Charlotte, and GAC properties at River Ranch Shores have been denied permits. And Cavanaugh Leasing Corporation is selling lots and digging 33 miles of canals at Rotunda West, although it has not yet applied for water-pollution control certification.

GROWTH EFFECTS SKETCHED

"We are having problems with 95 percent of the land sales developments that are adjacent to any water," says Bernard A. Barnes, certification officer for the Florida Department of Pollution Control.

The effects of unregulated growth on agriculture and small towns are most visible in central Florida near Disney World, where many urban subdivisions and rural installment land-sales operations have sprouted.

Land prices have shot up like a Cape Kennedy missile. With tax assessments escalating, farmers can no longer afford to keep their land in agriculture. This produces overnight millionaires, but it radically changes the face of central Florida.

For a town like Kissimmee, 15 miles from Disney World, (1970 population, 7,119 present total according to the chamber of commerce, 18,000) a tremendous burden on services, has evolved with little increase, so far, in tax revenues. A newly started 20,000 kw. electric power plant, expected to meet the town's needs for years to come, is already inadequate.

FOOTHILL SUBDIVISIONS

Sewage service is near capacity and being doled out on a first-come, first-served basis to new applicants. Those who start home or motel construction today get no assurance of sewer service for years to come. The estimated cost for expanding sewage treatment facilities to meet projected demands is $7 million—$3 million higher than the city's entire annual budget.

Meanwhile, in California the state's Division of Soil Conservation reported in 1970 that 500,000 acres of land had been carved up in foothill subdivisions during the previous five years, resulting in polluted streams, loss of fish and wildlife habitat, severe erosion, and sedimentation.

At Lake Tahoe, shared by California and Nevada, one developer was halted by court action because construction activities were causing erosion and polluting the lake. And due largely to pressure from proposed subdivision developments in what was wilderness a few years ago, the Tahoe Regional Planning Agency drastically restricted future growth by dropping the zoning limit by two-thirds. Instead of the planned 700,000 daily limit for daily use of the 200,000-acre Tahoe basin by residents and recreation visitors, the agency has set building regulations to keep the maximum daily use at 216,000.

DAMAGE IDENTIFIED

A report on a coastal area near San Francisco by two expert geologists concluded that a new land-sales development, Oceana Marin Property, is "subject to very active landsliding." They strongly suggested that the planned development would be unsuccessful. They advised that "some of the proposed buildings and roads will eventually slide down the bluff toward the sea."

A 1970 "memorandum of facts" by the California Environmental Quality Study Council, an advisory group to the governor, stated that in one area, Nevada County, 160 miles or 37 percent of the stream mileage had been damaged by siltation, stream bank alterations, and domestic waste discharges resulting from subdivision development. The study council also said that much of the land being subdivided is deer winter range already in critically short supply.

WATER AVAILABILITY

In the Shelter Cove subdivision in Humboldt County in northern California, the council said, roads, drainage ditches, and some utilities were washed out by heavy rains and required replacement by the county soon after all the lots were sold at a cost to taxpayers of $2 million.

In New Mexico, the availability of water has been a central issue. Experts estimate that, given the present demands for water, the state's supply can only support 850,000 people without taking away from farming or industry or without tapping exhaustible groundwater. The population now is 1 million, and more than 1 million acres have already been subdivided in remote areas. Sales of New Mexico lots for future building are being strongly promoted across the nation.

Whatever water is taken from underground to supply the needs of these developments will be at the expense of existing users. The Albuquerque City Commission recently voted to deny extension of water and sewage lines to any subdivisions outside of the city limits.

In the Poconos, this relatively small, mountainous sector of northeastern Pennsylvania has become a much-sought-out recreation area. An estimated 35,000 to 45,000 lots have been sold at high prices for vacation homes, mostly to urban residents of New York, New Jersey, and Pennsylvania. Trees have been bulldozed mercilessly in many of the more than 100 rural land-sales developments. To make every lot accessible, roads have been constructed, often without regard for soil runoff and erosion. Small lots are frequently laid out four or five to the acre. Some are on steep slopes or in floodplains. Worse problems are yet to come when the lots are paid for and more people start to build.

MOSTLY SEPTIC TANKS

A recent survey by Lehigh University showed that, among Pocono developers contacted, 89 percent said they supplied no sewers, thus forcing most home builders to use septic tanks. Yet the Pike County Soil and Water Conservation Commission says that the county's soils "are not suitable for septic-tank systems because of shallow soil conditions, tight substrata, and a high water table. Erosion and excessive surface runoff are creating problems in most areas of development." And in Monroe County, state and township regulations now require satisfactory soil percolation tests before granting septic-tank permits.

In the Poconos, as is the case throughout the nation where remote land is sold for vacation or retirement homes or for investment, the environmental problems of a subdivision often directly affect the purchaser of a lot. The immediate or future environmental costs frequently are hidden from the prospective customer of installment land sales. This requires more stringent state and federal control of developers and consumers who are alert to find the truth before signing for a 10-year, $10,000-or-more purchase contract.

LAND IN JEOPARDY, 3: CAUTION: LAND SALESMEN AT WORK

MIAMI.—Facing a hearing panel of federal land-sales agency officials, Russell Boyle related his tale of woe. It could have been told by many another buyer or remote land sold for "investment" or "second homes."

His tale began in 1964 when Mr. Boyle and his wife attended a sales-promotion party in Pittsburgh. That evening they signed a contract for $6,700 to buy a five-acre parcel of land in Golden Gate Estates in southwestern Florida.

Two months later they went to see their Florida purchase. The miles of wilderness they viewed from the realtor's small plane was not what they had envisioned. As they were about to sign a form canceling the deal, however, the salesman made what appeared to be an extremely attractive counteroffer—a five-acre, commercial-zoned site that had just become available.

Mr. Boyle's story unfolded early last month at a hearing sponsored by the federal Department of Housing and Urban Development's (HUD's) office of interstate landsales registration (OILSR). He said that the salesman for Gulf American Land Corporation, subsequently bought by GAC Properties, Inc., told him the better lot would cost only $9,750. "And the salesman assured us that within two years we could sell it for $30,000," recalled Mr. Boyle. "He said it was the opportunity of a lifetime. So we tore up the cancellation, traded in the five acres that wouldn't be buildable for 10 years, and sank our life savings into paying off the entire amount so we could avoid $1,400 interest."

WHAT A . . . DUD!

The Boyles moved to Hollywood, Florida, not long afterward and two years later realized their "opportunity of a lifetime" was a dud. A realtor near Golden Gate told them their land might be worth $3,000—if they could find a buyer.

Last March, when they visited their five acres, it was still undeveloped. Except for graded roads, the entire 113,000-acre area was trees, grass, and marsh. No telephone, no sewage, no canals connecting to the Gulf Coast as promised. No commercial development anyplace. Building permits for all of Golden Gate Estates in 1972 totaled only $1,000 worth. The nearest neighbor is more than six miles away. And there is no market for the Boyle lot.

Change the particulars, and Russell Boyle's complaints were echoed in the 17 cities at which hearings were held. Frequently, the citizens admitted they had been foolish in acting too quickly and not checking out the deals. Many had been looking for an easy profit. Some were possibly giving one-sided testimony, unfair to the developers.

But they all had one thing in common—the dream of owning a piece of America for retirement, of moving to a newly started town, of enjoying a second "recreation" home, or making an investment. Many were still shelling out large sums each month. They were shoring up a wavering belief that they eventually would come out all right and fearing to stop payments and lose their stake plus doing possible harm to their credit rating.

Not that all installment land sales are bad. The number of known dissatisfied customers so far is relatively small, but growing. Thousands of people, especially those who bought for the purpose of immediate building in newly started towns or communities or in vacation-home developments around the country, have found varying degrees of satisfaction.

HAPPIER ENDINGS, NOW

Wald and Mary Mitchell from Akron, Ohio, who also bought in Golden Gate Estates in 1964, have a happier ending to their story than the Boyles. Gulf American promised to clear their 2½ acres, plant shubbery, and build a house for them. Mr. Mitchell retired. They moved to Florida. Although many of the promises were not kept, their house was completed in 1969.

What had been described in advertisements as "the world's largest subdivision in the strategic path of progress" has not materialized. The Mitchells have no neighbors. They believe they are the only land buyers to have completed a house on any of the 73,268 lots sold to date.

But except for not having a telephone, which would cost $2,880 to install, and having had to personally set backfires to save the house when a forest fire swept the drained swampland, the pioneering Mitchells have "no complaints."

"We love it out here," says Wald Mitchell. "No kids trampling your grass. And no busybodies around."

A somewhat different kind of self-avowed "satisfied land buyer" was uncovered at the HUD hearings held in Detroit. Clarence R. Clawson told interstate land-sales administrator George K. Bernstein he had been buying lots since 1964 and is confident they are good investments.

Through attending land-sales dinner "parties" in Detroit, and by answering advertisements in periodicals, Mr. Clawson has purchased from five developers a total of 15 lots in Florida, Nevada, New Mexico, and Arizona. Over the nine years this 28-year-old bachelor has invested $22,000. Sometimes he finds it difficult to dig up the $297 he pays monthly on his lots. His salary as a toy salesman at a department store is not much higher than the land payments. But he firmly believes all the promises that have been made to him about facilities that will be built. He believes the value of his property is rising every year as the developers report to him.

In spite of such varied customer satisfaction, Mr. Bernstein points out that 250 complaint letters arrive each week at OILSR headquarters bringing allegations of misrepresentation, shady dealings, and outright fraud.

"The abuses we have learned about are incredible," says Mr. Bernstein. He explains he scheduled the HUD hearings partly to get greater public awareness of the potential hazards in purchasing remote land on an installment basis. "I think it is important to let the American public know as forcibly and as frequently as possible that they are dealing with an industry that, while it contains reputable and honest developers, also contains quite a few crooks, both in management and among salesmen. And if the citizens don't act with utmost caution, they are going to be taken."

SLIDE SHOW COMES NEXT

One of the most popular sales devices is the free dinner party, usually given in a small banquet room of one of the good restaurants or hotels of a city. The "guests," whose interests were whetted by direct mail or telephone, come with the expectation of hearing a sales presentation.

What they are not prepared for is the intensity and skill of the sales pitch. The operation is based on getting the prospects' signatures on a sales contract before they have time to think about whether the investment is a good one or whether it meets their specific needs.

Following dinner, a talk and film or slide show is presented on the virtues of land buying and of this particular development. Often the scenes are from another project of the developer—"this is what yours will look like." Television, movie, and sports stars appear in many of the promotions movies. Sometimes they are part owners of the companies. An "adviser," or "investment counselor," will start the sales pitch, with one salesman to each small table. He softens up the prospects with a primer on why land is such a good investment.

("Did you ever stop to think that the only thing you can't manufacture is earth? The world can never get any bigger. But the population will get bigger. So land will get scarcer and scarcer. And that's why the best investment in the world is a piece of earth.") He may have a choice quote from Andrew Carnegie or Bernard Baruch at tongue-tip to prove his point.

Then he tells about this particular subdivision, what the developer is going to do and why it's a great buy.

About this time one of the "consultants" at another table may jump and shout: "Put a hold on lot No. 122."

Often as not, this is a plant, and the "buyers" at that table are shills. But it has its effect, and pressure mounts. The salesman says he has only a few lots that can be offered this evening. He hints that the company plans to raise prices next week. Now is the time to buy. He is authorized to give a $500 discount to buyers who sign tonight.

Above all, the salesman works toward a "close"—to get the prospect to sign something. He may say it is only a reservation, or an option to buy, that he really isn't selling anything, and that there is a money-back guarantee.

RUSH TO CLOSE

"It is not the type of 'close' that is most important, but how many times you try to close," says a training guide for salesmen issued by one developer. "Too many salesmen wait too long to close and are baffled when the customer says 'no.' The reason is that he has not used enough trial closes. As in all facets of selling, management is not interested in salesmen, only closers."

The much-touted, money-back guarantee contains important stipulations in the fine print. To get out of most "sales contracts," buyers must visit the site, usually at their own expense, within six months or a year. They must take a company-guided tour of the subdivision and, on the spot, fill out a form saying that the lot they bought is not what it was represented to be. Even then, a skilled salesman may switch the buyers to another and often higher-priced lot which "suits you better" or "just has to double in value in two years time."

Under federal law, developers are required to furnish buyers a property report listing key statements about the condition of the land, the availability and approximate costs of sewer, water, and other utilities, and so forth. Sometimes the property report is given only at the time of signing. It may be buried among a sheaf of papers.

If the prospect says, "I'll have to think it over," or "I just want to show it to my lawyer, but I'll be back," the pressure increases. Another salesman (Mr. Jones, our "vice-president") may take over to try to "close." In the jargon of the business, there are no "be backs." If the client has time to think it over, chances are he won't be back.

Some companies, such as Horizon Corporation, shun the party techniques. Their sales efforts are centered on having the salesman come to a prospect's home.

Regardless of whether an individual has bought at a party or some other form of presentation, it is the practice of most major developers to get the client to visit the site as soon as possible. The companies whose land is attractive and who have some development under way—a pool, a country club, a few homes built—find that most buyers who visit the site do not cancel. A good salesman at the site can always paint a picture of what might be there when the project is complete. Or the buyer, who may have a long-suppressed pioneer spirit, may feel challenged by the raw land.

Some installment subdividers sell only at the site. They depend on full-page ads with varied gifts and cut-rate lots to lure prospects to the area. Rarely is the low-priced "come-on" lot shown to the prospect. The salesman says it wouldn't be good enough for the prospect's needs. But he just happens to have a much better deal at a higher price.

Salesmen at such highly advertised subdivisions often go far beyond the facts of a property report. Often they do not turn over the report until the prospect signs the sales contract. Claims from buyers of salesman misrepresentation are frequent, especially as to completion dates for lakes or other amenities. The salesmen hide such key details as the fact that the county won't allow a home-builder to use septic tanks while the developer has no plans for sewage disposal.

CAR RADIO CRACKLES

On a tour of the site, the two-way radio in the salesman's car may crackle with announcements . . . "put a hold on lot C–258. . . . Scratch A–21, I have a buyer."

One complaint to HUD said that when he and his salesman arrived at a lot, another salesman with clients were just arriving. The two salesmen almost came to blows over who had rights to sell the lot. His salesman finally prevailed, so he bought the lot. Later he found out the whole affair had been staged to pressure him into buying.

The newest center for land hucksterism is Las Vegas where an estimated $300 million worth of installment sales were made in 1972 to non-Nevada residents by non-Nevada companies selling mostly non-Nevada land.

Meanwhile the old telephone pitch has been made into a profitable venture by a number of land merchandisers operating in Miami. The south Florida investigator of the state land-sales division says 39 "boiler-rooms" now operate in which from 2 to 20 salesmen make several thousand calls a day all over the nation using WATS (wide-area telephone service).

In their cubbyholes, these fast-talking salesmen use prepared "scripts" cleared with Florida authorities, although they often deviate from them. The "front" call is the initial offer of land. It goes to names obtained from lists acquired or purchased. The "drive" call later puts pressure on promising prospects to send in a check. The "load" call is to those who have already bought once. Its purpose is to load them up with more land.

Although the percentage of sales is small, the system pays off, especially when the salesmen make more than 5 million calls a year. Needless to say, much of the property sold this way is inaccessible swampland.

LAND IN JEOPARDY, 4: WHEN PROMISES TURN TO DUST

WASHINGTON, D.C.—Forty-five miles west of Atlanta, the lake bed at Treasure Lake is half dug out, a dam partially built, the golf course nearly complete. Along the streets, markers display names of lot buyers. But the sales office is out of action—at least temporarily.

Just outside of Santa Fe, sand drifts from piles placed near yet-to-be-built golf course greens at the new land development, Colonias de Santa Fe. Signs along vacant ground read: "club house" or "tennis courts." Lots on unpaved streets also show buyers' names. But here, too, the sales office is not selling.

Near Cape Haze on Florida's Gulf coast, the fading billboard reads: "Portofino—Italian Riviera in Florida." Behind it, tattered flags, a few canals that lead nowhere, vacant streets, and two tennis courts. No sign of activity anywhere.

EVIDENCE ACCUMULATES

In many other states the telltale evidence accumulates. Land developments are halted in midstride or have become dormant. Some have financial problems. Some are being sued by federal or state agencies or by citizens. Some have run afoul of environmental restrictions and cannot get necessary construction permits.

"The vacation home seeker who buys the future, not the present, has to be especially cautious," says Richard H. Heidermann, chief of enforcement for the federal government's Office of Interstate Land Sales Registration (OILSR). "However good intentioned and honest the developer may be—and unfortunately many are not—that is not enough. The value of what is being sold is based entirely on the developer's making good on his promises."

Many of these premature subdivisions differ basically from the new communities in which the developer first builds the lake, golf course, utilities, and improvements and then sells the lots or lots and dwelling units combined. Some vacation homesite developers use whatever capital they have to finance their promotional campaigns. They then use the down payments for salesmen's commissions. Thus they depend on cash flow from buyer's monthly payments to finance the promised improvements.

COMPANIES LISTED

Mr. Heidermann lists some of the companies that have recently entered some form of bankruptcy proceedings:

The Wendell West Company of Seattle with large subdivisions in Washington, Arizona, Texas, Pennsylvania and New Mexico, Cochise College Park and Great Southwestern Land Company in Arizona, Four Seasons of Georgia. He lists operations that have been shut down because of lawsuits or for environmental reasons—Boise Cascade's 19 subdivisions in California and Nevada, Lake Havasu Estates in Arizona, Charnita in Pennsylvania, and Lake Winnebago in Missouri.

When a developer fails to deliver on his promises, either because of his own actions or due to factors he claims are outside his control, it brings disappointment and distress to purchasers. Every time federal officials have to consider taking an action against a developer, Mr. Heidermann says, they weigh carefully the potential harm to buyers against the possibly more serious harm that may come from not taking enforcement action, especially when it may mean hundreds or thousands of others becoming victims of a developer's mistakes or malfeasance.

LIMITS OF THE LAW

"The law provides only that developers fully disclose the facts of operation and use ethical practices," says Mr. Heidermann. "But when they continue misrepresentation or illegal practices after we have warned them, we have no choice."

"The Land Sales Registration Office, which administers the federal law, has been criticized for its registration procedures. The law itself is basically weak, requiring only disclosure or the pertinent facts. The developer is allowed to prepare his own property statement. OILSR accepts what the developer says, checking only the documents submitted. Admittedly, the small office which must split its 60 people among registration, enforcement, and administrative duties, is inadequate to investigate all of the more than 4,400 subdivisions now registered.

This incomplete scrutiny of registration is used to advantage by some developers. They note in their advertising that the subdivision is registered with the Department of Housing and Urban Development, thereby giving it an unofficial aura of approval. Few readers know that the HUD property report stipulates that registration does not constitute a recommendation or endorsement.

INVESTIGATORS HIRED

OILSR has received some praise for its enforcement activities, especially since the appointment last March of George K. Bernstein as administrator. Mr. Bernstein hired six ex-FBI men as special investigators to supplement the four staff investigators. He held public hearings in 17 cities to encourage citizen complaints. He has encouraged and assisted the Justice Department in starting criminal actions against flagrant violators of the act.

The latest case to result in a criminal conviction concerned two subdivisions south of Kansas City—Lake Winnebago and Lake Winnebago South. The developer, Robert V. Steinhilber, started a dam to form a lake. He sold 400 lots on "Lake" Winnebago, promising, and so stating in official registration records sent to OILSR, that a 304,000-gallon water tank and a water purification plant were under construction.

More than 160 homes had already been built by the time complaints began to arrive. These charged that neither the water tank nor purification plant had even been started. They also charged that all properties were being served through a single one-inch water line from a town seven miles away. At times water uses were restricted.

DEVELOPER CONVICTED

When the developer also started Lake Winnebago South, he sold more than 300 lots, some on the edge of a proposed lake. Then the federal government obtained an indictment based on alleged false statements made to HUD. Last month, Mr. Steinhilber was convicted and given a three-year sentence. The case now is being appealed.

Meanwhile, the subdivider has been in bankruptcy proceedings for over a year. Home and lot owners are in a quandary. Buyers who built around "Lake" Winnebago won't have a lake until the dam is completed. That will cost more than $350,000. They are hoping someone can be found to take over the properties.

In another case, Treasure Lake of Georgia has also run into trouble recently. There, the developer used television spots and other advertising showing people swimming, riding, and playing golf and tennis. The ads did not mention that the scenes were taken at another subdivision.

William and Cherry Siebert, a young Atlanta couple, visited Treasure Lake of Georgia in May, 1971. They were curious about the development. But they had no plans to buy land. Before they left, though, they were purchasers of a lot.

BUYER SUES

"The salesman assured us that the lake would be finished within 120 days, the golf course and clubhouse within a year, the swimming pool soon," recalls Mr. Siebert. "We could buy a $5,500 lot with only 10 percent down and pay it off in seven years. Meanwhile, we could use the golf, tennis, boating, and other facilities.

"He told us the lot would appreciate 35 percent annually. And if, at any time, we were not satisfied, Treasure Lake would sell the land for us at a substantial profit."

Mr. Siebert claims that during the tour the salesman had a two-way radio switched on which several times announced lots being sold that day to other buyers. This produced a feeling that, unless they acted fast, they would miss out. The Sieberts also encouraged his father to come out a few weeks later. The elder Siebert purchased a "lakefront" lot for $16,495.

A year later, none of the salesman's promises had come true, says the younger Siebert, who, with his father, has led a $25 million class-action civil suit to void all Treasure Lake sales contracts, and collect damages." Treasure Lake was still only a big hole in the ground with little construction activity, our sewer lines had not been started, no clubhouse or swimming pool had been built," William Siebert says.

COMPLAINTS FILED

Other Georgians, and some buyers from other states, also became disenchanted with their land purchases. They complained to federal and state authorities. Investigations were started by the federal trade commission and by the federal Office of Interstate Land Sales Registration together with the U.S. attorney for the Northern District of Georgia. The FTC issued a proposed complaint in July, 1972, alleging that Treasure Lake of Georgia and its parent company, Great Northern Development Company, used false and misleading advertising and also violated the Truth in Lending Act while selling.

In October a federal grand jury in Atlanta issued a 22-count indictment, charging four corporate officers and eight salesmen with misrepresentation and fraud.

Listed in the indictment are false advertising, use of high pressure sales tactics, promises of completion dates that were never met, and preparation of plans for construction of water and sewer service for only 900 of the 3,600 lots in the subdivision.

The 2,000 lot buyers at Treasure Lake of Georgia may get their lake and at least some of what they feel was promised to them. Westinghouse Credit Corporation, which had been financing Treasure Lake and its parent company, has taken over control and now is working to complete the facilities substantially as represented to buyers in the property report.

DEVELOPER SETTLES

On the other side of the country, Boise Cascade is trying to extricate itself from a much more massive array of lawsuits as it attempts to complete an out-of-court settlement of charges by the State of California, and by five citizen class-action lawsuits, all alleging fraud and misrepresentations. Boise Cascade had sold $360 million worth of land in 19 subdivisions in California and Nevada. Yet according to the lawsuits and numerous complaints received by government agencies and consumer groups, recreational amenities and utilities were not completed in many subdivisions, or in some cases, not even started.

Last month, in a settlement proposal accepted by the litigants, Boise Cascade offered $24 million to buyers who want cash refunds. It also offered $34.5 million in maintenance and assurance of promised developments for those who decide to keep their lots. Now the company is seeking to get out of the recreation land-sales business. It would like other companies or associations of property owners to take over its projects across the nation.

Meanwhile, enforcement efforts by HUD's Office of Interstate Land Sales Registration has halted a number of other developers. Twenty-four companies agreed to voluntary suspensions of sales for failure to disclose facts in their property reports. And 47 more were suspended after formal proceedings.

In addition to the Steinhilber conviction, two other developers were sentenced in federal courts. Edward L. Parker of Miami was fined $5,000 for selling lots at two North Carolina developments without registering with HUD or providing property reports to purchasers. Charles G. Geotis of Danvers, Mass., was given a two-year sentence for fraudulent use of mails, for failure to file required details about land he was selling, and for selling lots by misrepresentation and deception.

COSTS CAN SKYROCKET

In New Mexico, the Colonais de Santa Fe development now is halted because of environmental, legal and administrative actions. These have been suspended by OILSR for misstatements and misrepresentations in their disclosure statement.

Also, the City of Santa Fe and the state say the developer has not complied with local ordinances. The availability of water for the development has been questioned. And a federal court of appeals in Denver has ruled that, even though the land is being leased from the Tesuque Indians, an environmental impact statement must be prepared before development can continue.

A number of subdivisions have been halted by state, local, or federal agencies on environmental grounds. While most of these suspensions are temporary, the costs of putting in the required environmental measures often may be more than an underfinanced developer can afford. In any case, the delays may force increasing construction costs above what had been planned. As a result, lot owners may find themselves forced to pay large assessments to meet costs the developer had been expected to pay. Otherwise, the whole project may fail.

Despite protests from some developers that OILSR administrator Bernstein has been treating the land-sales industry unfairly, Mr. Bernstein shows no signs of stopping his outspoken opposition to the practices of the industry.

"I believe the idea that an agency such as ours should be an extension of the industry is all wrong," says Mr. Bernstein. "I feel we are in an adversary position with the land-sales industry. Our responsibility is to the people who purchase, not to the developers. And because of the abuses of the industry are as widespread as they are, the consumers need all the help they can get."

LAND IN JEOPARDY, 5: WHAT IS LAND REALLY WORTH?

CALIFORNIA CITY, CALIF.—For a new town destined at its birth in 1959 to attract a million citizens, and literally sold halfway around the world, California City appears to be making a slow start. The lonely city-limits sign on the desert road several miles from town reads "population 1,900."

Intent on learning more about this 100,000-acre, installment land-sales development in the Mojave Desert 110 miles northeast of Los Angeles, we stopped at the information center. Although we said we weren't buyers, just lookers, the sales representative pointed us in the direction of the Galileo Estates section, his "favorite place," and gave us a tract map.

MILES OF DESERT

The map, with its neat numbered squares in bright colors to denote various zones, was just like one for suburbia. Areas were set aside for open space, commercial and industrial use. There were residential blocks for 641 lots, most of them smaller than one-quarter acre.

When we arrived after crossing 13 miles of desolately beautiful mountain-rimmed desert, we could understand why they call this type of development "premature subdivision." We found graded dirt roads, some faded wooden street signs, and stark desert for miles around.

One of these small lots would cost from $3,500 to $4,500, payable in 10 years when the services and people are scheduled to move out to it—if water then is available. Most of those who buy, do so for investment. If they want to build immediately, they can get land at slightly higher prices in the already-developed core area.

But what really would a lot be worth in Galileo Estates or in other California City subdivisions? Is the purchase of land both here and in hundreds of other future-oriented subdivisions sold throughout the nation really a good investment?

SUBJECTIVE VALUE

To one who seeks a home here in this high country desert with its quiet, clear beauty and extreme cold and heat, the value of a lot becomes subjective. It may well be worth any price one is willing to pay, although the aesthetic value might be greatly reduced if and when the foreground of this tableau is filled with the accoutrements of congested suburban America, 20 homes to the block.

As an investment, installment land purchases in remote areas can be considered in two ways—as the developer presents it in his sales talks and literature or as it might be seen by a discriminating potential buyer with some knowledge of the economics of the land sales business.

"Why land?" asks a brochure published by California City's parent company, Great Western Cities, Inc. It explains that, if you buy in a new community where there is a good pattern of growth, your land increases in value because you are buying at the start of a rise and not near the top.

The brochure quotes state Board of Equalization statistics showing that California property "increases in value about $400 per second. In other words," reads the brochure, "in the time it took you to read this short paragraph, the value of California property increased a little over $2,000."

A clinching point is made by showing how banks, savings-and-loan associations, and insurance companies can do it for you. Why can't you do it for yourself?

"The sooner you start, the more money you will make. This simple philosophy of investment is the keynote to success and has been the foundation of many a millionaire's bank roll," the brochure adds. And it winds up with a quote from Andrew Carnegie: "Ninety percent of all millionaires become so through owning real estate. More money has been made in real estate than in all industrial investments. The wise young man or wage earner of today invests his money in real estate."

MISLEADING SALES PITCH

Advertisements for this desert land that led many buyers to the dotted line, formerly featured the statements that California City was the 10th largest (in area) incorporated city in the United States, and was the site for "America's largest intercontinental airport" with 100,000 passengers per year by 1980. "We believe that land in such selected growth areas (California City) is a good and safe investment and offers great profit potential for investors."

The advertisements and sales pitches along these optimistic lines had to be changed, however, after a cease-and-desist order issued last October by the Federal Trade Commission.

"In truth and fact," the FTC said, Kern County, in which California City is located, increased its population by only 11 percent from 1960–1970 while the average rate of growth for all California counties was 25 percent; California City may not be successful in competing for residents with older areas cities closer to the Los Angeles area; the growth potential would be diminished if the (controversial) proposed airport was not built; and "California City's record to date does not indicate that profits will be made by all persons buying land at respondents' price after owning it for a reasonable amount of time."

MORE COSTS LATER

As for the argument in favor of "buying at the start of a rise and not near the top," the investment brochure of California City does not mention that the "start" for investment profit was really made 14 years ago by developer N. K. Mendelsohn. He bought 100,000 acres in 1959 for $109 an acre, and by the time he sold out to Great Western in 1969, he had sold 32,000 lots to people in the United States, Germany, and the Philippines for $102 million.

The prospective buyer at California City might consider whether the quoted purchase price is all he would have to pay.

A careful reading of the property report which must accompany each sales contract, shows that water, streets, and roads are covered by a deferred improvement plan which obligates a lot purchaser to pay at least $900 over 100 months. But the improvements promised by the developer do not need to be made until 1981. They can be postponed thereafter until at least 10 percent of the property owners in the tract ask for them.

PROPERTY TAXES PLUS

A property tax now is charged and the buyer may be subject to assessment for retirement of general obligation bonds already issued by the city. A $200 fee is required for recreational privileges but can be used for other purposes by the city.

No sewage disposal system is contemplated. Costs for a septic tank will be at owner's expense, and septic tanks could be banned by county health authorities if population density becomes too great. Also the purchaser will be required to pay for extension of electricity and telephone which might be costly.

OPPONENT'S FIGURES—NO PROFIT

The property report also notes—in capital letters—that "A purchaser who contemplates future resale of his lot or parcel should consider the possibility of competition with the developer and with sellers of other lots which have surfaced roads, water, and other amenities."

To date, 42,886 lots or parcels have been recorded. Most of them have been sold. Yet fewer than 3 percent of the subdivided lots have houses on them.

In another part of California, District Attorney Harold Berliner of Nevada County has compiled figures about the pluses and minuses of installment sales buying. Mr. Berliner holds environmental credentials as one of the founders of California Tomorrow, a statewide citizen group. He has been battling vacation-home subdividers for many years through speeches and writings and in the courts.

For the investor who hopes for resale profits, he offers an example based on the experience of buyers at a typical development in his county. "To buy a $10,000 lot, the buyer puts $1,000 down and pays off the balance over 10 years," he says. "His principal, interest, taxes, and assessments for recreation and maintenance would come to $19,460.98 before he got his deed. And over the 10 years, all kinds of things could happen to delay completion of the project.

"But if the buyer had put the same monies regularly into an account paying 5 percent interest at a savings-and-loan association, he would at the end of 10 years have $30,464.02 on deposit with no risk or bother. Just to break even, on resale, and allowing for 10 percent commission, the lot would have to increase in value 338 percent of the original price—unheard of in such subdivisions. But so many lots in these subdivisions are now on the market for resale that most sellers take large losses."

PUT MONEY IN A BANK

For the buyer planning to build a vacation or retirement home when the lot is paid for, Mr. Berliner says: "By putting the money in a savings and loan, *earning* instead of *paying* interest, and saving years of maintenance and taxes on a vacant lot, the family would have the advantage of being able to choose their own lot wherever they want it when they are ready to build and not be stuck with an earlier decision they may regret a decade later."

Mr. Berliner also criticizes subdividers for cutting up the land far ahead of any possible use. He points out that, over the past 10 years in Nevada County (population 26,346), permits have been given to subdividers for the sale of 19,317 lots. Yet only 319 homes were built during that time.

As buyers of these lots soon discovered, the hidden costs can pile up. Some are buried in the small print of a property report. Others may arise when the developer finds he cannot complete a project at the cost predicted and assesses land buyers for the difference. Also, the county may decide that septic tanks will no longer be allowed. Then land buyers are assessed for central sewers and hookups.

BILLS THAT JOLT

In states where developers pay the taxes and do not give deeds to purchasers until the contract is paid up, buyers may get a jolt with their first tax bills. With improvements being made and houses being built, the tax assessor increases the assessment many times over what the developer had been paying on raw land.

An example of the extra costs not always mentioned by salesmen can be found in the experience of a Washington, D.C., woman who mailed in a coupon for "information" about Rotunda.

This is a new development of Cavanagh Communities Corporation in a remote area off Florida's gulf coast, 40 miles south of Sarasota.

She soon had a phone call from a Cavanagh representative in Florida offering her a five-day, all-expense-except-transportation vacation to see the site.

Then came a large package of materials, including a sales contract, to be signed and returned with down payment of $45 for a $4,360 lot in "Rotunda Villas."

EXTRA CHARGES

The contract listed finance charges of $2,105. The balance of $6,420.87 to be paid in 146 payments (12 years). The prospect was also asked to sign a statement saying she would not be using the property as a principal residence and that she had read the Florida offering statement (property report) enclosed.

In bright red capital letters on the first page of the offering statement was information not given in the phone call. The buyer's proportionate share of the cost of water facilities, drainage, and roads is approximately $2,475 per lot," to be paid starting 60 months after signing. The buyer's share of sewerage is approximately $1,692." To this should be added $250 for water hookup, $300 for sewage hookup, and an annual assessment of about $30. Here are another $5,077 in hidden costs on top of the $6,420.87.

While, these examples in Florida and California are typical, hidden costs vary greatly from state to state and development to development. In Florida, for instance, the developer usually pays the taxes, often assessed on the basis of raw land valuation, until the buyer's contract is finally paid off. Only then does the buyer get a deed.

California requires the developer to furnish a deed encumbered by the mortgage for the unpaid balance to the buyer after the sales contract is signed. The buyer must then pay the taxes.

CALIFORNIA'S FAIR VALUATION

California, alone of the states, requires sellers of land located outside of the state to have their land evaluated by appraisers from the California Department of Real Estate. If the selling price of lots is found to be excessive, the sellers are ruled not to have met the law's requirement that prices be "fair just, and equitable."

As a result, none of the major installment land-sales companies is registered to sell in California. This law does not apply to California land being subdivided. But the State Real Estate Department may write into a California developer's property report the assessed valuation of the land for purposes of showing potential taxes.

Land value means something quite different to the developer. At a 1970 hearing of the Arizona State Property Tax Appeals Board, GAC Properties, Inc., complained that lots at its Rio Rico development were assessed too high.

The Santa Cruz County tax assessor had set a value on the one-third acre lots at $1,600. The GAC thought the assessment should be $185 because improvements had not yet been put in. But the GAC was asking buyers to pay about $5,000 for these same lots. Half of the selling price, the GAC claimed at the hearing, represented sales expense and the cost of future improvements. The GAC has sold 23,127 out of 31,664 lots at Rio Rico, but has fewer than 250 homes completed.

DEVELOPER'S VALUATION

Further indication of how a major developer considers the value of the land being sold is evidenced by a prospectus put out by a Wall Street investment firm for a 1970 debentures issue for GAC Properties Credit Inc. The prospectus states that "the price at which the GAC Properties sells land under installment contracts does not reflect the current market price for cash purchases of comparable developed or undeveloped land." And the prospectus adds: "There is no significant resale market for installment land contracts."

Because of the extraordinarily high promotion and commission costs in the industry, a down payment of even 10 percent often leaves the developer in the hole financially even if he is selling the land for 50 times what he paid for it.

Such deficit financing, especially for smaller, underfinanced developers, means that they are on a merry-go-round needing cash flow from volume sales to build the improvements promised to buyers, but losing money at the start for each lot sold.

If the developer can hold out long enough, he can make millions. But he can also go bankrupt—and the resulting ghost subdivisions now litter many parts of the nation.

LAND IN JEOPARDY, 6: WHAT IS BEING DONE ABOUT INSTALLMENT LAND SALES?

WASHINGTON.—In the cramped, Spartan offices of the Retired Professional Action Group, a cadre of retired citizens organizes to battle abuses by land developers across America.

Most of them had written to Ralph Nader's Public Citizen, Inc., asking how to help his work. They have signed on as members of a newly formed Nader task force that, among other things, will seek out evidence of illegal land-sales activities.

Meanwhile across town at the House of Representatives, Congressman Morris K. Udall (D) of Arizona seeks support for two proposed bills he has authored. The legislation would place added consumer and environmental controls on subdividers who are selling millions of acres of the nation's rural and wilderness land, including big chunks of Arizona.

And in Santa Fe, N.M., as a new session of the New Mexico Legislature opens, a block away, Sally Rodgers, Harvey Mudd, and Brant Calkins gather interested citizens at the Clearing House to plot strategy. They will try to defuse industry-lobbying efforts which last year narrowly defeated a strong bill to control and regulate the sale of subdivisions that now cover more than a million acres of the state.

These activities typify a growing undercurrent of resistance to the sales tactics and land-development actions of the installment land-sales industry. Many land-sales companies feel its pressure at their most vulnerable point, the cash drawer, as prospective buyers become more cautious. Almost overnight windfall company profits have turned into huge corporate losses. Some elements of the industry now look inward and seek ways of correcting abuses and improving their public image.

NEW DISCLOSURE LAW BACKED UP

Nevada, for example, has a new disclosure law augmented by stiff regulations on advertising and promotion. State real-estate administrator R. E. Hansen, with assistance from federal investigators, has been cramping the style of developers who have been using the Las Vegas gambling and vacation center as the locale for their biggest off-site sales operations. Where a year ago 16 developers were running major operations out of sales rooms located just off of casino floors, only six companies now are operating. And the biggest seller, GAC Properties, Inc., has dropped from 11 sales teams to three.

GAC is the largest of the land-selling companies in terms of volume. It is the subject of much consumer and environmental criticism. Now it is in the midst of major changes, GAC officials say. According to Edward J. Wren, vice-president for public relations, the sales force has been cut from 2,000 to approximately 550, sales sessions are being monitored by professional investigators, and services of salesmen who engage in misrepresentation have been terminated. Instead of the former concentration on land sales (91 percent of the present sales volume), emphasis now will be placed on increasing home construction at GAC subdivisions. GAC's high-pressure telephone sales operation and vacation certificate programs have been eliminated.

Legislative battles now are shaping up in a number of states as conservation and consumer groups seek stronger controls. Generally, states have a long way to go. While 39 of them have some form of control over remote land sales, many vest jurisdiction in a real-estate commission dominated or heavily influenced by subdividers.

No states provide adequate manpower or investigative funds to land-sales supervisory organizations that are established. And no state yet has a model law in this field.

CALIFORNIA LEADS THE WAY

California now leads the way with its 14-day unwaivable right for buyers to cancel a land-sale agreement, its appraisal of fair value for out-of-state lots marketed in California (although it has no such requirement for California land), its requirement for surety performance bonds, and its framework for environmental controls by counties.

New York State law is strict on out-of-state sales. The inspection of proposed subdivisions is better there than in most states. And the state attorney general's office has been praised for its work in getting restitution for buyers victimized by misrepresentation.

Florida has a weak law. It gives little support or funds to its land-sales division. The 1972 state land-use law should help protect the environment when implemented. But the desires of most citizens not to tarnish the state's image or ruin the land are not as yet reflected in political action.

For its part, the federal government's ability to cope with corporate, consumer, and environmental problems associated with the industry remains inadequate. The Federal Trade Commission, Securities and Exchange Commission, and postal inspectors work on a few flagrant violations of existing law but they are not equipped to discover or investigate most abuses. The Office of Interstate Land Sales Registration (OILSR) of the Department of Housing and Urban Development (HUD) tries hard to correct abuses. Its capability also is limited by size, budget, and legislative authority.

What can be done to correct some of the consumer and environmental abuses pointed out in previous articles in this series?

To protect the consumer, several actions could be taken:

Passing a law for federal appraisal of "fair value" pricing for all lots to be sold in interstate commerce, similar to the California requirement for out-of-state land.

Requiring developers to have surety bonding under federal supervision to guarantee performance of all proposed improvements.

Requiring federal licensing of salesmen.

Requiring prior approval of a developer's advertising by federal or state agencies, or restricting of advertising to those elements of a subdivision already completed.

Providing a longer "cooling off" period that is nonwaivable, so that buyers can have an opportunity to think over their actions and cancel sales agreements made during a high-pressure sales pitch.

Passing a law to give an individual the right to sue for himself and others in a class action regarding alleged fraud in installment land sales.

To protect the land requires difficult actions at many levels. The possibilities include:

Provision that environmental-impact statements be required for all proposed subdivisions before any actions are taken by the developer to alter the natural resources.

Provision that all zoning, dredging, draining, or sewage permits be in hand before any lots are sold, and that an adequate water supply be assured for maximum allowable density if people should build on all the lots offered.

Most needed, however, is a method for states to control location of subdivisions. This requires state and county land-use plans, and state and county officials willing to withstand the pressures from developers to get exemptions once plans are adopted.

A first step would be for Congress to pass the proposed national land-use policy act which would require states to inventory their natural resources and devise plans, under federal standards, to protect critical areas. As part of state plans, regulations should specifically require that all applications for remote subdivisions be in conformity with the environmental carrying capacity and the population-density criteria set by state and local governments.

Many other actions could be taken, but are not currently feasible. A change in tax structure to penalize those who speculate with land has been suggested. And formation of an independent federal regulatory agency just to control installment land sales is sometimes voiced but not currently being considered either by the administration or by Congress.

Clearly, in an industry where fraud and high-pressure tactics exist, the average citizen needs more than normal protection. But even more important is the urgency for environmental safeguards, not just because of laws prohibiting harm to the land, but because of a too-often-forgotten ethic: Man is a steward of the land. He has a responsibility to future generations to insure that those who inherit the earth will have something worth inheriting.

What Do You Think Should Be Done?

(This questionnaire appeared at the end of the series when it ran in the Monitor, with a request that readers fill it out and mail it in. It is included here as a concise recap of the series.)

1. Promised facilities

Many people buy land on the basis of what the development will be like in the future, expecting lakes, ski slopes, roads, and adequate utility services. These facilities will only become a reality if the seller has the money or takes the action to install them. Complaints from numerous buyers indicate that facilities promised are not delivered. To solve this problem, federal law should:

(A) Require developers to post performance bonds prior to making sales, to guarantee the installation of promised facilities.

(B) Require the sales contract to list all promised facilities and legally bind the seller to complete them.

(C) Require that the improvements and facilities be completed before allowing any sales in the development.

(D) Leave the situation as it is. Anything that requires bonds or pre-completion money would hamper development and would raise the price of lots.

2. Cooling-off period

Some people sign installment sales land contracts hastily without thorough consideration. Most buyers who send complaints to federal and state agencies say they never would have bought if they had "thought it over." Most land companies admit that the vast majority of sales are made the first time they meet a buyer. To solve this problem federal law should:

(A) Provide the following specific period of time during which the buyer may revoke his contract for any reason whatsoever and get his money back—2 days ( ); 3 days ( ); one week ( ); two weeks ( ).

(B) Provide a cancellation period which cannot be waived by the buyer despite offers he may get from a developer.

(C) Allow no cancellations except for fraudulent sales practices. It is not up to the government to protect buyers as long as the developer has made full disclosure in a property report. A deal is a deal and people should live up to obligations.

3. Solicitation

Many prospects for land sales are lured into signing contracts by elaborate advertising sent through the mail or by sales pitches made by telephone, at free dinner parties, or in conjunction with free gifts or vacations. Later, they may find that the land is not as it was represented. To solve this problem, developers should:

(A) Be required to submit all advertising to the government for approval before use.

(B) Be required to advertise only those facilities which already exist or whose provision is guaranteed by bonding.

(C) Be required to perform everything advertised.

(D) Be required to incorporate all advertised promises in the sales contract.

(E) Not be interfered with. The government should not act as a censor. Federal Trade Commission laws now cover fraudulent advertising adequately.

4. Sales practices

Some people are induced to buy land by exaggerated statements about potential profits, by promises made by salesmen, money-back guarantees, offers to resell property for the buyer at any time, or by verbal assurances that the contract only makes a "reservation" for a lot and not a commitment to buy it. To solve this problem:

(A) The government should appraise the land to reveal its present and projected value. It should require this information to be used in advertising and property reports.

(B) All salesmen for installment subdividers should be required to obtain a federal license.

(C) Developers should be required to advise all purchasers in writing that they do not buy back or resell the land for buyers unless they actually do provide this service.

(D) All that is needed is better enforcement of the present federal Land Sales Act and the Federal Trade Commission's regulations which prohibit unfair, deceptive, or fraudulent sales practices. No new legislation is needed.

5. Environment

Premature subdivision of land before adequate state land planning has taken place may harm natural areas that should be preserved for future generations. Development activities such as building roads, destroying trees, digging canals, and making artificial lakes may lead to pollution or other environmental problems. I believe that:

(A) States should require all remote subdivisions to conform to a land use plan prepared by a public agency as a prerequisite for selling any lots.

(B) Developers should not be allowed to sell any land until all pollution control and land-use permits required for lakes, canals, sewage, or solid-waste disposal have been authorized by federal agencies.

(C) Bonds should be required of developers to compensate for damage to the environment.

(D) Resort-land developments for vacation homes should provide recreational open space more ample than in ordinary subdivisions.

(E) State and local authorities already adequately provide for prior environmental control of such developments. No new regulations are needed.

6. Federal regulation

Many observers feel that the federal law regulating the developers is not strong enough and that there are loopholes in the law. The industry itself is opposed to strict regulation. The government should:

(A) Increase regulation of the industry.

(B) Decrease it.

(C) Be allowed to represent complaining buyers in civil class action suits for damages.

7. Personal experience

Have you:

(A) Ever been solicited to buy such land?

(B) Been promised gifts or free vacation trips to buy land?

(C) Ever purchased land in remote subdivisions?

8. If you bought land, did you:

(A) See the land before you bought it?

(B) See a lawyer before buying it?

(C) Build a house and live in it?

(D) Cancel your contract and forfeit your money?

(E) Cancel your contract and get your money back?

(F) Make a profit from selling it?

(G) Take a loss in selling it?

(H) Feel generally dissatisfied with your deal?

(I) Feel generally happy with your deal?

A Monitor Editorial—The Land: To Dress and To Keep It

The scandal-tainted development of huge tracts of land in the United States, explored in the six-part series just completed by this newspaper's environment editor, Robert Cahn, touches all citizens. Regardless of whether or not one is living in states where haphazard development is threatening environmental harm; regardless of whether or not one has bought, or is thinking of buying, a house lot in some yet-to-be-developed remote site; regardless of whether one lives in a crowded city or in a rural area ripe for speculators and exploiters, every American is affected by the problem.

Land, as the hucksters themselves argue when pushing for a "close" with a reluctant potential buyer, is a limited natural resource. People are not. The population is expanding. And the value of land is directly related to the demand for it. More people, more demand, more money.

As the Monitor series points out, unscrupulous operators are misusing this centuries-old formula of land values—and potential profits—as shamelessly today as the con man of earlier years who greeted immigrants just off the boat with offers to sell them the Brooklyn Bridge. Sad to say, in this era which we like to consider far more sophisticated, there are still thousands of innocents who should know better, but do not. The inevitable result: enormous profits to less than honest land speculators, and endless hard-luck stories from those who find they have purchased acreage so remote in time and space from such necessities as electricity, water, sewage, and telephone service as to be worthless in their lifetimes.

But what of those visionary new Utopias which actually do begin to take shape on the landscape? Too often new towns are being carved out of wilderness areas without any reference whatever to county or state land-use planning. Or without reference to the ecological framework within which they must exist.

Where the first kind of phony land scheme primarily hurts the finances of the gullible purchaser, the second hurts everybody. The automobile and airplane have exposed some of America's most beautiful but inaccessible spots to get-rich-quick land schemers. As a result we are witnessing the rise of new developments, some with highly uncertain futures, in every part of the country—from Florida's sandy marshlands to California's spectacular coastline, from Vermont's lush green hills through Pennsylvania's wooded mountains, to Arizona's bleakly beautiful desert.

Where such schemes do "succeed," that is in terms of actually getting houses and supporting government and commercial services packaged together, what is the result? What economic base exists to support the future of such new towns? Do they offer a potential for steady, sturdy, useful development as good places for Americans to live? Will they function, as they should, as population safety-values for the over crowded metropolitan areas? Or are they tomorrow's future slums?

These questions and others need to be thought through. Their answers must be anchored in facts and these facts must be made public so that future development can be kept under public scrutiny and control. New state laws are needed. Buyers must be protected from hard-sell salesmen, with such laws as California's "cooling off" proviso, allowing a buyer to cancel a sales agreement within 14 days. With developers operating on a national basis, even internationally, the federal government should use its powers to regulate interstate commerce to intervene in fraudulent schemes. It should beef up the existing underfunded, understaffed Office of Interstate Land Sales Registration so that it can do the job its energetic administrator wants to do.

In addition to the series of consumer protection proposals outlined in the Monitor series, the federal government should pass a long overdue national land use policy act. Not until Congress leads the way with such an act can the states be expected to do the job, which is primarily theirs to do, of inventorying their land resources and planning its intelligent development or conservation.

That land scandals of the kind exposed by Mr. Cahn's series can still occur in the United States reveals that the old American chimera of limitless land, open to all comers to exploit for personal profit, continues to delude public thought. Belatedly, thoughtful observers are beginning to recognize that this continuing rape of the land is a betrayal of the trust which gives each new generation the land in stewardship, with a mandate "to dress it and keep it" for the next generation.

A reawakening this sense of trust seems to be taking place. Now it must be translated into laws and policies to control future land use. If so, then the experiences of those who have suffered economic loss and dashed hopes from development frauds and failures may at least have contributed to the future by helping convince their contemporaries that America's latest wave of land fever must be the last.

CONCURRENT RESOLUTION ADOPTED BY SOUTH CAROLINA GENERAL ASSEMBLY ON FEDERAL FORESTRY INCENTIVES PROGRAM

Mr. HOLLINGS. Mr. President, on behalf of Senator Thurmond and myself, I would like to bring to the attention of the Senate a resolution passed by the South Carolina General Assembly on March 14 expressing support for the enactment of a Federal forestry incentives program as expressed in H.R. 8.

Last June, the Senate passed by voice vote, S. 3105, the Forestry Incentives Act of 1972. It should be noted that presently there are many small nonindustrial forest lands totaling more than 300 million acres that are in a low state of productivity with about one-fourth in need of planting and nearly one-half in need of other forms of conservation. The Forestry Incentives Act would encourage landowners to plant seedlings and apply necessary treatment to produce timber, expand recreational opportunities, enhance environmental values, protect watersheds, and improve fish and wildlife habitats. It seems this bill will go a long way toward increasing forestation and providing overall management of these lands.

I ask unanimous consent that the concurrent resolution be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

A Concurrent Resolution

Expressing support of the South Carolina General Assembly for the enactment of a federal forestry incentives program as expressed in H.R. 8 by Congressman Sikes of Florida and to memorialize the Congress of the United States to enact such legislation

Whereas, almost two million acres of abandoned cropland and cutover unproductive woodland have been planted to forest trees during the past thirty years in South Carolina; and

Whereas, incentive programs of Soil Bank and REAP have substantially contributed to this reforestation effort, accounting for approximately one million acres of the reforestation by private non-industrial owners; and

Whereas, increased growth potential of commercial forest trees as shown by the 1968 Forest Survey has encouraged forest industry to invest new capital in the State for logging equipment, sawmills, plywood plants, hardboard manufacturers and pulp manufacturers, amounting to approximately two hundred fifty million dollars during the past five years; and

Whereas, reduction of reforestation on small private ownerships will discourage new industry and could in fact result in decreased environmental protection and improvement; and

Whereas, there are more than three million acres of unproductive cutover woodland owned by small private non-industrial owners which could contribute substantially to South Carolina's economy if reforested; and

Whereas, forests are a renewable resource providing multiple benefits to everyone, such as watershed protection, wildlife habitat, recreation areas, esthetic improvement, etc., contributing to cleaner air and noise abatement; and

Whereas, harvesting of mature forests, and using these products, can help relieve the energy crisis since building material from wood requires four to eight times loss energy to manufacture than does steel and concrete and at the same time does not deplete a non-renewable resource.

Now therefore,

Be it resolved by the House of Representatives, the Senate concurring: That the General Assembly of South Carolina does hereby express its support for Federal legislation proposed (H.R. 8—Mr. Sikes, Florida) which will provide Federal funds for forestry incentive payments to non-Federal public and to non-industrial private landowners to do reforestation and other forest management practices, and it does respectfully request South Carolina's Congressional Delegation to work for implementation of such legislation.

Be it further resolved that copies of this resolution be forwarded to each member of the South Carolina Congressional delegation, the President of the United States Senate and the Speaker of the House of Representatives in Washington, D.C.

INCREASED PARTICIPATION IN NATIONAL ELECTIONS

Mr. PELL. Mr. President, several days ago, I introduced in the Senate a bill, S. 1303, providing that our national elections be held on Saturday instead of Tuesday. In introducing that bill, my objective was and is to explore means of increasing voter participation in elections by making voting more convenient with fewer conflicts with other activities.

It was my intent in introducing the legislation to provide some focus for public discussion and suggestions of alternative ways to combat voter apathy and increase public participation. Saturday, as an alternate election day, was suggested as only one of many possible changes.

Since introducing the bill, I have received messages from representatives and spokesmen of Orthodox Jewish Congregations, pointing out that faithful observance of their Sabbath would preclude participation in Saturday elections by Orthodox Jews and certain other groups observing Saturday Sabbaths.

Mr. President, I think these spokesmen have raised a valid point. As I have stated, the intent of my legislation is to explore ways of increasing voter participation. And I want to assure everyone concerned that I have no intention, as chairman of the Senate Subcommittee on Privileges and Elections, to proceed with legislation that would effectively disenfranchise a portion of the voting public. That would be exactly the opposite of my objective.

I continue to hope that the bill I have introduced may serve to stimulate thought and suggestions on how we may increase voter participation.

THE FEDERAL TRADE COMMISSION COUNTER-ADVERTISING RULING BREAKS IMPORTANT NEW GROUND

Mr. PROXMIRE. Mr. President, recently the Federal Trade Commission, in proceeding against three producers of over-the-counter pain killers, announced its intention to require these manufacturers to include material in future television advertising counteracting false claims made in past television commercials.

The products whose advertising the FTC found to be inaccurate and misleading included Bayer Aspirin, Bufferin, and Anacin. Claims were made regarding the effectiveness of these drugs as well as the degree to which doctors recommended their use that could not be substantiated by the facts.

This Senator believes that such advertising is not only misleading, but can be positively harmful. It leads young people to believe that a large part of their problems—pain, nervous tension, inability to get along with others—can be solved with a white tablet and a long gulp of water. It predisposes the young to reach out for more easy answers in the form of barbiturates or amphetamines or even hard narcotics such as heroin.

Consequently, I was particularly pleased by the FTC's decision to require these companies and their advertising agencies to either cease advertising the products over the next 2 years or place 25 percent of their advertising dollars in counter-ads that refute the false claims made in earlier commercials.

So that my colleagues in the Senate can better understand the pernicious nature of this advertising as well as the precise kind of remedy being sought by the FTC, I ask unanimous consent that one of the three FTC complaints and notices of intended action be placed in the Record at the conclusion of my remarks. All three documents are quite similar to content.

Finally I urge my fellow Senators to support the FTC in this praiseworthy step. And I express my hope that this action will be sustained through the FTC hearing process and by the courts, if the matter reaches the courts.

There being no objection, the material was ordered to be printed in the Record, as follows:

[United States of America before Federal Trade Commission, Docket No. 8917]

Complaint

(In the Matter of Bristol-Myers Company, a corporation, and Ted Bates & Company, Inc., a corporation, and Young & Rubicam, Inc., a corporation)

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Bristol-Myers Company, a corporation, and Ted Bates & Company, Inc., a corporation, and Young & Rubicam, Inc., a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

Paragraph One: For purposes of this complaint, the following definitions shall apply:

1. "Commerce" means commerce as defined in the Federal Trade Commission Act.

2. "False advertisement" means false advertisement as defined in the Federal Trade Commission Act.

Paragraph Two: Respondent Bristol-Myers Co., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 345 Park Avenue, New York, New York.

Respondent Ted Bates & Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1515 Broadway, New York, New York.

Respondent Young & Rubicam, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 285 Madison Avenue, New York, New York.

Paragraph Three Respondent Bristol Myers Co., is now and for some time last past has been engaged in the manufacturing, advertising, offering for sale, sale and distribution of certain non-prescription internal analgesic preparations which come within the classification of "drug", as said term is defined in the Federal Trade Commission Act.

The designation used by respondent for said preparations, the active ingredients thereof, and directions for use are as follows:

1. *Designation:* Bufferin

Active Ingredients:

Acetylsalicylic Acid, Aluminum Dihydroxyaminoacetate, Magnesium Carbonate.

Directions for Use:

Dosage: 1–2 tablets, 1–6 times daily as needed. For children 5–12, one-half dose.

2. *Designation:* Excedrin

Active Ingredients:

Acetylsalicylic Acid, Salicylamide, Acetaminophen. Caffeine.

Directions for Use:

Adults, two tablets with water. Repeat if necessary every four hours or follow directions of your physician. Dosage should not exceed 8 tablets per day. For children (6–12) use half the adult dosage.

Designation: Excedrin PM.

Active Ingredients:

Acetylsalicylic Acid, Salicylamide, Acetaminophen, Methapyrilene Fumarate.

Directions for Use:

For best results take 2 tablets at bedtime to help relieve pain and aid sleep. May be repeated once, after 4 hours. For children (6–12) use half the adult dosage.

Respondent Ted Bates & Co., Inc., is now, and for some time last past has been, an advertising agency of Bristol-Myers Co., and now and for some time last past, has prepared and placed for publication and has caused the dissemination of advertising material, including but not limited to the advertising referred to herein, to promote the sale of Bufferin.

Respondent Young & Rubicam, Inc., is now, and for some time last past has been, an advertising agency of Bristol-Myers Co., and now and for some time last past, has prepared and placed for publication and has caused the dissemination of advertising referred to herein, to promote the sale of Excedrin and Excedrin PM.

Paragraph Four: In the course and conduct of its aforesaid business respondent Bristol-Myers Co. causes the said drugs, when sold, to be transported from its places of business located in various States of the United States to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondent Bristol-Myers Co. maintains, and at all times mentioned herein has maintained, a substantial course of trade in said product in commerce. The volume of business in such commerce has been and is substantial.

Paragraph Five: In the course and conduct of their said businesses, respondents Bristol-Myers Co., Ted Bates & Co., and Young & Rubicam, Inc., have disseminated, and caused the dissemination of, certain advertisements concerning the said drugs by the United States mails and by various means in commerce, including but not limited to, advertisements inserted in magazines and newspapers, and by means of television and radio broadcasts transmitted by television and radio stations located in various States of the United States, and in the District of Columbia, having sufficient power to carry such broadcasts across state lines, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said drugs, and have disseminated, and caused the dissemination of, advertisements concerning said drugs by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said drugs in commerce.

Paragraph Six: Typical of the statements and representations in said advertisements, disseminated as aforesaid, but not all inclusive thereof, are the following:

A. By respondents Bristol-Myers and Ted Bates, for Bufferin:

1. The television commercial entitled "Solarization" opens with a surrealistic depiction of two women's bodies. One woman's stomach contains a tablet marked "A", and the other's, a tablet marked "B". In the illustration, the tablet marked "B" disintegrates more quickly than the other, and the disintegrated particles move more quickly to the head.

Announcer. "What happens inside your system to plain aspirin and Bufferin? This illustrates most of Bufferin—with its extra speed is already going to your headache, when most of plain aspirin is still in your stomach. So with Bufferin, there's less to upset your stomach, when there's more pain reliever going to your headache. Bufferin—Faster to your headache. Better for your stomach."

2. The television commercial entitled "Camping" shows a family at a rustic camp site. The father does not appear to feel well as his children ask him to fix something and to take them into the canoe. A Bufferin bottle is shown, and the commercial then depicts a wrist watch cut in half to illustrate the statement that Bufferin goes to work in half the time. After taking Bufferin, the father again is shown with his children, returning from a fishing trip in the canoe. Instead of appearing to have a headache, he is happy and smiling.

Girl. "Daddy, breakfast's ready.

Boy. "Hey, Dad, will you fix this for me? It got all tangled up."

Girl. "Daddy, when are you going to take me out in the canoe?"

Announcer. "What a time for a headache. You could take aspirin. But Bufferin goes to work in half the time. Half the time. Why? Because in the first critical minutes, Bufferin speeds its pain reliever to your headache twice as fast as simple aspirin. So Bufferin goes to work in half the time. Half the time—that's Bufferin's time."

3. The television commercial entitled "Changing Face-Revised" opens showing a woman's face. At first, she is shown in the film negative and appears to have a painful headache. Gradually, the negataive portions of the film disappear, and the woman begins to smile, her headache obviously gone.

Announcer. "Headache, every second can be a painful throb. Bufferin can change that fast. Bufferin goes to work fastest of the three leading headache tablets. Its pain reliever starts to your headache in just sixty seconds. Minutes later, relief without the stomach upset plain aspirin can cause. Of all leading brands you can buy, doctors specify Bufferin most. Faster, gentler, Bufferin."

4. The television commercial entitled "Arthritis/Applause" opens showing a grandmother with her grandchild at a concert. At the end of one musical piece, they begin clapping. However, the grandmother obviously finds clapping to be very painful because of arthritis in her hands. She takes two Bufferin tablets, and then is shown clapping with apparently no discomfort or pain.

Girl. "Didn't you like it, Grandma?

Arthritic. "I loved it, dear."

Announcer. "Arthritis can do this. Its minor pain and stiffness can take a lot of enthusiasm out of hands, fingers. Take Bufferin. Doctors specify Bufferin for minor pain more than any leading brand of pain reliever you can buy. Tests published in medical journals show that in the first critical minutes, Bufferin delivers twice as much pain reliever as simple aspirin. Twice as much. Bufferin brings fast relief. Hours of relief from arthritis' minor pain and stiffness, so arthritic hands and fingers regain flexibility. And Bufferin can prevent the stomach upset aspirin often causes arthritic sufferers. For relief of arthritis' minor pain and stiffness, rely on Bufferin."

5. The television commercial entitled "College Professor" opens in a book-lined office, as a college professor is having a confrontation with a student militant. The student makes demands and the professor arranges a meeting for later in the day. The professor, who appears upset and emotionally involved in the situation, then takes two Bufferin tablets. He appears to become more relaxed.

Student. "Why don't you listen to us? This college has got to change."

Professor. "Agreed."

Student. "But not your way."

Professor. "All right. I've read it, Greg. Now can we keep our cool and all get together here at six?"

Student. "Okay."

Announcer. "Often, people who are sensitive to others can be more sensitive to headache pain. Bufferin is for these people. It's strong medicine that treats you gently. Plain aspirin's fine, but Bufferin goes to work much faster, yet is gentler to your stomach. Because tough problems are tougher on sensitive people, we believe the strong medicine you need should treat you gently. Faster, gentler Bufferin. Strong medicine for sensitive people."

6. The television commercial entitled "New Housing" opens with a government relocation official preparing to inform an elderly couple that their apartment building has been condemned and that they must move. He appears to be emotionally upset at the prospect of informing the tenants. In anticipation, he takes two Bufferin tablets. He then appears calmer and is shown smiling and telling the aged couple about their new home.

Announcer. "What you have to tell them isn't easy. Not for you. Often, people who are sensitive to others, can be more sensitive to headache pain. They want all the help they can get as quickly as possible. Bufferin is for these people. It's better than plain aspirin because most of Bufferin has already started working at your headache when most of aspirin is still in your stomach."

Man. "That's the way it is. So you'll have to be out by Thursday."

Old Man. "You know, our kids were born right here."

Man. "Wait'll they see your new place."

Announcer. "Bufferin. For sensitive people. It's much better than plain aspirin."

7. The television commercial entitled "Father/Son" shows a father, mother and teenage son standing in a wooded area. The father shoots a rifle at a target and then offers the rifle to his son. The son states that he does not want it and walks away. The father appears angry and abruptly turns and fires the rifle. The mother tries to calm him by stating that the son does not believe he

can shoot as well as the father. The scene then shifts inside the house where the son is shown looking out the window at his father, while the mother takes two Bufferin tablets. She then appears more calm and is shown moving towards her son. obviously attempting to console him.

Father. "Go ahead, Son try it."

Son. "I don't want to, Dad."

Father. "I bought it for you. It's expensive. Now look."

Mother. "You're such a good shot. He'll just feel inferior."

Announcer. "Often, people who are sensitive to others can be more sensitive to headache pain. Bufferin is for these people. It's strong medicine that treats you gently. Plain aspirin's fine, but Bufferin goes to work much faster—yet is actually gentler to your stomach. We believe the strong medicine you need should treat you gently. Faster, gentler Bufferin. Strong medicine for sensitive people."

B. By respondents Bristol-Myers and Young & Rubicam, for Excedrin:

1. The television commercial "First Baby" shows a man sleeping in bed. His pregnant wife wakes him and informs him that she is about to have the baby. He appears very nervous and excited and has trouble finding his clothes and shoes. Finally, half dressed, he rushes out what he believes to be the front door, but which is really a closet, leaving his wife still in the house. The commercial then depicts the chemical formulae, but not the names, of Excedrin's four ingredients. One ingredient is described as giving "quick relief", one as giving "long lasting" relief, one as a tension reliever, and one as an antidepressant.

Announcer. "Excedrin headache Number 27. The first baby."

Woman. "Honey, wake up."

Man. "I'm awake."

Woman. "Let's go to the hospital."

Man. "You're going—"

Woman. "I'm ready."

Man. "You're going to have the baby?"

Woman. "Right away."

Man. "Are you? You're okay?"

Woman. "Everything's fine."

Man. "I just need my pants."

Woman. "I have them."

Man. "I got my pants honey."

Woman. "Better put some shoes on honey."

Man. "There they are. Oh, I've got the worst headache I've ever had. I got an Excedrin headache."

Woman. "Oh, sweetheart, just a minute, I'll get you some Excedrin."

Man. "Would you, honey?"

Woman. "Here we are. And a little water."

Man. "And a little water."

Woman. "That a boy. Easy."

Man. "OK now. Can't waste anymore time. Gotta go. I'll see you later, honey."

Announcer. "The modern Excedrin formula gives you quick relief, long lasting relief, a tension reliever to relax you, an antidepressant to help restore your spirits. Four ingredients, not just two. That's Excedrin. The Extra-Strength pain reliever."

2. The televison commercial "Garner/Voodre/Arico" shows two women and a man describing how Excedrin helps them cope with everyday tense problems, such as fighting traffic and monetary trouble.

Announcer. "These are Excedrin Headaches. Listen."

Mrs. Garner. "You know, you have to drive back and forth fighting the freeway traffic and everything."

Mr. Voodre. "Like I said, we've been having money problems."

Mrs. Arico. "Being a mommy. (laughs)"

Announcer. "For Excedrin Headaches you want the Excedrin formula, with four ingredients, to relieve pain and its tension."

Mrs. Garner. "Well, it's fast. Your headache doesn't come back.

Mr. Voodre. "When you take two Excedrin you're able to cope with your problems a lot better."

Mrs. Arico. "My biggest reason for buying it and using it is because it works for me."

Mrs. Garner. "Well, it's extra strength. It does the job."

Announcer. "Four ingredients. Not just one or two. That's Excedrin. The Extra-Strength pain reliever."

3. The television commercial "Miss Teresa Parkening" shows a young woman explaining how Excedrin relieved her headache quickly.

Announcer. "What is an Excedrin headache? Listen."

Testimony. "Last night as a matter of fact, I was at a recording session and they had, oh, so many strings and a Moog synthesizer and tympani players and gongs, and it was so loud, and I walked in there with a headache. So I took two Excedrin during one of the breaks, ten minute breaks, and it was gone. The sound was still loud but it went away."

Announcer. "Excedrin works fast. It has a special ingredient for quick relief."

Testimony. "Something that works ZAP! It's really good."

Announcer. "There are all kinds of Excedrin headaches, but there's only one Excedrin. The Extra-Strength pain reliever."

4. The television commercial "Snowdrift" shows snow blowing across a field. The audio describes how Excedrin is more effective for the relief of colds than other cold remedies.

Announcer. "It's common about this time every year. And everyone seems to catch it. It's the common cold. But this year, you don't have to settle for common relief of its aches and pains. You can take Excedrin. It has more pain relievers, more fever reducers, more total strength than the common aspirin tablet. For the pains of the common cold, take Excedrin for uncommon pain relief."

5. The television commercial "Atlantic City" shows the actor David Janssen standing on a balcony overlooking Atlantic City, New Jersey. He describes a hospital study comparing Excedrin and aspirin.

David Janssen. "This is David Janssen. A hospital study has shown there may be something even more effective than aspirin for pain relief. At a medical convention held right here in Atlantic City, doctors heard the results of a new clinical study about how pain relievers perform among hospitalized patients. A study on pain, different, more prolonged than headache pain. In this study it took more than twice as many aspirin tablets to give the same pain relief as two Excedrin. More than twice as many aspirin to be as effective as Excedrin. Not three aspirin, not even four aspirin. But more than double the recommended dosage of aspirin to give the same pain relief as two Excedrin. Yes, there may be something even more effective than aspirin. That's what this study among hospitalized patients showed. Two Excedrin were more effective for the relief of pain than twice as many aspirin. Isn't it time you tried Excedrin."

C. By respondents Bristol-Myers and Young & Rubicam, for Excedrin PM:

1. The television commercial "Difference" opens with the actor David Janssen.

David Janssen. "This is David Janssen. I'm not here to tell you about Excedrin. I'm here to tell you about Excedrin PM. They are different. Excedrin PM is the extra-strength night-time pain reliever. Its special formula contains three pain relievers plus a mild sleeping aid. So it gives you extra-strength for relief from nighttime pain, and extra help to sleep. Two very good reasons to try Excedrin PM. The nighttime pain reliever."

2. The television commercial "Day into Night" opens on a scene showing several houses during the day. Gradually, night falls, and the lights in the houses go out one by one. Finally, one light is left, and it too ultimately is turned off.

Announcer. "Daytime pain and nighttime pain can be different as day and night. Because at night, when it's quiet, even a tiny pain can hurt a lot. You could take a simple pain reliever. But it doesn't have anything extra to help you sleep. Excedrin PM does. It combines pain relievers with an additional ingredient to gently help you to sleep. Excedrin PM. The nighttime pain reliever."

3. The television commercial entitled "Sleeping Man" shows a middle-aged man sleeping peacefully.

Announcer. "A short while ago, John Martin was too tense and achy to sleep. Nothing serious enough for a strong sleeping tablet. So he took Excedrin PM, a new nighttime formula from the makers of Excedrin. It combines pain relief with a special nighttime ingredient, that gently helps you sleep. Excedrin PM is a new idea. Excedrin PM. The nighttime pain reliever."

Paragraph seven: Through the use of these advertisements, and others similar thereto not specifically set out herein, it was represented directly or by implication.

A. By respondents Bristol-Myers and Ted Bates, that it has been established that:

1. Bufferin relieves pain faster than aspirin relieves pain;

2. Bufferin relieves pain twice as fast as aspirin relieves pain;

3. A recommended dose of Bufferin relieves twice as much pain as a recommended dose of aspirin will relieve;

4. Bufferin will not upset a person's stomach; and

5. Bufferin will upset a person's stomach less frequently than aspirin.

B. By respondents Bristol-Myers and Young & Rubicam, that it has been established that:

1. A recommended dose of Excedrin relieves more pain than a recommended dose of aspirin or any other non-prescription internal analgesic will relieve;

2. A recommended dose of Excedrin relieves twice as much pain as a recommended dose of aspirin will relieve;

3. Excedrin relieves pain for a longer period of time than a recommended dose of aspirin or any other non-prescription internal analgesic;

4. Excedrin relieves pain faster than aspirin or any other non-prescription internal analgesic relieves pain;

5. Excedrin reduces fever more effectively than aspirin;

6. Excedrin is a more effective pain reliever than aspirin or any other non-prescription internal analgesic;

7. Excedrin is a more effective pain reliever than aspirin or any other non-prescription internal analgesic because it contains four active ingredients;

8. A recommended dose of Excedrin PM will relieve more pain than a recommended dose of aspirin;

9. A recommended dose of Excedrin PM is more effective for the relief of pain which occurs during the night than a recommended dose of aspirin or any other non-prescription internal analgesic; and

10. Excedrin PM is a more effective pain reliever than aspirin because it contains three analgesic ingredients.

Paragraph Eight: In truth and in fact, none of said representations has been established, for reasons including, but not limited to, the existence of a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drugs, as to the validity of all such representations.

Paragraph Nine: Furthermore, through the use of these advertisements, and others similar thereto not specifically set out herein; it was represented directly or by implication,

A. By respondents Bristol-Myers and Ted Bates, that:

1. Bufferin relieves pain faster than aspirin relieves pain;

2. Bufferin relieves pain twice as fast as aspirin relieves pain;

3. A recommended dose of Bufferin relieves twice as much pain as a recommended dose of aspirin will relieve;

4. Bufferin will not upset a person's stomach less frequently than aspirin;

5. Bufferin will upset a person's stomach less frequently than aspirin;

B. By respondents Bristol-Myers and Young & Rubicam, that:

1. A recommended dose of Excedrin relieves more pain than a recommended dose of aspirin or any other non-prescription internal analgesic will relieve;

2. A recommended dose of Excedrin relieves twice as much pain as a recommended dose of aspirin will relieve;

3. Excedrin relieves pain for a longer period of time than a recommended dose of aspirin or any other non-prescription internal analgesic;

4. Excedrin relieves pain faster than aspirin or any other non-prescription internal analgesic relieves pain;

5. Excedrin reduces fever more effectively than aspirin;

6. Excedrin is a more effective pain reliever than aspirin or any other non-prescription internal analgesic;

7. Excedrin is a more effective pain reliever than aspirin or any other non-prescription internal analgesic because it contains four active ingredients;

8. A recommended dose of Excedrin PM will relieve more pain than a recommended dose of aspirin;

9. A recommended dose of Excedrin PM is more effective for the relief of pain which occurs during the night than a recommended dose of aspirin or any other non-prescription analgesic; and

10. Excedrin PM is a more effective pain reliever than aspirin because it contains three analgestic ingredients.

Paragraph Ten: There existed, at the time of said representations, a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drugs, as to the validity of such representations.

Paragraph Eleven: Furthermore, respondents made said representations without disclosing the existence of such a substantial question as to the validity of each representation. In light of the representations made, the existence of such a substantial question is a material fact, which, if known to consumers, would be likely to affect their consideration of whether or not to purchase such products. Thus, respondents have failed to disclose material facts.

Paragraph Twelve: Through the use of the aforesaid advertisements, and others similar thereto not specifically set out herein, it was represented directly or by implication:

A. By respondents Bristol-Myers and Ted Bates, that Bufferin relieves nervous tension, anxiety and irritability and will enable persons to cope with the ordinary stresses of everyday life,

B. By respondents Bristol-Myers and Young & Rubicam, that Excedrin and Excedrin PM relieve nervous tension, anxiety and irritability and will enable persons to cope with the ordinary stresses of everyday life, and

C. By respondents Bristol-Myers and Young & Rubicam, that Excedrin PM is an effective mild sedative.

Paragraph Thirteen: There existed, at the time of said representations, no reasonable basis for making the above representations, in that respondents had no competent and reliable scientific evidence to support such representations.

Paragraph Fourteen: Furthermore, in advertising for Bufferin and Excedrin, respondents Bristol-Myers, Ted Bates and Young & Rubicam referred to the results of scientific tests or studies and the following representations were made directly or by implication:

A. By respondents Bristol-Myers and Ted Bates, that such tests or studies prove claims that Bufferin is twice as fast and twice as strong as aspirin in relieving pain; and

B. By respondents Bristol-Myers and Young & Rubicam, that such tests or studies prove claims that Excedrin is more than twice as strong as and more effective than aspirin in relieving pain.

Paragraph Fifteen: There existed, at the time of said representations, a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drugs, concerning the validity, significance, or interpretation of such tests as they relate to such representations.

Paragraph Sixteen: Furthermore, respondents made said representations without disclosing the existence of such a substantial question. In light of the representations made, the existence of such a substantial question is a material fact, which, if known to consumers, would be likely to affect their consideration of whether or not to purchase such products. Thus, respondents have failed to disclose material facts.

Paragraph Seventeen: Furthermore, in advertisements for Bufferin, and particularly through the use of the phrase "Doctors specify Bufferin for minor pain more than any leading brand of pain reliever you can buy," respondents Bristol-Myers and Ted Bates represented directly, or by implication, that physicians recommend Bufferin more than any other nonprescription internal analygesic products.

Paragraph Eighteen: There existed at the time of said representation no reasonable basis for making the above representation, in that respondents had no competent and reliable evidence to support such representation.

Paragraph Nineteen: Furthermore, respondents Bristol-Myers and Ted Bates marketed and advertised Bufferin and respondents Bristol-Myers and Young & Rubicam marketed and advertised Excedrin and Excedrin PM, without disclosing in the advertising for such products that such products contain aspirin and that Excedrin contains caffeine.

Paragraph Twenty: In truth and in fact, aspirin and caffeine are well-known, commonplace substances, widely available in many products. Moreover, the use of aspirin or caffeine may be injurious to health and may cause undesirable side effects. Thus, respondents have failed to disclose material facts which, if known to certain consumers, would be likely to affect their consideration of whether or not to purchase such products.

Paragraph Twenty-one: Furthermore, in advertisements for Bufferin, respondents Bristol-Myers and Ted Bates represented, directly or by implication, that the analgesic ingredient in Bufferin is other than ordinary aspirin; and in advertisements for Excedrin, respondents Bristol-Myers and Young & Rubicam represented, directly or by implication, that the ingredient giving "long lasting relief" is other than ordinary aspirin and that the "anti-depressant" is other than caffeine.

Paragraph Twenty-two: In truth and in fact, the analgesic ingredient in Bufferin is ordinary aspirin; the ingredient giving "long lasting relief" in Excedrin is ordinary aspirin; and the "anti-depressant" in Excedrin is caffeine.

Paragraph Twenty-three: Furthermore, in advertisements for Excedrin PM, respondents Bristol-Myers and Young & Rubicam have represented, directly or by implication, that it contains a special sedative or sleep-inducing agent available only in Excedrin PM.

Paragraph Twenty-four: In truth and in fact, the substance referred to in the advertisement is methapyrilene fumarate, an antihistamine which is available in several other non-prescription preparations including, but not limited to, Cope, manufactured by Sterling Drug Inc.

Paragraph Twenty-five: The advertisements referred to in Paragraphs Seven, Nine, Fourteen, Nineteen, Twenty-One, and Twenty-Three were and are misleading in material respects as alleged in Paragraphs Eight, Eleven, Sixteen, Twenty, Twenty-Two, and Twenty-Four and constituted, and now constitute, false advertisements.

Paragraph Twenty-six: The making of representations as alleged in Paragraphs Ten, Thirteen, Fifteen, and Eighteen constituted, and now constitutes, unfair or deceptive acts or practices in commerce.

Paragraph Twenty-seven: The use by respondents of the aforesaid deceptive representations and the dissemination of the aforesaid false advertisements has had, and now has, the capacity and tendency to mislead members of the consuming public into the erroneous and mistaken belief that said representations were and are true and into the purchase of substantial quantities of said drugs of respondent Bristol-Myers, by reason of said erroneous and mistaken belief.

Paragraph Twenty-eight: In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent Bristol-Myers has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals in the sale of drugs of the same general kind and nature as those sold by respondent.

In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent Ted Bates has been, and now is, in substantial competition in commerce with other advertising agencies.

In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent Young & Rubicam has been, and now is, in substantial competition in commerce with other advertising agencies.

Paragraph Twenty-nine: The aforesaid acts and practices of respondents, as herein alleged, including the dissemination of false advertisements, as aforesaid, were and are all to the prejudice and injury of the public and of respondents' competitors, and constituted, and now constitute, unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act.

Wherefore, the premises considered, the Federal Trade Commission on this 23rd day of February A.D. 1973, issues its complaint against said respondents.

NOTICE

Notice is hereby given to each of the respondents hereinbefore named that the 17th day of April A.D. 1973, at 10 o'clock is hereby fixed as the time and Federal Trade Commission Offices, 1101 Building, 11th & Pennsylvania Avenue, N.W., Washington, D.C. 20580 as the place when and where a hearing will be had before an administrative law judge of the Federal Trade Commission, on the charges set forth in this complaint, at which time and place you will have the right under said Act to appear and show cause why an order should not be entered requiring you to cease and desist from the violations of law charged in this complaint.

You are notified that the opportunity is afforded you to file with the Commission an answer to this complaint on or before the thirtieth (30th) day after service of it upon you. An answer in which the allegations of the complaint are contested shall contain a concise statement of the facts constituting each ground of defense; and specific admission, denial, or explanation of each fact alleged in the complaint or, if you are without knowledge thereof, a statement to that effect. Allegations of the complaint not thus answered shall be deemed to have been admitted.

If you elect not to contest the allegations of fact set forth in the complaint, the answer shall consist of a statement that you admit all of the material allegations to be true. Such an answer shall constitute a waiver of hearings as to the facts alleged in the complaint, and together with the complaint will provide a record basis on which the administrative law judge shall file an initial decision containing appropriate findings and conclusions and a appropraite order disposing of the proceeding. In such answer you may, however, reserve the right to submit proposed findings and conclusions and the right to appeal the initial decision to the Commission under Section 3.52 of the Commission's Rules of Practice for Adjudicative Proceedings.

Failure to answer within the time above provided shall be deemed to constitute a waiver of your right to appear and contest the allegations of the complaint and shall authorize the administrative law judge, without further notice to you, to find the facts to be as alleged in the complaint and to enter an initial decision containing such findings, appropriate conclusions and order.

The following is the form of order which the Commission has reason to believe should issue if the facts are found as alleged in the complaint. If, however, the Commission should conclude from record facts developed in any adjudicative proceedings in this matter that the proposed order provisions as to Bristol-Myers Co., or Ted Bates & Company, Inc. or Young & Rubicam, Inc., might be inadequate to fully protect the consuming public of the competitive conditions of the non-prescription drug products or the advertising industries, the Commission may order such other relief as it finds necessary or appropriate.

ORDER I

It is ordered that respondent Bristol-Myers Company, a corporation, and respondent Ted Bates & Company, Inc., a corporation, their successors and assigns, either jointly or individually, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of Bufferin, or any product of like composition, do forthwith cease and desist from:

A. Disseminating or causing the dissemination of any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which

1. Represents directly or by implication that Bufferin relieves pain faster than aspirin relieves pain; or

2. Represents directly or by implication that Bufferin relieves pain twice as fast as aspirin relieves pain; or

3. Represents directly or by implication that a recommended dose of Bufferin relieves twice as much pain as a recommended dose of aspirin will relieve; or

4. Represents directly or by implication that Bufferin will not upset a person's stomach; or

5. Represents directly or by implication that Bufferin will upset a person's stomach less frequently than aspirin; or

6. Fails to disclose that Bufferin contains aspirin;

B. Disseminating, or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisements which contain statements which are inconsistent with, negate or contradict any of the affirmative disclosures required in Paragraph A above, or in any way obscure the meaning of such disclosures;

C. Disseminating, or causing the dissemination of, any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of any such product in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraphs A(1) through A(5) and Paragraph B above or which fails to disclose the disclosure required in Paragraph A(6) above;

D. Representing indirectly or by implication that Bufferin relieves nervous tension, anxiety or irritability or will enable persons to cope with the ordinary stresses of everyday life;

E. Representing directly or by implication that physicians recommend Bufferin more than any other non-prescription internal analgesic product; and

F. Representing directly or by implication that tests or studies prove that Bufferin is twice as fast or twice as strong as aspirin in relieving pain.

II

It is ordered that respondent Bristol-Myers Company, a corporation, and respondent Young & Rubicam, Inc., a corporation, their successors and assigns, either jointly or individually, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of Excedrin and Excedrin PM or any products of like composition, do forthwith cease and desist from:

A. Disseminating, or causing the dissemination of, any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which, by use of the phrase "extra-strength pain reliever" or otherwise,

1. Represents directly or by implication that a recommended dose of Excedrin relieves more pain than a recommended dose of aspirin or any other non-prescription internal analgesic will relieve;

2. Represents directly or by implication that a recommended dose of Excedrin relieves twice as much pain as a recommended dose of aspirin will relieve; or

3. Represents directly or by implication that Excedrin relieves pain for a longer period of time than a recommended dose of aspirin or any other non-prescription internal analgesic; or

4. Represents directly or by implication that Excedrin relieves pain faster than aspirin or any other non-prescription internal analgesic relieves pain; or

5. Represents directly or by implication that Excedrin reduces fever more effectively than aspirin; or

6. Represents directly or by implication that Excedrin is a more effective pain reliever than aspirin or any other non-prescription internal analgesic; or

7. Represents directly or by implication that Excedrin is a more effective pain reliever than aspirin or any other non-prescription internal analgesic because it contains four active ingredients; or

8. Represents directly or by implication that a recommended dose of Excedrin PM will relieve more pain than a recommended dose of aspirin; or

9. Represents directly or by implication that a recommended dose of Excedrin PM is more effective for the relief of pain which occurs during the night than a recommended dose of aspirin or any other non-prescription internal analgesic; or

10. Represents directly or by implication that Excedrin PM is a more effective pain reliever than aspirin because it contains three analgesic ingredients; or

11. Represents directly or by implication that Excedrin PM contains a special sedative or sleep-inducing agent available only in Excedrin PM; or

12. Fails to disclose that Excedrin or Excedrin PM contain aspirin; or

13. Fails to disclose that Excedrin contains caffeine.

B. Disseminating, or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisements which contain statements which are inconsistent with negate or contradict any of the affirmative disclosures required in Paragraph A above, or in any way obscure the meaning of such disclosures;

C. Disseminating, or causing the dissemination of, any advertisement by any means, for the purpose of inclucing, or which is likely to induce, directly or indirectly, the purchase of any such product in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraphs A(1) through A(11) or Paragraph B above or which fails to disclose the disclosures required in Paragraphs A(12) and A(13) above;

D. Representing directly or by implication that Excedrin or Excedrin PM relieves nervous tension, anxiety, or irritability or will enable persons to cope with the ordinary stresses of everyday life;

E. Representing directly or by implication that tests or studies prove that Excedrin is more than twice as strong as, or more effective than aspirin in relieving pain; and

F. Representing directly or by implication that Excedrin PM is an effective mild sedative.

III

It is ordered that respondent Bristol-Myers Co., corporation, Ted Bates & Co., Inc., a corporation, and Young & Rubicam, Inc., a corporation, their successors and assigns, either jointly or individually, and respondents' officers, agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, offering for sale, sale or distribution of Bufferin, Excedrin, Excedrin PM or any nonprescription drug product, do forthwith cease and desist from:

A. Disseminating, or causing the dissemination of, any advertisements by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which,

1. States or represents, directly or by implication, that a claim concerning the performance, effectiveness, or side effects of such product has been established, when there exists a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drug products, as to the validity of such claim; or

2. Refers to the ingredients aspirin or caffeine by any word or words other than their common, or usual name, unless (a) it is clearly and conspicuously disclosed that such word or words refer to aspirin or caffeine, and (b) it is clearly and conspicuously disclosed that the only active analgesic ingredient in such product is aspirin and the only stimulant ingredient in such product is caffeine, if such is the case; or

3. Fails to disclose, clearly and conspicuously that such product contains aspirin or caffeine, if such is the case;

B. Disseminating, or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisements which contain statements which are inconsistent with, negate or contradict any of the affirmative disclosures required in Paragraphs A(2) and A(3) above, or in any way obscure the meaning of such disclosures;

C. Disseminating, or causing the dissemination of any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of any such product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains any of the representations prohibited in Paragraphs A(1), A(2), or Paragraph B above, or which fails to disclose the disclosures required in Paragraphs A(2) and A(3) above;

D. Making any statements or representations, directly or by implication, concerning the performance, effectiveness, or side effects of such products when there exists a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drug products, as to the validity of any such statements or representations;

E. Making any statements or representations, directly or by implication, concerning the performance, effectiveness, or side effects of such products, unless at the time of such representations respondents have competent and reliable scientific evidence to support such statements or representations;

F. Representing directly or by implication that a test or study, or group of tests or studies, proves a statement or representation regarding the performance, effectiveness or side effects of such products, when there exists a substantial question, recognized by experts qualified by scientific training and experience to evaluate the safety and efficacy of such drug products, concerning the validity, significance or interpretation of such tests or studies as they relate to such statement or representation.

IV

It is further ordered that respondent Bristol-Myers Co., a corporation, its successors and assigns and respondent's officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of any product, do forthwith cease and desist from representing directly or by implication that physicians, or any other persons with scientific training and experience, recommend such product, unless at the time of such representations respondent has competent and reliable evidence to provide a reasonable basis from which such a conclusion may be drawn.

V

It is further ordered that respondent Ted Bates & Co., Inc., a corporation, its successors and assigns and respondent's officers, agent, representatives and employees directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of any non-prescription drug product, do forthwith cease and desist from representing directly or by implication that physicians, or any other persons with scientific training and experience, recommend such product, unless at the time of such representations respondent has competent and reliable evidence to provide a reasonable basis from which such a conclusion may be drawn.

VI

It is further ordered that respondent Bristol-Myers Co., a corporation, and respondent Young & Rubicam, Inc., a corporation, their successors and assigns, either jointly or individually, and respondents' officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of any non-prescription drug product, do forthwith cease and desist from:

A. Disseminating, or causing the dissemination of, any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which represents directly or by implication that such product contains an ingredient or combination of ingredients which is unique, special or available only in such product, unless such is the case.

B. Disseminating, or causing the dissemination of, any advertisement by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of any such product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, which contains the representations prohibited in Paragraph A above.

VII

It is further ordered, for the purpose of correcting the residual effects of prior false, misleading and deceptive advertising that respondent Bristol-Myers Company, a corporation, its successors and assigns, and respondent's officers, agents, representatives and employees directly or through any corporation, subsidiary, division or other device, do forthwith cease and desist from disseminating, or causing the dissemination of, any advertisements for the products Bufferin, Excedrin or Excedrin PM for a period of two years from the effective date of this order, unless not less than twenty-five percent (25%) of the expenditures, excluding production costs, in each medium in each market for each product shall be devoted to advertising in a manner given prior approval by authorized representatives of the Federal Trade Commission, and unless each such advertisement consists exclusively of a clear and conspicuous disclosure, that contrary to prior advertising:

1. In the case of the product Bufferin, it has not been established that Bufferin relieves pain faster than aspirin; it has not been established that Bufferin will cause gastric discomfort less frequently than aspirin; and that Bufferin will not relieve nervous tension, irritability or enable persons to cope with the ordinary stresses of everyday life;

2. In the case of the product Excedrin, it has not been established that Excedrin is more effective for the relief of minor pain than aspirin or any other non-prescription internal analgesics; and that Excedrin will not relieve nervous tension, anxiety, irritability or enable persons to cope with the ordinary stresses of everyday life;

3. In the case of the product Excedrin PM, it has not been established that Excedrin PM is more effective for the relief of pain which occurs during the night than aspirin or any other non-prescription internal analgesics; and that Excedrin PM will not relieve nervous tension, anxiety, irritability or enable persons to cope with the ordinary stresses of everyday life.

In the case of radio and television advertising, such approved advertising is to be disseminated in the same time periods and during the same seasonal periods as the challenged advertising for Bufferin, Excedrin or Excedrin PM. In the case of the print advertising, such advertising is to be disseminated in the same print media used to promote those products. In addition, said corrective advertising by respondent may be required to disclose such further information as is deemed necessary for the protection of the public or competitive conditions in the non-prescription internal analgesic drug industry upon development of record facts after a hearing in this manner.

Provided however that at any time after the effective date of this order, respondent Bristol-Myers may petition the Commission to reopen the proceedings to alter, modify or set aside this paragraph of the order, should the results of a survey, conducted in a form and manner given prior approval by authorized representatives of the Federal Trade Commission, show that the purpose of this paragraph has been achieved.

VIII

It is further ordered that respondents shall forthwith distribute a copy of this order to each of their operating divisions.

It is further ordered that respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered that each respondent shall, within sixty (60) days and at the end of six (6) months after the effective date of the Order served upon them, file with the Commission a report, in writing, signed by respondents, setting forth in detail the manner and form of its compliance with the order to cease and desist.

In witness whereof, the Federal Trade Commission has caused this, its complaint to be signed by its Secretary and its official seal to be hereto affixed at Washington, D.C., this 23rd day of February A.D. 1973.

By the Commission.

CHAS. A. TOBIN,
Secretary.

TOOLS FOR SCHOOLS

Mr. BAYH. Mr. President, I am pleased to join the distinguished Senator from Vermont (Mr. AIKEN) and others in an effort to ensure that the National Industrial Equipment Reserve—NIER—school loan program does not come to an end. The bill which I join today as a cosponsor, S. 589, provides an urgent supplemental appropriation of $1.8 million for the NIER program in the General Services Administration.

The NIER school loan program makes machinery tools in our national stockpile available on a free loan basis to schools for use in their vocational training courses. Today over 8,000 pieces of machinery are on loan to nearly 400 schools in 44 States, providing vital vocational training to some 35,000 young persons.

In my own State of Indiana there are 321 pieces of machinery worth in excess of $2 million on loan to 18 different school systems.

The reason that the urgent supplemental appropriation is needed, Mr. President, is that last year a disagreement deevolped between the Congress and the administration over whether to retain funds for NIER in the General Services Administration or shift them to the Department of Defense budget. The General Services Administration has responsibility for maintaining and protecting NIER machinery in storage and for the school loan program; the Department of Defense has overall responsibility for the program. The result of the disagreement was that funds for the NIER school loan program were provided to neither Defense nor General Services Administration.

The irony of the situation is that virtually everyone agrees that the school loan program is a good one and provides great returns for a minimal investment. In fact, it appears that it would cost more to end the program than to continue it, not even taking into account the vocational education benefits which it provides. If it becomes necessary to withdraw the machinery now on loan to the schools and to place it in Government storage the cost would be about $3.8 million. And if the schools attempted to replace this machinery at their own expense it could cost as much as $100 million. No one really wants this to happen, but it could possibly be the result if we do not take the action Senator AIKEN and I and others suggest. I urge my colleagues and the administration to give the most serious consideration to our proposal.

Mr. President I ask unanimous consent that a list of loan agreements by State and a list of NIER school loans in the State of Indiana be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LOAN AGREEMENTS AUTHORIZED BY STATES, AS OF DEC. 4, 1972

State	Number of loans	Number of items	Acquisition cost
Alabama	6	126	$530,424
Arkansas	27	506	2,113,555
California	28	501	2,556,645
Colorado	1	35	143,133
Connecticut	10	117	392,295
Delaware	2	22	111,112
Florida	1	43	97,020
Georgia	12	234	993,183
Idaho	3	33	110,098
Illinois	15	229	999,404
Indiana	18	321	2,229,527
Iowa	11	247	1,308,055
Kansas	10	233	897,585
Louisiana	1	14	42,461
Maine	3	41	172,942
Maryland	1	18	65,494
Massachusetts	27	665	2,573,796
Michigan	33	798	4,163,366
Minnesota	12	496	2,512,708
Mississippi	1	24	77,309
Missouri	10	308	1,704,995
Montana	1	5	10,668
Nebraska	4	131	704,464
New Hampshire	7	179	805,634
New Jersey	12	113	500,090
New Mexico	3	48	$176,656
New York	7	49	170,998
North Carolina	5	152	654,548
North Dakota	1	37	183,219
Ohio	31	481	2,604,630
Oklahoma	5	61	401,878
Oregon	13	176	1,288,125
Pennsylvania	19	392	2,144,316
South Carolina	10	289	2,159,518
South Dakota	3	86	336,113
Tennessee	7	86	328,532
Texas	4	45	243,330
Utah	3	76	525,959
Vermont	1	40	137,479
Virginia	13	172	1,198,264
Washington	7	146	732,610
West Virginia	3	81	236,243
Wisconsin	7	284	1,708,968
Wyoming	1	22	156,662
Total, 44 States	399	8,162	41,204,011

INDIANA

12010, Anderson—Anderson Area Vocational Technical School, 41 Items, Acq. Cost, $244,130.

02106, Bedford—North Lawrence Vocational-Technical School, 13 Items, Acq. Cost, $127,481.

02118, Cambridge City—Lincoln High School, 20 Items, Acq. Cost, $103,256.

12014, Elkhart—Elkhart Area Career Center, 17 Items, Acq. Cost, $49,620.

12020, Fort Wayne—Fort Wayne Community Schools, 19 Items, Acq. Cost, $136,141.

93003, Gary—Gary Area Technical—Vocational School, 8 Items, Acq. Cost, $80,880.

22129, Greenwood—Central Nine Vocational Technical School, 34 Items, Acq. Cost, $285,345.

32109, *Hammond—Purdue University (Calument Campus), 5 Items, Acq. Cost, $22,794.

22123, Indianapolis—J. Everett Light Career Center, 17 Items, Acq. Cost, $101,096.

93024, Indianapolis—Indiana Vocational Technical College, 9 Items, Acq. Cost, $216,533.

23185, Kendallville—East Noble High School, 8 Items, Acq. Cost, $32,456.

93025, New Albany—Charles Allen Prosser Vocational Center, 20 Items, Acq. Cost, $113,700.

22808, Sullivan—Sullivan High School, 20 Items, Acq. Cost, $82,672.

32113, *Syracuse—Lakeland Community School Corporation, 13 Items, Acq. Cost, $158,862.

12039, Terre Haute—Vigo County School Corporation—two locations, 31 Items, Acq. Cost, $256,721.

Terre Haute North Vigo High School, 15 Items, Acq. Cost, $129,342.

Terre Haute South Vigo High School, 16 Items, Acq. Cost, $127,379.

23261, Valparaiso—Valparaiso High School, 11 Items, Acq. Cost, $29,271.

23161, Versailles—Southeastern Indiana Area Vocational School, 17 Items, Acq. Cost, $66,759.

23277, Vincennes—Vincennes University, 18 Items, Acq. Cost, $148,810.

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* Authorized loan in process of being negotiated.

REPORT ON CONSTRUCTION CHANGES AT WEST POINT

Mr. GOLDWATER. Mr. President, retired Lt. Gen. Arthur Trudeau is Chairman of the U.S. Military Academy Planning and Advisory Board whose function is to oversee costs and possible overruns in the construction at West Point.

I have read their summary of changes ending February 1973, together with a capitulation of funds available through March of this year, and I think it would be of great interest to my colleagues to find out the good work that this committee is doing under the leadership of General Trudeau.

We seem to have put a stop to the never-ending spiral of increased costs at the Military Academy and we see in its place stability which will result in the better expenditure of funds in the years ahead.

I ask unanimous consent that this report be placed in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SUMMARY OF CHANGES, FEB. 1–28, 1973

Project, contractor, and change number	Date	Description	Reason for change	Estimated cost
Cadet activities center:				
Sovereign Construction Co., Ltd.:				
R-0093	Feb. 6, 1973	Relocate door 108, revise masonry at light control room, revise door 951, etc.	Miscellaneous construction interferences	No change in price.
R-0094	Feb. 13, 1973	Revise NN fixtures	Necessary to relamp from above	$1,500.
Secondary sewage treatment facility: Vicon Construction Co.: R-0027.	Feb. 7, 1973	Add manhole at south site ejector station	Existing 10" not located as shown on contract drawing, manhole necessary.	$800.
Academic facility alteration: Gramercy Contractors, Inc.: R-0024.	Feb. 6, 1973	Revise wall bannister, room 341B, Thayer Hall	Necessary to provide stability for wall	$500.

Note: (1) No further changes to report. (2) No significant foundation changes to report.

FUNDS AVAILABLE AS OF MARCH 1973

Project	Authorization	Committed to date	Balance	Percent complete
Cadet activities center	$27,552,000	$24,230,396	$3,321,604	70.0
Academic sciance building	16,933,000	16,840,647	92,353	100.0
Thayer Road relocation	2,544,219	2,390,618	153,601	100.0
200 units family housing	7,200,000	6,994,215	205,785	99.9
Secondary sewage	4,289,000	4,189,749	99,251	85.0
B.O.Q.	847,000	826,832	20,168	99.0

Project	Authorization	Committed to date	Balance	Percent complete
Wash. Ruger Road Interchange	[1] 2,718,000	[1] 1,974,086	743,914	99.0
Academic facilities alteration	1,040,000	1,008,135	31,865	94.0
Expansion Camp Buckner	1,864,000	1,359,937	504,063	0
Modification to utilities	[2] 968,000		[2] 528,447	
Primary electrical system ext	(2)	396,152	(2)	0
Building 674 mech. rm. mod	(2)	43,401	(2)	0

[1] Reduced by $990,000. Corresponding increase of secondary sewage: above original amount of $3,299,000.

[2] Includes primary electrical system ext., Bldg. 674 mech. rm. mod. and water system mod. unawarded).

Note: Partial awards: (1) Relocate Washington Monument; (2) Thayer Road relocation, Cullum Road West, Jefferson Road to Washington Road. (3) Washington Road-Ruger Road intersection, Thayer Road-Cullum Road intersection.

THE USE OF COMPUTERS IN CONGRESS

Mr. GOLDWATER. Mr. President, for many years, almost since the advent of the computer, I have felt that it has a definite place in the operation of the Congress. I think it could benefit all of us in the daily operation of our offices; it would certainly be of great benefit to committee staffs and to people engaged in research for those staffs and for individual Members of Congress.

Honeywell, which is one of the major computer manufacturers in the country has done a study on the way it feels computers could benefit Congress. It appeared in the Honeywell Computer Journal, volume VI, No. 4, February 1973. I am sure that many of my colleagues have felt the same way about the advantage of computers in our daily congressional lives. Therefore, I ask unanimous consent that this be inserted at this point in my remarks.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

COMPUTERS IN THE CONGRESS

(By Ernest C. Baynard)

Niccolo Machiavelli, The Prince (1513): "It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones."

INTRODUCTION

Information is the lifeblood of the legislative process, yet Congress has not exploited computer technology to meet its needs. Present-day computer technology, applied to the legislative process, would have a dramatic impact upon the effectiveness of the Congress. Most importantly, computers applied to the budget and appropriation cycle would provide information concerning budget requests and the nature and effectiveness of Federal expenditures far beyond the capacity of traditional data processing procedures. There are other areas of computer application—improving retrieval of reference and historical data—an effective bill status system—administrative improvements in the offices of Members of Congress. Applications in these areas that interface with the substantive legislative process is where Congress will obtain the true advantage of the computer.

Congressional payrolls, equipment inventories, and other "housekeeping" applications of computers have come to Capitol Hill in recent years. There have long been discussions of broad application of computers to the Congress. However, the first formal effort to bring this about began in 1965, when Congress established the Joint Committee on the Organization of the Congress to study means by which its operations could be improved. More effective legislative control over the budget and Federal expenditures was a priority item of the Committee.

Congressman Jack Brooks, Democrat of Texas, the leading congressional proponent of effective and efficient use of computers, was instrumental in adding language to the committee's report that recommended the development of a sophisticated computer system to support the budget cycle in both the Executive and Legislative Branches of the Government. Legislation implementing the Committee's recommendations was approved by the Senate, but the House failed to act and the Committee was dissolved in 1968. In 1969 January, Brooks introduced legislation aimed at getting congressional computer operations off the ground. But by then the House Rules Committee, which must give approval to legislation to reach the Floor for debate, had assumed responsibility for congressional reorganization and considered computers as falling within its jurisdiction As a result. this legislation, although approved by the House Government Operations Committee, did not get to the Floor of the House for consideration.

Fortunately, however, the Rules Committee bill, which Congress finally adopted as the Reorganization Act of 1970, included the language concerning computers which Brooks had previously recommended. Thus an affirmative mandate was established calling for cooperation between the Executive Branch (represented by the Office of Management and Comptroller General), in the development of a computer system to support the budget and appropriations cycle.

However, progress has been painfully slow and at times difficult, if not impossible, to observe. The decisive steps necessary to exploit the power of computers in the Congress have not been taken. All the necessary ingredients are available The resources, the expertise in both computers and in the legislative process, are available for the asking. All that seems to be lacking is initiative on the part of key officials in the support units of the Congress, and a comprehensive plan detailing the flows of data that are of value to the Congress and the extent these data are susceptible to modern data processing techniques. There is no plan in existence outlining who in the Congress should do what to make the computer systems Congress needs a reality.

There is an equally important problem—the need to describe this plan in language that people who are not computer technicians, people like Congressmen and their staffs, will readily understand. This is no altrustic requirement. Congressmen are zealous of their prerogatives. "Big" money is involved. Members will want an explanation of the product before Congress writes the checks.

Accordingly, this paper has two purposes. First, it is an attempt to explain computers and their relationship to Congress in simple language that laymen might understand. Second, it is to provide a rough "discussion draft" that could be altered or refined by computer experts and those involved in the legislative process or, in fact, by anyone who might wish to make a contribution. Hopefully this might ultimately lead to development of a coordinated and comprehensive approach to congressional computer system development.

THE COMPUTER

Computers—or, in more precise terms, electronic data processors—as their name implies, process data, information is some recallable or communicable tidbit of data that is oriented to the needs of a specific person or persons, for an identifiable purpose, at a specific time and location.

A computer is a very highspeed adding machine, commonly using binary (base 2) numbers instead of decimal (base 10) numbers. 1 is 1, 2 is 10, 3 is 11, and 4 is 100, etc., etc. Using binary numbers makes it easy for computers to add and subtract. To multiply can be to add repeatedly. To divide can be simply to subtract repeatedly.

The vast potential of the computer flows from this very highspeed computational capacity, coupled with the ability to compare numbers according to some predetermined order or sequence.

These two seemingly limited functions, computing and comparing, can theoretically be structured into any nonintellectual thought process of the human mind. A very simple example is the check reconciliation process, known to practically everyone. The computer, by a series of programmed instructions, calls each check up for examination. After feeding both the information on the check stubs and the returned checks into the computer via cards or tapes, the computer compares the number of the check stub with the number on the check. The computer scans the numbers. If the first number is less than the number on the check, the program "loops" back to repeat the comparison on the next number, and so on until the numbers on the stub and the check match. The amount of the check is then, by a simple followon computer operation, subtracted from the balance and the next check number is brought up for comparison.

This basic concept is simple. The structuring of "software"—the body of instructions and codes that direct the computer—almost always becomes a complex, tedious time-consuming, and costly operation, with the quality of the result depending upon the capability of the programmer.

Computers can process data into information of a quality and at speeds impossible to obtain from traditional data processing methods. A medium-sized computer reconciles the Government's checkbook on a current basis—a task previously employing hundreds of clerks who were usually months behind. Larger computer systems, properly designed and coordinated with the sources of data of value to the Congress, can be applied with equal effectiveness to key facets of the legislative process.

Before discussing the use of computers in Congress, certain fundamental policies must be recognized.

POLICIES PROTECTING THE INTEGRITY OF THE LEGISLATIVE SYSTEM MUST GOVERN THE APPLICATION OF COMPUTERS IN CONGRESS

The legislative process is a direct reflection of our democratic form of government. No computer should be used in any way to alter, or in any substantive sense compromise, the rules of the House or Senate or the basic parliamentary procedures of the Congress. Computer concepts must be moulded to meet the needs of the Congress. The Congress must not be subordinated to computers.

Computers must be used to improve the quality of information available to Members and enhance their decisionmaking capability. Through improvements in the quality of information available to Members and committees of Congress, higher quality decisions, directly benefiting the nation, can be made by the individual Members. Computer applications that might dilute the decisionmaking power of the individual Member or interfere with his representative capacity cannot be tolerated.

In the design and development of computer systems for use in the Congress, no arbitrary restrictions or restraints affecting the ultimate availability of data to all Members of Congress should be allowed.

The committees of the Congress must control the determination of their informational requirements. There are only three acceptable responses to the request of a committee of the Congress for data processing capacity. First, "Yes, the system now in use has the capacity"; Second, "Sorry, the capacity requested is beyond the state of the art"; Third, "Sorry, the system now in use does not have the capacity, but could be improved or extended at the cost of 'X' dollars. If you can obtain this additional funding for us, the data you request will be provided".

Under this approach, the capacity of computer systems available to congressional committees will depend directly upon the state of the art and the ability of the committee requiring information to obtain the resources needed to provide the capacity.

It is unrealistic to assume that any committee having policy control over any aspect of computer system development should limit or deny any request of any other congressional committee.

Computer systems will be very costly, but if system development is properly coordinated and carried out, the benefits from computer use will be well worth the cost. No computer system should be introduced in Congress without the appropriate Committee of Congress first requiring a full explanation of the computer output in language the average Member can easily understand. Only on the basis of easily understandable explanations of the computer capacity to be provided should the Congress go along with the substantial expenditures inherent to the introduction of computers into the legislative process.

Extensive periods of time are often required to develop computer systems. It is therefore vital to avoid distortion of the effort to get quick results in order to justify the expenditures, when the distortion compromises the ultimate quality of the system.

It is also fundamental that the Congress, in the procurement of computer systems, follow the same policy considerations and businesslike management practices that have been laid down for the Executive Branch under Public Law 89–306. Of particular importance is the constraint that hardware should be procured under competitive conditions.

APPLICATIONS OF COMPUTERS IN THE CONGRESS FALL INTO SIX CATEGORIES

Computers Can Provide Members and Committees of Congress with Better Data about the Budget and Appropriations Process:

Attempt to obtain data concerning the funds available during this fiscal year for any program in the Executive Branch. A response could take days, or even weeks. Most probably the materials obtained would be very general and limited in amount.

Broaden your request to include the amount in the budget for the coming fiscal year covering this specific program. Or ask about the funds expended in prior years, the number of personnel employed, the results achieved, the statutory authority, and other rudimentary data regarding the program. You will find that weeks can elapse before any material is received.

On a more general basis, make a request for the total sum being expended for some particular category of expenditures, such as education. Request data about specific types of expenditures, such as travel on a governmentwide basis. There will be a similar delay, if, in fact, it is possible to obtain the data at *any* time in *any* form.

Relatively simple requests for data concerning the budget, just as outlined above, are preliminary to any evaluation regarding the need for, or efficiency of, any Federal program.

Through the use of computer techniques, a broad variety of data would be readily available within a period of a few hours concerning any facet of government operations. The day a new budget is submitted to the Congress, the committees and individual Members could obtain data concerning those facets of government operations, as reflected in the budget, of specific interest to them. They would not have to grapple hopelessly with the telephone-book-sized Budget Appendix.

Accompanying the basic fiscal data (what agency is to obtain how much for what purpose) would be the ability to obtain a limited, but important, number of basic evaluations. As an example, a Government Operations subcommittee could obtain, on the day the budget was submitted to the Congress, a printout of the funds allocated to each program in each of the departments and agencies under the subcommittee's jurisdiction. These funds could be broken down under the traditional object classification, indicating the amount to be spent for travel, personnel, etc., etc. Accompanying this breakdown could be a comparison with the funds available for these programs during the prior fiscal year. Immediately available would be data as to what programs involved increased expenditures, the areas of activity in which the increased expenditures would fall, and the percentage difference from prior years.

With this data could be a statement of statutory authority corresponding to the specific programs, a present and projected breakdown of personnel by GS rating, together with the ability to develop input-output indexes to indicate changes in operational efficiency of programs as a whole. The same data, but in differing formats to reflect the specific requirements of the legislative and appropriations committees, could be available within the same time frames.

With data of this nature readily available, it would be possible for Congress to significantly improve its control over Federal Government fiscal operations. On a "follow-on" basis, in the years to come, advanced data processing techniques could be used to develop a sophisticated analytical capacity that would assist Congress in evaluating the justifications for expenditures involving the various programs under way in the Federal Government. In the technical area, such evaluations would be a major responsibility of the Office of Technology Assessment which Congress recently established as a part of the Legislative Branch.

In very general terms, evaluations or assessments would be made by using historically-oriented reference or opinion data to evaluate and analyze the budget data. *Example:* Suppose a NASA budget request for $10 billion were before Congress to send spaceships to Mars to collect rock samples. Among other things, the Congress would want to have expert opinion data reflecting the opinions of geologists as to what might be learned from an examination of the rocks. The Congress might well wish to evaluate historical and reference data as to the extent knowledge was gained from collecting rocks on the moon.

Through Use of Computers, Congress Can Obtain More Effective Access to the Vast Store of Historical and Reference Data Essential to the Evaluation of Legislative Proposals and the Budgetary Requests of the Executive Branch:

Even assuming that you have reliable, current fiscal data concerning an identifiable segment of a Federal program, to assess ongoing and proposed new programs, and the efficiency of the operations that are involved, requires a research capability to obtain reference or historical data on the basis of which judgments can be made.

The contemporary testimony of witnesses before Congressional committees, at least in the form that it has been presented traditionally, is not susceptible to computer techniques. However, the *prior* testimony of witnesses and other experts, and the almost infinite store of knowledge in the Library of Congress and other depositories is "on call". It is needed by the Congress to properly evaluate the budget and other matters flowing through the legislative process.

At this time, the extraction of historical and reference data is a difficult, time-consuming process. Library of Congress researchers, following the traditional methods of past decades, examine a series of bibliography cards to locate data pertinent to a request.

In contrast to this inadequate approach, computers can be employed. The Library of Congress, without adequate funds, has been working in this area for years. Modern library science techniques aid the researchers in locating the desired data. Library bibliography cards can be computerized so that key words identifying the data requested will be matched up with synopses of books and periodicals and other materials, allowing for location of the data in minutes, when manual search would have taken hours or days.

Computers do not like unstructured data. Their application to historical or reference material, such as in the Library of Congress, will be a difficult and costly job. But through their use, substantial improvement in access to this type of material can be obtained.

Computers Can Be Used to Develop an Effective Bill Status System for the Congress:

At present, a Member's office or a committee must make at least five or six calls to determine authoritatively the status of a legislative proposal. This is a time-consuming, error-provoking process. A sophisticated bill status system, utilizing computers, can provide a status report on all legislation with one telephone call to a centralized bill status operational center. A computer system operator, given either the bill number or the subject matter of the legislation of interest, could query the system and provide a short response. Example: "H.R. 134 is pending before the House Armed Services Committee; no action is scheduled at this time". If the Member or staff member needed additional information, the operator could obtain a "printout" from the computer system of all information relative to that proposal. This would include the text of the bill, its author, action taken, references to the reports of various agencies, and other data concerning the proposal that an individual would need to make at least an initial assessment of the legislation. Requested printouts would be extracted from the system in the computer room and delivered to the Member's office.

After the system had been established, terminals could be installed at various locations on the Hill where printouts could be obtained. Ultimately, should the House or the Senate feel that the cost could be justified, terminals could be installed in each Member's office.

Computers Can Also Be of Some Possible Immediate Help in the Operation of Individual Members' Offices:

In discussing computers in the offices of the individual Members of Congress, a clear distinction should be made between—the overall development of computer systems that will benefit all Members of Congress—the linkage between these systems to the offices of individual Members for purposes of transmitting data, and—computer systems within the office to process data exclusively for the individual Member.

It is academic to discuss providing individual Members with information as to the (1) budget and appropriations cycle, (2) historically-oriented research or reference data from the Library of Congress, or (3) data from a bill status system, until these basic systems are developed and are in operation.

Aside from the installation of terminal or computer units in individual Members' offices to satisfy their needs for data from the systems enumerated above, computers don't offer any broad or immediate potential to the individual Member. However, there are some applications that would be helpful.

There is a present possibility that a computerized filing system could act as an adjunct in the development and maintenance of the Member's constituent mailing lists and also form the "base" for ultimately bringing into his office direct computer access capability with the systems referred to above.

Using a computerized filing system, a secretary would type, on an electric typewriter linked with a computer, the name of a constituent writing or contacting the Member. A "write-out" would immediately show whether the individual had previously written or contacted the Member, the subject matter of the letter, and the date of the response.

Incident to the final answering of the constituent's letter or request in lieu of filing a copy of the response or noting the response on a file card, the secretary, using the same method just described, would add the identifying information as to the letter to the data stored in the computer for future access. The name could then be added to the permanent mailing list under subject matter categories, or could be printed out for whatever purposes the Member might require.

Computers Can Be Used to Improve the Communications Linkage Between Members and Their Constituents:

Computers can be used to vastly improve the maintenance of mailing lists and the processing of correspondence with constituents, and this is already under way in both the House and the Senate.

Computers Are Needed to Maintain the Housekeeping Responsibilities of the House and the Senate:

As in all other organizations, computers are effective in the development and the maintaining of payrolls, inventory systems, and other "housekeeping" activities. However, application of data processing techniques to these areas of activity is not as relatively important as those applications interfacing with the substantive legislative process, which these do not. Unlike the other applications already listed, there is no need for these systems to be compatible or uniform in any way between the House and the Senate. There is no need for compatibility between House and Senate housekeeping computers. There is no need for them to react. In fact, there may be an advantage in maintaining a lack of compatibility to avoid any possible compromise in the independent status of the House and Senate.

All meaningful computer applications in Congress will fall logically within one of the general categories referred to above, and depicted on the facing chart.

NOTES

1. Computer systems depicted in boxes with heavy outline must be compatible because they support or interface with the substantive legislative process. Data from the Office of Management and Budget (located in the Executive Branch), the General Accounting Office (headed by the Comptroller General), the Library of Congress, the congressional bill status system, and any computer capacity provided individual Members' offices, must be compatible so that these computer systems can "talk to each other" and their data can be blended for evaluation purposes.

2. The jurisdiction of the Joint Committee on Congressional Operations would emphasize the overall development of information systems for the Congress as a whole and, *to the extent necessary*, provide the coordinating linkage for the development and maintenance of the unified systems which are needed by both the House and the Senate, shown in the middle column of the diagram.

THERE ARE SERIOUS LIMITATIONS ON THE TYPES OF DATA SUBJECT TO COMPUTERIZATION, AND THESE LIMITATIONS MUST BE UNDERSTOOD IF OPTIMUM USE OF COMPUTERS IS TO BE ATTAINED IN THE CONGRESS

Computers are like some cats. They are finicky eaters. Computers will not accept just any data that comes along. And even if "just any data" is somehow fed into the memory of a computer, this does not mean that access to that data is possible. And even if the data can be gotten out of the computer, this does not mean it will have any informational value. In fact, computer output processed from poor data, or by inadequate computer programs, can be dangerously misleading. Data to a computer must be structured, identified, and classified in advance, in exact terms of its prospective use, or the computer simply refuses to work.

The information on a gasoline pump in a filling station as to the price and amount of fuel placed in an automobile tank is a good example of structured data—data that is identifiable and predictable in terms of form and description. These characteristics of the data remain stable although the data itself may change. On the gasoline pump, which is in essence a very simple computer, experience has shown that information as to the quantity of gasoline and the corresponding price of that quantity will be of value. The data as to these items will be constantly changing and will recur every time gasoline flows through the pump.

In contrast, there is nonrecurring, unstructured data, such as that generally found in testimony before congressional committees and in the vast collection of books, newspapers, and periodicals stored in the Library of Congress. While computers love structured and recurring data, the storage and retrieval of nonrecurring data present formidable problems.

While computer science is making inroads into the use of computers to retrieve data from loosely structured data bases, generally, as the flexibility of data structure increases, the ability to select specific data in the data base decreases.

Generally, data is either structured under some access concept, or is only subject to some library science-type indexing, where a trained researcher must take over from the computer and make the final identification of the data desired. Because of these limitations, only certain flows of data in the Congress are directly subject to computer techniques. They are vital to the legislative process but constitute only a limited part of the total data flow in Congress.

The knowledge of every Member, staff member, committee witness, visitor—the contents of every newspaper and book that is delivered to the Congress—every broadcast or telecast that is heard or seen by anyone interfacing with the legislative process—are all data sources that potentially affect the progress of legislation through Congress. Computerization of this entire flow is impossible. Our interest is in principal data flows, having significant impact on the substantive process, that fall within the perimeter of practical computer application. Note that a principal flow of data into the legislative process, the testimony of witnesses appearing before committees, is not generally subject to computer techniques.

Material submitted in oral testimony or for the record can be similar and related to budgetary and appropriations data received from the Executive Branch. Possibly witnesses in the future will offer material in computerized form that is compatible with and can be merged and evaluated on congressional computers, but in most instances such data will be predominantly current, unstructured, or reference-type. *Example:* "I am against the SST because . . .". Thus the testimony of congressional witnesses, although a principal informational flow into the Congress, is of no immediate concern in applying computers to the legislative process.

To the Congress, (1) budget data from the Executive Branch, (2) historical or reference-oriented data, such as from the Library of Congress, and (3) a bill status system, constitute the principal flows of data essential to the legislative process subject to meaningful improvement through computer techniques. The data flows on a functional basis correspond with the principal computer modules in a congressional computer system as previously described.

THE PRINCIPAL DATA FLOWS IN THE CONGRESS THAT ARE SUBJECT TO COMPUTERIZATION

The Budget, As Prepared in the Executive Branch, Is the Principal and Most Important Data Flow in the Congress:

In 1921, Congress delegated responsibility for the preparation of the budget to the Executive Branch. Each year, the Office of Management and Budget submits to the Congress the President's proposed budget, prepared under his direction on the basis of data supplied to the OMB by the 69 departments and agencies in the Executive Branch.

This flow of fiscal data is most important for two reasons. First, money is involved. Money is always important and achieves a top priority in its own right. In practical terms, the appropriation of funds to carry on the functions of government is the most fundamental aspect of the legislative process. Although it may not be the soul, surely appropriating money is the heart of the legislative process.

The second reason that budget and appropriations data is of prime importance to the application of computers in Congress is that the budget items may be the most extensive and most acceptable "common denominator" needed to unify the various computer applications Congress may require. The basic architecture of a computer system must have a backbone. It is doubtful whether a subject matter index (as would be the backbone of a bill status system) would be as satisfactory as the individual seven to eight thousand budget or cost elements in the OMB's proposed budget and appropriations system.

The budget is a prime candidate for a computer application. The structured fiscal data is highly susceptible to computers. The benefits to Congress are formidable. The computer gives Congress a real opportunity to regain fiscal control over the Federal Government after having delegated the budget function to the Executive Branch in 1921. Such a system could be the keystone of the legislative process, and could with logic and reason be ranked as the most important computer system in the nation.

Historical Material, Such as That Found in the Library of Congress, Is Also a Principal Source of Data Relative to the Substantive Legislative Process:

Unstructured, historical, or reference data that Congress might need cannot be identified in prospective terms and made available systematically in anticipation of the need. Data does not become information, and therefore of value, until related to a specific need. And legislative informational needs, as in most endeavors, are for the most part unpredictable. However, Congress must have the means of acquiring individual items of data concerning practically any facet of human endeavor that might relate to or be pertinent to matters under consideration in the legislative process.

The Library of Congress, the Executive agencies—in fact, the entire outside world—have vast stores of data of this type. Because the need for most reference material cannot be anticipated, data from historical or reference sources must generally be requested. The sum total of these requests constitutes a second vital flow of data into the legislative process. This data, served up "when needed", is what judgments are based on. Nonrecurring data of past events, opinions, and prior decisions are one of the most important sources of information in the legislative process.

Although access of this data for the most part is not subject to direct computer application, the library science and bibliographic data used to identify and locate the desirable material can be processed by computers. Synopses of certain classes of reference material, such as normally accompanies medical and other scientific treatises, can be placed in computer memory and retrieved on a subject matter or "key word" basis.

Other computer techniques with significant potential in the storage and retrieval of nonrecurring data must be exploited. Note that the structured budget data and the contents of a congressional bill status system become reference material after the fiscal year or a particular Congress come to an end. As time passes, reference or historical data on past budgets and prior legislation should be subject to immediate recall.

The Congressional Research Service must provide Congress the highest level of computer capability, recognizing that this is a difficult area for computer applications.

The Flow of Data As to the Status of Bills and Other Proposals in the Legislative Process Is Also of Vital Concern to the Congress:

The nation's vast telephone system would be useless without telephone books. Likewise, the legislative process, to operate most effectively, must provide individual Members of the Congress and the committees with a flow of data as to the status of the various legislative actions under consideration.

The tendency to underestimate the complexity and the cost of this system should be recognized. Many state legislatures have "bill status" systems. OMB has recently developed a relatively simple system to follow legislation affecting the President's program. But these systems have little in common with the system Congress requires. Experts on the legislative process must "think out" every step of the process and identify in detail the ultimate product or requirement the computer is to provide. Design of a bill status system requires much preliminary work on the part of experts in the legislative process even before computer technicians are involved. A standard and improved subject matter index applicable to the Congressional Record and the U. S. Code must be completed. Fortunately, the Congressional Research Service has done considerable work on a project of this kind.

A number of other exceedingly delicate problems must also be worked out so that the system will be of meaningful value to Congress. There must be an effective way to handle "clean bills" that is, measures that are introduced after committee consideration has been completed, to reflect, in "clean" draft form, the amendments that the committee recommends to the House or Senate. If a Member should query a bill status system concerning "H.R. 1234" and be advised that the bill had been indefinitely postponed, he would be rightfully concerned to learn at a later date that a "clean bill" had been introduced as "H.R. 3456" and had gained the approval of the Congress.

As computers don't like undefined, unstructured data, every bill that goes into the system must be analyzed and given a title or reference in accord with the system's subject matter index. This takes time. Yet the system must be immediately responsive. Think of the logjam at the beginning of a Congress when hundreds of proposals are introduced at one time. There is no requirement, nor is there likely to be one, that Members conform the titles of bills they introduce with some standard subject matter index. To fit each bill into a standard index will require individual evaluation by the Congressional Research Service. This, and other analyses that must be made if the system is to be of real value, will require considerable time for much of the legislation introduced. An apparent solution is a temporary system based on bill number and title. Then, when action is scheduled on the bill, it could be placed in the permanent data system. The delay between introduction and action would give the Congressional Research Service time to analyze the bill and to structure its contents in data forms acceptable to a computer.

There are countless other problems that must be anticipated and researched before a bill status system concept should be allowed near a computer.

THERE ARE A NUMBER OF SYSTEMS DESIGN CONCEPTS AND OTHER IMPORTANT CONSIDERATIONS THAT MUST BE TAKEN INTO ACCOUNT IF THE CONGRESS IS TO UTILIZE COMPUTERS EFFECTIVELY

Computer Compatibility Is Essential to the Efficient, Effective Use of Computers in Congress:

Computer usage in Congress will evolve over a long period of time. It isn't practical or even possible to develop in one cycle a comprehensive system covering all possible computer applications. What Congress must do is develop computer systems on a modular basis with the view that systems that relate to the substantive legislative process will ultimately interface or even merge. Congressional computer development will be like planting plugs of zoysia grass.

The interests of the Congress demand that these modules be capable of mutual interaction at some future date. Computers supporting the substantive legislative process must be able to "talk to each other" through data exchange, as data systems grow and the data they maintain begins to intermingle with data in other legislative systems.

This means that congressional computers in both the House and Senate that support or potentially interface with the *substantive legislative process* must be compatible between themselves and with the basic budget systems maintained by the Office of Management and Budget. Data generated at various points within the government must be merged and evaluated, for understanding by all concerned.

There must be uniformity. Otherwise, computers will not work. If the Senate were to develop a system that stated the date as "3 November 1969", the House were to use "11/3/69", and the Executive branch were to use "November 3, 1969", hopeless confusion would be the computer output rather than valuable information Congress needs.

The development and maintenance of a broad spectrum of classifications, standards, and conventions essential to an acceptable level of compatibility will be a difficult, time-consuming and permanent job. Some people say it is impossible. Others suggest that it is not necessary. But they are wrong. Compatibility is the key to effective use of computers in Congress, and compatibility requires a unified approach *at the operational level* in the development of initial systems Congress urgently requires. A unified approach to the development of computer systems directly relating to the substantive legislative process must either be the cardinal rule, or you can virtually write the future effectiveness of Congress "off the books".

During the Design Stage, the Architecture of Congressional Computer Systems Must Be Tailored To Meet the Needs of the Committees:

Design of effective computer systems for the Congress does not allow all 535 Members of the House and Senate a choice in system structure or data format. Computer systems design must reflect the same considerations that led Congress to develop the committee system, under which the organizational structures of the House and Senate allow special attention to be given specific matters of legislative interest.

Variations in system output, such as the format of the data, must be kept within reasonable bounds. The requirements of Members must be placed in logical categories in the same manner that their interests are categorized under the committee system. This does not compromise the interest of the individual Member. The sum total of committee requirements for data is essentially the same as the collective requirements of the Members. Once the systems are in operation, the data would be available to individual Members under whatever procedures and policies the House and Senate may adopt.

The requirements of the committees during the systems design stage are the immediate goal of any congressional computer effort. Responding to this more specific objective will be difficult enough, even considering duplication in requirements among the committees.

The House has 21 so-called "standing" or regular committees, the Senate has 17. Apart from the rules and administration committees, with no extensive interface with the substantive legislative process, congressional committees are of four categories.

The Revenue Committees: The House Ways and Means and Senate Finance Committees raise revenue. They are interested primarily in a data flow from the Office of Management and Budget as to the fiscal condition of the government and revenue estimates of the funds that will be paid into the Treasury under tax laws now in effect. Most of this is heavily structured, budget-type data.

The Appropriations Committees: The House and Senate Appropriations Committees are interested in structured budget data from OMB in the traditional object classification format. In addition, these committees are interested in related support data justifying an expenditure for the particular item at the level requested, which is a combination of structured budget data and reference or historical data.

The Legislative Committees: The various legislative committees, with subject-matter jurisdiction over varying categories of operations such as "Armed Services," "Labor", "Commerce", etc., deal with the authorization of programs. Although requiring structural fiscal data, their primary interest is in contemporary, reference, and historical data.

The "Oversight" Committees: The House and Senate Government Operations Committees have responsibility to audit and evaluate the economy and efficiency of government, i.e., follow the appropriated dollar to see that it is properly expended in accordance with the legislation authorizing the program. These committees have a primary need for fiscal data, but in a different format than that presented in the budget and used by the Appropriations Committees. The primary need is for Federal expenditures set forth in a program format.

Thus the data requirements of all congressional committees subject to computer techniques can be met by three basic systems: (1) a system providing information as to the budget and appropriations cycle, with the capability for formulating or arranging the data in a manner consistent with the different needs of the four types of committees; (2) a system encompassing the latest advances in library science computer techniques to provide the most effective retrieval capability for historical and other unstructured data that might be stored in the Library of Congress or any other depository available to the Congress; and, (3) a bill status system. In other words, the systems previously described.

The design of these three basic systems, with data structures and formats required to meet the needs of these four basic types of congressional committees, is the immediate goal. This approach reduces the congressional computer system design problem to a manageable size.

It Is Important, As Far As the Use of Computers in the Congress is Concerned, to Distinguish Between the Acquisition of Data by Computers and the Follow-On Analysis of This Data Using Computer Techniques:

The application of computers in Congress will be a long process that will evolve continually for decades. Use of a modern cost-benefit analysis technique in the Congress is a popular concept—and quite reasonably a controversial subject. In practical terms, the broad and meaningful use of such techniques in the Congress is a long way off. *In any event, it will depend upon Congress' first acquiring the data in the proper quantity, quality, form and structure to analyze.*

Meanwhile, broad access to fiscal data alone, without any accompanying analytical capability, would be of the greatest value. Just a simple inventory of the money. Just a simple statement of "who" is getting "how much" for "what" would be 'hawg heaven" for most Congressional committees, in contrast to what is presently available.

Congress must not overlook the data to be analyzed in grasping for analytical capability.

The Most Effective and Efficient Computer System Design Comes from Blending the Technical Expertise of the Computer Expert with the Knowledge of Those Familiar with the Field of Application and Those Who Will Use the System:

While there are always exceptions, computer systems must be tailormade. Few applications programs can be purchased "off the shelf". The system design must reflect the highest level of understanding of the substantive process to which the computer is to be applied. Good system design technique requires a "cycling" or repeated exchange between computer experts and the experts in the field of substantive application. It is essential, therefore, that prospective users demand a complete explanation and data format description of a proposed system before implemenation begins.

This is particularly important if computerization of obsolete systems is to be avoided. Present noncomputer data systems often reflect the limitations of their time, and some of these presently in use in Congress date back to George Washington's administration. These limitations need not be retained after computers are introduced. *Example:* There is no need to limit the requirement for an update of the budget to July 1 each year as provided in the Reorganization Act. Computers can provide for a constantly updated budget, reflecting changes as they are made.

Only through the blending of computer expertise with that relating to the proposed application can such limitations on data flow be identified and discarded. Only by such discussions—in a "give and take" environment—can an optimum system be devised. Such discussions are essential before *any* system is slated for implementation.

THERE MUST BE AN AGREED-UPON PLAN DELINEATING RESPONSIBILITY FOR THE ORDERLY AND EFFECTIVE INTRODUCTION AND USE OF COMPUTERS IN THE CONGRESS

Applying Computers to Congress Immediately Becomes a Question of Who Does What:

There are a number of potential players in the congressional computer game, each with different roles. It is essential that the fundamental question "who does what?" be settled in advance of computer system development. Otherwise, the success of the overall effort will be endangered from even an additional source.

All parties potentially involved in computer use in Congress can be set forth in three categories. First, the users of the system, that is, the committees and the individual Members. Second, those will have policy control over system development and use. Third, those who will have operational responsibility for the development, maintenance, and continual improvement of computer systems.

At this point, a traditional philosophy of congressional operations comes into play. Congressional committees do not become involved in the routine operation of the various systems and services that support the legislative process and the Congress in general. *Example:* The staff of the Joint Committee on Printing does not directly manage the Government Printing Office, but rather asserts policy control over those officials with this responsibility.

The advantage of this policy is that it will allow the congressional committees to maintain the necessary independent "oversight" and policy control. If the committee were to become involved in the day-to-day operations through the use of its staff, then the committee would have no "leverage" in maintaining "oversight" and policy control over the operations.

In keeping with this policy, congressional committees should not become involved in actual computer system design and operations, but should remain aloof. Only thus can the proper policy control and the essential "oversight" function be maintained on a viable basis.

The House and Senate Committees With Administrative Jurisdiction Have Primary Policymaking Control Over Computer System Development and Maintenance in Their Respective Houses:

In keeping with the policy of avoiding change or distortion of the present legislative or parliamentary system, it is logical that the House Committee on Administration and the Senate Committee on Rules and Administration maintain jurisdiction over computer system development and maintenance in their respective houses.

However, the emphasis on the oversight and policy control these two committees assert should be on the final product the committees, the individual Members, and other units of the Congress require. Both of these administrative committees should determine informational requirements and see that whatever operational unit has responsibility for providing these requirements delivers "the goods".

This approach allows the subordinate operational unit in the Congress with jurisdiction over development and maintenance of a particular system to "merge" the requirements of the House and Senate into one system that will provide for the needs of both. Not only will this allow for compatibility in computers between the House, the Senate, and the Executive Branch, but it will also avoid costly and unnecessary duplication in computer systems between the House and the Senate.

There is ample precedent. All major congressional subordinate support units—that is, the General Accounting Office, the Library of Congress, and the Government Printing Office—have always operated under this principle. Both the House and the Senate levy requirements against these units in terms of the product required. Neither the House nor the Senate require some unique auditing approach, library reference system, or printing classification that forces a division or duplication of operations.

The same fundamental policy must apply to computers. With the House and the Senate administrative committees saying what the two Houses of Congress want, rather than how to meet the requirements, the operational units can merge these needs into a unified compatible system.

The Joint Committee on Congressional Operations Should Undertake Long-Range Policy-Oriented Studies of the Informational Needs of Congress as a Whole:

A vast improvement in basic data as to to the budget and appropriations cycle is within our grasp. With additional funds, limited improvements can be made in the reference and research activities of the Library of Congress. An effective bill status system can be developed within a reasonable time period—assuming the magnitude of the task is recognized and proper discipline is kept during development.

The advantages of this data acquisition capacity are small compared to those that will flow from the use of advanced computer techniques in the simulation and analysis of legislative proposals and appropriation requests, and in the audit of government operations. Such sophisticated systems cannot be developed overnight. They must evolve from the more rudimentary computer capacity discussed here. Painstaking analysis must be made of the overall informational requirements of Congress as a prelude to the development of more sophisticated computer capacity.

The Joint Committee on Congressional Operations is ideally suited to carry on such studies and analyses. It has no legislative authority, but no other committee of the Congress has comparable jurisdiction regarding congressional operations. The Joint Committee can operate effectively in this area without concern that its work impinges upon the jurisdiction of other congressional committees. Its reports need not and undoubtedly will not always reflect the optimum approach Congress should follow, but they can provide the essential discussion base, for those who might disagree, to offer affirmative and constructive criticism.

In a sense, the overall application of computers to the Congress requires "discussion drafts" of proposed computed system capacity. The Joint Committee offers the most comprehensive jurisdiction for the development of these studies.

The Comptroller General Has the Responsibility to Establish the Essential Classifications and Other Standards Necessary to Provide the Government with a Computer System to Support the Budget and Appropriations Cycle:

The Legislative Reorganization Act of 1970 requires the Comptroller General to cooperate with the Secretary of the Treasury and the Director of the Office of Management and Budget to "develop, establish, and maintain standard classifications of programs, activities, receipts, and expenditures . . ." necessary for the development of a computer system to support the budget and appropriations cycle. This delegation of authority extends to the Comptroller General the responsibility to develop and maintain a compatibility "linkage" between the various departments and agencies in the Executive Branch and the Office of Management and Budget. While primary responsibility for the development of a computer system to support the budget and appropriations cycle rests with the Office of Management and Budget, the act provides for the Comptroller General's "cooperation" in this task, to see that the various classifications in the overall system that is developed reflect the needs of the Congress.

The Comptroller General should extend the classifications and other standards developed in cooperation with OMB to systems in Congress interfacing with the substantive legislative process. This means that when other units of the Congress develop a computer system, the standards that are necessary to assure compatibility of the new system with the basic system of the Office of Management and Budget will be provided by the Comptroller General. The Comptroller General will not become involved in computer system design and development for other subordinate units of the Congress, but will provide the "rosetta stone" of compatibility that is essential to effective use of computers in Congress.

The Subordinate Units of Congress Should Maintain Responsibility for the Development of Computer Systems under the Overall Policy Control of the House and Senate Committees on Administration:

Those units of Congress with present responsibility to provide the data under traditional systems of processing should be directly responsible for systems design, maintenance, and improvement. The Clerks and Sergeants at Arms of the House and the Senate should have responsibility for applying computers to the various housekeeping operations. These officials should also maintain responsibility for the mailing list operations and whatever computer applications the House and Senate may desire regarding the tabulations of votes on the floors of the two houses.

The other main computer applications referred to earlier are the responsibility of the General Accounting Office and the Library of Congress, with an increasing role by the Government Printing Office as concepts such as "text editing" and computer typesetting prove out and are implemented. To the extent these Congressional support units need computers, then they should be primarily responsible for system development, subject to compatibility standards set by the Comptroller General under authority extended him in Title II of the Legislative Reorganization Act of 1970.

A PLAN FOR APPLYING COMPUTERS IN THE CONGRESS

The Committees on Rules and Administration:

Both the House and the Senate committees, independently, should oversee the development of computer systems by their subordinate units to ensure that the computer capacity to be provided meets the needs of the House and the Senate as a whole. To a great extent this means developing "laymanlike" statements of proposed computer systems. If subordinate officials of Congress responsible for system development can't fully explain the system output to the complete satisfaction of a layman, then they have not gotten to the point where the system should be implemented. Testimony of reports as to "progress" being made should *not* be accepted as substitutes for actual computer system descriptions.

The House and Senate committees should order studies of the individual Members' offices to obtain an authoritative determination of potential computer applications (apart from bill status, and budget and appropriations) that might be of assistance now. Of particular interest should be development of a computerized filing system that would form the basis for updating the Member's computerized mailing lists, as well as relieve his staff of the drudgery involved in the maintenance of present filing systems. As these systems may be linked directly to basic congressional computer systems supporting the substantive legislative process, compatibility should be maintained through the Comptroller General by means of the standards adopted under the authority of the Reorganization Act.

This project should be undertaken on a pilot basis, and the basic system should be "proved out" before any computer peripherals are installed in Member's offices.

Both the House and the Senate should continue the present active development and improvement of computerized mailing lists to improve the communicative link between individual Members and constituents.

The Congressional Research Service and the Library of Congress:

The first job for the Congressional Research Service is to develop requirements for a comprehensive bill status system. This computer application is difficult, but nevertheless within the present state of the art.

The Congressional Research Service and Library of Congress generally, in cooperation with the Joint Committee on Congressional Operations, should study and delineate what computers now offer in areas of reference and research. This problem definition is mandatory before any substantial sums of money are expended on Congressional Research Service computer systems.

The Comptroller General:

The Comptroller General should modularize his efforts in the computer field to maintain identity of different programs and objectives that must be carried out on a parallel basis.

The General Accounting Office should obtain computer capacity corresponding to that which the Office of Management and Budget uses in the preparation and maintenance of the budget. This will allow the Comptroller General's staff and interested Members of the Congress and their staffs to become familiar with the computer operation in the Office of Management and Budget. This familiarization is essential to future budget and appropriations cycle system design and the bringing of this capacity into the Legislative Branch on a broad and effective basis. Members and committees conversant with computer operation would also find this of immediate value. The Congress has data and program tapes for the current fiscal year available, but nothing is being done with them.

Congress must have a budget and appropriations computer system comparable to and compatible with the system used by the OMB of the Executive Branch to prepare and maintain the budget. Fundamentally, Congress must have the capacity to make independent evaluations of its own data for use by the Congress. An independent Congressional computer system is also necessary to solve the "executive privilege" problem. Obviously, the President would never permit the Congress direct access to Executive Branch computer systems. They contain data about discretionary matters, future policies and expenditures, possible courses of action, etc., etc., that the President logically wants to remain confidential. Yet such data is often intermixed with that which Congress can justly claim and must ineed for legislative purposes. Therefore the transfer of data tapes and disks from OMB to Congressional computer systems is the only practical way of communication which also protects the informational integrity of both the Congress and the President.

Plans should be made to bring into the Legislative Branch the new Office of Management and Budget computer system McKinsey and Company has designed to support the budget and appropriations cycle [1]. As with the present system, this will begin with compatible hardware in the Legislative Branch plus the acquisition of Office of Management and Budget computer programs and data base. On the basis of this system, future analytical capacity for the Congress will be developed. Classifications and other standards for this system must be extended to all systems in the Congress that interface with the substantive legislative process.

A clear, laymanlike description of this new budget and appropriation computer system under development in the Office of Management and Budget should be created and provided to the Congress. If Members and their staffs know exactly what the new system is designed to provide in the form of data, much of the mystery and complexity that presently envelop the concept would disappear.

There should be developed a hierarchy of categories of classifications, standards, and conventions that are essential to the development and maintenance of a compatibility linkage between the Office of Management and Budget and legislative computer systems.

The highest order of budget classifications is the budget and appropriations system itself, in that there will be companion systems technically of the same "order" or "level" for use in both the Executive and Legislative Branches of Government!

The next order of classifications is for the variations in which the basic budget can be formatted to meet the unique requirements of different officials. At present, there are 1200 budget accounts in the budget. But these 1200 accounts cannot be rearranged in any simple way to translate the budget data they contain from, say, the traditional object classification the Appropriations Committees require to the program classification the Government Operations Committees require, or any other classifications that are needed in both the Executive and Legislative Branches.

The present Office of Management and Budget effort under the so-called "McKinsey Report" is to go down to seven or eight thousand cost elements that can be arranged into any format that might be required.

Information as to these varying categories or formats must be provided Congress at the earliest possible date. There is at least the outside chance that Congress might require other formats of the budget that do not presently fall within the contemplation of the OMB's proposed system.

Below these basic budget classifications are tiers of other classification standards and conventions relating to systems design and data that directly affect compatibility. These classifications soon become so technical in nature as to be beyond the interest of anyone other than computer technicians. However, congressional computer technicians must understand them to protect compatibility and the general interests of the Congress.

Identification of these various categories is an essential first step in the development of effective standards.

The Comptroller General, in cooperation with the Director, Congressional Research Service, should begin an inventory of substantive data bases in and outside the Federal Government and that might be of interest or value to the various congressional committees. Included would be whatever computerized data bases have been developed either in the Executive Branch or can be obtained, that would be of interest to specific committees.

As an example, data on unemployment and labor trends from the Department of Labor, presently maintained in computer form, could be adapted and made available to the House and Senate Labor Committees. Adequate safeguards, however, would have to be maintained to protect the purity of the basic congressional system from whatever incompatibility may lurk in the data obtained by this means, as well as whatever computer capacity may presently exist in the Congress that interfaces with the substantive legislative process.

This inventory would be reviewed and assessed incident to the preparation of an individual report concerning the potential benefits of computers to each specific committee. In the preparation of these reports, the Comptroller General would adhere to the similarity in structure of various committees referred to earlier in this paper so that he could provide the computer capacity for all committees and Members by the determination of a net requirement to be obtained from the operation of one basic system.

Discussions should be held with the Director of the Congressional Research Service, the Government Printing Office, and other possible support units of the Congress whose data requirements interface with the substantive legislative process, to work out a system of maintaining standards on a legislative-wide basis.

The General Accounting Office's requirements for computer capacity should be evaluated, aiming at the development of a modern audit concept based upon computer usage. By this means, the GAO's requirements could be merged into those developed in the Congress so as to avoid unnecessary and costly duplication, as well as possible problems of incompatibility.

There Should Be a Congressional Computer Working Group:

For reasons already discussed, there is little likelihood of obtaining rigid centralized policy control over computer system development in Congress. Nor is such an approach necessarily desirable except in the area of computer standards, to assure compatibility, and they are of little concern to the average user.

Yet the nature of systems design requires some degree of overall coordination. This coordination could be brought about by a quasi-formal working group. This group would represent the chairmen of the various committees involved in system design and implementation, as well as the Comptroller General, the Director of the Congressional Research Service, and the Public Printer. This group could identify some of the problems that will inevitably plague computer system development in the Congress and report these problems to the appropriate officials so that they might be resolved in a timely manner. Aside from the limited but important function, such a group would have no power and would not undertake any concerted action of a formal nature.

CONCLUSION

As the 93rd Congress begins its deliberations, the complex question of limiting Federal expenditures will be a primary subject of concern. It is a fact of life that neither man nor nation can live within available resources without reliable information about needs and expenditures. For this reason it is hoped that among the solutions that are devised will be the granting of top priority to the development of the computer system to support the budget and appropriations cycle. Above all other considerations, this is the most critical need of the Congress. With annual expenditures at the $250 billion level, even a minor improvement in the budget and appropriation system would save billions.

Computers are the only hope that our Congress has to acquire the basic data needed to control expenditures. Without this data there can be no effective Congress and, ultimately, no democratic system.

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EDITORIAL

As the 93rd Congress of the United States commences its two years of work, each day's newspaper has some story about it's feeling of inadequacy to do the task that it must. The Congress wishes to regain certain lost powers, yet, despite the saying that knowledge is power, it has done little to gain the ordered knowledge that the computer can help to produce.

In this issue, Ernest Baynard gives an authoritative prescription for setting up the nation's most important computer system, one which now does not even exist. It is a prescription applicable to the legislative bodies of many national governments, and of critical importance to the US Congress at this time.

The changes that computers have wrought upon the operations of the world's business and industries are well known. They are often a competitive necessity. The US Congress recognized this by authorizing billions of dollars, in the past two decades, for computers *in the Executive Branch*, so that there are now more than 5000 computers in use by Federal Departments and Agencies. Yet the Congress itself has less than a dozen, and these are used predominantly for "housekeeping" operations unrelated to the legislative process.

That legislative process must be revitalized. The Congress knows this. Will it act to regain a healthy competence and effective partnership with the other branches of Government?

FINANCIAL DISCLOSURE OF SENATOR CASE

Mr. CASE. Mr. President, the following is a combined statement for Mrs. Case and all of our assets and liabilities at the end of 1972 and our income for that year:

Combined financial statement of Senator and Mrs. Case

ASSETS

Cash in checking and savings accounts (after provisions for Federal Income tax for 1972), approximately	$75,000
Life insurance policies with the following insurers (currently providing for death benefits totaling $138,500):	
U.S. Group Life Insurance.	
Aetna Life Insurance Co.	
Conn. General Life Ins. Co.	
Conn. Mutual Life Ins. Co.	
Travelers Insurance Co.	
Continental Assurance Co.	
Equitable Life Assurance Soc.	
Provident Mutual Life Insurance Co. of Philadelphia.	
Cash surrender value	51,390
Retirement contract with Federal Employees Retirement System (providing for single life annuity effective January 3, 1979 of $33,996 per annum). Senator Case's own contributions to the Federal fund total, without interest	44,491
Annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. As at 12/31/72 these contracts (estimated to provide a life annuity—10-year guaranteed period—effective January 1979 of $2,535), had an accumulation value of	16,422
Securities as listed in schedule A	479,752
Real estate: consisting of residence building lot on Elm Avenue, Rahway, N.J., and house in Washington, D.C. (original cost plus capital expenditures)	72,817
Tangible personal property in Rahway and Washington, estimated	15,000
Liabilities: None.	

INCOME IN 1972

Senate salary and allowances, $42,582, less estimated expenses allowable as income tax deductions of $5,850 (actual expenses considerably exceed this figure)	36,732
Dividends and interest on above securities and accounts	18,953
Lectures and Speaking Engagements: Active Ballot Association, Retail Clerks International	1,000
Net gains on sales of property	1,373

Schedule A

SECURITIES

	Principal amount
Bonds and debentures of the following, at cost (aggregate market value somewhat lower)	$46,126

Schedule A—Securities—Continued

	Principal amount
American Telephone & Telegraph Co	$12,000
Cincinnati Gas & Electric Co	$4,000
Consolidated Edison Co. of N.Y	$5,000
Consumers Power Co	$5,000
General Motors Acceptance Corp	$5,000
Mountain States Tel. & Tel. Co	$5,000
South Western Bell Tel. Co	$5,000
Toledo Edison Co	$5,000
Stocks (common, unless otherwise noted) at market:	$433,266
	No. of shares
American Natural Gas Co	200
Chubb Corp	1,000
Consolidated Edison Co. of N.Y., $5 Pfd	50
DuPont	40
General Electric Co	340
General Motors Corp	420
Household Finance Corp	750
International Business Machines Corp	128
Investors Mutual, Inc	2,745
Kenilworth State Bank	27
Marine Midland Corp	563
Merck & Company, Inc	400
Morgan, J. P	22
National Community Bank, Rutherford	600
Reynolds Industries	100
Tri-Continental Corp	1,598
United Counties Trust Co	1,204
Warner-Lambert Pharmaceutical Co	300

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I know of no further morning business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. McGOVERN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during the consideration and the rollcalls on H.R. 3298: Harker T. Stanton, Michael R. McLeod, Herny J. Casso, Forest W. Reece, James W. Giltmier, James E. Thornton, John A. Baker, William A. Taggart, Cotys M. Mouser, and James M. Kendall.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL WATER AND SEWER GRANT PROGRAM

The PRESIDING OFFICER. Under the previous order, the Chair now lays before the Senate H.R. 3298, which the clerk will report.

The legislative clerk read as follows:

Calendar No. 81 (H.R. 3298) a bill to restore the Rural Water and Sewer Grant program under the Consolidated Farm and Rural Development Act.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry without amendment.

Mr. ROBERT C. BYRD. Mr. President, the distinguished ranking minority member of the committee, the Senator from Nebraska (Mr. CURTIS), is on his way to the floor. I therefore suggest the absence of a quorum at this time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, the matter before the Senate this afternoon is one of utmost importance to the country, and especially to the rural sectors of America. It has to do with the water and waste disposal programs of the Nation.

I think, while the needs of rural America, of our small towns and rural areas, are many, there is perhaps no single program that deserves any higher priority than the need to improve the water distribution systems and the waste disposal programs in our small communities.

The Senate has already approved the substance of this bill (H.R. 3298), which provides capital grants for planning and construction of rural water, sewer, and solid waste disposal systems. We have approved that bill on at least 15 separate occasions, by unanimous votes, since 1965; and except for the arbitrary and unexpected action of the Department of Agriculture, announced on January 10, in suspending and terminating this program retroactive to the first of the year, it would not be necessary for us to reconsider this matter again at this time.

The purpose of the bill before us is to restore immediately to full operation the sorely needed grant components of the rural community water, sewer, and solid waste disposal programs of the Farmers Home Administration. Those programs were terminated in a press release under the date of January 10. It was the first notice given to the public or concerned communities, even those which had applications pending and partly processed, that this popular and very much needed program was slated for destruction by executive action.

Mr. President, this sudden action to suspend the making of grants in connection with the water and waste disposal program, is another of the series of actions taken by the executive branch near the end of last year and the turn of the year to terminate and abolish important farm and rural programs and many other programs of vital importance to the Nation.

Mr. President, the Senate has already acted by overwhelming majorities to restore the rural electric and rural telephone direct loan programs, and also the rural environmental cost sharing assistance program, the school lunch program shortfalls, and the highway funding bill.

This bill this afternoon is another to remedy the damage caused by what I believe to be unwarranted action by the executive branch. This is not a partisan judgment. It is one that is widely shared on both sides of the aisle.

The bill has already been passed by the House of Representatives by an overwhelming majority and we are acting on the House bill today. The temporary termination of the program by the action of the Department of Agriculture raises at least three questions that I think the Senate must consider this afternoon.

First of all, does the Congress have the responsibility and the will and the constitutional right to require that duly enacted and funded laws shall be enforced and carried out by the executive branch?

On that point, as much as I believe the bill has substantive value in its own right in providing desperately needed water and sewer treatment facilities, there is the larger question of whether we are going to face, as each one of these issues comes up, the larger question of whether, once a bill has been passed by Congress and funds provided, the executive branch is then going to be permitted to nullify the actions of Congress.

We are not questioning the President's right to veto legislation. But what is in question here is whether, in addition to using that tool, the executive branch has the constitutional right simply to ignore legislation duly enacted by Congress.

So that the first question has to do with whether the Senate will confront its responsibilities.

The second question is this: Should the Congress restore the good-faith reliability of government when this trust by its citizens has been breached by an ill-advised and unilateral Executive action?

There is no question at all that there were hundreds of communities across the country that fully expected this program to operate on through the fiscal year. There was no hint at all during the recent presidential campaign that important water and sewer disposal programs under this legislation would be terminated once the election was over. That was not even suggested. I am sure it would have been denied by the President or his spokesmen if anyone had hinted that.

So the question is whether communities all across the country, assuming the law should remain in operation, will have their faith in government seriously eroded by arbitrary executive action of this kind.

Then, third, and this goes to the substance of the program itself: Is this program, involving cost-sharing grants for rural community water systems, and water and sewage collection disposal systems, and waste collection and disposal systems, is that program needed? Is it worthy of continuation?

The answer to all three of those questions seems to me must be a resounding yes.

No one can argue that this program is no longer needed. No one with the slightest familiarity with conditions in rural

America can argue that the need for adequate and high-standard solid waste disposal collection systems, for sewer systems that are needed that will meet Federal-State water quality standards and for adequate and modern water systems, that those needs suddenly disappeared on the 10th of January.

Moreover, it cannot be argued successfully that the funds needed for essential planning—capital grants for these purposes—will be available in the amounts required either from general revenue sharing or from the Environmental Protection Agency.

We can show that readily, I think, if that statement is challenged.

Nor can it be demonstrated that the need for either water or waste disposal systems in rural communities can be met by loans alone, without the essential grant components.

Members of the Senate understand that this grant component of this program, one that operates with a combination of grants and loans, was suddenly terminated by action of the executive.

I know, without any question at all, in my State and in other States with which I am familiar, that we are going to kill the chances for water and waste disposal systems if we do not restore the grant portion of the program.

Most of the communities are right up against the limit of their financial resources now. It certainly comes at an inopportune time suddenly to pull the rug from under these desperately needed water projects.

The great nationwide need was led in the Senate by the leadership of the distinguished senior Senator from Vermont (Mr. AIKEN), who is now in the Chamber. The need to adopt this legislation, which was done by unanimous vote in 1965, still exists, and has only partially been met in the intervening 8 years through the combined efforts of the Farmers Home Administration, the Economic Development Administration, the Department of Housing and Urban Affairs, and the predecessor agencies, those now called the Environmental Protection Agency.

As the distinguished Senator from Vermont will recall, through his initial skill in attracting the cosponsorship of almost the entire membership of the Senate—I think the Senator had something like 96 or 97 Senators as cosponsors of the bill—the new legislation was needed and enacted because of the great, unmet rural needs, and because other agencies of the Government had been given the responsibility and authority to meet the needs but simply did not reach out to rural America with their program. So that this situation requires new legislation, giving the job to a tried and tested agency that would reach into rural America and meet those needs—that is, the Farmers Home Administration.

Mr. MCGOVERN. Mr. President, the Senate has already approved the substance of this bill (H.R. 3298)—capital grants for planning and construction of rural water, sewer, and solid waste disposal systems—on at least 15 separate occasions by unanimous votes. Except for the illegal and unwarranted action of the Department of Agriculture in suspending and terminating the program on January 1, 1973, it would not be necessary for us to reconsider it again at this time.

Mr. President, the purpose of this bill is immediately to restore to full operation the sorely needed grant component of the rural community development water, sewer, and solid waste disposal programs of the Farmers Home Administration. These were abruptly and unilaterally terminated by the Department of Agriculture effective on January 1, 1973, by a press release of January 10, 1973.

That was the first notice that concerned rural communities, even those with pending applications, or the general public, or the Congress had that this popular and much needed program was slated for destruction.

The announcement abolishing the water, sewer, and solid waste disposal grant programs states that the action was taken:

a. To hold budget outlays for fiscal year 1973 to $250 billion;

b. To keep outstanding public debt within the statutory limit of $465 billion; and

c. To continue the program under funds to be appropriated for the Environmental Protection Agency and general revenue sharing.

The Department's press release of January 10, 1973, follows:

TERMINATE FHA WATER/WASTE DISPOSAL GRANTS

WASHINGTON, Jan. 10.—As a result of an across-the-board review of federal programs to hold 1973 budget outlays to $250-billion, the U.S. Department of Agriculture today announced termination of planning and development grants in the water and waste disposal programs of Farmers Home Administration. The action also will help keep the outstanding public debt within the statutory limit of $465-billion.

Grant funds are still available to rural communities, officials said, under other programs. The Federal Water Pollution Control Act (FWPC) of 1972 and the revenue sharing program make substantial amounts of funds available through the Environmental Protection Agency (EPA) as well as directly to state and local communities. These funds are for use in developing highest priority projects as determined by local officials.

The FWPC Act also authorizes EPA to provide substantial amounts in the form of grants for waste disposal purposes.

Farmers Home Administration will continue the water and waste disposal loan program for those communities unable to obtain the necessary financing to repair or develop urgently needed facilities.

Termination of the FHA water and waste disposal grant program became effective Jan. 1.

Water and waste disposal grants were initiated in 1965 to supplement the FHA's loan program for planning and development of community water and waste disposal projects in rural areas, when funds were not available from other sources.

Mr. President, this sudden action to suspend the making of grants, in connection with loans, for rural community water, sewer, and solid waste disposal systems is another of a series taken by the executive branch at the turn of the year to terminate and abolish important farm and rural programs and many other programs of vital importance to long-term economic growth and quality of life in America.

The Senate has already acted by overwhelming majorities to restore the rural electric and telephone direct loan programs, rural environmental cost-sharing assistance, school lunch program shortfalls, and the highway funding.

This bill is another to remedy the damage caused by the unwarranted action of the executive branch. The bill has already been passed by the House of Representatives by a very large majority.

The temporary termination of this program by the unilateral action of the Department of Agriculture raises three questions:

First. Does Congress have the duty, the will, and the constitutional right positively to require that duly enacted and funded laws shall be enforced and carried out by the executive branch?

Second. Should the Congress restore the good faith reliability of the Government when this trust by its citizens has been breached by ill-advised and unilateral Executive action?

Third. Is the program involved—cost-sharing grants for rural community systems for water distribution, sewer collection and disposal, and solid waste collection and disposition—still needed and worthy of continuations?

Mr. President, the answer—our answer—to all three questions is, and must be, "Yes"

First, Congress can, and must, insist and require that Federal laws that have been enacted by due process shall continue in operation until terminated by congressional action;

Second. Congress can and must restore the faith and confidence of citizens and communities in the reliability of the Federal Government to carry out implicit and implied trust to continue the availability and operation of on-going, duly enacted, and funded programs of long standing until such termination has been subjected to public discussion and congressional debate and action.

Third. The program involved in this restoration bill—cost-sharing for rural community sewer, solid waste disposal, and water systems—is still essential to fulfill a large unmet need in countryside U.S.A. that cannot otherwise be met.

I. NEED FOR THE PROGRAM

Mr. President, no one can accurately and correctly argue that this program is no longer needed. No one who is in the slightest familiar with conditions in rural America can with truth argue that the need for adequate, fully standard solid waste disposal collection systems, for sewer systems that will meet Federal and State water quality standards, and for adequate modern water systems has suddenly disappeared.

Moreover, it cannot correctly be argued that the funds needed for essential planning and capital grants for these purposes are, or will, be available in the amounts required from either general revenue sharing or the Environmental Protection Agency, as I shall show. Nor can it be successfully demonstrated that the need for either water or waste disposal systems in rural communities can be successfully met by loans alone without the essential grant component.

A. UNMET NEEDS ARE STILL LARGE

The great nationwide need and adverse conditions in the executive branch that led the Senate, accepting the leadership of the distinguished senior Senator of

Vermont, to adopt this legislation by unanimous vote in 1965 still exists and has only partially been met over the intervening 8 years through the combined and coordinated efforts of Farmers Home Administration, Economic Development Administration, the Department of Housing and Urban Development, and the predecessor agencies of what is now called Environmental Protection Agency in responding to local rural plans and needs.

As the distinguished Senator of Vermont, whose initial bill attracted the cosponsorship of almost the entire membership of the Senate, will recall, the new legislation was needed and enacted both because of great unmet rural needs and because other agencies of Government that had been given responsibility and authority to meet these needs simply would not reach out to rural America with their programs. This required new legislation giving the job to a tried and tested agency that would reach into rural America and meet its needs—the Farmers Home Administration. As I recall, the legislation was enacted with the initial opposition of the then Bureau of the Budget and the White House. But I am told that after passage by Congress, the distinguished Senator from Vermont was presented with the first pen at the signing ceremony.

I have recent evidence of the need in my State, South Dakota, for Federal assistance for water and sewer improvements in communities large and small.

The South Dakota Development Group, a private organization which I have created in Washington to monitor Federal as well as private programs which may be of assistance in the economic development of our State, recently surveyed the mayors of every community of more than 500 population in South Dakota.

Those mayors responding said overwhelmingly that water and sewer projects were the highest priority need for capital improvements in their communities. Of the 115 communities surveyed, 63, or 55 percent, responded. Of the responding communities, nearly every one of them cited water and sewer improvements as a major priority, and 24 of them said it was their highest priority.

I ask unanimous consent to have printed in the RECORD, a list of those 24 cities which rated water and sewer projects their highest priority.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TOWN, RESPONDENT'S NAME, OFFICE, AND RESPONSE

1. Watertown, Dale Freeburg, mayor, storm sewer.
2. Huron, E. H. Peterson, mayor, water and sewer.
3. Yankton, Rufus Nye, city manager, storm sewer.
4. Custer, Gene Reese, mayor, water and sewer.
5. Highmore, Clarence Busse, mayor, water system.
6. Chamberlain, Paul Olson, mayor, waste water treatment plant.
7. Spearfish, Sever Eubank, city council, water tank and sewer line.
8. Springfield, Marvin Schamber, mayor, waste water disposal.
9. Beresford, Carroll Hanson, city auditor, water treatment plant.
10. Lennox, Fred Courey, mayor, water expansion and development.
11. Parkston, Paul Weiss, city auditor, water system.
12. Clark, Vearl Gergen, city auditor, sewer extension.
13. Timber Lake, Eugene Gulm, mayor, water and sewer.
14. Hartford, Emit Edberg, mayor, water and sewer line improvement.
15. Menno, Don Schneider, mayor, water.
16. Bridgewater, William Wagner, mayor, storm sewer.
17. Garretson, Jon D. Wangness, mayor, water and sewer.
18. Big Stone City, Duane Storch, mayor, sewage lagoon.
19. Faulkton, Jarius Brown, auditor, storm sewer.
20. Armour, Dr. Cox, mayor, water main replacement.
21. Viborg, Edwin Graber, mayor, water extension and loop extension.
22. Box Elder, Ethel Moore, city auditor, sewer system.
23. Elk Point, Orville Talbott, mayor, sewage lagoon.
24. Mobridge, Herbert McClellan, mayor, sewage treatment plant improvement.

Mr. McGOVERN. Mr. President, only five of these 24 communities are over 5,500 population, the maximum for priority eligibility under this Farmers Home Administration program. In 19 of these communities, therefore, this program would be of value in meeting this high priority need. Certainly, there are many more communities, especially those below 500, where no central water and sewer system ever will be built without a Federal loan and grant program.

At least five localities in South Dakota, to my knowledge, were very near approval of grants and loans from the Farmers Home Administration for new sewer projects when this program was unilaterally repealed by the administration. As a result of the termination of the grant program, there is serious question that sewer systems can ever be built for Monroe, Astoria, the Vivian Sanitary District, the Renner area, and the East Custer Sanitary District. The feasibility of these was based on grants ranging from $15,500 to $80,000. Lack of grant funds would result in user fees so high as to make them impractical.

Even with the grant program, Mr. President, residents of rural areas are forced to pay water and sewer user fees much higher than the average urban area. One water district in northeastern South Dakota will be charging its customers $9 a month for water. Another district near Egan in east-central South Dakota will have to charge $7 per month for sewage collection and treatment, on top of a $4 per month water bill.

Mr. President, if this Nation is going to have a policy of making rural areas attractive and inviting, we cannot countenance actions which result in higher, rather than lower, utility bills for rural people.

The people in South Dakota tell me that EPA money is not available for these grants. Although EPA has increased its share of those few projects which it does fund, I am told that the increase does little more than cover the sharply higher cost of the physical facilities involved.

The same conditions that led to a need for a special rural water and waste disposal program in 1965 still exist today, as numerous publications of the Committee on Agriculture and Forestry and the Committee on Government Operations attest. Agencies with nationwide responsibility simply do not extend their programs to rural America on a fair pro rata basis in ways that are adaptable to rural conditions. This is every bit as much true now of Environmental Protection Agency as it was of other agencies in 1965.

In 1965, an uncounted number of rural communities, and over 2,500 rural counties, lacked any kind of modern and acceptable solid waste disposal collection, handling, and disposition system.

Over 44,000, or 78 percent, of the rural communities lacked a modern adequate sewer system, in 1965.

And about 35,000, or 62 percent, of the rural communities lacked the adequate water distribution system equaling modern standards.

We are fortunate to have this data from a completely unbiased and scientific source. The situation with respect to water and sewer system in rural America was fully documented in a published report of the Economic Research Service of the Department of Agriculture. I shall not take the time of the Senate to read the entire report, nor shall I burden the RECORD with the entire text. However, I do ask unanimous consent to insert at this point in my remarks the pertinent textual and tabular material which reflects the extent of need for water and sewer grants in rural America at approximately the time when the senior Senator from Vermont and the Senate first initiated successful legislative action to meet these needs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMUNITIES WITHOUT WATER FACILITIES

Size and location

On January 1, 1963, 62 percent, or 35,000, of the communities in the United States with populations over 25 persons were without public water facilities (table 1). All but 244 of these communities had less than 1,000 residents: however, 31 places had populations over 5,500. Thus, these data show that most small communities have not established public systems to accommodate their inhabitants. . . Some regional differences are apparent in table 1. States in the East South Central region had the highest proportion of communities without public systems (76 percent), followed by the Middle and South Atlantic regions with 73 percent and 71 percent, respectively. The States within the Mountain region had the lowest proportion, with 41 percent of their communities lacking public water facilities. The Northeast region was the second lowest with 48 percent. The differences between States were great, ranging from 8 percent in Utah to 90 percent in Alaska (fig. 1). Topographic and demographic differences between the States and regions probably account for the variations in water supply . . .

COMMUNITIES WITHOUT SEWAGE FACILITIES

Size and location

The rapid growth . . . of small communities in rural regions has necessitated the development of diverse methods of sewage collection to accommodate scattered groups of houses, shopping areas, and school districts. This dispersion of the population and prohibitive costs have tended to impede the establishment of public facilities. Most widely used in their place are septic tanks and cesspools, which came into prominence after World War II and continue to be widely used, especially in "new growth" areas. Since the installation of septic tanks and cesspools relieves local governments of the responsibility of providing and maintaining sewage facilities, housing developers and builders have been encouraged, and in some States required, to install the necessary equipment at the time of construction. Use of septic tanks and cesspools, except under the most favorable conditions, should be considered a temporary stopgap until public facilities can be developed, however. Authorities at the Department of Health, Education, and Welfare state that subsurface disposal of sewage by means of septic tanks has caused grave problems in some localities and aroused the concern of Federal, State, and local governments. Nevertheless, until the enactment of Federal assistance programs, costs of establishing public sewage facilities were usually prohibitive for small places and for rural areas.

On January 1, 1962, over 44,000 communities were without public sewage facilities (table 7). Ninety-six percent of these communities had populations of less than 1,000. Of the communities with populations of 1,000 to 2,499, almost 1,400, or 31 percent, were without public facilities. Fourteen percent of the communities between 2,500 and 5,500 persons, and 5 percent of those over 5,500, also lacked public facilities. Nineteen percent of the cities over 1,000 were without public sewage facilities, compared with 2 percent without water facilities.

"Regionally differences were comparatively small. The East South Central region had the largest proportion of communities without public sewage facilities (88 percent). Over 80 percent of the communities in the South Atlantic and Northeast regions also lacked facilities. The West North Central region had the lowest proportion (68 percent) without public systems; the Mountain region ranked just one-tenth of one percentage point higher.

Mr. McGOVERN. Mr. President, the tables which follow indicate the detailed findings State by State of the Economic Research Service as to the need for rural water and sewer systems at about the time that the Aiken-Poage Act went into operation.

I ask unanimous consent to have these tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—NUMBER OF COMMUNITIES WITH OR WITHOUT PUBLIC WATER FACILITIES, BY SIZE, STATE, AND REGION, 1963

State and region	Total		Size of community							
			26–999		1,000–2,499		2,500–5,500		Over 5,000	
	With number	Without number	With number	Without number	With number	Without number	With number	Without number	With number	Without number
Maine	337	551	248	546	41	3	23	2	25	--
New Hampshire	171	271	117	270	30	1	9	--	15	--
Vermont	197	266	157	264	23	1	7	1	10	--
Massachusetts	611	198	436	182	56	16	34	--	85	--
Rhode Island	90	66	70	63	3	2	3	1	14	--
Connecticut	274	206	188	200	27	3	20	2	39	1
Northeast	1,680	1,558	1,216	1,525	180	26	96	6	188	1
New York	1,597	1,407	1,058	1,394	224	2	124	10	191	1
New Jersey	563	608	205	603	70	3	92	2	196	--
Pennsylvania	1,107	3,663	346	3,634	322	26	191	2	248	1
Middle Atlantic	3,267	5,678	1,609	5,631	616	31	407	14	635	2
Ohio	954	1,598	454	1,588	201	8	122	2	177	--
Indiana	421	1,392	151	1,390	135	--	52	2	83	--
Illinois	1,018	1,174	448	1,169	246	2	133	3	191	--
Michigan	537	1,102	197	1,090	161	--	72	10	107	2
Wisconsin	517	816	263	802	132	4	56	3	66	7
East North Central	3,447	6,082	1,513	6,039	875	14	435	20	624	9
Minnesota	624	593	363	592	135	1	58	--	68	--
Iowa	725	588	487	588	134	--	47	--	57	--
Missouri	547	1,064	272	1,064	130	--	69	--	76	--
North Dakota	207	298	143	298	49	--	3	--	12	--
South Dakota	254	183	193	182	36	1	14	--	11	--
Nebraska	436	188	324	188	69	--	21	--	22	--
Kansas	496	461	315	461	94	--	44	--	43	--
West North Central	3,289	3,375	2,097	3,373	647	2	256	--	289	--
Delaware	39	173	15	173	14	--	5	--	5	--
Maryland	257	1,159	139	1,157	53	1	22	1	43	--
Virginia	536	1,082	396	1,077	65	4	33	1	42	--
West Virginia	517	1,157	362	1,155	99	2	29	--	27	--
North Carolina	393	1,175	137	1,151	141	14	57	7	58	3
South Carolina	256	503	87	499	94	3	39	1	36	--
Georgia	451	862	213	855	114	7	68	--	56	--
Florida	391	877	135	848	99	7	71	18	86	4
South Atlantic	2,840	6,988	1,484	6,915	679	38	324	28	353	7
Kentucky	346	1,324	159	1,324	99	--	47	--	41	--
Tennessee	317	1,169	148	1,165	75	4	46	--	48	--
Alabama	386	938	210	935	67	3	59	--	50	--
Mississippi	232	582	97	579	66	2	37	1	32	--
East South Central	1,281	4,013	614	4,003	307	9	189	1	171	--
Arkansas	254	853	131	852	57	1	30	--	36	--
Louisiana	338	652	152	652	85	--	48	--	53	--
Oklahoma	415	464	243	464	83	--	40	--	49	--
Texas	1,117	1,462	539	1,454	260	6	147	2	171	--
West South Central	2,124	3,341	1,065	3,422	485	7	265	2	309	--
Montana	225	168	158	168	37	--	16	--	14	--
Idaho	185	142	117	142	34	--	18	--	16	--
Wyoming	108	64	73	64	16	--	11	--	8	--
Colorado	320	258	227	258	42	--	19	--	32	--
New Mexico	255	183	200	182	21	1	13	--	21	--
Arizona	146	213	81	213	30	--	16	--	19	--
Utah	310	25	228	25	43	--	16	--	23	--
Nevada	56	61	35	61	9	--	6	--	6	--
Mountain	1,605	1,114	1,119	1,113	232	1	115	--	139	--
Washington	493	1,181	335	1,175	79	1	38	3	41	2
Oregon	386	290	279	289	47	--	31	1	29	--
California	1,215	694	684	681	156	--	128	4	247	9
Alaska	33	282	14	278	13	3	2	--	4	1
Hawaii	90	108	51	106	20	2	11	--	8	--
Pacific	2,217	2,555	1,363	2,529	315	6	210	8	329	12
United States	21,750	34,794	12,080	34,550	4,336	134	2,297	79	3,037	31

TABLE 2.—DISTRIBUTION OF HOUSING UNITS BY SOURCE OF WATER SUPPLY, STATE, AND REGION, 1960

	Housing units						
		Public or private system		Individual well		Other or none	
State and region	Total [1] number	Number	Percent	Number	Percent	Number	Percent
Maine	338, 322	192, 245	57	112, 390	33	33, 687	10
New Hampshire	195, 537	118, 845	61	66, 581	34	10, 111	5
Vermont	136, 307	79, 513	58	32, 243	24	24, 551	18
Massachusetts	940, 361	822, 305	87	107, 937	12	10, 119	1
Rhode Island	149, 825	119, 707	80	28, 561	19	1, 557	1
Connecticut	568, 257	403, 653	71	156, 180	28	8, 424	1
Northeast	2, 328, 609	1, 736, 268	74	503, 892	22	88, 449	4
New York	2, 282, 160	1, 579, 672	69	613 459	27	89, 029	4
New Jersey	1, 438, 339	1, 193, 729	83	231, 504	16	13, 106	1
Pennsylvania	2, 205, 565	1, 503, 008	68	582, 640	26	119, 917	6
Middle Atlantic	5, 926, 064	4, 276, 409	72	1, 427, 603	24	222, 052	4
Ohio	1, 915, 116	1, 235, 898	64	606, 638	32	72, 580	4
Indiana	1, 032, 004	521, 227	51	479, 832	46	30, 945	3
Illinois	1, 749, 586	1, 243, 065	71	473, 108	27	33, 413	2
Michigan	1, 668, 537	906, 485	54	720, 062	43	41, 990	3
Wisconsin	939, 252	485, 292	52	424, 339	45	29, 621	3
East North-Central	7, 304, 495	4, 391, 967	60	2, 703, 979	37	208, 549	3
Minnesota	807, 113	364, 180	45	404, 610	50	38, 323	5
Iowa	706, 819	420, 771	60	274, 219	39	11, 829	1
Missouri	980, 918	586, 351	60	318, 191	32	76, 376	8
North Dakota	194, 597	103, 113	53	69, 329	36	22, 155	11
South Dakota	196, 470	106, 792	54	66, 257	34	23, 421	12
Nebraska	332, 338	199, 549	60	125, 803	38	6, 986	2
Kansas	571, 217	395, 913	69	158, 597	28	16, 707	3
West North-Central	3, 789, 472	2, 176, 669	58	1, 417, 006	37	195, 797	5
Delaware	110, 524	72, 949	66	34, 834	32	2, 741	2
Maryland	644, 255	439, 974	68	177, 529	28	26, 752	4
Virginia	784, 724	363, 327	46	303, 104	39	118, 293	15
West Virginia	498, 722	297, 123	56	164, 892	33	54, 707	11
North Carolina	1, 120, 180	466, 744	42	537, 507	48	115, 929	10
South Carolina	608, 582	311, 879	51	238, 859	39	57, 844	10
Georgia	888, 699	531, 628	60	286, 410	32	70, 661	8
Florida	1, 266, 297	864, 425	68	360, 335	29	41, 537	3
South Atlantic	5, 921, 983	3, 330, 049	56	2, 103, 470	36	488. 464	8
Kentucky	756, 633	360, 956	48	293, 086	39	102, 591	13
Tennessee	800, 004	422, 635	53	267, 024	33	110, 345	14
Alabama	737, 943	383, 604	52	279, 740	38	74, 599	10
Mississippi	586, 165	273, 612	47	206, 956	35	105, 597	18
East South-Central	2, 880, 745	1, 440, 807	50	1, 046, 806	36	393, 132	14
Arkansas	512, 088	243, 664	48	204, 528	40	63, 896	12
Louisiana	675, 804	432, 642	64	173, 572	26	69, 590	10
Oklahoma	607, 356	409, 470	67	170, 880	28	27, 006	5
Texas	1, 805, 099	1, 193, 101	66	489, 920	27	122, 078	7
West South-Central	3, 600, 347	2, 278, 877	63	1, 038, 900	29	282, 570	8
Montana	233, 285	157, 731	67	53, 111	23	22, 443	10
Idaho	223, 533	147, 147	66	60, 080	27	16, 306	7
Wyoming	113, 080	84, 734	75	21, 001	19	7, 345	6
Colorado	393, 395	289, 070	74	71, 949	18	32, 376	8
New Mexico	220, 969	145, 116	66	52, 988	24	22, 865	10
Arizona	203, 577	157, 089	77	29, 524	15	16, 964	8
Utah	176, 540	157, 171	89	14, 024	8	5, 345	3
Nevada	101, 536	86, 363	85	11, 491	11	3, 682	4
Mountain	1, 665, 915	1, 224, 421	73	314, 168	19	127, 326	8
Washington	670, 533	491, 478	73	136, 209	20	42, 846	7
Oregon	479, 712	330, 436	69	118, 423	25	30, 853	6
California	2, 246, 755	1, 861, 991	83	312, 967	14	71, 797	3
Alaska	67, 157	37, 084	55	14, 833	22	15, 240	23
Hawaii	84, 730	79, 249	93	755	1	4, 726	6
Pacific	3, 548, 887	2, 800, 238	79	583, 187	16	165, 462	5
United States	36, 966, 517	23, 655, 705	64	11, 139, 011	30	2, 171, 801	6

[1] Excludes units in places of 50,000 inhabitants or more and in the District of Columbia.

Source: U.S. Bureau of the Census. U.S. Census of Housing: 1960. U.S. Government Printing Office. 1963.

TABLE 3—POPULATION NOT SERVED BY PUBLIC WATER FACILITIES, BY STATE AND REGION, JANUARY 1963

	Population		
State and region	Total [1] (thousands)	Not served [2] (thousands)	Population not served as percentage of total (percent)
Maine	985	215	22
New Hampshire	646	158	24
Vermont	397	141	36
Massachusetts	5, 252	191	4
Rhode Island	877	61	7
Connecticut	2, 716	522	19
Northeast	10, 872	1, 288	12
New York	17, 691	2, 038	12
New Jersey	6, 542	938	14
Pennsylvania	11, 408	1, 552	14
Middle Atlantic	35, 642	4, 528	13
Ohio	10, 020	2, 222	22
Indiana	4, 780	1, 584	33
Illinois	10, 369	1, 512	15
Michigan	8, 036	1, 594	20
Wisconsin	4, 059	1, 309	32
East North Central	37, 265	8, 221	22
Minnesota	3, 507	1, 075	31
Iowa	2, 758	861	31
Missouri	4, 412	882	20
North Dakota	645	274	42
South Dakota	707	290	41
Nebraska	1, 468	427	29
Kansas	2, 261	633	28
West North Central	15, 758	4, 442	28
Delaware	480	70	15
Maryland	3, 351	777	23
Virginia	4, 288	1, 697	40
West Virginia	1, 815	644	35
North Carolina	4, 786	2, 494	52
South Carolina	2, 498	1, 077	43
Georgia	4, 206	1, 410	34
Florida	5, 532	1, 641	30
South Atlantic [3]	26, 956	9, 810	36
Kentucky	3, 121	1, 314	42
Tennessee	3, 742	1, 319	35
Alabama	3, 383	1, 152	34
Mississippi	2, 291	1, 309	57
East South Central	12, 538	5, 094	41
Arkansas	1, 907	842	44
Louisiana	3, 410	870	26
Oklahoma	2, 450	585	24
Texas	10, 257	1, 637	16
West South Central	18, 024	3, 934	22
Montana	701	226	32
Idaho	689	239	35
Wyoming	335	86	26
Colorado	1, 913	358	19
New Mexico	990	276	28
Arizona	1, 517	134	9
Utah	973	166	2
Nevada	391	104	27
Mountain	7, 508	1, 589	21
Washington	2, 961	533	18
Oregon	1, 852	479	26
California	17, 556	48	(4)
Alaska	251	164	65
Hawaii	685	91	13
Pacific	23, 304	1, 315	6
United States	188, 658	40, 221	21

[1] States may not add to regional totals due to independent rounding.

[2] Determined by subtracting number of persons served as shown in State and local public facility needs.

[3] District of Columbia included in U.S. total but omitted from State breakdown because entire population is served by municipal facilities.

[4] Less than 1 percent.

Sources: U.S. Bureau of the Census, U.S. Census, population estimates: 1963, U.S. Government Printing Office, 1967. State and local public facility needs and financing, Subcommittee on Economic Progress of the Joint Economic Committee, U.S. Congress, vol. 1, December 1966.

TABLE 4.—NUMBER OF COMMUNITIES, WITH OR WITHOUT PUBLIC SEWAGE FACILITIES, BY SIZE, STATE, AND REGION, 1962

State and region	Total		Size of community							
			26-999		1,000-2,499		2,500-5,500		Over 5,500	
	With number	Without number	With number	Without number	With number	Without number	With number	Without number	With number	Without number
Maine	114	774	38	756	27	17	25		24	1
New Hampshire	82	360	36	351	23	8	8	1	15	
Vermont	54	409	21	400	16	8	7	1	10	
Massachusetts	195	614	69	549	19	53	24	10	83	2
Rhode Island	30	126	17	116	2	3	1	3	10	4
Connecticut	99	381	48	340	5	25	9	13	37	3
Northeast	574	2,664	229	2,512	92	114	74	28	179	10
New York	665	2,339	273	2,179	136	90	105	29	151	41
New Jersey	305	866	47	761	25	48	60	34	173	23
Pennsylvania	952	3,818	325	3,655	200	148	180	13	247	2
Middle Atlantic	1,922	7,023	645	6,595	361	286	345	76	571	66
Ohio	516	2,036	72	1,970	159	50	115	9	170	7
Indiana	295	1,518	60	1,481	104	31	50	4	81	2
Illinois	564	1,628	89	1,528	167	81	119	17	189	2
Michigan	292	1,347	25	1,262	91	70	69	13	107	2
Wisconsin	424	909	181	884	121	15	56	3	66	7
East North Central	2,091	7,438	427	7,125	642	247	409	46	613	20
Minnesota	433	784	183	772	124	12	58		68	
Iowa	428	885	220	875	126	8	46	1	56	1
Missouri	254	1,357	15	1,321	98	32	66	3	75	1
North Dakota	188	317	124	317	49		3		12	
South Dakota	181	256	120	255	36	1	14		11	
Nebraska	298	326	188	324	67	2	21		22	
Kansas	330	627	155	621	90	4	43	1	42	1
West North Central	2,112	4,552	985	4,485	590	59	251	5	286	3
Delaware	23	189	2	186	11	3	5		5	
Maryland	119	1,297	27	1,269	33	21	17	6	42	1
Virginia	214	1,404	101	1,372	44	25	27	7	42	
West Virginia	174	1,500	50	1,467	70	31	27	2	27	
North Carolina	300	1,268	78	1,210	109	46	55	9	58	3
South Carolina	151	608	24	562	57	40	35	5	35	1
Georgia	237	1,076	45	1,023	75	46	62	6	55	1
Florida	180	1,088	27	956	38	68	37	52	78	12
South Atlantic	1,398	8,430	354	8,045	437	280	265	87	342	18
Kentucky	167	1,503	16	1,467	66	33	44	3	41	
Tennessee	160	1,326	26	1,287	46	33	41	5	47	1
Alabama	160	1,164	13	1,332	44	26	54	5	49	1
Mississippi	141	673	29	647	51	17	29	9	32	
East South Central	628	4,666	84	4,533	207	109	168	22	169	2
Arkansas	149	958	32	951	52	6	30		35	1
Louisiana	121	869	12	792	28	57	35	13	46	7
Oklahoma	267	612	103	604	76	7	39	1	49	
Texas	675	1,904	140	1,853	221	45	143	6	171	
West South Central	1,212	4,343	287	4,200	377	115	247	20	301	8
Montana	117	276	57	269	32	5	14	2	13	
Idaho	90	237	35	224	26	8	16	2	18	3
Wyoming	96	76	61	76	16		11		2	
Colorado	190	388	105	380	36	6	17	2	31	
New Mexico	66	372	18	364	16	6	11	2	29	
Arizona	67	292	21	273	16	14	11	5	13	
Utah	190	145	127	126	25	18	15	1	2	
Nevada	46	71	26	70	8	1	6		6	
Mountain	862	1,857	450	1,782	175	58	101	14	136	3
Washington	224	1,450	101	1,409	55	25	27	14	41	2
Oregon	159	517	67	501	35	12	28	4	29	
California	611	1,298	164	1,201	96	60	104	28	247	9
Alaska	21	294	10	282	5	11	2		4	1
Hawaii	21	177		157	7	15	6	5	8	
Pacific	1,036	3,736	342	3,550	198	123	167	51	329	12
United States	11,835	44,709	3,803	42,827	3,079	1,391	2,027	349	2,926	142

TABLE 5.—DISTRIBUTION OF HOUSING UNITS BY TYPE OF SEWAGE FACILITIES, STATE, AND REGION, 1960

State and region	Housing units						
		Public sewer		Septic tank or cesspool		Other or none	
	Total [1] number	Number	Percent	Number	Percent	Number	Percent
Maine	338,322	140,120	41	130,593	39	67,609	20
New Hampshire	195,537	88,099	45	90,392	46	17,046	9
Vermont	136,307	63,161	46	51,355	38	21,791	16
Massachusetts	940,361	466,975	50	452,499	48	20,887	2
Rhode Island	149,825	54,252	36	91,435	61	4,138	3
Connecticut	568,257	248,749	44	306,431	54	13,077	2
Northeast	2,328,609	1,061,356	46	1,122,705	48	144,548	6
New York	2,282,160	962,265	42	1,216,154	53	103,741	5
New Jersey	1,438,339	951,633	66	460,734	32	25,972	2
Pennsylvania	2,205,565	1,078,899	49	918,808	42	207,858	9
Middle Atlantic	5,926,064	2,992,797	50	2,595,696	44	337,571	6
Ohio	1,915,116	1,026,193	54	669,710	35	219,213	11

Footnotes at end of table.

State and region	Housing units						
		Public sewer		Septic tank or cesspool		Other or none	
	Total[1] number	Number	Percent	Number	Percent	Number	Percent
Indiana	1,032,004	407,201	40	477,909	46	146,894	14
Illinois	1,749,586	1,043.494	60	532,846	30	173,246	10
Michigan	1,668,537	757,008	45	769,982	46	141,547	9
Wisconsin	939,252	484,871	51	335,642	36	118,739	13
East North Central	7,304,495	3,718,767	51	2,786,089	38	799,639	11
Minnesota	807,113	355,923	44	313,318	39	137,872	17
Iowa	706,819	363,457	52	235,634	33	107,728	15
Missouri	980,918	459,342	47	254,019	26	267,557	27
North Dakota	194,597	102,023	52	46,672	24	45,902	24
South Dakota	196,470	97,443	50	52,839	27	46,188	23
Nebraska	332,338	172,234	52	110,854	33	49,250	15
Kansas	571,217	331,348	58	161,250	28	78,619	14
West North Central	3,789,472	1,881,770	50	1,174,586	31	733,116	19
Delaware	110,524	64,627	59	35,583	32	10,314	9
Maryland	644,255	377,063	59	199,584	31	67,608	10
Virginia	784,724	262,219	34	268,159	34	254,346	32
West Virginia	498,722	194,976	39	124,217	25	179,529	36
North Carolina	1,120,180	368,602	33	392,888	35	358,690	32
South Carolina	608,582	201,243	33	216,993	36	190,346	31
Georgia	888,699	329,224	37	294,688	33	264,787	30
Florida	1,266,297	399,221	32	771,836	61	95,240	7
South Atlantic	5,921,983	2,197,175	37	2,303,948	39	1,420,860	24
Kentucky	756,633	226,305	30	213,640	28	316,688	42
Tennessee	800,004	198,733	25	304,888	38	296,383	37
Alabama	737,943	233,598	32	227,182	31	277,163	37
Mississippi	586,165	189,741	32	142,111	24	254,313	44
East South Central	2,880,745	848,377	29	887,821	31	1,144,547	40
Arkansas	512,088	178,644	35	127,196	25	206,248	40
Louisiana	675,840	245,533	36	254,791	38	175,480	26
Oklahoma	607,356	339,466	56	145,653	24	122,237	20
Texas	1,805,099	947,347	52	497,368	28	360,384	20
West South Central	3,600,347	1,710,990	48	1,025,008	28	864,349	24
Montana	233,285	133,724	57	70,018	30	29,543	13
Idaho	223,533	106,354	48	95,801	43	21,378	9
Wyoming	113,080	77,245	68	24,843	22	10,992	10
Colorado	393,395	244,642	62	105,296	27	43,457	11
New Mexico	220,969	120,865	55	59,219	27	40,885	18
Arizona	203,577	94,464	46	80,400	40	28,713	14
Utah	176,540	112,786	64	55,782	32	7,972	4
Nevada	101;536	78,907	78	18,351	18	4,278	4
Mountain	1,665,915	968,987	58	509,710	31	187,218	11
Washington	670,533	270,490	40	356,463	53	43,580	7
Oregon	479,712	180,328	38	264,341	55	35,043	7
California	2,246,755	1,339,434	62	777,180	35	70,141	3
Alaska	67,157	32,306	48	17,934	27	16,917	25
Hawaii	84,730	30,280	36	47,106	55	7,344	9
Pacific	3,548,887	1,912,838	54	1,463,024	41	173,025	5
United States	36,966,517	17,293,057	47	13,868,587	37	5,804,873	16

[1] Excludes units in places of 50,000 inhabitants or more and in the District of Columbia.

Source: U.S. Bureau of the Census. U.S. Census of Housing: 1960. U.S. Government Printing Office 1963.

Mr. McGOVERN. Mr. President, prior to the enactment in 1965, of the Farmers Home Administration water and waste disposal loan and grant program, loans, or grants, or both were more or less available in rural areas from the Department of Housing and Urban Development and, in chronically distressed rural areas from the Economic Development Administration.

Beginning in 1965, these programs were operated in coordination with the new Farmers Home Administration program, with sometimes one agency making the loan component and another agency making the grant component or the other way around with Water Pollution Control Administration often providing the funds for construction of the waste treatment plant component of a sewer system.

During the period from 1962 through 1967, over 1,000 rural communities received loans and grants for establishment of water systems; and somewhat less than 1,000 received loans and grants for sewer systems.

During 1969 through 1972 about 3,500 communities received loans and grants from Farmers Home Administration for water systems, and about 1,600 for waste disposal systems. Other communities received loans and grants from the other agencies, but this was not a very large net addition to the total figure because such loans and grants were often made to the same community in combination with the Farmers Home Administration assistance.

Thus, in total, probably as many as 5,000 rural communities were enabled to plan and construct new water systems and possibly as many as 3,000 got new sewer systems between 1965 and 1972.

Although important nationally, and very important to the communities that qualified and got loans and grants during the period 1965 through 1972, a little simple subtraction makes it clear that while a substantial bite into the 1965 backlog of needs has now been taken care of, there is still a huge backlog of unmet need in rural America for modern, high-standard water, sewer, and solid waste disposal systems.

Tables 6 through 9 indicate the number and amount of loans and grants made in the several States during the years 1963 through 1972.

I ask unanimous consent that these tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 6.—NUMBER OF APPROVALS, GRANTS, LOANS, AND COMBINED GRANTS AND LOANS FOR WATER PROJECTS TO COMMUNITIES AND DISTRICTS WITHOUT PUBLIC FACILITIES PRIOR TO 1963, GROUPED BY SIZE, STATE, AND REGION, MAR. 30, 1967[1]

State and region	Total[3]	Size of community								Size of district[2]				
		Rural[4]	Under 100	100 to 249	250 to 499	500 to 999	1,000 to 2,499	2,500 to 5,500	Over 5,500	Total	Under 2,500	2,500 to 5,500	5,501 to 10,000	Over 10,000
Maine	1						1							
New Hampshire														
Vermont	6		1	5						1			1	
Massachusetts	1								1					
Rhode Island														
Connecticut										1			1	
Northeast	8		1	5			1		1	2			2	
New York	8			3	3		1	1						
New Jersey	1			1						1		1		
Pennsylvania	6	1		1	3		1		1	3		3		
Middle Atlantic	15	1		5	6		2	1	1	4		4		
Ohio	12	1	1	6	4		1			1		1		
Indiana	27	9	4	8	11	3	1			6	6			
Illinois	39		2	18	19					1	1			

Footnotes at end of table.

TABLE 6.—NUMBER OF APPROVALS, GRANTS, LOANS, AND COMBINED GRANTS AND LOANS FOR WATER PROJECTS TO COMMUNITIES AND DISTRICTS WITHOUT PUBLIC FACILITIES PRIOR TO 1963, GROUPED BY SIZE, STATE, AND REGION, MAR. 30, 1967[1]—Continued

State and region	Total[3]	Size of community								Size of district[2]				
		Rural[4]	Under 100	100 to 249	250 to 499	500 to 999	1,000 to 2,499	2,500 to 5,500	Over 5,500	Total	Under 2,500	2,500 to 5,500	5,501 to 10,000	Over 10,000
Michigan	8				3	1	1	3		5	2	1	1	1
Wisconsin	14	1		2	6	6				3	2			1
East north-central	100	11	7	34	43	10	3	3		16	11	2	1	2
Minnesota	5			3	1	1								
Iowa	16		1	5	7	3								
Missouri	111	10	19	56	30	6				10	10			
North Dakota	14			7	6		1							
South Dakota	4			3	1									
Nebraska	1			1										
Kansas	23		13	9	1									
West north-central	174	10	33	84	46	10	1			10	10			
Delaware														
Maryland	13	1		2	6	4	1			2	2			
Virginia	2	1	1		1									
West Virginia	13	7	2	5	5	1				4	4			
North Carolina	11	8	1	4	1	3	2			1	1			
South Carolina														
Georgia	53	2	2	26	20	5				3	2			1
Florida	18	4	1	4	5	6	1	1						
South Atlantic	110	23	7	41	38	19	4	1		10	9			1
Kentucky	15	3	1	5	7	2				11	11			
Tennessee	33	17	7	19	5	2				9	9			
Alabama	60	20	9	27	16	7	1			1	1			
Mississippi	60	64	4	33	18	5				4	4			
East south-central	168	104	21	84	46	16	1			25	25			
Arkansas	34	3	1	17	15	1				1	1			
Louisiana	18	3	2	3	4	9				3	3			
Oklahoma	23	7	2	12	6	3				2	2			
Texas	93	44	31	33	16	11	2			26	26			
West south-central	168	57	36	65	41	24	2			32	32			
Montana	3	1		2		1								
Idaho	4	1	1	1	1	1				1	1			
Wyoming	1			1										
Colorado	3	3			1	1	1			1	1			
New Mexico	3	2	1	1	1					1	1			
Arizona	5		1	2		1	1			1	1			
Utah	1	3			1									
Nevada	2			2										
Mountain	22	10	3	9	4	4	2			4	4			
Washington	11		4	4	3					2	2			
Oregon	10	2	3	3	2	1	1			3	2	1		
California														
Alaska										1	1			
Hawaii														
Pacific	21	2	7	7	5	1	1			6	5	1		
United States	786	218	115	334	229	84	17	5	2	111	98	7	3	3

[1] Excludes approvals made under the public facility loan program administered by the U.S. Department of Housing and Urban Development.

[2] Districts include townships, towns, and groups of rural communities not listed or not showing population data in the Rand McNally Commercial Atlas, 1965, and other minor political divisions n which no specific communities are shown.

[3] Entries in this column exclude communities shown as "rural."

[4] "Rural includes places listed in the Rand McNally Commercial Atlas as "rural" and as having "no population." It also includes places not listed in the atlas which are shown in the unpublished listings of the Federal grant and loan programs as not belonging to any group of unlisted or rural communities.

TABLE 7.—NUMBER OF APPROVALS, GRANTS, LOANS, AND COMBINED GRANTS AND LOANS FOR SEWAGE PROJECTS TO COMMUNITIES AND DISTRICTS WITHOUT PUBLIC FACILITIES PRIOR TO 1962, GROUPED BY SIZE, STATE, AND REGION, MAR. 30, 1967[1]

State and region	Total[3]	Size of community								Size of district[2]				
		Rural[4]	Under 100	100 to 249	250 to 499	500 to 999	1,000 to 2,499	2,500 to 5,500	Over 5,500	Total	Under 2,500	2,500 to 5,500	5,501 to 10,000	Over 10,000
Maine														
New Hampshire										2	2			
Vermont														
Massachusetts														
Rhode Island	2					1			1					
Connecticut														
Northeast	2					1			1	2	2			
New York	7					1	3		3					
New Jersey	13	1		1		1	6	1	4	2		2		
Pennsylvania	5	1				1	3		1	3		2	1	
Middle Atlantic	25	2		1		3	12	1	8	5		4	1	
Ohio	3	2	1		1		1			1		1		
Indiana	10					6	3		1					
Illinois	23				7	7	8	1						
Michigan	14		1			5	5	2	1	8	1	1	3	3
Wisconsin	19		1	5	8	5				2	2			
East north-central	69	2	3	5	16	23	17	3	2	11	3	2	3	3

Footnotes at end of table.

State and region	Total [3]	Rural [4]	Size of community: Under 100	100 to 249	250 to 499	500 to 999	1,000 to 2,499	2,500 to 5,500	Over 5,500	Size of district [2]: Total	Under 2,500	2,500 to 5,500	5,501 to 10,000	Over 10,000
Minnesota	11	1		3	2	5		1						
Iowa	40			10	14	13	2		1					
Missouri	5				2	3								
North Dadota	10		6	4										
South Dakota	13		1	8	3	1								
Nebraska	4	1		1	3									
Kansas	1			1										
West north-central	84	2	7	27	24	22	2	1	1					
Delaware														
Maryland	8	2			3	3	1		1	1	1			
Virginia	4				2		1		1					
West Virginia	2					1	1							
North Carolina	5				2	1	1	1						
South Carolina	10				1	6	3			1		1		
Georgia	9	2		1	1	3	4			1				1
Florida	7	1		1		2	1	1	1					
South Atlantic	45	5		2	9	16	13	2	3	3	1	1		1
Kentucky	7	2	1		1	4	1							
Tennessee	9	2		1	1	1	6							
Alabama	4				1		2	1						
Mississippi	10			2	5	2		1		1	1			
East south-central	30	4	1	3	8	7	9	2		1	1			
Arkansas	11			1	5	3	2							
Louisiana	6		1	2		2	1							
Oklahoma	7			2	2	3								
Texas	11	1		2	6	2	1							
West south-central	35	1	1	7	13	10	4							
Montana	6			1	2	1	2							
Idaho	7				3	4								
Wyoming														
Colorado	4		1	2	1									
New Mexico	1						1							
Arizona	1			1										
Utah	7	2		1		1	4	1						
Nevada										1			1	
Mountain	26	2	1	5	6	6	7	1		1			1	
Washington	10			2	3	4	1							
Oregon	12			2	1	7	2			1				1
California	11			1	2	4	3		1					
Alaska	2				2									
Hawaii	1							1						
Pacific	36			5	8	15	6	1	1	1				
United States	352	18	13	55	84	103	70	11	16	24	7	7	5	5

[1] Excludes approvals made under the public facility loan program administered by the U.S. Department of Housing and Urban Development.

[2] Districts include townships, towns, and groups of rural communities not listed or not showing population data in the Rand McNally Commercial Atlas, 1965, and other minor political divisions in which no specific communities are shown.

[3] Entries in this column exclude communities shown as "rural."

[4] "Rural" includes places listed in the Rand McNally Commercial Atlas as "rural" and as having "no population." It also includes places not listed in the atlas which are not a part of a group of unlisted or rural communities.

TABLE 8.—FARMERS HOME ADMINISTRATION—WATER AND WASTE SYSTEMS RECEIVING ASSISTANCE

[Number of systems unduplicated]

Type of assistance	Fiscal year— 1969	1970	1971	1972
WATER SYSTEMS				
Loans only:				
Number	469	400	549	534
Amount	78,445,480	71,866,770	112,139,800	142,552,000
Loans and grants:				
Number	167	263	314	254
Amount:				
Loans	20,589,950	33,340,550	43,634,000	37,240,900
Grants	9,869,898	15,065,109	17,848,300	15,911,100
Grants only:				
Number	20	91	77	71
Amount	542,806	6,835,042	2,462,610	5,214,000
Total water systems:				
Number	656	754	940	859
Amount:				
Loans	99,035,430	105,207,320	155,773,800	179,792,900
Grants	10,412,704	21,900,151	20,310,910	21,125,100
WASTE SYSTEMS				
Loans only:				
Number	100	70	176	144
Amount	21,807,420	9,607,900	37,002,530	49,750,300
Loans and grants:				
Number	105	97	158	123
Amount:				
Loans	19,823,790	17,083,499	32,539,500	27,417,800
Grants	10,724,163	8,086,071	15,522,900	11,960,500
Grants only:				
Number	11	69	27	53
Amount	705,355	7,651,853	1,111,600	3,524,950
Total waste systems:				
Number	216	236	361	320
Amount:				
Loans	41,631,210	26,691,399	69,542,030	77,168,100
Grants	11,429,518	15,737,924	16,634,500	15,485,450
COMBINATION WATER AND WASTE SYSTEMS				
Loans only:				
Number	63	28	76	76
Amount	14,605,700	4,711,000	22,818,000	29,300,900
Loans and grants:				
Number	45	45	52	51
Amount:				
Loans	7,751,620	8,069,370	13,570,100	13,737,100
Grants	2,954,302	3,959,510	6,697,150	5,873,128
Grants only:				
Number	0	18	9	13
Amount	0	2,893,000	444,700	1,955,660
Total combination systems:				
Number	108	91	137	140
Amount:				
Loans	22,357,320	12,780,370	36,388,100	43,038,000
Grants	2,954,302	6,852,510	7,141,850	7,828,788

TABLE 8.—FARMERS HOME ADMINISTRATION—WATER AND WASTE SYSTEMS RECEIVING ASSISTANCE—Continued

[Number of systems unduplicated]

Type of assistance	Fiscal year— 1969	1970	1971	1972
Total all systems receiving assistance:				
Number	980	1,081	1,438	1,319
Amount:				
Loans	163,023,960	144,679,089	261,703,930	299,999,000
Grants	24,796,524	44,490,585	44,087,260	44,439,338

Type of assistance	Fiscal year— 1969	1970	1971	1972
Familes served or users:				
Water systems	498,092	623,927	688,465	818,253
Waste systems	70,031	105,326	147,718	217,103
Combination systems	(1)	(1)	98,278	129,001
Development grants only	2,610	3,373	13,566	70,044
Total	570,733	732,626	948,027	1,234,401
Comprehensive area water and sewer planning grants:				
Number	328	179	175	155
Amount	4,035,097	3,018,605	2,642,650	2,136,850

[1] Included in families served by water systems.

TABLE 9.—FHA DEVELOPMENT LOANS AND GRANTS OBLIGATED, BY TYPE OF ASSOCIATION, FISCAL YEAR 1972 THROUGH JUNE 30[1]

	Loans						Grants					
	Water systems		Waste disposal		Combination water and waste		Water systems—Initial		Waste disposal—Initial		Combination water and waste—Initial	
	Number (1)	Amount (2)	Number (3)	Amount (4)	Number (5)	Amount (6)	Number (7)	Amount (8)	Number (9)	Amount (10)	Number (11)	Amount (12)
Alabama	18	$4,267,700	0	0	1	$180,000	21	$1,238,400	0	0	0	0
Arizona	1	49,600	1	$1,175,000	0	0	3	116,000	2	154,000	0	0
Arkansas	17	7,031,800	4	401,800	4	1,406,300	9	1,066,000	1	61,400	0	0
California	10	2,690,000	7	3,071,000	0	0	11	659,000	3	503,800	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	1	1,000,000	0	0	1	122,000	0	0	0	0	0	0
Colorado	0	0	4	350,000	2	265,000	1	45,700	4	170,100	2	$164,500
Florida	7	2,277,000	1	4,000,000	3	1,389,000	3	104,700	0	0	3	887,400
Georgia	6	1,929,000	3	240,000	7	3,070,000	4	145,500	0	0	3	607,000
Idaho	2	101,000	2	1,048,000	3	1,604,400	1	69,500	1	26,500	1	209,600
Illinois	13	5,571,100	12	3,527,000	3	1,054,000	3	207,000	7	757,300	1	200,000
Indiana	5	3,635,000	9	3,311,900	0	0	2	600,000	2	345,000	0	0
Iowa	14	10,996,000	6	976,000	0	0	7	245,500	11	668,900	0	0
Kansas	14	5,949,800	0	0	0	0	5	648,900	0	0	0	0
Kentucky	6	934,800	0	0	2	815,000	7	850,000	0	0	1	180,000
Louisiana	25	3,915,500	5	251,000	3	1,867,000	10	486,000	1	32,000	0	0
Maine	3	408,500	5	2,022,000	0	0	0	0	3	724,300	0	0
Michigan	9	2,871,000	9	5,743,000	0	0	2	95,000	5	765,000	0	0
Minnesota	3	180,000	16	2,845,000	2	646,000	1	15,000	7	635,400	2	139,700
Mississippi	34	8,797,800	0	0	7	2,316,600	23	1,237,300	1	82,000	3	209,900
Missouri	15	4,361,800	4	453,100	2	287,400	7	860,100	4	219,000	1	103,500
Montana	4	358,100	1	20,800	1	133,700	1	100,000	2	81,300	1	71,600
Nebraska	4	2,530,000	5	192,000	0	0	3	233,700	7	186,300	0	0
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	2	363,400	1	334,000
New Mexico	6	311,000	0	0	3	330,000	7	128,600	0	0	3	115,000
New York	10	2,234,000	12	10,686,000	1	316,000	6	350,000	7	1,200,000	0	0
North Carolina	11	980,000	6	456,500	5	3,750,000	7	344,600	9	269,600	2	328,000
North Dakota	3	2,453,000	3	161,300	4	421,400	1	49,000	2	148,000	3	171,600
Ohio	13	13,700,000	3	2,215,000	0	0	1	105,000	3	427,000	0	0
Oklahoma	9	2,180,600	1	775,000	2	265,800	11	759,000	1	116,300	1	57,800
Oregon	3	93,000	4	51,500	4	295,000	2	83,000	0	0	1	140,000
Alaska	0	0	0	0	1	114,000	1	780.000	1	550,000	0	0
Pennsylvania	2	82,000	5	117,000	6	1,042,900	3	566,000	2	1,085,000	0	0
South Carolina	6	410,400	4	75,600	1	234,000	16	7,233,700	4	2,659,200	2	103,000
South Dakota	1	200,000	1	24,500	2	75,900	4	878,600	1	89,000	7	1,597,800
Tennessee	23	821,000	7	154,000	2	15,000	23	6,077,000	2	446,000	0	0
Texas	17	1,548,400	3	525,600	0	0	18	7,007,500	6	1,409,500	3	725,900
Utah	1	25,000	1	19,500	2	363,000	5	881,000	1	240,000	0	0
Vermont	1	100,000	1	220,000	2	239,700	3	1,475,000	0	0	0	0
Connecticut	0	0	0	0	0	0	1	7,000	0	0	0	0
Massachusetts	1	10,000	0	0	1	165,000	1	15,000	0	0	0	0
New Hampshire	2	10,000	0	0	0	0	3	541,000	1	70,000	0	0
Rhode Island	1	145,000	0	0	0	0	1	445,000	0	0	0	0
Virginia	4	647,000	1	8,400	3	329,600	3	957,600	2	1,535,000	0	0
Washington	1	30,000	0	0	4	499,900	6	486,000	1	482,000	0	0
West Virginia	5	754,000	7	494,000	2	192,000	10	2,373,400	2	599,000	0	0
Wisconsin	2	11,000	1	10,000	3	199,000	4	1,223,000	5	1,526,000	0	0
Wyoming	1	20,400	1	27,600	1	20,000	0	0	4	876,300	0	0
Puerto Rico	5	347,500	0	0	2	120,000	2	164,000	0	0	0	0
Virgin Islands	0	0	0	0	0	0	0	0	0	0	0	0
U.S. total	233	16,059,200	92	2,992,900	121	11,842,000	369	122,907,900	88	31,806,600	31	6,951,800

[1] In addition 47 development grants for $4,576,438 were obligated from other than FHA funds.

RURAL COMMUNITY SYSTEMS STILL REQUIRE GRANTS AS WELL AS LOANS

Mr. McGOVERN. Mr. President, if needs for well more than half of these rural communities and counties for water, sewer, and solid waste disposal system is to be met a grant as well as a loan will be required, the proportion requiring grants being higher for sewer and solid waste disposal than for water systems.

As the tables I have inserted in the RECORD indicate, fully half of all the loans made by Farmers Home Administration and other agencies alone and in combination required that the loan be accompanied by a grant in order to establish an economically sound loan and repayment schedule within the ability of the community to pay user fees or taxes for support of the system. Farmers Home Administration has developed a very detailed and careful procedure for determining which borrowers require grants as well as loans and the proper proportion of loan and grant tailored to the circumstances of each applicant. I will introduce excerpts of this Farmers Home Administration instruction into the RECORD at a later point.

Suffice it to say at this point, if the grant program is destroyed, fully half of the kinds of communities that need Farmers Home Administration assistance will be unable to qualify for loans.

And I should add—the communities that are unable to qualify for loans only will be those very rural communities that are in worst need of adequate water and waste disposal facilities. Without grants none of these communities can probably qualify for a loan.

NEEDED GRANTS NOT AVAILABLE ELSEWHERE

The grants that are so essential to successfully bringing of water, sewer, and solid waste disposal systems to the most needful rural communities are not available from other sources.

The administration witness before the committee indicated that such funds would be available from general revenue sharing and from the Environmental Protection Administration.

I am convinced of the correctness of the report of the House committee concerning the possibility of finding rural water and waste disposal grant money in the general revenue-sharing proposal. In the first place, much of this money is already spoken for and States, counties and municipalities were already making plans for its use before the cancellation of this program was announced. The language of the House committee report is this, and I quote:

> The Administration's testimony also referred to funds which would be made available under revenue sharing—a myth used as justification to destroy many existing programs and to oppose scores of pieces of legislation in the last Congress. Obviously, small rural towns simply do not have the political muscle or the tax base to enable them to scramble adequately to come up with a fair share of the funds.

Mr. President, I wholeheartedly agree with the House committee on this matter. When the Congress voted for general revenue sharing it was to provide additional noncategorical funds to assist States, counties, and municipalities with needs considered important by them and for programs chosen by them. None certainly expected that general revenue sharing was to be a substitute for the rural water and waste disposal grant program, the elimination of which we understood to be a part of the President's special rural community development revenue sharing proposal which was rejected by both Houses of Congress.

Mr. President, as I understand the situation that faces us, and I understand there is some hazy legal areas involved, it is this: As a result of the termination of the water and waste disposal planning and development grant programs:

First. The Farmers Home Administration rural water system planning grant program has been terminated and no similar funds are available elsewhere in the Federal Government:

Second. The Farmers Home Administration rural sewer planning grant program has been terminated and such funds may be available, if not reachable, from EPA;

Third. The Farmers Home Administration water system construction grant program has been terminated and Environmental Protection Agency nor any other agency has the authority to initiate such a program;

Fourth. The Farmers Home Administration sewer and solid waste disposal construction grant program has been terminated and there is serious doubt whether Environmental Protection has or intends to use any of its authorizations to inaugurate such a program on a nationwide basis for anything other than rural waste treatment plants.

I ask unanimous consent to insert at this point in my remarks a report prepared on this question by the Congressional Research Service.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

> The following comments are in response to your telephone request to Mr. Robert Wolf on February 23, 1973.
>
> In 1965, Congress enacted the Poage-Aiken Act authorizing the Secretary of Agriculture to make grants not to exceed $50-million for both water and waste disposal systems (subsequently raised to $300-million), loans for waste disposal and grants for comprehensive area water and sewer planning. The Department of Agriculture terminated the planning and development grants in the Farmers Home Administration programs for water and waste disposal as of January 1, 1973. The Department contends that grant funds are available under other programs, presumably in EPA.
>
> The Federal Water Pollution Control Act Amendments 1972, P.L. 92-500, have generally comparable grant provisions. Section 105(e) provides for research and demonstration projects for new and improved methods of preventing, reducing and eliminating pollution from agriculture. Grants are also available for demonstration projects for new and improved methods of preventing, reducing, storing, collecting, treating, or otherwise eliminating pollution from sewage in rural areas where collection of sewage in conventional, community-wide sewage collection systems is impractical, uneconomical, or otherwise infeasible or where soil conditions preclude the use of septic tanks or drainage field system. Seventy-five million dollars were authorized for Section 105, and at least 10 percent shall be available for subsection (e) which would include rural areas.
>
> Section 208, P.L. 92-500, authorized $50-million for the development and implementation of areawide waste treatment management plans. These plans are to consider non-point and point sources of pollution, including agricultural, silvicultural, residual wastes that could affect water quality.
>
> Section 206, P.L. 92-500, authorized $18-billion for reimbursement of sewage treatment construction works over a 3 year period, FY 1973—FY 1975. President Nixon announced that no more than $2-billion, of the $5-billion authorized for FY 1973, would be allocated to the States. The allocation for FY 1974 would also be reduced to $3-billion from the authorized $6-billion.
>
> The Poage-Aiken Act was specifically directed toward rural America. Subsequent acts did not repeal or set aside its terms and authorizations. One must presume the Congress and the Executive were aware of the laws and authorizations on the books. Thus acts subsequent to the Poage-Aiken Act would be supplemental to and not in replacement, unless so specified.
>
> The Farmers Home Administration is continuing its water and waste disposal loan program for communities unable to secure the necessary financing to repair or develop urgently needed facilities.
>
> P.L. 91-512, Resource Recovery Act of 1970, amends the Solid Waste Disposal Act. Among other things, it provides for grants for recovery of useful energy and materials; grants for State, interstate and local planning; and grants for resource recover systems and improved solid waste disposal facilities. In the latter grant category, Sec. 208 of P.L. 91-512, not more than 70 percent of the designated or appropriated funds during FY 1972 and 1973 was to be awarded to assist community solid waste problems of Standard Metropolitan Statistical Areas. The remaining 30 percent was to be reserved for solving problems of rural areas. The attached material summarizes the grant activity under Sec. 208.
>
> It is my further understanding that the President's 1974 fiscal year Budget does not project any program for rural waste disposal loans. Thus of the nine programs for water and waste disposal systems in rural areas, only the rural water system loan program will remain, with a faint possibility that some rural communities may be able to obtain sewer loans and grants from the Environmental Protection Administration.
>
> A thorough search of both the current Catalog of Federal Domestic Assistance and the 1974 Budget documents failed to reveal where any provision is made for loans of grants for rural systems for sewer connector and collection lines, for county—or area-wide solid waste disposal loans or grants, or for grants for rural water distribution systems.
>
> Not only, is there no apparent provision for picking up the water grant program in the Environmental Protection Agency, there is serious doubt whether that agency is authorized, or intends, to make rural sewer and solid waste grants on a nationwide basis, or the President, or the Secretary of Agriculture has the legal authority to pick up the statutory water grant program of the Department of Agriculture and transfer it bodily to a Department or Agency outside the Department of Agriculture that does not have basic authority to carry out the activity as the following statement prepared by Dr. Allen Schick of Congressional Research Service of the Library of Congress indicates.
>
> The pertinent paragraph reads:
>
> "As things now stand, the Secretary of Agriculture probably can take away the functions of or abolish many United States Department of Agriculture units such as the Rural Electrification Administration and the Soil Conservation Service. *Of course, the Secretary could not transfer their functions to units outside the United States Department of Agriculture; such transfer could be done, however, by means of the President's reorganization power.*"

To Senate Committee on Agriculture and Forestry

From Government and General Research Division, Charles W. Harris, Division Chief

Research by—Allen Schick, Senior Specialist

The reorganization power of the President extends to all agencies and functions established by law. The fact that any agency has a statutory basis—even one going back many decades—does not bar the President from using his reorganization power to abolish, transfer or consolidate the agency or its functions. In fact, the purpose of the Reorganization Act of 1949 as amended (5 USC 901-913) is to empower the President to reorganize such units irrespective of their statutory origins.

The President may use executive orders to reorganize agencies or functions not established by law. In the case of the Department of Agriculture, the Secretary possesses considerable reorganization authority. Reorganization Plan No. 2 of 1953 (67 Stat. 633) "transferred to the Secretary of Agriculture all functions not now vested in him of all other officers, and of all agencies and employees of the Department of Agriculture . . . It allows the Secretary to authorize any other officer, agency, or employee of the Department to perform any function vested in the Secretary . . . Also, it will enable the Secretary from time to time, to adjust the organization of the Department . . ."

Certain functions and units of the Agriculture Department were excepted from Reorganization Plan No. 2 of 1953. These were the Farm Credit Administration, corporations of the Department, the functions of hearing examiners, and the Advisory Board of the Commodity Credit Corporation.

As things now stand, the Secretary of Agriculture probably can take away the functions of or abolish many USDA units such as the Rural Electrification Administration and the Soil Conservation Service. Of course, the Secretary could not transfer their functions to units outside USDA; such transfer could be done, however, by means of the President's reorganization power.

The Secretary of Agriculture has used his reorganization power deriving from Reorganization Plan No. 2 of 1953 to establish the Food and Nutrition Service (1969), Agricultural Marketing Service (1972), and the Animal and Plant Health Inspection Service (1972), and the Agricultural Stabilization and Conservation Service (1961).

Agencies and functions established by law subsequent to 1953 and not vested in the Secretary of Agriculture probably could be reorganized only via the reorganization authority of the President.

RURAL DEVELOPMENT PRIORITY

Mr. McGOVERN. Lacking adequate water, sewer, and solid waste disposal systems, rural communities cannot: First, meet Federal and State goals and standards for pollution abatement and control; second, operate the measures required to preserve and enhance the natural environment; and cannot attract and hold the job-creating industry, business, tourism, outdoor recreation, and retirement homes required to increase local income and tax base sufficiently to meet national rural development goals.

The rural water and waste disposal grant program is only one of a wide variety of Federal programs to provide for the abatement and control of water pollution and for the preservation and enhancement of the natural environment. But it is the only such program that is specifically adapted to the needs of rural communities and the open countryside. And it is the only such program that is exclusively available in Countryside U.S.A. and in rural villages, towns, and cities up to 10,000 population.

In title IX of the Agricultural Act of 1970, the Congress passed and the President signed a strong, forthright national policy establishing the revitalization and development of rural areas as a national goal of highest priority.

Section 901(a) of that act stated:

> The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

Without adequate water distribution and waste disposal systems, rural communities cannot contribute to the attainment of this highest priority national goal. Without these, rural communities lack both the means to provide essential elements of the modern standard of a high quality of life and the prerequisites required to attract needed industry to create new jobs and increased income and tax base. While the recently enacted Rural Development Act provides and the President's budget projects the making of loans for establishment and operation of a nationwide rural industrialization loan program, its purposes will be frustrated and blunted if adequate water and waste disposal systems in rural communities are not available.

THE QUESTION OF GOVERNMENT RELIABILITY

Mr. President, as I have pointed out, the legislation authorizing this program was first enacted as the Aiken-Poage Act in 1965 as an amendment to what is now the Consolidated Farm and Rural Development Act, section 306—7 U.S.C. 1926.

The program has since operated successfully year-in and year-out over the past 8 or so years.

According to the normal schedule outlined in the recent testimony of Comptroller General Staats, a former Associate Director of the Budget before the joint committee actions and discussions leading up to decisions on the nature and level of water and waste disposal loan and grant programs that would be operated in fiscal year 1973 must have been initiated as early as August 1970 in program evaluation and analysis studies and budget projections. There were no indications of which the Committee on Agriculture and Forestry was aware, that termination of this program was being even remotely considered at that time.

From August 1971 many conversations between the USDA and Office of Management and Budget must have taken place, their disagreements settled, and their final recommendations were incorporated in the President's budget message, which was delivered to Congress, January 24, 1972.

The President's budget on January 24, 1972, recommended continuation of the program for the full fiscal year of 1973 at a program level of $42 million.

Subsequently, officials of USDA appeared before both House and Senate Committees on Appropriations, and vigorously defended and justified the program. At no time during these hearings was there any indication by any administration witness that the water and waste disposal grant program would be terminated in mid-year or at any other time. In fact, Department witnesses couched their recommendations for funds for this purpose on a full fiscal year operation.

The Agriculture-Environmental and Consumer Protection Appropriation Act, 1972—Public Law 92-399—which the President signed on August 22, 1972, stated:

> RURAL WATER AND WASTE DISPOSAL GRANTS
>
> For grants pursuant to sections 306 (a) (2) and 306(a)(6) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 USC, 1926), $150,000,000, to remain available until expended, pursuant to section 306 (6) of the above Act, of which $58,000,000 shall be derived from the unexpended balance of amounts appropriated under this head in the fiscal year 1972, largely to meet the expanding need for areas not now covered; Provided, That this appropriation shall be available only with the limits of amounts authorized by law for fiscal year 1973.

Then, on August 30, 1972, the President signed the Rural Development Act of 1972, which contained a provision tripling the annual authorization from $100 million to $300 million, for development grants and doubling the authorization from $15 million to $30 million for planning grants.

The Office of Management and Budget issued an allocation to the Department of Agriculture indicating an annual level of expenditure of $420 million, with $108 million of the $150 million appropriation being impounded. But there was, even at this date, no indication that the program would be terminated rather than merely reduced in total amount.

The current Catalog of Federal Domestic Assistance, published and distributed during the fall of 1972 by the Executive Office of the President, Office of Management and Budget, contains a full description of the comprehensive areawide rural water and waste disposal planning and development grants and loan program. I ask unanimous consent that this material be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McGOVERN. Mr. President, that description was predicated upon the publication, the Federal Register, volume 37, No. 118, Saturday, June 17, 1972, of the updated rules and regulations governing the rural water and waste disposal loan and grant program. There is nothing to be found in the rules and regulations published on June 17, 1972—and there has been no subsequent notice or announcement placed in the Federal Register—that the program was to be terminated about 6 months later. I ask unanimous consent that this Federal Register document be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. McGOVERN. Mr. President, these descriptions are generally unchanged from previous editions of the catalog; certainly there is no indication of impending termination.

Every official action of the administration and of the Department of Agriculture from August of 1970 up to the time of cancellation on January 10, 1973, would have led any observer to believe that the general nature and at least the broad outlines of funding for the program were set and secure for at least the full fiscal year of 1973.

Here is the chronology of actions upon which was based the confidence of citizens in relying on continuance of the programs.

Aiken-Poage Act of 1965: Initial authorization of water and waste disposal planning and development grant program.

January 24, 1972: Included in budget message.

June 17, 1972: Up-dated Rules and Regulations published in Federal Register.

August 22, 1972: Appropriation act approved.

August 30, 1972: Authorization tripled by Rural Development Act of 1972.

Initial allocation by Office of Management and Budget: $42 million.

Inclusion of program in official Catalog of Federal Domestic Assistance.

January 1, 1973: Program terminated.

At the date of the termination announcement, 1,685 communities across the United States had applications pending for $252,783,208.00 in grants under the program.

These applicants had proceeded, in full expectation of continuation of the program, in planning for work to be undertaken and preparing applications to be processed and approved.

The very great amount of detailed work that precedes the drafting and filing of an application for a water or waste disposal grant to accompany the loan for the same purpose is indicated by the description of the steps involved in planning and developing community water and waste disposal facilities that is exhibit J to the U.S. Department of Agriculture Farmers Home Administration Instruction 442.1 issued June 5, 1972. No subsequent instructions were issued.

I ask unanimous consent that this FHA instruction be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. McGOVERN. Mr. President, the termination of the rural water and waste disposal grant program came as a great shock to hundreds of local communities that have grant applications for a water or waste disposal system which have not been approved due to lack of available funds.

In addition, many local community groups were in other stages of organization or planning prior to formal submission of their application. These groups had every reason to expect a continuation of the grant program that was necessary to the implementation of their projects.

Some had even taken expensive preliminary steps such as: First, contracted or completed engineering studies and plans; second, sale of general obligation or revenue bonds for the required local share of costs; third, circulation of pledge certificates among perspective users of the service, fourth, ground preparation; fifth, contacting prospective industrial or business enterprises who would need the service.

Mr. President, we have heard a great deal about improving the enforcement of law and order, and I share the feeling that we need a great more attention to it. I further submit that if we are to maintain the confidence of the citizens and local communities in the reliability of the Federal Government itself to follow the laws and fulfill its implied commitments, then we must pass this legislation to restore this program so that those who have depended upon its continuance will not be disillusioned and injured. In a significant sense, the good faith of the Government is involved.

THE STATUS OF CONGRESS AND THE CONSTITUTIONAL QUESTION

Mr. President, at my request, the committee staff has developed a tightly reasoned and straightforward brief of the situation relative to the constitutional question raised by termination of the water and waste disposal grant programs. I have nothing to add to this language and will rest the legal case for the bill on that basis. I wish to thank the assistant counsel of the committee—Mr. Michael McLeod—for the long, detailed, painstaking legal research he has done on this subject and to commend him for the concise clarity with which he has expressed the argument.

Mr. President, I ask unanimous consent to have this brief printed in the RECORD as a part of my remarks.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

THE CONSTITUTIONAL ISSUE

Although rural Americans have much at stake in this bill which would restore a program that is so desperately needed by small towns and the countryside throughout the nation, we are faced with a much broader issue here. We are confronted with a breach of our constitutional system of separation of powers and the refusal of the Executive Branch to execute the clearly stated and duly enacted intent of Congress.

The Committee has faced this issue on two previous occasions this year, in considering legislation to restore the REA direct loan program and in legislation to restore the terminated Rural Environmental Assistance Program. However, there is no case of clearer Congressional intent that a program be continued and expanded than in the case of the Water and Waste Disposal Grant Program of the Farmers Home Administration. There is no case in which the Executive Branch's termination or cancellation of a program flys more directly in the face of Congressional intent.

In a memorandum prepared by John A. Knebel, General Counsel of the Department of Agriculture in response to the request of the Chairman of the House Agriculture Committee for the legal authority for terminating the rural Water and Waste Disposal Grant Program and other programs the termination of the program is justified by pointing to language in the Consolidated Farm and Rural Development Act which "authorizes" rather than "directs" the Secretary of Agriculture to make grants for water and waste disposal purposes. The memorandum points out neither the substantive legislation or the appropriation act compels the obligation and expenditure of the full amount authorized for water and waste disposal grants. Moreover, the memorandum states that the Executive Branch has failed to obligate all funds appropriated by Congress for this program in the past.

This line of reasoning is extremely narrow. It is an attempt to construe the law in a vacuum and to ignore all pertinent legislative history. It ignores the fact that Congress has, through legislative action, clearly expressed its intent that the water and waste disposal grant program should not only be continued, but that it should be dramatically expanded.

The Congress passed and the President approved on August 30 the Rural Development Act of 1972 (P.L. 92–419). This Act increased the water and waste disposal grant program from $100 million for any fiscal year to $300 million for any fiscal year. In addition, it increased the authorization for grants for comprehensive planning of water and waste disposal systems in rural areas from $15 million for any fiscal year to $30 million for any fiscal year.

Concurrent with the passage of the Rural Development Act the Congress was considering the Department of Agriculture-Environmental and Consumer Protection Appropriation bill for fiscal year 1973. In its Committee report on this bill on June 26, 1972, the House Committee on Appropriations expressed great disappointment at the refusal of the Executive Branch to fully utilize all funds appropriated for the water and waste disposal grant program and again recommended a program level of $100 million. The statement of the House Appropriations Committee follows:

"The Farmers Home Administration is authorized to make grants for the preparation of comprehensive plans to coordinate the development of water and waste disposal systems in rural areas. In addition, grants are made to rural area associations such as nonprofit corporations and municipalities for up to 50% of the costs of developing projects for storage, treatment, purification and distribution of domestic water or the collection, treatment, or disposal of wastes.

For 1973, the Committee again recommends a program level of $100,000,000 for this program, including the reappropriation of $58,000,000 which was withheld by the Office of Management and Budget in 1972 although the need was there. As of December, 1971, FHA had 1,891 grant applications for an estimated cost of $151,000,000. A similar situation exists with regard to towns and cities above 5,500, where the Department of Housing and Urban Development has principal responsibility, where $500,000,000 of the $700,000,000 made available by Congress has been frozen.

"In view of the general interest in doing something for the environment and the commitment by the Federal Government to do all it can to minimize the impact of man on his environment and to safeguard health, the Committee is at a loss to understand the failure to use the funds as Congress directed. The only answer the Committee has received is that these funds have a lower priority at the Office of Management and Budget. For the coming year, the committee directs the use of these funds due to the need.

"What is overlooked is that, for rural areas, the Committee believes that these funds often mean the difference between partially meeting a limited need and a sound, area-wide program to serve immediate needs in sparsely populated areas while providing the facilities necessary to meet the demands for future development. In providing $100,000,000 the Committee believes the Department should set up not less than 20% of the funds to strengthen existing systems to assure that they are expanding to take in unserved customers and to improve service in their designated service area."

The Senate Appropriations Committee in considering this appropriation's bill took an even stronger position. It strongly urged the Administration to release all water and waste disposal grant funds which had been impounded and it increased the appropriations level to $200 million for fiscal year 1973. Although the Rural Development Act, which was to increase the authorization level from $100 million to $300 million, had not yet received final approval by the Congress, the Senate Appropriations Committee felt so strongly that additional funds were needed for the water and waste disposal grant program that it recommended an increased appropriation of $200 million in anticipation of the increased authorization level to be enacted in the Rural Development Act. The statement of the Senate Appropriations Committee on this issue follows:

"Section 306 of the Farmers Home Administration Act of 1961, as amended, provides appropriation authority for grants for the preparation of official comprehensive plans which coordinate the development of water and waste disposal systems in rural areas. Grants made under the authority may not aggregate more than $15 million in any fiscal year.

"Section 306 of the Act also provides appropriation authority for grants for the development costs of water and waste disposal projects in rural areas. Grants made under this authority may not aggregate more than $100 million in any fiscal year.

"No appropriation was requested in fiscal year 1973 for these grants. However, the Department has proposed that an unobligated balance of $58,000,000 be carried forward from fiscal year 1972. This amount would be used to provide for planning grants of $2,000,000 and development grants of $40,000,000. The proposed 1973 levels for both planning and development grants are unchanged from the program level in 1972.

"The Committee recommends a new budget

authority of $142,000,000 which, added to carry-over funds of $58,000,000, will result in total funds available for use in fiscal 1973 of $200,000,000. This is $142,000,000 more than the budget estimate, $100,000,000 more than provided in the House bill, and $98,000,000 more than the new (obligational) authority provided in the Appropriation Act for fiscal year 1972. The additional funds recommended herein shall become available only within the limits of amounts authorized by law for fiscal year 1973.

"The Committee strongly urges the Administration to release all of these funds for use during the fiscal year. The need for this program has been well documented. Water and waste problems are critical in rural America, and the Committee directs the Department and the Administration to attack these problems more aggressively and to utilize all of the funds for the purposes for which they have been appropriated."

In the conference on the Department of Agriculture—Environmental and Consumer Protection Appropriation bill the House and Senate conferees compromised on a figure of $150 million for grants for the water and waste disposal program of the Farmers Home Administration. This appropriation bill was signed by the President on August 22.

Thus both houses of Congress, in both the authorizing legislation and in the appropriations legislation, have indicated in the strongest possible terms the need to not only continue but to greatly expand the water and waste disposal grant program of the Farmers Home Administration.

While the Committee on Agriculture and Forestry has not found it necessary to decide the general issue of impoundment, I am at a loss to understand how the Executive Branch can justify its refusal to implement the clearly stated and duly enacted intent of Congress. Certainly, we are not dealing with a simple case of impoundment here. We are not dealing with a case of the Executive Branch withholding part of the funds appropriated for a program. We are dealing with a case in which the Administration has, by Executive fiat and decree, terminated a program which has the strongest possible support in the Congress.

The power of the Congress to legislate and its power of the purse is squarely based on the Constitution. The Constitution clearly states that only the Congress has the power of the purse—the power to tax and the power to appropriate funds. It states:

"The Congress shall have the power to lay and collect Taxes, Duties, Impost and Excises, to pay debts and provide for the common defense of the general welfare of the United States. . . ." U.S. Const., Article I, Sec. 8.

The Constitution is equally explicit in stating the President's duty to execute laws passed by the Congress:

"He shall take care that the laws be faithfully executed." U.S. Const., Article II, Sec. 3.

By terminating the water and waste disposal program, which is authorized in laws passed by the Congress and is strongly supported by the Congress, the President is failing in his constitutional duty to take care that these laws be faithfully executed.

He is in effect imposing an item veto over statutes that have already been signed into law. While the President does have the right to veto legislation to which he is opposed, he does not have the right to impose an item veto. He certainly does not have the right to impose an item veto over statutes that have already been signed into law. Article I, Section 7 of the Constitution spells out the veto powers of the President: "Every Bill which shall have passed the House of Representatives and the Senate, shall before it become a law, be presented to the President of the United States; if he approves he shall sign it, but if not he shall return it, with his objections to that House in which it shall have originated. . . ."

The Secretary of Agriculture has used the discretion provided under this law as a justification for terminating the program authorized by the law. Such abuse of discretion defeats the purpose of the law. Therefore, the enactment of the Committee bill will remove the Secretary's discretion. It will require the Secretary to make grants under the Rural Water and Waste Disposal Planning and Development *in the full amount appropriated*. Thus, the bill will reaffirm the intent of Congress which was so clearly expressed in 1972.

Mr. McGOVERN. Mr. President, we must right this wrong. We must restore this program to full operation. We must continue as best we can to meet the needs of rural America for special assistance to build community facilities of this kind which are essential to rural community improvement and development.

Particularly, we must be insistent that laws of this kind which the Congress has passed, and for which funds have been repeatedly appropriated, shall be faithfully carried out by the executive branch. We must do it if the Congress is to maintain its proper and legal place in the constitutional government of this country.

Mr. President, I urge the support of all Senators for passage of this bill.

Exhibit 1

Farmers Home Administration

10.400 COMPREHENSIVE AREAWIDE WATER AND SEWER PLANNING GRANTS

Federal Agency: Farmers Home Administration, Department of Agriculture

Authorization: Consolidated Farmers Home Administration Act of 1961, as amended, section 306; 7 U.S.C. 1926.

Objectives: To promote efficient and orderly development of rural communities; to provide the information necessary to avoid overlapping, duplication, underdesign or overdesign of the community water and sewer facilities that may be constructed in the area covered by the plan.

Types of assistance; Project Grants:

Uses and use restrictions: Comprehensive planning grants may be made to provide technical and professional services and to pay for necessary test wells and soil and water investigations. The plan must be limited to a rural area and may not include towns or villages with populations in excess of 5,500.

Eligibility requirements:

Applicant Eligibility: Organizations such as public bodies, counties, townships, state, regional and local planning commissions are eligible providing they: (1) lack the resources to immediately finance the planning; (2) are as broadly based and as representative of the interest of the rural area as they can be under state statutes; (3) propose a plan that is supported by local officials and private and public agencies interested in the development of water and sewer facilities in the area; and (4) have authority to prepare official comprehensive plans.

Beneficiary Eligibility: Residents of rural areas.

Credentials/Documentation: The applicant must submit evidence of authority to prepare official comprehensive plans, evidence that resources are not immediately available to finance the plan and evidence that plan is consistent with other plans.

Application and award process:

Preapplication Coordination: All proposals are reviewed by state, metropolitan and local units of local government before an application is filed. Up to 60 days is allowed for the review. Applications should be reviewed under procedures in Part I of OMB Circular No. A-95 (revised).

Application Procedure: SF 101, "Preliminary Application, Federal Assistance for Public Works and Facility Type Projects," is used. Send application to local FHA office.

Award Procedure: After application has been approved by the county supervisor and the county committee, it is given final approval (depending on the size of the application) by the county supervisor, the district supervisor, or the state director. Following approval, payment authorization is forwarded to the National Finance Office which issues the check. Notification of award must be given to the designated State Central Information Reception Agency and OMB on SF 240.

Deadlines: None.

Range of Approval/Disapproval Time: 30 to 90 days.

Appeals: If an application is rejected, the reasons for rejection are fully stated. The applicant may reapply at any time that the reasons for rejection are corrected.

Renewals: Not applicable.

Assistance considerations:

Formula and Matching Requirements: Grant assistance may be for the total cost of the plan.

Length and Time Phasing of Assistance: Not applicable.

Post assistance requirements:

Reports: Reports are required to the extent necessary to determine that the provisions of the grant agreement are met.

Audits: Not required.

Records: Records are required to the extent necessary to determine that the provisions of the grant agreement are met.

Financial information:

Account Identification: 05-75-2066-0-1-352.

Obligations: (Grants) FY 71 $2,642,650; FY 72 est $2,000,000; and FY 73 $2,000,000.

Range and Average of Financial Assistance: $500 to $317,000; $12,000.

Program accomplishments: In fiscal year 1971, 175 grants were made.

Regulations, guidelines, and literature: Fact sheet, "Grants for Preparation of Comprehensive Area Plans for Water and Sewer Systems," no charge. "Farmers Home Administration," PA 705, no charge.

Information contacts:

Regional or Local Office: Contacts should be made with the county Farmers Home Administration office serving the area in which the project is located. If unable to locate the county office contact the headquarters office listed below.

Headquarters Office: Administrator, Farmers Home Administration, U.S. Department of Agriculture, Washington, D.C. 20250. Telephone: (202) 388-7968.

Related programs: 10.411, Rural Housing Site Loans; 10.414, Resources Conservation and Development Loans; 10,418, Water and Waste Disposal Systems for Rural Communities; 11.302, Economic Development-Planning Assistance; 14,301, Basic Water and Sewer Facilities-Grants.

10.418 WATER AND WASTE DISPOSAL SYSTEMS FOR RURAL COMMUNITIES

Federal agency: Farmers Home Administration, Department of Agriculture.

Authorization: Consolidated Farmers Home Administration Act of 1961, as amended, Section 306; 7 U.S.C. 1926.

Objectives: To provide basic human amenities, alleviate health hazards and promote the orderly growth of the rural areas of the Nation by meeting the need for new and improved rural water and waste disposal systems.

Types of Assistance: Project Grants; Guarantee/Insured Loans.

Uses and use restrictions: Funds may be used for the installation, repair, improvement, or expansion of a rural water system including distribution lines, well, pumping facilities and costs related thereto. The installation, repair, improvement, or expansion of a rural waste disposal system including the sewer lines, waste collection, and treatment of all wastes including solid wastes.

Restrictions include a total indebtedness including both loans and grant not to exceed $4,000,000. Development grants for construction cannot exceed 50 percent of the development cost.

Eligibility requirements:

Applicant Eligibility: Public or quasi-public bodies and corporations not operated for profit which will serve residents of open country and rural towns and villages up to 5,500 population may receive assistance when: (1) they are unable to obtain needed funds from other sources at reasonable rates and terms; (2) the proposed improvements will primarily serve farmers and other rural residents; and (3) they have legal capability to borrow, repay, and pledge security for the loan and to operate the facilities or services.

Beneficiary Eligibility: Eligibility for this assistance is limited to public or quasi-public bodies and corporations not operated for profit which serve residents of open country and rural towns and villages of not more than 5,500 population.

Credentials/Documentation: The applicant must furnish evidence of legal capacity to borrow and repay the loans, to pledge security for loans and to operate the facilities or services. Plans and specifications must be developed to comply with state and local health regulations and other requirements.

Application and award process:

Preapplication Coordination: All project proposals are reviewed by state, metropolitan, and local units of government before an application is filed. Up to 60 days is allowed for the review. Applications should be reviewed under Part I of OMB Circular No. A-95 (revised).

Application Procedure: SF 101–Preliminary Application, Federal Assistance for Public Works and Facility Type Projects, is sent to local FHA office.

Award Procedure: After application has been approved by the county supervisor and the county committee, it is given final approval (depending on the size of the application) by the county supervisor, district supervisor or the state director. Following approval, payment authorization is forwarded to the National Finance Office which issues the check. Notification must be made to the public and the designated State Central Information Reception Agency and OMB on SF 240.

Deadlines: None.

Range of Approval/Disapproval Time: 30 to 90 days

Appeals: If an application is rejected, the reasons for rejection are fully stated. The applicant may reapply at any time that the reasons for rejection are corrected.

Renewals: Not applicable.

Assistance considerations:

Formula and Matching Requirements: The loan and grant assistance may equal the project cost if the applicant is financially unable to contribute a part of the cost. Grant assistance is limited to one-half the project cost.

Length and Time Phasing of Assistance: Loans may be scheduled over a period of 40 years.

Post assistance requirements:

Reports: During the first year of operation, monthly progress reports are to be made to the FHA county supervisor. Sometime after the first four months and before the end of the 9th month of operation, the FHA District Supervisor will review and make a report on the operation of the facilities.

Audits: Annual audits are required after the system goes into operation.

Records: Records and accounts are required to reflect the operations of the project.

Financial information:

Account Identification: (Loans) 05-75-4140-0-3-351; (grants) 05-75-2066-0-1-352.

Obligations: (Loans) FY 71 $261,703,930; FY 72 est $300,000,000; and FY 73 est $300,000,000. (Grants) FY 71 $41,355,200; $40,000,000; and FY 73 est $40,000,000.

Range and Average of Financial Assistance: Loans: $50,000 to $2,000,000; $200,000. Grants: $30,000 to $100,000; $80,000.

Program Accomplishments: In fiscal year 1971, 1,327 loans and 637 grants were made.

Regulations, Guidelines, and Literature: Financial Assistance to Small Towns and Rural Groups—PA-707—no charge. Farmers Home Administration, PA-705—no charge.

Information Contacts:

Regional or local office: Contacts should be made with the County Farmers Home Administration Office serving the area in which the project is located. If unable to locate the county office contact the headquarters office shown below.

Headquarters Office: Administrator, Farmers Home Administration. U.S. Department of Agriculture, Washington, D.C. 20250 Telephone: (202) 388-7968

Related Programs: 10.400, Comprehensive Areawide Water and Sewer Planning Grants; 11.302, Economic Development-Planning Assistance; 13.299, Indian Sanitation Facilities; 14.301, Basic Water and Sewer Facilities—Grants; Public Facility Loans.

EXHIBIT 2

[Excerpts from the Federal Register,
June 17, 1972]

[FHA Ins. 442.2; AL-870)442)]

CHAPTER XVII—FARMERS HOME ADMINISTRATION, DEPARTMENT OF AGRICULTURE

SUBCHAPTER B—LOANS AND GRANTS PRIMARILY FOR REAL ESTATE PURPOSES

Part 1823—Association Loans and Grants—Community Facilities, Development, Conservation, Utilization: Loans and Grants for Community Domestic Water and Waste Disposal Systems

On Wednesday, March 1, 1972, notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 4267) to amend 7 CFR, Subpart A of Part 1823 to outline the policies and authorizations and set forth the provisions for making and processing loans and grants to rural communities and other associations for central domestic water and waste disposal systems. Interested persons were afforded the opportunity to participate in the rule making through the submission of comments. A number of comments were received and due consideration has been given to all material presented. In light of the comments and subsequent review the regulations are being published and a number of revisions and editorial changes have been made principally with respect to developing community water and waste disposal facilities.

The comments resulted in changes with respect to:

1. Clarification of who shall be deemed eligible to perform FHA required audits.

2. A change which would make it clear that a portion of bonds proportionate to FHA investment may be sold to FHA even though secured by revenue of the entire system where FHA is financing serve both urban and rural areas.

3. Adding the provision that revenue bonds given as security for solid waste projects when backed by the full faith and credit of the underlying Governments will be acceptable.

4. Applicants engaging a qualified construction inspector, provided the inspector will work under the general supervision of the Consulting Engineers.

5. Editorial changes. In accordance with the above, the regulations as amended will appear as Subpart A of Part 1823, Subchapter B, Loans and Grants Primarily for Real Estate Purposes, and are hereby adopted effective on the date of their publication in the FEDERAL REGISTER (6-17-72).

AUTHORITY: The provisions of this Subpart A issued under sec. 339, 75 Stat. 318, 7 U.S.C. 1989; Order of Act. Sec. of Agr., 36 F.R. 21529; Order of Asst. Sec. of Agr. for Rural Development and Conservation, 36 F.R. 21529.

SUBPART A—LOANS AND GRANTS FOR COMMUNITY DOMESTIC WATER AND WASTE DISPOSAL SYSTEMS

§ 1823.1 General.

This subpart is supplemented by Parts 1890, 1890g, 1890h, 1890p, and 1890r of this chapter. This subpart outlines the policies and authorizations and set forth * * *

(g) *Development grant.* The terms "development grant" means a grant made by FHA to assist in financing the development cost of domestic water and waste disposal systems. These grants are * * *

§ 1823.3 Eligibility.

To be eligible for financial assistance, an association must:

(a) Propose central domestic water or waste disposal facilities which will be:

(1) Primarily used by, or which will generate substantial, tangible benefits primarily for farmers and other rural residents. In the case of a private corporation the use or benefit test is applied to members of the corporation. In the case of a public body, the use of benefit test is applied to the permanent residents within its boundaries or within the boundaries of the rural area to be served by the proposed facility. (An example of substantial, tangible benefits other than direct use of facilities: A rural community may need assistance to extend a water system to serve existing or committed industrial or commercial users whose operation will result in a substantial amount of employment for the local rural residents.) Membership of associations providing community facilities should be broadly based and representative of the community benefiting from the facility.

(2) Located in a rural area and serve farmers and rural residents living in the area. The facility will be controlled by farmers and rural residents, except that if the applicant is a public body and the State Director finds that control by the farmers and rural residents is not feasible, the control may be exercised by the public body when the State Director determines that it can adequately represent the interests of the rural people to be served. In those cases where a project will serve both urban or urbanizing and rural areas, FHA may finance that portion of the facility serving the rural area provided that FHA will have a valid security interest in the revenues from or tax obligations of the borrower attributable or in an amount proportionate to that portion financed by FHA. The dockets for all projects serving both urban and rural areas will be submitted to the National Office for review prior to loan or grant approval. * * *

(b) Propose a facility which will not duplicate or compete with existing or planned private or public facilities. In any case where there is a question as to whether the facility will duplicate or compete with existing or planned public or private facilities, complete information on the degree of duplication or competition will be forwarded to the National Office for consideration before the project summary is prepared. Submissions will include written statements from local leaders and from owners of existing or planned private facilities and such statements should explain their attitude toward the proposed facility. In any instance where two or more applications for projects that would serve substantially the same group of residents within a single rural area are received and one of the applications is submitted by a village, town, county, or other unit of local government, assistance will be provided through the unit of local government unless prior approval of the National Office is obtained.

(c) Be without sufficient funds to carry out the purposes for which the loan or grant is requested and be unable to obtain adequate credit from other sources on reasonable rates and terms. In considering the availability of credit through general obligation bonds, it is not intended that a community be required to exhaust all of its taxing authority to meet this requirement when such remaining authority is limited and is likely to be needed to finance facilities which cannot be financed through revenue bonds or other means. In order to establish that sufficient funds at reasonable rates and terms, as evidenced by a predetermined reasonable annual debt service cost, are not otherwise available to tax-exempt public bodies, all such applicants for either direct or insured loans in excess of $50,000 will be required to advertise on the open market for a lender (on a non-FHA-insured basis) before FHA makes either a loan or grant or insures a loan. If the applicant does not receive an offer from other sources to purchase all of its bonds at reasonable rates and terms, FHA will proceed to make the loan provided it is otherwise sound and proper.

(d) Have the legal authority necessary for constructing, operating, and maintaining the proposed facility or service and for obtaining, giving security for, and repaying the proposed loan.

(e) Propose a system which will be designed and installed to serve the entire service area with service to be provided to anyone within the service area who desires to be served insofar as is economically feasible. No user or area will be denied service because of race, color, creed, or national origin.

(1) Systems serving incorporated municipalities and similar entities will be installed so as to afford service to all users living within the corporate limits plus adjacent built-up areas which logically should be served by the central system unless State or local law precludes service outside the corporate limits or prior exception is granted by the National Office.

(2) Systems serving open country will be installed so as to serve all users requesting service insofar as economically feasible.

(3) In no case will boundaries for the proposed service area be chosen in such a way that any user or area will be excluded because of race, color, creed, or national origin.

(4) The requirements of subparagraphs (1), (2), and (3) of this paragraph do not preclude the financing of:

(i) Projects by phases when it is not practical to finance the entire project at one time, and

(ii) Projects for municipalities where it is not economically feasible to serve the entire area provided economic feasibility is determined on the basis of the entire system, not by considering the costs of separate extensions to or parts thereof; the applicant must have and publicly announce a plan for extending service to areas not initially receiving service from the system; and those families living in the areas not to be initially served must receive written notice from the applicant that service will not be provided until such time as it is economically feasible to do so.

(iii) Extensions to serve industrial areas when service is made available to users located in the service area of the extension.

(5) The applicant will be required to notify each potential user of the availability of the service.

(i) If a mandatory hookup ordinance will be adopted, the required note or bond advertisement will be considered adequate notification, except in those cases being processed under subdivision (ii) of subparagraph (4) of this paragraph.

(ii) When any portion of the income will be derived from user fees and a mandatory hookup ordinance will not be adopted, each potential user will be afforded an opportunity to request service by signing a Users Agreement. Forms are available in all FHA offices to expedite this service as well as forms for those declining such service. The applicant will prepare a map showing each potential user surveyed, and the results of the survey. Also, a list should be maintained of those who decline service.

§ 1823.4 Determining need for development grant.

(a) In order that beneficial use of development grant funds may be made, a development grant will not be considered in docket preparation until the State Director has made a preliminary determination regarding the grant request. Such detemination will be based on a review of the preliminary engineering report, a draft of the proposed budget, facts concerning income levels in the applicant community, emergency, health, economic, and other factors, and a comparison of proposed user charges with user charges of established systems of similar size and cost and ratio of residential users serving communities of similar economic circumstances.

(b) Development grants may be made to eligible associations to assist in financing specific projects for development, storage, treatment, purification, and distribution of domestic water, and the collection, treatment, or disposal of waste in rural areas where such grants are necessary to reduce average annual user charges to a reasonable level. Grants may be made to supplement funds provided by private sources or in connection with FHA loans for development.

(c) Grants may be made only when the cost of the proposed development would result in the user charges being excessive to the average residential user, and by the use of grant funds to reduce the amount of the applicant's share of the total project cost, the user charges would be lowered to a reasonable level. The following will be determined and considered in establishing a reasonable level and the amount of the development grant:

(1) The amount of the average annual residential user cost, including revenues from periodic charges, taxes, and assessments, without taking into consideration any FHA grant.

(2) The amount of average annual residential user cost, including periodic charges, taxes and assessments, levied in connection with established systems of similar size and costs and pecentage of residential users in communities of similar economic conditions.

(3) The difference between the cost found in subparagraphs (1) and (2) of this paragraph. If the average annual residential user cost as determined in subparagraph (1) of this paragraph significantly exceeds that as determined in subparagraph (2) of this paragraph, consideration may be given to a development grant.

(4) Income levels in the community and emergency, health, economic, and other factors.

§ 1823.5 Use of loan and grant funds.

Funds may be used in accordance with the following:

(a) *Loan and development grant funds.* Loans funds may be used for all of the following purposes. Development grant funds may be used only for the following purposes which represent a part of the development cost, except interest.

(1) *Domestic water and waste disposal facilities.* Install and improve central community domestic water and waste disposal facilities including:

(i) Facilities for the development, storage, treatment, purification, and distribution of water.

(ii) Sanitary sewer facilities including collection lines, treatment plants, outfall lines, disposal fields, and stabilization ponds.

(iii) Storm sewers for the collection and disposal of surface drainage.

(iv) Solid waste disposal projects including facilities for the collection, treatment, or disposal of human, animal, agricultural, and other wastes. Items such as garbage trucks and equipment, sanitary landfills, and incinerators are included. State Directors are authorized to use up to ten (10) percent of their annual allocation of loan and grant funds for solid waste projects without such projects being included in processing schedules, but funds to be used for such projects must be considered in preparation of the processing schedule. Grants for solid waste projects may be used without regard to the reasonable user cost test required by § 1823.4(c). Such grants may not exceed 20 percent of the eligible portions of the total development cost unless otherwise authorized by National Office memorandum. State Directors may recommend higher percentage ceilings than those set out above for their States by memorandum. All loans and grants for solid waste projects will be made to public bodies unless specific prior National Office approval is obtained. * * *

§ 1823.6 Loan and grant limitations.

(a) *Loans and grants.* Neither loan nor grant funds may be used to:

(1) Pay for the construction of any new combined storm and sanitary sewer facilities.

(2) Pay any annually recurring costs that are generally considered to be operation and maintenance expenses. This does not preclude the use of loan funds for the purposes named in § 1823.5(b) (4).

(3) Construct or repair electric generating plants, electric transmission lines, or gas distribution lines to provide services for commercial sale.

(4) Purchase firetrucks, hoses, and other firefighting equipment or construct housing for such equipment.

(5) Pay rental for the use of equipment or machinery owned by the association.

(6) Pay for sales rooms and other purposes not directly related to operation and maintenance of the facility being installed or improved.

(b) *Grants.* Development grant funds will not be used to:

(1) Finance any part of the development cost of any project unless the approval office determines that the project will serve a rural area which is not likely to decline in population below that for which the facility is designed.

(2) Purchase existing systems.

(3) Refinance existing indebtedness.

(4) Pay any portion of the cost of a facility in cases where the annual reserve based on a typical year exceeds one-tenth of the average annual debt service requirement unless State regulatory agencies require a larger reserve or where operation and maintenance costs are unrealistic.

(5) Pay interest. * * *

(c) *Amount*—* * *

(2) *Grants.* (i) An FHA development grant may not be made in excess of 50 percent of the eligible development cost. However, for sewage treatment facilities but not sewage collection, the following requirements will apply:

(*a*) Eligible costs are limited to those for which EPA grants may be made including the treatment plant, necessary interceptor lines, outfall lines, and related facility costs such as engineering and legal fees. Costs of land or rights in land are not eligible.

(*b*) The total of the FHA grant plus the grant of any other Federal agency will not exceed 30 percent of the eligible development cost except:

(*1*) If a State has agreed with EPA to pay 30 percent of the costs of all projects for which EPA grants may be made, then the total Federal grants may not be more than 40 percent; or

(2) If a State has agreed with EPA to pay 25 percent of the costs of all projects for which EPA grants may be made and has established enforceable water quality standards for the waters into which the project discharges in accordance with section 10(c) of the Federal Water Pollution Control Act, then the total Federal grant may not be more than 50 percent; or

(3) If the area is designated as "qualified areas" under the Public Works and Economic Development Act of 1965 (EDA area), then the total Federal grant may not be more than 50 percent.

(ii) If any other Federal grants are made in connection with the proposed project, the amount of any FHA grant plus the amount of other Federal grants may not exceed 50 percent, or the applicable percentage for sewage treatment facilities, of the development cost of the project unless such other Federal grants are being made by the Department of Defense, EDA, or a Regional Economic Development Commission. * * *

§ 1823.7. Obligations incurred before closing.

When an applicant files an application for assistance, the County Supervisor will advise the applicant that construction work must not be started and obligations for such work or materials and obligations for other purposes must not be incurred before the loan or grant is closed. If the applicant nevertheless wishes to proceed before closing because of emergency conditions, it may request permission from the State Director to pay such obligations if a loan or grant is made.

(a) Upon receipt of such a request the State Director will determine whether;

(1) A necessity exists for incurring obligations before loan or grant closing.

(2) The obligations will be incurred for authorized loan or grant purposes.

(3) Contract documents have been approved by FHA.

(4) The association has the legal authority to incur the obligations at the time proposed.

(5) Payment of the debts will remove any basis for any mechanic's, materialmen's, or other liens that may attach to the security property.

(b) If the State Director finds that all the conditions under this subpart are met, he may give the applicant written permission for the payments of such obligations from loan or grant funds if a loan or grant is closed. His letter will specifically state that the permission granted is on the condition that the FHA is not committed to make a loan or grant and assumes no responsibility for any obligation incurred by the applicant because of the permission granted, and that the applicant must subsequently meet all FHA requirements for the loan or grant. * * *

§ 1823.25 Preparation for loan and grant closing.

(a) *Preparation for closing.* Upon receipt of closing instructions, the County Supervisor will:

(1) Discuss with the association's governing body and its architect or engineer, attorney, and other appropriate association representatives, the requirements contained therein and any actions necessary to proceed with closing.

(2) Hand the association officers three copies of the closing instructions.

(3) Plan carefully with association officers the timing of all steps to be taken before closing.

(b) *User (member) and cash contribution audit and verification.* The State Director will require a member of his immediate staff or the District Supervisor to authenticate the number of users obtained. Such individual will review each signed user agreement and check evidence of cash contributions. If during his review, he receives any indication that all signed users may not connect to the system, he will make such additional investigation as he deems necessary to determine the number of users who will connect to the system. He will record his determination in a memorandum to the State Director in which he will state at least the following:

(1) He has reviewed all signed users agreements and evidence of cash contributions and has determined that the number of signed users and the cash contributions equal or exceed the requirements set forth in the letter of conditions.

(2) The results of any additional investigations he may have made.

(3) All other requirements for closing have been met.

(4) If for any reason the signed user agreements or the cash contributions are less than those required by the letter of conditions, he will forward a memorandum to the State Director setting forth his recommendations. The State Director will review the findings and arrange for such further investigation as he deems necessary. He may find that the applicant needs additional time to sign more users or that the project may be feasible with fewer users and increased rates. If the State Director determines that a rate adjustment is necessary, he will notify the County Supervisor to have the applicant present a new budget. There may be cases where the State Director will determine that there is insufficient interest on the part of the potential users and that the applicant is not ready for a system. In such cases, the applicant will be notified by letter.

(c) *Preloan closing compliance review.* The staff member or District Supervisor conducting the audit and verification required by paragraph (b) of this section, will also complete Form FHA 400-8, "Annual Compliance Review." A copy of the form will be forwarded to the State Director and a copy filed in the County Office docket.

(d) *Determining whether the project can be constructed within estimate.* If it appears that the applicant will be able and is ready to meet the closing requirements, the State Director must determine whether the facility likely can be constructed for an amount within the estimate. In order to make this determination, he may require that construction contract bids be invited and opened prior to further processing. Construction contract bids will be invited and opened in all cases prior to loan and grant closing, unless an exception is made by the State Director. This will be accomplished in accordance with the requirements of this subpart.

(e) *Determining availability of loan funds from other sources at reasonable rates and terms.* Each tax-exempt public body applicant for a loan in excess of $50,000 will be required to offer its bonds for sale as soon as it has been determined that the facility can be completed within the estimate.

(1) FHA will not normally submit a bid at the advertised sale unless State statutes require a bid to be submitted. Preferably, FHA will negotiate the purchase with the applicant subsequent to the advertised sale if no acceptable bid is received. In those cases where FHA is required to bid, the bid will be made at the applicable FHA interest rate. If there is more than one acceptable bid offering the same net interest cost, the applicant may negoiate with these bidders in selecting a lender. However, if FHA is not making the loan or a grant, it need not be concerned with such negotiations.

(2) Appendix 3, § 1823.53 contains instructions pertaining to notices of sale, advertising, and other information relative to the sale of bonds. * * *

(h) *Ordering development grant checks.* The policy of FHA is not to disburse grant funds from the Treasury until they are actually needed by the applicant. If grant funds are available from other agencies and they are transferred to the Finance Office for disbursement by FHA, these grant funds should be used before FHA grant funds.

(1) In order to comply with this policy, the County Supervisor will send the Finance Office a request for a grant check so that the check will be received in the County Office not more than 10 days before the estimated date the applicant will expend the grant funds. If the County Supervisor, upon receiving a grant check after the grant is closed, determines that more than 20 days will elapse before the first grant funds are needed by the applicant, he will return the check to the Regional Disbursing Center, U.S. Treasury Department, Post Office Box 2509, Kansas City, MO 64142, and specify a remailing date.

(2) All grant funds which the applicant will expend within a 30-day period will be included in one advance. When the amount of the grant does not exceed $20,000, the entire grant will be disbursed in one advance. When neither of the foregoing situations prevails, multiple advances will be made to effect the procedure outlined in subparagraph (1) of this paragraph, except that when the balance is $20,000 or less, the remaining grant funds may be drawn in one advance. * * *

§ 1823.26 Loan and grant closing.

Loans and grants will be closed in accordance with the closing instructions issued by the OGC as soon as possible after receiving the check. A grant may be closed in accordance with instructions of the OGC as soon as the required instruments, including the grant agreement and any other necessary instruments have been executed. * * *

EXHIBIT 3

I. *General:* This Exhibit outlines the policies for planning and developing community water and waste disposal facilities.

A. *Design Policies.* Facilities financed by the Farmers Home Administration (FHA) will (1) be designed and constructed in accordance with sound engineering practices, (2) meet the requirements of State and local agencies having jurisdiction in such matters, (3) have sufficient capacity to provide for reasonable growth, and fire protection, and (4) be economically feasible.

* * * * *

B. *Compliance with State Health Department Standards.* Each FHA financed facility will comply with the requirements of the State Health Department or other appropriate regulatory agency. The applicant is responsible for obtaining and presenting to FHA evidence of such compliance including approval of facility plans and specifications.

C. *Compliance with Environmental Protection (Pollution Control) Standards.*

1. No FHA loan or grant for construction or improvement of a water system will be approved unless a certificate is provided by the appropriate State Environmental Protection Agency showing that the system will not result in the pollution of waters of the State in excess of standards established by that agency.

2. No FHA loan or grant for construction or improvement of a central sewer and waste disposal system will be approved unless a certificate is provided by the appropriate State Environmental Protection Agency showing that the effluent from the system will conform with appropriate State and Federal water pollution control standards.

3. Applicants will provide FHA with evidence of compliance consisting of letters or certificates from the appropriate State agency.

D. *Consistency with Comprehensive Area Plans for the Development of Water and Sewer Systems.* Water and Waste Disposal facilities for which FHA grant funds are to be used must be necessary for orderly community development and consist with a comprehensive area sewer or water development plan for the rural area in which the project is located. Applicants will provide FHA with evidence of consistency with such plans. Such a plan must exist before an FHA grant may be made.

E. *Consistency with Other Development Plans.* No FHA grant for a water or waste disposal facility will be approved unless it is determined that the proposed project is not inconsistent with any planned development under State, county, or municipal plans approved as official plans (completed or under preparation) by competent authority for the area in which the rural community is located. Applicants will provide FHA with letters or certificates evidencing such lack of inconsistency.

F. *Location of Facilities in Flood Plain Area.* Insofar as practical, facilities will not be located in flood plains. In the event it is necessary to consider locating facilities in a flood plain area, applicants will evaluate the proposal from the standpoint of special design and additional initial and maintenance costs. Normally, the Corps of Engineers or the Soil Conservation Service of the United States Department of Agriculture will be in a position to provide information concerning the likelihood of flooding and the possibility of damage to the proposed facility. It will be the responsibility of the applicant to obtain information from the Corps of Engineers, the Soil Conservation Service, or other appropriate agencies concerning the possibility of flood damages to the proposed facility and provide FHA with a complete cost evaluation of such action. * * *

G. *Water Systems.*

Pressures. * * *

Storage. * * *

Plastic Pipe. * * *

System testing. * * *

H. *Sanitary Sewerage Systems.*

1. Sewage Treatment. * * *

Combined Sanitary and Storm Sewerage Systems * * *

Line Capacities * * *

I. *Solid Waste Systems.* * * *

II. *Technical Services:* * * *

Selection of Engineer.

Engineering Contracts.

Preplanning Conference:

Preliminary Engineering Reports: Use the following as a guide for preparation of preliminary engineering reports:

A *Area to be Served.* (For all projects) Describe—give natural boundaries, major obstacles, elevations, need for facility, and other pertinent information. Use maps, photographs, and sketches.

B *Existing Facilities.* (For all projects) Describe—include condition, adequacy, suitability for continued use of facilities now owned by the applicant.

C *Proposed Facilities and Services.* **(For all projects)**

1 General description of proposed facility, including design criteria adopted.

2 Land, and other rights.

a. Land.

(1) Amount required.

(2) Location—alternate locations.

b. Rights.

(1) Easements, permits, and other evidence of rights-of-way required—availability of alternates.

(2) State Health Department and other agency requirements.

D. *Supply—Collection Systems.*

1. Water Supply.

a. Requirements—quantities.

b. Requirements—quality.

c. Sources—include study on all feasible sources and provide comparison of such sources.

d. Treatment—requirements, if any, and proposals.

e. Storage—requirements and proposals.

f. Pressure—requirements and proposals.

g. Distribution systems—requirements and proposals—give lengths and sizes—key features.

h. Hydraulic calculations in tabular form.

2. For Sanitary Sewerage Systems.

a. Collection Systems.

(1) Requirements—quantities.

(2) Proposals.

(3) Describe—materials, problems.

(4) Hydraulic calculations in tabular form.

(5) Include cost comparisons where applicable.

b. Treatment Facilities Including Interceptor and Outfall Sewers.

(1) Requirements—quantities.

(2) Proposals.

(3) Give key features.

(4) Problems foreseen.

(5) Calculations showing plant capacity and BOD and solids removal capabilities.

c. Show initial construction and annual operation and maintenance costs for the following types of treatment as a minimum:

(1) Waste stabilization lagoon.

(2) Aerated lagoon.

(3) Oxidation ditch.

(4) Mechanical plant.

3. For Solid Waste Disposal Systems.

a. Requirements—quantities.

b. Equipment required and plans of equipment rotation, transportation, and maintenance.

4. For Storm Waste Water Disposal.

a. Requirements—quantities.

b. Proposals.

c. Describe—materials, problems.

d. Hydraulic calculations in tabular form.

e. Include cost comparisons where applicable.

E. *Cost Estimate—For all projects.*

Development

Land and Rights

Legal

Engineering

Interest

Equipment

Contingencies

Refinancing

1. For sanitary sewerage systems a separate cost estimate for each of the above items must be shown for both the collection system and treatment facility. The cost estimate for the treatment facility should consider only those items eligible for Environmental Protection Agency (EPA) (PL–660) grant assistance.

2. For projects containing both water and waste disposal systems, provide a separate cost estimate for each system.

F. *Annual Operating Budget.* (For all project.)

1. Income—Include rate schedule. Project income realistically. In the absence of other reliable information base water use on 35 gallons per capita per day, or 140 gallons per family per day, or 4,200 gallons per meter per month. When large livestock uses are projected, the report must include facts to substantiate such projections.

2. Operation and Maintenance Costs. Project costs realistically. In the absence of other reliable data, base on actual costs of other existing systems of similar size and complexity. Include facts in the report to substantiate operation and maintenance cost estimates. Include the following:

Salaries-Wages

Taxes

Accounting, Auditing, Legal

Interest

Utilities

Gas-Oil-Fuel

Insurance

Repairs and Maintenance

Supplies

Office Expenses

Other

3. Capital Improvements.

4. Debt Repayment.

5. Reserve. Unless otherwise required by State statute establish at one-tenth (1/10) of annual debt repayment requirement.

G. Maps, Drawings, Sketches, and Photographs. (For All Projects.)

1. Maps. Show locations, boundaries, elevations, population distribution, existing and proposed systems, right-of-way, and land ownership.

2. Drawings, Sketches. Show preliminary design and layout, elevations.

3. Photographs. As indicated.

H. *Construction Problems.* (For All Projects.) Discuss in detail—include information on items such as subsurface rock, high water table, or others which may affect cost of construction.

I. *Conclusions and Recommendations.* (For All Projects.)

V. *Construction Bids and Contract Awards:* * * *

Details of Plans. * * *

Section and Details. * * *

Existing Conditions. * * *

Unit-Price Specifications. * * *

Performance-Type Specifications. * * *

Changes in Development Plans: Changes in the development plan may be made at the request of the borrower provided funds are available to cover the costs. The proposed changes must be recorded on Form FHA 424–7, "Contract Change Order." The change order must be signed by the borrower, the project engineer, the contractor, and FHA before becoming effective.

Additional Information: The FHA County Supervisor will provide additional information needed by the applicant or its representatives and will supply the forms mentioned in the Exhibit.

Mr. McGOVERN. Mr. President, then I would just like to make a few concluding remarks before other Members of the Senate are given the opportunity to speak on the bill.

I would like to underscore that the same conditions that led to the need for special rural water and waste disposal programs in 1965 exist today. Numerous publications of the Committee on Agriculture and the Committee on Government Operations will attest to that fact.

Agencies with nationwide responsibility simply do not extend the programs to rural America on a fair, prorated basis in ways adaptable to rural conditions. This is every bit as true of the Environmental Protection Agency as it was of other agencies of the Government in 1965.

In 1965, an uncounted number of rural communities and more than 2,500 rural counties lacked any kind of modern waste disposal system at all. More than 44,000, or 78 percent, of all the rural communities in this country lacked a modern waste sewer system in 1965, and approximately 35,000, or 62 percent, of the rural communities lacked an adequate water distribution system that would measure up to modern standards. That data is readily available and is contained in the supporting documents I have submitted for the RECORD.

Although important nationally and very important to the communities that qualified and got loans and grants during the period between 1965 through the end of last year, it is clear that, while substantial progress has been made, there is still an enormous backlog of unmet needs in rural America for modern, high-standard water and waste disposal systems. If needs for more than half of these rural communities and counties for water and waste disposal systems are to be met, the grant portion of this program as well as the loan program will be required, the proportion requiring grants being higher for sewer and waste disposal systems than for the water distribution systems.

Mr. President, looked at from every standpoint, I think this program is as urgently needed today as it was 8 years ago, when the Senator from Vermont (Mr. AIKEN) first guided the bill through the Senate—a measure that not only approved unanimously at this time but also has repeatedly been given unanimous endorsement by the Senate and by Congress in the years since then.

So I am very hopeful that the Senate will follow the example set by the House earlier and given its overwhelming support to this desperately needed measure.

Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, the President in his avowed effort to hold down Federal expenditures and avoid tax increases seeks in many ways his wonders to perform. One of the last justifiable methods he has chosen is to terminate the rural community water and sewer grant program and the rural community sewer loan program of the Farmers Home Administration.

The 1974 budget contains this language justifying the termination of the Farmers Home water and sewer system grants:

> This program was among those selected for termination, reduction or reform after a review of Federal programs to identify those that were of relatively low priority. As a result of this review, and as a result of new authorities provided in the clean water bill, this program is being terminated effective January 1, 1973.

Allow me to take up first, the first sentence of the President's justification for terminating the rural community water and sewer grants. What magical system does the President use in making his decisions? How could be possibly arrive at the conclusion that rural water and sewer systems have a low priority? One of the distinguishing and marvelous aspects of this program is that it has universal acecptance. The rural water and sewer system program does not exist because of a well-developed, organized lobby. There is no association for the support of rural community water and sewer systems.

This program exists because it is so essential to the survival of rural communities that every responsible Member of Congress recognizes its worth, takes it at face value with no questions asked. When Senator AIKEN sponsored the legislation in the mid-sixties he had almost the entire Senate cosponsor the bill. I believe he would have had the entire Senate if it had not been that one or two Members could not be reached in time. The bill had similar support in the House. President Johnson when he signed the legislation went out of his way to identify Senator AIKEN as its sponsor. It was completely bipartisan and completely acceptable.

The administration has repeatedly testified as to the merits of, and the need for, this program.

In the Spring of 1971 the Administrator of the Farmers Home Administration, testifying before the Senate Subcommittee for Appropriations in a statement that must have been approved by the White House had this to say in support of these programs:

> The water and sewer programs are of special importance at this time. Our water program delivers pure water to homes, helping to maintain good health and make life enjoyable. The waste disposal efforts protect and enhance the environment, a consideration vital to our citizens. Such facilities are basic to other national goals as well, such as the upgrading of housing and improving the distribution of population.
>
> As shown by a survey completed this year, there are nearly 32,000 rural communities that need new or improved water systems, and over 30,000 that require new or improved sewer system, with a total dollar cost exceeding $12 billion. Against this background our accomplishments to date seem small, indeed.

Indeed they did seem small. And the administration after uttering those fine words held back in the beginning of fiscal 1973 some $100 million appropriated by the Congress. But no one had the audacity to say the program had a low priority until last January.

The second part of the justification for abolishing this program runs to the concept that the Environmental Protection Agency can fill the need.

This concept is hard to follow. If the program in truth has a low-priority, why continue it under some other agency. If the object is to save money, why does it help to transfer the grant authority from one agency to another?

But most of all the basic question is: Why transfer a program that is much needed, extremely successful, well-liked, from the Farmers Home Administration to some other agency. The Farmers Home Administration has years of experience in financing these systems. The Farmers Home Administration has 1,700 county offices serving every rural area. The Farmers Home Administration offices serve many functions, they will still be there, and, the cost of supporting them will still be there, even if the water and sewer grants and the sewer loans are taken away from them.

We have had a hard time putting together an effective rural development program. But we have made progress. One of the keystones on which we build is the Farmers Home Administration network that gives rural people and rural communities a local office where they can go to obtain credit and technical assistance for a wide-range of rural development projects, including rural community water and sewer systems. To strip these offices of the power to provide this particular service is as backward a step as can be imagined.

There is absolutely no reason to assume that the Environmental Protection Agency that is far removed physically, if not mentally, from rural small towns can substitute for the Farmers Home Administration as a distribution system for the funding of water and sewer systems. Mention has been made of the possibility of financing such systems through revenue sharing.

First of all there is a big question about how the water and sewer needs of rural communities will fare in a competition with 1,001 demands for the funds. Second, it seems awkward and archaic for a community to have to go to a State agency for a grant and a Federal agency for a loan in order to develop a water system. Two sets of forms to fill out, two sets of bureaucrats to cope with. It simply does not make sense.

Now it is true that the Farmers Home Administration has been allowed to retain its authority to make loans for the development of rural water systems. But loans are of little use without grants. The cost of developing a community water system is so great that community residents cannot afford to borrow funds for the entire cost of the system. If they attempted to do so their monthly water bills would be more than they could pay.

What would be the results of the President's action if it is allowed to prevail?

The Rural Housing Alliance has estimated that 1,850 rural communities, desperately in need of rural water and sewer systems, will be bypassed for the remainder of this fiscal year and the entire fiscal 1974. More than 84,000 man-years of employment that would have been used in the construction of these systems will be lost.

Equally important, the elimination of this program will have a deadening effect on the initiative of rural community leaders, the men and women we are counting on to bring rural America into a new era. It takes weeks and months of work to develop a rural water or waste disposal system, endless meetings, conferences, forms to fill out, surveys to complete.

Hundreds of rural communities in the past year had gone through this process in preparing an application for Farmers Home financing. If they have to stop now—as they have been told to stop—and seek in desperation for some other sort of financing the drive so essential to their success will disappear.

The President speaks, at times, of how people should shoulder more responsibility and seek to solve their own problems. Rural communities that undertake the development of community water and sewer systems are doing just what the President suggests. They are exerting initiative, working toward a better future, making it possible for their neighbors to build new modern homes, encouraging the growth of rural industries. How can the President pull the rug out from under these civic-minded people who are only doing what he says should be done?

We must restore the tried and true system for helping rural communities develop the facilities they need to move into the 20th century.

Mr. President, in fiscal 1972, the various rural Farmers Home Administration programs added $57.9 million to agriculture and community development in Minnesota. This compares to the $70.1 million advanced for similar programs in fiscal 1971. Credit outstanding in the State from Farmers Home Administration programs now totals some $224.4 million, as of June 30, 1972.

Other comparative figures show loans for farming purposes totaled $31.1 million in fiscal 1972 compared to $46.9 million in the previous fiscal year; housing loans to low-to-moderate-income borrowers totaled $20.4 million in fiscal 1972 compared to $16.3 in 1971, and loans for community facilities totaled $4.8 million in fiscal 1972 compared to $5.8 in fiscal 1971.

The PRESIDING OFFICER (Mr. McClure). The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, the measure before the Senate would mandate the President to continue to make grants for water systems and sewer systems. In this situation, the administration has offered an alternative—or perhaps it is more accurate to say they have announced an alternative, in the first instance.

There will be Federal grants available for sewer systems in rural areas. This will be handled through the Environmental Protection Agency and will be channeled through the States, and the States will have some authority in determining the priorities within the State.

Also provided in the administration plan is a means of financing for that part which must be a loan. This is part of the arrangement in reference to the EPA.

With respect to the water systems, the practical effect of the action of the executive has been to terminate the grant program for rural water systems and the bill before the Senate would mandate the spending of the money for these grants.

Mr. President, it may be noted in the committee report on H.R. 3298 that I joined with a number of colleagues on the Committee on Agriculture and Forestry in filing minority views in opposition to this measure. The basis of my opposition to H.R. 3298 is the belief that the President has outlined a program with regard to water and waste disposal loan and grant authorities that, if successful, will be of greater benefit to the recipients as well as to the taxpayers who furnish these funds. I invite attention to those minority views, which are printed in the report on page 13.

As a result of additional information which has come to my attention since this bill was reported, I will, at the appropriate time, offer an amendment to require the Secretary of Agriculture to process certain water and sewer loan and grant applications which were pending prior to the termination of the Farmers Home Administration water and sewer grant programs on January 10.

In other words, H.R. 398 mandates the full spending which was discontinued by the administration on January 10. The amendment I will offer is in the nature of a substitute, and it would limit that mandating to those projects that had a commitment. The adoption of my amendment would meet the objection to the action of the Executive, in that no one who had an application approved or had an indication that it would be approved would find that the rules had been changed on him.

Farmers Home Administration has been one of a number of sources of funds for water and waste disposal facilities in rural communities. This has included water systems, sewer systems, and sanitary landfills in open country and towns of up to 5,500 population. I might add, this was increased to 10,000 in the Rural Development Act of 1972. Grant funds have been available to finance up to 50 percent of a project if it did not serve enough customers to allow repayment of a loan in the amount of total capital needs. FHA personnel worked with local officials to provide grant money from their sources, but also helped them make presentations to other agencies. I have been assured this will continue.

Now, Mr. President, we come to the options the administration has offered. With regard to any grant funds needed to complement loan funds on water projects, local communities now have Federal revenue sharing funds which are clearly available for this purpose.

All sewer financing will be consolidated under the Environmental Protection Agency. The purpose of the realinement was to simplify and coordinate the flow of funds to communities where they were needed. Responsibility for a particular type of facility will now be centralized in one Federal agency, affording better control of grant funds. The Clean Water Act empowers EPA to coordinate all waste treatment system programs.

The Agency may offer a 75-percent grant, and can deliver grant funds to States in block fashion. This will enable States and local communities to appraise their own problems and determine the priority use of Federal grant funds.

I would point out also, Mr. President, that in the press release announcing these program changes it is noted that Farmers Home Administration will continue the water and waste disposal loan program for those communities unable to obtain the necessary financing to repair or develop urgently needed facilities.

In conclusion, I could not let this opportunity pass without acknowledging the leadership of my good friend from Vermont (Mr. Aiken) in sponsoring the original legislation authorizing Farmers Home Administration to provide loans and grants for rural water and waste disposal systems. I am pleased that the administration has indicated that $345 million will be made available under the authority of the Aiken-Poage Act for water system loans in fiscal 1974.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. There is no time limitation.

Mr. CURTIS. I yield the floor.

Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, we had better pass this bill just as it is in order to continue one of the most worthwhile programs which I feel has been initiated in the last 10 years. I know there are those who think we should let EPA take it over. But as a matter of fact the EPA authorization, as far as I know, does not extend to farms, but only to the main lines for sewage.

Mr. President, I quote from the minority views:

> It is important to note that sewer lines financed under this authority are to be limited to the main lines constructed by the public agency and does not include the connection to such lines by households and others.

Mr. President, in this case, "households" means farms. If we go to work and amend this measure now, we will destroy the principal purpose of the entire program. I am glad EPA has been given authority and the funds to pay 75 percent of the cost for sewage treatment. I suppose that would help many villages or industries in certain parts of the country, but what this program was intended to do was to bring water and waste disposal facilities to the farms and the small rural communities.

I certainly hope that the Senate will approve this legislation without amending it in any way and without monkeying with it.

The suggestion has been made that we should include rural housing. I am in favor of assistance for rural housing, but that is dealt with in other legislation which I think we should take up and extend later and that we should not jeopardize the future of this program by tacking on amendments at this time.

Mr. TAFT. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

At the end of the bill add the following new Section:

"LIMITATION OF EXPENDITURES AND NET LENDING FOR FISCAL 1974

"Sec. 3. (a) Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government shall not exceed $268,700,000,000.

"(b) If the President makes reservations from expenditure and net lending, from appropriations or other obligational authority heretofore or hereafter made available in order to effectuate the provisions of subsection (a), he shall transmit to the Congress a separate notification of each such reservation made with respect to any single budget account, together with a detailed justification therefor, within ten days from the date on which such reservation was made. If, during a period of thirty calendar days of session of the Congress following the date on which the notification is transmitted, there is passed by either the Senate or the House of Representatives a resolution stating in substance that the Senate or the House of Representatives, as the case may be, does not approve such reservation with respect to such account, the President shall within ten days make available for obligation the amount of funds reserved pursuant to this section with respect to such account. For the purposes of this paragraph, in the computation of the thirty-day period there shall be excluded the days on which either the Senate or the House of Representatives is not in session because of adjournment of the Congress sine die.

"(c) For the purposes of this section the term 'budget account' means any appropriation account or other account granting obligational authority including, but not limited to, contract authority, authority to spend public debt receipts, and authority to spend agency debt receipts.

"(d) The provisions of sections 910–913 of title 5, United States Code, shall apply to the procedure to be followed in the Senate and House of Representatives in the exercise of their respective responsibilities under subsection (b) in the same manner and to the same extent as such provisions apply to the procedure followed in the case of reorganization plans; except that references in such provisions to a 'resolution with respect to a reorganization plan' shall be deemed for the purposes of this section to refer to a resolution of disapproval under subsection (b).

"(e) The President shall not establish separate ceilings on expenditures or net lending for any budget account which will prevent the obligation of all funds made available for obligation pursuant to this section."

Mr. TAFT. Mr. President, I ask unanimous consent that my legislative aide, Rod Solomon, have the privilege of the floor during the discussion and vote on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, this amendment has the effect of placing a ceiling of $268.7 billion, the President proposed level of spending. My amendment also includes provisions which give Congress a chance to override any impoundments the President might make to keep Government spending within the limits set by the ceiling.

The bill which we have before us would mandate the release of funds for the Farmers Home Administration's rural water and sewer program.

The release of funds totaling approximately $120 million is involved. While I find that my own State has enjoyed some benefits from this program, and presumably would continue to enjoy benefits from it, I feel that to mandate expenditures at this particular time would be extremely unfortunate. It is contrary to the serious efforts I think we ought to be making toward setting a reasonable limit upon expenditures.

There are undoubtedly some of these programs that are very worthy in Ohio and elsewhere that ought to be considered and given favorable consideration. I also realize that blanket impoundment, at this point, of all the water grants in rural areas will work some hardship which should be relieved. But I think that Congress ought to measure up to its responsibility, so far as our constitutents are concerned. If this bill is passed, Congress should do one of two things. It should pass legislation along the lines of the bill proposed by the Senator from Oklahoma (Mr. BARTLETT) today, so that some fiscal responsibility will be injected into the legislative process here in Congress and we can keep Federal outlays at a fiscally responsible level. If this is not to be done soon, at least Congress should pass legislation such as I have proposed which will go to the extent of providing a temporary expedient for better congressional control of spending.

As of January 29, 1973, a total of $8.7 billion in all funds was being held in reservation. This amount, while it sounds like a large amount when we consider the total budget of more than $250 billion, is not, percentagewise, large. Moreover, it is a considerable smaller amount than, on the average, has been impounded by Presidents in power over the last 10 years. So anyone who is attempting to give the impression that the President, by his impoundment program, is setting a new policy, is flying in the facts of what actually is happening.

Many of these impoundments have been justified, at least partially, by OMB on the same grounds as this one—that is, that they are a necessary component of the anti-inflation effort now being made in this country. Regardless of the merits of this particular legislation, it seems ridiculous to me that we are considering it in isolation from the other $8.6 billion which has been impounded in many instances, also supposedly for budgetary reasons. Why should we mandate the release of funds for this particular program rather than any of the other programs? Or are we going to pass separate legislation of this type for every program which has a few Senators and Representatives interested enough in it to push an anti-impoundment bill through Congress?

Has this legislation been reviewed in the context of the over-all budget, so that the justification by OMB for impounding the funds can be realistically evaluated? Is Congress insisting on its constitutional prerogatives at great expense to the domestic economy?

I think that these questions point out the irrationality of trying to consider impoundments which have been made on general economic grounds, and the budget itself, in a piecemeal and disjointed manner. The questions also underline the difficulties of contesting the Executive's impoundment decisions.

The answer is, as I have said, a self-imposed procedure to help us limit the budget, such as that proposed earlier today. But that, to me, seems unlikely for some time. Therefore, this amendment would help to prevent the unfortunate scenario of fighting impoundments on a random and not overly rational basis from occurring again during 1974. It would provide a means for helping an intelligent Congress to control Government spending during that fiscal year in a responsible manner, while insuring that the authority and responsibility to set the Nation's budgetary priorities stays where the Constitution says it belongs—with Congress.

The experience of the late 1960's indicates what happens when Government expenditures exceed even full employment budget receipts. Most economists agree that this type of overstimulation of the economy was probably the most important reason why wholesale prices shot upward by more than 3 percent from 1967 to 1969.

We cannot let this happen again, particularly at a time when domestic price stability is vitally needed to help reverse the deteriorating competitive position of the United States in the international economy. We also cannot permit the phase III effort in the private economy to be nullified by an irresponsibly high level of Government spending.

Yet there is considerable danger that this may happen. The President's proposed budget is a full employment budget, but it is still more than $19 billion below what the budget totals would have been if the programs currently in effect were allowed to grow at an unconstrained rate during fiscal 1973 and fiscal 1974. There are certain to be great pressures to spend at a rate exceeding that which the President proposed. This simply cannot be done without fanning the fires of inflation, unless we increase taxes to pay for greater expenditures. In view of the tremendous public opposition to this move, I doubt seriously that such tax increase is likely to be passed very quickly.

I note specifically the statement made by the chairman of the House Ways and Means Committee, the Honorable WILBUR MILLS, indicating that the present tax proposals being considered by the committee, which will have to be passed by the House and then sent to the Senate, will not raise one dollar in additional total revenues.

Therefore, I have come to the conclusion that a concentrated congressional effort to hold down the budget to the level proposed by the President is the only alternative to "Government-pull" inflation. We may not agree with the President's priorities, but we should stick to the overall spending level which he proposes. The spending ceiling which I am proposing today would serve as a basis for focusing congressional efforts on that goal.

I know that Congress rejected a proposed spending ceiling last fall, however, because it would have given the President unlimited authority to make whatever fund reservations he believed were necessary to keep the budget within the limits required by the ceiling. A spending ceiling such as the one proposed last fall, or the one proposed by Senator PROXMIRE in committee, is a license to impound funds. The Office of Management and Budget can say that it must make impoundments to execute the spending ceiling law. In fact, an OMB official indicated to my staff that in view of the uncertainty of appropriations totals until appropriations bills are actually passed, OMB might try to help effectuate a spending ceiling by reserving funds from the very beginning of the fiscal year. The lower the spending ceiling figure is set, the more massive these funds reservations are likely to be.

I do not believe that any spending ceiling should be enacted which would be used as a mechanism for a further erosion of congressional authority and responsibility. One of Congress' primary duties is to set the Nation's budgetary priorities. A congressional compromise of this function, in the name of controlling inflation or any other cause, would create a serious imbalance between the powers of the legislative and the executive branches.

My amendment would give Congress a proper participatory role in determining which fund holdbacks will be made to effectuate the spending ceiling, if such action proved necessary. The President would notify Congress within 10 days after he has had funds in reservation for this purpose. At that time he would supply Congress with a detailed justification for taking this action. Either House of Congress would then be able to override the fund reservation by passing a "Resolution of Disapproval" within 30 calendar days of a session of Congress, not including days on which either House is in adjournment sine die. If such a resolution were passed within this time, the President would have to release the funds in question.

A "Resolution of Disapproval" would be afforded expedited congressional treatment, so that a final vote on any such resolution could occur before the allowable time period expires. A motion to discharge a committee of its responsibility to consider the resolution, if made by a proponent of the resolution, would be in order 10 days after the resolution has been referred to committee. Debate on such a motion would be limited to 1 hour, and no amendments or motions to reconsider would be in order. Once the resolution was reported out of committee, a motion to consider it would be highly privileged and not subject to debate. Debate on the resolution would be limited to 10 hours, and a motion to recommit it would not be in order. Motions to postpone consideration of the resolution, and appeals relating to Senate or House procedural rules, would be decided without debate.

These are the same provisions as those in the Reorganization Act.

These provisions insure that the enactment of my spending ceiling amendment will not result in a surrender of congressional power to the executive branch. We would not have to again go through an "ad hoc" battle against impoundments. Yet the amendment will not lock OMB into an inflexible "meat axe" approach to budget control. OMB could still propose to reserve funds in any manner it deems appropriate for complying with the ceiling, but Congress would have a chance to prevent the implementation of such a proposal. Congress would be able to prevent OMB from using the budget ceiling as a pretense for making unjustifiably extensive fund reservation or major alterations in congressionally established priorities. At the same time, Congress's spending actions would clearly become more visible. As a result, it would have to take more responsibility for these actions in the public's eyes.

It is true that much of the budget for the coming fiscal year can no longer be controlled by congressional decisions. If expenditures for uncontrollables are higher than predicted, it may be inevitable to avoid the need for adjustments in order to stick within the proposed budget ceiling, particularly since 75 percent of the budget is now considered uncontrollable. Congress should work with OMB to keep fully abreast of the actual rate of expenditures for uncontrollable and disaster relief, so that as much time and flexibility as possible will be available for making such adjustments.

Of course, our major effect on this years budget totals will come through our actions on appropriations bills. I urge the Congress to act promptly on these bills in a manner which would leave no doubts that any fund reservations on the basis that the 93d Congress is spend-crazy are unjustifiable.

As I have said earlier, I do not believe that the budget ceiling approach should be the total and permanent answer to Congress problems with budget control. It is essential that Congress move immediately to enact reform proposals which would end our fragmented method of considering the budget. If Congress would consider the budget as one unified document, it would be in a much better position to make responsible spending decisions than it is at the present time.

Nevertheless, the need to avoid inflationary Government spending is too great now to wait for comprehensive congressional reform. I believe that my amendment will prove to be a major step toward insuring that this need will be met, without further tipping the balance between Congress and the Executive, during the interim period in which Congress considers more fundamental budget reforms. At the same time, the need for fragmented efforts to fight impoundments, such as the effort being made today, will be eliminated.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield for a question.

Mr. McGOVERN. As I understand the thrust of the Senator's amendment, it would accomplish two things. No. 1, Congress would set a spending ceiling at the level of the President's proposed budget. Is that correct?

Mr. TAFT. That is correct.

Mr. McGOVERN. I think that is a very modest and prudent proposal. As the Senator may know, I joined with the Senator from Wisconsin (Mr. PROXMIRE) in suggesting that Congress set a spending ceiling at $265 billion, which would be almost $4 billion below the President's request.

Do I correctly understand that the second part of the Senator's amendment would deal with impoundments in this way: If the President were to impound a certain percentage of a particular authorization or appropriation by the Congress, he must, within 10 days, under the terms of this amendment, report to the Congress, together with his reasons for doing so, and the Congress would then have 30 days to make a judgment as to whether or not it wished to sustain or overrule the President's action. Is that correct?

Mr. TAFT. The Senator understands the provision correctly.

Mr. McGOVERN. I think it is a very sound amendment. The problem I have is dealing with it in this bill. The water and sewer bill is a measure that has very strong bipartisan support. It has already passed the House overwhelmingly. It has passed the Senate on previous occasions unanimously. I think the problem with adding this measure, the substance of which I happen to approve, is that it does complicate our chances of dealing expeditiously with the pending measure; but if the Senator were to offer that measure as separate legislation, I would not only be glad to join in cosponsoring it, but I would actively support it.

I do agree with the Senator that Congress does have some obligation to set a ceiling on spending, and that it has an obligation of finding an effective way of dealing with executive impoundments. I want to commend the Senator on the proposal he is making.

I would have to oppose it today, not on substantive grounds but simply on procedural grounds. I do not believe it should be made part of the pending bill, which deals with a very urgent problem in rural sections of the country. I do want the Senator to know that I think it is a good proposal and one which at a proper time I would be happy to support.

Mr. TAFT. Mr. President, I thank the Senator for his comment. I would like to comment further before I yield the floor. And I welcome any comments from any other Senator who might want to raise questions before I yield the floor or take the action which I propose to take in a moment—to withdraw the amendment.

This amendment was attempted to be offered this very week on the Economic Stabilization Act. I felt very strongly that it would properly belong on that legislation. Unfortunately, however, due to a number of factors relating to parliamentary procedure and the rule of germaneness, it was not possible because the amendment was felt not to be allowable under the unanimous-consent agreement.

Mr. McGOVERN. Mr. President, as the Senator knows, I tried to find a way to offer a similar amendment, although perhaps not as tightly drawn or as prudent as the amendment of the Senator from Ohio. However, I did try to get an anti-impoundment phrase written into the Economic Stabilization Act, because I think those two programs go together.

When the President uses the impoundment procedure, presumably he is doing it to hold down inflation. And by the same token, when he uses wage-price controls, it is presumably done to combat inflation.

I thought it would be a logical place, between the impoundment problem and the question of wage-price controls. And that is the reason that I took this particular vehicle on which to offer an anti-impoundment measure. However, as the Senator knows, we got only nine votes for that proposal. That left me wondering how serious Members of the Senate are in getting at this question of impoundment. The best explanation I can make for it is that perhaps a great many Members of the Senate thought we ought to deal with the problem in a different context. That is what I have suggested to the Senator from Ohio. I hope that he does have plans to withdraw the amendment. I hope that he will offer it again as a separate bill. I think it is entitled to very careful and sympathetic consideration on the part of the Senate.

Mr. TAFT. Mr. President, I thank the Senator from South Dakota for his comments. As a relatively junior Member of the Senate, I see little possibility of getting this measure heard and out of the proper committee if it is offered as a separate bill. I believe that this is the only way in which it can be brought to the attention of the Senate—to offer it as an amendment to an appropriate vehicle.

With regard to the Senator's comment that we had a proper vehicle the other day, I am offering this amendment today and discussing it because the suggestion was made during the debate on the Economic Stabilization Act that, having passed out of the Committee on Banking, Housing and Urban Affairs and being about to come to the floor in the next week, the devaluation bill might be appropriate legislation upon which to offer an amendment of this type.

Mr. President, I had difficulty with that. I thought the proper time to offer it was during the consideration of the Economic Stabilization Act. Others seemed to have felt differently about it.

I understand that the Senator from Wisconsin (Mr. Proxmire) has an amendment somewhat of this type that he expects to offer. He had one pending under the Economic Stabilization Act. However, I understand that he expects to offer it to the devaluation bill.

I am taking the floor today to give notice that this question will be raised on other measures. I expect to raise the question in the consideration of the devaluation bill. It will be in a different form, and I think a preferable form, which has been worked out with the Senator from Oklahoma (Mr. Bellmon), who is very interested in this matter. We have combined our two proposed amendments to the Economic Stabilization Act.

This measure will be a slight revision of the proposal brought up in this amendment. I am speaking today to give notice that we have, by letter, given notice to every Member of the Senate that we intend to bring up and press this matter on the devaluation bill when that bill comes to the floor.

Mr. President, if there are no other Members of the Senate who wish to comment on this particular amendment or problem—and I see none—I withdraw my amendment.

The PRESIDING OFFICER. The amendment is accordingly withdrawn.

Mr. CURTIS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That notwithstanding any other provision of law or administrative rule or regulation, the Secretary of Agriculture is directed to make, prior to July 31, 1974, loans and grants under the provisions of section 306(a) (1) and (2) of the Consolidated Farm and Rural Development Act—

(1) in accordance with the terms of the applicable Letter of Conditions to each applicant therefor who received a Letter of Conditions from an authorized official of the Department of Agriculture prior to January 10, 1973, and who shall have met such conditions, and

(2) to each applicant therefor who has, prior to January 10, 1973, with the concurrence of the Department of Agriculture, consummated agreements with engineers or other professionals to proceed with project development and who, prior to December 31, 1973, shall have obtained all required legal commitment concurrence,

if such loans and grants otherwise meet the requirements of law.

Mr. CURTIS. Mr. President, after making a few remarks on this amendment, it will be my purpose to ask for the yeas and nays.

Mr. President, as indicated in my opening statement, I believe the President's efforts to consolidate Federal water and waste disposal loan and grant programs are very meritorious. For that reason I cannot support H.R. 3298.

However, the amendment I now propose in the form of a substitute is designed to remedy what almost amounts to a breach of contract on the part of the Federal Government.

My amendment does two things.

First. It directs the Secretary of Agriculture to process all water and sewer loan and grant applications in those cases where the applicants had been notified in writing that if they complied with certain conditions their project would probably be funded.

I understand there are 180 applications totaling approximately $20 million in grant funds which fall in this category.

Second. This amendment requires the Secretary to fund, prior to July 31, 1974, those projects where the applicant had been notified in writing that he could expect to be funded at some time in the future. This involves 462 projects, requiring grants of approximately $70 million.

This would allow funding of these projects over a period of 3 fiscal years and would meet the Federal Government's moral obligations to these applicants who have already incurred considerable expense in the belief their project had a good chance of being funded.

In summary, Mr. President, I believe this is a constructive amendment. It provides for funding those water and waste disposal applicants who have a moral, if not legal commitment from the Government. It provides for an orderly transition into the program outlined by the President. This program is aimed at simplifying the Federal aid process.

As I indicated on the two previous occasions when bills were before us to undo actions taken by the President, I believe we should seek compromise and not conflict. In my view this amendment is a compromise and I strongly urge all my colleagues to support it.

Mr. AIKEN. Mr. President, I feel that I cannot support the amendment offered by the Senator from Nebraska, the effect of which would be to terminate the rural water and sewage program which has operated so successfully the last few years, and for which there is a strong demand for its continuance.

I realize that he provides a year's grace for those projects which are approved or for which applications were received before January 10, 1973. I think that is the date. I am sorry that the amendment was not printed, so that we had copies of it available, but under the circumstances, the effect of this amendment is to terminate the rural water and waste disposal programs, and I do not think we are ready for that yet.

I realize that we should have a limit on expenditures of the Government, but one thing that people forget, which ought to be called to their attention, is the probable tremendous increase in Federal revenues coming up this year, and also the increase in the States' revenues, which is going to be very substantial, I understand.

So I think if we are going to discontinue this program, we had better not start today to do it. I simply cannot support the amendment.

Mr. CURTIS. Mr. President, I share the disappointment of the distinguished Senator from Vermont that the amendment was not printed. It developed that yesterday we were not in session, so I did not have an opportunity to do that.

If my amendment prevails, there will still be loans available for rural water projects. There will still be loans available for rural sewer projects. There will still be grants available for rural sewer projects. It will be handled, of course, by the Environmental Protection Agency, and the limit on grants in that case is 75 percent.

What it will do is permit the administration to carry out their announced plans to discontinue grants for rural water projects. However, all the counties and townships have already been receiving revenue-sharing funds, and if they wish to use some of that money in lieu of a grant to help finance their water projects, they may do so. The loan provisions are still there.

The situation is this: The Executive announced their intentions of doing this, of having EPA handle the sewer projects, discontinuing the grants for water systems, and letting them use some of their revenue-sharing funds. An abrupt change which the administration proposes would be unfair to those applicants who, on January 10, when this change was announced, already had a commitment for a loan and a grant. That is one category. There is another category where they were advised to go ahead and make their plans, to get their engineers and do other things to build their projects.

What my amendment would do is take care of those pending applications where, if not a legal obligation, there is a moral obligation for the Government to carry through.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. CURTIS. In a moment I shall be delighted to yield. The statement that this brings an end to the water and sewer program is not a correct one.

I yield to the Senator from South Dakota.

Mr. McGOVERN. Could the Senator from Nebraska advise us approximately how many applications might be covered under the amendment that he is proposing?

Mr. CURTIS. Yes. A total of 642,180 that have letters of condition, and then 462 where the applicant had been notified in writing that he could expect to be funded, and he went ahead and made plans, hired engineers, and conducted surveys in order to complete his application and build his project.

Mr. AIKEN. And, if the Senator will yield, his amendment provides that those who have made their agreements with their engineers and professionals prior to January 10, 1973, will be permitted to continue with their work for another year.

However, January 10, 1973, was 10 weeks ago, and there were, I am sure, several hundred communities that had planned to come under this program that had not made agreements with their engineers up to that time, but for which preliminary plans were all made. I know there were some in my State. There are hundreds of them, I am sure, in the 50 States of the Union.

So I have to say again that the effect of this amendment would be to terminate the rural water and sewage program which has worked so effectively, and the manner in which it has worked, and I reiterate, the EPA program does not extend the lines to the farmers. As the minority views section of the committee report expressly states:

> It is important to note that sewer lines financed under this authority are to be limited to the main lines constructed by the public agency and does not include the connection to such lines by households and others.

"Others" means the farmers. This means that if you are on the main road, you can get the money from the EPA, but if you live back on the farm a half mile, a mile, or 2 miles, you do not get any benefits from it. I want to keep that program going.

Mr. CURTIS. Mr. President, if I still have the floor, I would like to respond to the statement of the distinguished Senator from Vermont.

My amendment, if adopted, would take care of nine projects in Vermont for a total of $1,679,000.

Mr. AIKEN. Will the Senator yield further?

Mr. CURTIS. I yield.

Mr. AIKEN. Let me add that Vermont thinks enough of this program that the State makes a substantial contribution, I think 25 percent of the cost. That relieves the Federal Government of that much in either loans or grants.

Mr. CURTIS. Yes. I think that is very commendable, and I believe everyone thinks well of this program, and that it is a good program.

It is a question of terminating the grant portion of the water program. That is what is at stake here, if my amendment should be adopted. But it does take care of pending applications.

Mr. McGOVERN. Mr. President, if the Senator will yield further, I know it is his statement that his amendment would still cover 642 communities, but the problem with the Senator's amendment, as I see it, is that that still leaves a great body of rural communities without access to the benefits of this program.

At the date of the announcement, when the Department of Agriculture put out its press release, there were 1,685 communities that actually had applications pending. These were communities moving to the stage where they had filed their applications and were waiting for action—1,685. So if the Senator's arithmetic is right on what his amendment would do, that still leaves more than 1,000 communities with applications already pending.

Beyond that, as the Senator from Vermont has said, several thousand other communities across the country have not yet moved to the stage of making applications but, in many cases, the communities had proceeded on the assumption that the programs would be in effect. They had not completed the engineering studies or had not signed any of the agreements yet with the Farmers Home Administration, but they had taken steps and put plans into their budgets. In some cases, they were in the process of issuing revenue bonds for the local sharing of the program. In other cases, ground preparation was proceeding. In some cases, they had contacted industrial or business enterprises with the assurance that water facilities would be made available.

So I think that what the Senator is really doing is offering relief for a handful of communities that happen to be lucky enough to meet the terms he has laid down here. A great part of some 35,000 estimated communities that still need the program will be left out in the cold. The entire cost, as I understand it, in the appropriation we are talking about here, for this year, is $150 million for the entire program.

An article was published in the Washington Star-News for last Sunday, on its front page, written by Orr Kelley, the opening paragraph of that story reads as follows:

> A secret Defense Department study shows that the cost of the new F-15 fighter plane could run nearly $1.7 billion above estimates given to the Congress less than a year ago. This study has been kept from Congress.

Mr. President, I do not know whether the story has been verified, but we do know that the cost overrun problem is one that has come up time after time. Here is an overrun of $1.7 billion on one program, not the total cost of a program but just the misestimate of a $1.7-billion cost overrun on that one airplane, in less than a year's time.

In other words, 10 times what the cost to fund this program is here, for a year, which has already been estimated in the form of a cost overrun on this one airplane.

I do not understand why we are so cautious, so stingy, about money spent to help people out in their own States and communities that deal with the lifegiving resource of water, so that life can be made more acceptable and more attractive in the small towns, and say that we cannot afford $150 million in an appropriation to continue this program, which has been passed unanimously by the Senate, because someone downtown said, "We have got to save some money."

Mr. President, I urge the Senator to reconsider the amendment. I will certainly have to oppose it. I think that all it does is to prolong the agony a little while for a few communities that will come under the wire as he has defined it, and then we leave another 34,000-plus communities without the benefit of the kind of aid that this program can give.

Mr. CURTIS. Mr. President, I want to say in reply that this is not going to be the end of rural water programs nor is it going to be the end of rural sewer programs. They will continue. The sewer programs will have the benefit of a grant. Now the Executive has called for a new procedure which would eliminate the water grants. A grant is giving something away free. It does not have to be paid back. The national debt is about $100 billion more than it was 4 years ago.

Are we going, here in the Senate, to oppose every move of the Executive to curtail expenditures? Are we going to go on with these gigantic spending schemes and then try to fool the people by saying that we are for price controls when we know that price controls will not work?

My amendment is a reasonable one. It says in substance that we will go along with the President in some respects, yes, but that those communities that had a moral commitment that their project would be taken care of under existing rules and laws, as of January 10, shall be taken care of and will come under my amendment. It is liberally drawn to do that.

Mr. President, I ask for the yeas and nays.

There was not a sufficient second.

Mr. CURTIS. Mr. President, I have here a table showing the grant applications to the Farmers Home Administration which were covered by my amendment. I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FARMERS HOME ADMINISTRATION—GRANT APPLICATIONS

	Projects for which letters of conditions were issued		Applications which with FHA concurrence had started project development	
	Number	Amount	Number	Amount
01 Alabama	2	$79,300	25	$2,290,830
02 Arizona	4	149,000	3	373,000
03 Arkansas	3	170,300	20	2,578,100
04 California	1	38,000	8	539,500
33 Nevada	0		2	62,500
61 Hawaii	0		0	
05 Colorado	0		7	483,100
09 Florida	2	265,900	8	1,363,680
10 Georgia	9	1,886,000	4	420,100
12 Idaho	1	133,200	1	178,700
13 Illinois	6	913,000	12	1,620,650
15 Indiana	2	291,000	5	620,000
16 Iowa	9	587,000	11	636,300
18 Kansas	2	165,000	22	2,773,555
20 Kentucky	10	1,312,800	10	6,524,500
22 Louisiana	6	325,400	7	961,300
23 Maine	3	1,159,300	16	4,879,800
06 Connecticut	0		2	256,000
25 Massachusetts	0		1	320,000
34 New Hampshire	0		6	1,551,900
45 Rhode Island	0		1	200,000
53 Vermont	0		9	1,679,000
26 Michigan	0		13	2,224,000
27 Minnesota	0		8	715,000
28 Mississippi	48	3,337,100	32	2,787,600
29 Missouri	4	172,300	21	2,327,100
31 Montana	0		3	96,000
32 Nebraska	1	27,000	6	473,000
35 New Jersey	3	619,000	2	1,777,000
07 Delaware	0		0	
24 Maryland	1	295,000	7	2,029,000
36 New Mexico	0		15	583,500
37 New York	10	1,281,000	7	888,000
38 North Carolina	3	104,000	33	1,520,000
40 North Dakota	1	55,000	7	301,000
41 Ohio	2	402,000	19	3,358,000
42 Oklahoma	3	297,100	50	3,357,600
43 Oregon	7	1,204,700	3	206,700
60 Alaska	1	227,500	0	
44 Pennsylvania	3	555,000	8	1,340,000
46 South Carolina	0		5	1,023,800
47 South Dakota	1	29,500	6	237,500
48 Tennessee	7	294,000	0	
49 Texas	6	516,500	9	1,385,300
52 Utah	0		1	35,000
54 Virginia	2	275,000	8	795,000
56 Washington	5	314,800	3	260,600
57 West Virginia	6	1,409,400	6	958,340
58 Wisconsin	5	157,000	8	794,000
59 Wyoming	0		1	75,000
63 Puerto Rico	0		0	
64 Virgin Islands	0		0	

Mr. CURTIS. Mr. President, I make the point of order of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I ask for yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I make the point of order that there is not a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I am ready to vote on my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PASTORE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. MONDALE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New York (Mr. JAVITS), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

The Senator from Texas (Mr. TOWER) is necessarily absent.

The Senator from Tennessee (Mr. BROCK) is detained on official business.

The result was announced—yeas 23, nays 66, as follows:

[No. 57 Leg.]

YEAS—23

Bartlett
Beall
Bellmon
Bennett
Buckley
Byrd,
  Harry F., Jr.
Cotton
Curtis
Dole
Domenici
Dominick
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
McClure
Percy
Roth
Scott, Va.
Taft
Thurmond

NAYS—66

Abourezk
Aiken
Allen
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Eagleton
Eastland
Ervin
Fong
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Saxbe
Schweiker
Scott, Pa.
Sparkman
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams
Young

NOT VOTING—11

Baker
Brock
Cranston
Inouye
Javits
Long
Mondale
Pastore
Stafford
Stennis
Tower

So Mr. CURTIS' amendment was rejected.

Mr. TALMADGE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. GRAVEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 22, 1973, he presented to the President of the United States the enrolled bill (S. 7) to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation service, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

RURAL WATER AND SEWER GRANT PROGRAM

The Senate continued with the consideration of the bill (H.R. 3298) to restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act.

Mr. ABOUREZK. Mr. President, I ask that the amendment which I have at the desk be stated.

The legislative clerk read as follows:

At the end of Section 2, page 2 add Section 3 as follows:

Section 517(c) of title V of the Housing Act of 1949 (42 U.S.C. 1487(c)) is amended by (1) striking out the word "may" and inserting in lieu thereof the word "shall"; and (2) inserting before the period at the end of the sentence a comma, and the words "in the amounts specified in the appropriations Acts for that purpose: *Provided*, That not less than 60 per centum of such loans in the aggregate be made at the reduced rates provided for under section 521 of this title".

SEC. 4. Section 516(a) of title V of the Housing Act of 1949 (42 U.S.C. 1486(a)) is amended by striking out the words "is authorized to" and inserting in lieu thereof the words "shall, in the amounts specified in the appropriations Acts for that purpose,".

Mr. ABOUREZK. Mr. President, I offer this amendment to end the moratorium on Farmers Home Administration rural housing projects. We have all seen and heard statistics detailing the magnitude of the housing crisis in rural America. Roughly 31 percent of our citizens live in nonmetropolitan areas, but these 31 percent of our people endure 58 percent of all substandard housing in the Nation. In metropolitan America one house out of every 25 is substandard. In rural America that figure skyrockets to one out of every eight.

In South Dakota these facts are more than cold-blooded statistics. They are people. My State has 670,000 people and needs upwards of 40,000 housing units, depending on one's definition of "need." We were beginning to make inroads on this problem when the freeze hit.

Nearly every day, now, my office receives several letters from small towns like Winner, Miller, Mitchell, and Valley Springs—letters from people who feel that the promise of livable housing has been betrayed.

It is not only a question of housing but also a matter of impact on the entire economy of the State. For example, one of those letters came from a small builder in Valley Springs who said that his business would normally support one or two families, but due to the Farmers Home Administration program had been able to support 10 families. Now he writes:

> If the freeze continues into the next building season, we will have to lay off at least six persons, which will hurt this little community considerably.

That will hurt. And it will hurt in countless communities across my State to the tune of nearly 8,400 people who will face the loss of jobs because of the housing freeze. Construction workers, real estate people, architects, builders, lawyers, carpenters, furniture salesmen, and others are all going to feel the pinch.

Couple this loss with the widespread harm which the administration cutback in other vital farm programs has worked on the rural economy, and South Dakota loses another round in its long-term struggle with a depressed economy and a population decline. The rural-urban flow steps up another notch. South Dakota loses more of its youngest, brightest, and most aggressive citizens. The quality of rural life slips back another step.

Perhaps it could be argued that revenue-sharing funds can take up the slack or that the people in South Dakota should be doing more to help themselves. The fact is that if every single penny of revenue-sharing moneys for South Dakota were used for rural housing and no other purpose, it would not make up the loss my State faces from the termination of FmHA programs. It is also a fact that 68 percent of South Dakota's families earn less than $10,000 a year and cannot afford, at today's conventional mortgage terms—10 to 20 percent downpayment, 20-year mortgage, and 8 percent interest—to buy even a modest home. Further, 15 percent of South Dakota's families earn less than $3,000 per year.

Further, it strikes me that the housing moratorium has been blatantly discriminatory against rural areas. There have been assurances that assisted housing starts through the HUD programs will continue during the next 18 months at the same level as during the fiscal year 1972. At the same time, Farmers Home Administration was instructed to shut off all subsidized loan processing as of January 8. HUD, for the cities, was allowed to continue processing low-income housing loan applications. Farmers Home was prohibited from even doing that.

If Farmers Home had been allowed to continue at the fiscal 1972 level, it would have meant nearly 70,000 desperately needed units for rural America. That is no small loss in light of the fact that rural areas have the majority of substandard housing.

Finally, setting the economics and equity of the situation aside, I must question the morality and wisdom of freezing rural housing needs. People pay for bad housing with their health. The older they are, the more they pay.

Rural America is being depopulated and the people who are left are the elderly. It is the young who pack and move to the city, adding to the problems of congestion found there. One call I received from Pierre, our capital city, particularly moved me. The woman who called said of the housing freeze:

> It hurts these old people. They have to spend all their money for rent. They don't have enough to eat.

In short, Mr. President, the poor, the elderly, the wage earner, the struggling farmer, and all others in South Dakota who are ill-housed cannot afford a policy of benign neglect.

It may be true that problems cannot be solved by throwing money at them, but neither can they be solved by ignoring them. The fact is that the Farmers Home Administration housing programs have been successful and America cannot afford to see them ended. It is the job of Congress to make sure that these vitally needed programs are continued.

I urge the adoption of the amendment.

Mr. McGOVERN. Mr. President, I commend my colleague from South Dakota for offering his amendment which would restore the rural housing portion of the housing program that has been frozen, at least temporarily. I wholeheartedly endorse the substance of the amendment and what the Senator is trying to do. I think it is fact that most of the substandard housing in the country is in rural areas.

On yesterday I had spoken with the chairman of the Committee on Banking, Housing and Urban Affairs, the Senator from Alabama (Mr. SPARKMAN), about this matter. It was his judgment that, while he strongly favors the amendment, this is not the proper vehicle on which to attach the amendment. I think that judgment is shared by the distinguished Senator from Vermont, the author of the Water and Sewage Disposal Act which is now pending before the Senate.

It is not that any one of us is opposed at all to the housing program or to the urgency of restoring it. However, it is felt that any kind of sweeping amendment, such as this amendment, might endanger the passage of this very important water program now pending before the Senate.

The Senator from Alabama (Mr. SPARKMAN) gave me his assurances that if this amendment is not acted upon today, concerning the rural housing of America, he and his committee will do all in their power to report out a housing bill with this provision in it at the earliest possible date.

The Senator from Alabama indicated that this could be probably in June, some time in the next 2 or 2½ months.

On that basis, I wonder if my colleague from South Dakota would be willing to postpone action on this amendment so that we might take it up in connection with the housing bill.

The administration's freeze on subsidized Farmers Home Administration housing funds for rural areas not only hurts low- and moderate-income families in desperate need of decent housing, but it hurts the construction industry and the economy of rural areas as well.

Nationally, it is estimated that rural America's direct loss in loan dollars over the 19-month moratorium period is nearly $1.6 billion. Direct and indirect employment losses will be an estimated 133,120 man-years.

In South Dakota, the loss will be over $13 million in loan dollars, and over 1,140 jobs. In a small State, this is a substantial amount of money, and a significant number of jobs.

In the cities, continuation of some HUD programs and funds already in the pipeline will allow housing construction to continue, even if at a reduced level. But in rural areas, the freeze on Farmers Home Administration programs is complete and immediate. Farmers Home has no pipeline; virtually all subsidized rural housing programs are suspended.

This is particularly cruel because rural areas have twice the poverty and three and a half times the bad housing. This inequitable freeze will exacerbate the disparity.

Mr. ABOUREZK. Mr. President, at this time I yield temporarily to the Senator from Minnesota, the cosponsor of the amendment.

Mr. HUMPHREY. Mr. President, I am very proud and pleased to join with the junior Senator from South Dakota as a cosponsor of his amendment relating to the restoration of the rural housing program.

As the Senator from South Dakota has indicated, these programs are of vital importance in rural America. Might I add that they have been a phenomenal success to date.

As to the restoration of the subsidized rural housing program, I might point out that some of these housing units sponsored under this program eventually move to conventional type of loans. In other words, the subsidized programs permits many low- and moderate-income families to get a start at homeownership. Then as soon as they are more financially able to do so, they convert to a conventional loan, which means they go on and pay for their home just like most other average citizens. I found this to be the case in a number of States where I have had an opportunity to examine this program.

Mr. President, the rural housing program must be restored. The action the administration took last January in shutting off the subsidized Farmers Home Administration housing programs was an action taken without any justification whatsoever. The Farmers Home Administration programs are held in the highest esteem throughout the country. They have never been touched by scandal. They are the economic lifeblood of thousands of small communities.

This capricious and arbitrary action discriminated against the group that needs housing assistance the most—the low-income families that live in rural America.

The programs that were discontinued were:

Housing loans for the purchase, construction and remodeling of an individual house if interest credits were involved. The full impact of this action becomes clear when we realize that 60 percent of funds loaned for this purpose during the first half of the current fiscal year went to families that needed interest credits and these are families who make less than $7,000 a year.

Loans for the construction of rural rental housing were also discontinued if interest credits were involved. The full impact of this action becomes clear when we realize that more than half of the funds loaned for rental housing during the first half of the current fiscal year involved the use of interest credits. Interest credits on rental housing lower the rents. According to the Farmers Home Administration's own figures the curtailment of the subsidized rental housing program will raise the rent on a typical one-bedroom apartment from $53 a month to $94 a month.

Loans and grants for the construction of farm labor housing were also frozen. This was a small program but it had begun to gain momentum. As of last June 30, Farmers Home had applications on hand totaling $28 million for farm labor housing grants. To abandon this program is a bitter blow to the quarter of a million migrant workers and their families who for the most part live in miserable shacks and barrack-like structures.

The special tragedy of the rural housing freeze is that it is far more drastic than the moratorium that went into effect at the same time in the urban housing programs. Because the urban housing programs whether they are for single family homes or for rental projects are handled in big blocks-commitments made for hundreds of units at a time—there was enough subsidized urban housing approved last January to keep the builders building—although at a considerably lower level than previously—during the remainder of fiscal 1973 and all of fiscal 1974 at the same rate they were erecting housing units in the first half of fiscal 1973. Unfortunately for rural people the Farmers Home housing programs operate more on a one-to-one basis. As a result FmHA did not have hundreds of thousands of units approved for construction when the deadline came on January 8. As a result new housing starts under the Farmers Home Administration assisted housing programs will decline sharply during the coming months and, if the administration is allowed to have its way, there will be no assisted housing starts under Farmers Home financing in fiscal 1974. For all intents and purposes the program will be dead.

The President has told us that he will have proposals for new housing programs in 6 months. We can assume he includes rural as well as urban housing in his plans. But we cannot assume that his proposals will be acceptable. The administration appears to be looking for a way to build housing for low-income families at no cost to the Government.

Well, I can tell them right here and now that there is no way to build housing for low-income families at no cost to the Government.

But be that as it may. We will consider the President's proposals when he makes them. But suppose he does have proposals ready in 6 months. That will be next fall. If the proposals can be accepted they will require extensive review and consideration. That means it will be next spring before legislation can be enacted. That means it will be the summer of 1974 before the new housing programs could be placed in effect.

I submit that we cannot wait a year and a quarter. Our rural people need housing now.

What does this rural housing freeze, this blocking off of the assisted housing programs of the Farmers Home Administration, mean in terms of people? It means that approximately 140,000 families who would have received loans to build or buy decent houses between January 1973 and July 1974 will be forced to live in miserable housing conditions. Remember, gentlemen, a person who is eligible for a Farmers Home Administration loan must currently be living in poor housing. You do not get a Farmers Home loan to move from one good house to another. You get a Farmers Home loan to move out of inadequate housing into decent housing.

What does this housing freeze mean in terms of the impact on the economy of rural towns? The rural housing alliance estimates that the cutback, even considering the administration's plans to push nonsubsidized housing, will represent the loss of nearly 164,000 man-years of employment. If you add the further loss due to the administration's refusal to use the funds authorized and appropriated for water and sewer facilities financed by FmHA, the loss in employment is more than 248,000 man-years. In dollar terms the curtailment of the housing and community facilities program will deprive rural communities of economic stimulant that would have had a $9 billion impact.

We cannot stand idly by and watch the administration in a stumbling and irresponsible manner take services from our rural people that have long since proved their value, that are essential to the rebuilding of our rural communities, that are part of a commitment we made long, long ago to see that every American has a decent home in a decent environment.

Mr. President, I strongly associate myself with the effort of the junior Senator from South Dakota. I thank his senior colleague, Mr. McGovern, for his declared support and interest in this matter and for the assurance that has been given to us by the distinguished chairman of the Senate Committee on Banking, Housing and Urban Affairs, the Senator from Alabama (Mr. Sparkman).

I know that the Senator from Alabama has long been a strong spokesman in this body for housing for all of our people. And I know that in his State of Alabama this rural housing program has been a very big success.

I am confident that the Senator from Alabama and his committee will do everything within their power to restore this program because their record on housing matters and other matters has been exemplary.

Mr. President, I want to say to the chief sponsor of this amendment that insofar as I am personally concerned, that I would be willing to abide by the assurances that have been given to us by the senior Senator from South Dakota and the senior Senator from Alabama. However, I want to make sure that we get the measure out soon, so that there can be no delay and so that we can proceed forthwith with a housing program that will do for rural America what we have long promised—a decent home at a reasonable price and a rate of interest that these good people can afford to pay.

Mr. President, I support the amendment to restore the assisted rural housing programs of the Farmers Home Administration.

Mr. ABOUREZK. Mr. President, I thank the Senator from Minnesota.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield?

Mr. ABOUREZK. Mr. President, I yield to the senior Senator from Vermont.

Mr. AIKEN. Mr. President, I want to make it plain that I dislike opposing this amendment to the pending bill. However, that does not indicate my opposition to the rural housing program. I am very much in favor of the rural housing program.

I, too, discussed the situation this morning with the chairman of the Committee on Banking, Housing and Urban Affairs, the Senator from Alabama (Mr. Sparkman), who assured me that the measure will be brought out and that he will take pains to see that the rural housing program is included insofar as he is able to do so, of course.

I have full confidence that the Senator from Alabama (Mr. Sparkman) does intend to bring this housing bill out with the rural housing provisions included. That is why I have been advocating that we do not put any amendments on this particular bill before us, so that we can find out promptly just where we stand on the whole situation of the rural water and sewage disposal program, which I definitely do not want to see ended or abrogated at this time, or any time in the foreseeable future, for that matter.

Mr. ABOUREZK. I thank the Senator from Vermont.

Mr. President, in view of the assurances given by my senior colleague from South Dakota (Mr. McGovern), I withdraw the amendment at this time, and emphasize that I hope the bill will come out of the committee of the distinguished Senator from Alabama very soon.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. McGOVERN. Mr. President, I thank my colleague from South Dakota and the Senator from Minnesota (Mr. Humphrey) for their understanding, because I think the amendment they have brought to the attention of the Senate here today is one that should have been brought to our attention. It is one that we ought to act on just as quickly as possible. But I do agree with the point made by the Senator from Vermont (Mr. Aiken) that he wants the strongest possible vote now, without any encumbrances, on this water and sewage disposal bill, and it is on that basis that we have asked that this amendment be temporarily withheld.

I have no doubt that the amendment would have been overwhelmingly approved had it been offered, but I think it is in the best interests of quick and strong action on the water and waste disposal bill that we not encumber it with amendments of any kind today, and we do have the full assurance of Senator Sparkman that at the earliest possible date his committee will report out a housing bill to take care of the situation.

So I thank the Senator from South Dakota and the Senator from Minnesota for their understanding.

Mr. HUMPHREY. Just quickly, Mr. President, I want the Record to be very clear that I know of the dedication of the Senator from Vermont to all these programs, and no remark of mine should be interpreted as any criticism at all of the Senator from Vermont. I respect his judgment on this matter, but we wanted a chance to discuss this housing amendment, because we thought it was important for the Senate to be aware of the significance of what has happened.

Mr. McGOVERN. I think the Senator is absolutely right.

Mr. ABOUREZK. Mr. President, if the Senator will yield, I wish to announce at this time that Senator Humphrey and I intend to introduce this proposal as a bill today, so that anyone who wishes may be a cosponsor.

Mr. McGOVERN. I wish that the Senator would add my name as a cosponsor.

Mr. FULBRIGHT. Mr. President, I, of course, would like to join those who support the rural housing program, as I do. I am very glad to go along with those who have already spoken on it.

Mr. President, I am gratified that the distinguished junior Senator from South Dakota has brought up today his amendment to restore the rural housing programs which the administration so abruptly terminated in January. It is my understanding that the effect of this amendment would be to mandate that the Executive spend the moneys which Congress has appropriated for assistance to the rural housing programs of the Farmers Home Administration. These activities, which include loans for the subsidized rental and homeownership programs as well as loans and grants for construction of farm labor housing, contribute much to the economic well-being of the small communities of our country and are vitally needed at this time.

Mr. President, I comment on occasion about this administration's misdirected spending priorities, and I do so largely because this is what I hear from other Arkansans when I go home. My constituents are not asking for more weaponry, more moon shots, or more military bases abroad or more foreign aid; they are asking for decent housing, for basic water and sewer grants—the essential things which contribute so much to a decent standard of living and the sorts of things which this Government ought to be able to afford.

So that my colleagues might better understand how my State is being affected by the administration's attempt to curtail these rural housing programs which have been so popular with the citizens of Arkansas, I have some facts which I believe will be useful for the RECORD.

When the administration cut off the subsidized Farmers Home Administration programs in January, my State had received the benefit of $23 million in interest supplement loans this fiscal year and was projected to have received approximately $60 million through the end of this fiscal year. When this loss to Arkansas is added to next year's loss of $60 million—since there is no provision for this program in the fiscal year 1974 budget—it means, Mr. President, that the administration's action will cost Arkansas over $90 million in needed and deserved housing benefits. Moreover, the economic stimulus or multiplier effect of such an investment would probably be about 3 times this amount, or $270 million. To put this another way, since the current average loan is about $12,000, about 7,500 low-income Arkansans will be deprived of housing assistance. The Farmers Home Administration estimates that 1.7 man-years is required to build each house which means that the restoration of these programs would account for about 12,750 man-years of labor to Arkansas.

The reasons are compelling for restoring these badly needed programs, and I hope that the Senate will act on this matter in the near future.

I also want to express my strong support for H.R. 3298, now pending before the Senate, to restore the water and sewer grant program under the Consolidated Farm and Rural Development Act. In fiscal 1972, the various rural Farmers Home Administration programs added $104.3 million to agriculture and community development in Arkansas with credit outstanding in the State for these programs now totaling $333.3 million. These programs have been vital to the livelihood of rural America, and are needed more than ever. I, like other Senators, was shocked and disappointed when the administration terminated these programs without notice on January 10 of this year, with the so-called justification that it would contribute to the reduction in Federal spending. If this administration is seriously looking for ways to reduce spending, it should concentrate on cutting back the extravagant defense-related ventures which have long outlived their usefulness, rather than making these very worthwhile water and sewer programs its victim. I commend the Senate Committee on Agriculture and Forestry for its diligent and expeditious efforts in reporting this measure to the Senate.

I can think of no more important bill to my State, nor to the other rural areas of this country.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. GRIFFIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 2, after line 3, insert a new section as follows:
>
> "SEC. 3. In keeping with the philosophy of government reflected in this legislation, each Member of Congress shall be required hereafter to expend each and every dollar authorized and made available to his office for employment of personnel, and for stationery, travel, telephone calls, telegrams and other purposes."

Mr. HUMPHREY. Oh, Mr. President, will the Senator yield?

Mr. GRIFFIN. Mr. President, I shall not vote for this amendment myself, but I would like to give those whose approach to Government is represented by this particular bill, an opportunity to make sure its principle applies across the board.

Needless to say, my purpose in offering the amendment is to focus some attention, if possible, on what this bill does. As now written, the basic act provides that the Secretary of Agriculture "may" make grants up to the amount appropriated. The pending bill would substitute "shall" for "may" to make the act read "The Secretary shall make grants in the amount of $300 million."

I can appreciate that some Senators are frustrated, because the administration has impounded some of the money Congress has appropriated for this program. I shall not review the figures, but I remind the Senate again that this administration has actually impounded less percentagewise, than some other administrations. As the table below indicates, the funds impounded—or held in reserve—amounted to 3.5 percent of the budget as of January 29, 1973.

The comparable percentage at the end of fiscal years 1959 through 1961 ranged from 7.5 to 8.7 percent. At the end of fiscal year 1967, it stood at 6.7 percent. At the end of 1972, it was 4.6 percent. But a range in the neighborhood of 6 percent has been normal over most of the last decade.

A specific breakdown by fiscal year is as follows:

[Dollar amounts in billions]

Fiscal year	Total unified budget outlays	Funds held in reserve	Percent
1973 (Jan. 29, 1973)	$249.8	$8.7	3.5
1972	231.9	10.6	4.6
1971	211.4	12.1	5.7
1970	196.6	11.5	5.8
1969	184.5	9.6	5.2
1968	178.8	9.9	5.5
1967	158.3	10.6	6.7
1966	134.7	8.7	6.5
1965	118.4	5.6	4.7
1964	118.6	4.2	3.5
1963	111.3	4.5	4.0
1962	106.8	6.5	6.1
1961	97.8	7.6	7.8
1960	92.2	8.0	8.7

Note.—The amount of funds held in reserve vary during the year and the above numbers are computed as of June 30 each year.

The bill before us now, substituting "shall" for "may" would mandate that every dollar appropriated must be spent. Do we really want to do that? And how far would we want to carry that philosophy of Government? Is that the way we want to operate with respect to every agency and subdivision of Government—to require that they must spend every cent that is appropriated and made available?

Surely, the American people who pay the taxes do not want us to do take that approach. Accordingly, I shall vote against the pending bill, because that kind of philosophy is built into it.

Several Senators addressed the chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield?

Mr. GRIFFIN. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, so that Senators may be on notice, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I think the Senator from Michigan knows full well what his amendment is designed to do; namely, to try to make it appear as if there were no difference between a Member of Congress who did not find a need to spend some of the funds allocated for the efficient service of his office, and a President of the United States who summarily impounds all the money, denying any service under the statutory law.

The amendment, I am sure, is offered—I never impugn the motives of any of my colleagues—in the best of good faith. Many a Member of this body could use greater resources and indeed, many Senators have been asking for that. Some 39 Senators, both Republicans and Democrats, only recently met for that very purpose.

But, Mr. President, what has happened here, and the language in this bill as well as others, is the result of the action of the administration not to economize, but to kill.

When they stop all applications for water and sewer grants as of the date of January 10, and take no more applications, and impound all the remaining funds, they are denying service. There is a great deal of difference between, at the end of a fiscal year, finding out that you did not receive enough applications to use the funds, or found reason not to approve applications, because they did not meet the criteria, or found reasons you could fulfill the purposes of the program with greater efficiency and economy, thereby withholding some funds. Let us not kid ourselves as to what has happened here. What has happened is like an item veto that the Bureau of the Budget at the direction, obviously, or apparently, of the President, has impounded funds, or the agency has refused to receive any more applications and, therefore, has terminated a program which this Congress authorized for a full year. That is a lot more difference than compelling every Member of this body—no problem for me voting for it, I guarantee you, Mr. President, because I have to supplement and have been consistently doing so out of my own personal funds, in order to take care of the duties of my office, and many other Senators here do that also. It is no problem. That is not unusual. That has been done for years. But this is, to say the least, a rather frivolous way to deal with a most serious problem; namely, the curtailment of a program which could have been operated with no trouble at all.

Many a time a department head has found that there were funds he did not need and were turned back to the Treasury at the end of the year. There is no complaint about that here in this body. But when we summarily and capriciously, without any prenotice, or any notification, to anyone, to no Senator, nor to any Representative, cut off a program, we are not fulfilling the duties of a public law.

Mr. GRIFFIN. Mr. President, if I may be recognized, of course, this amendment would not be adopted by the Senate. I would vote against it myself. But I hope by offering it, I have at least alerted the Senate to what the bill before us would do.

This bill is not the first bill that has come onto the floor with mandatory language of this kind in it. This is but one of a series of bills which proposes to mandate and require the administration to spend every last cent appropriated—regardless of whether it makes sense or not.

I submit that is bad in principle, that it is bad philosophy, and is not the way to solve the problem which concerns those who propose it. I, for one, do not subscribe to it, anyway.

Mr. AIKEN. Mr. President, I should like to say that when the REA bill was before this body about 3 weeks ago, and I do not believe the Senator from Michigan (Mr. Griffin) was here at the time, I asked the sponsor of the bill, the Senator from Minnesota (Mr. Humphrey), for an interpretation of the meaning of the word "shall," because I, too, questioned whether we could require the President to spend, or the head of an agency to spend, every dollar. The interpretation given me by the Senator from Minnesota, and it will be found in the Record of February 21 on page 4911 and the essence of it is this:

> When application for funds has been made and it has been found worthy and approved and an allocation of funds promised, then the full amount shall be made available to the applicant for the purpose for which it is intended.

The Senator from Minnesota is here now——

Mr. HUMPHREY. Yes.

Mr. AIKEN. And I questioned him on the floor about that, because I did not like that word "shall," either, but his interpretation was that it does not mean that the last dollar shall be spent. Perhaps some Members of this body will gladly comply with the amendment of the Senator from Michigan. Personally, I think I turn back about $150,000 a year to the Treasury. But I interpret that word "shall" to mean that if there is an appropriation of $145 million made, that $145 million shall be spent, if there are not enough qualified applications therefor.

Mr. HUMPHREY. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. HUMPHREY. I say to the Senator from Vermont that his interpretation of our colloquy is accurate as, of course, I would expect it to be. The Senator has given a commonsense and a reasonable interpretation. Words like "shall" and "directed" are most unfortunate sometimes, I agree. It is like bringing up a family. Once in a while we sit down with our children and have a discussion as to what the ground rules shall be. We think it is most likely they will abide by them but, finally, they do not do so. If we are any kind of a parent, we say, "All right. That is it. Here is the rule, son, and from here on out I expect some obedience."

Mr. President, I want to say that members of the governmental family have been messing around. They have not been playing according to the ground rules. The ground rules in this body and in Congress have been familiar for years and we have never had this trouble in the kinds of programs terminated. This problem has come up before with previous Presidents who have impounded some money for purposes of economy, or based on principle, perhaps. But as the Senator from Vermont has said, there is no directive which says that we have got to spend every dime. But what it does say is that if the applications meet the criteria, if there are enough applications, if the need is there, and if the administrator of the program with the criteria of applications sees that there is a need, then the money shall be made available and shall be spent. It is just that simple.

Mr. GRIFFIN. Mr. President, I am glad to have those nice words in the Record just spoken by the distinguished Senator from Minnesota (Mr. Humphrey). But now let me read from page 10 of the committee report, showing the changes in the existing law that would be accomplished by the pending bill, if it were to be adopted:

> (2) The Secretary [is authorized to] *shall* make grants *in the amounts specified in appropriations Acts* aggregating not to exceed $300,000,000 in any fiscal year to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

Then, on page 11, it states:

> (6) The Secretary [may] *shall* make grants *in the amounts specified in appropriations Acts* aggregating not to exceed $30,000,000 in any fiscal year.

Mr. President, at this point I ask unanimous consent that the minority views set forth beginning on page 13 of the committee report be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Minority Views

This is the third bill approved by the Committee on Agriculture and Forestry aimed at reinstating programs which have been terminated or changed by the Administration. The thrust of this legislation is to mandate executive expenditure of water and waste disposal grant funds appropriated to Farmers Home Administration.

The Administration's 1974 budget indicates insured loans totaling $345 million will be available for constructing and upgrading water systems in communities of 10,000 inhabitants or less or in areas outside these communities. This amount is greater than has been available in any one year for combined water and sewer loan purposes under the Aiken-Poage Act which was adopted in 1965. The fiscal 1974 Executive budget proposes no water system grants The budget explanation indicates this would be an appropriate use of Federal revenue sharing funds. We agree with this conclusion.

With regard to FHA waste disposal loan and grant authority, the President has indicated all sanitary sewage financing will be consolidated under the Environmental Protection Agency.

Public Law 92–500, known as the Federal Water Pollution Control Act Amendments of 1972, substantially increased EPA's authority to finance sanitary sewerage systems. Under this Act, the amount of any grant for treatment works shall be 75 percent of the cost of construction. Treatment works normally includes the waste treatment plant, the outfall line and the interceptor line. EPA's grant authority has also been expanded to include the sewage collection system.

Public Law 92–500 also created a body known as the Environmental Financing Authority. The purpose of this authority is to assure that inability to borrow necessary funds on reasonable terms does not prevent any state or local public body from carrying out any project for construction of waste treatment works determined eligible. Implementation of this authority will mean that under certain conditions EPA could find an entire sewerage project with both grant and loan funds. It is important to note that sewer lines financed under this authority are to be limited to the main lines constructed by the public agency and does not include the connection to such lines by households and others.

Since the EPA financing authority does not extend to solid waste disposal, we would urge the Administration to allow Farmers Home Administration to insure loans for this purpose.

In conclusion, we believe our rural areas would be better served if similar government programs can be successfully consolidated within a single agency and believe there should be a reasonable trial period to determine if the proposed consolidation will benefit rural America.

Carl T. Curtis.
Bob Dole.
Henry Bellmon.
Jesse Helms.

Mr. GRIFFIN. Mr. President, I have placed the minority views in the Record to make clear that if the bill before us were defeated, there would still be adequate provision made for the sewer and water projects which this legislation is supposed to cover.

Mr. President, I think that I have made the point I seek to make.

Mr. TAFT. Mr. President, will the Senator from Michigan yield?

Mr. GRIFFIN. I yield.

Mr. TAFT. Before the Senator takes any further action on this, I should like to commend him for bringing this matter to the attention of the Senate. I think he has done so in a very pointed and effective way. We should recognize that under the language the Senator cited from the committe report, if the Senator did not have applications in the total amount of the authorization, he would have a duty to seek out employees from his department to find applications in the field that could be approved and that would measure up to the total amount.

I would ask the Senator if he thinks that is a correct interpretation.

Mr. GRIFFIN. Absolutely. We see too much of that now in the administration of government. I have read and heard about situations where the bureaucrats actually go out and beat the bushes trying to find people and communities to apply for Federal money that is available—bureaucrats who are trying to give it away so that they will not have to turn any money back to the Treasury.

Mr. TAFT. Does not the Senator's amendment do exactly the same thing? If this same amendment passes, they would have the obligation to go out and find people to put on our staffs to spend the amount involved.

Mr. GRIFFIN. Yes, and wouldn't that be ridiculous? I doubt that there is a single Senator among us who uses all of the allowances that are available. From time to time, we do not need all of the payroll allowance that is available, or perhaps we cannot find the qualified people to hire at a particular time. In such a situation, the unused money goes back, of course, to the Treasury, as it should. Most Senators do not use all of the travel allowance that now is available and, of course, whatever is left at the end of the year goes back to the Treasury, as it should.

Would it not be ridiculous if we were to impose upon ourselves the requirement embodied in this bill that we are imposing on the executive branch of Government—to say to each Senator and Member of Congress, "You shall spend all the money that is available for the operation of your office, whether you need it or not? It would be a ridiculous provision to enact into law.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. McGOVERN. I think that for the Senator's point to have any analogy at all—that is, any analogy between the bill before the Senate and the operation of a Senate office—one would have to find a Senator who refused to open his office, who refused to hire any staff, who refused ever to mail a letter to one of his constituents, who refused ever to buy any stationery; because what we are faced with here now is a program that has been terminated by Executive order. As of January 10, the executive branch said that this program, which passed the Senate unanimously, is ended—no more money—under the Farmers Home Administration, for the grant phase of this water and waste disposal program. That is a vastly different situation from that of a Senator coming to the end of the year and having a few dollars left which he returns to the Treasury because the money is not needed.

I hope that the Senator, having made his point, will see fit to withdraw the amendment.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. CURTIS. I believe it cannot be said that the action of the President terminated the program, if by "the program" one means the program of assisting rural communities with water projects and sewer projects.

What the President has done, in effect, is that he has said, "Congress has provided two vehicles to carry out this objective. We are going to use one and not the other in reference to sewers, and in rural sewer projects we will go on with both grant and loan."

It is true that the President's action in respect to grants for water programs is discontinued, but the loan program goes on. As a matter of fact, it is increased.

So it is not a situation in which a President has arbitrarily stopped a program. He has availed himself of the use of one program that Congress has enacted. He has kept both programs going. He has taken action that would put an end to the grants for water projects. The administration of grants has always been difficult.

Mr. GRIFFIN. I appreciate the contribution to this dialog made by the distinguished ranking minority member of the Committee on Agriculture and Forestry (Mr. CURTIS). He makes the point that there has not been an absolute termination by the administration of this particular program. But even if that were not the case, this bill is not the right solution.

I am not about to tell the Agriculture Committee how it should have proceeded, but I am sure of one thing: This bill which mandates the administration to spend every last cent appropriated is not the solution. Surely, there must be some way that Congress can assert its authority that would be more responsible than this.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. AIKEN. I want to add a little further interpretation.

If the full amount of the appropriation is less than the amount that has been approved and promised for certain projects, then the full amount would be expected to be distributed.

Mr. GRIFFIN. Mr. President, I believe I have made the point intended by offering such an amendment. Some Senators must catch planes. If my amendment went to a vote, I'm sure it would not—and should not—receive even one vote. Accordingly, I ask unanimous consent that the order for the yeas and nays on the amendment be rescinded, and I withdraw the amendment.

The PRESIDING OFFICER. Without objections, it is so ordered.

The amendment is withdrawn.

Mr. BUCKLEY. Mr. President, H.R. 3298 is another in a series of bills designed to restore intact and mandate the expenditure of every penny which the President has vetoed or withheld in order to hold expenditures to the $250 billion level which the Congress last year agreed was the prudent limit of Federal spending during fiscal year 1973. Again, no effort has been made to trim expenditures in this bill or elsewhere in the budget. Had the Curtis amendment been adopted, I would have voted "aye" on final passage. Under the circumstances, I must vote "no."

Mr. HELMS. Mr. President, I cannot support the water and sewer grant program bill in its present form. I thought that the Curtis amendment was a fair and equitable solution to the dilemma brought on by the President's effort to cut down on the deficit. Had it passed, I would have supported the bill on final passage with no hesitation whatsoever. I believe that we must give top priority to the Federal deficit problem and make it one of our highest concerns. Such cuts are necessary, and desirable if they are made all across the board. All sections of the budget should receive justified cutbacks.

On the other hand, the cutoff of these grants obviously created practical problems. Much planning already had gone into such programs in many communities. The Curtis amendment would have allowed viable plans to be implemented and the program to be phased out in an orderly manner. Instead we are now faced with another massive program which will have a significant adverse effect on the budget. Obviously, water and sewer programs are desirable and worthwhile in themselves. The question is whether we can afford them all in our present circumstances. Congress has got to begin accepting responsibility even when it hurts. The McGovern bill as it now stands is totally irresponsible, and I feel compelled to vote against it.

Mr. CANNON. Mr. President, I fully support the restoration of FHA water and sewer grant programs as proposed in H.R. 3298 and congratulate the Agriculture Committee and the bill's distinguished floor manager, Senator McGOVERN, for quick action on this vital matter.

When the Agriculture Department announced January 10 it was terminating water and waste disposal systems, it left nine communities in my State with inadequate solutions to urgent water and sewerage problems. These communities were informed that revenue sharing and the Water Pollution Control Act Amendments of 1972 were available to meet their needs.

Specifically, they were told the Environmental Protection Agency had funds ready to pay 75 percent of the costs of sewer projects and that revenue sharing could neatly fill the gap left by the terminated water system grants. As has been the case with so much of the President's recently unveiled economic program, however, the promise did not quite match reality.

By the time the Agriculture Department announced its termination plans, revenue sharing had been in effect for several months. Before it was approved, it had been pending for more than a year. With this backlog of expectation and several months of reality, revenue sharing funds for rural Nevada communities were nonexistent by January 10. In addition, the communities in Nevada that were affected by the cutoff are very small and, for the most part, located in equally small counties. The amount of revenue sharing funds available to these cities and counties is so miniscule as to make unrealistic dependence upon them for funding of expensive water or sewer systems.

The suggestion of using EPA grants has also proved useless in face of reality. Nevada finds itself in a position regarding these funds similar to its position in other areas—the Federal stream has slowed to a trickle by the time it reaches us. To paraphrase Mr. Nixon, the Federal bureaucrats who spend all their time "throwing dollars at problems" seemingly cannot throw hard enough to reach Nevada. For the current fiscal year, Nevada has received only $14 million in EPA grants out of $25 million requested. With major pollution-abatement programs pending in the Las Vegas area, the rural areas of the State can see no realistic hope of meeting their problems through the EPA grants.

I would also like to comment upon the propriety of the Agriculture Department's action in ending these programs. The announcement came in January, 7 months into fiscal year 1973, after only $30 million of an appropriated $150 million had been obligated. To say the action constituted a violation of hope and, in many cases, firm commitments, is putting it mildly. Let me quote from one letter I received concerning this aspect of the termination:

> On the representations from local FHA officials that loan and grant monies were available, the Bunkerville Water Users Association has expended a substantial sum in preparing themselves to receive the much needed grant and loan. Feasibility studies have been made and the legal status and structure of their organization conform to FHA's specifications. It is imperative that this project be initiated as soon as possible.

In the instance referred to above, the Bunkerville group originally submitted a request for an $80,000 loan and an $80,000 grant to improve their culinary water system. During the summer, some residents of this area are without drinking water unless it is carried in.

The Bunkerville residents were then told the project would cost $178,000 instead of $160,000 and that they would have to borrow $94,000 and get $84,000 in grant moneys. They were then told that only $50,000 was available in grant money and they would have to borrow $126,000. On December 14, they were told there were no grant moneys available and they would have to go as far as they could on the $126,000 loan.

This is a classic example of inept Federal policy and is a perfect reflection of the uncoordinated and spastic nature of this administration. Commitments are made and broken, fiscal policy is tightened and relaxed, bureaucracies are extended then abolished, and all the while the country lurches and stumbles along in the wake. This is not "New Federalism," it is just old bungling.

Not only can the efficiency of our national leaders be questioned, but also, as I noticed in today's Washington Post, can the legality. The Post carried the story of a U.S. district court judge ordering the Agriculture Secretary to reinstate the FHA's disaster loan program, which the Secretary had terminated shortly before he wiped out the water and sewer grants. The judge ruled, correctly in my opinion, that Secretary Butz had violated the law and his own Department's regulations in cutting off the program.

The heavyhandedness exemplified in both these actions is the nub of the problem before us today. There is no one in this body, I would suspect, who would object to a serious, well-planned effort to reduce the Federal budget. But there are many of us, to judge from the Senate's actions so far this year on several Nixon-opposed bills, who object to the blitzkreig methods used in the last several months.

Let us not forget that the program we are voting on today was a victim of the magic $250-billion budget ceiling Mr. Nixon pulled out of the sky in the heat of the Presidential campaign when his "no additional taxes" slogan was being hooted at. This is not sound fiscal planning, it is grandstand politics designed to embarrass a democratic Congress.

I urge my colleagues not to be cowed by these tactics. Examine the effect of the water and sewer grant program on your State as I have on mine. If you find it valuable, do not sacrifice it to the impromptu fiscal tactics of this administration. Worthwhile Federal projects like this need not fall victim to midstream budget reversals. Congress can decide for itself which programs should be continued and which should not, and I urge support of this bill as affirmation of that principle.

Mr. **HRUSKA**. Mr. President, the time has come for the Senate to assume its responsibility in the area of fiscal responsibility. It must do so by reevaluating and cutting out programs which are already provided for and funded elsewhere. The measure we discuss today would restore such a program.

Thus, I rise in opposition to H.R. 3298, which would reinstate planning and development grants in the water and waste disposal program of the Farmers Home Administration.

I am certainly not an opponent of reasonable Federal aid to water and sewer projects. On the contrary, the need for water and sewer funding in our rural areas is great and one which the Federal Government should continue to recognize and share.

It is evident that the need for such programs and funding has been recognized. Water and sewer programs, however, have been included in both the current budget proposal and in the Clean Water Act of 1972.

Construction funding of sewers for rural communities and their surrounding areas is available on a grant basis from the Environmental Protection Agency after application and certification by State according to priority.

Additionally, the new budget would authorize some $345 million for insured loans to be used in construction and upgrading rural water systems.

EPA is also able to provide up to 75 percent of each facility's cost. If a State finds such funding insufficient, it need only resort to its already allocated revenue-sharing money.

It is doubtful to some, including this Senator, that the funds currently proposed can be responsibly expended on water and sewer system construction. After all, only so many systems can be realistically planned and built in 1 year's time. At any rate, it appears that funding for such programs is certainly adequate.

I wish to reemphasize again, that my vote is not cast against rural America and its recognized need for water and sewer systems. Rather it is cast against duplication of manpower and effort. It is cast against the continuation and perpetuation of administrative redtape.

The consolidation under one administrator of the environmentally oriented program that we discuss here today is logical and in keeping with the desired goal of reduced expenditures and economy in Government. It is estimated that over $2 million alone will be saved in administrative costs resulting from the transfer of the water and sewer program responsibility to the EPA.

In casting aside the duplicative measure being offered today, the Senate has an outstanding opportunity to exercise both good sense and restraint without sacrificing any substantive program.

Mr. **McCLELLAN**. Mr. President, I support and shall vote for H.R. 3298.

Federal grants for water and sewer systems—which the legislation would restore—are essentially for the revitalization of rural America. They are prerequisites for balanced national growth and economic stability. I know of few programs—enacted by the Congress—which have done more to enhance community development, produce jobs, generate tax revenues, reduce the overcrowded conditions and squalor found in many urban areas and generally make life better for all of our people.

I speak of the compelling need for this kind of assistance, not from any vicarious or academic interest. But rather, I speak to the unusual value and effectiveness of this Federal funding program from observation and firsthand experience in my own State of Arkansas. In Arkansas, the results are evident; the progress is real; and the benefits are lasting.

A recent article in the Washington Post commented most favorably on the changing conditions and remarkable improvements occurring in Arkansas. It related how the development and conservation of our water resources has spurred economic growth, and helped to reserve the exodus of our people in search of employment and professional opportunities elsewhere. It told how essential public works—such as water and sewer systems—are bringing hundreds of new employers and thousands of new jobs to our State. And it suggested that the story of success now being written in Arkansas can be written all across our land in rural communities which have been left behind and in country outposts which have become depressed and deserted.

Federal assistance, together with private initiative, has worked in Arkansas. Under the rural water and sewer plant program, some 308 systems have been completed and another 59 are in various stages of construction. These 367 units ultimately will serve more than 66,000 of our families, business, and schools. They are providing the fundamental facilities without which no city or town can long endure let alone prosper. They are providing the impetus which has attracted clean industrial development and created livelihoods for so many of our citizens. The $9.9 million in Federal grants which have helped to underwrite the cost of these systems is being repaid countless times over in the personaly, corporate and community revenues they are generating.

But the dividends from this kind of Federal aid go well beyond the handsome economic returns they are providing—well beyond the new amenities our people now enjoy. The total enhancement of life it has brought to our State is incalculable and the equally bright hope it augurs for Arkansas' future is unlimited. In my judgment, H.R. 3298 will enable this progress to continue, not only in Arkansas, but throughout our Nation in the myriad towns and hamlets which are trying to exist in the late 20th century without the essentials—such as water and sewage—to sustain them. There are still more than 30,000 rural areas without water systems in America today—still more than 45,000 areas which lack adequate sewer facilities.

I believe that H.R. 3298 holds one of the keys to alleviate this deprivation—to obliterate poverty—to revitalize our countryside and cities—to eliminate urban slums and rural desolation. Rhetoric and good intentions will not solve these problems. That takes programs of action—such as water and sewer projects—to help achieve this crucial goal.

Mr. EAGLETON. Mr. President, I want to commend the Committee on Agriculture and Forestry for its prompt and favorable consideration of this vital legislation.

The administration's abrupt termination of the rural water and waste disposal grant program was one of a series of hammer blows directed at rural programs in the months following the election. All came without warning or consultation of any kind and apparently with little regard for the impact on the well-being and future of rural communities.

The action was part of a disturbing pattern which this administration seems to have fallen into—of policies privately decided upon, sprung without warning on an unprepared public and defended by preemptory assertions of Executive power and wisdom.

Not only is this contrary to the spirit and, at times, the letter of our constitutional arrangements, but it flys in the face of every principle of orderly administration.

There is no way communities can undertake the complex planning and organization required to carry out development programs if the whole program is subject to termination or redirection on a day's notice. There is no way an administration can gather all the information it needs to pursue wise and constructive policies unless it opens itself to the counsel and opinions of others, even those with whom it may disagree.

If the administration feels that a program has outlived its usefulness or is being operated inefficiently, there is an established procedure for seeking change. It should make its recommendations to the Congress and submit its ideas to the scrutiny of public hearings and debate. If they are sound, the recommendations will survive. Only those with a week case to make should have any fear of such discourse.

As it was, many local communities were caught by the surprise termination announcement in mid-stage of their preliminary work on water or waste disposal projects. Some had already taken the costly steps of commissioning engineering studies, preparing sites and arranging for necessary local financing, as the committee report notes.

In the State of Missouri, approximately 120 applications from small rural communities are on file with the Farmers Home Administration State office for a total of about $15 million in grants. In most cases, the loan program which the administration has offered as an alternative, simply will not do the job. These communities need both grants and loans if the work is going to be done.

Mr. President, in establishing this program, the Congress recognized the critical importance of adequate water and waste disposal systems in attracting new industry and other forms of development to our rural communities. They are the foundation on which so much else depends.

I want to urge my colleagues to give this bill restoring the program an overriding vote of approval.

Mr. HATFIELD. Mr. President, rural water and sewer programs are essential to the maintenance of a stable and economically viable rural life. Without them, small towns and farms will continue to decrease; rural young will migrate to our larger cities. But, our large cities are already afflicted by overcrowding, and they suffer from unemployment, crime and many other factors that erode the quality of life. That is why a majority of Americans have indicated their preference is to live in smaller towns and communities. But they cannot, and do not, as long as opportunities in rural areas continue to shrink.

President Nixon said:

> It is essential that we make rural life more attractive, thus insuring orderly growth in rural areas.

We must keep a viable rural population and safeguard its way of life. In order to do so, we need to encourage businesses to stay in these areas or to consider locating there. But without adequate water and sewer projects, economic vitality is stifled and opportunities for individuals are lost. Further, in this time of ecological awareness, an added impetus is the environmental protection afforded by such projects.

We can talk about large questions such as "rural life" and "ecological quality," but this means more when we put this in the perspective of one State. In Oregon, for example, 85 projects have been carried out in 10 years—17 in fiscal year 1971. At the time of the decision to cutoff this program, Oregon had pending 21 applications for loans totaling $9,505,000; 39 applications for grants totaling $6,661,000; and three applications for planning grants totaling $34,000.

Last year, the Congress appropriated $150 million for fiscal year 1973 to meet the need nationwide. As a member of the Agriculture Subcommittee of the Appropriations Committee, I worked for this item more strongly than any other. But of the amount our committee appropriated only $30 million had been obligated prior to the time the Department announced the termination of this program. In the last two Congresses, I have introduced legislation to insure the funding authority for rural water and sewer grants. Last session, this legislation had 34 cosponsors.

Of all the programs that have been abolished summarily without consultation with Congress, none is more important nationwide and has greater impact on rural life than this. I believe strongly that Congress should have authority over the budget and be actively involved in revision and abolishing programs it has established. In the case of REA and REAP, I would be glad to participate in efforts to change their archaic features. In those cases, the constitutional issue seems almost more important than the programs themselves. I do not feel that way about the rural water and sewer program. This program stands on its own merits and is absolutely essential for rural development. I believe we must proceed to do what H.R. 3298 states and restore the rural water and sewer grant and loan.

Mr. TUNNEY. Mr. President, I would like to take this opportunity to speak briefly in support of H.R. 3298. As you know, on January 10, 1973, the administration revealed that it was canceling planning and development grants in the water and waste disposal programs of rural communities.

In light of the dire need for these funds, this action is incredibly shortsighted. A 1968 study by the Department of Agriculture determined that a minimum of 40,000 communities have inadequate water or waste disposal systems. At the time of the administration announcement, no fewer than 1,685 rural towns throughout the country had filed applications for $252,783,208. In California alone, the following 39 California communities have had their applications for these grants withdrawn as a result of the January 10, 1973, action:

1. Hopland Public Utility District.
2. Konocti County Water District.
3. Westport County Water District.
4. Adin Community Services District.
5. Amador City.
6. Clear Creek Community Services District. (Happy Valley-Olinda Area).
7. Darwin Community Services District.
8 East Independence Sanitary District.
9. Groveland Community Services District.
10. Happy Camp Sanitary District.
11. Mariposa County Water Agency.
12. Meadow Vista County Water District.
13. City of Portola.
14. Shasta County Solid Waste Corporation.
15. Tuolumne County Water District No. 2.
16. Valley Springs Public Utility District.
17. San Andreas Sanitary District (Sunset)
18 Cacheville Service District.
19. Sacramento County, Hood Townsite.

20. Yuba County Water District (New York House Road).
21. Bolinas Community Public Utility District.
22. Kettleman City Community Services District.
23. San Luis Obispo County Waterworks No. 1, San Lawrence Terrace.
24. San Luis Obispo County Service Area No. 16.
25. Templeton Sanitary District.
26. Los Alamos Community Services District.
27. Santa Ynez Community Services District.
28. Hughson Community Services District.
29. Coulterville County Service Area No. 1.
30. Vista Grande.
31. West Parlier Community Services District.
32. Delhi County Water District.
33. Laton County Water District.
34. Hilmar County Water District—Irwin.
35. Goshen Community Services District.
36. City of Woodlake.
37. Boron Community Services District.
38. Winterhaven County Water District.
39. Riverside County Service Area No. 62.

The administration has argued that grant funds can still be given to these communities under the increased authority of the Environmental Protection Agency provided under the Federal Water Pollution Control Act Amendments of 1972. This is a fallacious argument. In the first place, the statutory language of this law specifically exempts EPA authority to issue grants for distribution systems—which is the crucial issue in rural communities. Second, this view conveniently dismisses the administration's own impoundment of much of those pollution funds.

If our rural communities are to be afforded the opportunity to obtain adequate water and waste disposal systems, grants as well as loans will be required. H.R. 3298 will restore these grants to the full amount appropriated under the Consolidated Farm and Rural Development Act. I strongly urge the Senate to take favorable action on this legislation.

Mr. CLARK. Mr. President, I would like to urge support for restoration of the rural water and sewer grant progam since I consider these grants essential to the success of the Nation's rural development efforts.

Simply put, there just are not—at this point in time, at least—any other sources for the funds small communities need to provide basic improvements so that they can restore their economic health and general well-being.

The President's assertions that funds are available through revenue sharing and the Environmental Protection Agency are patently absurd. Many communities which have been participating in the grant program receive less than $2,000 per year in revenue sharing, and the EPA says flatly that it has no money for such projects. Certainly we cannot expect small communities with declining populations and correspondingly shrunken resources to muster funds for costly major projects on their own.

In addition to these long-range considerations, I believe the grant program should be restored to right the wrongs created by the abrupt nature of its termination—an action which has been costly as well as deeply disturbing to many communities which had been preparing to apply for grant funds.

The responses I have received to a mail survey I made in my own State on the question of this and other terminations and cutbacks form a dramatic illustration of this fact.

They give a blow-by-blow account of the investments of considerable amounts of time, energy, and funds in exploratory efforts, engineering studies, consumer sign-up campaigns, land purchases, and other preliminary work before the termination was announced in January. Some communities had even taken up voluntary contributions, sold shares or floated bonds to raise the money for the local share of the project cost.

Generally, this preliminary work was undertaken with the full knowledge of the Farmers Home Administration, and in response to strong pressure from Federal and State water quality standards agencies.

Seen in the context of their letters, the cutting off of funds to these communities—and to others like them—is grossly unfair and a clear breach of faith, even though no formal contractual agreements had been entered into.

Mr. President, so that others may read them, I request unanimous consent to place these letters in the body of the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MENLO, IOWA,
February 23, 1973.

Senator DICK CLARK,
Washington, D.C.

DEAR SENATOR CLARK: To say the least, the impoundment of federal funds has really the Mayor Council and the City of Menlo out in a limb.

A loan and a grant had been approved for a new water supply for our town. A contract was let to dig a test well, which already has been done. We have borrowed $5,000.00 from our local bank, which was to be temporarily until job was completed and loan and grant was turned over to us.

To bond on our own would make water bills prohibitive, our present source of water is a 1700 foot well which is almost thirty years old and can not be recased.

Any support you can help us with will be greatly appreciated.

Yours truly,

NOEL B. ROBERTS,
Town Clerk.

TOWN OF FOSTORIA, IOWA,
February 22, 1973.

Hon. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: The impact of the freeze of F.H.A. funds on Fostoria at the present time is not pleasant. Between March 1, 1972, when we were told we would be funded in 1973, and January 11, 1973, when we were informed of the fund freeze the Council and I, in good faith, employed an engineering firm, contracted with an attorney, and obtained option on land. At the meeting we learned of the freeze, our engineer informed us he was 70% through with his work and we were at the stage of bid letting. To date we have the following contracted debts:

	(*Approximate*)
Engineering	$12,000
Attorney	2,000
Land	13,700
Total	27,000

The estimate of our 1973 budget was $9,000. Just one third of the debt we incurred on the say so of the F.H.A. Without a grant, it would mean that the Council would have to raise taxes four times to pay our obligations in a reasonable length of time.

Fostoria is one of the few towns of its size in the State of Iowa that has constantly grown during the last 30 years. We have a town owned water system, and natural gas service. To keep improving we need a sewer system. Today we have septic tanks, some work, some are pumped out by the local cleaning service, and some that seem to be pumped into the alleys when no one is watching. I personally would say the situation is deplorable. We are six miles North of Spencer. The Eton Company is to build a new plant there that will employ 500. This will mean many new families. McQuay Co. is tripling the size of their plant at Spirit Lake, 12 miles north of here. Without a sewer system, we don't have much chance of attracting new citizens to our town.

If I may help further, I will be glad to supply any further information I can.

Sincerely,

VERNON K. SMITH,
Mayor.

LEON, IOWA,
February 23, 1973.

Senator DICK CLARK,
Old Senate Office Building,
Washington, D.C.

DEAR SIR: This is in reply to your letter to the City of Davis City, Iowa, regarding the effect on the City of recent impoundments of FHA funds. The City of Davis City has an application in with FHA and EPA for construction of new sanitary sewage systems and sewage lagoon. Under the original plan funds were to be paid as follows:

EPA, $52,800 grant.
FHA, $55,360 grant.
FHA, $83,040 loan.
Davis City, $25,300.

The City was recently advised that the EPA grant of $52,800 would be approved and were also advised that the FHA grant of $55,360 would not be approved in view of the President's impoundment of funds, but that there is still a possibility that they could get a loan in the amount of $138,400. The City is still in a process of deciding whether or not to proceed with the sewage project. The population of the City is only 301 and City Officials say that close to 50% of those people are elderly and living on some sort of pension. The increase costs to these people may cause abandonment of the whole project. If the City does decide to go ahead with the plan City Officials estimate that it will result in 20% increase in the proposed sewage rates to make up for the loss of the FHA grant.

Very truly yours,

ROBERT L. FULTON.

THE INCORPORATED TOWN OF NORTHWOOD,
Northwood, Iowa, February 23, 1973.

Senator DICK CLARK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: In response to your letter of February 15th asking for information pertaining to the effect that the impoundment of federal funds may have on our community.

We have a current situation to illustrate our concern over the freezing of certain appropriations and I believe it will help to make my point by enclosing a copy of a recent letter from EPA.

As the letter states, we have been determined eligible for a federal grant on a portion of the proposed sewer project which we intended to start construction on in 1973. The estimated cost of this project is $550,000. Based on a 75% level of federal participation the grant would approximate $177,000.

Also we expect to start construction this spring on a water expansion and improvement program costing just under $400,000 which will be financed entirely by revenue bonds.

Northwood has a population of 1950 and an annual budget of about $200,000, so I believe you can readily see that without federal participation on the sewer project we are going to put quite a burden on our people. Yet, it is almost imperative that we go ahead with these improvements because we are near the end on residential building lots. (result of the sewer situation). And we need the water improvement for fire protection and to, hopefully, attract more light industry to our community.

Northwood had a 10.1% growth in the past decade. Because of our close proximity to Interstate 35 and the fact that we have a mainline railroad thru our town, to mention a couple of assets, I can see even a greater increase in this decade; providing of course, that we have adequate facilities to serve the increase.

With the government talking pollution control and ecology, and in some instances enforcing the same, isn't it asinine to stop or delay programs designed to promote such, on the presumption that it will be inflationary? No one benefits from inflation but surely there are more appropriate areas in which to reduce federal spending.

Thank you for asking my opinion. I wish you much success during your tenure in the Senate, especially on the Committee of Rural Development.

Respectfully,

GUY OLSON, *Mayor*.

NORTHWOOD, IOWA,
February 8,1973.

Predetermination of Eligibility

Attention: Mr. Joseph E. Obr, Director, water quality management.

Mr. KENNETH M. KARCH,
Executive Director, Iowa Department of Environmental Quality, Lucas State Office Building, Des Moines, Iowa.

DEAR MR. KARCH: The following determination of eligibility is based on previously established criteria. This determination is subject to change, by increasing or decreasing the limits, by virtue of the Federal Water Pollution Control Act Amendments of 1972 and the Title II Construction Grant Regulations to be promulgated. Subject to the preceding the following proposed work would be eligible for Federal participation (refer to Bolton and Menk letter of January 16, 1973).

1. Lift station and force main.
2. West Interceptor from the lift station to the first manhole north of the cemetery.
3. East Interceptor from the connection with the West Interceptor to the first connection with the collection system for the eastern most residential area as shown in red on Figure V.

Very truly yours,

LEWIS A. YOUNG,
Chief, Program Support Branch (Water).

WESLEY, IOWA,
February 23, 1973.

Senator DICK CLARK,
Washington, D.C.

DEAR SENATOR CLARK: The recent impounding of funds for Federal Housing Assistance will not affect our community. We have just completed two six-plexes for 12 families.

We are talking sewer in our town of 550 people, and we seem to be having trouble with the cost on that. Could you send me the bill known as the Federal Water Pollution Control Act Amendments of 1972. It became law on Oct. 18, 1972. Please send as soon as you possibly can. Thank you.

Sincerely,

WM. L. KOPPEN,
Mayor.

MILTON, IOWA,
February 21, 1973.

Senator DICK CLARK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: In answer to your letter of the 15th, we are very concerned about the Funds that have been withheld from some projects. As you know, Van Buren Co. is one of the depressed areas of Iowa. The median income of Milton is 2700.00. We have been working since 1965 to get a sewer in town. We had an engineer do a preliminary estimate in 1966 and finally in 1972 our application was approved. The grant though, that F.H.A. made to us, was based on this 1966 estimate. When we pointed out last year that this would be insufficient now, the F.H.A. advised us to go ahead and advertise for bids and they would provide sufficient grants so that the minimum would not be over 6.50 or 6.75 a month to our older people. Now we are told that the original grant is all we will receive and the minimum will be 9.00 or more. With the number of senior citizens in town, I am afraid this will work a hardship on most of them.

Also we have no decent housing in Milton. There are several 35.00 per month shacks for rent but none in the 65.00 to 100.00 range. We formed an organization and was in the process of getting a F.H.A. loan to build one four apartment building and now that has been killed.

It seems like extreme Southeast Iowa has been forgotten by the rest of the state for years and now the Federal Government is disowning us too, along with all the other depressed areas.

As a personal opinion, I would be very unhappy if one of my tax dollars was spent for the reconstruction of North Vietnam.

Very truly yours:

PHILLIP FULLER,
Mayor.

TOWN OF RANDOLPH,
Randolph, Iowa, February 26, 1973.

Hon. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: In reply to your letter of February 15, regarding the effect of the impoundment of federal funds on our own community. We are happy to respond.

The facts are this: Approximately two years ago, our Town Council contacted the FHA in regard to applying for a loan and grant aid to construct a sewer system in Randolph. Representatives of this agency met with us, outlined the steps necessary to apply for such help and encouraged us (in view of the ecological kick the Government seemed to be on at the moment) to continue the plan and make the application.

We employed an engineering firm who surveyed the area, and submitted drawings and plans. We then contacted the citizens, obtained the necessary percentage of signers (and deposits) to conform with the regulations of the agency.

After all the requirements had been met, we made the formal application. Again representatives of the agency met with us—admitted the application was in order and informed us that they had no money. All application forms, correspondence etc. have been returned to us. We still have the citizens deposit money in an escrow account, but unless some grant aid is available, we will have to drop the idea and return the deposit money.

Our population is 214. Our property tax value is too low to permit general obligation bonds for a project this size. With all the work we have done, we don't like to drop the project.

Our thanks for your interest. We would appreciate some help.

Very truly yours,

D. T. MCCRACKEN,
Clerk.

LETTS, IOWA,
February 22, 1973.

Senator DICK CLARK,
Old Senate Office Building,
Washington, D.C.

Senator CLARK: I appreciate very much your interest in our rural problems. To answer your February 15, 1973 letter specifically, Letts, is fortunate to have funds obligated by Fm.H.A. for a sanitary sewer system.

After completion of this project we will be applying for future funds for a water system and might be able to participate in some low-rent or housing for elderly project, assuming availability of funds.

If I can be of further service, please feel free to advise.

Sincerely,

ROBERT A. BARNES,
Mayor.

LADORA, IOWA,
February 25, 1973.

Hon. DICK CLARK,
U.S. Senator.

DEAR SENATOR CLARK: In answering your letter of Feb. 15 concerning the effect of impounding of Federal Funds on the town of Ladora.

We have been in the process of trying to get a sewer in Ladora for almost 2 years. This was being done by asking for grants and loans from E.P.A. and F.H.A. both, as you know, last Dec. the F.H.A. grants were cut off.

Since that time, in the last month, we were granted $61,650 from the E.P.A. This left us in an unusual situation.

With a total project of $239,000, this still left us with quite a load, if we want a sewer. If we don't use the E.P.A. grant soon it will be taken back and the F.H.A. grants are, no more—now anyway.

Friday the 23rd of Feb. the town held a public meeting and the Council decided to go ahead with the sewer at a higher cost per month revenue fee.

Here's my concern—or problem.

If the F.H.A grants are put back in or some other financial help in this area, we, as a council, or town, would like any legislation if made in this regard, to possibly remember us and others who go ahead with these projects, even though it will strain some family and town budgets.

I would not like our community to be penalized later because we acted on a thing as important as this now.

I hope I've put our position across to you.

Sincerely,

ERNEST A. SHOULL,
Mayor.

KESWICK, IOWA,
February 25, 1973.

Hon. DICK CLARK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: I am writing you in answer to your request for information regarding effects of the recent withholding of federal funds and the 18-month moratorium on federal housing assistance on a small rural Iowa community.

In my judgment the effect of the 18-month moratorium will have considerable effect on housing as it has been instrumental in the construction and improvement of approximately forty per cent (40%) of all units which have been either newly erected or improved in our community during the last ten years.

The greatest effect in a small rural community will be in the sewer systems and treatment plants. Without considerable outside assistance it will be totally impossible for any small rural community to construct sewage facilities to meet any ecological requirements.

Sincerely,

JACK V. KERR,
Mayor.

HARLAN, IOWA,
February 22, 1973.

Hon. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: I am writing to you in my capacity as Mayor of Harlan, Iowa to relate to you the impact which the recent impounding of federal funds has had upon our community. First I would like to establish that Harlan, Iowa is the County Seat for Shelby County. Our community does provide the greater portion of shopping, medical care and hospital facilities for this entire Shelby County area. More recently we have been called upon to provide water for a newly developed rural water district in the south portion of our county and to also establish low income housing for the elderly. Plans for the low income housing project have been under way since 1970 and were in the final stages for acceptance by the Department of Housing and Urban Development. With the curtailment of these federal funds for the Rural Development Act our plans for providing water to this Shelby County Water District have been completely impaired. I am enclosing letters which I have received that substantiate my imminent concern for these projects.

If rural America is to be given the opportunity to develop economically and to maintain its responsibility to its people, the federal Government must fund these vital programs. We call upon you, Senator Clark, for your understanding and ultimate aid.

Most sincerely,

K. L. MUELLER,
Mayor.

HARLAN MUNICIPAL UTILITIES,
Harlan, Iowa, February 21, 1973.

Re Federal Funding for Shelby County Rural Water District No. 1

Mayor K. L. MUELLER,
City of Harlan, City Hall,
Harlan, Iowa

DEAR SIR: This is to advise you that the development of an adequate and potable water supply for the above named rural water district depends completely upon federal funding under the Rural Development Act of 1972.

The Board of Trustees of the Harlan Municipal Utilities have agreed to furnish the water supply for this district and have authorized and engaged an engineering consultant to make a study and survey of the Harlan Water System to determine the additional facilities required to do so.

It is our understanding that the recent presidential order curtailing federal funding for certain programs will defer federal funding for projects such as the Shelby County Water District No. 1.

In our opinion, the need for completion of this project is beyond question due to the quality of the ground water available to well supplies within the district which includes some 250 farm supplies and at least 4 city supplies.

Any support that is given toward the restoration of federal funding for this project will certainly be appreciated.

Respectfully submitted,

DONALD L. BRAGG,
General Manager.

STATE OF IOWA,
DEPARTMENT OF SOCIAL SERVICES,
Harlan, Iowa, December 12, 1972.

Mr. K. L. MUELLER,
Mayor,
Harlan, Iowa

DEAR MR. MUELLER: After reading the article on low-rent housing for the elderly, I decided to write urging you to do what you can to apply for low-rent housing as soon as possible.

I was startled to see the headline "still several years off" and this part of the article "the earliest possible date for construction would probably be sometime in 1976." Yesterday I talked with an elderly lady who needs to relocate in Harlan. If we had low-rent housing, this lady would not have this extreme hardship of trying to do the impossible with her limited Social Security. With medicine costing upwards of $40.00 per month and rent taking half or more of her Social Security check, the most skillful statistician could not figure a way to budget her money. Not too long ago I visited with another elderly lady who happened to be receiving Old Age Assistance and she was faced with a similar problem. I have no idea of how many units are needed but there is a definite need for some right now.

I am sure you know the small towns around Harlan are losing their services. These services are being concentrated in Harlan and the people are following them. Many services at a distance are not used. In our office we see people who depend on others (this is usually not reliable) for transportation to get their food stamps. There are many people who live outside of Harlan and who are eligible for food stamps that do not get them for that very reason.

I am urging you to place low-rent housing on the top of your priority list. The many people who will enjoy a better retirement because you have helped them obtain low-rent housing will appreciate what you are doing by making this a number one priority.

Thank you for your kind attention.

Yours truly,

RON PFEIFER,
Director.

TEMPLETON, IOWA,
February 28, 1973.

DEAR MR. CLARK: Received your letter requesting assistance concerning the recent impoundment of federal funds.

We are in the process of putting in a $238,000 sewage and lagoon system. We received federal funds for this before the impoundment went into effect. Had we not received federal funds this project would have been impossible.

It took approximately five years to get this project on the road. We plan to finish our project this year. Had funds not been allocated we would be up the river without a paddle. It would have been impossible for a town of 312 people to finance this project.

I feel its time to knock on a few heads there in Washington. I realize I am a little young for the mayor job of this town but it doesn't take a whole lot of intelligence to figure some of our fearless leaders out.

We always hear everyone is out to help the little town survive. I sometimes wonder though. We get a little revenue sharing funds for the town and then get stabbed in the back by impounding federal funds.

There are several towns in the immediate area trying to get the federal funds to finance projects like ours. As long as this impoundment is in effect this is impossible.

Hope the above information will help.

Yours truly,

RAYMOND NEPPLE,
Mayor.

WEBSTER, JORDAN & OLIVER,
Winterset, Iowa, February 26, 1973.

Senator DICK CLARK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: Donald Stewart, mayor of the Town of Bevington, has requested that I answer your letter of February 15, 1973. The Town of Bevington has made application with the Farmers Home Administration for a combination grant-loan to construct a water works and water system for the town. The town would have approximately 26 water users when the project is completed.

The town has incurred the expense of $750 for an engineering study by Anderson Engineering Company in Des Moines. This study made an estimate of the cost of the project and the location and type of the water works plant.

If the town was able to obtain the grant, the cost per month per user would be at least $6.50 per month. Without the grant the cost would be at least $12 per month per user.

We would appreciate anything that you can do on behalf of the Town of Bevington.

Thank you for your help.

Sincerely,

JERROLD B. OLIVER.

EMERSON, IOWA, *February 20, 1973.*

DEAR SIR: I am writing in regard to your request for information about the recent impoundment of federal funds; and the 18 month moratorium on federal housing assistance.

I feel this will definitely effect our community as we have applied for a much needed grant to remodel our sewer plant; and bring it up to State and federal specifications.

We also have our application into H.U.D. for a low rent housing loan which we feel is badly needed to relieve a housing shortage here; which was created by new industry locating at Red Oak and Shenandoah recently.

Good luck at your future hearing.

Sincerely,

QUENTIN JOHNSON,
Mayor.

MESERVEY, IOWA,
February 23, 1973.

Senator DICK CLARK,
Old Senate Office Building,
Washington, D.C.:

The town of Meservey Iowa applied for a loan from the F.H.A. and the E.P.A. for construction of a sewer, October 1972. As of this date no reply has been received. This is our only project involving Federal funds.

RAKEL A. SMITH,
Town clerk.

BARNUM, IOWA,
February 22, 1973.

DEAR SENATOR CLARK: Congratulations on your new assignment. There is a lot of unpopular comment in this community about the impounding of Federal Grants and Loans especially in Sewerage and Farm Programs.

We have received replies from you, Senator Hughes and Senator Joe Coleman that all will support our efforts in establishing a Sewerage System in Barnum.

Thank you all very much. I will help in any way I can if a hearing is held.

Sincerely,

LEO J. WALSH.

March 6, 1973.

Hon. Dick Clark,
Old Senate Office Building,
Washington, D.C.

Dear Senator Clark: Leland is a community with a population of 223. Each house has its own well and almost every one is a shallow well. As this is not very healthy, the town has been trying to establish a municipal water system since April, 1971.

Leland voters approved a system with an estimated cost of $115,000 plus engineering and legal fees in December, 1971. FHA agreed at that time to provide a $50,000 grant to cover a portion of the system's cost. The remainder of the cost was to be covered by government backed revenue bonds—issue of which was not to exceed $95,000.

Upon advice from FHA advisers and engineering consultants, the original system was expanded at various points during 1972. Most expensive addition to the system was a water tower, which FHA advisers recommended because the original pressure tank system would prove inadequate for a growing town.

Estimated cost of the total project rose first to $165,000; then to $195,000. With cost increases came assurances from the FHA that the federal grant would be enlarged.

FHA officials have now told the Leland council that the federal grant will not exceed $50,000. Additional expenses brought about by expansion of the system must be borne entirely by the town. The problem is that Leland voters approved only $95,000 in revenue bonds, and Leland's share of the cost is now estimated at $145,000. Another election would have to be held before more bonds could be issued.

If the town is forced to abandon the project at this point, there would be many bills to be paid—the engineers, bonding and legal fees plus $6000 for the well which has already been drilled.

We would appreciate your assistance in this matter. Thank you.

Sincerely,

Otto Nolte,
Mayor, Leland, Iowa.

Dawson, Iowa,
February 28, 1973.

Re community development testimony.
Senator Dick Clark,
Old Senate Office Building,
Washington, D.C.

Dear Senator Clark: Impoundment of Federal Funds will have a direct effect on the Town of Dawson, Iowa. We have a sewage problem, and Dawson is made up of approximately 40% fixed income property owners (elderly people).

For years Dawson has used septic tanks and the county drain tile (the town does not have a drainage system), but as the law reads now the county tile cannot be used.

Culver Engineering of Jefferson, Iowa has made the preliminary study for a sewer system and it will be presented at our next council meeting. This study took about nine months at a cost of $1,000.00.

Dallas County Health Department has been very understanding with Dawson since we let the contract for the study. But where do we go from here? The town has approximately $5,000.00 in savings from our water department. A lagoon type sewer system will cost around $100,000.00. The project will not be possible to complete without some type of outside help in an outright grant due to our 40% elderly fixed income families.

New housing is at a standstill and will remain so until we get some type of sewer system for the town. No Federal Loan Agency will guarantee a loan without a sewer system or ¼ acre lot size.

I trust the above information will be of some help to you so maybe you can in turn help us.

Sincerely,

William W. Goodman, *Mayor.*

Winfield, Iowa,
February 27, 1973.

Hon. Dick Clark,
U.S. Senator,
Washington, D.C.

Dear Senator Clark: Thank you for your interest in problems caused by the President's impoundment of federal funds. I will enclose a copy of estimated total cost of sewer project from the town of Winfield.

To a community of 889 people, this project must have both federal and state financial help.

If you add the other projects, required by federal and state directives, Anti-Pollution and Sanitary Land Fills etc., you can begin to understand the problems involved in small communities as well as the larger cities.

In reference to the sewer project, this is a must. Water from individual septic tanks empties into field title which empty into an open road ditch at the edge of town yet inside the city limits. This becomes stagnant and is causing all sorts of problems.

Our requests for help from F.H.A. was passed on to EPA where it sits and none will be forthcoming until the freeze is off, if then.

Any assistance that you can give us will be greatly appreciated.

Sincerely,

Leland C. McCosh,
Mayor.

Powers-Willis and Associates,
December 1, 1972.

Re sewer system improvements, Winfield, Iowa.

Mr. Leland McCosh,
Cooperative Manpower Systems,
Burlington, Iowa.

Dear Leland: Following is a summary of the estimated total project costs for the various improvements needed to the sanitary sewer system for Winfield which have been discussed with you and the Town Council.

Rehabilitation of existing sanitary sewers for infiltration reduction	$130,000
Extension of sanitary sewers to serve areas now without sewer service	123,000
Improvements to existing sewage treatment plant	84,000
Total cost of improvements	337,000

Very truly yours,

Wayne A. Reed, P.E.,
Powers-Willis and Associates.

February 27, 1973.

Hon. Dick Clark,
U.S. Senator,
Washington, D.C.

Dear Senator Clark: In addition to serving as mayor of Winfield (a token position), I am employed full time as the Rural Area Coordinator for the Manpower Program of the Southeast Iowa Community Action Organization, Inc.

As the rural coordinator I would also like to address myself to you concerning the impoundment of OEO funds.

In each county I work with CAP outreach workers to place the hard core unemployed in jobs within the community. The outreach people find the ones in need of a job (social welfare employees also identify many of those in need of jobs), and I do my own personal "job development" for them.

May I give an example?

The county of Louisa has one CAP employee: an outreach worker. Since I began working with her about 18 months ago, I have personally placed 81 unemployed people in jobs with local industry and/or retailers.

Awhile back we did a survey of the first 25 who were placed. After six months, 18 were still working at the original job, and several had received promotions in pay. Five of the seven no longer employed were in seasonal jobs which had terminated.

In order to give more local support towards employing the so-called unemployable in Louisa County, about a year ago we organized a private, non-profit organization (Louisa County Rural Employment Program, Inc.), in that county made up of seven low income persons representing both those employed full time at subsistence wages and also some on ADC.

These people are most willing to give their time and effort to the cause but I am fully aware that the Rural Manpower Program, such as we are operating, will go down the drain without the outreach worker and myself to do the leg work.

Although our Community Action Organization comprises a five-county area, my efforts have been limited mainly to Washington, Henry and Louisa Counties as these are the more "rural" areas.

Sincerely,

Leland C. McCash,
Rural Manpower Coordinator, Southeast Iowa CAO, Inc.

Hudson, Iowa,
March 1, 1973.

Hon. Dick Clark,
Old Senate Office Building,
Washington, D.C.

Dear Senator Clark: The Town of Hudson has always believed in paying its own way, and the recent impoundment of Federal Funds and the 18 month moratorium on federal housing assistance will have no effect on our community.

Should we decide to build new sewage plant facilities at a later date the impoundment of funds for such purposes might affect us. However, no application for such funds has been made, hence the moratorium and delays are available if federal funds for such purposes has not affected us in any way as yet.

Very truly yours,

Geo. M. Strayer,
Mayor, Town of Hudson.

City of Fairfield,
February 28, 1973.

Senator Dick Clark,
Old Senate Office Building,
Washington, D.C.

Senator Clark: I have been asked to respond to your letter of February 15, 1973 to Mayor Shan Campbell.

After talking to our Public Works Director I find, that although the funds were not completely diminished, in the area of water pollution, the reduction of funds could seriously hamper our chances of an early completion of our sewer separation project which is badly needed.

In the area of low rent housing for the elderly, we have been approved and were anticipating funding this year.

We have just completed a new Law Enforcement Complex and the government was participating on a 75% basis. This is funded under LEAA and I do not know what has happened in this area.

If I can be of any further service, please contact.

Sincerely,

Edwin E. Stater,
City Finance Officer.

CALUMET, IOWA,
March 5, 1973.

HON. DICK CLARK,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: This is in reply to your letter of Feb. 15, 1973. The letter was in regard to the recent impoundments of federal funds and the effect it will have on all rural communities.

The Town of Calumet has been trying to construct a Sanitary Sewer System. We started this project early in 1967. We made a formal application for a grant and loan to the Farmers Home Administration. After five years of renewed applications, rejections, letter writing, engineer reports and more rejections we are right back where we started.

Every six months or so we would receive a form letter from the Farmers Home Administration regretting to inform us that our application had been turned down. The letter would go on to say that other projects would contribute more to the welfare of rural people and that since the funds were quite limited they would have to file our application for the present time.

During all of this we were harassed by the State Department of Health, namely the Iowa Water Pollution Control Commission, telling us that we would have to construct a sanitary sewer system. Finally we were almost forced to sign a "Consent Order" which among other things states: "That no later than August 1, 1973, the Town of Calumet shall award a contract for construction of said facilitates.

The Town of Calumet with a population of 219 can in no way, without help, go ahead with this much needed project. The Town of Calumet would also like to blacktop its streets but because of the nature of the project the sewer system would have to be constructed first.

We are also pleased with your assignment as chairman of the Senate Sub-Committee on Rural Development and we will certainly appreciate any assistance you can give to the Town of Calumet and all rural communities.

Sincerely yours.

JOHN R. BIRD,
Town Clerk.

JANICE, IOWA,
March 3, 1973.

DICK CLARK;

DEAR SIR: In reply to your letter on the recent impoundments of federal fund's & what it has done to our community! It has affected us in many ways.

One, our town is in the process of putting in a new sewer but without a federal grant I don't think we can do it.

Two, we also were in the process of putting up a 5 unit housing for the elderly, which was completely stopped!

We have a population of 270 & strictly a farming community setting between 2 cities with big industry & I'm sure these recent impoundments have really affected our growth.

People are reluctant to build because of no sewer system altho they seem to want to live in a smaller town & drive to their work!

The farmers are quite put out because REAP was dropped!

It seems funny that we can talk about spending millions to build up North Vietnam & cut so many good programs out at home! It's time people in Washington wake up before the whole country turns into a Wounded Knee, S.D. Thank you for your letter & concern!! Good Luck!!

MAYOR DAVID SWENUMSON.

TOWN COUNCIL, MOULTON, IOWA,
February 26, 1973.

HON. DICK CLARK,
U.S. Senator;

I will try and answer your letter of February 15 to the best of my knowledge. First let me state that I am a firm believer in the free enterprise system. However I know that this will not work in all of our systems today. I know that a large number of our departments in Federal Government need to be overhauled. No doubt the intent was good to start with. But some where along the line has been abused. You know as I know that a lot of people have received a lot of money that were not entitled to.

We have two very nice apartment houses here in Moulton. Each having two apartments. We have in the process of buying land to build two more of the same. However, this will be delayed for eighteen months or until some changes are made, which is discouraging of course.

Two years ago we completed a new lagoon system here and without Federal and State money we would simply be out of business. Moulton like all other cities has money problems and with out Federal aid cannot expect to move ahead as all cities would like to.

As for the farmers, I expect their problems will increase with some of the aid cut off. However, I am in no position to analize their situation.

And finally, The Revenue Sharing Money has been and will be a great help to our city. I must admit that our cities must have help if we are to remain stable.

W. L. DULEY,
Mayor.

ST. CHARLES, IOWA,
March 3, 1973.

Senator DICK CLARK,
Old Senate Office Building
Washington, D.C.

DEAR SENATOR CLARK: In response to your letter requesting information concerning the effect upon the town of St. Charles of the impoundment of Federal funds, we have two programs effected. We have been informed that an FHA grant of $40,000 for a municipal sanitary sewer system and an FHA loan of $60,000 for a senior citizen manor are no longer available.

Prior to the impoundment of Federal funds, the city of St. Charles had invested approximately $7,000 in a sanitary sewage system. This $7,000 represents the engineers fee for work 90% completed. The engineer's fee must be paid regardless of completion of the system. The acquisition of land for a lagoon is the next step. Over 80% of the home-owners paid a connection fee and signed a contract with the town to become users of the sewer system upon its completion. The town is near its limits of indebtedness and could not issue bonds or fund this system without the FHA assistance.

An amount of $5,700 has been spent on the St. Charles Manor, an apartment home for senior citizens. In addition, the town of St. Charles has purchased $1,000 worth of water lines to extend the main ilne to the manor. The blue prints were drawn, the land graded, and bids were ready to be let. A new street has also been staked and graded. Many persons have donated their time, money and equipment in doing much of the work, also.

We appreciate anything you can do to make these funds available to us again. If you need any further information, please let me know.

Sincerely,

GRANT LLEWELLYN,
Mayor.

GUTHRIE CENTER, IOWA,
February 20, 1973.

DICK CLARK,
Washington, D.C.

DEAR MR. CLARK: The only information I can give you on the effects the impounding of funds will have here is something we have had pending for 3 or 4 years.

This was housing for the elderly under the H.U.D. program. It supposedly was filed and the city received the word "no funds"—which seems to be the usual thing when it gets to the small community. Our plans are filed with the Dean Harter Co. of Lincoln, Nebr.

I am happy we have someone who is interested in trying to help the small town. Our neighbor to the south is caught in the middle of trying to get a new water system. Will send you the clipping of our local paper.

I do hope this will help and wish you much success.

Sincerely,

MADALINE M. DICKEY,
Mayor.

GOVERNMENT CANCELS, MENLO LEFT "HANGING"

The town of Menlo is in a dilemma. The federal government OK'd a grant for a new water system and then rescinded the grant after contracts for a new well had been let.

Wayne O'Brien, Menlo mayor, told the Guthrian the Farmers Home Administration approved plans for a federally funded improved water project of approximately $200,000. In accordance with stipulations for the grant, the town advertised for bids for a new well south of town near the river. The contract for the digging of the well was let in December with digging to begin January 9.

However, Congress in the first week of January wiped out grants for such water improvement projects and Menlo was left 'hanging' because the contract had been signed and therefore had to be honored. To pay for the digging of the well, the town had to borrow $5,000 from the Security State Bank in Menlo.

Deterioration of the casing in an old deep well in the town necessitated a new source of water. O'Brien said Menlo is really in a bind now because it can't afford the upkeep on the 1800' deep well which is going bad. At the same time, the town has gone $5,000 in the hole to finance the new well but no funds are available to complete the nearly $200,000 project.

The FHA notified Menlo it could loan the small southern Guthrie County town the money to complete the water system, but not on a grant basis. O'Brien said a loan of this type is not feasible to the community since it would send water rates rocketing.

No solution to the water problem is in sight. When the new well is completed soon it apparently will remain dormant south of town and the water in Menlo which has never drawn raves for its palatability certainly will not improve.

MONTICELLO, IOWA.,
March 3, 1973.

HON. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR DICK: I am sliding this letter in with the one from Jim Robinson, chairman of our low-rent housing commission.

I have taken the liberty of including in the package of HUD applications, correspondence, etc., on low cost housing; all of our paper work on the application for grant to improve our water system in Monticello. This you will note, has also been in the fire for quite some time.

All together, hundreds upon hundreds of man hours have been spent—gratis, by our unpaid LRH commission, and the same is true of our water system application, with the exception that the City has spent considerable money for clerking, engineering, etc., on this venture.

The throat cutting of a blindfolded horse awaiting his ration of oats after a hard days work is a little severe. Better starve him to death slowly—gives him a chance to rest up while he waits to die.

Hope the enclosed will help in the hearings. I know you will do what is possible, and best.

Kindest Personal Regards,
G. L. "Gus" Norlin,
Mayor, City of Monticello.

Vinton, Iowa, *March 12, 1973.*

Hon. Dick Clark,
U.S. Senate,
Washington, D.C.

Dear Senator Clark: Please forgive my delay in replying to your letter of Feb. 15, 1973. In response to your inquiry, I can make this statement for the city of Vinton.

We are in great need of a new sanitary waste water treatment plant due to the continued growth of our city and the need for newly developed building areas in our recently annexed areas.

The Howard Green Engineering Co. of Cedar Rapids is presently making a study of present and future needs as to size and area of location of a new sanitary disposal Plant.

Our present facility is many years old and being taxed to excessive use of its capacity, we have been looking forward to Federal aid from the Environmental Protection Agency.

It would be impossible for a city the size of Vinton to undertake a project that would fulfill our needs without Federal and State grants.

Your interest and efforts in behalf of our rural communities is greatly appreciated. I'm enclosing Editorial that appeared in our local newspaper.

Very truly yours,
Jack N. Siegel, *Mayor.*

[From the Cedar Valley Times]

Vinton's Plant Dilemma

First District Congressman Ed Mezvinsky hit the nail squarely on the head during his recent visit with Vinton officials when he made a comment concerning cuts in federal programs providing financial assistance to cities. Mezvinsky remarked that cities are now being caught between two acts of the federal government. On one hand, they are expected to meet certain federal guidelines; but on the other hand, they are being denied the money they were once promised to initiate projects to meet these guidelines.

An excellent example of what we mean is Vinton's current sanitary sewage disposal plant dilemma. In the past few years, the present plant has been becoming more and more inadequate to the point where it should be replaced. The city council took what appeared to be wise and prudent action by not spending any money on engineering for the new plant until they could more readily determine where new developments were to spring up in the annexed portions of the city and until they could determine the scope of these new developments.

Several weeks ago, the council ordered consulting engineers to begin a preliminary survey on the project. The survey is a necessary first step since it helps to determine exactly what needs are to be met and is a requirement for receiving federal funding assistance.

But since then, the rug may have been pulled out from under the project with President Nixon's announcement that such federal funding, amounting to 75 per cent in most cases, has been curtailed as an administration economy move.

So the city is left with an inadequate disposal plant failing to meet government guidelines and no funds with which to construct a new plant. If the city was to try to finance the plant, it would face an almost impossible task since the project would most likely have to be paid for by revenue bonds, and the cost of the project (conservatively estimated at $2 million) would make the city exceed their legal bonded indebtedness limit.

Unfortunately, the federal funding cut comes at a time when the city is in the middle of a $1.8 million electric project and contemplating an expensive water project to say nothing about the second extensive street improvement project in two years.

What can the city do now? Vinton cannot and will not be allowed to continue to provide sewage treatment which, at times, is inadequate. By the same token, a new plant can't be built with money that doesn't exist. Mezvinsky says the answer may lie in Washington. He said that the funding may come from different federal sources.

We hope the council and the federal government can figure some way out of this dilemma. Perhaps the President would be wise to consider Vinton and the hundreds of other American cities and towns in the same situation when he makes across-the-board cuts in federal funding aid.

But all signs indicate that the future holds more, not fewer such cuts. We feel that some of these "economy" moves deserve a second thought on the part of the administration.

Storm Lake, Iowa,
March 2, 1973.

Hon. Senator Clark,
Old Senate Office Building,
Washington, D.C.

Dear Senator Clark: Mayor, Lloyd Bridge of Storm Lake, Iowa has handed me your letter of Feb. 15 regarding a request for information pertaining to application for Federal grant.

The above project was submitted to H.U.D. office in Omaha in November of 1970. It was assigned the identification number of Iowa W.S. 107 on December 9, 1970.

This is a perimeter type sanitary trunk line which would relieve a badly overloaded system and offer sanitary service to the newer and developing areas of the City. It would make sanitary service available to the low rent housing for the elderly area which is also awaiting approval. There is a new 50 unit motel, a 22 unit motel and other commercial developments in this area now getting by on septic tanks and temporary force mains to handle sewer problems.

The City has sent numerous delegations to the Omaha office during the last two plus years to confer with the H.U.D. officials. We were usually told that we were high on the list, given some more paper work to do and sent home. After several weeks we would repeat the process. Had we not been encouraged by the hope of getting a federal grant we would probably have tried to get other financing at that time. Now, two one-half years later, we are informed that the grant is frozen for 18 months.

The total result will mean higher costs due to inflated prices since 1970, loss of the housing for the elderly project and considerable delay in the much needed facilities.

We are now making some studies leading to the construction of a new disposal plant. We feel this will be eligible for E.P.A. funding and that maybe the perimeter sanitary line can be made a part of that project.

This is another example of inconsistent state and federal standards. In 1966 we constructed a lagoon disposal plant to treat wastes from the local packing plant. They set the standards and approved the design and construction of the plant. This is nearly a one million dollar facility. Now, five years later, the standards have been changed and much more money will have to be spent to meet these standards. Neither is there any guarantee that in another five years we will again find ourselves in the same position. This must stop somewhere before we are bankrupt.

We will certainly hope you will be able to use this information to secure some help for the western Iowa communities faced with more controls, more rigid standards and less help to accomplish the desired ends.

Yours truly,
R. C. Edson,
Director of Public Works.

Moorhead, Iowa,
March 15, 1973.

Senator Dick Clark,
Old Senate Office Building,
Washington, D.C.

Dear Senator Clark: In answer to your letter of February 15, 1973, regarding information about the effect of recent impoundments of federal funds on the present and future development of our community:

Our community has been in the process of receiving a federal grant to begin construction of a sewer system for the town of Moorhead, and since all other necessary surveys, applications for F.H.A. loans, and paperwork has been completed, we are at a stand-still because of the impoundments of these federal funds.

Due to the run-off of cistern and cesspool drainage from our residential, business and school districts, into the nearby Soldier River, we feel it is of utmost importance that this sewer construction get underway as soon as possible.

Any help you can give us regarding speeding up our federal grant will be greatly appreciated.

Sincerely,
Ivan H. Nielsen,
Mayor, City of Moorhead.

Rhodes, Iowa,
March 11, 1973.

Hon. Dick Clark,
U.S. Senator,
Old Senate Office Building,
Washington, D.C.

Dear Sir: My apologies for not answering your letter sooner. I appreciate the opportunities to express our feelings with congress as we are unable to correspond as larger cities are able to.

We are proceeding with our sewer projects as funds was allocated for it in 1972. Hopefully construction will start in April. We are one of the lucky ones who received their grant before the impoundment of funds.

It would have been completely impossible for us to have put in the sewer system without the aid of this important government program. I know of one community here in central Iowa who was too late to receive funding. The town will not be able to proceed with a sewer system which is badly needed.

Many times it is hard to realize that the need of this kind is so important to us. The cost of our sewer system was approximately $325,000.00. It will still be expensive to our community but yet it will be possible. Without government help, it would be an impossibility.

I feel that water, sewer, and housing projects are important and severely needed by smaller communities. Without help in these areas our communities will just exist or slowly dwindle, with them we can provide the facilities and housing that is needed today.

I hope we can do our share to provide a better community for our residents and future residents, since we did receive our grant and loan.

I hope Congress and the President will soon make it possible for other communities to once again receive this much needed help.

Sincerely,
William W. Overman,
Mayor.

Hillsboro, Iowa,
March 9, 1973.

Senator Dick Clark,
Old Senate Office Building,
Washington, D.C.

Dear Senator Clark: At the regular town council meeting, your letter was read before council by Mayor Doan. It was decided by council to write to you to see if there is anything that your office could do to help us in any way to speed things along in getting our city water.

Over 5 years ago, Hillsboro applied for a loan from FHA to erect our own city water. About 2 years ago, Hillsboro was granted the loan which was a $90,000.00 loan and a $35,000.00 grant.

The engineers have estimated that drilling a well of our own would cost more than $125,000.00, so they recommended buying water from the town of Stockport, who just recently put city water in themselves.

This has all been approved by the people of the community and by FHA, but it seems that this past year everything came to a standstill. The council has had meetings with everyone concerned, but it just seems that nothing can be accomplished to speed things up.

The town council would appreciate anything you could do to help us in this matter, as they feel that they have done too much work too long to lose the money now. If there is any more information that you need, we will be glad to do anything we can to assist you.

Sincerely yours,
Nancy Griffin, *Clerk,*
M. M. Doan, Jr., *Mayor,*
Town Council of Hillsboro.

Kellerton, Iowa,
February 21, 1973.

Dear Mr. Clark: In the last two years, the town of Kellerton has been doing the preliminary work of putting in a city sewer system. We have completed all the town survey required by F.H.A. We have also hired an engineering firm to make and complete the preliminary survey for us. We planned on doing this with a federal loan and grant.

With federal funds impounded, we could go no further with this project. If we can not get federal help for this project, we can not do it. We would surely appreciate any help on this problem. Our engineering firm is Associated Engineers Inc. of Fort Dodge, Iowa. They have our application for loans and grants filed with FHA and EDA in Washington. If I can give you any more information that would be of any help, please let me know.

Sincerely,
Jamie F. Meadow, *Mayor.*

Mr. ROBERT C. BYRD. Mr. President, I wish to express my support for H.R. 3298, which was reported by the Senate Committee on Agriculture and Forestry on March 19, 1973.

I strongly disagree with the administration's proposal to eliminate the grant portion of these water and sewer development programs, as announced on January 10, 1973. The grants are the very foundation and heart of the program, since most rural communites receiving grants under this program need these funds to help them in securing professional engineering assistance to develop detailed and comprehensive plans for their water and sewer systems.

Communities which are served under this program are those rural towns and communities with populations of 10,000 or less, and most towns of this size are already operating on a meager and inadequate tax base.

I have a longstanding interest in this program, and as a member of the Senate Appropriations Subcommittee on Agriculture, I have for the past several years proposed amendments to provide additional water and sewer grant funds above the budget request. Last year, the fiscal year 1973 budget proposed to allocate only $42,000,000 for this program. My amendment to the fiscal year 1973 bill, which was included in the Senate-passed bill increased this program level to $200,000,000. The final figure included in the public law, however, was $150,000,000 which was the amount agreed upon in conference.

The Department's own tabulations which have been presented to the Agriculture Appropriations Subcommittee, year after year, clearly show that the funding they have been requesting has not been sufficient to fill even one-half the needs of this program. The most recent figures that I have obtained from the Department of Agriculture reflect that there are, on hand and in process, nationwide loan requests totaling $992,400,000, of which those from West Virginia totaled $12,920,175, and nationwide grant requests totaling $274,600,000, of which those from West Virginia totaled $8,138,916. In addition, there are $320,000,000 of nationwide grant requests which have not even been processed due to lack of funds, of which $4,346,987 represents those requests from West Virginia which have not been processed due to lack of funds.

If the rural communities of this country do not have sufficient funds to install adequate water, sewer and solid waste disposal systems, there is absolutely no way in which they can meet Federal and State pollution abatement standards. Furthermore, without the requisites of adequate water and sewer systems, these rural communities cannot hope to attract and hold job-creating or recreation-oriented industries, and without them, it becomes a fact of life that they will also be unable to increase their tax base to meet both national and local development needs.

Mr. President, if the administration is successful in its effort to eliminate this program, I believe that it will be a setback for the rural areas of this country which desperately need this program to upgrade their water and sewer systems to conform to recently implemented environmental standards and to achieve standards necessary for the maintenance of good health. If the citizens of our rural communities are not provided with adequate water and sewer systems, I do not foresee any measure of success being achieved with any of our rural development programs, since these two basic necessities are the keystones to any type of rural development and growth.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Hawaii (Mr. Inouye), the Senator from Minnesota (Mr. Mondale), the Senator from Louisiana (Mr. Long), and the Senator from New Jersey (Mr. Williams) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pastore) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi (Mr. Stennis), the Senator from Minnesota (Mr. Mondale) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New York (Mr. Javits), and the Senator from Vermont (Mr. Stafford) are absent on official business.

The Senator from Kansas (Mr. Dole) and the Senator from Texas (Mr. Tower) are necessarily absent.

If present and voting, the Senator from New York (Mr. Javits) would vote "yea."

The result was announced—yeas 66, nays 22, as follows:

[No. 58 Leg.]

YEAS—66

Abourezk
Aiken
Allen
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Dominick
Eagleton
Eastland
Ervin
Fong
Fulbright
Goldwater
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tunney
Young

NAYS—22

Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Cotton
Curtis
Domenici
Fannin
Griffin
Hansen
Helms
Hruska
McClure
Percy
Roth
Saxbe
Scott, Pa.
Scott, Va.
Taft
Weicker

NOT VOTING—12

Baker
Cranston
Dole
Inouye
Javits
Long
Mondale
Pastore
Stafford
Stennis
Tower
Williams

So the bill (H.R. 3298) was passed.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks Senator Hollings made at this point on the introduction of Senate Joint Resolution 83, proposing an amendment to the Constitution to require that States providing public education provide it equally on a statewide basis to all its citizens, are printed earlier in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, will the Senator please withhold that request?

Mr. HOLLINGS. Mr. President, I withdraw that request.

RENEWAL OF RURAL HOUSING PROGRAMS

Mr. SPARKMAN. Mr. President, I had hoped that the amendment offered by the junior Senator from South Dakota (Mr. ABOUREZK) to the bill that just passed the Senate, which amendment would have permitted the renewal of the rural housing program, might have been accepted.

I discussed this matter with some of those who were greatly interested in the bill that just passed the Senate. However, they thought that it was not feasible to do so at this time.

It is very important, I think, that the rural housing program be reinstated. In fact, there are two such programs. One is for homeownership, and the other is for rental housing, corresponding very largely to the section 235 and section 236 programs in urban areas.

Mr. President, those rural housing measures were passed by Congress and signed into law by the President. The appropriations were passed by Congress and were signed into law by the President. They were doing a good job out in the rural areas where a good job is badly needed.

These programs provided 120,000 desperately needed housing units during the fiscal year 1972. Prior to their suspension by the administration, it had been estimated that they would account for almost 140,000 units in this fiscal year. This estimate has now been reduced by 30,000 units, all of it in housing for lower-income families.

Another of the programs suspended provides loans to nonprofit organizations to enable them to make available home sites for those of modest income. Finally, programs to provide loans and grants to assist in the provision of housing for domestic farm labor were also suspended.

Mr. President, these are programs enacted by the Banking Committee over the years, after much thought and thorough consideration, to meet a very desperate need for adequate housing in our farm and other rural areas. In announcing the suspension of these programs the administration indicated that during the proposed 18-month suspension it would undertake a review of them to determine whether there were better means to meet our rural housing needs for lower-income families. While I share the concern of the administration that we choose the most effective and efficient means to provide housing for these families, I believe that it is totally inappropriate that we ignore this need for as long as 18 months while we study and reevaluate programs which have been working successfully and which were only put into being after close study by Congress.

Mr. President, I need scarcely remind you, and the other Members of this body, of the desperate need for decent housing which exists in the rural parts of this country. Although less than 30 percent of our population resides in rural areas, over 50 percent of our substandard housing is found there. Furthermore, it seems obvious that without adequate housing, one of the basic necessities of life, rural areas cannot hope to keep their present share of the population.

The result most certainly will be further emigration to urban areas by people who too often lack the skills to compete successfully in the cities. The result of the administration's efforts to save money by precipitately terminating these farmers' home programs will be to encourage economic depression in our rural areas and contribute to social problems in the urban parts of the country.

Under the proposed amendment the Secretary of Agriculture would be directed to continue these programs for rural homeownership, for low-income families, for rural rental and cooperative housing, and for farm labor housing at the levels authorized in the fiscal year 1973 Appropriations Act for the Farmers Home Administration. It would further direct him to utilize at least 50 percent of the funds authorized for the rural housing insurance fund for low-income families needing interest credit assistance under section 521 of the Housing Act of 1949. This latter requirement is consistent with the pattern established prior to the January 9 cutoff and consistent with the basis under which authorization was provided for the rural housing insurance fund in the fiscal year 1973 Appropriations Act.

I regret that it did not seem feasible to take this matter up at this time. I am confident, however, that we may pass it either as a part of this year's housing bill or as a separate measure.

It is desperately needed. I know of no complaint against the rural housing program as it has been working, and I know that all of us are pleased when we ride out through the rural areas and see good, adequate, satisfactory housing in which those families are living. This program was not born all at once. It was worked up over the years and improved as time went on.

When the administration answered the telegrams that I sent them regarding the entire housing program, particularly the 18-months moratorium, the President stated two things that he wanted done first. One was that the administration be able to reevaluate the various programs; the second was that he wanted his special revenue-share program for community development enacted.

Year after year after year, the Committee on Banking, Housing and Urban Affairs has reevaluated the various programs we have and is working at it this year, as well. We will start oversight hearings in a few days in the field of housing throughout the country.

Furthermore, the Senate passed last year, on March 2, what I consider a fine, adequate housing bill. Title III of that bill included a provision on community development very similar to the President's special revenue-sharing proposal for community development. It was a good measure, carefully worked out. It contained provisions for rural housing as well as urban housing. Certainly we will proceed in the same way this year; and when we report a housing bill to the Senate, as soon as we can do so, I am confident that a title will be written into the bill, similar to the President's special revenue-sharing program for rural development. Unless, earlier than that, we have passed a separate rural housing bill to take care of the people in the country who need decent housing, provisions for such housing will be included in the bill.

THE VETO ON THE PANAMA RESOLUTION

Mr. THURMOND. Mr. President, yesterday the United States cast its third veto in the United Nations Security Council, against a resolution sponsored by the Republic of Panama calling for the "abrogation" of the 1903 treaty. I applaud the use of the veto against this resolution. I think it is directly reflective of the mood of the U.S. Congress on this topic.

Yet, the veto comes as a climax to a series of diplomatic blunders that has in the long run greatly eroded the U.S. position in the zone. Only the day before the veto was cast, Ambassador Scali reiterated the stand that the United States has been taking in its negotiations with Panama; namely, that the United States seeks an end to the 1903 treaty and is ready to conclude a new treaty that is of a fixed duration, that gives up large sections of the present Canal Zone, and that recognizes Panamanian jurisdiction in the canal area. He further asserted that the United States would seek to retain control for the defense and operation of the canal during the fixed period of duration.

This position is only an apparent contrast with the veto. According to the news accounts available this morning, the veto was cast because of certain extreme phrases within the resolution. There does not appear to be any backing down on the fundamental issues as outlined on Tuesday. We are still seemingly prepared to surrender our sovereignty; the disagreement is over the manner and the timing.

This matter should never have been taken before an international body. The charter of the United Nations specifically excludes the discussion of domestic problems of its members. The Canal Zone is territory of the United States over which Congress has exercised its jurisdiction for 70 years under article IV, section 3 of the Constitution. We should have taken steps to prevent the special session in Panama City from dealing with such an agenda. Having failed to do that, we should have refrained from discussing any substantive policy questions, thereby giving an air of legitimacy to the debate. When the debate came to its predictable end, we at least had the courage to use the veto. But the use of the veto on Wednesday is meaningless if it simply means a mere delay in the implementation of the policies proclaimed by Ambassador Scali on Tuesday.

On a practical basis, the stated position of the administration is unwise and jeopardizes the future security of our operations in the Canal Zone. The proper defense and operation of the Canal is incompatible with the surrender of our sovereignty. We must face the power realities of the 20th century. By giving ultimate or even partial jurisdiction to Panama, we would create the conditions for unreasonable pressures upon that government both from within and without. We would not create the proper environment for stability; we would be encouraging disequilibrium. Then if we tried to protect the Canal during an upheaval, we would be faced with the fact that we would be without the necessary juridical basis for the operation and defense of the Canal. We would be at the mercy of whoever controlled Panama at that moment.

Mr. President, yesterday morning, I sent a telegram to President Nixon strongly protesting the unwise statements made by Ambassador Scali the previous afternoon. Although I am gratified that this action was followed by the veto of the extreme Panamanian resolution, I want to make my telegram available to my colleagues.

I ask unanimous consent that the telegram which I sent to the President yesterday be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

THE PRESIDENT,
The White House,
Washington, D.C.:

News reports indicate that Ambassador Scali, without authorization by the Congress, told a U.N. Security Council meeting in Panama City yesterday that the U.S. is prepared to abandon its exercise of sovereignty in the Canal Zone under the 1903 Treaty and turn Jurisdiction over to the Republic of Panama. I am surprised that the administration would approve Ambassador Scali making such a statement before an international body that, under the U.N. Charter, has no jurisdiction over the canal matter or over U.S. territory in the zone. Such statements fly in the face of a growing congressional concern over the possibility of surrendering sovereignty which Congress has continually exercised for 70 years, under Article IV, Section 3, Clause 2 of the Constitution. Rash promises are unwise and endanger the future security of U.S. operations in the zone. Unless we have full exercise of sovereignty in the clearly defined area that we now own, the U.S. cannot hope to fulfill its responsibilities for the security and operation of the Canal.

Respectfully,

STROM THURMOND,
U.S. Senator.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock meridian on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, immediately following the recognition of the two leaders or their designees under the standing order, the following Senators be recognized for not to exceed 15 minutes each, and in the order stated:

Mr. HELMS, Mr. BROCK, Mr. GRIFFIN, Mr. HARRY F. BYRD, JR., and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, MARCH 26

Mr. ROBERT C. BYRD. I ask unanimous consent that at the conclusion of the orders for recognition of Senators on Monday, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider a nomination, reported earlier today by the Committee on Interior and Insular Affairs, which has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERIOR DEPARTMENT

The second assistant legislative clerk read the nomination of Stephen Alan Wakefield, of Texas, to be an Assistant Secretary of the Interior.

The PRESIDNIG OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider three nominations which were reported earlier today by the Committee on Armed Services, all of which have been cleared with the minority and all of which have been cleared with the acting chairman of the committee (Mr. SYMINGTON).

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

U.S. AIR FORCE

The second assistant legislative clerk read the nomination of William W. Woodruff, of Virginia, to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The second assistant legislative clerk read the nomination of Hadlai A. Hull, of Minnesota, to be an Assistant Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Carl S. Wallace, of Virginia, to be an Assistant Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER FOR RECOGNITION OF SENATOR DOMENICI ON MONDAY IN PLACE OF SENATOR BROCK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in lieu of the name of Mr. BROCK, with respect to the special orders on Monday, the name of Mr. BROCK be vacated and the name of Mr. DOMENICI be substituted therefor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM MONDAY, MARCH 26, 1973, TO 10 A.M. ON TUESDAY, MARCH 27, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Monday it stand in adjournment until 10 a.m. on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR YEAS AND NAYS TO BE ORDERED ON VOTES ON FIVE TREATIES TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order at any time the yeas and nays on all five of the treaties which will be voted on next Tuesday with one show of seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSECUTIVE VOTES ON TREATIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the votes on the treaties next week be consecutive votes, one right after the other.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION ON TIME FOR VOTES ON TREATIES ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the vote Tuesday on the first treaty, the vote on each of the four succeeding treaties be limited to 10 minutes, with the warning bells to sound midway.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT THAT FIRST YEA-AND-NAY VOTE ON TREATIES OCCUR AT 10:30 A.M., TUESDAY, MARCH 27, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 10:30 a.m. on Tuesday, March 27, 1973, the first yea-and-nay vote—and it will be a yea-and-nay vote, although it has not yet been ordered—occur on the first of the five treaties.

The PRESIDING OFFICER (Mr. Pell). The Chair would like to inquire, having a particular interest in this matter, the time schedule for the first vote.

Mr. ROBERT C. BYRD. Ten-thirty a.m.

The PRESIDING OFFICER. The Chair would suggest the absence of a quorum, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Griffin). Without objection, it is so ordered.

Is there objection?

Mr. PELL. I object to the time certain at 10:30 a.m. on Tuesday.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, the leadership has its travails and problems, but it will survive, as it has in the past.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I ask that my previous objection be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent request of the Senator from West Virginia is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Rhode Island. He is one of the most congenial of Senators, and he is certainly one of the most cooperative and understanding of all Senators. I appreciate his withdrawing his objection to the request.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Pell). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Pell). Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON LABOR AND PUBLIC WELFARE TO FILE REPORTS UNTIL MIDNIGHT FRIDAY, MARCH 23, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare have until midnight tomorrow, Friday, March 23, to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I will state the program for Monday.

The Senate will convene at 12 o'clock meridian.

Following the recognition of the two leaders or their designees under the standing order, Mr. Helms will be recognized for not to exceed 15 minutes, after which Mr. Domenici will be recognized for not to exceed 15 minutes, after which Mr. Griffin will be recognized for not to exceed 15 minutes, after which Mr. Harry F. Byrd, Jr., will be recognized for 15 minutes, to be followed by the junior Senator from West Virginia for not to exceed 15 minutes.

There will then be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 3 minutes each.

During the day, the Senate may take up some noncontroversial nominations and any noncontroversial measures that are on the legislative calendar. During the day, the Senate also will take up the omnibus health program extension bill, with Senators, who wish to do so, delivering opening statements thereon. There will be no votes on that bill on Monday. No votes are anticipated at all for Monday.

On Tuesday the Senate will take up the five treaties, one of which is the environmental treaty with Japan, one of which is the treaty with Ethiopia regarding criminal provisions, and the remaining three being consular conventions. There will be yea and nays votes on each of these five treaties. The first of these votes will occur, if unanimous consent is obtained—which I shall seek shortly—at 10:30 a.m. The votes on the remaining four treaties will follow back to back. The treaties all were reported unanimously and are not expected to be controversial.

Upon disposition of the five treaties on Tuesday, the Senate will resume consideration of the omnibus health program extension bill. Yea and nay votes will occur on that bill.

That is as far ahead as I can see, except to say, by way of information, that following disposition of the omnibus health program extension bill, it is expected that the disaster relief bill will be taken up. Following disposition of the disaster relief bill, it is anticipated that the Senate will probably take up the dollar revaluation measure. There are various other bills which will be on the calendar by the first of the week.

I would not like to be held to the order in which I have enumerated these measures. They may or may not be taken up in that order. But as of now it is anticipated they would follow action on the omnibus health program extension bill, as I have indicated.

Therefore, next week promises to be a busy week—particularly following Monday—with yea-and-nay votes probably occurring daily through Friday.

ADJOURNMENT UNTIL MONDAY, MARCH 26, 1973

Mr. ROBERT C. BYRD. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock meridian on Monday next.

The motion was agreed to; and at 5:32 p.m. the Senate adjourned until Monday, March 26, 1973, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 22, 1973:

DEPARTMENT OF JUSTICE

Wallace H. Johnson, Jr., of Virginia, to be an Assistant Attorney General vice Dale Kent Frizzell.

DEPARTMENT OF THE INTERIOR

Dale Kent Frizzell, of Kansas, to be Solicitor of the Department of the Interior, vice Mitchell Melich, resigned.

Laurence E. Lynn, Jr., of California, to be an Assistant Secretary of the Interior, vice John W. Larson.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22, 1973:

Department of the Interior

Stephen Alan Wakefield, of Texas, to be an Assistant Secretary of the Interior.

Department of Defense

William W. Woodruff, of Virginia, to be an Assistant Secretary of the Air Force.

Hadlai A. Hull, of Minnesota, to be an Assistant Secretary of the Army.

Carl S. Wallace, of Virginia, to be an Assistant Secretary of the Army.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

THE WORK OF THE HOUSE COMMITTEE ON INTERNAL SECURITY, 1973

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. BURKE of Florida. Mr. Speaker, on February 20, 1973, the Honorable Richard Ichord, chairman of the House Committee on Internal Security, opened this year's series of hearings on the theory and practice of communism. The subject of this hearing was the Communist Party—U.S.A. and Soviet anti-Semitism. The chairman pointed out that since 1919 the CPUSA has been a "disciplined organization operating in this Nation under Soviet control with the aim of establishing a Communist Party dictatorship in the U.S.A." The chairman further stated that—

> The policies of the Soviet Union regarding its Jewish citizens have been a matter of considerable discussion and concern in recent years. All decent human beings are appalled by the mistreatment by the Soviet Government of its Jewish minority and, interestingly enough, as further evidence of the discipline of the Communist Party—U.S.C. to the Communist Party—Soviet Union, the Communist Party of the United States continues to support and defend every twist of Soviet policy. Even if some of the members of the Communist Party—U.S.A. had wished to publicly criticize the Soviet Union for its anti-Semitism, the Communist Party—U.S.A. has in the main prevented them from so criticizing.

The main witness at the hearing was Avraham Shifrin, a Soviet Jew who had suffered 10 years imprisonment in slave labor camps only for being Jewish. Shifrin's father had died in a Soviet slave labor camp where he had also been imprisoned only for being Jewish.

Mr. Shifrin testified about the discrimination and persecution that he as a Soviet Jew had experienced for 47 years. Ten of those years were spent in slave labor camps together with other innocent people who had been jailed for their ethnic origins or non-Communist beliefs.

Shifrin pointed out that he had met many people in the Soviet slave labor camps who had been jailed for the practice of their religion, including Baptists, Seventh-Day Adventists, and Catholics. But the Jews, Shifrin indicated, suffered the most severe persecution.

Describing the condition of Soviet Jews today Shifrin testified that there is not a single seminary in the Soviet Union for training rabbis. There are no Jewish schools, and if a person attempted to study Hebrew, which is needed for Jewish prayer, he would be sent to a concentration camp.

A committee staff member placed into the Record two crude anti-Semitic brochures which were printed in the Soviet Union in English and shipped into the United States for distribution by the Soviet Government. One of these booklets "Caution: Zionism!" was printed in the Soviet Union in 1970 and had been exposed in the Congressional Record by Congressman Ashbrook in 1971. This particular booklet expressed the Nazi fantasy about a Jewish conspiracy to control the world and even claimed that the Vatican and the Catholic Church were controlled by the Jews.

The other booklet published in Moscow in 1972 entitled "Anti-Communism, the Main Line of Zionism" contains similar Nazi-inspired anti-Jewish canards. The Communist Party-U.S.A. refuses to criticize these publications which are presently being distributed by the Soviet Embassy here in Washington.

Some members of the American Communist Party, according to the evidence developed during the hearing, want to criticize the Soviet Union for its mistreatment of the Jews. The Communist Party has cracked down on those members. Paul Novick, who is over 80 years old and who has been a Communist Party member and leader for over 50 years, has been brought up on charges for attempting to criticize the Soviet Union. A confidential Communist Party document entitled "Charges Preferred Against Comrade Paul Novick" was introduced at the hearing. The main charge against Novick was "his attitude toward the Soviet Union, particularly with regard to the Jewish question."

This hearing was a significant contribution by the Committee on Internal Security to the knowledge that we in the Congress need to understand the persecution of Jews and other minorities in the Soviet Union and to understand the role of the American Communist Party as a puppet organization dancing to the Soviet tune.

This information should also be useful to the American people in light of the fact that the Communist Party has been attempting to pretend that it is a legitimate political party. In the 1972 election, Gus Hall, the party's general secretary, appeared on the ballot of 13 States and the District of Columbia as a Communist Party candidate for the Presidency of the United States.

ABRAHAM LINCOLN

HON. WILLIAM J. KEATING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. KEATING. Mr. Speaker, historians generally agree that President Lincoln was one of the greatest Presidents ever to serve his country. He governed this country during a period of crisis, a period of turmoil, and a period of tremendous change. Perhaps most important of all. President Lincoln served at a time when the divisions among the American people were perhaps the deepest of any time in our history.

My distinguished colleague from Ohio (Mr. Wylie) recently spoke about many similarities between Presidents Lincoln and Nixon—similarities of these two men as individuals. I believe these comments of my colleague are most informative and appropriate, and I request that they be printed in the Record:

EULOGY TO LINCOLN AT LINCOLN-MCKINLEY DAY BANQUET, MARCH 8, 1973

Abraham Lincoln. *What comes to your mind as you think Abraham Lincoln?* President? Civil War? Common Man? Of course, all of these things.

When I think of Lincoln, I think President; and when I think President, I think of President Nixon. This brings to mind the Civil War—the Vietnam War. As I think—common man and humble beginning—I am again reminded that both Lincoln and Nixon had this kind of heritage which gave each a rare courage to persist for what they believed to be right. An unpopular war was forced on President Lincoln—an unpopular war was forced on President Nixon. President Lincoln did not surrender, and in his courageous persistence, a nation was saved. It was just as important that President Nixon persist in bring to an honorable settlement the Vietnam conflict. I think a surrender in Vietnam would have been just as destructive to the future of our country as allowing the South to secede from the Union.

Now that we have peace, we are caught up in a controversy over amnesty. President Nixon has said there will be no absolute amnesty for those who chose to leave the country at this time of trial. I agree with President Nixon and will support him. But, President Lincoln is frequently mentioned as having granted amnesty following the Civil War as a reason for granting it now. President Lincoln granted amnesty to certain southern troops, which is far different. And he granted conditional amnesty on an individual basis to persons who rejoined their regiments while the Civil War was still on. Contrary to what you might hear otherwise, at no time in our history have we offered complete amnesty to draft dodgers, deserters from duty or those who refused to serve their country in time of war. They were all held responsible for their acts, if they chose to become citizens again.

We look to Lincoln for guidance because he exemplified the renewal of the American dream. His ability to come up with the right answer in time of trial has become legendary and we feel he could solve all of our problems if he were here today. But, it does no good for us to eulogize this great man or relate to the past unless we can somehow relate to the present and more importantly to the future.

The slow but steady steps that lead Abraham Lincoln from poverty to the Presidency gave him an understading of people so that he expressed himself without harshness and yet got the message across. For example, President Lincoln was polishing his boots one day when a stuffy Senator came to the White House to call. "Mr. President," said the Senator, "You don't blacken your own boots do you?" Lincoln answered, "Whose boots do you think I blacken?"

The most famous of President Lincoln's speeches is the Gettysburg Address. The part of this great literary piece which comes to mind just now is, "It is rather for us to be here dedicated to the great task remaining before us." Lincoln always thought in terms of what was best for the future of America, however unpoplar it might be.

Probably, the major problem facing the nation today is inflation, the attack on our economic system, or however you want to put it. The prime cause of inflation is the fact that the government has been spending more than its income for most of the last 25 years. That is a rather simple analogy, but Lincoln had something to say on this score.

When a neighbor asked, "What's the matter with those two boys who are crying?" Mr. Lincoln replied. "Just what's the matter with the whole world, I've got three walnuts and each wants two."

President Lincoln once said, "The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves government ought not to interfere." We had drifted away from this concept of government until President Nixon said, "Let us encourage individuals at home and nations abroad to do more for themselves and decide more for themselves." This is basic American Republican Philosophy and President Nixon is trying to help people help themselves. Yes, President Lincoln and President Nixon have many things in common; Abraham Lincoln was our first peace-maker, Richard Nixon is our latest. Both held firm in the face of bitter criticism to secure a just and honorable peace in an unpopular war. President Lincoln was not able to direct the peace after the Civil War because of his tragic death. President Nixon has that opportunity and we must support him in his effort to eliminate inefficiency, duplication and waste and, more importantly, to come back to the spirit of the free enterprise where a person can enjoy the fruits of his labor. "It is rather for us to be here dedicated to the great task remaining before us." That is what Abraham Lincoln would have us do.

From President Lincoln to President Nixon we can be proud as Republicans to have played a great part in the building of this magnificient country. Let us here highly resolve to take advantage of our opportunity as a party to play a significant role in our future greatness.

D-Q UNIVERSITY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ROYBAL. Mr. Speaker, I wish to bring to the attention of my colleagues a bill which I introduced to develop D-Q University, the first national Chicano-Indian institution of higher education in this country. I was pleased to have 23 House Members join me in support of this important endeavor.

The bill would authorize $35 million in grants to D-Q over a 5-year period to improve the site and develop D-Q's educational programs and bilingual studies. The funds would be used to carry out D-Q's goal of creating a national learning and cultural center focusing on the contributions made by American Indians and Mexican Americans and the issues affecting these people.

D-Q is the first university to be created and controlled by Americans of Indian and Mexican descent. It stands as an important national endeavor not only for the 8 million Indians and Chicanos in this country, but to all Americans dedicated to the idea of fostering cultural and racial understanding.

Two years ago the university received a Federal land grant to locate on 640 acres of surplus land near Davis, Calif. Under this grant the university holds title for the next 30 years for educational purposes. Within this short span D-Q has "become a leader in the development of innovative teaching methods and bilingual approaches, migrant manpower training, vocational, and community education."

Currently D-Q has "recognized candidate" status with the Western Association of Schools and Colleges, which is the second step to full accreditation. It is a degree-granting institution and is recognized by the U.S. Office of Education as eligible for its various programs.

Crucial to D-Q's educational philosophy is its deep commitment to the needs of its people and to serving the surrounding rural and migrant communities. Unlike traditional academic institutions, D-Q has adopted a community approach closely linked to the Aztec and early Cherokee and Choctaw schools, which were integral segments of their society and culture. Only recently has this country discovered the importance and benefits of this approach with its emphasis on community and vocational education.

D-Q provides training programs for teachers, social workers, and government personnel to respond to the needs of the American Indian and Mexican American. It offers courses in farm management and crop production, economic development and community health. It also provides precollege training, as well as traditional academic course work, with special emphasis on Indian and Chicano studies. D-Q has dedicated itself to creating a model for community education as well as racial understanding and cooperation.

The naming of D-Q has it roots in the traditions and history of the Indian and Chicano people themselves. The D refers to the great Iroquois leader Deganawidah who founded the Iroquois Federation, an early experiment in democracy predating the U.S. experience. The Q refers to Quetzalcoatl, an Aztec spiritual leader and prophet who founded a religion based on peace and social reform. This blend of democracy, social reform, and cultural pluralism forms the backbone of D-Q University.

Mr. Speaker, I seek the full support of my colleagues in endorsing this important and innovative effort. The need for this university has been clearly documented by more than a century of persecution and discrimination against these people who have suffered educational neglect at all levels. Our commitment to D-Q would be a major step to ending this pattern of neglect and, in turn, developing a national Indian and Chicano center of education and leadership in America.

Cosponsors of the D-Q bill are: Representatives GLENN ANDERSON, HERMAN BADILLO, ALPHONZO BELL, PHILLIP BURTON, JOHN CONYERS, JAMES CORMAN, DON EDWARDS, RICHARD HANNA, AUGUSTUS HAWKINS, HENRY HELSTOSKI, HAROLD JOHNSON, ROBERT LEGGETT, WILLIAM LEHMAN, MANUEL LUJAN, JOHN MCFALL, PARREN MITCHELL, JOE MOAKLEY, JOHN MOSS, JOHN MURPHY, BERTRAM PODELL, THOMAS REES, DONALD RIEGLE, and JEROME WALDIE.

TENNESSEE FLOOD DISASTER RELIEF A DISGRACE

HON. RICHARD H. FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. FULTON. Mr. Speaker, recent torrential rains have caused heavy flooding and extensive damage which will run into the hundreds of million of dollars in the State of Tennessee. Throughout the Southeastern States the damage may well run into the billions.

Because of this desperate situation the Governor of Tennessee and the Tennessee congressional delegation called upon the White House for emergency disaster assistance.

The reaction by the White House was prompt. It was loud. It was also disgracefully void of any substance.

With great fanfare the administration declared that Tennessee, indeed, was a disaster area and that emergency Federal assistance would be forthcoming. Then came a long list of programs which would be made available such as food stamps, debris removal, emergency rental, and mortgage payments.

But what of the real heart of emergency disaster relief? What about emergency housing loans, emergency small business loans, and emergency loans through the Farmers Home Administration?

"Sorry," Tennessee was told. "Your need for help from your Federal Government does not extend this far."

Mr. Speaker, I can only protest this discrimination in the strongest terms. When the people of California suffered from recent earthquakes they were made eligible for SBA, FHA, and other emergency disaster relief loans.

When the people of Texas suffered recent disasters they, too, received such Federal aid.

Even the people of North Vietnam are being offered disaster aid by the White House, but not the people of Tennessee.

In Chattanooga alone, damage estimates run as high as $65.5 million and yet officials there estimate that the Federal assistance offered by the White House yesterday will cover only $4 million to $5 million of this total.

Mr. Speaker, this announcement of assistance for Tennessee, like so many other goodies from this administration, was wrapped in a fancy package and presented with great fanfare. But, when the package was opened there was very little in it.

One can only surmise that this is an example of what was meant in the recent inauguration address which promised to "get big Government off your backs * * * Ask not what your Government can do for you. Ask what you can do for yourself."

Mr. Speaker, the people who have suffered this disaster in Tennessee are now experiencing the fulfillment of the benign neglect which this administration has sought and seeks to level at so many millions of Americans—the poor, the sick, the undernourished, the minorities, the middle classes, our veterans, our children, our schools.

Let us give aid to the Communists in North Vietnam says the administration. As for our own needy and deserving here at home, why just let them fend for themselves.

FEDERAL BUDGET IMPACT ON RUTGERS UNIVERSITY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. HELSTOSKI. Mr. Speaker, I should like to call to the attention of my colleagues an analysis of what President Nixon's fiscal year 1974 budget will mean to a higher educational institution, Rutgers University of New Jersey, if Congress adopts the budget proposal in its present form.

The difficult situation that Rutgers University will face by the President's budget proposals gives us a good idea of with what other institutions of higher learning will be confronted. I feel it is most important for the Congress to be apprised of the consequences of the President's budget proposals.

Mr. Speaker, the analysis follows:

FEDERAL BUDGET IMPACT ON RUTGERS UNIVERSITY

If President Nixon's FY74 budget is adopted by Congress in its present form, the University stands to lose significant financial support. The following budget items will have the greatest impact on the operation of the University (see also the attached Federal Budget Impact Profile):

I. STUDENT FINANCIAL AID

Although President Nixon's FY74 budget provides for substantial funding of the Basic Educational Opportunity Grants (BOGS), the proposed elimination of Supplementary Economic Opportunity Grants (SEOG) and National Direct Student Loans (NDSL) and the proposed reduction of funds for the College Work Study Program (CWSP) will result in an overall reduction of the University's ability to provide adequate financial assistance to those students who have the greatest need.

There is no disagreement with the concept of BOGS, but the timing of the implementation is such that the University cannot efficiently gear up for the new program and continue to provide full service to our needy students. Our students would be best served by a continuation of funding for NDSL and SEOG coupled with a planned introduction of BOGS with a realistic Family Contribution Schedule.

II. COLLEGE HOUSING INTEREST SUBSIDY

The Department of Housing and Urban Development has provided support for college housing programs for the past several years. Based on the University's current housing construction plans, the elimination of the College Housing Interest Subsidy program means a loss of approximately $1,400,000 over the next five years.

III. CAPITATION GRANTS: PHARMACY AND NURSING

Pharmacy and Nursing grants which are authorized under the Comprehensive Manpower Training Act of 1971 and were designed to encourage increased enrollments in the health professions are scheduled to be "phased out" in FY74. In 1972 the Rutgers College of Pharmacy received approximately $227,000 which allowed for a susbtantial increase in student enrollment. At the Rutgers College of Nursing approximately $51,000 was received which also allowed us to increase our student enrollment.

The elimination of the capitation program will necessitate either a reduction in the number of students we are able to accept, or the burden of financial responsibility will have to fall on the State of New Jersey.

IV. PHARMACY AND NURSING SCHOLARSHIPS

The FY74 budget message recommends a substantial reduction in the funds available for Nursing and Pharmacy scholarships. During 1972 Rutgers students benefited from this program by receiving $53,000 for Pharmacy scholarships and $29,000 for Nursing scholarships.

If the Federal government is indeed pledged to the ideal of providing greater opportunities to disadvantaged groups, what better way is there than to offer them the financial assistance to enter the health professions.

V. LIBRARY RESOURCES

The planned elimination of this vital program authorized under Title IIA and IIB of the Higher Education Act will severely limit the growth of the Rutgers University library system. In 1972, the University library received $72,217 in federal funds for materials, and the Graduate School of Library Service received $27,520 for student fellowships.

VI. BANKHEAD-JONES (LAND GRANT)

Congress has appropriated $10 million for Land Grant Colleges for FY73. By formula distribution, this appropriation should authorize approximately $225,000 to Rutgers. Although the University should have received this money in July 1972, the Office of Management and Budget has frozen the entire appropriation, and our award has not been received. In the FY74 budget request, President Nixon has asked that the FY73 appropriation be rescinded and that there be no appropriation for FY74.

The University's allocation from the Bankhead-Jones appropriation represents a significant amount of our unrestricted general operating budget. The loss of these funds will further restrict the University administration's ability to reallocate unrestricted funds to meet unexpected educational and research opportunities.

VII. TRAINING: HEALTH AND SOCIAL SERVICES

The drastic cuts proposed in the 1974 budget for training sponsored by the Social and Rehabilitation Services will necessarily restrict the availability of funds to the Rutgers Graduate School of Social Work for the training of our students in the social services. The Rutgers University Graduate School of Social Work currently has a training grant from the Social and Rehabilitation Services from which we pay six faculty members and provide tuition, fees and stipends to 18 students. Two of these faculty members and 10 of the students, by the way, will lose their salary support and student financial assistance in June of 1973 unless there is some additional training monies available. The remaining students and faculty will lose their support in June of 1974 when the training grant terminates.

VIII. TRAINING: HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

Rutgers University Graduate School of Social Work has training grants from Health Services and Mental Health Administration approximating $385,000. The likelihood of our being able to continue these training programs is, at best, extremely remote because of the severe cutback in the availability of training funds through the National Institute of Mental Health. Our current training programs pay the salaries of eleven faculty members and provide tuition, fees and stipends to 28 graduate students.

The loss of federal funds to support such vitally needed training programs will have a most severe impact on the teaching staff of the Graduate School of Social Work (approximately 40% of the faculty is paid through federal training programs) and will necessarily restrict the number of students who can be trained and who are available for training because of the loss of student stipends.

Also, it should be made quite clear that many of these faculty members and students are working in field units in major urban centers in the state of New Jersey, i.e., Newark, New Brunswick, Camden, Perth Amboy. For example, we have two faculty members and ten students working in the City of Perth Amboy. They operate out of the Model Cities Office, the Perth Amboy General Hospital, and in the Perth Amboy School System.

IX. GRADUATE STUDENT ASSISTANCE

In addition to the devastating impact on the students in the Rutgers University Graduate School of Social Work by the cut in training funds for National Institute of Mental Health and Social and Rehabilitation Services, the elimination of funding for other graduate student support programs will have an equally disastrous effect on the University's ability to provide needed financial assistance to young scholars.

The following table shows the number of students who have received financial support from various federal programs and the expected reduction in 1974. Although the figures are frightening, they do fail to show the trend over the past few years. For example, in FY 72 we had 83 NDEA fellows, but in 1968 we had 131. Also the table does not show the loss of funds that we had received from NASA to support as many as 40 graduate students.

	Fiscal year—		
	1972	1973	1974
NDEA fellowships	83	42	21
NSF traineeships	26	13	7
NIH traineeships	142	110	[1] 0
NIH fellowships	116	8	[1] 0
Total	257	173	28

[1] NIH training grants are being phased out. Other than limited obligations extending beyond Aug. 31, 1973, no further funding will be available.

X. COOPERATIVE STATE RESEARCH SERVICE (HATCH ACT)

The research done at the Rutgers College of Agriculture and Environmental Science with financial support from the Cooperative State Research Service is a well documented story of benefit to our nation's farmers and particularly to New Jersey farmers and citizens. The proposed reduction in research support will result in a loss to Rutgers of $116,000 to $360,000 in FY 74; these figures represent a 12–37% cut over last year's $1 million allocation.

XI. EXTENSION SERVICE (SMITH-LEVER ACT)

Although the administration's request for Smith-Lever funds for FY74 is approximately $5.6 million greater than the 1973 estimate, the addition of new federal funding responsibilities and inflation will result in anticipated reduction in funding for the Rutgers Extension Service of $52,000–$53,000.

XII. INSTITUTIONAL AID

If fully funded, the cost of education allowance authorized in the 1972 amendments to the Higher Education Act would have provided Rutgers University with approximately $2.5 million.

By enacting this legislation in 1972, the Congress acknowledged the validity of the statements of need presented by the higher education community. Nothing has changed in the last six months to alleviate the financial crisis at colleges and universities; if anything, the need seems to be greater.

XIII. VETERANS COST OF INSTRUCTION (VCI)

Rutgers is currently expending time and effort to recruit veterans and to satisfy their special needs, but additional work in this area can be carried on only at the expense of some other educational program. President Nixon's request for recession of the $25 million that has been appropriated for FY73 and his elimination of any request for VCI funding in FY74 will limit the University's ability to expand our current program of support to veterans.

XIV. OTHER PROGRAM REDUCTIONS

In addition to Programs listed above, several other items in President Nixon's budget will, if accepted by the Congress, adversely affect the operation of the University. Specifically, the elimination of funding for Title I (Community Services) of the Higher Education Act will mean a loss of approximately $50,000 to Rutgers and the displacement of one professional staff member who is doing community liaison work at the Camden campus. The elimination of funding for National Defense Education Act Title VI may jeopardize the summer language training programs that Rutgers students currently have available to them. The elimination of the Model Cities program will also affect the University through the dissolution of our training program and consultative services for Model Cities personnel. In addition, the proposed elimination of allied health manpower programs will limit the University's ability to implement new programs in health manpower.

XV. OTHER PROGRAMS—ENDORSED

A. BOGS: As stated earlier, the University applauds the Congress and the President in their respective efforts to implement a Basic Educational Opportunity Grants program, but not at the expense of student assistance programs of proven value.

B. Special Programs for the Disadvantaged (TRIO): The substantial increase in funding requested for Special Services in Colleges and the modest increase in the Upward Bound programs and heartily endorsed by Rutgers University.

C. Cooperative Education: The concept of cooperative education is engendering considerable interest among both educators and students, and Rutgers encourages federal support for cooperative education programs.

FEDERAL BUDGET IMPACT PROFILE

	1972 appropriation	1973 proposed	1974 proposed	1972 RU share	Impact on RU
EOG (initial year) (HEA IV A)	$78,100,000	0	0	$338,233	Loss of $338,233.
EOG (renewal year) (HEA IV A)	132,100,000	0	0	1,104,462	Loss of $1,104,462.
National direct student loans	286,000,000	$286,000,000	$5,000,000	964,925	Loss of $964,925.
Work study (HEA IVC)	270,200,000	250,000,000	250,000,000	938,839	Minimal loss.
Basic opportunity grants	0	622,000,000	959,000,000	0	Gain: undertermined.
Institutional aid (authorized by 1972 HEA Amendments)	0	0	0	0	Unrealized potential of $2,500,000.
HEA title II A and II B library resources	12,934,000	[2] 15,000,000	0	[3] 73,217 [4] 27,520	Loss of $100,737.
Land Grant money, Bankhead-Jones Act	10,000,000	[5] 10,000,000	0	226,592	Loss of approximately $225,000.
Vets cost of instruction	0	[5] 25,000,000	0	0	
Capitation grants:					
Pharmacy	(6)	(6)	0	227,485	Loss of $227,485.
Nursing	[7] 31,500,000	16,800,000	0	51,572	Loss of $51,572.
Student assistance:					
Pharmacy scholarships	7,198,000	5,695,000	[8] 3,700,000	53,000	Loss of $53,000.
Nursing scholarships	19,500,000	19,500,000	[9] 11,000,000	29,147	Loss of $29,147.
College housing interest subsidy	72,491,000	5,000,000	0	(10)	(10)
General mental health training (Health Services and Mental Health Administration)	113,887,000	99,009,000	$72,376,000	385,000	Potentiall oss of $385,000.
Social and rehabilitation services—training	37,434,000	47,495,000	17,000,000	177,730	Potential loss of $177,730.
Hatch Act (Cooperative State Research Service)		91,438,000	73,700,000	[11] 1,000,000	Loss of $116,000–$360,000.
Extension service (Smith-Lever Act)		191,289,000	196,860,000	1,820,748	Loss of approximately $52,000.

[1] NDSL is not forward funded. $286,000,000 for NDSL was spent in academic year 1972–73.
[2] Appropriated Presidential request to reduce to $12,900,000.
[3] Library materials.
[4] Fellowships.
[5] Appropriated, President Nixon has asked to reduce to zero.
[6] Capitation grants are to be continued for medicine, dentistry, and osteopathy only.
[7] Authorized.
[8] Phase out.
[9] Phased out in 1974.
[10] Estimated loss over next 5 years is approximately $1,400,000.
[11] Approximately.

The Effect on Selected Groups of Students

(The following was extracted from a letter to President Edward J. Bloustein from Vice President Alice Irby. The letter was prepared by Mrs. Irby in cooperation with Mr. Arthur Richmond, University Financial Aid Coordinator.)

As you know, the difficulties created by the Nixon budget are not described adequately by using total dollar amounts to indicate levels of funding. The method of the funding will decrease the University's flexibility in packaging aid and thereby create a real financial hardship for some groups of students. Art will have a more thorough analysis of this when he completes his college-by-college studies of sample cases. However, he and I are guessing as follows:

A. EOF Students—BOG will replace the EOG and/or NDSL awards made previously to EOF students to supplement the State EOF grant. These students will probably show a net gain in grant money. EOF students, on the average, will probably be somewhat better off than they have been in the past. There are about 2800 students in this category. However, those students with EOF grants and NDSL loans may be better off in terms of grant money but worse off in terms of total financial aid package unless they are able to get a loan from a commercial bank. One must also remember that while students generally may have more grant money than this year, this was a bad year with respect to supplemental funding to EOF students.

B. Low-income, non-EOF students who have had EOG awards (e.g., $800) and NDSL loans will suffer. The grant money on the BOG may be smaller than their awards have been in the past and they will receive no loans other than what they can obtain from a commercial bank. We estimate that there are about 1,000 non-EOF students who are now dependent on EOG grants and NDSL loans. These students have incomes as low as the EOF students but have not received EOF grants since they are not educationally disadvantaged.

C. Some students who receive NDSL loans or CWSP will receive small grants, whereas they have not had grant money before; but they will be dependent on a bank for a loan since NDSL will not be funded. About 1500 students are on a combination of loans and/or work-study.

D. Students with parents on social security will not be able to obtain BOG grants except in a few cases. These students have been receiving EOG grants in the past. We estimate that there are several hundred of these.

Finally, the statistics on a sample of 25 Rutgers College cases may be interesting. In 1972–73 there were 10 EOG awards totaling $7400 and 24 NDSL loans totaling $17,000 for a grand total of $24,400. Art estimates that under the Nixon program next year, 23 of the 25 students will receive BOG awards in an amount of $11,800, but that no loans will be available. This shows a net loss of $12,600. Even if BOG were funded at its maximum level of approximately $1 billion, we would have in this sample 23 of the 25 receiving awards in the amount of $17,500, an amount smaller than we have had in the past. Of course, if one believes that it will be as easy to obtain loans from commercial banks as it has been to allocate NDSL dollars, the Rutgers students should not fare too badly although a number of them will be hurt in one way or another because of changes in the packaging of aid.

I was told by one student in Newark last Wednesday that she went to a commercial bank to get a loan and the bank informed her that before she could get a loan she would have to have a deposit in the bank in the amount of $500. Of course, she did not have the $500 to put into the bank in order to get a loan. Art estimates that we will be sending an additional thousand students into the commercial loan market to borrow about $1.5 million in loans. One of my major concerns is the impact this will have on the banks, and the impact the banks will have on the students.

THE WEST FRONT

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. SYMINGTON. Mr. Speaker, with regard to the continuing discussion concerning the extension of the Capitol's West Front, I would like to take this opportunity to submit the comments of Mr. George E. Hartman, Jr., a close and concerned friend who also happens to be one of Washington, D.C.'s most distinguished architects:

NOTES ON THE PROBLEM OF THE WEST FRONT OF THE CAPITOL

We are now approaching the 100th anniversary of the first proposal to extend the West Front of the Capitol, which was initiated by Thomas U. Walters, when the unconventional character of this elevation first became apparent with the completion of the dome. There is however, an important difference between the current proposal to destroy the last remaining facade of the original Capital now 144 years old, and Walters' plan of 1874. At that time the West facade, completed in 1829, was less than fifty years old. Walters himself had added the two wings in the 1850s and the dome during 1856–65. It was only logical that he and his immediate successors would propose bringing the building into a traditional classical balance by extending the West front. However, this possibly was permanently abandoned with the addition of the Olmstead terraces in 1884–92.

During the 1880s Olmstead made several studies for extensions to the West front before deciding on the West terraces. In fact, his surviving drawings show almost every variation ever proposed by anyone, including the suggestions of Bullfinch, Walters and Clark, in addition to his own. These studies ranged from major extensions of the facade to mere face lifts achieved through the addition of pediments. The terraces as built did not allow or provide for any extension of the West front. Why did Olmstead, whose far-sighted vision was large enough to include the design of Central Park in New York City, not allow for the extension of the facade when he executed the west terraces?

The answer lies in an analysis of the West elevation itself. Walters' dome is by far the most prominent and important aspect of the Capitol. Since Capitol Hill falls off rapidly to the West, any addition would project into the sight lines of the dome when seen from below and lessen the present dramatic visual impact of the dome when seen from the West. Furthermore, any addition would tend to unify the center with the two wings and integrate the entire structure into one massive block. To see this effect, compare the regularity of the existing East elevation with the articulation of the existing West facade, while realizing that the current proposal pushes parts of the West front as far in front of the wings as it now is behind them.

The current massing of the Capitol is the result of a most fortunate series of accidents as are many of the world's most successful monuments. It ranks with Renwick's Smithsonian, Mullet's State War and Navy Building and Meig's Pension Building, as being of unquestionable aesthetic value. No one would any longer seriously propose demolishing the Smithsonian to regularize the Mall, nor remodeling the Executive Office Building to make it match the Treasury. Contemporary planning does not require stylistic continuity through the purging of the past. The West elevation, deliberately preserved for over a hundred years following Olmstead's aesthetic decision, should not be destroyed through the relentless demands for space and efficiency, and then justified as being the realization of Walters' original plan.

The very real requirements for additional space can be met in other ways. Certainly, the current space requirements can be successfully met without sacrificing the West front. Like it or not, this building is now a monument, albeit a working monument, and there is no such thing as an efficient or economical monument. Any extension or alteration we make to this building will become a symbol of our attitude toward our heritage.

The most immediately apparent alternative to the extension of the West front, is the development of an underground complex underneath Capitol Hill. Because it will not be seen, it offers the unprecedented advantage of allowing a symmetrical building to respond to an unsymmetrical program. This approach, together with a much needed remodeling and better utilization of existing spaces promises to provide enough additional space for the foreseeable future. This was clearly not the case in the extension of the East front and is no more likely with that of the West. Since the majority of the space behind the proposed West facade would not have windows in any event, and is already spread over 4 to 7 levels, it already requires a constant reliance on an elaborate system of high speed elevators. If the same space were dug into the hill alongside the House, the majority of the offices would be nearer the floor in terms of walking distance and travel time than they would be in the extended West front.

Furthermore, it is unquestionably less expensive to build and operate underground facilities than it is similar ones above ground. This development is also consistent with meeting the service and communication needs of the entire Capitol Hill complex while simplifying the problems of the existing surface traffic.

Moreover, it is a thoroughly contemporary solution which, while providing exactly the space that is needed where it is needed, is also completely compatible with and even respectful of the past.

The proposed expansion of the West front is historically, aesthetically and monetarily wasteful, and is therefore uneconomical in the fullest sense of the word. We recommend that the West front be restored as soon as possible and all new construction deferred until it can be integrated into a long-range plan for all of Capitol Hill.

SOVIET FORCES IN EASTERN EUROPE STILL POSE GREAT DANGER

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. HUBER. Mr. Speaker, if, in our rush to reduce our commitments abroad, we unilaterally withdraw all or part of our forces from Europe, without meaningful concessions from the Soviet Union, it could lead to a tragedy. Any U.S. forces withdrawn would obviously return to the United States, while any Soviet forces withdrawn would only pull back into the western part of the U.S.S.R. In approaching the preliminary discussions on mutual and balanced force reduction—MBFR—with the U.S.S.R., we should insist on realistic withdrawals on their part. Soviet divisions are almost entirely organized for a quick strike combat role, while allied strategy depends upon mobilization and American reinforcement. If we do not achieve something better than a 1-for-1 ratio of withdrawal, the Soviet Union will retain a clear and present superiority with which to psychologically cow Europe into submission—more so after the withdrawal of any American units. The Soviets, for their part, have stressed that any such asymmetrical formula is unacceptable to them. An article that just appeared Sunday in the Star and Daily News by Jeffrey Record, points out clearly the dangers we face in this regard. I commend it to the attention of my colleagues:

SOVIET FORCE DESIGNED FOR BLITZKRIEG

(By Jeffrey Record)

Since it assumed office in 1969, the Nixon administration has confronted growing domestic and international pressures to reduce the number of U.S. troops in Europe. Those troops—some 300,000 of them—not only contribute heavily to America's imbalance of payments abroad but also appear to a war-weary public and to many congressional critics an anachronism in a Europe presumably capable of protecting itself.

So far the White House has successfully parried demands for withdrawals. The President has quite correctly asserted that any unilateral abridgement of U.S. combat power in Europe would irreparably weaken NATO's ability to defend itself. The foundation of that assertion is a recognition that the nature of Soviet military might on the continent has remained basically unchanged despite a definite and much-heralded thawing of relations between East and West.

Indeed, it is the character and not the fact of Soviet military power in Europe that has generated unease in the West since the close of the Second World War. The North Atlantic Treaty Organization was created in 1949 to counter that power. The preliminary discussions on mutual and balanced force reductions (MBFR) now underway in Vienna invite the prospect of diminishing it.

My purpose here is not to explore the intricate complexities of MBFR or investigate possible means of achieving it, but to review certain aspects of Soviet conventional military power in Europe which continue to give rise to suspicion, mistrust and even fear on the part of NATO, and to which the Vienna conference must of necessity address itself. I would focus upon the size, disposition and structure of ground forces, particularly those deployed in central Europe (the Central Front, or NATO Center), the arena of major military confrontation on the continent.

Three basic conclusions emerge: (1) the size of Soviet ground forces in Europe is grossly disproportionate to their stated purposes; (2) their structure reveals preparation for offensive and not defensive military operations; and, (3) truly "balanced" force reductions will require a contraction of existing Soviet military power far in excess of what NATO may safely entertain for its own forces.

Perhaps the most significant assymetry between NATO and the Soviet Union is their respective assessments of the duration of future conflict in Europe. In sharp contrast to NATO's doctrinal and structural emphasis on protracted war, Warsaw military power (which for all practical purposes is Soviet military power), is postured for a short, intense conflict of perhaps no more than six weeks.

Warsaw Pact (Soviet) military doctrine calls for the speedy conquest of NATO Center by means of a massive, unstinting blitzkrieg—regardless of whether or not nuclear weapons are employed or of the circumstances attending the outbreak of hostilities. Tactical guidelines established by the Soviet General Staff for armored units postulate initial penetrations of up to 100 kilometers, and subsequent daily advance rates of 40 to 80 kilometers.

Motorized rifle units are to follow advancing armor, encircling and mopping up remaining pockets of resistance. The object of such a strategy is clear to overrun Western Europe before NATO can mobilize its potentially greater resources.

The size, disposition and structure of Soviet and Warsaw Pact forces reflect close adherence to the doctrine of blitzkrieg. The magnitude of the Russian garrison in Eastern Europe (31 divisions) is grossly disproportionate to any conceivable requirements for either maintenance of the Kremlin's political preponderance in the region or its defense from external attack.

The concentration of 20 crack divisions in East Germany suggests that they would be the cutting edge of any major Communist thrust into NATO Center and that their primary axis of advance would be across the North German Plain. A rapid southward turning movement here could quickly cut off the U.S. and West German divisions which are located well forward of the Rhine River.

Not only is the terrain there much more suitable for swift armored penetration than the more mountainous topography further south, but also Soviet forces stationed in East Germany are closer to such key objectives as the Rhine and the Channel ports than are Soviet forces deployed elsewhere along the Central Front.

The structure of the Russian garrison in Eastern Europe, no less than its disposition and inordinate size, indicates a military establishment designed for highly mobile offensive operations at the theater level.

A major manifestation of this posture of quick-win is the high ratio of combat to support troops maintained at the divisional level, estimated at between 3 and 4 to 1. Thus 75–80 percent of Soviet divisional manpower is allocated to combat functions and only 20–25 percent is aassigned to suport units. Such an extraordinary ratio clearly favors a short, intensive war, since a protracted conflict would compel support-poor Warsaw Pact forces to rely increasingly on inferior and less manageable civilian transportation and supply resources.

In fact, from a purely logistical standpoint a war of extended duration would be doubly disadvantageous for the Soviet alliance because it would be confronting NATO formations on the battlefield whose relatively low ratio of combat to support troops (about 3:2 at the divisional level) is designed to sustain combat for much longer periods of time.

The Warsaw Pact's emphasis on combat at the expense of support is graphically revealed in the high proportion of tanks in their divisions. For example, of the 31 Soviet divisions stationed in Eastern Europe, 16 are armored; all of the remaining 15 are motorized rifle divisions possessing an unusually large number of tanks.

The USSR's strong reliance on tanks—inherently offensive weapons—is reflected in the high ratio of tanks to men. Although the number of men in a Soviet armored division (8,400) is less than half that assigned to a U.S. armored division (17,500), the former fields 324 tanks while the latter counts eight fewer. Thus the 1:54 tank-men ratio for the U.S. is exactly 50 percent of the 1:27 ratio maintained by the USSR. With respect to mechanized infantry/motorized rifle divisions, the figures are 216 tanks/16,000 men for the U.S. versus 188 tanks/10,500 men for the Soviet Union.

Additional evidence of an offensive short-war posture includes the Warsaw Pact's power to mobilize and deploy rapidly extra military formations along the Central Front and its reliance on a unit replacement system.

Warsaw Pact mobilization and deployment capabilities opposite NATO Center are formidable. At no expense to its formations deployed along the Sino-Russian border, the Soviet Union can double the number of its divisions, tanks, and men now available in Eastern Europe for immediate combat against NATO within 30 days, and almost triple them within 120 days.

The key to the USSR's capacity for such swift mobilization is its reliance on cadre rather than simple reserve units to augment its combat-ready forces. In addition to 65 full-strength divisions the Soviet Army musters almost 100 divisions in lesser stages of readiness, over 60 of which are stationed within relatively easy reach of central Europe.

Unlike U.S. reserve formations, which are composed entirely of part-time and in many cases poorly trained soldiers (thus requiring larger periods of post-mobilization training), Soviet cadre divisions are a combination of active, full-time personnel and comparatively well-drilled reservists.

Non-Soviet armed forces of the Warsaw Pact vary with respect to poliitcal reliability, and it is questionable whether even active Hungarian and Rumanian units would be employed to bolster a Pact buildup. At a minimum, however, the Warsaw pact should be able to count on an additional Czechoslovakian and 11 Polish divisions within the first month following the decision to mobilize.

NATO's capacity to offset the Pact's ability to mobilize and deploy additional military power in central Europe during the crucial first 120 days of buildup is at best marginal.

Notwithstanding the greater size of NATO divisions and the generally recognized qualitative superiority of the alliance's major weapon systems (particularly tanks and aircraft) over those of the adversary. NATO is currently incapable of maintaining even a 1:2 ratio of divisions, main battle tanks, and combat troops vis a vis the Pact during most stages of the first four months of mobilization. Yet achievement of this ratio is considered essential by many analysts for an effective forward defense, which in turn, is a prerequisite for protracted war.

Twenty and one-third non-U.S. NATO divisions are currently allocated to NATO Center. Yet, even drawing upon a large portion of their national forces not formally committed to the alliance, together, Belgium, the Netherlands, Great Britain, Canada, West Germany and France probably could not add more than 15% additional divisions within 120 days.

The central weakness of NATO's mobilization potential, however, is the inability of the United States—the ultimate source of major reinforcement for the alliance—to mobilize its own reserves at a pace equivalent to that of the Soviet Union. The United States currently maintains 4⅓ divisions on the continent. The 3⅔ divisions based in the continental United States but earmarked for European contingencies could, of course, be deployable to NATO within 60 days as could perhaps another three divisions drawn from the U.S. strategic reserve and the Marine Corps. National Guard and regular service reserves, however, are not considered deployable for at least four months. Indeed, some recent studies have concluded that a minimum of 200 days would be required before reserve divisions could be made combat-ready.

Thus there exists the very real prospect that the Warsaw Pact's potential military power may be fully mobilized before the first reserve division from the United States could reach the continent.

A final indication of the Pact's quick-victory stance is its use of the unit system of replacement. Restoring combat losses on a unit rather than an individual basis permits greater amounts of men and equipment to be transported to the front and in a much shorter time. The unit system is much more suited for a short, intense conflict than is NATO's individual replacement scheme.

By sending forward entire units rather than single individuals, the Pact can offset the high attrition rates projected for a brief, decisive war in Europe and at the same time avoid much of the tedious paperwork inherent in NATO's method of replacement.

This terse analysis of certain aspects of Soviet military power in Europe suggests a number of conclusions. First, the size of both deployed and mobilizable Soviet armed forces on the continent far surpasses that necessary to serve Russian security interests in Europe. Existing forces are more than sufficient to protect Eastern Europe against a NATO which, in its current posture, provides no offensive threat to the Warsaw Pact.

More importantly, with respect to the maintenance of Soviet political preponderance in Eastern Europe, it is questionable whether even a token military presence in that region is necessary to insure Moscow's ability to intervene forcibly in the affairs of individual Pact states. For example, the absence of a Soviet military presence in Czechoslovakia in 1968 did not hinder the USSR's capacity for a lightning occupation of that country and replacement of its "deviant" regime. Conversely, the presence of Soviet forces has proved no guarantee of immunity from anti-Soviet uprisings such as those that erupted in East Germany in 1953 and in Hungary three years later.

Second, notwithstanding Moscow's pretensions to the contrary, the structure of these forces indicates that they were designed for an offensive campaign. This is not to imply that a war is on the horizon or even that the prospect of conflict is not remote, particularly in an era of budding detente between the United States and the USSR. It is to say, however, that a disturbing disparity exists between the stated rationale of the Soviet garrison in Eastern Europe and its actual posture.

Finally, with respect to MBFR, no agreement can be satisfactory to the West that does not call for significantly disproportionate reductions in Russian ground forces since anything approaching a one-to-one standdown would reduce NATO's already marginal ability to sustain a successful forward defense of Western Europe.

RIGHTS ADVOCATE TROUTMAN DIES

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 22, 1973

Mr. TALMADGE. Mr. President, we in this Chamber all have the benefit of men among those we represent who serve as friends, counsels, critics, and advisers simultaneously. So it is in my case.

There are many in Georgia upon whom I rely for help and for guidance. These people come from all walks of life and from different regions of Georgia. They often hold divergent views.

I valued none of my friends more closely than Robert B. Troutman, Sr., of Atlanta, who died there last week.

Mr. Troutman was a prominent attorney of our largest city, but he was a man whose influence was felt statewide. He came upon the Georgia scene at a time when his State and his people were undergoing one of their most trying periods. He has always stood by us, and the devotion and understanding he gave to Georgia have earned him the respect of all.

I personally admired this man as a humanitarian, with the interests and rights of each person ever in his mind. He was one of the most responsible citizens we have had in Georgia, and his contributions to the general well-being were manifold. His interests and accomplishments were diverse.

Mr. Troutman was also a principal organizer of the foundation which bears the name of our late deceased colleague, Richard B. Russell. His support brought about a foundation honoring a great American and preserving the spirit in which Senator Russell lived.

I will sorely miss Bob Troutman, as will many, many others. I ask that the newsstory which appeared in the Atlanta Journal following his death be printed in the RECORD, and I commend it to the attention of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Atlanta (Ga.) Journal, Mar. 16, 1973]

RIGHTS ADVOCATE TROUTMAN DIES

Robert B. Troutman, Sr., one of Georgia's most prominent attorneys and one of the early advocates of voluntary desegregation, died Thursday. He was 82.

The cause of Troutman's death was not announced but he was stricken with heart problems in 1958 and had been ill for some time.

A Rosary will be said at 7:30 p.m. Friday at Patterson's Spring Hill Chapel and the funeral will be at 10 a.m., Saturday at Sacred Heart Catholic Church. Burial will be in Westview.

For more than 50 years Troutman practiced law, becoming president of the Atlanta Bar Association in 1926 and president of the Georgia Bar Association 20 years later. At the age of 80 he still worked at his law office.

He specialized in business law, working on behalf of some of Georgia's largest corporations.

Much of Troutman's personal life was devoted to community and religious work. He was honored by Pope Paul VI and by the National Conference of Christians and Jews.

In 1963, when he was 73, Troutman was named by Mayor Ivan Allen to a special committee to seek voluntary desegregation of Atlanta businesses and public accommodations. His special task was to promote job opportunities for blacks in various businesses, including some of his clients.

The following year, as he accepted the silver "brotherhood" medallion presented by the National Conference of Christians and Jews, Troutman said he found it possible to go much further in life by treating persons "all as God's children seeking to find their way home, too." In 1965 Pope Paul VI honored him with the cross "for the church and the Pope."

Troutman cooperated with many Atlantans at various levels to promote better community and racial relations. One Atlanta priest described him as a "princely man" who was involved with "everything."

Troutman was born Nov. 26, 1890 at Rome, attended public schools in small towns in North Georgia, received his bachelor's degree from the University of Georgia in 1911 and his law degree (LLB) from Columbia University in 1914. He was admitted to practice law in Georgia that year, taught law at Emory University in 1916, served in World War I, then resumed teaching in addition to a law practice.

In the 1950s Troutman was one of the lawyers who tried to help Georgians adapt to the 1954 U.S. Supreme Court decision ending the "separate but equal" school systems. In an emotional atmosphere, he urged moderation.

Troutman made it clear that he disagreed with the decision. But he also said he disagreed with laws which forced segregation. The solution, he said, was "freedom of choice." This concept was later adopted widely in the South.

"No government has the power to compel the members of one race to associate with the other . . ." Troutman said on Law Day, 1956, at the University of Georgia. "The white people resent the court's compulsory integration. And the Negro resents the compulsory segregation of the state laws.

"Freedom of choice removes the cause. It eliminates the compulsion which each race resents."

Troutman urged fellow lawyers to seek a peaceful solution to the racial question, and asked them to "make the machinery of justice work." He added, "It is your supreme duty to see that every individual citizen, regardless of race or creed, shall receive justice under the law."

Troutman believed that the South had a good opportunity to lead the way in racial relations. "We are the testing ground," he said, "as to whether two races can work and live side by side in peace and justice to all."

Survivors are his widow, Mrs. Nellie Hood Troutman; a daughter, Mrs. Thomas Bockman of Atlanta; a son, Robert B. Troutman Jr. of Atlanta; a sister, Mrs. Robert C. Wilson of Athens; and a brother, Henry B. Troutman of Atlanta.

BYELORUSSIAN INDEPENDENCE

HON. GERALD R. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. GERALD R. FORD. Mr. Speaker, Sunday marks the 55th anniversary of the Declaration of Independence of the Byelorussian Democratic Republic.

Instead of a happy event and a time for celebration as it should be, it is unfortunately a sad reminder that during the past half century the Soviet regime has deliberately and persistently tried to erode Byelorussian traditions, culture, education, and self-identity.

The All-Byelorussian Congress met in December 1917, in the city of Miensk, and on March 25, 1918, proclaimed the Byelorussian Democratic Republic. Unfortunately, the new state was unable to enjoy its sovereignty for long. The Russian Communists, in a display of naked imperialism, invaded Byelorussia.

On March 25, 1918, the highest aspirations of the Byelorussian people for a free and independent life were fulfilled. Today, March 25 is a symbol of a dynamic spiritual force for Byelorussian Independence which unites all Byelorussians wherever they may be. The desire of the Byelorussian people for their national freedom has not perished. The fight for Byelorussian independence is the fight of all the captive nations.

THE 55TH ANNIVERSARY OF BIELARUSIAN INDEPENDENCE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ANNUNZIO. Mr. Speaker, March 25 is the 55th anniversary of the Declaration of Independence of Bielarus. We in the U.S. Congress have been elected by a free people and therefore we have an obligation to take this opportunity to focus the world's attention on the conditions under which the Bielarusian people are forced to live and speak out most energetically in behalf of their freedom.

A statement of commemoration from the Bielarusian Coordinating Committee of Chicago follows:

STATEMENT OF THE BIELARUSIAN COORDINATING COMMITTEE OF CHICAGO, ILL.

On the occasion of the 55th Anniversary of the Declaration of Independence of Bielarus, the Bielarusian Coordinating Committee of Chicago, Illinois, in cooperation with the Byelorussian American National Council of Chicago, the Whiteruthenian (Byelosrussian) American Association in Illinois and the Bielarusian American Youth Organization in the State of Illinois, wishes to focus the attention to the plight of the Bielarusian people under the Soviet Russian occupation and to speak for their rights and their freedoms.

The Bielarusian Coordinating Committee of Chicago, Illinois, accuses the Soviet Russian government of depriving the Bielarusian people of their independence and of practicing genocide against the Bielarusian people in the manner and form which are as follows:

1. On March 25, 1918, the Bielarusian people have let their intention known to the entire world by proclaiming their country a free and independent Democratic Republic of Bielarus, but Russia deprived the Bielarusian people of their independence by imposing upon them the Soviet brand of government, which was proclaimed at the City of Smolensk on January 1, 1919, and is known

as the Soviet Socialist Republic of Byelorussia today.

2. In 1945 Byelorussia was permitted to become a signatory member of the United Nations, of which she still is, but the Russian Soviet government has denied the right of the Bielarusian people to rule themselves and establish direct diplomatic relations with other countries.

3. All policies of the Russian government today are directed toward exploitation of natural resources and population of Byelorussia and at destruction of all ethnic and cultural traces and distinctions of the Bielarusian people by transforming the Bielarusian, cities and towns into permanent Russian settlements while "encouraging" the native Bielarusian population to take up "voluntary" residence in other ethnic territories of the Soviet Union.

4. The Bielarusian people have been subjected to intensive Russianization by their Russian masters, who are the ruling segment of the population in Byelorussia, and who represent the Bielarusian people before the foreigners, giving the impression as if the Bielarusians are same as the Russians. As a result of the presence of the Russians in Bielarus, the Bielarusian people are deprived of the use of their language in government, scientific and cultural institutions and schools with the exception in some rural areas only where the Bielarusian language is still allowed.

To accommodate the Russian masters in Bielarus even further, the schools, institutions, museums, libraries, theatres, cities, streets and even collective farms must "voluntarily" assume the names of Russian Communist and Tsarist dignitaries and writers and other heroes, and the monuments of old Bielarusian architecture are being destroyed and buildings in typical Russian pseudoclassical style are erected in their place.

The percentage of newspapers and other publications in the Russian language is estimated at 80% for the 983,000 Russians living in Byelorussia, but the native Bielarusian population, which numbers 7,290,000 according to the Soviet census of 1970, is allowed only 15% of all of the publications in their language.

5. Soviet Russia, which camouflages under the name of the USSR or the Soviet Union, claims that all peoples and republics are treated as equal partners in the Soviet Union, but this principle does not apply to the Bielarusian people. If this were true, many talented Bielarusians would be allowed to travel to other parts of the world as Russians do, but this privilege does not apply to them. We have not seen any native Bielarusian scholars, scientists and artists included in the exchange programs with the United States though quite a few Americans visited in Minsk and performed there. Furthermore, why are the commodities and products made in Byelorussia not given proper identification and credit but go abroad labeled as made in USSR or Russia?

6. Over the years of the Soviet Russian domination in Bielarus the Bielarusian people have shown their opposition to the destruction of their national life by their Russian overlords and for turning Bielarus into a mere administrative province of Russia, and as a result of that over 6 million of them were annihilated and exterminated as unreliable and dangerous elements to the Soviet state.

In view of the above stated facts regarding the genocide of the Bielarusian people by Soviet Russia, the Bielarusian Coordinating Committee of Chicago, Illinois, appeals to every freedom-loving human being to speak in defense and on behalf of the Bielarusian people and their basic human rights and freedom from Russia.

Mr. Speaker, the members of the Bielarusian Coordinating Committee have also informed me of their concern that the proper designation of Bielarus has not been generally known, and I quote from the committee's letter:

> Though our native country is known as Byelorussia in English, we reject this terminology as incorrect and confusing our people with the Russians. In the first place, we do not like the "erzatz"—one-half of the word being the original Bielarusian while another half a Russianized English translation of the ending "rus," which properly means Ruthenia and not Russia. Secondly, the English name for Bielarus was not the choice of the Bielarusian people but was introduced by the Russians, and presumably Stalin, when the United Nations was established and Bielarus was allowed to become a signatory member. We, therefore, feel that the words Bielarus in its original form for the country and Bielarusian and/or Bielarusians for the people are best suited and most proper and should be used to describe our native country and the people as opposed to the terms of Byelorussia and Byelorussians, which in our opinion, should be used only when speaking of the present Russian imposed Soviet regime in Bielarus.

I am privileged to join those Americans of Bielarusian descent in the 11th Congressional District, which I proudly represent, in the city of Chicago, and all over the Nation as they speak out in common concern for the plight of the people of Bielarus and rededicate themselves to hasten the day when human dignity and justice may again flower in Bielarus.

BUSING, TRUE OR FALSE

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. O'HARA. Mr. Speaker, judging by my mail, most of my constituents seem to share my general feeling that cross-district busing is not an acceptable method of achieving any educational purpose, including desegregation of the schools.

Once in a while, I hear from a constituent who believes, I think sincerely, that you cannot oppose busing unless you are a racist yourself. I am always sorry to see people's motives impugned, but in this case, of course, I find it particularly painful.

Recently, the noted Washington Post columnist, William Raspberry, who is most emphatically not a white racist—who is, in fact, neither—wrote a column about busing which I thought expressed my point of view very well.

As Mr. Raspberry points out:

> Some people are against busing because they are against integration; no doubt about it. But some are opposed to busing because they are opposed to busing; because they think there is social and educational validity to the neighborhood school; because they believe there isn't anything at the end of an unnecessary bus trip to justify the economic, social and educational costs.

Or, Mr. Speaker, to put it another way, the best of ends do not justify improper means.

I am inserting Bill Raspberry's column at this point in the Record:

BUSING, TRUE OR FALSE

(By William Raspberry)

The U.S. Civil Rights Commission wants to believe that opposition to public school busing has its almost exclusive source in ignorance and bigotry.

And so it reads the results of a recent public opinion poll to "prove" exactly that.

It finds bigotry (and insincerity) in the fact that two-thirds of those polled say they favor integration as a national objective, while only 21 per cent offer general support for busing.

It finds ignorance in the fact that most of the respondents missed most of seven true-false questions about busing.

And it finds hope in the fact that the people who did best on the true-false questions tended to favor busing more than those who scored poorly.

With that sort of interpretation, it is perfectly natural to conclude that the way to sell busing to the American people is to inform the ignorant, expose the insincere and isolate the bigot.

Well, maybe. But the commission's conclusions don't necessarily flow from the Opinion Research Corp. poll.

I have a suggestion. Let Opinion Research put a pair of questions to the staff of the Civil Rights Commission: (1) As a national objective, do you favor racially integrated neighborhoods, that is, neighborhoods populated by both blacks and whites together? (2) Would you favor laws or court orders requiring that families residing in neighborhoods that are too white or too black be forcibly relocated to other neighborhoods in order to achieve neighborhood integration?

My guess is that the staffers would say Yes to Question No. 1 and No to Question No. 2. Yet, when the questions were put not in terms of neighborhoods but of schools and evoked the same yes/no responses, the Commission read it as bigoted and insincere.

The ignorance test involved questions relating to the status of court decisions, the approximate percentages of childen now being bused for desegregation, the impact of desegregation on white students' test scores, the comparative safety of riding a bus or walking to school and the relative cost of busing.

Most people missed most of the questions, although nearly half answered correctly that busing is safer, statistically, than walking to school. But what does that mean? Except for one question, the impact of desegregation on white test scores, it's hard to see how informing the ignorant—that is, teaching people the right answers—would make the slightest difference in their attitudes toward busing.

The Civil Rights Commission, needless to say, feels otherwise.

"Too often public officials, educational leaders and members of the mass media have, unthinkingly, accepted the criticism and passed on the slogans of busing opponents without troubling to examine the evidence."

And the people, in their ignorance, have rejected busing.

Well, maybe the people aren't so ignorant after all. Some people are against busing because they are opposed to integration; no doubt about it. But some are opposed to busing because they are opposed to busing; because they think there is social and educational validity to the neighborhood school; because they believe that there isn't anything at the end of an unnecessary bus trip to justify the economic, social and educational costs.

Desegregation is a racial issue, but it is a tragic mistake to suppose, as the Civil Rights Commission and perhaps the NAACP apparently suppose, that opposition to busing is a bigoted position.

Such a supposition might explain why, in the recent poll, only 17 percent of the white respondents said they would be willing to send their children to a better school in a neighborhood where most residents were of the other race. But now explain why only 49 per cent—less than half—of the nonwhites questioned said they would be willing to send their children to that better school?

"The public is clearly confused," the Commission asserts. "The people have been misled. They believe, for example, that the Constitution should not be amended to limit desegregation [favored by only 30 per cent] but that it is all right for Congress to restrict the courts' power to order busing [57 per cent]."

Only lawyers immersed in civil rights and constitutional law would be confused by that seeming contradiction.

The poll results, taken altogether, seem to me to make a clear (and not at all discouraging) declaration of what Americans, black and white, see as a reasonable racial posture:

There should be no return to racial segregation, in fact, remains an important national goal. But it is not the *overriding* goal, to be achieved no matter what the cost. And you don't have to be a separatist, a bigot or a Tom to feel that way.

NATIONAL PATRIOTIC EDUCATION WEEK

HON. W. S. (BILL) STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. STUCKEY. Mr. Speaker, today I am introducing a resolution to authorize the President to proclaim October 12 through 19 of each year as National Patriotic Education Week.

This particular week was chosen for its significance in American history. October 12 was the date Columbus discovered America. October 19, known as Yorktown Day, marked the cessation of the American Revolution when Cornwallis surrendered to George Washington.

For a number of years now, we have seen patriotism become a lukewarm issue. However, I think, as our POW's well illustrated, that patriotism is not dead in this country. I am convinced that the majority of both young and old in America still believe in honor, integrity, patriotism, religion, and freedom of the individual to practice and revere the principles of democracy laid down by our founding fathers.

National Patriotic Education Week would be a time in which especially our young people could discuss and reflect on the American system of government—a time when study and education could focus on the patriots and ideals which have created and sustained our great Nation. The young in our country are playing an increasingly larger role in government with the advent of the 18-year-old vote. Therefore, I feel it is very important that they have an increased awareness of the processes of our Government, our country's rich history and the remarkable men who have made the United States the great Nation it is today.

LOYALTY PROGRAM IN TROUBLE

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ICHORD. Mr. Speaker, on January 3 of this year, I submitted to the House a report from the Internal Security Committee's special Loyalty-Security Subcommittee which summarized both the background and findings of a 2-year examination of the Federal Civilian Loyalty program.

Following publication of that report, the American Security Council invited the distinguished chairman of that subcommittee, my esteemed colleague, the Honorable RICHARDSON PREYER, to sum up the highlights of the subcommittee report. This, in turn, was published in late February in the Council's Washington Report newsletter and it has attracted extremely favorable and rather widespread reaction from the Council readership.

Judge PREYER's summation of the study, under the title "Loyalty Program in Trouble," is a clear and concise presentation of a highly involved subject, and I am confident that every Member of this House will find his remarks enlightening. I, therefore, insert it at this point in the RECORD:

LOYALTY PROGRAM IN TROUBLE

The 33 year-old effort by the Government of the United States to keep those who are hostile to its system, laws and institutions off the Federal payroll is in serious trouble. Some Departments and Agencies of the Executive Branch have virtually abandoned what is known as the Federal civilian employee loyalty-security program. Others barely pay it lip-service. And those that do attempt some screening indicate they are confused by a wide variety of rules and regulations, and depend on information and guidance which is no longer made available or which they are not trained to appraise. The evidence indicates an estimated 95 per cent of the Federal civilian work force may be escaping an effective application of the loyalty program.

Many government security and personnel officers do point with varying degrees of pride to the pre-employment, full-field investigations required of applicants for jobs having access to classified material of a "critical-sensitive" nature. But the headlines of October, 1972, even opened that portion of the loyalty-security program to serious question.

It was October 29, 1972, when Charles A. Tuller—a 48 year-old Commerce Department official—stepped out of an Eastern Airlines plane which he and two sons together with a friend had hijacked to Havana. In five days leading up to that moment, Tuller and his companions are charged with shooting and killing an Arlington, Virginia, policeman and a bank manager, wounding a women teller while attempting a holdup, killing an airline ticket agent in Houston, and threatening some 30 Atlanta/Washington-bound passengers from Texas with death during the air piracy flight to Cuba.

Tuller was a $26,000 per year GS–15 with a "critical-sensitive" clearance. While one has a right to doubt that any Loyalty-Security Program could have anticipated Tuller's ultimate madness, the fact is there is ample evidence it should have worked against his continued employment by the U.S. government. Investigation since Tuller's crime spree shows the man had long and loudly proclaimed to co-workers, neighbors and other associates that he thought the United States was a "fascist state" in need of a violent revolution. He especially admired such communist revolutionaries as Mao Tse-tung and the late Che Guevara. And he publicly insisted that Fidel Castro's Cuba was the only "free" place in the world.

Extreme as Tuller's case was, the fact remains that no one in the Federal government today knows just how many who share his ideological views may be drawing a government paycheck while working to destroy us from within. Presumably the number is small, but it is known that among the vast numbers of employees not presently covered by the Loyalty-Security Program, there are some who belong to organizations seeking the overthrow of the U.S. government by unlawful means.

IN THE POSTAL SERVICE

The U.S. Postal Service, for instance, has admitted it has employees who belong to the Communist Party—USA, the Trotskyite Communist Socialist Workers Party and its youth arm, the Young Socialist Alliance, and to other revolutionary groups. Most other branches of the Executive establishment confess they frankly have no idea whether any of their employees are subversive or maintain membership in organizations recognized as subversive.

A 2-YEAR INQUIRY

In a two-year inquiry conducted by a House Internal Security Subcommittee prior to the Tuller escapade it was found that not a single Federal civilian employee has been suspended or fired on loyalty grounds for the last five years and perhaps for an even longer time. Many personnel and administrative officers testified it would be almost impossible to fire on the basis of a loyalty question.

From the Civil Service Commission on down through the ranks of the Federal employment service, the Loyalty-Security program is in such disarray that when the issue of loyalty is indicated, it is resolved under the catch-all "suitability" (that is, other than loyalty) category with respect to Federal employment. It is the bureaucracy's way of brushing "loyalty" under the proverbial rug.

HOW DID THE LOYALTY-SECURITY PROGRAM BECOME SUCH A SHAMBLES?

In the first place, the Program is based on a patchwork quilt of laws, Executive Orders and regulations which began with passage of the Hatch Act in August of 1939. Section 9A of that Act made it unlawful for the United States to employ anyone having "membership in any political party or organization which advocates the overthrow of our constitutional form of government in the United States." Persons found to be in violation of this section were to be immediately removed from government service.

The need for such legislation had been growing throughout the decade of the 1930's as the spectre of subversion increased with the growing threat of Nazi Germany, Fascist Italy, and totalitarian Japan, and with the spread of the world communist movement from headquarters in Stalin's Kremlin.

Congressional investigations led to the 1938 enactment of the Foreign Agents Registration Act, the Hatch Act and the Smith Act of 1940—all aimed at protecting America from alien forces at home and abroad.

With the advent of World War II, Congress authorized the Departments of State and War, plus the Coast Guard, to suspend and remove any employee considered to be a threat to national security.

After World War II and in the face of a growing threat to our internal security by the World Communist Movement as directed by the Soviet Union, the late President Truman announced in 1947 he was promulgating Executive Order 9835 to exclude subversives from Federal employment in order to preserve the integrity of the Civil Service. The Order established investigative and screening programs to accomplish the announced objective.

In August of 1950, an Act was passed increasing to eleven the number of Departments and Agencies which could summarily suspend and, after hearing, dismiss an employee whose retention was deemed not consistent with the "interests of the national security."

At the same time, the Internal Security Act of 1950 which established the Subversive Activities Control Board was passed to inform the public of the names and mode of operation of communist organizations and prohibit the employment of members who belonged to Moscow-controlled organizations.

In 1953, President Eisenhower revised President Truman's Order by issuing, in its stead, Executive Order 10450, imposing upon the "head" of each Department and Agency the responsibility for establishing and maintaining an "effective program" to insure that the employment and retention in employment of any civilian officer or employee, "is clearly consistent with the interests of the national security."

THE COURT INTERVENES

There was criticism that some of the language used in building the base of Loyalty-Security Program laws, regulations and directives was full of ambiguities and vagaries. In 1956, the Supreme Court (*Cole vs. Young,* 351 U.S. 536) held that the August, 1950 Act did not clearly define "national security" and could only be applicable to "sensitive" jobs.

As the recent Report of the Internal Security Committee's Subcommittee on Loyalty-Security noted:

". . . the decision had both an immediate and a long-range impact upon the operation of the Loyalty-Security program. Its immediate impact was to nullify pending proceedings and a number of actions which had been taken during the previous 3 years. The agencies were compelled to restore 109 persons to employment and to award back pay in excess of $579,000. The decision's long-range result was even more serious. Since the date of the decision, there has literally been no implementation by the Departments or Agencies of a loyalty program with respect to nonsensitive positions under E. O. 10450 despite the fact that nonsensitive positions are said to embrace not less than 95 percent of the total civilian Federal work force."

Regrettably, the Justice Department never attempted to reform or amend the Order which the Court had termed both awkward in form and ambiguous.

The Order was amended in other ways, however.

In 1971, President Nixon tried to put new life and meaning into the program by replacing Executive Order 10450 with a new one—E. O. 11605—extending new duties and jurisdiction to the Subversive Activities Control Board. The Board had become almost non-functioning because of crippling court rulings and the failure of national Administrations for more than a decade to give it something to do.

The Nixon Order was immediately challenged in the Congress as being unconstitutional since it appeared that the Executive was attempting to delegate special power to a creation of the Legislative Branch without benefit of any legislative sanction to do so.

An effort was made in the last half of 1972 to give the Nixon Order a legislative mandate but the measure (H.R. 9669) passed the House only to die in the Senate. With the advent of the 93rd Congress in 1973, President Nixon submitted a proposed budget for Fiscal Year 1974 calling for an end to all funding of the SACB.

Even though the SACB had become a hollow shell— albeit through no particular fault of its own making—it did represent the one instrument which was originally designed to characterize communist organizations and to provide some measuring stick—at least as to that category of subversion—when applying the Loyalty-Security program. The vacuum thus effected by the abolition of SACB points up the growing disintegration of the machinery the government needs to cope with Federal employment security.

COURT STRIKES THE LOYALTY OATH

However, what prompted the Internal Security Committee to launch its sweeping examination of the Loyalty-Security Program in 1971 was a number of court decisions bearing upon the maintenance of the program. These culminated in *Stewart vs. Washington,* 301 F. Supp. 601 (1969), a decision of a three-judge District Court invalidating provisions of the revised Hatch Act requiring the taking of a loyalty oath as a condition of Federal employment, and *Boorda vs. Subversive Activities Control Board,* 421 F. 2d 1142 (1969), a decision of the Court of Appeals for the District of Columbia Circuit invalidating those provisions of the Subversive Activities Control Act authorizing the identification of members of Communist-action organizations.

In its Report, the Internal Security Subcommittee observed:

"It was a curious fact that the Department of Justice took no appeal from the lower court decision in *Stewart* although in this case important provisions of an act of Congress (5 U.S.C. 333 and 7311) were struck down which required that an individual be denied office or employment in the Government of the United States or of the District of Columbia unless he executed an affidavit that 1) he does not advocate 'the ovrethrow of our constitutional form of government,' and 2) is not a member of an organization 'that he knows advocates the overthrow of our constitutional form of government.' Of equal significance was the unexplained refusal of the Supreme Court of the United States (397 U.S. 1042) to review the decision in *Boorda.* In that case the Court of Appeals had held that the disclosure of Communist Party membership was 'constitutionally protected' by the First Amendment, except for those who join 'with the specific intent to further illegal action.' In voiding provisions of the Subversive Activities Control Act on that basis, the Court of Appeals had in effect overruled a prior and contrary decision of the U.S. Supreme Court itself. In *Communist Party vs. Subversive Activities Control Board,* 467 U.S. 1 (1961), the Supreme Court had as lately as 1961 expressly upheld the registration provisions of Section 7 of that Act requiring the disclosure of officers and members of Communist-action organizations."

Representatives of 24 principal Departments and Agencies of the Executive Branch were asked to appear before the subcommittee to testify on the actual operation of the Loyalty-Security Program.

The subcommittee directed its principal attention to five points of interest:

1. Whether or not the Departments and Agencies in which nonsensitive positions have been designated have established any procedures for the application of a loyalty program to such positions;

2. The extent to which reliance is placed on the Attorney General's list of subversive organizations, which has not been updated since 1955;

3. The extent of damage to the program by *Stewart vs Washington,* and other decisions by the courts;

4. Any recommendations Departments and Agencies might have for strengthening the program through remedial legislation, or other means;

5. Whether anyone known to be a past or present member of such organizations as the Communist Party—USA, Socialist Workers Party, and Progressive Labor Party was on the Federal payroll.

SUBCOMMITTEE'S FINDINGS

Six thousand pages of testimony later, the Subcommittee was able to reach a number of general conclusions, the more outstanding of which were enunciated as follows:

"The subcommittee finds that the Departments and Agencies have virtually abandoned the practice of postappointment dismissals on loyalty grounds. This failure in the postappointment program is pointed up in two decisive conditions which we have found to exist: 1) The bulk of the Departments and Agencies in which nonsensitive positions have been designated have not established regulations to implement dismissals from nonsensitive positions on loyalty grounds, and 2) they are not utilizing loyalty grounds as a basis for dismissals from sensitive positions under the 'national security' regulations which they have established. This is not to say that there is no effort whatsoever to exclude disloyal persons from Federal employment, but it is apparent that whatever remains of the loyalty program is principally confined to preappointment exclusions, and hence to applicants for sensitive positions only, a limitation under which the program cannot fully attain its objectives.

"Co-existing with the system of divided responsibilities for the exclusion and removal of persons on loyalty grounds is the absence of centralized direction and authority for its overall coordination and enforcement. In the judgment of the subcommittee, this absence of centralized direction is doubtless a major contributing factor to those failures which appear to exist in the administration of the program. Certainly the failure to reform the overall program following *Cole vs. Young,* the failure of the Departments and Agencies to update and maintain appropriate implementing regulations, the absence of uniformity in standards and practices, the delays and bypassing of responsibilities in loyalty adjudications, the failure in obvious cases to dismiss disloyal persons from nonsensitive positions, inadequacies in investigative or applicant forms or questionnaires, the failure to appeal lower court decisions adversely affecting the program, and generally the uneven capacity and expertise among personnel of the Departments and Agencies in the application of the program, are all in some measure, we believe, to be ascribed to the basic weakness in the organization of the program.

"At the present time, preappointment (the term is herein used interchangeably with 'preemployment') investigations are required only with respect to applicants for appointment to sensitive positions, and, as to such positions, the scope of the investigation is dependent upon the characterization of the position as critical-sensitive or noncritical-sensitive. As delineated in the Macy letter of November 18, 1965, to which we have previously referred, preappointment investigations are not conducted for access to 'non-sensitive' positions. A full field preappointment investigation is now generally required for access to critical-sensitive positions and a minimum preappointment NAC for access to non-critical-sensitive positions.

We are not in agreement with this arrangement.

"In our view a minimum degree of preemployment investigation should be mandatory for access to all positions, including those generally, although not always accurately, described as non-sensitive. We regard such preappointment investigations as essential to the effectiveness of the loyalty program."

The entire scope of the subcommittee inquiry has led to a number of recommendations which may be instituted by executive action without the necessity for legislation. This does not preclude the desirability for legislation, especially now that the SACB has been phased out of existence effective June 30, 1973.

The full Committee on Internal Security is now studying a number of proposals to supply Congressional authorization for strengthening the Loyalty-Security Program.

SUBCOMMITTEE'S CONCLUSIONS

The Report concludes "that the deficiencies in E. O. 10450, under which the present loyalty and security programs were authorized and were to be maintained, are so pervasive that we do not recommend the retention of the Order with such extensive patchwork as would be required to correct them. We thus recommend the immediate revocation of E. O. 10450 and its replacement by a comprehensive order establishing similar loyalty and security programs on the basis of specified standards."

Minimal standards and procedures would call for the appointment and retention of Federal civilian employees on the basis of an investigation to determine suitability on loyalty and security grounds. The extent of such an investigation would be governed by the degree of sensitivity in the position under consideration and the degree of adverse effect an occupant of the position could have on national security or on the mission of the Department or Agency concerned.

"The minimum degree of investigation for appointment to all positions within the Departments and Agencies should consist of a NACI, or national agency check with inquiries. Full field investigations shall be required for appointment to sensitive positions, and for appointment to any position with respect to which a NACI discloses information raising questions as to the applicant's loyalty.

"No person should be appointed to or employed in any position with respect to whom a NACI has not been made and the results favorably determined, or prior to the completion of a full field investigation in those instances where the NACI reveals unfavorable information as to the applicant's loyalty.

"No person shall be employed in any position designated as sensitive prior to the completion of a full field investigation and a favorable determination made of its results.

"Suitability standards for employment and retention in employment in the Federal civil service shall be promulgated by the Civil Service Commission, under rules established by the President, and shall be applicable to all Departments and Agencies. Such suitability standards shall include the specification of minimum standards of suitability for employment on loyalty and security grounds.

"No person shall be employed or retained in any position, whether or not sensitive, as to whom there is a reasonable doubt as to his loyalty to the Constitution of the United States.

"All administrative and other personnel charged with the responsibility for the conduct of investigations, review of investigative reports, evaluation and adjudication of suitability of employment or retention in employment on loyalty and security grounds, and hearings in connection therewith, shall be required to have a minimum degree of training and experience in the performance of their duties, and shall, in particular, be knowledgeable by reason of study, training, or experience of concepts of ideological subversive organizations, their diversity, leadership, and semantics, their organizational, recruitment, and indoctrination techniques and practices, their propaganda, agitation, and conflict doctrines, their objectives, strategies, and tactics.

"The Civil Service Commission, with the participation of the Federal Bureau of Investigation and other appropriate agencies, shall establish a permanent training school which shall provide instruction in depth to personnel and security officers, with specific emphasis on concepts of ideological subversion and the foregoing subjects, as well as other relevant subjects appropriate to the duties to be performed.

"There should be established, preferably in the Executive Office of the President, a central loyalty-security review agency, headed by a Director who shall be an assistant to the President, which shall be composed of persons of exceptional judgment, training and experience in this field. It shall have the function and authority to coordinate and provide for the establishment and maintenance of minimum, uniform practices and procedures within the executive agencies in carrying the loyalty and security programs into effect. In the performance of his responsibility the Director should make recommendations to the President which, when embodied in regulations or directives prepared by the Director and approved by the President, shall be binding upon the Department and Agencies concerned."

NO SENSE OF URGENCY

Admittedly, this is the very least that should be done immediately, and yet to the dismay of the subcommittee, neither the White House nor the Department of Justice has indicated any sense of urgency in rebuilding the Loyalty-Security Program.

It is to be hoped that this situation changes promptly in the interest of protecting the integrity of our Civil Service. Otherwise the government's ability to defend itself against penetration by those with subversive ties and attitudes will further vitiate the effectiveness of even the tattered remnants of the Loyalty-Security Program which exists today.

It is up to the citizenry of this nation who concern themselves with the strength of our internal security to let their will be known.

RICHARDSON PREYER,
Member of Congress.

BYELORUSSIAN INDEPENDENCE

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. SANDMAN. Mr. Speaker, March 25 marks the anniversary of the proclamation of independence by the people of Byelorussia.

After the Byelorussian people declared their independence, they were able, for a few brief months, to live according to their ideals and beliefs.

The Soviet Government which now rules the Byelorussian people certainly does not represent their wishes or hopes, but merely serves as an instrument of oppression. Thus, the Byelorussian people suffer in the same manner as the other captive peoples of communism under a cruel dictatorship.

As thousands of American citizens who are of Byelorussian ancestry know, their families and friends still in Byelorussia have no freedom to express their deep and individual liberty. Today all Americans join with our fellow citizens of Byelorussian ancestry in renewing our own devotion to the principles of freedom and in our deeply felt hope that the day is not far off when the people of Byelorussia as well as people everywhere, can join us in our enjoyment of the blessings of freedom.

PLIGHT OF THE RUSSIAN JEW

HON. MENDEL J. DAVIS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. DAVIS of South Carolina. Mr. Speaker, once again evidence has surfaced pertaining to the high cost of emigration for members of the Jewish faith in Russia. These Jews not only suffer a monetary loss, but mental anguish as well. I would like to present a newspaper article about such a Soviet citizen, Mr. Alexander Tiemkin. Here is a man who has been reduced to a common criminal in the eyes of the Russians simply because he and his daughter wish to seek a new life in Israel. I hope my colleagues will see fit to read this story, which apparently is the rule, rather than the exception. Perhaps as we hear more and more of these instances of maltreatment, we might finally take steps to bring them to halt.

The article follows:

RUSSIAN FIGHTS FOR FREEDOM

(By Dora Ann Reaves)

For Alexander Tiemkin being a Jew in Russia and applying to leave means becoming a criminal.

Tiemkin, a 43-year-old physicist, applied for emigration in February 1972 and was granted an exit visa in November. He has not left because his daughter was refused permission to go and was later taken from him.

On March 8 he was interviewed by telephone by Theodrore Levin of the Committee for Soviet Jewry of the Charleston Jewish Welfare Fund.

Tiemkin related that when he applied for an exit visa he gave up his Soviet citizenship. "That in itself is considered a crime against the State."

His daughter Marina also asked for permission to give up her citizenship, but never got a reply.

"Marina wants to go to Israel and she considers Israel her homeland," Tiemkin said. "Marina's mother is categorically against going to Israel and against Jewish culture and anything to do with Judaism or Jewishness . . . it reached to a point that she filed for divorce."

When Marina and her father went to pick up their visas they were told the child could not leave because of protests of her mother.

"On the seventeenth of January they stripped me of all my parental rights," Tiemkin elaborated. "My parental rights were taken away because of my behavior against the State regarding my influence towards my daughter."

Specific actions, he said, were Marina eating matzcs on Passover, receiving a gift from him for Rosh Hashanah, wearing a Star of David and resigning from the Pioneer Youth Organization.

"We don't even have to go into any more," Tiemkin told Levin, "There are countless things that I could list."

Tiemkin said that the trial which officially deprived him of his rights was a "kangaroo court."

He had waited from 8:30 a.m. to 11:30 p.m. and there were supposed to be 11 witnesses to testify. "It was a closed session and the entire session lasted for five minutes . . . do you really believe that three judges could analyze in five minutes whether or not I am a fit father."

On Feb. 22 he appealed and in closed session his appeal was denied. However, before the appeal was heard his daughter was taken. Both the closed session and the taking away of his daughter before the appeal were violations of Soviet law.

The child was taken while Tiemkin was staying at his mother's home. Four people burst in, he said.

"They informed us that they were carrying out the decision of the courts and depriving me of my parental rights and they dragged Marina away with force. . . . She screamed and yelled for help and physically fought them back, but what could she do against these enormous roughnecks."

Tiemkin believes his child has been placed in a concentration camp or a lunatic asylum. He hasn't seen his daughter since she was taken away and the State refuses to tell him anything about her.

Now he can only wait.

Levin told him cables have been sent to Brezhnev, Podgorny and Kosigyn, and that articles could be put in the paper and on radio and television about the maltreatment. He said the people also present at the interview would write and are concerned about his problems.

Tiemkin said, "I would like you to know that these are not problems—these are criminal offenses that they are committing."

"Give my regards to all our friends in the United States of America," he concluded, "and thank you very much."

WELFARE SCANDAL I

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. THOMSON of Wisconsin. Mr. Speaker, our welfare system is just as disastrous this year when no one is talking about it as it was last year during the election campaign. For two consecutive Congresses, the House has recognized the imperative need for reform and passed comprehensive reform legislation only to see it drastically altered and effectively killed in the Senate.

The abuses and failings of the present system which called forth the original impetus for reform are still with us. Improvements in our program of assistance for the aged, blind, and disabled have left the basic aid to families with dependent children as the chief offender.

Surveys have shown that the present welfare system has failed. It has failed the taxpayers by permitting waste and mismanagement and even fraud. It has failed the recipients by its demeaning personal supervision by social workers and its ineffectiveness in returning the employable to useful jobs.

Nationally, surveys have shown that for every 100 welfare cases, seven should not have been receiving any benefits, 14 are being overpaid and eight are being underpaid. The system fails those who cannot work, those who will not work, and those taxpayers who pay the bills.

For the past 3 weeks, the Milwaukee Sentinel has run a series of articles based on a 3-month investigation by two of its reporters of the operation of the Milwaukee County Welfare Department. Gene Cunningham and Stuart Wilk concluded that about $28 million or 20 percent of the welfare budget which, itself, is more than half the total county budget, was lost through welfare cheating, fraud, or administrative errors last year alone. An investigation is underway now in that city.

I intend to insert these articles into the CONGRESSIONAL RECORD during the next several weeks as a reminder to the Members that this continuing problem still demands our attention.

[From the Milwaukee Sentinel, Feb. 26, 1973]

Cheating, Errors, Fraud Found—Welfare Waste Bared—Cost to Public in 1972 Put at $28 Million

(By Gene Cunningham and Stuart Wilk)

Note.—3 Month Investigation. These stories are the first in a series of several detailing conditions in the County Welfare Department. They are the result of a three month investigation by two Milwaukee Sentinel reporter, Miss Gene Cunningham and Stuart Wilk. Miss Cunningham has been an investigative reporter for The Sentinel since 1966. She has reported on such subjects as gambling, organized crime, conditions in nursing homes, the Milwaukee County Infirmary and the Mental Health Center's South Division, as well as the activities of County Board Chairman Richard C. Nowakowski. Her work has prompted formal investigations by various governmental units and, in some cases, led to corrective action.

Miss Cunningham was named 1972 Wisconsin Newsman of the Year by Sigma Delta Chi, professional journalistic society.

Wilk first worked for The Sentinel in 1967 as an intern reporter. He rejoined the paper's staff in 1971 and has done general assignment reporting and reviewing. Last November he spent three weeks touring Wisconsin's Indian reservations for a series on "The Sons of Weese-Coh-Seh."

The Milwaukee County Welfare Department is wracked with fraud, waste, employe cheating, mismanagement and the confused bungling of bureaucracy.

A three month investigation of the department by Milwaukee Sentinel reporters turned up:

Double checks issued to welfare recipients.

Duplicate payments to cover recipients' bills.

Food stamps and bus passes sold for drinking money.

Widespread cheating on mileage and overtime by department employes.

Admissions by employes that they loaf, play or just "take off" during working hours.

Grants for as many as three refrigerators given to one recipient in less than four months.

Welfare checks mailed to local taverns.

Rent deposits paid by the department on condemned and substandard housing for recipients.

Housing "inspections" made by telephone.

Recipients receiving checks under two or three different names.

As much as 20% fraud and administrative error, amounting to an estimated $28 million in 1972.

A misunderstood or misused application system that invites fraud.

Policies and procedures that sound good as stated by department administrators but bear little resemblance to the practices of the system as carried out by caseworkers and case aides.

Almost 100,000 persons in Milwaukee County are on welfare—1 out of every 10 of the county's one million population—at a cost this year of $151.5 million.

How those millions of dollars get to those thousands of people is a story marked by waste, fraud and administrative error.

It's the story of bureaucracy gone wild—of 20 pounds of government how-to-do-it manuals, of a breakdown in communications between workers and administrators, of snowstorms of paper shuffling and of a system geared to quotas and quantities rather than efficiency and quality.

As one County Board supervisor put it, the welfare department has become "a huge complex beast."

Its regulations and procedures are mandated from above at the federal and state level, then snarled and "interperted 100 different ways by 100 different workers," as one department administrator put it.

It's an operation that invites fraud—from within and without—and it gets it.

Caseworkers and aides told Sentinel reporters in detail how they cheat the department.

It's the accepted practice in some divisions to cheat on mileage and overtime and to loaf or "take off" during working hours, they said.

Some employes go to movies, play tennis, go to the beach, play cards or read right in the department, or just leave and go home, they said.

The department rule on mileage, they said, is that anyone who drives 40 miles or more a day on the job has to explain where he drove.

As a result, some of the cheaters file monthly mileage claims reporting that they drove 39 miles practically every day, they said. Others simply "stretch" their mileage, they said.

Mileage claims on file at the County Department of Administration bear out their claim. A number of employes consistently reported driving 39 miles almost every day, with only occasional shorter distances thrown in.

The department pays 12 cents a mile for mileage traveled on the job.

One worker speculated that the amount of fraud committed by department employes is probably greater than that committed by welfare recipients.

It all costs—and so do the errors and misinterpretations, some of which, through practice, have almost become department policy.

For example—federal, state and local welfare officials insisted that case aides and workers can and, in some cases, should question applicants for welfare when the information given by the applicant seems untruthful or inaccurate.

But aides—and they are the ones who determine who gets on welfare—insisted that they are prohibited from asking questions. They were told they couldn't, they said.

At the same time, and perhaps in explanation of their practice of doling out grants without question, the aides said that they received only a "minimum amount of training" for their jobs and that there is no continuing training program to update them on regulations and procedures.

The welfare department has claimed that its fraud rate is as little as 1%.

Federal and county officials, fraud investigators and workers in the departments scoffed at that.

A study done for a County Board committee in 1970 established that the rate of fraud and department error—"inappropriately spent funds," the department calls it—actually was 20% in Aid to Families with Dependent Children, the largest single welfare category.

There has been no fraud study since that time, the department said.

The 20% fraud rate is still accurate and it exists across the board, not just in one category, said Supervisor William E. Nagel, chairman of the County Board's Welfare and Human Resources Committee.

This means, he said, that 20% of the total welfare budget is being "inappropriately spent."

That 20% fraud and error rate last year would have amounted to $28 million, and this year, more than $30 million—wasted.

Just a fraction of that amount could finance a program for the detection and prevention of fraud and error, Nagel said.

Such a program could save the taxpayers "untold millions which lurk behind the facade of deceit and administrative error," he said.

The County Board, Nagel said, has not given the welfare department the attention it needs, considering that it is the most costly operation in the county budget.

"It's (the department), a mess, but I can't indict the whole department. But it's enough of a mess that everyone should be concerned.

"Any private business with this much waste and inefficiency would go under. We must all do something about it," Nagel declared.

"I'd like to see it more efficient—to take care of those who are deserving and not make it so easy for those who are not.

"It's easier said than done," said Supervisor William F. O'Donnell, chairman of the County Welfare Board.

With all of the pressure from the state, the employes' union, management, the taxpayers and the recipients, "It's a wonder the thing runs at all," O'Donnell declared.

No one is more critical of the department than its workers. As one put it:

"The gross inefficiency and incompetence—it's staggering! If the public realized it, I think they'd go down there and demand change!"

MICKEY MOUSE LEFTIST INTELLECTUALS FIND POLITICAL ATTITUDES IN DONALD DUCK

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. RARICK. Mr. Speaker, a recent Associated Press news story datelined Rome confirmed what many conservatives have known for years: That liberal political theories are founded in pure fantasy.

The fear expressed by many observers is that the favorable public image Donald Duck has enjoyed over the years may now be tarnished by association with leftist intellectuals.

I request that the following news item follow:

[From the Washington Star-News, Mar. 21, 1973]

COMIC BOOKS BOOM

ROME.—Comic books are a $26 million business in Italy, with Mickey Mouse tops in popularity. Some leftist intellectuals are said to have discovered political theory in Donald Duck.

A BILL TO EXTEND THE DEADLINE FOR STATES TO DESIGNATE SEGMENTS OF THE INTERSTATE SYSTEM

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. FROEHLICH. Mr. Speaker, at the request of highway officials in Wisconsin, I have introduced a bill, H.R. 5701, to extend for 1 year the deadline for States to designate segments of the Interstate System. My bill is identical to section 112 of the Senate highway bill that passed last week. It is similar, but not identical, to section 107(e) of H.R. 5138, the bill introduced by the distinguished gentleman from Illinois (Mr. KLUCZYNSKI) at the request of the administration.

All these bills seek to amend section 103(g) of title 23. This section reads as follows:

> (g) The Secretary, on July 1, 1973, shall remove from designation as a part of the Interstate System every segment of such System for which a State has not established a schedule for the expenditure of funds for completion of construction of such segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not provided the Secretary with assurances satisfactory to him that such schedule will be met. Nothing in the preceding sentence shall be construed to prohibit the substitution prior to July 1, 1975, of alternative segments of the Interstate System which will meet the requirements of this title. Any segment of the Interstate System with respect to which a State has not submitted plans, specifications, and estimates for approval by the Secretary by July 1, 1975, shall be removed from designation as part of the Interstate System. No segment of the Interstate System removed under authority of the preceding sentence shall thereafter be designated as a part of the Interstate System.

My State is unable to comply with the requirements in the first sentence of this subsection by the date of July 1, 1973. Consequently, I am appealing to the House to amend the date in this subsection to July 1, 1974, in order to prevent the loss to Wisconsin of $150 million in interstate funding.

Our problem is with the Saukville to Milwaukee segment of I–57. This is a small segment of an interstate highway that will stretch from Green Bay in northeastern Wisconsin to the heart of Milwaukee. Because the Milwaukee segment will pass through a heavily populated urban area, there is a serious problem of housing displacement as well as major concern about environmental impact.

The State of Wisconsin is thoroughly committed to the eventual construction of this vital and needed segment, but it is also keenly aware of the social and environmental implications of constructing a major highway through an urban area. The State is now taking steps to ameliorate and resolve these problems, but this will take time.

To facilitate housing relocation, the State has passed legislation authorizing the establishment of the Wisconsin Housing Authority. However, because of a possible conflict with the State constitution, this legislation faces a court test before WHA can go into effect. This litigation cannot and will not be settled by the July 1 deadline. Nor will it be possible by this date for State and local officials to demonstrate that real progress is being made to come to grips with the housing displacement problem.

It is thus impossible for the State to fulfill the procedures necessary to designate the Saukville-to-Milwaukee segment of I–57 by July 1, 1973, without callously disregarding social problems, breaching commitments to local officials, and stirring up a hornet's nest of intense local opposition. Moreover, because of present uncertainties, it is equally impossible for Wisconsin to provide the Secretary of Transportation by July 1, 1973, with an honest and realistic "schedule of expenditure" that will satisfy an administrator who digs beneath the surface.

In short, unless the July 1, 1973, deadline is extended for 1 year—at which time Wisconsin will be able to meet its social responsibilities and provide the Secretary with the necessary commitment—my State will be forced to submit a contrived, flimsy, dishonest schedule to the Secretary—which could easily be rejected—or simply to forfeit our claim to $150 million in highway funds.

Wisconsin has an entirely legitimate concern that it will not be able to submit by July 1, 1973, "assurances satisfactory to" the Secretary that the schedule for the expenditure of funds "will be met." If we do not provide these assurances, the Secretary is required by section 103(g) to remove the Milwaukee segment from designation. With all due respect to the Secretary, I submit he would have a motive not to accept an application from Wisconsin that is not in perfect order. The President has already impounded $2.5 billion in highway funds. Rejecting Wisconsin's application would avoid the expenditure of an additional $150 million without resorting to impoundment.

Now, finally, there is another reason why section 103(g) should be amended. Even if Wisconsin's application were in perfect order, we could not now comply with the requirements of subsection 103 (g) because we do not expect to complete I–57 until 1980. The statute requires that a State submit:

> A schedule for the expenditure of funds for completion of construction of such segments *within the period of availability of funds authorized to be appropriated for completion of the Interstate System.*

If I am not mistaken, no money is authorized to be appropriated for completion of the Interstate System after June 30, 1976.

As a result, Wisconsin cannot safely submit its plan to the Secretary until such time as the Congress extends the period for completion of the Interstate System to 1980. If Congress does not extend the date for completion of the system, Wisconsin will never be able to submit an application that conforms to the requirements of the statute. If Congress for any reason—including Presidential veto—fails to extend the date for completion of the system before July 1 of this year, Wisconsin will be barred by section 103(g) from submitting the schedule required by that subsection, unless the submission deadline is changed to 1974.

Wisconsin has not dragged its feet in attempting to claim our share of the 1,500 additional miles of interstate that were authorized in 1968. On the contrary, we have tried to move forward with a sense of social responsibility, to minimize the effects of "the Federal bulldozer." Our record for completion of the other interstate highways in the State has been excellent.

I urgently appeal that section 103(g) be amended to preserve for Wisconsin the funds to which we are entitled.

BUSING, TRUE OR FALSE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. FRENZEL. Mr. Speaker, I would like to call to the attention of my colleagues an article by William Raspberry which appeared in the March 16 Washington Post entitled "Busing, True or False." Mr. Raspberry, a Washington columnist takes exception to the stereotyping of those who show less than complete enthusiasm for busing as a tool for achieving racial integration. His is an unusually balanced view in an area fraught with emotionalism.

At this point I include the article in the RECORD:

BUSING, TRUE OR FALSE

(By William Raspberry)

The U.S. Civil Rights Commission wants to believe that opposition to public school busing has its almost exclusive source in ignorance and bigotry.

And so it reads the results of a recent public opinion poll to "prove" exactly that.

It finds bigotry (and insincerity) in the fact that two-thirds of those polled say they favor integration as a national objective, while only 21 per cent offer general support for busing.

It finds ignorance in the fact that most of the respondents missed most of seven true-false questions about busing.

And it finds hope in the fact that the people who did best on the true-false questions tended to favor busing more than those who scored poorly.

With that sort of interpretation, it is perfectly natural to conclude that the way to sell busing to the American people is to inform the ignorant, expose the insincere and isolate the bigot.

Well, maybe. But the commission's conclusions don't necessarily flow from the Opinion Research Corp. poll.

I have a suggestion. Let Opinion Research put a pair of questions to the staff of the Civil Rights Commission: (1) As a national objective, do you favor racially integrated neighborhoods, that is, neighborhoods populated by both blacks and whites together? (2) Would you favor laws or court orders requiring that families residing in neighborhoods that are too white or too black be forcibly relocated to other neighborhoods in order to achieve neighborhood integration?

My guess is that the staffers would say Yes to Question No. 1 and No to Question No. 2. Yet, when the questions were put not in terms of neighborhoods but of schools and evoked the same yes/no responses, the Commission read it as bigoted and insincere.

The ignorance test involved questions relating to the status of court decisions, the approximate percentages of children now being bused for desegregation, the impact of desegregation on white students' test scores, the comparative safety of riding a bus or walking to school and the relative cost of busing.

Most people missed most of the questions, although nearly half answered correctly that busing is safer, statistically, than walking to school. But what does that mean? Except for one question, the impact of desegregation on white test scores, it's hard to see how informing the ignorant—that is, teaching people the right answers—would make the slightest difference in their attitudes toward busing.

The Civil Rights Commission, needless to say, feels otherwise.

"Too often public officials, educational leaders and members of the mass media have, unthinkingly, accepted the criticisms and passed on the slogans of busing opponents without troubling to examine the evidence."

And the people, in their ignorance, have rejected busing.

Well, maybe the people aren't so ignorant after all. Some people are against busing because they are opposed to integration; no doubt about it. But some are opposed to busing because they are opposed to busing; because they think there is social and educational validity to the neighborhood school; because they believe that there isn't anything at the end of an unnecesary bus trip to justify the economic, social and educational costs.

Desegregation is a racial issue, but it is a tragic mistake to suppose, as the Civil Rights Commission and perhaps the NAACP apparently suppose, that opposition to busing is a bigoted position.

Such a supposition might explain why, in the recent poll, only 17 per cent of the white respondents said they would be willing to send their children to a better school in a neighborhod where most residents were of the other race. But now explain why only 49 per cent—less than half—of the nonwhites questioned said they would be willing to send their children to that better school?

"The public is clearly confused," the Commission asserts. "The people have been misled. They believe, for example, that the Constitution should not be amended to limit desegregation [favored by only 30 per cent] but that it is all right for Congress to restrict the courts' power to order busing [57 per cent]."

Only lawyers immersed in civil rights and constitutional law would be confused by that seeming contradiction.

The poll results, taken altogether, seem to me to make a clear (and not at all discouraging) declaration of what Americans, black and white, see as a reasonable racial posture:

There should be no return to racial segregation. Racial integration, in fact, remains an important national goal. But it is not the *overriding* goal, to be achieved no matter what the cost. And you don't have to be a separatist, a bigot or a Tom to feel that way.

BUT WHAT HAPPENS TO THE GI'S?

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Ms. ABZUG. Mr. Speaker, now that most of the POW's are home and we can take time to reflect on the past decade, we see some ironic contrasts: the gala reception for prisoners of war versus the neglect of the ordinary GI; the administration's tributes to POW's, versus its attempt to cut benefits to GI's, even those who are handicapped.

Among those who ponder this paradox are two whose comments I would like to insert at this point:

[From the Evening Star and Daily News, Feb. 16, 1973]

PERSPECTIVE ON THE TEARS FOR THE POW'S

(By Carl Rowan)

Many a tear was shed these last few days as this nation welcomed home some of its prisoners of war.

It was hard for even the strongest man to keep dry eyes as he watched men who had known the unimaginable agonies of up to eight years of imprisonment walk into a new world of freedom.

Small wonder that, in passionate moments of gratitude, some Americans clamored to shower these POWs with special bonuses, benefits, gifts.

Yet, when the tears are wiped away and a less sentimental logic returns, we ask ourselves how man can ever achieve a world of peace when he is so easily swept away in chauvinistic emotions, or when momentary joy warps his long-range concept of where the rewards of gratitude ought to go.

We pour our hearts out to those bomber pilots who were unlucky enough to be shot down and imprisoned in North Vietnam. We agonize over their sufferings, real or imagined—and we never face the fact that most of us have never shed a tear for those who writhed, retched, died as a result of the bombs they dropped.

How can we be so moved to see those pilots when we have been so callously indifferent to their victims? Because the pilots are *ours*. And those who are *ours* are always more real, more human, more deserving of affection and compassion. Could that be a major frailty of the human species?

Surely, it is nationalistic chauvinism (some will call it "patriotism"), the feeding trough of warmakers. How many generations in how many lands will go on feasting there?

On a simpler level, it was so difficult to look at those POW wives and children who had endured lonely months of waiting, wondering, praying, without saying, "We owe them something special." And we do. Who could begrudge these former POWs whatever favors are bestowed upon them?

But then you think of the 46,000 families whose young men made a bigger sacrifice than even the most bedraggled of the POWs. They gave their lives. Much of the pain has now gone out of the hearts of their loved ones, so we are not torn by their cries of anguish in the night—surely not cries whose poignancy is fed to the entire nation by CBS and NBC.

So no one talks about special bonuses and benefits for the relatives of those who died.

Almost incredibly, the administration surfaced a plan to reduce federal benefits for some 535,000 ex-GIs who lost limbs or were otherwise seriously disabled in the Vietnam war. These wounded ex-GIs have friends in Congress who rose up to protect their benefits, and the proposed changes were quickly withdrawn.

All but forgotten are those who sloshed through the jungles and paddies, dodging the bullets of Charlie one night and the curse of heroin the next, and got back to their homeland in one whole piece, reasonably of sane mind.

Does anyone really offer any gratitude to them?

Tens of thousands of them are jobless, and growing more bitter toward their homeland every day.

They are back in families where there is never enough to eat or wear—where a doctor is someone you see in a dire emergency, if you find one then.

These are the young men who curse when they see how easy it is to get a truce in the war on poverty.

These are the young men who feel hopelessly outraged by talk of cutting more social programs here at home to free money for the rehabilitation of the Vietnams.

It would be so simple just to weep a little and rejoice a lot as our POWs come home. But it takes an occasion such as this to let us see ourselves in the reflection of our own tears.

Is what you see a people with their values all mixed up and confused?

FEBRUARY 22, 1973.

Mr. ROGER CHAPIN,
Executive Director,
Help Hospitalized Veterans,
San Diego, Calif.

DEAR MR. CHAPIN: Your appeal to the American people to "Help Hospitalized Veterans" is one more disgraceful episode in the Vietnamese disaster.

Not millions, but billions of dollars were spent to destroy a small nation and its people. The cost in men and material was extravagantly disregarded.

Your letter tells us about "the wounded veterans who must spend their days waiting and wondering what their future will hold". "Some are blind . . . some are crippled . . . some are disfigured beyond recognition. Most are bored and apprehensive because they have little to do but worry when . . . if ever . . . they will lead normal lives again".

Is this great nation so shameless, so without conscience that the "tax deductible" contributions from its citizens are needed? And is it so unable (or unwilling) to learn from the past that huge increases in armament, while making money for the industrialists involved, set the stage for the next round of broken, wounded, veterans who will have to face another grim and hopeless future?

Money for weapons—yes: for the victims of modern technology . . . alas, not much.

Unhappily yours,
MRS. LESTER NEUMAN.

ANNIVERSARY OF BYELORUSSIA INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. DERWINSKI. Mr. Speaker, as I have so often in the past, I, with special emphasis, direct the attention of the Members to Byelorussia's Independence Day.

First, may I direct the attention of the Members to a brief history of Byelorussia.

On March 25, 1917, Byelorussia, which had been part of the Russian empire, declared its independence. In 1919, it was conquered by the Communists who, in November 1917, had wrested power from the regime which had replaced that of the Romanoffs.

In 1945, Byelorussia was permitted to become a signatory member of the United Nations, of which she still is, but the Russian Soviet Government has denied the right of the Bielarusian people to rule themselves and establish direct diplomatic relations with other countries.

The Bielarusian people have been subjected to intensive Russianization by their Russian masters, who are the ruling class of the population in Byelorussia. In international contacts, it is the policy of the Soviet Union to give the impression that the Bielarusians are the same as the Russians. As a result of the presence of the Russians in Bielarus, the Bielarusian people are deprived of the use of their language in government, scientific and cultural institutions and schools with the exception in some rural areas only where the Bielarusian language is still allowed.

Mr. Speaker, let us hope and pray that some day in the not too far distant future the people of Byelorussia will be able to celebrate instead of merely observe their independence day.

WHY NOT EXISTING RAIL LINES FOR TRANSIT?

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ZWACH. Mr. Speaker, some time ago the House refused to divert highway trust funds for mass transit, but the Senate, just the other day, approved such a transfer.

I think one of the main areas of contention here is just what form this mass transit will take.

At the annual convention of the Minnesota Newspaper Association, the Herman Roe Editorial Writing Award was given to Bob Bork, of the Robbinsdale Post Publications, for his excellent development of the mass transit problem.

Mr. Speaker, with your permission, and for the edification of my colleagues as they think about mass transit, I would like to insert Mr. Bork's editorial in the CONGRESSIONAL RECORD. He has a simple, very valid, and mostly overlooked solution to this problem. Best of all, it would not entail a huge outpouring of Federal funds to effectuate it. He suggests that we reactivate and reschedule the already existing rail lines that were our first mass transit systems. The tracks and the equipment are there. All we need is the will to adopt this system.

The article follows:

WHY NOT EXISTING RAIL LINES FOR TRANSIT?

Members of the Metropolitan Transit Commission, surrounded by a mass of computers, authorities and advisors, may be missing the obvious right in front of them as they search for means to transport people in this area in the near and far future.

Gentlemen, it's right out there now—all it needs is some traffic volume: the existing railroad lines which long ago spun a web around the Twin Cities.

The accompanying map shows various railroad lines in the west, northwest and north suburbs of Minneapolis. These lines are used almost 100 per cent for freight operations each day—varying from heavy traffic on some to little or none on others.

MTC members certainly are aware of this possibility, but a plan calling for use of existing rails to move people into downtown areas and home again (plus from suburb to suburb) doesn't have much support from the people who are making these transit decisions.

One member of the commission told these newspapers a few weeks ago that the plan would be difficult because of heavy freight traffic on the various rail lines around here. If rails are used, the commission member said, it would have to be rails built right next to existing lines and used exclusively for transit!

We can't give freight volume figures for all railroads, but the Burlington Northern line running through Golden Valley, Robbinsdale, Crystal, Brooklyn Park, Osseo and points west has ONE freight train during daylight hours—and that rolls through here (right behind Post Publishing) about 3 p.m. each day.

Are we to believe that commuter trains can't take people into Minneapolis from this area in the morning and return them at night? Is it really necessary to build still another rail line next to these tracks if this means of transportation is selected?

And what's wrong with the system used in the Chicago area, where a number of railroads offer commuter service in bi-level cars, handled by "push-pull" locomotives that don't have to be turned around at the end of the line? Is it too ridiculous to vision the day when Osseo people can park their cars in a huge lot near the Osseo depot and ride commuter trains both ways to Minneapolis or even other suburbs? Or Crystal people doing the same thing with a station located where Bass Lake Road crosses the Burlington Northern tracks?

To start with, the equipment could be regular streamline coach cars now sitting idle since Amtrack took over operation of the nation's passenger trains. The yards are full of them. Diesel-electric power shouldn't offer much of a problem. Burlington Northern has at least a couple thousand diesels of various designs scattered throughout their vast system—and they scrap or trade hundreds of them periodically. During winter months, these diesels would have to be regular passenger types to provide steam heat, and they are around, because many of them are currently being used on freight runs.

This isn't the first time these newspapers have asked the MTC to further investigate the possibility of using existing rail lines for commuter service, and it probably won't be the last time. We are puzzled because the MTC staff hasn't given the public any valid reason why this plan isn't given more consideration.

They can talk busses all they want, with special lanes on freeways (nothing like that available around here), but how can you beat the speed commuter trains would offer? Start a train for Osseo and make passenger stops at Bass Lake Road in Crystal and 42nd Ave. N., in Robbinsdale—then non-stop into the downtown Burlington Northern depot.

On the west end, using Soo Line tracks, start a train in the vicinity of Winnetka Ave. No., in New Hope and make stops at Douglas Drive in Crystal, then France Ave. No., area in Brooklyn Center and Webber Parkway in North Minneapolis, then non-stop into the downtown depot.

As rail lines on the map show, there are many other possibilities also—including suburb to suburb travel, using the Minneapolis, Northfield & Southern tracks.

We think it deserves far more study than the Metropolitan Transit Commission has offered.

WHERE ARE CHEERS FOR NIXON?

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. BROWN of Ohio. Mr. Speaker, Mr. Philip W. Porter, one of the most distinguished veteran journalists in Ohio, writing in the Chagrin Falls, Ohio, Herald Sun, has expressed himself on his own very pertinent rhetorical question, in a manner revealing a most commendable measure of mature judgment and perspective. For the RECORD, here is what Phil Porter had to say:

WHERE ARE CHEERS FOR NIXON?

(By Philip W. Porter)

The peace deal for Vietnam has been agreed upon for several weeks now. The cease-fire has been declared. The formal papers were signed with great ceremony. The machinery to bring our prisoners of war back is grinding away.

I've been reading columnists, listening to commentators, and poring over magazines, but nowhere have I discovered any big cheer for President Nixon, the man who brought it off.

For two weeks in December, when he ordered the heavy bombing and kept his trap shut about why, all these molders of public opinion were giving him hell. They couldn't understand how he could do this, or why. The why was pretty obvious to me it was to get the North Viets back to negotiations. They came back, and the bombing stopped. Then came the final deal.

Not having the war to complain about any more, critics started looking for loopholes in the deal, suggesting the peace not only could, but probably would, be broken. They were all poised for the big double-cross It may come and I get the idea the critics may be unhappy if it doesn't.

There is something almost paranoid about the unwillingness of newspaper guys to applaud President Nixon. Well, I was a newspaper guy for 50 years, and I'd like to say a kind word for Nixon.

Nixon got the American troops out of Vietnam as he said he would. There were a half million of them when he became president. He got an agreement to return our POW's after the cease-fire. He got an agreement that gives South Vietnam a chance to survive He didn't pull out and leave them helpless.

He put pressure on the Red Chinese and the Russians to cool their help to the enemy, didn't he? Everything he promised about the war he made good on, except he didn't quite get it done before election, or inauguration.

I don't expect the journalistic anvil chorus against Nixon to stop, though the war is a dead issue. The boys will find some further way to rack him up. And I think I know why. He does not go out of his way to announce the news to them in little bits and pieces. When he's ready, he makes big announcements. He has held stand-up press conferences in front of TV, and has fielded questions rather well. But he does not hold them often, so they can pot-shot him with questions. He does it his way, not their way.

The news media expressed great surprise when Nixon, immediately after election, announced he was going to shake out his cabinet. Why the great surprise? It was an obvious plan to make the presidency more effective.

Nixon is a loner. He doesn't go out of his way to butter up journalists. He doesn't have newspaper chums he confides in, as many other presidents in this century have had. Jack Kennedy did. Harry Truman did. Lyndon Johnson pretended he did. Nixon prefers to think out decisions alone. If he can think better by himself, at Camp David or Key Biscayne, why must he imprison himself in the White House amidst all the flunkies and telephones?

Nixon is a political pro, who has done well gauging public reactions. The critics are not going to change his ways at this late date.

Isn't it time to accept him as he is, and give credit when it is due?

OUR BALANCE OF TRADE DEFICIT

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. HANNA. Mr. Speaker, for so long in the current debate over the U.S. balance of trade deficits, emphasis has been put almost solely on how the United States itself can benefit from pressuring certain of our trading partners into our definition of a more equitable trade posture. There are, however, many ways in which certain of these trading partners could reap substantial domestic benefits themselves from a readjustment of their trading policies.

Now, as we all know, much has been said during this debate over the trade policies being pursued by our Pacific partner, Japan. Suffice it to say that policies which have caused Japan's world trade surplus to climb from a 1965 balance of $1,901,000 to a 1971 balance of $7,787,000—in adjusted exchange rates—are long overdue for reevaluation or, to put it another way, such an imbalance can only lead one to conclude that Japan's policies of economic nationalism have reached a point of being incompatible not only with the international marketplace but also as regards its own domestic interests. I should note that we are not assuming a blameless posture in the current problems, for it has taken the United States, and Western Europe as well, far too long to acknowledge the emergence of Japan as a major partner in the international trade scene, an acknowledgement I have been urging since my early years as a Member of this body. Now, just as the rest of the world must accept Japan's new role in the international marketplace, so must Japan.

Given the substantial trade surplus with the world at large noted earlier, I believe Japan is shortchanging itself and its people by refusing—or at least evidencing a strong resistance—to liberalizing imports, the most immediate and meaningful response to such an imbalance. And here I believe we approach a very interesting factor in Japan's trade picture: Japan has endeavored via a massive capital reinvestment effort to rebuild itself in the last 25 years, a reinvestment effort that has shown remarkable success. One wonders, however, how long such a program can continue and remain productive and when it becomes counterproductive. I believe the inflation today in Japan could be dealt a severe and promising blow by a major liberalization of import restrictions. In addition, the standard of living, now held down artificially by such restrictions and inflation, could be raised drastically. The trade surplus has been, in effect and depending on your point of view, either exporting a potentially higher Japanese standard of living or restricting the importation of a higher standard of living present in many of Japan's trading partners, especially as reflected in our food production and levels of technological development in certain areas.

Japan is, therefore, effectively out of step with most of the world and must, for its own internal benefit as well as that of its trade relations, reassess its policies and get back in step.

OPEN DATING: THE KEY TO FRESH FOODS FOR CONSUMERS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ANNUNZIO. Mr. Speaker, in recent years, the American consumer has been introduced to a wide range of new food products, thanks to innovations in food processing and packaging. Foods are available in frozen, instant, ready-to-heat, and ready-to-serve varieties. Some manufactured foods contain preservatives designed to prolong their shelf life and palatability, while others are vigorously promoted, because they contain no such chemicals. Even basic, familiar foods are available in a multitude of forms. Consider, for example, the number of different brands and kinds of bread that are stocked in supermarkets and grocery stores across the country.

Shoppers must devote considerable energy to selecting, from this bewildering array, those foods that are of high quality and nutritional value, at a price they can afford. This careful shopping will be in vain, however, if the products chosen are not fresh when they are purchased, or if they spoil before they have been eaten.

Open dating is the pratice of labeling the packages or containers of perishable or semiperishable foods with a date after which the food should not be sold. Open dating can be the key to fresh food for American consumers.

Pressure brought by housewives and other consumers on the major retail grocery chains has resulted in the availability of the open dating of some perishable foods—notably dairy products and bread—in many American cities. However, the "pull date," that is, the last date on which that product can be sold as fresh, is often printed in a code form. Most consumers are unable to decipher these codes. Sometimes food store managers themselves cannot determine from these letters and numbers whether or not the contents of a given container are still fresh and wholesome.

In order to assist consumers in purchasing perishable and semiperishable foods, I have cosponsored H.R. 1654, the Open Dating Perishable Food Act, which would require that meaningful pull dates be included in the labeling of all foods, except for fresh fruits and vegetables, that are likely to spoil, or experience significant loss of nutritional value, or significant loss of palatability, as they age.

The date, expressed by day, month, and year, using familiar letter abbreviations for the months, would be conspicuously stated in a uniform location on the labels of all such foods. No special decoding information would be necessary. In addition, the labels would also be required to show the optimum temperature and humidity conditions for storage of the product by the consumer.

Pull dates would take into consideration the period during which a consumer can reasonably be expected to store that food. Thus, open dating, in combination with storage instructions, will insure that fresh, tasty foods, at their nutritional peak, will be available to American consumers.

Mr. Speaker, H.R. 1654 is worthy of close consideration by my colleagues, and I urge their support in the passage of this legislation.

SCHOOL OF THE OZARKS

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ICHORD. Mr. Speaker, in Missouri we take great pride in any advance in the field of education credited to the institutions of learning in our State. One school that has made rapid strides in a very few years is called the School of the Ozarks, founded as a boarding school for poor country youths back in 1906. Fifty years later it was converted to a junior college and in 1969 became a fully accredited liberal arts college.

It is an unusual school in that it gives a virtually free education in exchange for hard work by the students. In this process, School of the Ozarks not only educates young Missourians in the arts and sciences but in a wide variety of occupational and vocational subjects which will enable graduates to earn a living either with their brains or their muscles or both.

A report on the educational accomplishments of this college appeared on the front page of the Wall Street Journal, March 15, and I urge that this article be inserted at this point in the RECORD, not only because of personal pride that the Journal spotlight should fall on Missouri but because I think many of my colleagues would find this account of life at School of the Ozarks inspiring and enlightening.

The article follows:

HARD WORK U.: SCHOOL OF OZARKS MAKES THE STUDENTS DO THE CHORES

(By Richard Martin)

POINT LOOKOUT, MO.—"Work is love made visible," says an old bronze plaque on the campus.

And they really seem to believe that here at the School of the Ozarks, one of the most unusual little liberal-arts colleges in the country.

Commitment to the good old-fashioned work ethic, in fact, runs so deep here that honest toil is an integral part of the curriculum. Students don't pay room, board or tuition here, they work their way through college doing everything from typing tests and mopping floors to driving bulldozers, butchering hogs and selling orchids—and those who shirk their assigned campus jobs flunk out.

The college is an educational anachronism in some respects: It's a bastion of short hair, strict parietal rules and compulsory chapel twice a week; it's a place where the whole faculty teaches and good grades are important. But it's noteworthy in other ways, too: It's innovative and imaginative when it comes to finances and fund-raising; it's a pioneer at supplementing liberal-arts studies with practical vocational skills.

"The School of the Ozarks represents an idea whose time has come," says William W. Gordon, executive vice president of the Council for Financial Aid to Education Inc., a New York nonprofit organization set up to encourage contributions to higher education. "Integrating more occupational education with the liberal arts is an important new trend in higher education, and one that has been too long in coming."

TREMENDOUSLY IMPRESSED

On a recent visit to the school, "I sat in on some classes, and I was quite impressed," Mr. Gordon says. "The level of teaching isn't up to Stanford or Harvard or the University of Chicago, of course, but it is pretty good, and it's right up to date. I think they ought to throw off some of their parochialism and draw students from a wider area, but overall I'm tremendously impressed with the place."

School of the Ozarks, founded by a Presbyterian preacher in 1906, originally was a free boarding school where hillbilly youngsters came to learn to read and write and earned their keep by doing the chores and raising their own food. It evolved into a junior college by 1956, switched to a four-year curriculum in 1964 and became a fully accredited liberal-arts college in 1969.

But students still earn their keep, working four hours daily after classes during the 42-week school year and working full 40-hour weeks between trimesters during three of their 10 weeks off. That's a total of 960 hours a year. They earn credit, not cash, at a rate of $1.60 an hour, which means they work off 28% of the $5,374-a-year cost of housing and educating them.

Supervised by a small full-time staff, students still do most of the chores and produce their own meat and dairy products. They also build dormitories and classrooms and run a score of profit-making "campus industries," including an airport, farm, summer theater, candy kitchen, taxidermy shop and restaurant.

A TOURIST ATTRACTION

The school sits on a bluff above Lake Taneycomo in the scenic southwest corner of Missouri, and it's a minor tourist attraction. There's a big neon sign advertising the school on Highway 65, a miniature train to haul tourists around the 900-acre campus and a student-run gift shop selling fudge, fruitcakes, jams, candles, pottery, quilts and $100 nativity sets produced by the campus industries.

About 80% of the 1,074 students still come from the Ozark hills along the Missouri-Arkansas border, mostly from hardscrabble farms and towns with names like Blue Eye, Oscar and Owls Bend. The bulk of the other 20% are from rural areas of adjacent states. Most were B students in high school. They are admitted largely on the basis of need, and about three out of four applicants are turned away. In a survey of this year's incoming freshmen, 91% said they chose the school because they couldn't afford to go anywhere else. Only 30% said their family income was over $7,500, and just 17% said it was over $9,000.

They look and act and talk pretty much like college students anywhere. They have the usual array of pictures and campus heroes like W. C. Fields and Gloria Steinem in their cluttered dormitory rooms, and they have the usual gripes about food, faculty and administration. A few chafe openly at some of the rules (no beards, "tasteful" attire, 11 p.m. weeknight curfew, and 1 a.m. weekends, no smoking except in the dorms and the student union), but they abide by them. Students' cars are kept off campus in a fenced lot that's open on weekends and reluctantly unlocked weeknights for those with outside jobs.

I LIKE IT HERE

The isolation bothers some. A little cafe in a gas station across the highway from the main gate is the closest thing to an off-campus hangout. It's two miles to a bowling alley; six miles to a movie, dance hall or beer joint. The nearest city of any size is Springfield, 40 miles away. (But in nearby Branson, Alexander's drugstore still sells five-cent double-dip ice cream cones and 10-cent sundaes.) There isn't much to do on campus besides work and study. Except for occasional old movies, guest lecturers and cultural offierings like the Memphis State String Quartet and Jose Greco's troupe, the main diversions are swimming, handball, tennis and pool.

Nevertheless, most students seem content. "I like it here," says Mike Friend, a freshman business major. "I didn't want to graduate from college with a big debt hanging over my head." Betty Jo Biggs, a senior psychology major, calls it "a super neat place to go to school." She adds: "I'm even glad we've got a dress code when I go somewhere else and see all the freaky looking guys with long hair and beards and the girls wearing curlers."

"Students dislike the stigma of going to a school for poor kids, even if they are poor," says Maxine Trimble, associate dean of students. "I think most of them really do love the school. It isn't wall-to-wall Camelot, but it's a nice place. I don't think they're ungrateful for the opportunity to be here."

It's a good thing they aren't. "Ingratitude is one thing that absolutely outrages me," declares M. Graham Clark, the crusty, authoritarian, 64-year-old president of School of the Ozarks. He left a $40,000 job as an Atlanta insurance executive in 1946 for a $3,000 job as vice president of the school, and he has been here ever since.

He became president in 1952, and he gets most of the credit for transforming a seedy, second-rate high school into a burgeoning little college. He did it by traveling tirelessly to raise funds while running the school almost singlehandedly. He once crawled out from under a road grader he was repairing to greet a lawyer from a foundation. "That turned out to be worth about $500,000 to us," recalls Mr. Clark. "He'd never seen a college president working before."

He's an effusive gladhander and speechmaker, with a hill country joke or a Bible quotation for every occasion. He's also a tough administrator, who has two-way radios as well as telephones in his car and at his bedside to keep him in constant touch with every corner of the campus. The vice presidents call him "Godfather." ("Some guys around here won't even start a truck without an okay from him," says one.) "Sure I'm a dictator," drawls Mr. Clark. "But I'm a benevolent one."

He's paid $26,000 a year as president, less than some of the vice presidents make. "But I also have some wonderful fringe benefits, like free milk from our fine dairy and getting to travel all over the world to tell people about School of the Ozarks," he says.

Like many other private colleges and universities, the school is in deficit right now, borrowing from banks to pay current operating costs. The deficit was $451,000 last year. The school has assets of $25 million, though, including some 870 scattered acres of nearby farmlands, pastures and woods, and some common stocks that could be sold if the pinch gets too tight. "Right now we're better off holding those investments and borrowing at the prime rate," says Mr. Clark. "We obviously can't continue to operate this way indefinitely, but I'm convinced that God will provide."

He's also convinced that the Lord helps those who help themselves, judging from the magnitude of the school's fund-raising activities—an unceasing and highly successful campaign of personal entreaties backed by blizzards of direct-mail appeals. Individual contributors' cash gifts, bequests and private trust funds brought the school $2.4 million in cash last year, or two-thirds of its entire cash income. (Of the remaining $1.2 million, the school's $7.5 million endowment brought in $293,000 cash, campus industries netted $450,000, federal grants totaled $270,000 and foundations gave $82,000.)

Some 60,000 visitors last year trooped through the school's gift shop and museum or went to plays in the summer theater or heard concerts on the massive old Wurlitzer theater organ in the auditorium, and many of those visitors gave money to the school. "There's a 50–50 chance that anybody who visits this place will become a contributor," figures John P. Knox, Jr., vice president for development, "especially people who grew up during the Depression and had to claw their way up. They come here and immediately identify with what we're doing and see the merit of it."

School officials say they never turn down a gift. "We'll take anything from flowers to broken down jalopies," says Mr. Knox. A retired orchid raiser gave them four greenhouses full of rare orchid plants last year. A milling executive has just built a replica of an 1850 water mill that's selling stone-ground corn meal to visitors and to bakeries in Little Rock and Springfield. The sprawling, three-story museum overflows with relics, artifacts and collections of things ranging from apothecary jars to vaudeville props, all given by hundreds of individuals.

"We'll build a school of horticulture complex around the orchid greenhouses and sell blooms," says Mr. Knox. "The orchids will attract people, just as the mill and museum do. These things all draw people of varied interests and keep them coming back."

Mr. Clark's physician gave the school its first plane seven years ago when Mr. Clark was driving a car 72,000 miles a year "selling the gospel of the School of the Ozark." That led to a dozen more planes and a small campus airport that pumps 100,000 gallons of gas a year, has 3,000 takeoffs and landings a month during tourist season and offers flying lessons, rentals, charters and air-taxi service.

Corporate donors send the school vitamins, toothbrushes, mouthwash, foodstuffs and pharmaceuticals. Used clothing from church groups and sample merchandise and seconds from shoe companies and apparel makers come into the campus thrift shop, which sold or gave away 22,000 items to students last year, including 1,568 pairs of J. C. Penney display shoes that sold for $1 to $3 and some shopworn wedding gowns from an Iowa store that went for $3 each.

School officials are avid bargain hunters. "I've never seen anyone stretch dollars like they do; nothing is wasted," says Mr. Gordon of the Council for Financial Aid to Education. About 75% of the school's equipment, everything from lights and file cabinets to motorscooters and cement mixers, comes from government surplus sales. One end of the campus is a junkyard of trucks, buses and heavy machinery being cannibalized to keep generators, dredges and other equipment running.

Students in the machine shop built the campus fire engine last year. Students in the construction shops, aided and supervised by 50 staff tradesmen, are building a $1.1 million student union, a $1 million science building, a $135,000 horticulture building and a new museum wing. "It takes us longer, but we can pretty well count on a 25% saving on construction costs," says William D. Todd, vice president and dean of administration. He says the union will take two years to build, "twice as long as it would take an outside contractor."

"People who come here and see these things are impressed, and they're going to remember that they can get more for their dollars here than they can by giving them somewhere else," says Mr. Knox, who worked out what may be the ultimate in money stretching in arranging financing for the new student union.

He took $250,000 that alumni had raised for the $1.1 million building and invested it in bonds paying 7% interest. The government will pay two-thirds of the 9% interest costs on the $1.1 million bank loan under a Housing and Urban Development Department program. Income from a 500-seat public restaurant, a 12-unit motel and a bowling alley in the new union is expected to pay off the loan over a 20-year period, leaving the school with the alumni's original $250,000 still intact.

Campus industries that can't at least come close to covering the costs of employing students don't last long. A cannery and a sawmill were closed years ago, and the furniture factory no longer makes furniture—it refinishes pieces for dormitories and offices and makes walnut gun racks, picture frames and footrests instead.

"We used to be a big maker of church pews and other furniture for churches," says Mel Walker, the manager. "But we finally swore off that business. Churches just aren't the world's best customers when it comes time to pay their bills."

The school is getting into the stained-glass business now. A banker who foreclosed on a stained-glass company in St. Joseph, Mo., "called me one day and asked if I'd like to have the inventory of glass and lead," President Clark explains. "He'd heard me talk somewhere, and he thought we could use it for a student industry." Pointing out a colorful grouping of stained-glass fish on a bookshelf in his office, he adds: "Some nut offered me $200 for that thing the other day. Why it's nothing but a few pieces of glass, a little bit of lead and some good imagination. We could sell a lot of little things like that in our gift shop."

The school offers majors in 22 academic fields. An accreditation committee of the North Central Association of Colleges and Secondary Schools, in April 1971, found "a lack of academic excitement" here, but said: "The faculty is generally competent, in some cases outstanding." There are 30 faculty members who have PhDs; the other 37 have master's degrees.

Nearly all faculty members carry 12-hour teaching loads, heavier than loads on most campuses. Most teach all three trimesters a year. Salaries range from $7,600 to $18,300.

There's a fat file of applicants for faculty jobs. "We've got a whole student body here that's well motivated and willing to work hard; you don't find students like that in a lot of schools," says Bob Hendrickson, chairman of the six-man English department. "I worked all during junior high and high school growing up in Tulsa, and I worked 40 hours a week to get through college, so I feel I can understand these kids' feelings and relate well to them," adds Mr. Hendrickson.

David B. Oliver, 30-year-old chairman of the two-man sociology department and a specialist on problems of the aging, turned down recent job offers "for considerably more money" from two big state universities and an Ivy League school. "I can do my research here and still have the contact with students that I like," he says. "Of course, people also like it here because it's not only a good place to teach other kids, it's a good place to raise your own."

The academic program is gradually becoming more vocationally oriented. "I don't want to see us throw out the true liberal-arts program, but getting a job nowadays with only a liberal-arts education gets to be a problem," says Mr. Clark. "When a student leaves here we want him to feel confident that there's a job waiting for him out there."

He says he'd like to "offer a degree in aviation-airframe-and-power-plant mechanics, and I'd like to turn out real good computer programmers with degrees. Maybe we should even offer a degree in milling—not for a dusty man running a grinding machine, but for mill managers who would leave here knowing the business inside out."

Karl Jensen, a senior with a dual major in history and criminal justice, says his most meaningful learning experiences came not in the classrooms but on the jobs he held at the dairy, airport and fire department. He's chief of the 22-student fire company now, and he says: "I've learned to take responsibilities and have had the opportunities to take them that I just wouldn't have had anywhere else." He hopes to work his way through law school somewhere as a policeman or fireman.

About 12% of the students flunk out or drop out annually. "We get some whose parents or other relatives have pushed them into coming here, hoping that the school would do them some good, maybe straighten them out; they usually don't last long," says Howell Keeter, the associate dean who supervises the work program. The "junior blues" cause some attrition, too, says Wayne Huddleston, vice president for academic affairs. "That's when a kid running a crane or bulldozer realizes that with the skill he already has he can leave and make more money than he can by staying here and getting a degree."

Nearly 70% of the school's graduates in the past have become teachers, mostly in nearby rural districts. A smattering go into engineering, accounting, medicine and law. The rest go into business.

This year's campus recruiting schedule includes American Telephone & Telegraph's long-lines division, Brunswick, General Electric, S. S. Kresge, Southwestern Bell and Zenith in addition to a clutch of federal agencies and some local employers from Springfield. The school's graduates, "are probably the most industrious students I have come across," says Fred Bumgarner, a Southwestern Bell recruiter who has hired several in the past. "They rank with almost any we see in any other schools in Missouri."

Fred M. Morrow, superintendent of schools in Popular Bluff, Mo., which has 300 teachers in 14 schools, says he has hired "six or seven" School of the Ozarks grads over the past few years. "They are hard workers who have learned a real sense of responsibility. We're very pleased with them," he says. "I wish my own kids would have had a chance to go there."

THE FOLLY OF DERECOGNIZING TAIWAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. CRANE. Mr. Speaker, the current discussion about normalizing the relations between the United States and Communist China seems, unfortunately, not to be taking into consideration our responsibility, both moral and legal, to the Government of the Republic of China on Taiwan.

Discussing the current trend in diplomacy, the New York Daily News noted in its editorial of February 23, 1973, that—

> U.S.-Taiwan ties seem to loosen every time Americans and Red Chinese representatives exchange handclasps and blow kisses at each other. Let's not rush this courtship if it means jilting a steadfast friend and ally. Nothing we could obtain from Red China

> would be worth the dishonor the U.S. would suffer if it sold the free Chinese into Communist slavery.

It seems clear that if America's commitment is not valid in Taiwan, it is not valid anywhere. If the people of the Republic of China cannot depend upon the treaty commitments of the United States, neither can our allies in Europe, in the Middle East, or in any other part of the world.

In a thoughtful and important letter to the New York Times, Prof. Frank Trager pointed out that—

> It is one thing to recognize Peking . . . it is quite another to sever relations with Taipei, a long time ally and friendly power.

Addressing Senator HENRY JACKSON, of Washington, who has called for U.S. diplomatic recognition of Communist China, Professor Trager asks:

> What has the Republic of China—Nationalist China—done to deserve the severence treatment he now proposes? There is no evidence to support his view.

The fact is, notes Professor Trager—

> The Nationalist Chinese. Government on Taiwan and the fifteen million people there have done no wrong except refusing to be ruled by the Communist Chinese party. We, as Americans, must not in full conscience, "derecognize" it just because Peking insists that this is the price we pay.

American honor demands that we respect the legal and moral commitments we have made to the people and the Government of the Republic of China. It is impossible that national interest and national honor would dictate radically different courses of action. In the long run, the two must be the same.

I wish to share Professor Trager's letter to the New York Times of February 18, 1973, with my colleagues, and insert it into the RECORD at this time.

The article follows:

> ON THE FOLLY OF "DERECOGNIZING" TAIWAN
>
> To the Editor:
>
> On Feb. 5 The Times reported that Senator Henry M. Jackson called for U.S. diplomatic recognition of the People's Republic of China (Peking) and the severance of formal diplomatic ties with the Republic of China (Taipei), while somehow retaining our treaty commitments with it.
>
> There is no present Senator whom I respect more then "Scoop" Jackson. For years I have directed my graduate students in National Security Affairs to his well-researched and most laudable efforts in behalf of the defense and security of our country. His Feb. 5 statement is so contrary to his general stance on foreign policy issues that it should not go unnoticed and unquestioned.
>
> It is one thing to recognize Peking, a quondam (?) hostile power; it is quite another to sever relations with Taipei, a long-time ally and friendly power. Should, for example, the U.S. sever its relations with West Germany or South Korea or South Vietnam, in order respectively to recognize East Germany or North Korea or North Vietnam? The question is rhetorical. It is improbable that any responsible American would recommend such policy—certainly not Senator Jackson—though many Americans at this time would probably accept a policy calling for recognition of the three Communist governments. The resulting situation, if such recognition came to pass, would be one in which the U.S. acquired formal diplomatic ties with each of two governments inhabiting different parts of the one traditional geographic entity.
>
> Thus, it is appropriate to ask Senator Jackson: What has the Republic of China—Nationalist China—done to deserve the severance treatment he now proposes? There is no evidence to support his view. Misguided opportunism alone would justify it.
>
> The Nationalist Chinese Government on Taiwan and the fifteen million people there have done no wrong except refusing to be ruled by the Communist Chinese party. We, as Americans, must not, in full conscience, "derecognize" it just because Peking insists that this be the price we pay.
>
> President Nixon, wisely thus far, has refused to pay that price. In his second inaugural address, he reiterated that "we shall respect our treaty commitments." In this regard, I am puzzled by Senator Jackson's contention that somehow we can sever full diplomatic relations with Taipei while continuing to fulfill treaty commitments to defend its government and people. The mutual Defense Treaty of 1954 was concluded between the United States and the Republic of China. If we no longer recognize that government, how can anyone legitimately argue that a treaty we signed with it could remain in force?
>
> FRANK N. TRAGER.

OBSERVANCE OF THE ANNIVERSARY OF EMANCIPATION DAY IN PUERTO RICO

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ROONEY of New York. Mr. Speaker, today the people of Puerto Rico observe the anniversary of their Emancipation Day—the day marking the freeing of the slaves by the Spanish. It is well and fitting that we join with the citizens of the Commonwealth and Puerto Ricans everywhere in celebrating this day.

Puerto Rico and her people have been important to the development of our country both as a territory and then later as a commonwealth. It was just 21 years ago that Puerto Rico achieved her unique status as a Commonwealth and I am proud. Mr. Speaker, to have played a part in that achievement.

With a sincere deep pride I remember the courtesy of our late beloved Speaker Sam Rayburn who permitted me to chair the proceedings on May 28, 1952, which gave Puerto Rico her autonomy and at the same time permitted her to enjoy the position of an associated State in our federal system. The gavel that was used on that historic occasion was autographed, dated, and presented to me by Speaker Rayburn. I, in turn, presented it in 1970 to Gov. Luis A. Ferre of Puerto Rico.

There followed that act of Congress a program, still not completed, of improving the welfare and livelihood of the people of Puerto Rico. It has not been an easy task. But it was a task that the people of the island turned to with a vigor unmatched in the history of Latin America.

The same touch of genius and strength of purpose that has produced a better way of life in Puerto Rico today had its just awakening in the rebellion against the most heinous of all human crimes—slavery. Puerto Rico produced men like Roman Baldorioty de Castro, Jose Julian Acosta, Ramon Emertario Batances, Segrundo Ruiz Belvis, Julio L. de Vizcarondo—all were champions of the anti-slavery crusade, and through their efforts set the stage for freedom. Campaigning, arguing, manumitting their own slaves, organizing, and propagandizing, they forced the issue upon the Government of Spain, until at last freedom was accorded the slaves of Puerto Rico.

In the struggle for independence and democracy, every victorious step along the way is vital to the democratic cause. Triumph in Puerto Rico was greeted with cheers by free men everywhere. The spirit engendered by this development ignited the hopes of people persecuted by tyranny in every depotism on earth.

It is with a sense of great satisfaction that we hail the occasion of Puerto Rican Emancipation Day. For as free men in the Western World we know the value and the merits of liberty, and dread the cause of slavery and oppression.

TAX CREDIT OR TREASURY PAYMENT FOR PROPERTY TAXES PAID BY ELDERLY POOR INTRODUCED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. FINDLEY. Mr. Speaker, 18 Members of Congress are joining me today in reintroducing H.R 11640, a bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65. A list of the cosponsors follows my remarks. Each believes that it is time to do something about—to use the President's phrase—"the crushing burden of property taxes for older Americans" The cosponsors are:

LIST OF COSPONSORS

James A. Burke (D-Mass.)
Shirley Chisholm (D-N.Y.)
John Conyers, Jr. (D-Mich.)
Robert F. Drinan (D-Mass.)
Joshua Eilberg (D-Pa.)
William J. Green (D-Pa.)
Lee H. Hamilton (D-Ind.)
James Harvey (R-Mich.)
Margaret M. Heckler (R-Mass.)
Paul N. McCloskey, Jr. (R-Calif.)
Bertram L. Podell (D-N.Y.)
Tom Railsback (R-Ill.)
Donald W. Riegle, Jr. (D-Mich.)
Robert H. Steele (R-Conn.)
Charles Thone (R-Nebr.)
William F. Walsh (R-N.Y.)
Antonio Borja Won Pat (D-Guam.)
John W. Wydler (R-N.Y.)

Probably the one thing which most jeopardizes the security of old age, which most threatens the happiness of older Americans, is the property tax. The effect which it can have upon the elderly can be devastating.

The facts are that 70 percent of all

Americans over 65 own their homes. It is the accumulation of a life's work, containing the memories, both happy and sad, of marriage, children, and all the things that make up life.

Yet, spiraling property taxes are forcing many to sell their homes and move into small, cramped, unfamiliar quarters, or to liquidate precious retirement assets which should be used sparingly only to provide for the necessities of old age. Those who live in apartments feel the burden just as painfully in the form of rent increases.

In the last 5 years alone, property taxes have shot up by 40 percent. Those over 65 generally live on greatly reduced incomes which are either fixed or declining. Income taxes take their changed economic status into account, but ever-increasing property taxes do not. As the President told the White House Conference on Aging:

> Because of property taxes, the same home which has been a symbol of their independence often becomes the cause of their impoverishment.

This bill we are introducing today provides older Americans of low income a $300 Federal income tax credit, or a payment from the U.S. Treasury if they pay no income taxes, to offset State and local property taxes they must pay on their homes.

Those over 65 whose annual income is under $6,500 would be eligible, whether they own their own house or not. If they rent, the portion of rent which covers taxes will be computed. If their Federal income tax is $300 or less, they will be eligible for a payment from the U.S. Treasury instead of a tax credit to make up the difference. The maximum tax credit or payment will be $300.

This tax break for the elderly will not be inexpensive, but we can be sure that the money will be going to those who most need it. It is estimated that three quarters of the cost to the Treasury will be in the form of direct payments to those elderly whose income is so low that they pay no income taxes at all. This should surprise no one, since a congressional committee has estimated that 1 out of every 4 older Americans lives on an income of less than $2,000 per year.

These are the people who desperately need help. These are the ones who will not be helped at all by other proposals for property tax reform. President Nixon has wisely recommended a complete overhaul of our property taxes and of our whole system of financing public education, but such an overhaul will undoubtedly be too little and too late to help the elderly who are now being crushed by property taxes. Only this week the Supreme Court upheld the constitutionality of property taxes. Whatever reform is finally adopted—whether it be revenue sharing, "piggybacking," a national sales tax, or some other—no one suggests that already high property taxes will decline. Yet it is today's high property taxes which are forcing too many Americans to sell their homes and spend their last years in poverty.

President Nixon told the Aging Conference:

> These remedies will involve large sums of money. But we are prepared, however, to make the hard decisions we are going to have to make to provide property tax relief.

The Members who cosponsor this bill today are similarly prepared to make those hard decisions.

I hope that at an early date hearings will be scheduled on this bill, and that when older Americans file their 1973 tax returns, they can look forward to a Federal tax credit or payment for the property taxes they must pay.

VA HOSPITALS IN MILES CITY AND HELENA, MONT., DOING AN EXCELLENT JOB

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. SHOUP. Mr. Speaker, the newspapers have been filled with criticism of our Veterans' Administration hospitals during the past 2 weeks, stemming mostly from a study made by the Nader group.

I have been concerned about the reports that appeared in the news media, and I am pleased today to submit articles from the Billings Gazette, the Miles City Star and the Independent Record of Helena, detailing the fine care given to Montana veterans by the two Veterans' Administration hospitals in Montana.

I think it is good for my colleagues to see both sides of the story, and to appreciate the fact that the VA hospitals in Miles City and Helena are doing excellent jobs caring for Montana veterans.

The articles follow:

[From the Billings (Mont.) Gazette, Mar. 10, 1973]

STATE VA HOSPITAL DEFENDED

(By Oscar Chaffee)

MILES CITY.—Criticisms leveled by congressional investigators at some veterans hospitals do not apply to the Veterans Administration hospital at Miles City, James C. Hickey, director, said Friday.

Hickey said the Miles City hospital has no waiting list and has not had one for a long time.

All eligible veterans needing hospitalization are admitted immediately at Miles City, Hickey said. He added that some "non-emergent" cases—those not requiring immediate hospitalization—may be scheduled for later when the patient load is not heavy, but none must wait more than 15 days. "If a delay of more than 15 days is experienced, a bed must be located in another hospital for any service-connected ailment," he said.

Hickey also denied the charge of "cramped quarters" in the general criticism of VA hospitals. "Our space (at Miles City) is adequate and will be even better when a new intensive-care-unit/coronary-care-unit is completed this summer," he said.

Another criticism was that hospital patients seldom see a nurse. Hickey said that at Miles City "nursing care is excellent and no patient is neglected. The nursing staff is adequate in numbers and of highest quality. We get no complaints about nursing care or the food."

He pointed out that the nursing staff at Miles City has been increased from 19 nurses in fiscal 1970 to 29 in fiscal 1973. In addition, the number of licensed practical nurses and nursing assistants was increased from 17 to 23. At one time, the ratio of nursing employes to patients was one employe to 1.9 patients, and now is one to 1.5.

The overall staff at Miles City has been increased from 123 to 154 in the last three years, and now is in the ratio of 1.9 to 1 patient. The optimum ratio is considered to be 2 to 1, Hickey said

In the last year, Hickey added, a 20-bed nursing home has been opened in connection with the Miles City hospital. Nursing home patients must first be hospitalized, then transferred to the nursing home if that type care is designated.

Hickey pointed to increasing use of the Miles City hospital, with admissions increasing from 1,316 in fiscal 1970 to 1,534 in fiscal 1972. In 1970, a total of 1,382 patients were treated, compared to 1,605 in 1972, and so far this year the number treated is about 100 above that of the same period a year ago.

In addition, the hospital increased the number of outpatient visits in 1972 to 2,477, compared to 2,110 in 1970, he said.

About half of all Miles City VA hospital admissions come from the Billings area Hickey said.

[From the Miles City (Mont.) Star, Mar. 9. 1973]

ADMINISTRATOR HICKEY SAYS NATION'S VA HOSPITAL WOES NOT REFLECTED AT MILES CITY UNIT

(By Bob Kaze)

"We don't know what exists in other parts of the country but we do know what is the case at the Miles City VA." James C. Hickey, Director of the Miles City Veterans Administration Hospital, had the above to say concerning recent criticism of the V. A. Hospital system as he showed this reporter around the 96 hospital beds and 20 nursing home bed facility and discussed the operations and future considerations for the hospital.

According to Hickey, he has heard few complaints about hospital service during his 16 months as administrator and there has been and is currently no waiting list of patients.

Hospital staffing has increased considerably in the past two years and currently is in very good condition. Hickey stated that there is currently one registered nurse to every 2.8 patients and one licensed practical nurse or nurse's aide to every 3.5 patients along with two surgeons, two internists and a Chief of Medical Staff working at the V.A. The doctor ceiling for the hospital is seven and recruitment efforts for two additional medical staff members is currently underway.

Admissions have increased to 1534 in 1972 as compared to 1316 for 1971 while the average length of stay has decreased from 19.5 days to 16.5 days in the same period of time. The V. A. also increased their turnover rate from 156.1 in '71 to 170.4 in '72 by treating 1605 in-patients and 2477 out-patients last year in comparison to 1382 and 2110 out-patients in 1971.

Hickey feels that there is little chance that the Miles City facility will be terminated in the foreseeable future. Improvements would indicate that the Miles City branch will be perpetuated in the V.A. Hospital system. Expected expanded coverage increases for added patients stemming from Eastern Montana coal and power development also indicate that the facility will be of even more value in the future.

Federal funding of the Miles City V.A. increased $819,924 to $2,387,299 in 1972 and this has enabled V.A. officials to start an extensive building and remodeling program. A coronary and intensive care unit is expected to be finished this summer and a nuclear care unit is in future plans for the hospital. The nuclear care unit would allow diagnosis through the use of radio isotopes and Hickey expects to be able to share this unit with other health facilities in the area when it is completed.

Patients who are in need of specialized therapy or having rare diseases which the local hospital is unable to treat are transferred to other hospitals adequately equipped to deal with these problems. In addition to V.A. hospitals located in different cities within our area, the Miles City V.A. has access to university hospitals in Denver and Salt Lake City.

The most striking factor of the Miles City unit is its warmth and color which one generally does not expect to find in a hospital. Each floor contains a day room with color TVs and a lounge area decorated in a bright color scheme. Patients also have access to a canteen and recreational activities ranging from a library to a hobby shop. The patient's dining area looks more like a fine restaurant than an institutional dining area.

According to Hickey, hospital officials want to get away from the drab and cold hospital atmosphere and give the patient the best possible surroundings for a quick and complete recovery.

[From the Helena (Mont.) Independent Record, May 14, 1972]

VA Hospital Offers Wide Range of Services

The hospital at the VA Center provides all kinds of medically related services, ranging from surgery to dentistry to physical therapy.

Average hospital patient load is about 140 daily. A patient usually is hospitalized about 21 days except for a few with severe disabilities who need to stay longer.

Most patients are Montanans, but veterans from all states are accepted. World War II veterans comprise the largest group of patients, while Vietnam war veterans made up 15 to 20 percent of the total patient load. A total of 2,421 patients were treated at the hospital during the past fiscal year.

The hospital facility is for men and women veterans who suffer from service-connected disabilities or cannot afford a private hospital.

LARGE STAFF

Its staff includes 12 full-time physicians, dentists, 34 registered nurses, 34 nursing aides, 2 chaplins, 2 social workers, 2 pharmacists, 2 physical therapists, and all the other employes needed to keep the hospital in operation.

Dr. John R. McQuillan is chief of staff; Dr. J. Andrew Phelps, chief of surgery; Dr. William S. Hertwig, acting chief of medicine; Dr. O. J. Anderson, chief of pathology; Dr. Vilibald Jenko, acting chief of physical medicine; Dr. Edward Swoboda, chief of dentistry; Dr. John J. Mitschke, chief out-patient service; Helen L. Haegele, chief of nursing service, and Hilmer N. Hansen, chief pharmacist.

Helena Drs. L. H. Blattspieler, J. Kent Boughn and Donald L. Pederson serve as contract radiologists. Other medical specialists serve as consultants and visit the hospital regularly.

The hospital has two major operating rooms featuring the latest equipment. Wall-mounted devices show whether persons in the room are well-grounded against electrical discharge since explosions are a great hazard in an operating room.

This concern over safety carries over to bedside equipment and adds to the convenience of the patient. A two-way voice speaker system connects the patient directly to the nurses' station. Moreover, each bed has a pillow radio speaker, and television is available in the ward day rooms. Also available is a built-in system of centralized oxygen and vacuum air.

MANY OUTPATIENTS

The center's outpatient service handles treatment of about 6,200 persons annually. Home town physician outpatient treatment for service-connected veterans is provided to 10,211 veterans annually.

The medical administration division is in charge of the paperwork and record keeping. Phillip C. Pedersen is chief of the division's 25 employes.

Nursing service is provided around the clock.

The center's dental clinic houses a modern facility with the capability of taking care of most dental problems. A recently purchased panorex X-ray machine that requires only one exposure for a full mouth, cutting down on radiation absorption.

William Hibrich heads the VA voluntary service, which has 135 volunteers who donate time to help patients. They also donate money—almost $9,000 last year—for comfort items and canteen coupon books.

The hospital pharmacy filled more than 27,000 prescriptions last year. It has two full-time pharmacists and two clerical employes.

A clinical laboratory with hematology, serology, chemistry and bacteriology departments runs tests to help diagnose and treat patients ailments. Many of the tests are run on automated equipment, which yields more accurate results than manual methods.

BIG JOB FOR KITCHEN

Jane E. Schellenberger heads the dietic service division, which serves more than 149,000 meals annually. A staff of 25, including two dietitians, serves nutritious and appetizing meals.

Two physical therapists and one assistant work in the physical medicine and rehabilitation service to help patients.

The radiological service provides radiographic and fluoroscopic services to the medical and surgical service. More than 5,400 radiology examinations were conducted last year.

Two social workers, headed by Marion E. Dick, provide social work service in the hospital and on an outpatient basis. Some 721 cases were handled last year.

A supply division keeps the center equipped with hundreds of necessary items. Maurice O. Fox heads a staff of 14 supply employes.

John F. Mahoney, personnel officer, is in charge of a four-employe staff to take care of the personnel needs of the center's 341 employes.

PHYSICAL DEPARTMENT

Thirty-five persons work in the engineering division to take care of running and maintaining the physical plant at the VA Center. A variety of trades and skills such as carpentry, refrigeration, pipefitting and painting are performed. Professional engineer Clifford G. LaMear is in charge of the program.

Two chaplains, Frank O. Vavrin and the Rev. Humphrey J. Courtney, conduct services, counsel patients and perform sacramental rites.

Center Director Charles C. Walter is responsible for management of the regional office, medical and dental programs. Acting Assistant Director James M. Larson assists in directing the regional office and medical administrative functions. Management Analysis Officer John D. Gravely serves in a staff function in the center director's office.

[From the Helena (Mont.) Independent Record, Feb. 13, 1972]

Walter of Fort Harrison: A People-Oriented Man

When a people-oriented director joins a staff whose members are naturally compassionate and willing to add the personal touch in their case work the people served benefit.

Staff compassion fits well with Charles Walter's philosophy of directing the Ft. Harrison Veterans Administration Center. When he speaks of the doctor-patient rapport at the hospital it brings a smile of satisfaction to his face.

When Walter took charge of the "one-stop center" last Sept. he returned to his home state after spending most of his 29 years in government service to the east.

And being a "one-stop center," not just a hospital, nor just a regional office, but both, Ft. Harrison gives the best service to the veteran.

Through the regional office a veteran can find whether he is eligible for compensation (basically given for a service connected disease or injury), a pension (for non-service connected disease or injury causing unemployment or loss of earning capacity), insurance, medical benefits . . .

The hospital provides medical care.

Walter's people-oriented philosophy has a foundation of "if we don't share, how can we serve and if we don't assist veterans in getting maximum benefits, how can they get them."

He gives plenty of credit of the staff compassion in case work to "this is Helena—this is Montana." It's importance "when you're working with or helping people, it's how you relate to them that determines the success in the job."

"Our concern with and for people is so important in providing them services they're entitled to by law," he continues.

Young Vietnam veterans often don't use the services they could, because most aren't aware of the variety of help available to them.

Walter says, "Our biggest concern is to encourage young veterans to call on us for help when in need."

There are only six Vietnam veterans in the hospital at this time but those treated in the hospital have a common trait according to Walter. They are eager-anxious to participate and accomplish something, and for that reason they are in-and-out of the hospital.

Because of that very eagerness they can find themselves center stage under Walter's administration.

There are 14 Vietnam veterans working now at the center. They can become members of the Youth Advisory Council for staff members 35 and under.

"The prime purpose of the council is to fully utilize young people, their ideas, concerns, to make their jobs interesting and to help in their development so they can start filtering into the system," Walter says, "because young people generally feel they are given menial tasks and have no part in management decisions."

If we place people-interested on the side line for a bit, statistics show Walter directs a center that has 328 employes, 242 in the hospital and 86 in the regional center.

The 160 bed hospital has an average daily use of 140 beds. There are priorities of admission but the admission-acceptance rate was 84.3 per cent in December, a very high and good rate according to Walter.

In December there were 5,666 out-patient visits to physicians throughout the state which were paid for through the center.

There are 11,536 compensation and pension cases handled through the center with a monthly payment of $1,224,862.

The hospital has a current fiscal year budget of $4,061,787, of which $2,728,716 is earmarked for salaries.

There are numerous veteran benefit programs available through the center. Apprenticeship programs have 221 private firms and 14 government agencies participating. A veteran hired through the programs will have about 25 per cent of his salary paid by the government for up to a year.

But statistics don't provide the excellent service the center is becoming noted for, they're just indications of it; indications of the considerable time Walter and his staff spend informing veterans of the benefits they are entitled to; his numerous talks to service organizations about benefits and a staff working attitude not restricted by time boundaries of an 8-4:30 day.

A RESOLUTION FROM THE MISSOURI HOUSE OF REPRESENTATIVES

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. HUNGATE. Mr. Speaker, I call to the attention of my colleagues the following resolutions I have received from the Missouri House of Representatives, and urge their serious consideration:

RESOLUTION

Whereas, the 92nd Congress enacted Public Law 92-603 (H.R. 1), known as the Supplemental Security Income for Aged, Blind, and Disabled Program, and this program will become effective January 1, 1974, and will supersede the federal-state public assistance programs of the Federal Social Security Act and transfer the funding and administration of these programs to the Federal Social Security Administration; and

Whereas, this Act provides for monthly payments of $130.00 for single persons with no other income and $195.00 for married couples with no other income; and

Whereas, it appears this standard payment would drastically reduce the resources available for over one-half of the recipients of the programs, or approximately 66,000 persons, and will cause substantial loss of income and economic hardship to these needy citizens; and

Whereas, this Act prohibits the recipients from participation in the Food Stamp or Federal Food Distribution programs, which would create loss of additional resources;

Now, therefore, be it resolved, that the Missouri House of Representatives while concurring with the intent of federal funding of these programs, does express concern over their inadequacy in meeting the needs of our citizens who depend on these programs for subsistence; and

Be it further resolved, that the House of Representatives urges the Congress to immediately enact appropriate legislation to provide full federal funding of this Act in order to alleviate the apparent hardships and problems which may result from the implementation of this Act in its present form; and

Be it further resolved, that the House of Representatives herewith inform the Congress that current recipients of these benefits and the State of Missouri will be severely penalized unless changes are made before the announced effective date of the federal law; and

Be it further resolved, that the Chief Clerk of the House of Representatives be instructed to send suitably inscribed copies of this resolution to the Honorable Richard M. Nixon, President of the United States of America, to each Missouri member of the Congress of the United States of America, and to the Administrator, Social and Rehabilitation Service, Department of Health, Education and Welfare, 330 Independence Avenue, SW., Washington, D.C.

RESOLUTION

Whereas, the Department of Health, Education and Welfare has proposed new regulations that will affect the delivery of Social Services under the Social Security Act; and

Whereas, these regulations, if enacted, would seriously curtail, if not eliminate many of the services Missouri has been able to provide for low-income families, senior citizens, and child welfare programs; and

Whereas, some of these services are protective services to children and adults, including health related, employment, educational, day care, family planning, foster care, and homemaker services; and

Whereas, the proposed regulations, if and when effective, will have the effect of discouraging the poor, both on and off public assistance rolls, from exerting further efforts to break the poverty cycle in which they are entrapped, and of encouraging or even requiring low-income parents who have now broken the poverty cycle to return to the status of welfare recipients for lack of financial ability to provide day care for children; and

Whereas, the Missouri Division of Welfare's capability to deliver these essential social services may well bid to have a disastrous impact on the urban centers of St. Louis, Kansas City, Springfield, St. Joseph and others;

Now therefore, be it resolved, that the House of Representatives of the 77th General Assembly of the State of Missouri hereby expresses its dismay and objection to the proposed new Social and Rehabilitation Service Regulations of the Department of Health, Education and Welfare on the delivery of Social Services in Missouri, AND petitions such modification of these regulations as will assure the continuance of all services currently offered to its low-income citizens; and

Be it further resolved, that this Resolution be adopted and that copies hereof be provided to Mr. Caspar W. Weinberger, Secretary of Health, Education and Welfare; to Mr. Phillip J. Rutledge, Acting Administrator, Social and Rehabilitation Service; to Mr. Robert Davis, Regional Commissioner, Social and Rehabilitation Service; to each of the Missouri members of the United States Senate and House of Representatives, thus conveying the conviction of the General Assembly that such proposed change, if permitted to stand, will result in serious harm and danger to the general well-being of the citizens of the sovereign State of Missouri.

MORE PHYSICIANS NEEDED

HON. HAROLD R. COLLIER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. COLLIER. Mr. Speaker, while the number of graduates of our medical schools continues to increase, the United States is still short of physicians. Fortunately, the problem can be solved within the next few years through existing programs.

As I believe my colleagues share my concern about this matter, I invite their attention to an article that I am inserting at the conclusion of my remarks. The article, which appeared in the February 19 issue of U.S. News & World Report, is entitled, "Not Enough Doctors." It discussed the problem in detail and showed that it is not one that can be solved overnight.

Efforts are being made to find practical solutions. For example, a number of new medical schools have been established and medical courses have been shortened to 3 years by some institutions. Although many graduates of foreign medical schools will be admitted to practice in this country, this should not become a national policy because many of them studied to provide medical services in countries that are sorely in need of doctors also.

In order to counteract the serious maldistribution of physicians, the Federal and some State governments will help defray the cost of medical education if students agree to practice after graduation in areas that are in need of them.

The National Health Service Corps has assigned volunteer physicians to communities that need medical help. These include both rural areas and city slums.

The aforementioned article follows:

NOT ENOUGH DOCTORS: WHAT'S BEING DONE

The number of physicians in this country is growing rapidly—but not swiftly enough to meet needs.

Current authoritative studies show that the demand for doctors will keep outstripping the supply at least until 1980.

Even if the U.S. did have enough trained medical practitioners to provide every American with top-quality care, not everyone would be taken care of under present conditions.

One problem is that the supply of doctors is unevenly distributed.

While many cities have more than their numerical share of doctors, residents of both rural areas and city slums have access to far fewer physicians than they need. Even in many prosperous suburban communities, doctors are so swamped with work that they refuse to accept new patients.

Result: Emergency rooms and outpatient departments of hospitals—a large proportion of them heavily staffed by foreign-trained physicians—are being deluged by people who cannot get into a doctor's office.

One major reason for the tremendous upsurge in demand for physicians, say experts, is that more Americans today are covered by health insurance—either private or backed by the Government in the form of medicare or medicaid.

At the same time, health officials note, people are more aware of progress being made in treating disease, and expect the best medical care as their legal and moral right.

Dr. Kenneth M. Endicott, director of the Federal Government's Bureau of Health Manpower Education, describes the situation this way:

"We don't have enough doctors, and we don't have them where we need them. Even if all health services were organized for maximum efficiency—which they certainly are not today—they could deliver only minimal health care to every American."

Goal: 500 to 1. Government studies show that in 1970 there were about 323,000 doctors in active practice across the nation. Now the total is estimated at 346,000 doctors. Of these, 263,000 are doctors of medicine educated in this country or in Canada, where medical education standards are considered equivalent to those in the U.S. Also counted in the total are 14,000 U.S.-trained doctors of osteopathy and 69,000 M.D.'s who graduated from medical schools in foreign countries other than Canada.

The 346,000 total of doctors now available figures out to 1 physician for every 636 potential patients—some 69,000 doctors short of meeting the ratio of 1 doctor for every 500 patients which is widely regarded as desirable.

By comparison, the patient-doctor ratio is 420 to 1 in the Soviet Union, 900 to 1 in Japan and 750 to 1 in France. Medical-qualification requirements, however, vary by country.

Even more alarming to health authorities is the fact that the number of doctors most often called upon—general practitioners, internists and pediatricians—is declining in relation to the U.S. population.

In 1950 there were 75 such physicians for every 100,000 people. By 1971 there were fewer than 50 per 100,000.

"These doctors are our first line of defense against disease," comments a leading medical authority.

NEW SCHOOLS

Physicians, educators and government officials are trying to ease the doctor shortage.

In the past year, five new medical schools graduated their first classes. Another eight schools enrolled their first students, who will be graduated in 1975 or 1976. Six more institutions are scheduled to begin training doctors this year.

Twenty U.S. medical schools have shortened their courses from four years to three, and the trend toward speeding up education of physicians is growing.

Government experts project that by 1980 American schools will be turning out about 16,000 doctors a year, compared with approximately 11,000 in 1973. Also by 1980, at least 4,000 graduates of foreign medical schools are expected to be admitted to practice in the United States annually, compared with an estimated 3,000 this year.

If those goals are met, the target of 1 physician for every 500 people will be within reach by the end of this decade.

But dispersing those doctors to the right places is another unsolved problem.

President Nixon has pointed out:

"Americans who live in remote rural areas or in urban poverty areas often have special difficulty obtaining adequate medical care."

The General Accounting Office—set up by Congress to keep a check on Government spending—said this is an official report: Rural counties with fewer than 10,000 residents average only 1 doctor for 2,000 people. Rural counties with 50,000 or more inhabitants average 1 physician per 1,000 potential patients.

A report from Ohio shows that 45 small towns, out of 500 surveyed, have lost their doctors in the past 10 years—usually through death or retirement. It is a part of a nationwide pattern, health-manpower authorities say.

Small communities, government agencies and private foundations have tried to replace these badly needed physicians but often without much success.

Many towns offer to build clinics or small hospitals if a doctor will establish a practice. The federal and some State governments agree to help pay education expenses of medical students who promise to practice after graduation in areas that need them.

The U.S. Department of Labor surveyed the shortage of physicians in small towns and concluded:

"The obstacles seem to be partly social—the lack of good educational cultural opportunities for physicians' families—and partly professional. Physicians in rural areas dislike their isolation from colleagues and sources of new professional information, and the fact that critically ill patients requiring hospitalization—among the most interesting cases professionally—must be turned over to others for lack of hospital facilities."

BIG-CITY PROBLEMS

While residents of sparsely populated sections of the U.S. have trouble finding a doctor, people living in many big city slums are no better off.

It is true that there are proportionally more physicians in metropolitan areas.

Some sections of New York City, for example, have about 1 doctor for every 300 people, or about twice the national average. But at the same time, as the decay of New York's inner-city ghettos spreads, more and more physicians are moving their practices to cleaner and safer neighborhoods.

The same process is reported in many other large cities.

Crime is one reason. Medical offices make tempting targets for thieves bent on obtaining money and narcotics. In some neighborhoods, physicians making house calls run a high risk of being robbed or seriously injured.

Other big-city doctors give up because of being forced to work in crowded clinics and ill-equipped hospitals situated in rundown neighborhoods.

Still another obstacle to practicing medicine in the inner city is a "cultural gap" believed to exist between some white doctors and their black or Spanish-speaking patients. Trust is regarded as essential to a good doctor-patient relationship, and some physicians report this rapport increasingly difficult to achieve in the bitter emotional climate of the ghetto.

In addition to all these handicaps, medical research shows people living in the inner city have more illness than residents of richer neighborhoods. Often poor patients cannot afford to have a disease treated in early stages, so physicians are faced with treating more advanced and serious cases than usual.

"Even the most dedicated doctor can get discouraged," says one physician who quit a ghetto practice after 15 years and moved to the suburbs.

The U. S. doctor shortage is reflected in the soaring numbers of people resorting to hospitals for outpatient care.

The American Hospital Association reports that in 1962 Americans made about 100 million outpatient visits to hospitals. By 1971 the volume had nearly doubled. Authorities estimate that about half of hospital outpatients are people who simply could not get in to see a doctor anywhere else.

And even hospitals don't have all the doctors they need. Latest reports show that, despite a record number of medical-school graduates, the nation's hospitals had vacancies for more than 10,000 physicians as interns or residents.

Foreign doctors. The situation would be even worse if it were not for the number of foreign medical-school graduates working in this country.

A Department of Labor survey discloses that in 1963 only about 1 doctor in 9 was trained abroad. Within seven years the proportion leaped to 1 in 5 and is still growing. In some metropolitan hospitals, 2 out of 3 doctors on duty at any given time are likely to be graduates of overseas medical schools.

In some State institutions, particularly those for the chronically ill or mentally disturbed, foreign-trained physicians may outnumber U.S. graduates by as much as 8 to 1.

Says a health official who ranks high in the Government: "I don't know what we'd do without foreign medical graduates—now or in the future."

Approximately 1 out of every 15 foreign-trained doctors in the U. S. is an American who could not attend a U. S. medical school. The rest are foreign-born. Authorities are concerned, however, that language and cultural differences between foreign-born doctors and American patients can lead to misunderstandings, conflicts and potentially dangerous errors.

Graduates of foreign medical institutions have trouble passing U. S. licensing examinations. In fact, less than half the foreign-trained doctors caring for patients in American health facilities today are licensed to practice medicine in the States where they work.

New programs. Several programs are under way or being considered to relieve the doctor shortage.

"Family practice"—the new term for general practice—has been made a certified medical specialty in a move to give it more prestige. At least 150 approved programs in universities and community hospitals are providing training for some 1,200 prospective family doctors. At least 50 more programs are being considered at leading institutions.

The National Health Service Corps, an arm of the U.S. Public Health Service, has assigned more than 400 volunteer physicians, dentists, nurses and other health personnel to 144 communities in 39 States that needed medical help.

Some of the 400 are working in ghetto areas such as the South Bronx in New York City.

Others are caring for people in desolate rural sections such as Florida's migratory-worker camps. Still others practice medicine in such isolated places as the north woods of Maine.

More emphasis is being placed on developing group-practice arrangements where at least one doctor is on call at all times. President Nixon's Administration is backing this program as part of its proposed system of Health Maintenance Organizations.

The President's budget for fiscal year 1974 calls for 57 million dollars to train nurses, nurses aides, doctors assistants and other paramedical helpers who can do many of the routine tasks that now absorb much of a physician's time.

The medical profession and government agencies are concentrating more effort on preventive medicine—reasoning that it is simpler, safer and cheaper to keep people healthy than to treat them after they become ill.

But the full impact of all these moves to improve medical care in this country will not be felt overnight.

All signs indicate that, for several years to come, a good doctor will be hard to find.

WHO WILL ANSWER FOR MY FREEDOM?

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. FAUNTROY. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy Contest. This year, nearly 500,000 secondary school students participated in the contest for the five national scholarships which are awarded as the top prizes. First prize is a $10,000 scholarship, second prize is $5,000, third prize is $3,500, fourth prize is $2,500, and the fifth prize is $1,500. The winning contestant from each State is brought to the Nation's Capital for the final judging as guests of the VFW.

The finalist for the District of Columbia is Rachel Michelle Chase, who is a student at the Immaculate Conception Academy in downtown Washington. I am appending her speech in order that my colleagues may know what some of our students in this city think of this year's theme, "My Responsibility to Freedom." The freedom of speech, the freedom to vote, and the freedom to learn are among our most important freedoms in a free society; and I know that each of my colleagues will want to share this young person's speech with their constituents, because it represents, in a most articulate way, freedom and the responsibility that goes with it:

WHO WILL ANSWER FOR MY FREEDOM?

There's a current popular song—a favorite of young people with an interest in life. The refrain occurs after presenting many current problems for our consideration—

Who will answer?

Who will answer responsibly for my freedom? The question for me has only one answer—"I must Answer".

I must answer for the use I make of my *freedom of speech*.

My approach to life's problems must be positive. If I have an idea that will help improve any existing condition, I must use my freedom of speech and the courage of my convictions to express this idea of change. But even as I speak clearly and forcefully of my own ideas I must remain open to the ideas of others. This means that I must listen respectfully to another's opinion—even if it contradicts mine. . . . This is only respecting the freedom of speech another person possesses—and thus I safeguard my own.

I must answer for the use I make of my *freedom to vote*.

Whether voting at present in school for school officers or voting in the future for political candidates in my local community, I cannot be influenced by another's opinion as to whom he thinks should have the office but for the person I think is capable of doing the job. Besides considering the person—I must study the issues. Each school has its particular responsibilities. I must vote for the student who can best fulfill these responsibilities. So, also, in later life the particular issues in my local area—the areas of problems on the national and international level require that I as an individual have some knowledge of their solution before I vote. Even as I cast my vote, however, I must be wise enough to realize that my solutions are not the only answers to America's problems. And I must be open enough to consider new approaches to old problems.

I will answer for the use I make of my *freedom to learn*.

At present I must exercise my greatest freedom. My freedom to learn. I must realize that my chances for learning are unlimited. There are countless ways in which I can develop. I can learn by association with others. If I use my abilities, I shall be accepted by my school associates—I will communicate with students and faculty. The school can be my training ground for future life. It can fit me for many of my obligations as an American citizen. Procedures and techniques used in student government will carry over to my adult life. Cultural activities and various learning areas will enable me to make wise choices of my use of leisure time. Responsibility for learning and translating this learning into practical living is my great responsibility as a student. This is the greatest challenge that freedom offers me now.

Who will answer? Who must answer?

In the responsibility I assume for my limited freedoms now will come the answer to the future problems of America. Indirectly at present I am answering responsibly for avoiding future wars involving the United States, for safety on America's highways, and for the preservation of American resources. Ignorance and immorality are the very destruction of the American way of living. I am not a pawn to be moved by fate. By responsible choice I can fashion my freedom and America's future. In the name of God, and for the love of my country, I accept the challenge of my American freedoms.

THE 55TH ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ROSENTHAL. Mr. Speaker, to commemorate the 55th anniversary of the day Byelorussia proclaimed her independence I have sent the following statement to the Byelorussian-American Association in my district in New York:

STATEMENT

Byelorussian-Americans are justly proud of a cultural homeland whose history as a nation dates back a thousand years.

I am pleased to join in memorializing March 25 as a tribute to a people of rich culture and proud heritage, who yearn to regain their lost freedom and reassert their independence. Men's bodies and land may be held captive, but never their souls, and the soul of Byelorussia breathes strong in the hearts of people like the Byelorussian-American Association. I salute you and your struggle for freedom.

HARMFUL EFFECTS OF ADMINISTRATION BUDGET CUTS

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. HANNA. Mr. Speaker, I have spoken out recently against the administration's cutbacks in funding for worthwhile and successful programs authorized by Congress. I would like to bring to the attention of my colleagues another example of the irreparable harm such actions are having on the future well-being of our citizens.

Following is a letter I received from Jere E. Goyan, dean of the school of pharmacy, University of California, San Francisco. Dean Goyan comments on the programs and accomplishments of the school, and sets forth in detail the effects of President Nixon's budget cuts on the school's activities.

I urge my colleagues to read Dean Goyan's letter, and to join with me in efforts to continue adequate funding for successful and worthwhile programs like that of the school of pharmacy, University of California, San Francisco:

UNIVERSITY OF CALIFORNIA,
San Francisco, Calif., February 26, 1973.

Hon. RICHARD T. HANNA,
Congress of the United States, House of Representatives, House Office Building, Washington, D.C.

DEAR MR. HANNA: On previous occasions, I have written to you relative to the need for Federal support of pharmacy education. In these communications, I have documented the evolving role of the pharmacist as the drug-therapy expert on the health-care team. In a booklet sent to you, last year, by the American Association of Colleges of Pharmacy entitled "Pharmacy Education Responds to Changing Health Care Needs," you probably noted the prominent role played by our school and the University of Southern California School of Pharmacy. We are proud of the fact that the three schools of pharmacy in California have led the nation in innovative new approaches to education. I am writing to you today because of the probability that the President's proposed budget for 1973 and 1974 will severely hamper, if not destroy, our programs. In order that you might understand the seriousness of our problem, I would like to outline the effect of the proposed budget on our school.

Today, we have a total operating budget of roughly $2 million a year, $1.2 million of which is supplied by the State of California and $.8 million by the Federal Government through its several agencies. The President's budget proposes to cut our general research support grant funds from $90,000 per annum to $30,000 per annum and then to nothing in 1974; to discontinue our training grant funds over the next three years; to drop pharmacy students from scholarship support; and to decrease our capitation funding from $230,000 to $100,000 in the 1973 budget and to $0 in the 1974 budget. The total effect of this is to cut out $400,000 per year of support to the School of Pharmacy, or roughly 20 per cent of our budget. This means that we will have to discover new ways of funding, or discontinue nine of our present faculty and several staff members. Of course, the faculty concerned will be the young clinical professors at the non-tenure level, many of whom are women or members of a minority group. It also appears that our innovative program in clinical pharmacy, about which we have informed you on several occasions in the past, will be badly hurt, if not destroyed.

At present, we have 83 professional students supported on scholarships which will be unavailable in the future if the President's budget becomes law. These students, of course, are those most deserving of financial help in the sense that they have very few, if any, family resources for putting them through college. This decision on the part of the Administration is likely to make a pharmacy education available primarily to those of means.

The loss of general research support funds will seriously damage several aspects of our research programs: the "seed" funds which we have used to support young investigators just beginning their research careers; the funds enable us to purchase new expensive analytical equipment necessary for identification and quantification of the minute amounts of drugs found in the blood; the funds allowing us to continue a worthy project during a short hiatus in funding; the funds making it possible to supplement some faculty salaries.

With regard to our graduate program, it will probably cause a decrease in the total number of graduate students on the basis that not all of them will be able to pay their own way. Thus, those students with insufficient funds to support themselves will be automatically excluded from a graduate education.

Certainly, each of us is aware of the importance of controlling Federal expenditures in the next few years. However, I find it difficult to accept the priority rating which the Administration seems to have given to health and most other social programs. It is my fond hope that Congress will be able to persuade the Administration that they should reorder their priorities and restore, at least, some of the funds presently scheduled for discontinuance.

Many thanks for your consideration.

Sincerely,

JERE E. GOYAN,
Dean.

UNCLE SAM: SPLIT PERSONALITY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. CONTE. Mr. Speaker, for years the United States has been paying farmers huge sums of money to let fertile cropland lie idle. At the same time the Federal Government has sponsored programs to drain wetlands and other valuable wildlife refuges so farmers can grow more crops.

This type of contradiction spotlights the bankruptcy of our present farm subsidy programs.

In the February–March 1973 issue of National Wildlife, a magazine published by the National Wildlife Federation, there is an excellent article that describes this ridiculous conflict of Federal policies. I commend this article to the attention of my colleagues:

UNCLE SAM: SPLIT PERSONALITY

(By Oliver Austin Houck)

When I first heard about the Starkweather project in North Dakota it didn't make sense. Uncle Sam preparing an ambush—for himself? I decided to go out and have a look.

On a windy summer morning I went up in a small plane over the big farms of the Starkweather watershed, large rectangles of golden grain dotted with green bordered prairie ponds—potholes they call them. Flying low I could see clusters of ducks on the water and white egrets in the reeds. We flew north and suddenly the potholes were gone. You could tell where they used to be by the drainage ditches, networks of gray canals running south.

"See down there" yelled my pilot over the roar of the engine. "That used to be a regular lake! A few years ago you couldn't fly very low because of the birds. They'd come up off it by the hundreds."

It was a grain field now with a big ditch straight out of the center. I didn't know how my pilot felt about it so I shouted that it must be easier flying now without all those birds. He gave me a funny look. "I miss those birds," he said.

If someone told you that Uncle Sam was going to spend nearly four million dollars to drain one of the last large waterfowl breeding grounds in the United States, you'd say "Well, it must be for a good reason."

It's called "prairie pothole" country, and it's the last we have. There used to be millions of potholes, little half-acre, one-acre, five-acre freshwater ponds, scattered all over the Dakotas, west to Montana, east to Minnesota and Wisconsin and down into Nebraska and Iowa. Great waterfowl migrations bred and formed there pond by pond. Tens . . . hundreds . . . thousands . . . and then millions of ducks, geese, grebe, and rail. Every fall they rose from these prairie wetlands, a family here, a flock there, until they covered the sky with a great rush of wings and were gone.

It doesn't happen much in our country anymore, except in North Dakota. We've dried up their breeding grounds, and the remaining birds must fly up to Canada to nest. The Starkweather region of North Dakota, with over 50,000 acres of prairie pothole wetlands, is the best breeding area we have left in the United States. And now we're going to dry it up.

If someone told you that a "good reason" to drain these wetlands was so farmers could produce more crops, you'd say, "Well, I guess we need the crops."

There are just ninety-one farm units to be benefitted by the Starkweather project. They all produce surplus grain crops, mainly wheat. The drainage project will help them grow more. In case you had forgotten about surpluses, there are the crops Congress has directed the U.S. Department of Agriculture to buy and store to support farm prices. So you, and your government, own hundreds of millions of bushels of corn and wheat.

But, hold your hat—these are the same crops we also pay farmers not to grow, at a cost of additional millions of dollars. In 1971 we paid farmers more than $2.75 billion to idle 37 million acres of surplus cropland; in 1972, more than 62 million acres were idled. Despite the number of "set aside" acres, the government still has had to buy hundreds of millions of bushels of surplus grain. (Even though the U.S. is selling large quantities of grain to the U.S.S.R. and China, Federal subsidies will still be needed for surpluses.) Projects like Starkweather aggravate this problem. The government pays people not to grow grain, it buys surpluses from what they do grow, and then turns around and finances projects to grow more. Using your money, of course.

If someone told you that another purpose of the Starkweather project was "flood control," you'd say. "Well, we've certainly got to stop those floods."

When you walk in water you are likely to get your feet wet. And when you plant crops where water gathers every spring, you are just as likely to get your seeds wet. It happens every spring; the snows melt and the April rains collect in the depressions, forming the great prairie wetlands. By fall most of the ponds are dry. But you plant crops in the spring, and you can plant more crops in the spring in Starkweather if you drain all of those potholes and move the water out. It's called "flood control."

What it really does is help make floods. The water used to settle on the land and percolate slowly through the surface. Now it is rushed out in large ditches. Where? Somewhere downstream, and someone at the other end of the ditch gets a lot more water now, every spring. But then that's *his* problem.

So he is almost compelled to get his own "flood control" propect. Bigger ditches, to move the water on down. This leads, of course, to more "flood" water further on down, and naturally more ditches. And, eventually ditches won't do the job. It takes dams . . . more crops and houses in the flood plains . . . more "flood control" projects . . . pork barrel handouts by Congress and make-work for the Corps of Engineers . . . all the way down the muddy Missouri and the mighty Mississippi to New Orleans, now seven feet below river level.

It all starts way up north, with Starkweather and those lovely, rich, doomed prairie potholes waiting to be drained.

"You know," said Bob Scheer, president of the North Dakota Wildlife Federation, our affiliate, "Congress really passed this small watershed law to stop floods where they begin, to hold the water on the land. But instead we seem to be using the law to get the water off faster.

"I have a friend who farms on the edge of Starkweather," he continued. "One day I went over to visit and he'd just put in a new ditch. I said, 'Owen why did you do that?' and he said he had to because everybody else was doing it, and he'd end up with their water. And besides, the government was paying for it.

"I said, 'Owen, suppose there was a program to hold the water on the land and nobody built ditches to give it to you, and you didn't build ditches to give it to somebody else?'

"Owen thought about that for a moment and then he shook his head. 'I never heard of a program like that,' he said."

If someone told you that Congress authorized the Starkweather project after carefully considering its impact, you'd say, "Well, I guess they took all these things into account."

Unfortunately, Congress doesn't review "small watershed" projects. Because they are so "small," Congress has delegated their authorization to a committee. In the case of Starkweather, it was a subcommittee. On July 14, 1970, with just three subcommittee members of one house of Congress present, the Department of Agriculture presented Starkweather along with one North Dakota Congressman and Gordon Berg, the chief local sponsor. No notice of the hearings was given, no opposing testimony was invited. The Congressman said it was a good project and Gordon Berg, who one year later was convicted of draining wetlands illegally and placed on Federal probation, said he thought it was a good project too.

That's the way it went with Starkweather, and that's the way it goes with most "small watershed" projects. Except not all the sponsors are on Federal probation.

The "small watershed" aspect is even more interesting. Congress did not mean to abandon its authority over large water programs. It put a 250,000 acre ceiling on the "small watershed" projects which the Soil Conservation Service could undertake virtually on its own.

The hitch in Starkweather is that the natural Starkweather drainage area is about 518,000 acres. But you can't put an acre limit on ambition. So the solution was to cut up the area into two smaller projects which on paper would slip under the Congressional limit.

So there are now two separate proposals: Starkweather, 246,477 acres, and Edmore, 246,118 acres. They are in the same drainage basin, linked by a single channel and draining into the same big exit ditch.

You may have noted that these two projects add up to 492,595 acres, and there are about 518,000 acres overall. Since the additional acres could not be tacked on to either project without pushing it over the limit, here is a 26,000 acre "dead area" right in the middle, undeclared in either project. Administrative genius!

When someone tells you that Starkweather isn't really that big, and anyway it's the kind of project that's been popular for years in most Congressional districts, you finally rebel and say, "It just doesn't make sense—from any angle."

Starkweather is a natural basin. The water stays where it falls, or collects in natural kettles and ponds, shallow, freshwater wildlife incubators, the stuff of prairie life. Now we plan to pull the plug, rush the water out. And call it flood control.

These wetlands will be dried up, and plowed in the fall to get a jump on spring. The winter winds will whip up the exposed soil and dry snow into brownstorms. And we call this soil conservation.

These lands will grow more surplus for government granaries, and we will pay more money to set aside more acres. And we call it a farm program.

And when you want to see those great restless movements of waterfowl rising and wheeling in the morning light, you can go to Canada for the few that remain and you can say, "We used to see them in our country too, once upon a time. . . ."

The Federal Government spends millions of dollars every year to *hold down* crop production. It also spends million to *increase* production of the same crops. Were it only money against money it would be the height of absurdity.

But compounding this foolish waste is the disturbing fact that in the process irreplaceable wildlife habitat is being lost all across the nation.

Less than a century ago there were approximately 10 million acres of prairie wetlands in the United States—prime habitat for ducks and geese. But 60 percent of these wetlands have now been drained, says the U.S. Bureau of Sport Fisheries and Wildlife. Half of this loss has been in the last twenty years. And the loss continues.

Consider, for example, Chicod Creek, a Soil Conservation Service drainage project in North Carolina. It will destroy 66 miles of river wetlands, to put 10,000 acres of *new* cropland into production. Yet, last year the Federal farm program paid farmers in this same county $832,234 for *not* farming 30,490 acres.

There is also the Cache River project in Arkansas where the Corps of Engineers will spend $54,000,000 draining 100,000 acres of prime southern hardwood swamp. That's $540 an acre. Over 90 percent of the projected "benefits" will come from the production of more soybeans. Yet, Arkansas farmers have been paid soybeans subsidies two out of the last five years.

At the other end of our country is New Malones where a $181 million impoundment built by the Corps of Engineers will combine with a $1.5 *billion* Bureau of Reclamation irrigation system to put more of California's central valley into surplus crops. In 1971 taxpayers paid more than $100,000,000 in crop price subsidies to California farmers—and millions more were paid to farmers there for *not* farming.

Our struggle to defeat ourselves continues to escalate. We ditch, drain, cut and plow under scarce wildlife habitat—and we increase crop surpluses which require increased subsidies. The cost in taxpayer's money is great. The cost to wildlife is its very existence.

HOMES: INDEPENDENCE—IMPOVERISHMENT

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. RAILSBACK. Mr. Speaker, senior citizens are the hardest hit by spiraling inflation and rising taxes. When they purchased their homes, taxes were lower, and their job incomes came in regularly. Now these same indiivduals must depend upon limited, fixed incomes, and property taxes place an extremely heavy burden upon them. As President Nixon said,

> The same home which has been a symbol of their independence often becomes a cause of their impoverishment.

Since January of 1969, property taxes have risen nearly 40 percent. This is almost twice the rise in the overall cost of living. Although the typical family of four pays 3.4 percent of their income for real estate taxes, the senior citizen who owns his own home pays approximately 8.1 percent of his income for the same purpose. Even more distressing is the report of the Advisory Commission on Intergovernmental Relations which revealed that senior citizens living on less than $2,000 annually pay nearly 16 percent of their income for this regressive tax. Approximately 1.3 million aged households—or 1 out of every 5 elderly homeowners—fall into this category.

Because so many senior citizens are financially paralyzed by the spiraling property taxes, some are forced to liquidate their assets in order to remain in their homes. Others are compelled to live in poverty. And still others are forced to give up their homes. This is particularly tragic, since their homes are probably their prime investment in life—and they are also the centers of memories of family life and all the other happy and sad events upon which one reflects. To be torn from such meaningful and familiar surroundings in one's later years is a real heartbreak.

Also, many low- and moderate-income renters are feeling the pinch of high property taxes. Landlords often shift some of their tax burdens on to renters in the form of rent increases. For example, the Evening Star just a few days ago ran a story about an elderly woman whose rent was increased by over 100 percent. Any increase in social security that this individual will receive will clearly be obliterated by such steep increases. Unfortunately, there are numerous other senior citizens facing the same situation.

The President has pledged assistance to the elderly. Last October, in a radio broadcast from Camp David, he termed the imposition of property taxes upon senior citizens as a national disgrace and promised that correction would be a first order of business in our next Federal budget. In his State of the Economy address to the Congress, the President proclaimed,

> I shall also submit recommendations for alleviating the crushing burdens which property taxes now create for older Americans.

For my own part, I have had a longstanding commitment to our senior citizens. In the 92d Congress, I was pleased to join Congressman PAUL FINDLEY in introducing legislation that will provide much-needed property tax relief to older Americans. Today, I am joining him in reintroducing the same language in the hope that the 93d Congress will take immediate and favorable action upon it.

Briefly stated, our legislation provides that individuals of a low income will receive a $300 Federal income tax credit—or will receive a grant from the U.S. Treasury if they pay no income taxes—to offset State and local property taxes they pay on their homes. Anyone over 65 whose income is below $6,500 would be eligible—whether they own their home or not. If they rent, that portion of the rent which covers taxes would be computed. The maximum tax credit or payment provided by the bill would be $300.

Mr. Speaker, approximately 21 million Americans are over 65 years of age. We must do all we can to assure them they will not be forced to move into less desirable and unfamiliar quarters because they cannot afford the spiraling real estate taxes. The bill being introduced today goes a long way in that assurance, and I urge immediate enactment of this legislation.

FOR THE PRESERVATION OF MINERAL KING

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. WALDIE. Mr. Speaker, Mineral King is a scenic Alpine valley in central California with an unspoiled uniqueness that enthralls all who visit it and share its wonders. Mineral King is public land that is a national forest and a national game refuge, surrounded on three sides by the Sequoia National Park.

It is a symbol of the threat of man's encroachment on nature.

Mr. Speaker, for the above reasons and more, Mineral King must be spared. I am today introducing legislation that will include Mineral King and the Sequoia National Game Refuge as a part of the Sequoia National Park.

The purpose of this legislation, it should be pointed out, is to protect Mineral King Valley, one of the most beautiful wilderness areas remaining in this part of the Sierra, from despoilment and development by the Disney Corp.

This action is long overdue, Mr. Speaker. The reason that Mineral King was originally left out of the park was that supposedly valuable mineral deposits were thought to be on the site. Mining is no longer a consideration in the debate over the development of Mineral King.

The only metal that is in the valley is "tourist's gold" that would be mined by the Disney Corp. if its planned development is authorized and if the Congress fails to take necessary action to preserve Mineral King.

Mineral King includes the headwaters of the east fork of the Kaweah River which flows through the park itself. To disrupt the river's flow or contaminate its waters with the waste and garbage of thousands of tourists is a very real blow at the ecology of the park itself.

The present development in the valley consists of cabins, some 60 of them, leased to users by the U.S. Forest Service. The cabins, a general store, post office, and a pack station, occupy some 10 percent of the game refuge area.

The other 90 percent is occupied by the animals of the forest who thrive in the wilderness of Mineral King.

What will the Disney development do to Mineral King?

In the place of 60 cabins, a store, and a pack station, the Disney Corp. will construct a multimillion-dollar Disneyland for summer and winter sports fans which they hope will draw a million people a year into this delicate valley.

Quite simply, Mineral King ought not suffer the consequences of development if there are adequate alternatives. I am convinced that those alternatives do exist. There are suitable ski slope sites at Slate Mountain and Sherman Peak, both in Sequoia National Forest. Both are within easy access of the Los Angeles metropolitan area and could be developed, without adverse environmental consequences, to take care of the additional skier demand that apparently is the prime basis of the Disney proposal to develop Mineral King Valley.

Additionally, the alternative would provide the additional employment in the San Joaquin Valley that would have been provided by a Mineral King development.

Mr. Speaker, it is my fervent hope that the Congress will see the wisdom of preserving Mineral King as it is today and will act quickly on the legislation I am hereby proposing.

IN EXPLANATION OF THE MAHON IMPOUNDMENT BILL, H.R. 5193

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. MAHON. Mr. Speaker, on March 6 I introduced into the House H.R. 5193, a bill providing for the reporting and review of impoundment actions. There has been a great deal of interest in the bill because of the subject matter involved. I would like to make a few remarks in further explanation.

NO ATTEMPT TO RESOLVE CONSTITUTIONAL ISSUE

The introduction of this bill resulted from discussion I had with the House leadership and various staff people about the fact that Presidents do impound appropriated moneys, and that at present the Congress lacks a system for dealing with that fact. The sole purpose of the bill is to provide a standard procedure for Congress to review impoundment actions on an orderly basis and to take appropriate action. It does not concede that the President has any authority to impound funds beyond the authority provided in the antideficiency law, to which reference has been made.

The bill is in no way intended to resolve the constitutional issue of whether the President has the authority to impound appropriated funds. The constitutional issue is of momentous import and deserves the most careful attention of the Nation's best minds. But until it is resolved, the Congress must develop a procedure for dealing with the fact that Presidents do impound appropriated funds.

ANTIDEFICIENCY ACT

Congress has enacted legislation, presently in effect, which provides for the impoundment of funds by the President under certain special circumstances. The following language of the Anti-Deficiency Act was intended to describe such limited discretion:

> (2) In apportioning any appropriation, reserves may be established to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments subsequent to the date on which such appropriation was made available. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the purposes of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921, for estimates of appropriations.

A SYSTEM FOR EARLY REVIEW OF IMPOUNDMENTS

The problem is that the Congress has no accepted procedure to deal with the situation that arises when the Executive frustrates the intent of Congress through impoundment actions.

What is needed is a standard procedure that will permit Congress to review impoundment actions on an orderly basis and to express itself as effectively as possible when the Executive substitutes his judgment for the judgment of Congress. That is the purpose of the bill I introduced.

CONCURRENT RESOLUTION

A basic feature of my proposal is that action by both Houses of Congress on a concurrent resolution is necessary only when the Congress determines that the Executive has frustrated the intent of Congress by an impoundment action. I believe that the full weight of both Houses as an expression of congressional intent generally is more appropriate than action by one House in policy disagreement with the Executive.

COMMITTEE REVIEW

My proposal provides for review of impoundment actions by the House and Senate Committees on Appropriations. It seems appropriate to have a single committee of Congress handle this function, thus tending to avoid the criticism that the Congress handles its fiscal business in a fragmented manner.

It has been suggested by some that the General Accounting Office could perform this review. But this is a job for Congress. Moreover, impoundment review would seem to be so politically sensitive that it could impair the effectiveness of an institution such as the GAO in performing its already substantial and essential services for the Congress.

NEGATIVE VERSUS AFFIRMATIVE ACTION

Another basic feature of H.R. 5193 is the provision for Congress to disapprove of impoundment actions which it considers unwise, rather than to approve of all those it determines necessary. This aspect of the bill is rooted in practicality. It assumes the necessity for committee review of impoundment reports submitted by the Executive so that only those involving policy questions will be called to the attention of the House. This provision merely allows for the fact that there are likely to be many cases of Executive impoundment for management purposes as anticipated by the Anti-Deficiency Acts, and that Congress should not waste its time and energy on these essentially routine administrative actions.

PROVISION FOR AMENDMENT

It is essential that a concurrent resolution concerning an impoundment message submitted by the President be subject to amendment. Providing only for a simple up or down vote on all the impoundments in a message unnecessarily gives to the Executive the advantage of strategically packaging such messages. My bill reserves to the Congress the exercise of judgment in packaging a disapproval resolution.

I believe that this exercise of judgment should also be extended to members generally and that amendments from the floor should be in order during consideration by the House and Senate. This specific provision was excluded from the text of H.R. 5193 as I introduced it. I simply want to confirm the support I gave this principle in my first press release on the bill. I would expect to recommend the necessary language change in my appearance before the Rules Committee.

For the benefit of Members and others there follows the text of the bill as introduced and a brief explanation of its principal features:

H.R. 5193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) whenever the President impounds any funds authorized for a specific purpose or project, or approves the impounding of such funds by an officer or employee of the United States, he shall, within ten days thereafter, transmit to the House of Representatives and the Senate a special message specifying—

(1) the amount of funds impounded,

(2) the specific projects or governmental functions affected thereby, and

(3) the reasons for the impounding of such funds.

(b) Each special message submitted pursuant to subsection (a) shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate; and each such message shall be printed as a document for each House.

SEC. 2. The President shall cease any impounding of funds set forth in a special message if within sixty calendar days of continuous session after the date on which the message is received by the Congress the specific impoundment shall have been disapproved by the Congress by passage of a concurrent resolution in accordance with the the procedure set out in section 4 of this Act.

SEC. 3. For purposes of this Act, the impounding of funds includes—

(1) withholding or delaying the expenditure or obligation of funds (whether by establishing reserves or otherwise) appropriated for projects or activities, and the termination of authorized projects or activities for which appropriations have been made, and

(2) any other type of executive action which effectively precludes the obligation or expenditure of available funds or the creation of obligations by contract in advance of appropriations as specifically authorized by law.

SEC. 4. (a) The following subsections are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b)(1) For purposes of this section and section 2 the term "resolution" means only a concurrent resolution which expresses the disapproval of the Congress of an impoundment of funds set forth in a special message transmitted by the President under the first section of this Act, and which is introduced and acted upon by both the House of Representatives and the Senate before the end of the first period of sixty calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress. Where a special message specifies more than one impoundment of funds, the resolution may relate to any one or more of such impoundments; and the resolution with respect to any impoundment may express the disapproval of the Congress of any amount thereof and may set forth the basis on which the impoundment is disapproved.

(2) For purposes of this subsection and section 2, the continuity of a session shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the

computation of the sixty-day period referred to in paragraph (1).

(c) Any resolution introduced with respect to a special message shall be referred to the Committee on Appropriations of the House of Representatives or the Senate, as the case may be.

(d) (1) When the committee has reported a resolution with respect to a special message, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(e) Motions to postpone, made with respect to the consideration of a resolution with respect to a special message, and motions to proceed to the consideration of other business shall be decided without debate.

(f) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to any resolution referred to in section 4 hereof shall be decided without debate.

OUTLINE OF PURPOSE AND PROVISIONS OF THE PROPOSED IMPOUNDMENT REVIEW BILL INTRODUCED BY GEORGE MAHON, OF TEXAS

I. PURPOSE

The sole purpose of the proposed bill is to provide a standard procedure for Congress to review impoundment actions on an orderly basis and to take appropriate action.

The purpose of the bill is not to resolve the constitutional issue of whether the President has the authority to impound funds which have been appropriated by Congress.

I believe that the Executive should have certain limited powers to reserve funds in the interest of good management and constructive economy in public expenditures, as provided for in the Anti-deficiency Act.

However, I agree with the Speaker that many of the recent impoundment actions by the Administration have overstepped the bounds of reasonableness. Such actions frustrate the intent of Congress by substituting the judgment of the Executive for the judgment of Congress.

II. SUMMARY OF THE PROVISIONS OF THE BILL

A. The bill requires the President to notify both Houses of Congress within 10 days of any impoundment, specifying the amount, the programs or functions affected, and the reasons for such impoundment.

B. Such messages from the President shall be referred to the Committee on Appropriations of the House and the Senate for consideration and recommentation of appropriate action.

C. The bill provides that the President is required to cease any impoundment if, within 60 days after receipt of the impoundment message, Congress disapproves a specific impoundment by passage of a concurrent resolution.

D. The concurrent resolution may relate to one or more impoundment actions if more than one is specified in the special message from the President. It may also express the disapproval of the Congress of the full amount of the impoundment or any part thereof, depending upon the circumstances.

E. Any Member may introduce a resolution with respect to the President's special impoundment message, which shall be referred to the Committee on Appropriations of the House or the Senate as the case may be.

F. Concurrent resolutions reported by the Committee are made highly privileged in order to assure a timely and appropriate consideration and are made subject to floor amendment.

III. FISCAL BACKGROUND

A. There is an attempt being made to lay at the doorstep of Congress all of the responsibility for all our fiscal ills. This cannot be documented. Had Congress for the last 5 years given the Executive precisely what had been requested—no more, no less—the fiscal posture would be about the same.

B. Over the past five years, Congress has provided about what the Executive has requested in total spending authority, doing this through regular appropriation bills, and through so-called "backdoor spending" bills.

During that period, in appropriation bills handled by the Committee which I head, Congress has reduced appropriations below the requests by about $30 billion. In fact, Congress, through its Appropriations Committees, has kept within the total requests for appropriations in each of the last twenty years.

During the past five years Congress has offset that reduction by adding about $30 billion in bills which are not handled by the Appropriations Committee.

C. It is also true that Congress and the Executive have acted together since 1962 to reduce available revenues in calendar 1973 by about $50 billion, assuming the economy would have acted as it has.

A SERVICE OF THANKSGIVING AND PRAYER FOR OUR PRISONERS OF WAR AND THOSE MISSING IN ACTION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. TEAGUE of Texas. Mr. Speaker, I wish to place in the RECORD the following prayer paying tribute to our prisoners of war and those missing in action, written by Mr. Richard G. Capen, Jr., of La Jolla, Calif., and presented to the First Presbyterian Church on March 11, 1973:

A SERVICE OF THANKSGIVING AND PRAYER FOR OUR PRISONERS OF WAR AND THOSE MISSING IN ACTION

Today, all America is bursting with pride, gratitude and thankfulness for the almost indescribable dedication and courage of our prisoners of war in Southeast Asia.

We respect them—not just for their service to country—but for their inspiring ability to survive, relying only on the most basic principles of our American way of life: Faith in God, Dedication to country, Devotion to family and Dependence upon each other.

How many times we have heard those phrases repeated by our returnees in recent weeks. And, how forcefully, their example has reminded each of us that the precepts upon which our nation was founded are as valid today as they were 200 years ago.

For too long a handful of destructive critics have gone unchallenged in their false contentions that such principles were no longer relevant to America.

These irresponsible purveyors of doom take on a pathetic tone when matched against the example of any ONE of our American prisoners of war.

This morning we offer special prayers and thanksgiving to these brave men and their families. We do so with a certain humility, knowing something of their long suffering. We also do so with caution and concern, fully mindful that some 300 American captives have yet to be returned and more than 1300 have yet to be accounted for.

Our thoughts are also tempered by the sobering realization that these men have yet to describe the conditions of their captivity and will not do so until all prisoners have been released.

Only then can we truly appreciate the depth of the abiding faith which sustained them through prolonged periods of torture, isolation, lack of medical care and inadequate diets.

As we offer prayers for these men, let us reflect for a few moments on why it is that so much attention has been focused on this particular group of Americans. Why our prisoners of war? Why our missing men? After all, they represent less than one-tenth of one percent of all those who have served in Southeast Asia.

Certainly, our prayers and thanksgiving go to those Americans who have served and particularly to those who gave their lives or were wounded in Southeast Asia.

But there is an overpowering justification for special attention to our prisoners of war. After all, our dedication to human life and freedom is both clear and consistent with every value of American society.

During the long war in Vietnam, American prisoners of war were set apart, not by the United States, but by our adversaries. It was they, not us, who disregarded every minimum standard of humanity.

Deeply concerned by those intolerable prison camp conditions, Americans spoke out with one voice, demanding the humane treatment of our men who were completely at the mercy of their captors.

Our men deserved nothing less from us.

Yes, we prayed, we spoke out, we negotiated, we launched rescue missions. In short, we assisted wherever possible so that we could face our men when they returned with a personal conviction that all had been done to obtain their humane treatment and eventual release.

Through this determination our prisoners of war became a national issue. Whatever success we achieved in their behalf is small indeed compared to their service in our behalf. Whether in combat or captivity, these men have served with courage and determination.

Faith in God. Dedication to country. Devotion to family. Dependence on each other.

What vigor our men have given to those beliefs today! What pride we can have for these men and our country. And, what better time for all Americans to pull together, raising the flag instead of burning it as one returnee has suggested.

The cynics and agitators may have difficulty understanding this dynamic patriotic phenomenon of recent weeks, but I can assure you that most Americans have no trouble understanding it at all.

"God Bless America" will never again be sung in our country with casualness or complacency for our returnees have brought new meaning to those powerful words.

Today, their accomplishments take on a new meaning at a time when America is seeking to heal the wounds of a long and divisive decade of the sixties.

I deeply respect our prisoners today, not just for surviving captivity, but more so for the example they have set for others to follow. Faith in God. Dedication to country. Devotion to family. Dependence on each other.

For some time Americans have needed a reaffirmation of those fundamental values. Our returning men, through their example, have provided that reaffirmation.

Captivity forced them to look inward for strength to survive. Their record should force us likewise to look inward for our own strengths as we seek meaningful priorities in our own lives.

Irving Berlin wrote "God Bless America" in 1918, but the song was a flop. In 1938 he dusted the tune off for a Kate Smith show, and it became an instant hit.

Once again "God Bless America" has been dusted off, this time by our returning prisoners of war.

Yes, America has been blessed by God and blessed to have among us such men as these.

May all Americans go forward this day with a faith renewed sufficiently to sustain us as it sustained these brave men for so many, many months.

We can truly build our future in the image of God's will if we can restore our Faith in God, Dedication to country, Devotion to family and Dependence on each other.

In closing, may I share with you a contemporary prayer which sums up our confidence in today and hope for tomorrow. Its message is particularly appropriate as we honor those who were sustained by the memories of yesterday and the hopes of tomorrow. For those who have returned, tomorrow has at long last become today.

It's time!
Time to believe and hope again!
Make it spring in my wintered body,
Bring me out of hibernation,
See the sun, Lord, see that new sun,
Breaking its own record for smiling,
Feel its warmth and you smile, too,
And I'll smile with you.

Hey, look that new world stirring,
Cracking loose from the ice,
Surfacing in yellow, violet, and pure gold.
Listen to all those crazy birds,
Fantastic orchestra without a conductor!
I'm eager for the return of the robin,
Stretching to be surprised
By a dream or even a duty.
You're calling me out
Of my cold prison
Into your warming world,
And I'm hearing
And I'm coming out,
For it's time,
Time to believe and hope again!

May God bless these men and their families.

May God always bless our country.

And may God bless all of us who have benefited so much from the example of those whom we remember in our prayers today.

LONG ISLANDERS PROTEST HIGH FOOD PRICES

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. RONCALLO of New York. Mr. Speaker, last weekend, I met with a large delegation of women back in my district, together with Nassau County Commissioner of Consumer Affairs James E. Picken and Oyster Bay Town Councilman Tom Hogan. They told me what all of my colleagues undoubtedly know: that the cost of food, especially meat, has risen to an emergency level. They called upon Congress to form a committee to investigate this terrifying development and give them some protection against future price rises. I promised that we would not let them down.

In fact, Congress was already at work. I was proud to tell my constituents that I was a cosponsor of legislation which would establish in the House a Select Committee on the Cost and Availability of Food to serve during the remainder of the 93d Congress. I should like to call the attention of the rest of my colleagues to House Resolutions 319, 320, and 321, cosponsored by 55 Members, which would provide us with the means to make a coordinated attack on this national emergency facing every family across the country. Also, we would demonstrate to the American people that Congress is indeed capable and willing to deal with this problem. I hope that this measure will receive prompt and favorable action.

Before I left that weekend meeting, Mr. Speaker, I was presented with the following petition signed by 553 residents of my district in just 2 hours which I include in the RECORD at their request:

PETITION

DEAR MR. RONCALLO: We, the undersigned, your constituents, would appreciate it if you would read the following statement into the *Congressional Record* as an expression of our views on the subject of the rising cost of food, especially meat.

"Almost 200 irate consumers met at City Hall, Glen Cove, Long Island, New York to join the grass roots movement to boycott meat the entire week of April 1–April 7.

"The American consumer is already the victim of high meat prices and the forecast is for a continuing rise in prices before they level off, according to high government officials. We are afraid.

"We call upon consumers across the nation to join in this grass roots consumer revolt—focusing on the high price of meat. And we call upon this Congress to act now by forming an investigative committee to look into hgh food prices and institute legislation to provide protection against future rising costs."

(533 signatures).

MOORHEAD SCORES PROPOSED NEW CRIMINAL CODE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, today, the administration has offered legislation to revise the criminal code of the United States.

One facet of this bill would establish criminal penalties for any person releasing a document which carries a classification stamp.

In attempting to make the mere release of information with a classification stamp attached a crime, this administration has taken a course of action directly contrary to logic and good sense. In hearings held before my subcommittee on foreign operations and Government information, experts testified to the vast amount of overclassification of Government documents. Government officials admitted that vast amounts of information which should be public was needlessly classified. The hearings disclosed examples of the misuse of the classification stamp to hide bureaucratic blunders, waste and inefficiency and information which would merely embarrass high officials without jeopardizing the national interest.

Yet, rather than applying its efforts to punish the overclassifier who inhibits the public's right to know, this administration has recommended legislation which would make it a crime to merely disclose a document which happens to have a classification stamp on it even if the classification is an outrageous affront to commonsense. Not only will the release of such information be a crime punishable by imprisonment, but also, the alleged violator will be prohibited from raising as a defense that the information was improperly classified.

On March 8, 1972, the President issued an Executive order designed to curb this needless classification of information that should be available to the public. Yet, just about 1 year later, this same administration has given the stamp-happy classifiers a new lease on life when it recommended legislation designed to protect their often ludicrous mistakes by making it a crime to publicize these unsecret secrets.

REPRESENTATIVE THADDEUS DULSKI'S UNRELENTING EFFORTS TO IMPROVE POSTAL SERVICE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. KEMP. Mr. Speaker, all of my colleagues are, I believe, deeply aware of constituents' complaints about shortcomings in the U.S. Postal Service which is still afflicted with operating difficulties, 20 months after coming into existence.

This is not to say that I, for one, am not appreciative of the responsive service which my constituents in New York State's 38th Congressional District receive as a result of individual problems brought to my attention and forwarded to the congressional liaison office of the Postal Service.

But we all know that because of some basic problems, more understanding and remedial legislation will be required to fulfill the expectations engendered by the Postal Reorganization Act of 1970.

Most fortunately, for those we represent and we in Congress, the required understanding and wealth of background and information is personified in the chairman of the Committee on Post Office and Civil Service.

My distinguished colleague and good friend from western New York, Congressman THADDEUS J. DULSKI, continues to provide the leadership which will enable us to provide the level of postal service that contemporary times and the people of our country demand.

With these thoughts in view, Mr. Speaker, I include in the RECORD a copy of an article written by the very able Washington Correspondent Peter C. Andrews, which appeared in the Sunday, March 18, edition of his newspaper, the Buffalo Courier-Express:

REPRESENTATIVE THAD DULSKI'S UNRELENTING EFFORTS TO IMPROVE POSTAL SERVICE

(By Peter C. Andrews)

WASHINGTON.—Rep. Thaddeus J. Dulski is not the kind of man to do it, but he could well go around Congress these days telling his colleagues "I told you so."

Both the Senate and the House Postal Committees are holding hearings investigating why there are so many complaints about the 20-month old U.S. Postal Service. Created as a semi-independent organization to improve the mail service, the result has been a noticeable slowing down of service and a deluge of complaints.

Dulski is chairman of the House Post Office and Civil Service Committees. As such he was the man who led a lot of the work that went into the creation of the new Postal Service.

But—and here is the key fact—although Dulski was the chairman of the committee and is generally given credit for his statesmanlike shepherding of the bill safely through to final passage, it was not his bill that finally was adopted and signed into law.

Under the bill—known as HR 4—the Postal Service would still have remained a part of the government and would have been more responsive to congressional control.

The administration, however, wanted the new organization to be completely independent of Congress. "Take politics out of the Post Office" was the slogan. By some shrewd political trading and the promising of substanial post office building projects in the home districts of key congressmen, the administration won the required votes on the postal committee to get the main body of its bill approved rather than Dulski's more limited proposals.

Now that the Postal Service is in existence and the old organizational machinery by which Dulski would have retained some political control over the Postal Service operations has been scrapped, Dulski may take some satisfaction there has been a change of heart of several of the congressmen who previously voted for the administration bill.

There have even been six bills introduced in Congress to take back the entire postal operation, on the assumption that the old system, bad as it was, was still better than the new system which is having such agonizing birth pains.

FAVORS MODIFICATION

Dulski feels, however, that it is now too late to take back the postal operation. He would like to, of course, but being realistic, he feels that the best approach is to modify and improve the existing legislation rather than to scrap it entirely.

One of the major complaints has been that the new Postal Service is unresponsive to the public needs and complaints by congressmen go largely unheeded or get only lip service. The creators of the new service sometimes feel they have created a monster over which they are virtually powerless.

The only remedy is new legislation. Under the rules they themselves passed, they are unable to do more than hold hearings into various phases of the operation. If these prove fruitful, then legislation can be drafted to correct whatever ills are discovered—providing that changing the legislation is the remedy to whatever is causing the complaints.

REFORM ACT OF 1970

Dulski has headed the investigation subcommittee of the Postal Committee and has taken back into his hands much of the power he previously lacked when the Postal Reorganization Act of 1970 was passed.

Two of his major subcommittees, the Postal Service and the Postal Facilities subcommittees, are conducting joint hearings into the Postal Service operations now. Although Dulski is chairman of the full committee and chairman of his own subcommittee, he ranks low on the totem pole of the two subcommittees holding the hearing.

When and if legislation is developed to correct some of the faults of the Postal Service, Dulski will then come into his own when the measure comes before the full committee. Right now he is sitting somewhat on the sidelines, although he is attending the hearings and noting with interest what develops.

HOLDS THE POWER

He has considerably more power over subcommittee actions now then he did earlier. He may not have been able to get his HR4 bill passed two years ago, but he will have the power to see to it that some of its provisions be incorporated into whatever remedial legislation comes out of the hearings now.

In the meantime, he can—but doesn't—go around saying "I told you so."

GUN CONTROL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, all of us will be happy to know that our respected colleague in the Senate, JOHN STENNIS, is recovering nicely from the gunshot wounds he received at the hands of thieves in front of his home not long ago. That outrageous assault brings up once again the troubling problem of gun control, a controversial problem on which there are many opinions. I would like to share with this body the view of Mr. Quinn Tamm, now the executive director of the International Association of Chiefs of Police and a former FBI executive, whose long career in law enforcement well qualifies him to speak on this subject. Mr. Tamm's speech was delivered recently at the Landon School in Bethesda, Md. The text follows:

GUN CONTROL: ISSUES AND ANSWERS

(An address by Quinn Tamm, executive director, International Association of Chiefs of Police, 11 Firstfield Road, Gaithersburg, Md.)

I would like to begin drawing an analogy between the exploding incidents of violence and the availability of the instruments necessary to carry them out.

The gun control opponents would like us to believe that no correlation exists between them.

Yet, in the light of some very startling facts, their arguments pale by comparison.

It is a fact that the United States, with two hundred million people, averages *fifty* times as many gun murders each year as England, Germany and Japan combined, with their total population of two hundred fourteen million.

It is a fact that all ten assassinations and assassination attempts on American Presidents or presidential candidates involved firearms.

And, with the exception of President Kennedy, they all involved handguns.

It is a fact that since the turn of the century more than eight hundred thousand Americans have been killed in this country by firearms—far more than have died at the hands of *all* our enemies in *all* our wars.

Last year alone, over half of the fourteen thousand murders committed in the United States involved handguns.

It is a fact that handguns account for three-quarters of all firearms homicides and casualties, although they comprise only one-quarter of all the guns in the Nation.

Actually, no one knows how many guns there are in the United States.

There is no national clearinghouse for records of that type—which incidentally, gives us another insight into the laxity of present gun controls.

However, the best figures we have available show us there are thirty-five million rifles, thirty-one million shotguns and twenty-five million handguns—or nearly one firearm for every two men, women and children.

In the last decade, handgun sales alone have quadrupled.

Guns are imported into this country at the rate of one million per year.

Most of them are cheap, snub-nosed handguns designed for one purpose and one purpose only—a quick and lethal belly shot!

They have even earned the nickname of "belly gun" or "Saturday night special."

Let's focus on some of the current arguments that are being raised in opposition to recommended methods of controlling violence whenever it involves guns.

The problem of implementing effective disarmament measures to control violence stems from the fact that persons of differing opinions can look at the same basic facts and come to entirely contrary conclusions.

For instance, one issue that seems to surface over and over again each time Federal regulations are proposd is the one pertaining to the constitutional "right to bear arms" under the second amendment.

Here, there is only one possible answer.

Repeatedly, the United States Supreme Court and lower courts have interpreted the second amendment as a prohibition against Federal interference with the State militia—and *not* as a guarantee of an individual's right to bear arms.

In fact, the common law right to possess firearms was never regarded as an absolute privilege.

It was always subject to laws regulating that right in the same way that rights have always been regulated.

It has been said that your right to swing your fist stops where the other fellow's nose begins.

And, that is exactly why we need Federal regulations in this area.

The individual's right to bear arms infringes upon the public's right to life and liberty.

Taken to the extreme, the gun lobbyist could just as easily argue that government has no right to infringe upon the private ownership of sawed-off shotguns, machine guns, rockets, grenades, cannons or any other weapon of war.

Aren't these arms?

Another important issue seems to be that no study has ever shown a casual relationship between guns and crime.

We are told that even states having strict gun control laws—such as New York with its Sullivan law—have even higher crime rates than some states without controls.

I can't think of any statement that is more simplistic or evasive.

First of all, no one has ever argued that guns, in and of themselves, cause crime any more than any other inanimate object could cause crime.

The overwhelming fact is, however, that guns facilitate crime by their very presence.

Firearms are the primary instrument of death and injury in American crime.

Two out of every three homicides are committed with guns.

Since 1963, the number of homicides involving firearms has increased forty-eight per cent, while the number of homicides committed with other weapons has risen only ten per cent.

Two of every three armed robberies are committed with a gun, and the fatality rate for victims of firearms robberies is almost four times as great as for victims of other armed robberies.

That means that even if the number of violent attacks did not go down, the number of fatalities resulting from violent attacks would be substantially reduced if the attackers did not have guns.

Considering police deaths alone, a firearm was used in ninety-seven per cent of the police killings last year.

There were one hundred twelve police officers killed by criminal assaults that year.

In the year before, there were one hundred twenty-five—the highest toll in our nation's history.

Policemen are armed.

They are trained in the skills of self-defense.

They are alert for trouble and the possibility of attack.

If you were out to kill a cop, which weapon would you use?

The handgun is the favorite criminal weapon for the most obvious of reasons.

It is light weight, cheap, easily concealed, fairly accurate and almost always deadly.

Because of their absolute nature, handguns are also the predominant weapon used in suicides.

And, I defy anyone to prove that suicides would be just as common if there were no guns around.

Another position that is always forwarded in defense of free access to firearms is that of home-protection.

Studies in Los Angeles and Detroit indicate that only about two per cent of home robberies and one per cent of home burglaries result in the firearms death or injury of the intruder at the hands of the householder.

Examination shows that in the great majority of the cases, the householder had no warning and thus no chance to arm himself with a gun.

Moreover, in considering the value of firearms for self-defense in the home, one must also take into account the risks associated with home possession of a gun.

A substantial number of the twenty-three thousand annual firearms accidents occur in the home.

Of the eight thousand annual firearms homicides, a large percentage occur in the home.

Also, the killing of a householder by intruding robbers and burglars account for no more than two per cent of all criminal homicides.

Such creatures rely on stealth and would no more want to be discovered by a householder than he would want to be discovered by a policeman.

From the standpoint of the individual householder, the self-defense firearm seems to be a dangerous investment.

The evidence is convincing, however, that the armed segment of our population is paying a heavy price in accidents and in the shooting of family members, friends and acquaintances for whatever deterrent effect their possession of self-defense firearms may be providing.

Less dangerous deterrents are available in the form of non-lethal weapons, alarms and other security devices and systems.

I personally believe the case for nationwide firearms regulations has been well established.

We have patiently waited through no less than six separate studies to determine that fact.

In 1965, the commission on law enforcement and the administration of justice studied the problem.

In 1966, the commission on the reform of federal criminal laws studied the problem.

In 1967, the commission on civil disorders studied the problem.

In 1968, the commission on causes and prevention of violence studied the problem.

In 1970, the commission on campus unrest studied the problem.

And, in 1971, the commission on criminal justice standards and goals did the same thing.

You would think that after all that studying, someone could come to the obvious conclusion.

One thing they did agree on was that contemporary America is a violent society.

From all their work, we got two pieces of legislation—the Omnibus Crime Control and Safe Streets Act of 1968 and the Organized Crime Control Act of 1970.

Neither one of them put a dent in the rising crime rate or the private ownership of firearms.

Don't misunderstand.

I'm not advoctaing regulations on long guns, shotguns or finely engineered handguns that have a legitimate sporting purpose.

These guns are very rarely used in crimes except when they're stolen.

The vast majority of gun owners does not misuse firearms.

Millions of Americans are hunters, target shooters and collectors who use their guns safely and responsibly and who, perhaps as much as many of their fellow citizens, deplore the criminal use of firearms.

I realize how keenly competitive gun owners feel about the national skeet and trapshooting matches and the firearms events of the olympic games.

The guns I have been speaking about have been declared by the national shooting sports fraternity to have no sporting purpose whatsoever.

In fact, public opinion polls have shown that the majority of U.S. citizens wants stronger gun controls.

A responsible gun owner should be no more inconvenienced by registering his firearm than he is by registering his car.

I would, however, advocate a flat ban on the manufacture and importation of the cheap, short-barreled belly gun.

Firearms, especially handguns, must be regulated in some way if violence in America is ever to be controlled.

Whatever the opposition may be, we as concerned Americans must be willing to take any steps necessary to halt the slaughter of fifteen thousand citizens every year, the wounding of eighty thousand others and the gunpoint robbery of two hundred twenty thousand more.

When one considers that an American citizen is killed or wounded every two minutes, it becomes painfully clear that some form of nationwide regulation is absolutely essential.

While more people are killed by firearms each year in the United States than in all of Europe—with four times our population—I, for one, strongly recommend massive effective Federal legislation to halt this flood of handguns into our society.

I realize the dangers of using statistics. They are often misleading.

And, in their impersonal way, they tend to be meaningless when taken out of context with the very personal tragedies that are being described.

Their meaning is more apparent when you can put names to them—names like Lincoln, Garfield, McKinley, Kennedy, King, Wallace and Stennis.

I wonder—in the days and weeks to come—how many young doctors, lawyers, engineers, scientists and artists we will lose to the impersonal majesty of the gun.

I wonder how many of you may not be able to vote in the next election.

Thank you for listening.

ECONOMIC AND ENVIRONMENT IMPACT OF OFFSHORE OIL DRILLING

HON. SILVIO O. CONTE

OF MASSACHUSETTES

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. CONTE. Mr. Speaker, today the Sea Grant Project Office of the Massachusetts Institute of Technology published two studies of critical importance to the oil industry and to New England.

One study discussed the economic and environmental impact of offshore oil drilling in the area of Georges Bank, a large fishing ground east of Cape Cod. The other report discussed the environmental vulnerability of Machias Bay, Maine, to oil supertankers.

These studies raise a number of legitimate questions of importance to New Englanders that must be answered before further planning can proceed on offshore drilling or the construction of new refineries or oil superports.

To bring the scope of these studies to the attention of my colleagues, I submit for the RECORD a very brief recapitulation of their key points.

The first study is "The Georges Bank Petroleum Study" by the Offshore Oil Task Group of MIT. This study ws sponsored by the National Sea Grant program, the New England Regional Commission, and the New England River Basins Commission through the MIT Sea Grant program.

The material follows:

THE GEORGES BANK PETROLEUM STUDY

Briefly, the key results on the economic side are:

(1) The single most important variable with respect to the cost to the region of its future oil consumption is the size of the payment made to the exporting nations for imported oil. Differentials in real regional income due to changes in this variable overwhelm all the other differentials investigated.

(2) The pressure on the Georges Bank does not depend on whether or not the import quota is in effect. At most, abolition of the import quota will decrease lease bids. However, even for the largest finds investigated, the region will be much better off without the import quota than with it.

(3) A Georges Bank oil discovery will have no effect on regional oil products prices. The value of an offshore oil find to the region depends largely on whether the federal government or the region receives lease and royalty payments. The value of an offshore gas find depends on who receives lease and royalty payments and whether or not gas prices are deregulated.

(4) Assuming exporting nations do not appropriate decreases in transport cost in the form of increased exporter payments, a deepwater terminal on the East Coast is considerably superior to present shallow water terminals from the point of view of regional income. However, under full employment, a deepwater, vessel-serviced refining complex within the region is only marginally superior to a deepwater extraregional refinery. The lowest cost refining option examined was regional refining employing pipeline distribution of products.

(5) An offshore find in itself will have little effect on regional employment. Regional refining can have considerable effect if either moderate underemployment or sharp unemployment obtains.

(6) The regional income impact of offshore

development on the Georges Bank fishery does not appear to be large. However, the impact on regional income of differences in nearshore spillage can be quite significant.

On the environmental side, we find:

(1) At peak production, a large offshore find could increase the amount of oil spilled within the region by as much as a factor of two. Such a find is likely to increase the incidence of large spills (>42,000 gallons) by more than a factor of two.

(2) An offshore find in itself will have little effect on nearshore spillage. Only a few percent of the Georges Bank spills will reach shore and those that do will be well-weathered. We were unable to identify any environmental effect associated with offshore oil production which appears likely to materially upset the Georges Bank ecosystem.

(3) Nearshore spillage was estimated to be increased by between 30% and 100% by the region's refining all its distillate products, depending on whether the regional refineries distributed their products by pipeline or vessels respectively. In general, we find the nearshore spill to be a more severe biological problem than the offshore. The key variable with respect to the biological impact of a spill appears to be concentrations of aromatic compounds dissolved in the water column.

(4) Systems for the containment and collection of nearshore spills merit careful consideration on the basis of present estimates of their cost and effectiveness versus the cost of nearshore spills.

(5) Planned discharges emanating from a refining complex large enough to process the bulk of the region's oil consumption will be quite significant, at least on a local basis. We have estimated the magnitude of these discharges but have not investigated their fate in detail. Considerably more work in this area is indicated.

The second study is "A Preliminary Assessment of the Environmental Vulnerability of Machias Bay, Maine, to Oil Supertankers" by Messrs. Stephen F. Moore, Robert L. Dwyer, and Arthur M. Katz. Project funds were provided by the Council for Environmental Quality, the National Oceanic and Atmospheric Administration, and the U.S. Department of Commerce. Highlights of this report are:

A PRELIMINARY ASSESSMENT OF THE ENVIRONMENTAL VULNERABILITY OF MACHIAS BAY, MAINE, TO OIL SUPERTANKERS

1. The environmental vulnerability of the Machias Bay region to oil supertankers is very high.

(An oil spill of 30,000 tons can be expected to occur as frequently as once in twenty-years.) If such a spill is released at the entrance to Machias Bay, extensive biological damage is virtually certain of occurring in Machias Bay. A spill further offshore would probably produce less intensive damage biologically, but would be distributed over a greater area. A 500 ton oil spill occurring on the average of once a year can also be expected.) Permanent localized damage is highly probable. Several miles (say 10–20 miles) of shoreline should be covered by each spill and the coastline in the immediate area of Machias Bay has a 10–50% probability of being hit by any large spill released offshore.

2. Chronic spillage does not contribute significantly to the environmental vulnerability of he Machias Bay region.

Oil spills occurring from day-to-day transshipment operations at the tanker berths are relatively insignificant environmentally. Concentrations of hydrocarbons would be reduced to 50 ppb within a few hours of release of the oil. Flushing would be rapid due to high tidal currents, preventing accumulation of hydrocarbons in the water columns. Some localized tainting of organisms around Stone Island could result from these discharges.

3. Non-oil spill activities are also little threat environmentally.

Terminal construction and tanker operation are activities potentially leading to biological changes. However, no dredging is required for construction and proposed structures do not involve shifts in habitats. Currents in the area are typically of the order of 2–4 knots and tanker traffic is not expected to contribute to the scouring that occurs naturally. The effect of breakwaters on circulation and flushing is unknown because of lack of data on currents.

4. Oil spilled in Machias Bay can be expected to reach as far south as the New Hampshire coast and as far north as the northern end of the Bay of Fundy.

The combination of wind and coastal currents produces an oil drift pattern which transports most of the spilled oil parallel and onto the shore, rather than out to sea. Large spills would lead to many smaller spills as the oil slick dispersed, some of which have a high probability of being transported large distances up or down the coast.

5. The water soluble aromatic fractions of oil are the major cause of lethal and sub-lethal effects of oil on marine organisms.

Most marine organisms are affected, due to cellular level disruption, by aromatic compounds and concentrations in water of less than 50 ppm. The effect may range from immediate death to disruption of behavioral characteristics by concentrations as low as 10–100 ppb. Water soluble paraffin fractions may also be toxic, but at higher concentrations in water than would be obtained from an oil spill. All types of hydrocarbons may be incorporated into tissue by many organisms, which may lead to tainting and/or accumulation of polycyclic aromatic hydrocarbons in food chains.

6. Future research on the effects of oil on marine organisms should focus on sub-lethal effects, especially disruption of behavioral characteristics and accumulation in food chains.

Sub-lethal effects of oil on individual organisms may be as damaging to species populations in the long-term as direct lethal toxicity. Population survival depends upon maintenance of successful reproduction behavior. Low concentrations (10–100 ppb) of soluble aromatics may inhibit mating without killing the organisms outright, ultimately causing the population numbers to decrease. However, there has been little research reported on this important problem upon which definitive conclusions can be made.

7. Research efforts should also focus on development of mathematical models to investigate the success of dispersal and reproduction strategies for recovery of populations and communities subject to major environmental perturbations such as oil spills.

An important aspect of the ultimate effect of changes in environmental quality is the rate of recovery and ability to maintain an adequate population level following a major impact. One valuable approach to developing insights to this problem is the application of mathematical models. Numerous hypotheses and scenarios may be investigated which can indicate the potential success various organisms may have, as well as identify laboratory and field data needs.

LEGAL SERVICES PROGRAM

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. THOMPSON of New Jersey. Mr. Speaker, we have been exposed of late to a good deal of criticism of the legal services program by spokesmen for the administration. Mr. Howard Phillips, Acting Director of the Office of Equal Opportunity, has seen fit to castigate the program for allegedly ignoring the needs of the poor and promoting class action suits for political purposes. Therefore, I am pleased to bring to the attention of the House the attached story by Jules Witcover of the Washington Post which sets forth a report on the legal services program made recently by the General Accounting Office. I think any fair reading of that report which was delivered to us yesterday will conclude that the allegations made against the program are to a large extent not true. I commend Mr. Witcover's story and the report to our colleagues:

[From the Washington Post, Mar. 21, 1973]

REPORT BY GAO COUNTERS CRITICS OF LEGAL SERVICES

(By Jules Witcover)

A General Accounting Office report on the controversial Legal Services program says anti-poverty lawyers are so busy meeting the poor's individual legal needs they are unable to spend enough time trying to reform laws unjust to the poor.

The observation, in a 62-page report to be made public today, runs directly counter to complaints by Howard J. Phillps, acting director of the Office of Economic Opportunity, that anti-poverty lawyers often neglect individual clients to push law reform cases.

Phillps' view has triggered widespread fears among Legal Services lawyers around the country that effective law reform will be a casualty in the creation of a new, independent Legal Services Corporation to be proposed shortly by President Nixon.

The GAO report was based on a study over several months last year of seven out of 256 Legal Services projects and a review of randomly selected evaluation reports of 19 others operating in February, 1971.

In addition to its observations on the inhibitions to more law reform work, it also says anti-poverty workers don't have enough time to do economic development work—helping the poor organize groups to improve their own lot through legal action.

In both cases, the report said, "these objectives had been limited partly because OEO had neither clearly defined program objectives and priorities nor provided the essential direction and guidance to program grantees on how to engage in activities directed toward law reform and economic development." OEO should require grantees to spell out what they intend to do in these areas, the report recommended.

In response, J. Laurence McCarty, acting director for Legal Services appointed by Phillips in February, said in comments included in the report that pressure on anti-poverty lawyers to do more law reform work, "even if it meant keeping individual clients waiting," has produced an "ocupational schizophrenia" that has hurt the program.

McCarty, echoing Phillips' own position, said he is "not in principle opposed to class actions, suits against the government, test case litigation, legislative advocacy or any other kind of law reform."

But what he objects to, he said, "is the elevation of these tools to the status of ends, separated from the goal of service to individual clients and subordinated in turn to some transcendent goal such as 'social change.'"

The report took note of the view that law reform can bring about changes for the benefit of the poor far beyond the achievements of any individual client case. By challenging the constitutionality of welfare residence laws in 16 cases,it said in quoting a former Legal Services director, anti-poverty lawyers "have increased the income of the poverty population by several million dollars."

Poor monitoring and accounting procedures in the Legal Services program, and the confidentiality of the attorney-client relationship, impeded the GAO investigation, the report says.

However, 138 clients interviewed "generally expressed satisfaction with the services they received," it says, and 18 judges interviewed about the anti-poverty lawyers found they had "generally provided competent legal representation for their clients."

The judges said the lawyers "generally were well prepared," although some judges said "they had had some problems" with some of them. They cited "courtroom disruptions, disrespectful behavior, falsification of documents, and attorneys who, in the opinion of one judge, were interested only in battling the establishment."

To this charge, McCarty said neither his office nor any regional office "have reecived any official complaints from the judges involved" nor of any action taken regarding them, but he promised "an informal investigation" and "corrective action" if warranted.

McCarty added his own observation that "it cannot be denied that a number of our lawyers have been guilty in the past of an anti-establishment militancy which has caused them to breach the line between professional and unprofessional behavior."

As long as he is in charge, McCarty wrote, "I will insist on adherence to the traditions of ordinary civility and on abstention of our lawyers from participation in hostile demonstrations and confrontations outside the courtroom."

The report also criticizes Legal Services projects for providing legal aid in some instances where income was above the minimum required for eligibilty.

It cites one case in which a lawyer represented a church "after a woman requested legal assistance to obtain a refund of $1,200 paid for church choir robes that she considered to be defective." The lawyer sought a refund and the case was still open at the time of GAO's review, the report says.

McCarty said he was "deeply concerned" about such cases and intended to standardize the definition of eligibility throughout Legal Services, with allowances for geographic variations in cost of living.

Rep. William A. Steiger (R-Wis.), ranking minority member of the House Equal Opportunities Subcommittee that has been holding hearings on the dismantling of OEO and the future of Legal Services, said last night that the GAO report "certainly buries the charge that Legal Services lawyers pay more attention to causes and test cases than they do to their individual clients."

The report's finding, he said, makes it difficult to understand "persistent rumors" that back-up law centers, to which anti-poverty lawyers may go for research and other legal assistance, may not be re-funded.

THANKSGIVING FOR OUR POW'S–MIA'S

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. KEMP. Mr. Speaker, each of us has been moved, deeply moved, by the gratitude our prisoners of war have shown for their country, their Commander in Chief, and for the perseverence of the American people. Their courage and discipline is not only a source of admiration to all who have witnessed their return. but also can be a source of rededication to those of us in this country who did not have to endure the hardships and suffering they know only too well.

It perhaps comes as a surprise to many to see such visible manifestations of gratitude and patriotism; but to those Americans who hold an abiding faith in the future of this Nation and its people, the emotional return of our prisoners and their uninhibited thanksgiving had been a thing of beauty.

On March 11, 1973, my friend Richard G. Capen, Jr., vice president of Copley Press, Inc., addressed the congregation of the First Presbyterian Church of La Jolla, Calif., at a service of "Thangsgiving and Prayer for our Prisoners of War and those Missing in Action." He eloquently expresses the pride, gratitude, and thankfulness of the American people for the character of individual we have witnessed in our returning prisoners of war. I include Mr. Capen's remarks in the Record:

A Service of Thanksgiving and Prayer for Our Prisoners of War and Those Missing in Action

Today, all America is bursting with pride, gratitude and thankfulness for the almost indescribable dedication and courage of our prisoners of war in Southeast Asia.

We respect them—not just for their service to country—but for their inspiring ability to survive, relying only on the most basic principles of our American way of life: Faith in God, Dedication to country, Devotion to family and Dependence upon each other.

How many times we have heard those phrases repeated by our returnees in recent weeks. And, how forcefully, their example has reminded each of us that the precepts upon which our nation was founded are as valid today as they were 200 years ago.

For too long a handful of destructive critics have gone unchallenged in their false contentions that such principles were no longer relevant to America.

These irresponsible purveyors of doom take on a pathetic tone when matched against the example of any one of our American prisoners of war.

This morning we offer special prayers and thanksgiving to these brave men and their families. We do so with a certain humility, knowing something of their long suffering. We also do so with caution and concern, fully mindful that some 300 American captives have yet to be returned and more than 1300 have yet to be accounted for.

Our thoughts are also tempered by the sobering realization that these men have yet to describe the conditions of their captivity and will not do so until all prisoners have been released.

Only then can we truly appreciate the depth of the abiding faith which sustained them through prolonged periods of torture, isolation, lack of medical care and inadequate diets.

As we offer prayers for these men, let us reflect for a few moments on why it is that so much attention has been focused on this particular group of Americans. Why our prisoners of war? Why our missing men? After all, they represent less than one-tenth of one percent of all those who have served in Southeast Asia.

Certainly, our prayers and thanksgiving go to those Americans who have served and particularly to those who gave their lives or were wounded in Southeast Asia.

But there is an overpowering justification for special attention to our prisoners of war. After all, our dedication to human life and freedom is both clear and consistent with every value of American society.

During the long war in Vietnam, American prisoners of war were set apart, not by the United States, but by our adversaries. It was they, not us, who disregarded every minimum standard of humanity.

Deeply concerned by those intolerable prison camp conditions, Americans spoke out with one voice, demanding the humane treatment of our men who were completely at the mercy of their captors.

Our men deserved nothing less from us.

Yes, we prayed, we spoke out, we launched rescue missions. In short, we assisted wherever possible so that we could face our men when they returned with a personal conviction that all had been done to obtain their humane treatment and eventual release.

Through this determination our prisoners of war became a national issue. Whatever success we achieved in their behalf is small indeed compared to their service in our behalf. Whether in combat or captivity, these men have served with courage and determination.

Faith in God. Dedication to country. Devotion to family. Dependence on each other.

What vigor our men have given to those beliefs today! What pride we can have for these men and our country. And, what better time for all Americans to pull together, raising the flag instead of burning it as one returnee has suggested.

The cynics and agitators may have difficulty understanding this dynamic patriotic phenomenon of recent weeks, but I can assure you that most Americans have no trouble understanding it at all.

"God Bless America" will never again be sung in our country with casualness or complacency for our returnees have brought new meaning to those powerful words.

Today, their accomplishments take on a new meaning at a time when America is seeking to heal the wounds of a long and devisive decade of the sixties.

I deeply respect our prisoners today, not just for surviving captivity, but more so for the example they have set for others to follow. Faith in God. Dedication to country. Devotion to family. Dependence on each other.

For some time Americans have needed a reaffirmation of those fundamental values. Our returning men, through their example, have provided that reaffirmation.

Captivity forced them to look inward for strength to survive. Their record should force us likewise to look inward for our own strengths as we seek meaningful priorities in our own lives.

Irving Berlin wrote "God Bless America" in 1918, but the song was a flop. In 1938 he dusted the tune off for a Kate Smith show, and it became an instant hit.

Once again "Good Bless America" has been dusted off, this time by our returning prisoners of war.

Yes, America has been blessed by God and blessed to have among us such men as these.

May all Americans go forward this day with a faith renewed sufficiently to sustain us as it sustained these brave men for so many, many months.

We can truly build our future in the image of God's will if we can restore our Faith in God, Dedication to country, Devotion to family and Dependence on each other.

In closing, may I share with you a contemporary prayer which sums up our confidence in today and hope for tomorrow. Its message is particularly appropriate as we honor those who were sustained by the memories of yesterday and the hopes of tomorrow. For those who have returned, tomorrow has at long last become today.

It's time!
Time to believe and hope again!
Make it spring in my wintered body.

Bring me out of hibernation,
See the sun, Lord, see that new sun,
Breaking its own record for smiling,
Feel its warmth and you smile, too,
And I'll smile with you.

Hey, look at that new world stirring,
Cracking loose from the ice,
Surfacing in yellow, violet, and pure gold.
Listen to all those crazy birds,
Fantastic orchestra without a conductor!
I'm eager for the return of the robin,
Stretching to be surprised
By a dream or even a duty.

You're calling me out
Of my cold prison
Into your warming world,
And I'm hearing
And I'm coming out,
For it's time,
Time to believe and hope again!

May God bless these men and their families.

May God always bless our country.

And may God bless all of us who have benefited so much from the example of those whom we remember in our prayers today.

LESS GOVERNMENT SPENDING MEANS LESS TAXES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. COLLINS. Mr. Speaker, this morning I received one of those courageous letters that Congressmen always welcome. My friend, Joe Dealey, is president of the Dallas Morning News. He was writing and asking those of us in Congress to take a strong stand against expended, expensive welfare. He was commenting on President Nixon's positive action in providing adjustments from escalating welfare programs so that the poor who were in real need could receive adequate provisions.

The reason I appreciated this letter so much is because I only receive two or three of these every week. Today my mail was loaded with letters in support of different special projects that are going to receive Government funding. It is only natural for people to strongly support a program where they receive benefits, and the Government provides the money.

Joe had just read an excellent editorial in the News that was written by Dick West. It would be a good thing for Americans if we had more editorial pages with the factual drive that West puts into the News editorials.

This editorial pointed out that the increased Government spending is going to lead to increased taxes. He cited a major labor leader advocating increased spending with the suggestion that it could be financed by heavier taxes from the rich. West's editorial pointed out that the rich are a small, small group. The income of all Americans earning more than $100,000 per year is only 2 percent of the total income of all Americans. If the Government taxes all of their income—took every penny they earned—the total would be $14 billion. West hit a key point in this statement. With Congress spending $270 billion, it means that the average man and woman are going to pay the tax on this increased spending.

Dealey pointed out that we all know that some hardships will result, but there will also be more equity because the needy cases can now be dealt with more fairly. Furthermore, agencies that spent 80 percent of their money on staff salaries will be abolished so that this money can go directly to welfare recipients.

In 1965, the U.S. Government was spending $100 billion a year. By the time we reach 1975, we will be spending $300 billion and this is with the country at peace and no Vietnam war. Three times the spending which is creating higher taxes, higher food costs, higher inflation, higher interest rates, higher crime activity, and more nervous breakdowns.

Sitting in Washington, I appreciate neighbors like Joe Dealey and Dick West of the Dallas Morning News who are interested in the good of America and thinking of the long-range future.

WOOD FIBER CRISIS

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1973

Mr. DON H. CLAUSEN. Mr. Speaker, I am pleased that the distinguished gentleman from Oregon (Mr. WYATT) has taken this time to continue informing and alerting the Members of the House on the wood fiber crisis we are facing today.

A number of us commented in depth on this problem 2 days ago, but recognizing the complexity of the issues and their many interrelated facets, the gentleman from Oregon is correct in following up that discussion with a more specific focus on various aspects involved in lumber prices, home building costs and related issues.

I would like to note here today that part of the problem we face stems from the fact that there exists an extremely serious shortage of railroad boxcars that are needed to get manufactured forest products to the marketplace.

This is a continuing problem that has never been resolved and one which has expanded in recent weeks. At a time of very high homebuilding demand, it is important that we make certain that nothing interferes with making available the necessary materials to maintain housing production at the highest possible level.

Forest products represent a basic commodity to the housing construction industry and housing construction is a basic element of our American economy. This is universally recognized and yet neither the Congress nor the Interstate Commerce Commission has taken effective action that will assure a stable supply of boxcars.

This is an issue that must be considered and acted on by both Houses of Congress and the executive branch. Decent housing is not a luxury, it is a basic human need.

But, without the ability to get freight cars to manufacturing facilities to get wood fiber products to the consumer, we cannot fulfill this need.

Let us act now while we are alerted because of the seriousness of the problem, but let us not forget that the solution must be effective over the long range so that we do not forget the need when the short-term solution is achieved.

TIMBER PRICES AND THE ECONOMY

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1973

Mr. JOHNSON of California. Mr. Speaker, several factors have occurred in the last 5 years which have contributed to a steadily increasing lumber shortage in the United States. One important factor is the current building boom brought about by the maturity of post-World War II children who are now buying their own homes. Another boost has been given to lumber prices by severe budget cuts and the strict interpretation of environmental restrictions governing road and trail development in remote Federal forestland. A third important factor, which has reduced the availability of domestic timber is the steadily increasing volume of timber exported to Japan.

A booming home building industry is a healthy thing which I certainly do not intend to discourage. Since 1969, when housing starts totaled 1.499 million, construction has steadily risen to 2.378 million starts projected for 1973. Unless prices for raw materials are kept within reasonable bounds, this steady upswing cannot be maintained.

In the face of rising demand for raw materials, the Forest Service has been hard pressed to meet a substantial portion of the demand. New environmental constraints and funding cuts in vital parts of their timber program has resulted in the volume of timber sold in fiscal 1970 of 11.667 billion board feet dwindling to 8.817 billion board feet in fiscal 1972.

To further illustrate the magnitude of Forest Service problems, an estimated 10 billion board feet of timber is annually lost in our National Forests due to disease, fire and natural attrition. At least 3 billion board feet of this amount could be salvaged if access was available through an adequate system of roads. Timber cannot be harvested if equipment cannot reach it; fires cannot be controlled without approaches for firefighters and their equipment. And following some natural catastrophy, reseeding is seriously hampered without access roads and adequate personnel to carry out planting chores.

Repeatedly members of this Congress have pointed out these problems and initiated remedial action. The administration responded by requesting a $105 million cutback in forest development road and trail authorization for fiscal 1974 and 1975. In addition, the budget last year included a request for $21 million for reforestation of Federal forestland. This sum was impounded by OMB despite the growing lumber crisis. The Forest Service was non-the-less charged with the task of salvaging 300 million board feet of diseased and deteriorating timber but the $2.5 million required to finance this sale was never provided. These problems disturb me greatly but I am equally concerned about the continuing rise in exports.

Log exports to Japan have steadily increased from 2.1 billion board feet in 1972. Their demand for timber appears insatiable because of their own booming economy. The Japanese general demand and supply council recently announced that the quantity of foreign logs and lumber to be imported during the first half of calendar year 1973 will total 4.441 billion board feet. This represents a 6-percent increase in log and lumber imports over the same period last year.

I am in full sympathy with Japan's need for timber but it seems foolish to export logs while we face high lumber prices and a timber shortage here at home. In California each year about 80 million board feet of timber is exported to Japan while California sawmills are idle some 20 percent of the time. With lumber prices at an alltime high in the United States, it is tragic that these sawmills cannot obtain the raw materials necessary to meet this demand. Profits are unnecessarily foregone and our unemployment situation remains unchanged. Since we have the raw materials in our forests, our sawmills are eager to increase production and our building industry is anxious to buy the end product, curtailment of log exports, for the present at least, is the best interest of all the American people.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. SCHERLE. Mr. Speaker, for more than 3 years, I have reminded my colleagues daily of the plight of our prisoners of war. Now, for most of us, the war is over. Yet despite the cease-fire agreement's provisions for the release of all prisoners, fewer than 600 of the more than 1,900 men who were lost while on active duty in Southeast Asia have been identified by the enemy as alive and captive. The remaining 1,220 men are still missing in action.

A child asks: "Where is daddy?" A mother asks: "How is my son?" A wife wonders: "Is my husband alive or dead?" How long?

Until those men are accounted for, their families will continue to undergo the special suffering reserved for the relatives of those who simply disappear without a trace, the living lost, the dead with graves unmarked. For their families, peace brings no respite from frustration, anxiety, and uncertainty. Some can look forward to a whole lifetime shadowed by grief.

We must make every effort to alleviate their anguish by redoubling our search for the missing servicemen. Of the incalculable debt owed to them and their families, we can at least pay that minimum. Until I am satisfied, therefore, that we are meeting our obligation, I will continue to ask, "How long?"

OSHA

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. STEIGER of Arizona. Mr. Speaker, I would like to share with my colleagues an editorial by Mark Shepard that appeared recently in the Buckeye Valley News. Mr. Shepard's comments confirm beyond any doubt that the long arm of the Federal bureaucracy has made its mark in Buckeye, Ariz.

The editorial follows:

MARK MY WORD

(By Mark Shepard)

Quite often nowadays new rules and regulations sail into law which seem to affect primarily businesses and industry. However, as more and more of these laws go into effect, the man on the street suddenly discovers that the laws are affecting him too—usually in the form of higher costs for the items he purchases.

As I mentioned in a previous editorial, the anti-pollution laws at first seemed to affect only businesses and industry, but when the costs for control equipment began being passed on to the customer, it came as a sudden shock. Soon car buyers found that several hundred dollars worth of pollution control equipment on their new autos raised the price of the machine by that same amount. They also got far less gas mileage and were saddled with higher maintenance costs.

When the power companies got hit with orders to control pollution at their plants, it was the ultimate consumer—you and I—who footed the bill. When people around airports complained about the noise problems, some cities had to buy up tracts of homes around the facility—at a cost to the taxpayers. In Paris a noise tax was recently implemented applying to aircraft. The passengers are paying for it.

So what I am saying is that when a new law is passed, and seemingly it looks good to you because you don't own or run the large industry which it directly affects, you had better look real close at that law because in the end it indeed is going to affect you—right in the pocketbook.

Thus it was quite interesting last week when a man from OSHA came out to the Buckeye Valley Chamber of Commerce and told about the relatively new program. OSHA is the Occupational Safety and Health Act which was passed by the Federal Government late in 1969. It sailed into law with little opposition.

The State of Arizona passed a similar law of its own in 1972. However although the law primarily affects businesses, both large and small, even many businessmen hardly know anything about it and a goodly number have never even heard about it.

Most people who are not in business for themselves, or who are not in management positions, not only don't know of any such law as OSHA, they really don't care anything about learning about it either. That is simply because they wrongly feel that it won't affect them, or even if it does, it will bring only roses with no thorns attached.

OSHA, like all other government laws, is going to directly affect everyone sooner or later. And you should know more about it because in the long run it is going to cost you plenty.

The law was passed, like so many other laws, in an attempt to protect people from the hazards of life itself. The particular hazards targeted by OSHA were job injuries and the prevention thereof through laws mostly directed to the employer.

On the job injuries are indeed increasing each year. In Arizona last year 110,000 people were injured on the job. In 1958, there were 57,000 job related injuries in this state. In 1970 there were 2,500,000 injuries through the United States and 14,500 job related injuries in this state. In 1970 there were 2,500,000 injuries throughout the United States and 14,500 people were killed on the job.

So now you can see why the government stepped in the picture. The problem with the new law came about because, as usual, the government came on so strong with its decree that today many small business are being forced to shut down altogether because they cannot afford to comply with the law. Larger businesses are finding out that the so-called "safety" items required in their buildings are costing them thousands of dollars.

This might not even be too bad in some cases, but what really hurts is the fact that many of the laws are ridiculous. Another thing is that the laws are too much to even comprehend by most people. They are in many cases vague and unclear.

The Federal inspectors have had almost absolute power given to them. They can suddenly appear at the door of any business, walk in and inspect everything from machinery to wiring, fine you on the spot for violations (even if you have never received the jumbled copies of the rules), and demand such costly remodeling or installations that you are forced to shut the doors. No warning is given—direct fines on the spot are the rule.

The state inspectors are seemingly more liberal. Carl Easterling, the chief of OSHA in this state, told the Chamber that they allow time to meet their demands. He also claimed that their demands are not so rigid.

However, the state OSHA office is separate from the Federal OSHA office. And both are currently inspecting businesses.

He said that the Arizona OSHA laws have been submitted to the Feds for approval twice already and have been rejected both times apparently because they don't crack down hard enough. California drew up its regulations for OSHA—they sent 10 plans to Washington and the stack of paper containing regulations weighed two tons (2,000 lbs.) How can anyone comply with regulations that cumbersome?

If the Federal OSHA laws are upheld as they now stand, I would venture to say that nearly every business in Buckeye could be shut down overnight. The buildings are old and it would be simply too costly to bring them into compliance with the law.

There is even a risk in erecting a new building. Present building codes in this state do not take into consideration the rules of OSHA. Therefore, a new building could be constructed one day and OSHA could force the owner to remodel it the next. It is up to the owner of the buildings to meet the OSHA rules and regulations. Most people have never seen a copy of the complex, and in many cases understandable rules. When even the building codes of the state do not comply with the OSHA regulations, everyone is in deep trouble.

While the worker may think that the rules only govern the employer, there is a little talked about section which states that the worker himself can be fined if he does not comply with regulations. Workers who furnish their own tools and equipment are particularly vulnerable.

The object of OSHA is to make certain that the employer furnishes a safe place to work. That is admirable. However, like Federal tax returns, the OSHA regulations are already too complicated to comprehend. They are far too demanding. They allow no time to get things reasonably in shape. It is estimated that as many as 20,000 specific rules and regulations apply to any single work establishment.

Indeed there are many work-related accidents throughout the country, but there is no way which you can at all times protect man from himself. The government obviously feels that few men have even an ounce of brains—and fortunately there is quite a bit of evidence to back up this contention.

However, we return to the risks involved in living and the price we are willing to pay for protections which as often as not will not work.

Congressman Sam Steiger is now attempting to bring about some changes in the OSHA laws. He had better be successful or everyone is going to pay the price—which might hurt far more than a job-related injury.

There is some hope, however, already an OSHA rule specifying that a certain type of toilet seat be used in all business establishments has been thrown out. Now if most of the other mumbo-jumbo was flushed down with it, perhaps the best service to everyone would be performed.

STOP DRUGSTORE HOLDUPS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. NIX. Mr. Speaker, drugstore robberies are becoming an increasing problem in urban areas across the Nation. In many of these violent crimes, the objective is narcotics and other drugs. The most unfortunate aspect of such a holdup is, however, that the pharmacist or attendant is often attacked and beaten or even murdered.

It is no wonder the lights have gone out in many stores that used to be available to the public on a 24-hour-a-day basis. In my city of Philadelphia, the crime threat has brought about a complete blackout of the all-night drugstore. A person in need of emergency drug treatment faces either a long wait or a trip to an emergency medical center.

A prominent Philadelphia pharmacist, Arnold Snyder, who is chairman of the Save Our Stores Committee, writes me there has been a diminution of drugstores in our city from 1,400 to around 500. Mr. Snyder is rightfully concerned that we are close to facing a health and safety hazard in our city.

I feel confident that my colleagues, representing urban areas from Boston to San Francisco, share the concern of Mr. Snyder for more and more pharmacists, licensed to dispense lifesaving drugs to the public, are becoming the targets of addicts and narcotics pushers. Present laws are apparently not sufficiently severe to combat this deteriorating situation.

As the danger increases, the druggists themselves become more alarmed. Just this morning, I received a resolution recently adopted by the Philadelphia Association of Retail Druggists. In the belief that this resolution reflects the sentiment of many druggists groups, I am inserting it in the Record at this point for the edification of my colleagues.

Resolution

Whereas, The number of drugstore robberies and burglaries in Philadelphia has become a daily occurrence.

The number of drugstores closing in Philadelphia has decreased the number of such stores from 1400 to 525.

There have been seven pharmacists murdered during the course of their professional activities.

A critical shortage of pharmaceutical services may face the citizens of Philadelphia causing a health hazard.

The cause of such crimes of violence is directly related to federally controlled substances of the Federal Controlled Substances Act of 1970 (Public Law 91-513).

Now, therefore be it resolved, that the Philadelphia Association of Retail Druggists on behalf of the Pharmacists of the United States does hereby request the Congress of the United States to enact legislation amending the Controlled Substances Act to make it a Federal crime to commit or attempt to commit a robbery or a burglary or any other act of violence of a pharmacy registered with the Federal Bureau of Narcotics and Dangerous Drugs in the United States and its territories.

In addition, I want to bring to the attention of my fellow Members of Congress a bill which I introduced yesterday which will make it a Federal crime and provide a penalty for the robbery, or attempted robbery, of any narcotic drug from any pharmacy.

Mr. Speaker, I firmly believe the robbery of a drugstore should be made a Federal criminal offense on the basis that such establishments dispense dangerous prescription drugs regulated by the Bureau of Narcotics and Dangerous Drugs.

With the hope that many of my colleagues will join me in cosponsoring such a bill, or will want to introduce it for themselves, I am inserting a copy of that bill in the Record at this point.

H.R. 5976

A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 103 of title 18 of the United States Code is amended by inserting after section 2117 the following new section:

"§ 2118. Robbery of narcotic drugs from pharmacies

"(a) Whoever robs any pharmacy of any narcotic drug (as defined in section 102(16) of the Controlled Substances Act) shall be fined not more than $5,000 or imprisoned for not more than twenty years or both.

"(b) Whoever, in committing or attempting to commit and offense described in subsection (a), assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not more than $10,000 or imprisoned for not more than twenty-five years or both.

"(c) Whoever, in committing or attempting to commit any offense described in subsection (a), kills any person shall be imprisoned for not less than ten years."

Sec. 2. The chapter analysis of such title is amended by inserting immediately below the item relating to section 2117 the following:

"2118. Robbery of narcotic drugs from pharmacies."

JOHN F. DARGIN, JR., PROTECTOR OF OLD GLORY

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to take this opportunity to commend to my colleagues' attention the admirable work being done by Mr. John F. Dargin, Jr., of Dorchester, Mass., who is the current judge advocate general of the Veterans of Foreign Wars.

Mr. Dargin has long displayed tremendous dedication and loyalty to the United States. His service to his country dates back to his time in the Air Force where he showed a quality of courage known to few men. Mr. Dargin has been involved in VFW affairs since 1949 and has performed a myriad of functions, all of them with a sense of dignity, responsibility and pride. His leadership qualities were soon recognized and eventually resulted in his election to the high office of judge advocate general at the national convention in Minneapolis last August.

John F. Dargin, Jr., has presented many cases before almost all levels of the State and Federal judicial system and each time has represented the interests of our veterans in an excellent manner. In honor and gratitude to this fine man, the George F. Bryan Post No. 613 VFW in Quincy, Mass., is holding a testimonial on March 31. Let me say, Mr. Speaker, that few men are as deserving of such an honor as Mr. Dargin. I salute John F. Dargin, Jr., and thank him for his wonderful service to the country he so loves and respects. I include for the Record the following composition by Mr. Dargin which glowingly expresses the reverence and patriotism he holds for the symbol of our great country, the U.S. flag:

In Defense of the Flag

Massachusetts has long been regarded as the Cradle of Liberty, the heartland of true American patriotism. We are told that the first United States flag raised over a public school was in May 1812 over a log schoolhouse on Catamount Hill, Colrain, Massachusetts, and one of the first to raise the flag during the Civil War was the Fifth Street Grammar School of New Bedford, Massachusetts.

In 1899 the Massachusetts Legislature adopted the so-called flag desecration statute, intending thereby to protect the American flag from being dishonored. It took the decision of the U.S. Court of Appeals for the First Circuit on December 14, 1972 to strip it of all protection. The decision was recorded in a short squib on an inside page of one of the Boston newspapers, and on only one occasion. There was no outcry, no expression of shock or outrage. Those are obsolete words in these days of ultra sophistication. Nothing is taboo. The people cannot be shocked any more. The loss of protection for the American flag doesn't seem like much of a loss when compared with all the other things we have lost in this country since President Kennedy was assassinated. However, we must admit that it means something.

We have grown so indifferent, so callous and snide, we are so intellectually cynical to everything that is happening around us that something has died inside all of us. In the course of extending and elucidating constitutional guarantees in every single instance, without regard to corresponding responsibilities, our last remaining measure of innocence and pride has been trampled into extinction. In this instance the Court ruled that wearing the American flag on the seat of one's pants is permissible, and the statute itself is void since it violates constitutional rights of free speech.

The case, as entered in the U.S. Court of Appeals for the First Circuit is No. 72–1204, and is captioned Valerie Goguen, Petitioner, Appelle v. Joseph Smith, Sheriff of Worcester County, Respondent Appellant. It is an "Appeal from the United States District Court for the District of Massachusetts."

The facts, briefly stated, are as follows:

The Appellee was sentenced to six months in the House of Correction after having been convicted by a jury in a Massachusetts Superior Court, in a trial de novo, after a prior conviction for the same offense in a Massachusetts District Court and imposition of a one year jail sentence, for "publicly treating contemptuously the flag of the United States", in violation of Mass. Gen. Laws Ch. 264, sec. 5. The pertinent section of M.G.L. Ch. 264, sec. 5 says "Whoever publicly mutilates, tramples upon, defaces or treats contemptuously the flag of the United States . . . shall be punished by a fine of not less than ten nor more than one hundred dollars or by imprisonment for not more than one year or both. . . ."

The treatment found contemptuous consisted of appellee (Goguen) appearing in the business district of Leominster, displaying a small cloth American flag sewn to his blue jeans on the area covering his left buttock. When a police officer questioned appellee, persons with whom appellee was standing were amused. Appellee was arrested the day after this incident.

The Massachusetts Supreme Judicial Court affirmed the conviction in Comm. v. Goguen, 1972 Mass. Adv. Sheets 303, 279 N. E. 2d 666, finding the statute not vague as applied to appellee and neither a facial nor "as applied" restraint upon freedom of speech. Appellee then petitioned for a writ of habeas corpus in the U.S. District Court for the District of Massachusetts, which issued the writ after finding that the statute was both vague, in violation of the Fourteenth Amendment, and overboard, in violation of the First Amendment. See Goguen v. Smith 343 F. Supp. 161, (D. Mass. 1972). The Commonwealth of Massachusetts appealed. The United States Court of Appeals for the First Circuit upheld the findings of the United States District Court on all of the grounds stated except that the concurring opinion declined to deal with the "overbreadth" issue.

I find the decision to be contrary to the age-old belief in the sacredness of the American flag specifically, and all national flags generally. The flag at one time was the symbol of the greatness of the United States throughout the world and guaranteed safety and rights as free men of Americans travelling abroad. As in the days of the Roman Empire, all that a Roman travelling abroad needed to say to insure his safe conduct was "Civis sum Romanus", so too an American needed to only say "I am an American." The flag flying from an embassy or consulate represented "home" to those far afield, whether in time of war or peace. It immediately excited a feeling of warmth and security to see it flying in the winds. Thousands of good men have died or suffered agonizing wounds beneath its proud colors, and from Yorktown to Iwo Jima, in Vietnam, and on the moon it has represented freedom to oppressed people, and the hope of a better life. However, in the eyes of the Court it is not that important.

I find it difficult to accept, but having seen the Governor of a once great state order the flag lowered to satisfy the demand of a howling mob, demonstrators for the enemy in time of war, it seems that the Fall of the Roman Empire is being reenacted here in Massachusetts. I do not blame the judges of this Court for their decision, for they are honorable men. The fault lies with the permissive philosophy of the Warren Court whose legacy to history will be chronicled in the decisions which contravene the very principles upon which the United States of America was founded.

The Declaration of Independence and the Preamble to the Constitution proudly call upon Almighty God for guidance, and for centuries the God-fearing American people taught their children to obey the Ten Commandments. Non-denominational prayer reading was a part of every child's life as he went through school, and none were any the worse for it. Entertainment was a family affair, but today's books, films, and even television programs are revolting with eroticism, all with the imprimature of the U.S. Supreme Court. Patriotic observances, and even the survival of our great country, are endangered by the Warren Court decisions. More has been accomplished by the Supreme Court of the United States under Chief Justice Warren to destroy the fabric of our free society in the name of the First Amendment than even Lenin could have hoped for when he predicted that the United States would be destroyed from within. The Warren Court has, indeed, become our Trojan Horse. The phoney "liberals" in our midst have clamored for releasing of the strictures on revolutionary elements in our society, all in the name of the First Amendment, and today crime is rampant in the streets, our courts retreating in disarray, our prisons are run by the convicts, religion is regarded as the "opiate of the people", and organized government is approaching bankruptcy.

Never has a candidate for the Presidency of the United States been so humiliated at the polls and his beliefs and cohorts so soundly rejected, than at our last national election. Our President was reelected by an all-time record margin, while other members of his party failed to win the confidence of the people for lesser offices. The message is clear. The voters are fed up with the trend toward nihilism, and those who denigrate at every opportunity the government of the United States and our free institutions. The American people are proud of the accomplishments which have been achieved at home and the world-wide respect abroad accorded our fighting men in the cause of freedom. We are strong and proud and will remain so, with the help and guidance of Almighty God.

The rationale of the Circuit Court is all too familiar. Although it was argued by the State that the statute proscribes only conduct affecting "the physical integrity of a flag", and that there was no vagueness in its application to one who sews a flag to the seat of his pants, the Court ruled otherwise. Despite the language of United States v. Raines 362 U. S. 17, 21 in which the Supreme Court said that "[one] to whom application of a statute is constitutional will not be heard to attack the statute on the ground that impliedly it might also be taken as applying to other persons or other situations in which its application might be unconstitutional", and despite the assumption of the Court that the statute clearly covers appellee's conduct, nevertheless the Court said it still must determine whether a court may hear appellee's complaint that the statute is facially unconstitutional because *others would not know whether their proposed conduct would constitute contemptuous treatment* (emphasis supplied).

The Court then interpreted the sense of the doctrine with respect to vagueness in the following language: ". . . if the nature of a party's conduct is not so dissimilar from other behavior sought to be proscribed by a statute, such that an interpretation distinguishing his behavior from that of others would not provide more certain notice to potential offenders and would also seem unwarranted in the light of a legislative determination to cover all such activities, then a void-for-vagueness challenge allows a court to rule on the facial constitutionality of that statute." For this scintillating bit of legal legerdemain the reader is referred to S. Sedler, "Standing to Assert Constitutional Jus Tertii in the Supreme Court," 71 Yale L. J. 599, 608 (1962). How easy it is, then, to attack statutes enacted for the protection of society! That applies, even though the defendant admits that the ordinance (statute) was *not uncertain* as applied to his conduct and despite the fact that "citizens who desire to obey the statute will have no difficulty in understanding it." See Grayned v. City of Rockford, 408 U.S. 104; and Papachriston v. City of Jacksonville 405 U.S. 156; and Colten v. Commonwealth 467 S.W. 2d at 378. The Court readily admitted that the conduct punished in each of those cases was precisely the type of activity which the statute sought to punish.

However, the approach seems to be quite different in the case of statutes having an economic application, as in the cast of U.S. v. National Dairy Products Corp. 372 U.S. 29, in which case a federal statute prohibiting sales at "unreasonably low prices" was attacked as void on its face. In that case the court stated that it would "consider the vagueness attack solely in relation to whether the statute sufficiently warned [the offenders]." Then, after examining the past applications of the act and the violators' conduct, the Court noted the difference between an economic regulation case like the one before it and First Amendment cases. It concluded that it was thus permitted to consider the warning provided by [the statute] not only in terms of the statute "on its face" but also in the light of the conduct to which it is applied. Thus the Robinson-Patman Act can be taken as not being void for vagueness as a constitutional flaw.

How convenient for the court to find vagueness in a statute intended to protect the American flag's physical integrity, although the conduct of the defendant was precisely the type intended to be covered by the law, while the imprecise language of the Robinson-Patman Act is not void for vagueness because it regulates commerce.

The Court answered this conundrum by stating that the U.S. District Court properly found that it is not clear "to what extent [the statute] prohibit[s] any public deviation from formal flag etiquette." See Goguen v. Smith, supra at 167. It then went on to enumerate the possibilities of deviation, any of which or none of which could be interpreted as "treats contemptuously." The test would apparently be judged by the reaction of people in Leominster's business district and "persons in Cambridge's Harvard Square." If the defendant had defecated on the flag in Harvard Square, instead of wearing a flag sewn to his jeans in Leominster business district, I wonder if the decision would have been any different.

The state argued that the statutory words spell out design, and describe conduct that affects the physical integrity of a flag of the United States, that the desecration words, being aimed at protecting the physical integrity of the flag, are not speech-oriented. The Commonwealth argued that if the appellee is assumed to have been engaging in symbolic speech, it (Commonwealth) was furthering a substantial government interest, within its power, unrelated to suppression of expression, and no greater than essential to further that interest, thus meeting the requirement of U.S. v. O'Brien 391 U.S. 367, 376–77.

The Court responded by saying that any effort to enforce this law "would be the exact equivalent of an effort to carry out a statute which in terms merely penalized and punished all acts detrimental to the public interest when unjust and unreasonable in the estimation of court and jury", quoting U.S. v. Cohen Grocery Co. 255 U.S. 81. Noting its misgivings concerning the recent Supreme Court decisions that state juries in criminal trials may be formed of less than twelve persons, and that unanimity is not required for conviction, the court went on to say that "the danger is greater that personal views of morality or politics or other whimsical notions may infect jury verdicts in the guise of providing certainly to an utterly vague phrase like "treats contemptuously."

Thus, it appears that the Court feels a danger exists that some criminals may be convicted under the new jury system for such crimes as rape, arson, kidnapping, armed robbery and the like, who might not under the old jury system. The Court concluded this part of its decision by stating that because "treats contemptuously" gives no sufficient warning to prospective offenders as to the reach of the law, the statute is impermissably vague.

It is apparent from decisions reached in the Chicago Seven contempt appeals, among others, that the Federal Appellate Courts have difficulty recognizing contemptuous behavior in any arena.

The very conclusion cited above is then contradicted by the language of the same court in the part of its decision entitled "The First Amendment and Overbreadth."

Whereas, the Court stated above that because "treats contemptuously" gives no sufficient warning to prospective offenders as to the reach of the law . . . the statute is impermissively vague, it changed its course with respect to First Amendment treatment by saying that the statute is a double edged sword of Damocles not only menacing the exercise of constitutional freedoms, but also serving to obstruct any future adjudications with regard to unknown, innumerable other individuals who may, . . . forego asserting their rights under fear of criminal prosecution and punishment.

In addressing itself to the overbreadth challenge to the statute which involves itself with First Amendment rights the Court conceded that in the context of a federal habeas corpus proceeding a state criminal statute should not be ruled unconstitutional on its face as overbroad unless:

1. the area affected by it includes a large proportion of First Amendment activities;

2. it possesses the potential for a substantial number of impermissable applications; and

3. immediate and effective excision of the statute's impermissable applications is not foreseeable without continued interruptions of First Amendment Freedoms.

The Court then ruled that its analysis of the Massachusetts statute before it under those standards requires a conclusion that it is unconstitutional as overbroad.

In terms of the tripartite test the conclusion reached appears to be oversimplified, to say the least. The statute applies only to those who "publicly mutilate, trample upon, defaces or treats contemptuously the flag of the United States . . . ." How can it be said that these acts include a large proportion of First Amendment activities? In what respects does the statute possess the potential for a substantial number of impermissible applications? Lastly, if no First Amendment Freedoms are involved in such acts, how can it be said that any impermissible applications (if any may be found by the Court) might not be excised immediately and effectively from the statute?

The statute punishes only acts which constitute contemptuous treatment of the flag, and they are unprotected by the First Amendment. The Court found an answer to that by saying that the mere fact that the wording of the statute, under which the act is condemned, must be defined in words, the act is an expression of feeling and words, thus covered by the First Amendment. In Joyce v. U.S. 454 F. 2d 971 (D.C. Cir. 1971), certiorari was denied by the U.S. Supreme Court in 405 U.S. 969 (1972), a flag desecration statute case, the court held that the statute did not affect First Amendment rights more than marginally.

In Street v. New York 394 U.S. 576 (1969), another flag desecration case, four justices of the Supreme Court dissented from the majority opinion that such statute subjects individuals to punishment for feelings and words—clearly protected First Amendment activities—as well as acts, which are not automatically without protection. Of significance in this connection is the fact that in 1969 four out of the nine justices then sitting dissented from the majority decision. They sided with the principle enunciated in Halter v. Nebraska, 205 U.S. 34 (1907) that there is a valid state interest in punishing acts of desecration and disgrace to the flag.

The Court, however, is not satisfied with this principle, insisting upon the majority opinion in the Street case and then—as if to solidify the righteousness of its position—adopts the Barnette rationale. See West Virginia Board of Education v. Barnette 319 U.S. 624 (1934). The Barnette case had nothing to do with flag desecration, and is irrelevant insofar as the instant case is concerned, although an attempt is made to equate refusal to allow a child to salute the flag on religious grounds with the act of desecration.

To further complicate the rationale in this case we find Judge MacKinnon's language in Joyce v. U.S. (supra) quoted to the effect that the flag represents our national unity and independence, and that through our history as a nation the flag has been our symbol in many wars, foreign and domestic . . . It has signified our national presence on battleships, airplanes, school houses and army forts . . . Wherever it flies it signifies the presence of the United States of America.

In this connection the Court magnanimously adds: "It is without doubt therefore that the flag has a meaning—a very special meaning—historically associated with support of our form of government and its majestic presence.

If it did not speak by itself as a symbol of the United States of America, we doubt that any state would have sought to protect its message from verbal or physical abuse."

The use of the word "symbol" is the key to the next approach in bringing our "act" within the First Amendment decisions. The word "symbol", it appears, stems from a Greek word meaning "token", but more important for the instant case a symbol may constitute "an act, sound or material object having cultural significance and the capacity to excite or objectify a response." So says the dictionary. This puts us on the threshold of incisive reasoning, as the Court then adds language credited to Law Review articles: "Such a primary symbol, likely to be recognized by all who see it, speaks when it is placed in odd positions, conjoined with symbols or words, or made the butt of grimaces, speech or gestures. We do not have to determine generally at what point that which is often called conduct becomes *akin* to pure speech." (emphasis supplied)

In developing this theory the Court cites numerous cases in which "conduct" is discussed but we find that in one case considered authoritative it was stated that "It is self-evident that *most, if not all,* conduct associated with the United States flag is symbolic speech. Such conduct is *normally* engaged in with the intent to express some idea. Further, such conduct is *invariably* successful in communicating the idea." (emphasis supplied) The Massachusetts Supreme Judicial Court, in the words of this Court, found such a message "inarticulate" in the instant case, although the Circuit Court opined that the statute reaches to a large degree conduct of which "the communicative content . . . was beyond dispute", thus falling under the heading of First Amendment activities.

Thus, the next stop becomes easier. We are a far cry from the "act" of wearing an American flag sewn on the backside of appellee's pants. The Court, "having determined that the Massachusetts law presents an 'actual and apparent danger' to symbolic speech which is more than strained and remote", then applied the requirements of U. S. v. O'Brien 301 U. S. 367 (1968) to determine whether the statute additionally possesses the potential for a substantial number of unconstitutional applications. [It is important here to note that in "O'Brien" speech and non-speech elements are combined in the same course of conduct. The instant case involves only the non-speech element].

In applying the O'Brien test, the Court stated that the Flag Desecration statute may be constitutionally applied only if:

1. it is within the constitutional power of the government;

2. if it furthers an important or substantial government interest;

3. if the governmental interest is unrelated to the suppression of free expression;

4. and if the incidental restriction on alleged First Amendment freedoms is no greater than is essential to the furtherance of that interest.

The Court concedes 1 and 2. However, in its discussion of the third element the Court extended a gratuitous insult to all American Legion members, living and dead, in its attempt to justify a finding that the statute is directly related to the suppression of free expression, although, on other grounds it conceded that the statute is sufficiently unrelated to the suppression of First Amendment rights so as to satisfy the third element of the test.

The crucial part of the Court's decision is found in its discussion of the statute with respect to the fourth element. While admitting that experience has demonstrated the propriety of imposing some restrictions on the exercise of the First Amendment rights where substantial government interests are at stake (which admittedly exist here), nevertheless the Court pontificates that the desecration statute "focuses upon a particular attitude or belief, the content rather than the form of expression of which provides the foundation for the offense." This, says the Court, is symbolic speech and "the medium is the message" and to suppress the medium is to censor the message, especially where it is being conveyed through a passive form of expression.

All of this for being arrested for wearing a small cloth American flag sewn to his blue jeans on the area covering his left buttock. I wonder if it would make any difference if it was a large cloth flag sewn over his entire backside. Obviously not.

The worst is yet to come. Not only does appellee Goguen get off scot free, but the Court ruled the entire statute unconstitutional. Henceforth, unless a new law is enacted which may overcome the objections of the court, the American flag in Massachusetts is to be considered just another rag which may be publicly mutilated, trampled upon, defaced or treated contemptuously—and with the blessing of the United States Court of Appeals for the First Circuit.

It is difficult to believe that the people of Massachusetts and the country will accept this tragic end for a flag with such a proud history.

As matters stand now, the national flags of the U.S.S.R. and the Peoples Republic of China are protected from desecration under Massachusetts law, MGL Ch. 264, 57, subject to criminal penalties, while the flag of the United States of America is not protected at all.

EVERY NICKEL OF TRUST FUND NEEDED FOR HIGHWAY USES

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. CLEVELAND. Mr. Speaker, because of the widespread interest in pending transportation legislation shared by Members of this body, I wish to call the attention of my colleagues to the assessment I have made on the basis of my more than 10 years on the Public Works Committee.

As I told Transportation Secretary Claude S. Brinegar during our colloquy earlier this week, highway-related demands on the user-supported trust fund—far exceeding anticipated revenues—will require the use of every nickel for highway purposes.

Unmet needs which have accumulated during 90–10 spending for the Interstate system include a great backlog in terms of improvements in primary and secondary highways—resurfacing, widening, and relocating—along with new construction and vitally needed highway safety measures.

Increase of the matching on the non-Interstate Federal aid system to 70–30 from 50–50 represents another legitimate demand on the trust fund and strengthens the case against diversion for urban rail rapid transit.

At the opening of the hearings, I submitted for the record a statement touching on these issues, and highlighting the potential drain on transportation resources resulting from runaway high-rise development in places like New York City.

Even a leading advocate of rapid-transit use of highway trust fund has stated that the World Trade Center in New York—half again as large as the Pentagon—threatens to create the "worst traffic jams in history."

Elsewhere in fun city, a massive complex including 9,500 luxury apartments on platforms over the East River has been proposed.

Mr. Speaker, I see a real threat of such development taking place without controls and resulting in demands for costly expansion of transit facilities with the taxpayers and highway users elsewhere in the Nation called on to pick up the tab.

My statement to the Public Works Committee follows:

STATEMENT OF REPRESENTATIVE JAMES C. CLEVELAND OF NEW HAMPSHIRE, TRANSPORTATION SUBCOMMITTEE, HOUSE PUBLIC WORKS COMMITTEE, MARCH 19, 1973

Mr. Chairman, as we launch what I hope will be a thoroughgoing investigation into highway matters, I should like at the outset to suggest certain key points to keep in mind as we proceed.

The overriding issue is whether we will yield to pressures to divert funds from the highway trust fund for urban rail transit. In this connection, we will hear forceful arguments in favor of rapid transit, invoking considerations of balance, flexibility, fairness, state and local prerogatives, pollution, energy and the like.

But if the past is any guide, none of this rhetoric will justify invading the trust fund for two fundamental reasons.

1. The needs for highway-related improvements are so great, and anticipated user tax revenues so limited by comparison, that the trust fund will be overwhelmed by highway demands alone.

2. Whatever the need for transit, the case cannot be made for requiring those who contribute to the trust fund to foot the bill. I am not about to see the New Hampshire farmer help pay the commuting cost for the affluent New York suburbanite.

There is another complex of problems which I hope this committee will explore, because they relate directly to the staggering increase in transit demand to be anticipated if we once abandon the principle that the highway trust fund is for highways.

These problems stem from apparent failures of metropolitan areas to plan their own development in coordination with transportation improvements. This is a critical area and one to which I shall return at a later point in my statement. It involves the urban environment in the fullest sense. And I mean to see that the same considerations and concerns raised in connection with urban highways are raised as they apply to transit.

But first consider the highway-related demands on the trust fund. The Department of Transportation has estimated total requirements between 1970 and 1990 at approximately $663 billion, including approximately $600 billion for highway transportation. Mass transportation needs have been put at $63 billion, of which $50 billion is for rail and $13 billion for bus transit.

At the same time, anticipated revenues from highway user taxes are put at $135 billion for that period.

No less an advocate of urban mass transit than Sen. Harrison Williams of New Jersey took note of the trust fund's limitations during last year's debate on the issue. His statement, quoted again in this year's debate on the other side, is instructive:

"I understand and agree that the Highway Trust Fund is not large enough to include the extensive needs of all rail systems.

"This problem can only be dealt with by increasing the contract authority under the Urban Mass Transportation Act."

It is worth recalling that also last year, Sen. Williams sponsored a measure to continue the contract authority under urban mass transit for three years at the rate of $1 billion a year in general revenues, plus operating subsidies. But this was opposed by those who sought to pry open the trust fund. When a conference deadlock ensued, the gentleman from New Jersey made a statement directly relating to our deliberations here:

"This is a program," he said, "which both the American Transit Association and the National League of Cities and Conference of Mayors—the groups which know America's transit needs at the grassroots level—considered the most important and essential transit program now before the Congress—transit's No. 1 priority legislative proposal.

"I therefore can only say that the Senate members of the conference who rejected this proposal in my judgment were sadly misguided. I would suggest soul searching on the question of whether the effort was to aid mass transit or to break up the trust fund.

"Sadly, it seems to me the majority of the Senate conferees chose the latter course."

Just last week, a sponsor of an unsuccessful amendment to authorize a far greater diversion from the trust fund then enacted in the bill on the other side said: "Let us clear this highway trust fund off the highway and get America moving again."

Doubtless we again will hear misinformed statements about the mythical huge surpluses in the trust fund, dangers of "paving over America" or chopping up the country with superhighways. Inherent in each is undue emphasis on the trust fund as the sources of interstate highways. This view ignores the need for upgrading existing highways—resurfacing, widening and relocating roadways, bus-related highway improvements and highway safety. As to this last, Howard Pyle, President of the National Safety Council, has said in response to questioning at our hearings that the trust fund should be preserved to protect the source of critically needed funds for highway safety. He estimated that unless something drastic was done, 600,000 Americans would die in highway mishaps in the coming decade.

A final point as to cost versus revenues. Our colleague, the Hon. Fred Schwengel, last year asked Theodore Kheel, Chairman of the Highway Action Coalition at our hearings last year how much New York needed:

Replied Kheel: "I could not give you a precise figure. I think there is no limit, really, on our true needs. We have neglected mass transportation so extensively in the postwar years that the needs that we have are frightening."

They certainly are frightening to those of us fighting to preserve the funding for highways.

As to my second point, the equity of the highway user subsidizing the urban transit rider, New York's experience again is significant. The basic subway fare of a nickel was in effect from the late 1800's up until 1948, when it went to a dime. It was raised again to 15 cents in 1953, remaining at that level and only went to 20 cents in 1966, ten years after we launched the interstate system and the trust fund.

Attempts are made to justify this subsidy as aid to the poor. Yet the Tri-State Regional Planning Commission's regional profile, "Subway Riders and Manhattan Autos," October, 1971, said:

"About 90 per cent of the subway riders are New Yorkers, and they have family incomes that are slightly above the average for New York City. The remaining subway trips are accounted for by middle and upper-income suburbanites.

Subways are not primarily the vehicle of the poor; rather, the poor of the Region simply do not, or cannot, travel extensively. Current riders can afford (in terms of money and time) to use the subway if the service is good."

A recent column by Joseph Kraft in praise of Atlanta's mass transit development, showed that the New York phenomenon is not unique. "Obvious benefits from this project flow to the white community. Commuting from the suburbs to the downtown offices and stores and cultural centers will be vastly improved."

And what of the poor and the black? "The benefits that flow to the low-income blacks are equally important. First and most important of all, there are low fares—right now, not a decade hence—on an expanded and improved bus service . . .

"Among the 10 new bus routes there are three—one to an industrial park, a second to a hospital cluster, and a third to a new shopping center—designed to bring blacks from the center city to jobs in the suburban ring." Buses, not subways.

Thus our urban transit systems, or one of our oldest and one of our newest, benefit the affluent. It is not fair to the highway users who pay their money into the trust fund with the understanding that the money is to build safer, more attractive and better roads, along with safety and highway-related transit facilities, to shoulder this cost.

Mr. Chairman, I strongly urge that this committee look into the entire matter of urban planning and development controls related to urban transit. This matter falls clearly within the jurisdiction of this committee for a number of reasons. First, we are being asked to divert funds from the trust fund to urban mass transit; the volume of this diversion ultimately will be determined by the degree of demand, which in turn stems from transit-generated development. Secondly, there are requirements for coordination of rapid transit with highways, the latter clearly within the province of this committee. Thirdly, there is doubtless a parallel between a metropolitan area's ability to coordinate overall development with highways and its coordination of development and transit.

My basic concern is that either of the two possibilities is likely to occur. 1. That development around subway facilities is allowed to become so dense as to render the facility obsolete, thereby generating demand for further costly improvements. 2. That development is allowed to take place in disregard of the need for transportation, again generating demand for costly improvements.

As we already know, the Urban Mass Transit Administration can make two-thirds capital grants provided certain planning requirements are met. It has been allowed to make 50 per cent grants pending compliance with planning requirements with the difference between the two figures—one sixth—held available for payment if the requirements are met within three years.

There are comprehensive planning requirements imposed in connection with the highway systems, and I understand that some 30 cities are not certified as meeting even the minimal requirements of establishing a planning process.

This suggests that a review of planning is in order.

There is evidence at hand that this planning and land-use control is not being performed. Here in Washington, for example, there have been complaints that the transit-related development at Friendship Heights is likely to create congestion and environmental disruption.

In New York City, the World Trade Center is expected to create a nightmare of congestion, according to a March 20, 1972, article in the Wall Street Journal entitled: "Critics Say World Trade Center Will Complicate Mass-Transit, Pedestrian Snarls in Manhattan."

According to the article, Mr. Theodore Kheel said of the Port Authority which is developing the Trade Center:

"This is going to be a great irony, that any agency created to solve our transportation problems winds up creating one of the worst traffic jams in history."

I see even greater irony in his attempts to use the trust fund to bail out New York. No wonder, again in his words, "there is no limit, really, on our true needs."

There is a parallel here, between uncontrolled development being used to justify public improvements, such as a flood plain development being used to justify dams which later become obsolete because of further development. Or dense development around airports, which later generate complaints about the noise.

So there is a fruitful field for investigation here.

Requirements for Environmental Impact Statements, which have been used to cripple so many urban highway projects, require:

"A statement of any environmental impacts which will result in any irreversible and irretrievable commitment of resources. This statement should include an analysis of the likelihood of adverse environmental impacts which will be caused by future developments generated by this proposed project," Exhibit L, Excerpts from External Operating Manual, UMTA, August , 1972.

Environmental impacts listed include effects on population growth and dispersal within the area, increases or decreases in the traffic or congestion levels on streets and highways, and division or disruption of established committees, such as "disrupting orderly, planned development."

Mr. Chairman, I have no wish to have the federal government dictate local patterns of development. What we have a right and a responsibility to endure is that local plans meet national policy objectives and that those locally formulated plans are followed.

So I urge exploration of this field with the thought that any funding of urban mass transit be accompanied with a more meaningful and explicit "impaction" statement.

And only when these questions are answered can a realistic determination be made as to the even partial justification for diversion of highway funds for mass transit.

I am confident that the real costs identified by such an injury will support the case that diversion is not justified.

Let us also recall that the objectives stated by UMTA include:

"*Relief of traffic congestion*. This objective seeks improvement in overall traffic movement and travel time in urban regions especially during peak hours of travel demand . . .

"Improving quality of urban environment. This objective requires achievement of land use patterns and environmental conditions that effectively contribute to the physical, economic and social well-being of urban communities. Land use patterns and transportation networks are to be developed with a view to minimizing the need for transportation facilities and their demands on urban space."

I submit, Mr. Chairman, that there is a grave question whether this is being met here in the Washington metropolitan area, and strong evidence to the effect that it is most decidedly not in New York City.

BYELORUSSIAN INDEPENDENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. PEYSER. Mr. Speaker, this Sunday will be the 55th anniversary of the proclamation of independence of the Byelorussian Democratic Republic.

On March 25, 1918, the people of Byelorussia proclaimed their national independence and their determination to govern themselves in a democratic manner. Their national independence, however, was short lived. Within a year, Soviet troops conquered the free State of Byelorussia.

Nevertheless, through this long period of Soviet domination the people of Byelorussia have maintained their culture and identity. They have continued to express their firm resolve to live in freedom and to govern themselves.

I think that we should pause today to reaffirm our basic commitment to the principle of self-determination for all peoples. In Byelorussia today we can see the effects of a denial of that right.

I join my colleagues today in expressing the hope that the time will soon come when the Byelorussian people shall be able to exercise the right to determine their own form of government.

PUBLIC KNOWLEDGE AND BUSING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. RANGEL. Mr. Speaker, no public issue has been treated with as much emotionalism and distortion as the issue of schoolbusing. From the average housewife to the Members of Congress to the White House residents, very little, if any, knowledge and reason has been used in considering busing policy.

The U.S. Commission on Civil Rights has realized this and offered an interpretation of Opinion Research Corp.'s recent comprehensive poll on the public's attitude and information on the question of busing to achieve school desegregation. I now submit for your attention and the attention of my colleagues, excerpts from the Commission's interpretation entitled "Public Knowledge and Busing Opposition":

PUBLIC KNOWLEDGE AND BUSING OPPOSITION: AN INTERPRETATION OF A NEW NATIONAL SURVEY

A new national poll on school busing shows that the public has very little knowledge about the facts of existing busing plans. Those who know the most, this opinion survey indicates, are most inclined to support busing. The study also shows that a large fraction of the public is prepared to support limited amounts of busing when convinced that it is the only alternative to segregated education.

During the past two years a succession of public opinion polls and referenda votes have shown that most people favor school integration but oppose busing. A number of the questions about busing, however, have been incomplete or misleading. National polls have asked about busing as if it were an end in itself rather than a means to remedy unconstitutional segregation. A March 1972 national poll question assumed that the purpose of busing was to "achieve racial balance," although the courts have emphatically said that desegregation, not racial balance, is the goal. After noting both the contradictions in the existing data and the defects of the previous questions, the Civil Rights Commission decided to acquire and analyze the data collected in an in-depth national survey of busing information and attitudes conducted by Opinion Research Corporation in November and December, 1972.

Commentators often ignore the contradiction between the public expression of support for integration and the opposition to busing. They assume that the busing statements express the "real" opinions and the integration support is very largely hypocritical. Given the level of housing segregation in metropolitan areas and the size of the ghetto population, the fact is that there cannot be serious desegregation in many areas without transporting students.

The new survey was designed to explore much more precisely the contradictory opinions of the millions of Americans who support integration but often resist the only means to desegregation. Two-thirds of the people who say they support integration are also generally opposed to busing.

TABLE 1.—GENERAL ATTITUDES ON INTEGRATION AND BUSING[1]

[In percent; N=2006]

	Support	Oppose	No opinion	Total
Integration as a national objective	67	22	11	100
General support for busing	21	70	9	100

[1] See appendix 1 for poll questions and basic results.

TABLE 2.—ATTITUDES OF INTEGRATION SUPPORTERS AND OPPONENTS ON GENERAL BUSING QUESTION (N=2006)

[In percent]

	Support busing	Oppose busing	No opinion	Total
Integration supporters	27	67	6	100
Integration opponents	9	87	4	100

This survey was designed to learn the extent to which public opposition to busing is monolithic and implacable and to study the relationship between accurate knowledge of the facts of existing busing requirements and attitudes on the issues.

The survey produced three basic findings:

(1) The public seriously misunderstands the facts of the busing controversy.

(2) Those who best understand the facts are more supportive of busing and much more opposed to Congressional action or a Constitutional amendment to forbid court-ordered busing.

(3) Most people expressing an opinion are willing to support strictly limited busing when there is no other way to desegregate the schools.

This survey does not show public enthusiasm for busing, but merely that the public is poorly informed and that this misinformation is related to busing opposition. A review of the data also suggests that a large number of Americans do not realize that there is often no alternative to busing if desegregation is to be achieved.

Misinformation is not, of course, a total explanation of the intense public opposition to busing. Even with effective national and local leadership accurately communicating the facts of the situation, there would doubtless be substantial opposition. In some cases, no doubt, an underlying opposition to integration or attachment to an existing school tends to predispose people to accept and respond to false claims about busing.

The fact remains, nonetheless, that many millions of Americans are very seriously misinformed about vital issues affecting their children. The only reasonable hypothesis is that *if* they did know and understand the facts then their attitudes would become somewhat more favorable.

The survey shows that the basic slogans of busing opponents have been very largely accepted as facts by the American people. For example, most people who express an opinion believe that the courts have ordered busing even though they think there is evidence that it damages education, that busing is extremely expensive, and that children are being forcibly bused from suburban school districts into central city districts. Many also believe that busing is physically dangerous for children and that desegregation seriously damages the test scores of white children. All of these beliefs are wrong.

THE POSITION OF THE COMMISSION

The Commission on Civil Rights believes that the findings of the national public opinion survey summarized in this report underline the urgent need of the public for more accurate information on one of the most important domestic issues in our society. Too often public officials, educational leaders, and members of the mass media have, unthinkingly, accepted the criticisms and passed on the slogans of busing opponents without troubling to examine the evidence. The result has been increased public tension, magnified public fears, and serious pressures on the government at all levels, as well as the schools, and the children who are trying to handle successfully a major transition in accord with the mandate of the Constitution as enunciated by the Supreme Court of the United States almost two decades ago.

The public is clearly confused. The people have been misled. They believe, for example, that the Constitution should not be amended to limit desegregation but that it is all right for Congress to retrict the courts' power to order busing.

The striking anomaly is that the American public simultaneously shows a commendable restraint about interferring with the constitutional provisions establishing the right to a non-segregated education but a willingness to see Congress restrict this right through legislation, without even following the procedures for amendment of the Constitution. It seems not to occur to many Americans that if it is a mistake to diminish the rights of citizens by amending the Constitution, it is an even more grievous error to attempt to deny constitutional rights by a simple act of Congress. It is noteworthy, however, that a majority of those citizens expressing an opinion who had a reasonable understanding of the facts of the busing dispute opposed Congressional action. Those who were moderately to well-informed opposed the Constitutional amendment by a better than 3 to 1 margin.

This survey clearly demonstrates the oversimplified character of earlier descriptions of public attitudes on busing. The figures show severe public confusion and misinformation. The study shows a close relationship between understanding the facts and more favorable response toward desegregation. The more people know, the less willing they are to restrict the Constitutional rights of black children.

The challenge to our public and private leadership at all levels to present the facts accurately is an extremely important one. If the people are accurately informed, we believe that they will oppose moves to restrict the right of ghetto children to attend better, desegregated schools and that they will accept the changes necessary to fulfill the national objective of integrated education.

Basic decisions on education are far too important to be decided on the basis of unfounded, emotion-laden slogans. The recent report of the Senate Select Committee on Equal Education Opportunity, often known as the Mondale Committee, summarizes the costs of public confusion:

"The focus of national debate on the misleading issues of "massive busing" and "racial balance" has contributed to deteriorating public confidence in the justice of constitutional requirements, and in the essential fairness of our judicial system."

When we decide the fate of desegregation in metropolitan areas in which most American children learn, we are making decisions which will deeply affect the pattern of American race relations and therefore the whole nature of our society. Before the people decide, they deserve the facts.

BLUE CROSS AND BLUE SHIELD INCREASED RATES

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. REID. Mr. Speaker, recently the New York State Insurance Department approved rate increases for Greater New York Blue Cross—also known as the Associated Hospital Service of New York—Greater New York Blue Shield—United Medical Service—and Greater Buffalo Blue Shield—Blue Shield of Western New York.

I want to take this opportunity to protest strongly these rate increases, which in my view are unwarranted, undeserved, and unnecessary.

They come, moreover, at a time when the costs of health services are so high that Americans can no longer afford to get sick. Senior citizens, in particular, are hard hit by these increased rates which come on top of notice from the administration that hospital costs under Medicare will be almost tripled for the average stay. And in the meanwhile, the pending administration budget requests would phase out other vital publicly funded health programs such as the regional medical program which provide health care to those in need.

Blue Cross rates, to be specific, will increase an average of 7.4 percent and affect 1.5 million community rated subscribers. It seems peculiar to me that a 7.4-percent increase should be need if health services costs are still supposedly under controls, limited to 2.5 percent for prices and 5.5 percent for wages, as under phase II.

I question not only the need for the increase, in light of the fact that just last May the Greater New York Blue Cross was granted a 14.8-percent increase, but especially the 5-percent additional overlap above and beyond the allowable increase in health services costs.

What becomes increasingly clear in analysing the facts of the case is that New York Blue Cross and Blue Shield have not proven the administrative, structural, or fiscal responsibility that should be required prior to the granting of any rate increase. Rather, in the case of Blue Shield, they managed to "lose" over $15 million of their reserve funds while experimenting with a contract with New York City employees. Although the New York State Insurance Department found that such mismanagement warranted criticism and that a "serious question" had been raised as to the "suitability" of the chief executive officer, Dr. Leonard Raider, they issued only a small scolding in their report and virtually let the matter drop. If Dr. Raider's suitability was indeed a serious question, I am bewildered as to the department's failure to act on it in any way.

In addition, I would point out that the insurance carriers in question have used almost 15 percent of their premium income on purely administrative costs—a clearly excessive percentage indicating again that the management is far from satisfactory.

I am taking the floor today, Mr. Speaker, because I want to bring these injustices—and most of all the alarming injustice of granting increased rates with no corresponding improvement in service—to the attention of my colleagues, especially those in New York State.

Until the United States recognizes the need for a system of national health insurance, I think it vital that private insurers such as Blue Cross and Blue Shield be strictly audited. Such a process is apparently necessary simply to protect the public—the customers of these carriers—who literally cannot afford the increased premiums being demanded of them.

It appears that in too many cases these carriers are forcing their subscribers to pay the blatant errors in management for which the carriers themselves are responsible. Dr. Raider's qualifications—or lack thereof—are swept under the table, $15 million of Blue Shield's surplus is "lost," management and administration are weak at best, and the fact that costs of health services are still under mandatory controls and have been since the granting of the last, most recent rate hike, is ignored. Not only, therefore, is it shocking that Blue Cross and Blue Shield dared request such an increase, but equally it is shocking to me that the insurance department would grant it on the basis of such a cursory examination of the issues in question.

At a time when health costs are out of reach to many millions of Americans, I find this increase in rates unjust and unfair, let alone unwarranted. It is high time, in my view, to grant all Americans a right to decent health at a reasonable cost.

TRIBUTE TO WILLIAM BENTON

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mrs. GRASSO. Mr. Speaker, Bill Benton will be sorely missed. We mourn the passing of the gentle giant of our times whose undaunted courage in pursuit of justice and decency in an era of fear and silence will be a living memorial to mankind.

Bill Benton served Connecticut and the Nation with honor and distinction that reflected his love of country and consideration for the rights of people. His now legendary achievements in the business community were matched by the superb accomplishment of a lifetime of public service as Senator from Connecticut, Ambassador to UNESCO, and champion of many causes that gave full expression to his concern for his fellowman.

For those of us who worked with this remarkable man in pursuit of a better life for the people of our State and Nation—for those of us who had the opportunity to know at first hand the originality of his intellect and the depth of his concern—we bid Bill Benton farewell with sad hearts at our loss and grateful thanks for the privilege and pleasure of knowing him.

FEDERAL PROGRAMS NOT THE ANSWER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. DERWINSKI. Mr. Speaker, I fully support the principle of decentralization of government and have maintained that legitimate States' rights and home rule are the answers to many of the problems that have not been solved by the massive Federal bureaucracy. An excellent argument of this concept has been made in an editorial of March 7, 1973, in the San Diego Union which I insert into the Record:

Cities Must Shoulder Problems

In his series of State of the Union messages, President Nixon saved some of the most bitter language for his description of the Housing and Urban Development programs that were supposed to save decaying central cities. Many of these programs have resulted in no more than "high-cost, no-result boondoggling," he said, especially housing programs which have turned the federal government into a "nationwide slumlord."

This lies behind the President's proposal to eliminate seven urban development programs and suspend four housing programs, replacing them with $2.3 billion in special revenue sharing funds for cities. It would then be up to mayors and city councils to decide how best to apply these funds to save their cities—if federal money is indeed necessary to save them.

Resistance to this new approach has already surfaced in the form of a "National Ad Hoc Housing Coalition" made up of representatives of labor, the construction industry and social organizations. One of its weapons is the report of a congressional committee headed by Sen. William Proxmire, the Wisconsin Democrat. While the committee is arguing that federal housing programs should be continued, its report actually bears out the indictment voiced by Mr. Nixon.

It confirms that the programs are afflicted with runaway costs, are turning out housing units that are a building inspector's nightmare, and have sometimes left conditions in slum neighborhoods worse than they were before the federal bulldozer arrived. The committee, however, thinks the whole problem can be solved by leaving the programs intact with "improved management."

The best answer to that lies in the experience of former HUD Secretary George Romney, who spent four years trying to improve the management of programs inherited from the Johnson Administration. He finally concluded that the programs were so misguided in their concept and so subject to waste and abuse in their bureaucratic structure that the government should abandon them.

It is a travesty on the concept of urban renewal to disclocate the residents of a neighborhood and offer them shoddy housing at a price they cannot afford. Millions of dollars have shuffled through the hands of lenders and builders, and the people in the slums are back where they began. Meanwhile, the American taxpayer has wound up as landlord of 90,000 houses and apartments either vacant or occupied by people who cannot or will not pay for them.

Mr. Nixon's proposals are not a penurious denial of funds for improvement of conditions in city slums. Between federal revenue sharing and the improving financial outlook for city governments as a whole, there are resources at hand to make genuine headway against urban blight. The President's program would simply put city officials in the driver's seat, and those with a real sense of responsibility for what is happening in their own cities will accept the offer.

KENTUCKY'S FOURTH DISTRICT ANSWERS QUESTIONNAIRES

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. SNYDER, Mr. Speaker, in February I sent out my annual questionnaire to the people I represent in the Fourth District of Kentucky. The response to this year's poll has been significantly heavier than in other years—and this is especially striking in view of the fact that the recent congressional redistricting in Kentucky reduced the population of our Fourth District by about 120,000 people.

Mr. Speaker, this questionnaire is one of the very best ways that the people I represent communicate with me here in Congress. I have now finished reading, tabulating, and compiling the answers to the questionnaire and I want to have them printed at this point in the Record so that my colleagues here can have the benefit of the views of the people of the Fourth District of Kentucky on some of the great issues facing our Nation today:

Answers in Percent

1. President Nixon has indicated he intends to make substantial cuts in government spending to avoid an income tax increase. Do you favor such reductions even if they affect your favorite Federal program? Yes, 85.6; No, 12.8; No opinion, 1.6.

2. Would you favor a Federal law or constitutional amendment reinstituting Capital Punishment for certain specified crimes? Yes, 91.1; No, 7.4; No opinion, 1.5.

3. Do you favor Federal legislation to strictly control strip mining? Yes, 82.6; No, 13.0; No opinion, 4.4.

4. Would you favor taking monies set aside for highway construction in the Highway Trust Fund for use in urban mass transit? Yes, 48.6; No, 49.1; No opinion, 2.3.

5. Would you favor a proposal to place more restrictions on the American Citizen's right to own a gun? Yes, 35.5; no, 62.5; no opinion, 2.

6. Much has been said about "the energy crisis." Do you think meeting America's future energy demand should be a top priority of the Congress? Yes, 79.5; no, 13.9; no opinion, 6.6.

7. Do you favor a constitutional amendment which would prohibit the busing of school children to achieve a racial balance? Yes, 90.1; no, 9.1; no opinion, 0.8.

8. Elementary and Secondary aid to education programs are due to expire in 1973. Do

you think Congress should continue spending for such programs on the Federal level? Yes, 53.4; no, 42.1; no opinion, 4.5.

9. Would you favor a system of Federally-controlled and funded "child development" and "day care" centers for pre-school American children? Yes, 14.6; no, 83.9; no opinion, 1.5.

10. Do you favor further cuts in America's contribution to the United Nations? Yes, 81.1; no, 16.1; no opinion 2.8.

Mr. Speaker, all of these results are very important. However, in light of recent events, I want to call special attention to a couple of them. On question No. 1, dealing with reduction of Federal expenditures, the people I represent overwhelmingly support the President's program of reducing excessive spending and waste in the Federal Government. By an even larger percentage—No. 2—the people would appear to be solidly behind the President's commonsense call for a reinstitution of capital punishment. These are only two of the responses, but they provide some idea about what kind of thinking the people down our way are doing.

I would urge my colleagues to study these views carefully. Thank you.

TRIBUTE TO ROBERT GAYDOS

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. McKAY. Mr. Speaker, on April 29 of last year, an extraordinary act of mercy and compassion was performed in Utah. Robert Gaydos, a resident of Richmond, Utah, very probably saved the life of a young motorcyclist through his immediate and unselfish actions.

Mr. Speaker, I include a letter from the Red Cross explaining these actions, and commend Mr. Gaydos for his compassion. The letter follows:

THE AMERICAN NATIONAL RED CROSS,
Washington, D.C., March 1, 1973.

Hon. GUNN MCKAY,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MCKAY: I wish to bring to your attention a noteworthy act of mercy undertaken by one of your constituents, Mr. Robert A. Gaydos, R.F.D. 61, Richmond, Utah 84333, who has been named to receive the Red Cross Certificate of Merit. This is the highest award given by the American Red Cross to a person who saves a life by using skills learned in a Red Cross first aid, small craft, or water safety course. The Certificate bears the signatures of the President of the United States, Honorary Chairman, and E. Roland Harriman, Chairman of the American National Red Cross. Presentation will be made through the Western Electric Company, Inc.

On April 29, 1972 Mr. Gaydos, who has been trained in Red Cross first aid, was observing a hillside through binoculars and saw a young man on a motorcycle hit a boulder and thrown from his vehicle. Mr. Gaydos, with a friend, immediately drove to the accident site and found that the 16-year-old boy had been severely injured. After sending for help. Mr. Gaydos gave first aid for bleeding and treated for shock until an ambulance arrived. Although seriously injured, the victim survived. The attending physician stated that the immediate first aid given by Mr. Gaydos undoubtedly made it possible for the victim to survive until medical help was reached.

This action exemplifies the highest ideal of the concern of one human being for another who is in distress.

Sincerely,

GEORGE M. ELSEY.

THE 152D ANNIVERSARY OF THE INDEPENDENCE OF GREECE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ANNUNZIO. Mr. Speaker, March 25 marks the 152d anniversary of the day when the Greeks began a series of uprisings which led to their independence from Turkey. The struggle of Greece for independence lasted for many years until Turkish military power was broken by the destruction of their fleet at the hands of the British, the French, and the Russians.

Long before the final defeat of the oppressor and the official recognition by Turkey of Greek sovereignty in 1832, Greece had begun to plan ahead for its well-being as an independent nation. A national assembly met at Epidaurus on January 1, 1922, proclaimed independence and introduced a constitution drafted by Alexandros Mavrokordatos and Theodoros Negris.

During the long and bitter war of independence, the world was inspired by the indomitable resistance and heroic dedication of the Greek patriots. Our own John Adams remarked:

> My old imagination is kindling into a kind of missionary enthusiasm for the cause of the Greeks.

It was during the seige of Missolonghi that the famous British poet Lord Byron lost his life in defense of Greek liberty.

During the next century, the Greeks devoted their efforts to establishing a stable government and to promoting economic stability and social progress. When they were threatened anew with the opening of World War II, again they showed their fierce devotion to freedom and independence. On October 28, 1940, Greece rejected the Fascist ultimatum to surrender. "Okhi"—"No"—was the Greek reply, and this famous response is remembered annually in the Okhi Day holiday which celebrates the Greek determination to remain free.

The end of World War II brought no respite to the Greeks. Their country was devastated, and they faced a new threat within their borders in the form of armed Communist bands seeking to overthrow the government. However, once more they showed courageous determination to preserve their liberty at all costs. The struggle against the Communist threat was aided substantially by America's pledge to assist the Greek people in their fight against the communist rebels.

America's pledge became popularly known as the Truman doctrine for it came in the form of an announcement on March 12, 1947 by former President Harry S Truman. At that time, Truman noted—

> The valor of Greece . . . convinces me that the Greek people are equal to the task.

In 1949, America's faith was rewarded, for hostilities came to an end and the Greek struggle against the communist forces were successfully concluded.

The idea of democracy, born in ancient Greece over 2,000 years ago, has prevailed and has inspired other nations in their struggle against oppression. In fact, possibly no other people since their beginnings have given more to the world in the fields of thought and beauty and practicality than the Greeks. Modern philosophy was born of the reasoning and logic of Socrates, Plato, and Aristotle. Medicine is indebted to Galen and Hippocrates, mathematics to Euclid and Archimedes, law to Nestorius, the arts to Aeschylus, Sophocles, and Euripides, and politicians emulate Demosthenes.

It is thus a pleasure to extend greetings to Americans of Greek descent in the 11th Congressional District, which I take pride in representing, as well as those in Chicago and across our Nation on the occasion of their Independence Day and to recall a century and a half of genuine friendship between the people of America and the people of Greece.

DAVID GIMBEL: NEW YORK'S 13TH CONGRESSIONAL DISTRICT'S SUPERCOURAGEOUS MAN

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. PODELL. Mr. Speaker, while many of us face tragedy at some point in our lives there are few who need greater courage and sensitivity than the parents of retarded children. For them the commonplace is often poignant; normal expectations of watching their children grow, love, marry, and bear children of their own can never be fulfilled.

For some their strength is so firm that what are simple pleasures for most become great joys and minor accomplishments of life become great triumphs, but the pain and the dreaming of might-have-beens and better time are never completely absent.

David Gimbel, himself the father of a retarded daughter, has written a poem which expresses well both the strength and the heartbreak found in this existence and I would like to share it with my colleagues and friends.

Mr. Gimbel's poem follows:

LAST NIGHT I DREAMED, DEAR GOD

(By David Gimbel)

Last night I dreamed, dear God, that my
daughter became a bride,

And the boy she fell in love with was standing at her side.
It was the month of June with the heavenly scent of flowers.
'Twas a mother's dream fulfilled for the next few wonderful hours.

In my dream I could plainly see as the guests all took their places,
While smiles of love, so filled with hope, adorned the couple's faces.
The music of the wedding march burst forth with peels of joy,
And soon they were to take their vows, my darling and her boy.

At last the happy moment came, my heart was filled with pride
As the boy just slipped the ring upon the finger of his bride.
But suddenly the spell was broken and I awakened with a scream,
For I began to realize that this was all a dream.
My dream bride is retarded in the very flower of life,
And never will she be a mother or a wife.
Oh, those darkened, tragic moments that fill a parent's heart with pain
Have always remained a mystery that one cannot explain.

My face is wet with tears, dear God, for dreams all fade away,
So this broken-hearted mother must live from day to day,
With love and hope that storms will pass and skies will turn to blue,
And that sometime in the future my dreams may all come true.

TOWARD A FAIR AND EFFICIENT FEDERAL SERVICE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ASHBROOK. Mr. Speaker, for a number of years I have been interested in the personnel problem in the executive branch and especially at the Department of State, inserting from time to time information in the CONGRESSIONAL RECORD which merits public attention. Not only is it vital to keep unsuitable applicants from Federal employ, but a fair and efficient Federal service demands that loyal and qualified Government workers should not be made the target of unfair treatment when protesting abuses in Government.

For many years now governmental abuses of all types have been the special target of Clark Mollenhoff, the Pulitzer Prize-winning investigative reporter of the Des Moines Register, formerly an aide to the Nixon administration and presently Washington Bureau Chief of the Register. Mr. Mollenhoff in the past has clobbered both Republican and Democrat administrations when he believed existing abuses merited firm treatment.

Today's Washington Post and New York Times carried an account of Mr. Mollenhoff's appearance at a Civil Service Commission hearing in the case of A. Ernest Fitzgerald, who found himself without a job after protesting a cost overrun on a Government contract. Although not sufficiently familiar with the details of the Fitzgerald case to make a judgment, I believe the facts should be brought to light in the interest of fair play. This evidently is precisely what Mr. Mollenhoff sought to achieve in appearing before the Commission yesterday.

I am familiar, however, with personnel problems at the State Department and, here again, as in the Fitzgerald case, Mr. Mollenhoff has labored long and hard to make public some of the abuses in that Department. His column of March 17 in the Register is but the latest example of his efforts in this area. It is indeed unfortunate that the reporting of an able and forthright newsman, expertly qualified in Federal affairs, is not available in some Washington area newspaper. Only an improvement toward a fair and efficient Federal service could be the result of such an addition.

I insert at this point the three items mentioned above:

[From the New York Times, Mar. 22, 1973]

CURB SOUGHT ON MOLLENHOFF TESTIMONY

(By Anthony Riple)

WASHINGTON, March 21.—Air Force lawyers are attempting to extend the doctrine of "privileged" communications to cover a former White House aide who has become a central figure in the Civil Service Commission hearings on the layoff of A. Ernest Fitzgerald.

In a legal brief filed with Herman D. Staiman, Chief of the appeals examining office of the commission, Air Force lawyers seek to block any mention of White House dealings if the examiner allows Clark R. Mollenhoff to testify.

Mr. Mollenhoff served as special counsel to the President from August, 1969, to July, 1970. Mr. Fitzgerald's lawyers, William K. Sollee and John Bodner Jr., want to call him as a witness.

Mr. Fitzgerald is a former management analyst with the Air Force who was let go in an "economy" move after he disclosed huge cost overruns on the C–5A airplane contract. Mr. Fitzgerald is fighting to regain his old job at the Civil Service Commission hearing.

"CONFIDENTIALITY" ARGUED

In a 13-page memorandum signed by Thomas W. Nelson, administrative assistant to the Secretary of the Air Force and presented by Lieut. Col. Claude Teagarden, the Air Force made clear it was not invoking "executive privilege" but instead "confidentiality of advisory communications."

The issue of privilege has become a much debated point in a series of clashes this year between the White House and Congress.

The Air Force argues that it is not seeking executive privilege, which relates to the separation of powers between the President and Congress, but, instead, "the well-established governmental, privilege to decline to produce materials relating to internal deliberations, opinions or recommendations essential to the decisional or policy-making functions of the executive branch."

The Air Force argues that Mr. Mollenhoff should not be allowed to testify anyway since he attended some of the hearings as a newspaper reporter, Mr. Mollenhoff is Washington bureau chief for the Des Moines (Iowa) Register and Tribune.

LAWYERS SEEK APPEARANCE

Mr. Fitzgerald's lawyers argue that they are developing evidence as the case goes along and could not predict they would eventually call Mr. Mollenhoff. Now they have to call him, they said, after three other witnesses they requested refused to testify on possible White House involvements in the layoff of Mr. Fitzgerald.

They also argue that the power to call a witness who may have heard previous testimony lies with Mr. Staiman.

Mr. Mollenhoff was at the hearing room this morning in a noisy, animated and unscheduled appearance.

He called the proceedings a "kangaroo court" and said that he was ready to testify. "Every effort is being made to keep the facts from being put on the line," he said.

Mr. Staiman said that he was interrupting the hearing.

"If the truth is an interference, then I am interferring," Mr. Mollenhoff said.

"If you don't stop your interruptions, I'll have to ask you to leave the room," Mr. Staiman said.

Mr. Mollenhoff left a short time later.

"It appeared to be a hearing that was avoiding the truth," he said later. "It is the most peculiar effort to extend executive privilege to someone who doesn't want it."

The hearing has lasted 18 days—12 of them in public sessions—over the last two years.

Mr. Fitzgerald contends that he was not let go in an economy move but dismissed because he had made the cost overruns public.

Mr. Staiman said that he would rule in the next few days on whether Mr. Mollenhoff can testify.

[From the Washington Post, Mar. 22, 1973]

FITZGERALD FIRING HEARING STIRS MOLLENHOFF OUTBURST

(By Lawrence Feinberg)

Clark R. Mollenhoff, a former aide to President Nixon who later returned to being a reporter, interrupted a Civil Service Commission hearing yesterday with charges that it was a "kangaroo court" trying to "bar the truth" about the firing of Pentagon management analyst A. Ernest Fitzgerald.

Despite requests by the hearing examiner that he be quiet, Mollenhoff stood up several times in the audience of the hearing room, and demanded that he be allowed to testify.

When the examiner, Herman D. Staiman, threatened to ask him to leave, Mollenhoff declared loudly:

"I'm only trying to get the truth on the record."

Then he picked up a thick briefcase and strode out the door, trailed by a wire service reporter.

Fitzgerald is seeking reinstatement to the job he lost with the Air Force after telling Congress about a $2 billion cost overrun on the C–5A airplane.

Mollenhoff, a long-time member of the Washington bureau of The Des Moines Register and Tribune, served as a special counsel to Mr. Nixon in 1969 and 1970. He summoned Air Force officials to his White House office in November, 1969, after Fitzgerald was dropped from his job.

Last week lawyers for Fitzgerald made public several recent letters from Mollenhoff to Mr. Nixon and White House Counsel John Dean III.

The letters said Fitzgerald had been "brutally mistreated." Mollenhoff said in interviews that he wrote them as part of an unsuccessful effort to persuade Mr. Nixon to have Fitzgerald rehired.

Two weeks ago, lawyers for Fitzgerald asked that Mollenhoff be allowed to testify at the Civil Service Commission hearing. Air Force lawyers objected.

At the beginning of yesterday's hearing, Staiman announced that he had not yet decided whether to allow Mollenhoff to testify, because he had just received legal briefs on the matter.

In its memo, the Air Force contended that since Mollenhoff had been at several previous hearings, his appearance as a witness would violate the normal judicial rule against testimony by persons who have heard others testify.

The memo added that Mollenhoff also should not be allowed to testify about what he learned as a White House staffer because of "the confidentiality of advisory conversations involving the White House staff."

It cited a string of legal decisions to support its position, and said this "executive privilege" is needed to encourage "full and frank discussion . . . within the executive branch."

Yesterday Fitzgerald's lawyer, John C. Bodner Jr., said Mollenhoff would tell all he knew about Fitzgerald's firing "without invoking executive privilege." Then, despite Staiman's announcement that he had not yet decided whether to allow Mollenhoff's testimony, the lawyer called on him to speak.

Mollenhoff, heavy-set and 6 foot 4, rose in the front row of the audience and declared, "This is a kangaroo court. Every effort is being made to prevent the facts being put on the line."

The soft-spoken Staiman reprimanded Bodner and Mollenhoff for "this public interference" with Civil Service hearings, which, until a court ruling obtained by Fitzgerald, had always been closed.

"If the truth is an interference," Mollenhoff responded loudly, "then I'm interfering."

After Mollenhoff left the room, Air Force Col. James D. Pewitt, the only witness of the day, refused to say whether he met with Mollenhoff about the Fitzgerald case in the White House. He said his refusal was based on executive privilege.

Several weeks ago, at an earlier session of the hearing, Air Force Secretary Robert C. Seamans Jr. said he decided to abolish Fitzgerald's job as part of a staff reorganization because Fitzgerald had completed the work he was hired to do.

Fitzgerald contends that he was dismissed because of his disclosure about the C–5A.

[From the Des Moines Register, Mar. 17, 1973]

Complaints on Nominee Not Probed—Senators Indifferent to Charges

(By Clark Mollenhoff)

Washington, D.C.—The Senate Foreign Relations Committee has virtually ignored "the most serious charges" against Deputy Undersecretary of State William P. Macomber in giving tentative approval to his nomination as an ambassador.

The serious charges include condoning perjury, falsification of records, arbitrary treatment of Foreign Service officers and personal misrepresentations of the facts to the Secretary of State and members of Congress.

The charges have been leveled by top officers of the American Federation of Government Employees (AFGE), the largest federal employe union, in and by present and former Foreign Service officers.

Macomber has been in charge of personnel administration at the State Department the last four years.

The Senate Foreign Relations Committee has not even questioned Macomber under oath on the charges made or reiterated earlier this week and Chairman J. William Fulbright (Dem., Ark.) says it "would be an exercise in futility, because the committee members don't really care."

"I suppose I could have the staff investigate the charges and could call Macomber in for questioning, but I'm tired of being a one-man opposition to the Nixon administration nominations and policies," Fulbright said.

Instead of the committee members being upset about the charges against Macomber made by AFGE and Foreign Service officers. Fulbright said, "Macomber comes in here with the best sponsors possible—Senator (Mike) Mansfield, the majority leader, and Senator (George) Aiken (Rep., Vt.), the senior Republican member of the committee.

"BIG RECEPTION"

"Senator Aiken is even planning a big reception for Macomber to celebrate his confirmation."

AFGE President Clyde M. Webber said he cannot understand why the Foreign Relations Committee paid so little attention to the charges against Macomber. He noted that various Foreign Service officers have given testimony setting out the evidence of perjury in various hearings, of wide-scale falsification of records and of misrepresentations and allegations on Macomber's indirect and direct involvement.

Xavier M. Vela, president of Local 1534 of AFGE, Bruce N. Gregory, president of the AFGE Foreign Affairs Council, and Bernard Wiesman, president of the local that has jurisdiction in the U.S. Information Agency, are the "responsible officers" who signed a bill of particulars against Macomber, Webber said.

"To our knowledge, although a number of grievance determinations have established instances of improper if not illegal actions by managers or supervisors, none of those persons responsible has been reprimanded or otherwise held accountable," the bill of particulars stated.

"Our concern, one that we hope the Senate shares, is that just as employes are subject to disciplinary actions and poor performance ratings, management he held accountable for its mistakes," the statement said.

The more specific charges have been made by Mrs. Charles W. Thomas, widow of a Foreign Service officer who committed suicide after being "selected out" on the basis of erroneous filing of records, and by former Foreign Service officer John Hemenway.

Hemenway has accused Macomber of condoning perjury and rigging the procedures against him, as well as permitting false documents to be circulated to misrepresent his case.

Mrs. Thomas alleged perjury, condoning perjury, falsifying documents and misrepresentation to Congress.

OTHER CASES

John Harter, a Foreign Service officer and and economist, charged that Macomber personally intervened in his case and caused him to be illegally selected out. The hearing he obtained over Macomber's objections resulted in his reinstatement and a promotion.

Harter provided documents to the committee that he said establish and corroborate Macomber's illegal and improper role. However, the committee staff reviewed them only casually and indicated to Harter that they would not be included in the printed record but would be "on file with the committee." He also charged that Macomber made misrepresentations to the secretary of state and to Congress on his case.

Allison Palmer, a female Foreign Service officer, alleged sex discrimination prevented her from being promoted. She charged that Macomber, who was the equal opportunities officer for the State Department, conspired against her to permit removal of documents from her file that would have clearly established discrimination.

Miss Palmer is currently involved in litiga- charging that Macomber was personally responsible for attempting to destroy her career.

Carl Marcy, chief of staff of the Foreign Relations Committee, said he is aware of the serious nature of the charges leveled against Macomber and is aware various Foreign Service officers have submitted documentation they contend substantiates their charges.

Marcy said he is also aware that the protest agains Macomber's nomination by the AFGE is unprecedented, but "I only do what the committee tells me to do and none of my 17 bosses has indicated that they want Macomber called and questioned under oath."

Marcy acknowledged that "Bill Macomber is a good friend of mine, but I would direct an investigation if that is what the committee wants."

MANSFIELD GONE

Majority Leader Mansfield, who delivered what Fulbright called "practically an eulogy on Mr. Macomber," was out of the city Friday and unavailable for explanation of his views on the charges against Macomber.

Senator Aiken said that he didn't know "exactly what the charges agains Macomber are" and he hadn't read the communications from the AFGE.

"All I know is that some of these same complaints about Mr. Macomber have been kicking around for months and years and are old hat as far as I'm concerned," Aiken said.

He said he didn't know whether Macomber had been questioned in detail on the specific charges raised by Hemenway, Thomas, Harter and Palmer, but added: "I listened to the charges by Hemenway and the others, and the staff didn't point anything out in particular. In that committee we rely heavily upon the staff to call our attention to what's important."

Senator Gale McGee (Dem., Wyo.) said he knew the AFGE to be a responsible organization and viewed the charges "to be serious, if true."

"We've been over all of this many times and never resolved anything as to who was responsible for the wrongdoing," McGee said. "We've questioned Macomber on some of this and the staff has talked to him about it."

"I got the impression that the staff didn't think much of the charges and that it was all pretty vague," McGee said.

Senator Hugh Scott (Rep., Pa.), the Senate Republican leader and a member of the committee, said he was "only vaguely familiar" with the AFGE charges and testimony of Foreign Service officers.

"LITTLE TO SAY"

"We on the minority side have little to say about how things run in that committee and we wait for the chairman to direct the staff to investigate," Scott said. "I don't know the merits of the case and if I did it wouldn't make any difference because the majority party rules."

AFGE President Webber said that he plans to write another shorter, more pungent letter setting out the case against Macomber that will be delivered to all of the members of the Foreign Relations Committee "and perhaps to all members of the Senate."

HEALTH CARE, WHILE NOT IDEAL, IS STILL THE BEST

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. QUILLEN. Mr. Speaker, in view of the recent attention that has been directed toward our Nation's veterans hospitals, I would like to share an article that appeared in the Febraury 28 edition of the Johnson City Press Chronicle about the fine VA hospital in my congressional district in Tennessee, and Director Russell's comments before the Johnson City Rotary Club:

HEALTH CARE, WHILE NOT IDEAL, IS STILL "THE BEST"

Health care in general, and in Veteran Administration hospitals in particular, was discussed at the Rotary Club yesterday by Robert Russell, director at Mountain Home.

Russell said that health care in the United States, while far from ideal, is still the best in the world.

He spoke of rising costs in hospitals and said most of the increase has come from higher pay for employes, not doctors' fees. He said the American public demands "the best," and then is required to pay for it.

The speaker said that from 1960 to 1970, medical prices jumped almost twice as fast as other commodities. He said that the hospital business is one of the largest in America.

Russell said the Veterans Administration operates the largest chain of hospitals in the world. He reminded the club that there are 30 million living veterans in the United States today, and that the nation owes them all the health care they need.

He said that at Mountain Home, the average patient cost per day in the hospital is $47.34. He noted the scale decreases for patients in nursing care for the elderly and in the domiciliary.

Russell said Mountain Home has an impact on the economy of this area, noting that $10.5 million is paid in salaries alone, not counting items purchased such as food and medications.

During a question and answer period, Russell said he could conceive no finer association than that which would result from the joining of Mountain Home and East Tennessee State University in operation of a medical school here.

JERRY VOORHIS ON CONGRESSIONAL POWER

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. WALDIE. Mr. Speaker, over 25 years ago, in a relatively unknown district of southern California, the career of today's best known public figure began. In 1946, Richard M. Nixon defeated Jerry Voorhis for the congressional seat that Mr. Voorhis had held for 10 years. Since that time, we all know what happened to Mr. Nixon. But what about Jerry Voorhis? Although not in the public eye, Mr. Voorhis has remained active and interested in the affairs of his government.

I recently received a letter from Jerry which expressed his grave concern over the actions of his long ago opponent. The aggrandizement of power by the executive branch has been increasing too rapidly, especially since President Nixon has been in office. He is also fearful that the fine institution in which he once served, the U.S. Congress, has lost, and may never regain the power expressly granted it by the Founding Fathers in the U.S. Constitution.

There is only one way that the Congress can ever maintain or regain the power it is rapidly losing. It cannot wait for the Supreme Court to take action. It cannot rely upon the people for action. And it certainly cannot let the executive branch determine its role. We must act on our own, and we must act now. If we want our power returned to the legislative branch of Government, we must cease our ambivalence and make a strong, concerted effort to make sure that President Nixon does not and and cannot virtually repeal the laws enacted by Congress through his actions. We must make sure that President Nixon does not relegate Congress to, as Mr. Voorhis states, "virtual impotence."

In his letter, Jerry Voorhis mentions that the Members of Congress realize much of what he says. If only that were true. If only all of my colleagues recognized the ineffective power of this governmental institution, and would gather together to assure that Congress retains its rightful role. To my colleagues who are wavering, who are unsure of the stand they should take, and to the American people who are uncertain as to whom they should support in this challenge, I give you the words of a man who inadvertently started the political life of the President who is now attempting to drain our power away.

The letter follows:

CLAREMONT, CALIF.,
February 5, 1973.

DEAR CONGRESSMAN WALDIE: Please excuse the fact that this letter is mimeographed. I am sending it to many members and could not afford to do that in other form.

The American Revolution was fought to overcome the arbitrary actions of the British King. The Constitution was formed with a deliberate purpose of preventing the President from ever exercising power similar to that of a monarch against which the Revolution had been fought.

Our country stands today in imminent danger of subversion of our constitution form of government. The President is seeking in the most flagrant and arrogant fashion to relegate the Congress to a position of virtual impotence. He is concentrating all decision-making power in his own hands and those of his secretly operating White House staff which is immune even to Congressional inquiry. To quote Mr. Ehrlichman, a chief advisor to the President, "There shouldn't be a lot of leeway in following the President's policies. It should be like a corporation, where when the chief executive says jump, the staff only asks how high."

Congress is falsely accused by the President of being responsible for the deficits of recent years and of being a "spend-thrift." But in his address to the Democratic caucus, Senator Mansfield presented the fact that in the four years of Mr. Nixon's first term, the Congress appropriated some $20 billion *less* than Mr. Nixon asked for, and that in the current year alone the Congress has cut some $5 billion from Mr. Nixon's requested war appropriations.

Mr. Nixon's declaration, even as he signed it into law, that he would pay no attention to the Mansfield Amendment for the fixing of a date for withdrawal of American troops from Vietnam, and thus violate the law of the U.S., was one instance. His recent impounding of more than half of the funds appropriated by Congress for cleaning the waters of America after that legislation had been passed by overwhelming majorities over his veto, is an equally flagrant instance. His virtual unilateral declaration of war against Cambodia is another one.

But we are now confronted, in the actions taken by Mr. Nixon during the Christmas holidays and in his budget proposals, with no less than a sweeping attempt, by arbitrary executive action to reverse and effectively repeal vast areas of laws enacted by the Congress. In practically every case the programs to be destroyed, if Mr. Nixon has his way, are those which benefit the average citizens and the poor citizens of this country.

The order to increase the rate of interest on rural electric loans to cooperatives will simply have the effect of compelling many of those cooperatives to sell out to the private power companies. The incredible cessation of the soil and water conservation programs and the curtailment of disaster loans to farmers as well as the heartless proposal to abolish the school milk program, constitute a threat to our natural resources, an attack on our farmers, and deprivation of our needy school children. Head Start is no longer to be funded. Medicare hospitalization is to cost the older people about twice what it formerly did. And all housing programs which might benefit lower income people, are to be discontinued. Even funds for the Mental Health Center program, one of the nation's greatest needs, are to be almost shut off if Congress permits Mr. Nixon to have his way.

It is no surprise that the Office of Economic Opportunity is to be dismantled. Or that what was once to be a war *against* poverty in the U.S., is to be turned into a war against the poor. With crime on an alarming increase among young people, the promising Juvenile Delinquent Prevention Program recently enacted by the Congress, is apparently not to be funded at all.

All this is proposed on the excuse that it is "necessary in order to prevent an increase in taxation" and on the further excuse that many of these programs have been "failures." The first excuse is utterly invalid in light of the fact that Mr. Nixon's budget calls for an increase of $4 billion in the appropriations for war. This despite all the fanfare about the agreement signed in Moscow with the Soviet Union and the ending of the American participation in the war in Vietnam.

The second excuse is equally ridiculous. Head Start has not been a failure from a point of view of millions of little children. The Soil Conservation program has not been a failure but a program vital to our country's future. The Rural Electrification program has been one of the outstanding successes of recent years. Medicare can hardly be called a failure. The Juvenile Delinquency Prevention program has not even been allowed to start. There have been scandals in connection with some of the housing programs but this is not the fault of those programs but of their mal-administration. Had Mr. Nixon proposed the revival of the 202 program for low interest loans for Senior citizens, and of 221 (d) (3) below market rate program for low cost housing to replace sections 235 and 236, his proposal might make some sense. But his administration had already virtually ended those two programs.

The obvious reason for this unbelievable attack by the president against all these programs and many more not mentioned in this letter, is not that they have failed but that they were started by an administration other than Mr. Nixon's.

With respect to taxation the problem arises because of the multi-billion dollar reductions in corporation taxes upon which Mr. Nixon has insisted and some of which he unilaterally initiated. It arises because the refusal of the Nixon administration to support the closing of tax loop holes and the raising of funds from those best able to pay. It arises because of the still existing gross inequity represented by the heavy taxation of earned income and the relatively light taxation and unearned income.

The issue is not between a president who wants to save money and a congress which wants to spend it. Neither is the issue between a spending limit and no such limit. For congress can impose its own limit whenever such action seems necessary. The issue is between a president who wants to spend money for military extravagances and a congress that wants to spend it for social programs helpful to the American people. The still deeper issue is whether or not the position of the congress of the U.S. is to remain as the constitution provides it to be, whether the congress is to retain control of the nation's purse strings, and whether or not the executive is to be permitted to virtually repeal laws enacted by the congress. Unless the congress stands up and fights now for its very place in the American government, we shall, soon see our country ruled by a form of government which shall be nameless here, but which is a far cry from "government by and for the people."

The challenge laid down by the Nixon Administration to the effect that unless the congress obeys the president's will, he will freeze unlimited funds appropriated by the congress, constitutes "executive blackmail." The congress should meet this challenge headon, and I am confident the American people will support their direct representatives if they do so.

I fully realize that all I have written in this inexcusably long epistle is far better known by the members of congress than by me.

But as a deeply concerned citizen, who loves his country deeply, I could not live with myself if I did not speak out in defense of the American structure of government and of the congress in which I was once privileged to serve.

Sincerely,

JERRY VOORHIS,
Member of the House of Representatives, 1937–47.

SOCIAL SERVICES RULE REVERSAL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1973

Mr. ANDERSON of Illinois. Mr. Speaker, I wish to commend the administration on abandoning its proposed regulation to prohibit the use of private, charitable contributions as local matching money in obtaining Federal social services funds. This seed money from the private sector has proved to be a most valuable element in providing necessary social services for the needy and moreover has demonstrated the viability and advisability of forging a public-private partnership for worthwhile social ends.

I am also encouraged to other changes in the proposed social services regulations before they are finalized. I think we must be especially cautious in tightening up this program which had gotten out of hand so that we do not precipitate new social problems that will come back to haunt us. I particularly have in mind the potential elimination of day care centers now used by working mothers. If we force these mothers to seek more costly child care services elsewhere, they may well conclude that they are better off going on welfare; and the subsequent cost to the public will be manifold any savings which may accrue from the new regulations. When I supported the administration's family assistance plan in the last two Congresses, I was strongly committed to the concept of income supplements for the working poor as a means to keep them on the work rolls and off the welfare rolls. This same philosophy should guide us with respect to social services for the working poor, and central to this is the provision of day care services for working mothers. I hope the administration will give this matter special attention in its review and reconsideration of the proposed regulations. At this point I include an article from the March 15 New York Times, "More Funds Seen for Social Uses."

The article follows:

]From the New York Times, Mar. 15, 1973]

MORE FUNDS SEEN FOR SOCIAL USES

(By Marjorie Hunter)

WASHINGTON, March 14.—Responding to mounting protests, the Nixon Administration backed down at least part way today from earlier plans to trim Federal outlays for state and local social services.

The Administration's retreat was disclosed by Caspar W. Weinberger, the Secretary of Health, Education and Welfare, as he underwent questioning before a Senate subcommittee.

Mr. Weinberger said that the Administration had now decided to abandon a proposed rule that would have prohibited private, charitable contributions from being used in whole or in part as local matching money by states and localities applying for Federal funds for social services.

The Secretary also said that other proposed regulations—described by critics as both regressive and self-defeating—would be reviewed "sympathetically" during the weeks ahead before final action is taken.

The Administration's stand coincided with a move by bipartisan groups in both houses of Congress to nullify, through legislation introduced today, proposed H.E.W. regulations that they say would force thousands of working poor onto the already overcrowded welfare rolls.

JAVITS IS OPPOSED

Senator Jacob K. Javits, Republican of New York, one of the principal sponsors of the Senate bill, complained that the proposed regulations would seriously jeopardize New York's social services.

Describing the bill as "legislative guidance," Senator Javits noted that H.E.W. "has given notice there will be regulation changes. We, in turn, are giving notice we will nullify those regulations. Now, we're even."

Joining Senator Javits in cosponsoring the Senate bill were Senator Walter F. Mondale, Democrat of Minnesota, and some 40 other Senators of both parties. Identical legislation was offered in the House by Representative Ogden R. Reid, Democrat of Westchester, and a bipartisan coalition of 76 other Representatives.

Under present law, state and local social services—including day care, treatment of alcoholics, employment, foster care, family planning, health and legal aid—are provided under a funding formula of 75 per cent Federal and 25 per cent state or local.

THE PROPOSED REGULATIONS

Among the proposed regulations, announced a month ago, are rules designed to narrow the types of services that states and localities must offer; eliminate strict Federal requirements for licensing of day care facilities; prohibit states and localities from having donated space, equipment or other "in kind" services from being considered part of the 25 per cent local matching share; and virtually eliminate such social services as child day care for the working poor.

"These proposed regulations constitute impoundment by red tape," Senator Mondale said. "They could cost the states and cities at least $1-billion."

Senator Javits, noting that "New York already took a great beating" when Congress imposed a $2.5-billion ceiling last year on spending for social services, termed the new rules as "adding insult to injury."

Senator Javits pointed out that about half the families now receiving some form of social services aid in New York were not on the welfare rolls and that most of these persons would no longer be eligible for aid.

He said that thousands of working mothers, whose jobs are dependent on the availability of day care centers for their children, might have to quit their jobs and go on welfare.

Representative Reid said that under the proposed regulations, 30,000 of New York State's 66,000 older persons now receiving social services would become ineligible. He also said that the state would lose $27-million of the $32-million now received for foster care; and that more than a third of the 52,000 children now in day care programs would become ineligible.

LOWER FIGURE SOUGHT

While Congress imposed a $2.5-billion ceiling on spending for social services, the Administration has asked for just $1.8-bilion for the fiscal year starting July 1.

Appearing before a Senate subcommittee on government operations, Mr. Weinberger was repeatedly asked today by Senator Edmond S. Muskie of Maine and Senator Lawton Chiles of Florida, both Democrats, why the Administration had sought only $1.8-billion.

Mr. Weinberger replied that the lower figure was based on state estimates of the amounts they would seek and on "the expectation from the proposed regulations."

However, under further questioning, Mr. Weinberger said that if the states sought more than $1.8-billion, their requests "will be honored" up to the ceiling of $2.5-billion.

UKRAINIAN NATIONAL REPUBLIC

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. EILBERG. Mr. Speaker, prior to the takeover of the Ukraine by the

Soviet Union, the people had been subjected to the tyrannical rule of the Russian czars. When Nicholas II was overthrown in 1917, the Ukrainians felt the time had finally come to proclaim their independence. This occurred on January 22, 1918, and it is this date that commemorates the birth of the Ukrainian National Republic.

From the beginning the newly liberated nation was beseiged with problems, mostly ones of strengthening their government and bringing order to the war-ravaged land. The Soviet Government took this opportunity to attack the new and weak Ukrainian state and the newly freed peoples fell once more to foreign domination.

It was not until after the revolution of 1905 that the Ukrainians under Russia were able to express themselves more freely. From that date there were Ukrainian delegates in the first Duma, but the constant changes in the Russian electoral laws and the reaction that followed the failure of the 1905 Revolt steadily reduced the opportunities of the Ukrainians for political action. The outbreak of World War I sharply changed the situation. The Russian Government at once adopted an extreme anti-Ukrainian position, stopping all Ukrainian language publications and forbidding the opening of any purely Ukrainian relief societies.

Following the armistice with the central powers, Lenin officially recognized Ukraine as a completely sovereign and independent state on December 17, 1917. However, an ultimatum was soon delivered ordering the Ukrainians to stop all efforts to disarm Soviet regiments, and to return weapons to those units which had been disarmed. If this was not done in 48 hours, the Soviets threatened to declare war.

The Ukrainian Army was not able to withstand the resulting attack. Many of the older units were ill-equipped and a volunteer force of almost untrained students trying to defend the approaches to Kiev was cut to pieces at Kruty on January 22, 1918. The Bolsheviks entered the city and they at once began a reign of terror, massacring indiscriminately in the streets and holding mockeries of trials before an extraordinary committee of the Cheka. The Ukrainian Central Rada decided that under these circumstances it was best to make peace with the central powers and to send their own delegates to Brest-Litovsk, despite the protests of the British and French representatives in Kiev.

On February 7, the Germans, Austrians, and the delegates of the Rada signed the first of the treaties made at Brest-Litovsk. The central powers recognized the independence of the Ukrainian National Republic, in return the Ukrainians promised 1 million tons of grain to be sent to the central powers. By the end of April, the entire area had been cleared of the Bolsheviks and the country was beginning to recover from the initial Soviet Russian aggression. On April 29 a constitution was adopted and Professor Hrushevsky was elected President of the Republic.

The country had been robbed and ruined by the Communist occupation. Despite the efforts of the Rada and its officials, they could not harvest grain fast enough to satisfy the German military, who had aided in clearing the country of the Communists. On April 28, a German detachment raided the Rada on various charges despite the protest of President Hrushevsky. Then on April 29, Skoropadsky called for the overthrow of the Rada. He proclaimed himself Hetman of the Ukrainian State and announced the introduction of a conservative regime. Then, following the collapse of the central powers on November 15, a Directory consisting of Vynnychenko, Petlyura, F. Shvets, A. Makarenko, and O. Andriyevsky started a revolt and marched on Kiev. By December 19, the Directory had entered Kiev and the Ukrainian National Republic was restored.

Meanwhile, in November of 1918, Stalin in Moscow, contrary to the armistice of Kiev, made the previous June, established a Ukrainian Soviet Government under Communist leaders. On November 17, a Revolutionary Military Soviet was set up in Kursk under Antonov, Stalin, and Zatonsky, to carry out this decision. In December a manifesto was issued by the Provisional Workers' and Peasants' Government of the Ukraine, claiming to be the Soviet Government of the Ukraine and threatening death to anyone obeying the laws and orders of the legal Ukrainian Government.

With the approach of the Communists, the Directory was forced to retire from Kiev on February 4 and began its wanderings to the northwest. Almost immediately, the forces of General Deniken, which had been advancing from the Black Sea with the support of the Western Entente Powers, forced the retirement of the Ukrainian Government and in turn were compelled to retreat and abandon Kiev to the Bolshevik troops.

Then after the Battle of Warsaw, while the Ukrainians were fighting in eastern Galicia, the two forces advanced again but hostilities were ended by the armistice of Riga on October 18, 1920. The Ukrainian Soviet Republic signed this treaty and no mention was made of the Ukrainian National Republic. The withdrawal of the forces of the Ukrainian National Republic across the Zbruch in November 1920 marked the close of a chapter in an epic struggle for national independence. It did not, however, bring tranquillity to the territory which fell under Red rule. Uprisings by the oppressed people of the Ukraine continued.

The Ukrainian people, who have suffered greatly from the aggression and genocidal policy of the Soviet Union, have in past centuries been neglected by the non-Russian world. Today the Ukrainian Soviet Socialist Republic of the U.S.S.R. is a charter member of the United Nations but is not allowed to enter into direct relations with any of the free nations of the world. It still remains, in the opinion of the masters of the Kremlin, raw material to be remolded and shaped to fit their fancy without regard to the principles of democracy or the wishes of the people.

This state of events is unacceptable to lovers of liberty. Thus, while joining with our Ukrainian brothers in commemorating this melancholy anniversary of freedom so briefly enjoyed and so cruelly lost, let us resolve that the day will not be long in coming when the Ukraine will again truly be free.

HON. EMANUEL CELLER STRONGLY SUPPORTS AND ENCOURAGES THE ACTIVITIES OF THE NATIONAL ARTS AND HUMANITIES FOUNDATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. RODINO. Mr. Speaker, on March 15, the former dean and distinguished chairman of the House Judiciary Committee, the Honorable Emanuel Celler, appeared and testified before the House Select Subcommittee on Education to urge an extension and increase in the budget of the National Arts and Humanities Foundation.

The hearings centered on the importance of opera and music to the American cultural life, a viewpoint with which I deeply concur. It is a great privilege for me to share with you at this time the articulate, eloquent, and extremely moving testimony of one of our most respected friends:

TESTIMONY OF EMANUEL CELLER

I appear in favor of HR 3926—sponsored by your distinguished Chairman—Mr. Brademas and co-sponsored by an array of eminent members of the House—to extend the National Arts and Humanities Foundation for three years and at the same time increase its budget.

At the outset, let me say that it is a comfort to be back in these Congressional precincts and also to reflect on the keen awareness displayed by President Nixon in the enhancement of the arts and his recognition that support for the arts by government is essential to the national welfare.

In suiting action to words, the President has sought nearly to double the current budget for the arts to $41.7 million. I would go further—as has been indicated—and authorize over 100 million spending level the next year, rising to 200 million by fiscal 1976.

I am vastly interested in music generally and in opera in particular. I am an old fiddle player and most of the members of my family were amateur musicians. My parents were opera devotees and I often accompanied them to the old Metropolitan Opera House. In a way, I was weaned on music and opera.

Music is the universal language—understood by all—regardless of creed, color or national origins. Disraeli, in a speech in the

House of Commons, once said that, as to the effect of music, "with a blast of trumpets, soldiers march off to fight and die; at the peal of an organ, thousands sink down to pray." Music lifts up the spirit and gives respite and triumph in darkest hours of the soul. It is the religion of emotions. It can make us laugh or cry. It can expel grief with mirth. It can blot out austerity, as it can mitigate anger. It can stimulate humor. It can simulate death. Workingmen sing as they work, as a child is quieted by a mother's song. David's harmony drove away the evil spirits around King Saul. Epictetus called a table without music a manger. The festivals of the Greeks and Romans were graced by music. Even horses, dogs and bears are often delighted with music. Thus—the secret of music is praised throughout history. Must we not nurture it in all its forms?

Today I make a pitch for the Opera form. In opera—a combination of text and music—we have a tale or story combined with music. In opera, we have the power to arouse emotions, create moods and mold atmosphere. It is theatre and music. Opera dates from the end of the 16th century. Monteverdi as early as 1607—in Venice—composed ORPHEO.

This is the earliest opera that still lives but is infrequently produced. Thereafter, opera flowered, engaging the talents of such celebrated composers as Rossini—Donizetti—Bellini and later Verdi—Mascagnini—Puccini; German composers such as Gluck, Wagner, von Webber, Mozart, Beethoven, Meyerbee, Kurt Weil; French composers such as Gounod, Bizet, Massen; Russians such as Glinka, Borodin, Rimsky-Korsakov, Tchaikovsky, Mussorgsky, and others; in England, Balfe and Britten; Smetana from Bohemia; the Americans, Virgil Thomson, Douglas More, Aaron Copeland, Deems Taylor, Lugas Foss, George Gershwin, Carlo-Minnotti—just to name a few. All these great masters have had their works produced at the Metropolitan Opera House or under its auspices and today are performed by the Metropolitan Ensemble in many American cities.

For four decades I have sat in the same seat at the Metropolitan Opera House in New York with members of my family beside me and was oft awe-struck by the magnificent voices of the greatest of singers—Caruso—Lily Pons—Ponselle—Swarthout—Steher—Nordica—London—Tucker—Merrill — Flagstad—Nielson—Marian Anderson—Leontyne Price—Svanholm—Rise Stevens—Joan Sutherland—to name but a few of those who have the great gift of voice.

The production of opera is costly. The desire to hear opera on the part of the people of the U.S. has grown with the years. And during those years the upkeep and expenditure of maintaining the Opera House has greatly increased.

To many Americans and to members of Congress, the idea of government support for the arts—and particularly the Opera—may seem quite novel. Why not private contributions to cover these expenditures? Why don't those who derive the benefits foot the bills? But the arts have never been self-supporting, especially today, with such elevated costs. It is not a question of private support or government support. It is a question of both. The Metropolitan Opera House has reached out to all available sources and funds. It has searched out in all directions to tap reservoirs of money, but still it faces huge deficits, despite the retrenchment and the desire of the management to curtail upkeep. Incidentally, last year the Metropolitan's budget was $22.1 million and only 2% thereof was defrayed by Federal, State and City support. Four and a half million was raised by voluntary contributions from the private sector.

There is a new vitalizing interest in the arts, particularly among our young. This new interest is exemplified by poetry, ballet, drama, opera and chamber music as a means of expressing their innermost ideas and emotions. The Metropolitan Opera company has expanded its activities to meet these demands, particularly for the young but—strangely enough—although the number of the audience has materially increased, deficits increase. It is startling to know that every time the curtain goes up at the Metropolitan, the management loses sixteen thousand dollars!

The Metropolitan Opera, therefore, appeals for government help. The history of music in Europe and in South and Central America is a history that includes subventious to maintain Opera Houses by governments. In early times, opera companies in Europe were frequently under the aegis of some Prince or King. Even mad King Ludwig of Bavaria was the main support of Richard Wagner in producing his operas. Many opera companies in Europe receive as much as 90% of their total income from government sources. The government supports the Vienna State Opera, the Hamburg Opera, the Munich Opera, LaScala in Milan, the Royal Opera in Sweden, The Royal Opera House of London, Covent Garden—and many others. Almost any important city in Europe has its municipal Opera House supported by subventions from the local or national government. Governments pay almost two-thirds of the expenses of the opera house in Vienna—Hamburg—Munich and Stockholm.

In this connection, it is interesting to read that Martin Luther said, many years ago:

"Music must be supported by the King and the princess, for the maintenance of the arts is their duty—no less than the maintenance of the laws. Private citizens, however much they may love art, cannot afford to support it. He also said—"Music is one of the greatest gifts that God has given us; it is divine and therefore Satan is its enemy. For with its aid, many dire temptations are overcome and the devil does not stay where music is."

In Europe, Stadttheaters, Staatsopernhouses, Landes-symphony orchestras, and Staatlichen Musikhochschulen — abound everywhere. It is a milieu where music, especially opera, is the concern of states, cities and government.

A European composer may write for more than 100 publically supported opera houses.

We subsidize agriculture, the merchant marine, the air craft industry, the defense complex, atomic plants. We pledged one billion dollars to protect investors against losses from Wall Street purchases. But we are niggardly when it comes to supporting art forms. We fail to heed the old admonition—"Man does not live by bread alone."

As the distinguished member from New Jersey, Frank Thompson, Jr. said in his excellent article published by Schirmer, Inc., called *"Government and the Arts,"* . . . "The Soviet Union . . . while far from being the 'cradle of culture' its paid propagandists claim it to be, is far ahead of the United States in the financial support of the fine arts by government agencies." Walter Lippman recently called for an "American Renaissance to restore the intellectual greatness of the West."

My thrust is for the Metropolitan Opera but I want to emphasize that the Metropolitan Opera is no parochial affair. The importance of the Metropolitan Opera is nation-wide. It has tremendous influence on composers all over the United States—if not the world. Its roster of singers contain many American names. It encourages to the fullest extent American composers. A few years ago the opening performance of the season was Antony and Cleopatra—by the noted American composer, Samuel Barber.

Göeran Gentele, the predecessor of Schuyler Chapin who is here this morning, said that he, Gentele, planned to make ever greater use of American singers and other talent "because we cannot ask the American people to support a company that does not provide opportunities for its citizens." Mr. Chapin, I am sure, re-echoes that thought.

The Metropolitan Opera gives 300 performances a year in 6 American cities. It provides a season of Opera—free of charge—to the people of New York City—in the parks during the summer. Over 300,000 New Yorkers listen then. Over 200,000 students attend the performances of the Metropolitan Opera Studio, an adjunct of the Metropolitan.

We are a nation af aliens and their offspring. Our denizens of French, German, Italian, Spanish, Polish, Russian, Romanian, Hungarian etc. descent, are from lands where opera is routine. They are entitled to our artistic solicitude. They generally covet opera. The Metropolitan, in part, satisfies their opera craving, especially by the Metropolitan's weekly sponsored radio broadcasts of opera throughout the 50 states. The arias, and tales of opera are part of their folk lore. Of course, there are some who hate opera. Mark Twain loathed it. Just so, some have no patience with poetry or the ballet, but that does not mean we must neglect these art forms. Too many love them. "Indeed music nowadays, whether we like it or not, is interwoven with the texture of our lives from morning till night. Music resounds for, with and through everything; it is canned and broadcast, recorded and re-broadcast. . . . (Music) is a social art . . . a lavish dispenser of pleasure." So says a Dean of Columbia University, Jacques Barzun.

Its importance in our cultural life requires our keen attention. Opera, as an important part of the secret of music, requires our support—for the benefit of all the thousands of Americans, native born and alien born, for the Metropolitan. I repeat—it is not a New York product but a nation-wide program.

As further proof of the nation-wide importance of the Metropolitan, I emphasize its National Council's Regional Auditions program. The country is divided into 63 districts, the winner of auditions in each district to compete on a regional arrangement. There are national semifinals and finals. The winners get a contract of employment and are added to the Metropolitan's roster of principal singers.

The success of the Metropolitan Opera House has added great glory to the culture of the U.S. and has been doing this for 90 years. Its operating loss has grown in the last decade from about 1 million dollars to 4 million three hundred thousand per annum.

It desperately needs financial help.

Surely you cannot fail this magnificent cultural institution.

SALUTE TO COURAGE

HON. W. S. (BILL) STUCKEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. STUCKEY. Mr. Speaker, several weeks ago a very tragic aircraft accident occurred in Atlanta. In an effort to avoid crashing in a heavily populated area, the pilots heroically maneuvered their plane so as to crash in a vacant pit. By so doing, they and their five passengers gave their lives in order that many others would be spared. In saluting their courage, I submit the following resolution passed by the Georgia State Senate honoring the two pilots for their valiant action:

A RESOLUTION

Whereas Mr. Ernest Selfors and David Phillips were distinguished pilots and a credit to their profession.

Whereas on the morning of February 26, 1973, on a routine flight over a heavily populated area of Metro Atlanta their aircraft encountered a total malfunction in both engines due to a freakish encounter with a flock of birds.

Whereas Mr. Selfors and Mr. Phillips spent the last seventy (70) seconds of their life wrestling their aircraft in a successful attempt to avoid crashing into any of a number of apartment complexes below them.

Whereas they gave their life for their fellowman and crashed their aircraft in a pit thus avoiding any injury to others due to their tragic misfortune. Therefore be it

Resolved, That the Georgia Senate expresses its sincere regrets at their passing and expresses its most sincere admiration and affection for their heroism and service to mankind above and beyond the call of duty.

BYELORUSSIAN INDEPENDENCE CITED

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. LANDGREBE. Mr. Speaker, it has been brought to my attention by Dr. Roger Horoshko, president of the Byelorussian-American Association, Inc., that a significant anniversary will be celebrated Sunday by those of Byelorussian descent.

On March 25, 1918, the Byelorussian people proclaimed their national independence. Unfortunately, the new Republic became one of the first victims of Bolshevik expansionism, and was replaced by the Byelorussian Soviet Socialist Republic, a puppet state controlled by Moscow.

During the past half-century, the Soviet regime has deliberately and persistently tried to erode Byelorussian traditions, culture, education, and even self-identity.

Nevertheless, Byelorussians and Americans of Byelorussian descent have strong convictions that their oppressed peoples will attain the freedom they have lost to Communist imperialism. Sunday, Americans of Byelorussian descent are observing the 55th anniversary of the Byelorussian independence.

March 25 is a symbol of a dynamic spiritual force for Byelorussian independence which unites all Byelorussians wherever they may be. The fight for Byelorussian independence is also a fight for the emergence of all captive nations, which is a necessary prerequisite for the establishment of a lasting peace in the world.

I believe that all Americans should join those of Byelorussian descent in reflecting on the significance of this important anniversary.

ITT OFFERED CIA $1 MILLION IN PLAN TO DEFEAT ALLENDE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. ANDERSON of California. Mr. Speaker, all of us in public life are familiar with the activities of "lobbyists" who represent special interests, and who attempt to influence public policy by educating, informing, pleading, praising, and threatening those of us who write the country's laws.

Good or bad, it is a fact of life that these organizations—whether they be Common Cause or the Highway Users Federation—exist and attempt to influence legislation.

But, Mr. Speaker, the actions taken by the big multinational corporation leaders to undermine and attempt to overthrow the legitimate governments of other nations must not be condoned.

When we read in the daily press that these corporate leaders are attempting to create chaos and revolution—not on the basis of the best interest of the United States, but, rather, in search of more and more profits—we should take action to repudiate and disavow this conduct.

Driven by self-interest and corporate profits, not only are they interfering in the domestic affairs of foreign nations, they are also using their connections to worm their way into key positions in our Government where they make important decisions affecting all of us—perhaps insuring their own corporation's prestige and influence and, at the same time, depreciating our Nation's position in the world.

President Kennedy's creed—

> Ask not what your country can do for you: Ask what you can do for your country—

Has been twisted by these big American corporate leaders to replace their old slogan "caveat emptor" with "corporation above country."

Mr. Speaker, the action described in this morning's paper makes me wonder how many of our young men who gave their lives in Indochina were sacrificed to placate the desires and interests of those who were not living by the Kennedy creed, but, instead, were seeking to maximize profits regardless of the cost in blood and national treasure.

Mr. Speaker, this is one of the reasons why in my bill, H.R. 258, I am asking for full financial disclosure of all in public service—appointed and elected—who earn over $18,000 a year, so that we can determine whose interests they really serve.

At this point, I place in the RECORD the following article which appeared in today's Washington Post:

ITT OFFERED CIA $1 MILLION IN PLAN TO DEFEAT ALLENDE

(By Laurence Stern)

The Central Intelligence Agency's former director, John A. McCone, said yesterday he transmitted to the nation's top two intelligence officials an International Telephone and Telegraph Corp. offer to help finance a U.S. government effort to block the election of Chilean President Salvador Allende in 1970.

McCone, a wealthy California businessman with high governmental connections, told Senate investigators he made the pitch personally to national security adviser Henry Kissinger and to then CIA Director Richard M. Helms, whom he described as a "close personal friend."

The Nixon administration, he said, did not act on the plan wherein ITT board chairman and chief operating officer Harold S. Geneen offered to contribute a sum "up to seven figures" to subsidize an anti-Allende political coalition in a run-off election.

McCone, a white-haired bespectacled man of 71 years and commanding demeanor, also told the Senate Foreign Relations Subcommittee on Multinational Corporations that Helms agreed, at his request, to put Geneen in contact with the CIA's chief of covert Western Hemisphere operations, William V. Broe.

"It would be a natural thing for me to do," McCone testified. "Having communicated (to Helms) the views of the staff of ITT, it was very likely that I did suggest his staff contact Mr. Geneen."

At the time, Geenen was fearful that Allende would confiscate, after the election, ITT's $150-million Chilean telephone company subsidiary and other holdings. The ITT chairman and his subordinates conducted an intensive campaign in Chile and Washington aimed at preventing Allende from taking office, according to evidence that has been presented in the inquiry.

Helms testified to the subcommittee at length on the CIA's role in the ITT campaign during a closed session on March 5, just before his departure for a new post as Ambassador to Iran.

Broe also was interrogated by the subcommittee but the testimony of both men has been kept secret until terms of its release are worked out with the agency.

McCone revealed yesterday that he has continued to serve as a consultant to the CIA since resigning from the directorship in 1965. He is also a director of ITT and it was in this capacity that he paid visits to Helms and Kissinger.

McCone, who was appointed to the CIA by President Kennedy in 1961, said he asked Helms "whether the government intended to do anything that might encourage support of a candidate (against Allende) who stood for principle basic in this country.

"Mr. Helms told me that the matter was considered by an interdepartmental committee of senior representatives of the Defense and State departments as well as the CIA, and the decision was reached that nothing should be done."

McCone was referred to the government's top-secret National Security Council committee for covert intelligence operations, the so-called 40 committee, which operates under Kissinger's direct authority.

Helms did say, however, that CIA had enough budget flexibility for a "minimal effort" to play a role in the convoluted Chilean political picture.

Under the Geneen proposal the government, with ITT financial backing, would support a coalition of the conservative National Party, headed by Jorge Alessandri Rodriguez, and the Christian Democratic Party headed by Radomiro Tomic Romero against Allende, a Socialist. As outlined in ITT documents, the plan called for the election of Alessandri in the run-off. He would then resign and call for new elections. This would open the way for former President Eduardo Frei Montalva to run and perhaps defeat Allende in a two-way race.

This scheme, described in ITT documents as "The Alessandri Formula," was abandoned when Allessandri withdrew from the race, convinced that he did not have enough support in the Congress. Allende had previously won the popular vote but because of his narrow plurality had to contend in the run-off, which he won.

McCone testified that Geneen "told me he was prepared to put up as much as $1 million in support of any government plan for the purpose of bringing about a coalition of opposition to Allende . . . to deprive Allende of his position. It would not be a plan generated by ITT or Mr. Geneen.

"I was asked if I supported it. I did, and I came to Washington several days later and told Mr. Helms of the availability of the funds and then met with Mr. Kissinger and told him the same thing. Mr. Kissinger thanked me very much and said I'd hear from him and assumed it was national policy not to do it."

During the interval between Chile's popular and run-off election, said McCone, "a number of people were trying to explore alternatives about what might be done. The Chilean military was discussing the Alessandri Plan. Mr. Broe had a shopping list and the staff of the CIA had a shopping list."

Geneen's offer of a large financial contribution to the government was made "constructively," McCone said, comparing it, in principle, to American economic aid programs for Greece and Turkey, the Marshall Plan and the Berlin Airlift.

"International Communism has said time and again that its objective is the destruction of the Free World, economically, politically and militarily . . . That is what Mr. Geneen was thinking of."

ITT is currently negotiating with the Soviet government for construction of telephone services, hotels and establishment of rental car concessions in Moscow and other Russian cities.

Sen. Clifford P. Case (R-N.J.) asked McCone if one possible use for the Geneen fund would be the bribery of members of the Chilean congress to oppose Allende. "There was no such discussion," McCone replied. "Nothing of that sort was discussed with me nor was in the discussions with Mr. Helms."

McCone acknowledged to the subcommittee that "a great many unfortunate things happened in ITT activities in Washington" during the Chilean episode. "When the whole thing surfaced, very radical changes were made in Washington. He said ITT memos on policy in Chile, which were disclosed by columnist Jack Anderson, "were never submitted to me."

The former CIA chief said, however, that he saw nothing wrong with a corporation providing financial support to "a U.S. government plan" to intervene in the domestic politics of another country.

Senator Frank Church (D-Idaho) asked McCone how he would feel if the British Shell Corp. were to support an effort to defeat an American presidential candidate if a close election were thrown into the House of Representatives—a hypothetical case comparable to Chile's situation in 1970.

"I would be very distressed if anyone tried to influence the selection by Congress of a President," McCone replied. "I would be more distressed if I heard any corporation offered to support a political action on the part of a foreign government."

Church noted that the United States had provided Chile—prior to Allende's election—$1.4 billion in economic aid during the 1960s "and the end result was the election of Mr. Allende."

THE HAZARDS OF MODERN FIBERS AND PLASTICS

HON. ROBERT H. STEELE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1973

Mr. STEELE. Mr. Speaker, I know that my colleagues in the House are deeply concerned with the problems of fire prevention and safety in this country. As you are well aware, I have introduced nine bills in this vital area which have been cosponsored by 65 fellow Members of Congress, and have received a great deal of support from firefighters nationwide.

To keep you abreast of recent developments in fire safety I would like to bring to your attention an article appearing in the March issue of International Fire Fighter. It appears that Dr. Dressler, of Harvard University, and his team of researchers are near a major break in the mystery surrounding death by smoke inhalation. Their research has shown that modern fibers and plastics produce colorless, odorless fumes when burned which cause a dramatic rise in the carbon dioxide level in the atmosphere. Not only do these fumes create a deadly atmosphere in less than a minute after ignition, but also make most smoke detector systems obsolete. Dr. Dressler's tests have also shown that the present method used by plastics manufacturers to determine flammability and burning rates of their products is invalid.

This article reinforces the reasons for toxicity standards or other regulations that would require labeling for a fabric, related material, or product that may be needed to protect the public against unreasonable risk of death or personal injury from toxic byproducts by burning of thermal degradation of the fabric, related material, or product.

My bill, H.R. 116, would provide the means, for not only safeguarding the public from the occurrence of fire, but also address itself to the clear and present dangers associated with the burning of today's highly toxic materials.

The article follows:

FIBERS, PLASTIC FUMES CAUSE SMOKE DEATHS

A short time ago, 50 Cambridge, Mass., fire fighters were felled while fighting a building fire. All the men subsequently recovered, but a Harvard University professor, Dr. Donald P. Dressler, wondered what gases were involved to render the men unconscious so quickly and apparently, without warning.

As a result, Dr. Dressler and a team of researchers obtained some unburned plastic samples from the Cambridge fire. Their experiments may result in a major break in the mystery surrounding death by smoke inhalation.

Evidence from fire tests with plastics and modern fibers shows that colorless, odorless fumes quickly displace oxygen and cause a dramatic rise in the carbon dioxide level of the atmosphere.

Thus a person is either killed or rendered unconscious in the early stages of a fire involving these materials. If he is knocked out, he soon succumbs to other lethal fumes that rapidly follow.

HIGH CO_2 LEVEL

Tests show that the Cambridge fire fighters were probably knocked out by a high level of CO_2 rather than by toxic gases.

Results of the research may have made most smoke detector systems obsolete.

"We know that this colorless, odorless gas permeates the atmosphere before smoke can be detected," said Dr. Dressler. "We need a device that will detect the gas. Plastics will have to be permeated with something which will permit immediate detection."

During the fire tests, the carbon dioxide level rises at varying speeds depending on the materials burned. Plastics and acrylics create a deadly atmosphere less than a minute after ignition.

Working on the project with Dr. Dressler are Dr. Anne Phillips, a burn specialist who is a member of the President's Commission on Fire Prevention and Control and Dr. Edna Butaney, a resident fellow in anesthesiology. Microbiologist William Skornik and technician Richard Sprenger round out the team working at Cambridge's Youville Hospital laboratories.

Their discovery pinpointing carbon dioxide as the fire villain was almost an accident. The focal point of their project was to determine human tolerance to smoke at different temperatures.

They hope to come up with a treatment for smoke inhalation, a scourge which kills 7,000 persons and hospitalizes 200,000 others in the United States annually.

The researchers are working under a two-year, $43,656 grant from the National Institute of Health. They hope that some of the side benefits of their study may help another research team at Harvard which is trying to develop a smoke mask for fire fighters.

Dr. Dressler's tests have shown that the method used by plastics manufacturers to determine flammability and burning rates of their products is invalid. These are assessed in relation to the flammability and burn rates for oak flooring which, the researchers say, is a poor comparison.

Spun glass reinforced acrylic commonly used in home wall decorations, room dividers or as light diffusers, officially has a "slow burning rate."

But tests exposing it to the heat of an ordinary electric toaster indicate otherwise. Within one minute a 4 x 4-inch panel started to smoke, and rats exposed to the fumes showed signs of euphoria. After two minutes with light smoke barely visible, the rats were unconscious and seconds later they died even before heavy smoke started to pour from the panel.

Similar results were obtained with a quarter-inch green plastic panel, the type commonly used in airplane canopies and to diffuse light in shopping centers. This material, too, had a "slow burn rate."

In both cases the burn rate under laboratory tests proved very fast. In each instance there was a sudden drop in the oxygen level of the room and a rapid rise in its carbon dioxide content.

Dr. Dressler explained that the carbon dioxide poisoned the rats' blood supply even before heavy smoke came into the chamber.

A heavy smoker or a person who is exposed to smoke constantly, such as a fire fighter, would have even less tolerance than the test animals, Dr. Dressler said.

The team still has 10 months left of its federal grant. If the study is funded to its conclusion, the results could have far-reaching effects in the building and construction industries.

And if it leads to a better understanding of what smoke inhalation does to humans—many lives will be saved.